



Kapsch TrafficCom

# Investor Presentation.

*Challenging the limits of mobility for a  
healthy world without congestion.*



February 2024

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## Company profile.



Leading provider of **Intelligent Transportation Solutions (ITS)**, electronic **tolling** pioneer



**100+ offices** in **25+ countries** with **~4,000 employees**



Services offered as **end-to-end** solutions in **one stop shop** approach; own **manufacturing**



**Regional focus** in North- and Latin America, Europe, Middle East, South Africa, Oceania and Southeast Asia



**Listed at Vienna Stock Exchange:** Prime Segment, IPO in June 2007, free float at 36.7%, Kapsch Group holds 63.3%

**Kapsch  
TrafficCom**



## Financial performance.

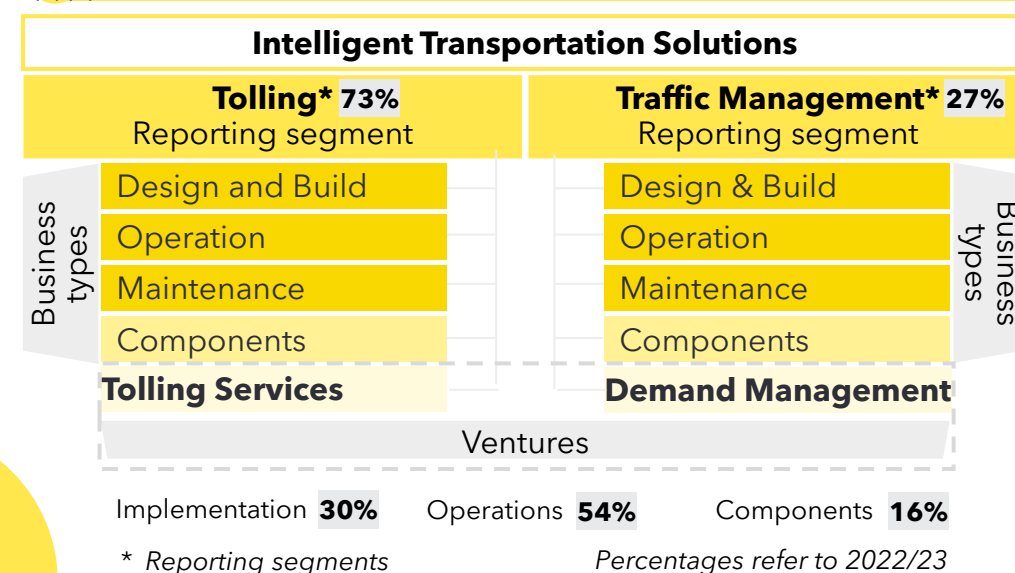
In €m (rounded)

Financial year (April 1 to March 31)

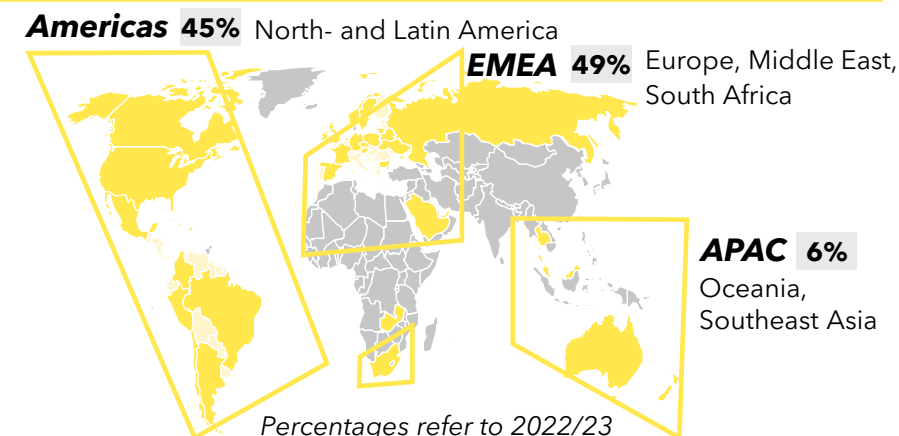
	2019/20	2020/21	2021/22	2022/23
Net sales	731	505	520	553
EBIT	-39	-123	11	8
Free cash flow	2	4	17	-6
Gearing	96%	200%	203%	363%
Equity ratio	25%	14%	15%	11%
Employees	5,104	4,657	4,220	4,039



## Products and services / Reporting segments.



## Regional focus markets.



# Products and services / Reporting segments.



## Tolling.

**Pioneer** and **technology forerunner** in **electronic toll collection**. Unique experience in nationwide toll systems.

### Electronic toll collection.

#### Technologies:

- Microwave (DSRC)
- Satellite (GNSS)
- Video
- Mobile tolling
- eVignette

#### Applications:

- Multi-lane free-flow (MLFF)
- Congestion charging
- Managed lanes (tolled)
- Plaza tolling

