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.
**Provider of Intelligent Transportation Systems**
- Tolling (Electronic Toll Collection – ETC)
- Mobility (Intelligent Mobility Solutions – IMS)

**Global player**
- More than 5,000 employees
- Presence in >30 countries
- References in >50 countries

**Solid financial parameter**
- Revenues ~EUR 650mn
- Sustainable dividend policy: Base dividend of EUR 1,--

**Listed at Vienna Stock Exchange**
- Market cap >EUR 500mn
- Free float 24.0%
Strategy.
Profitable and sustainable growth.

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
  - 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
- Recognize trends early
Business model – ETC.
One-stop-shop.

Components

In-vehicle components

Road-side components

Integration

Subsystems

Toll stations

Enforcement stations

Back office

Design & build

Complete turnkey systems

Operation

Consulting

Technical operation

Commercial operation

End-to-end solutions as a one-stop shop

In-vehicle components

Transceivers & readers

Cameras & sensors

Toll & enforcement station

Back office

On-board units (OBUs)

Programming station

Transceiver

Mobile reader

Reader

Vehicle detection

Vehicle registration

Vehicle classification

Stationary enforcement

Mobile enforcement
## 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>Highway</td>
</tr>
<tr>
<td>Tolling services</td>
<td>Traffic management (TM)</td>
</tr>
<tr>
<td>Electronic Toll Collection</td>
<td>Highway TM, managed lanes, tunnels and bridges</td>
</tr>
<tr>
<td>Multi-lane free-flow, managed lanes, mobile tolling, eVignette</td>
<td>Traffic safety</td>
</tr>
<tr>
<td>City tolling</td>
<td>Electronic vehicle registration, commercial vehicle enforcement</td>
</tr>
<tr>
<td>Plaza tolling</td>
<td>Traffic safety</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Financials.

Earnings overview.

All figures in EUR mn unless otherwise stated

<table>
<thead>
<tr>
<th></th>
<th>2016/17</th>
<th>H1 2016/17</th>
<th>H1 2017/18</th>
<th>+/-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>648.5</td>
<td>305.4</td>
<td>339.8</td>
<td>11%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>77.8</td>
<td>37.4</td>
<td>32.8</td>
<td>-12%</td>
</tr>
<tr>
<td><strong>EBITDA margin</strong></td>
<td>12%</td>
<td>12%</td>
<td>10%</td>
<td>-2.6%p</td>
</tr>
<tr>
<td>EBIT</td>
<td>60.1</td>
<td>28.7</td>
<td>25.3</td>
<td>-12%</td>
</tr>
<tr>
<td><strong>EBIT margin</strong></td>
<td>9%</td>
<td>9%</td>
<td>7%</td>
<td>-2.0%p</td>
</tr>
<tr>
<td>Profit before tax (PBT)</td>
<td>60.6</td>
<td>28.7</td>
<td>18.8</td>
<td>-35%</td>
</tr>
<tr>
<td>Profit for the period</td>
<td>42.7</td>
<td>20.1</td>
<td>14.1</td>
<td>-30%</td>
</tr>
<tr>
<td>Profit for the period attributable to equity holders</td>
<td>43.6</td>
<td>20.6</td>
<td>14.6</td>
<td>-29%</td>
</tr>
<tr>
<td>Earnings per share (EPS), in EUR</td>
<td>3.35</td>
<td>1.58</td>
<td>1.12</td>
<td>-29%</td>
</tr>
</tbody>
</table>

Revenues by Region H1 2017/18

- EMEA: 66%
- Americas: 29%
- APAC: 5%

Revenues by Segment H1 2017/18

- IMS: 26% (+15.9%)
- ETC: 79.1 (23%)

All figures in EUR mn unless otherwise stated 2016/17 H1 2016/17 H1 2017/18 +/-
Revenues 648.5 305.4 339.8 11%
EBITDA 77.8 37.4 32.8 -12%
EBITDA margin 12% 12% 10% -2.6%p
EBIT 60.1 28.7 25.3 -12%
EBIT margin 9% 9% 7% -2.0%p
Profit before tax (PBT) 60.6 28.7 18.8 -35%
Profit for the period 42.7 20.1 14.1 -30%
Profit for the period attributable to equity holders 43.6 20.6 14.6 -29%
Earnings per share (EPS), in EUR 3.35 1.58 1.12 -29%
Other key financials.

