

## Origin Enterprises plc

### PRELIMINARY RESULTS STATEMENT

*FY21 delivers adjusted earnings per share growth of 38.2% to 35.50c  
Strong cash generation reduces net bank debt<sup>4</sup> to €14.4 million*

**Dublin, London, 29 September 2021:** Origin Enterprises plc ('Origin' or 'the Group'), the international Agri-Services group, providing specialist agronomy advice, crop inputs and digital agricultural solutions to farmers, growers, landscapers and amenity professionals, today announces its full year results for the year ended 31 July 2021.

#### Performance Highlights

- Group revenue increase of 4.4% to €1,658.4 million, 6.6% on an underlying basis
- Operating profit<sup>1</sup> of €61.0 million, an increase of 38.3%, 42.1% on an underlying basis
- Group operating margin of 3.7% (2020: 2.8%)
- Adjusted diluted earnings per share<sup>3</sup> of 35.50 cent
- Strong cash generation with free cash flow of €49.2 million (2020: €64.3 million)
- Net bank debt<sup>4</sup> reduced to €14.4 million (2020: €53.2 million)
- Working capital outflow of €4.0 million (2020: Inflow of €30.3 million)
- Proposed final dividend of 7.85 cent per share giving total dividend of 11.00 cent
- Substantial recovery in Ireland/UK operating segment together with continued underlying growth in CE and LATAM operations
- Divestment of Pillaert, the Group's Belgian fertiliser business for €15.5 million
- Acquisition of Green-tech, the UK's leading landscape, forestry and grounds maintenance equipment provider
- Extension post year end of Group's banking facilities to 2025 with pricing linked to ESG performance

#### Results Summary

	2021	2020	Change	Constant
	€'000	€'000	%	Currency
				%
<b>Group revenue</b>	1,658,367	1,589,142	4.4%	7.2%
Operating profit <sup>1</sup>	61,007	44,099	38.3%	44.2%
Associates and joint venture <sup>2</sup>	2,841	6,154	(53.8%)	(53.6%)
<b>Total group operating profit<sup>1</sup></b>	<b>63,848</b>	<b>50,253</b>	<b>27.1%</b>	<b>32.2%</b>
Finance expense, net	(8,552)	(11,250)	(24.0%)	(23.2%)
<b>Profit before tax<sup>1</sup></b>	<b>55,296</b>	<b>39,003</b>	<b>41.8%</b>	<b>48.0%</b>
Basic EPS (cent)	30.44	15.81	92.5%	93.4%
<b>Adjusted diluted EPS (cent)<sup>3</sup></b>	<b>35.50c</b>	<b>25.69c</b>	<b>38.2%</b>	<b>44.6%</b>
Return on capital employed	9.3%	7.3%	200bps	
<b>Group net bank debt<sup>4</sup></b>	<b>(14,406)</b>	<b>(53,213)</b>	<b>38,807</b>	
<b>Operating margin<sup>1</sup></b>	<b>3.7%</b>	<b>2.8%</b>	<b>90bps</b>	
Free cash flow	49,168	64,288	(15,120)	
<b>Dividend per ordinary share (cent)</b>	<b>11.00c</b>	<b>3.15c</b>	<b>7.85c</b>	

<sup>1</sup> Before amortisation of non-ERP intangible assets and exceptional items

<sup>2</sup> Profit after interest and tax before exceptional items

<sup>3</sup> Before amortisation of non-ERP intangible assets, net of related deferred tax (2021: €8.6m, 2020: €7.7m) and exceptional items, net of tax (2021: credit of €1.2m, 2020: expense of €5.2m)

<sup>4</sup> Group net bank debt before impact of IFRS 16 Leases

**Commenting on the results, Origin's Chief Executive Officer, Sean Coyle said:**

"FY21 saw a much-improved performance for the Group, compared to a challenging FY20 impacted by extreme weather and the onset of the COVID-19 pandemic. Although we experienced a delayed season in FY21 following prolonged cold weather in spring, more favourable conditions in the fourth quarter resulted in increased demand for agronomy services, crop inputs and amenity products.

The Group delivered a solid earnings recovery with adjusted diluted EPS growth of 44.6% over the prior year on a constant currency basis. This recovery in earnings was primarily driven by increased volumes and improved margins in Ireland and the UK. Group operating profit increased by 38.3% to €61.0 million. Return on capital employed in FY21 was 9.3%, an improvement of 200bps on FY20, driven by the improved earnings performance. Group revenue, including crop marketing revenue, increased by 4.4% to €1,658.4 million on a reported basis and was ahead on a constant currency basis by 7.2%.

The Group continues to focus on improving cash performance and delivered strong free cash flow of €49.2 million despite a modest working capital outflow of €4.0 million. Net bank debt at year end fell to €14.4 million, representing a Debt: EBITDA ratio of 0.13X. The recovery in performance during FY21 allowed us to resume dividend payments. Following an interim dividend of 3.15 cent paid to shareholders in April 2021, the Directors are proposing a final dividend of 7.85 cent for approval at the Annual General Meeting in November 2021, bringing the total dividend payment per share to 11.00 cent.

The Group continues to focus on strategic opportunities that complement our existing market positions and enhance our product capabilities through a combination of organic and acquisition growth. During the year the Group acquired Greentech Limited, the UK's leading manufacturer and distributor of landscaping, forestry and ground maintenance equipment. We are delighted to welcome the Green-tech team to the Origin Group. The business is integrating well and performing in line with expectations. Green-tech is an excellent strategic fit for Origin and enhances the offering of our amenity businesses while offering potential in the area of environmental land management and biodiversity enhancement for the Group's agri-focused businesses. The Group also disposed of its Belgian fertiliser business during the year as it became clear that opportunities for consolidation did not exist in that market.

Sustainability and responsible practices are core to our strategy and we will soon publish our inaugural stand-alone Sustainability Report – 'Nurturing Growth'. This report will detail our ESG performance and outline our vision to be the trusted partner of choice across our value chain. In addition, consistent with our focus on ESG, our banking facilities, recently extended to 2025, now have pricing linked to our ESG performance.

While the business recovered from a very challenging trading environment in FY20, COVID-19 continued to present operational challenges for the business in FY21. However, as a result of the collective efforts of all our people and the resilience of our business model, we continued to serve our customers, delivering revenue and operating profit growth together with strong operating cash flow. Although we have encountered minimal supply chain challenges to date, we continue to monitor the COVID-led global supply challenges being experienced. Through continued disciplined capital deployment and the strength and experience of the leadership team in place, combined with our scalable and diversified market positions, I am confident we will progress our growth ambitions successfully in FY22 and beyond."

ENDS

The preliminary results statement is available on the company website [www.originenterprises.com](http://www.originenterprises.com). There will be a live conference call at 8.30am (UK/Ireland time) today. To listen to this conference call, please dial the number below. Participants are requested to dial in 5 to 10 minutes prior to the scheduled start time.

### Conference Call:

Confirmation Code: 8438869

Participant access number:

Dublin: Tel: +353 (0)1 5060650  
UK/International: Tel: +44 (0)844 481 9752

### Replay:

A replay of this call will be available for seven days.

Replay Access Code: 8438869

Replay Access Numbers:

Dublin: Tel: +353 (0)1 553 8777  
UK/International: Tel: +44 (0)844 571 8951

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## About Origin Enterprises plc

Origin Enterprises plc is an international Agri-Services group, providing specialist agronomy advice, crop inputs and digital agricultural solutions to farmers, growers, landscapers and amenity professionals. The Group has leading market positions in Ireland, the United Kingdom, Brazil, Poland, Romania and Ukraine. Origin is listed on the Euronext Growth (Dublin) and AIM markets of the Irish and London Stock Exchanges.

