

# Preliminary Results FY2021

29 September 2021

Prescriptive Solutions,  
Sustainable Production



## Forward-looking statements

This presentation 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 presentation. 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 presentation, whether as a result of new information, future events or otherwise.





# Stronger performance across all three segments

## Solid Earnings Recovery

Growth across all key financial metrics:

> **€61.0m**  
38.3% increase  
in Operating Profit

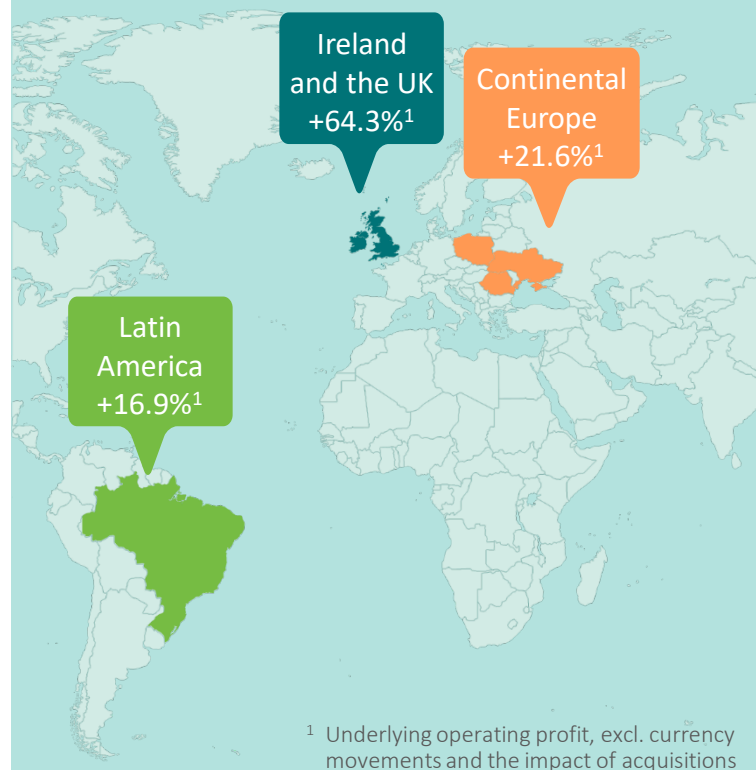
> **3.7%**  
90bps increase  
in Operating Margin

> **€14.4m**  
Net Bank Debt (2020: €53.2m)

> **11.0 cent**  
Total dividend (37.3% payout)

## Operational Priorities Progressing

- > Substantial recovery in Ireland/UK
- > Continued underlying growth in CE and LATAM
- > Margin improvement initiatives delivering



## Strategic Evolution



### M&A

- Green-tech acquisition
- Belgian fertiliser divestment



### Strategic Capital Investment

- Controlled release fertiliser plant in Brazil
- D365 ERP investment



### Embedding Sustainability

- Nurturing Growth – inaugural sustainability report
- Fertile Future –fertiliser sustainability manifesto
- Improving ESG ratings



### Strategic Alignment

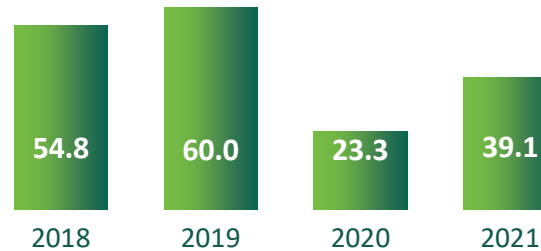
- Integration of UK turf amenity businesses
- Romanian merger completed
- 44% growth of in-house products in Europe

## TRADING REVIEW

# Ireland & the United Kingdom

- > Recovery in underlying volume growth +5.3%
- > Full-year input sales potential impacted by persistent cold conditions in Spring
- > Q4 catch-up activity supported by improved on-farm sentiment
- > Excellent financial & operating performance within Fertiliser
- > Amenity volumes benefit from easing of COVID-19 restrictions
- > Feed ingredients challenged by commodity supply constraints
- > c.20% increase in digital ha's

## Operating Profit (€'m)



## Operational Review: Ireland and the United Kingdom

	Change on prior year				
	2021 €'m	2020 €'m	Change €'m	Underlying <sup>3</sup> %	Constant Currency <sup>4</sup> €'m
Revenue	1,049.3	967.9	8.4%	7.8%	8.8%
Operating profit <sup>1</sup>	39.1	23.3	67.5%	64.3%	68.2%
Operating margin <sup>1</sup>	3.7%	2.4%	130bps	130bps	130bps
Associates and joint venture <sup>2</sup>	2.8	5.8	(51.1%)	(50.9%)	(50.9%)