Net investments were lower than in H1 2016/17 because of the acquisition of KTT in 2016.

Negative free cash flow (EUR -1.0 mn) because of:
- Lower earnings
- A strong increase in trade receivables of EUR 13.7 million

Net credit decreased to a net debt position because of:
- Negative free cash flow
- Dividend payment
- Expenses for M&A

Balance sheet total and equity ratio stable, despite dividend payment of EUR 19.5 million.
## Key financials

### ETC

<table>
<thead>
<tr>
<th></th>
<th>H1 2016/17</th>
<th>H1 2017/18</th>
<th>+/-</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td>224.9</td>
<td>260.7</td>
<td>16%</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>34.2</td>
<td>32.1</td>
<td>-6%</td>
</tr>
<tr>
<td><strong>EBIT margin</strong></td>
<td>15.2%</td>
<td>12.3%</td>
<td>-2.9%</td>
</tr>
</tbody>
</table>

1) Includes badwill of EUR 0.9 million

### IMS

<table>
<thead>
<tr>
<th></th>
<th>H1 2016/17</th>
<th>H1 2017/18</th>
<th>+/-</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td>80.5</td>
<td>79.1</td>
<td>-2%</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>-5.4</td>
<td>-6.8</td>
<td>-26%</td>
</tr>
<tr>
<td><strong>EBIT margin</strong></td>
<td>-6.8%</td>
<td>-8.6%</td>
<td>-1.9%</td>
</tr>
</tbody>
</table>

2) Includes badwill of EUR 2.1 million

---

### Revenues by region

- **EMEA**: 70%
- **Americas**: 25%
- **APAC**: 6%

- **EMEA**: 54%
- **Americas**: 43%
- **APAC**: 4%

### Revenues by type

#### ETC

<table>
<thead>
<tr>
<th></th>
<th>H1 2016/17</th>
<th>H1 2017/18</th>
<th>+/-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Design &amp; build</td>
<td>19.8</td>
<td>27.1</td>
<td>37%</td>
</tr>
<tr>
<td>Operations</td>
<td>68.7</td>
<td>69.8</td>
<td>2%</td>
</tr>
<tr>
<td>Components</td>
<td>24.0</td>
<td>26.4</td>
<td>10%</td>
</tr>
</tbody>
</table>

#### IMS

<table>
<thead>
<tr>
<th></th>
<th>H1 2016/17</th>
<th>H1 2017/18</th>
<th>+/-</th>
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<tr>
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<tr>
<td>Operations</td>
<td>22.3</td>
<td>20.1</td>
<td>-10%</td>
</tr>
<tr>
<td>Components</td>
<td>2.9</td>
<td>2.2</td>
<td>-23%</td>
</tr>
</tbody>
</table>

---

Jan 2018 | Investor Presentation
Revenue growth of 10%.

Achieving last year’s EBIT, adjusted for a one-off effect (badwill from KTT acquisition: EUR 3.0 million) and for charges from exchange rate fluctuations, will be a challenge.

