



kapsch >>>
challenging limits

Kapsch TrafficCom

Investor Presentation.

September 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 core business
- ❖ Reduce the cluster risk
- ❖ Growth resulting from a broad range
- ❖ Growth in existing and new markets
- ❖ Acquisitions

- > Revenues to increase in both segments
- > 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

- > ETC EBIT margin comfortably >10%
- > IMS EBIT margin ~8% possible (mid term)
- > Group EBIT margin > 10% (mid term)

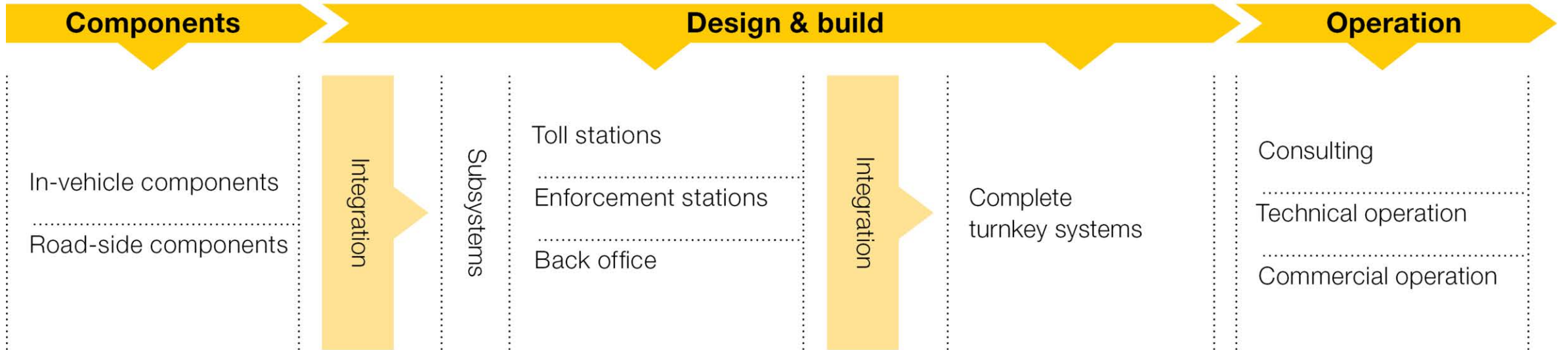
Sustainability

- ❖ 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: open approach
- > Close to customers
- > Recognise trends early

Business model.

One-stop-shop.



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

<p>In-vehicle components</p> <p>On-board units (OBUs) Programming station</p>		<p>Transceivers & readers</p> <p>Transceiver Mobile reader Reader</p>			<p>Cameras & sensors</p> <p>Vehicle detection Vehicle registration Vehicle classification</p>			<p>Toll & enforcement station</p> <p>Stationary enforcement Mobile enforcement</p>		<p>Back office</p>
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Portfolio.

Integrated mobility solutions provider.

Tolling (ETC)

Tolling solutions



Electronic Toll Collection

Multi-lane free-flow, managed lanes, mobile tolling, eVignette

City tolling

Plaza tolling

Tolling services



Trans-European tolling services

Intelligent Mobility Solutions (IMS)

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

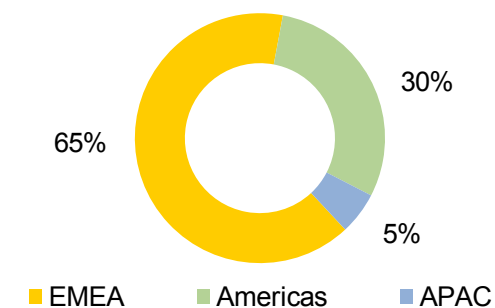
Integrated mobility

Financials.

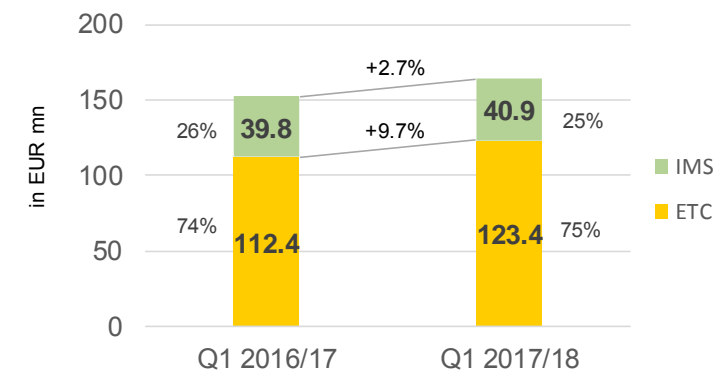
Earnings overview.

