



THIRD QUARTER 2020 FINANCIAL REPORT

Positive recurring EBIT, secured long-term financing, new strategic owner at Waberer's

Budapest, 6 November 2020 - WABERER'S INTERNATIONAL Nyrt. today reports its financial results for the three months ended 30 September 2020.

Highlights Q3 2020

- **Recovery from COVID-19 was quick** in all segments of the Group in the third quarter of 2020 due to the immediate reaction of the Company to the COVID-19 crisis and improving economic environment. Most financial and operational KPIs showed significant uplift compared to previous quarters with recurring EBIT evolving to a level unseen in the past two years
- **Recently announced new strategic owner** (change of ownership is subject to customary anti-trust clearance), coupled with the recovery in operative efficiency, provides a stable environment for further improvement in profitability
- **5-year agreement on financing** guarantees the financial stability of the Group provides support for the next phase of ongoing ITS turnaround
- **Revenue** decreased by 19.3% to EUR 137 million in the third quarter of 2020 compared to third quarter of 2019 as a result of reduction in the size of the trucking fleet in the International Transportation Segment (ITS) partially offset by the growth through successful client acquisitions in the Regional Contract Logistics segment (RCL). Compared to Q2 revenue increased EUR 21.5 million which is 18.6% growth.
- Recurring **EBIT** turned positive in the third quarter to EUR 1.2 million marking a EUR 3 million improvement compared to same period of last year. Compared to the previous quarter recurring EBIT increased by EUR 4 million.
- Recurring **Net income** increased to EUR -1.1 million (EUR +0.1m adjusted by non-cash unrealized FX losses), showing a EUR 4.5 million improvement compared to third quarter of 2019 as a result of the higher EBIT and lower tax. Recurring Net income increased by EUR 10.4 million compared to the previous quarter.
- **Net financial indebtedness** decreased by EUR 15.8 million in the third quarter to EUR 160.5 million, with net leverage ratio remaining stable at 2.9x EBITDA. Net debt decrease is driven by the fleet size reduction at ITS and the improving cash generation capability of the Group.
- **Management believes that**
 - Based on the measures implemented during the first wave of the COVID-19, a possible lockdown in second wave of the pandemic and currently unseen outcome of Brexit are also manageable at modest operational and financial risk
 - The Trade Lane model introduced in the ITS segment successfully met the preliminary expectations. Organizational and operational transformation was smooth and successful. Operations and margins are expected to be further enhanced by the full application of the new model in the coming quarters
 - The share of RCL and Other (third party insurance services) segment – with more favourable financial performance - within the Group is set to increase further
 - Net financial indebtedness will further decrease in the coming months as a result of the finalisation of the fleet size reduction programme in ITS. The decrease will be partly offset by increase due to IFRS16 related capitalization of warehouse renting cost at RCL

Key figures¹ (EUR mn unless otherwise stated)

	Q3 2020	Q3 2019	Better (worse) ³	Q2 2020	Better (worse) ³	9M 2020	9M 2019	Better (worse)
Revenue	137.0	169.8	(19.3%)	115.5	18.6%	426.3	524.6	(18.7%)
EBITDA (recurring)	14.0	15.3	(8.8%)	9.9	41.4%	39.3	42.5	(7.6%)
EBIT (recurring)	1.2	(1.7)		(2.7)		(1.4)	(10.4)	86.3%
Net income (recurring)	(1.1)	(5.6)	79.7%	(11.5)	90.1%	(15.2)	(19.1)	20.7%
EBITDA margin (recurring)	10.2%	9.0%	1.2 pp	8.6%	1.6 pp	9.2%	8.1%	1.1 pp
EBIT margin (recurring)	0.9%	(1.0%)	1.9 pp	(2.4%)	3.3 pp	(0.3%)	(2.0%)	1.6 pp
Net income margin (recurring)	(0.8%)	(3.3%)	2.5 pp	(10.0%)	9.1 pp	(3.6%)	(3.6%)	0.1 pp
Net financial indebtedness ²	160.5	290.6	44.8%	176.3	9.0%			
Net leverage ratio ²	2.9	5.4	45.9%	3.1	6.7%			

¹ Management updated non-recurring classification in 2020 and one-of cost of ITS restructuring is categorised as non-recurring for all 2020. Please see details on page 9. For the definitions of non-IFRS measures, please refer to the Glossary on page 15. Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

² As of end of the period

³ Compared to Q3 2020 figures

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 Annual Report 2019 dated 30 April 2020, which is available on our website for investors at https://www.waberers.com/files/document/document/1034/WABERERS%20ANNUAL%20REPORT%202019_ENG.PDF.



WABERER'S
OPTIMUM SOLUTION

WABERER'S INTERNATIONAL Nyrt.
H-1239 Budapest, Nagyköroői út 351.
www.waberers.com

Investor Relations

Viktor Majzik
investor.relations@waberers.com
Tel: +36 1 421 6300

Barna Erdélyi, CEO of WABERER'S INTERNATIONAL Nyrt. commented: "After an extremely challenging second quarter with parts of Europe under lockdown, the Company managed to establish the long-term stability for the Group in third quarter of 2020 with the support of its major stakeholders.

As result of the quick reaction of the Management to the once-in-a-lifetime pandemic-hit market circumstances and slowly improving macroeconomic environment, the Company significantly outperformed both the previous quarter and last year's financial results in the third quarter of 2020. Recurring EBIT turned positive in the third quarter of 2020 and reached EUR 1.2 million, a level not seen since the second quarter of 2018.

