Results for Q1-Q3 2016/17.
February 22, 2017
Highlights.

- Solid results, revenues up in both segments.
- Acquired transportation business of Schneider Electric; named Kapsch TrafficCom Transportation (KTT).
- Acquisition of remaining 48% stake in Czech “Kapsch Telematic Services”.
- Czech Republic and Austria: nationwide projects.
- Dividend of EUR 1.50/share & new dividend policy.
## Earnings overview.

All figures in EUR mn
unless otherwise stated

<table>
<thead>
<tr>
<th></th>
<th>Q1-Q3 2016/17</th>
<th>+/-</th>
<th>Q1-Q3 2015/16</th>
<th>FY 2015/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>483.8</td>
<td>28%</td>
<td>379.2</td>
<td>526.1</td>
</tr>
<tr>
<td>EBITDA</td>
<td>56.1</td>
<td>1%</td>
<td>55.4</td>
<td>76.9</td>
</tr>
<tr>
<td><strong>EBITDA margin</strong></td>
<td><strong>11.6%</strong></td>
<td><strong>-3%p</strong></td>
<td><strong>14.6%</strong></td>
<td><strong>14.6%</strong></td>
</tr>
<tr>
<td>EBIT</td>
<td>43.0</td>
<td>-1%</td>
<td>43.3</td>
<td>62.3</td>
</tr>
<tr>
<td><strong>EBIT margin</strong></td>
<td><strong>8.9%</strong></td>
<td><strong>-3%p</strong></td>
<td><strong>11.4%</strong></td>
<td><strong>11.9%</strong></td>
</tr>
<tr>
<td>Profit before tax (PBT)</td>
<td>44.5</td>
<td>30%</td>
<td>34.1</td>
<td>54.8</td>
</tr>
<tr>
<td>Profit for the period</td>
<td>29.4</td>
<td>16%</td>
<td>25.3</td>
<td>36.5</td>
</tr>
<tr>
<td>Profit for the period attributable to equity holders</td>
<td>30.1</td>
<td>41%</td>
<td>21.3</td>
<td>31.1</td>
</tr>
<tr>
<td>Earnings per share (EPS) in EUR</td>
<td>2.3</td>
<td>41%</td>
<td>1.6</td>
<td>2.4</td>
</tr>
</tbody>
</table>
**Earnings.**

**Revenues.**

---

**Key developments**

- First-time consolidation of KTT business.
- Extension of nation-wide tolling contracts in Czech Republic and Austria.
- 2 new ETC project in Australia.
- Vital US business, e.g.
  - Highway Operations Center, Massachusetts
  - Port Authority of New York and New Jersey
- USA: most important growth market.

---

**Revenues by region**

- Change from Q1-Q3 2015/16:
  - **EMEA** - 4.4%p
  - **Americas** + 4.6%p
  - **APAC** - 0.3%p

---

**Revenues by segment**

- **ETC**
  - **EUR 17.8mn from KTT**
  - **Design & Build:** **EUR 70.2mn (+13%)**
  - **Operations:** **EUR 215.2mn (+19%)**
  - **Components:** **EUR 73.5mn (-1%)**
  - 8.4 million on-board units (6.7 million last year)

- **IMS**
  - **EUR 62.9mn from KTT**
  - **Design & Build:** **EUR 48.5mn (+76%)**
  - **Operations:** **EUR 67.2mn (+182%)**
  - **Components:** **EUR 9.3mn (-17%)**

---

**In EUR mn**

- **Q1-Q3 2015/16**
  - **EMEA** 379.2
  - **Americas** 63
  - **APAC** 317

- **Q1-Q3 2016/17**
  - **EMEA** 483.8
  - **Americas** 125
  - **APAC** 359

---

Feb 22, 2017 | KTC: Results Q1-Q3 2016/17
### Earnings.

