



**kapsch** >>>  
challenging limits

Kapsch TrafficCom

## **2<sup>nd</sup> Institutional Investors' Day.**

*Georg Kapsch, September 18, 2018.*

# Kapsch TrafficCom.

At a glance.



## Provider of Intelligent Transportation Systems

- Tolling  
(Electronic Toll Collection – ETC)
- Mobility  
(Intelligent Mobility Solutions – IMS)



## Solid financial parameter

- Revenues ~EUR 700mn
- Sustainable dividend policy: Base dividend of EUR 1,--

## Global player

- More than 5,200 employees
- Presence in >30 countries
- References in >50 countries



## Listed at Vienna Stock Exchange

- IPO in 2007
- Free float 36.7%



# Corporate milestones.

125 years in the ever-changing electronic industry.

**1892**

Kapsch founded

**1995**

Contract for the realization of the nationwide Ecopoint System, the world's 1st emissions-based TMS

**2002**

Kapsch Aktiengesellschaft restructured in:

- Kapsch TrafficCom
- Kapsch BusinessCom
- Kapsch CarrierCom

**2007**

IPO of Kapsch TrafficCom

Nation-wide ETC system in Czech Republic goes into operation

**1991**

Toll collection division within Kapsch Aktiengesellschaft

**1999**

Launch of world's 1st MLFF ETC system for an urban motorway on Melbourne City Link in Australia.

**2004**

Austria introduces the national truck road user charging system: the worldwide 1st nationwide multi-lane free-flow system on major highways

# Since the IPO, the company developed well.

*Kapsch TrafficCom – continuously reducing the risk profile.*

## 2007/08 (IPO)

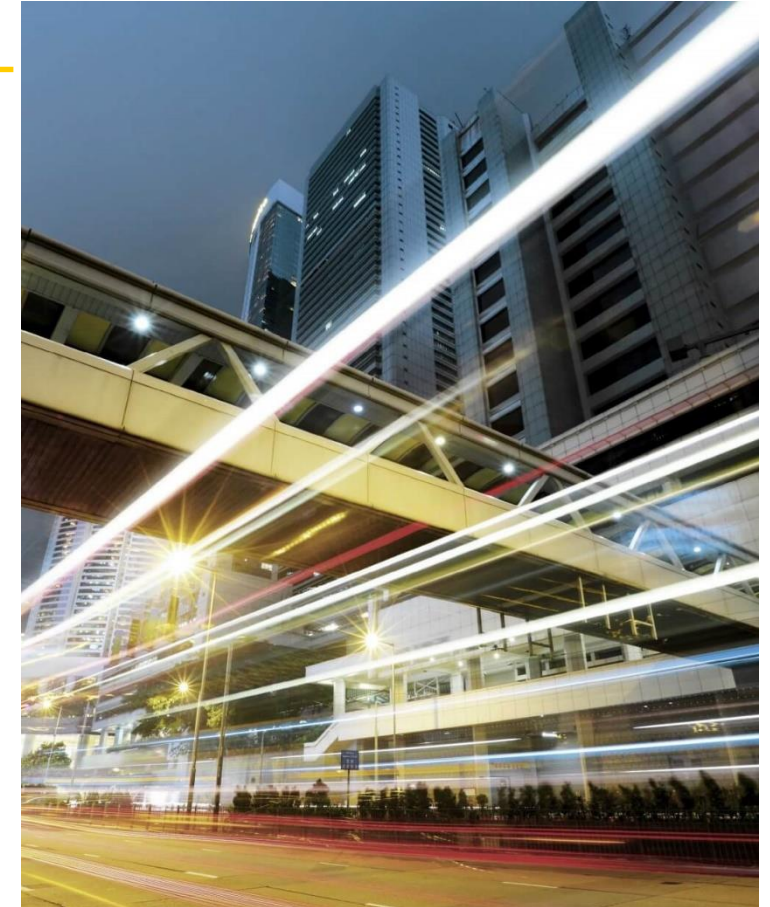
- > Mainly tolling business
- > Only a few customers
- > Very limited traffic management activities
- > Business in Europe and Australia

## 2012/13

- > Mainly tolling business
- > Strong ETC growth driven by a few large-scale customers
- > Little non-ETC business
- > In total <200 customer projects
- > Growing share of business in the Americas

## 2017/18

- > Mainly tolling business
- > Customer base significantly diversified (also within ETC)
- > Non-ETC portfolio massively expanded
- > ETC still the growth driver but non-ETC business gains relevance
- > In total >1,000 customer projects
- > Global player



# Broaden the horizon to understand what's coming up.

*Willingness and courage to live with change.*

## Technology

- > Internet of Things (IoT)
- > Big data



**Consumer electronics**

**Automotive industry**

## ITS industry

Relevant developments do not only happen in our industry but can emerge in adjacent markets.

