Pioneering animal genetic improvement to help nourish the world

Interim Results
Half Year ended 31 December 2023

Challenging Markets; Management Actions Taken
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Overview & Headlines

Jorgen Kokke
Chief Executive Officer
## CEO Overview

**Challenging markets, we are accelerating delivery of our strategic priorities**

| **Continued growth in porcine, with more stable growth in China** | • PIC ex-China continuing to grow, gaining market share  
• PIC China: Commercial progress winning new royalty customers |
| **Deliver successful commercialisation of PRP gene edit** | • US FDA: Phenotypic and Genotypic Durability studies accepted, dialogue shifting to post-product approval compliance  
• Commercialisation plans on track |
| **Drive greater value from bovine** | • Value Acceleration Programme underway  
• Resource optimisation and embedding commercial excellence for improved financial performance |
| **Continue to generate returns from R&D investments** | • R&D strategic review completed  
• Tremendous R&D capabilities; sharper focus on most attractive opportunities |
### FY24 H1 Headlines

#### Financial performance\(^1\)

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>£333.6m</td>
<td>(-5%)</td>
</tr>
<tr>
<td>Adj. operating profit</td>
<td>£38.1m</td>
<td>(-21%)</td>
</tr>
<tr>
<td>Adj. profit before tax</td>
<td>£29.2m</td>
<td>(-31%)</td>
</tr>
<tr>
<td>Interim dividend maintained</td>
<td>10.3p</td>
<td></td>
</tr>
</tbody>
</table>

1. Growth rates based on actual currency
## Our Markets – Porcine

### Customer landscape

**NORTH AMERICA**
- Slight breeding herd decline; net increase in production
- Worst producer losses since 2008–2010 Financial Crisis

**LATIN AMERICA**
- Good producer margins in Brazil
- Mexican producers saw margins tighten on low prices
- Argentina instability challenging for local producers

**EUROPE**
- Significant pork production contraction in prior periods resulted in higher prices
- Producers generally operated at positive margins

**CHINA / ASIA**
- Weak China prices, producers suffering losses
- Elsewhere in the region, continued ASF outbreaks impacted producer profitability

### Impact on our business

**NORTH AMERICA**
- PIC NAM performed robustly during the period
- Trading insulated by high royalty penetration

**LATIN AMERICA**
- PIC LATAM performed robustly during the period
- Trading insulated by high royalty penetration

**EUROPE**
- PIC Europe performed strongly during the period
- Particularly strong gains in Spain and Germany driven by royalty contract volume growth

**CHINA / ASIA**
- PIC China had a challenging period of trading
- Low Chinese producer confidence led to delayed restocking
- Positive profit growth ex-China

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1. African Swine Fever
## Our Markets – Bovine

### Our business:

- NORTH AMERICA
  - Customer landscape: Low milk prices drove a contraction in production, strong beef prices, US beef cow numbers at lowest level since 1950s, tenuous recovery in producer profitability in the period
  - Impact on our business: Resilient ABS NAM profits in the period, lower US volumes partially offset by growth in IntelliGen third party business

- LATIN AMERICA
  - Customer landscape: Beef demand stabilised in Brazil whilst milk production continued to recover, Mexico beef production reached record levels, periods of producer profit and loss during the period
  - Impact on our business: ABS LATAM performed robustly in the period, Brazil profit relatively stable year on year, from a lower base

- EUROPE
  - Customer landscape: Both milk production and prices declined, beef production fell but prices held firm on limited supply, producer margins were under pressure during the period
  - Impact on our business: ABS EMEA solid growth in volumes, lower profit performance reflecting IntelliGen having high prior year compare

- CHINA / ASIA
  - Customer landscape: Milk prices below breakeven for most Chinese producers, double-digit decline in the Chinese dairy herd, strong milk prices in India helped maintain producer margins despite input price rises
  - Impact on our business: ABS China had a very challenging period, significant dairy conventional and Sexcel volume declines, good growth in IntelliGen third party sexing in Thailand and India

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### Genus

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Interim Results: Half Year ended 31 December 2023
Financial Results

Alison Henriksen
Chief Financial Officer
R&D Reporting Change
No change to group adjusted profit or operational management

<table>
<thead>
<tr>
<th>Old reporting</th>
<th>New reporting</th>
<th>Change in R&amp;D segmentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>PIC</td>
<td>PIC</td>
<td>• Goal: Clearer expression of R&amp;D costs, better alignment of the costs and opportunities of doing business with the business divisions</td>
</tr>
<tr>
<td>ABS</td>
<td>Porcine PD</td>
<td>Product development costs</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>PRP</td>
<td>• Product Development costs will now be allocated to divisional P&amp;Ls, having previously been reported within the R&amp;D division</td>
</tr>
<tr>
<td>Porcine PD</td>
<td>Bovine PD</td>
<td>• PIC product development costs include production (e.g. elite farm costs and PRP commercialisation costs), supply chain, genetic development costs and technical services</td>
</tr>
<tr>
<td>Bovine PD</td>
<td>Other gene editing</td>
<td>• ABS product development costs include the cost of maintaining our herds and biosystems engineering</td>
</tr>
<tr>
<td>Gene editing</td>
<td>Other gene editing</td>
<td>Gene editing costs</td>
</tr>
<tr>
<td>PRP</td>
<td>Other gene editing</td>
<td>• PRP production and commercialisation costs will now be reported within PIC as noted above</td>
</tr>
<tr>
<td>Other R&amp;D</td>
<td>Other R&amp;D</td>
<td>• Research into other gene edit traits and regulatory costs will remain in R&amp;D under “Gene Editing”</td>
</tr>
</tbody>
</table>

