

FY2025 Results Presentation

Delivering progress against strategic priorities

Nadeem Raza

Chief Executive Officer

Nick Wightman

Chief Financial Officer



The Presentation Team



NADEEM RAZA
Chief Executive Officer

Joined Microlise in 1987. Led a management buyout of the Group in 2008, when he became CEO. He is a Deputy Lieutenant for Nottinghamshire. Nadeem was named in the FT Top 100 BAME leaders in 2018.



NICK WIGHTMAN
Chief Financial Officer

Nick joined Microlise in 2012 and played a key role in the Group's refinancing and re-organisation in 2018, the IPO in 2021, and led various acquisitions as well as establishing the Group's offices in India, France and Australia. Nick is a Chartered Management Accountant.



Agenda

- FY2025
- Financial Review
- Market & Strategy
- Outlook



FY2025



Strong Cash
Generation



Continued Direct
Customer
Growth



Restructure
driving scalability
& margin growth



New CTO
Appointment

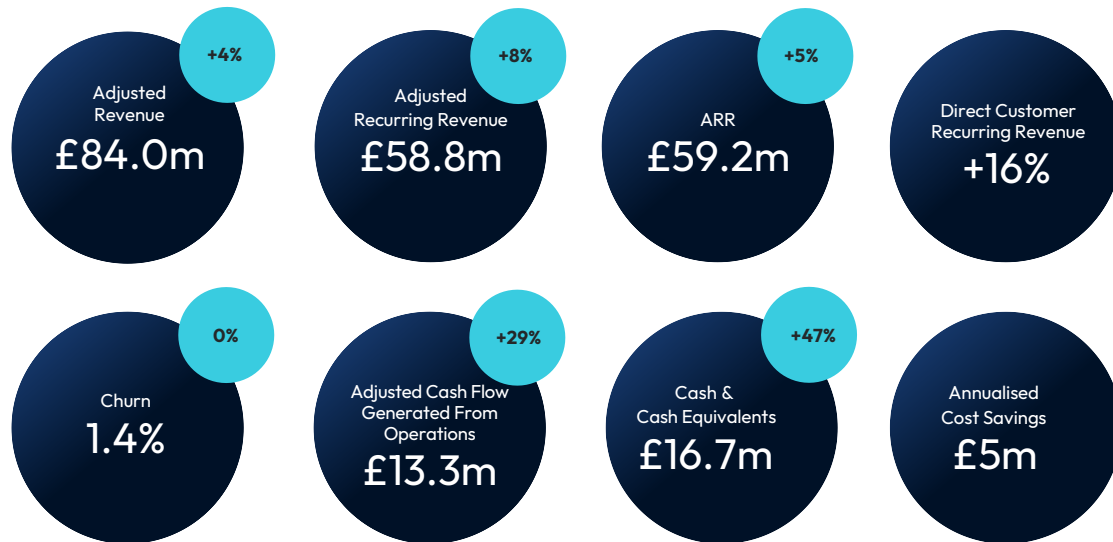
Resilient revenue growth and strong strategic
progress in a mixed trading environment



