



kapsch >>>
challenging limits

Kapsch TrafficCom

Investor Presentation.

September 2020.

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

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



Solid financial parameter

- 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%



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, Mobility as a Service (MaaS), connected vehicles, big data-based applications.

Change of the ITS industry.

Convergence of various ITS market segments.

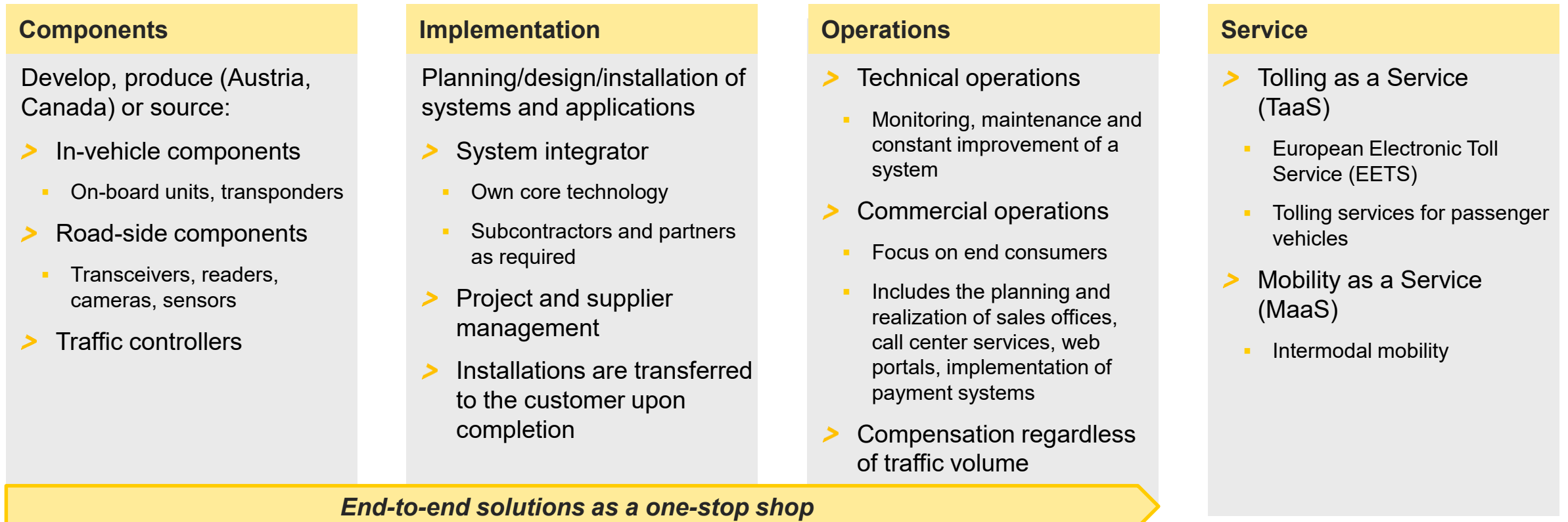
Trend towards intelligent, holistic mobility solutions.

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 Mobility as a Service (FluidHub)
- > Platform for connected mobility (Kapsch Connected Mobility Software Suite)

Business model.

