Investor Presentation.
October 2017.
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

KTC: 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 Transportation Systems

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

Solid financial parameter

- 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 500mn
- Free float 28.0%
Top-line growth

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

Profitability

- 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

Sustainability

- Long-term & sustainable management: 125 years of history
- Sustainable business model
- Innovation: open approach
- Patents
- Employees: lifelong learning
- Working environment
- Engaging with stakeholder groups

- 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)
- 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>Tolling solutions</td>
<td>City</td>
</tr>
<tr>
<td>Electronic Toll Collection</td>
<td>Traffic management (TM)</td>
</tr>
<tr>
<td>Multi-lane free-flow, managed</td>
<td>Highway (TM)</td>
</tr>
<tr>
<td>lanes, mobile tolling, eVignette</td>
<td>Highway TM, managed lanes, tunnels and bridges</td>
</tr>
<tr>
<td>City tolling</td>
<td>Traffic management (TM)</td>
</tr>
<tr>
<td>Plaza tolling</td>
<td>Urban TM, corridor management, access management</td>
</tr>
<tr>
<td>Trans-European tolling services</td>
<td>Traffic safety</td>
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<td></td>
<td>Electronic vehicle registration, commercial vehicle enforcement</td>
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<tr>
<td></td>
<td>Connected vehicles</td>
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<td></td>
<td>V2X-automotive, V2X-infrastructure, connected services</td>
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<td></td>
<td>Smart parking</td>
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<td></td>
<td>Integrated mobility</td>
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</table>
# Financials.

**Earnings overview.**

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

**Revenues by Region Q1 2017/18**

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

**Revenues by Segment Q1 2017/18**

- IMS: +2.7%
- ETC: +9.7%
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.

Free cash flow

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.
### Key financials

<table>
<thead>
<tr>
<th>Segment</th>
<th>Q1 2016/17</th>
<th>Q1 2017/18</th>
<th>+/-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>112.4</td>
<td>123.4</td>
<td>10%</td>
</tr>
<tr>
<td>EBIT</td>
<td>18.1</td>
<td>14.6</td>
<td>-19%</td>
</tr>
<tr>
<td>EBIT margin</td>
<td>16.1%</td>
<td>11.9%</td>
<td>-5.8%p</td>
</tr>
</tbody>
</table>

1) Includes badwill of EUR 0.9 million

### Key financials

<table>
<thead>
<tr>
<th>Segment</th>
<th>Q1 2016/17</th>
<th>Q1 2017/18</th>
<th>+/-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>39.8</td>
<td>40.9</td>
<td>3%</td>
</tr>
<tr>
<td>EBIT</td>
<td>-0.5</td>
<td>-2.9</td>
<td>-441%</td>
</tr>
<tr>
<td>EBIT margin</td>
<td>-1.4%</td>
<td>-7.1%</td>
<td>-5.8%p</td>
</tr>
</tbody>
</table>

2) Includes badwill of EUR 2.1 million

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### Segment results.

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

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### Revenues by region

**ETC**

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

**IMS**

- EMEA: 50%
- Americas: 46%
- APAC: 4%

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### Revenues by type

**ETC**

- Design & build: 19.8 (37%)
- Operations: 68.7 (2%)
- Components: 24.0 (10%)”

**IMS**

- Design & build: 14.6 (27%)
- Operations: 22.3 (10%)
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
Shareholder structure

- Axxion S.A./Shareholder Value Management AG: 8.7%
- Kapsch-Group Beteiligungs GmbH: 63.3%
- Miscellaneous: 3.0%
- Retail: 8.3%
- Institutional investors: 16.7%
- Free float: 28.0%

Institutional investors by region

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

Basic information

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

Select events

- Nov 29, 2017: Results H1 2017/18
- Feb 28, 2018: Results Q1-Q3 2017/18

More information: www.kapschtraffic.com
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## Competition.

