



Kapsch TrafficCom

# Investor Presentation.

*Challenging the limits of mobility for a healthy world without congestion.*



September 2023

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## Company profile.



Leading provider of **Intelligent Transportation Solutions (ITS)**, electronic **tolling** pioneer



**100+ offices** in **25+ countries** with **~4,000 employees**



Services offered as **end-to-end** solutions in **one stop shop** approach; own **manufacturing**



**Regional focus** in North- and Latin America, Europe, Middle East, South Africa, Oceania and Southeast Asia



**Listed at Vienna Stock Exchange:** Prime Segment, IPO in June 2007, free float at 36.7%, Kapsch Group holds 63.3%

**Kapsch  
TrafficCom**



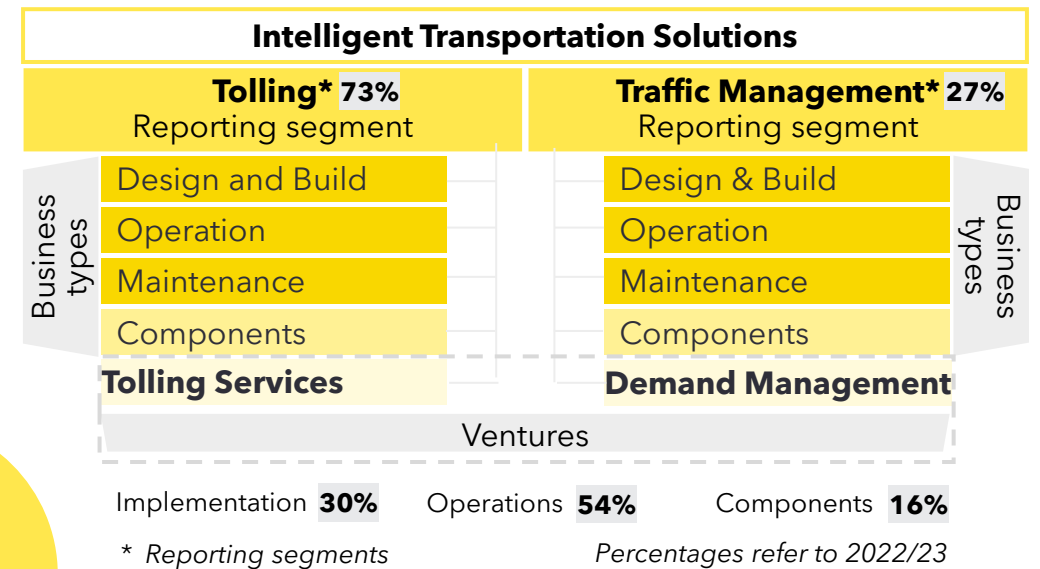
## Financial performance.

In €m (rounded)

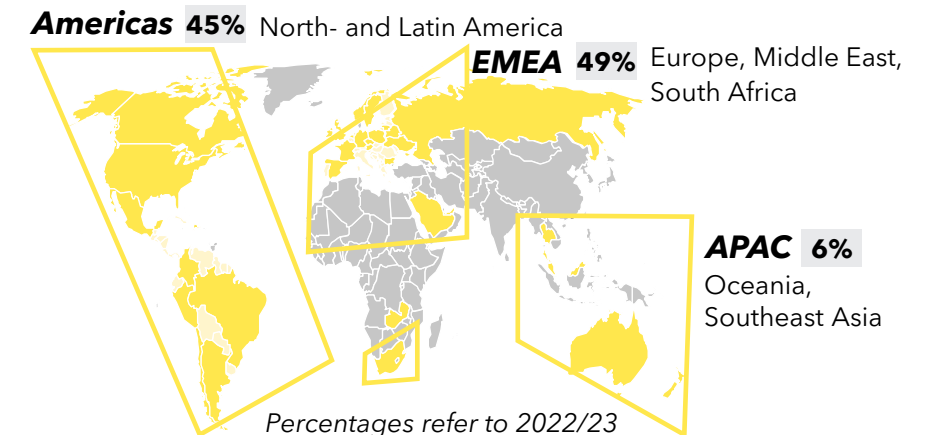
Financial year (April 1 to March 31)	2019/20	2020/21	2021/22	2022/23
Net sales	731	505	520	553
EBIT	-39	-123	11	8
Free cash flow	2	4	17	-6
Gearing	96%	200%	203%	363%
Equity ratio	25%	14%	15%	11%
Employees	5,104	4,657	4,220	4,039



## Products and services / Reporting segments.



## Regional focus markets.



# Products and services / Reporting segments.



## Tolling.

**Pioneer and technology forerunner in electronic toll collection.** Unique experience in nationwide toll systems.

### Electronic toll collection.

#### Technologies:

- Microwave (DSRC)
- Satellite (GNSS)
- Video
- Mobile tolling
- eVignette

#### Applications:

- Multi-lane free-flow (MLFF)
- Congestion charging
- Managed lanes (tolled)
- Plaza tolling

### Tolling services.

#### Europe:

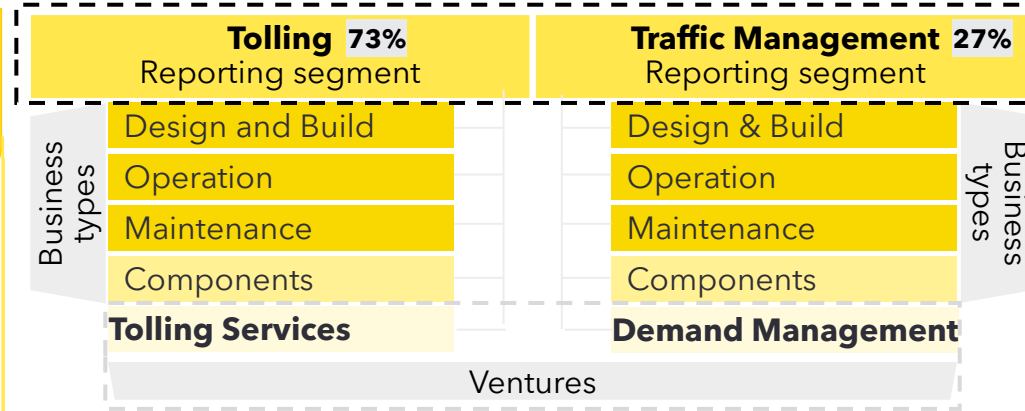
- European Electronic Toll Service (EETS)
- Tolling services for passenger vehicles

#### USA:

- Toll road payments app



## Reporting segments.



Percentages refer to Financial Year 2022/23



## Traffic management.

Combines conventional traffic management with **smart traffic solutions, demand management and data services.**

### Traffic management.

- Highway
- Tunnels/bridges
- Urban
- Corridors
- C-ITS / connected mobility

### Demand management.

- Intelligent routing
- Dynamic pricing
- Events management

# Regional focus markets.

Globally renowned provider with successful projects in more than 50 countries.

