

Transics®

Transics®

FULL YEAR RESULTS 2008



- **Highlights**
- Business Review
- Financial Review
- Transics and the Current Macro Environment
- Outlook



FINANCIAL HIGHLIGHTS

- 2008 Revenues of €43.7m, year-on-year revenue growth of 0.4%
- EBITDA of €8.9m or 20.4% of revenues
- Operating result of €5.7m or 13% of revenues
- Net result of €2.2m or €0.27 basic earnings per share
- Net financial debt of €8.7m at year end

BUSINESS HIGHLIGHTS

- New products TX-MAX (obc) & TX-CONNECT (software) launched
- Installed base of 57.700 units
- First significant customer wins in Italy, Romania & Czech Republic
- Lack of access to leasing for our customers and general economical slowdown caused loss of sales momentum after September 2008
- Cost reduction programme initiated in Q4

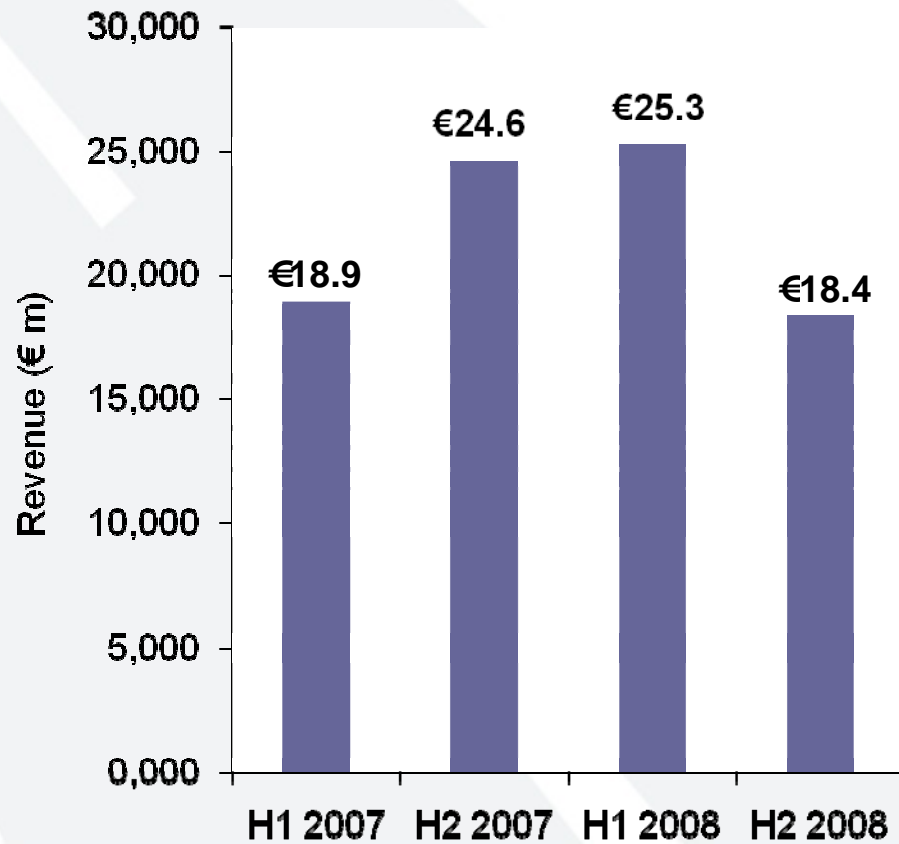
OUTLOOK 2009

- Revenue visibility limited to short term
- Forecast Q1 revenues approx. €9m
- Revenues FY 2009 expected to be in line with H2 08
- Cost reduction programme continued in Q1 09

