



DELIVERING GROWTH

■
AGM Strategy Presentation

September 2016



AGENDA

- **Summary of Trakm8's recent 2015/16 results:**
 - John Watkins, Executive Chairman
 - James Hedges, Finance Director
- **Trakm8's Solutions and Market Opportunity:**
 - John Watkins, Executive Chairman
- **Integrating our recently acquired products:**
 - Cameras – Matt Monnington, Chief Technology Officer
 - Routing and Scheduling – Colin Ferguson, Chief Executive, Route Monkey
- **Strategy and Summary:**
 - John Watkins, Executive Chairman
- **Q&As**

HIGHLIGHTS OF 2015/16



HIGHLIGHTS

FINANCIAL HIGHLIGHTS

Revenue

£25.6m

↑ 44%

(28% organic)

2015: £17.9m

Recurring revenue

£8.3m

↑ 49%

2015: £5.5m

Adj. operating profit*

£3.9m

↑ 109%

2015: £1.9m

Cash generation**

£4.5m

↑ 274%

2015: £1.2m

Adjusted PBT*

£3.8m

↑ 111%

(2015: £1.8m)

Adjusted EPS*

13.44p

↑ 115%

(2015: 6.24p)

Net debt***

£1.1m

2015: £0.6m
net cash

Maiden dividend

2p

per share
proposed

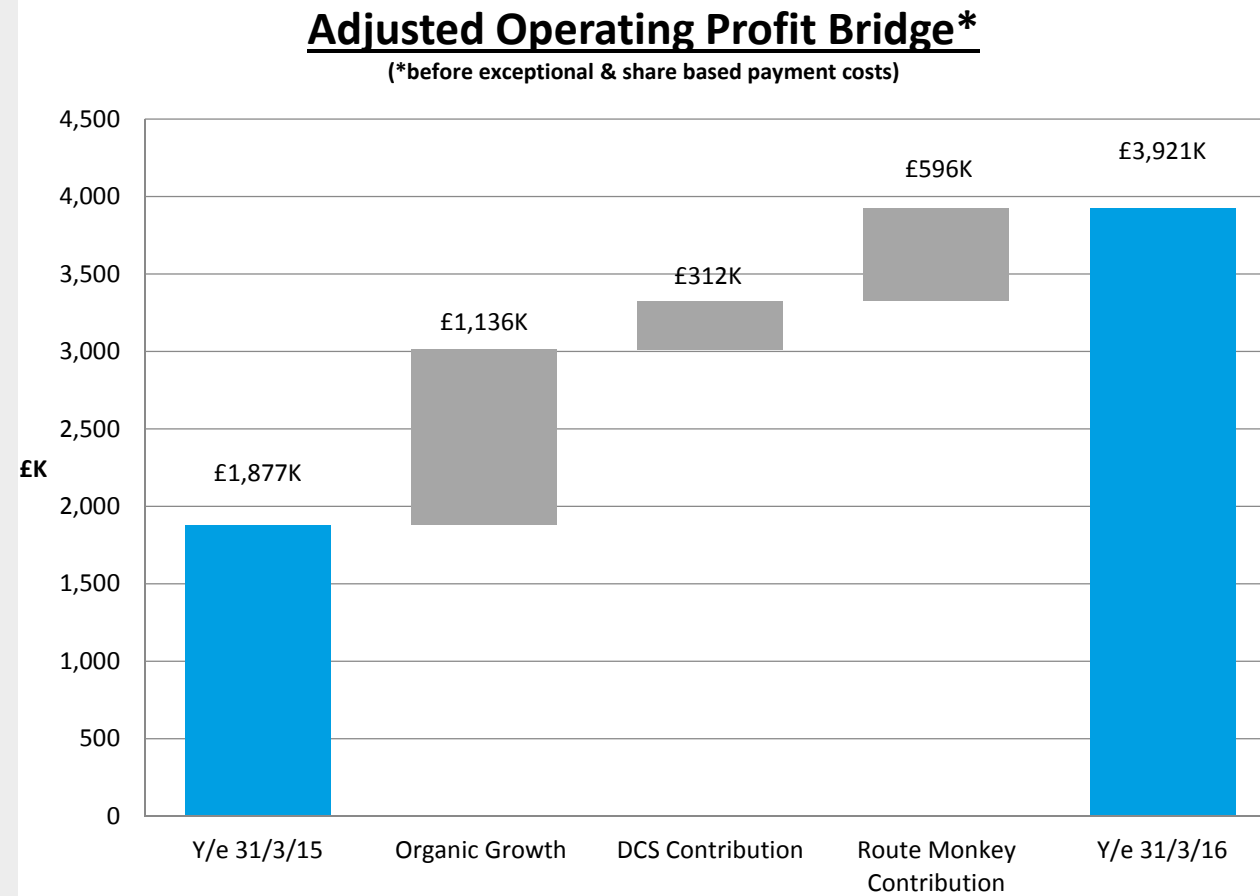
* before exceptional items and share based payments

