



THIRD QUARTER 2021 FINANCIAL REPORT

Stabilized Group level performance, further improving ITS EBIT

Budapest, 5 November 2021 - WABERER'S INTERNATIONAL Nyrt. today reports its financial results for the three months ended 30 September 2021 and first 3 quarters of 2021.

Highlights Q3 2021

- **Revenue** increased by 7.9% in the third quarter of 2021 on a year-on-year basis and reached EUR 147.8 million. The change compared to the previous quarter (Q2 2021) was -1.4% and both the ITS and RCL segments were affected. The quarter-by-quarter change was mostly driven by seasonal patterns (summer holidays and seasonal production decrease at major factories during the holiday season).
- **Recurring EBIT** reached EUR 6.6 million in Q3 2021 which is a EUR 5.4 million improvement compared to Q3 2020, while year-to-date recurring EBIT increased by EUR 20.3 million compared to the first nine months of 2020 and reached EUR 18.9 million. The quarterly EBIT increase is mostly attributable to the ITS segment (+6.7 million year-on-year increase). The ITS segment further improved compared to the previous (Q2 2021) quarter and achieved the second consecutive quarter with positive EBIT performance. Quarterly recurring EBIT decreased by EUR 1.2 million in the RCL segment in Q3 2021 mostly due to return of the normal pre-covid expense level. There was no change in the recurring EBIT in the Other segment compared to Q3 2020.
- **Recurring Net income** increased to EUR 3.3 million in the third quarter of 2021 which is a EUR 4.5 million improvement on a year-on-year basis while year-to-date cumulative recurring Net Income reached EUR 12.1 million in 2021, a EUR 27 million improvement compared to the first nine months of 2020.
- **Net financial indebtedness** further decreased compared to the previous quarter and was EUR 112 million on 30 September 2021, a decrease of EUR 48.6 million compared to 30 September 2020. The net leverage ratio on 30 September 2021 was 1.6x LTM (Last twelve months) recurring EBITDA (30 September 2020: 2.9x). The continuous net debt decrease since the second quarter of 2019 has been driven by the fleet size decrease in the ITS segment and the postponement of fleet replacements. The decrease has also been supported by improved cash generation in recent quarters.
- **Non-recurring items** were not incurred in the first nine months of 2021.
- **Management believes** that
 - The success of the new operational model has been proven for several quarters;
 - Allowing for the seasonal effects during the quarter, the efficiency level - reached in the last 1-2 quarters - was successfully maintained;
 - The number and the volume of the risks affecting the logistics industry is increasing, such as the chip and other components shortage that affects more and more customers, the unpredictable changes of the global supply chain processes, the increasing pressure of labour force shortages, and the temporary shortage of Adblue, an indispensable component of the modern EURO6 diesel engines providing significantly lower emission levels during operation. However Waberer's well-diversified customer portfolio (both geographically and on an industry basis), our purchasing power and our access to an international driver pool can significantly decrease the effect of these risks.

Key figures¹ (EUR mn unless otherwise stated)

	Q3 2021	Q3 2020	Better (worse)	9M 2021	9M 2020	Better (worse)
Revenue	147.8	137.0	7.9%	440.1	426.3	3.2%
EBITDA (recurring)	18.5	14.0	32%	54.8	39.3	39.3%
EBIT (recurring)	6.6	1.2	435%	18.9	(1.4)	
Net income (recurring)	3.3	(1.1)	395%	12.1	(15.2)	180.0%
EBITDA margin (recurring)	12.5%	10.2%	2.3 pp	12.4%	9.2%	3.2 pp
EBIT margin (recurring)	4.5%	0.9%	3.6 pp	4.3%	(0.3%)	4.6 pp
Net income margin (recurring)	2.3%	(0.8%)	3.1 pp	2.8%	(3.6%)	6.3 pp
Net financial indebtedness ²	112.0	160.5	0.3			
Net leverage ratio ²	1.6	2.9	0.5			

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 10. For the definitions of non-IFRS measures, please refer to the Glossary on page 14. 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