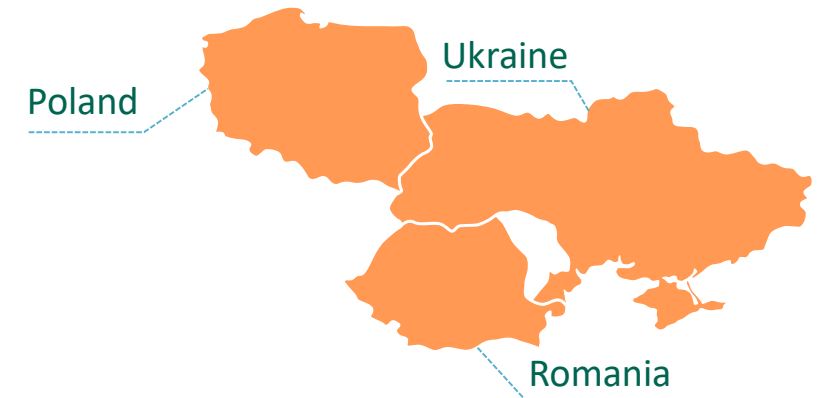
1. Before amortisation of non-ERP intangible assets and exceptional items
2. Profit after interest and tax before exceptional items
3. Excluding currency movements and the impact of acquisitions
4. Excluding currency movements

## TRADING REVIEW

# Continental Europe

- > Underlying volume growth +1%
- > Operating margin 3.8% (FY2020 3.2%)
- > Working capital initiatives delivering:
  - Cash conversion cycle optimisation
  - Cash vs credit sales mix improvement
- > Ukraine achieved improved contribution but remains a challenging market
- > Strategic crop protection products providing additional value-add to portfolio

## Operating Profit (€'m)



## Operational Review: Continental Europe<sup>1</sup>

	Change on prior year				
	2021 €m	2020 €m	Change €m	Underlying <sup>3</sup> %	Constant Currency <sup>4</sup> %
Revenue	415.7	417.5	(0.4%)	5.9%	5.9%
Operating profit <sup>2</sup>	15.7	13.2	18.3%	21.6%	21.6%
Operating margin <sup>2</sup>	3.8%	3.2%	60bps	50bps	50bps

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 2021 crop marketing revenues and losses attributable to Continental Europe amounted to €154.4 million and €0.1 million respectively (2020: €172.7 million and €0.4 million profit 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

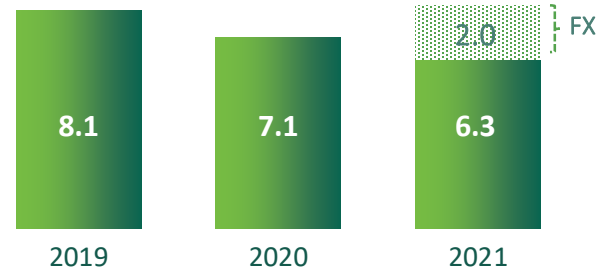


## TRADING REVIEW

# Latin America

- > Strong underlying volume growth +45.7%
  - Increased cropping area
  - Double digit percentage growth in core product range
  - Controlled release fertilisers represent a larger percentage of product mix following completion of new facility in H2 FY2021
- > Currency translation remains a headwind to overall Group contribution

## Operating Profit (€'m)



## Operational Review: Latin America

	Change on prior year				
	2021 €'m	2020 €'m	Change €'m	Underlying <sup>3</sup> %	Constant Currency <sup>4</sup> €'m
Revenue	39.0	31.1	25.4%	58.1%	58.1%
Operating profit <sup>1</sup>	6.3	7.1	(11.4%)	16.9%	16.9%
Operating margin <sup>1</sup>	16.1%	22.9%	(680bps)	(600bps)	(600bps)
Associates and joint venture <sup>2</sup>	-	0.4	(100.0%)	-	(100.0%)

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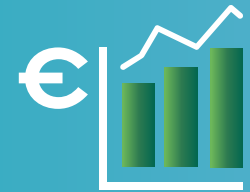




# Financial Review



## FY2021 Performance



Revenue

€1.7bn

4.4% (rc<sup>1</sup>)  
7.2% (cc<sup>1</sup>)



Operating Profit

€61.0m

38.3% (rc<sup>1</sup>)  
44.2% (cc<sup>1</sup>)



Adjusted EPS

35.5c

38.2% (rc<sup>1</sup>)  
44.6% (cc<sup>1</sup>)



Dividend per share

11.0c

2020: 3.15c



Free Cash Flow

€49.2m

2020: €64.3m



Working Capital outflow

€4.0m

2020: (€30.3m inflow)



