

A wide-angle photograph of a busy city street at dusk. The sky is a mix of purple, pink, and blue. On the left, a building with large windows and a sign for 'GEORGE ST' is visible. Pedestrians are walking on the sidewalk. In the center, a traffic light is green. A line of cars is stopped at a red light further down the street. On the right, a building has a sign for 'Cyber'. A motorcycle is in the foreground on the right. The overall scene is a vibrant, urban environment.

**TRAFFIC**  
TECHNOLOGIES

**Traffic Technologies Ltd**  
AGM PRESENTATION - NOVEMBER 2023



# Company Highlights

- FY23 operating revenue up 8% to \$58.0m
- Group refinanced with 3-year debtor and trade finance facilities
- Interest costs lower following repayment of debt
- Order book strong with \$26m term contracts – visibility greater than 5 years
- Strong quote pipeline – further \$69m
- Outlook strong despite reduced operating revenue for Q1 FY24
- Consolidation into new production facilities has commenced with benefits expected to flow from the December quarter.
- Development of recyclable ‘Go Green’ Enviro Lantern Housing. Approved by Australian Standards (AS-NZS-5377 and AS-2144).
- Contract wins in FY23 included:
  - 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 and restricted access to cash flow.
- 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.
- Finance costs 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)



## Operational Update

### Road & Street Lighting

- 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
- Awarded contract to install streetlights across Tasmania worth up to \$3m in the first year. Contract term is up to 3 years

### Safety Signage

- Continues to be one of Australia's major suppliers of road signs and safety products to all states and territories in the domestic market
- Further enhanced integration synergies with other business units

### Traffic Controllers & Signals

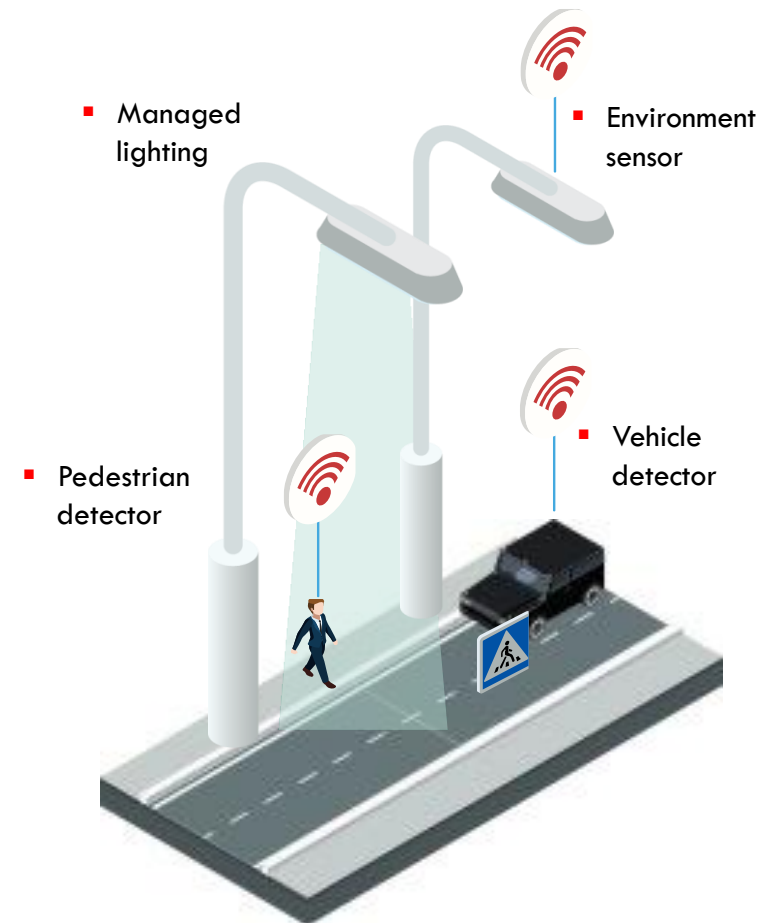
- Growing demand for traffic controllers and signals in key export markets, including New Zealand, Singapore, Ecuador, China and the Middle East
- iTouch touchless push button (for pedestrian signals) for the world market with orders and trials across Australia, Asia and UK





## Recurring Smart City Revenue

- Launched SaaS platform to underpin future revenue growth
- SaaS platform sold on an annual licensing basis, creating new annuity revenue streams
- TTI's platform – TST integrating with third-party hardware and vice versa, increasing the company's total addressable market
- Data analytics providing additional upside to solutions





## 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.



## 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 is expected to generate savings of up to \$2.5m in the next 18 months
- Increased government expenditure on road infrastructure
- Demographic and fiscal policy tailwinds
- A pipeline of bolt-on strategic acquisition opportunities within the IoT environment





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

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