



Increase efficiency. Ensure success.

Dr. Marco Ferber, CFO | Analyst and press conference | 21 March 2024



init - 40 years of experience

200+
million EUR
revenue



1,200+
employees
worldwide



1,100+
transport providers
worldwide



30+
locations
worldwide



130+
fleet management
systems (ITCS+RTPI)



140+
ticketing systems



220+
software for planning,
staff dispatch and
optimization

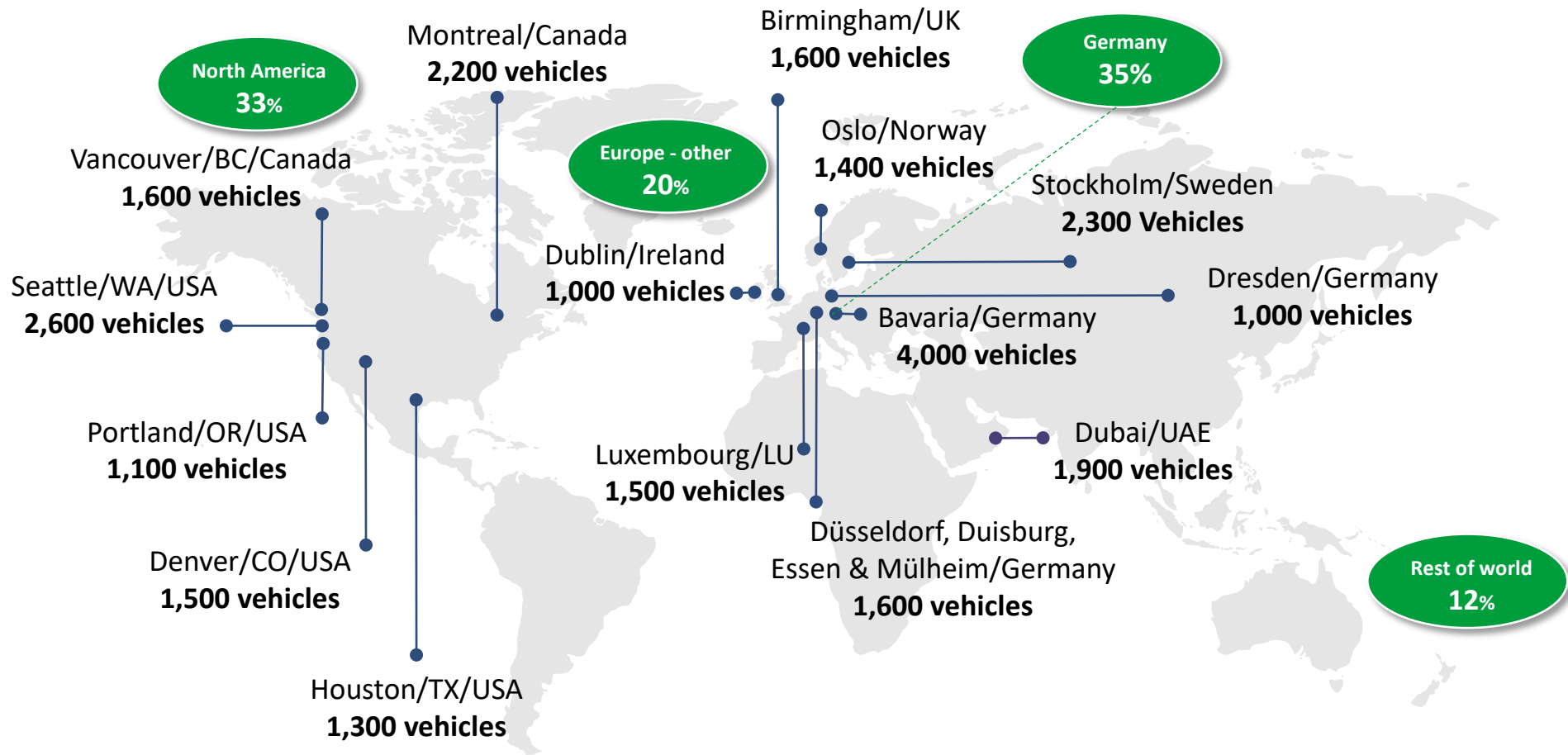


220,000+
buses und trains
equipped



Global customer access

Share of revenues FY 2023



DB Regio Bus, Bavaria, Germany



TriMET, Portland/OR/USA



Luxtram, Luxembourg/LU



National Express, Birmingham/UK

Projects with more than 1,000 vehicles

Anniversaries init group 2023

1983: init innovation in traffic systems, Karlsruhe, Germany

While init began its activities as a GmbH in 1983, the company was listed on the stock exchange in 2001. In order to further emphasise the international orientation of the init group, the legal form was changed to a Societas Europaea (SE) under European law in 2017



2004: CarMedialab GmbH, Bruchsal, Germany

The range of services includes telediagnosics and smart charging for applications in automotive development and mobility. The product spectrum covers everything from embedded systems for use in vehicles or charging infrastructure to the overall system operation of telematics solutions



2008: init Innovation in Traffic Systems FZE, Dubai, UAE

Founded to address the specific needs of public transport in the MENA region



Another anniversary in FY 2024: 25 years USA

1999: INIT Innovations in Transportation Inc., Chesapeake/VA, USA

Founded to serve the North American ITS market



Awards 2023

Foreign trade award

init received the **“GLOBAL 2023”** foreign trade award from the Karlsruhe TechnologyRegion, which recognises companies for their outstanding international achievements



Honoured as TOP employer

- **„Top Employer for IT-Jobs 2023“**, which init received for the second time, awarded by the technology magazine CHIP in cooperation with GreatJobs
- **„Top Trainer for IT-Jobs 2023“** in the software sector, also awarded by CHIP
- **„TOP Company 2023“**: init is one of the top-rated companies on the employer rating platform **kununu** for the second time
- **„Most Wanted Employer“**: this rating is based on a ranking by the **ZEIT** publishing house group in collaboration with **kununu**



Quellen: Chip technology magazine, kununu, Zeit publishing house group

(Mega)trends - growth driver in public transport



Billion in funding programmes worldwide / examples

Europe

- New public transport vehicles **more than 45% funded, increasing to 65% by the end of 2030.**
- EU budget 2021-2027 for **local mobility and urban transport: EUR 2 trillion**

United Kingdom

- New strategy for public transport: initial **GBP 18 billion**, then **GBP 13 billion each year**

Germany

- GVFG funding (Municipal Transport Financing Act), **EUR 1 billion/year**, from **2025 EUR 2 billion/year** with further increases
- Federal Ministry for Digital and Transport has made **EUR 160 million** available for smart ticketing projects **until 2026**

