



kapsch >>>
challenging limits

Kapsch TrafficCom

Investor Presentation.

June 2017.

Kapsch.

KTC: Leading entity of the Kapsch Group.

- Kapsch founded in Vienna in 1892
- Electronic industry
- Strong brand in Austria
- Three key entities
 - Kapsch TrafficCom - KTC
(Intelligent Transportation Systems)
 - Kapsch BusinessCom
(ICT solutions for enterprises)
 - Kapsch CarrierCom
(Telematics and telecommunications solutions for rail and urban public transport operators, carrier networks and energy supply companies)
- Family owned Group (only KTC listed)
- Group revenues >EUR 1bn



KTC: Tradition meets Future.

125 years in the ever-changing technology industry are a proof of the sustainable business approach and the entrepreneurial spirit within the family-owned Kapsch Group.

This, together with the professionalism, structures and transparency required from a listed company, are key success factors for Kapsch TrafficCom.

Kapsch TrafficCom.

At a glance.



Provider of Intelligent Transportation Systems

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



Solid financials

- ❖ Revenues ~EUR 650mn
- ❖ Sustainable dividend policy:
Base dividend of EUR 1,--

Global player

- ❖ More than 4,800 employees
- ❖ Presence in >30 countries
- ❖ References in >50 countries



Listed at Vienna Stock Exchange

- ❖ Market cap >EUR 600mn
- ❖ Free float 28.5%



Strategy.

Profitable and sustainable growth.

Top-line growth

- ❖ Secure and expand the toll collection business
- ❖ Reduce the cluster risk
- ❖ Growth resulting from a broad range
- ❖ Growth in existing and new markets
- ❖ Acquisitions

> Revenues to increase in both segments, with higher rates of growth for IMS.

Profitability

Price pressure in ETC:

- ❖ Larger number of smaller projects with lower profitability
 - ❖ Current and upcoming large tenders – price pressure
- EBIT margin in IMS to gradually improve:
- ❖ Non-recurring nature of costs for the integration of KTT
 - ❖ After KTT integration: better positioning, higher efficiency
 - ❖ Synergies between KTT and Kapsch TrafficCom

> EBIT margin in ETC comfortably >10%.
> In the medium term IMS EBIT margin of about 8% seems possible.
> Group EBIT margin of 10% (mid term).

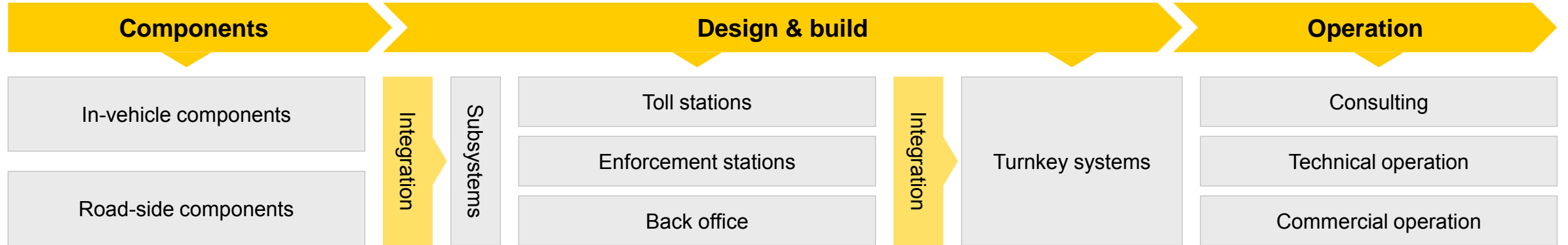
Sustainability

- ❖ Long-term & sustainable management: 125 years of history
- ❖ Sustainable business model
- ❖ Innovation: open approach
- ❖ Patents
- ❖ Employees: lifelong learning
- ❖ Working environment
- ❖ Engaging with stakeholder groups

> R&D and innovation with open approach.
> Engagement with stakeholder groups.

Business model.

One-stop-shop.



End-to-end solutions as a one-stop shop

In-vehicle components



On-board units (OBUs)



Programming station

Transceivers & readers



Transceiver Mobile reader



Reader

Cameras & sensors



Vehicle detection Vehicle registration



Vehicle classification

Toll & enforcement station



Stationary enforcement



Mobile enforcement

Back office



Portfolio.

