

# INVESTOR PRESENTATION: INTERIM RESULTS

Covering period of:  
July 2020-June 2021



Nadeem Raza  
Chief Executive Officer

Bill Wynn  
Chief Financial Officer

PRIVATE & CONFIDENTIAL

  
microlise

# INTRODUCTION TO MICROLISE

A leading provider of transport management solutions to enterprise customers

- Solving very **complex needs** with **proprietary software and hardware** solutions
- Automating **critical processes** and providing **real time data**
- **Dominant market share** of operators of large HGV fleets in the UK (58% > 500 vehicles)
- Customers benefit from **cost savings, emissions reductions** and other **efficiencies**
- **Modular end to end offering** which becomes embedded in client operations leading to **very low churn - <1%**
- **High barriers to entry**, sticky customer base and **high revenue visibility**



1982

Established



Owner

managed



600+

staff



4

Offices



400+

Enterprise  
Customers



£57m

FY20-21 Revenue  
(£35.1m SAAS  
Recurring)



2019

Fast Track



3

Queen's Awards  
for Enterprise

- Clear **Growth Strategy**, upsell existing UK customers, new UK and international markets, margin enhancement and M&A
- **AIM IPO** raised **£18.6m primary capital** to fund future growth

# HIGHLIGHTS



50+

CUSTOMERS  
WON



88%

SHARE OF GROCERY  
RETAIL MARKET



11%

INCREASE IN  
CONNECTED SIMS



Launch Trailer  
Brake Performance  
Monitoring solution



CPT Fleet  
Management  
launched (TruTac)  
for PSV sector. New  
version of TruTime



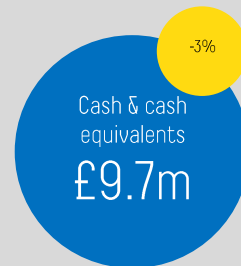
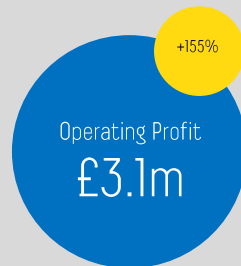
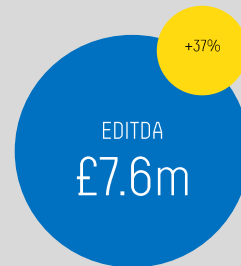
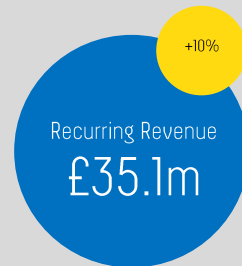
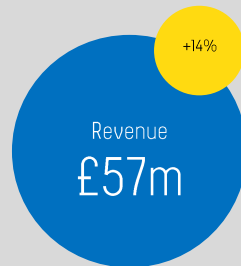
Enhancements across  
product portfolio (e.g.  
ClearVision, Planning &  
Optimisation, TruTac)



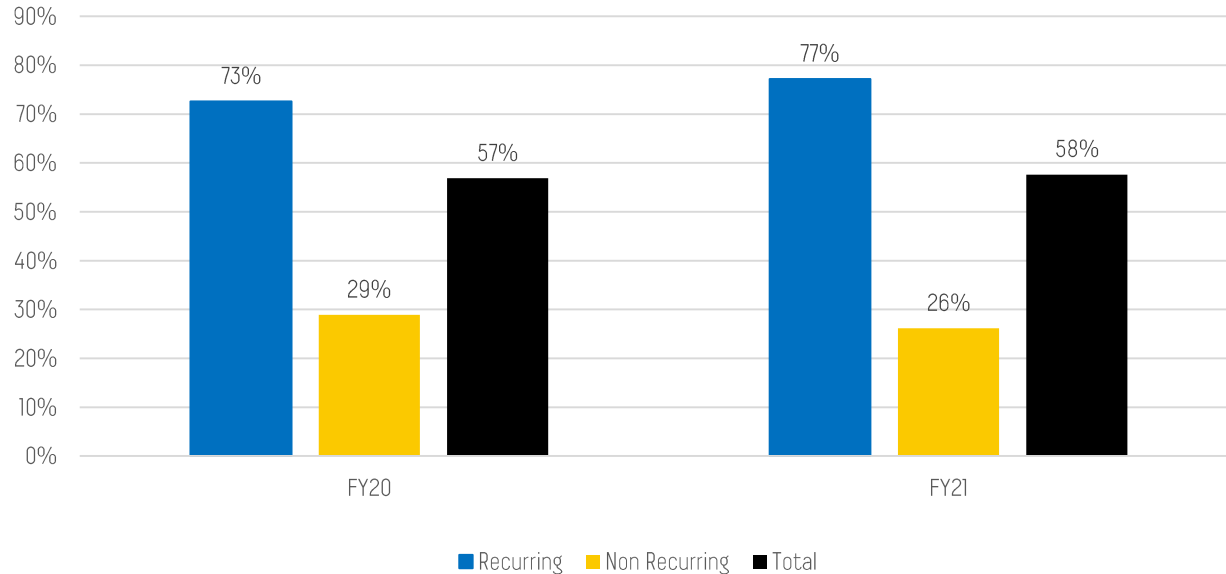
POST PERIOD: Successful  
completion of IPO, raising  
£18.6m to drive growth plans



