

Kapsch TrafficCom AG

WKN: A0MUZU | ISIN: AT000KAPSCH9 | Bloomberg: KTCG

Kapsch has initiated earnings turnaround in 21/22

2021/22: EBIT positive again: Based on an initial review of the annual financial statements, Kapsch succeeded in achieving the operational turnaround despite special effects of EUR -31.5m. At a comparable revenue level, EBIT of EUR 11.0m was clearly above our and the consensus expectation. Excluding the special effects, the EBIT margin would have been 8.2%. Both segments, tolling and traffic management, again achieved positive EBIT figures.

EUR m	Kapsch '20/21	Kapsch '21/22	FMR '21/22e	Consensus '21/22e
Group sales	505.2	519.8	522.0	514.5
EBIT	-123.1	11.0	7.0	7.8
EBIT-margin, %	n.m.	2.1%	1.3%	1.5%

Source: Kapsch, FMR

Financial targets 2022/23e: Further EBIT increase planned: Kapsch is again targeting a stable revenue level and expects significantly improved profitability. Apparently, management does not yet expect a significant revival of new business, especially in Europe. We expect an EBIT margin of 2.9%. The 2027e medium-term targets of more than EUR 1.0bn in sales and an EBIT margin $\geq 10\%$ were confirmed by the management.

FMR: New price target at €16.00 (-4.2%): Due to increasing economic concerns, we believe the revival in new business will be delayed by perhaps six to twelve months. We have adjusted our forecasts downward accordingly, but nevertheless expect a further increase in the EBIT margin.

In particular, we see a stronger increase in new business earlier than previously expected as a positive share price driver. This also applies with increasing certainty regarding a compensation payment to Kapsch from the passenger car toll project in Germany; we consider a related special dividend to be possible. In view of the continued high uncertainties on the capital markets (consequences of war, economic risks, interest rate hikes), we confirm our "HOLD" assessment for the time being.

FY End: 31.03.: in EUR m	(20/21-23/24e)	2018/19	2019/20	2020/21	2021/22	2022/23e	2023/24e
Turnover	3.5%	737.8	731.2	505.2	519.8	515.0	560.0
EBITDA	n.m.	71.5	13.6	-67.1	32.6	31.5	42.0
Margin	9.7%	1.9%	-13.3%	6.3%	6.1%	7.5%	
EBIT	n.m.	57.0	-39.2	-123.1	11.0	15.0	25.0
Margin	7.7%	-5.4%	-24.4%	2.1%	2.9%	4.5%	
Net result	n.m.	47.8	-48.1	-102.8	-9.3	5.4	12.7
EPS, EUR	n.m.	3.68	-3.70	-7.91	-0.72	0.42	0.97
Dividend per share, EUR	n.m.	1.50	0.00	0.00	0.00	0.00	0.30
EV/Sales		1.10	0.82	1.11	0.77	0.77	0.71
EV/EBITDA		14.3	-15.2	-4.6	36.4	26.3	15.8
P/E		9.3	-6.8	-1.9	-19.3	33.1	14.2
Net debt/EBITDA		1.4	15.0	-2.9	5.6	5.6	4.2

Source: Kapsch, FMR

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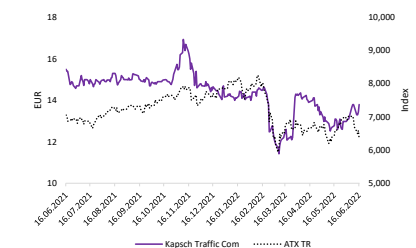
HOLD

Before: Hold

Price target EUR **16.00 (16.70)**
Share price* EUR **13.80 (+15.9%)**

*last price Vienna Stock Exchange

Update	2021/22	2022/23e	2023/24e
Turnover	-2.2	-44.5	-50.0
EBIT	4.0	-3.2	-6.9
EPS, EUR	-0.76	-0.15	-0.37



Source: Vienna Stock Exchange, FMR

Basic share data

Number of shares (million)	13.0
Free Float (in %)	36.7
Market cap (EURm)	179.4
Trading volume (30 days Ø)	5,428
High (EUR, 52 weeks)	16.94
Low (EUR, 52 weeks)	11.42

Shareholder structure

Kapsch Group Beteiligung	63.3%
Free float	36.7%

Corporate calendar

Q1/22/23 report	17.08.2022
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Valuation: Update

Kapsch achieved a positive earnings swing at EBIT level of an impressive EUR 134.2m in FY 2021/22. This turnaround was achieved despite the fact that the implementation business has not yet shown the desired momentum.

