

# KAPSCH TRAFFICOM

**Outperform → | Target Price : € 13.0 vs € 15.0 ↘**

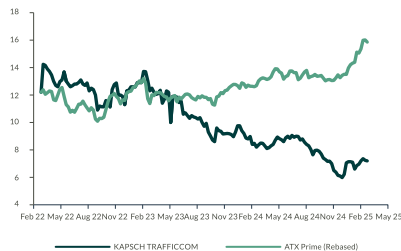
Price (25/03/2025) : € 7.10 | Upside : 83%

Révision	03/25e	03/26e
EPS	-96.0%	-58.6%

## A leader in the promising Intelligent Transportation Systems market

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Sources : ODDO BHF Securities, SIX

Share data			
KTCG AV   KTCG.VI			
Market Cap (€m)			102
Enterprise value (€m)			221
Extrema 12 months (€)	5.84	-	9.18
Free Float (%)			36.7
Performance (%)			
	1m	3m	12m
Absolute	-0.8	18.7	-16.3
Perf. rel. Country Index	-0.5	8.2	-22.7
Perf. rel. ATX Prime	-4.9	-0.4	-31.5
P&L			
	03/25e	03/26e	03/27e
Sales (€m)	555	572	589
EBITDA (€m)	28.2	38.0	39.8
Current EBIT (€m)	11.5	20.8	22.1
Attr. net profit (€m)	1	8.9	10.6
Adjusted EPS (€)	0.05	0.62	0.74
Dividend (€)	0.00	0.00	0.25
P/E (x)	147.0	11.4	9.5
P/B (x)	1.1	1.0	1.0
Dividend Yield (%)	0.0	0.0	3.5
FCF yield (%)	35.6	26.3	27.1
EV/Sales (x)	0.40	0.39	0.37
EV/EBITDA (x)	8.0	5.8	5.4
EV/Current EBIT (x)	19.5	10.6	9.8
Gearing (%)	113	99	87
Net Debt/EBITDA (x)	3.4	2.4	2.2

Next Events	
25/06/2025	FY Results
20/08/2025	Q1 Results
03/09/2025	Annual General Meeting

*Kapsch TrafficCom (KTC) is a global key player in the fast-growing market of intelligent transportation systems (ITS). The group provides innovative solutions in tolling, tolling services, traffic management and demand management. In view of improved profitability (EBIT margins +100 bp to 3.8% in 2026-27e vs adj. 2023-24) as well as a sound financial profile (average equity ratio of 23%, average positive FCF of € 30m and further reduction in gearing over 2024-25e to 2026-27e), we reiterate our Outperform rating and set a new TP of € 13.00, on the back of our model update. With this report, the stock coverage has been transferred to Klaus Breitenbach.*

### A growing market for intelligent transportation systems (ITS)

KTC addresses the market for intelligent transportation systems (ITS) which support and optimise traffic and use information and communication technologies for this purpose. Within the ITS market, KTC focuses on tolling and tolling services as well as traffic management and demand management. According to Grand View Research, KTC addressable markets reached a volume of € 6.4bn in 2023 and is expected to grow at +7.9% (CAGR) to € 8.7bn in 2028e. Growth drivers incl. environmental protection, urbanisation and connected vehicles. KTC is a leading provider of ITS (no. 4 globally, market share c. 13%) and electronic tolling pioneer, which offers end-to-end solutions in a one-stop-shop approach.

### High order backlog and continued cost management drive further growth

We expect that KTC's high order backlog (€ 1.5bn at the end of H1 2024-25, +7% vs 2023-24) and continued cost management (total operating costs as a % of revenue at 95.1% in 2026-27e vs. 101.8% in 2023-24) will increasingly be reflected in revenues and profitability. As a result, we project 2026-27e revenues of € 588.8m (+9.3% vs 2023-24) and an adjusted EBIT margin of 3.8% (+100 bp vs adjusted 2023-24). For 2024-25e, we believe that KTC will report adjusted EBIT of € 18.5m (margin 3.3%, +50 bp y-o-y), in line with guidance ("slight improvement compared to the previous year"), vs € 15.1m a year ago. In terms of revenue we expect € 555.0m (+5.3% y-o-y, excl. TMT) which stands below guidance ("growth above market growth of 7.5%") and long-term underlying trends given the adverse geopolitical and economic environment that has affected the company's revenue growth in the first three quarters of the year 2024-25 (only 5.1% excl. TMT). We are below the FactSet consensus for revenue (€ 576.2m, adj. EBIT not available).

### Sound financial profile – ongoing improvement expected

We assume that KTC will report an average positive FCF of € 30m and an average equity ratio of 23% over 2024-25e to 2026-27e and a further reduction in gearing (2026-27e: 86.5% vs 2023-24: 127.1%). KTC's key financial indicators (i.e. equity ratio, gearing) already improved during the 2023-24 financial year. The improvement was driven by the settlement agreement in Germany which led to a cash inflow of € 109.2m and the resulting repayment of financial liabilities for the amount of € 87.5m. Since the 2018-19 financial year, the company has not paid a dividend due to a suspension of its dividend policy in October 2020 and an agreement with its bank partners to restructure its financing. As part of the restructuring programme, the waiver of dividend distributions was first extended to the end of March 2026, but finally the ban was lifted in March 2025. For 2026-27e, we forecast a dividend of € 0.25 per share, which is equivalent to one third of the profit for the period.

### Outperform rating reiterated and new target price of € 13.0

Our new € 13 target price is derived from the average of 1/ a DCF and 2/ a peer group multiples valuation. With c. 80% upside to our target price, we reiterate our Outperform rating which is linked to the increase in KTC's addressable market that will lead to further growth in KTC's business in the coming years in our view, as well as a margin improvement thanks to good cost management and the sound financial profile. Based on our estimates, KTC is trading at 5.8x 2025-26e EV/EBITDA, below its 10-year historical average of 7.1x.

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KAPSCH TRAFFICCOM

Payment services | Austria  
Market Cap: € 102m

Outperform

Target price: € 13.0 vs € 15.0  
Price (25/03/2025) : € 7.10

Company profile

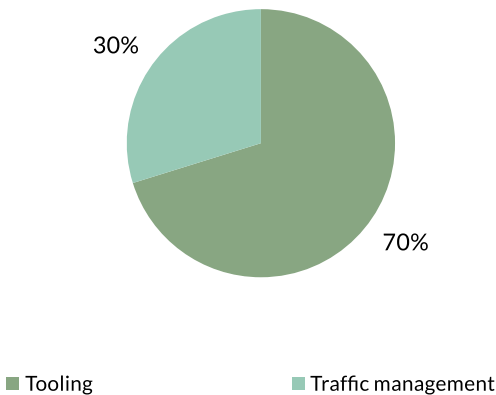
Kapsch TrafficCom is a globally renowned provider of transportation solutions for sustainable mobility. Innovative solutions in the application fields of tolling, tolling services, traffic management and demand management contribute to a healthy world without congestion. As a family-owned company founded in 1892 and headquartered in Vienna, Austria, KTC has around 4,000 employees and offices in 25+ countries. Each year, Kapsch invests approximately 14% of total revenues back into research and development to ensure consistent innovation and new technologies for the benefit of its customers around the world. The company is listed on the Prime Market of the Vienna Stock Exchange since 2007.

Shareholders

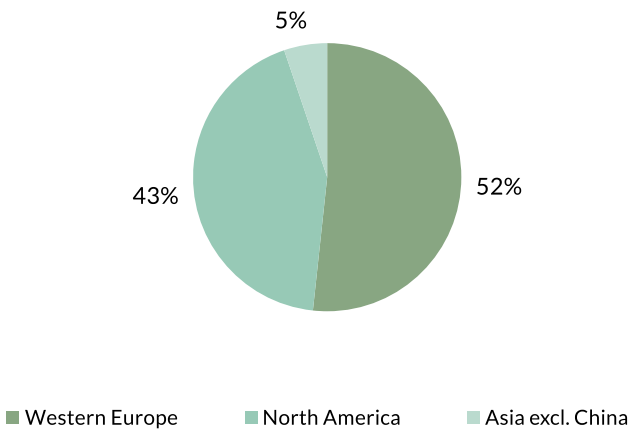
Kapsch-Group Beteiligungs GmbH	63.30%
Free Float	36.70%

Sales breakdown (2023)

By business



By region



Investment case

Kapsch TrafficCom is continuing to benefit strongly from the growing market for Intelligent Transportation Systems (ITS), its high order backlog and its focus on cost management. All should lead to a significant improvement in key financial figures and a reduction of debt. As a result, we project an EBIT margin of 3.8% (+100bp vs adjusted 2023-24) and gearing of 86.5% (vs. 127.1% in 2023-24) in 2026-27e. In terms of revenue, we prefer to remain conservative and assume 2026-27e revenue of € 588.8m (CAGR of +3.8%, 2023-24 excl. TMT to 2026-27e).

SWOT

Strengths

- Technological expertise in traffic telematics and intelligent transportation systems
- Strong market position and solid customer base
- Innovative solutions tailored to the needs of cities and transport companies

Weaknesses

- Strong competition puts pressure on prices and margins
- Dependence on certain markets

Opportunities

- Growing need for intelligent transportation solutions
- Environmental protection
- Technological developments offer new opportunities for products and services

Threats

- Risk of unfavorable terms or loss of high-margin tolling contracts in Europe.
- Development risks like time or cost overruns in large tolling projects.
- Regulatory challenges



## ESG

**Environment:** Kapsch TrafficCom is challenging the limits of mobility for a healthy world without congestion and with minimum traffic burden. Products and solutions for sustainable mobility include:

- Tolling technologies. Distance-based pricing improves transport efficiency and can contribute to CO<sub>2</sub> savings of more than 10%. Well-maintained road surface, financed by toll revenues, leads to significant fuel reduction.
- Traffic management. Urban traffic management enables the reduction of stop-and-go traffic, which can reduce CO<sub>2</sub> emissions by 8% on average in developed cities and 15% in emerging cities.
- Low-emission zones. With defined zones that are used only by environmentally friendly vehicles (free of charge), greenhouse gas emissions can be reduced by around 20%.
- Demand management. Integrated solutions that combine tolling, traffic management and low-emission zones are referred to as demand management. This can reduce emissions by up to 30%.

EU taxonomy (as of June 2024): 99.6% of revenues are taxonomy-eligible whereas 5.8% of revenues are taxonomy-aligned (proven for two on-board unit types).

**Social:** Kapsch TrafficCom combines an international orientation with the roots of a modern family business. Entrepreneurship, market-oriented and timely decisions and above-average commitment and dedication characterise the corporate culture. The company works with an understanding that is characterised by mutual respect and a strong sense of "us". Performance orientation and mutual appreciation lead to a close bond between the company and its employees.

As of 31 March 2024, the Kapsch TrafficCom Group employed a total of 4,054 people, which is 15 or 0.4% more than at the previous year. The proportion of women in the total workforce remained constant at 36%. As of the balance sheet date, 85.4% of the employees of Kapsch TrafficCom were white-collar workers and 11.9% blue-collar workers. In the 2023-24 financial year, there were no women on the executive board of Kapsch TrafficCom.

**Governance:** In 130 years of corporate activity, Kapsch has developed a strong corporate culture that has evolved over time in line with growth, internationalisation and changing framework conditions. At the same time, this culture provides a framework for action that ensures a common understanding in the interests of the company. The Kapsch code of conduct contains the principles, values and codes of conduct according to which Kapsch should act. For various topics of the code of conduct, there are supplementary binding guidelines and other regulations at the global, regional as well as country level.



## Contents

<b>Outperform rating reiterated and new target price of € 13.00</b>	<b>5</b>
Share price performance vs ATX Prime	5
Target price of € 13.0	7
Shareholder structure	9
<b>A leading provider in the intelligent transportation systems market</b>	<b>11</b>
An innovative traffic management company	11
Two business segments - tolling and traffic management	12
A wide range of customers	21
Markets and market position	21
Strategy 2027	23
<b>Intelligent transportation systems (ITS) create long-term value</b>	<b>24</b>
ITS - a steadily growing market	24
2024-25e and beyond – profitable growth ahead	26
Key financial indicators show a solid base again	28
<b>Financial data</b>	<b>32</b>



# OUTPERFORM RATING REITERATED AND NEW TARGET PRICE OF € 13.00

*We have used the average of 1/ a DCF and 2/ a valuation approach based on peer group multiples to determine the fair value of the company. This combined approach underscores Kapsch's substantial long-term potential and gives us a target price of € 13.00. With c. 80% upside to our target price, we reiterate our Outperform rating which is linked to the increase in KTC's addressable market that will lead to further growth in KTC's business in the coming years in our view, as well as a margin improvement thanks to good cost management and a sound financial profile.*

## Share price performance vs ATX Prime

Since the beginning of financial year 2023-24, the share price of Kapsch TrafficCom has underperformed the ATX Prime. Two strong price movements were notable; the agreement to restructure the financing was followed by a brief drop to € 10.00 at the beginning of June 2023, from which the share price quickly recovered. On 5 July 2023, the day of the settlement agreement with the Federal Republic of Germany, an equally brief upward movement enabled the share price to reach its high (intraday) of € 13.65. YTD, Kapsch TrafficCom recorded an increase of ca. 23% vs an increase of ca. 19% for the ATX Prime.

