



ABO-Group Annual Results for 2015

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ABO-Group, a group of engineering and testing companies operating in the areas of soil investigation, environment, geotechnology, energy and waste, has today announced its consolidated financial figures for 2015.

	2014 € 000	2015 € 000	Change	+/- %	Per share In €
Total operating income	29,947	33,143	3,196	+10.7%	
Sales	29,015	31,620	2,605	+9.0%	
REBITDA ¹	2,177	2,195	18	+0.8%	0.21
Depreciation	1,544	1,713	169	+10.9%	
Operating profit	342	323	-19	-5.6%	0.02
Financial result ²	-136	-160	-24	-17.6%	
Pre-tax profit from ongoing operations	206	163	-43	-20.9%	
Net profit from continuing operations	38	162	124	+326.3%	
Net profit	199	148	-51	-25.6%	0.01

2015 highlights

- Strong growth in sales by 9%, autonomous growth of 6%
- Operating and net profit affected by weak international division and one-off provision
- Healthy balance sheet and financial position

Outlook for 2016

- Strong start into 2016 with well-filled order book
- Continued commitment to organic and acquisitive growth
- Change of the operational management

Strong sales growth of 9%

In 2015, the ABO-Group was able to feel the early economic recovery, primarily in Belgium and the Netherlands. The French market showed little drive. The group was able to achieve solid revenue growth in each of its home countries, however. **Total sales increased by 9%, of which 6% was**

¹ Recurring earnings before interest, taxes, depreciation and amortization

² Including the share in the profit of associated companies



organic and 3% from acquisition in the Netherlands. Despite continuing pressure on prices, demand in general increased. The strongest growth was recorded at Geosonda Belgium, with geotechnology in the Netherlands, and at the E20 energy department. The consulting operations in Belgium (ABO) progressed significantly, in particular through the expansion of the range of products aimed at archaeology and BREEAM³.

The sales distribution for the 3 home markets is broken down as follows:

	2014 € 000	2015 € 000	Change in € 000	Growth %
France	15,862	16,545	+683	+4.3%
Belgium	12,084	12,935	+851	+7.0%
The Netherlands	1,069	2,140	+1,071	+100%
Total sales	29,015	31,620	+2,605	+9.0%

Operating and net profit, affected by weak international department and one-off provision

The operating profitability of the group was strongly influenced by one-off, non-recurring items in both 2014 and in 2015. In 2014, the stock exchange listing generated extraordinary costs amounting to 291k. In 2015, the figures were influenced on the one hand by a one-off provision for a legal dispute, with a negative impact of 520k euro, and, on the other, by an 'other operating income' amounting to 360k euro on the revaluation of the existing interest in Sialtech (application of IFRS 3). It may therefore be better to consider the underlying trend without taking these one-off items into account in both financial years, hence the use of REBITDA as yardstick.

The recurring cash flow of the group (REBITDA) amounted to 2.2 million euro (0.21 euro/share), a slight increase of 0.8%. The major focus in 2015 remained on the development of the services offered by the group, which resulted in a reduction in margin. Geographic expansion continued with the start-up of an office in Montpellier. In addition, the loss of export support in the international department could not be absorbed in time by new contracts. The lead time (= the period between the quotation and effectively winning the contract) is rather long in this type of projects, in which switching suddenly is not an obvious choice. ABO-Group is gradually reaping the fruits of many new initiatives that were launched in recent years, however. The product range was systematically expanded, ensuring that customers can address ABO with an increasing number of demands. In addition to the price advantage, the integrated approach mainly provides the customer with time savings with regard to the implementation of his project.

In their fieldwork departments, the ABO-Group has continuously invested in building up their machinery in recent years. The year-on-year 10.9% increase in depreciation, to 1.7 million euro, is proof of this. This guarantees the customer a quality implementation, as well as a multi-purpose deployability and flexibility in drilling technology.

³ BREEAM is a label developed by BRE (an organisation from the United Kingdom), which assesses the environmental impact of buildings or projects on the basis of the implemented sustainability measures. The label can be applied at an international level, and can be granted to buildings that are already in use, to new or renovated buildings, and to new master plans.



Healthy balance sheet and financial position

With a shareholders' equity of 11.1 million euro and net financial debt of 4.2 million euro, the group has all the required assets to continue on the path of organic and acquisitive growth.

The full set of figures (consolidated profit and loss account, consolidated balance sheet and cash flow overview) is included as an annex to this press release.

Strong start into 2016 with well-filled order book

The financial year 2016 has started strongly, with the well-filled order book at the end of 2015 being one factor in this. The Dutch market continues to recover at a rapid pace. Growth in Belgium has been supported by winning several interesting contracts. The French market is currently at a status quo.