In view of the increasing economic concerns globally, it is understandable for us that Kapsch continues to assume a "stable sales level" for the current year 2022/23e. We now expect a low revenue decline of 0.9%, assuming a further increase in the EBIT margin to 2.9% (21/22: 2.1%). In Poland, for example, two major projects came to an end in September last year and a significantly smaller project was acquired. The extension of a project in South Africa is currently still uncertain. In our opinion, the expectation of a renewed increase in the implementation business must be postponed for a further six to twelve months into the future.

Kapsch: DCF model update leads to new fair value of EUR 16.00 per share

EUR m	PHASE 1				PHASE 2					PHASE 3	
	2022/23e	2023/24e	2024/25e	2025/26e	2026/27e	2027/28e	2028/29e	2029/30e	2030/31e	2031/32e	
Sales	515.0	560.0	595.0	633.5	669.8	708.1	743.4	774.9	801.9	823.9	
Y-o-Y growth	-0.9%	8.7%	6.3%	6.5%	5.7%	5.7%	5.0%	4.2%	3.5%	2.7%	
EBIT	15.0	25.0	30.0	39.0	43.8	46.3	49.2	52.1	55.5	60.3	
EBIT-margin	2.9%	4.5%	5.0%	6.2%	6.5%	6.5%	6.6%	6.7%	6.9%	7.3%	
Income tax on EBIT	-3.8	-6.3	-7.5	-9.7	-10.9	-11.6	-12.3	-13.0	-13.9	-15.1	
Depreciation/Amortisation	16.5	16.5	17.0	17.6	17.9	19.6	20.4	21.1	22.0	33.0	
Change other non-cash items	0.0	0.0	0.0	0.0	0.0	0.9	-0.4	0.2	0.2	0.0	
Change in net working capital	-1.1	-3.8	2.6	-0.6	-0.1	-3.4	-3.7	-3.2	-2.4	-1.3	
Net capital expenditure	-22.5	-23.7	-25.5	-27.7	-30.2	-31.1	-32.9	-34.4	-35.4	-33.0	
Free cash flow	4.2	7.8	16.5	18.5	20.4	20.8	20.2	22.9	26.0	43.9	
Present values	4.0	6.7	12.9	13.2	13.1	12.1	10.7	10.9	11.3	17.3	268.5
Present value Phase 1	49.9										
Present value Phase 2	62.3										
Present value Phase 3	268.5										
Total present value	380.8										
+ Non-operating assets/Other	-18.4										
- Net financial debt	-154.3										
Fair value of equity	208.0										
- Number of shares (m)	13.000										
Fair value per share (in EUR)	16.00										

Risk free rate	2.0%	Target equity ratio	55.0%
Equity risk premium	8.0%	Beta factor	1.6
Debt risk premium	4.0%	WACC	10.3%
EBIT-margin (PHASE 3)	8.5%	Terminal growth rate	2.0%

		Sensitivity analysis				
		WACC				
		9.3%	9.8%	10.3%	10.8%	11.3%
Terminal growth rate	3.0%	25.34	21.86	18.87	16.29	14.04
	2.5%	23.17	20.06	17.37	15.02	12.96
	2.0%	21.30	18.49	16.00	13.90	12.00
	1.5%	19.66	17.11	14.87	12.89	11.13
	1.0%	18.23	15.89	13.82	11.99	10.35

Source: FMR

Based on the current price level, the share currently has an upside potential of 15.9%. However, due to the current high level of uncertainty (Russia-Ukraine war, global interest rate hikes, inflation concerns, increasing economic risks) and volatility on the capital markets, we leave our recommendation at HOLD, because the Kapsch share will probably not be able to escape this environment. In our opinion, two factors in particular can ensure a positive share price development:

- The implementation business will regain momentum earlier than previously expected and provide for stronger revenue growth

- In the toll dispute with the German government, it is becoming increasingly certain that Kapsch and CTS Eventim will receive compensation payments. We can imagine a figure for Kapsch of between EUR 100 and 120m. In this context, we also consider a special payment to Kapsch shareholders to be possible

Further highlights in 2021/22

Sales analysis: With new business remaining sluggish, as expected, Group sales increased by 2.9% to EUR 519.8m, slightly below our estimate of EUR 522.0m. A good final quarter with sales growth of 16.5% made a significant contribution to this growth. Both segments increased their revenues: Tolling: +3.2%; Traffic Management: +2.0%. However, the implementation business declined in both segments. Tolling: -11.0%; Traffic Management: -7.9% in each case year-on-year.