Financial Review



FY2025 Highlights

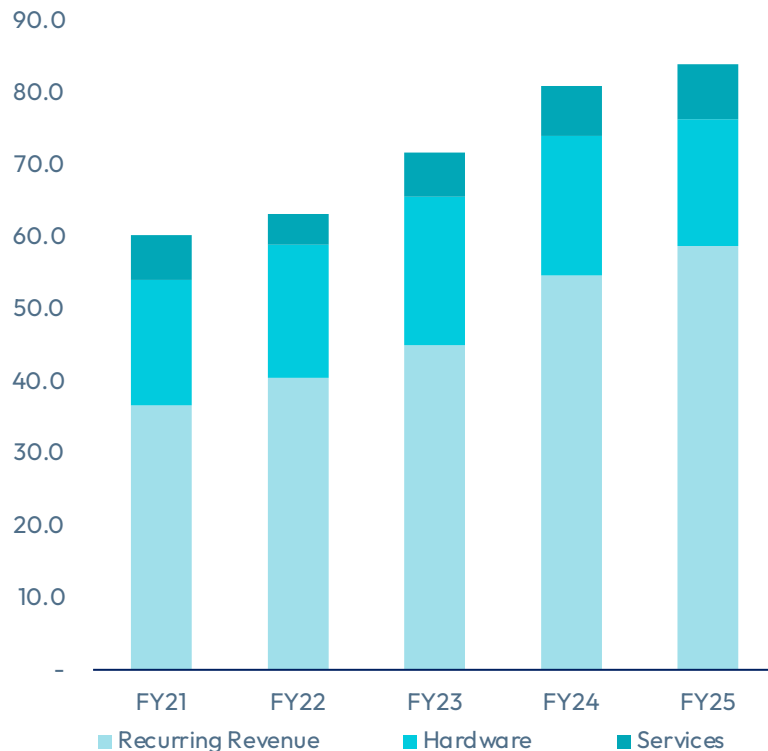


- ✓ Restructuring programme completed in FY25
- ✓ Direct customer ARR growth 16%
- ✓ Strong direct customer NRR at 108%
- ✓ Strong cash generation & Working capital performance



Revenue Split

- ✓ Total adjusted revenue increased 3.7% to £84.0m (FY24: £81.0m) in FY25.
- ✓ Adjusted recurring revenue grew 7.6% to £58.8m (FY24: £54.7m), reflecting continued subscription growth and strong underlying customer retention.
- ✓ Direct customer recurring revenue has increased by 16% in FY25.
- ✓ Annual Recurring Revenue (ARR) increased to £59.2m (FY24: £56.6m).
- ✓ Non-recurring revenues impacted by lower OEM volumes and the delay of a small number of direct customer projects into FY2026.
- ✓ Revenue mix continues to strengthen, with a greater weighting towards higher-margin direct customer revenues, improving visibility, resilience, and long-term shareholder value.



ARR Bridge



Net Revenue Retention

Margin expansion supported by strong net revenue retention, mix shift and operating leverage following FY26 investment