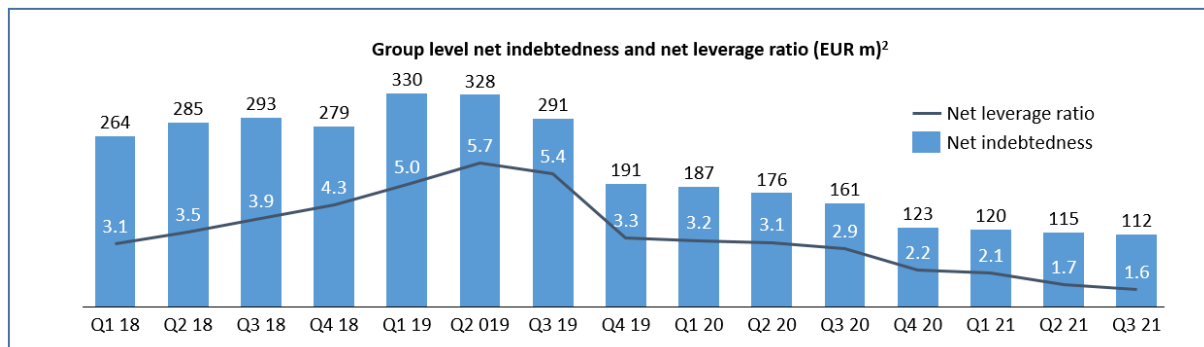
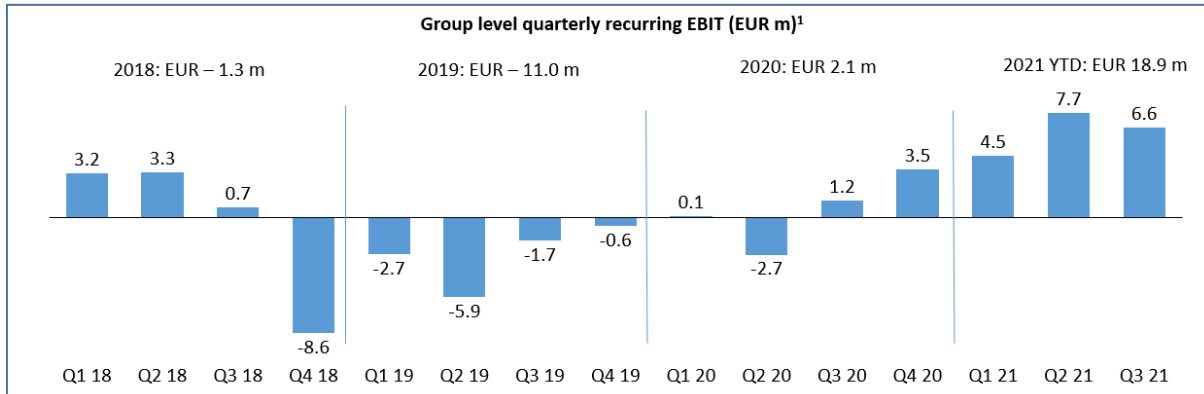
This report may contain forward-looking statements. Statements that are not historical facts, including statements about our beliefs and expectations, are forward-looking statements. These statements are based on current plans, estimates and projections, and therefore should not have undue reliance placed 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 2020 dated 22 April 2021, which is available on our website for investors at https://www.waberers.com/files/document/document/1237/Consolidated%20Annual%20Report_2020.pdf.



Zsolt Barna, CEO of WABERER'S INTERNATIONAL Nyrt. commented: "I am very pleased to inform you that we have managed to stabilize the Group level profitability and as a result of the further improvement of the ITS segment – which provided several challenges in the previous year-, the cumulative first 9 month segment EBIT also turned positive, so the positive results of the historically successful RCL and Other segments are even more visible also on the Group level results.

The effectiveness of the strategic change on the Group's level financial results and indebtedness is clearly presented by these graphs:



The transformation of the international transportation segment results quarter-by-quarter improving financials and proves our original expectations that high quality, flexibility and openness to customers' special demands for quality services could create a viable business model. Based on the proven results, we are putting further efforts into increasing the proportion of customers who demand special services such as guaranteed capacity, transportation of special (ADR) goods, environmental friendly transportation, tracking of high value goods during all stages of the transportation, etc. We are also happy that – after a 2-year suspension – we will relaunch the fleet replacement program in both the ITS and RCL segments by the end of the year. This will decrease our operational cost levels and also the emission level of the fleet. In addition we have been successful increasing month-by-month the volume of our intermodal transportation service volume which we launched in recent months.

While we are proud of the results achieved and see this as sustainable in the current business environment, we also see more and more risks emerging from increasingly diverse directions that affect the entire logistics industry, and we consider the effects of these risks to be difficult to predict in the coming months.

Despite all these risks, I am confident that, while we need to focus hard on the last weeks of the logistics high season of 2021, we and our colleagues will be able to close 2021 business year with pride in Waberer's Group's full-year financial performance."

¹Pro forma figures restated according to IFRS 16.

² Buy back value of leased vehicles at ITS segment is not represented in the books since Q4 2019

Management analysis

Group result

Income Statement¹ (EUR mn)

	Q3 2021	Q3 2020	Better (worse)	9M 2021	9M 2020	Better (worse)
Revenue	147.8	137.0	7.9%	440.1	426.3	3.2%
Direct costs	(116.5)	(108.6)	(7.3%)	(346.2)	(346.9)	0.2%
Gross profit (recurring)	31.3	28.4	10.2%	93.9	79.4	18.2%
OPEX	(12.8)	(14.4)	11.3%	(39.1)	(40.1)	2.4%
EBITDA (recurring)	18.5	14.0	32.4%	54.8	39.3	39.3%
Depreciation and Amortisation	(11.9)	(12.8)	(6.8%)	(35.9)	(40.7)	11.9%
EBIT (recurring)	6.6	1.2	435.5%	18.9	(1.4)	
Financial result	(1.9)	(2.2)	12.4%	(2.6)	(10.6)	75.5%
Taxes	(1.4)	(0.2)	(752.2%)	(4.1)	(3.2)	(29.6%)
Net income (recurring)	3.3	(1.1)	394.6%	12.1	(15.2)	180.0%
Non-recurring items	-	(3.4)	-	-	(6.8)	
Gross margin (recurring)	21.2%	20.8%	0.4 pp	21.3%	18.6%	2.7 pp
EBITDA margin (recurring)	12.5%	10.2%	2.3 pp	12.4%	9.2%	3.2 pp
EBIT margin (recurring)	4.5%	0.9%	3.6 pp	4.3%	(0.3%)	4.6 pp
Net income margin (recurring)	2.3%	(0.8%)	3.1 pp	2.8%	(3.6%)	6.3 pp
Average number of trucks	2 768	2 814	(1.6%)	2 802	3 082	(9.1%)
Average number of employees	5 772	6 431	(10.2%)	5 870	7 287	(19.4%)
Average number of truck drivers	3 401	3 535	(3.8%)	3 464	4 123	(16.0%)

