



**Building prospects with
global train suppliers
to deliver future growth**

2016 Half Year Presentation



HY2016 Financial Metrics



Sales \$8.7m
up \$2.1m,
32% increase



Recurring
revenue **38%**
of sales



EBITDA up
\$175,000 from
loss of \$53,000



Adj EBITDA (inc
R&D tax incentive)
\$847,000,
up 78% from
\$475,000



Marketing and
business
development
expenses up
46%



R&D \$1.6m,
up **37%** from
\$436,000



Positive
operating cash
flow \$672,000



Cash position
\$3.46m

First Half Significant Milestones



- ▶ Strengthened marketing and business development
 - Significant increase in prospects and preferred tenderer opportunities, especially in rail
- ▶ Awarded \$5.3 million Alstom contract
 - 22 new trains for the Sydney Northwest Rail Link
- ▶ Strategic expansion into rail commuter communication solutions (CCS)
 - Much larger footprint on trains, customers dealing with just a single company rather than three
- ▶ Development commenced on building the new rail CCS
 - Two countries. CCS also being bid on seven major city rail projects worldwide
- ▶ High-calibre development team
 - Strengthened by an additional 20 engineers building DTI's CCS platform
- ▶ Overdraft and bonding facilities
 - Established to support the growth opportunities
- ▶ Achieved ISO9001 accreditation
- ▶ Additional patents lodged to protect new developments
- ▶ Trials for new Pantograph and CCS technologies

Financial Performance Highlights



\$m	HY2016	HY2015
Sales	8.70	6.59
Other income	0.07	0.20
Cost of goods sold	(4.29)	(3.29)
Employee benefits expense	(2.46)	(2.39)
Depreciation & amortisation	(0.50)	(0.42)
Admin expenses	(0.77)	(0.45)
Marketing expenses	(0.57)	(0.39)
Other expenses	(0.55)	(0.30)
Tax benefit	0.16	0.25
Loss after tax	(0.21)	(0.20)
EBITDA	0.12	(0.05)
Adjusted EBITDA	0.85	0.48

- Growth in Americas sales.
- Forex profit declined due to weakening A\$ to US\$. DTI has natural hedging.
- 1% improvement in margin.
- Reflects scalable business model. Sales increase with minimal increase in employee expense.
- Change in accounting standard.
- Reflects additional expenses as a listed company (refer Note 1). Higher legal fees due to increased tenders.
- Increased marketing efforts. Significant increase to identified prospects and tenders.
- Increased international travel to broaden market coverage. Gearing up for growth.
- Will continue to claim R&D incentives.

• Refer Note 2.

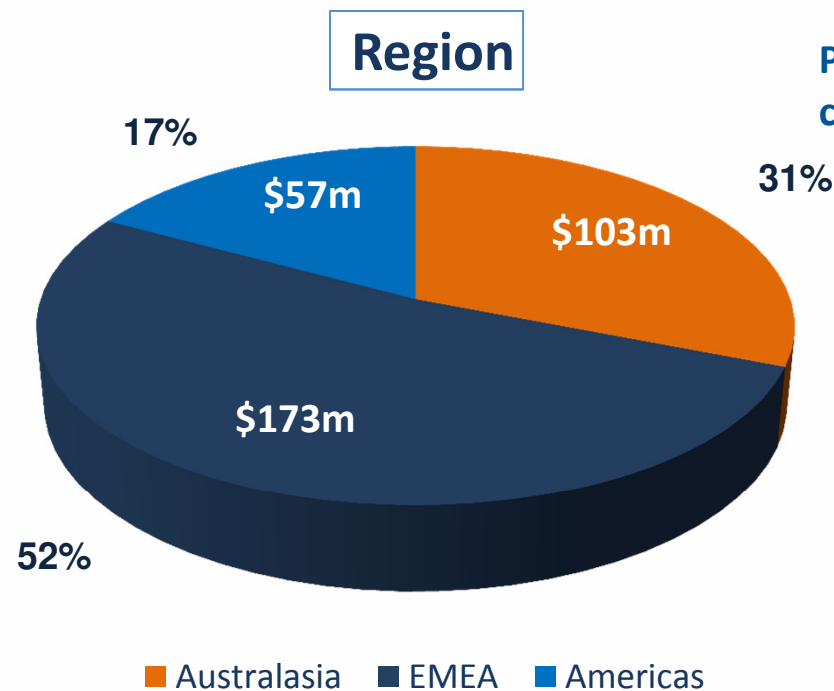
Note 1: Company was listed on ASX on 9.12.14.

