

A silhouette of a person holding a surfboard vertically, with their right arm extended pointing to the right. Several red, sharp, geometric shapes are layered over the image, creating a dynamic, abstract effect. The background is a blue sky with light clouds.

**ADACEL**

# **INVESTOR PRESENTATION**

**FISCAL YEAR ENDED 30 JUNE 2020**

# DISCLAIMER

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This document contains certain "forward-looking statements". Indications of, and guidance on, future earnings and financial position and performance, including Adacel's financial year 2020 outlook, are forward-looking statements, as are statements regarding Adacel's plans and strategies. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Adacel, which may cause actual results to differ materially from those expressed or implied in such statements. Adacel cannot give any assurance or guarantee that the assumptions upon which management based its forward-looking statements will prove to be correct or exhaustive, or that Adacel's business and operations will not be affected by other factors not currently foreseeable by management or beyond its control. Such forward-looking statements only speak as at the date of this document and Adacel assumes no obligation to update such information.

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# ADACEL AT A GLANCE

## A LEADER IN AIR TRAFFIC MANAGEMENT, SIMULATION & TRAINING SOLUTIONS

- Public company founded in 1987
- Offices in Canada, USA and Australia with a total of approximately 200 employees
- Air Traffic Management (ATM) and International Simulation & Training business located in Montreal, QC., Canada
- US Simulation & Training, along with customer support, located in Orlando, FL., USA
- We provide products and services to Air Navigation Service Providers, Defense & Government Organizations and Aviation Training Institutions in more than 40 countries worldwide

# FY 2020 - ADACEL KEY FIGURES

REVENUE **A\$39.7 million**

GROSS MARGIN **A\$14.0 million**

35.2% of revenues

EBITDA **A\$4.5 million**

NORMALISED EBITDA <sup>1</sup> **A\$7.1 million**

PROFIT BEFORE TAXES (PBT) **A\$2.2 million**

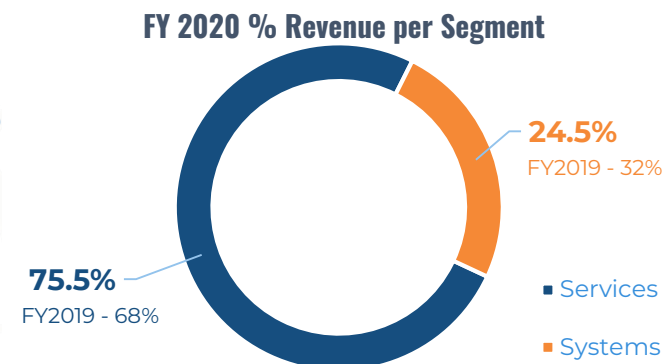
NORMALISED PBT <sup>1</sup> **A\$4.8 million**

12% of revenues

NET CASH **A\$5.2 million**

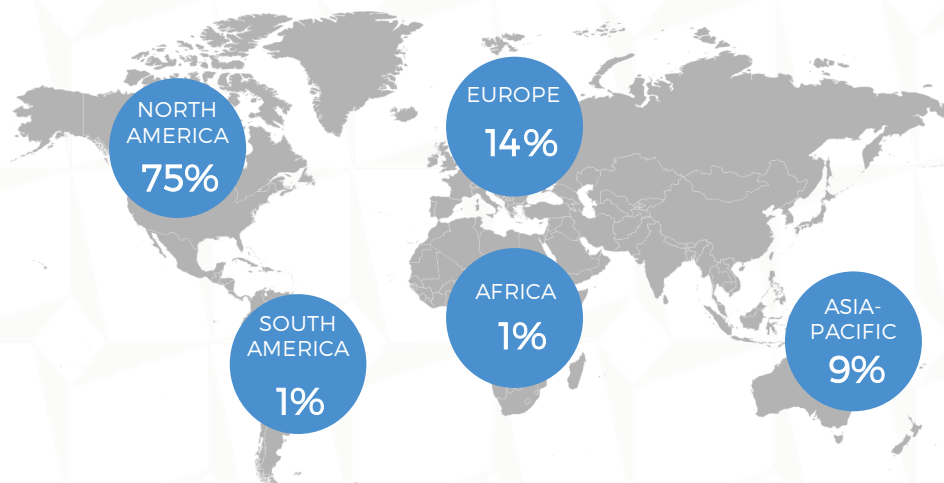
## TWO OPERATING SEGMENTS

(breakdown of sales by operating segment)



## DIVERSIFIED GEOGRAPHICAL PRESENCE

(breakdown of sales by geographic region)



Note 1 : Excludes non-recurring items include litigation and related costs (A\$2.4M) and the impact of the adoption of AASB 16 Leases (A\$0.2M).