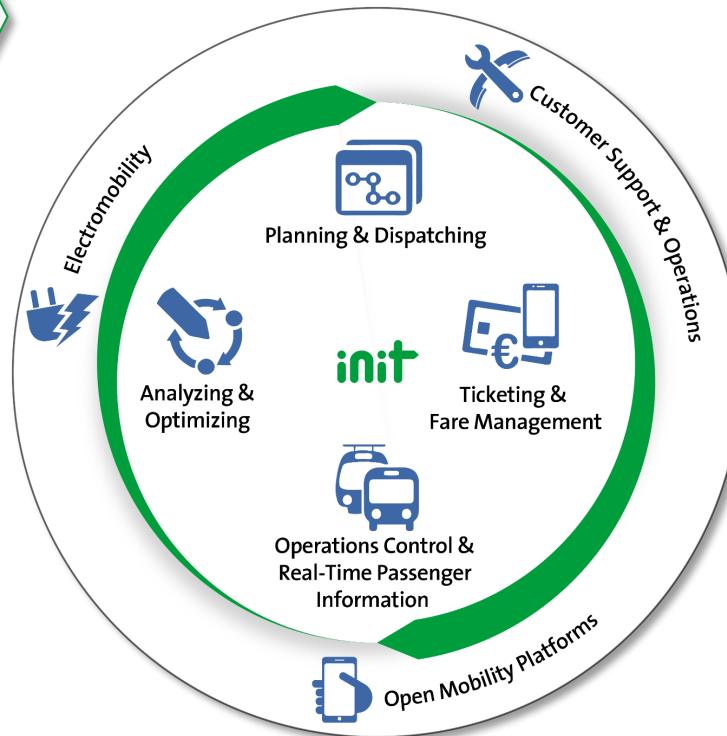
USA/Canada

- Promotion of “smart ticketing” **USD 108.2 billion**
- Climate protection spending approved in the volume of **USD 400 billion**
- **CAD 15 billion** in the expansion of large urban transport systems, electrification of bus fleets

Next level: *nextGen* init products

eMOBILE Suite
 Integrated solution for electromobility

MOBILE-ITCS nextGen
 State-of-the-art fleet management



EVENDpc3 | COPILOTpc3
 The next generation of vehicle equipment

TaaS – Ticketing as a Service
 Secure ticketing via Software-as-a-Service (SaaS)

MOBILE-PLAN nextGen
 Integrated timetable and duty planning and optimized routing in on-demand traffic

RESPONSEassist
 System for semi-automated disruption management and passenger information

MOBILE-PERDIS nextGen
 Cloud and browser-based personnel dispatching system

MOBILEstatistics nextGen
 Broker architecture & data security

MOBILEguide
 Occupancy information for bus and train

AI applied: customer and research projects



Significantly improved departure predictions

Pilot project between the Golden Gate Bridge, Highway & Transportation District in San Francisco and init, AI-based software solution significantly improved the accuracy of departure predictions



Improvement from 49 per cent to over 85 per cent



More accurate occupancy information

After each departure, occupancy is determined based on boarding and alighting passengers transmitted, and linked with timetable data and vehicle capacity. AI forecasts occupancy along the route



High correlation of real-time occupancy – allowing for shorter stop times

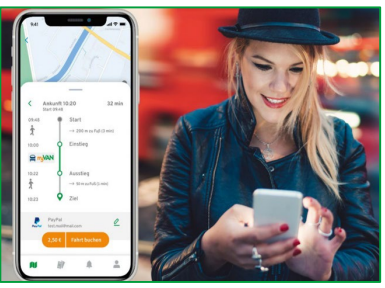


Reducing the shortage of skilled labour / Employee-friendly duty planning

Enables drivers' wishes to be taken into account when optimizing duty planning



Significantly increased driver satisfaction



Reliable on-demand transport – research project

AI-based optimization algorithm efficiently and easily links passengers' travel requests:



Short booking deadlines as well as ride pooling with virtual stops / addresses

Road to success: ticketing systems in the USA

2014

Portland / Vancouver



2017

Rhode Island



2018

Seattle
Nashville
Los Angeles (TVM)



2020

Spokane
North County



2023

Portland / Vancouver (TVM)
Orange County (Back Office)



Tampa Region
Grand Rapids
Honolulu
Orange County (Validators)

2016

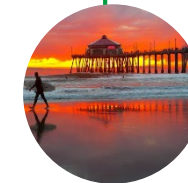
PRONTO

San Diego
Grand Rapids (TVM)

2019



Houston
2021



Orange County (TVM)

2022



Atlanta
2024

Next stage: first mega projects won



Metropolitan Atlanta Rapid Transit Authority (MARTA): Automated fare collection 2.0

- Atlanta metropolitan region: ninth largest metropolitan region in the USA; approx. **500,000 passengers daily**
- Combination of **classic ticketing with contactless payment**: in future, passengers will be able to buy their ticket contactless at every stop and every vehicle using a smartphone, credit card or customer card via "Tap and Go"
- Tender decision for init after "Best and Final Offer" in favour of init over current system supplier Cubic
- **USD 119m investment** phase,
USD 126m maintenance and operation (10 years)

January 2024

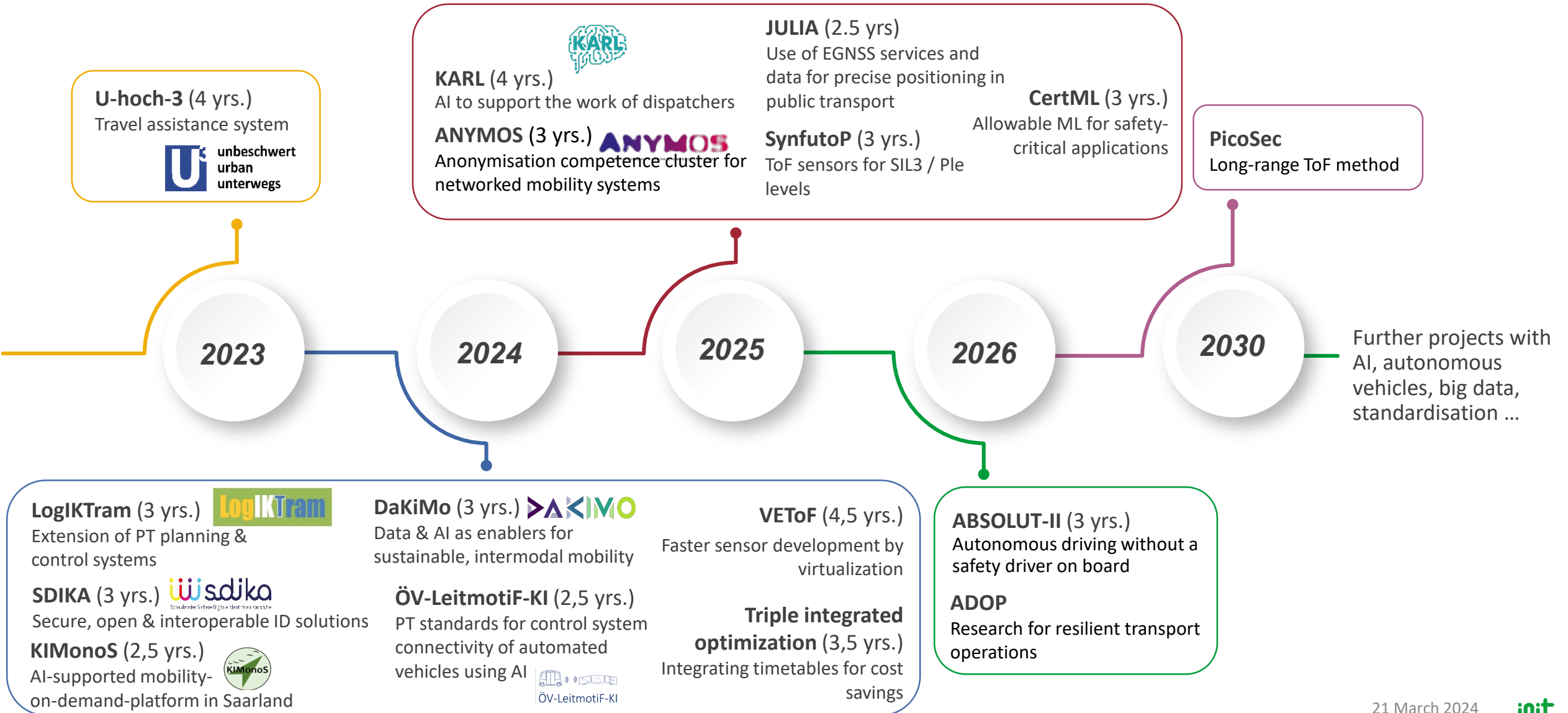


Transport for London (TfL): iBus next generation (Fleet management and RTPI)

