



# 2021 Half Year Results

23 November 2020

- Significant reduction in losses despite revenue decline
  - 17% Revenue decline due to Covid-19 impact
    - Insurance and Automotive down £0.5m
    - Fleet and Optimisation down £1.0m
    - Connected devices increased in period by 8,000
  - 80% reduction in Adjusted loss before tax/ 62% reduction in Loss before tax
    - Improved gross margins due in part to vigorous cost actions taken over last 24 months
    - Significant reduction in overheads, includes £0.8m cost of employees furloughed
- Net Debt flat since year end at £5.6m, £0.5m unutilised RCF and £1.5m cash in bank at period end
- No forward looking guidance provided due to returned uncertainty created by second Covid-19 lockdown
  - However Group expects revenue to be significantly higher in H2 than in H1

# Financial Statement

## Income Statement



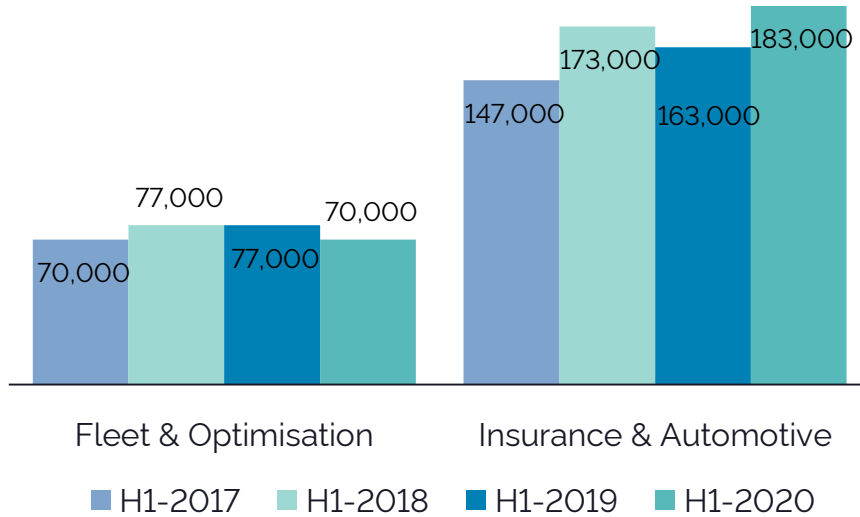
£000's	6 Months to 30	6 Months to	FY-2020
	Sept 2020	30 Sept 2019	
	Unaudited	Unaudited	Audited
Revenue	7,321	8,867	19,550
of which, Recurring Revenues	4,635	4,885	9,753
Gross Profit	4,517	4,693	11,559
Gross Profit Margin	61.7%	52.9%	59.1%
Administrative Expenses*	(4,711)	(6,322)	(11,741)
Adjusted Loss before Tax*	(314)	(1,583)	(224)
Loss before Tax	(845)	(2,197)	(1,705)
Loss after Tax	(732)	(1,787)	(1,093)
Adjusted basic EPS* (p)	(0.56)	(2.53)	0.28

## H1-2021 Results

- Revenues down 17%
  - Recurring revenues down 5%
- Reduced overheads:
  - Staff costs £0.87m down, £0.77m due to furlough
  - Other Sales & Marketing costs down £0.62m
  - Depreciation & Amortisation £0.14m down
- Reconciliation to statutory PBT
  - Exceptional costs £0.4m (12% down on prior year)
  - Share based payments £0.1m

