



Innovative recycling systems for a cleaner environment

**Envipco Reports Q1 2018**

Amersfoort, The Netherlands, 25 May 2018

**Highlights**

(in euro millions)	Quarter to 31/03/2018	% Change	Quarter to 31/03/2017	Full Year 31/12/2017
Revenues	6.51	-6.9	6.99	34.05
Gross profit	2.31	0.0	2.31	12.12
Gross profit %	35.53%	7.7	33.00%	35.59%
Operating profit/(loss)	-0.68	6.9	-0.73	0.83
Net profit / (loss) after taxes after minority	-0.81	4.7	-0.85	0.66
EBITDA*	0.00	-100.0	0.18	4.25
Earnings/(loss) per share (in euro)	-0.21	12.5	-0.24	1.46
Shareholders' equity	19.40	-13.0	22.29	20.60

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

**2018 First Quarter Highlights – Consolidated Results:**

- Revenues for the first three months of 2018 decreased 6.9% to €6.51m from €6.99m in 2017. In comparing Q1 2018 to Q1 2017, there is a significant negative impact on North America revenues from foreign exchange with the average USD to EURO conversion rate of 1.23 in Q1 2018 compared to 1.07 in Q1 2017. On a restated USD to EURO conversion rate of 1.23 for Q1 2017, revenues would have been €6.11 for Q1 2017 compared to €6.51 in Q1 2018 or a restated growth of 6.5% in Q1 2018.
- Gross profit for Q1 2018 remained steady at €2.31m in 2018 and 2017. On a restated currency basis, Q1 2018 gross profit would have increased 14.8% from Q1 2017.
- Gross profit margin improved to 35.53% in Q1 2018 compared to 33.00% in 2017 due to increased North America container volume along with increased machine sales.
- Net profit/(loss) for Q1 2018 decreased by 4.7% to (€0.81m) from a loss of (€0.85m) in Q1 2017. At the Net profit/(loss) level, the favorable improvement in North America results was mostly offset by an increase in Holding Company expenses and a decline in Europe results on lower revenues.
- EBITDA for Q1 2018 decreased to €0.00m from €0.18m in Q1 2017. On a restated currency basis, Q1 2017 EBITDA would have been €0.08m.
- Earnings/(loss) per share improved to (€0.21) in Q1 2018 from (€0.24) in Q1 2017 based on the reduced Net profit/(loss) after taxes and the increased number of shares outstanding by 240,000.
- Shareholders' equity at 31/03/2018 declined by €1.21m from year end 31/12/2017 based on the Q1 2018 Net profit/(loss) along with a negative translation reserve of €0.40m for the quarter. The most significant change in the shareholders equity from Q1 2018 compared to Q1 2017, was the reduction in the deferred tax asset taken in Q4 2017 related to changes in the USA tax laws.
- The company has adequate working capital at 31/03/2018 with unused borrowing availability of approximately €1.8m under its' financing arrangements.
- The Company has begun to initiate market development activities in the UK (England, Scotland and Wales) and also other European markets as the prospects for new container deposit systems (CDS) have been steadily gaining momentum. The major market forces against deposits have shifted markedly with the beverage

industry, retailers and waste management companies evaluating such schemes. The Company expects to significantly increase European investments and market development activities over the next two years to ensure our participation in these new market opportunities.

- The Company is continuing IP enforcement activities related to a patent granted by the German Patent office that covers a method for how container security labels are created and interpreted. Legal costs were incurred in Q1-2018 of €0.16m compared with €0.07m in Q1-2017. It is expected that cost at this level will continue for the remainder of 2018.

## Outlook

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 has adequate bank facilities/credit lines in place to fund our current market development activities. The company sees a very positive outlook for the business considerate of strengthening North America performance, continued market execution in Sweden, continued expansion in the European non-deposit markets and the significant potential for expansion tied to new container deposit legislation in Europe.

Envipco has the experience and technology to be a significant player in these new CDS European market opportunities. The company has demonstrated technology leadership and its ability to compete with a dominant competitor in the Swedish market. Our revolutionary bulk-feed “Quantum” continues to show strong consumer preference and this combined with the most complete offering of single-feed RVMs well positions the company for market success. The speed and scope of market developments necessitate that the company accelerate our European activities. This includes expansion of European head office, expansion of business development resources, engagement in legislative initiatives and engagement with retailers and potential demonstration pilots. These activities need to be combined with scaling our engineering and manufacturing capabilities to meet this significant market demand at the onset of new deposit markets. The company is currently evaluating plans and financing scenarios to undertake the necessary near-term (two year) investments to ensure our participation in these exciting market opportunities. As part of potential financing scenarios, the Company has included a shareholder proposal at the Annual General Meeting to authorize the Board to issue up to 20% of the current outstanding shares.

Please refer to our web site [www.envipco.com](http://www.envipco.com) to download a condensed pdf version of our 2018 Q1 Unaudited Results to be read in conjunction with our 2017 Annual Report inclusive of our Board of Directors Report on the 2017 results and the future outlook.

For further information please contact  
Mr. Gool Santchurn, at +1 203 720 4059

ENVIPCO HOLDING N.V.  
Board of Directors  
Arnhemseweg 10  
3817 CH Amersfoort  
The Netherlands

Amersfoort, 25 May 2018

Tel: +31 33 285 1773

Website: [www.envipco.com](http://www.envipco.com)

E-mail: [gools@envipco.com](mailto:gools@envipco.com)

### 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 NYSE Euronext Brussels (new Symbol ENVI). Envipco, with operations in several countries around the globe, is a recognised leader in the development and operation of reverse vending machines (RVMs), automated technological systems for the recovery of used beverage containers. Envipco's turnkey solutions cover all aspects of beverage container recycling - from recovery, validation, compaction, sorting, transportation and logistics, to accounting for every container, to recycling and processing used beverage containers to prepare for conversion into new containers and consumer products. 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.