

TRAFFIC
TECHNOLOGIES

Traffic Technologies Ltd

FY21 Results Presentation

For personal use only



FY21 Results Summary

Result Commentary

- Significantly improved result in FY21:
 - Revenue up 18%
 - EBITDA up 222%.
 - EBIT up 120%
 - NPAT up 101%
- Increase in earnings in all states despite COVID-19 lockdowns.
- Increase in revenues despite supply chain and freight forwarding delays associated with import of components from overseas and world shortage of electronic components.
- Smart City Platform (TST) revenue up 27%.

(A\$m)	FY21	FY20
Revenue	52.3	44.5
EBITDA	4.5	1.4
D&A	(2.2)	(2.3)
Impairment	-	(10.6)
EBIT	2.3	(11.4)
Interest	(2.1)	(2.4)
NPAT	0.2	(13.8)

FY21 Balance Sheet

Commentary

- Net assets reflect net profit for the year,
- Intangibles include capitalised development costs incurred in developing Smart City platform, next generation VC6 traffic controller, touchless pedestrian push button etc.
- Refinancing (ADM) debt in September 2021.
- Net debt, excluding liabilities associated with capitalised property leases \$11.8m.

(A\$m)	FY21	FY20
Current Assets	24.7	21.6
PP&E & Intangibles	12.7	11.5
Total Assets	37.4	33.1
Borrowings	(15.0)	(12.8)
Other Payables	(14.1)	(12.2)
Net Assets	8.3	8.1

FY21 Cash Flow

Commentary

- Operating cash flow reflects the Group's trading operations during the year.
- Operating cash flow reflects prepayments to overseas supply chain due to increase in sales and contracts in hand.
- Investing cash flow includes investment in R&D.

(A\$m)	FY21	FY20
Operating Cash Flow	0.9	5.1
Investing Cash Flow	(2.8)	(2.0)
Financing Cash Flow	0.9	(2.6)
Net Cash Flow	(1.0)	0.5
Cash b/f	3.6	3.1
Cash c/f	2.6	3.6

FY21 Operational Update

For personal use only

- Increase in term contracts across the Group.
- LED street light sales up 18%.
- Increase in electronic regularity signage and software (IoT).
- Continuing roll-out of LED street lights for state road authorities, local councils and other customers.
- Third generation LED road lights developed and deployed across the east coast providing material savings to power bills and maintenance costs in a time of rising electricity prices.
- Secured long-term supply contracts and orders with state and local government agencies, major power companies and contractors.
- Continues to be one of Australia's major suppliers of road signs to all states and territories in the domestic market.
- Further enhanced integration synergies with other business units.
- Growing demand for traffic controllers and signals in key export markets, including New Zealand, Singapore, Ecuador, China, and the Middle East.
- Introduction of contactless push button (for pedestrian signals) "iTouch" for the world market.



FY21 Operational Update



TST SmartCity Platform

- Successful roll-out of the Group's proprietary TST SmartCity Platform across the east coast and South Australia.
 - Footprint has increased to include councils.
 - Annuity revenue up 13%.
- TST platform enables road authorities, councils and power companies to fully utilise and maintain critical assets in real time.
- Identified a number of opportunities to supply its state-of-the-art lighting control systems and SmartCity technology to overseas markets, including England, Asia and South America.



L&M Traffic Signals Acquisition

- Acquisition of L&M Traffic Signals business completed in August 2020.
- Established in Dandenong South, Victoria in 1985.
- Accredited provider and installer for the Department of Transport Victoria for traffic controllers, traffic signals, electronic speed signs, ITS equipment and road lights.
- L&M Traffic Signals also holds a number of term maintenance contracts with several local councils across Victoria.
- Positive and accretive results to the Group.





i:TS Acquisition

- Acquisition of the i:TS Artcraft business was completed in June 2021.
- Based in Queensland.
- Design, development, manufacture and supply of electronic road signage and software systems.
- The acquisition of the i:TS business will significantly enhance the Group's position in the Intelligent Traffic Sector.
- Positive and accretive results to the Group.