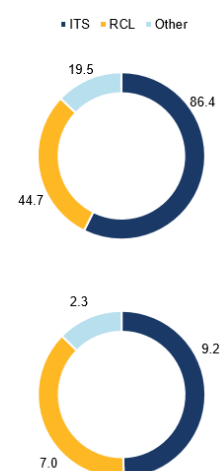
¹ Figures adjusted for better comparability, re-categorising the effect of insurance-related provisions, an OPEX item, as Direct Costs. EBITDA is not affected. For exact figures on the effect on the re-categorisation, please refer to page 9.

Economic environment

In the first two months of Q3 2021, European industrial production was at the level of the second quarter of 2021, but significantly above the level of the same period (Q3) last year. However increase was lower compared to year-by-year Q2 increase as the months of Q2 2020 was the period with the most significant pandemic-related lockdowns throughout Europe. The monthly change compared to the previous month was 0.8% and -0.5%, respectively in July and August in the major markets of Waberer's, while the year-on-year improvement was 5% and 3% compared to July and August 2020. Above-average increases were not observed in comparison with Q2 2021. The year-on-year improvement in our key Eastern European countries (Hungary and Poland) was even higher (11% and 6% in July and August) as industrial production (the sector most affected by lockdowns) has a higher weight within the regional economies.

Retail trade of non-food products also slightly increased in the first 2 months of Q3 2021 compared to the same months of 2020. The monthly change in the retail trade of non-food products was -3.5% and +1.8%, respectively in July and August compared to the previous months. The growth in retail trade in Hungary in July and August 2021 was smoother with 3% and 4.1% increases compared to the same months of the previous year.²

Revenue (top) and recurring EBITDA (bottom) split by segments in Q3 2021 (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 Source: Eurostat & UK Office for National Statistics 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. September 2021 figures not yet available.



Revenue

Revenue increased by 7.9% year-on-year in the third quarter of 2021 to EUR 147.8 million. Compared to the third quarter of the last year, revenue was 14% higher in the International Transportation Segment (ITS). In the Regional Contract Logistics (RCL) segment the revenue increased by 0.2% while the year-on-year revenue growth in the Other segment was 6.5% compared to third quarter of 2020. The year-to-date Group level revenue increase was 3.2% compared to 2020 same period. The first nine-month revenue in the ITS segment increased by 2.2%, revenue in the RCL segment increased by 5.8% and the increase was 6.1% in the Other segment on a year-on-year basis.

Headcount

Average number of employees was 5 772 in Q3 2021, a decrease of 82 compared to the previous quarter and of 659 compared to the third quarter of 2020. The 1.4% decrease compared to Q2 2021 was caused by increasing fluctuation of blue-collar employees (generated by the growing demand for workers) The decrease compared to Q3 2020 is due to lower driver and indirect employee numbers which reflects the fleet size reduction in the ITS segment (although the majority of fleet decrease was carried out in Q2 2020, the resize of the employee pool took some additional months during 2020).

Gross profit, EBITDA and EBIT

In the third quarter of 2021 **recurring gross profit** increased by 10.2% compared to the same period of 2020, while the gross profit margin improved to 21.2%. The growth of the gross profit margin is mostly attributable to the ITS segment where gross profit improved by 5.6 million and was partially by a 2.6 m EUR decrease of the gross profit in the RCL segment. In the Other segment gross profit has not changed compared to the last year same period.

The quarterly gross profit was EUR 31.3 m of which EUR 17.5 m is attributable to ITS segment, EUR 11.2 m to RCL segment and EUR 2.7 m to Other segment.¹

Group level **recurring EBITDA** was EUR 18.5 million in Q3 2021, a 32.4% increase compared to Q3 2020 and the EBITDA margin also improved by 2.3% points to 12.5%. 2/3rds of the year-on-year EBITDA increase was driven by the increase in gross profit while 1/3rd was caused by the lower OPEX level. The OPEX level decrease was mainly driven by the decrease of the personal-related cost in the ITS segment.

Recurring EBIT increased by EUR 5.4 million in Q3 2021 in comparison with Q3 2020, reaching EUR 6.6 million, but decreased by 1.1 m EUR compared to the previous quarter (Q2 2021) mostly due to seasonal reasons. The positive trend – started in the second quarter of 2021 - continued in this quarter as well and all three segments achieved positive recurring EBIT. The ITS segment reached EUR 1.4 m, recurring EBIT was 3 m in the RCL segment and the Other segment achieved EUR 2.3 m recurring EBIT. The Group level EBIT margin increased by 3.6 %point compared to the previous quarter (Q2) and reached 4.5 %, the second highest quarterly margin since 2017. As a result of the slightly smaller fleet size in the ITS and RCL segments, the quarterly consolidated depreciation decreased by EUR 0.9 million.

Net income

Financial result showed EUR 1.9 million loss in the third quarter of 2021 which is a EUR 0.3 million improvement compared to the same period last year. Interest cost was EUR 0.9 million during the quarter while – mostly - non-realized FX loss resulted in a EUR 1.0 million loss in Q3 2021

Tax expenses, which include corporate income tax as well as revenue-based local taxes and also non-cash deferred tax, amounted to EUR - 1.4 million in the quarter, EUR 1.2 million higher than in the third quarter of last year. Higher tax expenses are mostly due to the deferred tax credit incurred in the comparative (Q3 2020) period.

