

PRESS RELEASE – HALF YEAR REPORT 2018

Rotterdam, 19 July 2018

Acomo reports solid performance in H1 2018 with net profit of €15.5 million in difficult market circumstances

Half-year interim dividend set at €0.40 per share, equal to H1 2017

Today, Amsterdam Commodities N.V. (Acomo), the Euronext Amsterdam-listed trader in spices, nuts, edible seeds, tea and food ingredients reports its H1 2018 results with net profit at €15.5 million. Low trading price levels across a number of major product groups and a short-term focus of customers due to the uncertain outcome of foreign trade talks, have led the Company's net profit to be 10.8% below last year's first half year.

Acomo's H1 2018 performance, described by the Board of Directors as being 'solid under challenging market circumstances', shows the combined strength of the company's skilled trading teams, its diverse global product portfolio and established supply chain positions, continuously focused on adding value.

Following Acomo's consistent dividend pay-out policy, the interim dividend is maintained at €0.40 per share (2017: €0.40).

Main financial indicators H1 2018

- Net profit: €15.5 million (H1 2017: €17.4 million, -10.8%)
- Sales: €335.9 million (H1 2017: €354.2 million, -5.2%)
- EBITDA: €25.1 million (H1 2017: €28.4 million, -11.8%)
- Earnings per share: €0.630 (H1 2017: €0.714, -11.8%)
- Interim dividend: €0.40 per share (H1 2017: €0.40, equal)
- Solvency: 51.9% (H1 2017: 53.4%)

Major events and developments H1 2018

- Continued decrease of price levels for a number of major product groups
- Increased crop yields and strong harvest expectations in a number of product groups
- Potential limitations of free trade due to imposed trade barriers result in a short term focus of customers
- Recovery of the poppy seed market
- Strong performance Food Ingredients segment
- Further growth and increased market penetration of the SunButter® brand
- US dollar strengthened versus the euro since mid-April, but H1 2018 average still substantially weaker versus H1 2017 resulting in negative translation effects in the income statement



Over the first six months of 2018, the consolidated sales recorded by **Amsterdam Commodities N.V.** (Acomo) decreased by 5.2% to €335.9 million (H1 2017: €354.2 million). Reported gross margin as a percentage of sales decreased by 0.3 percentage point. Reported personnel and general costs decreased by 2.8%. Interest expenses increased due to higher average borrowings and higher Libor rates. The effective corporate income tax rate decreased by 2.9 percentage points due to a more favourable country mix of the Group's source of profits, and the lower corporate income tax rate in the US as a result of the US tax reforms. Reported net profit reached €15.5 million in H1 2018, a decrease of €1.9 million versus the first half of 2017 (€17.4 million, -10.8%).

Reported sales include the full half-year results of the last year acquired company Delinuts, adding €16.1 million to the top line versus H1 2017. The weakened US dollar had a negative impact on reported sales of €15.5 million versus H1 2017. The full half-year consolidation of Delinuts adds €1.4 million to reported gross margin, which further includes a positive unrealized hedge result of €1.8 million versus H1 2017. The weakened US dollar had a negative impact on the reported gross margin of €3.5 million versus H1 2017.

Currency euro/US dollar

In the first four months of this half-year period the US dollar versus the euro was significantly weaker compared to H1 2017, but strengthened in May and June. The average euro/US dollar exchange rate of 1.210 in H1 2018 was 11.7% weaker than H1 2017 (1.083). The FX rates contributed negatively to the reported sales (-€15.5 million) and net profit (-€0.7 million).

The euro/US dollar balance sheet exchange rate on 30 June 2018 was 1.168 versus 1.200 on 31 December 2017. The impact of the FX rate on the consolidated assets was €3.6 million.

Interim dividend H1 2018

The interim dividend per share is set at €0.40 in cash, equal to H1 2017. The dividend is payable on 3 August 2018 (ex-dividend date is 24 July 2018).

