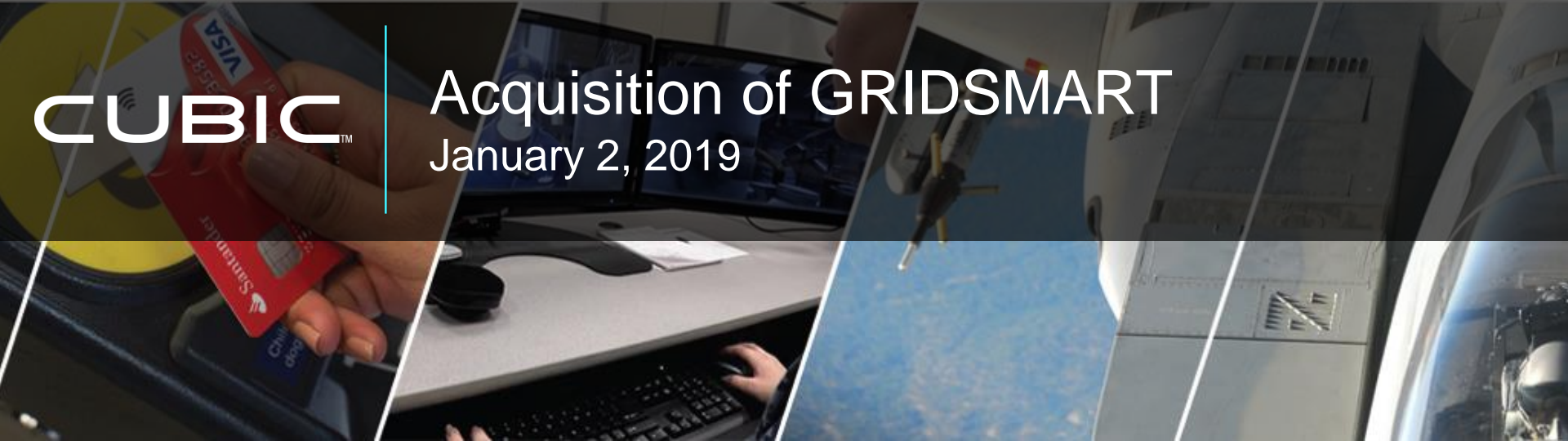




CUBIC™

# Acquisition of GRIDSMART January 2, 2019



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This presentation contains statements that relate to future events and expectations and as such constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Any statements about our expectations, beliefs, plans, objectives, assumptions or future events or our future financial and/or operating performance are not historical and may be forward-looking. These statements are often, but not always, made through the use of words or phrases such as “may,” “will,” “anticipate,” “estimate,” “plan,” “project,” “continuing,” “ongoing,” “expect,” “believe,” “intend,” “predict,” “potential,” “opportunity” and similar words or phrases or the negatives of these words or phrases. These statements involve estimates, assumptions and uncertainties, including those discussed in “Risk Factors” in the Company’s annual report on Form 10-K for the year ended September 30, 2018, that could cause actual results to differ materially from those expressed in these statements.

Because the risk factors referred to above could cause actual results or outcomes to differ materially from those expressed in any forward-looking statements made by us or on our behalf, you should not place undue reliance on any forward-looking statements. Further, any forward-looking statement speaks only as of the date on which it is made, and we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

This presentation also includes non-GAAP financial measures as that term is defined in Regulation G. Non-GAAP financial measures supplement our GAAP disclosures and should not be considered an alternative to the GAAP measure. Cubic has not provided a reconciliation of forward-looking financial measures such as Adjusted EBITDA to the most directly comparable financial measures prepared in accordance with GAAP because Cubic is unable to quantify certain amounts that would be required to be included in the GAAP measures without unreasonable efforts, and Cubic believes such reconciliations would imply a degree of precision that would be confusing or misleading to investors.

# GRIDSMART Acquisition Further Expands Cubic's Leadership Position in Next Generation Intelligent Transport Management

## GRIDSMART

- GRIDSMART acquisition **highly complementary** to Cubic / Trafficware's compelling solutions to greatly **improve situational awareness** and **reduce urban congestion**
- Differentiated **best-in-class** solution – advanced image processing, computer vision modeling and machine learning with single camera solution to deliver **data for optimizing the flow of people and traffic through intersections**

## Valuation

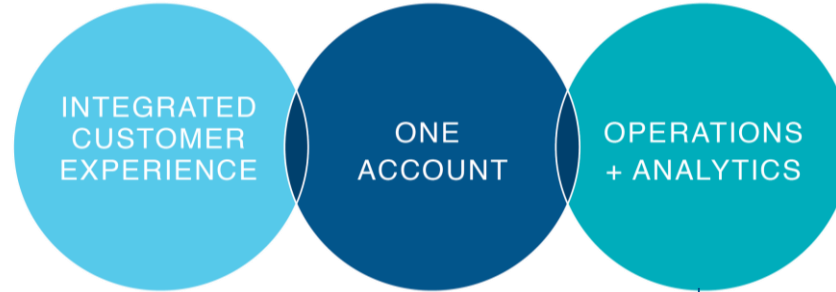
- Purchase price: **\$87m** in cash, subject to customary adjustments
- Multiple: **11x** (calendar 2019 projected adj. EBITDA)
- Financials:
  - Calendar 2019P: **sales \$35m** and **adj. EBITDA \$8m** (12 months)
  - Fiscal 2019P contribution: sales \$24m and adj. EBITDA \$5m (9 months)
  - Cash EPS **accretive first full year**, excluding transaction costs

