

# Origin Enterprises plc

## Q1 Trading Update

*Strong first quarter driven by favourable planting levels and early season demand*

**Dublin, London, 22 November 2022:** Origin Enterprises plc ('Origin' or 'the Group'), the international Agronomy-Services group, providing specialist advice, inputs and digital solutions to promote sustainable land use, today issues its first quarter Trading Update for the three months ended 31 October 2022 ('Q1 FY23').

This trading update coincides with the Group's Annual General Meeting ('AGM') which will be held today at 11:00am (UK/Ireland time), in the Merrion Hotel, Upper Merrion Street, Dublin 2. Further details regarding the Annual General Meeting are available at <https://originenterprises.com/investors/agm>.

### Overview

- Group Revenue increased 57.7% to €716.2 million in Q1 FY23, compared to €454.1 million in Q1 FY22.
- On an underlying constant currency basis, revenue for Agronomy and Inputs (which excludes crop marketing revenue) increased by 63.4%. This reflects strong early season crop input volume growth particularly in Latin America and UK/Ireland, combined with the impact of price inflation across the Group in each of our seed, crop protection, feed and fertiliser portfolios in the period.
- The planted area for autumn and winter crops (excluding Ukraine) is expected to be largely in line with Q1 FY22. The UK should remain broadly unchanged with an increase in cropping area expected in Romania, offset by a modest reduction in Poland. In Latin America, the total cropping area dedicated to soya is expected to increase. The planted area in Ukraine is expected to be significantly behind prior year.
- On-farm sentiment remains positive across the Group's markets as strong crop prices have bolstered farm balance sheets, with an early harvest and benign weather conditions during the autumn planting season helping to underpin increased demand.
- Acquisition of Keystone Environmental Limited, a UK-based independent ecology solutions provider specialising in the design, planning and delivery of complete ecological solutions.
- As previously announced, Chairman Rose Hynes to be succeeded by Gary Britton at today's AGM.
- Appointment of Mr. Alan Ralph to the Board of Directors.
- €20 million share buyback programme in progress.

### Group Revenue

	Q1 FY23 €'m	Q1 FY22 €'m	Variance %	Underlying <sup>1</sup> %	Constant Currency <sup>2</sup> %
Ireland / UK	460.0	271.6	69.4%	71.0%	71.1%
Continental Europe	154.4	109.4	41.1%	44.2%	44.2%
Latin America	46.4	23.1	100.8%	65.7%	65.7%
<b>Total Agronomy and Inputs</b>	<b>660.8</b>	<b>404.1</b>	<b>63.5%</b>	<b>63.4%</b>	<b>63.5%</b>
Crop Marketing	55.4	50.0	11.0%	15.0%	15.0%
<b>Total Group</b>	<b>716.2</b>	<b>454.1</b>	<b>57.7%</b>	<b>58.1%</b>	<b>58.2%</b>

<sup>1</sup> Excluding currency movements and the contribution of acquisitions and disposals

<sup>2</sup> Excluding currency movements

**Ireland and the UK** recorded an increase in underlying agronomy services and crop input volumes of 8.8% in Q1 FY23. Overall, an earlier 2022 harvest, in addition to delivering good yields and high-quality grain, facilitated an early autumn/winter planting season. The expected area of winter wheat remains broadly unchanged at 1.8 million hectares. Planting conditions for oil seed rape have been largely favourable, with the expected planted area up 11.1% to 0.4 million hectares compared to FY22. Combined autumn/winter and spring plantings for the 2023 crop production year are expected to be in line with last year at 4.4 million hectares. Digital agricultural services continue to develop the Group's capabilities in precision farming and digital agronomy.

Business-to-Business Agri-Inputs had a strong start to the financial year, recording increased volumes compared with Q1 FY22, supported by an earlier harvest and including an element of pulled forward demand as a result of continuing market price volatility and concerns over product availability. The global raw material price volatility encountered in FY22 has continued into Q1 FY23 as a result of high energy costs and supply chain challenges.

The Group's Amenity business had a good start to the year, recording increased volumes and revenues. The integration of Keystone Environmental Limited, a leading UK-based ecology solutions provider specialising in the design, planning and delivery of complete ecological solutions, is progressing to plan.

**Continental Europe** recorded an underlying volume increase in agronomy services and crop inputs of 1.2% in the period, excluding Ukraine and crop marketing volumes. There was a good start to the year in Poland and Romania, with positive cropping profiles and favourable in-field conditions reported. Overall, across Poland and Romania, the autumn and winter planted area is expected to increase, however this is expected to be offset by a corresponding reduction in spring plantings.

*In Poland*, autumn and winter plantings are forecasted to be broadly in line with FY22's final outcome at 5.4 million hectares. This was supported by favourable planting conditions, enabling good crop establishment to date. The total cropping area for the 2023 growing season is expected to be broadly equivalent to last year at 8.8 million hectares.

*In Romania*, autumn and winter plantings are expected to be 14.2% ahead of the prior year at 3.6 million hectares. Favourable conditions allowed for an increased area of winter plantings, with a corresponding decrease expected in spring activity. To date the planted area is largely emerging in good condition. Combined winter and spring plantings for the growing season are currently anticipated to be in line with last year at 8.4 million hectares.

*In Ukraine*, activity levels remain significantly reduced as a result of the war with the planted area also likely to be significantly reduced on prior year. The Group's top priority continues to be the safety and wellbeing of our colleagues and the de-risking of the balance sheet. We continue to support limited localised operations where appropriate and are actively monitoring the situation on the ground, overseen by the local team.

**Latin America** delivered a strong performance in the period, recording an underlying increase in agronomy services and crop input volumes of 20.5%. The total cropping area dedicated to soya, Brazil's principal crop, is expected to increase by 2.9% on the prior year to 42.7 million hectares. While weather conditions have generally been good, regional variations have resulted in delayed soya planting compared to the same period last year, albeit tracking ahead of the five-year average.

## **Board Changes**

In addition to the appointment of Alan Ralph as Director during the period, as previously announced, Gary Britton has been appointed Chair Designate to succeed Rose Hynes at today's 2022 AGM. As announced at the time, the Group would like to express its sincere appreciation to Rose for her contribution during her tenure as Chairman and to wish her well in her future endeavours.

## Outlook

Q1 FY23 delivered a strong start to the year, with favourable autumn/winter planting levels setting a solid foundation for the financial year, subject to the usual weather risks which may arise as the year progresses. The challenging macro-economic conditions from FY22 have persisted in to Q1 FY23, including significant general inflation, challenging energy markets and less certainty around product availability resulting in a volatile trading environment. However, with a strong balance sheet and the strength and experience of the leadership team in place, Origin is well positioned to deliver on our financial and strategic ambitions.

Origin will provide a further update on cropping status and farming activity ahead of the Group's main trading season in the second half, at the time of our Interim Results announcement in March 2023.

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## About Origin Enterprises plc

Origin Enterprises plc is an international Agronomy-Services group, providing specialist advice, inputs, services 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 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)