



## Trakm8 FY2023 Results

[Begin](#)

# Financial Results

- Group revenue in second half ahead of first half resulting in revenues for the year of circa £20.2m
- Recurring revenues increased by 7% to £10.5m with connections up to 348,000
- Change of strategy and restructure completed in September significantly reducing future cost base despite inflationary pressures
- Second half adjusted profit of £1.4m resulted in full year adjusted profit of £0.3m
- Insurance revenues in current year impacted by capacity issues and reinsurance costs but full year expected to continue trend of improved performance

# FY23 Financial Statement

## Income Statement



£000's	FY-2023	FY-2022
Revenue	20,197	18,111
of which, Recurring Revenues	10,466	9,806
Gross Profit*	12,491	11,107
Gross Profit Margin	61.8%	61.3%
Administrative Expenses**	(11,860)	(10,193)
Adjusted Profit before Tax**	306	3
(Loss) before Tax	(1,243)	(122)
(Loss)/Profit after Tax	(774)	197
Adjusted basic EPS* (p)	0.95	0.41

\* Inclusive of exceptional £261k cost of sales

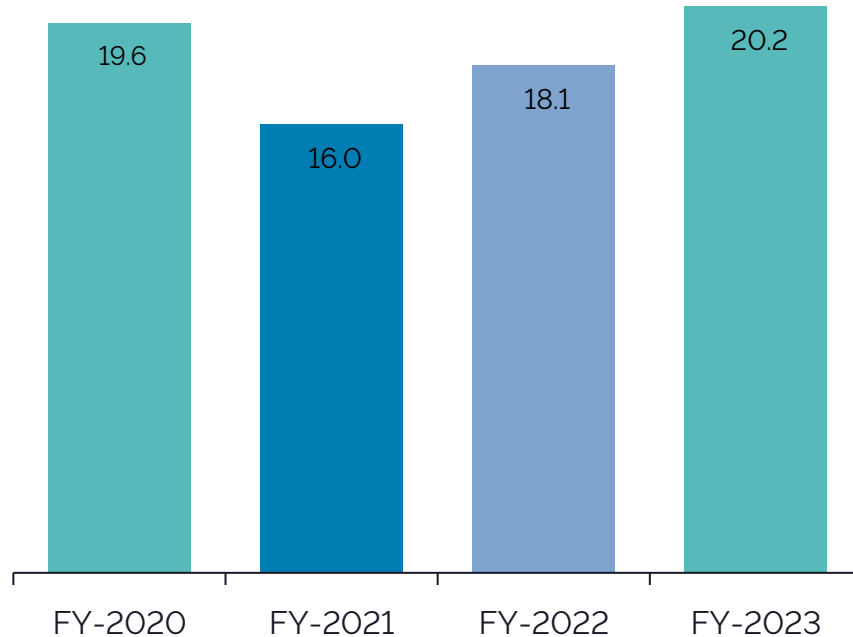
\*\* Adjusted for exceptional costs and share based payments

## FY-2023 Results

- Revenues up 12%
  - Recurring revenues up 7%
  - £2.1m in software revenues
  
- Overheads:
  - Includes 24% reduction in headcount during second half of the year
  - Marketing spend increase
  - Inflationary pressures across operational costs
  
- Reconciliation to statutory PBT
  - Exceptional costs £1.5m (FY22: £0.6m)
  - Share based payments charge of £0.02m