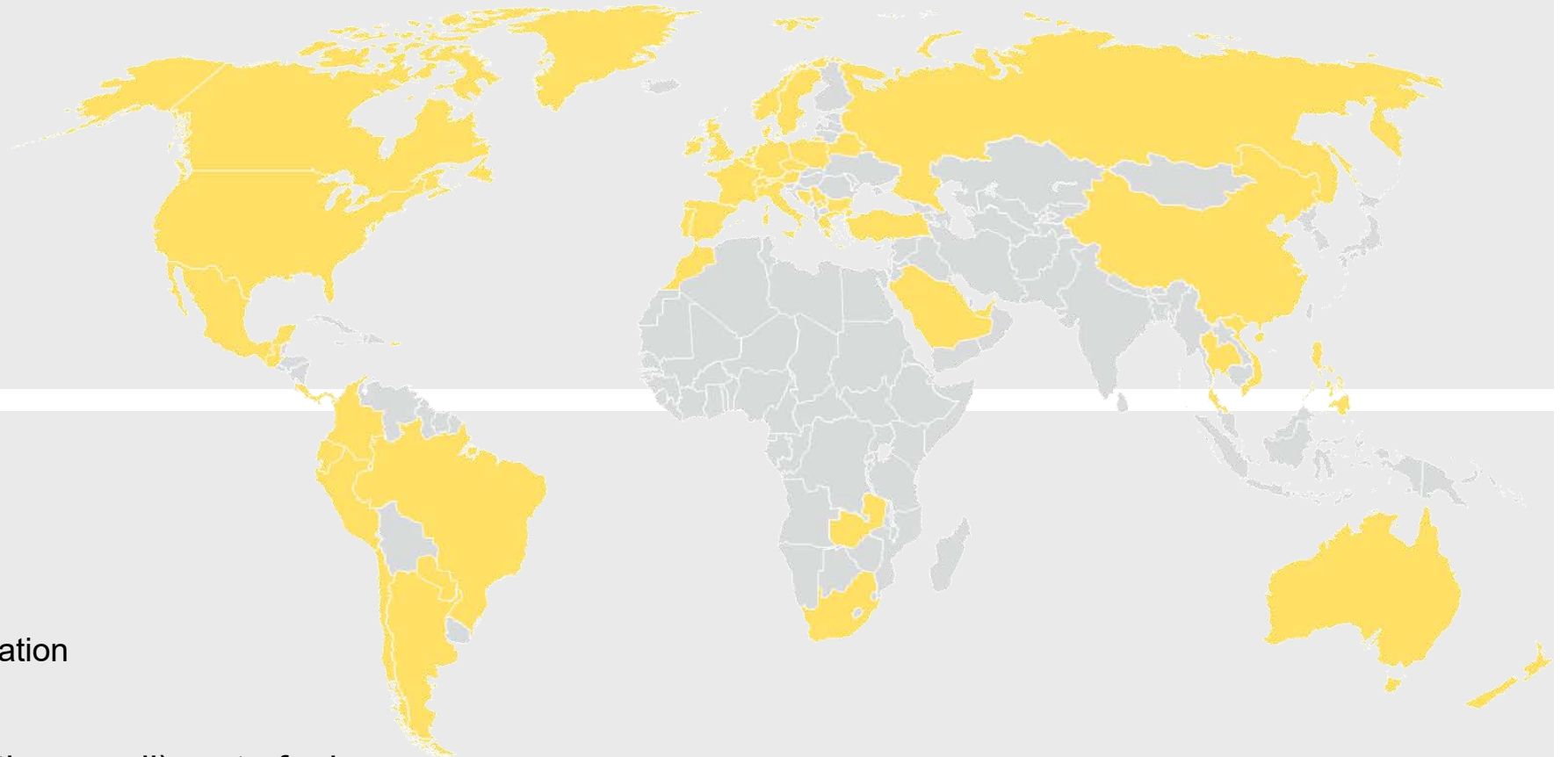
Customers and competition.

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

Mobility as a Service (MaaS).

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
- > Size and financial stability
- > Listed (transparence, access to capital)
- > Shareholder interests sustainably secured on the Executive Board by CEO Georg Kapsch.



Financial results.

Q1 2020/21.

Q1 2020/21.

Highlights.

- > Some effects from previous year continue to pose a challenge:
 - termination of several major projects,
 - ongoing personnel shortage in North America,
 - additional expenses for the implementation of new software lead to a decline in revenues and earnings.
- > No dividend for 2019/20.
- > Program launched to reduce costs and increase efficiency.
- > Still too many uncertainties for quantitative outlook on full year 2020/21.

Revenues

EUR 138.5 mn

Previous year | EUR 186 mn
-26%

EBIT

EUR -11.3 mn

Previous year | EUR 5 mn
n.m.

EBIT margin

-8.2%

Previous year | 2.4%
-10.6%p

EPS

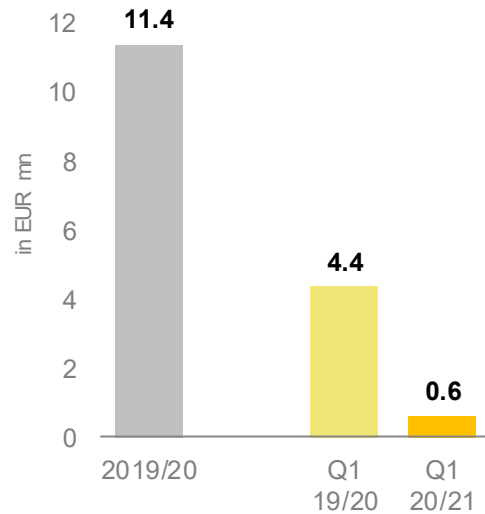
EUR -0.77

Previous year | EUR 0.19
n.m.

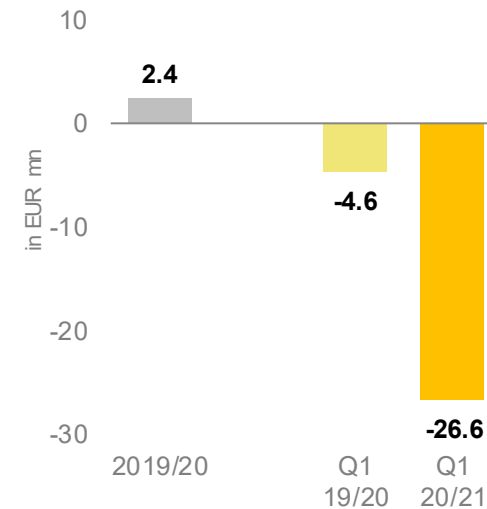
Q1 2020/21.