Starting in July, we successfully launched the new "Trade Lane" business model at ITS. Despite the challenging environment (both on the market and internally), the model change was smooth and met our initial expectations both on internal organizational level and in our daily operation for serving our Tier 1 customers at the major European industrial zones. Our Poland-based operation already introduced the Trade Lane model as a pilot project with concentrated geographical focus in the second half of 2019 and we already reached the turnaround point. Based on the inhouse experiences in the pilot project and the first results of Trade Lane model in ITS, we are confident that turnaround is achievable in the coming quarters in ITS, too.

As a result of the well-diversified customer portfolio in the Regional Customer Logistics segment, its EBIT outperformed both the previous quarter and the third quarter of 2019. Serving Tier 1 customers in retail, FMCG and pharmaceutical sectors and supporting the Government at the logistics of antiseptics, masks and other protective equipment, offset the temporary decrease in the demand for logistics services at clients at more cyclical industries (such as automotive). In the third quarter, RCL experienced the recovery of segments that were severely affected by the lockdown in early spring. We are confident that the stable performance of RCL segment is secured even in case of severe second wave of the pandemic crisis.

The Other segment – covering third party insurance service – results also improved compared to third quarter of 2019. Revenue level increased by 6% despite of significant number of key clients from the Hungarian transportation segment temporarily terminated their operations as a result of lower demand driven by the pandemic. Moreover, margins improved as we managed to keep damage cost flat despite the increase in revenue.

Our majority shareholder (Mid Europa Partners) announced that it agreed to sell 24% of its shares at Waberer's to Indotek Group (change of ownership is subject to customary anti-trust clearance). At the time of the announcement, Indotek Group also announced that acquisition of Waberer's shares was driven by their long term strategy to diversify their operations and to exploit synergies between Indotek's existing assets and Waberer's Group expertise and customer base in international transportation and contract logistics services. Indotek Group also confirmed its support of the current strategy of Management in changing the business model of ITS.

The Group managed to reach an agreement with the consortium of our financing partners on a 5-year long financing plan covering all relevant aspects of financing the Group, including fleet financing, working capital financing facilities and the effect of Hungarian government mandated leasing and debt moratorium. Indotek Group also supports the new agreement.

In the middle of the second wave of the pandemic, we believe that we proved during the last 3-6 months that we were able to protect our colleagues' health and managed to improve our performance in all our segments parallelly. The long-term commitment of our new owner and our financing partners will provide the required stability of Waberer's Group to be able to fully concentrate on serving our customers during peak season and on progressing with the ITS turnaround in the coming quarters."

Management analysis

Group result for the period

Income Statement¹ (EUR mn)

	Q3 2020	Q3 2019	Better (worse)	9M 2020 ⁴	9M 2019	Better (worse)
Revenue	137.0	169.8	(19.3%)	426.3	524.6	(18.7%)
Direct costs	(108.8)	(140.3)	22.5%	(347.1)	(439.4)	21.0%
Gross profit (recurring)	28.2	29.4	(4.1%)	79.2	85.2	(7.1%)
OPEX	(14.2)	(14.1)	(1.0%)	(39.9)	(42.6)	6.5%
EBITDA (recurring)	14.0	15.3	(8.8%)	39.3	42.5	(7.6%)
Depreciation and Amortisation	(12.8)	(17.1)	25.4%	(40.7)	(52.9)	23.1%
EBIT (recurring)	1.2	(1.7)		(1.4)	(10.4)	86.3%
Financial result	(2.2)	(2.5)	12.1%	(10.6)	(5.1)	
Taxes	(0.2)	(1.3)	88.0%	(3.2)	(3.7)	13.2%
Net income (recurring)	(1.1)	(5.6)	79.7%	(15.2)	(19.1)	20.7%
Non-recurring items	(3.4)	(2.9)	(19.5%)	(6.8)	(0.5)	
Gross margin (recurring)	20.6%	17.3%	3.3 pp	18.6%	16.2%	2.3 pp
EBITDA margin (recurring)	10.2%	9.0%	1.2 pp	9.2%	8.1%	1.1 pp
EBIT margin (recurring)	0.9%	(1.0%)	1.9 pp	(0.3%)	(2.0%)	1.6 pp
Net income margin (recurring)	(0.8%)	(3.3%)	2.5 pp	(3.6%)	(3.6%)	0.1 pp
Average number of trucks	2 814	3 965	(29.0%)	3 082	4 178	(26.2%)
Average number of employees	6 431	7 516	(14.4%)	7 287	7 692	(5.3%)
Average number of truck drivers	3 535	5 411	(34.7%)	4 123	5 584	(26.2%)

¹ Figures adjusted for better comparability, re-categorising the effect of insurance-related provisions, an OPEX item, as Direct Costs. EBITDA is not affected. For exact figures on the effect on the re-categorisation, please refer to page 10.

Economic environment

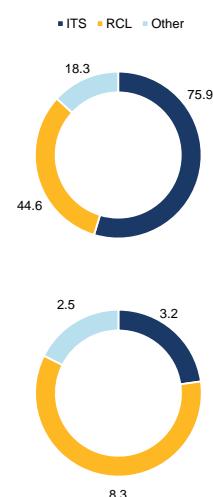
In the third quarter of 2020, European economic indicators showed a significant improvement compared to the pandemic-hit second quarter of 2020, however, industrial production is still significantly below 2019 Q3 level.² The year-on-year fall in industrial production amounted to 7% and 6% in July and August, respectively. Retail trade in the EU already exceeded its 2019 level with 1% and 6% improvement in July and August in the non-food products segment on year-on-year level. In Hungary, the recovery of the industry was faster than in the EU: industrial production level in August 2020 already reached August 2019 output. Retail trade figures in Hungary in July and August were also roughly on 2019 levels (+0.5% in July and -0.8% in August year-on-year).³

Revenue

Revenue decreased by 19.3% year-on-year in the third quarter of 2020 to EUR 137 million. Compared to the third quarter of last year, revenue was 36.3% lower in the International Transportation Segment (ITS) as a result of the fleet reduction programme and weaker economic performance in the EU. In the Regional Contract Logistics (RCL) segment, revenue grew by 21.7% due to the launch of a large automotive inhouse-logistics operation at the end of last year.

