

Interim Results Presentation

Tracsis plc
Period Ended 31 January 2025



Contents



Chris Barnes
CEO



Andy Kelly
CFO

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Introduction

Introduction

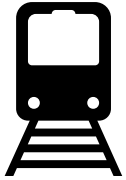
- Lower than expected H1 financial performance impacted by near-term headwinds
- Ongoing growth in recurring software revenues across our Rail Technology product portfolio
- Key product deployments drive recurring revenue growth and international diversification
- Multi-year strategic contract wins underpin revenue in H2 of FY25 and beyond
- Revised FY25 guidance with adjusted EBITDA expected to be £12.5m - £13.5m
- Growth strategy and drivers of long-term growth unchanged
- £3m share buyback launched

The background of the slide is a photograph of a gym. In the foreground, there is a row of treadmills with black and yellow accents. The treadmills are slightly out of focus. In the background, there are tall, dark metal racks or stands. A large, semi-transparent blue circle is overlaid on the left side of the image, containing the text "Growth Strategy".

Growth Strategy

Our purpose is 'Making Transport Work'

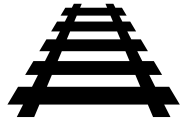
Four core rail technology platforms



Operations and Planning



Customer Experience



Infrastructure Asset Monitoring



Safety and Risk Management

High quality rail customers



A clear customer value proposition

- Innovative, agile, fast-to-market technology provider of mission-critical transport solutions
- Trusted partner to Transport/Rail Operators, Infrastructure Providers and Government Agencies
- Deep industry expertise underpinned by experienced technology leaders
- Data driven approach delivering actionable 'insights'

Strong business fundamentals

- Large installed base of solutions drives significant recurring revenues (c£25m of ARR)
- High software licence retention rates
- Strong cash position and healthy cash generation
- Cyber security aligned with NIS regulations
- ISO 9001, 14001 & 27001 certified

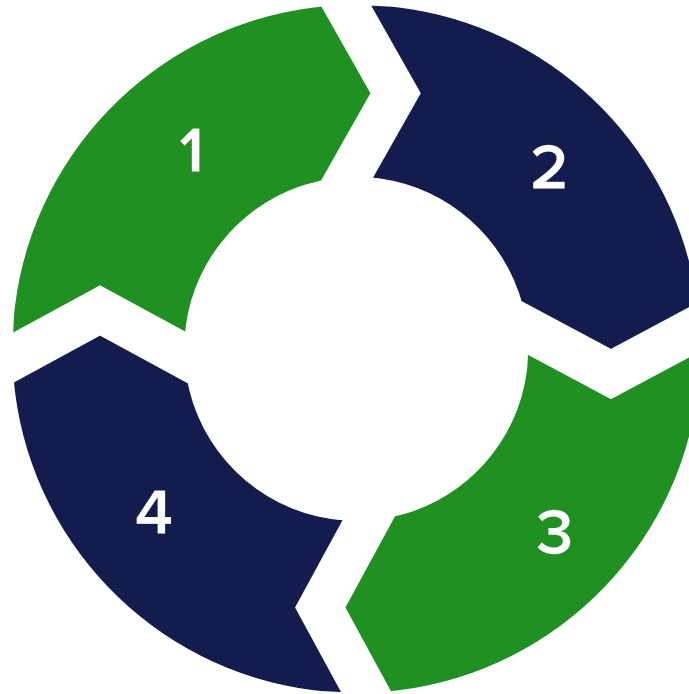
Clear strategy to deliver sustainable long-term value

A product-focused business model

Built around a smaller number of scalable 'best practice' technology platforms. Value proposition underpinned by rail / transport industry expertise

Investment in R&D and M&A

Investment focused on growing recurring revenue via 'next gen' products, entry into new international markets, new product verticals or 'big data'



Growth in recurring revenues

Focus on growth in software licence revenue and consumer driven transactions. Other activities are in service of growing recurring revenue

Margin accretion & strong cashflow

Application of scalable software product portfolio, accelerating time to market, ARR growth and ability to service a larger customer base from a global delivery model

Greater recurring revenue opportunities, strong cashflow and long-term shareholder returns



H1 2025 Operational Highlights

Ongoing recurring revenue growth

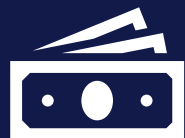
7% increase in recurring
software revenues



