



kapsch >>>
challenging limits

Kapsch TrafficCom

Investor Presentation.

January 2021.

*Challenging the
limits of mobility
for a healthy world
without congestion.*

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, 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.

Securities issued by Kapsch TrafficCom 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.

Kapsch TrafficCom.

At a glance.



Provider of Intelligent Transportation Solutions

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



Financial parameters*

- Revenues: ~ EUR 730 mn
- Employees: ~5,000
- Presence: >30 countries
- References: >50 countries

Financial year: April 1 – March 31

Technological forerunner

- ~18% of revenues invested in development*
- >1,200 patents*
- Pioneer in electronic toll collection



Listed at Vienna Stock Exchange

- IPO in 2007
- Free float 36.7%



*In FY 2019/20 or as of March 31, 2020

Relevant mega trends & drivers for the ITS industry...

... and how Kapsch TrafficCom addresses them.

Financing transportation networks.

USD 900 billion* p.a. must be invested in road infrastructure worldwide to keep pace with expected economic growth.

*Study by McKinsey Global Institute

Urbanization.

Share of people living in cities:	Urban population:
since 2007: > 50%	today: 4.2 billion
by 2030: > 60%	by 2030: 5.2 billion

Kapsch TrafficCom's approach.

Help deal with traffic flows more efficiently by:

- **collecting charges** for the use of road infrastructure (ETC segment),
- **managing traffic** (IMS),
- applying traffic safety and security solutions (IMS).
- expanding from ITS to **intelligent, holistic mobility solutions** (both segments).

Mobility.

Mobility is a basic human need and an important prerequisite for the functioning of a market economy.

As prosperity increases, so does the volume of traffic.

→ Higher demands placed on transportation systems.

Environmental protection.

Air pollution has significant effects on human health, impacts vegetation and ecosystems, contributes to climate change and damages materials and buildings.

Road traffic plays an important role here.

Technology and concepts.

Radical change in transport industry with new technologies and concepts.

Examples: e-mobility, connected vehicles, big data-based applications.

Change of the ITS industry.

Convergence of various ITS market segments.

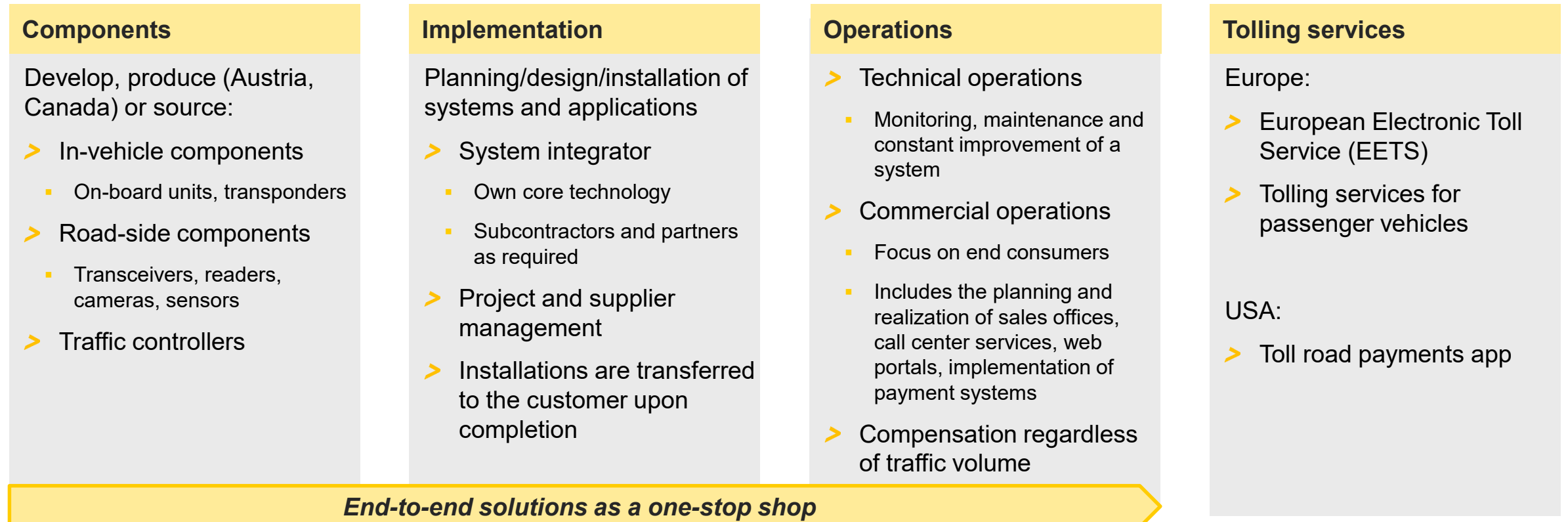
Trend towards intelligent, holistic mobility solutions.

We want to make road traffic safer, more reliable, more efficient and more convenient, while reducing the environmental impact.

Business model.

Overview.

- > Cover the customers' entire value chain as a one-stop-shop.
- > High degree of flexibility when responding to customer needs: From components, to building complete turnkey systems, to operating them.



Business model.

System integrator with in-house production of hardware and software.



Key components and systems (hardware and software) are developed and produced in-house.

Hardware

- > In-vehicle products.
On-board units, transponders
- > Radio frequency field products.
Transceivers, readers
- > Video and sensor products.
Cameras, vehicle detection and classification systems
- > Traffic management products.
Controllers

Production facilities in Vienna (Austria) and Mississauga (Ontario, Canada).

Software

- > Commercial back office (tolling)
- > Traffic management (DYNAC® and EcoTrafiX™)
- > Enforcement (image processing suite)
- > Platform for connected mobility (Kapsch Connected Mobility Software Suite)

Business model.