As a result of the strategic reallocation of resources among the segments, the revenue share of growing and higher-margin RCL and Other segments within the Group increased to 46% in third quarter of 2020 compared to 32% in same period of 2019

Revenue (top) and recurring EBITDA (bottom) split by segments in Q3 2020 (EUR mn)



Notes: Revenue not filtered for inter-segment eliminations. ITS: International Transportation Segment; RCL: Regional Contract Logistics segment; Other: All other activities including mainly 3rd party insurance services.

² Data for September 2020 is not available at the time of publication of the current report.

³ Source: Eurostat seasonally and calendar day adjusted data for the Eurozone and Hungary. Percentage figures denote the change compared to the same period in the previous year.

⁴ Please see details of updated non-recurring classification on page 9.



Headcount

Despite the significant year-on-year headcount increase in RCL as a result of new customer acquisition in December 2019, the Group level total headcount decreased by 14% to 6,431. The headcount decrease in third quarter was driven by lower demand for drivers due to decreased ITS fleet size and the resizing of indirect headcount.

Gross profit, EBITDA and EBIT

In the third quarter of 2020, **recurring gross profit** was 4.1% lower than last year's, with gross margin higher by 3.3 percentage points at 20.6%. The improvement of gross profit margin was due to the increasing share of the RCL segment with highest gross profit margin level in the Group and segment level efficiency improvement in the ITS and Other segments.

Recurring **EBITDA** decreased by 8.8% in the third quarter year-on-year, resulting in an EBITDA margin of 10.2%, marking a 1.2 percentage points improvement on a year-on-year basis. The increase in EBITDA margin is partly due to higher gross margin and partly due to savings in indirect wages as a result of extraordinary measures

Recurring **EBIT** increased by EUR 3.0 million and turned to the positive range with the value of EUR 1.2 million. Depreciation and Amortisation (D&A) decreased by EUR 4.3 million year-on-year to EUR 12.8 million. D&A decrease is due to the 36% fleet size decrease in ITS on year-on-year basis. Despite the lease payment moratorium, D&A calculation was not affected. However, we reclassified to non-recurring items the D&A of those vehicles that are set for sale but still included in the books.

Net income

Financial result showed EUR 2.2 million loss in the third quarter of 2020, which is 12.1% lower compared to the loss in the same period last year. Interest paid decreased by EUR 0.5 million in third quarter year-on-year as a result of the fleet size decrease. Despite the moratorium, interest is booked and accrued in the P&L. The value of non-cash unrealized FX losses (due to the revaluation of the assets and liabilities in subsidiaries that do not use the Euro as their functional currency) was EUR 1.2 million in the third quarter of 2020 that is EUR 0.6 million higher than the loss in third quarter of 2019.

Tax expenses, which include corporate income tax as well as revenue-based local taxes and also non-cash deferred tax, amounted to EUR 0.2 million in the quarter, EUR 1.2 million lower than in the third quarter of last year. Change in deferred tax was the major driver of year-on-year improvement.

Recurring net income showed a loss of EUR 1.1 million for the quarter compared to a loss of EUR 5.6 million last year.

Group cash flow and debt

Cash flow

| Cash Flow Statement (EUR mn)

	Q3 2020	Q3 2019	9M 2020	9M 2019
Net cash flows from operations	14.8	4.4	36.5	21.9
of which: change in working capital	1.9	(8.1)	1.5	(27.8)
Net cash flows from investing and financing activities	(12.3)	(5.5)	(42.5)	(37.1)
Change in cash and cash equivalents	2.5	(1.1)	(5.9)	(15.2)
Free cash flow	2.6	2.8	2.1	0.1
CAPEX	(0.7)	(2.1)	(2.8)	(6.9)

Net cash flows from operations in third quarter of 2020 increased to EUR 14.8 million that is EUR 10.4 million higher cash generation on year-on-year level. Improvement compared to last year is mostly due to strict working capital management.

Net cash flows from investing and financing activities showed a net outflow of EUR 12.3 million in the third quarter of 2020, EUR 6.8 million lower than the last year's value. The reason for differences are: (i) decrease in borrowings in third quarter of 2020 as a result of more favourable cash position due to moratorium while borrowing increased in third quarter of 2019 (ii) despite moratorium, leasing instalments were paid for vehicles sold (iii) due to market conditions and number of vehicles sold, achievable sale price was lower.

The **cash position** improved by EUR 2.5 million during the quarter.

Free cash flow, which incorporates cash flow from operations, capital expenditures, and all elements of the lease-based financing of the fleet, slightly changed to an inflow of EUR 2.6 million in the third quarter of 2020 compared to an inflow of EUR 2.8 million in the third quarter of 2019.



Debt

| Indebtedness figures⁴ (EUR mn)

	30 Sept. 2020	31 Dec. 2019	30 Sept. 2019
Net financial indebtedness	160.5	191.1	290.6
Net leverage ratio (recurring EBITDA multiple)	2.9	3.3	5.4

Net financial indebtedness decreased to EUR 160.5 million on 30 September 2020, EUR 30.6 million lower than at the end of 2019 and EUR 130.1 million lower than at the end of the third quarter of 2019. The decrease in net indebtedness was due to better the cash generation of the operation and the deleveraging process driven partly by the fleet size decrease in ITS and partly by the reduction in short-term borrowings.