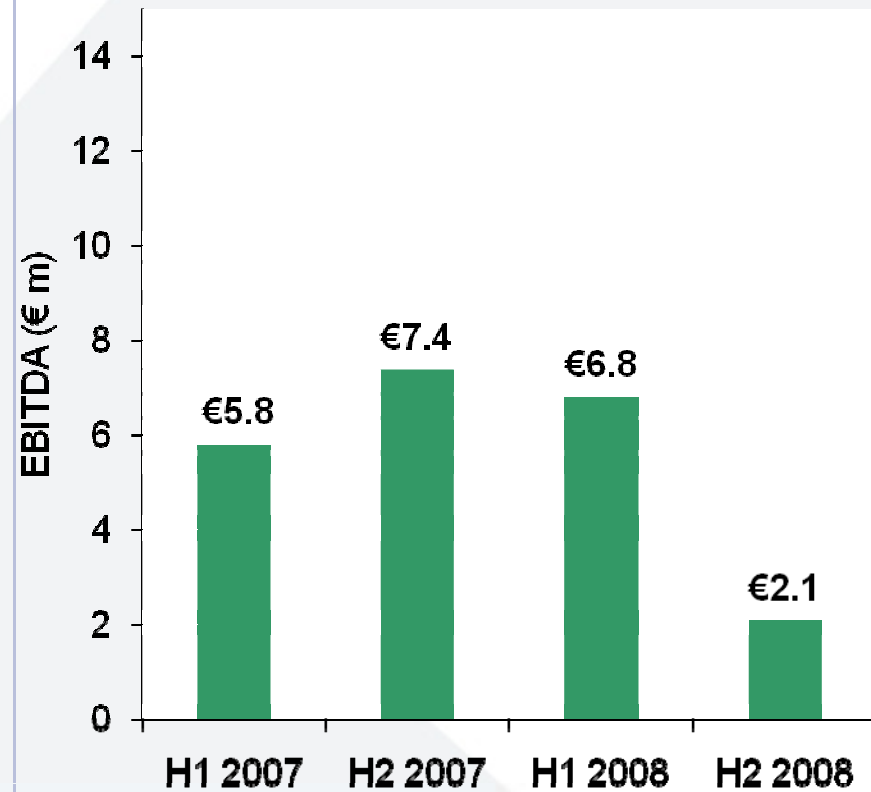


Transics® Financial Performance at a Glance

- 2008 Revenue of €43.7m
- 0.4% year-on-year growth



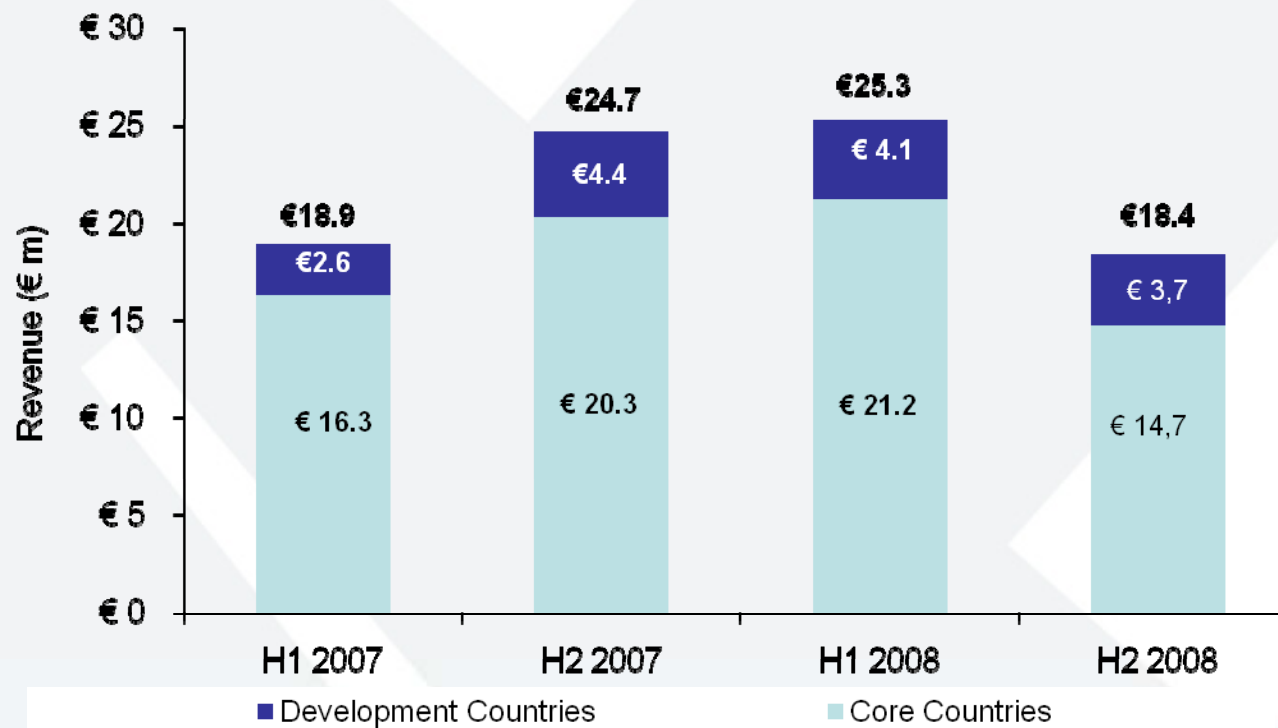
- 2008 EBITDA of €8.9m
- 20.4% of revenues