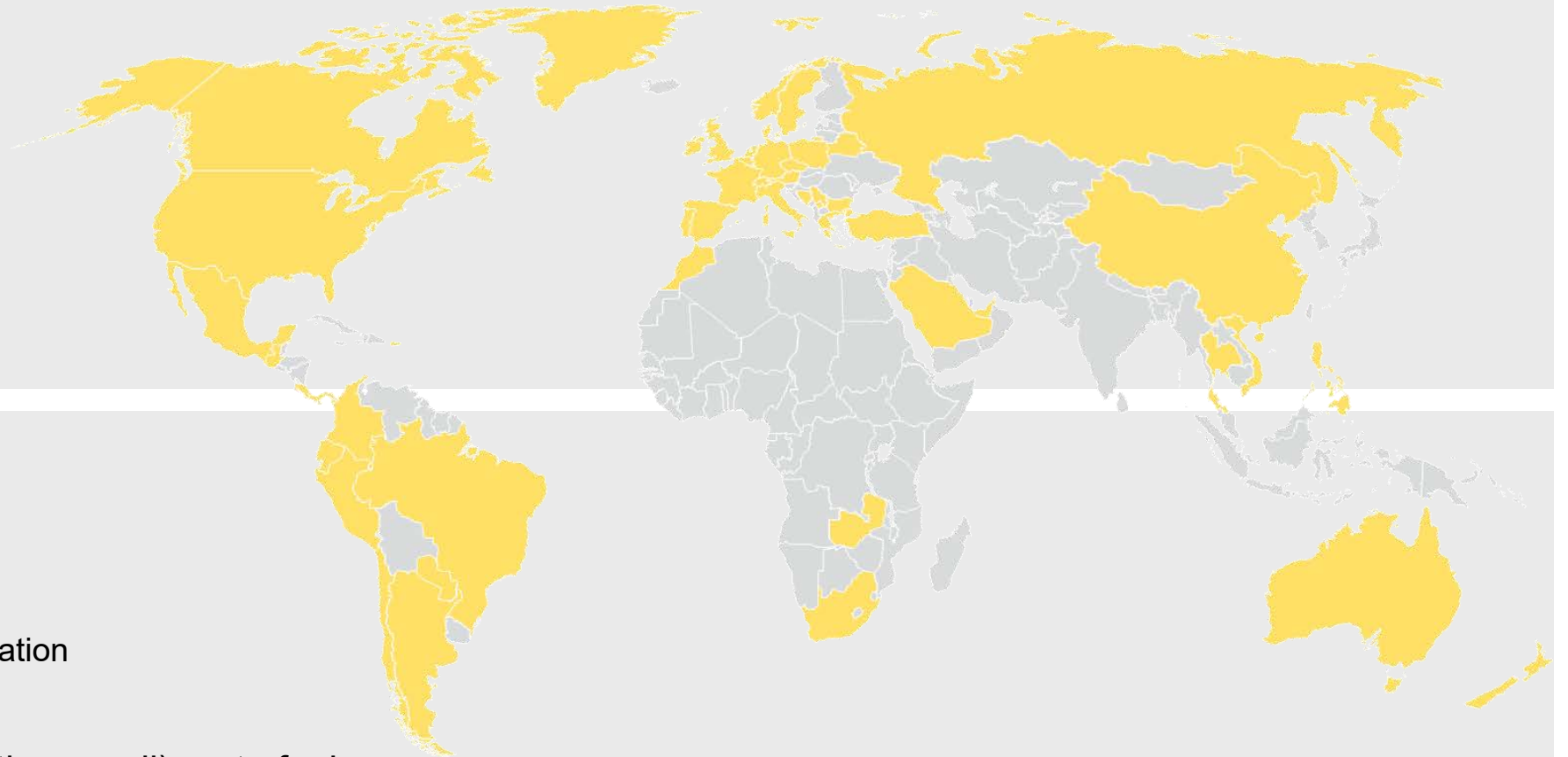
Customers and competition.

Customers.

- > Public agencies
- > Municipalities
- > Private concessionaires
- > Public-private partnerships
- > Consumers (mainly USA)

Competition.

- > Fragmented market
 - Regionally
 - Depending on solution/application
 - Technologically
- > Most competitors are (a rather small) part of a larger group.



Reporting segments.

ELECTRONIC TOLL COLLECTION (ETC)

- Pioneer and technology leader in electronic toll collection.
- Unique experience in nation-wide tolling systems.

Electronic toll collection.

Technology:

- > Microwave (DSRC)
- > Satellite (GNSS)
- > Video
- > Mobile tolling
- > eVignette

Applications:

- > Multi-lane free-flow (MLFF)
- > City tolling
- > Managed lanes (tolled)

Standards:

- > CEN
- > WAVE

Plaza tolling.

Tolling as a Service (TaaS).

INTELLIGENT MOBILITY SOLUTIONS (IMS)

- Broad set of solutions and services addressing different aspects of traffic and mobility.
- Established solutions and investments in future growth.

Traffic management.

- > Urban
- > Highway
- > Tunnels/bridges
- > Managed lanes
- > Reversible roadways
- > Traffic law enforcement

