Results for H1 2017/18.
November 29, 2017
Highlights.

- Second quarter positive both sequentially and year-on-year.
- Zambia: Nation-wide concession agreement for road safety & traffic management.
- Bulgaria: Awarded contract for nation-wide tolling system after end of Q2.
- M&A: Takeover of remaining 67% of Simex (Mexico), increase of minority stake in ParkJockey (USA), acquisition of minority interest in Traffic Technology Services (USA).
- Numerous new business opportunities.
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.
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.
### 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>
Earnings.

EBIT.

<table>
<thead>
<tr>
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<th>H1 2016/17</th>
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<tr>
<td><strong>Revenues</strong></td>
<td>305.4</td>
<td>339.8</td>
<td>11%</td>
</tr>
<tr>
<td><strong>Other operating income</strong></td>
<td>13.9</td>
<td>2.7</td>
<td>-81%</td>
</tr>
<tr>
<td>Changes: finished/unfinished goods &amp; work in progress</td>
<td>2.4</td>
<td>1.6</td>
<td>-33%</td>
</tr>
<tr>
<td><strong>Own work capitalized</strong></td>
<td>1.4</td>
<td>0.1</td>
<td>-92%</td>
</tr>
<tr>
<td><strong>Cost of materials and other production services</strong></td>
<td>-126.4</td>
<td>-130.6</td>
<td>-3%</td>
</tr>
<tr>
<td><strong>Staff costs</strong></td>
<td>-105.3</td>
<td>-115.3</td>
<td>-9%</td>
</tr>
<tr>
<td>Amortization and depreciation</td>
<td>-8.6</td>
<td>-7.5</td>
<td>-13%</td>
</tr>
<tr>
<td><strong>Other operating expense</strong></td>
<td>-54.0</td>
<td>-65.6</td>
<td>-21%</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>28.7</td>
<td>25.3</td>
<td>-12%</td>
</tr>
<tr>
<td><strong>EBIT margin</strong></td>
<td>9.4%</td>
<td>7.4%</td>
<td>-2.0%p</td>
</tr>
</tbody>
</table>

Includes EUR 3mn badwill from KTT acquisition and EUR 4.2 mn FX gains.

Includes EUR 1.0 million FX gains (i.e. EUR 3.2 million less than in the previous year).

Main reason: Additional 360 employees compared to H1 2016/17.

FX losses of EUR -7.0mn i.e. EUR 5.0 million higher than in the previous year.)
## Earnings.

Financial result, taxes, non-controlling interests.

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<th>H1 2016/17</th>
<th>H1 2017/18</th>
<th>+/-</th>
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<tbody>
<tr>
<td>Interest income</td>
<td>EUR 2.0 mn</td>
<td>EUR 2.6 mn</td>
<td></td>
</tr>
<tr>
<td>FX gains</td>
<td>EUR 0.1 mn</td>
<td>EUR 0.8 mn</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>EUR -2.8 mn</td>
<td>EUR -0.3 mn</td>
<td></td>
</tr>
<tr>
<td>Interest expenses</td>
<td>EUR -1.6 mn</td>
<td>EUR -1.2 mn</td>
<td></td>
</tr>
<tr>
<td>FX losses</td>
<td>EUR 0.2 mn</td>
<td>EUR 0.2 mn</td>
<td></td>
</tr>
<tr>
<td>Impairment Q-Free</td>
<td>EUR 1.5 mn</td>
<td>EUR 0.1 mn</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>EUR -1.6 mn</td>
<td>EUR -1.6 mn</td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>EUR -0.6 mn</td>
<td>EUR 0.2 mn</td>
<td></td>
</tr>
<tr>
<td>FX gains</td>
<td>EUR 0.8 mn</td>
<td>EUR 0.2 mn</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>EUR 0.2 mn</td>
<td>EUR 0.2 mn</td>
<td></td>
</tr>
</tbody>
</table>

### All figures in EUR mn unless otherwise stated

**EBIT**
- H1 2016/17: 28.7
- H1 2017/18: 25.3
- +/-: -12%

**Finance income**
- H1 2016/17: 4.7
- H1 2017/18: 2.1
- +/-: -55%

**Finance costs**
- H1 2016/17: -4.8
- H1 2017/18: -7.9
- +/-: -64%

**Financial result**
- H1 2016/17: -0.1
- H1 2017/18: -5.8
- +/-: —

**Result before income taxes**
- H1 2016/17: 28.7
- H1 2017/18: 18.8
- +/-: -35%

**Income taxes**
- H1 2016/17: -8.6
- H1 2017/18: -4.7
- +/-: -45%

**Tax rate**
- H1 2016/17: 29.8%
- H1 2017/18: 25.0%
- +/-: -4.8%

**Result for the period**
- H1 2016/17: 20.1
- H1 2017/18: 14.1
- +/-: -30%

**Non-controlling interests**
- H1 2016/17: -0.4
- H1 2017/18: -0.5
- +/-: —

**Result attributable to equity holders of the firm**
- H1 2016/17: 20.6
- H1 2017/18: 14.6
- +/-: -29%

**Earnings per share (EPS) in EUR**
- H1 2016/17: 1.58
- H1 2017/18: 1.12
- +/-: -29%
**Other key financials.**

**Net investments**

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

**Free cash flow**

- Negative free cash flow mainly because of:
  - Lower earnings
  - A strong increase in trade receivables of EUR 13.7 million.

**Net credit/debt**

- 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**

- Balance sheet total and equity ratio stable, despite dividend payment of EUR 19.5 million.
**Segment results.**

ETC accounts for 77% of total revenues, IMS 23%.

### Key financials

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<tr>
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<td>All figures in EUR mn unless otherwise stated</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>
</tbody>
</table>

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

### Revenues by region

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

### Revenues by type

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<tr>
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<td></td>
<td></td>
<td></td>
</tr>
<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>
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### Key financials

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

### Revenues by region

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

### Revenues by type

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<td>22.3</td>
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<td>-10%</td>
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<tr>
<td>Components</td>
<td>2.9</td>
<td>2.2</td>
<td>-23%</td>
</tr>
</tbody>
</table>
Outlook.
FY 2017/18.

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.
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