



kapsch >>>
challenging limits

Kapsch TrafficCom

Investor Presentation.

March 2017.

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
- ❖ Sustainable dividend policy:
Base dividend of EUR 1,--

Global player

- ❖ More than 4,800 employees
- ❖ Presence in >30 countries
- ❖ References in >50 countries



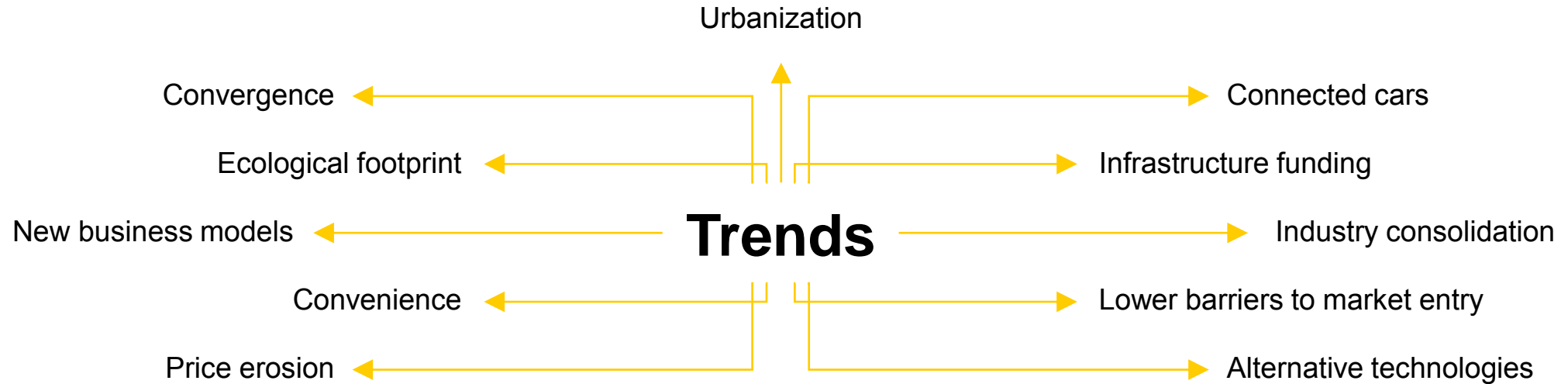
Listed at Vienna Stock Exchange

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



Strategy.

Addressing future-defining trends.



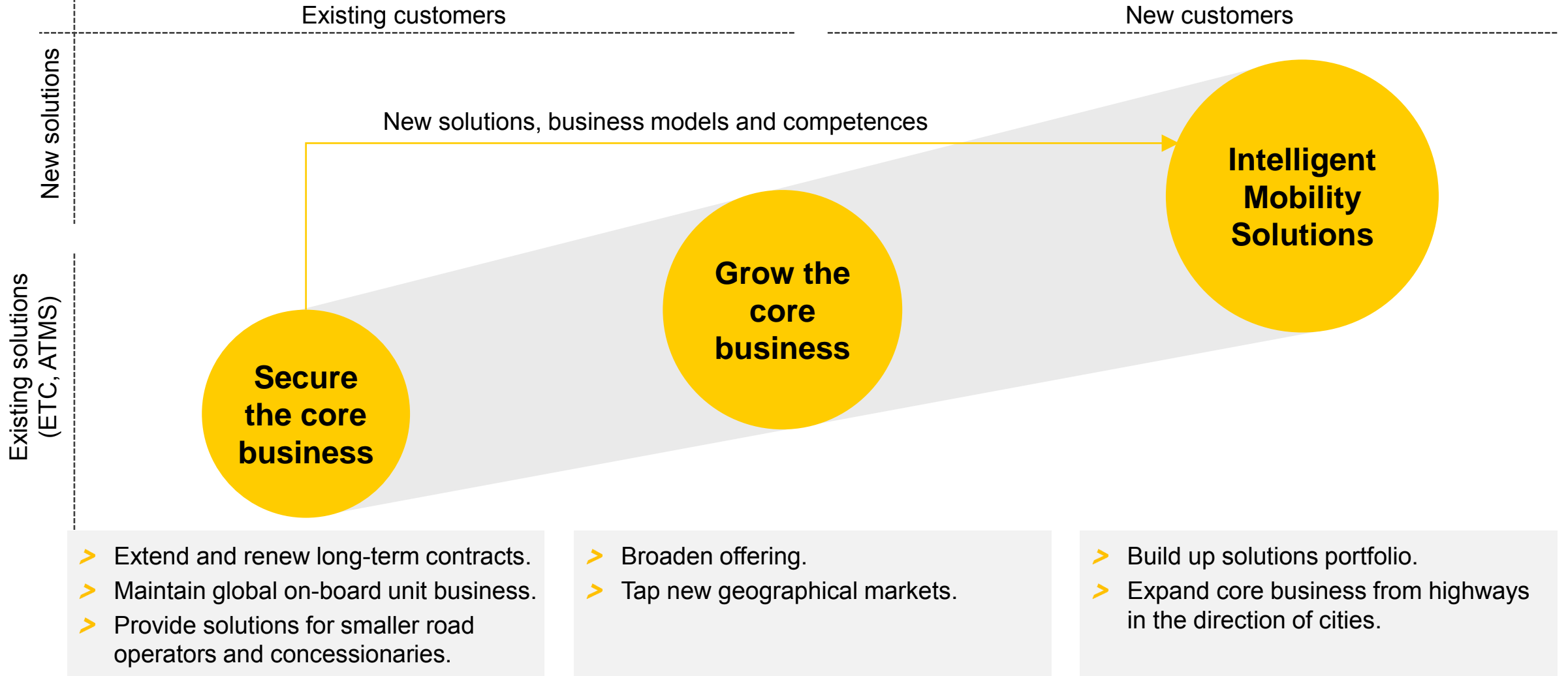
Increased profitability as foundation for further growth

