

Origin Enterprises plc
PRELIMINARY RESULTS STATEMENT

Strong operational delivery, robust cash generation; adjusted EPS of 53.16 cent, at the top end of guidance

Dublin, London, 26 September 2023: Origin Enterprises plc ('Origin' or 'the Group'), the international Agronomy-Services group, providing specialist advice, inputs and digital solutions to promote sustainable land use, announces its results for the financial year ended 31 July 2023 ('FY23').

Results highlights for FY23

- Strong Group performance delivering operating profit¹ of €90.8 million
- Increase in Group revenue of 4.9% to €2.5 billion
- Adjusted diluted earnings per share³ of 53.16 cent
- Strong cash generation and conversion with free cash flow of €104.4 million (free cash flow conversion of 178.2%)
- Year end net cash⁴ position of €53.2 million (FY22: €43.4 million)
- Completion of four complementary acquisitions in the Group's strategically important Amenity, Environmental and Ecology business
- Strong ESG progress with improved external ESG ratings
- Proposed final dividend of 13.65 cent per share with total FY23 dividend of 16.8 cent
- Completion of €20.0 million share buyback

Commenting on FY23 performance, Origin's Chief Executive Officer, Sean Coyle said:

"Origin delivered a strong overall performance in declining commodity markets. The Group delivered an operating profit of €90.8 million resulting in adjusted diluted earnings per share of 53.16 cent, at the top end of our guidance.

Effective operational execution helped deliver a robust cash performance with a net cash position of €53.2 million at year end. This result was driven by a strong free cash flow of €104.4 million which included a working capital inflow of €43.9 million, as fertiliser raw materials and feed prices decreased globally, combined with favourable timing impacts of purchases and sales.

We continue to pursue a disciplined approach to capital allocation to drive shareholder returns. We made strong progress against a number of our strategic objectives with four acquisitions, totalling €30.1 million, in our Amenity, Environmental and Ecology business. These acquisitions complement our organic growth strategy and broaden our expertise and capabilities in the growing market for ecological and environmental products and services. From our strong cash flow, we also returned €38.0 million to shareholders this year through a combination of share buybacks and dividends.

We have, however, taken the difficult decision to close our Ukraine business at the end of September. This decision was taken after much deliberation, given the reduced activity levels and the market dynamics over recent years which have resulted in the business being loss making, with little evidence that the trading environment will improve.

Thanks to the continued dedication of all our staff, we continue to drive sustainable growth and are on track to deliver our strategic ambitions as set out in our 2022 Capital Markets Day. We delivered a return on capital employed in FY23 within our targeted range at 12.6% and we will continue to invest for growth across our existing operations and strengthen our earnings potential through margin accretive acquisitions."

Results Summary	2023	2022	Change	Constant
	€'000	€'000	%	Currency
				%
Group revenue	2,456,168	2,342,102	4.9%	6.5%
Operating profit ¹	90,791	119,740	(24.2%)	(24.4%)
Associates and joint venture ²	4,040	6,845	(41.0%)	(40.4%)
Total group operating profit¹	94,831	126,585	(25.1%)	(25.2%)
Finance expense, net	(12,963)	(11,057)	(17.2%)	(18.6%)
Profit before tax¹	81,868	115,528	(29.1%)	(29.4%)
Basic EPS (cent)	45.24	65.40	(30.8%)	(31.1%)
Adjusted diluted EPS (cent)³	53.16	71.53c	(25.7%)	(25.9%)
Return on capital employed (%)	12.6%	18.3%	(570bps)	
Group net cash⁴	53,175	43,434	9,741	
Operating margin¹ (%)	3.7%	5.1%	(140bps)	
Free cash flow (€'000)	104,418	108,489	(4,071)	
Dividend per ordinary share (cent)	16.80c	16.00c	5.0%	

Consistent with previous years, the Group will issue a Q1 Trading Update for FY24 on the date of the AGM, 16 November 2023.

- ¹ Before amortisation of non-ERP intangible assets and exceptional items
- ² Profit after interest and tax before exceptional items
- ³ Before amortisation of non-ERP intangible assets, net of related deferred tax (2023: €11.0m, 2022: €13.0m) and exceptional items, net of tax (2023: charge of €0.6m, 2022: credit of €2.8m)
- ⁴ Group net cash/(bank debt) before impact of IFRS 16 Leases

Conference Call and Webcast details:

The management team will host a live conference call and webcast, for analysts and institutional investors today, 26 September 2023, at 08:30 (Irish/UK time). Registration details for the Conference Call and Webcast can be accessed at: www.originenterprises.com

Alternatively, please contact FTI Consulting by email at originenterprises@fticonsulting.com

Participants are requested to dial in 5 to 10 minutes prior to the scheduled start time.

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About Origin Enterprises plc

Origin Enterprises plc is an international Agronomy-Services group, providing specialist advice, inputs and digital solutions to promote sustainable land use. The Group has leading market positions in Ireland, the United Kingdom, Brazil, Poland, Romania and Ukraine. Origin's ordinary shares are listed on the Euronext Growth (Dublin) market of Euronext Dublin and the AIM market of the London Stock Exchange.

Euronext Growth (Dublin) ticker symbol:
AIM ticker symbol:
Website:

OIZ
OGN
www.originenterprises.com

Financial Review - Summary

	2023	2022
	€'000	€'000
Group revenue	<u>2,456,168</u>	<u>2,342,102</u>
Operating profit ¹	90,791	119,740
Associates and joint venture, net ²	<u>4,040</u>	<u>6,845</u>
Group operating profit¹	94,831	126,585
Finance costs, net	<u>(12,963)</u>	<u>(11,057)</u>
Profit before tax¹	81,868	115,528
Income tax	<u>(19,230)</u>	<u>(25,509)</u>
Adjusted net profit	<u>62,638</u>	<u>90,019</u>
Adjusted diluted EPS (cent)³	53.16c	71.53c
Adjusted net profit reconciliation		
Reported net profit	51,032	79,899
Amortisation of non-ERP intangible assets	13,435	15,236
Tax on amortisation of non-ERP related intangible assets	(2,460)	(2,269)
Exceptional items (net of tax)	<u>631</u>	<u>(2,847)</u>
Adjusted net profit	<u>62,638</u>	<u>90,019</u>
Adjusted diluted EPS (cent)³	53.16c	71.53c
Operating margin¹	3.7%	5.1%
Return on capital employed	12.6%	18.3%
Free cash flow	€104.4m	€108.5m

Group revenue

Group revenue increased by 4.9% to €2,456.2 million on a reported basis and 6.5% on a constant currency basis. Excluding crop marketing, revenue in the Agronomy and Inputs businesses delivered constant currency growth of 5.2%, with price growth of 12.5%, reflecting global commodity prices, and an increase of 1.1% from acquisitions set against reduced volumes of 8.4%, driven primarily by a combination of reduced Ukraine activity and lower fertiliser volumes.

