



kapsch >>>
challenging limits

Kapsch TrafficCom

Investor Presentation.

October 2016.

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 electronic 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 500mn
- ❖ EBIT margin Tolling >10%

Global player

- ❖ More than 4,600 employees
- ❖ Presence in >30 countries
- ❖ References in >50 countries



Listed at Vienna Stock Exchange

- ❖ Market cap ~EUR 500mn
- ❖ Free float 36.7%

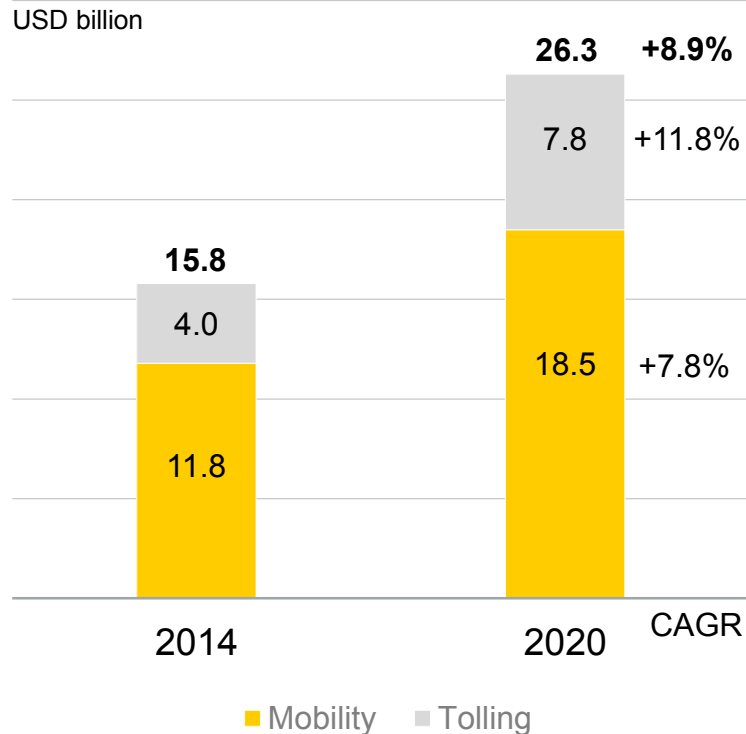


Our Market.

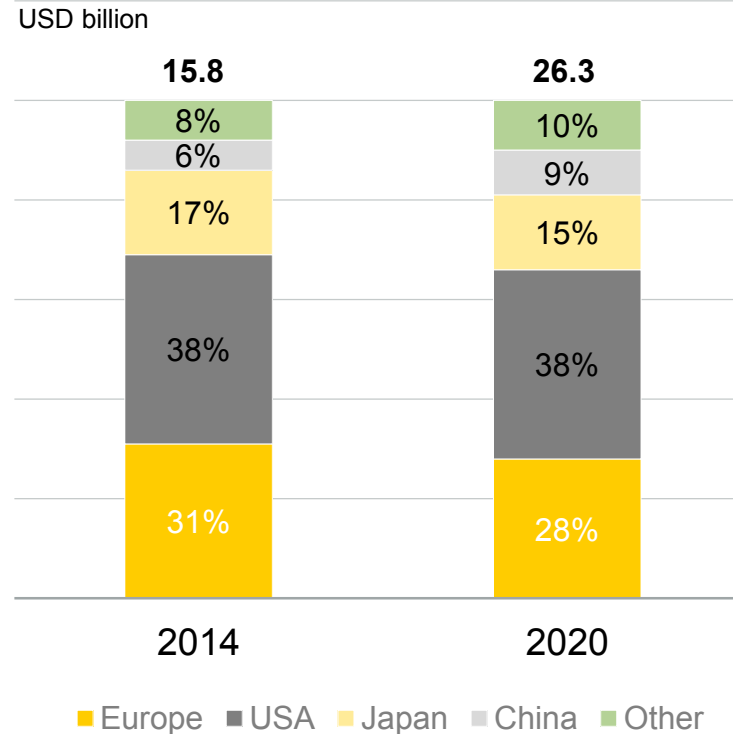
Intelligent Transportation Systems (ITS).

Global ITS Market

by Product Segment



by Geographic Regions

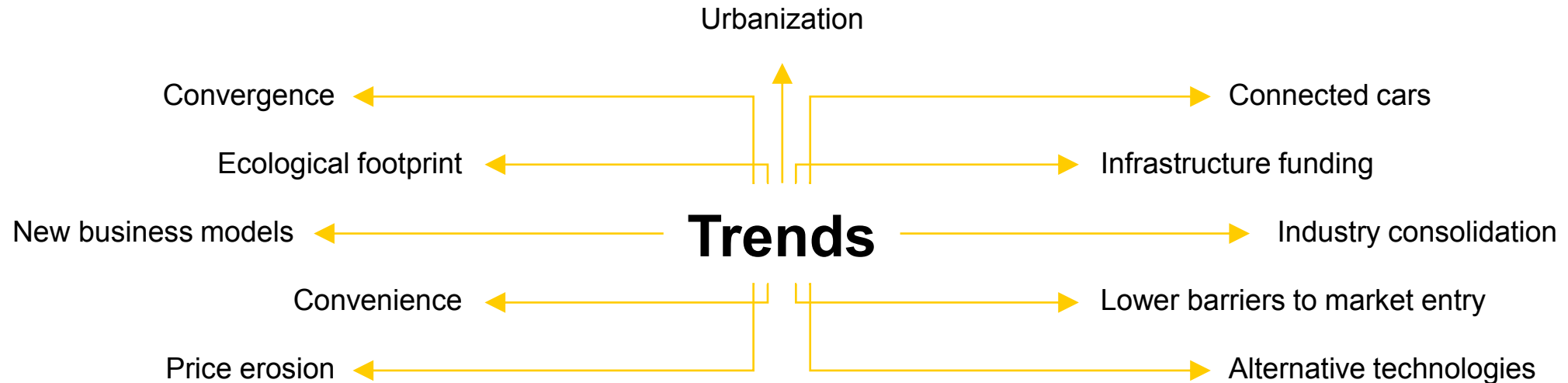


- Tolling:** Electronic Toll Collection
- Mobility:** Integrated Mobility Solutions
- > Traffic Management Systems (TMS)
 - > Commercial Vehicle Operations (CVO)
 - > Vehicle Information Systems (VIS)
 - > Public Vehicle Transportation Management Systems (PVTMS)