All figures in EUR mn unless otherwise stated	Q1 2017/18	+/-	Q1 2016/17	2016/17
Revenues	164.3	8%	152.3	648.5
EBITDA	15.7	-28%	21.8	77.8
<i>EBITDA margin</i>	10%	-4.7%p	14%	12%
EBIT	11.7	-33%	17.6	60.1
<i>EBIT margin</i>	7%	-4.4%p	12%	9%
Profit before tax (PBT)	9.3	-47%	17.3	60.6
Profit for the period	6.6	-47%	12.4	42.7
Profit for the period attributable to equity holders	6.8	-46%	12.7	43.6
Earnings per share (EPS), in EUR	0.52	-46%	0.97	3.35

Revenues by Region Q1 2017/18

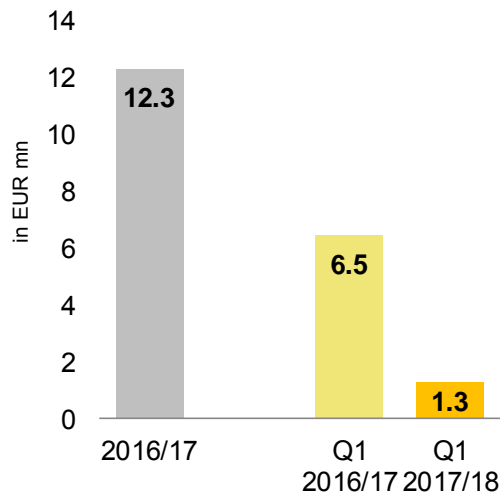


Revenues by Segment Q1 2017/18



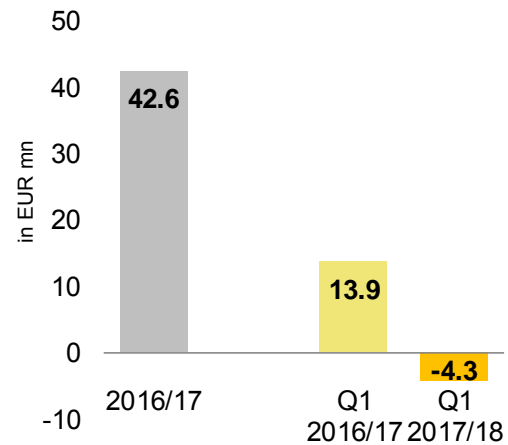
Other key financials.

Net investments



Net investments were below the depreciation rate of about EUR 4mn. In Q1 2016/17 investments were higher due to the acquisition of KTT.

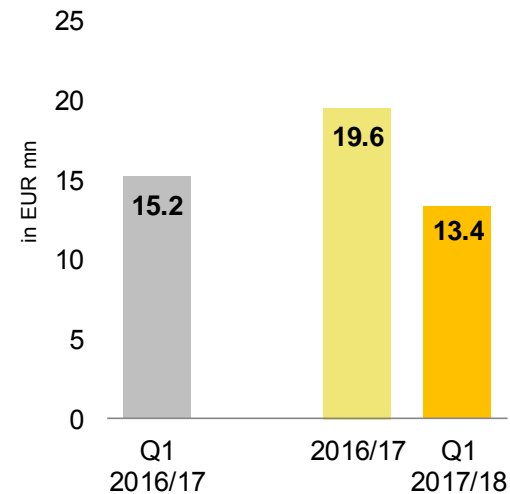
Free cash flow



Negative free cash flow (EUR -4.3 mn); in Q1 2016/17 free cash flow amounted to EUR 13.9mn. Main reasons:

