

DTI GROUP LTD

2017 Interim Results Presentation

24 February 2017



PETER TAZEWELL
Chief Executive Officer

RICHARD JOHNSON
Commercial Director



Overview – H1 FY17

Financial

- Revenue of \$5.5 million
- Underlying EBITDA adversely impacted by revenue lag and costs associated with new product launch
- Balance sheet strengthened by \$11.5 million capital raising
- \$0.9 million negative cash flow from Operations

Operating

- Additional resources into growing markets (EMEA, America)
- Major new contracts with Alstom, Delatim, ESG and DART
- Appointment of Operations GM to oversee Project Delivery
- New Products launched – Train recorder, Commuter Comms

Outlook

- Growing Opportunity Pipeline – \$417 million
- Order book of \$17.4 million at 31 December 2016
- Technology roadmap – exponential revenue opportunities
- New generation Mobile Data Recorder (MDR) launched

Responding to Growth Challenges

- Completed Capital raising of \$11.5 million
- Continued investment in R&D
- Launched new products – MDR-6, TDR-6 train recorder, Commuter Communications System
- Expanded sales/business development team
- Investment in business processes and systems
- Expanded Executive Management Team



H1 FY17 FINANCIAL RESULTS

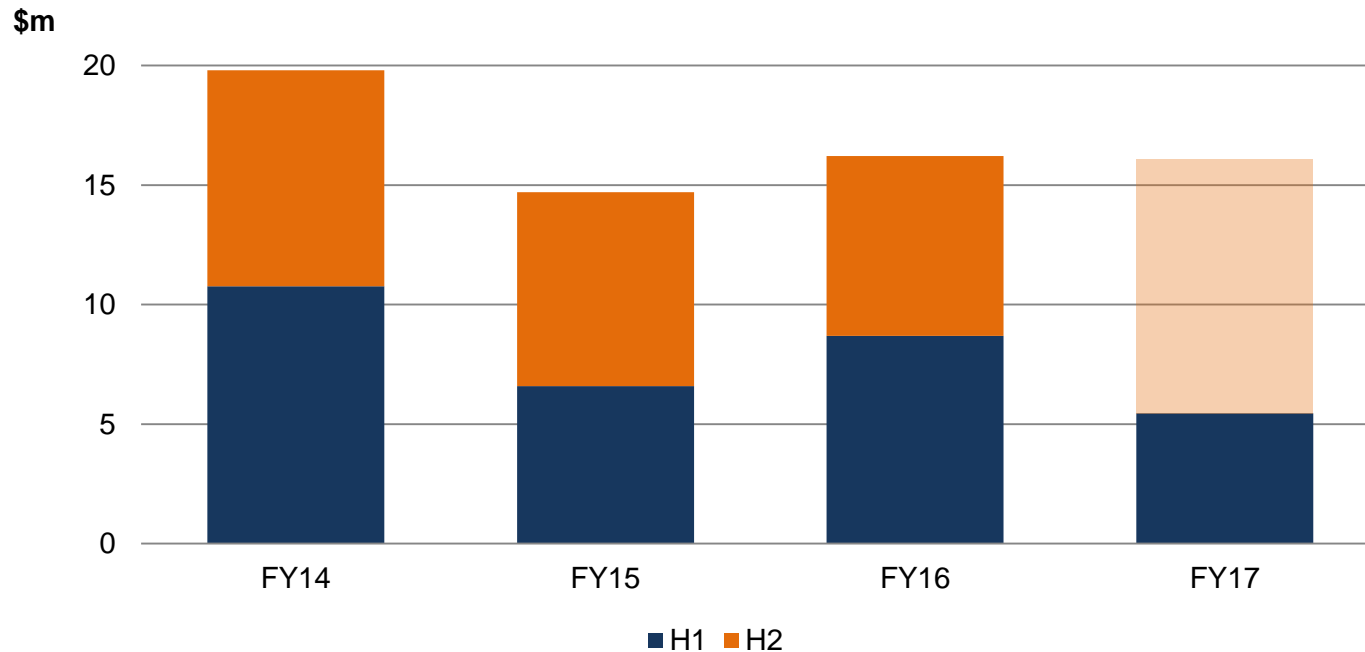
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Key Financial Metrics

