

Origin Enterprises plc

PRELIMINARY RESULTS STATEMENT

*Origin delivers resilient trading performance in challenging year
Adjusted diluted EPS up 4.7% to 48.80 cent*

26 September 2018

Origin Enterprises plc ('Origin' or 'the Group'), the Agri-Services group, today announces its full year results for the year ended 31 July 2018.

Highlights

- Adjusted diluted earnings per share up 4.7% to 48.80 cent, ahead of guidance, and up 7.6% on a constant currency basis
- Operating profit of €71.2 million, an increase of 1.7% and up 4.6% on a constant currency basis
- Acquisitions contributed 5.0% to sales growth and 3.6% to operating profit growth in the year on a constant currency basis
- Reported net profit of €56.8 million, an increase of 24.5% primarily due to a significant reduction of exceptional items
- Group operating margin of 4.4%, a decrease of 20 basis points
- Strong free cash flow generation of €56.6 million (2017: €32.5 million)
- Expansion into Latin America through agreement to acquire interests in two Brazil based agri-service businesses, Fortgreen and Ferrari Zagatto
- Announcing today the appointment of Declan Giblin as CEO, Latin American Division
- Proposed final dividend of 17.85 cent, giving a total dividend of 21.0 cent (2017: 21.0 cent)

Results Summary

	2018	2017	Change	Constant
	€'000	€'000	%	Currency
				%
Group revenue	1,627,533	1,528,468	6.5%	9.0%
Operating profit ¹	71,190	70,009	1.7%	4.6%
Associates and joint venture ²	7,221	4,366	65.4%	70.0%
Total group operating profit¹	78,411	74,375	5.4%	8.4%
Finance expense, net	(8,082)	(6,914)	(16.9%)	(21.7%)
Profit before tax¹	70,329	67,461	4.3%	7.0%
Basic EPS (cent)	45.22	36.33	24.5%	28.0%
Adjusted diluted EPS (cent)³	48.80	46.62	4.7%	7.6%
Return on capital employed	13.5%	13.7%	(20bps)	
Group net debt ⁴	(38,356)	(31,450)	(22.0%)	
Operating margin ¹	4.4%	4.6%	(20bps)	
Free cash flow	56,562	32,472	74.2%	
Dividend per ordinary share (cent)	21.00	21.00	-	

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

² Profit after interest and tax before amortisation of non-ERP intangible assets and before exceptional items

³ Before amortisation of non-ERP intangible assets, net of related deferred tax (2018: €4.9m, 2017: €3.9m) and exceptional items, net of tax (2018: €Nil, 2017: €9.3m)

⁴ Including restricted cash of €0.5m (2017: €Nil)

Commenting on the results, Origin's Chief Executive Officer, Tom O'Mahony said:

"Origin achieved a very satisfactory full year result, ahead of guidance, recording a 4.7% increase in adjusted diluted earnings per share and generating €56.6 million in free cash flow. The business performed robustly while supporting our customers manage the operational demands of a highly challenging growing season in 2018.

It has been a significant year in terms of strategic developments including our entry into the Latin American market. The agreement to acquire Fortgreen and Ferrari Zagatto in Brazil provides tangible growth opportunity in markets that address the Group's requirements for further geographical diversification and seasonality balance.

We have seen steadily improving sentiment on-farm over recent months which may be challenged in the UK by the uncertain nature of Brexit and its timing. The Group is well positioned to capitalise on its scalable and diversified business platforms, development opportunities and strong cash generation."

ENDS

The preliminary results statement is available on the company website 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.

Confirmation Code: 6403607

Participant access number:

Dublin: Tel: +353 (0)1 246 5621
UK/International: Tel: +44 (0)330 336 9411

Replay:

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

Replay Access Code: 6403607

Replay Access Numbers:

Dublin: Tel: +353 (0)1 533 9810
UK/International: Tel: +44 (0)207 660 0134

Enquiries

Origin Enterprises plc
Sean Coyle
Chief Financial Officer

Tel: +353 (0)1 563 4959

Brendan Corcoran
Head of Investor Relations and
Group Planning

Tel: +353 (0)1 563 4900

Goodbody (ESM Adviser)
Siobhan Wall

Tel: +353 (0)1 641 6019

Davy (Nominated Adviser)
Anthony Farrell

Tel: +353 (0)1 614 9993

Numis Securities (Stockbroker)
Stuart Skinner

Tel: +44 (0)20 7260 1314

Powerscourt (Financial PR Advisers)
Jack Hickey / Eavan Gannon (Ireland)
Rob Greening / Jana Tsiligiannis (UK)

Tel: +353 (0)83 448 8339

Tel: +44 (0)207 250 1446

About Origin Enterprises plc

Origin Enterprises plc is a focused Agri-Services group providing specialist On-Farm Agronomy Services, Digital Agricultural Services and the supply of crop technologies and inputs. The Group has leading market positions in Ireland, the United Kingdom, Belgium, Brazil, Poland, Romania and Ukraine. Origin is listed on the ESM and AIM markets of the Irish and London Stock Exchanges.

ESM ticker symbol:

OIZ

AIM ticker symbol

OGN

Website:

www.originenterprises.com

Financial Review - Summary

	2018 €'000	2017 €'000
Group revenue	<u>1,627,533</u>	<u>1,528,468</u>
Operating profit ¹	71,190	70,009
Associates and joint venture, net ²	<u>7,221</u>	<u>4,366</u>
Group operating profit¹	78,411	74,375
Finance costs, net	<u>(8,082)</u>	<u>(6,914)</u>
Profit before tax¹	70,329	67,461
Income tax	<u>(8,668)</u>	<u>(8,636)</u>
Adjusted net profit	<u>61,661</u>	<u>58,825</u>
Adjusted net profit reconciliation		
Reported net profit	56,785	45,620
Amortisation of non-ERP intangible assets	5,655	4,837
Tax on amortisation of non-ERP related intangible assets	(768)	(934)
Exceptional items (net of tax)	<u>(11)</u>	<u>9,302</u>
Adjusted net profit	<u>61,661</u>	<u>58,825</u>
Adjusted diluted EPS (cent)³	48.80c	46.62c
Operating margin¹	4.4%	4.6%
Return on capital employed	13.5%	13.7%
Free cash flow (€'m)	€56.6m	€32.5m

Origin delivered a 4.7% increase in adjusted diluted earnings per share³ for the year ending 31 July 2018 to 48.80 cent. On a constant currency basis, there was a 7.6% increase in adjusted diluted earnings per share.

