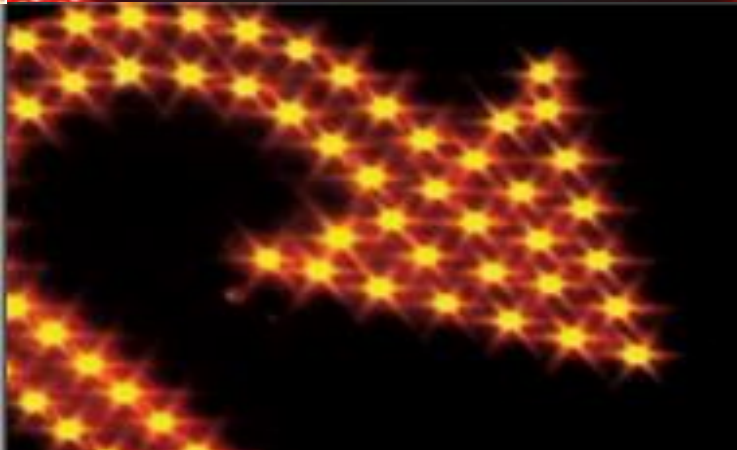


Traffic Technologies Ltd 2015 FULL YEAR RESULTS







Traffic Technologies (TTI) Company Background

- TTI is Australia’s premier traffic solutions company
- Established 2004 and listed on ASX 2005
- TTI’s head office is in Eltham, Victoria with offices in all Australian States and Nottingham, England.
- TTI designs, manufactures and supplies
 - Technical Products – including traffic intersection products (signals, countdown timers, controllers etc), road lighting and emergency phones through its Aldridge, QTC and Clearsonics businesses
 - Road Signage – through its De Neefe, Sunny Signs and Norsign businesses

Shares on Issue	275.6m
Price (28-Aug)	4.1c
Market cap	\$11.3m
Net Debt	\$21.6m
EV	\$32.9m

Substantial shareholders

Acorn Capital	13.6%
Contango Asset Management	5.9%
Con Liosatos (MD)	5.6%

Earnings Summary

Y/E June	FY12	FY13	FY14	FY15
Revenue (\$m)	53.1	45.2	40.1	46.2
EBITDA (\$m)	5.9	6.1	2.9	4.6
EBIT (\$m)	4.0	4.3	0.8	2.4

Revenue

- Revenue up 15% to \$46.2m
- FY15 included NSW traffic signal upgrade, full year contribution from QTC and WA school speed zones
- EBITDA up 59% to \$4.6m (\$5.3m before one off costs).
- EBIT up 203% to \$2.4m
- NPAT return to profitability: positive swing by \$1.6m
- EPS return to positive

Balance Sheet

- Net debt reduced by \$0.4m to \$21.6m
- Bank facilities extended to 1 October 2016
- Gearing reduced to 42%

Cash Flow

- Cash flow significantly improved
- Gross operating cash flow up 45%

Earnings Summary

Y/E June, \$m unless stated	FY15	FY14	% Chg
Revenue	46.2	40.1	15%
EBITDA	4.6	2.9	59%
D&A	(2.1)	(2.1)	0%
EBIT	2.4	0.8	203%
Interest	(1.9)	(1.8)	7%
Tax	(0.1)	(0.2)	(47%)
NPAT	0.4	(1.2)	133%
EPS (cents)	0.15	(0.49)	131%
EV / EBITDA (x)	7.5x	13.0x	

Financial Position

Net Debt	21.6	22.0	(2%)
Gearing (Net D/D+E) (%)	42%	43%	

Cash Flow

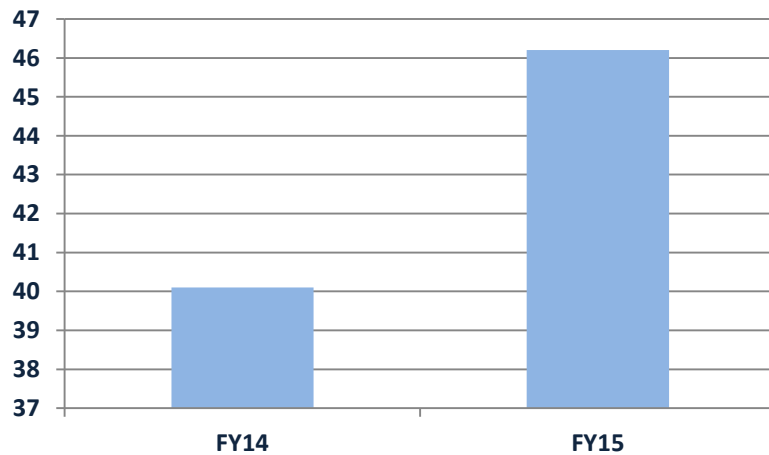
Gross Operating Cash Flow (GOCF)	4.5	3.1	45%
GOCF/EBITDA (%)	99%	107%	

