

Improved financial position and more raw materials from waste

Van Gansewinkel records positive results

Van Gansewinkel has improved its position in the waste management and recycling sector in the past year. This can be concluded from the Sustainability & Annual Report 2015 the company issued today. While the recycling company and supplier of high-quality secondary raw materials recorded a lower revenue and EBITDAE in 2015, last year's positive net result was substantially higher compared to 2014. In addition, a higher percentage of secondary raw materials were recovered from the processed waste. Van Gansewinkel succeeded in transforming 93% of the waste into a secondary raw material or a source of energy, resulting in a 1.17 million tonnes reduction in CO₂ emissions within the chain in 2015.

CEO Marc Zwaaneveld: *"2015 was clearly a transition year for Van Gansewinkel, with the company focusing on lowering costs and improving its competitive position. We successfully reached an agreement regarding an important refinancing programme, divested a number of non-core activities, made substantial investments in our recycling lines and introduced a new, more decentralised organisational structure. Consequently, our results for 2015 are in line with the expectations. Moreover, our initial quarterly figures for 2016 show an improvement compared to last year. These positive trends demonstrate that we are clearly on track as far as our ambitions and plans are concerned, despite market conditions that can still be considered challenging."*

Results in 2015

In 2015, Van Gansewinkel's revenue decreased from €962 million in 2014 to €945 million. Despite the positive impact of the organisational change, the company's EBITDAE* totalled €82 million (compared to €99 million in 2014). This is primarily due to the continuing pressure of unfavourable market conditions, which have resulted in lower volumes and lower price levels – at the collection end and within the raw materials market. Nevertheless, Van Gansewinkel has been able to maintain a stable market share.

Van Gansewinkel's net result increased to a profit of €308 million – mainly thanks to fair value adjustments ensuing from the company's new financing structure. In 2014, Van Gansewinkel still recorded a net loss of €549 million, primarily due to a €488 million impairment of intangible assets (mainly goodwill). Van Gansewinkel saw a substantial improvement in its capital position in 2015 after the new financing syndicate converted a major part of the company's debt into equity capital. This has reduced its original debt to €320 million.

Sustainability

Van Gansewinkel prevents waste at the source and offers innovative solutions for the efficient collection of residuals, which are subsequently converted into secondary raw materials or energy. In 2015, the company gave a useful purpose to 93% of the processed waste, with over 65% being given a second life as a raw material – a 1.5% increase compared to 2014 (approximately 64%). Increasing the percentage of waste that is given a second life is Van Gansewinkel's foremost objective in the area of sustainability. It is also directly linked to the company's vision 'Waste no more'. The firm's ambition for 2020 is to give a useful purpose to 96% of the collected waste, and to recycle 75% into new raw materials. In the company's view, the best avenue for realising this ambition is the recovery of raw materials from flows that are presently still incinerated for energy. Through its activities, Van Gansewinkel has prevented over 1.17 million tonnes of CO₂ emissions within the chain.

In order to recover even more raw materials in the years ahead – and even more effectively – in 2015, Van Gansewinkel invested substantially in its recycling processes. In this context, the company expanded its sorting line in Puurs, took new lines in Châtelet and Amsterdam into operation, opened Europe's most advanced glass recycling facility at Maltha in Heijningen, launched a new, modern facility in Turnhout, and realised a brand new bottom ash reprocessing plant, which will be taken into operation this year by Van Gansewinkel Minerals.

Van Gansewinkel has also improved its own ecological footprint. The waste recycling company invested in route optimisation and the quality of its company fleet, among other things through the acquisition of new EURO 6 vehicles and the introduction of a programme intended to promote the awareness of driving behaviour and fuel efficiency. Thanks in part to this programme, the company reduced its fuel consumption in 2015. All in all, the company fleet's CO₂ emissions decreased by 4.1%, to a total of 69,416 tonnes (2014: 72,374 tonnes). In addition, Van Gansewinkel also reduced its total power consumption (electricity and gas) by 3.4% compared to 2014.

* EBITDAE = earnings before interest, depreciation, amortisation and exceptional items.

Objectives and expectations for 2016

Van Gansewinkel will continue to play a leading and connecting role in the chain from waste to raw materials. In close cooperation with its customers, suppliers and partners, the firm will continue to close materials cycles, in an effort to create both ecological and economic value from waste.

Van Gansewinkel will maintain its sector-based customer approach and further grow as a secondary raw materials supplier, focusing on material streams. Within the recycling business, the company will continue to invest in innovation and cost leadership, to meet the rising demand for high-quality secondary raw materials.

Although the macro-economic situation in the Eurozone is improving slightly, market conditions will remain challenging, with significant price pressure. Consequently, Van Gansewinkel will engage in a fair pricing policy.

Van Gansewinkel expects its efficiency and quality improvements over the past years, as well as its extensive investment programme in 2015, to have a positive impact in 2016. However, given the ongoing economic uncertainty and volatile market conditions, no financial prospects will be expressed for 2016.

Further information

For a more in-depth insight into Van Gansewinkel's financial results and sustainability performance, the company's 2015 Annual Report 2015 and 2015 Sustainability Report were both published today on www.vangansewinkelgroep.nl.