July 8, 2025

Kapsch TrafficCom AG

Kapsch Is Getting Back up to Speed

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Rating	**Buy**
Price target	**11.00 EUR**
Potential	**57%**

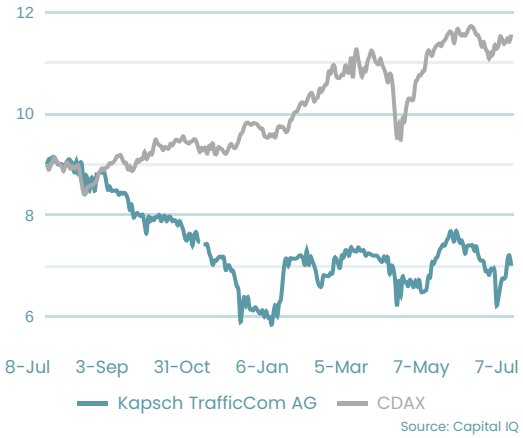
Share data

Share price (last close price in EUR)	7.00
Number of shares (in m)	14.3
Market cap. (in EUR m)	100.1
Trading vol. (Ø 3 months; in K shares)	6.8
Enterprise Value (in EUR m)	227.7
Ticker	WBAG:KTCG

Guidance

Sales (in EUR m)	around 510
EBIT (in EUR m)	around 45

Share price (EUR)



Source: Capital IQ

Shareholder

KAPSCH-Group Beteiligungs GmbH	63.3%
Free float	36.7%
-	
-	
-	

Calendar

Q1 results	August 20, 2025
AGM	September 3, 2025
H1 results	November 19, 2025

Changes in estimates

	2026e	2027e	2028e
Sales (old)	**507.2**	**531.3**	**556.4**
Δ	-	-	-
EBIT (old)	**40.3**	**19.5**	**26.7**
Δ	-	-	-
EPS (old)	**1.23**	**0.20**	**0.58**
Δ	-	-	-

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Publication

Initiation Note	July 8, 2025

Kapsch is Getting Back up to Speed

The Kapsch TrafficCom AG is a globally operating system integrator for tolling and traffic management systems, which are implemented and operated using predominantly in-house developed and manufactured hardware and software such as onboard units and roadside infrastructure.

The markets for tolling and traffic management are growing due to the need to steer and control the increasing traffic volume and ensure the smoothest and safest possible traffic. Instruments for this include the full restriction of certain areas for some vehicles or the collection of fees for access. Additionally, all-electronic tolling systems help reduce the time required for toll collection, while traffic management solutions such as intelligent, adaptive traffic light control systems contribute to optimizing traffic flows. Market research institute Grand View Research forecasts **annual growth of 7.7% in both segments through 2030.** Kapsch is likely to hold a leading position in particular in the tolling segment, standing out as a quality provider with strong revenues in North and Latin America as well as in Europe, underpinned by expertise in regionally prevalent technologies.

The business model is characterized by the **combination of implementation projects, long-term profitable operating contracts, and high-margin component sales**. Challenges in the past prompted restructurings and a streamlining of the organization. Due to the relatively high share of fixed costs, an increasing revenue level should also allow a return to historical margins in the upper single-digit range. The debt was recently structured long-term with the house banks and is expected to be significantly reduced in the coming years. The capital-light business model is expected to lead to a **high free cash flow conversion** in the following years.

Our DCF model includes an average annual sales growth of 4.5% (CAGR 2025/26 to 2031/32) after a slight decline in the current fiscal year due to the ending of an operating project and the deconsolidation of another. In terms of margins, we expect a gradual increase to 6.1% by 2031/32 and a terminal value margin of 6.5%, resulting in a fair value of EUR 11.00 per share. The acquisition premiums for close peer companies in recent years suggest further upside potential. Since the EV/EBIT 2025/26 is distorted by an expected one-off gain, it stands at an attractive 11.7 in 2026/27.

Conclusion: After a challenging phase due to project delays, adverse effects of the COVID-19 pandemic, and ceased major projects, we believe Kapsch is well-positioned to profitably operate as a leading company in significant markets in the future. Major risks resulting from the debt situation have been diminished with the long-term restructuring of financing in March 2025 and are expected to be further reduced with the anticipated payment in connection with the German toll system. In the medium term, we also see Kapsch TrafficCom as a dividend stock again. We are initiating coverage on the stock with a "Buy" rating and a DCF-based price target of EUR 11.00.

FYend: 31.03.	2024	2025	2026e	2027e	2028e
Sales	538.8	530.3	507.2	531.3	556.4
Growth yoy	-2.6%	-1.6%	-4.4%	4.8%	4.7%
EBITDA	88.5	29.0	56.2	34.6	42.6
EBIT	70.3	12.6	40.3	19.5	26.7
Net income	23.2	-6.9	17.6	2.9	8.2
Gross profit margin	57.1%	62.8%	59.2%	59.6%	59.9%
EBITDA margin	16.4%	5.5%	11.1%	6.5%	7.6%
EBIT margin	13.0%	2.4%	8.0%	3.7%	4.8%
Net Debt	130.3	125.7	104.1	107.7	106.2
Net Debt/EBITDA	1.5	4.3	1.9	3.1	2.5
ROCE	29.6%	5.8%	18.8%	9.0%	11.9%
EPS	1.72	-0.48	1.23	0.20	0.58
FCF per share	4.15	1.40	2.86	1.10	1.41
Dividend	0.00	0.00	0.00	0.00	0.20
Dividend yield	0.0%	0.0%	0.0%	0.0%	2.9%
EV/Sales	0.4	0.4	0.4	0.4	0.4
EV/EBITDA	2.6	7.8	4.1	6.6	5.4
EV/EBIT	3.2	18.1	5.6	11.7	8.5
PER	4.1	n.m.	5.7	35.0	12.1
P/B	1.1	1.1	0.9	0.9	0.9

Source: Company data, Montega, Capital IQ

Figures in EUR m, EPS in EUR, Price: 7.00 EUR

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Investment Case

Kapsch TrafficCom is an internationally active and globally recognized provider of intelligent transportation systems (ITS) focusing on tolling and traffic management solutions. The company develops, implements, and operates fully integrated systems for electronic toll collection as well as data-driven traffic control. Key hardware and software components are predominantly developed and manufactured in-house.

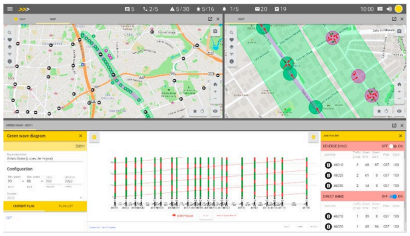
As an end-to-end provider, Kapsch supports all essential technologies for all-electronic toll collection (AET) without on-site payment, thus enabling smooth traffic flow on multiple lanes. The applications include not only traditional toll routes but also toll charges for specific zones such as city centers and special lanes where only vehicles with low occupancy are subject to tolls. Satellite tolling enables distance-based charges with significantly reduced roadside infrastructure.

In the traffic management segment, Kapsch products control and optimize traffic in cities and tunnels as well as on highways, bridges, and major traffic arteries and corridors by collecting and processing data from various sources, allowing for quick response times and, for example, adaptive traffic light control. Additionally, Kapsch promotes the connection of vehicles and infrastructure by manufacturing necessary onboard and roadside devices and the associated software, so that, for example, warnings can be directly sent to vehicles, or traffic lights can prioritize ambulances and public vehicles.

Product Examples

On-Board-Unit for Collection of the Satellite-based Toll

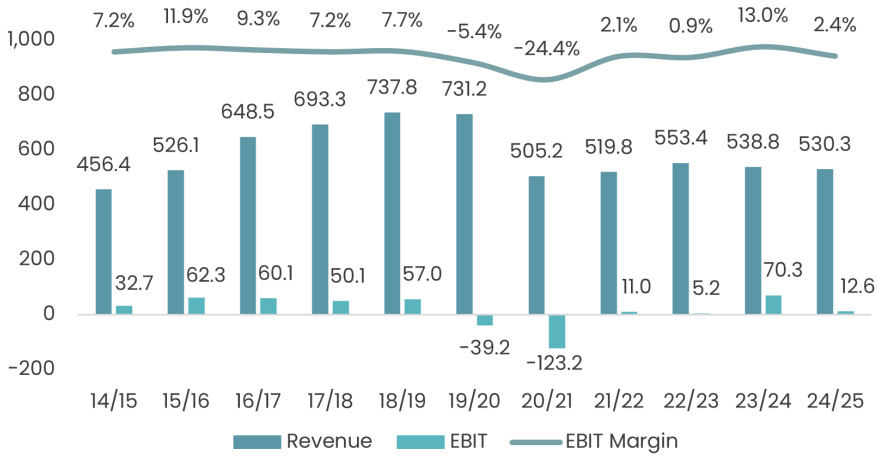
Installed Toll Gantries



Traffic Management Software EcoTrafix

Revenue and EBIT Development

(in EUR m; in % of Revenue)



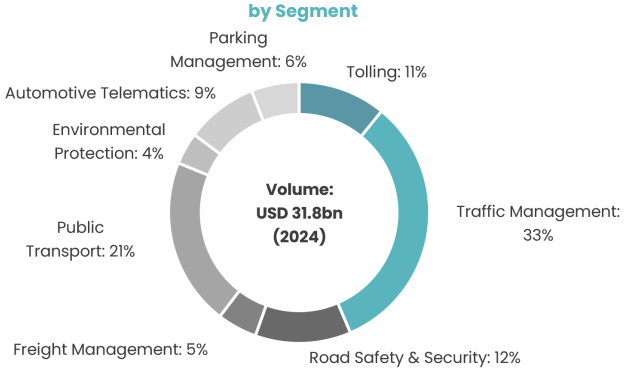
Source: Company, Montega

After a successful period with rising sales and EBIT margins in the high single digits, the company was hit by a perfect storm of several internal and external effects from 2019/20, which burdened sales and results. For instance, implementation problems in North America led to necessary margin adjustments due to additional costs and penalties for delays. During the same period, a large operating project in the Czech Republic ended and the contracts for the collection and control of the German passenger car toll were terminated after the European Court of Justice ruled the toll discriminatory against foreign drivers and therefore unlawful. In addition, the COVID-19 crisis particularly affected the implementation business and high-margin component sales with vehicle devices due to reduced traffic activity. Moreover, the strained supply chain situation for electronic components also had a negative impact.

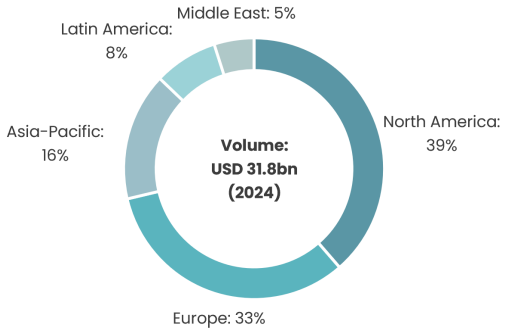
Growing Market for Intelligent Transportation Systems

The market volume for intelligent transportation systems (ITS) is approximately USD 50.0 billion according to various research institutes such as Grand View Research and Allied Market Research. Kapsch TrafficCom addresses the road traffic sector with a volume of approximately EUR 30.0 billion and is corresponding to the company's reporting segments active in the market segments tolling and traffic management, which together account for 43% of the total roadway sub-market. In the regional analysis, North America and Europe represent the most important ITS markets with a combined share of 69%.

Market for Roadway Intelligent Transportation Systems by Segment



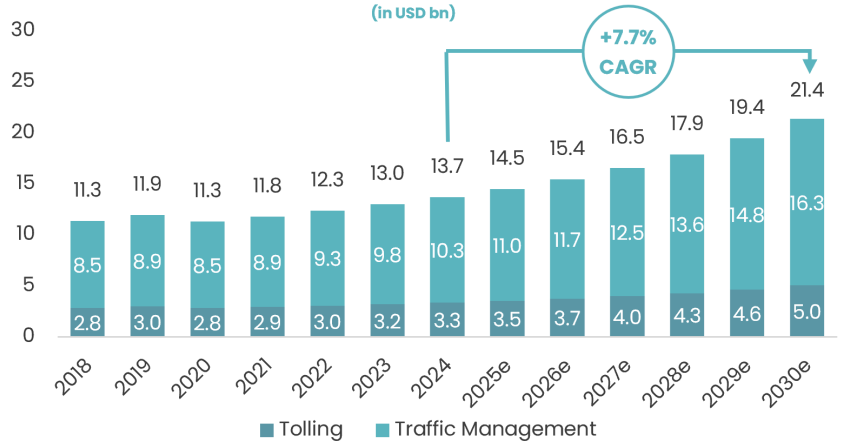
Market for Roadway Intelligent Transportation Systems by Region



Source: Grand View Research, Company, Montega

For the relevant tolling and traffic management segments, the market research institute Grand View Research predicts a combined growth of 7.7% by 2030, which consists of a growth rate of 7.0% p.a. for toll and 7.9% p.a. for the segment of traffic management.

Historical and Expected Development of the Tolling and Traffic Management Market
(in USD bn)

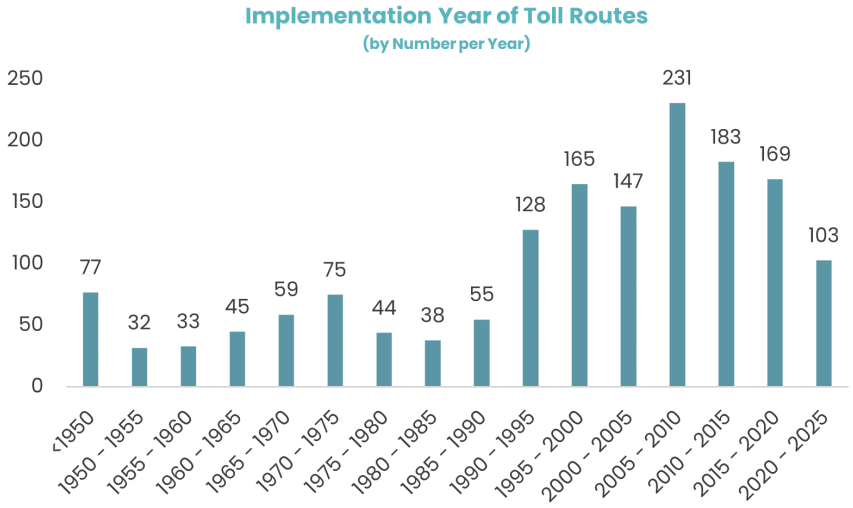


Source: Grand View Research, Montega

Of the total addressable market valued at USD 13.7bn, Kapsch focuses on a market volume of EUR 6.4bn. This focus excludes certain markets, such as China and Russia, as well as some product categories in traffic management due to globally inconsistent protocols and standards. Within this scope, the tolling segment outweighs the overall market segment thanks to the company's more comprehensive product portfolio in this area.

