Kapsch TrafficCom

Results for Q1-Q3 2017/18.

February 28, 2018

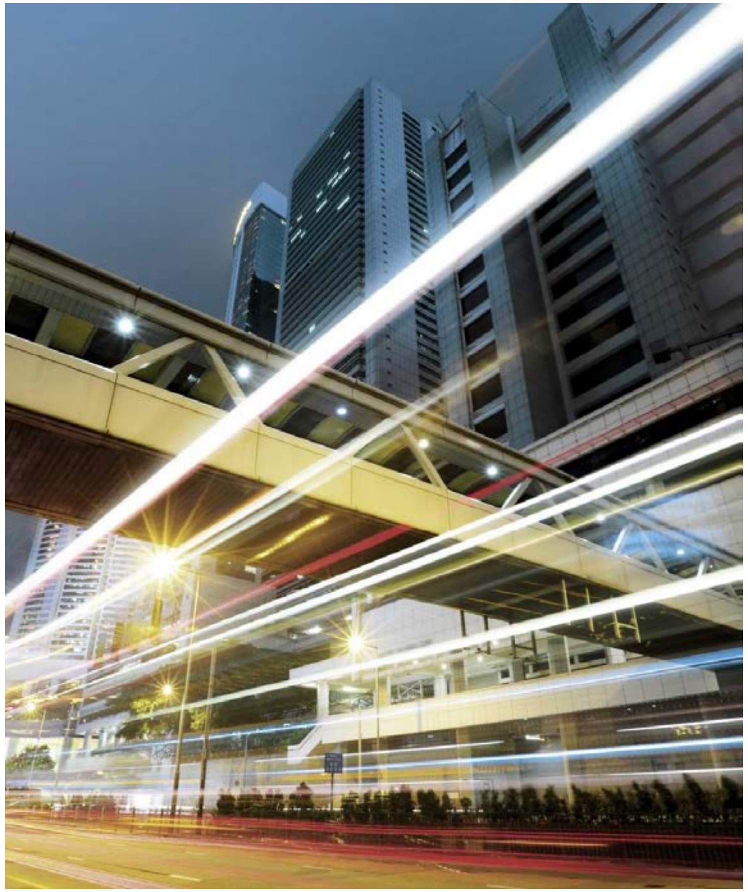
kapsch
challenging limits

Highlights.

- EUR 500 million revenue mark passed after just three quarters for the first time.
- Zambia: Nation-wide concession agreement for road safety & traffic management.
- Bulgaria: Awarded contract for nation-wide toll system.
- Poland: tender discontinued
  Czech Republic: tender process ongoing
- Extensive new business opportunities.

Earnings overview.

All figures in EUR mn unless otherwise stated	2016/17	Q1-Q3 2016/17	Q1-Q3 2017/18	+/-
Revenues	648.5	471.5	506.9	7%
EBITDA	77.8	56.1	46.7	-17%
EBITDA margin	*12%*	*12%*	*9%*	*-2.7%p*
EBIT	60.1	43.0	35.3	-18%
EBIT margin	*9%*	*9%*	*7%*	*-2.1%p*
Profit before tax (PBT)	60.6	44.5	30.6	-31%
Profit for the period	42.7	29.4	22.9	-22%
Profit for the period attributable to equity holders	43.6	30.1	23.6	-21%
Earnings per share (EPS), in EUR	3.35	2.31	1.82	-21%



Earnings.

EBIT.

Includes EUR 3mn badwill from KTT acquisition and EUR 7.0 mn FX gains.

All figures in EUR mn unless otherwise stated	Q1-Q3 2016/17	Q1-Q3 2017/18	+/-
Revenues	**471.5**	**506.9**	**7%**
Other operating income	19.3	7.1	-63%
Changes: finished/unfinished goods & work in progress	5.2	1.6	-69%
Own work capitalized	2.2	0.5	-76%
Cost of materials and other production services	-192.2	-201.2	5%
Staff costs	-163.8	-174.2	6%
Amortization and depreciation	-13.1	-11.4	-13%
Other operating expense	-86.3	-94.5	9%
EBIT	**43.0**	**35.3**	**-18%**
EBIT margin	*9.1%*	*7.0%*	*-2.1%p*

Includes EUR 3.5 million FX gains (i.e. EUR 3.5 million less than in the previous year).

