

QUARTERLY REPORT

SECOND QUARTER 2018



HIGHLIGHTS

OUTLOOK

MANAGEMENT REPORT

SIX-MONTH REPORT 2018

PERFORMANCE

KEY FIGURES

	Jan-Jun 2018 € thou.	Jan-Jun 2017 € thou.	Change € thou.
Revenue	29,965	26,153	+3,812
Gross profit	20,673	19,239	+1,434
Personnel expenses	16,771	15,064	+1,707
EBIT	-625	-592	-33
Consolidated loss	-911	-1,085	+174

FINANCIAL PERFORMANCE

IVU continues its growth and increased its revenues in the first six months of 2018 by 15% to €29,965 thousand (2017: €26,153 thousand), while gross profit improved by 7% to €20,673 thousand year-on-year (2017: €19,239 thousand).

Personnel expenses have increased by 11% to €16,771 thousand (2017: €15,064 thousand) in line with personnel capacity. The minor decrease in other operating expenses by €327 thousand to €3,936 thousand (2017: €4,263 thousand) is amongst others due to lower expenditures for provisions and consultancy services.

EBIT amounted to -€625 thousand in the first six months of the year, which is slightly below the previous year (2017: -€592 thousand) and typical for IVU's seasonal business development.

Operating cash flow increased to €10,616 thousand in the first half of the year (2017: €5,190 thousand), which can be attributed mainly to the reduction of the high amount of trade receivables at the end of 2017. Cash and cash equivalents amounted to €19,927 thousand as at 30 June 2018 (31 December 2017: €11,521 thousand).

The order backlog of around €68 million (2017: €58 million) increased substantially as against the previous year and already accounts for a majority of the planned annual revenues for the current financial year.

SIX-MONTH REPORT 2018

IMPORTANT PROJECTS

BUSSNANG. PASSENGER INFORMATION FOR STADLER

Latest technology for Stadler: Based on the latest most advanced standard for passenger information, IVU will equip 69 Stadler trains with new on-board technology in the next few years. Stadler will renew 51 Stadler GTW vehicles and supply 18 new WINK multiple units for a customer in the Netherlands. All vehicles are to be equipped with a modern passenger information system. IVU is supplying the on-board software and is integrating the entire third-party hardware for this. The basis for the passenger information on the trains is the future ITxPT standard for a standardised IT architecture on board public transport vehicles.

CHEMNITZ. VMS ORDERS NETWORK-WIDE IT SOLUTION

With a new fleet management and ticketing system from IVU, the Mittelsachsen public transport association VMS will improve its service for its passengers in the future, providing better information more efficiently and more punctually. In the next few months, IVU will be supplying the IVU.fleet, the multi-client intermodal control system (ITCS), which will be installed within VMS. In future, all transport companies in the VMS network will work with the same technical equipment to monitor the trips of their vehicles and to intervene if necessary. To achieve this, IVU will equip the approximately 1,000 buses and 100 trams that operate within VMS with the on-board computer IVU.ticket.box and the corresponding software components for driver information.

BRØNNØYSUND. STANDARDISED PLANNING AND DISPATCH

As one of Norway's largest transport operators, Torghatten ASA operates several bus and ferry services and regional airlines in the country. The subsidiary Norgesbuss has been planning and dispatching around 700 buses and 1,000 employees using the IVU.suite since as far back as 2001. Torghatten has now also commissioned the migration of the other three bus companies with around 640 buses and 780 drivers to the standard IVU software. As part of the IVU.cloud, IVU will take care of the hosting and the overall technical operation of the software. The standardised introduction process IVU.xpress also ensures a rapid start of operation of the planning and dispatch products of the IVU.suite.

FRANKFURT AM MAIN. RMV STANDARDISES ITS IT LANDSCAPE

A standardised data flow producing harmonised passenger information in a transport association with over 160 transport operators: In order to make this a reality, Rhein-Main-Verkehrsverbund Servicegesellschaft (rms) has now taken a central client system developed by IVU into operation. This is creating the basis for the harmonisation of the IT landscape in the network of Rhein-Main-Verkehrsverbund (RMV). For passengers, this means improvements such as faster, more reliable real-time information, which most importantly covers a wider area. The standard products of IVU.suite are being implemented. As well as providing the system, IVU is also responsible for running it, including hosting and second-level support.