# Financial Review

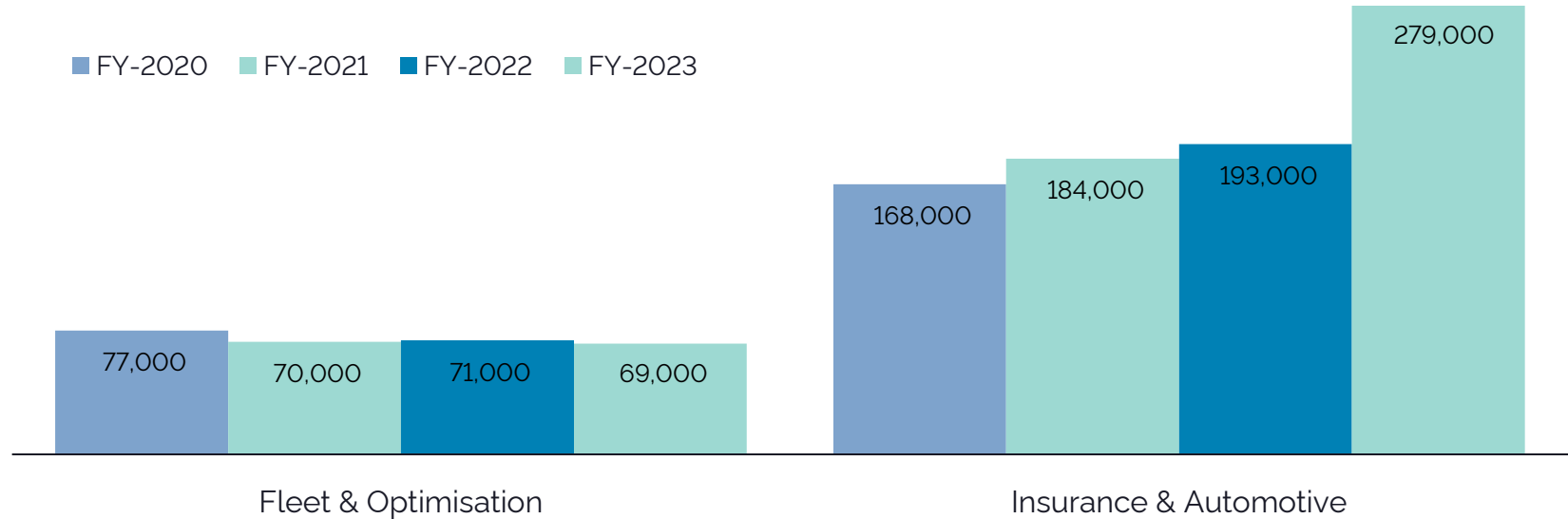
## Revenue Performance



- Revenues exceeding pre-COVID levels
- Strong software sales £2.1m (FY-2022: £1.4m) including contract renewals with both Iceland and Sainsburys
- Insurance and Automotive revenues up to £8.7m with strong device sales (FY-2022: £6.9m)

# Financial Review

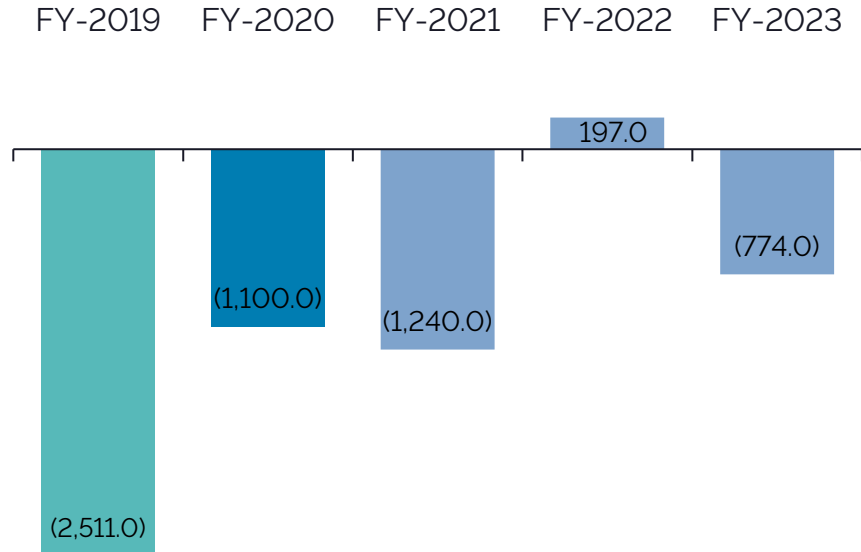
## Connections



- Strong growth Insurance and Automotive from increased device sales
- Fleet and Optimisation down 3% as we focus on higher margin enterprise customers