Euronext Growth (Dublin) ticker symbol:

OIZ

AIM ticker symbol:

OGN

Website:

[www.originenterprises.com](http://www.originenterprises.com)

## Financial Review - Summary

	2021 €'000	2020 €'000
Group revenue	<u>1,658,367</u>	<u>1,589,142</u>
Operating profit <sup>1</sup>	61,007	44,099
Associates and joint venture, net <sup>2</sup>	<u>2,841</u>	<u>6,154</u>
<b>Group operating profit<sup>1</sup></b>	<b>63,848</b>	<b>50,253</b>
Finance costs, net	<u>(8,552)</u>	<u>(11,250)</u>
<b>Profit before tax<sup>1</sup></b>	<b>55,296</b>	<b>39,003</b>
Income tax	<u>(9,657)</u>	<u>(6,157)</u>
<b>Adjusted net profit</b>	<b><u>45,639</u></b>	<b><u>32,846</u></b>
<b>Adjusted diluted EPS (cent)<sup>3</sup></b>	<b>35.50c</b>	<b>25.69c</b>
<b>Adjusted net profit reconciliation</b>		
Reported net profit	38,232	19,859
Amortisation of non-ERP intangible assets	8,577	9,381
Tax on amortisation of non-ERP related intangible assets	55	(1,638)
Exceptional items (net of tax)	<u>(1,225)</u>	<u>5,244</u>
<b>Adjusted net profit</b>	<b><u>45,639</u></b>	<b><u>32,846</u></b>
<b>Adjusted diluted EPS (cent)<sup>3</sup></b>	<b>35.50c</b>	<b>25.69c</b>
<b>Operating margin<sup>1</sup></b>	<b>3.7%</b>	<b>2.8%</b>
<b>Return on capital employed</b>	<b>9.3%</b>	<b>7.3%</b>
<b>Free cash flow</b>	<b>€49.2m</b>	<b>€64.3m</b>

Adjusted diluted earnings per share<sup>3</sup> increased by 38.2% to 35.50 cent. On a constant currency basis, adjusted diluted earnings per share increased by 44.6% when compared to the prior year.

### Group revenue

Group revenue increased by 4.4% from €1,589.1 million in the prior year to €1,658.4 million. On an underlying basis revenue increased by 6.6% driven by increased demand for fertiliser, crop protection and seed, and global price movements in fertiliser.

The underlying increase in agronomy services and crop input volumes, excluding crop marketing volumes, was 4.9% for FY21.

### Operating profit<sup>1</sup>

Operating profit<sup>1</sup> increased by 38.3% to €61.0 million compared to €44.1 million in the previous year. On an underlying basis, operating profit<sup>1</sup> increased by €18.6 million (42.1%), primarily driven by recovering volumes and margins in Ireland and the UK.

Group operating margin increased from 2.8% to 3.7% in FY21. This was principally driven by the Ireland and UK segment, which saw its operating margin increase from 2.4% in FY20 to 3.7% in FY21.

## Associates and joint venture<sup>2</sup>

Origin's share of the profit after taxation from associates and joint venture amounted to €2.8 million in the period (2020: €6.2 million). This performance reflects the challenging trading and operating conditions in the year. The FY20 figure included a contribution of €0.4m from our 20% stake in Ferrari Zagatto which was disposed of prior to the FY20 year end.

## Finance costs and net bank debt<sup>4</sup>

Net bank debt<sup>4</sup> at 31 July 2021 was €14.4 million (€60.5 million including IFRS 16 lease debt) compared to net bank debt of €53.2 million (€93.9 million including IFRS 16 lease debt) at the end of the prior year, a reduction of €38.8 million. The reduction in net bank debt year-on-year reflects continued strong cash generation across the Group.

Net finance costs amounted to €8.6 million, which represents a significant decrease of €2.7 million on the prior year. Excluding the impact of IFRS 16, there was a reduction in net finance costs of €2.8 million reflecting lower local debt levels in our businesses and lower interest rates, year-on-year, across the Group.

At 31 July 2021, the Group had unsecured committed banking facilities of €430 million (2020: €430 million), of which €30 million is scheduled to expire in September 2021, €100 million in May 2022, €34 million in June 2024 and €266 million in June 2025. Subsequent to year end, the Group extended the €100 million facility due to expire in May 2022 to June 2025. Consequent on this, the Group holds €400 million of committed banking facilities with pricing linked to ESG performance, of which €34 million will expire in 2024 and €366 million in 2025.

At year end the Group's key banking covenants were as follows:

	Banking Covenant	2021	2020
Net debt to EBITDA	Maximum 3.5	0.13	1.18
EBITDA to net interest	Minimum 3.0	10.36	5.76

## Working capital

For the year ended 31 July 2021, there was a working capital outflow of €4.0 million, driven by the increased level of sales during the fourth quarter. Working capital management remains a key priority for the Group. The year end represents the low point in the working capital cycle for the Group reflecting the seasonality of the business.

## Adjusted diluted earnings per share ('EPS')<sup>3</sup>

Adjusted diluted EPS<sup>3</sup> amounted to 35.50 cent per share, an increase of 38.2% from FY20. This was driven by an increase in like-for-like underlying profits of 44.0%, along with the positive impact of acquisitions of 2.0% and a reduction of 6.4% and 1.4% as a result of foreign currency translation and disposals respectively.

## Free cash flow

	2021 €'m	2020 €'m
Free cash flow	49.2	64.3
Free cash flow conversion ratio	114.9%	240.9%

The Group generated free cash flow in the year of €49.2 million (2020: €64.3 million).

Free cash flow means the total of earnings before interest, tax, depreciation (excluding depreciation of IFRS 16 Right of Use leased assets), amortisation of non-ERP related intangible assets and exceptional items of wholly owned businesses ('EBITDA') adjusted to take account of interest, tax, routine capital expenditure, working capital cash flows and dividends received.

Free cash flow conversion ratio means free cash flow as a percentage of profit after tax of wholly owned businesses, excluding exceptional items and amortisation of non-ERP related intangible assets.

## Return on capital employed

	2021	2020
Return on capital employed	9.3%	7.3%

Return on capital employed is a key performance indicator for the Group and represents Group earnings before interest, tax and amortisation of non-ERP related intangible assets from continuing operations ('EBITA') taken as a percentage of the Group Net Assets. For the purposes of this calculation:

- (i) EBITA includes the net profit contribution from associates and joint venture (after interest and tax) and excludes the impact of exceptional and non-recurring items; and
- (ii) Group Net Assets means total assets less total liabilities as shown in the annual report excluding net debt, derivative financial instruments, put option liabilities, accumulated amortisation of non-ERP related intangible assets and taxation related balances. Net Assets are also adjusted to reflect the average level of acquisition investment spend and the average level of working capital for the accounting period.

## Exceptional items

Exceptional items net of tax amounted to a credit of €1.2 million in the year (FY20: expense of €5.2 million). These principally relate to the gain on disposal of our Belgian fertiliser business, rationalisation costs related to the closure of a UK seed plant, pension-related costs in our associates and joint venture and acquisition-related costs. Exceptional items are summarised in the table below:

Exceptional items	2021 €'m	2020 €'m
Gain on disposal of Belgian fertiliser business	(2.6)	-
Pension and rationalisation related costs	0.7	0.2
Arising in associates and joint venture	0.4	-
Transaction, other related costs and movements in contingent consideration, net	0.3	(0.5)
Write down of intangible assets due to rebranding	-	5.7
Arising on disposal of associates and joint venture	-	0.5
Fair value adjustment and related costs on investment properties	-	(0.7)
<b>Total exceptional items, net of tax</b>	<b><u>(1.2)</u></b>	<b><u>5.2</u></b>

## Dividends

In FY20, in light of market conditions and uncertainty relating to the COVID-19 pandemic, the Board determined that it would be prudent to suspend the final dividend for FY20. During the year, the Group's improved performance allowed dividend payments to resume, with an interim dividend of 3.15 cent paid to shareholders in April 2021. The Directors are proposing a final dividend of 7.85 cent per ordinary share for approval at the AGM in November 2021, bringing the total dividend payment to 11.00 cent. Subject to shareholder approval at the AGM, this final dividend will be paid on 4 February 2022 to shareholders on the register on 14 January 2022.

