



**GROUP QUARTERLY STATEMENT  
AS AT 30 SEPTEMBER**

**2018**

eventim



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## CTS EVENTIM REPORTS SIGNIFICANT INCREASE IN REVENUE AND EARNINGS IN FIRST NINE MONTHS

- + Group revenue up 23.9% at EUR 922.5 million, normalised EBITDA up 17.1% at EUR 140.0 million
- + Increases in both Ticketing and Live Entertainment
- + Number of tickets sold online grows organically by 8.7%
- + Revenue and earnings in the Live Entertainment segment exceed 2017 total figures after nine months already
- + Group continues to expect growth in both revenue and earnings for full year 2018

The **CTS Group**, one of the leading international providers of ticketing and live entertainment, achieved significant growth in revenue and earnings in the first nine months of this year. Group revenue rose year-on-year by 23.9% to EUR 922.5 million (previous year: EUR 744.8 million), while normalised EBITDA advanced 17.1% to EUR 140.0 million (previous year: EUR 119.6 million). Both segments, Ticketing and Live Entertainment, contributed to these growth rates.

Klaus-Peter Schulenberg, CEO of CTS EVENTIM, commented that 'CTS EVENTIM is on course for another record year. We improved our online ticketing volume by almost nine percent, even though in many countries, also due to the Football World Championship, fewer highly profitable tours commanding higher price levels went on sale than the year before. The fact that we have ramped up our dynamic growth in recent months shows that we can be confident about the fourth quarter. We are looking forward to our Christmas business which has been and will be featuring a lot of presales for many attractive events.'

In the **Ticketing segment**, revenue increased purely organically by 4.0% in the first nine months to reach EUR 276.5 million (previous year: EUR 265.9 million). This was mainly attributable to a significant increase in online ticketing volume: no fewer than 33.7 million tickets were sold on CTS EVENTIM's webshops – a year-on-year growth rate of 8.7% (previous year: 31.0 million). Normalised EBITDA exceeded the EUR 100 million mark for the first time after nine months and was up 3.8% at EUR 102.1 million (previous year: EUR 98.4 million). This encouraging growth in earnings was affected by expenses incurred in implementing the General Data Protection Regulation.

Strong 34.9% growth in the **Live Entertainment segment** brought revenue to EUR 656.6 million (previous year: EUR 486.8 million). Normalised EBITDA climbed significantly by 78.8% to EUR 37.9 million (previous year: EUR 21.2 million), which meant that revenue and earnings in the segment had already exceeded the totals for 2017 after nine months. This was due to many promoters in CTS EVENTIM's portfolio organising a greater number of tours with particularly large audiences and high sales revenue. Positive impacts were also created by the new 'Holiday on Ice' tour, by various music festivals – including the second 'New Horizons' festival which attracted 30% more visitors to the Nürburgring than at its début last year – and by yet another successful season for the LANXESS arena in Cologne. In 2018, CTS EVENTIM has also been continuing its international expansion with takeovers of D'Alessandro e Galli and Vivo Concerti (two Italian promoters) and Doctor Music (a Spanish promoter).

## OVERVIEW OF KEY GROUP FIGURES

TICKETING	01.01.2018 - 30.09.2018	01.01.2017 - 30.09.2017	Change	
	[EUR'000]	[EUR'000]	[EUR'000]	[in %]
Revenue	276,544	265,933	10,612	4.0
EBITDA	100,634	96,442	4,192	4.4
EBITDA margin	36.4%	36.3%		0.1 pp
Normalised EBITDA	102,108	98,397	3,711	3.8
<i>Normalised EBITDA margin</i>	<i>36.9%</i>	<i>37.0%</i>		<i>-0.1 pp</i>
EBIT	78,820	73,652	5,167	7.0
EBIT margin	28.5%	27.7%		0.8 pp
Normalised EBIT before amortisation from purchase price allocation	86,831	83,802	3,029	3.6
<i>Normalised EBIT margin</i>	<i>31.4%</i>	<i>31.5%</i>		<i>-0.1 pp</i>

LIVE ENTERTAINMENT	01.01.2018 - 30.09.2018	01.01.2017 - 30.09.2017	Change	
	[EUR'000]	[EUR'000]	[EUR'000]	[in %]
Revenue	656,611	486,777 <sup>1</sup>	169,834	34.9
EBITDA	37,321	21,014 <sup>1</sup>	16,307	77.6
EBITDA margin	5.7%	4.3% <sup>1</sup>		1.4 pp
Normalised EBITDA	37,852	21,165 <sup>1</sup>	16,687	78.8
<i>Normalised EBITDA margin</i>	<i>5.8%</i>	<i>4.4% <sup>1</sup></i>		<i>1.4 pp</i>
EBIT	32,612	17,112 <sup>1</sup>	15,500	90.6
EBIT margin	5.0%	3.5% <sup>1</sup>		1.5 pp
Normalised EBIT before amortisation from purchase price allocation	34,718	18,653 <sup>1</sup>	16,065	86.1
<i>Normalised EBIT margin</i>	<i>5.3%</i>	<i>3.8% <sup>1</sup></i>		<i>1.5 pp</i>

