RNS Number : 3851G
Genus PLC
25 November 2020

Immediate release 25
November 2020

Genus plc
('Genus' or the 'Group')

AGM TRADING UPDATE - STRONG PERFORMANCE CONTINUES

Genus (LSE: GNS), a leading global animal genetics company, publishes the following trading update for the period from 1 July 2020 to 24 November 2020, to coincide with its AGM at 11:00am GMT this morning.

The good momentum from trading achieved last year across the Group has continued into our 2021 financial year. In the four months to 31 October 2020, further strong growth in volumes, revenues and adjusted operating profits was achieved by both PIC and ABS, our porcine and bovine businesses respectively. Encouragingly, royalty revenues in PIC continued to grow in Latin America, Europe and Asia.

In the four months to 31 October 2020, the Group's trading was ahead of expectations, with adjusted profit before tax showing strong growth compared with the same period in the prior year. Net debt at the end of October 2020 was lower than expected and reflected the strong trading and associated cash flow generation as well as normal seasonal trends.

As anticipated, China's porcine industry continued to recover from the impact of African Swine Fever ('ASF'), resulting in continued good demand for PIC's genetics. PIC delivered strong growth in operating profits across all regions other than North America where producers are continuing to adjust their breeding programs in reaction to the short term surplus of slaughter animals caused by reductions in US pork processing capacity during the first wave of COVID-19. However, PIC's market leading product offering has meant it has won new business and continued to gain market share in North America on both the sirelines and damlines.

The adoption and sales of ABS' sexed and beef-on-dairy products, Sexcel and NuEra®, continued to grow rapidly as planned, with strong growth in volumes across multiple geographies. Sales via a digital channel introduced in Latin America during the COVID-19 lockdown period have continued to contribute well in the new financial year. In addition to growth in operating profit, ABS has achieved improvement in its operating profit margin as the mix of revenue from the more profitable Sexcel product increases and greater operational leverage is achieved.

Research and Development investment for the four months was lower than the prior year due to some collaboration activity with external research institutions being delayed due to the effects of COVID-19 lockdowns. We currently expect the timing of these activities to remain within the financial year 2021.

Outlook

The prevalence of COVID-19 across the globe has increased significantly since the announcement of our 2020 preliminary results in September, and we expect there will continue to be some challenges for our customers and our employees as we navigate through these extraordinary circumstances. Currency headwinds continue to be anticipated, and at yesterday's spot rates the adverse impact of currencies on the current financial year would be circa £4 million. However, although it is difficult to predict in these unusual times, based on the first four months' trading momentum, the Board currently anticipates that Genus will continue to make strategic and financial progress and is likely to perform ahead of its previous profit growth expectations for the financial year 2021.

Board of Directors

Bob Lawson will retire as Chairman of Genus at the AGM after ten years' service in which time the Group has been transformed into a global biotechnology leader in animal genetics. The Board wishes to record its deep gratitude to him for his immense contribution in this journey. As previously announced, Iain Ferguson will be appointed Chairman at the AGM.

For further information please contact:

Genus plc Tel: 01256 345970

Stephen Wilson, Chief Executive Officer

Alison Henriksen, Chief Financial Officer

Buchanan Tel: 0207 466 5000

Charles Ryland /Chris Lane/Charlotte Slater

This announcement is available on the Genus website www.genusplc.com

About Genus

Genus creates advances to animal breeding and genetic improvement by applying biotechnology and sells added value products for livestock farming and food producers. Its technology is applicable across livestock species and is currently commercialised by Genus in the dairy, beef and pork food production sectors.

Genus' worldwide sales are made in over seventy-five countries under the trademarks 'ABS' (dairy and beef cattle) and 'PIC' (pigs) and comprise semen, embryos and breeding animals with superior genetics to those animals currently in farms. Genus's customers' animals produce offspring with greater production efficiency, and quality, and use these to supply the global dairy and meat supply chains.

The Group's competitive edge has been created from the ownership and control of proprietary lines of breeding animals, the biotechnology used to improve them and its global supply chain, technical service and sales and distribution network.

With headquarters in Basingstoke, United Kingdom, Genus companies operate in over twenty-five countries on six continents, with research laboratories located in Madison, Wisconsin, USA.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@lseg.com or visit www.rns.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our Privacy Policy.

END

TSTFLFFDLSLSFII