**Regional focus** in North- and Latin America, Europe, Middle East, South Africa, Oceania and Southeast Asia

**Americas\* 45%**

North- and Latin America

**North America**

754  25 



**Latin America**

589  28 



**EMEA\* 49%**

Europe, Middle East, South Africa

**Europe, Middle East**

1406  39 





**Southeast Asia**

**APAC\* 6%** Oceania, Southeast Asia

76  4 

**Oceania**

**South Africa**

1214  3 

**100+ offices** in **25+ countries** (projects in 50+ countries) with **~4,000 employees**


\* Reporting segments

 Markets with at least one legal entity

 Regional focus markets without legal entity

Percentages refer to Financial Year 2022/23

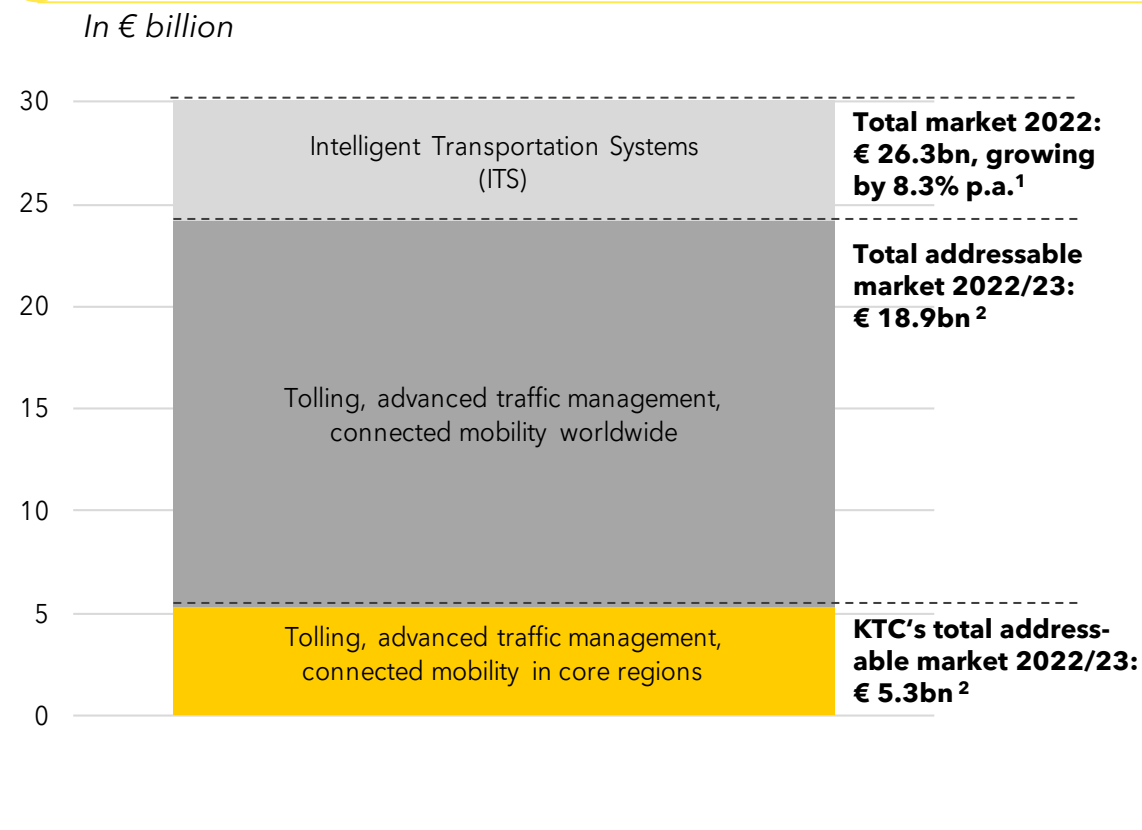
 FTEs as of March 31, 2023

 Offices as of March 31, 2023

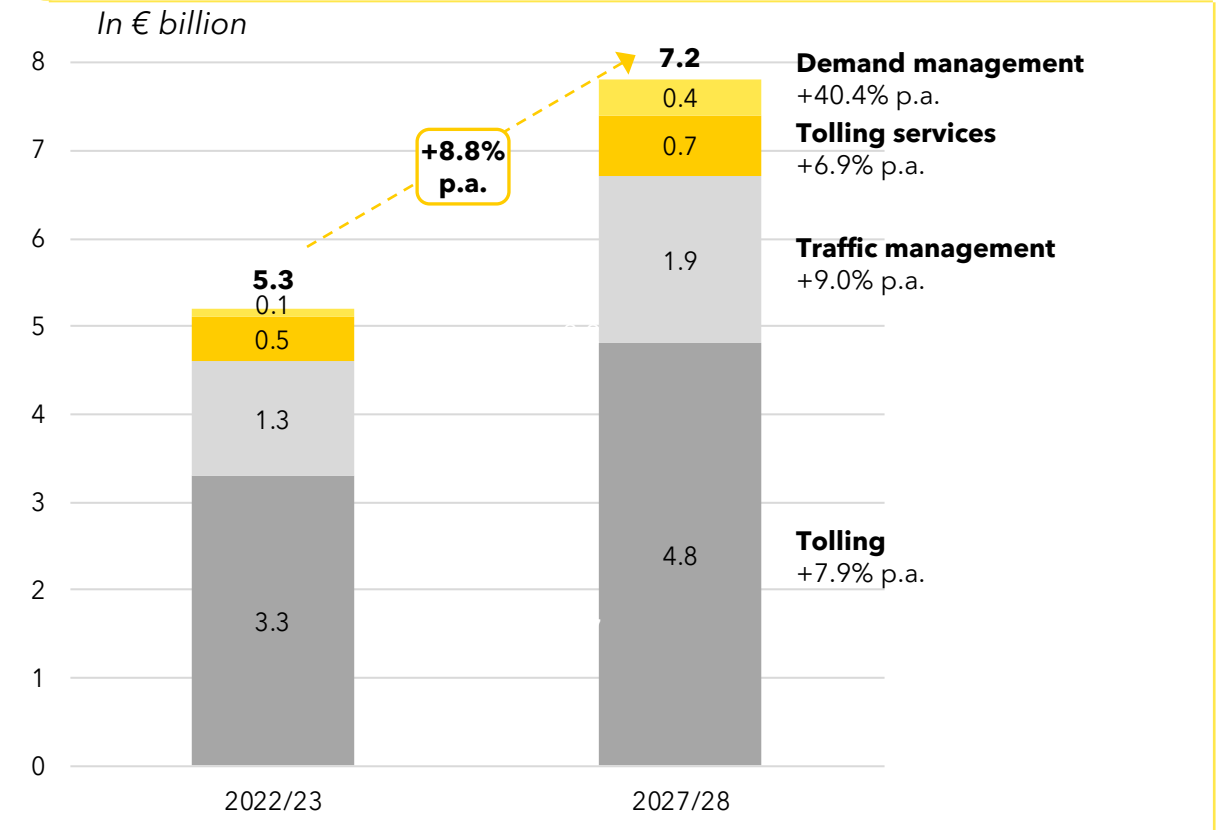
# Market volume.