Group revenue

Group revenue comprises the totality of revenue from the Group's wholly owned operations which are based in Ireland, the United Kingdom, Belgium, Poland, Romania and Ukraine. These businesses provide Integrated Agronomy and On-Farm Services, Business-to-Business Agri-Inputs and Digital Agricultural Services.

Group revenue increased to €1,627.5 million from €1,528.5 million in the prior year, an increase of 6.5%. On a constant currency basis, revenue increased by €137.5m (9.0%) primarily reflecting an increase in fertiliser and feed volumes and fertiliser prices.

Underlying volume growth in agronomy services and crop inputs (excluding crop marketing volumes) was 2.7% for the year.

Operating profit¹

Operating profit¹ amounted to €71.2 million compared to €70.0 million in the previous year, an increase of 1.7%. On a constant currency basis, operating profit¹ increased by €3.2 million (4.6%). This was driven by increased fertiliser and feed volumes being partially offset by a reduction in agronomy service volumes in the period. The Group operating margin decreased from 4.6% to 4.4% principally due to higher fertiliser prices in the year.

Associates and joint venture²

Origin's share of the profit after interest and taxation from associates and joint venture amounted to €7.2 million in the period (2017: €4.4m). The improved performance in the period was principally supported by higher feed volumes.

Finance costs and net debt

Net finance costs amounted to €8.1 million, an increase of €1.2 million (16.9%) on the prior year level. The finance cost was primarily driven by gross debt balances with cash yields negligible in the current environment. Average net debt amounted to €226.0 million compared to €217.0 million last year. Actual net debt at 31 July 2018 was €38.4 million⁴ compared to net debt of €31.5 million⁴ at the end of the previous year.

Origin's financial position remains strong. At year end the Group had unsecured committed banking facilities of €430 million (2017: €430 million), of which €30 million will expire in August 2021 and €400m million will expire in May 2022.

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

	Banking Covenant	2018 Times	2017 Times
Net debt to EBITDA	Maximum 3.5	0.54	0.49
EBITDA to net interest	Minimum 3.0	9.81	11.45

Working capital

For the year ended 31 July 2018, there was working capital inflow of €0.7 million. Investment in working capital remains a key area of focus for the Group given the associated funding costs. 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')³

EPS³ amounted to 48.80 cent per share, an increase of 4.7% from 2017. This movement was driven by an increase in like-for-like underlying profits of 5.7%, along with the positive impact of acquisitions of 1.9%, partly offset by a 2.9% reduction as a result of foreign currency translation.

Free cash flow

	2018 €'m	2017 €'m
Free cash flow	56.6	32.5

The Group generated free cash flow in the year of €56.6 million (2017: €32.5 million). Free cash flow is an important metric as it indicates the amount of internally generated capital that is available for re-investment in the business or for distribution to shareholders.

Free cash flow means the total of earnings before interest, tax, depreciation, 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.

Return on capital employed

	2018	2017
Return on capital employed	13.5%	13.7%

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.
- (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 €Nil in the year. These principally relate to acquisition, disposal and restructuring costs and a fair value adjustment on the Group's investment properties. Exceptional items are summarised in the table below:

	2018 €'m	2017 €'m
Transaction, other related costs and put option, net	2.3	(0.6)
Rationalisation costs, net	0.7	8.3
Gain on disposal of chemical business, net	(1.5)	-
Fair value adjustment on investment properties	(1.5)	-
Organisational redesign costs	-	1.6
Total exceptional items, net of tax	-	9.3

Reporting segments

Following the changes made to our reporting segments in the prior year, and in recognition of the agreement to acquire Fortgreen and Ferrari Zagatto in Brazil, going forward the Group will have three separate reporting segments as set out below.

Ireland and the United Kingdom

This segment includes the Group's wholly owned Irish and UK based Business-to-Business Agri-Input operations, Integrated Agronomy and On-Farm Service 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 operations in Belgium, Poland, Romania and Ukraine.

Latin America

This segment includes the Group's operations in Latin America including Fortgreen, the Brazil based crop nutrition and speciality inputs business acquired subsequent to the year end.

Dividend

The Board recommends a final dividend of 17.85 cent per ordinary share which, when combined with the interim dividend of 3.15 cent per ordinary share, brings the total dividend for the year to 21.0 cent per ordinary share (2017: 21.0 cent). Subject to shareholder approval at the Annual General Meeting, this final dividend will be paid on 14 December 2018 to shareholders on the register on 30 November 2018.

Investor relations

The Group continues to focus on effective communications with shareholders. Contact with institutional shareholders is the responsibility of the executive management team including the Chief Executive Officer, Chief Financial Officer, Group Finance Director and Head of Investor Relations. During the year there were 170 meetings / conference calls with institutional investors across seven financial centres.

Brendan Corcoran was appointed as Head of Investor Relations and Group Planning during the year and joined the Group in September 2018.

Brexit

The UK's exit from the European Union continues to be an area of focus for the Group. Regular updates on the potential impacts of Brexit on Origin have been presented to the Board on a range of areas including the implications for UK domestic agricultural policy, regulation and the future trading relationship between the UK and the European Union.

Given the Group's well-diversified business in the UK, Continental Europe and Latin America, it is able to maintain a flexible approach to dealing with the potential challenges that will arise following Brexit. We

believe that we are well prepared for any short-term logistical disruption that may result from a no-deal Brexit. The Board and senior management will continue to closely monitor Brexit negotiations and adjust the Group's strategic and operational plans as necessary.