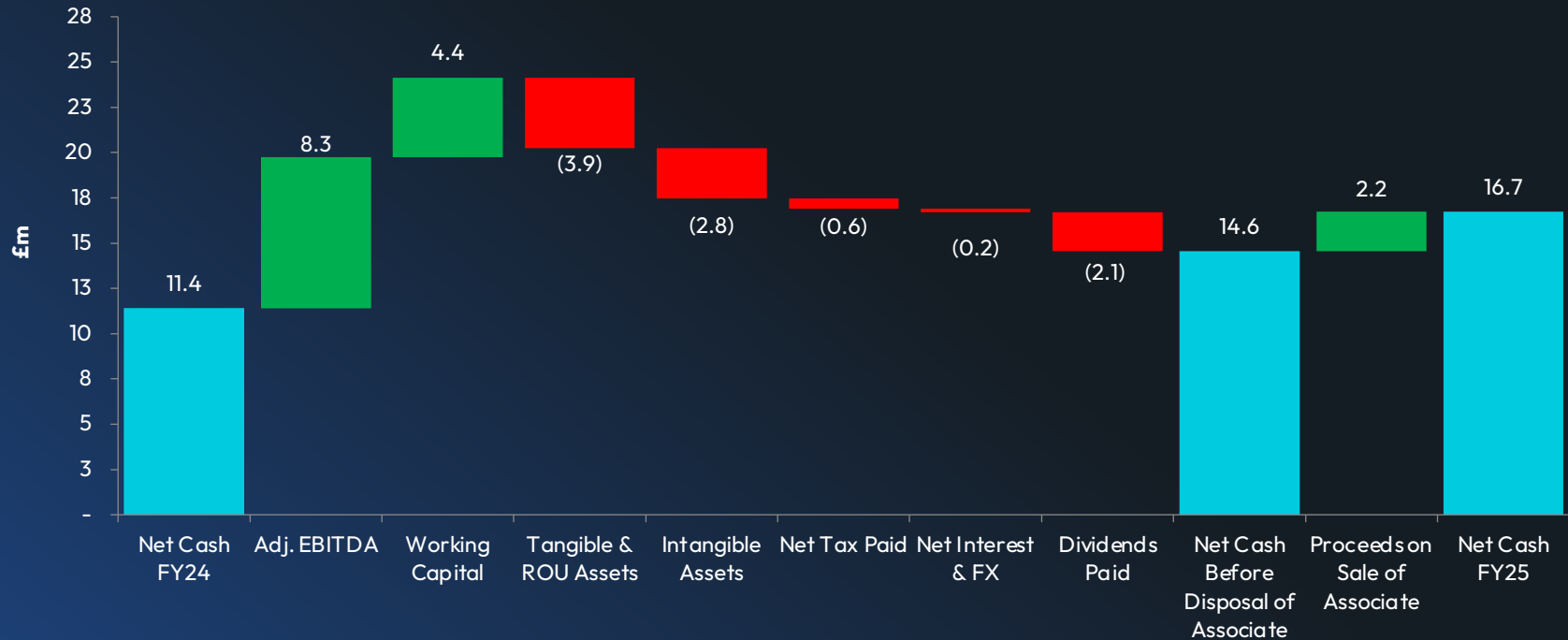
Direct Customer NRR



- Captures revenue retention and expansion within the existing customer base
- Demonstrates quality and predictability of ARR
- Supported by cross-sell, upsell and multi-product adoption
- Mid-market expansion expected to support future NRR through multi-module adoption
- One TMS platform enabling cross-sell and deeper customer integration, supporting retention and expansion



Net Cash Bridge



Market & Strategy



Why Microlise?

In a world of fast-paced AI driven software development, experience and expertise enables our potential...

Deep Industry
Experience

Hardware &
Consultancy

Market
Leading
Partnerships

Large
Data Moat



Three growth levers

1 VOLUME

More campaigns, MQLs/SQLs, pipeline, reps, partners & market share

330+

earned media

40M+

editorial reach

40%

MQL→SQL

+172%

SDR meetings

- Digital AOV scaled to five figures
- Replicate digital method in France/APAC
- Grow cross-sell, wins and partner demand
- Avg. products per customer: 4

Scale the top of funnel

2 VELOCITY

Remove blockers; improve speed to qualify, quote, contract and close

25 → 85%

forecast accuracy

25%

faster quote-to-customer

56%

fewer amendments

66%

rate-card simplification

- MEDDICC improved forecast discipline
- CPQ speeds quote-to-customer flow
- Parallel motions: in-month, sub-6m, 12-18m
- Trumpet pods accelerate sales velocity

Compress cycle time

3 QUALITY

Better qualification, CRM hygiene, win strategies and cost-to-serve

20%

lower cost of sale

40%

MQL→SQL

+172%

SDR meetings

RCA

live

- Stronger SDR volume and conversion
- Better cost ratio and pipeline hygiene
- Salesforce/RCA driving productivity gains
- Next: clearer packages, simpler quoting, faster starts

Protect margin quality



Building a Scalable, Higher-Margin Business

FY25

- Strong direct customer momentum & recurring base
- EBITDA impacted by OEM headwinds and deployment timing
- Delivered c.£5m annualised cost savings
- Leaner operating model established

c.£5m
annualised cost savings

FY26 Build Phase Funded investment in scalable growth engines

Near-term margin impact
Long-term value creation

FY26 | Targeted Investment

- Hybrid Cloud infrastructure
- Product roadmap: TMS & mid-market
- Go-to-market capability
- Expansion of quota-carrying teams

Funded
via savings & balance sheet strength

FY26: Build phase, positioning the Group for growth and margin expansion from FY27 onwards



Our EBITDA Journey



Revenue mix shift
Growth in direct, recurring revenues
including Mid-market segment

1

Product platform impact:
One TMS enabling faster
deployment, higher adoption and
cross-sell



Operating leverage:
Scaling platform and customer base



GTM capacity:
Increased quota capacity driving
Mid-market pipeline conversion



Efficiency gains:
Benefits from restructuring, process
improvements and ongoing margin
enhancement programme



Unifying Markets

- Microlise One unifies 3 product categories into 1 new category
- Tackling market needs more effectively with a unified system
- T&L offering tackles all 3 categories
- OEM offering targets telematics
- Global Market - \$144.9bn

\$88.6bn - Telematics

\$37.7bn - FMS

\$18.6bn - TMS



Microlise One

Our long-term strategy to create the Transport Operating System.

Unifying fleet operations, transport management and telematics into one intelligent platform, for the future of transport and logistics.

