

Company Summary

February 2021



Investment Profile

1. iTrack licence to Bridgestone providing 100% profit margin revenues, with significant growth potential
2. Inflexion point with profitability visible and now financially self-sufficient
3. Secure & growing revenues with development of SAW & Translogik upside potential
4. Divisional partnerships with several global corporations

Share Information

Ticker	AIM: TRT
Share Price (GBX)	71.6
Shares in issue (m)	16
Market Cap (£m)	11.7
12m Hi/Low (GBX)	80/25

(Source: The London Stock Exchange, February 2021)

12-Month Share Price



(Source: The London Stock Exchange, February 2021)

Major Shareholders (as of February 2021)

Name	%
CriSeren	9.40
Seneca	7.67
P Lobbenberg	5.94
WB Nomnees	4.95
Harwood Capital LLP	4.91
Legal & General	3.31
Spreadex	3.18
Gerald Oury	3.03

(Source: company website)

Company Overview

Transense Technologies plc (AIM:TRT) is a developer of specialist wireless sensor systems used to enable real-time data gathering and monitoring. Products include the patent protected Surface Acoustic Wave (SAW) sensor technology, used to improve equipment power, performance, reliability and efficiency; iTrack, Transense's Tyre Pressure Monitoring System, recently licensed to Bridgestone Corporation, the world's largest tyre producer, under a ten-year deal; and a range of intelligent tyre monitoring equipment under the Translogik brand. Target sectors include automotive, aerospace, industrial, green energy, rail and marine.

Its strategy is to maximise shareholder value through the delivery of sustained revenue growth from all three principal technologies – SAW, iTrack and Translogik probes – through leveraging excellence in innovation, know-how in commercialising technologies, industry partnerships and exposure to global growth markets.

Transense's patent-protected SAW sensors are wireless and battery-less, used in the real-time measurement of torque, temperature and pressure to improve performance. This technology offers significant advantages over alternative measurement tools, and is particularly targeted towards the aircraft, specialised automotive, green energy and industrial markets.

Translogik, the intelligent tyre monitoring probe range, comprises highly accurate tyre testing equipment, enabling rapid data capture aimed at fleet managers and tyre service providers.

The iTrack tyre pressure monitoring technology, used for monitoring the tyre and vehicle performance of heavy-duty off-road vehicles, was exclusively licensed to ATMS, a subsidiary of Bridgestone Corporation, for a ten-year term commencing in June 2020. The royalty provides a 100% profit margin for Transense, delivering significant income and **resulting in a Company that is now cash generative and self-financing.**



What's New?

Interim results were ahead of expectation, prompting a broker upgrade - highlighting strong momentum and commercial progress. Transense is at an important inflexion point with expected near-term profitability and growing cash flows from the ATMS licencing deal putting the Company in a good position. Management is now focused on the commercialisation of the proven SAW technology, with the additional expertise of SAWCAP. SAW is increasingly being seen as a gateway to partners providing a 'solution' and 'services' driven product offering, which could further increase potential revenue streams. Conservative forecasts make this one to watch.

Probing the Market Opportunity

Transense's technology has a significant growth opportunity, with increasing adoption by household name industrial clients operating in global growth markets across all divisions.

iTrack's royalty income has significant potential to grow over the next ten years. Although their technology is only currently used for the off-road vehicle market, there is still a significant opportunity. Broker forecasts for the technology's penetration in the ultra-size mining truck market, view an addressable annual opportunity of \$13.8m (or \$138m over the 10-year period), assuming an annual royalty of \$1,200 per truck and 11,500 vehicles classed as ultra-size mine haul trucks across the world. While the royalty agreement with ATMS is confidential, the growth potential is substantial. The licence also covers all types of off-road vehicles - so forecasts are conservative with a potential to be upgraded.

SAW has already licensed its IP to General Electric (Licence fee \$0.75m) for the use of the technology into engines for the US Army's Improved Turbine Engine Programme (ITEP). This covers 6,000 aircraft including the Boeing AH-64 Apache and the Sikorsky UH-60 Black Hawk helicopters. This will begin to produce a significant and growing royalty stream from 2023/4 onwards.

While not at the same size as the other divisions, Translogik has opportunities to develop and expand its portfolio of tyre depth and pressure probes into a global market, where overseas sales already represent over 90% of probe revenues. With a secure and growing revenue base and stable cash generation, the Company is now self-supporting, allowing management to monetise the potential within SAW and Translogik.

MEET Transense Technologies plc

Please Contact Walbrook for more information

Key Newsflow

Feb: Interim Results

Feb: Further re. Completion of Capital Reduction

Feb: Notice of Results & Investor Presentation

Jan: Completion of Capital Reduction

Dec: Result of AGM, AGM Update, new Website & Investor Presentation

Dec: Establishment of SAW Commercial Advisory Panel

Nov: Posting of Annual Report and Notice of AGM

Oct: Final Results for the year ended 30 June 2020

Oct: Change of Nomad & Broker & AIM Rule 17 update

Sep: Final Consideration of iTrack transfer

Management Team

Nigel Rogers, Executive Chairman

Nigel joined the Board as a Non-Executive Director 2015, becoming Non-Executive Chairman in February 2020, and leading the licensing of the iTrack system to Bridgestone. On completion, in June 2020, Nigel was appointed as Executive Chairman of Transense. He also holds positions as Chairman of Solid State plc and Surgical Innovations Group plc, and has over twenty years' experience in leading AIM-listed companies. Nigel is a Chartered Accountant with a career at PwC in the U.K., Latin America and the Middle East.

Melvyn Segal, Finance Director

Melvyn was appointed Executive Director in June 2012 and is the Chief Finance Officer and Company Secretary. He is a Chartered Accountant, specialising in business advice, audit and taxation, being involved in the successful sale of Arram Berlyn Gardner's financial services arm. Since leaving the profession, Melvyn has been active as Company Finance Director and Non-Executive Director of successful SME's.

Forecasts (Source: Consensus Forecasts Collected by Walbrook)

	FY20 (Actual)	FY21 (Est.)	FY22 (Est.)
Sales (£m)	0.60	1.82	2.27
adj. EBITDA (£m)	-0.68	0.05	0.58
Net Cash (£m)	1.19	1.05	1.11