Overview – H1 FY18

Financial

- Revenue of $8.2 million, 51 per cent increase on FY17
- EBITDA adversely impacted by impairment costs, revenue lag, R&D claim adjustment and ongoing costs associated with past projects
- Working capital managed down by $1.5 million
- $0.9 million negative cash flow from Operations

Operating

- New contracts awarded from Majees (Oman Bus) and exercise of DART options
- Operating cost base restructured

Outlook

- Contracted order book\(^1\) of $37.4 million at 31 December 2017 (115 per cent growth since previous HY)
- Opportunity Pipeline stable at $383.4 million with potential for > $50 million to be awarded within six months
- US Bus business continues to perform strongly
- Ongoing strong interest in DTI PIS systems

\(^1\) Includes LoI/LoA
Highlights

• Continued growth (115 per cent) in contracted Order Book\(^1\)
• Maintaining scheduled deliveries to critical projects (Sydney Metro, Oman Bus)
• Strong positive market reaction to new DTI Passenger Information Displays
• Strong tendering pipeline with Alstom - $187 million

\(^1\) Includes LoI/LoA
H1 FY18 FINANCIAL RESULTS
### Key Financial Metrics

<table>
<thead>
<tr>
<th></th>
<th>H1 FY18</th>
<th>H1 FY16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$m</td>
<td>8.2</td>
</tr>
<tr>
<td>EBITDA</td>
<td>$m</td>
<td>(6.0)</td>
</tr>
<tr>
<td>Underlying EBITDA</td>
<td>$m</td>
<td>(3.3)</td>
</tr>
<tr>
<td>Net profit/(loss) after tax</td>
<td>$m</td>
<td>(5.3)</td>
</tr>
<tr>
<td>Earnings per share</td>
<td>¢</td>
<td>(4.30)</td>
</tr>
<tr>
<td>Dividends per share</td>
<td>¢</td>
<td>Nil</td>
</tr>
<tr>
<td>Gross debt</td>
<td>$m</td>
<td>0.3</td>
</tr>
<tr>
<td>Net cash/(debt)</td>
<td>$m</td>
<td>0.9</td>
</tr>
<tr>
<td>Net working capital</td>
<td>$m</td>
<td>9.7</td>
</tr>
<tr>
<td>Operating cash flow</td>
<td>$m</td>
<td>(0.9)</td>
</tr>
<tr>
<td>Employees</td>
<td>FTE</td>
<td>60</td>
</tr>
<tr>
<td>Contracted Order Book</td>
<td>$m</td>
<td>37.4</td>
</tr>
</tbody>
</table>

• Revenue increased from pcp
• Significant impairment charges recorded against inventory and debtors
• Ongoing costs continue in relation to past projects
• Nil term debt
• Net trade working capital reduced
• Headcount reduced
• Growing Order Book
Revenue

- Strong revenue increase from pcp
- Weighting to H2 expected to continue

- Increased revenue across all categories
- Strong increase in recurring revenue driven by US bus sales
- Project revenue continues to drive overall growth
<table>
<thead>
<tr>
<th>$m</th>
<th>H1 FY18</th>
<th>FY17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>1.2</td>
<td>3.2</td>
</tr>
<tr>
<td>Trade receivables</td>
<td>7.0</td>
<td>9.0</td>
</tr>
<tr>
<td>Other receivables</td>
<td>-</td>
<td>3.1</td>
</tr>
<tr>
<td>Inventory</td>
<td>6.7</td>
<td>8.0</td>
</tr>
<tr>
<td>Property, plant &amp; equip</td>
<td>1.3</td>
<td>1.0</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>4.6</td>
<td>5.6</td>
</tr>
<tr>
<td>Other assets</td>
<td>0.4</td>
<td>0.2</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>21.1</strong></td>
<td><strong>30.1</strong></td>
</tr>
<tr>
<td>Trade payables</td>
<td>3.9</td>
<td>5.8</td>
</tr>
<tr>
<td>Financial liabilities</td>
<td>0.3</td>
<td>0.5</td>
</tr>
<tr>
<td>Provisions</td>
<td>1.1</td>
<td>1.1</td>
</tr>
<tr>
<td>Deferred Tax</td>
<td>-</td>
<td>1.8</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>5.3</strong></td>
<td><strong>9.2</strong></td>
</tr>
<tr>
<td><strong>Total Equity</strong></td>
<td><strong>15.8</strong></td>
<td><strong>20.9</strong></td>
</tr>
<tr>
<td>Net cash/(debt)</td>
<td>0.9</td>
<td>2.7</td>
</tr>
<tr>
<td>Net trade working capital</td>
<td>9.7</td>
<td>11.2</td>
</tr>
</tbody>
</table>