		H1 FY17	H1 FY16
Revenue	\$m	5.4	8.7
EBITDA	\$m	(2.3)	0.1
Underlying EBITDA	\$m	(1.3)	0.23
Net profit/(loss) after tax	\$m	(2.7)	(0.2)
Earnings per share	¢	(2.85)	(0.23)
Dividends per share	¢	nil	nil
Gross debt	\$m	0.4	0.4
Net cash/(debt)	\$m	8.0	3.0
Net working capital	\$m	8.2	7.0
Operating cash flow	\$m	(0.9)	0.7
Employees		86	78
Order Book	\$m	17.4	10.6

- Revenue shortfall compared to FY16
- Recognition of non-recurring charges against inventory and capitalized R&D
- Nil term debt
- Working capital expansion from customer mix

Revenue Analysis



REVENUE ANALYSIS

- H1 Revenue adversely impacted by project delays and commercial terms
- FY17 revenue expected to be weighted to H2
- FY17 FY revenue based on contracted revenue

Underlying EBITDA

\$m	FY17	FY16
Statutory EBIT	(3,043,942)	(374,268)
Depreciation / Amortization	<u>712,010</u>	<u>496,420</u>
Reported EBITDA	(2,331,932)	122,152
Foreign Exchange losses	376,571	(64,619)
Warranty Provision	189,943	
NRV adjustment – inventory	258,128	143,327
Capitalised R&D impaired	241,912	
Underlying EBITDA¹	(1,265,378)	200,860

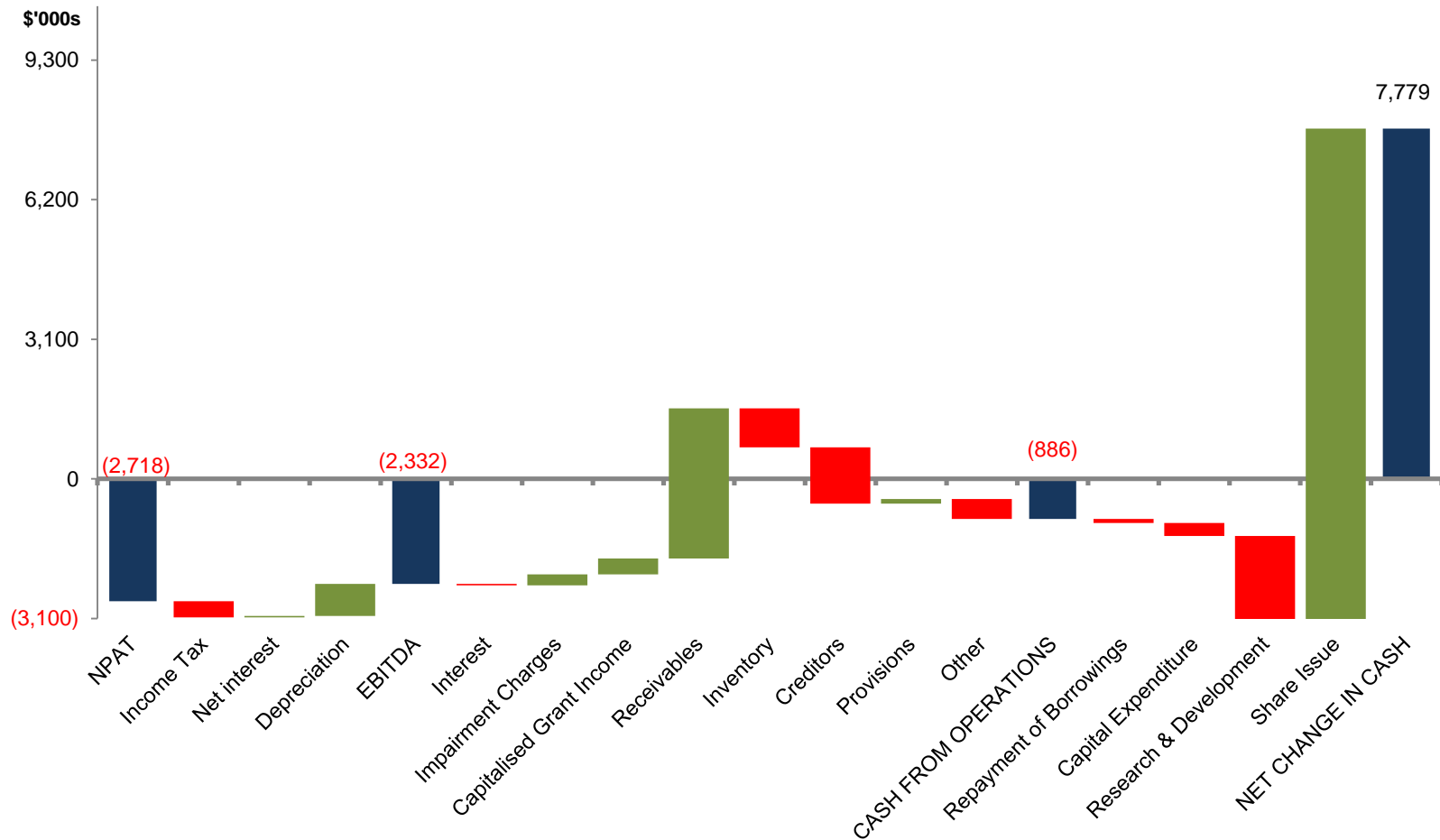
¹ Underlying EBITDA excludes foreign exchange losses and non-recurring costs