Annual General Meeting (AGM)

The AGM will be held on 23 November 2018 at 11.00 a.m. in the Merrion Hotel, Upper Merrion Street, Dublin 2.

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

² *Profit after interest and tax before amortisation of non-ERP intangible assets and before exceptional items*

³ *Before amortisation of non-ERP intangible assets, net of related deferred tax (2018: €4.9m, 2017: €3.9m) and exceptional items, net of tax (2018: €Nil, 2017: €9.3m)*

⁴ *Including restricted cash of €0.5m (2017: €Nil)*

Review of Operations

Group Overview

	2018 €m	2017 €m	Change of prior year		Constant Currency ⁴ %
			Change %	Underlying ³ %	
Revenue	1,627.5	1,528.5	6.5%	4.0%	9.0%
Operating profit ¹	71.2	70.0	1.7%	1.0%	4.6%
Operating margin ¹	4.4%	4.6%	(20bps)	(20bps)	(20bps)
Adjusted diluted EPS (cent) ²	48.80	46.62	4.7%	5.7%	7.6%

¹ Before amortisation of non-ERP intangible assets and exceptional items
² Before amortisation of non-ERP intangible assets, net of related deferred tax (2018: €4.9m, 2017: €3.9m) and exceptional items, net of tax (2018: €Nil, 2017: €9.3m)
³ Excluding currency movements and the impact of acquisitions
⁴ Excluding currency movements

Origin has delivered a strong operational performance in 2018 with growth in Group revenue, operating profit and adjusted fully diluted earnings per share of 9.0%, 4.6% and 7.6% respectively on a constant currency basis. Operating margin decreased by 20 basis points to 4.4%. The overall performance benefited from the contribution of acquisitions in the year, delivering a 5.0% increase in revenue.

Ireland and the United Kingdom

	2018 €m	2017 €m	Change on prior year	
			Change %	Underlying ³ %
Revenue	1,038.1	955.0	8.7%	6.1%
Operating profit ¹	54.8	53.4	2.5%	1.4%
Operating margin ¹	5.3%	5.6%	(30bps)	(30bps)
Associates and joint venture ²	7.2	4.4	65.4%	70.0%

¹ Before amortisation of non-ERP intangible assets and exceptional items
² Profit after interest and tax before amortisation of non-ERP intangible assets and before exceptional items
³ Excluding currency movements and the impact of acquisitions

Ireland and the UK delivered a satisfactory performance, recording a 6.1% increase in underlying revenue and a 1.4% increase in underlying operating profit against a backdrop of a very challenging growing season for primary producers. Underlying volume growth in agronomy services and inputs was 2.1% reflecting increased fertiliser and feed volumes. Operating margin decreased by 30 basis points to 5.3% due to higher fertiliser prices in the year offset by an improved portfolio mix.

Integrated Agronomy and On-Farm Services

Integrated Agronomy and On-Farm Services performed in line with last year with improved sales margins offset by lower agronomy service revenues and crop protection volumes. Crop drillings and input application were significantly curtailed in early spring as a result of unseasonably cold weather. A return to more settled weather conditions in the fourth quarter facilitated robust catch up activity levels on-farm, which resulted in a substantial recovery of shortfalls in third quarter volumes. There was a strong operational performance for the period as a whole with Origin's service orientated and customised agronomy model maintaining good momentum with new applications designed to maximise the economic potential of crops in a highly challenging growing season.

Improved farmer crop margins underpinned by the recent trend of higher output prices will help offset the impact of lower yield potential in 2018 resulting from the unseasonably dry conditions in the fourth quarter. The backdrop of more favourable farm sentiment is expected to positively influence growers crop planting intentions in 2019.

Digital Agricultural Services

Digital Agricultural Services performed well in the period with continued momentum in product adoption by both agronomists and primary producers.

The roll out of the Group's digital platform, Contour, advanced in the period, with further product enhancements set to be delivered throughout 2019. Contour is a digital information service for agronomists and farmers which incorporates an integrated suite of whole farm and field level monitoring tools. Contour brings farmers and agronomists closer together by providing highly functional and shared applications which enable data driven solutions to maximise the return for farmers. In addition to soil and crop health information and localised weather data, Contour provides a yield prediction capability that supports in season crop performance analysis to evaluate agronomic decisions.

Over 700,000 hectares have now been on-boarded onto the Contour platform, which provides a strong basis for further development in 2019.

Business-to-Business Agri-Inputs

Business-to-Business Agri-Inputs has performed strongly in the period, delivering good growth in operating profits principally supported by higher volumes of both fertiliser and feed ingredients.

Fertiliser

Fertiliser achieved higher volumes, revenues and profits in 2018 with performance underpinned by strong operational delivery as the business successfully met customers' demand requirements in a highly concentrated and delayed application window due to the challenging weather conditions experienced in the early part of the year. Fertiliser benefitted from incremental volume growth in the latter part of the season as farmers strived to replenish fodder stocks following the extended drought conditions during much of the late grass growing season.

Branded speciality nutrition continued to deliver strong growth through the development of differentiated and bespoke applications designed to be relevant to primary producers' crop specific and growing system requirements.

Bunn Fertiliser, acquired in August 2017, was successfully integrated into the UK and Group fertiliser platform in the year and has contributed positively to the performance of the enlarged business.

Amenity

Origin Amenity delivered a good performance across all sales channels in 2018 against lower volumes due to the impact of poor spring weather followed by unusually high temperatures. Performance benefitted from the positive contribution from acquisitions that were completed in 2016 and 2017 providing new and differentiated product and service offerings.

The integration of Linemark, the UK based leader in advanced sports and amenity-marking solutions, acquired in 2017, was successfully completed in the period.

Feed Ingredients

Feed Ingredients achieved an excellent performance in the period underpinned by strong volume growth and improved margins. Volume development largely reflected the combination of a more favourable demand backdrop for feed due to higher livestock numbers and lower availability of substitute farm produced fodder supply due to very poor grass growing conditions in the year.

