

Origin Enterprises plc

Q1 Trading Update

Solid first quarter performance; €20 million share buyback programme announced

Dublin, London, 16 November 2023: 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 2023 ('Q1 FY24').

The Group is also hosting its Annual General Meeting ('AGM') later today. Further details regarding the Annual General Meeting are available at <https://originenterprises.com/investors/agm>.

Highlights

- Q1 saw solid growth in underlying Group volumes of 1.3% compared to prior year.
- Continued correction in global feed and fertiliser raw material pricing led to a decrease in Group Revenue of 25.7% to €532.5 million in Q1 FY24, compared to €716.2 million in Q1 FY23.
- While planting in parts of the UK has been delayed following a later harvest and adverse weather in recent weeks, it is reasonably well advanced with 1.4 million hectares of winter wheat drilled. Our current expectation is that approximately 1.5 million will be drilled compared to last year's 1.8 million hectares.
- Autumn and winter cropping is expected to decrease marginally in Continental Europe with drought conditions delaying planting in Romania.
- Despite downward movement in global fertiliser prices, Latin America delivered year-on-year underlying revenue growth of 22.1%.
- On-farm sentiment is reasonable, influenced by a recent firming of commodity output prices despite the challenging in-field conditions. Generally, inventory levels on-farm remain low and are likely to require replenishment for the spring application period.
- Good start to the year in the Group's Amenity, Environmental and Ecology division where a marginal decline in amenity volumes, as a result of the adverse weather in the UK, was offset by the integration of acquisitions.
- Announcement of new share buyback programme of up to €20.0 million.

Commenting on Origin's Q1 Trading Update, Sean Coyle, CEO said:

"Overall, the first quarter delivered a solid start, with growth in underlying volumes despite delayed plantings and a later harvest in the Northern Hemisphere. The continued strong performance of our Latin American business combined with the growing contribution from our Amenity, Environmental and Ecology division, is helping to offset the impact of more challenging planting conditions in Europe.

Given the continued strong cash performance of the business, today we are announcing a new share buyback programme of up to €20 million. We are confident that the Group is well positioned to deliver on our 2022 Capital Markets Day financial and strategic ambitions".

Group Revenue

	Q1 FY24 €'m	Q1 FY23 €'m	Variance %	Underlying ¹ %	Constant Currency ² %
Ireland / UK	321.9	460.0	(30.0%)	(31.7%)	(30.0%)
Continental Europe	99.6	154.4	(35.5%)	(36.2%)	(36.2%)
Latin America	55.1	46.4	18.8%	22.1%	22.1%
Total Agronomy and Inputs	476.6	660.8	(27.9%)	(28.9%)	(27.8%)
Crop Marketing	55.9	55.4	0.7%	(4.0%)	(4.0%)
Total Group	532.5	716.2	(25.7%)	(27.0%)	(26.0%)

¹ Excluding currency movements and the contribution of acquisitions

² Excluding currency movements

Ireland and the UK recorded a decrease in underlying agronomy services and crop input volumes of 4.0% in Q1 FY24. Overall, a later 2023 harvest and challenging weather related in-field conditions have led to a delayed autumn/winter planting season in parts of the UK. Currently, 1.4 million hectares of winter wheat has been drilled and we are optimistic that approximately 1.5 million can be drilled compared to the 1.8 million hectares planted last year. Combined autumn/winter and spring plantings for the 2024 crop production year are expected to be in line with last year at 4.4 million hectares.

Business-to-Business Agri-Inputs had a solid start to FY24, with reduced revenues compared with Q1 FY23 driven by the continued correction in global feed and fertiliser raw material pricing. Volumes have been somewhat impacted by the adverse weather experienced in Q1.

Amenity, Environmental and Ecology had a good start to the year with a marginal decline in volumes as a result of adverse weather more than offset by increased revenues from the Group's recent acquisitions in this sector, with integration on track.

Continental Europe recorded an underlying volume increase in agronomy services and crop inputs of 1.1% in the period, excluding crop marketing volumes. Overall, across Poland and Romania, the autumn and winter planted area is expected to be back marginally, however it is forecasted to be offset by a corresponding increase in spring plantings. Overall, there was a satisfactory start to the year, with good crop establishment noted in Poland, however drier conditions in Romania have led to delays in planting.

Latin America delivered another strong performance in the period, recording an underlying increase in business volumes of 54.7% supported by continued investment in the sales organisation and operations infrastructure. The total cropping area dedicated to soya, Brazil's principal crop, is expected to increase by 4.1% on the prior year to 45.4 million hectares. While regional weather conditions have resulted in some delayed soya planting compared to the same period last year, overall planting levels are tracking in line with the five-year average.

Sustainability

During the quarter, the Science Based Targets initiative validated Origin's Green House Gas ('GHG') reduction targets. Scope 1 and 2 goals were classified as consistent with a 1.5°C trajectory, thereby meeting the Paris Agreement goals on global warming. Targets include a 54.9% reduction in Scope 1 and 2 emissions by FY2032 (from FY2019) and a 32.5% cut in Scope 3 emissions from purchased goods, services, transportation, and product use.

Share Buyback Programme

The Group intends to launch another share buyback programme of up to €20.0 million. The programme is subject to shareholder approval of the resolution to be proposed at today's Annual General Meeting to buy back up to 10% of the Company's ordinary shares. Subject to shareholder approval, an announcement will be made immediately prior to formal launch of the programme.

Outlook

Origin will provide a further update on cropping status and farming activity ahead of the Group's main trading season, at the time of our Interim Results announcement in March 2024.

AGM

Origin is holding its Annual General Meeting ('AGM') 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>.

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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