<sup>1</sup> Adjusted prior-year figures due to the final purchase price allocation of FKP SCORPIO Group

CTS GROUP	01.01.2018 - 30.09.2018	01.01.2017 - 30.09.2017	Change	
	[EUR'000]	[EUR'000]	[EUR'000]	[in %]
Revenue	922,538	744,773 <sup>1</sup>	177,765	23.9
EBITDA	137,955	117,455 <sup>1</sup>	20,500	17.5
EBITDA margin	15.0%	15.8% <sup>1</sup>		-0.8 pp
Normalised EBITDA	139,961	119,562 <sup>1</sup>	20,398	17.1
<i>Normalised EBITDA margin</i>	<i>15.2%</i>	<i>16.1% <sup>1</sup></i>		<i>-0.9 pp</i>
Depreciation and amortisation	-26,524	-26,691 <sup>1</sup>	167	-0.6
EBIT	111,432	90,764 <sup>1</sup>	20,667	22.8
EBIT margin	12.1%	12.2% <sup>1</sup>		-0.1 pp
Normalised EBIT before amortisation from purchase price allocation	121,550	102,455 <sup>1</sup>	19,094	18.6
<i>Normalised EBIT margin</i>	<i>13.2%</i>	<i>13.8% <sup>1</sup></i>		<i>-0.6 pp</i>
Financial result	2,161	5,037	-2,875	-57.1
Earnings before tax (EBT)	113,593	95,801 <sup>1</sup>	17,792	18.6
Net income after non-controlling interest	63,444	60,500 <sup>1</sup>	2,943	4.9
	[EUR]	[EUR]	[EUR]	
Earnings per share <sup>2</sup> ; undiluted (= diluted)	0.66	0.63	0.03	4.9
	[Qty.]	[Qty.]	[Qty.]	
Internet ticket volume (in million)	33.7	31.0	2.7	8.7
Employees <sup>3</sup>	2,760	2,633	127	4.8

<sup>1</sup> Adjusted prior-year figures due to the final purchase price allocation of FKP SCORPIO Group

<sup>2</sup> Number of shares: 96 million

<sup>3</sup> Number of employees at end of year (active workforce)

## EARNINGS PERFORMANCE

### REVENUE PERFORMANCE

In the **Ticketing segment**, revenue rose by EUR 10.612 million (+4.0%). This was largely due to a significant increase in the online ticket volume, although in many countries - also due to the Football World Championship - lower-margin major tours with higher ticket prices went into presale than in the previous year. The internet ticket volume increased by 2.7 million from 31.0 million to 33.7 million (+8.7%). The share of revenue generated by foreign subsidiaries was at 46.7% (previous year: 47.8%).

In the **Live Entertainment segment**, a record revenue of EUR 656.611 million (+34.9%) was generated. The increase in revenue results from an increased number of very well attended and high-revenue concerts and tours as well as the expansion of the scope of consolidation. The CTS Group continued its international expansion with the acquisitions of the promoters D'Alessandro e Galli (Di and Gi S.r.l.), Vivo Concerti S.r.l., both seated in Italy, and Doctor Music in Spain (BIG TOURS S.L.).

In the **CTS Group**, this resulted in an increase in revenue in both segments by EUR 177.765 million (+23.9%) to EUR 922.538 million.

### NON-RECURRING ITEMS

In the period under review, CTS Group earnings were negatively impacted due to non-recurring items in the Ticketing segment amounting to EUR 1.474 million (previous year: EUR 1.955 million) and in the Live Entertainment segment amounting to EUR 531 thousand (previous year: EUR 152 thousand) due to implemented and planned acquisitions. Non-recurring items comprise primarily legal and consulting fees for the performance of due diligence (see Annual Report 2017, 3.2 Corporate Management).

### NORMALISED EBITDA / EBITDA

CTS GROUP	01.01.2018 - 30.09.2018	01.01.2017 - 30.09.2017	Change	
	[EUR'000]	[EUR'000]	[EUR'000]	[in %]
<b>EBITDA</b>	<b>137,955</b>	<b>117,455</b> <sup>1</sup>	<b>20,500</b>	<b>17.5</b>
Non-recurring items	2,005	2,107	-101	-4.8
<b>Normalised EBITDA</b>	<b>139,961</b>	<b>119,562</b> <sup>1</sup>	<b>20,398</b>	<b>17.1</b>
Depreciation and amortisation	-26,524	-26,691 <sup>1</sup>	167	-0.6
Thereof amortisation from purchase price allocation	8,113	9,584 <sup>1</sup>	-1,471	-15.4
<b>Normalised EBIT before amortisation from purchase price allocation</b>	<b>121,550</b>	<b>102,455</b> <sup>1</sup>	<b>19,094</b>	<b>18.6</b>

