

Quartix

Real-Time Vehicle Tracking



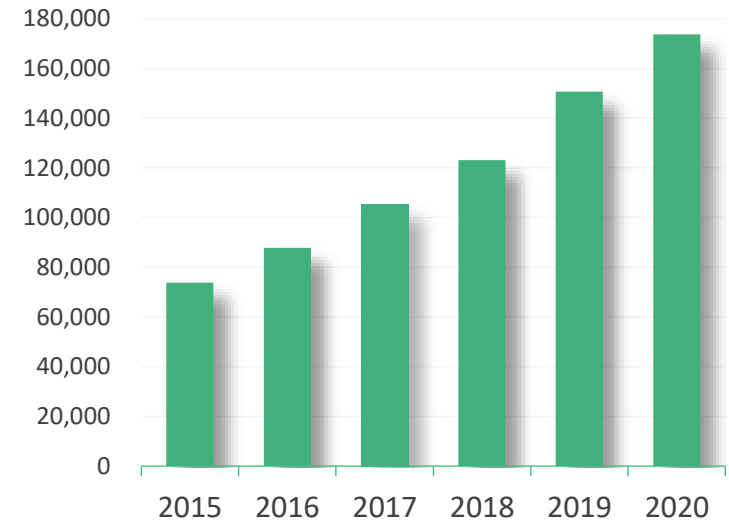
Quartix Holdings plc
Business Presentation

Andy Walters
1 Mar 2021

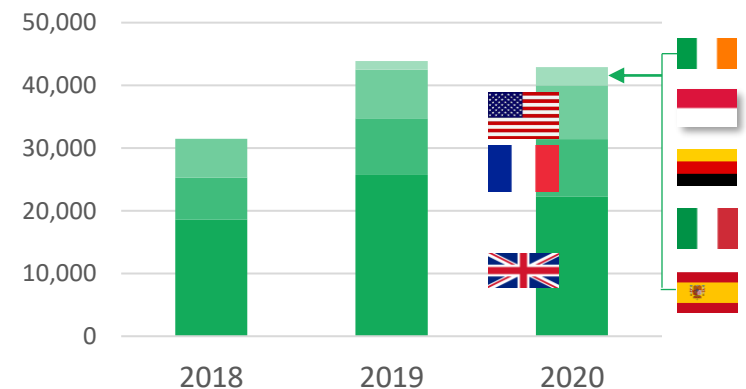
Investment in fleet drives increase in revenue

- Fleet revenue grew by 6.0% and fleet customer base increased by 16% to 19,000.
- Subscription base reached 173,793 vehicles, up by 15%
- New subscriptions were within 2.1% of those for 2019 (which was 39% ahead of 2018), despite the limitations posed by the coronavirus pandemic
- Generated free cash flow of £5.5m after tax and investing activities and repaid all government support through the pandemic
- Proposed dividend of 17.7 pence per share

SUBSCRIPTION BASE (YEAR END)



NEW INSTALLATIONS



	2020	2019	Change
Fleet subscriptions (new units)	42,898	43,837	-2%
Fleet subscription base (units)	173,793	150,640	+15%
Fleet customer base	19,039	16,394	+16%
Fleet attrition (annualised %)	12.2	11.9	
Fleet invoiced recurring revenues (£'m)	20.8	19.3	+8%
Fleet revenue (£'m)	22.1	20.8	+6%
Annualised Recurring Revenue (ARR) (£'m)	22.2	20.5	+8% ¹
Fleet subscription base growth (£'m) ²	1.6	2.0	-20%
Price erosion (%) ³	6.6	9.4	

1: Growth in ARR calculated at exchange rates applicable at 31 Dec 2020 and 2019, respectively

2: Calculated at constant currency rates

3: Annual decrease in average subscription price of the base expressed as a percentage of the average subscription price at the start of the year, all measured in constant currency

Segmental Analysis

£'m	Customer Acquisition	Fleet Telematics Services	Total Fleet	Insurance	Total Business
Recurring revenue	-	20.8	20.8	-	20.8
Other sales	0.2	1.0	1.2	3.8	5.0
Total revenue	0.2	21.8	22.0	3.8	25.8
Sales & marketing	(5.5)	(1.0)	(6.5)	-	(6.5)
Equipment, installations, carriage	(1.6)	(1.1)	(2.7)	(1.4)	(4.1)
Costs of Service	-	(2.2)	(2.2)	(0.3)	(2.5)
Profit before central fleet costs	(6.9)	17.5	10.6	2.1	12.7
Central fleet costs			(0.8)	-	(0.8)
Segmental profit			9.8	2.1	11.9
Central costs					(4.0)
Adjusted EBITDA					7.9

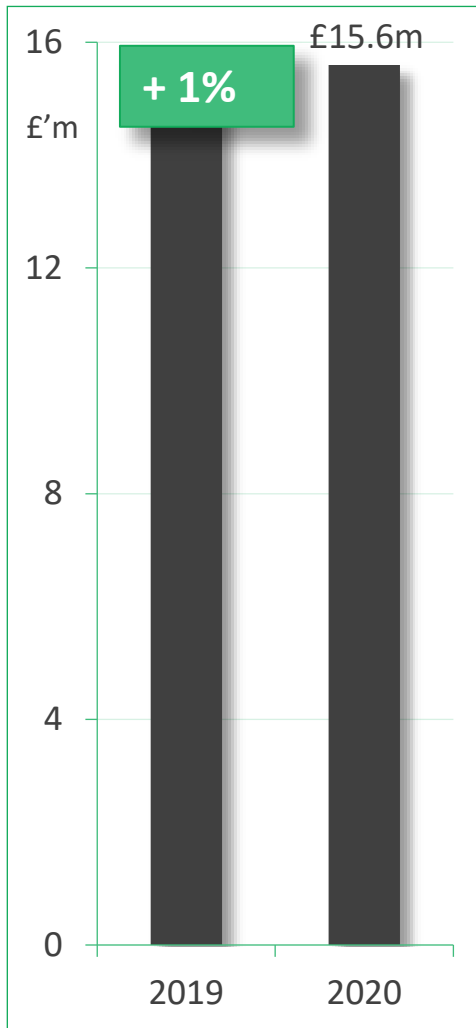
1: Figures exclude provision for replacing 3G units in the US market as this is not included within Adjusted EBITDA – see Annual Report for further details