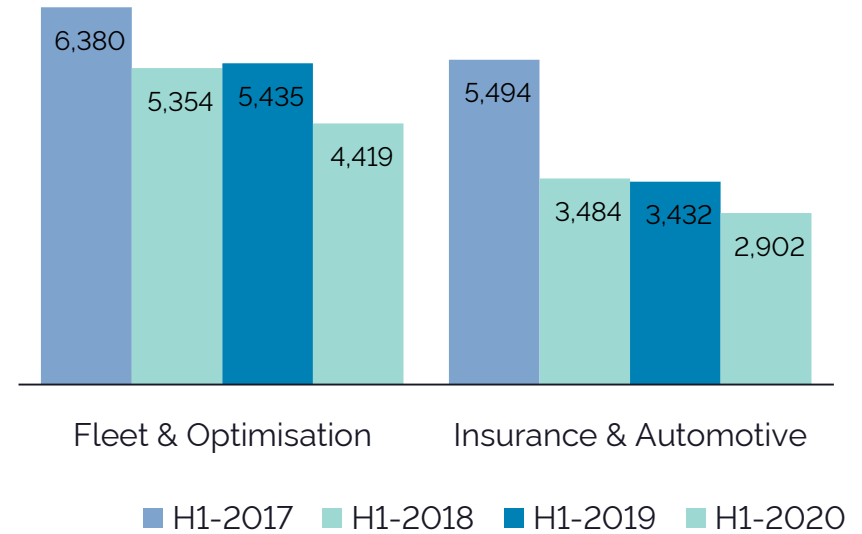
\* Adjusted for exceptional costs and share based payments

### Connections

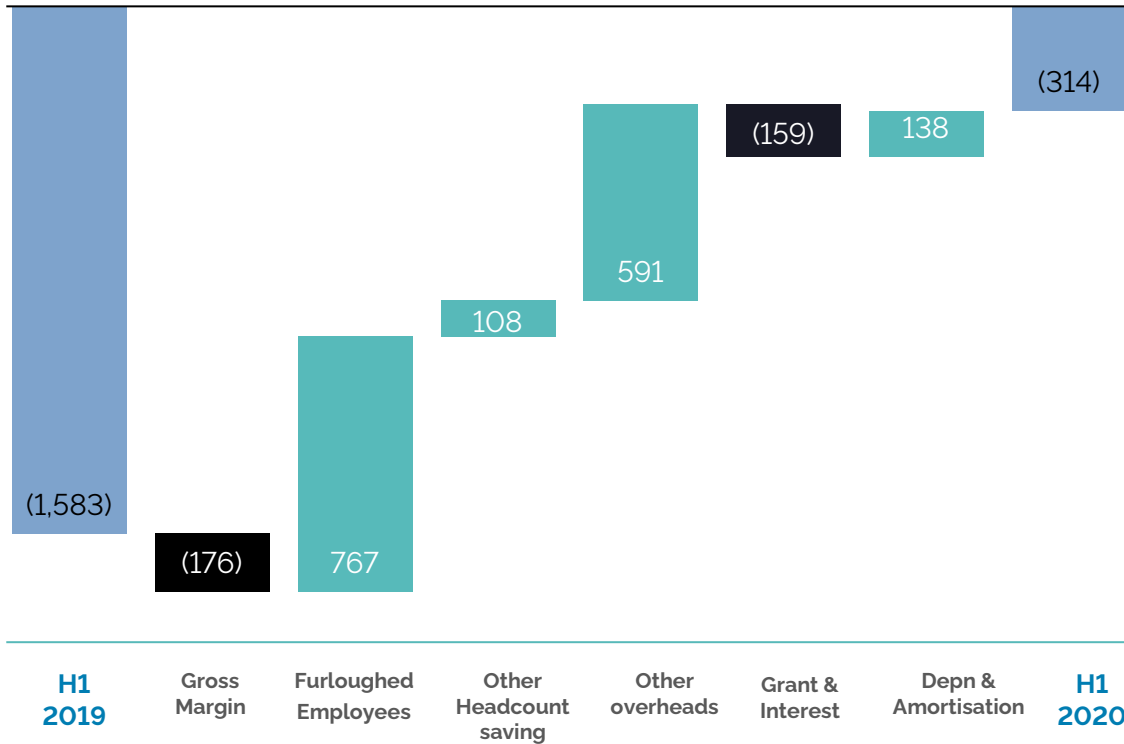


- Fleet Telematics connections down 7,000 (9%)
- Insurance & Automotive connections up 20,000 (12%)