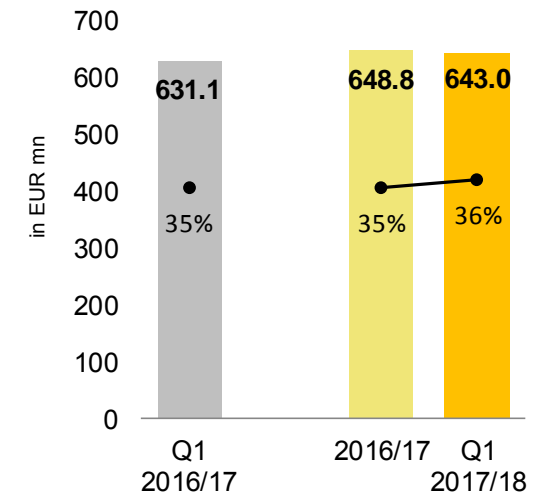
- > working capital
- > higher income tax payments

Net credit/debt



Still net credit positive (EUR 13.4mn) but amount came down due to the negative free cash flow in Q1.

Balance sheet total and equity ratio



Balance sheet total was stable compared to March 31, 2017. Equity ratio went up by 1%p.

Segment results.

ETC accounts for 75% of total revenues, IMS 25%.

ETC	Key financials				Revenues by region	Revenues by type				
	All figures in EUR mn unless otherwise stated					All figures in EUR mn unless otherwise stated				
		Q1 2017/18	+/-	Q1 2016/17			Q1 2017/18	+/-	Q1 2016/17	
	Revenues	123.4	10%	112.4		<p>70% 24% 6%</p> <p>■ EMEA ■ Americas ■ APAC</p>	Design & build	27.1	37%	19.8
	EBIT	14.6	-19%	¹⁾ 18.1			Operations	69.8	2%	68.7
<i>EBIT margin</i>	11.9%	-4.3%p	16.1%	Components	26.4		10%	24.0		
				OBU sold, million units	2.9		4%	2.8		

IMS	Key financials				Revenues by region	Revenues by type				
	All figures in EUR mn unless otherwise stated					All figures in EUR mn unless otherwise stated				
		Q1 2017/18	+/-	Q1 2016/17			Q1 2017/18	+/-	Q1 2016/17	
	Revenues	40.9	3%	39.8		<p>50% 46% 4%</p> <p>■ EMEA ■ Americas ■ APAC</p>	Design & build	18.6	27%	14.6
	EBIT	-2.9	-441%	²⁾ -0.5			Operations	20.1	-10%	22.3
<i>EBIT margin</i>	-7.1%	-5.8%p	-1.4%	Components	2.2		-23%	2.9		

1) Includes goodwill of EUR 0.9 million

2) Includes goodwill of EUR 2.1 million

Outlook.

FY 2017/18.

- > Revenues continue to grow.
- > Challenge to reach last fiscal year's EBIT.
- > Equity ratio should increase following the redemption of the corporate bond in November 2017.

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 (transparence, 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.

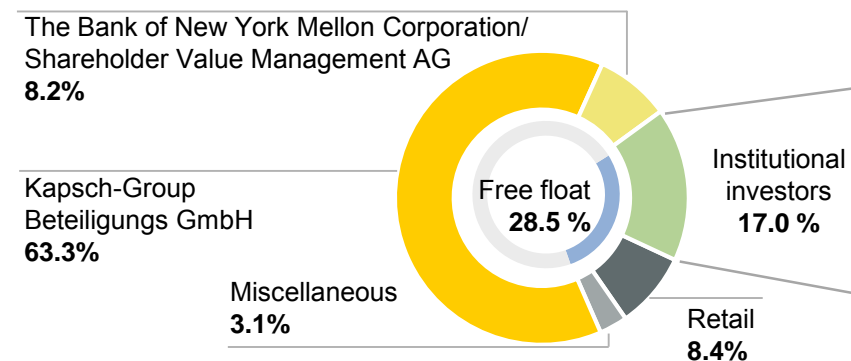
ISIN: AT000KAPSCH9

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

Sep 6, 2017	AGM
Sep 13, 2017	Dividend ex date
Sep 21, 2017	Dividend payment date
Nov 29, 2017	Results H1 2017/18



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Georg Kapsch
CEO

Hans Lang
Investor Relations Officer

Kapsch TrafficCom

Kapsch TrafficCom AG
Am Europlatz 2
1120 Vienna, Austria
P: +43 50 811 - 0
E-Mail: georg.kapsch@kapsch.net
www.kapschtraffic.com