Recurring net income reached EUR 3.3 million for the quarter compared to a loss of EUR 1.1 million in the third quarter of last year. Quarterly recurring net income is the second best result after the latest quarter (Q2 in 2021) since 2017. Net income of the first nine months of 2021 was EUR 12.1 million which was a EUR 27.3 million improvement compared to the same period in 2020. Non-recurring items were not incurred in the first nine months of 2021.

¹ Effect of intersegment consolidation on Gross Profit is EUR 0.4 m.

Group cash flow, debt

Cash flow

| Cash Flow Statement (EUR mn)

	Q3 2021	Q3 2020	9M 2021	9M 2020
Net cash flows from operations	6.9	14.8	47.9	35.0
of which: change in working capital	(8.0)	1.9	(17.9)	1.5
Net cash flows from investing and financing activities	(16.6)	(12.3)	(49.5)	(42.5)
Change in cash and cash equivalents	(9.7)	2.5	(19.4)	(5.9)
Free cash flow	(9.7)	2.6	(10.0)	2.1
CAPEX	(2.4)	(0.7)	(4.8)	(2.8)

Net cash flows from operations in the third quarter reached EUR 6.9 million which is EUR 7.8 million lower compared to the same period in 2020. The lower cash flow generation is mainly attributable to the changes in the working capital. Net cash flow from operations before changes in working capital increased by EUR 2.1 million in comparison to the same period (Q3) in 2020.

Net cash flow from investing and financial activities showed a EUR 16.6 million cash outflow in the third quarter of 2021 which was EUR 4.3 million higher than in Q3 2020. As Waberer's benefitted from the lease payment moratorium in the third quarter of last year, the sum of regular leasing fee payments rose significantly in the third quarter of the 2021 on a year-on-year basis. However due to the fleet size decrease carried out in 2020, unused trucks were given back to the manufacturers and the related – previously unpaid - leasing instalments on these had to be fully paid last year. As a result, the difference between the total leasing payments in the third quarter of 2020 and 2021 was only EUR 0.4 million. Moreover, also as a result of the fleet size decrease in 2020, significant cash inflow arose from the sale of the unused vehicles which didn't recur in Q3 2021.

Free cash flow, which incorporates cash flow from operations, capital expenditures, and all elements of the lease-based financing of the fleet, was EUR -9.7 million in the quarter, which was EUR 12.3 million lower than Free Cash Flow of the third quarter of last year.

Debt

| Indebtedness figures (EUR mn)

	30 Sep. 2021	31 Dec. 2020	30 Sep. 2020
Net financial indebtedness	112.0	122.7	160.5
Net leverage ratio (recurring EBITDA multiple)	1.6	2.2	2.9

Net financial indebtedness decreased further to EUR 112 million at the end of the third quarter of 2021, EUR 48.6 million lower than one year earlier. The decrease in net indebtedness was partly due to the improving cash generation from operations, the deleveraging effect of the fleet size decrease in ITS and the technical effect of accounting under IFRS16 for the capitalization of real estate related long term rentals (decrease of the remaining rental period decreases the relevant debt). The decrease in net indebtedness was also due to the postponement of the fleet renewal program in the last 2 years. As a result of the relaunch of the fleet replacement program – already announced in the previous quarter – we expect 200 of the 500 vehicles already ordered will arrive to our fleet by the end of 2021, while the remaining part will arrive in the first half of 2022.

Net leverage ratio, a multiple of the last twelve months recurring EBITDA, was at 1.6 on 30 September 2021, a 1.3 improvement compared to the end of Q3 2020 and the lowest ratio since 2016.

International Transportation Segment

International Transportation Segment financial information (EUR mn)

	Q3 2021 ¹	Q3 2020 ¹	Better (worse)	9M 2021 ¹	9M 2020 ¹	Better (worse)
Revenue	86.4	75.9	13.8%	255.4	250.0	2.2%
Direct costs	(69.0)	(64.1)	(7.7%)	(207.6)	(214.5)	3.2%
Gross profit (recurring)	17.5	11.9	46.9%	47.8	35.5	34.5%
OPEX	(8.3)	(8.7)	5.0%	(23.5)	(24.3)	3.4%
EBITDA (recurring)	9.2	3.2	188.5%	24.3	11.2	117.0%
Depreciation and amortisation	(7.8)	(8.5)	8.0%	(24.1)	(28.0)	13.9%
EBIT (recurring)	1.4	(5.3)	126.0%	0.2	(16.8)	101.3%
Non-recurring items	-	(3.4)		-	(6.8)	
Gross margin (recurring)	20.2%	15.7%	4.5 pp	18.7%	14.2%	4.5 pp
EBITDA margin (recurring)	10.6%	4.2%	6.4 pp	9.5%	4.5%	5.0 pp
EBIT margin (recurring)	1.6%	(7.0%)	8.6 pp	0.1%	(6.7%)	6.8 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** increased by 13.8% in the third quarter of 2021 compared to the same period in 2020. The average active fleet size was 1999, a slight (20-50) decrease compared to the previous quarters. The optimization between the decrease of the number of the available truck drivers and the preparation for sale of the existing trucks to be replaced by the new ones arriving at the end of the year resulted in a slight decrease in the fleet size. Despite the slight fleet size decrease, the revenue increased significantly as a result of the new segment strategy launched in the middle of the previous year as the current strategy focuses on customers with higher quality requirements and services with more added value.