Integrated mobility solutions provider

Tolling (ETC)

Intelligent Mobility Solutions (IMS)

Tolling solutions



Electronic Toll Collection
Multilane free flow, managed lanes, mobile tolling, eVignette

City tolling

Plaza tolling

Tolling services



Trans-European tolling services

Highway



Traffic management (TM)
Highway TM, managed lanes, tunnels and bridges

Traffic safety
Electronic vehicle registration, commercial vehicle enforcement

Connected vehicles
V2X-automotive, V2X-infrastructure, connected services

City



Traffic management (TM)
Urban TM, corridor management, access management

Smart parking

Integrated mobility

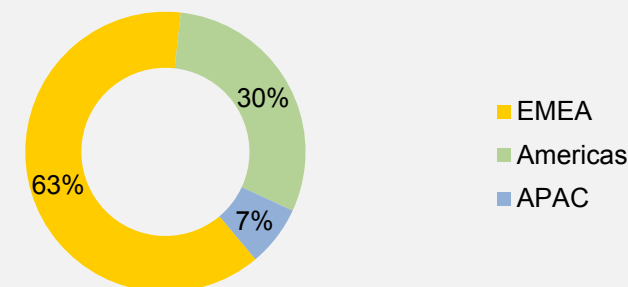
Financials.

Earnings overview.

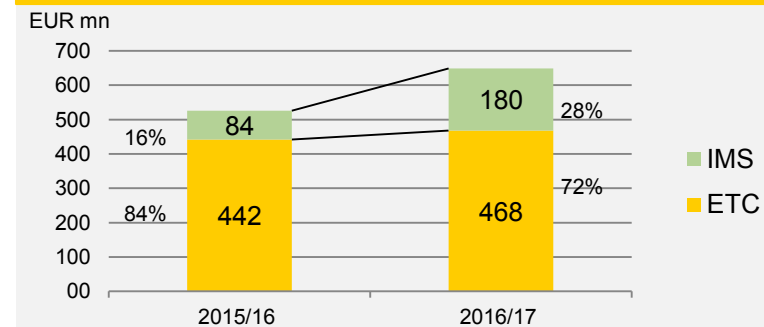


All figures in EUR mn unless otherwise stated	2016/17	+/-	2015/16	2014/15
Revenues	648.5	23%	526.1	456.4
EBITDA	77.8	1%	76.9	61.5
<i>EBITDA margin</i>	12.0%	-3%p	14.6%	13.5%
EBIT	60.1	-4%	62.3	32.7
<i>EBIT margin</i>	9.3%	-3%p	11.9%	7.2%
Profit before tax (PBT)	60.6	11%	54.8	19.9
Profit for the period	42.7	17%	36.5	11.4
Profit for the period attributable to equity holders	43.6	40%	31.1	3.6
Earnings per share (EPS) in EUR	3.4	40%	2.4	0.3

Revenues by Region FY 2016/17

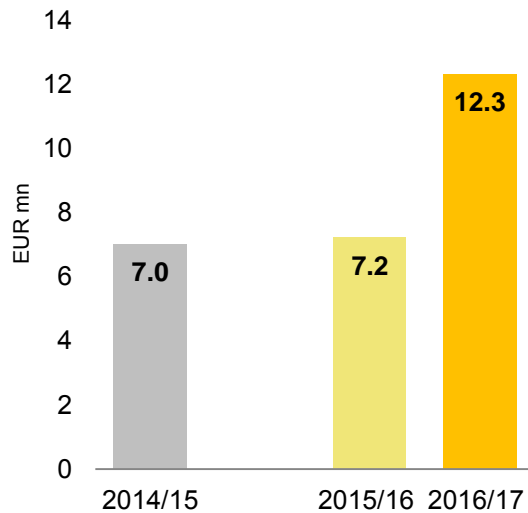


Revenues by Segment FY 2016/17



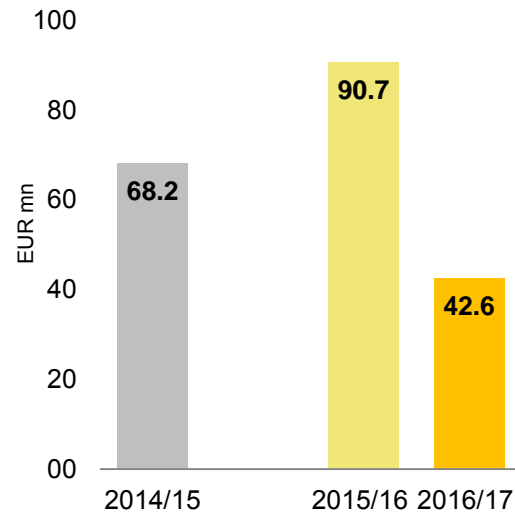
Other key financials.