Source: Global Industry Analysts, April 2014

Strategy.

Addressing Future-Defining Trends.



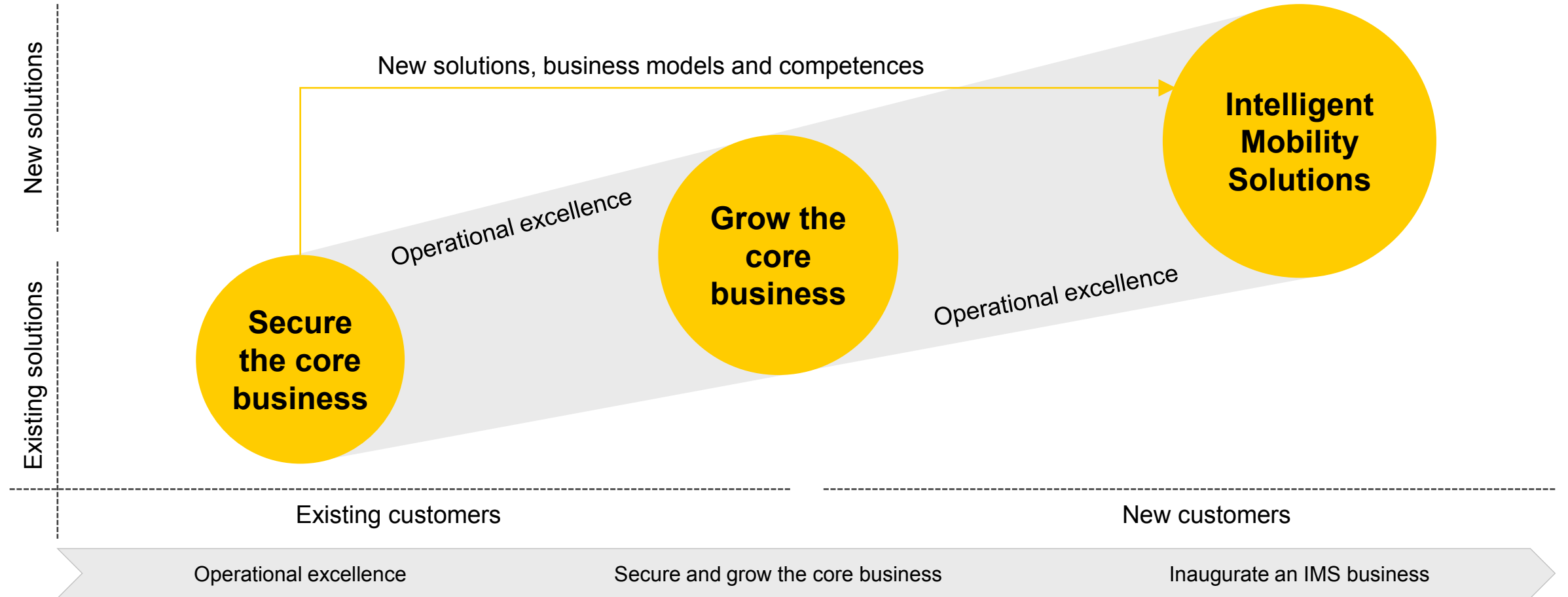
Increased profitability as
foundation for further growth

Implementation of new
business models

Positioning as a leading provider
of intelligent mobility solutions

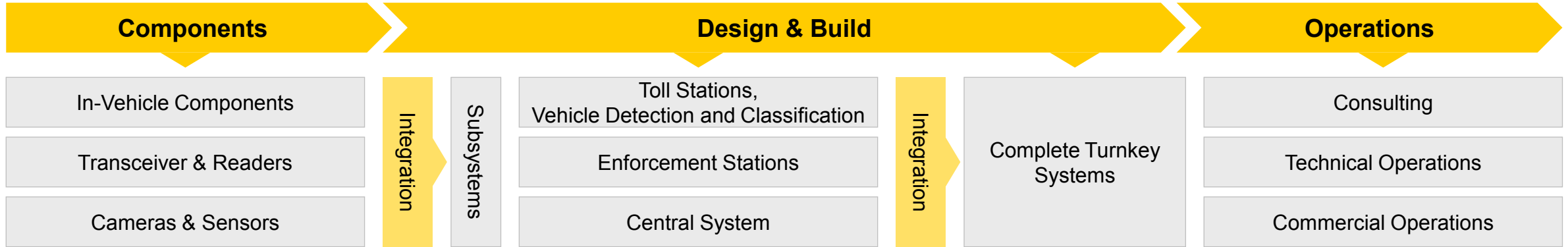
Strategy.

Our Priorities.