** cash generation from operating activities

*** total borrowings less cash

HIGHLIGHTS

OPERATING PROFIT BRIDGE



OPERATING HIGHLIGHTS

Acquisition of assets
and trade of DCS
Systems Ltd



Acquisition of Route
Monkey Holdings Ltd

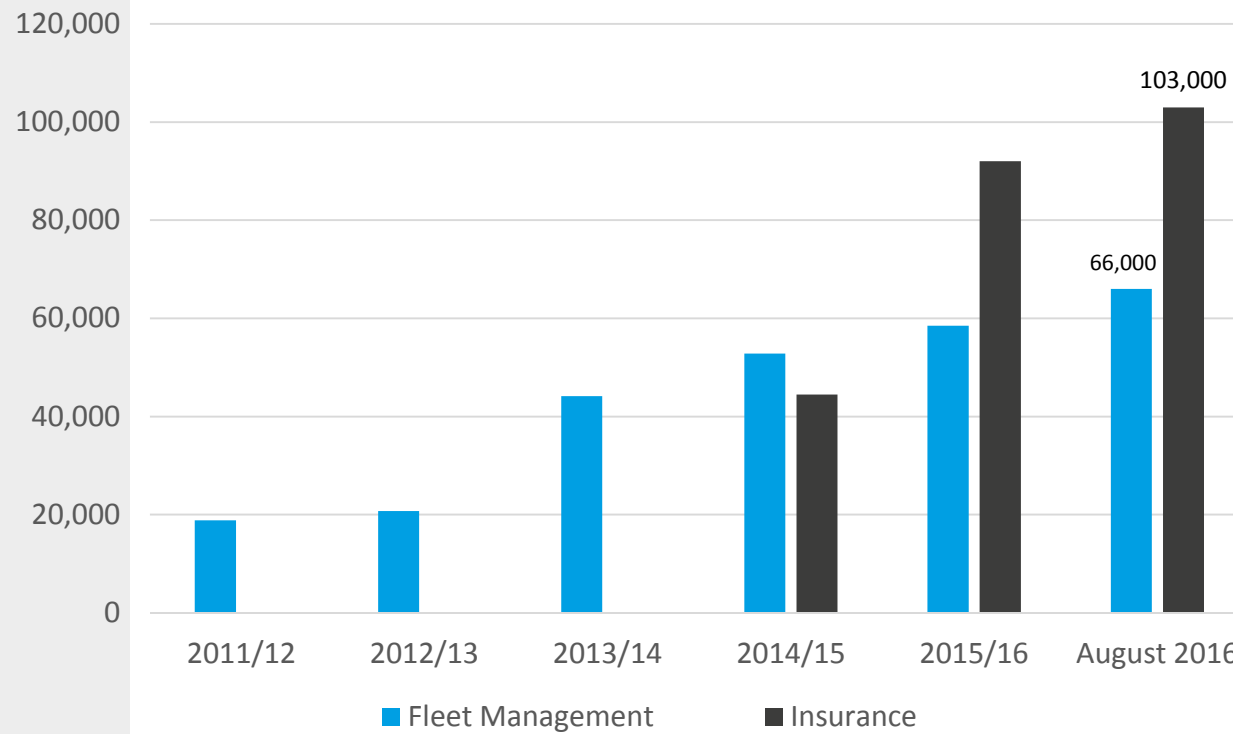


- 151,000 units reporting to our servers at year end (March 2015: 102,000)
- Broad customer base – 2300 customers, 165 Resellers
- Two acquisitions, DCS and RML completed in the year; integrations proceeding to plan:
 - both profitable, cash generative and earnings enhancing
- Substantial contract wins for both fleet and insurance customers:
 - during the year: with Iceland Foods, Kubota UK, and the AA
 - post year end: with Scottish Power, BT Fleet, Allianz and Shell
- Significant investment in R&D and sales and marketing resources to drive growth; continued ownership of all IP
- Acquisition of Roadsense Technology Ltd post year end

HIGHLIGHTS

CONTINUATION OF STRONG GROWTH

UK and European units reporting



MAJOR CUSTOMER WINS

2015/16

Iceland

- 3 year contract extension with Route Monkey

AA

- Contract extension to develop a new business to business fleet management system

Young Marmalade

- Supply of hardware and software for Telematics insurance policies to young drivers

CM Downton

- Contract extension with Route Monkey

Bibby Distribution

- Bespoke Fleet Management system

2016/17

Scottish Power

- Fleet tracking and driver behaviour for c. 1600 vehicles

BT Fleet

- Partnership solution to promote BT Fleet Connected vehicle, using Trakm8's hardware and software

Shell

- Contract extension with Route Monkey

Allianz

- 5,000 devices with tailored Allianz software for their Global Telematics business

2273 Clients with 169,000 units

Current customers include: Direct Line, LexisNexis, Bibby Distribution, Saint Gobain, Kubota, Volvo and EON

EARNINGS ENHANCING ACQUISITIONS IN FY 2015/2016

DCS adjusted
operating profit*

£312k

9.5 months 2015/16

Route Monkey
adjusted operating
profit*

£596k

3 months 2015/16

£000'S	DCS (9.5 MONTHS OF FY 2015/16)	ROUTE MONKEY (3 MONTHS OF FY 2015/16)
REVENUE	1,852	856
ADJUSTED OPERATING PROFIT*	312	596
CASH GENERATED**	406	460

- Integrations going to plan. Move from business unit to functional management almost complete
- DCS: acquired trade and assets only
- Route Monkey: adoption of conservative accounting:
 - revenue recognition policy amended
 - improved correlation of profit to cash
- Both profitable, cash generative and earnings enhancing

* before exceptional items and share based payments

** cash generated from operating activities

ACQUISITION OF ROADSENSE

- Roadsense Technology, a telematics sales company acquired in August 2016
- Acquired to consolidate and grow the Group's share of the SME market:
 - historic underrepresentation in this market
 - fast growing market
- Cost of £0.8m in cash
- Reported revenues of £0.9m and operating profit broke even (year to 31.3.16)
- 3,500 units installed
- 150 customers
- Finance and admin now centralised within Trakm8; sales team fully trained in Trakm8 products



SUMMARY OF CASH GENERATION



FY2015/16

CASH SUMMARY

CASH FLOW

£000's

Net cash inflow from operating activities

2015/16
Audited

2014/15
Audited

4,447

1,186

Cash flows from investing activities

Acquisition of subsidiary undertaking (net of cash)

(7,698)

(5)

Purchases of equipment & software

(607)

(345)

Capitalised development costs

(1,853)

(862)

Net cash used in investing activities

(10,158)

(1,212)

Cash flows from financing activities

Issue of new shares & sale of Treasury shares

5,920

62

New bank loan & HP contract

6,126

3,000

Interest paid (net)

(107)

(59)

Repayment of loans & HP agreements

(5,765)

(2,480)

Net cash generated in financing activities

6,174

523

Net increase in cash and cash equivalents

463

497

Cash and cash equivalents at beginning of period

3,408

2,911

Cash and cash equivalents at end of period

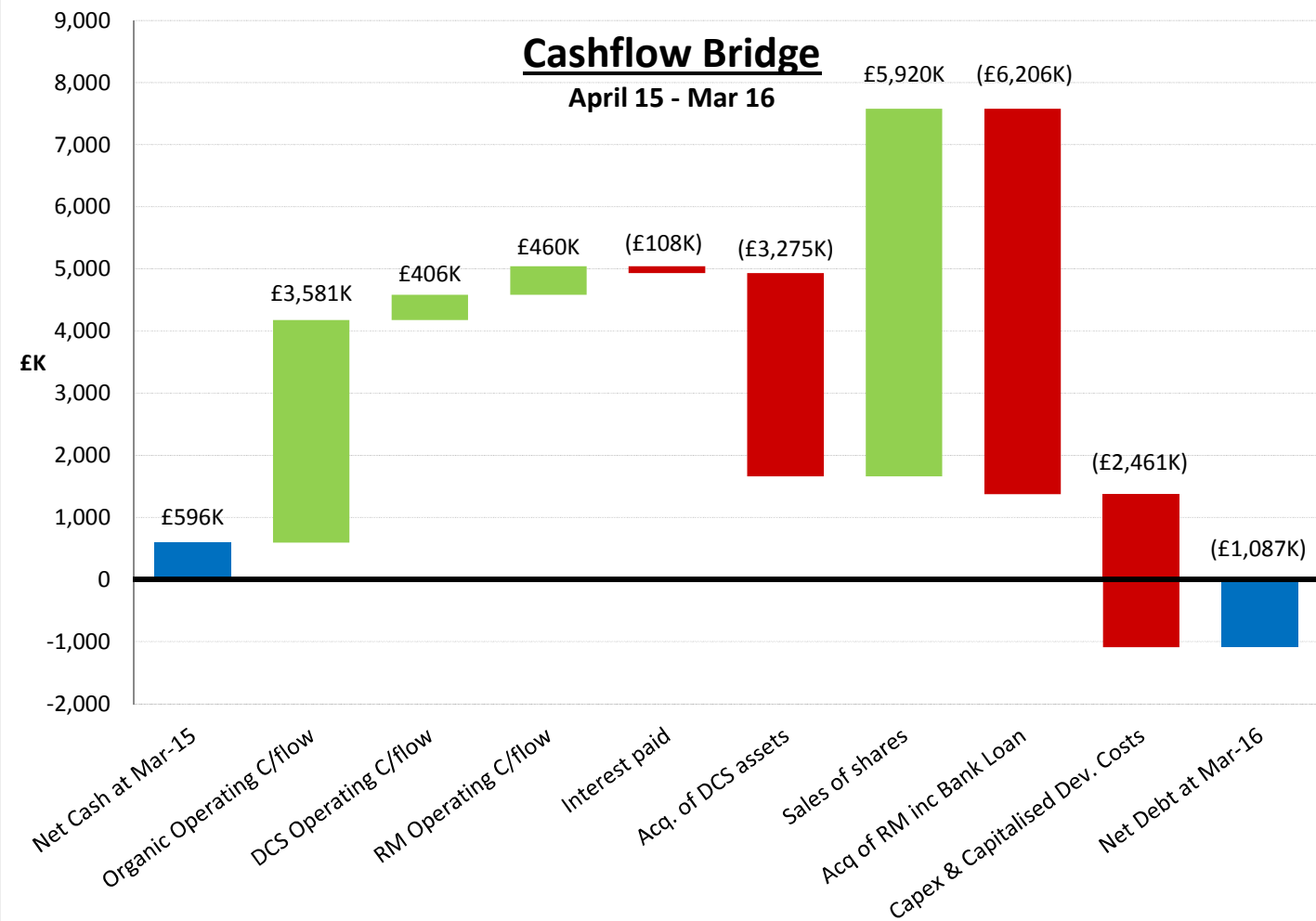
3,871

3,408

- Acquisition of DCS assets £3.3m and of Route Monkey £4.4m
- Share proceeds:
 - £6m from Route Monkey placing, exercise of share options and sale of Treasury shares
- Maiden 2p dividend will cost £0.65m:
 - Payable after AGM in September

