



Transense Technologies plc (AIM: TRT)

Company Summary

Investment Profile

- Proven track record of development, commercialisation and realisation of proprietary technology**
- Royalties from Bridgestone iTrack underpins near term growth in profits and cash generation**
- New market entry opportunities for Translogik to drive step change in revenue**
- SAWsense pipeline building both scale and depth of engagement**
- Investing in business development and engineering resources to fuel high growth**

Share Information

Ticker	AIM:TRT
Share Price (GB pence)	105.0
Shares in issue (m)	16.4
Market Cap (£m)	16.1
12m Hi/Low (GB pence)	120.0/77.0

(Source: The London Stock Exchange, February 2024)

12-Month Share Price



(Source: The London Stock Exchange, February 2024)

Major Shareholders (as of February 2024)

Name	%
CriSeren	10.49
Dowgate Wealth Limited	9.02
P Lobbenberg	6.31
Harwood Capital LLP	5.21
Seneca	4.33

(Source: Company Website)

MEET Transense Technologies plc

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Company Overview

Transense is a developer of **specialist sensor and measurement systems** used to enable real-time data gathering and monitoring. Products include the patent protected **Surface Acoustic Wave (SAW) sensor technology, Translogik and Bridgestone iTrack**. Target sectors include aerospace, electric motors & drives, industrial machinery and performance automotive.

Its strategy is to maximise shareholder value through the delivery of sustained revenue growth from all three principal technologies - **SAW, iTrack and Translogik** - 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 **aerospace, electric motors and drives, industrial machinery, robotics and motorsport markets**.

Translogik, a range of intelligent tyre measurement tools, comprises highly accurate tyre testing equipment, enabling rapid data capture aimed at supporting fleet management systems provided by global tyre manufacturers and software houses, used by **transportation and logistics businesses**.

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 which commenced in June 2020. **The royalties deliver significant income for Transense and have set Transense up to be cash generative and self-financing.**

What's New?

In its recent Interim Results for the six months ended 31 December 2023, Transense saw **increases in revenue and profitability**, and further considerable progress in the development of its commercial pipeline opportunities. **Revenue was up 10% to £1.81m** (FY23 H1: £1.64m), **operating expenses in H1 reduced by 18% to £0.97m** (FY23 H1: £1.18m), adj. **PBT increased 146% to £0.63m** (FY23 H1: £0.26m) and **EBITDA more than doubled to £0.74m** (FY23 H1: £0.36m). Increasing momentum in **commercialisation** at **SAWsense** and opportunities for **Translogik** to enter **new market sectors** more than justify the planned increase in investment in business development and engineering recruitment in the second half of the year.

*Commenting, **Nigel Rogers, Executive Chairman**, said: "The Company has continued to make progress in the Period, increasing revenue by 10% and net profit before taxation by 146%. **Revenue visibility** is now much clearer for **Bridgestone iTrack**, and the increasing pipeline activity at Translogik is expected to provide a **clear growth trajectory**. Visibility of **SAWsense** revenue is also beginning to improve as the **customer base expands and programmes mature**, and the concentration risk is reducing."*

*"Whilst it is appropriate to manage a modest reduction in short term profit expectations, the Board believes **the Company is increasingly well positioned to deliver medium and long term growth.**"*

Translogik & SAWsense Highlights

Translogik Highlights:

- Continuing demand from established sales channel partners
- New business development activity (including post-Period) is generating a **new pipeline of opportunities for FY25**
- Engagement with **2 new tyre manufacturers, 5 new tyre and maintenance management software providers, 2 major UK tyre service centre groups** and **several large UK based fleet operators** to create new sales channels
- Product demonstrations have been carried out, with strong interest in the product and recognition of the benefits of accurate, rapid, digital capture of tyre inspection data

SAWsense Highlights:

- SAW development projects now on contract with record number of high-quality customers; **eight** active development programs, including **four** in aerospace, **two** in automotive edrives, and **one** in robotics
- Healthy continued pipeline of potential SAW customers, increasing further to **58** at February 2024 (Feb 2023: 40), with **9** progressed to funded projects or production (Feb 2023: 7)

AEROSPACE

- Record number of projects running and new opportunities in a range of applications including **VTOL** and **fixed wing aircraft, military** and **commercial**
- Targeting significant project with a **new Aerospace partner**
- GE aviation licence & two** further development programs
- Sectoral drivers creating intense development activity, and case for using SAW torque sensing has been proven for **helicopter engines** - development activities are currently live
- Potential TAM of **US\$5-10m by 2030**

INDUSTRIAL MACHINERY / ROBOTICS

- Torque sensor technology widely used by leading robot manufacturers to **improve control** and **safety** - Robotics sector undergoing **rapid market growth**
- Secured **first order** from **major global robotics drive systems manufacturer** to commence SAW torque sensor evaluation project
- SAW technology allows **improved joint** and **sensor designs** and increases robot load **capacity, speed, productivity and performance**
- Global market for force and torque sensors in industrial robotics was estimated to be worth US\$300m in 2022 and was **forecast to grow to more than US\$650m by 2028**

MOTORSPORT & HIGH PERFORMANCE VEHICLES

- Five-year** joint collaborative agreement (JCA) with **McLaren Applied (MA)** in premium motor sport
- MA** have indicated their expectation that SAWsense will be a significant element of their growth strategy in its telemetry and sensing business due to **demonstrated accurate, reliable and lower overall lifecycle cost than other technologies**
- All opportunities leading to recurring annual demands: use of SAW extended beyond **IndyCar** to the **Le Mans Daytona**
- Adopted by **3 teams** in another major international motorsport series and under-evaluation by **3 major championships** for blanket adoption in more than one powertrain location
- TAM for motorsport torque measurement estimated to exceed **US\$25m per annum**

ELECTRIC MOTORS & DRIVES ("EMD")

- Strong evidence of the benefits of using **real time actual torque** in the motor control loop in place of traditional torque estimation methods; simulation results expected to start publishing in **April '24**
- Large and **rapidly growing sector** with fierce competition: system performance, efficiency & cost are key to success; **22 additional active opportunities in eDrives**
- Continued collaboration with **Tier 1 suppliers** on technical feasibility and demonstration projects for torque and temperature sensing in Electric Motors



Key Newsflow

Feb: [Interim Results & Investor Presentation](#)

Jan: [Translogik Update - Appointment of Sales Director](#)

Sep: [Final Results & Investor Presentation](#)

Jul: [Year End Trading Update](#)

Jun: [SAW: Extension of Scope of Licence Agreement](#)

May: [New Automotive eDrive Business Contract](#)

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. Nigel has over twenty years experience in leading AIM listed companies as Group CEO at Stadium and 600 Group. He is also Chairman at Solid State plc.

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, and is active as Company Finance Director and Non-Executive Director of successful SME's.

Ryan Maughan, Business Development Director



Ryan is an engineer and business leader with 20+ years' experience in electronics, electric motors and battery systems development and manufacturing. He has a wealth of experience gained as a founder and advisor to businesses in the Automotive and Aerospace industries. Scaling up businesses through technology commercialisation to develop and supply key components and systems to major global corporations.

Forecasts (Source: Allenby Capital Research Note, February 2024)

	FY21 (A)	FY22 (A)	FY23 (A)	FY24 (E)	FY25 (E)
Revenue (£m)	1.17	2.63	3.53	4.03	5.15
adj. EBITDA (£m)	0.10	0.62	1.40	1.65	2.05
Net Cash (£m)	1.05	1.06	0.98	1.20	2.50