### Tolling services.

#### Europe:

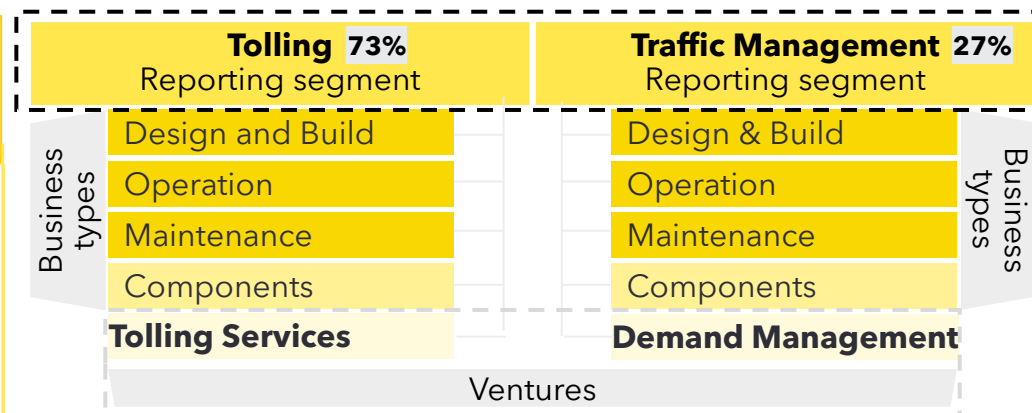
- European Electronic Toll Service (EETS)
- Tolling services for passenger vehicles

#### USA:

- Toll road payments app



## Reporting segments.



Percentages refer to Financial Year 2022/23



## Traffic management.

Combines conventional traffic management with **smart traffic solutions**, **demand management** and **data services**.

### Traffic management.

- Highway
- Tunnels/bridges
- Urban
- Corridors
- C-ITS / connected mobility

### Demand management.

- Intelligent routing
- Dynamic pricing
- Events management

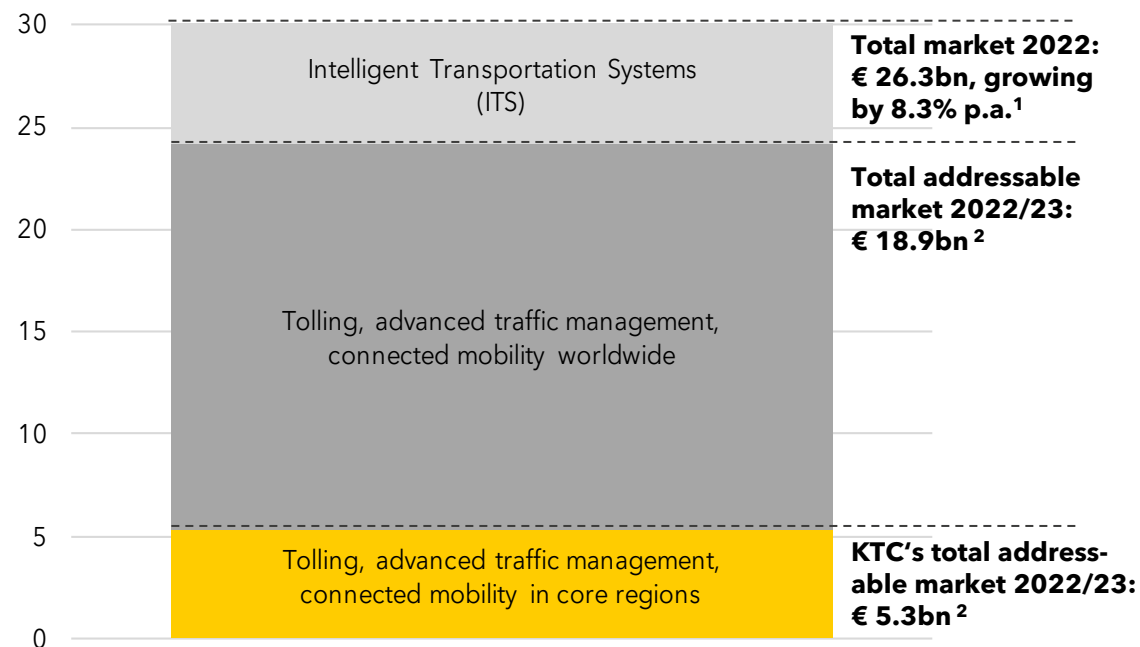


# Market volume.

Target market and expected market development.

