Iteris Announces Acquisition of TrafficCast International, Inc.

December 7, 2020

SANTA ANA, Calif. – December 7, 2020 – Iteris, Inc. (NASDAQ: ITI), the global leader in smart mobility infrastructure management, today announced its acquisition of TrafficCast International, Inc. (TrafficCast), a privately held company headquartered in Madison, Wisconsin that provides travel information technology, applications and content to media, mobile technology, automotive and public sector customers throughout North America.

Under the terms of the purchase agreement, which closed on December 7, 2020, Iteris acquired TrafficCast for a total purchase price of $16.0 million to be paid in cash, with a $1.0 million earn-out over two years based on achievement of certain revenue targets. The agreement includes normal working capital and other adjustments. For the period ending September 30, 2020, TrafficCast recorded trailing 12-month revenue of $14.6 million and adjusted EBITDA of $1.2 million. Approximately 60% of the company's total sales is related to its software products and is reported as annual recurring revenue.

TrafficCast operates two lines of business – commercial and public sector – each of which contributes about 50% of total revenue. Its commercial line of business develops software that collects, filters, and models real-time traveler information and traffic incident data for global media companies and other commercial customers. Its public sector line of business provides sensors and related software that help state and local agencies measure, visualize, and manage traffic flow. The company's management team has deep experience in traffic management systems, traffic flow theory and probe data technologies, as well as mobile services, digital content and media marketing.

"We are excited to welcome TrafficCast to the Iteris family," said Joe Bergera, president and CEO of Iteris. "This acquisition further enhances Iteris' leadership in the smart mobility infrastructure management market and provides us a strategic position in related commercial markets. Additionally, TrafficCast's market-leading software and IoT devices, as well as its data ingestion, data science and analytics solutions, will enhance the capabilities of our ClearMobility™ Platform. Going forward, we plan to pursue additional acquisitions, like TrafficCast, that support our financial and strategic objectives."

"The entire TrafficCast management team is thrilled about the acquisition by Iteris, which is a recognized leader in the smart mobility infrastructure management market," said Al McGowan, CEO of TrafficCast. "As part of Iteris, TrafficCast's extensive traffic intelligence experience, as well as our comprehensive suite of traveler information and traffic incident products and software applications, will continue to improve the lives of travelers throughout North America."

Link to original press release:
https://www.iteris.com/news/iteris-announces-acquisition-trafficcast-international-inc