Operating profit¹

Operating profit¹ amounted to €90.8 million compared to the unique contribution in FY22 of €119.7 million, which was impacted by strong commodity prices and highly volatile trading conditions. Excluding FY22's result, the operating profit delivered in FY23 of €90.8m exceeds the previous best of the Group with increases recorded in Continental Europe and Latin America set against the expected reduced contribution from Ireland and the UK.

Group operating margin reduced from 5.1% to 3.7% in FY23, principally driven by the Ireland and UK segment, which saw its operating margin reduce from 5.9% in FY22 to 3.5% in FY23.

Associates and joint venture²

Origin's share of the profit after taxation from associates and joint venture amounted to €4.0 million in the period (FY22: €6.8 million). The FY23 performance reflects a weaker feed commodity market in the second half of the year compared to the stronger operating and trading conditions experienced in FY22.

Finance costs and net bank debt⁴

Net cash⁴ at 31 July 2023 was €53.2 million (net debt⁴ of €1.7 million including IFRS 16 lease debt) compared to net cash⁴ of €43.4 million (net debt⁴ €5.1 million including IFRS 16 lease debt) at the end of the prior year, an increase of €9.8 million. The movement is primarily driven by the strong FY23 operating performance and a net working capital inflow during the year, as described below.

Net finance costs amounted to €13.0 million, which represents an increase of €1.9 million on the prior year. Excluding the impact of IFRS 16, there was an increase in net finance costs of €1.8 million reflecting increased interest rates, year-on-year, across the Group.

At 31 July 2023, the Group had unsecured committed banking facilities of €400.0 million (2022: €400.0 million), with pricing linked to ESG performance, of which €33.8 million will expire in 2024 and €366.2 million in 2026.

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

	Banking Covenant	2023	2022
Net debt to EBITDA	Maximum 3.5	-	-
EBITDA to net interest	Minimum 3.0	8.57	13.83

Working capital

For the year ended 31 July 2023, there was a working capital inflow of €43.9 million reflecting the continued focus on working capital optimisation across the Group. While the year-end represents the low point in the working capital cycle for the Group reflecting the seasonality of the business, working capital performance was positively impacted by lower fertiliser raw material and feed pricing, the favourable timing impact of purchases and sales offtakes during H2 and the net benefit of trade payables which have been suspended in accordance with international sanctions imposed in response to the Russian invasion of Ukraine in 2022. We continue to monitor the situation regarding sanctions and work very closely with the relevant National Competent Authorities and will continue to act in accordance with their guidance.

Adjusted diluted earnings per share ('EPS')³

Adjusted diluted EPS³ amounted to 53.16 cent per share (FY22: 71.53 cent), a decrease of 25.7% on a reported basis and 25.9% on a constant currency basis.

Free cash flow

	2023 €'m	2022 €'m
Free cash flow	104.4	108.5
Free cash flow conversion ratio	178.2%	130.5%

The Group generated free cash flow in the year of €104.4 million (2022: €108.5 million). This strong cash flow performance delivered a net cash position of €53.2 million at year end. This was due to a continued focus on working capital optimisation, falling feed and fertiliser raw material prices and disciplined cash management across the Group.

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

	2023	2022
Return on capital employed ('ROCE')	12.6%	18.3%

The Group's strong operating performance delivered a ROCE of 12.6%, within our targeted range. 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 charge of €0.6 million in the year (FY22: credit of €2.8 million), and are summarised in the table below:

	2023 €'m	2022 €'m
Acquisition and disposal related costs	2.3	-
Ukraine related costs	2.0	-
Arising in associates and joint venture	(3.7)	-
Gain on the disposal of investment properties	-	(2.7)
Other	-	(0.1)
Total exceptional items, net of tax	<u>0.6</u>	<u>(2.8)</u>

Dividends

The Directors are proposing a final dividend of 13.65 cent per ordinary share for approval at the AGM in November 2023, bringing the total dividend payment for FY23 to 16.80 cent, an increase of 5.0%. Subject to shareholder approval at the AGM, this final dividend will be paid on 9 February 2024 to shareholders on the register on 19 January 2024.

Board changes

Rose Hynes resigned as a Director of the Company with effect from the conclusion of the 2022 AGM in November 2022 and was succeeded by Gary Britton as Chairman as planned. Also during the year Mr. Alan Ralph and Ms. Pam Powell were appointed as independent Non-Executive Directors.

Share buyback programme

On 28 September 2022 the Group commenced a share buyback programme to repurchase up to €20 million of ordinary shares. The programme was completed on 29 March 2023, with the average price paid per share of €4.0583.

Sustainability

Origin made significant progress on its Environmental, Social and Governance ("ESG") agenda in FY23. During the year the Group continued the implementation of its environmental sustainability strategy, 'Nurturing Growth' and its associated targets. Origin is focused on actions in the areas that are most important to stakeholders and has prioritised work in the evolution of a more sustainable product portfolio.

The Group also implemented its carbon transition plan and has committed to a 54.9% reduction in Scope 1 and 2 emissions, and a 32.5% reduction in Scope 3 emissions by 2032 from a 2019 base. These targets have been submitted for validation to the Science Based Target initiative ("SBTi").