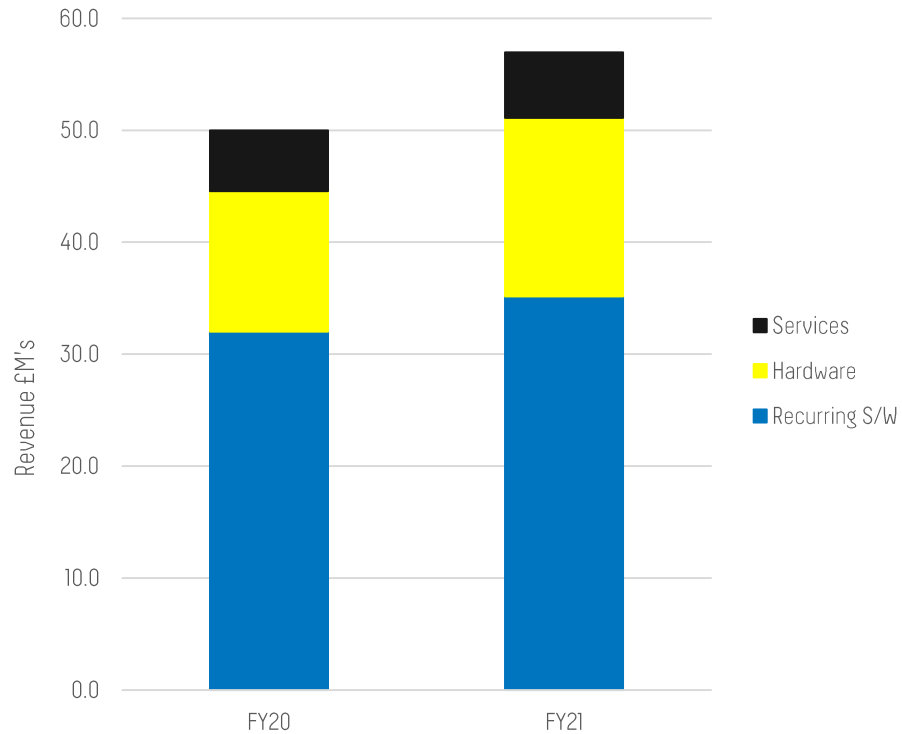
POST PERIOD: Signed long-term  
contract with JCB, to provide  
software and hardware services



# FINANCIAL HIGHLIGHTS: GROSS MARGIN %



# FINANCIAL HIGHLIGHTS: REVENUE SPLIT



# FINANCIAL HIGHLIGHTS: PROFIT & LOSS

			Year ended 30th June	
			FY20	FY21
			£000's	£000's
Revenue	Non Recurring	Hardware	12,568	15,971
		Services	5,435	5,842
			<u>18,003</u>	<u>21,813</u>
	Recurring		<u>31,996</u>	<u>35,146</u>
			<b><u>49,999</u></b>	<b><u>56,960</u></b>
Gross Margin	Non Recurring	Hardware	1,505	1,560
		Services	3,702	4,142
			<u>5,207</u>	<u>5,702</u>
	Recurring		<u>23,234</u>	<u>27,124</u>
			<b><u>28,440</u></b>	<b><u>32,826</u></b>
Other operating income			537	742
Administrative expenses			(23,444)	(26,002)
<b>EBITDA</b>			<b><u>5,533</u></b>	<b><u>7,566</u></b>