- Equipping **over 8,000 buses** as part of the Bus Action Plan to achieve net zero emissions in the City of London by 2030
- Parallel replacement of the existing Trapeze background system for the London bus network to monitor operations on 700 bus routes with over 19,000 stops
- Aim: to further **improve the accuracy and reliability** of passenger information **and** increase **operational efficiency** through simplified installation
- **GBP 80m investment** phase,
GBP 80m system operation (10 years)

March 2024

Research & Development



Key Highlights FY 2023

225_{m EUR}
order intake



211_{m EUR}
revenue



10.0%
EBIT margin



20_{m EUR}
investment
in R&D¹



8_{m EUR}
operative
cash flow



15_{m EUR}
consolidated net
profit



70_{cent (EUR)}
dividend
proposal

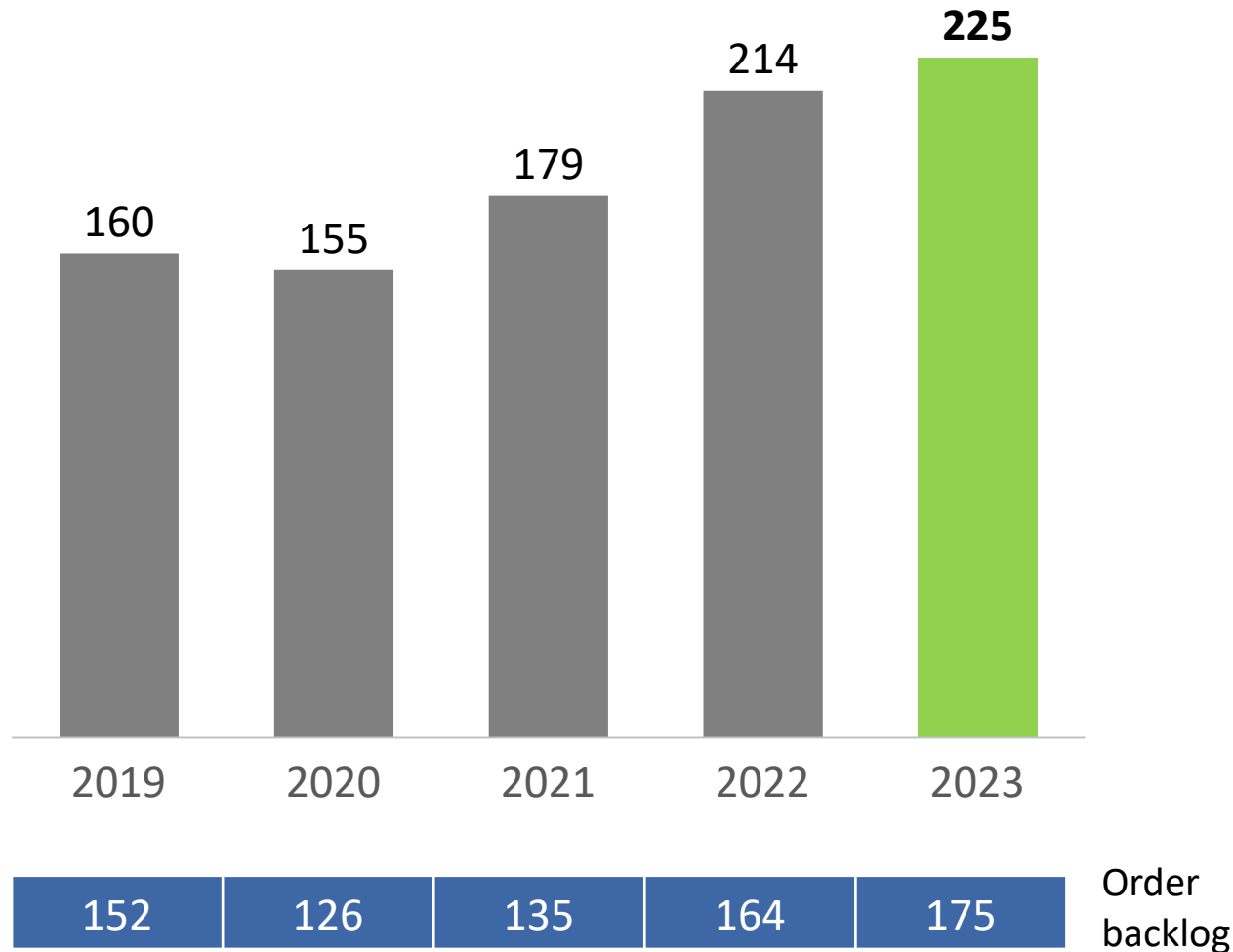


46.3%
equity ratio



Order intake

(EUR m)