Target market and expected market development.

## Addressable market 2022/23.



## KTC's addressable market 2022/23-2027/28.



# Market drivers.

## **Traffic infrastructure demand & funding.**

- Growing car park and traffic volumes
- E-vehicles → lower fuel tax income

## **Urbanization.**

- 60% of population in cities by 2030 growing to 68% by 2050

## **Data security.**

- Data protection increasingly important

## **New transportation means & services.**

- New, shared transportation modes
- Electrification of transportation

## **Ecological footprint.**

- European Green Deal
- CO<sub>2</sub>, particulate matter, noise

## **Connected mobility.**

- Rapid evolution of network technology and autonomous vehicles and driving

## **Data & artificial intelligence (AI).**

- Connected mobility as important data source.
- AI for analytics, simulation and prediction

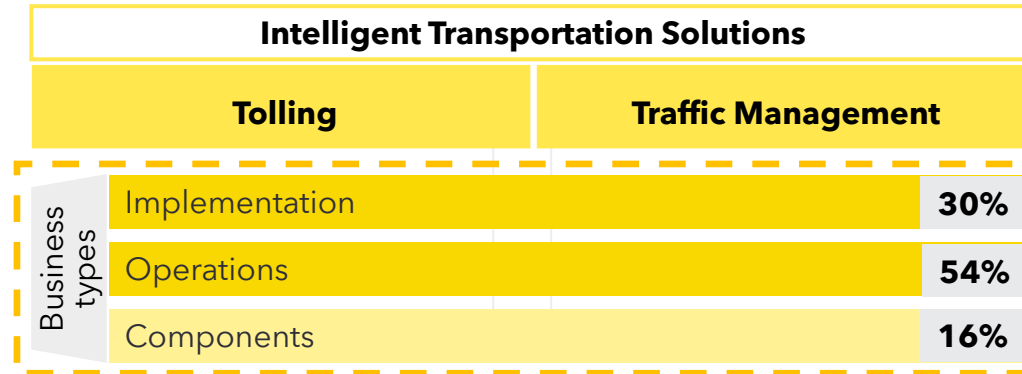
## **Shift in business.**

- From hardware to software platforms
- Smart infrastructure

# Business model.

One-stop-shop solutions cover the entire value chain of customers.

Services offered as **end-to-end** solutions in **one stop shop** approach;  
with **in-house production** of hardware and software.



Percentages refer to Financial Year 2022/23

High degree of flexibility for responding to **customer needs**:

From components, to designing and building complete turnkey systems, to operating them.

## **Implementation.**

Planning, design, installation of systems and applications.

## **Operations.**

Technical and commercial operations of systems.

## **Components.**

Develop, produce in in-house manufacturing in Austria and Canada or source.

**End-to-end solutions as a one-stop-shop.**



# Strategy 2027.

Leading position in future markets of tolling and traffic management, expand into adjacent business and invest in technology.



## Optimization and expansion of existing business.

We focus on our **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**.

### We invest in:

- Smart traffic management
- Demand management
- Tolling services



## Investment in future technologies.

We **focus on technological developments** that shape our future product and system ecosystem.



## Our identity.

Kapsch TrafficCom is a **globally renowned** provider of **end-to-end transportation solutions** for a healthy world without congestion.



## Our 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.



## Our goals.

Kapsch TrafficCom is recognized as **thought leader** in the industry. We **increase our revenue** and thereby grow stronger than the market.



## Our vision.

**Challenging the limits of mobility** for a healthy world without congestion.

# Sustainability as the basis.

*Challenging the limits of mobility for a healthy world without congestion.*

## **Transportation solutions for sustainable mobility.**

- **Tolling:** Distance-based tolls improve transport efficiency.
- **Traffic Management:** Reduction of stop-and-go traffic in cities.
- **Low Emission Zones:** Defined zones for environmentally friendly vehicles only.
- **Demand Management:** Integrated solutions combining tolling, traffic management and Low Emission Zones.

## **Strategy 2027: Green Vision.**

- **Green Portfolio:** Products and services aim to have a positive ecological balance.
- **Green Company:** CO<sub>2</sub> neutrality by 2027.
- **Green Vision:** Underpinned by measures and targets.

## **Organization.**



**ESG task force** with 9 employees from different areas.



Board responsibility with **CEO Georg Kapsch.**



ESG targets also reflected in **targets for remuneration of Executive Board.**

# ESG Headlines.



## Highlights 2022/23.

**Austria's Leading Companies Award 2022** in Research & Development.

**Improved ranking** in Carbon Disclosure Project (**CDP**).

**Green Gantry** (wooden tolling gantry) in test operation.

**People Strategy** further developed to support employees.

**Anti-corruption control** mechanisms extended.



## EU taxonomy (as of June 2023).

99.7%

99.7% of revenues are **taxonomy-eligible**.

4.4%

4.4% of revenues are **taxonomy-aligned** (proven for two on-board unit types).

Further development of the taxonomy can strengthen evidence of sustainability, e.g., change in mobility behavior, road safety.

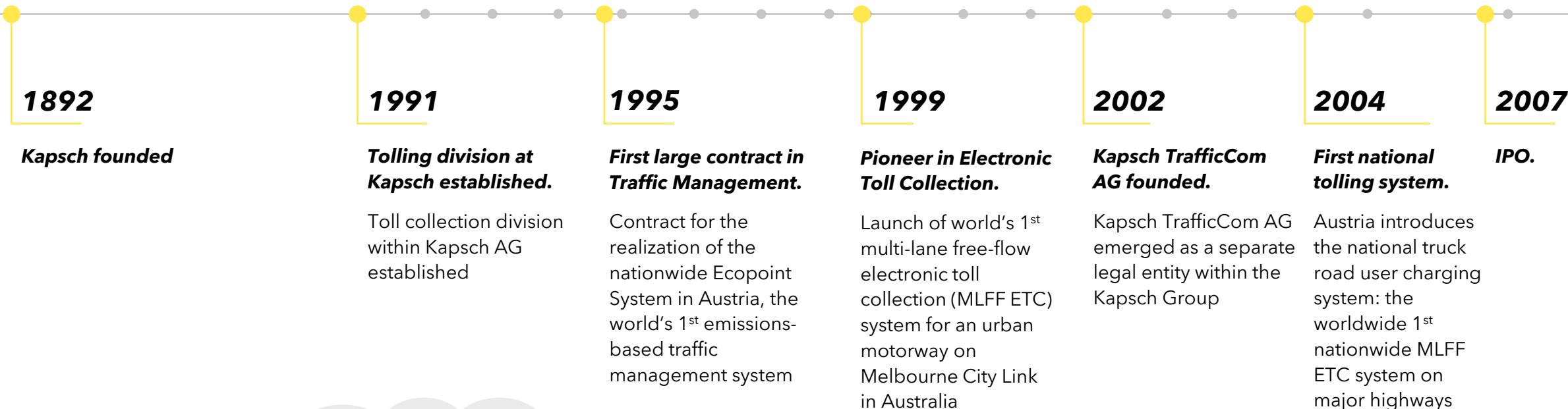


## Outlook 2023/24.

- Implementation of **central data** hub for non-financial information.
- New **materiality analysis** (inside-out and outside-in).
- Revision of **sustainability strategy** and program.
- Enhancement of reporting and preparation for **CSRD**.