The first nine months revenue exceeded the equivalent period last year by 2.2 % in the ITS segment. Compared to the quarterly increase in Q3 the year-to-date increase was lower as fleet size was still higher in the beginning of 2020.

Recurring gross profit in the third quarter of 2021 increased by 46.9% to EUR 17.5 million due to the improving efficiency of the fleet and the gross profit margin increased by 4.5%points to 20.2% compared to last year.

Recurring EBIT in the third quarter of 2021 reached its highest level since 2017 and was EUR 1.4 million, an improvement of EUR 6.7 million compared to the same period last year. The segment's EBIT margin improved by 8.6 %points compared to the third quarter of 2020. The continuously improving EBIT performance demonstrates the success of the Trade Lane model introduced in the summer of 2020 and is the result of more favourable pricing achieved by the services focusing on unique customer needs and higher service quality, while the annual mileage per vehicle also increased slightly.

In the first nine months of 2021 the cumulated EBIT of the ITS segment also turned positive, reaching EUR 0.2 million.

Non-recurring items were not incurred in the ITS segment during the year.

Regional Contract Logistics

Regional Contract Logistics financial information (EUR mn)

	Q3 2021 ¹	Q3 2020 ¹	Better (worse)	9M 2021 ¹	9M 2020 ¹	Better (worse)
Revenue	44.7	44.6	0.2%	135.0	127.7	5.8%
Direct costs	(33.5)	(30.8)	(8.7%)	(97.0)	(90.1)	(7.7%)
Gross profit (recurring)	11.2	13.8	(18.7%)	38.1	37.6	1.3%
OPEX	(4.2)	(5.5)	22.6%	(15.9)	(16.4)	3.0%
EBITDA (recurring)	7.0	8.3	(16.1%)	22.2	21.2	4.6%
Depreciation and amortisation	(4.0)	(4.2)	4.4%	(11.6)	(12.5)	7.6%
EBIT (recurring)	3.0	4.2	(27.9%)	10.6	8.7	22.3%
Non-recurring items	-	-		-	-	
Gross margin (recurring)	25.2%	31.0%	(5.8 pp)	28.2%	29.5%	(1.3 pp)
EBITDA margin (recurring)	15.7%	18.7%	(3.0 pp)	16.4%	16.6%	(0.2 pp)
EBIT margin (recurring)	6.7%	9.3%	(2.6 pp)	7.9%	6.8%	1.1 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 was EUR 44.7 million in the third quarter of 2021 and remained unchanged compared to the third quarter of 2020.

The cumulative revenue in the segment in 2021 was EUR 135 million, an improvement of 5.8% compared to the first nine months of 2020.

Gross margin decreased by 18.7% to EUR 11.2 million in the third quarter, reaching a gross margin level of 25.2%.

Recurring EBIT in the third quarter of 2021 was EUR 3.0 million, a year-on-year decrease of EUR 1.2 million and the EBIT margin level was 6.7%, while the recurring EBIT for the first three quarters was EUR 10.6 million, an increase of EUR 1.9 million. The decrease of the EBIT in the third quarter was due to the return to normal subcontractor fees after the pandemic and the increasing personal-related costs to the pre-pandemic level, and the unpredictable change of the production volume of automotive customers.

Other segment

Other segment financial information (EUR mn)

	Q3 2021	Q3 2020	Better (worse)	9M 2021	9M 2020	Better (worse)
Revenue	19.5	18.3	6.5%	57.3	54.0	6.1%
Direct costs	(16.8)	(15.6)	(7.5%)	(47.6)	(46.8)	(1.8%)
Gross profit (recurring)	2.7	2.7	1.2%	9.7	7.2	33.9%
OPEX	(0.4)	(0.2)	(69.8%)	(1.4)	(0.4)	(306.2%)
EBITDA (recurring)	2.3	2.5	(4.9%)	8.3	6.9	20.0%
Depreciation and amortisation	(0.1)	(0.1)	(5.4%)	(0.2)	(0.2)	(6.9%)
EBIT (recurring)	2.3	2.4	(5.2%)	8.0	6.7	20.4%
Gross margin (recurring)	13.9%	14.6%	(0.7 pp)	16.9%	13.4%	3.5 pp
EBITDA margin (recurring)	12.0%	13.4%	(1.4 pp)	14.4%	12.8%	1.7 pp
EBIT margin (recurring)	11.6%	13.0%	(1.4 pp)	14.0%	12.4%	1.7 pp

Revenue in the Other segment - which includes predominantly the third-party insurance activities – increased by 6.5% year-on-year to EUR 19.5 million in Q3 2021 and increased by 6.1% in the first nine months of 2021 on a year-on-year basis.

The insurance segment has managed to maintain its outstanding profitability level reached in the previous several quarters. **Recurring EBIT** for the quarter was EUR 2.3 million and the EBIT for the first 9 months of 2021 was EUR 8.3 million, an improvement of EUR 1.4 million compared to the same period last year.



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 2021 financial report of WABERER'S Group issued on 5 November 2021, which has been prepared to the best of our knowledge in accordance with the applicable financial reporting standards and gives 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 2021 third-quarter financial report.

Budapest, 5 November 2021

A handwritten signature in blue ink that reads 'Zsolt Barna'.

