

PRESS RELEASE – FINANCIAL YEAR 2019

Proposed dividend set at €1.10 per share

ACOMO'S OPERATING PROFIT INCREASES BY 10% IN 2019, STRONG TRADING AND STRONG CASH FLOW

Main financial indicators 2019

Sales:	€701.4 million	(2018: €700.2 million, +0%)
EBITDA:	€55.6 million	(2018: €50.4 million, +10%)
Net profit:	€32.1 million	(2018: €31.1 million, +3%)
Operating cash flow:	€59.8 million	(2018: €19.3 million, +209%)
Earnings per share:	€1.301	(2018: €1.263, +3%)
Proposed dividend:	€1.10 per share	(2018: €1.00 per share, +10%)
Solvency:	56.6%	(2018: 54.2%)

Pending the finalization of the external audit, the financial indicators 2019 shown above are unaudited.

ROTTERDAM (NL), 13 FEBRUARY 2020

Today, Amsterdam Commodities N.V. (Acom), the Euronext Amsterdam-listed trader in spices and nuts, edible seeds, tea and food ingredients reports a substantially higher operating profit for its fiscal year 2019. Strong trading and improved margins in the second half of 2019 and particularly strong performances of Catz International and the European edible seeds business saw EBITDA increase by 10% to €55.6 million (2018: €50.4 million). The reported result was impacted by IFRS16, unrealized FX hedge results and strategic business development costs. Excluding these effects EBITDA increased by 13%. Net profit increased to €32.1 million (2018: €31.1 million). Acom proposes its shareholders a dividend of €1.10 per share (2018: €1.00, +10%) following a consistent policy on dividend pay-out.

In a number of major product groups, low market price levels continued during 2019 resulting in a persistently challenging environment. Various geopolitical dynamics are becoming more inherent in today's marketplace with continued effects on product supply and demand. Despite these trading circumstances the performance in the second half of 2019 was strong with an increase in operating profit by 16% due to good trading decisions by management and trading teams. Net cash from operations was strong and tripled versus the previous year to €59.8 million due to the improved operational result and efficient working capital management.

<i>(in € millions)</i>	2019	2018	Change €	Change %
Operational EBITDA	54.7	48.3	6.4	+13%
IFRS16	2.7	-	2.7	
Unrealized FX hedge results	(0.7)	2.1	(2.8)	
Strategic business development costs	(1.1)	-	(1.1)	
Reported EBITDA	55.6	50.4	5.2	+10%

Pending the finalization of the external audit, the financials 2019 shown above are unaudited.

Key figures 2019 – unaudited

	2019	2018
Consolidated figures (in € millions)		
Sales	701.4	700.2
Gross margin	131.8	116.9
EBITDA	55.6	50.4
Operating income (EBIT)	46.7	45.0
Financial result	(4.6)	(4.0)
Corporate income tax	(10.0)	(9.9)
Net profit	32.1	31.1
Shareholders' equity (before final dividend)	203.0	193.5
Total assets	358.6	357.2
Ratios		
Solvency – shareholders' equity as % of total assets	56.6%	54.2%
Leverage ratio (net debt/EBITDA)	1.2	1.8
Return on equity	16.2%	16.4%
Dividend pay-out ratio	84.5%	79.2%
Key performance indicators (in €)		
Earnings per share	1.301	1.263
Equity per share at year-end	8.232	7.851
Dividend per share – total (2019: proposed)	1.10	1.00

In 2019, consolidated reported sales of **Amsterdam Commodities N.V.** (Acomo) increased by 0.2% to €701.4 million (2018: €700.2 million). Reported gross margin increased by 12.8% to €131.8 million (2018: €116.9 million). Gross margin as a percentage of sales increased with 2.1 percentage points. For the full year 2019, reported net profit reached €32.1 million, an increase of €1.0 million versus 2018 (€31.1 million, +3.2%).