Stock performance relative to ATX Prime (base 0)

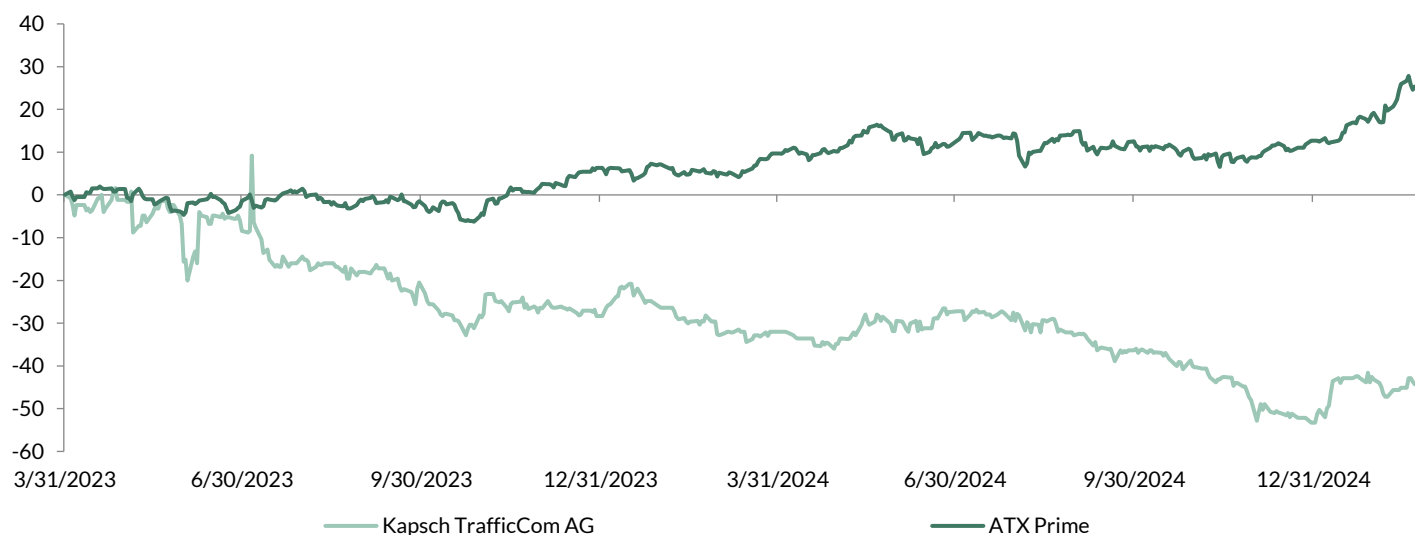


Chart 1 - Source: FactSet

We have included eight companies in our peer group analysis. The market cap of these companies ranges from TagMaster (€ 19m) to Singapore Technologies (€ 14.1bn).



## Kapsch TrafficCom vs peers

x	Price (€)	Market Cap (€ m)	EV/EBITDA		EV/EBIT		P/E	
			2025e	2026e	2025e	2026e	2025e	2026e
Conduent	2.77	448	7.2	4.6	-	16.2	-	40.1
Edenred	32.56	7,864	5.6	5.2	6.9	6.4	13.4	12.1
init innovation traffic	41.20	414	9.9	8.3	13.9	11.4	17.7	14.3
IVU Traffic Technologies	19.00	337	13.4	12.0	16.6	14.6	22.9	20.2
Sensys Gatso Group	3.94	45	7.5	5.7	8.3	5.8	27.0	12.2
Singapore Technologies	6.57	14,136	15.0	13.8	22.2	20.3	24.4	21.5
TagMaster	14.55	19	6.0	4.2	23.9	10.7	48.5	13.2
W.A.G. Payment Solutions	0.60	494	6.1	5.4	9.7	8.4	10.9	8.8
Average peer group			8.8	7.4	14.5	11.7	23.5	17.8
<b>Median peer group</b>			<b>7.3</b>	<b>5.6</b>	<b>13.9</b>	<b>11.1</b>	<b>22.9</b>	<b>13.8</b>
Kapsch estimate	7.10	102	5.8	5.4	10.6	9.8	11.4	9.5
Kapsch vs median peer group			-21%	-3%	-24%	-11%	-50%	-31%

Table 2- Source: FactSet

Based on our estimates, KTC is trading at 5.8x 2025-26e EV/EBITDA, below its 10-year historical average of 7.1x and also 20% below peers median average.

## Kapsch TrafficCom: EV/EBITDA valuation history (x)

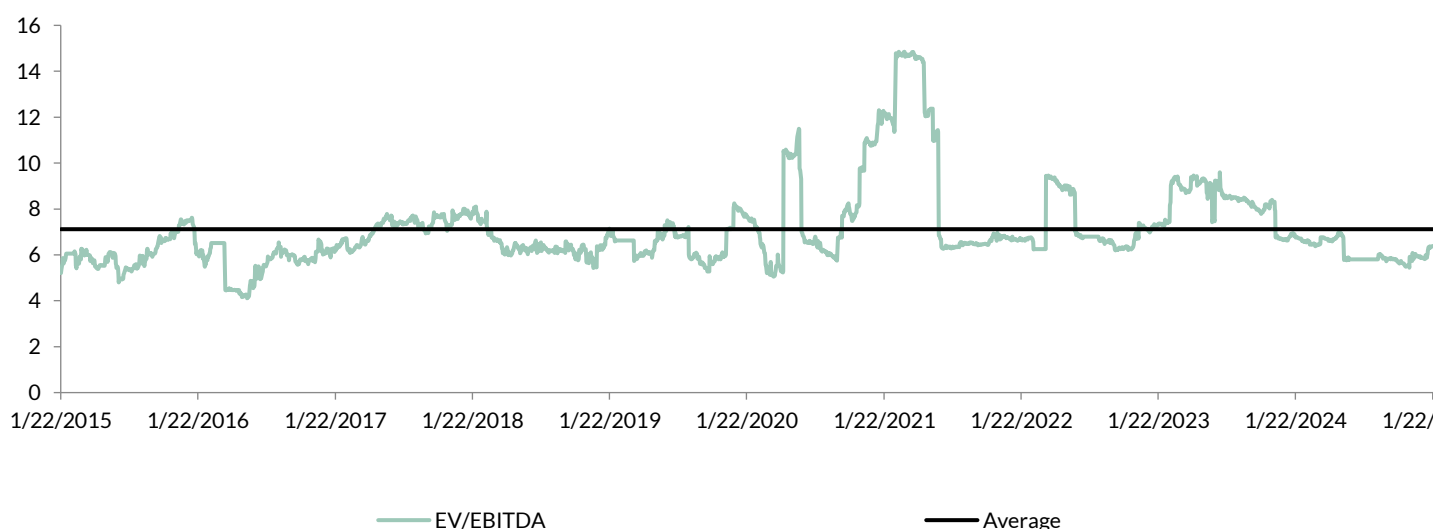


Chart 3 - Source: FactSet

- Conduent Inc.** engages in the provision of business process services with expertise in transaction-intensive processing, analytics and automation. It operates through the following segments: commercial industries, government services and transportation. The commercial industries segment offers business process services and customised solutions to clients in a variety of industries. The government services segment is involved in government-centric business process services and subject matter experts to U.S. federal, state, and local and foreign governments. The transportation segment includes systems and support to transportation departments and agencies globally. The company was founded in 2016 and is headquartered in Florham Park, NJ.
- Edenred SE** engages in the provision of digital payment solutions for the working world. It operates through the following segments: benefits & engagement, mobility and complementary solutions. The benefits & engagement segment consists of food such as meal benefits, and incentives including gift cards and employee engagement platforms. The mobility segment consists of multi-energy solutions including electric charging, vehicle maintenance, toll and parking solutions. The complementary solutions segment includes corporate payments. The company was founded on 14 December 2006 and is headquartered in Issy-les-Moulineaux, France.



- **INIT innovation traffic systems SE** engages in the provision of transportation and electronic ticketing systems for public transportation. Its services include: planning and dispatching, ticketing and fare management, operations control and real-time passenger information, and analysis and optimisation. The company was founded by Gottfried Greschner in 1983 and is headquartered in Karlsruhe, Germany.
- **IVU Traffic Technologies AG** engages in the development and marketing of information technology solutions. It operates through the following geographical segments: Germany, rest of Europe, and non-Europe. The company was founded in 1976 and is headquartered in Berlin, Germany.
- **Sensys Gatso Group AB** engages in the provision of traffic safety solutions. It operates through the systems sales and managed services segment. The system sales segment consists of project-related and repeat sales of solutions, including maintenance. The managed services segment deals with managed services activities, where it delivers technology, processes violations, issues citations, collects fines and delivers helpdesk support. The company was founded in 1982 and is headquartered in Joenköping, Sweden.
- **Singapore Technologies Engineering Ltd.** is an investment holding company, which engages in providing solutions and services in the aerospace, electronics, land systems and marine sectors. It operates through the following business segments: commercial aerospace, urban solutions and satcom, and defence and public security. The commercial aerospace segment refers to the airframe, engines, and components maintenance. The urban solutions and satcom segment relates to smart mobility, smart utilities, and infrastructure. The defence and public security segment is involved in defence, public safety and security, critical information infrastructure solutions, and others. The company was founded in 1967 and is headquartered in Singapore.
- **TagMaster AB** is an application-oriented technical company developing and selling advanced sensor systems and solutions based on radio, radar, magnetic and camera technologies for demanding environments. TagMaster works in two segments – Segment Europe and Segment USA – with the trademarks TagMaster, Citilog, Sensys Networks and Quercus Technologies – with innovative mobility solutions for increased efficiency, security, safety, comfort and to reduce the environmental impact in smart cities. The company was founded in 1994 and is headquartered in Kista, Sweden.
- **W.A.G Payment Solutions Plc** provides payment solutions for fleets of professional transport and forwarding companies as well as running a network of petrol stations for commercial road transportation. It operates under the payment solutions and mobility solutions divisions. The payment solutions represent energy and toll payments. The mobility solutions include subscription-based services and tax refund, fleet management, navigation and other service offerings. The company was founded on 3 August 2021 and is headquartered in London, the United Kingdom.

## Target price of € 13.0

Our DCF gives us a valuation of € 15.7. By using an approach based on the multiples of KTC's peers, the valuation of the share comes to € 10.7. We have used the average of both methods to determine our target price at €13. This combined approach underscores Kapsch TrafficCom's substantial long-term potential.

### Valuation based on DCF: € 15.7

In this approach, we determine the valuation of KTC's shares by using a DCF model. This gives us a fair value of € 15.7.

The key inputs in our valuation are:

- Target enterprise value of € 347.2m. We use long-term projections out to March 2035e, a WACC of 7.98% (including a market risk premium of 5.20% and a risk-free rate of 3.57%, both are set by ODDO BHF's equity research department), a target debt/equity ratio of 65%/35% (assuming the company aims for further delivery), a long-term growth rate of 1% and a terminal EBIT margin of 2%.



- We expect KTC to invest an average of ca. € 7.6m (equivalent to an average of ca. 1.2% of revenue per year) for PP&E and intangible assets.
- Finally, we deduct 2024-25e for net debt, liabilities from post-employment benefits to employees and non-controlling interest.

## DCF overview

€ m	03/2026e	03/2027e	03/2028e	03/2029e	03/2030e	03/2031e	03/2032e	03/2033e	03/2034e	03/2035e
Revenues	571.7	588.8	600.6	612.6	624.8	637.3	650.1	663.1	676.4	689.9
Chg y-o-y	3.0%	3.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
EBIT	20.8	22.1	23.6	24.6	25.0	25.5	22.8	19.9	16.9	13.8
Change y-o-y	-74.4%	6.2%	6.9%	4.1%	1.5%	2.1%	127.5%	-12.6%	-15.0%	-18.4%
EBIT margin	3.6%	3.8%	3.9%	4.0%	4.0%	4.0%	3.5%	3.0%	2.5%	2.0%
Theoretical tax	-4.8	-5.1	-5.4	-5.7	-5.7	-5.9	-5.2	-4.6	-3.9	-3.2
Tax rate	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%
NOPAT	16.0	17.0	18.2	19.0	19.2	19.6	17.5	15.3	13.0	10.6
(+) Depreciation & Amortisation	17.1	17.7	17.7	17.6	17.6	17.6	17.6	17.6	17.5	17.5
(-) Capex	-7.4	-7.7	-7.6	-7.6	-7.6	-7.6	-7.6	-7.6	-7.5	-7.5
(+/-) Changes in WC	2.2	2.2	0.1	-0.1	-0.1	0.1	0.0	0.1	0.0	0.0
Operational CF	27.9	29.3	28.4	28.9	29.1	29.6	27.6	25.4	23.1	20.6
Discounted FCF	27.8	27.0	24.3	22.9	21.4	20.1	17.3	14.8	12.5	10.3
Sum of discounted FCF	198.5									
Terminal value	148.7									
Growth to infinity	1.0%									
Enterprise value	347.2									
Net cash / (net debt)	-94.9									
Post-employment benefits	-21.2									
Non-controlling interest	-6.7									
Equity valuation	224.4									
Number of shares (m)	14.3									
Value per share (€)	15.7									

Table 4 - Source: ODDO BHF Securities

## WACC calculation

WACC	7.98%
Risk free rate	3.57%
Market risk premium	5.20%
Beta	1.50
Cost of equity	11.23%
Interest rate	8.00%
Tax rate	23.00%
Cost of debt	6.16%
Debt	65%
Equity	35%

Table 5 - Source: ODDO BHF Securities

## Sensitivity analysis - WACC vs terminal growth

€/share		WACC				
		7.0%	7.5%	8.0%	8.5%	9.0%
Terminal growth rate	0.0%	17.0	15.6	14.3	13.2	12.2
	0.5%	17.9	16.3	15.0	13.7	12.7
	1.0%	19.0	17.2	15.7	14.4	13.2
	1.5%	20.3	18.3	16.6	15.1	13.8
	2.0%	21.8	19.5	17.6	15.9	14.5

Table 6 - Source: ODDO BHF Securities





## Sensitivity analysis – WACC vs terminal EBIT margin

€/share		WACC				
		7.0%	7.5%	8.0%	8.5%	9.0%
Terminal EBIT margin	1.0%	15.4	14.0	12.8	11.8	10.9
	1.5%	17.2	15.6	14.3	13.1	12.0
	2.0%	19.0	17.2	15.7	14.4	13.2
	2.5%	20.8	18.8	17.1	15.7	14.4
	3.0%	22.6	20.4	18.6	16.9	15.5

Table 7 - Source: ODDO BHF Securities

## Valuation based on peer group multiples: € 10.7

Based on our estimates, the valuation per share based on peer multiples comparison (EV/EBIT, EV/EBITDA, P/E) ranges from € 7.5 (2026e EV/EBITDA) to € 14.2 (2025e P/E), leading to an average valuation of € 10.7.