Tolling as a Financing and Steering Instrument

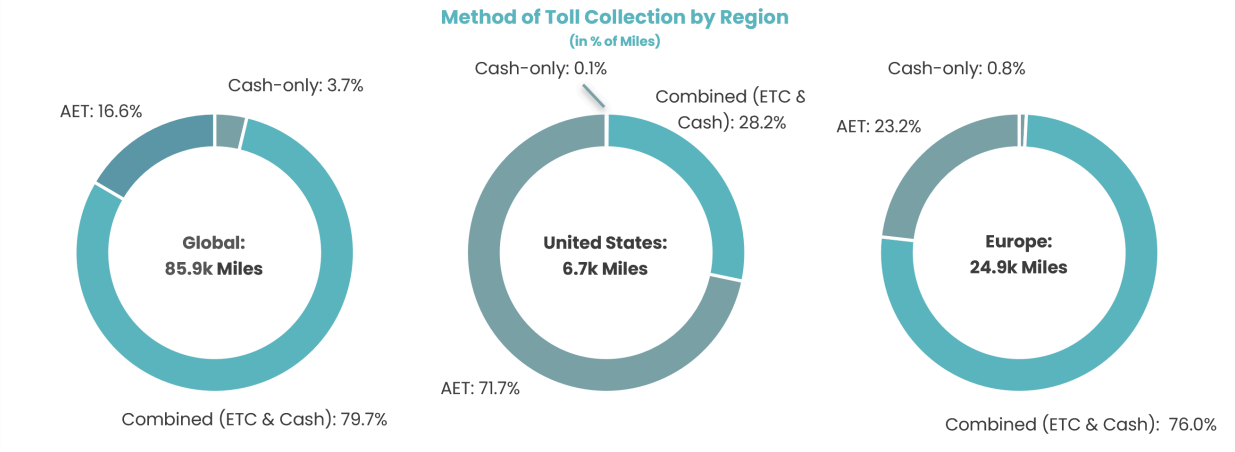
Growth in the tolling segment is driven primarily by new toll routes as well as the adoption of electronic toll collection and the transition to all-electronic systems that operate without physical toll booths and manual toll collection.



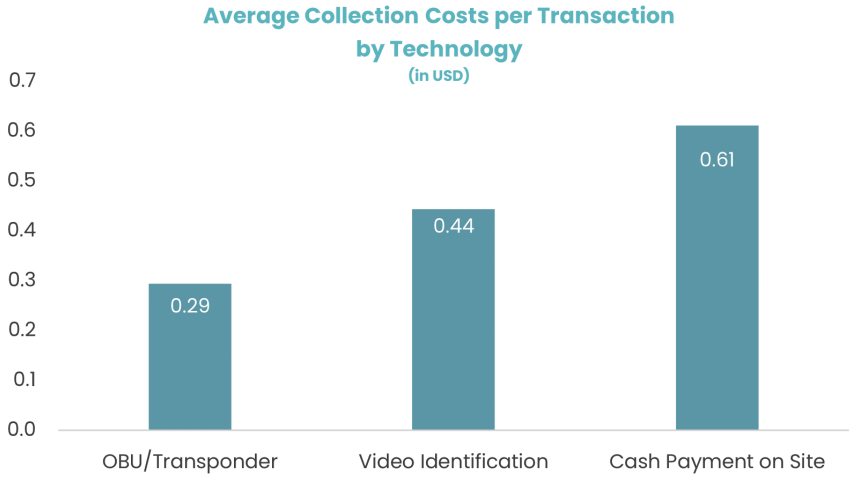
Source: IBTTA, Montega

The database of the IBTTA, the industry association of tunnel, bridge, and turnpike operators, contains 1,607 toll facilities with a total length of 85.9k miles. While the first toll stations were introduced as early as the 18th and 19th centuries, there was a significant expansion of the toll road network, particularly from 1990 to 2020. In recent years, the pace of expansion has slowed down, but further expansion of toll routes is expected in the future. On the one hand, the revenues are needed to finance necessary maintenance and expansion investments in infrastructure against the backdrop of declining fuel taxes, and on the other hand, payment incentives can be used to influence driver behavior, usign tools such as a city toll or charges for low-occupancy vehicles (demand management). In many major cities, congestion charging for inner-city areas is being considered as a means to alleviate often strained traffic conditions.

Meanwhile, electronic payment is possible on almost all toll routes, while globally, on the majority of routes, on-site payments are also accepted, so a combied solution is currently widespread. Traditional toll booths are often supplemented with individual lanes for free-flow traffic. The further future upgrade to all-electronic systems is therefore likely to contribute to market growth in addition to the general growth of toll routes.



The switch to AET systems offers various advantages, particularly enabling a smooth flow of traffic with reduced environmental impact and reducing the costs of the toll operator, as the wage costs for cashiers and control personnel are eliminated, which, according to a KPMG study, represent the largest cost position.



Source: KPMG, Montega

Within electronic methods, identification based on video recordings is more costly than based on onboard units (OBU) which is due to difficulties in collecting tolls from non-registered vehicles, as well as the manual effort involved in case of an unsuccessful automatic license plate recognition.

Chances in the Traffic Management through Connected Vehicles

An increasing population in large cities with a rising number of vehicles raises the requirements on traffic management for controlling demand and optimizing traffic flow. To make urban mobility more efficient, safer, and more sustainable, the digitization of traffic infrastructure plays a central role. Modern traffic management systems are capable of collecting data from various sources, evaluating it, and deriving measures.

Cooperative Intelligent Transportation Systems (C-ITS) with connected vehicles and infrastructures, which can capture traffic situations in real-time and influence them through proactive measures, are gaining increasing importance. Key technologies in this regard are Vehicle-to-Infrastructure (V2I) and Vehicle-to-Vehicle (V2V) communication. While V2I communication, for instance, adjusts traffic light phases to the traffic flow or transmits warnings about events like construction sites, traffic jams, or emergency vehicles into the vehicle, V2V enables direct interaction between vehicles for early reaction to potentially critical situations. Communication takes place either via permanently installed Roadside Units (RSUs) or mobile network-based with simulated, virtual RSUs. This results in numerous application possibilities, such as prioritizing public transport and emergency vehicles at intersections, speed recommendations for reaching green lights, avoiding traffic jams, or protecting vulnerable road users.

The C-Roads platform – a coalition of 19 European countries – coordinates the cross-border introduction of standardized C-ITS services. In Germany, initial implementations are taking place in, among other places, Hesse, Hamburg, Kassel, and Dresden. Kapsch TrafficCom plays a central role here and is responsible, under a major contract with Autobahn GmbH, for the operation, delivery, and integration of ITS Roadside Stations on over 8,600 km of motorway, thereby covering a large portion of the total 13,000 kilometers of motorway in Germany. The installation of the hardware and activation of the construction site warning systems was completed in May 2025.

The expansion is also being accelerated in the USA according to the plan of the USDOT traffic authority: in the short term, 20% of the highway system and traffic lights at 25% of the intersections in the 75 largest cities are to be equipped with V2X technology between 2024 and 2028. By 2036, it is planned to equip all highways and 85% of intersections.

In total, we identified the following growth drivers for the company's target markets:

- **Large-scale Financing Needs:** In view of a growing world population and the resulting increase in traffic volume, measures for the maintenance and expansion of infrastructure are necessary in many countries. This will lead to significant investments in infrastructure in the coming years. According to a study by the Walter Eucken Institute, there is an estimated investment requirement for road infrastructure (motorways and federal highways) in Germany alone of about EUR 58bn over the next three years. Advanced toll collection systems can be used to generate revenue for the financing of upcoming infrastructure projects, which should lead to growth in this area.
- **Increasing Toll Collection in Free-flow Traffic:** All-electronic, barrier-free toll collection offers advantages for drivers such as less congestion and shorter travel times, for toll collectors in the form of lower collection costs, and ultimately for society due to reduced emissions through the reduction of stationary traffic.
- **Toll Collection Based on User-Pays Principle:** Toll collection systems like a satellite toll,enable distance-based charging, meaning that users are charged according to the distance travelled on specific road sections. As a result, those who place greater demand on the infrastructure contribute more to its financing through higher toll payments. This capability of distance-based toll collection is driving demand for modern tolling systems.
- **Continued Urbanization:** The proportion of the population living in urban areas is continuously increasing worldwide. According to current estimates by the United Nations, this proportion is currently at 56% and is expected to rise to over 60% by 2030 and nearly 70% by 2050. In parallel, the global population continues to grow. Particularly in urban regions, this leads to significant demands on private and professional mobility. The expansion or construction of new transport infrastructure is becoming increasingly necessary, as well as an adaptation to the growing volume of trade that accompanies a larger population. On the one hand, traffic management should benefit from this as it can reduce the occurrence of traffic jams and increase the safety of road users, and on the other hand, the toll sector should benefit through increased congestion charging, for example, in the form of a city toll.
- **Required Environmental Protection:** Increasing traffic, particularly congestion, leads to increased emissions of environmentally harmful greenhouse gases. Both traffic management systems and toll systems are considered established instruments for effectively influencing traffic volume and the choice between means of transportation and can thus contribute to environmental protection. As a result, budgets intended for climate protection, like parts of the new German sepcial fund, could potentially be used for these solutions.
- **Connected Vehicles and AI:** Increasingly connected vehicles enhance the possibility of collecting large amounts of valuable data. In conjunction with artificial intelligence, these data can be used for traffic analysis, simulation, and forecasting, supported by a growing share of real-time inputs. As a result, traffic flows can be guided more efficiently, the effectiveness of toll collection can be increased, and higher traffic safety can be ensured. This should lead to sustained growth in traffic management systems and partly in toll collection, particularly strengthening the software component.

Technology Leadership Secures Market Position

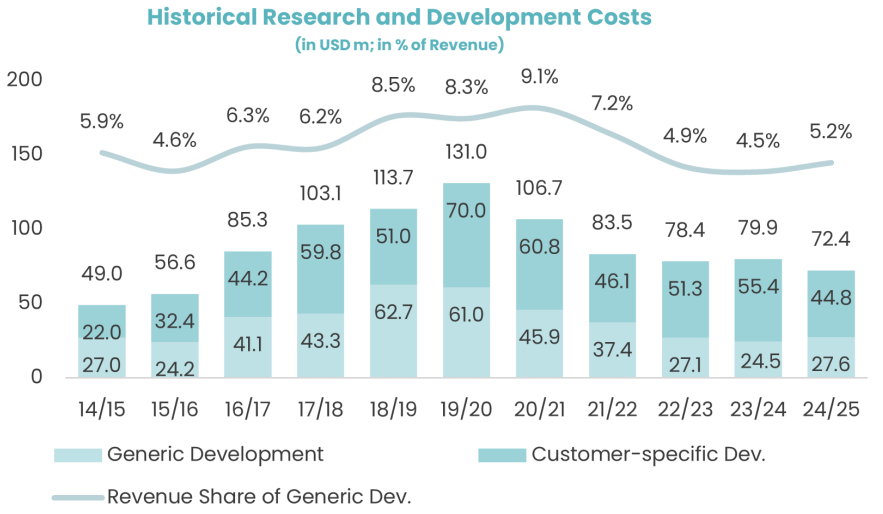
With revenues in the toll segment of EUR 393.0m compared to a total market size of USD 3.3bn, Kapsch is likely one of the largest providers of toll systems. Market studies by Ptolemus and Fortune Business Insights confirm the market leadership.

The global market for electronic toll solutions is characterized by a close interplay of technology competence, regulatory know-how, and experience in system integration and operations. Kapsch TrafficCom operates here as an end-to-end provider with its own component manufacturing in Austria and Canada as well as operational expertise and serves all relevant toll technologies – from DSRC (Dedicated Short-Range Communication) and RFID (Radio Frequency Identification) to video-based detection to GNSS (Global Navigation Satellite Systems)-based systems. According to company information, Kapsch is currently the only provider of toll gantries that support both DSRC and RFID – a unique feature in a market where many competitors are regionally focused on covering only one of the two technologies.

In the USA, Kapsch is among the leading providers behind market leader TransCore, followed by Conduent and Neology. In this region, Kapsch was the exclusive manufacturer for the E-ZPass Group for a long time and is still the main supplier, having delivered over 100 million transponders in this 31-year collaboration. The E-ZPass Group comprises the world's largest interoperable toll network with 20 states in the eastern and midwestern USA. Kapsch is the manufacturer of two of the total of five roadside units approved by E-ZPass and seven of 17 vehicle transponders. The other manufacturers are Transcore, Neology, and STAR.

In Europe, Q-Free, SkyToll, and Yunex are the main competitors. Contracts are usually awarded through public tenders, where not only the price but also technical quality and operational experience are weighted. Kapsch positions itself here as a quality provider and differentiates itself, among other things, through guaranteed detection rates and reliable references from previous projects.

Kapsch is not only a pioneer in electronic toll collection but also continues to invest in technological leadership and currently has a broad patent portfolio with 820 individual patents and 39 pending patent applications. With an absolute generic development expense of EUR 27.6m and around 5.0% as a share of revenues, Kapsch is likely to be above the competition in terms of R&D expenses.



