

PRESS RELEASE – HALF YEAR REPORT 2017

Rotterdam, 20 July 2017

Acomo increased net profit to € 17.4 million for H1 2017

Half year interim dividend set at € 0.40 per share, equal to H1 2016

Main financial indicators H1 2017

- Net profit: € 17.4 million (H1 2016: € 17.2 million, +1%)
- Sales: € 354.2 million (H1 2016: € 341.8 million, +4%)
- EBITDA: € 28.4 million (H1 2016: € 28.2 million, +1%)
- Earnings per share: € 0.714 (H1 2016: € 0.718, -1%)
- Interim dividend: € 0.40 per share (H1 2016: € 0.40, equal)
- Solvency: 53.4% (H1 2016: 49.6%)

Highlights and developments H1 2017

- Performance in the first six months improved in three out of four segments versus prior year. Both Spices & Nuts and Tea realized higher sales at stable margins. Food Ingredients achieved stable sales at higher margins. Edible Seeds reported higher sales at lower margins.
- Food commodity prices were very volatile with major price swings upward in nuts, and downward in spices. Edible seed prices declined resulting in pressure on maintaining absolute margins. Tea prices remained at higher than expected levels in Sri Lanka and Africa.
- On 25 January 2017, the Group's working capital bank facilities were extended for another three years with the option for two additional years, at improved terms.
- 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.

Over the first six months of 2017, the consolidated sales recorded by **Amsterdam Commodities N.V.** (Acomo) increased by 4% to € 354.2 million (H1 2016: € 341.8 million), partly caused by the consolidation of Delinuts (€ 10.8 million). The total gross margin increased by 7% due to Delinuts, and a higher share of value-added products (e.g. SunButter®). Personnel and general costs increased due to Delinuts, and increased processing costs in the US.

The interest expenses decreased due to lower average borrowings, partly offset by higher Libor rates. The effective corporate income tax rate decreased by 0.9 percent point due to a more favourable country mix of the Group's source of profits. H1 2017 net profit of € 17.4 million is 1% above the first half of 2016.

Currency euro/US dollar

The US dollar remained relatively stable at higher levels compared to H1 2016 versus the euro in the first four months of 2017, but weakened in the last two months. The average euro/US dollar exchange rate of 1.083 in H1 2017 was stronger than H1 2016 (1.117). The FX rate had no material impact on sales and net profit.

The US dollar declined versus the euro at the end of this half year period. The euro/US dollar balance sheet exchange rate on 30 June 2017 was 1.143 versus 1.052 on 31 December 2016. The impact of the FX rate on the consolidated assets was € 12.1 million.

Interim dividend H1 2017

The interim dividend per share is set at € 0.40 in cash, in line with H1 2016. The dividend is payable on 4 August 2017 (ex-dividend date is 25 July 2017).

Key figures H1 2017 - unaudited

	H1 2017	H1 2016	Change %
Consolidated figures (in € millions)			
Sales	354.2	341.8	4%
Gross margin	60.9	57.0	7%
EBITDA	28.4	28.2	1%
EBIT	25.8	25.8	0%
Financial result	-1.6	-1.6	3%
Corporate income tax	-6.8	-7.0	-3%
Net profit	17.4	17.2	1%
Shareholders' equity (before interim dividend)	184.9	168.7	10%
Total assets	346.4	340.3	2%
Ratios			
Solvency	53.4%	49.6%	4%
Return on Equity (ROE), annualized	18.8%	19.6%	-1%
Return On Net Capital Employed (RONCE), annualized	18.3%	17.3%	1%
RONCE operating companies (excluding goodwill), annualized	23.9%	22.1%	2%
Dividend pay-out ratio	56.6%	55.7%	1%
Key performance indicators (in €)			
Earnings per share	0.714	0.718	0%
Interim dividend per share	0.40	0.40	0%
Equity per share per 30 June	7.51	7.03	7%
Share price per 30 June	28.49	21.99	30%
Market capitalization per 30 June (in millions)	701.0	527.8	33%
Number of shares outstanding (in thousands)			
Per 30 June	24,605	24,001	3%

'It is satisfying to see that the efforts of our operating companies have resulted in a solid performance in the first half of 2017. Our people have done very well in addressing the challenging market circumstances and their continued search for market opportunities. I am very happy to welcome the Delinuts employees to the Acomo Group and I am confident that Delinuts will develop further within our Group,' said Group Managing Director Allard Goldschmeding.