Group EBIT: The Tolling segment contributed EUR 3.3m to the Group EBIT of EUR 11.0m (previous year: EUR -123.2m), while EUR 7.7m came from Traffic Management. The reported Group EBIT includes special effects of EUR 31.5m.

Financial development: Financial debt was successfully reduced to EUR 158m (2020/21: EUR 170m). Free cashflow showed a pleasing development, rising from EUR 4.3m to EUR 16.7m. In our opinion, the equity ratio remains too low at 15%.

Development in the toll dispute: Following the termination of the toll agreement by the German government in June 2019, an interim arbitration ruling in March 2022 found that the claim of autoTicket GmbH, Germany is justified on the merits. The amount will now be decided in subsequent arbitration proceedings. Based on a maximum amount of EUR 560m, corresponding risk discounts and a 50/50 split between Kapsch and CTS Eventim, we can currently imagine a compensation for Kapsch of between EUR 100 and 120m. This would be EUR 7.7 to 9.2 per Kapsch share. Further developments remain to be seen. We have **not** yet included the possible compensation payment in our forecasts and valuation.

Ability to pay dividends: In the investor and analyst conference, we got the impression that management does not yet consider the ability to pay dividends to be given and still gives preference to the internal strengthening of the group. In this respect, we expect another zero round for the current fiscal year and estimate a payout of EUR 0.30 per share for 2023/24e.

**Continued lack of momentum
in new business**

**Possible toll compensation
not yet included in our
forecasts/valuation**

Appendix

Profit and loss statement

in EUR m (IFRS)	2018/19	2019/20	2020/21	2021/22	2022/23e	2023/24e
Revenues	737.8	731.2	505.2	519.8	515.0	560.0
YoY growth	6.4%	-0.9%	-30.9%	2.9%	-0.9%	8.7%
Increase/Decrease in inventories of finished goods and work in progress	20.9	-6.1	-6.2	-2.7	0.5	1.1
as % of revenues	2.8%	-0.8%	-1.2%	-0.5%	0.1%	0.2%
Total Operating Output	758.7	725.1	499.0	517.1	515.5	561.1
YoY growth	0.0%	-4.4%	-31.2%	3.6%	-0.3%	8.8%
Cost of Materials	-323.5	-334.9	-243.5	-202.8	-203.1	-220.0
as % of revenues	-43.8%	-45.8%	-48.2%	-39.0%	-39.4%	-39.3%
Gross Profit	435.2	390.1	255.6	314.3	312.4	341.2
as % of revenues	59.0%	53.4%	50.6%	60.5%	60.7%	60.9%
Personnel expenses	-252.7	-269.2	-243.8	-227.1	-219.1	-234.5
as % of revenues	-34.3%	-36.8%	-48.3%	-43.7%	-42.5%	-41.9%
Other operating expenses	-126.3	-118.7	-84.7	-69.1	-67.0	-71.3
as % of revenues	-17.1%	-16.2%	-16.8%	-13.3%	-13.0%	-12.7%
Other operating income	15.3	11.3	5.8	14.5	5.3	6.7
as % of revenues	2.1%	1.6%	1.2%	2.8%	1.0%	1.2%
EBITDA reported	71.5	13.6	-67.1	32.6	31.5	42.0
as % of revenues	9.7%	1.9%	-13.3%	6.3%	6.1%	7.5%
Depreciation of property, plant and equipment, and amortisation of intangible assets	-14.5	-52.8	-56.0	-21.6	-16.5	-17.0
as % of revenues	-2.0%	-7.2%	-11.1%	-4.2%	-3.2%	-3.0%
EBIT reported	57.0	-39.2	-123.1	11.0	15.0	25.0
as % of revenues	7.7%	-5.4%	-24.4%	2.1%	2.9%	4.5%
Financial result (net)	-2.0	-24.3	-9.9	-5.7	-5.2	-5.3
EBT (Earnings before taxes)	55.1	-63.4	-133.1	5.3	9.9	19.7
as % of revenues	7.5%	-8.7%	-26.3%	1.0%	1.9%	3.5%
Income taxes	-8.5	7.7	27.8	-11.5	-2.5	-4.9
as % of EBT	-15.4%	-12.2%	-20.9%	-215.1%	-25.0%	-25.0%
Net income	46.6	-55.7	-105.2	-6.2	7.4	14.8
as % of revenues	6.3%	-7.6%	-20.8%	-1.2%	1.4%	2.6%
Minority interests	1.3	7.6	2.4	-3.1	-2.0	-2.1
Net income attributable to shareholders	47.8	-48.1	-102.8	-9.3	5.4	12.7
as % of revenues	6.5%	-6.6%	-20.3%	-1.8%	1.1%	2.3%
Shares outstanding (in m), weighted	13.00	13.00	13.00	13.00	13.00	13.00
Basic earnings per share (EUR)	3.68	-3.70	-7.91	-0.72	0.42	0.97

