



Innovative recycling systems for a cleaner environment

Envipco Reports 2015 Q4 and Full Year Results Unaudited

Amersfoort, The Netherlands, 29 February 2016

2015 Full Year Highlights – Continuing Operations

The following highlights refer to comparison of the 2015 actual to the currency adjusted 2014 results.

- Full year net profit amounted to €1.41m for 2015 and €8.03m for 2014, including one-time gains with corresponding EBITDA of €4.31m and €10.78m.
- Over 1,000 new RVMs (sold and leased) were placed in the US market during 2015; increasing our estimated market share from 26% to 32%.
- Excluding the impact of one-time gains, operating profit increased to €1.25m in 2015 compared to a loss of €(1.40)m in 2014.
- Revenue increased 36% to €29.63m compared to 2014. Currency adjusted for the decrease in the EURO to USD, the increase was 13%.
- EBITDA excluding the impact of one-time gains in 2015 and 2014, increased significantly to €3.74m in 2015 from €0.18m in 2014.
- Satisfactory resolution of a bankruptcy filing by a newly awarded major Northeast retailer, whereby the company successfully concluded contracts with the new owners covering 90% of the surviving RVM placements.
- Launch of European expansion strategy based on breakthrough technology and establishment of Sweden A/S with a full sales and service organisation.
- Successful launch of our revolutionary Bulk Feed RVM “Quantum” in partnership with Returpack A/S, the Swedish Recycling organization.
- Award of pilot tests for our new Flex Dual commodity RVM and Quantum with two major retail groups in Sweden.
- Expected sustained performance and profitability in the future will allow the company to take advantage of tax loss carry-forwards in excess of €25.0m not currently reflected on the balance sheet.
- The shareholders equity increase of €2.60m for 2015, which includes a positive impact of €1.20m from currency translation.
- Renewal of a two year USD 12.0m term and revolver credit facility of which USD 6.2m utilised.
- Continued significant investment in R&D and IP protection during the year.

2015 Q4 and Full Year Highlights: Segment Results Unaudited

(in euro millions)	Q4			Full Year		
	2015	2014	2014 Adj*	2015	2014	2014 Adj*
Revenues	8.03	5.26	6.00	29.63	21.79	26.05
North America	7.72	5.23	5.97	28.80	21.54	25.80
Europe	0.31	0.03	0.03	0.60	0.24	0.24
ROW	-	-	-	0.23	0.01	0.01
Gross profit	2.92	1.42	1.63	10.54	6.86	8.34
Gross profit in %	36%	27%	27%	36%	31%	32%
Operating expenses	2.40	2.19	2.34	9.40	8.34	9.56
Net profit after taxes**	0.42	(0.43)	(0.43)	0.84	(2.55)	(2.50)
EBITDA continuing operations**	1.23	(0.72)	(0.64)	3.74	0.18	0.21
EBITDA margin	15%	-14%	-11%	13%	1%	1%

*2014 results restated at 2015 exchange rates, estimated

**Net profit and EBITDA have been restated to exclude one-time gains in 2015 and 2014

The following highlights refer to the comparison of 2015 results to the 2014 adjusted results.

- North America revenues in the fourth quarter increased 29% to €7.72m. Of the €1.75m increase, €1.20m was directly attributable to additional machine sales in the 2015 fourth quarter compared to 2014. For the year 2015, North America revenues increased 12% to €28.80m from €25.80m in 2014. For the 2015 year, there were €2.5m in additional machine sales compared to 2014. Machine service revenue increased €0.31m or 14% for the year to €2.50m when compared to 2014. Additional 2015 machine lease and through-put revenue was largely offset by declines in commodity prices.
- Europe revenues in the 2015 fourth quarter are mostly attributable to the first machine sales in Sweden. For the year 2015, Europe sales increased 150% to €0.60m compared to 2014.
- ROW sales for the 2015 year are principally from Australia.
- Gross profit margin in the fourth quarter 2015 improved to 36% from 27% in 2014, largely as a result of manufacturing cost improvements and the increased North America machine sales. For the year 2015, margin improvement to 36% compared to 32% in 2014 was similarly impacted by manufacturing efficiencies and volume.
- Operating expenses for the 2015 year were largely in line with 2014.
- Net profit in the fourth quarter 2015 improved to €0.42m compared to a loss of €(0.43)m in 2014 as a result of increased machine sales. For the year 2015, Net profit was €0.84m compared to a loss of €(2.50)m in 2014. Increased machine sales, combined with manufacturing cost improvements and overall operating efficiencies account for the significant profit improvement in 2015 compared to 2014.
- Substantial improvement in the EBITDA for the 2015 fourth quarter of €1.23m and €3.74m for the year was similarly impacted by increased 2015 machine sales and operating improvements.

Outlook

In the North America market, we are confident that our technology investments, strong sales relationships, superior service organization and overall execution focus will result in continued market share gains and profitability.

Success in the Swedish market around our breakthrough Quantum bulk feed technology, combined with our cost effective Flex platform will well position the company for further expansion into Europe. The company is also well positioned for new deposit markets such as currently being discussed in Australia under the NSW Container Deposit law proposed for July 1, 2017.

Envipco is uniquely well suited to work with industry partners in the development of cost effective non-deposit solutions based on our innovative technology and extensive program expertise. The company has ongoing efforts and dialogue in several markets around potential systems.

The company has adequate bank facilities and shareholder support to fund our ongoing market development strategies and initiatives.

Please refer to our web site www.envipco.com to download a condensed pdf version of our 2015 Q4 and Full Year Unaudited Results to be read in conjunction with our 2014 Annual Report inclusive of our Board of Directors Report on the 2014 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 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.