



TRAFFIC
TECHNOLOGIES

Traffic Technologies Ltd

FY23 – Results

Company Highlights

- Operating revenue up 8% to \$58.0m
- Group refinanced with 3-year debtor and trade finance facilities
- Interest costs 18% lower following repayment of debt
- Second half affected by supply chain issues and higher costs
- \$6m impairment provision against intangible assets
- Outlook strong with long-term term contracts and strong order book
- Development of recyclable 'Go Green' Enviro Lantern Housing. Approved by Australian Standards (AS-NZS-5377 and AS-2144).
- Contract wins in FY23 include:
 - Smart City software for Qatar World Cup
 - Streetlight installation contract for TasNetworks



FY23 Results Summary

- Operating revenue of \$58m for FY23, up 8% on FY22.
- Second half impacted by supply chain issues.
- Operating margins impacted by higher raw material and freight costs; costs passed on to customers at contract renewal dates.
- \$6.0m impairment provision against intangible assets.
- Interest costs 18% lower following repayment of debt.
- Strong order book and long-term contracts giving greater certainty for FY24 and future revenue.

(A\$m)	FY23	FY22
Revenue (\$m)	58.0	53.8
EBITDA (\$m)	2.1	4.1
D&A (\$m)	(2.2)	(2.3)
Impairment	(6.0)	(0.0)
EBIT (\$m)	(6.1)	1.7
Interest (\$m)	(1.8)	(2.2)
NPAT (\$m)	(7.9)	(0.5)



CASH FLOW (\$m)	FY23	FY22
Receipts	64.8	56.7
Payments	(60.0)	(55.6)
Interest	(1.5)	(1.7)
Operating Cash Flows	3.4	(0.6)
PP&E	0.7	(0.1)
Intangible Assets	(2.1)	(2.2)
Purchase of businesses	(0.0)	(0.8)
Investing Cash Flows	(1.5)	(3.1)
Issue of Shares	-	7.2
Capital Raising Costs	(0.0)	(0.7)
Borrowing Proceeds	9.0	7.9
Borrowing Repayments	(10.4)	(12.0)
Borrowing Costs	(0.3)	(0.3)
Financing Cash Flows	(1.8)	2.1
Cash Start	1.0	2.6
Net Cash Flow	0.2	(1.6)
Cash End	1.2	1.0

Cash Flow

- Stronger cash receipts with increase in revenue
- Operating cashflow includes prepayment of overseas suppliers
- Intangible assets includes investment in R&D projects necessary to maintain the Company's competitive position
- Refinancing in FY23 included repayment of ADM and Timelio debt

Balance Sheet (\$m)	FY23	FY22
Cash	1.2	1.0
Receivables	10.0	11.8
Inventories	15.1	15.2
Total Current Assets	26.3	27.9
PP&E	2.5	2.3
Goodwill	-	1.1
Intangibles	7.1	10.8
Total Non-Current Assets	9.6	14.2
Total Assets	35.9	42.1
Payables	12.7	11.3
Borrowings	9.4	12.2
Provisions	3.2	3.2
Total Current Liabilities	25.4	26.7
Borrowings	3.9	0.9
Other	0.2	0.2
Total Non-Current Liabilities	4.1	1.1
Total Liabilities	29.4	27.8
Equity	6.5	14.4

Balance Sheet

- Balance sheet impacted by \$6.0m impairment provision
- Receivables include \$0.7m pre-payments in advance to overseas suppliers
- Inventory maintained at high level to address supply chain delays and market disruptions



TasNetworks Contract Award



Traffic Technologies has been awarded a contract to install streetlights across Tasmania. The contract expands the Company's installation business interstate and represents a significant investment in the Company's Tasmanian operations.

- Contract from Tasmanian Networks Pty Ltd worth up to \$3 million in the first year.
- Contract term is up to 3 years for the installation of streetlights across Tasmania
- Expansion of the Company's Tasmanian footprint.
- Complete turnkey solution reducing State's carbon emissions.

FY23 Operational Update

- Continuing roll-out of LED streetlights for state road authorities, local councils and other customers
- Third generation LED road lights are substantially more energy efficient relative to conventional road lights, providing material savings to power bills and maintenance costs in a time of rising electricity prices
- Providing Smart City street lighting upgrade for Sydney. Ausgrid - 72,000 next-generation streetlights, as part of the largest smart lighting upgrade program across Australia
- A 12-month extension of the Company's contract with TasNetworks worth approximately \$3.0 - \$5.0 million
- The Company continues to be one of Australia's major suppliers of road signs and safety products to all states and territories in the domestic market
- Growing demand for traffic controllers and signals in key export markets, including New Zealand, Singapore, Ecuador, China and the Middle East
- iTouch touchless push button (for pedestrian signals) for the world market with orders and trials across Australia, Asia and UK



Go Green – Australia's first recycled onshore-manufactured lantern housing

Traffic Technologies Ltd has developed the **GO GREEN Enviro Lantern Housing** incorporating eco-design principles and considering stringent traffic signalling requirements. This eco-friendly housing not only meets the necessary Australian Standards (**AS-NZS-5377** and **AS-2144**) but contributes towards global sustainability by reducing CO2 emissions from product manufacture and energy reduction.



Outlook and Business Strategy

TTI expects earnings enhancements and cost savings from a variety of sources:

- Strong current and term supply contracts with greater visibility of up to 5 years.
- The consolidation of manufacturing in FY24 with increased focus on engineering efficiencies with annualised savings of up to \$1.5m
- Increased government expenditure on road infrastructure
- Demographic and fiscal policy tailwinds
- A pipeline of bolt-on strategic acquisition opportunities within the IoT environment

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.

This announcement has been authorised by the Board of Directors of TTI



TTL Group of Companies

Traffic Technologies Ltd	DeNeefe Signs	Aldridge Traffic Systems	QTC Traffic Solutions	Aldridge Traffic Systems UK	L&M Traffic Services	i:TS Intelligent Traffic Systems
<p>Head Office</p> <p>31 Brisbane Street Eltham Victoria 3095 Australia</p> <p>T: + 61 3 9430 0222 F: + 61 3 9430 0244</p> <p>Offices in:</p> <ul style="list-style-type: none"> Northern Territory Tasmania Queensland Western Australia Victoria New South Wales 	<p>Head Office</p> <p>25 Brisbane Street Eltham Victoria 3095 Australia</p> <p>T: + 61 3 9430 0266 F: + 61 3 9430 0277</p>	<p>12-14 Leeds Street, Rhodes NSW 2138 Australia</p> <p>T: + 61 2 9701 9900 F: + 61 2 9736 3391</p>	<p>12-14 Leeds Street Rhodes NSW 2138 Australia</p> <p>T: + 61 2 9701 9900 F: + 61 2 9736 3391</p>	<p>Units D3+D5 Cowlairs Southglade Business Park off Rigley Drive Top Valley Nottingham NG5 9RA UK</p> <p>T: + 44 7400 189720 F: + 44 1159 223836</p>	<p>Unit 1, 2-4 Souffi Place Dandenong South VIC 3175 Australia</p> <p>T: + 61 3 9768 2637 F: + 61 3 9768 2364</p>	<p>84 Bluestone Circuit, Seventeen Mile Rocks QLD 4074 Australia</p> <p>T: 1300 769 852 info@itsau.com.au</p>

www.trafficltd.com.au

