



FOURTH QUARTER 2018 FINANCIAL REPORT

Measures launched to address drop in international transportation margins

Budapest, 19 March 2019 - WABERER'S INTERNATIONAL Nyrt. today reports its financial results for the three months ended 31 December 2018.

Highlights Q4 2018

- Measures introduced to restore profitability include fleet reduction, trade lane optimisation programme, transit cost and fuel cost optimisation, headcount reduction and SG&A cost savings
- Revenue increased year-on-year by 4% to EUR 186 mn in the fourth quarter of 2018
 - International Transportation Segment revenue increased by 2% driven by 5% higher prices partly offset by lower volumes
 - Revenue in the Regional Contract Logistics segment rose by 13%, due to higher prices and growing transportation and warehousing capacities
- Recurring EBITDA decreased to EUR 9.6 mn in the fourth quarter of 2018
 - In the International Transportation Segment, recurring EBITDA was 62% lower due to repricing leading to lower truck utilisation
 - EBITDA decreased by 44% in the Regional Contract Logistics segment, due to the adverse effect of higher wages and fuel prices
- Recurring EBIT decreased to EUR -9 mn and recurring net income declined to EUR -11 mn
- Net leverage increased to 4.3x recurring EBITDA
- As a result of improving working capital management, 2018 free cash flow increased to EUR 14 mn
- Non-recurring items in the quarter amounted to EUR 6.2 million including EUR 5.8 million goodwill impairment and EUR 0.4 million severance expenses

| Key figures¹ (EUR mn unless otherwise stated)

	Q4 2017	Q4 2018	Increase (decrease)	12M 2017	12M 2018	Increase (decrease)
Revenue	178.9	185.9	3.9%	674.4	731.9	8.5%
EBITDA (recurring)	20.5	9.6	(53.3%)	85.8	64.2	(25.2%)
EBIT (recurring)	4.9	(8.8)	-	29.7	(2.0)	-
Net income (recurring)	6.0	(11.4)	-	21.4	(13.9)	-
EPS (EUR)	0.30	(1.00)	-	1.03	(1.19)	-
EBITDA margin (recurring)	11.4%	5.1%	(6.3 pp)	12.7%	8.8%	(4.0 pp)
EBIT margin (recurring)	2.7%	-4.7%	(7.5 pp)	4.4%	-0.3%	(4.7 pp)
Net income margin (recurring)	3.3%	-6.1%	(9.4 pp)	3.2%	-1.9%	(5.1 pp)
Average number of trucks	4 303	4 581	6.5%	3 978	4 450	11.9%

¹ For the definitions of non-IFRS measures and key performance indicators not included in this Report, please refer to the 2017 Annual Report published on April 16, 2018, available on the Company website at http://www.waberers.com/files/document/document/480/Waberer_AR_2017_ENG_small.pdf.





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CEO comment

Robert Ziegler, CEO of WABERER'S INTERNATIONAL Nyrt. commented: *"Without doubt, 2018 was a challenging year for Waberer's. On one side, the Company faced pressures on key cost elements that deepened throughout the year, and on the other, overcapacity in the second half of the year. The Company was thus faced with lower margins and a rapidly changing competitive landscape in the European full truck load market.*

When I arrived at Waberer's in February 2019, I was glad to see that several short-term measures had already been initiated to overcome some of these challenges. However, I also realised that Waberer's is in need of more profound changes that I will be happy to drive. In my first weeks of engagement with the Company, I oversaw the further improvement of the short-term measures with the aim to restore the profitability of the Group as soon as possible and I started setting our plans for the future.

The most important element of the short-term measures is the reduction of loss-making capacities, which should lead to the increased utilisation of our fleet. Orders of more than 300 trucks have been stopped and should profitability of the fleet not improve sufficiently, we are prepared to reduce the fleet further. We carefully analysed the details of our order and execution portfolio to ensure that we reduce the loss-making parts of the business and not those that create value for the Company. Second, we have also accomplished a thorough review of our direct cost to realise that there is still room for improvement in further optimising our routing to reduce transit and fuel costs in some of the key areas that our international fleet is active in. Third, the Group started a wide-ranging reduction in indirect costs that includes cost savings from external contracts but also a significant reduction in our own headcount. Although these measures had negative one-time impact on results at the end of 2018, they will contribute to results progressively throughout 2019.

However, these short-term measures are by themselves insufficient to guarantee a sustainable and profitable growth path for Waberer's. We have identified a number of structural concerns that prevent us from being a truly competitive player in these changing markets. For one, we need to be more agile in responding to our clients' needs and to changes in the European and regional transportation and logistics market. Our business mix also relies too heavily on our own fleet and needs to better balance owned and contracted capacity. Last but not least, we want to become easier to do business with and establish ourselves as a reliable partner delivering high quality service. The fundamentals to achieve these changes are good. We are currently working together with the Board of Directors, colleagues, clients, and market experts to address these challenges and will provide a strategy update in the year.

The year 2019 will be a year of transformation for Waberer's. Along this journey of transformation, we will never lose sight of our ultimate goal of creating long-term value to our shareholders."

WABERER'S INTERNATIONAL Nyrt.

This report may contain forward-looking statements. Statements that are not historical facts, including statements about our beliefs and expectations, are forward-looking statements. These statements are based on current plans, estimates and projections, and therefore should not have undue reliance placed upon them. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events. Forward-looking statements involve inherent risks and uncertainties. We caution you that a number of important factors could cause actual results to differ materially from those contained in any forward-looking statement. Such factors are described in, among other things, the prospectus dated 15 June 2017, which was approved for publication by the National Bank of Hungary in its resolution No. H-KE-III-426/2017, dated 16 June 2017, and available on our website for investors at <http://www.waberers.com/en/investors>.