## Sustainability

The role of agriculture and food production in our society and its associated impacts on the environment are in sharp focus globally. The Group continues to progress its sustainability agenda and will shortly publish its inaugural Sustainability Report – 'Nurturing Growth', where we will outline our vision to be the trusted partner of choice to achieve shared economic, social and environmental ambitions across our value chain partnerships.

## Investor relations

Our strategy aims to create long-term shareholder value and we support this strategy through regular and open communication with all capital market participants. We engage with institutional investors in numerous one-on-one meetings, as well as at roadshows and conferences worldwide. Throughout the financial year, all engagement was facilitated remotely through the use of virtual conferences and video calls.

Contact with institutional shareholders is the responsibility of the executive management team including the Chief Executive Officer, the Chief Financial Officer and the Head of Investor Relations.

During the year there were 152 meetings / conference calls with institutional investors.

## COVID-19

COVID-19 and its impact in the markets in which the Group operate continues to be a significant area of focus for the Board and senior management teams. The Group implements the advice and guidance of



governments and health authorities across our markets, with ongoing audits at all our operating facilities to ensure we adhere to safe social distancing and all other health and safety guidance.

The Group continues to monitor developments closely across our locations and is taking appropriate actions to ensure we provide the safest environment we can for our stakeholders, while continuing to serve the needs of the agricultural community in a responsible manner.

### **Annual General Meeting (AGM)**

The AGM is scheduled to be held on 25 November 2021 at 11.00am (UK/Ireland time) in the Merrion Hotel, Upper Merrion Street, Dublin 2. Any updates to the AGM required to reflect the evolving COVID-19 situation will be published in advance.

- <sup>1</sup> Before amortisation of non-ERP intangible assets and exceptional items
- <sup>2</sup> Profit after interest and tax before exceptional items
- <sup>3</sup> Before amortisation of non-ERP intangible assets, net of related deferred tax (2021: €8.6m, 2020: €7.7m) and exceptional items, net of tax (2021: credit of €1.2m, 2020: expense of €5.2m)
- <sup>4</sup> Group net bank debt before impact of IFRS 16 Leases

## Review of Operations

### Group Overview

	2021 €'m	2020 €'m	Change on prior year		
			Change %	Underlying <sup>3</sup> %	Constant Currency <sup>4</sup> %
Revenue	1,658.4	1,589.1	4.4%	6.6%	7.2%
Operating profit <sup>1</sup>	61.0	44.1	38.3%	42.1%	44.2%
Operating margin <sup>1</sup>	3.7%	2.8%	90bps	90bps	100bps
Adjusted diluted EPS (cent) <sup>2</sup>	35.50	25.69	38.2%	44.0%	44.6%

<sup>1</sup> Before amortisation of non-ERP intangible assets and exceptional items

<sup>2</sup> Before amortisation of non-ERP intangible assets, net of related deferred tax (2021: €8.6m, 2020: €7.7m) and exceptional items, net of tax (2021: credit of €1.2m, 2020: expense of €5.2m)

<sup>3</sup> Excluding currency movements and the impact of acquisitions and disposals

<sup>4</sup> Excluding currency movements

FY21 was an improved year for Origin with increases in Group revenue, operating profit and adjusted fully diluted earnings per share of 7.2%, 44.2% and 44.6% respectively on a constant currency basis. Operating margin increased to 3.7% from 2.8% primarily due to improved performance in the Ireland and UK segment following the impact of adverse weather conditions and the COVID-19 pandemic in FY20.

The underlying increase in agronomy services and crop input volumes, excluding crop marketing volumes, was 4.9% for FY21.

### Ireland and the United Kingdom

	2021 €'m	2020 €'m	Change on prior year		
			Change %	Underlying <sup>3</sup> %	Constant Currency <sup>4</sup> %
Revenue	1,049.3	967.9	8.4%	7.8%	8.8%
Operating profit <sup>1</sup>	39.1	23.3	67.5%	64.3%	68.2%
Operating margin <sup>1</sup>	3.7%	2.4%	130bps	130bps	130bps
Associates and joint venture <sup>2</sup>	2.8	5.8	(51.1%)	(50.9%)	(50.9%)

<sup>1</sup> Before amortisation of non-ERP intangible assets and exceptional items

<sup>2</sup> Profit after interest and tax before exceptional items

<sup>3</sup> Excluding currency movements and the impact of acquisitions

<sup>4</sup> Excluding currency movements

Ireland and the UK delivered an improved performance in FY21 compared to a prior year which had been impacted by highly challenging weather conditions. Underlying revenue increased 7.8% while underlying operating profit increased 64.3%.

The underlying volume growth for agronomy services and crop inputs was 5.3% in the period.

FY20 was impacted by prolonged unseasonal weather conditions in Ireland and the UK resulting in lower volumes and margins across the segment. In FY21, volume development in the UK was supported by a return to more normalised cropping levels with a 6.5% increase in total plantings. The improved result was delivered despite delayed in-field activities as a result of persistent cold weather continuing into Q3. Favourable on-farm conditions in Q4 allowed for significant catch-up activity with a 5.5% increase in crop protection volumes year-on-year.

Operating margin increased to 3.7% from 2.4% driven by a higher intensity of crop input spend by farmers and growers following a more normalised cropping mix.

### **Integrated Agronomy and On-Farm Services**

Integrated Agronomy and On-Farm Services delivered an improved result during the year, recording higher volumes, revenues and margins across its service and input portfolios.

Demand for agronomy services and inputs improved in FY21 following a return to a more normalised cropping profile but was impacted by persistent cold conditions in Q3. Catch-up activity in Q4 was supported by improved on-farm sentiment and more favourable weather conditions resulting in an improved contribution year-on-year. Volumes delivered in Q4 continue to demonstrate the robustness of the Group's operational capabilities.

Agrii launched a sustainable seed rating offering during the year which assists farmers in choosing the best seed variety to cope with ever-changing weather demands and soil conditions. Integrated Agronomy and On-Farm Services continues to deliver an excellent operational performance despite the backdrop of COVID-19 related constraints and has successfully implemented a range of measures to ensure continuity of service to farmers and growers.

### **Digital Agricultural Services**

The development and roll-out of Origin's digital offering continued during the year, with over 1.7 million (FY20: 1.4 million) active hectares on-boarded to date, including growth in Continental Europe.

Enhancement of functionality remains a key priority for RHIZA, the Group's digital agronomy and precision farming operation, and we continue to embed our digital decision support services across the Group's established routes-to-market, to optimise crop performance and input utilisation for farmers and growers.

## Business-to-Business Agri-Inputs

Business-to-Business Agri-Inputs had a strong financial year, recording increased volumes and an overall improved contribution.

### *Fertiliser*

Fertiliser delivered a strong financial and operating performance in FY21, recording higher volumes and recovering margins in the period. The result was supported by the more normalised cropping profile in the UK with positive volume momentum continuing well into Q4 influenced by raw material price increases.