Net leverage ratio, a multiple of last twelve months recurring EBITDA, was at 2.9 on 30 Sept 2020, meaning 0.4 improvement compared to last December 2019.

⁴ Gross and net financial indebtedness were affected by a change in the accounting treatment of leases at the Group's International Transportation Segment (ITS) in 2019. In the previous methodology, trucks in ITS at both the Hungarian-based and Polish-based operations were acquired with the possibility to buy the truck at the end of the lease periods, with the total value of the truck capitalised in the balance sheet as an asset and a leasing liability. The new method assumes that the trucks will be handed back to the lessor at the end of the lease periods, with the capitalised amount of the contractual lease payments activated on the balance sheet. The change in this accounting method was adopted by the Polish-based operations at 30 September 2019, as reported in the Third Quarter 2019 Financial Report, and reduced assets and leasing liabilities by EUR 28 million. Regarding Hungarian-based operations, the total effect was EUR 72.4 million and the change was adopted on 31 December 2019, amounting to a total balance sheet impact of EUR 100.4 million in 2019.



International Transportation Segment

International Transportation Segment financial information (EUR mn)

	Q3 2020 ¹	Q3 2019 ¹	Better (worse)	9M 2020 ¹	9M 2019 ¹	Better (worse)
Revenue	75.9	119.2	(36.3%)	250.0	376.3	(33.6%)
Direct costs	(64.0)	(102.4)	37.4%	(214.4)	(324.8)	34.0%
Gross profit (recurring)	11.9	16.8	(29.1%)	35.5	51.5	(31.0%)
OPEX	(8.7)	(9.0)	2.6%	(24.4)	(29.1)	16.3%
EBITDA (recurring)	3.2	7.8	(59.4%)	11.2	22.4	(50.0%)
Depreciation and amortisation	(8.5)	(12.9)	34.3%	(28.0)	(40.2)	30.4%
EBIT (recurring)	(5.3)	(5.1)	(4.4%)	(16.8)	(17.8)	5.8%
Non-recurring items	(3.4)	(2.9)		(6.8)	(0.2)	
Gross margin (recurring)	15.7%	14.1%	1.6 pp	14.2%	13.7%	0.5 pp
EBITDA margin (recurring)	4.2%	6.6%	(2.4 pp)	4.5%	6.0%	(1.5 pp)
EBIT margin (recurring)	(7.0%)	(4.3%)	(2.7 pp)	(6.7%)	(4.7%)	(2.0 pp)

¹ Figures adjusted for better comparability, re-categorising the effect of insurance-related provisions, an OPEX item, as Direct Costs. EBITDA is not affected. For exact figures on the effect on the re-categorisation, please refer to page 11.

International Transportation Segment **revenue** decreased by 36.3% to EUR 75.9 million in the third quarter of 2020 compared to the same period in the previous year. The active fleet size decreased by more than 1,100 trucks, or 36% year-on-year as a result of the continuous fleet size reduction programme started in 2019 and finished at the targeted fleet size of the newly introduced Trade Lane model. Transportation prices recovered from the deepest level of pandemic months.

Gross profit in the third quarter of 2020 decreased by 29.1% year-on-year to EUR 11.9 million with gross margin increasing by 1.6 percentage points to 15.7% as a result of lower transit fees and fuel cost.

Recurring EBIT remained flat in the third quarter of 2020 as top-line decrease was offset by cost savings of capacity cut.

Regional Contract Logistics

Regional Contract Logistics financial information (EUR mn)

	Q3 2020 ¹	Q3 2019 ¹	Better (worse)	9M 2020 ¹	9M 2019 ¹	Better (worse)
Revenue	44.6	36.6	21.7%	127.7	107.6	18.7%
Direct costs	(31.0)	(25.5)	(21.6%)	(90.2)	(77.6)	(16.2%)
Gross profit (recurring)	13.7	11.2	22.1%	37.4	29.9	25.1%
OPEX	(5.3)	(5.3)	(0.7%)	(16.2)	(14.4)	(13.0%)
EBITDA (recurring)	8.3	5.9	41.3%	21.2	15.6	36.3%
Depreciation and amortisation	(4.2)	(4.1)	(1.7%)	(12.5)	(12.5)	(0.1%)
EBIT (recurring)	4.2	1.8	132.0%	8.7	3.0	185.9%
Non-recurring items	-	-		-	(0.2)	
Gross margin (recurring)	30.6%	30.5%	0.1 pp	29.3%	27.8%	1.5 pp
EBITDA margin (recurring)	18.7%	16.1%	2.6 pp	16.6%	14.5%	2.1 pp
EBIT margin (recurring)	9.3%	4.9%	4.4 pp	6.8%	2.8%	4.0 pp

¹ Figures adjusted for better comparability, re-categorising the effect of insurance-related provisions, an OPEX item, as Direct Costs. EBITDA is not affected. For exact figures on the effect on the re-categorisation, please refer to page 11.

Revenue in the Regional Contract Logistics segment rose by 21.7% year-on-year to EUR 44.6 million in the third quarter of 2020. The increase in revenue was mostly due to a large contract in the automotive sector where Waberer's provides in-house logistics services.

Gross profit grew by 22.1% year-on-year to EUR 13.7 million with unchanged gross margin at 30.6%.

EBIT increased by 132% year-on-year to EUR 4.2 million, corresponding with a margin of 9.3% that means 4.4 %point improvement as a result of stable indirect cost level despite growing volumes.

