

PRESS RELEASE – HALF-YEAR REPORT 2019

Half-year interim dividend set at €0.40 per share, equal to H1 2018

ACOMO REPORTS IMPROVED PERFORMANCE AND PROFITABILITY IN H1 2019

Main financial indicators H1 2019

Sales:	€346.2 million	(H1 2018: €335.9 million, +3.1%)
EBITDA:	€27.5 million	(H1 2018: €25.1 million, +9.6%)
Net profit:	€15.8 million	(H1 2018: €15.5 million, +1.7%)
Earnings per share:	€0.640	(H1 2018: €0.630, +1.6%)
Interim dividend:	€0.40 per share	(H1 2018: €0.40, equal)
Solvency:	53.8%	(H1 2018: 51.9%)

ROTTERDAM (NL), 18 JULY 2019

Today, Amsterdam Commodities N.V. (Acom), the Euronext Amsterdam-listed trader in spices and nuts, edible seeds, tea and food ingredients, reports improved performance and profitability during the first six months of 2019 (H1 2019). EBITDA increased by +10% versus H1 2018. The reported net profit at €15.8 million is +2% above prior year reported result.

Considering the low commodity prices in several major markets and a complex geopolitical trading climate, the Board of Directors is pleased with the Company's improved gross margins and its earning resilience, principally as a result of strong performance of the trading teams.

Acom proposes its shareholders an interim dividend of €0.40 per share (H1 2018: €0.40) following the consistent policy on dividend pay-out.

Major events and developments H1 2019

- For most of H1 2019, commodity prices in various major product groups continued to be lower versus H1 2018, yet some products showed signs of stabilization.
 - Major spices market prices were below 2018, however stabilized towards the end of H1 2019.
 - The nut categories showed different trends. Some weakened further during H1 2019, where others improved.
 - Desiccated coconut market prices were considerable below H1 2018 and declined further towards the end of H1 2019.
 - Edible seeds were stable with some categories at good price levels.
 - Tea prices were under pressure due to a global supply surplus.
- Due to continued geopolitical uncertainty many customers' horizons were persistently short-term.
- Van Rees Group, celebrating its 200-year anniversary, was awarded the Royal designation by his Majesty the King of the Netherlands.
- Red River-Van Eck in the Netherlands moved to new premises in Etten-Leur with state-of-the-art facilities.

Key figures H1 2019 – unaudited

	H1 2019	H1 2018
Consolidated figures (in € millions)		
Sales	346.2	335.9
Gross margin	64.2	56.7
EBITDA	27.5	25.1
Operating income (EBIT)	23.2	22.6
Financial result	(2.3)	(1.9)
Corporate income tax	(5.1)	(5.2)
Net profit	15.8	15.5
Shareholders' equity (before interim dividend)	195.4	186.3
Total assets	363.1	359.1
Ratios		
Solvency – shareholders' equity as % of total assets	53.8%	51.9%
Leverage ratio (net debt/EBITDA) (annualized)	1.9	2.3
Key performance indicators (in €)		
Earnings per share	0.640	0.630
Equity per share per 30 June	7.927	7.558
Interim dividend per share	0.40	0.40

Over the first six months of 2019, consolidated reported sales of Acomo increased by 3.1% to €346.2 million (H1 2018: €335.9 million). Reported gross margin increased by 13.3% to €64.2 million. Gross margin as a percentage of sales increased by 1.7 percentage points. For the first half of 2019, reported net profit reached €15.8 million, an increase of €0.3 million versus the first half of 2018 (€15.5 million, +1.7%).

Costs increased by €5.1 million compared to the first half of 2018, mainly due to higher labour costs in the US related to higher production volumes. Despite stable overall borrowing levels, interest expenses increased due to a higher share of US dollar financing at increased Libor rates. The effective corporate income tax rate decreased by 0.8 percentage points due to a more favourable country mix of the Group's source of profits.

The US dollar had a positive impact on reported sales of €9.9 million versus H1 2018, and a positive impact on the reported gross margin of €1.9 million versus H1 2018.

(in € millions)

	H1 2019				H1 2018			% change adjusted
	Reported	IFRS 16 impact	Unrealized FX hedge results	Adjusted	Reported	Unrealized FX hedge results	Adjusted	
Gross margin	64.2	-	0.0	64.2	56.7	(1.3)	55.4	15.9%
As % sales	18.6%			18.6%	16.9%		16.5%	
EBITDA	27.4	(1.3)	0.0	26.1	25.1	(1.3)	23.8	9.6%
EBIT	23.2	(0.1)	0.0	23.1	22.6	(1.3)	21.3	8.5%
Net profit	15.8	(0.0)	0.0	15.8	15.5	(1.0)	14.5	8.6%

The reported numbers are impacted by unrealized FX results and the introduction of IFRS 16. Net profit for H1 2019 adjusted for unrealized FX results and IFRS 16 impact, increased by €1.3 million (+8.6%) compared to the adjusted H1 2018 net profit.