Source: Company, Montega

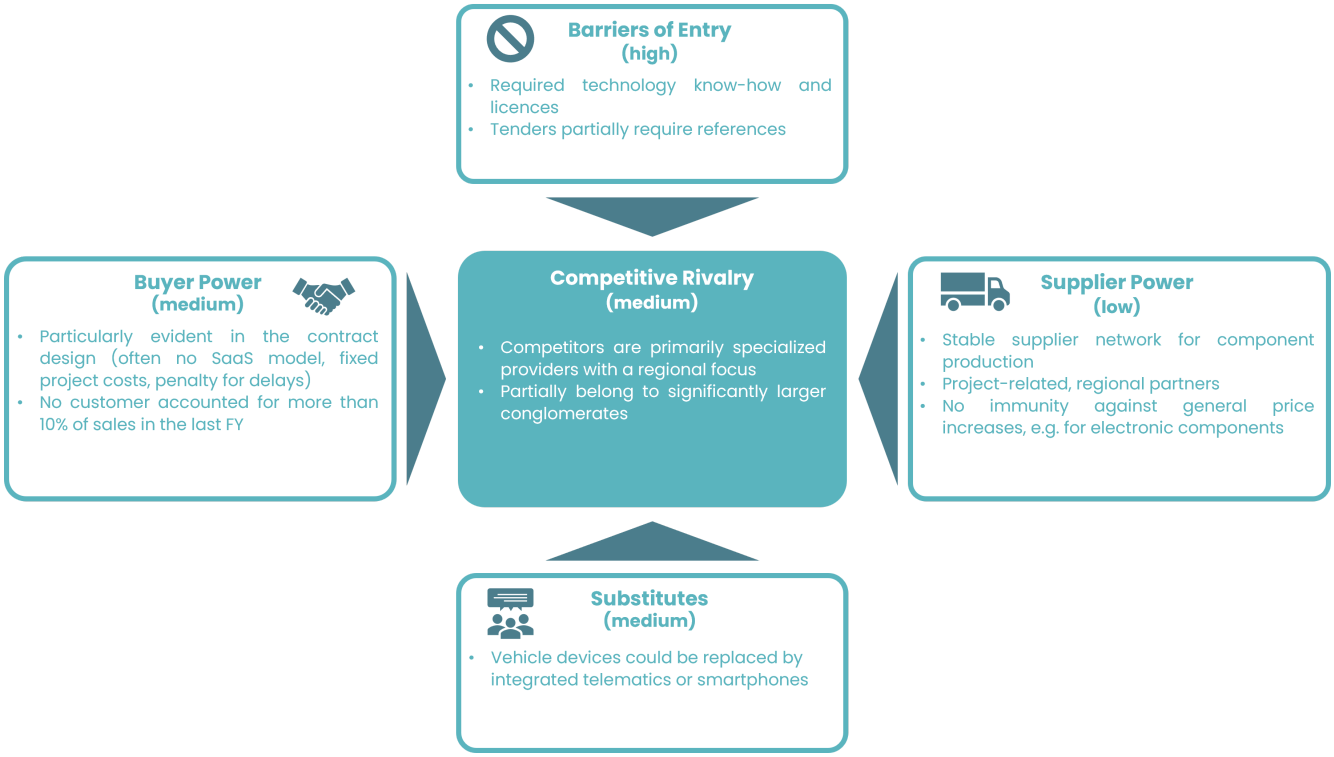
In traffic management, Kapsch also pursues a comprehensive approach to convince as a holistic partner. The company is equally represented in urban and non-urban areas to cover the corridor between the city center and highways, where the majority of traffic occurs. Although Kapsch covers the key areas of traffic management, its overall positioning in this segment is less broad than in tolling. The company maintains a more regionally focused approach, deliberately avoiding the need to comply with all globally divergent protocols, norms, and standards. This is reflected in the size of the addressable traffic management market for Kapsch, which stands at EUR 1.4bn, compared to a total global market of USD 10.3bn. With its umbrella system EcoTrafiX, Kapsch offers one of only three comparable integrated traffic management platforms worldwide—alongside solutions from Swarco and Yunex.

In the future, Kapsch is expected to benefit from the following competitive advantages:

- **Economies of Scale in Production:** According to company information, Kapsch is the world's largest volume manufacturer and sells 7.9 million On-Board Units (excluding sticker tags), twice as many as the next largest manufacturer, which enables significant unit cost advantages in production. Further economies of scale are expected in the development of software and hardware.
- **Global Presence:** With locations in over 25 countries and successfully implemented projects in more than 50 states, Kapsch has a pronounced international reach. This allows for both local adaptation in tenders and the efficient scaling of proven solutions.
- **High Number of Credible References:** Kapsch can refer to a multitude of successful large projects employing all essential toll technologies as well as traffic management. These references serve as proof of performance in public tenders and increase the likelihood of success in awards.
- **Technology and Quality Leadership:** The company is able to achieve high KPIs in vehicle recognition and data collection. Kapsch can contractually guarantee these performance indicators, which represents a significant differentiating feature in tenders. The continuously high R&D expenditures underpin the claim to secure technology leadership in the future as well.
- **Broad Solution Portfolio:** Kapsch is comprehensively positioned in both tolling and traffic management and can offer both standalone projects but also integrated end-to-end solutions covering components, design, implementation and operations. Given the increasing convergence of tolling systems with intelligent transportation systems and connected vehicles, the company is well positioned to benefit from potential market synergies.

In summary, Kapsch TrafficCom AG is likely to be competitively well-positioned.The primary competitive focus lies on the existing direct competitors, against whom Kapsch must prevail in tenders without aiming to compete on price. Alternative devices such as integrated vehicle telematics or smartphones may impact demand for onboard units but could also drive the proliferation of connected vehicles and the development of intelligent traffic management.

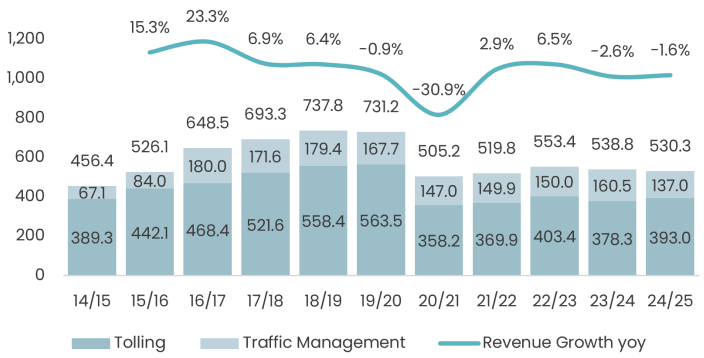
Competitive Position of Kapsch



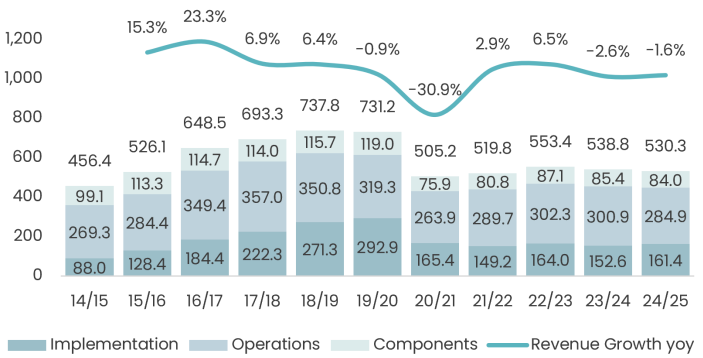
Revenues Stable at a Lower Level

The revenues at Kapsch are divided into two segments and three revenue sources.

Historical Revenue Development by Segments
(in EUR m; in %)



Historical Revenue Development by Source of Revenue
(in EUR m; in %)

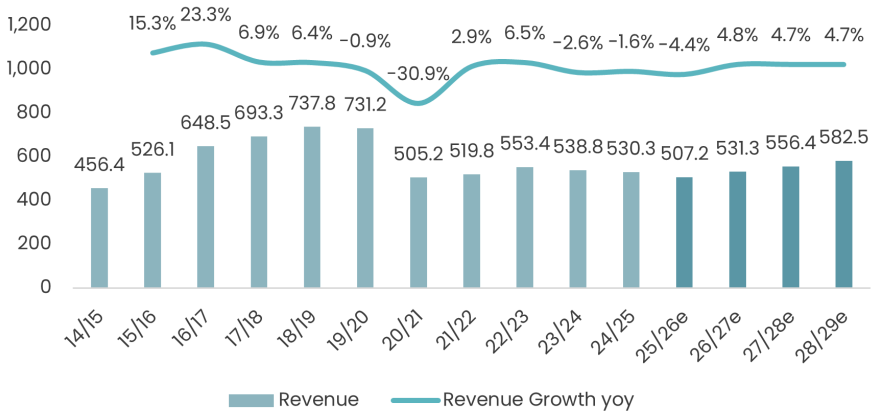


Source: Company, Montega

Kapsch was able to grow significantly from 2014/15 to 2018/19, among other things as a result of newly acquired tolling projects and acquisitions in traffic management, including the initial consolidation of the acquired transportation division Telvent of Schneider Electric in 2016/17. Subsequently, revenue in traffic management stagnated, while the tolling segment continued to benefit from the necessary investments in the expansion and new construction of global traffic networks until 2020, despite the loss of two major projects in the Czech Republic and Germany (following the ECJ ruling).

In the 2020/21 fiscal year, the company recorded a significant revenue decline due to staff shortages and difficulties in implementing new software in North America. Furthermore, the COVID-19 crisis led to project delays and declining revenues in the profitable components business due to lower traffic volumes. Ongoing restructuring measures in North America, lack of market opportunities due to lower investments, and supply chain bottlenecks led to stagnant revenues in the following years.

Historical and Expected Revenue Development
(in EUR m; in %)



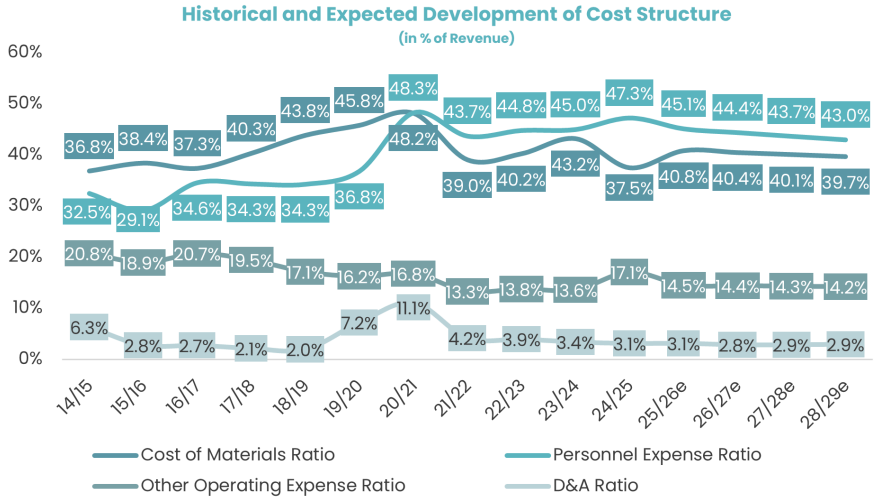
Source: Company, Montega

In the current fiscal year 2025/26, Kapsch faces headwinds due to the completion of an operational project in the Gauteng region (South Africa) and the partial sale including following deconsolidation of Kapsch Telematic Services IOOO, responsible for toll operations in Belarus. Each project accounts for revenue of approximately EUR 40m with the Belarusian company already deconsolidated in January 2025, resulting in a reduction of around EUR 70m yoy.

As a result, despite new projects coming into operation such as the congestion charge in Gothenburg (Sweden), we expect a total decline in operating revenues to EUR 247.1m (-13.3% yoy) and, with rising implementation and component revenues, a group revenue of EUR 507.2m (-4.3% yoy). In the medium term, however, the company is likely to benefit from the expansion of toll road networks and the introduction of advanced technologies for toll collection and traffic management.

Material and Personnel Requirements Shape Cost Structure

As for the cost side, Kapsch is characterized by a high proportion of fixed costs, which are reflected in increasing cost ratios when sales decline. In addition, the incurred costs depend on the business mix. While profitable operations require low material usage, the high-margin component business is more material-intensive. In contrast, the implementation business, which is both material- and labor-intensive, achieves lower margins.



Source: Company, Montega

Cost of Materials: The material costs show a dependency on the distribution of sales. Less purchased goods and services are needed for the operational business than for the implementation of systems or the production of components. The relative decline in operational sales from 2014/15 (59.0% sales share) to 2019/20 (43.7% sales share) corresponded with an increase in the material cost ratio.

Since the 2019/20 fiscal year, the company has been confronted several times with the necessary adjustment of project margins in North America, which were due to higher implementation costs of self-developed software, the required use of third-party companies due to a shortage of skilled workers, as well as price discounts and penalties due to delays. The last adjustments to the remaining onerous projects were made in the 2024 fiscal year. In addition, supply difficulties with electronic components and inflation-related price increases became noticeable.

Without adjustments to project margins and due to a high operational share, the material cost ratio could be reduced to 37.5% in the past fiscal year 2024/25. Due to the lack of operational projects, we expect a higher cost of materials ratio of 40.8% for 2025/26.

Personnel Expenses: Due to the high proportion of fixed costs, the personnel expense ratio increased significantly due to the revenue decline in 2020/21. Through restructuring programs, the average number of employees was significantly reduced from 5,085 (2019/20) to an average of 3,548 in 2024/25 and 3,041 as of 31.03.2025. The absolute expenditure decreased to a lesser extent due to salary increases and regional shifts and amounted to EUR 250.6m in 2024/25, which is 6.9% below the peak value in 2019/20 (EUR 269.2m).

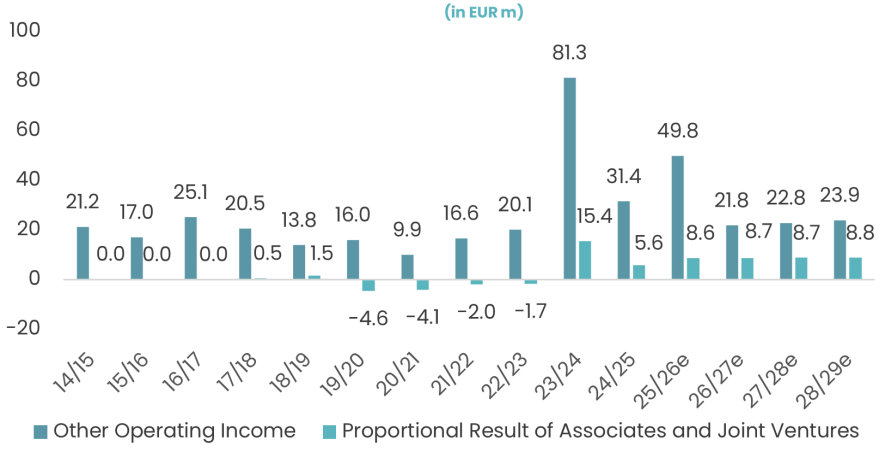
Other Operating Expenses: Other operating expenses include, among others, communication and IT expenses (17.8% of the other operating expenses in 2025), legal and consulting expenses (11.7%), and travel expenses (8.1%). Historically, the other operating expenses could be reduced disproportionately to the revenue decline, so the ratio was declining until 2023/24. In 2024/25, deconsolidation expenses due to the sale of a South African subsidiary below book value led to increased other operating expenses, which are expected to decrease again from the next year. In the medium term, scale effects are likely to have a positive impact on the operating expense ratio.

Depreciation: Depreciation occurs to a rather small extent (2024/25: EUR 16.5m). Depreciation on tangible fixed assets (2024/25: EUR 14.3m) primarily relates to right-of-use assets from leasing of buildings (2024/25: EUR 8.6m) as well as to operating and office equipment (2024/25: EUR 3.3m) and other leases, mainly consisting of vehicles (2024/25: EUR 1.0m). Depreciation on intangible assets amounted to EUR 2.2m in the fiscal year 2024/25 and was almost entirely attributable to licenses and rights (2024/25: EUR 2.1m). The increased depreciation rates of the years 2019/20 and 2020/21 are due to impairments amounting to EUR 24.9m in 2019/20 and EUR 31.3m in 2020/21, which affected, among other things, goodwill, rights-of-use assets, and intangible assets from a concession contract in Zambia.

