



CUBIC™

Acquisition of Trafficware
October 24, 2018



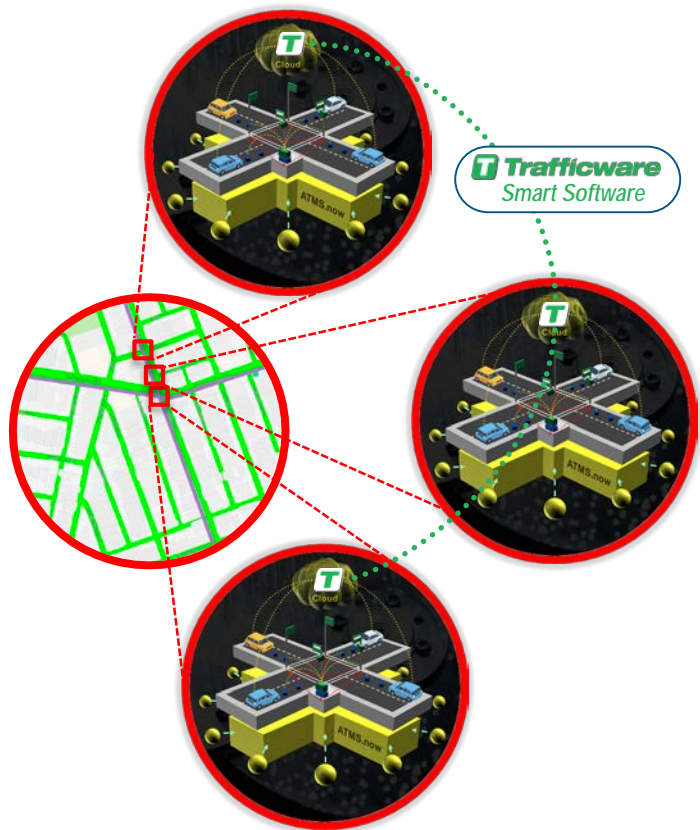
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Trafficware Acquisition Expands Cubic's Leadership Position in Next-Generation Intelligent Transport Solutions



- Our focus – **Technology-driven, Market-leading**
- Cubic and Trafficware to offer compelling solutions to greatly **improve situational awareness and reduce urban congestion**
- **Advances Operations and Analytics** pillar of Cubic's **NextCity** strategy
- **Cash EPS accretive first full year**

Transaction Overview

Trafficware

- Fully integrated, innovative suite of software, Internet of Things (IoT) and hardware solutions that optimize the flow of motorist and pedestrian traffic
- Will be integrated into Cubic Transportation Systems (CTS) business unit

Valuation

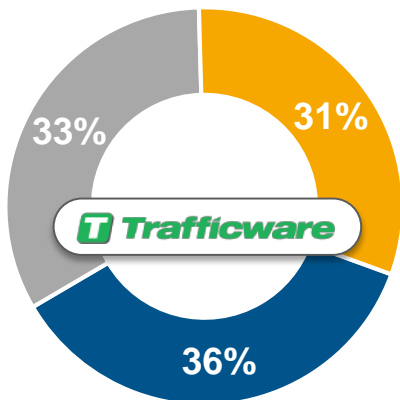
- Purchase price: \$235.7m in cash, subject to customary adjustments
- Multiple: <15x inclusive of tax benefits
- Financials:
 - Fiscal 2019P contribution: Sales \$50m and Adj. EBITDA \$14-\$15m (~11 months)
 - Cash EPS accretive first full year, excluding transaction costs

Financing

- Acquisition financed in the near term through borrowings under revolver

Trafficware – Data-Rich, Intelligent Intersection Technology

- Fully integrated platform
- Provides smart infrastructure to smart cars – first mover in Infrastructure to Vehicle (I2V) data market
- Attractive U.S. installed base with growing international presence
- 99%+ end user retention
- Well positioned in the large, growing intelligent traffic management (ITM) market
 - Relevant total addressable market greater than \$1 billion¹⁾ and growing at ~10% CAGR