7 rail technology product
deployments completed



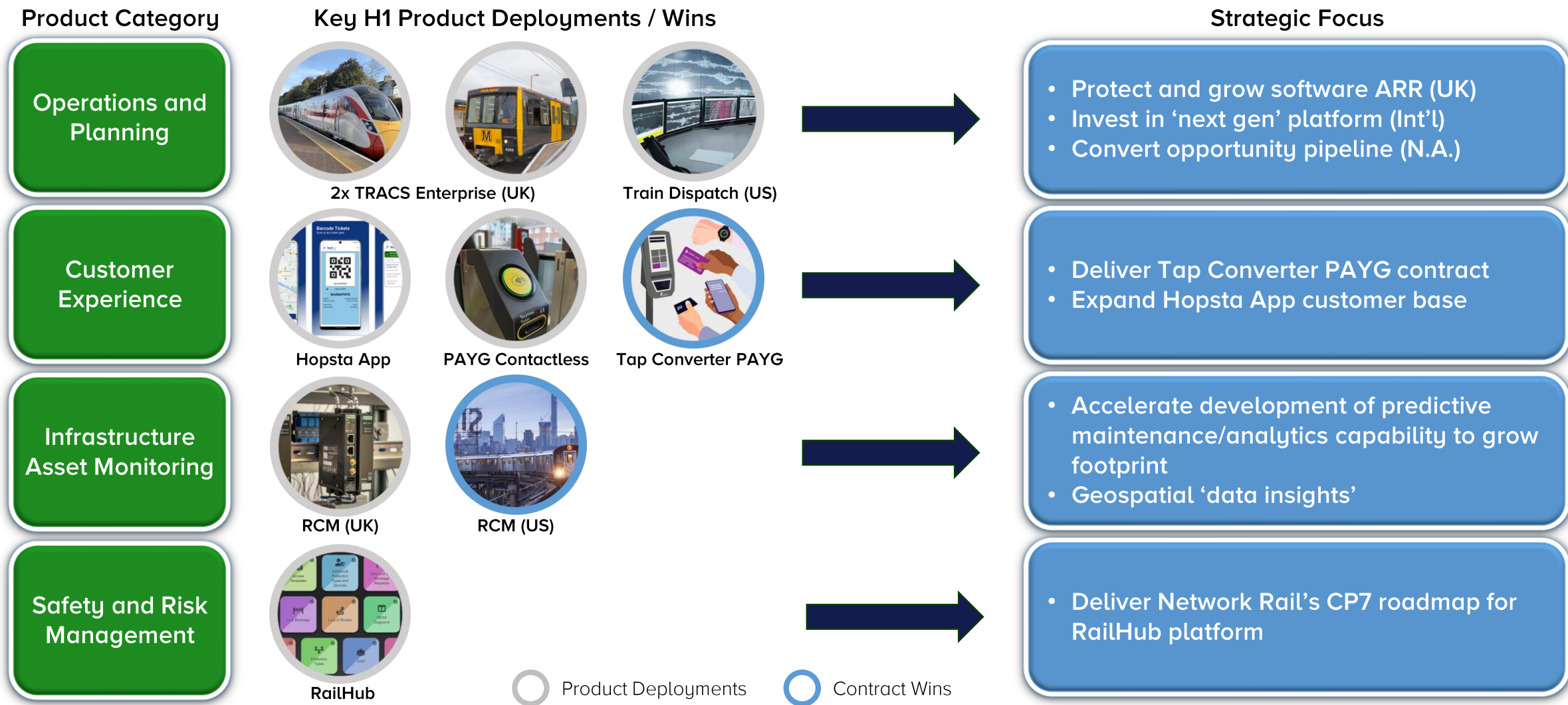
18% increase in
transactional revenues



Tap Converter PAYG ticketing
contract secured



Product deployments and contract wins drive growth



Tracsis has a unique position in the UK rail industry

TRAIN OPERATIONS

Operations and
Planning

Customer
Experience

Train
Operators

NETWORK RELIABILITY

Tracsis is uniquely
positioned to enhance
collaboration, improve
data sharing and
provide actionable
insights via accelerated
digital transformation

ASSETS AND INFRASTRUCTURE

Infrastructure
Asset Monitoring

Safety and Risk
Management

Network
Rail



Future Great British Railways Scenario

Tracsis has a growing reputation in North America

Client – Northern Indiana Commuter Rail



“ The decision to take a leap of faith and switch to Tracsis wasn’t easy but has resulted in game-changing results! ”

“ We partnered with Tracsis to innovate our dispatch systems, reduce costs and break monopolies ”

“ Dispatching made simple! Tracsis’ flexible, configurable and stable system has transformed our operations, driving efficiency and greater system availability ”

“ Dedication and teamwork make all the difference! ”

“ The Tracsis Dispatch system can be configured to fit our specific needs – it isn’t about finding workarounds ”



Source: Commuter Rail Coalition Webinar – February 2025

A person with a backpack is standing on a train platform, looking at a blurred train passing by. The scene is captured with a motion blur effect, suggesting the train is moving quickly. The person is wearing a light-colored coat and a dark backpack. The platform has a yellow tactile paving strip. A large dark blue circle is overlaid on the left side of the image, containing the text 'Market Update'.

