

## Press release

### **Kapsch TrafficCom – Mixed results in the first quarter, but promising new business opportunities Highlights**

#### Highlights.

- > Revenues increased by 7.9% to EUR 164.3 million
- > EBIT is -33.4% below last year's comparison value which included a one-time effect
- > Profit for the period has also dropped (-46.2%)
- > No net debt: net credit of EUR 13.4 million
- > After the end of the quarter: takeover of the remaining 67% of shares in SIMEX, Mexico

“Even though the results of the first quarter of 2017/18 were not satisfactory in my opinion, I am convinced that we are on the right path. Potential improvements have been recognized and are being implemented; promising new business opportunities are being processed by our teams with their full commitment,” says Georg Kapsch, CEO of Kapsch TrafficCom.

Unless otherwise stated, all values in EUR million.	Q1 2017/18	+/- %	Q1 2016/17
Revenues	164.3	7.9%	152.3
EBIT	11.7	-33.4%	17.6
EBIT margin	7.1%	-4.4%	11.6%
Profit for the period	6.6	-46.7%	12.4
Earnings per share (EUR)	0.52	-46.2%	0.97

Vienna, August 30, 2017 – Kapsch TrafficCom had to accept a so-so start in the new fiscal year. On the one hand, the company was able to continue its growth course. The revenues gained ground in both segments and went up by 7.9% to EUR 164.3 million at the Group level. On the other hand, Kapsch TrafficCom recorded a decline in operating result (EBIT) of EUR 5.9 million (-33.4%) down to EUR 11.7 million. The EBIT margin was therefore 7.1% (Q1 2016/17: 11.6%). There were several reasons for the lower profitability:

- > In the course of extending the tolling project in the Czech Republic, it was necessary for the company to lower the prices. The aim is to offset the resulting decline in profits through profitable new business during the next quarters.
- > After the integration of the transportation business acquired from Schneider Electric, the synergies were not yet fully realized in the US.
- > Negative currency effects – mainly from the currency combinations EUR/USD and EUR/ZAR – placed a burden of EUR 3.8 million on the EBIT, i.e. EUR 2.5 million more than in Q1 2016/17.
- > Moreover, the EBIT contained a positive one-time effect in the amount of EUR 3.0 million in the first quarter 2016/17.

When adjusted by the last two points – i.e. the known one-time effect and the effects of exchange rate fluctuations, which can only be influenced to a limited extent – Kapsch TrafficCom was able to achieve a fairly stable EBIT development in the normal course of business.

The higher currency losses (of EUR 0.8 million) and lower currency gains (by EUR -0.7 million) compared to Q1 2016/17 were the main reasons for the decline in the financial result to EUR -2.3 million (Q1 2016/17: EUR -0.3 million). While the realized currency losses dropped by EUR 0.2 million, the unrealized currency losses went up by EUR 1.0 million. The profit for the period was EUR 6.6 million (Q1 2016/17: EUR 12.4 million), and the earnings per share was EUR 0.52 (Q1 2016/17: EUR 0.97).

### Segment results.

In Q1 2017/18, 75.1% of the revenue fell to the ETC segment and 24.9 % to the IMS segment.

<b>ETC (Tolling Business).</b> Unless otherwise stated, all values in EUR million.	<b>Q1 2017/18</b>	<b>+/- %</b>	<b>Q1 2016/17</b>
Revenues	123.4	9.7%	112.4
EBIT	14.6	-19.3%	18.1
EBIT margin	11.9%	-4.3%p	16.1%

The EBIT in Q1 2016/17 included a positive one-time effect of EUR 0.9 million.

<b>IMS (Intelligent Mobility Solutions).</b> Unless otherwise stated, all values in EUR million.	<b>Q1 2017/18</b>	<b>+/- %</b>	<b>Q1 2016/17</b>
Revenues	40.9	2.7%	39.8
EBIT	-2.9	-440.6%	-0.5
EBIT margin	-7.1%	-5.8%p	-1.4%

The EBIT in Q1 2016/17 included a positive one-time effect of EUR 2.1 million.

### Balance sheet.

The free cash flow of the first quarter was negative at EUR -4,3 million. Consequently, the net credit of EUR 19.6 million on March 31, 2017, also sank to a still rock-solid amount of EUR 13.4 million on June 30, 2017. In the same period, the equity ratio rose from 35.0% to 36.2%.

### Event after the quarterly closing date.

After the quarterly closing date, Kapsch TrafficCom has taken over the remaining 67% of Mexican intelligent transportation systems (ITS) company SIMEX. Kapsch TrafficCom was already in possession of 33% of the company since 2012. With more than 30 years on the market and 255 employees, SIMEX is an important player in the Mexican ITS market.

**Outlook.**

Based on the results of this first quarter, it will be a challenge in 2017/18 to achieve the EBIT that Kapsch TrafficCom had in the last fiscal year. This is all the more so if the effects of exchange rate fluctuations – which can only be influenced to a limited extent – will continue to work against the company. However, the management is convinced that the company is on the right path. Potential improvements have been recognized and are now being implemented; the new business opportunities are very promising.

You can find the report on the first quarter of 2017/18 at: [www.kapsch.net/ktc/investor\\_relations/reports](http://www.kapsch.net/ktc/investor_relations/reports).

**Kapsch TrafficCom** is a provider of intelligent transportation systems in the fields of tolling, traffic management, smart urban mobility, traffic safety and security, and connected vehicles. As a one-stop solutions provider, Kapsch TrafficCom offers end-to-end solutions covering the entire value creation chain of its customers, from components and design to the implementation and operation of systems. The mobility solutions supplied by Kapsch TrafficCom help make road traffic safer and more reliable, efficient, and comfortable in urban areas and on highways alike while helping to reduce pollution.

Kapsch TrafficCom is an internationally renowned provider of intelligent transportation systems thanks to the many projects it has brought to successful fruition in more than 50 countries around the globe. The family-owned company is headquartered in Vienna, Austria and in 2017 celebrated 125 years of successfully developing and implementing new technologies for the benefit of its customers. As part of the Kapsch Group, Kapsch TrafficCom has subsidiaries and branches in more than 30 countries. It has been listed in the Prime Market of the Vienna Stock Exchange since 2007 (ticker symbol: KTCG). Kapsch TrafficCom currently has more than 4,800 employees, and generated revenue of approximately EUR 648.5 million in fiscal year 2016/17.

For additional information: [www.kapsch.net](http://www.kapsch.net) and [www.kapschtraffic.com](http://www.kapschtraffic.com)

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