



Press Release

Envipco Announces 2023 Second Quarter Results Unaudited

First Half 2023 revenue growth to EUR 26.9 million and New Commercial Successes

Key figures

(EUR millions)	Q2 2023	Q2 2022	H1 2023	H1 2022	FY 2022
Revenues	16.5	15.9	26.9	26.1	56.4
Gross Profit	5.7	5.5	9.2	9.0	18.5
Gross profit %	34.5 %	34.4 %	34.2 %	34.5 %	32.8 %
Operating Expenses	7.2	5.9	12.9	10.6	23.1
EBIT	-1.5	-0.4	-3.7	-1.6	-2.7 ¹
Net profit/(loss) after taxes after minority	-1.8	-0.6	-4.4	-2.0	-4.2
EBITDA	-0.1	0.8	-1.0	0.8	2.3
Earnings/(loss) per share in €	-0.03	-0.01	-0.08	-0.04	-0.09
Shareholders' equity	37.4	31.9	37.4	31.9	27.9

1) Including other income 2022 of EUR 1.9 million (PPP forgiveness).

Highlights

- First Half 2023 revenue growth to EUR 26.9 million (+3.1%) and EUR 16.5 million in Q2'23 (+3.5%)
- Strong Europe H1'23 revenue growth to EUR 10.7 million (+70.2%) and EUR 8.4 million in Q2'23 (+58.4%)
- North America H1'23 overall revenue down 18.1% to EUR 16.2 million and EUR 8.1 million in Q2'23 (-23.8%) on lower RVM machines sales compared to a strong H1'22
- Gross margin improvement to 34.5% in Q2'23, and 34.2% for first half 2023 compared 31.2% in H2'22
- Operating expenses increased to EUR 7.2 million in Q2'23 on launch of the Hungary organization, ramp-up of Greece manufacturing, reorganization tied to the Scotland DRS delay, and EUR 0.3 million in one-off fees
- EBITDA H1'23 EUR -1.0 million compared to H1'22 of 0.8 million driven by increased operating expenses related to market start-up and ongoing business development
- Strong revenue growth and improved financial performance expected for H2'23 driven by RVM deliveries in Hungary, Romania and continued momentum in Greece

Subsequent Events - New Commercial Successes

In Ireland, Envipco has been selected by a market leading retail organization as the preferred provider to deploy up to 800 RVMs in support of the February 2024 DRS go-live. In Romania, the company has received an initial order of 250 RVMs with a major retailer. In addition, another Romanian retailer is anchoring the launch of Envipco's new Modula backroom platform with an order of 30 systems.

Comment of Simon Bolton, CEO Envipco

“We have continued to focus on efficient execution in the first half year 2023 and in preparation for significant activity in H2 this year. Whilst we have recognized some revenue prior to the Scotland DRS delay, as announced previously we have now realigned the UK operations to a 2025 national wide system leading to some one-time costs.

We have also completed build-up of a fully functioning Hungarian operation in anticipation of MOHU installations in H2 and updated local assembly operation in Greece is on-line both adding to Opex in H1. In terms of new commercial activity, we are pleased to announce securing a sizeable frame agreement in Ireland and the successful completion of a number of Romanian processes for delivery of products Q4/early 2024.

Whilst the timing of revenue will be different to what we anticipated at the beginning of the year, we remain excited about completing another important growth year for the business.” – CEO, Simon Bolton

Outlook

Envipco continues to expand its foothold in new markets, winning sizeable contracts, taking important market positions, and building its backlog. The company is seeing increased demand for RVM technology as DRS approaches go-live or moving into detailed planning stages. The business opportunities remain significant, and Envipco is already capitalizing on the early fruition of key markets including Hungary, Greece, Scotland, Ireland, and Romania. The company currently has strong orderbook to be deployed through the second half of 2023 and 2024.

Envipco continues to build the organization and positioning the company for long-term growth. The company is expanding its organizational capacity throughout Europe, supporting legislative initiatives in the US in preparation for new DRS legislation, and ensuring sufficient production capacity for growth.

During H1'23, working capital increased by EUR 9.7 million. This is mainly related to inventory build-up for fulfilment of orders to be executed in H2'23, contributing to positive cash flows in the coming quarters. Through realisation of upcoming orders, stabilization of working capital, cash holdings and available credit facilities, the company has the necessary funding to support planned growth.

From contract signings in new European markets, the company expects strong revenue growth and improved financial performance in H2'23. In the medium term, the company maintains its ambitions for 4x-6x revenue growth from 2021 - 2025, 30%+ market share in new markets and 40% Gross Margin.

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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 Euronext Oslo Growth (Symbols: ENVI/ENVIP). 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.