



kapsch >>>
challenging limits

Kapsch TrafficCom

Investor Presentation.

April 2019.

Kapsch.

KTC: Leading entity of the Kapsch Group.

- Kapsch founded in Vienna in 1892
- Electronic industry
- Strong brand in Austria
- Four key entities
 - **Kapsch TrafficCom – KTC**
(Intelligent Mobility Systems)
 - Kapsch BusinessCom
(ICT solutions for enterprises and public administration)
 - Kapsch CarrierCom
(End-to-end telecom solutions for railway operators, public authorities, and airports)
 - Kapsch Public TransportCom
(Intelligent infrastructure solutions for public transport operators & transportation agencies)
- Group revenues >EUR 1bn



Kapsch: Tradition meets Future.

125+ years in the ever-changing technology 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 Mobility Solutions

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



Solid financial parameter

- Revenues ~EUR 700mn
- EBIT ~EUR 50mn
- Sustainable dividend policy: Base dividend of EUR 1.—

Fiscal year: April 1 – March 31

Global player

- About 5,000 employees
- Presence in >30 countries
- References in >50 countries



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.

Road infrastructure needs to be maintained and expanded.
Global investment in transport infrastructure to grow 5% p.a. (2015-2025).

Urbanization.

Share of people living in cities is rising:

| | | | | |
|-------------|-------|-------------------|----------|-------------|
| Since 2007: | > 50% | Urban population: | Today: | 4.2 billion |
| by 2030: | > 60% | | by 2050: | 6.7 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.

Increasing affluence: desire for mobility increases.
Mobility viewed as a basic need/necessity.
Emerging countries catch up economically: Strong growth of individual transportation.

Climate protection.

In Europe, >25% of energy consumption and CO₂ emissions attributed to transportation sector.
64% of total kilometers driven in cities; number of kilometers is expected to triple (2010-2050).

Technology and concepts.

Radical change in transport industry with new technologies and concepts, e.g. e-mobility, Mobility as a Service (MaaS), connected vehicles, big data-based applications.

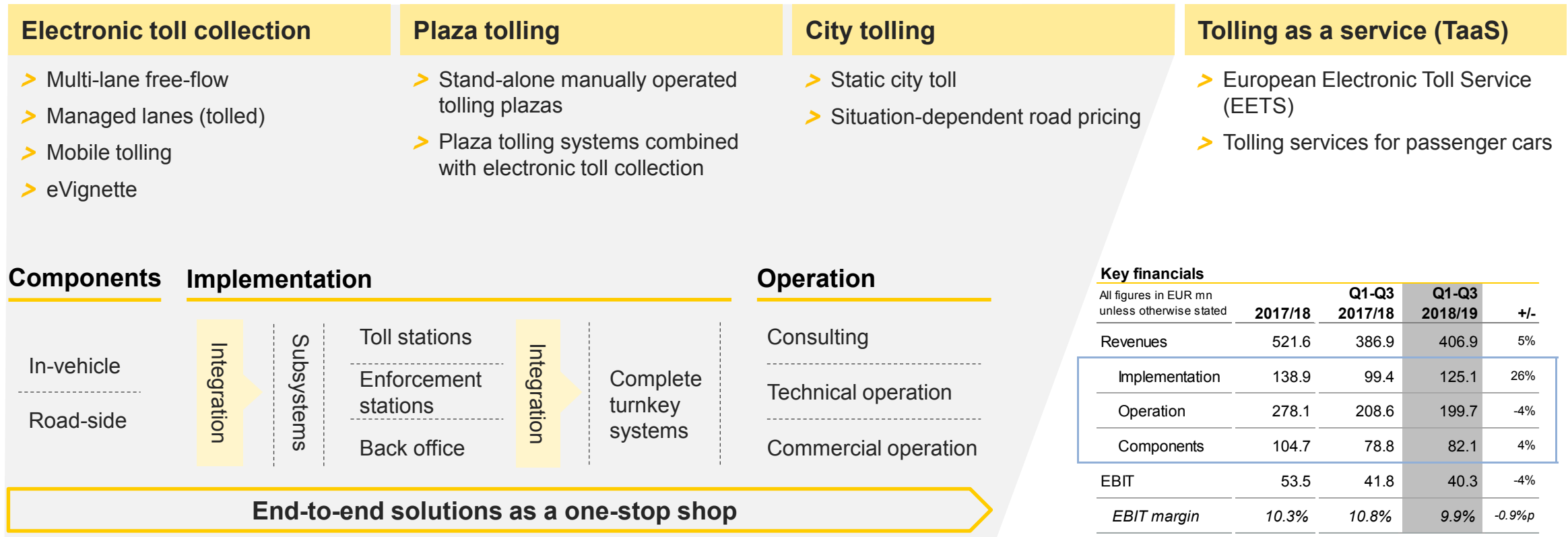
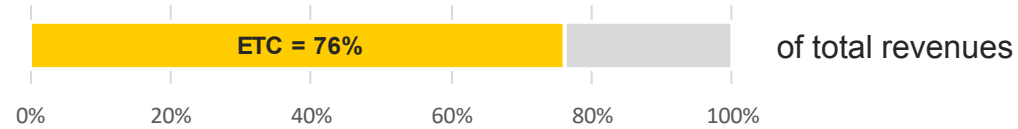
Change of the ITS industry.

Convergence of the various ITS market segments calls for intelligent, holistic mobility solutions.

We want to make road traffic safer, more reliable, more efficient and more convenient, while reducing the environmental impact.

Reporting segments.

Tolling (Electronic Toll Collection, ETC).



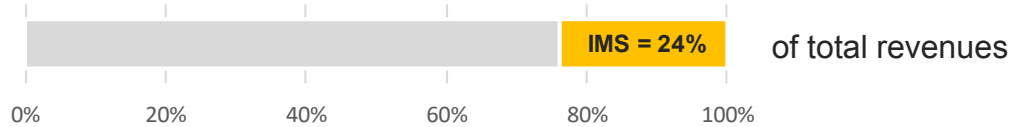
Key financials

All figures in EUR mn unless otherwise stated

| | 2017/18 | Q1-Q3 2017/18 | Q1-Q3 2018/19 | +/- |
|----------------|---------|---------------|---------------|--------|
| Revenues | 521.6 | 386.9 | 406.9 | 5% |
| Implementation | 138.9 | 99.4 | 125.1 | 26% |
| Operation | 278.1 | 208.6 | 199.7 | -4% |
| Components | 104.7 | 78.8 | 82.1 | 4% |
| EBIT | 53.5 | 41.8 | 40.3 | -4% |
| EBIT margin | 10.3% | 10.8% | 9.9% | -0.9%p |

Reporting segments.