Other R&D
• Other R&D costs (such as reproductive biology, genome science and bioinformatics) remain in R&D
## Volume Growth

Adverse volume trends in China and several Bovine markets

### Genus PIC – volume growth (%)

<table>
<thead>
<tr>
<th>FY20</th>
<th>FY21</th>
<th>Excluding China</th>
<th>FY22</th>
<th>FY23</th>
<th>FY24 H1</th>
</tr>
</thead>
<tbody>
<tr>
<td>6%</td>
<td>5%</td>
<td>8%</td>
<td>6%</td>
<td>3%</td>
<td>-6%</td>
</tr>
</tbody>
</table>

### Genus ABS – volume growth (%)

- FY20: 8%
- FY21: 15%
- FY22: 3%
- FY23: 3%
- FY24 H1: -6%

Volume growth including China
### Genus Adjusted Profit Performance

<table>
<thead>
<tr>
<th></th>
<th>£M</th>
<th>FY24 H1 actual</th>
<th>FY23 H1 actual</th>
<th>% Change actual</th>
<th>% Change constant¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Genus PIC</td>
<td></td>
<td>51.4</td>
<td>59.8</td>
<td>(14)%</td>
<td>(10)%</td>
</tr>
<tr>
<td>Genus ABS</td>
<td></td>
<td>7.3</td>
<td>10.1</td>
<td>(28)%</td>
<td>(15)%</td>
</tr>
<tr>
<td>Operating units</td>
<td></td>
<td>58.7</td>
<td>69.9</td>
<td>(16)%</td>
<td>(11)%</td>
</tr>
<tr>
<td>R&amp;D</td>
<td></td>
<td>(11.3)</td>
<td>(13.1)</td>
<td>14%</td>
<td>8%</td>
</tr>
<tr>
<td>Central</td>
<td></td>
<td>(9.3)</td>
<td>(8.5)</td>
<td>(9)%</td>
<td>(16)%</td>
</tr>
<tr>
<td>Adj. operating profit²</td>
<td></td>
<td>38.1</td>
<td>48.3</td>
<td>(21)%</td>
<td>(17)%</td>
</tr>
<tr>
<td>Adj. profit before tax</td>
<td></td>
<td>29.2</td>
<td>42.2</td>
<td>(31)%</td>
<td>(26)%</td>
</tr>
<tr>
<td>Adjusted earnings per share (pence)</td>
<td></td>
<td>33.3</td>
<td>48.8</td>
<td>(32)%</td>
<td></td>
</tr>
</tbody>
</table>

### Genus adjusted operating profit² £m

#### Half year results

<table>
<thead>
<tr>
<th></th>
<th>FY20 H1</th>
<th>FY21 H1</th>
<th>FY22 H1</th>
<th>FY23 H1</th>
<th>FY24 H1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adj. Operating Profit</td>
<td>13.6%</td>
<td>14.1%</td>
<td>8.8%</td>
<td>13.8%</td>
<td>11.4%</td>
</tr>
<tr>
<td>PIC China Operating Profit</td>
<td>17.4%</td>
<td>18.2%</td>
<td>1.0%</td>
<td>11.4%</td>
<td>22.3%</td>
</tr>
<tr>
<td>Adj. Operating Margin</td>
<td>25.4%</td>
<td>31.5%</td>
<td>38.7%</td>
<td>39.5%</td>
<td>35.3%</td>
</tr>
</tbody>
</table>

- Difficult first half trading, mitigating actions taken
- Volume trends key driver of results
- Margin diluted by ABS and China results

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¹ Constant currency percentage movements in this presentation are calculated by restating the results for the half year ended 31 December 2023 at the average exchange rates applied to adjusted operating profit for the year ended 30 June 2023

² Operating profit and Operating Margin represents adjusted operating results including joint ventures
Drivers of Adjusted Profit Performance

**Adjusted profit before tax bridge (£m)**

- **Genus ex-China**
  - Genus ex-China grew adjusted EBITDA by £4.6m or 10% year on year

- **China**
  - China trading has been challenging for both PIC and ABS; PIC China EBITDA decreased £2.8m (29% decrease), ABS China EBITDA down £2.8m (55% decrease)
  - Medium-term opportunity undiminished despite cyclical downturns in both porcine and dairy

- **Depreciation, joint venture income & net finance costs**
  - Depreciation & Amortisation costs £4.5m higher year on year, driven predominantly by new farm leases in China
  - Joint Venture income decreases in Brazil and in China
  - Net Finance costs £2.6m higher which is predominately a function of higher interest rates (+181 basis points) over the period

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1. Bridge items are in constant currency calculated by restating the results for the half year ended 31 December 2023 at the average exchange rates applied to adjusted operating profit for the year ended 30 June 2023. The FX difference is then shown separately.