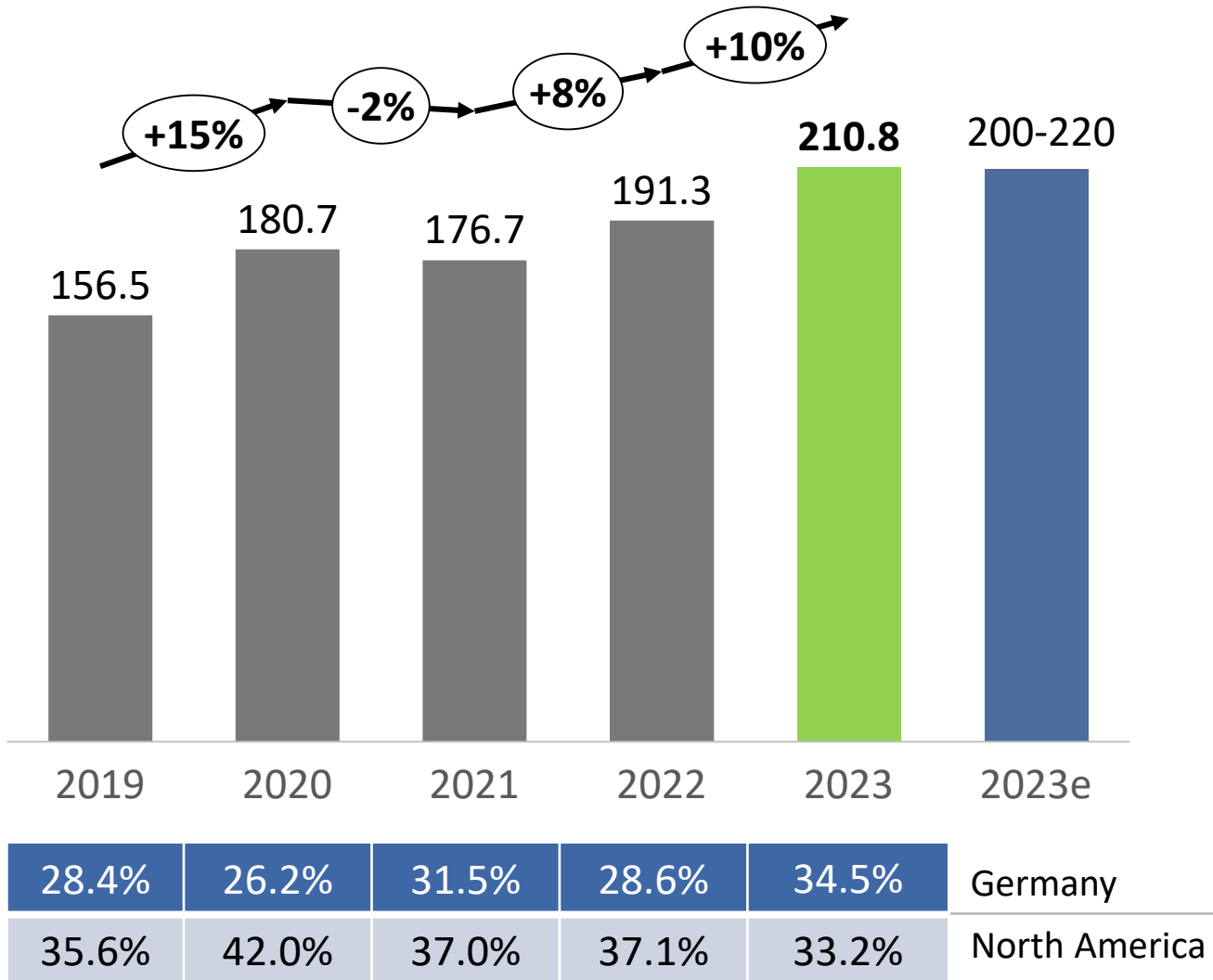
+5.1%
order intake
to previous FY 2022

- **Strong demand from existing customers** in 2023
- **Strong growth in optical components** with shorter lead times compared to other businesses
- **Major international customers won in smart charging** segment
- **Atlanta and London** will be considered in **2024** – **YTD order intake 2024** therefore **already above full year 2023**



Revenue development

(EUR m)

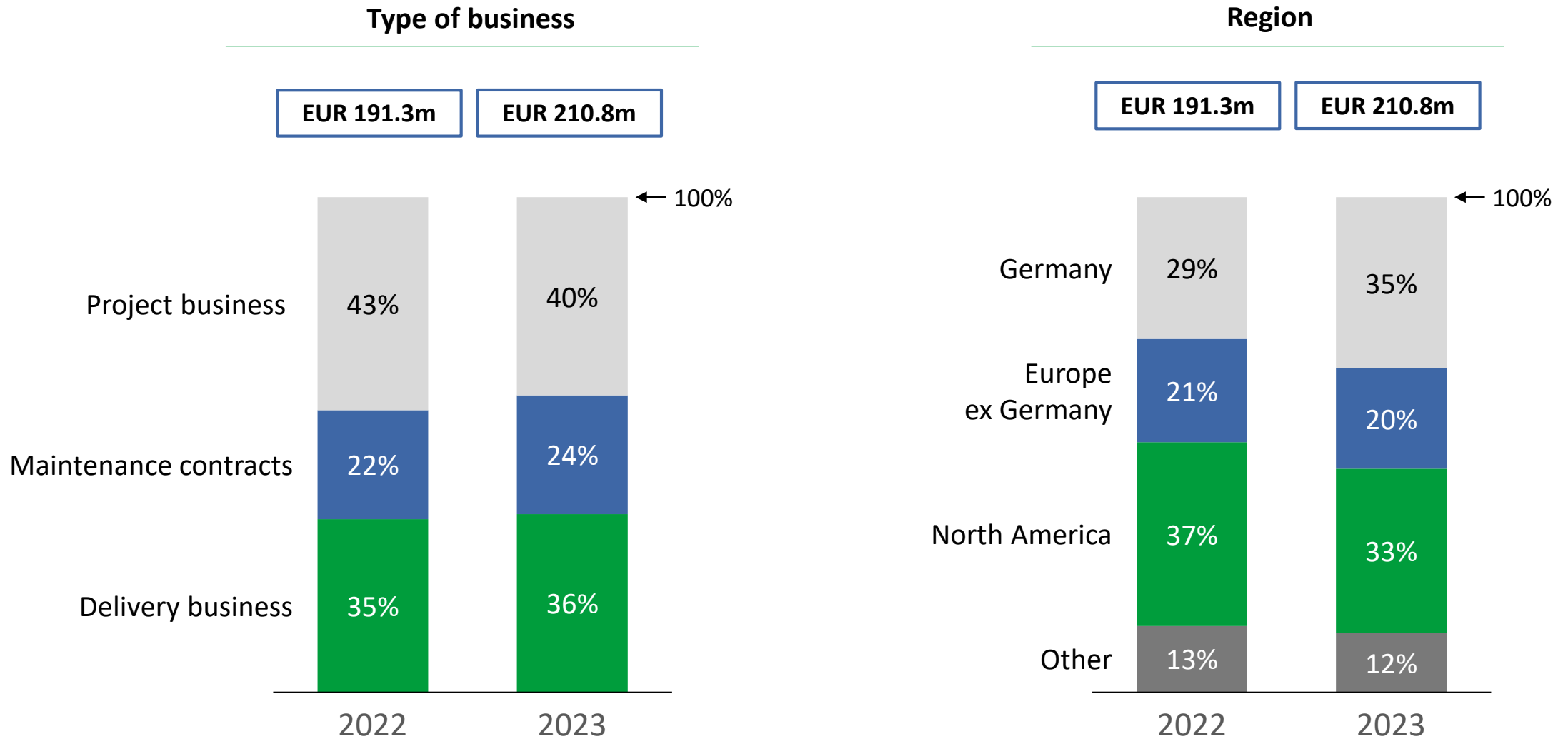


+10.2%
increase in revenues
to previous FY 2022

- With expected **good 4th quarter**, over EUR 200 million for the first time, return into the long-term growth target corridor
- **Strong year-end business in Germany**, very solid growth in optical components for the full year