**EBIT.**

<table>
<thead>
<tr>
<th>All figures in EUR mn unless otherwise stated</th>
<th>Q1-Q3 2016/17</th>
<th>+/-</th>
<th>Q1-Q3 2015/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>483.8</td>
<td>28%</td>
<td>379.2</td>
</tr>
<tr>
<td>Other operating income</td>
<td>19.3</td>
<td>52%</td>
<td>12.7</td>
</tr>
<tr>
<td>Changes: finished/unfinished goods &amp; work in progress</td>
<td>5.2</td>
<td>—</td>
<td>-4.6</td>
</tr>
<tr>
<td>Own work capitalized</td>
<td>2.2</td>
<td>305%</td>
<td>0.5</td>
</tr>
<tr>
<td>Cost of materials and other production services</td>
<td>-204.4</td>
<td>-42%</td>
<td>-144.2</td>
</tr>
<tr>
<td>Staff costs</td>
<td>-163.8</td>
<td>-44%</td>
<td>-113.9</td>
</tr>
<tr>
<td>Amortization and depreciation</td>
<td>-13.1</td>
<td>-8%</td>
<td>-12.1</td>
</tr>
<tr>
<td>Other operating expense</td>
<td>-86.3</td>
<td>-16%</td>
<td>-74.5</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td><strong>43.0</strong></td>
<td><strong>-1%</strong></td>
<td><strong>43.3</strong></td>
</tr>
<tr>
<td><strong>EBIT margin</strong></td>
<td><strong>8.9%</strong></td>
<td><strong>-3%p</strong></td>
<td><strong>11.4%</strong></td>
</tr>
</tbody>
</table>

Includes EUR 3mn badwill from KTT acquisition and EUR 7.0 mn FX gains.

Additional ~900 KTT employees; now total of 4,842.

Higher legal & consulting fees – due to focus on US market, travel expenses and rents; KTT accounted for EUR -14.1mn.

---

**ETC:** EUR 54.8mn (from EUR 46.4mn)
- Growth from operations projects in EMEA
- KTT contributed EUR -1.0mn
  - Includes positive effect from badwill of EUR 0.9mn

**IMS:** EUR -11.8mn (from EUR -3.1mn)
- Negative impact from Streetline
- Lower-margin operations projects in N-America
- EUR -0.7mn from KTT
  - Includes badwill of EUR 2.1mn
### Earnings.

**Financial result, taxes, non-controlling interests.**

<table>
<thead>
<tr>
<th></th>
<th>Q1-Q3 2016/17</th>
<th>+/-</th>
<th>Q1-Q3 2015/16</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EBIT</strong></td>
<td>43.0</td>
<td>-1%</td>
<td>43.3</td>
</tr>
<tr>
<td><strong>Finance income</strong></td>
<td>8.1</td>
<td>-14%</td>
<td>9.4</td>
</tr>
<tr>
<td><strong>Finance costs</strong></td>
<td>-6.7</td>
<td>-64%</td>
<td>-18.6</td>
</tr>
<tr>
<td><strong>Financial result</strong></td>
<td>1.5</td>
<td>—</td>
<td>-9.1</td>
</tr>
<tr>
<td><strong>Result before income taxes</strong></td>
<td>44.5</td>
<td>30%</td>
<td>34.1</td>
</tr>
<tr>
<td><strong>Income taxes</strong></td>
<td>-15.1</td>
<td>-71%</td>
<td>-8.9</td>
</tr>
<tr>
<td><strong>Tax rate</strong></td>
<td>33.9%</td>
<td>8%p</td>
<td>25.9%</td>
</tr>
<tr>
<td><strong>Result for the period</strong></td>
<td>29.4</td>
<td>16%</td>
<td>25.3</td>
</tr>
<tr>
<td><strong>Non-controlling interests</strong></td>
<td>-0.6</td>
<td>—</td>
<td>3.9</td>
</tr>
<tr>
<td><strong>Result attributable to equity holders of the firm</strong></td>
<td>30.1</td>
<td>41%</td>
<td>21.3</td>
</tr>
<tr>
<td><strong>Earnings per share (EPS) in EUR</strong></td>
<td>2.3</td>
<td>41%</td>
<td>1.6</td>
</tr>
</tbody>
</table>

*All figures in EUR mn unless otherwise stated.*

- **Interest income**: EUR 2.7mn
- **FX gains**: EUR 5.3mn
- **Other**: EUR 0.1mn
- **Interest expenses**: EUR -4.1mn
- **FX losses**: EUR -0.0mn
- **Impairment Q-Free**: EUR -2.0mn
- **Other**: EUR -0.6mn

- **Included (non-recurring)**: EUR 3.4mn gains from sale of securities.
- **Different applicable corporate tax rates** (e.g. South Africa: 28%, Australia: 30%) and tax deferrals.

