

QUARTERLY REPORT

THIRD QUARTER 2018



HIGHLIGHTS

OUTLOOK

MANAGEMENT REPORT

QUARTERLY REPORT Q3-2018

PERFORMANCE

KEY FIGURES

	Jan-Sep 2018 € thou.	Jan-Sep 2017 € thou.	Change € thou.
Revenue	51,932	40,756	+11,176
Gross profit	35,317	29,303	+6,014
Personnel expenses	24,722	22,362	+2,360
EBIT	3,149	65	+3,084
Consolidated net profit/loss	2,731	-493	+3,224

FINANCIAL PERFORMANCE

IVU has achieved strong growth in the third quarter. Revenue climbed by 27% year-on-year to EUR 51,932 thousand (2017: EUR 40,756 thousand). This comes as a result of our efforts to smooth out the disparity in seasonal business performance and to recognise revenue during the year, thereby relieving pressure on the fourth quarter.

Gross profit, which reflects IVU's own value added, has risen by 21% to EUR 35,317 thousand in the reporting period (2017: EUR 29,303 thousand). This figure includes two positive non-recurring effects with a combined value of around EUR 700 thousand: A legal dispute conducted by IVU in Chile was settled and a write-down in Israel was reversed.

Staff costs increased by 11% in line with the higher headcount to EUR 24,722 thousand (2017: EUR 22,362 thousand). Other operating expenses climbed slightly by EUR 301 thousand to EUR 6,369 thousand (2017: EUR 6,068 thousand).

The extremely positive overall developments are ultimately reflected in EBIT, which has surged significantly over the previous year to EUR 3,149 thousand (2017: EUR 65 thousand).

The operating cash flow improved by EUR 6,910 thousand as against the same period of the previous year to EUR 9,404 thousand (2017: EUR 2,494 thousand).

In light of the highly positive business performance, we are raising our guidance for the 2018 financial year.

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IMPORTANT PROJECTS

BERLIN. NETINERA CHOOSES IVU.RAIL

NETINERA, a company of the Italian national railway FS, will plan and dispatch vehicles and employees of its rail companies using IVU.rail in the future. As one of the largest private public-transport companies in Germany, NETINERA operates numerous regional railways, which together account for a market share of around 5% of German regional rail passenger transport. With 358 trains and more than 4,600 employees, the NETINERA Group covers 52 million train kilometres per year. Switching to IVU.rail will facilitate the planning and dispatch of vehicles and employees in the future.

ZURICH. STANDARD SOLUTION FOR REAL-TIME DATA FOR BUSLAND

On electronic displays, online and via app: From now on, passengers of Busland AG will have access to the latest departure time information at any time and from anywhere. Within just ten months, IVU has supplied a complete system for fleet management and passenger information. The company has been planning and dispatching its vehicles and driving personnel using the IVU.suite since as far back as 2014. To further improve fleet management and passenger information, IVU has now implemented a complete real-time data system consisting of 600 IVU.box.touch on-board computers with IVU.cockpit and background system IVU.fleet.

VIENNA. NEW ITCS FOR VORARLBERG

In the popular holiday region of Vorarlberg – Austria's most western federal state – the VVW unites a total of 26 bus and train operators, as well as the regional train connections of the Austrian Federal Railways (ÖBB) and of Montafonerbahn AG. IVU is supplying its central multi-client ITCS (intermodal transport control system), IVU.fleet, together with the central account-

ing system IVU.fare and on-board computers for around 340 buses. This way, all transport companies in the association will be using the same technology in the future to monitor vehicle locations and to reschedule services in the event of disruptions.

BERLIN. LARGEST TRADE FAIR FOR TRANSPORT TECHNOLOGY

The public transport of the future is environmentally friendly, digital and connected. IVU presented its solutions for the mobility of tomorrow at InnoTrans 2018, the world's largest trade fair for transport technology. With the current innovations in the standard products IVU.suite and IVU.rail, transport and rail companies are making efficient use of e-buses, bringing ticketing to smartphones and scheduling the maintenance of trains in advance.

