

Origin Enterprises plc
Trading Update
Favourable performance in seasonally important third quarter

25 May 2017

Origin Enterprises plc ('Origin' or 'the Group'), the Agri-Services Group, today issues the following trading update for the nine months to 30 April 2017 ('the Period') in advance of its Final Results which are scheduled to be announced on 27 September 2017.

Highlights

- 4.1 per cent increase in underlying revenue for the third quarter
- 5.9 per cent volume growth in underlying agronomy services and crop inputs for the third quarter
- 7.1 per cent increase in underlying revenue for the Period
- Full year earnings guidance in adjusted diluted earnings per share of between 44 and 46 cent which reflects an underlying growth in Group operating profit of between 8 to 11 per cent on a constant currency basis.

Overview

Origin has achieved higher underlying revenues and margins in the seasonally important third quarter of the financial year supported by robust activity levels on-farm. Generally settled weather throughout the first nine months of the financial year combined with an improved short term planning environment for primary producers has supported higher demand for agronomy services and inputs across the Group's operations.

The performance in the third quarter is set against a 2016 comparative period when activity levels on-farm were adversely impacted by weather and late spring growing conditions. Reflecting the significant seasonality profile of the Group's operations, Origin will earn substantially all of its profits in the second half of the financial year.

Review of Operations

Agri-Services

Revenues for the third quarter were 1.2 per cent lower at €548.7 million, with an underlying increase of 4.1 per cent principally reflecting increased demand for agronomy services and inputs. Revenues were €1,113.1 million for the nine months compared with €1,062.7 million in the equivalent period last year, an increase of 4.7 per cent, with an underlying increase of 7.1 per cent. The components of the increase year on year for the quarter and year to date are outlined in the following table.

Revenue	2017 €m	2016 €m	Increase %	Attributable to:		
				Acquisitions %	Currency %	Underlying %
Quarter 3	548.7	555.5	(1.2)	0.8	(6.1)	4.1
Year-to-date	1,113.1	1,062.7	4.7	6.9	(9.3)	7.1

Underlying volume growth in agronomy services and crop inputs was 5.9% and 9.2% for the quarter and year-to-date respectively.

Ireland and the United Kingdom

The positive impact of Sterling weakness on crop output values, combined with a favourable year-on-year backdrop to global dairy markets, were the principal drivers of an improved short term outlook for the incomes of crop and grassland farm enterprises. The generally settled weather for the majority of the Period has supported excellent crop planting conditions resulting in favourable demand for agronomy services and crop inputs.

Underlying volume growth in agronomy services and crop inputs was 3.3% and 7.9% for the quarter and year-to-date respectively. Volume development in the quarter was principally influenced by higher crop protection volumes somewhat offset by a reduction in fertiliser volumes due to the earlier timing of sales in the first half of the financial year.

Integrated On-Farm Agronomy Services

Integrated On-Farm Agronomy Services recorded an improved performance in the quarter, achieving higher volumes and margins across all service and input portfolios. Core agronomy service revenue and crop protection volumes grew by over 20% in the quarter, albeit against a comparative period in 2016 which had been impacted by delayed crop development and curtailed in-field operations. Trading conditions continue to remain highly competitive as the business successfully prioritises its value added solutions approach and high service customer channels.

Primary crop producers are experiencing a more stable short term planning environment with their margins currently supported by lower unit costs for key macro inputs and the positive impact of sterling depreciation on output values. Against this backdrop together with the benefit of favourable weather, on-farm activity was robust during the quarter resulting in a 7% increase in spring plantings to 1.356 million hectares.

Business-to-Business Agri-Inputs

Business-to-Business Agri-Inputs performed in line with expectations in the third quarter following strong early season demand in the first half of the financial year.

Fertiliser

Fertiliser performed solidly, with lower volumes and improved margins in the quarter. Volume development for the quarter against last year is principally timing related as primary producers purchased a greater proportion of their overall full season nutrition requirements during the first half of the financial year. Speciality and bespoke nutrition applications continued to maintain solid development momentum during the Period.

Cumulative volumes for the Period are ahead of last year. We anticipate an overall increase in market volumes for the full year with application expected to be positively influenced by higher livestock numbers combined with improved profitability and returns in primary dairy enterprises.