## Addressable market 2022/23.

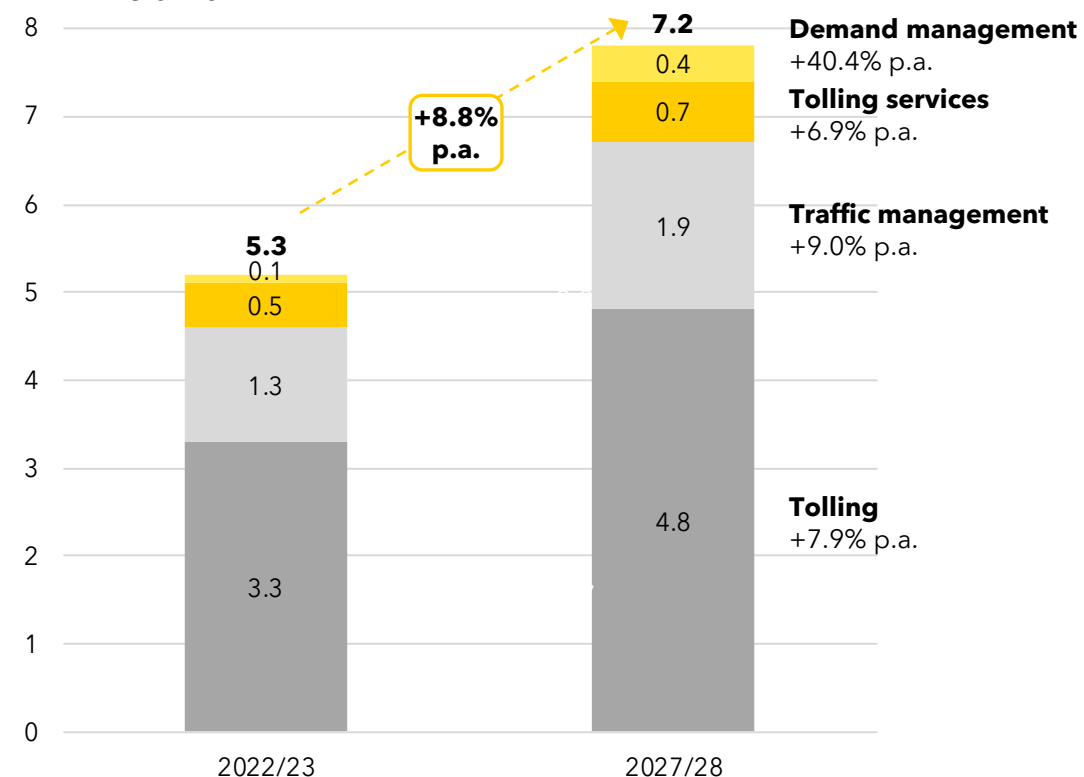
In € billion



Source: <sup>1</sup> Grand View Research, <sup>2</sup> Kapsch TrafficCom

## KTC's addressable market 2022/23-2027/28.

In € billion



Source: Kapsch TrafficCom



# Market drivers.



## **Traffic infrastructure demand & funding.**

- Growing car park and traffic volumes
- E-vehicles → lower fuel tax income



## **Urbanization.**

- 60% of population in cities by 2030 growing to 68% by 2050



## **Data security.**

- Data protection increasingly important



## **New transportation means & services.**

- New, shared transportation modes
- Electrification of transportation



## **Ecological footprint.**

- European Green Deal
- CO<sub>2</sub>, particulate matter, noise



## **Connected mobility.**

- Rapid evolution of network technology and autonomous vehicles and driving



## **Data & artificial intelligence (AI).**

- Connected mobility as important data source.
- AI for analytics, simulation and prediction



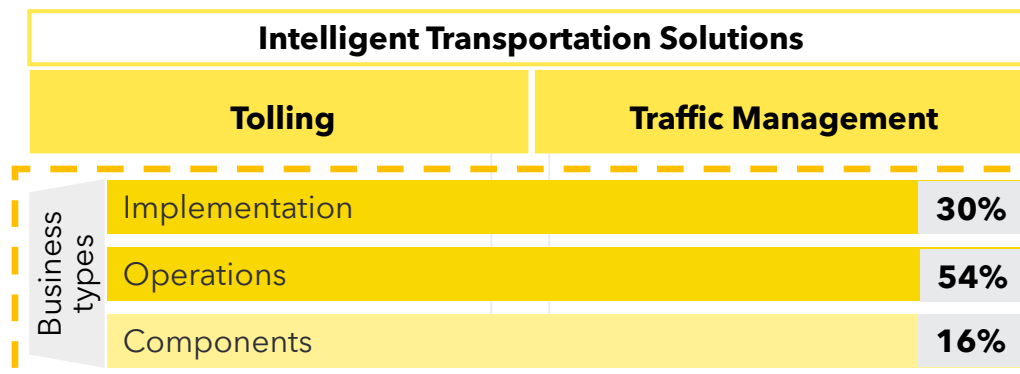
## **Shift in business.**

- From hardware to software platforms
- Smart infrastructure

# Business model.

*One-stop-shop solutions cover the entire value chain of customers.*

Services offered as **end-to-end** solutions in **one stop shop** approach;  
with **in-house production** of hardware and software.



*Percentages refer to Financial Year 2022/23*

High degree of flexibility for responding to **customer needs**:

From components, to designing and building complete turnkey systems, to operating them.



## Implementation.

Planning, design, installation of systems and applications.



## Operations.

Technical and commercial operations of systems.



## Components.

Develop, produce in in-house manufacturing in Austria and Canada or source.

**End-to-end solutions as a one-stop-shop.**



# Strategy 2027.

Leading position in future markets of tolling and traffic management, expand into adjacent business and invest in technology.



## Optimization and expansion of existing business.

We focus on our **core competencies** of **tolling** and **traffic management** with new solutions.



## Expansion into adjacent business areas.

The expansion into adjacent business areas is consistent with an internal global strategy survey on potential **new business areas**.



## Investment in future technologies.

We **focus on technological developments** that shape our future product and system ecosystem.

### We invest in:

- Smart traffic management
- Demand management
- Tolling services



## Our identity.

Kapsch TrafficCom is a **globally renowned** provider of **end-to-end transportation solutions** for a healthy world without congestion.



## Our mission.

Creating **innovative solutions for sustainable mobility** in transportation to enable users to arrive at their destination conveniently, on time, safely, efficiently, and with minimal environmental impact.



## Our goals.

Kapsch TrafficCom is recognized as **thought leader** in the industry. We **increase our revenue** and thereby grow stronger than the market.



## Our vision.

**Challenging the limits of mobility** for a healthy world without congestion.

# Sustainability as the basis.

*Challenging the limits of mobility for a healthy world without congestion.*



## **Transportation solutions for sustainable mobility.**

- **Tolling:** Distance-based tolls improve transport efficiency.
- **Traffic Management:** Reduction of stop-and-go traffic in cities.
- **Low Emission Zones:** Defined zones for environmentally friendly vehicles only.
- **Demand Management:** Integrated solutions combining tolling, traffic management and Low Emission Zones.



