

Roskilde, 18 May 2021

DLF SEEDS A/S

INTERIM REPORT 1.7.2020-31.03.2021¹

Financial highlights of the DLF Seeds Group for the period 1 July 2020 to 31 March 2021:

- Revenue: DKK 5,634 mill. (DKK 5,398 mill.)
- EBITDA: DKK 621.0 mill. (DKK 480.8 mill.)
- EBIT: DKK 503.3 mill. (DKK 363.6 mill.)
- Profit before tax: DKK 464.6 mill. (DKK 306.6 mill.)
- Profit after tax: DKK 337.8 mill. (DKK 217.7 mill.)

Performance significantly better than prior year and forecast

Group revenue is reported at DKK 5,634 mill. (DKK 5,398 mill.), an increase of 4.4 pct. compared to the period 1 July 2019 to 31 March 2020.

The forage and turf seed business' revenue increased 6.8 pct. against prior year. In the European distribution business, volume and turnover were up across the various sales channels, most significantly in the consumer turf channel. Equally, the European based wholesale business saw volume and turnover increase. North America reported increased sales volume and turnover across sales channels with the Canadian business leading the surge. Only exports and cover crops were slightly behind former year. Again, an exceptional sales performance within the consumer turf channel was reported.

In Oceania, New Zealand put up a very solid sales performance. This was attributable to the domestic market as well as exports of forage and turf seed. An early spring laid the ground for very good sales of brassica and fodder beets in New Zealand. In Australia, sales were behind prior year as the autumn season came to a hold following massive rainfalls and flooding. Finally, in South America, sales in Argentina were up on the back of good domestic forage seed demands. Sales in Uruguay were on par compared to former year.

Within the sugar beet and vegetable seed business, sugar beet seed revenue was slightly up compared to former year, partly due to some earlier invoicing this year, whereas the vegetable seed business reported lower sales. The contracted vegetable seed multiplication acreage was significantly down this crop year against former year's record. The widespread lockdowns as a result of Covid-19 sent the catering and food service markets plummeting, which took its toll on the potato business. Sales in North Africa also trailed

¹ Figures for the reference period 1 July to 31 March 2020 in brackets ().

behind last year. In total, the sugar beet and vegetable seed business saw revenue decline by 9.1 pct. against prior year.

EBITDA is reported at DKK 621.0 mill. (DKK 480.8 mill.), an increase of 29.2 pct. year-on-year. All forage and turf seed business units have reported significantly better financial performance compared to prior year. Strong sales performance at generally firm sales prices, an increase in contribution margin and cost controls, including positive cost effects of reduced activity from Covid-19 restrictions, were all contributing factors to the better EBITDA performance. The re-structuring efforts of the Uruguayan business contributed to the improved performance.

The sugar beet seed business saw an improvement in EBITDA as a consequence of the increase in revenue paired with cost reductions, whereas EBITDA performance in the vegetable seed business suffered from lower sales and reduced contribution margin in the potato business compared to former year.

EBITDA was slightly influenced by profits on sale of real property in the Netherlands and New Zealand recognized as other operating income. Amortisations and depreciations for the period were in line with former year.

EBIT was DKK 503.3 mill. (DKK 363.6 mill.).

Profit before tax was DKK 464.6 mill. (DKK 306.6 mill.).

Looking ahead

During the fourth quarter, the business activities wind down in the normal course. Given the strong performance during the first nine months of the year, revenue and earnings forecasts for FY 2020/21 are expected to exceed earlier guidance.

In a comment to the interim results and full-year forecast, Mr. Truels Damsgaard, CEO, DLF Seeds A/S said:

“As the year progressed, performance went from strength to strength, beating consecutively our forecasts. Performance has been outstanding for the nine months under review. Huge credits to our teams across all businesses.

We have been able to capitalise on good demands in general in the forage and turf seed sector. The consumer turf demand, especially in the Northern hemisphere, has simply been overwhelming and has dried up the market for supplies of certain items. Professional turf and forage seed demands have globally been at a good level, too. Our strong and broad forage seed portfolio has enabled us to take advantage of the supplementary feed demands, for example for brassica and fodder beet in New Zealand. I would further highlight the restructuring efforts in the South America business as a contributor to the excellent performance. Some tough decisions have had to be taken and thumbs-up to the South America team for pulling them through despite of Covid-19 restrictions.