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

Continental Europe¹

	2018 €m	2017 €m	Change on prior year Change %	Underlying ³ %
Revenue	431.0	397.3	8.5%	5.4%
Operating profit ²	16.2	16.2	0.6%	0.9%
Operating margin ²	3.8%	4.1%	(30bps)	(30bps)

¹ 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 2018 crop marketing revenues and profits attributable to Continental Europe amounted to €158.4 million and €0.2 million respectively (2017: €176.2 million and €0.4 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

Continental Europe achieved a satisfactory performance in line with last year. The result was set against highly challenging operating conditions experienced by primary producers in the period arising from extreme weather conditions, which led to a condensed spring growing season followed by sustained dry conditions impacting yield development over the summer period.

Underlying business volumes grew 4.0% in the period due to continued development of the Group's fertiliser and nutrition portfolios. Operating margins declined 30 basis points to 3.8% reflecting a combination of higher fertiliser prices and the impact of more condensed seasonality in the period.

Belgium

During the year, the Group completed the acquisition of Pillaert-Mekoson in Belgium, a new geography for the Group. Headquartered in Ghent, Pillaert-Mekoson is a leading provider of standard and prescription fertilisers in Belgium and surrounding geographies. The business, which enjoys a brand heritage of over 50 years, markets an extensive range of technically based nutrition applications and operates a strong business-to-business and retail customer franchise.

Pillaert-Mekoson was successfully integrated into the Group during the period and delivered a very satisfactory performance, with positive volume momentum achieved. This was driven by increased demand as a result of the impact of feed shortages during the year and the promotion of grass production.

Poland

Poland delivered an improved result in the period against lower business volumes with performance benefitting from a combination of a favourable sales mix and efficiency gains. Trading conditions were highly challenging as service and input applications were significantly curtailed during the spring period due to unseasonably cold weather, followed by drought conditions in large areas of Poland, which adversely impacted crop yield.

Value added agronomy applications continued to drive overall development in direct farm channels. The launch of 'Agrii Demo' was favourably received in the period and helped to underscore the importance of

technically led and integrated crop management solutions and approaches in delivering superior results for farmers.

Romania

Romania achieved a good result in the period with solid growth achieved across the principal sales channels. Crop development over the course of the year was satisfactory other than the impact of some localised drought conditions on yield. Total plantings were in line with last year at 8.3 million hectares.

Nutrition portfolios continued to deliver strong growth in the period as the Group capitalises on the market opportunity from primary producers' demand for improved ranges and speciality applications.

Strong momentum was achieved in relation to digital adoption in the period. Over 150,000 hectares were on-boarded onto the Group's Contour platform during the year, which provides an excellent foundation for further development in 2019.

Ukraine

Ukraine recorded lower profits and margins in the period as currency volatility and input price inflation drove heightened competition. Although adverse weather conditions resulted in a delayed season and a reduction in the underlying level of volume application, total cropping remained in line with last year at approximately 22.4 million hectares.

Good progress was achieved in the development of speciality crop technology packages, which delivered solid growth in the period.

The business continues to successfully drive market share gain supported by a targeted expansion of the agronomy sales and distribution footprint.

Acquisitions

Origin announced in June that it had reached an agreement to acquire a 65% interest in the Brazilian business, Fortgreen Commercial Agricola Ltda. ('Fortgreen'). As part of this transaction, Origin has also agreed to acquire a 20% shareholding in the Brazilian business, Ferrari Zagatto E Cia. Ltda. ('Ferrari Zagatto').

Fortgreen, which is headquartered in Paraná State in southern Brazil, and was founded in 2004, is focused on the development of value added crop nutrition and speciality inputs. Ferrari Zagatto, founded in 1988, and also headquartered in Paraná, is one of the leading providers of agronomy services, crop inputs and crop marketing support to grain and speciality crop growers in Paraná.

In August 2018, Origin announced the completion of the acquisition of the 65% interest in Fortgreen following the satisfaction of the conditions of the transaction.

Management changes

Origin separately announces today that Declan Giblin, Executive Director, with responsibility for Corporate Development, has been appointed Chief Executive Officer for the Group's Latin American Division effective 1 October 2018. The appointment follows the completion of the acquisition of the Brazilian based speciality nutrition and crop inputs business, Fortgreen, on 14 August 2018 and the agreement to acquire a 20% shareholding in Ferrari Zagatto in Brazil.

Declan will remain an Executive Director of Origin and will continue to retain responsibility for corporate development in Latin America.

The appointment of a Head of Corporate Development for Europe will be made in due course.

Also during the year, the Group announced the appointment of Sean Coyle as Chief Financial Officer. Sean joined Origin on 1 September 2018 and will be appointed as a Director of the Company with effect from 1 October 2018.

Outlook

We have seen steadily improving sentiment on-farm over recent months which may be challenged in the UK by the uncertain nature of Brexit and its timing. The Group is well positioned to capitalise on its scalable and diversified business platforms, development opportunities and strong cash generation.