# FINANCIAL HIGHLIGHTS: BALANCE SHEET

		Year ended 30th June	
		FY20	FY21
		£000's	£000's
<b>Assets</b>	Non-current Assets		
	Property, plant and equipment	8,636	7,930
	Intangible Assets	77,133	76,128
	Investments in associate	1,978	1,773
	Deferred assets	1,307	808
	Trade & other receivables	3,465	2,600
		<u>92,519</u>	<u>89,239</u>
	Current Assets		
	Inventories	3,604	3,897
	Trade & other receivables	15,126	18,840
	Corporation tax recoverable	988	1,610
	Cash & cash equivalents	10,061	9,718
		<u>29,779</u>	<u>34,065</u>
	<b>Total Assets</b>	<b><u>122,298</u></b>	<b><u>123,304</u></b>
<b>Liabilities</b>	Current Liabilities		
	Financial Liabilities	(3,232)	(2,966)
	Trade & other payables	(25,393)	(29,065)
	Corporation tax payable	0	0
		<u>(28,625)</u>	<u>(32,031)</u>
	Non-current Liabilities		
	Financial Liabilities	(15,711)	(13,133)
	Trade & other payables	(17,779)	(16,224)
	Deferred tax	(4,119)	(4,728)
		<u>(37,609)</u>	<u>(34,085)</u>
	<b>Total Liabilities</b>	<b><u>(66,234)</u></b>	<b><u>(66,116)</u></b>
	<b>Net Assets</b>	<b><u>56,064</u></b>	<b><u>57,188</u></b>
<b>Equity</b>	Issued share capital	44	102
	Merger Reserve	55,172	0
	Retained earnings	848	57,086
	<b>Total Equity</b>	<b><u>56,064</u></b>	<b><u>57,188</u></b>

# FINANCIAL HIGHLIGHTS: CASHFLOW

	Year ended 30th June	
	FY20	FY21
	£000's	£000's
<b><u>Cash flows from operating activities</u></b>		
Cash generated from operations	8,913	6,895
Tax (paid) / received	1,820	(42)
<b>Net cash generated from (used in) operating activities</b>	<b>10,733</b>	<b>6,853</b>
<b><u>Cash flows from investing activities</u></b>		
Purchase of property, plant & equipment	(1,235)	(913)
Additions to tangible assets	(778)	(1,476)
Purchase of subsidiaries, net of cash acquired	(3,087)	(1,000)
Interest received	108	0
<b>Net cash used in investing activities</b>	<b>(4,992)</b>	<b>(3,389)</b>
<b><u>Cash flows from financing activities</u></b>		
Interest paid	(650)	(530)
Lease payments	(803)	(792)
Receipt of bank loans	2,500	0
Repayment of bank loans	(1,219)	(1,936)
Repayment of other loans	(802)	(549)
<b>Net cash generated from (used in) financing activities</b>	<b>(974)</b>	<b>(3,807)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>4,767</b>	<b>(343)</b>
Cash and cash equivalents at the beginning of the year	5,287	10,061
Exchange movements	7	0
<b>Cash and cash equivalents at the end of the year</b>	<b>10,061</b>	<b>9,718</b>



A blue wireframe truck is shown in a digital, grid-like environment. The truck is a semi-trailer type, viewed from a side-rear perspective. The background consists of a dark blue space with a grid of glowing blue lines, suggesting a virtual or data-driven setting. A semi-transparent horizontal bar is overlaid across the middle of the image, containing the word "MARKET" in a black, sans-serif font.

MARKET

# MICROLISE MARKET POSITION



Microlise Group remains confident in our end-to-end offering.



We have not seen any changes or consolidation that impacts our unique place in the competitive landscape.