Other segment

Other segment financial information (EUR mn)

	Q3 2020	Q3 2019	Better (worse)	9M 2020	9M 2019	Better (worse)
Revenue	18.3	17.2	6.2%	54.0	50.7	6.6%
Direct costs	(15.6)	(15.4)	(1.5%)	(46.8)	(45.5)	(2.9%)
Gross profit (recurring)	2.7	1.8	45.5%	7.2	5.2	39.1%
OPEX	(0.2)	(0.2)	10.8%	(0.4)	(0.6)	44.7%
EBITDA (recurring)	2.5	1.6	54.1%	6.9	4.6	50.8%
Depreciation and amortisation	(0.1)	(0.1)	(43.8%)	(0.2)	(0.2)	(18.1%)
EBIT (recurring)	2.4	1.5	54.5%	6.7	4.4	52.2%
Gross margin (recurring)	14.6%	10.7%	4.0 pp	13.4%	10.3%	3.1 pp
EBITDA margin (recurring)	13.4%	9.3%	4.2 pp	12.8%	9.0%	3.7 pp
EBIT margin (recurring)	13.0%	9.0%	4.1 pp	12.4%	8.7%	3.7 pp

Revenue in the Other segment, which includes predominantly the third-party insurance activities, increased by 6.2% year-on-year to EUR 18.3 million, reflecting a quick recovery from the slight decrease during the lockdown in second quarter.

The profitability of the third party insurance activities improved significantly in the third quarter as **EBIT** increased to EUR 2.4million with EBIT margin higher by 4.1 percentage points at 13.0%, mainly due to lower damage ratio on insured vehicles.



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 third quarter financial report disclosed on 6 November 2020, 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.

Budapest, 6 November 2020

A blue ink signature of Barna Erdélyi, consisting of stylized, cursive letters.

Barna Erdélyi
Chief Executive Officer

A blue ink signature of Szabolcs Tóth, consisting of stylized, cursive letters.

Szabolcs Tóth
Chief Financial Officer

Financial statements and key performance indicators

| Group consolidated income statement (IFRS, EUR mn) and key performance indicators

	Quarterly figures		Year-to-date figures		Better (worse)			
	Q3 2020 unaudited ¹	Q3 2019 unaudited ¹	9M 2020 unaudited ¹	9M 2019 unaudited ¹	Q3 2020		9M 2020	
	EUR mn		EUR mn		EUR mn	percent	EUR mn	percent
Revenue	137.0	169.8	426.3	524.6	(32.8)	(19.3%)	(98.3)	(18.7%)
Direct costs	(108.8)	(140.3)	(347.1)	(439.4)	31.5	22.5%	92.3	21.0%
Gross profit (recurring)	28.2	29.4	79.2	85.2	(1.2)	(4.1%)	(6.0)	(7.1%)
OPEX	(14.2)	(14.1)	(39.9)	(42.6)	(0.1)	(1.0%)	2.8	6.5%
EBITDA (recurring)	14.0	15.3	39.3	42.5	(1.4)	(8.8%)	(3.2)	(7.6%)
Depreciation and amortisation	(12.8)	(17.1)	(40.7)	(52.9)	4.3	25.4%	12.2	23.1%
EBIT (recurring)	1.2	(1.7)	(1.4)	(10.4)	3.0		9.0	86.3%
Financial result	(2.2)	(2.5)	(10.6)	(5.1)	0.3	12.1%	(5.5)	
Taxes	(0.2)	(1.3)	(3.2)	(3.7)	1.2	88.0%	0.5	13.2%
Net income (recurring)	(1.1)	(5.6)	(15.2)	(19.1)	4.5	79.7%	4.0	20.7%
Non-recurring items	(3.4)	(2.9)	(6.8)	(0.5)	(0.6)		(6.3)	
Average number of trucks	2 814	3 965	3 082	4 178				
Average number of employees	6 431	7 516	7 287	7 692				
Average number of truck drivers	3 535	5 411	4 123	5 584				

¹ Figures adjusted for better comparability, re-categorising the effect of insurance-related provisions, an OPEX item, as direct costs. The re-categorisation affects figures for Direct costs and OPEX by amounts as presented in the table below.

	Q3 2020	Q3 2019	9M 2020	9M 2019
Effect on Direct costs	0.1	1.2	(0.5)	3.5
Effect on OPEX	(0.1)	(1.2)	0.5	(3.5)

| Reconciliation of recurring figures (EUR mn)

	Quarterly figures		Year-to-date figures		Better (worse)			
	Q3 2020 unaudited	Q3 2019 unaudited	9M 2020 unaudited	9M 2019 unaudited	Q3 2020		9M 2020	
	EUR mn		EUR mn		EUR mn	percent	EUR mn	percent
Gross profit (reported)	26.7	29.4	76.4	85.2	(2.7)	(22.0%)	(8.8)	(20.8%)
EBITDA (reported)	12.0	12.5	35.9	42.1	(0.5)	(3.8%)	(6.2)	(14.7%)
EBIT (reported)	(2.2)	(4.6)	(8.2)	(10.8)	2.4	52.6%	2.7	24.5%
Net income (reported)	(4.6)	(8.5)	(22.0)	(19.6)	3.9	46.1%	(2.3)	(11.9%)
Gross profit (recurring)	28.2	29.4	79.2	85.2	(1.2)	(7.9%)	(6.0)	(14.1%)
EBITDA (recurring)	14.0	15.3	39.3	42.5	(1.4)	(8.8%)	(3.2)	(7.6%)
EBIT (recurring)	1.2	(1.7)	(1.4)	(10.4)	3.0		9.0	86.3%
Net income (recurring)	(1.1)	(5.6)	(15.2)	(19.1)	4.5	79.7%	4.0	20.7%

| Details of non-recurring items on major P&L lines (EUR mn)