## **Strategy 2027: Green Vision.**

- **Green Portfolio:** Products and services aim to have a positive ecological balance.
- **Green Company:** CO<sub>2</sub> neutrality by 2027.
- **Green Vision:** Underpinned by measures and targets.

## **Organization.**



**ESG task force** with 9 employees from different areas.



Board responsibility with **CEO Georg Kapsch.**



ESG targets also reflected in **targets for remuneration of Executive Board.**

# ESG Headlines.



## Highlights 2022/23.

**Austria's Leading Companies Award 2022** in Research & Development.

**Improved ranking** in Carbon Disclosure Project (**CDP**).

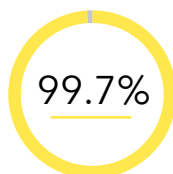
**Green Gantry** (wooden tolling gantry) in test operation.

**People Strategy** further developed to support employees.

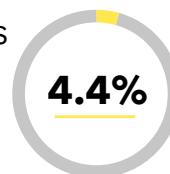
**Anti-corruption control** mechanisms extended.



## EU taxonomy (as of June 2023).



99.7% of revenues are **taxonomy-eligible**.



4.4% of revenues are **taxonomy-aligned** (proven for two on-board unit types).

Further development of the taxonomy can strengthen evidence of sustainability, e.g., change in mobility behavior, road safety.



## Outlook 2023/24.

- Implementation of **central data** hub for non-financial information.
- New **materiality analysis** (inside-out and outside-in).
- Revision of **sustainability strategy** and program.
- Enhancement of reporting and preparation for **CSRD**.

# The emergence of Kapsch TrafficCom until the IPO in June 2007.

About 130 years in the ever-changing electronic industry.

**1892**

**Kapsch founded**

**1991**

**Tolling division at Kapsch established.**

Toll collection division within Kapsch AG established

**1995**

**First large contract in Traffic Management.**

Contract for the realization of the nationwide Ecopoint System in Austria, the world's 1<sup>st</sup> emissions-based traffic management system

**1999**

**Pioneer in Electronic Toll Collection.**

Launch of world's 1<sup>st</sup> multi-lane free-flow electronic toll collection (MLFF ETC) system for an urban motorway on Melbourne City Link in Australia

**2002**

**Kapsch TrafficCom AG founded.**

Kapsch TrafficCom AG emerged as a separate legal entity within the Kapsch Group

**2004**

**First national tolling system.**

Austria introduces the national truck road user charging system: the worldwide 1<sup>st</sup> nationwide MLFF ETC system on major highways

**2007**

**IPO.**

## Selected products of Kapsch throughout the years

- > Morse telegraph devices
- > Telephones (fixed and mobile)
- > Capacitors and dry batteries
- > Radios, incl. portable radios
- > TVs (black & white, later color)
- > Telecom networks

# Unique selling proposition.

*What makes Kapsch TrafficCom unique?*



## **Domain know-how.**

About **130 years** in the electronics industry

Close to **customers**

Ability to develop tailored solutions  
– **proven track record**

Deep and comprehensive **domain know-how**

Broad variety of **technologies**, prime **quality**



## **Innovator.**



## **One-stop-shop.**



## **Global player.**

Only real **global player** in ITS industry  
(best practice, risk diversification)

Integrated, **one-stop-shop**

### **Scale**

**Listed** (transparency, access to capital)

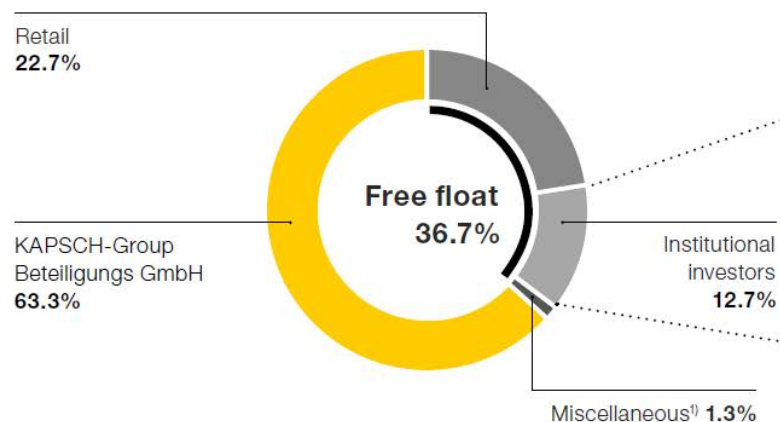
**Interest of majority shareholder** secured on the  
Executive Board by CEO Georg Kapsch



# Kapsch TrafficCom share.



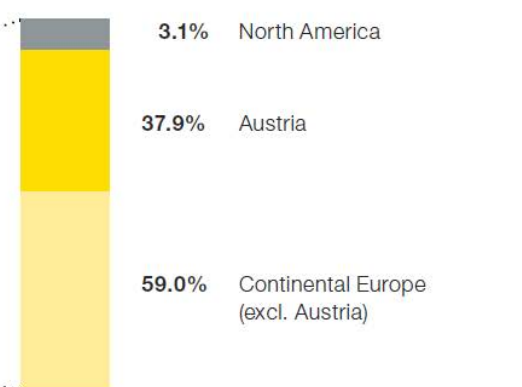
## Shareholder structure.



<sup>1)</sup> Trading positions and unidentified shareholders.



