Press Release

13 March 2019

ForFarmers 2018 results

Key parameters of results 2018[a]

- Total Feed volume: up 4.9% to 10.0mT[b], on acquisitions (2.8%) and organic growth (2.1%);
- Compound feed volume: up 4.2% to 7.0mT, mainly due to acquisitions;
- Gross profit: up 5.6% to €443.4 million, of which 2.3% from acquisitions (predominantly in H2) and 3.6% like-for-like growth (stronger in H1);
- Underlying EBITDA: down 1.3% to €100.1 million (down 1.0% at constant currencies) despite positive contributions from acquisitions;
- Underlying earnings per share: flat versus prior year;
- Dividend proposal: €0.283 per ordinary share and a special dividend of €0.017 per share. Total dividend therefore €0.30 per ordinary share, equal to 2017;
- Working capital: increase by €7.1 million, due to acquisitions (+€30.4 million) and like-for-like improvement (-€23.3 million).

2019-2020

- Total cost saving €10 million (in 2021 vs 2018) over total group excl. Poland, through optimisation factory footprint and other efficiency projects, including reduction FTE's (125-150, approx. 5-6%) and incorporating existing UK supply chain optimisation plans;
- Strong decline 2019 first-half underlying EBITDA expected compared to first half 2018, due to current purchasing positions in combination with the focus on sustaining market share;
- Proposal for share buy-back programme of €30 million (start after Q1/19 trading update, for 18 months).

Consolidated key figures

In millions of euro (unless indicated otherwise)	2018	2017	Total change in %	Currency	Acquisition [3]	Like-for-like [4]
Total Feed volume (x 1.000 ton)	10,021	9,556	4.9%		2.8%	2.1%
Compound feed	6,952	6,672	4.2%		4.1%	0.1%
Revenue	2,404.7	2,218.7	8.4%	-0.3%	3.6%	5.1%
Gross profit	443.4	419.8	5.6%	-0.3%	2.3%	3.6%
Operating expenses	-372.9	-346.8	7.5%	-0.3%	3.5%	4.3%
EBITDA	103.9	101.6	2.3%	-0.2%	0.6%	1.9%
Underlying EBITDA[1]	**100.1**	**101.4**	**-1.3%**	**-0.3%**	**0.6%**	**-1.6%**
EBIT	75.9	74.0	2.6%	-0.1%	-3.2%	5.9%
Underlying EBIT[1]	71.5	75.8	-5.7%	-0.3%	-3.1%	-2.3%
Profit attributable to shareholders of the Company	58.6	58.6	0.0%	0.0%	-7.8%	7.8%
Underlying profit[1]	57.6	60.1	-4.2%	0.0%	-7.6%	3.4%
Net cash from operating activities	82.1	116.3	-29.4%			
Underlying EBITDA / Gross profit	22.6%	24.2%	-6.6%			
ROACE on underlying EBITDA[2]	**23.0%**	**24.3%**				
ROACE on underlying EBIT[2]	16.4%	18.2%				
Basic earnings per share (x €1)	0.58	0.56				
Underlying earnings per share (x €1)	0.58	0.58				

(1) Underlying means excluding incidental items (see Note 27 of the financial statements regarding the Alternative Performance Measures (APMs)).
(2) ROACE means underlying EBITDA (EBIT) divided by 12-month average capital employed (see Note 27 of the financial statements).
(3) Relates to the net impact of acquisitions/divestments.
(4) Like for like is the change excluding acquisitions and divestments and currency impact.
Note, percentages are presented based on the rounded amounts in million euro. Additions may lead to slight differences due to roundings.

Yoram Knoop, CEO ForFarmers, about the 2018 results:
"2018 was a year of two sides for us. In terms of strategy we made progress by, amongst others, acquiring four companies. Consequently, we are now operational in five countries and have more sales opportunities in the expanding poultry sector. Our portfolio segmentation across the various species is more in balance: volumes are more equally divided over the ruminant, swine and poultry sector. In 2018 we sold over 10 million tonnes of feed, the first European Total Feed company to do so. Our Total Feed approach enabled us in attracting new customers and achieving further growth among existing customers amid tough market conditions.
Besides these positive developments we were, however, also confronted in the autumn of 2018 by the effects of the extraordinary warm and dry summer months, namely higher inbound logistics costs (low river levels) and more volatility in raw material prices, which we could not fully pass on to customers specifically in the Netherlands and Poland and which impacted our results.

Taking into consideration the 2018 results and mindful of the current market circumstances, we consider it wise to reduce the organisation's cost base over the next two years by implementing extra group-wide efficiency plans. This will involve reducing the number of mills and our headcount as a result of further standardisation and optimisation of our processes. At the same time we will continue to invest in our supply chain and in the introduction of innovative (digital) concepts for our customers.

Despite the fact that due to a temporary unfavourable purchase position we expect our 2019 first half year results to show a strong decline compared to the 2018 first half year results, we have confidence in the outlook thereafter."

General

There is a significant difference between the results for the first and the second half of 2018. The first-half results included sufficient gross profit growth to compensate the effects of the higher energy and outbound logistics[c] costs, which are generally passed on to customers, and a gain on a divestment (arable business in the Netherlands).
The second-half results were impacted by acquisitions and costs related to the exceptionally hot and dry summer months. Four acquisitions were made in 2018: Tasomix in Poland, Maatman and Van Gorp Biologische Voeders in the Netherlands and Voeders Algoet in Belgium. This also resulted in higher M&A and integration costs compared to 2017 when only a small acquisition was made in the United Kingdom. The effect of the exceptional weather was twofold: water levels in rivers dropped, resulting in higher inbound logistic costs mainly in the Netherlands and Germany, and raw material prices rose sharply. ForFarmers was not able to adequately pass these higher costs on to customers, specifically in the Netherlands and Poland. These developments had a major impact on underlying EBITDA, which was lower than in 2017.

The year-on-year (YoY) analysis presented below focuses on the full-year consolidated results, followed by more detailed analyses of the individual clusters. Following the acquisition of a 60% stake in the capital of Tasomix in Poland, as of 1 July 2018 the Germany/Belgium cluster also includes Poland. In the analyses of the Germany/Belgium/Poland cluster, however, like-for-like developments apply to the results of Germany and Belgium only. The contribution of Tasomix is included in the acquisition effect.

The table below presents an overview of the YoY changes (absolute and in %) in the first-half, second- half and full-year 2018 consolidated results. Where relevant, important developments in the second half of 2018 are explained in more detail.