Source: Kapsch, FMR

Balance sheet

in EUR m (IFRS)	2018/19	2019/20	2020/21	2021/22	2022/23e	2023/24e
Assets						
Non-current assets	182.2	227.3	205.0	195.6	195.7	203.6
as % of total assets	26.9%	31.3%	34.6%	38.2%	38.5%	40.6%
Intangible assets	33.6	15.2	13.4	13.0	13.5	14.2
Goodwill	51.0	44.7	22.8	22.7	22.7	22.7
Property, plant and equipment	22.0	82.3	55.2	49.0	54.0	59.0
Non-current financial assets	35.8	43.5	42.0	42.8	43.3	44.3
Real Estate held as financial investment	0.0	0.0	0.0	0.0	0.0	0.0
Leasing and rental assets	0.0	1.2	0.0	0.0	0.0	0.0
Other non-current assets	16.9	13.8	5.2	3.7	3.8	3.9
Deferred tax assets, long-term	18.5	26.3	62.0	60.2	54.2	55.3
Other non-current financial assets	4.5	0.3	4.4	4.1	4.1	4.1
Current assets	494.4	499.9	388.2	316.6	312.3	297.6
as % of total assets	73.1%	68.7%	65.4%	61.8%	61.5%	59.4%
Inventories	64.1	55.7	41.7	35.6	36.3	37.0
Trade accounts receivable	209.4	177.0	130.0	131.4	132.7	136.7
Current prepayments made	0.0	0.0	0.0	0.0	0.0	0.0
Other current non-financial assets	122.6	138.6	106.6	83.9	84.7	85.6
Deferred tax assets, short-term	2.6	4.7	6.8	4.4	3.1	3.2
Current financial assets	1.1	1.4	1.0	1.6	1.3	1.3
Cash and cash equivalents	94.7	122.6	102.0	59.8	54.2	33.9
Assets held for sale	0.0	0.0	0.0	0.0	0.0	0.0
as % of total assets	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total assets	676.6	727.2	593.2	512.1	507.9	501.2
Shareholders' equity and liabilities						
Shareholders' equity	257.5	182.5	84.8	77.9	83.3	96.0
as % of total equity and liabilities	38.1%	25.1%	14.3%	15.2%	16.4%	19.2%
Subscribed capital	13.0	13.0	13.0	13.0	13.0	13.0
Capital reserves	117.5	117.5	117.5	117.5	117.5	117.5
Retained earnings	126.9	57.7	-39.3	-47.3	-47.3	-47.3
Treasury stocks	0.0	0.0	0.0	0.0	0.0	0.0
Other equity items	0.0	0.0	0.0	0.0	5.4	18.1
Minority interest on equity	0.1	-5.7	-6.5	-5.3	-5.3	-5.3
Non-current provisions/liabilities	183.8	273.2	198.3	194.0	185.5	169.6
as % of total equity and liabilities	27.2%	37.6%	33.4%	37.9%	36.5%	33.8%
Non-current pension provisions	26.1	27.6	27.3	24.2	23.7	23.2
Other non-current provisions	6.7	4.3	3.3	1.7	1.7	1.7
Non-current financial liabilities	139.3	235.3	156.6	163.6	155.4	139.9
Non-current prepayments received	0.0	0.0	0.0	0.0	0.0	0.0
Non-current deferred tax liabilities	5.1	1.7	1.0	2.9	3.0	3.0
Other non-current liabilities	6.6	4.3	10.0	1.6	1.7	1.8
Current liabilities and provisions	235.2	271.5	310.2	240.2	239.2	235.6
as % of total equity and liabilities	34.8%	37.3%	52.3%	46.9%	47.1%	47.0%
Current provisions	14.7	23.4	42.5	28.6	29.2	29.8
Current financial liabilities	29.9	64.3	115.9	55.9	53.1	47.8
Trade accounts payable	89.6	92.4	59.4	71.5	71.9	72.2
Current prepayments received	0.0	0.0	0.0	0.0	0.0	0.0
Current tax liabilities	2.3	4.0	1.8	2.3	2.3	2.3
Current deferred tax liabilities	0.0	0.0	0.0	0.0	0.0	0.0
Other current liabilities	98.7	87.4	90.6	81.8	82.6	83.5
Liabilities held for sale	0.0	0.0	0.0	0.0	0.0	0.0
as % of total equity and liabilities						
Total equity and liabilities	676.6	727.2	593.2	512.1	507.9	501.2

