Chief Financial Officer's Review

Andy Russell
Chief Financial Officer

QUICK READ

- Record adjusted operating profit, up 17%
- Adjusted earnings per share up 35%
- Very strong free cash generation of £62.0m (FY25: £40.9m)
- Significant reduction in leverage, to 0.4x (30 June 2025: 1.5x)
- £60m return of capital announced
- Full-year dividend of 35.2 pence per ordinary share represents growth of 10%

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genusplc.com/investors

> **Our successful strategy and robust cash flow have further strengthened our balance sheet, allowing us to return £60m to shareholders.**

Andy Russell
Chief Financial Officer

I am pleased to address shareholders for the first time in the Annual Report as Chief Financial Officer. Jorgen has clearly set out Genus's strategic priorities, and we continue to make good progress against them. I look forward to playing a meaningful role in sustaining this momentum while supporting the delivery of long-term growth.

FY26 performance

In the year ended 30 June 2026, Group revenue fell 2% in actual currency (a 2% decrease in constant currency). Adjusted operating profit including joint ventures increased by 25% (21% in constant currency), reflecting broad-based growth from PIC, a £5.6m milestone receipt from BCA and significant adjusted operating profit improvement at ABS driven mainly by VAP initiatives. R&D investment decreased by 11% (8% in constant currency) as planned, reflecting continued focus on the alignment of R&D workstreams with Genus's strategic priorities.

Adjusted profit before tax of £100.2m increased 35% in actual currency (30% in constant currency), with interest expense decreasing from £18.8m to £15.8m (a 15% decrease in constant currency) primarily from lower average borrowings.

On a statutory basis, profit before tax was £310.5m (FY25: £28.5m). The adjusting items between the statutory and adjusted profit before tax had a significant impact this year predominantly due to a £204.1m gain recognised on the sale of our PIC China business and £12.8m increase (FY25: £13.3m decrease) in the non-cash IAS41 fair value of the Group's biological assets and net exceptional expenses of £5.8m (FY25: £11.4m net expense). The full reconciliation can be found further below. Basic earnings per share on a statutory basis were 431.6p (FY25: 29.3p) and adjusted earnings per share was 110.3p (FY25: 81.8p).

Exchange rate movements were a tailwind during the year with a translation benefit on Group profit of £3.5m compared with FY25 primarily driven by the Mexican Peso and Brazilian Real.

Revenue

Revenue decreased 2% in actual currency (a 2% decrease in constant currency) at £658.1m (FY25: £672.8m). PIC's revenue decreased by 2% (a 2% decrease in constant currency), with strategically important royalty revenue increasing by 1% in constant currency. In ABS, revenue decreased by 3% (a 2% decrease in constant currency) and sexed revenue increased 1% in constant currency. The primary driver of sexed performance in the second half was dairy farmer volume substitution from sexed to beef-on-dairy as a result of low global milk prices relative to high global beef prices.

Group revenue
£658.1m
2025: £672.8m **-2%**

Adjusted profit before tax
£100.2m
2025: £74.3m **+35%**

Adjusted earnings per share
110.3p
2025: 81.8p **+35%**

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Year ended 30 June	Adjusted results[1] Actual currency 2026 £m	2025 £m	Change %	Constant currency change %[2]	Statutory results Actual currency 2026 £m	2025 £m	Change %
Revenue	**658.1**	672.8	(2)	(2)	**658.1**	672.8	(2)
Operating profit	**94.8**	81.1	17	14	**87.3**	42.4	106
Operating profit inc JVs	**116.0**	93.1	25	21			
Profit before tax	**100.2**	74.3	35	30	**310.5**	28.5	989
Net cash flows from operating activities	**109.5**	106.2	3	n/m[3]	**108.8**	106.7	2
Free cash flow[1]	**62.0**	40.9	52	n/m[3]			
Basic earnings per share (pence)	**110.3**	81.8	35	30	**431.6**	29.3	1373
Dividend per share (pence)					**35.2**	32.0	10

1 Includes share of adjusted pre-tax profits of joint ventures and removes share of adjusted profits of non-controlling interests.
2 Prior year period restated. Please see note 1 of the notes to the condensed set of Financial Statements changes of reportable segments.
3 n/m = not meaningful.