2. All figures are derived in constant currency unless otherwise stated.
## Genus PIC

### Adjusted operating profit\(^1\) results

<table>
<thead>
<tr>
<th></th>
<th>FY24 H1 actual</th>
<th>FY23 H1 actual</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>£175.8</td>
<td>£188.0</td>
<td>(6)% (1)%</td>
</tr>
<tr>
<td><strong>Adjusted operating profit(^1)</strong></td>
<td>51.4</td>
<td>59.8</td>
<td>(14)% (10)%</td>
</tr>
<tr>
<td><strong>Adjusted operating margin(^1)</strong></td>
<td>26.7%</td>
<td>28.2%</td>
<td>(1.5)pts (1.8)pts</td>
</tr>
</tbody>
</table>

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### Half year adjusted operating profit\(^1\) bridge (£m)

- PIC trading regions ex-China delivered a robust performance, growing operating profit by £3.6m, or 5% year on year (constant currency).
- £6.0m decrease in PIC China adjusted operating profit primarily due to lower third-party royalty income (£1.6m), start-up costs of LuoDian farm (£2.0m) and lower by-product recovery of supply chain costs (£1.4m).
- Product development £3.4m higher due to expansion into Atlas farm and Aurora re-population.

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1. Adjusted operating profit includes joint ventures, Adjusted operating margin excludes joint ventures.
2. Bridge items are in constant currency calculated by restating the results for the half year ended 31 December 2023 at the average exchange rates applied to adjusted operating profit for the year ended 30 June 2023. The FX difference is included within FX / Other.
Genus PIC

Adjusted operating profit¹
-10%, 0% ex. China
-14% in actual currency

Latin America
+1%
- Royalty revenue growth of +6%
- Volume growth of +4%
- Argentina hyper-inflation impacted Agroceres JV profit -£1.0m

EMEA
+26%
- Royalty revenue growth of +13%
- Volume growth of +12%
- Very strong performance, particularly in Spain and Germany

North America
+1%
- Royalty revenue growth of +2%
- Lower volume -2%
- Highly resilient performance, 97% volumes under royalty

Asia
-50%,-5% ex. China
- Lower royalty revenue -13%
- Lower volume -9%
- China impacted by higher supply chain costs as well as lower by-product revenue & third party royalty income
- Philippines profits grew +5%; other Asian franchises +4%

Royalty revenue
+2%, +5% ex. China

Genus PIC adj. operating profit £m
Half year results, actual currency²

1. Constant currency
2. Adjusted operating profit includes joint ventures, Adjusted operating margin excludes joint ventures

Note: All % changes represent growth in constant currency unless otherwise stated
Genus ABS

Adjusted operating profit results

<table>
<thead>
<tr>
<th></th>
<th>FY24 H1 actual</th>
<th>FY23 H1 actual</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£m</td>
<td>£m</td>
<td>Actual Currency</td>
</tr>
<tr>
<td>Revenue</td>
<td>157.8</td>
<td>162.2</td>
<td>(3)%</td>
</tr>
<tr>
<td>Adjusted operating profit</td>
<td>7.3</td>
<td>10.1</td>
<td>(28)%</td>
</tr>
<tr>
<td>Adjusted operating margin</td>
<td>4.6%</td>
<td>6.2%</td>
<td>(1.6)pts</td>
</tr>
</tbody>
</table>

Half year adjusted operating profit bridge (£m)

- Challenging trading in all regions, especially China
- Management action taken to rationalise production and deliver cost efficiencies, £10m annualised savings
- £1.3m of cost savings realised in FY24 H1; a further £5.0m to be realised in FY24 H2. Restructuring costs of £2.9m recognised in Exceptionals in FY24 H1
- Further actions being taken in FY24 H2 that will deliver additional benefits in FY25

1. Bridge items are in constant currency calculated by restating the results for the half year ended 31 December 2023 at the average exchange rates applied to adjusted operating profit for the year ended 30 June 2023. The FX difference is included within FX / Other.
Genus ABS

**Adjusted operating profit**

-15%  
-28% in actual currency

**Latin America**

-2%  
-6% in actual currency

- Total volume growth -6%, sexed volumes +4%, beef -7%
- Significant price and cost actions taken
- +24% increase in cows on long-term GeneAdvance contracts

**EMEA**

- Total volume growth +4%, sexed volumes +13%, beef +3%
- Lower profit performance reflecting timing of IntelliGen upgrades with third party customers in the prior year

**North America**

- Total volume growth -6%, sexed volumes +4%, beef -7%
- Strong profit growth in India from IntelliGen expansion
- New IntelliGen win in Thailand

**Asia**

- Total volume growth -12%, sexed volumes -14%
- Strong profit growth in India from IntelliGen expansion
- New IntelliGen win in Thailand

