



kapsch >>>
challenging limits

Kapsch TrafficCom

1st Institutional Investors' Day.

Georg Kapsch: Overview and Strategy.

January 11, 2017

Overview: 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

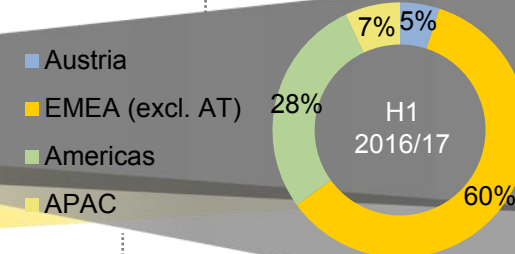
Nationwide ETC system in Czech Republic goes into operation

2010

Contract for implementation and operation of nationwide tolling system in Poland

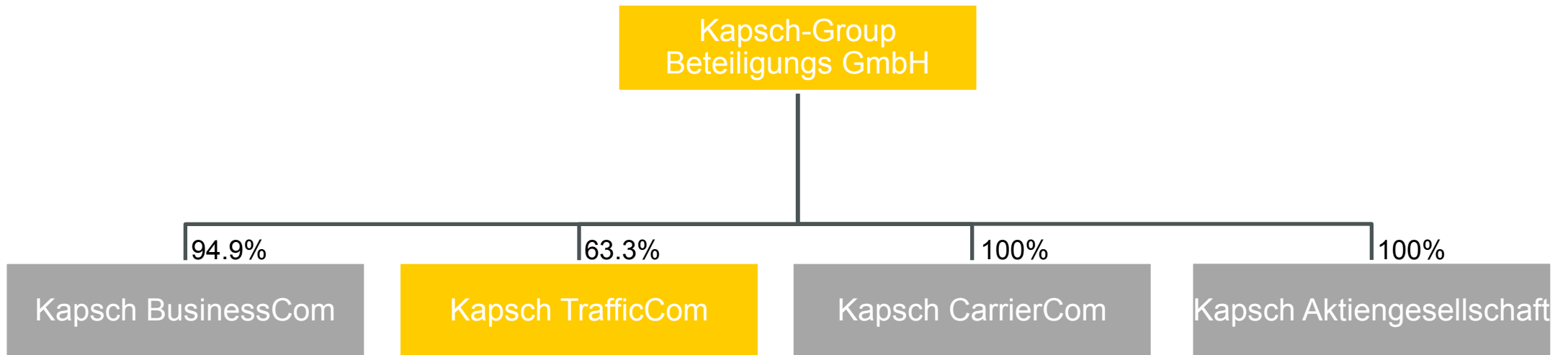
2012

Contract for implementation and operation of nationwide tolling system in Belarus



Overview: Kapsch Group.

Key entities.



Kapsch TrafficCom share.

ISIN: AT000KAPSCH9

Stock Ticker Symbol: KTCG

Reuters: KTCG.VI

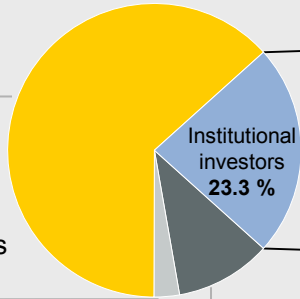
Bloomberg: KTCG AV

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

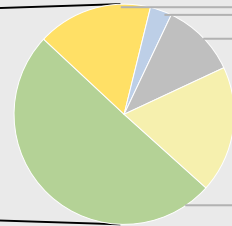
Austria
16.9 %

Other
3.2 %

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: Erste Group, Matelan, RCB



Overview: Kapsch TrafficCom.

At a glance.



Provider of Intelligent Transportation Systems

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

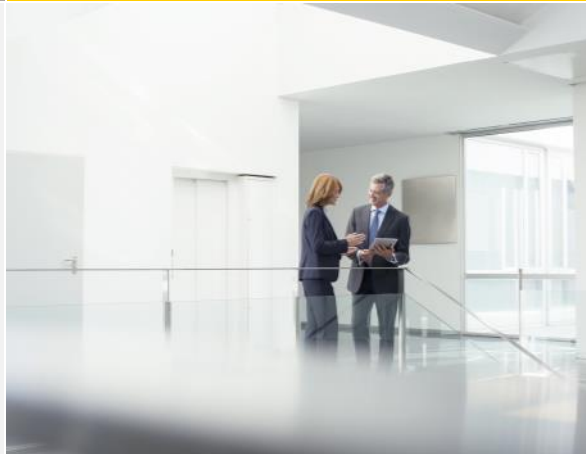


Solid financials

- Revenues >EUR 500mn
- EBIT margin Tolling >10%

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.