Implementation of new business models

Positioning as a leading provider of intelligent mobility solutions

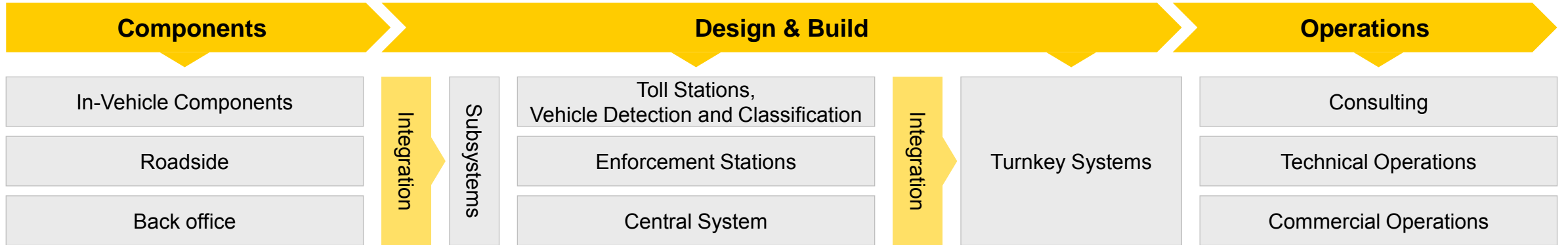
Strategy.

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

ETC

Tolling Solutions



ElectronicToll Collection
Mult-Lane Free Flow, Managed Lanes,
Satellite, Mobile, eVignette

City Tolling

Plaza Tolling

Tolling Services



Trans-European Tolling Services

IMS

Highway



Traffic Management
Highway TM,
Managed Lanes, Tunnels & Bridges TM

City



Traffic Management
Urban TM, Corridor Management,
Access Management

Enforcement

Road Safety Enforcement, Electronic Vehicle Registration, Commercial Vehicle Enforcement