Other Operating Income Driven by German Passenger Car Tolling

In addition to the presented cost items, the operating result also includes significant contributions from other operating income as well as the share of results from joint ventures and associated companies.

Historical and Expected Development of Other Operating Income and Income from Associates & Joint Ventures
(in EUR m)



Source: Company, Montega

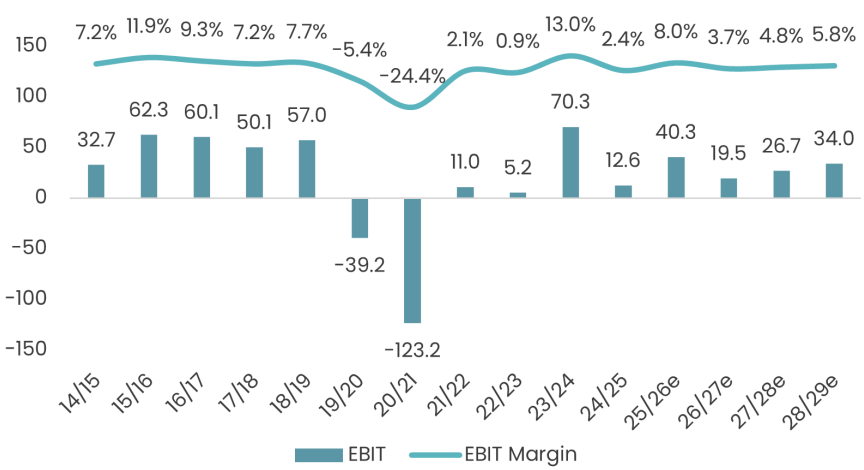
The other operating income was usually in a range of EUR 15.0m to 20.0m from 2014/15 to 2022/23, with the most significant contribution coming from operational foreign exchange gains. The exceptionally high income in 2023/24 is due to a settlement with the Federal Republic of Germany in connection with the termination of the operating contract for the planned toll for passenger cars. The joint venture of Kapsch and CTS EVENTIM autoTicket GmbH received an amount of EUR 243m, of which EUR 66.3m was recorded in the other operating income of Kapsch. The total one-off gain including the share of the autoTicket result amounted to EUR 79.2m. In addition to the operator contract for the toll collection, a separate contract for the automatic control of the toll was awarded to MTS Maut & Telecommunication Services GmbH, which Kapsch holds 100% of, and which was also terminated. Kapsch is expected to receive compensation of approximately EUR 27.0m in the 2025/26 financial year following arbitration proceedings. It is noteworthy that the payment not only compensates for lost profits but also, according to the company, costs were incurred in advance due to capacity building.

The deconsolidation of the subsidiary from Belarus led on the one hand in 2023/24 to other operating income through the initial activation of the remaining shares and on the other hand to additional income from associated companies, which, however, is likely to be below the previous earnings contribution of the project.

Sustainable Profitability Targeted

We believe that EBIT is to be preferred over EBITDA as a performance KPI, as depreciation in this case represents a reasonable approximation of the required investments and the repayment of lease liabilities, which count as an operational cost factor.

Historical and Expected Development of Profitability
(in EUR m; in % of Revenue)



Source: Company, Montega

After several profitable years, the convergence of several factors, such as implementation problems in the USA, the effects of the COVID-19 crisis with inflationary effects on electronics and salaries, and strained supply chains, led to two years of losses. Subsequently, the company was profitable on an EBIT level at significantly lower sales on a reduced level. After focusing on cost and restructuring, the company is likely to leave the crisis years behind with efficiency gains in the coming years. Due to the high proportion of fixed costs in the cost structure, historical margins in the high single-digit or even double-digit range are likely only achievable again when a significantly higher level of revenues is reached. Nonetheless, in addition to sales growth, we also expect successive gains in profitability. In addition to operational improvements, additional effects, such as the agreement of the MTS with the Federal Republic of Germany, may have a positive impact in individual years.

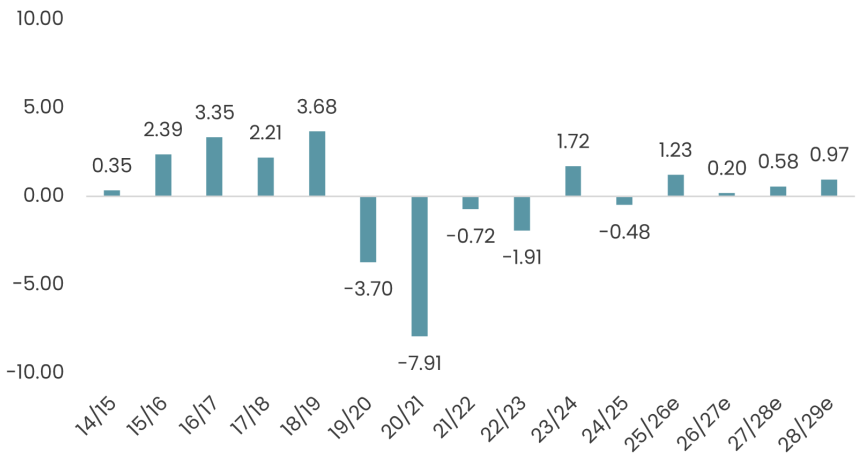
High Interest Costs Characterize Financial Results

Financial income of EUR 5.4m in 2024/25 primarily from interest income, foreign currency gains, and derivatives is offset by expenses of EUR 22.3m in the last fiscal year. Here, interest costs of EUR 10.1m represent the largest item, which normalized from EUR 24.0m in the previous year due to one-time costs associated with a restructuring agreement with the banks. In addition, there are expenses from hyperinflation due to the revaluation of Argentine balance sheet and income statement items and foreign currency losses.

The proportionate result from associated companies and joint ventures classified as financial investments has contributed an additional negative impact of an average of EUR 1.0m since 2017/18. With the sale of Traffic Technology Services, Inc. in 2023/24, there was no longer any contribution from this item.

Including taxes and minority interests, earnings per share are as follows:

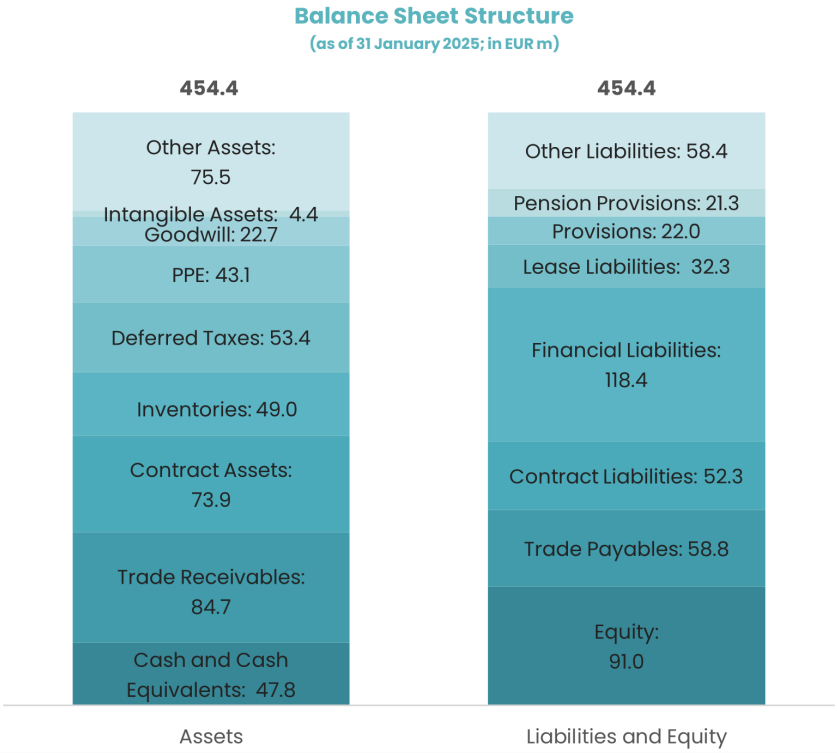
Historical and Expected Development of Earnings per Share
(in EUR)



Source: Company, Montega

Anticipated Debt Reduction in the Coming Years

The business model is relatively intensive in terms of personnel and materials, but apart from that, it requires few investments, which is reflected in the balance sheet structure that primarily consists of working capital on the asset side. On the liabilities side, the focus is on the financial debt.



Source: Company, Montega

Working capital on the asset side consists of trade receivables, contract assets, and inventories, and on the liability side of trade payables and contract liabilities. The working capital ratio, based on the annual average, is currently 19.7% of sales.

Other items on the asset side include deferred taxes, primarily due to loss carryforwards in the USA and Austria, and property, plant and equipment, which also includes right-of-use assets for building leases, which account for the majority at EUR 31.4m.

Subsumed under other assets are primarily investments amounting to EUR 18.7m, in particular from the initial recognition of the Belarusian subsidiary stake, receivables from the tax office (excluding income taxes, EUR 15.9m), prepaid expenses (EUR 15.9m), as well as assets held for sale amounting to EUR 4.9m through the planned 60% sale of the European toll service provider tolltickets as part of further portfolio focusing. The assets of tolltickets GmbH primarily consist of trade receivables (EUR 3.9m) and to a lesser extent of property, plant and equipment (EUR 0.8m) and cash and cash equivalents (EUR 0.3m). The sale price is likely to exceed the cash funds of the company, so a positive cash effect can be expected here. Insofar as the sale price exceeds the book value of EUR 1.5m, additional other operating income could also be realized.

The liabilities side is particularly characterized by the high proportion of financial liabilities (26.1% of the balance sheet total) and a rather low equity ratio (20.0%). In addition, lease liabilities related to the mentioned rights of use as well as pension and other provisions are reported. The most important other liabilities are other personnel liabilities (EUR 24.5m), including liabilities for, among other things, open vacations or social security, liabilities to the tax office (excluding income taxes, EUR 12.2m), and liabilities of tolltickets GmbH held for sale (EUR 3.5m).

In terms of financial debt, covenants agreed upon could not be met due to the negative results of 2020/21, which required an extraordinary agreement with the banks. This two-year agreement was replaced in May 2023 by a new agreement, which again had a term of two years. The agreement included, for example, operational restructuring measures, early repayments from pending procedures such as the infrastructure levy in Germany, a capital increase, the pledge of the majority shareholder's shares, and a dividend freeze. Before this agreement expired, Kapsch was able to negotiate extensive refinancing with the house banks with a significantly longer term until March 29, 2030, thus lifting the pledge of shares.

Under the current agreement, Kapsch expects interest and principal payments amounting to EUR 129.5m for the EUR 118.5m debt.

Financial Debt (in EUR m)	**25/26e**	**26/27e**	**27/28e**	**28/29e**	**29/30e**	**Σ**
Free Cash Flow (excl. interest, incl. leasing)	31.2	5.9	10.1	15.0	19.3	81.4
Payments Due	28.2	18.8	10.0	10.2	62.3	129.5
Difference	3.0	-12.9	0.1	4.8	-43.0	-48.0
Net Debt / EBITDA	1.5	2.5	1.9	1.5	1.2	-
Equity Ratio	24.5%	25.4%	27.2%	29.4%	31.7%	-

Source: Company, Montega

According to our estimates, a large part of the future free cash flows of the coming years would have to be used for interest and principal payments. In the fiscal year 2026/27, the debt service exceeds the expected free cash flow but should be covered by the available liquid assets of EUR 47.8m. The total available funds amounting to EUR 129.2m, as a combination of the initial cash balance and the cash flows generated during the period, are slightly below the required sum. However, we consider an extension of, for example, revolving credit lines or the raising of new debt to be realistic. Especially due to the operational improvement we expect, it should not be necessary to aim for a debt-free balance sheet.

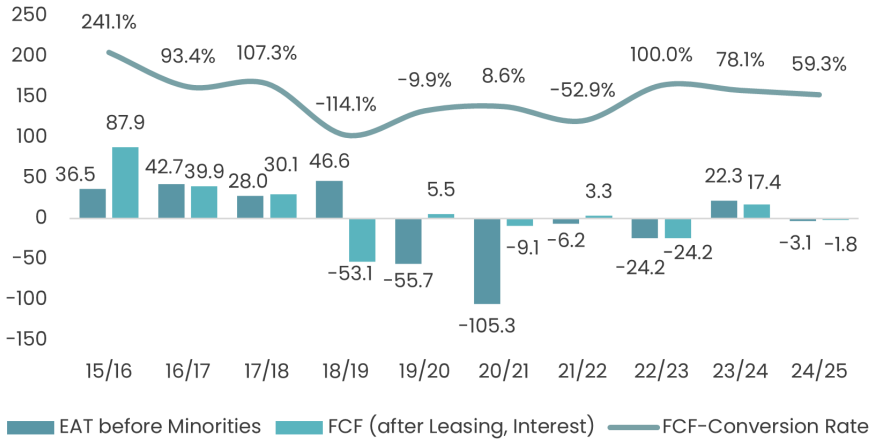
As covenants, there are requirements for the equity ratio and the leverage ratio (net debt / EBITDA). The equity ratio has to be 22.5% as of March 31, 2026, and should not fall below 25.0% annually as of March 31 from 2027 onwards. The requirements for the leverage ratio must be met quarterly, with thresholds of 4.25 from June 30, 2025, and 3.75 from March 31, 2026.

The group itself aims for an equity ratio of 25.0% to 35.0% (2024/25: 20.0%) and a medium-term leverage ratio below 1.5 (2024/25: 3.5). According to our estimates, Kapsch will be within the target range for the equity ratio from 2026/27 and will sustainably achieve a leverage ratio of below 1.5 from 2028/29.

High Cash Conversion Possible

When calculating the free cash flow, we included both the lease repayments included in the financing cash flow and the interest paid to obtain a comparable figure to the net profit after taxes.