Intelligent Mobility Solutions (IMS).



| Traffic management | Traffic safety & security | Connected vehicles | Smart urban mobility |
|--|---|--|--|
| <ul style="list-style-type: none"> > Highway traffic management > Urban traffic management > Managed lanes > Tunnels and bridges | <ul style="list-style-type: none"> > Road safety enforcement > Commercial vehicle enforcement > Electronic vehicle registration | <ul style="list-style-type: none"> > V2X-automotive > V2X-infrastructure (connected road) > Connected mobility | <ul style="list-style-type: none"> > Access management > Smart parking > Intermodal mobility |

Broad set of solutions and services addressing different aspects of traffic/mobility.

- Some offerings are already fairly mature (e.g. traffic management).
- Others are investments into future growth (e.g. connected vehicles, smart parking).

Different revenue split than in ETC.

- > Implementation of software and hardware has higher share.
- > Operation revenues represent mainly technical operations.
- > Potential to increase recurring revenues (mid-term to long-term).

Key financials

| All figures in EUR mn unless otherwise stated | 2017/18 | Q1-Q3 2017/18 | Q1-Q3 2018/19 | +/- |
|---|---------|---------------|---------------|-------|
| Revenues | 171.6 | 120.0 | 126.1 | 5% |
| Implementation | 83.4 | 53.4 | 57.9 | 8% |
| Operation | 78.9 | 59.6 | 59.0 | -1% |
| Components | 9.3 | 7.0 | 9.2 | 31% |
| EBIT | -3.4 | -6.5 | -6.7 | -3% |
| EBIT margin | -2.0% | -5.4% | -5.3% | 0.1%p |

System integrator with in-house production.

Hardware and software.

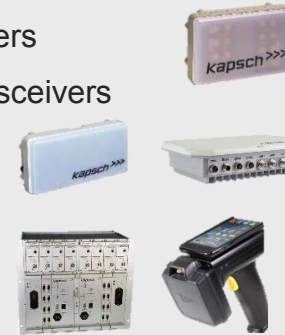
In-vehicle products

- > 5.8 GHz DSRC transponders/on-board units
- > 5.9 WAVE/5G DSRC on-board units
- > 915 transponders
- > RFID-63 passive transponders
- > GNSS/DSRC on-board units



Radio frequency (RF) field products

- > 5.8 CEN DSRC transceivers
- > 5.9 WAVE/5G DSRC transceivers
- > 915 readers
- > RFID-63 readers
- > Handheld & desktop transceivers and readers



Video and sensor products

- > ANPR cameras
- > Image processing suite
- > Vehicle detection and classification systems



Traffic management products

- > EcoTrafIX™ controller



Software platforms to be customized (selection)

Tolling

- Back office
- Kapsch Mobile CRM

Traffic management

- DYNAC®
- EcoTrafIX™ suite

Connected vehicles

- Kapsch Connected Vehicle Software Suite

Intermodal mobility

- FluidHub

Tolling extended to intelligent mobility solutions.

Kapsch TrafficCom – reducing the risk profile; less dependent on few large customers.

2007/08 (IPO)

- > Mainly tolling business
- > Only a few customers
- > Very limited traffic management activities
- > Business in Europe, Australia and Chile

2012/13

- > Mainly tolling business
- > Strong ETC growth driven by a few large-scale customers
- > Little non-ETC business
- > In total <200 customer projects
- > Growing share of business in the Americas

2017/18

- > Mainly tolling business
- > Customer base significantly diversified (also within ETC)
- > Non-ETC portfolio massively expanded
- > ETC still the growth driver but non-ETC business gains relevance
- > In total >1,200 customer projects
- > Global player

New/additional customers

New/additional solutions

New business models

Operational excellence

In the 2020s

- > ETC and traffic management business expand further
- > Intelligent mobility solutions, e.g.
 - Smart urban mobility
 - Connected vehiclesgrow rapidly and represent a substantial part of the business

USP.

What makes Kapsch TrafficCom unique?

- > Ability to develop tailored solutions – proven track record
- > Close to our customers
- > Domain know-how
- > Broad variety of technologies, prime quality
- > Integrated, one-stop-shop
- > Only real global player in ETC
 - Best practice
 - Risk diversification
- > A leading position in our core business
- > Size and financial stability
- > Listed (transparence, access to capital)
- > No principal-agent-conflict as one main shareholder is the CEO.





Financial results.
Q1-Q3 2018/19.

Q1-Q3 2018/19.

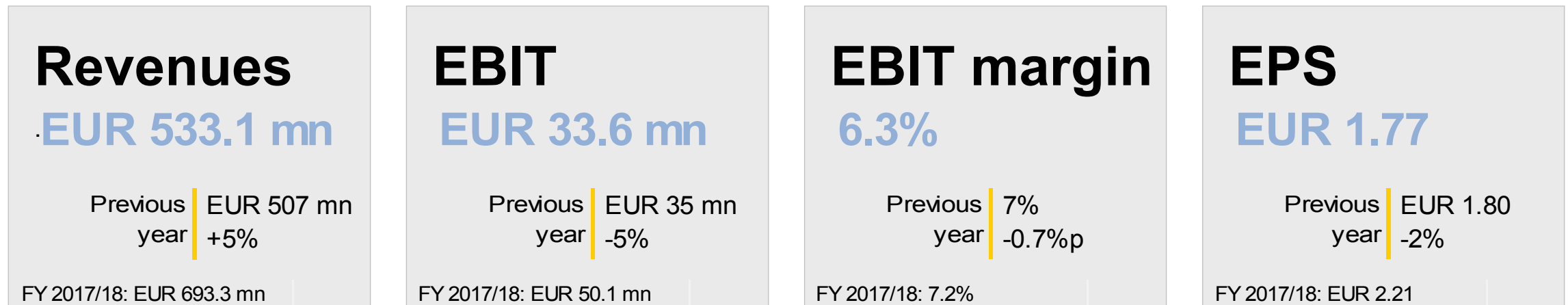
Highlights.

- > Germany: JV with CTS EVENTIM got contract for implementation & operation of passenger vehicle toll system.
 - Term: Implementation until September 2020; thereafter, 12-15 years.
 - Total project volume for the JV: about EUR 1.6 billion over minimum contract period; at-equity consolidation.
- > Germany: Contract for the automatic enforcement of the passenger vehicle toll system.
 - Same term as above.
 - Total project volume: <EUR 100 million up to EUR 120 million.
- > Poland: Contract to support the further operation of the system for another 21-27 months.
 - Average revenues: EUR 2.4 million per month.
- > Czech Republic: Minister of Transport signed contract with a competitor; legal proceedings ongoing.
- > EETS: JV with Axxès to build and operate technology platform for EETS; partnership with OMV to launch OMV Smart Toll.