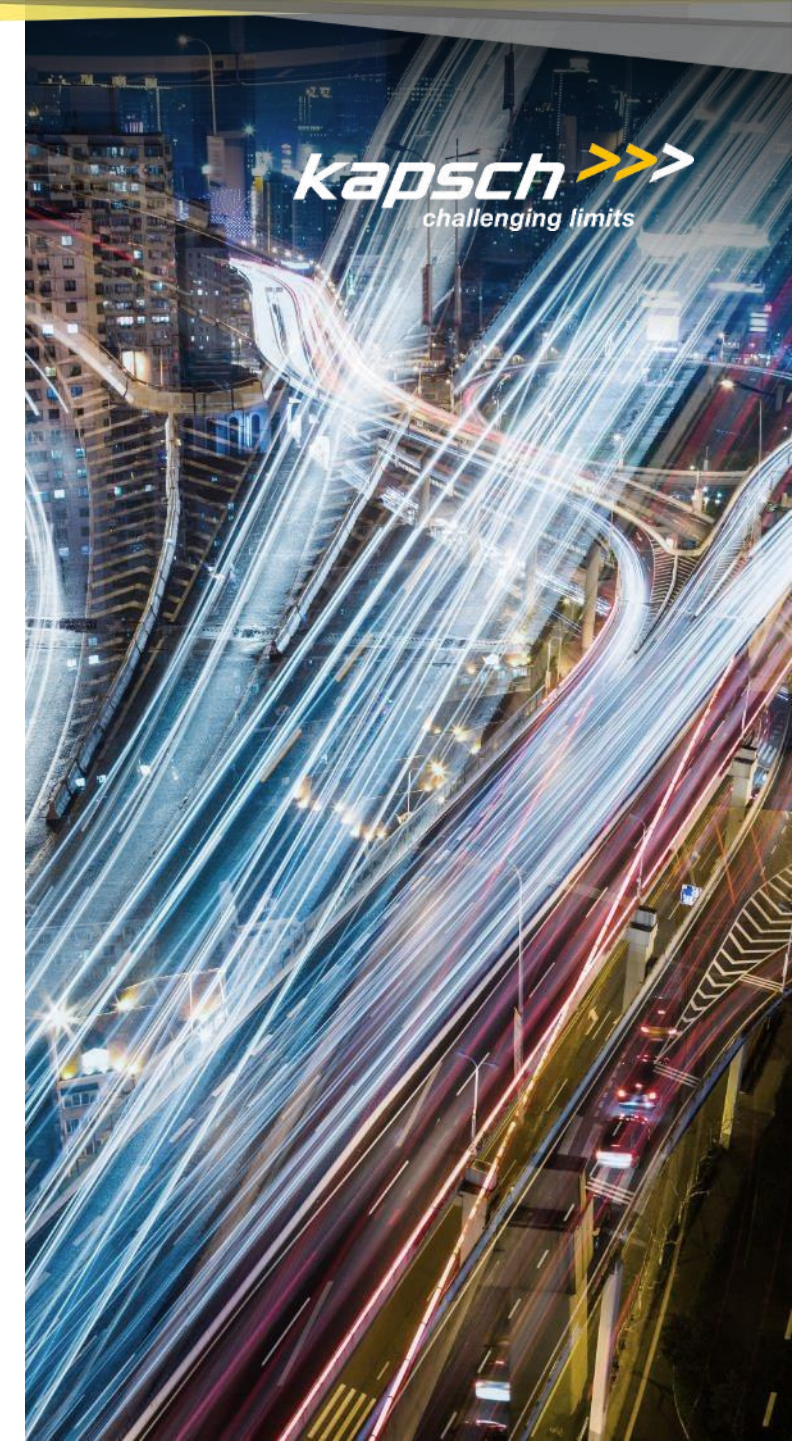
Connected mobility.

- > V2X communication technology
- > Connected mobility platform

USP.

What makes Kapsch TrafficCom unique?

- Ability to develop tailored solutions – proven track record
- More than 125 years in the technology industry
- Close to our customers
- Deep and comprehensive domain know-how
- Broad variety of technologies, prime quality
- Integrated, one-stop-shop
- Only real global player in ETC
 - Best practice
 - Risk diversification
- Scale
- Listed (transparency, access to capital)
- Shareholder interests sustainably secured on the Executive Board by CEO Georg Kapsch.





Financial results.
H1 2020/21.

H1 2020/21.

Highlights.

> Strong decline in revenues

- Major projects in Germany, Czech Republic and Bulgaria totaling EUR 64 million ended and could not be compensated by new business
- COVID-19: Delay of tenders and contract awards as well as reduced OBU sales.

> EBIT significantly negative

- Higher than expected impact from personnel shortage in USA and expenses related to the implementation of new software.
- Lower revenues require a lower cost basis. Reducing costs takes time. Ended major projects had a good profitability.
- Special effects.

Revenues

EUR 257 mn

Previous year | EUR 359 mn
-28%

EBIT

EUR -58 mn

Previous year | EUR 9 mn
n.m.

EBIT margin

-22.5%

Previous year | 2.4%
-24.9%p

EPS

EUR -4.15

Previous year | EUR 0.18
n.m.

Special effects on EBIT in H1 2020/21.

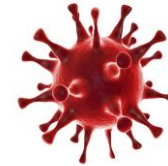
> Adjustments of project margins and provisions for onerous contracts	EUR -32 million
Due to a few projects, especially in North America, adjustments in project margins and set up of provisions for onerous contracts were necessary.	
> Goodwill impairment	EUR -21 million
Full impairment of goodwill of the CGU ETC-EMEA	
> Currency effects	EUR -6 million
USD, SEK against EUR	
	<hr/> EUR -59 million * <hr/> <hr/>

**Slight differences in calculations
may arise due to the
rounding of individual items.*

Current impact of COVID-19 and Brexit.

COVID-19.

- > Significant decrease in business with on-board units.
 - In H1 2020/21, 5.17 million OBUs were sold (6.25 million in H1 of the previous year)
 - ETC component revenues fell by 30% in H1 2020/21
- > Increased delays in tenders and contract awards.
- > Visibility relating to new business has decreased significantly.



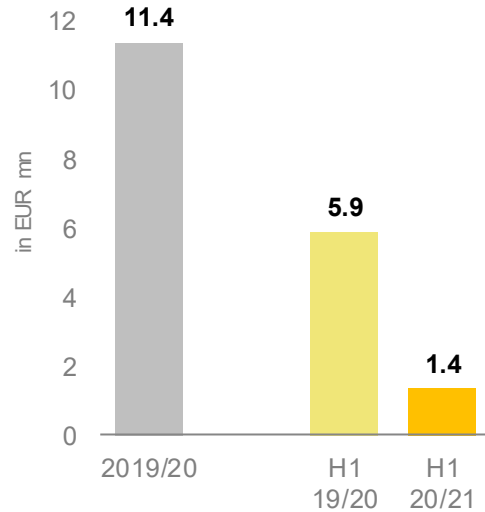
Brexit

- > No significant impact on the results, as revenues in the UK are in the single-digit million range.

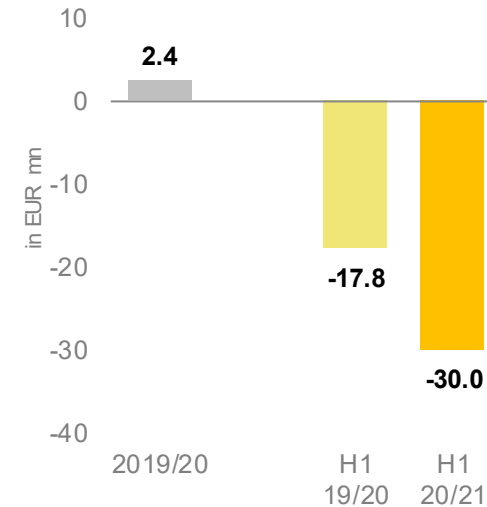
H1 2020/21.