**Sexed volume**

+2%  
-5% in actual currency

**Beef volume**

+4%  
-6% in actual currency

**Genus ABS adj. operating profit £m**

<table>
<thead>
<tr>
<th></th>
<th>FY20 H1</th>
<th>FY21 H1</th>
<th>FY22 H1</th>
<th>FY23 H1</th>
<th>FY24 H1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adj. Operating Profit</td>
<td>4.9</td>
<td>7.7</td>
<td>11.6</td>
<td>10.1</td>
<td>7.3</td>
</tr>
<tr>
<td>Adj. Operating Margin</td>
<td>4%</td>
<td>9.4</td>
<td>11.6</td>
<td>10.1</td>
<td>5%</td>
</tr>
</tbody>
</table>

1. Constant currency

Note: All % changes represent growth in constant currency unless otherwise stated
Genus R&D and Product Development

**Genus R&D; % of Genus revenue**

<table>
<thead>
<tr>
<th></th>
<th>FY20 H1</th>
<th>FY21 H1</th>
<th>FY22 H1</th>
<th>FY23 H1</th>
<th>FY24 H1</th>
</tr>
</thead>
<tbody>
<tr>
<td>R&amp;D Spending</td>
<td>9.1</td>
<td>9.4</td>
<td>10.6</td>
<td>13.1</td>
<td>11.3</td>
</tr>
<tr>
<td>R&amp;D as % of GR</td>
<td>3.4%</td>
<td>3.3%</td>
<td>3.8%</td>
<td>3.7%</td>
<td>3.4%</td>
</tr>
</tbody>
</table>

**Porcine Product Development; % of porcine revenue**

<table>
<thead>
<tr>
<th></th>
<th>FY20 H1</th>
<th>FY21 H1</th>
<th>FY22 H1</th>
<th>FY23 H1</th>
<th>FY24 H1</th>
</tr>
</thead>
<tbody>
<tr>
<td>R&amp;D Spending</td>
<td>12.0</td>
<td>10.3</td>
<td>10.3</td>
<td>13.0</td>
<td>14.8</td>
</tr>
<tr>
<td>R&amp;D as % of RP</td>
<td>8%</td>
<td>7%</td>
<td>7%</td>
<td>9%</td>
<td>11%</td>
</tr>
</tbody>
</table>

**Bovine Product Development; % of bovine revenue**

<table>
<thead>
<tr>
<th></th>
<th>FY20 H1</th>
<th>FY21 H1</th>
<th>FY22 H1</th>
<th>FY23 H1</th>
<th>FY24 H1</th>
</tr>
</thead>
<tbody>
<tr>
<td>R&amp;D Spending</td>
<td>9.7</td>
<td>9.3</td>
<td>10.5</td>
<td>12.4</td>
<td>11.7</td>
</tr>
<tr>
<td>R&amp;D as % of AR</td>
<td>8%</td>
<td>7%</td>
<td>8%</td>
<td>8%</td>
<td>7%</td>
</tr>
</tbody>
</table>

- R&D expenditure lower as a percentage of Group revenue; annual savings of £5m expected in FY25 as a result of strategic review
- Rising PIC PD costs as a percentage of revenue caused by PRP commercialisation costs and running costs of our new Atlas facility
## Statutory Income

<table>
<thead>
<tr>
<th></th>
<th>FY24 H1 actual £m</th>
<th>FY23 H1 actual £m</th>
<th>Change actual £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted operating profit</td>
<td>33.0</td>
<td>41.2</td>
<td>(8.2)</td>
</tr>
<tr>
<td>Net IAS 41 valuation mvmt on biological assets</td>
<td>2.6</td>
<td>(17.2)</td>
<td>19.8</td>
</tr>
<tr>
<td>Amortisation of acquired intangible assets</td>
<td>(2.9)</td>
<td>(4.8)</td>
<td>1.9</td>
</tr>
<tr>
<td>Share-based payments</td>
<td>(3.9)</td>
<td>(2.3)</td>
<td>(1.6)</td>
</tr>
<tr>
<td>Exceptional items</td>
<td>(7.5)</td>
<td>(2.2)</td>
<td>(5.3)</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td><strong>21.3</strong></td>
<td><strong>14.7</strong></td>
<td><strong>6.6</strong></td>
</tr>
<tr>
<td>Share of post-tax profit of JVs and associates</td>
<td>5.3</td>
<td>6.4</td>
<td>(1.1)</td>
</tr>
<tr>
<td>Other gains and losses</td>
<td>(3.4)</td>
<td>-</td>
<td>(3.4)</td>
</tr>
<tr>
<td>Net finance costs</td>
<td>(8.9)</td>
<td>(6.1)</td>
<td>(2.8)</td>
</tr>
<tr>
<td><strong>Profit before tax</strong></td>
<td><strong>14.3</strong></td>
<td><strong>15.0</strong></td>
<td><strong>(0.7)</strong></td>
</tr>
<tr>
<td>Taxation</td>
<td>(4.0)</td>
<td>(3.0)</td>
<td>(1.0)</td>
</tr>
<tr>
<td><strong>Profit after tax</strong></td>
<td><strong>10.3</strong></td>
<td><strong>12.0</strong></td>
<td><strong>(1.7)</strong></td>
</tr>
</tbody>
</table>