## Institutional investors by region.



Source: Shareholder survey from April 2023



## Research coverage\*.

Erste Group	
Buy	€ 15.10
RBI (Raiffeisen Bank International)	
Buy	€ 15.00
ODDO BHF/FMR	
Buy	€ 15.80

\* As per February 20, 2024



## Selected events.

June 19, 2024	Result for FY 2023/24
August 21, 2024	Result for Q1 2024/25
More information:	<a href="http://www.kapsch.net/ir">www.kapsch.net/ir</a>



## Basic information.

Listed in Vienna, Prime Market, since 2007	ISIN: AT000KAPSCH9
Capital increases in 2011 and 2023	Reuters: KTCG.VI
Total of 14.3 million shares	Bloomberg: KTCG AV



# Share price development (12 months).

Kapsch TrafficCom and ATX Prime.





Kapsch TrafficCom

# **Results for Financial Year 2022/23.**

*June 14, 2023.*

# Headlines.

Financial Year (FY) 2022/23 (April 1, 2022 to March 31, 2023).



**Revenues increased by 7% to EUR 553 million.**



**Double-digit growth in the regions Americas and Asia-Pacific.**



**Decline in EBIT to EUR 8 million despite restructured and reduced cost base in past years.**



**Focus on costs, liquidity and improvement of financial indicators.**



**Outlook FY 2023/24:\* Revenue growth in single-digit percentage range and slight improvement in operating result (EBIT).**

\* With ad hoc release on July 5, 2023, changed. For the new outlook, see p. 34.

# Key figures.

FY 2022/23.

April 1, 2022 to March 31, 2023

## Revenues

**€ 553.4mn** (+6.5% ↗)

FY 2021/22: € 519.8mn



## Result for period (attributable to equity holders)

**€ -24.8mn** (> -100% ↘)

FY 2021/22: € -9.3mn



## EBIT

**€ 7.6mn** (-31.1% ↘)

FY 2021/22: € 11.0mn



## Net debt (March 31, 2023)

**€ 186.3mn** (+17.7% ↗)

March 31, 2022: € 158.3mn



## EBIT margin

**1.4%** (-0.7pp ↘)

FY 2021/22: 2.1%



## Total assets (March 31, 2023)

**€ 480.1mn** (-6.2% ↘)

March 31, 2022: € 512.1mn



## Free cash flow

**€ -6.0mn** (↘)

FY 2021/22: € 16.8mn



## Equity ratio (March 31, 2023)

**10.7%** (-4.5pp ↘)

March 31, 2022: 15.2%



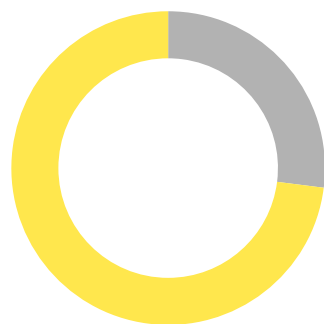
# Revenues increased by 7% to € 553mn.

Previous year: € 520mn.



## Segments.

Tolling revenues increased by 9%.



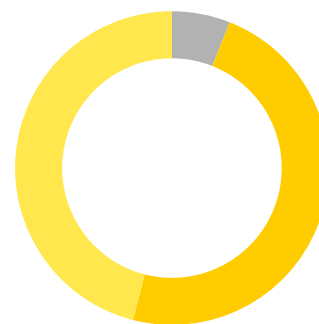
**73%** **Tolling**  
€ 403mn (↗ +9.1%)

**27%** **Traffic Management**  
€ 150mn (↗ +0.1%)



## Regions.

Strong growth in Americas and APAC.



**49%** **EMEA**  
€ 273mn (↘ -3.2%)

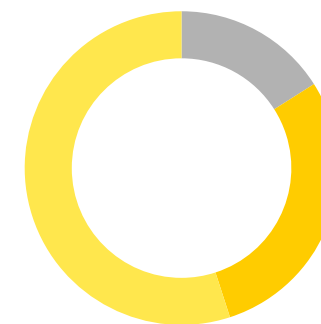
**45%** **Americas**  
€ 249mn (↗ +17.4%)

**6%** **APAC**  
€ 32mn (↗ +22.4%)



## Business type.

Growth in all business areas.



**54%** **Operations**  
€ 302mn (↗ +4.3%)

**30%** **Implementation**  
€ 164mn (↗ +9.9%)

**16%** **Components**  
€ 87mn (↗ +7.8%)

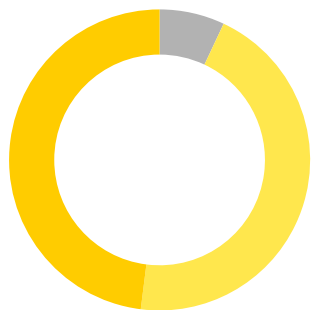
# Growth in the Americas and APAC regions driven by tolling segment.

Revenue growth in tolling segment with negative EBIT and traffic management at constant revenue level.

## Tolling.

All figures in € mn unless otherwise stated	FY 2021/22	FY 2022/23	+/-
Revenues	370	403	+9%
Implementation	89	119	+34%
Operations	205	203	-1%
Components	76	82	+8%
EBIT	3	-8	-
EBIT margin	1%	-2%	-

## Revenues by region.



**46%** **EMEA**  
€ 187mn (▼ -2%)

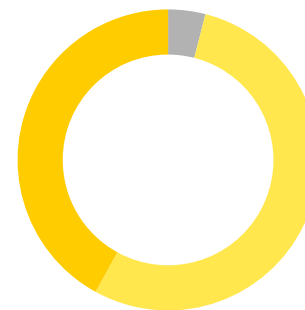
**47%** **Americas**  
€ 190mn (▲ +20%)

