

Quartix Holdings PLC

Trading Statement

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Quartix Holdings PLC
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Quartix Holdings plc ("Quartix" or the "Company")

Trading Statement

Quartix Holdings plc, one of Europe's leading suppliers of subscription-based vehicle tracking systems, software and services, is pleased to provide an update on trading for the year ended 31 December 2018 and to report that it will publish results for the year ended 31 December 2018 on Monday 25 February 2019. The results, together with accompanying presentations, will be posted that morning on the Company's website at www.quartix.net/investors.

The Board is pleased to report that it expects revenue, profit and free cashflow to be in line with the trading update provided by the Company on 4 December 2018 and with the current market forecasts*. The Company achieved strong levels of free cashflow and expects to pay a supplementary dividend alongside the final ordinary dividend, in keeping with its previously announced dividend policy. The Company further expects results for 2019 also to be in-line with the most recent market forecasts

The Company made excellent progress in its core fleet business in the USA and France during 2018: new installations were 66% and 76% ahead of the same period last year, respectively. The subscription base in the USA increased by 46% to 13,100 vehicles, and in France the base grew by 43% to 18,800 vehicles.

The Company noted at the half-year point that growth in the UK subscription base had slowed in relation to the equivalent period for 2017 but is now pleased to report that the internal process and structural changes made since July are beginning to take effect. The UK subscription base grew by 10% over the year to 91,200 vehicles. New installations were 18,580 units and although this lags last year's result by 6% it marks a considerable improvement in performance in the second half of the year.

New installations of fleet tracking systems in all territories were considerably stronger in the final quarter than they were in 2017 and the Company is focused on maintaining this momentum in 2019.

As noted in the trading statement of 27 March 2018 and again at the time of the interim results, installations in the insurance business have been lower than they were in 2017 as the Company continues with its policy of only adding new insurance business if the quality of the service and product innovation offered are appropriately valued. In total 41,255 units were installed in 2018, representing a 29% decline compared to 2017. Volumes in this sector are expected to decline further in 2019, in line with current market expectations.

Quartix has continued to invest in its software and telematics technology, having introduced a significant update to its web and mobile-based applications in late October. These enhancements facilitate the implementation of additional languages within its telematics applications. This multi-lingual support, together with the TCSV12 OBD self-install device, provide a platform for future expansion into wider European markets without the need for any local recruitment. The Company is encouraged to note that the self-install products launched during 2018 have made good progress in all regions.

Andy Walters, Chief Executive Officer of Quartix, commented: "We finished the year with a strong level of new fleet business in all territories and are delighted with the progress made in 2018 overall. Growth in international markets was excellent and the Company's fleet subscription base grew by 17% to 123,000 vehicles. We also completed some exciting new technology developments during the year and look forward to 2019 with confidence."

Footnote:

* The Board believes that consensus market expectations for 2018, prior to this announcement, were as follows: Revenue: £25.3m; Adjusted EBITDA: £8.3m; Free Cash Flow: £5.5m.

The information communicated in this announcement is inside information for the purposes of Article 7 of Regulation 596/2014.

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