



# TPL Trakker

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Pakistan's first & largest Telematics, IoT & Digital Mapping company offering vehicle analytics solutions & GIS-based scalable solutions

**Corporate Briefing**

*11<sup>th</sup> October 2021*

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## Performance Highlights

# TPL Trakker

## Business Performance Highlights

	Q1	Q2	Q3	Q4	YTD SA	Consolid.	2020
Turnover	395,731	481,706	486,009	522,797	1,886,242	2,111,257	1,605,236
Operating (Loss) / Profit	(20,616)	70,065	77,481	62,943	189,872	86,732	(92,381)
Finance Cost	(100,420)	(82,452)	(93,969)	(112,702)	(389,543)	(389,684)	(515,317)
(Loss) / Profit after Taxation	(99,709)	(73,346)	17,004	35,850	(120,203)	(108,910)	(458,517)

All amount in PKR'000

### Segment Wise Performance

	YTD (Jun 21)	YTD (Jun 20)	Variance (%)
Connected Car	1,114,668	964,265	16%
Digital Mapping & Location Services	163,184	41,105	297%
STE	599,898	573,270	5%
Industrial Internet of Things	8,491	26,596	(68%)
TME	225,015	-	100%
Total	2,111,257	1,605,236	32%

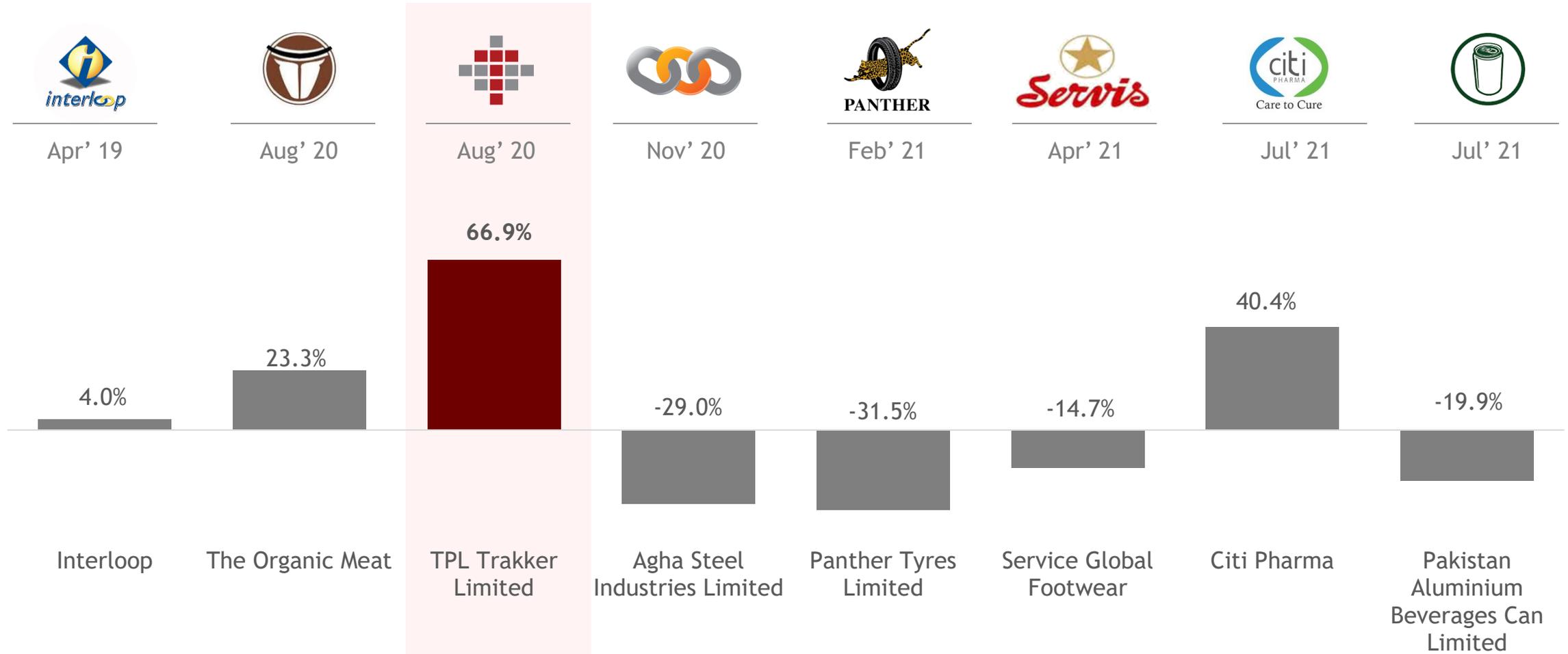
All amount in PKR'000

### Comments

- On a Macro-economic scale, despite COVID, the economy witnessed **overall growth 3.94%**, of which **23.38%** was contributed by the automobile Sector
- 18% Revenue Growth**, mainly stemming from the Digital Mapping and LBS segment which grew by almost **3x**,
- Consolidated growth in revenue of **32%**.
- 3x improvement** in Stand-Alone Operating Results owing to improved GP margins and reduction of expenses
- Reduction of 24%** in Finance Cost due to repayment and re-profiling of existing debt.
- Recovery by 76%** in Consolidated Loss after tax

# TPL Trakker

## Best Performing IPO Stock during 2021



Source: KSE Stocks.com  
Change as per closing price September 30, 2021