Currency euro/US dollar

The euro/US dollar exchange rate was relatively stable in this half-year period. The average euro/US dollar exchange rate of 1.129 in H1 2019 was 6.7% stronger than H1 2018 (1.210). The FX rates contributed positively to the reported sales (+€9.9 million) and net profit (+€0.3 million).

The exchange rate on 30 June 2019 of 1.137 reflects the stronger US dollar against the euro when compared to the 2018 year-end rate of 1.147. As per 30 June 2019, this resulted in an increase in total assets (+€1.6 million).

Interim dividend H1 2019

The interim dividend per share is set at €0.40 in cash, equal to H1 2018. The dividend is payable on 2 August 2019 (ex-dividend date is 23 July 2019).

'In the first half of 2019, the performance of the Group improved as our teams achieved better margins. The slight improvement in market conditions is still fragile given the geopolitical circumstances, and commodity prices remain generally at low levels. I am very proud of our teams who achieved these results. They showed entrepreneurship and continued to add value for our customers while providing certainty of products in complex environments,' said Group Managing Director Allard Goldschmeding.

Activity reviews per segment

Spices and Nuts

Catz International in Rotterdam, the Netherlands, improved performance versus prior year despite continued low price levels in a number of major product categories. Market prices for black pepper declined further versus 2018 but stabilized during the last few months. Similar developments were seen for a number of other spices such as nutmeg. A few others showed signs of improvement such as cardamom. Desiccated coconut market prices were considerable below H1 2018 and declined further towards the end of

H1 2019. Similar to a number of other major nuts, cashews faced a further decline in market prices during H1 2019. Price levels of some nuts such as brazils, were below price levels in the same period of prior year, yet stable versus the end of 2018.

Tovano in Maasdijk, the Netherlands, active in packed nuts and dried fruits, managed to limit the impact of lower prices. Profitability was only slightly below prior year.

King Nuts & Raaphorst in Bodegraven, the Netherlands, active in nuts and rice crackers, was again strong in limiting the impact of low price levels and challenging market circumstances. Sales increased further despite lower price levels due to increased volumes. Price levels for a number of major nut categories were below prior year and either declined further versus the end of 2018 (e.g. cashews) or showed little to no improvement (e.g. brazils, pecans, walnuts). For a few nut categories price levels increased (e.g. macadamias).

Delinuts in Ede, the Netherlands, active in nuts and dried fruits, improved their margins despite the low price levels, yet at lower volumes. The organization invested in further increasing the value-add to our customers.

Edible Seeds

Red River Commodities in Fargo (ND), USA, active in the sourcing, processing and distribution of edible seeds (mainly sunflower), performed slightly below prior year due to margin pressure and higher cost base. The wildlife division performed in line with prior year, yet at somewhat lower margins. The SunGold division focussed on meeting the new Spitz® demand and reported a substantial increase in volumes at increased production costs. SunButter® performed excellently with increased sales and margins, proving the broader positioning is well received by the market. Red River Global Ingredients (Canada), continued to further expand the business across North America.

Red River-Van Eck in Etten-Leur, the Netherlands, continued to perform very well in positive market circumstances. During H1 2019 the organization put a lot of effort in moving from Zevenbergen to a new location in Etten-Leur. The new facility provides our customers with value-add products and solutions in a state-of-the-art environment.

SIGCO Warenhandel in Hamburg, Germany, developed well and continued to improve its performance due to excellent customer focus.

Tea

Van Rees Group in Rotterdam, the Netherlands, celebrating its 200-year anniversary, reported lower sales at slightly higher margins. The global surplus in available tea resulted in low price levels and a market that largely favoured the buyers. In addition, devaluations of currencies in a number of important tea-consuming countries impacted market circumstances negatively. By using its in-depth tea knowledge, Van Rees reduced the impact of these challenging market circumstances.

Food Ingredients

Snick EuroIngredients in Ruddervoorde, Belgium, active in food ingredients, had a strong first half-year with an increased overall margin percentage. Snick is constantly looking for new market trends and new product solutions for customers.

Consolidated balance sheet

Total assets per 30 June 2019 amounted to €363.1 million (year-end 2018: €357.2 million, +1.7%).

In the first half of 2019, the main financial developments were:

- Shareholders' equity increased by €1.9 million to €195.4 million on 30 June 2019 (year-end 2018: €193.5 million). The main movements were: H1 2019 net profit of €15.8 million and a positive currency translation effect of €1.0 million, partly offset by dividend payments to shareholders of €14.8 million.
- Goodwill increased by €0.3 million due to the stronger euro/US dollar exchange rate that affected the recorded goodwill paid for the seeds and tea businesses in 2010.
- Working capital (inventories, receivables and creditors) decreased by €10.7 million compared to 30 June 2018, mainly due to lower inventories, partly offset by higher trade receivables and lower creditors.
- Solvency as per 30 June 2019 was 53.8% (H1 2018: 51.9%).

