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

AGM TRADING UPDATE

Genus (LSE: GNS), a leading global animal genetics company, publishes the following trading update for the period from 1 July 2021 to 23 November 2021, to coincide with its AGM at 11:00am GMT this morning.

As anticipated in the Preliminary Results announcement in September, trading in the period under review in both Genus's bovine and porcine businesses made continued progress and the Group met profit expectations except in PIC China, which continues to face challenging market conditions. Net debt of the Group at the end of October 2021 was in line with expectations. Additionally, Genus continued to make good progress towards its strategic objectives with significant investments in R&D and capital projects supporting the long-term growth of the Group as planned.

In the four months to 31 October 2021, PIC's volumes were lower than the prior year due to the downturn in China, while royalty revenues showed continued growth, and PIC achieved revenue growth overall. In the period ABS also achieved continued volume and revenue growth.

Since September there has been significant volatility in the Chinese porcine market, with the live pig price falling from 20 RMB/kg to a low of 10 RMB/kg in early October and it is currently approximately 17 RMB/kg. At these prices producers have been unprofitable, and consequently have sought to reduce their sow inventory. PIC China's customers have postponed stocking orders and reduced their sow herd numbers significantly. We anticipate this inventory will need to be replaced when the market recovers and believe the current market circumstances will accelerate further the consolidation of production over time, increasing the medium and long-term opportunity for PIC's elite genetics.

Outlook

Whilst pig prices have improved in China in the past month, prices need to improve further and be sustained for producer confidence to return and lead to improved demand for porcine genetics. Looking to FY23 the Group remains positive as to the medium-term growth prospects of PIC China and is continuing to invest in the local supply chain to be well positioned to capture this growth opportunity.

Based on the first four month's trading trends in PIC China and its latest interactions with its customers, the Board currently anticipates that the Group's profit before tax is likely to be moderately lower than its previous expectation for the financial year 2022. However, we remain confident in the Group's strategy and the many opportunities for Genus.

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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.

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