Net investments



The growth of net investments to EUR 12.3mn resulted primarily from the acquisition and integration of KTT.

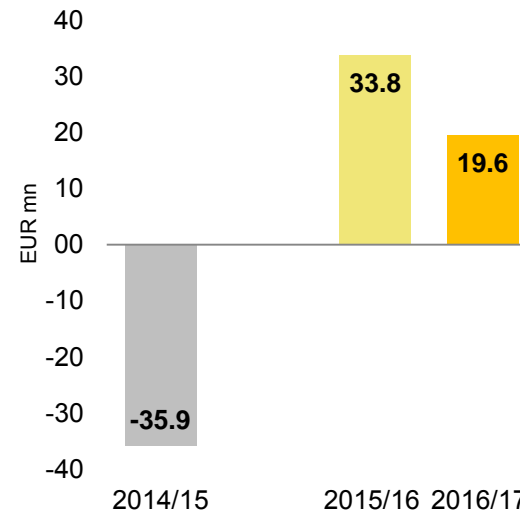
Free cash flow



Free cash flow was again positive at EUR 42.6mn, but was below the 2015/16 value of EUR 90.7mn. Main reasons:

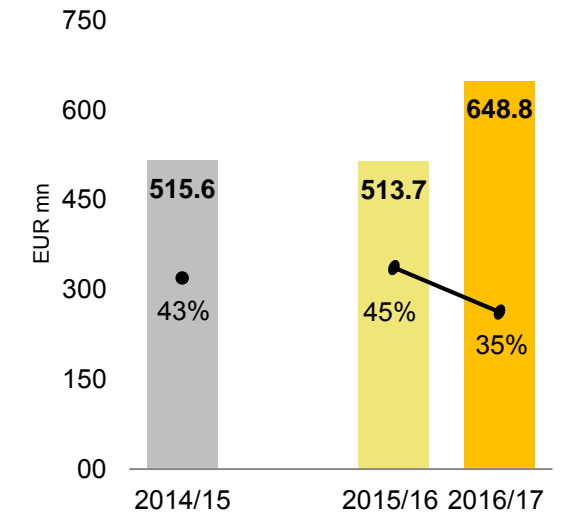
- > working capital
- > higher net investments

Net credit/debt



In spite of several acquisitions and the payment of dividends, Kapsch TrafficCom was able to conclude the fiscal year with a net credit (EUR 19.6mn).

Balance sheet total and equity ratio



The assumption of a promissory note bond (balance sheet extension), acquisitions (effect in equity) and dividend payment led to a reduction of the equity ratio to 35%.

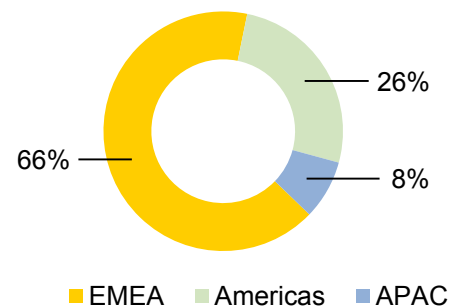
Segment results.

Revenue share of IMS increased from 16.0% to 27.8%.

ETC

All figures in EUR mn unless otherwise stated	2016/17	+/-	2015/16
Revenues	468.4	6.0%	442.1
EBIT	65.5 ¹⁾	2.8%	63.7
<i>EBIT margin</i>	14.0%	-0.4%p	14.4 %

ETC revenues

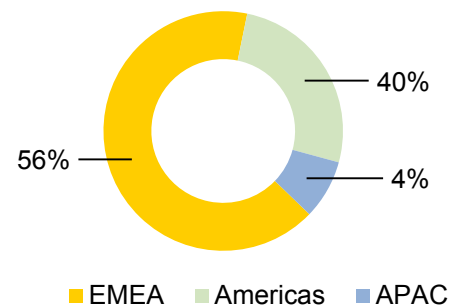


All figures in EUR mn unless otherwise stated	2016/17	+/-	2015/16
Design & build	96.9	5.0%	92.3
Operations	269.0	6.7%	252.1
Components	102.6	5.0%	97.7