Being on the pulse of new technologies and their potential fields of application helps drive the market and protect the core business.

**Telecommunications**

# Portfolio of solutions.

Integrated mobility solutions provider – financial segmentation.



## Tolling (ETC)

<b>Electronic toll collection</b> <ul style="list-style-type: none"><li>&gt; Multi-lane free-flow</li><li>&gt; Managed lanes (tolled)</li><li>&gt; Mobile tolling</li><li>&gt; eVignette</li></ul>	<b>Plaza tolling</b> <ul style="list-style-type: none"><li>&gt; Stand-alone manually operated tolling plazas</li><li>&gt; Plaza tolling systems combined with electronic toll collection</li></ul>
<b>City tolling</b> <ul style="list-style-type: none"><li>&gt; Static city toll</li><li>&gt; Situation-dependent road pricing</li></ul>	<b>Tolling services</b> <ul style="list-style-type: none"><li>&gt; European Electronic Toll Service (EETS)</li><li>&gt; Tolling services for passenger cars</li></ul>

Revenues 2017/18: EUR 522 million, i.e. 75%

## Intelligent Mobility Solutions (IMS)

<b>Traffic management</b> <ul style="list-style-type: none"><li>&gt; Highway traffic management</li><li>&gt; Urban traffic management</li><li>&gt; Managed lanes</li><li>&gt; Tunnels and bridges</li></ul>	<b>Traffic safety &amp; security</b> <ul style="list-style-type: none"><li>&gt; Road safety enforcement</li><li>&gt; Commercial vehicle enforcement</li><li>&gt; Electronic vehicle registration</li></ul>
<b>Connected vehicles</b> <ul style="list-style-type: none"><li>&gt; V2X-automotive</li><li>&gt; V2X-infrastructure</li><li>&gt; Connected mobility</li></ul>	<b>Smart urban mobility</b> <ul style="list-style-type: none"><li>&gt; Access management</li><li>&gt; Smart parking</li><li>&gt; Intermodal mobility</li></ul>

Revenues 2017/18: EUR 172 million, i.e. 25%

# Global ITS market.

From ITS to integrated mobility services.

## Phase 1

## Phase 2

## Phase 3

### Benefits:

Decreasing deployment and operations costs, increasing functionality and new type of smart mobility applications



- > Loose integration of applications (e.g. data exchange between back office systems)
- > Sharing of roadside infrastructure for multiple applications
- > Multiple in-vehicle devices (each for a dedicated application)



- > Tight integration of applications
- > Multi-purpose roadside stations
- > Reduced number of in-vehicle devices (first multi-application devices)



- > Next generation intelligent mobility solutions
- > Single fully integrated mobility services platform (multi-application back office)
- > Multi-purpose roadside stations
- > Open in-vehicle application platforms for connected vehicles & smart phones as end-devices.

# From tolling to intelligent mobility solutions.

Kapsch TrafficCom – shaping its future.



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New customers

New solutions

New business models

Operational excellence

## In the 2020s

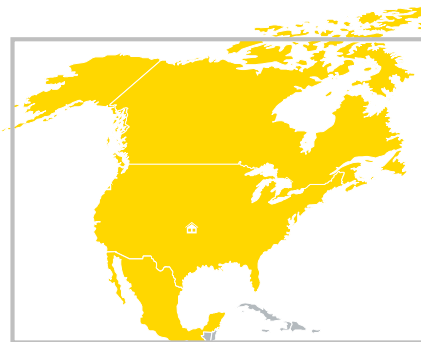
- > ETC and traffic management business expand further
- > Intelligent mobility solutions, e.g.
  - Smart urban mobility
  - Connected vehiclesgrow rapidly and represent a substantial part of the business



# Business opportunities around the globe.

## North America

Number and volume of tenders at a high level



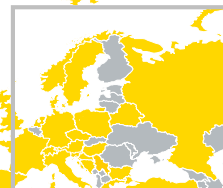
## Central & South America

Predominantly small projects



## Europe

Major tenders to be decided soon.  
Large contracts expire.



