Building sustainable success

> Our ongoing transformation work is positioning us well for future growth.

Jim Low
Chief Operating Officer / Genus ABS

STRATEGIC PROGRESS IN FY26

Create differentiated proprietary genetic solutions

- Strengthened our genetic line-up by embedding genetics from De Novo Genetics into dairy product development.
- Increased income from sexed genetics, including double-digit growth in Sexcel Male Beef and a further rise in processing for third parties through IntelliGen.
- Obtained ISO certification for our life cycle assessment of proprietary beef lines, confirming lower environmental impact than average beef-on-dairy genetics.

Serve progressive protein producers effectively

- Implemented the third phase of VAP, delivering approximately £7m of in-year benefit and approximately £9m of annualised benefit.
- Reviewed and adjusted our commercial model in key markets (including the UK, US, and Brazil), helping us enhance our service to customers and improve efficiency.
- Delivered strong trading across EMEA and Latin America as a result of growing relationships with progressive producers.
- Strengthened customer relationships in India, including signing a new five-year contract with the state of Uttar Pradesh ('UP') for production of sexed genetics at ten times previous levels.
- Launched "The ABS Way", a set of new methods and working practices designed to embed LEAN principles and enhance value for customers.

Share in the value delivered

- Expanded our GENEadvance programme, in which we are sole partners for large producers, to cover over 1,000 herds around the world, generating a 9.5% increase in revenue.
- Continued to ensure strong pricing governance and established a Pricing function to help us capture appropriate value across our product lines.

BUSINESS PRIORITIES

Short term

Consolidate the foundation established by the ABS Value Acceleration Programme ('VAP') to enable scalable growth.

Medium term

Accelerate growth and value creation across the global business through consistent commercial excellence.

Long term

Drive continuous improvement and embed operational excellence to strengthen relationships with current and potential customers.

Operating Review / ABS continued

12 months ended 30 June	Actual currency 2026 £m	2025 £m	Change %	Constant currency Change %
Revenue	**299.8**	307.7	**(3)**	(2)
Adj. operating profit pre-product development	**47.7**	42.1	**13**	12
Bovine product development expense	**(25.1)**	(23.1)	**9**	12
Adj. operating profit exc JV	**22.6**	19.1	**18**	13
Adj. operating profit inc JV	**22.9**	19.5	**17**	11
Adj. operating margin exc JV	**7.5%**	6.3%	**1.3pts**	0.9pts

In aggregate, dairy producers enjoyed a reasonably positive first half but saw margins fall in the second half due to declining global milk prices. Beef producers, meanwhile, enjoyed another very strong year with beef prices at or close to record highs due to continued tight supply dynamics.

Amidst this backdrop, ABS volume grew 1%. Sexed volume grew 2% modestly, beef volume increased 9% and conventional dairy volume decreased -5%. Due to the near-term profit differential between dairy and beef production, dairy farmers in some markets substituted sexed genetics for beef-on-dairy genetics to prioritise near-term beef production. This change in customer demand drove adverse product mix for ABS but is expected to stabilise once the relative profitability of dairy to beef production normalises.

ABS revenue decreased by 2% in constant currency but adjusted operating profit including JVs increased by 11%, a margin improvement of 0.9pts. Value Acceleration Programme ('VAP') initiatives were the primary driver of ABS's strong adjusted operating profit growth and contributed £9m of benefit in the year comprising £2m of annualised Phase 2 benefits and £7m of in-year Phase 3 benefits. Phase 3 initiatives are now expected to achieve £9m of total annualised benefit. Exceptional restructuring costs recognised in FY26 in relation to VAP activities were £8.2m.

The three phases of VAP have significantly strengthened ABS. The business is leaner, with a strong product portfolio, great customer relationships, an excellent reputation and a deep pool of talent. We now we expect to complete a number of smaller additional VAP workstreams through FY27 H1 as our focus increasingly shifts towards implementing commercial and operational excellence to accelerate growth and achieve our target of double-digit margins in the medium term. Commercial excellence encompasses salesforce effectiveness, customer segmentation, pricing and customer profitability. In our operations, we are implementing LEAN principles and will continue to drive efficiencies throughout the supply chain.

Spend on bovine product development increased 12% in constant currency predominantly due to higher bull depreciation and the impact of acquiring the minority interest in De Novo.

Helping India's Dairy Farmers Build a More Productive Future

Learn how ABS and the Government of Uttar Pradesh (UP) in India are working together to expand access to Sexcel® sexed semen genetics for dairy farmers in UP.

Scan QR code to read full testimonial

Volumes (m straws)

26.2m

2025: 25.9m **+1%**

Sexed volume growth

+2%

Revenue

£299.8m

2025: £307.7m **-3%**

Adjusted operating profit growth (constant currency)

+11%

Adjusted operating profit

£22.9m

2025: £19.5.m **+17%**