

Miko results 2014

Turnover + 7.4 % * EBIT + 7.4 % * EBITDA + 8.7 %

Net profit + 5.6 % * Dividend + 10 %

Turnhout, 27 March 2015 – Miko, the Euronext Brussels listed specialist in coffee service and plastic packaging, posted a 7.4 % rise in turnover in 2014. The operating profit (EBIT), operating cash flow (EBITDA) and net profit rose by 7.4 %, 8.7 % and 5.6 % respectively. These good results are the consequence of organic growth, of acquisitions in Scandinavia in 2013, and of a downward trend in the price of green coffee prices, which benefited the company's margins.

CONSOLIDATED RESULTS

Turnover increased by 7.4 % compared to the previous financial year, from EUR 149 million to EUR 160 million. Almost three quarters of the Group's turnover was achieved abroad.

EBIT (profit from operational activities before costs and taxes) amounted to EUR 10.6 million (up 7.4 % on 2013).

EBITDA (profit from operational activities before financial costs, taxes, depreciation and amortisation) amounted to EUR 20.7 million (up 8.7 % compared to 2013).

The financial result was EUR - 657,000, a EUR 40,000 improvement on 2013.

The Group paid EUR 2.5 million in taxes.

The net profit was EUR 7.5 million. The Board of Directors is proposing to the General Meeting that a gross dividend of EUR 1.28 (EUR 0.96 net) be paid per share, 10 % more than last year.

SEGMENT INFORMATION

The coffee segment generated a turnover of EUR 84.4 million in 2014. This is 9.3 % up on the previous year and accounts for 52.7 % of Group turnover. Turnover received a boost thanks to acquisitions in Sweden and Denmark in the course of 2013. All home markets exhibited growth in turnover, with Germany being the highest, where a large distributor succeeded in negotiating contracts with a number of hospitals.

The operating result (EBIT) and operating cash flow (EBITDA) for the coffee service department rose by 81.8 % and 31.3 % respectively. This rise is on the one hand connected to the increased turnover and on the other hand to the drop in green coffee prices. Investments amounted to EUR 3.5 million and were intended primarily for the purchase of coffee equipment.

Increased turnover in the plastics segment amounted to 5.4 %, which represents 47.3 % of the total group turnover. This rise occurred mainly in the thermoform department, which produces containers for ready meals.

The operating profit (EBIT) and operating cash flow (EBITDA) for the plastics processing business decreased by 38.6 % and 12.4 % respectively. Various factors had a role to play in this. Depreciations increased sharply as a consequence of the substantial investments in the plant in Poland. This relates to new production, storage and office space that were recently set up and a number of production lines for a key contract that was negotiated in Germany. Furthermore, an important production line was shut down for several months for maintenance. Weak economic figures in Europe are also reflected in lower margins. And finally, considerable one-off start-up costs were incurred in connection with the joint-venture project in Indonesia. The investments in this segment amounted to EUR 12.2 million.

KEY EVENTS

A joint venture was set up in the plastics segment with Innoware in Indonesia. Innoware is a plastics processing company operating in the same target market as Miko Pac. It realises a turnover of EUR 6.5 million. The Packaging department produces plastic containers for the food industry, mainly ice cream. The Promo department focuses on the production of plastic promotional products, such as soap boxes or beakers.

Indonesia has much potential on account of its population of more than 250 million and its rapidly expanding middle class. Thanks to its favourable geographical location, Indonesia can also offer access to the continent of Asia. Large food enterprises are gradually moving from regional to global suppliers. In order to continue provisioning such clients, it is essential to develop production sites outside Europe.

RECENT RELEVANT EVENTS

Miko acquired a 66 % interest in Norwegian coffee-service company A:KAFFEE in March 2015, which realises a turnover of EUR 1.8 million with eight employees in Oslo. Scandinavia is regarded as a region that is exhibiting healthy economic performance in Europe. That is why . some years ago . a decision was made to focus in that direction in pursuit of external growth. On completion of this participation, Miko now has its own subsidiaries in Sweden, Denmark and Norway.

A considerable amount of technical expertise is currently present at Innoware, the new subsidiary in Indonesia. But substantial value can be added to this partnership via the knowhow and quality standards that Miko has at its fingertips in Europe. This will be of mutual benefit to both parties. In that light, the recent acquisition of 31,000 m² of building land gave the starting shot for the development of a greenfield site in line with the standards applied in Europe, both with regard to infrastructure and quality.

PROSPECTS

2014 was a good year. However . at the end of 2014 . we have observed a sharp rise in green coffee prices due in part to the strong US dollar. These prices will remain high for the foreseeable future. Due to this volatility, we are careful about commenting on expected results. Nevertheless, with our substantial investment budget of EUR 16.4 million, we are confirming that we enter 2015 with confidence,+says Frans Van Tilborg, Miko Group CEO.

CONCLUSION

The statutory auditor, PricewaterhouseCoopers Bedrijfsrevisoren BCVBA, represented by Mr Koen Hens, 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 909 people and achieved a turnover of EUR 160 million in 2014. The coffee service division accounted for 52.7 % of this total. The remaining 47.3 % was achieved by the plastic packaging division. Miko is an international group with companies in Belgium, France, UK, the Netherlands, Germany, Denmark, Norway, Sweden, Poland, the Czech Republic, Slovakia and Australia.

END

Note for editors:

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

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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

	2014 (KEUR)		2013 (KEUR)	
Revenue		159.865		148.825
Revenue . sale of goods	155.081		144.351	
Revenue . leasing	4.646		4.226	
Revenue . sale of fixed assets	138		248	
Other operating income		3.328		3.291
Raw materials & consumables used	81.999		77.325	
Employee benefit expense	36.520		33.725	
Depreciation and amortization	9.653		8.872	
Other operating expenses	24.382		22.287	
Total expenses		-152.554		-142.208
Operating profit before interests and taxes		10.639		9.909
Net financial result		-657		-697
Financial income	353		282	
Financial costs	-1.010		-979	
Profit before taxes		9.982		9.211
Taxes on result		2.450		1.919
Net profit of the group		7.532		7.293
Attributable to minority interests		10		172
Attributable to Miko shareholders		7.522		7.121
Basic earnings per share, Attributable to Miko shareholders (in euro)		6,06		5,73
Diluted earnings per share, Attributable to Miko shareholders (in euro)		6,02		5,71
Gross dividend		1.590		1.441
Gross dividend per share (in euro)		1,28		1,16

SCHEDULE 2 - Consolidated overview of comprehensive income

	2014 (KEUR)		2013 (KEUR)	
Net profit of the group		7.532		7.293
Currency translation differences	-27		-463	
Other items of comprehensive income	-111		-18	
Comprehensive income for the year		7.394		6.812
Attributable to Miko shareholders	7.384		6.635	
Attributable to minority interests	10		177	