---

- **Acquisition of the remaining 48% stake in the Czech company Kapsch Telematic Services spol. s r.o.**
Other key financials.

The increase in net investments to EUR 14.5mn was due to the acquisition of KTT.

Again positive (EUR 38.7mn); however, significantly lower than in Q1-Q3 2015/16 (EUR 74.8mn). Main reasons:
> working capital
> higher net investments

Despite having undertaken a number of acquisitions and a dividend payment, Kapsch TrafficCom had a net credit in the amount of EUR 17.6mn.

The assumption of a promissory note bond (increase in balance sheet total), acquisitions (effect in equity) and the dividend payment resulted in a reduction of the equity ratio to 34%.
**Consolidation of Kapsch TrafficCom Transportation.**

*Impact on Q1-Q3 results.*

<table>
<thead>
<tr>
<th>Impact on the P&amp;L</th>
<th>Impact on the balance sheet*</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td><strong>Property, plant &amp; equipment</strong></td>
<td>EUR 0.7mn</td>
</tr>
<tr>
<td>EUR +80.7mn</td>
<td><strong>Intangible assets</strong></td>
<td>EUR 5.2mn</td>
</tr>
<tr>
<td>thereof ETC</td>
<td><strong>Other non-current assets</strong></td>
<td>EUR 0.2mn</td>
</tr>
<tr>
<td>EUR +17.8mn</td>
<td><strong>Inventories</strong></td>
<td>EUR 0.7mn</td>
</tr>
<tr>
<td>thereof IMS</td>
<td><strong>Receivables &amp; other current assets</strong></td>
<td>EUR 57.0mn</td>
</tr>
<tr>
<td>EUR +62.9mn</td>
<td><strong>Cash &amp; cash equivalents</strong></td>
<td>EUR 9.5mn</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td><strong>Liabilities, other liabilities &amp; deferred income</strong></td>
<td>EUR -39.2mn</td>
</tr>
<tr>
<td>EUR -1.7mn</td>
<td><strong>Net assets acquired (provisionally)</strong></td>
<td>EUR 34.1mn</td>
</tr>
</tbody>
</table>

**Purcahse price*: EUR 31.1mn

Difference to net assets acquired (badwill): EUR 3.0mn

* Provisionally determined; preliminary purchase price allocation. Values may change subject to audit.

> Number of KTC Group employees up by approximately 900.

> KTC is now in the top segment of toll solution providers in the U.S.A.

> Strategic jump from the highways into the cities.

> KTC has become a leading, globally active full-service provider.

> December 2016: Contingent purchase price adjustment of EUR 5mn.

> Integration costs weigh on KTC’s profitability.

> Integration to be completed end of FY 2016/17.
Focus on driving forward the integration of KTT.

- Minimizing costs and realizing synergies as quickly as possible.
- Helping the ~900 new employees to become acquainted with and a part of the corporate culture of the Kapsch TrafficCom Group.

Annual revenues should grow by more than EUR 100 million.

ETC: EBIT margin is set to significantly exceed 10% (Q1-Q3 2016/17: 15.3%).

IMS: EBIT margin (Q1-Q3 2016/17: -9.5%) will be adversely impacted by the integration and the lower EBIT contribution of KTT, as well as the negative EBIT performance of Streetline.
Outlook.
Beyond FY 2016/17.

ETC
- Limited number of potential new nation-wide tolling contracts BUT larger number of smaller contracts.
- Margins of large projects could erode after new tenders of existing contracts.
- tolltickets: high revenues (Q1-Q3 2016/17: EUR 13mn) and low margin – dilution of Group EBIT margin.
- EBIT margin should remain >10%.

