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

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

Solid financials
- Revenues ~EUR 650mn
- 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 600mn
- Free float 28.5%
Strategy.
Profitable and sustainable growth.

Top-line growth
- Secure and expand the core business
- Reduce the cluster risk
- Growth resulting from a broad range
- Growth in existing and new markets
- Acquisitions

Profitability
- Revenues to increase in both segments
- Higher rates of growth for IMS
- ETC EBIT margin comfortably >10%
- IMS EBIT margin ~8% possible (mid term)
- Group EBIT margin > 10% (mid term)

Sustainability
- Price pressure in ETC:
  - Larger number of smaller projects with lower profitability
  - Current and upcoming large tenders – price pressure
- EBIT margin in IMS to gradually improve:
  - Non-recurring nature of costs for the integration of KTT
  - After KTT integration: better positioning, higher efficiency
  - Synergies between KTT and Kapsch TrafficCom
- Long-term & sustainable management: 125 years of history
- Sustainable business model
- Innovation: open approach
- Patents
- Employees: lifelong learning
- Working environment
- Engaging with stakeholder groups
- R&D and innovation: open approach
- Close to customers
- Recognise trends early
Business model.
One-stop-shop.

Components
- In-vehicle components
- Road-side components

Integration
Subsystems
- Toll stations
- Enforcement stations
- Back office

Design & build
Integration
- Complete turnkey systems

Operation
- Consulting
- Technical operation
- Commercial operation

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

Back office
## Portfolio

Integrated mobility solutions provider.

<table>
<thead>
<tr>
<th>Tolling (ETC)</th>
<th>Intelligent Mobility Solutions (IMS)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tolling solutions</strong></td>
<td><strong>Highway</strong></td>
</tr>
</tbody>
</table>
| Electronic Toll Collection  
Multi-lane free-flow, managed lanes, mobile tolling, eVignette | Traffic management (TM)  
Highway TM, managed lanes, tunnels and bridges |
| City tolling | City |
| Plaza tolling | Traffic management (TM)  
Urban TM, corridor management, access management |

- **Trans-European tolling services**
- **Traffic safety**  
Electronic vehicle registration, commercial vehicle enforcement
- **Connected vehicles**  
V2X-automotive, V2X-infrastructure, connected services

- **Smart parking**
- **Integrated mobility**
Financials.

Earnings overview.

<table>
<thead>
<tr>
<th>All figures in EUR mn unless otherwise stated</th>
<th>Q1 2017/18</th>
<th>+/-</th>
<th>Q1 2016/17</th>
<th>2016/17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>164.3</td>
<td>8%</td>
<td>152.3</td>
<td>648.5</td>
</tr>
<tr>
<td>EBITDA</td>
<td>15.7</td>
<td>-28%</td>
<td>21.8</td>
<td>77.8</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>10%</td>
<td>-4.7%</td>
<td>14%</td>
<td>12%</td>
</tr>
<tr>
<td>EBIT</td>
<td>11.7</td>
<td>-33%</td>
<td>17.6</td>
<td>60.1</td>
</tr>
<tr>
<td>EBIT margin</td>
<td>7%</td>
<td>-4.4%</td>
<td>12%</td>
<td>9%</td>
</tr>
<tr>
<td>Profit before tax (PBT)</td>
<td>9.3</td>
<td>-47%</td>
<td>17.3</td>
<td>60.6</td>
</tr>
<tr>
<td>Profit for the period</td>
<td>6.6</td>
<td>-47%</td>
<td>12.4</td>
<td>42.7</td>
</tr>
<tr>
<td>Profit for the period attributable to equity holders</td>
<td>6.8</td>
<td>-46%</td>
<td>12.7</td>
<td>43.6</td>
</tr>
<tr>
<td>Earnings per share (EPS), in EUR</td>
<td>0.52</td>
<td>-46%</td>
<td>0.97</td>
<td>3.35</td>
</tr>
</tbody>
</table>

Revenues by Region Q1 2017/18

- EMEA: 65%
- Americas: 30%
- APAC: 5%

Revenues by Segment Q1 2017/18

- IMS: 26% +2.7%
- ETC: 74% +9.7%
- 112.4 40.9
- 123.4 25%
Other key financials.

Net investments were below the depreciation rate of about EUR 4mn. In Q1 2016/17 investments were higher due to the acquisition of KTT.

Negative free cash flow (EUR -4.3 mn); in Q1 2016/17 free cash flow amounted to EUR 13.9mn. Main reasons:
- working capital
- higher income tax payments

Still net credit positive (EUR 13.4mn) but amount came down due to the negative free cash flow in Q1.