### Statutory profit before tax

| Statutory profit before tax | £14.3m (FY23 H1: £15.0m) |

#### Non-cash impacts
- £2.6m increase in net IAS 41 biological assets (FY23 H1: £17.2m decrease)

#### Exceptional items
- £7.5m expense (FY23 H1 £2.2m) primarily from litigation legal costs and ABS restructuring
- In January 2024, US and NZ litigations with ST were settled outside the courts

#### Net finance costs
- £8.9m expense (FY23 H1 £6.1m), driven by higher interest rates, as expected

#### Taxation
- Adjusted tax rate of 25.0% (FY23 H1: 24.2%); up due to full year impact of UK tax rate increase to 25% and increased profit mix in higher tax rate jurisdictions
- Statutory tax rate of 27.7% (FY23 H1: 20.0%)
## Free Cash Flow

### FY24 H1 performance

<table>
<thead>
<tr>
<th></th>
<th>FY24 H1 actual £m</th>
<th>FY23 H1 actual £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted operating profit ex. JV</td>
<td>33.0</td>
<td>41.2</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>21.3</td>
<td>18.4</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>54.3</td>
<td>59.6</td>
</tr>
<tr>
<td>Working capital</td>
<td>(16.9)</td>
<td>(23.4)</td>
</tr>
<tr>
<td>Biological assets</td>
<td>(7.2)</td>
<td>(6.7)</td>
</tr>
<tr>
<td>Pension deficit repair</td>
<td>(0.3)</td>
<td>(0.6)</td>
</tr>
<tr>
<td>Exceptional items and other</td>
<td>(7.1)</td>
<td>(3.2)</td>
</tr>
<tr>
<td>Cash generated by operations</td>
<td>22.8</td>
<td>25.7</td>
</tr>
<tr>
<td>Cash conversion %</td>
<td>69%</td>
<td>62%</td>
</tr>
<tr>
<td>Interest and tax paid</td>
<td>(16.8)</td>
<td>(14.0)</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>(14.4)</td>
<td>(15.0)</td>
</tr>
<tr>
<td>Joint venture income and other</td>
<td>5.1</td>
<td>–</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>(3.3)</td>
<td>(3.3)</td>
</tr>
<tr>
<td>Acquisitions and investments</td>
<td>0.6</td>
<td>(3.2)</td>
</tr>
<tr>
<td>Dividends</td>
<td>(14.2)</td>
<td>(14.2)</td>
</tr>
<tr>
<td>Net cash flow (before debt repayments)</td>
<td>(16.9)</td>
<td>(20.7)</td>
</tr>
</tbody>
</table>

### Free cashflow bridge (£m)

- Lower EBITDA impacted by China and FX
- Lower working capital outflow, mainly inventory
- Capex £14.4m as planned, full year approximately £30m. £10m reduction expected in FY25
**Solid Financial Position**

Leverage expected to be similar at June 2024

### NET debt bridge £m

<table>
<thead>
<tr>
<th></th>
<th>Opening Net Debt 1 July 2023</th>
<th>Operating cash flow</th>
<th>Interest, tax paid and other</th>
<th>Capital Expenditure</th>
<th>Dividends</th>
<th>Investments</th>
<th>New leases &amp; other non-cash</th>
<th>FX on debt held</th>
<th>Closing Net Debt 31 December 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>(195.8)</td>
<td>(195.8)</td>
<td>(11.7)</td>
<td>(14.4)</td>
<td>(14.2)</td>
<td>0.6</td>
<td>(36.5)</td>
<td>(0.9)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Free cash outflow:</strong></td>
<td><strong>£3.3m</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### IFRS 16 leases
- Increase of £36.0m mainly due to two additional farms in China: Ankang and LuoDian

### Headroom
- £89m headroom at 31 December 2023
- Net Debt:EBITDA\(^1\) 2.1x; similar level expected at June 2024; bank covenant at 3x
- Credit facilities term to August 2025

### Interim dividend maintained
- Adjusted earnings coverage\(^2\) 2.2x

---

1. Net Debt to EBITDA as defined under our debt facility agreement
2. Adjusted earnings coverage is equal to adjusted earnings per share (after tax) divided by dividends per share, on a rolling 12 month basis
Pioneering animal genetic improvement to help nourish the world

Strategy & Outlook
Jorgen Kokke
Chief Executive Officer
Our Strategic Priorities
Leveraging the investments made in innovation and supply chain

- Continued growth in porcine, with more stable growth in China
- Deliver successful commercialisation of our PRP gene edit
- Drive greater value from bovine
- Continue to generate returns from R&D investments
PIC ex-China: Continued Growth
Royalty model demonstrating its strength in challenging producer environments

