

# Thruvision Group plc

Interim Results to 30 September 2022

THRUVISION  
PEOPLE-SCREENING

19 December 2022



# Headlines

## Interims H1 FY23

- ✓ Revenue grew 41% to £2.8 million (2022: £2.0 million)
- ✓ Two strategically important and larger than anticipated orders received from US Customs and Border Protection (CBP) worth £8.7 million (\$9.7 million @ 1.12).
- ✓ Despite challenging economic conditions for retailers, Profit Protection product revenue for H1 was unchanged at £1.0 million (H1 2022: £1.0 million) with good order intake since 1 October from a combination of existing and new customers.
- ✓ The Group's operating loss was £1.9 million (H1 2022: loss of £2.0 million) and gross margin was 49% (H1 2022: 49%). The Group's Adjusted EBITDA loss was £1.6 million (H1 2022: loss of £1.6 million).
- ✓ Cash balance as at 30 September 2022 was £1.1 million, with cash at 15 December 2022 of £4.3 million.
- ✓ The Group is currently on track to achieve its objective of breaking even at Adjusted EBITDA this financial year for the first time.

# FY23 H1 Income Statement

Strong growth of 46% in product revenue driven by Customs (CBP) with Profit Protection level.

Income Statement £ million	H1 FY23	H1 FY22	Change
Revenue	2.8	2.0	+41%
Gross Profit	1.4	1.0	+41%
Gross Margin	49%	49%	-
Adjusted overheads*	(3.2)	(2.8)	(13%)
Depreciation and amortisation	0.3	0.3	+6%
<b>Adjusted EBITDA**</b>	<b>(1.6)</b>	<b>(1.6)</b>	<b>+1%</b>

\* Excludes Share Option charges

\*\* Excludes Share Option charges and depreciation and amortisation

# Overhead costs

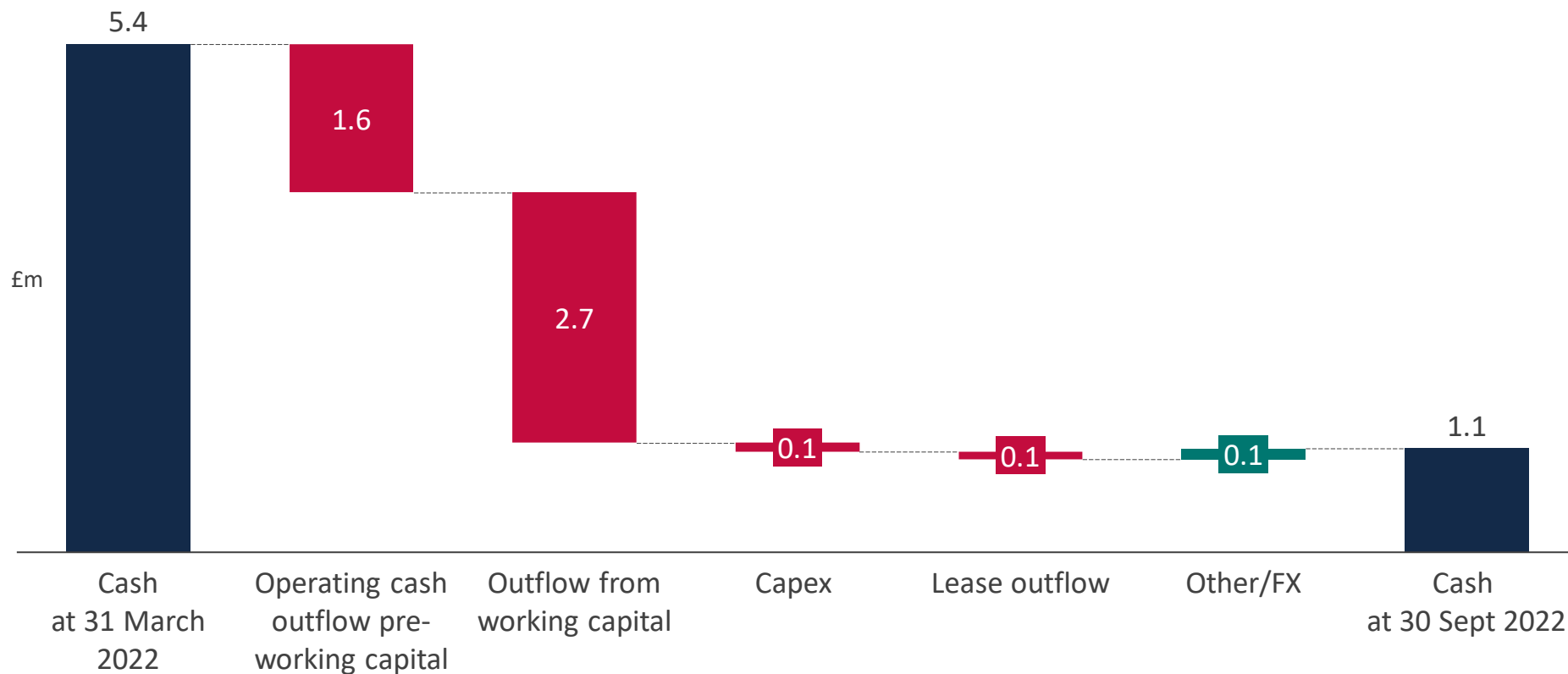
## H1 FY23 update

- ✓ Continued to invest in PP sales and marketing, and R&D but now at a level where we have critical mass across the business
- ✓ Inflationary pressures under control
- ✓ Some one-off costs related to change of CFO and Audit impacted H1