Balance sheet

\$m	H1 FY17	FY16
Cash	8.4	0.6
Trade receivables	4.2	6.4
Other receivables	1.5	2.7
Inventory	6.7	5.8
Property, plant & equip	1.2	1.1
Intangible assets	5.8	4.4
Other assets	0.6	0.1
Total Assets	28.2	21.1
Trade payables	2.8	4.0
Financial liabilities	0.4	0.5
Provisions	1.0	0.9
Deferred Tax	0.8	1.0
Total Liabilities	5.0	6.4
Total Equity	23.2	14.7
Net cash/(debt)	8.0	0.1
Net working capital	8.2	8.2

- Improved cash position from capital raising
- Negligible bank debt
- Ongoing research and development activities
- Impairment adjustments to inventory and capitalised R&D expenditure
- Technical Covenant breach – No action from bank

Cash flow from Operations

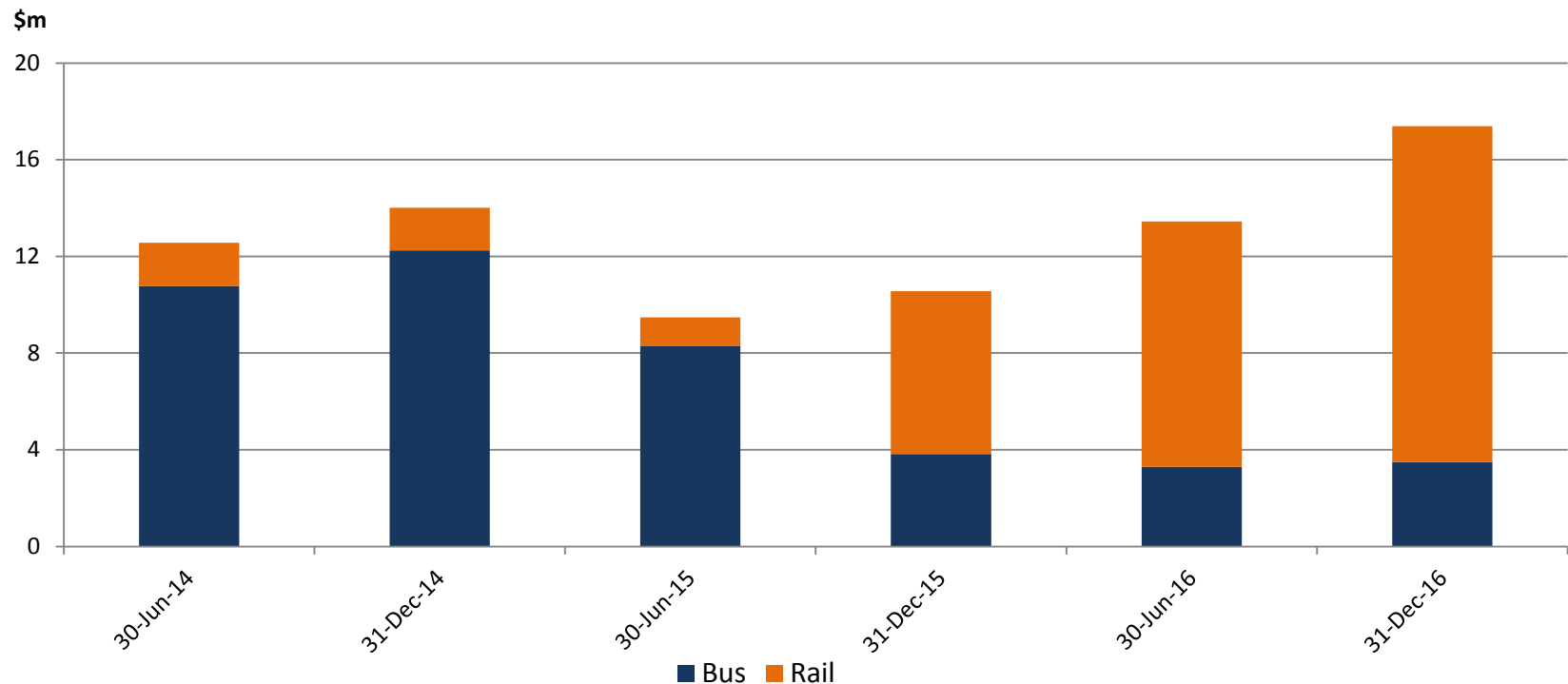




ORDER BOOK AND PIPELINE

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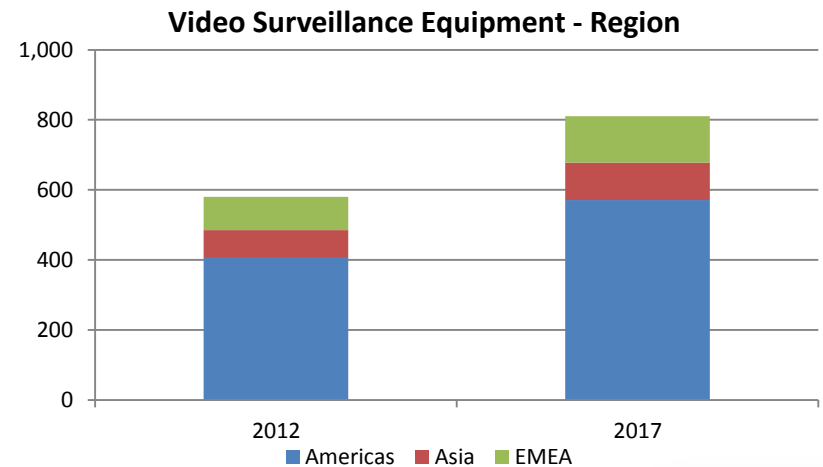
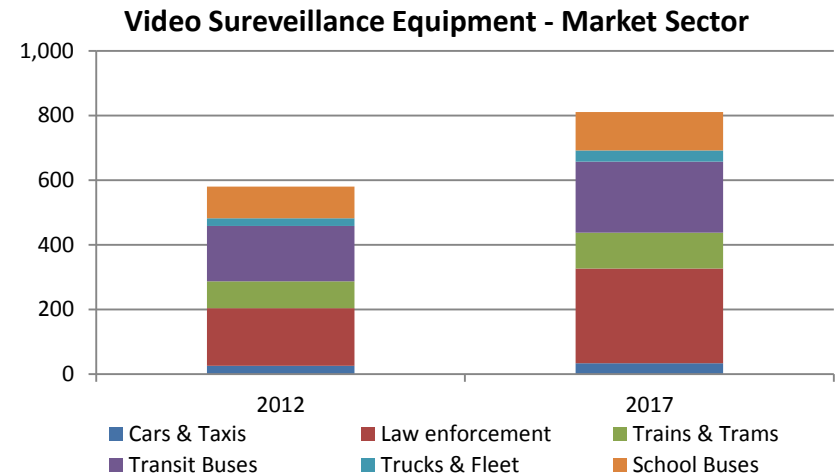
Order Book



- Order Book growing in line with increased marketing effort
- Strong growth in rail sector with global infrastructure spend
- Order book does not include anticipated recurring work until PO is issued

