

Preliminary Results

Year ended 30 June 2020



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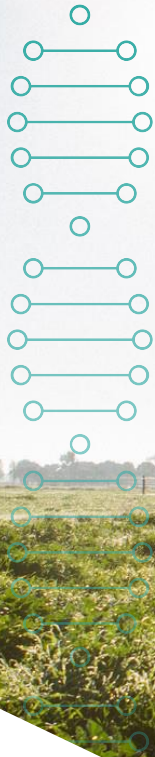
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> Introduction



Bob Lawson
Chairman



> Strong performance and strategic progress



RECORD PERFORMANCE

Adjusted profit before tax up

16%

(22% in constant currency)

CONTINUED STRATEGIC MOMENTUM

- > Strong performance in extraordinary times
- > Resilient operations, supporting our customers
- > Leading product position in all our species

IAIN FERGUSON APPOINTED AS NON-EXEC
DIRECTOR, CHAIRMAN DESIGNATE

FULL YEAR DIVIDEND

29.1P

(5% increase)

> Financial Results



Alison Henriksen
Chief Financial Officer



> Strong financial performance



REVENUE £551.4M

+13%

ADJ. PROFIT BEFORE TAX £71.0M

+22%

OPERATING CASH CONVERSION

127%

ADJ. OP. PROFIT EXC. GENE EDITING £81.2M

+17%

ADJ. EARNINGS PER SHARE 85.4P

+23%

NET DEBT : EBITDA

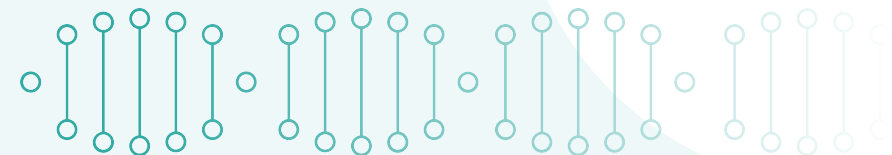
0.9x

Growth rates quoted are adjusted results including joint ventures and in constant currency
Net Debt to EBITDA is as defined under our debt facility agreement

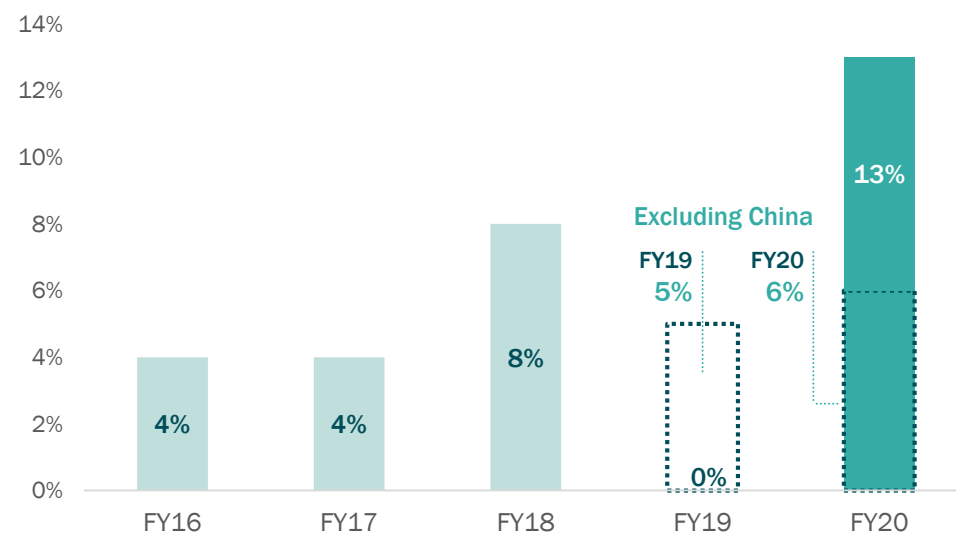


> Volume growth

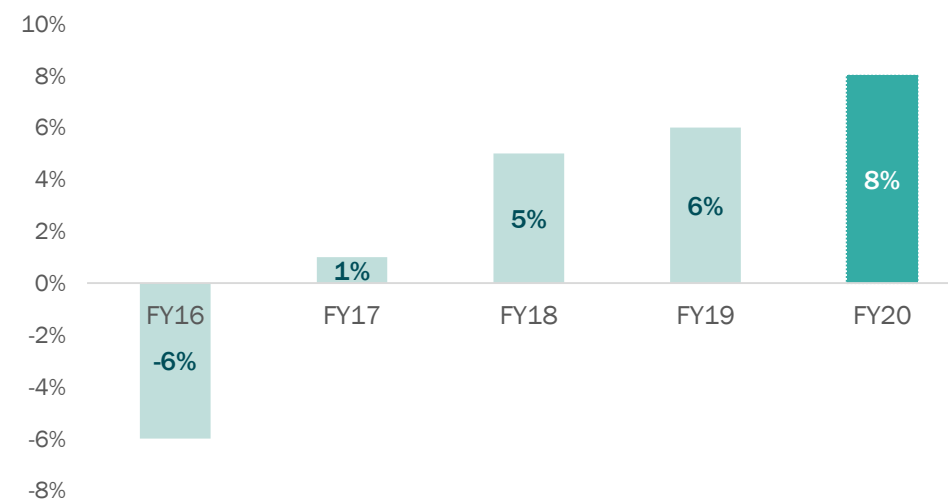
Year ended 30 June 2020



Genus PIC Volume growth (%)