Market Update

Near-term headwinds are likely to persist into FY26

- **Network Rail Control Period 7 (CP7) funding restrictions are ongoing and are adversely impacting many rail suppliers**
 - Impacting UK Remote Condition Monitoring (RCM) hardware volumes only (57% lower revenue vs H1 24)
 - Expect RCM hardware volumes to return closer to historical levels as the 5-year CP7 funding cycle progresses, but timing remains uncertain
- **Consultation on UK government's rail reform plans to create Great British Railways is underway**
 - Uncertainty linked to TOC renationalisation driving procurement delays for future contract awards
 - Tracsis' products and services are well aligned with the UK government's strategic plans. Several TOCs are moving to multi-year renewals giving longer term recurring revenue certainty
- **Customer Experience and Safety & Risk Management product offerings are unaffected by these headwinds**
- **Impact of US tariffs on rail-served ports and industrials currently unclear**



H1 2025 Financial Review

Fundamentals strong despite lower financial performance

£12m of H1 recurring & transactional revenues



9% increase in interim dividend to 1.2p



£22.1m cash and no debt



£3m share buyback



Margin impacted by near-term headwinds

£'000	H1 25	H1 24	Variance
Revenue	36,308	36,582	(1%)
Adjusted EBITDA *	3,801	5,674	(33%)
Adjusted EBITDA %	10.5%	15.5%	(5% pts)
Adjusted Profit +	2,660	4,530	(41%)

Statutory Measures

Operating Loss	(1,081)	(308)	(251%)
Loss Before Tax	(742)	(268)	(177%)

* Earnings before net finance income, tax, depreciation, amortisation, exceptional items, other operating income and share-based payment charges.

+ Earnings before net finance income, tax, amortisation, exceptional items, other operating income and share-based payment charges.

- **2% revenue growth on like-for-like basis¹**
 - Excluding revenue from Transport Consultancy activities no longer being pursued
- **Adjusted EBITDA* reflects trading headwinds**
 - c.£1.5m impact from CP7 and customer cyber-attack
 - Traffic Data & Events margin deterioration from input cost inflation. Actions taken to improve profitability ahead of busy summer season
 - Underlying growth in Rail Technology & Services
- **Headcount transformation actions completed**
 - £0.7m of exceptional costs

¹ Excluding revenue from Transport Consultancy activities no longer being pursued (H1 25: £0.2m, H1 24: £1.2m)

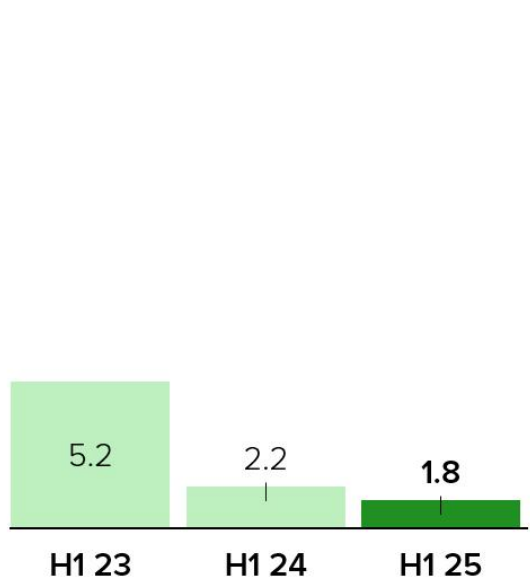
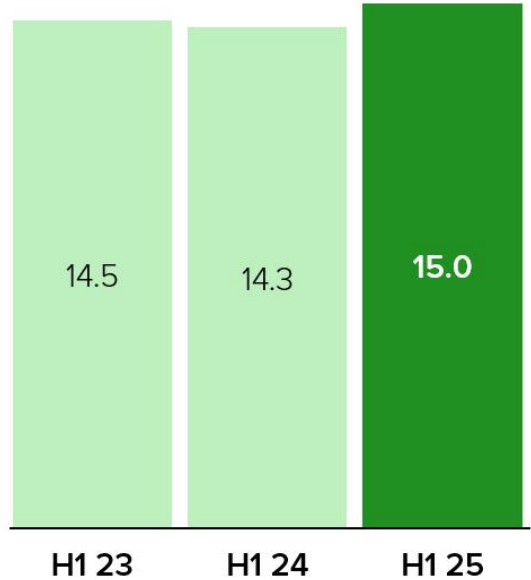
Growth in Rail Technology recurring revenues