<b>Adjusted overheads*</b> £ million	<b>H1 FY23</b>	<b>H1 FY22</b>
Engineering	0.9	0.8
Sales & Marketing	1.1	1.0
Property & administration	0.2	0.2
PLC & Management	0.9	0.5
Depreciation and amortisation	0.3	0.3
Foreign exchange	(0.2)	-
<b>Total adjusted overheads*</b>	<b>3.2</b>	<b>2.8</b>

\* Excludes Share Option charges

# Cashflow



- ∨ Receivables increase to 30 September 2022 at £3.8m of which £2.4m from CBP received in Oct/Nov.
- ∨ Inventory increase to support expected orders as well as forward purchase of key components
- ∨ Cash balance as at 15 December 2022 - £4.3m

# Summary of our market focus

We are now very clear on growth drivers for the business, and how to position the business moving forwards

## CUSTOMS

Checking travellers for concealed contraband



**Break-through with CBP** underpinning business performance moving forwards, but growing interest from further international agencies

## PROFIT PROTECTION

Reducing staff theft from warehouses by up to 80%



**Strong interest remains** despite economic challenges, employee theft is rising quickly and, with proven in-year RoI, we still see opportunity

## AVIATION

Deterring attacks on aircraft and airports



**Aviation now recovered** we are still proceeding with accreditation process with ongoing interest in contactless security

## WEAPONS DETECTION

Protecting travellers & visitors from terrorism



**Fragmented market** but, with invasion of Ukraine making broad market more security conscious, some opportunity emerging

# Strategic future with CBP

Following successful pilot programme, CBP has moved onto the strategic roll-out of our “passive body scanners” for the detection of illegal contraband coming into or departing the United States

## Upgrade Programme Order

Upgrading sixty 8-channel cameras to the latest 16-channel model with our AI algorithm and Tactical Deployment System (TDS)

- ✓ £3.5 million booked to revenue in H2 FY22
- ✓ A further order for £2.4 million in early September to complete process
- ✓ £1.3 million of this booked in H1 FY23 with balance to be booked in H2 FY23

## Blanket Purchase Agreement (BPA)

Initial year plus three option year purchasing framework plus purchase of further 16-channel cameras and TDSs

- ✓ \$7.0 million order most, if not all, to be delivered in H2 FY23
- ✓ Close customer engagement indicates clear intention for ongoing fleet expansion out to 2026

*Below : Deployment at a Port of Entry in California*



# Progress in Profit Protection

On the back of very strong growth in FY22, we continue to make progress despite worsening economic situation

- ✓ H1 revenues of £1.0 million were flat on the same period last year
- ✓ Employee theft has increased significantly and with wage inflation pressures, conducting more respectful AND more effective security screening is even more important
- ✓ Existing customers in UK continue to invest as they understand the in-year return on investment
- ✓ Still signing new customers including Clarins and Saks in US
- ✓ Signed another major international 3PL and held leadership team kick-off meeting in US last week
- ✓ Increasing investment in US market at the expense of mainland Europe given macro-economic situation



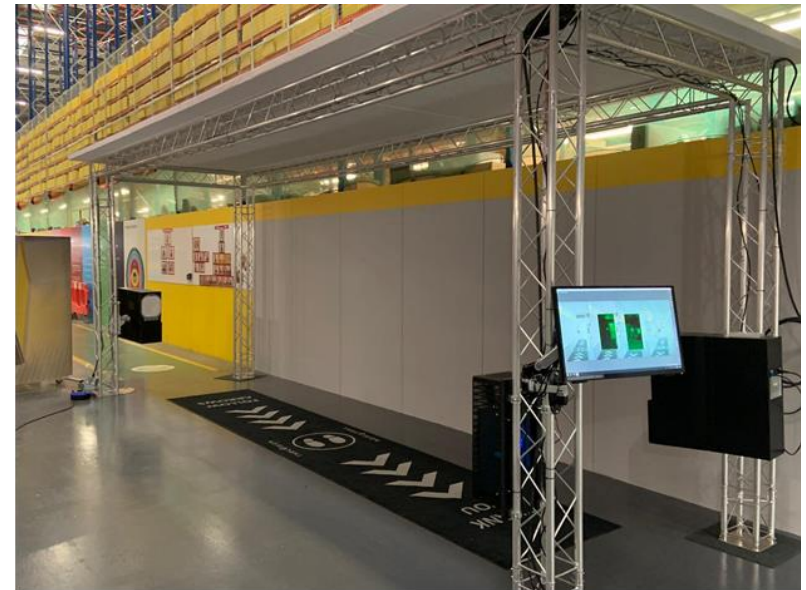
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# New WalkTHRU solution helping drive adoption

Developed in partnership with NEXT Plc, WalkTHRU maximises deterrence by allowing 100% of staff to be quickly and easily screened

- ✓ Detects all types of items hidden under clothing
- ✓ AI software performing automatic threat detection
- ✓ Screens up to **1,200 people/hr**
- ✓ No Privacy Issues
- ✓ Completely Safe



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