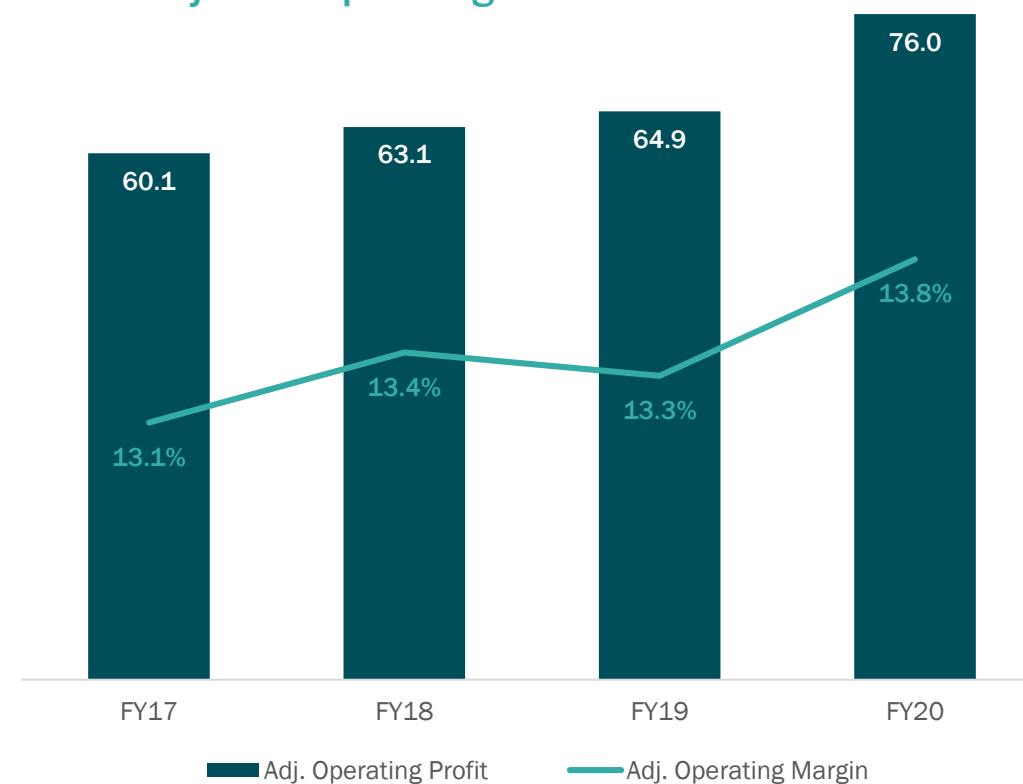
Genus ABS Volume growth (%)



> Genus adjusted operating profit performance

£m	FY20	FY19	% Change Actual	% Change Constant
Genus PIC	124.3	100.6	24%	25%
Genus ABS	32.5	29.9	9%	12%
Operating units	156.8	130.5	20%	22%
R&D	(65.2)	(54.7)	(19%)	(17%)
Central	(15.6)	(10.9)	(43%)	(41%)
Adj. Operating Profit ¹	76.0	64.9	17%	22%
Adj. Operating Profit exc. gene editing ²	81.2	72.2	12%	17%

Genus Adjusted Operating Profit £m¹



(1) Operating profit and Operating Margin represents adjusted operating results including joint ventures
 (2) Gene editing costs relating to PRRSv resistance programme and other gene editing initiatives

