



Innovative recycling systems for a cleaner environment

**Envipco Reports Q1 2017**

Amersfoort, The Netherlands, 26 May 2017

**Highlights**

| (in euro millions)                             | Quarter to<br>31/03/2017 | %<br>Change | Quarter to<br>31/03/2016 | Full Year<br>31/12/2016 |
|--|--------------------------|-------------|--------------------------|-------------------------|
| Revenues                                       | 6.99                     | 3.4         | 6.76                     | 33.11                   |
| Gross profit                                   | 2.31                     | 3.6         | 2.23                     | 11.65                   |
| Gross profit %                                 | 33.00%                   | -           | 33.00%                   | 35.19%                  |
| Operating profit/(loss)                        | -0.73                    | -247.6      | -0.21                    | 1.38                    |
| Net profit / (loss) after taxes after minority | -0.85                    | -240.0      | -0.25                    | 5.24                    |
| EBITDA*  | 0.18                     | -69.0       | 0.58                     | 4.56                    |
| Earnings/(loss) per share (in euro)            | -0.24                    | -242.9      | -0.07                    | 1.46                    |
| Shareholders' equity                           | 22.29                    | 32.4        | 16.83                    | 23.45                   |

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

**2017 First Three Months Highlights – Consolidated Results:**

- Revenues for the first three months of 2017 increased 3.4% to €6.99m from €6.76m in 2016.
- Gross profit for the first three months of 2017 increased 3.6% to €2.31m from €2.23m in 2016.
- Gross profit margin remained steady at 33% in Q1 2017 compared to 2016. Net loss for the first three months of 2017 increased to (€0.85m) from a loss of (€0.25m) in 2016. This increased loss was the result of no distributor sales in overseas markets except for Sweden for --- Q1 2017 compared to 2016 and overall increased cost associated with development of the Swedish market and IP enforcement cost.
- EBITDA for the first three months of 2017 decreased by 69% to €0.18m from €0.58m in 2016. EBITDA was similarly impacted by no distributor sales in overseas markets and increased Swedish market cost as noted above.
- Shareholders' equity at 31/03/2017 was negatively impacted by translation reserve of €0.31m for the quarter.
- In comparing the balance sheet at 31/03/2017 to 31/03/2016, there have been changes in the cash, borrowings and property, plant and equipment due to increased investment in RVM lease portfolio at 31/03/2017 compared to 2016. Overall lease portfolio investment increased by approximately €0.60m, which included placement of 50 new RVMs.
- The company has adequate working capital at 31/03/2017 with unused borrowing availability of approximately €2.8m under its financing arrangements.
- Swedish operations started the year with a fully formed organization compared to Q1 of 2016. Revenues were €0.3m in Q1 2017 compared to €0.1m in 2016. We are building a good order book for 2017 and can expect continuing revenue growth the rest of 2017 over 2016. Contribution from the Swedish market will be constrained in 2017 as organizational costs will not be fully absorbed at projected 2017 revenues. The market response to our revolutionary "Bulk Feed Quantum" remains very positive.
- Our Australian distributor continues with preparations for implementation of the deposit legislation passed by The Government of New South Wales (NSW). The implementation date remains December 1, 2017, but certain system operator decisions have not been formalized as of yet. Our Australian distributor is well positioned in this market and we expect sales in the second half of 2017.
- 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. Significant cost was incurred in the latter part of 2016 on this matter. Approximately €0.07m was incurred during Q1 2017 with the expectation that cost at this level and above will continue for the remainder of 2017.

## 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 profitability. The company has adequate bank facilities/credit lines in place, along with shareholders' support to fund our ongoing market development plans.

Please refer to our web site [www.envipco.com](http://www.envipco.com) to download a condensed pdf version of our Q1 2017 Unaudited Results to be read in conjunction with our 2016 Annual Report inclusive of our Board of Directors Report on the 2016 results and the future outlook.

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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 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.