# The emergence of Kapsch TrafficCom until the IPO in June 2007.

About 130 years in the ever-changing electronic industry.



## Selected products of Kapsch throughout the years

- > Morse telegraph devices
- > Telephones (fixed and mobile)
- > Capacitors and dry batteries
- > Radios, incl. portable radios
- > TVs (black & white, later color)
- > Telecom networks

# Unique selling proposition.

What makes Kapsch TrafficCom unique?



## **Domain know-how.**

About **130 years** in the electronics industry

Close to **customers**

Ability to develop tailored solutions  
- **proven track record**

Deep and comprehensive **domain know-how**

Broad variety of **technologies**, prime **quality**



## **Innovator.**



## **One-stop-shop.**



## **Global player.**

Only real **global player** in ITS industry  
(best practice, risk diversification)

Integrated, **one-stop-shop**

**Scale**

**Listed** (transparency, access to capital)

**Interest of majority shareholder** secured on the  
Executive Board by CEO Georg Kapsch





Kapsch TrafficCom

# Results for Financial Year 2022/23.

*June 14, 2023.*

# Headlines.

Financial Year (FY) 2022/23 (April 1, 2022 to March 31, 2023).



**Revenues increased by 7% to EUR 553 million.**



**Double-digit growth in the regions Americas and Asia-Pacific.**



**Decline in EBIT to EUR 8 million despite restructured and reduced cost base in past years.**



**Focus on costs, liquidity and improvement of financial indicators.**



**Outlook FY 2023/24:\* Revenue growth in single-digit percentage range and slight improvement in operating result (EBIT).**

\* With ad hoc release on July 5, 2023, changed. For the new outlook, see p. 28.

# Key figures.

FY 2022/23.

April 1, 2022 to March 31, 2023

## Revenues

€ 553.4mn (+6.5% ↗)

FY 2021/22: € 519.8mn



## Result for period (attributable to equity holders)

€ -24.8mn (> -100% ↘)

FY 2021/22: € -9.3mn



## EBIT

€ 7.6mn (-31.1% ↘)

FY 2021/22: € 11.0mn



## Net debt (March 31, 2023)

€ 186.3mn (+17.7% ↗)

March 31, 2022: € 158.3mn



## EBIT margin

1.4% (-0.7pp ↘)

FY 2021/22: 2.1%



## Total assets (March 31, 2023)

€ 480.1mn (-6.2% ↘)

March 31, 2022: € 512.1mn



## Free cash flow

€ -6.0mn (↘)

FY 2021/22: € 16.8mn



## Equity ratio (March 31, 2023)

10.7% (-4.5pp ↘)

March 31, 2022: 15.2%



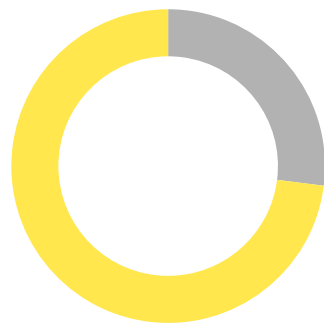


# Revenues increased by 7% to € 553mn.

Previous year: € 520mn.

## Segments.

Tolling revenues increased by 9%.

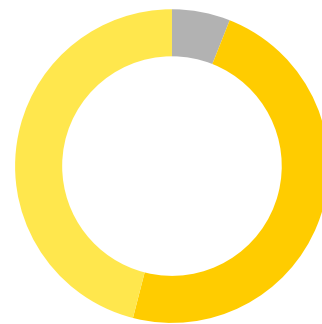


**73%** **Tolling**  
€ 403mn (↗ +9.1%)

**27%** **Traffic Management**  
€ 150mn (↗ +0.1%)

## Regions.

Strong growth in Americas and APAC.



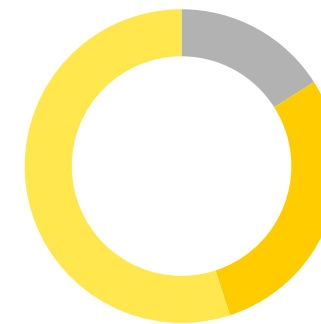
**49%** **EMEA**  
€ 273mn (↘ -3.2%)

**45%** **Americas**  
€ 249mn (↗ +17.4%)

**6%** **APAC**  
€ 32mn (↗ +22.4%)

## Business type.

Growth in all business areas.



**54%** **Operations**  
€ 302mn (↗ +4.3%)

**30%** **Implementation**  
€ 164mn (↗ +9.9%)

**16%** **Components**  
€ 87mn (↗ +7.8%)

# Growth in the Americas and APAC regions driven by tolling segment.

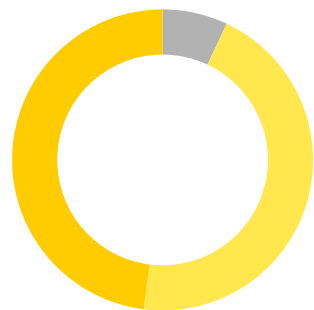
Revenue growth in tolling segment with negative EBIT and traffic management at constant revenue level.

## Tolling.

All figures in € mn unless otherwise stated

	FY 2021/22	FY 2022/23	+/-
Revenues	370	403	+9%
Implementation	89	119	+34%
Operations	205	203	-1%
Components	76	82	+8%
EBIT	3	-8	-
EBIT margin	1%	-2%	-

## Revenues by region.



**46%** **EMEA**  
€ 187mn (↘ -2%)

**47%** **Americas**  
€ 190mn (↗ +20%)

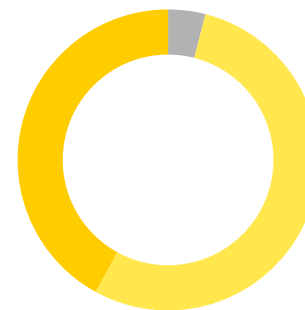
**7%** **APAC**  
€ 27mn (↗ +32%)

## Traffic Management.

All figures in € mn unless otherwise stated

	FY 2021/22	FY 2022/23	+/-
Revenues	150	150	0%
Implementation	60	45	-26%
Operations	85	100	+18%
Components	5	6	+5%
EBIT	8	15	+98%
EBIT margin	5%	10%	+5pp

## Revenues by region.



**57%** **EMEA**  
€ 86mn (↘ -5%)

**40%** **Americas**  
€ 59mn (↗ +10%)

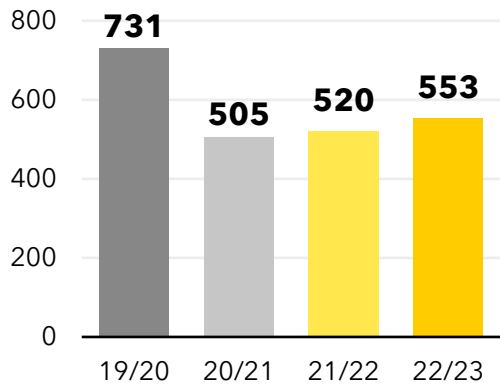
**3%** **APAC**  
€ 5mn (↘ -11%)