Connected Vehicles

V2X Automotive, V2X Infrastructure, Connected Services

Smart Parking

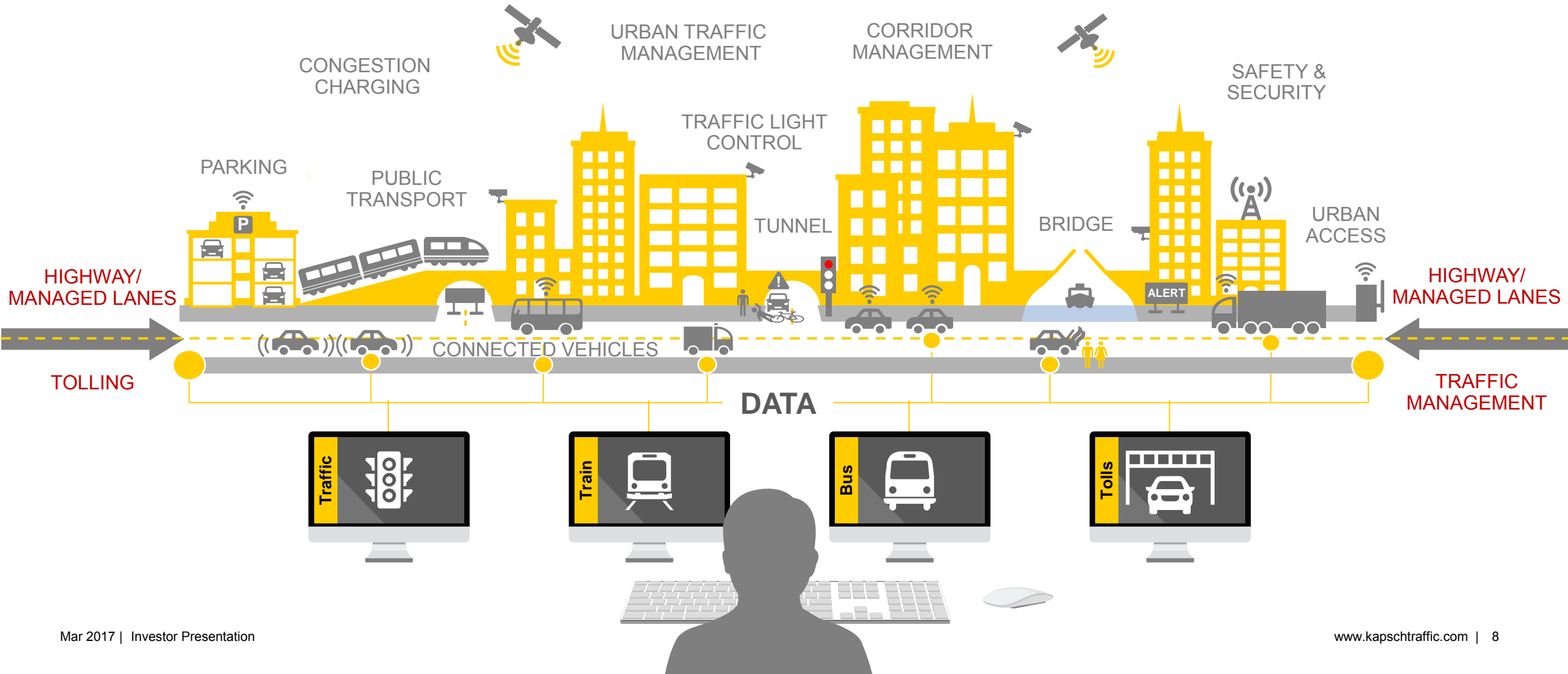
On-street, Off-street

Integrated Mobility

Multi-modal solutions & services

Mobility.

Intelligent Mobility Solutions (IMS): From highways to cities.

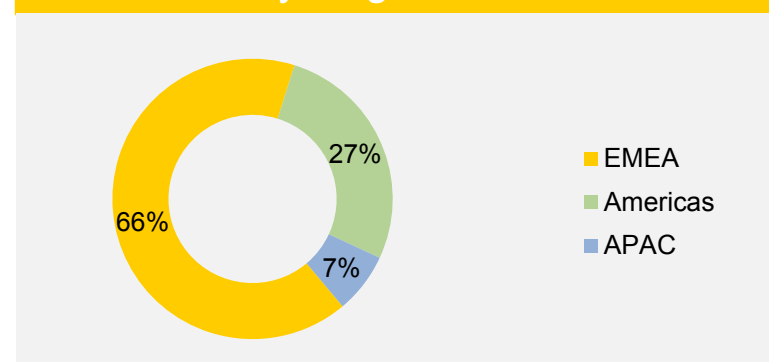


Financials.

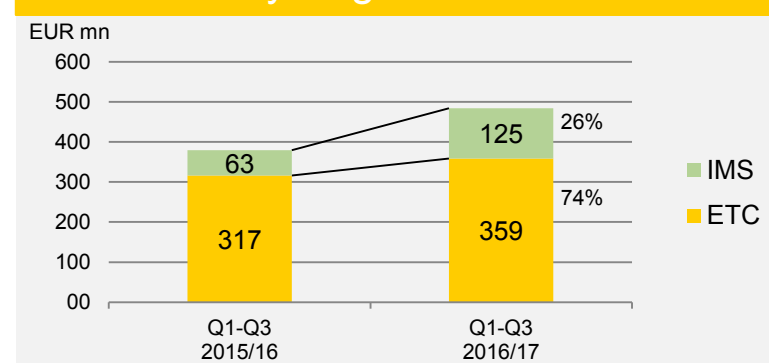
Earnings overview.