ROCE

9.3%

2020: 7.3%



Net Bank Debt

€14.4m

2020: €53.2m

1. rc denotes reported currency; cc denotes constant currency

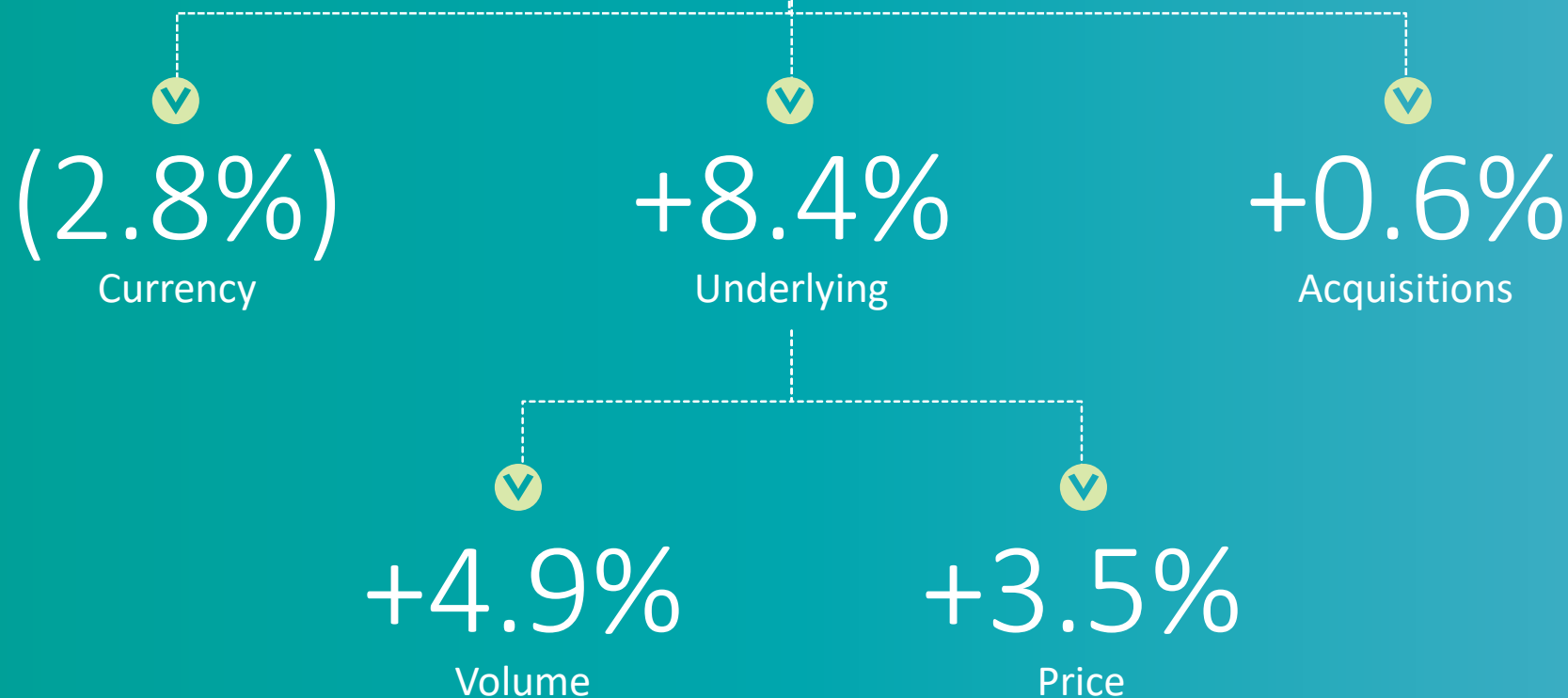


## Group Revenue<sup>1</sup> Analysis



+6.2%<sup>1</sup>

Growth in Group Revenue  
from FY2020 to FY2021



<sup>1</sup> Excludes crop marketing revenues and volumes

# FY2021 Financial Highlights

Year ended 31 July

	2021 €'m	2020 €'m	Change %	Constant Currency %
<b>Group revenue</b>	<b>1,658.4</b>	1,589.1	4.4%	7.2%
<b>Group operating profit<sup>1</sup></b>				
Agri-Services	61.0	44.1	38.3%	44.2%
Associates and joint venture <sup>2</sup>	2.8	6.2	(53.8%)	(53.6%)
<b>Total group operating profit</b>	<b>63.8</b>	<b>50.3</b>	<b>27.1%</b>	<b>32.2%</b>
Finance costs, net	(8.6)	(11.3)	(24.0%)	(23.2%)
<b>Profit before tax</b>	<b>55.2</b>	<b>39.0</b>	<b>41.8%</b>	<b>48.0%</b>
<b>Adjusted diluted EPS (cent)<sup>3</sup></b>	<b>35.50</b>	<b>25.69</b>	<b>38.2%</b>	<b>44.6%</b>
Return on capital employed	9.3%	7.3%	200bps	
Dividend per share	11.0c	3.15c	7.85c	
<b>Net bank debt<sup>4</sup></b>	<b>(14.4)</b>	<b>(53.2)</b>	<b>38.8</b>	

