



SECOND QUARTER 2019 FINANCIAL REPORT

Aftermath of Brexit impacting Q2 performance, improvement expected in second half

Budapest, 7 August 2019 - WABERER'S INTERNATIONAL Nyrt. today reports its financial results for the three months ended 30 June 2019.

Highlights Q2 2019

- **Revenue** in the second quarter of 2019 decreased by 6% to EUR 173 mn due to lower volumes in the aftermath of the end-March Brexit date affecting Q2 trade flows negatively in the international segment, more than offsetting the 7% growth in Regional Contract Logistics
- Issues during the implementation of **new transportation management IT system** affected international operations and April results negatively but major issues have since been resolved
- Recurring **EBITDA** lower by 41% year-on-year at EUR 12 mn as volume drop in April affected international margins; regional operations back on track of positive EBITDA growth
- Recurring **EBIT** decreased to EUR -5.9 mn as the second wave of fleet reduction started with 300 additional trucks to be handed back, temporarily weighing on depreciation
- **Net income** dropped to EUR -9.1 mn
- **Net leverage** increased to 5.7x recurring EBITDA on IFRS 16 effects and due to lower EBITDA and as a result of the temporary effect of the continuation of the fleet reduction programme
- **Management** believes that
 - **Transformation programme** has started yielding results, with positive profitability effects to gradually increase in the rest of the year
 - Although the positive effects of the measures appear slower than expected, savings in SG&A are already showing in the numbers and expected to result in **improvement in the second half of the year**
 - Regardless of the higher net debt ratio, the financial position of the Group remains stable and nominal **net debt is expected to continue on its downward path** in the rest of the year as the fleet reduction programme takes full effect on the balance sheet

| Key figures¹ (EUR mn unless otherwise stated, adjusted to include IFRS 16 effects²)

	Q2 2019	Q2 2018	Better (worse)	6M 2019	6M 2018	Better (worse)
Revenue	172.7	184.5	(6.4%)	354.9	363.4	(2.4%)
EBITDA (recurring)	12.0	20.3	(41.0%)	27.2	39.6	(31.3%)
EBIT (recurring)	(5.9)	3.3		(8.6)	6.5	
Net income (recurring)	(9.1)	(0.1)		(13.6)	0.1	
EPS (EUR)	(0.52)	(0.02)		(0.63)	(0.04)	
EBITDA margin (recurring)	6.9%	11.0%	(4.1 pp)	7.7%	10.9%	(3.2 pp)
EBIT margin (recurring)	(3.4%)	1.8%	(5.2 pp)	(2.4%)	1.8%	(4.2 pp)
Net income margin (recurring)	(5.3%)	(0.0%)	(5.2 pp)	(3.8%)	0.0%	(3.8 pp)

Robert Ziegler, CEO of WABERER'S INTERNATIONAL Nyrt. **commented:** "Waberer's second quarter results reflect several industry- and company-specific factors that had adverse effects on the Group's financials. Notably, it was the month of April that was hit by a combination of market forces and internal issues. The whole industry was severely impacted by the aftermath of the end-March Brexit date, when demand for transportation services inbound to the United Kingdom dropped dramatically as warehouses had previously been filled preparing for a disorderly Brexit. As a result of this demand shock, many of our clients shut down temporarily and European cross-border transportation capacities were redirected to continental Europe, pushing April and May prices down by as much as 5-10% year-on-year, a sharp contrast to the cost-driven fee increases that we had seen in

¹ For the definitions of non-IFRS measures, please refer to the Glossary on page 9.

² The Company adopted IFRS 16 effective from 1 January 2019 affecting the income statement and balance sheet. Throughout this report, all income statement and balance sheet figures are presented according to IFRS 16 for the reporting periods and dates in 2019. To enhance comparability of results, all Group- and segment-level income statement figures for the first quarter, second quarter, and first six months of 2018 are pro forma figures that include the impact of IFRS 16. For more information how IFRS 16 impacted the Company's financials, please refer to page 8.

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 2018 dated 16 April 2019, which is available on our website for investors at https://www.waberers.com/files/document/document/856/Annual%20Report%202018_EN.pdf.





WABERER'S
OPTIMUM SOLUTION

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

Investor Relations
Márton Teremi, CFA
investor.relations@waberers.com
Tel: 0036-1-421-6300

the months before. A negative calendar effect of 1% less transportation days than in the same quarter last year also hindered our year-on-year performance.

Further to that, we went live with a new SAP-based transportation management system in April, which had serious functionality and performance issues in the first weeks, with some days of complete breakdown of the system, leading to loss of orders and inability to invoice. The resulting loss of business also had a notable impact on our April results, although without long-term effects. The new system is now up and running without major interference in our business processes, albeit some fixes are still necessary.

By the second part of May, the transportation market was recovering and normal trade flows on the continent and in the UK re-established and the price levels also normalised gradually until June.

