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challenging limits

Kapsch TrafficCom

# **Results for H1 2020/21.**

November 18, 2020.

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***Financial results.***  
*H1 2020/21.*

# H1 2020/21.

Overview.

## > Strong decline in revenues

- Major projects in Germany, Czech Republic and Bulgaria totaling EUR 64 million ended and could not be compensated by new business
- COVID-19: Delay of tenders and contract awards as well as reduced OBU sales.

## > EBIT significantly negative

- Higher than expected impact from personnel shortage in USA and expenses related to the implementation of new software.
- Lower revenues require a lower cost basis. Reducing costs takes time. Ended major projects had a good profitability.
- Special effects.

### Revenues

EUR 257 mn

Previous year | EUR 359 mn  
-28%

### EBIT

EUR -58 mn

Previous year | EUR 9 mn  
n.m.

### EBIT margin

-22.5%

Previous year | 2.4%  
-24.9%p

### EPS

EUR -4.15

Previous year | EUR 0.18  
n.m.

# Special effects on EBIT in H1 2020/21.

> <b>Adjustments of project margins and provisions for onerous contracts</b> .....	<b>EUR -32 million</b>
Due to a few projects, especially in North America, adjustments in project margins and set up of provisions for onerous contracts were necessary.	
> <b>Goodwill impairment</b> .....	<b>EUR -21 million</b>
Full impairment of goodwill of the CGU ETC-EMEA	
> <b>Currency effects</b> .....	<b>EUR -6 million</b>
USD, SEK against EUR	
	<hr/> <b>EUR -59 million *</b> <hr/> <hr/>

*\*Slight differences in calculations  
may arise due to the  
rounding of individual items.*

# Earnings.

EBIT.

All figures in EUR mn unless otherwise stated	H1 2019/20	H1 2020/21	+/-
<b>Revenues</b>	<b>359.2</b>	<b>257.5</b>	<b>-28%</b>
Other operating income	5.2	2.1	-60%
Changes: un-/ finished goods & work in progress	1.8	0.5	-71%
Cost of materials and other production services	-156.9	-116.4	-26%
Staff costs	-130.1	-125.5	-4%
Amortization, depreciation and impairments	-17.8	-37.5	111%
Other operating expense	-51.8	-36.6	-29%
Proportional result of joint ventures	-0.9	-1.9	-126%
<b>EBIT</b>	<b>8.8</b>	<b>-57.8</b>	<b>n.m.</b>
<i>EBIT margin</i>	<i>2.4%</i>	<i>-22.5%</i>	<i>-24.9%p</i>

Mainly autoTicket  
(Germany)

## FX impact on EBIT

in EUR mn	H1 2019/20	H1 2020/21	+/-
	1.1	-5.8	-6.9

Due to lower revenues

Includes EUR 21 million  
impairment of goodwill

Mainly USD, SEK against EUR

## Headcount development

End of period	H1 2019/20	H1 2020/21	+/-
	4,997	4,805	-192

About 300 less than at the  
end fo FY 2019/20

# Earnings.

Financial result, taxes, non-controlling interests.

All figures in EUR mn unless otherwise stated	H1 2019/20	H1 2020/21	+/-
<b>EBIT</b>	<b>8.8</b>	<b>-57.8</b>	<b>n.m.</b>
<b>Financial result</b>	<b>-4.4</b>	<b>-7.8</b>	<b>-77%</b>
Proportional results from associates and joint ventures from financial investments	-0.7	-0.5	-31%
<b>Result before income taxes</b>	<b>3.6</b>	<b>-66.2</b>	<b>n.m.</b>
Income taxes	-1.3	10.6	n.m.
<i>Tax rate</i>	35.9%	<i>n.m.</i>	<i>n.m.</i>
<b>Result for the period</b>	<b>2.3</b>	<b>-55.6</b>	<b>n.m.</b>
Non-controlling interests	0.1	-1.6	n.m.
<b>Result attributable to equity holders of the company</b>	<b>2.3</b>	<b>-54.0</b>	<b>n.m.</b>

