



Kapsch TrafficCom

# Investor Presentation.

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

January 2022



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# Kapsch TrafficCom.

At a glance.

## Provider of Intelligent Transportation Solutions (ITS)

Segment Tolling: ~ 70% of revenues

Segment Traffic Management: ~ 30% of revenues

## System integrator with in-house production

## Technological forerunner: electronic tolling pioneer

## Listed at Vienna Stock Exchange.

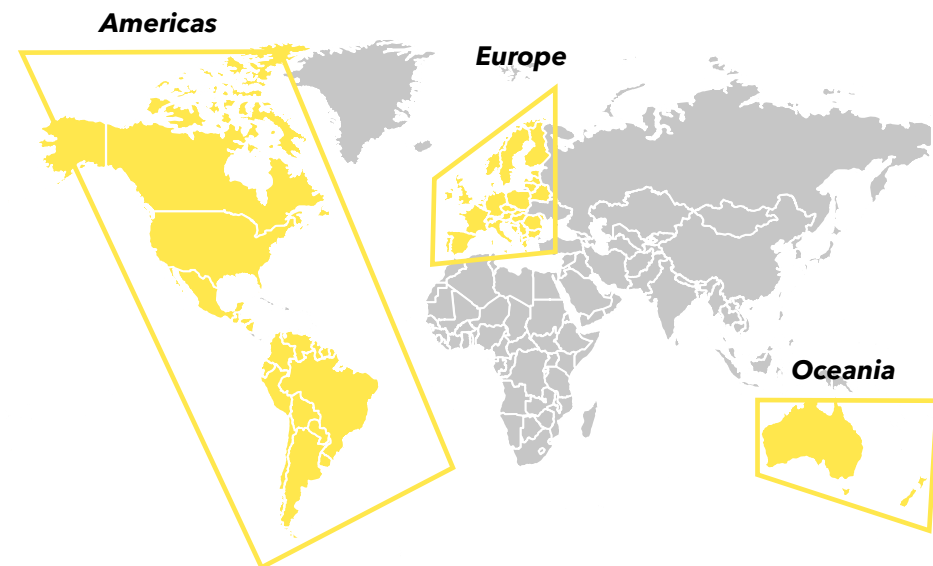
IPO in June 2007

Prime segment

Free float of 36.7%

KAPSCH Group holds 63.3%

## Regional focus markets.



**505mn**

-31%

### Revenues

FY 2020/21

**4,657**

-9%

### Employees

March 31, 2021

**25 countries**

### Global presence

March 31, 2021

**4.4bn**

### Addressable market

in year 2020

# Reporting segments.

## TOLLING

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

### **Electronic toll collection.**

#### Technology:

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

#### Applications:

- > Multi-lane free-flow (MLFF)
- > Demand management
  - Congestion charging
  - Managed lanes (tolled)

### **Plaza tolling.**

### **Tolling services.**

## TRAFFIC MANAGEMENT

- Combines conventional traffic management with smart traffic solutions, demand management and data services.

### **Traffic management.**

- > Highway
- > Tunnels/bridges
- > Urban
- > Corridors
- > C-ITS / connected mobility

### **Demand management.**

- > Urban access management (non-charging)
- > Managed lanes (non-charging)
- > Cross-domain policy setter (CDPS) - new, to be developed

# Market: regional focus.

## Americas

## Europe

## Oceania

### Regional reporting

- EMEA  
(Europe, Middle East, Africa)
- Americas  
(North, Central and South America)
- APAC  
(Asia-Pacific)