2: Some numbers rounded to cast correctly

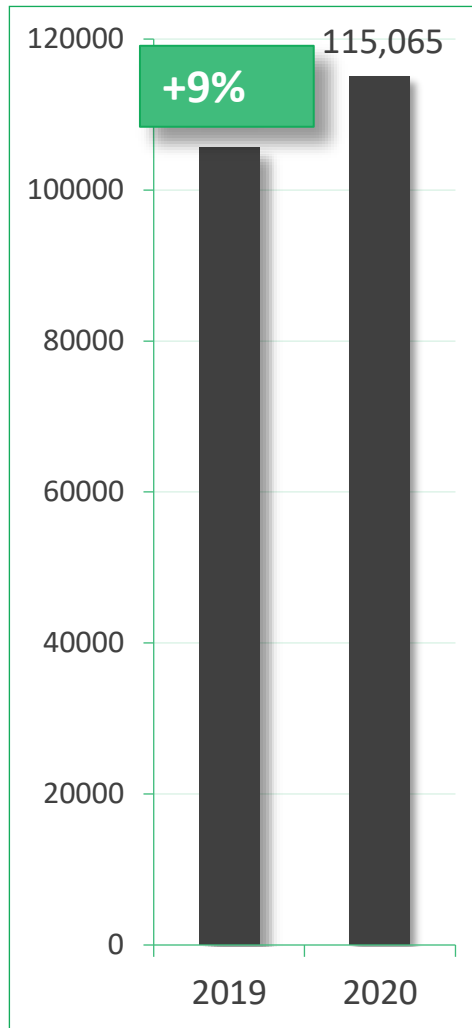
Financial Overview

	2020	2019	Change
Fleet revenue	22,059	20,808	6%
Insurance revenue	3,776	4,813	(22)%
Total revenue	25,835	25,621	1%
Gross profit	17,047	16,626	3%
<i>Gross margin</i>	66%	65%	
Operating profit	5,680	6,438	(12)%
<i>Operating margin</i>	22%	25%	
Adjusted EBITDA	7,871	7,062	11%
Earnings per share (p)	9.86	11.29	(13)%
Cash generated from operations	6,698	7,263	(8)%
<i>% Operating profit</i>	118%	113%	

Values stated in £'000s unless otherwise stated.



Revenue

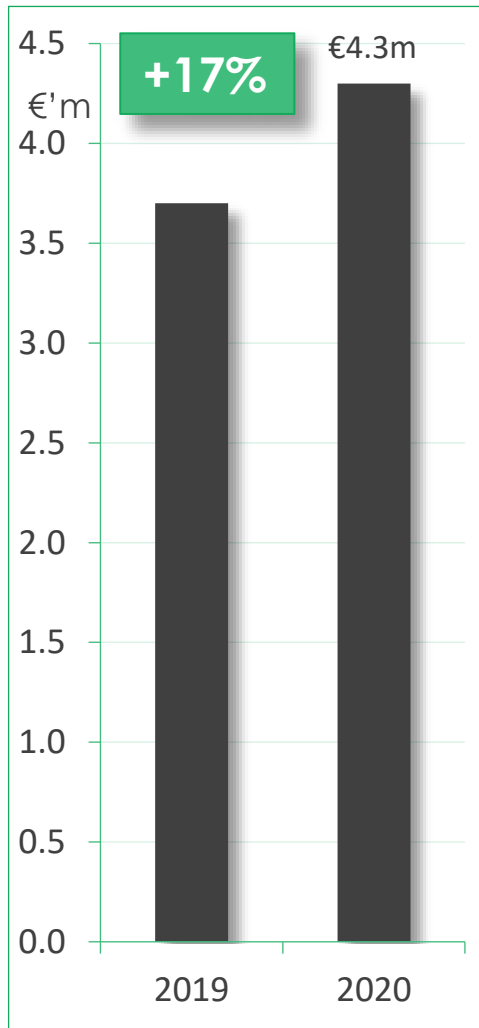


Subscriptions

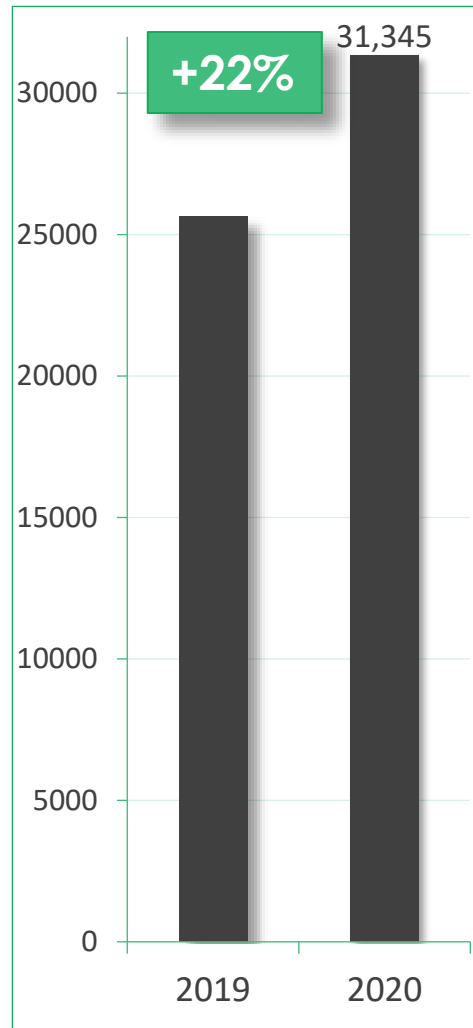


Despite the impact of the pandemic in the first half, new installations returned to 2019 levels in H2 - with strong growth over H1 2021.

Sales teams expanded at year end to include new field sales representatives to target larger fleets.