Note 2: Assumes R&D tax incentive is treated as other income rather than a tax offset.

- ▶ Positive operating cash flow
 - \$0.67 million, tax payment of \$0.28 million
- ▶ Purchased \$0.55 million plant and equipment
 - Including specialist equipment for software and hardware testing
- ▶ Capitalised \$0.89 million expenditure on R&D
 - Enhance existing intellectual property and the commencement of the new rail CCS
- ▶ New asset purchase bank facility
 - Drawn down by \$0.37 million

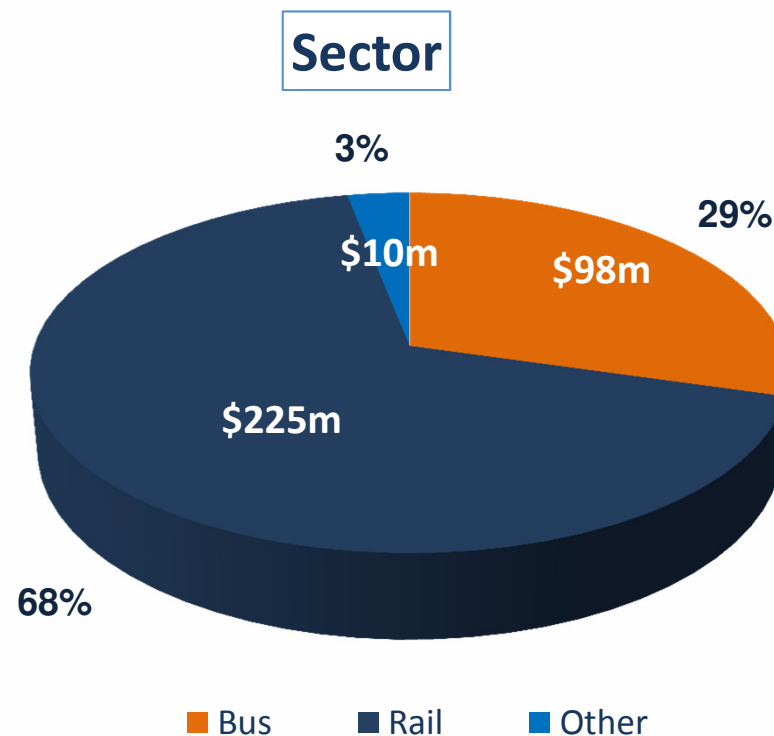


Identified Prospects and Tenders



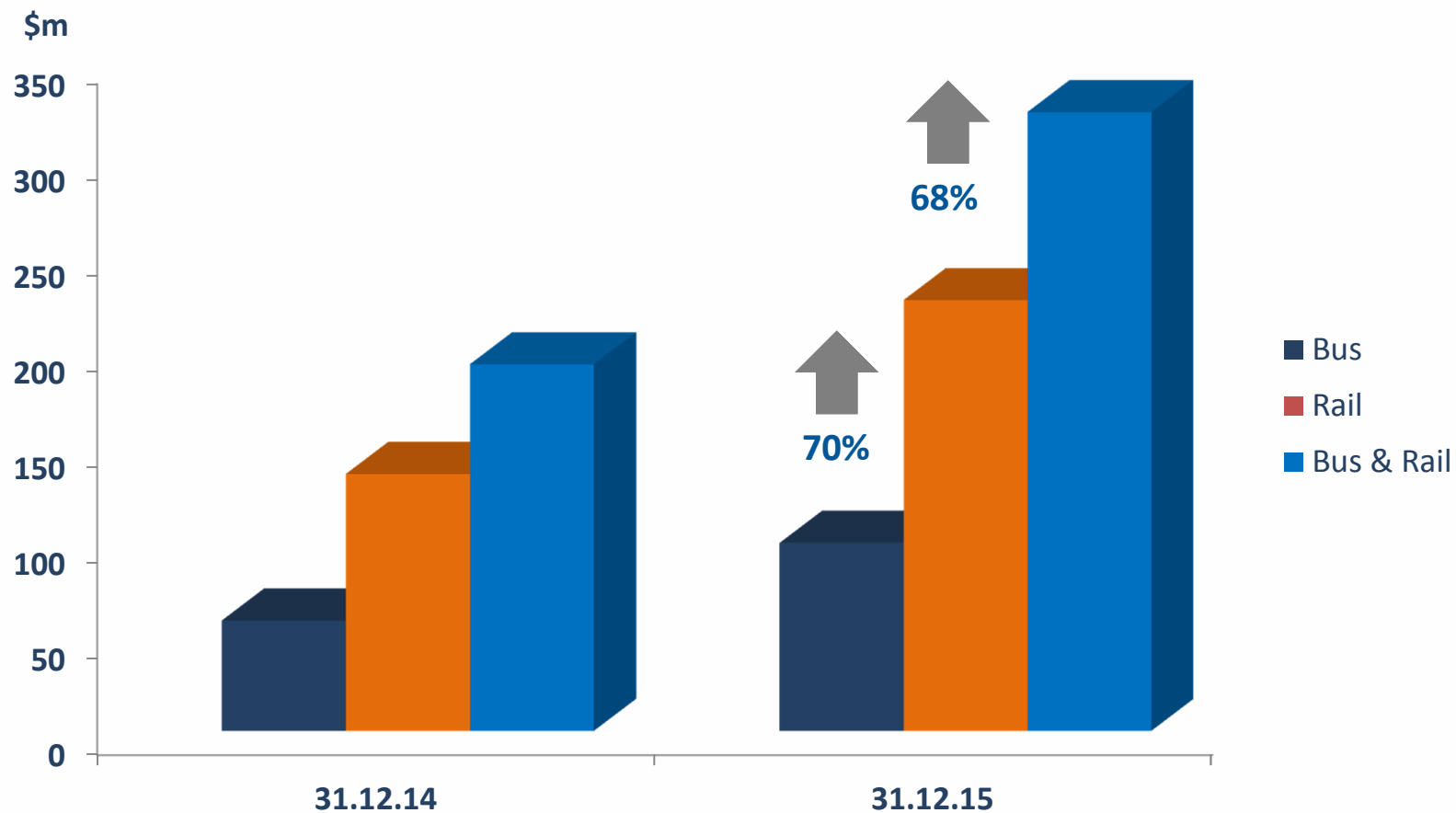
Note :

Factors influencing decisions on prospects proceeding and timing of delivery are unknown and outside the control of DTI. However, DTI is well positioned with a number of these prospects having been advised of shortlist status of approx \$30 million for delivery over several years.



Year-on-year Prospect Growth

Building a strong base for future growth



DTI Global Coverage – Installed or Awarded

- Bus Systems
- Rail/Light Rail



Highlights & Achievements – Americas

- ▶ First half sales of \$5.18 million, up 223% from \$1.60 million in prior period
- ▶ CCTV surveillance solution specified in a bus procurement tender issued by SEPTA (South Eastern Pennsylvania Transport Authority) in Philadelphia
 - Procurement tender involves manufacture of 525 new buses over a five-year period