## Market Overview

### 1 Regulatory Framework

Greenfield policy and ban on imports of reconditioned vehicles have led new Automobiles players to enter Pakistan.



and others players....

### 2 Localized Solution

Original Equipment Manufacturer (OEMs) now prefers to localize the production of vehicle accessories and gadgets to meet the ever growing local demand.

### 3 Low KIBOR Rates

Low KIBOR has surged car financing in Pakistan enabling local players to post record vehicle sales.

55%

YoY Growth



Increase in FY21

### 4 Semi-Conductor Chip Slowdown

Shortage of semi-conductor chips has slowed down the vehicle deliveries, resulting in to financial loss in 1QFY22. However, it is expected to recover in towards the end of Q2 / beginning of Q3 of the current fiscal year.

### 5 Revised Regulations by SBP

As per revised regulation, automobile financing has been capped at PKR 30 Million, and it has significant impacts.

- May adversely impacts automobile sales, since 49% sales is driven by financial sector
- Loss in sales will be compensated by the increase of mid and small range cars
- Pave way for the rental based or residual value based financing model

### 6 Shift in Consumer's Preference

The price raise in the sedans and hatchbacks along with automobile greenfield relaxations has shrunk price difference between the prices of sedans and newly launched SUVs / Crossovers resulted in a shift at customer's end more towards SUVs and Crossovers.

### Tech Industry Landscape of Pakistan

- Record investment in 2021 in the startup industry - Raised more than **USD 244 million**, more than previous six years combined.



24 Incubators



80 Co-working Space

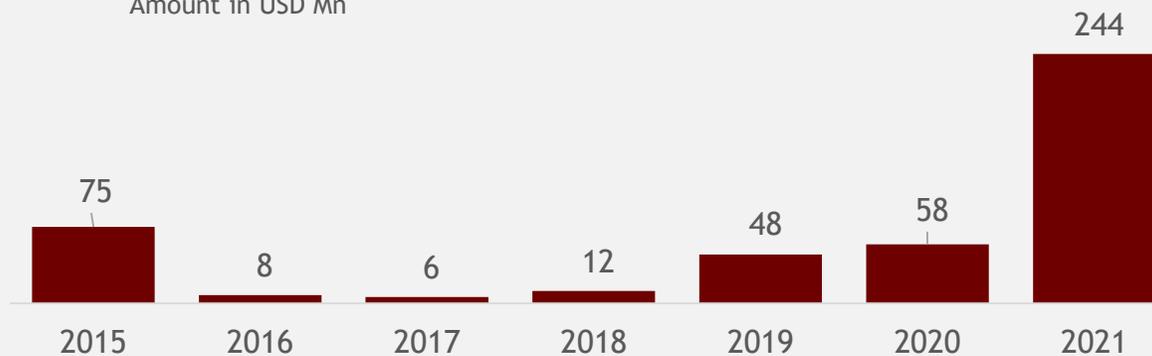


20 Formal Investors

- Growth in Information & Communication Technology (ICT) sector witnessed due to Covid-19 crisis and nation wide lockdowns