# Financial indicators reflect challenges of past year.

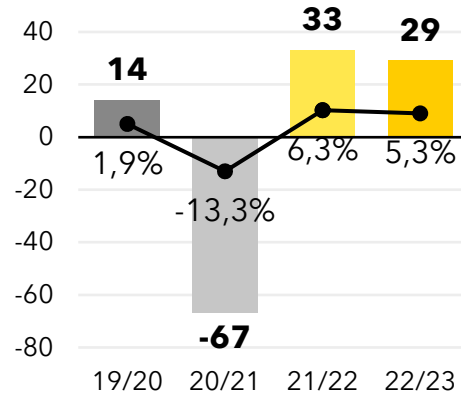
Negative free cash flow, increased net debt, increased gearing and lower equity ratio.

All figures in € mn unless otherwise stated.

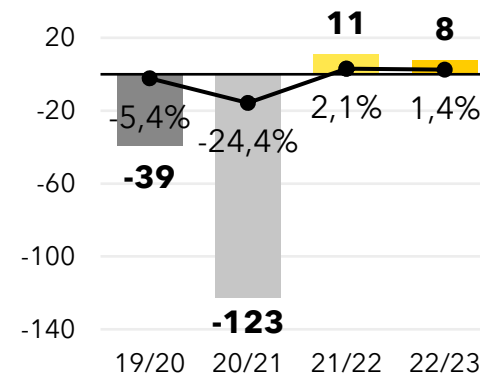
## Revenues.



## EBITDA, EBITDA margin.

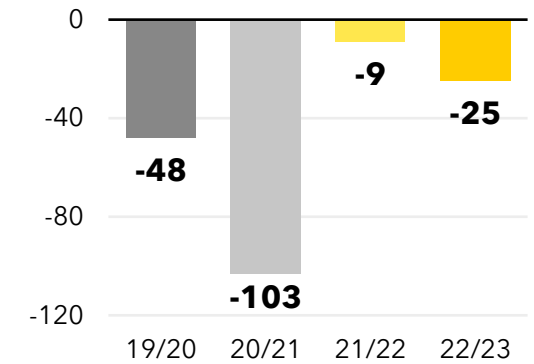


## EBIT, EBIT margin.

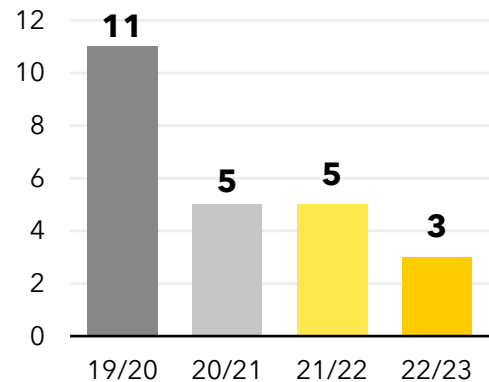


## Result for period.

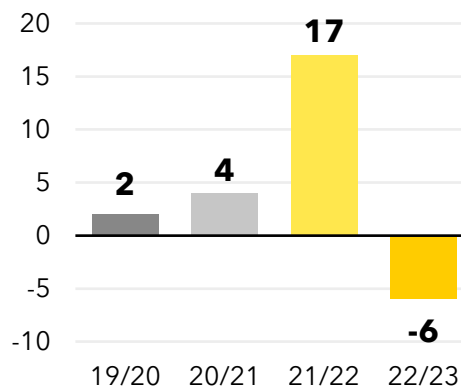
(attributable to equity holders)



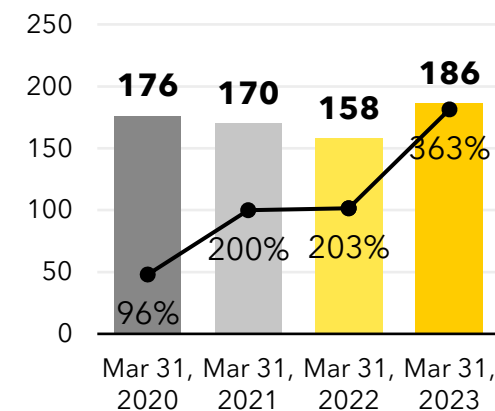
## Net investment.



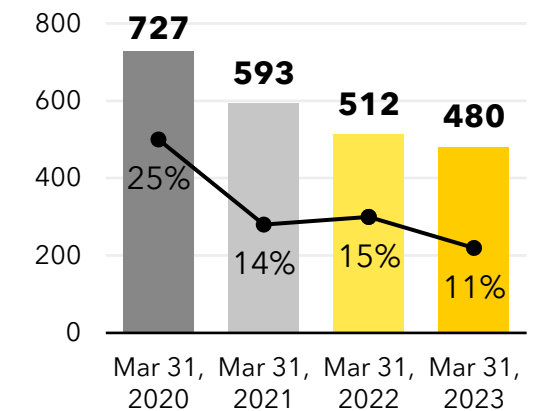
## Free cash flow.



## Net debt, gearing.



## Total assets, equity ratio.





Kapsch TrafficCom

# **Result for Q1 2023/24.**

*August 17, 2023.*

# Headlines.

Q1 2023/24 (April 1, 2023 to June 30, 2023).