We are seeing the first positive signs of our short-and long-term initiatives and we are now back to utilisation levels seen in 2017. Nevertheless, we have taken further actions to improve business operations, especially in the International Transportation Segment where we are continuing the fleet reduction programme started in the first quarter of the year: in addition to the 300-truck fleet reduction completed in the second quarter, we started halting another 300 trucks that will be completely out of our books in the fourth quarter. Other short-term initiatives that we planned in the beginning of the year, affecting direct and indirect spend, are progressing as planned.

At the same time, our transformational initiatives aim to completely restructure the international activities of the Group and touch all key areas – commercial, transportation planning, and execution – of our European operations. We are making serious changes to our management, organization, processes and systems across all departments. These actions contribute to further improvements in fleet utilisation, customer quality, and thus the profitability of our activities. Let me give you some examples:

- In the commercial area, we have successfully increased the share of our contracted business and improved the coordination between contracted and spot sales. We are also more proactive in hunting for new clients in regions that better balance the positioning of our fleet.
- In transportation planning, we are introducing a continuous planning process to improve utilisation further. We are also in the process of further refining our optimisation engines to be able to plan in line with the customer promise, driver expectations while at the same time driving for better fleet profitability.
- On execution, we are reorganising our driver management in order to create more transparency, adjust to the smaller fleet and improve communication between the planning and execution parts of the business. We aim to better fulfil our customers' requirements and become a more attractive employer to our drivers.

In light of the above actions and current trading, I am confident that visible improvements from these initiatives will be achieved in the second part of the year.

We are also preparing for the second Brexit date on October 31st. We have set up the necessary documentation, processes and organization to handle a "no-deal" situation. Our customer base is now quite well prepared, but uncertainties remain.

One of the biggest improvements I am seeing is that the people in the organization - both management and staff - have found a new motivation and enthusiasm about the transformation of the business. They see that the changes we make point us in the right direction and are actively contributing to making this company successful again.

Yours Sincerely,

Robert"



Management analysis

Group profit for the period

Income Statement (EUR mn)

	Q2 2019 ¹	Q2 2018 ^{1,2}	Better (worse)	6M 2019 ¹	6M 2018 ^{1,2}	Better (worse)
Revenue	172.7	184.5	(6.4%)	354.9	363.4	(2.4%)
Direct costs	(146.8)	(149.5)	1.8%	(299.1)	(297.8)	(0.4%)
Gross profit	25.9	35.0	(26.1%)	55.7	65.6	(15.0%)
OPEX	(14.0)	(15.0)	6.1%	(26.1)	(26.6)	1.9%
Non-recurring items	0.1	0.2	(47.3%)	(2.4)	0.7	
EBITDA (recurring)	12.0	20.3	(41.0%)	27.2	39.6	(31.3%)
Depreciation and Amortisation	(17.9)	(17.0)	(5.4%)	(35.8)	(33.1)	(8.3%)
EBIT (recurring)	(5.9)	3.3		(8.6)	6.5	
Financial result	(1.7)	(3.6)	52.2%	(2.6)	(5.0)	48.4%
Taxes	(1.5)	0.2		(2.3)	(1.4)	(63.2%)
Net income (recurring)	(9.1)	(0.1)		(13.6)	0.1	
Gross margin	15.0%	19.0%	(4.0 pp)	15.7%	18.1%	(2.3 pp)
EBITDA margin (recurring)	6.9%	11.0%	(4.1 pp)	7.7%	10.9%	(3.2 pp)
EBIT margin (recurring)	(3.4%)	1.8%	(5.2 pp)	(2.4%)	1.8%	(4.2 pp)
Net income margin (recurring)	(5.3%)	(0.0%)	(5.2 pp)	(3.8%)	0.0%	(3.8 pp)
Average number of trucks	4 229	4 485	(5.7%)	4 285	4 394	(2.5%)
Average number of employees	7 609	7 993	(4.8%)	7 780	7 993	(2.7%)
Average number of truck drivers	5 533	5 914	(6.4%)	5 670	5 852	(3.1%)

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.

² Pro forma figures restated according to IFRS 16.

Economic environment

The European economies where the Group is active in continued to underperform last year's levels in the second quarter of 2019. Industrial production in the Euro area decreased by 0.4% and 0.5% year-on-year in April and May 2019, driven by the production stoppages in the manufacturing, especially in the automotive sector. Brexit was also a factor that had adverse effects on overall demand for the Group's international services as the Brexit deadline of 29 March 2019 prompted UK economic actors to build up inventories in the beginning of the year. As Brexit did not materialise in March, UK inventories were reduced from their outstanding stock in subsequent months, which had an adverse impact on demand in the second quarter for UK inbound transportation.