Source: Kapsch, FMR

Cash flow statement

in EUR m (IFRS)	2018/19	2019/20	2020/21	2021/22	2022/23e	2023/24e
EBIT	57.0	-39.2	-123.1	11.0	15.0	25.0
Depreciation/impairments	14.5	52.8	56.0	21.6	16.5	17.0
Change in pension and similar provisions	1.7	-4.7	-2.0	-2.6	-0.5	-0.5
Other non-cash expenses/income	-22.4	7.4	15.3	-3.7	-0.6	-2.1
Change in Working Capital	-74.0	31.3	82.9	16.6	-1.1	-3.8
Cash effects from divestment of fixed assets						
Cash effect from interests	-2.6	-4.0	-4.3	-5.0	0.0	0.0
Cash effect from other participation result	0.0	0.0	0.0	0.0	0.0	0.0
Cash tax adjustments	-13.7	-10.2	-13.7	-12.6	-2.4	-4.9
Cash effects from extraordinary items						
Cashflow from Operations	-39.5	33.4	11.1	25.5	26.9	30.8
Investments in Fixed assets	-14.3	-33.6	-14.1	-16.0	-22.5	-23.7
Payments received: Disposal of non-current assets	1.9	0.0	1.3	0.8	0.0	0.0
Change in consolidation: Disposals/Acquisitions	-18.6	2.2	-0.8	1.2	0.0	0.0
Interest and other financial income	13.0	0.4	6.8	5.3	0.0	0.0
Cash changes from extraordinary items	0.0	0.0	0.0	0.0	0.0	0.0
Other changes from investing activities	0.0	0.0	0.0	0.0	5.9	-1.2
Cashflow from investing activities	-18.0	-31.0	-6.8	-8.7	-16.6	-24.9
Cash changes in financial debt	-1.9	66.6	-11.4	-45.6	-11.0	-20.9
Changes in shareholders equity	0.0	0.0	0.0	0.0	0.0	0.0
Dividend payments	-19.5	-19.5	0.0	0.0	0.0	0.0
Cash changes from own shares	0.0	0.0	0.0	0.0	0.0	0.0
Interest and other financial expenses	0.0	0.0	0.0	0.0	0.0	0.0
Other changes from financing activities	-5.7	-15.6	-15.5	-15.4	-4.8	-5.4
Cashflow from financing activities	-27.1	31.4	-26.8	-61.1	-15.8	-26.3
Total change in cash and cash equivalents	-84.6	33.8	-22.5	-44.3	-5.5	-20.4
Effect of exchange rate changes on cash	-2.6	-5.8	1.9	2.1	-0.1	0.1
Other changes in cash and cash equivalents	0.0	0.0	0.0	0.0	0.0	0.0
Cash and cash equivalents: Beginning of period	181.8	94.7	122.6	102.0	59.8	54.2
Cash and cash equivalents: End of period	94.7	122.6	102.0	59.8	54.2	33.9

Source: Kapsch, FMR

Declaration of liability (disclaimer) and mandatory details pursuant to Section 85 Securities Trading Act (WpHG), EU Market Abuse Regulation (EU Regulation No. 596/2014), Delegated Regulation 2016/958 and Delegated Regulation 2017/565 including details of possible conflicts of interest (disclosures), the author and the responsible supervisory authority

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a) First publication: 17.06.2022

b) Time conditions of expected updates: quarterly

c) Supervisory authority: Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht), Marie-Curie-Straße 24-28, 60439 Frankfurt am Main

d) Previous analyses: No analysis was published in the 12 months before publication of this analysis that contains a recommendation for a specific investment decision which contradicts this analysis.

e) The analysis was made available to the issuer, to the extent that is legally permissible, before publication and was not amended thereafter.

f) All prices and price developments listed in the analysis are based on closing prices insofar as no contradictory details were provided about prices and price developments.