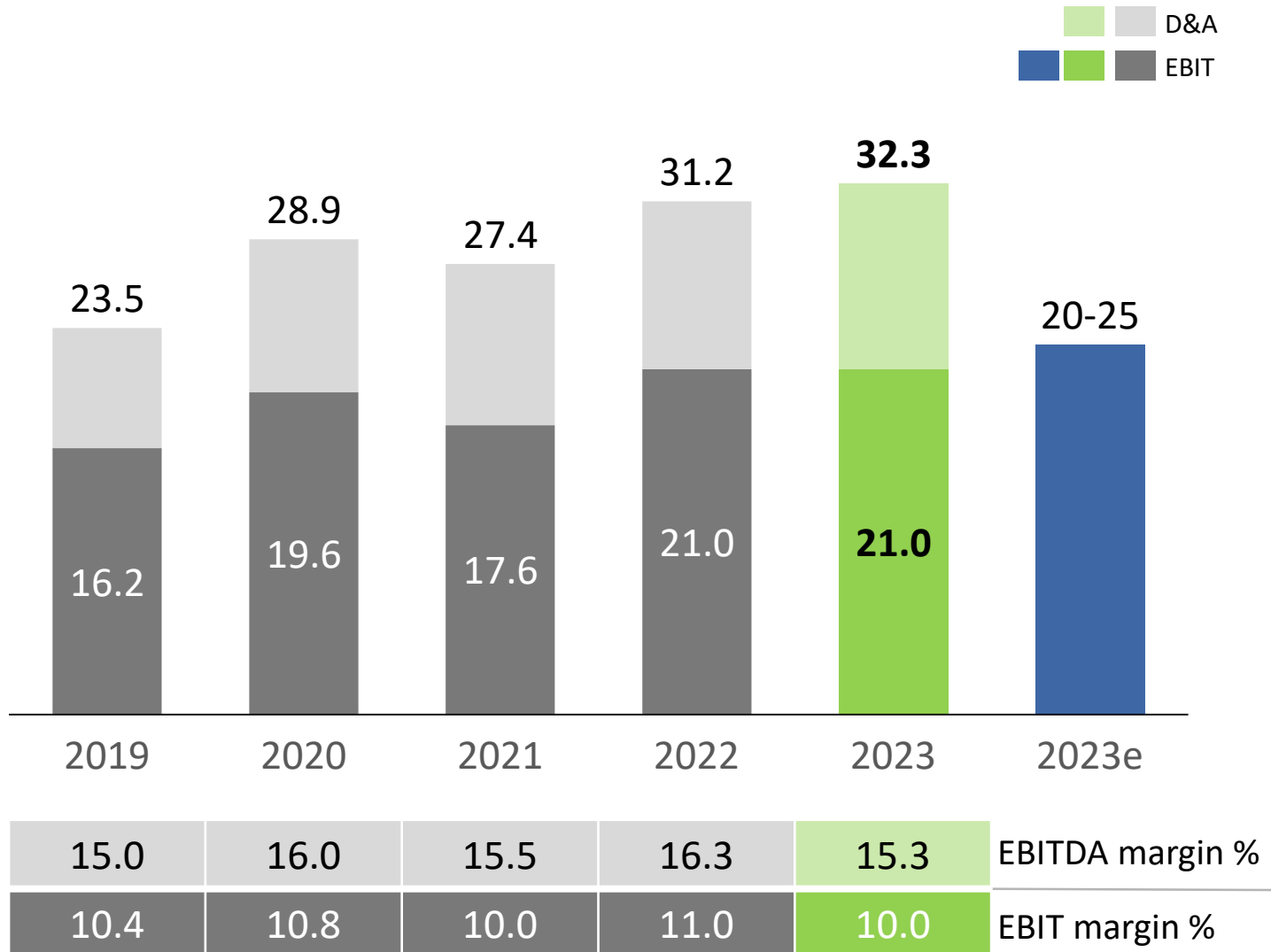
Revenue distribution

(in per cent)



EBIT(DA)

(EURm)



21_m EUR

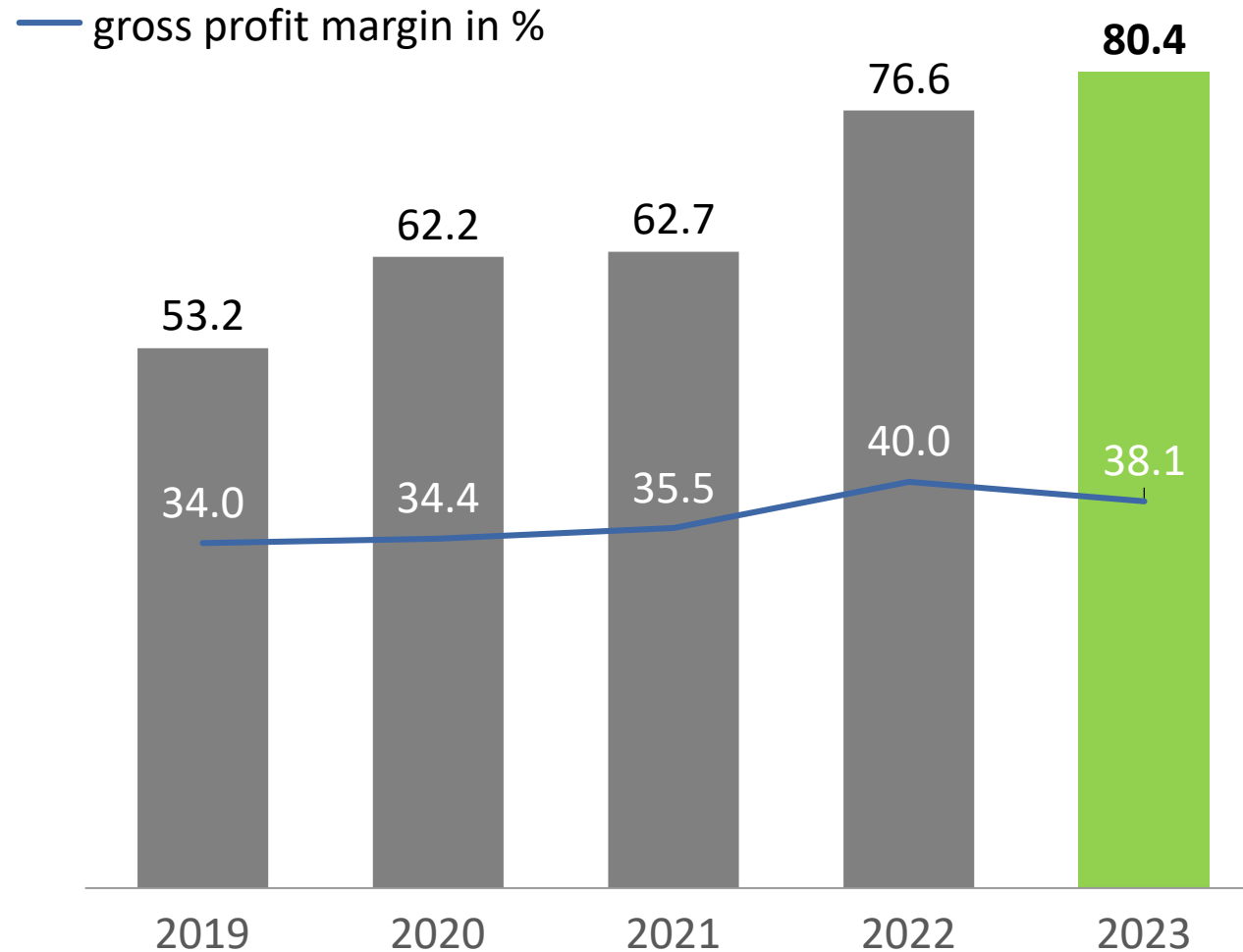
EBIT

FY 2023

- **EBIT target achieved;** EBIT margin **within** medium-term **target corridor**
- Slight year-on-year **decline in gross margin** and **inflation-related cost** increases

Gross profit

(EURm)