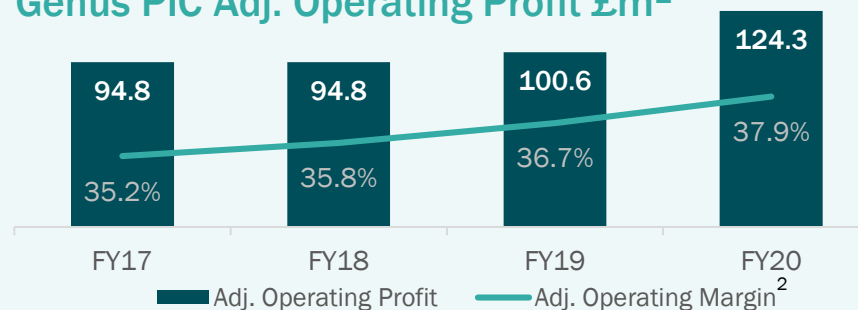
> Genus PIC



ADJUSTED
OPERATING PROFIT¹

+25%

Genus PIC Adj. Operating Profit £m¹



ROYALTY REVENUE

+11%

NORTH AMERICA

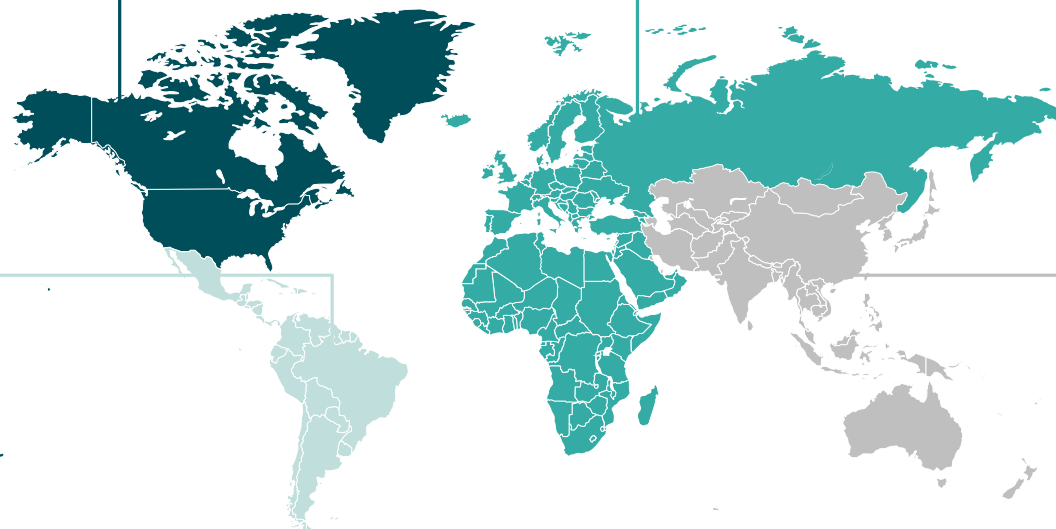
0%

- > Market share gains; COVID-19 related pork processing plant closures in 2H, and some customer credits

LATIN AMERICA

+23%

- > Strong growth in Brazil and all other major countries, 9% royalty revenue growth



EMEA

+27%

- > Strong growth in Russia, Spain and Germany; key account focus; Mollevang & Hermitage leverage

ASIA

+225%

- > +50% royalty revenue growth; Sharp increase in China customer breeding projects following ASF

1. Adjusted operating profit including joint ventures

2. Adjusted operating margin excluding joint ventures

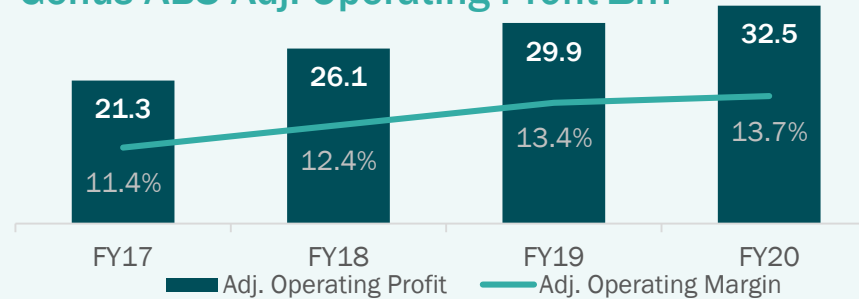
Note: All % changes are in constant currency and represent adjusted operating profit growth unless otherwise stated

> Genus ABS



ADJUSTED
OPERATING PROFIT
+12%

Genus ABS Adj. Operating Profit £m



SEXED VOLUME

+47%

BEEF VOLUME

+17%

NORTH AMERICA

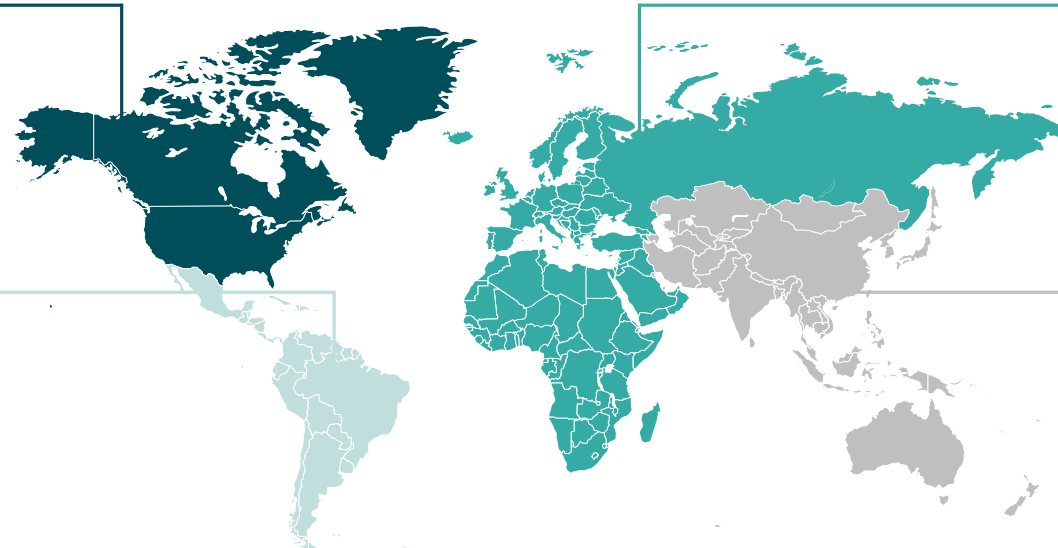
+12%

- > Share gains through strong sexed and beef-on-dairy volume growth
- > Key account traction

LATIN AMERICA

+35%

- > Brazil & Argentina strong
- > Innovative digital sales campaigns



EMEA

0%

- > Strong sexed volume growth
- > COVID-19 lockdown impact in H2, particularly France & Italy

