

# Traffic Technologies Ltd

FY21 Results Presentation



- 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%.

- 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.

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## 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



- 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.



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