The division rolled out its Fertile Future sustainability manifesto during the year and the development and promotion of enhanced efficiency fertiliser and bespoke nutrition ranges will continue to be a significant focus in FY22.

### *Amenity*

The Group's Amenity business delivered an improved performance in the period, benefitting from the easing of COVID-19 restrictions in the first quarter, which had severely impacted operations in FY20.

In March 2021, Origin acquired Greentech Limited ('Green-tech') the UK's leading manufacturer and distributor of landscaping, forestry and ground maintenance equipment. Green-tech strengthens Origin's Amenity business offering with potential in the area of environmental land management and biodiversity enhancement for the Group's agri-focused businesses. Since acquisition, Green-tech has performed in line with expectations and the integration of the business into the wider Amenity division is proceeding to plan.

### *Feed Ingredients*

The Feed Ingredients result reflects a challenging trading and operating environment impacted by a fire in our animal feed business facility in R&H Hall, at the Port of Cork, Ireland and logistical challenges arising from commodity supply constraints.

The Group's animal feed manufacturing associate, John Thompson & Sons Limited, in which the Group has a 50% shareholding, delivered a satisfactory performance in the period.

## Continental Europe<sup>1</sup>

			Change on prior year		
	2021	2020	Change	Underlying <sup>3</sup>	Constant
	€'m	€'m	%	%	Currency <sup>4</sup>
					%
Revenue	415.7	417.5	(0.4%)	5.9%	5.9%
Operating profit <sup>2</sup>	15.7	13.2	18.3%	21.6%	21.6%
Operating margin <sup>2</sup>	3.8%	3.2%	60bps	50bps	50bps

<sup>1</sup> Excluding crop marketing. While crop marketing has a significant impact on revenue, its impact on operating profit is insignificant. For the year ending 31 July 2021 crop marketing revenues and losses attributable to Continental Europe amounted to €154.4 million and €0.1 million respectively (2020: €172.7 million and €0.4 million profit respectively). An analysis of revenues, profits and margins attributable to agronomy services and inputs more accurately reflects the underlying drivers of business performance

<sup>2</sup> Before amortisation of non-ERP intangible assets and exceptional items

<sup>3</sup> Excluding currency movements and the impact of acquisitions

<sup>4</sup> Excluding currency movements

Continental Europe delivered a good performance in FY21 with improved performances in all territories.

Underlying business volumes increased by 1.0% in the period, with an improved operating margin of 3.8% (FY20: 3.2%). Working capital investment levels reduced further in FY21 following continued management focus on ensuring the cash conversion cycle is optimised and an improving mix of cash sales.

During the year, the Group disposed of its Belgian fertiliser business, Pillaert. With the lack of scalable opportunities and consolidation options in the Belgian market, the Group decided to exit this market and redeploy capital in the Group's core operations.

### *Poland*

Poland delivered an improved performance on the prior year.

The improved overall result was supported by a cropping area in line with the prior year and performance benefitted from the ongoing focus on cost efficiencies and the further volume growth in Origin's seed and speciality nutrition portfolios. During FY21, the nutrition portfolio continued to develop with a more favourable mix of speciality and strategic products positively impacting margin. The excellent operational performance delivered improved overall operating margin and reduced working capital investment.

### *Romania*

Romania delivered a satisfactory result during the year, in line with the performance of FY20.

Despite a slow start to the year as a result of dry conditions delaying in-field operations, more favourable conditions in the second half of the year were sufficient to allow catch-up activity on-farm, with a focus on improving the mix of higher margin speciality and strategic products. Working capital management continued to be an area of focus during the year, resulting in a working capital inflow year-on-year.

## Ukraine

While Ukraine delivered an improved contribution in FY21 and a further significant reduction in working capital levels, the operating profit delivered was disappointing.

We continue to see improved performance in our strategic crop protection portfolio; however, the market remains highly challenging. With the backdrop of this highly challenging market, the Group continues to prioritise the development of improved margin and higher service agronomy channels, together with delivering further operational and working capital efficiencies.

## Latin America

	Change on prior period				
	2021 €'m	2020 €'m	Change %	Underlying <sup>3</sup> %	Constant Currency <sup>4</sup> %
Revenue	39.0	31.1	25.4%	58.1%	58.1%
Operating profit <sup>1</sup>	6.3	7.1	(11.4%)	16.9%	16.9%
Operating margin <sup>1</sup>	16.1%	22.9%	(680bps)	(600bps)	(600bps)
Associates and Joint venture <sup>2</sup>	-	0.4	(100.0%)	-	(100.0%)

<sup>1</sup> Before amortisation of non-ERP intangible assets and exceptional items

<sup>2</sup> Profit after interest and tax before exceptional items

<sup>3</sup> Excluding currency movements and the impact of acquisitions and disposals

<sup>4</sup> Excluding currency movements

The Latin American ('LATAM') reporting segment incorporates the Group's operations in Brazil.

LATAM delivered a strong underlying performance year-on-year with volume development and underlying growth driven by a double-digit percentage increase in our core product range, a more significant increase in controlled release fertiliser sales, together with a 3.5% increase in the total cropping area dedicated to soya.

Underlying business volumes increased by 45.7% in the period with revenues increasing by 58.1% on an underlying basis at constant currency. The impact of foreign currency translation has significantly impacted LATAM's contribution in the period following the weakening of the Brazilian Real. Reported operating profit has decreased by 11.4% despite an increase in operating profit of 16.9% on a constant currency basis.

The result was supported by the completion of our new controlled release fertiliser plant in Minas Gerais which became operational in the second half of the financial year.

## Outlook

The Group has a strong and experienced leadership team in place. Our integrated crop services business model with scalable and diversified market positions, continues to demonstrate its resilience. We are confident we will progress our growth ambitions successfully in FY22 and beyond.

Consistent with prior years, the Group will provide a Q1 Trading Update for FY22 on 25 November 2021.

ENDS

# Origin Enterprises plc

## Consolidated Income Statement For the financial year ended 31 July 2021

	Notes	Pre- exceptional 2021 €'000	Exceptional 2021 €'000 (Note 3)	Total 2021 €'000	Pre- exceptional 2020 €'000	Exceptional 2020 €'000 (Note 3)	Total 2020 €'000
Revenue	2	1,658,367	-	1,658,367	1,589,142	-	1,589,142
Cost of sales		(1,412,936)	-	(1,412,936)	(1,359,547)	-	(1,359,547)
<b>Gross profit</b>		<b>245,431</b>		<b>245,431</b>	<b>229,595</b>	<b>-</b>	<b>229,595</b>
Operating costs		(193,001)	1,506	(191,495)	(194,877)	(6,505)	(201,382)
Share of profit of associates and joint venture		2,841	(403)	2,438	6,154	-	6,154
<b>Operating profit</b>		<b>55,271</b>	<b>1,103</b>	<b>56,374</b>	<b>40,872</b>	<b>(6,505)</b>	<b>34,367</b>
Finance income		795	-	795	954	-	954
Finance expense		(9,347)	-	(9,347)	(12,204)	-	(12,204)
<b>Profit before income tax</b>		<b>46,719</b>	<b>1,103</b>	<b>47,822</b>	<b>29,622</b>	<b>(6,505)</b>	<b>23,117</b>
Income tax (expense)/credit		(9,712)	122	(9,590)	(4,519)	1,261	(3,258)
<b>Profit for the year</b>		<b>37,007</b>	<b>1,225</b>	<b>38,232</b>	<b>25,103</b>	<b>(5,244)</b>	<b>19,859</b>
<b>Earnings per share for the year</b>				<b>2021</b>			<b>2020</b>
Basic earnings per share		4		<u>30.44c</u>			<u>15.81c</u>
Diluted earnings per share		4		<u>29.74c</u>			<u>15.53c</u>