**Slight revenue growth to EUR 132 million.**



**Restructuring of financing agreed.**



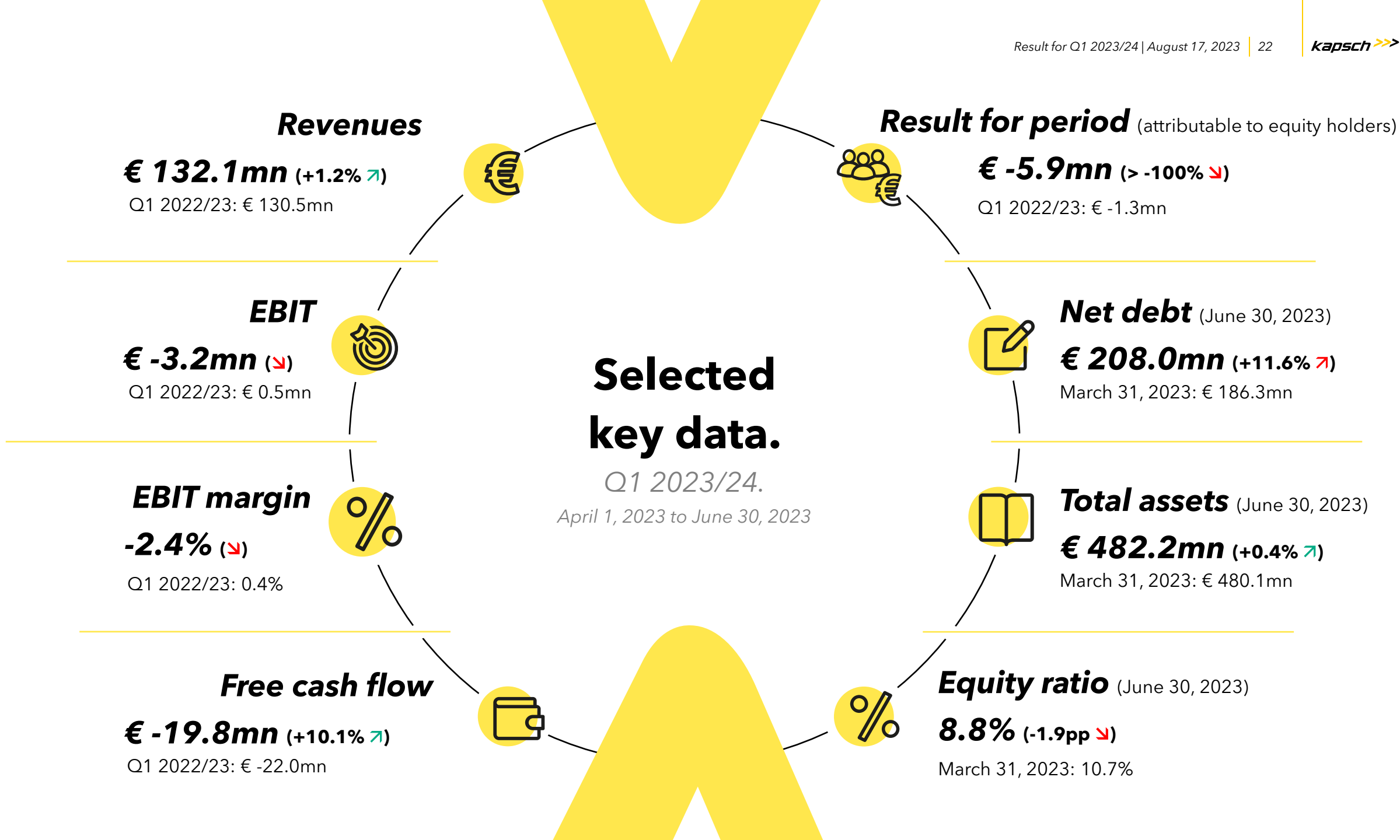
**EBIT impacted by special effects.**



**Settlement between autoTicket and Federal Republic of Germany concluded in July.**



**Outlook 2023/24: Revenue growth and significant EBIT improvement, major project tenders about to be awarded.**

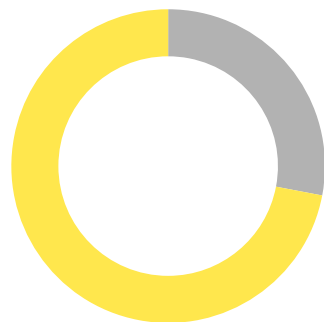


# Revenues increased by 1% to € 132mn.

Adjusted by credit note to a customer (EUR 6mn), increase by 6% to EUR 138mn (previous year: EUR 131mn).

## Segments.

Traffic management grows by 9%, tolling decreased due to customer credit note.

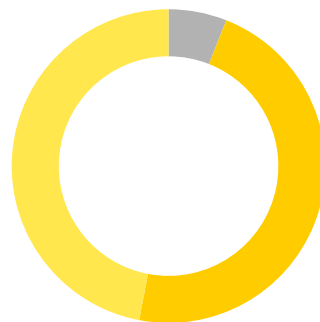


**72%** **Tolling**  
€ 95mn (▼ -1.4%)

**28%** **Traffic Management**  
€ 38mn (↗ +8.5%)

## Regions.

Growth in APAC and Americas, EMEA decreased due to customer credit note.



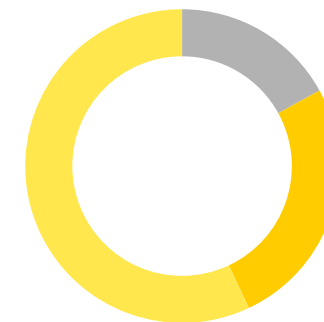
**47%** **EMEA**  
€ 62mn (▼ -1.2%)

**47%** **Americas**  
€ 62mn (↗ +2.7%)

**6%** **APAC**  
€ 8mn (↗ +9.9%)

## Business type.

Growth with operations and components, implementation decreased due to customer credit note.



**57%** **Operations**  
€ 76mn (↗ +1.8%)

**26%** **Implementation**  
€ 34mn (▼ -1.9%)

**17%** **Components**  
€ 22mn (↗ +4.4%)

# Segments: Growth in traffic management visible.

EBIT in the tolling segment influenced by margin adjustments in projects to be completed.

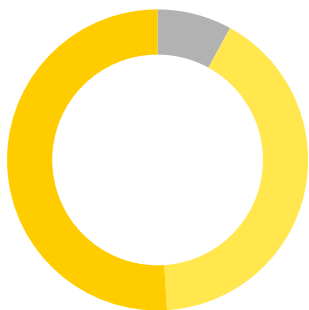


## Tolling segment.

All figures in € mn unless otherwise stated	Q1 2022/23	Q1 2023/24	+/-
<b>Revenues</b>	<b>96</b>	<b>95</b>	<b>-1%</b>
Implementation	24	21	-13%
Operations	52	54	+3%
Components	20	20	+2%
<b>EBIT</b>	<b>-2</b>	<b>-8</b>	<b>&gt; -100%</b>
EBIT margin	-2%	-8%	-6pp



## Revenues in tolling segment by region.



**41%** **EMEA**  
€ 39mn (↘ -12%)

**51%** **Americas**  
€ 49mn (↗ +6%)

**8%** **APAC**  
€ 7mn (↗ +17%)

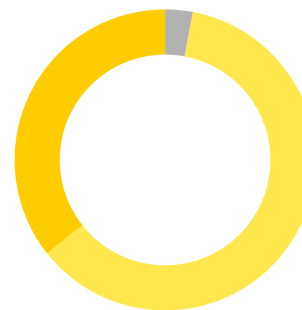


## Traffic management segment.

All figures in € mn unless otherwise stated	Q1 2022/23	Q1 2023/24	+/-
<b>Revenues</b>	<b>35</b>	<b>38</b>	<b>+9%</b>
Implementation	11	14	+21%
Operations	22	22	+0%
Components	1	2	+38%
<b>EBIT</b>	<b>2</b>	<b>4</b>	<b>&gt; +100%</b>
EBIT margin	6%	12%	+5pp