Other key financials.

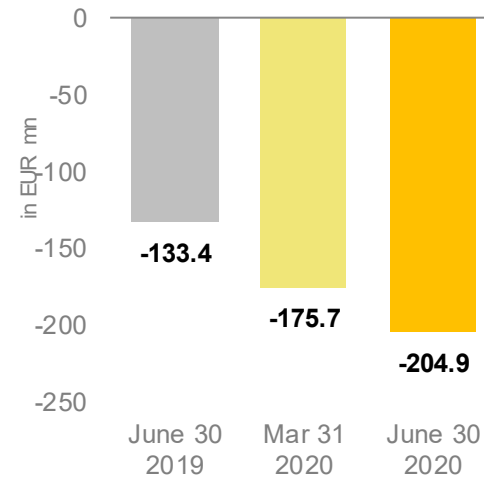
Net CAPEX



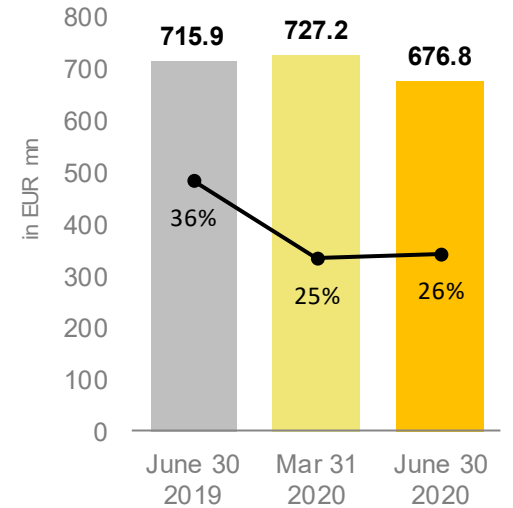
Free cash flow



Net debt



Balance sheet total and equity ratio



- > Low CAPEX because of cost management.
- > Negative free cashflow mainly from changes in working capital.

- > Net debt position expanded because of negative free cash flow.
- > Reduction of trade payables resulted in lower total assets. Equity ratio slightly improved.

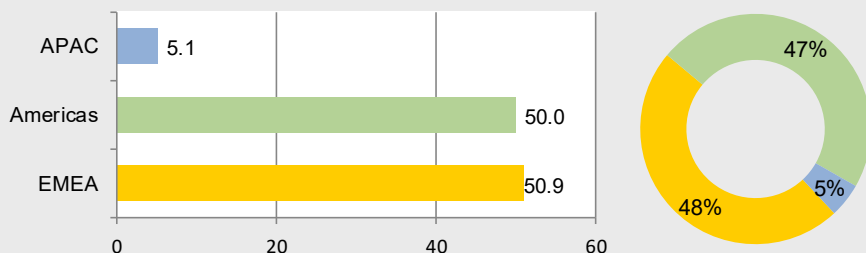
Q1 2020/21.

Segment results.

ELECTRONIC TOLL COLLECTION (ETC)

All figures in EUR mn unless otherwise stated	2019/20	Q1 2019/20	Q1 2020/21	+/-
Revenues	563.5	147.0	106.0	-28%
Implementation	0.0	58.9	39.8	-32%
Operations	0.0	63.7	47.0	-26%
Components	0.0	24.5	19.2	-22%
EBIT	1.5	7.6	-8.9	—
<i>EBIT margin</i>	0.3%	5.2%	-8.4%	-14%p

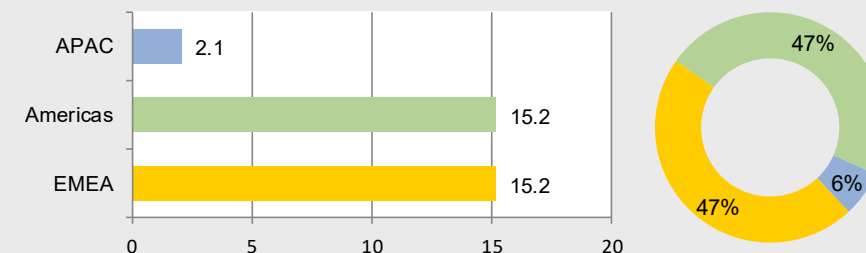
Revenues by region



INTELLIGENT MOBILITY SERVICES (IMS)

All figures in EUR mn unless otherwise stated	2019/20	Q1 2019/20	Q1 2020/21	+/-
Revenues	167.7	39.1	32.5	-17%
Implementation	0.0	15.0	15.7	5%
Operations	0.0	20.9	16.0	-24%
Components	0.0	3.3	0.8	-74%
EBIT	-40.7	-3.1	-2.5	20%
<i>EBIT margin</i>	-24.2%	-7.9%	-7.6%	0%p

Revenues by region



Dividends.

