Kapsch.  
KTC: Leading entity of the Kapsch Group.

➢ Kapsch founded in Vienna in 1892  
➢ Electronic industry  
➢ Strong brand in Austria  
➢ Four key entities
  ▪ Kapsch TrafficCom – KTC (Intelligent Transportation Systems)  
  ▪ Kapsch BusinessCom (ICT solutions for enterprises and public administration)  
  ▪ Kapsch CarrierCom (End-to-end telecom solutions for railway operators, carrier networks, public authorities, public transport operators and airports)  
  ▪ Kapsch Public TransportCom (Intelligent infrastructure solutions for public transport operators & transportation agencies)  
➢ Group revenues >EUR 1bn

Kapsch: 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)

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%
# Portfolio

*Integrated mobility solutions provider.*

## Tolling (ETC)

<table>
<thead>
<tr>
<th>Tolling solutions</th>
<th>Tolling services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electronic Toll Collection</td>
<td>Trans-European tolling services</td>
</tr>
<tr>
<td>Multi-lane free-flow, managed lanes, mobile tolling, eVignette</td>
<td></td>
</tr>
<tr>
<td>City tolling</td>
<td></td>
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<tr>
<td>Plaza tolling</td>
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</tr>
</tbody>
</table>

## Intelligent Mobility Solutions (IMS)

### Highway

<table>
<thead>
<tr>
<th>Traffic management (TM)</th>
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</thead>
<tbody>
<tr>
<td>Highway TM, managed lanes, tunnels and bridges</td>
<td></td>
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</tbody>
</table>

### City

<table>
<thead>
<tr>
<th>Traffic management (TM)</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Urban TM, corridor management, access management</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Traffic safety</th>
<th>Connected vehicles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electronic vehicle registration, commercial vehicle enforcement</td>
<td>V2X-automotive, V2X-infrastructure, connected services</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Connected vehicles</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>V2X-automotive, V2X-infrastructure, connected services</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Smart parking</th>
<th>Integrated mobility</th>
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<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
**Business model – ETC.**

*One-stop-shop.*

---

### Components
- In-vehicle components
- Road-side components

### Design & build
- Toll stations
- Enforcement stations
- Back office

### Operation
- Complete turnkey systems
- Consulting
- Technical operation
- Commercial operation

---

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

- **In-vehicle components**
  - On-board units (OBUs)
  - Programming station
  - Transceiver
  - Mobile reader
  - Reader
  - Vehicle detection
  - Vehicle registration
  - Vehicle classification

- **Toll & enforcement station**
  - Stationary enforcement
  - Mobile enforcement

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

**Sustainability**
- R&D and innovation: open approach
- Close to customers
- Recognize trends early
- Long-term & sustainable management: 125 years of history
- Sustainable business model
- Innovation: open approach
- Patents
- Employees: lifelong learning
- Working environment
- Engaging with stakeholder groups

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:
- Synergies between KTT and Kapsch TrafficCom
- Higher business volumes use overheads more efficiently

---

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Financials.
Earnings overview.

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% 

Revenues by Region H1 2017/18

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

Revenues by Segment H1 2017/18

- IMS: +15.9%
- ETC: 77%
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

<table>
<thead>
<tr>
<th>Segment</th>
<th>H1 2016/17</th>
<th>H1 2017/18</th>
<th>+/-</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ETC</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenues</td>
<td>224.9</td>
<td>260.7</td>
<td>16%</td>
</tr>
<tr>
<td>EBIT</td>
<td>34.2</td>
<td>32.1</td>
<td>-6%</td>
</tr>
<tr>
<td>EBIT margin</td>
<td>15.2%</td>
<td>12.3%</td>
<td>-2.9%p</td>
</tr>
<tr>
<td><strong>IMS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenues</td>
<td>80.5</td>
<td>79.1</td>
<td>-2%</td>
</tr>
<tr>
<td>EBIT</td>
<td>-5.4</td>
<td>-6.8</td>
<td>-26%</td>
</tr>
<tr>
<td>EBIT margin</td>
<td>-6.8%</td>
<td>-8.6%</td>
<td>-1.9%p</td>
</tr>
</tbody>
</table>

1) Includes badwill of EUR 0.9 million
2) Includes badwill of EUR 2.1 million

## Revenues by region

<table>
<thead>
<tr>
<th>Region</th>
<th>H1 2016/17</th>
<th>H1 2017/18</th>
<th>+/-</th>
</tr>
</thead>
<tbody>
<tr>
<td>EMEA</td>
<td>70%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Americas</td>
<td>25%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>APAC</td>
<td>5%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Revenues by type

<table>
<thead>
<tr>
<th>Type</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>
<tr>
<td>OBUs sold, million units</td>
<td>2.8</td>
<td>2.9</td>
<td>4%</td>
</tr>
</tbody>
</table>
Outlook.