 - Similar deal to the CCTV surveillance solution which DTI won in July 2014 for 454 new buses over a five-year period for San Francisco MTA
- ▶ CCTV surveillance solution, specified for SEPTA's next procurement of 45 Silverliner rail cars
- ▶ Appointed an additional business development and marketing consultant for large rail projects
- ▶ DTI bus and rail technology now adopted on east coast (Philadelphia) and west coast (San Francisco)



Highlights & Achievements – Australasia

- ▶ First half sales of \$3.03 million, down from \$3.65 million in prior period
- ▶ Maintained strong market position with sales to wide range of customers
- ▶ Signed a key \$5.3 million contract with Alstom for 22 driverless trains for Sydney to provide:
 - an advanced digital video surveillance system with 24 internal and 2 forward-facing high-definition IP rail rated cameras
 - an IP-based audio communications system comprising public address with hearing aid loops, plus an automated voice announcement system and passenger emergency intercom
 - external LED driven destination indication signs, 48" wide-screen LCD route displays, and internal passenger information displays
 - a driver display screen which provides status information which also provides low latency live views from all cameras in the train plus a second 6 car coupled train
 - deliveries to commence first half FY2017 for a two-year period
- ▶ Bus and rail contracts in Perth, Brisbane, Sydney, Melbourne and Adelaide