Movements core parameters 2018 versus 2017[1]

		Total		Currency		Acquisition		Like for like[2]	
		Delta	**%**	**Delta**	**%**	**Delta**	**%**	**Delta**	**%**
Total Feed volume (x 1.000 ton)	HY1	100.7	2.1%			3.1	0.1%	97.6	2.0%
(x 1.000 ton)	HY2	363.9	7.5%			266.4	5.4%	97.5	2.1%
	FY	464.6	4.9%			269.5	2.8%	195.1	2.1%
Compound feed	HY1	22.5	0.7%			6.7	0.1%	15.8	0.6%
(x 1.000 ton)	HY2	258.2	7.7%			265.3	7.9%	-7.1	-0.2%
	FY	280.7	4.2%			272.0	4.1%	8.7	0.1%
Gross profit	HY1	10.4	5.0%	-1.3	-0.6%	-1.2	-0.6%	12.9	6.2%
	HY2	13.2	6.2%	0.2	0.1%	10.9	5.1%	2.1	1.0%
	FY	23.6	5.6%	-1.1	-0.3%	9.7	2.3%	15.0	3.6%
Operating expenses	HY1	-8.5	5.0%	1.2	-0.7%	-0.2	0.1%	-9.5	5.6%
	HY2	-17.6	9.8%	-0.1	0.1%	-12.0	6.8%	-5.5	2.9%
	FY	-26.1	7.5%	1.1	-0.3%	-12.2	3.5%	-15.0	4.3%
Underlying EBITDA	HY1	0.6	1.2%	-0.2	-0.5%	-1.4	-2.7%	2.2	4.4%
	HY2	-1.9	-3.8%	-0.1	0.1%	2.0	3.9%	-3.8	-7.8%
	FY	-1.3	-1.3%	-0.3	-0.3%	0.6	0.6%	-1.6	-1.6%

(1) In millions of euro (unless indicated otherwise)
(2) Like for like is the change excluding acquisition and divestments and currency impact.

Total Feed volume[d] increased by 4.9% to 10.0 million tonnes in 2018, with 2.8% growth resulting from the net effect of acquisitions/divestments (in Poland, Belgium and the Netherlands) and 2.1% from like-for-like growth. Total Feed volumes in the Netherlands and Germany/Belgium showed like-for-like increases of 2.7% and 3.9% respectively but declined marginally (0.4%) in the United Kingdom ('UK').

Compound feed volume rose by 4.2%. The net effect of acquisitions/divestments was 4.1% and like-for-like volume growth was 0.1%. Volume decline in the Netherlands was more than offset by growth in the other countries.

Total revenue increased by 8.4% (€186.0 million) to €2,404.7 million, of which 3.6% was attributable to acquisitions/divestments. Like-for-like revenue growth was 5.1% on the back of volume growth and higher raw material prices. While changes in raw material prices are generally passed on to customers the spike in raw material prices in the second half of 2018 could not fully be passed on. Revenue was only slightly impacted by a negative currency translation effect of the weaker pound sterling (-0.3%).

Gross profit increased by 5.6% to €443.4 million. There was a minor negative currency translation effect of 0.3%. The contribution from acquisitions/divestments was 2.3% while like-for-like growth amounted to 3.6%. All clusters reported like-for-like gross profit growth, although the growth percentage of the Netherlands cluster was lower than of the others. This was due to the additional inbound logistics costs which could not be passed on to customers. The spike in raw material prices could not fully be passed on to customers specifically in the Netherlands and Poland.

Total gross profit was positively impacted by the volume growth as well as more specialties in the product mix and the contribution from strategic partnerships. In the UK in particular more compound feed – which has higher margins – was sold due to the dry summer and the resulting lack of forage. Furthermore, gross profit increased as higher energy and outbound costs were partly passed on to customers in all clusters.

Total **operating expenses** increased by 7.5% (€26.1 million). Currency translation effects of the pound sterling in relation to the euro had a 0.3% negative impact on operating expenses. The net impact of acquisition/divestments added €12.2 million (3.5%) to expenses of which €2.3 million related to one-off acquisition related costs. Like-for-like operating expenses rose by €15.0 million (4.3%) including the higher energy and outbound logistics costs in all clusters. Total expenses were offset by a positive impact of €1.1 million from the (net) release from the allowance for bad debts (2017: net release of €1.8 million).

Depreciation and amortisation increased marginally to €28.0 million (2017: €27.6 million), on higher capital investments in line with intentions announced in early 2017, and partly offset by an incidental reversal of a past impairment (€0.6 million) on a feed mill in the Netherlands following its reopening. In 2017 depreciations included an incidental impairment of €1.9 million with respect to a UK mill.
Depreciation in 2018 amounted to €21.6 million (2017: €19.4 million). Total amortisation amounted to €6.9 million (2017: €6.3 million) including the impact of the four acquisitions made in the third and fourth quarter of 2018 and lower software-related amortisation. The acquisition effect on both the rise in depreciation and amortisation was €1.5 million.

Alternative Performance Measures (APMs)

ForFarmers uses Alternative Performance Measures (APMs) to provide a better perspective of the Group's business development and performance, as they exclude the impact of significant incidental items, which are considered to be non-recurring, and are not directly related to the operational performance of ForFarmers. The underlying metrics are reported at the level of EBITDA, EBIT and profit for the shareholders.

Four types of adjustments are distinguished:
i) Impairments on tangible and intangible assets;
ii) Business Combinations and Divestments, including the unwind of discount/fair value changes on earn-outs and options, dividend relating to non-controlling interests at anticipated acquisitions, and divestment related expenses;
iii) Restructuring; and
iv) Other, comprising other incidental non-operating items.
See note 27 of the financial statements.

In millions of euro	2018	2017	Δ	Δ%
EBITDA	**103.9**	**101.6**	**2.3**	**2.3%**
Gain on sale of investments and assets held for sale[1]	-4.9	-0.4	- 4.6	
Restructuring cost[2]	0.1	0.2	-0.0	
Other costs[2]	0.9		0.9	
Underlying EBITDA[3]	**100.1**	**101.4**	**- 1.3**	**-1.3%**
FX effect	0.3		0.3	
Underlying EBITDA at constant currencies[3]	**100.4**	**101.4**	**- 1.0**	**-1.0%**
Operating profit (EBIT)	75.9	74.0	1.9	2.6%

(1) 2018: Sale of agriculture activities to CZAV (NL) and supplementary payment on sale of a subsidiary (UK)
(2) See Note 27 of the financial statements.
(3) Underlying means excluding incidental items (see Note 27 of the financial statements regarding the Alternative Performance Measures (APMs)).
General remark: percentages are presented based on the rounded amounts in million euro. Additions may lead to slight differences due to roundings.