Starting point.

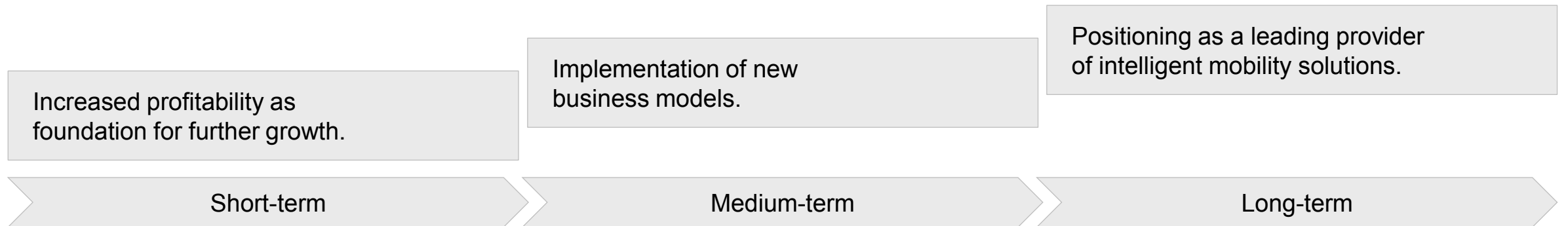
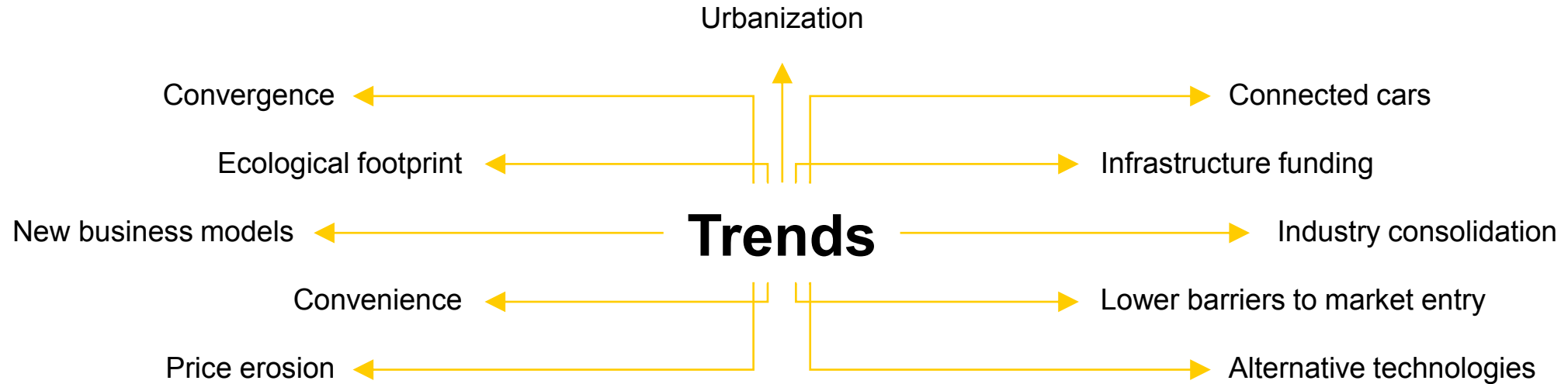
- > Strong position in the EMEA highway tolling market.
- > Nation-wide truck-tolling projects (exclusively in EMEA):
 - Limited number of additional nation-wide projects
 - Terms of existing nation-wide projects are about to expire; renewals to be tendered
 - Price erosion has to be expected
- > Globally, increasing number of smaller contracts for highway sections, tunnels, bridges, etc.

