Stellar AiM IHT Service

Company Spotlight
Quartix Technologies Plc

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Share price [1]	277p
Mkt. Cap [1]	£134.15m
Net cash[2]	£4.1m
Forecast P/E ratio [1]	20.4x

[1] Data as at 19 August 2025.
[2] Data as at 30 June 2025. Excludes lease liabilities.

Overview

Quartix is a leading supplier of subscription-based vehicle tracking systems, software, and services, primarily to small and medium-sized enterprises (SMEs). Principally, Quartix provides an integrated tracking and telematics data analysis solution for SMEs with fleets of commercial vehicles. Telematics can be thought of as a smart GPS that not only shows where a vehicle is, but also how it is being driven. These vehicle tracking systems identify and transmit location, speed, and acceleration data on a real-time basis and can be installed in a wide range of vehicles. The system makes it easy to analyse a business's vehicle tracking data and generates user-friendly reports, helping fleet managers identify their best/worst drivers, analyse mileage and fuel costs, improve route density (i.e. less time driving and more time working), and reduce administrative tasks.

Connect and track device

Source: Quartix Technologies Plc

Quartix believes that it offers customers a compelling value proposition, which:

- Increases capacity
- Improves fuel economy
- Reduces overtime payments
- Manages risks
- Minimises carbon footprint
- Eliminates fraud and footprint

Source: Quartix Technologies Plc

Facts and figures

Founded in **2001**, before listing on AIM in **2014** at 116p per share, Quartix has since paid dividends totalling **92.37**p per share.
Rated **4.8** out of **5.0** on Trustpilot by its customers (**1,164** reviews).
The group has over **31,500** customers with over **318,000** vehicle tracking units currently in use (subscription base).
Enjoys **95**% recurring revenue with minimal customer concentration.

Going back to the drawing board

After 20 years as CEO, co-founder Andy Walters retired from the business in 2021 and left the board in 2022. His successor subsequently presided over a period of 'strategic drift', where too much emphasis and resource was placed on new and non-core products, including an acquisition of a German software business (Konetik) focussed on transitioning fleets to electric vehicles. As trading performance deteriorated, including its home UK market going ex-growth for the first time in the company's history, Walters returned to the company first as non-executive Chairman in September 2023, before becoming Executive Chairman in October 2023.

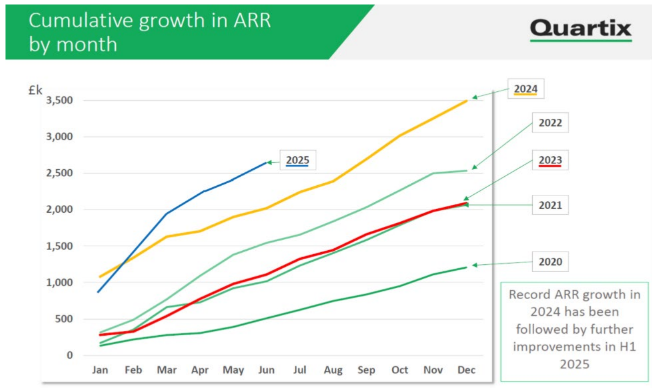
The reappointment marked a decisive turning point for the business where he quickly brought clarity, focus, and a renewed sense of operational discipline following a swift reorganisation at the board level. His decision to unwind the company's pivot toward IP-heavy software solutions — such as the now-liquidated Konetik acquisition — has refocused Quartix on its core strength: delivering high-quality telematics systems to fleet operators.

Perhaps most importantly, his leadership has reinvigorated investor confidence and internal momentum. A resumed focus on return on investment, pricing discipline, and customer-centric execution has re-established Quartix's reputation for profitable growth and robust cash generation. Financial performance has significantly improved, with analysts upgrading their FY25 earnings before interest, tax, depreciation, and amortisation (EBITDA) forecasts five times, by 47% to £7.5m, since H1 2024.

Source: Quartix Technologies Plc

Quality product drives organic growth

No chart better reflects the improvements made since the founder's return in 2023, than the one below. 2024 saw not just the strongest growth in annual recurring revenue (ARR) in the last 5 years, but the strongest growth in the history of the business, and 2025 looks well-set to eclipse that. Pleasingly, growth is being seen across all regions and demonstrates the quality of both the product, and the service offering wrapped around it.



