



## Nine Months 2017 Announcement

### Highlights

(in euro millions)

|                                                | Nine Months<br>2017 | Nine Months<br>2016 | %<br>Change | Full Year to<br>31/12/2016 |
|------------------------------------------------|---------------------|---------------------|-------------|----------------------------|
| <b>Continuing operations:</b>                  |                     |                     |             |                            |
| Revenues                                       | 25.47               | 25.54               | -0.3        | 33.11                      |
| Gross profit                                   | 9.18                | 9.07                | +1.2        | 11.65                      |
| Gross profit %                                 | 36.0                | 35.5                | +1.4        | 35.2                       |
| Operating profit/(loss)                        | 0.56                | 1.64                | -65.9       | 1.38                       |
| Net profit / (loss) after taxes after minority | 0.41                | 1.35                | -69.6       | 5.25                       |
| *EBIT                                          | 0.70                | 1.60                | -56.3       | 1.37                       |
| **EBITDA                                       | 3.24                | 3.87                | -16.3       | 4.56                       |
| Earnings (loss) per share                      | 0.11                | 0.37                | -70.3       | 1.46                       |
| Cash and cash equivalents                      | 0.40                | 0.19                | +110.5      | 1.42                       |
| Net working capital                            | 7.24                | 8.06                | -10.2       | 7.36                       |
| Shareholders' equity                           | 22.29               | 18.58               | +20.0       | 23.45                      |

\* EBIT – Earnings Before Interest and Taxes

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

### 2017 Nine Months Highlights – Consolidated Results

- Revenues for the first nine months of 2017 of €25.47m were flat with 2016 revenues of €25.54m for the same period. For the year, there is negligible currency translation impact with the average USD to EURO conversion rate of 1.11 in both periods. There is however a meaningful impact in Q3 2017 with a reversal of the first 6 months 2017 favorable currency. Revenue gains in the first 6 months of 2017 were offset in Q3 2017 on lower program service revenue in North America and reduced RVM machine sales in Europe and ROW.
- Gross profit for the first nine months of 2017 increased 1.2% to €9.18m from €9.07m in 2016.
- Gross profit margin increased to 36.0% for the nine months of 2017 compared to 35.5% in the first nine months of 2016.
- Operating profit for the first nine months of 2017 decreased 65.9% to a profit of €0.56m from a profit of €1.64m in 2016. Operating profit was negatively impacted by additional expenses in our German operation for support and in preparation for expanded European activities of approximately €0.60m and increased R&D expense and amortization of €0.40m.
- EBITDA for the first nine months of 2017 reduced 16.3% to €3.24m from €3.87m in 2016.

- Earnings per share declined 70.3% to €0.11 for the first nine months of 2017 compared to earnings per share of €0.37 in 2016.
- Shareholders' equity of €22.29m at 30/9/2017 was negatively impacted by a translation reserve of €2.08m for the first nine months of 2017. The company sold 60,329 treasury shares during Q3 2017 with the remaining treasury shares of 179,671 being sold in October 2017.
- The company has adequate working capital at 30/9/2017 with borrowing availability of approximately €2.70m under its latest financing arrangements completed in the second half of 2017.
- The actual implementation of deposit legislation passed by The Australian Government of New South Wales (NSW) resulted in a system that has reduced reliance and benefits than traditionally result from RVM machines. This impact is from fewer retailer collection points and no RVM compaction for logistic efficiencies and duplicate container redemption security. In conjunction with our Australian distributor, we will monitor system developments in NSW and also focus on new deposit initiatives in Queensland and Western Australia where we anticipate a more traditional use of RVM machines.
- In the European market there have been an increasing number of discussions and activities surrounding introduction of deposit schemes for beverage packaging. Most significant of these discussions involve Cyprus, Greece and Scotland. The Scotland initiative has led to a broader market discussion including Wales and the UK. Accordingly, the Company is ramping market activities and investments to prepare and stay abreast of these initiatives.
- The Company is continuing IP enforcement activities in Germany related to a patent granted by the German Patent office that covers a method for how security labels are created and interpreted. The Company has incurred legal cost of €0.40m in the first 9 months. The Company expects to continue to incur cost on this matter.

Please refer to our web site [www.envipco.com](http://www.envipco.com) to download a full pdf version of our 2017 Third Quarter and Nine Months Report 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.