Activity review per segment

Spices and Nuts

Catz International in Rotterdam, the Netherlands, realized a net result which was only slightly below the record year 2016. This is an excellent achievement given the challenging market circumstances in which prices of a number of spices halved. Pepper showed a significant downward price trend and so did products like garlic and dried fruits. Cashews prices on the other hand increased by double digits.

Tovano in Maasdijk, the Netherlands, achieved an excellent result, benefiting from good market conditions.

King Nuts & Raaphorst in Bodegraven, the Netherlands, achieved strong margins and an excellent net result. Most nut prices showed an upward trend in the first six months. Brazil nuts in particular experienced a price explosion, due to reduced crops as a consequence of drought in the Amazon region. King Nuts & Raaphorst did an excellent job in handling these market conditions.

Delinuts in Ede, the Netherlands, joined the Acomo Group per 5 May 2017, and performed in May and June ahead of the same months prior year. Delinuts was consolidated per 1 May 2017 and contributed positively to the Group's net profit.

Edible Seeds

Red River Commodities in Fargo, USA, realized net profit results at the level of H1 2016. A warm and short winter impacted bird food sales in the USA market. Despite lower volumes, Red River Commodities maintained its bird food gross margin. Export sales were lower due to a strong US dollar, world competition and overall low commodity prices. Lower sales to the snack market were compensated by an excellent six months for SunButter® with sales and margin growth well above 20%. Startup company Red River Global Ingredients in Winkler, Canada, began trading activities late in 2016 with a focus on specialty grains and pulses. H1 2017 was in line with company expectations.

Red River-van Eck in Zevenbergen, the Netherlands, experienced a difficult poppy seed market the past six months due to very soft market conditions. The net result was substantially below prior year.

SIGCO Warenhandel in Hamburg, Germany, showed improved financial results versus prior year, due to better margins on bakery seeds at stable turnover.

Tea

Van Rees Group in Rotterdam, the Netherlands, realized an improved net result in the first six months versus prior year. Volumes were up in most offices, except for Colombo, Sri Lanka. The Colombo office was impacted by persistent high prices for Sri Lankan teas in the first six months and reduced volumes to Turkey. Margins were similar to last year levels. Crops in Kenya were down significantly by about 50,000 MT versus last year, which caused higher selling prices in the entire East African region. General demand was good although some countries, such as Russia and Egypt showed lower demand due to economic circumstances.

Food Ingredients

Distribution and blending activities in Food Ingredients continued to perform excellent. The net result for the first six months improved further versus prior year. Both dry and wet blends volumes grew, resulting in higher margins at stable costs.

Consolidated balance sheet and financial position

The Group's total balance sheet shortened when compared with 31 December 2016 mainly because of lower inventories (decrease of € 9.9 million) and lower trade creditors (decrease of € 9.3 million). The addition due to the consolidation of the assets of Delinuts was more than offset by reduced stock levels and the euro/US dollar exchange rate per 30 June 2017.

Shareholders' equity increased by € 2.0 million to € 184.9 million on 30 June 2017 (31 December 2016: € 182.9 million). In May 2017, the 2016 final dividend of € 18.2 million was paid (€ 0.75 per share).

Long-term bank borrowings increased by € 7.6 million and short-term borrowings were reduced by € 5.2 million versus year-end 2016.

Outlook 2017

2017 started in line with the first half of 2016. 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 its teams will continue to generate good results for shareholders.

Responsibility statement of the Executive Board as per section 5:25c (2) (c) of the Dutch Financial Supervision Act (Wft)

The Company's executive director hereby declares that, to the best of his knowledge:

1. The half year report for the first six months of 2017 gives a true and fair view of the assets, liabilities, financial position and the profit of the Company and its consolidated entities.
2. The half year report for the first six months of 2017 gives a true and fair view of the financial position of the company at the balance sheet date and of their state of affairs during the first H1 2017 of the Company and its related entities whose financial information has been consolidated in the half year report.

Rotterdam, 20 July 2017

Allard Goldschmeding
Group Managing Director

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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.

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About Amsterdam Commodities N.V.

