Origin Enterprises plc

Q3 Trading Update

Full year adjusted diluted EPS guidance of between 50.0 and 53.0 cent

Dublin, London, 15 June 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 FY23 Trading Update for the three months ('Q3') and nine months ended 30 April 2023.

Highlights and Outlook

- Our markets continue to exhibit significant price and volume volatility, which requires close management. Guidance for fully adjusted diluted earnings per share for FY23 is in the range of 50.0 to 53.0 cent, in line with market forecasts
- Group revenue increased 9.3% (11.3% constant currency) to over €1.92 billion year-to-date, despite Q3 revenue down 15.9% (12.9% constant currency) year-on-year
- Performance in Q3 was impacted by more cautious on farm sentiment and poor northern hemisphere in-field conditions delaying key crop input applications, however weather conditions and demand have subsequently improved into Q4
- Underlying volumes decreased 11.7% year-to-date, excluding crop marketing volumes, driven by reductions in Ireland/UK and Continental Europe of 13.2% and 14.2% respectively, partially offset by a strong 37.5% increase in Latin America
- Continued strengthening of our offering in Amenity, Environment and Ecology with the acquisitions of Keystone Environmental, Neo Environmental, Agrigem and British Hardwood Tree Nursery
- Strong ESG progress with upgrades to external ESG ratings and emissions targets (Scope 1 - Scope 3) submitted to SBTi for validation during the year
- Strengthening of Board and executive team with appointment of Ms Pam Powell to the Board and Mark Webb as Managing Director of the new Environmental and Ecology business division
- €20 million share buyback programme completed, with strong balance sheet metrics maintained

Revenue Summary

Group revenue for year-to-date and Q3, compared to the prior period, is as follows:

Group Revenue – YTD

	YTD FY23 €'m	YTD FY22 €'m	Variance %	Underlying[1] %	Constant Currency[2] %
Ireland / UK	1,242.9	1,182.2	5.1%	7.1%	8.1%
Continental Europe	398.4	383.9	3.8%	5.8%	5.8%
Latin America	104.4	55.1	89.5%	70.2%	70.2%
Total Agronomy and Inputs	**1,745.7**	**1,621.2**	**7.7%**	**9.0%**	**9.6%**
Crop Marketing	175.2	136.5	28.3%	31.0%	31.0%
Total Group	**1,920.9**	**1,757.7**	**9.3%**	**10.7%**	**11.3%**

[1] Excluding currency movements and the contribution of acquisitions
[2] Excluding currency movements

Group Revenue – Q3

	Q3 FY23 €'m	Q3 FY22 €'m	Variance %	Underlying[1] %	Constant Currency[2] %
Ireland / UK	489.6	620.5	(21.2%)	(19.4%)	(18.0%)
Continental Europe	175.4	201.8	(13.0%)	(11.2%)	(11.2%)
Latin America	14.9	10.6	39.9%	65.8%	65.8%
Total Agronomy and Inputs	**679.9**	**832.9**	**(18.4%)**	**(16.3%)**	**(15.3%)**
Crop Marketing	61.6	47.7	29.0%	30.2%	30.2%
Total Group	**741.5**	**880.6**	**(15.9%)**	**(13.8%)**	**(12.9%)**

[1] Excluding currency movements and the contribution of acquisitions
[2] Excluding currency movements

Group revenue for the nine-months ended 30 April 2023 was €1.92 billion, an increase of 9.3% year-on-year on a reported basis and 11.3% on a constant currency basis. Excluding crop marketing, revenue in the Agronomy and Inputs businesses delivered constant currency growth of 9.6%, with price growth of 20.6%, reflecting global commodity prices, and an increase of 0.7% from acquisitions set against reduced volumes of 11.7%.

Reported Group revenue was €741.5 million for Q3, a reduction of 15.9% on Q3 FY22 (12.9% on a constant currency basis). Wet and cold weather in Q3 delayed on-farm activity and, combined with raw material price volatility, resulted in reductions in both crop protection and fertiliser volumes. LATAM's strong performance continued into Q3, delivering a 65.8% increase in revenues on a constant currency basis, of which volume growth was 47.4%.

Ireland and the UK reported a revenue increase of 5.1% to €1.24 billion year-to-date, while Q3 saw a 21.2% reduction in reported revenue to €489.6 million. On a year-to-date basis, underlying volumes reduced by 13.2% (Q3: 21.0% reduction).

Q3 saw reduced volumes across all product categories, as prolonged wet and cold weather in mid-to-late Q3 impacted in-field activity. While weather conditions have subsequently improved, positively impacting on-farm demand, some areas will experience a shorter growing season.

The total autumn and winter cropping area is estimated to be broadly unchanged on last year at 2.6 million hectares. Combined autumn/winter and spring plantings for the 2023 crop production year are expected to be marginally behind last year at 4.3 million hectares.