EBITDA increased in 2018 by 2.3% to €103.9 million, including a small (0.2%) negative currency translation effect due to the weaker pound sterling. The net contribution from acquisitions/divestments was 0.6% with like-for-like growth equalling 1.9%. EBITDA in 2018 included incidental items totalling €3.9 million. These were: 1) gains on the sale of the arable activities in the Netherlands (€4.5 million) and a small sale in the UK (€0.4 million) in the first half of 2018; 2) restructuring costs (€0.1 million) relating to the sales organisation in the UK, and 3) a compulsory addition (€0.9 million) to the pension provision in the UK following a generic UK court decision on equalisation of gender rights. In 2017, incidental items totalling a net gain of €0.2 million included a gain on sale of assets and restructuring costs.

Underlying EBITDA at constant currencies decreased by 1.0% to €100.4 million. The currency translation effect was €0.3 million and underlying EBITDA therefore €100.1 million. The net contribution of acquisitions/divestments was 0.6%. The like-for-like decline of 1.6% was the result of a YoY drop in underlying EBITDA in the Netherlands that could not be offset by higher results in Germany/Belgium and the UK. Underlying EBITDA increased (like-for-like) by 4.4% in the first half of 2018 and declined by 7.8% in the second half. This decline was mainly attributable to lower volumes in the dairy sector in the Netherlands (new phosphate regulation), the higher inbound logistics costs and the effect of the spike in raw material prices particularly in the Netherlands and Poland, as well as higher outbound logistics costs.

As a result the underlying EBITDA/gross profit ratio decreased to 22.6% in 2018 from 24.2% in 2017.

Net finance expenses were higher, mainly due to an increase of €2.2 million related to the accounting treatment of the option on the remaining 40% of the shares of Tasomix and the earn-out agreements relating to the acquisitions. These expenses are considered 'recurring incidental' items, due to the applied accounting principles, and are therefore not included in the underlying net profit used to calculate the dividend distribution. Interest expenses increased as a result of funding the acquisitions and other capital investments. Interest income from customers fell as more customers paid on time (excluding the customers of the acquired companies).

The contribution from the German joint venture HaBeMa, which is reported under **share of profit of equity-accounted investees** (net of tax), decreased by 25.2% to €2.9 million due to lower trans-shipment volumes.

The **effective tax rate** in 2018 was 21.3% (2017: 22.7%). The decline was mainly due to lower corporate income tax rates enacted for the years up to and including 2021 in the Netherlands (overall group effect of 1.7%). In addition, deferred tax assets relating to the net operating losses in Germany were recognised, leading to a positive overall group impact of 1.1%. Finally, some prior-year adjustments were booked.

Profit attributable to shareholders of the Company amounted to €58.6 million, which was equal to 2017 (€58.6 million). Net profit in 2018 included incidental items totalling €1.0 million, comprising the aforementioned items at EBITDA level as well as incidental impairment and interest items. Underlying profit attributable to shareholders of the Company consequently decreased YoY to €57.6 million, down €2.5 million (4.2%) compared to 2017 (€60.1 million).

Basic earnings per share increased by 3.6% to €0.58 in 2018 (2017: €0.56) despite the decline in net profit (including the aforementioned incidental items) as the average number of shares outstanding was lower in 2018 than in 2017. This was the result of the share buy-back programme that was executed in 2017 and 2018 and involved the repurchasing of 6,363,782 shares. Underlying basic earnings per share in 2018 arrived at €0.58, equal to the comparative result in 2017 (€0.58). Excluding the effect of the share buy-back programme, underlying basic earnings per share in 2018 would have declined to €0.56.

ForFarmers Group had 2,654 employees at 31 December 2018, presented in full-time equivalents (FTE's), a 14.2% rise compared to a year earlier (2,325). The acquisitions/divestments contributed 250 FTEs (net) to this increase. The like-for-like increase of 79 FTE's was mainly attributable to more drivers in the UK and the Netherlands, the reopening of the non-GMO[e] factory in the Netherlands and the strengthening of the sales force in Germany.

Summary consolidated statement of cash flows

In thousands of euro	2018	2017
Net cash from operating activities	82,095	116,335
Net cash used in investing activities	-113,997	-33,066
Net cash used in financing activities	-41,561	-80,176
Net increase/decrease in cash and cash equivalents	-73,463	3,093
Cash and cash equivalents at 1 January[1]	111,607	107,319
Effect of movements in exchange rates on cash held	305	1,195
Cash and cash equivalents as at 31 December[1]	**38,449**	**111,607**

(1) Net of short term bank overdrafts

Summary consolidated statement of financial position

In millions of euro	31 December 2018	31 December 2017
Total Assets	873.7	787.3
Equity	440.8	409.9
Solvency ratio[1]	**50.4%**	**52.1%**
Net working capital	**76.3**	**69.2**
- Current assets[2]	350.6	285.0
- Current liabilities[3]	277.2	215.8
Overdue receivables	18.7%	14.9%
Net Debt / (Cash)	**17.1**	**-67.1**

(1) Solvency ratio is equity divided by total assets.
(2) Current assets excluding cash and cash equivalents and assets held for sale.
(3) Current liabilities excluding bank overdrafts.

Capital structure

Group equity as at 31 December 2018 amounted to €440.8 million, €30.8 million higher than a year earlier. The 2018 result of €58.6 million was added to group equity, while the amount distributed in dividends (€30.5 million) and a net amount of €5.8 million relating mainly to the completion of the share buy-back programme (announced on 2 May 2017 and concluded on 23 February 2018) were subtracted. The positive impact of the other comprehensive income totalled €8.0 million net of tax and mainly comprised two elements: a reduction of the pension liability as a result of the positive change in relating interest rate assumptions in the United Kingdom (€9.9 million), partly offset by the negative currency translation effect (€1.9 million) relating to the investment in the United Kingdom and the acquisition financing for Tasomix in Poland.

The return on average capital employed (ROACE; underlying EBITDA divided by 12-month average capital employed) was 23.0% (2017: 24.3%). The ratio was negatively impacted by the increase in average capital employed linked to the valuation of the four acquisitions.
The return based on EBIT was 16.4% (2017: 18.2%).