The Group's efforts have been acknowledged with improved ESG ratings: Sustainalytics (Low Risk), MSCI (A rating), and CDP (B rating). This achievement has resulted in Origin attaining the top end of its ESG targets within its sustainability-linked revolving credit facility.

On the social agenda, Origin has also made progress on Diversity and Inclusion during the year with good engagement across the organisation culminating in achieving a 25% female representation in leadership and management positions (7% increase since 2018) and 33% female representation on the Origin Board. The Group also increased resourcing within its environmental compliance team and launched a series of actions across education, talent acquisition and engagement to further embed our progress.

Corporate development

During the year, the Group continued to strengthen its offering in its Amenity, Environmental and Ecology business with the acquisitions of Keystone Environmental, Neo Environmental, Agrigem and British Hardwood Tree Nursery. Subsequent to the year end, the Group acquired the business and operating assets of Suregreen Limited ('Suregreen'), a UK based landscape and gardening products supplier for trade professionals and DIY customers from its Administrators. These acquisitions complement the Group's organic growth strategy, are EPS enhancing and broaden its expertise and capabilities in the growing market for ecological and environmental products and services which will continue to play an important role in sustainable land use to help tackle climate change, restore biodiversity, and create recreational spaces to promote social wellbeing.

The Group also continues the rollout of Dynamics 365 ERP solution across its UK and Ireland businesses, with the solution being deployed to the remaining key business units over FY24.

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. 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.

We engage with institutional investors in numerous one-on-one meetings, as well as at roadshows and equity conferences. During FY23, meetings were held with 142 institutional investors. Engagement was facilitated through a combination of in-person meetings and remotely using virtual conferences and video calls.

Annual General Meeting (AGM)

The AGM is scheduled to be held on 16 November 2023 at 11.00am (UK/Ireland time) in the Merrion Hotel, Upper Merrion Street, Dublin 2.

Cautionary statement

This Preliminary Results Statement contains forward looking statements. These statements have been made by the Directors in good faith based on the information available to them up to the time of the preparation of this document. Due to the inherent uncertainties, including both economic and business risk factors underlying such forward-looking information, actual results may differ materially from those expressed or implied by these forward-looking statements.

The Directors undertake no obligation to update any forward-looking statements contained in this document, whether as a result of new information, future events or otherwise.

Review of Operations

Group Overview

	2023 €'m	2022 €'m	Change on prior year		
			Change %	Underlying ³ %	Constant Currency ⁴ %
Revenue	2,456.2	2,342.1	4.9%	5.5%	6.5%
Operating profit ¹	90.8	119.7	(24.2%)	(27.4%)	(24.4%)
Operating margin ¹	3.7%	5.1%	(140bps)	(160bps)	(150bps)
Adjusted diluted EPS (cent) ²	53.16	71.53	(25.7%)	(28.6%)	(25.9%)

¹ Before amortisation of non-ERP intangible assets and exceptional items

² Before amortisation of non-ERP intangible assets, net of related deferred tax (2023: €11.0m, 2022: €13.0m) and exceptional items, net of tax (2023: charge of €0.6m, 2022: credit of €2.8m)

³ Excluding currency movements and the impact of acquisitions and disposals

⁴ Excluding currency movements

The Group delivered a strong overall performance in FY23, despite significant price and volume volatility across all our markets. As previously noted, the FY23 performance is set against a strong comparable period in FY22 due to the unique backdrop of strong commodity prices and highly volatile trading conditions.

Group revenue increased by 4.9% on a reported basis, while Group operating profit and adjusted fully diluted earnings per share reduced by 24.2% and 25.7% respectively.

There was an underlying decrease in agronomy services and crop input volumes, primarily driven by a combination of reduced Ukraine activity and lower fertiliser volumes, excluding crop marketing volumes, of 8.4% for FY23.

Ireland and the United Kingdom

	2023 €'m	2022 €'m	Change on prior year		
			Change %	Underlying ³ %	Constant Currency ⁴ %
Revenue	1,641.8	1,614.4	1.7%	2.6%	4.0%
Operating profit ¹	57.8	94.5	(38.8%)	(41.1%)	(37.2%)
Operating margin ¹	3.5%	5.9%	(240bps)	(250bps)	(230bps)
Associates and joint venture ²	4.0	6.8	(41.0%)	(40.4%)	(40.4%)

¹ Before amortisation of non-ERP intangible assets and exceptional items

² Profit after interest and tax before exceptional items

³ Excluding currency movements and the impact of acquisitions and disposals

⁴ Excluding currency movements

Ireland and the UK delivered a good performance in FY23, reflective of a return to more normalised trading conditions as the year progressed, including some recovery in Q4 from what was a wet and cold Q3 period. As previously stated, FY23 is set against a unique prior year comparative, and while reported revenue increased by 1.7%, operating profit decreased by 38.8%.

While FY23 continued to be characterised by significant price and volume volatility, these challenges were successfully managed across the Group. Agronomy Services and Agri-inputs experienced an underlying volume reduction of 7.4% for the period, primarily fertiliser driven.

Operating margin decreased to 3.5% from 5.9% in the prior year. This again reflects the exceptional nature of FY22's result.

Agronomy Services

Integrated Agronomy and On-Farm Services delivered a strong result for the year.

The result was supported by a robust planted area across the UK, despite the impact of some weather related challenges. Strong volume performance across our seed portfolio was set against reductions in fertiliser and crop protection volumes, as anticipated. The FY23 harvest is progressing well, after a slow start, and yields to-date are as expected.

Agri-inputs

Our Business-to-Business Agri-Inputs division delivered a solid performance, despite experiencing reduced demand as a result of higher global raw material prices, which have fallen towards the end of the year.

Fertiliser

Fertiliser delivered a solid financial and operating performance, while navigating ongoing pricing uncertainties and supply chain challenges. The global fertiliser market experienced significant raw material price volatility throughout the year, and this negatively impacted FY23 volumes.

Despite the challenges faced in global markets, the Group continues to execute strongly across the business. Sustainable land use and soil health are a core focus for the Group, and Origin will continue to invest in innovative products to meet evolving customer's needs.