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PERSONNEL, OUTLOOK

CHANGE ON THE SUPERVISORY BOARD

On 30 May 2018, the Annual General Meeting of IVU appointed Ms Ute Witt to the Supervisory Board effective 1 July 2018. She succeeds Mr André Neiss, who resigned from the office at the end of the Annual General Meeting. The Supervisory Board elected Ms Witt vice chairperson of the Supervisory Board.

PERSONNEL

	2018	2017	Change
Number of employees as at 30 June	552	502	+10%
Personnel capacity 1 January – 30 June (average)	451	409	+10%

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

Owing to the recruiting activities of the past 12 months, the personnel capacity has increased by 10% in comparison with the same period in the previous year to 451 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.

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BALANCE SHEET (IFRS)

Assets	30 Jun 2018	31 Dec 2017
	€ thousand	€ thousand
A. Current assets		
1. Cash and cash equivalents	19,927	11,521
2. Current trade receivables	8,813	26,603
3. Current receivables from contract manufacturing	16,183	9,059
4. Inventories	2,998	1,684
5. Other current assets	5,473	5,616
Total current assets	53,394	54,483
B. Non-current assets		
1. Property, plant and equipment	1,205	1,257
2. Intangible assets	11,921	12,028
3. Non-current trade receivables	37	253
4. Deferred taxes	689	802
Total non-current assets	13,852	14,340
TOTAL ASSETS	67,246	68,823
Liabilities	30 Jun 2018	31 Dec 2017
	€ thousand	€ thousand
A. Current liabilities		
1. Current trade payables	2,098	2,038
2. Liabilities from contract manufacturing	6,539	5,436
3. Provisions	1,081	1,281
4. Provisions for taxes	764	723
5. Other current liabilities	10,659	10,570
Total current liabilities	21,141	20,048
B. Non-current liabilities		
1. Provisions for pensions	4,792	4,775
Total non-current liabilities	4,792	4,775
C. Equity		
1. Share capital	17,719	17,719
2. Retained earnings	-932	-932
3. Unappropriated surplus	24,492	27,175
4. Foreign exchange reconciling item	34	38
Total equity	41,313	44,000
TOTAL LIABILITIES	67,246	68,823

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INCOME

CONSOLIDATED INCOME STATEMENT IN LINE WITH IFRS FOR THE PERIOD 1 JANUARY TO 30 JUNE 2018

	Q2-2018	Q2-2017	Jan-Jun 2018	Jan-Jun 2017
	€ thousand	€ thousand	€ thousand	€ thousand
Sales revenues	15,972	14,581	29,965	26,153
Other operating income	337	66	487	92
Cost of materials	-5,331	-4,353	-9,779	-7,006
Gross profit	10,978	10,294	20,673	19,239
Personnel expenses	-8,510	-7,684	-16,771	-15,064
Depreciation and amortisation on non-current assets	-285	-240	-591	-505
Other operating expenses	-2,124	-2,284	-3,936	-4,263
Operating results (EBIT)	59	87	-625	-592
Financial expenses	-54	-33	-109	-83
Pre-tax profit (EBT)	5	54	-734	-675
Income taxes	-23	-71	-64	-115
Deferred taxes	-56	-148	-113	-295
Consolidated net profit / loss	-74	-165	-911	-1,085
			€	€
Earnings per share (basis and diluted)			-0.05	-0.06
Average shares outstanding (in thousand shares)			17,719	17,719

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD 1 JANUARY TO 30 JUNE 2018

	Jan-Jun 2018	Jan-Jun 2017
	€ thousand	€ thousand
Consolidated net loss / profit	-911	-1,085
Currency translation	-4	2
Items that may be reclassified subsequently to profit or loss	0	0
Other comprehensive income after taxes	-4	2
CONSOLIDATED TOTAL COMPREHENSIVE INCOME AFTER TAXES	-915	-1,083

