



**kapsch** >>>  
challenging limits

Kapsch TrafficCom

# **Results for H1 2019/20.**

November 20, 2019

# H1 2019/20.

## Highlights.

- > Early termination of the two projects for the German infrastructure charge.
  - In 2018 Kapsch TrafficCom was awarded the contract for the automatic monitoring of the passenger vehicle toll and another contract, in a joint venture with CTS EVENTIM, to collect the passenger vehicle toll.
  - On June 18, 2019, the European Court of Justice (ECJ) surprisingly ruled that the passenger vehicle toll in its proposed form violates European law.
  - On June 19, 2019, notices of termination were unexpectedly received for both contracts in connection with the passenger vehicle toll.
  - The contracts ended on September 30, 2019.
  - Strict confidentiality provisions also apply beyond the termination of the contracts.
- > AGM
  - Dividend of EUR 1.50 per share (total: EUR 19.5 million)
  - Executive Board authorized to a) purchase own shares; b) to sell or use own shares; c) and to decrease share capital by redeeming own shares.
- > Subsequent event: In November 2019, Kapsch TrafficCom was informed to be best bidder for a tolling project in the EMEA region (Europe, Middle East, Africa).
  - Term: 6 years
  - Project volume (lifetime): Expected to exceed EUR 400 million.

# H1 2019/20.

## Highlights.

- > Top line growth continued.
  - Both segments' revenues increased.
- > Profitability down.
  - One-off effects regarding the early termination of the German infrastructure charge and regarding the toll project in Czech Republic.
  - Significant growth of implementation business, in particular in North America, required more investments (staff and materials).
- > Initial implementation of IFRS 16.
- > Guidance for FY 2019/20 adapted.

## Revenues

EUR 359.2 mn

Previous year | EUR 336 mn  
+7%

FY 2018/19: EUR 737.8 mn

## EBIT

EUR 8.8 mn

Previous year | EUR 18 mn  
-51%

FY 2018/19: EUR 57 mn

## EBIT margin

2.4%

Previous year | 5.3%  
-2.9%p

FY 2018/19: 7.7%

## EPS

EUR 0.18

Previous year | EUR 0.70  
-75%

FY 2018/19: EUR 3.68





***Financial results.***  
*H1 2019/20.*

# Earnings.

EBIT.

All figures in EUR mn unless otherwise stated	H1 2018/19	H1 2019/20	+/-
<b>Revenues</b>	<b>335.8</b>	<b>359.2</b>	<b>7%</b>
Other operating income	5.5	5.2	-6%
Changes: un-/ finished goods & work in progress	3.9	1.8	-55%
Cost of materials and other production services	-140.5	-156.9	12%
Staff costs	-120.2	-130.1	8%
Amortization and depreciation	-7.0	-17.8	154%
Other operating expense	-60.0	-51.8	-14%
Proportional result of joint ventures	0.3	-0.9	n.m.
<b>EBIT</b>	<b>17.8</b>	<b>8.8</b>	<b>-51%</b>
<i>EBIT margin</i>	<i>5.3%</i>	<i>2.4%</i>	<i>-2.9%p</i>

## FX impact on EBIT

in EUR mn	H1 2018/19	H1 2019/20	+/-
	0.7	1.1	0.4

Additional 70 colleagues in the USA

## Headcount development

End of period	H1 2018/19	H1 2019/20	+/-
	5,407	4,997	-410

IFRS 16 impact  
(see slide 11)

Consequence of new  
set up in Poland and less  
staff in South Africa.

# Earnings.

Financial result, taxes, non-controlling interests.

All figures in EUR mn unless otherwise stated	H1 2018/19	H1 2019/20	+/-
<b>EBIT</b>	<b>17.8</b>	<b>8.8</b>	<b>-51%</b>
<b>Financial result</b>	<b>-5.8</b>	<b>-4.4</b>	<b>24%</b>
Proportional results from associates and joint ventures from financial investments	0.0	-0.7	n.m.
<b>Result before income taxes</b>	<b>12.0</b>	<b>3.6</b>	<b>-70%</b>
Income taxes	-3.6	-1.3	-63%
<i>Tax rate</i>	<i>29.8%</i>	<i>35.9%</i>	<i>6.1%p</i>
<b>Result for the period</b>	<b>8.4</b>	<b>2.3</b>	<b>-72%</b>
Non-controlling interests	-0.7	0.1	n.m.
<b>Result attributable to equity holders of the firm</b>	<b>9.0</b>	<b>2.3</b>	<b>-75%</b>
Earnings per share (EPS) in EUR	0.70	0.18	-75%