Amenity

Amenity delivered a satisfactory result in the Period. The combination of a good business development performance and continuing momentum within the professional sports turf channel supported higher revenues and margins in the important third quarter. Headland Amenity, acquired in 2016, is performing

to expectation with integration planning focussed on delivering new product introductions and customer fulfilment synergies.

Feed Ingredients

Feed Ingredients achieved a satisfactory performance in the Period supported by higher volumes. Increased feed consumption in the current year is largely being driven by a combination of higher dairy herd numbers along with improved returns and profitability in grassland farm enterprises.

Central and Eastern Europe

Central and Eastern Europe achieved underlying volume growth in agronomy services and crop inputs of 11.3% and 12.3% for the quarter and year-to-date respectively. The region performed solidly in highly competitive market conditions with value added technologies providing good development momentum.

Poland

Poland achieved a satisfactory result in the third quarter, recording higher volumes and margins against a weak 2016 comparative which had been impacted by adverse weather conditions resulting in missed service and input application.

Trading conditions remain highly competitive reflecting subdued farm sentiment and demand following a challenging 2016 season resulting from a combination of poor crop yields and quality in addition to higher production costs.

Agronomy service and input demand is expected to be higher in the fourth quarter due to greater seasonality and the more just-in-time demand profile in the current year.

Romania

Romania achieved a very satisfactory result in the quarter, recording higher revenue and margins. Performance in the quarter reflected good demand momentum across all service and product portfolios.

Generally mild conditions throughout March and early April positively supported farmers' crop planting programmes resulting in a 4% increase in spring plantings to 3.65 million hectares. Overall crop establishment and development remains satisfactory across most growing regions notwithstanding the impact of a brief period of very low temperatures during late April.

The development of the crop technology transfer infrastructure is progressing well and is focused on supporting value added solutions which can be adopted locally.

Ukraine

Ukraine delivered a very satisfactory performance in the Period recording higher revenues and margins in the seasonally important third quarter. A general improvement in the macro-economic backdrop in Ukraine has led to a more stable economic environment which has benefited primary producers and supported demand for agronomy services and crop inputs.

A combination of new customer gains, improved supply chain and customer fulfilment execution together with generally favourable weather conditions has supported good momentum in the sales of value added technologies.

Autumn and winter crops are generally well established and in good condition, with an increase in spring plantings of 4.8 per cent to 14.9 million hectares. Total crop plantings for the 2017 production year are expected to be in line with last year at approximately 22.0 million hectares.

Associates and Joint Venture

John Thompson & Sons Limited ('John Thompson')

John Thompson, the largest single site multi species animal feed mill in the European Union, in which Origin has a 50 per cent shareholding, delivered a satisfactory result in the period.

Other Developments

In March Origin announced the acquisition of the digital agricultural services group, the Resterra Group ("Resterra"). This business specialises in the delivery of bespoke precision agronomy applications and is a leading provider of agri-tech services to primary producers, input manufacturers and agri-services companies. Resterra enhances Origin's service capability in existing and wider geographies and supports the Group's wider technology transfer initiatives.

Origin also announced in March that it had reached an agreement to acquire the fertiliser activities and certain assets of Bunn Fertiliser Limited in the UK ("Bunn"). Bunn is a leading provider of prescription fertiliser blends and nutrition management systems servicing arable, grassland and horticultural sectors. The completion of this transaction remains subject to clearance from the Competition and Markets Authority in the UK.

Full Year Outlook

Based upon a good third quarter performance and a normal demand profile for agronomy services and crop input activity in the fourth quarter, the Group expects to achieve full year adjusted diluted earnings per share in the range of 44 to 46 cent per share. This range reflects an underlying growth in Group operating profit of between 8 to 11 per cent on a constant currency basis.

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About Origin Enterprises plc

Origin Enterprises plc is a focused Agri-Services group providing on-farm agronomy advice and the supply of crop technologies and agri-inputs. The Group has leading market positions in Ireland, the United Kingdom, Poland, Romania and Ukraine in the supply of specialist agronomy services, crop nutrition and feed ingredients. 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