Main reason: Additional 408 employees compared to Dec 31, 2016.

FX losses of EUR 8.3mn (i.e. EUR 5.5 million higher losses than in the previous year).

Earnings.

Financial result, taxes, non-controlling interests.

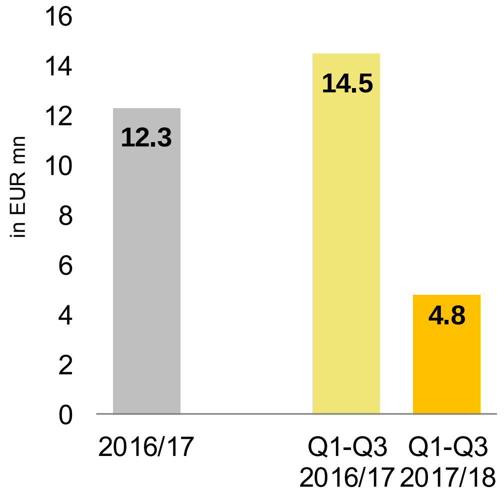
Interest income	EUR	2.7 mn
FX gains	EUR	5.3 mn
Other	EUR	0.1 mn
Interest expenses	EUR	-4.3 mn
FX losses	EUR	0.1 mn
Impairment Q-Free	EUR	-2.0 mn
Other	EUR	-0.4 mn

All figures in EUR mn unless otherwise stated	Q1-Q3 2016/17	Q1-Q3 2017/18	+/-
EBIT	**43.0**	**35.3**	**-18%**
Finance income	8.1	4.3	-47%
Finance costs	-6.7	-8.4	25%
Financial result	**1.5**	**-4.0**	**n.m.**
Result before income taxes	**44.5**	**30.6**	**-31%**
Income taxes	-15.1	-7.7	-49%
Tax rate	*33.9%*	*25.0%*	*-8.9%p*
Result for the period	**29.4**	**22.9**	**-22%**
Non-controlling interests	-0.6	-0.7	-8%
Result attributable to equity holders of the firm	**30.1**	**23.6**	**-21%**
Earnings per share (EPS) in EUR	2.31	1.82	-21%

Interest income	EUR	1.2 mn
FX gains	EUR	2.9 mn
Other	EUR	0.3 mn
Interest expenses	EUR	-4.3 mn
FX losses	EUR	-3.3 mn
Impairment Q-Free	EUR	-0.4 mn
Other	EUR	-0.4 mn

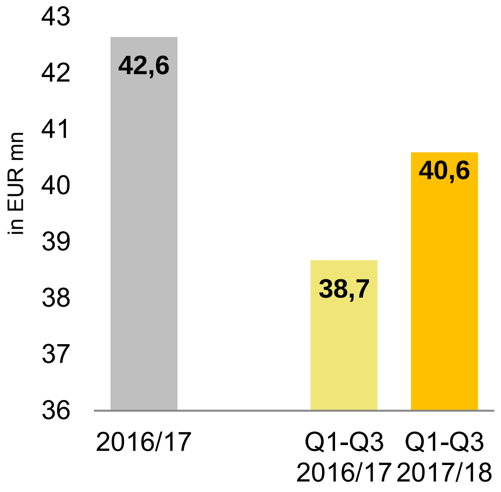
Other key financials.

Net investments



Net investments were lower than in Q1-Q3 2016/17 because of the acquisition of KTT in 2016.

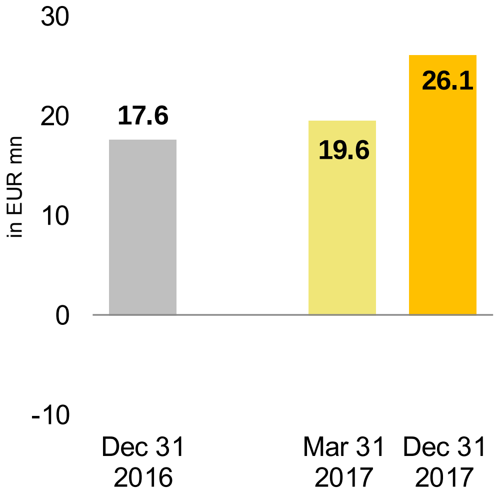
Free cash flow



Strong free cash flow mainly as a result of:

- Decline in trade receivables (and working capital).
- Lower investments.

