



traffic[®]
technologies.ltd

Earnings Guidance

7 February 2018, Melbourne: Traffic Technologies Ltd ('TTI' or 'the Company') presents earnings guidance for the half year ended 31 December 2017.

TTI expects to report the following result for the half year ended 31 December 2017 compared to the previous corresponding period. The improved results demonstrate the effectiveness of the diversification program announced at the Company's AGM held in November 2017.

- Revenue is expected to increase >20%
- EBITDA is expected to increase >18%
- EBIT is expected to increase >50%
- Net profit after tax (NPAT) is expected to increase >300%

	<i>Half Year to 31 Dec 2017</i>	<i>Half Year to 31 Dec 2016</i>
	<i>\$'m</i>	<i>\$'m</i>
• Sales revenue	27.5 - 28.5	22.6
• Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)+	2.2 - 2.6	2.0
• Earnings before Interest and Tax (EBIT)	1.3 - 1.7	1.0
• Net Profit After Tax (NPAT)	0.5 - 0.9	0.2

+ EBITDA is after taking into account restructuring costs and other one-off items of \$0.2m.

The Company's diversification program has transformed its business by de-risking its revenue by expanding into "Smart City" platforms, IoT systems and maintenance and installation contracts along with securing long term supply contracts across the country. In particular, the roll out of the Company's proprietary "Smart City" software "TST" across the east coast will enable road authorities, councils and power companies to fully utilise and maintain critical assets in real time. The Company is also continuing to benefit from the supply of LED road and street lights across the country.

With the initiatives mentioned above, along with term contracts secured by the Company and recently awarded projects, the Company has made a solid start to the second half which should see the benefits follow through to the full year 30 June 2018. Key objectives of the Company for the second half of 2018 are:

- The continued focus on the diversification of revenue across all business units.
- The restructure of the balance sheet to appropriate gearing levels for a business of its size.

Although the Company is not yet in a position to issue earnings guidance for the full financial year to 30 June 2018, it expects to see a positive contribution in the second half from the above initiatives.

The Company expects to release its half year results to the market in late February 2018.

Should you require any further information please contact Mr. Con Liosatos.

Enquiries:

Mr. Con Liosatos
Managing Director
T (03) 9430 0222