

Origin Enterprises plc

Q3 Trading Update

Full year adjusted diluted EPS guidance of between 45 and 48 cent

Dublin, London, 13 June 2024. Origin Enterprises plc ('Origin' or 'the Group'), the international Agri-Services group, providing specialist agronomy advice, crop inputs and digital solutions to promote sustainable land use, today issues its FY24 Trading Update for the three months ('Q3') and nine months ended 30 April 2024.

Highlights and Outlook

- Adverse weather and challenging in-field conditions continued into the early part of Q3, resulting in a reduced spring cropping area in the UK, and delayed applications across Ireland, the UK and Europe
- Group revenue decreased by 20.7% to €1.5 billion year-to-date, reflecting a volume increase of 5.7% more than offset by significantly lower global feed and fertiliser raw materials pricing
- The pace of revenue decline slowed in Q3 to just 9.8% reflecting improved feed and fertiliser volumes. Crop protection volumes showed modest improvement in the third quarter, driven primarily by Continental Europe, but pricing remained weak. Ongoing high disease pressure is encouraging late season application
- Performance from acquisitions in our Amenity, Environment and Ecology business has been in line with expectations
- Completion and commissioning of the Group's FoliQ foliar fertiliser plant in Poland
- Appointment of Colm Purcell as the Group's new Chief Financial Officer, effective from 15 July 2024
- TJ Kelly, Group CFO, will take up the newly established position of Divisional Managing Director of Amenity, Environment and Ecology on 1 August 2024 and will continue as an Executive Director of the Board
- €20 million share buyback programme approximately 77% completed
- Full year adjusted diluted EPS guidance of between 45 and 48 cent

Revenue Summary

Group revenue for year-to-date and Q3, compared to the prior period, is as follows:

Group Revenue – YTD

	YTD FY24 €'m	YTD FY23 €'m	Variance %	Underlying ¹ %	Constant Currency ² %
Ireland / UK	955.4	1,242.9	(23.1%)	(25.8%)	(24.1%)
Continental Europe	310.7	398.4	(22.0%)	(23.4%)	(23.4%)
Latin America	113.0	104.4	8.1%	7.1%	7.1%
Total Agronomy and Inputs	1,379.1	1,745.7	(21.0%)	(23.3%)	(22.0%)
Crop Marketing	144.9	175.2	(17.2%)	(22.6%)	(22.6%)
Total Group	1,524.0	1,920.9	(20.7%)	(23.2%)	(22.1%)

¹ Excluding currency movements and the contribution of acquisitions

² Excluding currency movements

Group Revenue – Q3

	Q3 FY24 €'m	Q3 FY23 €'m	Variance %	Underlying ¹ %	Constant Currency ² %
Ireland / UK	439.2	489.6	(10.3%)	(13.4%)	(12.0%)
Continental Europe	171.8	175.4	(2.1%)	(4.1%)	(4.1%)
Latin America	18.2	14.9	22.5%	17.7%	17.7%
Total Agronomy and Inputs	629.2	679.9	(7.5%)	(10.4%)	(9.3%)
Crop Marketing	39.9	61.6	(35.2%)	(40.7%)	(40.7%)
Total Group	669.1	741.5	(9.8%)	(12.9%)	(11.9%)

¹ Excluding currency movements and the contribution of acquisitions

² Excluding currency movements

Group revenue for the nine months ended 30 April 2024 was €1.5 billion, a decrease of 20.7% year-on-year on a reported basis and 22.1% on a constant currency basis.

Excluding crop marketing, Group revenue decreased by 21.0%. On a constant currency basis, revenue declined by 22.0% primarily due to price reductions of 29.0%, reflecting the anticipated correction in global feed and fertiliser raw materials pricing. This was partially offset by an increase in volumes of 5.7% and an additional 1.2% revenue contribution from acquisitions.

Reported Group revenue was €669.1 million for Q3, a reduction of 9.8% on Q3 FY23 (11.9% on a constant currency basis). The adverse weather and in-field conditions experienced in H1 persisted into Q3, delaying on-farm activities. Increased feed and fertiliser volumes in the quarter were supported by lower price levels when compared to the same period in FY23.