	Q3 2020	Q3 2019	9M 2020	9M 2019
Effect on Direct cost	(1.5)	-	(2.7)	-
Effect on OPEX	(0.5)	(2.9)	(0.7)	(0.5)
Effect on D&A	(1.4)	-	(3.4)	-
Total non-recurring items	(3.4)	(2.9)	(6.8)	(0.5)

One-time expenses of ITS restructuring to newly introduced Trade Lane model are considered as non-recurring items in the current Report. Major elements of the restructuring costs are direct and indirect wages (severances) as a result of headcount decrease, repair & maintenance cost as a consequence of inevitable preparation of stopped trucks for sale and D&A as a result of the significant time demand of fleet size decrease process with cca. 1000 trucks.

ITS restructuring cost first incurred in second quarter of 2020 totalling EUR 3.1 million that was not presented among non-recurring cost in the Q2 2020 Financial Report. In the current report, year-to-date non-recurring items (totalling EUR 6.8 million) already contain the Q2 and Q3 effect of the restructuring.



International Transportation Segment, financial information (IFRS, EUR mn) and key performance indicators

	Quarterly figures		Year-to-date figures		Better (worse)			
	Q3 2020	Q3 2019	9M 2020	9M 2019	Q3 2020		9M 2020	
	unaudited ¹	unaudited ¹	unaudited ¹	unaudited ¹	EUR mn	percent	EUR mn	percent
Revenue	75.9	119.2	250.0	376.3	(43.2)	(36.3%)	(126.3)	(33.6%)
Direct costs	(64.0)	(102.4)	(214.4)	(324.8)	38.3	37.4%	110.3	34.0%
Gross profit (recurring)	11.9	16.8	35.5	51.5	(4.9)	(29.1%)	(15.9)	(31.0%)
OPEX	(8.7)	(9.0)	(24.4)	(29.1)	0.2	2.6%	4.7	16.3%
EBITDA (recurring)	3.2	7.8	11.2	22.4	(4.7)	(59.4%)	(11.2)	(50.0%)
Depreciation and amortisation	(8.5)	(12.9)	(28.0)	(40.2)	4.4	34.3%	12.2	30.4%
EBIT (recurring)	(5.3)	(5.1)	(16.8)	(17.8)	(0.2)	(4.4%)	1.0	5.8%
Non-recurring items	(3.4)	(2.9)	(6.8)	(0.2)	(0.6)		(6.5)	
Average number of trucks	2 020	3 159	2 279	3 373				
Average number of truck drivers	2 600	4 460	3 159	4 624				
Number of orders (thousand) ²	62.0	81.9	207.4	259.6				

¹ Figures adjusted for better comparability, re-categorising the effect of insurance-related provisions, an OPEX item, as direct costs. The re-categorisation affects figures for Direct costs and OPEX by amounts presented in the table below.

	Q3 2020	Q3 2019	9M 2020	9M 2019
Effect on Direct costs	0.3	0.7	(0.4)	3.6
Effect on OPEX	(0.3)	(0.7)	0.4	(3.6)

Regional Contract Logistics segment, financial information (IFRS, EUR mn) and key performance indicators

	Quarterly figures		Year-to-date figures		Better (worse)			
	Q3 2020	Q3 2019	9M 2020	9M 2019	Q3 2020		9M 2020	
	unaudited ¹	unaudited ¹	unaudited ¹	unaudited ¹	EUR mn	percent	EUR mn	percent
Revenue	44.6	36.6	127.7	107.6	8.0	21.7%	20.1	18.7%
Direct costs	(31.0)	(25.5)	(90.2)	(77.6)	(5.5)	(21.6%)	(12.6)	(16.2%)
Gross profit (recurring)	13.7	11.2	37.4	29.9	2.5	22.1%	7.5	25.1%
OPEX	(5.3)	(5.3)	(16.2)	(14.4)	(0.0)	(0.7%)	(1.9)	(13.0%)
EBITDA (recurring)	8.3	5.9	21.2	15.6	2.4	41.3%	5.6	36.3%
Depreciation and amortisation	(4.2)	(4.1)	(12.5)	(12.5)	(0.1)	(1.7%)	(0.0)	(0.1%)
EBIT (recurring)	4.2	1.8	8.7	3.0	2.4		5.6	
Non-recurring items	-	-	-	(0.2)	-		0.2	
Average number of trucks	794	806	803	805				
Average number of truck drivers	935	951	964	960				
Warehousing capacity (th. sq. metres)	241.1	221.7	234.6	214.0				

¹ Figures adjusted for better comparability, re-categorising the effect of insurance-related provisions, an OPEX item, as direct costs. The re-categorisation affects figures for Direct costs and OPEX by amounts presented in the table below.