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PERSONNEL, OUTLOOK

PERSONNEL

	2018	2017	Change
Number of employees as at 30 Sep	565	505	+12%
Personnel capacity 1 Jan-30 Sep (average)	454	414	+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 454 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

The planned revenue for the year as at 30 September 2018 is already fully covered by the order backlog for the current financial year. Our focus is now on completing the fourth quarter's projects on time.

In light of the highly positive business performance, the good order situation and the extraordinary effects described above, we are raising our guidance for the 2018 financial year. We are now assuming revenue of more than EUR 75 million (previously: EUR 72 million), a gross profit of around EUR 52 million (previously: EUR 50 million) and EBIT of more than EUR 6 million (previously: EUR 4 to EUR 5 million).

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 Sep 2018	31 Dec 2017
	€ thousand	€ thousand
A. Current assets		
1. Cash and cash equivalents	18,593	11,521
2. Current trade receivables	11,052	26,603
3. Current receivables from contract manufacturing	22,280	9,059
4. Inventories	2,292	1,684
5. Other current assets	5,563	5,616
Total current assets	59,780	54,483
B. Non-current assets		
1. Property, plant and equipment	1,150	1,257
2. Intangible assets	11,627	12,028
3. Non-current trade receivables	37	253
4. Deferred taxes	632	802
Total non-current assets	13,446	14,340
TOTAL ASSETS	73,226	68,823
Liabilities	30 Sep 2018	31 Dec 2017
	€ thousand	€ thousand
A. Current liabilities		
1. Current trade payables	2,043	2,038
2. Liabilities from contract manufacturing	8,008	5,436
3. Provisions	1,068	1,281
4. Provisions for taxes	771	723
5. Other current liabilities	11,581	10,570
Total current liabilities	23,471	20,048
B. Non-current liabilities		
1. Provisions for pensions	4,800	4,775
Total non-current liabilities	4,800	4,775
C. Equity		
1. Share capital	17,719	17,719
2. Other provisions	-898	-894
3. Retained earnings	28,134	27,175
Total equity	44,955	44,000
TOTAL LIABILITIES	73,226	68,823

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INCOME

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

	Q3-2018	Q3-2017	Jan-Sep 2018	Jan-Sep 2017
	€ thousand	€ thousand	€ thousand	€ thousand
Sales revenues	21,967	14,603	51,932	40,756
Other operating income	627	431	1,114	523
Cost of materials	-7,950	-4,970	-17,729	-11,976
Gross profit	14,644	10,064	35,317	29,303
Personnel expenses	-7,951	-7,298	-24,722	-22,362
Depreciation and amortisation on non-current assets	-486	-303	-1,077	-808
Other operating expenses	-2,433	-1,805	-6,369	-6,068
Operating results (EBIT)	3,774	657	3,149	65
Financial income	13	1	13	1
Financial expenses	-43	-42	-152	-125
Pre-tax profit (EBT)	3,744	616	3,010	-59
Income taxes	-45	23	-109	-92
Deferred taxes	-57	-47	-170	-342
Consolidated net loss / profit	3,642	592	2,731	-493
			€	€
Earnings per share (basis and diluted)			0.15	-0.03
Average shares outstanding (in thousand shares)			17,719	17,719

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

	Jan-Sep 2018	Jan-Sep 2017
	€ thousand	€ thousand
Consolidated net loss / profit	2,731	-493
Currency translation	-4	-8
Items that may be reclassified subsequently to profit or loss	-4	-8
Other comprehensive income after taxes	-4	-8
CONSOLIDATED TOTAL COMPREHENSIVE INCOME AFTER TAXES	2,727	-501

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EQUITY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY IN LINE WITH IFRS FOR THE PERIOD 1 JANUARY 2017 TO 30 SEPTEMBER 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 income 1 Jan–30 Sep 2018	0	0	0	2,731	2,731
Other comprehensive income, net of tax	0	0	-4	0	-4
Dividend distribution (€0.10 per share)	0	0	0	-1,772	-1,772
Consolidated recognised results after tax	0	0	-4	959	955
AS AT 30 SEPTEMBER 2018	17,719	-932	34	28,134	44,955