Rail Technology & Services

£'000	H1 25	H1 24	Variance
Revenue	16,816	16,477	2%
Adjusted EBITDA *	3,011	3,435	(12%)
Adjusted EBITDA %	18%	21%	(3% pts)

- Growth in recurring revenues:
 - Recurring software licence revenue¹ +7% to £10.0m
 - Consumer-driven transactional revenue² +18% to £2.0m
- Lower project revenue in North America following Train Dispatch deployment
- EBITDA* margin reflects lower RCM volumes from CP7 headwind

Revenue (£m)



* Earnings before net finance income, tax, depreciation, amortisation, exceptional items, other operating income and share-based payment charges.

¹ Revenue from software licences where the product has been deployed with the end customer. Includes annual renewals and multi-year contracts

² Revenue from processing consumer PAYG and delay repay transactions

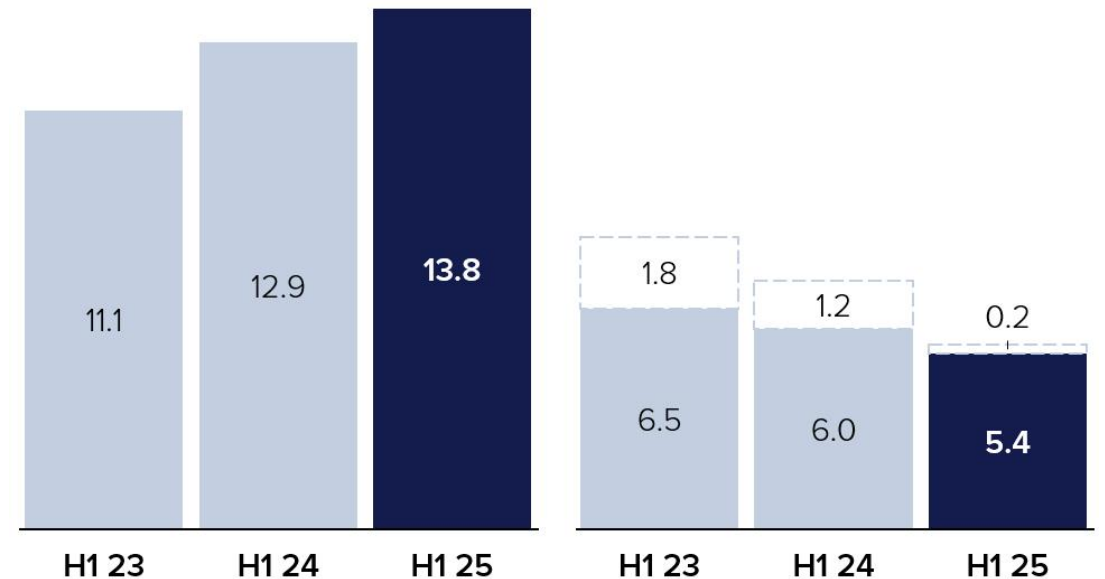
Actions taken to address lower Traffic Data & Events margins

Data, Analytics, Consultancy & Events

£'000	H1 25	H1 24	Variance
Revenue	19,492	20,105	(3%)
Adjusted EBITDA *	790	2,239	(65%)
Adjusted EBITDA %	4%	11%	(7% pts)

- 2% like-for-like revenue growth¹
- One-off headwind from cyber-attack on Traffic Data customer, now resolved
- Input cost inflation in Traffic Data & Events
- Professional Services EBITDA* maintained despite lower revenue

Revenue (£m)



* Earnings before net finance expense, tax, depreciation, amortisation, exceptional items, other operating income and share-based payment charges.

¹ Excluding revenue from Transport Consultancy activities no longer being pursued (H1 25: £0.2m, H1 24: £1.2m)

Strong cash position supports ongoing investment

£'m	H1 25	H1 24
Adjusted EBITDA	3.8	5.7
Decrease / (Increase) in working capital	0.9	(0.3)
Exceptional costs	(1.0)	(1.3)
Capex (net)	(0.3)	(0.9)
Development costs	(0.4)	(0.2)
Net cashflow used in financing activities	(0.7)	(0.5)
Interest received	0.3	0.1
Tax paid	(0.2)	(1.3)
FX and other	(0.1)	0.1
Net Increase in Cash	2.3	1.4
Cash	22.1	16.8