38%

gross profit

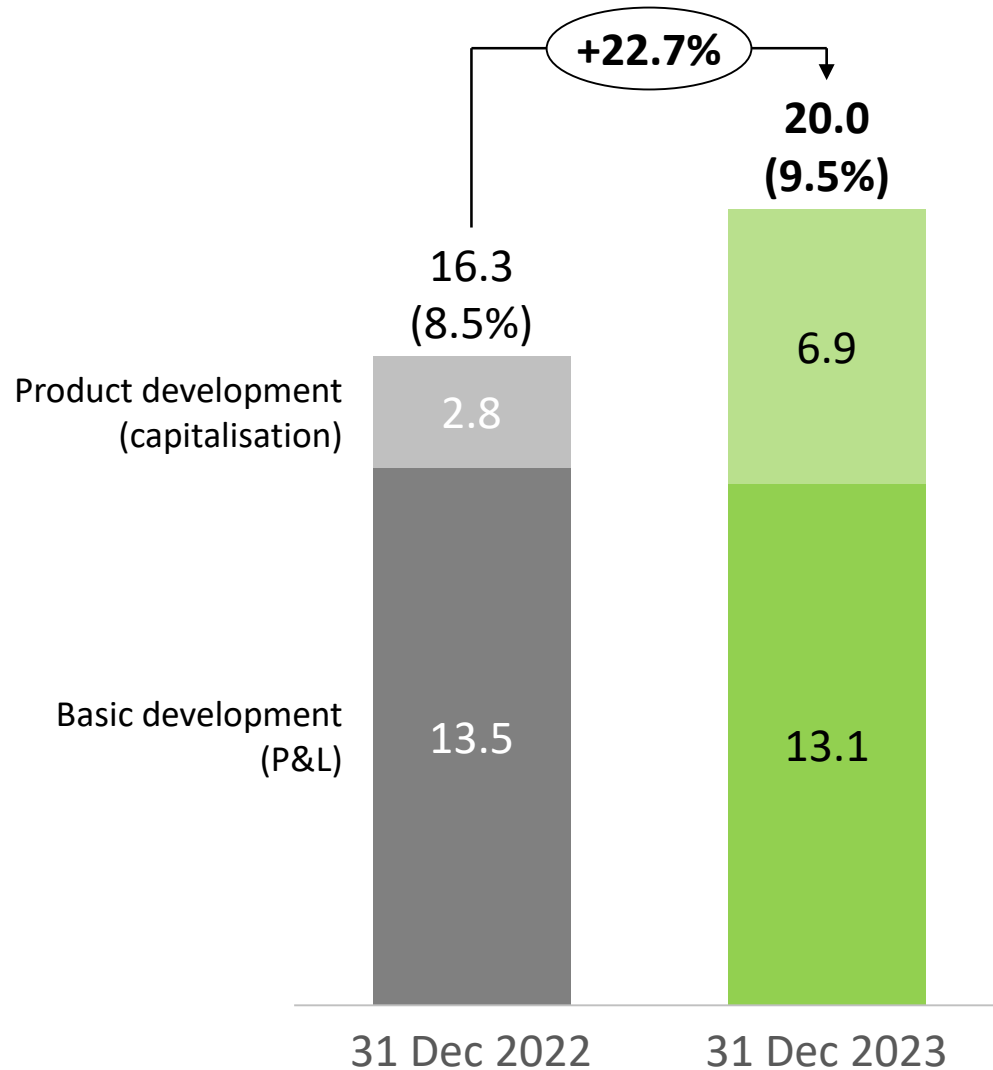
FY 2023

- **Absolute increase** in gross profit of 5% due to strong revenue growth
- At the same time, **slight decrease in the gross margin** compared to the previous year, due to particularly **favourable business mix** in conjunction with **positive balance sheet reviews in 2022**



Expenditure R&D (ratio)

(EURm)



9.5%
of revenues
invested in basic and
product development

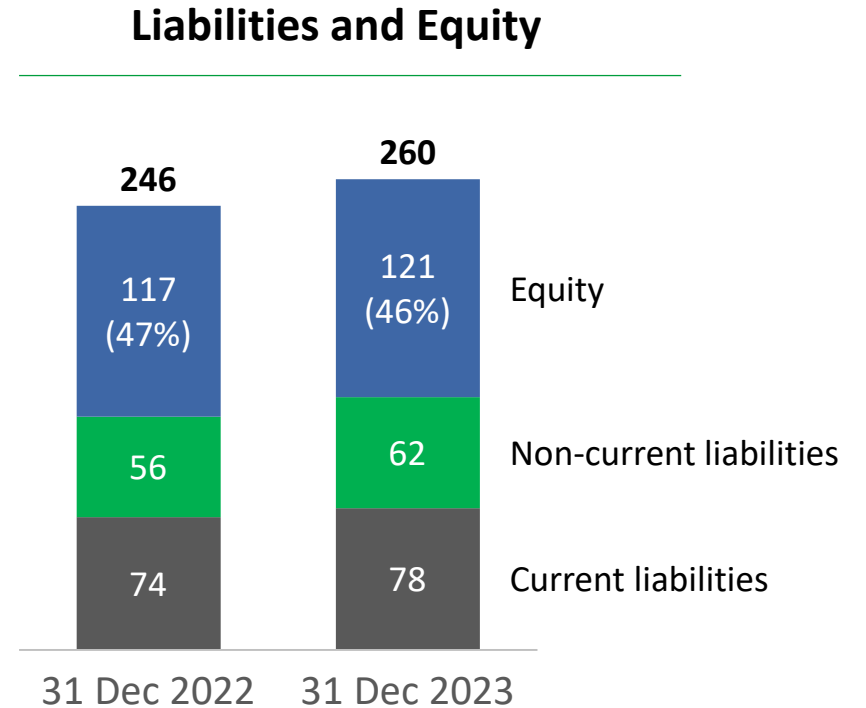
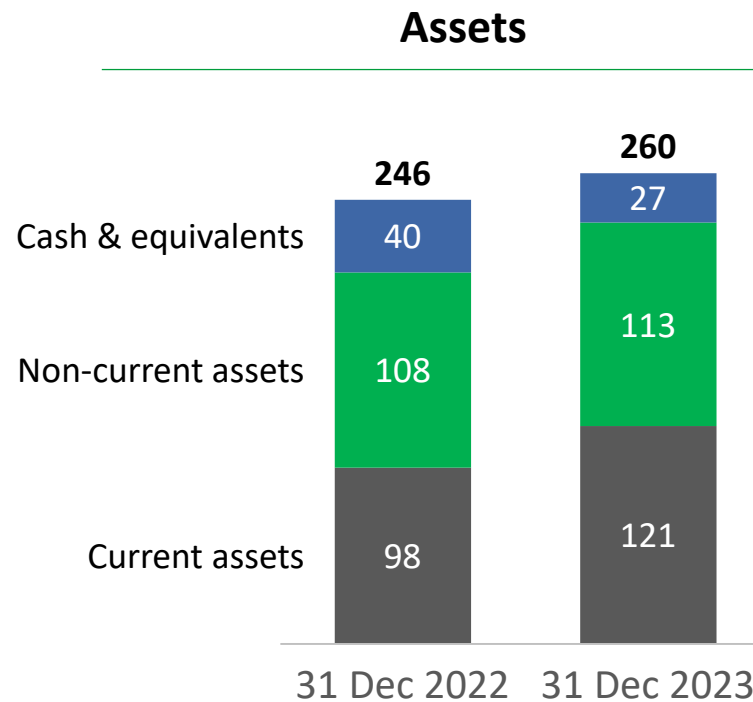
FY 2023

- Good progress in all development projects – further **development** of fully **cloud-native platforms**
- Does not include: Customer-specific new and further developments (expenditure in production costs)



Balance sheet

(EURm)