All figures in EUR mn unless otherwise stated	Q1-Q3 2016/17	+/-	Q1-Q3 2015/16	FY 2015/16
Revenues	483.8	28%	379.2	526.1
EBITDA	56.1	1%	55.4	76.9
<i>EBITDA margin</i>	11.6%	-3%p	14.6%	14.6%
EBIT	43.0	-1%	43.3	62.3
<i>EBIT margin</i>	8.9%	-3%p	11.4%	11.9%
Profit before tax (PBT)	44.5	30%	34.1	54.8
Profit for the period	29.4	16%	25.3	36.5
Profit for the period attributable to equity holders	30.1	41%	21.3	31.1
Earnings per share (EPS)	2.3	41%	1.6	2.4

Revenues by Region Q1-Q3 2016/17

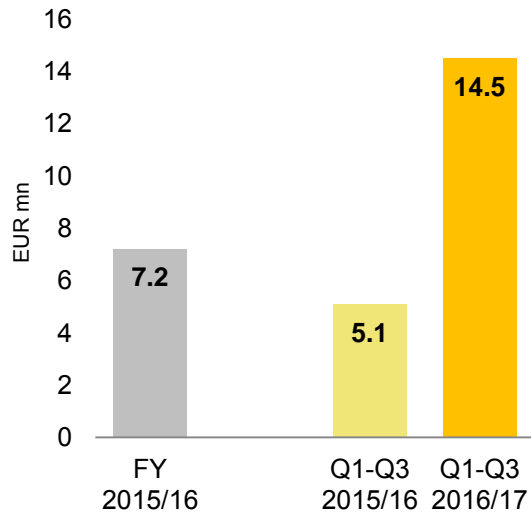


Revenues by Segment Q1-Q3 2016/17



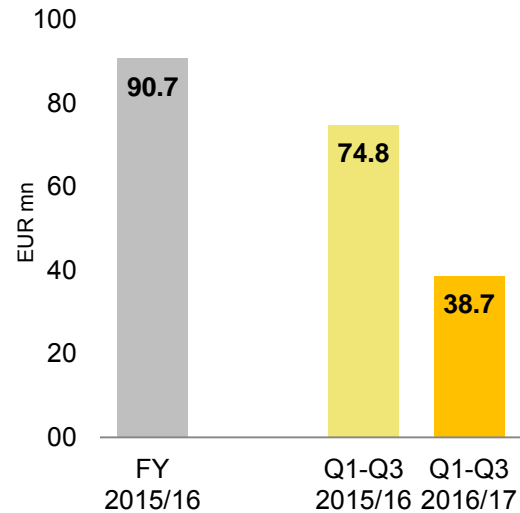
Other key financials.

Net investments



The increase in net investments to EUR 14.5mn was due to the acquisition of KTT.

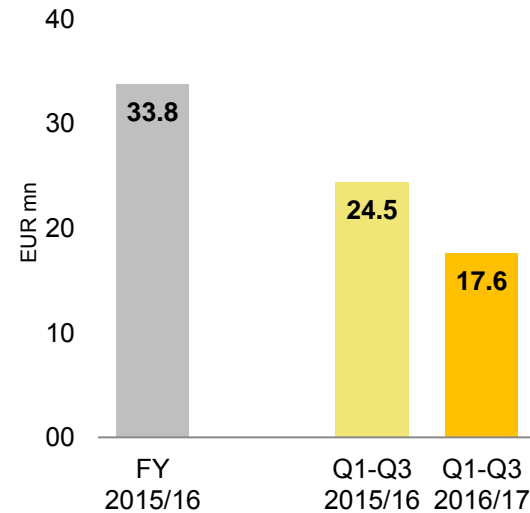
Free cash flow



Again positive (EUR 38.7mn); however, significantly lower than in Q1-Q3 2015/16 (EUR 74.8mn). Main reasons:

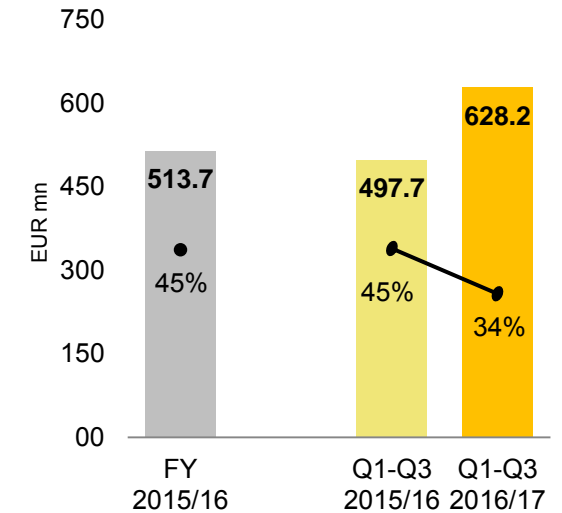
- > working capital
- > higher net investments

Net credit/debt



Despite having undertaken a number of acquisitions and a dividend payment, Kapsch TrafficCom had a net credit in the amount of EUR 17.6mn.