### Overview.

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<tr>
<th>Tolling</th>
<th>Traffic Management</th>
<th>Smart Urban Mobility</th>
<th>Safety &amp; Security</th>
<th>Connected Cars</th>
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</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>
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<td>T-Systems</td>
<td>Delcan</td>
<td>IPS Group</td>
<td>Redflex</td>
<td>Delphi</td>
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<td>Q-Free</td>
<td>Worldsensing</td>
<td>Jenoptik</td>
<td>LG Electronics</td>
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<td>Smart Parking</td>
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<td>Inrix</td>
<td>Gatso</td>
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<td></td>
<td>Siemens</td>
<td>Xerox</td>
<td>Vitrionic</td>
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<td><strong>City Tolling</strong></td>
<td><strong>Managed Lanes</strong></td>
<td><strong>Urban Traffic Management</strong></td>
<td><strong>Commercial Vehicle Enforcement</strong></td>
<td><strong>V2X Infrastructure</strong></td>
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<td>Q-Free</td>
<td>Delcan</td>
<td>Eagle</td>
<td>IRD</td>
<td>Cohda</td>
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<td>ISwarco</td>
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<td>Arada</td>
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<td>IBM</td>
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<td>Mettler Toledo</td>
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<td>Cubic</td>
<td>Q-Free</td>
<td>Econolite</td>
<td>Drivewyze (IMS)</td>
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<td>Siemens</td>
<td>TransCore</td>
<td>Dynniq</td>
<td>Iteris</td>
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<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>
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<td>Moovel</td>
<td>Neology</td>
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<td>Indra</td>
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<td>IBI Group</td>
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Oct 2017 | Investor Presentation
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

<table>
<thead>
<tr>
<th>Year</th>
<th>Issue</th>
<th>2016</th>
<th>2021</th>
<th>2023</th>
<th>2026</th>
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<tbody>
<tr>
<td></td>
<td>EUR 62.0mn</td>
<td>EUR 26mn</td>
<td>EUR 23mn</td>
<td>EUR 8.5mn</td>
<td>USD 14.5mn</td>
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<tr>
<td></td>
<td>USD 14.5mn</td>
<td>1.22% p.a.</td>
<td>6M EURIBOR + 120bps</td>
<td>6M EURIBOR + 150bps.</td>
<td>3M LIBOR + 170bps</td>
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</tbody>
</table>
Corporate milestones.
125 years in the ever-changing electronic industry.

1892
Kapsch founded

1919
Morse telegraph devices

1925
Telephones

1930
Capacitors and dry batteries

1935
Radios

1940
TVs (black & white, later color)

1945
Telecom networks (analog, later digital)

1950
Portable radios

1955
Mobile phones

1991
Toll collection division within Kapsch AG

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

2009
Nation-wide ETC system in Czech Republic goes into operation

2010
Contract for implementation and operation of nation-wide tolling system in Poland

2012
Contract for implementation and operation of nation-wide tolling system in Belarus

2016
Acquisition of KTT (Schneider Electric Transportation Business)

2017
Concession agreement for nation-wide road safety and traffic management in Zambia

1999
Launch of world’s 1st MLFF ETC system for an urban motorway on Melbourne City Link in Australia.

2007
Nation-wide ETC system in Czech Republic goes into operation

2010
Contract for implementation and operation of nation-wide tolling system in Poland

2012
Contract for implementation and operation of nation-wide tolling system in Belarus

2017
Concession agreement for nation-wide road safety and traffic management in Zambia
References in more than 50 countries.

Global
All figures in EUR mn unless otherwise stated
Q1 2017/18 % of total
Revenues 164.3
thereof ETC 123.4 75%
thereof IMS 40.9 25%

Americas
All figures in EUR mn unless otherwise stated
Q1 2017/18 % of total
Revenues 48.7 30%
thereof ETC 29.9 18%
thereof IMS 18.8 11%

EMEA
All figures in EUR mn unless otherwise stated
Q1 2017/18 % of total
Revenues 106.6 65%
thereof ETC 86.0 52%
thereof IMS 20.6 13%

APAC
All figures in EUR mn unless otherwise stated
Q1 2017/18 % of total
Revenues 9.0 5%
thereof ETC 7.4 4%
thereof IMS 1.6 1%
We make mobility solutions intelligent to enable users to arrive at their destination

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