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

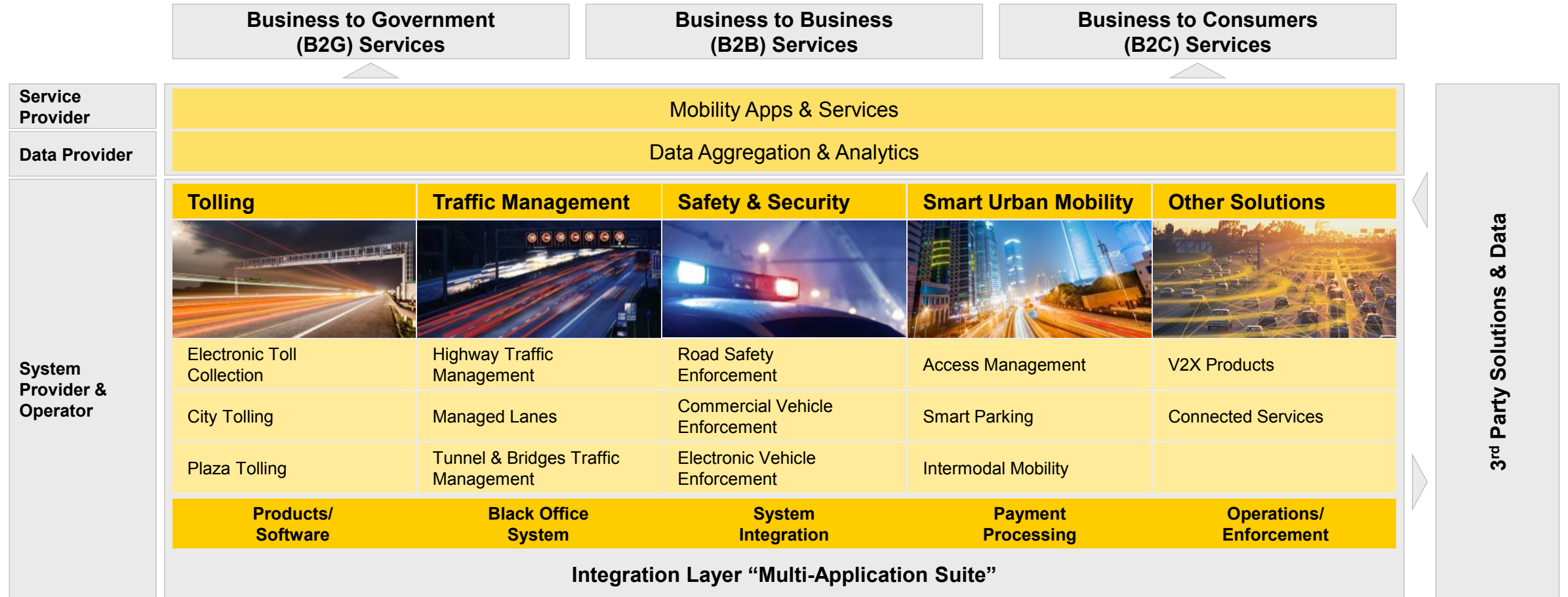
Central System



Back Office System

Portfolio.

Integrated ITS provider.



Tolling.

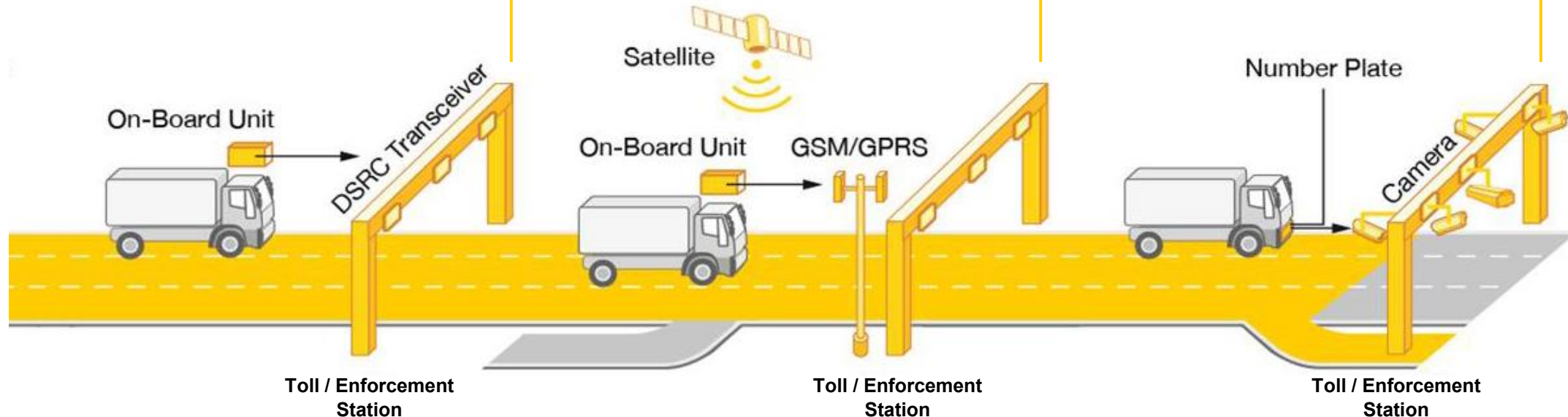
Core Technologies for Electronic Toll Collection (ETC).