- Unwind of large trade receivables balance at year end
- £1.0m exceptional cashflows to deliver transformation activities
 - £0.4m from actions taken in FY24
- Prior period capex investment in groupwide IT operating environment and vehicle fleet replacement
- Cash management has been centralised as part of Group transformation
- Tax reflects timing of instalment payments
- Closing cash position of £22.1m with no debt ensures business is well positioned to invest in growth

Revised FY25 guidance

Improved financial performance in H2 of FY25

- Orderbook for H2 delivery across Rail Tech UK business
- Seasonally higher activity levels in Data, Analytics, Consultancy & Events
- Actions taken to improve profitability in Traffic Data & Events

Near-term uncertainty from external factors likely to persist into FY26

- CP7 funding shortfalls, TOC renationalisation and creation of Great British Railways in UK
- Impact of US tariffs on rail-served ports, freight operators and industrials in North America is unclear
- Procurement timelines for large multi-year opportunities are c.6 months longer than 12 months ago

FY25 expectations against this backdrop

- No material change in CP7 funding in H2
- No material new contract wins in UK TOC market or in North America given extended procurement processes
- Q4 run rate activity levels consistent with historical trend

FY25 adjusted EBITDA expected to be £12.5m - £13.5m

A person with dark hair, wearing a tan coat and a dark backpack, stands with their back to the camera on a train platform. They are looking at a high-speed train that is blurred due to motion. The train has a green and white livery. The platform has a yellow tactile paving strip. A large dark blue circle is overlaid on the left side of the image, containing the text 'Looking Forward'.

Looking Forward

Confident in our long-term growth prospects

1 Structural growth drivers remain attractive across the transportation industry

- Long term tailwinds in UK and North America as transportation industry adopts digital solutions
- Tracsis value proposition well aligned with expected future UK rail legislative changes

2 A differentiated market position offering a compelling value proposition

- Innovative, agile, fast-to-market technology provider of mission-critical transport solutions
- Trusted partner in rail and wider transportation industry
- Deep industry expertise underpinned by experienced technology leaders

3 A clear strategy to deliver sustainable growth

- Focus on growing recurring software licence revenue and consumer-driven transactional revenue
- Creating a product-based business built around a smaller number of scalable technology platforms
- Access new markets including through R&D and M&A investment

Key Takeaways

- H1 results were disappointing, we will deliver an improved performance in H2
- Market uncertainty from near-term headwinds likely to impact procurement timelines into FY26
- The Group's fundamentals remain strong, underpinned by an installed base of recurring revenue
- We are making good progress implementing our long-term growth strategy
- We remain confident in the Group's long-term prospects

A person wearing a red beanie and a brown jacket is seen from behind, carrying a camera. They are standing in an airport terminal, with flight information screens and a clock visible in the background. A large dark blue circle is overlaid on the left side of the image, containing the word "Appendix" in white text.

Appendix

Board of Directors



Jill Easterbrook
Independent
Non-Executive Chair



Chris Barnes
Chief Executive Officer



Andy Kelly
Chief Financial Officer



Dr James Routh
Senior Independent
Non-Executive Director



Tracy Sheedy
Independent
Non-Executive Director



Ross Paterson
Independent
Non-Executive Director

Focused on building a product-centric software business

Historic 'Projects' Approach

- Multiple technology stacks
- High levels of custom development
- Complex implementation
- Inconsistent UX
- High cost of development, delivery and maintenance/support

Outcomes

Higher risk
Complex deployment
Expensive to support
Not scalable

Implementation Plan

R&D investment in 'next-gen' application software products

Consolidation of technology stacks (reduce support costs)

Global delivery model

End-of-life non-core products

M&A focused on new products, capabilities and markets

Future 'Product' Approach

- Smaller number of scalable technology stacks, designed for SaaS deployment
- Standard application software with limited configuration based on industry best practice processes
- Able to deploy in multiple markets
- Consistent UX across all Tracsis products

Outcomes

Lower risk
Faster to market
Higher recurring revenue
Scalable / Margin accretion

Market leading Rail Technology products and solutions

Product Category

Key Products and Solutions

Operations and Planning

- End to end SaaS Operations and Planning platform (TRACS Enterprise) used by 4 train operators

- Train Planning (ATTune) and Stock and Crew Optimisation (TRACS) software used by 25+ train operators

- Train Dispatch system used on 120+ railroads via 21 freight and passenger operators across North America

Customer Experience

- PAYG smart ticketing solutions (smartTIS and Hopsta App) used by 6 UK train operators

- Automated delay repay solution (smartREPAY) processing >90% of UK transactions

Infrastructure Asset Monitoring

- 30,000 Remote Condition Monitoring units installed across UK rail network
- c500 RCM units in N.A.

