

QUARTERLY REPORT

FIRST QUARTER 2018



HIGHLIGHTS

OUTLOOK

MANAGEMENT REPORT

THREE-MONTHS REPORT 2018

PERFORMANCE

KEY FIGURES

	Jan-Mar 2018 € thou.	Jan-Mar 2017 € thou.	Change € thou.
Revenues	13,993	11,572	+2,421
Gross profit	9,695	8,945	+750
Personnel expenses	8,261	7,380	+881
EBIT	-684	-679	-5
Consolidated loss	-837	-920	+83

FINANCIAL PERFORMANCE

After the successful year 2017, IVU also made a good start to the 2018 financial year: Revenues rose by 21% to €13,993 thousand year-on-year (2017: €11,572 thousand) while gross profit improved by 8% to €9,695 thousand year-on-year (2017: €8,945 thousand).

In terms of costs, staff costs increased by 12% to €8,261 thousand in the period under review (2017: €7,380 thousand), due primarily to the 11% increase in personnel capacity as planned. Other operating expenses slightly decreased by €167 thousand to €-1,812 thousand (2017: €-1,979 thousand).

Earnings before interest and taxes (EBIT) amounted to €-684 thousand, which is on par with the previous year (€-679 thousand) and typical for IVU's seasonal business development.

Operating cash flow increased in the first quarter significantly to €7,714 thousand (2017: €2,112 thousand), which can be essentially attributed to the high amount of trade receivables at the end of 2017.

The order backlog of around €60 million (2017: €52 million) increased substantially as against the previous year. As a result, it already accounts for over 80% of planned annual revenues for the current financial year.

THREE-MONTHS REPORT 2018

IMPORTANT PROJECTS

ISTANBUL. IETT OPTS FOR THE IVU.SUITE

One of the liveliest major cities in the world will be using the IVU.suite soon. The Istanbul transport company IETT ordered our standard solution for public transport in order to plan run schedules and duties of vehicles and drivers. The leading optimisation tools of the IVU.suite are part of the package, ensuring maximum efficiency. One of the largest bus operators in the world, IETT provides reliable public transport services in this city of 15 million inhabitants on the border between Europe and Asia. IETT's extensive transport network also includes the Istanbul BRT system Metrobüs, which carries around a million passengers a day between the two continents on its seven routes. All of them will be assigned effectively with the IVU.suite in future.

LAGOS. IVU TECHNOLOGY FOR NIGERIA

With a population of around 21 million, Lagos is the largest city in Africa and one of the fastest growing cities on the planet. In 2009, Africa's first BRT entered service here as a system for channelling the dense and chaotic traffic into well-ordered lanes. Since then, buses have been conveying around 180,000 passengers daily to the city's key transport hubs using 22 kilometres of traffic lanes that are largely separate from the main road traffic. However, frequent congestion at the stops kept resulting in irregular operations and long waiting times for passengers. The products that come with IVU.suite are designed to ensure that everything runs more smoothly. The World Bank provided stable and dependable financing of the project.

IT-TRANS. E-MOBILITY, MOBILE TICKETING AND DIGITAL WORKING

E-mobility is booming – and changing operations at transport operators. At this year's IT-Trans in Karlsruhe, IVU was showcasing the solutions of the IVU.suite for using electric buses efficiently and integrating them seamlessly into day-to-day operations. Other products on display for the first time were the new IVU.ticket.app for buying tickets via smartphone, and a solution for cashless payment on buses. The streamlined IVU.ticket.app comes complete with a connection search tool and generates VDV-KA-compliant barcode tickets for bus and rail travel. Users can easily log in via their existing Facebook or Google accounts and store their payment method directly in the app for fast ticket purchasing.

IVU USER FORUM. READY FOR E-MOBILITY

E-mobility also dominated the 30th user forum hosted by IVU on 19/20 March 2018 in Berlin. Participants from all over the world were interested in IVU's latest solutions for efficient deployment of e-buses. Transport expert Prof. Adolf Müller-Hellmann opened the user forum with a passionate keynote in favour of electric mobility. In the subsequent presentations, representatives of transport operators and vehicle manufacturers reported on the challenges and solutions of the "electric bus system" and their experience of day-to-day operation. In addition, a host of further presentations addressed current trends in areas such as ticketing, cashless payment and autonomous driving.

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PERSONNEL, OUTLOOK

IVU EXPANDS EXECUTIVE BOARD

Effective 1 February 2018, Leon Struijk joined the managing body of IVU. Besides CEO Martin Müller-Elschner and CTO Matthias Rust, he will be CCO (Chief Customer Officer) with responsibility for Projects and Sales.