The net balance of bank loans and borrowings (long and short-term) minus available cash and cash equivalents resulted in a net debt position of €17.1 million at end-2018 (end-2017: €67.1 million net cash position). This development was driven by the acquisitions made in 2018 (for a total amount of €81.0 million) and the share buy-back, dividend distribution and capital investments (totalling €80.1 million), which were partly compensated by the cash generation from operating activities (€82.1 million after tax).

Working capital increased by €7.1 million to €76.3 million at end-2018 (end-2017: €69.2 million). This was mainly attributable to the acquisitions, which added €30.4 million in working capital. Like-for-like, working capital improved by €23.3 million following further improvements in the procurement process and accounts receivable management. The percentage of overdue receivables was higher at end-2018 at 18.7% (end-2017: 14.9%) due to the impact of the acquired companies. The ForFarmers payment principles and accounts receivables management will be implemented at these acquired entities as part of the integration programme once the ForFarmers software applications are available.

In early 2017 ForFarmers announced its intention to increase capital investments to approximately €40 million to €45 million in both 2017 and 2018. Historically, capital investment amounted to approximately €25 million[f] per year, in line with depreciation. In 2018 capital investments in tangible and intangible assets equalled €45.9 million, 15.9% higher than in 2017 (€39.6 million). These included investments in a mill in the Netherlands for the dedicated production of non-GMO feed, and in the construction of a sustainable biomass plant in the Netherlands which is scheduled for opening in 2019 and will reduce the energy consumption of the adjacent factory.
Investments were also made in trucks, including in the UK, and in completing the new manufacturing plant in Exeter (UK).

Results and developments per Cluster

2018

In thousands of euro	The Netherlands	Germany / Belgium / Poland	United Kingdom	Group / eliminations	Consolidated
Total Feed volume (in tons)	4,549,412	2,568,790	2,902,796	-	10,020,998
Revenue	**1,152,819**	**665,256**	**662,231**	**-75,643**	**2,404,663**
Gross profit	**223,084**	**92,163**	**127,478**	**683**	**443,408**
Other operating income	4,905	59	443	1	5,408
Operating expenses incl depreciation & amortisation	-158,797	-78,388	-120,292	-15,407	-372,884
Underlying expenses incl depreciation & amortisation[1]	-159,366	-78,388	-119,239	-15,407	-372,400
EBITDA	**76,042**	**20,043**	**19,843**	**-12,008**	**103,920**
Underlying EBITDA[1]	**71,531**	**20,043**	**20,486**	**-12,008**	**100,052**
Depreciation and amortisation[2]	7,417	6,209	12,214	2,715	28,555
EBIT	**69,192**	**13,834**	**7,629**	**-14,723**	**75,932**
Underlying EBIT[1]	**64,114**	**13,834**	**8,272**	**-14,723**	**71,497**
Underlying EBITDA / Gross profit[1]	32.1%	21.7%	16.1%		22.6%
ROACE on underlying EBITDA[3]	**50.9%**	**15.6%**	**12.6%**		**23.0%**
ROACE on underlying EBIT[4]					16.4%

(1) Underlying means excluding incidental items (see Note 27 of the financial statements regarding the Alternative Performance Measures (APMs)).
(2) Excluding (reversal) impairment
(3) ROACE means underlying EBITDA divided by 12-month average capital employed; see Note 27 of the financial statements.
(4) ROACE underlying EBIT divided by 12-month average capital employed

2017

In thousands of euro	The Netherlands	Germany / Belgium	United Kingdom	Group / eliminations	Consolidated
Total Feed volume (in tons)[1]	4,421,548	2,228,171	2,906,659	-	9,556,378
Revenue[1]	**1,112,369**	**551,285**	**622,398**	**-67,392**	**2,218,660**
Gross profit[1]	**221,402**	**76,231**	**121,301**	**906**	**419,840**
Other operating income[1]	412	211	338	-	961
Operating expenses incl depreciation & amortisation	-153,890	-64,135	-116,290	-12,464	-346,779
Underlying expenses incl depreciation & amortisation[1]	-153,890	-63,975	-114,358	-12,464	-344,687
EBITDA[1]	**75,415**	**15,586**	**18,824**	**-8,176**	**101,649**
Underlying EBITDA[1]	**75,300**	**15,743**	**18,579**	**-8,176**	**101,446**
Depreciation and amortisation[3]	7,491	3,276	11,546	3,382	25,695
EBIT[4]	**67,924**	**12,307**	**5,349**	**-11,558**	**74,022**
Underlying EBIT[1]	**67,809**	**12,467**	**7,033**	**-11,558**	**75,751**
Underlying EBITDA / Gross profit[2]	34.0%	20.7%	15.3%		24.2%
ROACE on underlying EBITDA[4]	**49.1%**	**18.3%**	**10.5%**		**24.3%**
ROACE on underlying EBIT[5]					18.2%

(1) Prior year has been adjusted as a result of the shift of BE DML sales (NL to BE).
(2) Underlying means excluding incidental items (see Note 27 of the financial statements regarding the Alternative Performance Measures (APMs)).
(3) Excluding (reversal) impairment.
(4) ROACE means underlying EBITDA divided by 12-month average capital employed; see Note 27 of the financial statements.
(5) ROACE underlying EBIT divided by 12-month average capital employed.

General market developments

Average milk prices on the Continent were lower in 2018 than in 2017, although the five-year average is still at an acceptable level. Average milk prices in the United Kingdom were 2% higher than the year before.

Prices for pigs (finishers) were on average 12% lower than in 2017. The decline was most pronounced in Belgium, where pig prices dropped by 20% in the fourth quarter of 2018 as a result of import restrictions imposed by Asian countries following the outbreak of African swine fever among wild boars. Average prices for piglets were substantially lower (YoY) in the first three quarters of 2018 but recovered in the fourth quarter as the gap between supply and demand narrowed. This was due to fewer piglets being born in the exceptionally hot summer.

Up to the fourth quarter of 2018 poultry farmers producing broilers benefited from slightly higher average prices for their animals than in 2017, mainly on the back of stronger export demand. At the end of 2018 prices declined, however.

Prices of broilers and turkeys in Poland fluctuated more than in previous years, particularly in the second half of 2018. As a result farmers did not always immediately restock with young animals at the end of each breeding cycle.

Average egg prices declined in 2018 compared to the very high levels seen during 2017, when there was a shortage of eggs due to the fipronil case in a few European countries.