**7%** **APAC**  
€ 27mn (▲ +32%)

## Traffic Management.

All figures in € mn unless otherwise stated	FY 2021/22	FY 2022/23	+/-
Revenues	150	150	0%
Implementation	60	45	-26%
Operations	85	100	+18%
Components	5	6	+5%
EBIT	8	15	+98%
EBIT margin	5%	10%	+5pp

## Revenues by region.



**57%** **EMEA**  
€ 86mn (▼ -5%)

**40%** **Americas**  
€ 59mn (▲ +10%)

**3%** **APAC**  
€ 5mn (▼ -11%)

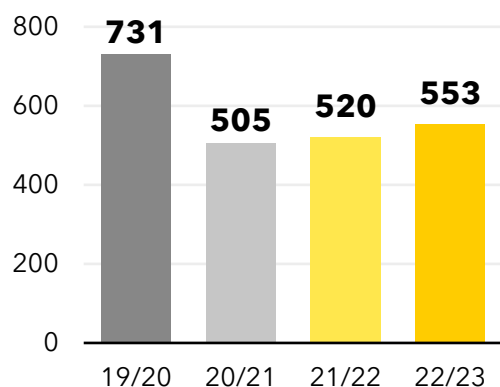


# Financial indicators reflect challenges of past year.

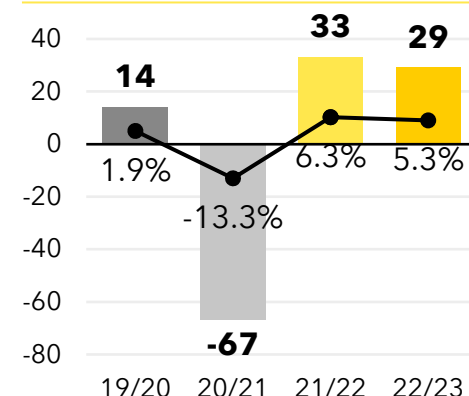
Negative free cash flow, increased net debt, increased gearing and lower equity ratio.

All figures in € mn unless otherwise stated.

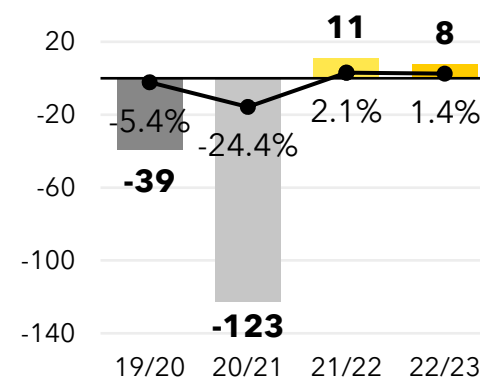
## Revenues.



## EBITDA, EBITDA margin.

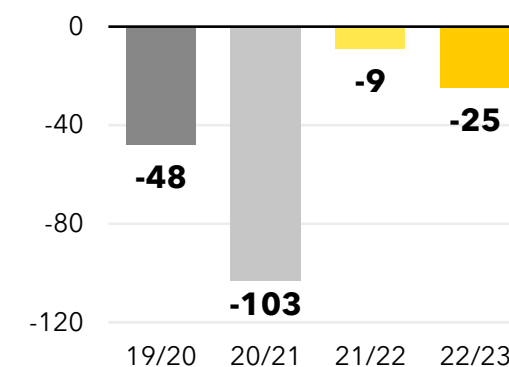


## EBIT, EBIT margin.

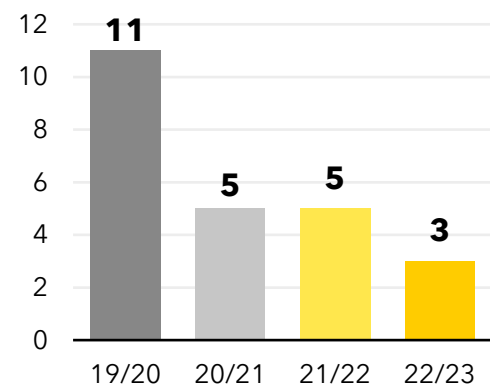


## Result for period.

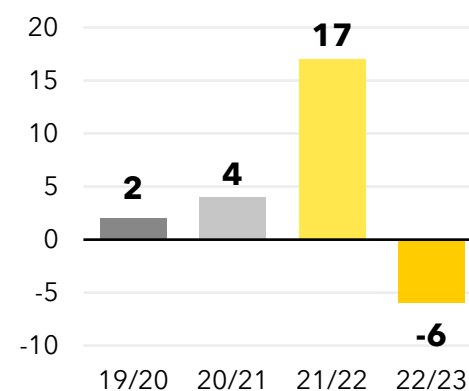
(attributable to equity holders)



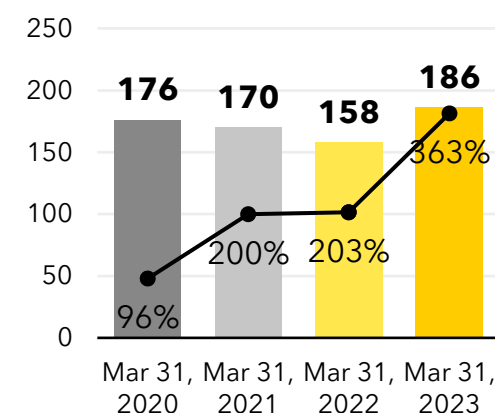
## Net investment.