### Competition

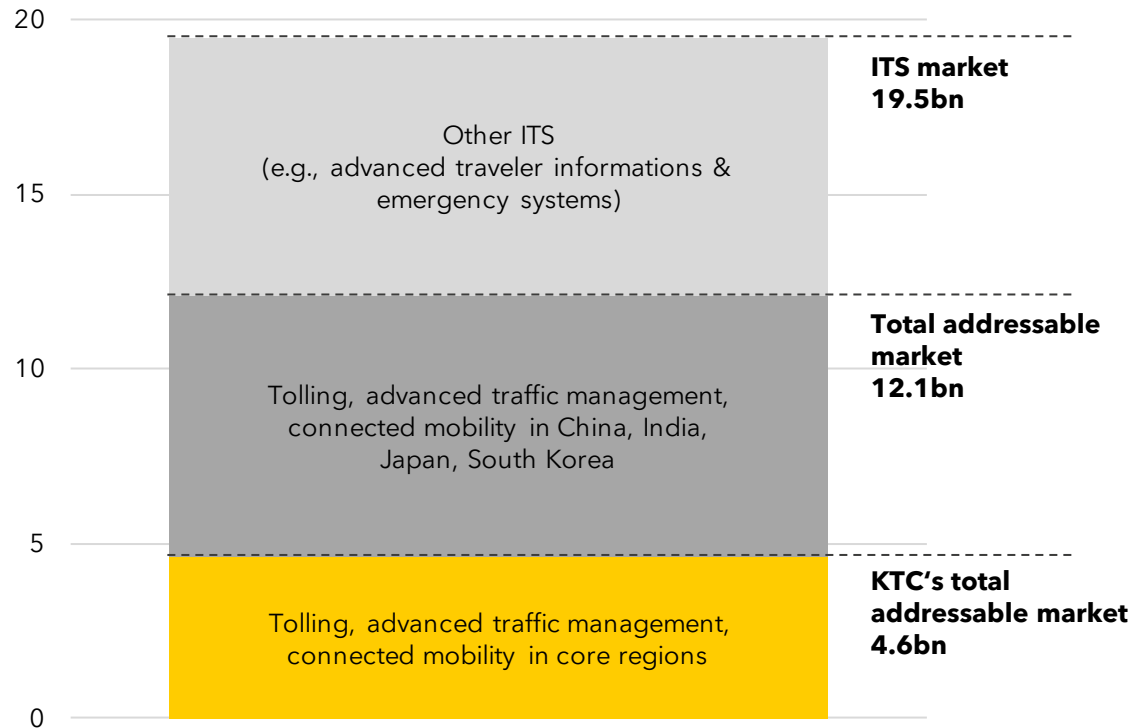
- Fragmented market:
  - Regionally
  - By solutions/applications
  - By technology
- Many competitors are (a rather small) part of a larger group.



# Market: volume.

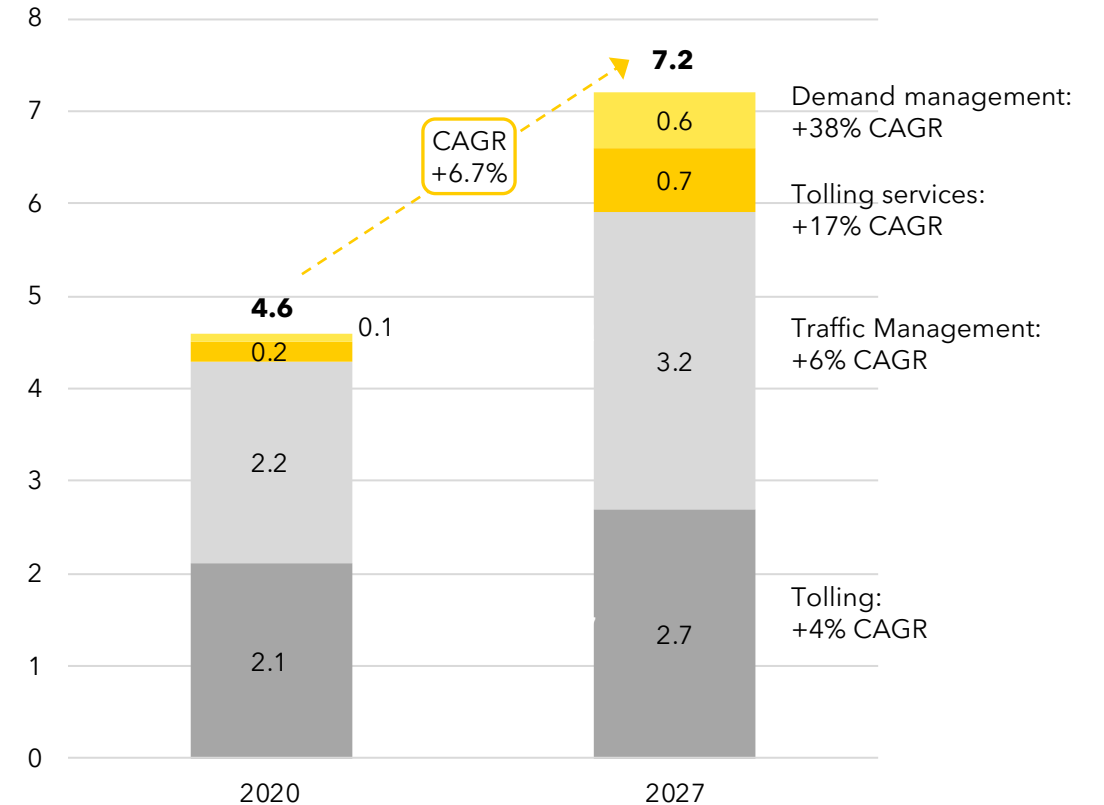
Target market and expected market development.