Other key financials.

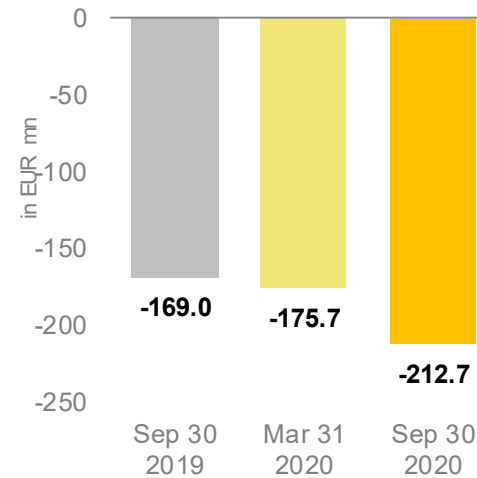
Net CAPEX



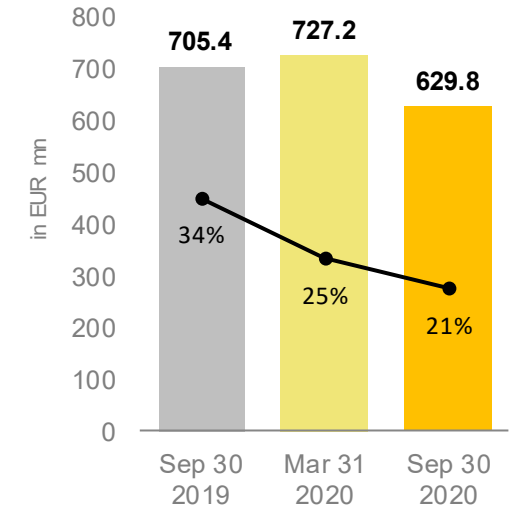
Free cash flow



Net debt



Balance sheet total and equity ratio



- > Strict CAPEX control in H1 2020/21.
- > While the free cash flow was strongly negative at EUR -27 million in Q1 2020/21, the negative amount in Q2 could be reduced to EUR -3.

- > Net debt increased because of the negative free cash flow.
- > Balance sheet total lower because of the goodwill impairment, lower contract assets (mainly USA) and paid invoice from a major project.

H1 2020/21.

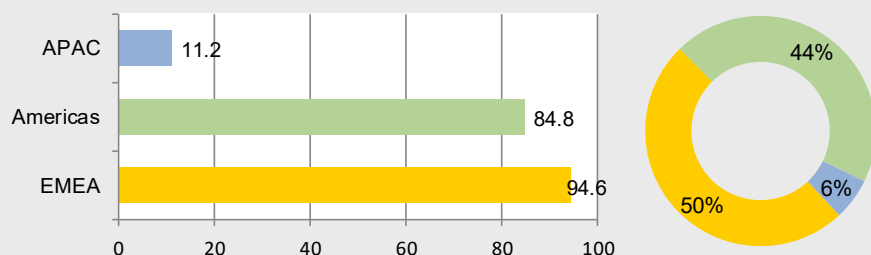
Segment results.

ELECTRONIC TOLL COLLECTION (ETC)

All figures in EUR mn unless otherwise stated

	2019/20	H1 2019/20	H1 2020/21	+/-
Revenues	563.5	281.2	190.6	-32%
Implementation	219.3	110.5	65.9	-40%
Operations	234.9	121.2	90.0	-26%
Components	109.3	49.5	34.6	-30%
EBIT	1.5	17.5	-52.1	—
EBIT margin	0.3%	6.2%	-27.3%	-34%p

Revenues by region

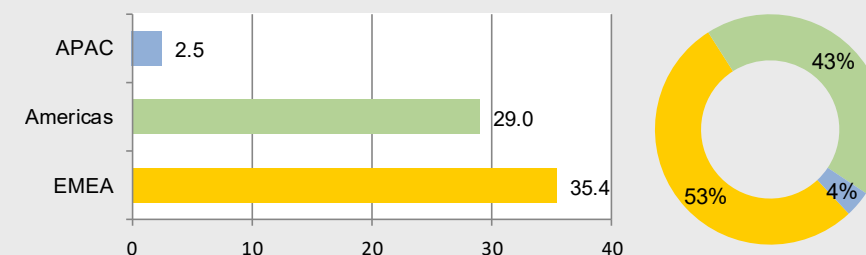


INTELLIGENT MOBILITY SOLUTIONS (IMS)

All figures in EUR mn unless otherwise stated

	2019/20	H1 2019/20	H1 2020/21	+/-
Revenues	167.7	78.1	66.9	-14%
Implementation	73.6	32.0	31.3	-2%
Operations	84.4	40.7	33.5	-18%
Components	9.7	5.3	2.2	-59%
EBIT	-40.7	-8.7	-5.7	34%
EBIT margin	-24.2%	-11.1%	-8.6%	3%p

Revenues by region



Subsequent events and Outlook.

Subsequent events (H1 2020/21)

- Acquired remaining 35% in EETS provider “tolltickets”.
- Sold 75.5% stake in Fluidtime (multi-modal mobility).
- Sold 15.4% stake in Q-Free.

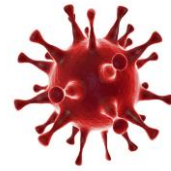
Outlook to FY 2020/21.

- Revenues: down by about 25% to about EUR 550 million
- EBIT: Negative high two-digit million value
- No dividend for FY 2020/21



Impact of COVID-19

Forward looking.