### Startup Funding in 2021

Amount in USD Mn



Source: Invest 2 Innovate, Bloomberg  
Data till September 2021

### Key / Recent Funding in 2021



### Best Year for Pakistani Startups...

#### Rapid Delivery & Marketplace

- USD 17.6 million funding raised by retail / grocery startup such as GrocerApp, Taajir, Bazaar & Retailo.
  - Need to digital maps is a key requirement as part of the services being offered by these companies

#### Fintech

- Accelerated uptake of mobile fintech services brought financial inclusion to an all time high.
  - Banks are opening their APIs and sharing payment rails with startups allowing companies to add value to the startups.

#### Logistics

- Despite decreasing threat of pandemic, Covid has accelerated digital transformation initiatives such as field and resource monitoring solutions.

### Opportunity for TPL Digital Maps

#### Providing User Experience

- Digital startups are mainly focused on providing an optimal user experience to end consumer
  - TPL's digital maps facilitate user experience from a delivery and service perspective and are compatible for enterprise consumption
- Identified new commercial opportunities in excess of PKR 150 million with Digital startups currently testing TPL Maps

#### Recent Initiatives by Pakistan Government

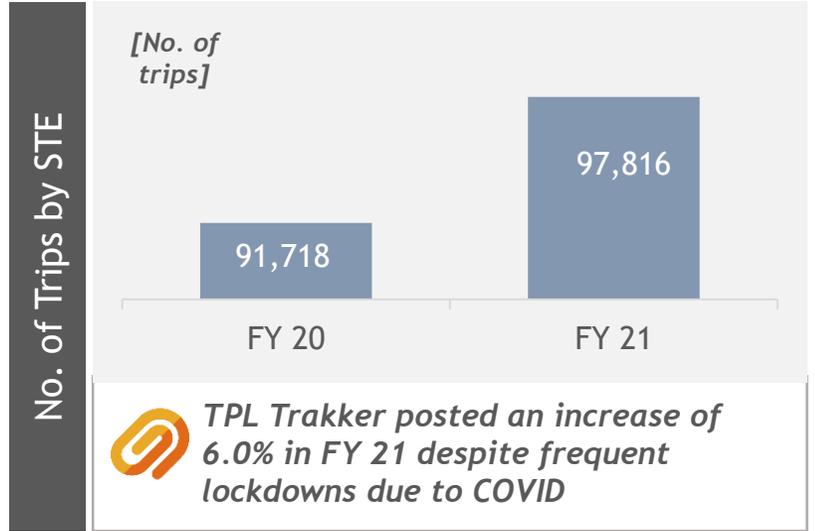
- Digitization of revenue & land records of major cities holds revenue potential of PKR 1.9 billion for mapping firms.
- Digitization of land records of all Urban Centers in Punjab to generate potential revenue of up to USD 150 million for mapping firms
- GIS integrated computerization of urban immovable property tax of various districts of Pakistan such as Kohat, Banu, Quetta, Mardan.

#### Local Production of Mobile Handsets

- Recent boom witnessed in local production of mobile handsets along with cost effective 3G / 4G services
- TPL intends to pursue App install partnerships with local handset manufacturing companies to have TPL Maps pre-installed instead of Google Maps

### Growth in Volume despite Impact of Covid19 on Afghan Transit Trade

- During the first eight months Jul-Feb of FY20, Pakistan's exports to Afghanistan were recorded at USD 729 million.
- Coronavirus outbreak started in early Mar'20, resulting into the closure of borders between Pakistan and Afghanistan, thereby affecting trade supplies.
  - During the border closure, number of trips decreased from 11,000 to around 2,000 containers per month.
  - As situation improved, number of trip bounced back to its pre-Covid level in Sep'20.
- Second dip was witnessed in the start of first quarter of FY 22 due to 700% increase in freight charges. This is expected to be normalized in Q2 of FY 22.