Revenue



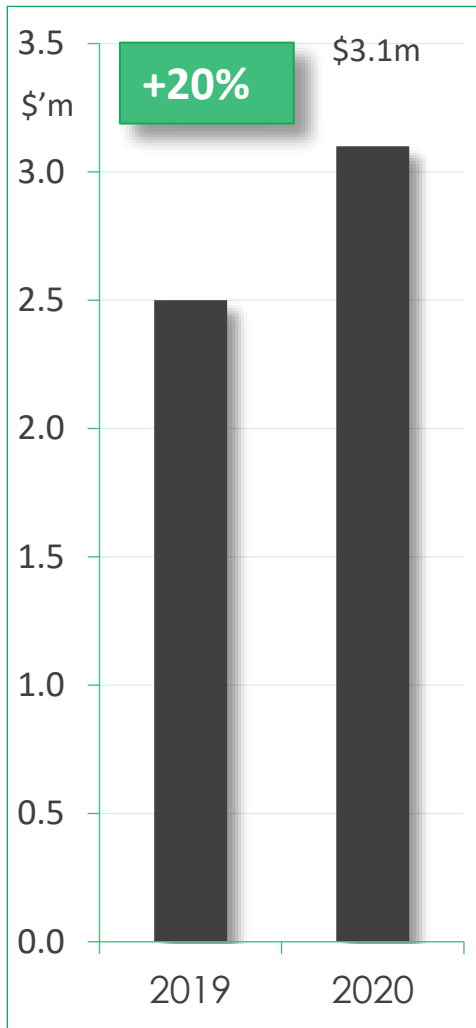
Subscriptions



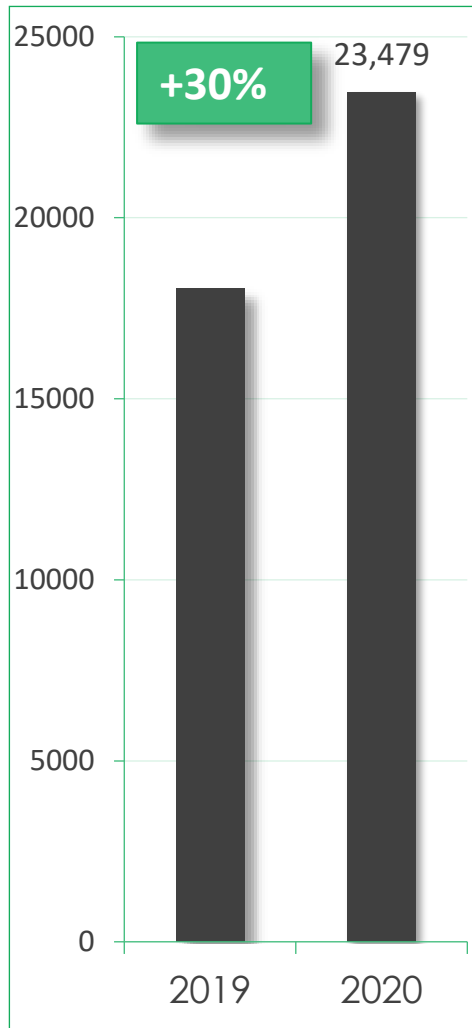
Excellent progress in revenue and subscriptions and a strong H2 in new installations