Equity ratio should increase following the redemption of the corporate bond:
- The 4.25% corporate bond issued in 2010 was repaid as scheduled at the beginning of November.
- In 2016, Kapsch TrafficCom obtained the funds necessary for this by issuing a promissory note bond.
- The repayment will discharge the financial result and has a shortening effect on the balance sheet, which would have a positive effect on the equity ratio.
- However, we are currently examining whether we can use the favorable interest rate environment in the medium or long term.
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

- **Axion S.A./Shareholder Value Management AG**: 8.7%
- **KAPSCH-Group Beteiligungs GmbH**: 63.3%
- **Free float**: 24%
- **Institutional investors**: 12.7%
- **Retail**: 8.3%
- **Miscellaneous**: 3.0%

Institutional investors by region

- **4%**: Other
- **22%**: Austria
- **27%**: North America
- **33%**: Continent Europe (excl. Austria)
- **14%**: UK and Ireland

Source: Shareholder survey from March 2017, participation notifications, estimation by Kapsch TrafficCom AG

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

- **Feb 28, 2018**: Results Q1-Q3 2017/18
- **June 18, 2018**: Results FY 2017/18

More information: [www.kapschtraffic.com/ir](http://www.kapschtraffic.com/ir)
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Investor Relations Officer

Kapsch TrafficCom

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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>ETC</td>
<td>Highway</td>
<td>Smart Parking</td>
<td>Road Safety Enforcement</td>
<td>V2X Automotive</td>
</tr>
<tr>
<td>T-Systems</td>
<td>Autostrade</td>
<td>Q-Free</td>
<td>TransCore</td>
<td>emovis</td>
</tr>
<tr>
<td>City Tolling</td>
<td>Managed Lanes</td>
<td>Urban Traffic Management</td>
<td>Commercial Vehicle</td>
<td>V2X Infrastructure</td>
</tr>
<tr>
<td>Q-Free</td>
<td>MHI</td>
<td>IBM</td>
<td>Cubic</td>
<td>Siemens</td>
</tr>
<tr>
<td>Plaza Tolling</td>
<td>Tunnel &amp; Bridges</td>
<td>Intermodal Mobility</td>
<td>Electronic Vehicle</td>
<td>Connected Services</td>
</tr>
<tr>
<td>Tescidel</td>
<td>TransCore</td>
<td>G.E.A.</td>
<td>Indra</td>
<td>SICE</td>
</tr>
<tr>
<td>Delcan</td>
<td>Q-Free</td>
<td>SwRI</td>
<td>TransCore</td>
<td>Siemens</td>
</tr>
<tr>
<td>IPS Group</td>
<td>Worldsensing</td>
<td>Smart Parking</td>
<td>Inrix</td>
<td>Xerox</td>
</tr>
<tr>
<td>Eagle</td>
<td>Swarco</td>
<td>SICE</td>
<td>Econolite</td>
<td>Dynniq</td>
</tr>
<tr>
<td>HaCon</td>
<td>Xerox</td>
<td>Moovel</td>
<td>Cubic</td>
<td>Siemens</td>
</tr>
<tr>
<td>Connected Services</td>
<td></td>
<td></td>
<td></td>
<td>n.a.</td>
</tr>
</tbody>
</table>
References in more than 50 countries.

Global

<table>
<thead>
<tr>
<th>All figures in EUR mn unless otherwise stated</th>
<th>H1 2017/18</th>
<th>% of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>339.8</td>
<td></td>
</tr>
<tr>
<td>thereof ETC</td>
<td>260.7</td>
<td>77%</td>
</tr>
<tr>
<td>thereof IMS</td>
<td>79.1</td>
<td>23%</td>
</tr>
</tbody>
</table>

Americas

<table>
<thead>
<tr>
<th>All figures in EUR mn unless otherwise stated</th>
<th>H1 2017/18</th>
<th>% of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>98.4</td>
<td>29%</td>
</tr>
<tr>
<td>thereof ETC</td>
<td>64.8</td>
<td>19%</td>
</tr>
<tr>
<td>thereof IMS</td>
<td>33.6</td>
<td>10%</td>
</tr>
</tbody>
</table>

EMEA

<table>
<thead>
<tr>
<th>All figures in EUR mn unless otherwise stated</th>
<th>H1 2017/18</th>
<th>% of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>223.9</td>
<td>66%</td>
</tr>
<tr>
<td>thereof ETC</td>
<td>181.5</td>
<td>53%</td>
</tr>
<tr>
<td>thereof IMS</td>
<td>42.4</td>
<td>12%</td>
</tr>
</tbody>
</table>