Information on WABERER'S INTERNATIONAL Nyrt. Series „A” ordinary shares

Markets listed	Budapest Stock Exchange (BSE)	ISIN	HU0000120720
Trading segment	Equities Prime Market	Reuters ticker	WABE.hu
BSE ticker	WABERERS	Bloomberg ticker	WABERERS HB
Xetra code	WABS		



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Management analysis

Group profit for the period

| Income Statement (EUR mn)

	Q4 2017	Q4 2018	Increase (decrease)	FY 2017	FY 2018	Increase (decrease)
Revenue	178.9	185.9	3.9%	674.4	731.9	8.5%
Direct costs	(142.4)	(157.3)	(10.4%)	(533.8)	(610.2)	(14.3%)
Gross profit	36.5	28.6	(21.6%)	140.6	121.7	(13.4%)
OPEX	(16.7)	(25.3)	(50.8%)	(57.8)	(64.5)	(11.6%)
Non-recurring items	0.8	6.2		3.0	7.0	
EBITDA (recurring)	20.5	9.6	(53.3%)	85.8	64.2	(25.2%)
Depreciation and amortisation	(15.6)	(18.3)	(17.8%)	(56.0)	(66.2)	(18.1%)
EBIT (recurring)	4.9	(8.8)	-	29.7	(2.0)	-
Financial result	0.2	(1.5)	-	(3.6)	(6.9)	(92.8%)
Taxes	0.8	(1.1)	-	(4.8)	(5.0)	(5.3%)
Net income (recurring)	6.0	(11.4)	-	21.4	(13.9)	-
Gross margin	20.4%	15.4%	(5.0 pp)	20.8%	16.6%	(4.2 pp)
EBITDA margin (recurring)	11.4%	5.1%	(6.3 pp)	12.7%	8.8%	(4.0 pp)
EBIT margin (recurring)	2.7%	(4.7%)	(7.5 pp)	4.4%	(0.3%)	(4.7 pp)
Net income margin (recurring)	3.3%	(6.1%)	(9.4 pp)	3.2%	(1.9%)	(5.1 pp)

Economic environment

In Europe, the economic environment was characterised by a slowdown in demand as fourth quarter GDP showed small or even negative growth in some of the key markets of the Group in the Eurozone. Moreover, production outages in factories in the automotive sector also contributed to decreasing demand for transportation services and total industrial production decreased by 2-4% in the fourth quarter. The retail season was also weak with retail trade registering less than 2% growth in all and a decrease in some of the key European markets of the Group. Indicators for overcapacities for the European transportation sector worsened and European transportation market prices are estimated to have decreased by as much as 6% compared to the same period in 2017. The economic environment in Hungary, however, remained favourable with 5% increase in GDP in the fourth quarter of 2018 and a similar rate of growth in industrial production and retail trade.¹

Revenue

Group **revenue** increased by 4% year-on-year to EUR 186 million in the fourth quarter of 2018. This increase was achieved through a repricing strategy that led to an increase in the average prices in both the international and regional segments. The Group's truck capacities rose by 7% year-on-year, but the decrease in the utilisation of these capacities offset most of the effects of the higher prices. Although to a lesser degree, but freight forwarding and logistics revenues were also impacted by the slowdown in demand.

Gross profit, EBITDA and EBIT

Due to the adverse consequences of market effects on utilisation, **gross profit** fell by 22% year-on-year to EUR 29 million in the fourth quarter of 2018, with the gross profit margin decreasing by 5 percentage points to 15.4%. Recurring **EBITDA** showed a 53% year-on-year decrease to EUR 10

¹ Sources: Eurostat, Transporeon



million. Recurring **EBIT** marked a loss of EUR 9 million as a result of lower EBITDA and higher depreciation on an increased fleet. Recurring EBITDA and recurring EBIT **margins** in the fourth quarter stood at 5.2% and -5.1%, respectively.

Direct wages, benefits and allowances, which include predominantly driver wages, rose by 13% year-on-year to EUR 32 million in the fourth quarter of 2018. On a per kilometre basis, driver wages were 8% higher on average in the international, and 24% higher in the regional segment.

Fuel cost rose by 12% to EUR 33 million in the fourth quarter of 2018. The increase reflects the 11% and 17% year-on-year increase in average fuel prices in international and regional segments, respectively, with a small increase in total kilometres and the effect of the saving in fuel consumption offsetting each other.

Toll fees and transit costs increased by 6% to EUR 32 million in the fourth quarter of 2018 compared to the same period in 2017. The increase is mainly attributable to the more expensive per kilometre transit fees in the international segment.

Cost of subcontractors and reinsurance fee was stable year-on-year at EUR 41 million as freight forwarding activity was subdued due to lower demand.

Other cost grew by 51% to EUR 19 million mainly as a result of higher repair and maintenance costs and higher damage expenses due to quicker damage claim processing in the insurance company.

Indirect wages and benefits increased by 13% to EUR 12 million in the fourth quarter of 2018 as a result of a year-on-year increase in wages and non-recurring headcount reduction expenses amounting to EUR 0.4 million. **Other operating income** decreased by 15% to EUR 2.4 million. **Other operating expense** grew to EUR 9.7 million driven by the non-recurring impairment for the goodwill of Link amounting to EUR 5.8 million.

Depreciation and amortisation increased to EUR 18 million in the fourth quarter of 2018 primarily as a result of an increase in the fleet size.

Net income

Financial result marked a loss of EUR 1.5 million in the fourth quarter of 2018. The paid interest portion of the financial result was EUR 1.3 million, representing an implied interest rate of

| Group revenue, cost items, and EBITDA in Q4 2017 and 2018 (EUR mn)

	Q4 2017	Q4 2018	Increase (decrease)
Revenue	178.9	185.9	3.9%
Direct wages, benefits & allowances	(28.2)	(31.8)	(12.7%)
Fuel cost	(29.9)	(33.3)	(11.5%)
Toll fees & transit costs	(29.7)	(31.6)	(6.4%)
Cost of subcontractors and reins. fee	(40.6)	(40.7)	(0.1%)
Other cost	(12.4)	(18.7)	(51.3%)
Net gain on fleet sales and COGS*	(1.7)	(1.2)	27.5%
Gross profit	36.5	28.6	(21.6%)
Indirect wages & benefits	(10.3)	(11.7)	(13.2%)
Other services	(6.0)	(6.2)	(4.2%)
Other operating income	2.8	2.4	(14.8%)
Other operating expense	(3.2)	(9.7)	-
Non-recurring items	0.8	6.2	721.4%
Recurring EBITDA	20.5	9.6	(53.3%)

* Cost of goods sold

| Group EBIT, financial result, tax, and net income in Q4 2017 and 2018 (EUR mn)

	Q4 2017	Q4 2018
Recurring EBIT	4.9	(8.8)
Financial result	0.2	(1.5)
Income tax	0.8	(1.1)
Recurring net income	6.0	(11.4)
Non-recurring items	(0.8)	(6.2)
Net income	5.2	(17.6)
Attributable to:		
Shareholders of the company	5.2	(17.6)
Minorities	(0.0)	0.0
Number of shares (millions)	17.7	17.7
EPS (EUR/share)*	0.40	(1.00)

*Basic and diluted earnings per share (net income attributable to shareholders per average number of shares in the period)



approximately 1.5%. Foreign exchange effects had a further 0.2 million negative effect on financial results.