<sup>1</sup> Adjusted prior-year figures due to the final purchase price allocation of FKP SCORPIO Group

Normalised EBITDA in the **Ticketing segment** increased by EUR 3.711 million (+3.8%). The growth in online ticket volume both nationally and internationally contributed, significantly to this increase in earnings, although compared to the same period in the previous year, significantly fewer high-margin major tours were on offer. Increased expenses resulting from the implementation of the European General Data Protection Regulation (GDPR) and lower other operating income, led to a negative impact on earnings during the reporting period. Furthermore, higher personnel costs resulted from the implementation of technological development and expanding internationalisation. At 36.9%, normalised EBITDA margin almost reached the previous year's level of 37.0%. The share of normalised EBITDA attributable to foreign companies increased year-on-year from 33.5% to 34.3% in the current reporting period. The EBITDA increased from EUR 96.442 million by EUR 4.192 million to EUR 100.634 million. The EBITDA margin is 36.4% (previous year: 36.3%).

Normalised EBITDA in the **Live Entertainment segment** increased significantly by EUR 16.687 million (+78.8%). The increase relates primarily to high-profile tours and events and positive earnings contributions from new event formats. The normalised EBITDA margin increased to 5.8% compared to 4.4% in the same period last year. EBITDA increased from EUR 21.014 million by EUR 16.307 million to EUR 37.321 million. EBITDA margin rose to 5.7% (previous year: 4.3%).

Normalised **CTS Group** EBITDA increased by EUR 20.398 million or 17.1%. The normalised EBITDA margin was with 15.2% below the previous year's level with 16.1%. The normalised EBITDA margin was negatively impacted by the increased share in normalised EBITDA of the positive – yet lower-margin – in the Live Entertainment segment. Foreign subsidiaries accounted for 25.6% of normalised EBITDA (previous year: 28.2%). EBITDA increased by EUR 20.500 million from EUR 117.455 million to EUR 137.955 million. The EBITDA margin is 15.0% (previous year: 15.8%).

## FINANCIAL RESULT

The financial result changed from EUR 5.037 million by EUR -2.875 million to EUR 2.161 million. The previous period had a disproportionately positive one-off effect from the valuation at fair value of a subsidiary accounted for using the equity method and fully consolidated as of 1 January 2017, in the amount of EUR 5.373 million. In the reporting period, increased financial income of EUR 2.483 million was recognized from the fair value measurement of put options granted to minority shareholders.

## EARNINGS BEFORE TAX (EBT) / CONSOLIDATED NET INCOME / EARNINGS PER SHARE (EPS)

In the reporting period, EBT increased from EUR 95.801 million by EUR 17.792 million to EUR 113.593 million.

Due to the positive business development in the Live Entertainment segment, significantly higher minority interests were reported in the period under review, so that after deducting tax expenses and non-controlling interests, a net income attributable to the shareholders of CTS KGaA of EUR 63.444 million (previous year: EUR 60.500 million) was achieved and the EPS rose as expected from EUR 0.63 to EUR 0.66.

## **PERSONNEL**

Compared to the previous year, personnel expenses in the CTS Group increased from EUR 101.078 million by EUR 10.961 million to EUR 112.039 million. The increase in personnel expenses relates to the Live Entertainment segment with EUR 6.445 million and the Ticketing segment with EUR 4.516 million. The increase in the Live Entertainment segment resulted primarily from the expansion of the number of companies included in consolidation. The increase in the Ticketing segment is due to the further expansion of the workforce in line with business development and the implementation of technological development and expanding internationalisation.

On average, the companies in the CTS Group had a total of 2,839 employees (previous year: 2,649) including part-time workers on their payroll. Of that total, 1,723 are employed in the Ticketing segment (previous year: 1,677 employees) and 1,115 in the Live Entertainment segment (previous year: 972 employees).

## FINANCIAL POSITION

### MAIN CHANGES IN ASSETS

**Cash and cash equivalents** in the CTS Group decreased by EUR 156.601 million. The change in cash and cash equivalents relates to the seasonal reduction of ticket monies paid in the Ticketing segment and to the seasonal reduction of cash and cash equivalents in the Live Entertainment segment due to events held and settled, which is offset by an increase of cash and cash equivalents due to the scope of consolidation. In addition, dividend payments to shareholders in the second quarter of 2018 led to a cash outflow.

Cash and cash equivalents include ticket monies from presales for events in subsequent quarters (ticket monies not yet invoiced primarily in the Ticketing segment), which are reported under other financial liabilities at EUR 276.595 million (31.12.2017: EUR 314.483 million); other financial assets also include receivables relating to ticket monies from presales mainly in the Ticketing segment (EUR 92.033 million; 31.12.2017: EUR 78.664 million) and factoring receivables (EUR 24.286 million; 31.12.2017: EUR 22.266 million).

