

Press Release

Kapsch TrafficCom – Results for the first half of 2021/22

Highlights.

- > Earnings positive again, revenues at previous year's level.
- > EBIT of both segments positive.
- > Stable gearing.
- > Guidance 2021/22: Revenues up by approximately 10% to around EUR 550 million, EBIT margin of around 3%.

"I am glad to see that the restructuring measures are having an effect. However, the Group continues to feel the impact of the COVID 19 pandemic. Therefore, the main focus in the second half of the year will be on maintaining cost discipline and acquiring new business. However, I am convinced that we have not only put the most difficult phase behind us, but also used it to make the Group leaner, more flexible, more agile, and better aligned to future opportunities," says Georg Kapsch, CEO of Kapsch TrafficCom.

Unless otherwise stated, all values in EUR million	H1 2020/21	H1 2021/22	+/-
Revenues	257.5	255.2	-0.9%
EBIT	-57.8	10.6	> 100%
EBIT margin	-22.5%	4.2%	26.6pp
Result for the period attributable to equity holders	-54.0	3.0	> 100%
Earnings per share (EUR)	-4.15	0.23	€ +4.38

Vienna, November 18, 2021 – Kapsch TrafficCom generated a positive operating result (EBIT) of EUR 11 million in the first half of the current financial year, compared to a negative EBIT of EUR -58 million on approximately the same revenues in the first half of the previous financial year. In the first half of 2021/22, special effects amounting to EUR -4 million (previous year: EUR -59 million) had an impact on EBIT. Compared to the first half of the last financial year, the EBIT margin increased by around 27 percentage points to 4%.

It was right and important to reduce the company's cost base significantly and sustainably, especially as the Group continues to clearly feel the effects of the COVID 19 pandemic. New business momentum was persistently low, especially in the implementation business, due to a lack of sufficient market opportunities. The components business suffered from shortages of electronic components, which meant that existing demand could not be met as desired. In some markets, on the other hand, demand continued to be lower.

The financial result amounted to EUR -3 million (previous year: EUR -8 million). Tax expenses amounted to EUR 2 million (previous year: tax income of EUR 11 million). The result for the period attributable to shareholders amounted to EUR 3 million (previous year: EUR -54 million), corresponding to earnings per share of EUR 0.23 (previous year: EUR -4.15).

Free cash flow amounted to EUR -1 million in the first half of 2021/22 (previous year: EUR -30 million). Therefore, net debt increased slightly to EUR -174 million since the last reporting date (March 31, 2021: EUR -170 million). The gearing remained constant at 200%. The partial repayment of the promissory note bond and a bank loan totaling EUR 49 million from own funds had a balance sheet-reducing effect in the first quarter. Total assets amounted to EUR 553 million as of September 30, 2021 (March 31, 2021: EUR 593 million). The equity ratio increased from 14% to 16% in the first half of 2021/22.

Segment results for the first half of 2021/22.

71% of revenues were generated by the tolling segment and 29% by the traffic management segment. 57% of revenues were generated in the Europe-Middle East-Africa (EMEA) region, 39% in the Americas region (North, Central and South America) and 4% the Asia-Pacific (APAC) region.

Tolling segment.

Sales decreased by 5% to EUR 181 million. Declines in the implementation business of 42% and in the components business of 9% were not offset by 23% higher revenues in the operations business.

The EMEA region made the largest contribution to revenues with EUR 101 million. In total, this region recorded a growth of 7%. In the Americas region, revenues declined by 16% to EUR 71 million. In the APAC region, revenues decreased by EUR 2 million to EUR 9 million.

Tolling segment.

Unless otherwise stated, all values in EUR million	H1 2020/21	H1 2021/22	+/-
Revenues	190.6	181.0	-5.0%
EBIT	-52.1	1.3	> 100%
EBIT margin	-27.3%	0.7%	28.1pp

EBIT was positive at EUR 1 million (previous year: EUR -52 million). The EBIT margin was 1% (previous year: -27%).

Segment Traffic Management.

Revenues increased by 11% to EUR 74 million. This was due in particular to the operations business, which grew by 21%.

The largest contribution to revenues was made by the EMEA region with EUR 44 million. In total, this region recorded an increase of 24%. In the Americas region, revenues declined by 3% to EUR 28 million. In the APAC region, revenues decreased by EUR 0.4 million to EUR 2 million.

Traffic Management segment.

Unless otherwise stated, all values in EUR million	H1 2020/21	H1 2021/22	+/-
Revenues	66.9	74.1	10.8%
EBIT	-5.7	9.3	> 100%
EBIT margin	-8.6%	12.6%	21.1pp

EBIT was positive at EUR 9 million (previous year: EUR -6 million). The EBIT margin was 13% (previous year: -9%).

Outlook.

Management forecasts revenues to increase by approximately 10% to around EUR 550 million in financial year 2021/22. The company expects growth in North America as well as a continued recovery in the components business. This should compensate for the expiry of the operations projects in Poland at the end of the second quarter and in the third quarter.

The EBIT margin is expected to be in the region of 3%.

In addition to maintaining cost discipline, the main focus in the second half of the year will be on acquiring new business. Management expects the most important economies to further stabilize as COVID vaccination coverage rates increase. This is the basis for higher market momentum. It is not possible to say exactly when a significant recovery can be expected on a broad basis. Until then, however, the Group expects the market situation to improve.

The report on the first half of 2021/22 as well as further materials on the results are scheduled to be available today, from 7:35 a.m. (CET), at: <https://kapsch.net/ktc/ir>

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.

Kapsch TrafficCom has brought projects to fruition in more than 50 countries around the globe. 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.

Headquartered in Vienna, Kapsch TrafficCom has subsidiaries and branches in more than 25 countries. It has been listed in the Prime Market segment of the Vienna Stock Exchange since 2007 (ticker symbol: KTCG). In its 2020/21 financial year, around 4,660 employees generated revenues of EUR 505 million.

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