

COMPANY UPDATE

Kapsch TrafficCom

Hold

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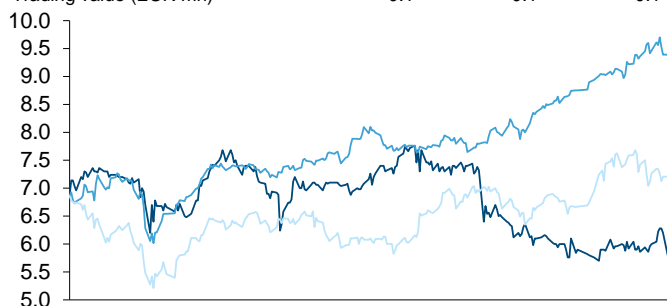
Share price (EUR) close as of 16/02/2026	5.78	Reuters	KTCG.VI	Free float	42.5%
Number of shares (mn)	14.3	Bloomberg	KTCG AV	Shareholders	Kapsch-Group (57.5%)
Market capitalization (EUR mn)	82.7	Div. Ex-date			
Enterprise value (EUR mn)	206.5	Target price	5.80	Homepage:	www.kapsch.net

Key figures Overview

EUR mn	2025	2026e	2027e	2028e
Net sales	530.3	420.3	426.3	431.6
EBITDA	29.0	20.9	26.4	28.4
EBIT	12.6	7.0	11.8	13.9
EBT	-4.3	-5.0	7.4	9.8
Net profit	-6.9	-3.7	5.4	7.2
EPS (EUR)	-0.48	-0.26	0.38	0.51
CEPS (EUR)	0.14	0.72	1.46	1.60
BVPS (EUR)	6.23	5.97	6.35	6.86
Dividend/Share (EUR)	0.00	0.00	0.00	0.11
EV/EBITDA (x)	7.65	9.90	7.55	6.69
P/E (x)	nm	nm	15.22	11.42
P/CE (x)	50.57	8.05	3.95	3.61
Dividend yield (%)	0.00	0.00	0.00	1.90
EBITDA margin (%)	5.46	4.96	6.18	6.59
Operating margin (%)	2.36	1.67	2.78	3.23
Net profit margin (%)	-0.58	-0.90	1.30	1.70

Trading data & Statistics

Daily averages	5 days	30 days	last year
Volume	13,543	8,457	8,747
Trading value (EUR mn)	0.1	0.1	0.1



—Kapsch TrafficCom —ATX —DJ EURO STOXX Technology

Price performance:	1M	3M	6M	12M
in EUR	-3.0%	-5.6%	-18.4%	-15.7%

Financial Strength

	2025	2026e	2027e	2028e
ROE (%)	-7.66	-4.20	6.16	7.67
ROCE (%)	4.16	-0.52	4.19	4.98
Equity ratio (%)	20.03	24.18	26.23	28.35
Net debt (EUR mn)	117.79	122.00	114.42	105.38
Gearing (%)	129.41	139.83	123.31	105.24

Profit warning triggers TP cut

With the publication of preliminary 3Q25/26 figures, KTC released a sizeable profit warning for FY25/26. Our newly derived target price is now EUR 5.8, after EUR 7.0 previously. We confirm our Hold recommendation.

Order intake has been solid, but obviously not as expected in FY25/26 YTD. Together with project delays, negative FX impacts and costs / provisions related to a recently introduced cost cutting program, **KTC now guides for an EBIT of about EUR 7mn, down from EUR 25mn for this FY25/26.**

Revenue-wise, KTC expects EUR 420mn in FY25/26, down from previously EUR 450mn.

The sustainable business turn-around has been pushed out by the profit warning.

KTC will publish 3Q25/26 figures on Feb. 27.

KTC will hold a CMD on March 19/20 to present a strategy update.

Profit warning delays rebound

A second profit warning during the current FY25/26 pushes out hopes for a sustainable business rebound in the near term. Despite winning the first nation-wide mobile tolling contract in Lithuania, which could trigger follow up orders from other Baltic countries in our view, and a tolling contract in Greece recently, competition in Europe seems to have intensified. In the US and APAC tender activity is slow..

Still, KTC mentions a solid order intake YTD, which should turn at least into business stabilization, potentially even slight growth in next FY26/27 in our view. It is rather the weak order intake in last FY24/25 that could not be compensated in the course of this year, plus negative FX translation effects and some project delays showing responsible for this profit warning.

On EBIT level, the reduced scale (revenue) has a substantial effect on the lower than expected EBIT development, plus FX and restructuring costs.