ASIA

+59%

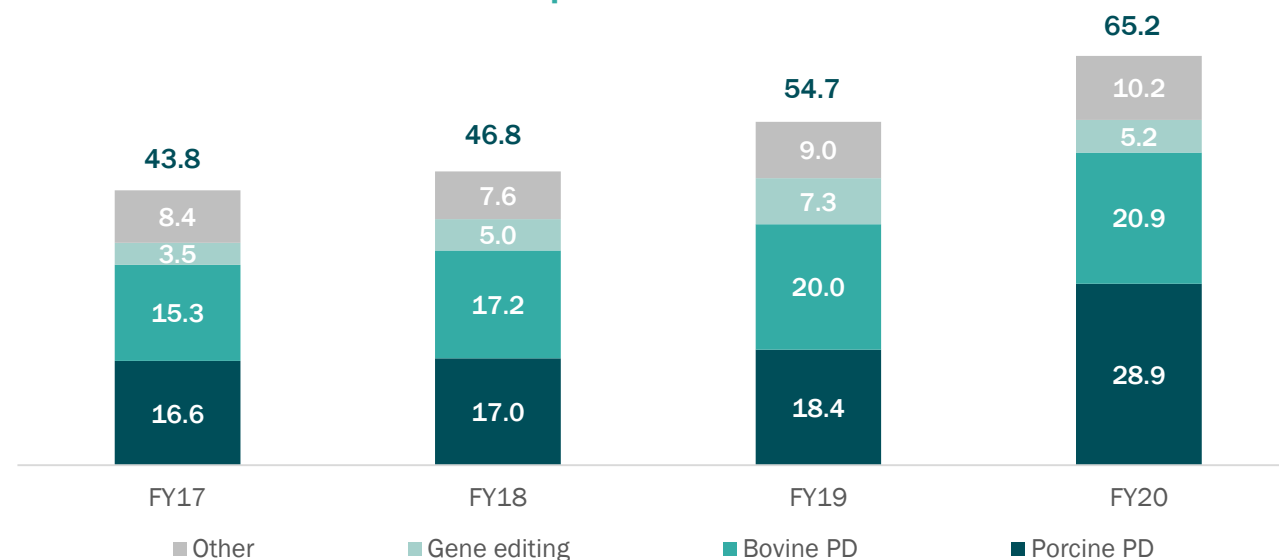
- > Strong growth in China
- > High India growth through IntelliGen

> Genus R&D



R&D

Net Research and Development¹ £m



PORCINE PRODUCT DEVELOPMENT UP

55%

- > Large investment to expand elite nucleus herds
- > One-off costs of £4.4m; farm closure and by-product margins

GENE EDITING INVESTMENT UP

14%

- 30% including BCA income
- > £3.2m profit recognized on first BCA milestone payment²

BOVINE PRODUCT DEVELOPMENT UP

2%

- > Industry leading Holstein portfolio & proprietary NuEra beef genetics
- > IntelliGen capacity expansion and performance improvement

OTHER RESEARCH AND DEVELOPMENT UP

10%

- > Bioinformatics, genome science and external discovery collaborations

(1) Less non-controlling Interest

(2) Profit from the partial revenue recognition net of costs from the first BCA milestone payment of \$7.0m

Note: All % changes are in constant currency and positive percentages indicate increased investment expense

> Statutory income



	FY20 £m	FY19 £m	Change £m
Adjusted operating profit exc JV	65.3	57.7	7.6
Net IAS 41 valuation movement	15.8	(14.7)	30.5
Amortisation of acquired intangible assets	(8.5)	(9.5)	1.0
Share-based payments	(5.8)	(3.0)	(2.8)
Exceptional items			
- Litigation and damages	(16.4)	(5.0)	(11.4)
- Pension GMP equalisation and other	(2.8)	(16.8)	14.0
Operating profit	47.6	8.7	38.9
Share of post-tax profit of JVs	8.9	5.1	3.8
Net finance costs	(5.0)	(3.9)	(1.1)
Profit before tax	51.5	9.9	41.6
Taxation	(10.6)	(3.2)	(7.4)
Profit after tax	40.9	6.7	34.2



> Strong financial position

£m



CASH CONVERSION

127%

115% exc. IFRS 16³ (FY19: 84%)

New credit facility

- > Completed 24 August 2020
- > 8 syndicate banks
- > £150m multi-currency RCF, USD125m RCF and USD20m bond facility
- > £100m optional accordion
- > 3 years, +1 +1 year extension options

Headroom






- > £125m headroom at 30 June 2020

Dividend cover 2.9x

(FY19:2.6x)

(1) Impact on net debt from the adoption of IFRS 16; 1st July 2019: £26.6m, 30th June 2020: £24.7m
 (2) Net Debt to EBITDA as defined under our debt facility agreement, adjusted for the impact of IFRS 16 adoption
 (3) Excluding the impact of IFRS 16 adoption