Microlise One

Transport OS

Fleet Management Systems

Assets • maintenance
• compliance • utilisation

Transport Management Systems

Orders • planning • execution
• rating & invoicing

Telematics & Connected Intelligence

Vehicles • drivers • journeys •
sensor data, H&S, Cameras

Unified data model +
governed lakehouse

Operational reporting: one
version of truth

AI intelligence: predict,
recommend, automate

Customers report and act using

BI dashboards • AI assistants • APIs • Customer data warehouses • Data packs • Value Driven



Growth Strategy in Action

15-year strategic partnership across core transport operations

Journey
Management

Electronic
Proof of
Delivery

Telematics

HGV
Navigation

Driver Hazard
Warning

- Microlise product expansion over a 15-year partnership
- Supporting one of the UK's largest HGV fleets: 2,500+ trucks and 4,000+ trailers
- From Journey Management and ePOD into a broader transport technology deployment
- Cross-sell into Telematics, CoPilot Navigation and Driver Hazard Warning
- Enables 99% on-time deliveries to large stores and 96% to convenience stores
- 244% customer revenue growth

Large UK Supermarket

Specialism:

Leading UK grocery retailer with a complex national logistics network

Coverage:

3,000+ UK stores; one of the UK's largest HGV fleets, with 2,500+ trucks and 4,000+ trailers

Customer Outcome:

Improved fleet visibility, driver performance, safety, emissions and delivery reliability



Outlook



Market Conditions



Supply chain disruption due to the Middle East conflict and AI market growth



Higher fuel costs for customer operations



Lead times & cost of hardware components, such as RAM, increasing (10x) due to AI demand



AI adoption driving staff upskill requirement



Strategic Priorities



Increased investment in
direct customer growth



Improving margins
through greater efficiencies



Continued development of
the Microlise One platform



Market Leading
Partnerships



International
Expansion



Mergers & Acquisitions



Investment Case

Show Consistent Growth In Key Metrics



Typical 5+ year contracts give long term visibility of contracted revenue



Low customer churn rate



Selling multiple products into customers makes us stickier and more difficult to substitute



Margin enhancement with new products and improvements in supply chain and direct customer sales

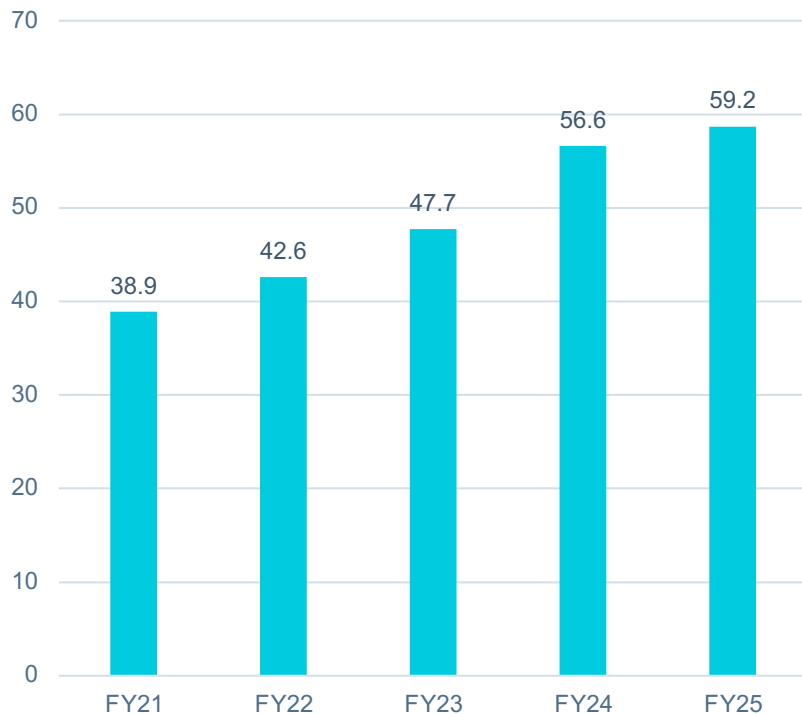


Significant market opportunities with international growth and selling new products to existing customer base



Track record of consistently growing recurring revenues

Annual Recurring Revenue (£m)



Outlook

We expect OEM revenue to be subdued through to 2027. We are investing to accelerate the growth in our direct customer market, focusing on our Microlise One TMS product and the mid-market segment. By using AI tooling in our operations and further in our products, we expect strong growth in our direct customer market together with cost reductions and increases in margins through 2027 and beyond.