Dedicated Short-Range
Communication (DSRC)

Global Navigation
Satellite System (GNSS)

Automatic Number
Plate Recognition (ANPR)

Back Office

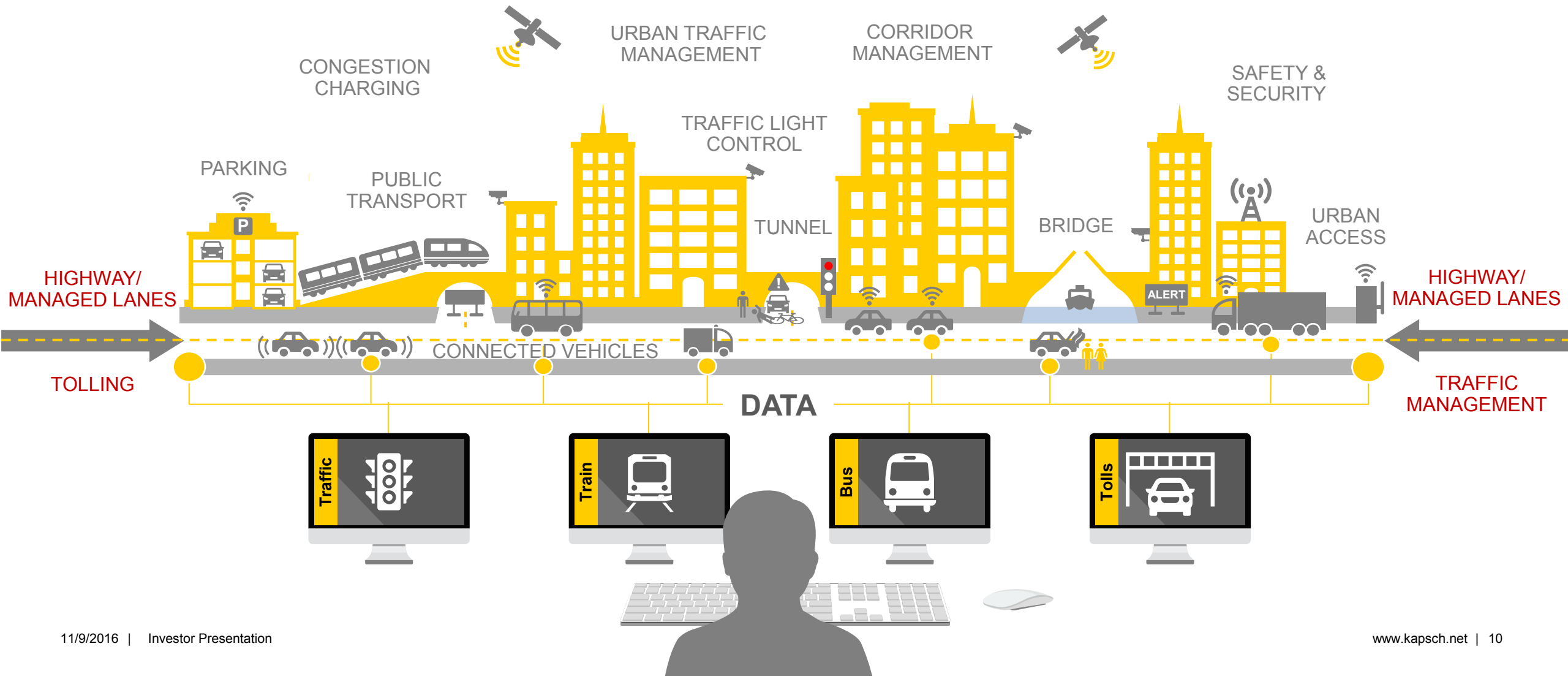


Toll Section

Note: This graphic chart is for illustration purpose only; all 3 technologies in one toll section would rarely happen.

Mobility.

Intelligent Mobility Solutions (IMS) From Highways to Cities.



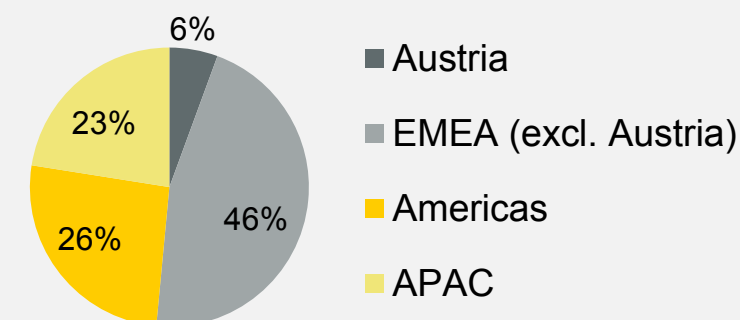
Financials.

Earnings Overview.

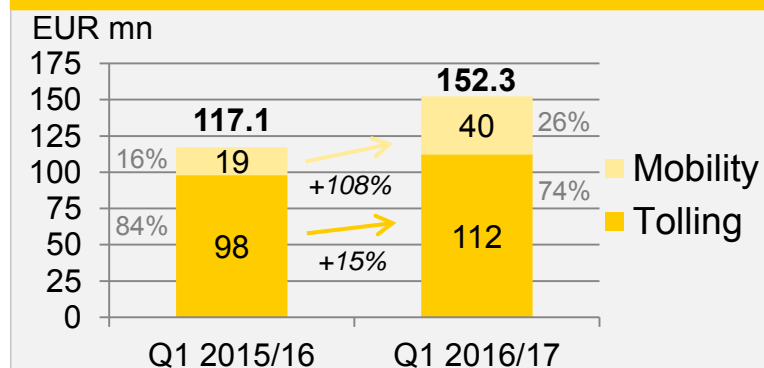
All figures in EUR mn unless otherwise stated

	Q1 2016/17	+/-	Q1 2015/16	FY 2015/16
Revenues	152.3	30%	117.1	526.1
EBITDA	21.8	29%	16.9	76.9
<i>EBITDA margin</i>	14.3%	(0.1%p)	14.4%	14.6%
EBIT	17.6	38%	12.8	62.3
<i>EBIT margin</i>	11.6%	0.6%p	10.9%	11.9%
Profit before tax (PBT)	17.3	15%	15.0	54.8
Profit for the period	12.4	8%	11.5	36.5
Profit for the period attributable to equity holders	12.7	30%	9.8	31.1
Earnings per share (EPS)	0.97	30%	0.75	2.39