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

2. Profit after interest and tax before exceptional items

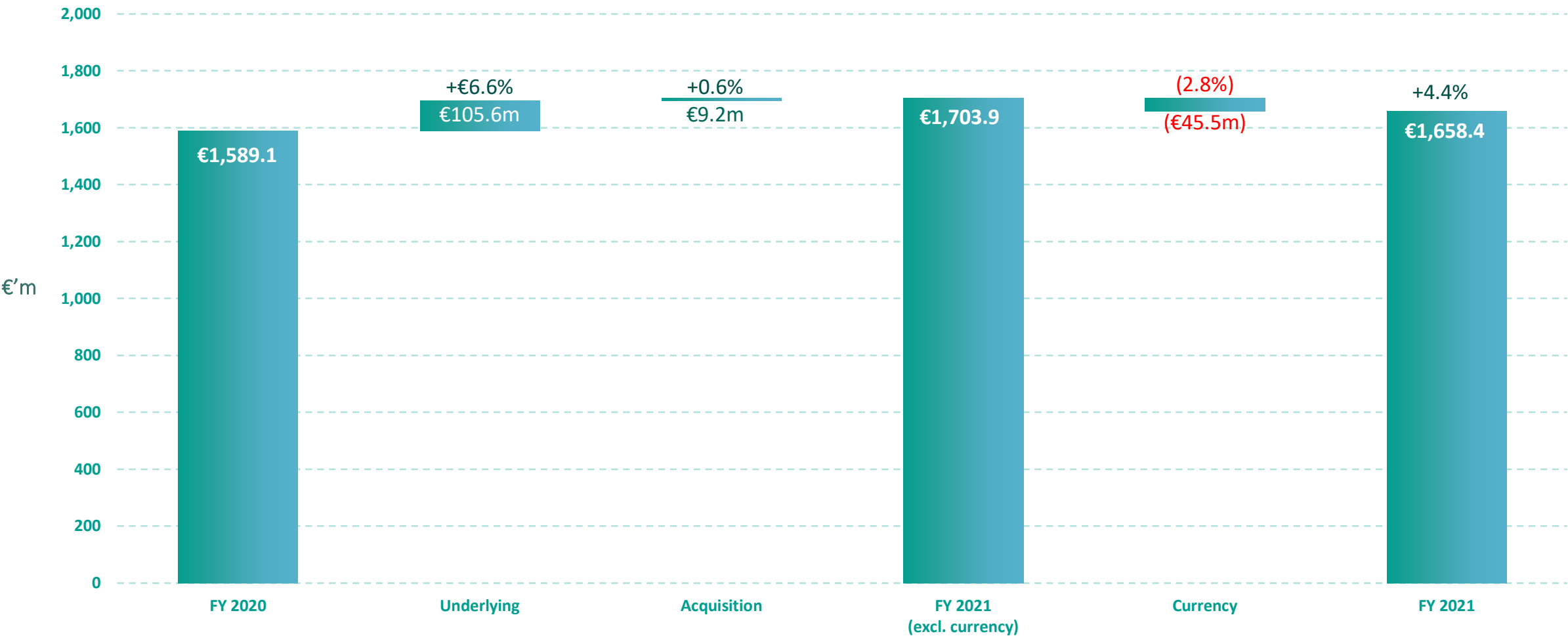
3. Before amortisation of non-ERP intangible assets, net of related deferred tax (2021: €8.6 million, 2020: €7.7 million) and exceptional items, net of tax (2021: credit of €1.2 million, 2020: expense of €5.2 million)