Strong contributions from direct, indirect and comparison channels

First field sales representative recruited at start of 2021



Revenue



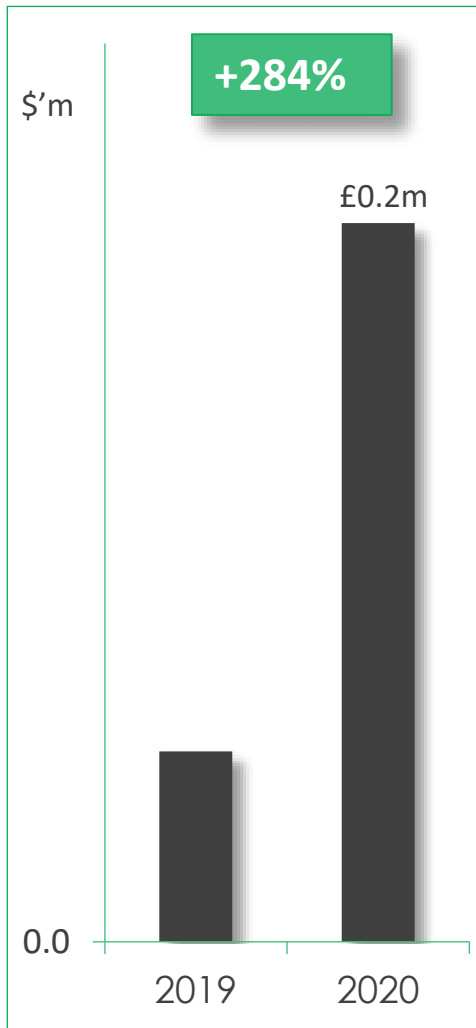
Subscriptions



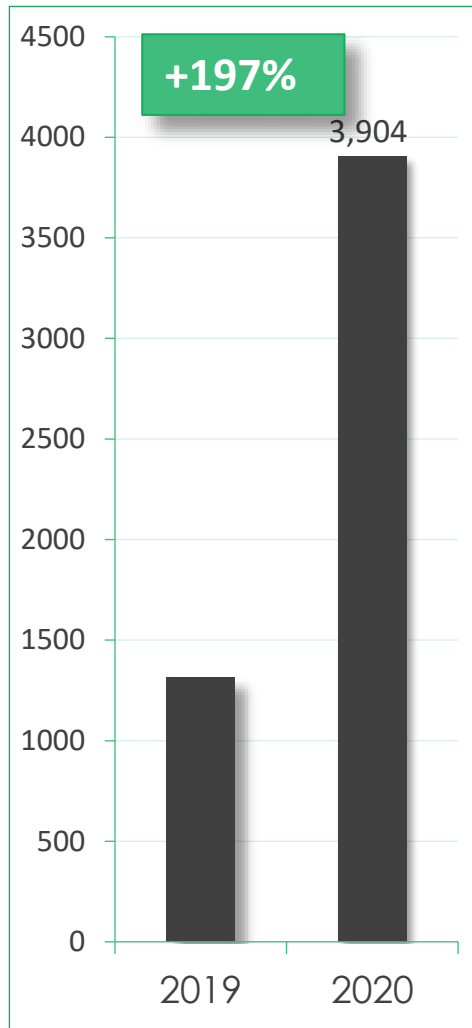
Strong growth in revenues

Excellent progress in new installations and subscription base despite pandemic

Dedicated team appointed for indirect channel development in Newtown



Revenue



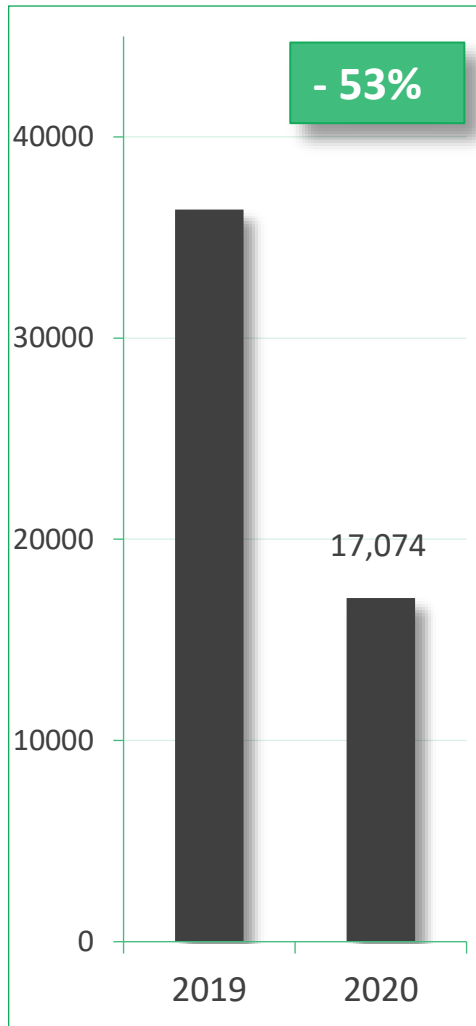
Subscriptions



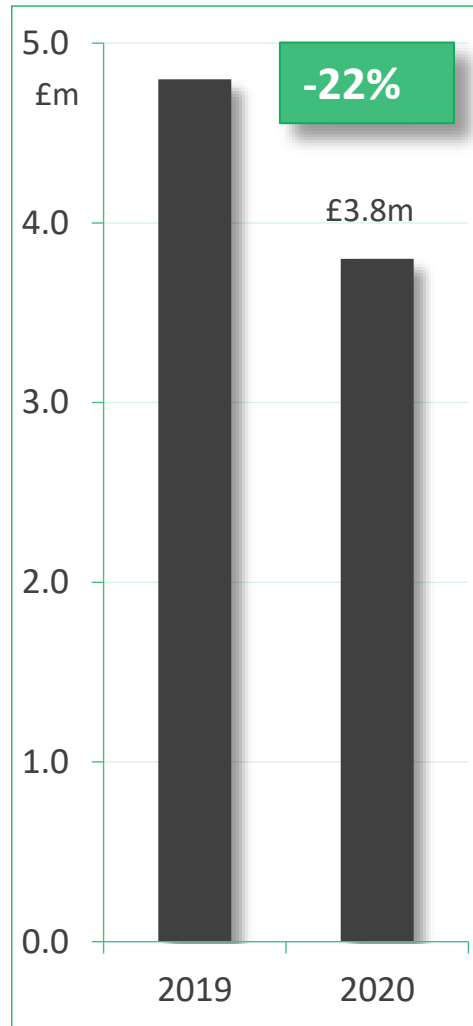
Continued progress in Spain, Italy, Germany and Poland

Strong growth in new installations and subscription base

Significant recruitment at end of 2021, including development of distribution channel.



Installations



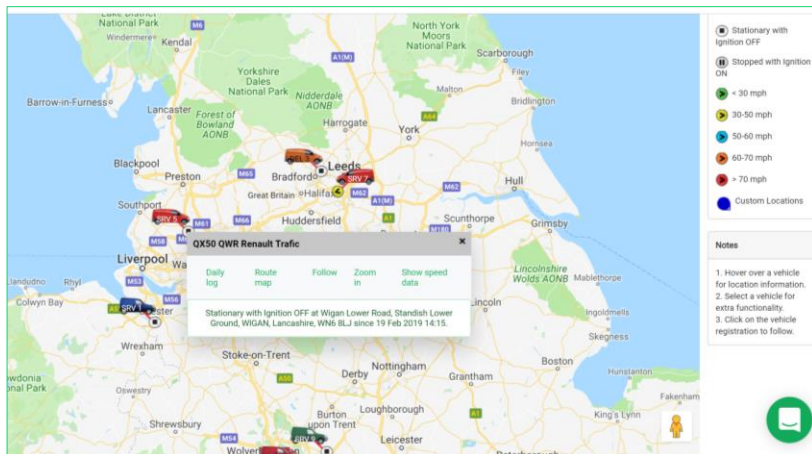
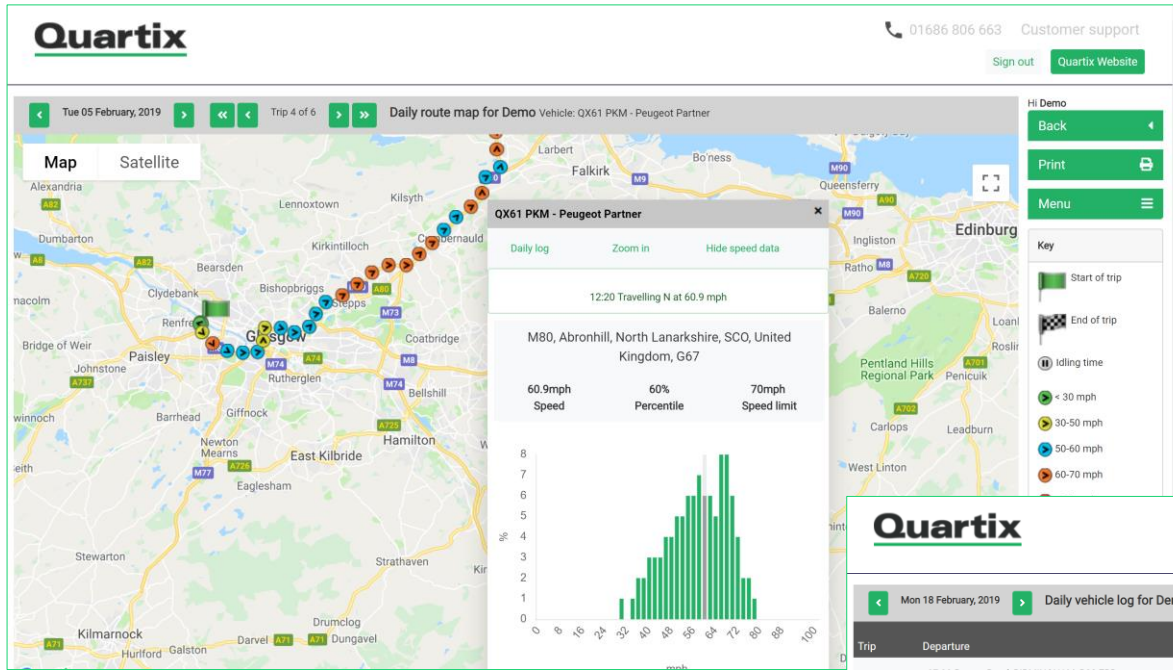
Revenue



Reductions in the availability of driving tests during the year contributed to the 53% decrease in installations.