## Valuation based on peers

€ m	EV/EBITDA (x)		EV/EBIT (x)		P/E (x)	
	2025e	2026e	2025e	2026e	2025e	2026e
Kapsch estimate	38.0	39.8	20.8	22.1	0.62	0.74
Median peer group (x)	7.3	5.6	13.9	11.1	22.9	13.8
EV Kapsch	278.6	221.1	290.2	244.5	14.2	10.2
Net cash / (net debt)	-91.8	-86.7	-91.8	-86.7		
Pension provisions	-21.2	-21.2	-21.2	-21.2		
Non-controlling interest	-6.7	-6.7	-6.7	-6.7		
Market cap	159.0	106.5	170.5	130.5		
Number of shares (m)	14.3	14.3	14.3	14.3		
Value per share (€)	11.1	7.5	11.9	9.1	14.2	10.2

Table 8 - Sources: FactSet, ODDO BHF Securities

## Shareholder structure

The company's share capital amounts to € 14,300,000 and has been divided into 14,300,000 ordinary no-par value bearer shares (each share gives entitlement to one vote; no voting rights ceilings, apart from special cases stipulated by law).

At the end of the financial year 2023-24, KAPSCH-Group Beteiligungs GmbH, as the core shareholder, held 63.3% of the shares, as in the previous year.

The free float amounts to 36.7% which is made up of institutional investors (16.7%), retail investors (18.2%) and others (1.7%). The institutional shareholder base is located in continental Europe (96.6%, of which Austria accounts for 54.7%) and North America (3.4%).

Kapsch has been listed on the Vienna stock exchange official market since June 2007. The shares are listed in the Prime Market Segment.



## Shareholder structure

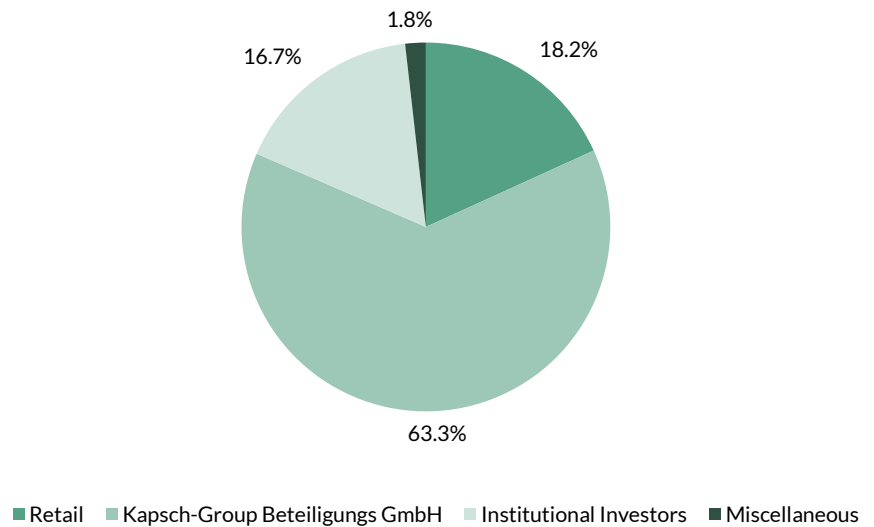


Chart 9 - Source: company

KAPSCH-Group Beteiligungs GmbH is a wholly owned subsidiary of DATAX HandelsgmbH, the shares of which are held (partly indirectly, partly directly) in equal proportions by Traditio-Privatstiftung and Children of Elisabeth-Privatstiftung, each a private trust under the Austrian law for private trusts. Each of these private trusts is managed by its own executive board, with no one person serving on both boards. The beneficiaries of these private trusts are Georg Kapsch and members of his family (Traditio-Privatstiftung) as well as Elisabeth Kapsch and members of her family (Children of Elisabeth-Privatstiftung).



# A LEADING PROVIDER IN THE INTELLIGENT TRANSPORTATION SYSTEMS MARKET

*Kapsch TrafficCom is a globally renowned provider of transportation innovative solutions for optimization of traffic flow, road and public transport safety as well as sustainable mobility in the application fields of tolling (70% of revenues) and traffic management, with a global reach, decades of experience (family-run company, founded in 1892), excellent brand awareness and a reputation as a quality leader.*

## An innovative traffic management company

Kapsch TrafficCom is a globally renowned provider of transportation solutions 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 reducing congestion as well as improving safety. 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. In its 2023-24 financial year, about 4,000 employees generated revenues of ca. € 539m and an EBIT margin of 13.0%.

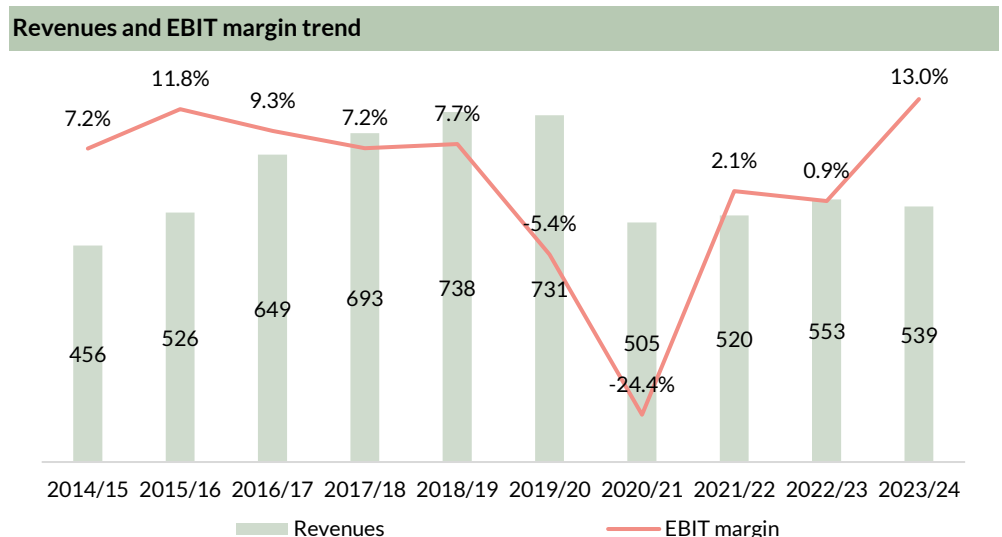


Chart 10 - Sources: company, ODDO BHF Securities

During the financial year 2020-21, revenues declined by almost 31% y-o-y to ca. € 505m and EBIT by more than 200% to -€ 123m, leading to an EBIT margin of -24.4% (vs -5.4% a year ago). The decline in revenues was evenly spread across all regions (EMEA -31.3%, Americas -30.2%, APAC -31.9%), which underscores the correlation with the global COVID pandemic.



Two business segments - tolling and traffic management

Kapsch TrafficCom develops intelligent transportation systems (ITS) for safe, smooth traffic and sustainable mobility. The aim is to enable road users to arrive at their destination conveniently, on time, safely, efficiently, and with minimal environmental impact.

The company operates in two business segments: tolling (including tolling services) and traffic management (including demand management).

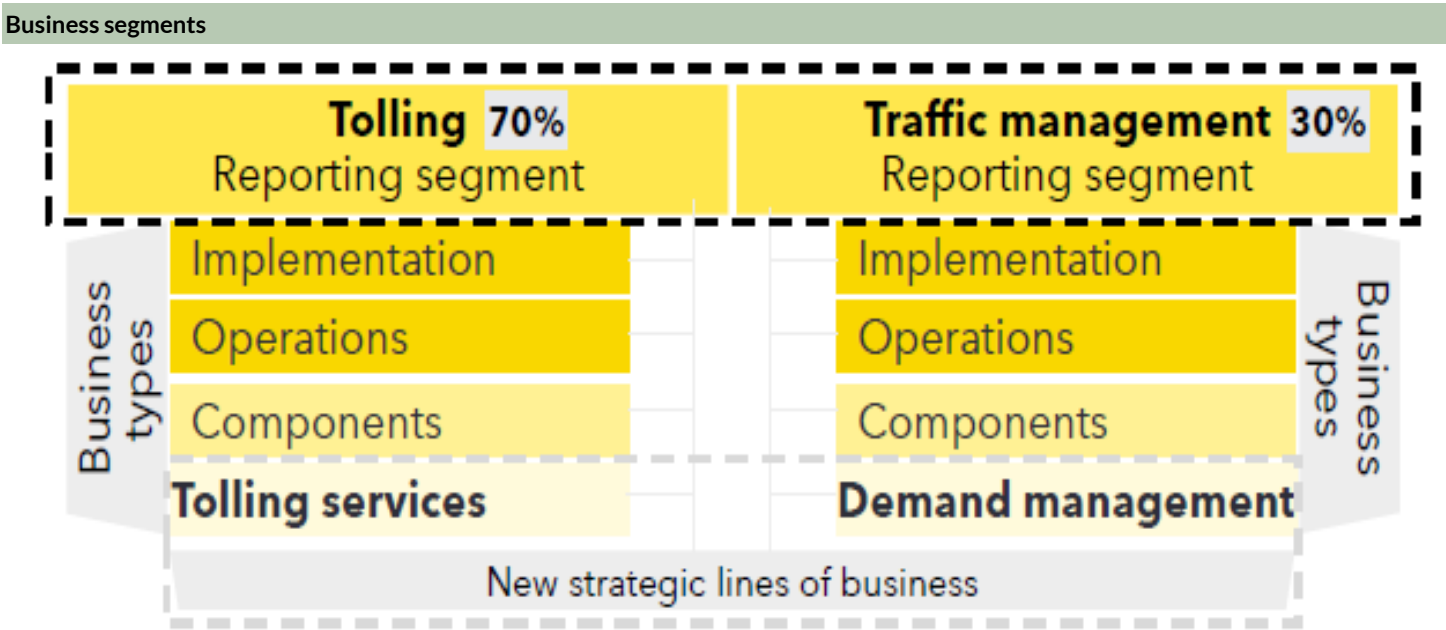
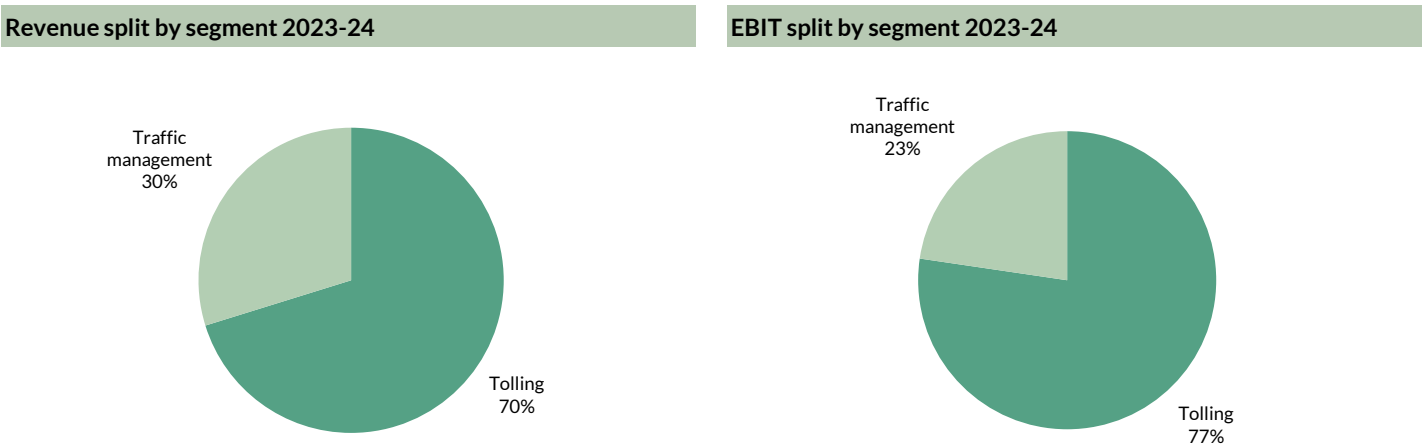


Chart 11 - Source: company

Tolling accounts for the majority of revenues and EBIT and is also the most profitable segment in terms of EBIT margin. Over the last 10 financial years (2014-15 to 2023-24), the average EBIT margin in tolling was 3.9% vs -1.6% in traffic management (due to negative margin adjustments in existing customer projects).



Charts 12 - Sources: company, ODDO BHF Securities

Within the two business segments, revenues are generated in the implementation (design & build of systems including back-office systems, software solutions and platforms), operations (technical and commercial) and components (hardware and software). Operations account for more than half of the revenues generated in tolling and traffic management systems together.



### Revenue by business type 2023-24

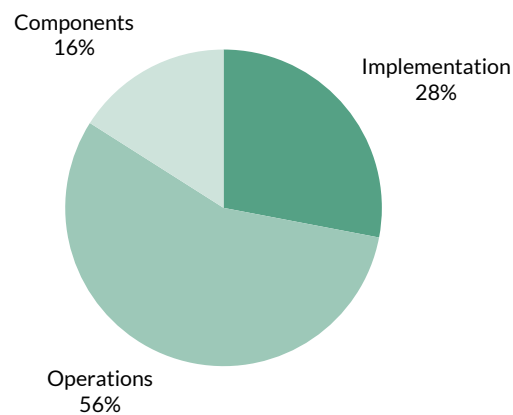


Chart 13 - Sources: company, ODDO BHF Securities

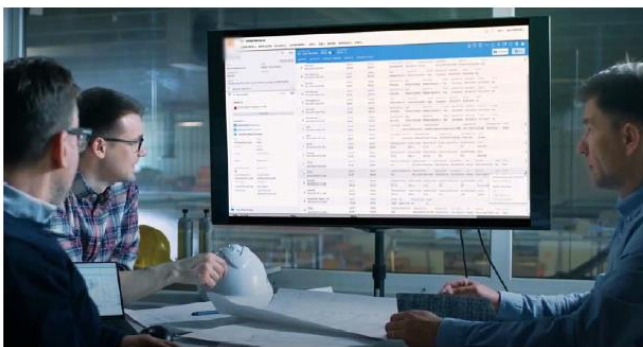
### ❖ Implementation

- Design, development and implementation of tolling and traffic management systems and applications.
- Implementation of the hardware and software offers cross-selling potential for the operations and components and thus end-to-end solutions for the company's customers.

### Back-office systems, software solutions and platforms



#### Tolling.



- 01 **Operian Back Office** for tolling systems.
- 02 **Geo Location Platform** for vehicle tracking for toll collection.
- 03 **Deep Learning Versatile Plattform** for video analysis and digitalization of road infrastructure.



#### Traffic Management.



- 04 **EcoTrafix™ Multi-Agency Software Suite** for safety and intelligent management of intersections.
- 05 **Mobility Data Plattform** for traffic analysis and traffic intelligence.
- 06 **Connected Mobility Control Center** for device and message management, system and data monitoring, as well as communication services related to connected vehicles.