Balance sheet total and equity ratio



The assumption of a promissory note bond (increase in balance sheet total), acquisitions (effect in equity) and the dividend payment resulted in a reduction of the equity ratio to 34%.

Segment results.

ETC.

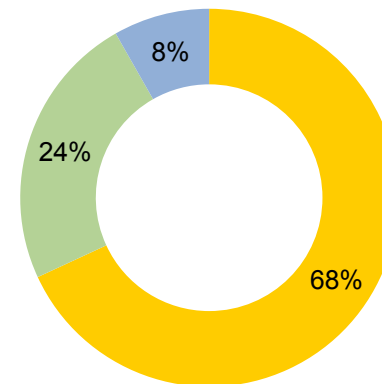
ETC Overview

All figures in EUR mn unless otherwise stated	Q1-Q3 2016/17	+/-	Q1-Q3 2015/16	FY 2015/16
Revenues	358.9	13%	316.6	442.1
EBIT	54.8	18%	46.4	63.7
<i>EBIT margin</i>	15.3%	1%p	14.7%	14.4%

ETC Revenue Split

All figures in EUR mn unless otherwise stated	Q1-Q3 2016/17	+/-	Q1-Q3 2015/16	FY 2015/16
Design & Build	70.2	13%	61.9	372.0
Operations	215.2	19%	180.5	118.2
Components	73.5	-1%	74.3	35.9

ETC revenues Q1-Q3 2016/17



■ EMEA ■ Americas ■ APAC



Segment results.

IMS.

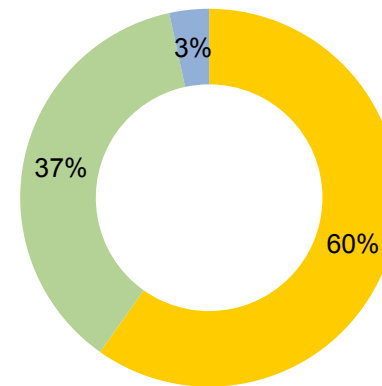
IMS Overview

All figures in EUR mn unless otherwise stated	Q1-Q3 2016/17	+/-	Q1-Q3 2015/16	FY 2015/16
Revenues	125.0	99%	62.7	84.0
EBIT	-11.8	-281%	-3.1	-1.3
<i>EBIT margin</i>	-9.5%	-5%p	-5.0%	-1.6%

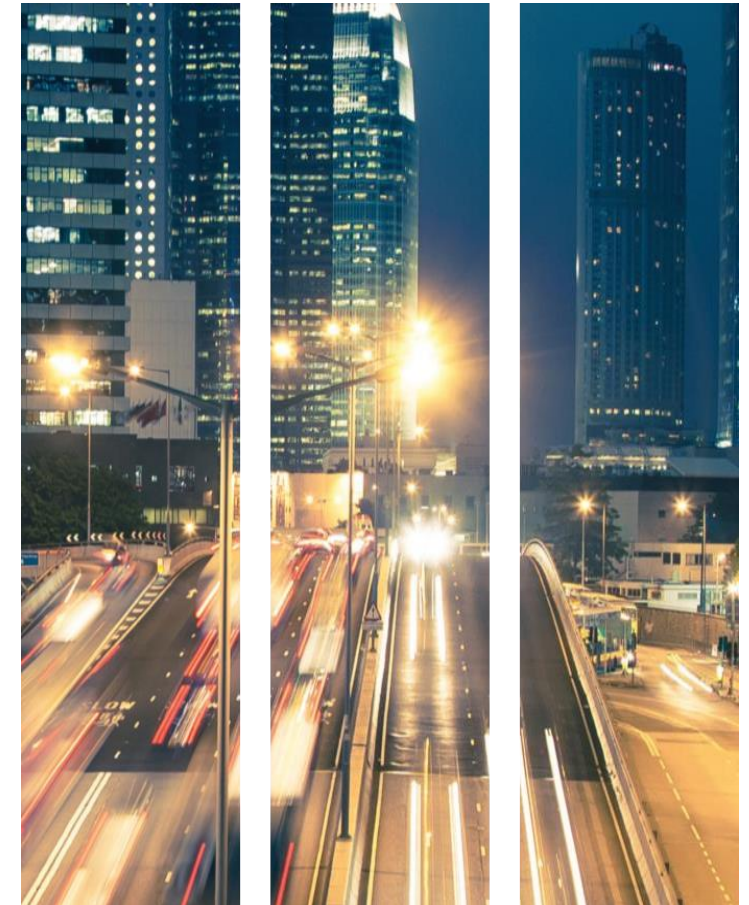
IMS Revenue Split

All figures in EUR mn unless otherwise stated	Q1-Q3 2016/17	+/-	Q1-Q3 2015/16	FY 2015/16
Design & Build	48.5	76%	27.6	372.0
Operations	67.2	182%	23.8	118.2
Components	9.3	-17%	11.3	35.9