Tax expenses in the fourth quarter of 2018 amounted to EUR 1.1 million. Corporate income taxes were low as a result of the lower pre-tax result for the period, revenue-based local taxes are also included here.

Recurring **net income** showed a loss of EUR 11.4 million in the fourth quarter of 2018, corresponding with diluted **earnings per share** at negative EUR 1.00.

As a result of mainly the recurring net income loss for the fourth quarter of 2018 and EUR 6.2 million non-recurring items mainly due to the non-cash goodwill impairment of EUR 5.8 million, total **shareholder's equity** decreased by EUR 21.7 million to EUR 145.1 million compared to the shareholders' equity at the end of the previous reporting period on 30 September 2018. In percentage terms, this decrease is higher than the threshold for disclosure as stipulated under 1.10. of Annex 4. of Decree no. 24/2008. (VIII. 15) of the Minister of Finance on the detailed rules on disclosure obligation regarding publicly issued securities.

Group cash flow and debt

Cash flow

| Cash Flow Statement (EUR mn)

	FY 2017	FY 2018
Net cash flows from (used in) operating activities	84.5	81.5
of which: change in working capital	(5.0)	12.3
Net cash flows from (used in) investing and financing activities	(57.1)	(82.8)
Change in cash and cash equivalents	27.3	(1.3)
Free Cash Flow	11.2	13.8
CAPEX	(11.9)	(14.2)

Cash from operating activities in 2018 was slightly lower than last year at EUR 81 million, mainly due to a lower pre-tax profit more than offsetting the effect of significantly lower demand for working capital.

Cash used in investing and financing activities increased to EUR 83 million in 2018 as a result of higher capital expenditures for IT-related projects and larger fleet financing. One-off cash effects include the buyout of minority holdings required an extraordinary of EUR 5.4 million in the second quarter and share buyback from the ESOP organisation amounting to EUR 1.0 million. Total cash and cash equivalents decreased by EUR 1.3 million during 2018.

Free cash flow, which incorporates cash flow from operations, capital expenditures, and all elements of the lease-based financing of the fleet, increased to EUR 14 million in 2018.

Debt

| Indebtedness figures (EUR mn)

	31 Dec. 2017	31 Dec. 2018
Net financial indebtedness	234.4	278.9
Net leverage ratio (recurring EBITDA multiple)	2.7x	4.3x



Net financial indebtedness increased to EUR 279 million year-on-year mainly as a result of the growth in fleet size. **Net leverage ratio**, a multiple of rolling recurring EBITDA, increased to 4.3x as a result of the growth in net debt and a decrease in rolling recurring EBITDA.



International Transportation Segment

International Transportation Segment P&L data (EUR mn)

	Q4 2017	Q4 2018	Increase (decrease)	FY 2017	FY 2018	Increase (decrease)
Revenue	136.7	138.8	1.5%	511.6	551.0	7.7%
Direct Costs	(109.3)	(118.3)	(8.2%)	(410.1)	(464.2)	(13.2%)
Gross profit	27.4	20.5	(25.2%)	101.5	86.9	(14.4%)
OPEX	(13.1)	(21.0)	(60.2%)	(42.9)	(50.8)	(18.2%)
Non-recurring items	0.8	6.2	-	3.0	7.0	-
EBITDA (recurring)	15.1	5.7	(61.9%)	61.6	43.1	(30.0%)
Gross margin	20.0%	14.8%	(5.3 pp)	19.8%	15.8%	(4.1 pp)
EBITDA margin (recurring)	11.0%	4.1%	(6.9 pp)	12.0%	7.8%	(4.2 pp)
Average number of truck drivers	4 920	5 064	2.9%	4 524	5 017	10.9%
Average number of trucks	3 604	3 785	5.0%	3 304	3 696	11.9%
Average age of trucks (years)	2.3	2.1	(9.8%)	2.3	2.0	(10.5%)
Loaded ratio	91.1%	91.0%	(0.1 pp)	91.4%	91.0%	(0.4 pp)
Fuel consumption (litres per 100 km)	28.9	28.3	(2.1%)	29.3	28.4	(3.3%)
Transportation days	59	59	0.0%	242	245	0.9%

Revenue

Revenue in the International Transportation Segment (ITS) increased by 2% to EUR 139 million year-on-year. In own fleet transportation, prices grew by 5% on average and a 5% rise in the number of trucks was offset by a similar rate of decrease in the capacity utilisation. Freight forwarding activities had a negative impact on segment revenue due mainly less demand from customers.

Gross profit and EBITDA

ITS **gross profit** decreased by 25% in the fourth quarter of 2018 to EUR 21 million, with gross margin decreasing by 5.3 percentage points to 14.3%.

In a slowdown environment in the fourth quarter of 2018, the adverse volume effects of the price increases executed in ITS impacted capacity utilisation, which decreased by 5%. As a result, cost inflation continued to weigh on margins proportionately higher on a per kilometre basis. In the fourth quarter of 2018, recurring **EBITDA** decreased by 62% to EUR 6 million with 6.9 percentage points lower **margin** at 4.1%.

ITS revenue, cost items, and EBITDA in Q4 2017 and 2018 (EUR mn)

	Q4 2017	Q4 2018	Increase (decrease)
Revenue	136.7	138.8	1.5%
Direct wages, benefits & allowances	(23.9)	(25.9)	(8.6%)
Fuel cost	(26.3)	(28.9)	(10.2%)
Toll fees & transit costs	(24.5)	(26.1)	(6.8%)
Cost of subcontractors and reins. fee	(26.5)	(24.8)	6.5%
Other cost	(5.2)	(9.7)	(88.0%)
Net gain on fleet sales and COGS	(3.0)	(2.8)	7.4%
Gross Profit	27.4	20.5	(25.2%)
Indirect wages & benefits	(8.4)	(9.1)	(9.4%)
Other services	(5.2)	(4.5)	13.9%
Other operating income	2.1	0.9	(55.1%)
Other operating expense	(1.6)	(8.3)	-
Non-recurring items	0.8	6.2	-
Recurring EBITDA	15.1	5.7	(61.9%)

Direct wages, benefits & allowances showed a 9% rise in the fourth quarter of 2018 compared to the same period last year mainly as a result of average per kilometre driver costs increasing by 8%.