In particular US dollar and  
Zambian kwacha

## Financial result

All figures in EUR mn unless otherwise stated	H1 2019/20	H1 2020/21	change
Interest (net result)	-1.5	-2.0	-0.6
FX (net result)	-0.4	-3.9	-3.5
Other (net result)	-2.6	-1.9	0.7

Theoretical tax rate of 25% applied to:  
Result before taxes excl:

- Proportional result from associates and joint ventures
- Goodwill impairment

Includes EUR -0.4 million (mark-to-market) write-down of investment in Q-Free and EUR -0.7 million hyperinflation adjustments in Argentina

# H1 2020/21.

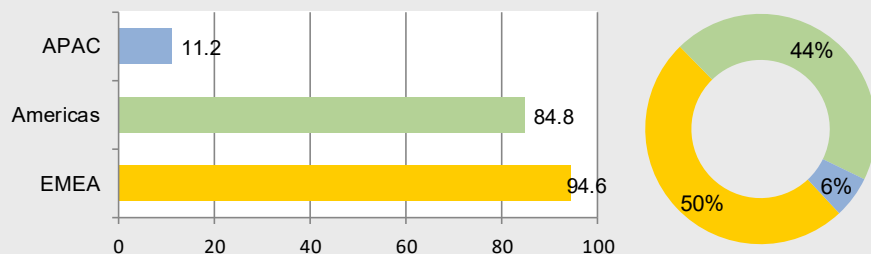
Segment results.

## ELECTRONIC TOLL COLLECTION (ETC)

All figures in EUR mn unless otherwise stated

	2019/20	H1 2019/20	H1 2020/21	+/-
Revenues	563.5	281.2	190.6	-32%
Implementation	219.3	110.5	65.9	-40%
Operations	234.9	121.2	90.0	-26%
Components	109.3	49.5	34.6	-30%
EBIT	1.5	17.5	-52.1	—
EBIT margin	0.3%	6.2%	-27.3%	-34%p

### Revenues by region

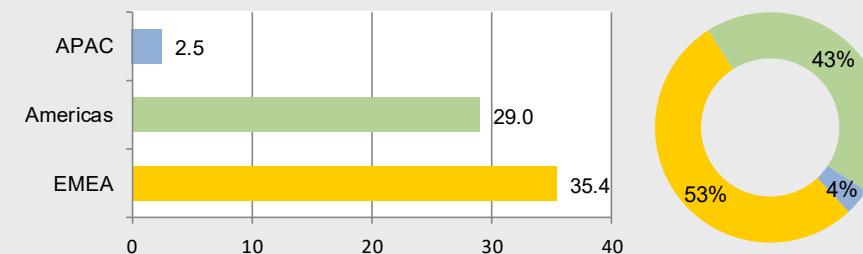


## INTELLIGENT MOBILITY SERVICES (IMS)

All figures in EUR mn unless otherwise stated

	2019/20	H1 2019/20	H1 2020/21	+/-
Revenues	167.7	78.1	66.9	-14%
Implementation	73.6	32.0	31.3	-2%
Operations	84.4	40.7	33.5	-18%
Components	9.7	5.3	2.2	-59%
EBIT	-40.7	-8.7	-5.7	34%
EBIT margin	-24.2%	-11.1%	-8.6%	3%p