Insurance now reduced to 15% of Group revenue

Enhanced application



RFID support for driver identification

New 4G tracking system developed

Continued emphasis on self-service for users

Multiple enhancements to reporting features

Daily vehicle log for Demo Vehicle: QX50 QWR Renault Traffic							Hi Demo	
							Back	
							Print	
							Menu	
							Notes	
Trip	Departure	Arrival	Trip travel time	Idling time	Distance (miles)	Avg speed (mph)		
1	07:38 Rosary Road, BIRMINGHAM, B23 7RD	07:48 Beeches Recovery	0:10	0:00	2.8	16.6		
2	08:38 Beeches Recovery	08:43 Aldridge Road, Perry Barr, BIRMINGHAM, B42 2HB	0:04	0:00	0.7	10.0		
3	08:47 Aldridge Road, Perry Barr, BIRMINGHAM, B42 2HB	08:51 Walsall Road, Perry Barr, BIRMINGHAM, B42 1BX	0:03	0:00	0.8	14.2		
4	09:11 Walsall Road, Perry Barr, BIRMINGHAM, B42 1BX	09:15 Beeches Recovery	0:04	0:00	1.2	15.9		
5	09:20 Beeches Recovery	09:28 Rosary Road, BIRMINGHAM, B23 7RD	0:07	0:00	2.8	21.3		
6	09:30 Rosary Road, BIRMINGHAM, B23 7RD	09:32 Slade Road, BIRMINGHAM, B23 7QY	0:01	0:00	0.2	6.7		
7	09:33 Slade Road, BIRMINGHAM, B23 7QY	09:42 Landor Street, BIRMINGHAM, B8 1AG	0:08	0:00	3.1	20.4		
8	09:51 Landor Street, BIRMINGHAM, B8 1AG	09:56 Gravelly Industrial Park, BIRMINGHAM, B24 8TG	0:05	0:00	2.0	23.5		
9	10:14 Gravelly Industrial Park, BIRMINGHAM, B24 8TG	10:27 Aldridge Road, Perry Barr, BIRMINGHAM, B42 2HB	0:13	0:00	4.3	18.6		
10	10:34 Aldridge Road, Perry Barr, BIRMINGHAM, B42 2HB	10:38 Beeches Recovery	0:04	0:00	0.7	10.2		
11	12:02 Beeches Recovery	12:06 Aldridge Road, Perry Barr, BIRMINGHAM, B42 2HB	0:03	0:00	0.7	11.2		
12	12:22 Aldridge Road, Perry Barr, BIRMINGHAM, B42 2HB	12:25 Beeches Recovery	0:03	0:00	0.7	14.0		

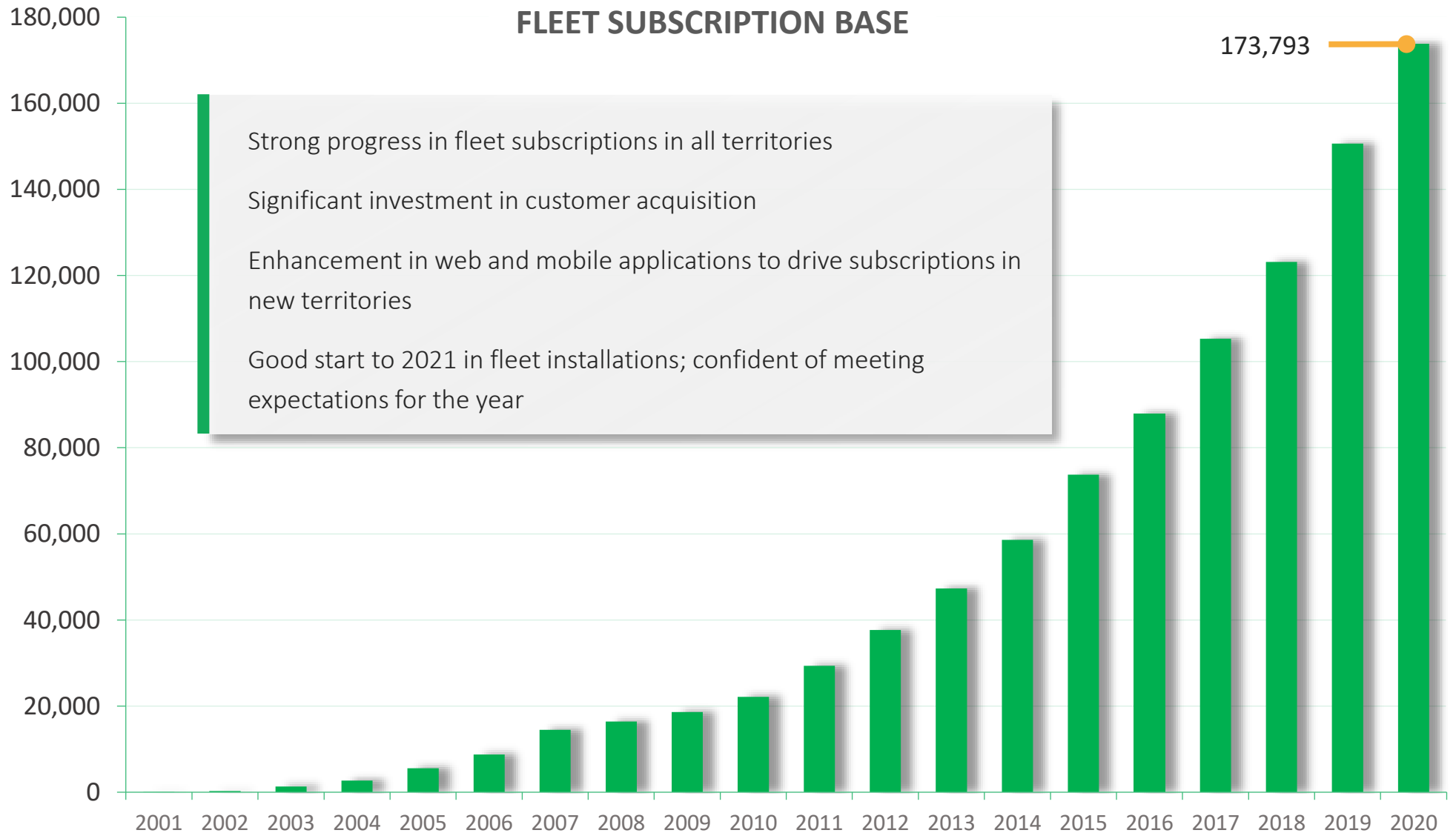
New offices in Newtown

Quartix



*Official opening of our new office premises by
former Wales and British and Irish Lions rugby
star, Ieuan Evans. 19th Feb 2020*





Quartix

Real-Time Vehicle Tracking



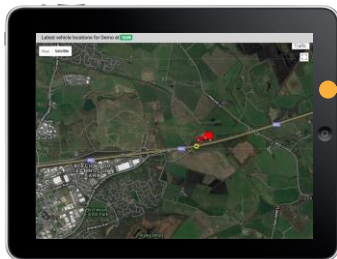
Increased productivity and reduced risk

Fleet customers use our software to:

- Increase capacity
- Reduce overtime payments
- Improve fuel economy
- Eliminate fraud and wastage

Insurers use our data and alerts to:

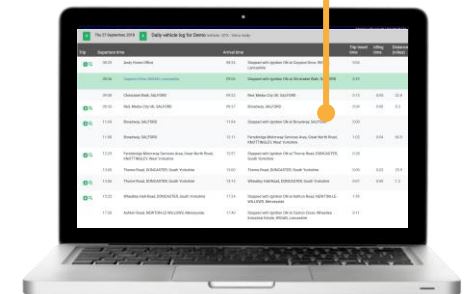
- Assess risk
- Verify agreed vehicle usage
- Respond to accidents
- Reduce loss ratios



Locating employees
Managing a mobile workforce



Assessing driving style and risk
Monitoring timesheets



Over 600,000 systems installed since 2001

A UK LEADER

136,427 vehicles currently tracked in the UK:

- **115,065** across **10,573** UK fleet clients
- plus **21,362** across insurance companies

54,824 vehicles tracked in France and USA across **7,546** fleet clients

3904 vehicles tracked in Poland, Spain, Italy, Germany across **920** clients

OWN TECHNOLOGY AND IPR

Developed at three R&D centres in the UK: Cambridge, Leatherhead and Bishop's Waltham

OFFICES WORLDWIDE

Offices in Cambridge - UK, Newtown - Wales, Bishops Waltham - UK, Leatherhead - UK and Chicago – USA



Long-term relationships



"We have always found Quartix to be customer-focused and approachable. We look forward to continuing our partnership for many years to come."