ENDS

Origin Enterprises plc

Consolidated Statement of Comprehensive Income

For the financial year ended 31 July 2018

	Notes	Pre- exceptional 2018 €'000	Exceptional 2018 €'000 (Note 3)	Total 2018 €'000	Pre- exceptional 2017 €'000	Exceptional 2017 €'000 (Note 3)	Total 2017 €'000
Revenue	2	1,627,533	-	1,627,533	1,528,468	-	1,528,468
Cost of sales		(1,389,926)	-	(1,389,926)	(1,297,009)	-	(1,297,009)
Gross profit		237,607	-	237,607	231,459	-	231,459
Operating costs		(172,072)	663	(171,409)	(166,287)	(12,524)	(178,811)
Share of profit of associates and joint venture		7,221	-	7,221	4,366	-	4,366
Operating profit		72,756	663	73,419	69,538	(12,524)	57,014
Finance income		1,432	-	1,432	703	-	703
Finance expense		(9,514)	-	(9,514)	(7,617)	-	(7,617)
Profit before income tax		64,674	663	65,337	62,624	(12,524)	50,100
Income tax (expense)/credit		(7,900)	(652)	(8,552)	(7,702)	3,222	(4,480)
Profit for the year		56,774	11	56,785	54,922	(9,302)	45,620
				2018			2017
Earnings per share for the year							
Basic earnings per share	4			45.22c			36.33c
Diluted earnings per share	4			44.94c			36.15c

Origin Enterprises plc

Consolidated Statement of Comprehensive Income

For the financial year ended 31 July 2018

	2018	2017
	€'000	€'000
Profit for the year	56,785	45,620
Other comprehensive income/(expense)		
Items that are not reclassified subsequently to the Group income statement:		
<i>Group/Associate defined benefit pension obligations</i>		
-remeasurements on Group's defined benefit pension schemes	3,628	3,407
-deferred tax effect of remeasurements	(504)	(519)
-share of remeasurements on associate's defined benefit pension schemes	5,865	(614)
-share of deferred tax effect of remeasurements - associates	(997)	135
Items that may be reclassified subsequently to the Group income statement:		
<i>Group foreign exchange translation details</i>		
-exchange difference on translation of foreign operations	(1,243)	(10,674)
<i>Group/Associate cash flow hedges</i>		
-effective portion of changes in fair value of cash flow hedges	1,396	(2,025)
-fair value of cash flow hedges transferred to operating costs and other income	888	1,754
-deferred tax effect of cash flow hedges	(333)	86
-share of associates and joint venture cash flow hedges	4,827	(4,289)
-deferred tax effect of share of associates and joint venture cash flow hedges	(603)	536
Other comprehensive income/(expense) for the year, net of tax	12,924	(12,203)
Total comprehensive income for the year attributable to equity shareholders	69,709	33,417

Origin Enterprises plc

Consolidated Statement of Financial Position

As at 31 July 2018

	Notes	2018 €'000	2017 €'000
ASSETS			
Non-current assets			
Property, plant and equipment	5	117,929	105,271
Investment properties		11,825	9,675
Goodwill and intangible assets	6	216,334	205,961
Investments in associates and joint venture	7	48,171	34,206
Other financial assets		450	531
Derivative financial instruments		835	169
Deferred tax assets		3,280	3,475
Post employment benefit surplus	9	725	-
Total non-current assets		399,549	359,288
Current assets			
Inventory		194,192	159,245
Trade and other receivables		461,199	401,303
Derivative financial instruments		1,399	560
Restricted cash		500	-
Cash and cash equivalents		147,212	162,631
Total current assets		804,502	723,739
TOTAL ASSETS		1,204,051	1,083,027

Origin Enterprises plc

Consolidated Statement of Financial Position (continued) As at 31 July 2018

	Notes	2018 €'000	2017 €'000
EQUITY			
Called up share capital presented as equity	12	1,264	1,264
Share premium		160,422	160,422
Retained earnings and other reserves		168,561	125,043
TOTAL EQUITY		330,247	286,729
LIABILITIES			
Non-current liabilities			
Interest-bearing borrowings		165,232	177,854
Deferred tax liabilities		22,171	17,553
Put option liability		5,531	5,450
Provision for liabilities	8	8,045	8,072
Post employment benefit obligations	9	-	3,646
Derivative financial instruments		46	204
Total non-current liabilities		201,025	212,779
Current liabilities			
Interest-bearing borrowings		20,836	16,227
Trade and other payables		638,161	548,130
Corporation tax payable		8,143	11,090
Provision for liabilities	8	5,467	7,392
Derivative financial instruments		172	680
Total current liabilities		672,779	583,519
TOTAL LIABILITIES		873,804	796,298
TOTAL EQUITY AND LIABILITIES		1,204,051	1,083,027

Origin Enterprises plc

Consolidated Statement of Changes in Equity

For the financial year ended 31 July 2018

	Share capital €'000	Share premium €'000	Treasury shares €'000	Capital redemption reserve €'000	Cashflow 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 2017	1,264	160,422	(8)	134	(2,665)	12,843	358	(196,884)	(38,076)	349,341	286,729
Profit for the year	-	-	-	-	-	-	-	-	-	56,785	56,785
Other comprehensive income/(expense) for the year	-	-	-	-	6,175	-	-	-	(1,243)	7,992	12,924
Total comprehensive income/(expense) for the year	-	-	-	-	6,175	-	-	-	(1,243)	64,777	69,709
Share-based payment charge	-	-	-	-	-	-	180	-	-	-	180
Dividend paid to shareholders	-	-	-	-	-	-	-	-	-	(26,371)	(26,371)
At 31 July 2018	1,264	160,422	(8)	134	3,510	12,843	538	(196,884)	(39,319)	387,747	330,247

Origin Enterprises plc

Consolidated Statement of Cash Flows

For the financial year ended 31 July 2018

	2018	2017
	€'000	€'000
Cash flows from operating activities		
Profit before tax	65,337	50,100
Exceptional items	(663)	12,524
Finance income	(1,432)	(703)
Finance expense	9,514	7,617
Profit on disposal of property, plant and equipment	(285)	(229)
Share of profit of associates and joint venture	(7,221)	(4,366)
Depreciation of property, plant and equipment	7,451	7,099
Amortisation of intangible assets	7,946	6,718
Employee share-based payment charge	180	358
Pension contributions in excess of service costs	(852)	(576)
Payment of exceptional rationalisation costs	(3,334)	(10,145)
Payment of exceptional acquisition costs	(3,688)	(1,532)
	<hr/>	<hr/>
Operating cash flow before changes in working capital	72,953	66,865
Movement in inventory	(28,505)	(2,706)
Movement in trade and other receivables	(58,469)	13,765
Movement in trade and other payables	87,713	(37,115)
	<hr/>	<hr/>
Cash generated from operating activities	73,692	40,809
Interest paid	(6,927)	(6,336)
Income tax paid	(10,428)	(8,166)
	<hr/>	<hr/>
Cash inflow from operating activities	56,337	26,307
	<hr/>	<hr/>