? How to develop the business

? How to secure future profitability

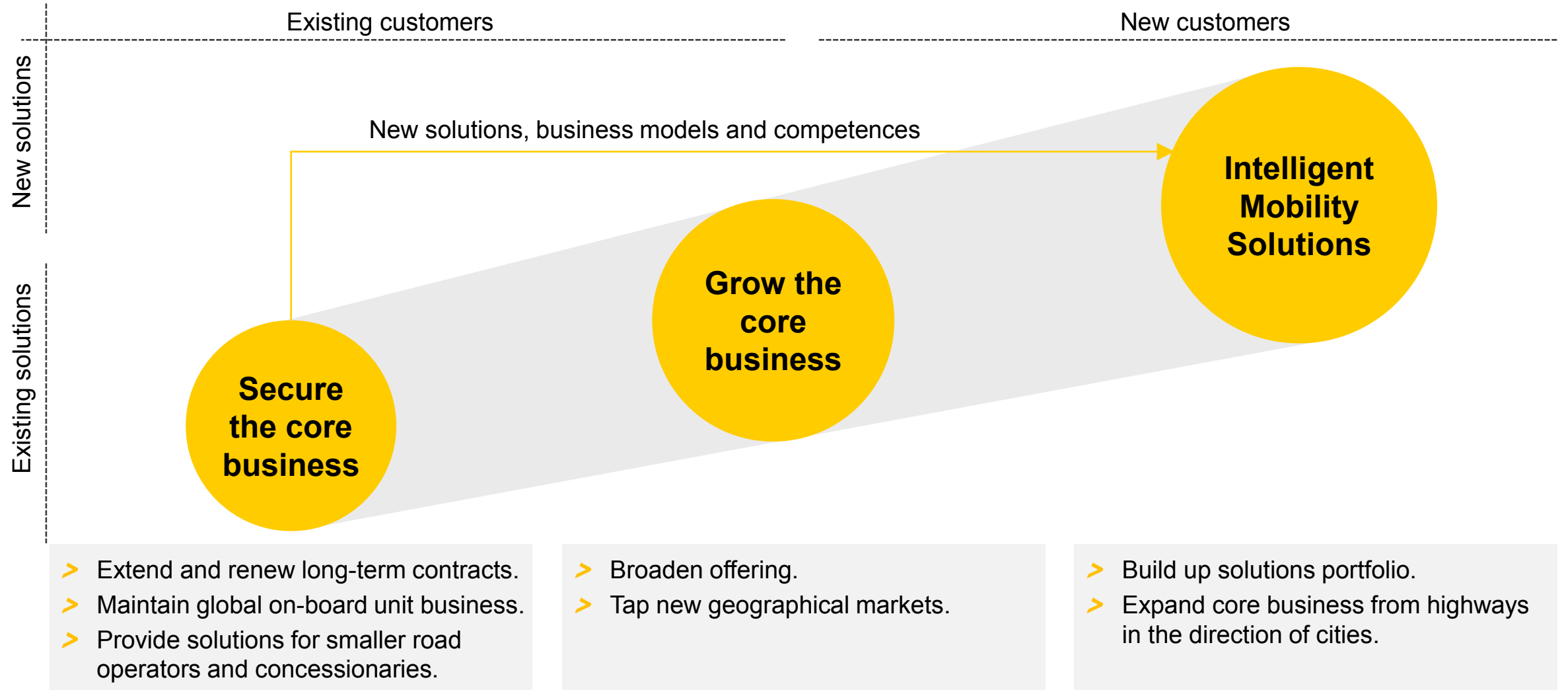
Strategy.

Addressing future-defining trends.