Zsolt Barna
Chief Executive Officer

A handwritten signature in blue ink that reads 'Szabolcs Tóth'.

Szabolcs Tóth
Group CFO – Finance & Strategy

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 2021	Q3 2020	9M 2021	9M 2020	Q3 2021		9M 2021	
	unaudited ¹	unaudited ¹	unaudited ¹	unaudited ¹	EUR mn	percent	EUR mn	percent
Revenue	147.8	137.0	440.1	426.3	10.8	7.9%	13.8	3.2%
Direct costs	(116.5)	(108.6)	(346.2)	(346.9)	(7.9)	(7.3%)	0.7	0.2%
Gross profit (recurring)	31.3	28.4	93.9	79.4	2.9	10.2%	14.5	18.2%
OPEX	(12.8)	(14.4)	(39.1)	(40.1)	1.6	11.3%	1.0	2.4%
EBITDA (recurring)	18.5	14.0	54.8	39.3	4.5	32.4%	15.5	39.3%
Depreciation and amortisation	(11.9)	(12.8)	(35.9)	(40.7)	0.9	6.8%	4.8	11.9%
EBIT (recurring)	6.6	1.2	18.9	(1.4)	5.4	435.5%	20.3	
Financial result	(1.9)	(2.2)	(2.6)	(10.6)	0.3	12.4%	8.0	75.5%
Taxes	(1.4)	(0.2)	(4.1)	(3.2)	(1.2)	(75.2%)	(0.9)	(29.6%)
Net income (recurring)	3.3	(1.1)	12.1	(15.2)	4.5	394.6%	27.3	180.0%
Non-recurring items ³	-	(3.4)	-	(6.8)	3.4		-	-
Average number of trucks	2 768	2 814	2 802	3 082				
Average number of employees	5 772	6 431	5 870	7 287				
Average number of truck drivers	3 401	3 535	3 464	4 123				

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 2021	Q3 2020	9M 2021	9M 2020
Effect on Direct costs	(0.1)	0.1	(0.3)	(0.5)
Effect on OPEX	0.1	(0.1)	0.3	0.5

Reconciliation of recurring figures (EUR mn)

	Quarterly figures		Year-to-date figures		Better (worse)			
	Q3 2021	Q3 2020	9M 2021	9M 2020	Q3 2021		9M 2021	
	unaudited	unaudited	unaudited	unaudited	EUR mn	percent	EUR mn	percent
Gross profit (reported)	31.8	26.9	94.4	76.6	4.9	18.4%	17.7	23.1%
EBITDA (reported)	18.5	12.0	54.8	35.9	6.5	54.4%	18.9	52.6%
EBIT (reported)	6.6	(2.2)	18.9	(8.2)	8.8	403.5%	27.1	330.5%
Net income (reported)	3.3	(4.6)	12.1	(22.0)	7.9	173.2%	34.1	155.3%
Gross profit (recurring)	31.8	28.4	94.4	79.4	3.4	12.0%	15.0	18.9%
EBITDA (recurring)	18.5	14.0	54.8	39.3	4.5	32.4%	15.5	39.3%
EBIT (recurring)	6.6	1.2	18.9	(1.4)	5.4	435.5%	20.3	
Net income (recurring)	3.3	(1.1)	12.1	(15.2)	4.5	394.6%	27.3	180.0%

¹ Pro forma figures restated according to IFRS 16.

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

	Q3 2021	Q3 2020	9M 2021	9M 2020
Effect on Direct cost	-	(1.5)		(2.7)
Effect on OPEX	-	(0.5)		(0.7)
Effect on D&A	-	(1.4)		(3.4)
Total non-recurring items	-	(3.4)		(6.8)



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

	Quarterly figures		Year-to-date figures		Better (worse) Q3 2021		Better (worse) 9M 2021	
	Q3 2021 unaudited ¹	Q3 2020 unaudited ¹	9M 2021 unaudited ¹	9M 2020 unaudited ¹	EUR mn	percent	EUR mn	percent
Revenue	86.4	75.9	255.4	250.0	10.5	13.8%	5.4	2.2%
Direct costs	(69.0)	(64.1)	(207.6)	(214.5)	(4.9)	(7.7%)	6.9	3.2%
Gross profit (recurring)	17.5	11.9	47.8	35.5	5.6	46.9%	12.3	34.5%
OPEX	(8.3)	(8.7)	(23.5)	(24.3)	0.4	5.0%	0.8	3.4%
EBITDA (recurring)	9.2	3.2	24.3	11.2	6.0	188.5%	13.1	117.0%
Depreciation and amortisation	(7.8)	(8.5)	(24.1)	(28.0)	0.7	8.0%	3.9	13.9%
EBIT (recurring)	1.4	(5.3)	0.2	(16.8)	6.7	126.0%	17.0	101.3%
Non-recurring items	-	(3.4)	-	(6.8)	3.4		6.8	
Average number of trucks	1 999	2 020	2 027	2 279				
Average number of truck drivers	2 529	2 600	2 563	3 159				
Number of orders (thousand) ²	63.1	62.0	198.2	207.4				

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 2021	Q3 2020	9M 2021	9M 2020
Effect on Direct costs	0.2	0.3	(0.6)	(0.4)
Effect on OPEX	(0.2)	(0.3)	0.6	0.4