PERSONNEL

	2018	2017	Change
Number of employees as at 31 March	542	489	+11%
Personnel capacity 1 January – 31 March (average)	448	404	+11%

¹ Equivalent number of full-time employees (FTE).

Owing to the recruiting activities of the past 12 months, the personnel capacity has increased by 11% in comparison with the same period in the previous year to 448 FTE. We are planning to further invest decidedly in additional employees in the area of product development, project management and sales, in order to further strengthen our market position.

OUTLOOK

Prospects for the 2018 financial year are still positive and demand for the standard products from the IVU.suite remains strong. The good level of orders overall is an indicator of positive business development. Therefore, we still expect to achieve revenues of at least €72 million, gross profit of around €50 million and earnings before interest and taxes (EBIT) of €4 million to €5 million in 2018.

RISKS

The risks are described on pages 33 and 34 of the Annual Report 2017. No new risks have arisen. Neither have there been any changes in risk management.

THREE-MONTHS REPORT 2018

BALANCE SHEET (IFRS)

Assets	31 Mar 2018	31 Dec 2017
	€ thousand	€ thousand
A. Current assets		
1. Cash and cash equivalents	18,980	11,521
2. Current trade receivables	18,359	26,603
3. Current receivables from contract manufacturing	11,631	9,059
4. Inventories	1,554	1,684
5. Other current assets	5,783	5,616
Total current assets	56,307	54,483
B. Non-current assets		
1. Property, plant and equipment	1,243	1,257
2. Intangible assets	11,988	12,028
3. Non-current trade receivables	253	253
4. Deferred taxes	745	802
Total non-current assets	14,229	14,340
TOTAL ASSETS	70,536	68,823
Liabilities	31 Mar 2018	31 Dec 2017
	€ thousand	€ thousand
A. Current liabilities		
1. Current trade payables	2,134	2,038
2. Liabilities from contract manufacturing	5,641	5,436
3. Provisions	1,116	1,281
4. Provisions for taxes	742	723
5. Other current liabilities	12,926	10,570
Total current liabilities	22,559	20,048
B. Non-current liabilities		
1. Provisions for pensions	4,815	4,775
Total non-current liabilities	4,815	4,775
C. Equity		
1. Share capital	17,719	17,719
2. Retained earnings	-932	-932
3. Unappropriated surplus	26,338	27,175
4. Foreign exchange reconciling item	37	38
Total equity	43,162	44,000
TOTAL LIABILITIES	70,536	68,823

THREE-MONTHS REPORT 2018

INCOME

CONSOLIDATED INCOME STATEMENT IN LINE WITH IFRS FOR THE PERIOD 1 JANUARY TO 31 MARCH 2018

	Q1-2018	Q1-2017
	€ thousand	€ thousand
Sales revenues	13,993	11,572
Other operating income	150	26
Cost of materials	-4,448	-2,653
Gross profit	9,695	8,945
Personnel expenses	-8,261	-7,380
Depreciation and amortisation on non-current assets	-306	-265
Other operating expenses	-1,812	-1,979
Operating results (EBIT)	-684	-679
Financial expenses	-55	-50
Pre-tax profit (EBT)	-739	-729
Income taxes	-41	-44
Deferred taxes	-57	-147
Consolidated net loss	-837	-920
	€	€
Earnings per share (basis and diluted)	-0.05	-0.05
Average shares outstanding (in thousand shares)	17,719	17,719

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD 1 JANUARY TO 31 MARCH 2018

	Q1-2018	Q1-2017
	€ thousand	€ thousand
Consolidated net loss / profit	-837	-920
Currency translation	-1	0
Items that may be reclassified subsequently to profit or loss	-1	0
Other comprehensive income after taxes	-1	0
CONSOLIDATED TOTAL COMPREHENSIVE INCOME AFTER TAXES	-838	-920

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EQUITY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY IN LINE WITH IFRS FOR THE PERIOD 1 JANUARY 2017 TO 31 MARCH 2018

	Share capital	Retained earnings	Foreign exchange reconciling item	Unappropriated surplus / cumulative loss	Total
	€ thousand	€ thousand	€ thousand	€ thousand	€ thousand
As at 1 January 2017	17,719	-1,128	40	22,199	38,830
Consolidated net income 2017	0	0	0	4,976	4,976
Other comprehensive income, net of tax	0	196	-2	0	194
Consolidated recognised results after tax	0	196	-2	4,976	5,170
AS AT 31 DECEMBER 2017	17,719	-932	38	27,175	44,000
As at 1 January 2018	17,719	-932	38	27,175	44,000
Consolidated net loss 1 Jan - 31 Mar 2018	0	0	0	-837	-837
Other comprehensive income, net of tax	0	0	-1	0	-1
Consolidated recognised results after tax	0	0	-1	-837	-838
AS AT 31 MARCH 2018	17,719	-932	37	26,338	43,162