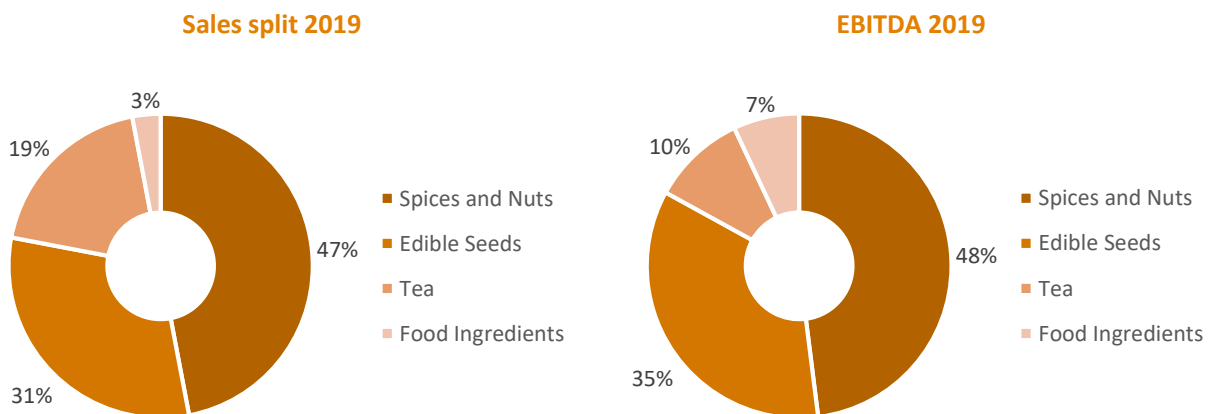
Unrealized FX hedge results (due to not applying hedge accounting) had a negative effect on gross margin of -€0.7 million (2018: positive €2.1 million). The impact of unrealized FX hedge results on net profit was -€0.5 million (2018: positive €1.6 million).

Total costs as a percentage of gross margin increased by 0.9 percentage points mainly due to increased production costs at the North American edible seeds business as a result of higher production volumes.

Currency euro/US dollar

The euro/US dollar exchange rate was relatively stable during the first half year. In the second half of the year the US dollar slightly strengthened. The average euro/US dollar exchange rate in 2019 was 1.119 (2018: 1.181). The FX rates contributed positively to sales (+€16.5 million) and net profit (+€0.5 million).

The 2019 year-end exchange rate of 1.121 reflects the stronger US dollar against the euro when compared to the 2018 year-end rate of 1.147. As at 31 December 2019, this resulted in an increase in total assets (+€4.0 million).



'The second half of 2019 was especially strong with good margins and efficient cash flow management. Market prices for several major product groups continued to be low due to good crops. Despite these lower price levels, our teams succeeded in growing the operating profit significantly versus the previous year. I thank all our teams for their commitment and professionalism that led to these results. During 2019 the Group invested in product treatment equipment and capabilities that will allow us to deliver even more added value services to our customers,' said Group Managing Director Allard Goldschmeding.

Activity reviews per segment

Spices and Nuts

Catz International in Rotterdam, the Netherlands, reported an increased profit. Market prices of spices showed mixed developments. Pepper prices continued the decline of recent years, yet at a lower pace and with some stabilization in the second half of the year. Market prices of cardamom and turmeric increased. Desiccated coconut price levels declined substantially in the first half of the year, but stabilized in the second half. Dehydrated vegetables saw improved market circumstances in some products. Market prices of most major nuts continued to decline in 2019, with only a few exceptions. Through good trading decisions Catz International achieved a healthy profit growth despite these challenging market circumstances.

Tovano in Maasdijk, the Netherlands, active in packed nuts and dried fruits, performed well and realized an increase in profit despite the low price levels of nuts.

King Nuts & Raaphorst in Bodegraven, the Netherlands, active in nuts and rice crackers, continued to grow in sales despite lower market price levels due to increased volumes. Margins remained stable. Through an effective commercial approach and good decisions King Nuts & Raaphorst further strengthened its market position.