The table below shows preliminary 3Q25/26 figures, the new, reduced FY25/26 guidance, and the implied quarterly development y/y. Note: The positive adjustment in FY24/25 relates to a book loss of EUR 8.5mn for the deconsolidation of disposed assets, while the negative adjustment in FY25/26 relates to the settlement of the illegally scrapped German enforcement contract amounting to EUR 23mn.

Hence, the operating EBIT guidance for FY25/26 is now at EUR -16mn, the reported at EUR 7mn.

KTC preliminary 1-3Q25/26 figures, FY25/26 guidance, implied 3Q and 4Q

EUR mn	3Q25/26g	3Q24/25	y/y	1-3Q25/26g	1-3Q24/25	y/y	4Q25/26g	4Q24/25	y/y	FY25/26g	FY24/25	y/y
Revenue	107.0	135.8	-21%	307.0	410.6	-25%	113.0	119.7	-6%	420.0	530.3	-21%
EBIT	1.7	6.6	-74%	12.0	5.9	102%	-5.06	6.62	nm	6.9	12.6	-45%
<i>EBIT margin</i>	<i>1.6%</i>	<i>4.9%</i>		<i>3.9%</i>	<i>1.4%</i>		<i>-4.5%</i>	<i>5.5%</i>		<i>1.7%</i>	<i>2.4%</i>	
EBIT adj.	1.7	6.6	-74%	-11.0	14.4	nm	-5.1	6.6	nm	-16.1	21.1	nm
<i>EBIT adj. margin</i>	<i>1.6%</i>	<i>4.9%</i>		<i>-3.6%</i>	<i>3.5%</i>		<i>-4.5%</i>	<i>5.5%</i>		<i>-3.8%</i>	<i>4.0%</i>	

Source: KTC, Erste Group Research

In our model we have incorporated the new guidance to FY25/26e. For the coming two years, we have reduced our revenue expectation as we do not see larger tenders on the horizon that could speed up order intake and revenue dynamics. Our EBIT assumptions are confirmed, assuming the cost cutting program should compensate a lower business volume.

Change in estimates

Consolidated, IFRS (EUR, mn)	2025/26e = FY26e			2026/27e = FY27e			2027/28e = FY28e		
	Now	Before	Change	Now	Before	Change	Now	Before	Change
Revenues	420.3	448.8	-6.4%	426.3	455.1	-6.3%	431.6	460.9	-6.4%
EBITDA	20.9	37.8	-44.9%	26.4	26.5	-0.4%	28.4	28.4	0.0%
EBITDA margin	5.0%	8.4%	-41.1%	6.2%	5.8%	6.3%	6.6%	6.2%	6.8%
EBIT	7.0	24.0	-70.8%	11.8	11.9	-0.8%	13.9	13.9	0.0%
EBIT margin	1.7%	5.3%	-68.8%	2.8%	2.6%	5.8%	3.2%	3.0%	6.8%
Net profit	-3.7	9.5	-138.8%	5.4	6.3	-14.2%	7.2	8.1	-11.0%
Net margin after min.	-0.9%	2.1%	-141.4%	1.3%	1.4%	-8.4%	1.7%	1.8%	-4.9%
EPS	-0.26	0.66	-138.8%	0.38	0.44	-14.2%	0.51	0.57	-11.0%
EPS adjusted	-1.49	-0.58	159.2%	0.38	0.44	-14.2%	0.51	0.57	-11.0%
DPS	0.00	0.00	nm	0.00	0.00	nm	0.11	0.13	-15.4%

Source: Erste Group Research

Valuation

We have kept the valuation assumptions in our DCF unchanged compared to our previous report.

- COE: 16.6% and 15.0% in detailed period / TV.
- WACC: 10.2% and 12.5% in detailed period / TV.
- TV EBIT margin: 3.5%
- TV growth: 1%

With our new assumptions we arrive at a target price of EUR 5.8, confirming our Hold recommendation.