Feed Ingredients

Origin's Feed Ingredients division delivered a satisfactory performance in FY23, again set against stronger FY22 operating and trading conditions.

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.

Amenity, Environmental and Ecology

As part of the strategy outlined at the Group's 2022 Capital Markets Day, Origin committed to accelerating its participation in the amenity, environmental and ecology markets. In FY23, the Group's Amenity, Environmental and Ecology business delivered a good performance supported by the impact of acquisitions completed during the year.

During the year, the Group completed four acquisitions in this space, totalling €30.1 million, with a further acquisition post year end. The five acquisitions are: Agrigem; British Hardwood Tree Nursery; Keystone Environmental; Neo Environmental; and Suregreen.

These newly acquired businesses provide a diverse range of ecological and environmental products and services, in areas such as forestry, landscaping and habitat conservation. They primarily cater for the growing demand from customers seeking sustainable nature based solutions.

These acquisitions complement Origin's organic growth strategy and broaden its offering in the emerging nature economy through sustainable land use.

Continental Europe¹

	2023 €'m	2022 €'m	Change on prior year		Constant Currency ⁴ %
			Change %	Underlying ³ %	
Revenue	464.6	461.8	0.6%	2.4%	2.4%
Operating profit ²	15.8	14.8	6.6%	5.1%	5.1%
Operating margin ²	3.4%	3.2%	20bps	10bps	10bps

¹ Excluding crop marketing. While crop marketing has a significant impact on revenue, its impact on operating profit is less significant. For the year ending 31 July 2023 crop marketing revenues and profits attributable to Continental Europe amounted to €231.7 million and €1.5 million respectively (2022: €192.7 million and €0.8 million respectively). An analysis of revenues, profits and margins attributable to agronomy services and inputs more accurately reflects the underlying drivers of business performance

² Before amortisation of non-ERP intangible assets and exceptional items

³ Excluding currency movements and the impact of acquisitions

⁴ Excluding currency movements

Continental Europe ('CE') delivered a solid performance in FY23, with an overall increase in operating profit to €15.8 million, an increase of 6.6% on FY22.

Overall volumes were back in each geography in CE, with underlying business volumes reducing by 18.2% in the period, primarily driven by Ukraine and the impact of higher product pricing.

Poland

Poland delivered a good performance in FY23, with the cropping area largely in line with FY22.

The performance was characterised by a continued focus on working capital optimisation, with a reduction in net working capital delivered year-on-year. Across Poland, the harvest is progressing as planned with good yields reported across most regions. Farm sentiment remains cautious, with input price volatility delaying purchasing decisions. The construction of the expanded 'Foliq'-branded liquid foliar fertiliser facility is progressing to plan, with commissioning expected during first half of calendar 2024.

Romania

Romania reported a strong performance in FY23, supported by a robust planted area, satisfactory crop establishment and generally favourable soil moisture levels.

The harvest of winter crops is largely complete across Romania, with record oilseed rape yields recorded in some regions set against lower than average yields for other winter cereals. Farm sentiment is cautious with some early purchasing of oilseed rape noted, however purchasing decisions for other winter cereals are expected to be delayed. The Group will commence its investment programme to expand our micropack production facility and fertiliser coating facilities in early FY24.

Ukraine

Activity levels in Ukraine have continued to reduce significantly as a result of the war. In recent years the Group has undertaken a significant de-risking of the balance sheet through a sustained focus on working capital reduction. Subsequent to year end, the Group took the difficult decision to wind down operations in Ukraine, and it will cease trading at the end of September 2023. The Group's Ukraine business has experienced a number of challenges, most recently as a result of the war with reduced activity levels in relation to on-farm liquidity, however, a volatile trading environment and challenging market dynamics have resulted in the business being loss making over a number of years, with little evidence that the trading environment will improve post war.

Latin America

	2023 €'m	2022 €'m	Change on prior period		
			Change %	Underlying ² %	Constant Currency ³ %
Revenue	118.1	73.2	61.3%	48.5%	48.5%
Operating profit ¹	15.7	9.7	62.1%	47.3%	47.3%
Operating margin ¹	13.3%	13.2%	10bps	(10bps)	(10bps)

¹ Before amortisation of non-ERP intangible assets and exceptional items

² Excluding currency movements and the impact of acquisitions

³ Excluding currency movements

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

Latin America delivered another strong performance in FY23, with operating profit increasing to €15.7 million from €9.7 million in FY22, with an underlying increase of €4.6 million.

There was an underlying increase in volumes of 30.1%. The strong volume development and underlying growth was enabled by the broadening of our product range, following additional investment to increase capacity of liquid, dry and Controlled Release Fertiliser ('CRF'). The Group's CRF operations reached maximum capacity, ahead of targets, in FY23. Further investment will be required in FY24 to address current production related constraints. The establishment of F1rst Agbiotech, a dedicated biological business unit supporting research and development of bio-solutions, continued in line with expectations, with initial sales volumes delivered through Q4 FY23.

The overall result was supported by the total cropping area dedicated to soya, Brazil's principal crop, increasing by 5.1% on the prior year to 43.6 million hectares, with the expected soya harvest increasing to 153.3 million tonnes from 125.5 million tonnes last year. The total production for Brazil's secondary crop, maize, is forecasted to increase by 10.6% to 125.1 million tonnes.