> Strong performance vs. medium term objectives

Objective	Medium Term Target	FY20
 Grow adjusted operating profit	10% CAGR <i>constant currency, ex. gene editing</i>	17%
 Convert profit to cash	90%+ cash conversion <i>net cash from operations : operating profit ex. JVs</i>	127%¹
 Strengthen our capabilities	Invest in our R&D technology platform, people, IT and supply chain	£119m²
 Maintain a strong balance sheet	1.0x – 2.0x³ Net Debt : EBITDA	0.9x Net Debt : EBITDA
 Deliver shareholder returns	Sustain a progressive dividend policy of 2.5x – 3.0x adjusted earnings coverage	29.1p dividend 5% growth; 2.9x adjusted earnings coverage

(1) 115% excluding the impact of IFRS 16 adoption

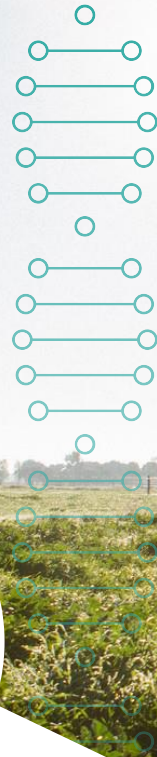
(2) Represents investments made in Research and Development, capital expenditures, acquisitions and other investing activities during the period

(3) Net Debt to EBITDA as defined under our debt facility agreement

> Strategic Update



Stephen Wilson
Chief Executive



> Good strategic progress in challenging times



RESILIENT OPERATIONS

- > COVID-19 impacting animal protein demand and supply
- > Our businesses resilient and benefiting from global presence

LEADING IN GENETICS

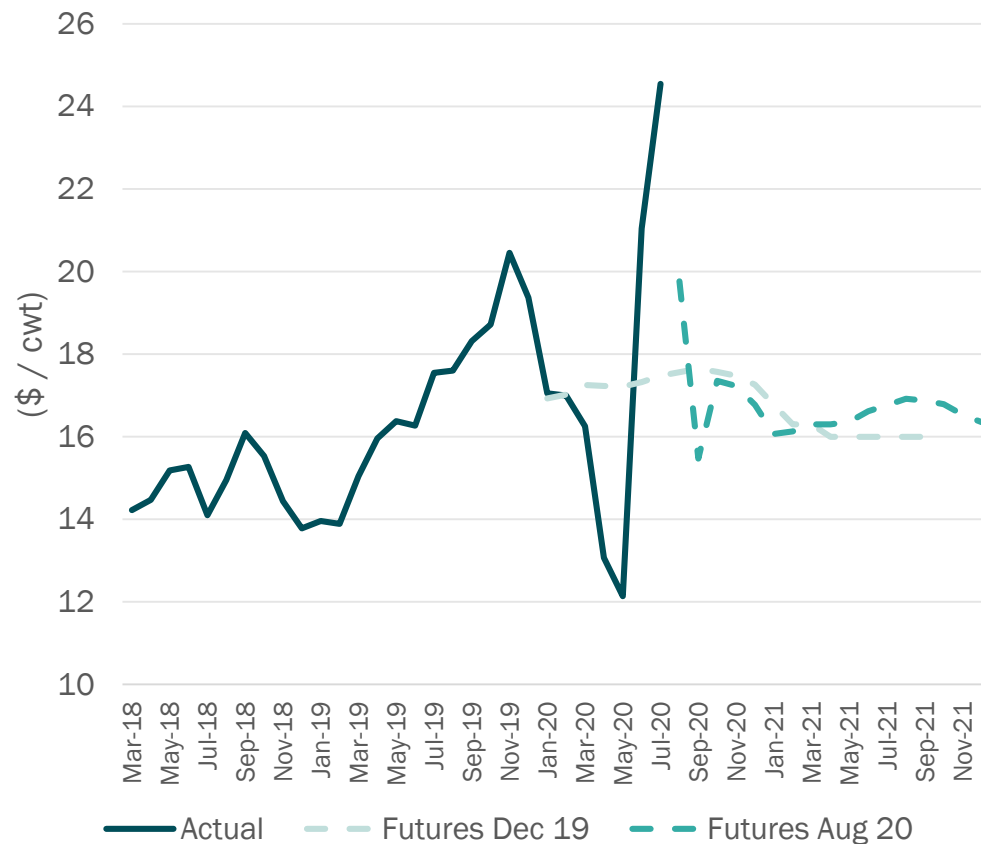
- > Extending our lead in porcine
- > Strong demand for our superior sexed dairy genetics
- > Demonstrating differentiated value proposition from beef on dairy trials

INVESTING IN OUR FUTURE

- > People, technology, facilities and systems

> COVID-19 has caused unprecedented market volatility for our customers

US Milk Price



US Lean Hog Price



> COVID-19 has impacted the US pork industry



> Market situation and outlook

Animal protein



DEMAND



Demand impacted by foodservice and trade; China pork resilient (ASF)



SUPPLY CHAIN



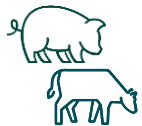
Severe US processor disruption in Q2, stabilizing but backlog remains



PRICES



Protein prices impacted by COVID-19, China pork outperforming (ASF)



