

Miko results 2013

Turnover up 7.5 % - EBIT up 12.8 % - EBITDA up 14.9 %

Net profit up 10.9 % - Dividend up 9.4 %

Turnhout, 27 March 2014 – Miko, the Euronext Brussels listed specialist in coffee service and plastic packaging, posted a 7.5 % rise in turnover in 2013. The operating profit (EBIT), operating cash flow (EBITDA) and net profit rose by 12.8 %, 14.9 % and 10.9 % respectively. These good results are the upshot of takeovers which were made within the coffee service business in the course of 2013, a downward trend in raw material prices towards a more balanced level and strong results for the plastics division.

CONSOLIDATED RESULTS

Turnover rose by 7.5 % compared with the previous financial year, from EUR 138 million to EUR 149 million. Around 79 % of the Group's turnover was achieved abroad.

EBIT (profit from operational activities before costs and taxes) amounted to EUR 9.9 million (up 12.8 % on 2012).

EBITDA (profit from operational activities before financial costs, taxes, depreciation and amortisation) amounted to EUR 19.1 million (up 14.9 % compared with 2012).

The financial result was EUR - 0.7 million, a reduction of EUR 80,000 on 2012.

The Group paid EUR 1.9 million in taxes.

The net profit (group share) was EUR 7.1 million. The Board of Directors is proposing to the annual general meeting to pay out a dividend of EUR 1.16 gross (0.87 net) per share, which is 9.4 % more than last year.

SEGMENT INFORMATION

The coffee segment generated a turnover of EUR 77.2 million in 2013. This is 9.7 % up on the previous year and accounts for 51.9 % of group turnover. Turnover was under pressure in almost every "home" market. The impact of the economic downturn was felt, because of fewer orders being received from existing customers, because of restructurings in the sector of offices and companies, and because of the hospitality sector going through a tough time in 2013. The number of bankruptcies in the latter sector reached a historic record high. In addition to this, an important coffee contract was terminated in France in early 2013. These negative developments were offset by a major contract that was won in Germany. An important contribution was also made by the additional turnover generated by Kaffekompaniet in Sweden and ABC Mokka in Denmark. Both companies were taken over in 2013.

The coffee service business's EBIT increased by 6.2 %. There was a rise in EBITDA of 20.0 %. 2013 saw a slight downward trend in raw coffee prices on the global market. This positively affected margins. The rise in turnover obviously contributed to these results as well. Investments of EUR 4.7 million were made in property, plant and equipment within the coffee service business, targeted

primarily at purchasing coffee machines that were subsequently installed at customers on a rental or free on loan basis.

The plastics segment accounted for EUR 71.6 million, i.e. 48.1 % of the total group turnover. This marks a 5.4 % increase on 2012. This increase was achieved in spite of the negative start to the year, with the news that two key customers had got into financial difficulties. In addition, the ice cream season was slow to start due to the mediocre spring. Ice cream packaging is part of the plastic packaging division's core business. The rise in turnover came about from attracting new customers, mainly in Poland and Germany, from increased sales of smaller packaging units, and from a successful year for ready-meal dishes, with 9 million units more being sold.

EBIT and EBITDA for the plastic packaging business rose by 21.9 % and 13.6 % respectively. This rise is related to the increased turnover. The sharp fall in depreciations is the reason why the growth in EBIT was relatively stronger than that in EBITDA. Investments of EUR 8.9 million were made in this sector. They related to the building of additional production space in Poland and to the purchase of machines, moulds and other equipment.

KEY EVENTS

The quest for a takeover opportunity in the coffee service business in Scandinavia had been ongoing for around two years. This led to two takeovers in the first half of the year. In Sweden, all the shares were acquired of Kaffekompaniet, which is headquartered in Gothenburg, employs 23 staff and has a turnover of around EUR 6 million. In Denmark, a 70 % interest was acquired in ABC Mokka, which is headquartered in Copenhagen, employs 20 staff and has a turnover of EUR 6.5 million. In Australia the assets and customer portfolio of Corporate Coffee Solutions were taken over, providing a turnover of approx. EUR 1.2 million.

A new production hall was built at the plastic packaging subsidiary in Poland. This hall can accommodate 40 injection-moulding machines, making it an ambitious expansion. An option was also taken up to purchase an adjacent industrial site of 29,000 m².

PROSPECTS

"In the first few months of 2014, we are noticing an upsurge in the price of raw coffee on the world market. If this trend continues, it will undoubtedly have an adverse impact on our margins. With an investment budget of EUR 13.6 million, however, Miko shows that we are looking forward to the future with confidence" says Frans van Tilborg, CEO of the Miko Group.

CONCLUSION

The statutory auditor, PricewaterhouseCoopers Bedrijfsrevisoren BCBVA, represented by Mr Filip Lozie, has confirmed that his inspection activities have not brought to light any circumstances which could result in a significant correction to the information featuring in this release.

The annual report and full annual results can be consulted at www.miko.eu

ABOUT MIKO

Miko has been active in coffee service for over 200 years and in plastic packaging for some 40 years now, and was floated on Euronext Brussels in 1998. Miko follows a "two-pillar strategy" in which its core activities – coffee service and plastic packaging – are practically independent entities with their own management, so that each activity can follow its own growth path. The

group employs 758 people and achieved a turnover of EUR 149 million in 2013. The coffee service division accounted for 51.9 % of this total. The remaining 48.1 % was achieved by the plastic packaging division. Miko is an international group with companies in Belgium, France, UK, the Netherlands, Germany, Denmark, Sweden, Poland, the Czech Republic, Slovakia and Australia.

END

Note for editors:

For photos: www.miko.eu – English – Press releases.

For more information, please contact Frans Van Tilborg on +32 (0)14-46.27.70.

After 4.30 p.m. CEST: +32 (0)495-59.12.77 (mobile Frans Van Tilborg).

Dit persbericht is ook beschikbaar in het Nederlands.

Ce communiqué de presse est également disponible en français.

Miko website: www.mikocoffee.com

Puro website: www.purocoffee.com

SCHEDULE 1 – Consolidated annual results Miko Group

	2013			2012		
	(KEUR)			(KEUR)		
Revenue			148.825			138.469
Revenue – sale of goods	144.351			134.468		
Revenue – leasing	4.226			3.682		
Revenue – sale of fixed assets	248			319		
Other operating income		3.291			2.724	
Raw materials & consumables used	77.325			73.077		
Employee benefit expense	33.725			30.692		
Depreciation and amortization	8.872			7.820		
Other operating expenses	22.287			20.822		
Total expenses		-142.208			-132.411	
Operating profit before interests and taxes			9.909			8.782
Net financial result		-697			-618	
Financial income	282			322		
Financial costs	-979			-940		
Profit before taxes			9.211			8.164
Taxes on result		1.919			1.685	
Net profit of the group			7.293			6.479
Attributable to minority interests			172			60
Attributable to Miko shareholders			7.121			6.419
Basic earnings per share, Attributable to Miko shareholders (in euro)			5,73			5,17
Diluted earnings per share, Attributable to Miko shareholders (in euro)			5,71			5,16

Gross dividend			1.441			1.317
Gross dividend per share (in euro)			1,16			1,06

SCHEDULE 2 - Consolidated overview of comprehensive income

	2013		2012	
	(KEUR)		(KEUR)	
Net profit of the group		7.293		6.479
Currency translation differences	-463		1.022	
Other items of comprehensive income	-18		0	
Comprehensive income for the year		6.812		7.501
Attributable to Miko shareholders	6.635		7.443	
Attributable to minority interests	177		58	