# FY 2020 HIGHLIGHTS

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## A COMPLETE FINANCIAL TURNAROUND

### Services Segment

- Revenues from our FAA Advanced Technologies & Oceanic Procedures (“ATOP”) increased in FY2020
- Adacel’s relationship with USAF and RAAF continues to be strong and delivers recurring revenues on ATC military contracts

### Systems: Segment

- Aurora ATM deployed in Fiji – marking a new era for Aurora Tower and Approach
- Incremental orders of over \$2M in French Guyana to expand Aurora Tower and Approach functionalities
- New order for ATC Simulators from US Army will be delivered in FY2021



# FY 2020 HIGHLIGHTS

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## A COMPLETE FINANCIAL TURNAROUND

- Revenues of almost \$40M
- Gross Margin improvement to 35.2% of revenues compared to 26.7% last year
- Normalised PBT of \$4.8M or 12.1% of revenues
- Final dividend of 1.5 cents per share declared, unfranked

### Outlook

- Our earnings guidance for FY 2021 PBT is between \$6.3 million and \$6.8 million
- Assuming no further delays caused by COVID-19, almost 80% of FY2021 revenues are in backlog
- Excluding payment of future undeclared dividends, the Company is forecasting cash of approximately \$10 million at 30 June 2021

# ADACEL'S SOLUTIONS

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## INDUSTRY-LEADING. ADVANCED. AGILE



- Adacel's Aurora Air Traffic Management (ATM) system integrates oceanic, approach, and tower control capabilities, and it is a highly efficient and agile system for managing air traffic environment.
- The system's philosophy allows for optimal, fuel efficient routing with reduced separation.
- This approach delivers better airspace efficiency and gives controllers the tools they need to provide a higher level of service.

# ADACEL'S SOLUTIONS

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## INDUSTRY-LEADING. ADVANCED. AGILE



- MaxSim is the air traffic control (ATC) simulator and training system trusted by the FAA, NASA, the US Air Force, U.S. Department of Defense (DoD), FAA Collegiate Training Initiative (CTI) schools, civil airport authorities and foreign military departments all over the world, including Australia, Austria, Italy, Saudi Arabia, many countries in the Caribbean, and more.
- MaxSim delivers agile scalability, from a 360-degree set-up to a desktop or mobile system, making it quite affordable. The system also provides high accuracy and quality representation of airports and real-world aircraft characteristics, delivers an impressive range of simulation capabilities for air traffic controller training and enables our customers to easily customize their training lessons.



