



Kapsch TrafficCom

# Result for first half of 2023/24.

*November 15, 2023.*

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# Headlines.

H1 2023/24 (April 1, 2023 to September 30, 2023).



## Cash inflow from settlement in Germany.

- Cash inflow of € 79mn received to date.
- Total net cash inflow unchanged expected at € 100mn.
- Full effect on earnings included in first half year.



## Settlement with EBIT effect of € 72mn.

- Revenues of € 266mn at previous year's level.
- EBIT increases from € 5mn to € 73mn.
- EBIT without settlement in Germany at € 1mn after €-4mn in the first quarter.



## Financial position significantly improved.

- Equity increases from 11% to 19%.
- Bank liabilities reduced by € 63mn.
- Net debt decreases by € 44mn, gearing down from 363% to 153%.



## Solid basis for the future.

- Order intake doubled to € 480mn.
- Order backlog currently at € 1.4bn, 2.5 times previous year's revenues.
- Further project tenders about to be awarded.



## Further reduction of debt.

- Goal is longer-term minimum level of net debt to EBITDA of 3.0x.
- Goal achievement with settlement in Germany and further cash inflows now promptly possible.

# Selected key data.

H1 2023/24.

April 1, 2023 to September 30, 2023

## Revenues

**€ 266.4mn** (+0.6% ↗)

H1 2022/23: € 264.8mn



## Result for period (attributable to equity holders)

**€ 46.6mn** (↗)

H1 2022/23: € 0.3mn



## EBIT

**€ 73.1mn** (> 500% ↗)

H1 2022/23: € 4.7mn



## Net debt (Sept. 30, 2023)

**€ 141.7mn** (-23.9% ↘)

March 31, 2023: € 186.3mn



## EBIT margin

**27.5%** (25.7pp ↗)

H1 2022/23: 1.8%



## Total assets (Sept. 30, 2023)

**€ 482.5mn** (+0.5% ↗)

March 31, 2023: € 480.1mn



## Free Cashflow

**€ 48.5mn** (↗)

H1 2022/23: € -11.4mn



## Equity ratio (Sept. 30, 2023)

**19.2%** (8.5pp ↗)

March 31, 2023: 10.7%



# Cash inflow from settlement in Germany.

*Financial position significantly improved.*

## **Joint venture autoTicket received € 243mn in compensation from the Federal Republic of Germany.**

Effects for Kapsch TrafficCom as of September 30, 2023:



### **Cash inflow of € 79.2mn already received.**

- Total net cash inflow of at least around € 100 million expected.



### **Earnings effect on EBIT of € 72.0mn.**

- Thereof € 66.3mn recorded as other operating income and € 8.2mn as proportional result of associates and joint ventures; € 2.5mn for costs accrued.



### **Repayment of financial liabilities in the amount of € 62.5mn.**

- Particularly high-interest loans and the half-deferred installment of the promissory note loan.



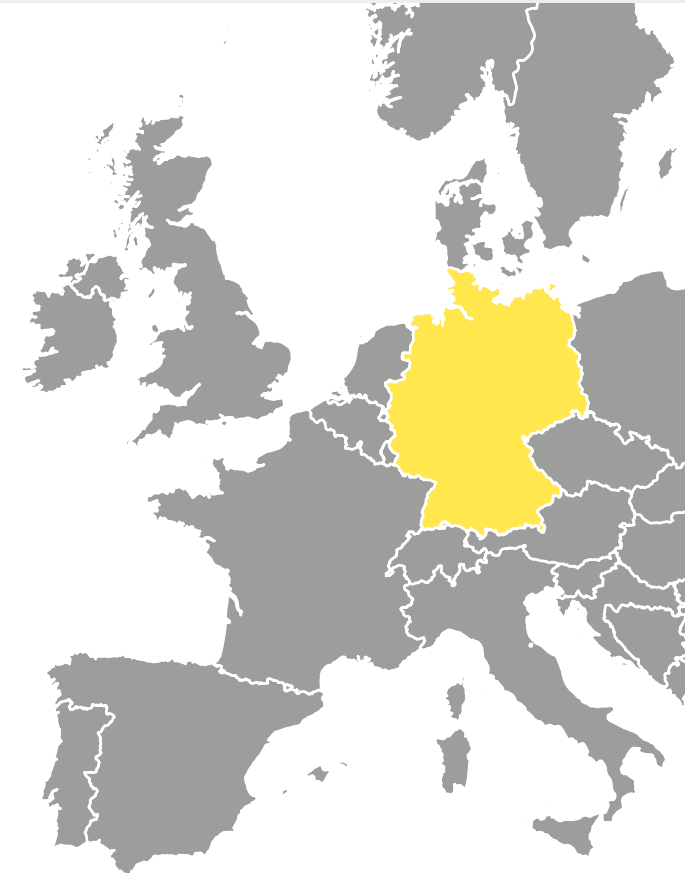
### **Financial result burdened with € -9.3mn.**

- One-off processing fees and interest surcharge. Half of the interest surcharge paid, half accrued.