Revenues by Region Q1 2016/17

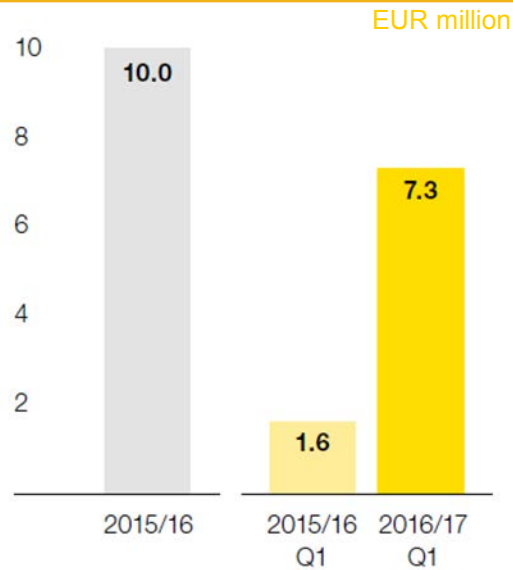


Revenues by Segment Q1 2016/17



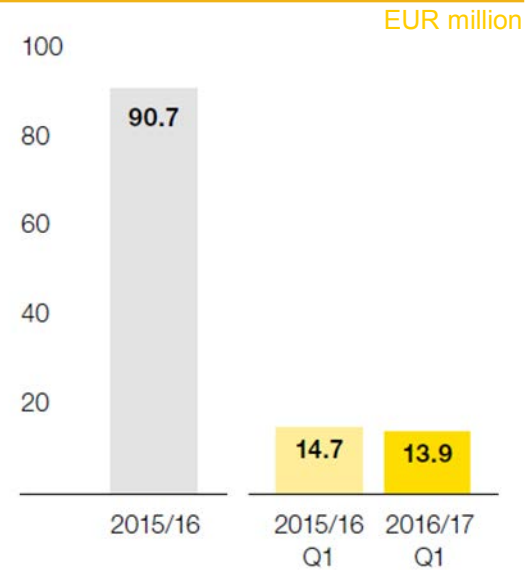
Other Key Financials.

Investments



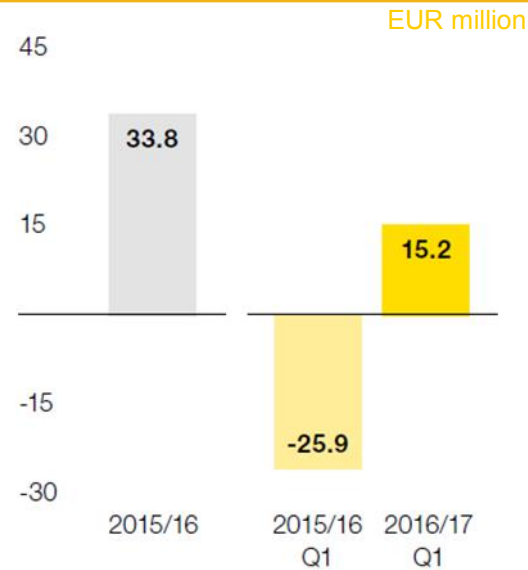
The increase resulted from the acquisition of KTT and primarily concerns intangible assets.

Free cash flow



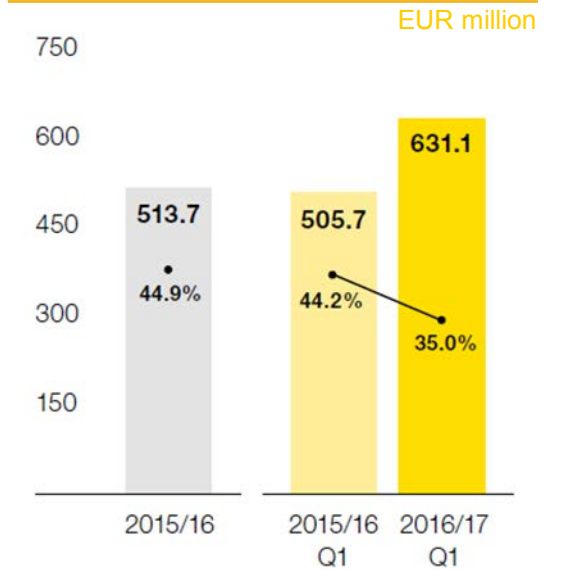
The free cash flow declined by 6% and this also relates to the consolidation of KTT.

Net credit/debt



Despite M&A, KTC still holds a net credit. Measures to cover the repayment of the bonds maturing in 2017 have already been taken.

Balance sheet total and equity ratio



Borrower's note loan (extension of balance sheet) and an acquisition (effect in equity) lead to a reduction of the equity ratio.

Financials.

Tolling.

All figures in EUR mn
unless otherwise stated

	Q1 2016/17	+/-	Q1 2015/16	FY 2015/16
Revenues	112.4	15%	98.0	442.1
EBIT	18.1	33%	13.6	63.7
<i>EBIT margin</i>	16.1%	2.2%p	13.9%	14.4%

Revenues Q1 2016/17

- EUR 5.7mn from KTT
- Positive impact from exchange of IT infrastructure in South Africa
- Growth of business in Chile and Australia
- 2.84 million on-board units (2.33 million last year)

EBIT Q1 2016/17

- Growth from operations projects in EMEA
- KTT contributed EUR -1.5mn
 - Includes positive effect from goodwill of EUR 0.9mn



Financials.

Mobility.