4. Group net debt before impact of IFRS 16 Leases



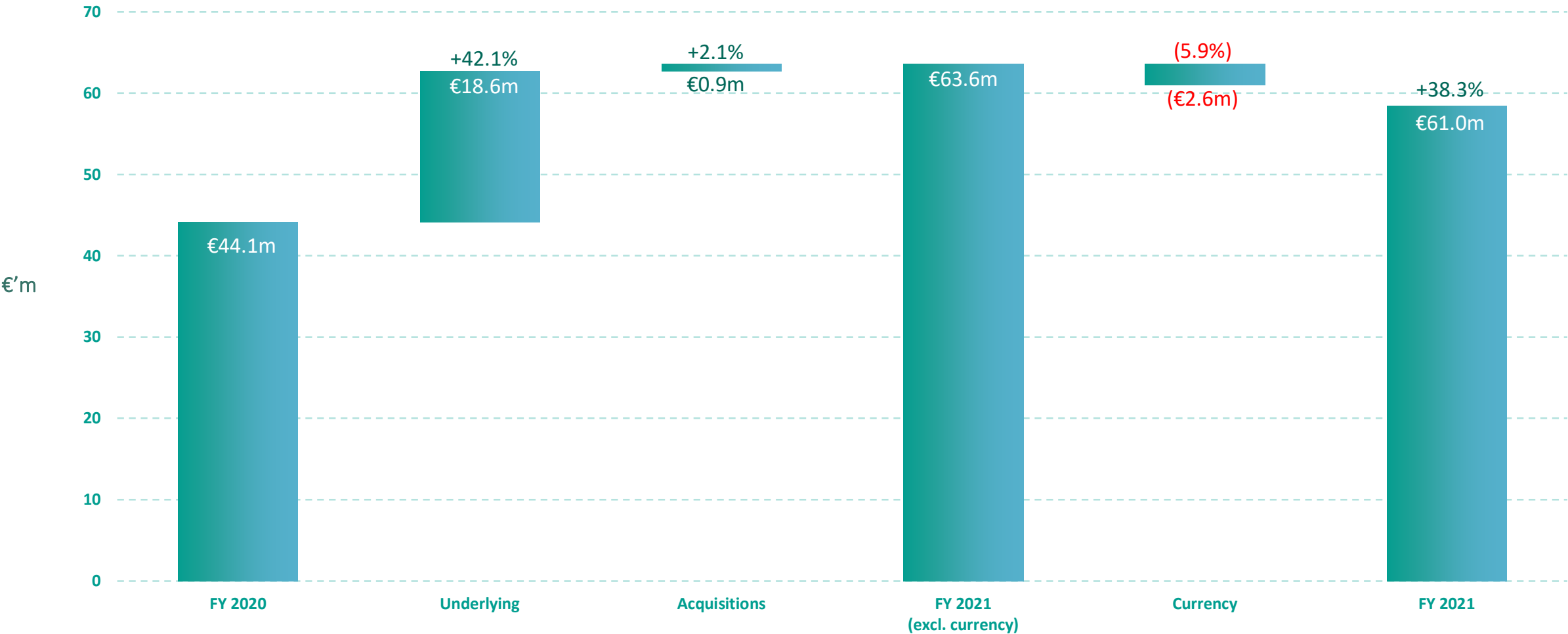
# Group Revenue Bridge

Year ended 31 July



# Group Operating Profit Bridge

Year ended 31 July





# FY2021 Free Cash Flow

Year ended 31 July

	2021 €'m	2020 €'m
EBITDA <sup>1</sup> (excluding associates and joint venture)	69.3	52.7
Interest paid	(5.8)	(8.6)
Tax paid	(10.1)	(8.0)
Routine capital expenditure	(4.7)	(7.9)
Working capital (outflow) / inflow	(4.0)	30.3
Dividends received	4.5	5.8
<b>Free cash flow</b>	<b>49.2</b>	<b>64.3</b>

**114.9% cash conversion<sup>2</sup>**

<sup>1</sup> EBITDA is earnings before interest, tax, depreciation, amortisation of non- ERP related intangible assets and exceptional items of wholly-owned businesses

<sup>2</sup> Free cash flow conversion ratio means free cash flow as a percentage of profit after tax of wholly owned businesses, excl. exceptional items and amortisation of non-ERP rated intangible assets

# Strong Credit Metrics – average debt maturity 3.8 years

## Headroom across all key banking covenants

Covenant		FY2021	HY 2021	FY2020	HY2020
Net debt to EBITDA	Maximum 3.5x	0.13x	2.76x	1.18x	3.24x
EBITDA to net interest	Minimum 3.0x	10.36x	6.75x	5.76x	7.57x

## Maturity profile of the Group’s €400m unsecured committed banking facilities



Pricing of credit facilities is linked to Origin’s strengthening ESG performance





# Strategic Evolution



# Tailored offering



## > Crop Nutrition

- > Developing sustainable products and solutions for growers, including prescription nutrient blends.
- > Production of higher margin proprietary value add products.
- > Expansion of in-house (Foliq & Fortgreen) portfolio across Europe.



## > Agri-Services

- > Priority #1 – Championing our customers' needs.
- > Trusted advisors– identifying proven technologies that deliver practical benefits on-farm.
- > Increasing farm productivity and enhancing the environment.



## > Amenity Solutions

- > Addressing a growing interest in social and health benefits related to green spaces.
- > Early adopter –pioneering value-add technologies.
- > One-stop shop serving multiple end markets.