Key figures H1 2018 – unaudited

	H1 2018	H1 2017	Δ
Consolidated figures (in €millions)			
Sales	335.9	354.2	-5.2%
Gross margin	56.7	60.9	-7.0%
EBITDA	25.1	28.4	-11.8%
EBIT	22.6	25.8	-12.7%
Financial result	(1.8)	(1.6)	-10.7%
Corporate income tax	(5.3)	(6.8)	23.1%
Net profit	15.5	17.4	-10.8%
Shareholders' equity (before interim dividend)	186.3	184.9	0.8%
Total assets	359.1	346.4	3.7%
Ratios			
Solvency	51.9%	53.4%	-1.5
Return on Equity (ROE), annualized	16.5%	18.8%	-2.3
Return On Net Capital Employed (RONCE), annualized	15.0%	18.3%	-3.3
RONCE operating companies (excluding goodwill), annualized	19.4%	23.9%	-4.5
Dividend pay-out ratio	63.6%	56.6%	7.0
Key performance indicators (in €)			
Earnings per share	0.630	0.714	-11.8%
Interim dividend per share	0.40	0.40	0.0%
Equity per share per 30 June	7.558	7.511	0.6%
Share price per 30 June	23.45	28.49	-17.7%
Market capitalization per 30 June (in millions)	578.0	701.0	-17.5%
Number of shares outstanding (in thousands)			
Per 30 June	24,649	24,605	0.2%

'In major product groups we faced continued low market price levels and short-term focus of customers. Given these circumstances our teams achieved strong results by using their trading capabilities, customer focus and in-depth supply chain knowledge, and managed to partly offset price declines of in some cases 40%,' 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 below the record year 2017, due to difficult market circumstances. Prices declined for various spices from different parts of the globe. Pepper showed a continuing downward price trend and currently trades at levels 40% below the same period in the previous year. The price decrease of nutmeg continued in the first half of 2018 and also turmeric and ginger saw lower price levels. Prices of desiccated coconut decreased on average by 7% after stable prices in 2017. Nuts saw significant price movements, with sharply decreasing prices for Brazil nuts after the high levels in 2017. Walnuts and cashew nuts faced declining price levels as well.

Tovano in Maasdijk, the Netherlands, showed a slightly lower profit versus prior year, but limited the impact of the challenging market circumstances by a focused market approach and benefiting from its new, improved positioning of the Tovano brand.

King Nuts & Raaphorst in Bodegraven, the Netherlands, continued to achieve strong margins despite the challenging market circumstances with a further expansion of their market position in specialty stores and open markets.

Delinuts in Ede, the Netherlands, consolidated their market position and achieved satisfactory results in the difficult market with a focus on foodservice.

Edible Seeds

Red River Commodities in Fargo, USA, realized net results below the level of H1 2017. Higher input costs and a slow start of the year resulted in lower margins in its wild life division. The processing division's sales and margins were slightly lower due to overall global market conditions and reduced export opportunities. At SunGold Foods Inc., results improved due to the incorporation of new North American roasting volumes which started halfway through the first half year. The SunButter® brand continues to experience strong growth along with operational efficiency gains, leading to higher results. Red River Global Ingredients in Winkler, Canada, doubled its trading volume and improved profits in the first half of the year.

Red River-van Eck in Zevenbergen, the Netherlands, showed overall better financial results versus prior year mainly due to recovered poppy seed market conditions. The net result of Red River-van Eck increased versus prior year.

SIGCO Warenhandel in Hamburg, Germany, continued to improve its performance. The focus on margins and core trading products paid off, resulting in a doubling of the net result versus prior year.

Tea

Van Rees Group in Rotterdam, the Netherlands, realized a lower net result in the first half year versus 2017. Volumes were slightly lower against prior year however at higher margins following the company's revised strategy two years ago. Overall Van Rees Group realized a higher gross margin contribution. The operating expenses in US dollar increased due to a stronger euro against the US dollar, resulting in a lower net result for the group. In the first six months the global tea production has been high resulting in an increased supply. The reported results have been impacted by delayed shipments at the end of H1 2018 due to port issues such as flooding in several countries of origin including Kenya and India.

Food Ingredients

Snick EuroIngredients in Ruddervoorde, Belgium, performed excellently in Food Ingredients. The gross margin for the first six months improved further versus prior year. Both dry and wet blends showed growth versus the first half of previous year through a continued focus on broadening the customer base.

Consolidated balance sheet and financial position

The Group's total balance sheet increased by €13.2 million when compared with 31 December 2017, mainly due to higher trade receivables as a result of relatively high sales at the end of the period (increase of €11.8 million).

Shareholders' equity increased by €1.2 million to €186.3 million on 30 June 2018 (31 December 2017: €185.1 million). In May 2018, the 2017 final dividend of €17.2 million was paid (€ 0.70 per share).

Versus 30 June 2017, bank borrowings increased by €17.9 million primarily in relation to the increased working capital.

Outlook 2018

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 2018 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 2018 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 H1 2018 of the Company and its related entities whose financial information has been consolidated in the half-year report.

