

PRESS RELEASE: HALF-YEAR REPORT 2020

Half-year interim dividend set at €0.40 per share, equal to H1 2019

ACOMO REPORTS IMPROVED PERFORMANCE IN H1 2020 DESPITE COVID-19 CHALLENGES

Main financial indicators H1 2020

Sales:	€356.8 million	(H1 2019: €346.2 million, +3.1%)
EBITDA:	€28.4 million	(H1 2019: €27.5 million, +3.4%)
Net profit:	€16.3 million	(H1 2019: €15.8 million, +3.3%)
Earnings per share:	€0.66	(H1 2019: €0.64, +3.3%)
Interim dividend:	€0.40 per share	(H1 2019: €0.40, equal)
Solvency:	53.8%	(H1 2019: 53.8%)

ROTTERDAM (NL), 23 JULY 2020

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 increased profitability during the first six months of 2020 (H1 2020) despite unprecedented circumstances.

Acom navigated successfully through the challenges presented by COVID-19. Thanks to the Group's global sourcing reach combined with strong local operational and supply chain capabilities it adapted quickly to sudden changes, disruptions and local lockdowns when they arose. Product availability at origin was steady due to good crops, but certain production facilities experienced lockdowns and transportation of goods was challenging in a number of cases. Overall, demand for products remained strong, however with distinct differences between channels and fluctuations through time. Demand in the food processing industry and retail in March especially, while lockdowns at the same time have weighed heavily on foodservice demand since March.

From the beginning of the COVID-19 outbreak, our primary focus has been to safeguard the health and safety of our people while continuing our service to customers and maintaining our high food safety standards. Following respective lockdown measures and local guidelines, all group companies have reduced office presence and facilitated working from home. In the offices and facilities we have implemented strict hygiene and social distancing measures, as well as quarantine and testing protocols where necessary. Despite these circumstances all entities of the Group remained fully operational over the entire period. As at 30 June, the balance sheet was not materially impacted by COVID-19. Bank borrowings were in-line with the normal course of business and the Company had sufficient financing headroom.

The Board of Directors is very pleased with this performance and the trading teams ability to adapt to the effects of COVID-19 and thereby enable the Group to maintain growth in both sales and profit.

Acom proposes its shareholders an interim dividend of €0.40 per share (H1 2019: €0.40) following the consistent policy on dividend pay-out.

The performance varied between entities and product groups in the first six months of the year. A number of entities reported improved performance due to increased demand from industry and retail. Entities and divisions with a relatively high sales share of foodservice-related customers, saw material decreases in demand and performed below prior year. This was especially the case in the nut segment and certain edible seeds businesses. Commodity prices remained under pressure due to good crops and disrupted demand from countries in lockdown. Prices for a number of major product groups declined substantially, especially in May and June. Despite these circumstances the overall margin of the Group remained stable versus prior year. Expenses increased slightly, in line with inflation. Net sales increased by +3.1% to €356.8 million, EBITDA increased by +3.4% to €28.4 million and net profit increased by +3.3% to €16.3 million.

The reported results were impacted by unrealized FX hedge results. Excluding this effect, EBITDA increased by 5.1% and net profit increased by 5.6%.

(in € millions)	H1 2020			H1 2019			% change adjusted
	Reported	Unrealized FX hedge results	Adjusted	Reported	Unrealized FX hedge results	Adjusted	
Gross margin	65.8	(0.5)	66.3	64.2	0.0	64.2	+3.2%
As % sales	18.4%		18.6%	18.6%		18.6%	
EBITDA	28.4	(0.5)	28.9	27.5	0.0	27.5	+5.1%
Net profit	16.3	(0.4)	16.7	15.8	0.0	15.8	+5.6%

Key figures H1 2020 – unaudited

Consolidated figures (in € millions)	H1 2020	H1 2019
Sales	356.8	346.2
Gross margin	65.8	64.2
EBITDA	28.4	27.5
Operating income (EBIT)	23.4	23.2
Financial result	(1.8)	(2.3)
Corporate income tax	(5.3)	(5.1)
Net profit	16.3	15.8
Shareholders' equity (before interim dividend)	201.4	195.4
Total assets	374.1	363.1

Ratios

Solvency – shareholders' equity as % of total assets	53.8%	53.8%
Leverage ratio (net debt/EBITDA) (annualized)	1.8	1.9

Key performance indicators (in €)

Earnings per share	0.66	0.64
Equity per share as at 30 June	8.169	7.927
Interim dividend per share	0.40	0.40

Over the first six months of 2020, consolidated sales of Acomo increased by +3.1% to €356.8 million (H1 2019: €346.2 million). Gross margin increased by +2.4% to €65.8 million. Gross margin as a percentage of sales remained stable at 18.4%. For the first half of 2020, net profit amounted to €16.3 million, an increase of €0.5 million versus the first half of 2019. Total costs increased by €0.6 million compared to the first half of 2019, mainly due to inflation in labour costs and a small increase in headcount.