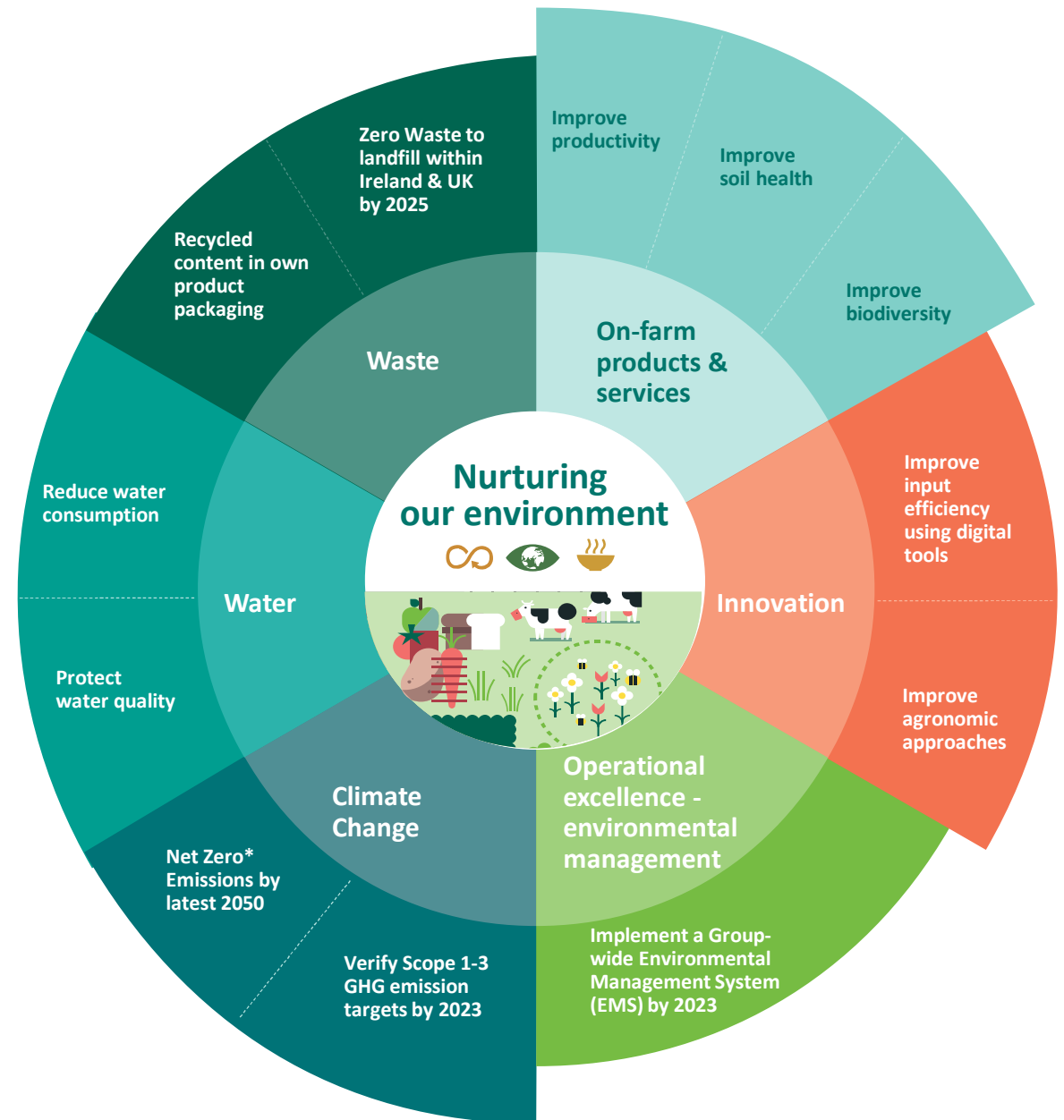
## > Digital Agronomy

- > Providing access to enhanced agronomic advice and expertise.
- > Developing climate-smart products that facilitate sustainable practices.
- > Simplifying user engagement to deliver in-house and on-farm efficiencies.