CASH SUMMARY

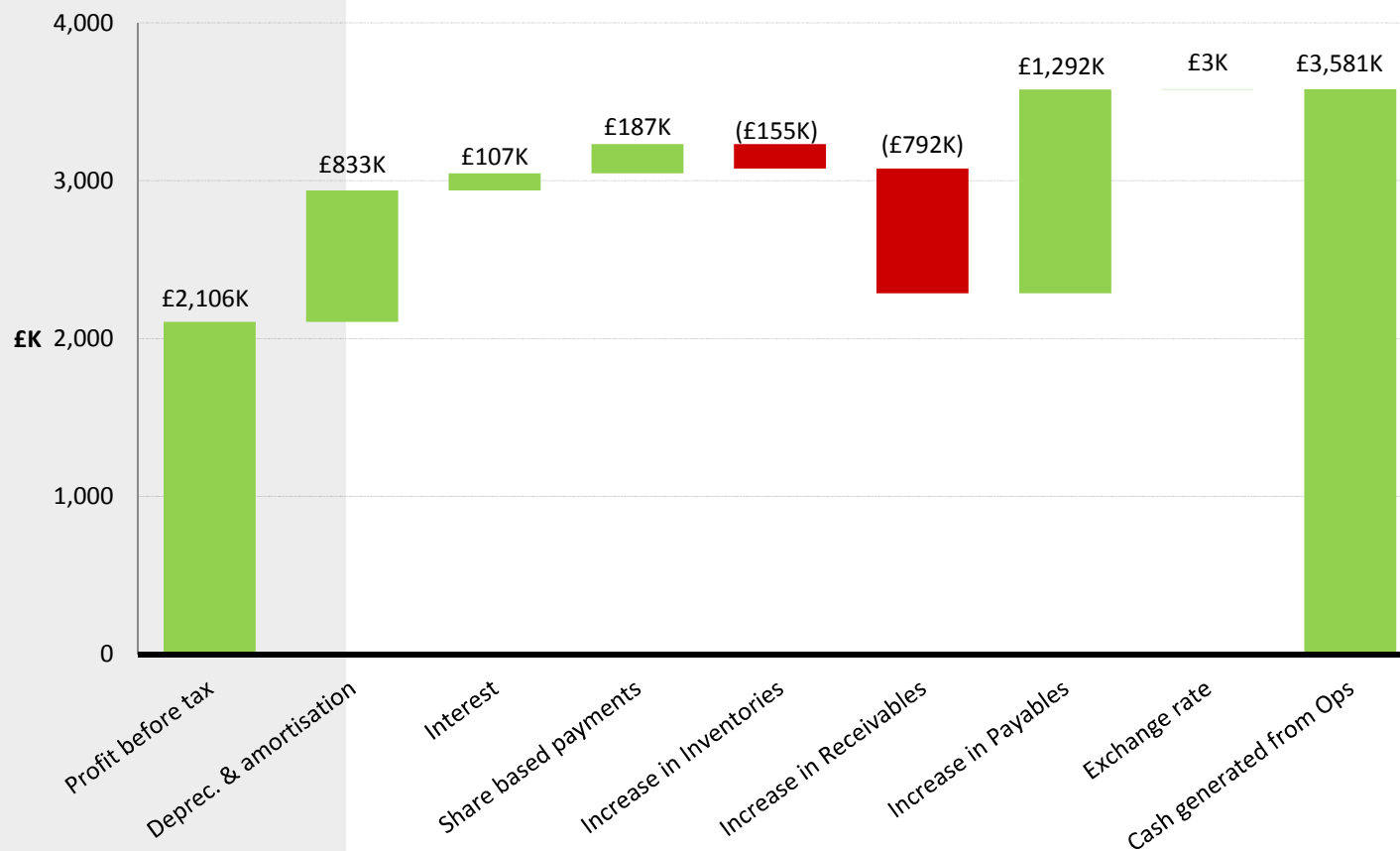
CASH FLOW BRIDGE



CASH SUMMARY

ORGANIC OPERATING CASH FLOW BRIDGE

APRIL 15 – MARCH 16



- Likely working capital impact in future from trend of customers moving from purchasing hardware upfront to mitigated deals (fixed monthly fees over a fixed term)

CASH SUMMARY

FREE CASH FLOW

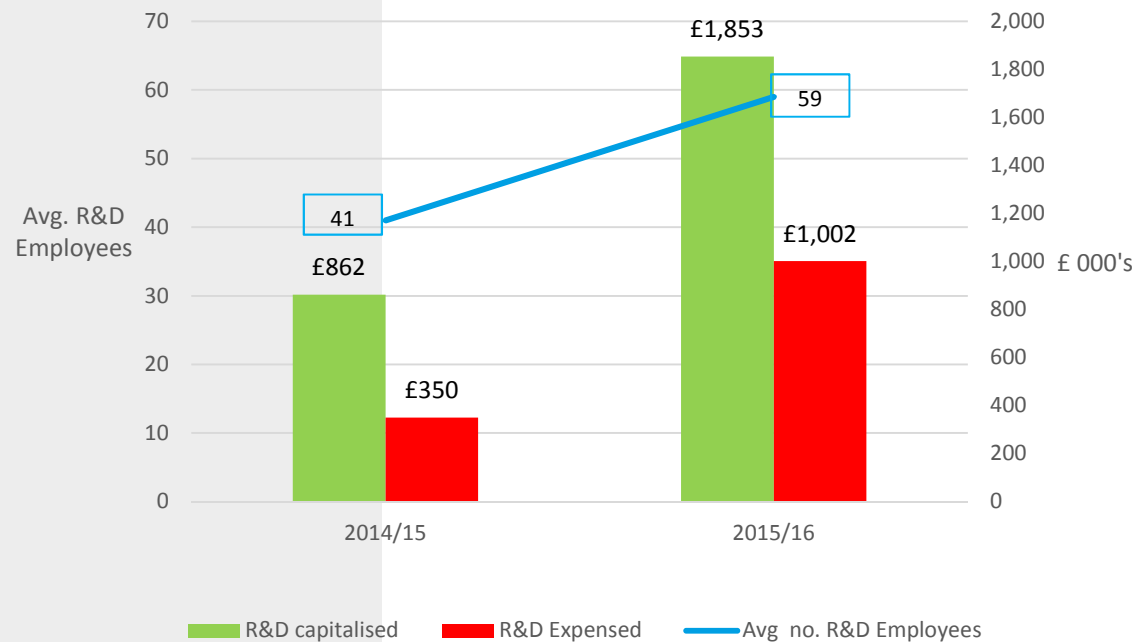
£000's	2015/16 Audited	2014/15 Audited
Adjusted operating profit*	3,921	1,877
Net operating cash flow	4,447	1,186
Capex (net)	(608)	(345)
Capitalised development costs	(1,853)	(862)
Free cash flow	1,986	(21)
Free cash flow conversion**	51%	(1%)