Q1-Q3 2018/19.

Highlights.

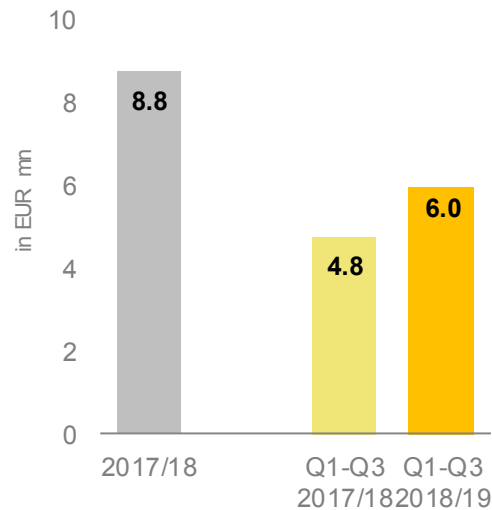
- > 3rd Quarter:
 - Group revenues on all-time high; increased revenues in both segments.
 - EBIT margin of 8%: ETC 10.7%; IMS 0.6%.
 - Impairment of a tax asset in Brazil (EUR 4.0 million) did not allow an even better result.
- > Deferments in certain projects had impact on revenues and earnings of H1 2018/19.
- > After 9 months: Revenues up (yoy), EBIT 4.9% behind Q1-Q3 of last year.



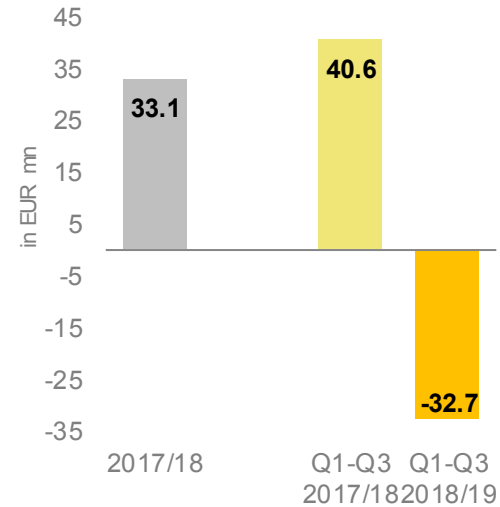
Q1-Q3 2018/19.

Other key financials.

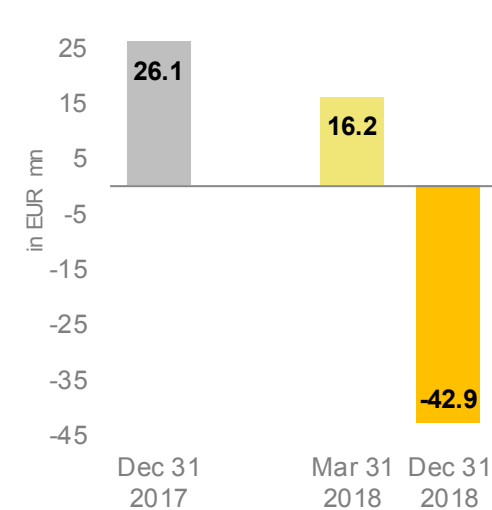
Net CAPEX



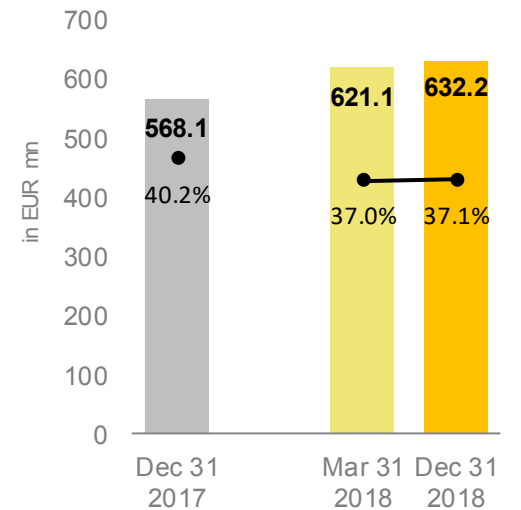
Free cash flow



Net cash/debt



Balance sheet total and equity ratio



- > eTrans acquisition increased CAPEX by EUR 0.9 million.
- > Free cash flow negative because of increase in receivables and inventory.

- > Negative free cash flow and dividend payment (EUR 19.5 mn) caused net cash to turn into net debt.
- > Balance sheet continues to be very robust.

Outlook & medium-term goals.

Outlook 2018/19

- > Revenue increase
- > EBIT at previous year's level

Revenues (medium-term)

- > Growing in both segments
- > Grow stronger than the market
- > Higher growth rates for IMS in the long run

EBIT margin (medium-term)

- > ETC: comfortably >10%
- > IMS: in good environment, 8% possible
- > Group: > 10%



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.

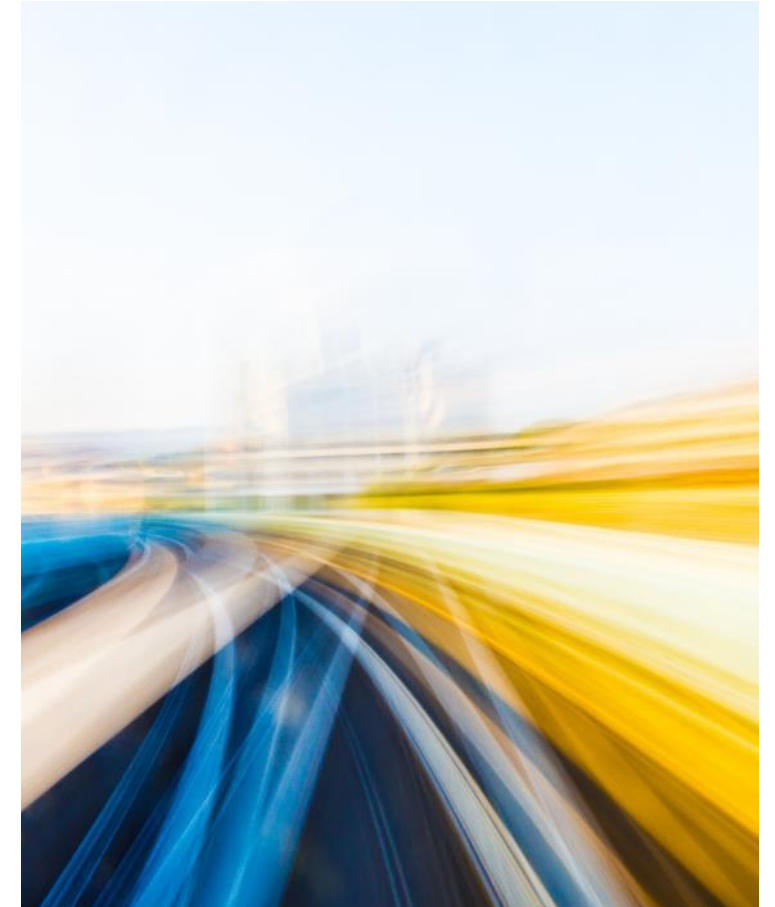
* As of November 29, 2016.