## Africa

Further potential based on experience in Zambia (IMS).



## APAC

- > Secure strong position in some markets.
- > Significant market potential in the long run.





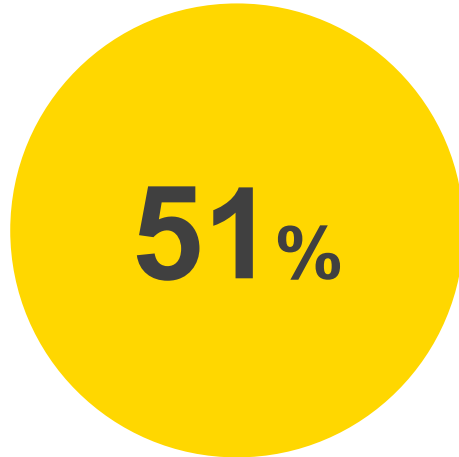
***The  
North American market.***

# Strong growth within the largest ITS market.

Organic growth and M&A.



Revenues  
CAGR 2013-2018



# projects  
CAGR 2013-2018



Acquisitions  
since 2013

- 2014: Transdyn
- 2015: Streetline
- 2016: KTT
- 2017: Simex

## Revenues in North America

2013: EUR 22 million

2018: EUR 175 million in 2018

## Number of projects in North America

2013: 9

2018: 480

Already 35  
project wins  
in FY 2018/19

# Organization in North America.

At a glance.

## Locations

19 offices across the United States, Canada, and Puerto Rico



Office	Staff
Ames, IA	14
Austin, TX	151
Chantilly, VA	22
Duluth, GA	85
Guaynabo, Puerto Rico	5
Irving, TX	16
Jeffersonville, IN	5
Kansas City, MO	15
Lake Katrine, NY	24
Long Island City, NY	69

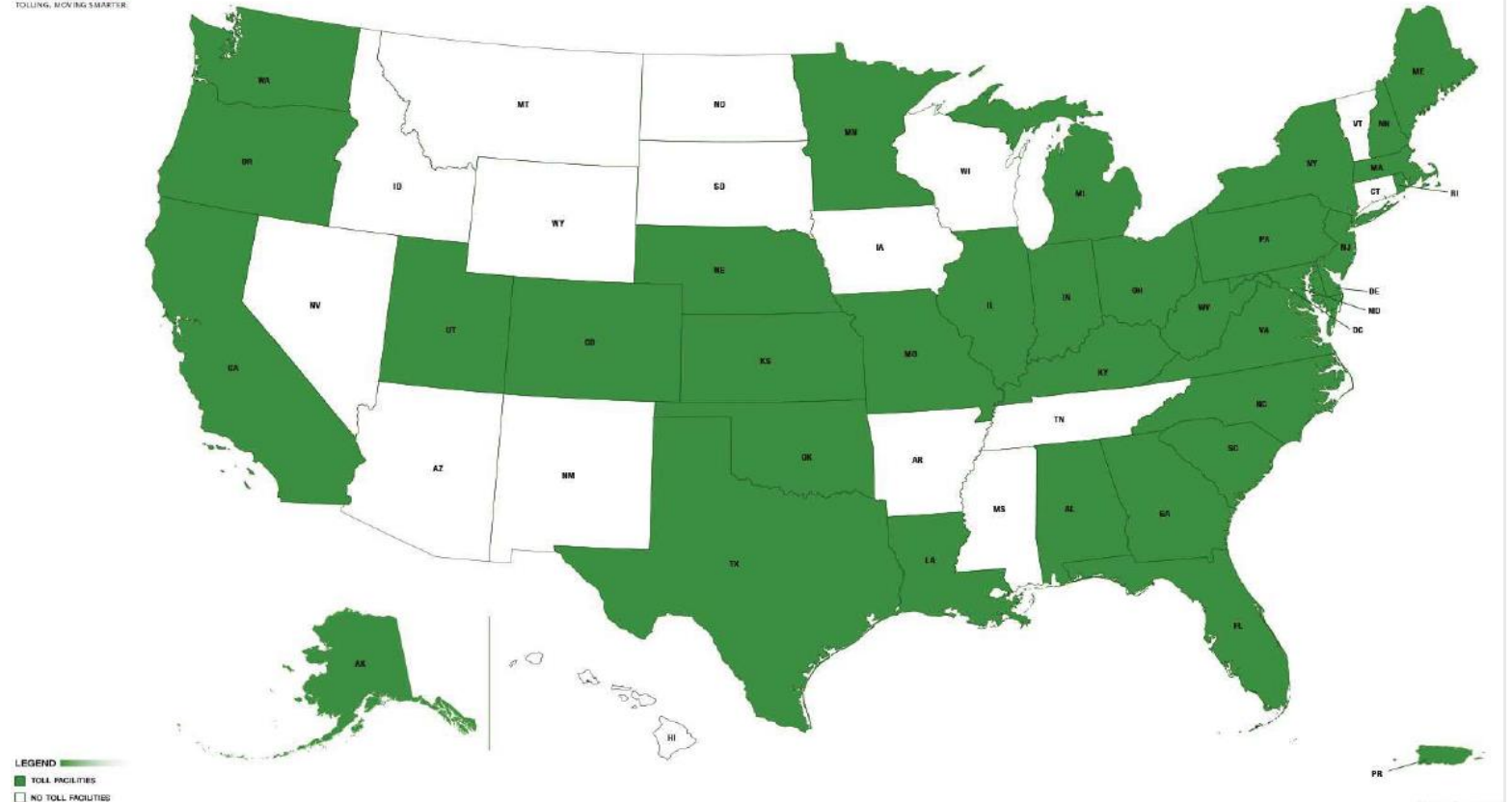
Office	Staff
McLean, VA	35
Memphis, TN	2
Mississauga, Ontario	113
Orlando, FL	37
Pleasanton, CA	43
Rochester, NY	9
Rockville, MD	51
Secacus, NJ	29
Syracuse, NY	7
<b>Approx. # Employees</b>	<b>732</b>