Cluster the Netherlands

In thousands of euro	2018	2017	Δ%
Total Feed volume (in tons)[1]	4,549,412	4,421,548	2.9%
Revenue[1]	**1,152,819**	**1,112,369**	**3.6%**
Gross profit[1]	**223,084**	**221,402**	**0.8%**
Other operating income[1]	4,905	412	1090.5%
Operating expenses incl depreciation & amortisation	-158,797	-153,890	3.2%
Underlying expenses incl depreciation & amortisation[1]	-159,366	-153,890	3.6%
EBITDA[1]	76,042	75,415	0.8%
Underlying EBITDA[1]	**71,531**	**75,300**	**-5.0%**
Depreciation and amortisation[3]	7,417	7,491	-1.0%
EBIT[1]	**69,192**	**67,924**	**1.9%**
Underlying EBIT[1]	**64,114**	**67,809**	**-5.4%**
Underlying EBITDA / Gross profit[2]	32.1%	34.0%	-5.6%
ROACE on underlying EBITDA[4]	**50.9%**	**49.1%**	**3.7%**

(1) Prior year has been adjusted as a result of the shift of BE DML sales (NL to BE).
(2) Underlying means excluding incidental items (see Note 27 of the financial statements regarding the Alternative Performance Measures (APMs)).
(3) Excluding (reversal of) impairment
(4) ROACE means underlying EBITDA divided by 12-month average capital employed; see Note 27 of the financial statements.

Market and sector developments

Dutch livestock farmers are under growing social pressure. An increasing number of measures and regulations are being imposed on the agricultural sector, for example aimed at reducing its carbon footprint. One result was that there were fewer dairy cows in 2018 than in 2017 when the phosphate reduction measures were introduced. Most dairy farmers also needed to invest in phosphate rights and were cautious about buying performance feed as they were uncertain whether the new phosphate legislation would limit their scope for milk production.

In the swine sector an outline agreement has been announced aimed at improving the living environment in the so-called livestock-rich areas. Generally referred to as the 'Warm restructuring of pig farming', the agreement focuses on restricting odour nuisance and limiting harmful emissions at pig farms. The restructuring will be on a voluntary basis and will be implemented over the coming years.

Developments in the poultry sector were mixed. In the aftermath of the fipronil case some layer farmers were still hampered in producing eggs during a part of 2018, as a result of which a number of them ceased their business activities. For broiler farmers 2018 started well, with prices starting to decline in the fourth quarter.

Results

Total Feed volume increased by 2.9% to 4.5 million tonnes, with almost all of the increase due to like-for-like growth. The net effect on Total Feed volume of the acquisitions of Maatman and Van Gorp Bio combined with the divestment of the arable activities was minimal, as most of the volumes for Maatman customers were already produced by ForFarmers.

Total Feed volume in the ruminant sector decreased, mainly due to the decline in the number of dairy cows.
In the swine sector, Total Feed volume increased. This was mainly on the back of higher liquid volumes following the strategic partnership formed with Baks at the beginning of 2018. Total Feed volume rose in the poultry sector, with the volume growth to broiler farmers being partly offset by slightly lower sales to layer farmers.
Compound feed volume declined, particularly in the ruminant and swine sectors.
Reudink, the biological (organic) feed company, realised volume growth in 2018, albeit less strong than in previous years.

Gross profit increased by €1.7 million (0.8%) to €223.1 million. In the first half year gross profit rose, among others, due to the positive impact of the effect of passing on higher energy and outbound logistics costs. In the second half year however, gross profit was negatively impacted by the volatility in raw material prices and higher inbound logistics costs. Gross profit was furthermore negatively impacted by lower compound feed volumes and positively impacted by the higher contributions from strategic partnerships and by the improved product mix including more specialties.

Other operating income was higher, predominantly due to a €4.5 million gain from the divestment of the arable activities in February 2018.

Operating expenses increased by 3.2%. Besides higher energy and outbound logistics costs, the operating costs of the newly reopened non-GMO factory added to the operating expenses. The expenses were somewhat offset by a release from the allowance for bad debts and the one-off reversal of the impairment for the non-GMO factory. Overhead cost allocation was €0.5 million lower than in 2017.

Excluding incidental items amounting to €5.1 million (i.e. gain on sale of arable activities and reversal of impairment for factory), underlying EBITDA was €71.5 million, which is 5.0% lower than in 2017. Consequently, the underlying EBITDA/gross profit ratio decreased to 32.1% (2017: 34.0%).

ROACE (based on underlying EBITDA) increased to 51.0% in 2018 (2017: 49.1%). Capital employed decreased because the reduction in working capital was greater than the increase in tangible fixed assets. Working capital declined due to higher accounts payable.

Cluster Germany / Belgium / Poland

In thousands of euro	2018	2017	Δ%
Total Feed volume (in tons)[1]	2,568,790	2,228,171	15.3%
Revenue[1]	**665,256**	**551,285**	**20.7%**
Gross profit[1]	**92,163**	**76,231**	**20.9%**
Other operating income[1]	59	211	-72.0%
Operating expenses incl depreciation & amortisation	-78,388	-64,135	22.2%
Underlying expenses incl depreciation & amortisation[1]	-78,388	-63,975	22.5%
EBITDA[1]	20,043	15,586	28.6%
Underlying EBITDA[1]	**20,043**	**15,743**	**27.3%**
Depreciation and amortisation	6,209	3,276	89.5%
EBIT[1]	**13,834**	**12,307**	**12.4%**
Underlying EBIT[1]	**13,834**	**12,467**	**11.0%**
Underlying EBITDA / Gross profit[2]	21.7%	20.7%	4.8%
ROACE on underlying EBITDA[3]	**15.6%**	**18.3%**	**-14.7%**

(1) Prior year has been adjusted as a result of the shift of BE DML sales (NL to BE).
(2) Underlying means excluding incidental items (see Note 27 of the financial statements regarding the Alternative Performance Measures (APMs)).
(3) ROACE means underlying EBITDA divided by 12-month average capital employed; see Note 27 of the financial statements.

Market and sector developments

There is a noticeable increase in public interest in environmental protection measures and animal welfare in Germany. This means extra costs for livestock farmers (in all sectors). Consumer demand for non-GMO products, and therefore demand for non-GMO feed, continues to increase in Germany.

The detection of African swine fever among wild boars in Belgium negatively impacted pig prices and is concerning for the swine sector. Aside from this, there is increasing consumer focus on both quality and provenance of foodstuffs in Belgium and hence growing attention for restricting the use of antibiotics in feed. ForFarmers is actively involved in advising farmers on this topic.