3. Disclosures

a) Neither FMR Frankfurt Main Research AG nor an affiliated company, nor any person who contributed to the compilation

(i.) has an involvement in the share capital of the issuer of at least 5 per cent;

(ii.) was involved in the management of a syndicate within the past five months that issued financial instruments of the issuer in the context of a public tender;

(iii.) managed financial instruments of the issuer on a market by means of concluding purchase or sale agreements:

(iv.) has, within the past twelve months, concluded an agreement regarding services in connection with investment banking business or received a service or performance promise from such agreement, with issuers which either themselves or the financial instruments thereof, are the subject of the financial analysis;

(v.) is in possession of a net sales or purchase position which exceeds the threshold of 0.5% of the total issued share capital of the issuer;

(vi.) has concluded an agreement regarding the preparation of investment recommendations with the issuer.

(vii.) has other significant interests with regard to the company being analysed, for example clients with the company being analysed.

Company **Disclosure(s)**

Kapsch TrafficCom

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b) FMR Frankfurt Main Research AG has been commissioned by ODDO BHF Corporates & Markets AG to prepare this financial analysis. ODDO BHF Corporates & Markets AG in turn acts on behalf of the issuers who are themselves or whose financial instruments are the subject of this financial analysis.

Neither ODDO BHF Corporates & Markets AG nor an affiliated company, nor any person who contributed to the compilation

(i.) has an involvement in the share capital of the issuer of at least 5 per cent;

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(vii.) has other significant interests with regard to the company being analysed, for example clients with the company being analysed.

Company **Disclosure(s)**

Kapsch TrafficCom

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Recommendation history over last 12 months:

Date	Recommendation	Share price at publishing date	Target price
23.02.2021	HOLD	15.15	18.00
19.04.2021	HOLD	15.10	18.00
24.06.2021	HOLD	15.00	18.00
16.08.2021	HOLD	15.30	18.00
22.11.2021	HOLD	15.80	17.30
28.02.2022	HOLD	12.50	16.70
17.06.2022	HOLD	13.80	16.00

4. Creation and distribution

a) Responsibility for creation and distribution

FMR Frankfurt Main Research AG

Registered office: Frankfurt am Main; Commercial Register No. HRB 113537, Frankfurt am Main district court; Chairman: Marcus Silbe

b) Issuer

Winfried Becker, Senior Equity Analyst

c) This study may only be used for the internal purposes of the addressee within the EEA or Switzerland.

5. Investment recommendation details

Investment recommendation details - stocks:

BUY: In our opinion, the stock will demonstrate an absolute price gain of at least 10 % in a 12-month period.

HOLD: In our opinion, the stock will not exceed or fall below an absolute price gain or loss of 10% in a 12-month period.

Sell: In our opinion, the stock will demonstrate an absolute price loss of at least 10 % in a 12-month period.

6. Sensitivity of the evaluation parameters

The figures from profit and loss calculations, cash flow statements and balance sheets which form the basis of the company evaluation are date-related estimates and therefore subject to risks. These may change at any time without prior notice. Regardless of the evaluation methods used, there are significant risks that the price goal/trend will not be achieved within the expected time frame. The risks include unforeseeable changes with regard to competition pressure, demand for the products of an issuer and the offer situation with respect to materials required for production as well as non-occurrence of the assumed development. Such deviations may be the result of changes relating to technology and changes relating to the economy, legal situation and exchange rates. No claim is made that this statement of evaluation methods and risk factors is complete.

7. Key sources of information

We have acquired the information upon which this document is based from sources that we consider in principle to be reliable. However, we have not verified all this information. Therefore, we cannot guarantee or ensure the accuracy, completeness or correctness of the information or opinions contained in this document. National and international media and information services (e.g. Factset, Bloomberg etc.), the financial press (e.g. BörsenZeitung, FAZ, Handelsblatt, Wallstreet Journal, etc.), specialist press, published statistics, the internet, as well as publications, details and information of the issuer that is the subject of the analysis.

8. Summary of the basis for evaluation

Individual issuers: Current and recognised evaluation methods (e.g. DCF method and Peer Group Analysis) are used for company analysis purposes. The DCF method calculates the value of the issuer based on the sum of the discounted cash flows, i.e. the cash value of the future cash flows of the issuer. The value is therefore determined on the basis of expected future cash flows and the applied discount rate. In Peer Group Analysis, issuers listed on the stock exchange are evaluated by comparing ratios (e.g. price/profit ratio, Enterprise Value/turnover, Enterprise Value/EBITDA, Enterprise Value/EBIT). The comparability of the ratios is primarily determined with reference to the business activity and economic prospects.

9. Internal organisational and regulatory measures for the prevention or management of conflicts of interest

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