ON FARM



Testing conditions in H2 due to COVID-19 people/supply disruptions, volatility

FY21 OUTLOOK >>

Demand uncertainty likely to impact production

Genus



Demand for genetic improvement resilient; some mix shift



Employee safety prioritized; supply chain fully operational



Margins maintained, resilience through porcine royalty model



Genus supporting customers despite COVID-19 lockdowns

Market share gains and global presence offset market headwinds

> Benefiting from our global presence

FY20 Operating Profit growth by business¹



RUSSIA

+24%



+114%



BRAZIL

+56%



+40%



CHINA

>800%



+94%



INDIA

>300%



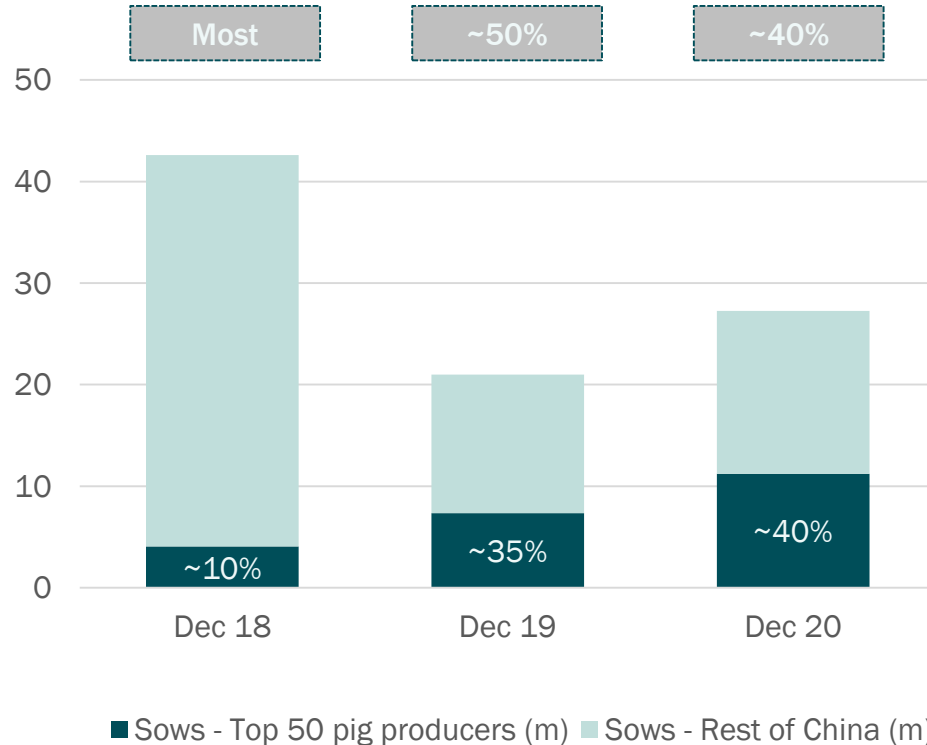
(1) Represents FY20 growth in adjusted operating profit including joint ventures in constant currency for PIC and ABS respectively