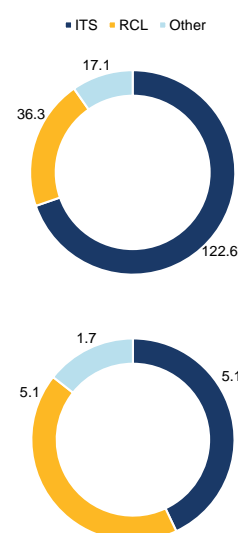
In Hungary, economic conditions remained broadly positive. Industrial production expanded by 6% year-on-year in April and May 2019, respectively, while there was a slowdown in retail trade from 7% year-on-year growth in April to 3% in May.³

Revenue

Group **revenue** decreased by 6% to EUR 173 million in the second quarter of 2019 compared to the same period in 2018. In the International Transportation Segment (ITS), there was a 13% decrease in revenue as a result of a drop in demand for transportation in the second quarter due to post-Brexit effects, while disruptions in order processing due to the deployment of a new transportation management system also contributed to the underperformance. In the Regional Contract Logistics (RCL) segment, a 7% increase in revenue was fuelled by robust demand for volumes and an ongoing repricing programme.

Gross profit, EBITDA and EBIT

Revenue and recurring EBITDA split by segments in Q2 2019 (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.

³ Source: Eurostat



Compared to the second quarter of 2018, **gross profit** decreased by 26% year-on-year to EUR 26 million in the second quarter of 2019, with gross margin lower by 4 percentage points at 15%. The lower margin was a result of price pressure from lower transportation fees in April due to a drop in demand, and service outages due to the replacement of the transportation management system also had adverse effects on utilisation. Meanwhile, major cost items such as labour, toll fees, and fuel, continued to turn more expensive in the second quarter. The driver shortage and the general labour market situation puts pressure on operations but these are partly alleviated by the ongoing fleet reduction programme.

Recurring **EBITDA** was 41% lower year-on-year at EUR 12 million, resulting in an EBITDA margin of 6.9%, 4.1 percentage points lower than a year ago. The decline in EBITDA was attributable to a the drop in gross profit that more than offsetting the effect of 6% lower **OPEX** at EUR 14 million, indicating that short-term cost-saving measures have had some positive effects.

Recurring **EBIT** marked a loss of EUR 5.9 million in the second quarter of 2019 with recurring EBIT margin at -3.4%, 5.2 percentage points lower than in the same period last year. Lower EBITDA margin and 5% higher **depreciation and amortisation** both contributed to the lower EBIT margin. The increase in depreciation, despite a decrease in the number of trucks, reflects the interim effects of the fleet reduction programme underway as already deactivated units are temporarily depreciated until the sell-off process finalises. Depreciation is on a decreasing trend when compared to the fourth quarter of 2018 and the first quarter of 2019.

Net income

Financial result marked a loss of EUR 1.7 million in the second quarter of 2019. The implied interest rate for the first half of the year remained under 1.5%

Tax expenses amounted to EUR 1.5 million in the quarter mainly due to higher revenue-based taxes. **Recurring net income** showed a loss of EUR 9.1 million.

Group cash flow and debt

Cash flow

| Cash Flow Statement (EUR mn)¹

	Q2 2019	Q2 2018	6M 2019	6M 2018
Net cash flows from (used in) operating activities	15.1	24.9	17.5	25.0
of which: change in working capital	1.5	8.5	(19.6)	(13.3)
Net cash flows from (used in) investing and financing activities	(19.9)	(31.1)	(31.6)	(34.4)
Change in cash and cash equivalents	(4.7)	(6.2)	(14.1)	(9.4)
Free Cash Flow	(0.1)	2.1	(2.7)	2.6
CAPEX	(1.8)	(5.6)	(4.8)	(6.7)

¹ Figures not adjusted for IFRS 16 effects.

Cash from operating activities in the first six months of 2019 decreased to EUR 15 million as a result of lower profits and higher need for working capital than in the first half of 2018.

Cash used in investing and financing activities decreased to EUR 32 million in the first half of 2019 from EUR 34 million a year earlier, largely due to a decrease in non-fleet capital expenditures and one-off expenses last year to buy out minority interests in certain subsidiaries of the Group.

Free cash flow, which incorporates cash flow from operations, capital expenditures, and all elements of the lease-based financing of the fleet, decreased to EUR -2.7 million in the first six months of 2019.

Debt

| Indebtedness figures (EUR mn)

	30 June 2019	31 Dec 2018	30 June 2018
Net financial indebtedness	328.1	278.9	277.9
Net leverage ratio	5.7	4.3	3.4

Net financial indebtedness increased to EUR 328 million since the end of 2018 due to a combination of the technical effect of the adoption of IFRS 16, lower leasing liabilities as a result of a smaller fleet, and a higher amount of non-leasing debt. Compared to net financial indebtedness of EUR 279 million at 31 December 2018, net debt increased by EUR 49 million, of which

- IFRS 16 had an effect of EUR 49 million,
- leasing liabilities excluding IFRS 16 decreased by EUR 32 million,



- non-leasing debt increased by EUR 18 million, and
- cash and cash equivalents decreased by EUR 14 million.

Net leverage ratio, a multiple of last twelve month recurring EBITDA, increased to 5.7 from 4.3 at the end of 2018 as a result of the growth in net financial indebtedness and a decrease in EBITDA.