### **Remaining share will have no further effect on earnings.**

- Remaining net cash inflow of at least around EUR 20 million expected.

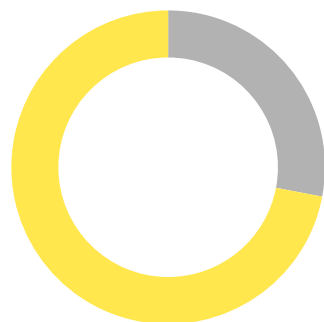


# Revenues of € 266mn at previous year's level.

Adjusted for customer credit in the first quarter, revenues of € 272mn are 4% higher than in the previous year.

## Segments.

Traffic management grows by 12%, slight decrease in the tolling segment.

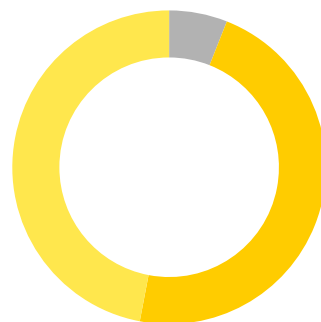


**71%** **Tolling**  
€ 189mn (↘ -3.3%)

**29%** **Traffic management**  
€ 78mn (↗ +11.6%)

## Regions.

Recovery in the EMEA region, continued slight growth in APAC, decline in Americas.



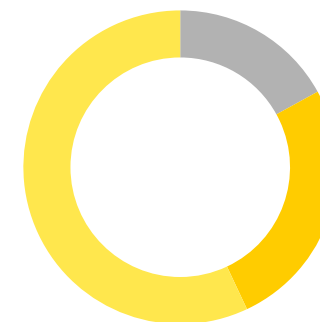
**50%** **EMEA**  
€ 133mn (↗ +5.6%)

**44%** **Americas**  
€ 118mn (↘ -4.8%)

**6%** **APAC**  
€ 16mn (↗ +3.3%)

## Business type.

Growth with implementation and components, slight decline in operations revenues.



**55%** **Operations**  
€ 146mn (↘ -1.3%)

**29%** **Implementation**  
€ 77mn (↗ +3.5%)

**16%** **Components**  
€ 43mn (↗ +2.3%)

# Segments: Visible growth in traffic management.

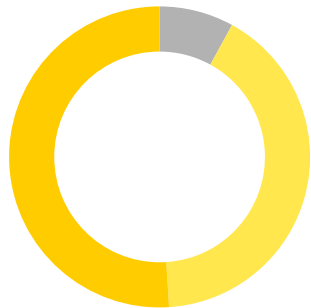
EBIT in the tolling segment increased extraordinarily due to cash inflow from settlement in Germany.

## Tolling segment.

All figures in € mn unless otherwise stated

	H1 2022/23	H1 2023/24	+/-
<b>Revenues</b>	<b>195</b>	<b>189</b>	<b>-3%</b>
Implementation	54	51	-6%
Operations	102	100	-2%
Components	39	38	-2%
<b>EBIT</b>	<b>2</b>	<b>64</b>	<b>&gt;+500%</b>
EBIT margin	1%	34%	+33pp

## Revenues in tolling segment by region.



**46%** **EMEA**  
€ 87mn (↘ -1.6%)

**47%** **Americas**  
€ 88mn (↘ -6.4%)

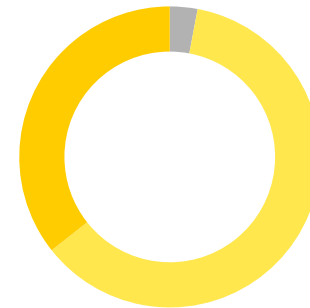
**7%** **APAC**  
€ 14mn (↗ +7.4%)

## Traffic management segment.

All figures in € mn unless otherwise stated

	H1 2022/23	H1 2023/24	+/-
<b>Revenues</b>	<b>69</b>	<b>77</b>	<b>+12%</b>
Implementation	20	27	+30%
Operations	46	47	+0%
Components	3	4	+71%
<b>EBIT</b>	<b>2</b>	<b>9</b>	<b>&gt;+100%</b>
EBIT margin	3%	11%	+8pp

## Revenues in traffic management segment by region.



**60%** **EMEA**  
€ 46mn (↗ +23%)

**38%** **Americas**  
€ 29mn (↘ -0%)

**3%** **APAC**  
€ 2mn (↘ -19%)

# EBIT increased to € 73mn and amounts to € 1mn excluding Germany effect.

Restructuring measures positively impact personnel and other operating expenses but are currently still overshadowed by increased costs for materials and other production services.