- Centrix IoT platform actively monitors 105,000 assets across UK rail network

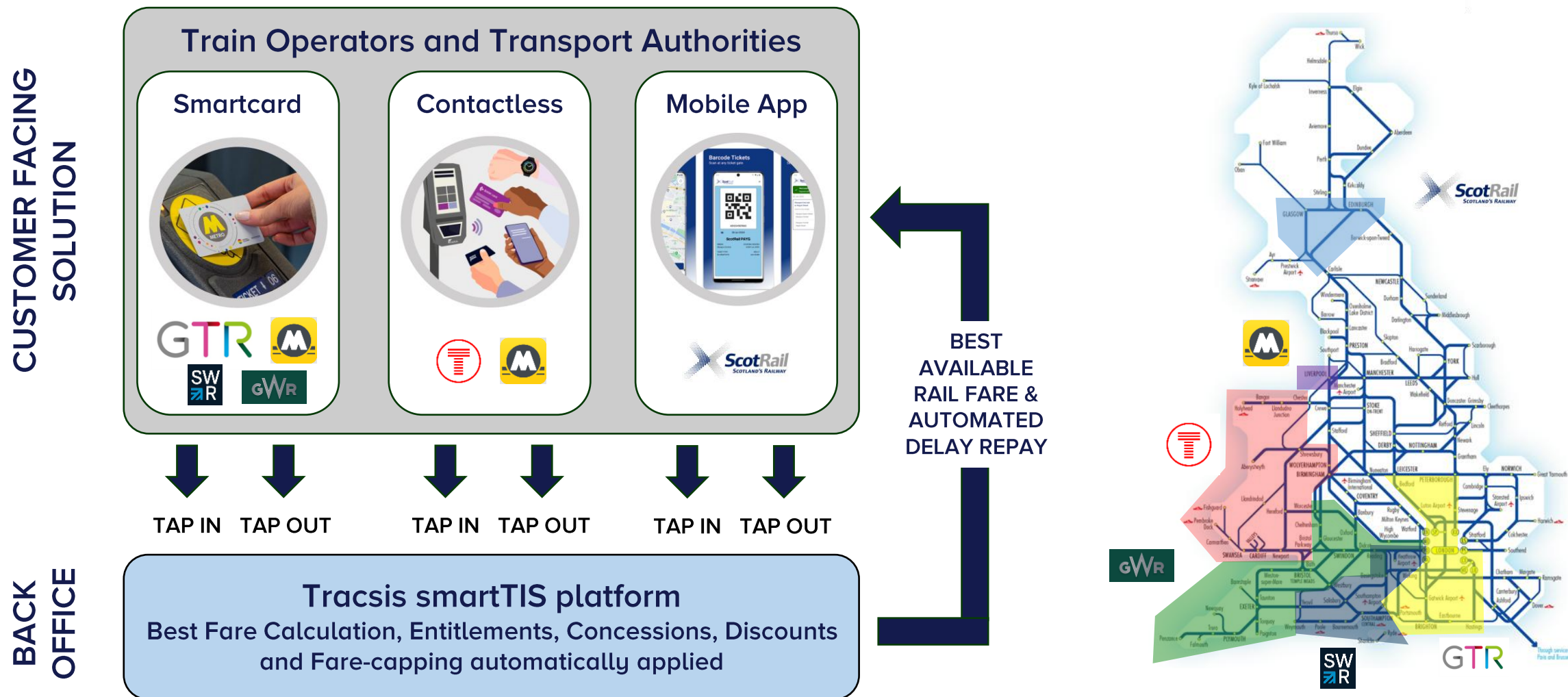
Safety and Risk Management

- RailHub platform used by 22,000 users across Network Rail and 20,000 users across the UK rail supply chain