IMS
- KTT: Improvement of profitability expected.
- Streetline continues to contribute losses, turnaround expected mid-term.
- EBIT margin should steadily develop towards 10%.

Dividend policy:
- At least 1/3 of the profit for the period.
- Annual Base Dividend of EUR 1.--.
- Dividend payment can be higher or lower; within a reference period of 3 years, average annual dividend at least EUR 1.--.
This presentation is made by Kapsch TrafficCom AG ("Kapsch TrafficCom") solely for use at this presentation. It is furnished to you solely for your information and its content may not be copied, distributed, disclosed or otherwise be made available, directly or indirectly, to any other person by any recipient, or published, in whole or in part, for any purpose.

The facts and information contained herein are as up to date as is reasonably possible and are subject to revision in the future. Neither Kapsch TrafficCom nor any of its respective directors, officers, employees or advisors nor any other person makes any representation or warranty, express or implied, as to the accuracy, completeness or fairness of the information or opinions contained in this presentation. Neither Kapsch TrafficCom nor any of its respective directors, officers, employees and advisors nor any other person shall have any liability whatsoever for loss howsoever arising, directly or indirectly, from any use of this presentation.

Whilst all reasonable care has been taken to ensure that the facts stated herein are accurate and that the opinions contained herein are fair and reasonable, this document is selective in nature and is intended to provide an introduction to, and overview of, the business of Kapsch TrafficCom. Where any information and statistics are quoted from any external source, such information or statistics should not be interpreted as having been adopted or endorsed by Kapsch TrafficCom as being accurate. We have not independently verified market data provided by third parties or industry or general publications.

This presentation contains forward-looking statements, based on the beliefs and assumptions currently held by the management of Kapsch TrafficCom, which are expressed in good faith and are in its opinion, reasonable. These statements may be identified by words such as “expectation” or “target” and similar expressions, or by their context. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause actual results, financial condition, performance, or achievements of Kapsch TrafficCom, or results of our industry generally, to differ materially from the results, financial condition, performance or achievements expressed or implied by such forward-looking statements.

Given these risks, uncertainties and other factors, recipients of this document are cautioned not to place undue reliance on these forward-looking statements. Kapsch TrafficCom disclaims any obligation to update these forward-looking statements to reflect future events or developments.

This presentation does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities of Kapsch TrafficCom in any jurisdiction in which such solicitation, offer or sale would be unlawful, nor shall part, or all, of this presentation form the basis of, or be relied on in connection with, any contract or investment decision in relation to any securities. Any such offers will only be made when a prospectus is published.

This document is directed only at persons (i) who are outside the United Kingdom or (ii) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the “Order”) or (iii) who fall within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations etc.”) of the Order (all such persons together being referred to as “Relevant Persons”). Any person who is not a Relevant Person must not act or rely on this presentation or any of its contents. Any investment or investment activity to which this presentation relates is available only to Relevant Persons and will be engaged in only with Relevant Persons.

The shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or any U.S. state securities law.

The distribution of this presentation in other jurisdictions may be restricted by law and persons into whose possession this presentation comes should inform themselves about, and observe, any such restrictions. By accepting this presentation you agree to be bound by the foregoing instructions and restrictions.
Thank you for your attention.

Dr. Ulrike Klemm-Pöttinger
EVP Finance

Kapsch TrafficCom
Kapsch TrafficCom
Am Europlatz 2
1120 Vienna, Austria
P: +43 50 811 - 2800
E-Mail: ulrike.klemm-poettinger@kapsch.net
www.kapschtraffic.com

Please Note:
The content of this presentation is the intellectual property of Kapsch TrafficCom AG and all rights are reserved with respect to the copying, reproduction, alteration, utilization, disclosure or transfer of such content to third parties. The foregoing is strictly prohibited without the prior written authorization of Kapsch TrafficCom AG. Product and company names may be registered brand names or protected trademarks of third parties and are only used herein for the sake of clarification and to the advantage of the respective legal owner without the intention of infringing proprietary rights.