## Total addressable market for Kapsch TrafficCom in year 2020.



Source: Kapsch TrafficCom, Grand View Research, ABI Research

## KTC's total addressable market 2020-2027. (In € billion)



# Market: drivers.

## **Infrastructure demand & funding.**

Growing car park and traffic volumes  
E-vehicles → lower fuel tax income

## **Urbanization.**

60% of population in cities by 2030  
70% by 2050

## **Privacy.**

Data privacy becoming more important

## **New transportation modes & services.**

New, shared transportation modes  
Electrification of transportation

## **Ecological footprint.**

European Green Deal  
CO<sub>2</sub>, particulate matter, noise

## **Connected mobility.**

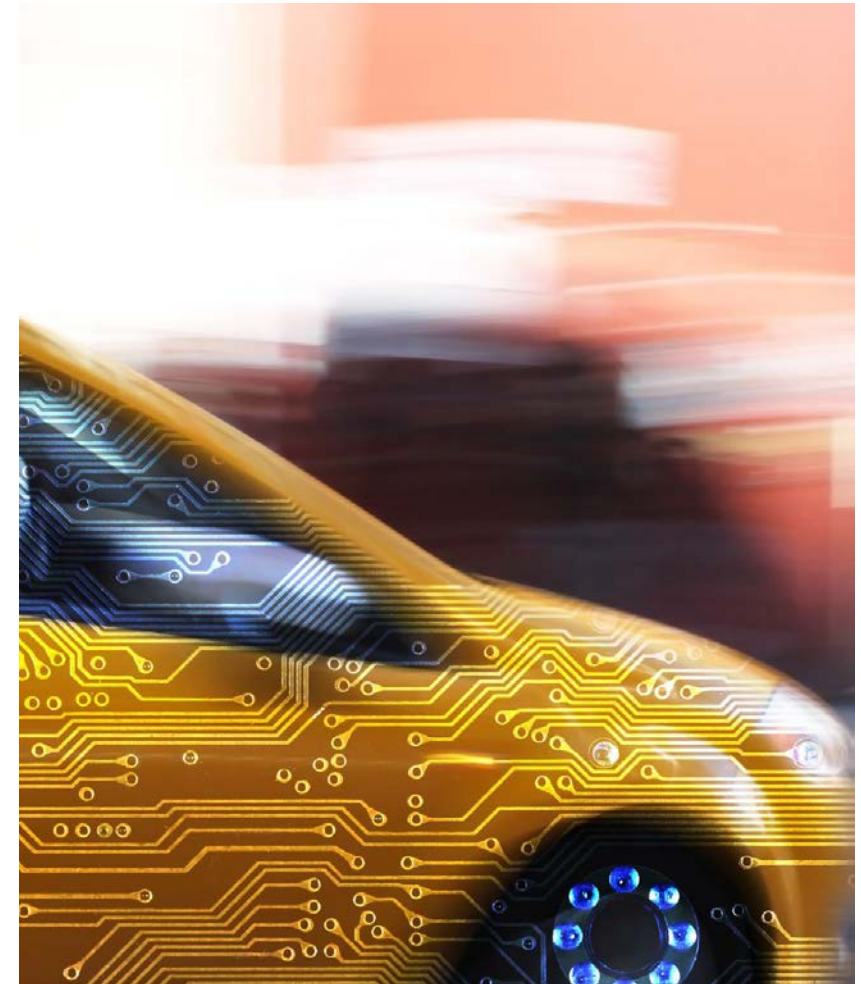
Rapid evolution of network technology  
and autonomous vehicles and driving