Nadeem Raza,
Chief Executive Officer



Appendix



Adjusted Profit & Loss

- **Revenue:** Adjusted revenue increased **3.7% to £84.0m**, despite weaker OEM volumes.
- **Recurring revenue and ARR:** Recurring revenue grew **7.6% to £58.8m**, representing **70% of total revenue**, with direct customer ARR increasing **12.1% to £38.7m**.
- **Gross margin:** Gross profit increased to **£54.1m**, with gross margin remaining strong at **64%**.
- **EBITDA:** Adjusted EBITDA reduced to **£8.3m**, reflecting lower volumes, higher costs and continued investment.
- **Costs and margin initiatives:** Cost savings and margin initiatives are underway, with selective reinvestment in product, infrastructure and sales to support future growth.

£m		FY 2025	FY 2024	% Change
Revenue	Non Recurring	25,206	26,330	(4.3)%
	Recurring	58,822	54,665	7.6%
		84,027	80,995	3.7%
Gross Margin	Non Recurring	7,686	10,011	(23.2)%
	Recurring	46,453	43,510	6.8%
		54,139	53,521	1.2%
		64.4%	66.1%	
Other operating income		219	640	(65.8)%
Operating expenses		(46,012)	(42,847)	7.4%
Adjusted EBITDA ⁽¹⁾		8,346	11,314	(26.2)%
		9.9%	14.0%	
Exceptional items		-	(403)	(100.0)%
Share based payments		(698)	(975)	(28.4)%
Depreciation & Amortisation		(8,541)	(7,863)	8.6%
EBIT		(893)	2,073	(143.1)%
Loss on disposal / share of loss of associate		(233)	(229)	1.6%
Interest		103	202	(49.2)%
PBT		(1,023)	2,046	(150.0)%
Tax Provision		3	(814)	(100.3)%
PAT		(1,021)	1,232	(182.8)%
EPS		(1.87)	(1.77)	5.4%
Adjusted EPS		1.72	4.19	(58.9)%

(1) Adjusted EBITDA excludes exceptional income and costs in relation to acquisitions, restructuring and the cyber incident, depreciation, amortisation, share of loss of associate, loss on disposal of interest in associate, interest, tax and share based payments



Cash Flow

- **Strong cash generation:** FY25 adjusted cash conversion remained robust at **142%** versus **92% in FY24**, supported by improved working capital performance.
- **Improved operating cash flow:** Adjusted cash flow from operations increased **28% to £13.3m** from **£10.4m**, reflecting disciplined cash management.
- **Higher free cash flow:** Free cash flow rose **20.9% to £5.3m**, underpinned by cost reduction actions and improved working capital efficiency.
- **Continued investment and shareholder returns:** The Group deployed **£5.3m** across PPE and capitalised intangibles, while also paying **£2.1m** in dividends during the year.
- **Strong liquidity position:** Year-end cash of **£16.7m**, together with a committed **£10m RCF** and **£20m accordion**, provides total liquidity headroom of approximately **£30m** to support growth plans.

£m	FY25	FY24	Change
Adjusted EBITDA	8.346	11.313	(26.2)%
Working capital and other items	4.970	(0.879)	(665.4)%
Adjusted Cash flow generated from operations	13.316	10.434	27.6%
Capex - property, plant and equipment (PPE)	(2.476)	(1.420)	74.4%
Capex - intangible assets	(2.783)	(2.765)	0.7%
Payments of principal on lease liabilities	(1.411)	(1.150)	22.7%
Exceptional cost cash outflows	(0.317)	(0.403)	(21.3)%
Free cash flow before tax	6.329	4.696	34.8%
Tax	(1.055)	(0.334)	215.9%
Free cash flow	5.274	4.362	20.9%
Interest	0.053	0.202	(73.8)%
M&A - acquisition spend	-	(7.263)	(100.0)%
Dividends paid	(2.133)	(2.661)	(19.8)%
Proceeds on sale of shares in associate	2.180	-	100.0%
Underlying increase / (decrease) in net cash / (debt)	5.374	(5.360)	(200.3)%
FX and other items	(0.032)	(0.039)	(17.9)%
Increase in net cash / (debt)	5.342	(5.399)	(198.9)%
Opening net cash / (debt)	11.401	16.800	(32.1)%
Closing net cash / (debt)	16.743	11.402	46.8%
Cash Conversion Rate	142%	92%	