APAC

<table>
<thead>
<tr>
<th>All figures in EUR mn unless otherwise stated</th>
<th>H1 2017/18</th>
<th>% of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>17.5</td>
<td>5%</td>
</tr>
<tr>
<td>thereof ETC</td>
<td>14.5</td>
<td>4%</td>
</tr>
<tr>
<td>thereof IMS</td>
<td>3.1</td>
<td>1%</td>
</tr>
</tbody>
</table>
## Promissory note bond.

<table>
<thead>
<tr>
<th>Year</th>
<th>Issue</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>EUR 62.0mn</td>
<td>USD 14.5mn</td>
</tr>
<tr>
<td>2021</td>
<td>EUR 26mn</td>
<td>1.22% p.a.</td>
</tr>
<tr>
<td></td>
<td>EUR 4.5mn</td>
<td>6M EURIBOR + 120bps</td>
</tr>
<tr>
<td></td>
<td>USD 14.5mn</td>
<td>3M LIBOR + 170bps</td>
</tr>
<tr>
<td>2017</td>
<td>Corporate bond repaid</td>
<td>EUR70.8mn.</td>
</tr>
<tr>
<td>2023</td>
<td>EUR 23m</td>
<td>6M EURIBOR + 150bps.</td>
</tr>
<tr>
<td>2026</td>
<td>EUR 8.5mn</td>
<td>2.26% p.a.</td>
</tr>
</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
Large project in Zambia.

Overview.

About the project

➢ Nation-wide concession contract to improve road safety and traffic management.

➢ Main components:
  ▪ Vehicle inspection,
  ▪ Vehicle registration,
  ▪ Speeding fines and other traffic-related infringements.

➢ Term: 17 years

Organizational & financial

➢ 50:50 joint venture (JV) with local partner Lamise Trading.

➢ JV consolidated at equity; reported as result from operating activities.

➢ JV’s expected revenues in the first 3 years projected to be in the range of EUR 90 million to EUR 110 million.
Large project in Bulgaria.  
Overview.

About the project

- Contract to design and build nation-wide tolling System.
- Satellite technology for trucks over 3.5 tons.
- eVignette for passenger cars.
- Tolls collected on all class I, II, and III roads, (all paved roads).
- Some details:
  - 500 terminals for registering and issuing eVignettes,
  - 100 enforcement vehicles, 100 weigh-in-motion facilities, 100 tolling gantries.
- Term: 19 months from signing.
- Kapsch TrafficCom’s 6th nation-wide toll collection system in Europe (after Austria, Switzerland, Poland, the Czech Republic, and Belarus).

Financial

- Total revenues of about EUR 75 million.

Republic of Bulgaria
Capital: Sofia
Official language: Bulgarian
GDP (PPP)/cap: USD 20,400
Currency: Lev (BGN)
Exchange rate: EUR/BGN = 1.95
Population: 7 million
Member of the European Union
**Corporate milestones.**

**125 years in the ever-changing electronic industry.**

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>1892</td>
<td>Kapsch founded</td>
</tr>
<tr>
<td>1991</td>
<td>Toll collection division within Kapsch AG</td>
</tr>
</tbody>
</table>
| 2002 | Activities structured in three autonomous organizations:  
• Kapsch TrafficCom  
• Kapsch BusinessCom  
• Kapsch CarrierCom |
| 2007 | IPO of Kapsch TrafficCom |
| 2011 | Capital increase  
• Acquisition of KTT (Schneider Electric Transportation Business) |
| 1999 | Contract for the realization of the nationwide Ecopoint System, the world’s 1st emissions-based TMS |
| 1995 | 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 | 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 | Concession agreement for nation-wide road safety and traffic management in Zambia |
| 2017 | |
We make mobility solutions intelligent to enable users to arrive at their destination

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