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CASH FLOWS

CONSOLIDATED STATEMENT OF CASH FLOWS IN LINE WITH IFRS FOR THE PERIOD 1 JANUARY TO 31 MARCH 2018

	Q1-2018 € thousand	Q1-2017 € thousand
1. Operating activities		
Group earnings before tax of the period	-739	-729
Depreciation and amortisation on non-current assets	306	265
Change in provisions	-125	-217
Net interest income	55	50
Other non-cash expenses/income	-1	0
	-504	-631
Change of items of working capital and borrowings		
Inventories	130	112
Receivables and other assets	5,483	689
Liabilities (without provisions)	2,660	1,992
	7,769	2,162
Interest paid	-55	-50
CASH FLOW FROM OPERATING ACTIVITIES	7,714	2,112
2. Investing activities		
Outflows for investments in non-current assets	-258	-207
Inflow from the disposal of fixed assets	3	0
CASH FLOW FROM INVESTING ACTIVITIES	-255	-207
3. Cash and cash equivalents		
Change in cash and cash equivalents	7,459	1,905
Cash and cash equivalents at beginning of period	11,521	8,614
CASH AND CASH EQUIVALENTS AT END OF PERIOD	18,980	10,519

+ = Cash inflow
- = Cash outflow

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SEGMENT REPORTING

GROUP SEGMENT REPORTING

FOR THE PERIOD 1 JANUARY TO 31 MARCH 2018

Business segments	Public Transport		Logistics		Central services		Consolidated	
	Q1 2018	Q1 2017	Q1 2018	Q1 2017	Q1 2018	Q1 2017	Q1 2018	Q1 2017
€ thousand								
Total revenue	13,038	10,493	955	1,090	0	1	13,993	11,584
Revenue from transactions with other segments	0	-12	0	0	0	0	0	-12
Revenue from external customers	13,038	10,481	955	1,090	0	1	13,993	11,572
Segment result (gross profit)	8,795	7,955	880	1,022	20	-32	9,695	8,945
Expenses	-7,464	-6,612	-850	-789	-2,065	-2,223	-10,379	-9,624
EBIT	1,331	1,343	30	233	-2,045	-2,255	-684	-679
Financial expenses, net					-55	-50	-55	-50
EBT							-739	-729
Income taxes					-98	-191	-98	-191
CONSOLIDATED NET LOSS							-837	-920
Segment assets	60,936	51,228	4,463	5,329	4,392	2,478	69,791	59,035
Investment expenditure	205	158	23	18	30	16	258	192
Impairments	244	218	27	25	35	22	306	265

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EXPLANATORY NOTES

Interim financial statements in accordance with IAS 34

The condensed consolidated interim financial statements meet the requirements in IAS 34. The consolidated interim financial statements do not include all of the information and explanatory notes required for complete financial statements for year-end reporting purposes. They should be read in conjunction with the consolidated financial statements of the annual report 2017.

Accounting and valuation principles

The accounting and valuation principles as applied in the consolidated interim financial statements correspond to those pertaining to the consolidated financial statements for the financial year 2017.

Seasonality of business operations

The operative business dealings of the IVU Group, in particular in the Public Transport segment, are affected by seasonal effects. These relate both to the presentation of maintenance invoices in the first quarter and to the increased invoicing of project costs in the fourth quarter of the financial year.

DECLARATION IN LINE WITH WPHG SECTION 37W, PARA. 5 SENTENCE 6

This three-month report was not subjected to an auditor's inspection.

TRANSACTIONS WITH RELATED INDIVIDUALS

There were no transactions with related individuals in the reporting period.

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group. The Group interim management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Berlin, 29 May 2018

The Executive Board



Martin Müller-Elschner



Matthias Rust



Leon Struijk

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FINANCIAL CALENDAR 2018

Wednesday, 21 March 2018

Publication of the 2017 Annual Report

Tuesday, 29 May 2018

Three-months report as at 31 March

Wednesday, 30 May 2018

Annual General Meeting

Wednesday, 29 August 2018

Six-months report as at 30 June

Wednesday, 21 November 2018

Nine-months report as at 30 September

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This report can be downloaded as PDF file at www.ivu.com.

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