Rotterdam, 19 July 2018

Allard Goldschmeding
Group Managing Director

Appendices

Page	7	Consolidated balance sheet as at 30 June 2018
Page	8	Consolidated income statement H1 2018
Page	8	Condensed consolidated cash flow statement H1 2018
Page	9	Statement of changes in shareholders' equity H1 2018
Page	9	Consolidated statement of comprehensive income H1 2018
Page	10	Segment information H1 2018
Page	10	Sales per geography H1 2018
Page	11	Notes to the H1 2018 consolidated interim financial statements
Page	13	Financial calendar 2018/2019

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, Delinuts B.V. in Ede and Tovano B.V. in Maasdijk, 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

before interim dividend

<i>(in € thousands)</i>	30 June 2018	31 December 2017	30 June 2017
Assets			
Non-current assets			
Intangible assets	67,342	66,242	67,266
Property, plant and equipment	36,908	36,574	39,945
Other non-current receivables	1,259	1,257	1,321
Deferred tax assets	1,262	1,846	291
Total non-current assets	106,771	105,919	108,823
Current assets			
Inventories	148,049	149,570	148,523
Trade receivables	95,286	83,493	83,207
Other receivables	5,162	4,131	3,886
Derivative financial instruments	2,137	261	444
Cash and cash equivalents	1,731	2,590	1,561
Total current assets	252,365	240,045	237,621
Total assets	359,136	345,964	346,444
Equity and liabilities			
Equity attributable to owners of the parent			
Share capital	11,092	11,081	11,072
Share premium reserve	61,994	61,658	61,428
Other reserves	6,429	3,801	9,080
Retained earnings	91,280	76,039	85,881
Net profit for the period	15,514	32,472	17,394
Total shareholders' equity	186,309	185,051	184,855
Non-current liabilities and provisions			
Bank borrowings	10,541	11,571	14,111
Deferred tax liabilities	6,484	6,895	8,422
Retirement benefit obligations	2,230	2,453	2,025
Other provisions	236	100	290
Total non-current liabilities	19,491	21,019	24,848
Current liabilities			
Bank borrowings	101,507	68,214	80,061
Trade creditors	35,054	45,593	34,779
Tax liabilities	1,780	6,135	5,668
Derivative financial instruments	234	1,271	1,980
Other current liabilities and accrued expenses	14,761	18,681	14,253
Total current liabilities	153,336	139,894	136,741
Total equity and liabilities	359,136	345,964	346,444

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

Amsterdam Commodities N.V.

Consolidated income statement H1 2018

<i>(in € thousands)</i>	H1 2018	H1 2017
Sales	335,899	354,160
Cost of goods sold	(279,234)	(293,234)
Gross margin	56,665	60,926
Personnel costs	(18,421)	(20,939)
General costs	(13,191)	(11,571)
Total costs	(31,612)	(32,510)
EBITDA	25,053	28,416
Depreciation and amortization	(2,496)	(2,592)
Operating income (EBIT)	22,557	25,824
Interest income	21	42
Interest expense	(1,865)	(1,486)
Other financial income and expenses	8	(214)
Profit before income tax	20,721	24,166
Corporate income tax	(5,207)	(6,772)
Net profit	15,514	17,394
Total basic EPS (in €)	0.630	0.714
Total diluted EPS (in €)	0.630	0.706

Condensed consolidated cash flow statement H1 2018

<i>(in € thousands)</i>	H1 2018	H1 2017
Cash flow from operating activities	21,694	27,881
Net changes in working capital	(24,959)	7,557
Paid interest and taxes	(10,459)	(8,256)
Net cash generated from operating activities	(13,724)	27,182
Cash flow from investing activities	(2,137)	(10,875)
Cash flow from financing activities		
Dividend paid	(17,226)	(18,180)
Proceeds from new shares	347	131
Net changes in long term bank borrowings	(1,056)	5,634
Net changes in bank financing of working capital	32,955	(4,133)
Cash flow from financing activities	15,020	(16,548)
Net increase/(decrease) in cash and cash equivalents	(841)	(241)
Cash and cash equivalents at 1 January	2,590	1,807
Exchange gains/(losses) on cash and cash equivalents	(18)	(5)
Cash and cash equivalents at 30 June	1,731	1,561

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

Amsterdam Commodities N.V.