# Characteristics of the US tolling market.

- > 35 states have toll roads and crossings
- > 330+ toll facilities
- > 5,880+ miles of toll roads
- > Compared to Europe:
  - Larger number of smaller contracts
  - Priced managed lanes popular (HOV, HOT), 100 miles of priced managed lanes (number increasing)
- > Need of toll income because
  - Road infrastructure needs to be refurbished
  - Large number of PPP
- > Restrictions regarding tolling of interstate highways will be eased

35 STATES AND TERRITORIES IN THE U.S. WITH TOLLED FACILITIES

**IBTTA**  
TOLLING. MOVING SMARTER.



# Overview: Major project.

*Tolling in Maryland (USA).*

## About the project

- > Contract to replace and maintain all roadside tolling equipment in the mixed-mode, cash, and express toll lanes under management of the Maryland Transportation Authority.
- > The new roadside equipment will include:
  - RFID toll readers.
  - Automated license plate recognition (ALPR) cameras.
  - Scanners in the mixed-mode lanes.
  - Stereoscopic Vehicle Detection and Classification sensors.
- > Term: Start in February 2018,
  - Replacement of all toll equipment by 2020,
  - 6 years of subsequent technical operation as well as the option to extend the contract for additional 4 years.
- > Total revenues of more than EUR 55 million.



# Overview: Major project.

Port Authority of New York and New Jersey (USA).

## About the projects

### 1. Tolling (2016)

- > Replace the toll collection system at all bridges and tunnels and ongoing system maintenance.
- > Term: Upon completion, maintenance for a 6-year period, with options to extend for up to three 2-year periods.
- > Potential total revenues >EUR 100 million.

### 2. Traffic Management (2017)

- > Design and install an Agency-Wide Advanced Transportation Management Software (ATMS).
- > Term: 4-year base term followed by two additional 1-year optional support periods.
- > Total revenues >EUR 8 million.



## *We make traffic solutions intelligent.*

*Why is this so important to us?*

- ❖ *Because we want you to reach your destination quickly, comfortably, and safely.*
- ❖ *Because we want to enable our customers to provide the very best service at a low cost.*
- ❖ *Because we want to protect the environment.*



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for your attention.***

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