All figures in € mn unless otherwise stated		H1 2022/23	H1 2023/24	+/-
<b>Revenues</b>		<b>264.8</b>	<b>266.4</b>	<b>+1%</b>
Other operating income	01	15.4	72.4	> 100%
Changes in finished and unfinished goods		0.9	1.9	> 100%
Cost of materials and other production services	02	-104.0	-114.7	+10%
Personnel expenses		-125.6	-120.0	-4%
Other operating expenses	03	-35.5	-31.7	-11%
Proportional result of associates and joint ventures	01	-1.0	8.1	–
<b>EBITDA</b>		<b>15.0</b>	<b>82.4</b>	<b>&gt; 100%</b>
Amortization, depreciation and impairment charge		-10.2	-9.2	-10%
<b>EBIT</b>	04	<b>4.7</b>	<b>73.1</b>	<b>&gt; 500%</b>
EBIT margin		1.8%	27.5%	25.7pp

## 01 Compensation from Germany.

- Other operating income € +66.3mn
  - Proportional result of associates and joint ventures € +8.2mn
  - Provision for expected costs € -2.5mn
- Impact on EBIT/Change over previous year: **€ +72.0mn**

## 02 Cost of materials and other production services.

- Margin adjustments for projects to be completed.
- Impact on EBIT: **€ -8.8mn**  
Change over previous year: € -1.2mn
- Increased cost of materials also due to inflation-related price increases.

## 03 Other operating expenses.

- Reversal of an allowance for receivables.
- Impact on EBIT/Change over previous year: **€ +4.5mn**

## 04 Operating currency effects (net).

- Impact on EBIT: **€ +2.9mn**  
Change over previous year: € -6.3mn



# Result attributable to equity holders of € 47mn.

Financial result burdened by one-off costs.

All figures in € mn unless otherwise stated

	H1 2022/23	H1 2023/24	+/-
<b>EBIT</b>	<b>4.7</b>	<b>73.1</b>	<b>&gt; 500%</b>
Interest (net result)	01 -2.2	-15.2	> -500%
FX (net result)	02 1.6	0.3	-79%
Other (net result)	-0.7	0.5	-
<b>Financial result</b>	<b>-1.2</b>	<b>-14.4</b>	<b>&gt; -500%</b>
Proportional results from associates and joint ventures from financial investments	-0.6	-0.6	+10%
<b>Result before income tax</b>	<b>2.9</b>	<b>58.2</b>	<b>&gt; 500%</b>
Income tax	03 -1.1	-11.2	> -500%
<b>Result for the period</b>	<b>1.8</b>	<b>47.1</b>	<b>&gt; 500%</b>
Non-controlling interests	1.5	0.4	-
<b>Result attributable to equity holders</b>	<b>0.3</b>	<b>46.6</b>	<b>&gt; 500%</b>
Earnings per share (EPS) in €	0.02	3.59	> 500%

## 01 Net interest effect.

- Higher interest expense due to higher financing volume, increased interest rates and one-off costs (restructuring of financing).
- Thereof one-off interest surcharge and processing fees for repayment of bank liabilities:

Impact on financial result: **€ -9.3mn**

## 02 Net FX effect.

Impact on financial result: **€ +0.3mn**

Change over previous year: **€ -1.3mn**

## 03 Income tax.

- Excluding proportional results of associates and joint ventures; change in deferred taxes.