Products	Operational Highlights
Intersection Products	<ul style="list-style-type: none"> • Core business remained solid in the absence of major government expenditure projects. • Appointed to panel of QLD – Brisbane City Council as Tier 1 supplier for 36 months. • Sales of pedestrian countdown timers achieved nationally. • Sales of ITS products: electronic speed signs in Victoria and Western Australia.
Traffic Controllers	<ul style="list-style-type: none"> • Successful integration and full year contribution from QTC. • Completed and commissioned projects in Saudi Arabia, Singapore and China. • Combined export sales of controllers, software and intersection products across Asia and South America.
Road Lights	<ul style="list-style-type: none"> • Gained further traction in conventional road lighting. • Orders received for the first freeways in Australia to be converted to LED “V” category: Monash and Calder Freeways in Victoria. • Sales of “V” category LED road lighting across South Australia. • First “P” category LED road lighting sales achieved in Victoria & Queensland.
Exports	<ul style="list-style-type: none"> • Export sales increased by 90%. • Solid sales in England of traffic signals, countdown timers and emergency telephones. • First sales in Scotland of traffic signals.
Signage	<ul style="list-style-type: none"> • Successfully renegotiated supply side input costs. • Improved logistics, purchasing, margins and profitability. • Streamlined production and integration with other business units.

Revenue

- Total revenue was up 15%
- Includes NSW traffic signals upgrade
- Full year contribution from QTC
- New product initiatives contributing to underlying revenue growth including road lighting and ITS (including school speed zone signs and export sales)

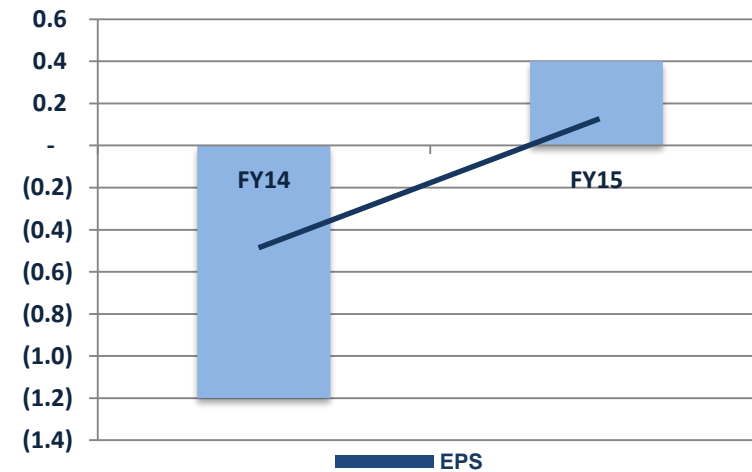
FY Rev (\$'m)



NPAT and EPS

- NPAT and EPS returned to profitability:
 - Improved revenues
 - Improved profitability

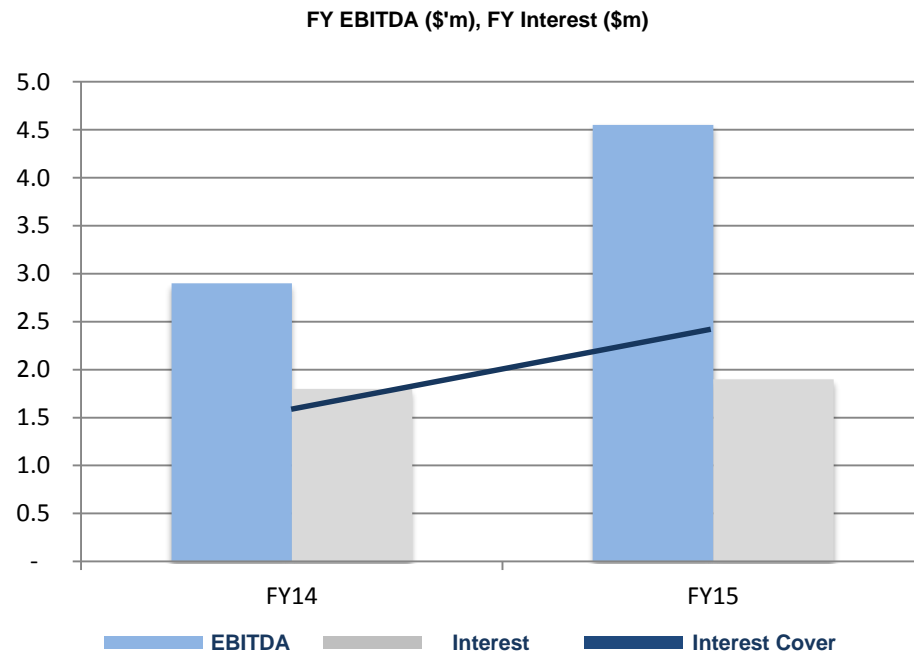
FY NPAT (\$'m), FY EPS (c)