Kapsch TrafficCom

Kapsch TrafficCom AG
Am Europlatz 2
1120 Vienna, Austria
Phone: +43 50 811 1122
E-Mail: hans.lang@kapsch.net
www.kapschtraffic.com

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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

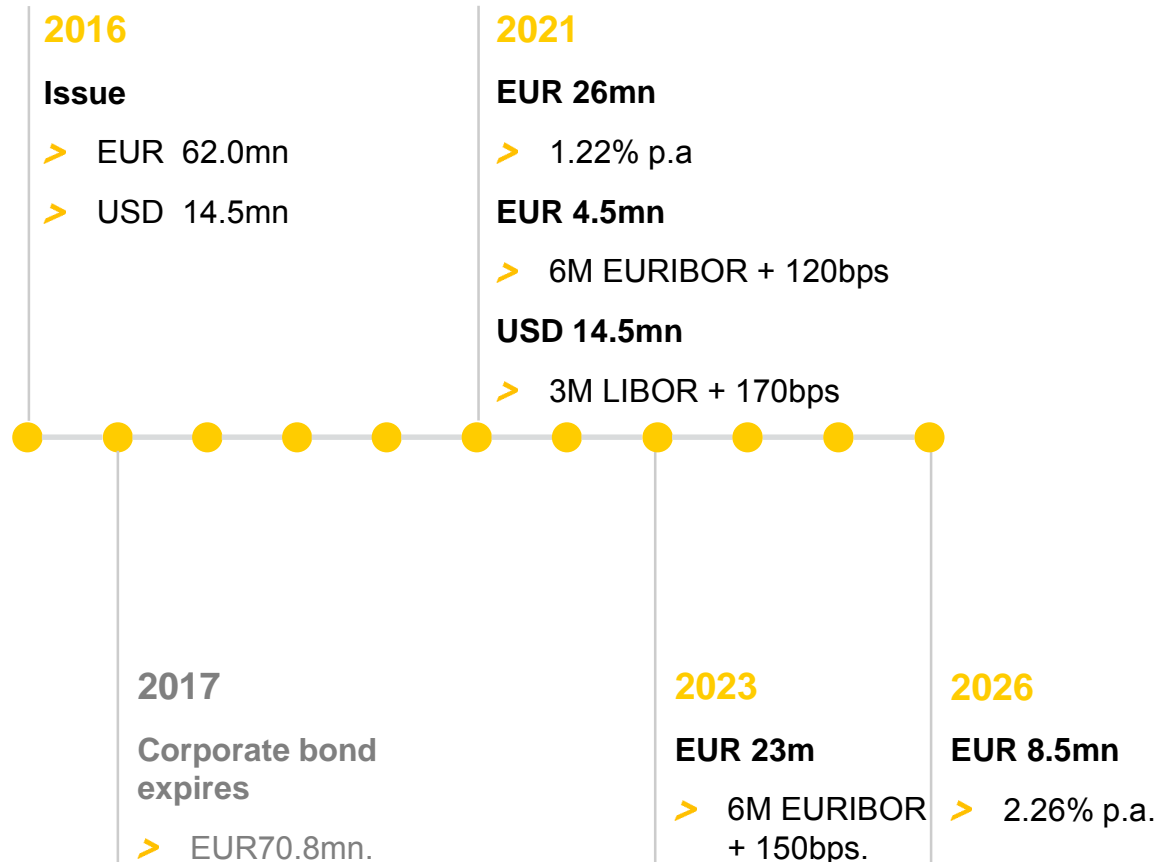
V2X Infrastructure

Cohda | Savari | Neavia
Arada | Dynniq

Connected Services

n.a.

Promissory note bond.



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) maturing in November 2017
 - Can be repaid early; higher flexibility

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

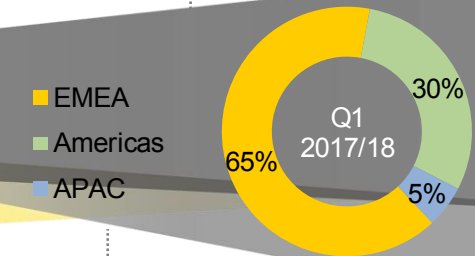
Nationwide ETC system in Czech Republic goes into operation

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

All figures in EUR mn unless otherwise stated	Q1 2017/18	% of total
Revenues	164.3	
thereof ETC	123.4	75%
thereof IMS	40.9	25%