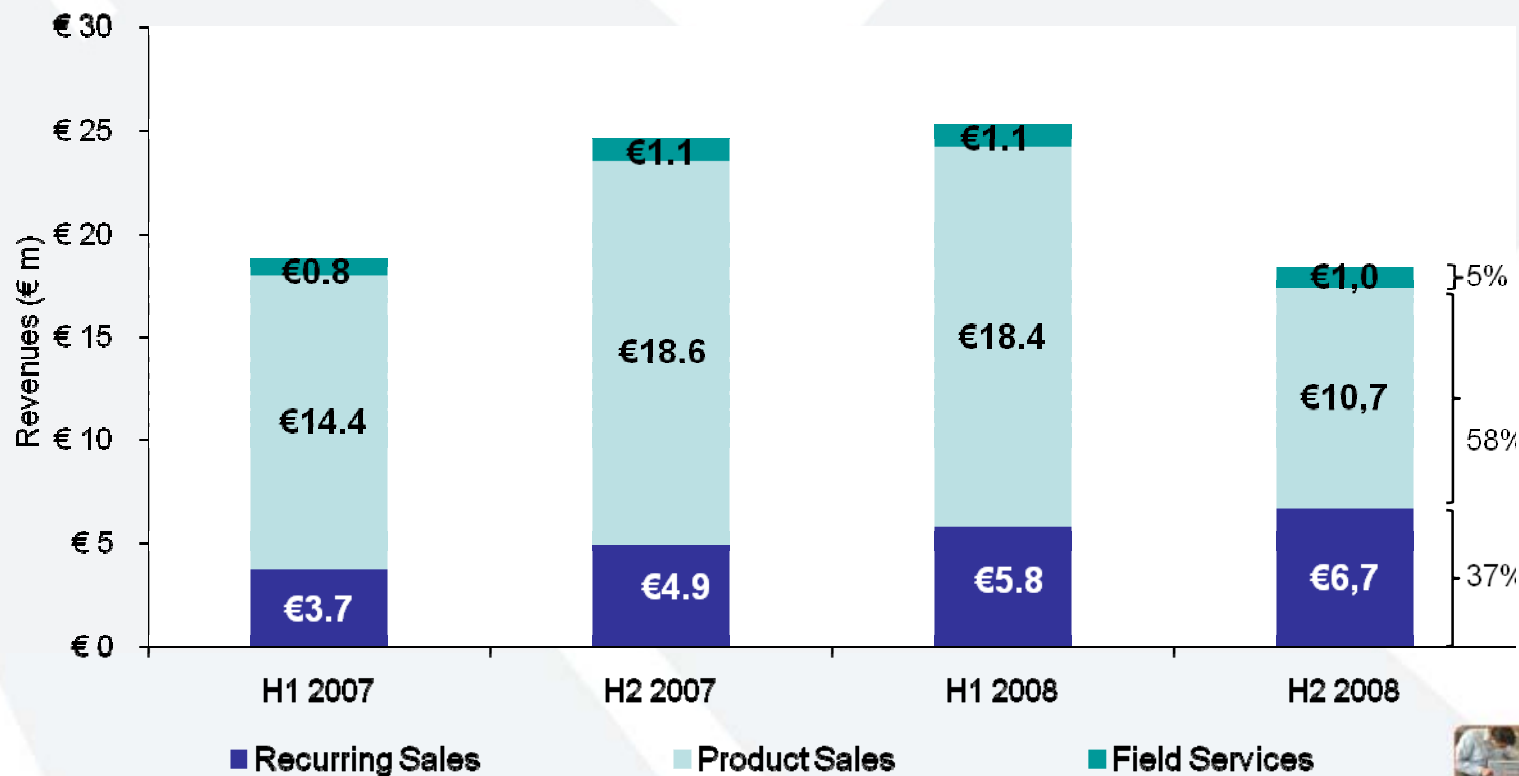
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- Revenues have grown 0.4% over 2007
 - ✓ Revenues in core countries (Benelux and France) decreased slightly by 2% year-on-year.
 - ✓ Development Countries grew 11% year-on-year