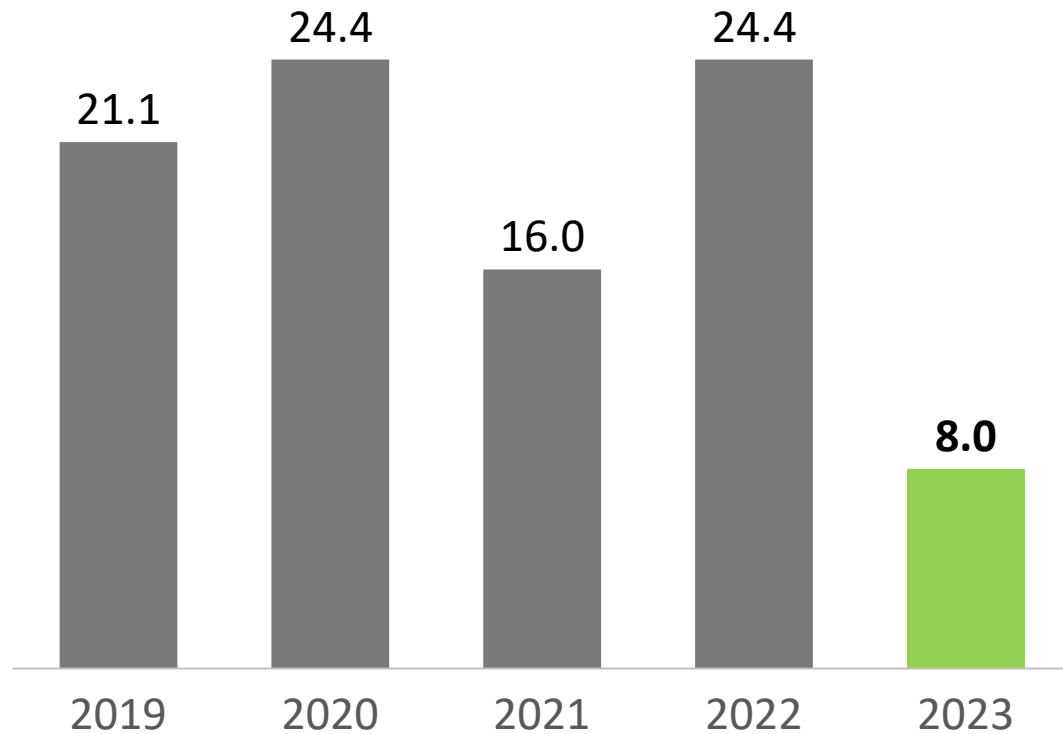


- Non-current assets increased due to further development of platforms, in particular nextGen cloud
- Current assets as at 31 Dec 2023 characterised by very strong revenue growth in Q4 and preparations for the ramp-up of production in NA

- Equity ratio remains at a high level, but slightly declining
- Long-term debt increased due to shift to more long-term innovation financing
- Current liabilities increased slightly due to higher contract liabilities as a result of growth

Operating cash flow

(EURm)



Net capex



8_m EUR

OCF

Compared to previous FY 2022

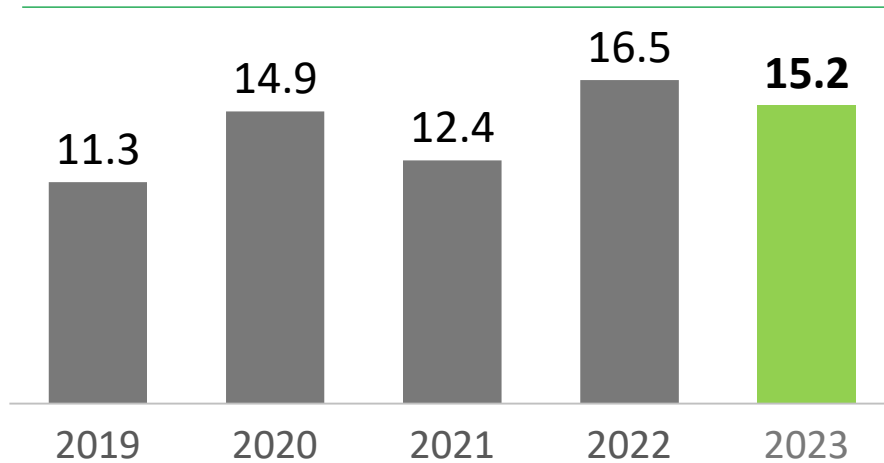
- **Cash conversion not satisfactory** in the financial year, but due to strong growth in Q4 and subsequent increase in working capital on the back of **65m EUR in customer assets¹** as of 31 Dec 2023 (PY: 50m EUR)
- Net **capex** characterised by **investments** in the development of the **nextGen cloud platforms**



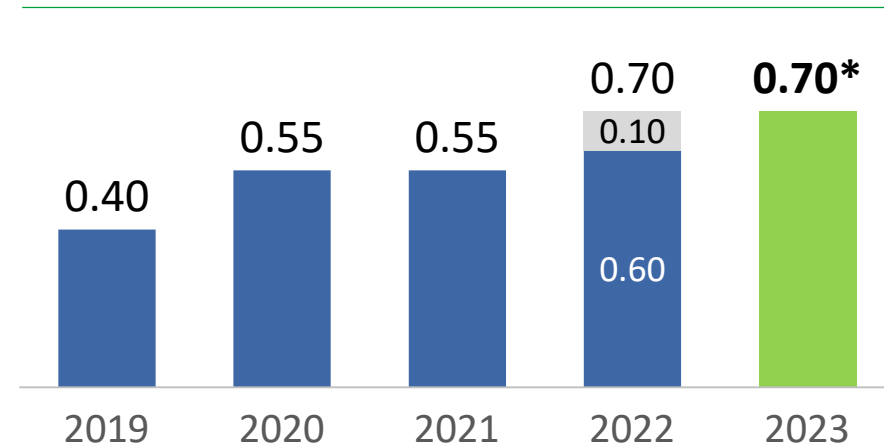
*Accounts receivable + contract assets

Consolidated net profit and dividend proposal

Consolidated net profit (EURm)



Dividend proposal (EUR)