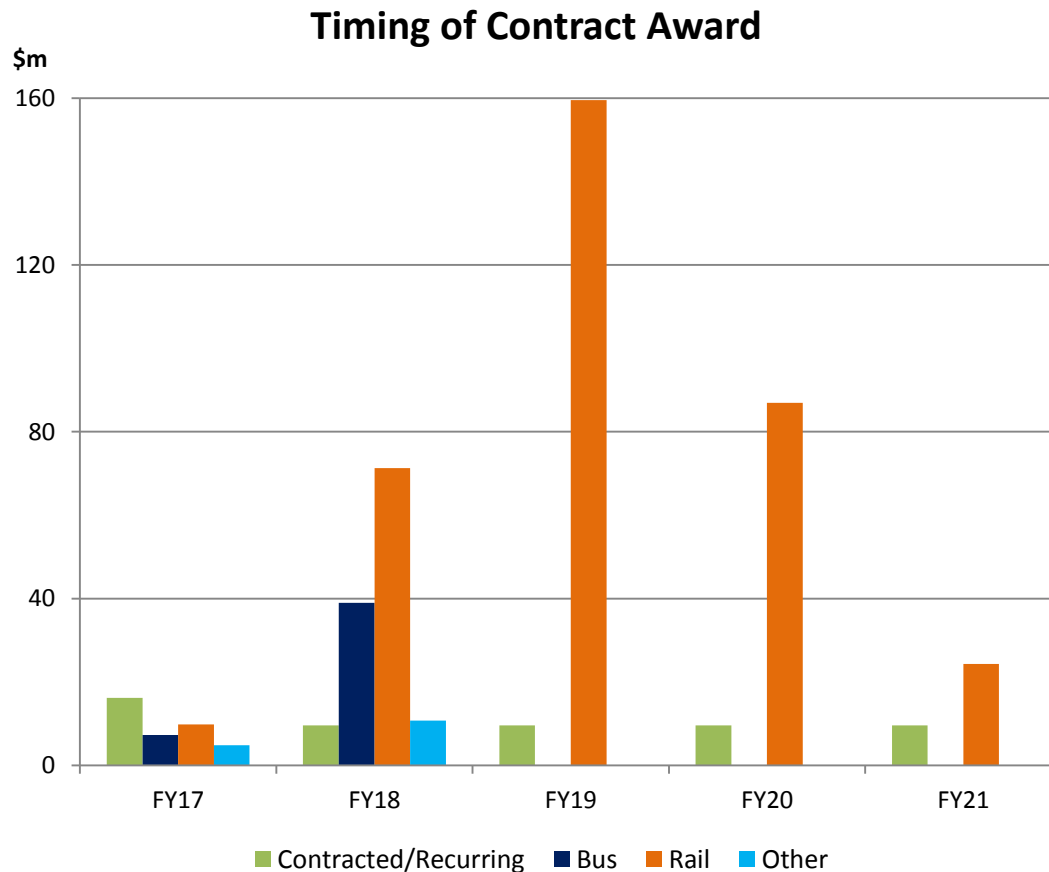
Global Market

- Global market for mobile video surveillance equipment forecast to grow at 6.9 per cent per annum
- Market dominated by law enforcement (31%) and transit buses (29%)
- Fastest growing sectors are law enforcement (10.3%) and trucks and fleet (8.5%)
- The Americas is the largest market for mobile video surveillance equipment



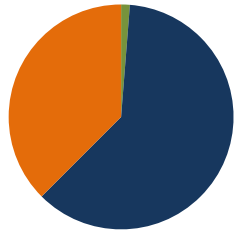
Source: IMS Research – July 2013

Opportunity Pipeline

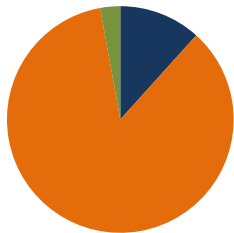


- Substantial Opportunity Pipeline in excess of \$417 million
- Pipeline unwinds over next four years based on expected contract award dates
- Significant proportion in tender phase
- Contracted work supports revenue through FY17 and into FY18

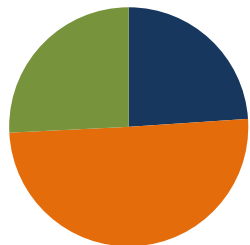
Opportunity Pipeline



■ Contracted ■ Tendered ■ Identified



■ Bus ■ Rail ■ Law Enforcement



■ Americas ■ EMEA ■ Australasia

- Significant identified long term pipeline
- Strong tendering activity
- Growing rail market provides strong growth potential
- Stable bus market supports baseload business
- North America and EMEA represent strong growth opportunities

