

Corporate release

Kapsch TrafficCom – Final Earnings for the first quarter 2018/19.

Highlights.

- > Delays in existing projects led to a decline in revenues and EBIT
- > The order situation remains positive
- > Decisions on the awarding of a number of major projects are expected by the end of 2018

„Kapsch TrafficCom is pursuing a growth-oriented strategy and I am therefore pleased to be able to report an increase in revenues for the third year in a row. I am convinced that we can continue this trend,“ said Georg Kapsch, CEO of Kapsch TrafficCom.

Unless otherwise stated, all values in EUR million.	Q1 2017/18	Q1 2018/19	+/- %
Revenues	164.3	158.2	-3.7%
EBIT	11.7	7.1	-39.3%
<i>EBIT margin</i>	7.1%	4.5%	-2.6%p
Earnings for the period	6.6	2.5	-62.3%
Earnings per share (EUR)	0.52	0.21	-60.3%

Vienna, August 23, 2018 – The final earnings for the first quarter of fiscal year 2018/19 were published by Kapsch TrafficCom today and hardly deviate from the preliminary revenues and operating result (EBIT) announced on July 24, 2018.

It was primarily delays in existing implementation projects (ETC segment) that caused revenues in the first quarter of 2018/19 to decline by 3.7% to EUR 158.2 million as compared to this period in the previous year. Since the contribution margins have also not yet been included in the results as planned, EBIT fell by 39.2% to EUR 7.1 million. This corresponds to an EBIT margin of 4.5%.

The project business accounts for a significant portion of Kapsch TrafficCom’s revenues (more than 25% in Q1 2018/19). It can occasionally happen that project milestones are reached in a different quarter than planned. Sometimes even a short delay (beyond the end of the reporting period) is enough to cause shifts between quarters.

Furthermore, higher currency losses in the financial result and income taxes led to a decline of more than 60% in the result for the period and to earnings per share of EUR 0.21.

Segment results.

In Q1 2018/19, 75.6% of the revenues were attributed to the ETC segment and 24.4% to the IMS segment.

ETC (Electronic Toll Collection). Unless otherwise stated, all values in EUR million.	Q1 2017/18	Q1 2018/19	+/- %
Revenues	123.4	119.6	-3.1%
EBIT	14.6	7.0	-52.3%
<i>EBIT margin</i>	11.9%	5.8%	-6.0%p

Revenues in the ETC segment totaled EUR 119.6 million (-3.1%) and the EBIT reached EUR 7.0 million (52.3%). Since approximately 67% of Kapsch TrafficCom's total revenues were generated in the EMEA region, a 7.4% drop in revenues could not be offset by revenue increases in the regions of the Americas (+3.7%) and in the APAC region (+19.7%).

The 3.3 million on-board units sold in the first quarter set a new record.

IMS (Intelligent Mobility Solutions). Unless otherwise stated, all values in EUR million.	Q1 2017/18	Q1 2018/19	+/- %
Revenues	40.9	38.6	-5.7%
EBIT	-2.9	0.1	n.a.
<i>EBIT margin</i>	-7.1%	0.3%	+7.5%p

Revenues in the IMS segment decreased by 5.7% to EUR 38.6 million. While revenues in the EMEA region increased (+8.9%), they fell in the region of the Americas (-17.8%) and in the APAC region (-46.7%). The IMS EBIT was positive for the second quarter in a row (EUR 0.1 million).

Free cash flow and balance sheet.

As a consequence of the lower earnings and changes in working capital, the free cash flow in the first quarter amounted to EUR -12.2 million (Q1 2017/18: EUR -4.3 million). The balance sheet continues to be strong – with an equity ratio of 37.6% as of June 31, 2018, exceeding the value as of March 31, 2018 (37.0%). A net debt of EUR 5.8 million (March 31, 2018: net cash of EUR 16.2 million) corresponds to a gearing ratio of 2.5%. Kapsch TrafficCom had total assets of EUR 614.8 million as of June 30, 2018 (March 31, 2018: EUR 621.1 million).

Event after the end of the quarter.

Kapsch TrafficCom increased its shareholding in Intelligent Mobility Solutions Ltd., a joint venture in Zambia, to 51% already in May 2018. In August 2018, the shareholders agreement was adapted giving Kapsch TrafficCom control over the joint venture so that it will be fully consolidated going forward.

You can find the report on Q1 2018/19 at: www.kapsch.net/ktc/ir

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. 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 5,200 employees, and generated revenue of approximately EUR 693.3 million in fiscal year 2017/18.

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