

Roskilde, 26 September 2019

DLF SEEDS AMBA FULL YEAR FINANCIAL REPORT 2018/19¹

Financial highlights of the DLF Seeds Group for the period 1 July 2018 to 30 June 2019:

- Revenue: DKK 5,294 mill. (DKK 4,325 mill.)
- EBITDA: DKK 403.6 mill. (DKK 367.3 mill.)
- EBIT: DKK 290.5 mill. (DKK 247.9 mill.)
- Profit before tax: DKK 249.2 mill. (DKK 233.1 mill.)
- Profit after tax: DKK 175.7 mill. (DKK 184.5 mill.)

In above key numbers for FY 2018/19 PGG Wrightson Seed and Grain (PGW Seeds) is consolidated as from 1 May 2019.

Strong Sales and Earnings

Revenue is reported at DKK 5,294 mill. (DKK 4,325 mill.), an increase of 22 pct. compared to the former year FY 2017/18. Adjusted for acquisitions, organic growth amounted to 7 pct. on a like-for-like basis.

The forage and turf seed activities showed very solid sales performance through-out the year. Demand was strong across Europe and North America due to weather inflicted damages on paddocks and lawns. The distribution business, especially in north-west Europe and North America, benefitted significantly from the upturn in demand. The wholesale business benefitted too.

In terms of revenue the beet and vegetable seed activities were on par compared to FY 2017/18². Revenue in the spinach seed multiplication business decreased, as a result of a low yielding crop due to the hot and dry summer in Denmark, which in turn was off-set by an increase in the beet seed and seed potato business.

EBITDA is reported at DKK 403.6 mill. (DKK 367.3 mill.) for financial year 2018/19 equal to an increase of 9 pct. year-on-year. The strong sales performance within forage and turf seed was the primary driver behind the improved EBITDA. It is noted that May and June are two loss making months for PGW Seeds as it is low season in the Southern Hemisphere. The beet and vegetable seed activities reported a slightly lower EBITDA for the

¹ Figures for the reference period 1 July 2017 to 30 June 2018 in brackets ().

² On a like-for-like basis taking into account that MariboHillesø was acquired on 1 October 2017 and consolidated for only 9 month in FY 2017/18.

year compared to FY 2017/18. The low yielding spinach seed crop and full year consolidation of MariboHilleshög in FY 2018/19, including a loss marking Q1 due to low sales season, was only partly compensated by better results within the seed potato activities.

EBIT was DKK 290.5 mill. (DKK 247.9 mill.). Financial costs have increased due to acquisitions. Profit before tax was DKK 249.2 mill. (DKK 233.1 mill.).

Looking away from the PGW Seeds addition to the DLF Seeds Group, the “old” DLF Seeds Group out-performed expectations for FY 2018/19 as expressed in the annual report FY 2017/18.

Reported full year 2018/19 figures have been audited by the company’s auditors.

In a comment to the full year 2018/19 financial results, Mr. Truels Damsgaard, CEO, DLF Seeds AmbA said:

“The performance within forage and turf seed was very strong in FY 2018/19. Our distribution platform in core value markets like Denmark, Benelux and the British Isles parred with a broad product portfolio and an agile supply chain proved its value, as we managed to efficiently respond to the upturn in market demand. The longstanding strategic emphasis on developing our distribution business, with La Crosse Seed (USA) being added in June 2018, underlines the robustness of our set-up.

With the PGW Seeds deal now behind us, we are putting quite some efforts into consolidation of the businesses in South America and New Zealand. In South America we have divested or are winding-down non-strategic business activities with the goal to reduce complexity and de-risk the businesses in a challenging economic environment, especially in Argentina. We expect better performance in South America this year.”