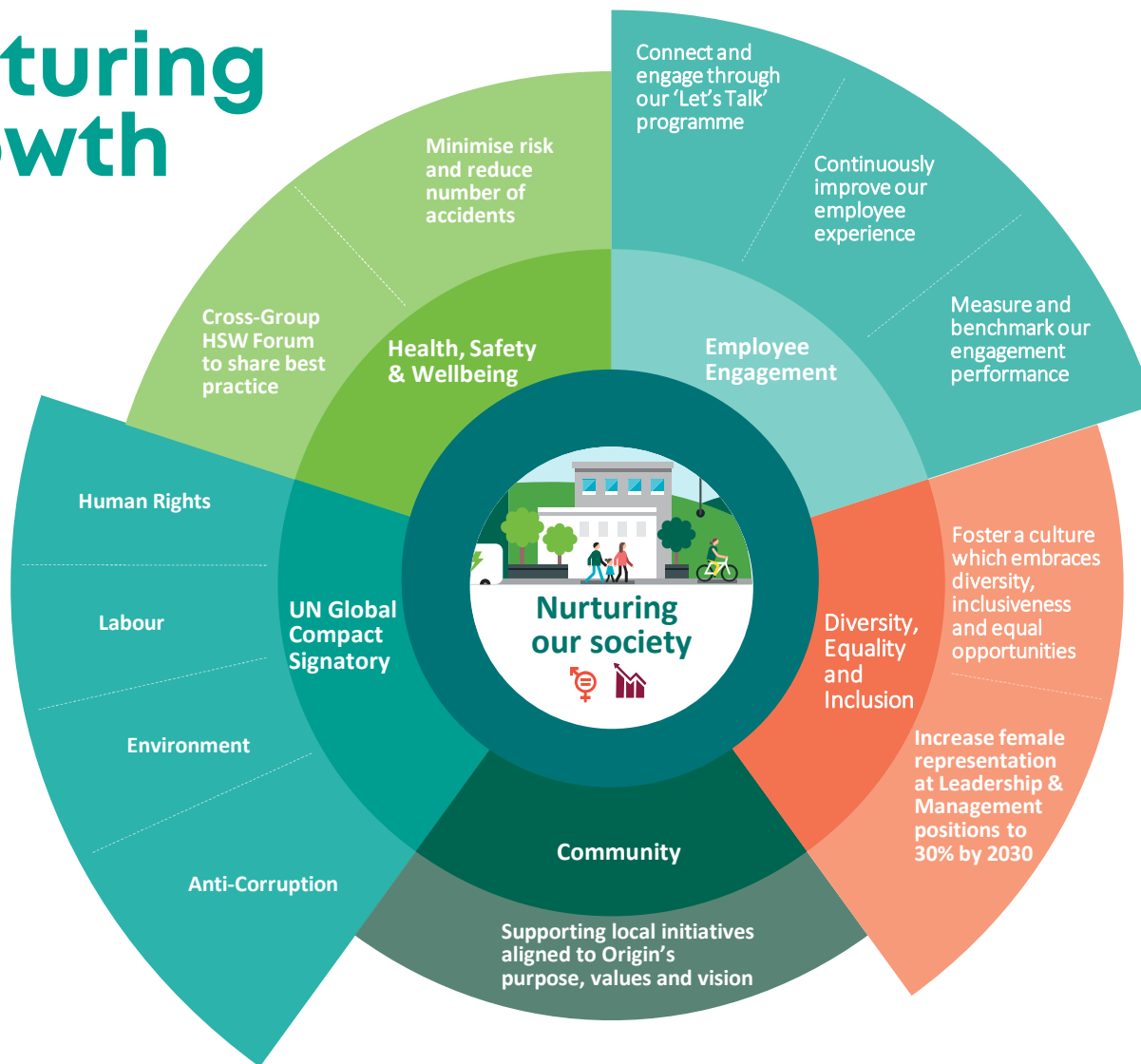
# Nurturing our environment

Our 2030 Framework for action



\* Net-zero emissions are reached when anthropogenic (i.e. human-caused) emissions of greenhouse gases to the atmosphere are balanced by anthropogenic removals over a specified period