### New Initiatives to increase volume

#### Gawadar Port

- Tracking of Afghan Transit **cargo monitoring** from Gawadar began in Jan 2020.
- At present, the movement of cargo mainly comprise of **imported fertilizer**.



#### Reverse Cargo

- Reverse Cargo from Afghanistan destined for Wagha Border and Karachi Ports began tracking in 2020.
- This has allowed TPL Trakker to track approx. 6,000 assets across a year.



#### FATA - PATA

- Movement of Cargo from Karachi Ports to FATA/PATA began in 2021, reaching the volume of around 1,500 containers a month.



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## Financial Performance

# TPL Trakker

## Standalone Profit and Loss Statement

	YTD Jun'21	YTD Jun'20	Variance
	Actual	Actual	[%]
Turnover	1,886,242	1,605,236	18%
Cost of Sales	(1,280,127)	(1,222,155)	5%
<b>Gross Profit</b>	<b>606,115</b>	<b>383,081</b>	<b>58%</b>
Administrative Expenses	(319,069)	(370,421)	(14%)
Distribution Expense	(97,174)	(105,042)	(7%)
<b>Operation (Loss) / Profit</b>	<b>189,872</b>	<b>(92,381)</b>	<b>306%</b>
Research and Development Expenses	(77,726)	(23,028)	238%
Finance Cost	(389,543)	(515,317)	(24.0%)
Other Income	191,100	161,225	19%
<b>(Loss) / Profit Before Taxation</b>	<b>(86,297)</b>	<b>(469,502)</b>	<b>(82.0%)</b>
Taxation			
Current	(65,250)	(51,776)	26%
Prior	3,875	6,174	(37%)
Deferred	27,469	56,586	(51%)
<b>(Loss) / Profit after Taxation</b>	<b>(120,202)</b>	<b>(458,517)</b>	<b>(74%)</b>
<b>Earnings Per Share / (Loss Per Share)</b>	<b>(0.64)</b>	<b>(3.81)</b>	<b>(83%)</b>

### Comments

- Improvement in GP Margin from **24%** to **32%** because of increase in higher margin business segments like Digital Mapping which witness a **3x** increase compared to last year.
- Shift to **Dollar-based pricing** in our digital mapping business to hedge against volatility in the exchange rates. All products in the Maps SBU will have dollar-based pricing by end of FY 22
- Overall expenses reduced by **PKR 60 million** due to various automation measures implemented across the company, leading to an improvement in operating profit by **306%** relative to last year.
- Research & Development expenses being incurred for Trakker's Hardware-agnostic platform and integration with HERE maps to penetrate the GCC market.
- Resultant improvement in overall bottom line by **74%** and improvement in EPS from **PKR (3.81)** to **PKR (0.64)**

# TPL Trakker

## Consolidated Profit and Loss Statement

	YTD Jun'21	YTD Jun'20	Variance
	Actual	Actual	[%]
Turnover	2,111,257	1,605,236	32%
Cost of Sales	(1,403,963)	(1,222,155)	15%
<b>Gross Profit</b>	<b>707,294</b>	<b>383,081</b>	<b>85%</b>
Administrative Expenses	(523,388)	(370,421)	41%
Distribution Expense	(97,174)	(105,042)	(7%)
<b>Operation (Loss) / Profit</b>	<b>86,732</b>	<b>(92,381)</b>	<b>194%</b>
Research and Development Expenses	(77,726)	(23,028)	238%
Finance Cost	(389,684)	(515,317)	(24%)
Other Income	305,674	161,225	90%
<b>(Loss) / Profit Before Taxation</b>	<b>(75,005)</b>	<b>(469,502)</b>	<b>(84%)</b>
Taxation			
Current	(62,250)	(51,776)	20%
Prior	3,875	6,174	(37%)
Deferred	27,469	56,586	(51%)
<b>(Loss) / Profit after Taxation</b>	<b>(108,910)</b>	<b>(458,517)</b>	<b>(76%)</b>
<b>Earnings Per Share / (Loss Per Share)</b>	<b>(0.31)</b>	<b>(3.81)</b>	<b>(92%)</b>