Interest expenses decreased due to lower overall borrowing levels in combination with decreased Libor rates for the borrowings in US dollar. The effective corporate income tax rate remained stable at 24.4%.

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 1.102 in H1 2020 was 2.4% stronger than in H1 2019 (1.129). The FX rates contributed positively to the reported sales (+€3.8 million) and net profit (+€0.1 million).

The exchange rate as at 30 June 2020 of 1.123 was in line with the 2019 year-end rate of 1.121 and had no material impact on the total assets.

Interim dividend H1 2020

The interim dividend per share is set at €0.40 in cash, equal to H1 2019. The dividend is payable on 7 August 2020 (ex-dividend date is 28 July 2020).

'I am very proud of our teams. They have demonstrated a high degree of adaptability in these exceptional circumstances. Supply chains have been challenging and changes in demand have differed greatly between customers and across the reporting period. The fact that the financial result has further improved compared to the previous year, underlines the robustness of the Group and the expertise of our people,' said Group Managing Director Allard Goldschmeding.

Activity reviews per segment

Spices and Nuts

Catz International in Rotterdam, the Netherlands, performed very well and again proved its ability to adapt quickly to new circumstances and to secure the right products in time. Catz dealt effectively with the material short-term fluctuations in demand despite challenges in the supply chain. Most product groups reported an improved performance versus prior year. Some spices such as pepper and nutmeg declined further in price versus prior year, whereas other spices including cardamom and ginger gained in value. Dried fruits showed a mixed picture. Desiccated coconut experienced disruptions in the supply chain due to local lockdowns of factories and reported increased price levels versus prior year. Price levels for major nuts such as cashews, almonds and walnuts declined by 25% on average in the last few months resulting in pressure on margins and profits.

Tovano in Maasdijk, the Netherlands, active in packed nuts and dried fruits, managed to offset the impact of lower prices and reported a profit which is slightly above that of prior year.

King Nuts & Raaphorst in Bodegraven, the Netherlands, active in nuts and rice crackers, was confronted with major differences in demand between its various customers. Reported sales were slightly lower versus prior year, at slightly lower gross margins. Given the sharp decline in prices for major nuts such as almonds, walnuts and cashews and the lockdown effects on open- markets, the performance was very strong.

Delinuts in Ede, the Netherlands, active in nuts and dried fruits, had a good start of the year. In March the situation changed substantially as Delinuts has a relatively high dependency of foodservice customers. The impact of COVID-19 lockdown measures on the company's performance was substantial and put significant pressure on sales and margins.

Edible Seeds

Red River Commodities in Fargo (ND), USA, active in the sourcing, processing and distribution of edible seeds (mainly sunflower), performed well and experienced a mixed performance across its various activities. The SunButter® brand reported increased sales to retail customers and schools. Despite the lockdown of schools in the US they continued to provide meals to students. In a large number of cases these meals include SunButter® products. The brand achieved a strong increase in financial results. On the other hand the Processing and SunGold divisions were confronted with a sharp decline in demand due to the lockdown measures in the USA. The snack products of SunGold are a popular treat during sporting events and lacked consumer demand and sell-through. The wildlife division realized a strong increase in sales. Despite some pressure on margins, the total margin increased. Red River Global Ingredients in Winkler, Canada, reported strong growth and performance in the first six months, thereby proving the opportunities for global sourcing.

Red River-Van Eck in Etten-Leur, the Netherlands, had a slow start of the year. Demand for poppy seeds was low and COVID-19 further impacted the demand, resulting in a substantial decline in reported profitability.

SIGCO Warenhandel in Hamburg, Germany, started the year well but was impacted by COVID-19 in the last few months due to a substantial decline in demand from foodservice-related customers. Profitability declined versus prior year.

Tea

Royal Van Rees Group in Rotterdam, the Netherlands, reported higher profits versus prior year. Sales value was lower due to lower tea prices, but gross margins increased. Tea crops continue to be high resulting in high availability of tea for most origins and low market price levels.