Fuel cost in the fourth quarter of 2018 rose by 10% due to a combination of an 11% rise in fuel prices, and a 2% saving in fuel consumption.

Toll fees and transit costs increased by 7% in the fourth quarter of 2018 year-on-year, which was in line with the growth in the unit cost of toll and transit fees. **Cost of subcontractors and reinsurance fees** decreased by 7% mainly as a result of lower freight forwarding activities in the segment. **Other cost** increased by EUR 4.5 million in the fourth quarter due mainly to higher repair and maintenance costs.

Among indirect costs, the non-recurring goodwill impairment and one-off layoff costs had adverse effects on results.



Regional Contract Logistics

| Regional Contract Logistics P&L data (EUR mn)

	Q4 2017	Q4 2018	Increase (decrease)	FY 2017	FY 2018	Increase (decrease)
Revenue	32.1	36.2	12.7%	124.5	137.3	10.2%
Direct Costs	(22.8)	(28.9)	(26.6%)	(90.6)	(107.6)	(18.8%)
Gross profit	9.3	7.3	(21.6%)	34.0	29.7	(12.6%)
OPEX	(5.2)	(5.0)	4.0%	(16.7)	(14.9)	10.8%
EBITDA	4.1	2.3	(43.6%)	17.3	14.8	(14.3%)
Gross margin	28.9%	20.1%	(8.8 pp)	27.3%	21.6%	(5.6 pp)
EBITDA margin	12.9%	6.4%	(6.4 pp)	13.9%	10.8%	(3.1 pp)
Average number of truck drivers	906	967	6.7%	869	917	5.5%
Average number of trucks	699	796	13.9%	674	754	11.9%
Fuel consumption (litres per 100 km)	29.2	29.8	2.1%	28.6	29.9	4.7%
Warehousing capacity (th. square metres)	199	213	7.0%	192	204	6.1%
Rev. per used m ² of wh. capacity (EUR/yr)	138	141	2.4%	129	132	2.6%

Revenue

Revenue in the Regional Contract Logistics (RCL) segment increased by 13% to EUR 36 million in the fourth quarter of 2018 against. Revenue increase was mainly driven an expansion in capacities in both warehouses and vehicles, growing by 7% and 14%, respectively.

Gross profit and EBITDA

The favourable evolution of revenues was offset by double-digit rises in key cost items, impacting margins adversely. **Gross profit** market a decrease of 22% year-on-year in the fourth quarter to EUR 7.3 million, with gross margin of 20%. **EBITDA** decreased by 44% year-on-year in the fourth quarter of 2018 to EUR 2.3 million, marking a **margin** loss of 6.4 percentage points at 6.4%.

Direct wages, benefits & allowances increased by 36% year-over-year mainly as a result of higher wages amidst tight labour market conditions in Hungary.

| RCL revenue, cost items, and EBITDA in Q4 2017 and 2018 (EUR mn)

	Q4 2017	Q4 2018	Increase (decrease)
Revenue	32.1	36.2	12.7%
Direct wages, benefits & allowances	(4.3)	(5.9)	(35.6%)
Fuel cost	(3.6)	(4.4)	(20.8%)
Toll fees & transit costs	(5.4)	(5.5)	(2.8%)
Cost of Subcontractors and Reins.	(7.5)	(8.7)	(16.2%)
Other cost	(1.4)	(3.8)	-
Net gain on fleet sales and COGS	(0.6)	(0.6)	(5.8%)
Gross Profit	9.3	7.3	(21.6%)
Indirect wages & benefits	(2.3)	(2.1)	8.1%
Other services	(2.0)	(2.5)	(24.5%)
Other operating income	0.7	1.0	45.3%
Other operating expense	(1.6)	(1.4)	12.2%
EBITDA	4.1	2.3	(43.6%)

Fuel cost was 21% higher than in the fourth quarter of 2017 at EUR 4 million due mainly to the 17% year-on-year increase in fuel prices, coupled with a 2% rise in consumption and 4% higher kilometre performance.



Toll fees and transit costs increased by 3% as a combination of 4% lower average per kilometre transit prices and 4% higher kilometre performance.

Cost of subcontractors and reinsurance fees increased by 12% due to higher freight forwarding activity corresponding with slightly increased subcontractor costs in the fourth quarter.

Other cost increased in the fourth quarter by EUR 2.4 million predominantly due to higher warehouse rental fees and higher insurance costs.



Other segment

| Other segment P&L data (EUR mn)

	Q4 2017	Q4 2018	Increase (decrease)	FY 2017	FYM 2018	Increase (decrease)
Revenue	13.2	14.7	11.2%	50.6	57.2	13.0%
Direct Costs	(12.6)	(13.0)	(3.2%)	(43.3)	(49.5)	(14.2%)
Gross profit	0.6	1.7	-	7.3	7.7	5.8%
OPEX	0.7	(0.2)	-	(0.4)	(1.5)	-
EBITDA	1.3	1.5	16.0%	6.9	6.2	(9.7%)
Gross margin	4.5%	11.3%	6.9 pp	14.4%	13.5%	(0.9 pp)
EBITDA margin	9.8%	10.2%	0.4 pp	13.6%	10.9%	(2.7 pp)

The last quarter of 2018 brought better results for the Other segment despite strengthening competition has throughout the year. Other segment **revenue** increased by 11% to EUR 15 million in the fourth quarter of 2018 compared to EUR 13 million for the same period of 2017.

Gross profit increased to EUR 1.7 million and **EBITDA** grew by 16% to EUR 1.5 million, with EBITDA margin higher by 0.4 percentage points at 10.2%.