Impact on market

Consequences on market

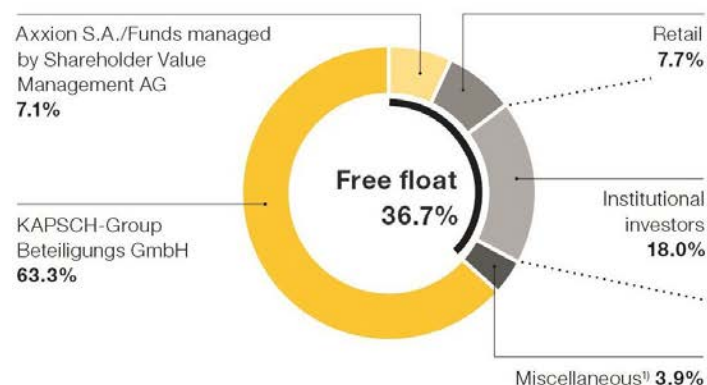
Relevance for Kapsch TrafficCom

1 Economic downturn	Governments launch investment programs	+ Tolling systems generate income for govmt
2 Shift to individual transport	Modal shift from public to individual transport	+ Increasing pressure on road infrastructure
3 Reduced income for road/toll operators	Revenue collapse as reaction of lock-down	+ Greater demand for toll roads expected
4 Increase of bicycle use & walking	Many cities reallocate road space	+ Need for demand management increases
5 Increasing sale of connected vehicles	Connected car park increases	+ Intelligent infrastructure (V2X) required
6 Exchange of critical information	Data of vehicles/infrastructure is important	+ ITS-G5 is potentially a critical infrastructure
7 New work	Working at home becomes a new modality	~ Less office space required

+ Positive ~ Neutral - Negative

Kapsch TrafficCom share.

Shareholder structure



Institutional investors by region



Source: Shareholder survey from March 2020

¹⁾ Trading positions and unidentified shareholders.

Research coverage*

Erste Group	
Accumulate	EUR 23.00
Kepler Cheuvreux	
Hold	EUR 16.00
ODDO Seydler Bank/FMR	
Hold	EUR 12.00
Raiffeisen Centrobank	
Hold	EUR 12.50

* As per January 12, 2021.

Select events

February 16, 2021 Q1-Q3 2020/21 results

June 16, 2021 FY 2020/21 results

More information: www.kapschtraffic.com/ir

Basic information

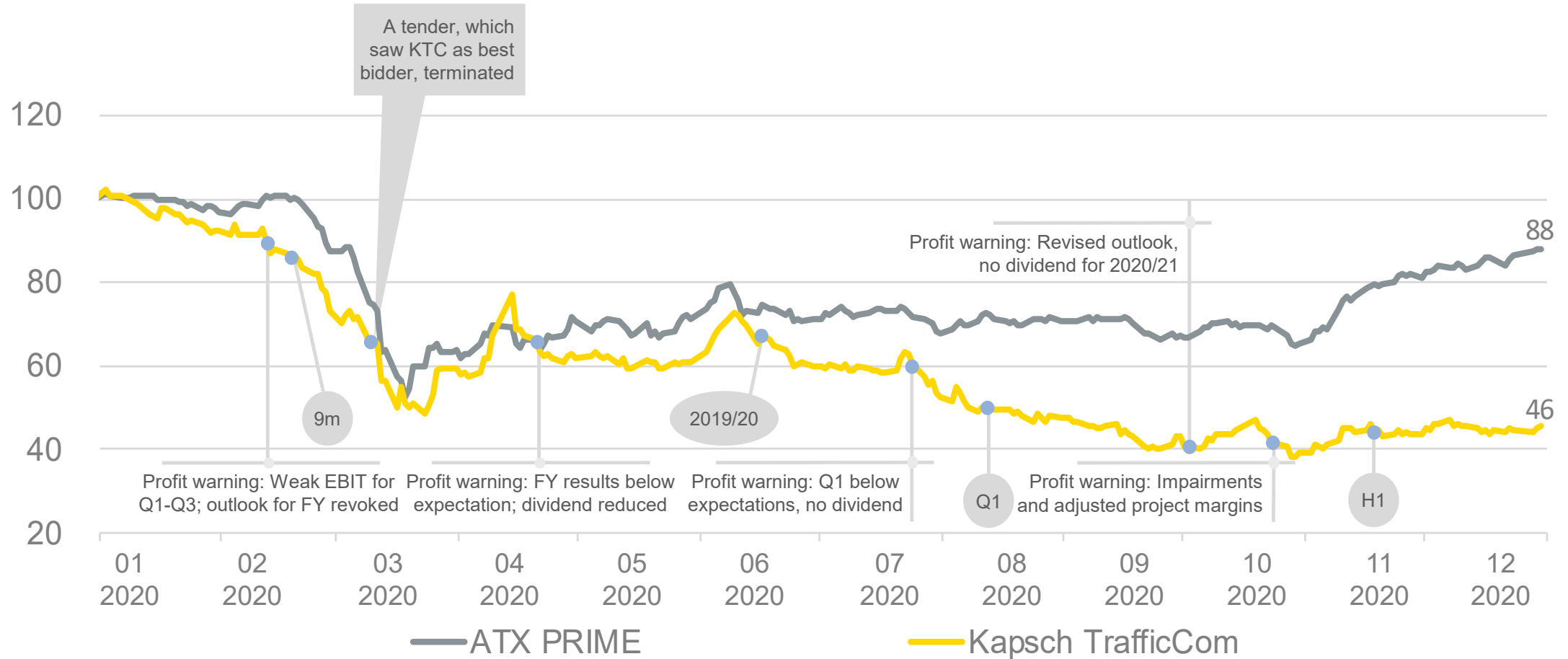
- > Listed in Prime Market segment at the Vienna Stock Exchange since 2007.
- > Capital increase in 2011.
- > Total of 13 million shares.

- > ISIN: AT000KAPSCH9
- > Reuters: KTCG.VI
- > Bloomberg: KTCG AV



Share price development (last 12 months).

Kapsch TrafficCom and ATX Prime.



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

Kapsch TrafficCom

Kapsch TrafficCom AG

Am Europlatz 2

1120 Vienna, Austria

P: +43 50 811 - 0

IR.kapschtraffic@kapsch.net

www.kapschtraffic.com/IR

Please Note:

The content of this presentation is the intellectual property of Kapsch TrafficCom 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.

References and recent major projects.

References in more than 50 countries.