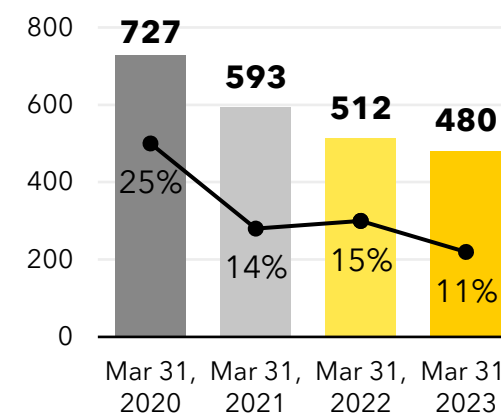
## Free cash flow.



## Net debt, gearing.



## Total assets, equity ratio.





Kapsch TrafficCom

# **Result for first three quarters of 2023/24.**

*February 21, 2024.*

# Headlines.

Q1-Q3 2023/24 (April 1, 2023 to December 31, 2023).



**Reported revenues of EUR 400 million are 4% below previous year due to customer credit and margin adjustments for projects in progress.**



**Cash inflow from settlement agreement in Germany significantly improved financial position.**



**Operating result (EBIT) increased to EUR 70 million.**



**Successful completion of existing and numerous new projects should soon be reflected in revenues, earnings and liquidity.**



**Outlook to financial year 2023/24: Revenue growth and significant improvement in operating result (EBIT); further project awards expected.**

# Selected key data.

Q1-Q3 2023/24.

April 1, 2023 to December 31, 2023

## Revenues

**€ 400.0mn** (-3.5% ↘)

Q1-Q3 2022/23: € 414.4mn



## Result for period (attributable to equity holders)

**€ 38.3mn** (> +500% ↗)

Q1-Q3 2022/23: € 2.3mn



## EBIT

**€ 70.0mn** (> +500% ↗)

Q1-Q3 2022/23: € 9.8mn



## Net debt (Dec. 31, 2023)

**€ 133.8mn** (-28.2% ↘)

March 31, 2023: € 186.3mn



## EBIT margin

**17.5%** (+15.2pp ↗)

Q1-Q3 2022/23: 2.4%



## Total assets (Dec. 31, 2023)

**€ 494.2mn** (+2.9% ↗)

March 31, 2023: € 480.1mn



## Free Cashflow

**€ 48.6mn** (> +500% ↗)

Q1-Q3 2022/23: € 2.4mn



## Equity ratio (Dec. 31, 2023)

**19.7%** (+9.0pp ↗)

March 31, 2023: 10.7%



# Significant events in Q1-Q3 2023/24.

*Financial position significantly improved.*



## Joint venture autoTicket received compensation of € 243 million from the Federal Republic of Germany.

- Cash inflow of € 79.2 million already received.
- Earnings effect on EBIT of € 72.0 million.
- Repayment of financial liabilities in the amount of € 62.5 million



## Capital increase of 10% of the existing share capital.

- 1,300,000 new shares successfully placed at € 9.00 with pro rata participation of the main shareholder KAPSCH-Group Beteiligungs GmbH.
- Number of shares since November 24, 2023: 14,300,000 shares.
- Shareholder structure as before:  
63.3 % KAPSCH-Group Beteiligungs GmbH;  
36.7 % free float.

# Revenues of € 400 million are 4% below the previous year.

*Adjusted for customer credit and margin value adjustments for projects in progress, revenues amounted to € 425 million.*

## Segments.

Traffic management grew by 7 %, tolling segment below previous year.

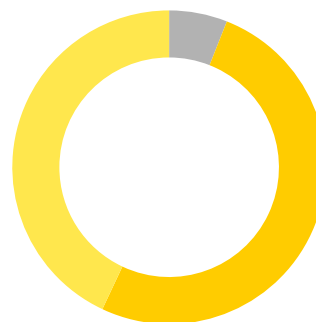


**70%** **Tolling**  
€ 282mn (▼ -7.2%)

**30%** **Traffic management**  
€ 118mn (▲ +6.7%)

## Regions.

Recovery in EMEA region, decline in Americas and APAC.



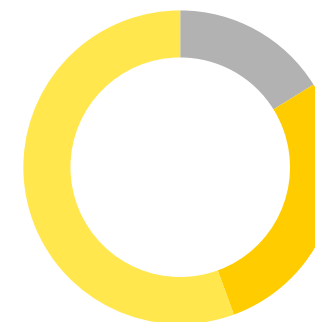
**51%** **EMEA**  
€ 204mn (▲ +1.8%)

**43%** **Americas**  
€ 174mn (▼ -8.6%)

**6%** **APAC**  
€ 22mn (▼ -7.0%)

## Business type.

Components business constant, implementation and operating revenues down slightly.



**55%** **Operations**  
€ 222mn (▼ -3.1%)

**28%** **Implementation**  
€ 112mn (▼ -6.1%)

**16%** **Components**  
€ 66mn (▲ +0.0%)



# Segments: Visible growth in traffic management.

EBIT in the tolling segment shows cash inflow from Germany but is burdened by margin value adjustments from old projects.