Development of EAT before Minorities and Free Cash Flows
(in EUR m; in %)

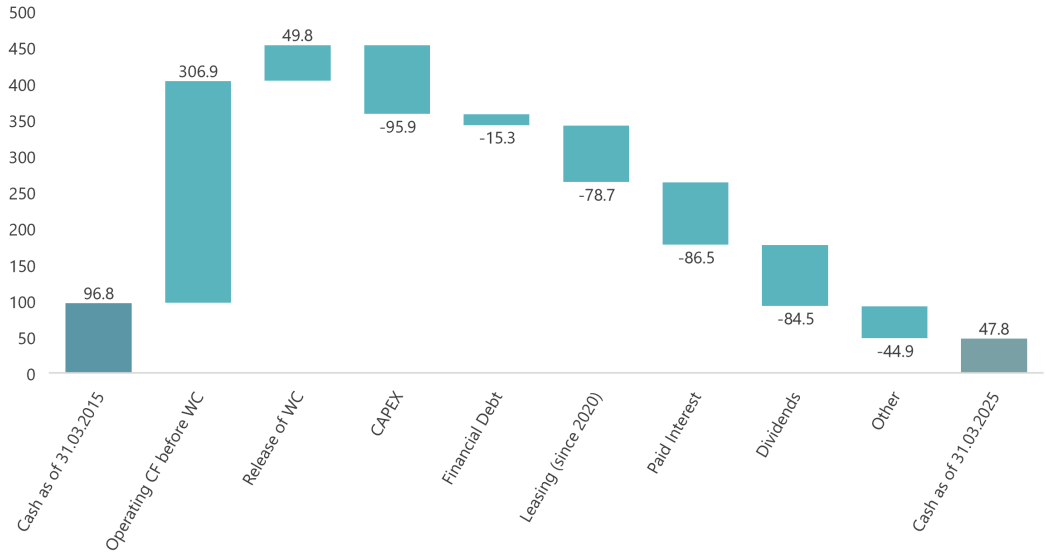


Source: Company, Montega

The calculated conversion rate is only limitedly meaningful due to the regular occurrence of negative values. However, the initial years of the observation indicate a high cash conversion.

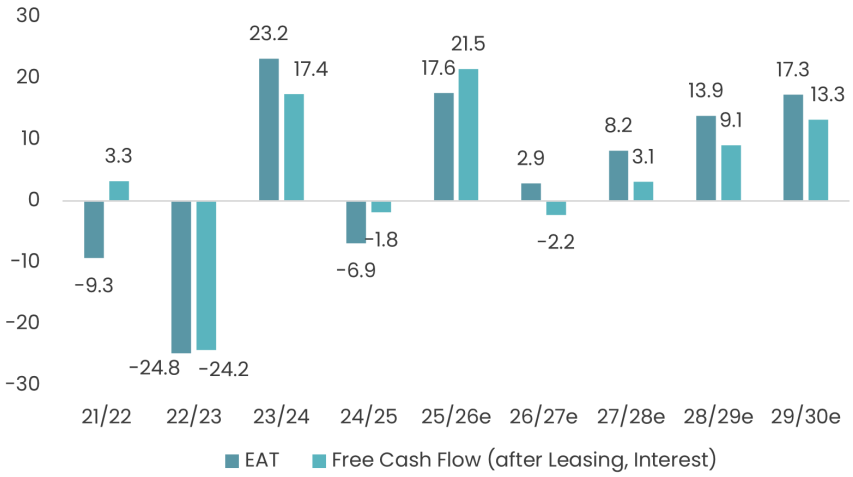
Over the entire period, the profit after taxes was EUR -18.5m. In contrast, the free cash flow was significantly positive at EUR 95.7m. The difference is likely mainly due to the non-cash relevant impairments of the years 19/20 and 20/21, which amounted to EUR 56.2m, as well as the released working capital, which decreased from EUR 146.3m at the end of the fiscal year 2014/15 by EUR 49.8m to EUR 96.5m in 2024/25.

Historical Use of Funds by Kapsch 2015/16 - 2024/25
(in EUR m)



Due to the expected revenue growth from 2026/27 and the projected increase in profitability, increasing annual net profits and free cash flows are also to be expected. The fiscal year 2025/26 is likely to be particularly positive due to the additional revenues from the infrastructure levy. Additionally, our estimates for this year include a further release of working capital before additional funds are expected to be tied up due to growth.

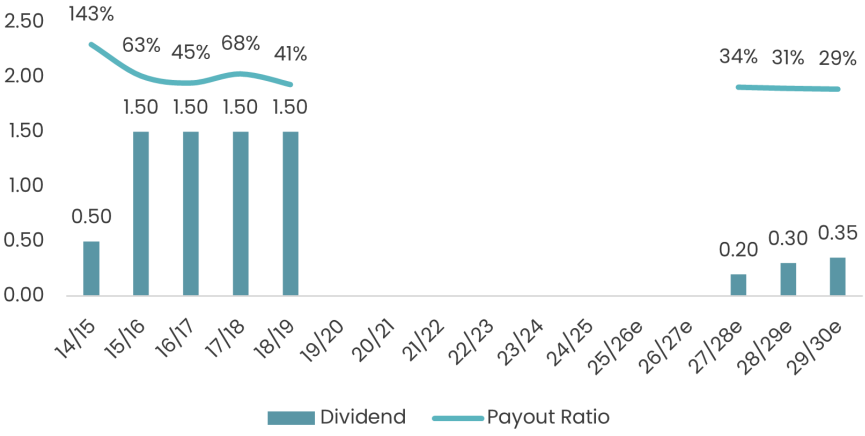
Expected Development of EAT and Free Cash Flow
(in EUR m)



Source: Company, Montega

Although Kapsch has not paid dividends since 2019, significant distributions were made until then. From 2014/15 to 2018/19, almost the current price per share (EUR 7.00) was distributed in total.

Development of Dividends and Payout Ratio
(in EUR; in % of EPS)



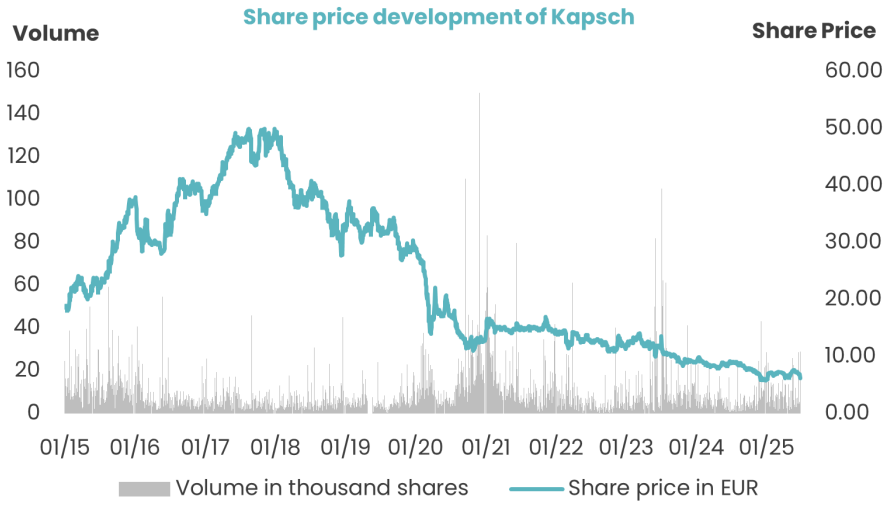
Source: Company, Montega

According to the original dividend policy from 2016, the dividend should be one-third of the profit. The payout ratio should be adjusted to achieve an average dividend of at least EUR 1.00 over a period of three years. This dividend policy was suspended until further notice in 2020. The company plans to resume paying dividends and ideally reinstate the previous dividend policy as soon as it is economically feasible and permissible. At the upcoming general meeting in September 2025, no dividend will be proposed in accordance with the financing agreement.

According to our expected development, the key debt ratios will be within the targeted corridor in 2027/28 (MONe equity ratio: 27.2% vs. target: 25.0% to 30.0%) or will have moved close to the target value (MONe leverage ratio: 1.9 vs. target: <1.5), so we have planned a dividend for this fiscal year for the first time. However, the priority at this moment is likely to be debt reduction.

Share Price Declined in Recent Years

The share price development up to 2018 reflects the strong operational performance, allowing the stock to reach prices of around EUR 50.00 at the end of 2017. Subsequently, the stock developed negatively due to operational difficulties and a decline in global economic growth in 2018. The growth rates achieved in previous years by Kapsch slowed from the 2018/19 financial year, partly due to stagnation in the traffic management segment, which meant that it could not escape the general negative trend in the European and American stock markets in 2018. Several profit warnings and the suspension of the dividend in mid-2020 caused the stock to fall to as low as EUR 11.00. Reasons for this included the emergence of operational challenges in North America and the coronavirus pandemic, which led to project delays and supply bottlenecks in the following years. The stock is therefore currently trading at EUR 7.00, around 20% above its low point on December 30, 2024.



Source: Capital IQ

Low Valuation Level Offers Opportunities

After a prolonged downward phase, the stock is currently trading at an EV/EBIT (2024/25) of 18.1, which is expected to fall to an attractive 8.5 by 2027/28e. We have evaluated the company using a DCF model and validated the result based on comparable transactions and peer group comparison.

- **DCF Model:** Our DCF model includes an average annual revenue growth of 3.2% (CAGR 2024/25 to 2031/32) and an increase in the EBIT margin to 6.1% by 2031/32 or 6.5% in the Terminal Value. With a WACC of 10.65%, a fair value per share of EUR 11.25 is derived.
- **Comparable Transactions:** The acquisition of the closest Peer Q-Free by financial investors implies a range for the fair value per Kapsch share between EUR 13.64 and EUR 18.88. Strategic purchases with expected synergies of TransCore and Yunex Traffic suggest even higher prices.
- **Peer Group Analysis:** The peer group analysis results in values of around EUR 5.00 per share. We consider the result as not representative due to a lack of listed comparable companies and the potential of Kapsch, which is forecasted not to be realized within the next few years.

Conclusion

Kapsch TrafficCom AG is in a phase of operational and financial stabilization after several challenging years. The agreement reached for long-term refinancing has reduced key balance sheet risks and lays the foundation for sustainable improvements in results. As a technologically well-positioned provider with an international presence, Kapsch is likely to benefit from the market growth driven by the increasing need for government revenue sources, traffic problems in major cities, and the significant environmental impact of the transport sector, with a scalable business model. The fully electronic toll collection systems offered by Kapsch are likely to replace traditional toll booths to a large extent in the meid to long-term, as is already the case in the United States. Based on the expected improvement in free cash flow and a successful reduction in debt, the company could also distribute dividends again in the medium term. We take the stock into our coverage with a "Buy" rating and a DCF-based price target of EUR 11.00.

SWOT

Kapsch TrafficCom AG is an internationally active provider of intelligent tolling and traffic management solutions with decades of experience in the development, implementation, and operation of complex systems. The company operates in a dynamic market environment with structural growth potential and is also subject to specific market, project, and financing requirements.

Strengths

- **Strong Positioning in the Competition:** In contrast to regionally focused competitors, Kapsch supports all essential tolling technologies. Due to its market leadership in the tolling sector and the broad traffic management portfolio, the company is well-positioned to benefit from the expected market growth. For customers, both proven standard solutions and tailor-made, customer-specific developments are offered.
- **Long-term Customer Relationships:** Through multi-year installations and long-term operating contracts, revenues are generated from a project over several years. For example, the collaboration with the E-ZPASS Group celebrated its 30th anniversary in 2024.
- **Owner-managed Company in Family Ownership:** The founding family is still the majority shareholder and is now represented in the management board in the fifth generation, so it can be assumed that actions are taken with a long-term perspective and the incentives of the management align with those of the shareholders.

Weaknesses

- **High Fixed Costs:** The high proportion of fixed costs negatively impacted profitability in the past when revenues were declining. However, in the future, this factor could also become a strength and enable higher margins with increasing revenue levels.
- **Interest Burden Pressures Results:** Due to the currently still elevated debt situation, the company is burdened by substantial interest expenses, which depress the result below EBIT and were recently responsible for a net loss.
- **Limited Pricing Power:** Although Kapsch does not enter tenders as the cheapest provider and does not want to compete on price, this factor is still valued at around 50% by tenderers on average and thus limits pricing options.

Opportunities

- **High Financing Needs for Infrastructure:** The collection of tolls represents an obvious opportunity for countries and regions to generate additional revenue, for example, to finance the necessary investments in road infrastructure.
- **Increasing Importance of Demand Management:** Urbanization and greenhouse gas emissions increase the necessity to control mobility demand. This is possible, among other things, through tolls for certain zones or low-occupancy vehicles, as well as through free access restrictions, special lanes for high-occupancy vehicles, or dynamic navigation systems that distribute traffic flow.
- **Technological Change to All-Electronic Toll Collection:** All-electronic toll collection offers clear advantages for almost all stakeholders compared to traditional toll booths, making further replacement visible.

Threats

- **Project and Contract Risks in the Implementation Business:** Construction contracts often include penalties for delays and (partially) fixed costs, so implementation delays or rising costs can negatively impact the project margin, with the risk partially mitigated by index clauses.
- **Dependence on Major Projects:** Individual major projects can have a significant impact, so, for instance, the expiration of large operational projects can have negative effects.
- **Country Risks in Individual Markets:** Due to global activity, Kapsch is exposed to various country-specific and political risks. For example, political challenges may lead to not winning contracts even as the best bidder.

Valuation

We conducted the valuation of Kapsch TrafficCom based on a DCF model and additionally validated the result using comparable transactions and a peer group analysis. The central model assumptions are presented below.

DCF Model

Our DCF model reflects the medium and long-term growth potential that arises from the increasing demand for modern solutions to collect tolls and manage the traffic demand. In the short term, we expect a revenue decline of 4.4% yoy for 2025/26 due to completed or deconsolidated operational projects. Specifically, we anticipate a top-line CAGR of 2.4% by 2028/29 and an average annual growth of 4.4% from 2028/29 to 2031/32. To determine the terminal value, a perpetual growth of 2.0% is assumed.

In terms of results, we expect increasing sales to lead to greater scaling of fixed costs and savings from workforce reductions, causing the EBIT margin to rise to 5.8% during the detailed planning period and reach a value of 6.5% in the terminal value. We have planned for positive one-off effects from the agreement on the infrastructure charge in Germany for 2025/26.

Regarding working capital, there is likely to be a release due to the decline in sales this year, followed by a continuous binding of capital in the mid-million-EUR range. The forecast is intended to smooth out the increase in bound capital, but the actual value may fluctuate in both directions in individual years as a result of progress-based revenue realization.

The expected free cash flows fluctuate quite strongly during the detailed planning period due to working capital and one-off effects, and thus show a range between EUR 8.4m (2026/27) and EUR 33.1m (2025/26). The included investments averaging EUR 17.4m consist on the one hand of traditional CAPEX for tangible assets (Ø EUR 6.3m) and intangible assets (Ø EUR 1.1m) and on the other hand of the repayment rates for lease liabilities (Ø EUR 10.0m).

Due to the cyclicality of the business model shown during the COVID-19 crisis, the dependence on individual projects, and the currently increased debt situation, we have set the beta factor at 1.7. The risk-free return is assumed to be 2.5% based on long-term fixed-income securities. A market return of 9.0% is assumed, which leads to a risk premium of 6.5% and an equity cost of 12.10%. With an assumed debt ratio of 40% and a cost of debt of 9.0%, a WACC of 10.65% is obtained.