Charts 14 - Source: company

### ❖ Operations

Maintenance/operations contracts vary according to:

- Technical operations: monitoring, maintenance and constant improvement of systems.
- Commercial operations: planning and realisation of distribution channels, set-up and operations of call centre services, design of web portals and implementation of payment systems based on software solutions (back-office systems).



## ❖ Components

- Development and production of hardware components in Austria and Canada: in-vehicle components (on-board units), road-side components (road-side units), traffic controllers.
- In-house development of modular software solutions.

## Tolling

This segment comprises activities relating to the implementation and the technical and commercial operation of toll collection systems. Projects are generally awarded by public authorities/agencies, public private entities or private concessionaires in the context of tender procedures. Toll collection systems may comprise both individual road/highways sections or lanes and nation-wide road/highways networks. The manufacture and procurement of components both for the expansion and adaptation of the systems installed by Kapsch TrafficCom and on behalf of third parties round out the portfolio of Kapsch TrafficCom; toll services for public entities, business and private customers further complete it.

### Tolling (revenue share 2023-24: 70%)



Chart 15 - Source: company

In the financial year 2023-24, revenues declined by 6.2% y-o-y to € 378.3m (equivalent to 70.2% of group revenues vs 72.8% a year ago), mainly due to lower revenues in the Americas and APAC regions, whereas EBIT improved from -€ 9.2m to € 54.3m (EBIT margin up from -2.3% to 14.4%). This positive earnings development is primarily due to the settlement reached in the arbitration proceedings regarding the termination of the operator agreement for the collection of the infrastructure charge in Germany.



Tolling – Trend in revenue and EBIT margin

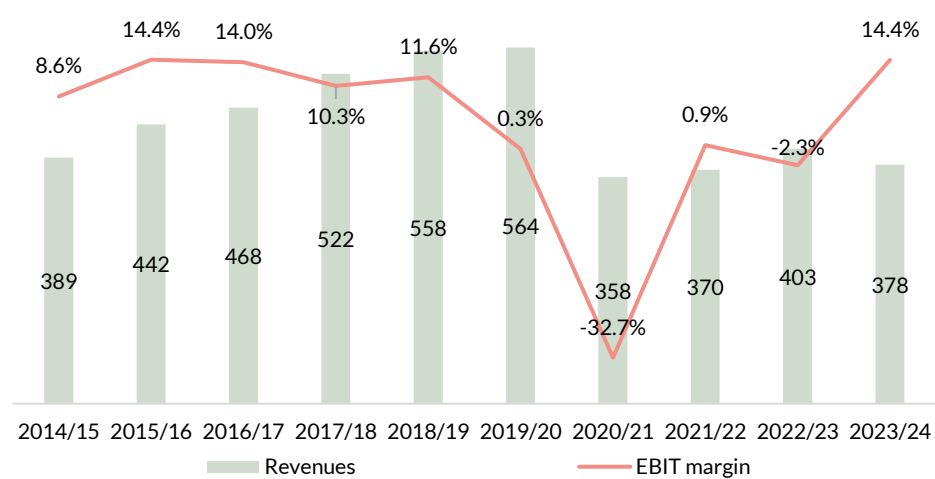


Chart 16 - Sources: company, ODDO BHF Securities

In the financial year 2023-24, the EMEA region accounted for 50% of revenues for tolling.

Tolling - Revenues by region (2023-24)

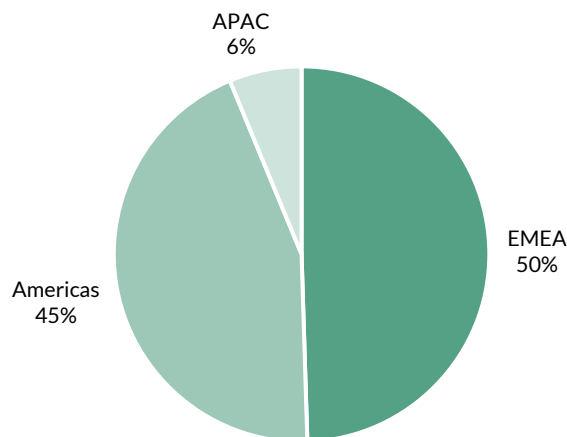


Chart 17 - Sources: company, ODDO BHF Securities

On top of managing traffic flow, tolling technologies are increasingly used in cities in which low emission zones are being introduced to improve air quality. At a national level, meanwhile, countries and individuals are forging a path to a greener future by adopting hybrid, electric and lower emission vehicles. This threatens to undermine the road taxes that have traditionally funded road infrastructure projects. In both cases, new innovative approaches for Road User Charging are required.

Throughout the world, local standards and circumstances demand different technologies and approaches. Kapsch TrafficCom's end-to-end technology portfolio provides the most suitable solution (multi-lane free flow solutions or location-based charging solutions as well as plaza tolling systems), thereby supporting customers at every stage of their tolling transformation journey.





- **Multi-lane free flow (MLFF) solutions**

Tolling without barriers. Multi-lane free flow (MLFF) solutions - such as all electronic tolling, city tolling and clean air zones, managed lanes - transform the experience of tolling for all road users and represent a paradigm shift for all those who procure and install tolling solutions. Modern MLFF tolling technologies create a seamless solution to charge road users across multiple lanes without disrupting the flow of traffic. This reduces congestion and minimises pollution. It also significantly reduces the total cost of ownership of a tolling system.

#### Multi-lane free flow (MLFF)



Chart 18 - Source: company

- **Location-based charging solutions**

Around the world, Kapsch TrafficCom's location-based charging technologies - such as satellite tolling and road user charging - are delivering the next generation of tolling solutions for national, urban and inter-urban roads and highways. The rapid increase in vehicle connectivity means that more and more data is being generated which can be used for road charging and tolling. Now, with the introduction of 5G, the building blocks for the next generation of road pricing solutions based on vehicle location data are all in place. This is significant because, around the world, authorities are facing ever increasing challenges caused by road traffic. As the number of kilometres/miles driven each year continues to grow, traffic congestion, road surface conditions and air quality are getting steadily worse. With Kapsch TrafficCom's solutions, how distance-based charges are calculated and charged is entirely up to the authority. Different charges can be set for different types of vehicles for specific roads in specific areas, or at specific times of the day. This critical flexibility means that authorities can choose, adapt and refine their solution to deliver the best approach for their individual circumstances and priorities. They can, for example, target fees for polluting vehicles only, or all vehicles driving at particularly congested times or in congested areas.





#### Location-based charging solutions



Chart 19 - Source: company

- **Plaza tolling systems**

A place on a road where there is a line of tollbooths or more lines of tollbooths on a toll plaza (see picture below).

There are three types of lanes:

- Manual lanes (with barriers; customers pay with credit cards or cash and receive a ticket). The Kapsch solution for this is called SMART Toll.
- Electronic lanes (at the very outside of the picture below; there are no barriers, and customers drive through "free-flow", i.e., without having to reduce the speed, without receiving a ticket).
- Mixed lanes, often also called automated lanes (the first lanes outside the electronic lanes; the barrier opens automatically; customers do not have to stop, but customers have to reduce their speed. Customers do not get a ticket and need some kind of transponder, either in the form of an on-board unit (often called a tag) or an RFID transponder (often called a sticker tag); in some cases, it can also be done via video with license plate reading, provided the vehicle is registered and thus authorised for this purpose).



Toll plaza in Brazil



Chart 20 - Source: company

All over the world, state-of-the-art toll solutions from Kapsch TrafficCom are used in infrastructure.

## Examples of state-of-the-art toll solutions

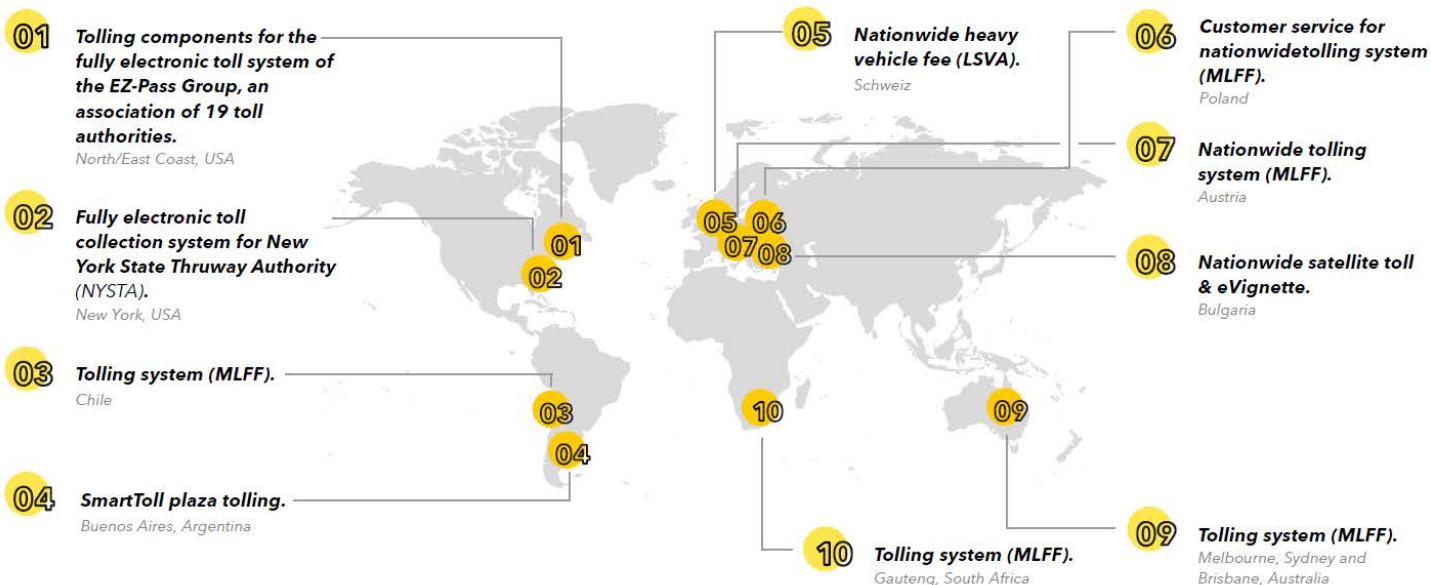


Chart 21 - Source: company

## Traffic management

This segment primarily comprises activities relating to the implementation (design and build of systems including back-office systems, software solutions and platforms) and operation of systems and solutions for controlling traffic and mobility behaviour, as well as the related components business. The strategic focus is on the areas of traffic optimisation, decision intelligence (analysis, simulation and prediction of traffic) and the operation of mobility platforms and services. One basis for this is the use of increasing amounts of data for analysis, simulation and intelligent control of traffic flows and mobility behavior. Customers in the traffic management segment are mainly public authorities but also private companies.



Traffic management (revenue share 2023-24: 30%)



Chart 22 - Source: company

In the financial year 2023-24, revenues in the traffic management segment amounted to € 160.5m, a rise of 7.0% on the previous year's figure of € 150.0m, and contributed 29.8% (previous year: 27.2%) to total revenues. EBIT in the traffic management segment amounted to € 15.9m and was 9.3% above the previous year.

Traffic management – Trend in revenue and EBIT margin

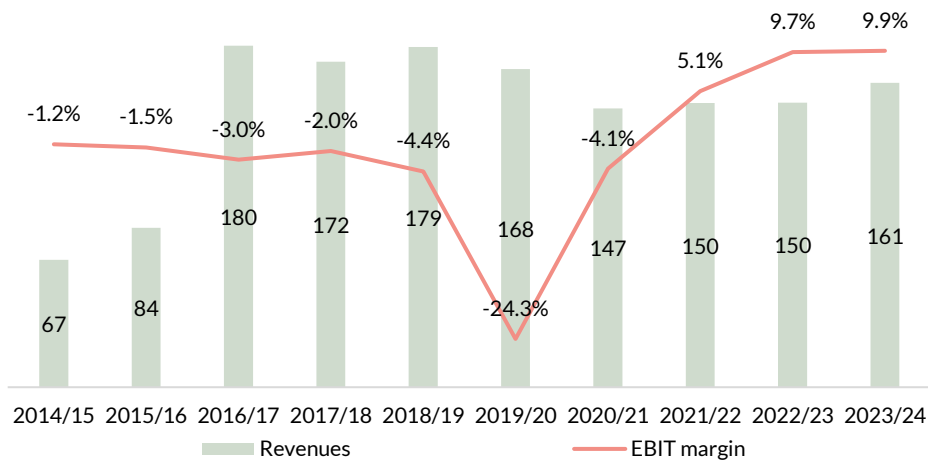


Chart 23 - Sources: company, ODDO BHF Securities

During the 2023-24 financial year, the EMEA region accounted for almost 56% of revenues in traffic management.

Traffic management – Revenues by region (2023-24)

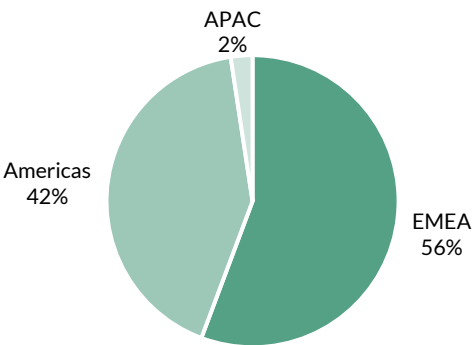


Chart 24 - Sources: company, ODDO BHF Securities



Around the world, safety and congestion are becoming critical causes of concern for those who manage mobility on the roads. Whether in cities, on inter-urban highways and motorways, on bridges or through tunnels, today's massive traffic volumes require new political and technical approaches that take full account of the need to preserve as much as possible of the limited environmental resources.

Simply adding new capacity to road networks to address congestion challenges is often prohibitively expensive. What's more, this approach is unable to address the problems of congestion that are caused by aggressive driving, lane closures, incidents, and adverse weather and road conditions.

The Kapsch traffic management portfolio of solutions includes infrastructure and systems – including traffic monitoring and signal optimisation systems – that govern or enhance the flow of private, commercial and public transport vehicles around a city or highway network. Its urban traffic management solutions have been used by city authorities to optimise capacity on the road network, providing incremental reductions in emissions and speeding up journey times.

The industry's most extensive traffic management portfolio included urban solutions, orchestrated connected corridors, traffic intelligence solutions, highway solutions, bridges and tunnel management, and traffic demand management.

