

26 February 2025

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

**Trading Update and Notice of Results**

Tracsis (LSE: TRCS), a leading transport technology provider, provides the following trading update for the six months ended 31 January 2025 ("H1 FY25").

**Summary**

- Expected H1 FY25 revenue of c.£36.3m (H1 FY24: c.£35.5m like-for-like), reflecting modest growth after excluding c.£1.1m of discontinued H1 FY24 revenue
- Further growth in UK Rail Technology, aside from Remote Condition Monitoring hardware revenue which declined as expected due to previously signposted Network Rail Control Period 7 ("CP7") funding impact
- Significant contract wins and operational progress, including major multi-year PAYG Tap Converter system and first intercity deployment of TRACS Enterprise in the UK, and first full deployment of Train Dispatch in the US
- Expected H1 FY25 adjusted EBITDA margin of c.10% (H1 FY24: 16%), reflecting revenue mix changes resulting from CP7 headwinds and lower profitability in Traffic Data & Events
- H2 FY25 revenue and EBITDA margin performance will strengthen, underpinned by order book including recent contract wins, and underlying seasonality in Traffic Data & Events
- FY25 performance will be influenced by pipeline conversion in the UK and North America rail markets, with procurement decisions expected in the coming weeks
- The Board also continues to monitor UK rail market developments in relation to CP7 funding and the rail reform consultation
- Healthy cash generation with cash of £22.1m at 31 January 2025 (31 January 2024: £16.8m, 31 July 2024: £19.8m)

Adjusting for c.£1.1m of discontinued H1 FY24 Transport Consultancy revenue, Tracsis delivered modest H1 revenue growth despite the previously signposted challenges in the UK rail market in relation to CP7.

Expected H1 FY25 Adjusted EBITDA reflects a c.£1m impact of CP7 headwinds, and reduced profitability in Traffic Data & Events, with margin expected at c.10% (H1 FY24: 16%).

*Rail Technology & Services*

The Rail Technology & Services division delivered H1 revenue at a similar level to the prior period, despite lower UK Remote Condition Monitoring ("RCM") hardware revenue, which declined as expected due to the CP7 impact. This included the benefit from the following activities:

- In Safety & Risk Management, the Group progressed the next funded phase of RailHub for Network Rail to expand the functionality of this safety and risk management platform. This has been unaffected by CP7 headwinds.
- In Customer Experience, the Group made good strategic progress, securing a major deal for the National Rail network pay-as-you-go ("PAYG") Tap Converter system at the start of H2 2025 and launching its Hopsta mobile app with ScotRail.
- In Operations & Planning, the Group completed the first intercity deployment of TRACS Enterprise with a UK

- In Operations & Planning, the Group completed the first intercity deployment of Tracsis Enterprise with a UK passenger operator with the next full deployment expected during H2 FY25.
- In Remote Condition Monitoring the Group secured and delivered a hardware and software expansion with a large US transit customer.

EBITDA performance in this division was slightly lower than the prior period, reflecting revenue mix changes resulting from CP7 headwinds, and a lower level of project delivery revenue in North America.

Diversifying Rail Technology into North America remains an important strategic priority for Tracsis given the size of the market opportunity. The first full deployment of Train Dispatch with a US commuter rail provider was completed in H1 FY25 and marked a major milestone, opening a new product segment opportunity. Several similar contracts are now in procurement, though timelines remain subject to evolving customer requirements.

#### Data, Analytics, Consultancy & Events

There was modest revenue growth in the Data, Analytics, Consultancy & Events division after c£1.1m of discontinued H1 FY24 Transport Consultancy revenue. The previously announced cyber-attack suffered by a major Traffic Data customer reduced H1 FY25 revenue by c.£0.5m. The issue is now resolved, activity levels have recovered and FY25 revenue from this customer is expected to be similar to FY24. The Group is currently delivering its largest ever Traffic Data survey in the UK, and has a full orderbook of Events work for the remainder of FY25.

EBITDA performance in this division was lower than the prior period, with a significant margin decrease in Traffic Data & Events reflecting inflationary input cost increases from across our supply chain that we are focused on recovering through pricing.

#### **Outlook**

The slow start to CP7 continues to affect the UK rail supply chain, and is impacting the Group's RCM business where order visibility is lower. We expect RCM volumes to return closer to historical levels in H2 FY25 as CP7 enters its second year in April 2025, however the timing of this remains uncertain.

On 18 February 2025, the UK government released a rail reform consultation paper outlining plans to create Great British Railways and integrate the activities of Network Rail, the TOCs and the Rail Delivery Group. While Tracsis' products and services are well aligned with the UK government's strategic plans for the future of UK Rail, a consultation is ongoing which may delay procurement timelines for future contract awards, particularly in Operations & Planning. We have a large installed base of mission-critical solutions with UK TOCs that drives significant recurring software revenue, and we do not expect this to be impacted by the proposed changes.

In Customer Experience, the Tap Converter contract will deliver incremental development revenue in H2 FY25, and the recent launches of PAYG deployments in Wales and Scotland are expected to drive further growth in transaction revenue in the coming months.

In line with previous years, revenue and EBITDA margin are expected to increase in H2 FY25, with underlying seasonality in Traffic Data & Events supplemented by recent contract wins, an order book of work for H2 FY25 delivery, and a pipeline of opportunities in the UK and North America. Successful conversion of this pipeline positions the Group to deliver an FY25 performance in line with market expectations. This will be influenced by customer procurement decisions and timelines, as well as by how UK rail market developments unfold, including the level of CP7 activity and the ongoing rail reform consultation.

The Group's robust cash balance and healthy cash generation position it well to continue to invest in its technology base to drive organic growth while exploring targeted acquisition opportunities.

#### **Chris Barnes, CEO of Tracsis, said:**

*"While external factors have slowed activity in parts of the UK rail market, the industry's structural shift towards modernisation and digital adoption continues. Tracsis remains well-positioned to lead this transformation, meeting the growing demand for data-driven, customer-focused and safety-critical solutions."*

*Despite headwinds impacting RCM, our UK Rail Technology division saw growth across its other product categories. Our diversification strategy is steadily building momentum, granting us access to larger strategic opportunities such*

as the nationwide PAYG Tap Converter contract. Our ability to win and deliver these complex, multi-year contracts has been enhanced by the investment we have made in technology and delivery capabilities. We are now seeking to repeat this in the North American Train Dispatch market, following the completion of our first full product deployment during the period.

With a strong foundation, a clear strategy and disciplined execution, Tracsis is well-placed to deliver on its long-term strategy despite the localised short-term headwinds. Our focus remains on delivering sustainable growth, expanding our market presence, and creating lasting value for shareholders."

## Notice of Results and Investor Presentation

The Group's interim results will be announced on 24 April 2025.

The Board is committed to communicating with all investors equally and directly to ensure that its strategy, business model and performance are clearly understood. Accordingly, as part of the Group's interim results, a live online investor presentation will be given by management on 25 April at 1.00pm UK time.

Investor registration link: [https://engageinvestor.news/TRCS\\_IP25](https://engageinvestor.news/TRCS_IP25)

The information contained within this announcement is deemed by the Group to constitute inside information under the Market Abuse Regulation (EU) No.596/2014

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## 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's 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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