IMS revenues Q1-Q3 2016/17



■ EMEA ■ Americas ■ APAC



Outlook.

FY 2016/17.



- > Focus on driving forward the integration of KTT.
 - Minimizing costs and realizing synergies as quickly as possible.
 - Helping the ~900 new employees to become acquainted with and a part of the corporate culture of the Kapsch TrafficCom Group.

- > Annual revenues should grow by more than EUR 100 million.

- > ETC: EBIT margin is set to significantly exceed 10%.

- > IMS: EBIT margin will be adversely impacted by the integration and the lower EBIT contribution of KTT.

Outlook.

Beyond FY 2016/17.

ETC

- > Limited number of potential new nation-wide tolling contracts BUT larger number of smaller contracts.
- > Margins of large projects could erode after new tenders of existing contracts.
- > tolltickets: high revenues (Q1-Q3 2016/17: EUR 13mn) and low margin – dilution of Group EBIT margin.
- > EBIT margin should remain >10%.

IMS

- > KTT: Improvement of profitability expected.
- > EBIT margin should steadily develop towards 10%.

Dividend policy:

- At least 1/3 of the profit for the period.
- Annual Base Dividend of EUR 1.--.
- Dividend payment can be higher or lower; within a reference period of 3 years, average annual dividend at least EUR 1.--.

USP.

What makes Kapsch TrafficCom unique?

- > Ability to develop tailored solutions – proven track record.
- > Close to our customers.
- > Domain know-how.
- > Integrated, one-stop-shop.
- > Global player.
 - Best practice
 - Risk diversification
- > A leading position in our core business.
- > Size and financial stability.
- > Listed (transparency, access to capital).
- > No principal-agent-conflict as one main shareholder is the CEO.
 - Long-term view; sustainable measures not sacrificed for short-term profits.



Kapsch TrafficCom share.

ISIN: AT000KAPSCH9

Stock Ticker Symbol: KTCG

Reuters: KTCG.VI

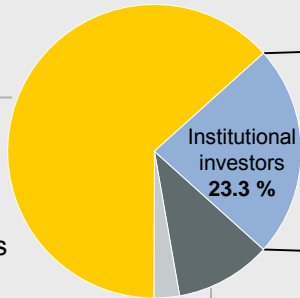
Bloomberg: KTCG AV

Shareholder Structure

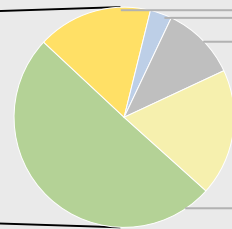
Kapsch-Group
Beteiligungs GmbH
63.3 %

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

June 20, 2017	Results FY 2016/17
Aug 27, 2017	Record date AGM
Aug 30, 2017	Results Q1 2017/18
Sep 6, 2017	AGM

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

Hans Lang

Investor Relations Officer

Kapsch TrafficCom

Kapsch TrafficCom AG

Am Europlatz 2

1120 Vienna, Austria

Phone: +43 50 811 1122

E-Mail: hans.lang@kapsch.net

www.kapsch.net

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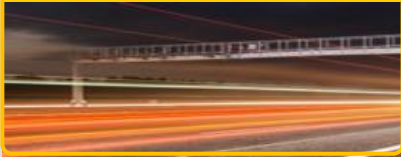


Appendix.

Competition.

Overview.

Tolling



ETC

T-Systems | Autostrade
Q-Free | TransCore | emovis

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

IPS Group | Worldsensing
Smart Parking 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-Q3 results.

Impact on the P&L

Revenues	EUR +80.7mn
thereof ETC	EUR +17.8mn
thereof IMS	EUR +62.9mn
EBIT	EUR -1.7mn
thereof ETC	EUR -1.0mn
thereof IMS	EUR -0.7mn

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	-39.2mn
Net assets acquired (provisionally)	EUR	34.1mn

Other

- > Number of KTC Group employees up by approximately 900.
- > 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.
- > December 2016: Contingent purchase price adjustment of EUR 5mn.
- > Integration costs weigh on KTC's profitability.
- > Integration to be completed end of FY 2016/17.