Amsterdam Commodities N.V. (Acomo) 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, the Netherlands, and Delinuts B.V. in Ede, the Netherlands (nuts), and Snick EuroIngredients N.V. in Ruddervoorde, Belgium (food ingredients). Acomo shares have been traded on Euronext Amsterdam since 1908.

Amsterdam Commodities N.V.

Consolidated balance sheet as at 30 June 2017

before interim dividend

<i>(in € thousands)</i>	30 June 2017	31 December 2016	30 June 2016
ASSETS			
Non-current assets			
Intangible assets	67 266	62 919	60 941
Property, plant and equipment	39 945	42 138	40 465
Other non-current assets	1 321	1 356	1 266
Deferred tax assets	291	173	425
Total non-current assets	108 823	106 586	103 097
Current assets			
Inventories	148 523	158 396	146 676
Trade receivables	83 207	81 401	84 190
Other receivables	3 886	2 649	3 809
Derivative financial instruments	444	2 735	947
Cash and cash equivalents	1 561	1 805	1 624
Total current assets	237 621	246 986	237 246
Total assets	346 444	353 572	340 343
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	11 072	10 901	10 800
Share premium reserve	61 428	52 447	50 649
Other reserves	9 080	15 499	10 779
Retained earnings	85 881	69 684	79 284
Net profit for the period	17 394	34 377	17 229
Total shareholders' equity	184 855	182 908	168 741
Non-current liabilities and provisions			
Bank borrowings	14 111	6 519	7 850
Deferred tax liabilities	8 422	8 894	10 681
Retirement benefit obligations	2 025	2 062	1 849
Other provisions	290	279	754
Total non-current liabilities	24 848	17 754	21 134
Current liabilities			
Bank borrowings	80 061	85 233	99 379
Trade creditors	34 779	44 050	32 447
Tax liabilities	5 668	5 113	3 480
Derivative financial instruments	1 980	503	408
Other current liabilities and accrued expenses	14 253	18 011	14 754
Total current liabilities	136 741	152 910	150 468
Total equity and liabilities	346 444	353 572	340 343

The interim financial statements have not been subject to an audit.

Amsterdam Commodities N.V.

Consolidated income statement H1 2017

<i>(in € thousands)</i>	H1 2017	H1 2016
Sales	354 160	341 826
Cost of goods sold	(293 234)	(284 865)
Gross margin	60 926	56 961
Personnel costs	(20 939)	(19 185)
General costs	(11 571)	(9 619)
EBITDA	28 416	28 157
Depreciation and impairment charges	(2 592)	(2 331)
EBIT	25 824	25 826
Interest income	42	28
Interest expense	(1 486)	(1 628)
Other financial income and expenses	(214)	(9)
Profit before income tax	24 166	24 217
Corporate income tax	(6 772)	(6 988)
Net profit	17 394	17 229
Total basic EPS (in €)	0.714	0.718
Total diluted EPS (in €)	0.706	0.714

Consolidated cash flow statement H1 2017

<i>(in € thousands)</i>	H1 2017	H1 2016
Cash flow from operating activities	27 881	27 887
Net changes in working capital	7 557	(3 254)
Paid interest and taxes	(8 256)	(5 960)
Total cash flow from operating activities	27 182	18 492
Cash flow from investing activities	(10 875)	(2 839)
Cash flow from financing activities	(18 180)	(14 401)
Dividend paid	(18 180)	(14 401)
Proceeds from new shares	131	82
Net changes in long term bank borrowings	5 634	(1 078)
Net changes in bank financing of working capital	(4 133)	(181)
Cash flow from financing activities	(16 548)	(15 397)
Net increase/(decrease) in cash and cash equivalents	(241)	256
Cash and cash equivalents at the beginning of the year	1 807	1 384
Exchange gains/(losses) on cash and cash equivalents	(5)	(16)
Cash and cash equivalents at the end of half year	1 561	1 624

The interim financial statements have not been subject to an audit.

Amsterdam Commodities N.V.