IMS

All figures in EUR mn unless otherwise stated	2016/17	+/-	2015/16
Revenues	180.0	114.4%	84.0
EBIT	-5.4 ²⁾	-308.9%	-1.3
<i>EBIT margin</i>	-3.0%	-1.4%p	-1.6%

IMS revenues



All figures in EUR mn unless otherwise stated	2016/17	+/-	2015/16
Design & build	75.3	108.5%	36.1
Operations	92.6	186.8%	32.3
Components	12.1	-22.2%	15.6

1) Includes badwill of EUR 0.9 million

2) Includes badwill of EUR 2.1 million

Outlook.

FY 2017/18.

> Continue to grow the top line

▪ ETC

- Good potential in the USA
- Hope for greater momentum in Asia
- In EMEA, focus on nation-wide toll collection systems, e.g. in Poland, the Czech Republic and Bulgaria

▪ IMS

- As KTT integration has been completed, stronger focus on sales
- Greatest attention to the CHARM project
- Matrix organization should improve cooperation between the Regions and the Solution Centers as well as with customers

> Profitability: no great leaps in terms of EBIT

- Price effects from secured projects in Czech Republic and Austria
- IMS should achieve a positive EBIT
- Legal expenses from IP-related dispute with a competitor in the US

> Balance sheet

- Repayment of the corporate bond will influence both financial results and equity ratio

Outlook.

Beyond FY 2017/18.

- > Revenue should increase in both segments, with higher rates of growth for IMS
 - Further expansion of the toll collection business
 - Reducing the cluster risk – growing the portfolio of smaller contracts
 - Growth resulting from a broad range
 - Growth in existing and new markets
 - Acquisitions
- > Falling EBIT margin in ETC, however it will continue to be comfortably higher than 10%
 - Larger number of smaller projects. They tend to have lower profitability compared with large ones because they lack scaling effects
 - Price pressure is to be anticipated for current and upcoming tenders for large projects
- > EBIT margin in IMS to gradually improve; first achieve a balanced result, in the medium term an EBIT margin of about 8% seems possible
 - (Almost) non-recurring nature of costs for the integration of KTT taken over in 2016
 - Better positioning and more efficient processes following the integration
 - Synergies between KTT and Kapsch TrafficCom in both customer acquisition as well as in terms of costs
- > Mid-term EBIT margin for the Group of about 10%

USP.

What makes Kapsch TrafficCom unique?

- > Ability to develop tailored solutions – proven track record
- > Close to our customers
- > Domain know-how
- > Integrated, one-stop-shop
- > Global player
 - Best practice
 - Risk diversification
- > A leading position in our core business
- > Size and financial stability
- > Listed (transparency, access to capital)
- > No principal-agent-conflict as one main shareholder is the CEO
 - Long-term view; sustainable measures not sacrificed for short-term profits



Kapsch TrafficCom share.