## Financing

- Acquisition financed through existing **credit facility**

# Technology-Driven, Market-Leading Portfolio

*GRIDSMART's detection technology and products are a logical extension of Trafficware's Pod detection system extending its leading position in the U.S. urban traffic control market.*



- Existing Cubic
- In Development Cubic
- Existing Trafficware
- In Development Trafficware
- GRIDSMART
- Not Currently Addressed

*Trafficware has expanded CTS's offering under the 'Operations and Analytics' pillar of NextCity addressing a number of gaps in our Surface Transport Management business. GRIDSMART strengthens and complements the offering.*

## Surface Transport Management

| Traffic Management          | Roads Data Analytics          | Other Capabilities    | Geographies              |
|-----------------------------|-------------------------------|-----------------------|--------------------------|
| Traffic Management          | Data Collection / Integration | Vehicle Enforcement   | North America            |
| Regional Traffic Management | Traffic Optimization          | Surveillance / Safety | Latin America            |
| Urban Traffic Control       | Traffic Simulation            |                       | United Kingdom / Ireland |
| Adaptive Signal Control     | Information Dissemination     |                       | Europe                   |
| Priority Signals            | Vehicle 2-Infrastructure      |                       | Asia Pacific             |
| POD Sensors                 |                               |                       | Middle-East / Africa     |
| Intersection Video          |                               |                       |                          |
| Radar Detectors             |                               |                       |                          |



# Strong Strategic Fit with Cubic to Reduce Urban Congestion

GRIDSMART's detection technology is a logical extension of Trafficware's pod detection system extending significantly the number of intersections Cubic can address with data driven, intelligent solution.

Vertically integrates Cubic into intersections and arterial roads management



■ Regional / highways roads coordination (Sydney ICMP)

■ Transit Management

■ Trafficware - Arterial / Urban Roads with in-ground sensors

■ GRIDSMART – expand addressable intersections with video to complement ground sensors

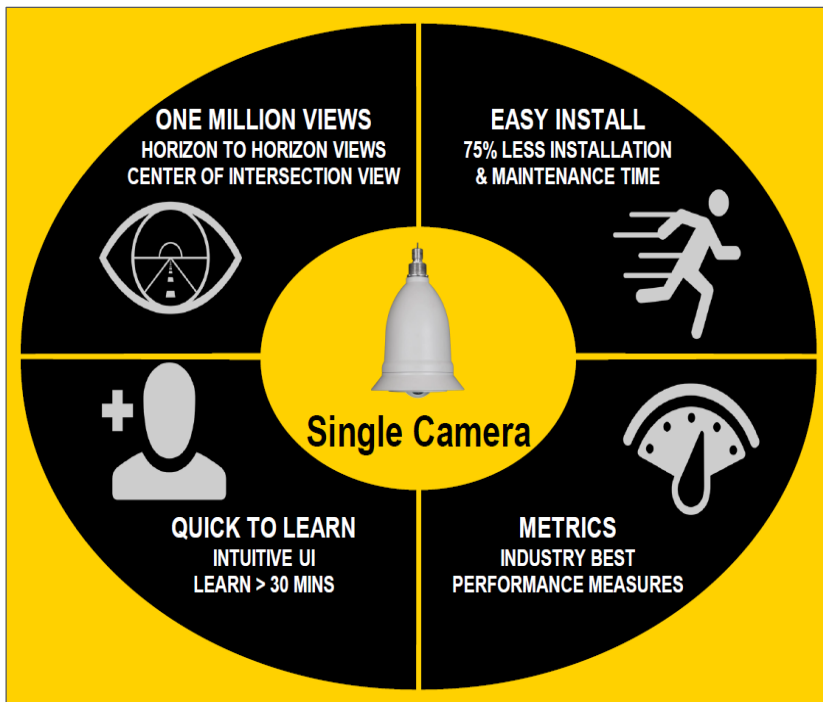


Integrating capabilities enables congestion to be managed from the regional level, down to an arterial or corridor, down to a single intersection or set of intersections

Provides a foundation to support connected and autonomous vehicles through smart infrastructure



# GRIDSMART: Best-In-Class Technology



- Single sensor solution for intersection actuation and performance management with horizon to horizon view
- Specializes in video detection utilizing proprietary computer vision and machine learning engine that allows visibility over the center of an intersection
  - *Tracks vehicles through intersection delivering industry leading accuracy*
- Only product gathering data from center of intersection
- 7,000 intersections across 1,200 cities
- 23 Provisional Patents in process
- Complementary to prior Trafficware acquisition
  - *Incremental cost and revenue synergies*

## PRODUCT LINE

Bell Camera



Edge Computing



Software GUI