Alstom Trains, Sydney



Highlights & Achievements – EMEA

- ▶ First half sales \$0.49 million down from \$1.34 million due to delay in contract awards
- ▶ Orders from new customers in the United Kingdom, France and the Netherlands
- ▶ United Kingdom, Merseyrail. Advanced automatic passenger counting on trains in the Liverpool area. Merseyrail forms one of the most heavily used railway networks in the UK outside London. DTI has been asked to quote on additional CCTV surveillance systems
- ▶ France, AGIP
 - DTI's French partner awarded a five-year agreement to supply CCTV surveillance systems for AGIR – an association of 172 independent transport providers in France. First order received from City of Niort
 - Order from Marseilles Metro for 36 passenger information systems to outfit all of the Marseille Metro trains which follows order in 2014 for CCTV surveillance systems
- ▶ Holland, Stadler. Trial order from VisiOn ISP to supply CCTV surveillance systems



Where DTI Derives Revenue



New commuter communications system being developed for worldwide rail market. First contract awarded with \$5.3 million which also includes DTI's CCTV surveillance solution. Significantly increases DTI rail footprint.

World's Largest Rail System Suppliers

ALSTOM

BOMBARDIER

HYUNDAI
Rotem

SIEMENS



Ansaldo STS

 **中国中车**
CRRC

CAF



STADLER

Company	Country Base	DTI Technology Tendered	DTI Technology Purchased
Alstom	France	✓	✓
Bombardier	Canada	✓	✓
Hyundai-Rotem	Korean	✓	
Siemens	Germany	✓	✓
PESA	Poland	✓	✓
Ansaldo	Italy	✓	✓
CRRC Changchun	China	✓	
CAF	Spain	✓	
Mitsubishi	Japan	✓	
Stadler	Switzerland	✓	✓

Key Strengths



- ▶ Strong market position and capability
- ▶ Exposure to attractive high-growth mobile security market and commuter communications systems
- ▶ Growing recurring revenue stream
- ▶ Scalable business model
- ▶ Strong customer relationships
- ▶ Strong business partners
- ▶ Global terrorism driving increasing customer demand
- ▶ Cash at bank, minimal debt and undrawn facilities

- ▶ Continued investment in R&D
 - Maintain market leading suite of technology offerings
- ▶ Investing in South Africa
 - Significant opportunities across bus, rail and law enforcement vehicles
- ▶ Investing in growth in United States
 - Across bus and rail
- ▶ New recurring revenue projects building on existing recurring revenue
 - Siemens (up to 13 years with options)
 - NewFlyer for San Francisco MTA (5 years)
 - Specified in tender for SEPTA Buses (5 years)
- ▶ Currently undertaking 11 trials in various cities worldwide
 - Including Sweden, France, Australia and Poland which are expected to lead to adoption of DTI technology
- ▶ Outlook for DTI in core markets remains strong
 - Prospects valued at \$333 million, \$30 million shortlisted
- ▶ Successful rail strategy now poised to deliver returns
 - Rail lead times long but high value projects

Important Notice and Disclaimer



This presentation is issued by DTI Group Ltd ("DTI") to provide summary information about DTI and its associated entities and their activities for the HY2016 period up until the date of this presentation (25 February 2016).

This presentation is not and should not be considered as a financial product, or investment advice or a recommendation to acquire shares in DTI and has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek legal and taxation advice appropriate to their jurisdiction. DTI is not licensed to provide financial product advice in respect of shares in DTI.

Future performance: Forward-looking statements, opinion and estimates provided in this presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market conditions. Forward-looking statements, including projections, guidance on future earnings and estimates, are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. An investment in DTI shares is subject to investment and other known and unknown risks, some of which are beyond the control of DTI. No representation or warranty, expressed or implied, is made as to the fairness, accuracy, completeness or correctness of any information, opinion or conclusions contained in this presentation. To the maximum extent permitted by law, none of DTI, DTI related bodies corporate, directors, employees or agents, nor any other person accepts any liability, including, without limitation, any liability arising out of fault or negligence for any loss arising from the use of the information contained in this presentation. In particular, no representation or warranty, express or implied is given to the accuracy, completeness or correctness, likelihood of achievement or reasonableness of any forecast, prospects or returns contained in this presentation nor is any obligation assumed to update such information. Such forecasts, prospects or returns are by their nature subject to significant uncertainties and contingences. Before making an investment decision you should consider, with or without the assistance of a financial advisor, whether an investment is appropriate in light of your particular investment needs, objectives and financial circumstances.

Certain information, including company logos and images, contained in the presentation has been derived from publicly available sources that has not been independently verified. No representation or warranty is made as to the accuracy, completeness or reliability of this information.