ISIN: AT000KAPSCH9

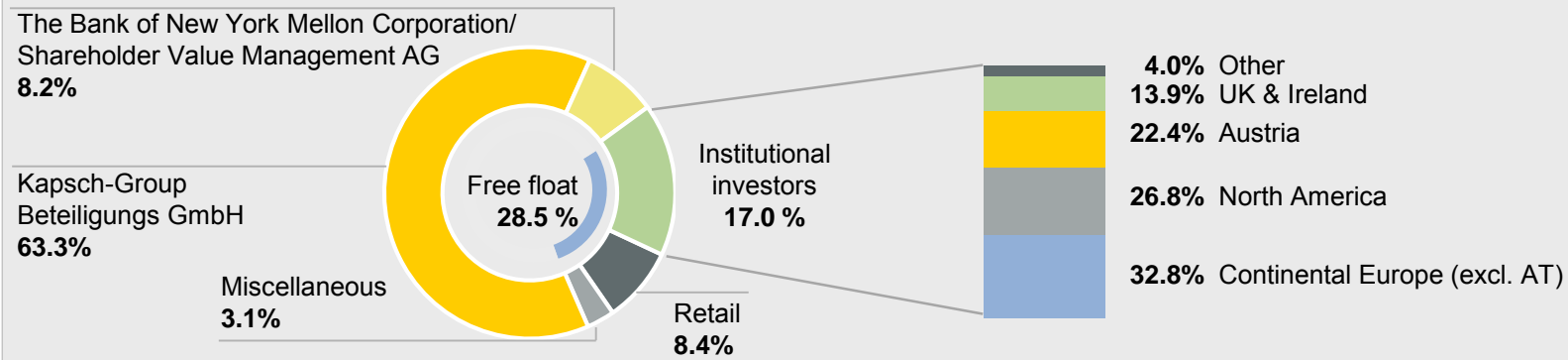
Stock Ticker Symbol: KTCG

Reuters: KTCG.VI

Bloomberg: KTCG AV

Shareholder Structure

Institutional Investors by Region



Basic Information

- > Listed in Prime Market segment at the Vienna Stock Exchange since 2007
- > 13 million shares
- > Market cap: >EUR 600mn
- > Coverage by: Kepler Cheuvreux, RCB, Erste Group, Matelan

Select Events

Aug 27, 2017	Record date AGM
Aug 30, 2017	Results Q1 2017/18
Sep 6, 2017	AGM
Sep 13, 2017	Record date - dividend

Disclaimer.

This presentation is made by Kapsch TrafficCom AG (“Kapsch TrafficCom”) solely for use at this presentation. It is furnished to you solely for your information and its content may not be copied, distributed, disclosed or otherwise be made available, directly or indirectly, to any other person by any recipient, or published, in whole or in part, for any purpose.

The facts and information contained herein are as up to date as is reasonably possible and are subject to revision in the future. Neither Kapsch TrafficCom nor any of its respective directors, officers, employees or advisors nor any other person makes any representation or warranty, express or implied, as to the accuracy, completeness or fairness of the information or opinions contained in this presentation. Neither Kapsch TrafficCom nor any of its respective directors, officers, employees and advisors nor any other person shall have any liability whatsoever for loss howsoever arising, directly or indirectly, from any use of this presentation.

Whilst all reasonable care has been taken to ensure that the facts stated herein are accurate and that the opinions contained herein are fair and reasonable, this document is selective in nature and is intended to provide an introduction to, and overview of, the business of Kapsch TrafficCom. Where any information and statistics are quoted from any external source, such information or statistics should not be interpreted as having been adopted or endorsed by Kapsch TrafficCom as being accurate. We have not independently verified market data provided by third parties or industry or general publications.

This presentation contains forward-looking statements, based on the beliefs and assumptions currently held by the management of Kapsch TrafficCom, which are expressed in good faith and are in its opinion, reasonable. These statements may be identified by words such as “expectation” or “target” and similar expressions, or by their context. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause actual results, financial condition, performance, or achievements of Kapsch TrafficCom, or results of our industry generally, to differ materially from the results, financial condition, performance or achievements expressed or implied by such forward-looking statements.

Given these risks, uncertainties and other factors, recipients of this document are cautioned not to place undue reliance on these forward-looking statements. Kapsch TrafficCom disclaims any obligation to update these forward-looking statements to reflect future events or developments.

This presentation does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities of Kapsch TrafficCom in any jurisdiction in which such solicitation, offer or sale would be unlawful, nor shall part, or all, of this presentation form the basis of, or be relied on in connection with, any contract or investment decision in relation to any securities. Any such offers will only be made when a prospectus is published.

This document is directed only at persons (i) who are outside the United Kingdom or (ii) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the “Order”) or (iii) who fall within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations etc.”) of the Order (all such persons together being referred to as “Relevant Persons”). Any person who is not a Relevant Person must not act or rely on this presentation or any of its contents. Any investment or investment activity to which this presentation relates is available only to Relevant Persons and will be engaged in only with Relevant Persons.

The shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or any U.S. state securities law.

The distribution of this presentation in other jurisdictions may be restricted by law and persons into whose possession this presentation comes should inform themselves about, and observe, any such restrictions. By accepting this presentation you agree to be bound by the foregoing instructions and restrictions.