- **Recurring Sales are providing a valuable shock absorber in the downturn**
 - ✓ Product Sales have experienced a 11.7% year-on-year decrease and account for 67% of revenues in 2008.
 - ✓ Recurring revenues grew 44.4% and account for 28% of revenues in 2008.
 - ✓ Portfolio recurring revenues now amounts to €16.8m on a full-year basis.



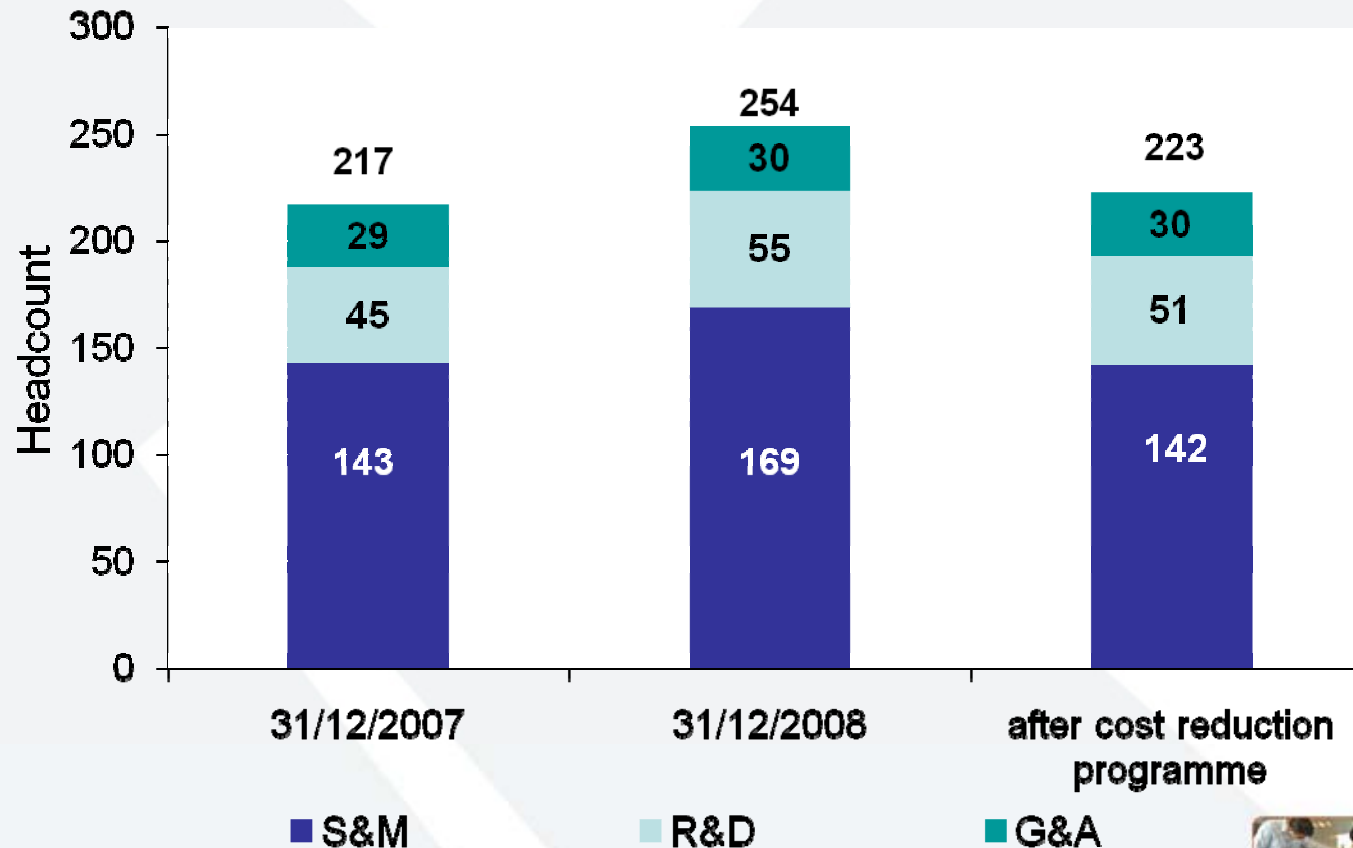
Transics FY 2008 - confidential



- **New client acquisition is holding up**
 - ✓ Unsurprisingly, with the recession, growth of existing customers is a less important sales driver (order intake from existing customers H2 37% compared to H1 52%)
 - ✓ Healthy level of activity with new customers is an encouraging sign
 - It suggests that Transics is using the downturn as an opportunity to gain market share
 - It confirms our value proposition to transport companies and the perspective for increased penetration of FMS
 - It confirms that Transics benefits from having a broad international footprint, which exposes the company to the largest opportunity-set