	Q3 2020	Q3 2019	9M 2020	9M 2019
Effect on Direct costs	(0.2)	0.5	(0.1)	(0.2)
Effect on OPEX	0.2	(0.5)	0.1	0.2

Other segment, financial information (IFRS, EUR mn)

	Quarterly figures		Year-to-date figures		Better (worse)			
	Q3 2020	Q3 2019	9M 2020	9M 2019	Q3 2020		9M 2020	
	unaudited ¹	unaudited	unaudited ¹	unaudited	EUR mn	percent	EUR mn	percent
Revenue	18.3	17.2	54.0	50.7	1.1	6.2%	3.4	6.6%
Direct costs	(15.6)	(15.4)	(46.8)	(45.5)	(0.2)	(1.5%)	(1.3)	(2.9%)
Gross profit (recurring)	2.7	1.8	7.2	5.2	0.8	45.5%	2.0	39.1%
OPEX	(0.2)	(0.2)	(0.4)	(0.6)	0.0	10.8%	0.3	44.7%
EBITDA (recurring)	2.5	1.6	6.9	4.6	0.9	54.1%	2.3	50.8%
Depreciation and amortisation	(0.1)	(0.1)	(0.2)	(0.2)	(0.0)	(43.8%)	(0.0)	(18.1%)
EBIT (recurring)	2.4	1.5	6.7	4.4	0.8		2.3	
Non-recurring items	-	-	-	-	-		-	

¹ Figures adjusted for better comparability, re-categorising the effect of insurance-related provisions, an OPEX item, as direct costs. The re-categorisation affects figures for Direct costs and OPEX by amounts presented in the table below.

	Q3 2020	Q3 2019	9M 2020	9M 2019
Effect on Direct costs	(0.1)	-	(0.1)	-
Effect on OPEX	0.1	-	0.1	-

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

	Quarterly figures		Year-to-date figures	
	Q3 2020	Q3 2019	9M 2020	9M 2019
	unaudited	unaudited	unaudited	unaudited
Revenue	(1.9)	(3.3)	(5.4)	(9.9)
Direct costs	1.8	2.9	4.4	8.4
Gross profit (recurring)	(0.0)	(0.4)	(1.0)	(1.5)
OPEX	0.0	0.4	1.0	1.5
EBITDA (recurring)	(0.0)	(0.0)	(0.0)	(0.0)
Non-recurring items	-	-	-	-

| Group consolidated balance sheet (IFRS, EUR mn)

	30 September 2020 unaudited	31 December 2019 audited	30 September 2019 unaudited
NON-CURRENT ASSETS			
Property	57.6	69.1	63.5
of which: Right of use assets	45.4	50.7	47.4
Fixed assets not yet capitalized	0.4	0.3	1.8
Vehicles	110.6	154.1	240.3
Other equipment	3.7	4.9	5.0
Total property, plant and equipment	172.4	228.4	310.6
Intangible assets	16.7	17.9	16.7
Goodwill	31.7	31.7	47.6
Other Financial investments - Debt instruments - Long term	81.0	72.8	67.9
Other non-current financial assets	0.1	0.1	0.0
Reinsurance amount of technical reserves	39.8	36.5	32.6
Deferred tax asset	3.6	1.9	2.5
TOTAL NON-CURRENT ASSETS	345.2	389.2	478.0
CURRENT ASSETS			
Inventories	3.2	3.8	4.1
Current income taxes	3.9	1.6	4.2
Trade receivables	86.2	111.7	115.8
Other current assets and derivatives	25.5	49.2	48.1
Cash and cash equivalents	44.9	50.9	42.4
Assets classified as held for sale	0.4	0.2	0.2
TOTAL CURRENT ASSETS	164.2	217.3	214.8
TOTAL ASSETS	509.4	606.5	692.8
SHAREHOLDERS' EQUITY			
Share capital	6.1	6.1	6.1
Reserves and retained earnings	75.7	98.3	117.9
Translation difference	(5.3)	(0.9)	(1.8)
Total equity attributable to the equity holders of the parent company	76.5	103.5	122.3
Non-controlling interest	0.2	0.1	0.1
TOTAL SHAREHOLDERS' EQUITY	76.7	103.6	122.4
LIABILITIES			
LONG-TERM LIABILITIES			
Long-term portion of leasing liabilities	106.5	128.7	217.1
Deferred tax liability	2.4	1.7	1.0
Provisions	20.6	20.4	18.3
Other insurance technical provision - long term	94.0	86.1	82.6
TOTAL LONG-TERM LIABILITIES	223.5	236.9	319.0
CURRENT LIABILITIES			
Short-term loans and borrowings	36.6	48.5	45.3
Short-term portion of leasing liabilities	62.4	64.7	70.7
Trade payables	77.1	118.3	108.6
Current income taxes	0.8	0.5	0.1
Provisions	3.3	3.0	1.3
Other current liabilities and derivatives	23.7	20.9	21.6
Other insurance technical provision - short term	5.3	10.0	3.8
TOTAL CURRENT LIABILITIES	209.2	266.0	251.4
TOTAL LIABILITIES	432.7	502.8	570.4
TOTAL EQUITY AND LIABILITIES	509.4	606.5	692.8
DEBT			
Gross financial indebtedness	205.4	242.0	333.1
Net financial indebtedness	160.5	191.1	290.6
LTM recurring EBITDA ¹	55.1	58.4	54.0
Net leverage ratio	2.9	3.3	5.4