Outlook 2019

Given the nature of the Group's activities, it is impossible to predict market developments or likely Group results. However, the Company is confident that its teams will continue to generate good results for the shareholders.

Financial calendar

23 July 2019	Ex-dividend date, interim dividend FY 2019
2 August 2019	Dividend payment date, interim dividend FY 2019
13 February 2020	Publication of the 2019 financials (unaudited) – after close
5 March 2020	Publication of the annual report FY 2019 – after close

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 2019 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 2019 gives a true and fair view of the financial position of the Company at the balance sheet date and of the state of affairs during H1 2019 of the Company and its related entities whose financial information has been consolidated in the half-year report.

Rotterdam, 18 July 2019

Allard Goldschmeding
Group Managing Director

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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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 Etten-Leur, 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
(in € thousands)

30 June 2019

31 December
2018

30 June 2018

ASSETS			
Non-current assets			
Intangible assets	68,142	68,098	67,342
Property, plant and equipment	40,400	38,057	36,908
Right-of-use assets	13,445	-	-
Other non-current receivables	1,202	1,261	1,259
Deferred tax assets	1,476	1,484	1,262
Total non-current assets	124,665	108,900	106,771
Current assets			
Inventories	131,800	142,512	148,049
Trade receivables	97,285	95,235	95,286
Other receivables	7,451	7,601	5,162
Derivative financial instruments	921	1,954	2,137
Cash and cash equivalents	1,018	957	1,731
Total current assets	238,475	248,259	252,365
Total assets	363,140	357,159	359,136

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

Amsterdam Commodities N.V.

Consolidated balance sheet 30 June 2019 31 December 30 June 2018
 before interim dividend 2018
 (in € thousands)

EQUITY AND LIABILITIES			
Total shareholders' equity	195,401	193,522	186,309
Non-current liabilities and provisions			
Bank borrowings	3,221	9,068	10,541
Lease liabilities	11,266	-	-
Provisions	8,682	8,804	8,950
Total non-current liabilities and provisions	23,169	17,872	19,491
Current liabilities			
Current portion long-term bank borrowings	4,974	-	-
Bank borrowings	90,632	83,513	101,507
Lease liabilities	2,068	-	-
Trade creditors	31,481	40,679	35,054
Tax liabilities	2,941	3,233	1,780
Derivative financial instruments	222	165	234
Other current liabilities and accrued expenses	12,252	18,175	14,761
Total current liabilities	144,570	145,765	153,336
Total equity and liabilities	363,140	357,159	359,136

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

Amsterdam Commodities N.V.

Consolidated income statement

(in € thousands)	H1 2019	H1 2018
Sales	346,162	335,899
Cost of goods sold	(281,949)	(279,234)
Gross margin	64,213	56,665
Personnel costs	(23,818)	(18,421)
General costs	(12,941)	(13,191)
Total costs	(36,759)	(31,612)
EBITDA	27,454	25,053
Depreciation and amortization	(4,240)	(2,496)
Operating income (EBIT)	23,214	22,557
Interest income	18	21
Interest expense	(2,380)	(1,865)
Other financial income and expenses	2	8
Profit before income tax	20,854	20,721
Corporate income tax	(5,077)	(5,207)
Net profit	15,777	15,514
Total basic EPS (in €)	0.640	0.630
Total diluted EPS (in €)	0.640	0.630

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

Amsterdam Commodities N.V.

Condensed consolidated cash flow statement

(in € thousands)	H1 2019	H1 2018
Cash flow from operating activities	27,744	21,694
Net changes in working capital	(4,813)	(24,959)
Paid interest and taxes	(8,047)	(10,459)
Net cash generated from operating activities	14,884	(13,724)
Cash flow from investing activities	(4,588)	(2,137)
Cash flow from financing activities		
Dividend paid	(14,780)	(17,226)
Proceeds from new shares	-	347
Net changes in long-term borrowings	(1,056)	(1,056)
Net changes in bank financing of working capital	5,619	32,955
Net cash flow from financing activities	(10,217)	15,020
Net increase/(decrease) in cash and cash equivalents	79	(841)
Cash and cash equivalents at 1 January	957	2,590
Exchange gains/(losses) on cash and cash equivalents	(18)	(18)
Cash and cash equivalents at 30 June	1,018	1,731

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

Amsterdam Commodities N.V.

