



Third Quarter Trading Update

Full year guidance in adjusted diluted earnings per share of between 47.5 and 48.5 cent

19 June 2018

Origin Enterprises plc ('Origin' or 'the Group' or 'the Company'), the Agri-Services Group, issues this Trading Update for the nine months to 30 April 2018.

Highlights

- Robust third quarter performance against a backdrop of prolonged winter weather conditions resulting in a delay to normal spring growth and crop maintenance activity
- Reflecting the later timing of seasonal demand there has been a positive start to the fourth quarter which is expected to account for a greater proportion of full year revenue and profitability
- Digital services enablement progressing well
- Pillaert-Mekoson, the Belgium-based fertiliser and nutrition business acquired in January 2018, performing in line with expectation
- Full year earnings guidance in adjusted diluted earnings per share of between 47.5 and 48.5 cent
- Origin separately announces today agreement to acquire interests in two Brazil-based agri-service businesses, Fortgreen Commercial Agricola Ltda. and Ferrari Zagatto E Cia Ltda.

Overview

The performance during the third quarter principally reflected the adverse impact of unseasonal weather patterns on spring growing conditions and farm activity in general across the Group's operations in Ireland and the United Kingdom and Continental Europe.

Since the period end there has been a return to more normal and settled weather conditions, mainly in Ireland and the United Kingdom, which has underpinned a robust level of catch up activity on-farm to-date. As a result, we expect increased demand for agronomy services and crop inputs for the fourth quarter.

Reflecting the significant seasonality profile of the Group's operations, Origin generates substantially all of its profits in the third and fourth quarters of the financial year.

Review of Operations

Group revenue¹

Revenue	2018 €m	2017 €m	Change %	Attributable to:		
				Acquisitions %	Currency %	Underlying %
Quarter 3	526.7	548.7	(4.0%)	6.2%	(2.4%)	(7.8%)
Year-to-date	1,113.6	1,113.1	-	4.6%	(2.5%)	(2.1%)

¹ Total revenue including crop marketing

Revenues for the third quarter were 4.0 per cent lower at €526.7 million. On an underlying basis, (excluding acquisitions and at constant currency) revenue decreased by 7.8 per cent for the period. The key driver of the decline was reduced sales demand due to a combination of delayed and lower levels of seasonal activity. Revenues for the cumulative nine month period were €1,113.6 million compared with €1,113.1 million for the prior year, representing an underlying decrease of 2.1 per cent.

Like-for-like business volumes (agronomy services revenue and crop input volumes, excluding crop marketing volumes) declined 8.7 per cent and 4.0 per cent for the period and year-to-date, respectively.

Ireland and the United Kingdom

Revenue	2018 €m	2017 €m	Change %	Attributable to:		
				Acquisitions %	Currency %	Underlying %
Quarter 3	338.3	342.1	(1.1%)	6.4%	(2.0%)	(5.5%)
Year-to-date	715.8	697.1	2.7%	5.5%	(2.7%)	(0.1%)

Volume development in the seasonally important third quarter was predominantly influenced by a delayed start to in-field crop drilling and maintenance activity. There was a reduction in like-for-like business volumes of 9.2 per cent and 4.3 per cent for the period and year-to-date, respectively.

Integrated On-Farm Agronomy Services

Integrated Agronomy and On-Farm Services, achieved lower revenues in the third quarter as volume development was impacted by extremely cold weather which resulted in a four week delay to normal spring growth and crop development. The situation was exacerbated by significantly higher than average rainfall levels during the period which curtailed in-field crop maintenance activity.

A return to more normal and settled weather conditions towards the end of the period facilitated the majority of delayed spring crop planting activity to take place. We are experiencing increased sales demand in the fourth quarter to satisfy the higher level of carried forward agronomy service and input application.

More favourable sentiment on-farm currently is helping to underpin growers' appetite to invest and maximise the potential of their crops.

Digital Agricultural Services

Digital Agricultural Services performed well in the third quarter, with the roll out of the Group's digital platform, Contour, advanced well in the period. Contour is a new 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 deliver real time content to support in-field crop management decision making.

Over 600,000 hectares have now been on-boarded onto the Contour platform.

Business-to-Business Agri-Inputs

Business-to-Business Agri-Inputs performed in line with expectation in the third quarter following a satisfactory result in the first half of the year.

Fertiliser

Fertiliser achieved higher like-for-like volumes in the third quarter. This volume performance is largely set against a lower comparative for the prior year due to the earlier timing of sales demand in the first half of the 2017 financial year. Volume development in the fourth quarter is expected to be favourable and largely reflects the prospect of an extended season for grassland application for primary livestock producers to replenish depleted fodder stocks following poor grass growth in the period.