> Expanding our supply chain to meet growing demand in China

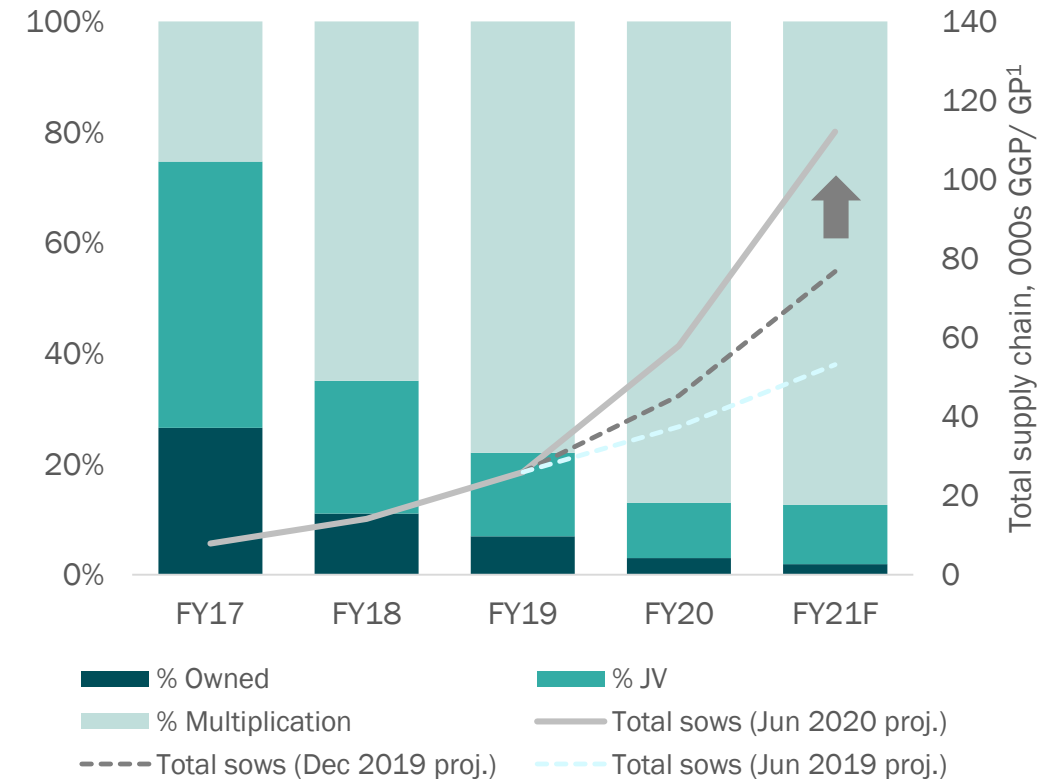


ASF is accelerating the shift to large scale pig production in China

% of sow herd consisting of breeding sows



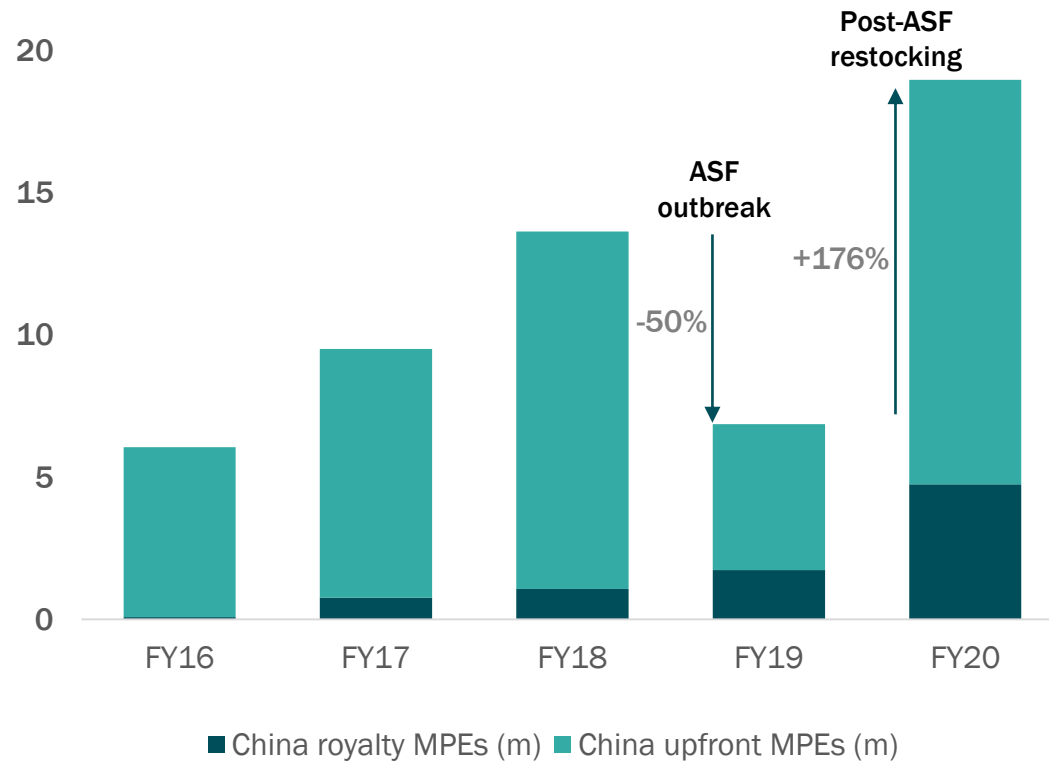
We have accelerated the expansion of our supply chain in China to meet demand



> Growing our business with large scale producers in China



PIC China MPEs



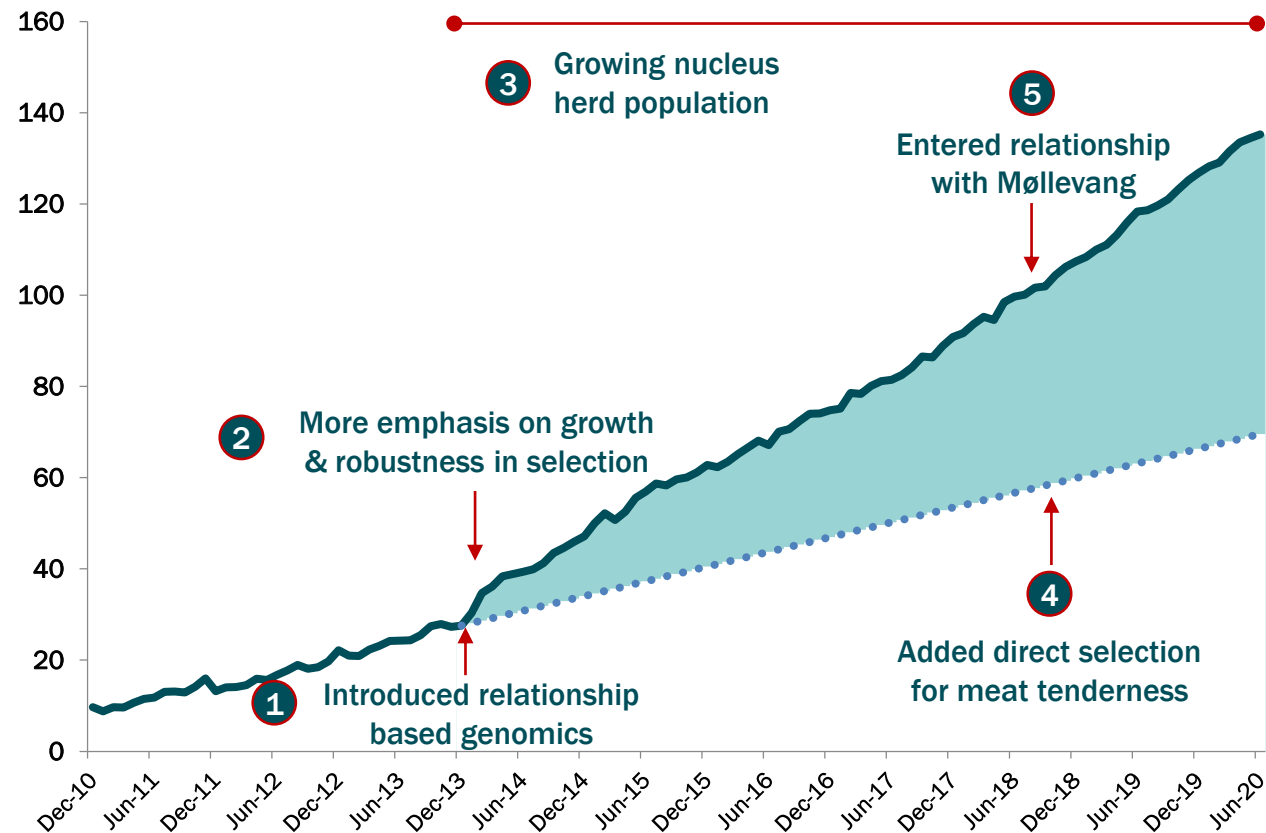
- > Supporting the expansion of existing customers
- > Winning new large scale customers
- > Royalties now 25% of volumes
- > Stocked first BCA farm under BCA-PIC genetic distribution agreement¹
- > Growing talent base to support customer growth