Target price composition

	DCF	Multiple	Weight	12-month target price	act. share price	upside to target price	Recommendation
Kapsch TrafficCom	5.80	6.26	100/0	5.80	5.78	0.3%	Hold

Source: BBG; Erste Group Research

Peer Group valuation

Peers	MarketC (EURmn)	P/E			EV/EBITDA			EV/EBIT		
		2025e	2026e	2027e	2025e	2026e	2027e	2025e	2026e	2027e
EDENRED	4,178	7.7x	8.6x	7.6x	4.7x	5.3x	4.9x	5.8x	6.6x	6.1x
INIT INNOVATION IN TRAFF	450	21.0x	16.0x	13.0x	10.4x	8.6x	7.5x	15.7x	12.2x	10.1x
GEA	97	27.1x	-	-	11.7x	-	-	13.7x	-	-
MEDIAN broader peers		23.2x	16.0x	13.0x	11.1x	8.6x	7.5x	14.7x	12.2x	10.1x
Kapsch TrafficCom	82.7	nm	15.2x	11.4x	9.9x	7.5x	6.7x	23.4x	16.8x	13.6x
prem. / disc median		nm	-5.0%	-11.9%	-11.0%	-12.5%	-10.7%	59.2%	37.6%	35.1%
Peers	Share price	P/B			ROE			Dividend yield		
		2025e	2026e	2027e	2025e	2026e	2027e	2025e	2026e	2027e
EDENRED	17.6	-	-	-	-0.7x	-81%	-75.0%	7.3%	7.5%	8.2%
INIT INNOVATION IN TRAFF	44.8	3.0x	2.7x	2.3x	14.9%	18.4%	20.4%	2.0%	2.4%	2.7%
GEA	88.5	1.6x	-	-	6.2%	-	-	1.9%	-	-
MEDIAN broader peers		2.3x	2.7x	2.3x	10.5%	15.1%	16.1%	2.0%	2.4%	2.7%
Kapsch TrafficCom	5.8	1.0x	0.9x	0.8x	-4.2%	6.2%	7.7%	0.0%	0.0%	1.8%
prem. / disc median		-58.6%	-66.0%	-63.7%	-140%	-59.2%	-52.4%	nm	nm	-33.8%
Per KTC share (EUR) 2026e		3.5								
Per KTC share (EUR) 2027e			8.2							
Per KTC share (EUR) 2028e				8.0						
Period weight		60%	30%	10%						
NPV as of Dec 2025 EUR		5.4								
Cost of Equity		16.6%								
NPV as of Dec 2026 EUR		6.3								

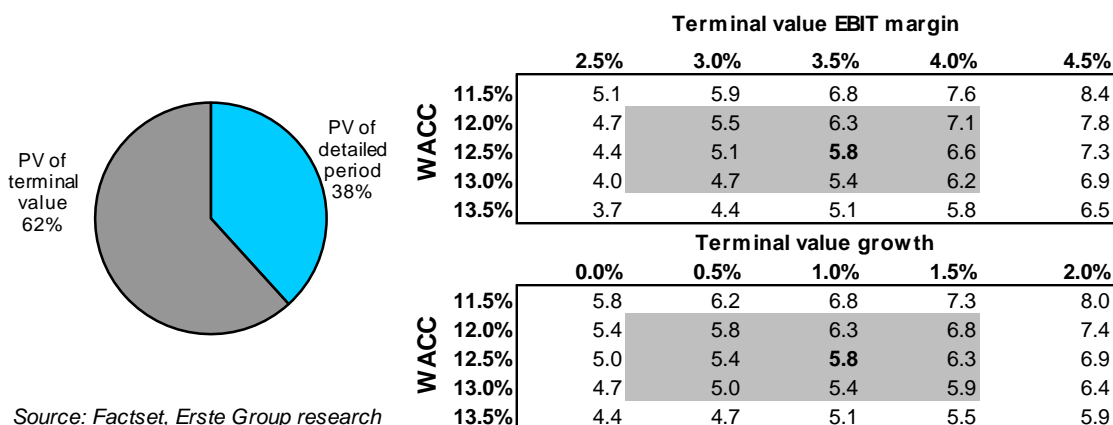
Source: Bloomberg, Erste Group Research

WACC calculation

	2027e	2028e	2029e	2030e	2031e	2032e (TV)
Risk free rate	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Equity risk premium	8.5%	8.5%	8.5%	8.5%	8.5%	8.0%
Beta	1.6	1.6	1.6	1.6	1.6	1.5
Cost of equity	16.6%	16.6%	16.6%	16.6%	16.6%	15.0%
Cost of debt	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%
Effective tax rate	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%
After-tax cost of debt	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Equity weight	45%	45%	45%	45%	45%	75%
WACC	10.2%	10.2%	10.2%	10.2%	10.2%	12.5%