¹ Cumulated last 12 months recurring EBITDA



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

	Quarterly figures		Year-to-date figures	
	Q3 2020 unaudited	Q3 2019 unaudited	9M 2020 unaudited	9M 2019 unaudited
Profit/loss before tax	(4.4)	(7.1)	(18.8)	(15.9)
Non-realised exchange loss/gain on other FX assets and liabilities (-)	1.2	(1.7)	7.8	(1.7)
Booked depreciation and amortisation	12.5	17.1	38.8	52.9
Impairment	0.1	0.1	0.3	0.2
Interest expense	0.8	1.2	2.4	3.5
Interest income	(0.0)	(0.0)	(0.1)	(0.1)
Difference between provisions allocated and used	1.6	(1.2)	0.6	(4.9)
Changes of Insurance technical reserves	1.7	5.8	4.6	19.1
Result from sale of tangible assets	(0.1)	(0.4)	(0.1)	(0.5)
Result from sale of non-current assets held for sale	(0.5)	(1.1)	(0.5)	(2.8)
Net cash flows from operations before changes in working capital	12.9	12.6	35.0	49.6
Changes in inventories	0.2	(0.1)	0.6	0.3
Changes in trade receivables	(4.9)	4.7	26.2	(1.0)
Changes in other current assets and derivative financial instruments	6.5	2.7	24.1	3.5
Changes in trade payables	(1.8)	(11.2)	(43.6)	(24.8)
Changes in other current liabilities and derivative financial instruments	3.9	1.2	2.9	1.1
Changes in Insurance technical liabilities	(2.0)	(2.8)	(4.8)	(0.3)
Income tax paid	0.0	(2.7)	(3.9)	(6.5)
I. Net cash flows from operations	14.8	4.4	36.5	21.9
Tangible asset additions	(0.7)	(2.1)	(2.8)	(6.9)
Income from sale of tangible assets	0.1	2.9	0.2	3.2
Income from sale of non-current assets held for sale	4.5	7.7	5.3	23.2
Changes in other non-current financial assets	0.0	0.0	0.0	0.0
Changes in Financial investments (Equity and Debt instruments)	(0.1)	(4.0)	(8.2)	(15.5)
Interest income	0.0	0.0	0.1	0.1
II. Net cash flows from investing activities	3.7	4.5	(5.5)	4.2
Borrowings	(3.2)	9.3	(9.7)	27.4
Repayment of loans, borrowings	-	-	-	-
Lease payment	(1.7)	(15.9)	(13.4)	(49.6)
Lease payment related to sold assets	(10.4)	(2.2)	(11.4)	(15.6)
Interest paid	(0.8)	(1.2)	(2.4)	(3.5)
III. Net cash flows from financing activities	(16.0)	(10.0)	(37.0)	(41.3)
IV. Changes in cash and cash equivalents	2.5	(1.1)	(5.9)	(15.2)
Cash and cash equivalents as at the beginning of the period	42.4	43.5	50.9	57.7
Cash and cash equivalents as at the end of the period	44.9	42.4	44.9	42.4
Free cash flow	2.6	2.8	2.1	0.1

| 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 2020	6.1	98.3	(0.9)	103.5	0.1	103.6
Fair-value of cash-flow hedged transaction (FX) - less deferred tax	-	0.2	-	0.2	-	0.2
Fair-value of financial instruments	-	(0.6)	-	(0.6)	-	(0.6)
Exchange difference on foreign operations	-	-	(4.4)	(4.4)	-	(4.4)
Other comprehensive income	-	(0.4)	(4.4)	(4.8)	-	(4.8)
Profit/Loss for the period	-	(22.0)	-	(22.0)	0.1	(22.0)
Total comprehensive income	-	(22.5)	(4.4)	(26.9)	0.1	(26.8)
Other movements	-	(0.1)	0.0	(0.1)	0.0	(0.1)
Closing value as at 30 September 2020	6.1	75.7	(5.3)	76.5	0.2	76.7
Opening value as at 1 January 2019	6.2	138.6	0.2	145.0	0.1	145.1
Fair-value of cash-flow hedged transaction (FX) - less deferred tax	-	(0.8)	-	(0.8)	-	(0.8)
Exchange difference on foreign operations	-	-	(2.0)	(2.0)	-	(2.0)
Other comprehensive income	-	(0.8)	(2.0)	(2.8)	-	(2.8)
Profit/Loss for the period	-	(19.3)	-	(19.3)	0.0	(19.3)
Total comprehensive income	-	(20.1)	(2.0)	(22.1)	0.0	(22.1)
Buy back of own shares from ESOP organisation	(0.0)	-	-	(0.0)	-	(0.0)
Other movements	-	(0.1)	-	(0.1)	-	(0.1)
Closing value as at 30 September 2019	6.1	118.4	(1.8)	122.8	0.1	122.9

Glossary

Income statement

Direct Costs: All costs, expenses and income that can be directly attributed to revenue. In the income statement presentation of the annual report, this includes Cost of trucking subcontractors, Cost of goods sold, Direct wages, benefits & allowances, Fuel cost, Toll fees & transit costs, Repair & maintenance, Insurance costs, Reinsurance fee, Direct rent, Other contracts, Vehicle weight tax and other transport related taxes, and Net gain on fleet sales.

OPEX: All costs, expenses and income that cannot be directly assigned to revenue. In the income statement presentation of the annual report, this includes indirect wages & benefits, Other services, Other operating income, and Other operating expense.

EBITDA: Earnings before interest, tax, depreciation and amortisation.

EBIT: Earnings before interest and tax.

Non-recurring items: One-off revenue or cost items related to costs related to IPO-related and other consultancy services, severance payments, provisions for the employee share ownership programme, goodwill impairment, and other income and expense related to lawsuits and settlements.

Recurring EBITDA: EBITDA adjusted with non-recurring items.

Recurring EBIT: EBIT adjusted with non-recurring items.

Recurring Net income: Net income adjusted with non-recurring items.

Cash flow and debt

Free Cash Flow: 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, Lease payments related to sold assets, Lease payment and Interest paid.

Gross financial indebtedness: 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.

Net financial indebtedness: Gross leverage less Cash and cash equivalents.

Net leverage ratio: Net leverage divided by last twelve month recurring EBITDA.

Other terms

ITS: International Transportation Segment, including operations in Poland.

RCL: Regional Contract Logistics segment.

Other segment: The part of the Group not performing transportation-related operations. The majority of the Other segment's performance is the activity of the Insurance Company insuring third parties.

Insurance Company: Wáberer Hungária Biztosító Zrt., is fully owned by Waberer's International Nyrt.