EMEA

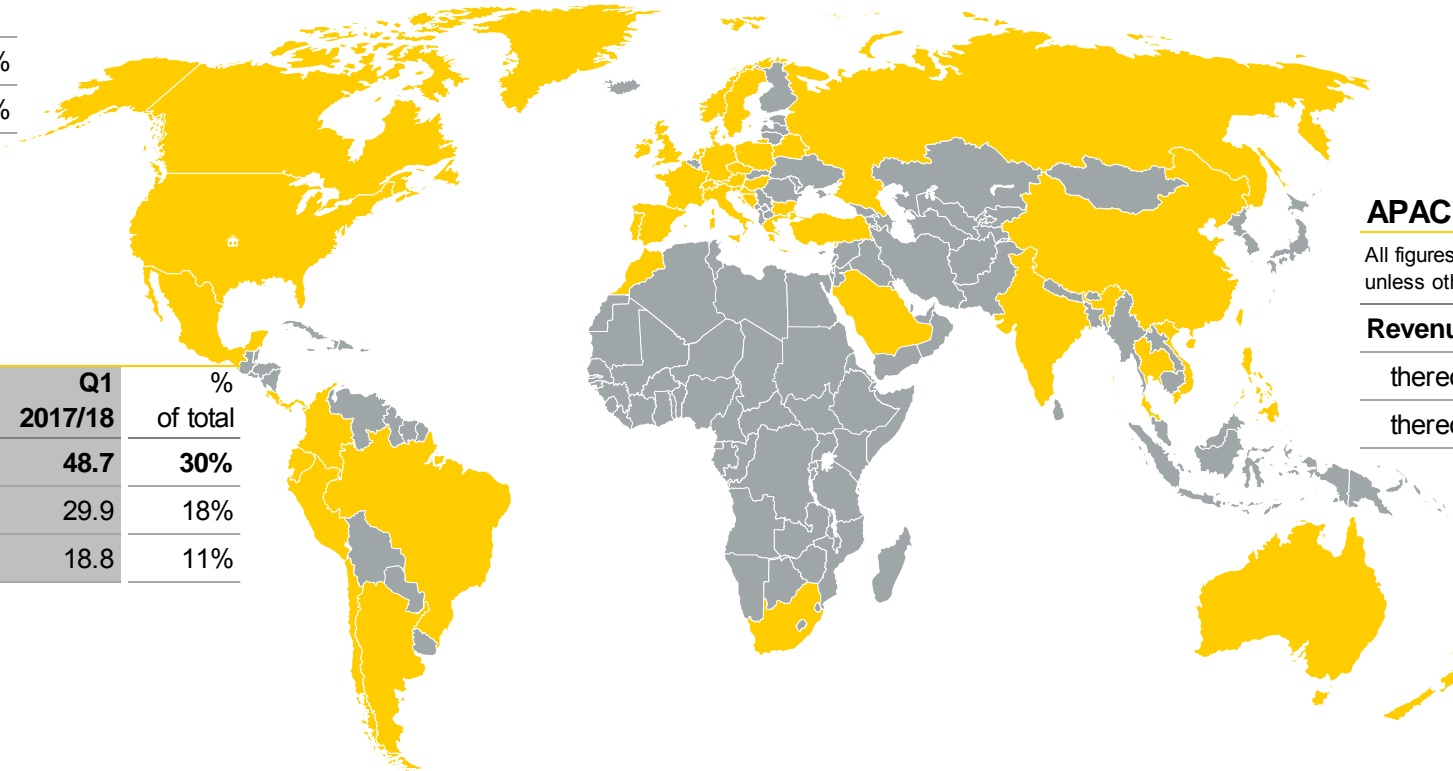
All figures in EUR mn unless otherwise stated	Q1 2017/18	% of total
Revenues	106.6	65%
thereof ETC	86.0	52%
thereof IMS	20.6	13%

Americas

All figures in EUR mn unless otherwise stated	Q1 2017/18	% of total
Revenues	48.7	30%
thereof ETC	29.9	18%
thereof IMS	18.8	11%

APAC

All figures in EUR mn unless otherwise stated	Q1 2017/18	% of total
Revenues	9.0	5%
thereof ETC	7.4	4%
thereof IMS	1.6	1%



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

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