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

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

	Quarterly figures		Year-to-date figures		Better (worse) Q3 2021		9M 2021	
	Q3 2021 unaudited ¹	Q3 2020 unaudited ¹	9M 2021 unaudited ¹	9M 2020 unaudited ¹	EUR mn	percent	EUR mn	percent
Revenue	44.7	44.6	135.0	127.7	0.1	0.2%	7.4	5.8%
Direct costs	(33.5)	(30.8)	(97.0)	(90.1)	(2.7)	(8.7%)	(6.9)	(7.7%)
Gross profit (recurring)	11.2	13.8	38.1	37.6	(2.6)	(18.7%)	0.5	1.3%
OPEX	(4.2)	(5.5)	(15.9)	(16.4)	1.2	22.6%	0.5	3.0%
EBITDA (recurring)	7.0	8.3	22.2	21.2	(1.3)	(16.1%)	1.0	4.6%
Depreciation and amortisation	(4.0)	(4.2)	(11.6)	(12.5)	0.2	4.4%	1.0	7.6%
EBIT (recurring)	3.0	4.2	10.6	8.7	(1.2)	(27.9%)	1.9	22.3%
Non-recurring items	-	-	-	-	-		-	
Average number of trucks	769	794	775	803				
Average number of truck drivers	872	935	901	964				
Warehousing capacity (th. sq. metres)	253.9	241.1	252.6	234.6				

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 2021	Q3 2020	9M 2021	9M 2020
Effect on Direct costs	0.6	(0.2)	0.3	(0.1)
Effect on OPEX	(0.6)	0.2	(0.3)	0.1

Other segment, financial information (IFRS, EUR mn)

	Quarterly figures		Year-to-date figures		Better (worse) Q3 2021		Better (worse) 9M 2021	
	Q3 2021 unaudited ¹	Q3 2020 unaudited ¹	9M 2021 unaudited ¹	9M 2020 unaudited ¹	EUR mn	percent	EUR mn	percent
Revenue	19.5	18.3	57.3	54.0	1.2	6.5%	3.3	6.1%
Direct costs	(16.8)	(15.6)	(47.6)	(46.8)	(1.2)	(7.5%)	(0.8)	(1.8%)
Gross profit (recurring)	2.7	2.7	9.7	7.2	0.0	1.2%	2.5	33.9%
OPEX	(0.4)	(0.2)	(1.4)	(0.4)	(0.2)	(69.8%)	(1.1)	(306.2%)
EBITDA (recurring)	2.3	2.5	8.3	6.9	(0.1)	(4.9%)	1.4	20.0%
Depreciation and amortisation	(0.1)	(0.1)	(0.2)	(0.2)	(0.0)	(5.4%)	(0.0)	(6.9%)
EBIT (recurring)	2.3	2.4	8.0	6.7	(0.1)	(5.2%)	1.4	20.4%
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 2021	Q3 2020	9M 2021	9M 2020
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 2021 unaudited	Q3 2020 unaudited	9M 2021 unaudited	9M 2020 unaudited
Revenue	(2.8)	(1.9)	(7.7)	(5.4)
Direct costs	3.3	1.8	7.1	4.4
Gross profit (recurring)	0.4	(0.0)	(0.6)	(1.0)
OPEX	(0.4)	0.0	0.6	1.0
EBITDA (recurring)	0.0	(0.0)	0.0	(0.0)
Non-recurring items	-	-	-	-



| Group consolidated balance sheet (IFRS, EUR mn)

	30 September 2021 unaudited	31 December 2020 unaudited	30 September 2020 unaudited
NON-CURRENT ASSETS			
Property	55.4	61.2	57.6
of which: Right of use assets	43.7	48.8	45.4
Fixed assets not yet capitalized	0.9	0.2	0.4
Vehicles	79.4	93.1	110.6
Other equipment	2.9	3.7	3.7
Total property, plant and equipment	138.7	158.3	172.4
Intangible assets	15.3	16.6	16.7
Goodwill	17.7	17.7	31.7
Other Financial investments - Debt instruments - Long term	94.7	85.2	81.0
Other non-current financial assets	0.0	0.1	0.1
Reinsurance amount of technical reserves	52.9	43.4	39.8
Deferred tax asset	3.8	2.8	3.6
TOTAL NON-CURRENT ASSETS	322.9	324.0	345.2
CURRENT ASSETS			
Inventories	3.0	2.6	3.2
Current income taxes	4.1	1.9	3.9
Trade receivables	82.4	72.9	86.2
Other current assets and derivatives	26.1	21.3	25.5
Cash and cash equivalents	56.7	76.1	44.9
Assets classified as held for sale	0.2	0.2	0.4
TOTAL CURRENT ASSETS	172.5	174.9	164.2
TOTAL ASSETS	495.4	499.0	509.4
SHAREHOLDERS' EQUITY			
Share capital	6.1	6.1	6.1
Reserves and retained earnings	67.7	56.8	75.7
Translation difference	(6.4)	(6.8)	(5.3)
Total equity attributable to the equity holders of the parent company	67.5	56.2	76.5
Non-controlling interest	0.2	0.2	0.2
TOTAL SHAREHOLDERS' EQUITY	67.7	56.4	76.7
LIABILITIES			
LONG-TERM LIABILITIES			
Long-term portion of long-term loans	20.8	-	-
Long-term portion of leasing liabilities	62.5	101.5	106.5
Deferred tax liability	1.9	0.9	2.4
Provisions	21.6	21.2	20.6
Other long-term liabilities	2.4	3.4	-
Other insurance technical provision - long term	112.4	97.3	94.0
TOTAL LONG-TERM LIABILITIES	221.6	224.4	223.5
CURRENT LIABILITIES			
Short-term loans and borrowings	24.1	31.8	36.6
Short-term portion of leasing liabilities	58.8	62.0	62.4
Trade payables	85.7	81.7	77.1
Current income taxes	0.3	2.1	0.8
Provisions	4.1	6.3	3.3
Other current liabilities and derivatives	19.5	24.4	23.7
Other insurance technical provision - short term	13.5	9.9	5.3
TOTAL CURRENT LIABILITIES	206.0	218.2	209.2
TOTAL LIABILITIES	427.7	442.6	432.7
TOTAL EQUITY AND LIABILITIES	495.4	499.0	509.4
DEBT			
Gross financial indebtedness	168.6	198.8	205.4
Net financial indebtedness	112.0	122.7	160.5
LTM recurring EBITDA ¹	70.7	55.3	55.1
Net leverage ratio	1.6	2.2	2.9