Balance sheet total was stable compared to March 31, 2017. Equity ratio went up by 1%p.
**Segment results.**

**ETC accounts for 75% of total revenues, IMS 25%.**

### Key financials

<table>
<thead>
<tr>
<th>Segment</th>
<th>All figures in EUR mn unless otherwise stated</th>
<th>Q1 2017/18</th>
<th>+/-</th>
<th>Q1 2016/17</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ETC</strong></td>
<td>Revenues</td>
<td>123.4</td>
<td>10%</td>
<td>112.4</td>
</tr>
<tr>
<td></td>
<td>EBIT</td>
<td>14.6</td>
<td>-19%</td>
<td>18.1</td>
</tr>
<tr>
<td></td>
<td>EBIT margin</td>
<td>11.9%</td>
<td>-4.3%p</td>
<td>16.1%</td>
</tr>
<tr>
<td><strong>IMS</strong></td>
<td>Revenues</td>
<td>40.9</td>
<td>3%</td>
<td>39.8</td>
</tr>
<tr>
<td></td>
<td>EBIT</td>
<td>-2.9</td>
<td>-441%</td>
<td>-0.5</td>
</tr>
<tr>
<td></td>
<td>EBIT margin</td>
<td>-7.1%</td>
<td>-5.8%p</td>
<td>-1.4%</td>
</tr>
</tbody>
</table>

### Revenues by region

- **EMEA** 70%
- **Americas** 24%
- **APAC** 6%

### Revenues by type

<table>
<thead>
<tr>
<th>Segment</th>
<th>All figures in EUR mn unless otherwise stated</th>
<th>Q1 2017/18</th>
<th>+/-</th>
<th>Q1 2016/17</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ETC</strong></td>
<td>Design &amp; build</td>
<td>27.1</td>
<td>37%</td>
<td>19.8</td>
</tr>
<tr>
<td></td>
<td>Operations</td>
<td>69.8</td>
<td>2%</td>
<td>68.7</td>
</tr>
<tr>
<td></td>
<td>Components</td>
<td>26.4</td>
<td>10%</td>
<td>24.0</td>
</tr>
<tr>
<td></td>
<td>OBUs sold, million units</td>
<td>2.9</td>
<td>4%</td>
<td>2.8</td>
</tr>
<tr>
<td><strong>IMS</strong></td>
<td>Design &amp; build</td>
<td>18.6</td>
<td>27%</td>
<td>14.6</td>
</tr>
<tr>
<td></td>
<td>Operations</td>
<td>20.1</td>
<td>-10%</td>
<td>22.3</td>
</tr>
<tr>
<td></td>
<td>Components</td>
<td>2.2</td>
<td>-23%</td>
<td>2.9</td>
</tr>
</tbody>
</table>

---

1) Includes goodwill of EUR 0.9 million
2) Includes goodwill of EUR 2.1 million
Outlook. 
FY 2017/18.

- Revenues continue to grow.
- Challenge to reach last fiscal year's EBIT.
- Equity ratio should increase following the redemption of the corporate bond in November 2017.
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.

Shareholder structure

- The Bank of New York Mellon Corporation/Shareholder Value Management AG: 8.2%
- Kapsch-Group Beteiligungs GmbH: 63.3%
- Miscellaneous: 3.1%
- Retail: 8.4%
- Institutional investors: 17.0%
- Free float: 28.5%

Institutional investors by region

- Other: 4.0%
- UK & Ireland: 13.9%
- Austria: 22.4%
- North America: 26.8%
- Continental Europe (excl. AT): 32.8%

Basic information

- Listed in Prime Market segment at the Vienna Stock Exchange since 2007
- 13 million shares
- Market cap: >EUR 600mn
- Coverage by: Kepler Cheuvreux, RCB, Erste Group, Matelan

Select events

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sep 6, 2017</td>
<td>AGM</td>
</tr>
<tr>
<td>Sep 13, 2017</td>
<td>Dividend ex date</td>
</tr>
<tr>
<td>Sep 21, 2017</td>
<td>Dividend payment date</td>
</tr>
<tr>
<td>Nov 29, 2017</td>
<td>Results H1 2017/18</td>
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</tbody>
</table>
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## Competition.