US pork producer profitability – worst losses since 2008

- PIC NAM highly resilient despite market conditions
- The royalty model generates more stable revenues and earnings in the developed markets of NAM, LATAM and EMEA
- High penetration of the royalty model in NAM (97% of volumes), LATAM (82%) and EMEA (80%)

1. Iowa State University data
PIC China
Commercial progress winning royalty customers

Pig price to corn price ratio

![Graph showing pig price to corn price ratio from 2020 to 2024]

PIC China volume (MPEs m)

![Bar chart showing PIC China volume from H1 FY20 to H1 FY24]

PIC genetics outperforming in trials

![Bar chart showing total carcass value for PIC and competitor lines]

Success of enhanced commercial focus; new royalty customers won in H1

- New customers are Top 30 Chinese producers
- More new royalty customers signed in January 2024

1. Market analysts and policymakers in China often view 6.1 as a "normal" level for the pig price to corn price ratio. Higher values are considered an indicator of profitability.

2. Total carcass value = total value of pork cuts + total value of by-products

Trial 1
PIC: +48.14
A: +35.42

Trial 2
PI: +48.14
B: +35.42

- Recent customer trial data has demonstrated the total carcass value of PIC pigs is meaningfully higher than competitor lines in China
PRP Gene Edit: FDA Regulatory Progress Continues

Working through post-product approval compliance procedures, PRP approval expected in FY25

**2021**

**Phase I - Product Claim and Methods**
1. Product Definition
   - Submitted and accepted
2. Molecular Characterisation of Altered DNA
   - Submitted and accepted

**2022**

**Phase II - Molecular Characterization**
1. Molecular Characterization of Edited Animals
   - Submitted and accepted

**2023-2024**

**Phase III - Animal Characterization**
1. Phenotypic Characterization
   - Submitted and accepted
2. Phenotypic Durability
   - Submitted and accepted
3. Genotypic Durability
   - Submitted and accepted
4. Food Safety
   - Submitted and accepted
5. Environmental Safety
   - Submitted and accepted
6. Post-product approval compliance / monitoring of production facilities
   - Submitted

**FY25**

Anticipated FDA product approval

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1. Acceptance received February 2024

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Working with FDA post-product approval compliance team

- Genus submitted validation plans for the tests used to confirm the presence of the gene edit
- Working with FDA’s post-product approval compliance team to finalise the validation process and compliance monitoring
- Genus is ensuring the right systems and procedures are in place to meet these post-approval data submission requirements
- FDA inspectors will audit Genus’s PRP facilities to ensure they meet the quality and production standards as submitted
No change anticipated to our commercialisation timeline or financial projections

The review and approval of PRP for use in human consumption is through new regulatory processes. Timelines for the regulatory processes are difficult to determine. The timelines noted above are indicative and may vary based upon additional regulatory questions raised under the review process or varying response times from regulators around the world.
Drive Greater Value From Bovine: ABS Value Acceleration Programme

Data driven approach actioned

**Objectives**
- Accelerate value creation through commercial excellence and resource redeployment
- Improve margin, ROIC and cash generation

**Actions**
- Leadership structure change, integrating dairy, beef and IntelliGen
- Optimising resource deployment. Focus on most profitable markets and customers
- Integrate and simplify the supply chain to increase efficiency and strengthen S&OP capability
- Enhancing margin via pricing excellence and differentiated products

**Outcomes**
- Improved go-to-market productivity
- Better cost leverage
- Better margins and higher cash flows
Leverage Our R&D Platform; Strategic Review Completed

Sharper focus on the most attractive R&D projects that meet our strategic and commercial goals

<table>
<thead>
<tr>
<th>Innovation areas</th>
<th>R&amp;D projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Biosystems Engineering</td>
<td>Reproductive Biology</td>
</tr>
<tr>
<td>Genomic Science Core</td>
<td>Scientific Informatics Core</td>
</tr>
</tbody>
</table>

Completed R&D strategic review...
Evaluated all early-stage R&D projects using 4 criteria

- Alignment to our strategy
- Market attractiveness
- Ability to deliver
- Portfolio balance

...for a sharpened focus

- Strengthen sexed semen platform
- Advance disease resistant traits
- Accelerate genetic gain

Improved innovation process & governance

Greater balance between species and breakthrough vs incremental
Summary and Outlook

Challenging trading; significant actions taken

ABS value acceleration programme underway
R&D strategic review completed

Winning new royalty customers in China

PRP progress; FDA approval expected in FY25

Outlook

• Challenging conditions in several markets expected to continue in 2024, particularly China

• Solid growth in H2 expected from PIC North America and Europe

• Better performance in H2 expected from ABS due to higher cost savings

• FY24 adjusted profit before tax expected to be at least £58m
Interim Results: Half Year ended 31 December 2023

Proportion of Total Porcine Volumes Under Royalty

**NORTH AMERICA**

<table>
<thead>
<tr>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
<th>FY23</th>
<th>FY24 H1</th>
</tr>
</thead>
<tbody>
<tr>
<td>96%</td>
<td>98%</td>
<td>97%</td>
<td>97%</td>
<td>97%</td>
</tr>
</tbody>
</table>

