



## Aurivo Co-Operative Society Limited Full Year Financial Results for year ended 31 December 2023.

**Despite significant external market challenges Aurivo delivered a robust performance in 2023.**

**Capital Investment of €61.4m since 2019 to ensure future sustainable growth for members and suppliers.**

**Strategic acquisition of Arrabawn Co-Op's liquid milk and butter van sales business for €8.8m supports Aurivo's growth ambitions in liquid milk production**

**Wednesday 17 April 2024:** Aurivo the globally focused Agri business headquartered in the Northwest of Ireland, today announced full-year financial results for the year ended 31 December 2023.

In what was an extremely challenging year for Aurivo and the wider sector nationally, Aurivo delivered a robust performance in 2023 whilst investing a further €26.6m in capital projects and a strategic acquisition in its liquid milk business.

Aurivo revenues declined by 16.4% to €638.6m on the prior year's record turnover of €764.2m. The decline was primarily related to the sharp deterioration in dairy commodity prices experienced throughout 2023, a reduction in the volume of external milk processed and a 39% reduction in fertiliser volumes sold. The business endeavoured to support the milk price throughout 2023 for its dairy farmers, and this gave rise to a significant decline of 71.6% in operating profit in 2023 to €5.1m (FY22: €17.8) and a decline of 43.8% in EBITDA to €14.0m (FY22: €24.9m).

<b>Financial Performance:</b>	<b>2023</b>	<b>2022</b>	<b>% Change</b>
	<b>€m</b>	<b>€m</b>	
Group turnover	638.6	764.2	<b>(16.4)</b>
Group operating profit	5.1	17.8	<b>(71.6)</b>
EBITDA	14.0	24.9	<b>(43.8)</b>
Net (debt)/cash	(26.5)	2.8	
Debt/EBITDA times	1.9	0.0	
Capital Investment	17.8	19.9	
Acquisition	8.8	0.0	
Shareholder funds	98.1	96.1	<b>2.0</b>
Average Milk Price	43.1 cpl	61.4 cpl	<b>(29.8)</b>
Consumer Foods turnover	137.5	137.2	<b>0.3</b>
Dairy Ingredients turnover	236.3	340.4	<b>(30.6)</b>
Agri Business turnover	161.7	187.7	<b>(13.9)</b>
Marts' turnover	103.1	98.9	<b>4.2</b>

### **Operational highlights:**

- Despite the significant challenges of high inflation, geopolitical tensions and declining commodity prices, Aurivo delivered a robust performance in 2023 while remaining committed to its strategic priorities, demonstrating its resilience and dedication to building a sustainable future for the business.

- Investment of €17.8m on capital expenditure in 2023 bringing Investment programme to €61.4m since 2019.
- Strategic acquisition of Arrabawn Co-Op's liquid milk and butter van sales business for €8.8m.
- Average milk price for 2023 was 43.1 cpl, which was supported by the Co-Op due to the significant fall off in commodity prices.
- 30 new Dairy entrants in 2023.
- Aurivo milk pool stood at 509m litres in 2023, a decline of 1% on the prior year, however, a strong performance against a backdrop of Irish milk production that declined by 4.1% nationally.

**Commenting on the annual results for 2023 and outlook for 2024, Donal Tierney, Chief Executive of Aurivo said:**

*“Notwithstanding the impact of the global challenges on Aurivo’s financial performance for 2023, the Co-Op remained absolutely committed to its strategic priority of building a sustainable future for the business, and delivered a robust performance for the year.*

*“The year under review was one of both continued investment in the business and support to our members in very challenging circumstances. While we envisage that 2024 will be a better year for both Aurivo and the sector, we will continue to manage the business prudently, supporting our farmer members and making effective and necessary investment for the future. Our focus continues to be on the delivery of ongoing value to our members, customers and the communities we serve and operate in.”*

**Raymond Barlow, Chairman of Aurivo said:**

*“2023 was a tough year for Aurivo. However, our resilience and dedication to ensuring a strong, sustainable Co-Op ensured a robust performance. My thanks to our farmers, employees and customers for their ongoing support of Aurivo.”*

**FY23 business performance review**

Progress in 2023 is outlined as follows across Aurivo’s businesses:

Consumer Foods

Aurivo Consumer Foods reported a strong year in 2023. Revenues were flat at €137.5m in 2023 (FY22: €137.2m). In the last quarter, Aurivo successfully completed the acquisition of Arrabawn’s liquid milk and butter van sales business, thereby strengthening the Co-Op’s position in the Irish liquid milk sector and enhancing the efficiency of its production facility in Killygordon, Co Donegal.

Connacht Gold retail butter sales volumes grew by 14% in the year and by 23% since 2021, making the brand a clear number 2 in the market to Aurivo’s partner brand, Kerrygold.

Liquid milk sales grew by 10% in 2023 while branded milk sales grew by 16%. Aurivo’s For Goodness Shakes sports nutrition business and brand performed well in 2023 and the Co-Op is optimistic for growing the brand further in 2024.

Dairy Ingredients

Due to exceptionally difficult dairy market conditions, Aurivo’s Dairy Ingredients business experienced a very challenging year in 2023. While overall performance was impacted as a consequence, the outturn for the year was in line with expectations following the Co-Op’s decision to support farm gate milk price in so far as it could during the year. Dairy Ingredients revenues were down by 30.6% on the previous year to €236.3m (FY22: €340.4m).