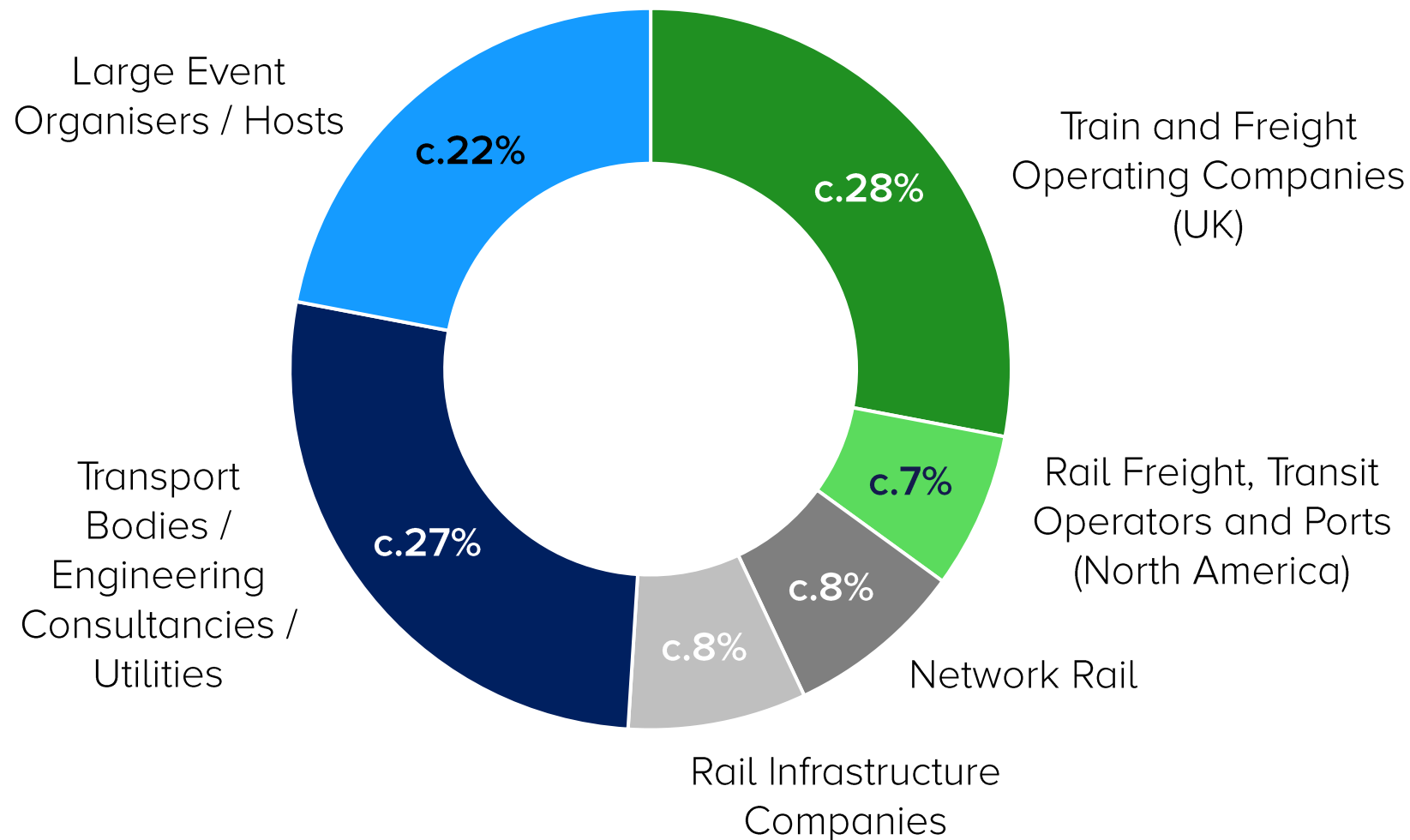
Software

Hardware

Tracsis is the leading UK rail provider of PAYG smart ticketing



Continue to build a diversified portfolio of blue-chip customers



Company analysis of FY24 revenue

Structural changes drive ongoing uncertainty across UK rail

Our portfolio of Rail Technology products and services is well aligned with the government’s ‘UK Plan for Rail’
A consultation paper on rail reform was released in February 2025

UK Strategic Rail Expected Outcome	Benefits to Tracsis
All train operators moved into public ownership when current franchises expire	Will result in faster decision making and more certainty for technology investments. Many Train Operators are signing multi-year software renewal contracts with us
Great British Railways will be created and will jointly manage infrastructure and rail services £43.1bn of funding allocated for Control Period 7 (April 2024 – March 2029)	Key operational areas of focus will be in areas of dynamic timetabling, train crew management, improving asset availability and on time performance CP7 funding restrictions are ongoing and are adversely impacting many rail suppliers
Digital ticketing, with a focus on PAYG, best value fare guarantees and automated delay repay	Tracsis is the leading UK provider of PAYG smart ticketing and automated delay repay solutions. We have been selected to deliver the nationwide PAYG Tap Converter system across UK rail
Increasing influence of devolved transport authorities and regional decision making	Tracsis will benefit from its national Network Rail contracts for RailHub and Remote Condition Monitoring and the implementation of the PAYG Tap Converter system



North American rail market actively looking for new entrants

Expanding our Train Dispatch software footprint with Commuter Rail and Shortline Freight operators is our key focus for growth

Class 1 Freight Railroads



6 operators, owning their own infrastructure and locomotives. Large in-house capability

Shortline Freight Operators



603 shortlines connecting industrials/ports with the US, Canadian and Mexican freight network

Commuter Railroads



36 commuter rail companies, often running on Class 1 infrastructure and therefore under FRA* jurisdiction

Transit Agencies



23 subway/metro providers operating light and heavy rail in large US cities

Reliant on external supplier expertise

Why is North America such an exciting growth opportunity for Tracsis?