The decrease in **trade receivables** (EUR -13.298 million) results mainly from the ongoing business activities.

The increase in short-term **other financial assets** (EUR +20.672 million) mainly results from the increase in receivables relating to ticket revenue from presales in the Ticketing segment (EUR +13.604 million) and factoring receivables (EUR +2.019 million).

The increase in current **other non-financial assets** (EUR +8.441 million) includes mainly increased VAT receivables.

**Goodwill** increased mainly due to the expansion in the number of consolidated companies in the Live Entertainment segment (EUR +12.357 million).

## MAIN CHANGES ON THE SHAREHOLDERS' EQUITY AND LIABILITY SIDE

The decline in **short-term liabilities** is mainly the result of lower short-term financial liabilities (EUR -26.475 million), advanced payments received (EUR -91.421 million) in the Live Entertainment segment and lower liabilities in respect of ticket monies not yet invoiced in the Ticketing segment (EUR -37.888 million). This is offset by higher trade payables (EUR +16.299 million).

Current **financial liabilities** (EUR -26.475 million) decreased as a result of loan and dividend payments.

**Trade payables** increased by EUR 16.299 million, amongst other things due to the expansion of the scope of consolidation and as a result of ongoing business activities in the Live Entertainment segment.

The short-term **advance payments received** (EUR -91.421 million) decreased mainly due to the performance of events. On the other hand, there was an increase due to the expansion of the scope of consolidation.

The decline in short-term **other financial liabilities** (EUR -39.599 million) is mainly attributable to the reduction of liabilities from ticket monies not yet invoiced in the Ticketing segment. Due to the strong fourth quarter at the end of the year, there is usually a large amount of liabilities for ticket monies not yet invoiced, which is then reduced in the course of the following year, when the events are held and invoiced.

**Shareholders' equity** rose by EUR 22.592 million to EUR 416.391 million, mainly due to the positive consolidated net income in the reporting period which is offset by a dividend payment to shareholders. The equity ratio (shareholders' equity divided by the balance sheet total) rose to 32.4% (previous year: 28.0%).

## CASH FLOW

The amount of cash and cash equivalents shown in the cash flow statement corresponds to the cash and cash equivalents stated in the balance sheet. Compared to the closing date of 31 December 2017, cash and cash equivalents decreased by EUR 156.601 million to EUR 484.125 million.

In comparison to the closing date at 30 September 2017 cash and cash equivalents increased by EUR 16.606 million.

The decrease in **cash flow from operating activities** from EUR 31.511 million by EUR -95.585 million to EUR -64.074 million is primarily the result of changes in liabilities (advance payments received in the Live Entertainment segment).

The negative cash flow effect arising from the change in liabilities amounted to EUR -140.353 million compared to the previous year period and consisted primarily of the year-on-year decline in advance payments in the Live Entertainment segment. Whereas higher advance payments received from presales for major tours with large audiences resulted in a positive cash flow effect in the nine months of 2017 and the execution of major tours with large audiences in the reporting period in 2018 led to a negative cash flow effect.

Owing to the seasonally very high level of ticket presales in the fourth quarter, there is usually a large amount of liabilities in respect of ticket monies as at 31 December that have not yet been invoiced in the Ticketing segment, which leads in the course of the following year to cash outflows of ticket monies to promoters due to many events being held and invoiced.

The positive cash flow effect from the change in receivables of EUR 19.346 million results primarily from changes in trade receivables in the ordinary course of business. While trade receivables increased in the same period of the previous year, these declined during the reporting period.

The negative **cash flow from investing activities** decreased year-on-year from EUR -7.943 million by EUR 5.619 million to EUR -2.323 million mainly due to cash inflows from the strategically based share reductions in the Live Entertainment segment.

The negative **cash flow from financing activities** decreased year-on-year from EUR -106.645 million by EUR 16.164 million to EUR -90.481 million. This was mainly due to lower dividend payments (due to higher dividend payment of an additional special dividend in 2017) and higher redemption of financial loans.

With its current financial resources, the CTS Group is able to meet its financial commitments and to finance its planned investments and ongoing operations from its own funds.

## **SIGNIFICANT EVENTS IN THE REPORTING PERIOD**

Medusa Music International GmbH, Bremen, acquired 60% of the shares in the Italian festival and concert promoter Di and Gi S.r.l., Lido di Camaiore, in February 2018. The purpose of this company is to organise and conduct concerts. With this acquisition, the CTS Group gets access to an attractive festival and artist portfolio that complements its existing activities in Italy.