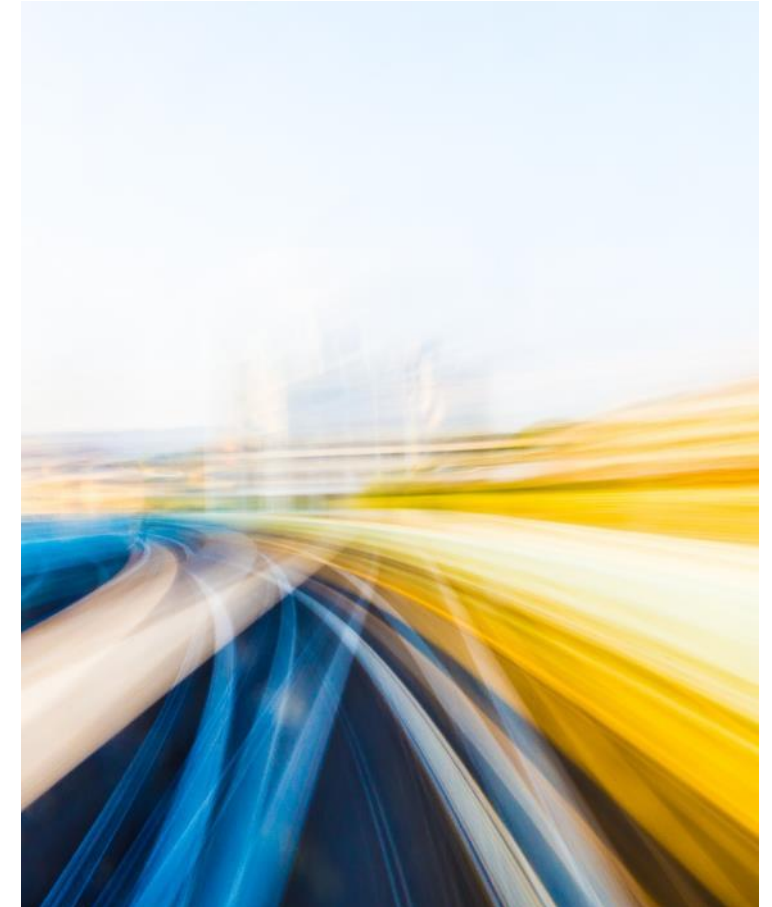
Dividend policy*

- > 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.

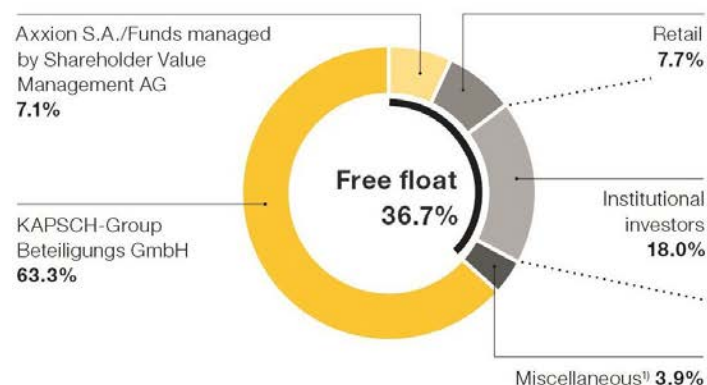
Dividend payouts

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%



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 22.00
ODDO Seydler Bank/FMR	
Hold	EUR 16.50
Raiffeisen Centrobank	
Hold	EUR 14.50

* As per August 31, 2020.