Bunn Fertiliser, acquired in the first quarter of the 2018 financial year, has performed well in the third quarter. The successful integration of Bunn in the period has provided the enlarged business with an enhanced capability to service customer demand in an increasingly condensed spring and summer usage period.

Amenity

Amenity achieved lower underlying revenues in the third quarter. This was primarily driven by volume reductions reflecting a reduced demand due to poor ground conditions caused by unseasonal spring weather. The professional amenity channel continues to perform well with the acquisitions completed in 2016 and 2017 providing new and differentiated product and service offerings.

Feed Ingredients

Feed Ingredients delivered a very satisfactory performance in the third quarter, underpinned by improved volumes and margins. Good demand levels were sustained throughout the period as prolonged wet weather conditions limited grass growth and placed further pressure on already depleted fodder stocks used for farm produced feed.

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

Continental Europe¹

Revenue	2018 €m	2017 €m	Change %	Attributable to:		
				Acquisitions %	Currency %	Underlying %
Quarter 3	161.0	169.8	(5.2%)	7.1%	(3.8%)	(8.5%)
Year-to-date	282.6	278.3	1.5%	4.4%	(3.4%)	0.5%

¹ Excluding crop marketing

Revenues from Continental Europe declined by 8.5 per cent in the third quarter on an underlying basis. This reduction is largely driven by lower like-for-like business volumes of 7.7 per cent as the impact of severe weather conditions and low temperatures for the majority of the period resulted in delayed spring seasonal growth together with disrupted input application. Against the backdrop of a shortened growing season in the current year we do not expect to recover in full the third quarter volume shortfall in the fourth quarter.

Like-for-like business volumes declined by 3.2 per cent in the year-to-date.

Belgium

In January 2018, Origin announced the completion of the acquisition of Pillaert-Mekoson ('Pillaert'), a leading provider of standard and prescription fertiliser products headquartered in Ghent, Belgium.

Pillaert has performed well in the third quarter and integration is progressing as planned. Sales volumes, while lower in the period against last year due to delayed seasonal timing, are expected to be favourable for the financial year as a whole.

Poland

Poland achieved a satisfactory performance in the third quarter on lower volumes in highly competitive trading conditions. Service and input application was significantly curtailed in the period following prolonged frost conditions which led to a shortened spring growing season. Farm sentiment is generally mixed as a result of the lower crop potential at the end of the period.

Value added agronomy applications delivered a good performance in the third quarter and continue to drive overall development within the direct farm customer channel.

Romania

Romania achieved a good performance in the period supported by the earlier timing of crop input revenues. While there were delays to normal spring growth, Romania enjoyed relatively normal weather conditions with farm activity not subject to significant interruption in the third quarter.

Other than some localised growing areas impacted by drought conditions, the cropping area is generally well established and in line with last year at 8.4 million hectares.

Ukraine

Ukraine recorded lower agronomy service and crop input revenues in the third quarter, largely due to the impact of weather delayed seasonal timing. The market backdrop is challenging as pronounced currency volatility, in particular, drives highly competitive trading conditions which resulted in lower margins in the period.

New customer gains continue to positively support performance as the business benefits from its expanded footprint to service the independent farms channel.

Corporate Development

Origin separately announces today that it has reached agreement to acquire a 65 per cent interest in the Brazil-based Fortgreen Commercial Agricola Ltda. ('Fortgreen' or 'the Business'). As part of this transaction, Origin has also agreed to acquire a 20 per cent shareholding in Ferrari Zagatto E Cia Ltda. ('Ferrari'), also based in Brazil, (collectively 'the Transactions').

Fortgreen, which is headquartered in Paraná State in southern Brazil, and founded in 2004, is focused on the development of value added crop nutrition and speciality inputs. The Business is an established leader in the manufacture and marketing of a complete portfolio of related crop technologies, covering foliar fertilisers, bio stimulants, adjuvants and control release and slow release fertilisers. Fortgreen operates a comprehensive research and new product development capability and services approximately 1,200 customers through an established business-to-business and retail distribution network.

Ferrari, 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.

The Transactions are subject to a number of conditions and are expected to complete during the first quarter of the 2018/2019 financial year.

Management Changes

On 7 June 2018 the Group announced the appointment of Sean Coyle as Chief Financial Officer. Sean will join Origin on 1 September 2018 and will be appointed as a Director of the Company with effect from 1 October 2018.

Full Year Outlook

There has been a positive start to the fourth quarter reflecting robust activity levels on farm due mainly to the later timing of seasonal demand.

The Group expects to achieve full year adjusted diluted earnings per share in the range of 47.5 to 48.5 cent per share.

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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, Poland, Romania and Ukraine. Origin is listed on the ESM and AIM markets of the Irish and London Stock Exchanges.

ESM ticker symbol: OIZ

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Website: www.originenterprises.com