## Revenues in traffic management segment by region.



**62%** **EMEA**  
€ 23mn (↗ 24%)

**36%** **Americas**  
€ 13mn (↘ -8%)

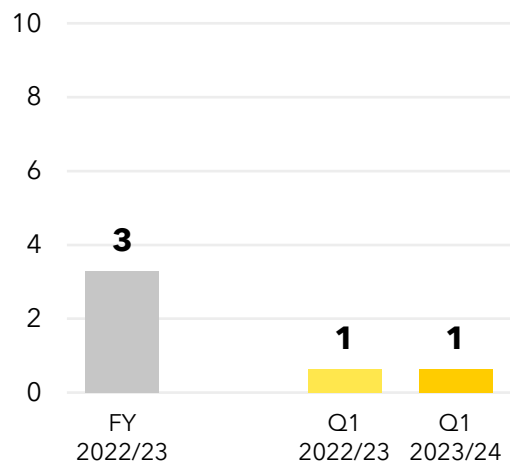
**3%** **APAC**  
€ 1mn (↘ -26%)



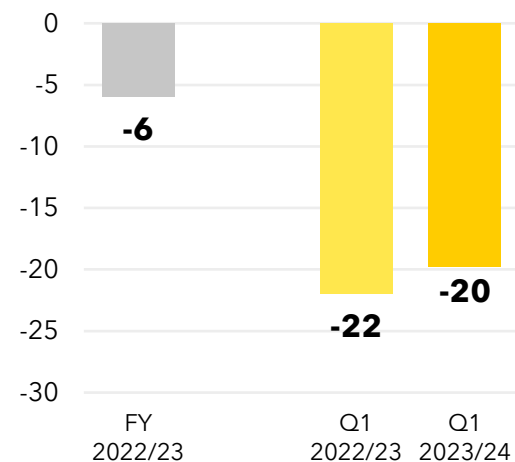
# Financial indicators reflect challenges of past years.

Cash inflow from settlement in Germany will significantly improve financial indicators.

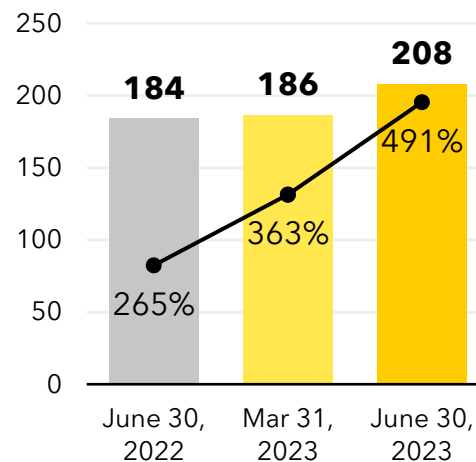
## Net investment.



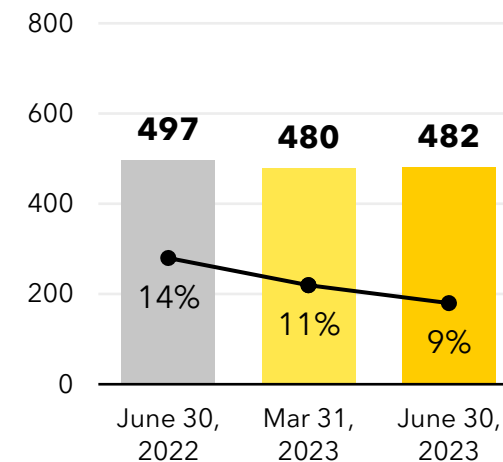
## Free cash flow.



## Net debt, gearing.



## Total assets, equity ratio.



- Free cash flow negative at **€ 20.0mn**, primarily due to negative earnings and increased working capital (€ +17.6mn).

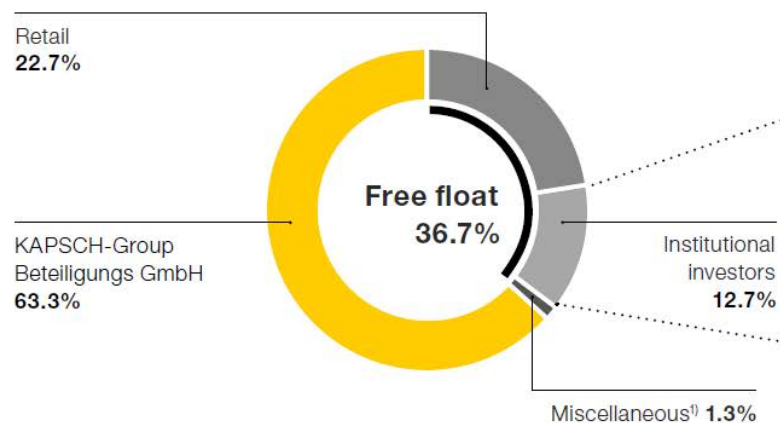
- Net debt increased by **€ 22.0mn**, primarily due to higher financial liabilities (€ +10.5mn) and lower cash and cash equivalents (€ -13.0mn).

- Total equity decreased by **€ 8.9mn** compared with **March 31, 2023**, equity ratio at 8.8%.

# Kapsch TrafficCom share.



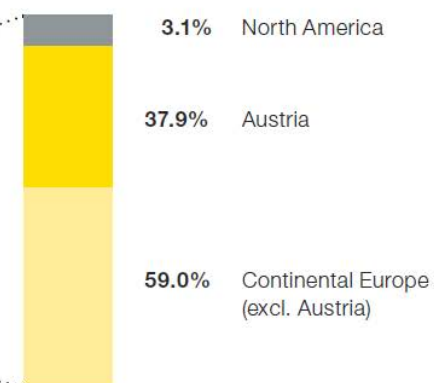
## Shareholder structure.



<sup>1)</sup> Trading positions and unidentified shareholders.



## Institutional investors by region.



Source: Shareholder survey from May 2023



## Research coverage\*.

Erste Group	
Buy	€ 17.00
RBI (Raiffeisen Bank International)	
Buy	€ 15.00
ODDO BHF/FMR	
Buy	€ 18.60

\* As per August 24, 2023



## Selected events.

November 15, 2023	Result for H1 2023/24
More information:	<a href="http://www.kapsch.net/ir">www.kapsch.net/ir</a>