ENDS

Origin Enterprises plc

Consolidated Income Statement

For the financial year ended 31 July 2023

	Notes	Pre- exceptional 2023 €'000	Exceptional 2023 €'000 (Note 3)	Total 2023 €'000	Pre- exceptional 2022 €'000	Exceptional 2022 €'000 (Note 3)	Total 2022 €'000
Revenue	2	2,456,168	-	2,456,168	2,342,102	-	2,342,102
Cost of sales		(2,122,029)	-	(2,122,029)	(1,972,937)	-	(1,972,937)
Gross profit		334,139	-	334,139	369,165	-	369,165
Operating (costs) / income		(256,783)	(4,489)	(261,272)	(264,661)	3,919	(260,742)
Share of profit of associates and joint venture		4,040	3,692	7,732	6,845	-	6,845
Operating profit		81,396	(797)	80,599	111,349	3,919	115,268
Finance income		2,080	-	2,080	1,127	-	1,127
Finance expense		(15,043)	-	(15,043)	(12,184)	-	(12,184)
Profit before income tax		68,433	(797)	67,636	100,292	3,919	104,211
Income tax (expense)/credit		(16,770)	166	(16,604)	(23,240)	(1,072)	(24,312)
Profit for the year		51,663	(631)	51,032	77,052	2,847	79,899
Earnings per share for the year				2023			2022
Basic earnings per share		4		<u>45.24c</u>			<u>65.40c</u>
Diluted earnings per share		4		<u>43.31c</u>			<u>63.49c</u>

Origin Enterprises plc

Consolidated Statement of Comprehensive Income

For the financial year ended 31 July 2023

	2023	2022
	€'000	€'000
Profit for the year	51,032	79,899
Other comprehensive (expense) / income		
Items that are not reclassified subsequently to the Consolidated Income Statement:		
<i>Group/Associate defined benefit pension obligations</i>		
-remeasurements on Group's defined benefit pension schemes	(6,103)	909
-deferred tax effect of remeasurements	1,506	(176)
-share of remeasurements on associate's defined benefit pension schemes	(53)	(2,386)
-share of deferred tax effect of remeasurements - associates	13	596
Items that may be reclassified subsequently to the Consolidated Income Statement:		
<i>Group foreign exchange translation details</i>		
-exchange difference on translation of foreign operations	(1,580)	9,588
<i>Group/Associate cash flow hedges</i>		
-effective portion of changes in fair value of cash flow hedges	7,387	9,186
-fair value of cash flow hedges transferred to operating costs and other income	(7,801)	(3,751)
-deferred tax effect of cash flow hedges	394	(840)
-share of associates and joint venture cash flow hedges	(1,960)	2,134
-deferred tax effect of share of associates and joint venture cash flow hedges	245	(267)
Other comprehensive (expense) / income for the year, net of tax	(7,952)	14,993
Total comprehensive income for the year attributable to equity shareholders	43,080	94,892

Origin Enterprises plc

Consolidated Statement of Financial Position

As at 31 July 2023

	Notes	2023 €'000	2022 €'000
ASSETS			
Non-current assets			
Property, plant and equipment	5	118,107	107,906
Right of use asset		54,037	47,705
Investment properties		2,270	2,270
Goodwill and intangible assets	6	299,906	251,999
Investments in associates and joint venture	7	52,387	47,053
Other financial assets		898	561
Deferred tax assets		8,737	6,363
Post employment benefit surplus	9	2,579	7,767
Derivative financial instruments		6,960	4,241
Total non-current asset		545,881	475,865
Current assets			
Properties held for sale		5,800	5,800
Inventory		232,167	380,412
Trade and other receivables		440,398	455,110
Derivative financial instruments		118	2,162
Cash and cash equivalents	11	151,237	193,059
Total current assets		829,720	1,036,543
TOTAL ASSETS		1,375,601	1,512,408

Origin Enterprises plc

Consolidated Statement of Financial Position (continued)

As at 31 July 2023

	Notes	2023 €'000	2022 €'000
EQUITY			
Called up share capital presented as equity	12	1,253	1,253
Share premium		160,526	160,521
Retained earnings and other reserves		248,814	241,003
TOTAL EQUITY		410,593	402,777
LIABILITIES			
Non-current liabilities			
Interest-bearing borrowings	11	96,964	132,936
Lease liabilities		42,835	38,753
Deferred tax liabilities		20,720	20,854
Provision for liabilities	8	11,331	4,002
Derivative financial instruments		25	-
Total non-current liabilities		171,875	196,545
Current liabilities			
Interest-bearing borrowings	11	1,098	16,689
Lease liabilities		12,081	9,803
Trade and other payables		722,605	841,085
Corporation tax payable		11,937	12,290
Put option liability		32,382	29,695
Provision for liabilities	8	11,987	1,610
Derivative financial instruments		1,043	1,914
Total current liabilities		793,133	913,086
TOTAL LIABILITIES		965,008	1,109,631
TOTAL EQUITY AND LIABILITIES		1,375,601	1,512,408

Origin Enterprises plc

Consolidated Statement of Changes in Equity

For the financial year ended 31 July 2023

	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 2022	1,253	160,521	(36,005)	145	4,604	12,843	4,194	(196,884)	(43,748)	495,854	402,777
Profit for the year	-	-	-	-	-	-	-	-	-	51,032	51,032
Other comprehensive expense for the year	-	-	-	-	(1,735)	-	-	-	(1,580)	(4,637)	(7,952)
Total comprehensive (expense) / income for the year	-	-	-	-	(1,735)	-	-	-	(1,580)	46,395	43,080
Share-based payment charge	-	-	-	-	-	-	2,550	-	-	-	2,550
Shares issued	-	5	-	-	-	-	-	-	-	-	5
Share buyback	-	-	(20,000)	-	-	-	-	-	-	-	(20,000)
Re-issue of treasury shares	-	-	4,316	-	-	-	-	-	-	(2,024)	2,292
Change in fair value of put option	-	-	-	-	-	-	-	-	-	(2,121)	(2,121)
Dividend paid to shareholders	-	-	-	-	-	-	-	-	-	(17,990)	(17,990)
Transfer of share based payment reserve to retained earnings	-	-	-	-	-	-	(518)	-	-	518	-
At 31 July 2023	1,253	160,526	(51,689)	145	2,869	12,843	6,226	(196,884)	(45,328)	520,632	410,593

