

Envipco Reports 2018 Audited Annual Results

All Figures in EURO thousands	Audited	Audited
Consolidated Statement of Comprehensive Income	Year to 31/12/18	Year to 31/12/17
Operating revenues	35,380	34,049
Cost of revenue	(19,415)	(19,743)
Leasing depreciation	(2,026)	(2,188)
Gross profit	13,939	12,118
Operating expenses	(12,405)	(11,297)
Other income/(expenses)		
- Miscellaneous income/(expenses)	651	9
Operating results	2,185	830
Net financial items	(266)	(168)
Profit / (loss) before tax	1,919	662
Taxes	(65)	(3,201)
Net profit / (loss) after tax	1,854	(2,539)
Other comprehensive income		
Exchange differences on translating foreign operations	819	(2,279)
Other movements/minority	(10)	(7)
Total other comprehensive income	809	(2,286)
Total comprehensive income	2,663	(4,825)
Net results attributable to : Owners of the parent	1,848	(2,540)
: Non-controlling interest	6	1
	1,854	(2,539)
EBITDA (earnings before interest, taxes, depreciation and amortisation)	5,480	4,248
Earnings/(loss) per share (EPS)	0.47	(0.69)
Number of weighted average shares used in calculation of EPS (in thousands) (excluding treasury shares)	3,982	3,655
Consolidated Balance Sheet	Audited	Audited
	31/12/18	31/12/17
ASSETS		
Fixed assets and investments	17,349	16,541
Cash and cash equivalents	4,107	1,788
Other current assets	18,546	16,721
TOTAL ASSETS	40,002	35,050
LIABILITIES & EQUITY		
Shareholders equity	25,972	20,603
Non-controlling interest	27	22
Long term liabilities	3,234	4,359
Current liabilities	10,769	10,066
TOTAL LIABILITIES & EQUITY	40,002	35,050

Financial Highlights

The Group's key developments during 2018 were as follows:

- a) On a constant currency basis, revenues for the year 2018 increased by 8.2% compared to 2017
- b) Gross profit increased 19.8% in 2018 compared to 2017, on a constant currency basis. For the year 2018, gross profit margin improved to 39.4% from 35.6% in 2017.
- c) Excluding one-time settlement payment in Q2 2018, the full year 2018 EBITDA increased 20.9% over 2017 on a constant currency basis.
- d) Net profit after taxes increased to €1.85m in 2018 from a loss of €2.54m in 2017.
- e) The company obtained a dual listing on Euronext Amsterdam.
- f) During the year the Company issued 260,000 new shares that generated net proceeds of €2.71m.
- g) Award of orders in Greece and market share increase in the US.
- h) Significant increase in prospects for new DRS in Europe tied to growing awareness and activism to address plastic container pollution.

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, mainly due to increase in the redemption volumes.

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 expenses excluding new market development expenses for the full year 2018 increased 5.6% to €11.93m compared to €11.30m in 2017 due largely to compliance costs €0.45m and other provisions of €0.18m.

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 of 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.

Please refer to our web site www.envipco.com to download a full pdf version of our 2018 Annual Report inclusive of our management report on the 2018 results and the future outlook.

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About Envipco Holding N.V.

Envipco Holding N.V. (Envipco), 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.