# Financial Review

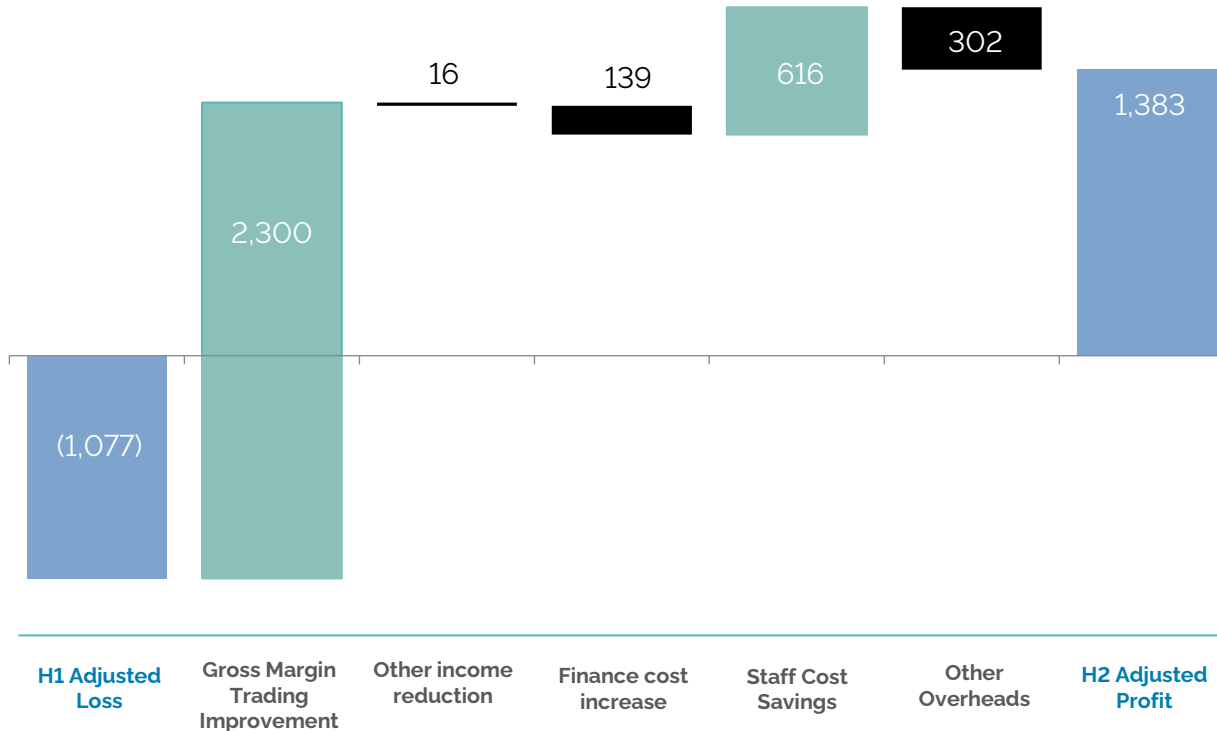
Profit/Loss after Tax



- Increased trading offset by increased exceptional costs
- Exceptional restructuring costs of £1m incurred for restructure and change of strategy
- £0.3m of one-off component acquisition costs to ensure continuity of supply
- Other inflationary pressures in payroll and other operational costs