As in Germany, there is growing discussion in Poland about the use of genetically modified soya. In addition the Polish government is putting more pressure on feed manufacturers to source local raw materials.
The Polish poultry sector in particular showed renewed growth, with increased exports to Western European countries. Furthermore, several international and Polish processors have recently expanded their capacity in Poland.

Results

Total Feed volume in the cluster Germany/Belgium/Poland increased by 15.3% (to 2.6 million tonnes) of which the majority was attributable to acquisitions (Tasomix and Voeders Algoet).
Like-for-like growth of Total Feed volume was driven by higher sales of DML products.

The overall growth percentage for compound feed was higher than for Total Feed, specifically driven by the acquisitions. On a like-for-like basis growth of Total Feed was higher than of compound feed.

Higher Total Feed volumes sold to ruminant farmers were mainly the result of a gain in market share in the dairy sector, partly offset by a volume decline in the beef sector in Belgium. More volume was also sold to pig farmers, primarily in Germany. This growth was underpinned by contracts with several purchasing groups, despite the structural reduction in the pig herd and the new phosphate regulations. The increase in Total Feed volume in the poultry sector was primarily attributable to Tasomix. In addition ForFarmers attracted new customers in Belgium and Germany in both the broilers segment and in the layer sector.

Gross profit increased by €15.9 million (+20.9%). The rise was attributable to the acquisitions, the like-for-like increase in volume and a better product mix with more specialties and despite the higher inbound logistic costs due to the low river levels. Gross profit at Tasomix was negatively impacted by the inability to pass on the sudden rise in raw material prices to customers.

Total operating expenses increased by €14.3 million (+22.2%). The main reason for the rise was the acquisition of Tasomix and Voeders Algoet, in the third and fourth quarter of 2018, respectively. Furthermore, manufacturing and outbound logistics costs rose as a result of larger volumes. The rise in operating expenses also included operating costs of the newly opened factory in Pionki (Poland) in the second half of the year. In addition while there was a release from the allowance for bad debt in 2017 there was no addition/release in 2018, and the investments made to strengthen the organisation (especially sales) were only partly offset by operational savings. The allocated overhead costs were €1.3 million higher than in 2017.

Underlying EBITDA increased by €4.3 million to €20.0 million (+27.3%). EBITDA did not include any incidental items. The increase was mainly driven by the contribution of the acquisitions but there was also a healthy like-for-like improvement.

The underlying EBITDA/gross profit ratio increased to 21.7% (2017: 20.7%).
ROACE (based on underlying EBITDA) decreased from 18.3% in 2017 to 15.6% in 2018 due to the impact of the acquisitions. The newly constructed Tasomix factory in Pionki was opened in the second half of 2018 and as a result capacity utilisation is still limited; this has a negative impact on ROACE. Capacity utilisation has been increasing month on month as planned. In addition, working capital in Germany increased as a result of higher inventories against higher purchase prices

Cluster the United Kingdom

In thousands of euro	2018	2017	Δ%
Total Feed volume (in tons)	2,902,796	2,906,659	-0.1%
Revenue	**662,231**	**622,398**	**6.4%**
Gross profit	**127,478**	**121,301**	**5.1%**
Other operating income	443	338	31.1%
Operating expenses incl depreciation & amortisation	-120,292	-116,290	3.4%
Underlying expenses incl depreciation & amortisation[1]	-119,239	-114,358	4.3%
EBITDA	19,843	18,824	5.4%
Underlying EBITDA[1]	**20,486**	**18,579**	**10.3%**
Depreciation and amortisation[2]	12,214	11,546	5.8%
EBIT	**7,629**	**5,349**	**42.6%**
Underlying EBIT[1]	**8,272**	**7,033**	**17.6%**
Underlying EBITDA / Gross profit[1]	16.1%	15.3%	5.2%
ROACE on underlying EBITDA[3]	**12.6%**	**10.5%**	**19.5%**

(1) Underlying means excluding incidental items (see Note 27 of the financial statements regarding the Alternative Performance Measures (APMs)).
(2) Excluding (reversal of) impairment
(3) ROACE means underlying EBITDA divided by 12-month average capital employed; see Note 27 of the financial statements.

Market and sector developments

Rising milk prices and weather conditions – a cold spring and a hot and dry summer – led to higher demand for both compound feeds and straights in the ruminant sector. Despite the potential growth opportunity for pig farmers to improve the self-sufficiency ratio in the UK through herd expansion, the swine sector remained stable due to competitively priced continental pig meat imports and Brexit uncertainty. Consolidation of larger players continued to take place in this sector, impacting on market dynamics. Consumer demand for poultry products is growing, fuelling growth of this sector.

Results

Total Feed volume in the United Kingdom cluster remained stable (-0.1%) at 2.9 million tonnes. This included the net effect of a small acquisition in May 2017 and a slight like-for-like decline.
Total Feed volumes in the UK declined in the first six months (-1.8% YoY) but grew in the second half of the year (+1.6% YoY).

Compound feed volume rose, driven by higher demand in the dairy, beef and sheep sectors in particular. This was due to the dry summer and the resulting shortage of forage home-grown by farmers. Volumes in the swine sector decreased due to the margin improvement stance taken with the larger producers. Volumes in DML reduced due to discontinuing some loss-making activities. Total Feed volumes in the poultry sector grew following the successful introduction of the new Apollo programme.

Gross profit rose by €6.2 million (5.1%) with the increase being partly due to an improved product mix including more compound feed products and a higher contribution from strategic partners. As a result of the enhanced product proposition to larger pig farmers, gross profit in this sector improved.

Operating expenses increased by €4.0 million (3.4%). Besides the higher energy and fuel prices, outbound logistics costs increased due to training of new drivers. Extra expenses were made to improve the delivery service levels. They are now at a high level. The increase in operating expenses also included an incidental net amount of €1.1 million relating to pension equalisation following a generic UK court ruling and redundancy costs. The allocated overhead costs from the group increased by €0.5 million which were more than offset by lower local overhead costs.

Depreciation and amortisation costs were €0.7 million higher than in 2017 (excluding the incidental impairment of €1.9 million in 2017 relating to one of the factories), mainly driven by the switch from leased to owned trucks and the full-year effect of the depreciation of the Exeter mill.

Underlying EBITDA increased by 10.3% to €20.5 million. The underlying EBITDA/gross profit ratio increased to 16.1% from 15.3% in 2017.