In April 2018, the CTS Group has further enhanced its market position in Italy and acquired a 100% stake in Vivo Concerti S.r.l., Milan, a promoter of concerts and musicals, through its subsidiary Friends & Partners S.p.A., Milan. Among the artists, whose Italian tours Vivo Concerti has organised in recent years, are international acts such as Evanescence, David Guetta, Demi Lovato, Tokio Hotel, Sam Smith, Brian Wilson and Hans Zimmer, as well as regional stars like Benji & Fede, Mannarino and Thegiornalisti.

In May 2018, the CTS Group acquired 63.5% of shares in the Spanish concert and festival promoter BIG TOURS S.L., Barcelona, through its subsidiary Medusa Music International GmbH, Bremen. By making this acquisition, the CTS Group is broadening its international base still further and now has a presence in Spain with its Live Entertainment segment. The management team of BIG TOURS S.L. has been bringing the biggest stars of the international rock and pop scene to the Spanish stages for more than 35 years.

## **EVENTS AFTER THE BALANCE SHEET DATE**

There were no reportable events after the balance sheet date.

## OUTLOOK

As stated in the Annual Report 2017, the **CTS Group** expects to increase revenue and earnings figures in the 2018 financial year – both across the Group and in the individual segments. This forecast is supported not least by the fact that growth momentum has risen in the third quarter and a number of attractive presales in various countries are set to begin in the fourth quarter.

Online ticketing remains an important driver of success in this respect. The number of tickets sold online increased by around 9% even though, also due to the Football World Championship, significantly fewer major tours went into presale in many countries in the first half of the year compared to the same period of the previous year.

In this context, the CTS Group benefits from the rising popularity of digital offerings and its long-standing investments in mobile solutions, apps and social media. Besides high-performance ticketing systems, the company also offers tailor-made products that meet the increasingly complex requirements of promoters and end customers, from exclusive global presales for fan clubs right through to customised ticketing solutions.

Further areas of strategic focus in the **Ticketing** segment include the ongoing development of e-commerce solutions and the use and analysis of big data. With EVENTIM Analytics, the Group has an established tool that offers business customers, operating in all event sectors, a significant boost in terms of efficiency and greater knowledge in numerous relevant areas.

The **Live Entertainment** segment saw record revenue and earnings figures on the basis of growth rates that were well into double figures. On the back of recent acquisitions in Italy and Spain, the CTS Group is also open to further take-overs and strategic partnerships in this area of business. The aim here is to offer international touring opportunities to artists from all over the world. What's more, the company is continually investing in new content formats such as the New Horizons festival, where visitor numbers in its second year were up 30% compared to the event's first year in 2017.

The CTS Group is constantly reviewing cooperation and acquisition opportunities in both segments, both in existing and in other markets. As part of the strategic alignment of a further improvement in earnings and margins, the focus is on improving the net profit margin; for this reason, shares in consolidated companies can also be increased or reduced.

There were no significant changes in the reporting period compared to the information on the expected development of the Group stated in the 2017 Annual Report.

### RISK AND OPPORTUNITIES REPORT

Against the backdrop of the existing risk management systems, risk exposure is limited and manageable in the CTS Group. No risks are evident that could endanger the continuation of the Group as a going concern. The statements in the Risk and Opportunity Report 2017 are still valid.

## INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2018

ASSETS	30.09.2018	31.12.2017
	[EUR'000]	[EUR'000]
<b>Current assets</b>		
Cash and cash equivalents	484,125	640,726
Marketable securities and other investments	5,935	837
Trade receivables	47,243	60,541
Receivables from affiliated and associated companies accounted for at equity	760	2,218
Inventories	4,308	4,600
Payments on account	49,462	46,084
Receivables from income tax	5,952	6,141
Other financial assets	137,466	116,795
Other non-financial assets	45,580	37,140
<b>Total current assets</b>	<b>780,831</b>	<b>915,080</b>
<b>Non-current assets</b>		
Goodwill	309,196	296,839
Other intangible assets	109,019	112,722
Property, plant and equipment	33,110	31,224
Investments	1,112	1,815
Investments in associates accounted for at equity	19,308	19,294
Loans	0	3,767
Trade receivables	146	20
Other financial assets	7,262	4,605
Other non-financial assets	1,122	1,000
Deferred tax assets	22,852	18,993
<b>Total non-current assets</b>	<b>503,126</b>	<b>490,278</b>
<b>Total assets</b>	<b>1,283,957</b>	<b>1,405,358</b>