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CASH FLOWS

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

	Jan-Sep 2018 € thousand	Jan-Sep 2017 € thousand
1. Operating activities		
Group earnings before tax of the period	3,010	-59
Depreciation and amortisation on non-current assets	1,077	808
Change in provisions	-188	19
Net interest income	139	124
Other non-cash expenses/income	-4	-9
	4,034	883
Change of items of working capital and borrowings		
Inventories	-608	-694
Receivables and other assets	2,604	2,171
Liabilities (without provisions)	3,591	374
	9,621	2,734
Interest paid	-152	-125
Income taxes paid	-65	-115
CASH FLOW FROM OPERATING ACTIVITIES	9,404	2,494
2. Investing activities		
Outflows for investments in non-current assets	-573	-607
Interest received	13	1
CASH FLOW FROM INVESTING ACTIVITIES	-560	-606
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	7,072	1,888
Cash and cash equivalents at beginning of period	11,521	8,614
CASH AND CASH EQUIVALENTS AT END OF PERIOD	18,593	10,502

+ = Cash inflow
- = Cash outflow

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SEGMENT REPORTING

GROUP SEGMENT REPORTING

FOR THE PERIOD 1 JANUARY TO 30 SEPTEMBER 2018

Business segments	Public Transport		Logistics		Central services		Consolidated	
	Jan -Sep 2018	Jan -Sep 2017	Jan -Sep 2018	Jan -Sep 2017	Jan -Sep 2018	Jan -Sep 2017	Jan -Sep 2018	Jan -Sep 2017
€ thousand								
Total revenue	49,363	37,338	2,500	3,232	85	207	51,948	40,777
Revenue from transactions with other segments	-16	-18	0	0	0	-3	-16	-21
Revenue from external customers	49,347	37,320	2,500	3,232	85	204	51,932	40,756
Segment result (gross profit)	32,365	26,163	2,349	2,993	603	147	35,317	29,303
Expenses	-24,438	-19,671	-1,820	-2,331	-5,910	-7,236	-32,168	-29,238
EBIT	7,927	6,492	529	662	-5,307	-7,089	3,149	65
Financial expenses, net					-139	-124	-139	-124
EBT							3,010	-59
Income taxes					-279	-434	-279	-434
CONSOLIDATED NET LOSS/PROFIT							2,731	-493
Segment assets	65,102	50,992	3,298	4,417	4,194	2,623	72,594	58,032
Investment expenditure	462	469	37	64	74	76	573	609
Impairments	868	622	69	85	140	101	1,077	808

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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 new standards IFRS 9 and IFRS 15 have been applied from 1 January 2018. However, in line with our assessment in the 2017 annual report, their first-time adoption has no material impact on the consolidated statement of financial position or the consolidated income statement. All other accounting policies applied in preparing these quarterly consolidated financial statements are the same as those applied in preparing the consolidated financial statements for the 2017 financial year.

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 interim report was not subjected to an auditor's inspection.

TRANSACTIONS WITH RELATED INDIVIDUALS

In the period covered by this report, Leon Struijk, Member of IVU's Executive Board, acquired 10,000 IVU shares. As of 30 September 2018 he holds 10,000 IVU shares.

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, 21 November 2018

The Executive Board



Martin Müller-Elschner



Matthias Rust



Leon Struijk

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FINANCIAL CALENDAR

Monday, 26 November 2018

German Equity Forum,
Frankfurt/Main

Wednesday, 28 March 2019

Publication of the 2018 Annual Report

Tuesday, 28 May 2019

Three-month report as at 31 March

Wednesday, 29 May 2019

Annual General Meeting

Wednesday, 28 August 2019

Half-year report as at 30 June

Wednesday, 20 November 2019

Nine-month report as at 30 September

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This report can be downloaded as PDF file at
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