# Origin Enterprises plc

## Consolidated Statement of Comprehensive Income

For the financial year ended 31 July 2021

	2021	2020
	€'000	€'000
Profit for the year	38,232	19,859
<b>Other comprehensive income/(expense)</b>		
<b>Items that are not reclassified subsequently to the Group income statement:</b>		
<i>Group/Associate defined benefit pension obligations</i>		
-remeasurements on Group's defined benefit pension schemes	4,653	553
-deferred tax effect of remeasurements	(1,112)	(70)
-share of remeasurements on associate's defined benefit pension schemes	2,438	(1,001)
-share of deferred tax effect of remeasurements - associates	(610)	190
<b>Items that may be reclassified subsequently to the Group income statement:</b>		
<i>Group foreign exchange translation details</i>		
-exchange difference on translation of foreign operations	6,840	(17,350)
<i>Group/Associate cash flow hedges</i>		
-effective portion of changes in fair value of cash flow hedges	(520)	(1,976)
-fair value of cash flow hedges transferred to operating costs and other income	2,651	(58)
-deferred tax effect of cash flow hedges	(299)	311
-share of associates and joint venture cash flow hedges	1,166	(5,508)
-deferred tax effect of share of associates and joint venture cash flow hedges	(146)	689
<b>Other comprehensive income/(expense) for the year, net of tax</b>	<b>15,061</b>	<b>(24,220)</b>
<b>Total comprehensive income/(expense) for the year attributable to equity shareholders</b>	<b>53,293</b>	<b>(4,361)</b>

# Origin Enterprises plc

## Consolidated Statement of Financial Position

As at 31 July 2021

	Notes	2021 €'000	2020 €'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	104,528	109,363
Right of use asset		45,177	39,824
Investment properties		2,270	2,270
Goodwill and intangible assets	6	248,445	235,949
Investments in associates and joint venture	7	42,774	40,597
Other financial assets		552	575
Deferred tax assets		6,185	6,890
Post employment benefit surplus	9	5,939	403
<b>Total non-current assets</b>		<b>455,870</b>	<b>435,871</b>
<b>Current assets</b>			
Properties held for sale		24,200	27,100
Inventory		214,221	188,775
Trade and other receivables		434,614	406,857
Derivative financial instruments		224	1,460
Cash and cash equivalents	11	168,660	172,309
<b>Total current assets</b>		<b>841,919</b>	<b>796,501</b>
<b>TOTAL ASSETS</b>		<b>1,297,789</b>	<b>1,232,372</b>

# Origin Enterprises plc

## Consolidated Statement of Financial Position (continued) As at 31 July 2021

	Notes	2021 €'000	2020 €'000
<b>EQUITY</b>			
Called up share capital presented as equity	12	1,264	1,264
Share premium		160,498	160,498
Retained earnings and other reserves		199,243	150,564
<b>TOTAL EQUITY</b>		<b>361,005</b>	<b>312,326</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Interest-bearing borrowings	11	140,184	205,889
Lease liabilities		36,226	31,961
Deferred tax liabilities		21,161	19,785
Put option liability		24,138	22,073
Provision for liabilities	8	1,445	1,649
Derivative financial instruments		323	1,262
<b>Total non-current liabilities</b>		<b>223,477</b>	<b>282,619</b>
<b>Current liabilities</b>			
Interest-bearing borrowings	11	42,882	19,633
Lease liabilities		9,910	8,775
Trade and other payables		645,924	590,182
Corporation tax payable		11,841	11,976
Provision for liabilities	8	2,014	4,393
Derivative financial instruments		736	2,468
<b>Total current liabilities</b>		<b>713,307</b>	<b>637,427</b>
<b>TOTAL LIABILITIES</b>		<b>936,784</b>	<b>920,046</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,297,789</b>	<b>1,232,372</b>

# Origin Enterprises plc

## Consolidated Statement of Changes in Equity

For the financial year ended 31 July 2021

	Share capital €'000	Share Premium €'000	Treasury shares €'000	Capital redemption reserve €'000	Cash flow hedge reserve €'000	Revaluation reserve €'000	Share-based payment reserve €'000	Re-organisation reserve €'000	Foreign currency translation reserve €'000	Retained earnings €'000	Total €'000
At 1 August 2020	1,264	160,498	(8)	134	(4,710)	12,843	1,131	(196,884)	(60,176)	398,234	312,326
Profit for the year	-	-	-	-	-	-	-	-	-	38,232	38,232
Other comprehensive income for the year	-	-	-	-	2,852	-	-	-	6,840	5,369	15,061
<b>Total comprehensive income for the year</b>	-	-	-	-	<b>2,852</b>	-	-	-	<b>6,840</b>	<b>43,601</b>	<b>53,293</b>
Share-based payment charge	-	-	-	-	-	-	1,016	-	-	-	1,016
Change in fair value of put option	-	-	-	-	-	-	-	-	-	(1,674)	(1,674)
Dividend paid to shareholders	-	-	-	-	-	-	-	-	-	(3,956)	(3,956)
<b>At 31 July 2021</b>	<b>1,264</b>	<b>160,498</b>	<b>(8)</b>	<b>134</b>	<b>(1,858)</b>	<b>12,843</b>	<b>2,147</b>	<b>(196,884)</b>	<b>(53,336)</b>	<b>436,205</b>	<b>361,005</b>

# Origin Enterprises plc

## Consolidated Statement of Cash Flows

For the financial year ended 31 July 2021

	2021	2020
	€'000	€'000
<b>Cash flows from operating activities</b>		
Profit before tax	47,822	23,117
Exceptional items	(1,103)	6,505
Finance income	(795)	(954)
Finance expense	9,347	12,204
Profit on disposal of property, plant and equipment	(434)	(533)
Share of profit of associates and joint venture	(2,841)	(6,154)
Depreciation of property, plant and equipment	8,176	8,564
Depreciation of right of use assets	10,913	10,184
Amortisation of intangible assets	12,162	12,301
Employee share-based payment charge/ (credit)	1,016	(406)
Pension contributions in excess of service costs	(790)	(1,007)
Payment of exceptional rationalisation costs	(1,207)	(726)
Payment of exceptional disposal costs	(344)	-
Payment of exceptional acquisition costs	(253)	(1,439)
	<hr/>	<hr/>
<b>Operating cash flow before changes in working capital</b>	<b>81,669</b>	<b>61,656</b>
Movement in inventory	(20,857)	6,622
Movement in trade and other receivables	(17,983)	104,366
Movement in trade and other payables	34,886	(80,663)
	<hr/>	<hr/>
<b>Cash generated from operating activities</b>	<b>77,715</b>	<b>91,981</b>
Interest paid	(5,755)	(8,628)
Income tax paid	(10,073)	(7,947)
	<hr/>	<hr/>
<b>Cash inflow from operating activities</b>	<b>61,887</b>	<b>75,406</b>
	<hr/>	<hr/>