All figures in EUR mn
unless otherwise stated

	Q1 2016/17	+/-	Q1 2015/16	FY 2015/16
Revenues	39.8	108%	19.1	84.0
EBIT	-0.5	n.a.	-0.8	-1.3

Revenues Q1 2016/17

- EUR 19.2mn from KTT
- CHARM (UK/NL) had a positive impact
- Modernize integrated transportation systems of the highway operations center in Massachusetts, USA. (4yrs; USD 11.5mn)

EBIT Q1 2016/17

- Positive development of traffic management projects in South Africa
- Negative impact from Streetline
- EUR 0.4mn from KTT
 - Includes badwill of EUR 2.1mn



Kapsch TrafficCom Share.

ISIN: AT000KAPSCH9

Stock Ticker Symbol: KTCG

Reuters: KTCG.VI

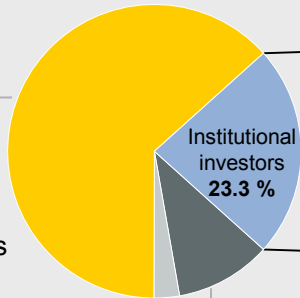
Bloomberg: KTCG AV

Shareholder Structure

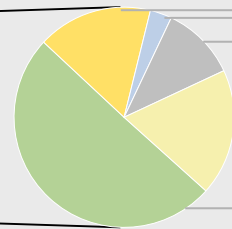
Kapsch-Group
Beteiligungs GmbH
63.3 %

Private
investors
10.6 %

Other investors
and shares in
trading positions
2.8 %



Institutional Investors by Region



U.K. and Ireland
11.0 %

North America
18.6 %

Continental Europe
(excl. Austria)
50.3 %

Basic Information

- > Listed in Prime Market segment at the Vienna Stock Exchange since 2007
- > 13 million shares
- > Market cap: >EUR 500mn
- > Coverage by: Erste Group, Matelan, RCB

Select Events

17 Nov 2016	1H results 2016/17
22 Feb 2016	Q1-3 results 2016/17
21 June 2016	Results for FY 2016/17

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

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Appendix.

Competition.

Overview.

Tolling



ETC

T-Systems
Autostrade Tech | Q-Free
TransCore | Sanef its
Siemens

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

Worldsensing
Smart Parking | IPS Group
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 Q1 Results.

Impact on the P&L

Revenues	EUR +24.9mn
thereof ETC	EUR +5.7mn
thereof IMS	EUR +19.2mn
EBIT	EUR -1.1mn
thereof ETC	EUR -1.5mn
thereof IMS	EUR +0.4mn

Impact on the balance sheet*

Property, plant & equipment	EUR 0.7mn
Intangible assets	EUR 5.2mn
Other non-current assets	EUR 0.2mn
Inventories	EUR 0.7mn
Receivables & other current assets	EUR 57.0mn
Cash & cash equivalents	EUR 9.5mn
Liabilities, other liabilities & deferred income	EUR -42.8mn
Net assets acquired (provisionally)	EUR 30.4mn

Other

- > Number of KTC Group employees up by 895
- > 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 will weigh on KTC's profitability
- > Integration to be completed by fall 2017

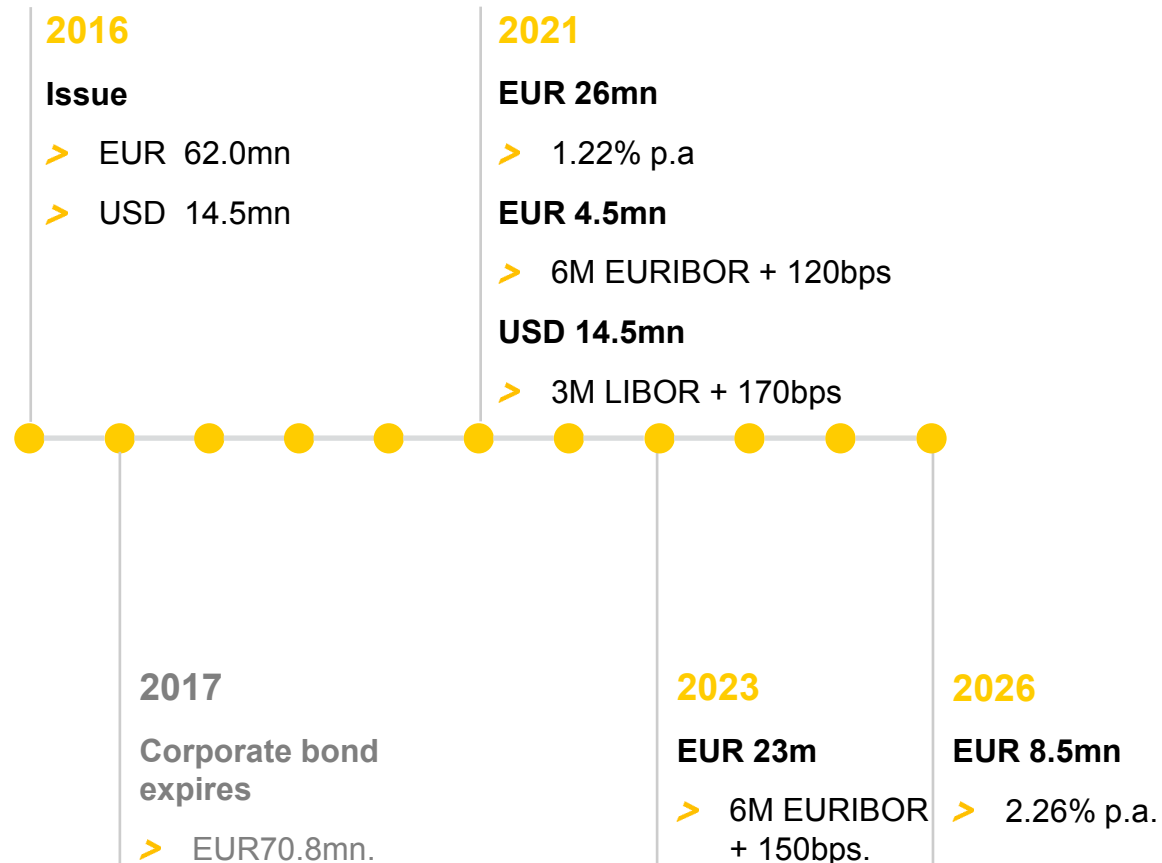


Purchase price*: EUR 27.4mn
Difference to net assets
acquired (badwill): EUR 3.0mn