¹ Cumulated last 12 months recurring EBITDA



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

	Quarterly figures		Year-to-date figures	
	Q3 2021 unaudited	Q3 2020 unaudited	9M 2021 unaudited	9M 2020 unaudited
Profit/loss before tax	4.7	(4.4)	16.3	(18.8)
Non-realised exchange loss/gain on other FX assets and liabilities (-)	(1.7)	1.2	(4.2)	7.8
Booked depreciation and amortisation	10.1	12.5	30.6	38.8
Impairment	(0.1)	0.1	(0.4)	0.3
Interest expense	0.7	0.8	2.8	2.4
Interest income	(0.0)	(0.0)	0.0	(0.1)
Difference between provisions allocated and used	0.8	1.6	(1.9)	0.6
Changes of Insurance technical reserves	1.0	1.7	5.7	4.6
Result from sale of tangible assets	(0.1)	(0.1)	(0.3)	(0.1)
Result from sale of non-current assets held for sale	(0.3)	(0.5)	(0.6)	(0.5)
Net cash flows from operations before changes in working capital	15.0	12.9	47.9	35.0
Changes in inventories	(0.2)	0.2	(0.5)	0.6
Changes in trade receivables	(2.9)	(4.9)	(9.3)	26.2
Changes in other current assets and derivative financial instruments	7.6	6.5	(4.6)	24.1
Changes in trade payables	(9.4)	(1.8)	3.1	(43.6)
Changes in other current liabilities and derivative financial instruments	(1.8)	3.9	(4.8)	2.9
Changes in Insurance technical liabilities	(0.8)	(2.0)	3.6	(4.8)
Income tax paid	(0.5)	0.0	(5.4)	(3.9)
I. Net cash flows from operations	6.9	14.8	30.0	36.5
Tangible asset additions	(2.4)	(0.7)	(4.8)	(2.8)
Income from sale of tangible assets	0.2	0.1	0.4	0.2
Income from sale of non-current assets held for sale	0.8	4.5	4.4	5.3
Changes in other non-current financial assets	0.0	0.0	0.1	0.0
Changes in Financial investments (Equity and Debt instruments)	(0.0)	(0.1)	(9.5)	(8.2)
Prepayment made for acquisition	-	-	-	-
Cash and cash equivalents acquired	-	-	-	-
Interest income	0.0	0.0	0.0	0.1
II. Net cash flows from investing activities	(1.4)	3.7	(9.5)	(5.5)
Borrowings	(2.7)	(3.2)	(5.6)	(9.7)
Repayment of loans, borrowings	(0.0)	-	(0.0)	-
Lease payment	(8.5)	(1.7)	(25.0)	(13.4)
Lease payment related to sold assets	(3.2)	(10.4)	(6.6)	(11.4)
Interest paid	(0.7)	(0.8)	(2.8)	(2.4)
III. Net cash flows from financing activities	(15.2)	(16.0)	(40.0)	(37.0)
IV. Changes in cash and cash equivalents	(9.7)	2.5	(19.4)	(5.9)
Cash and cash equivalents as at the beginning of the period	66.4	42.4	76.1	50.9
Cash and cash equivalents as at the end of the period	56.7	44.9	-	44.9
Free cash flow	(9.7)	2.6	(10.0)	2.1



| 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 2021	6.1	56.8	(6.8)	56.2	0.2	56.4
Fair-value of cash-flow hedged transaction (FX) - less deferred tax	-	0.1	-	0.1	-	0.1
Fair-value of financial instruments	-	(2.4)	-	(2.4)	-	(2.4)
Exchange difference on foreign operations	-	-	0.4	0.4	-	0.4
Other comprehensive income	-	(2.4)	0.4	(1.9)	-	(1.9)
Profit/Loss for the period	-	12.1	-	12.1	0.0	12.1
Total comprehensive income	-	9.8	0.4	10.2	0.0	10.2
Other movements	-	1.1	(0.0)	1.1	0.0	1.1
Closing value as at 30 September 2021	6.1	67.7	(6.4)	67.5	0.2	67.7
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	-	(2.4)	0.4	(1.9)	-	(1.9)
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)
Buy back of own shares from ESOP organisation	-	-	-	-	-	-
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	76.8

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 consultancy services, severance payments, provisions for the employee share ownership programme, goodwill impairment, and other income and expense related to lawsuits and settlements and one-off cost items of change of operational model.

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.