Statement of changes in shareholders' equity H1 2017

<i>(in € thousands)</i>	Share capital	Share premium reserve	Other reserves	Retained earnings	Net profit for the period	Total equity
Balance at 1 January 2016	10 796	50 571	13 268	61 434	32 251	168 320
Net profit for the period	-	-	-	-	17 229	17 229
Other comprehensive income	-	-	(2 523)	-	-	(2 523)
Appropriation of net profit	-	-	-	32 251	(32 251)	-
Issue of ordinary shares	4	78	-	-	-	82
Employee share option plan	-	-	34	-	-	34
Dividend relating to 2015, final	-	-	-	(14 401)	-	(14 401)
Balance at 30 June 2016	10 800	50 649	10 779	79 284	17 229	168 741
Balance at 1 January 2017	10 901	52 447	15 499	69 684	34 377	182 908
Net profit for the period	-	-	-	-	17 394	17 394
Other comprehensive income	-	-	(6 448)	-	-	(6 448)
Appropriation of net profit	-	-	-	34 377	(34 377)	-
Issue of ordinary shares	171	8 981	-	-	-	9 152
Employee share option plan	-	-	29	-	-	29
Dividend relating to 2016, final	-	-	-	(18 180)	-	(18 180)
Balance at 30 June 2017	11 072	61 428	9 080	85 881	17 394	184 855

Consolidated statement of comprehensive income H1 2017

<i>(in € thousands)</i>	H1 2017	H1 2016
Net profit	17 394	17 229
Other comprehensive income		
Other comprehensive income to be reclassified to profit or loss in subsequent periods		
Movement currency translation reserves on equity, net	(4 207)	(1 421)
Movement currency translation differences on goodwill	(2 021)	(758)
Movement on cash flow hedge	(220)	(344)
Total other comprehensive income	(6 448)	(2 523)
Total comprehensive income	10 946	14 706
Total comprehensive income attributable to shareholders of the parent	10 946	14 706

The interim financial statements have not been subject to an audit.

Amsterdam Commodities N.V.

Segment information H1 2017

<i>(in € thousands)</i>	Spices and Nuts	Edible Seeds	Tea	Food Ingredients	Other	Total
H1 2017						
Sales	177 402	97 741	73 653	10 454	(5 090)	354 160
Costs	(162 926)	(87 804)	(70 489)	(8 533)	4 008	(325 744)
EBITDA	14 476	9 937	3 164	1 921	(1 082)	28 416
Depreciation	(252)	(1 912)	(254)	(171)	(3)	(2 592)
Financial results	(902)	(829)	(320)	(52)	445	(1 658)
Income tax expense	(3 330)	(2 250)	(696)	(590)	94	(6 772)
Net result	9 992	4 946	1 894	1 108	(546)	17 394
Total assets	123 528	97 267	55 146	11 689	58 814	346 444
Total liabilities	92 896	65 741	41 570	8 541	(47 159)	161 589
H1 2016						
Sales	167 109	96 640	69 620	10 893	(2 436)	341 826
Costs	(153 416)	(86 274)	(66 768)	(9 061)	1 851	(313 668)
EBITDA	13 693	10 366	2 852	1 832	(585)	28 158
Depreciation	(115)	(1 778)	(243)	(174)	(21)	(2 331)
Financial results	(485)	(1 055)	(310)	(53)	293	(1 610)
Income tax expense	(3 296)	(2 407)	(794)	(557)	66	(6 988)
Non-recurring items, net of tax	-	-	-	-	-	-
Net result	9 797	5 126	1 505	1 048	(247)	17 229
Total assets	106 621	114 464	58 817	12 644	47 797	340 343
Total liabilities	85 985	73 800	40 155	1 332	(29 670)	171 602

The column 'Other' mainly represents holding costs and intra-Group items.

Sales per geography

<i>(in € thousands)</i>	NL	EU other	US	Other	Total
H1 2017	63 356	161 383	91 562	37 859	354 160
H1 2016	57 359	154 803	86 308	43 356	341 826
Other					
Number of FTEs per 30 June				606	591
Effective tax rate (%)				28.0%	28.9%

The interim financial statements have not been subject to an audit.

Notes to the H1 2017 Consolidated interim financial statements

1. General

The interim financial statements for the six months ending 30 June 2017 comprise the results of the Company and its subsidiaries and have been prepared in accordance with International Financial Reporting Standards (IFRS), IAS 34 'Interim Financial Reporting'. They do not contain all the information required for annual financial statements and should be read in conjunction with the financial statements as of 31 December 2016.

