

## PRESS RELEASE – FINANCIAL YEAR 2017

Rotterdam, 15 February 2018

### Acomo reports solid net profit at €32.5 million for 2017

*Proposed dividend set at €1.10 per share*

#### Main financial indicators 2017

- Sales: €709.7 million (2016: €682.3 million, + 4.0%)
- EBITDA: €52.1 million (2016: €55.2 million, - 5.6%)
- Net profit: €32.5 million (2016: €34.4 million, - 5.5%)
- Earnings per share: €1.327 (2016: €1.428, - 7.1%)
- Proposed dividend: €1.10 per share (2016: €1.15 per share)
- Solvency: 53.5% (2016: 51.7%)

**Today, Amsterdam Commodities N.V. (Acomo), the Euronext Amsterdam-listed trader in spices and nuts, edible seeds, tea and food ingredients reports solid net profit at €32.5 million for its financial year 2017. The Company's net profit, adjusted for unrealized FX hedge results and non-recurring items was slightly down (-2%) versus the previous year 2016. Considering the overall challenging market circumstances, the Board of Directors describes the Company's results and the performance of its trading teams across the four segments as solid. Acomo proposes its shareholders a dividend of €1.10 per share (2016: €1.15) following the consistent policy on dividend pay-out.**

#### Major events and developments 2017

- Food commodity prices remained very volatile throughout the year with major price swings upward in nuts, and downward in spices. Edible sunflower seed and cumin seed prices were under pressure, while other seed prices were stable and poppy seed prices increased substantially. Tea prices were high due to droughts in several regions.
- The Nuts business performed strongly and the Food Ingredients operation achieved a record performance.
- The SunButter® brand in the US continued high double-digit growth and was selected in the Walmart campaign 'Made in America' as the product to represent the state of North Dakota.
- The weakening US dollar resulted in negative unrealized FX hedge results.
- On 5 May 2017 the acquisition of nuts trader Delinuts, based in Ede, the Netherlands, was completed. Delinuts offers a wide range of nuts and dried fruits to wholesale and retail customers, the food industry and the out-of-home channel. Acomo's new subsidiary complements the existing activities of group companies in nuts and dried fruits.

In 2017, consolidated reported sales of **Amsterdam Commodities N.V. (Acomo)** increased by 4.0% to €709.7 million (2016: €682.3 million). Reported gross margin increased by 2.0% to €116.9 million. Gross margin as a percentage of sales decreased with 0.3 percentage points. For the full year 2017 reported net profit reached €32.5 million, a decrease of €1.9 million versus 2016 (€34.4 million, - 5.5%).

When adjusted for the impact of the negative swing in unrealized FX hedge results (due to not applying hedge accounting), the total gross margin increased by 4.0% to €118.3 million and gross margin, as a percentage of sales, was equal to 2016. Adjusted for non-recurring items and unrealized FX results, net profit for the year 2017 decreased by €0.8 million (- 2.4%) compared to the adjusted 2016 net profit.

Costs increased due to the Delinuts acquisition and investments in the organization. Production costs in the US were impacted by volatility in volumes.

(in € millions)	2017 reported	non-recurring items			2017 adjusted	2016 reported	Unrealized FX hedge results	2016 adjusted	% change adjusted
		Related to Delinuts	US tax restructuring	Unrealized FX hedge results					
Gross margin	116.9	-	-	1.4	118.3	114.6	(0.9)	113.7	4.0%
As % sales	16.5%				16.7%	16.8%		16.7%	
EBIT	46.4	0.6	-	1.4	48.4	50.4	(0.9)	49.5	-2.2%
Net profit	32.5	0.4	(1.1)	1.1	32.9	34.4	(0.7)	33.7	-2.4%

### Non-recurring items

The 2017 net results were impacted by non-recurring items of in total €0.7 million (2016: €0 million). The non-recurring items comprise the restructuring costs of €0.2 million and €0.2 million amortization costs of acquired intangibles, both related to Delinuts. These costs are offset by the new US corporate income tax structure, which resulted in a positive effect of €1.1 million on the 2017 net results, due to a revaluation of US deferred tax positions.

### Currency euro/US dollar

The euro/US dollar exchange rate was comparable to 2016 during the first four months of 2017 but weakened over the later months. The average annual euro/US dollar exchange rate in 2017 was 1.130 (2016: 1.107). The FX rates contributed negative to sales (- €5.9 million) and net profit (- €0.2 million).