International Transportation Segment

International Transportation Segment financial information (EUR mn)

	Q2 2019 ¹	Q2 2018 ^{1,2}	Better (worse)	6M 2019 ¹	6M 2018 ^{1,2}	Better (worse)
Revenue	122.6	140.1	(12.5%)	257.1	276.9	(7.2%)
Direct Costs	(107.6)	(115.3)	6.6%	(222.4)	(232.0)	4.1%
Gross profit	14.9	24.8	(39.9%)	34.7	44.9	(22.8%)
OPEX	(9.7)	(11.8)	17.9%	(17.5)	(20.4)	14.3%
Non-recurring items	(0.1)	0.2		(2.6)	0.7	
EBITDA (recurring)	5.1	13.2	(61.2%)	14.6	25.1	(42.1%)
Gross margin	12.2%	17.7%	(5.5 pp)	13.5%	16.2%	(2.7 pp)
EBITDA margin (recurring)	4.2%	9.4%	(5.3 pp)	5.7%	9.1%	(3.4 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 12.

² Pro forma figures restated according to IFRS 16.

The **revenue** in the International Transportation Segment decreased by 12% to EUR 123 million in the second quarter of 2019 compared to the same period in the previous year. The drop in demand following the end-March Brexit deadline, had adverse impact on both volumes and transportation fees, and the replacement of the transportation management IT system also had negative impact on the results due to disruptions in the execution processes.

ITS **gross profit** dropped by 40% to EUR 15 million in the second quarter of 2019, with gross margin indicating a 5.5 percentage point decrease to 12.2%. The contraction in gross margin was driven by the pressure on transportation fees, coupled with the effects of 5% higher fuel prices, 9% rise in transit costs, and 14% increase in per unit driver wage levels and the lower utilisation as a result of the aforementioned issues during the replacement of one of the key IT systems. Recurring **EBITDA** decreased by 61% to EUR 5.1 million with 5.3 percentage points lower margin at 4.2%.

Regional Contract Logistics

Regional Contract Logistics financial information (EUR mn)

	Q2 2019 ¹	Q2 2018 ^{1,2}	Better (worse)	6M 2019 ¹	6M 2018 ^{1,2}	Better (worse)
Revenue	36.3	33.9	6.9%	70.9	65.1	9.0%
Direct Costs	(26.6)	(25.4)	(4.4%)	(52.2)	(47.7)	(9.3%)
Gross profit	9.7	8.5	14.5%	18.7	17.3	8.2%
OPEX	(4.8)	(3.1)	(53.4%)	(9.3)	(6.3)	(47.3%)
Non-recurring items	0.2	-		0.2	-	
EBITDA (recurring)	5.1	5.3	(4.3%)	9.7	11.0	(12.2%)
Gross margin	26.7%	25.0%	1.8 pp	26.4%	26.6%	(0.2 pp)
EBITDA margin (recurring)	14.1%	15.7%	(1.7 pp)	13.6%	16.9%	(3.3 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 12.

² Pro forma figures restated according to IFRS 16.

Revenue in the Regional Contract Logistics segment increased by 7% year-on-year to EUR 36 million in the second quarter of 2019. The increase in revenue was mainly driven by strong demand in less-than-truckload and warehousing services, coupled with the positive effects of an ongoing repricing effort.

Gross profit increased by 15% to EUR 9.7 million year-on-year in the second quarter to with gross margin increasing by 1.8 percentage points to 26.7%. Recurring **EBITDA** decreased by 4% year-on-year in the second quarter of 2019 to EUR 5.1 million, as higher wages paid to subcontracted workers and one-off costs related to compensation paid to some of the customers, affecting OPEX adversely. This change in EBITDA indicates a 1.7 percentage points lower EBITDA margin at 14.1%.



Other segment

| Other segment financial information (EUR mn)

	Q2 2019	Q2 2018	Better (worse)	6M 2019	6M 2018	Better (worse)
Revenue	17.1	13.9	22.6%	33.5	27.8	20.2%
Direct Costs	(15.2)	(11.6)	(31.6%)	(30.1)	(23.7)	(27.0%)
Gross profit	1.8	2.3	(21.7%)	3.4	4.1	(18.5%)
OPEX	(0.1)	(0.6)	83.8%	(0.4)	(0.7)	40.9%
EBITDA (recurring)	1.7	1.7	1.4%	3.0	3.5	(14.3%)
Gross margin	10.7%	16.8%	(6.1 pp)	10.1%	14.9%	(4.8 pp)
EBITDA margin (recurring)	10.1%	12.2%	(2.1 pp)	8.9%	12.5%	(3.6 pp)

Other segment **revenue** increased by 23% to EUR 17 million in the second quarter compared to the same period of 2018 as the Insurance Company's third Party activities continued to expand in the MTPL⁴ segment.

The increase in revenue had a small positive effect on the profitability of the insurance activities as **EBITDA** increased by 1% to EUR 1.7 million with EBITDA margin lower by 2.1 percentage points at 10.1%.