Declaration

Undersigned, authorised representatives of WABERER'S INTERNATIONAL Nyrt., the issuer of WABERER'S INTERNATIONAL Nyrt. ordinary shares, hereby declare that WABERER'S INTERNATIONAL Nyrt. takes responsibility for the fourth quarter 2018 financial report disclosed on 19 March 2019, of WABERER'S Group, which has been prepared to the best of our knowledge in accordance with the applicable financial reporting standards, and give a true and fair view of the assets, liabilities, financial position, and profit of WABERER'S INTERNATIONAL Nyrt. and its subsidiaries and presents a fair review of the position, development and performance of WABERER'S INTERNATIONAL Nyrt. and its subsidiaries together with a description of principal risks and uncertainties.

An Independent Auditor's Report was not prepared for the 2018 fourth quarter financial report.

Budapest, 19 March 2019

A handwritten signature in blue ink, appearing to be 'Barna Erdélyi', is positioned above the printed name and title.

Barna Erdélyi
Chief Financial Officer



Financial statements and key performance indicators

WABERER'S INTERNATIONAL Nyrt.

| Group consolidated income statement (IFRS, unaudited, EUR mn)

Description	2017 unaudited figures		2018 unaudited figures		Nominal change y-o-y ¹		Percentage change y-o-y ¹	
	2017 Q4	2017 FY	2018 Q4	2018 FY	2018 Q4	2018 FY	2018 Q4	2018 FY
Revenue	178.9	674.4	185.9	731.9	7.0	57.5	3.9%	8.5%
Direct wages, benefits & allowances	(28.2)	(103.7)	(31.8)	(119.6)	(3.6)	(15.9)	(12.7%)	(15.3%)
Fuel cost	(29.9)	(117.1)	(33.3)	(130.3)	(3.4)	(13.1)	(11.5%)	(11.2%)
Toll fees and transit costs	(29.7)	(111.0)	(31.6)	(124.3)	(1.9)	(13.3)	(6.4%)	(12.0%)
Cost of subcontractors and reinsurance fee	(40.6)	(144.4)	(40.7)	(159.3)	(0.1)	(14.8)	(0.1%)	(10.3%)
Cost of goods sold	(2.5)	(10.1)	(2.5)	(9.3)	(0.0)	0.9	(0.5%)	8.6%
Other cost	(12.4)	(51.4)	(18.7)	(72.1)	(6.3)	(20.7)	(51.3%)	(40.3%)
Net gain on fleet sales	0.8	4.0	1.3	4.5	0.5	0.6	57.3%	14.9%
Gross Profit	36.5	140.6	28.6	121.7	(7.9)	(18.9)	(21.6%)	(13.4%)
Indirect wages and benefits	(10.3)	(34.2)	(11.7)	(37.3)	(1.4)	(3.1)	(13.2%)	(9.1%)
Other services	(6.0)	(19.5)	(6.2)	(21.0)	(0.3)	(1.5)	(4.2%)	(7.5%)
Other operating income	2.8	8.9	2.4	7.6	(0.4)	(1.3)	(14.8%)	(15.1%)
Other operating expense	(3.2)	(13.1)	(9.7)	(13.8)	(6.4)	(0.8)	(201.0%)	(5.9%)
EBITDA	19.7	82.8	3.3	57.2	(16.4)	(25.6)	(83.2%)	(30.9%)
Depreciation and amortization	(15.6)	(56.0)	(18.3)	(66.2)	(2.8)	(10.2)	(17.8%)	(18.1%)
EBIT	4.1	26.7	(15.0)	(9.0)	(19.2)	(35.8)	(461.9%)	(133.8%)
Financial result	0.2	(3.6)	(1.5)	(6.9)	(1.8)	(3.3)	(711.8%)	(92.8%)
Profit (loss) before income tax	4.4	23.2	(16.5)	(15.9)	(20.9)	(39.1)	(476.0%)	(168.5%)
Income taxes	0.8	(4.8)	(1.1)	(5.0)	(1.9)	(0.3)	(231.0%)	(5.3%)
Net income	5.2	18.4	(17.6)	(20.9)	(22.8)	(39.3)	(437.7%)	(213.8%)
Attributable to:								
Equity holders of the parent	5.2	18.2	(17.6)	(21.0)	(22.9)	(39.2)	(436.0%)	(215.0%)
Non-controlling interest	(0.0)	0.1	0.0	0.1	0.1	(0.1)	176.4%	(62.7%)
Non-recurring items	0.8	3.0	6.2	7.0	5.5	4.0	721.4%	133.7%
Recurring EBITDA	20.5	85.8	9.6	64.2	(10.9)	(21.6)	(53.3%)	(25.2%)
Recurring EBIT	4.9	29.7	(8.8)	(2.0)	(13.7)	(31.8)	(278.7%)	(106.8%)
Recurring net income	6.0	21.4	(11.4)	(13.9)	(17.3)	(35.3)	(290.2%)	(165.1%)

¹ Show n as an increase if the variance has positive effect on results.



WABERER'S INTERNATIONAL Nyrt.

| International Transportation Segment, Segment financial information (IFRS, unaudited, EUR mn)

Description	2017 unaudited figures		2018 unaudited figures		Nominal change y-o-y ¹		Percentage change y-o-y ¹	
	2017 Q4	2017 FY	2018 Q4	2018 FY	2018 Q4	2018 FY	2018 Q4	2018 FY
Revenue	136.7	511.6	138.8	551.0	2.1	39.4	1.5%	7.7%
Direct wages, benefits & allowances	(23.9)	(87.4)	(25.9)	(99.3)	(2.1)	(11.9)	(8.6%)	(13.6%)
Fuel cost	(26.3)	(103.8)	(28.9)	(114.4)	(2.7)	(10.6)	(10.2%)	(10.2%)
Toll fees and transit costs	(24.5)	(91.6)	(26.1)	(103.2)	(1.7)	(11.5)	(6.8%)	(12.6%)
Cost of subcontractors and reinsurance fee	(26.5)	(90.4)	(24.8)	(98.7)	1.7	(8.3)	6.5%	(9.2%)
Cost of goods sold	(4.8)	(15.9)	(3.9)	(14.9)	0.9	1.0	18.2%	6.6%
Other cost	(5.2)	(25.2)	(9.7)	(37.3)	(4.5)	(12.1)	(88.0%)	(48.1%)
Net gain on fleet sales	1.7	4.2	1.1	3.6	(0.6)	(0.6)	(36.7%)	(14.5%)
Gross Profit	27.4	101.5	20.5	86.9	(6.9)	(14.6)	(25.2%)	(14.4%)
Indirect wages and benefits	(8.4)	(25.0)	(9.1)	(28.7)	(0.8)	(3.8)	(9.4%)	(15.1%)
Other services	(5.2)	(14.9)	(4.5)	(15.6)	0.7	(0.8)	13.9%	(5.1%)
Other operating income	2.1	7.3	0.9	5.2	(1.1)	(2.1)	(55.1%)	(28.7%)
Other operating expense	(1.6)	(10.4)	(8.3)	(11.6)	(6.7)	(1.2)	(414.4%)	(11.7%)
EBITDA	14.3	58.6	(0.5)	36.1	(14.8)	(22.5)	(103.5%)	(38.3%)
Non-recurring items	0.8	3.0	6.2	7.0	5.5	4.0	721.4%	133.7%
Recurring EBITDA	15.1	61.6	5.7	43.1	(9.3)	(18.4)	(61.9%)	(30.0%)