Origin Enterprises plc

Consolidated Statement of Cash Flows (continued) For the financial year ended 31 July 2018

	2018	2017
	€'000	€'000
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	1,410	409
Proceeds from sale of equity investment	-	306
Purchase of property, plant and equipment	(11,602)	(11,206)
Additions to intangible assets	(5,645)	(3,566)
Arising on acquisition	(23,857)	(20,305)
Payment of contingent acquisition consideration	(1,627)	(3,408)
Proceeds from sale of Chemicals division	5,250	-
Payment of put option liability	-	(1,746)
Restricted cash	(500)	2,948
Repayment from/loans to associates and joint venture	85	-
Dividends received from associates	2,483	3,822
	<hr/>	<hr/>
Cash outflow from investing activities	(34,003)	(32,746)
	<hr/>	<hr/>
Cash flows from financing activities		
Drawdown of bank loans	141,775	113,471
Repayment of bank loans	(158,155)	(89,440)
Payment of dividends to equity shareholders	(26,371)	(26,371)
	<hr/>	<hr/>
Cash outflow from financing activities	(42,751)	(2,340)
	<hr/>	<hr/>
Net decrease in cash and cash equivalents	(20,417)	(8,779)
Translation adjustment	261	(3,963)
Cash and cash equivalents at start of year	146,715	159,457
	<hr/>	<hr/>
Cash and cash equivalents at end of year (Note 11)	126,559	146,715
	<hr/>	<hr/>

Origin Enterprises plc

Notes to the preliminary results statement

For the financial year ended 31 July 2018

1 Basis of preparation

The financial information included on pages 15 to 36 of this preliminary results statement has been extracted from the Group financial statements for the year ended 31 July 2018 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 2018, 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 two 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.

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 2018

2 Segment information (continued)

(i) Segment revenue and results

	Ireland & the UK		Continental Europe		Total Group	
	2018 €'000	2017 €'000	2018 €'000	2017 €'000	2018 €'000	2017 €'000
Total revenue	1,395,377	1,266,159	589,480	573,483	1,984,857	1,839,642
Less revenue from associates and joint venture	(357,324)	(311,174)	-	-	(357,324)	(311,174)
Revenue	1,038,053	954,985	589,480	573,483	1,627,533	1,528,468
Segment result	54,752	53,431	16,438	16,578	71,190	70,009
Profit from associates and joint venture	7,221	4,366	-	-	7,221	4,366
Amortisation of non- ERP intangible assets	(3,863)	(3,071)	(1,792)	(1,766)	(5,655)	(4,837)
Total operating profit before exceptional items	58,110	54,726	14,646	14,812	72,756	69,538
Exceptional items	(17)	(12,145)	680	(379)	663	(12,524)
Operating profit	58,093	42,581	15,326	14,433	73,419	57,014

Origin Enterprises plc

Notes to the preliminary results statement (continued) For the financial year ended 31 July 2018

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:

	2018 €'000	2017 €'000
Segment earnings before financing costs and tax	73,419	57,014
Finance income	1,432	703
Finance expense	(9,514)	(7,617)
Reported profit before tax	65,337	50,100
Income tax expense	(8,552)	(4,480)
Reported profit after tax	56,785	45,620

Origin Enterprises plc

Notes to the preliminary results statement (continued)

For the financial year ended 31 July 2018

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:

	2018 €'000	2017 €'000
Rationalisation costs (i)	(876)	(10,990)
Gain on disposal of business (ii)	1,870	-
Transaction and strategy related costs (iii)	(2,560)	(2,460)
Organisational redesign costs (iv)	-	(1,740)
Fair value adjustment on investment properties (v)	2,150	-
Fair value adjustment on put option liability (vi)	79	2,666
Total exceptional credit/(charge) before tax	663	(12,524)
Tax (charge)/credit on exceptional items	(652)	3,222
Total exceptional credit/(charge) after tax	11	(9,302)

(i) Rationalisation costs

Rationalisation costs comprise the compensation and termination payments arising from the restructuring of our agronomy services businesses in the UK, net of unutilised accruals relating to previous restructuring programmes of €0.6 million. The tax impact of this exceptional item in the current year is a tax credit of €0.2 million (2017: €2.1 million).

(ii) Gain on disposal of business

Following the disposal of the Groups Chemicals business operated through Goulding Chemicals Limited and the closure of a seed plant in the UK, a gain of €2.6 million and a loss of €0.7 million respectively were recorded. The tax impact of this exceptional item in the current year was a tax charge of €0.4 million.

(iii) Transaction and strategy related costs

Transaction related costs principally comprise costs incurred in relation to the acquisitions completed during the year and post year end. Strategy related costs relate to once off consultancy costs in the prior year associated with the Groups' Agri-Services five-year strategy review. The tax impact of this item in the current year was a tax credit of €0.2 million (2017: €0.9 million).

(iv) Organisational redesign costs

During the prior year the Group incurred costs relating to the commencement of an organisation redesign project, the purpose of which was to enhance the Origin Group's central capabilities to enable it to continue to support the Group as it grows. The primary areas of focus were on how the reporting and management structures, in addition to centralised functions, need to evolve as the Group continues to integrate existing businesses and expand its footprint. The tax impact of this exceptional item in the prior year was a tax credit of €0.2 million.

(v) Fair value adjustment of investment properties

At 31 July 2018 the valuation of the Group's investment properties was determined by the Directors using a market approach with reference to local knowledge and judgement. As part of the Director's assessment, guidance was obtained from an independent valuation expert. Following this assessment an uplift of €2.2 million was reflected in the value of the Group's investment properties as at 31 July 2018. The tax impact of this exceptional item in the current year is €0.6 million.