**EMEA**

<table>
<thead>
<tr>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
<th>FY23</th>
<th>FY24 H1</th>
</tr>
</thead>
<tbody>
<tr>
<td>70%</td>
<td>77%</td>
<td>79%</td>
<td>80%</td>
<td>80%</td>
</tr>
</tbody>
</table>

**LATIN AMERICA**

<table>
<thead>
<tr>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
<th>FY23</th>
<th>FY24 H1</th>
</tr>
</thead>
<tbody>
<tr>
<td>77%</td>
<td>78%</td>
<td>84%</td>
<td>83%</td>
<td>82%</td>
</tr>
</tbody>
</table>

**ASIA**

<table>
<thead>
<tr>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
<th>FY23</th>
<th>FY24 H1</th>
</tr>
</thead>
<tbody>
<tr>
<td>46%</td>
<td>45%</td>
<td>57%</td>
<td>67%</td>
<td>69%</td>
</tr>
</tbody>
</table>
Porcine Royalty Revenue Growth

NORTH AMERICA

<table>
<thead>
<tr>
<th></th>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
<th>FY23</th>
<th>FY24 H1</th>
</tr>
</thead>
<tbody>
<tr>
<td>1%</td>
<td></td>
<td></td>
<td>7%</td>
<td>8%</td>
<td>2%</td>
</tr>
</tbody>
</table>

EMEA

<table>
<thead>
<tr>
<th></th>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
<th>FY23</th>
<th>FY24 H1</th>
</tr>
</thead>
<tbody>
<tr>
<td>13%</td>
<td>11%</td>
<td>7%</td>
<td>9%</td>
<td>13%</td>
<td></td>
</tr>
</tbody>
</table>

LATIN AMERICA

<table>
<thead>
<tr>
<th></th>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
<th>FY23</th>
<th>FY24 H1</th>
</tr>
</thead>
<tbody>
<tr>
<td>9%</td>
<td>9%</td>
<td>17%</td>
<td>12%</td>
<td>6%</td>
<td></td>
</tr>
</tbody>
</table>

ASIA

<table>
<thead>
<tr>
<th></th>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
<th>FY23</th>
<th>FY24 H1</th>
</tr>
</thead>
<tbody>
<tr>
<td>50%</td>
<td>70%</td>
<td>-32%</td>
<td>20%</td>
<td>-13%</td>
<td></td>
</tr>
</tbody>
</table>
## Restatement For Product Development and PRP

<table>
<thead>
<tr>
<th>£m</th>
<th>FY24 H1</th>
<th>FY23 H1</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Previous reporting method actual</td>
<td>Product development restatement actual</td>
</tr>
<tr>
<td>PIC</td>
<td>71.1</td>
<td>(14.8)</td>
</tr>
<tr>
<td>ABS</td>
<td>19.0</td>
<td>(11.7)</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>(42.9)</td>
<td>26.5</td>
</tr>
<tr>
<td>Central</td>
<td>(9.3)</td>
<td>0.0</td>
</tr>
<tr>
<td>Adjusted operating profit inc JV</td>
<td>38.1</td>
<td>0.0</td>
</tr>
</tbody>
</table>

Porcine product development | (14.8) | 14.8 | 0.0 | 0.0 | (13.0) | 13.0 | 0.0 | 0.0 |
Bovine product development | (11.7) | 11.7 | 0.0 | 0.0 | (12.4) | 12.4 | 0.0 | 0.0 |
Gene editing | (8.4) | 0.0 | 5.1 | (3.2) | (7.7) | 0.0 | 4.0 | (3.7) |
Other research and development | (8.1) | 0.0 | 0.0 | (8.5) | (9.4) | 0.0 | 0.0 | (9.4) |
Total R&D | (42.9) | 26.5 | 5.1 | (11.3) | (42.5) | 25.4 | 4.0 | (13.1) |
## Financial Results

<table>
<thead>
<tr>
<th></th>
<th>FY24 H1</th>
<th>FY23 H1</th>
<th>% Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>actual £m</td>
<td>actual £m</td>
<td>actual</td>
<td>constant</td>
</tr>
<tr>
<td>Revenue</td>
<td>333.6</td>
<td>350.2</td>
<td>(5)%</td>
<td>1%</td>
</tr>
<tr>
<td>Adjusted operating profit inc. JV</td>
<td>38.1</td>
<td>48.3</td>
<td>(21)%</td>
<td>(17)%</td>
</tr>
<tr>
<td>Net finance costs</td>
<td>(8.9)</td>
<td>(6.1)</td>
<td>(47)%</td>
<td>(44)%</td>
</tr>
<tr>
<td>Adjusted profit before tax</td>
<td>29.2</td>
<td>42.2</td>
<td>(31)%</td>
<td>(26)%</td>
</tr>
<tr>
<td>Adjusted earnings per share (pence)</td>
<td>33.3</td>
<td>48.8</td>
<td>(32)%</td>
<td>(27)%</td>
</tr>
<tr>
<td>Dividend per share (pence)</td>
<td>10.3</td>
<td>10.3</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
Exchange Rate Sensitivity

