



CUBIC™

# Acquisition of GRIDSMART January 2, 2019



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# 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

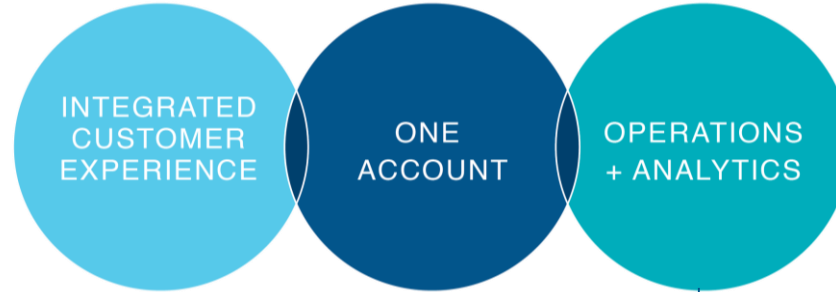
- Purchase price: **\$87m** in cash, subject to customary adjustments
- Multiple: **11x** (calendar 2019 projected adj. EBITDA)
- Financials:
  - Calendar 2019P: **sales \$35m** and **adj. EBITDA \$8m** (12 months)
  - Fiscal 2019P contribution: sales \$24m and adj. EBITDA \$5m (9 months)
  - Cash EPS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

ONE MILLION VIEWS  
HORIZON TO HORIZON VIEWS  
CENTER OF INTERSECTION VIEW

EASY INSTALL  
75% LESS INSTALLATION  
& MAINTENANCE TIME

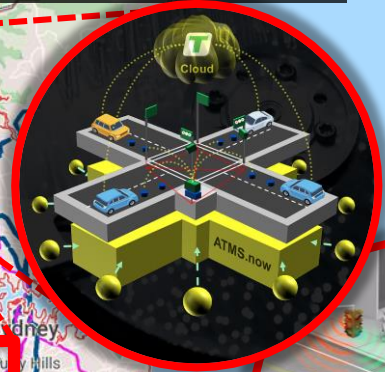
QUICK TO LEARN  
INTUITIVE UI  
LEARN > 30 MINS

METRICS  
INDUSTRY BEST  
PERFORMANCE MEASURES

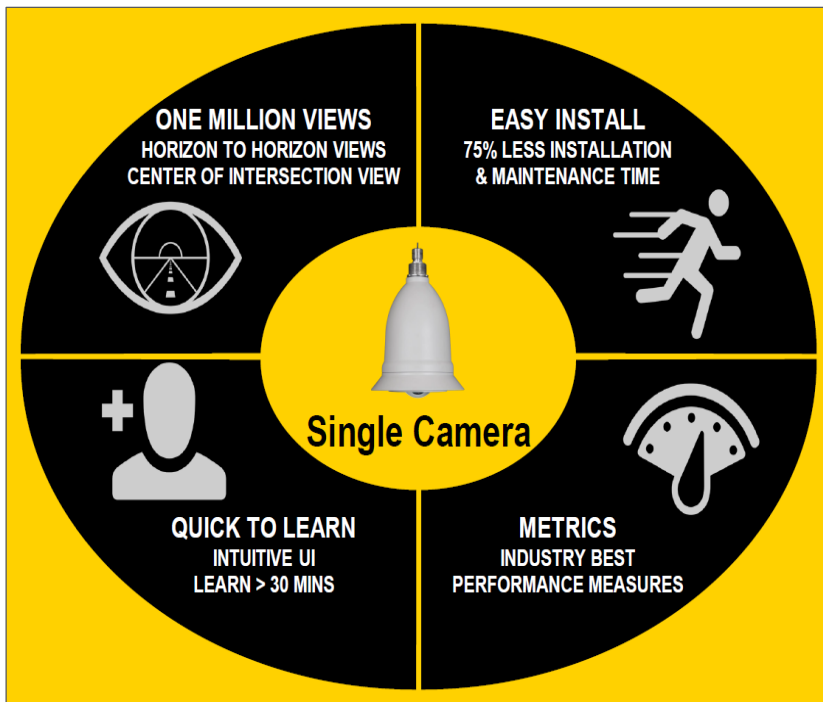
Single Camera

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

