

Corporate

 Current price **88.0p**

 Sector **Electronic & Electrical Equipment**

 Code **TRT.L**

 AIM **AIM**

Share Performance



Source: Thomson Reuters, Allenby Capital

Share Data

 Market Cap (£m) **14.4**

 Shares in issue (m) **16.31**

52 weeks High Low

96.5p **47.5p**

 Financial year end **June**

Source: Company Data, Allenby Capital

Key Shareholders

CriSeren 9.40%

Seneca 7.67%

P Lobbenberg 5.94%

Harwood Capital 4.91%

Legal & General 3.31%

Gerald Oury 3.03%

Directors 1.70%

Source: Company Data, Allenby Capital

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Transense Technologies plc (TRT.L)

Trading for FY20/21 in line with market expectations

Transense Technologies plc, the developer, manufacturer and licensor of sensor technology and equipment, has reported in a year end trading update that trading for the full year to June 2021 was in line with market expectations (as upgraded in February 2021) with revenues of c.£1.8m and a positive EBITDA and profit after tax. Overall the Board is satisfied with the Company's progress and looks forward to providing further details in the full year results expected to be released in late September.

- Results expected to be in line with market expectations** – In a year-end trading update today, Transense reported that trading for the full year was in line with market expectations with revenues of c.£1.8m and a profit being achieved at both the adjusted EBITDA and profit after tax levels. In February 2021, we increased our forecasts on the back of encouraging progress achieved in the first half). Cash at the year-end was £1.04m and does not include iTrack royalties for Q4 which are not due to be received by Transense until July. Operating cash flow, before changes to working capital, is also expected to be positive.
- iTrack royalty payments gaining significant momentum** – The rate of increase in the installed base of iTrack accelerated in H2 and particularly in North America in Q4. The royalty run rate had increased by 80% by the end of the first year since the licence was granted (we assume from £0.6m to £1.1m). The licensee, Bridgestone, in its updated mid-term business plan, makes particular note of expansion plans for iTrack which is bullish for future iTrack royalties as is Bridgestone's pending acquisition of Otraco, a solutions provider for off-road tyre management and services.
- Surface Acoustic Wave (SAW)** – The Company notes continued progress and deepening commercial relationships at SAW which is helping to generate revenue growth from technical support, engineering fees and system sales. In addition, SAWCAP is continuing to help identify and evaluate several new applications for the technology across a range of industry sector. This has increased the understanding of the technology's differentiation in the market, better enabling management to allocate resources and evaluate the probability of successful outcome.
- Revenues substantially ahead at Translogik** – Translogik tyre probes revenues rose by around 50% yoy with particular interest being shown in the new modular range launched a year earlier. Customer migration to the new range is expected to result in further growth.
- Forecasts unchanged** – Pending full year results in September we are leaving our forecasts unchanged.

Year End: June					
(£'000)	2019A	2020A	2021E	2022E	2023E
REVENUE	596	603	1,816	2,268	3,236
ADJ. EBITDA	(701)	(681)	47	582	1,392
ADJ. (L)/PBT	(1,124)	(1,265)	(171)	357	1,171
ADJ. EPS (p)	(6.38)	(6.68)	0.19	2.56	7.55
NET CASH	2,647	1,193	1,054	1,111	2,047
EV/EBITDA (x)	-	-	-	13.4	4.9
PER (x)	-	-	-	21.2	7.2

Source: Transense; Allenby. Allenby Capital acts as Nomad and Broker to Transense Technologies plc (TRT.L).

Please refer to the last page of this communication for all required disclosures and risk warnings.

Financial summary and forecasts

EXHIBIT 1: SUMMARY FORECASTS

PROFIT & LOSS

Y/E June	£000	£000	£000	£000	£000
	FY 2019A	FY 2020A	FY 2021E	FY 2022E	FY 2023E
Revenue	596	603	1,816	2,268	3,236
Gross Profit	375	332	1,413	1,994	2,936
margin	62.9%	55.1%	77.8%	87.9%	90.7%
Administration expenses	-1,155	-1,131	-1,370	-1,412	-1,544
EBITDA	-701	-681	47	582	1,392
Underlying operating (loss)	-1,126	-1,253	-171	357	1,171
Statutory profit/(loss) before tax	-1,124	-1,265	-171	357	1,171
Underlying profit/(loss) before tax	-1,124	-1,265	-171	357	1,171
Net Profit/(Loss)	-841	-1,090	31	417	1,231
Weighted Average Shares (fully diluted) (p)	13.185	16.307	16.307	16.307	16.307
Underlying EPS (p)	-6.38	-6.68	0.19	2.56	7.55

CASH FLOW

Y/E June	£000	£000	£000	£000	£000
	FY 2019A	FY 2020A	FY 2021E	FY 2022E	FY 2023E
Net cash inflow/(outflow) from operating activities	-427	-1,858	-207	249	1,128
Net cash inflow/(outflow) from investing activities	-855	-497	1,104	-132	-132
Net cash inflow/(outflow) from financing activities	2,335	901	-1,036	-60	-60
Net increase/(decrease) in cash in the year	1,053	-1,454	-139	57	936
Cash at end of period	2,647	1,193	1,054	1,111	2,047

BALANCE SHEET

Y/E June	£000	£000	£000	£000	£000
	FY 2019A	FY 2020A	FY 2021E	FY 2022E	FY 2023E
Assets					
Total non-current assets	1,475	1,134	1,051	968	885
Current assets					
Other (excluding cash)	1,355	1,915	351	695	963
Cash and cash equivalents	2,647	1,193	1,054	1,111	2,047
Total current assets	4,002	3,108	1,405	1,806	3,010
Total Assets	5,477	4,242	2,456	2,774	3,895
Liabilities					
Total current liabilities	-729	-1,891	-102	-122	-137
Total non-current liabilities	0	-168	-195	-132	-65
Total Liabilities	-729	-2,059	-297	-254	-202
Net current assets	3,273	1,217	1,303	1,684	2,873
Net Assets	4,748	2,183	2,159	2,520	3,693

Source: Transense; Allenby

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