

Press Release.

Kapsch TrafficCom – Results for financial year 2021/22.

Headlines.

- Operational turnaround achieved, EBIT positive again effect.
- Both segments EBIT positive
- Revenues slightly higher - overall, in both segments and in all regions
- Tax line prevents positive result for the period
- Guidance 2022/23: stable revenue level and further EBIT improvement

„I am pleased that we have managed the operative turnaround. In a challenging environment, both segments grew and we grew in all regions. In the new financial year, we want to further improve profitability“, says Georg Kapsch, CEO of Kapsch TrafficCom.

Unless otherwise stated, all values in EUR million	2020/21	2021/22	+/-
Revenues	505.2	519.8	+2.9%
EBIT	-123.2	11.0	<i>n.a.</i>
EBIT margin	-24.4%	2.1%	+26.5pp
Result for the period attributable to equity holders	-102.9	-9.3	+91%
Earnings per share (EUR)	-7.91	-0.72	€ +7.19

Vienna, June 15, 2022 – The financial year 2021/22 has essentially delivered what Kapsch TrafficCom had predicted in the outlook of the consolidated financial statements of the previous financial year: Revenues showed slight growth and EBIT was positive again.

After a difficult phase, Kapsch TrafficCom succeeded in achieving a visible turnaround as from the first quarter. This was accomplished despite a restrained revenue development, which was primarily due to two reasons. On the one hand, the main focus in North America continued to be on stabilizing the organization following extensive restructuring measures. Secondly, the Group continued to feel the effects of the COVID-19 pandemic.

- New business momentum was persistently low, especially in the European implementation business, due to a lack of sufficient market opportunities. The majority of the company's customers are public institutions, authorities or corporations. In most countries, their focus was either on combating the pandemic or on supporting the economy and labor markets. Strengthening budgets and investments to support environmental goals were therefore not yet a sufficient priority.
- In addition, bottlenecks in electronic components meant that existing demand for components could not be met as desired and an order backlog formed.

As of February 24, 2022, the attention of the world public was focused on the fighting in Ukraine. Kapsch TrafficCom has no customers in this country. As a result of the sanctions imposed by the European Union against Russia, Kapsch TrafficCom did not accept any new orders from this country. Revenues in Russia have always been below 1% of Group revenues in recent years. The sanctions against Belarus affected Kapsch TrafficCom only to a minor extent.

In this environment, Kapsch TrafficCom succeeded in increasing revenues to EUR 520 million (+3%) in financial year 2021/22. The tolling and traffic management segments grew by 3% and 2%, respectively.

Positive growth rates were also recorded across the board from a regional perspective: Revenues in the Europe, Middle East, Africa ("EMEA") region increased by 2%, those in North, Central and South America ("Americas") by 3% and revenues in Asia Pacific ("APAC") by 11%.

The result from operating activities (EBIT) was positive at EUR 11 million (previous year: EUR -123 million). The turnaround was achieved, although special effects in the amount of EUR -32 million (previous year: EUR -132 million) burdened EBIT.

The financial result amounted to EUR -5 million (previous year: EUR -10 million). Tax expenses amounted to EUR 12 million (previous year: tax income of EUR 28 million). The reason for the relatively high tax expense is that individual Group companies were not able to claim their negative results for the period as deferred tax assets (from loss carryforwards). The result for the period attributable to shareholders amounted to EUR -9 million (previous year: EUR -103 million), which corresponds to earnings per share of EUR -0.72 (previous year: EUR -7.91).

Free cash flow amounted to EUR 17 million in financial year 2021/22 (previous year: EUR 4 million). Therefore, net debt decreased to EUR 158 million since the last balance sheet date (March 31, 2021: EUR 170 million). The gearing remained constant at 203%. Total assets amounted to EUR 512 million as of March 31, 2022 (March 31, 2021: EUR 593 million). The equity ratio increased from 14% to 15%.

Segment results for financial year 2021/22.

71% of revenues were generated by the tolling segment and 29% by the traffic management segment. 54% of Group revenues were generated in the Europe-Middle East-Africa (EMEA) region, 41% in the Americas region (North, Central and South America) and 5% the Asia-Pacific (APAC) region.

Tolling segment.

Revenues increased by 3% to EUR 370 million. Declines in the implementation business of 11% were offset by 9% higher operations revenues and 7% higher component revenues.

The largest contribution to revenues was made by the EMEA region with EUR 192 million. In the Americas region, revenues increased by 7% to EUR 158 million. In the APAC region, revenues remained at around EUR 20 million.

Results Tolling			
<small>Unless otherwise stated, all values in EUR million</small>			
	2020/21	2021/22	+/-
Revenues	358.2	369.9	+3.2%
EBIT	-117.2	3.3	<i>n.a.</i>
EBIT margin	-32.7%	0.9%	+33.6pp

EBIT was positive at EUR 3 million (previous year: EUR -117 million). The EBIT margin was 1% (previous year: -33%).

Segment Traffic Management.

Revenues increased by 2% to EUR 150 million, driven in particular by the operations business, which grew by 11%.

The largest contribution to revenues was made by the EMEA region with EUR 90 million, which corresponds to a year-on-year increase of 4%. In the Americas region, revenues declined by 5% to EUR 54 million. In the APAC region, sales increased by EUR 3 million to EUR 6 million.

Results Traffic Management			
Unless otherwise stated, all values in EUR million	2020/21	2021/22	+/-
Revenues	147.0	149.9	+2%
EBIT	-6.0	7.7	n.a.
EBIT margin	-4.1%	5.1%	+9.2pp

EBIT was positive at EUR 8 million (previous year: EUR -6 million). The EBIT margin reached 5% (previous year: -4%).

Outlook.

Management expects a clear improvement in profitability at a stable revenue level for the financial year 2022/23. In order to achieve these goals, the focus will remain on new business acquisition and cost discipline.

The report on financial year 2021/22 as well as further material on the results will be available today, probably from 7:35 a.m. (CET), at: <https://kapsch.net/ir>

Kapsch TrafficCom Kapsch TrafficCom is a globally renowned provider of transportation solutions for sustainable mobility with successful projects in more than 50 countries. Innovative solutions in the application fields of tolling, tolling services, traffic management and demand management contribute to a healthy world without congestion.

With one-stop-shop solutions, the company covers the entire value chain of customers, from components to design and implementation to the operation of systems.

Kapsch TrafficCom, headquartered in Vienna, has subsidiaries and branches in more than 25 countries and is listed in the Prime Market segment of the Vienna Stock Exchange (ticker symbol: KTCG). In its 2021/22 financial year, 4,220 employees generated revenues of about EUR 520 million.

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