Adjusted operating profit including JVs[1]

Year ended 30 June Adjusted profit before tax[1]	Actual currency 2026 £m	2025[2] £m	Change %	Constant currency change %
Genus PIC	**130.8**	111.9	17	16
Genus ABS	**22.9**	19.5	17	11
R&D	**(14.7)**	(16.5)	11	8
Central costs	**(23.0)**	(21.8)	(5)	(7)
Adjusted operating profit inc JVs	**116.0**	93.1	25	21
Net finance costs	**(15.8)**	(18.8)	15	15
Adjusted profit before tax	**100.2**	74.3	35	30

1 Includes share of adjusted pre-tax profits of joint ventures and removes share of adjusted profits of non-controlling interests.

Adjusted operating profit including joint ventures was £116.0m (FY25: £93.1m), a 21% increase in constant currency. PIC's adjusted operating profit including joint ventures increased by 16% in constant currency with growth in LATAM, Europe and Asia partially offset by modestly lower profit in NAM due to customer and multiplier health challenges. Underlying PRP spend increased in the year due to increased pre-commercialisation activity but this was more than offset by the receipt of a £5.6m milestone payment from the Group's Chinese partner, BCA. ABS's adjusted operating profit increased by 11% in constant currency driven by VAP initiatives that delivered £9.0m of benefit in the year. Investment in R&D decreased by 8% in constant currency, as planned, reflecting continued focus on the alignment of R&D workstreams with Genus's strategic priorities, and central costs increased £1.2m. The Group's share of adjusted joint venture operating profit, primarily from our Brazilian joint venture with Agroceres, was significantly higher than the prior year at £21.2m (FY25: £12.0m).

Net finance costs

Net finance costs decreased to £15.8m (FY25: £18.3m), due to a favourable interest rate variance of £0.9m, resulting from a reduction in average interest rates to 5.86% (2025: 6.26%) and a favourable average borrowings variance of £1.3m due to a decrease in average borrowings during the year to £221.1m (FY25: £243.6m). IFRS 16 finance lease interest decreased by £0.6m to £1.8m (2025: £2.4m), primarily due to the reduction in group lease liabilities, arising from the disposal of a majority interest in PIC China in January 2026.

Amortisation costs in the year were £0.9m (2025: £0.9m) and within other interest there discount interest unwind on the Group's pension liabilities and put options totalling £0.4m (2025: £0.4m). Net foreign interest in the year was an income of £0.3m (2025: income of £0.1m).

Statutory profit before tax

Statutory profit before tax was £310.5m (2025: £28.5m), increased significantly year on year with a gain of £204.1m from the 51% disposal of PIC China to form a strategic joint venture, higher adjusted profit performance, increase in biological asset value and lower net exceptional expenses.

The Group's net IAS 41 valuation of biological assets comprised a £14.5m increase (FY25: £1.7m reduction) in porcine biological assets, with percentagean increase in retained interest benefitting from large customer restocking's after health breaks being partially offset by an increase in risk adjusted discount rate, and a £1.3m reduction (FY25: £11.6m reduction) in bovine biological assets, reflecting an increase in the risk adjusted discount rate and lower estimates, based on market data, of the semen sales price attributable to the biological asset value sales estimates being partially offset by lower production costs. Share-based payment expense was £10.4m (FY25: £6.9m).

These reconciling items are primarily non-cash, can be volatile and do not correlate to the underlying trading performance in the year.

The table below reconciles adjusted profit before tax to statutory profit before tax:

	2026 £m	2025 £m
Adjusted profit before tax	**100.2**	74.3
Operating loss attributable to non-controlling interest	**0.2**	–
Net IAS 41 valuation movement on biological assets in JVs and associates	**24.3**	(0.9)
Tax on JVs and associates	**(11.0)**	(2.0)
Adjusting items:		
Net IAS 41 valuation movement on biological assets	**12.8**	(13.3)
Amortisation of acquired intangible assets	**(4.1)**	(5.6)
Impairment of goodwill	**–**	(1.5)
Share-based payment expense	**(10.4)**	(6.9)
Other gains and losses	**204.3**	(4.2)
Exceptional items	**(5.8)**	(11.4)
Statutory profit before tax	**310.5**	28.5

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Exceptional items

There was a £5.8m net exceptional expense in FY26 (FY25: £11.4m net expense). As part of ABS's VAP, significant one-off expenses of £8.2m were recognised in relation to staff redundancies and consultancy fees. Outside of VAP, a pension credit of £2.7m was recognised during the year as well £0.3m of exceptional cost in relation to litigation expenses.