* before exceptional costs and share based payments

** free cash flow as a percentage of adjusted operating profit

CASH SUMMARY

TOTAL SPEND ON R&D



Development costs capitalised in 2015/16:

- Total of £1.853m comprising:
 - Telematics hardware devices:
 - £921K
 - Data algorithms, driver risk scoring, FNOL:
 - £826K
 - Camera technology:
 - £106K

MARKET LEADING
SOLUTIONS AS A
RESULT OF HEAVY
INVESTMENT IN
RESEARCH &
DEVELOPMENT



BROAD RANGE OF
SOLUTIONS

SOLUTIONS: FLEET MANAGEMENT

Prime & SME

Low cost plug and play solution for smaller fleets

- Functionality includes business/private mileage, DTC alerts and driver behaviour
- Launched July 2016 and currently gaining traction

Enterprise

Integrating the data received from our SWIFT solution and embedding it into our customers existing solutions

- Customers include the AA, St Gobain and Bibby Distribution

Routing, Scheduling and Workflow Optimisation

- Solutions to reduce journey times and fuel usage
- Optimise vehicle fleet composition
- Workforce utilisation
- Optimisation specialist for EV



BROAD RANGE OF
SOLUTIONS

SOLUTIONS: INSURANCE

Fulfilment

- End to end solutions for insurance customers
- From manufacturing, supply, branding and communications through to customer support and engagement

Driver Risk Profiling

- Unique algorithms provide insurance companies with a personalised driver score
- Tailored insurance premiums for drivers and full access to their driving behaviour

Crash Detection

- Combines advanced algorithms with telematics
- When combined with a dash cam the user can review the event footage
- Provides evidence in court and ensures Insurance companies can reduce claim management costs



BROAD RANGE OF
SOLUTIONS

SOLUTIONS: AUTOMOTIVE

Lease car solutions

- Accurate ODO readings
- Fuel card correlation
- Service indicator levels
- FNOL

OEM solutions

- Prototype vehicle fleet control
- Data logging with automatic information
- Data aggregator portal: standardisation of OEM protocols on one platform

Service network solutions

- Service status notification
- Fault notifications (DTC codes)
- Battery health
- Mileage based services

Plant and industrial equipment

- Line fit or dealer fit options
- Remote immobilisation to deter 'unpaid out of hire period usage'
- Provide hours & fuel used in real time

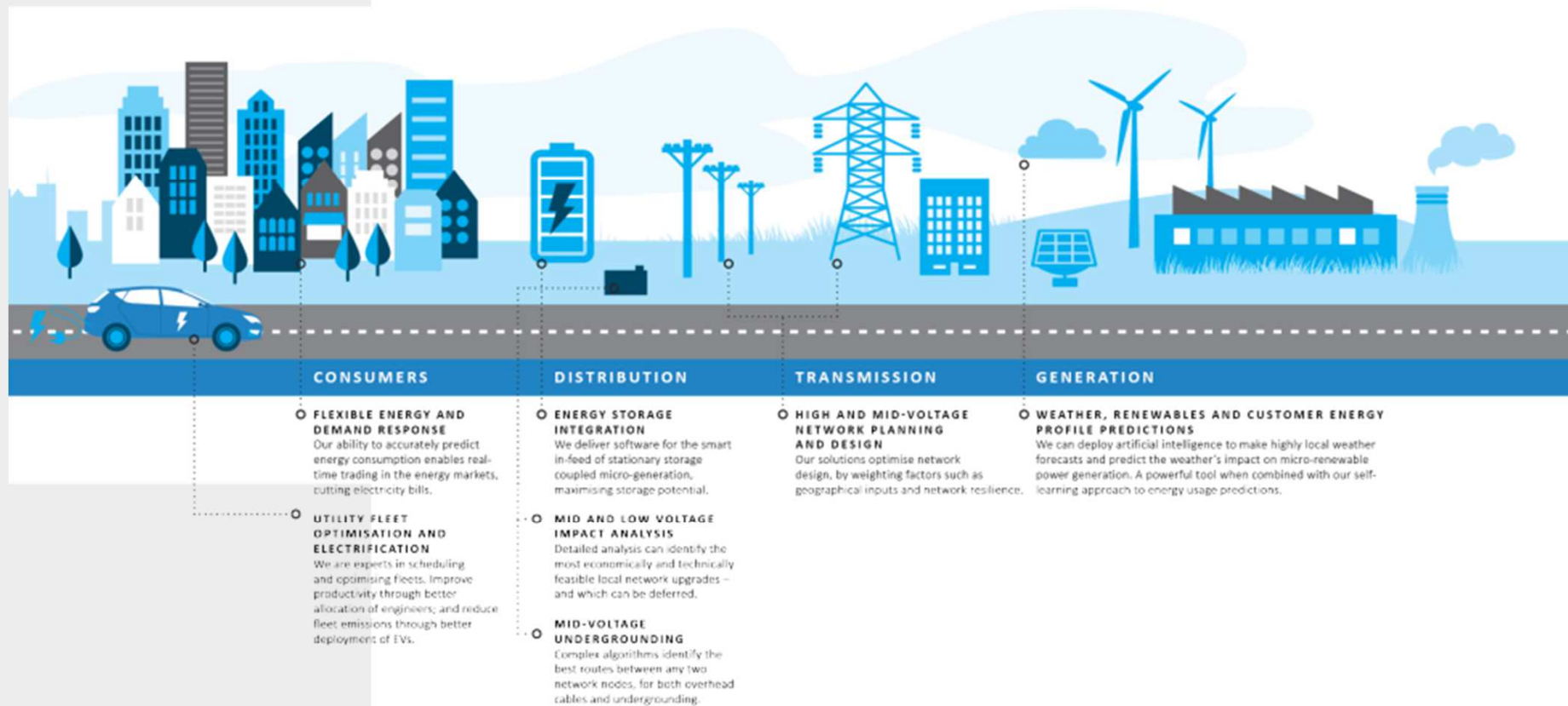


Trakm8connectedcare



BROAD RANGE OF
SOLUTIONS

SOLUTIONS: ENERGY, NETWORKS



BROAD RANGE OF
SOLUTIONS

SOLUTIONS: MANY OTHER VERTICALS

Golf Carts: Trakm8 supply hardware to track pace of play, cart utilisation and prevent unauthorised entry into restricted areas on golf courses across Canada and the USA.



Cleaning Machines: Working in conjunction with Industrial Cleaning Company (ICE), Trakm8 supply both hardware and software that tracks the location of cleaning machines and monitors utilisation factors including water usage and time spent idle.



Fork Lifts: Trakm8 are in talks to supply a solution to reduce Health and Safety risks within warehouses by monitoring forklift truck speeds using a variation of the SWIFT software. The customer is looking to trial this across 3000+ units with the additional potential of utilising a bespoke version of the ConnectedCARE solution to service the fleet.