For the share of Kapsch TrafficCom AG, we calculate a fair value of EUR 11.25 based on the DCF model.

DCF Model

Figures in EUR m	2026e	2027e	2028e	2029e	2030e	2031e	2032e	Terminal Value
Sales	**507.2**	**531.3**	**556.4**	**582.5**	**609.2**	**635.7**	**661.9**	**678.5**
Change yoy	-4.4%	4.8%	4.7%	4.7%	4.6%	4.4%	4.1%	2.5%
EBIT	**40.3**	**19.5**	**26.7**	**34.0**	**36.2**	**38.4**	**40.6**	**44.1**
EBIT margin	8.0%	3.7%	4.8%	5.8%	5.9%	6.0%	6.1%	6.5%
NOPAT	**30.2**	**14.6**	**20.0**	**25.5**	**27.1**	**28.8**	**30.5**	**33.1**
Depreciation	**15.9**	**15.1**	**15.9**	**17.2**	**17.9**	**18.7**	**19.5**	**20.4**
in % of Sales	3.1%	2.8%	2.9%	2.9%	2.9%	2.9%	2.9%	3.0%
Change in Liquidity from								
- Working Capital	**4.6**	**-4.3**	**-4.5**	**-4.9**	**-4.8**	**-4.8**	**-4.8**	**-3.0**
- Capex	**-16.6**	**-17.1**	**-17.6**	**-18.3**	**-19.2**	**-20.0**	**-20.8**	**-20.4**
Capex in % of Sales	3.3%	3.2%	3.2%	3.1%	3.1%	3.1%	3.1%	3.0%
Other	**-0.5**	**-0.5**	**-0.6**	**-0.6**	**-0.6**	**-0.6**	**-0.7**	**-0.7**
Free Cash Flow (WACC model)	**33.1**	**8.4**	**13.7**	**19.4**	**20.3**	**23.1**	**24.7**	**30.0**
WACC	10.8%	10.8%	10.8%	10.8%	10.8%	10.8%	10.8%	10.8%
Present value	30.9	7.1	10.4	13.3	12.6	12.9	12.5	154.7
Total present value	**30.9**	**38.0**	**48.4**	**61.7**	**74.3**	**87.2**	**99.7**	**254.3**

Valuation (in EUR m)	
Total present value (Tpv)	254.3
Terminal Value	154.7
Share of TV on Tpv	61%
Liabilities	141.2
Liquidity	47.8
Equity value	**160.9**

Number of shares (in m)	14.3
Value per share (EUR)	**11.3**
+Upside / -Downside	**61%**
Share price (EUR)	**7.00**

Model parameter	
Debt ratio	40.0%
Costs of Debt	9.0%
Market return	9.0%
Risk free rate	2.5%

Beta	1.7
WACC	10.8%
Terminal Growth	2.0%

Growth: sales and margin		
Short term sales growth	2026-2029	4.7%
Mid term sales growth	2026-2032	4.5%
Long term sales growth	from 2033	2.5%
Short term EBIT margin	2026-2029	5.6%
Mid term EBIT margin	2026-2032	5.8%
Long term EBIT margin	from 2033	6.5%

Sensitivity Value per Share (EUR)	**Terminal Growth**				
WACC	1.25%	1.75%	**2.00%**	2.25%	2.75%
11.33%	9.49	9.97	10.23	10.50	11.09
11.08%	9.94	10.45	10.73	11.02	11.66
10.83%	10.41	10.96	**11.25**	11.57	12.26
10.58%	10.90	11.49	11.82	12.16	12.90
10.33%	11.43	12.07	12.41	12.78	13.59

Sensitivity Value per Share (EUR)	**EBIT-margin from 2033e**				
WACC	6.00%	6.25%	**6.50%**	6.75%	7.00%
11.33%	9.39	9.81	10.23	10.65	11.06
11.08%	9.85	10.29	10.73	11.16	11.60
10.83%	10.34	10.80	**11.25**	11.71	12.17
10.58%	10.86	11.34	11.82	12.29	12.77
10.33%	11.41	11.91	12.41	12.91	13.42

Source: Montega

Comparable Transactions

In recent times, several direct competitors of Kapsch have been acquired, making an analysis of these transactions worthwhile.

Take-Private of Q-Free in 2023: The Norwegian company has a comparable product portfolio to Kapsch and divides its revenues of NOK 949.0m (according to the last annual report of 2022) into the segments Tolling (65.5% revenue share) and Traffic Management (34.5%). In the tolling segment, Q-Free is predominantly active in Europe (81.4% of toll revenues), while 82.4% of traffic management revenues are generated in the Americas. In September 2023, an acquisition offer of NOK 12.00 per share was announced, which corresponds to a premium of 99.3% over the previous day's closing price. In December 2023, the stock was delisted. The buyer Juniper HoldCo is owned by the investment firms Guardian Capital Group and Rieber & Søn AS, of which the latter sold its majority shares in Q-Free to Juniper at the same price. The price per share corresponds to an equity market value of NOK 1,334.9m. Taking into account the net debt as of 30.09.2023 of NOK 144.6m, the paid enterprise value amounts to NOK 1,479.6m. Due to the company's previous stock market listing, not only detailed financial data but also analyst estimates (from February 2023) are available, allowing the calculation of expected multiples.

Q-Free KPIs (in NOK m)	**2022**	**2023e**	**2024e**	**2025e**
EBITDA	86.5	75.0	129.0	181.0
EBITDA Margin	9.1%	7.6%	12.1%	15.5%
EBIT	32.7	19.0	74.0	122.0
EBIT Margin	3.4%	1.9%	6.9%	10.4%
EV/EBITDA	17.1	19.7	11.5	8.2
EV/EBIT	45.5	77.9	20.0	12.1

Source: Company, ABG Sundal Collier, Montega

Acquisition of Siemens subsidiary Yunex Traffic in 2022: In January 2022, Atlantia (now: Mundys) announced the acquisition of Yunex Traffic from Siemens at an enterprise value of EUR 950m. Yunex is particularly represented with a leading role in traffic management, but also active in the toll sector with onboard units and solutions for managed lanes. With revenues of EUR 635.4m in 2021, an EBITDA of EUR 54.0m (EBITDA margin: 8.6%) was achieved. Accordingly, an **EV/EBITDA of 17.6** was paid.

Acquisition of TransCore by ST Engineering: With the announcement in October 2021 and the transaction completion in March 2022, TransCore was acquired by Singapore Technologies Engineering. TransCore is the market leader in the U.S. toll market and also offers traffic management solutions. During the acquisition the strong positioning in the emerging congestion charging sector was particularly highlighted. The acquisition was made at an enterprise value of USD 2.68bn. The company achieved revenues of USD 565m in the previous year 2020 and is highly profitable with an EBITDA of USD 143m (EBITDA margin: 25.3%). On this basis, the **EV/EBITDA was 18.7**; according to ST Engineering, the multiple including tax benefits was **16.2**. The consideration of the tax benefits is appropriate here to reflect the actual willingness to pay of the buyer.

In relation to the fiscal year before the acquisition, the paid EBITDA multiples are in a narrow range between 16.2 and 17.6. The average is 17.0. This would correspond to an **Enterprise Value of EUR 493.7m** for Kapsch (EBITDA 2024/25: EUR 29.0m) or a **value of EUR 25.60 per share**, which implies an upside of 265.7% at a price of EUR 7.00.

This statement is limited by the fact that the acquisitions of Yunex and TransCore had strategic backgrounds and were accompanied with clear synergy expectations from the buyers, which, however, are not quantifiable externally.

According to analyst estimates, stronger top-line growth and higher margin expansion were expected at Q-Free than our Kapsch forecasts predict. For the future Q-Free multiples, the value per share of Kapsch is as follows:

Value per Share (in EUR)	**FY**	**FY+1**	**FY+2**	**FY+3**
EV/EBITDA Basis	25.81	68.50	18.88	15.48
EV/EBIT Basis	30.93	210.73	18.29	13.64

The value for the next financial year is distorted by the extraordinarily high multiples and the one-time effect at Kapsch. The **range from EUR 13.64 to EUR 18.88** for the years 2026/27 and 2027/28 is, in our opinion, meaningful and indicates an undervaluation of the stock, which confirms our DCF-based assessment.

Peer Group Analysis

The peer group analysis is not meaningful due to a lack of comparable publicly listed companies and is included here solely for the sake of completeness. The selected companies overlap in at least one business area with their product and service offerings, but overall offer only limited comparability.

Conduent Inc.: Conduent is a globally active company based in the USA, offering digital services and solutions for various business processes. It is divided into the following three business areas: commercial services, public solutions, and the transportation segment. The latter includes (electronic) toll collection, traffic management solutions, and payment services in public transport. In the fiscal year 2024, 18% (USD 586m) of the revenues were attributed to this segment. The other two segments serve customers in areas such as healthcare, as well as customer and personnel management.

Edenred SE: The provider of transaction solutions from France operates in the segments of Benefits & Engagement, Mobility, and Complementary Services. In the fiscal year 2024, a large portion of the revenues (61%) was generated in Europe. The Mobility segment generated EUR 624m, accounting for 24% of the 2024 revenues, and offers, in addition to toll collection solutions, other services for charging electric vehicles, fleet management, or freight payment services.

Sensys Gatso Group AB: Sensys Gatso is a leading hardware and software provider for automated traffic monitoring from Sweden. The revenue in the fiscal year amounted to SEK 631m, of which 43% came from European countries, followed by America (30%) and the Middle East and Asia-Pacific region (27%). Their solutions ensure more safety on the roads, among others, through intelligent traffic light control and more effective tracking of traffic violations.

Singapore Technologies Engineering Ltd.: The corporate group, with its subsidiary TransCore, is one of the main competitors of Kapsch and also offers hardware and software for electronic toll collection as well as other traffic management solutions. In addition to the Urban Solutions & Satcom segment, which includes TransCore, the group is active in the Commercial Aerospace and Defence & Public Security segments. The Urban Solutions & Satcom segment generated revenues of SGD 2.0bn in the 2023 fiscal year, which corresponds to 24% of total revenue.

TagMaster AB: The Swedish company develops and produces hardware and software in the field of traffic and parking management. It is active in Europe and North America in roughly equal parts and generated total revenues of SEK 420m in the 2024 fiscal year. TagMaster specializes in the production of devices with advanced sensor technology, such as RFID (Radio Frequency Identification).

W.A.G. Payment Solutions Plc.: The company, based in Great Britain, offers payment services (57% of revenue in 2024) and mobility solutions (43% of revenue in 2024) through its two segments. The offerings range from fuel cards to the production and sale of devices for European toll collection (EETS) and their billing, to mobile navigation applications.

To ensure the highest possible temporal overlap, we have assigned Kapsch's annual values to the previous year, meaning the fiscal year 2025/26 counts as 2025, as three quarters of the fiscal year fall in 2025.

The peer group companies are valued with significantly higher revenue multiples, but they also have higher expected growth rates and margins. The earnings figures for Kapsch for the fiscal year 2025/26 are distorted by a one-time effect, which is why the implied fair values per share of EUR 20.49 based on EV/EBITDA are not representative. The fair values for the coming years of EUR 4.65 (2026/27e) and EUR 5.56 (2027/28e) are only of limited significance due to the limited comparability of business models. Additionally, it should be noted that in our opinion, Kapsch has not yet realized its margin potential, which should be possible with higher revenues, even by 2027/28. Kapsch's low revenue multiple of 0.4 compared to the peer median of 1.8 (2025/26e) suggests that profitability improvements would justify a higher valuation level.

Peergroup Kapsch TrafficCom AG

	EV	EV / Sales				Growth yoy			
Company	(m LC)	**2024**	**2025e**	**2026e**	**2027e**	**2024**	**2025e**	**2026e**	**2027e**
Conduent Incorporated	1,142	0.3	0.4	0.3	0.3	-9.8%	-5.5%	3.0%	25.9%
Edenred SE	8,366	2.9	2.8	2.6	2.4	13.6%	4.8%	6.6%	7.4%
Sensys Gatso Group AB (publ)	759	1.2	1.0	0.9	0.7	1.2%	16.4%	17.6%	20.0%
Singapore Technologies Engineering Ltd	31,497	2.8	2.6	2.4	2.2	11.6%	9.5%	8.2%	7.8%
TagMaster AB (publ)	290	0.7	0.6	0.6	0.5	3.9%	10.6%	10.3%	5.8%
W.A.G payment solutions plc	824	2.8	2.5	2.2	2.1	-86.0%	10.8%	13.2%	8.3%
Median		**2.0**	**1.8**	**1.6**	**1.4**	**2.6%**	**10.0%**	**9.3%**	**8.0%**
Kapsch TrafficCom AG	**227.7**	**0.4**	**0.4**	**0.4**	**0.4**	**-1.6%**	**-4.4%**	**4.8%**	**4.7%**
Potential/Difference		365%	298%	264%	243%	-4.1 PP	-14.4 PP	-4.5 PP	-3.3 PP
Fair value per share		**65.16**	**54.44**	**49.08**	**45.62**				

	EV	EV / EBITDA				EBITDA margin			
Company	(m LC)	**2024**	**2025e**	**2026e**	**2027e**	**2024**	**2025e**	**2026e**	**2027e**
Conduent Incorporated	1,142	9.2	7.1	4.9	n.a.	3.7%	5.1%	7.1%	n.a.
Edenred SE	8,366	6.6	6.2	5.9	5.4	44.3%	44.9%	44.7%	45.0%
Sensys Gatso Group AB (publ)	759	11.0	7.9	6.1	4.7	10.9%	13.1%	14.5%	15.4%
Singapore Technologies Engineering Ltd	31,497	19.5	18.1	16.6	15.4	14.3%	14.1%	14.2%	14.2%
TagMaster AB (publ)	290	6.8	9.1	4.7	4.1	10.2%	6.9%	12.1%	12.9%
W.A.G payment solutions plc	824	6.8	6.1	5.4	4.9	41.6%	41.5%	41.8%	42.6%
Median		**8.0**	**7.5**	**5.6**	**4.9**	**12.6%**	**13.6%**	**14.3%**	**15.4%**
Kapsch TrafficCom AG	**227.7**	**7.8**	**4.1**	**6.6**	**5.4**	**5.5%**	**11.1%**	**6.5%**	**7.6%**
Potential/Difference		2%	85%	-15%	-9%	-7.1 PP	-2.5 PP	-7.8 PP	-7.8 PP
Fair value per share		**7.30**	**20.49**	**4.65**	**5.56**				