Software & Services

- Seamlessly integrates with end user traffic infrastructure
- Enabled by advanced hardware and IoT solutions

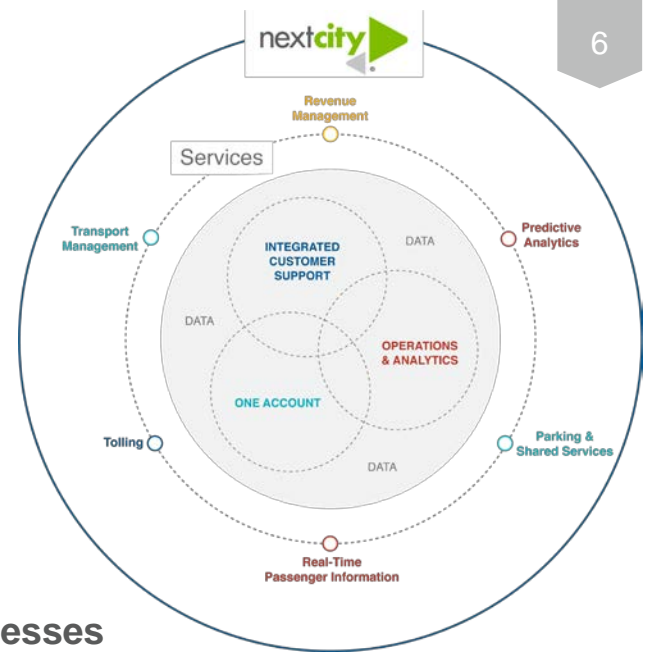
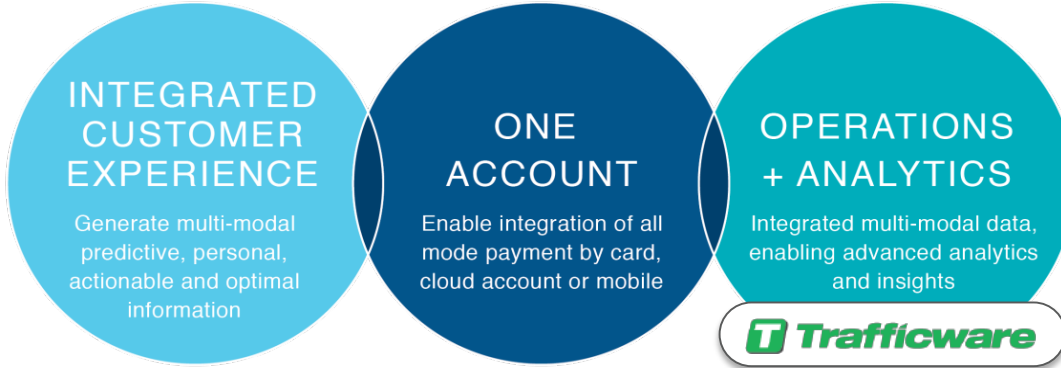
Internet of Things (IoT)

- Enables advanced detection, collection, and streaming of critical traffic data
- Cornerstone of traffic optimization and next generation I2V smart city technology

Hardware

- Comprehensive line of traffic cabinets with >200 unique configurations to support NEMA and Caltrans traffic management standards
- Full line of peripherals including traffic signals, video cameras, in-cabinet MMUs, and power supplies

Advances Operations & Analytics Pillar of Cubic's NextCity Strategy



Cubic Transportation Systems Sub-Businesses



Growth synergies across up-selling, cross-selling and international expansion opportunities expected to drive additional value

Trafficware extends our portfolio of data driven, intelligent solutions to reduce congestion


Vertically integrates Cubic into intersections and arterial roads management

Existing NextCity

 Regional / highways roads coordination (Sydney ICMP)