Dividend payouts

2016: EUR 1.50 (EPS 2015/16: 2.39)

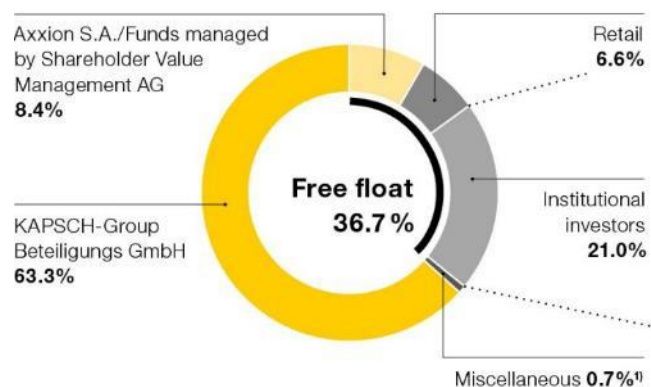
2017: EUR 1.50 (EPS 2016/17: 3.35)

2018: EUR 1.50 (EPS 2017/18: 2.21)



Kapsch TrafficCom share.

Shareholder structure

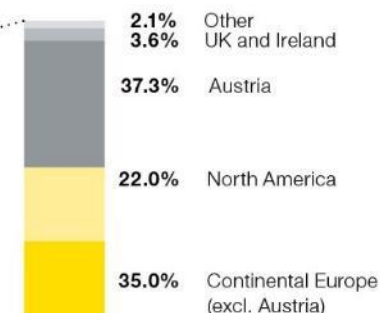


1) Trading positions and unidentified shareholders.

Basic information

- > Listed in Prime Market segment at the Vienna Stock Exchange since 2007
- > 13 million shares
- > Coverage by: Erste Group, Kepler Cheuvreux, ODDO Seydler Bank/FMR, Raiffeisen Centrobank

Institutional investors by region



Source: Shareholder survey from March 2018, participation notification, estimates by Kapsch TrafficCom.

Select events

June 18, 2019 Results FY 2018/19

August 20, 2019 Results Q1 2019/20

More information: www.kapschtraffic.com/ir



ISIN: AT000KAPSCH9

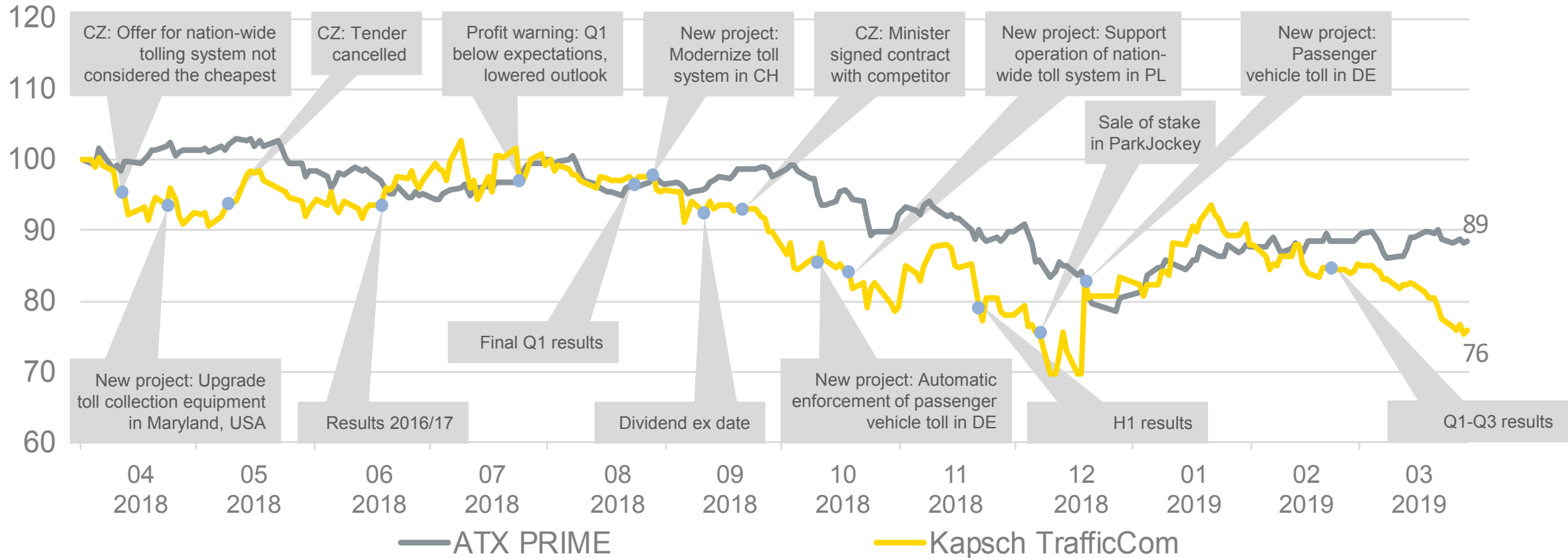
Reuters: KTCG.VI

Bloomberg: KTCG AV



Share price development (last 12 months).

Kapsch TrafficCom and ATX Prime.



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 in which such solicitation, offer or sale would be unlawful, 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. Any such offers will only be made when a prospectus is published.

This document is directed only at persons (i) who are outside the United Kingdom or (ii) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the "Order") or (iii) who fall within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Order (all such persons together being referred to as "Relevant Persons"). Any person who is not a Relevant Person must not act or rely on this presentation or any of its contents. Any investment or investment activity to which this presentation relates is available only to Relevant Persons and will be engaged in only with Relevant Persons.

The shares 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.