# Financial Review

## Adjusted Loss/Profit Before Tax H1 v H2 Bridge

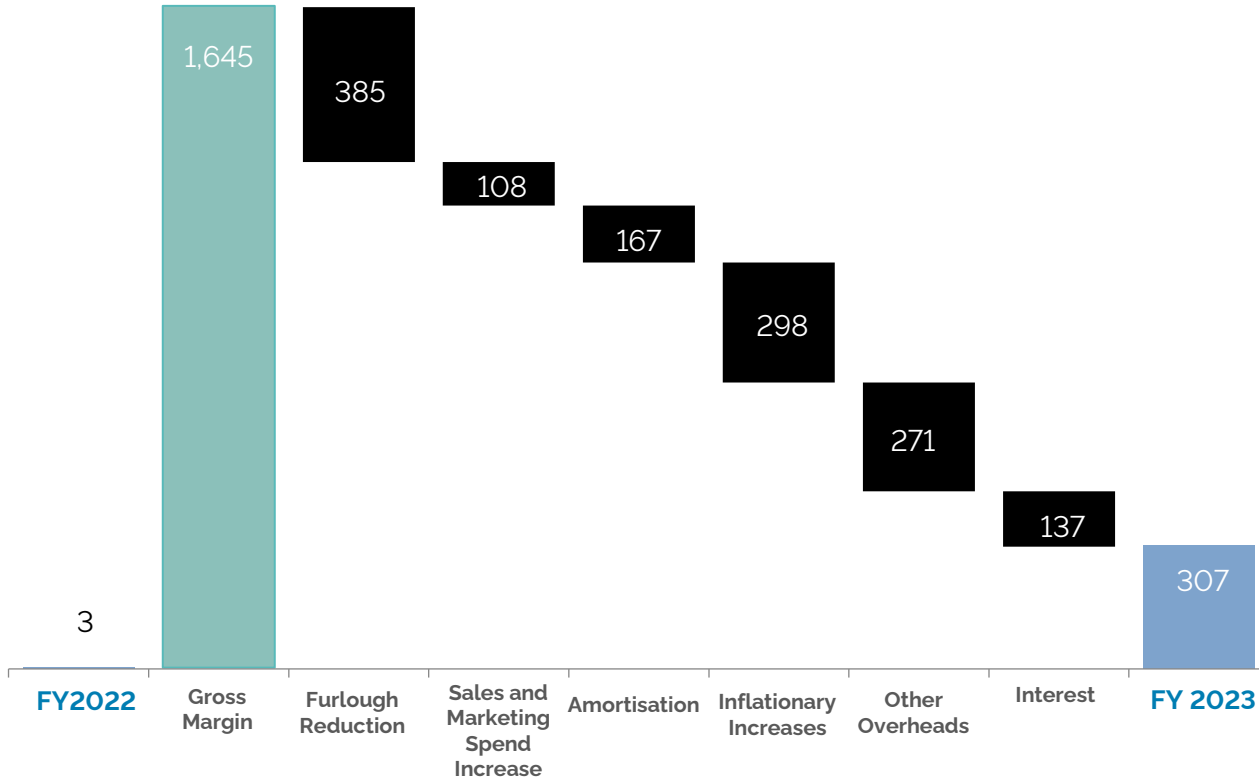


- Revenues for second half of £11.2m up from £9.0m
- Increased revenues including strong software revenues driving £2.3m increase in gross margin
- Restructuring and change of strategy saving over £0.6m in staff costs versus first half



# Financial

## Adjusted Profit before Tax Bridge



- Further progress to adjusted profit of £0.3m
- Improved trading driving increased gross margins
- Other overheads includes increase in hosting costs to support increased revenues

# Financial Statement

## Consolidated Statement of Financial Position



£000's	FY-2023	FY-2022
<b>Non-current assets</b>		
Intangible assets	23,382	23,012
Right of use assets	1,711	2,032
Other non-current assets	1,107	830
	<b>26,200</b>	<b>25,874</b>
<b>Current assets</b>		
Inventories	2,426	1,322
Trade and other receivables	7,948	7,944
Corporation tax receivable	856	709
Cash and cash equivalents	1,119	1,004
	<b>12,349</b>	<b>10,979</b>
Current liabilities	(10,767)	(9,275)
Current Assets less current liabilities	1,582	1,704
Non-Current liabilities	(8,653)	(7,702)
Net Assets	<b>19,129</b>	<b>19,876</b>

- Investment in R&D of £2.7m, down from £2.9m
- Inventories up supporting higher device sales
- Current liabilities includes reduction of £0.9m after settling HMRC TTP agreement

