



## 2018 4Q and Full Year Results Unaudited

Regulated Information

### Highlights

(in euro millions)

	Full Year to 31/12/2018	Full Year to 31/12/2017	% Change
<b>Continuing operations:</b>			
Revenues	35.38	34.05	+3.9
Gross profit	13.94	12.12	+15.0
Gross profit %	39.4	35.6	+ 380 bps
Operating profit	2.19	0.83	+163.9
Net profit after taxes after minority	1.85	(2.54)	
EBITDA*	5.48	4.25	+28.9
Earnings per share (in euro)	0.47	(0.69)	+168.1
Cash and cash equivalents	4.11	1.79	+129.6
Net working capital	11.99	8.44	+42.1
Shareholders' equity	25.97	20.60	+26.1

EBITDA\* – Earnings Before Interest, Taxes, Depreciation and Amortisation

### 2018 Full Year Highlights – Consolidated Results

- Revenues for the year 2018 increased by 3.9% to €35.38m from €34.05m in 2017. On a constant currency basis, revenues for the year 2018 increased by 8.2% compared to 2017.
- Gross profit for the year 2018 increased 15.0% to €13.94m from €12.12m in 2017. On a constant currency basis, gross profit increased by 19.8%. This improvement was largely driven by the North American business with increased volumes of the throughput program services and also by increased RVM sales.
- Gross profit margin improved to 39.4% for the year 2018 compared to 35.6% in 2017, due to continued and improved efficiencies and sourcing.
- Operating profit for the year 2018 increased 163.9% to €2.19m from €0.83m in 2017. On a constant currency basis this improvement was 215.8% for 2018. The operating profit in 2018 was favorably impacted by the one-time settlement payment of €0.62m reported in Q2 of this

year. The full year 2018 operating profit was negatively impacted by €0.48m new market development expense incurred in Europe during Q3 and Q4.

- EBITDA for the full year 2018 increased 28.9% to €5.48m from €4.25m in 2017. On a constant currency basis, the improvement for the full year 2018 over 2017 was 36.3%. Adjusting to exclude the one-time payment, but including new market development expense, the full year 2018 EBITDA would have been €4.86m representing a 20.9% improvement over 2017 on a constant currency basis.
- Net profit increased to €1.85m from a loss of €2.54m in 2017, which included tax expenses of €3.20m mainly due to changes in the company's deferred tax assets. Earnings per share improved 168.1% to €0.47 for the full year 2018 compared to earnings per share of €(0.69) in 2017.
- Shareholders' equity increased to €25.97m at 31/12/2018 compared to €20.60m at 31/12/2017 as a result of the full year 2018 earnings of €1.85m, a positive translation reserve of €0.82m and the net proceeds of the issuance of 260,000 new shares in October 2018.
- The company has improved its net working capital to €11.99m at 31/12/2018 and has adequate working capital with borrowing availability of approximately €1.96m under its financing arrangement.
- The Company is continuing IP enforcement activities related to its German patent that covers a method for how container security labels are created and interpreted. Legal cost for the full year 2018 was €0.54m compared to €0.58m for 2017. The Company expects to continue to incur cost on this matter.

Gool Santchurn, the CEO of Envipco comments: "We are pleased with the full year 2018 results driven by strong performance of our North American business. Our European business is well positioned for growth in 2019 with our Greece order backlog and renewed Quantum orders based on success of the modular concept.

Furthermore, we also have significantly ramped market development activities in Europe as the prospects for new Deposit Return Systems (DRS) continues to move forward, especially in Scotland and the UK. The global growing commitment to preserve the environment is promoting legislation in multiple countries, arising in business opportunities for our company.

The latest EU plastics directive requires 77% recovery rate of plastic packaging entering the market of its member states with a mandatory 25% recycling content by 2025 with a higher target of 90% and 30% respectively by 2030. The EU has embraced DRS as the most effective way to meet the targets. There are over 20 EU member states actively considering such initiatives, which would more than quadruple the market size of RVMs needed for these new markets. Therefore, market development activities will remain important over the next several years.

Our investments in the most comprehensive and innovative RVM technology combined with our organizational investments well position the company for sustained market growth and increasing profitability."

The company sees a very positive outlook for the business considerate of strengthening North America performance, continued market execution in our established European markets of Sweden, Greece and France and most importantly the significant potential for growth tied to the medium-term potential of new DRS legislation in a number of European markets.

Please refer to our website [www.envipco.com](http://www.envipco.com) to download a full pdf version of our 4Q Report.

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#### About Envipco Holding N.V.

Envipco Holding N.V. (Envipco), [www.envipco.com](http://www.envipco.com), is a Netherlands-based holding company listed on Euronext Amsterdam and Brussels (Symbol: ENVI). Envipco, with operations in several countries around the globe, is a recognized leader in the development and operation of reverse vending machines (RVMs), automated technological systems for the recovery of used beverage containers. Known for its innovative technology and market leadership, Envipco holds several intellectual property rights for RVM systems, including but not limited to beverage refund deposit markings, material type identification, compaction and accounting.

*This announcement contains forward-looking statements concerning the condition and business of Envipco. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements are statements of future expectations that are based on management's current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements. Forward-looking statements include, among other things, statements expressing management's expectations, beliefs, estimates, forecasts, projections and assumptions. All forward-looking statements contained in this announcement are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Readers should not place undue reliance on forward-looking statements.*