Continued commitment to organic and acquisitive growth

ABO-Group aims to further expand its environmental and energy consultation, and its engineering and testing activities, both in its three home countries (Belgium, the Netherlands, France), and in a number of specific growth markets (Central and Southeast Asia, Africa and the former Eastern bloc countries). The group is continuing its strategy of positioning itself as a European player with international ambitions. The ABO-Group focuses on internal growth, together with the recruitment of experts in order to set up and develop new operations. In addition, the group also aims to further develop its acquisition strategy in the home countries. In 2015, the ABO-Group became the 100% owner of E20 (through the acquisition of the 50% stake that was held by KWA B.V.), purchased a 17.5% stake in Sialtech B.V., and a 25% holding in Ecorem NV was sold. The positive effect of the transactions that were realised in recent years is already clearly noticeable.

Change of the operational management

In an increasingly changing environment, a fast response to the changing market conditions is of crucial importance. To this end, ABO-Group will strengthen the decision-making bodies in its operational companies. The HQ services ("ABO Corporate Office") will be streamlined in order to create added value for the entire group. Specific services have therefore already been outsourced externally (IT). This will result in significant cost savings and increased flexibility.

Overview of 2015 / Outlook for 2016 per segment

France

ABO-ERG, the French department of the ABO-Group, is known as one of the best performing French companies in geotechnology and the environment, ensuring the company wide access to major national French projects, such as (energy) transport, industrial projects, nuclear power plants and contaminated sites. Despite the negative economic situation in France, ABO-ERG was able to book further revenue growth in 2015, in addition to the significant revenue growth (+16%) in 2014. The higher turnover was mainly achieved in the large geotechnical sites. Other contributory factors were



commercial operations, in particular the further development of the office in Lyon and the new branch in Montpellier. Finally, ABO-ERG is now picking the fruits of significant investments in machines, laboratory equipment and training. The Environment department has managed to maintain and even strengthen its position in a very difficult market. ABO-ERG is diversifying into related activities, and is also continuing its investment programme in quality and safety. In this way, further growth and development can also be expected in France for 2016.

Belgium

As a consultancy and engineering office, **ABO NV** is focusing on the provision of comprehensive advice regarding all kinds of construction and redevelopment projects. ABO NV operates in the Belgian market, with offices in Flanders, Brussels and Wallonia, and focuses on soil investigation and soil remediation, all types of environmental studies, and archaeological and historical building research, as well as on comprehensive advice with regard to sustainable redevelopment and spatial planning. The services that ABO provides range from project description (advice in support of policies, strategic notes), the (pre-)feasibility phase (techno-economic studies, positioning studies, environmental impact studies, risk analyses, tendering assistance, etc.), the design phase (detail engineering, preparation of specifications, social and environmental impact studies, licences, etc.), up to the guidance and monitoring of the implementation of projects. In order to successfully realise projects, ABO can rely on a multidisciplinary team of no less than 80 specialists in different disciplines on a daily basis.

In 2016, ABO is expecting strong growth in archaeology (as a result of the implementation of new legislation in Flanders) as well as in BREEAM and sustainable construction consultancy. In addition, ABO is also strongly homing in on further diversification, such as asbestos studies (in view of the asbestos reduction policy) in collaboration with Translab. From the end of 2016 and into the coming years, strong growth is expected in the soil remediation sector in Wallonia as a result of the operation of the long-awaited implementation decrees of the Walloon soil decree.

Given the changing international market conditions in environmental consultancy, with fewer subsidies available and an increasing demand for an integrated approach, 2015 could be seen as a major investment year for **ECOREM**, with the deepening and broadening of the international service package taking central stage. In order to optimise our response to the globalising and changing environmental consultancy market, the development of certain operations was accelerated. This mainly applied to the “urban environment” concept, as well as to our projects relating to renewable energy, with an emphasis on research into the possibilities for energy storage (such as the energy atoll in the North Sea).

Networks in a selected number of emerging countries were strengthened in preparation for new contracts. In addition, several new countries were examined with regard to their potential for environmental funding. Due to the economic and/or political instability, commercial operations in other regions were scaled down or provisionally put “on hold”. In order to be able to focus even better on areas such as sustainable urban development, port expansion, strategic energy storage and innovative research projects, the local, more decree-oriented research projects were transferred to ABO or, in some cases, even discontinued. This restructuring should contribute to the international profile of Ecorem NV and to the internationalisation of the entire ABO-Group.



2015 was a year of strong growth and transformation for **GEOSONDA**, the environmental and geotechnical fieldwork department. First of all, the operational integration was completed. As a result, the three major research techniques (drilling, probing and the installation of trial trenches) are now combined with the three major soil investigation markets (environment, geotechnology and archaeology). This unique combination generated a solid revenue growth, in which the company was strengthened by several new and talented employees. Several large and multidisciplinary projects were also acquired (such as soil analysis for the Saeftinghe dock). In addition, further investments were made in modern and specialised equipment, such as environmentally-friendly vehicles and a new CPT unit, which will allow the continuation of growth and innovation.