0.70 EUR*

dividend

Increase in the basic dividend of FY 2022

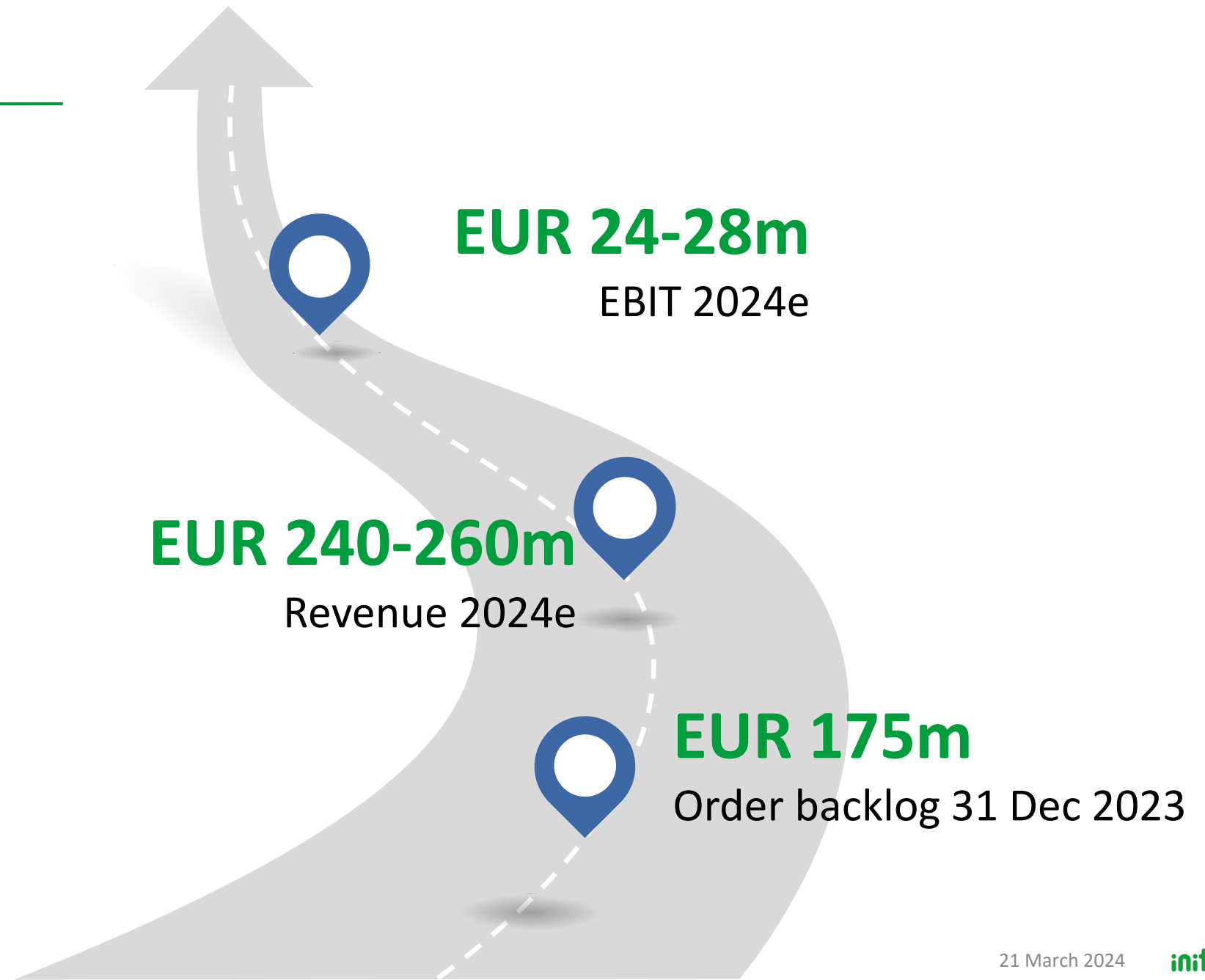
- Group result down slightly due to **rise** in interest expense on the back of global increase in **interest rates**
- Corporate result and future prospects allow **increase in the basic dividend**



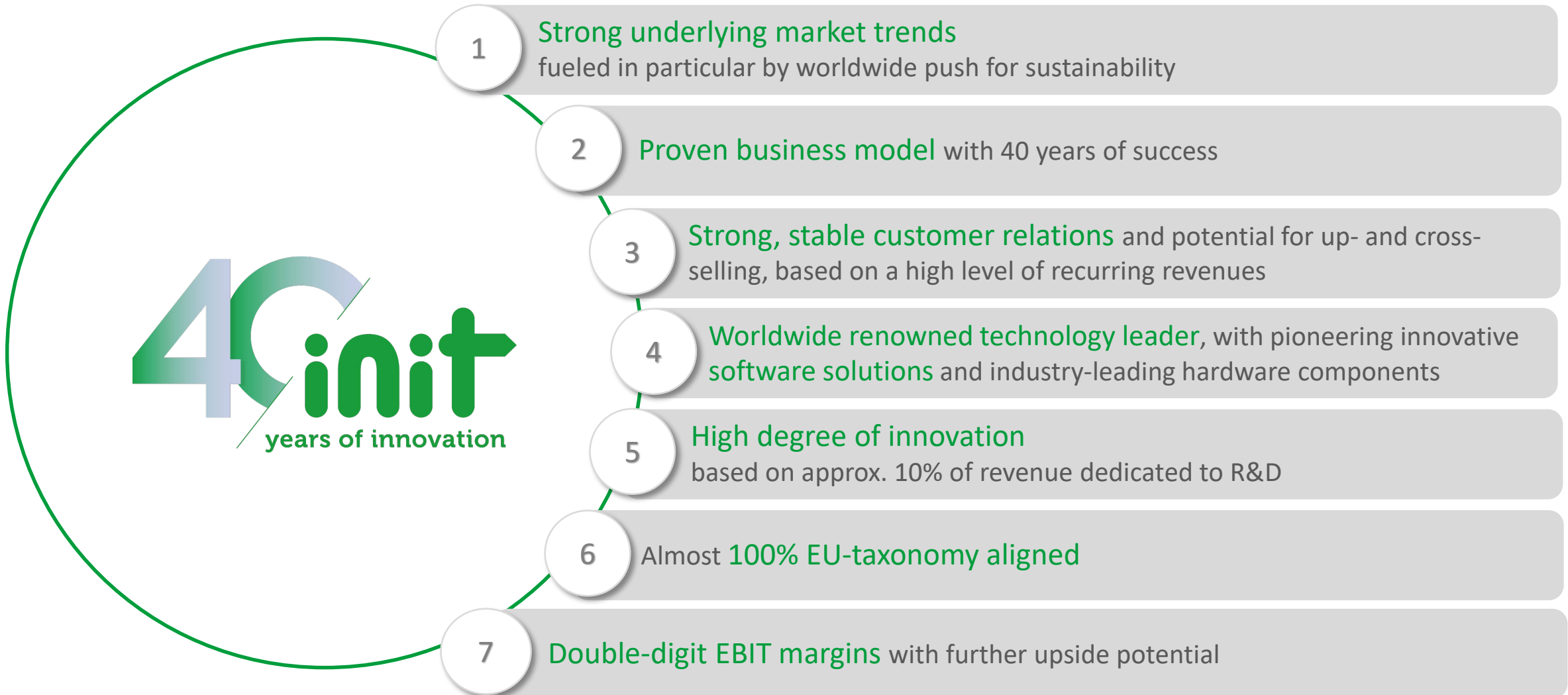
*proposal to the AGM 2024

Outlook FY 2024

- ✓ Revenue and EBIT **target achieved for FY 2023**
- ✓ Further growth in a range of **10 to 15 % p. a**
- ✓ **Incoming orders** in the **first quarter 2024** already **above previous year's record**



Key investment highlights



Thank you for your interest



Dr. Marco Ferber, CFO

Disclaimer

Decimal places, especially for percentages, may be subject to rounding differences.

This presentation contains future-related statements, which are based on current estimates of company with regard to future developments. Such statements are inherently subject to risks and uncertainties, as they may be affected by factors that are neither controllable nor foreseeable by init, such as on the development of the future market environment and economic conditions, the behaviour of other market participants and government measures.

If one of these uncontrollable or unforeseeable factors occurs respectively changes or the assumptions on which these statements are based prove inaccurate, actual developments and results could differ materially from the results cited explicitly or contained implicitly in these statements.

The logo for 'init' is displayed in a large, white, lowercase, sans-serif font with a slight shadow effect. The letters are bold and modern.

Financial Calendar 2024

21 March 2024
Annual Report 2023
Virtual Conference

15 May 2024
Quarterly Statement Q1/2024

6 June 2024
AGM face-to-face

IR-contact

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