## **Data & artificial intelligence (AI).**

Emergence of vehicle data hubs.  
AI for analytics, simulation and prediction

## **Shift in business.**

From hardware to software platforms  
Smart infrastructure



# Business model.

## Overview.

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

### **Components.**

Develop, produce (Austria, Canada) or source:

- In-vehicle components
  - On-board units, transponders
- Road-side components
  - Transceivers, readers, cameras, sensors
- Traffic controllers

### **Implementation.**

Planning/design/installation of systems and applications

- System integrator
  - Own core technology
  - Subcontractors and partners as required
- Project and supplier management
- Installations are transferred to the customer upon completion

### **Operations.**

- Technical operations
  - Monitoring, maintenance, improvement of a system
- Commercial operations
  - Includes the planning and realization of sales offices, call center services, web portals, implementation of payment systems
- Compensation regardless of traffic volume

### **Tolling services.**

- Europe:
  - European Electronic Toll Service (EETS)
  - Tolling services for passenger vehicles
- USA:
  - Toll road payments app

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



# Business model.

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



## **HARDWARE.**

### ***In-vehicle products.***

On-board units, transponders

### ***Radio frequency field products.***

Transceivers, readers

### ***Traffic management products.***

Controllers

### ***Video and sensor products.***

Cameras, vehicle detection and classification systems



## **SOFTWARE.**

### ***Commercial back office (tolling).***

### ***Traffic management (DYNAC® and EcoTrafIX™).***

### ***Enforcement (image processing suite).***

### ***Platform for connected mobility.***

# Goals.

## OUTLOOK TO FY 2021/22.

01

**Revenues: +10% to about 550mn.**

02

**EBIT margin: about 3%.**

03

**Focus on cost discipline and new business.**

## GOALS 2027.

01

**Revenues > 1b.**

02

**Double-digit EBIT margin.**

03

**Equity ratio > 30%.**

04

**CO2-neutral company.**

05

**Above-average contribution to reducing environmental pollution.**

# Highlights.

**H1**

**2021/22**



Stable revenues.



Successful restructuring: EBIT positive in both segments.



Stable gearing ratio.

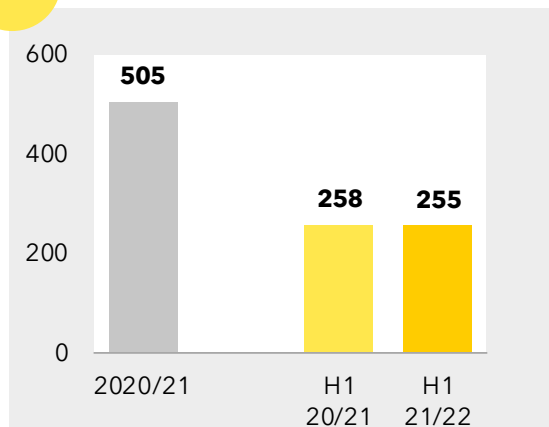


Internally financed repayment of financing tranches led to a balance sheet reduction.

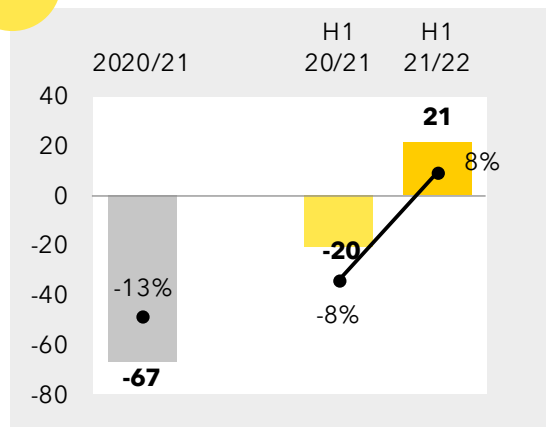
# Financials: at a glance.