Taxation

The statutory profit tax charge for the year was £36.0m (FY25: £11.2m) including the Group's share of income tax of equity accounted investees. This represented an effective tax rate (ETR) of 11.2% (2025: 36.7%). The decrease in the statutory ETR of 25.5 points was principally driven by the non-taxable gain recognised on the formation of the PIC China joint venture, which qualifies for exemption under the UK's Substantial Shareholding Exemption regime. The rate was also favourably impacted by the recognition of a deferred tax asset in respect of corporate interest restriction amounts following the reduction in Group debt and the resulting improvement in forecast interest capacity utilisation.

The adjusted profit tax charge for the year of £27.3m (2025: £20.4m) represents an ETR on adjusted profits of 27.2% (2025: 27.5%). The Group adjusted ETR of 27.2% is higher than the UK statutory rate of 25%, primarily due to the jurisdictional mix of profits, with a greater share of taxable income arising in territories with tax rates above the Group average. The expected adjusted profit for the Group in FY27 is in the range of 26–28%.

Earnings per share

Adjusted basic earnings per share increased by 35% (30% in constant currency) to 110.3 pence (FY25: 81.8 pence). Basic earnings per share on a statutory basis was 431.6 pence (FY25: 29.3 pence), taking into account the factors noted in the reconciliation between adjusted and statutory profit before tax.

Biological assets

A feature of the Group's net assets is its substantial investment in biological assets, which under IAS 41 are stated at fair value. At 30 June 2026, the carrying value of biological assets was £270.6m (2025: £268.3m), as set out in the table above.

The movement in the overall balance sheet carrying value of biological assets of £2.3m includes the effect of an exchange rate translation increase of £5.7m. Excluding the translation effect there was a net fair value impact of:

- a £0.3m decrease in the carrying value of porcine biological assets, with the deconsolidation of the biological assets held in PIC China business and an increase in the risk adjusted discount rate being partially offset by an increase in a retained interest benefitting from large customer restocking's after health breaks; and
- a £3.1m decrease in the bovine biological assets carrying value, primarily reflecting an increase in the risk adjusted discount rate and lower estimates, based on market data, of the semen sales price attributable to the biological asset value sales estimates being partially offset by lower production costs.

The historical cost of these assets, less depreciation, was £81.8m at 30 June 2026 (2025: £82.8m), which is the basis used for the adjusted results. The historical cost depreciation of these assets included in adjusted results was £19.0m (FY25: £16.4m).

As at 30 June	2026 £m	2025 £m
Non-current assets	**218.7**	219.0
Current assets	**35.9**	34.7
Inventory	**16.0**	14.6
	270.6	268.3
Represented by:		209.3
Porcine	**212.8**	59.0
Dairy and beef	**57.8**	268.3

Retirement benefit obligations

The Group's net retirement benefit obligations at 30 June 2026 were £4.4m (2025: £6.9m) before tax and £3.3m (2025: £5.7m) net of related deferred tax. The largest element of this liability now relates to some legacy unfunded pension commitments dating prior to Genus's acquisition of PIC. Pension liabilities are stated net of a £2.7m surplus (2025: Nil) in the Dalgety Pension Fund which was recognised during the year, following a decision by the Trustee of the fund to return any surplus assets to the Principal employer during the course of winding-up the scheme. Receipt of this surplus from the Trustee, net of any applicable tax withholding, is expected in the third quarter of 2026.

Robust investment strategies mean our two main defined benefit obligation schemes have remained in sound financial positions. Prior to any IFRIC 14 amendments, both the Dalgety Pension Fund ("DPF") and our share of the Milk Pension Fund reported IAS 19 surpluses. Formal notice to wind-up the DPF was given by the scheme's sponsoring employers on 13 February 2025, as all member benefits have now been secured with insurance companies, following the completion of the GMP equalisation exercise. Wind-up is expected to complete in the last quarter of 2026.