***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 | 2017/18 | % of total |
|---|--------------|------------|
| Revenues | 693.3 | |
| thereof ETC | 521.6 | 75% |
| thereof IMS | 171.6 | 25% |

EMEA

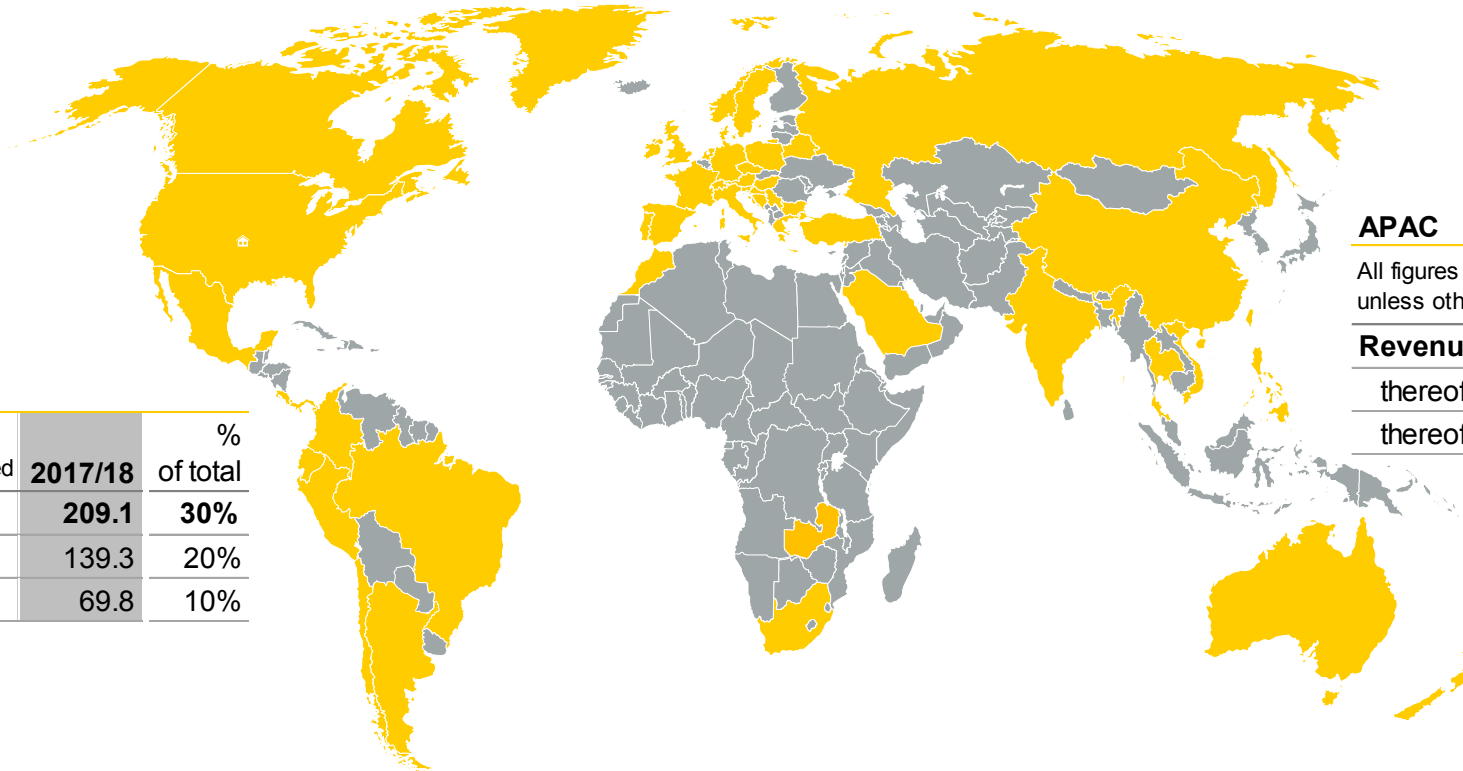
| All figures in EUR mn unless otherwise stated | 2017/18 | % of total |
|---|--------------|------------|
| Revenues | 441.9 | 64% |
| thereof ETC | 346.8 | 50% |
| thereof IMS | 95.1 | 14% |

Americas

| All figures in EUR mn unless otherwise stated | 2017/18 | % of total |
|---|--------------|------------|
| Revenues | 209.1 | 30% |
| thereof ETC | 139.3 | 20% |
| thereof IMS | 69.8 | 10% |

APAC

| All figures in EUR mn unless otherwise stated | 2017/18 | % of total |
|---|-------------|------------|
| Revenues | 42.3 | 6% |
| thereof ETC | 35.5 | 5% |
| thereof IMS | 6.8 | 1% |



Overview: Major project.

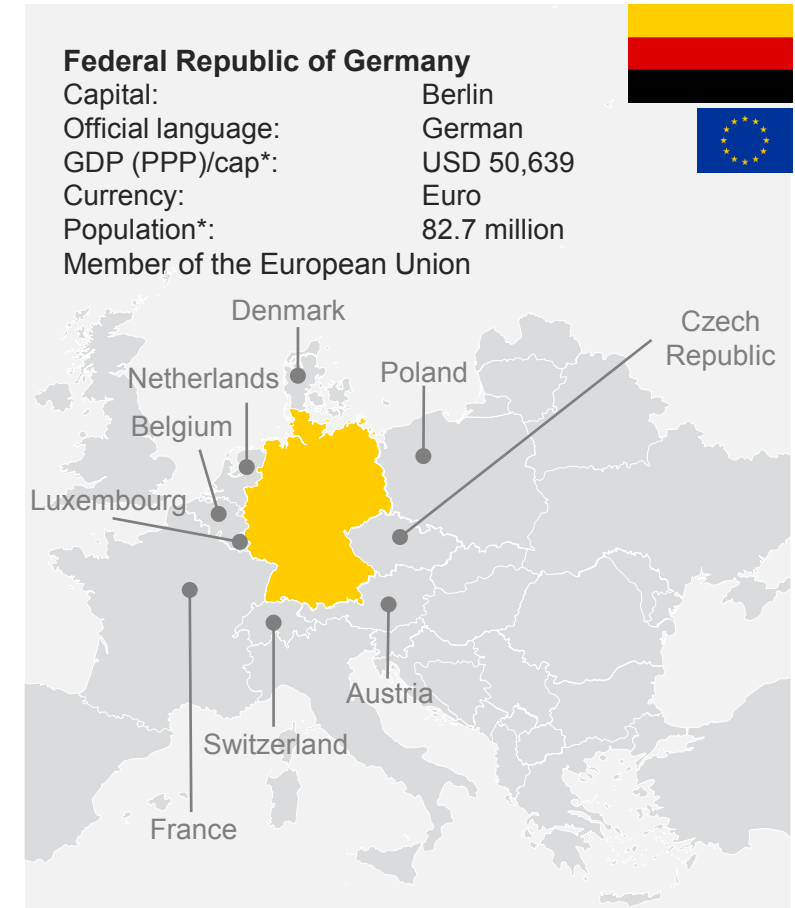
Implementation and operation of the system to collect the German passenger vehicle toll.

