Kapsch TrafficCom

Press release.

Kapsch TrafficCom – Result for the first half of 2025/26.

Highlights.

- > *Decline in revenues of 27% from EUR 275 million to EUR 200 million.*
- > *Settlement agreement reached with the Federal Republic of Germany in June.*
- > *EBIT increased to EUR 10 million due to the Germany effect.*
- > *Equity ratio increased to 23%, gearing ratio increased to 117%.*
- > *Outlook for full year 2025/26 adjusted.*

"We are seeing extremely hesitant awarding behavior across the entire market. Despite the infrastructure packages designed to stimulate the economy, the corresponding investment decisions are still pending and some large project tenders or their awarding are being delayed. We are missing out on these revenues. Our cost management is working well, but we are positioned for a higher level of revenue. Accordingly, our attention is now focused primarily on order intake and on adjusting to the current level of revenue," said Georg Kapsch, CEO of Kapsch TrafficCom.

Unless otherwise stated, all figures are in EUR million.	H1 2024/25	H1 2025/26	+/-
Revenues	274.8	200.0	*-27.2%*
EBIT	-0.7	10.4	–
EBIT margin	-0.3%	5.2%	–
Result for the period, attributable to equity holders	-10.5	2.1	–
Earnings per share (EUR)	-0.73	0.15	–

Vienna, November 19, 2025 – The first half of the 2025/26 financial year was disappointing for the Kapsch TrafficCom Group. As already communicated in an ad hoc announcement on October 27, 2025, revenue fell significantly short of expectations, mainly due to the current difficult market situation. However, the one-time effect from the settlement with the Federal Republic of Germany still enabled a positive result.

Settlement agreement with Germany.

At the end of June, a settlement agreement was reached with the Federal Republic of Germany in connection with the termination of the contract for the automatic control of the infrastructure charge (passenger car toll) in 2019. The effect on earnings was already visible in the first quarter of the financial year at EUR 23 million, and the agreed payment of around EUR 27 million to the subsidiary MTS Maut & Telematik Services GmbH was made at the beginning of the second quarter in July.

Earnings position.

At EUR 200 million, revenue in the first half of the current 2025/26 financial year was 27% below the previous year's figure of EUR 275 million. As expected, around EUR 40 million of this decline was related to the removal of two major operation projects in the EMEA region – the termination of the tolling project in the South African province of Gauteng and the deconsolidation of the Belarusian company, which operates the tolling project in Belarus. In North America, the relocation of manufacturing also led to a temporary interruption and a corresponding backlog in deliveries. The further decline in revenues reflects the absence of projects in almost all regions that had been expected. The difficult market situation is reflected in delays in project tenders or their award, which are affecting the entire industry. Accordingly, order intake in the first half of the year was also below expectations at EUR 224 million, with the order backlog still amounting to EUR 1.2 billion at the end of September 2025.

Earnings before interest and taxes (EBIT) reached EUR 10 million, compared with EUR -1 million in the previous year, resulting in an EBIT margin of 5%. The one-time effect from the settlement agreement with the Federal Republic of Germany contributed significantly to this positive earnings development; without this effect, EBIT would have been significantly negative at EUR -13 million. On the cost side, the first half of the year was in line with the expected level of revenues and expenses; material and personnel costs decreased compared to the previous year in line with the removal of the two projects. The project in Belarus, which is no longer fully consolidated, contributed to the proportionate earnings from associates and joint ventures in the reporting period, which rose to EUR 7 million (previous year: EUR 2 million). As in the previous year, operating currency effects had a negative impact of EUR -3 million on EBIT.

The financial result declined from EUR -8 million to EUR -9 million in the first half of the year. Although interest expenses decreased, hyperinflation adjustments of EUR -1 million (previous year: EUR -2 million) and negative effects from exchange rate changes of EUR -5 million (previous year: EUR -2 million) had to be recognized again.

The net income attributable to equity holders amounted to EUR 2 million, compared with EUR -10 million in the first half of the previous year, while earnings per share amounted to EUR 0.15 (previous year: EUR -0.73).

Segment performance.

The tolling segment contributed 72% to total revenues in the first half of the year, while the traffic management segment contributed 28%. There was a decline in revenues in both segments: In the tolling segment, revenues fell by 29% from EUR 205 million to EUR 145 million. This segment was impacted by both the loss of revenue from the two operation projects in EMEA and the production backlog in North America, which is reflected in lower component revenues. EBIT rose from EUR 3 million in the first half of the previous year to EUR 13 million in the reporting period due to the one-time effect from Germany. In the traffic management segment, revenue fell by 21% from EUR 70 million to EUR 55 million, while EBIT remained at the previous year's level at EUR -3 million.

The Americas region was the strongest region in terms of revenue in the reporting period, accounting for 52% of total revenue, although Kapsch TrafficCom recorded declines in revenues in all business regions: In the EMEA region (Europe, Middle East, Africa) by 37%, in the Americas region (North, Central, and South America) by 18%, and in the APAC region (Asia-Pacific) by 20%.

Financial and asset position.

In the second quarter, the cash inflow from Germany was used largely to repay liabilities. Free cash flow was negative at EUR -4 million in the first half of the year, compared with EUR 1 million in the previous year. While the equity ratio rose from 20% at the end of March to 23% at the half-year reporting date of September 30, the gearing ratio also increased from 111% to 117%.

Connected vehicles: The world's first series-ready CV tolling system.

Kapsch TrafficCom has reached a milestone in technology leadership: For many years, the Company has been investing in the expected mobility of the future with connected vehicle (CV) communication, the communication between vehicles and other vehicles and roadside infrastructure. The world's first series-ready CV tolling system is now being introduced on an expressway in the USA. The project will integrate a conventional roadside tolling system with data from connected vehicles. This is a test project for large-scale deployment and a technological milestone for Kapsch TrafficCom and the entire industry.

Outlook.

Based on current developments, the outlook for the full year 2025/26 was adjusted on October 27, 2025: Kapsch TrafficCom expects a decline in revenues to EUR 450 million. The main reasons remain the deconsolidation of several companies in the past financial year, but also the current difficult market environment. Operating profit (EBIT) is expected to be EUR 25 million, taking into account the income from the arbitration proceedings with the Federal Republic of Germany.

In the coming months, management will focus on order intake and adjusting costs to the current revenue level. The order backlog of EUR 1.2 billion continues to form a solid basis for growth, although some larger projects will only be reflected in revenue in the medium to long term.

The report on the first half of 2025/26 and further materials on the results will be available today, expected from 7:35 a.m. (CEST), at: www.kapsch.net/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 areas of tolling and traffic management contribute to a healthier 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 2024/25 financial year, more than 3,000 employees generated revenues of EUR 530 million.

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