* Provisionally determined; preliminary purchase price allocation. Values may change subject to audit as well as through purchase price adjustments.

Borrower's Note Loan.

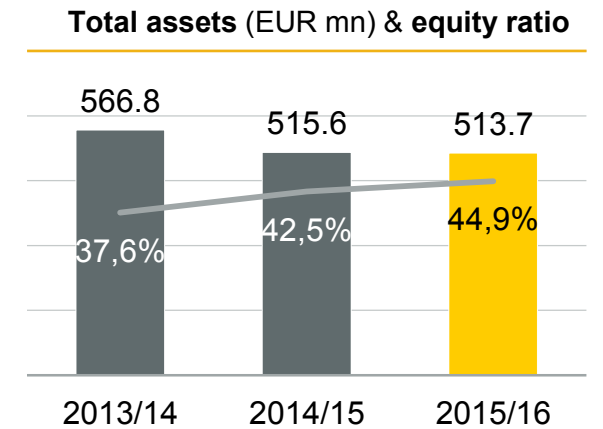
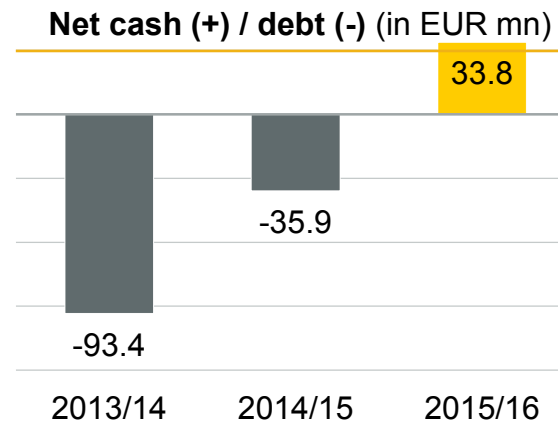
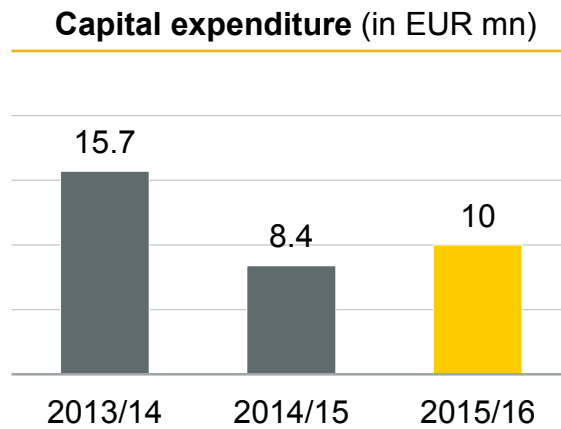
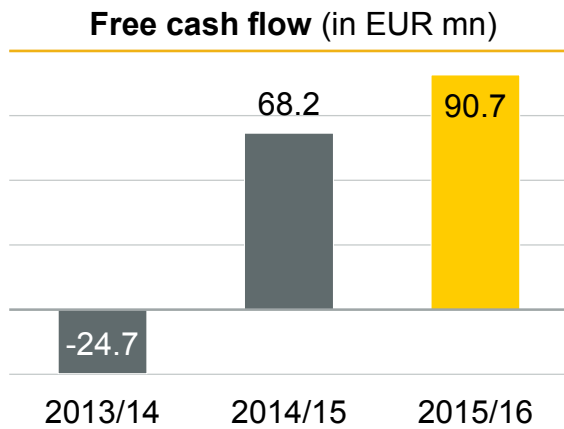
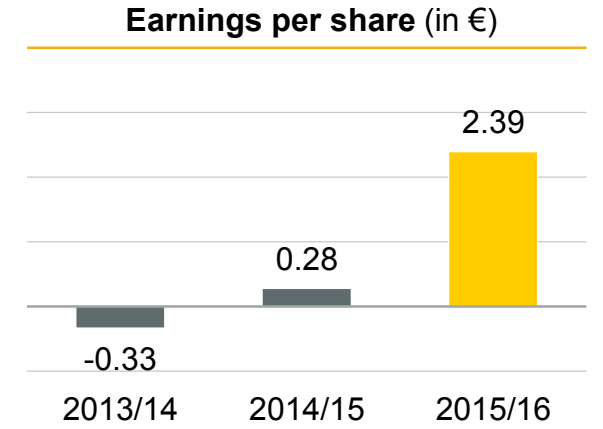
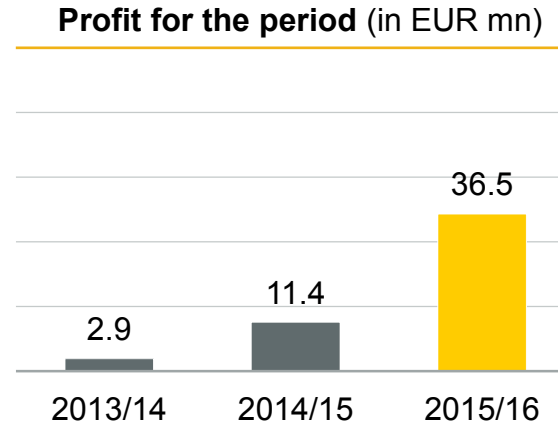
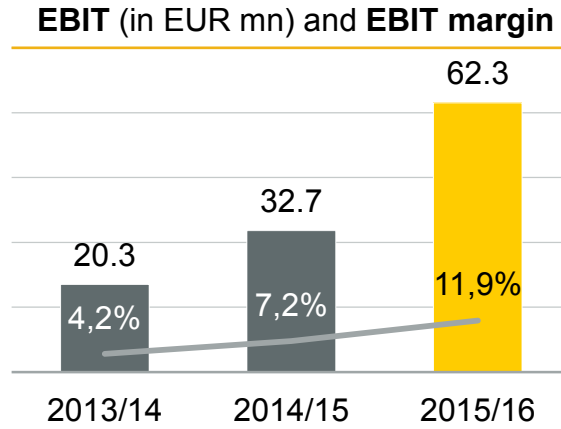
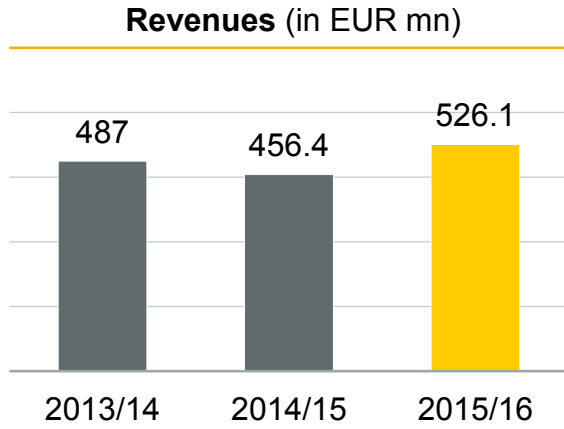
Successful Issue.