 - It positions the company for growth when the economic cycle turns



- Transics added 37 employees in 2008
- After implementation of 2 cost reduction programmes headcount will amount to 223 employees



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Transics International NV '000€	H1 2008 Consolidated 6 months	H2 2008 Consolidated 6 months	FY 2008 Consolidated 12 months	FY 2007 Consolidated 12 months
Revenue	25.260	18.419	43.679	43.519
<i>Growth (YoY)</i>			0,4%	
Gross profit	17.279	12.806	30.085	29.718
<i>margin</i>	68,4%	69,5%	68,9%	68,3%
EBITDA	6.838	2.077	8.915	13.175
<i>margin</i>	27,1%	11,3%	20,4%	30,3%
Operating result	5.320	380	5.700	10.716
<i>margin</i>	21,1%	2,1%	13,0%	24,6%
Financial income/(expenses)	(498)	(1.434)	(1.932)	(3.830)
Earnings before tax	4.822	(1.054)	3.768	6.886
<i>margin</i>	19,1%	-5,7%	8,6%	15,8%
Tax income/(expenses)	(1.531)	(62)	(1.593)	(1.672)
Net result	3.291	(1.116)	2.175	5.214
<i>margin</i>	13,0%	-6,1%	5,0%	12,0%
Earnings per share			0,27	0,75