A Leading Provider Of Transport Management Solutions To Enterprise Customers

- ❑ Solving complex needs with proprietary software and hardware solutions
- ❑ Automating critical processes and providing real time data
- ❑ Customers benefit from cost savings, emissions reductions and other efficiencies
- ❑ High barriers to entry, sticky customer base and high revenue visibility
- ❑ Clear Growth Strategy, upsell existing UK customers, new UK and international markets, margin enhancement and M&A





Microlise in Numbers



1982

Established in UK



916K+

Active Subscriptions



700+

Staff



<2%

Very low customer
churn rate



450+

Enterprise Customers



£84M

FY 2025 Revenue (£59.2m ARR)



197

Countries with
deployments



4

Awards for Enterprise since
2018



Helping Customers Meet Their Commitments

Improving KPI's Including Environmental Emissions, Operating Efficiency And Safety Standards



Reduce Mileage
Travelled



Improve
Driver
Performance



Reduce Fuel Use



Reduce Emissions



Reduce Vehicle
Wear & Tear



Reduce
Accidents



Reduce
Insurance
Premiums



Improve Fleet
Efficiency &
Utilisation



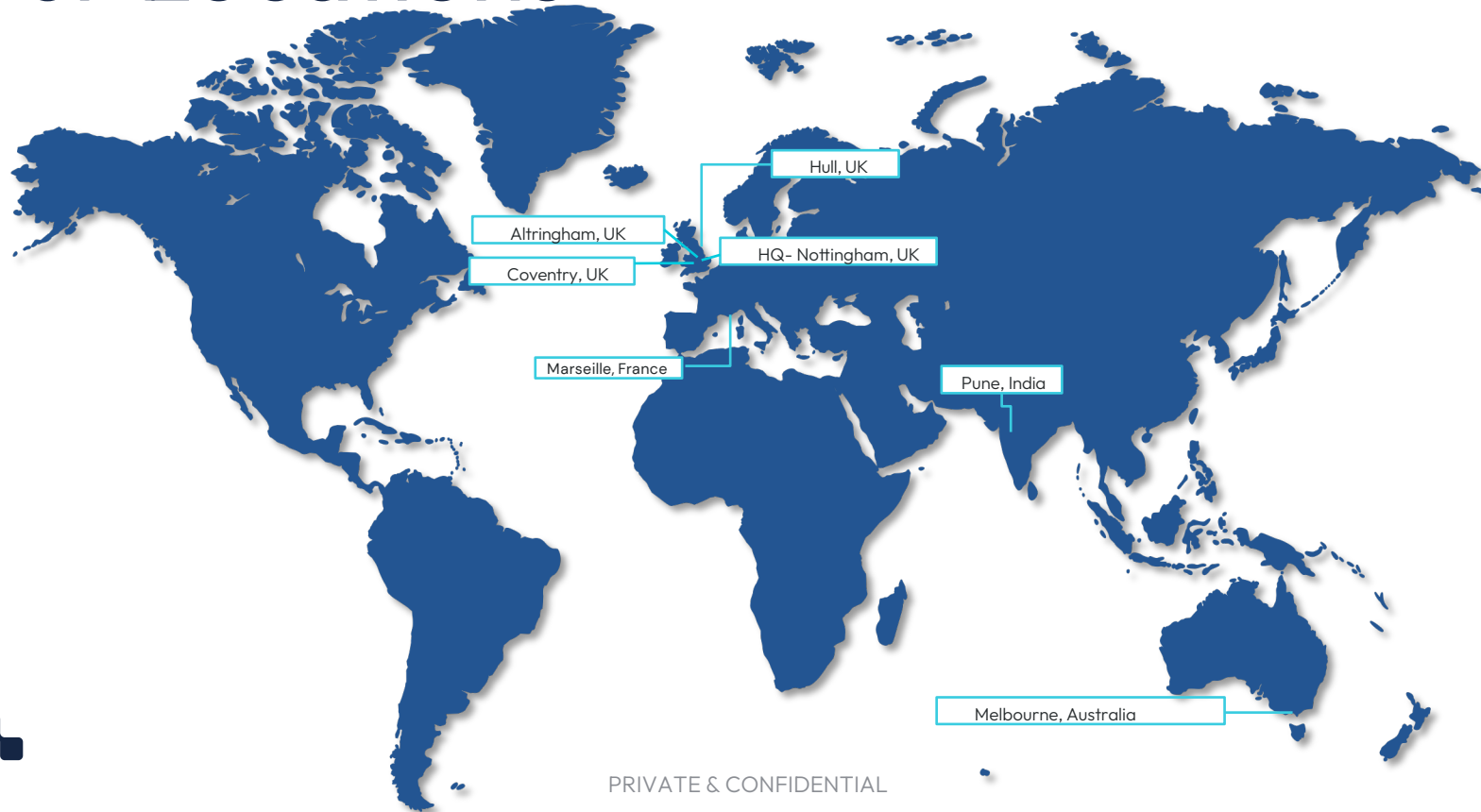
Eliminate
Delivery
Paperwork



Enhance
Customer
Experience



Our Locations



A Proprietary Modular Platform

Enabling Global Enterprises
To Run Highly Complex
Logistics Supply Chains

Why we win

- End to end product – Microlise One
- Enterprise quality
- True product model/SaaS delivery – lower TCO
- Customer focus: strong blue-chip references and track record of delivery
- Fully integrated product with the ability to grow with your business



Some of our customers...

OEM & Automotive	           
Haulage	            
Retail	          
Grocery	           
Food Manufacturing	             
Food Services	         
Pharmaceuticals	    
Post & Parcel	    
Construction	        
Defence & Services	        
Petrochemical	    

Tesco Case Study Video



<https://www.microlise.com/case-studies/tesco-case-study-enhancing-transport-operations-with-microlise/>