About the project

- > Implementation and operation of the German passenger vehicle toll system:
 - Technology: eVignette (for highways and federal roads).
- > Awarded: December 2018.
- > Term:
 - Implementation: Until September 2020.
 - Operation: 12-15 years from the first collection of the passenger vehicle toll

Organizational & financial

- > 50/50 joint venture (JV) with CTS EVENTIM.
- > Consolidation: At equity (expected) → 50% of JV's result for the period included in EBIT of Kapsch TrafficCom.
- > Project volume for the JV: ~EUR 1.6 billion over minimum contract period.
- > Most of remuneration for the implementation paid during the operation phase.



*Source: World Bank (Data for 2017)

Overview: Major project.

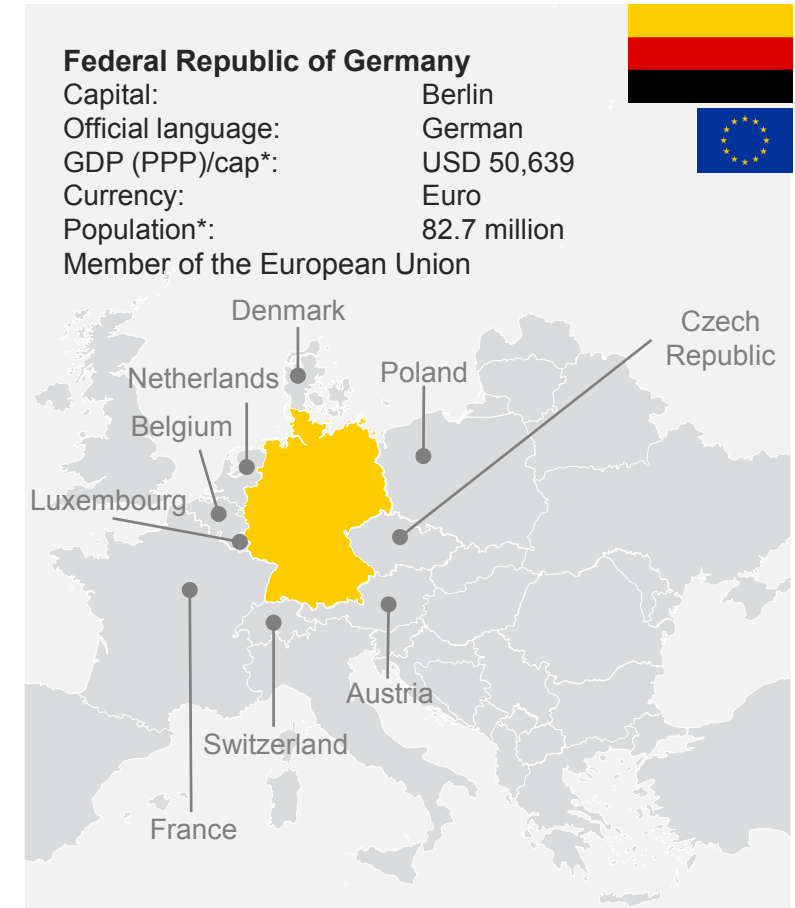
Automatic enforcement of the German passenger vehicle toll.

About the project

- > Planning, development, implementation, operation and maintenance of the automated enforcement system for the German passenger vehicle toll:
 - Technology: Automatic number plate recognition (ANPR).
 - Equipment (e.g. cameras, scanners).
 - Central system (software).
- > Awarded: October 2018.
- > Term:
 - Implementation: Until September 2020.
 - Operation: 12-15 years from the first collection of the passenger vehicle toll.

Financial

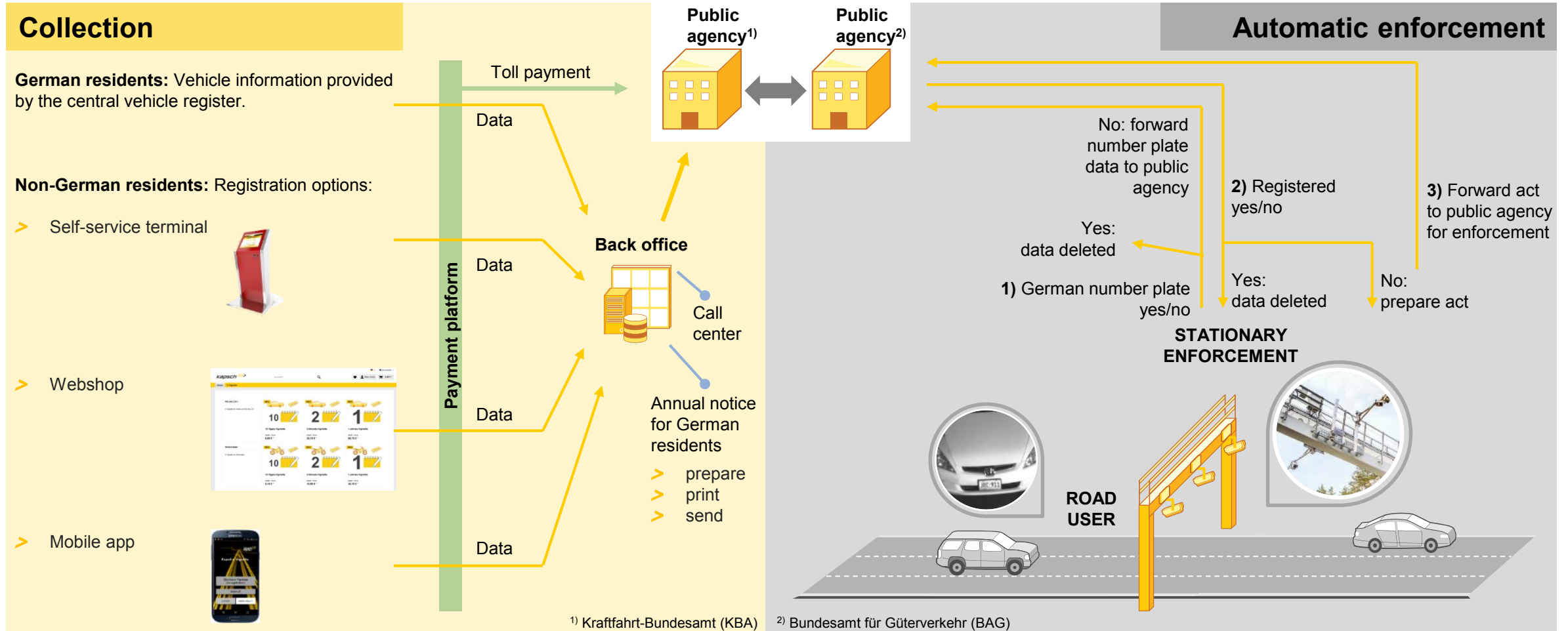
- > Total project volume in the range of <EUR 100 million up to EUR 120 million.
- > Remuneration for the implementation paid during the operation phase.