### Comments

- Consolidated Growth in Revenue by **32%**, **56%** of which is from the Pakistan Operations and rest pertains to the addition of Trakker Middle East (TME).
- Variances in expenses due to inclusion of TME's expenses, which were consolidated this year.
- Other income includes the one-time acquisition gain relating to obtaining management control of TME during the year.
- Resultant improvement in overall bottom line by **76%** and improvement in EPS from **PKR (3.81)** to **PKR (0.31)**

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## Business Achievements

1



Expanded our footprint into 2<sup>nd</sup> and 3<sup>rd</sup> Tier cities, such as Sargodha, Bahawalpur, Muzaffarabad, Sahiwal, Moro etc. with diversified IIOT solutions

2



One of the two companies to provide vehicle tracking solution to PSO

3



Waste management solutions provided to eight government entities across Punjab and Sindh

4



Exclusive tracking partner of Atlas Honda Motorcycles

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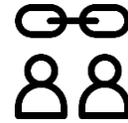
Hyundai Nishat Motors and Al Haj Proton taken onboard for all of its variants for navigation and auto-hardware solutions

6



Launched Trakker Pro - providing customers peace of mind in case of vehicle theft / snatch scenarios

7



Prominent customers taken on board and alliances formed



8



Increased product range in auto business from infotainment system (AVN) & offline maps to other gadgets and accessories (360°, Front, Rear Camera, Wireless Chargers etc.)

9



Provided IIOT solutions to various corporates like Gerry's Dnata, MCB Islamic Bank etc.



**Largest digital mapping data sets** available for Pakistan

- Covering 400+ cities
- 5+ Mn geo-coded addresses
- 600K+ KMs of road networks



**National Center of Control** using LBS and TPL Maps for Covid-19 Patient tracking

- TPLT was chosen as the primary LBS provider by the NITB<sup>1</sup> and NCOC<sup>1</sup> to support multi-national level as part of Pakistan's fight against Covid-19



**Commercial launch of Digital Maps** via the Location Based Service (LBS) platform in 2020

- Platform provides local alternative to enterprise and decreases dependency on international giants



**Development of SAAS product (DART)** to provide field force management to cater to the corporate sales force, logistics, pharma & e-commerce.



**Monetization of LBS APIs** from July'20.

Introduced tier based pricing for Enterprise Clients to encourage bulk usage of data through TPL Trakker's platform.



**Partnered with National Incubation Centre** in Islamabad, Lahore and Karachi to introduce LBS API service to start-ups, providing them incentives and cost effective solution.



**Onboarding of Delivery Hero** (Food Panda) as a client for LBS APIs

- First company to be onboarded with a non-Google location service



Won the tender for **consultancy services** for the mapping of historical and religious sites in Pakistan



TPL Maps App introduced as an embedded feature in My Telenor App to a total of **9 million** monthly audience

### Strategic Partnerships

- Strategic partnerships to create sales channels for LBS and DART to reach a wider corporate audience
- Partnership to be aligned with the B2B business units of:



- App install partnerships with local handset manufacturing companies to have TPL Maps pre-installed instead of Google Maps

### Data Partnerships

- Partnerships to gain similar data collections for Partner customer's addresses and location, reinforcing TPL Trakker's data collections with respect to entries and accuracy
- Monetization of data by making it accessible through LBS Platform to serve
  - Enterprise clients in Pakistan
  - International organizations entering the Pakistani Business arena