- Genus’s geographic profile can lead to translational currency impacts
- We monitor key rates against GBP
- Latest spot rates would indicate a headwind of circa ~£6m for FY24 compared with average FY23 rates

<table>
<thead>
<tr>
<th>Currency</th>
<th>FY23 Average</th>
<th>FY24 H1 Average</th>
<th>Spot at 20 Feb 2024</th>
<th>Profit Sensitivity £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mexican Peso</td>
<td>22.7</td>
<td>22.7</td>
<td>21.5</td>
<td>2.0</td>
</tr>
<tr>
<td>Euro</td>
<td>1.15</td>
<td>1.16</td>
<td>1.17</td>
<td>1.6</td>
</tr>
<tr>
<td>Brazilian Real</td>
<td>6.19</td>
<td>6.18</td>
<td>6.22</td>
<td>1.5</td>
</tr>
<tr>
<td>Chinese Yuan</td>
<td>8.38</td>
<td>10.80</td>
<td>9.08</td>
<td>1.6</td>
</tr>
<tr>
<td>Russian Rouble</td>
<td>85.1</td>
<td>117.1</td>
<td>115.7</td>
<td>1.0</td>
</tr>
<tr>
<td>US Dollar</td>
<td>1.24</td>
<td>1.28</td>
<td>1.26</td>
<td>0.7</td>
</tr>
</tbody>
</table>

1. Weighted average exchange rate based on operating profit inc JV income
2. 12 month operating profit impact given a +/-10% movement in exchange rate, based on FY23 results. FY24 sensitivity may differ based on current trading.
Glossary

**Artificial insemination (‘AI’)** Using semen collected from a bull or boar to impregnate a cow or sow when in estrus. Artificial insemination allows a genetically superior male to be used to mate with many more females than would be possible with natural mating.

**ASF** African Swine Fever.

**Boar** A male pig.

**CRISPR-Cas 9** Technology which accurately targets and cuts DNA to produce precise and controllable changes to the genome.

**CO₂e** measure used to compare the emissions from various GHGs based on their global-warming potential, by converting amounts of other gases to the equivalent amount of carbon dioxide with the same global warming potential.

**Farrow** When a sow gives birth to piglets.

**FCR** Feed conversion ratio.

**FDA** The United States Food and Drug Administration.

**Gender skew** The ability to influence the proportion of offspring being of a particular sex.

**Genetic gain** The change of the genetic make up of a particular animal population in response to having selected parents that excelled genetically for important traits.

**Genetic lag** The amount of time required to disseminate genetic gain from a nucleus herd to the commercial customer.

**Genetic nucleus** A specialised pig herd, where Genus PIC keeps its pure lines. Pigs are genetically tested at the nucleus to select the best animals to produce the next generation. This is also referred to as an Elite Farm.

**Genomic bull** A bull which has been assessed through genomic testing. This typically refers to bulls which have not been progeny-tested.

**Genomics** The study of the genome, which is the DNA sequence of an animal’s chromosomes.

**GHG** Gases that trap heat in the atmosphere are called greenhouse gases.

**Gilt** A young female pig, which has not yet given birth.

**GGP/GP** Great grandparent/grandparent.

**In vitro fertilisation (‘IVF’)** The fertilisation of an oocyte (or egg) with semen (outside an animal) in a laboratory for transfer into a surrogate.

**Index/Indices** A formula incorporating economically important traits for ranking the genetic potential of animals as parents of the next generation.

**IntelliGen** The technology platform used to process sexed bovine semen for ABS and third-party customers and commercialised by ABS as Sexcel.

**Market pig equivalents (‘MPE’)** Refers to a standardised measure of our customers’ production of slaughter animals that contain our genetics with genes from each of the sow and boar counting for half of the animal.

**Multiplier** A producer whose farm contains grandparent sows. The farm crosses together two lines of grandparents, multiplying the number of genetically improved parents that are available for sale.

**NuEra** The ABS beef breeding programme and index designed to drive the customer’s genetic improvement and deliver total system profitability for the beef supply chain.

**PRP** PRRS Resistant Pig.

**PRRSv** Porcine Reproductive and Respiratory Syndrome Virus.

**PSY** Pigs per Sow per Year. The average number of pigs weaned per litter multiplied by the average number of litters farrowed per sow per year.

**Scope 1 emissions** are emissions that result from directly burning fuels or emissions of GHG from sources owned or controlled by Genus.

**Scope 2 emissions** are in-direct emissions associated with the use or generation of energy in the form of electricity.

**Sexcel** The ABS brand of sexed bovine genetics produced using IntelliGen.

**Sire** The male parent of an animal.

**Sire line** The male line selected for traits desirable for the market.

**Sow** A female pig which has given birth at least once.

**Straw** A narrow tube used to package frozen bull semen.

**Terminal boars** The male pig that is used to mate with a parent female to produce a terminal pig.

**Trait** A measurable characteristic that may be a target for genetic selection.

**Unit** A straw of frozen bull semen or tube/bag of fresh boar semen sold to a customer.