FY 2017/18.

➢ Revenue growth of 10%.

➢ Goal to achieve 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.

➢ Equity ratio:
  ▪ In Q3, 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.
  ▪ At year end, the equity ratio will come down again:
    ▪ In January, we took out a corporate loan: EUR 50 million, 6 year term, interest: 0.8%.
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 (transparence, 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

- Axion S.A./Shareholder Value Management AG: 8.7%
- KAPSCH Group Beteiligungen GmbH: 63.3%
- Funds of ERSTE Asset Management/ERSTE-SPARINVEST KAG: 4.0%
- Institutional Investors: 12.7%
- Free float: 24%

Institutional investors by region

- Institutional investors: 12.7%
- Continental Europe (excl. Austria): 33%
- North America: 27%
- Austria: 22%
- UK and Ireland: 14%
- Other: 4%

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
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Hans Lang
Investor Relations Officer

Kapsch TrafficCom

Kapsch TrafficCom AG
Am Europlatz 2
1120 Vienna, Austria
P: +43 50 811 - 1122
hans.lang@kapsch.net
www.kapschtraffic.com/ir

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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>
</tr>
<tr>
<td>Autostrade</td>
<td>Q-Free</td>
<td>Worldsensing</td>
<td>Jenoptik</td>
<td>Denso</td>
</tr>
<tr>
<td>Q-Free</td>
<td>SwRI</td>
<td>Smart Parking</td>
<td>Sensys</td>
<td>Continental</td>
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<tr>
<td>TransCore</td>
<td>Siemens</td>
<td>Inrix</td>
<td>Gatso</td>
<td>LG Electronics</td>
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<tr>
<td>emovis</td>
<td></td>
<td>Xerox</td>
<td>Vitronic</td>
<td>Bosch</td>
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<tr>
<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>Delcan</td>
<td>Eagle</td>
<td>IRD</td>
<td>Cohda</td>
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<td>MHI</td>
<td>Xerox</td>
<td>Swarco</td>
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<td>Savari</td>
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<tr>
<td>IBM</td>
<td>SICE</td>
<td>SICE</td>
<td>Mettler Toledo</td>
<td>Neavia</td>
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<tr>
<td>Cubic</td>
<td>Q-Free</td>
<td>Econolite</td>
<td>Drivewyze (IMS)</td>
<td>Arada</td>
</tr>
<tr>
<td>Siemens</td>
<td>TransCore</td>
<td>Dynniq</td>
<td>Iteris</td>
<td>Dynniq</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>HaCon</td>
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<td>n.a.</td>
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<td>Dynniq</td>
<td>Moovel</td>
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<td>Cubic</td>
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<td>SICE</td>
<td>IBI Group</td>
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<td>Q-Free</td>
<td></td>
</tr>
</tbody>
</table>

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References in more than 50 countries.

Global
All figures in EUR mn unless otherwise stated 2016/17 % of total
Revenues 648.5
thereof ETC 468.4 72%
thereof IMS 180.0 28%

Americas
All figures in EUR mn unless otherwise stated 2016/17 % of total
Revenues 195.4 30%
thereof ETC 122.4 19%
thereof IMS 72.9 11%

EMEA
All figures in EUR mn unless otherwise stated 2016/17 % of total
Revenues 407.7 63%
thereof ETC 307.1 47%
thereof IMS 100.6 16%

APAC
All figures in EUR mn unless otherwise stated 2016/17 % of total
Revenues 45.4 7%
thereof ETC 39.0 6%
thereof IMS 6.5 1%
Corner stones of the promissory note bond

- Issued 2016
- Volume: EUR 62mn + USD 14.5mn
- 3 tenors (5/7/10 years)
- Partially fixed interest, partially variable

Corner stones of the long-term bank loan

- Issued January 2018
- Volume: EUR 50mn
- Term: 6 years
- Fixed interest: 0.8% p.a.
- Redemption: 2.5 years grace period, then 8 half-year installments
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 (January 2018).
- 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.
Corporate milestones.
125 years in the ever-changing electronic industry.

1892
Kapsch founded

1991
Toll collection division within Kapsch AG

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

2007
IPO of Kapsch TrafficCom

2011
Capital increase

2016
Acquisition of KTT (Schneider Electric Transportation Business)

1893
Morse telegraph devices

1991
Telephones

1969
Capacitors and dry batteries

1995
Radios

1999
TVs (black & white, later color)

1999
Telecom networks (analog, later digital)

1995
Portable radios

1997
Mobile phones

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.

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

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

• Nation-wide tolling system in Bulgaria

H1 2017/18

66%
EMEA

29%
Americas

5%
APAC
We make mobility solutions intelligent to enable users to arrive at their destination

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