⁴ Motor third party liability insurance

IFRS 16 impact

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and is effective from 2019. The new standard requires lessees to recognize most leases on their financial statements. The Group has assessed the requirements of the standard and its impacts on the financial statements and has decided to present its financials according to the requirements of IFRS 16 in its interim reports in 2019 as well as the consolidated and standalone financial statements for the full financial year 2019. The impact of the amendment on the financial statements is an increase in properties and a corresponding increase in leasing liabilities, and a reduction in rents paid with a corresponding increase in depreciation and interest paid, as presented in detail in the tables below.

To enhance comparability with earlier periods, base period Group- and segment-level income statement figures found in the management analysis of interim financial reports are restated pro forma figures that include the impact of IFRS 16.

IFRS 16 impact on the income statement in the second quarter of 2019 (unaudited, EUR mn)

	Income statement before IFRS 16 adjustment Q2 2019				IFRS 16 impact Q2 2019				Income statement reported according to IFRS 16 Q2 2019			
	ITS	RCL	Other	Group	ITS	RCL	Other	Group	ITS	RCL	Other	Group
Revenue	122.6	36.3	17.1	172.7					122.6	36.3	17.1	172.7
Direct Costs	(114.8)	(27.4)	(14.9)	(154.1)	1.7	0.0	1.8		(114.8)	(25.6)	(14.9)	(152.3)
Gross Profit	9.1	8.6	1.8	19.0	1.7	0.0	1.8		9.1	10.4	1.9	20.7
OPEX	(8.3)	(4.5)	(0.3)	(12.6)	0.5			0.5	(7.8)	(4.5)	(0.3)	(12.1)
Non-recurring items	(0.1)	-	1.0	0.1					(0.1)	-	1.0	0.1
EBITDA (recurring)	4.7	3.1	1.7	9.7	0.5	1.7	0.0	2.2	5.1	4.9	1.7	12.0
Depreciation and Amortisation				(15.9)				(1.9)				(17.9)
EBIT (recurring)				(6.2)				0.3				(5.9)
Financial result				(1.4)				(0.3)				(1.7)
Income taxes				(1.5)								(1.5)
Net income (recurring)				(9.1)				-				(9.1)

IFRS 16 impact on the balance sheet of 30 June 2019 and debt indicators (unaudited, EUR mn)

	30 June 2019 Balance sheet items before IFRS 16 adjustment	IFRS 16 impact	30 June 2019 Balance sheet items reported according to IFRS 16
NON-CURRENT ASSETS			
Property	18.9	49.1	68.0
Total property, plant and equipment	315.8	49.1	364.9
TOTAL NON-CURRENT ASSETS	482.3	49.1	531.4
TOTAL ASSETS	705.7	49.1	754.8
LIABILITIES			
LONG-TERM LIABILITIES			
Long-term portion of leasing liabilities	203.1	49.1	252.2
TOTAL LONG-TERM LIABILITIES	303.1	49.1	352.2
TOTAL LIABILITIES	571.5	49.1	620.6
TOTAL EQUITY AND LIABILITIES	705.7	49.1	754.8
DEBT INDICATORS			
Gross financial indebtedness	322.5	49.1	371.6
Net financial indebtedness	279.0	49.1	328.1
LTM recurring EBITDA	50.3		57.4
Net leverage ratio	5.5		5.7

Glossary

Income statement

Direct Costs: All costs, expenses and income that can be directly attributed to sales. 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 sales. 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.

RCL: Regional Contract Logistics segment.

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

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



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 second quarter 2019 financial report disclosed on 7 August 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 2019 second quarter financial report.

Budapest, 7 August 2019

A blue ink signature of Robert Ziegler.

Robert Ziegler
Chief Executive Officer

A blue ink signature of Barna Erdélyi.

Barna Erdélyi
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)			
	Q2 2019 unaudited ¹	Q2 2018 pro forma ^{1,2}	6M 2019 unaudited ¹	6M 2018 pro forma ^{1,2}	Q2 2019		6M 2019	
					EUR mn	percent	EUR mn	percent
Revenue	172.7	184.5	354.9	363.4	(11.8)	(6.4%)	(8.5)	(2.4%)
Direct Costs	(146.8)	(149.5)	(299.1)	(297.8)	2.7	1.8%	(1.3)	(0.4%)
Gross Profit	25.9	35.0	55.7	65.6	(9.1)	(26.1%)	(9.9)	(15.0%)
OPEX	(14.0)	(15.0)	(26.1)	(26.6)	0.9	6.1%	0.5	1.9%
Non-recurring items	0.1	0.2	(2.4)	0.7	(0.1)	(47.3%)	(3.1)	
EBITDA (recurring)	12.0	20.3	27.2	39.6	(8.3)	(41.0%)	(12.4)	(31.3%)
Depreciation and Amortisation	(17.9)	(17.0)	(35.8)	(33.1)	(0.9)	(5.4%)	(2.8)	(8.3%)
EBIT (recurring)	(5.9)	3.3	(8.6)	6.5	(9.2)		(15.2)	
Financial result	(1.7)	(3.6)	(2.6)	(5.0)	1.9	52.2%	2.4	48.4%
Taxes	(1.5)	0.2	(2.3)	(1.4)	(1.7)		(0.9)	(63.2%)
Net income (recurring)	(9.1)	(0.1)	(13.6)	0.1	(9.0)		(13.7)	
Average number of trucks	4 229	4 485	4 284	4 394	(256)	(5.7%)	(109)	(2.5%)
Average number of employees	7 609	7 993	7 780	7 993	(384)	(4.8%)	(213)	(2.7%)
Average number of truck drivers	5 533	5 914	5 670	5 852	(381)	(6.4%)	(182)	(3.1%)

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.