### 1 Sales

- COVID situation coupled with 4G conversion has **hindered the market growth**

### Major Deals closed in FY21

Company Name	Description	Value - AED'Mn
 Gargash	Over 2,500 vehicles	1.5
 Sergas	Fleet in UAE, Oman and Saudi	0.5
 Alec	IVMS & AI based driver monitoring system	0.5
 Veolia	AI Based Driver Monitoring System	0.5
 Raibal	IVMS Solution provided for the office off HH (ruler of Fujairah's) company	0.2

### 2 Operations

- Streamlined SOPs for installation of Luxury vehicles** resulting in improvement in services and reduction in complaints
- Phasing out Digicore products** which are high in operational cost and results in reduced Infrastructure costs
- Drastic drop in telecommunication costs** by 40% on MoM basis.
- Technician outsourcing contract signed** to reduce the cost of installation by 33%

### 3 Technology & Product

- Introduced Artificial Intelligence** based Driver Monitoring and ADAS (Advance Driver Assistance System)
- MyTrakker** (TPL's own asset management system) launched in the UAE market
- Introduced new high precision Fuel Sensor solution
- 4G conversion of the fleet** underway, inline with the directive of the UAE government

# TPL Trakker

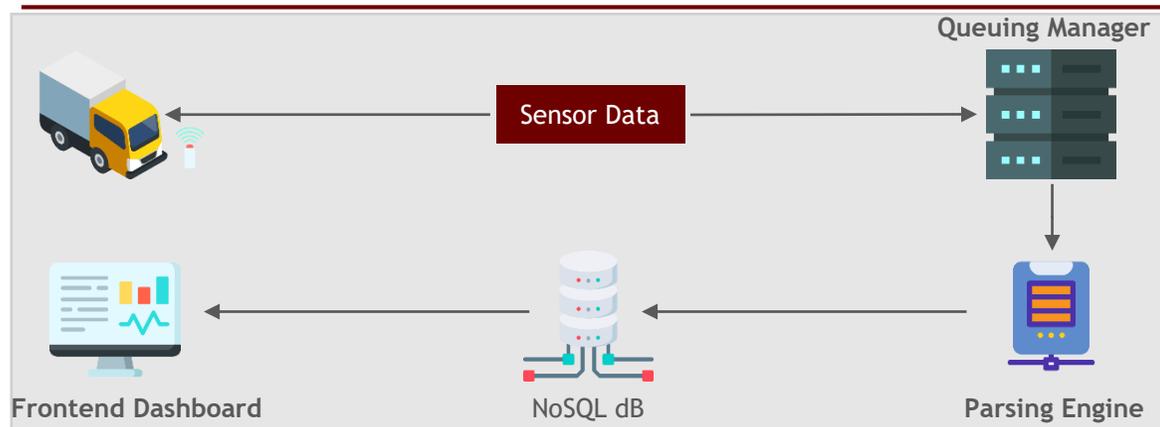
## International Expansion through SaaS model

### Retail Solutions (B2C)

- ❑ Developing a platform to transform the vehicle tracking business into a SaaS based solution, where pre-configured devices can be ordered through partnered global ecommerce players
- ❑ The platform would enable the Company to expand outside Pakistan without the need of having on-ground presence in those markets.
- ❑ The key components of the platform are:
  - Hardware agnostic
  - Based on “Pay as You Go” Model
  - Cloud enabled multitenant platform
  - API consumption management

### Business Solutions (B2B)

- ❑ TPL Trakker is developing software-based algorithms solutions to provide Advance Fleet Management solutions to business globally.
- ❑ The solution would enable customers to improve fleet efficiency by:
  - Completing more tasks per day with the same fleet and
  - reducing overall mileage and fuel cost.
- ❑ The solution provides business with customized dashboards for their business that help them prioritize and monitor events that are most critical for their business, allowing them to make the right decisions based on accurate real-time information supported by various hardware peripherals such as Driver ID Keys, OBD Sensors, etc.
- ❑ Key functionality of the platform:
  - Fleet management
  - Driver behavior analysis
  - Predictive Maintenance
  - Video vehicle telematics
  - Driver fatigue monitoring



