

Press Release.

Kapsch TrafficCom – Results for the first half of 2022/23.

Highlights.

- > Revenues increased by 4%.
- > Turnaround confirmed in first half of 2022/23, both segments positive.
- > Financial position remains in focus.
- > Outlook 2022/23: Stable revenue level and improved profitability expected.

"We believe we are on the right track with the measures we have set – and the measures still in planning and implementation – for our profitability and future growth. Despite the challenging environment, we were able to confirm the turnaround in the first half of the year. In addition, we have won significant new projects, especially in the urban area, which confirm our strategy", says Georg Kapsch, CEO of Kapsch TrafficCom.

Unless otherwise stated, all values in EUR million.	H1 2021/22	H1 2022/23	+/-
Revenues	255.2	264.8	+3.8%
EBIT	10.6	4.7	-55.6%
EBIT margin	4.2%	1.8%	-2.4pp
Result for the period attributable to equity holders	3.0	0.3	-90.1%
Earnings per share (EUR)	0.23	0.02	-90.1%

Vienna, November 16, 2022 – Kapsch TrafficCom was able to slightly increase revenues in the first half of the financial year 2022/23 in an unchanged very challenging environment. At EUR 265 million, they were 4% above the previous year's figure of EUR 255 million. The operating result (EBIT) was positive at just under EUR 5 million, although it was significantly below the previous year's figure of EUR 11 million.

As part of the restructuring process, Kapsch TrafficCom was able to drastically lower its cost base. Nevertheless, increases in costs of materials and other production services as well as personnel expenses, which had already increased in the first quarter, particularly in North America, had a negative impact in the reporting period. The positive exchange rate development against the US dollar could not compensate for this.

The financial result in the first half of 2022/23 amounted to EUR -1 million (previous year: EUR -3 million). The result attributable to equity holders of the company amounted to EUR 0.3 million, compared to EUR 3 million in the previous year, corresponding to earnings per share of EUR 0.02 (previous year: EUR 0.23).

Free cash flow was considerably negative in the first half of 2022/23 at EUR -11 million (previous year: EUR -1 million). In this context, net debt increased to EUR 190 million and gearing to 302%. The equity ratio declined to 12%. Cash and cash equivalents decreased in the past six months in connection with repayments and the increased financing of working capital. Careful liquidity management remains in the focus of Kapsch TrafficCom.

Results by segment in the first half of 2022/23.

Growth was driven by the tolling segment, which generated 74% of total revenues in the reporting period. The traffic management segment accounted for 26%. Regionally, the share of revenues in the EMEA region (Europe, Middle East, Africa) declined to 48%, while Kapsch TrafficCom recorded strong growth in the other regions: in the Americas region (North, Central and South America) to 47% and in the Asia Pacific region (APAC) to 6% of total revenues.

Tolling segment.

Revenues in the tolling segment increased by 8% to EUR 195 million, with the implementation business at 41% substantially above the previous year and the components business also rising. Revenues in the Americas region increased by 33%, making this region the largest contributor to revenues in the first half of 2022/23 (48%). In the EMEA region, revenues declined to EUR 88 million or 45% share of revenues – mainly in connection with the termination of the nationwide tolling project in Poland – while in the APAC region, revenues increased by 46% to EUR 13 million (7% share of revenues).

EBIT in the tolling segment increased to EUR 3 million (previous year: EUR 1 million), with an EBIT margin of 1%.

Results tolling.	H1 2021/22	H1 2022/23	+/-
Unless otherwise stated, all values in EUR million.			
Revenues	181.0	195.3	+7.9%
EBIT	1.3	2.5	+84.7%
EBIT margin	0.7%	1.3%	+0.5pp

Traffic management segment.

In the traffic management segment, revenues decreased by 6% to EUR 69 million. This was due in particular to the implementation business, which was 33% below the previous year. In regional terms, despite the 14% decline, the EMEA region made the largest contribution to revenues with 54%, the Americas region 42%, and APAC contributed 4% or EUR 3 million with tremendous growth.

EBIT in the traffic management segment decreased to EUR 2 million in the first half of 2022/23 (previous year: EUR 9 million). This was due to significantly higher costs of materials, other production services and personnel expenses. The EBIT margin was 3%.

Results traffic management.	H1 2021/22	H1 2022/23	+/-
Unless otherwise stated, all values in EUR million.			
Revenues	74.1	69.4	-6.3%
EBIT	9.3	2.3	-75.7%
EBIT margin	12.6%	3.3%	-9.3pp

Outlook.

In the second half of the current financial year, Kapsch TrafficCom continues to focus on new business as well as on cost discipline and liquidity management. In South Africa, the announcement of the Gauteng province on how it intends to proceed with the tolling system is expected. Likewise, special attention is being paid to the project in Belarus, which continues to run according to plan. Finally, the Executive Board is closely monitoring the macroeconomic developments and is prepared to react with agility.

In terms of new business, Kapsch TrafficCom is slowly seeing a market recovery from the impact of the COVID-19 pandemic and repeat orders and new projects are expected throughout 2023. After the sale of the Spanish public transport business was agreed in August, the transaction should be closed shortly and bring a positive effect on earnings.

On this basis, the Executive Board continues to expect a stable level of revenue and, compared to the previous financial year, significantly improved profitability for the financial year 2022/23. This will include the special effect from the sale of the Spanish business. However, the development of the aforementioned factors is subject to uncertainties and may impact the results accordingly.

The report on the first half of 2022/23 as well as further materials on the results are scheduled to be available today, from 7:35 a.m. (CET), at: www.kapsch.net/ir

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

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

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

Press contacts:

Carolin Treichl
Executive Vice President
Marketing & Communications
Kapsch Aktiengesellschaft
Am Europlatz 2
1120 Vienna, Austria
T +43 50 811 1710
carolin.treichl@kapsch.net

Sandra Bijelic
Head of Corporate Communications
Kapsch TrafficCom AG
Am Europlatz 2
1120 Vienna, Austria
T +43 50 811 1720
sandra.bijelic@kapsch.net

Investor contact:

Marcus Handl, Valerie Riegler
Investor Relations team
Kapsch TrafficCom AG
Am Europlatz 2
1120 Vienna, Austria
T +43 50 811 1122
ir.kapschtraffic@kapsch.net

Further information: www.kapsch.net/ktc

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