- Research and development spend significantly reduced as product development phase ends
- Rail projects continue to be working capital intensive
- Negligible bank debt
- Impairment adjustments recorded
Cash flow from Operations

- NPAT: $5,335
- Income Tax: $6,027
- Depreciation: $924
- EBITDA: $1,854

$000s

NPAT: $5,335
Income Tax: $6,027
Depreciation: $924
EBITDA: $1,854

Other items include:
- Provisions: $924
- Repayment of Borrowings: $1,854
- Proceeds from Borrowings: $924
- Capital Expenditure: $1,854
- Research & Development: $924

NET CHANGE IN CASH
STRATEGIES
# Strategies – Short term

- Key focus to return to profitability

<table>
<thead>
<tr>
<th>Grow Revenue Base</th>
<th>Stabilise Production Costs</th>
<th>Cost Down Strategy</th>
<th>Overhead Reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Increased Order Book</td>
<td>• Product design finished leading to stable production runs</td>
<td>• Review supply chain to reduce component costs</td>
<td>• Tight control of costs and working capital</td>
</tr>
<tr>
<td>• Conversion of Opportunity Pipeline</td>
<td>• Migrate production to lower cost manufacturer</td>
<td>• Implement design efficiencies</td>
<td></td>
</tr>
<tr>
<td>• New Products available</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- ✔
- ❗
- ✔
- ✔
ORDER BOOK AND PIPELINE
• Order Book growing in line with increased marketing effort
• Strong growth in rail sector with strong interest in DTI PIS systems
• Order book does not include anticipated recurring work until PO is issued
• Expected $50 million in new orders expected to be awarded over next six months
Opportunity Pipeline

- Significant identified long term pipeline in excess of $380 million
- Geographic segmentation remains similar with EMEA presenting strongest opportunities
- Market continues to be dominated by rail which generally has higher specifications, engineering effort and capital intensity
- Growth drivers include legislation/evidence standards, public infrastructure spending and potential to reduce insurance and maintenance costs
Addressable Market

- DTI’s addressable market comprises:
  - Mobile surveillance systems, consisting of recorders, cameras and ancillary equipment; and
  - Passenger Information Systems, consisting of displays, audio communications and entertainment systems

- FY18 revenue and order book weighted towards PIS

- Mobile Surveillance market is forecast to grow by 12.1 per cent to over US$1.6 billion by 2021\(^1\)

- Passenger Information Systems forecast to exceed US$37 billion by 2022\(^2\)

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1. IHS Research – 24 Feb 2017
Mobile Video Surveillance Market

• Global market for mobile video surveillance equipment forecast to grow at CAGR of 12.1 per cent to 2021

• DTI is a significant player in mass transit sector (trains, trams and transit buses) which constitutes 46.1 per cent of the market

• The Americas is the largest market for mobile video surveillance equipment while EMEA is the fastest growing market

Source: IHS Research – 24 Feb 2017
Company Snapshot

SHARE PRICE

CORPORATE DETAILS

ASX Code: DTI
Issued Shares: 126,671,579
Share Price (12 January 2018): $0.13
Market Capitalisation: $16.5 million

MAJOR SHAREHOLDERS

Chris Morris (& Associates): 19.6%
UIL Limited: 14.1%
Board & Management: 10.2%
Adam Smith: 5.1%
Other Institutional: 5.3%

BOARD AND MANAGEMENT

Neil Goodey: Chairperson
Peter Tazewell: Managing Director
Richard Johnson: Executive Director
Glyn Denison: 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
1. Includes End Customers
OUTLOOK
Outlook

• Continued growth in contracted order book\(^1\) to $37.4 million
• Identified Opportunity Pipeline of $383 million with in excess of $50 million to be awarded within six months
• Global demand for mobile surveillance and passenger information system equipment continues to be strong
• DTI has developed a strong technical reputation for developing leading edge products and solutions
• Operating cost base restructured
• Focus on project execution and margin management

\(^1\) Includes LoI/LoA
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