DCF valuation

(EUR mn)	2027e	2028e	2029e	2030e	2031e	2032e (TV)
<i>Sales growth</i>	1.4%	1.2%	2.0%	2.0%	2.0%	1.0%
EBIT	11.8	13.9	14.8	16.9	17.4	16.2
<i>EBIT margin</i>	2.8%	3.2%	3.4%	3.8%	3.8%	3.5%
<i>Tax rate</i>	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%
Taxes on EBIT	-2.7	-3.2	-3.4	-3.9	-4.0	-3.7
NOPLAT	9.1	10.7	11.4	13.0	13.4	12.5
+ Depreciation	14.5	14.5	14.2	14.0	14.1	14.1
<i>Capital expenditures / Depreciation</i>	38.4%	35.3%	36.3%	36.9%	37.0%	25.0%
+/- Change in working capital	-0.4	-0.2	-0.5	0.9	-0.3	-0.2
<i>Chg. working capital / chg. Sales</i>	-6.6%	-3.5%	-6.1%	10.9%	-3.7%	-5.0%
- Capital expenditures	-5.6	-5.1	-5.1	-5.2	-5.2	-3.5
Free cash flow to the firm	17.7	19.9	19.9	22.9	22.0	22.8
<i>Terminal value growth</i>						1.0%
Terminal value						200.3
<i>Discount factor</i>	0.91	0.82	0.75	0.68	0.61	0.61
Discounted free cash flow - Mar 31 2026	16.0	16.4	14.9	15.5	13.5	123.1
Enterprise value - Mar 31 2026	199.3					
Minorities	1.9					
Non-operating assets	0.0					
Net debt	122.0					
Equity value - Mar 31 2026	75.5					
Number of shares outstanding (mn)	14.3					
Cost of equity	16.6%					
12M target price per share (EUR)	5.8					
Current share price (EUR)	5.8					
<i>Up/Downside</i>	0.3%					

Enterprise value breakdown Sensitivity (per share)


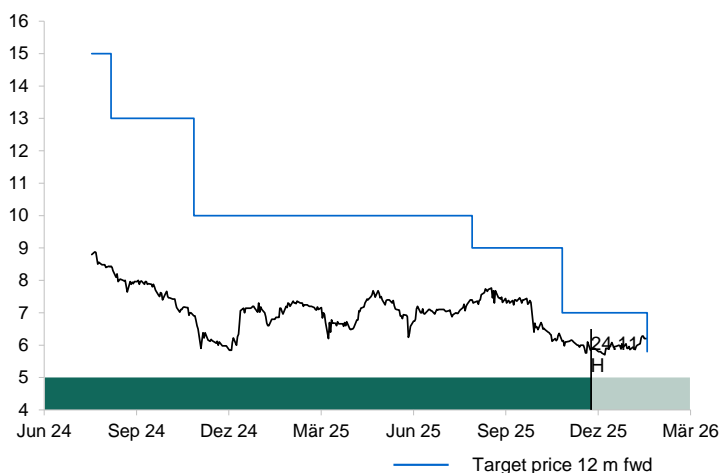
Disclosure of particular interests or indications of conflicts of interest according to delegated Regulation (EU) 958/2016 supplementing Article 20 of Regulation (EU) 596/2014 (MAR):

Company	ISIN	1 EGB/affiliates holdings exceed 5% of the share capital of issuer or vice versa	2 market maker or liquidity provider for issuer/instrument s	3 agreement for the provision of services of investment firms over the previous 12 months	4a Agreement with the covered company about the production of analyses	4b Agreement with a third party about the production of analyses	5 Managed or co- managed a public offering over the previous 12 months	6 Draft of report disclosed to issuer prior its publication	7 Analyst has a position in the issued share capital of the issuer
Kapsch TrafficCom	AT000KAPSCH9		Y	Y	Y				

The above specific disclosures (marked with "Y" if applicable), are valid at the time of publication of this report.
February 17 2026

For a more detailed and an up-to-date overview of conflicts of interests for all analysed companies and/or financial instruments by Erste Group, which are updated regularly upon changes, please follow below link:

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Kapsch TrafficCom

Rating history

Date	Rating	Price	Target Price	Action
24. Nov 25	Hold	6.12	7.00	
27. Aug 25	Buy	7.40	9.00	
25. Nov 24	Buy	6.90	10.00	
04. Sep 24	Buy	8.44	13.00	
08. Mar 24	Buy	8.48	15.00	

Company description

Kapsch TrafficCom is among the market leaders in Electronic Toll Collection (ETC) systems and the clear no.1 worldwide in Dedicated Short Range Communication (DSRC). KTC has an strong track record of winning 5 out of 11 nationwide ETC systems in Europe (SUI, AUT, CZE, POL, BLR) and supplies the worldwide biggest interoperable ETC system - the E-ZPass system in the USA. KTC's solutions combine an excellent performance rate & low operating costs. KTC always strives to be technologically independent.

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