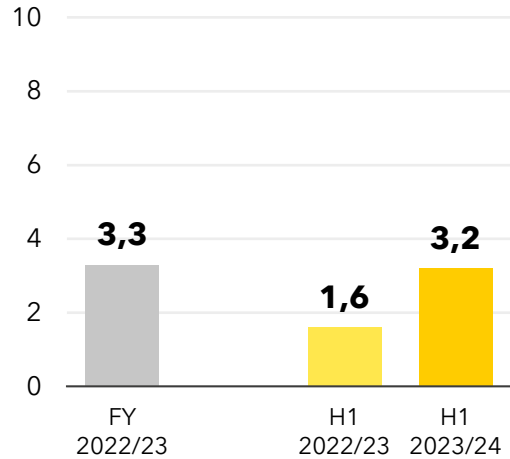
Impact on the result for the period: **€ -11.2mn**

Change over previous year: **€ -10.1mn**

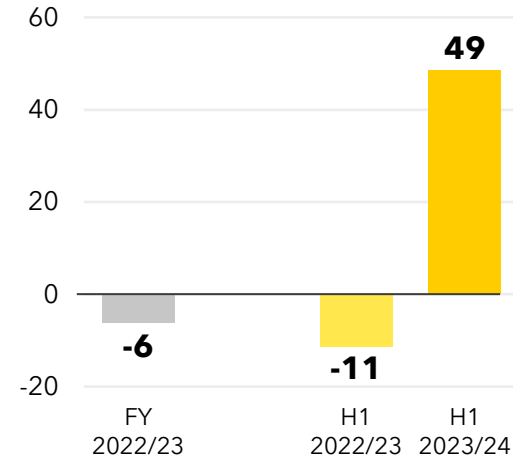
# Key financial indicators significantly improved due to cash inflow from Germany.

Increase in equity ratio to 19% and significantly lower debt: gearing down to 153%.

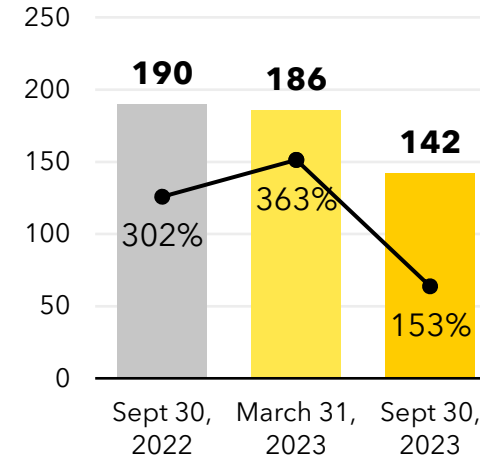
## Net investment.



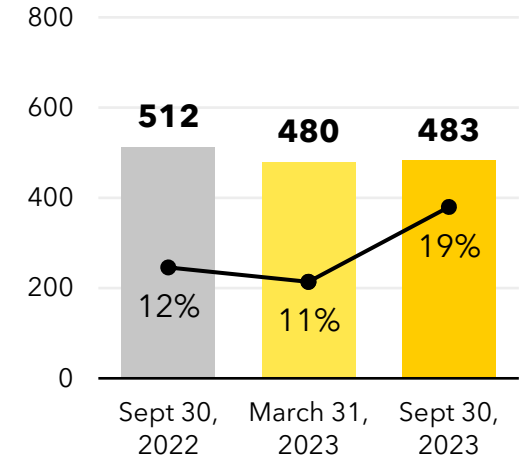
## Free cash flow.



## Net debt, gearing.



## Total assets, equity ratio.



- **Double net investment** to expand production capacity for components in Vienna.

- **Free cash flow positive at € 48.5mn**, primarily due to the Germany effect and despite a 15.4% increase in net working capital.

- **Net debt decreased significantly**, primarily due to the € 43.9mn reduction in financial liabilities.

- **Equity € 41.4mn higher** than as of March 31, 2023, equity ratio at 19.2%.

# Corporate development.

Goal is to achieve a longer-term minimum level of net debt to EBITDA of 3.0x.

## **Systematic restructuring is proving effective but result still dampened.**

- Restructuring shows impact but is currently still overshadowed by increased costs for materials and production.

## **Goal: Increase EBITDA to at least € 35 million as quickly as possible.**

- Order intake in H1 of € 480mn (almost doubled compared to H1 22/23).
- Order backlog of around € 1.4bn, 2.5 times the previous year's revenues.
- Further project tenders about to be awarded.
- Further measures to increase efficiency and strategy review.

## **Goal: Further reduction of net debt.**

- Net debt decreased by € 44mn, gearing down from 363% to 153%. Immediate achievement of goal possible.
- Expected remaining net cash inflow of at least about € 20mn from settlement in Germany.
- Further cash inflows of at least € 30mn are targeted from pending proceedings and other measures.
- Necessary reduction of net working capital, which increased by 15.4% in the first half of the year.

## **Pre-crisis revenue level (2018/19) of € 740mn to be achieved in the medium term.**

# Outlook.

*Financial year 2023/24.*

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



**Revenue growth in  
single-digit percentage range.**

*2022/23: € 553.4mn*



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

*2022/23: € 7.6mn*





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