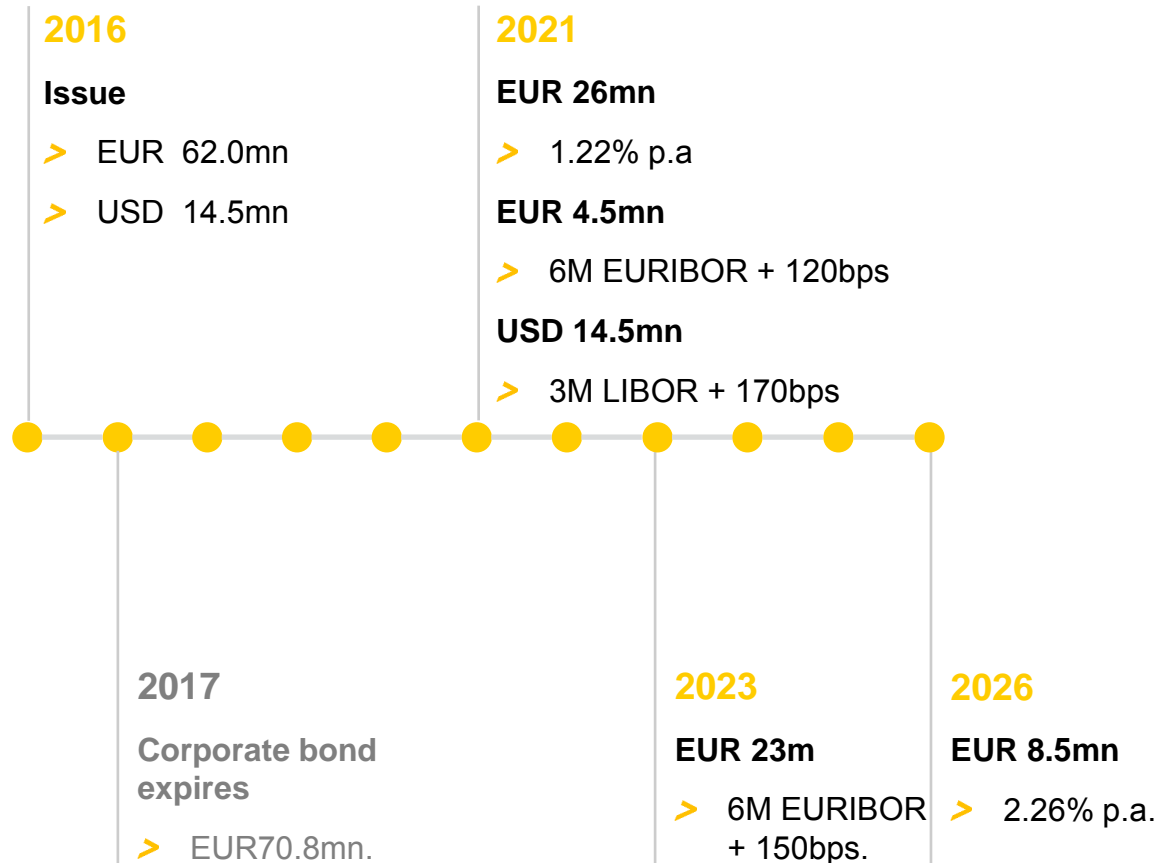


Purchase price*: EUR 31.1mn
Difference to net assets
acquired (badwill): EUR 3.0mn

* Provisionally determined; preliminary purchase price allocation. Values may change subject to audit.

Promissory note bond.

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)

Corporate milestones.

125 years in the ever-changing electronic industry.

1892

Kapsch founded

- Morse telegraph devices
- Telephones
- Capacitors and dry batteries
- Radios
- TVs (black & white, later color)
- Telecom networks (analog, later digital)
- Portable radios
- Mobile phones

1991

Toll collection division within Kapsch AG

2002

Activities structured in three autonomous organizations:

- Kapsch TrafficCom
- Kapsch BusinessCom
- Kapsch CarrierCom

2007

IPO of Kapsch TrafficCom

2011

Capital increase

2016

Acquisition of KTT (Schneider Electric Transportation Business)

1995

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

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

2007

Nationwide ETC system in Czech Republic goes into operation

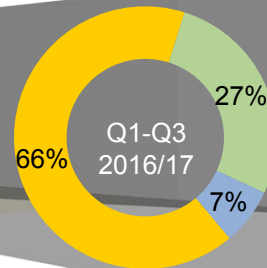
2010

Contract for implementation and operation of nationwide tolling system in Poland

2012

Contract for implementation and operation of nationwide tolling system in Belarus