TRAFFIC SOLUTIONS BEYOND TOMORROW

Cash Flow

- Operating cash flow was higher as a result of higher revenue



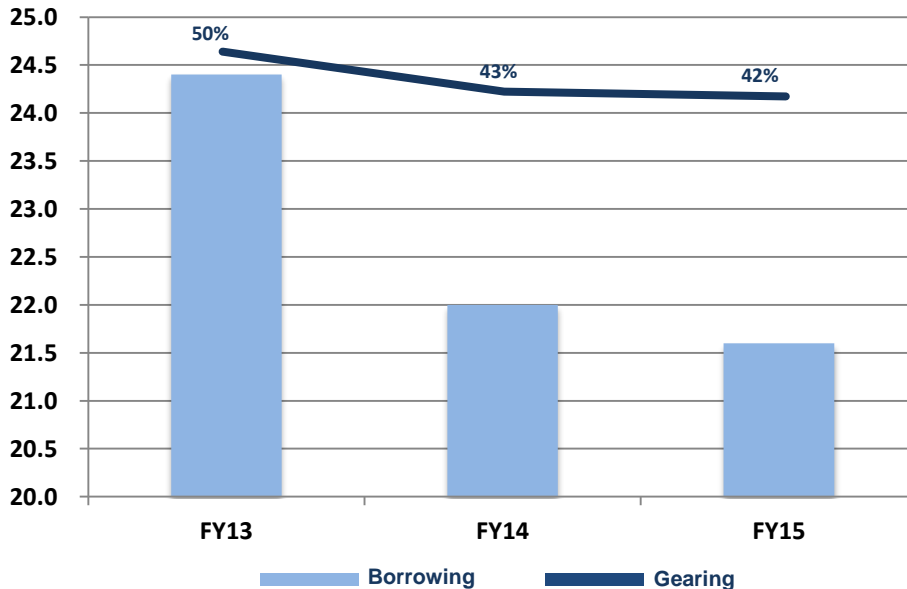
Cash Flow (\$'m)	FY15	FY14
Receipts	50.5	45.0
Payments	(46.0)	(42.1)
Interest	(1.6)	(1.5)
Operating Cash Flows	2.9	1.4
Purchase of business assets	-	(3.6)
Development costs	(1.6)	(1.4)
PP&E	(0.2)	(0.1)
Intangible assets	(0.3)	(0.2)
Investing Cash Flows	(2.1)	(5.3)
Borrowing proceeds	1.6	2.1
Borrowing repayments	(2.0)	(4.4)
Share issue proceeds (net)	-	6.5
Other	(0.2)	(0.2)
Financing Cash Flows	(0.6)	4.0
Cash Start	0.8	0.7
Net Cash Flow	0.2	0.1
Cash End	1.0	0.8



Balance Sheet

- Net debt reduced from \$22.0m to \$21.6m
- Net assets improved to \$29.3m
- Gearing reduced to 42%
- Bank facilities extended to 1 October 2016

Debt (\$m) & Gearing



Balance Sheet (\$m)	FY15	FY14
Cash	1.0	0.8
Receivables	9.2	8.5
Inventories	10.6	10.2
Total Current Assets	20.8	19.5
PPE	1.9	2.2
Goodwill	30.6	30.6
Intangibles	6.4	6.0
Deferred Tax	1.5	1.7
Total Non-Current Assets	40.4	40.5
Total Assets	61.2	60.0
Payables	6.7	5.5
Debt	5.9	5.0
Provisions	2.5	2.4
Total Current Liabilities	15.1	12.9
Debt	16.7	17.8
Other	0.1	0.4
Total Non-Current Liabilities	16.8	18.2
Total Liabilities	31.9	31.1
Equity	29.3	28.9

Intersection Products – Australia & NZ

- Further upgrades for VIC, QLD, TAS and SA
- Brisbane City Council Tier 1 status in place for 3 year term
- Implementation of ~5,000 electronic speed signs across Perth over 3-4 years. First orders received
- Further expansion of pedestrian countdown timers across QLD, WA and NSW
- Launch of innovative traffic signal products in H1 FY16

Road Lighting

- First order in Australia for 1,500 freeway Category V LED road lights in Victoria for Monash and Calder Freeways. Due for completion in Q1.
- First orders received for Category P in VIC and QLD
- Expansion into lucrative LED tunnel lighting

Export Markets

- Build on current success of export opportunities with existing product range to countries with SCATS operated traffic systems
- Transport for London has awarded £317m of maintenance contracts over 8 years to 3 contractors to whom TTI supplies
 - This involves the upgrade of ~6,000 intersections to LED, including the installation of countdown timers
- Build on solid foundation in England with expansion into other parts of the UK
- Expansion into UK LED road lighting market

Operations

- Continued focus on margin improvement with further product rationalisation with local and offshore manufacturing
- Continued focus on overhead structure savings
- Continued focus on system improvements

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