Global

All figures in EUR mn unless otherwise stated	2019/20	% of total
Revenues	731.2	
thereof ETC	563.5	77%
thereof IMS	167.7	23%

EMEA

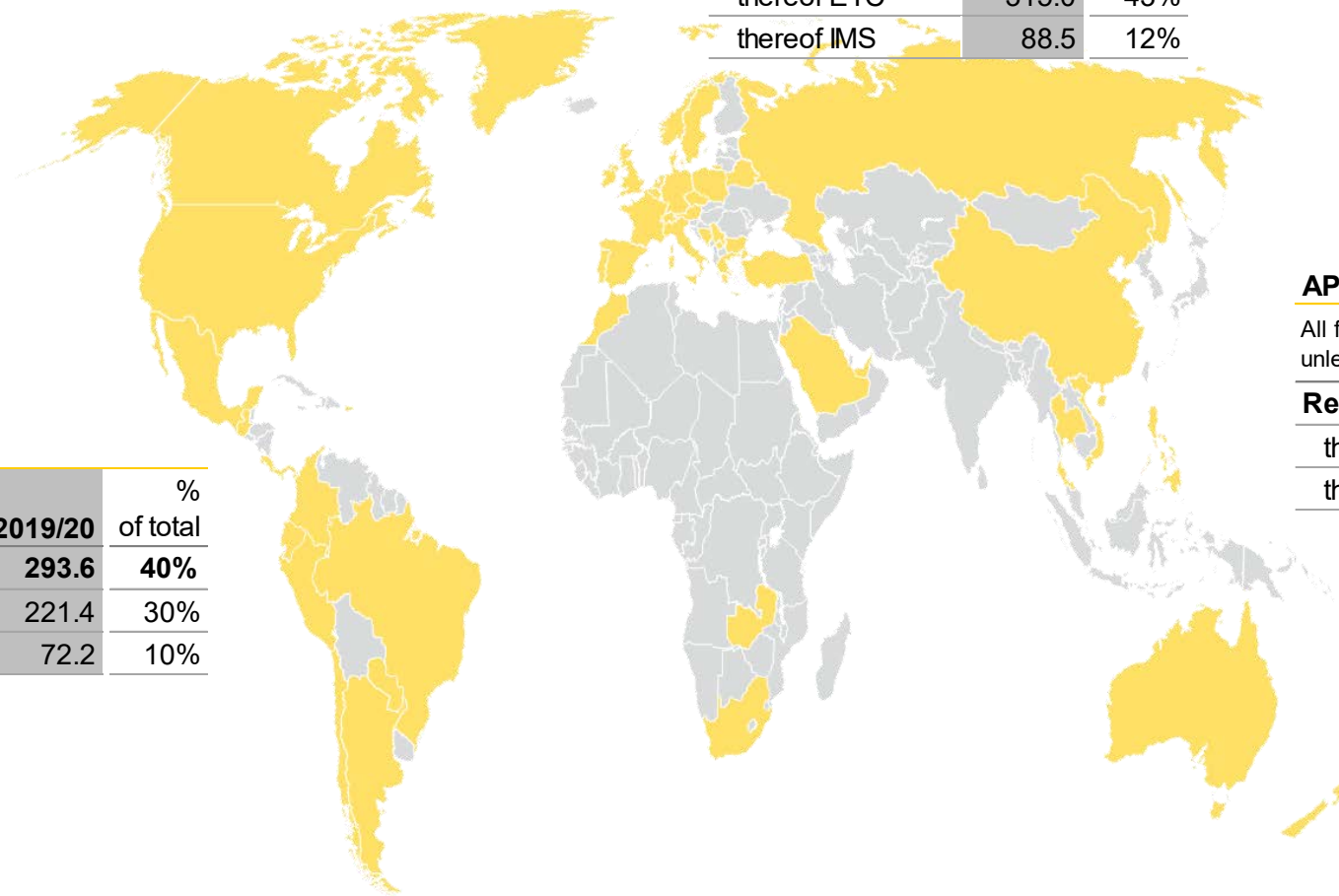
All figures in EUR mn unless otherwise stated	2019/20	% of total
Revenues	403.5	55%
thereof ETC	315.0	43%
thereof IMS	88.5	12%

Americas

All figures in EUR mn unless otherwise stated	2019/20	% of total
Revenues	293.6	40%
thereof ETC	221.4	30%
thereof IMS	72.2	10%

APAC

All figures in EUR mn unless otherwise stated	2019/20	% of total
Revenues	34.1	5%
thereof ETC	27.0	4%
thereof IMS	7.0	1%



Overview: Major project.

Tolling in Belle Chasse (Louisiana, USA).

About the project

- > Implementation of an electronic toll collection system on a newly built bridge followed by commercial and technical operations.
- > Kapsch TrafficCom is supplier to a consortium,
 - awarded to build a new bridge replacing old traffic infrastructure and
 - representing the first Private, Public, Partnership (P3) project in Louisiana.
- > Term: Start in 2023, total term of more than 30 years.

Financial

- > Total project volume of more than USD 100 million.



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, six years of subsequent technical operation as well as the option to extend the contract for additional four years.

Financial

- > Total project volume of more than EUR 55 million.



Overview: Major project.