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EQUITY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY IN LINE WITH IFRS FOR THE PERIOD 1 JANUARY 2017 TO 30 JUNE 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 – 30 Jun 2018	0	0	0	-911	-911
Other comprehensive income, net of tax	0	0	-4	0	-4
Dividend distribution	0	0	0	-1,772	-1,772
Consolidated recognised results after tax	0	0	-4	-2,683	-2,687
AS AT 30 JUNE 2018	17,719	-932	34	24,492	41,313

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CASH FLOWS

CONSOLIDATED STATEMENT OF CASH FLOWS IN LINE WITH IFRS FOR THE PERIOD 1 JANUARY TO 30 JUNE 2018

	Jan–Jun 2018 € thousand	Jan–Jun 2017 € thousand
1. Operating activities		
Group earnings before tax of the period	-734	-675
Depreciation and amortisation on non-current assets	591	505
Change in provisions	-183	13
Net interest income	109	83
Other non-cash expenses/income	-4	1
	-221	-73
Change of items of working capital and borrowings		
Inventories	-1,314	-549
Receivables and other assets	11,005	4,762
Liabilities (without provisions)	1,255	1,242
	10,725	5,382
Interest paid	-109	-83
Income taxes paid	0	-109
CASH FLOW FROM OPERATING ACTIVITIES	10,616	5,190
2. Investing activities		
Outflows for investments in non-current assets	-438	-367
CASH FLOW FROM INVESTING ACTIVITIES	-438	-367
3. Financing activities		
Payment of dividends	-1,772	0
CASH FLOW FROM FINANCING ACTIVITIES	-1,772	0
4. Cash and cash equivalents		
Change in cash and cash equivalents	8,406	4,823
Cash and cash equivalents at beginning of period	11,521	8,614
CASH AND CASH EQUIVALENTS AT END OF PERIOD	19,927	13,437

+ = Cash inflow
- = Cash outflow

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SEGMENT REPORTING

GROUP SEGMENT REPORTING

FOR THE PERIOD 1 JANUARY TO 30 JUNE 2018

Business segments	Public Transport		Logistics		Central services		Consolidated	
	Jan -Jun 2018	Jan -Jun 2017	Jan -Jun 2018	Jan -Jun 2017	Jan -Jun 2018	Jan -Jun 2017	Jan -Jun 2018	Jan -Jun 2017
€ thousand								
Total revenue	28,274	23,904	1,640	2,183	67	85	29,981	26,172
Revenue from transactions with other segments	-16	-18	0	0	0	-1	-16	-19
Revenue from external customers	28,258	23,886	1,640	2,183	67	84	29,965	26,153
Segment result (gross profit)	19,069	17,241	1,540	2,008	64	-10	20,673	19,239
Expenses	-15,988	-13,476	-1,400	-1,526	-3,910	-4,829	-21,298	-19,831
EBIT	3,081	3,765	140	482	-3,846	-4,839	-625	-592
Financial expenses, net					-109	-83	-109	-83
EBT							-734	-675
Income taxes					-177	-410	-177	-410
CONSOLIDATED NET LOSS							-911	-1,085
Segment assets	58,889	51,044	3,418	4,667	4,250	2,557	66,557	58,268
Investment expenditure	349	284	33	39	56	46	438	369
Impairments	470	389	45	53	76	63	591	505

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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 six-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 August 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-month report as at 31 March

Wednesday, 30 May 2018

Annual General Meeting

Wednesday, 29 August 2018

Six-month report as at 30 June

Wednesday, 21 November 2018

Nine-month report as at 30 September

Monday, 26 November 2018

German Equity Forum,
Frankfurt/Main

IMPRINT

Publisher

IVU Traffic Technologies AG

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

Contact

Investor Relations
T +49.30.859 06 -0
F +49.30.859 06 -111
ir@ivu.com

Editorial

Dr Stefan Steck
Corporate Communications

IVU Traffic Technologies AG

Bundesallee 88
12161 Berlin

T +49.30.85906 -0
F +49.30.85906 -111

contact@ivu.com
www.ivu.com