Business-to-Business Agri-Inputs recorded reduced revenues year-to-date. Volumes have been impacted by delayed purchasing on-farm, primarily driven by delayed in-field activity due to wet and cold conditions, in addition to pricing uncertainties associated with significant raw material price volatility over recent months. The Group continues to navigate these supply chain challenges into Q4.

The Group's Amenity business delivered a good performance, with increased revenues year-to-date. During the quarter the Group announced the acquisition of Agrigem Limited ('Agrigem'). Agrigem is the largest independent specialist supplier and advisor of ground care products throughout the UK and Ireland. More recently, the Group announced the acquisition of British Hardwood Tree Nursery Limited ('BHT'), which further strengthens our product range and broadens our offering in the Amenity space. BHT is one of the UK's leading specialist wholesale suppliers of bare root trees, shrubs, hedgerow plants and planting accessories for the forestry, farming, estate management, corporate and landscaping sectors. These acquisitions align with our strategy and further strengthen the Group's amenity, environmental and ecological portfolio.

In May 2023, the Group appointed Mark Webb as Managing Director of our newly established Environmental and Ecology division. Recent acquisitions, Keystone Environmental and Neo Environmental, and any future environmental and ecology acquisitions will form part of this new division. Neo, which was acquired in the quarter, is a multi-disciplinary consultancy business that provides market-leading planning, environmental and technical advice to a range of clients, primarily in the energy and infrastructure sectors across the UK and Ireland.

In **Continental Europe,** reported revenue increased by 3.8% to €398.4 million year-to-date, while Q3 saw a 13.0% reduction in reported revenue to €175.4 million. Underlying volumes, excluding crop marketing volumes, decreased 13.7% in Q3 and 14.2% year-to-date. Early season on-farm purchasing decisions were a key feature of the first half of the year, however adverse on-farm conditions delayed the start to crop input applications, which have negatively impacted Q3 and year-to-date volumes.

In *Poland*, crop establishment to date is good, with the total cropping area for the 2023 growing season expected to be broadly equivalent to last year at 8.9 million hectares.

In *Romania*, crop establishment has been satisfactory to date, supported by generally favourable soil moisture levels. Combined winter and spring plantings for the growing season are currently forecasted to be in line with last year at 8.4 million hectares.

In *Ukraine*, activity levels have reduced as a result of the war, with the planted area expected to be significantly behind pre-war levels, with a consequent impact on trading volumes. We continue to support limited localised operations but our top priority continues to be the safety and wellbeing of our colleagues in the region, and we are actively monitoring the situation on the ground, overseen by the local team.

Latin America recorded a 37.5% increase in underlying business volumes year-to-date (47.4% increase in the seasonally quieter Q3 period). Year-to-date revenues were €104.4 million, a 70.2% increase on a constant currency basis. Q3 revenue was €14.9 million, a 65.8% increase on a constant currency basis.

The strong volume development and underlying growth is enabled by the broadening of our product range, following additional investment to increase capacity of liquid, dry and controlled release fertiliser. Further investment will be required during FY24 in controlled release fertiliser capacity to address current production related constraints.

The total cropping area dedicated to soya, Brazil's principal crop, is expected to increase by 5.1% on the prior year to 43.6 million hectares, with the expected soya harvest increasing to 153.3 million tonnes from 125.5 million tonnes last year. The total production for Brazil's secondary crop, maize, is forecasted to increase by 10.6% to 125.1 million tonnes.

Completion of Share Buyback Programme

On 28 September 2022 the Group commenced a share buyback programme to repurchase up to €20 million of ordinary shares. The programme was completed on 29 March 2023, with the average price paid per share of €4.0583.

Current Trading and Full Year Outlook for FY23

The Group has had a good year-to-date performance, despite the challenges presented by general pricing uncertainty and the impact of delayed key crop input applications.

Increased on-farm activity and favourable growing conditions have resulted in a positive start to Q4, and the Group expects to deliver full year adjusted fully diluted earnings per share, in the range of 50.0 to 53.0 cent for FY23, in line with market forecasts.

Preliminary Results for FY23 will be announced on 26 September 2023.

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About Origin Enterprises plc

Origin Enterprises plc is an international Agronomy-Services group, providing specialist advice, inputs and digital solutions to promote sustainable land use. The Group has leading market positions in Ireland, the United Kingdom, Brazil, Poland, Romania and Ukraine. Origin's ordinary shares are listed on the Euronext Growth (Dublin) market of Euronext Dublin and the AIM market of the London Stock Exchange.

Euronext Growth (Dublin) ticker symbol:	OIZ
AIM ticker symbol:	OGN
Website:	www.originenterprises.com