ROACE (based on underlying EBITDA) increased to 12.6% in 2018 (2017: 10.5%) thanks to the higher EBITDA and despite a rise in average capital employed. Capital employed increased due to the increase in fixed assets, which was larger than the improvement in working capital.

Progress of the UK business transformation project

The merger of the ruminant sales teams to create a single commercial organisation was completed and work is ongoing to build a clear market proposition. In addition, two trading desks were merged into a single Total Feed support desk. Steps to reduce supply chain costs were delayed due to the need to focus on improving the reliability of customer deliveries first. Steps have been taken to upgrade a number of mills and to rationalise the manufacturing footprint.

Central and support expenses

In thousands of euro	2018	2017	Δ%
Gross profit	**683**	**906**	**-24.6%**
Other operating income	1	-	
Operating expenses incl depreciation & amortisation	-15,407	-12,464	23.6%
Underlying expenses incl depreciation & amortisation[1]	-15,407	-12,464	23.6%
EBITDA	-12,008	-8,176	46.9%
Underlying EBITDA[1]	**-12,008**	**-8,176**	**46.9%**
Depreciation and amortisation[2]	2,715	3,382	-19.7%
EBIT	**-14,723**	**-11,558**	**27.4%**
Underlying EBIT[1]	**-14,723**	**-11,558**	**27.4%**

(1) Underlying means excluding incidental items (see Note 27 of the financial statements regarding the Alternative Performance Measures (APMs)).
(2) Excluding (reversal of) impairment

Central operating expenses (after allocation of overhead expenses to the operational clusters) increased by €2.9 million in 2018. The allocation of overhead expenses to the operating clusters was €1.3 million higher than in 2017. Before allocation to the operating clusters and excluding the increase in M&A costs (€2.3 million), central and support expenses increased by €1.9 million, mainly following further enhancement of the IT department to support the growth of the business and additional costs associated with nutritional innovation activities.

Dividend proposal

ForFarmers aims to distribute dividend, taking into consideration long-term value creation and a healthy financial structure to execute its strategy. The dividend policy of ForFarmers is to pay out between 40% and 50% of the underlying net result attributable to shareholders[9]. In 2018 this amounted to €57.6 million.
Based on the healthy financial position of the Company, a pay-out ratio of 50% is proposed, which equates to a proposed dividend of €0.283 per ordinary share (based on 100.2 million ordinary shares outstanding) and a special dividend of € 0.017 per ordinary share which is equal to 50% of the net proceeds of the sale of the arable activities in the Netherlands. This would put the total dividend per ordinary share at € 0.30 (2017: €0.30).
The annual accounts will be submitted for adoption at the Annual General Meeting on 26 April 2019. The dividend is payable on 9 May 2019.

Outlook for 2019

Market trends

Global demand for animal protein continues to increase on the back of a growing world population and increasing prosperity. Consumption of animal protein is virtually stable in Europe, where the agricultural sector is coming under growing social pressure. Increasing regulatory obligations are leading to extra investments and consequently to consolidation among farming businesses, which in its turn results in changing client needs and requirements. While interest in alternative protein sources is growing noticeably, studies show that the average per capita consumption of animal proteins has not been declining in Europe.

The long-term global prospect for the ruminant sector remains positive. As domestic consumption in Europe is stabilising, production volumes need to be directed more to export. Consumers in Europe are increasingly interested in quality, provenance and organic food and in some countries in non-GMO foodstuffs. In light of this ForFarmers has reopened a mill in the Netherlands fully dedicated to manufacturing non-GMO feed. It is expected that the dairy herd in the Netherlands will grow again in the first half of 2019 as Dutch dairy farmers gain more insight into the impact of the phosphate legislation on their milk production volumes.
Global demand for pig meat is still growing, but European consumption of pig meat is slowly declining. The swine herd in the Netherlands and in Germany is declining. There is, however, an increasing interest in Europe in locally produced concepts with specific claims such as animal welfare, leading to more virtual integration to ensure quality and enable transparency on provenance. This is still from a low base. The export of European pig meat to China could be positively impacted by the global tensions

surrounding import tariffs. Pig herds in China are still declining following an outbreak of African swine fever, which may create an additional export opportunity for Western European farmers. However, this animal disease, which does not pose a health threat to humans, has also been detected in Eastern Europe and also among wild boars in Belgium. This is a concern for the EU pig sector.
Consumers are increasingly turning to chicken meat and eggs as a price-friendly alternative to other protein types. In northwest Europe local demand is growing for animal welfare concepts (e.g. free range and organic). In addition, conventional production for export purposes continues to grow.
New slaughter capacity will come on stream in Poland in the coming years, which is expected to lead to greater demand for compound feed. With its new factory in Pionki ForFarmers has capacity available to meet growing demand.

Brexit

The outcome of the ongoing Brexit negotiations remains uncertain. ForFarmers expects that pig farmers in the UK will expand their herds in due course, once the uncertainties about the impact of Brexit disappear. There is an opportunity for them as the UK is not self-sufficient in pig meat.

Operational and financial outlook

In 2019 ForFarmers will focus on integrating the four acquisitions made in 2018 to realise synergies. In addition, attention will be devoted in Poland to further commercially deploy the capacity of new factory in Pionki.

2019 first-half underlying EBITDA is expected to show a strong decline compared to the first half of 2018 due to current purchasing positions in combination with the focus on sustaining market share.

Efficiency plans 2019-2020

ForFarmers aims to grow its volume and gross profit more than its cost base. In light of the above, ForFarmers plans to have saved €10 million costs in 2021 (compared to the cost level in 2018), through optimisation of the group factory footprint and other efficiency projects in various parts of the organisation. The existing UK supply chain rationalisation plans are included in these plans, such as the recently announced closing of the Blandford site. The efficiency plans will affect all countries excluding Poland and involve a reduction of 125–150 FTEs (approx. 5 to 6% of FTEs) during the coming two years through natural attrition and redundancies. These plans will lead to incidental costs.

Capital expenditure and investments

ForFarmers continues to invest in One ForFarmers initiatives, such as systems and process optimisation. The Company plans to invest approximately €50 million in 2019 (2018: €45 million).
The focus on further optimising working capital will be sustained. ForFarmers will also continue to pursue acquisitions in the existing five countries as well as in new countries in Europe and adjoining regions (Europe +).

Impact new IFRS 16 standard

The impact of the application of the new accounting standard IFRS 16 as of 1 January 2019 and based on contracts as of that date is expected to result in an increase of EBITDA by approximately €5.0 million, an almost stable EBIT and a decline of profit before tax by approximately €0.5 million. Per the same date total assets will increase by approximately €25.0 million.