Kapsch TrafficCom is a global player with successful tolling and traffic management projects in more than 50 countries.

## Examples of successful projects in traffic management

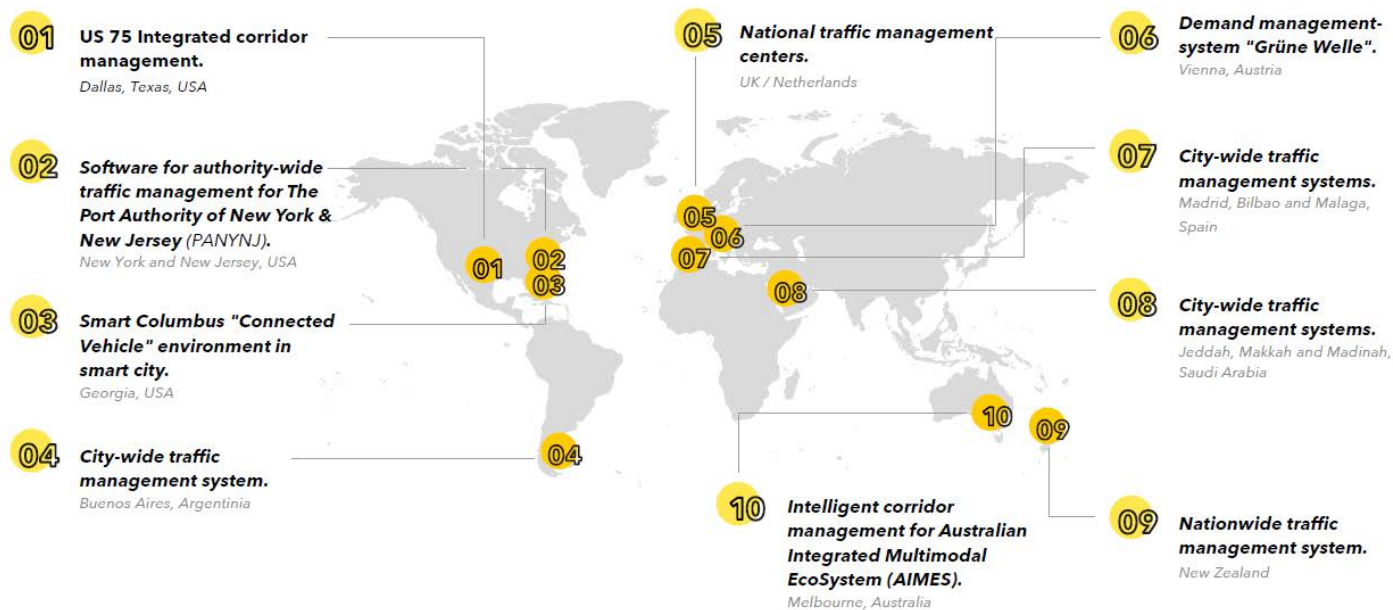


Chart 25 - Source: company





## A wide range of customers

Kapsch TrafficCom offers tailor-made end-to-end solutions to public authorities (B2G), companies / business customers (B2B) and to a certain extent consumers (B2C) in urban and interurban areas.

### Customer groups

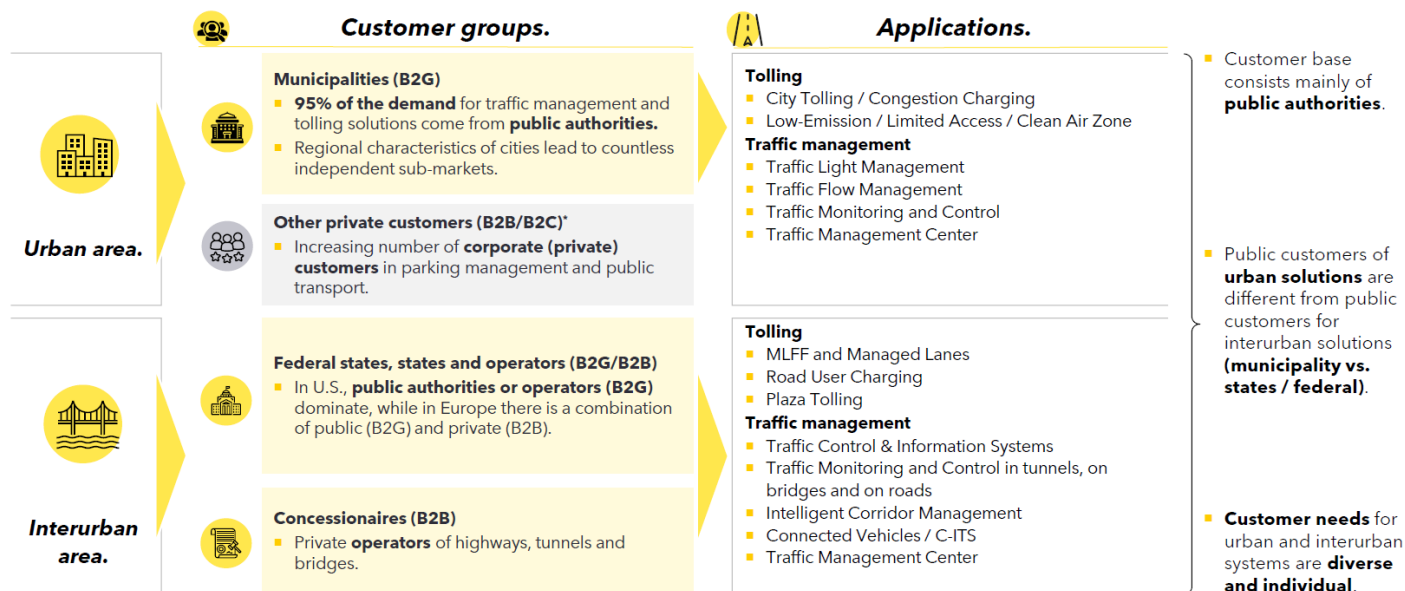


Chart 26 - Source: company

Larger contracts are usually tendered. Until a contract is awarded to Kapsch TrafficCom, there are a number of uncertainty factors both within and outside of the company's area of influence. For example, political changes, appeals or lawsuits by unsuccessful bidders can lead to a delay in the awarding of a contract, to its cancellation or to a modification of the tender.

In the 2023-24 financial year there was one customer who contributed more than 10% to the group's revenues with € 541m (including in the tolling segment). This customer was also above the 10% threshold in the previous year.

## Markets and market position

Kapsch TrafficCom focuses on the EMEA region (Europe, Middle East, Africa), the Americas region (North, Central and South America) as well as the APAC region (Asia-Pacific). In the financial year 2023-24, the EMEA region accounted for ca. 52% (or € 278.7m) of total revenues, followed by the Americas region (€ 232.4m, ca. 43% of total revenues) and the APAC region (€ 27.7m, ca. 5% of total revenues).



## Regional focus markets

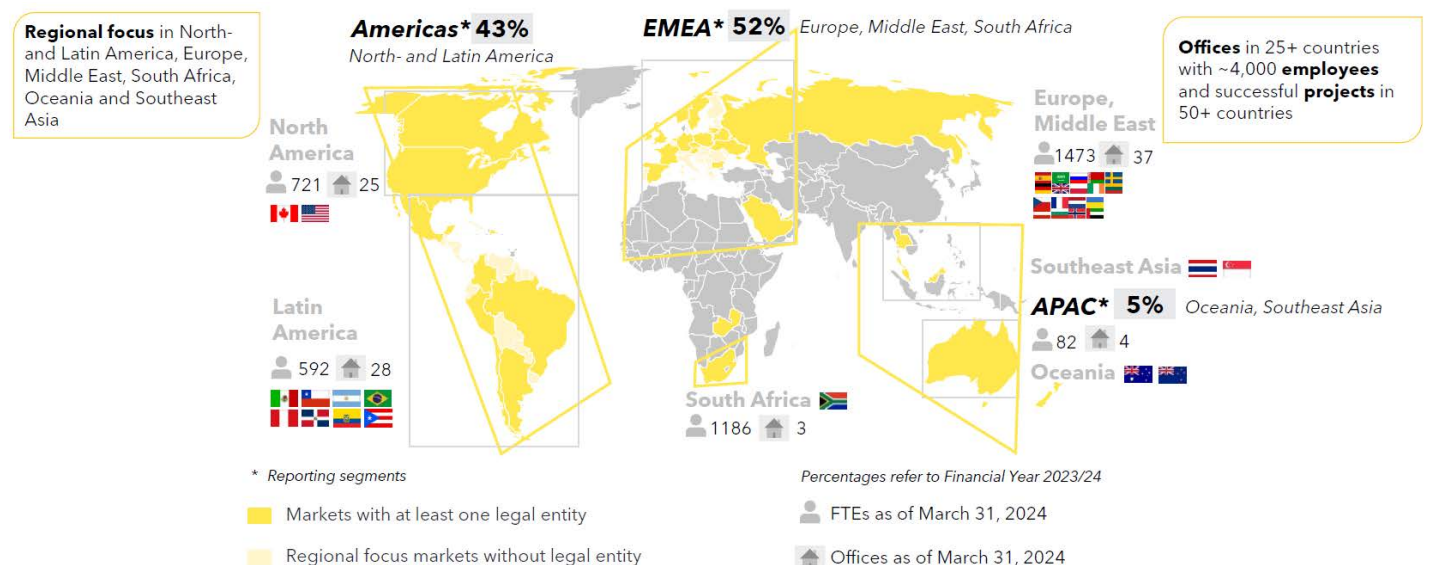


Chart 27 - Source: company

Kapsch TrafficCom is among the top players globally as a group or within its business segments.

In the business segment tolling, the company is the world market leader (based on size, offer, competitiveness) with revenues of ca. € 400m in the 2022-23 financial year. This corresponds to a market share (based on revenues) of 15.4%. Its key competitors are TransCore & Singapore Technology Engineering and Conduent.

In traffic management, KTC is the no.6 globally with revenues of ca. € 150m (including demand management). This is equivalent to market share of 7.5%.

## Traffic management – market share based on comparable revenue

Company	Revenue (€ m)	Market share
Swarco	750	37.5%
TransCore/STE	450	22.5%
Yunex Traffic Global	400	20.0%
Umovity (PTV/Econolite)	170	8.5%
Cubic Corporation	160	8.0%
KapschTrafficCom	150	7.5%
Miovision	100	5.0%

Table 28 - Sources: company, ODDO BHF Securities

In intelligent transportation solutions (ITS), Kapsch TrafficCom is globally the no.4 player with revenues of ca. € 520m and market share of 13.1%.

## ITS – market share based on comparable revenue

Company	Revenue (€ m)	Market share
TransCore/STE	950	23.9%
Yunex & Telepass	816	20.6%
Swarco	750	18.9%
KapschTrafficCom	520	13.1%
T-Systems & Toll4Europe	381	9.6%

Table 29 - Sources: company, ODDO BHF Securities



## Strategy 2027

Global megatrends as well as growing awareness and legal requirements regarding climate and environmental protection are increasing the demand for comprehensive and intelligent transportation solutions. More and more, this confirms that Kapsch TrafficCom is addressing the right issues with its Strategy 2027 (presented in January 2021 and currently under review), even if implementation is taking longer than originally assumed due to the market situation.

A comprehensive strategy review (including strategic goals such as revenues and EBIT margin) was launched in the past financial year and is still ongoing. One of the first changes resulting from this was the sale of the non-core investments Traffic Technology Services, Inc. in the US (TTS) and TMT Services and Supplies Proprietary Limited in South Africa (TMT).

Kapsch TrafficCom is still predominantly perceived as a hardware provider. In fact, the company is already more a provider of software and services; this development and change will continue – while retaining the hardware component – and will be shaped in the strategy review.

The main points of the strategy are:

- **Optimisation and expansion of existing business.** Focus on core competencies of tolling and traffic management with new solutions.
- **Expansion into adjacent business areas.** The expansion into adjacent business areas is consistent with an internal global strategy survey on potential new business areas.
- **Investment in future technologies.** Focus on technological developments that shape the company's future product and system ecosystem.
- **Identity.** Kapsch TrafficCom is a globally renowned provider of end-to-end transportation solutions for a healthy world without congestion.
- **Mission.** Creating innovative solutions for sustainable mobility in transportation to enable users to arrive at their destination conveniently, on time, safely, efficiently, and with minimal environmental impact.
- **Goal.** Kapsch TrafficCom is recognised as the leader in the industry. Increase revenue and thereby grow stronger than the market.
- **Vision.** Challenging the limits of mobility for a healthy world without congestion.



# INTELLIGENT TRANSPORTATION SYSTEMS (ITS) CREATE LONG-TERM VALUE

Kapsch TrafficCom is continuing to benefit strongly from the growing ITS market and its focus on cost management. Both should lead to a significant improvement in key financial figures and reduction of debt. As a result, we project an EBIT margin of 3.8% (+100bp vs adjusted 2023-24) and gearing of 86.5% (vs 127.1% in 2023-24) in 2026-27e. In terms of revenue, we prefer to remain conservative and assume 2026-27e revenue of € 588.8m (CAGR of +3.8%, 2023-24 excl. TMT to 2026-27e).

## ITS - a steadily growing market

Kapsch TrafficCom addresses the market for intelligent transportation systems (ITS) which support and optimise traffic (including infrastructure, vehicles, users, industry) and use information and communication technologies for this purpose.

Grand View Research places the global market size at € 29.9bn in the year 2023 and expects it to grow at a compound annual growth rate (CAGR) of +8.3% from 2023 to 2030.

The company addresses 44% (sum of tolling and traffic management, see chart below) of the global ITS market with innovative, end-to-end tolling and traffic management solutions. This total addressable market had a combined volume (including all markets worldwide) of € 13.0bn in 2023 and will grow with a CAGR of +7.4% until 2023.

The addressable market for the company (Kapsch total addressable market, only the markets & products/solutions that are addressed by Kapsch today) had a volume of € 6.4bn in 2023-24 and is expected to grow at a CAGR of +7.9% to € 8.7bn in 2027-28. Based on reported revenues of € 538.8m in 2023-24, Kapsch TrafficCom had a market share of ca. 8.4%.

