

## Press Release.

### Kapsch TrafficCom – Result for the first quarter of 2023/24.

#### Highlights.

- > Slight revenue growth to EUR 132 million.
- > Restructuring of financing agreed.
- > Operating result (EBIT) impacted by special effects.
- > Settlement between autoTicket and Federal Republic of Germany concluded in July.
- > Outlook to financial year 2023/24: Revenue growth in single-digit percentage range and significant EBIT improvement; major project tenders about to be awarded.

"Although the first quarter was again impacted by special effects from projects to be completed, we see a clear upward trend. Reorganization and new appointments to key management positions, as well as consistent cost management, have laid the foundation for positive development in the future. We see improved market dynamics both in our conventional business and in new areas in which we have invested massively in recent years and will continue to do so," says Georg Kapsch, CEO of Kapsch TrafficCom.

Unless otherwise stated, all values in EUR million.	Q1 2022/23	Q1 2023/24	+/-
Revenues	130.5	132.1	+1.2%
EBIT	0.5	-3.2	-
EBIT margin	0.4%	-2.4%	-
Result for the period attributable to equity holders	-1.3	-5.9	> -100%
Earnings per share (EUR)	-0.10	-0.45	> -100%

**Vienna, August 17, 2023** – Business at Kapsch TrafficCom Group developed well as expected in the first quarter of 2023/24. However, revenues and earnings were again impacted by numerous special effects. In addition, the past months were marked by two significant agreements that have a clearly positive impact on the financial situation and outlook of Kapsch TrafficCom: the restructuring of financing and the settlement of autoTicket GmbH with the Federal Republic of Germany in the arbitration proceedings. In addition, the contract for the tolling system in Gauteng Province, South Africa, was extended again until mid-December 2023.

Revenues showed a slight increase of 1% to EUR 132 million. Although business increased as expected, a credit note to a customer in the amount of EUR 6 million reduced the growth. Adjusted for this credit note, revenues would have been EUR 138 million, 6% above the previous year, reflecting the growing market dynamics. In addition, Kapsch TrafficCom recorded a high order intake in the first quarter, the execution of which is expected to lead to a further increase in revenues.

However, earnings before interest and taxes (EBIT) were negative at EUR -3 million, compared to EUR 1 million in the first quarter of the previous year. This development was influenced in particular by the following special effects:

- Expenses for bank fees and consulting services in connection with the restructuring of financing were recognized in the first quarter in the amount of EUR 1 million.
- The margins for projects to be completed in North America again had to be adjusted by expenses for materials and other production services totaling EUR 5 million.
- In contrast to these negative effects, the reversal of an allowance for receivables had a positive impact of EUR 4 million. After an agreement was reached with the customer regarding overdue receivables, a credit note was issued (reduction in revenues of EUR 6 million) and, conversely, the allowance for these receivables was reversed in the amount of EUR 10 million.

In addition, compared to the previous year, other operating income (by EUR -4 million) and net foreign exchange gains (by EUR -4 million) decreased significantly, while the cost of materials also increased due to inflation-related price increases.

The financial result was influenced in particular by higher interest expenses due to a higher financing volume and increased interest rates and amounted to EUR -2 million (previous year: EUR 0 million). Due to deferred tax income, income taxes amounted to EUR +1 million in the reporting quarter (previous year: EUR 0 million). The result for the period attributable to equity holders decreased from EUR -1 million in the first quarter of the previous year to EUR -6 million in the reporting period. This corresponds to earnings per share of EUR -0.45 (previous year: EUR -0.10).

#### **Segment performance.**

The tolling segment contributed 72% of total revenues, the traffic management segment 28%. At EUR 95 million, revenues in the tolling segment were slightly below the previous year's level due to the customer credit. EBIT was clearly negative at EUR -8 million, reflecting among other things the margin adjustment (EUR -5 million) in the North American projects to be completed. In the traffic management segment, revenues increased by 9% to EUR 38 million, while EBIT doubled to EUR 4 million.

Regionally, Kapsch TrafficCom recorded revenue growth of 10% in the Asia-Pacific region. Revenues in the EMEA (Europe, Middle East, Africa) and Americas (North, Central and South America) regions were largely at the previous year's level, whereas EMEA was burdened by the customer credit note.

#### **Financial and asset position.**

Free cash flow amounted to EUR -20 million, the main influencing factors for this were the negative result and the increase in net working capital in the first quarter, in particular current contract assets from customer contracts and trade receivables totaling EUR 17 million.

At the end of May, Kapsch TrafficCom agreed with its major financial creditors on a restructuring of financing until May 2025. The objective is a substantial reduction of net debt by at least EUR 60 million and in the longer term to a level of net debt to EBITDA of 3.0x. In order to achieve this, Kapsch TrafficCom committed to early repayments, suspending dividend payments and utilizing the entire existing authorized capital (10 % of the share capital).

This agreement is clearly reflected in a shift of the structure of liabilities as of June 30, 2023. In addition, a financing in North America was successfully concluded. Non-current liabilities thus increased by EUR 105 million compared to the balance sheet date, and current liabilities decreased by EUR 94 million.

Equity was EUR 9 million lower than on March 31, 2023, the equity ratio was 9% at the end of the quarter. Net debt increased by EUR 22 million to EUR 208 million, mainly due to higher financial liabilities (EUR +11 million) and lower cash and cash equivalents (EUR -13 million); the gearing ratio amounted to 491%.

### **Settlement in Germany.**

In July, shortly after the end of the quarter, the arbitration proceedings conducted due to the termination of the operations contract for the collection of the infrastructure charge ("passenger car toll") in Germany were completed.

A settlement agreement was reached between autoTicket GmbH, a joint venture of Kapsch TrafficCom AG and CTS Eventim AG Co. KGaA, and the Federal Republic of Germany on July 5, 2023, which was finalized, executed and became effective shortly thereafter. The payment of the amount of EUR 243 million to autoTicket GmbH by the Federal Republic of Germany has already been affected.

From this amount, autoTicket GmbH has to pay the winding-up and other costs as well as expenses already incurred and future expenses, before the portion which Kapsch TrafficCom AG is entitled to can be distributed. An inflow of at least approximately EUR 80 million is expected.

### **Outlook.**

For the financial year 2023/24, management expects revenue growth in the single-digit percentage range; among others, several major project tenders are about to be awarded. The agreement reached in Germany will also lead to a significant improvement of the operating result and the financial indicators. Nevertheless, the focus remains on consistent cost and liquidity management and on improving the financial indicators as well as on new business.

The report on the first quarter of 2023/24 as well as further materials on the results are scheduled to be available today, from 7:35 a.m. (CEST), at: [www.kapsch.net/en/ir](http://www.kapsch.net/en/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 2022/23 financial year, about 4,000 employees generated revenues of EUR 553 million.*

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