THE MARKET OPPORTUNITY

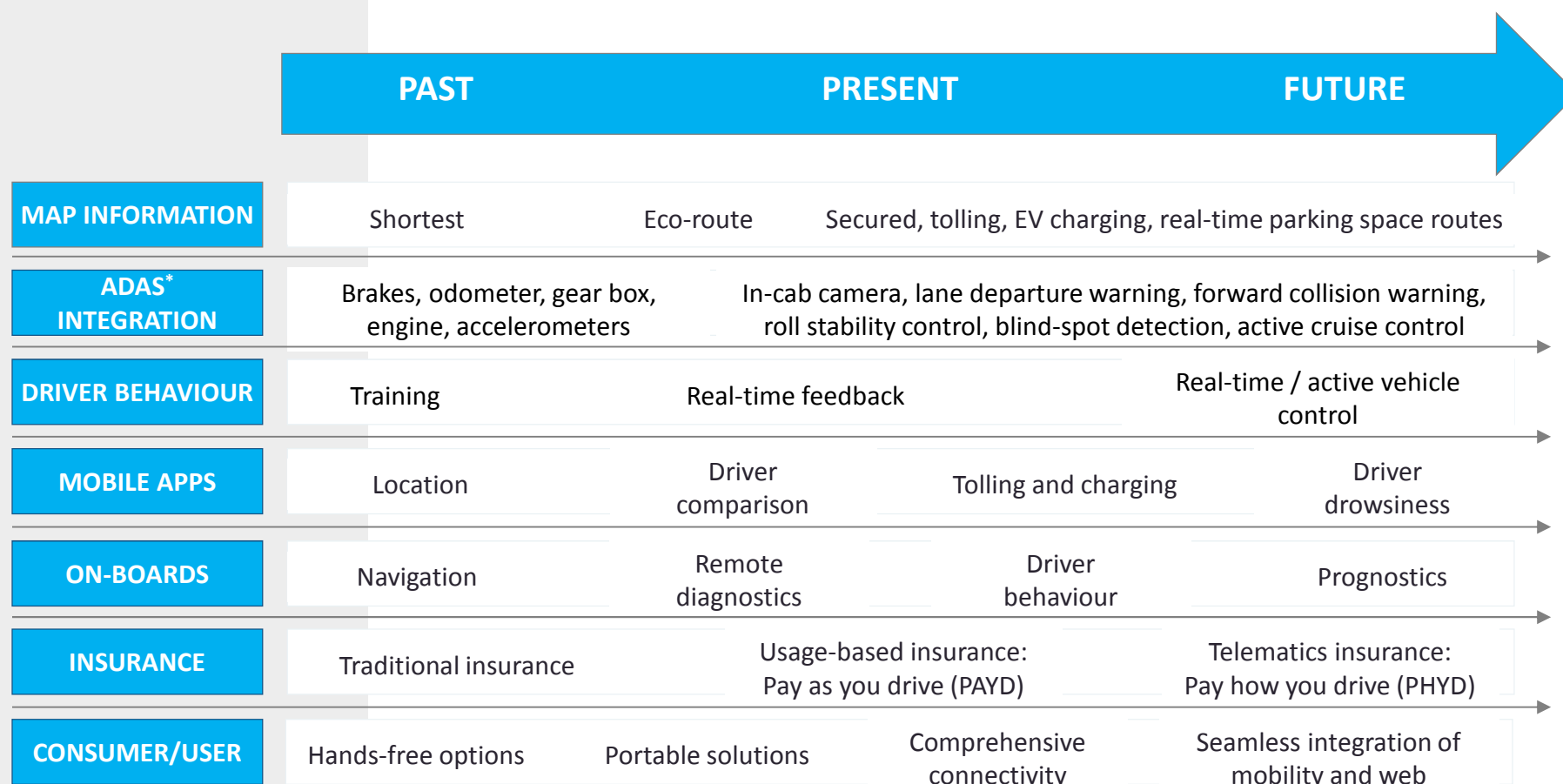


THE MARKET OPPORTUNITY

TRAKM8 SITS AT THE CENTRE OF SEVERAL MEGATRENDS



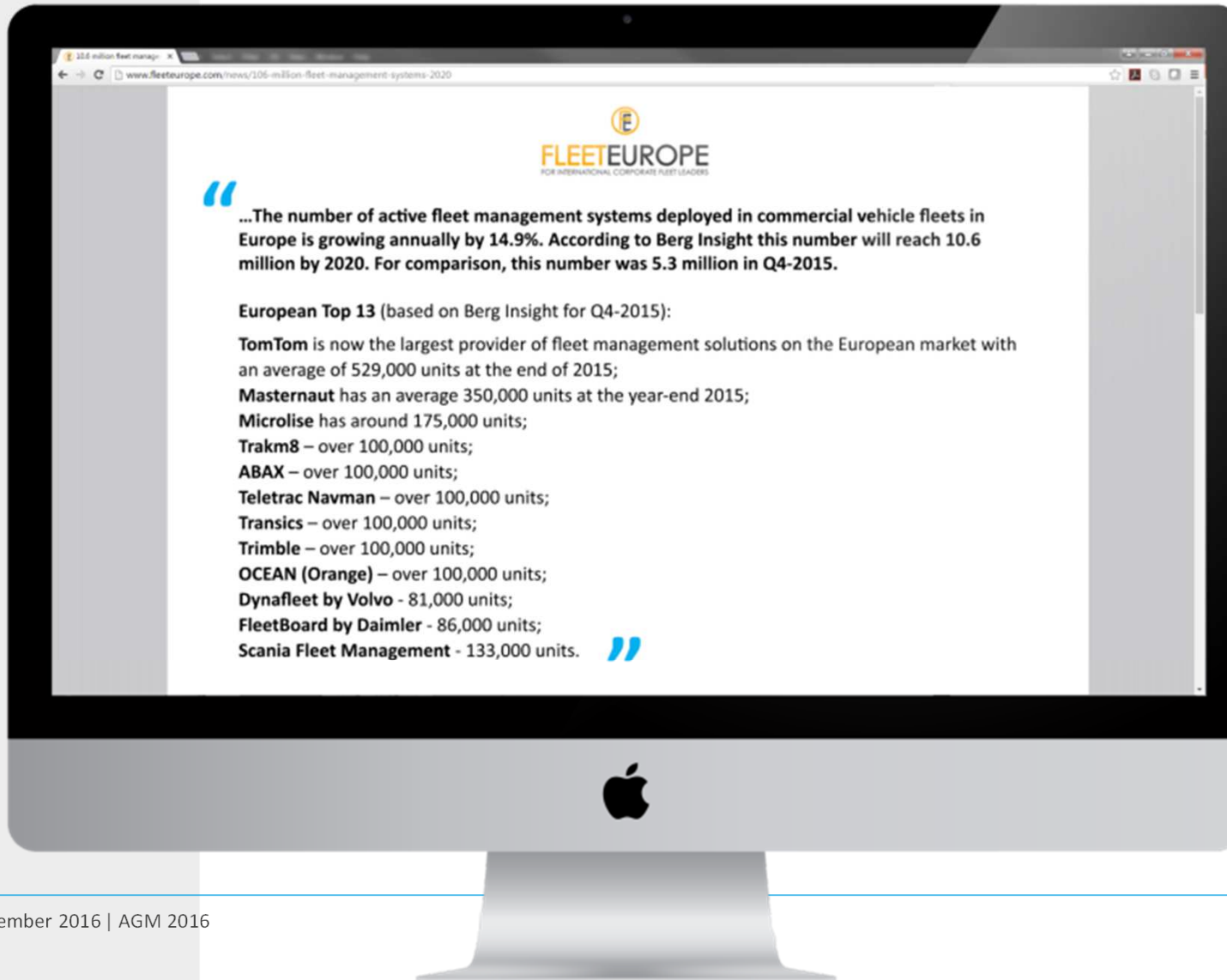
THE TELEMATICS MARKET DEVELOPMENT



*advanced driver assistance systems

THE MARKET OPPORTUNITY

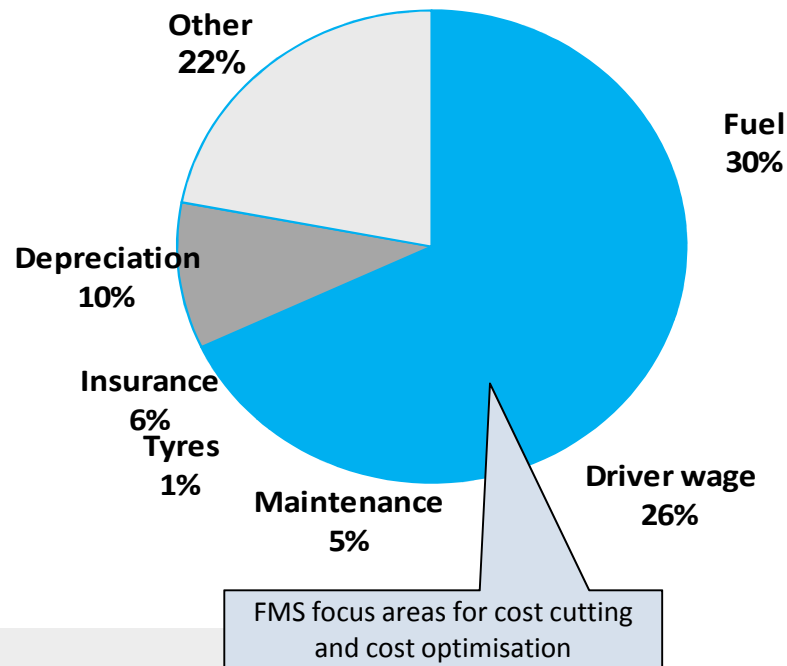
TELMATICS GROWTH



TELEMATICS IMPACTS MOST OF THE COSTS OF RUNNING A FLEET

COST OF FLEET OPERATION AND KEY FOCUS AREAS

- Fleet Management Solutions work to optimise performance in areas that account for approximately 68% of fleet operation costs



This can be applicable to many types of Fleet, including:

Vehicle Leasing, Taxis, Blue light response, Waste Management,

Plant, Recovery services and Energy providers

BENEFITS OF EFFECTIVE DEPLOYMENT

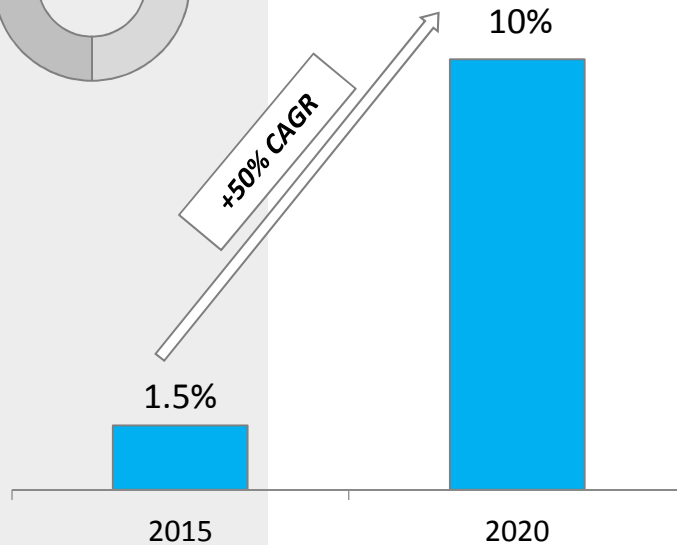
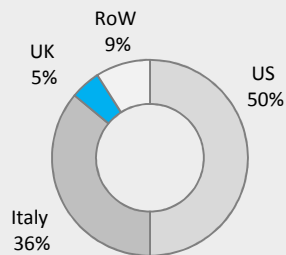
- Real-time visibility and safety of mobile work force
- Reduce fuel costs and mileage
- Reduce overtime costs and improper vehicle use
- More efficient routing
- Decreased environmental impact through lower CO₂ emissions
- Boost productivity and workforce utilization and lower fleet size
- Increase customer satisfaction through improved communication
- Ensure compliance with government regulation
- Lower insurance premiums

HIGHLIGHTS

GROWTH OF INSURANCE TELEMATICS

Significant penetration growth of UBI policies...

UBI policy breakdown (2015)



Global UBI policy penetration rate

...driven by a number of underlying characteristics

\$654bn global auto insurance premiums

1bn+ personal vehicles on the road

- The auto insurance industry is large, regulated and highly competitive
- “Grudge” purchase for drivers
- “Gateway” offering for insurance companies
- Significant inefficiencies in pricing risk and managing the claims process

Source: Ptolemus Consulting Group, MarketLine, Global Motor Insurance Report (May 2015)

FRAGMENTED & CONSOLIDATING MARKET