	Q2 2019	Q2 2018	6M 2019	6M 2018
Effect on Direct costs	5.2	1.3	2.3	1.6
Effect on OPEX	-5.2	-1.3	-2.3	-1.6

² Pro forma figures restated according to IFRS 16.

Reconciliation of recurring figures (EUR mn)

	Quarterly figures		Year-to-date figures		Better (worse)			
	Q2 2019 unaudited	Q2 2018 pro forma ¹	6M 2019 unaudited	6M 2018 pro forma ¹	Q2 2019		6M 2019	
					EUR mn	percent	EUR mn	percent
EBITDA (reported)	11.9	20.1	29.6	39.0	(8.2)	(40.9%)	(9.4)	(24.0%)
EBIT (reported)	(6.0)	3.1	(6.2)	5.9	(9.1)		(12.1)	
Net income (reported)	(9.2)	(0.3)	(11.2)	(0.6)	(9.0)		(10.6)	
Non-recurring items	0.1	0.2	(2.4)	0.7	(0.1)	(47.3%)	(3.1)	
EBITDA (recurring)	12.0	20.3	27.2	39.6	(8.3)	(41.0%)	(12.4)	(31.3%)
EBIT (recurring)	(5.9)	3.3	(8.6)	6.5	(9.2)		(15.2)	
Net income (recurring)	(9.1)	(0.1)	(13.6)	0.1	(9.0)		(13.7)	

¹ Pro forma figures restated according to IFRS 16.



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

	Quarterly figures		Year-to-date figures		Better (worse)			
	Q2 2019 unaudited ¹	Q2 2018 pro forma ^{1,2}	6M 2019 unaudited ¹	6M 2018 pro forma ^{1,2}	Q2 2019		6M 2019	
	EUR mn				EUR mn	percent	EUR mn	percent
Revenue	122.6	140.1	257.1	276.9	(17.5)	(12.5%)	(19.8)	(7.2%)
Direct Costs	(107.6)	(115.3)	(222.4)	(232.0)	7.6	6.6%	9.6	4.1%
Gross Profit	14.9	24.8	34.7	44.9	(9.9)	(39.9%)	(10.2)	(22.8%)
OPEX	(9.7)	(11.8)	(17.5)	(20.4)	2.1	17.9%	2.9	14.3%
Non-recurring items	(0.1)	0.2	(2.6)	0.7	(0.3)		(3.3)	
EBITDA (recurring)	5.1	13.2	14.6	25.1	(8.1)	(61.2%)	(10.6)	(42.1%)
Average number of trucks	3 420	3 747	3 480	3 670	(327)	(8.7%)	(190)	(5.2%)
Average number of truck drivers	4 566	5 013	4 706	4 962	(447)	(8.9%)	(256)	(5.2%)
Number of orders (thousand)	83	96	169	189	(12.6)	(13.1%)	(20.3)	(10.7%)

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.

	Q2 2019	Q2 2018	6M 2019	6M 2018
Effect on Direct costs	5.9	0.9	3.0	1.2
Effect on OPEX	-5.9	-0.9	-3.0	-1.2

² Pro forma figures restated according to IFRS 16.

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

	Quarterly figures		Year-to-date figures		Better (worse)			
	Q2 2019 unaudited ¹	Q2 2018 pro forma ^{1,2}	6M 2019 unaudited ¹	6M 2018 pro forma ^{1,2}	Q2 2019		6M 2019	
	EUR mn				EUR mn	percent	EUR mn	percent
Revenue	36.3	33.9	70.9	65.1	2.4	6.9%	5.9	9.0%
Direct Costs	(26.6)	(25.4)	(52.2)	(47.7)	(1.1)	(4.4%)	(4.4)	(9.3%)
Gross Profit	9.7	8.5	18.7	17.3	1.2	14.5%	1.4	8.2%
OPEX	(4.8)	(3.1)	(9.3)	(6.3)	(1.7)	(53.4%)	(3.0)	(47.3%)
Non-recurring items	0.2	-	0.2	-	0.2		0.2	
Recurring EBITDA	5.1	5.3	9.7	11.0	(0.2)	(4.3%)	(1.3)	(12.2%)
Average number of trucks	809	738	805	724	71	9.6%	81	11.1%
Average number of truck drivers	967	901	964	890	66	7.3%	74	8.3%
Warehousing capacity (th. sq. metres)	214.1	201.8	214.1	200.3	12.3	6.1%	13.8	6.9%

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.

	Q2 2019	Q2 2018	6M 2019	6M 2018
Effect on Direct costs	-0.1	0.5	-0.1	0.4
Effect on OPEX	0.1	-0.5	0.1	-0.4

² Pro forma figures restated according to IFRS 16.