Origin Enterprises plc

Consolidated Statement of Cash Flows

For the financial year ended 31 July 2023

	2023	2022
	€'000	€'000
Cash flows from operating activities		
Profit before tax	67,636	104,211
Exceptional items	797	(3,919)
Finance income	(2,080)	(1,127)
Finance expense	15,043	12,184
Loss on disposal of property, plant and equipment	718	650
Share of profit of associates and joint venture	(4,040)	(6,845)
Depreciation of property, plant and equipment	8,678	10,696
Depreciation of right of use assets	12,810	11,482
Amortisation of intangible assets	14,218	17,112
Employee share-based payment charge	2,550	2,285
Pension contributions in excess of service costs	(834)	(762)
Payment of exceptional Ukraine related costs	(1,918)	-
Payment of exceptional acquisition and disposal related costs	(1,537)	(206)
	-----	-----
Operating cash flow before changes in working capital	112,041	145,761
Movement in inventory	146,884	(161,914)
Movement in trade and other receivables	19,845	(18,464)
Movement in trade and other payables	(122,835)	196,531
	-----	-----
Cash generated from operating activities	155,935	161,914
Interest paid	(11,526)	(8,040)
Income tax paid	(19,631)	(26,213)
	-----	-----
Cash inflow from operating activities	124,778	127,661
	-----	-----

Origin Enterprises plc

Consolidated Statement of Cash Flows (continued) For the financial year ended 31 July 2023

	2023	2022
	€'000	€'000
Cash flows from investing activities		
Proceeds from disposal of held for sale properties	-	19,500
Proceeds from sale of property, plant and equipment	235	1,083
Purchase of property, plant and equipment	(18,567)	(13,128)
Additions to intangible assets	(17,683)	(10,998)
Consideration relating to acquisitions (net of cash acquired)	(30,112)	(1,457)
Payment of contingent acquisition consideration	(115)	(106)
Net proceeds from disposal of subsidiary	705	-
Purchase of other financial assets	(345)	-
Repayment of loans	-	2,898
Dividends received from associates	144	3,042
	<hr/>	<hr/>
Cash (outflow) / inflow from investing activities	(65,738)	834
	<hr/>	<hr/>
Cash flows from financing activities		
Drawdown of bank loans	334,599	295,365
Repayment of bank loans	(369,244)	(334,465)
Lease liability payments	(14,810)	(13,499)
Share buyback	(20,000)	(39,997)
Issue of share capital	5	-
Proceeds from re-issue of treasury shares	1,654	-
Payment of dividends to equity shareholders	(17,990)	(13,449)
	<hr/>	<hr/>
Cash outflow from financing activities	(85,786)	(106,045)
	<hr/>	<hr/>
Net (decrease) / increase in cash and cash equivalents	(26,746)	22,450
Translation adjustment	515	(1,858)
Cash and cash equivalents at start of year	176,370	155,778
	<hr/>	<hr/>
Cash and cash equivalents at end of year (Note 11)	150,139	176,370
	<hr/>	<hr/>

Origin Enterprises plc

Notes to the preliminary results statement

For the financial year ended 31 July 2023

1 Basis of preparation

The financial information included on pages 12 to 32 of this preliminary results statement has been extracted from the Group financial statements for the year ended 31 July 2023 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 2023, 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 Amenity, Environmental and Ecology operations. 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 Poland, Romania and Ukraine.

Latin America

This segment includes the Group's 65% controlling interest in Fortgreen Commercial Agricola Ltda ("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 2023

2 Segment information (continued)

(i) Segment revenue and results

	Ireland & the UK		Continental Europe		Latin America		Total Group	
	2023 €'000	2022 €'000	2023 €'000	2022 €'000	2023 €'000	2022 €'000	2023 €'000	2022 €'000
Revenue	1,641,764	1,614,423	696,268	654,446	118,136	73,233	2,456,168	2,342,102
Segment result	57,841	94,480	17,297	15,604	15,653	9,656	90,791	119,740
Profit from associates and joint venture	4,040	6,845	-	-	-	-	4,040	6,845
Amortisation of non-ERP intangible assets	(10,729)	(7,967)	(1,013)	(5,354)	(1,693)	(1,915)	(13,435)	(15,236)
Total operating profit before exceptional items	51,152	93,358	16,284	10,250	13,960	7,741	81,396	111,349
Exceptional items	(128)	3,919	(669)	-	-	-	(797)	3,919
Operating profit	51,024	97,277	15,615	10,250	13,960	7,741	80,599	115,268

Origin Enterprises plc

Notes to the preliminary results statement (continued)

For the financial year ended 31 July 2023

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:

	2023 €'000	2022 €'000
Segment earnings before financing costs and tax	80,599	115,268
Finance income	2,080	1,127
Finance expense	(15,043)	(12,184)
	<hr/>	<hr/>
Reported profit before tax	67,636	104,211
Income tax expense	(16,604)	(24,312)
	<hr/>	<hr/>
Reported profit after tax	51,032	79,899
	<hr/>	<hr/>

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:

	2023 €'000	2022 €'000
Ukraine Related costs (i)	2,226	-
Acquisition, disposal and other related costs / (credit) (ii)	2,263	(125)
Gain on disposal of properties held for sale (iii)	-	(3,794)
	<hr/>	<hr/>
Total exceptional costs / (credit) before tax and before associates and joint venture	4,489	(3,919)
Arising in associates and joint venture, net of tax (iv)	(3,692)	-
	<hr/>	<hr/>
Total exceptional costs / (credit) before tax including associates and joint venture	797	(3,919)
Tax (credit) / charge on exceptional items	(166)	1,072
	<hr/>	<hr/>
Total exceptional costs / (credit) after tax	631	(2,847)
	<hr/>	<hr/>

Origin Enterprises plc

Notes to the preliminary results statement (continued)

For the financial year ended 31 July 2023

3 Exceptional items (continued)

(i) Ukraine related costs

Ukraine related costs comprise of rationalisation costs attributable to termination payments from restructuring programmes in Ukraine along with costs associated with international sanctions imposed by authorities in response to the Russian invasion of Ukraine. The tax impact of this exceptional item in the year was a tax credit of €0.2 million

(ii) Acquisition, disposal and other related costs / (credit)

Acquisition, disposal and other related costs principally comprised of costs incurred in relation to the acquisitions completed during the current year and a loss on sale of a subsidiary. The tax impact of this exceptional item in the current year was a charge of €nil. The costs in the prior year principally comprised of a dilapidation credit.

(iii) Gain on disposal of properties held for sale

During the prior year, held for sale properties were sold, resulting in an exceptional gain of €3.8 million. Also included were costs relating to the disposal of the properties. The tax impact of this exceptional item in the prior year was a charge of €1.1 million.