	EV	EV/EBIT				EBIT margin			
Company	(m LC)	**2024**	**2025e**	**2026e**	**2027e**	**2024**	**2025e**	**2026e**	**2027e**
Conduent Incorporated	1,142	n.a.	4.62	4.22	4.05	n.a.	7.8%	8.3%	6.9%
Edenred SE	8,366	8.04	7.66	7.19	6.62	36.4%	36.5%	36.5%	36.9%
Sensys Gatso Group AB (publ)	759	32.68	17.24	10.39	7.02	3.7%	6.0%	8.4%	10.4%
Singapore Technologies Engineering Ltd	31,497	29.26	27.23	24.58	22.46	9.5%	9.4%	9.6%	9.7%
TagMaster AB (publ)	290	28.16	neg.	13.82	10.75	2.5%	-1.3%	4.1%	5.0%
W.A.G payment solutions plc	824	10.84	9.34	8.01	7.22	26.0%	27.2%	28.0%	28.7%
Median		**28.16**	**9.34**	**9.20**	**7.12**	**9.5%**	**8.6%**	**9.0%**	**10.1%**
Kapsch TrafficCom AG	**227.7**	**18.14**	**5.65**	**11.70**	**8.54**	**2.4%**	**8.0%**	**3.7%**	**4.8%**
Potential/Difference		55%	65%	-21%	-17%	-7.2 PP	-0.6 PP	-5.4 PP	-5.3 PP
Fair value per share		**15.80**	**17.40**	**3.59**	**4.36**				

	Price	PE				FCF yield			
Company	(LC)	**2024**	**2025e**	**2026e**	**2027e**	**2024**	**2025e**	**2026e**	**2027e**
Conduent Incorporated	2.70	1.2	neg.	neg.	neg.	-9.3%	2.5%	4.1%	30.4%
Edenred SE	26.78	12.6	11.1	10.0	8.9	9.9%	10.2%	11.3%	11.4%
Sensys Gatso Group AB (publ)	41.90	85.5	26.0	11.7	7.1	-2.3%	-5.8%	-7.0%	-8.0%
Singapore Technologies Engineering Ltd	8.21	36.7	30.7	27.0	24.1	3.9%	3.2%	3.6%	4.0%
TagMaster AB (publ)	14.40	n.a.	neg.	20.6	12.0	19.9%	5.5%	12.8%	15.5%
W.A.G payment solutions plc	0.83	17.9	13.0	10.0	8.1	10.0%	5.7%	8.7%	12.9%
Median		**17.9**	**19.5**	**11.7**	**8.9**	**6.9%**	**4.3%**	**6.4%**	**12.1%**
Kapsch TrafficCom AG	**7.00**	**neg.**	**5.7**	**35.0**	**12.1**	**8.8%**	**17.9%**	**6.9%**	**8.9%**
Potential/Difference		n.a.	243%	-66%	-26%	-21%	13.6 PP	0.5 PP	-3.3 PP
Fair value per share		**n.m.**	**24.00**	**2.35**	**5.15**				

Company Background

Kapsch TrafficCom AG is a world-leading provider in the market for intelligent traffic systems. The group builds and operates toll and traffic management systems and offers self-developed hardware components and software platforms. The customers include both governments and other public entities (B2G) as well as private companies (B2B).

Sektor	Electronic Components and Instruments
Ticker	KTCG
Mitarbeiter	3,041 (31.03.)
Umsatz	EUR 530.3m
EBIT	EUR 12.6m
EBIT-Marge	2.5%
Geschäftsmodell	Development, production, implementation and operation of soft- and hardware for toll collection and traffic management
Standorte	Austria (Headquarter: Vienna), Bulgaria, Germany, France, Ireland, Craotia, Poland, Sweden, Spain, Czech Republic, United Kingdom, South Africa, Saudi Arabia, Sangapore, UAE, Australia, New Zealand, Argentina, Brazil, Chile, Guatemala, Mexico, Peru, Canada, North America
Kundenstruktur	International customer base of public and private companies

Source: Company, Montega; as of: FY 2024/25

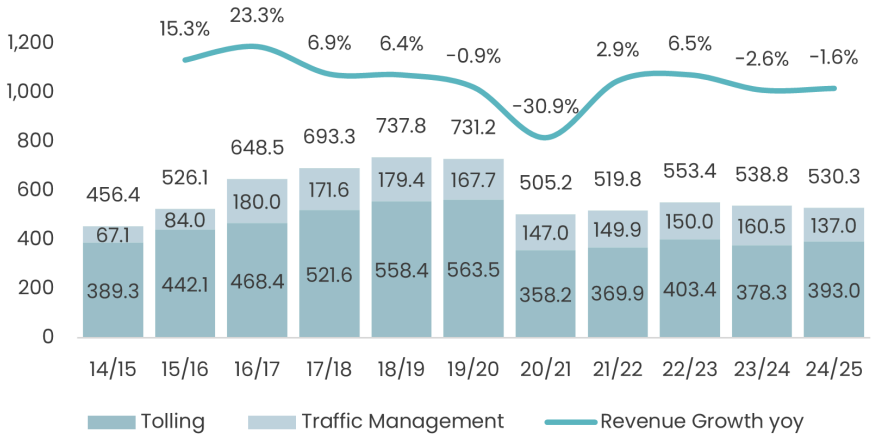
Major Events in the Company's History

- **1892** Johann Kapsch founds a workshop for the production of telephony and morse devices in Vienna-Neubau
- **1923** First-time manufacturing of radio receivers
- **1991** Entry into the market of toll collection and traffic management systems
- **2002** Establishment of Kapsch TrafficCom AG as a subsidiary of the Kapsch Group
- **2007** IPO in the Prime Market of the Vienna Stock Exchange
- **2010** Entry into the North American toll market through the acquisition of Mark IV IVHS Inc.
- **2019** Premature termination of contracts for the collection and control of the German car toll project after ECJ ruling
- **2020** Operational challenges due to supply chain bottlenecks, personnel shortages, and difficulties in software implementation in multiple projects
- **2023** Settlement in conciliation processes with the Federal Republic of Germany brings special income amounting to EUR 79.2m; further payment expected in 2025/26
- **2025** Partial sale and deconsolidation of Kapsch Telematic Services IOOO, which operates the toll project in Belarus with an annual turnover of EUR 39.3m

Markets and Products

Kapsch TrafficCom builds and operates toll and traffic management systems and manufactures the corresponding components, which are used in its own projects and also sold separately. The majority of revenues are generated in the toll segment (revenue share for 2024/25: 74.1%). The company acts as a global provider with focus markets in Europe, North America, Latin America, and Oceania. The EMEA region accounts for a revenue share of 48.5%, the Americas for 47.0%, and the APAC region for 4.5%.

Historical Revenue Development by Segments
(in EUR m; in %)



Source: Company, Montega

Tolling:

Kapsch TrafficCom offers comprehensive systems for all-electronic toll collection for various applications. These include barrier-free toll solutions in multi-lane free-flow traffic, urban toll systems, toll collection on special lanes – such as for low-occupancy vehicles – as well as large-scale, distance-based toll concepts. The company supports all common technologies for vehicle identification. These include both communication between onboard units (OBUs) and roadside infrastructure based on radio technologies such as RFID and DSRC, as well as video-based solutions for automatic license plate recognition and satellite-based systems using GNSS. The offering of conventional toll stations in select markets completes the portfolio.

The product portfolio includes, among others, OBUs for various frequency ranges, including 915 MHz (RFID, TDM) for applications in North America and 5.8 GHz CEN (DSRC) for European markets. For interoperable systems, particularly within the framework of the European Electronic Toll Service (EETS) Directive, combined GNSS/DSRC devices are also available. Additionally, Kapsch offers the corresponding roadside infrastructure and camera-based recognition systems.

In the software sector, the offerings include, among others, the Deep Learning Versatile Platform (DLVP) for automated video analysis and vehicle classification as well as the Geo Location Platform (GLP) for distance-based fee calculation based on GNSS data. The portfolio is complemented by a variety of operational and commercial back-office solutions for transaction processing, customer management, and enforcement of toll regulations.

Traffic Management:

In the traffic management segment, Kapsch TrafficCom offers modular hardware and software solutions for controlling and optimizing traffic flows in cities, on highways, as well as in tunnels, bridges, and on key traffic arteries and corridors. The goal is to enable more efficient, safer, and more sustainable traffic flow based on data-driven analyses.

The central element is the EcoTrafiX platform, an integrated traffic management system that visualizes traffic data on maps, automatically detects incidents, and allows forecasts of future traffic conditions. Additionally, Kapsch offers the EcoTrafiX Controller, a control unit used, among other things, for the intelligent control of traffic lights and variable traffic signs. Particularly, the adaptive, soon also real-time responsive traffic light control is a central instrument of traffic management to harmonize traffic flows, relieve junctions, and specifically react to disruptions or prioritizations – for example, for public transport. The DYNAC software is used for traffic control in tunnels and on bridges.

For the area of connected driving, Kapsch provides solutions for Cooperative Intelligent Transport Systems (C-ITS) with the Connected Mobility Control Center (CMCC) as well as corresponding onboard units and roadside infrastructure, enabling V2X communication between vehicles and infrastructure.

The Deep Learning Versatile Platform (DLVP) is also used in traffic management and serves the AI-based analysis of video data for the automated detection and classification of traffic situations. In addition, the Mobility Data Platform (MDP) supports the evaluation and integration of external data sources, particularly from authorities, for deriving traffic strategic decisions.

Selected Tolling Products

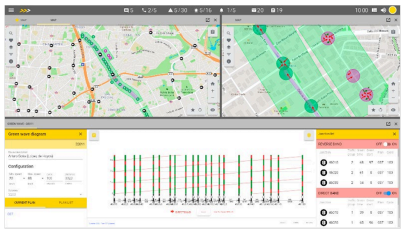
DSRC OBU (TRP-4010)

DSRC/GNSS OBU (OBU 5310)

Cameras and Receiver

Selected Traffic Management Products

Roadside V2X Unit (RIS-9260)



EcoTrafix Software

EcoTrafiX Controller

Source: Company, Montega

Management

The management team of Kapsch TrafficCom AG consists of three executives.

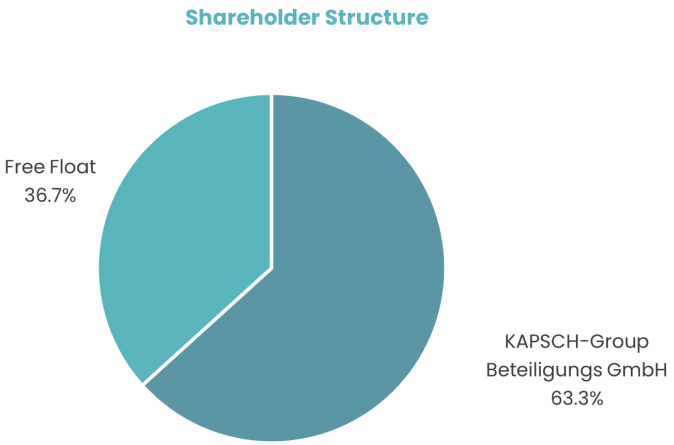
Georg Kapsch (CEO) has been the managing director of KAPSCH-Group Beteiligungs GmbH since December 2000 and CEO of Kapsch TrafficCom since December 2002. After studying business administration at the Vienna University of Economics and Business, he started his career in consumer goods marketing within the Kapsch Group before moving into investment goods marketing. He has also been involved in various organizations, most recently serving as President of the Federation of Austrian Industries from 2012 to 2020.

Alfredo Escribá (CTO) has been Chief Technology Officer and Executive Board Member at Kapsch TrafficCom since May 2019. He started in May 2016 as Executive Vice President of the Urban Traffic and Mobility Solution Centers and brings over 20 years of international experience in the Intelligent Transportation segment. His academic background includes a Master in Engineering from the Polytechnic University of Madrid, an MBA, as well as an MS in Data Analytics.

Samuel Kapsch (COO) has been responsible since April 1, 2025, for Supply Chain Management, Production, the Latin America and Asia-Pacific regions, as well as the Marketing and Communications department at Kapsch. Previously, he led the Latin America region as Executive Vice President since 2022, overseeing more than 500 employees. He studied Business Administration in Madrid and California and gained valuable experience in digital transformation in management consulting.

Shareholder Structure

Kapsch TrafficCom AG has been listed on the Prime Market of the Vienna Stock Exchange since June 26, 2007. The issued capital of EUR 14,300,000 is distributed over 14,300,000 shares, of which 63.3% are held by KAPSCH-Group Beteiligungs GmbH. KAPSCH-Group Beteiligungs GmbH is a 100% subsidiary of DATAX HandelsgmbH, whose shares are held equally by two private foundations. The beneficiaries of the two foundations are Georg and Elisabeth Kapsch and their family members. The remaining 36.7% of the shares are in free float.