<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>30.09.2018</b>	<b>31.12.2017</b>
	<b>[EUR'000]</b>	<b>[EUR'000]</b>
<b>Current liabilities</b>		
Financial liabilities	32,943	59,418
Trade payables	120,187	103,889
Payables to affiliated and associated companies accounted for at equity	671	554
Advance payments received	195,034	286,454
Other provisions	7,806	7,884
Tax debts	47,112	37,568
Other financial liabilities	293,426	333,024
Other non-financial liabilities	59,638	64,642
<b>Total current liabilities</b>	<b>756,817</b>	<b>893,433</b>
<b>Non-current liabilities</b>		
Financial liabilities	82,418	87,781
Advance payments received	1,450	1,132
Other provisions	4,598	4,598
Other financial liabilities	212	260
Pension provisions	9,017	9,925
Deferred tax liabilities	13,053	14,429
<b>Total non-current liabilities</b>	<b>110,749</b>	<b>118,125</b>
<b>Shareholders' equity</b>		
Share capital	96,000	96,000
Capital reserve	1,890	1,890
Statutory reserve	7,200	7,200
Retained earnings	280,069	266,993
Other reserves	-1,073	-2,278
Treasury stock	-52	-52
<b>Total equity attributable to shareholders of CTS KGaA</b>	<b>384,034</b>	<b>369,753</b>
Non-controlling interests	32,358	24,047
<b>Total shareholders' equity</b>	<b>416,391</b>	<b>393,800</b>
<b>Total shareholders' equity and liabilities</b>	<b>1,283,957</b>	<b>1,405,358</b>

## CONSOLIDATED INCOME STATEMENT FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2018

	01.01.2018 - 30.09.2018	01.01.2017 - 30.09.2017
	[EUR'000]	[EUR'000]
Revenue	922,538	744,773 <sup>1</sup>
Cost of sales	-704,556	-548,754 <sup>1</sup>
<b>Gross profit</b>	<b>217,982</b>	<b>196,019 <sup>1</sup></b>
Selling expenses	-67,605	-62,037
General administrative expenses	-48,880	-46,259
Other operating income	21,711	16,625
Other operating expenses	-11,776	-13,583
<b>Operating profit (EBIT)</b>	<b>111,432</b>	<b>90,764 <sup>1</sup></b>
Income / expenses from participations	455	15
Income / expenses from investments in associates accounted for at equity	1,608	1,860
Financial income	4,091	7,222
Financial expenses	-3,993	-4,061
<b>Income before tax (EBT)</b>	<b>113,593</b>	<b>95,801 <sup>1</sup></b>
Taxes	-36,282	-31,461 <sup>1</sup>
<b>Net income</b>	<b>77,311</b>	<b>64,341 <sup>1</sup></b>
<b>Net income attributable to</b>		
<b>Shareholders of CTS KGaA (consolidated net income)</b>	<b>63,444</b>	<b>60,500 <sup>1</sup></b>
Non-controlling interests	13,867	3,840 <sup>1</sup>
Earnings per share (in EUR); undiluted (= diluted)	0.66	0.63
Average number of shares in circulation; undiluted (= diluted)	96 million	96 million

<sup>1</sup> Adjusted prior-year figures due to the final purchase price allocation of FKP SCORPIO Group

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2018

	01.01.2018 - 30.09.2018	01.01.2017 - 30.09.2017
	[EUR'000]	[EUR'000]
Net income	77,311	64,341 <sup>1</sup>
Remeasurement of the net defined benefit obligation for pension plans	858	1,473
<b>Items that will not be reclassified to profit or loss</b>	<b>858</b>	<b>1,473</b>
Exchange differences on translating foreign subsidiaries	1,647	-3,076
Changes in financial assets measured at fair value	0	2
Change in the fair value of derivatives in cash flow hedges	13	41
Share of other comprehensive income (exchange differences) of investments accounted for using the equity method	13	-447
<b>Items that will be reclassified subsequently to profit or loss when specific conditions are met</b>	<b>1,673</b>	<b>-3,480</b>
<b>Other results (net)</b>	<b>2,531</b>	<b>-2,007</b>
<b>Total comprehensive income</b>	<b>79,842</b>	<b>62,334 <sup>1</sup></b>
<b>Total comprehensive income attributable to</b>		
Shareholders of CTS KGaA	64,660	58,733 <sup>1</sup>
Non-controlling interests	15,182	3,601 <sup>1</sup>

<sup>1</sup> Adjusted prior-year figures due to the final purchase price allocation of FKP SCORPIO Group

## CONSOLIDATED INCOME STATEMENT FOR THE PERIOD FROM 1 JULY TO 30 SEPTEMBER 2018

	01.07.2018 - 30.09.2018	01.07.2017 - 30.09.2017
	[EUR'000]	[EUR'000]
Revenue	315,932	256,261 <sup>1</sup>
Cost of sales	-242,996	-197,139 <sup>1</sup>
<b>Gross profit</b>	<b>72,936</b>	<b>59,122 <sup>1</sup></b>
Selling expenses	-23,079	-19,906
General administrative expenses	-16,866	-15,669
Other operating income	6,820	7,115
Other operating expenses	-3,711	-4,748
<b>Operating profit (EBIT)</b>	<b>36,100</b>	<b>25,913 <sup>1</sup></b>
Income / expenses from participations	55	0
Income / expenses from investments in associates accounted for at equity	476	455
Financial income	175	340
Financial expenses	-786	-1,803
<b>Income before tax (EBT)</b>	<b>36,020</b>	<b>24,906 <sup>1</sup></b>
Taxes	-11,097	-7,729 <sup>1</sup>
<b>Net income</b>	<b>24,922</b>	<b>17,176 <sup>1</sup></b>
<b>Net income attributable to</b>		
<b>Shareholders of CTS KGaA (consolidated net income)</b>	<b>19,535</b>	<b>13,429 <sup>1</sup></b>
Non-controlling interests	5,387	3,748 <sup>1</sup>
Earnings per share (in EUR); undiluted (= diluted)	0.20	0.14
Average number of shares in circulation; undiluted (= diluted)	96 million	96 million