### Revenue by Sector



- Fleet & Optimisation revenue includes hardware, installation, service, consulting and Optimisation license fees- down 19%
- Insurance & Automotive revenue includes hardware, installation, consulting and service fees and down 15%



- Adjusted Loss reduced by 80%
- Cost of furloughed employees charged to exceptional costs, offset by £546K furlough grant
- Other headcount savings from continued efficiency drive
- Other overheads primarily lower external marketing costs and lower travel and expenses
- Depreciation and amortisation lower due timing of new product releases

# Financial Statement

## Consolidated Statement of Financial Position



£000's	30 Sept 2020	30 Sept 2019	FY-2020
	Unaudited	Unaudited	Audited
<b>Non-current assets</b>			
Intangible assets	22,230	21,337	21,997
Right of use assets	2,838	3,073	3,004
Other non-current assets	896	820	758
	25,964	25,230	25,759
<b>Current assets</b>			
Inventories	1,701	2,119	2,043
Trade and other receivables	7,171	6,710	7,854
Corporation tax receivable	317	1,320	863
Cash and cash equivalents	1,541	692	1,665
	10,730	10,841	12,425
<b>Current liabilities</b>			
	(11,696)	(7,428)	(7,988)
Current Assets less current liabilities	(966)	3,413	4,437
<b>Non-Current liabilities</b>			
	(4,457)	(8,222)	(9,017)
Net Assets	20,541	20,421	21,179

- Capitalised R&D of £1.2m, down £0.3m on prior year
- Inventories down £0.3m due to continued strong management
- Current liabilities £4.3m higher due to £4.5m HSBC credit facility falling due on 30 September 2021
- Current liabilities also include £1.1m of agreed HMRC deferrals
- Non-Current liabilities £4.3m lower due to reclass of £4.5m HSBC credit facility