Select events

September 9, 2020 Annual General Meeting

November 18, 2020 H1 2020/21 results

More information: www.kapschtraffic.com/ir

Basic information

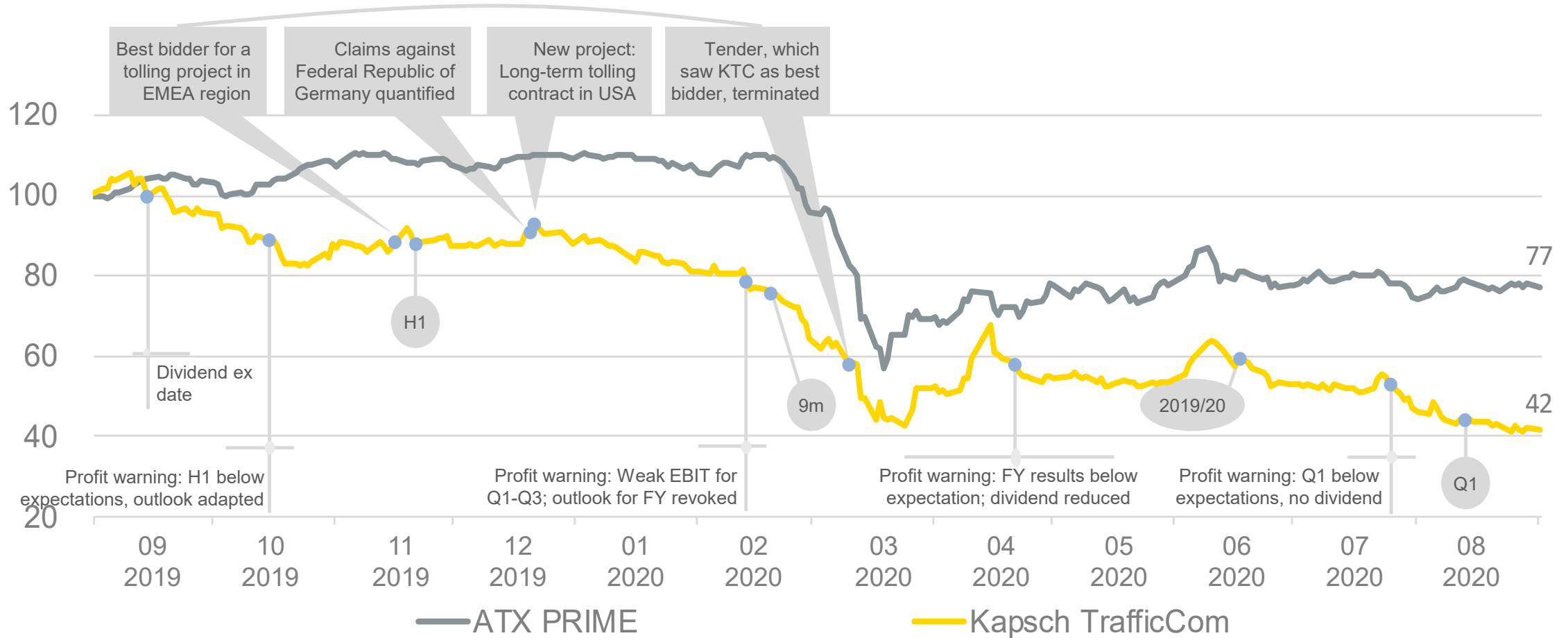
- > Listed in Prime Market segment at the Vienna Stock Exchange since 2007.
- > Capital increase in 2011.
- > Total of 13 million shares.

- > 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

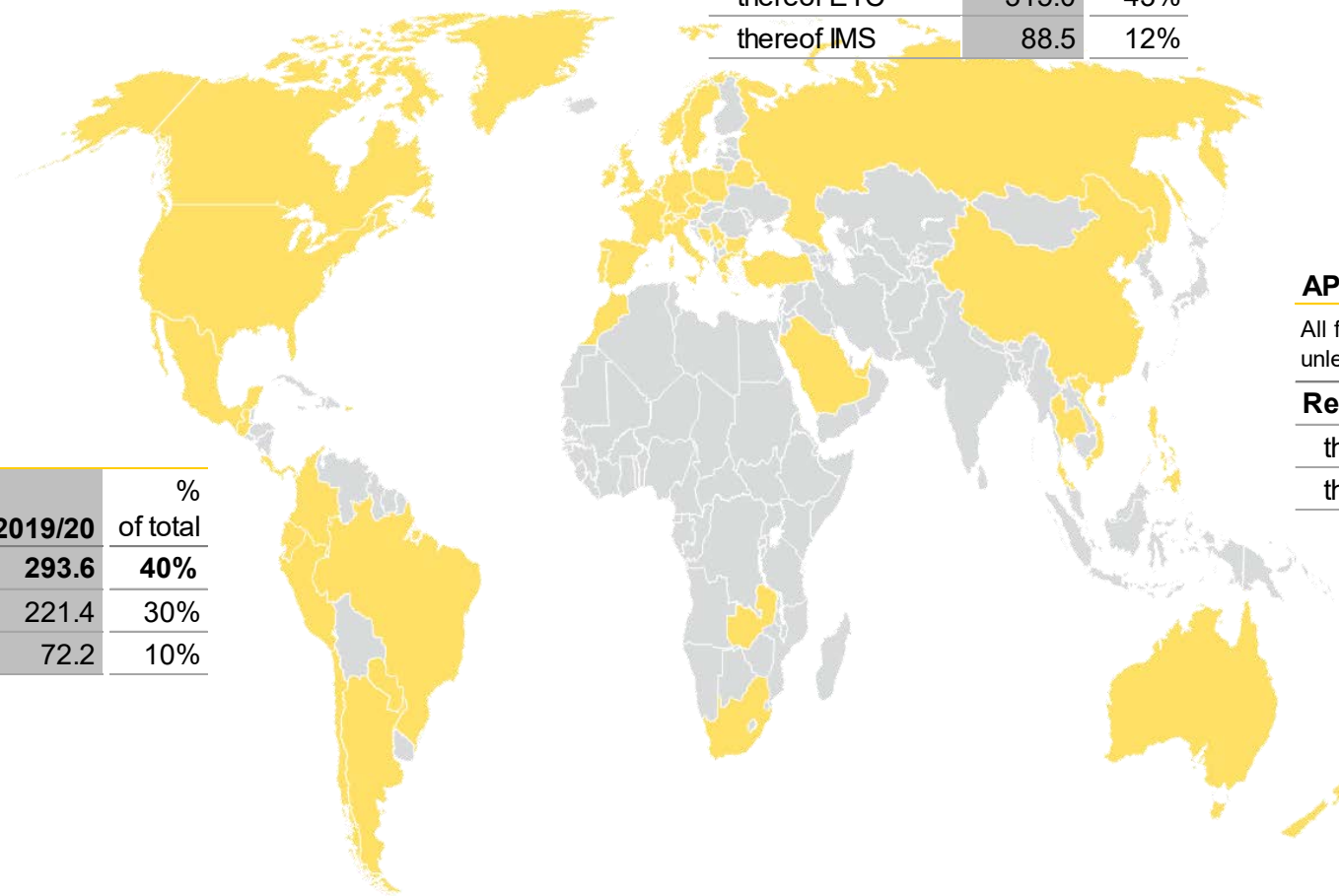
All figures in EUR mn unless otherwise stated	2019/20	% of total
Revenues	403.5	55%
thereof ETC	315.0	43%
thereof IMS	88.5	12%

