

13 June 2024

**Tracsis plc**  
**("Tracsis" or "the Group")**

**Trading Update**

*Impact of UK General Election timing; FY25 expectations remain unchanged*

Tracsis (LSE: TRCS), a leading transport technology provider, provides the following trading update for the year ending 31 July 2024.

**Background**

The unexpected recent announcement that a UK general election will take place on 4 July 2024 has initiated a period of pre-election activity restrictions, resulting in a one-off impact on the Group's trading in the final two months of the current financial year. The Group had been planning for an October/November 2024 election date.

The pre-election restrictions are temporarily impacting central government, local authority and Train Operating Company decision making and spending across the UK transportation sector. This action is resulting in the rescheduling of certain projects and a short-term contraction of new order activity, that was previously expected to occur in the Group's Q4 financial period.

This impact relates to the Group's UK Rail Technology, Transport Consultancy and Traffic Data businesses, whilst the Events business remains unimpacted.

In the Group's April 2024 Interim Results statement, we highlighted risks in converting our North American pipeline before year end. While these opportunities continue to be pursued, the Board now expects that associated revenue will not be realised within this financial year. Coupled with the one-off financial impact of the UK general election and strong operational gearing within the business, this will have a material effect on the Group's FY24 adjusted EBITDA margin.

Given the short-term nature of the financial impact, ongoing project commitments, and the significant market opportunity available to the Group, the Board does not consider it appropriate to implement near term cost mitigation measures.

**Financial impact**

As a result, the Board now provides the following updated guidance:

- FY24 revenue is now expected to be in the range of £80.0m - £82.0m<sup>1</sup>
- FY24 adjusted EBITDA\* margin is expected to be slightly higher than the 15.5% delivered in H1 2024 but below analyst consensus market expectations
- The Group remains in a strong financial position, with net cash of £15.5m as at 31 May 2024
- FY25 revenue and adjusted EBITDA\* expectations remain unchanged

**No impact on strategic growth plans and long-term confidence**

Tracsis' strategy to deliver organic and acquisitive growth, supported by a strong balance sheet and long-term structural tailwinds in its core markets, remains unchanged. As previously communicated, any potential government changes in the UK or US are not anticipated to adversely affect the Group's growth prospects in FY25 and beyond. Given our medium and long term confidence in the business and robust cash position the Board's progressive dividend policy will remain unaffected.

**Chris Barnes, Chief Executive Officer of Tracsis, commented:**

*"Our positive direction of travel and significant market opportunity remains unchanged for Tracsis. While the impact of the pre-election restrictions coinciding with our busy final quarter of the financial year is unquestionably disappointing, this is an isolated event outside of our control.*

*Overall, the momentum in the Group remains strong and our market opportunity continues to grow, especially in North America. I'd like to thank our team for their continued efforts, during what has been a year of positive operational progress, despite this performance. We look forward to returning to business-as-usual across our affected UK businesses, as we emerge from the UK election period, regardless of the political outcome".*

\*Adjusted EBITDA margin is defined as earnings before net finance expense, tax, depreciation, amortisation, exceptional items, other operating income, and share-based payment charges.

<sup>1</sup> Analyst consensus range for FY24 revenue was £84.0m to £85.9m, with average analyst consensus being £85.2m, as at 12 June 2024.

The information contained within this announcement is deemed by the Company to constitute inside information stipulated under the Market Abuse Regulation (EU) No. 596/2014 as amended by the Market Abuse (Amendment) (EU Exit) Regulations 2019. Upon the publication of this announcement via the Regulatory Information Service, this inside information is now considered to be in the public domain.

**Tracsis plc**  
Chris Barnes, CEO  
Andy Kelly, CFO

+44 (0)845 125 9162

**Cavendish Capital Markets Ltd (Nominated Adviser & Joint Corporate Broker)**  
Jonny Franklin-Adams / Giles Balleny / Charlie Beeson (Corporate Finance)  
Andrew Burdis / Sunila de Silva (Corporate Broking)

+44 (0)20 7220 0500

**Berenberg (Joint Corporate Broker & Financial Adviser)**  
Mark Whitmore / Richard Andrews / Alix Mecklenburg-Solodkoff

+44 (0)20 3207 7800

**Alma Strategic Communications**  
David Ison / Rebecca Sanders-Hewett / Joe Pederzoli

+44 (0)20 3405 0205  
tracsis@almastrategic.com

**Notes to editors:**

- Tracsis plc is a technology company and a leading provider of software and hardware products, data capture and data analytics/GIS services for the rail, traffic data and wider transport industries.
- Tracsis' products and services are widely used to increase efficiency, reduce cost and risk, improve operational and asset performance, improve safety management and decision making capabilities and improve the overall end-user experience for clients and customers.

- The Group is split into two principal operating areas built around detailed industry knowledge and expertise:
  - **Rail Technology & Services:** A software, technology and product led business. It develops and supplies software that solves complex resource, asset optimisation and control problems for Train Operators, and Smart Ticketing, Delay Repay and other retail software to improve the customer experience for rail users. It also develops remote condition monitoring hardware, data acquisition software, and safety and risk management software for rail infrastructure providers.
  - **Data, Analytics, Consultancy & Events:** A largely services led business that focuses on data capture, data analytics, GIS, earth observation, data insights, consultancy and event traffic management within a range of transport and pedestrian rich environments. The business provides technology and bespoke products and data that underpin large scale intelligent transport systems, smart city planning and positive environmental decision making.
- Tracsis has a blue-chip client base which includes all major UK transport owning groups, Network Rail, Passenger and Freight Train Operating Companies, the Department for Transport, TfL, multiple local authorities, major outdoor music and sporting event organisers, and a wide variety of large engineering and infrastructure companies. In North America our clients include Class 1 rail freight companies, transit operators, shortline railroads and several large rail served ports and industrials.
- The business drives growth both organically and through acquisition and has made seventeen acquisitions since 2008.

For more information on Tracsis please visit <http://www.tracsis.com>

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