



Trading Update

25 November 2016 – Origin Enterprises plc, the Agri-Services Group ('Origin' or 'the Group'), issues the following trading update for the three months to 31 October 2016, in advance of its Annual General Meeting which is being held today at 11.00am (GMT) in The Westbury Hotel, Balfe Street (off Grafton Street), Dublin 2.

Overview

Origin had an encouraging start to the 2017 financial year with all businesses performing well in the seasonally quiet first quarter.

A combination of generally favourable weather conditions and an improved planning environment for primary producers in the period in key geographies led to good early season activity levels on-farm, resulting in higher demand for the Group's services and inputs.

The total sown area for the principal autumn and winter crops is broadly equivalent to last year across the Group's markets. On the assumption of normal weather patterns, this cropping profile provides a solid foundation for the seasonally more important second half of the financial year, which typically accounts for over 90 per cent of earnings.

Agri-Services

Revenue from Agri-Services, which comprises the totality of Group revenue, was €333.6 million for the three months compared with €300.4 million in the corresponding period last year, an increase of 11.0 per cent. Underlying revenue increased by 1.3% reflecting higher seed, crop protection and fertiliser volumes, largely offset by lower fertiliser and feed prices and lower crop marketing volumes. Underlying service revenue and input volumes increased 7.2 per cent in the period. The components of the total year-on-year increase are as follows:

Revenue	FY16 €m	FY17 €m	Increase €m	Attributable to:		
				Currency %	Underlying %	Acquisitions %
Quarter 1	300.4	333.6	33.2	(13.2)	1.3	22.9

Integrated On-Farm Agronomy Services

United Kingdom

Agrii delivered a very satisfactory performance in the period, recording higher year-on-year revenues and margins. There was solid momentum across all service and input portfolios as favourable weather conditions supported crop planting activity in the quarter.

Primary crop producers experienced a more stable planning and operating environment in the period with their margins currently benefitting from a combination of lower unit costs for key macro inputs and recent sterling depreciation.

Autumn and winter crop plantings are well advanced with estimates for the total sown area at 2.95 million hectares compared with 2.96 million hectares for last year. In the case of winter wheat there is an estimated 1.4 per cent increase in plantings to 1.85 million hectares. Winter oil seed rape sowings are currently estimated at 0.5 million hectares which represents a reduction of approximately 10 per cent on last year, largely due to agronomic and rotational crop planning decisions.

Central and Eastern Europe

Poland

The Group's Polish farm services business now operates under the Agrii brand following the merger of Dalgety and the Kazgod Group, which was acquired in the 2016 financial year. Performance was satisfactory in the seasonally quiet first quarter. This was against the backdrop of weak farm sentiment due to the impact of highly unseasonal weather patterns earlier in the calendar year which resulted in below average crop yield and quality. Agrii's agronomy portfolios maintained development momentum in the period, reflecting more focused customer channel management within the enlarged business.

There has been solid progress with respect to crop sowings in the period with total plantings for the principal autumn and winter crops estimated at 6.0 million hectares compared with 5.9 million hectares for last year.

Ukraine

In Ukraine there was an improved first quarter performance with new season momentum supporting higher revenues and margins as the business benefits from the recent expansion of its distribution footprint.

Market conditions continue to be impacted by currency weakness which is leading primary producers to adopt more concentrated or just-in-time procurement patterns.

While crop planting progress has been slower than anticipated due to below average rainfall in Central and Western Ukraine, autumn and winter sowings are expected to be ahead of last year. Total autumn and winter plantings for cereals and oil seed rape are estimated at 7.6 million hectares compared with 5.8 million hectares last year. Total forecast plantings for the growing season as a whole are expected to be equivalent to last year at approximately 21.0 million hectares.

Romania

Origin's Romanian platform, comprising the farm service brands of Comfert and Redoxim, delivered a satisfactory performance in the period. A combination of good early autumn planting and growing conditions together with new customer development supported higher underlying revenues, volumes and margins across all service and input portfolios.

Recent rainfall has delayed the final harvesting of earlier spring sown crops and curtailed progress on new plantings. The total sown area for autumn and winter crops is estimated to be 3.15 million hectares compared with 3.25 million hectares last year. The shortfall is expected to be reflected in higher spring cropping.

Business-to-Business Agri-Inputs

Ireland and UK

Business-to-business Agri-Inputs achieved a good result in the period with performance benefitting from a combination of higher volumes and improved margins.

Fertiliser

Increased volumes were the principal driver supporting performance of fertiliser in the period. Greater visibility on raw material pricing is providing confidence to primary producers to fix a portion of their nutrition requirements ahead of the main application period in the second half of the financial year.

Amenity

The Group's amenity business performed satisfactorily in the period underpinned by continuing momentum within the professional sports turf channel. Headland Amenity, which was acquired in the fourth quarter of the 2016 financial year, performed well in the period with the integration progressing to plan.

Feed Ingredients

Feed Ingredients delivered a satisfactory result supported by a stable year-on-year volume performance.

Associates and joint venture

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

Outlook

Although sector sentiment remains subdued reflecting the current pressures on farm incomes, there has been an encouraging start to trading in the seasonally quiet first quarter. The autumn and winter cropping profile established to-date provides a solid foundation for the seasonally more important second half of the financial year when over 90 per cent of earnings typically arise.

The Group is well positioned to respond to current market conditions and to benefit from a sustained improvement in primary producer returns.

Enquiries:

Origin Enterprises plc
Imelda Hurley
Chief Financial Officer

Tel: +353 (0)1 563 4959

Goodbody (ESM Adviser)
Kevin Keating

Tel: +353 (0)1 667 0420

Davy (Nominated Adviser)
Anthony Farrell

Tel: +353 (0)1 614 9993

Powerscourt
Jack Hickey (Ireland)
Rob Greening (UK)

Tel: +353 (0)83 448 8339

Tel: +44 207 250 1446

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 inputs. The Agri-Services business through its manufacturing and distribution operations in Ireland, the United Kingdom, Poland, Ukraine and Romania has leading market positions in the provision of specialist agronomy services, crop technologies, inputs 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