# Origin Enterprises plc

## Consolidated Statement of Cash Flows (continued) For the financial year ended 31 July 2021

	2021 €'000	2020 €'000
<b>Cash flows from investing activities</b>		
Proceeds from disposal of held for sale properties	2,900	-
Deposits received in advance for properties held-for-sale	3,000	-
Proceeds from disposal of investment in associate	-	904
Proceeds from sale of property, plant and equipment	2,842	991
Purchase of property, plant and equipment	(8,155)	(12,056)
Additions to intangible assets	(10,073)	(3,670)
Consideration relating to acquisition	(9,175)	-
Payment of contingent acquisition consideration	(1,844)	(7,386)
Net proceeds from disposal of subsidiary	15,249	-
Repayment of equity investment	56	113
Dividends received from associates	4,468	5,776
	<hr/>	<hr/>
<b>Cash outflow from investing activities</b>	<b>(732)</b>	<b>(15,328)</b>
	<hr/>	<hr/>
<b>Cash flows from financing activities</b>		
Drawdown of bank loans	137,665	250,025
Repayment of bank loans	(180,065)	(209,528)
Lease liability payments	(12,553)	(11,422)
Payment of dividends to equity shareholders	(3,956)	(26,780)
	<hr/>	<hr/>
<b>Cash (outflow)/ inflow from financing activities</b>	<b>(58,909)</b>	<b>2,295</b>
	<hr/>	<hr/>
Net increase in cash and cash equivalents	2,246	62,373
Translation adjustment	856	2,418
Cash and cash equivalents at start of year	152,676	87,885
	<hr/>	<hr/>
<b>Cash and cash equivalents at end of year (Note 11)</b>	<b>155,778</b>	<b>152,676</b>
	<hr/>	<hr/>

# Origin Enterprises plc

## Notes to the preliminary results statement

*For the financial year ended 31 July 2021*

### 1 Basis of preparation

The financial information included on pages 16 to 35 of this preliminary results statement has been extracted from the Group financial statements for the year ended 31 July 2021 on which the auditor has issued an unqualified audit opinion.

The financial information has been prepared in accordance with the accounting policies set out in the Group's consolidated financial statements for the year ended 31 July 2021, which were prepared in accordance with International Financial Reporting Standards as adopted by the EU.

The consolidated financial information is presented in Euro, rounded to the nearest thousand, which is the functional currency of the parent.

### 2 Segment information

IFRS 8, 'Operating Segments' requires operating segments to be identified on the basis of internal reports that are regularly reviewed by the Chief Operating Decision Maker ('CODM') in order to allocate resources to the segments and to assess their performance.

The Group has three operating segments as follows:

#### *Ireland and the United Kingdom*

This segment includes the Group's wholly owned Irish and UK based Business-to-Business Agri-Inputs operations, Integrated Agronomy and On-Farm Services operations and Digital Agricultural Services business. In addition, this segment includes the Group's associates and joint venture undertakings.

#### *Continental Europe*

This segment includes the Group's Business-to-Business Agri-Inputs operations, Integrated Agronomy and On-Farm Services operations in Belgium, Poland, Romania and the Ukraine.

#### *Latin America*

This segment includes the Group's 65% controlling interest in Fortgreen Commercial Agricola Ltda ("Fortgreen"). Origin entered the Latin American market in August 2018 through the acquisition of Fortgreen, a business which is focused on the development and marketing of value added crop nutrition and speciality inputs and which is headquartered in Paraná State in southern Brazil.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment operating profit as included in the internal management reports that are reviewed by the Group's CODM, being the Origin Executive Directors. Segment operating profit is used to measure performance, as this information is the most relevant in evaluating the results of the Group's segments. Segment results include all items directly attributable to a segment.

# Origin Enterprises plc

## Notes to the preliminary results statement (continued)

For the financial year ended 31 July 2021

### 2 Segment information (continued)

#### (i) Segment revenue and results

	Ireland & the UK		Continental Europe		Latin America		Total Group	
	2021	2020	2021	2020	2021	2020	2021	2020
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Total revenue	<b>1,406,528</b>	1,284,946	<b>570,131</b>	590,181	<b>38,966</b>	50,435	<b>2,015,625</b>	1,925,562
Less revenue from associates & joint venture	<b>(357,258)</b>	(317,057)	-	-	-	(19,363)	<b>(357,258)</b>	(336,420)
<b>Revenue</b>	<b>1,049,270</b>	967,889	<b>570,131</b>	590,181	<b>38,966</b>	31,072	<b>1,658,367</b>	1,589,142
<b>Segment result</b>	<b>39,137</b>	23,302	<b>15,587</b>	13,686	<b>6,283</b>	7,111	<b>61,007</b>	44,099
Profit from associates and joint venture	<b>2,841</b>	5,808	-	-	-	346	<b>2,841</b>	6,154
Amortisation of non-ERP intangible assets	<b>(5,302)</b>	(5,035)	<b>(1,529)</b>	(2,145)	<b>(1,746)</b>	(2,201)	<b>(8,577)</b>	(9,381)
<b>Total operating profit before exceptional items</b>	<b>36,676</b>	24,075	<b>14,058</b>	11,541	<b>4,537</b>	5,256	<b>55,271</b>	40,872
Exceptional items	<b>(1,496)</b>	(2,670)	<b>2,599</b>	(3,555)	-	(280)	<b>1,103</b>	(6,505)
<b>Operating profit</b>	<b>35,180</b>	21,405	<b>16,657</b>	7,986	<b>4,537</b>	4,976	<b>56,374</b>	34,367



# Origin Enterprises plc

## Notes to the preliminary results statement (continued)

For the financial year ended 31 July 2021

### 2 Segment information (continued)

(ii) Segment earnings before financing costs and tax is reconciled to reported profit before tax and profit after tax as follows:

	2021 €'000	2020 €'000
Segment earnings before financing costs and tax	56,374	34,367
Finance income	795	954
Finance expense	(9,347)	(12,204)
<b>Reported profit before tax</b>	<b>47,822</b>	<b>23,117</b>
Income tax expense	(9,590)	(3,258)
<b>Reported profit after tax</b>	<b>38,232</b>	<b>19,859</b>

### 3 Exceptional items

Exceptional items are those that, in management's judgement, should be separately presented and disclosed by virtue of their nature or amount. Such items are included within the Consolidated Income Statement caption to which they relate. The following exceptional items arose during the year:

	2021 €'000	2020 €'000
Gain on disposal of subsidiary (i)	2,599	-
Transaction related (costs) / credit (ii)	(253)	379
Pension and rationalisation related costs (iii)	(840)	(202)
Write down of intangible assets arising from re-branding (iv)	-	(6,853)
Fair value adjustment of investment properties and properties held for sale (v)	-	730
Loss on disposal of associate (vi)	-	(559)
<b>Total exceptional credit / (charge) before tax and before associates and joint venture</b>	<b>1,506</b>	<b>(6,505)</b>
Arising in associates and joint venture (vii)	(403)	-
<b>Total exceptional credit/ (charge) before tax including associates and joint venture</b>	<b>1,103</b>	<b>(6,505)</b>
Tax credit on exceptional items	122	1,261
<b>Total exceptional credit/ (charge) after tax</b>	<b>1,225</b>	<b>(5,244)</b>

# Origin Enterprises plc

## Notes to the preliminary results statement (continued)

For the financial year ended 31 July 2021

### 3 Exceptional items (continued)

#### (i) Gain on disposal of subsidiary

Following the disposal of the Group's Pillaert business operated in Belgium a disposal gain of €2.6 million was recorded.

	€'000
Identified net assets on disposal of Pillaert:	
Property, plant and equipment	5,209
Goodwill and intangible assets	3,351
Working capital	4,900
Cash & cash equivalents	269
Deferred tax liabilities	<u>(1,323)</u>
	12,406
Consideration received, net of transaction costs	<u>(15,005)</u>
<b>Gain on disposal of subsidiary</b>	<b><u>2,599</u></b>

The tax impact of this exceptional item in the current year was a tax charge of €Nil.

#### (ii) Transaction related (costs)/ credit

Transaction related costs in the current year principally comprise of costs incurred in relation to the acquisition completed during the year.

In the prior year, the transaction related credit arose on the movement in contingent consideration for both Fortgreen and Resterra, and is net of transaction related costs incurred in relation to the acquisitions completed during the prior year and potential acquisitions in the current year. The tax impact of this item in the prior year was a tax credit of €0.1 million.