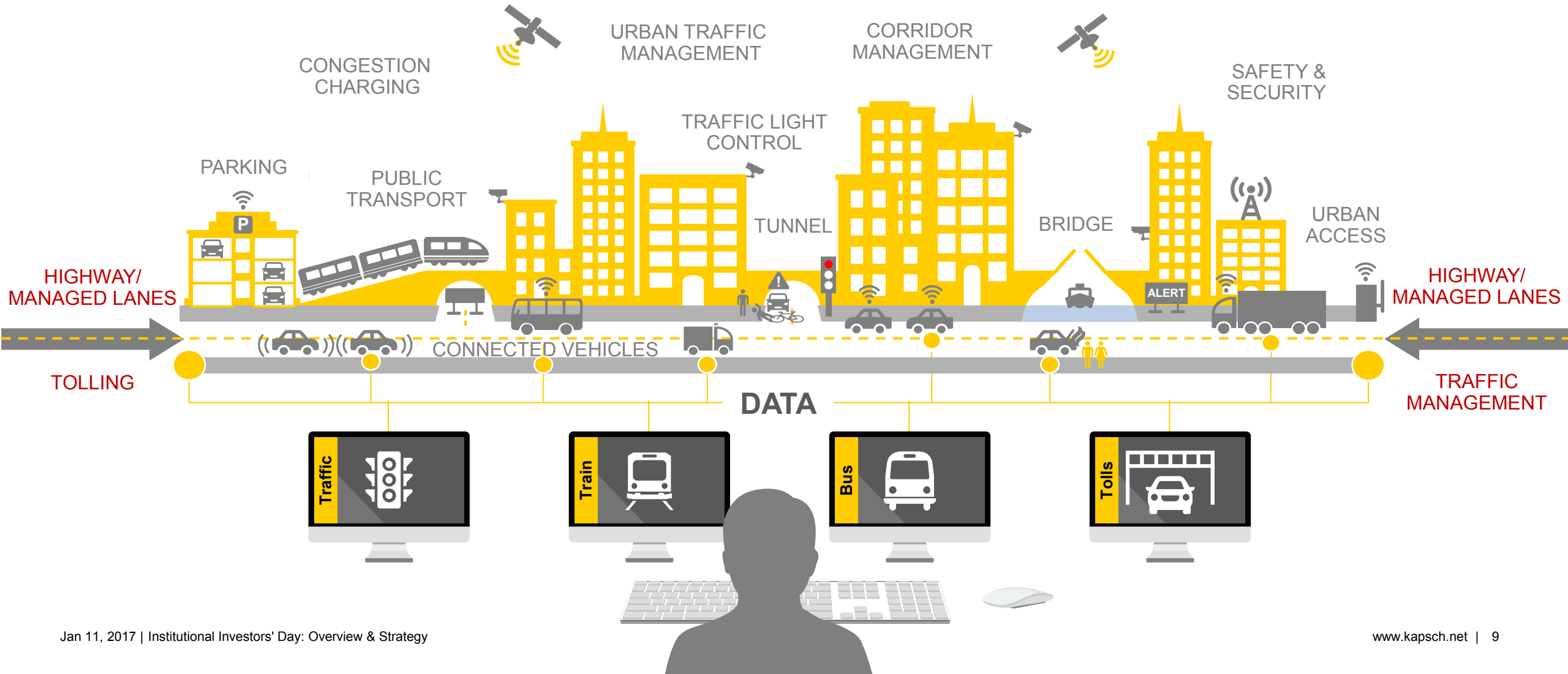
Strategy.

How to develop the business.