<sup>1</sup> Adjusted prior-year figures due to the final purchase price allocation of FKP SCORPIO Group

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 1 JULY TO 30 SEPTEMBER 2018

	01.07.2018 - 30.09.2018	01.07.2017 - 30.09.2017
	[EUR'000]	[EUR'000]
Net income	24,922	17,176 <sup>1</sup>
Remeasurement of the net defined benefit obligation for pension plans	84	269
<b>Items that will not be reclassified to profit or loss</b>	<b>84</b>	<b>269</b>
Exchange differences on translating foreign subsidiaries	1,054	-1,912
Changes in financial assets measured at fair value	0	-14
Change in the fair value of derivatives in cash flow hedges	-26	61
Share of other comprehensive income (exchange differences) of investments accounted for using the equity method	-26	-192
<b>Items that will be reclassified subsequently to profit or loss when specific conditions are met</b>	<b>1,002</b>	<b>-2,058</b>
<b>Other results (net)</b>	<b>1,086</b>	<b>-1,789</b>
<b>Total comprehensive income</b>	<b>26,008</b>	<b>15,387 <sup>1</sup></b>
<b>Total comprehensive income attributable to</b>		
Shareholders of CTS KGaA	20,456	12,020 <sup>1</sup>
Non-controlling interests	5,553	3,367 <sup>1</sup>

<sup>1</sup> Adjusted prior-year figures due to the final purchase price allocation of FKP SCORPIO Group

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Equity attributable to shareholders of CTS KGaA												
	Share capital	Capital reserve	Statutory reserve	Retained earnings	Currency translation	Other reserves				Treasury stock	Total equity attributable to shareholders of CTS KGaA	Non-controlling interests	Total shareholders' equity
						Financial assets measured at fair value	Hedging instruments	Associated companies for at equity	Remeasurement of the net defined benefit obligation for pension plans				
	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]	[EUR'000]
<b>Status 01.01.2017</b>	<b>96,000</b>	<b>1,890</b>	<b>7,200</b>	<b>250,728</b>	<b>4,102</b>	<b>14</b>	<b>-3</b>	<b>-1,242</b>	<b>-3,052</b>	<b>-52</b>	<b>355,586</b>	<b>29,428</b>	<b>385,013</b>
Consolidated net income	0	0	0	60,500 <sup>1</sup>	0	0	0	0	0	0	60,500 <sup>1</sup>	3,840 <sup>1</sup>	64,341 <sup>1</sup>
Other income	0	0	0	0	-2,168	2	47	-447	799	0	-1,767	-239	-2,007
<b>Total income</b>											<b>58,733<sup>1</sup></b>	<b>3,601<sup>1</sup></b>	<b>62,334<sup>1</sup></b>
Dividends	0	0	0	-94,071	0	0	0	0	0	0	-94,071	-3,596	-97,668
Changes in the scope of consolidation	0	0	0	-1,850	0	0	0	0	0	0	-1,850	-3,223 <sup>1</sup>	-5,073 <sup>1</sup>
<b>Status 30.09.2017</b>	<b>96,000</b>	<b>1,890</b>	<b>7,200</b>	<b>215,307<sup>1</sup></b>	<b>1,934</b>	<b>16</b>	<b>45</b>	<b>-1,689</b>	<b>-2,253</b>	<b>-52</b>	<b>318,397<sup>1</sup></b>	<b>26,209<sup>1</sup></b>	<b>344,606<sup>1</sup></b>
<b>Status 31.12.2017</b>	<b>96,000</b>	<b>1,890</b>	<b>7,200</b>	<b>266,993</b>	<b>1,571</b>	<b>12</b>	<b>-18</b>	<b>-2,084</b>	<b>-1,759</b>	<b>-52</b>	<b>369,753</b>	<b>24,047</b>	<b>393,800</b>
Adjustments IFRS 9	0	0	0	-600	0	-12	0	0	0	0	-612	-206	-818
<b>Status 01.01.2018</b>	<b>96,000</b>	<b>1,890</b>	<b>7,200</b>	<b>266,394</b>	<b>1,571</b>	<b>0</b>	<b>-18</b>	<b>-2,084</b>	<b>-1,759</b>	<b>-52</b>	<b>369,142</b>	<b>23,841</b>	<b>392,982</b>
Consolidated net income	0	0	0	63,444	0	0	0	0	0	0	63,444	13,867	77,311
Other income	0	0	0	0	677	0	-1	13	528	0	1,217	1,314	2,531
<b>Total income</b>											<b>64,660</b>	<b>15,182</b>	<b>79,842</b>
Dividends	0	0	0	-56,635	0	0	0	0	0	0	-56,635	-4,402	-61,037
Changes in the scope of consolidation	0	0	0	6,866	0	0	0	0	0	0	6,866	-2,262	4,604
Other changes	0	0	0	0	-283	0	0	283	0	0	0	0	0
<b>Status 30.09.2018</b>	<b>96,000</b>	<b>1,890</b>	<b>7,200</b>	<b>280,069</b>	<b>1,964</b>	<b>0</b>	<b>-19</b>	<b>-1,788</b>	<b>-1,231</b>	<b>-52</b>	<b>384,034</b>	<b>32,358</b>	<b>416,391</b>