¹ Shown as an increase if the variance has positive effect on results



WABERER'S INTERNATIONAL Nyrt.

| Regional Contract Logistics, Segment financial information (IFRS, unaudited, EUR mn)

Description	2017 unaudited figures		2018 unaudited figures		Nominal change y-o-y ¹		Percentage change y-o-y ¹	
	2017 Q4	2017 FY	2018 Q4	2018 FY	2018 Q4	2018 FY	2018 Q4	2018 FY
Revenue	32.1	124.5	36.2	137.3	4.1	12.7	12.7%	10.2%
Direct wages, benefits & allowances	(4.3)	(16.3)	(5.9)	(20.3)	(1.5)	(4.0)	(35.6%)	(24.9%)
Fuel cost	(3.6)	(13.4)	(4.4)	(15.8)	(0.8)	(2.5)	(20.8%)	(18.7%)
Toll fees and transit costs	(5.4)	(19.7)	(5.5)	(21.5)	(0.1)	(1.8)	(2.8%)	(9.0%)
Cost of subcontractors and reinsurance fee	(7.5)	(29.5)	(8.7)	(33.5)	(1.2)	(4.0)	(16.2%)	(13.5%)
Cost of goods sold	(0.5)	(2.8)	(0.8)	(2.9)	(0.3)	(0.1)	(49.7%)	(3.3%)
Other cost	(1.4)	(9.0)	(3.8)	(14.4)	(2.4)	(5.4)	(168.8%)	(60.5%)
Net gain on fleet sales	(0.1)	0.1	0.1	0.9	0.2	0.8	233.6%	1 039.1%
Gross Profit	9.3	34.0	7.3	29.7	(2.0)	(4.3)	(21.6%)	(12.6%)
Indirect wages and benefits	(2.3)	(8.0)	(2.1)	(7.1)	0.2	0.9	8.1%	11.5%
Other services	(2.0)	(7.5)	(2.5)	(7.8)	(0.5)	(0.4)	(24.5%)	(4.9%)
Other operating income	0.7	1.4	1.0	2.1	0.3	0.7	45.3%	50.4%
Other operating expense	(1.6)	(2.6)	(1.4)	(2.0)	0.2	0.6	12.2%	21.5%
EBITDA	4.1	17.3	2.3	14.8	(1.8)	(2.5)	(43.6%)	(14.3%)

¹ Show n as an increase if the variance has positive effect on results



WABERER'S INTERNATIONAL Nyrt.

| Other Segment, Segment financial information (IFRS, unaudited, EUR mn)

Description	2017 unaudited figures		2018 unaudited figures		Nominal change y-o-y ¹		Percentage change y-o-y ¹	
	2017 Q4	2017 FY	2018 Q4	2018 FY	2018 Q4	2018 FY	2018 Q4	2018 FY
Revenue	13.2	50.6	14.7	57.2	1.5	6.6	11.2%	13.0%
Direct wages, benefits & allowances	-	-	-	-	-	-	-	-
Fuel cost	-	-	-	-	-	-	-	-
Toll fees and transit costs	-	-	-	-	-	-	-	-
Cost of subcontractors and reinsurance fee	(6.7)	(25.4)	(7.5)	(28.9)	(0.8)	(3.5)	(11.8%)	(13.8%)
Cost of goods sold	-	-	-	-	-	-	-	-
Other cost	(5.9)	(18.0)	(5.5)	(20.6)	0.4	(2.6)	6.6%	(14.6%)
Net gain on fleet sales	0.0	0.0	-	-	(0.0)	(0.0)	(100.0%)	(100.0%)
Gross Profit	0.6	7.3	1.7	7.7	1.1	0.4	182.3%	5.8%
Indirect wages and benefits	0.4	(1.2)	(0.4)	(1.4)	(0.8)	(0.3)	(216.7%)	(24.6%)
Other services	0.2	0.0	(0.0)	(0.1)	(0.2)	(0.2)	(113.8%)	(439.0%)
Other operating income	0.2	0.8	0.3	0.3	0.1	(0.5)	75.1%	(58.6%)
Other operating expense	(0.0)	(0.1)	(0.0)	(0.2)	0.0	(0.1)	18.9%	(146.5%)
EBITDA	1.3	6.9	1.5	6.2	0.2	(0.7)	16.0%	(9.7%)

¹ Show n as an increase if the variance has positive effect on results



WABERER'S INTERNATIONAL Nyrt.

| Inter-segment eliminations in the income statement (IFRS, unaudited, EUR mn)

Description	2017 unaudited figures		2018 unaudited figures	
	2017 Q4	2017 FY	2018 Q4	2018 FY
Revenue	(3.2)	(12.4)	(3.8)	(13.6)
Direct wages, benefits & allowances	-	-	-	-
Fuel cost	0.0	0.0	0.0	0.0
Toll fees and transit costs	0.2	0.4	0.1	0.3
Cost of subcontractors and reinsurance fee	0.1	0.8	0.3	1.8
Cost of goods sold	2.8	8.6	2.1	8.5
Other cost	0.2	0.9	0.3	0.3
Net gain on fleet sales	(0.8)	(0.4)	0.1	-
Gross Profit	(0.8)	(2.1)	(0.9)	(2.6)
Indirect wages and benefits	-	-	-	-
Other services	1.0	2.7	0.8	2.6
Other operating income	(0.2)	(0.6)	0.1	(0.1)
Other operating expense	-	-	0.0	0.0
EBITDA	-	-	-	-