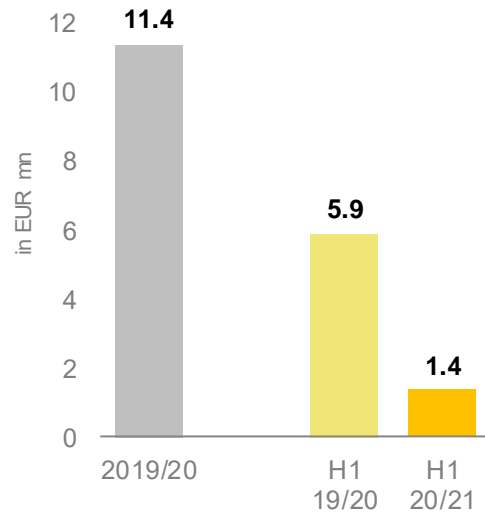
### Revenues by region



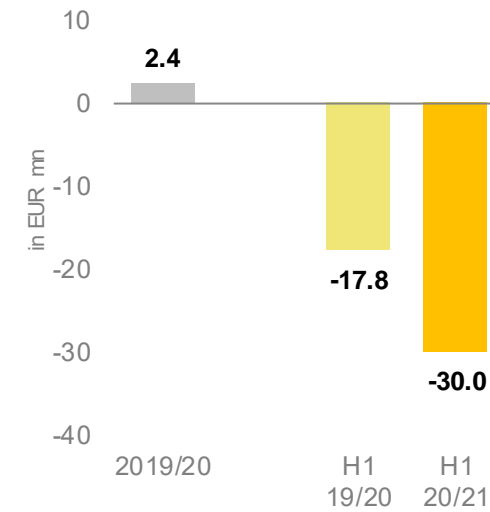


# Other key financials.

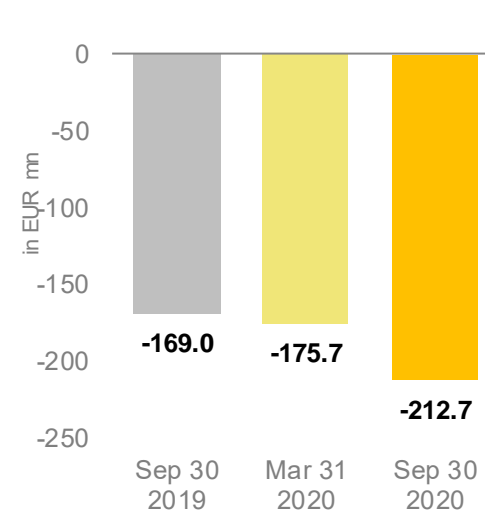
## Net CAPEX



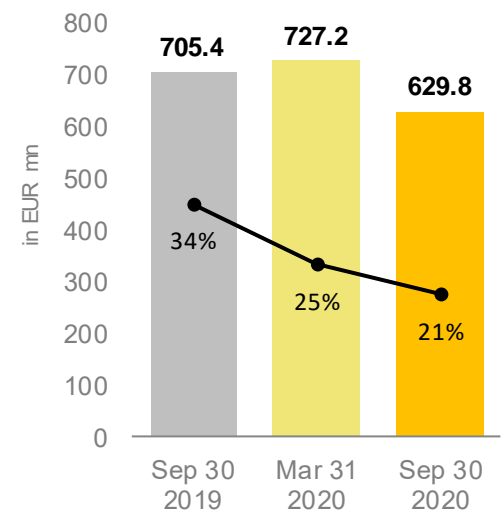
## Free cash flow



## Net cash/debt



## Balance sheet total and equity ratio



- > Strict CAPEX control in H1 2020/21.
- > While the free cash flow was strongly negative at EUR -27 million in Q1 2020/21, the negative amount in Q2 could be reduced to EUR -3.

- > Net debt increased because of the negative free cash flow.
- > Balance sheet total lower because of the goodwill impairment, lower contract assets (mainly USA) and paid invoice from a major project.

# ***Outlook.***

# Outlook.

## Months ahead.

- Existing and additional cost-cutting measures.
- Structural measures to become more flexible and increase profitability.
- Start implementing a new strategy.

## Guidance FY 2020/21.

- Revenues: Down by about 25% to about EUR 550 million
- EBIT: Negative high two-digit million value
- No dividend for FY 2020/21







***Thank you  
for your attention.***

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