# Financial Statement

## Consolidated Cash Flow Statement

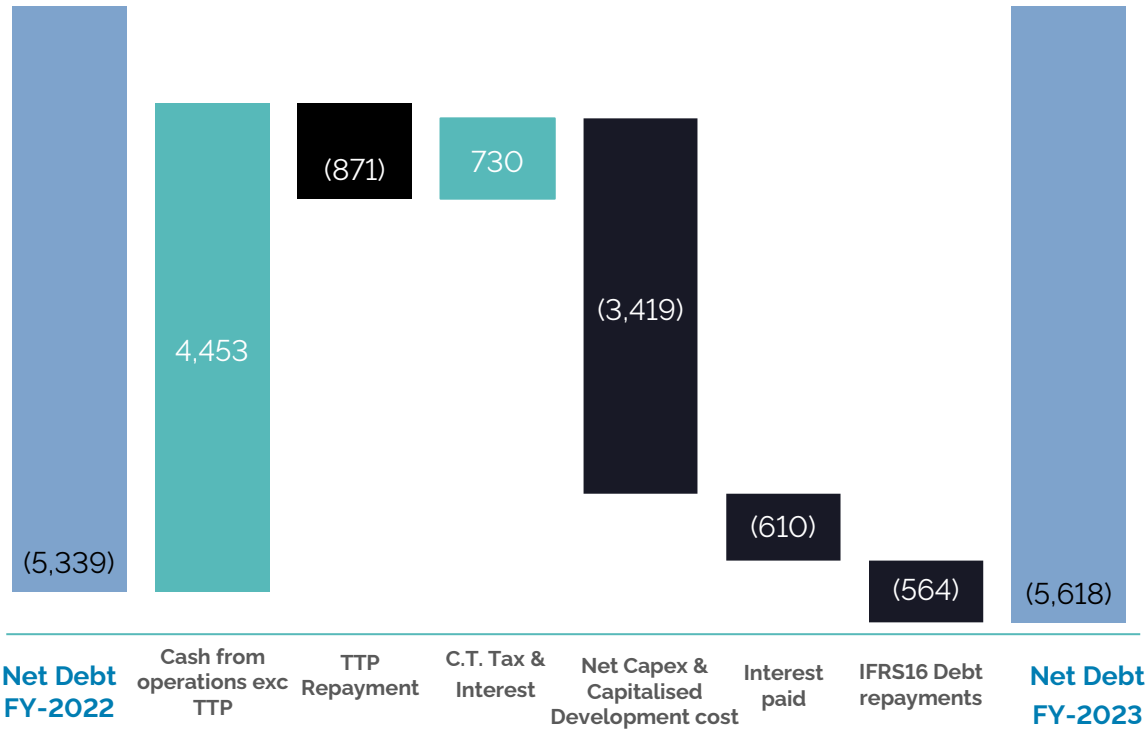


£000's	FY-2023	FY-2022
Net cash generated from operating activities	4,314	3,810
<b>Cash flows from Investing Activities</b>		
Purchases of property, plant and equipment	(749)	(420)
Proceeds from sale of property, plant & equip.	-	125
Purchases of software	(12)	(48)
Capitalised development costs	(2,658)	(2,911)
Net cash used in investing activities	(3,419)	(3,254)
<b>Cash flows from financing activities</b>		
New convertible loan note	1,580	-
Loan arrangement fees	(36)	(5)
Repayments of bank loans	(1095)	(743)
Repayment under lease agreements	(619)	(674)
Interest paid	(610)	(500)
Net Cash used in financing activities	(780)	(1,922)
Net change in cash and cash equivalents	115	(1,366)
Cash and cash equivalents at end of year	1,119	1,004

- Net cash generated from operating activities up to £4.3m
- Full year of loan repayments to lenders
- New convertible loan note issued to help finance restructure and change of strategy

# Financial

## Net Debt Bridge\*



- Net debt excl. IFRS 16 impact maintained at £5.3m
- Net debt including IFRS 16 is £6.9m
- HSBC facility extended on similar terms for a further year
- Investment in R&D £0.3m lower than prior year
- Additional £0.5m unutilised bank facility

\* Excluding impact of IFRS 16

- Impact on Insurance market from increased re-insurance costs and some capacity challenges
- Initial impact expected during first quarter but now expected to continue through the first half of the year
- Group revenues in the first half expected to be broadly in line with last year but with much lower operation costs
- With the newly acquired customers and market constraints diminishing in the second half, Insurance performance expected to be strong in the second half of the year
- Strong second half performance inclusive of significant software contract
- Board expects FY 2024 to continue recent trend of improving financial and operational results



**Trakm8**  
Thank you

**Trakm8 Limited**

Roman Park, Roman Way,  
Coleshill, West Midlands,  
B46 1H

**Email:** [info@trakm8.com](mailto:info@trakm8.com)

**Call:** +44 (0) 330 333 4120

**Web:** [www.trakm8.com](http://www.trakm8.com)