Ireland and the UK reported a reduction in revenue of 23.1% to €955.4 million year-to-date, while Q3 saw a 10.3% reduction in reported revenue to €439.2 million. On a year-to-date basis, underlying volumes increased by 3.8% (Q3: 18.5%).

Total autumn and winter cropping is estimated at 1.9 million hectares, 25.8% lower than last year, with combined spring and winter plantings expected to be 8.5% lower at 3.9 million hectares. Persistent rainfall throughout the early part of Q3 further reduced the winter cropping area and delayed spring planting activity. Late drilling and poor ground conditions resulted in reduced expenditures on crops in the third quarter, however ongoing disease pressure is resulting in strong late season volumes. The reduced cropping area resulted in lower volumes for our Integrated On-Farm Agronomy Services.

Business-to-Business Agri-Inputs recorded reduced revenues year-to-date, however, Q3 saw a strong volume performance supported by lower global fertiliser raw material pricing. The Group's feed business benefitted from the challenging in-field conditions seen during Q3.

The Group's *Amenity, Environmental and Ecology* business delivered a good result year to date, recording increased revenues and operating profit compared to the prior year. The result reflected a positive operating profit from the Group's recent acquisitions in this sector.

In **Continental Europe**, reported revenue reduced by 22.0% to €310.7 million year-to-date, while Q3 saw a 2.1% reduction in reported revenue to €171.8 million. Despite cautious farm sentiment and raw material price uncertainty causing delayed on-farm purchasing decisions in the first half of the year, there was notable catch-up activity in Q3. Underlying volumes, excluding crop marketing volumes, increased 15.9% in Q3 and 3.6% year-to-date.

In *Poland*, crop establishment to date is satisfactory. While crop development in some areas was impacted by unseasonably cold weather, followed by a lack of rainfall and high temperatures, the total cropping area is expected to be broadly equivalent to last year at 9.0 million hectares. The completion and commissioning of the new FoliQ foliar fertiliser plant occurred during the quarter, with a ramp up of production now underway.

In *Romania*, crop establishment has been satisfactory to date, despite some challenges presented by dry conditions in the south and south-east. Combined winter and spring plantings for the growing season are currently forecasted to align with last year at 8.4 million hectares.

Latin America recorded a 36.1% increase in underlying business volumes year-to-date (57.5% increase in Q3). Year-to-date revenues were €113.0 million, a 7.1% increase on a constant currency basis. Q3 revenue was €18.2 million, a 17.7% increase on a constant currency basis, as the favourable volume performance year to date and in Q3, was partially offset by reduced fertiliser pricing.

The sustained volume growth by our Brazilian business is driven by continued investment in the sales organisation and operations infrastructure, leading to strong growth across all product portfolios.

In the broader market context, Brazil's principal crop, soya is expected to increase its cropping area by 4% to 45.4 million hectares. However, due to a hot and dry growing season, the expected soya harvest is currently estimated to be 148.5 million tonnes, down from the 154.6 million tonnes in the prior year. The total production for Brazil's second corn crop, known as 'safrinha', is forecasted to decrease by 9.4% to 119.5 million tonnes due to a reduction in planted area, coupled with lower projected yields.

Progress of Share Buyback Programme

On 21 November 2023 the Group commenced a share buyback programme to repurchase up to €20.0 million of ordinary shares. The programme is progressing to plan and is currently approximately 77% complete.

Current Trading and Full Year Outlook for FY24

While trading conditions have been particularly challenging through FY24, the strategic focus to diversify the Group's portfolio is demonstrating the resilience of our earnings base, as reflected in our FY24 earnings guidance of 45 - 48 cent adjusted diluted EPS. The Group remains well on track to deliver the cumulative profit and cash generation and other operational targets, for the period FY2022 to FY2026, as outlined at the 2022 Capital Markets Day.

Preliminary Results for FY24 will be announced on 24 September 2024.

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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 and Romania. 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