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.

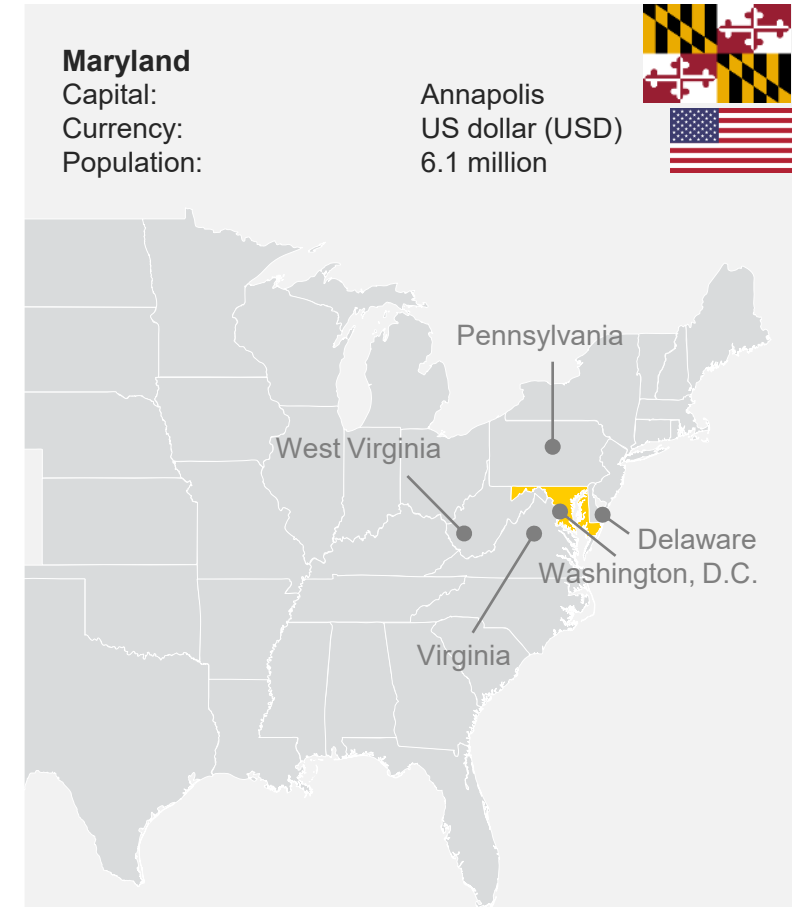
Tolling in Maryland (USA).

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).