The accounting policies and rules and measurement of income used for the preparation of the interim financial statements are consistent with the financial statements 2016 (published on the website of the Company) and are in accordance with IFRS as adopted by the European Union.

The H1 2017 interim financial statements are unaudited.

2. Business combinations

On 5 May 2017, the Company acquired 100% of the shares of Delinuts B.V. based in Ede, the Netherlands, active in the trade and distribution of nuts, dried fruit, and rice crackers. The existing management continues to lead the company after the acquisition. The results of Delinuts B.V. are consolidated as from 1 May 2017. The acquisition is partly financed by existing credit facilities and partly through the issue of Amsterdam Commodities N.V. shares.

Fair value and contribution of business combinations

At acquisition date the fair values of assets, liabilities and cash flow relating to the acquisition were as follows:

Intangible assets	457
Property, plant and equipment	464
Net deferred tax assets	24
Inventories	10 985
Receivables and other current assets	6 910
Cash and current borrowings	(4 083)
Pension liability	(137)
Payables and other current liabilities	(3 802)
Net asset acquired	10 818
Purchase consideration settled in cash	8 000
Purchase consideration settled in Acomo shares	8 986
Total purchase consideration	16 986
Goodwill - total purchase consideration exceeding net assets acquired	6 168
Purchase consideration settled in cash	8 000
Cash owned by the business combination 1 May 2017	(20)
Cash out flow on business combinations, net	7 980

The goodwill connected with the acquired business mainly consists of knowhow, staff and anticipated potential synergies. Goodwill is not tax deductible.

In accordance with IFRS 3, the amounts recorded for the transaction are provisional and are subject to adjustments during the measurement period if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurements of the amounts recognized as of that date. The increase of the H1 2017 sales due to the consolidation of the acquired business amounted to € 10.8 million. Total sales H1 2017 reached an amount of € 32.8 million (pro forma). The contribution to the H1 2017 income amounted to € 0.1 million.

Acquisition related costs

The Group incurred acquisition related costs such as external legal fees and due diligence costs for an amount of € 0.4 million (2016: € 0.1 million). These costs have been included in general costs.

3. Hedge accounting

All Acomo operating companies are required to hedge foreign exchange exposure related to transactions against their functional currency. The Group applies IFRS hedge accounting in order to exclude unrealized foreign currency results from the income statement. Based on a cost/benefit analysis Acomo has decided to discontinue applying IFRS hedge accounting for a number of entities as from 2016. IFRS hedge accounting continues to be applied in the Tea segment.

Not applying hedge accounting for part of the operations has no operational effect on the business, and only constitutes a timing difference. Unrealized foreign currency results are recognized in the income statement rather than in other comprehensive income, whereas under IFRS hedge accounting these results are recognized to the income statement upon realisation.

The negative impact of partially not applying hedge accounting on the H1 2017 net profit is € 0.2 million.

4. Shareholders' equity

The movements in shareholders' equity are shown in the consolidated statement of changes in shareholders' equity on page 9. During H1 2017, Acomo issued 379,734 new shares in relation to the existing share option plan and the acquisition of Delinuts B.V.

On 30 June 2017, the number of shares outstanding was 24,605,060 (31 December 2016: 24,225,326).

Based on the existing share options granted, 19,000 share options are vested but not yet exercised. A total of 12,000 share options will vest on 1 December 2017. In the years 2018 until 2021, a total of 105,500 share options will vest.

5. Corporate governance, risks and risk management

On 25 April 2017 the AGM adopted the proposal to implement a one-tier Board structure. Besides this change, the corporate governance policies of the Company, the risks related to the activities, and the risk control and management systems of the Group as described in the Annual Report 2016, dated 9 March 2017 (published on the website of the Company), are unchanged. The main risks and uncertainties remain applicable in the current financial year.

6. Seasonality

The half year reported results of Acomo are not impacted by a seasonal pattern. The sales and margins are determined by market prices and conditions rather than seasonal fluctuations.

Financial calendar 2018

15 February 2018	Publication of the 2017 financials (unaudited) – after close
8 March 2018	Publication of the Annual Report FY 2017 – after close
26 April 2018	Annual general meeting of shareholders
30 April 2018	Ex-dividend date, final dividend FY 2017
10 May 2018	Dividend payment date, final dividend FY 2017

All publications will be made available through www.acomo.nl