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

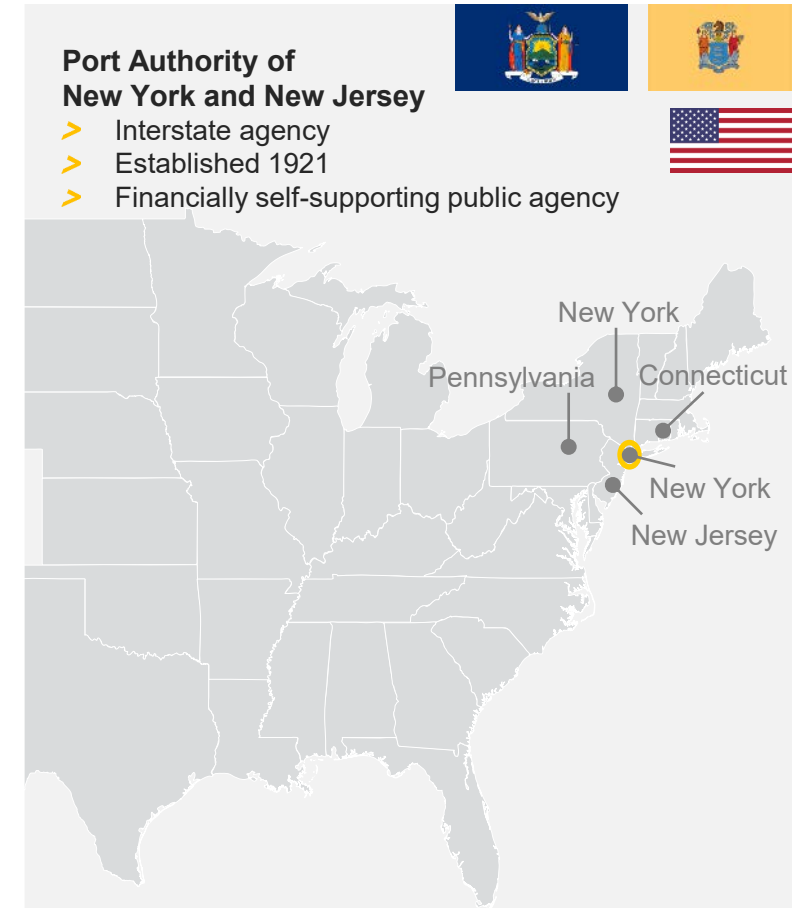
About the projects

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.
- > Total project volume >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 project volume >EUR 8 million.





Appendix.
Miscellaneous.

Dividends.

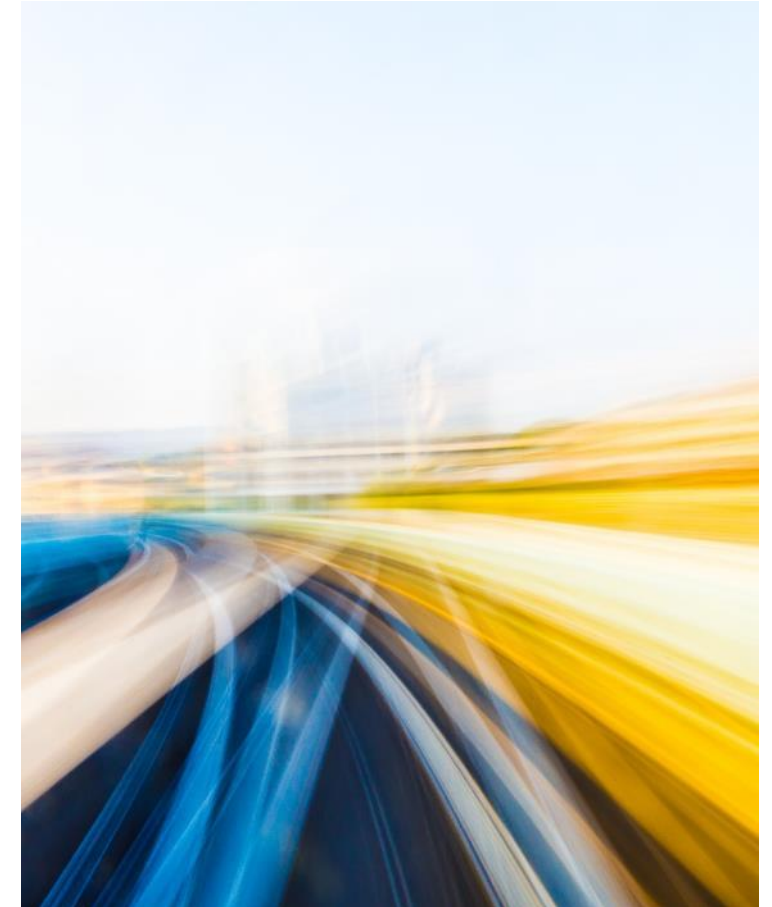
Dividend policy*

- > At least the higher of 1/3 of the earnings per share (EPS) and EUR 1.
- > Depending on economic development, the market environment and capital needs for upcoming projects, the dividend payment can be higher or lower. ...
- > ... However, within a reference period of 3 years, the company aims at paying out an average annual dividend of at least EUR 1.

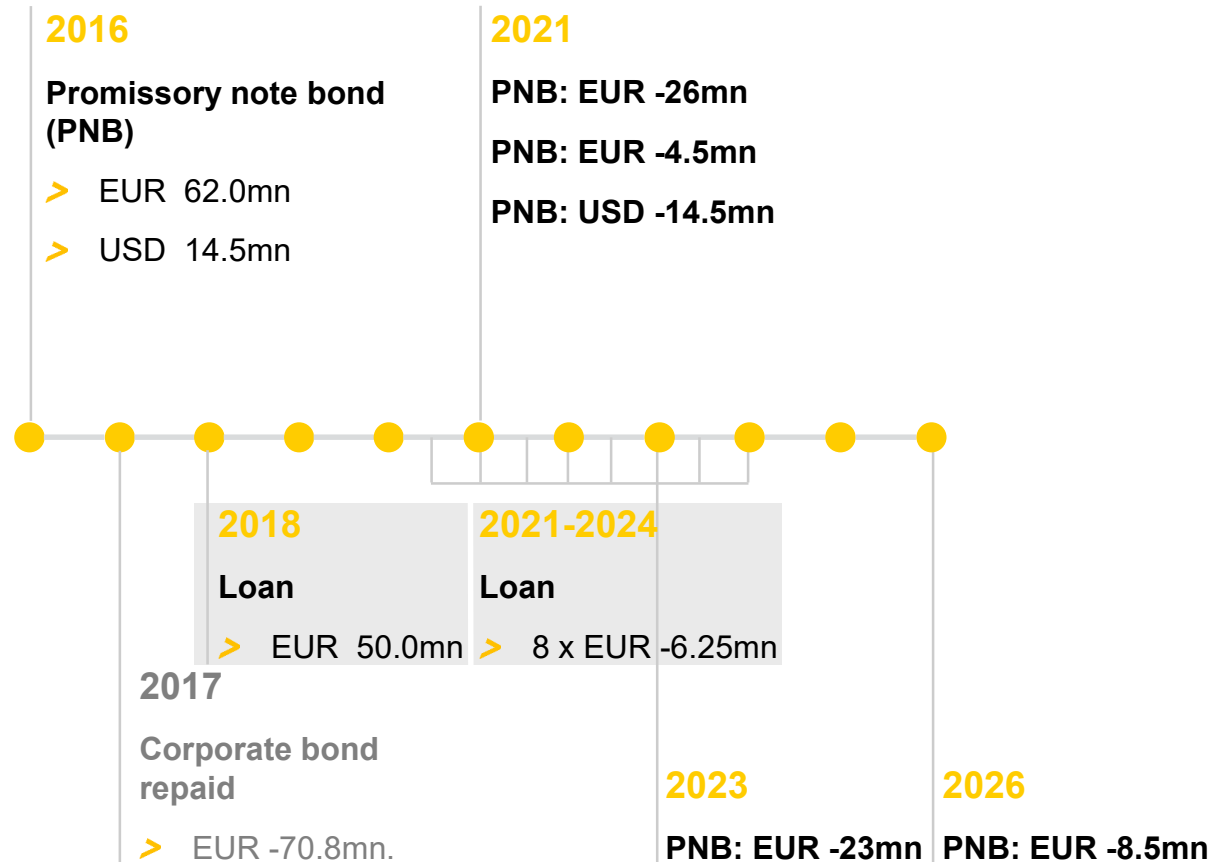
* As of November 29, 2016. Suspended until further notice as per Oct. 2020.

