

FLASH NOTE

Kapsch TrafficCom - Buy

Target Price: EUR 10.00 | Close as of 26/06/2025: EUR 6.36

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German arbitrary court rules in favor of KTC

Key takeaways: The German arbitrary court dealing with the scrapped ETC enforcement contract that was awarded to KTC ruled in favor of KTC. KTC will receive a compensation payment of EUR 27mn in the coming days/weeks, directly increasing EBITDA and EBIT for FY25/26. Hence, **KTC now specified its FY25/26 guidance and guides for EUR 45mn in EBIT** at unchanged revenue of EUR 510mn. Depending on accountable tax assets, the **value impact per share should be between EUR 1.6-2.0**.

Our view: *Positive. The compensation amount is significantly higher than we have assessed (EUR 10-15mn plus interest). Finally, we have the German arbitrary proceedings related to the German ETC contracts concluded and all in KTC's prospect. The combined cash flow from both compensation rulings amounts to EUR 127mn (EUR 99.5mn+EUR 27mn).*

*Based on KTC's guidance, we should now expect **FY25/26e net debt at around EUR 60-70mn (FY24/25: EUR 101mn), netdebt / EBITDA at ~1.5x (=target 1.0-1.5x; FY24/25: 3.5x); equity ratio of 26-28% (target: 35%)***

With the strongly improved balance sheet, KTC can now fully dedicate its efforts to contract acquisitions to further expand order backlog, visibility and scale..

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Kapsch TrafficCom	AT000KAPSCH9		Y	Y	Y						

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