Source: Company

DCF Model

Figures in EUR m	2026e	2027e	2028e	2029e	2030e	2031e	2032e	Terminal Value
Sales	**507.2**	**531.3**	**556.4**	**582.5**	**609.2**	**635.7**	**661.9**	**678.5**
Change yoy	-4.4%	4.8%	4.7%	4.7%	4.6%	4.4%	4.1%	2.5%
EBIT	**40.3**	**19.5**	**26.7**	**34.0**	**36.2**	**38.4**	**40.6**	**44.1**
EBIT margin	8.0%	3.7%	4.8%	5.8%	5.9%	6.0%	6.1%	6.5%
NOPAT	**30.2**	**14.6**	**20.0**	**25.5**	**27.1**	**28.8**	**30.5**	**33.1**
Depreciation	**15.9**	**15.1**	**15.9**	**17.2**	**17.9**	**18.7**	**19.5**	**20.4**
in % of Sales	3.1%	2.8%	2.9%	2.9%	2.9%	2.9%	2.9%	3.0%
Change in Liquidity from								
- Working Capital	**4.6**	**-4.3**	**-4.5**	**-4.9**	**-4.8**	**-4.8**	**-4.8**	**-3.0**
- Capex	**-16.6**	**-17.1**	**-17.6**	**-18.3**	**-19.2**	**-20.0**	**-20.8**	**-20.4**
Capex in % of Sales	3.3%	3.2%	3.2%	3.1%	3.1%	3.1%	3.1%	3.0%
Other	**-0.5**	**-0.5**	**-0.6**	**-0.6**	**-0.6**	**-0.6**	**-0.7**	**-0.7**
Free Cash Flow (WACC model)	**33.1**	**8.4**	**13.7**	**19.4**	**20.3**	**23.1**	**24.7**	**30.0**
WACC	10.8%	10.8%	10.8%	10.8%	10.8%	10.8%	10.8%	10.8%
Present value	30.9	7.1	10.4	13.3	12.6	12.9	12.5	154.7
Total present value	**30.9**	**38.0**	**48.4**	**61.7**	**74.3**	**87.2**	**99.7**	**254.3**

Valuation (in EUR m)	
Total present value (Tpv)	254.3
Terminal Value	154.7
Share of TV on Tpv	61%
Liabilities	141.2
Liquidity	47.8
Equity value	**160.9**

Number of shares (in m)	14.3
Value per share (EUR)	**11.3**
+Upside / -Downside	**61%**
Share price (EUR)	**7.00**

Model parameter	
Debt ratio	40.0%
Costs of Debt	9.0%
Market return	9.0%
Risk free rate	2.5%

Beta	1.7
WACC	10.8%
Terminal Growth	2.0%

Growth: sales and margin		
Short term sales growth	2026-2029	4.7%
Mid term sales growth	2026-2032	4.5%
Long term sales growth	from 2033	2.5%
Short term EBIT margin	2026-2029	5.6%
Mid term EBIT margin	2026-2032	5.8%
Long term EBIT margin	from 2033	6.5%

Sensitivity Value per Share (EUR)	**Terminal Growth**				
WACC	1.25%	1.75%	**2.00%**	2.25%	2.75%
11.33%	9.49	9.97	10.23	10.50	11.09
11.08%	9.94	10.45	10.73	11.02	11.66
10.83%	10.41	10.96	**11.25**	11.57	12.26
10.58%	10.90	11.49	11.82	12.16	12.90
10.33%	11.43	12.07	12.41	12.78	13.59

Sensitivity Value per Share (EUR)	**EBIT-margin from 2033e**				
WACC	6.00%	6.25%	**6.50%**	6.75%	7.00%
11.33%	9.39	9.81	10.23	10.65	11.06
11.08%	9.85	10.29	10.73	11.16	11.60
10.83%	10.34	10.80	**11.25**	11.71	12.17
10.58%	10.86	11.34	11.82	12.29	12.77
10.33%	11.41	11.91	12.41	12.91	13.42

Source: Montega

P&L (in EUR m) Kapsch TrafficCom AG	2023	2024	2025	2026e	2027e	2028e
Sales	**553.4**	**538.8**	**530.3**	**507.2**	**531.3**	**556.4**
Increase / decrease in inventory	2.0	1.3	1.4	0.0	0.0	0.0
Own work capitalised	0.0	0.0	0.0	0.0	0.0	0.0
Total sales	**555.4**	**540.2**	**531.7**	**507.2**	**531.3**	**556.4**
Material Expenses	222.6	232.7	198.6	207.0	214.9	222.9
Gross profit	**332.8**	**307.4**	**333.1**	**300.2**	**316.4**	**333.5**
Personnel expenses	247.9	242.4	250.6	228.9	235.8	242.9
Other operating expenses	76.2	73.2	90.5	73.5	76.5	79.6
Other operating income	20.1	81.3	31.4	49.8	21.8	22.8
EBITDA	**27.1**	**88.5**	**29.0**	**56.2**	**34.6**	**42.6**
Depreciation on fixed assets	17.3	14.1	14.3	13.8	12.9	13.6
EBITA	**9.7**	**74.5**	**14.7**	**42.4**	**21.7**	**29.0**
Amortisation of intangible assets	4.5	4.2	2.2	2.1	2.2	2.3
Impairment charges and Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	**5.2**	**70.3**	**12.6**	**40.3**	**19.5**	**26.7**
Financial result	-15.1	-33.4	-16.9	-16.2	-14.9	-14.1
Result from ordinary operations	**-9.9**	**36.9**	**-4.3**	**24.1**	**4.5**	**12.6**
Extraordinary result	0.0	0.0	0.0	0.0	0.0	0.0
EBT	**-9.9**	**36.9**	**-4.3**	**24.1**	**4.5**	**12.6**
Taxes	14.4	14.6	-1.2	6.0	1.1	3.8
Net Profit of continued operations	**-24.2**	**22.3**	**-3.1**	**18.1**	**3.4**	**8.8**
Net Profit of discontinued operations	0.0	0.0	0.0	0.0	0.0	0.0
Net profit before minorities	**-24.2**	**22.3**	**-3.1**	**18.1**	**3.4**	**8.8**
Minority interests	0.6	-0.9	3.8	0.5	0.5	0.6
Net profit	**-24.8**	**23.2**	**-6.9**	**17.6**	**2.9**	**8.2**

Source: Company (reported results), Montega (forecast)

P&L (in % of Sales) Kapsch TrafficCom AG	2023	2024	2025	2026e	2027e	2028e
Sales	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Increase / decrease in inventory	0.4%	0.2%	0.3%	0.0%	0.0%	0.0%
Own work capitalised	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total sales	**100.4%**	**100.2%**	**100.3%**	**100.0%**	**100.0%**	**100.0%**
Material Expenses	40.2%	43.2%	37.5%	40.8%	40.4%	40.1%
Gross profit	**60.1%**	**57.1%**	**62.8%**	**59.2%**	**59.6%**	**59.9%**
Personnel expenses	44.8%	45.0%	47.3%	45.1%	44.4%	43.7%
Other operating expenses	13.8%	13.6%	17.1%	14.5%	14.4%	14.3%
Other operating income	3.6%	15.1%	5.9%	9.8%	4.1%	4.1%
EBITDA	**4.9%**	**16.4%**	**5.5%**	**11.1%**	**6.5%**	**7.6%**
Depreciation on fixed assets	3.1%	2.6%	2.7%	2.7%	2.4%	2.4%
EBITA	**1.8%**	**13.8%**	**2.8%**	**8.4%**	**4.1%**	**5.2%**
Amortisation of intangible assets	0.8%	0.8%	0.4%	0.4%	0.4%	0.4%
Impairment charges and Amortisation of goodwill	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EBIT	**0.9%**	**13.0%**	**2.4%**	**8.0%**	**3.7%**	**4.8%**
Financial result	-2.7%	-6.2%	-3.2%	-3.2%	-2.8%	-2.5%
Result from ordinary operations	**-1.8%**	**6.8%**	**-0.8%**	**4.8%**	**0.8%**	**2.3%**
Extraordinary result	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EBT	**-1.8%**	**6.8%**	**-0.8%**	**4.8%**	**0.8%**	**2.3%**
Taxes	2.6%	2.7%	-0.2%	1.2%	0.2%	0.7%
Net Profit of continued operations	**-4.4%**	**4.1%**	**-0.6%**	**3.6%**	**0.6%**	**1.6%**
Net Profit of discontinued operations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net profit before minorities	**-4.4%**	**4.1%**	**-0.6%**	**3.6%**	**0.6%**	**1.6%**
Minority interests	0.1%	-0.2%	0.7%	0.1%	0.1%	0.1%
Net profit	**-4.5%**	**4.3%**	**-1.3%**	**3.5%**	**0.5%**	**1.5%**

Source: Company (reported results), Montega (forecast)

Balance sheet (in EUR m) Kapsch TrafficCom AG	2023	2024	2025	2026e	2027e	2028e
ASSETS						
Intangible assets	31.8	27.9	27.1	26.1	24.9	23.7
Property, plant & equipment	52.1	46.0	43.1	45.3	49.2	53.2
Financial assets	41.0	7.7	22.1	22.1	22.1	22.1
Fixed assets	**124.8**	**81.6**	**92.3**	**93.5**	**96.2**	**99.0**
Inventories	45.1	47.8	49.0	46.9	49.1	51.4
Accounts receivable	84.7	95.8	84.7	80.6	84.4	88.4
Liquid assets	45.2	33.4	47.8	47.3	32.6	23.2
Other assets	180.3	185.1	180.6	177.4	180.7	184.2
Current assets	**355.3**	**362.1**	**362.1**	**352.2**	**346.8**	**347.3**
Total assets	**480.1**	**443.7**	**454.4**	**445.7**	**443.0**	**446.3**
LIABILITIES AND SHAREHOLDERS' EQUITY						
Shareholders' equity	**56.3**	**90.1**	**89.0**	**106.6**	**109.5**	**117.7**
Minority Interest	**-5.0**	**-6.7**	**2.0**	**2.5**	**3.0**	**3.6**
Provisions	43.1	50.4	49.8	49.3	49.9	50.5
Financial liabilities	233.4	140.7	150.6	129.1	117.4	106.0
Accounts payable	75.1	62.9	58.8	56.2	58.9	61.7
Other liabilities	77.3	106.2	104.2	101.9	104.3	106.8
Liabilities	**428.8**	**360.3**	**363.4**	**336.6**	**330.6**	**325.0**
Total liabilities and shareholders' equity	**480.1**	**443.7**	**454.4**	**445.7**	**443.0**	**446.3**

Source: Company (reported results), Montega (forecast)

Balance sheet (in %) Kapsch TrafficCom AG	2023	2024	2025	2026e	2027e	2028e
ASSETS						
Intangible assets	6.6%	6.3%	6.0%	5.8%	5.6%	5.3%
Property, plant & equipment	10.9%	10.4%	9.5%	10.2%	11.1%	11.9%
Financial assets	8.5%	1.7%	4.9%	5.0%	5.0%	5.0%
Fixed assets	**26.0%**	**18.4%**	**20.3%**	**21.0%**	**21.7%**	**22.2%**
Inventories	9.4%	10.8%	10.8%	10.5%	11.1%	11.5%
Accounts receivable	17.6%	21.6%	18.6%	18.1%	19.1%	19.8%
Liquid assets	9.4%	7.5%	10.5%	10.6%	7.4%	5.2%
Other assets	37.5%	41.7%	39.7%	39.8%	40.8%	41.3%
Current assets	**74.0%**	**81.6%**	**79.7%**	**79.0%**	**78.3%**	**77.8%**
Total Assets	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
LIABILITIES AND SHAREHOLDERS' EQUITY						
Shareholders' equity	**11.7%**	**20.3%**	**19.6%**	**23.9%**	**24.7%**	**26.4%**
Minority Interest	**-1.0%**	**-1.5%**	**0.4%**	**0.6%**	**0.7%**	**0.8%**
Provisions	9.0%	11.4%	11.0%	11.1%	11.3%	11.3%
Financial liabilities	48.6%	31.7%	33.2%	29.0%	26.5%	23.8%
Accounts payable	15.6%	14.2%	12.9%	12.6%	13.3%	13.8%
Other liabilities	16.1%	23.9%	22.9%	22.9%	23.5%	23.9%
Total Liabilities	**89.3%**	**81.2%**	**80.0%**	**75.5%**	**74.6%**	**72.8%**
Total Liabilites and Shareholders' Equity	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Source: Company (reported results), Montega (forecast)

Statement of cash flows (in EUR m) Kapsch TrafficCom AG	2023	2024	2025	2026e	2027e	2028e
Net income	-24.2	22.3	-3.1	18.1	3.4	8.8
Depreciation of fixed assets	17.3	14.1	14.3	13.8	12.9	13.6
Amortisation of intangible assets	4.5	4.2	2.2	2.1	2.2	2.3
Increase/decrease in long-term provisions	-3.8	0.9	-0.2	-0.5	0.5	0.5
Other non-cash related payments	9.2	23.9	-8.4	9.7	8.2	7.1
Cash flow	**2.9**	**65.3**	**4.8**	**43.2**	**27.2**	**32.3**
Increase / decrease in working capital	-0.2	-3.4	16.3	4.6	-4.3	-4.5
Cash flow from operating activities	**2.7**	**61.9**	**27.7**	**47.8**	**22.9**	**27.8**
CAPEX	-4.2	-6.0	-7.7	-6.9	-7.2	-7.6
Other	4.0	49.8	1.3	0.0	0.0	0.0
Cash flow from investing activities	**-0.2**	**43.8**	**-6.5**	**-6.9**	**-7.2**	**-7.6**
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0
Change in financial liabilities	-4.3	-89.0	5.3	-31.7	-22.3	-22.6
Other	-8.8	-22.6	-11.8	-9.7	-8.1	-7.0
Cash flow from financing activities	**-13.1**	**-111.6**	**-6.5**	**-41.3**	**-30.4**	**-29.6**
Effects of exchange rate changes on cash	-3.9	-5.9	-0.3	0.0	0.0	0.0
Change in liquid funds	**-10.6**	**-5.9**	**14.7**	**-0.5**	**-14.7**	**-9.4**
Liquid assets at end of period	**45.2**	**33.4**	**47.8**	**47.3**	**32.6**	**23.2**

Source: Company (reported results), Montega (forecast)

Key figures Kapsch TrafficCom AG	2023	2024	2025	2026e	2027e	2028e
Earnings margins						
Gross margin (%)	60.1%	57.1%	62.8%	59.2%	59.6%	59.9%
EBITDA margin (%)	4.9%	16.4%	5.5%	11.1%	6.5%	7.6%
EBIT margin (%)	0.9%	13.0%	2.4%	8.0%	3.7%	4.8%
EBT margin (%)	-1.8%	6.8%	-0.8%	4.8%	0.8%	2.3%
Net income margin (%)	-4.4%	4.1%	-0.6%	3.6%	0.6%	1.6%
Return on capital						
ROCE (%)	2.0%	29.6%	5.8%	18.8%	9.0%	11.9%
ROE (%)	-31.8%	45.2%	-8.2%	19.3%	2.6%	7.3%
ROA (%)	-5.2%	5.2%	-1.5%	3.9%	0.6%	1.8%
Solvency						
YE net debt (in EUR)	210.3	130.3	125.7	104.1	107.7	106.2
Net debt / EBITDA	7.8	1.5	4.3	1.9	3.1	2.5
Net gearing (Net debt/equity)	4.1	1.6	1.4	1.0	1.0	0.9
Cash Flow						
Free cash flow (EUR m)	-1.5	55.9	20.0	40.9	15.7	20.2
Capex / sales (%)	1.4%	-8.0%	1.0%	1.4%	1.4%	1.4%
Working capital / sales (%)	19.7%	20.6%	19.7%	18.6%	17.7%	17.7%
Valuation						
EV/Sales	0.4	0.4	0.4	0.4	0.4	0.4
EV/EBITDA	8.4	2.6	7.8	4.1	6.6	5.4
EV/EBIT	43.4	3.2	18.1	5.6	11.7	8.5
EV/FCF	-	4.1	11.4	5.6	14.5	11.3
PE	-	4.1	-	5.7	35.0	12.1
P/B	1.8	1.1	1.1	0.9	0.9	0.9
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%	2.8%

Source: Company (reported results), Montega (forecast)

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Company	Disclosure (as of 08.07.2025)
Kapsch TrafficCom AG	1, 8, 9

Price history

Recommendation	Date	Price (EUR)	Price target (EUR)	Potential
Buy (Initiation)	08.07.2025	7.00	11.00	+57%