### Market volume for intelligent transportation systems (ITS)

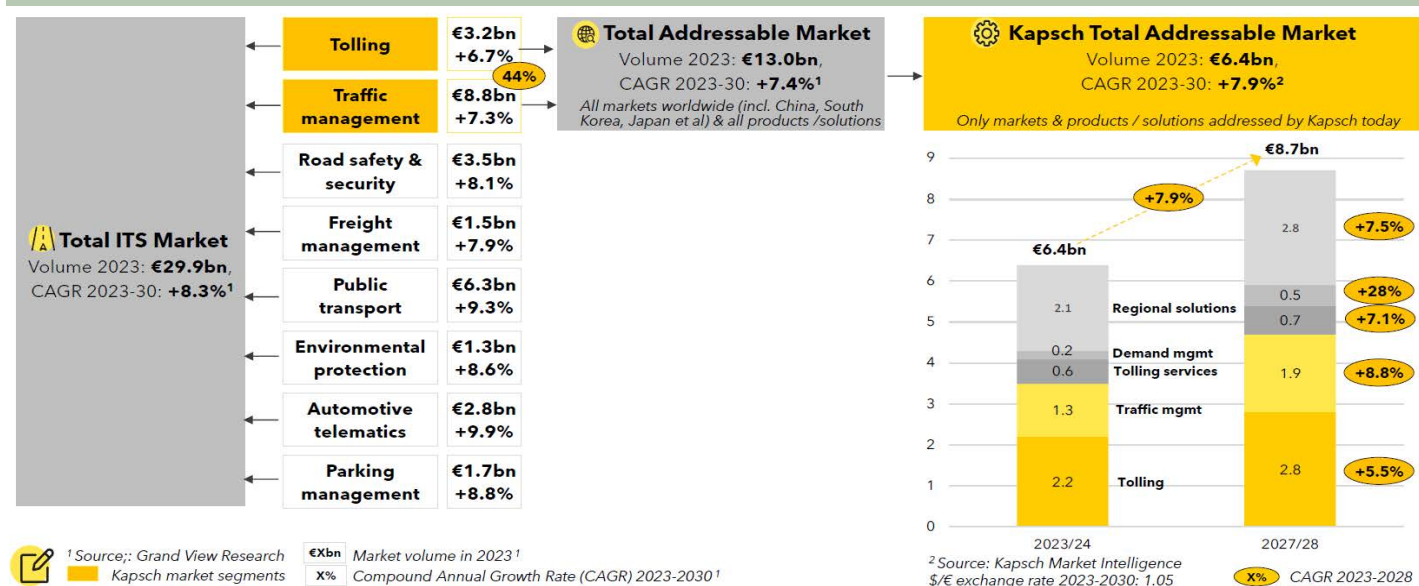


Table 30 - Sources: Grand View Research, company





## Share of the ITS market

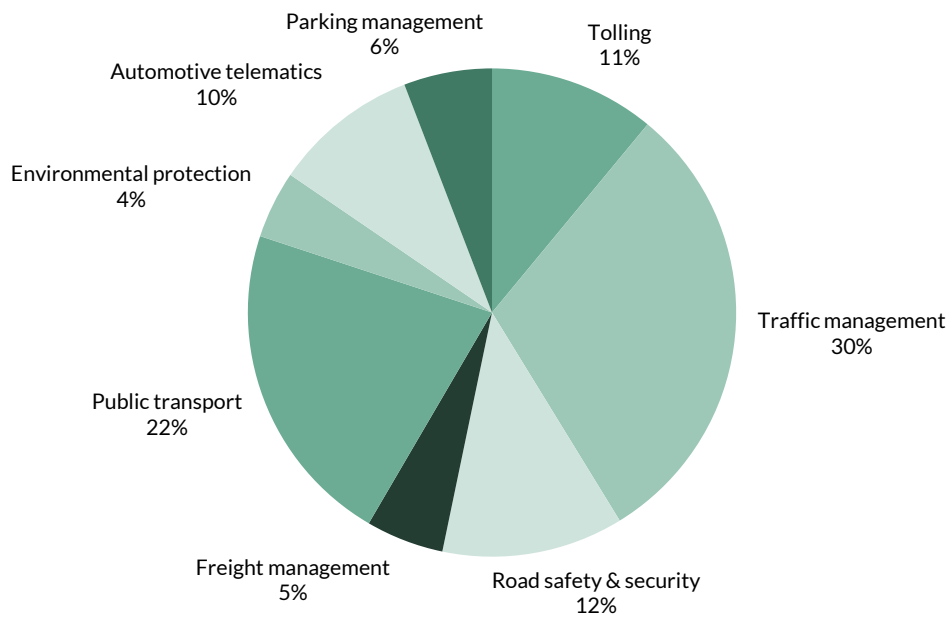


Chart 31 - Source: Grand View Research

Growth of the ITS market is driven by:

- Environmental protection.** The Paris Agreement is an important global climate protection agreement and was adopted in December 2015 at the Paris Climate Change Conference. The European Commission (as part of the “European Green Deal”) and the US are pursuing a reduction in greenhouse gas emissions. Road traffic plays a significant role here, as it is responsible for a substantial portion of greenhouse gas emissions. Both traffic management and tolling solutions are recognised tools for influencing traffic and means of transportation.
- Need for traffic infrastructure and its maintenance.** Studies expect not only an increase in the global population, but also more private vehicles on the roads. As the volume of vehicles grows, it will inevitably be necessary to increase investments in road construction and maintenance. This is usually extremely expensive. At the same time, the increasing number of hybrid and electric vehicles is having a negative impact on mineral oil tax revenues. This means that an increase in the need for alternative financing models, including tolling solutions, can be assumed.
- Urbanisation.** The percentage of people living in cities is increasing. Whereas in 1800 only 2% of the world’s population was urban, in 2007 for the first time more than half of the world’s population lived in cities. Based on a current figure of around 56%, the United Nations forecasts that the urban population will account for more than 60 % of the population in 2030 and around 68% in 2050. At the same time, the world’s population will rise from around 7.9bn people today to 8.5bn in 2030 and 9.7bn in 2050. It is precisely in urban areas that private and professional mobility gives rise to major challenges. Furthermore, as the urban population grows, there will be an increase in the volume of business within a city as well as with business partners outside of the city. Since products must be delivered, a higher urban population tends to bring about an increase in the volume of transportation.
- New means of transportation and services.** Analysts expect that urban passenger traffic will more than double by 2050. Autonomous vehicles could intensify this trend. The existing road infrastructure will not be able to meet these needs. This results in two consequences: the increased use of public transport and shared means of transportation, and – if no appropriate countermeasures are taken – more extensive congestion. In addition, the trend toward electric vehicles will continue. While this reduces immediate CO<sub>2</sub> emissions, the particulate matter problem will remain.
- Connected vehicles.** Technological advances in the exchange of information between vehicles (vehicle-to-vehicle, V2V), between vehicles and traffic infrastructure (vehicle-to-infrastructure, V2I), and in the area of autonomous driving are rapid. Already today, these developments are enabling increasingly better and more extensive applications for better driving comfort and greater driving safety. In addition, the new communication channels and the enormous volumes of data enable substantial improvements in traffic management.



- **Data and artificial intelligence.** Open data and open interfaces enable more extensive and higher-performing applications. Connected vehicles are an important data source. Machine learning and artificial intelligence create new opportunities for data analysis, simulation, forecasting and management.
- **Data security.** Due to the use of large amounts of data, the protection of personal data and how it is handled is becoming increasingly important.

The above-mentioned market drivers have already led to fundamental changes in the business environment of Kapsch TrafficCom.

- While the ITS industry relied heavily on hardware in the past, it is increasingly shifting towards software platforms. More and more, module solutions and cloud applications are playing a role.
- Offered services (anything-as-a-service) put the focus on the user and are integrated into platforms and devices preferred by them.
- Payment solutions are integrated into vehicle technology, and new payment technologies will enter the market.
- Intelligent traffic infrastructure can be achieved with more affordable sensors, modules and connection technologies. Specific domain knowledge and the need for customer-specific solutions will remain significant, however.
- New solutions can be rolled out on a global scale.

## 2024-25e and beyond – profitable growth ahead

During the first three quarters of 2024-25, KTC reported revenues of € 410.6m (+2.6% y-o-y) whereas EBIT declined to € 5.9m after € 71.9m in the same period of the previous year, leading to an EBIT margin of 1.4%. The key earnings figures for the current financial year 2024-25 are only comparable with the previous year to a limited extent. In the previous year, the conclusion of the arbitration proceedings regarding the terminated toll contract in Germany led to a one-off cash inflow, which was visible in EBIT at an amount of € 72m, among other things. In the current year, however, the effects of the deconsolidation of some subsidiaries (in particular the sale of the South African company TMT) had a negative impact of € 7m on EBIT. In the tolling segment, revenues increased by 10% to € 309m, accounting for 75% of total revenues. EBIT amounted to € 6m; in the same period of the previous year, it amounted to € 59m in connection with the cash inflow from Germany. In the traffic management segment, revenues fell by 14% to € 102m, mainly due to the sale of TMT, as a result of which EBIT amounted to -€ 0.4m vs € 13m a year earlier. Free cash flow reached € 24m in Q1 to Q3 2024-25 compared to € 68m in the same period of the previous year as the cash inflow from the settlement in Germany made a positive contribution of € 79m.

For the financial year 2024-25, the company expects revenues to grow above the forecasted average annual market growth of +7.5% (2024 to 2030e; Source: Grand View Research). Revenues continue to be affected by the economic and political uncertainties in connection with the global conflicts. In the financial year 2023-24, net revenues were also negatively impacted by a customer credit note and deferred revenues. The high order intake (€ 734m, plus 53% y-o-y) in the reporting period 2023-24 and order backlog (€ 1.4bn, +15% y-o-y) at the end of the 2023-24 financial year, will increasingly be reflected in revenues and form a solid basis for further growth. In the medium term, it should at least be possible to return to the pre-crisis revenue level of almost € 740m in the 2018-19 financial year. The operating result (EBIT) should show a slight improvement compared to the previous year's result adjusted for one-time effects of € 15m, although one-time effects are also possible again. Despite the improved situation, the focus remains on costs. In addition, the management continues to aim for further cash inflows from pending proceedings and other measures to further reduce net debt. The aim is to achieve a minimum level of net debt to EBITDA of less than 3.0x in the longer term. This compares to an average net debt to EBITDA of 4.3x over the last three financial years and 1.2x in 2023-24.



For 2024-25e, we believe that KTC will report revenue of € 555m (+5.3% y-o-y excluding TMT; +3.0% y-o-y including TMT) and an adjusted EBIT margin of 3.3% (+50bp y-o-y). We are in line with company guidance on adjusted EBIT, but slightly below on revenue as we prefer to remain conservative given the revenue growth of only 5.1% (excluding TMT) during the first three quarters of 2024-25. Our 2024-25e revenue growth of 5.3% y-o-y excludes the South African company TMT. The company was sold in H1 2024-25 and generated revenues of ca. € 12m.

#### Company guidance vs estimates – 2024-25

€ m	2023-24	2024-25 guidance	2024-25e	2024-25e Css
Revenues	538.8	Growth > 7.5%	555.0	576.2
Adjusted EBIT	15.1	Slight improvement	18.5	
Adjusted EBIT margin	2.8%		3.3%	

Table 32 - Sources: company, ODDO BHF Securities

#### Operating costs

€ m	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25e	2025-26e	2026-27e
Cost of materials and other production services	-334.9	-243.5	-202.8	-222.6	-232.7	-219.8	-224.1	-229.6
Personnel expenses	-269.2	-243.8	-227.1	-247.9	-242.4	-249.8	-249.2	-259.1
Other operating expenses	-118.7	-84.7	-69.1	-76.2	-73.2	-74.9	-71.5	-71.5
<b>Total operating costs</b>	<b>-722.8</b>	<b>-572.0</b>	<b>-499.0</b>	<b>-546.7</b>	<b>-548.3</b>	<b>-544.5</b>	<b>-544.8</b>	<b>-560.2</b>
Revenue	731.2	505.2	519.8	553.4	538.8	555.0	571.7	588.8
Operating costs as a % of revenue	-98.9%	-113.2%	-96.0%	-98.8%	-101.8%	-98.1%	-95.3%	-95.1%

Table 33 - Sources: company, ODDO BHF Securities estimates

In the reporting period 2023-24, EBIT of € 70.3mm (adjusted € 15.2m) significantly exceeded the previous year's figure of € 5.2m. This positive development was primarily due to a one-time effect from Germany. In July 2023, a settlement agreement was reached in the arbitration proceedings between the autoTicket joint venture and the Federal Republic of Germany. This led to a total cash inflow of € 109m, which was reflected in EBIT at an amount of € 79m (including in the tolling segment) and enabled the repayment of financial liabilities at an amount of € 88m.