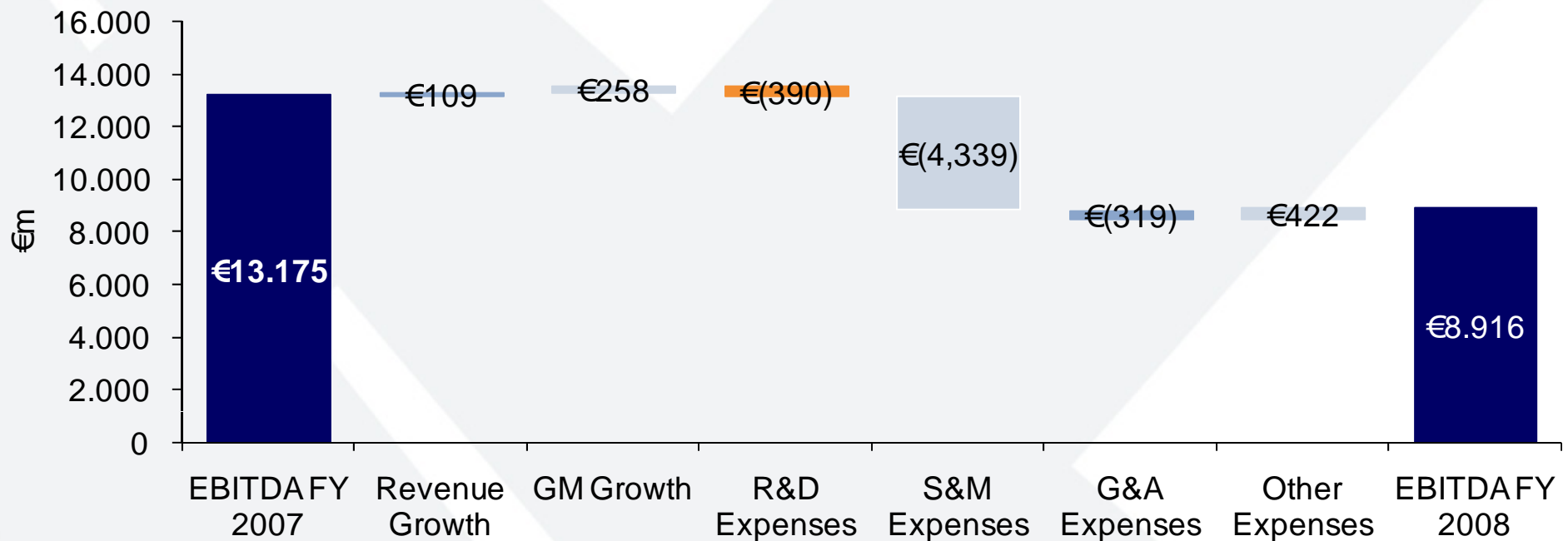
Revenues : yoy growth of 0.4%. Strong H1 with 34% increase yoy – sharp slowdown as from August with a 25% decrease yoy

Gross Profit margin of 68.9% of revenues (compared to 68.3% in 2007) – amended accounting treatment of costs related to recurring revenues

EBITDA grew by 18% year-on-year in first half but decreased by 72% in the second half as a result of the slowdown in revenues and the cost of international expansion



- EBITDA decreased by 32% year-on-year to reach €8.9m or 20.4% of revenues.
 - ✓ The 990bps contraction of EBITDA margin is attributable to investments in S&M
 - ✓ The increase in R&D is attributable to the release of a new back-office software suite as well as a new on-board computer
 - ✓ The €4.3m increase in S&M expenses is attributable to the recruitment of new sales and support personnel for development countries as well as to new hires in core markets



Transics International NV '000€	FY 2008 Consolidated 12 months	H1 2008 Consolidated 6 months	FY 2007 Consolidated 12 months
Goodwill	31.603	31.603	31.603
Fixed Assets	12.550	12.146	11.333
Deferred tax assets	1.545	1.406	1.634
Other Non Current Assets	4	7	12
Non Current Assets	45.702	45.162	44.582
Inventories	6.528	3.347	2.675
Trade receivables	11.453	15.024	15.476
Other Current Assets	2.136	1.258	1.919
Cash and cash equivalents	2.930	3.827	17.762
Current Assets	23.047	23.456	37.832
TOTAL ASSETS	68.749	68.618	82.414
Shareholders' Equity	39.029	40.225	36.935
Non Current Interest Bearing Liab.	8.387	11.877	25.410
Deferred tax liabilities	1.560	1.586	1.720
Non Current Liabilities	9.947	13.463	27.130
Current interest-bearing borrowings	2.453	90	3.743
Trade payables	8.795	8.680	7.053
Other payables	5.415	4.590	5.618
Financial Instruments	911	(109)	252
Other current liabilities	2.199	1.679	1.683
Current liabilities	19.773	14.930	18.349
TOTAL EQUITY AND LIABILITIES	68.749	68.618	82.414