■ EMEA
■ Americas
■ APAC



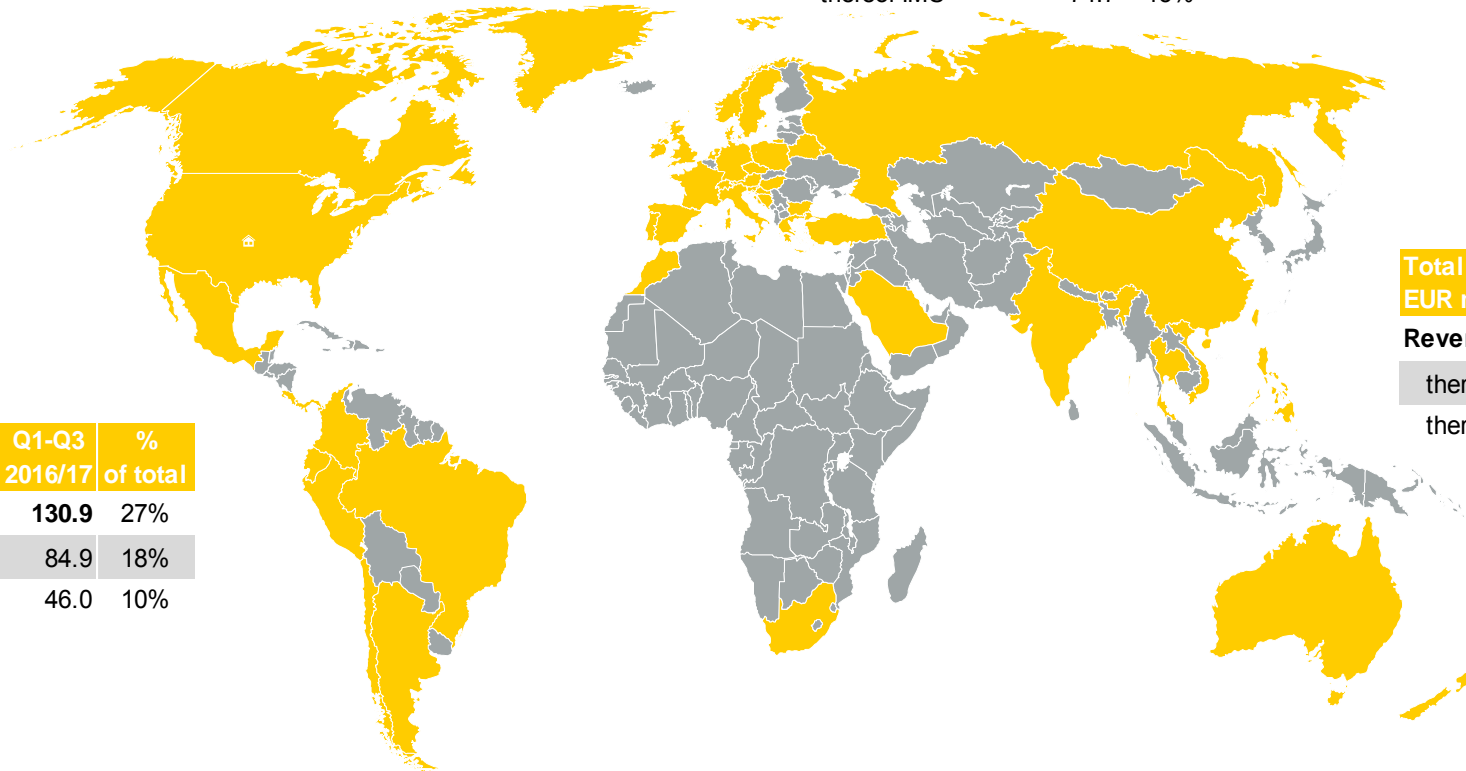
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thereof ETC	358.9	74%
thereof IMS	125.0	26%

Total EUR mn	Q1-Q3 2016/17	% of total
Revenues	319.1	66%
thereof ETC	244.4	51%
thereof IMS	74.7	15%

Total EUR mn	Q1-Q3 2016/17	% of total
Revenues	130.9	27%
thereof ETC	84.9	18%
thereof IMS	46.0	10%

Total EUR mn	Q1-Q3 2016/17	% of total
Revenues	33.8	7%
thereof ETC	29.6	6%
thereof IMS	4.2	1%



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

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