All figures in € million unless otherwise stated.

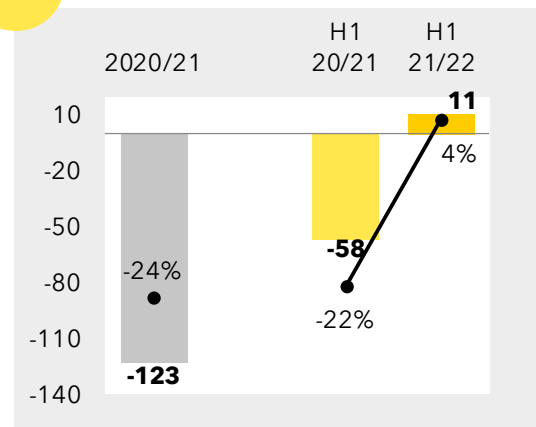
## Revenues.



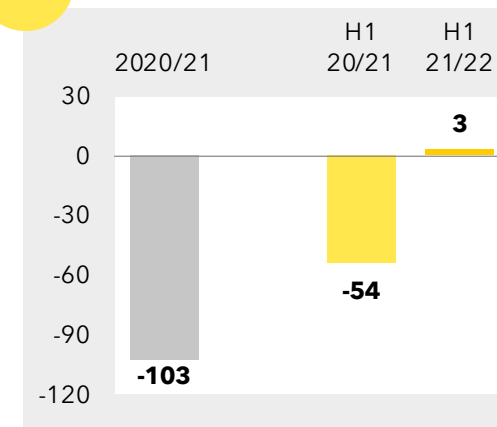
## EBITDA, EBITDA margin.



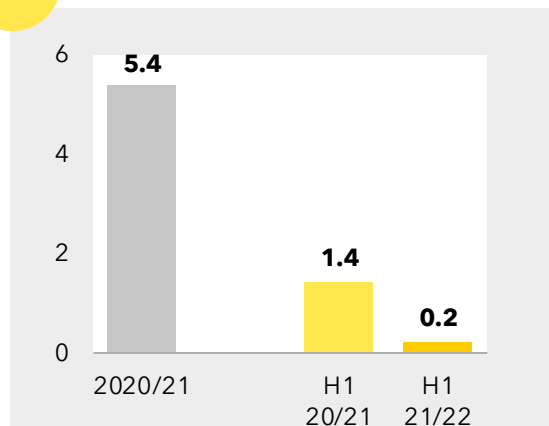
## EBIT, EBIT margin.



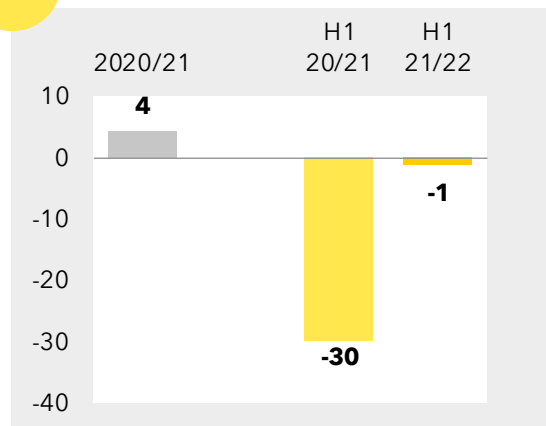
## Result for the period.



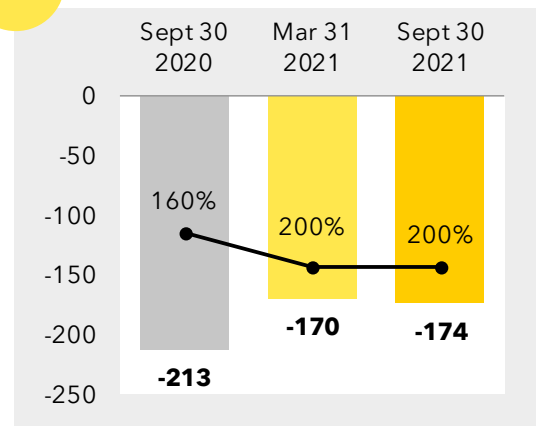
## Net CAPEX.