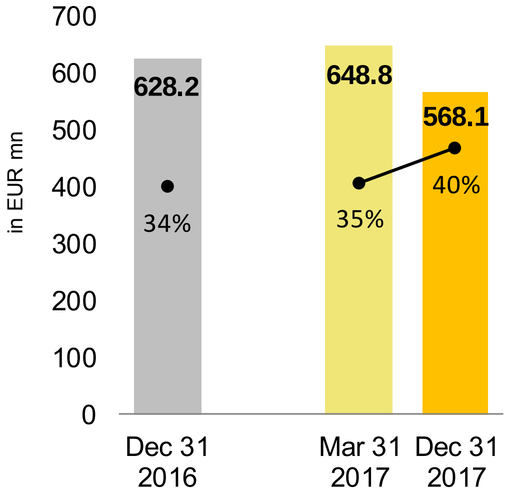
Net credit/debt



Net credit because of a strong free cash flow and despite:

- Dividend payment.
- Expenses for M&A.

Balance sheet total and equity ratio



Repayment of the 4.25% corporate bond had a shortening effect on the balance sheet. As a consequence the equity ratio increased.

Segment results.

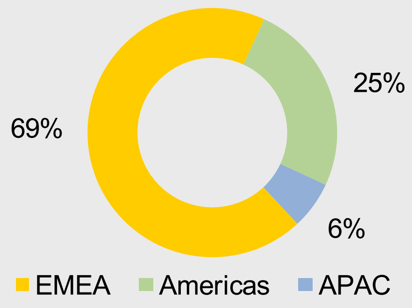
ETC accounts for 77% of total revenues, IMS 23%.

ETC

Key financials

All figures in EUR mn unless otherwise stated	Q1-Q3 2016/17	Q1-Q3 2017/18	+/-
Revenues	346.6	386.9	12%
EBIT	1) 54.8	41.8	-24%
EBIT margin	*15.8%*	*10.8%*	*-5.0%p*

Revenues by region



Revenues by type

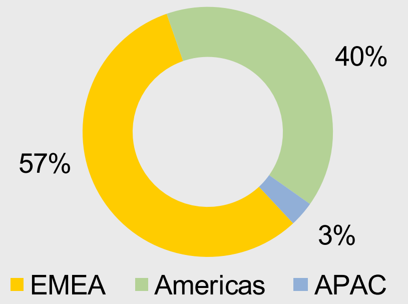
All figures in EUR mn unless otherwise stated	Q1-Q3 2016/17	Q1-Q3 2017/18	+/-
Design & build	57.8	99.4	72%
Operations	214.7	208.6	-3%
Components	74.1	78.8	6%
OBUs sold, million units	2.8	2.9	4%

IMS

Key financials

All figures in EUR mn unless otherwise stated	Q1-Q3 2016/17	Q1-Q3 2017/18	+/-
Revenues	125.0	120.0	-4%
EBIT	2) -11.8	-6.5	-45%
EBIT margin	*-9.5%*	*-5.4%*	*4.1%p*

Revenues by region



Revenues by type

All figures in EUR mn unless otherwise stated	Q1-Q3 2016/17	Q1-Q3 2017/18	+/-
Design & build	48.4	53.4	10%
Operations	67.2	59.6	-11%
Components	9.3	7.0	-25%

1) Includes badwill of EUR 0.9 million
2) Includes badwill of EUR 2.1 million

Outlook.

FY 2017/18.

- Further revenue growth.
- Goal to achieve last year's EBIT, adjusted for a one-off effect (badwill from KTT acquisition: EUR 3.0 million) and for charges from exchange rate fluctuations (Q1-Q3 2017/18: EUR 9.0 million).
- Equity ratio:
  - In Q3, equity ratio increased following the redemption of the corporate bond:
    - The 4.25% corporate bond issued in 2010 was repaid as scheduled at the beginning of November.
    - In 2016, Kapsch TrafficCom obtained the funds necessary for this by issuing a promissory note bond.
    - The repayment discharges the financial result and had a shortening effect on the balance sheet, which had a positive effect on the equity ratio.
  - At year end, the equity ratio will come down again:
    - In January 2018, we took out a corporate loan: EUR 50 million, 6 year term, interest: 0.8%.

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