2015 also was a year of growth for **E20 (Energy to zero Consult)**. A new, experienced auditor profile was attracted, a project manager targeting the Brussels' market was employed and the necessary administrative support was provided. E20 sees its market share increasing. The award of a major contract for Antwerp will allow us to significantly increase the 2016 sales. In addition, continuity was ensured through an additional assignment for the Enterprise Agency, the attraction of new customers for the mandatory energy audits for large companies, and the ongoing energy coaching contract for the city of Ghent. For 2016, growth is foreseen in the consultancy of companies regarding energy-related matters, and of governments regarding the reduction of their energy consumption. Furthermore, investments in R&D will enable the development of niche activities and the build-up of long-term cooperation with customers.

The Netherlands

The Dutch market seems to be gaining speed. As a result, the recovery movement is continuing after a very difficult crisis period in 2009-2013. The environmental and geotechnical fieldwork operations (Sjaltech and Goorbergh Geotechniek) experienced a very healthy growth, and a significant organic sales growth is again expected for 2016. ABO-Group is very much looking forward to strengthening its presence and product range in the Dutch market.

Financial calendar

25/05/2016: General Shareholders' Meeting

30/09/2016: Figures for the first half of 2016

Statement of the statutory auditor

The auditor of ABO-Group Environment NV, Ernst & Young Bedrijfsrevisoren BCVBA, represented by Marnix Van Dooren, has confirmed that his audit review, which was thoroughly completed, has not revealed any significant corrections that would require an adjustment to the 2015 consolidated figures for the Group, which are included in this press release.



About the ABO-Group

The ABO-Group is a group of integrated engineering and testing companies operating in the areas of soil investigation, environment, geotechnology, energy and waste. The ABO-Group aims to increase its sales through internal growth and acquisitions, and to broaden the range of its operations both within and outside Europe. For a more detailed description of the group's risks and operations, we refer to the listing document of the ABO-Group, which was released on 31 July 2014, and is available on the ABO-Group website (www.abo-group.eu).

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This press release is available on our website www.abo-group.eu

ANNEX: CONSOLIDATED FINANCIAL FIGURES

Consolidated profit and loss account

	For the year ending on 31 December		Δ	Δ%
	2015	2014		
	In thousands of €			
Sales	31,620	29,015	2,605	9.0%
Other operating income	1,523	932	591	63.4%
Total operating income	33,143	29,947	3,196	10.7%
Purchases	-3,634	-2,992	-642	21.5%
Services and miscellaneous goods	-10,601	-10,319	-282	2.7%
Employee remunerations	-15,710	-13,987	-1,723	12.3%
Depreciation	-1,713	-1,544	-169	10.9%
Other operating expenses	-1,162	-763	-399	52.3%
Operating profit	323	342	-19	-5.6%
Financial charges	-312	-274	-38	13.9%
Financial income	61	103	-42	-40.8%
Share in the profit of associated companies	91	35	56	160.0%
Pre-tax profit from continuing operations	163	206	-43	-20.9%
Tax	-1	-168	167	-99.4%
Net profit from continuing operations	162	38	124	326.3%
Profit from discontinued operations, after tax	-14	161	-175	-108.7%
Net profit	148	199	-51	-25.6%
Net profit (loss) attributable to the shareholders of the parent company	149	219	-70	-32.0%
Minority interests	-1	-20	19	-95.0%



	For the year ending on 31 December	
	2015	2014
Profit (loss) per share for the shareholders		
Basic and diluted	€ 0.01	€ 0.02
Profit (loss) per share (continuing operations)		
Basic and diluted	€ 0.02	€ 0.00
Profit (loss) per share (discontinued operations)		
Basic and diluted	€ -0.00	€ 0,02
Weighted average shares (basic earnings per share)(in .000)	10,569	10,425
Weighted average shares with impact from dilution (in .000)	10,569	10,425

	For the year ending on 31 December	
	2015	2014
	In thousands of €	
Net profit	148	199
Unrealised results		
Transferable to the profit and loss account		
Revaluation of buildings	183	0
Tax impact	-62	0
Change in fair value of financial assets available for sale	40	22
Tax impact	0	-7
Non-transferable to the profit and loss account		
Actuarial profits (losses)	11	-158
Tax impact	-4	52
Unrealised results, after tax	168	-91
Total result, after tax	316	108
Total result, attributable to the shareholders of the parent company	316	128
Minority interests	0	-20