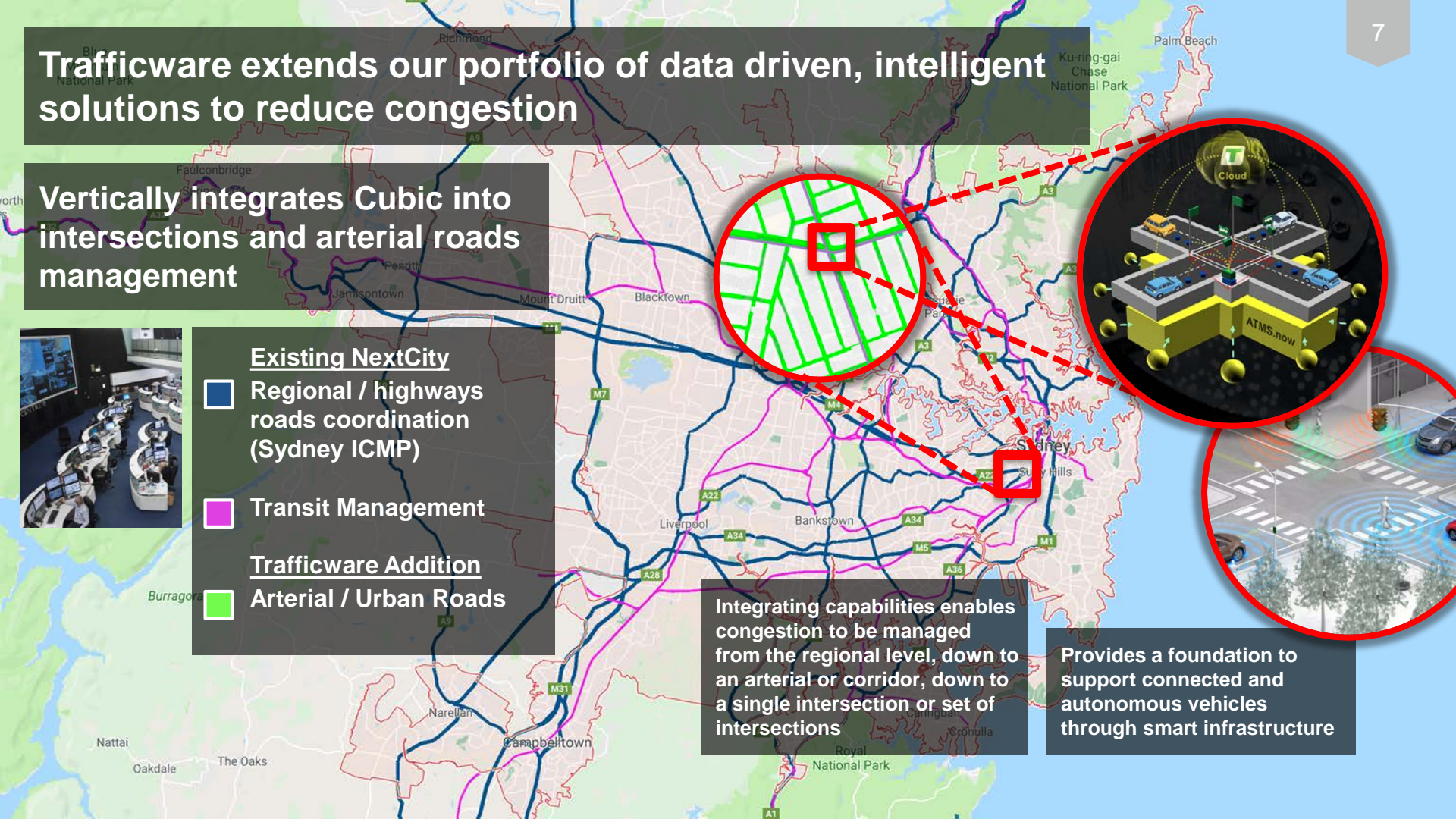
 Transit Management

Trafficware Addition

 Arterial / Urban Roads

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



An aerial, black and white photograph of a city at night. The scene is dominated by a complex multi-level highway interchange with numerous lanes and overpasses. In the background, several tall skyscrapers are illuminated, their lights reflecting against the dark sky. The overall atmosphere is one of a bustling, modern urban environment.

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