Phil House, Director, Broadland Guarding Services Ltd.
(Broadland Guards were our first customer: December 2001)

MISSION

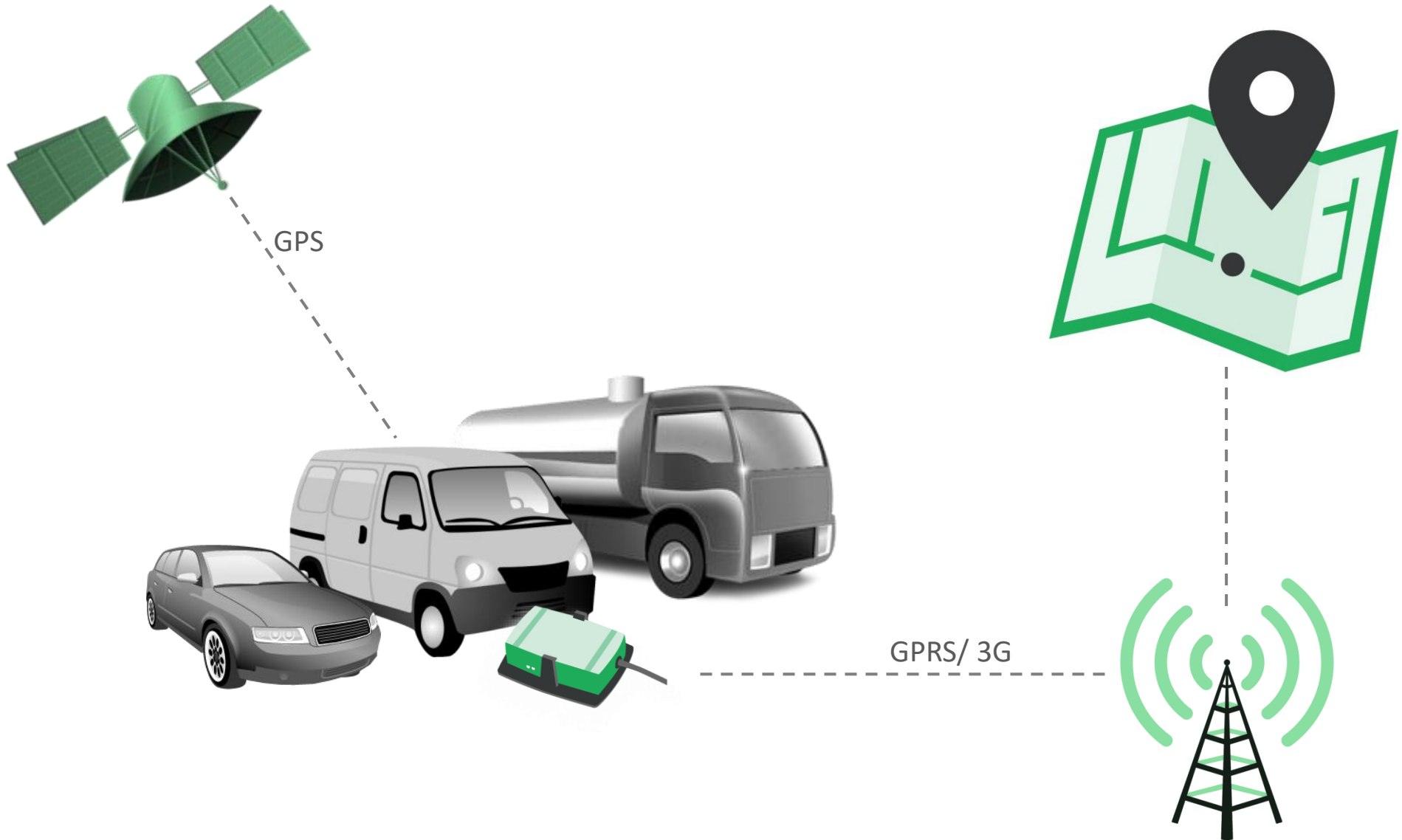
"We provide operational information to maximise productivity and reduce risk for organisations with mobile workforces. Our customers improve their business performance with information delivered quickly and reliably through our web and mobile-based applications and we aim to delight our users with best-in-class service and a continuously improving experience."

VALUES

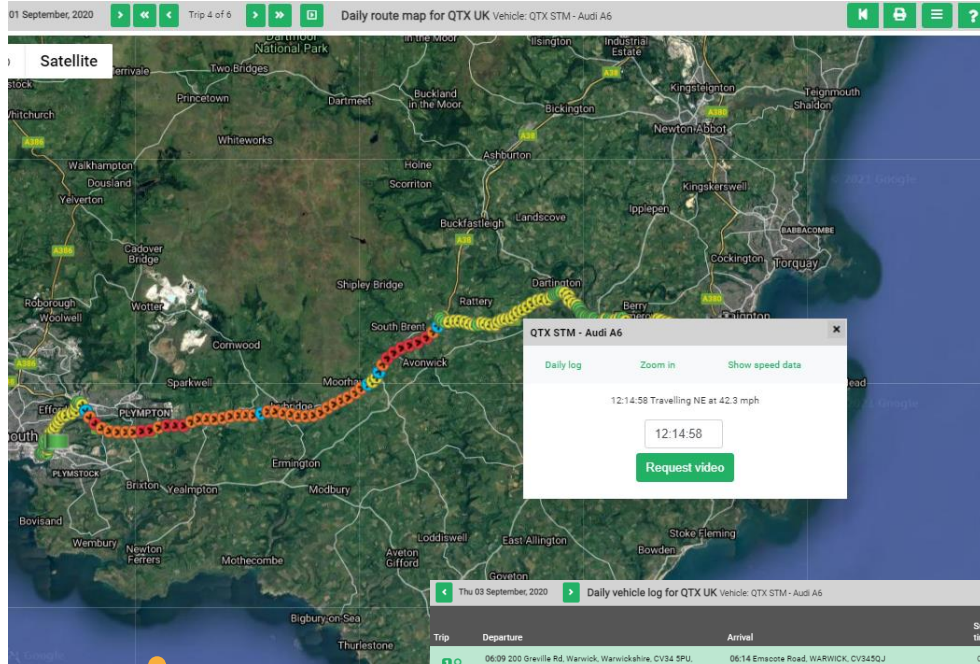
- Excellent service
- Great relationships
- Simplicity

INVESTMENT IN THE FUTURE

We have the financial strength and expertise to invest in the software tools, reporting capability and service that our customers need.

