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IVU Traffic Technologies

Technology

27 August 2026

Turning up the volume at the half year

The IVU share price has performed strongly over the last 12 months despite the group running a relatively muted communications programme. A change in this policy announced in July coincided with an increase in FY26 EBIT guidance and a strong outlook in consensus forecasts. Expect the group's attractive investment characteristics to become even more apparent to investors over the coming years.

Financials: Recurring revenues and cost efficiency

Preliminary H126 results were announced on 20 July. H126 revenue was up 13% y-o-y to €72.1m (H125: €64.0m). H126 gross profit was €59.2m, up 15% (H125: €51.6m), while EBIT was €3.3m (H125: €1.0m). At the Q1 results in May management had guided to FY26 revenues of €160m, gross profits of c €130m (FY25: €121.5m) and EBIT of €20m (FY25: €18.6m). While FY26 revenue and gross profit guidance remained unchanged at the preliminary H126 release in July, FY26 EBIT guidance was raised to €22m thanks to robust growth in recurring revenue and a continued focus on improving cost efficiency.

An equally important announcement in late July outlined a more proactive capital markets communication programme. Starting with the Q326 results, reporting will be faster and analyst conference calls in English with members of the executive board will be standard practice. In the press release, CFO Petra Meiser stated: 'Now is the time to make [IVU's] strength even more visible on the capital markets – with greater transparency, more dialogue, and greater consistency in our communications.'

Strategy: Growth outlook strong

Investors should be in no doubt that IVU's international business model works. The last 17 years have seen a CAGR of c 8% in revenue and gross profit and c 10% in EBIT, the last of which has been muted in recent years by the latest investment cycle (R&D spend was €8.7m in FY25). Around the world, structurally significant public transportation infrastructure is being expanded and liberalised, thus offering clear growth opportunities.

Valuation

The group's forward EBITDA multiple looks full compared to other traffic solutions players such as TomTom, Quartix and WAG Payments (which range between 7.1x and 7.6x). On a P/E basis the same peers average 17.8x, which is still lower than where IVU sits today. However, in our opinion, the growth in profitability implied by consensus forecasts explains this premium rating.

Consensus forecasts

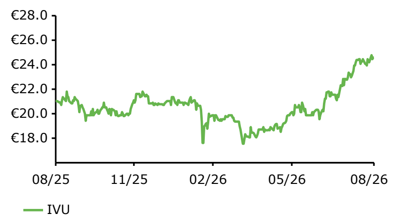
Year end	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (€)	DPS (€)	P/E (x)	Yield (%)	EV/EBITDA (x)
12/24	133.7	21.7	17.3	0.69	0.28	35.7	1.1	17.2
12/25	149.7	23.4	18.6	0.77	0.55	31.9	2.2	15.9
12/26e	163.1	28.5	23.0	1.02	0.41	24.1	1.7	13.1
12/27e	177.8	32.3	27.3	1.09	0.42	22.6	1.7	11.5

Source: LSEG Data & Analytics

Price €24.60

Market cap €427m

Share price performance



Share details

Code	IVU
Listing	XETRA
Shares in issue	17.4m
Net cash/(debt) As at Dec 2025	€54.0m

Business description

IVU Traffic Technologies provides IT solutions for bus and rail companies covering planning, dispatching, fleet management, ticketing, passenger information and contract settlement.

Bull points

- Strong order backlog covering more than 90% of annual revenues.
- Strong customer relationships due to deeply embedded technology.
- Strong recurring revenues (48% FY25 sales).

Bear points

- Complex international legislative environment can bring geopolitical risk.
- Profitability subdued in recent years due to investment programme.
- Ongoing competition for IT talent.

Analysts

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