The balance sheet shows a large amount of **goodwill**, which resulted from the leveraged MBO in May 2006 and the acquisition of DIS in April 2007

Increase in **inventory** stems from introduction of new hardware platform (and consequently inventory for 2 product lines) and unanticipated slowdown in sales in second half year

Considerable improvement of days **receivables** from 107 days (2007) to 77 days at year-end 2008

Bank borrowings were paid off for a total amount of €17.3m in order to optimize the capital structure and to reduce financial charges



Transics International NV '000€	FY 2008 Consolidated 12 months	H2 2008 Consolidated 12 months	H1 2008 Consolidated 12 months	FY 2007 Consolidated 12 months
Cash and cash equivalents, beginning balance	17.762	3.827	17.762	8.548
Profit (loss) from operations	5.700	380	5.320	10.716
Non cash adjustments	2.489	608	1.881	2.294
Decrease (increase) in working capital	2.805	1.708	1.097	(3.924)
Income tax (paid)/refunded	(2.355)	(698)	(1.657)	(3.010)
Cash flows relating to operations	8.639	1.998	6.641	6.076
Acquisitions	0	0	0	(6.374)
Developed R&D	(2.952)	(1.513)	(1.439)	(1.793)
Other	(1.086)	(870)	(216)	(831)
Cash flows relating to investing activities	(4.038)	(2.383)	(1.655)	(8.998)
Capital increase	(79)	(81)	2	25.228
New loans	0	0	0	27.444
Repayment of finance leases (-)	(105)	(52)	(53)	(105)
Repayment of loans (-)	(18.480)	(1.108)	(17.372)	(36.842)
Bank overdrafts increased (decreased)	800	800	0	0
Interest paid (-)	(1.568)	(70)	(1.498)	(3.590)
Cash flows relating to financing activities	(19.432)	(511)	(18.921)	12.135
Net increase in cash and cash equivalents	(14.832)	(897)	(13.935)	9.213
Cash and cash equivalents, ending balance	2.930	2.930	3.827	17.761

Decrease in **working capital** as a result of high increase of inventories (+€3.9m) at year-end offset by decrease in receivables (-€3.7m) and increase of payables (+€3.0m)

Increase of **developed R&D** as a result of the introduction of new hardware platform

Bank borrowings were paid off for a total amount of €17.3m in order to optimize the capital structure and reduce financial charges



- **As of 31/12/2008, the company had a net financial debt of 8.7m and was compliant with all of its main financial covenants**
- **In these uncertain times, Transics' management is paying a close attention to liquidity**
 - ✓ The company has negotiated and obtained an extension of its revolving credit facility bringing it from €3m to €6m.
 - ✓ During 2008, the company had voluntarily repaid €15.6m on the facility of €28m.
 - ✓ The company had an exceptionally high level of inventory at the end of 2008 due to the need to carry stocks for both the Quattro+ and the TX-Max as well as to the slowdown in sales. The reduction of this inventory over the first months of 2009 will contribute to a strengthening of the company's cash position
 - ✓ The company keeps a close watch on receivables



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- **Transics is directly affected by the current recession**
 - ✓ Transport sector is very sensitive to general economic activity
 - ✓ Leasing plays a major role in the financing of customers' investments
- **Management believes that Transics is equipped to weather the storm**
 - ✓ Restructuring measures taken to right-size operations
 - ✓ Recurring revenues covered 51% of operating expenses in 2008
 - ✓ New products enhancing competitive position
 - ✓ Better perception of our solidity with customers
 - ✓ Broad international commercial footprint helps maintain sales pipeline
- **Management believes the company will emerge stronger from the crisis**
 - ✓ Value proposition of FMS solutions is not questioned and penetration continues to increase
 - ✓ Healthy level of sales to new customers suggest market share gains and positions the company for higher growth when the cycle turns



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REVENUES

- Limited revenue visibility
- Forecast Q1 revenues approx. €9m
- Revenues FY 2009 in line with H2 08

OPERATING EXPENSES

- Cost reduction programme implemented during Q4 & continued in Q1



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Thank you for your attention