Dividend payouts

Year	Dividend per share	Earnings per share (in reference year)	Payout ratio
2018	EUR 1.50	EUR 2.21	68.0%
2019	EUR 1.50	EUR 3.68	40.8%
2020	EUR 0.00	EUR -3.70	0.0%
2021	EUR 0.00	EUR < 0	0.0%



Promissory note bond & long-term bank loan.



Corner stones of the promissory note bond

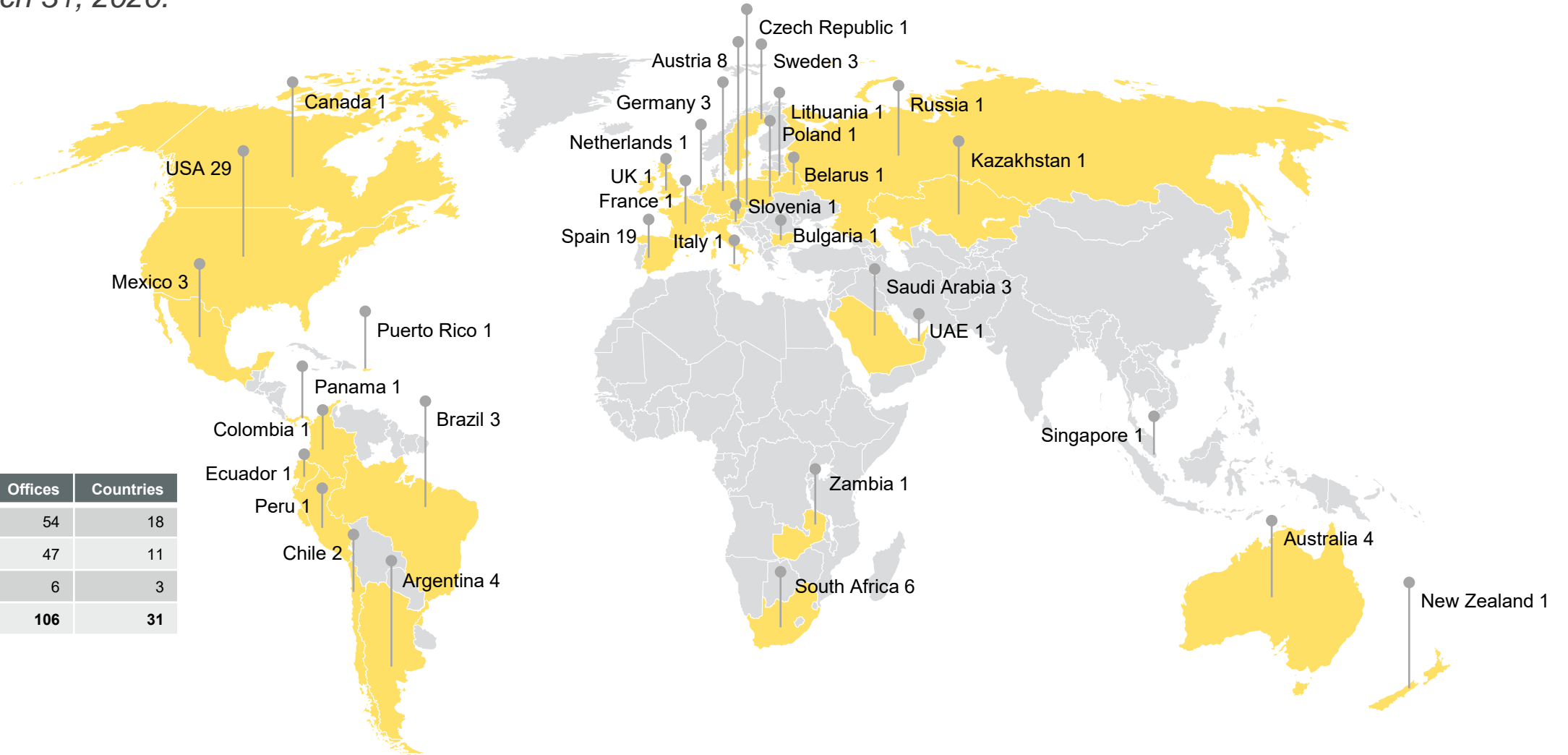
- > Issued 2016
- > Volume: EUR 62mn + USD 14.5mn
- > 3 tenors (5/7/10 years)
- > Partially fixed interest, partially variable

Corner stones of the long-term bank loan

- > Issued January 2018
- > Volume: EUR 50mn
- > Term: 6 years
- > Fixed interest: 0.8% p.a.
- > Redemption: 2.5 years grace period, then 8 half-year installments

Overview of Kapsch TrafficCom's offices.

As of March 31, 2020.



Region	Offices	Countries
EMEA	54	18
Americas	47	11
APAC	6	3
Total	106	31

The emergence of Kapsch TrafficCom.

More than 125 years in the ever-changing electronic industry.



1892

Kapsch founded

- > Morse telegraph devices
- > Telephones (fixed and mobile)
- > Capacitors and dry batteries
- > Radios, incl. portable radios
- > TVs (black & white, later color)
- > Telecom networks

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

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.*