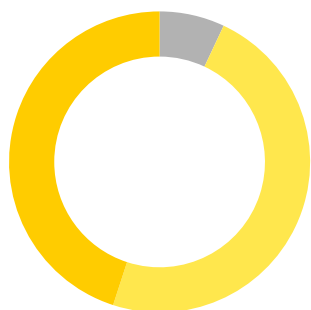


## Tolling segment.

All figures in € mn unless otherwise stated	Q1-Q3 2022/23	Q1-Q3 2023/24	+/-
<b>Revenues</b>	<b>304</b>	<b>282</b>	<b>-7%</b>
Implementation	86	72	-17%
Operations	156	152	-3%
Components	62	58	-5%
<b>EBIT</b>	<b>-2</b>	<b>58</b>	–
EBIT margin	-1%	20%	–



## Revenues in tolling segment by region.



**48%** **EMEA**  
€ 137mn (↘ -0.9%)

**45%** **Americas**  
€ 126mn (↘ -13.7%)

**7%** **APAC**  
€ 19mn (↘ -3.3%)

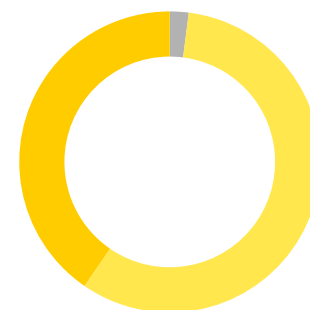


## Traffic management segment.

All figures in € mn unless otherwise stated	Q1-Q3 2022/23	Q1-Q3 2023/24	+/-
<b>Revenues</b>	<b>111</b>	<b>118</b>	<b>+7%</b>
Implementation	33	41	+22%
Operations	73	70	-4%
Components	4	8	+70%
<b>EBIT</b>	<b>12</b>	<b>13</b>	<b>+5%</b>
EBIT margin	11%	11%	-0pp



## Revenues in traffic management segment by region.



**57%** **EMEA**  
€ 68mn (↗ +7.4%)

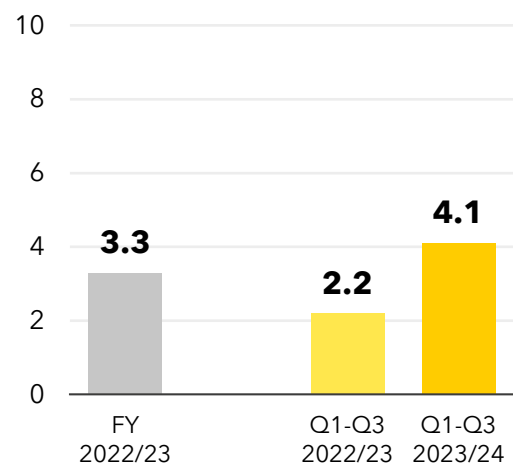
**40%** **Americas**  
€ 48mn (↗ +8.6%)

**2%** **APAC**  
€ 3mn (↘ -25.6%)

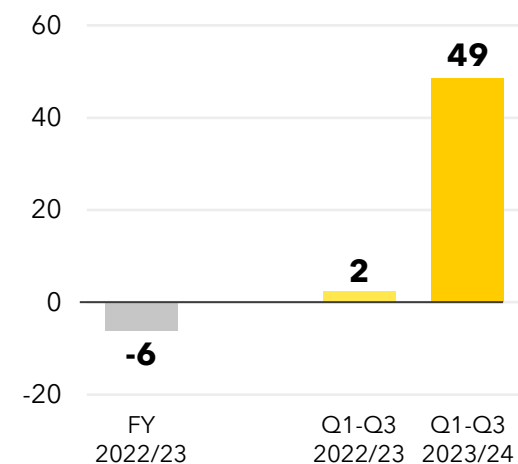
## Key financial indicators significantly improved.

Equity ratio increased to 20% as of December 31 after 11% as of March 31, 2023. Net debt decreased from EUR 186 million to EUR 134 million. Gearing was reduced significantly to 138% after 363% as of March 31, 2023.

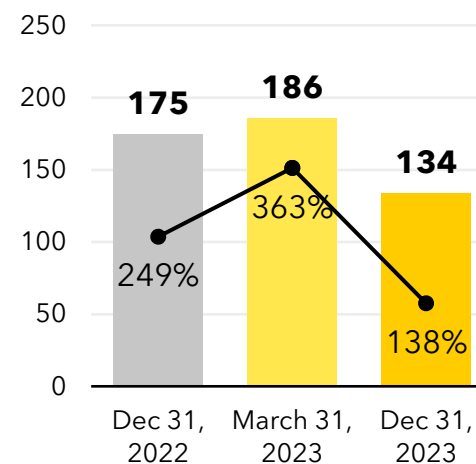
### Net investment.



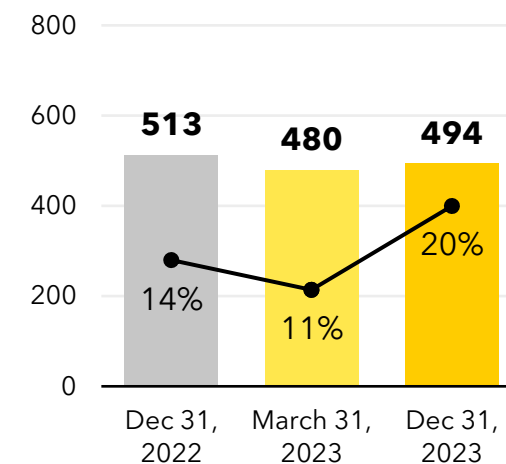
### Free cash flow.



### Net debt, gearing.



### Total assets, equity ratio.



- **Double net investment** to expand production capacity for components in Vienna.
- **Free cash flow increased to € 48.6 mn**, primarily due to the Germany effect; net working capital reduced by € 7.5 mn due to accrued sales.
- **Net debt decreased significantly**, primarily due to the € 47.1 mn reduction in financial liabilities.
- **Equity by € 45.9mn higher** than as of March 31, 2023, equity ratio at 19.7%.

# 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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