Statutory Profit & Loss

£m		FY 2025	FY 2024	% Change
Revenue	Non Recurring	25,206	26,330	(4.3)%
	Recurring	58,822	53,145	10.7%
		84,027	79,475	5.7%
Gross Margin	Non Recurring	7,686	10,011	(23.2)%
	Recurring	46,453	41,990	10.6%
		54,139	52,001	4.1%
		64.4%	65.4%	
Other operating income		219	640	(65.8)%
Operating expenses		(46,012)	(41,327)	11.3%
Adjusted EBITDA		8,346	11,314	(26.2)%
		9.9%	14.2%	
Exceptional items		(1,525)	(4,783)	(68.1)%
Share based payments		(698)	(975)	(28.4)%
Depreciation & Amortisation		(8,541)	(7,863)	8.6%
EBIT		(2,418)	(2,307)	4.8%
Loss on disposal / share of loss of associate		(233)	(229)	1.6%
Interest		103	202	(49.2)%
PBT		(2,548)	(2,334)	9.2%
Tax Provision		384	281	36.6%
PAT		(2,165)	(2,053)	5.4%
EPS		(1.87)	(1.77)	5.4%



Statutory Balance Sheet

£m			FY25	FY24	% Change
Assets	Non-current Assets	Property, plant and equipment	11,628	8,702	33.6%
		Intangible Assets	81,673	83,914	(2.7)%
		Investments in associate	-	1,364	(100.0)%
		Trade & other receivables	2,996	3,201	(6.4)%
			96,297	97,181	(0.9)%
	Current Assets	Inventories	2,753	3,212	(14.3)%
		Loan to Associate	-	1,000	(100.0)%
		Trade & other receivables	15,990	21,104	(24.2)%
		Corporation tax recoverable	1,100	746	47.5%
		Cash & cash equivalents	16,743	11,401	46.9%
			36,586	37,463	(2.3)%
	Total Assets		132,883	134,644	(1.3)%
Liabilities	Current Liabilities	Financial Liabilities / Borrowing	(1,188)	(809)	46.8%
		Trade & other payables	(35,147)	(36,409)	(3.5)%
			(36,335)	(37,218)	(2.4)%
	Non-current Liabilities	Financial Liabilities / Borrowing	(2,689)	(500)	437.8%
		Trade & other payables	(17,742)	(16,051)	10.5%
		Deferred tax	(5,464)	(6,114)	(10.6)%
		Provisions	(2,611)	(2,862)	(8.8)%
			(28,506)	(25,527)	11.7%
	Total Liabilities		(64,841)	(62,745)	3.3%
	Net Assets		68,042	71,899	(5.4)%
Equity	Issued share capital		116	116	-
	Share Based Payment Reserve & Other Reserves		17,630	17,630	-
	Retained earnings		50,296	54,153	(7.1)%
	Total Equity		68,042	71,899	(5.4)%



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