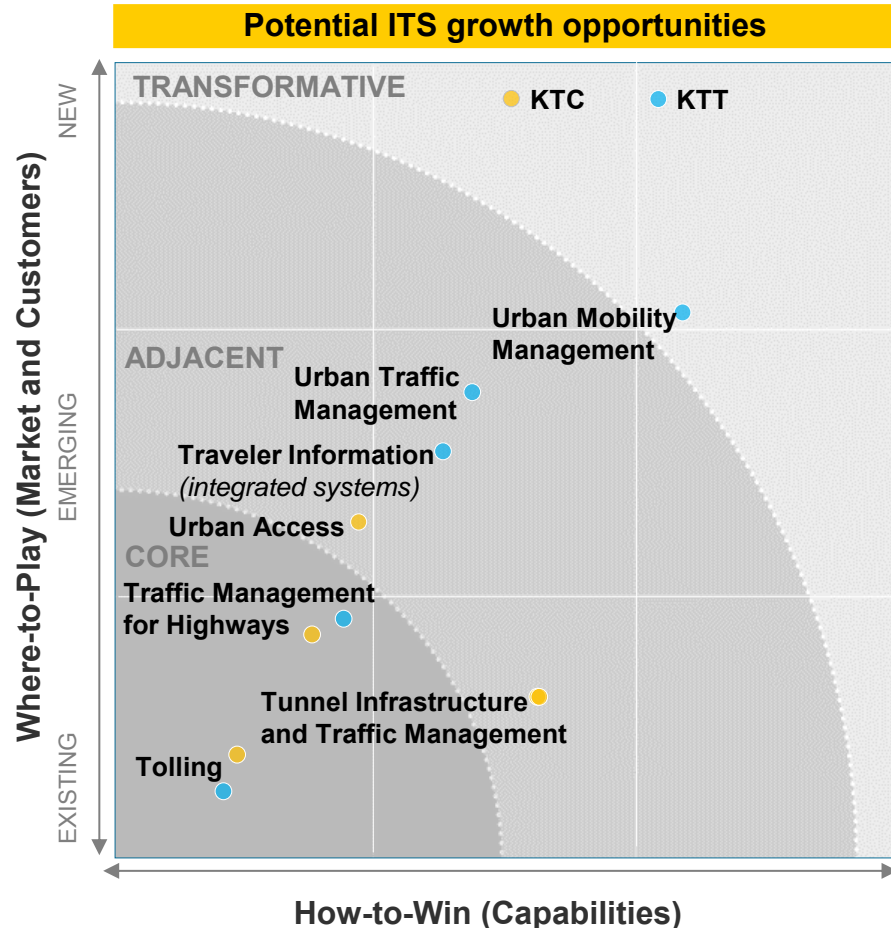
Intelligent mobility solutions.

From highways to cities.



Acquisition of KTT.

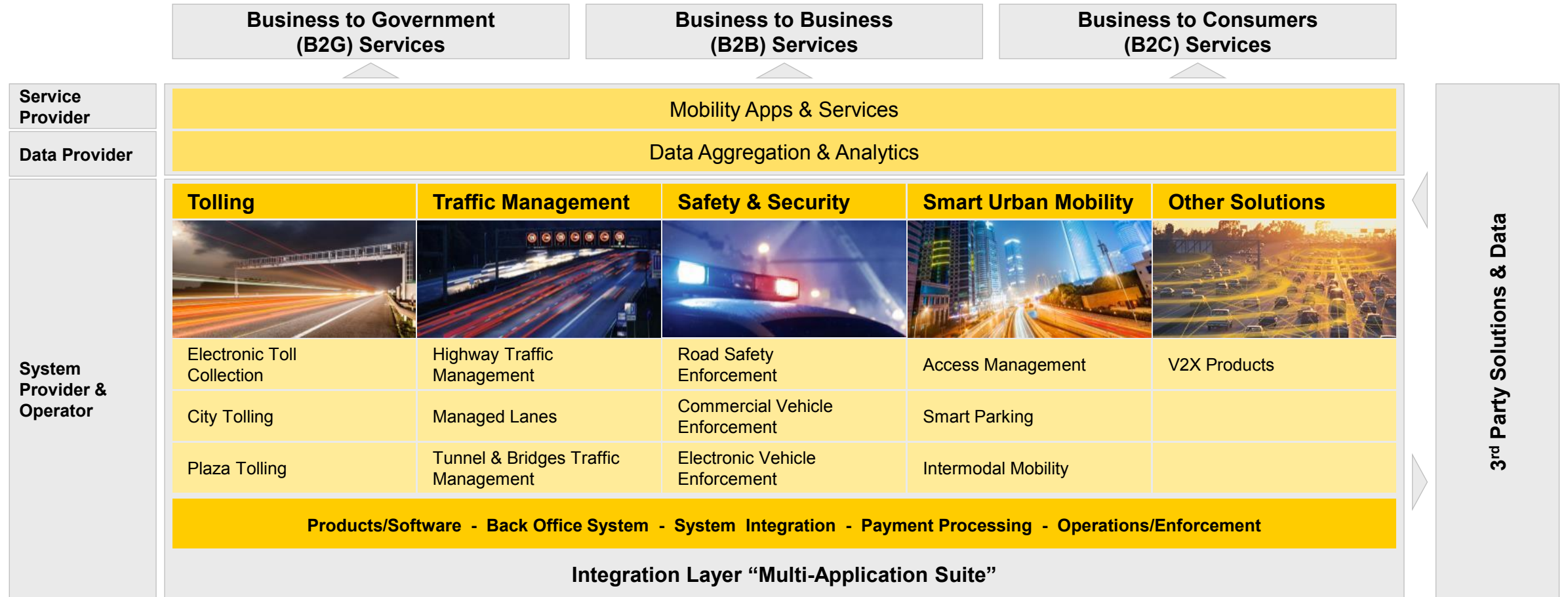
Big step forward perfectly in line with the strategy.