#### (iii) Pension and rationalisation related costs

Rationalisation costs relate to termination payments from restructuring programmes across the Group. This exceptional charge in the prior year also includes past service costs in respect of the defined benefit pension scheme. The tax impact of this exceptional item in the current year is a tax credit of €0.1 million (2020: €Nil).

#### (iv) Write down of intangible assets arising from re-branding

During the prior year, the Group completed a re-branding of the businesses in Continental Europe. As a result, legacy intangible assets relating to the branding of these businesses were written down by €3.6 million and charged to the income statement as an exceptional item. In addition legacy brands within the Ireland/UK segment attributable to bolt on acquisitions were also written down by €3.3 million as the business is now fully integrated under the Origin brand. The tax impact of this in the prior year was a tax credit of €1.2 million.

#### (v) Fair value adjustment of investment properties and properties held for sale

During the prior year, investment properties valued at €2.9 million were reclassified as held for sale as it was expected these properties would be sold within 12 months. There was a fair value uplift on these properties of €1.0 million prior to reclassification to held-for-sale. Also included are costs relating to the disposal of the properties. The tax impact of this exceptional item in the prior year was a charge of €Nil.

# Origin Enterprises plc

## Notes to the preliminary results statement (continued)

For the financial year ended 31 July 2021

### 3 Exceptional items (continued)

#### (vi) Loss on disposal of associate

On 31 July 2020, the Group disposed of its 20% shareholding in Ferrari Zagatto E Cia Ltda, a Brazilian based agronomy services and crop input distribution business. A loss of €0.6 million arose on the disposal as follows:

	€'000
Consideration received from disposal of interest in Ferrari Zagatto	904
Carrying value of investment	(1,308)
Foreign exchange differences previously taken to comprehensive income	(155)
<b>Loss arising on disposal of associate</b>	<b><u>(559)</u></b>

The tax impact of this exceptional item is a tax charge of €Nil.

#### (vii) Arising in associates and joint venture

The exceptional charge in the current year relates to past service costs in respect of the defined benefit pension scheme of associates and joint venture. The net tax impact of this exceptional item in the year was a credit of €0.1 million

### 4 Earnings per share

#### Basic earnings per share

	2021 €'000	2020 €'000
Profit for the financial year attributable to equity shareholders	<u>38,232</u>	<u>19,859</u>
Weighted average number of ordinary shares for the year	<u>125,595</u>	<u>125,595</u>
	Cent	Cent
<b>Basic earnings per share</b>	<b><u>30.44</u></b>	<b><u>15.81</u></b>

#### Diluted earnings per share

	2021 €'000	2020 €'000
Profit for the financial year attributable to equity shareholders	<u>38,232</u>	<u>19,859</u>
Weighted average number of ordinary shares used in basic calculation	125,595	125,595
Impact of shares with a dilutive effect	1,019	373
Impact of the SAYE scheme	<u>1,929</u>	<u>1,901</u>
Weighted average number of ordinary shares (diluted) for the year	<u>128,543</u>	<u>127,869</u>
	Cent	Cent
<b>Diluted earnings per share</b>	<b><u>29.74</u></b>	<b><u>15.53</u></b>

# Origin Enterprises plc

## Notes to the preliminary results statement (continued) For the financial year ended 31 July 2021

### 4 Earnings per share (continued)

	2021 '000	2020 '000
<b>Adjusted basic earnings per share</b>		
Weighted average number of ordinary shares for the year	<u>125,595</u>	<u>125,595</u>
	2021 €'000	2020 €'000
Profit for the financial year	38,232	19,859
Adjustments:		
Amortisation of non-ERP related intangible assets (Note 6)	8,577	9,381
Tax on amortisation of non-ERP related intangible assets	55	(1,638)
Exceptional items, net of tax	<u>(1,225)</u>	<u>5,244</u>
<b>Adjusted earnings</b>	<u>45,639</u>	<u>32,846</u>
	Cent	Cent
<b>Adjusted basic earnings per share</b>	<u>36.34</u>	<u>26.15</u>
<b>Adjusted diluted earnings per share</b>		
	2021 '000	2020 '000
Weighted average number of ordinary shares used in basic calculation	125,595	125,595
Impact of shares with a dilutive effect	1,019	373
Impact of the SAYE scheme	<u>1,929</u>	<u>1,901</u>
Weighted average number of ordinary shares (diluted) for the year	<u>128,543</u>	<u>127,869</u>
	2021 €'000	2020 €'000
<b>Adjusted earnings (as above)</b>	<u>45,639</u>	<u>32,846</u>
	Cent	Cent
<b>Adjusted diluted earnings per share</b>	<u>35.50</u>	<u>25.69</u>

# Origin Enterprises plc

## Notes to the preliminary results statement (continued)

For the financial year ended 31 July 2021

### 5 Property, plant and equipment

	2021 €'000	2020 €'000
At 1 August	109,363	108,411
Leased asset transfer on IFRS 16 adoption	-	(1,230)
Arising on acquisition	481	-
Additions	7,374	14,055
Disposals	(2,150)	(424)
Arising on disposal of subsidiary	(5,209)	-
Depreciation charge for the year	(8,176)	(8,564)
Translation adjustments	2,845	(2,885)
<b>At 31 July</b>	<b>104,528</b>	<b>109,363</b>

### 6 Goodwill and intangible assets

	2021 €'000	2020 €'000
At 1 August	235,949	271,085
Arising on acquisition	9,716	-
Additions	10,073	3,684
Arising on disposal of subsidiary	(3,351)	-
Impairment of goodwill and intangibles	-	(6,853)
Amortisation of non-ERP intangible assets	(8,577)	(9,381)
ERP intangible amortisation	(3,585)	(2,920)
Translation adjustments	8,220	(19,666)
<b>At 31 July</b>	<b>248,445</b>	<b>235,949</b>

# Origin Enterprises plc

## Notes to the preliminary results statement (continued)

For the financial year ended 31 July 2021

### 7 Investments in associates and joint venture

	2021 €'000	2020 €'000
At 1 August	40,597	47,140
Share of profits after tax, before exceptional items	2,841	6,154
Share of exceptional items, net of tax	(403)	-
Dividends received	(4,468)	(5,776)
Share of other comprehensive income/ (expense)	2,848	(5,630)
Disposal of interest in Ferrari Zagatto (Note 3) (i)	-	(1,308)
Disposal of equity investment	-	(113)
Translation adjustment	1,359	130
	<hr/>	<hr/>
<b>At 31 July</b>	<b>42,774</b>	<b>40,597</b>
	<hr/>	<hr/>
<b>Split as follows:</b>		
Total associates	24,178	21,194
Total joint venture	18,596	19,403
	<hr/>	<hr/>
	<b>42,774</b>	<b>40,597</b>
	<hr/>	<hr/>

(i) On 31 July 2020, the Group disposed of its 20% shareholding in Ferrari Zagatto E Cia Ltda, a Brazilian based agronomy services and crop input distribution business

### 8 Provision for liabilities

The estimate of provisions is a key judgement in the preparation of the financial statements.

	2021 €'000	2020 €'000
At 1 August	6,042	18,618
Provided in year	146	144
Paid in year	(2,871)	(9,750)
Released in year	-	(2,000)
Currency translation adjustment	142	(970)
	<hr/>	<hr/>
<b>At 31 July</b>	<b>3,459</b>	<b>6,042</b>
	<hr/>	<hr/>
<b>Split as follows:</b>		
Current liabilities	2,014	4,393
Non-current liabilities	1,445	1,649
	<hr/>	<hr/>
	<b>3,459</b>	<b>6,042</b>
	<hr/>	<hr/>

Provisions primarily relate to contingent acquisition consideration arising on a number of acquisitions completed during prior years.