<sup>1</sup> Adjusted prior-year figures due to the final purchase price allocation of FKP SCORPIO Group

## CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2018 (SHORT FORM)

	01.01.2018 - 30.09.2018	01.01.2017 - 30.09.2017
	[EUR'000]	[EUR'000]
<b>Cash flow from operating activities</b>		
Net income	77,311	64,341 <sup>1</sup>
Depreciation and amortisation on fixed assets	26,524	26,691 <sup>1</sup>
Changes in pension provisions	-908	-1,529
Deferred tax expenses / income	-5,137	-5,381 <sup>1</sup>
<b>Cash flow</b>	<b>97,790</b>	<b>84,121 <sup>1</sup></b>
Other non-cash transactions	-3,419	-6,379 <sup>1</sup>
Profit / loss from disposal of fixed assets	-3,540	147
Interest expenses / Interest income	1,804	2,212
Income tax expenses	41,419	36,842
Interest received	368	274
Interest paid	-1,417	-1,748
Income tax paid	-26,310	-27,838
Increase (-) / decrease (+) in inventories	512	1,741 <sup>1</sup>
Increase (-) / decrease (+) in payments on account	-1,125	-9,662
Increase (-) / decrease (+) in marketable securities and other investments	-3,579	-6,496
Increase (-) / decrease (+) in receivables and other assets	-2,981	-22,327
Increase (+) / decrease (-) in provisions	-6,078	-2,211
Increase (+) / decrease (-) in liabilities	-157,517	-17,164 <sup>1</sup>
<b>Cash flow from operating activities</b>	<b>-64,074</b>	<b>31,511</b>
<b>Cash flow from investing activities</b>	<b>-2,323</b>	<b>-7,943</b>
<b>Cash flow from financing activities</b>	<b>-90,481</b>	<b>-106,645</b>
<b>Net increase / decrease in cash and cash equivalents</b>	<b>-156,878</b>	<b>-83,077</b>
Net increase / decrease in cash and cash equivalents due to currency translation	278	-3,044
Cash and cash equivalents at beginning of period	640,726	553,640
<b>Cash and cash equivalents at end of period</b>	<b>484,125</b>	<b>467,519</b>
<b>Composition of cash and cash equivalents</b>		
Cash and cash equivalents	484,125	467,519
<b>Cash and cash equivalents at end of period</b>	<b>484,125</b>	<b>467,519</b>

<sup>1</sup> Adjusted prior-year figures due to the final purchase price allocation of FKP SCORPIO Group

## **FORWARD-LOOKING STATEMENTS**

This Group quarterly statement contains forecasts based on assumptions and estimates by the corporate management of CTS KGaA. These statements based on assumptions and estimates are in the form of forward-looking statements using terms such as 'believe', 'assume', 'expect' and the like. Even though corporate management believes that these assumptions and estimates are correct, it is possible that actual results in the future may deviate materially from such assumptions and estimates due to a variety of factors. The latter may include changes in the macroeconomic environment, in the statutory and regulatory framework in Germany and the EU, and changes within the industry. CTS KGaA does not provide any guarantee or accept any liability or responsibility for any divergence between future developments and actual results, on the one hand, and the assumptions and estimates expressed in this Group quarterly statement. CTS KGaA has no intention and undertakes no obligation to update forward-looking statements in order to adjust them to actual events or developments occurring after the date of this report.

The consolidated financial statements are denominated in Euro. All amounts in the Group quarterly statement are rounded to thousand euros. This may lead to minor deviations on addition.

The German version of the Group quarterly statement takes priority over the English translation in the event of any discrepancies. Both language versions can be downloaded at [www.eventim.de](http://www.eventim.de).

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### **ARTWORK:**

SECHSBAELLE, Bremen  
[www.sechsbaelle.de](http://www.sechsbaelle.de)

### **COVER PICTURE:**

ALDA Germany GmbH