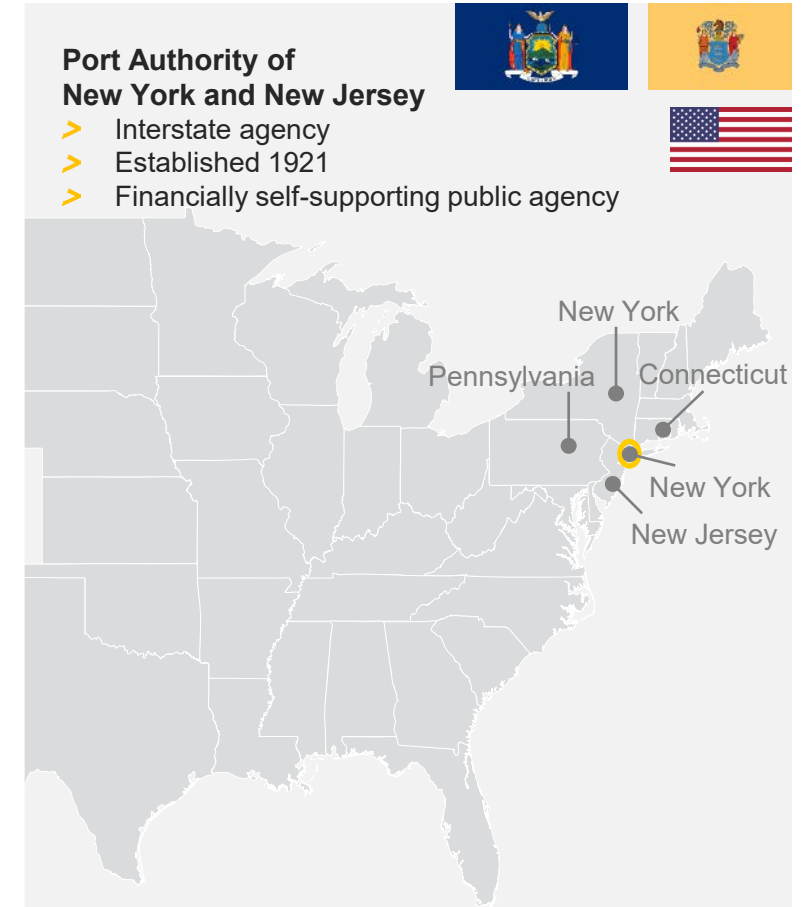
About the projects

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)

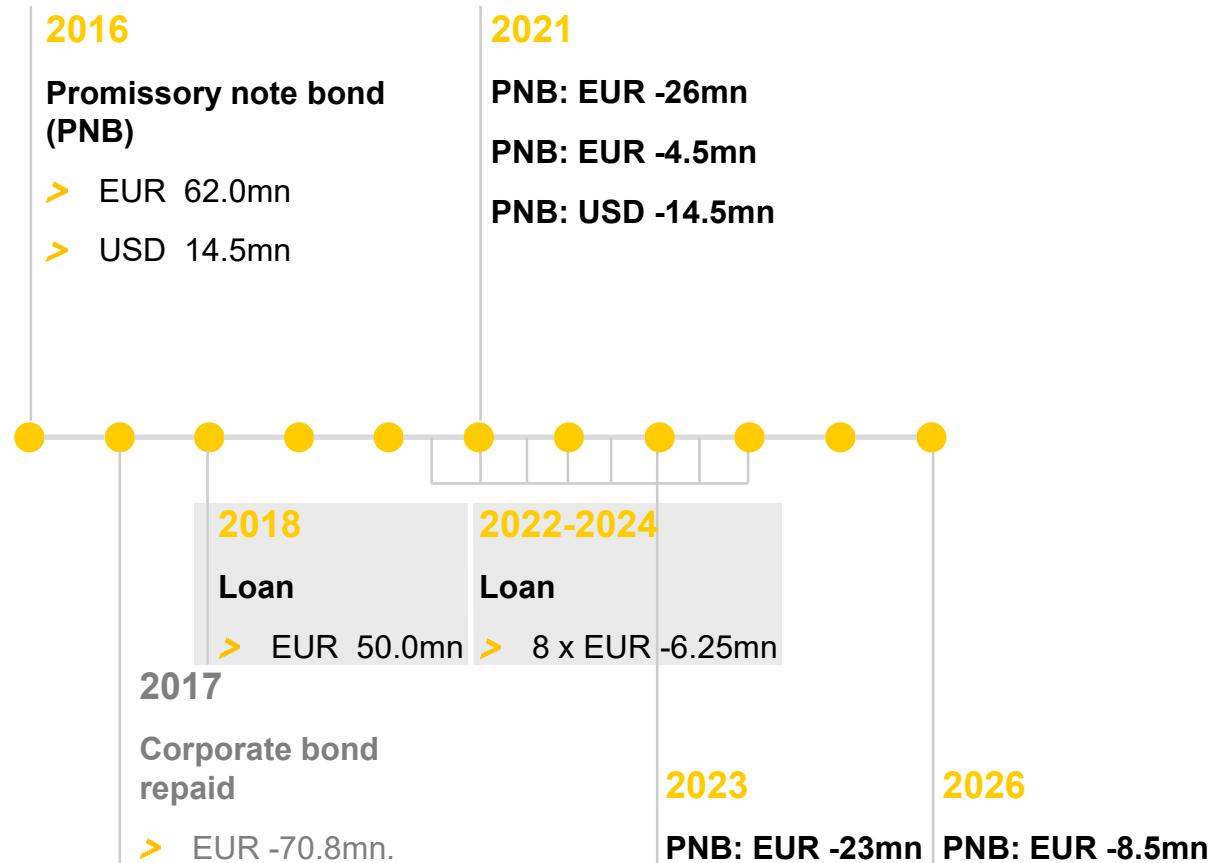
- > Design and install an Agency-Wide Advanced Transportation Management Software (ATMS).
- > Term: 4-year base term followed by two additional 1-year optional support periods.
- > Total project volume >EUR 8 million.