# Origin Enterprises plc

## Notes to the preliminary results statement (continued)

For the financial year ended 31 July 2021

### 9 Post employment benefit obligations

The Group operates a number of defined benefit pension schemes and defined contribution schemes with assets held in separate trustee administered funds. All of the defined benefit schemes are closed to new members.

The valuations of the defined benefit schemes used for the purposes of the following disclosures are those of the most recent actuarial valuations carried out at 31 July 2021 by an independent, qualified actuary. The valuations have been performed using the projected unit method.

#### Movement in net asset/ (liability) recognised in the Consolidated Statement of Financial Position

	2021 €'000	2020 €'000
At 1 August	403	(1,476)
Current service cost	(526)	(624)
Past service (costs)/ credit	(17)	151
Settlement gain	-	387
Employer contributions	1,333	1,480
Other finance income/ (expense)	8	(9)
Remeasurements	4,653	553
Translation adjustments	85	(59)
<b>At 31 July</b>	<b>5,939</b>	<b>403</b>

# Origin Enterprises plc

## Notes to the preliminary results statement (continued)

For the financial year ended 31 July 2021

### 10 Acquisition of subsidiary undertakings

On 5 March 2021, the Group acquired 100% of the share capital of Greentech Limited ('Green-tech'), the UK's leading manufacturer and distributor of landscaping, forestry and grounds maintenance equipment. Green-tech is expected to enhance the offering of Origin's Amenity businesses and offers potential in the area of environmental land management and bio-diversity enhancement for the Group's agri-focused businesses.

Details of the net assets acquired and goodwill arising from the business combinations are as follows:

	Fair value €'000
<b>Assets</b>	
<b>Non-current</b>	
Property, plant & equipment	481
Right of use asset	189
Intangible assets	5,326
<b>Total non-current assets</b>	<b>5,996</b>
<b>Current assets</b>	
Inventory	1,834
Trade receivables	3,145
Other receivables	202
<b>Total current assets</b>	<b>5,181</b>
<b>Liabilities</b>	
Trade and other payables	(4,805)
Corporation tax	(233)
Deferred tax liability	(1,354)
<b>Total liabilities</b>	<b>(6,392)</b>
<b>Total identifiable net assets at fair value (excluding cash acquired)</b>	<b>4,785</b>
Goodwill arising on acquisition	4,390
<b>Total net assets acquired (excluding cash acquired)</b>	<b>9,175</b>
<b>Consideration satisfied by:</b>	
Cash consideration	10,789
Cash acquired	(1,614)
<b>Total consideration related to acquisitions</b>	<b>9,175</b>



# Origin Enterprises plc

## Notes to the preliminary results statement (continued) For the financial year ended 31 July 2021

### 11 Analysis of net debt

	2020 €'000	Cash flow €'000	Non-cash movements €'000	Translation adjustment €'000	2021 €'000
Cash	172,309	(4,735)	-	1,086	168,660
Overdrafts	(19,633)	6,981	-	(230)	(12,882)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Cash and cash equivalents</b>	<b>152,676</b>	<b>2,246</b>	<b>-</b>	<b>856</b>	<b>155,778</b>
Loans	(205,889)	42,400	(847)	(5,848)	(170,184)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net debt</b>	<b>(53,213)</b>	<b>44,646</b>	<b>(847)</b>	<b>(4,992)</b>	<b>(14,406)</b>
Lease liabilities	(40,736)	12,553	(15,816)	(2,137)	(46,136)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net debt including lease creditors</b>	<b>(93,949)</b>	<b>57,199</b>	<b>(16,663)</b>	<b>(7,129)</b>	<b>(60,542)</b>

### 12 Share capital

	2021 €'000	2020 €'000
<b>Authorised</b>		
250,000,000 ordinary shares of €0.01 each (i)	2,500	2,500
	<hr/>	<hr/>
<b>Allotted, called up and fully paid</b>		
126,396,184 (2019: 126,396,184) ordinary shares of €0.01 each (i) (ii)	1,264	1,264
	<hr/>	<hr/>

(i) Ordinary shareholders are entitled to dividends as declared and each ordinary share carries equal voting rights at meetings of the Company.

(ii) In December 2012, the issued ordinary share capital was increased by the issue of 1,212,871 ordinary shares of nominal value of €0.01 each, at an issue price of €4.04 each, pursuant to a share subscription by a wholly owned subsidiary for the purposes of the Origin Long Term Incentive Plan 2012 ("2012 LTIP Plan"). Under the terms of 2012 LTIP Plan, 412,541 of these shares were transferred to the directors and senior management as a result of certain financial targets having been achieved. The remaining 800,330 ordinary shares continue to be held as treasury shares.

# Origin Enterprises plc

## Notes to the preliminary results statement (continued)

For the financial year ended 31 July 2021

### 13 Return on capital employed

Return on capital employed is a key performance indicator for the Group and represents Group earnings before interest, tax and amortisation of non-ERP related intangible assets taken as a percentage of Group net assets and is consistent with the definition approved as part of the 2015 Long Term Incentive Plan.

	2021 €'000	2020 €'000
Total assets	1,297,789	1,232,372
Total liabilities	(936,784)	(920,046)
<i>Adjusted for:</i>		
Net debt	60,542	93,949
Tax, put option and derivative financial instruments, net	51,790	49,214
Accumulated amortisation of non-ERP related intangible assets	64,796	54,413
<b>Capital employed</b>	<b>538,133</b>	<b>509,902</b>
<b>Average capital employed</b>	<b>684,136</b>	<b>686,898</b>
Operating profit (excluding exceptional items)	52,430	34,718
Amortisation of non-ERP intangible assets	8,577	9,381
Share of profit of associates and joint venture	2,841	6,154
<b>Return</b>	<b>63,848</b>	<b>50,253</b>
<b>Return on capital employed</b>	<b>9.3%</b>	<b>7.3%</b>

In years where the Group makes significant acquisitions or disposals, the return on invested capital calculation is adjusted accordingly to ensure that the impact of the acquisition or disposal is time apportioned appropriately.

### 14 Related party transactions

Related party transactions occurring in the year were similar in nature to those described in the 2020 Annual Report.

### 15 Dividend

The Board is recommending a final dividend of 7.85 cent per ordinary share (2020: nil) which when combined with the interim dividend of 3.15 cent per ordinary share brings the total dividend for the year to 11.00 cent per share (total dividend of €13.8 million) (2020: 3.15 cent per share). Subject to shareholders' approval at the Annual General Meeting, the dividend will be paid on 4 February 2022 to shareholders on the register on 14 January 2022. In accordance with IFRS, this dividend has not been provided for in the Consolidated Statement of Financial Position as at 31 July 2021.

# Origin Enterprises plc

## Notes to the preliminary results statement (continued)

*For the financial year ended 31 July 2021*

### **16 Financial commitments**

The Group has a financial commitment of €4.4 million attributable to a strategic partnership with University College Dublin ('UCD'). The commitment is over a five year period and was extended until January 2023.

### **17 Subsequent events**

At 31 July 2021, the Group had unsecured committed banking facilities of €430.0 million (2020: €430.0 million), of which €30.0 million will expire in September 2021, €100.0 million will expire in May 2022, €33.8m will expire in June 2024 and €266.2 million will expire in June 2025. Subsequent to year end, the Group extended the €100 million facility due to expire in May 2022 to June 2025.

There have been no other material events subsequent to 31 July 2021 that would require adjustment to or disclosure in this report.