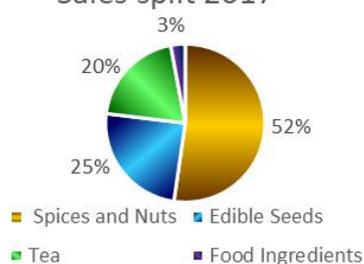
The 2017 year-end exchange rate of 1.201 reflects the weaker US dollar against the euro when compared to the 2016 year-end rate of 1.052. As per 31 December 2017, this resulted in a decrease in total assets (- €19.0 million).

### Key figures 2017 – unaudited

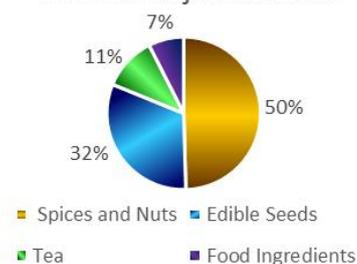
	2017	2016
<b>Consolidated figures</b> (in € millions)		
Sales	709.7	682.3
Gross margin	116.9	114.6
EBITDA	52.1	55.2
Operating income (EBIT)	46.4	50.4
Financial result	-3.0	-3.1
Corporate income tax	-10.9	-12.9
<b>Net profit</b>	<b>32.5</b>	<b>34.4</b>
Shareholders' equity (before final dividend)	185.1	182.9
Total assets	346.0	353.6
<b>Ratios</b>		
Solvency – shareholders' equity as % of total assets	53.5%	51.7%
Leverage ratio (net debt/EBITDA)	1.5	1.7
Return on equity	17.6%	19.6%
Dividend pay-out ratio	83.4%	80.8%
<b>Key performance indicators</b> (in €)		
Earnings per share	1.327	1.428
Equity per share at year-end	7.515	7.550
Dividend per share - total (2017: proposed)	1.10	1.15

'The performance of the Group was again very solid in 2017 despite challenging market circumstances. Market prices were under pressure in a number of product groups and in some cases demand was slow. The strong US dollar in the first half of the year and its rapid weakening in the second half created a lot of uncertainty in our markets. I congratulate our teams on their achievements and thank them for their continued commitment and focus,' said Group Managing Director Allard Goldschmeding. 'Our nuts business and the food ingredients operation achieved excellent results, and when taking the year-over-year one-time effects and euro/US dollar translation loss into account, the Group's performance is only slightly below last year's record profit.'

Sales split 2017



EBITDA adjusted 2017



## Activity reviews per segment

### *Spices and Nuts*

Catz International in Rotterdam, the Netherlands, was confronted with very challenging market circumstances. El Niño was described as the most important fundamental in 2016. As expected, this event did not only influence 2016 crop, but 2017 crop as well. The various origins for desiccated coconut experienced lower than normal precipitation levels during 2017. In combination with specific local supply issues, crop outputs have been disappointing throughout the year. The Philippines, the largest exporter of desiccated coconut, were hit by super-typhoon 'Nock-Ten', which damaged trees on a large scale, followed by insects infesting crops in the various regions. Consequently prices of desiccated coconut have increased on average by 25%. While desiccated coconut saw increased prices, the decline in pepper prices, which started in 2016, continued in 2017 with a further drop of 40%. At the end of the year, pepper prices were at their lowest level in eight years, putting pressure on the earnings potential. Dehydrated vegetables and dried fruits did not provide the same market opportunities as in 2016 and reported lower results. Nuts on the other hand performed very well with, in general, increased price levels and good demand. Despite the market circumstances the dedicated Catz team managed to maintain the overall gross margin percentage at the same level as 2016, yet at somewhat lower volumes. With a profitability below last year's record, but still amongst the strongest in the history of the company, Catz delivered an excellent performance.

Tovano in Maasdijk, the Netherlands, active in packed nuts and dried fruits had another excellent year. The team was very successful in converting market opportunities and reported the second highest profit in the history of the company.

King Nuts & Raaphorst in Bodegraven, the Netherlands, active in nuts and rice crackers, was able to increase the sales and margins in 2017 for the second year in a row. This resulted in an excellent profit for the company. Sales were up by 2% versus 2016, mainly driven by volume growth in almost all market segments. The team in Bodegraven continues to outperform the market by its strict focus on market position and costs, delivering outstanding results.