## Financial result

All figures in EUR mn unless otherwise stated	H1 2018/19	H1 2019/20	change
Interest (net result)	-1.3	-1.5	-0.2
FX (net result)	-5.1	-0.4	4.7
Other (net result)	0.6	-2.6	-3.2

25% theoretical tax rate applied on: Result before taxes excluding

- > EUR -0.9 mn proportional result of JVs
- > EUR -0.7 mn proportional result of JVs and associates as financial investments

### Includes

- > EUR -1.7 million adjustment for Q-Free
- > EUR -0.5 million from the initial application of IFRS 16

# Segment results.

ETC accounts for 78% of total revenues, IMS 22%.

New contract in Poland.

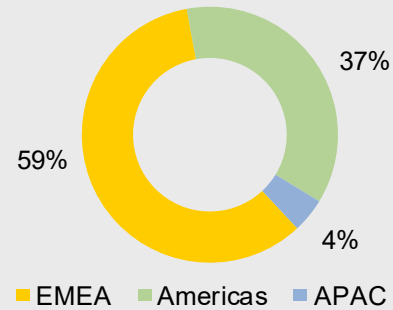
Americas, EMEA

ETC

## Key financials

All figures in EUR mn unless otherwise stated	H1 2018/19	H1 2019/20	+/-
Revenues	262.1	281.2	7%
EBIT	24.8	17.5	-30%
<i>EBIT margin</i>	9.5%	6.2%	-3.2%p

## Revenues by region



## Revenues by type

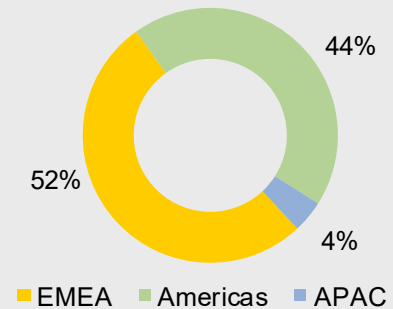
All figures in EUR mn unless otherwise stated	H1 2018/19	H1 2019/20	+/-
Implementation	73.6	110.5	50%
Operation	133.4	121.2	-9%
Components	55.1	49.5	-10%
OBU sold, million units	6.8	6.3	-8%

IMS

## Key financials

All figures in EUR mn unless otherwise stated	H1 2018/19	H1 2019/20	+/-
Revenues	73.7	78.1	6%
EBIT	-7.0	-8.7	-24%
<i>EBIT margin</i>	-9.5%	-11.1%	-1.6%p

## Revenues by region



## Revenues by type

All figures in EUR mn unless otherwise stated	H1 2018/19	H1 2019/20	+/-
Implementation	30.3	32.0	6%
Operation	38.4	40.7	6%
Components	5.0	5.3	6%

# IFRS 16.

Overview.

## IFRS 16 „Leases“.

- > Specifies the recognition, measurement, presentation as well as disclosure requirements with regard to leases in financial statements.
- > As for Kapsch TrafficCom, this mainly relates to: buildings, motor vehicles, and IT equipment.

Rights of use arising from leasing agreements are capitalized (tangible assets), and lease liabilities are shown separately on the liabilities side of the balance sheet.

Lease expenses recorded previously (other operating expenses) are replaced by a depreciation of the assets from leasing and an interest component (which flows into the financial result).

## IFRS 16 impact on certain KPIs.\*

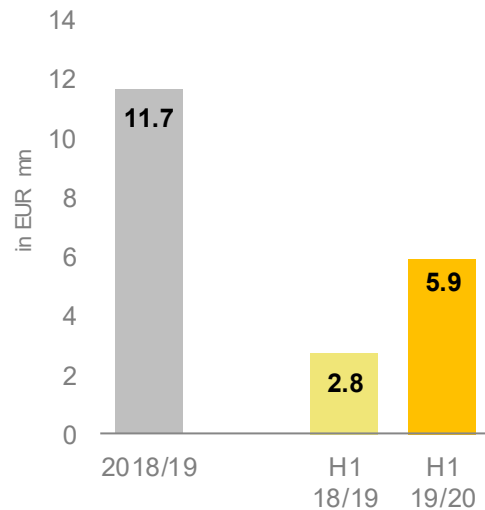
In EUR million unless otherwise stated	Reported value	IFRS 16 effect
Balance sheet total	705.4	48.6
Equity	239.4	-0.5
Equity ratio	33.9%	-2.6%p
Net debt	-169.0	-49.2
Gearing ratio	70.6%	20.7%p
EBIT	8.8	0.3
EBITDA	26.6	6.8
Financial result	-4.4	-0.8
Profit for the period	2.3	-0.5