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## Other Key Updates

# TPL Trakker

## Key Achievements and Recognitions

### Awards Won

TPL Trakker won two prestigious awards from Brand Of The Year for 2020. In the categories of:

- ➔ Fleet Management
- ➔ Vehicle Tracking and Security



### IPO of TPL Trakker

- Successful IPO of TPL Trakker during the year.
- Secured Sukuk Certificate of PKR 1.2 billion (Inclusive of a Greenhoe Option of PKR 450 million)

Financial Advisor & Arranger



Issue Agent



Transaction  
Legal Counsel



Shariah Advisor



### Launch of TrakkerPRO

- New product launched - TrakkerPRO - Gaari Nahi Toh Cash
- First in Stolen Vehicle Recovery
- Business model is such that if the Company is unable to recover customer's car, the Company will give cash to customer instead



# TPL Trakker

## Key Partnerships



### TPL Trakker Partners With Telenor Pak for Location Based Services

With the help of TPL Maps LBS, Telenor will make use of the most detailed and localized location dataset ever offered.



### NITB & NCOCC to Use TPL Trakker's AI & location based services for Multiple Covid-19 Applications

NITB and NCOCC Chose TPL Trakker as the primary LBS Provider to power multiple Mobile Apps. This helped power Smart Lockdown Solutions across Pakistan.



Foodpanda, Pakistan's leading delivery platform chose TPL Trakker for its licensed digital mapping services to power its food & grocery delivery App.



### TPL Trakker Chosen as Vehicle & Fuel Monitoring Solutions Provider by DMC Korangi, Government of Sindh

TPL is providing a customized Vehicle & Fuel Monitoring Solution to help Municipal Service provider manage waste, street lights, parks & other administrative functions in Korangi.



Bykea is using LBS APIs powered by TPL Maps, the mapping arm of TPL Trakker to power their all-in-one Mobile App for transportation, delivery & Cash on Delivery payments.



TPL Trakker Partnered with Jazz to jointly develop unique solutions to address key challenges for the B2B and B2C markets and support mutual growth.



To facilitate riders, in the initial launch phase, Rider deep linked the TPL Maps Navigation App in its Drive4Rider App and took TPL Trakker on board as its Technology Partner.



TPL Trakker will continue to provide AVN for both vehicles launched by Hyundai: Tucson and Starex. Hyundai Tucson's In-Car AVN System is now powered by TPL Trakker.

# TPL Trakker

## Key Partnerships (Cont'd)



### TPL Trakker Wins Tender for Mapping of Historical & Religious Site of Pakistan

TPL Trakker won the tender to provide Consultancy Services for mapping of historic and religious sites.



TPL Trakker's LBS APIs power Mr. Mahir's handyman services platform which connects consumers with 800 professionals.



### TPL Trakker Joins Hands with NIC to provide LBS to Startups

TPL Trakker provides customized LBS to all startups engaged at NIC across Pakistan.



### TPL Trakker to provide Fleet Management Services to Sialkot Dry Port Trust

TPL Trakker was chosen as the sole Fleet Management Partners for SDPT, Asia's first ever Dry Port in the private sector.



To power the on demand digital economy in Pakistan, TPL Trakker partnered with Pizza Hut to provide customized LBS to make their Mobile App Location enabled.



TPL Trakker partnered with Mobilink Microfinance Bank, under which commercial vehicles financed by MMBL have the added facility of Vehicle Telematics powered by TPL Trakker.



### TPL Trakker is chosen by Daraz to improve its Logistics Infrastructure for the e-commerce Platform

Daraz is working towards safer online deliveries, leveraging TPL Trakker's infrastructure to improve customer experience.