Statement of changes in shareholders' equity H1 2019

(in € thousands)

	Share capital	Share premium reserve	Other reserves	Retained earnings	Net profit for the period	Total equity
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
Balance at 1 January 2019	11,092	61,994	7,915	81,414	31,107	193,522
Net profit for the period	-	-	-	-	15,777	15,777
Other comprehensive income	-	-	878	-	-	878
Appropriation of net profit	-	-	-	31,107	(31,107)	-
Employee share option plan	-	-	8	-	-	8
Dividend relating to 2018, final	-	-	-	(14,784)	-	(14,784)
Balance at 30 June 2019	11,092	61,994	8,801	97,737	15,777	195,401

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

Amsterdam Commodities N.V.

Consolidated statement of comprehensive income H1 2019 (in € thousands)	H1 2019	H1 2018
Net profit	15,777	15,514
Other comprehensive income (OCI)		
OCI to be reclassified to profit or loss in subsequent periods		
Movement currency translation reserves, net	1,023	2,399
Movement on cash flow hedges	(145)	214
Total other comprehensive income	878	2,613
Total comprehensive income	16,655	18,127
Total comprehensive income attributable to shareholders of the parent	16,655	18,127

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

Amsterdam Commodities N.V.

Segment information H1 2019

(in € thousands)	Spices and Nuts	Edible Seeds	Tea	Food Ingredients	Other	Total
Sales	156,701	112,984	66,441	10,461	(425)	346,162
Operating expenses	(144,195)	(102,388)	(64,021)	(8,398)	294	(318,708)
Effect discontinuation hedge accounting	-	-	-	-	-	-
EBITDA	12,506	10,596	2,420	2,063	(131)	27,454
Depreciation	(860)	(2,680)	(382)	(218)	(100)	(4,240)
Operating income (EBIT)	11,646	7,916	2,038	1,845	(231)	23,214
Financial results						(2,360)
Corporate income tax						(5,077)
Net result						15,777

Total assets	114,698	112,403	70,114	12,749	53,176	363,140
Total liabilities	84,471	72,204	42,369	9,468	(40,773)	167,739

H1 2018

Sales	165,178	89,887	71,009	10,396	(571)	335,899
Operating expenses	(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)
Operating income (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

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

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

Amsterdam Commodities N.V.

Sales per geography (in € thousands)	NL	EU other	North America	Other	Total
H1 2019	67,638	119,290	95,892	63,342	346,162
H1 2018	67,656	130,429	77,074	60,740	335,899

Other	30 June 2019	31 December 2018	30 June 2018
Number of FTEs	662	656	576

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

Notes to the H1 2019 consolidated interim financial statements

General

The interim financial statements for the six months ended 30 June 2019 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 2018, dated 7 March 2019 (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.

New and amended standards adopted by the Group

IFRS 16 'Leases' became applicable for the current reporting period, and the Group had to change its accounting policies as a result of adopting this standard. The impact of the adoption of the leasing standard is disclosed in the note 'Changes in accounting policies'.

The H1 2019 interim financial statements are unaudited.

Changes in accounting policies

The Group has adopted IFRS 16 retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognized in the opening balance sheet on 1 January 2019.

Adjustments recognized on adoption of IFRS 16

On adoption of IFRS 16, the Group recognized lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 3.1%.

Adjustments recognized on adoption of IFRS 16

(in € thousands)

Operating lease commitments disclosed as at 31 December 2018	10,115
Discounted using incremental borrowing rate at date of initial application	9,373
(Less): short-term leases recognized on a straight-line basis as expense	(316)
(Less): low-value leases recognized on a straight-line basis as expense	(7)
Lease liability recognized as at 1 January 2019	9,050
<i>Of which are:</i>	
Current lease liabilities	2,047
Non-current lease liabilities	7,003
	9,050

All right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet as at 31 December 2018. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

The recognized right-of-use assets relate to the following types of assets:

Practical expedients applied

(in € thousands)

	30 June 2019	1 January 2019
Properties	12,351	7,620
Equipment	529	837
Motor vehicles	565	593
Total	13,445	9,050

In applying IFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- The use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- Reliance on previous assessments on whether leases are onerous
- The accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases
- The exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- The use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

Shareholders' equity

The movements in shareholders' equity are shown in the consolidated statement of changes in shareholders' equity on page 11. During H1 2019, the Company issued no new shares in relation to the existing share option plan.

On 30 June 2019, the number of shares outstanding was 24,649,060 (31 December 2018: 24,649,060).

Based on the existing share options granted, 35,500 share options are vested but not yet exercised. A total of 7,500 share options will vest on 1 September 2019 and 10,000 on 1 December 2019. In the years 2020 until 2025, a total of 187,500 share options will vest.

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 2018* are unchanged. The main risks and uncertainties remain applicable in the current financial year.

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.