Share buy-back plan

ForFarmers generates substantial cash flow and has additional financial headroom in the form of an existing credit facility. ForFarmers wants to have the flexibility to continue to continue to make relevant acquisitions in the coming years but also aims to make its balance sheet more efficient. Accordingly, ForFarmers proposes to make part of its financial position available to shareholders via a share buy-back programme. The proposal is to initiate a limited share buy-back programme amounting to €30 million. The General Meeting of Shareholders will be asked to authorise this share buy-back programme, next to the annual requested buy-back mandate for employee participation plans. The share buy-back programme will start after the publication of the Q1 2019 trading update and conclude no later than October 2020.

Guidance

ForFarmers reiterates its guidance for *the medium term of an average annual increase* in underlying EBITDA in the mid-single digits at constant currencies, excluding the impact of significant acquisitions and barring unforeseen circumstances.

Subsequent events

In February 2019, ForFarmers UK announced its intention to close its site in Blandford. The plan is to relocate the production of conventional feed volume to the newly constructed Exeter mill and that of organic feed to Portbury. The intended closing of Blandford impacts approximately 30 employees.

On 12 March 2019, the Supervisory Board decided to propose to the Annual General Meeting of Shareholders on 26 April 2019 to nominate Adrie van der Ven for appointment as member of the Executive Board of ForFarmers N.V.

Other

Responsibility statement

Pursuant to section 5:25d, paragraph 2(c), of the Dutch Financial Supervision Act (Wet op het financieel toezicht (Wft)), the Board of Directors state that to the best of their knowledge the 2018 financial report, which comprise the Company and its subsidiaries (jointly 'the Group' or 'ForFarmers') and the Group's interest in its joint venture, give a true and fair view of the condensed consolidated statement of financial position, the condensed consolidated statement of profit or loss, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity, the condensed consolidated statement of cash flows and the notes to the condensed consolidated financial statements.

This press release contains inside information within the meaning of Article 7 (1) of the EU Market Abuse Regulation.

As required by the Dutch Financial Supervision Act (Wet op het financieel toezicht) ForFarmers N.V. discloses that its home member state is the Netherlands.

Lochem, 12 March 2019

Executive Board ForFarmers N.V.
Yoram Knoop, CEO
Arnout Traas, CFO
Jan Potijk, COO

[a]Comparisons are versus 2017
[b]mT means million tonnes
[c]Outbound logistic costs comprise both ForFarmers' own transport costs and third-party freight costs
[d]Total Feed covers the entire ForFarmers product portfolio and comprises compound feed, specialties, co-products (including DML products), seeds and other products (such as forage).
[e]Non-GMO stands for non-genetically modified organisms
[f]Capex level prior to the acquisitions made since 2016.
[g]Underlying net result attributable to shareholders is the net result attributable to shareholders of the Company excluding incidental items. ForFarmers considers this to be one of its alternative performance measures (APMs), see note 27 to the financial statements.

Audio webcast

Messrs Yoram Knoop (CEO), Arnout Traas (CFO) and Jan Potijk (COO) will present the ForFarmers 2018 annual results today from 10.00 – 11.00 am. This can be followed via an audio webcast (in English). To listen to the live audio webcast, you can log on via the corporate website www.forfarmersgroup.eu. You can also download the presentation slides via the corporate website. The audio webcast will be available on the website afterwards.

For additional information:

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Company profile

ForFarmers N.V. is an international organisation that offers complete and innovative feed solutions for livestock farming. With its "For the Future of Farming" mission, ForFarmers is committed to the continuity of farming and further sustainalising the agricultural sector.

ForFarmers is the market leader in Europe with annual sales of approximately 10 million tonnes of animal feed. The organisation is operating in the Netherlands, Germany, Belgium, Poland and the United Kingdom. In 2018, ForFarmers has approximately 2,700 employees. In 2018, the turnover amounted to over € 2.4 billion. ForFarmers N.V. is listed on Euronext Amsterdam.

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Notifications and disclaimer

REPORTING STANDARDS

PUBLICATION 2018 ANNUAL REPORT

The 2018 annual report (incl. financial statements) will be available from 13 March 2019 on the ForFarmers website (www.forfarmersgroup.eu).

REPORTING STANDARDS

The results in this press release are derived from the ForFarmers 2018 audited financial statements. The financial statements 2018 and the derived numbers is this press release have been drawn up in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU.

SUPERVISION

In view of the fact that shares are freely tradable on EURONEXT Amsterdam, ForFarmers operates under the supervision of the Financial Markets Authority (AFM) and the company acts in accordance with the prevailing regulations for share-issuing companies.

Important dates

Financial calendar

29-03-2019	Registration date General Meeting of Shareholders
26-04-2019	General Meeting of Shareholders
30-04-2019	Ex-dividend listing
02-05-2019	Registration date for those entitled to a dividend
02-05-2019	Q1 2019 Trading update
09-05-2019	Dividend payment
15-08-2019	Publication of half-year results 2019
31-10-2019	Q3 2019 Trading update
12-03-2020	Publication annual results and annual report 2019
24-04-2020	General Meeting of Shareholders

FORWARD-LOOKING STATEMENTS

This press release contains forward-looking statements, including those relating to ForFarmers legal obligations in terms of capital and liquidity positions in certain specified scenarios. In addition, forward-looking statements, without limitation, may include such phrases as "intends to", "expects", "takes into account", "is aimed at", ''plans to", "estimated" and words with a similar meaning. These statements pertain to or may affect matters in the future, such as ForFarmers future financial results, business plans and current strategies. Forward-looking statements are subject to a number of risks and uncertainties, which may mean that there could be material differences between actual results and performance and expected future results or performances that are implicitly or explicitly included in the forward-looking statements. Factors that may result in variations on the current expectations or may contribute to the same include but are not limited to: developments in legislation, technology, jurisprudence and regulations, share price fluctuations, legal procedures, investigations by regulatory bodies, the competitive landscape and general economic conditions. These and other factors, risks and uncertainties that may affect any forward-looking statements or the actual results of ForFarmers, are discussed in the last published annual report. The forward-looking statements in this press release are only statements as of the date of this document and ForFarmers accepts no obligation or responsibility with respect to any changes made to the forward-looking statements contained in this document, regardless of whether these pertain to new information, future events or otherwise, unless ForFarmers is legally obliged to do so.