Outlook and Business Strategy

- TTI is confident about the prospects for FY22, starting the new financial year with a strong order book and solid term contracts with over 40% in hand.

The Group expects to benefit from a number of significant projects, including:

- Continued roll-out of our “Smart City” platform.
 - LED street, road and tunnel lighting installations.
 - Term supply contracts.
 - Further export sales to a range of overseas markets.
- The increase in multi-year term contracts with government authorities is expected to underpin our earnings base in future years.
 - Strategic review undertaken, implementation delayed by COVID-19, targeting:
 - Strategic and accretive acquisitions.
 - Refinancing.



Disclaimer

This document has been prepared by Traffic Technologies Ltd (TTI) and comprises written material/slides for a presentation concerning TTI. The presentation is for information purposes only and does not constitute or form part of any offer or invitation to acquire, sell or otherwise dispose of, or issue, or any solicitation of any offer to sell or otherwise dispose of, purchase, or subscribe for, any securities, nor does it constitute investment advice, nor shall it or any part of it nor the fact of its distribution form the basis of, or be relied on in connection with, any contract or investment decision.

Certain statements in this presentation are forward looking statements. You can identify these statements by the fact that they use words such as “anticipate”, “estimate”, “expect”, “project”, “intend”, “plan”, “believe”, “target”, “may”, “assume” and words of similar import. These forward looking statements speak only as at the date of this presentation. These statements are based on current expectations and beliefs and, by their nature, are subject to a number of known and unknown risks and uncertainties that could cause the actual results, performances and achievements to differ materially from any expected future results, performance or achievements expressed or implied by such forward looking statements.

No representation, warranty or assurance (express or implied) is given or made by TTI that the forward looking statements contained in this

presentation are accurate, complete, reliable or adequate or that they will be achieved or prove to be correct. Except for any statutory liability which cannot be excluded, TTI and its respective officers, employees and advisers expressly disclaim any responsibility for the accuracy or completeness of the forward looking statements and exclude all liability whatsoever (including negligence) for any direct or indirect loss of damage which may be suffered by any person as a consequence of any information in this presentation or any error or omission there from. Subject to any continuing obligation under applicable law or any relevant listing rules of the ASX, TTI disclaims any obligation or undertaking to disseminate any updates or revisions to any forward looking statements in these materials to reflect any change in expectations in relation to any forward looking statements or any change of events, conditions, or circumstances on which any statement is based. Nothing in these materials shall under any circumstances create an implication that there has been no change in the affairs of TTI since the date of this presentation.

For personal use only

Traffic Technologies Ltd	DeNeefe Signs	Aldridge Traffic Systems	ITS	QTC Traffic Solutions	Aldridge Traffic Systems UK	L&M Traffic Services
Head Office	Head Office	12-14 Leeds Street, Rhodes NSW 2138 Australia	84 Bluestone Circuit Seventeen Mile Rocks, QLD 4073 Australia	12-14 Leeds Street Rhodes NSW 2138 Australia	Units D3+D5 Cowlairs Southglade Business Park off Rigley Drive Top Valley Nottingham NG5 9RA UK	Unit 1, 2-4 Souffi Place Dandenong South VIC 3175 Australia
31 Brisbane Street Eltham Victoria 3095 Australia	25 Brisbane Street Eltham Victoria 3095 Australia	T: + 61 2 9701 9900 F: + 61 2 9736 3391	T: + 61 7 3184 2000 F: + 61 7 3266 2244	T: + 61 2 9701 9900 F: + 61 2 9736 3391	T: + 44 7400 189720 F: + 44 1159 223836	T: + 61 3 9768 2637 T: + 61 3 9768 2364

- Offices in:
- New South Wales
 - Northern Territory
 - Queensland
 - Tasmania
 - Victoria
 - Western Australia