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Cash flow

Adjusted cash from operating activities of £109.5 (FY25: £106.2m), was driven by strong growth in adjusted EBITDA, which reached £130.9m (FY25: £119.8m). This was partially offset by a working capital outflow of £10.8m (FY25: £11.3m inflow) primarily due to phasing of receivables and performance-related pay accruals, with FY25 also benefitting from implementation of enhanced inventory management within the ABS business.

Biological assets and net capital expenditures were stable during the year supporting a strong cash conversion of 94% (FY25: 114%). This metric remains well in excess of our annual target for cash flow conversion of at least 70%, which we also expect to exceed in this coming year.

Free cash flow, including lease repayments, totalled £62.0 (FY25: £40.9m) and was a new record for the company.

Year ended 30 June	2026 £m	2025 £m
Adjusted EBITDA	**130.9**	119.8
Cash received from joint ventures	**16.1**	6.1
Working capital	**(10.8)**	11.3
Biological assets	**1.9**	1.3
Net capital expenditure	**(16.0)**	(18.2)
Lease repayments	**(12.6)**	(14.1)
Adjusted cash from operating activities	**109.5**	106.2
Cash conversion %	**94%**	114%
Exceptional items	**(12.5)**	(24.2)
Pension contributions, provisions & other	**(0.6)**	(1.6)
Interest and tax paid	**(34.4)**	(39.5)
Free cash flow inc. lease repayments	**62.0**	40.9
PIC China 51% disposal net of withholding tax	**97.7**	–
Acquisitions, investments & net JV loans	**–**	(4.3)
Dividends	**(21.7)**	(21.1)
Net cash flow before non-lease debt repayments	**138.0**	15.5

Credit facilities and net debt

At 30 June 2026, Genus had headroom of £263.8m in its combined facilities (2025: £119.4m).

The Group's Facilities Agreement comprises a £220m multi-currency revolving credit facility ('RCF') and a USD 150 million RCF. On 3 June 2026 the Company exercised an option to extend the facility maturation date by one year to 9 June 2030. A second option, with an exercise date of one month prior to 10 June 2027, exists to extend the maturity date by a further year. The facility also includes an uncommitted £100m accordion feature for future business development opportunities. In addition, the Company has c. £13m of bilateral facilities in support of its GBP, EUR, and USD pooling arrangements.

Net debt decreased substantially to £71.8m at 30 June 2026 (2025: £228.2m), supported by strong free cash flow of £62.0m, net cash proceeds of £97.7m from the 51% sale of PIC China into a strategic porcine joint venture with BCA, after withholding taxes, deal costs and cash retained within the joint venture. Net debt also benefited from the disposal of £16.4m of PIC China leases to the joint venture. This was partly offset by dividend payments of £21.7m.

The ratio of Group net debt to adjusted EBITDA, as calculated under our financing facilities, also decreased substantially to 0.4 times at 30 June 2026 (2025: 1.5 times) with interest cover at 12 times (2025: 8 times).

Return on adjusted invested capital

In FY26, Group return on adjusted invested capital ('ROIC'), as defined in the alternative performance measures glossary, increased to 18.4% (FY25: 15.0% restated). This was predominantly driven by the strong profit performance, with adjusted operating profit including joint ventures after tax increasing to £84.4m (FY25: £67.5m), while adjusted invested capital was stable at £458.13m (FY25: £448.6m restated). FY25 ROIC has been restated to remove biological asset fair value uplifts in Joint Ventures.

Dividend and additional return of capital

The Board is recommending a final dividend of 24.0 pence per ordinary share representing growth of 11% on the prior year. When combined with the interim dividend, the total full-year dividend of 35.2 pence per ordinary share represents growth of 10% (FY25: 32.0 pence per share). The full-year dividend of 35.2 pence per share corresponds to a 32% payout of adjusted earnings per share which is consistent with the Group's targeted payout range of 30% to 40% as described in the Group's interim results statement published in February 2026.

It is proposed that the final dividend will be paid on 4 December 2026 to the shareholders on the register at the close of business on 13 November 2026.

In addition to the Group's ordinary dividend, and in accordance with the Group's capital allocation framework, the Board has announced the return of an additional £60m to shareholders. The Group intends to return this additional capital via a share buyback programme to be executed through FY27.