Delinuts in Ede, the Netherlands, active in nuts and dried fruits, faced challenging market circumstances with decreased market prices. Sales were lower at improved margins. Delinuts invested in strengthening the organization with additional skills and capabilities to provide increased value-add to its customers.

Edible Seeds

Red River Commodities in Fargo (ND), USA, active in the sourcing, processing and distribution of edible seeds (mainly sunflower), reported a somewhat lower profit. The increase in sales was impacted by higher conversion costs. The wildlife division experienced slightly lower sales and margins due to a competitive market and weather conditions. The SunGold division reported substantial sales growth due to the full year effect of the Spitz® brand production contract. Higher sales volumes also resulted in increased production costs. The SunButter® brand continued to grow and margins increased. The import trading entity Red River Global Ingredients in Winkler, Canada, achieved a substantial growth in sales and profit and proved the importance of global sourcing opportunities.

Red River-Van Eck in Etten-Leur, the Netherlands, continued the previous year's strong performance. The company experienced positive market conditions and made good trading decisions. It also successfully managed the relocation of the operations to a new and modern facility in Etten-Leur with improved and extended processing capabilities.

SIGCO Warenhandel in Hamburg, Germany, continued to grow both top line as well as bottom line through increased sales in its core products.

Tea

Royal Van Rees Group in Rotterdam, the Netherlands, reported lower sales due to lower volumes, however at higher margins. Global availability of tea continued to be good resulting in downward price pressure, especially in Sri Lanka and Kenya. Black tea volumes in Europe and North America continued to be under pressure, whereas speciality teas are becoming increasingly important.

Food Ingredients

Snick EuroIngredients in Ruddervoorde, Belgium, active in food ingredients, increased sales. The overall margin percentage showed a further increase, mainly due to growth through its own blend business facilitated by the advanced operations in Ruddervoorde.

Consolidated balance sheet

Total assets as at 31 December 2019 amounted to €358.6 million (year-end 2018: €357.2 million, +0.4%).

In 2019, the main financial developments were:

- Shareholders' equity increased by €9.5 million to €203.0 million at 31 December 2019 (year-end 2018: €193.5 million). The main movements were: 2019 net profit of €32.1 million and a positive net currency translation effect of €2.3 million, partly offset by dividend payments to shareholders of €24.7 million.
- Goodwill increased by €0.8 million due to the stronger year-end US dollar that affected the recorded goodwill paid for the edible seeds and tea businesses in 2010.
- Working capital (inventories, receivables and creditors) decreased by €15.0 million, mainly due to lower receivables.
- Solvency as at 31 December 2019 was 56.6% (year-end 2018: 54.2%).
- Group financing was extended for one year at existing terms and conditions until early 2021.

Dividend

The Board of Directors proposes a dividend of €1.10 per share (2018: €1.00, +10.0%). This represents a pay-out of 85% of earnings per share (2018: 79%). Taking into account the interim dividend of €0.40 per share paid in August 2019, the final 2019 dividend therefore amounts to €0.70 per share, payable in cash.

The following dividend timetable applies:

5 May 2020	Ex-dividend date (final dividend 2019)
6 May 2020	Final dividend record date
14 May 2020	Final dividend payment date
28 July 2020	Ex-dividend date (interim dividend 2020)
29 July 2020	Interim dividend record date
7 August 2020	Interim dividend payment date

Performance H2 2019

The Group improved its performance in the second half of 2019 versus the second half of prior year due to good trading decisions.

Outlook 2020

Although it is still very early in the year, 2020 activity has started generally in line with the second half of 2019. 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. It is too early to assess the impact the new coronavirus outbreak in the Far East will have on the trading activities in 2020.

General meeting of shareholders

The annual general meeting of shareholders will be held on Thursday, 30 April 2020 at 10.30 am at the Hilton Hotel in Rotterdam, the Netherlands. The 2019 Annual Report will be published on www.acomo.nl on Thursday, 5 March 2020, after the close of trading.