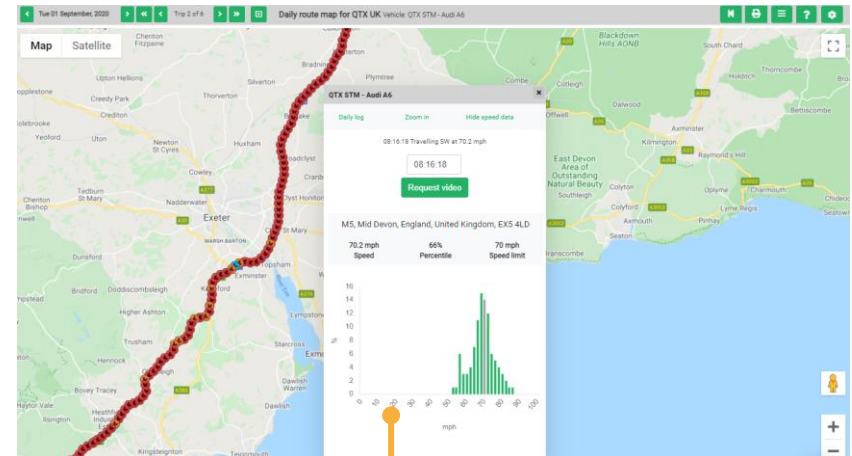


Real-time tracking



LIVE TRACKING

With google maps, streetview and satellite imaging. Also available in mobile apps for iOS and Android



ROUTE MAPS

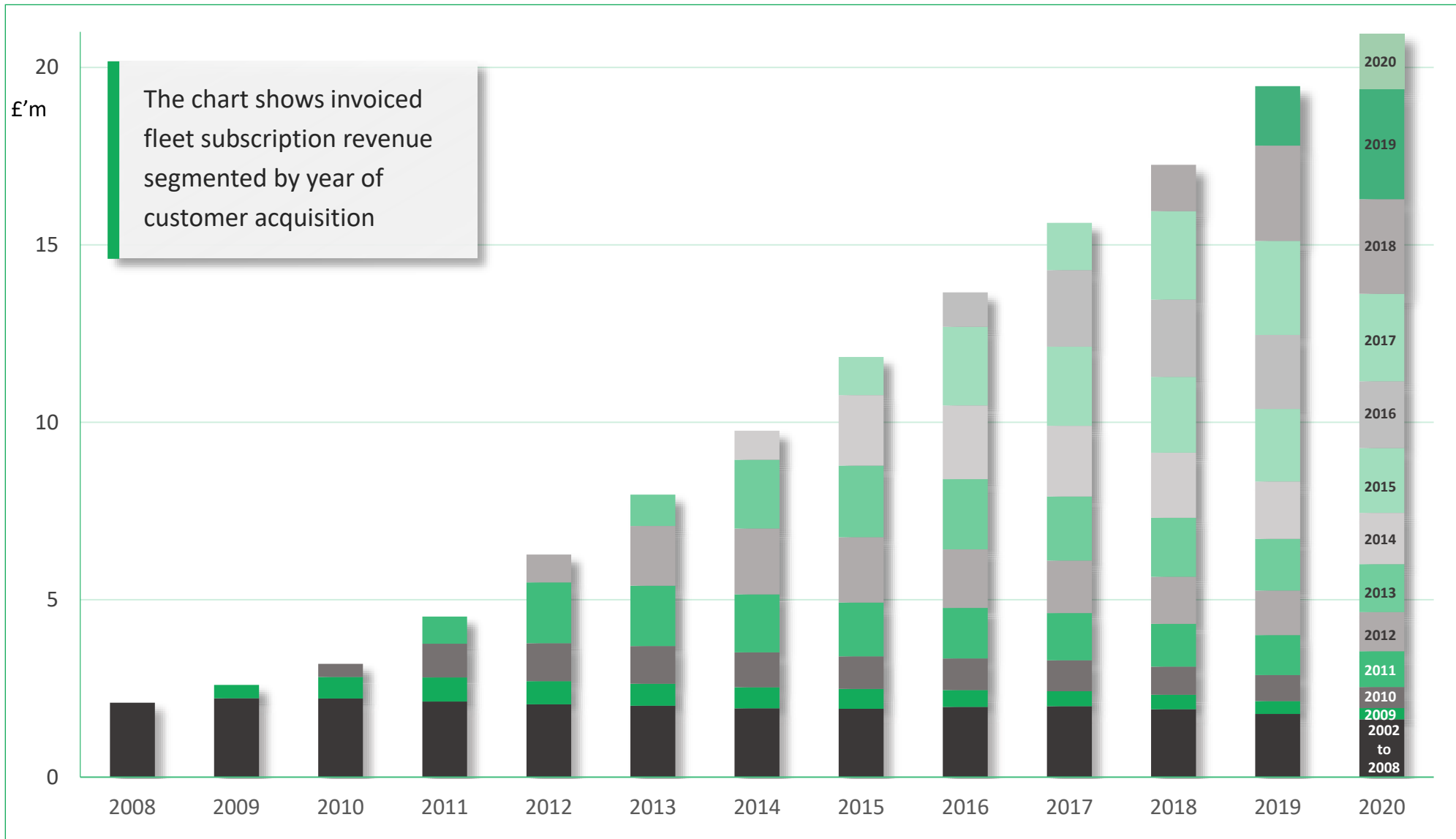
Available online with timing, speed and speed distribution information