(vi) Fair value of put option liability

This gain relates to the movement in fair value of the put option liability in respect of the Agroscope acquisition. The tax impact of this exceptional item in the current year is nil.

Origin Enterprises plc

Notes to the preliminary results statement (continued) For the financial year ended 31 July 2018

4 Earnings per share

Basic earnings per share

	2018 €'000	2017 €'000
Profit for the financial year attributable to equity shareholders	<u>56,785</u>	<u>45,620</u>
Weighted average number of ordinary shares for the year	<u>125,582</u>	<u>125,582</u>
	Cent	Cent
Basic earnings per share	<u>45.22</u>	<u>36.33</u>

Diluted earnings per share

	2018 €'000	2017 €'000
Profit for the financial year attributable to equity shareholders	<u>56,785</u>	<u>45,620</u>
Weighted average number of ordinary shares used in basic calculation	125,582	125,582
Impact of shares with a dilutive effect	120	77
Impact of the SAYE scheme	<u>665</u>	<u>531</u>
Weighted average number of ordinary shares (diluted) for the year	<u>126,367</u>	<u>126,190</u>
	Cent	Cent
Diluted earnings per share	<u>44.94</u>	<u>36.15</u>

Origin Enterprises plc

Notes to the preliminary results statement (continued) For the financial year ended 31 July 2018

4 Earnings per share (continued)	2018 '000	2017 '000
Adjusted basic earnings per share		
Weighted average number of ordinary shares for the year	<u>125,582</u>	<u>125,582</u>
	2018 €'000	2017 €'000
Profit for the financial year	56,785	45,620
Adjustments:		
Amortisation of non-ERP related intangible assets (Note 6)	5,655	4,837
Tax on amortisation of non-ERP related intangible assets	(768)	(934)
Exceptional items, net of tax	<u>(11)</u>	<u>9,302</u>
Adjusted earnings	<u>61,661</u>	<u>58,825</u>
	Cent	Cent
Adjusted basic earnings per share	<u>49.10</u>	<u>46.84</u>
Adjusted diluted earnings per share		
	2018 '000	2017 '000
Weighted average number of ordinary shares used in basic calculation	125,582	125,582
Impact of shares with a dilutive effect	120	77
Impact of the SAYE scheme	<u>665</u>	<u>531</u>
Weighted average number of ordinary shares (diluted) for the year	<u>126,367</u>	<u>126,190</u>
	2018 €'000	2017 €'000
Adjusted earnings (as above)	<u>61,661</u>	<u>58,825</u>
	Cent	Cent
Adjusted diluted earnings per share	<u>48.80</u>	<u>46.62</u>

Origin Enterprises plc

Notes to the preliminary results statement (continued)

For the financial year ended 31 July 2018

5 Property, plant and equipment

	2018 €'000	2017 €'000
At 1 August	105,271	102,796
Arising on acquisition (Note 10)	10,087	388
Additions	11,628	11,816
Disposals	(1,571)	(180)
Depreciation charge for the year	(7,451)	(7,099)
Translation adjustments	(35)	(2,450)
At 31 July	<u>117,929</u>	<u>105,271</u>

6 Goodwill and intangible assets

	2018 €'000	2017 €'000
At 1 August	205,961	192,696
Arising on acquisition (Note 10)	11,997	25,602
Additions	5,645	3,566
Amortisation of non-ERP intangible assets	(5,655)	(4,837)
ERP intangible amortisation	(2,291)	(1,881)
Translation adjustments	677	(9,185)
At 31 July	<u>216,334</u>	<u>205,961</u>

Origin Enterprises plc

Notes to the preliminary results statement (continued)

For the financial year ended 31 July 2018

7 Investments in associates and joint venture

	2018 €'000	2017 €'000
At 1 August	34,206	39,008
Share of profits after tax	7,221	4,366
Dividends received	(2,483)	(3,822)
Share of other comprehensive income/(expense)	9,092	(4,232)
Translation adjustment	135	(1,114)
At 31 July	<u>48,171</u>	<u>34,206</u>
Split as follows:		
Total associates	23,200	17,620
Total joint venture	24,971	16,586
	<u>48,171</u>	<u>34,206</u>

8 Provision for liabilities

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

	2018 €'000	2017 €'000
At 1 August	15,464	13,778
Arising on acquisition	2,995	5,129
Provided in year	2,007	11,590
Paid in year	(4,964)	(13,560)
Released in year	(2,137)	(977)
Currency translation adjustment	147	(496)
At 31 July	<u>13,512</u>	<u>15,464</u>

Provisions primarily relate to contingent acquisition consideration arising on a number of acquisitions completed during the current and prior year and rationalisation costs comprising termination payments arising from the restructuring of Agri-Services in the UK.

Origin Enterprises plc

Notes to the preliminary results statement (continued)

For the financial year ended 31 July 2018

9 Post employment benefit surplus/(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.

In 2016 the Origin UK Defined Benefit Pension Schemes were merged into one scheme with assets and liabilities transferred to a new single Defined Benefit Scheme. The assets of the scheme continue to be managed under the pre-existing investment arrangements and the liabilities have not changed.