2023 saw 30 new entrants to Aurivo and the Co-Op looks forward to welcoming more than 20 new entrants in 2024.

The new €15.5m evaporator at Aurivo's Dairy Ingredients site in Ballaghaderreen was fully commissioned in the second quarter of 2023, thereby lessening the Co-Op's dependency on third parties for evaporation capacity while also contributing significantly to Aurivo's emission reduction strategy.

### Agri Business

Aurivo Agribusiness experienced a mixed year in 2023. Revenues for the business unit in 2023 declined by 13.9% to €161.7m (FY 22: €187.7m). Aurivo's Homeland stores delivered another consecutive year of increased retail footfall and sales growth across a diverse range of product categories.

Spring and summer of 2023 were challenging due to a weather delayed start to the fertiliser spreading season. This coupled with a rapid and continued decline in fertiliser commodity prices resulted in a significant impact on the overall performance of the Agribusiness unit.

Aurivo's commitment to invest in increased processing and packing at its feed mill in Ballaghaderreen was a key enabler for the continued growth of its Nutrias and Goldstar brands. Strong sales growth was driven by innovation and new product development throughout 2023.

### Livestock Marts

Aurivo's marts had a strong year in 2023 despite a small reduction in the number of livestock sold (0.8% in cattle, 2.2% in sheep). Cattle numbers sold through marts were back across all marts in Connacht during 2023 but Aurivo's percentage reduction was lower than the market decline percentage. Throughput at year-end stood at over 76,000 cattle and 65,000 sheep; the average price for cattle up marginally on 2022.

Business unit revenues grew by 4.2% to €103.1m in 2023 (FY 22: €98.9m).

### **About Aurivo:**

Aurivo is one of Ireland's leading co-operatives, with businesses in Consumer Foods, Dairy Ingredients, Retail Stores, Animal Feeds, and Livestock Trading. Employing approximately 700 people, Aurivo is a globally focused agri-business with regional, national, and international brands and dairy ingredients exports to regions such as the US, Central America, Europe, Africa, Middle East and Southeast Asia.

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## Consolidated Profit and Loss Account

For the financial year ended 31 December 2023

	2023 €(000)	2022 €(000)
<b>Turnover</b>	638,590	764,220
Cost of sales	(516,952)	(638,314)
<b>Gross profit</b>	121,638	125,906
Operating expenses	(117,053)	(108,332)
Other operating income	484	274
<b>Group operating profit</b>	5,069	17,848
Group's share of profit/(loss) in:		
-Associated undertaking	204	114
-Joint venture	-	(133)
<b>Total operating profit</b>	5,273	17,829
Net fair value movement on:		
-Quoted investments	52	120
-Investment properties	-	756
Income from other financial assets	48	21
Net interest payable and similar charges	(4,220)	(1,770)
<b>Profit before taxation</b>	1,153	16,956
Taxation on profit	(156)	(3,322)
<b>Profit for the financial year</b>	997	13,634
Attributable to:		
Shareholders of the Parent Society	999	13,630
Minority interests	(2)	4
<b>Profit for the financial year</b>	997	13,634



## Consolidated Statement of Comprehensive Income

For the financial year ended 31 December 2023

	2023 €(000)	2022 €(000)
<b>Profit for the financial year</b>	997	13,634
<b>Other comprehensive income/(expense)</b>		
Foreign exchange differences on translation of foreign operations	333	(955)
Re-measurement of net defined benefit asset	309	1,409
Deferred taxation on net defined benefit asset	(38)	(176)
Effective portion of changes in fair value of cash flow hedges	(28)	(44)
<b>Other comprehensive income for the financial year, net of income tax</b>	576	234
<b>Total comprehensive income for the financial year</b>	1,573	13,868
Attributable to:		
Shareholders of the Parent Society	1,575	13,864
Minority interests	(2)	4
<b>Total comprehensive income for the financial year</b>	1,573	13,868



## Consolidated Balance Sheet

As at 31 December 2023

	2023 €(000)	2022 €(000)
<b>Fixed assets</b>		
Intangible assets	29,460	23,542
Tangible assets	79,688	67,521
Investment properties	1,278	1,278
Financial assets		
Investment in associate	566	771
Other investments	2,307	2,433
	113,299	95,545
<b>Current assets</b>		
Stocks	34,907	46,610
Debtors	59,151	58,461
Retirement benefit asset	4,911	3,696
Cash at bank and in hand	12,952	21,379
<b>Total current assets</b>	111,921	130,146
<b>Creditors: amounts falling due within one year</b>	(90,715)	(105,497)
<b>Net current assets</b>	21,206	24,649
<b>Total assets less current liabilities</b>	134,505	120,194
<b>Creditors: amounts falling due after more than one year</b>	(27,874)	(13,141)
<b>Provision for liabilities</b>		
Other provisions for liabilities	(4,157)	(8,795)
Capital grants	(4,075)	(1,800)
<b>Net assets</b>	98,399	96,458
<b>Capital and reserves</b>		
Called up share capital presented as equity	22,533	21,766
Equity reserve	191	187
Capital reserve	1,828	1,859
Bonus reserve	118	127
Cash flow hedging reserve	-	28
Profit and loss account	73,391	72,151
<b>Equity attributable to the Parent Society's shareholders</b>	98,061	96,118
<b>Minority interests</b>	338	340
<b>Total equity</b>	98,399	96,458