#### Earnings summary

€ m	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25e	2025-26e	2026-27e
Revenues	731.2	505.2	519.8	553.4	538.8	555.0	571.7	588.8
Chg y-o-y		-30.9%	2.9%	6.5%	-2.6%	3.0%*	3.0%	3.0%
EBIT	-39.2	-123.2	11.0	5.2	70.3	11.5	20.8	22.1
Chg y-o-y		214.4%	-109.0%	-52.4%	1239.6%	-83.6%	81.0%	6.2%
EBIT margin	-5.4%	-24.4%	2.1%	0.9%	13.0%	2.1%	3.6%	3.8%
Adj. EBIT	-39.2	-123.2	11.0	5.2	15.2	18.5	20.8	22.1
Chg y-o-y		214.4%	-109.0%	-52.4%	187.1%	22.9%	12.5%	6.2%
Adj. EBIT margin	-5.4%	-24.4%	2.1%	0.9%	2.8%	3.3%	3.6%	3.8%
Free Cash flow (company definition)	2.4	4.3	16.8	2.5	105.7	36.2	26.7	27.5
Chg y-o-y		81.8%	287.6%	-84.9%	4062.8%	-65.7%	-26.3%	3.0%

Table 34 - Sources: company, ODDO BHF Securities estimates, \* including TMT in 2023-24



## From revenue to EPS

€ m	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25e	2025-26e	2026-27e
<b>Revenues</b>	<b>731.2</b>	<b>505.2</b>	<b>519.8</b>	<b>553.4</b>	<b>538.8</b>	<b>555.0</b>	<b>571.7</b>	<b>588.8</b>
Chg y-o-y		-30.9%	2.9%	6.5%	-2.6%	3.0%	3.0%	3.0%
Other operating income	16.0	9.9	16.6	20.1	81.3	16.5	10.0	10.0
As a % of revenues	2.2%	2.0%	3.2%	3.6%	15.1%	3.0%	1.7%	1.7%
Chg y-o-y		-37.9%	67.0%	20.9%	305.3%	-79.7%	-39.4%	0.0%
Changes in finished and unfinished goods	-6.1	-6.2	-2.7	2.0	1.3	1.1	1.1	1.2
As a % of revenues	-0.8%	-1.2%	-0.5%	0.4%	0.2%	0.2%	0.2%	0.2%
Chg y-o-y		1.9%	-57.0%	-173.1%	-32.7%	-15.9%	3.0%	3.0%
Cost of materials and other production services	-334.9	-243.5	-202.8	-222.6	-232.7	-219.8	-224.1	-229.6
As a % of revenues	-45.8%	-48.2%	-39.0%	-40.2%	-43.2%	-39.6%	-39.2%	-39.0%
Chg y-o-y		-27.3%	-16.7%	9.7%	4.6%	-5.6%	2.0%	2.5%
Personnel expenses	-269.2	-243.8	-227.1	-247.9	-242.4	-249.8	-249.2	-259.1
As a % of revenues	-36.8%	-48.3%	-43.7%	-44.8%	-45.0%	-45.0%	-43.6%	-44.0%
Chg y-o-y		-9.4%	-6.9%	9.2%	-2.2%	3.0%	-0.2%	3.9%
Other operating expenses	-118.7	-84.7	-69.1	-76.2	-73.2	-74.9	-71.5	-71.5
As a % of revenues	-16.2%	-16.8%	-13.3%	-13.8%	-13.6%	-13.5%	-12.5%	-12.1%
Chg y-o-y		-28.7%	-18.4%	10.3%	-3.9%	2.3%	-4.6%	0.0%
Proportional result of associates and JVs	-4.6	-4.1	-2.0	-1.7	15.4	0.0	0.0	0.0
<b>EBITDA</b>	<b>13.6</b>	<b>-67.1</b>	<b>32.7</b>	<b>27.1</b>	<b>88.5</b>	<b>28.2</b>	<b>38.0</b>	<b>39.8</b>
EBITDA margin	1.9%	-13.3%	6.3%	4.9%	16.4%	5.1%	6.6%	6.8%
Chg y-o-y		-592.5%	-148.6%	-17.1%	227.1%	-68.2%	34.9%	4.8%
D&A	-27.9	-24.7	-21.7	-21.8	-18.3	-16.7	-17.1	-17.7
Impairment charge and write-up from impairments	-24.9	-31.3	0.1	0.0	0.0	0.0	0.0	0.0
<b>EBIT</b>	<b>-39.2</b>	<b>-123.2</b>	<b>11.0</b>	<b>5.2</b>	<b>70.3</b>	<b>11.5</b>	<b>20.8</b>	<b>22.1</b>
EBITDA margin	-5.4%	-24.4%	2.1%	0.9%	13.0%	2.1%	3.6%	3.8%
Chg y-o-y		214.4%	-109.0%	-52.4%	1239.6%	-83.6%	81.0%	6.2%
Finance income	5.0	7.6	5.6	7.4	6.4	1.2	1.0	0.8
Finance costs	-28.1	-17.3	-10.1	-21.3	-36.5	-11.8	-10.1	-8.9
<b>Financial result</b>	<b>-23.1</b>	<b>-9.6</b>	<b>-4.5</b>	<b>-13.9</b>	<b>-30.1</b>	<b>-10.6</b>	<b>-9.1</b>	<b>-8.1</b>
Proportional results from associates and JVs from financial investments	-1.2	-0.4	-1.2	-1.3	-3.2	0.0	0.0	0.0
<b>EBT</b>	<b>-63.4</b>	<b>-133.1</b>	<b>5.3</b>	<b>-9.9</b>	<b>36.9</b>	<b>0.9</b>	<b>11.7</b>	<b>14.0</b>
Income tax	7.7	27.8	-11.5	-14.4	-14.6	-0.2	-2.7	-3.2
Tax rate	-12.2%	-20.9%	-215.8%	145.1%	-39.6%	-23.0%	-23.0%	-23.0%
<b>Result for the period</b>	<b>-55.7</b>	<b>-105.3</b>	<b>-6.2</b>	<b>-24.2</b>	<b>22.3</b>	<b>0.7</b>	<b>9.0</b>	<b>10.8</b>
Equity holders of the company	-48.1	-102.9	-9.3	-24.8	23.2	0.7	8.9	10.6
Non-controlling interests	-7.6	-2.4	3.1	0.6	-0.9	0.0	0.1	0.1
Weighted average # of ordinary shares (m)	13.0	13.0	13.0	13.0	13.5	14.3	14.3	14.3
<b>EPS (in €)</b>	<b>-3.70</b>	<b>-7.91</b>	<b>-0.72</b>	<b>-1.91</b>	<b>1.72</b>	<b>0.05</b>	<b>0.62</b>	<b>0.74</b>

Table 35 - Sources: company, ODDO BHF Securities estimates

## Key financial indicators show a solid base again

KTC's key financial indicators significantly improved during the last financial year. The equity ratio increased from 11% to 19% while net debt was reduced and gearing was down. The equity ratio should reach an average ratio of ca. 23%, while its free cash flow is positive and gearing as well as leverage is expected to improve over the 2024-25e to 2026-27e period.

## Sound cash position

At the end of 2023-24, KTC had cash and cash equivalents of € 33.4m (2022-23: € 45.2m). A higher cash flow from operating activities and a positive cash flow from investing activities (including a dividend of € 30m from the joint venture autoTicket GmbH, Germany and proceeds from the disposal of securities and other financial assets for the amount of € 21.6m) were offset by a negative cash flow from financing activities (including a decrease in current financial liabilities of € 105.5m). For 2024-25e, we assume cash and cash equivalents of € 45m.



## Cash and cash equivalents

€ m	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25e	2025-26e	2026-27e
Cash and cash equivalents at the beginning of the year	94.7	122.6	102.0	59.8	45.2	33.4	45.0	35.6
Cash flow from operating activities	33.4	11.1	25.5	2.7	61.9	43.4	34.1	35.1
Cash flow from investing activities	-31.0	-6.8	-8.7	-0.2	43.8	-7.2	-7.4	-7.7
Cash flow from financing activities	31.4	-26.8	-61.1	-13.1	-111.6	-21.7	-33.1	-31.9
Exchange gains/losses	-5.8	1.9	2.1	-3.9	-3.0	0.0	0.0	0.0
Assets held for sale	0.0	0.0	0.0	0.0	-2.9	-2.9	-2.9	-2.9
Cash and cash equivalents at the end of the year	122.6	102.0	59.8	45.2	33.4	45.0	35.6	28.2

Table 36- Sources: company, ODDO BHF Securities estimates

## Stable working capital

KTC reported net working capital of € 78.1m on 31 March 2024, a slight decline vs the previous year. For 2024-25e to 2026-27e, we see working capital at a ratio of 12.5% of revenue, below the 14.2% ratio over the last three financial years.

## Working capital (company definition)

€ m	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25e	2025-26e	2026-27e
Inventories	55.7	41.7	35.6	45.1	47.8	44.4	45.7	47.1
Trade receivables and other current assets	177.0	130.6	131.5	118.0	131.5	118.9	121.4	124.0
Current contract assets	138.2	106.0	83.8	82.2	78.0	78.0	78.0	78.0
Current tax receivables	4.7	6.8	4.4	4.9	5.0	5.0	5.0	5.0
Trade payables	-92.4	-59.4	-71.5	-75.1	-62.9	-55.5	-57.2	-58.9
Current contract liabilities	-26.8	-39.1	-35.7	-31.1	-41.8	-41.8	-41.8	-41.8
Current tax liabilities	-4.0	-1.7	-2.3	-2.1	-5.0	-5.0	-5.0	-5.0
Current provisions	-23.4	-42.5	-28.6	-18.9	-22.4	-22.4	-22.4	-22.4
Other liabilities and deferred income	-60.6	-51.4	-46.1	-43.7	-52.0	-52.0	-52.0	-52.0
<b>Net working capital</b>	<b>168.3</b>	<b>91.0</b>	<b>71.0</b>	<b>79.4</b>	<b>78.1</b>	<b>69.5</b>	<b>71.7</b>	<b>73.9</b>
as a % of revenues	23.0%	18.0%	13.7%	14.3%	14.5%	12.5%	12.5%	12.6%
Chg y-o-y		-45.9%	-22.0%	11.9%	-1.6%	-11.0%	3.1%	3.1%

Table 37- Sources: company, ODDO BHF Securities estimates

## Improvement in equity ratio

In the past financial year 2023-24, KTC significantly improved its equity ratio to 18.8% from 10.7%. The company was able to increase its equity through the successful placement of new shares. At the end of May 2023, Kapsch TrafficCom agreed on a financing restructuring with its major financial creditors, which puts the financing structure on a longer-term basis. In accordance with this agreement, Kapsch TrafficCom AG conducted a capital increase of 10% of the existing share capital in November 2023, which was successfully placed with the pro rata participation of the main shareholder KAPSCH-Group Beteiligungs GmbH. The 1.3m new shares have been traded on the Vienna Stock Exchange since 24 November 2023, increasing the number of shares to 14.3m. For 2024-25e and the following years, we expect a further improvement in the equity ratio.

## Equity ratio

€ m	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25e	2025-26e	2026-27e
Total assets	727.2	593.2	512.1	480.1	443.7	424.9	404.6	386.2
Total equity	182.5	84.8	77.9	51.3	83.4	84.1	93.0	100.1
<b>Equity ratio</b>	<b>25.1%</b>	<b>14.3%</b>	<b>15.2%</b>	<b>10.7%</b>	<b>18.8%</b>	<b>19.8%</b>	<b>23.0%</b>	<b>25.9%</b>

Table 38- Sources: company, ODDO BHF Securities estimates



## Significant reduction in gearing

As at 31 March 2024, the net debt of € 106.0m was € 80.3m below the previous year. This development resulted mainly from the reduction of financial liabilities by € 87.5m. The simultaneous increase in equity by € 32.1m reduced the gearing ratio to 127.1% from 363.1%. We project a further reduction in gearing in the years ahead.

### Gearing

€ m	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25e	2025-26e	2026-27e
Cash and cash equivalents	-122.6	-102.0	-59.8	-45.2	-33.4	-45.0	-35.6	-28.2
Other current financial assets	-1.3	-0.9	-1.6	-1.9	-1.4	-1.4	-1.4	-1.4
Current financial liabilities	50.7	102.4	44.0	131.2	12.8	20.2	20.2	20.2
Non-current financial liabilities	185.2	120.9	136.1	58.5	91.9	85.6	73.6	61.6
Non-current lease liabilities	50.1	35.7	27.6	32.2	26.9	26.4	25.9	25.3
Current lease liabilities	13.6	13.6	11.9	11.6	9.2	9.2	9.2	9.2
<b>Net debt</b>	<b>175.7</b>	<b>169.6</b>	<b>158.3</b>	<b>186.3</b>	<b>106.0</b>	<b>94.9</b>	<b>91.8</b>	<b>86.7</b>
Equity	182.5	84.8	77.9	51.3	83.4	84.1	93.0	100.1
<b>Gearing</b>	<b>96.3%</b>	<b>200.1%</b>	<b>203.2%</b>	<b>363.1%</b>	<b>127.1%</b>	<b>112.9%</b>	<b>98.7%</b>	<b>86.5%</b>

Table 39- Sources: company, ODDO BHF Securities estimates

## Further progress in leverage

In 2023-24, the ratio (leverage) of net debt/EBITDA stood at 1.2x (EBITDA including one-time effects). Adjusted for one-time effects, the ratio would have been 3.2x. As KTC is expected to become more profitable in the coming years, we forecast an improvement in the leverage ratio.

### Leverage

€ m	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25e	2025-26e	2026-27e
Net debt	175.7	169.6	158.3	186.3	106.0	94.9	91.8	86.7
EBITDA	13.6	-67.1	32.7	27.1	88.5	28.2	38.0	39.8
<b>Net debt / EBITDA (x)</b>	<b>12.9</b>	<b>-2.5</b>	<b>4.8</b>	<b>6.9</b>	<b>1.2</b>	<b>3.4</b>	<b>2.4</b>	<b>2.2</b>

Table 40- Sources: company, ODDO BHF Securities estimates

## Solid free cash flow

KTC's free cash flow is defined as cash flow from operating activities plus cash flow from investing activities (including M&A, dividends from companies consolidated at equity, etc.). See table below. The company's FCF (according to company definition) increased by € 103.1m to € 105.7m (primarily due to the Germany effect in the amount of € 109.2m) in 2023-24. This resulted from the increase in cash flow from operating activities by € 59.2m to € 61.9m as well as an increase in cash flow from investing activities to a positive € 43.8m.

### Free cash flow (company definition)

€ m	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25e	2025-26e	2026-27e
Cash flow from operating activities	33.4	11.1	25.5	2.7	61.9	43.4	34.1	35.1
Cash flow from investing activities	-31.0	-6.8	-8.7	-0.2	43.8	-7.2	-7.4	-7.7
<b>Free cash flow</b>	<b>2.4</b>	<b>4.3</b>	<b>16.8</b>	<b>2.5</b>	<b>105.7</b>	<b>36.2</b>	<b>26.7</b>	<b>27.5</b>
Chg y-o-y		81.8%	287.6%	-84.9%	4062.8%	-65.7%	-26.3%	3.0%

Table 41- Sources: company, ODDO BHF Securities estimates



Free cash flow (excluding M&A, etc.) rose from a negative € 0.5m in 2022-23 to € 57.0m in 2023-24. Over the last five years (2019-20 to 2023-24), the company generated an average positive FCF of € 20.9m. For 2024-25e to 2026-27e, we forecast an average positive FCF (excluding M&A, etc.) of € 30m (including net capital expenditures as an average of 1.3% of revenues, slightly above the historical average of 1.0% of revenues).