As the current year winds down, we now look ahead. Agricultural commodities are currently trading at historically high price levels. On one hand, this provides the farming sector with cash to spend; on the other hand, it puts upward pressure on forage and turf seed prices too, as growers will look to optimise their financial return in the crop planning. Our strong grower base may become increasingly important for continued growth.”

Interim report and full year report

Reported interim figures have not been audited or reviewed by the company's auditors.

Report for the full financial year ending 30 June 2020 will be published on 23 September 2021.

The shareholders' meeting will take place on 26 October 2021.

More information

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DLF SEEDS GROUP
FINANCIAL HIGHLIGHTS 1.7.2020 - 31.03.2021

Profit & Loss

t.DKK	Group 1/7 - 31/03	
	Act 2020/21	Act 2019/20
Revenue	5.634.151	5.397.837
Cost of goods sold	3.624.902	3.510.119
Contribution	2.009.249	1.887.718
<i>Contribution margin</i>	35,7%	35,0%
Other operating income	8.658	1.906
Gross OPEX	698.205	732.663
Personnel costs	698.681	676.124
EBITDA	621.021	480.837
<i>EBITDA margin</i>	10,9%	8,9%
Depreciations / Amortizations	117.730	117.197
EBIT	503.291	363.640
Income from investments in affiliates and associates	2.407	1.599
Financial items (net)	-41.087	-58.640
Profit before tax	464.611	306.599
Corporate tax	-126.809	-88.884
Profit for the period	337.802	217.715
Profit for the year is attributable to:		
Shareholder of DLF Seeds A/S	312.031	191.922
Hybrid capital owners, coupon payments after tax	24.663	24.663
Minority share	1.108	1.130
Total	337.802	217.715

Balance Sheet

t.DKK	Group		
	Mar 31, 2021	Mar 31, 2020	Jun 30, 2020
Fixed assets	1.979.666	2.016.543	2.002.297
Inventory	1.798.005	2.022.100	1.505.140
Receivables	2.217.135	2.160.463	1.356.991
Cash and bank balances	430.025	453.973	471.830
Total assets	6.424.831	6.653.079	5.336.258
Equity	1.908.707	1.501.262	1.579.438
Hybrid capital	681.827	682.952	687.837
Minority interests	17.055	27.261	17.476
Total equity	2.607.589	2.211.475	2.284.751
Provisions	102.479	139.655	105.918
Non-current liabilities	1.154.235	2.142.408	1.252.397
Current liabilities	2.560.529	2.159.541	1.693.192
Total equity and liabilities	6.424.832	6.653.079	5.336.258

Statement of changes in equity

t.DKK	Group			
	Total	Hybrid capital	Minority interests	Total
Equity 30.6.2019	1.413.261	691.726	20.070	2.125.057
Aquisitions	0	0	4.627	4.627
Currency adjustment	-87.365	0	1.434	-85.931
Minority dividend	0	0	0	0
Hybridbond, coupon payment	-9.250	-33.437	0	-42.687
Profit of the year	191.922	24.663	1.130	217.715
Value adjustment of hedging instrument and other movements	-7.306	0	0	-7.306
Equity 31.03.2020	1.501.262	682.952	27.261	2.211.475
Equity 30.6.2020	1.579.438	687.837	17.476	2.284.751
Currency adjustment	36.016	0	-22	35.994
Hybrid bond, coupon payment	-12.014	-30.673	0	-42.687
Minority dividend	0	0	-1.507	-1.507
Profit of the year	312.031	24.663	1.108	337.802
Value adjustment of hedging instrument and other movements	-6.764	0	0	-6.764
Equity 31.03.2021	1.908.707	681.827	17.055	2.607.589

Cash Flow statement

t.DKK	Group 1/7 - 31/03	
	Act 2020/21	Act 2019/20
Cash flow from operating activities before change in working	470.071	317.509
Change in working capital	-444.902	-396.419
Cash flow from operating activities	25.169	-78.910
Cash flow from investing activities	-81.008	-25.058
Cash flow from financing activities	10.295	-68.360
Net cash flow	-45.544	-172.328
Cash, July 1	471.830	634.971
Currency	3.739	-8.670
Cash, Mar 31	430.025	453.973