***Thank you
for your attention.***

Hans Lang

Investor Relations Officer

Kapsch TrafficCom

Kapsch TrafficCom AG

Am Europlatz 2

1120 Vienna, Austria

Phone: +43 50 811 1122

E-Mail: hans.lang@kapsch.net

www.kapsch.net

Please Note:

The content of this presentation is the intellectual property of Kapsch AG and all rights are reserved with respect to the copying, reproduction, alteration, utilization, disclosure or transfer of such content to third parties. The foregoing is strictly prohibited without the prior written authorization of Kapsch TrafficCom AG. Product and company names may be registered brand names or protected trademarks of third parties and are only used herein for the sake of clarification and to the advantage of the respective legal owner without the intention of infringing proprietary rights.



Appendix.

Competition.

Overview.

Tolling



ETC

T-Systems | Autostrade
Q-Free | TransCore | emovis

City Tolling

Q-Free | MHI | IBM
Cubic | Siemens

Plaza Tolling

Tescidel | TransCore
G.E.A. | Indra | SICE

Traffic Management



Highway

Delcan | Q-Free | SwRI
TransCore | Siemens

Managed Lanes

Delcan | Xerox | SICE
Q-Free | TransCore

Tunnel & Bridges

SICE | Delcan | Dynniq
Telegra | IBI Group

Smart Urban Mobility



Smart Parking

IPS Group | Worldensing
Smart Parking Inrix | Xerox

Urban Traffic Management

Eagle | ISwarco | SICE
Econolite | Dynniq

Intermodal Mobility

HaCon | Xerox | Moovel
Cubic | Siemens

Safety & Security



Road Safety Enforcement

Redflex | Jenoptik | Sensys
Gatso | Vitronic | Redspeed

Commercial Vehicle Enforcement

IRD | Xerox | Mettler Toledo
Drivewyze (IMS) | Iteris

Electronic Vehicle Registration

3M | UTI | Neology
TransCore | Q-Free

Connected Cars



V2X Automotive

Delphi | Denso | Continental
LG Electronics | Bosch

V2X Infrastructure

Cohda | Savari | Neavia
Arada | Dynniq

Connected Services

n.a.

Consolidation of Kapsch TrafficCom Transportation.


Impact on FY 2016/17 results.

Impact on the P&L

Revenues	EUR +112.8mn
thereof ETC	EUR +21.8mn
thereof IMS	EUR +91.0mn
EBIT	EUR -2.3mn
thereof ETC	EUR 1.6mn
thereof IMS	EUR -4.0mn

Impact on the balance sheet*

Property, plant & equipment	EUR	0.7mn
Intangible assets	EUR	9.0mn
Other non-current assets	EUR	0.9mn
Inventories	EUR	1.7mn
Receivables & other current assets	EUR	61.0mn
Cash & cash equivalents	EUR	9.2mn
Liabilities, other liabilities & deferred income	EUR	-48.5mn
Net assets acquired (provisionally)	EUR	34.1mn

 Purchase price: EUR 31.1mn
Difference to net assets
acquired (badwill): EUR 3.0mn