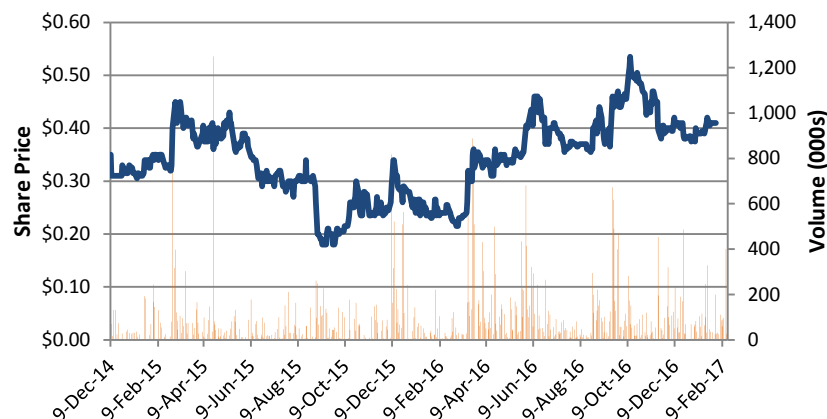


BUSINESS MODEL AND STRATEGY

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Company Snapshot

SHARE PRICE



MAJOR SHAREHOLDERS

Chris Morris (& Associates)	19.4%
Board & Management	10.8%
UIL Limited	9.8%
Other Institutional	7.3%

CORPORATE DETAILS

ASX Code	DTI
Issued Shares	126,671,579
Share Price (16 Feb 2017)	\$0.42
Market Capitalisation	\$53.2 million

BOARD AND MANAGEMENT

Chris Morris	Chairman
Peter Tazewell	Managing Director
Richard Johnson	Commercial Director
Glyn Denison	Non-executive
Neil Goodey	Non-executive
Jeremy King	Non-executive

What we do . . .

- DTI designs, develops and installs world-leading surveillance, video analytics, and passenger information systems technology and services to the global mass transit industry
- Utilising proprietary software with leading edge hardware (hybrid-recorders, commuter communications systems and back office management solutions), DTI provides data solutions to transit operators
- DTI seeks to leverage its engineering capabilities to provide transit operators with increased functionality, products and services

DTI Key Customers



ALSTOM

BOMBARDIER

the evolution of mobility



SIEMENS



STADLER



Government of Western Australia
Public Transport Authority

Ansaldo STS

A Hitachi Group Company



DESIGNED TO DELIVER



Business Model



Strategy

- Leverage investment in software and product development into new projects
- Partner with aggregators in the rolling stock manufacturing industry
- Continue to grow share of maintenance and recurring revenue
- Focus on project execution
- Expand support structure in EMEA and Americas



PRODUCTS AND FUTURE DEVELOPMENTS

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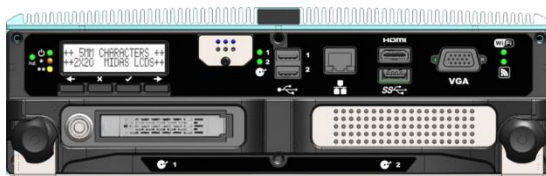
Current Products



- Passenger Announcement Amplifier
 - Intelligent networkable amplifier
 - Multi-zone and Hearing Aid loop



- Passenger Information Display
 - High intensity smart display
 - Self-contained and centralised messaging



- Mobile Digital Recorder
 - Built-in switch catering for megapixel IP cameras
 - Dual hot swap mass storage

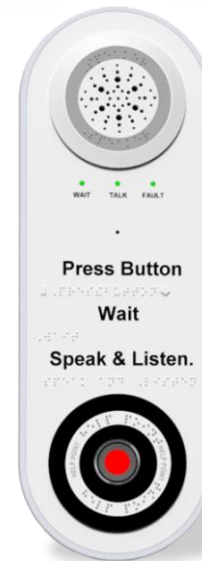


- Train Data Recorder
 - Caters for megapixel IP cameras
 - Hot swap mass storage