# SUPPORT SERVICES

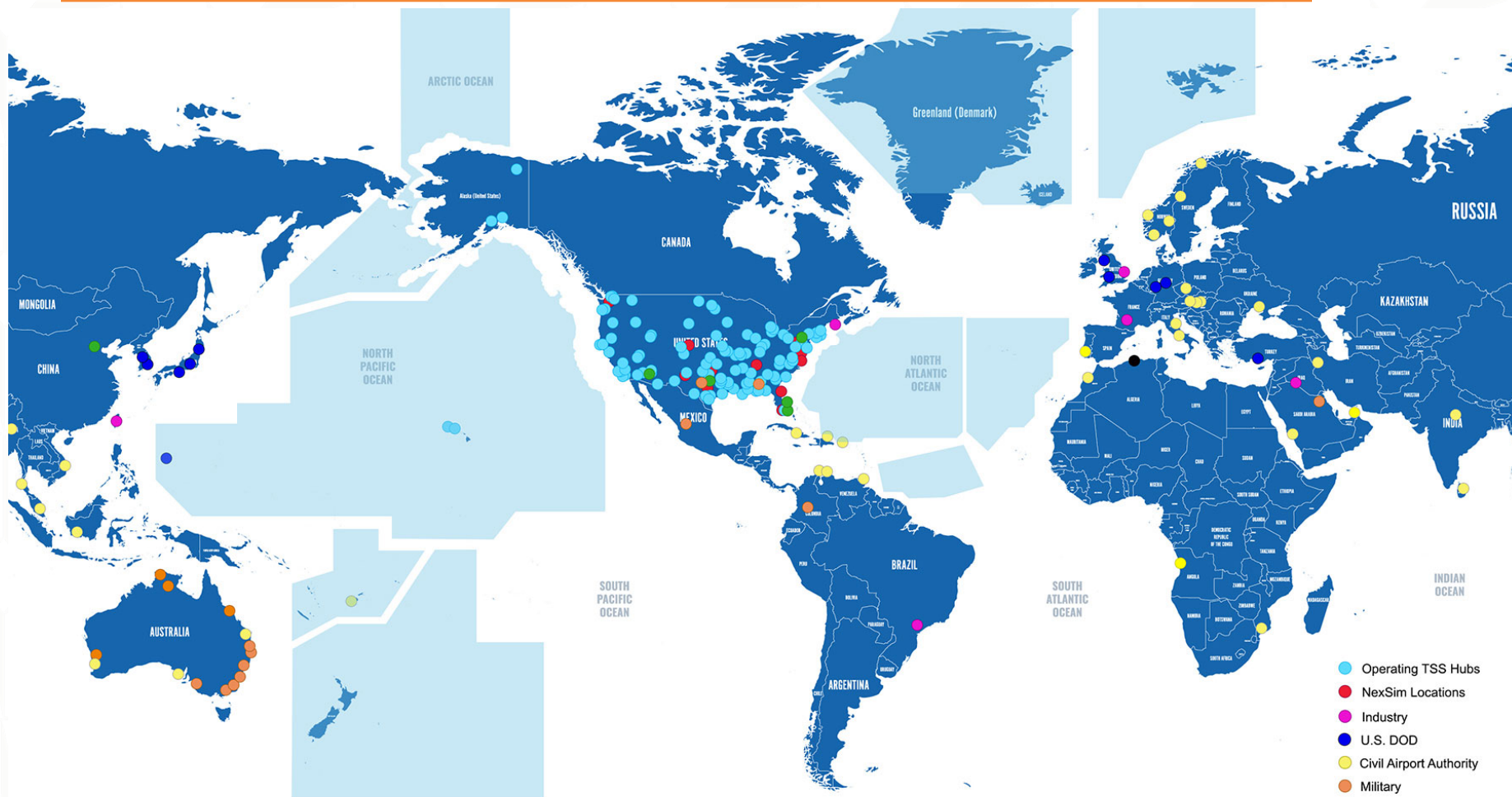
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## IN CLOSE PARTNERSHIP WITH OUR CUSTOMERS

- Conceptualization, development, and implementation of customers' training programs
- Training new and seasoned air traffic control specialists
- Ensure all ATC training materials meet the latest regulatory government guidelines
- Ongoing software and hardware support to ATM and ATC customers
- Field Service Representatives – as needed – deployed at customer locations



# GLOBAL PRESENCE



14 AURORA INSTALLATIONS | 370+ MAXSIM INSTALLATIONS | 250+ WORLDWIDE LOCATIONS | 40+ COUNTRIES

# **OUR PARTNERS AND CUSTOMERS**

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# INDUSTRY PARTNERSHIPS



# GOVERNMENT ORGANIZATIONS





# AIR NAVIGATION SERVICE PROVIDERS



Air Navigation Services  
of the Czech Republic



# ATC EDUCATIONAL ORGANIZATIONS



# CORPORATE OVERVIEW

## Appendix

ADA Price - Volume FY2020

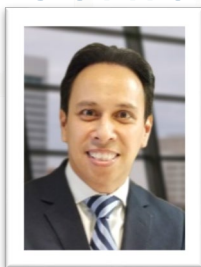


### CAPITAL STRUCTURE

Shares on issue	76.43m
Share price as of 13 August 2019	\$0.47
Share price as of 14 August 2020	\$0.55
Market Capitalisation	\$42 million
Net cash as of 30 June 2020	\$5.2 million
Final Dividend per share	1.5 cent per share

# MEET OUR TEAM

## Senior Management



**Daniel Verret**  
CEO



**Kevin Pickett**  
Vice President - Operations

## Board of Directors



**Michael McConnell, BA, MBA**  
Non-Executive Chairman



**Natalya Jurcheshin, B.Comm, CA**  
Non-Executive Director



**Peter Landos, BEco**  
Non-Executive Director



**Silvio Salom B Eng**  
Non-Executive Director



**Hasaka Martin**  
Company Secretary



# CONTACT US

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