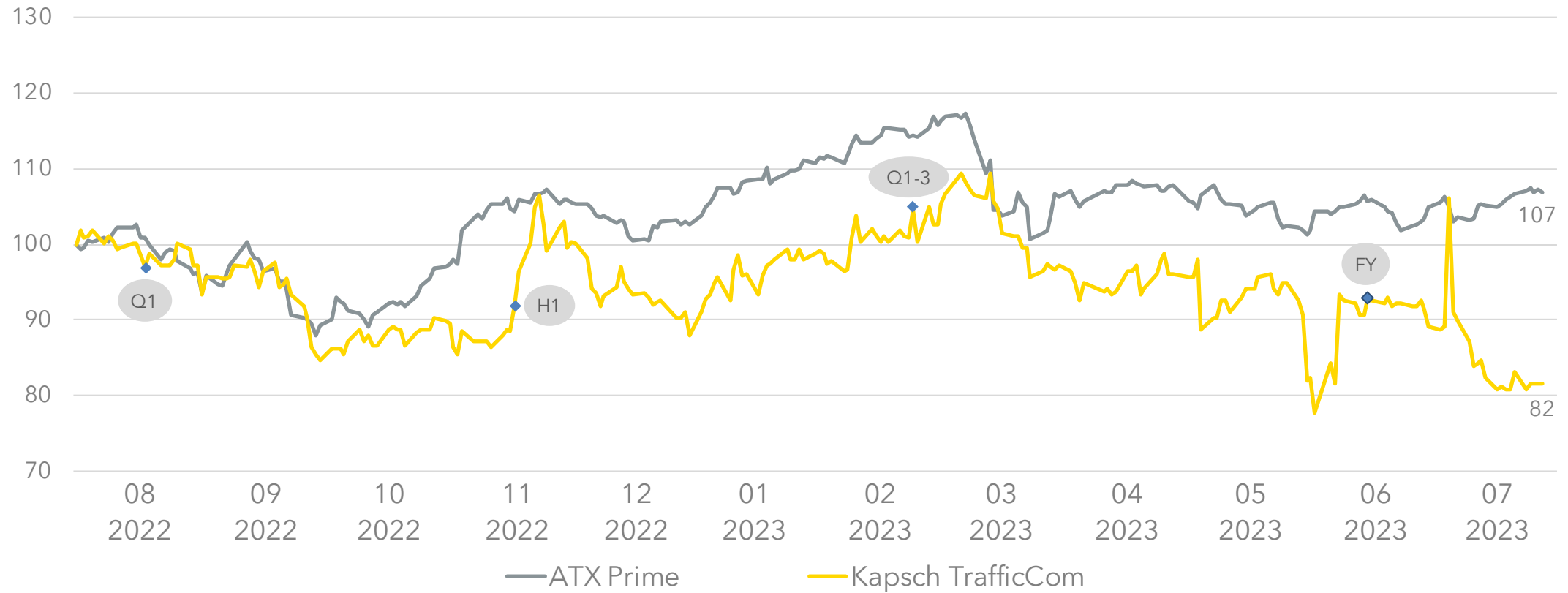


## Basic information.

Listed in Vienna, Prime Market, since 2007	ISIN: AT000KAPSCH9
Capital increase in 2011	Reuters: KTCG.VI
Total of 13 million shares	Bloomberg: KTCG AV

# Share price development (12 months).

*Kapsch TrafficCom and ATX Prime.*



# Outlook.

*Financial year 2023/24.*

Focus on new business, costs, liquidity and financial indicators.



**Revenue growth in single-digit percentage range, major project tenders about to be awarded.**

*2022/23: € 553.4mn*



**Significant improvement in operating result (EBIT).**

*2022/23: € 7.6mn*





Kapsch TrafficCom

# Ordinary Annual General Meeting 2023.

*September 6, 2023.*

# Settlement in Germany significantly improves financial indicators.

Report of CEO: Pro forma simulation of impact on balance sheet as of June 30, 2023. Further changes are possible.

Source: Corporate release on September 6, 2023

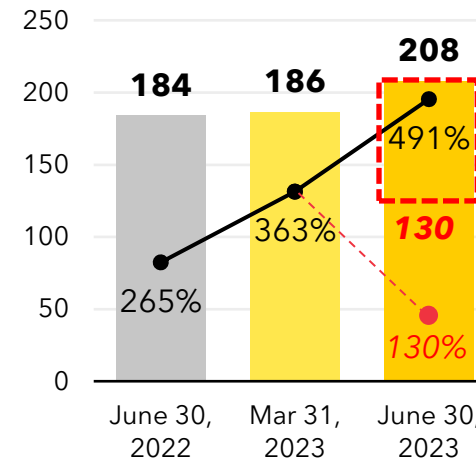
 **Settlement between autoTicket and Federal Republic of Germany reached in July.**

 **Cash inflow of EUR 99.5 million expected from today's perspective.**

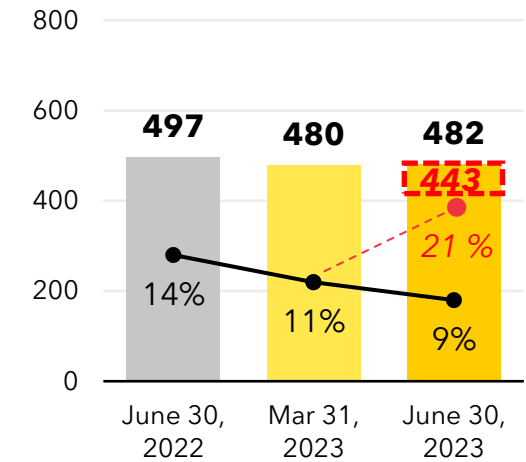
 **Pro forma net debt decreases from EUR 208 million to EUR 130 million and pro forma gearing ratio lowers from 491% to 130%.**

 **Pro forma equity ratio increases from 9% to 21% at pro forma total assets decreasing by EUR 39 million to EUR 443 million.**

**Net debt, gearing.**



**Total assets, equity ratio.**



# Summary of resolutions.

*Resolutions passed in Annual General Meeting of Kapsch TrafficCom AG on September 6, 2023.*

1. Approval of the actions of the members of the Executive Board and the members of the Supervisory Board in office in financial year 2022/23.
2. PwC Wirtschaftsprüfung GmbH, Vienna, appointed as auditor and Group auditor for financial year 2023/24.
3. Remuneration Report 2022/23 approved.
4. Ms. Monika Brodey was elected to the Supervisory Board. Term of office ending at the end of the Annual General Meeting deciding on the formal approval of actions for financial year 2026/27.
5. The term of office in the Supervisory Board of Mr. Franz Semmerneegg and Mr. Harald Sommerer was extended until the end of the Annual General Meeting deciding on the formal approval of actions for financial year 2023/24.
6. Amendment of the Articles of Association in § 6 (Publications).
7. Revocation of the existing authorized capital pursuant to Section 5 (4) (Share Capital and Shares) of the Articles of Association and the simultaneous creation of a new authorized capital, also with the possibility of issuing new shares against contributions in kind, the exclusion of the subscription right and the corresponding amendment of the Articles of Association in § 5 (Share Capital and Shares).

# Authorized capital.

*Resolution passed in Annual General Meeting of Kapsch TrafficCom AG on September 6, 2023.*

- **The Executive Board is authorized, with the consent of the Supervisory Board:**
  - to increase the share capital of the Company within five years after registration of the relevant amendment to the Articles of Association in the companies' register by up to EUR 1,300,000.00
  - by issuing up to 1,300,000 new no par shares made out to bearer
  - against cash and/or in-kind contributions,
  - also in several tranches,
  - excluding shareholders' subscription rights, and
  - to determine the issue price and the issue conditions in agreement with the Supervisory Board.
  - The Supervisory Board is also authorized to resolve on amendments of the Articles of Association resulting from the issue of shares from the authorized capital.
  - The Articles of Association of the Company will be amended accordingly.
- **The share capital increase would increase the equity by around € 14 million at the current share price and lead to a further increase in the equity ratio according to the pro forma simulation to over 23% as of June 30, 2023.**





## **Marcus Handl**

Investor Relations Officer

## **Valerie Riegler**

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