Delinuts in Ede, the Netherlands, active in nuts and dried fruits, joined the Group per 5 May 2017. As a result of the integration in Acomo, the contribution to the Group's net profit was limited, mainly due to the amortization of the forward book and restructuring charges. The people of Delinuts have shown their commitment and the organization will further develop within the Group to capture market opportunities while delivering added value to its customers.

### *Edible Seeds*

Red River Commodities in Fargo (ND), USA, which is active in the sourcing, processing and distribution of edible seeds (mainly sunflower), showed a mixed performance. Sunflower grower prices remained stable during the year, and despite a relatively severe drought production volumes were equal to previous year. A very strong US dollar in the first half of the year continued to limit the export demand for US products and only partially recovered by the end of the year. The strong US dollar encouraged foreign competition in the US marketplace, which was negative for the US operations but opened up opportunities for the recently started trading operations in Canada, Red River Global Ingredients (2016). The processing and packaging operations at SunGold Foods saw slight declines in in-shell and roasting volumes, offset by better volumes in oil and dry roasting facilitated by the investment in an additional oilroaster in the facility in Lubbock (TX). Wild birdfood was impacted early in the year by a mild winter and the late arrival of the orders for the opening of the spring garden centres. Despite the slow start it delivered an overall solid performance. SunButter

continues to gain momentum in the spread category, enhanced by the healthy attributes of its peanut- and tree nut-free product. A focussed marketing campaign (including an online campaign) helped to achieve another milestone and a double-digit growth in 2017. To modernize the IT backbone which will improve operational efficiency in all aspects of the business, Red River Commodities invested in preparations for a new ERP system in 2017. This paved the way for a first wave of go-live events per the beginning of 2018.

Red River-van Eck in Zevenbergen, the Netherlands, faced a saturated poppy seed market at the beginning of the year, which gradually resulted into a decreased acreage in Europe. Partly failing crops and the decreased availability resulted in increased prices by 50%. Higher prices resulted in a fall in demand. In Bulgaria the sunflower market showed weak prices due to oversupply, to which we were less vulnerable due to the changed structure.

SIGCO Warenhandel in Hamburg, Germany, continued the improvement in performance which started in 2016 and resulted in a double-digit growth of the results versus prior year. The finance back offices of Red River-van Eck and SIGCO were integrated during 2017 to improve effectiveness and efficiency.

The teams in North America and Europe acted with a focus on the longer term and on maintaining margins.

#### *Tea*

Van Rees Group in Rotterdam, the Netherlands, experienced a challenging year in a turbulent market environment. Crops in the main tea producing countries, such as Kenya and Sri Lanka, were affected by long-term drought resulting in lower availability and higher price levels during most of 2017. In the last quarter market conditions improved significantly. Margins in the UK were under pressure due to a declined UK pound as result of the upcoming Brexit and the price competition amongst supermarkets. At the same time there were positive developments in Indonesia and the Middle East. Overall volumes were slightly below last year at higher prices leading to a small increase of the gross margin. The net result of 2017 was in line with 2016. The Van Rees team has shown its commitment to deliver these results in a competitive environment.

#### *Food Ingredients*

Snick EuroIngredients in Ruddervoorde, Belgium, active in food ingredients, delivered record results in 2017. Volumes of almost all categories grew, resulting in higher gross margins in those same categories. Dry blends volumes continued to grow, resulting in an increased utilization of the plant in Ruddervoorde. In 2017 further savings were realized in operating costs and efficiencies. The combined effects of increased blend volumes and cost control resulted in a double-digit increase of the net result versus 2016. Through their drive and experience, the Snick team has delivered an excellent performance in its competitive markets.

### Consolidated balance sheet

Total assets per 31 December 2017 amounted to €346.0 million (year-end 2016: €353.6 million, - 2.2%).

