

## Press Release

### Kapsch TrafficCom – Results for the first three quarters of 2018/19.

#### Highlights.

- > Record revenues in the third quarter.
- > Both segments with increased revenues in Q3, positive EBIT development
- > However, better results were prevented by a write-down in the amount of EUR 4.0 million
- > At the beginning of the fiscal year, deferments in existing projects led to a decline in revenues and EBIT
- > After nine months: revenues 5.2% above the same period in the previous year, EBIT 4.9% below the same period in the previous year
- > Outlook for the fiscal year: revenues above and EBIT at the previous year's level

“The third quarter of 2018/19 was very successful for Kapsch TrafficCom. We recorded the highest quarterly revenues in the history of the Group and were able to greatly increase profitability at the same time. New major orders in Germany, dynamic developments in US business and a new contract in Poland are only a few selected highlights”, according to Georg Kapsch, the CEO of Kapsch TrafficCom.

Unless otherwise stated, all values in EUR million	Q3			Q1-Q3		
	2017/18	2018/19	+/-	2017/18	2018/19	+/-
Revenues	167.1	197.2	+18.1%	506.9	533.1	+5.2%
EBIT	10.0	15.8	+57.1%	35.3	33.6	-4.9%
<i>EBIT margin</i>	6.0%	8.0%	+2.0%p	7.0%	6.3%	-0.7%p
Profit for the period	8.9	13.5	+52.5%	22.9	21.9	-4.5%
Earnings per share (EUR)	0.70	1.07	+52.9%	1.80	1.77	-1.9%

**Vienna, February 21, 2019** – A very strong third quarter largely helped Kapsch TrafficCom make up for the disappointing results at the beginning of the fiscal year. The company generated revenues of EUR 533.1 million in the first three quarters of 2018/19 (+5.2% over the same period in the previous year). EBIT was EUR 33.6 million (-4.9%). After the first half of the year, EBIT was still 29.5% below that of the previous year. However, the write-down of a tax asset in Brazil in the amount of EUR 4.0 million prevented an even better outcome. The EBIT margin was 6.3% (previous year: 7.0%).

The financial results in the first three quarters of 2018/19 amounted to EUR -2.3 million and improved by EUR 1.8 million over the previous year. A positive one-off effect from the sale of the minority interest in the US company ParkJockey (EUR 5.1 million) was neutralized by negative foreign currency effects, especially in connection with the South African Rand (EUR -5.3 million). Tax expenses amounted to EUR 9.4 million (previous year: EUR 7.7 million). Profit for the period of Q1-Q3 2018/19 was EUR 21.9 million (previous year: EUR 22.9 million), which corresponds to earnings per share of EUR 1.77 (previous year: EUR 1.80).

At EUR -32.7 million, the free cash flow was significantly below the previous year's level of EUR +40.6 million. This was primarily due to higher receivables and inventories. Due to the negative free cash flow and the

payout of dividends (EUR 19.5 million), net debt increased to EUR 42.9 million (March 31, 2018: net cash of EUR 16.2 million). This represents a gearing of 18.3%. The equity ratio remained strong at 37.1% (March 31, 2018: 37.0%).

## Segment Results

In the first nine months of 2018/19, 76.3% of revenues were generated by the ETC segment and 23.7% by the IMS segment. 60.3% of the revenues were generated in the region Europe-Middle East-Africa (EMEA), 32.8% in the region Americas (North America and South America) and 6.9% in the region Asia-Pacific (APAC).

### ETC (ElectronicToll Collection).

Unless otherwise stated, all values in EUR million.	Q3	Q3	+/-	Q1-Q3	Q1-Q3	+/-
	2017/18	2018/19		2017/18	2018/19	
Revenues	126.1	144.8	+14.8%	386.9	406.9	+5.2%
EBIT	9.7	15.5	+59.3%	41.8	40.3	-3.6%
<i>EBIT margin</i>	7.7%	10.7%	+3.0%p	10.8%	9.9%	-0.9%p

Kapsch TrafficCom increased its revenues in the ETC segment to EUR 144.8 million in the third quarter of 2018/19, which is 14.8% greater than over the same period in the previous year. The EBIT margin reached 10.7% and was three percentage points above that of the previous year.

In the first three quarters of 2018/19, ETC revenues rose to EUR 406.9 million, an increase of 5.2% over the same period in the previous year. The company managed to more than offset a decline in revenue in the EMEA region (-5.9%) by a rise in revenue in the Americas (+25.4%) and APAC (+46.6%) regions. ETC EBIT was at EUR 40.3 million and thus EUR 3.6% lower than in the previous year. This decline was mainly due to the weak results in the opening months of this fiscal year.

Kapsch TrafficCom sold 10.58 million on-board units during the first nine months (previous year: 9.73 million).

### IMS (Intelligent Mobility Solutions).

Unless otherwise stated, all values in EUR million.	Q3	Q3	+/-	Q1-Q3	Q1-Q3	+/-
	2017/18	2018/19		2017/18	2018/19	
Revenues	41.0	52.4	+28.0%	120.0	126.1	+5.2%
EBIT	0.3	0.3	-9.3%	-6.5	-6.7	-3.4%
<i>EBIT margin</i>	0.8%	0.6%	-0.2%p	-5.4%	-5.3%	+0.1%p

IMS revenues climbed to EUR 52.4 million in the third quarter of 2018/19, an increase of 28.0% over the previous year. At EUR 0.3 million, EBIT was again positive.

In the first three quarters of 2018/19, segment revenues rose by 5.2% to EUR 126.1 million. This was thanks to the Americas (+10.0%) and EMEA (+4.2%) sales regions. It was only in the APAC region that revenues dropped from EUR 3.9 million to EUR 1.9 million. IMS EBIT was at EUR -6.7 million and thus at the same level as in the previous year (EUR -6.5 million).

**Outlook.**

Based on the results for the first three quarters of 2018/19, Management expects revenues to increase in the current fiscal year. EBIT (excluding currency and special effects) is expected to reach the previous year's level.

The departure of the United Kingdom from the EU (Brexit) in the spring of 2019 should have no significant impact on Kapsch TrafficCom's results, as the company's local revenues there are in the single-digit million range.

Starting today at 7:35 am (CET), the report on the first three quarters of 2018/19 along with other materials concerning the results will be available at <http://kapsch.net/ktc/ir>.