- > Complementary products and services; limited redundancies.
- > KTC now offers customers complementary solutions from the highway into the city.
- > Geographical footprint improved:
 - Together, top 3 player in the U.S. tolling market
 - Stronger presence in Latin America and Spain
 - New market: Middle East
- > 30 years of experience in traffic management.
- > 900 employees.
- > >EUR 100 million revenues.
- > Financial turnaround of KTT after integration year 2016/17.

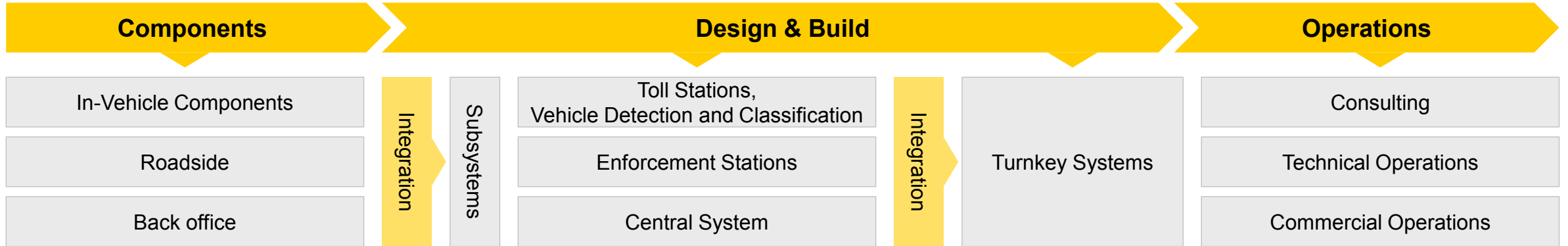
Portfolio.

Integrated ITS provider.



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

How to secure future profitability.

Priorities.

- > Operational excellence.
 - Global initiatives focused on best practice and standardized processes
- > Adapt the organization.
 - Only key functions centrally managed
 - Matrix-organization: regional sales functions & solution centers
- > Aspire to be top tier player in each geographic market and cluster we choose to operate.
- > Keep the focus:
Prioritize markets that are already monetized and offer attractive niches.

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 (transparence, 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.

Competition.

Overview.

Tolling



ETC

T-Systems
Autostrade Tech | Q-Free
TransCore | Sanef its
Siemens

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

Worldsensing
Smart Parking | IPS Group
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.

U.S. market.

The most important growth market for KTC.



2008

Acquisition of assets of TechnoCom Corp., U.S.A

2010

Acquisition of Mark IV IVHS businesses in U.S.A., Canada and Mexico

2014

Acquisition of Transdyn, Inc., U.S.A

2015

Majority acquisition of smart parking provider Streetline, Inc., U.S.A

2016

Acquisition of KTT (Schneider Electric Transportation Business)

2010

Port of Hood River is first road operator in the U.S. to deploy an (ETC) system based on the advanced 5.9 GHz DSRC WAVE technology platform

2011

Ten-year technology and service contract with E-ZPass Group

2012

Managed Lane System for North Tarrant Express and LBJ Express projects in Dallas and Tarrant Counties in North Texas

2012

Washburn Tunnel Incident Detection System Project in Houston, Texas

2013

Software maintenance contract for Golden Gate Bridge

2013

Truck Parking Connected-Vehicle System at five sites along the I-94 corridor in Michigan

2016

Upgrade and modernize the integrated TMS in (Massachusetts). New system will manage state-wide roadway network and the Boston Metropolitan Highway System tunnel complex and facilities.

2016

Replace and maintain the toll collection system at all bridges and tunnels managed by the Port Authority of New York and New Jersey

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

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