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 2018 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

	2018 €'000	2017 €'000
At 1 August	(3,646)	(7,713)
Current service cost	(552)	(758)
Past service cost	-	(131)
Contributions	1,404	1,465
Other finance expense	(80)	(170)
Remeasurements	3,628	3,407
Translation adjustments	(29)	254
At 31 July	<u>725</u>	<u>(3,646)</u>

Origin Enterprises plc

Notes to the preliminary results statement (continued)

For the financial year ended 31 July 2018

10 Acquisition of subsidiary undertakings

During the period, the Group completed the acquisition of the fertiliser activities and certain assets of Bunn Fertilisers Limited ('Bunn') in the United Kingdom and the acquisition of Pillaert-Mekoson Group ('Pillaert-Mekoson') in Belgium. These acquisitions complement the Group's prescription fertilisers and speciality nutrition business. Details of the acquisitions are as follows:

1. On 10 August 2017 the Group completed the acquisition of the fertiliser activities and certain assets of Bunn. Based in the United Kingdom, Bunn is a leading producer of prescription fertiliser blends and nutrition management systems servicing the arable grassland and horticulture sector
2. On 23 January 2018 the Group announced it had acquired 100% of Pillaert-Mekoson. Based in Belgium, Pillaert-Mekoson markets an extensive range of technically based nutrition applications and operates a strong business and retail customer franchise

Origin Enterprises plc

Notes to the preliminary results statement (continued)

For the financial year ended 31 July 2018

10 Acquisition of subsidiary undertakings (continued)

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

	Provisional* Fair value €'000
Assets	
Non-current	
Property, plant and equipment	10,087
Intangible assets	3,064
Total non-current assets	<u>13,151</u>
Current assets	
Inventory	6,718
Trade receivables (i)	4,578
Other receivables	508
Total current assets	<u>11,804</u>
Liabilities	
Trade payables	(1,430)
Onerous lease provision	(2,495)
Other payable	(3,181)
Corporation tax	(371)
Deferred tax liability	(2,054)
Total liabilities	<u>(9,531)</u>
Total identifiable net assets at fair value	15,424
Goodwill arising on acquisition	8,933
Total net assets acquired (excluding cash acquired)	<u>24,357</u>
Consideration satisfied by:	
Cash consideration	29,985
Cash acquired	(6,128)
Net cash outflow	<u>23,857</u>
Contingent consideration	500
Total consideration related to acquisitions	<u>24,357</u>

(i) Gross trade receivables acquired were €4.6 million. All amounts are deemed to be recoverable.

* The acquisition accounting for Bunn Fertilisers Limited has been finalised.

Origin Enterprises plc

Notes to the preliminary results statement (continued)
For the financial year ended 31 July 2018

11 Analysis of net debt

	2017 €'000	Cashflow €'000	Non-cash movements €'000	Translation adjustment €'000	2018 €'000
Cash	162,631	(15,432)	-	13	147,212
Overdrafts	(15,916)	(4,985)	-	248	(20,653)
Cash and cash equivalents	146,715	(20,417)	-	261	126,559
Finance lease obligations	(739)	(7)	(128)	12	(862)
Loans	(177,426)	16,387	(677)	(2,837)	(164,553)
Net debt	(31,450)	(4,037)	(805)	(2,564)	(38,856)
Restricted cash	-	500	-	-	500
Net debt including restricted cash	(31,450)	(3,537)	(805)	(2,564)	(38,356)

Origin Enterprises plc

Notes to the preliminary results statement (continued)

For the financial year ended 31 July 2018

12 Share capital	2018 €'000	2017 €'000
Authorised 250,000,000 ordinary shares of €0.01 each (i)	2,500	2,500
Allotted, called up and fully paid 126,382,206 (2017: 126,382,206) ordinary shares of €0.01 each (i) (ii) (iii)	1,264	1,264

- (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.
- (iii) In July 2017, the issued ordinary share capital was increased by the issue of 3,429 ordinary shares of nominal value €0.01 each, at an issue price of €5.48 each pursuant to the terms of the Origin Save As You Earn Scheme 2016.

Origin Enterprises plc

Notes to the preliminary results statement (continued)

For the financial year ended 31 July 2018

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.

	2018 €'000	2017 €'000
Total assets	1,204,051	1,083,027
Total liabilities	(873,804)	(796,298)
<i>Adjusted for:</i>		
Net debt	38,356	31,450
Tax, put option and derivative financial instruments, net	30,549	30,773
Accumulated amortisation of non-ERP related intangible assets	48,046	42,300
Capital employed	447,198	391,252
Average capital employed	581,598	543,812
Operating profit (excluding exceptional items)	65,535	65,172
Amortisation of non-ERP intangible assets	5,655	4,837
Share of profit of associates and joint venture	7,221	4,366
Return	78,411	74,375
Return on capital employed	13.5%	13.7%

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 2017 Annual Report.

15 Dividend

The Board is recommending a final dividend of 17.85 cent per ordinary share which when combined with the interim dividend of 3.15 cent per ordinary share brings the total dividend for the year to 21.0 cent per share (total dividend of €26.4 million) (2017: 21.0 cent per share). Subject to shareholders' approval at the Annual General Meeting, the dividend will be paid on 14 December 2018 to shareholders on the register on 30 November 2018. In accordance with IFRS, this dividend has not been provided for in the Consolidated Statement of Financial Position as at 31 July 2018.

Origin Enterprises plc

Notes to the preliminary results statement (continued)

For the financial year ended 31 July 2018

16 Financial commitments

The Group has a financial commitment of €7.7 million attributable to a strategic partnership with University College Dublin ('UCD'). The commitment is over a five year period.

17 Subsequent events

On 14 August 2018 Origin announced it had completed the acquisition of a 65% controlling interest in the Brazilian based speciality nutrition and crop inputs business, Fortgreen Commercial Agricola Ltda. ('Fortgreen').

Due to the short time frame between completion date and the date of issuance of this report, it was not possible to reliably estimate the fair values of assets and liabilities or the goodwill amount associated with this acquisition.

The separate transaction to acquire a 20% shareholding in the Brazilian based agronomy services and crop input distribution business, Ferrari Zagatto E Cia. Ltda., ('Ferrari Zagatto'), is expected to complete during the first half of FY2019 financial year.

Origin has agreed a put and call option with the Founders to acquire the remaining 35% shareholding in Fortgreen on specified dates, with the purchase price based on an agreed formula linked to future profitability. Separately Origin has been granted an option to purchase an additional 40% interest in Ferrari Zagatto in 2020 which, if exercised, will lead to the acquisition of the balance of the Founders' shareholding on specified dates with the purchase price based on an agreed formula linked to future profitability

There have been no other material events subsequent to 31 July 2018 that would require adjustment to or disclosure in this report.