### Overview.

<table>
<thead>
<tr>
<th>Tolling</th>
<th>Traffic Management</th>
<th>Smart Urban Mobility</th>
<th>Safety &amp; Security</th>
<th>Connected Cars</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ETC</strong></td>
<td><strong>Highway</strong></td>
<td><strong>Smart Parking</strong></td>
<td><strong>Road Safety Enforcement</strong></td>
<td><strong>V2X Automotive</strong></td>
</tr>
<tr>
<td>T-Systems</td>
<td>Delcan</td>
<td>IPS Group</td>
<td>Redflex</td>
<td>Delphi</td>
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<tr>
<td>Autostrade</td>
<td>Q-Free</td>
<td>Worldsensing</td>
<td>Jenoptik</td>
<td>LG Electronics</td>
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<tr>
<td>Q-Free</td>
<td>SwRI</td>
<td>Smart Parking Inrix</td>
<td>Sensys</td>
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<td>TransCore</td>
<td>Siemens</td>
<td>Xerox</td>
<td>Gatso</td>
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<td>emovis</td>
<td></td>
<td></td>
<td>Vitronic</td>
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</tr>
<tr>
<td><strong>City Tolling</strong></td>
<td><strong>Managed Lanes</strong></td>
<td><strong>Urban Traffic Management</strong></td>
<td>**Commercial Vehicle **</td>
<td><strong>V2X Infrastructure</strong></td>
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<td>Q-Free</td>
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<td>Eagle</td>
<td>IRD</td>
<td>Cohda</td>
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<tr>
<td>MHI</td>
<td>Xerox</td>
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<td>Xerox</td>
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<td>IBM</td>
<td>SICE</td>
<td>SICE</td>
<td>Mettler Toledo</td>
<td></td>
</tr>
<tr>
<td>Cubic</td>
<td>Q-Free</td>
<td>Econolite</td>
<td>Drivewayze (IMS)</td>
<td></td>
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<tr>
<td>Siemens</td>
<td>TransCore</td>
<td>Dynniq</td>
<td>Iteris</td>
<td></td>
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<tr>
<td><strong>Plaza Tolling</strong></td>
<td><strong>Tunnel &amp; Bridges</strong></td>
<td><strong>Intermodal Mobility</strong></td>
<td><strong>Electronic Vehicle Registration</strong></td>
<td><strong>Connected Services</strong></td>
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<td>Tescedel</td>
<td>SICE</td>
<td>HaCon</td>
<td>3M</td>
<td>n.a.</td>
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<td>TransCore</td>
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<td>G.E.A.</td>
<td>Dynniq</td>
<td>Moovel</td>
<td>Neology</td>
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<td>Indra</td>
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<td>SICE</td>
<td>IBI Group</td>
<td>Siemens</td>
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</tbody>
</table>
## 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) maturing in November 2017
  - Can be repaid early; higher flexibility
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

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.

2002
Activities structured in three autonomous organizations:
- Kapsch TrafficCom
- Kapsch BusinessCom
- Kapsch CarrierCom

2004
Austria introduces the national truck road user charging system: the worldwide 1st nationwide multi-lane free-flow system on major highways

2007
IPO of Kapsch TrafficCom

2007
Nationwide ETC system in Czech Republic goes into operation

2010
Contract for implementation and operation of nationwide tolling system in Poland

2011
Capital increase

2016
Acquisition of KTT (Schneider Electric Transportation Business)

2012
Contract for implementation and operation of nationwide tolling system in Belarus

- EMEA
- Americas
- APAC

Q1 2017/18
65%
30%
5%
### Global

<table>
<thead>
<tr>
<th>All figures in EUR mn unless otherwise stated</th>
<th>Q1 2017/18</th>
<th>% of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>164.3</td>
<td></td>
</tr>
<tr>
<td>thereof ETC</td>
<td>123.4</td>
<td>75%</td>
</tr>
<tr>
<td>thereof IMS</td>
<td>40.9</td>
<td>25%</td>
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</tbody>
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### Americas

<table>
<thead>
<tr>
<th>All figures in EUR mn unless otherwise stated</th>
<th>Q1 2017/18</th>
<th>% of total</th>
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<tbody>
<tr>
<td>Revenues</td>
<td>48.7</td>
<td>30%</td>
</tr>
<tr>
<td>thereof ETC</td>
<td>29.9</td>
<td>18%</td>
</tr>
<tr>
<td>thereof IMS</td>
<td>18.8</td>
<td>11%</td>
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</table>

### EMEA

<table>
<thead>
<tr>
<th>All figures in EUR mn unless otherwise stated</th>
<th>Q1 2017/18</th>
<th>% of total</th>
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</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>106.6</td>
<td>65%</td>
</tr>
<tr>
<td>thereof ETC</td>
<td>86.0</td>
<td>52%</td>
</tr>
<tr>
<td>thereof IMS</td>
<td>20.6</td>
<td>13%</td>
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</table>

### APAC

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>9.0</td>
<td>5%</td>
</tr>
<tr>
<td>thereof ETC</td>
<td>7.4</td>
<td>4%</td>
</tr>
<tr>
<td>thereof IMS</td>
<td>1.6</td>
<td>1%</td>
</tr>
</tbody>
</table>
We make mobility solutions intelligent to enable users to arrive at their destination:

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