Food Ingredients

Snick EuroIngredients in Ruddervoorde, Belgium, active in food ingredients, performed generally in line with prior year with slightly higher sales at somewhat lower margins.

Consolidated balance sheet

Total assets amounted to €374.1 million as at 30 June 2020 (year-end 2019: €358.6 million, +4.3%).

The main financial developments in the first half of 2020 were:

- Shareholders' equity decreased by €1.5 million to €201.4 million as at 30 June 2020 (year-end 2019: €202.9 million). The main movements were: dividend payments to shareholders of €17.3 million and a negative currency translation effect of €0.6 million, partly offset by the H1 2020 net profit of €16.3 million.
- Working capital (inventories, receivables and creditors) increased by €7.4 million compared to 30 June 2019, mainly due to higher inventories and higher trade receivables, partly offset by higher trade payables.
- Solvency as at 30 June 2020 was 53.8% (H1 2019: 53.8%).

Outlook 2020

Given the nature of the Group's activities, it is impossible to predict market developments or likely Group results. The impact of COVID-19 on the global economy and business for the remainder of the year and beyond is both difficult and imprudent to predict at this stage. However the Board is confident that our management and trading teams will use their knowledge and capabilities to deal with these uncertainties in the best possible way.

Financial calendar

28 July 2020	Ex-dividend date, interim dividend FY 2020
7 August 2020	Dividend payment date, interim dividend FY 2020
18 February 2021	Publication of the 2020 financials (unaudited) – after close
11 March 2021	Publication of the annual report FY 2020 – 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 2020 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 2020 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 2020 of the Company and its related entities whose financial information has been consolidated in the half-year report.

Rotterdam, 23 July 2020

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, Red River Global Ingredients Ltd. in Winkler, Canada, Red River-van Eck B.V. in Etten-Leur, the Netherlands, Food Ingredients Service Center Europe 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 income statement

(in € thousands)

	H1 2020	H1 2019
Sales	356,824	346,162
Cost of goods sold	(291,054)	(281,949)
Gross margin	65,770	64,213
Personnel costs	(25,464)	(23,818)
General costs	(11,928)	(12,941)
Total costs	(37,392)	(36,759)
EBITDA	28,378	27,454
Depreciation and amortization	(5,008)	(4,240)
Operating income (EBIT)	23,370	23,214
Interest income	4	18
Interest expense	(1,605)	(2,380)
Other financial income and expenses	(206)	2
Profit before income tax	21,563	20,854
Corporate income tax	(5,269)	(5,077)
Net profit	16,294	15,777
Profit attributable to shareholders of the Company	16,290	15,777
Profit attributable to non-controlling interests	4	-
Basic EPS (in €)	0.661	0.640
Diluted EPS (in €)	0.661	0.640

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

Amsterdam Commodities N.V.

Consolidated balance sheet

before interim dividend

(in € thousands)

	30 June 2020	31 December 2019	30 June 2019
Assets			
Non-current assets			
Intangible assets	67,923	68,353	68,142
Property, plant and equipment	40,039	40,798	40,400
Right-of-use assets	13,662	13,955	13,445
Other non-current receivables	1,202	1,211	1,202
Deferred tax assets	1,201	1,508	1,476
Total non-current assets	124,027	125,825	124,665
Current assets			
Inventories	138,693	140,907	131,800
Trade receivables	101,841	82,807	97,285
Other receivables	7,197	7,819	7,451
Derivative financial instruments	457	515	921
Cash and cash equivalents	1,903	732	1,018
Total current assets	250,091	232,780	238,475
Total assets	374,118	358,605	363,140

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

Amsterdam Commodities N.V.

Consolidated balance sheet
before interim dividend
(in € thousands)

	30 June 2020	31 December 2019	30 June 2019
Equity and liabilities			
Shareholders' equity			
Total shareholders' equity	201,382	202,942	195,401
Non-controlling interests	66	62	-
Total equity	201,448	203,004	195,401
Non-current liabilities and provisions			
Bank borrowings	4,637	2,827	3,221
Lease liabilities	11,592	12,017	11,266
Provisions	9,657	8,408	8,682
Total non-current liabilities and provisions	25,886	23,252	23,169
Current liabilities			
Current portion long-term bank borrowings	162	6,225	4,974
Bank borrowings	88,067	59,959	90,632
Lease liabilities	2,679	2,487	2,068
Trade creditors	35,552	41,657	31,481
Tax liabilities	4,565	1,087	2,941
Derivative financial instruments	734	454	222
Other current liabilities and accrued expenses	15,025	20,480	12,252
Total current liabilities	146,784	132,349	144,570
Total equity and liabilities	374,118	358,605	363,140

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

Amsterdam Commodities N.V.