Consolidated balance sheet

	For the year ending on 31 December	
	2015	2014
	In thousands of €	
Assets		
Fixed assets		
Goodwill	154	154
Intangible fixed assets	322	89
Tangible fixed assets	10,759	9,310
Investments in associated companies	84	183
Deferred tax assets	2,000	1,648
Financial assets available for sale	175	134
Other financial assets	336	267
	<u>13,830</u>	<u>11,785</u>
Short-term assets		
Stocks	418	275
Trade receivables	12,053	12,657
Other short-term assets	2,571	1,364
Cash and cash equivalents	2,405	3,327
	<u>17,447</u>	<u>17,623</u>
Assets held for sale	1,259	1,271
Total assets	<u><u>32,536</u></u>	<u><u>30,679</u></u>

	For the year ending on 31 December	
	2015	2014
	In thousands of €	
Shareholders' equity and payables		
Net shareholders' equity		
Capital	4,857	4,857
Consolidated reserves	4,032	3,773
Unrealised results	1,676	1,694
Equity attributable to the shareholders of the group	10,565	10,324
Minority interests	551	107
Total equity	11,116	10,431
Long-term liabilities		
Financial debts	1,675	2,022
Deferred tax liabilities	1,262	921
Provisions	1,108	481
	4,045	3,424
Current liabilities		
Financial debts	4,956	5,030
Trade payables	4,412	4,230
Tax liabilities	143	85
Other short-term debts	6,568	6,180
	1,079	15,525
Payables related to assets held for sale	1,296	1,299
Total shareholders' equity and payables	32,536	30,679



Consolidated cash flow statement

	For the year ending on 31 December	
	2015	2014
	In thousands of €	
Operating activities		
Net profit	148	199
<i>Non-cash costs and operating adjustments</i>		
Depreciation of tangible fixed assets	1,678	1,407
Depreciation of intangible fixed assets	59	69
Surplus on NCI revaluation	-361	
Profit on the sale of tangible fixed assets	-187	-4
Movements in provisions	471	-46
Movements in impairments on customers	26	20
Financial income	-61	-93
Financial charges	314	274
Share in the profit of associated companies	-91	-35
Deferred tax income	-301	-48
Tax costs	302	216
Other	0	2
Changes to the working capital		
Decrease (increase) in other financial assets, trade receivables and other short-term assets	363	-900
Decrease (increase) in stocks	-37	24
Increase (decrease) in trade payables and other debts	-11	835
	2,312	1,920
Interest received	39	44
Tax paid	-258	-360
Net cash flow from operating activities	2,093	1,604



Investment activities

Investments in tangible fixed assets	-1,054	-774
Investments in intangible fixed assets	-10	-13
Sales of tangible fixed assets	356	27
Acquisition of minority interest	-175	0
Acquisition of subsidiary	-196	585
Sale to minority interest	1	0
Sale of joint venture	0	462
Loan to associated company	-70	0
Investments in associated companies	0	-50

Net cash flow from (used in) investment activities

-1,148	237
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Financing activities

Income from loans	1,878	3,159
Repayment of loans	-2,806	-3,730
Repayment of leasing debts	-670	-585
Capital increase in cash	0	527
Directly attributable costs of capital increase	0	-11
Interest paid	-163	-259
Other financial income (costs)	-118	34

Net cash flow from financing activities

-1,879	-865
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Net increase in cash and cash equivalents

-934	976
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Cash and cash equivalents at the beginning of the year

<u>3,433</u>	<u>2,457</u>
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Cash and cash equivalents at the end of the year

<u>2,499</u>	<u>3,433</u>
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Other non-cash transactions

Cash assets held for sale	94	106
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Consolidated statement of changes in equity

Attributable to the shareholders
of the group

	Capital	Consolidated reserves	Unrealised results	Total	Minority interest	Total equity
	In thousands of €					
On 31 December 2013	2,818	3,469	1,870	8,157	127	8,284
Net profit		219		219	-20	199
Unrealised results			-91	-91		-91
Total results	0	219	-91	128	-20	108
						0
Reverse acquisition of Thenergo	1,524			1,524		1,524
Capital increase in cash	526			526		526
Directly attributable costs of capital increase	-11			-11		-11
Transfer of depreciation of tangible fixed assets		85	-85	0		0
On 31 December 2014	4,857	3,773	1,694	10,324	107	10,431
Net profit		149		149	-1	148
Unrealised results			167	167	1	168
Total results	0	149	167	316	0	316
25% sale of Ecorem	0	93	-100	-7	8	1
Purchase of minority interest in E20	0	-68	0	-68	-107	-175
Purchase Sialtech (minority interest)	0	0	0	0	543	543
Transfer of depreciation of tangible fixed assets	0	85	-85	0	0	0
On 31 December 2015	4,857	4,032	1,676	10,565	551	11,116