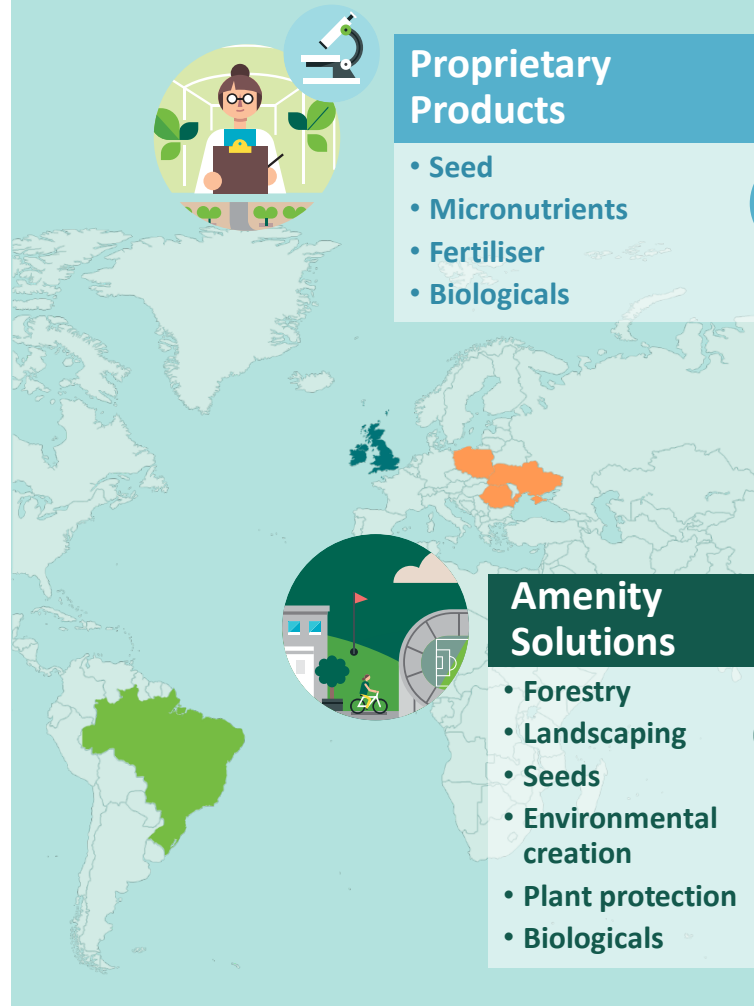


## Nurturing our society

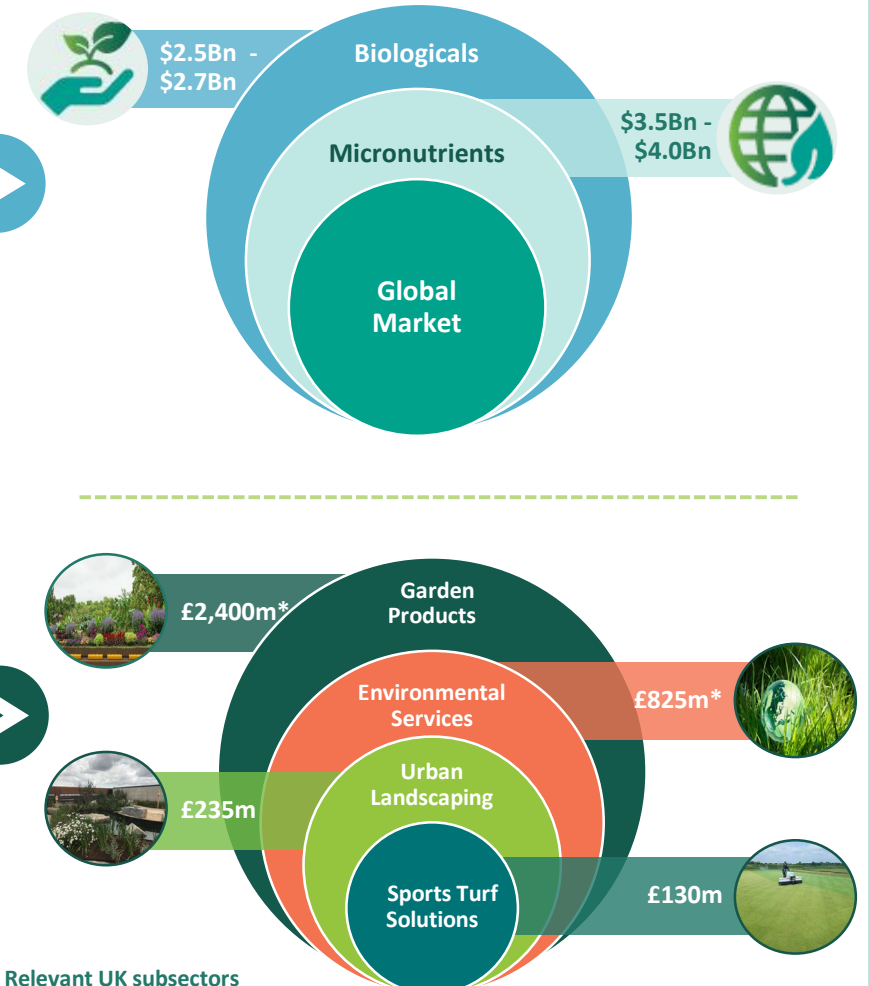
# Positioning for continued growth

- Leading market positions which support essential global food production and the amenity sector
- Long-term partnerships as a trusted advisor and input provider
- Collaborative research and technical innovation, transferring new technologies into commercial operations
- Positioned to capitalise on evolving market trends
- M&A introduces newer sustainability focus

## Complementary M&A Targets



## Related Markets



# Summary & Outlook



# Summary & Outlook

- **Stronger performance creates platform for growth:**
  - › Solid earnings
  - › Strong cash generation
  - › Strengthened balance sheet position
- **Dividend reinstated**
- **Acquisition of Green-tech complements our ambition to grow our offering of sustainable solutions**
- **Proactively managing emerging COVID-led global supply chain challenges, despite minimal disruption to date**
- **Business model and leadership team in place to progress our growth ambitions successfully in FY22 and beyond**





A photograph of a herd of cows grazing on a lush green hillside. The cows are scattered across the slope, some standing and some grazing. The background features a line of trees under a cloudy sky. A large teal banner is overlaid on the lower half of the image.

# Thank you