### Education

#### Children Education Benefit Policy



- Aimed to provide children of low income employees with full academic scholarships. 82 children funded for FY21
- Distributed tablets with paid mobile data SIMs to facilitate the online education during pandemic

#### Ida Rieu Welfare Association



Provided vocational training, transportation & health care to visual & deaf students

#### Family Educational Services Foundation (FESF)



Provided financial assistance to enabled Deaf children to gain quality academic & vocational education



### Environment + Social Performance

Donated the 7,735 sq. ft. of Panaflex skins to



**Ra'ana Liaquat Craftsmen's Colony (RLCC).**

#### Partnership with NOWPDP

Partnered with NOWPDP to continue to include people with special needs a part of their recruitment process



### Health

#### Bait ul Sukoon



- Financial assistance
- TPL's expert team developed IT, Software & Tech Support for better Hospital Management
- Deployed security & revamped infrastructure
- Helped in fundraising through Marketing & Media support

#### ChildLife Foundation



TPL's financial contribution provided life-saving treatment to 250 children in Emergency Rooms

#### Blood drive



TPL collaborated with The Indus Hospital and conducted a blood drive

#### Breast Cancer Awareness



Conducted sessions in collaboration with Shukat Khanum

#### Rashan Distribution



TPL funded JDC Foundation, an NGO and distributed rashan to over 500 families

### Office Move

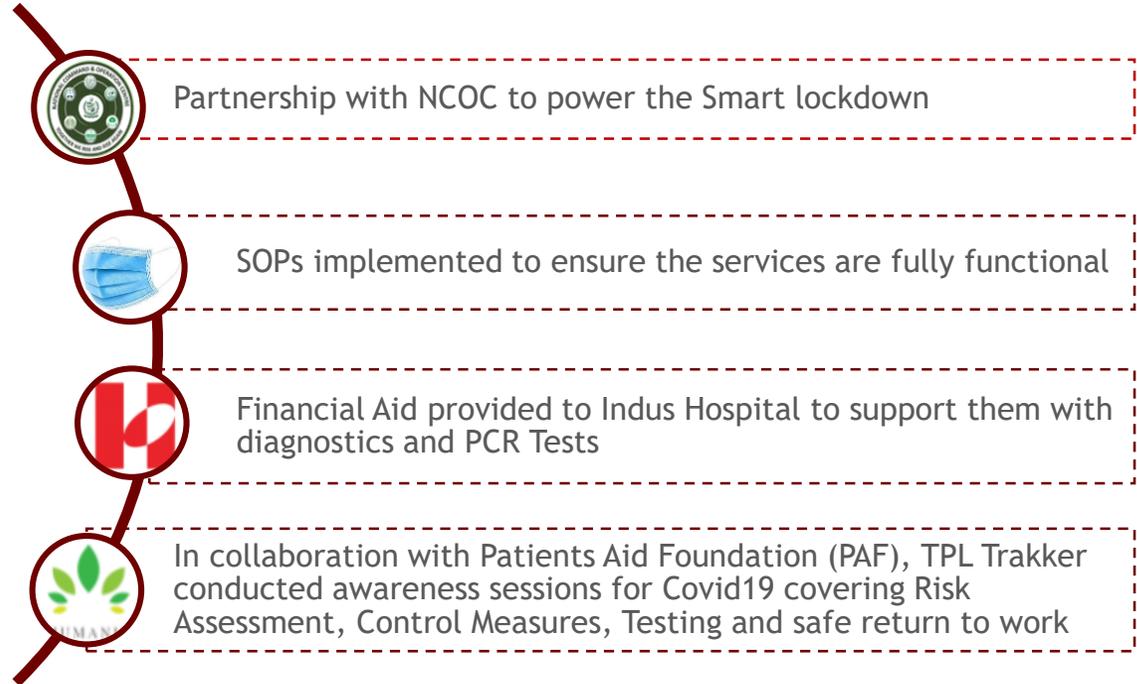


In a move to streamline operations and have all departments under one roof, TPL Trakker moved its head office to a new location in Korangi Industrial Area on 30<sup>th</sup> June, 2021.

### Operational and Financial Benefits

- **Improved coordination and operational facilities** with all departments under one roof
- Land cost / Rent reduced by almost **3x per month**
- **Quick Turn Around Time** on Customer's Complaints
- Per Seat Cost reduced by almost **37%**
- Feasibility for customers with **all services available at one location**

### Covid-19 Response



**THANK YOU**