



traffic[®]
technologies.ltd

Earnings Upgrade

18 June 2018, Melbourne: Traffic Technologies Ltd ('**TTI**' or '**the Company**') presents earnings guidance for the financial year ended 30 June 2018.

TTI expects to report the following result for the financial year ended 30 June 2018:

	<i>Year to 30 June 2018</i>	<i>Year to 30 June 2017</i>
	<i>\$'m</i>	<i>\$'m</i>
Revenue	62.5 – 63.5	48.9
Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)	9.4 – 10.2	4.6
Earnings before Interest and Tax (EBIT)	7.7 – 8.5	2.7
Net Profit/Loss After Tax (NPAT)	4.8 – 5.6	1.0

The Company has benefitted from a diversification program of its offerings with greater emphasis on road and street lighting, ITS (Intelligent Transport Systems), traffic controllers, maintenance contracts and export initiatives.

The increase in the FY18 revenue forecast of approximately 28% comprises growth in operating revenue and a \$7.9 million gain from the recent debt restructure. Operating revenue growth has resulted from a number of contracts previously announced in "smart city" software, LED street lights for road authorities, local councils and energy companies across a number of states of Australia, as well as a number of export orders to supply traffic controllers.

As previously announced, the Company is completing the major roll-out for its "proprietary software "Smart City" platform "TST", which connects street lights and other traffic management equipment on the road to a central control and management system. This platform has wider applications for the future, including detection of traffic flows, waste management, parking availability and monitoring of government infrastructure.

The Group is also taking the opportunity to re-assess the carrying value of its balance sheet assets as a result of the diversification program with a reduction of approximately \$2.5m in stock which is included in the above estimate. The Group's business model can now focus on revenue streams from the "smart city" platforms and software, IoT sensors along with LED street and road lighting and less reliance on traditional revenue from the manufacture and supply of traffic signals.

The Company's earnings guidance is subject to completion of the full year accounts and the final audit.

The Company expects to release its full year results to the market in the final week of August 2018.

Enquiries:

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