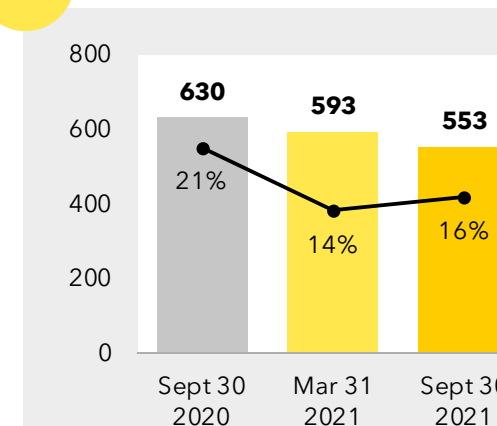
## Free cash flow.



## Net debt, gearing.



## Balance sheet, equity ratio.



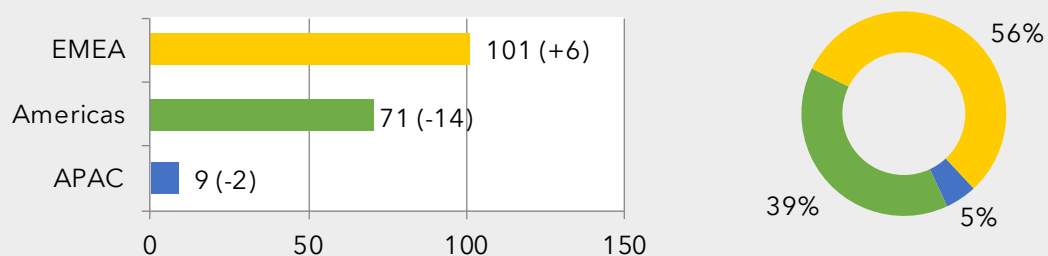
# Segment results.

All figures in € million unless otherwise stated.

## TOLLING.

	2020/21	H1 2020/21	H1 2021/22	+/-
Revenues	358	191	181	-5%
Implementation	100	66	39	-42%
Operations	188	90	111	23%
Components	71	35	31	-9%
EBIT	-117	-52	1	> 100%
EBIT margin	-33%	-27%	1%	28pp

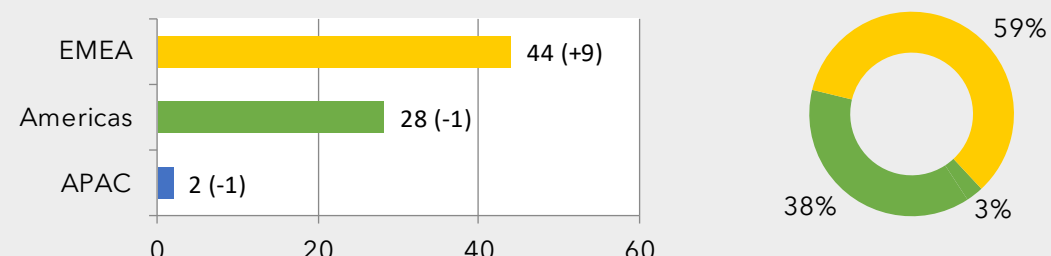
### Revenues by region



## TRAFFIC MANAGEMENT.

	2020/21	H1 2020/21	H1 2021/22	+/-
Revenues	147	67	74	11%
Implementation	65	31	31	-2%
Operations	76	34	41	21%
Components	5	2	3	32%
EBIT	-6	-6	9	> 100%
EBIT margin	-4%	-9%	13%	21pp