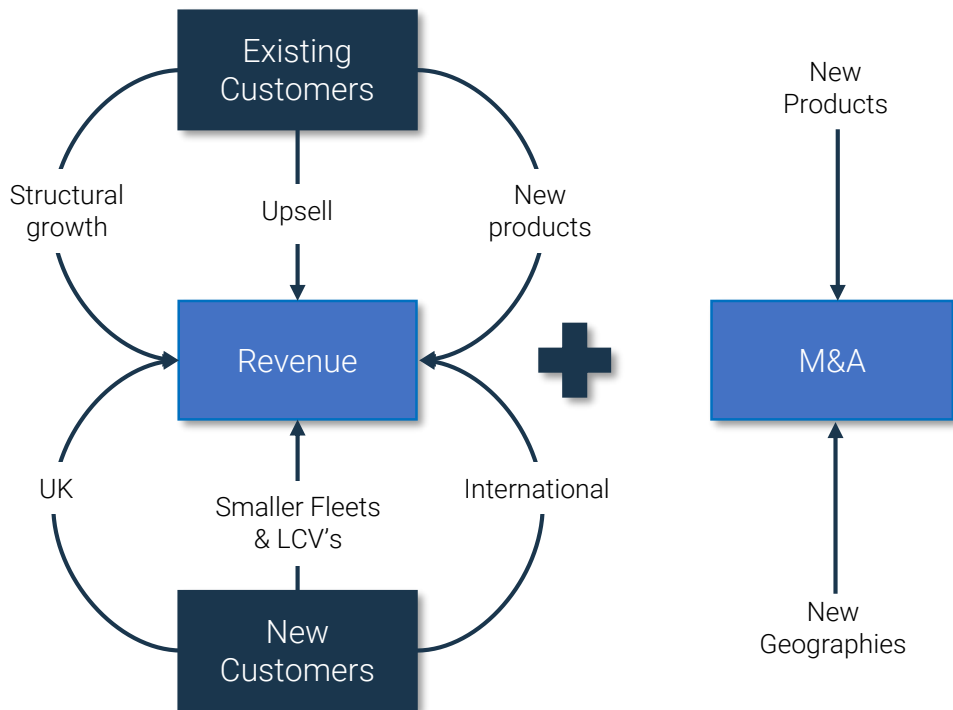


We continue to investigate M&A opportunities to continue the development and expansion of the product portfolio.



We are continuing in-house development on a range of new products and enhancements to existing products.

# CLEAR GROWTH STRATEGY



## Structural Growth:

- Driven by ecommerce evolution and pressure from increasing environmental regulation

## Upsell:

- Significant market share of large HGV fleets
- Majority of existing customers do not have full portfolio

## New Products:

- Planning & Optimisation used by only a small number of customers
- Trailer Brake Performance Monitoring launched in period
- Advanced pipeline of other product developments

## UK:

- Opportunity to secure additional customers in larger HGV fleets due to available addressable market

## International:

- Footholds in France and Australia with small number of customers each and market opportunities similar to UK

## Smaller Fleets & LCV:

- 'Focus' product to capture opportunity in smaller fleets & LCVs

## M&A:

- Incremental technology additions e.g. TruTac
- Acceleration of international growth through customer acquisition
- Ideal targets could deliver both

A wireframe truck is shown in a futuristic, blue-tinted environment. The truck is a semi-trailer truck with a long trailer and a cab. The entire scene is composed of glowing blue lines and planes, creating a digital or virtual atmosphere. The truck is positioned in the center-left of the frame, facing right. A semi-transparent white horizontal bar is overlaid across the middle of the image, containing the word "OUTLOOK" in a black, sans-serif font.

# OUTLOOK

# OUTLOOK

- The Group will continue to face headwinds through 2022 resulting from recruitment challenges, and the global microchip shortage.
- Despite these issues, the Board is confident of meeting market expectations for the six months to December 2021.
- Longer term, the Group is confident in terms of prospects as fleet operators wrestle with the need to become more efficient, and meet demanding environmental regulations.
- These are challenges which our product portfolio is aligned to.



NADEEM RAZA  
Chief Executive Officer

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