(iv) Arising in associates and joint venture

During 2021 the R&H Hall storage facility in Ringaskiddy suffered fire damage. Contingency plans were implemented and the impact on customers and operations was minimised. The gain represents the excess of the insurance claim proceeds over the net book value of the assets destroyed and other restructuring costs incurred. The net tax impact of this exceptional item was €0.7 million.

Origin Enterprises plc

Notes to the preliminary results statement (continued)

For the financial year ended 31 July 2023

4 Earnings per share

Basic earnings per share

	2023 €'000	2022 €'000
Profit for the financial year attributable to equity shareholders	<u>51,032</u>	<u>79,899</u>
Weighted average number of ordinary shares for the year	<u>'000 112,791</u>	<u>'000 122,164</u>
	Cent	Cent
Basic earnings per share	<u>45.24</u>	<u>65.40</u>

Diluted earnings per share

	2023 €'000	2022 €'000
Profit for the financial year attributable to equity shareholders	<u>51,032</u>	<u>78,899</u>
Weighted average number of ordinary shares used in basic calculation	<u>'000 112,791</u>	<u>'000 122,164</u>
Impact of shares with a dilutive effect	<u>2,671</u>	<u>1,928</u>
Impact of the SAYE scheme	<u>2,379</u>	<u>1,759</u>
Weighted average number of ordinary shares (diluted) for the year	<u>117,841</u>	<u>125,851</u>
	Cent	Cent
Diluted earnings per share	<u>43.31</u>	<u>63.49</u>

Origin Enterprises plc

Notes to the preliminary results statement (continued)

For the financial year ended 31 July 2023

4 Earnings per share (continued)

	2023 '000	2022 '000
Adjusted basic earnings per share		
Weighted average number of ordinary shares for the year	<u>112,791</u>	<u>122,164</u>
	2023 €'000	2022 €'000
Profit for the financial year	51,032	79,899
Adjustments:		
Amortisation of non-ERP related intangible assets (Note 6)	13,435	15,236
Tax on amortisation of non-ERP related intangible assets	(2,460)	(2,269)
Exceptional items, net of tax	<u>631</u>	<u>(2,847)</u>
Adjusted earnings	<u>62,638</u>	<u>90,019</u>
	Cent	Cent
Adjusted basic earnings per share	<u>55.53</u>	<u>73.69</u>
Adjusted diluted earnings per share		
	2023 '000	2022 '000
Weighted average number of ordinary shares used in basic calculation	112,791	122,164
Impact of shares with a dilutive effect	2,671	1,928
Impact of the SAYE scheme	<u>2,379</u>	<u>1,759</u>
Weighted average number of ordinary shares (diluted) for the year	<u>117,841</u>	<u>125,851</u>
	2023 €'000	2022 €'000
Adjusted earnings (as above)	<u>62,638</u>	<u>90,019</u>
	Cent	Cent
Adjusted diluted earnings per share	<u>53.16</u>	<u>71.53</u>

Origin Enterprises plc

Notes to the preliminary results statement (continued)

For the financial year ended 31 July 2023

5 Property, plant and equipment

	2023 €'000	2022 €'000
At 1 August	107,906	104,528
Arising on acquisition (Note 10)	1,459	874
Additions	18,891	13,477
Disposals	(1,014)	(1,733)
Depreciation charge for the year	(8,678)	(10,696)
Translation adjustments	(457)	1,456
At 31 July	118,107	107,906

6 Goodwill and intangible assets

	2023 €'000	2022 €'000
At 1 August	251,999	248,445
Arising on acquisition (Note 10)	46,650	2,314
Additions	17,683	10,998
Disposals	(886)	(848)
Purchase adjustment	(58)	-
Amortisation of non-ERP intangible assets	(13,435)	(15,236)
ERP intangible amortisation	(783)	(1,876)
Translation adjustments	(1,264)	8,202
At 31 July	299,906	251,999

Origin Enterprises plc

Notes to the preliminary results statement (continued)

For the financial year ended 31 July 2023

7 Investments in associates and joint venture

	2023 €'000	2022 €'000
At 1 August	47,053	42,774
Share of profits after tax, before exceptional items	4,040	6,845
Share of exceptional items, net of tax (Note 3)	3,692	-
Dividends received	(144)	(3,042)
Share of other comprehensive income	(1,755)	77
Translation adjustment	(499)	399
At 31 July	52,387	47,053
Split as follows:		
Total associates	27,219	24,580
Total joint venture	25,168	22,473
	52,387	47,053

8 Provision for liabilities

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

	2023 €'000	2022 €'000
At 1 August	5,612	3,459
Arising on acquisition (Note 10)	15,199	1,460
Provided in year	2,738	1,045
Paid in year	(115)	(384)
Released in the year	(290)	-
Currency translation adjustment	174	32
At 31 July	23,318	5,612
Split as follows:		
Current liabilities	11,987	1,610
Non-current liabilities	11,331	4,002
	23,318	5,612

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

Origin Enterprises plc

Notes to the preliminary results statement (continued)

For the financial year ended 31 July 2023

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 2023 by an independent, qualified actuary. The valuations have been performed using the projected unit method.

Movement in net asset recognised in the Consolidated Statement of Financial Position

	2023 €'000	2022 €'000
At 1 August	7,767	5,939
Current service cost	(414)	(590)
Employer contributions	1,248	1,352
Other finance income	255	93
Remeasurements	(6,103)	909
Translation adjustments	(174)	64
At 31 July	2,579	7,767

10 Acquisition of subsidiary undertakings

On 6 October 2022, the Group acquired 100% of the share capital of Keystone Environmental Limited in the UK, an independent ecology solutions provider specialising in the design, planning and delivery of complete ecological solutions.

On 17 February 2023, the Group acquired 100% of the share capital of Agrigem Limited in the UK, the largest independent specialist supplier and advisor of ground care products throughout the UK and Ireland.

On 31 March 2023, the Group acquired 100% of the share capital of Neo Environmental Limited in the UK, a multi-disciplinary consultancy business that provides market-leading planning, environmental and technical advice.