# Financial Statement

## Consolidated Cash Flow Statement

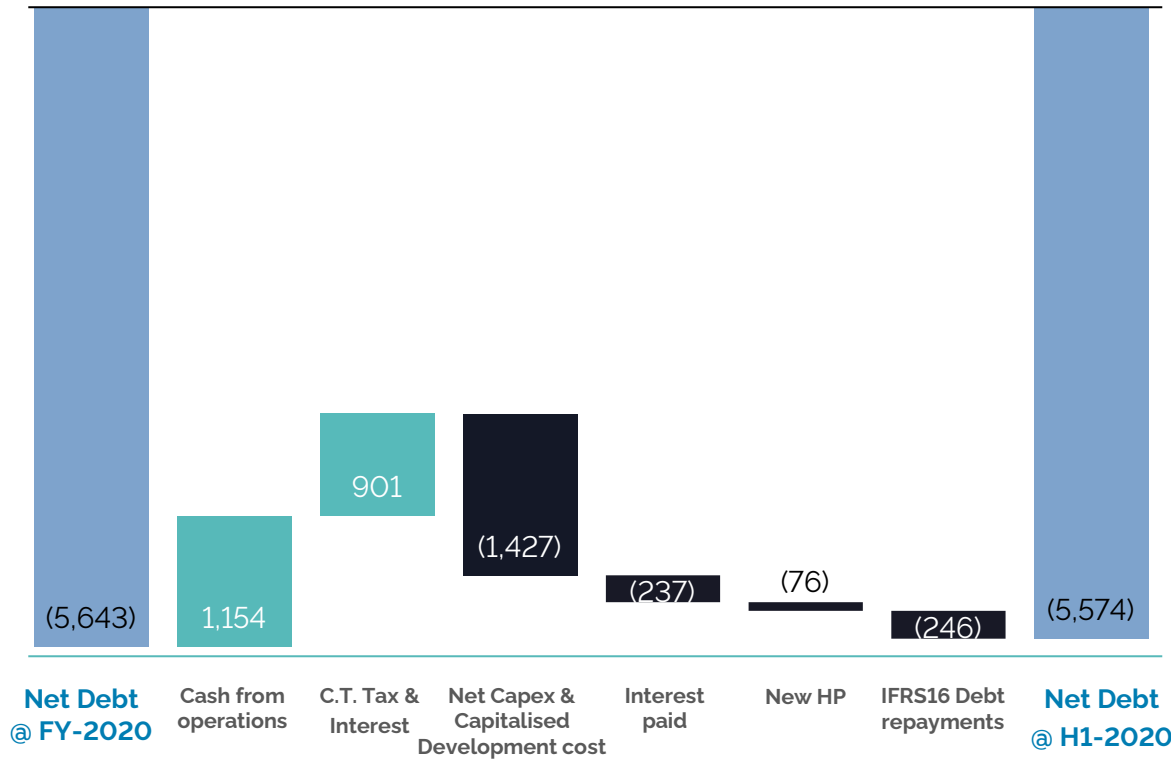


£000's	6 Months to 30 Sept 2020	6 Months to 30 Sept 2019	FY-2020
Net cash generated from operating activities	2,055	1,432	4,115
<b>Cash flows from Investing Activities</b>			
Purchases of property, plant and equipment	(183)	-	(20)
Purchases of software	(24)	(1)	(23)
Capitalised development costs	(1,220)	(1,488)	(3,156)
Net cash used in investing activities	(1,427)	(1,489)	(3,199)
<b>Cash flows from financing activities</b>			
Increase in bank loan	-	500	2,000
Repayments of bank loans	(171)	(505)	(1,440)
Repayment under lease agreements	(344)	(281)	(630)
Interest paid	(237)	(170)	(386)
Net Cash used in financing activities	(752)	(456)	(456)
Net change in cash and cash equivalents	(124)	(513)	460
Cash and cash equivalents at end of year	1,541	692	1,665

- £0.6m improvement in cash generated from operating activities
- Cash from operating activities includes:
  - £1.1m benefit from agreed HMRC deferrals
  - R&D tax credit cash of £0.9m
  - £0.3m from improved working capital management
- Investment in R&D down £0.3m to £1.2m
- Repayment of bank loan prior to entering into capital repayment holiday with both HSBC and Maven in June 2020

# Financial

## Net Debt Bridge\*



- Net debt excl. IFRS 16 impact, flat in H1 FY-2021
- Cash flow from operations was £0.3m lower than prior year due to smaller working capital benefit
- R&D tax credit cash claim was processed in the period and offset against agreed PAYE/NI deferments
- Capitalised R&D £0.3m lower than prior year
- £76K of new HP and £246K payments on IFRS16 leases
- Additional £0.5m unutilised bank facility

\* Excluding impact of IFRS 16



## Manage impact of Covid-19, with focus on maximising revenues from existing solutions

01

### INCREASING OUR MARKET SHARE

- Growth ambition impacted by Covid-19, estimated 33,000 Insurance unit impact
- Grow market share in UK insurance telematics market through new customer contracts
- European Automotive customer launched in H2
- Expand European Fleet revenues by expanding international distribution partners

02

### DELIVERING A CUTTING-EDGE SOLUTIONS PORTFOLIO

- Launch optimisation customer communications package
- Develop EV capability
- Improve fleet solutions especially for HGV's
- Further modest spend reductions in R&D

03

### STREAMLINING OUR INTERNAL OPERATIONS

- Reduce costs through better utilisation of hosting and technology
- Further reduce device costs
- Further reduce communication costs

## **No guidance provided for FY-2021 given renewed uncertainty of impact of Covid-19 pandemic**

- Second Covid-19 lockdown causing softening in market and uncertainty, despite strong end to H1 and start to H2
- Insurance device Shipments in both October and September 2020 50% higher than in March 2020
- Major automotive customer committed to a further 24,000 units over next 12 months following their European launch
- Fleets sales recovered during H1 to pre-Covid-19 levels
  - Fleet orders in H1 16% higher than H1 in previous financial year
  - Fleet orders in October 2020 were 12% up on prior year
- Group expects revenue in second half to be significantly higher than first half



**Thank You**

Any Questions?