In 2017, the main financial developments were:

- Shareholders' equity increased by €2.2 million to €185.1 million on 31 December 2017 (year-end 2016: €182.9 million). The main movements were: 2017 net profit of €32.5 million and €9.4 million of issued new shares relating to the acquisition of Delinuts and the Acomo share option plan, partly offset by dividend payments to shareholders of €28.0 million (in 2016: €24.0 million, + 16.7%) and a negative currency translation effect of €11.0 million.
- Goodwill increased by €1.6 million mainly due to the acquisition of Delinuts, partly offset by the weaker year-end US dollar that affected the recorded goodwill paid for the seeds and tea businesses in 2010.
- Working capital (inventories, receivables and creditors) decreased by €8.3 million, due to a weaker dollar rate and lower commodity prices, partly offset by the Delinuts acquisition.
- Solvency as per 31 December 2017 was 53.5% (year-end 2016: 51.7%).

### Dividend

The Board of Directors proposes a dividend of €1.10 per share (2016: €1.15). This represents a pay-out of 83.4% of earnings per share (2016: 80.8%). Taking into account the interim dividend of €0.40 per share paid in August 2017, the final 2017 dividend therefore amounts to €0.70 per share, payable in cash. The following dividend timetable applies:

30 April 2018	Ex-dividend date (final dividend 2017)
2 May 2018	Dividend record date
10 May 2018	Dividend payment date
24 July 2018	Ex-dividend date (interim dividend 2018)
25 July 2018	Dividend record date
3 August 2018	Dividend payment date

### Performance H2 2017

The second half of 2017 was below prior year in most segments due to pressure on volumes. Food Ingredients showed a very strong performance in H2 2017.

### Outlook 2018

Although it is still very early in the year, 2018 started generally in line with the beginning of 2017. Given the nature of the Group's activities, it is impossible to forecast market developments or likely Group results. However, the Company is confident that the teams will continue to generate good results for the shareholders.

### General meeting of shareholders

The annual general meeting of shareholders will be held on Thursday 26 April 2018 at 10 am at the Hilton Hotel in Rotterdam. The 2017 Annual Report will be published on [www.acomo.nl](http://www.acomo.nl) on Thursday 8 March 2018, after the close of trading.

Rotterdam, 15 February 2018

Board of Directors

## Annexes

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*This report in the English language has also been translated into the Dutch language. In case of any differences between the two versions, the English version will prevail.*

### Note to the editors:

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For further information, please contact:

#### **Amsterdam Commodities N.V. (Acom)**

Mr A.W. Goldschmeding  
WTC, Beursplein 37, 10th floor  
3011 AA Rotterdam  
The Netherlands  
[info@acomo.nl](mailto:info@acomo.nl)

Tel. +31 10 4051195  
Fax +31 10 4055094  
[www.acomo.nl](http://www.acomo.nl)

#### **Creative Venue PR**

Mr F.J.M. Witte, spokesperson  
Sophialaan 43  
1075 BM Amsterdam  
The Netherlands  
[f.witte@creativevenue.nl](mailto:f.witte@creativevenue.nl)

Tel. +31 20 4525225  
Fax +31 20 4528650  
[www.creativevenue.nl](http://www.creativevenue.nl)

### **About Amsterdam Commodities N.V.**

Amsterdam Commodities N.V. (Acom) is an international group with as its principal business the trade and distribution of natural food products and ingredients. Our main trading subsidiaries are Catz International B.V. in Rotterdam, the Netherlands (spices and food raw materials), Van Rees Group B.V. in Rotterdam, the Netherlands (tea), Red River Commodities Inc. in Fargo, USA (confectionary sunflower seeds), Red River Global Ingredients Ltd. in Winkler, Canada, Red River-van Eck B.V. in Zevenbergen, the Netherlands, and SIGCO Warenhandelsgesellschaft mbH in Hamburg, Germany (edible seeds), King Nuts B.V. in Bodegraven, Delinuts B.V. in Ede and Tovano B.V. in Maasdijk, the Netherlands (nuts), and Snick EuroIngredients N.V. in Ruddervoorde, Belgium (food ingredients). Acom shares have been traded on Euronext Amsterdam since 1908.