Trip	Departure	Arrival	Subtrip travel time	Trip travel time	Idling time	Distance (miles)	Avg speed (mph)	Time on site
1	06:09 200 Greville Rd, Warwick, Warwickshire, CV34 5PU, England	06:14 Emscote Road, WARWICK, CV34 5QJ	0:04	0:04	0:00	0.7	9.1	0:03
2	06:17 Emscote Road, WARWICK, CV34 5QJ	09:24 Stepside, NARBERTH, Dyfed, SA678PH	3:07	3:07	0:00	198.3	63.6	0:05
3	09:30 Stepside, NARBERTH, Dyfed, SA678PH	09:58 Stopped with Ignition ON at Thornton Industrial Estate, MILFORD HAVEN, Dyfed, SA732RY	0:28					
4	10:16 Thornton Industrial Estate, MILFORD HAVEN, Dyfed, SA732RY	10:16 Thornton Industrial Estate, MILFORD HAVEN, Dyfed, SA732RY	0:00	0:28	0:18	18.3	23.7	0:31
5	10:48 Thornton Industrial Estate, MILFORD HAVEN, Dyfed, SA732RY	12:29 The Derwen, BRIDGEND, Mid Glamorgan, CF329ST	1:40	1:40	0:00	83.0	49.3	0:19
6	12:48 The Derwen, BRIDGEND, Mid Glamorgan, CF329ST	12:48 Stopped with Ignition ON at The Derwen, BRIDGEND, Mid Glamorgan, CF329ST	0:00					
7	12:50 The Derwen, BRIDGEND, Mid Glamorgan, CF329ST	12:53 Stopped with Ignition ON at The Derwen, BRIDGEND, Mid Glamorgan, CF329ST	0:02					
8	12:59 The Derwen, BRIDGEND, Mid Glamorgan, CF329ST	13:15 Stopped with Ignition ON at Cardiff West Motorway Services Area, M4, PONTYCLUN, Mid Glamorgan, CF728SA	0:15					
9	13:17 Cardiff West Motorway Services Area, M4, PONTYCLUN, Mid Glamorgan, CF728SA	13:55 Peterston-super-Ely, CARDIFF, CF5 6NB	0:37	0:56	0:10	29.8	26.7	0:00
10	13:55 Peterston-super-Ely, CARDIFF, CF5 6NB	13:57 Peterston-super-Ely, CARDIFF, CF5 6NB	0:02	0:02	0:00	0.2	4.8	1:02
11	14:59 Peterston-super-Ely, CARDIFF, CF5 6NB	15:42 Dingeston, MONMOUTH, Gwent, NP234BR	0:42	0:42	0:00	38.8	54.6	0:03
12	15:46 Dingeston, MONMOUTH, Gwent, NP234BR	17:05 Stopped with Ignition ON at 200 Greville Rd, Warwick, Warwickshire, CV34 5PU, England	1:18					
13	17:19 200 Greville Rd, Warwick, Warwickshire, CV34 5PU, England	17:19 200 Greville Rd, Warwick, Warwickshire, CV34 5PU, England	0:00	1:18	0:14	88.1	56.5	0:00
Totals			8:21	0:44	0:14	457.1	50.4	2:05

TIMESHEETS

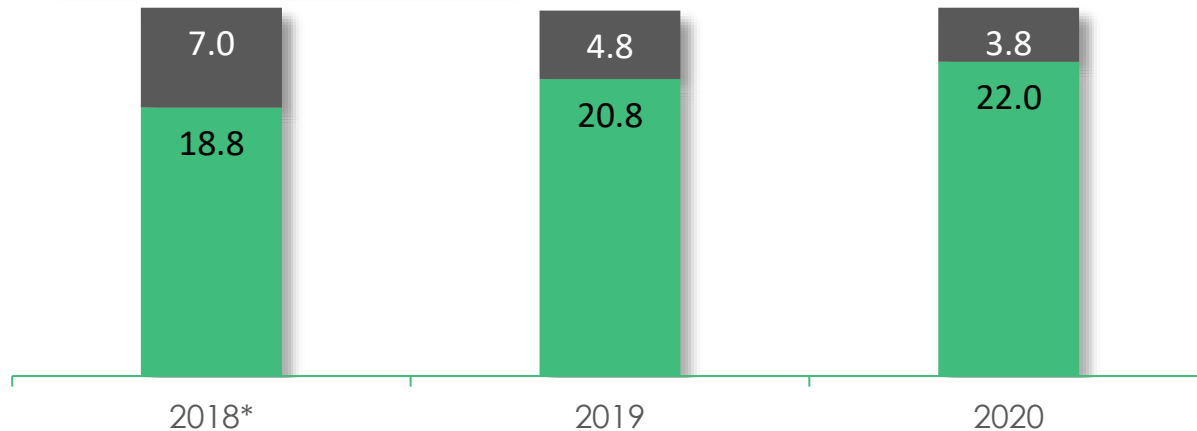
Available online or delivered by email in HTML or Excel format

Recurring Revenue

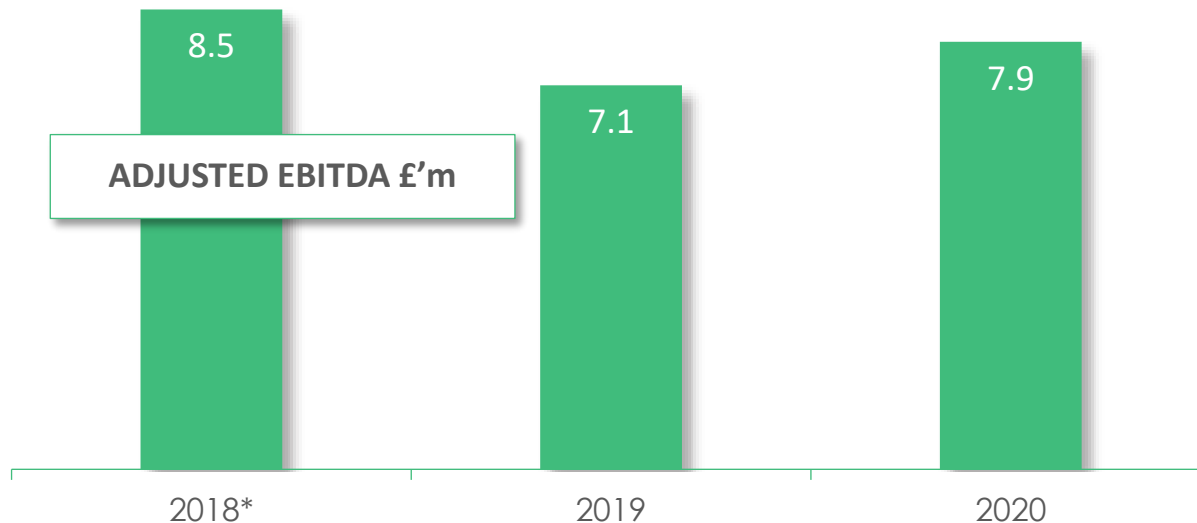


REVENUE BY SECTOR £'m

■ FLEET ■ INSURANCE



ADJUSTED EBITDA £'m



Focus on fleet

CHANNEL DEVELOPMENT

Recruitment focussed on key growth markets in three separate channels

R & D

Enhancements to software application, development of new tracking devices

GROWTH

16% increase in customer base despite the challenges posed by the pandemic.

Fleet now represents 85% of revenue

*2018 restated in line with the adoption of IFRS 15 'Revenue from Contracts with Customers'

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