Major Competitors

Fleet

Fleetmatics	737,000 units reporting*
Tom Tom	600,000 units reporting*
Mix Telematics	578,000 units reporting*
Masternaut	330,000 units reporting
Ctrack (Digicore)	174,000 units reporting*
Quartix	79,000 units reporting*
Trakm8	66,000 units reporting

Insurance

Octo	4,500,000 units reporting
Trakm8	103,000 units reporting
Quartix	37,000 units reporting*

Automotive

Bosch	NA
Continental	NA
Delphi	NA

*Company figures
Others management estimates

Recent Consolidation (2015/16)

- Acquisition of Fleetmatics by Verizon EV/Sales 6x – combined with Telogis
- Acquisition of Masternaut by Summit Capital EV/Sales 5x – combined with Fleetcor
- Acquisition of Finder by TomTom
- Acquisition of DigiCore by Novatel Wireless EV/Sales 1x
- Acquisition of Sascar by Michelin EV/Sales 6x

INTEGRATING ACQUIRED TECHNOLOGIES



Cameras

Optimisation





CAMERA INTEGRATION STRATEGY

- **No compromises**
 - The best of telematics with the best of cameras
- **Pick & mix**
 - Interoperability with existing trakm8 telematics
- **Put everything in the box**
 - Pack as much technology as we can into a single unit
- **Then add some more**
 - Combined technology enables new features
- **Setup as you like it**
 - Configurable for the needs of any business
- **And all done all in-house**
 - Designed, developed and manufactured by Trakm8

FEATURE OVERVIEW



Telematics Features

- Driver Behaviour
- FNOL
- Real-time Tracking
- High-resolution Data
- Harsh Events
- connectedCARE

Camera Features

- 2 HD Camera Heads
- Video Recording
- Still Capture
- Auto Event Upload
- Manual Event Upload
- Live Streaming

Connectivity

- 4G On-board
- Bluetooth 4.0
- App Compatible
- WiFi Ready
- Modular
- Flexible Plans

Future Developments - ADAS

- Collision Warning
- Lane Departure
- Driver Distraction
- Drowsiness Warning
- Face Recognition
- Behaviour Scored

Field Trials Q3 2016; Entering Production Early 2017.