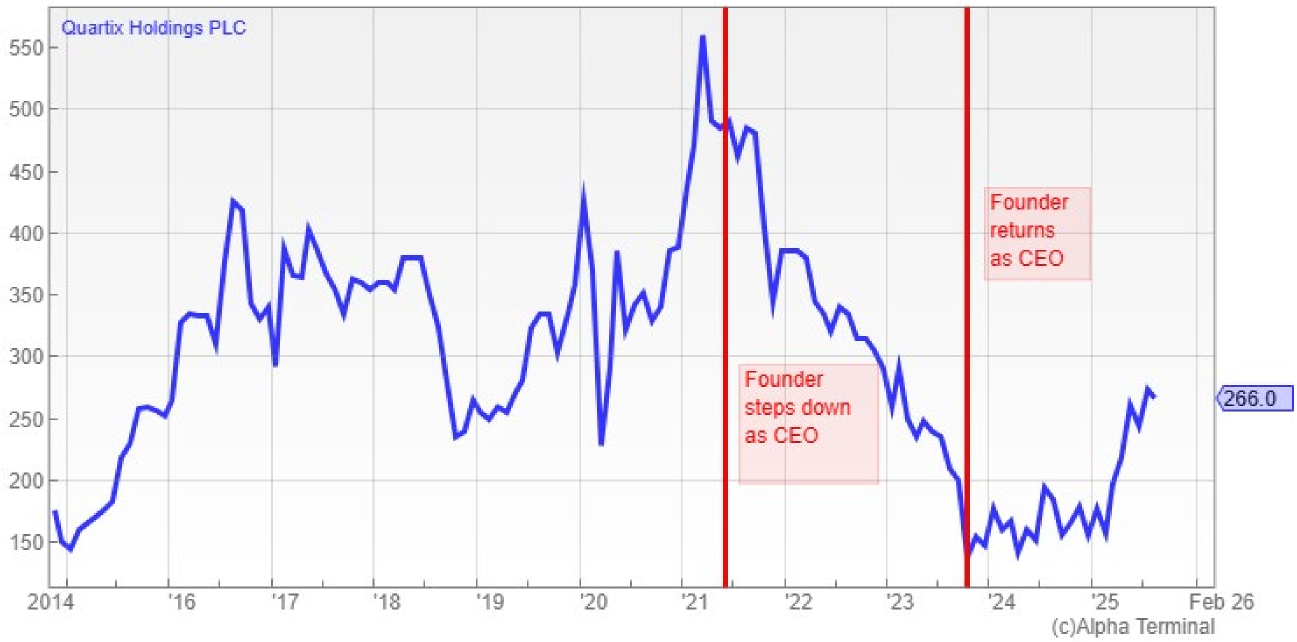
Source: Quartix Technologies Plc

Interim results (6-month period ended 30 June 2025)

In H1 2025, Quartix posted a 13% increase in ARR to £35m, a 30% rise in adjusted EBITDA to £3.7m, and a 134% surge in free cash flow to £2.5m, testament to this back-to-basics approach. Operational efficiencies, including the consolidation of software teams and the launch of a lower-cost tracking device, have helped reduce overheads and improve margins. The interim dividend was hiked 67% to 2.5p, testimony to its inherently strong cash generation and in-line with its stated policy of paying out 50% of cash from operations (after tax but before CapEx). Cash flow and dividends are expected to continue to improve, as in FY27 as the costs of transitioning tracking units from 2G to 4G in France fall away. Broker, Zeus, forecasts a full-year dividend of 13.5p in FY27 versus an expected 6p payment in FY25, equivalent to a 4.87% dividend yield based on the current share price.

The business is now well-positioned to scale in underpenetrated markets like Spain (13k vehicle installations), Italy (17k vehicles), and Germany (8k vehicles), all of which we believe could eventually rival France (85k vehicles) in revenue contribution.

Share price graph



Source: Alpha Terminal

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