On 2 June 2023, the Group acquired 100% of the share capital of British Hardwood Tree Nursery Limited in the UK, one of the UK's leading specialist wholesale suppliers of bare root plants, shrubs, hedgerow plants and planting accessories for the forestry, farming, estate management, corporate and landscaping sectors.

Origin Enterprises plc

Notes to the preliminary results statement (continued)

For the financial year ended 31 July 2023

10 Acquisition of subsidiary undertakings – continued

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

	Fair value €'000
Assets	
Non-current	
Property, plant & equipment	1,459
Intangible assets	9,514
Total non-current assets	10,973
Current assets	
Inventory	2,417
Trade receivables (i)	3,060
Other receivables	104
Cash and cash equivalents	5,081
Total current assets	10,662
Liabilities	
Trade and other payables	(5,322)
Corporation tax	(575)
Deferred tax liability	(2,482)
Total liabilities	(8,379)
Total identifiable net assets at fair value	13,256
Goodwill arising on acquisition	37,136
Total net assets acquired	50,392
Consideration satisfied by:	
Cash consideration	35,193
Contingent consideration arising from acquisition	15,199
Total consideration related to acquisitions	50,392
Net cash outflow – arising on acquisitions	
Cash consideration	35,193
Less cash and cash equivalents acquired	(5,081)
Total cash outflow related to acquisitions	30,112

(i) Trade Receivables acquired were €3.1 million. All amounts deemed recoverable.

Origin Enterprises plc

Notes to the preliminary results statement (continued)
For the financial year ended 31 July 2023

11 Analysis of net cash / (debt)

	2022	Cash flow	Non-cash movements	Translation adjustment	2023
	€'000	€'000	€'000	€'000	€'000
Cash	193,059	(42,113)	-	291	151,237
Overdrafts	(16,689)	15,367	-	224	(1,098)
Cash and cash equivalents	176,370	(26,746)	-	515	150,139
Loans	(132,936)	34,645	(875)	2,202	(96,964)
Net cash	43,434	7,899	(875)	2,717	53,175
Lease liabilities	(48,556)	14,810	(21,838)	668	(54,916)
Net debt including lease liabilities	(5,122)	22,709	(22,713)	3,385	(1,741)

Origin Enterprises plc

Notes to the preliminary results statement (continued)

For the financial year ended 31 July 2023

12 Share capital

	2023	2022
	€'000	€'000
Authorised		
250,000,000 ordinary shares of €0.01 each (i)	2,500	2,500
Allotted, called up and fully paid	1,253	1,253
125,320,375 (2023: 125,317,865) ordinary shares of €0.01 each (i) (ii)		
	Number of ordinary shares	Nominal value of shares €'000
Allotted, called up and fully paid		
At 1 August 2022	125,317,865	1,253
Share options exercised (ii)	2,510	-
At 31 July 2023	125,320,375	1,253
	Number of treasury shares	Nominal value of shares €'000
Treasury shares in issue		Carrying value of shares €'000
At 1 August 2022	(9,763,176)	(36,005)
Share buyback (iii)	(4,928,216)	(20,000)
Re-issue of treasury shares (iv)	1,132,908	4,316
	(13,558,484)	(51,689)

- (i) Ordinary shareholders are entitled to dividends as declared and each ordinary share carries equal voting rights at meetings of the Company.
- (ii) In the current financial year, the issued ordinary share capital was increased by the issue of 2,510 ordinary shares of nominal value €0.01 each, at an issue price of €2.02 each pursuant to the terms of the Origin Save As You Earn Scheme.
- (iii) During the financial year, the Group completed a share buyback programme. The total number of ordinary shares purchased by the Group was 4,928,216 for a total consideration before expenses of €20 million. The re-purchased shares are held as treasury shares.
- (iv) During the financial year, the Group re-issued 1,132,908 treasury shares to satisfy the exercise of share options granted under the Group's UK and ROI Savings Related Share Option Schemes.

Origin Enterprises plc

Notes to the preliminary results statement (continued)

For the financial year ended 31 July 2023

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.

	2023 €'000	2022 €'000
Total assets	1,375,601	1,512,408
Total liabilities	(965,008)	(1,109,631)
<i>Adjusted for:</i>		
Net debt	1,741	5,122
Tax, put option and derivative financial instruments, net	50,292	51,987
Accumulated amortisation of non-ERP related intangible assets	84,557	72,793
Capital employed	547,183	532,679
Average capital employed	754,287	691,369
Operating profit (excluding exceptional items)	77,356	104,504
Amortisation of non-ERP intangible assets	13,435	15,236
Share of profit of associates and joint venture	4,040	6,845
Return	94,831	126,585
Return on capital employed	12.6%	18.3%

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 2022 Annual Report.

15 Dividend

The Board is recommending a final dividend of 13.65 cent per ordinary share (2022: 12.85) which when combined with the interim dividend of 3.15 cent per ordinary share brings the total dividend for the year to 16.80 cent per share (2022: 16.00 cent per share). Subject to shareholders' approval at the Annual General Meeting, the dividend will be paid on 9 February 2024 to shareholders on the register on 19 January 2024. In accordance with IFRS, this dividend has not been provided for in the Consolidated Statement of Financial Position as at 31 July 2023.

Origin Enterprises plc

Notes to the preliminary results statement (continued)

For the financial year ended 31 July 2023

16 Financial commitments

The Group has a financial commitment of €2.2 million attributable to a strategic partnership with University College Dublin ('UCD'). The commitment is over a five year period and was extended until January 2024.

17 Subsequent events

In August 2023, the Group exercised the option to acquire the remaining 35 per cent interest in FortGreen Comercial Agricola Ltda.

In addition, the Group acquired the business and operating assets of Suregreen Limited, a UK based landscape and gardening products supplier for trade professionals and DIY customers from its Administrators.

Subsequent to year end, the Group took the difficult decision to wind down operations in Ukraine, and it will cease trading effective 29 September 2023.

There have been no other material events subsequent to 31 July 2023 that would require adjustment to or disclosure in this report.