Statement of changes in shareholders' equity H1 2018

<i>(in € thousands)</i>	Share capital	Share premium reserve	Other reserves	Retained earnings	Net profit for the period	Total equity
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
Balance at 1 January 2018	11,081	61,658	3,801	76,039	32,472	185,051
Net profit for the period	-	-	-	-	15,514	15,514
Other comprehensive income	-	-	2,613	-	-	2,613
Appropriation of net profit	-	-	-	32,472	(32,472)	-
Issue of ordinary shares	11	336	-	-	-	347
Employee share option plan	-	-	15	-	-	15
Dividend relating to 2017, final	-	-	-	(17,231)	-	(17,231)
Balance at 30 June 2018	11,092	61,994	6,429	91,280	15,514	186,309

Consolidated statement of comprehensive income H1 2018

<i>(in € thousands)</i>	H1 2018	H1 2017
Net profit	15,514	17,394
Other comprehensive income		
Other comprehensive income to be reclassified to profit or loss in subsequent periods		
Movement currency translation reserves on equity, net	1,547	(4,207)
Movement currency translation differences on goodwill	852	(2,021)
Movement on cash flow hedge	214	(220)
Total other comprehensive income	2,613	(6,448)
Total comprehensive income	18,127	10,946
Total comprehensive income attributable to shareholders of the parent	18,127	10,946

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

Amsterdam Commodities N.V.

Segment information H1 2018

<i>(in € thousands)</i>	Spices and Nuts	Edible Seeds	Tea	Food Ingredients	Other	Total
H1 2018						
Sales	165,178	89,887	71,009	10,396	(571)	335,899
Costs	(153,932)	(81,427)	(68,536)	(8,476)	251	(312,120)
Effect discontinuation hedge accounting	1,274	-	-	-	-	1,274
EBITDA	12,520	8,460	2,473	1,920	(320)	25,053
Depreciation	(275)	(1,848)	(188)	(170)	(15)	(2,496)
EBIT	12,245	6,612	2,285	1,750	(335)	22,557
Financial results						(1,836)
Corporate income tax						(5,207)
Net result						15,514
Total assets	115,367	108,084	67,729	12,226	55,730	359,136
Total liabilities	90,774	70,361	49,931	9,002	(47,240)	172,828
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)
EBIT	14,224	8,025	2,910	1,750	(1,085)	25,824
Financial results						(1,658)
Corporate income tax						(6,772)
Net result						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

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 2018	67,656	130,429	77,074	60,740	335,899
H1 2017	63,356	161,383	91,562	37,859	354,160
Other				H1 2018	H1 2017
Number of FTEs per 30 June				576	606
Effective tax rate				25.1%	28.0%

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

Notes to the H1 2018 Consolidated interim financial statements

1. General

The interim financial statements for the six months ended 30 June 2018 comprise the results of Acomo ('the Company') and its subsidiaries and have been prepared in accordance with International Financial Reporting Standards (IFRS), IAS 34 'Interim Financial Reporting', as adopted by the European Union. They do not contain all the information required for annual financial statements and should be read in conjunction with the Annual Report 2017, dated 8 March 2018 (published on the website of the Company).

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period and are in accordance with IFRS, except for the adoption of new and amended standards as set out below.

(a) *New and amended standards adopted by the Group*

The following standards became applicable for the current reporting period:

- IFRS 9 'Financial Instruments'; and
- IFRS 15 'Revenue from Contracts with Customers'

The adoption of these standards had no material impact on the valuation and classification of the assets and liabilities of the Group, nor the income statement or cash flows.

(b) *Impact of standards issued but not yet applied*

The new standard IFRS 16 Leases will be applied as of 1 January 2019 by the Group. Preliminary calculations based upon current operational lease obligations indicate that the adoption of IFRS 16 will lead to the recognition of right of use assets and other assets of approximately €7 million and of financial liabilities of €7 million.

The H1 2018 interim financial statements are unaudited.

2. Shareholders' equity

The movements in shareholders' equity are shown in the consolidated statement of changes in shareholders' equity on page 9. During H1 2018, the Company issued 25,000 new shares in relation to the existing share option plan.

On 30 June 2018, the number of shares outstanding was 24,649,060 (31 December 2017: 24,624,060).

Based on the existing share options granted, 12,000 share options are vested but not yet exercised. A total of 15,000 share options will vest on 1 September 2018 and 6,000 on 1 December 2018. In the years 2019 until 2024, a total of 94,500 share options will vest.

3. Corporate governance, risks and risk management

The risks related to the activities, and the risk control and management systems of the Group as described in the Annual Report 2017 are unchanged. The main risks and uncertainties remain applicable in the current financial year.



4. 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 2018/2019

24 July 2018	Ex-dividend date, interim dividend FY 2018
3 August 2018	Dividend payment date, interim dividend FY 2018
14 February 2019	Publication of the 2018 financials (unaudited) – after close
7 March 2019	Publication of the Annual Report FY 2018 – after close
25 April 2019	Annual general meeting of shareholders
29 April 2019	Ex-dividend date, final dividend FY 2018
9 May 2019	Dividend payment date, final dividend FY 2018

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