Adacel Technologies Limited
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Chairman
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COMPANY

Adacel is a leading developer of advanced simulation and control systems for aviation and defense. The Company operates in the Global Aerospace Systems market including operational Air Traffic Management (ATM), Airport and Air Traffic Control (ATC) Training, and Airborne Vehicle Systems. Adacel delivers products to, and operates in, two business segments, Systems and Services.

Systems
All sales of integrated software systems, system upgrades and products covering both operational control and simulation markets.

Services
All potential recurring revenue, including software maintenance, system support, field services and on-site technical services.

www.adacel.com  @adacelsystems
GLOBAL PRESENCE

225 EMPLOYEES

341 Simulators
219 Worldwide Locations
9 Systems

38 COUNTRIES
SYSTEMS: ATC SIMULATION AND TRAINING

The leading supplier of air traffic controller simulation training systems for:

- Use in both civil and defense environments; and
- Research, planning and modeling of air traffic procedures
Systems: ATC Simulation and Training (cont.)

- Over 90% ATC Simulation market share in the U.S.
  - Installed base of 341 air traffic training simulators
  - MaxSim is the core of the ATC simulation and training offering
  - US civil market penetration remains small, further international market penetration provides additional upside potential

- Have won all major large scale simulator system deployment contracts in the USA
SYSTEMS: MAXSIM EXAMPLE
CONFIGURATIONS

- Radar Suite
- 360 Degree Wrap Around Tower
- Single Seat Self-Paced
- Reconfigurable - Portable
- Small Footprint Tower
- Table Top
- Ruggedized Mobile
SYSTEMS: MAXSIM DATABASE VISUAL SCENES
Aurora is an open architecture air traffic management automation system that is used for controlling aircraft over oceanic and continental airspace.

Air Traffic Controllers use the system to manage high volumes of aircraft, using satellite communication and surveillance technologies.

System capabilities provide opportunity for improved safety, higher traffic volumes, reduced fuel costs and emission reductions.

System contains flexibility to easily handle the diverse mix of aircraft using both conventional analog and NextGen satellite communications.
FINANCIAL RESULTS: GROWTH

Fiscal Year 2014 | Fiscal Year 2015 | Fiscal Year 2016
---|---|---
Revenue
- A$33.1M
- A$41.9M
- A$47.9M
Gross Margin
- 38.7%
- 41.1%
- 45.2%
EBITDA
- A$12.8M
- A$17.2M
- A$21.6M
Profit Before Tax
- A$2.6M
- A$6.9M
- A$11.9M

A$1.8M
A$5.9M
A$10.8M
REVENUE: SYSTEMS AND SERVICES GROWTH

FY2014
A$33.1M Total Revenue

FY2015
A$41.9M Total Revenue
+27%

FY2016
A$47.9M Total Revenue
+14%

A$'000

FY14 to FY16 Revenue Growth

Systems
Services
Total Revenue

FY14
FY15
FY16
BUSINESS SEGMENTS: FY2016

**Systems**

- **Total Revenue**
  - A$17.8M
- **Gross Margin**
  - A$8.7M

**Revenue Composition**

- **Civil**
  - A$9.7M
- **Military**
  - A$8.1M

- **North America**
  - A$10.6M
- **Rest of World**
  - A$7.2M

**Services**

- **Total Revenue**
  - A$30.1M
- **Gross Margin**
  - A$12.9M

**Revenue Composition**

- **Civil**
  - A$25.4M
- **Military**
  - A$4.7M

- **North America**
  - A$28.5M
- **Rest of World**
  - A$1.6M
CUSTOMER DATA

**Longest Active Contract**
- **18 Years**
  - NavPortugal

**Largest Customer (FY16)**
- **US$11.1M**
  - Lockheed Martin

**Oldest Customers**
- FAA
- Uni. North Dakota
- Hungaro Control
- Embry Riddle
- Austro Control
- Lockheed Martin
- USAF
- US Army
- Canada DND
- Brazil CAA
- NavPortugal
- Italy ENAV

**Average Age of Current Contracts**
- **8.3Yrs**

**Average Age of 12 Oldest Contracts**
- **15Yrs**

**Airspace Controlled by Aurora**
- **41 Million Sq. Miles**

**% of Earth’s Surface Controlled by Aurora**
- **21%**

**Number of Simulator Training Positions**
- **>1500**

**Average Revenue (FY16) Top 10 Contracts**
- **US$3.1M**
SALES BY PRODUCT CATEGORY

Percentage of Total Revenue FY2016

ATM SYSTEMS: 7%
SIMULATION SYSTEMS: 30%
ATM SERVICES: 30%
SIMULATION SERVICES: 33%
GROWTH STRATEGY

EXISTING CUSTOMERS
With over 340 installations, Adacel has a captive market for an ongoing series of new product sales as well as hardware and software upgrades. Customers can make direct contract awards.

NEW CUSTOMERS
Capture new customers through a strategy of best value pricing and technology advantages, resulting in a larger opportunity for services contracts and premium product upgrades.

SERVICES EXPANSION
Increase Simulation and ATM customers that lead to multi-year support. Leverage US government contract qualifications and experience to further expand into additional government services programs, e.g., CTC, SE2025

ACQUISITIONS
Objective to grow capabilities and addressable markets through acquisition of businesses with existing earnings
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