Other segment, financial information (IFRS, EUR mn)

	Quarterly figures		Year-to-date figures		Better (worse)			
	Q2 2019 unaudited	Q2 2018 unaudited	6M 2019 unaudited	6M 2018 unaudited	Q2 2019		6M 2019	
	EUR mn				EUR mn	percent	EUR mn	percent
Revenue	17.1	13.9	33.5	27.8	3.1	22.6%	5.6	20.2%
Direct Costs	(15.2)	(11.6)	(30.1)	(23.7)	(3.7)	(31.6%)	(6.4)	(27.0%)
Gross Profit	1.8	2.3	3.4	4.1	(0.5)	(21.7%)	(0.8)	(18.5%)
OPEX	(0.1)	(0.6)	(0.4)	(0.7)	0.5	83.8%	0.3	40.9%
EBITDA	1.7	1.7	3.0	3.5	0.0	1.4%	(0.5)	(14.3%)

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

	Quarterly figures		Year-to-date figures	
	Q2 2019 unaudited	Q1 2018 unaudited	6M 2019 unaudited	6M 2018 unaudited
Revenue	(3.2)	(3.0)	(6.6)	(6.4)
Direct Costs	2.7	2.5	5.6	5.3
Gross Profit	(0.5)	(0.6)	(1.1)	(1.2)
OPEX	0.5	0.6	1.1	1.2
EBITDA	(0.0)	(0.0)	(0.0)	(0.0)



| Group consolidated balance sheet (unaudited, EUR mn)

	30 June 2019 unaudited	31 December 2018 audited	30 June 2018 unaudited
NON-CURRENT ASSETS			
Property	68.0	20.4	21.6
of which: Right of use assets	49.1	-	-
Fixed assets not yet capitalized	1.7	2.7	1.7
Vehicles	289.7	321.5	315.5
Other equipment	5.5	6.2	6.5
Total property, plant and equipment	364.9	350.8	345.3
Intangible assets	17.0	13.7	11.0
Goodwill	47.6	47.6	53.4
Other Financial investments - Debt instruments - Long term	64.0	46.8	43.6
Other Financial investments - Equity instruments - Long term	-	5.6	5.6
Other non-current financial assets	0.0	0.1	(0.1)
Reinsurance amount of technical reserves	34.6	27.7	24.4
Deferred tax asset	3.3	2.1	3.3
TOTAL NON-CURRENT ASSETS	531.4	494.4	486.5
CURRENT ASSETS			
Inventories	4.0	4.4	3.7
Current income taxes	2.6	1.5	2.8
Trade receivables	120.3	114.4	125.6
Other current assets and derivatives	49.2	49.9	55.3
Cash and cash equivalents	43.5	57.7	49.6
Assets classified as held for sale	3.8	2.8	0.3
TOTAL CURRENT ASSETS	223.5	230.7	237.4
TOTAL ASSETS	754.8	725.1	723.9
SHAREHOLDERS' EQUITY			
Share capital	6.2	6.2	6.2
Reserves and retained earnings	127.3	138.6	157.6
Translation difference	0.6	0.2	(2.0)
Total equity attributable to the equity holders of the parent company	134.1	145.0	161.8
Non-controlling interest	0.1	0.1	0.1
TOTAL SHAREHOLDERS' EQUITY	134.2	145.1	161.9
LIABILITIES			
LONG-TERM LIABILITIES			
Long-term portion of leasing liabilities	252.2	212.2	235.5
Deferred tax liability	1.6	0.8	0.5
Provisions	19.6	22.1	20.2
Other long-term liabilities	-	-	7.3
Other insurance technical provision - long term	78.8	58.6	52.4
TOTAL LONG-TERM LIABILITIES	352.2	293.7	315.9
CURRENT LIABILITIES			
Short-term loans and borrowings	36.0	17.9	16.7
Short-term portion of leasing liabilities	83.5	106.4	75.3
Trade payables	119.8	133.4	115.5
Current income taxes	0.1	0.1	1.1
Provisions	1.1	2.4	1.7
Other current liabilities and derivatives	21.2	22.1	31.0
Other insurance technical provision - short term	6.6	4.1	4.7
TOTAL CURRENT LIABILITIES	268.4	286.4	246.1
TOTAL LIABILITIES	620.6	580.0	561.9
TOTAL EQUITY AND LIABILITIES	754.8	725.1	723.9
DEBT			
Gross financial indebtedness	371.6	336.6	327.5
Net financial indebtedness	328.1	278.9	277.9
LTM recurring EBITDA ¹	57.4	64.2	82.5
Net leverage ratio	5.7	4.3	3.4

¹ Until 31 December 31, last twelve month recurring EBITDA does not include the impact of IFRS 16. For the last twelve months periods ending in 2019, last twelve month recurring EBITDA is adjusted for IFRS 16 effects.