\*As per Sep 30, 2019 and for H1 2019/20, respectively.

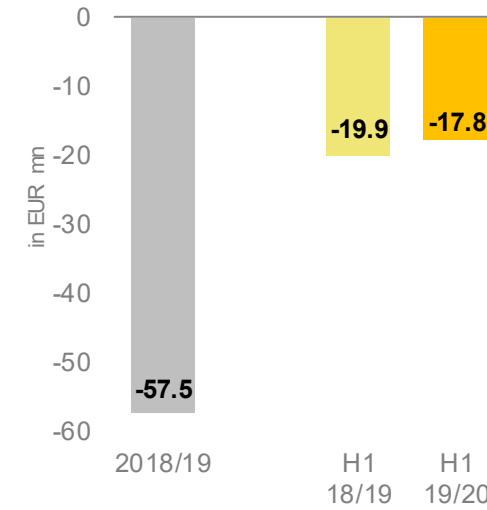


# Other key financials.

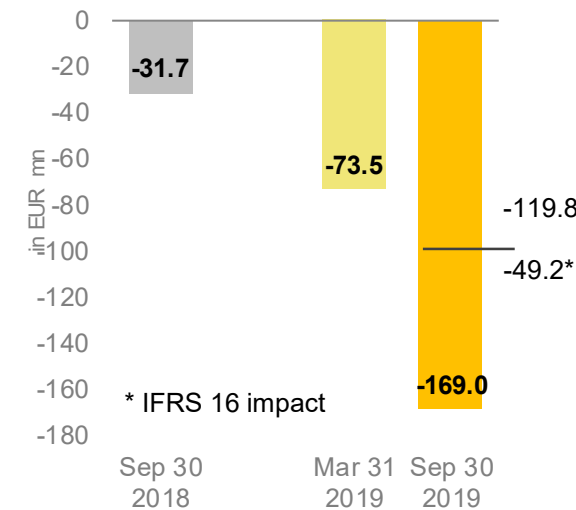
## Net CAPEX



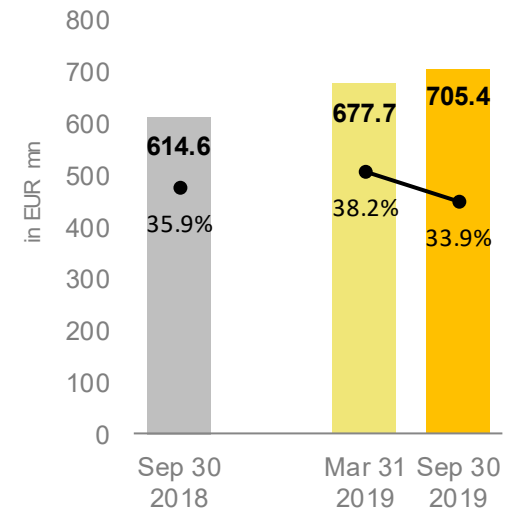
## Free cash flow



## Net cash/debt



## Balance sheet total and equity ratio



- > CAPEX increased in North America and Zambia.
- > Free cash flow improved because of IFRS 16.

- > Heavy impact of IFRS 16 on net debt and equity ratio.
- > However, balance sheet continues to be very robust.



**Outlook.**  
*2019/20 and medium-term.*

# Outlook & medium-term goals.

## Outlook 2019/20

- > Revenues: +5% y-o-y
- > EBIT (excl one-off effects): EUR 35 million (fluctuation range of +/- 10%)

## Revenues (medium-term)

- > Growing in both segments
- > Grow stronger than the market
- > Higher growth rates for IMS in the long run

## EBIT margin (medium-term)

- > ETC: comfortably >10%
- > IMS: in good environment, 8% possible
- > Group: > 10%





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for your attention.***

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