Appendix.
Miscellaneous.

Promissory note bond & long-term bank loan.



Corner stones of the promissory note bond

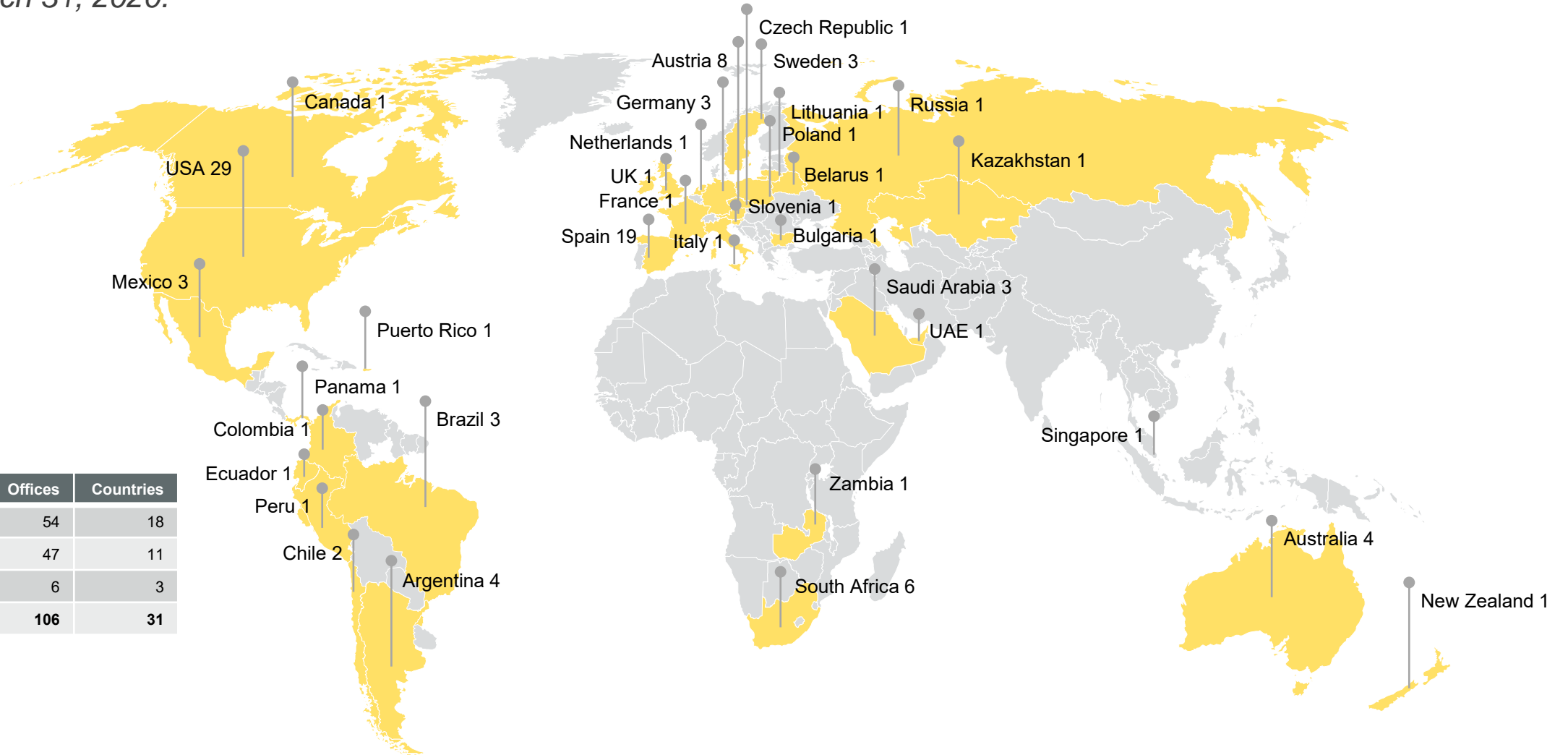
- > Issued 2016
- > Volume: EUR 62mn + USD 14.5mn
- > 3 tenors (5/7/10 years)
- > Partially fixed interest, partially variable

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

Corporate milestones (1).

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 Ecpoint 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

Corporate milestones (2).

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

2007

IPO of Kapsch TrafficCom

Nation-wide ETC system in Czech Republic goes into operation

2011

Capital increase

USA: Selected by E-ZPass Group for new 10 year technology and services contracts

2016

Acquisition of the transportation business of Schneider Electric

2010

Poland: Contract for implementation and operation of nation-wide tolling system

North America: Acquisition of MARK IV IVHS

2012

Belarus: Contract for implementation and operation of nation-wide tolling system

2017

Bulgaria: Nation-wide tolling system

2018

Germany: Contracts for implementation & operation of passenger vehicle toll system + for the automatic enforcement; terminated in 2019.



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.*