## Free cash flow

€ m	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25e	2025-26e	2026-27e
Cash flow from operating activities	33.4	11.1	25.5	2.7	61.9	43.4	34.1	35.1
Purchase of PP&E	-9.3	-2.4	-3.2	-3.6	-5.7	-6.7	-6.9	-7.1
Purchase of intangible assets	-5.0	-3.7	-3.9	-0.6	-0.3	-0.6	-0.6	-0.6
Proceeds from the disposal of PP&E	2.8	0.8	1.4	0.8	1.2	0.0	0.0	0.0
Proceeds from the disposal of intangible assets	0.0	0.0	0.4	0.2	0.0	0.0	0.0	0.0
Net capital expenditures	-11.4	-5.4	-5.3	-3.3	-4.9	-7.2	-7.4	-7.7
as a % of revenues	-1.6%	-1.1%	-1.0%	-0.6%	-0.9%	-1.3%	-1.3%	-1.3%
<b>Free cash flow</b>	<b>22.0</b>	<b>5.7</b>	<b>20.2</b>	<b>-0.5</b>	<b>57.0</b>	<b>36.2</b>	<b>26.7</b>	<b>27.5</b>
Chg y-o-y		-73.9%	251.5%	-102.6%	-10772.0%	-36.5%	-26.3%	3.0%

Table 42- Sources: company, ODDO BHF Securities estimates

## Dividend

Since the 2018-19 financial year, the company has not paid a dividend due to a suspension of its dividend policy in October 2020 and an agreement with its bank partners to restructure its financing. As part of the restructuring programme, the waiver of dividend distributions was first extended to the end of March 2026, but finally the ban was lifted in March 2025.

We expect the company to pay a dividend of € 0.25 per share for the 2026-27e financial year.

## Trend in the dividend (€ per share)

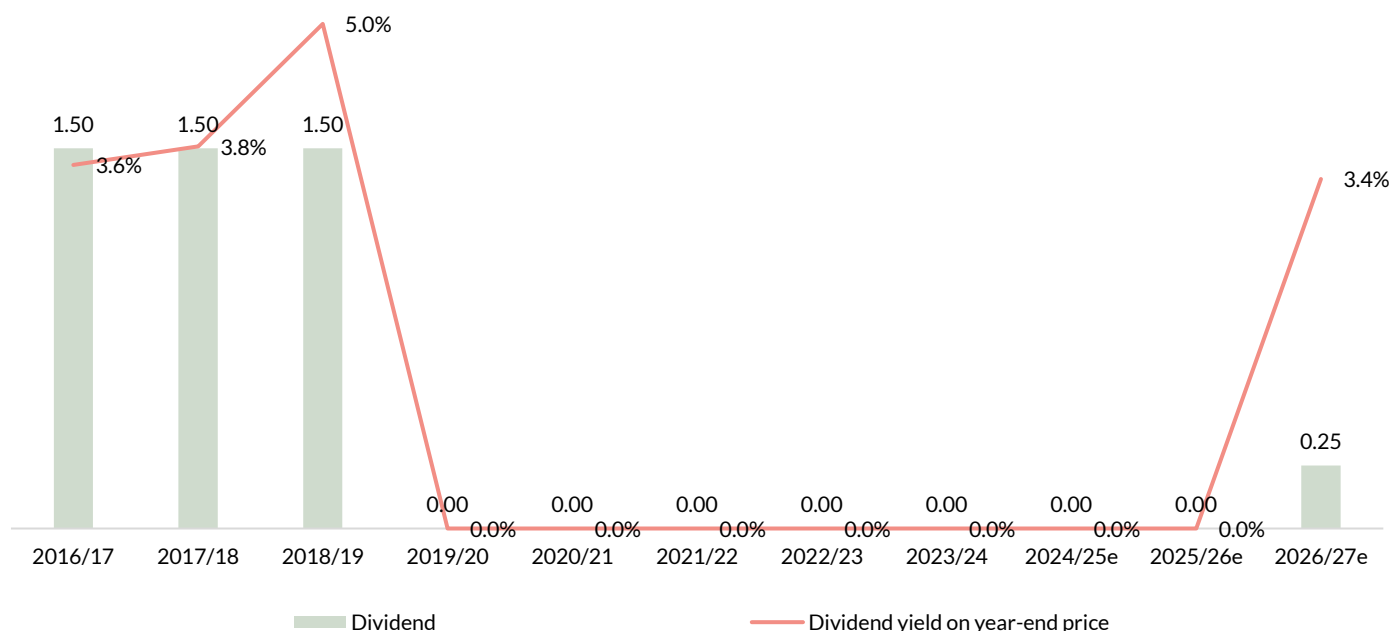


Chart 43- Sources: company, ODDO BHF Securities estimates





## KAPSCH TRAFFICOM

## Payment services | Austria

## Outperform

Price 7.10 €

Upside 83.10%

TP 13.0 €

PER SHARE DATA (€)	03/20	03/21	03/22	03/23	03/24	03/25e	03/26e	03/27e
Adjusted EPS	-3.70	-7.91	-0.72	-1.91	1.72	0.05	0.62	0.74
Reported EPS	-3.70	-7.91	-0.72	-1.91	1.72	0.05	0.62	0.74
Growth in adjusted EPS	ns	ns	ns	ns	ns	-97.2%	ns	19.4%
Net dividend per share	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.25
FCF to equity per share	1.69	0.44	1.55	-0.04	4.24	2.53	1.87	1.92
Book value per share	14.47	7.02	6.40	4.33	6.70	6.35	6.97	7.47
Number of shares market cap (m)	13.00	13.00	13.00	13.00	13.45	14.30	14.30	14.30
Number of diluted shares (m)	13.00	13.00	13.00	13.00	13.45	14.30	14.30	14.30
VALUATION (€m)	03/20	03/21	03/22	03/23	03/24	03/25e	03/26e	03/27e
12m highest price (€)	37.30	29.30	16.94	14.64	14.08	9.90	7.36	
12m lowest price (€)	26.90	11.00	14.04	10.90	8.40	5.84	6.00	
(*) Reference price (€)	29.37	15.18	14.61	12.62	10.11	7.10	7.10	7.10
Capitalization	382	197	190	164	136	102	102	102
Restated Net debt	176	170	158	186	106	94.9	91.8	86.7
Minorities (fair value)	5.7	6.5	5.3	5.0	6.7	6.7	6.7	6.7
Financial fixed assets (fair value)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Provisions	27.6	27.3	24.2	20.6	21.2	21.2	21.2	21.2
Enterprise Value	591	401	378	376	270	224	221	216
P/E (x)	ns	ns	ns	ns	5.9	147	11.4	9.5
P/CF (x)	11.5	ns	ns	ns	1.6	2.9	2.8	2.7
Net Yield	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.5%
FCF yield	5.7%	2.9%	10.6%	ns	41.9%	35.6%	26.3%	27.1%
P/B incl. GW (x)	2.03	2.16	2.28	2.91	1.51	1.12	1.02	0.95
P/B excl. GW (x)	2.03	2.16	2.28	2.91	1.51	1.12	1.02	0.95
EV/Sales (x)	0.81	0.79	0.73	0.68	0.50	0.40	0.39	0.37
EV/EBITDA (x)	43.3	ns	11.6	13.9	3.0	8.0	5.8	5.4
EV/Current EBIT (x)	ns	ns	34.6	71.7	3.8	19.5	10.6	9.8
(*) historical average price								
PROFIT AND LOSS (€m)	03/20	03/21	03/22	03/23	03/24	03/25e	03/26e	03/27e
Sales	731	505	520	553	539	555	572	589
EBITDA	13.6	-67.1	32.7	27.1	89	28.2	38.0	39.8
Depreciations	-27.9	-24.7	-21.7	-21.8	-18.3	-16.7	-17.1	-17.7
Current EBIT	-14.3	-91.9	10.9	5.2	70	11.5	20.8	22.1
Published EBIT	-39.2	-123.2	11.0	5.2	70	11.5	20.8	22.1
Net financial income	-24.3	-10.0	-5.7	-15.1	-33.4	-10.6	-9.1	-8.1
Corporate Tax	7.7	27.8	-11.5	-14.4	-14.6	-0.2	-2.7	-3.2
Net income of equity-accounted companies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit/loss of discontinued activities (after tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minority interests	7.6	2.4	-3.1	-0.6	0.9	-0.0	-0.1	-0.1
Attributable net profit	-48.1	-102.9	-9.3	-24.8	23.2	0.7	8.9	10.6
Adjusted attributable net profit	-48.1	-102.9	-9.3	-24.8	23.2	0.7	8.9	10.6
BALANCE SHEET (€m)	03/20	03/21	03/22	03/23	03/24	03/25e	03/26e	03/27e
Goodwill	44.1	22.8	22.7	22.7	22.7	22.7	22.7	22.7
Other intangible assets	15.9	13.5	13.0	9.0	5.1	2.9	0.6	-1.7
Tangible fixed assets	82.3	55.2	49.0	52.1	46.0	38.7	31.3	23.7
WCR	298	235	192	183	208	199	202	204
Financial assets	70.2	104	103	90.7	64.3	71.9	85.2	95.0
Ordinary shareholders equity	188	91.2	83.2	56.3	90.1	90.8	99.7	107
Minority interests	-5.7	-6.5	-5.3	-5.0	-6.7	-6.7	-6.7	-6.7
Shareholders equity	182	84.8	77.9	51.3	83.4	84.1	93.0	100
Non-current provisions	153	176	143	120	157	157	157	157
Net debt	176	170	158	186	106	94.9	91.8	86.7
CASH FLOW STATEMENT (€m)	03/20	03/21	03/22	03/23	03/24	03/25e	03/26e	03/27e
EBITDA	13.6	-67.1	32.7	27.1	88.5	28.2	38.0	39.8
Change in WCR	0.0	63.0	43.9	8.2	-24.6	8.6	-2.2	-2.2
Interests & taxes	-8.4	-11.4	-11.8	-4.0	-6.8	1.0	-1.7	-2.4
Others	28.1	26.7	-39.3	-28.5	4.7	5.7	0.0	0.0
Operating Cash flow	33.3	11.1	25.4	2.7	61.8	43.4	34.1	35.1
CAPEX	-11.4	-5.4	-5.3	-3.3	-4.9	-7.2	-7.4	-7.7
Free cash-flow	21.9	5.7	20.1	-0.5	57.0	36.2	26.7	27.5
Acquisitions / disposals	-18.9	-1.2	-3.7	-3.5	19.1	0.0	0.0	0.0
Dividends	-19.5	0.0	-0.3	-0.3	0.0	0.0	0.0	0.0
Net capital increase	0.0	0.0	0.0	0.0	4.1	0.0	0.0	0.0
Others	-15.6	-15.4	-15.1	-22.8	-38.5	-22.8	-21.1	-19.9
Change in net cash	-32.8	6.0	11.3	-28.0	80.3	11.0	3.2	5.1
GROWTH MARGINS PRODUCTIVITY	03/20	03/21	03/22	03/23	03/24	03/25e	03/26e	03/27e
Sales growth	-0.9%	-30.9%	2.9%	6.5%	-2.6%	3.0%	3.0%	3.0%
Lfl sales growth	-	-	-	-	-	-	-	-
Current EBIT growth	ns	ns	ns	-52.0%	ns	-83.6%	81.0%	6.2%
Growth in adjusted EPS	ns	ns	ns	ns	ns	-97.2%	ns	19.4%
Net margin	-6.6%	-20.4%	-1.8%	-4.5%	4.3%	0.1%	1.6%	1.8%
EBITDA margin	1.9%	-13.3%	6.3%	4.9%	16.4%	5.1%	6.6%	6.8%
Current EBIT margin	-2.0%	-18.2%	2.1%	0.9%	13.0%	2.1%	3.6%	3.8%
CAPEX / Sales	-1.9%	-1.2%	-1.4%	-0.8%	-1.1%	-1.3%	-1.3%	-1.3%
WCR / Sales	40.8%	46.6%	36.8%	33.1%	38.6%	35.9%	35.3%	34.6%
Tax Rate	20.0%	27.3%	ns	ns	39.6%	23.0%	23.0%	23.0%
Normative tax rate	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
Asset Turnover	2.0	1.3	1.7	2.0	2.0	2.0	2.2	2.3
ROCE post-tax (normative tax rate)	-2.7%	-16.8%	2.5%	1.4%	17.9%	3.0%	5.6%	6.1%
ROCE post-tax hors GW (normative tax rate)	-3.1%	-18.4%	2.7%	1.5%	19.5%	3.2%	6.1%	6.7%
ROE	-21.6%	-73.6%	-10.7%	-35.6%	31.7%	0.8%	9.4%	10.3%
DEBT RATIOS	03/20	03/21	03/22	03/23	03/24	03/25e	03/26e	03/27e
Gearing	96%	200%	203%	363%	127%	113%	99%	87%
Net Debt / Market Cap	0.46	0.86	0.83	1.14	0.78	0.94	0.90	0.85
Net debt / EBITDA	12.88	-2.53	4.85	6.88	1.20	3.37	2.42	2.18
EBITDA / net financial charges	0.6	-7.0	7.2	2.0	2.9	2.7	4.2	4.9

Sources: ODDO BHF Securities, SIX





#### • Valuation method

Our target prices are established on a 12-month timeframe and we use three valuation methods to determine them. First, the discounting of available cash flows using the discounting parameters set by the Group and indicated on ODDO BHF website. Second, the sum-of-the-parts method based on the most pertinent financial aggregate depending on the sector of activity. Third, we also use the peer comparison method which facilitates an evaluation of the company relative to similar businesses, either because they operate in identical sectors (and are therefore in competition with one another) or because they benefit from comparable financial dynamics. A mixture of these valuation methods may be used in specific instances to more accurately reflect the specific characteristics of each company covered, thereby fine-tuning its evaluation.

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#### • Our stock market recommendations

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Outperform: performance expected to exceed that of the benchmark index, sectoral (large caps) or other (small and mid caps).

Neutral: performance expected to be comparable to that of the benchmark index, sectoral (large caps) or other (small and mid caps).

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Recommendation and target price changes history over the last 12 months for the company analysed in this report

Date	Reco	Price Target (EUR)	Price (EUR)	Analyst
05/03/24	Outperform	15.00	8.50	Philip Hettich

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		Outperform	Neutral	Underperform
Our whole coverage	(774)	52%	39%	9%
Liquidity providers coverage	(119)	49%	41%	10%
Research service coverage	(69)	59%	32%	9%
Investment banking services	(43)	70%	28%	2%

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