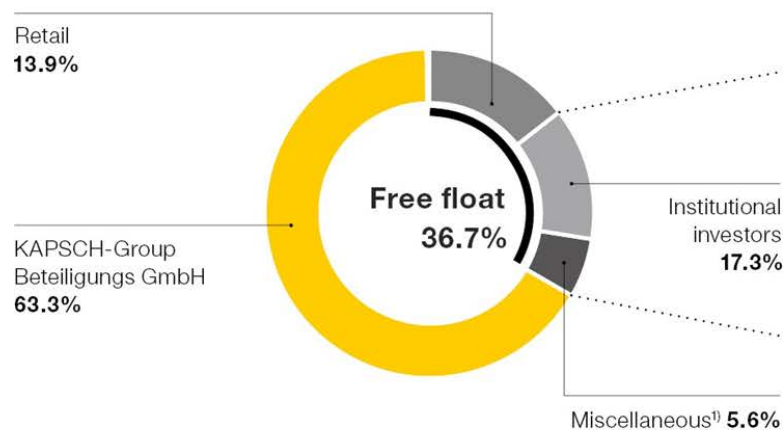
### Revenues by region





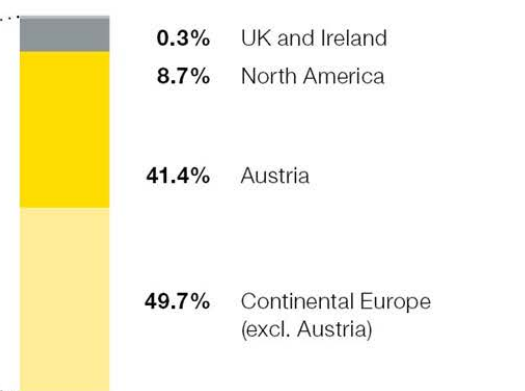
# Kapsch TrafficCom share.

## Shareholder structure



<sup>1)</sup> Trading positions and unidentified shareholders.

## Institutional investors by region



Source: Shareholder survey from April 2021, participation notice, estimates by Kapsch TrafficCom

## Research coverage\*

Erste Group	
Accumulate	€ 17.50
RBI (Raiffeisen Bank Intern.)	
Hold	€ 17.00
ODDO BHF/FMR	
Hold	€ 17.30

\* As per December 31, 2021.

## Select events

February 23, 2022	Q1-Q3 results
June 15, 2022	2021/22 results
More information:	<a href="http://www.kapschtraffic.com/ir">www.kapschtraffic.com/ir</a>

## Basic information

Listed in Vienna, Prime Market, since 2007	ISIN: AT000KAPSCH9
Capital increase in 2011	Reuters: KTCG.VI
Total of 13 million shares	Bloomberg: KTCG AV

# Share price development (last 12 months).

*Kapsch TrafficCom and ATX Prime.*



# USP.

*What makes Kapsch TrafficCom unique?*

- About 130 years in the electronics industry
- Close to customers
- Ability to develop tailored solutions - proven track record
- Deep and comprehensive domain know-how
- Broad variety of technologies, prime quality
- Integrated, one-stop-shop
- Only real global player in tolling (best practice, risk diversification)
- Scale
- Listed (transparence, access to capital)
- Shareholder interests secured on the Executive Board by CEO Georg Kapsch

## **Key differentiators.**



**Domain know-how.**



**Innovator.**



**One-stop-shop.**



**Global player.**



## **Hans Lang**

Investor Relations & Compliance Officer

Kapsch TrafficCom AG

Am Europlatz 2

1120 Vienna, Austria

[www.kapschtraffic.com/IR](http://www.kapschtraffic.com/IR)

**Email:** [ir.kapschtraffic@kapsch.net](mailto:ir.kapschtraffic@kapsch.net)

**Phone:** +43 50811 1122

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# Kapsch TrafficCom's offices.

As of March 31, 2021.





# The emergence of Kapsch TrafficCom.

About 130 years in the ever-changing electronic industry.

**1892**

**Kapsch founded**

**1991**

**Tolling division at Kapsch.**

Toll collection division within Kapsch Aktiengesellschaft

**1995**

**Pioneer.**

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

**1999**

**Pioneer ETC.**

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

**2002**

**Kapsch TrafficCom founded.**

Kapsch Aktiengesellschaft restructured from which Kapsch TrafficCom emerged as a separate legal entity within the Group.

**2004**

**Pioneer MLFF.**

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

**2007**

**IPO of Kapsch TrafficCom.**

## Select products of Kapsch throughout the years

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



## **// 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 protect the environment.