WABERER'S INTERNATIONAL Nyrt.

| Group consolidated balance sheet (unaudited, EUR mn)

	31 December 2017	31 December 2018
NON-CURRENT ASSETS		
Property	21.4	20.4
Fixed assets not yet capitalized	1.1	2.7
Vehicles	294.4	321.5
Other equipment	7.0	6.2
Total property, plant and equipment	323.9	350.8
Intangible assets	9.0	13.7
Goodwill	53.4	47.6
Other Financial investments - Debt instruments - Long term	37.7	46.8
Other Financial investments - Equity instruments - Long term	5.7	5.6
Other non-current financial assets	0.1	0.1
Reinsurance amount of technical reserves	20.6	27.7
Deferred tax asset	2.2	2.1
TOTAL NON-CURRENT ASSETS	452.5	494.4
CURRENT ASSETS		
Inventories	3.8	4.4
Current income taxes	1.5	1.5
Trade receivables	119.3	114.4
Other current assets and derivatives	45.0	49.9
Cash and cash equivalents	59.0	57.7
Assets classified as held for sale	0.2	2.8
TOTAL CURRENT ASSETS	228.8	230.7
TOTAL ASSETS	681.4	725.1
SHAREHOLDERS' EQUITY		
Share capital	6.2	6.2
Reserves and retained earnings	162.7	138.6
Translation difference	(1.7)	0.2
Total equity attributable to the equity holders of the parent company	167.2	145.0
Non-controlling interest	8.3	0.1
TOTAL SHAREHOLDERS' EQUITY	175.5	145.1
LIABILITIES		
LONG-TERM LIABILITIES		
Long-term portion of long-term loans	-	-
Long-term portion of leasing liabilities	206.8	212.2
Deferred tax liability	1.3	0.8
Provisions	21.7	22.1
Other long-term liabilities	6.4	-
Other insurance technical provision - long term	41.6	58.6
TOTAL LONG-TERM LIABILITIES	277.8	293.7
CURRENT LIABILITIES		
Short-term loans and borrowings	5.2	17.9
Short-term portion of leasing liabilities	81.4	106.4
Trade payables	114.4	133.4
Current income taxes	0.6	0.1
Provisions	3.4	2.4
Other current liabilities and derivatives	19.2	22.1
Other insurance technical provision - short term	3.9	4.1
TOTAL CURRENT LIABILITIES	228.1	286.4
TOTAL LIABILITIES	505.9	580.0
TOTAL EQUITY AND LIABILITIES	681.4	725.1
DEBT		
Gross leverage ¹	293.4	336.6
Net leverage ²	234.4	278.9
Net leverage ratio (EBITDA multiple)	2.8	4.9
Net recurring leverage ratio (recurring EBITDA multiple)	2.7	4.3

¹ Gross leverage is the sum of the following balance sheet items: Long-term portion of long-term loans, Long-term portion of leasing liabilities, Short-term loans and borrowings, and Short-term portion of leasing liabilities.

² Net leverage is Gross leverage less Cash and cash equivalents.

WABERER'S INTERNATIONAL Nyrt.

| Group consolidated cash flow statement (unaudited, EUR mn)

	Q4 2017	2017 FY	Q4 2018	2018 FY
Profit/loss before tax	4.4	23.2	(16.53)	(15.9)
Non-realised exchange loss/gain on other FX assets and liabilities (-)	(1.4)	(1.1)	0.2	1.8
Booked depreciation and amortisation	15.6	56.0	18.3	66.2
Impairment	(0.0)	(0.0)	6.1	6.2
Interest expense	1.3	4.7	1.3	4.9
Interest income	(0.0)	(0.1)	(0.0)	(0.1)
Difference between provisions allocated and used	2.7	5.4	5.2	1.1
Changes of Insurance technical reserves	0.1	5.4	0.3	9.8
Result from sale of tangible assets	(0.0)	(0.0)	(0.0)	(0.1)
Result from sale of non-current assets held for sale	(0.8)	(4.0)	(1.3)	(4.5)
Net cash flows from operations before changes in working capital	21.8	89.5	13.6	69.2
Changes in inventories	(0.7)	(0.5)	(0.5)	(0.6)
Changes in trade receivables	5.8	(6.4)	10.9	4.5
Changes in other current assets and derivative financial instruments	(2.6)	(5.4)	3.5	(5.9)
Changes in trade payables	13.0	16.0	10.0	18.9
Changes in other current liabilities and derivative financial instruments	(1.9)	1.4	(4.0)	1.3
Changes in Insurance technical liabilities	2.3	(3.1)	3.5	0.0
Income tax paid	(0.5)	(7.1)	(1.4)	(6.0)
I. Net cash flows from operations	37.2	84.5	35.5	81.5
Tangible asset additions	(5.0)	(11.9)	(4.4)	(14.2)
Income from sale of tangible assets	0.3	0.7	0.0	0.3
Income from sale of non-current assets held for sale	10.7	30.5	7.9	29.2
Changes in other non-current financial assets	0.0	0.8	0.1	0.3
Changes in Financial investments (Equity and Debt instruments)	8.8	0.9	(5.3)	(9.1)
Prepayment made for acquisition	-	-	-	-
Cash and cash equivalents acquired	-	0.4	-	-
Interest income	0.0	0.1	0.0	0.1
II. Net cash flows from investing activities	14.9	21.6	(1.7)	6.6
Borrowings	(0.2)	(7.7)	(5.0)	4.5
Repayment of loans, borrowings	-	-	-	-
Lease payment	(20.4)	(58.9)	(18.1)	(61.2)
Lease payment related to sold assets	(8.5)	(21.3)	(6.7)	(21.5)
Interest paid	(1.3)	(4.7)	(1.3)	(4.9)
Buy back of own shares	-	-	(1.0)	(1.0)
Dividend paid	-	(0.6)	-	(0.1)
Loans to parent company	-	-	-	-
Buy-out of non-controlling interest	-	-	0.0	(5.4)
Own shares	-	-	1.2	-
Capital increase	(0.3)	46.9	-	-
Acquisition of related company	-	(32.3)	-	-
III. Net cash flows from financing activities	(30.8)	(78.7)	(30.8)	(89.5)
IV. Changes in cash and cash equivalents	21.3	27.3	3.0	(1.3)
Cash and cash equivalents as at the beginning of the period	37.7	31.7	54.7	59.0
Cash and cash equivalents as at the end of the period	59.0	59.0	57.7	57.7
Free cash flow (previous methodology)¹	34.5	74.8	27.3	79.8
Free cash flow (new methodology)¹	12.7	11.2	8.0	13.8

¹ According to the previous Free Cash Flow (FCF) methodology, FCF was as the sum of the following cash flow items: Net cash from operations, Tangible asset additions, Income from sale of non-current assets held for sale, Borrowings, and Lease payments related to sold assets. The methodology was as changed to include all items related to the company's financial lease structure. The new FCF methodology includes all elements of the old methodology, as well as Lease payment and Interest paid.