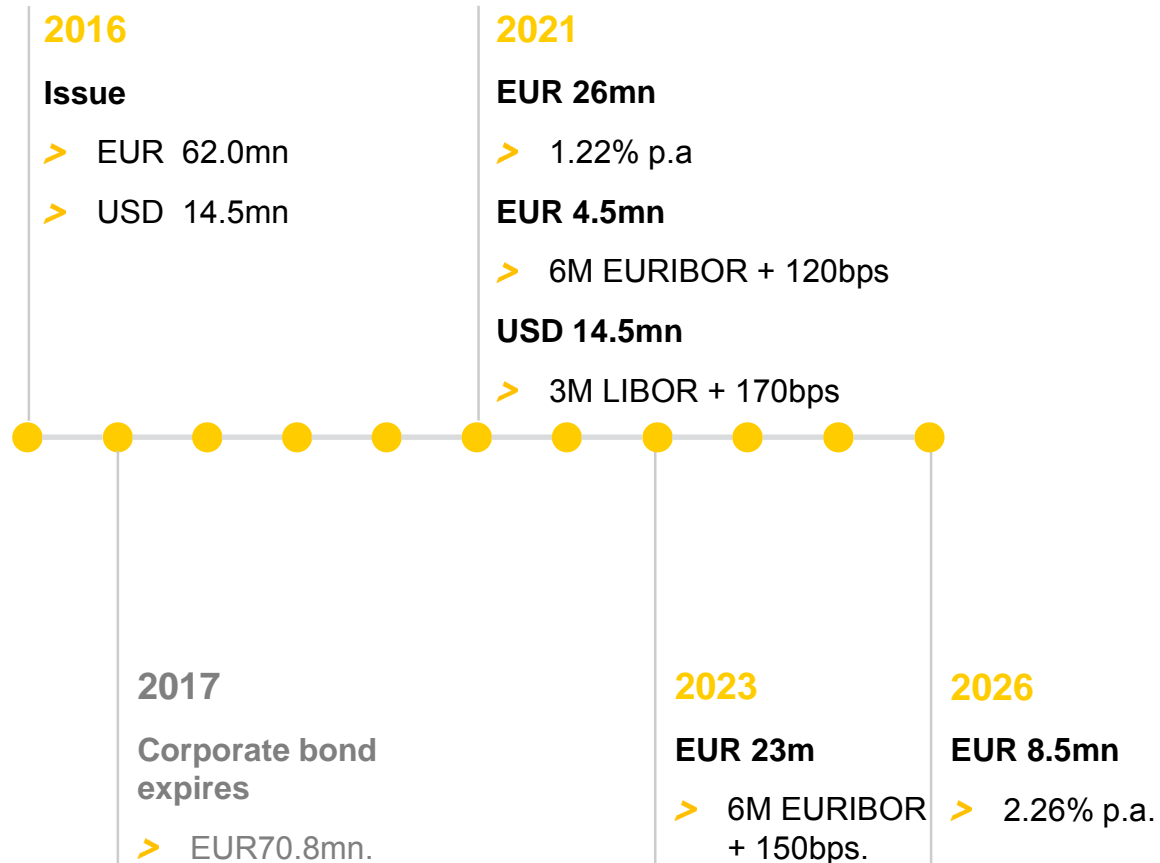
* After concluded purchase price allocation.

Other

- > Number of KTC Group employees up by approximately 900.
- > KTC is now in the top segment of toll solution providers in the U.S.A.
- > Strategic jump from the highways into the cities.
- > KTC has become a leading, globally active full-service provider.
- > Integration costs weigh on KTC's profitability.
- > Integration completed FY 2016/17.

Promissory note bond.

Successful Issue.



Corner Stones of the Transaction

- > Volume: EUR 62mn + USD 14.5mn
- > 3 tenors (5/7/10 years)
- > Partially fixed interest, partially variable
- > Rationale:
 - Diversified investor base
 - Optimized financing structure
 - Refinancing of corporate bond (EUR 70.8mn outstanding) maturing in November 2017
 - Can be repaid early; higher flexibility
- > Extending effect on balance sheet (increase in cash and cash equivalents as well as in non-current financial liabilities)

Corporate milestones.

125 years in the ever-changing electronic industry.

1892

Kapsch founded

- Morse telegraph devices
- Telephones
- Capacitors and dry batteries
- Radios
- TVs (black & white, later color)
- Telecom networks (analog, later digital)
- Portable radios
- Mobile phones

1991

Toll collection division within Kapsch AG

2002

Activities structured in three autonomous organizations:

- Kapsch TrafficCom
- Kapsch BusinessCom
- Kapsch CarrierCom

2007

IPO of Kapsch TrafficCom

2011

Capital increase

2016

Acquisition of KTT (Schneider Electric Transportation Business)

1995

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

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

2007

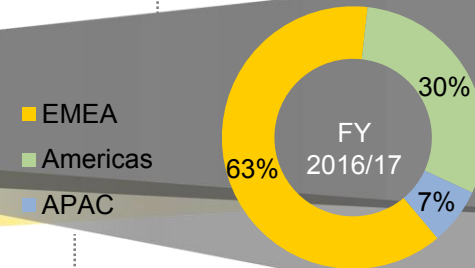
Nationwide ETC system in Czech Republic goes into operation

2010

Contract for implementation and operation of nationwide tolling system in Poland

2012

Contract for implementation and operation of nationwide tolling system in Belarus