INTEGRATED
TECHNOLOGIES

THE IN-VEHICLE UNIT



ROUTE MONKEY



- Acquired to create a fully integrated fleet management solution
- Offers technology solutions that optimise:
 - security and efficiency of worker
 - efficiency of routes and scheduling
 - vehicle loading
- Launched first integrated solution August 2016

BROAD RANGE OF TECHNOLOGY

OPTIMISATION SOLUTIONS

Energy:

Optimising networks, electric vehicles, charging infrastructure and energy markets

Mobility:

Personal mobility, employee and asset optimisation

Logistics:

Generating savings and efficiencies for logistics, vehicle planning and drivers

Networks:

Network algorithms, resource planning and mobile apps

BROAD RANGE OF TECHNOLOGY

OPTIMISATION SOLUTIONS



Demonstration by Colin Ferguson, Route Monkey CEO

OUTLOOK & SUMMARY



STRATEGY & ACTION

STRATEGY

- Continue to increase the number of installed devices reporting to our servers and generating long term recurring revenues – up by 18,000 since 31.3.16
- Continue to own the majority of IP in the value chain
- Continue to seek complementary acquisitions that add to organic growth – primarily to increase market share not technology

ACTION

- Develop service revenues from integrated cameras and SaaS Optimisation
- Build intelligence based services, deeper insights and improve coaching
- Expanding sales teams – 12 additional heads since 31.3.16 and Marketing spend doubled for this year compared to last. This trend to continue over the medium term.
- Move to Business Unit Structure to ensure focus – Fleet, Insurance, Automotive, Optimisation.
- Solutions and sales strategies for Large, Medium and Small Fleets, Major Insurance Companies and Tier 1 and Tier 2 Brokers, Automotive OEMs and Aftermarket
- Increase Global footprint – Asia committed, USA likely. Czech Republic growing well

A BRIEF WORD ON BREXIT IMPACT

- c.10% increase in component costs due to exchange rates
- Mitigation through drive to increase sales overseas and through supplier cost down actions
- To date no impact on customer confidence in terms of our sales activity and order pipeline

AGM STATEMENT & TRADING UPDATE

- Encouraging level of orders in H1 YTD:
 - 37% greater than the same period last year
 - 27% is organic growth
- Installed base now 169,000 units:
 - Fleet Telematics increase of 7,000 to 66,000 units (supplied to c. 2,300 customers)
 - Insurance Telematics increase of 11,000 to 103,000 units
 - Half year profitability is expected to be less than the first half of last year, with a stronger second half anticipated
- £0.5m impact of exchange rate movement
- Board outlook (excluding forex movement) for the year remains unchanged

INVESTMENT SUMMARY

- Increased financial resources to finance investment and further acquisitions
- Fragmented long term growth market – opportunities for any geographical expansion
- Management and resources in place in anticipation of significant growth
- Growing installed base with blue chip customers with strong ongoing pipeline of opportunities
- Strong financial model with a focus on growing recurring revenues and cash generation
- Market driven by customer focus on fuel economy, insurance costs, service costs and the impact of increasing government regulation
- Maiden dividend of 2p per share to be paid in September 2016

QUESTIONS





APPENDIX SUMMARY OF RESULTS



FY2015/16

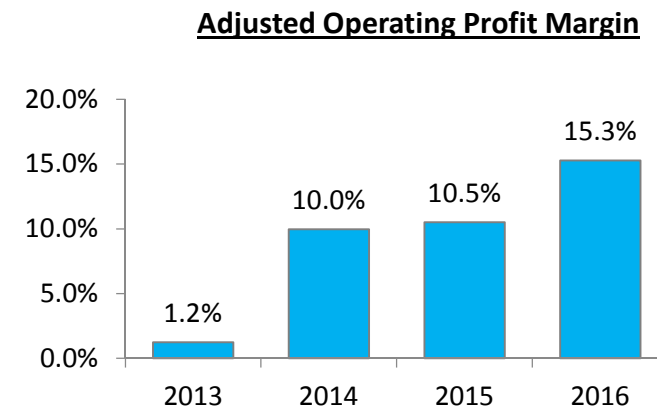
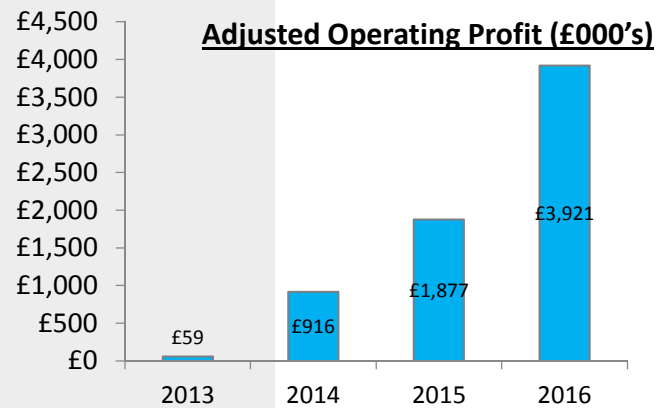
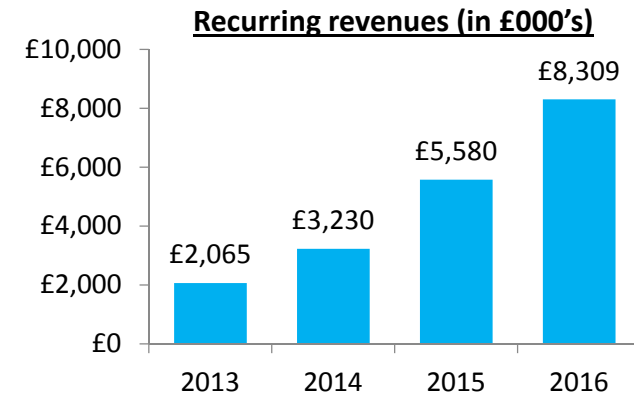
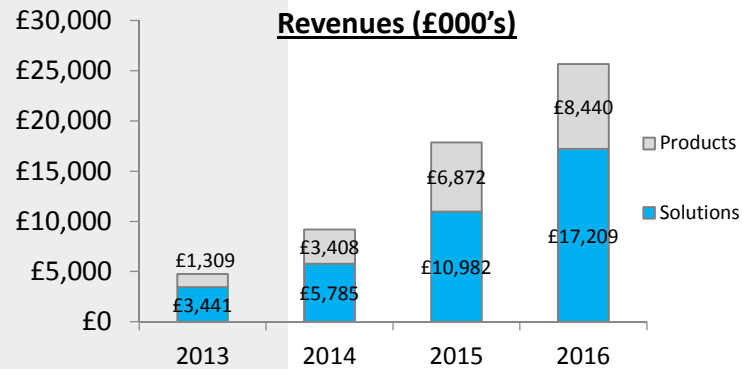
PROFIT AND LOSS SUMMARY

£000's	2015/16 Unaudited	2014/15 Audited
Revenue	25,649	17,853
Recurring revenues	8,309	5,580
Gross profit	12,398	8,062
Gross profit margin	48.3%	45.2%
Administrative Expenses (excluding exceptionals)	(8,756)	(6,301)
Adjusted operating profit*	3,921	1,877
Adjusted EPS*	13.44p	6.24p

- Orders received up 29%
- Revenues up 44%:
 - organic growth 28%
 - acquisitions added £2.71m
 - recurring revenues up 49%
- Gross profit margin up 3.1%
- Acquisitions added £0.9m adjusted operating profit
- Reconciliation to statutory operating profit:
 - share based payments £0.20m
 - exceptional costs £0.61m
- Tax credit £0.34m:
 - significant tax losses retained

* before exceptional items and share based payments

HISTORIC TRENDS



SUMMARY OF RESULTS

BALANCE SHEET

£000's

Continuing Operations

Non-current assets

Intangible assets	13,996	3,652
Plant, property and equipment	1,573	1,247
Deferred income tax asset	801	666