*Source: World Bank (Data for 2017)

German passenger vehicle toll system.

Overview.



Overview: Major project.

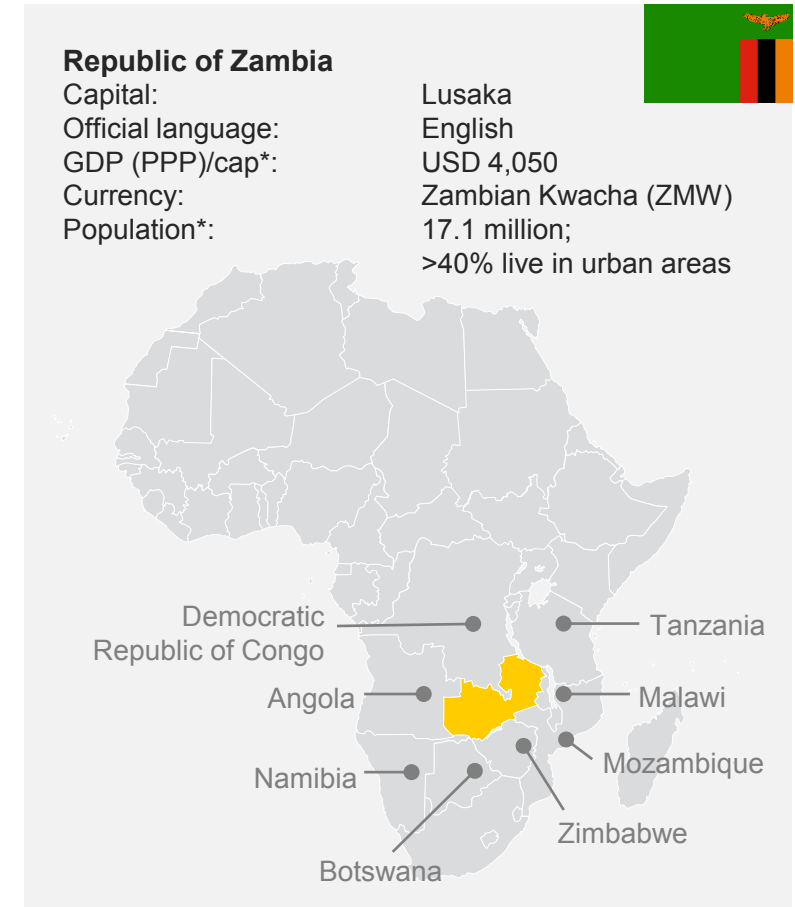
Road safety and traffic management in Zambia.

About the project

- > Nation-wide concession contract to improve road safety and traffic management.
- > Main components:
 - Vehicle inspection,
 - Vehicle registration,
 - Speeding fines and other traffic-related infringements.
- > Term: 17 years starting from January 1, 2018.

Organizational & financial

- > Joint venture (JV) with local partner Lamise Trading (49%).
- > Full consolidation since September 2018 (before: at equity).
- > JV's expected average revenues for 3 years: EUR 90 - 110 million.



Overview: Major project.

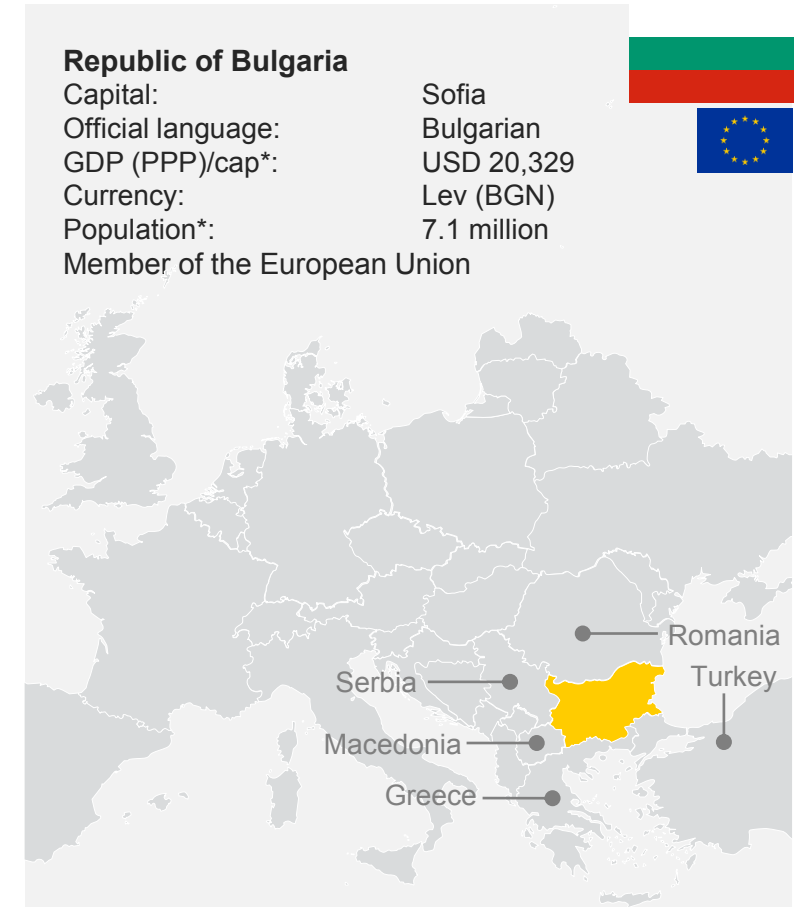
Nation-wide tolling system in Bulgaria.

About the project

- > Implement nation-wide tolling system, start: 01/2018
 - Satellite technology for trucks over 3.5 tons,
 - eVignette for passenger cars.
- > Tolls collected on all class I, II, and III roads, (all paved roads, no cities).
- > Some details:
 - 500 terminals for registering and issuing eVignettes,
 - 100 enforcement vehicles, 100 weigh-in-motion facilities, 100 tolling gantries.
- > Term: eVignette finished 12/2018, truck tolling to be concluded in 2019.
- > Kapsch TrafficCom's 6th nation-wide toll collection system in Europe (after Austria, Switzerland, Poland, the Czech Republic, and Belarus).