WABERER'S INTERNATIONAL Nyrt.

| Group consolidated statement of changes in equity (IFRS, unaudited, EUR mn)

	Subscribed capital	Reserves and retained earnings	Translation difference	Total equity attributable to the equity holders of the parent company	Non-controlling interest	Total shareholders' equity
Opening value as at 1 January 2017	5.0	102.1	(0.7)	106.4	7.9	114.2
Fair-value of cash-flow hedged transaction (FX) - less deferred tax	-	(0.7)	-	(0.7)	-	(0.7)
Exchange difference on foreign operations	-	-	(1.0)	(1.0)	-	(1.0)
Other comprehensive income	-	(0.7)	(1.0)	(1.7)	-	(1.7)
Profit/Loss for the year	-	18.2	-	18.2	0.1	18.4
Total comprehensive income	-	17.6	(1.0)	16.6	0.1	16.7
Capital increase with new shares issued	1.1	49.2	-	50.2	-	50.2
Direct cost related to capital increase	-	(3.4)	-	(3.4)	-	(3.4)
Transfer of treasury shares to ESOP organisation	0.1	-	-	0.1	-	0.1
Change in equity as a result of acquisitions	-	(1.9)	-	(1.9)	-	(1.9)
Dividend paid to non-controlling interest	-	-	-	-	(0.6)	(0.6)
Diversion of dividend paid to minorities	-	(0.9)	-	(0.9)	0.9	-
Changes in non controlling interest	-	(0.0)	-	(0.0)	0.0	-
Other movements	-	0.1	-	0.1	(0.0)	0.1
correction of Financial Investment effective interest	-	(0.9)	-	(0.9)	-	(0.9)
Closing value as at 31 December 2017	6.2	161.9	(1.7)	166.3	8.3	174.6
Fair-value of cash-flow hedged transaction (FX) - less deferred tax	-	(1.1)	-	(1.1)	-	(1.1)
Exchange difference on foreign operations	-	-	1.9	1.9	-	1.9
Other comprehensive income	-	(1.1)	1.9	0.8	-	0.8
Profit/Loss for the period	-	(21.0)	-	(21.0)	0.1	(20.9)
Total comprehensive income	-	(1.1)	1.9	0.8	0.1	0.8
Buy back of own shares from ESOP Unit	0.0	(1.0)	-	(1.0)	-	(1.0)
Bonus shares for Employee benefit program	0.0	(0.0)	-	(0.0)	-	(0.0)
Buy-out of non-controlling interest	-	-	-	-	(8.2)	(8.2)
Other movements	-	(0.1)	-	(0.1)	(0.0)	(0.1)
Closing value as at 31 December 2018	6.2	138.6	0.2	145.0	0.1	145.1

WABERER'S INTERNATIONAL Nyrt.

| Group and segment operative key performance indicators

	2017 figures		2018 figures	
	Q4 2017	2017 FY	Q4 2018	2018 FY
Group				
Average number of employees	7 764	7 255	8 293	8 077
Average number of truck drivers	5 826	5 393	6 031	5 934
Average number of trucks	4 303	3 978	4 581	4 450
ITS¹				
Average number of truck drivers	4 920	4 524	5 064	5 017
Average number of trucks	3 604	3 304	3 785	3 696
Average age of trucks (years)	2.3	2.3	2.1	2.0
Total kilometres (millions)	108.3	426.6	108.4	443.7
Average loaded ratio	91.1%	91.4%	91.0%	91.0%
Revenue per loaded kilometre (EUR)	1.03	1.00	1.08	1.05
Kilometres per truck per month	10 020	10 760	9 546	10 004
Fuel consumption (litres per 100 km)	28.9	29.3	28.3	28.4
Fuel price (EUR per litre)	0.85	0.84	0.95	0.92
Drivers per truck	1.37	1.37	1.34	1.36
Repair & maintenance costs (EURc/km)	4.7	4.5	5.6	5.1
Insurance fees (EUR per truck per year)	6 361	6 612	5 102	5 226
Driver costs (EUR cents per km)	21.7	20.1	23.3	21.9
Transit costs (EUR cents per km)	22.9	21.8	24.4	23.1
Transportation days	59	242	59	245
RCL				
Average number of truck drivers	906	869	967	917
Average number of trucks	699	674	796	754
Total kilometres (millions)	15.0	58.5	15.6	59.9
Kilometres per truck per month	7 169	7 236	6 544	6 629
Warehousing capacity (square metres)	198 840	192 421	212 730	204 147
Revenue per used sq. m of wareh. capacity (EUR/yr)	138	129	141	132
Fuel consumption (litres per 100 km)	29.2	28.6	29.8	29.9
Fuel price (EUR per litre)	0.80	0.81	0.94	0.88
Repair & maintenance costs (EURc/km)	4.3	4.8	8.7	5.4
Insurance fees (EUR per truck per year)	2 371	2 295	2 323	2 302
Driver costs (EUR cents per kilometre)	24.2	23.4	29.9	27.0
Transit costs (EUR cents per kilometre)	21.9	21.4	21.1	23.1
Other²				
Solvency II Ratio (%)	193	193		
SCR (Solvency Capital Requirement)	22	22		
Tier 1 Capital	43	43		

¹ ITS data include Link from the third quarter of 2017 onwards except for "Average age of trucks" figures that do not include Link.

² While the Other segment relate to 3rd party customers of the Insurance Company as well as other small-scale activities of the Group, operative KPIs as presented here reflect the figures for the total Insurance Company. At the time of reporting, Solvency II Ratio, SCR, and Tier 1 Capital figures are not available for the reported quarter.