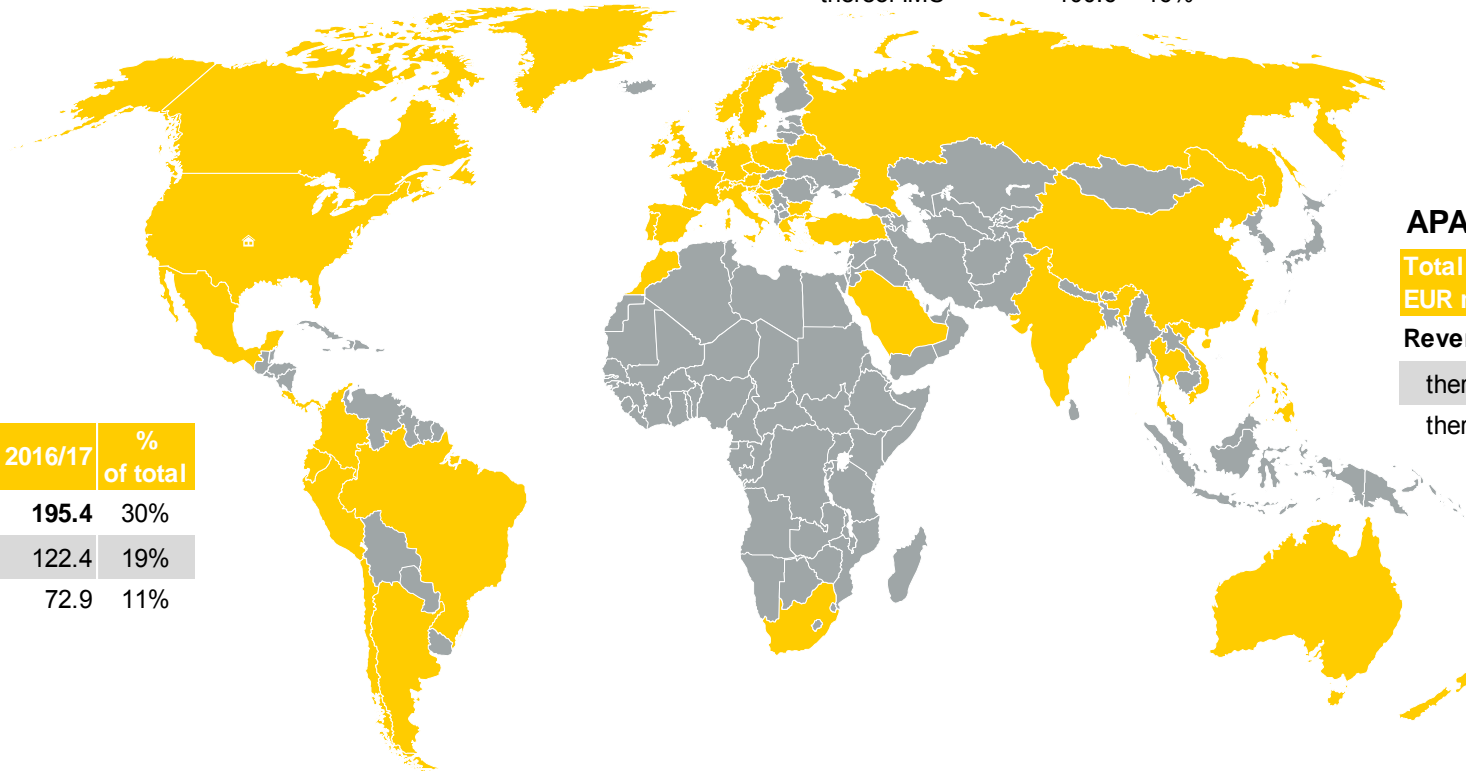
References in more than 50 countries.

Global

Total (EUR mn)	2016/17	% of total
Revenues	648.5	
thereof ETC	468.4	72%
thereof IMS	180.0	28%

EMEA

Total EUR mn	2016/17	% of total
Revenues	407.7	63%
thereof ETC	307.1	47%
thereof IMS	100.6	16%



Americas

Total EUR mn	2016/17	% of total
Revenues	195.4	30%
thereof ETC	122.4	19%
thereof IMS	72.9	11%

APAC

Total EUR mn	2016/17	% of total
Revenues	45.4	7%
thereof ETC	39.0	6%
thereof IMS	6.5	1%

We make mobility solutions intelligent to enable users to arrive at their destination

- ❖ *comfortably,*
- ❖ *on time,*
- ❖ *safely,*
- ❖ *efficiently, and*
- ❖ *with minimal environmental impact.*