

## **DLF SEEDS A/S**

### **INTERIM REPORT 1.7.–30.09.2022<sup>1</sup>**

Financial highlights of the DLF Seeds Group for the period 1 July to 30 September 2022

- Revenue: DKKm **1,898** (DKKm 1,667);
- EBITDA: DKKM **149.3** (DKKm 158.7);
- EBIT: DKKm **111.3** (DKKm 121.5);
- Profit before tax: DKKm **97.9** (DKKm 115.1); and
- Profit for the period: DKKm **66.6** (DKKm 81.2).

#### **Revenue growth in first quarter of 2022/23**

Revenue is reported at DKKm 1,898 (DKKm 1,667), which is an increase of nearly 14 per cent compared to the period 1 July to 30 September 2021. The increase is attributable to the forage and turf seed, whereas beet and vegetable seed is flat compared to prior year. It is noted, that DLF Seeds A/S acquired OreGro, an Oregon based forage and turf seed breeder, producer and marketer, in March 2022. OreGro is consolidated in Q1 2022/23 fiscal numbers.

Spring demand in the Southern Hemisphere has generally been good, except for Australia due to wet and cold conditions. In the Northern Hemisphere demand for forage seed has rebounded somewhat this autumn compared to 2021. Demand for turf has been more sluggish, particularly in Europe, due to stocks in the distribution chain. Harvest in Europe and North America has generally been good. Seed prices continue to be firm and raising in particular segments and markets.

EBITDA is reported at DKKm 149.3 (DKKm 158.6), a decrease of six percent.

Performance in South America and New Zealand were slightly better for the period compared to prior year. North America and Greater Europe saw a decline in EBITDA. Operational and staff costs have increased in Q1 2022/23 compared to the same quarter 2021/22. Upwards cost pressures on a string of cost items like energy, packing and freight and higher personnel costs cause EBITDA to drop slightly.

EBIT was DKKm 111.3 (DKKm 121.5) and pre-tax profit was DKKm 97.9 (DKKm 115.1) for the period under review.

#### **Looking ahead**

The full-year 2022/23 outlook remains positive for the agricultural market, as milk and beef prices continue to be high. The outlook for the turf market is not as positive, as volatility in

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<sup>1</sup> Figures for the reference period 1 July to 30 September 2021 in brackets ( )

the financial markets and inflationary pressures erode private sector confidence and put pressure on public budgets. Seed prices are expected to firm up for the year.

It is a key objective to try to pass cost increases down the distribution chain. However, contribution margin% is budgeted to reduce slightly and in conjunction with increased costs, EBITDA is budgeted to reduce for full-year 2022/23 compared to 2021/22, especially in North America that had an exceptional year in 2021/22.

Together, full-year 2022/23 revenue is forecasted to increase 5-10 %, whereas EBITDA is forecasted to reduce by up to 15 % due a lower contribution margin% and increases in operational and personnel costs.

It is noted that DLF Seeds A/S issued a redemption notice re. its hybrid bond listed on Nasdaq Firth North in Copenhagen. Redemption date is set at 28 November 2022 following which the bond will be delisted.

### **Interim report**

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

### **More information**

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**DLF SEEDS GROUP**  
**FINANCIAL HIGHLIGHTS 1.7. – 30.09.2022 IN DKK 1,000**

**Profit & Loss**

t.DKK	Group 1/7 - 30/09	
	Act 2022/23	Act 2021/22
Revenue	1.898.265	1.666.722
Cost of goods sold	1.209.875	1.056.973
<b>Contribution</b>	<b>688.390</b>	<b>609.749</b>
<i>Contribution margin</i>	36,3%	36,6%
Gross OPEX	259.696	214.509
Personnel costs	279.375	236.498
<b>EBITDA</b>	<b>149.319</b>	<b>158.742</b>
<i>EBITDA margin</i>	7,9%	9,5%
Other operating expenses		
Depreciations / Amortizations	38.056	37.256
<b>EBIT</b>	<b>111.263</b>	<b>121.486</b>
Income from investments in affiliates and associates	402	3.718
Financial items (net)	-13.806	-10.079
<b>Profit before tax</b>	<b>97.859</b>	<b>115.125</b>
Corporate tax	-31.234	-33.911
<b>Profit for the period</b>	<b>66.625</b>	<b>81.214</b>

**Profit for the year is attributable to:**

Shareholder of DLF Seeds A/S	57.859	72.361
Hybrid capital owners, coupon payments after tax	8.319	8.404
Minority share	447	449
<b>Total</b>	<b>66.625</b>	<b>81.214</b>

**Balance Sheet**

t.DKK	Group		
	Sep 30, 2022	Sep 30, 2021	Jun 30, 2022
Fixed assets	2.076.572	1.947.760	2.054.230
Inventory	2.380.888	1.838.609	1.930.266
Receivables	1.970.012	1.578.273	1.591.905
Cash and bank balances	258.596	530.309	642.213
<b>Total assets</b>	<b>6.686.068</b>	<b>5.894.951</b>	<b>6.218.614</b>
Equity	2.423.588	1.984.809	2.381.730
Hybrid capital	700.156	700.241	691.837
Minority interests	18.224	15.403	17.788
<b>Total equity</b>	<b>3.141.968</b>	<b>2.700.453</b>	<b>3.091.355</b>
Provisions	102.767	97.664	89.415
Non-current liabilities	929.549	1.064.053	503.982
Current liabilities	2.511.784	2.032.781	2.533.862
<b>Total equity and liabilities</b>	<b>6.686.068</b>	<b>5.894.951</b>	<b>6.218.614</b>

### Statement of changes in equity

t.DKK	Group			
	Total	Hybrid capital	Minority interests	Total
Equity Jun 30, 2022	2.381.730	691.837	17.788	3.091.355
Aquisition of minority share	0	0	0	0
Currency adjustment	-18.775	0	-11	-18.786
Profit of the year	57.859	8.319	447	66.625
Minority dividend	0	0	0	0
Value adjustment of hedging instrument and other movements	2.774	0	0	2.774
<b>Equity Sep 30, 2022</b>	<b>2.423.588</b>	<b>700.156</b>	<b>18.224</b>	<b>3.141.968</b>

### Cash Flow statement

t.DKK	Group 1/7 - 30/09	
	Act 2022/23	Act 2021/22
Cash flow from operating activities before change in working capital	94.288	117.828
Change in working capital	-330.323	-226.449
<b>Cash flow from operating activities</b>	<b>-236.035</b>	<b>-108.621</b>
Cash flow from investing activities	-40.803	-20.789
Cash flow from financing activities	-106.778	-43.411
<b>Net cash flow</b>	<b>-383.616</b>	<b>-172.821</b>
Cash, Jul 01-2022	642.213	703.130
Currency	0	0
<b>Cash, Sep 30-2022</b>	<b>258.597</b>	<b>530.309</b>