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)

Key Financial Data in Fiscal Year 2015/16.



Income Statement.

All amounts in EUR	Note	2015/16	2014/15
Revenues	(1)	526,091,567	456,377,377
Other operating income	(2)	17,028,271	21,220,911
Changes in finished and unfinished goods and work in progress	(3)	-12,290,757	-5,276,194
Other own work capitalized		708,875	104,353
Cost of materials and other production services	(4)	-201,861,358	-168,034,419
Staff costs	(5)	-153,160,789	-148,102,477
Amortization and depreciation	(6)	-14,532,982	-16,434,371
Impairment charge	(6)	0	-12,342,000
Other operating expenses	(7)	-99,636,031	-94,763,384
Operating result		62,346,797	32,749,796
Finance income	(8)	12,901,839	13,255,371
Finance costs	(8)	-20,473,837	-26,306,798
Financial result		-7,571,998	-13,051,426
Results from associates	(14)	40,617	233,819
Result before income taxes		54,815,416	19,932,188
Income taxes	(9)	-18,355,734	-8,524,107
Result for the period		36,459,682	11,408,081
Result attributable to:			
Equity holders of the company		31,091,775	3,629,908
Non-controlling interests		5,367,907	7,778,173
		36,459,682	11,408,081
Earnings per share from the result for the period attributable to the equity holders of the company (in EUR)			
diluted	(32)	2.39	0.28
undiluted	(32)	2.39	0.28

Balance Sheet.

All amounts in EUR	Note	31 March 2016	31 March 2015
ASSETS			
Non-current assets			
Property, plant and equipment	(12)	20,866,937	22,393,204
Intangible assets	(13)	64,911,212	71,250,401
Interests in associates	(14)	1,917,126	2,013,952
Other non-current financial assets and investments	(15)	18,651,333	23,099,327
Other non-current assets	(16)	18,877,084	28,137,787
Deferred tax assets	(22)	11,895,081	13,590,224
		137,118,772	160,484,896
Current assets			
Inventories	(17)	35,757,354	47,669,688
Current tax receivables	(18)	3,754,362	3,336,345
Trade receivables and other current assets	(18)	196,158,016	202,050,857
Other current financial assets	(15)	96,813	5,290,815
Cash and cash equivalents	(19)	140,782,047	96,764,803
		376,548,591	355,112,509
Total assets		513,667,364	515,597,404

All amounts in EUR	Note	31 March 2016	31 March 2015
EQUITY			
Capital and reserves attributable to equity holders of the company			
Share capital	(20)	13,000,000	13,000,000
Capital reserve		117,508,771	117,508,771
Retained earnings and other reserves		92,338,014	77,449,325
		222,846,785	207,958,096
Non-controlling interests		7,811,064	11,403,134
Total equity		230,657,849	219,361,230
LIABILITIES			
Non-current liabilities			
Non-current financial liabilities	(21)	85,733,509	88,984,654
Liabilities from post-employment benefits to employees	(23)	24,107,382	25,210,018
Non-current provisions	(26)	1,395,787	1,661,173
Other non-current liabilities	(24)	3,332,528	4,656,718
Deferred income tax liabilities	(22)	3,190,360	2,379,882
		117,759,566	122,892,444
Current liabilities			
Trade payables		52,040,998	48,441,473
Other liabilities and deferred income	(25)	79,341,558	65,535,073
Current tax payables		3,572,533	1,173,523
Current financial liabilities	(21)	21,349,269	48,968,988
Current provisions	(26)	8,945,590	9,224,672
		165,249,949	173,343,730
Total liabilities		283,009,514	296,236,174
Total equity and liabilities		513,667,364	515,597,404

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

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