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

	Quarterly figures		Year-to-date figures	
	Q2 2019 unaudited	Q2 2018 unaudited	6M 2019 unaudited	6M 2018 unaudited
Profit/loss before tax	(7.7)	(0.5)	(8.8)	0.9
Non-realised exchange loss/gain on other FX assets and liabilities (-)	0.4	2.1	0.1	2.2
Booked depreciation and amortisation	18.1	15.8	35.8	30.9
Impairment	0.2	(0.1)	0.0	(0.1)
Interest expense	1.0	1.4	2.2	2.4
Interest income	(0.0)	(0.3)	(0.1)	(0.1)
Difference between provisions allocated and used	(6.4)	(2.7)	(3.7)	(3.1)
Changes of Insurance technical reserves	9.3	1.2	13.3	7.0
Result from sale of tangible assets	(0.0)	0.0	(0.1)	(0.0)
Result from sale of non-current assets held for sale	(1.2)	(0.6)	(1.8)	(1.7)
Net cash flows from operations before changes in working capital	13.6	16.4	37.1	38.3
Changes in inventories	0.0	(0.1)	0.3	0.0
Changes in trade receivables	5.7	(1.2)	(5.7)	(6.2)
Changes in other current assets and derivative financial instruments	1.0	(5.6)	0.8	(9.4)
Changes in trade payables	(2.7)	9.2	(13.6)	(1.0)
Changes in other current liabilities and derivative financial instruments	(4.3)	2.7	(0.2)	5.8
Changes in Insurance technical liabilities	3.2	4.4	2.5	0.9
Income tax paid	(1.4)	(1.0)	(3.8)	(3.5)
I. Net cash flows from operations	15.1	24.9	17.5	25.0
Tangible asset additions	(1.8)	(5.6)	(4.8)	(6.7)
Income from sale of tangible assets	0.0	0.0	0.4	0.2
Income from sale of non-current assets held for sale	9.9	6.6	15.5	17.4
Changes in other non-current financial assets	0.0	0.3	0.0	0.2
Changes in Financial investments (Equity and Debt instruments)	(4.7)	(2.4)	(11.5)	(5.8)
Prepayment made for acquisition	-	-	-	-
Cash and cash equivalents acquired	-	-	-	-
Interest income	0.0	0.3	0.1	0.1
II. Net cash flows from investing activities	3.6	(0.8)	(0.3)	5.3
Borrowings	4.9	(0.9)	18.1	11.5
Repayment of loans, borrowings	(0.0)	-	-	-
Lease payment	(20.3)	(17.2)	(33.7)	(29.5)
Lease payment related to sold assets	(7.0)	(4.4)	(13.4)	(12.9)
Interest paid	(1.0)	(1.4)	(2.2)	(2.4)
Dividend paid	-	(0.1)	-	(0.1)
Loans to parent company	-	-	-	-
Buy-out of non-controlling interest	-	(5.4)	-	(5.4)
Own shares	-	(1.0)	-	(1.0)
Capital increase	-	-	-	-
Acquisition of related company	-	-	-	-
III. Net cash flows from financing activities	(23.4)	(30.3)	(31.2)	(39.6)
IV. Changes in cash and cash equivalents	(4.7)	(6.2)	(14.1)	(9.4)
Cash and cash equivalents as at the beginning of the period	48.3	55.8	57.7	59.0
Cash and cash equivalents as at the end of the period	43.5	49.6	43.5	49.6
Free cash flow	(0.1)	2.1	(2.7)	2.6



| 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 2019	6.2	138.6	0.2	145.0	0.1	145.1
Fair-value of cash-flow hedged transaction (FX) - less deferred tax	-	(0.1)	-	(0.1)	-	(0.1)
Exchange difference on foreign operations	-	-	0.4	0.4	-	0.4
Other comprehensive income	-	(0.1)	0.4	0.3	-	0.3
Profit/Loss for the period	-	(11.2)	-	(11.2)	0.0	(11.2)
Total comprehensive income	-	(11.3)	0.4	(10.9)	0.0	(10.8)
Changes in non controlling interest	-	-	-	-	-	-
Other movements	-	-	(0.0)	(0.0)	-	(0.0)
Closing value as at 30 June 2019	6.2	127.3	0.6	134.1	0.1	134.2
Opening value as at 1 January 2018	6.2	161.9	(1.7)	166.3	8.3	174.6
Fair-value of cash-flow hedged transaction (FX) - less deferred tax	-	(3.5)	-	(3.5)	-	(3.5)
Exchange difference on foreign operations	-	-	(0.2)	(0.2)	-	(0.2)
Other comprehensive income	-	(3.5)	(0.2)	(3.8)	-	(3.8)
Profit/Loss for the period	-	(0.6)	-	(0.6)	0.1	(0.6)
Total comprehensive income	-	(4.2)	(0.2)	(4.4)	0.1	(4.3)
Buy back of own shares from ESOP organisation	(0.0)	(1.0)	-	(1.0)	-	(1.0)
Changes in non controlling interest	-	-	-	-	(8.2)	(8.2)
Other movements	-	-	-	-	-	-
Closing value as at 30 June 2018	6.2	156.7	(2.0)	160.9	0.1	161.1