Financial

- > Total project volume of about EUR 76.6 million.



*Source: World Bank (Data for 2017)

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).

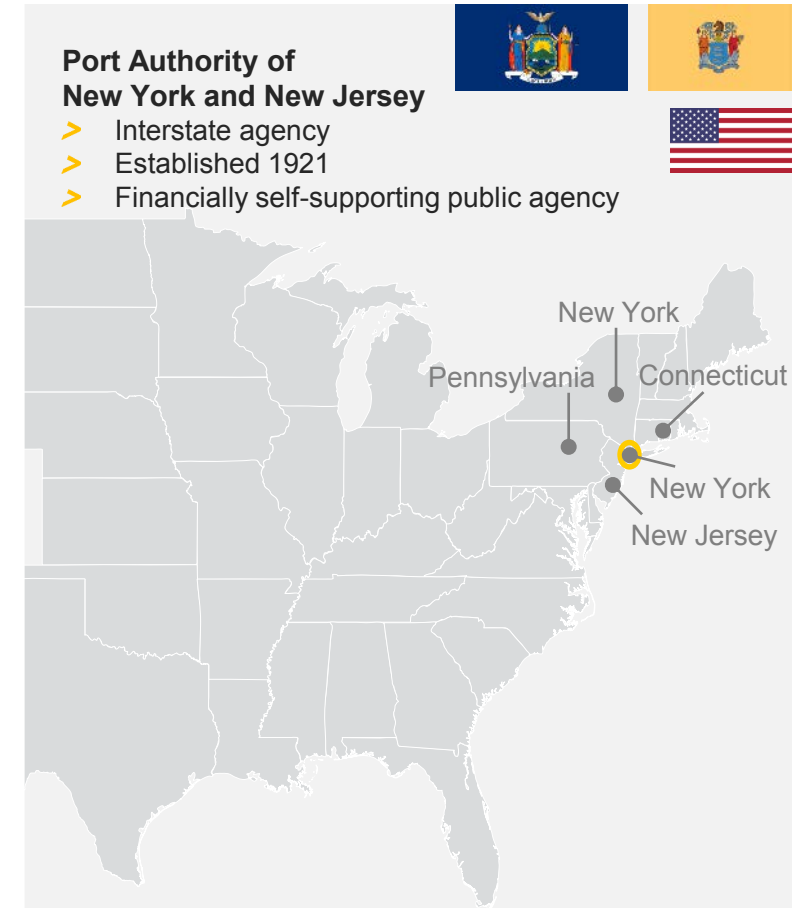
About the projects

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)

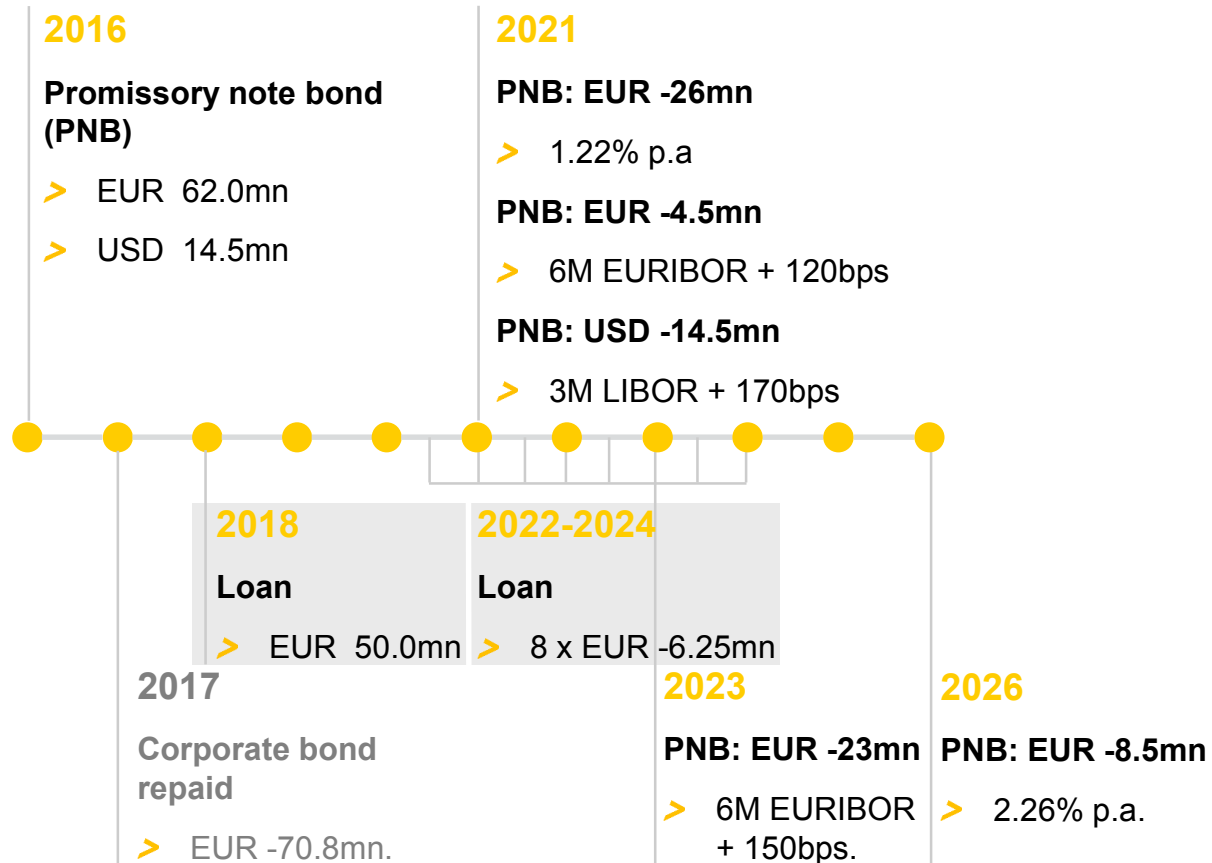
- > Design and install an Agency-Wide Advanced Transportation Management Software (ATMS).
- > Term: 4-year base term followed by two additional 1-year optional support periods.
- > Total project volume >EUR 8 million.





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

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

Zambia: Concession agreement for nation-wide road safety and traffic management

Bulgaria: Nation-wide tolling system

2018

Germany: Contracts for implementation & operation of passenger vehicle toll system + for the automatic enforcement

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.*