

# Trackwise

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## Trackwise Designs: Targeting three multi-billion-pound industries

Flexible printed circuit boards were designed as space- and weight-saving innovations almost half a century ago.

They are in all manner of equipment from laptop keyboards to the ultra-thin TV hanging from the living room wall.

This mainstay of electronics has only one real limitation - the length to which it can be produced, which is restricted to around two feet using traditional processes.

However, an innovative manufacturing firm called Trackwise Designs PLC (LON:TWD) has come up with a patented method that allows it to produce multi-layer, flexible printed circuits to any length.

Called improved harness technology (IHT), the breakthrough has potential applications in three multi-billion-pound industries - aerospace, electric vehicles (EV) and medical technology.

In aircraft, for example, IHT has the ability to do away with the copper wire that runs through the airframe of the average passenger jet, saving space and weight.

Both Airbus and Boeing have acknowledged the need to create fuel-efficient, eco-friendly planes - and no doubt there will be demand from the airlines that survive the existential threat of Covid.

And of course, Airbus recently shared mock-ups of its zero-carbon fleet that could be with us in as little as 15 years.

While there has been much talk around hydrogen propulsion systems, the only way this new range of aircraft will get off the ground is if every component part is re-thought.

In this sense, IHT is tailor-made for the new era. However, in the 'here and now' it is not quite ready for deployment.

### Widespread adoption

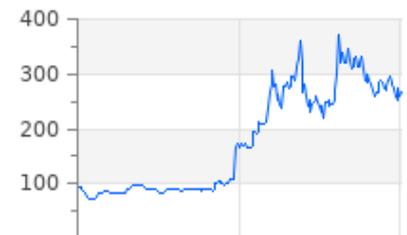
To see widespread adoption, IHT must hit a technology readiness level, or TRL mandated by the aerospace industry. This is a NASA-developed engineering standard.

"The milestone is taking the technology to TRL 6; this where a new technology can be realistically offered [to customers]," says Trackwise chief executive Philip Johnston.

**Price:** 266

**Market Cap:** £75.61 m

#### 1 Year Share Price Graph



March 2020 September 2020 February 2021

#### Share Information

**Code:** TWD

**Listing:** AIM

**52 week High Low**  
394.28 69.2968

**Sector:** Hardware & electrical equipment

**Website:** www.trackwise.co.uk

#### Company Synopsis:

Trackwise manufactures to customer specification, specialist products using printed circuit technology. Working across two primary divisions, Radio Frequency (RF) and Improved Harness Technology™ (IHT), our specialist circuits are used globally in RF/antenna and lightweight interconnect products, across multiple market sectors and applications.

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"We are interested in making sure our partners interests are met during that period as we head towards that landmark."

While work is being diligently completed to meet the requirements of the plane makers, the company's first substantial order has come from the electric vehicle market where IHT has been adopted because of its 'controlled geometry'. The deal with the unnamed manufacturer is worth up to £38mln.

## Building momentum

Commercially, Trackwise is building momentum as it has non-disclosure agreements with 14 potential new customers ready to enter the design phase. So, it is building a pipeline of future revenue opportunities.

In the arena of medical technology, where IHT is being used in catheters, the company is working with five appliance manufacturers and says a ramp-up in demand is imminent.

"We're very excited about the about the opportunities for this sector," says Johnston.

"And I think it's a testament to the capability that we've built here at Trackwise that we've large OEMs come from the other side of the world to source our products."

## Stevenage Circuits

The recent £1.8mln acquisition of Stevenage Circuits has added a strong recurring customer base in advanced printed circuit boards that augments the 'non-IHT products' such as microwave and radio frequency PCBs sold by Trackwise and used in telecoms.

Capacity added by Stevenage has allowed it to move its facility in Tewkesbury, in Gloucestershire, towards becoming a fully-dedicated IHT operation.

Looking ahead, Trackwise has 82 qualified opportunities (up from 57 last June); and remember 14 of those are under NDA.

That said, some projects may be delayed if the economic impact of Covid intensifies and companies shelve R&D.

## Direction of travel remains unchanged

But as the research firm Edison points out "the direction of travel will remain unchanged".

Ultimately the economics of IHT will kick in - lighter planes and electric cars; cheaper catheters.

"Although theoretically the current recession could reduce customers' innovation budgets, there appears to have been little impact so far," concludes Edison analyst Anne Margaret Crow.

"We expect this situation to continue since the adoption of IHT cuts the cost of manufacturing medical devices and reduces the operating costs of aircraft because of the weight it saves."

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