- A large rail market looking for new technology entrants to displace poor performing incumbents. Large software growth opportunity
- Tracsis are one of the leading providers of Train Dispatch software and has a fast-growing pipeline of freight and passenger opportunities
- **Tracsis has a unique mid-market technology proposition**

* The Federal Railroad Association enforces rail safety regulation on behalf of the US federal government

5-year income statement

£'000	2019-20		2020-21		2021-22		2022-23		2023-24		2024-25
	H1	H2	H1	H2	H1	H2	H1	H2	H1	H2	H1
Revenue	26,365	21,633	22,239	27,998	29,182	39,541	39,213	42,810	36,582	44,440	36,308
Adjusted EBITDA *	5,586	4,877	5,431	7,547	6,167	7,994	7,464	8,488	5,674	7,085	3,801
Operating Profit	2,611	1,812	1,608	3,548	1,635	1,620	2,380	4,875	(308)	1,275	(1,081)
Profit Before Tax	2,419	1,692	1,102	3,533	1,280	1,278	2,256	4,880	(268)	1,263	(742)

* Earnings before net finance income, tax, depreciation, amortisation, share-based payments, exceptional items, other operating income and share of result of equity accounted investees.

5-year balance sheet

£'000	Jan-20	Jul-20	Jan-21	Jul-21	Jan-22	Jul-22	Jan-23	Jul-23	Jan-24	Jul-24	Jan-25
Property, Plant & Equipment	3,564	3,581	3,312	3,540	3,767	4,897	4,585	4,789	5,104	4,992	4,104
Intangible Assets / Investments	38,678	55,465	53,236	52,400	53,540	63,548	63,071	57,694	55,242	52,610	50,529
	42,242	59,046	56,548	55,940	57,307	68,445	67,656	62,483	60,346	57,602	54,633
Inventories	384	430	386	381	406	1,090	1,234	1,465	1,461	1,512	1,650
Trade & Other Receivables	8,452	6,382	7,335	11,263	11,786	18,454	17,874	20,999	15,214	22,547	14,142
Cash ¹	26,045	17,920	20,784	25,387	25,057	17,187	16,991	15,307	16,755	19,773	22,086
	34,881	24,732	28,505	37,031	37,249	36,731	36,099	37,771	33,430	43,832	37,878
Total Assets	77,123	83,778	85,053	92,971	94,556	105,176	103,755	100,254	93,776	101,434	92,511
Deferred Tax (net)	(4,957)	(7,357)	(6,793)	(7,966)	(7,701)	(7,942)	(9,664)	(6,511)	(6,243)	(5,756)	(4,747)
Contingent & Deferred Consideration	(6,126)	(7,334)	(7,869)	(8,801)	(9,979)	(9,926)	(9,557)	(447)	(459)	(151)	(154)
Trade & Other Payables	(14,949)	(15,623)	(15,068)	(19,066)	(16,984)	(26,859)	(21,196)	(25,525)	(19,085)	(27,358)	(19,576)
Current Tax	(793)	(439)	(891)	(473)	(912)	-	-	-	(126)	-	-
Total Liabilities	(26,825)	(30,753)	(30,621)	(36,306)	(35,576)	(44,727)	(40,417)	(32,483)	(25,913)	(33,265)	(24,477)
NET ASSETS	50,298	53,025	54,432	56,665	58,980	60,449	63,338	67,771	67,863	68,169	68,034

¹ Cash and cash equivalents, and cash in escrow

List of significant shareholders

Holder	% Held
Investec Wealth & Investment	8.1%
Charles Stanley	7.8%
Rathbones	6.4%
Schroder Investment Management	6.1%
Unicorn Asset Management	5.4%
BGF	4.0%
Martin Currie Investment Management	3.4%
Canaccord Genuity Wealth Management	3.1%
Jupiter Asset Management	2.6%
Amati Global Investors	2.5%
Downing	2.4%

*As of 31 March 2025, there were 30,396,027 shares in issue
As of 31 March 2025, 0.21% of the shares are not in public hands*