Rotterdam, 13 February 2020

Board of Directors

ANNEXES

Page	7	Consolidated balance sheet as at 31 December 2019
Page	9	Consolidated income statement 2019
Page	10	Condensed consolidated cash flow statement 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.

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), Royal Van Rees Group B.V. in Rotterdam, the Netherlands (tea), Red River Commodities Inc. in Fargo, USA, 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 final dividend
 (in € thousands)

31 December
2019
 * unaudited

31 December
2018

ASSETS		
Non-current assets		
Intangible assets	68,353	68,098
Property, plant and equipment	40,798	38,057
Right-of-use assets	13,955	-
Other non-current receivables	1,211	1,261
Deferred tax assets	1,508	1,484
Total non-current assets	125,825	108,900
Current assets		
Inventories	140,907	142,512
Trade receivables	82,807	95,235
Other receivables	7,819	7,601
Derivative financial instruments	515	1,954
Cash and cash equivalents	732	957
Total current assets	232,780	248,259
Total assets	358,605	357,159

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Amsterdam Commodities N.V.

Consolidated balance sheet
 before final dividend
 (in € thousands)

31 December
2019
 * unaudited

31 December
2018

EQUITY AND LIABILITIES		
Total shareholders' equity	202,942	193,522
Non-controlling interests	62	-
Total equity	203,004	193,522
Non-current liabilities and provisions		
Bank borrowings	2,827	9,068
Lease liabilities	12,017	-
Provisions	8,408	8,804
Total non-current liabilities and provisions	23,252	17,872
Current liabilities		
Current portion long-term bank borrowings	6,225	2,113
Bank borrowings	59,959	81,400
Lease liabilities	2,487	-
Trade creditors	41,657	40,679
Tax liabilities	1,087	3,233
Derivative financial instruments	454	165
Other current liabilities and accrued expenses	20,480	18,175
Total current liabilities	132,349	145,765
Total equity and liabilities	358,605	357,159

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Amsterdam Commodities N.V.

Consolidated income statement (in € thousands)	2019 * unaudited	2018
Sales	701,441	700,170
Cost of goods sold	(569,679)	(583,317)
Gross margin	131,762	116,853
Personnel costs	(49,972)	(43,203)
General costs	(26,201)	(23,275)
Total costs	(76,173)	(66,478)
EBITDA	55,589	50,375
Depreciation and amortization	(8,894)	(5,333)
Operating income (EBIT)	46,695	45,042
Interest income	48	42
Interest expense	(4,815)	(4,218)
Other financial income and expenses	150	143
Profit before income tax	42,078	41,009
Corporate income tax	(9,976)	(9,902)
Net profit	32,102	31,107
Profit attributable to shareholders of the Company	32,077	31,107
Profit attributable to non-controlling interests	25	-
Total basic EPS (in €)	1.301	1.263
Total diluted EPS (in €)	1.301	1.263

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Amsterdam Commodities N.V.

Condensed consolidated cash flow statement (in € thousands)	2019 * unaudited	2018
Cash flow from operating activities	56,064	48,985
Net changes in working capital	18,664	(10,599)
Paid interest and taxes	(14,946)	(19,041)
Net cash generated from operating activities	59,782	19,345
Cash flow from investing activities	(7,335)	(5,833)
Cash flow from financing activities		
Dividend paid	(24,642)	(27,088)
Proceeds from new shares	26	348
Net changes in long-term borrowings	(2,319)	(2,359)
Net changes in bank financing of working capital	(23,399)	13,942
Payment of leases	(2,353)	-
Net cash flow from financing activities	(52,687)	(15,157)
Net increase/(decrease) in cash and cash equivalents	(240)	(1,645)
Cash and cash equivalents at the beginning of the year	957	2,590
Exchange gains/(losses) on cash and cash equivalents	15	12
Cash and cash equivalents at the end of the year	732	957

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