As at
31/03/16
Unaudited

As at
31/03/15
Audited

16,370 5,565

Current assets

Inventories	2,259	1,493
Trade and other receivables	7,620	4,912
Cash and cash equivalents	3,871	3,408

13,750 9,813

Current liabilities

Trade and other payables	(7,541)	(5,125)
Borrowings	(981)	(576)
Provisions	(92)	(92)

(8,614) (5,793)

Current assets less current liabilities

5,136 4,020

Non-current liabilities

(4,432) (2,590)

Net assets

17,074 6,995

- DCS assets acquired:
 - Intangibles £2.5m
 - Inventories £0.7m
 - Debtors/Creditors £0.1m
- Route Monkey assets acquired:
 - Intangibles £6.57m
 - Debtors/Creditors £0.41m
- Increased investment in Capex and IP:
 - Capex £0.61m
 - Capitalised development costs £1.85m
- Net debt £1.1m
- Increased HSBC facility £9.8m (£5m currently unused)

CASH SUMMARY

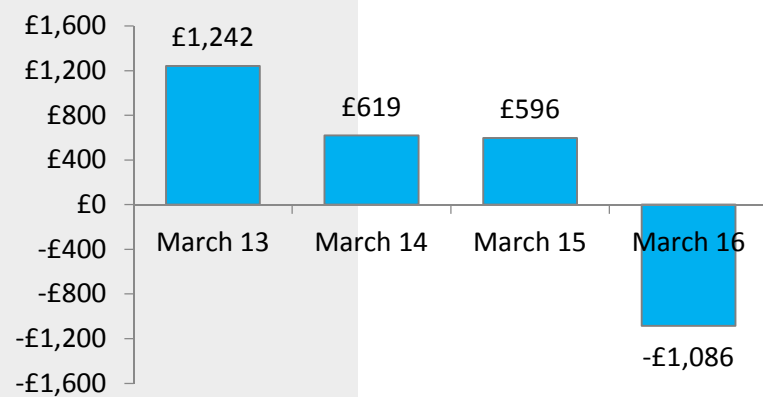
RECONCILIATION OF PBT TO NET CASH FLOW

£000's	2015/16 Audited	2014/15 Audited
Reconciliation of profit before tax to net cash flow from operating activities		
Profit before tax	3,003	1,702
Depreciation	232	202
Bank and other interest	107	58,
Amortisation of intangible assets	656	517
Share based payments	198	117
Operating cash flows before movement in working capital	4,196	2,597
Movement on retranslation of overseas operations	3	(4)
Movement in inventories	(39)	(213)
Movement in trade and other receivables	(1,211)	(1,642))
Movement in trade and other payables	1,486	395
Movement in provisions	12	(21)
Cash generated from operations	4,447	1,112
Income taxes received	-	74
Net cash inflow from operating activities	4,447	1,186

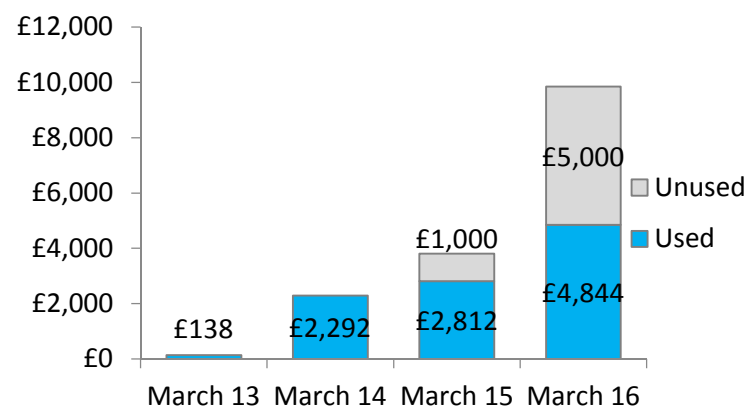
SUMMARY OF RESULTS

HISTORICAL TRENDS

Net cash/(debt)* (March Y/E in £000's)

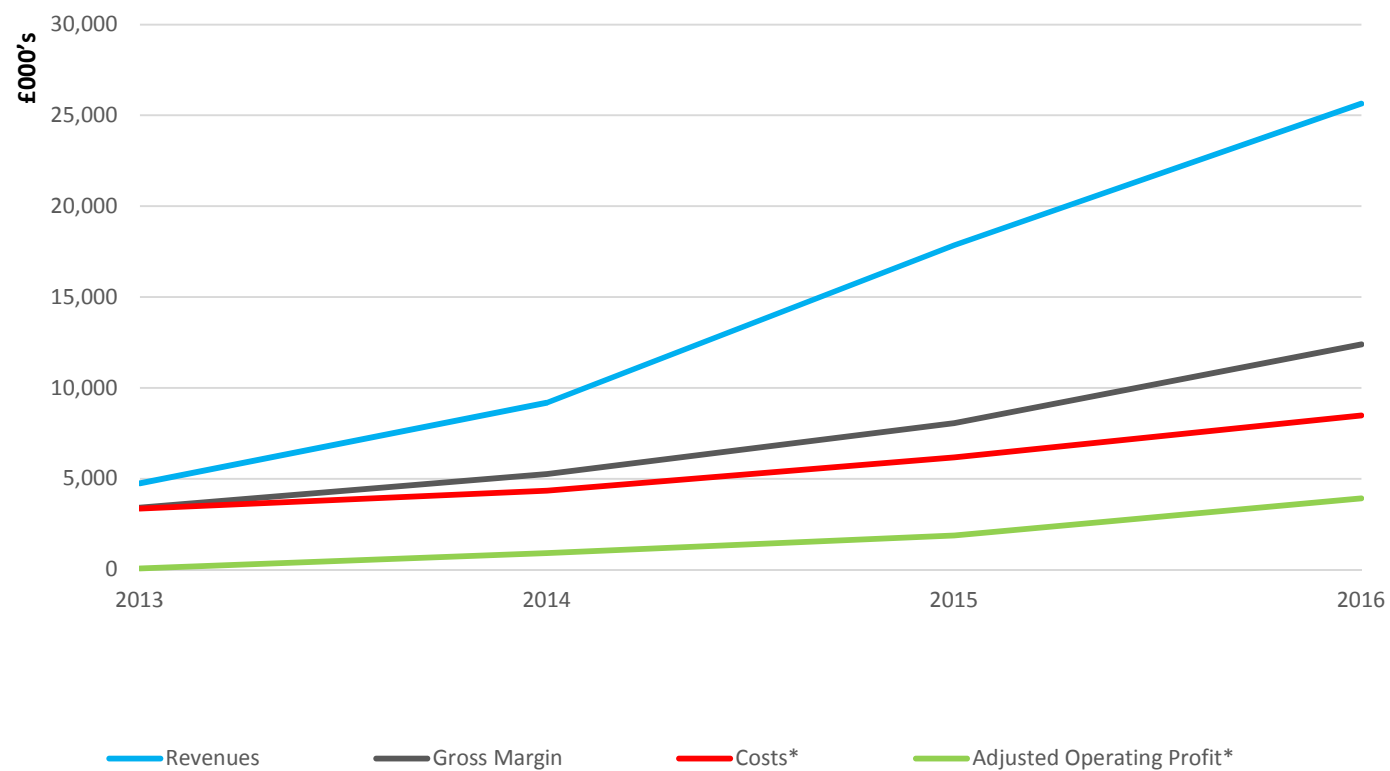


Banking facilities (£000's)



* Total borrowings less cash

TRAKM8'S OPERATIONAL GEARING



*before exceptional items and share based payments