Condensed consolidated cash flow statement

(in € thousands)

H1 2020

H1 2019

Cash flow from operating activities	28,921	27,744
Net changes in working capital	(28,680)	(4,813)
Paid interest and taxes	(1,700)	(8,047)
Net cash generated from operating activities	(1,459)	14,884
Net cash used for investing activities	(2,451)	(4,588)
Cash flow from financing activities		
Dividend paid	(17,251)	(14,780)
Net changes in long-term borrowings	(4,253)	(1,056)
Net changes in bank financing of working capital	28,221	6,821
Payment of leases	(1,620)	(1,202)
Net cash used for financing activities	5,097	(10,217)
Net increase/(decrease) in cash and cash equivalents	1,187	79
Cash and cash equivalents at 1 January	732	957
Exchange gains/(losses) on cash and cash equivalents	(16)	(18)
Cash and cash equivalents at 30 June	1,903	1,018

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

Amsterdam Commodities N.V.

Statement of changes in equity H1 2020

(in € thousands)

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

Balance at 1 January 2020	11,093	62,028	9,910	87,834	32,077	202,942	62	203,004
Net profit for the period	-	-	-	-	16,290	16,290	4	16,294
Other comprehensive income	-	-	(616)	-	-	(616)	-	(616)
Appropriation of net profit	-	-	-	32,077	(32,077)	-	-	-
Employee share option plan	-	-	22	-	-	22	-	22
Dividend relating to 2019, final	-	-	-	(17,256)	-	(17,256)	-	(17,256)
Balance at 30 June 2020	11,093	62,028	9,316	102,655	16,290	201,382	66	201,448

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

Amsterdam Commodities N.V.

Consolidated statement of comprehensive income H1 2020 (in € thousands)	H1 2020	H1 2019
Net profit	16,290	15,777
Other comprehensive income (OCI)		
OCI to be reclassified to profit or loss in subsequent periods		
Movement currency translation reserves, net	(564)	1,023
Movement on cash flow hedges	(52)	(145)
Total other comprehensive income	(616)	878
Total comprehensive income	15,674	16,655
Total comprehensive income attributable to shareholders of the parent	15,670	16,655
Total comprehensive income attributable to non-controlling interests	4	-

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

Amsterdam Commodities N.V.

Segment information H1 2020

(in € thousands)	Spices and Nuts	Edible Seeds	Tea	Food Ingredients	Other	Total
Sales	164,333	118,456	63,807	10,528	(300)	356,824
Operating expenses	(151,163)	(107,249)	(60,672)	(8,759)	(131)	(327,974)
Effect discontinuation hedge accounting	(472)					(472)
EBITDA	12,698	11,207	3,135	1,769	(431)	28,378
Depreciation	(1,041)	(3,154)	(445)	(244)	(124)	(5,008)
Operating income (EBIT)	11,657	8,053	2,690	1,525	(555)	23,370
Financial results						(1,807)
Corporate income tax						(5,269)
Net result						16,294

Total assets	132,319	118,913	61,162	11,652	50,072	374,118
Total liabilities	97,612	80,024	29,829	8,532	(43,327)	172,670

H1 2019

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

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	Europe other	North America	Other	Total
H1 2020	73,694	120,143	110,313	52,674	356,824
H1 2019	67,638	119,290	95,892	63,342	346,162

Other	30 June 2020	31 December 2019	30 June 2019
Number of FTEs	686	688	662

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

Notes to the H1 2020 consolidated interim financial statements

General

The interim financial statements for the six months ended 30 June 2020 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 2019, dated 5 March 2020 (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.

Shareholders' equity

The movements in shareholders' equity are shown in the consolidated statement of changes in shareholders' equity on page 11. During H1 2020, the Company issued no new shares in relation to its existing share option plan.

As at 30 June 2020, the number of shares outstanding was 24,651,560 (31 December 2019: 24,651,560). Based on the existing share options granted, 50,500 share options are vested but not yet exercised. A total of 12,500 share options will vest on 1 September 2020. In the years 2021 until 2026, a total of 207,500 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 2019* are unchanged. The main risks and uncertainties remain applicable in the current financial year. COVID-19 has shown however that multiple risks and uncertainties can occur simultaneously and can amplify the effects.

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.