Current Products

- Passenger Emergency Intercom

- Networkable intercom with integrated hearing-aid loop

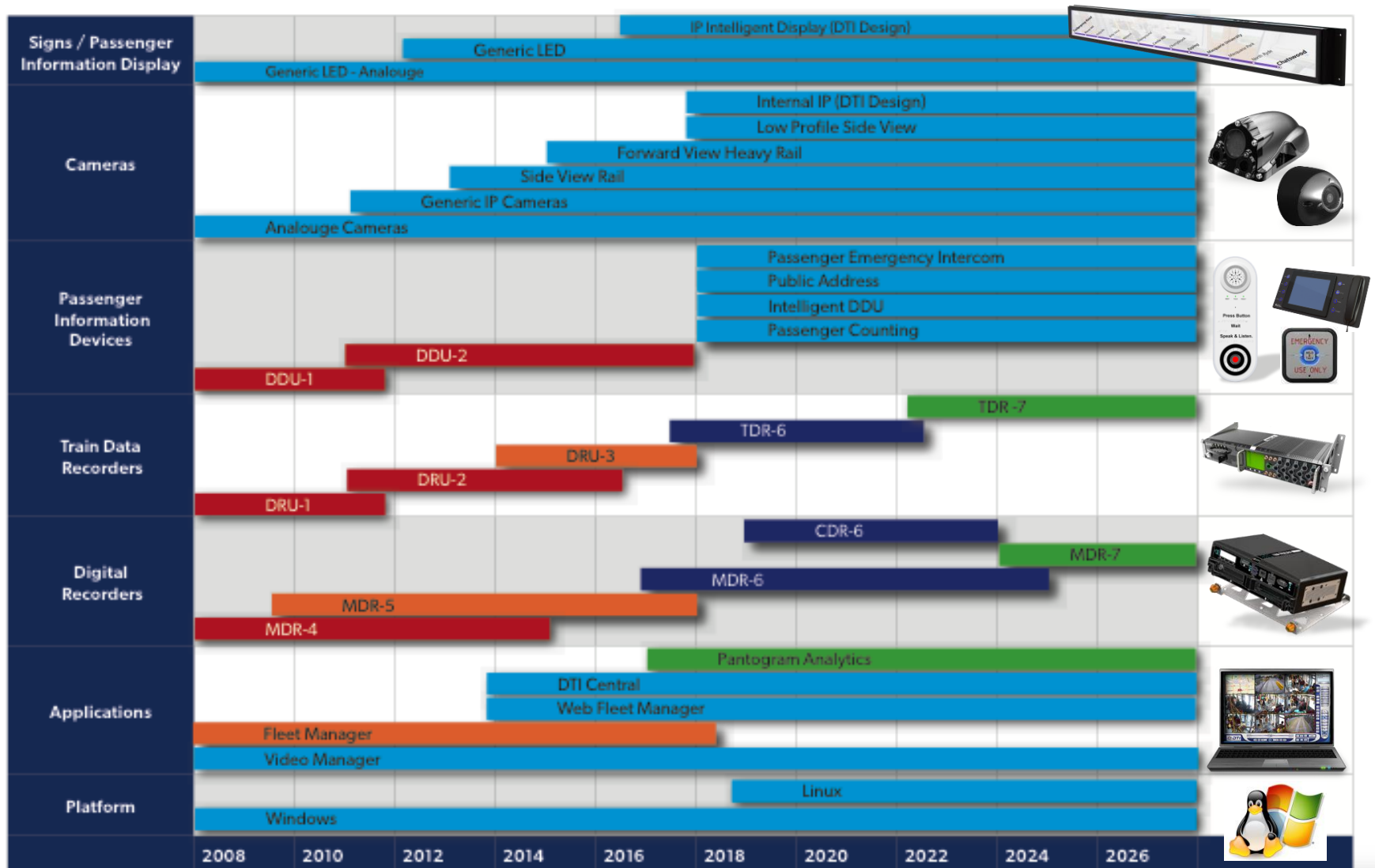


- Dynamic Route Map

- 48" ultra wide screen intelligent display
- Daisy chain networkable



Technology Roadmap





OUTLOOK

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Outlook

- Continued investment in R&D activities
- Growing Order Book and strong Opportunity Pipeline
- Near term opportunities in Australia, US, UK, South Africa, Sweden, France and Poland
- Product development keeping DTI at forefront of technology curve
- \$20 million in new projects to be awarded over next 12 months

Summary

- Recapitalisation of Company complete
- Growing Opportunity Pipeline as the Company participates more into the rail market
- Growing awareness of DTI and its capabilities in key European, African and North American markets
- Order Book supporting future revenue
- Company maturing and implementing internal improvements necessary to permit rapid growth of the business
- Reorganisation of Operational Team and establishment of Executive Management Team

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