## Amsterdam Commodities N.V.

### Consolidated balance sheet

before final dividend

	31 December	
	<b>2017</b>	2016
	* unaudited	
<i>(in € thousands)</i>		
<b>ASSETS</b>		
<b>Non-current assets</b>		
Intangible assets	66,242	62,919
Property, plant and equipment	36,574	42,138
Other non-current receivables	1,257	1,356
Deferred tax assets	1,846	173
<b>Total non-current assets</b>	<b>105,919</b>	<b>106,586</b>
<b>Current assets</b>		
Inventories	149,570	158,396
Trade receivables	83,493	81,401
Other receivables	4,131	2,649
Derivative financial instruments	261	2,735
Cash and cash equivalents	2,590	1,805
<b>Total current assets</b>	<b>240,045</b>	<b>246,986</b>
<b>Total assets</b>	<b>345,964</b>	<b>353,572</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	11,081	10,901
Share premium reserve	61,658	52,447
Other reserves	6,302	15,499
Retained earnings	73,538	69,684
Net profit for the period	32,472	34,377
<b>Total shareholders' equity</b>	<b>185,051</b>	<b>182,908</b>
<b>Non-current liabilities and provisions</b>		
Bank borrowings	11,571	6,519
Deferred tax liabilities	6,895	8,894
Retirement benefit obligations	2,453	2,062
Other provisions	100	279
<b>Total non-current liabilities</b>	<b>21,019</b>	<b>17,754</b>
<b>Current liabilities</b>		
Bank borrowings	68,214	85,233
Trade creditors	45,593	44,050
Tax liabilities	6,135	5,113
Derivative financial instruments	1,271	503
Other current liabilities and accrued expenses	18,681	18,011
<b>Total current liabilities</b>	<b>139,894</b>	<b>152,910</b>
<b>Total equity and liabilities</b>	<b>345,964</b>	<b>353,572</b>

Pending the finalization of the external audit, the financials 2017 shown above are unaudited.

Amsterdam Commodities N.V.

Consolidated income statement

<i>(in € thousands)</i>	2017 * unaudited	2016
Sales	709,679	682,320
Cost of goods sold	(592,758)	(567,743)
<b>Gross margin</b>	<b>116,921</b>	<b>114,577</b>
Personnel costs	(42,303)	(39,299)
General costs	(22,533)	(20,087)
Total costs	(64,836)	(59,386)
<b>EBITDA</b>	<b>52,085</b>	<b>55,191</b>
Depreciation and amortization	(5,643)	(4,751)
<b>Operating income (EBIT)</b>	<b>46,442</b>	<b>50,440</b>
Interest income	68	73
Interest expense	(3,114)	(3,222)
Other financial income and expenses	(60)	53
<b>Profit before income tax</b>	<b>43,336</b>	<b>47,344</b>
Corporate income tax	(10,864)	(12,967)
<b>Net profit</b>	<b>32,472</b>	<b>34,377</b>
<b>Total basic EPS (in €)</b>	<b>1.327</b>	<b>1.428</b>
<b>Total diluted EPS (in €)</b>	<b>1.325</b>	<b>1.419</b>

*Pending the finalization of the external audit, the financials 2017 shown above are unaudited.*

## Amsterdam Commodities N.V.

### Condensed consolidated cash flow statement

<i>(in € thousands)</i>	2017 <i>* unaudited</i>	2016
<b>Cash flow from operating activities</b>	<b>54,520</b>	<b>55,276</b>
Net changes in working capital	12,328	4,817
Paid interest and taxes	(16,725)	(13,102)
<b>Net cash generated from operating activities</b>	<b>50,123</b>	<b>46,991</b>
<b>Cash flow from investing activities</b>		
Investments in property, plant and equipment and intangible assets	(5,736)	(3,571)
Acquisitions	(7,980)	(1,473)
Other	57	76
<b>Cash flow from investing activities</b>	<b>(13,659)</b>	<b>(4,968)</b>
<b>Cash flow from financing activities</b>		
Dividend paid	(28,013)	(24,001)
Proceeds from new shares	450	1,981
Proceeds from new long-term borrowings	-	1,515
Net changes in long-term bank borrowings	4,582	(2,535)
Issued loan	-	(1,349)
Net changes in bank financing of working capital	(12,713)	(17,192)
<b>Cash flow from financing activities</b>	<b>(35,694)</b>	<b>(41,581)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>770</b>	<b>442</b>
Cash and cash equivalents at the beginning of the year	1,805	1,384
Exchange gains/(losses) on cash and cash equivalents	15	(21)
<b>Cash and cash equivalents at the end of the year</b>	<b>2,590</b>	<b>1,805</b>

*Pending the finalization of the external audit, the financials 2017 shown above are unaudited.*