

## PRESS RELEASE

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*Potato breeder HZPC publishes results and dividends for the 2017/2018 financial year*

### Increased sales, yet reduced profits for HZPC

During its meeting of shareholders on 4th October 2018, world leader in potato breeding, HZPC, announced that its consolidated net turnover for the 2017/2018 financial year was €300 million and thus slightly lower than the previous year. Once again, HZPC Holding enjoyed growth in terms of the overall volume of seed potatoes sold (including under licence): up from 797,000 tons the previous year to 816,000 tons this year. The gross margin was € 55 million (compared to € 59 million in the previous year) and net income decreased from € 8.5 million to € 4.7 million. The dividend on HZPC certificates is set at €4.

#### Retrospective and future perspective

Gerard Backx, CEO from HZPC Holding: 'We had forecast a lower margin in the 2017/2018 financial year than in our previous record year. Yet, 2017/18 was still a good year for HZPC, even if it didn't quite live up to last year. In comparison to our record-breaking previous year, demand for seed potatoes was significantly reduced, primarily due to lower ware potato prices in Europe. We nevertheless succeeded in maintaining our company's market share on this key continent.

Across the world, circumstances differed and there were substantial developments. America, for example, experienced strong prices last year. In contrast, prices in countries such as India were at an extremely low level. Despite this, HZPC succeeded in selling a slightly higher volume of seed potatoes worldwide than in the previous year. Indeed, sales in Russia even doubled over the past year. HZPC is focusing on the long term and has continued to invest in breeding varieties, markets and product development.

HZPC is cautious about the 2018/2019 financial year. The dry 2018 summer in Europe resulted in a significantly reduced harvest, with lower profit forecasts as a result.'

<i>x 1 million euros</i>	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
Cons. Total operating income	285,366	244,731	290,855	318,168	303,393
Gross margin	47,538	41,295	48,091	58,963	55,267
EBIT	10,957	5,153	8,939	11,771	7,460
Net result	9,199	4,494	6,998	8,477	4,706

### **Dividend return**

On 4th October 2018, the shareholder (HZPC Association) and HZPC's Supervisory Board discussed and approved the annual accounts and an amount of €3.1 million was made available for the payment of dividends. This results in a dividend of €4 per share certificate and equates to a dividend return of 2% for a certificate rate of €200 (May 2018). The next share trading day on which the rate will be reset is 2nd November 2018.

### **About HZPC**

HZPC is the innovative world leader in potato breeding and the seed potato trade. HZPC breeders develop potato varieties that are optimally aligned to local growing conditions. Local potato growers can harness HZPC varieties to dynamically capitalise on the needs within their market and market segments, such as the processing industry, the supermarket channel and the fresh products market.

HZPC boasts over 370 employees in more than 19 countries and is largely owned by its 800 international seed (potato) growers and employees. HZPC varieties and seed potatoes enable potato growers worldwide to achieve healthy and sustainable growth that respects both people and the planet.

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### **Note for the editor**

HZPC will publish its digital annual report via the website on 5th October 2018. An English version will be available medio October.

### **For questions or further information:**

HZPC Holding B.V.

Gerard Backx

E: [info@hzpc.nl](mailto:info@hzpc.nl)

T: +31 (513) 48 98 88

Naomi de Boer

E: [naomi.deboer@hzpc.com](mailto:naomi.deboer@hzpc.com)

T: +31 6 28 15 32 39