(1) Under BCA-PIC genetic distribution agreement signed October 2019

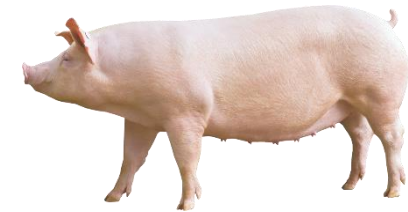
> Extending our genetic lead in porcine



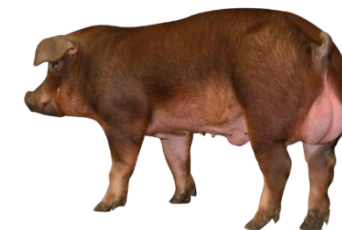
PIC Genetic Index – accelerating genetic gain



Best in class portfolio



Camborough sow
(Maternal)

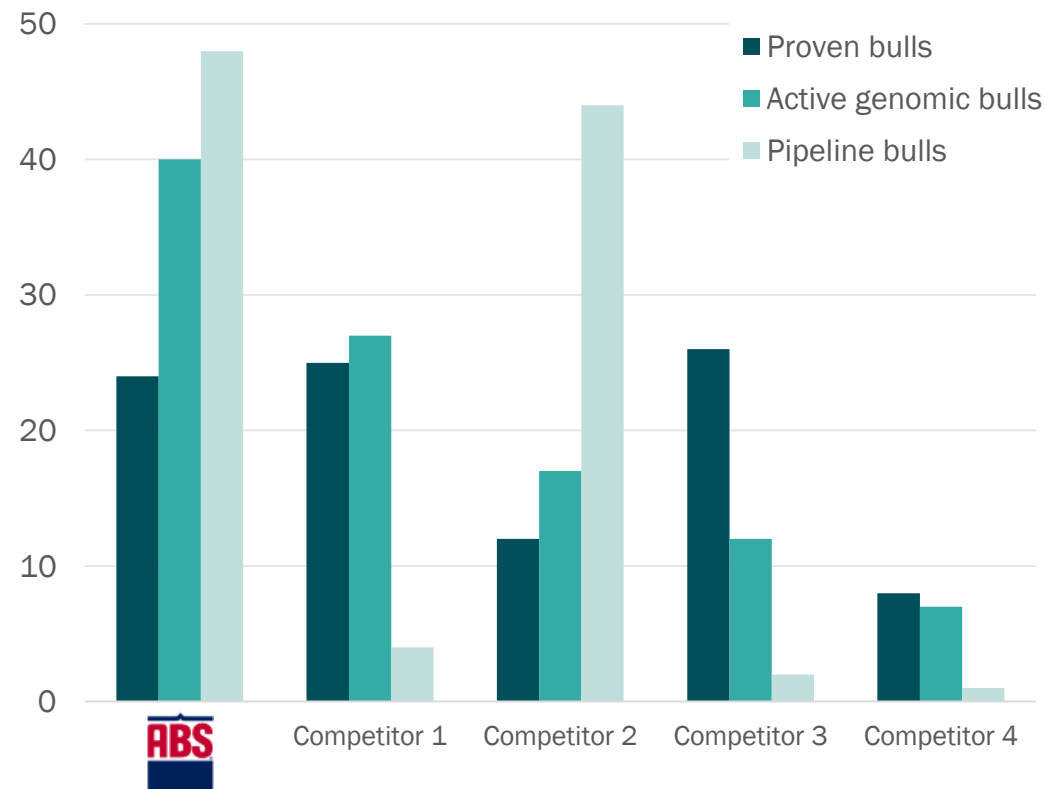


PIC800 sire
(Terminal)

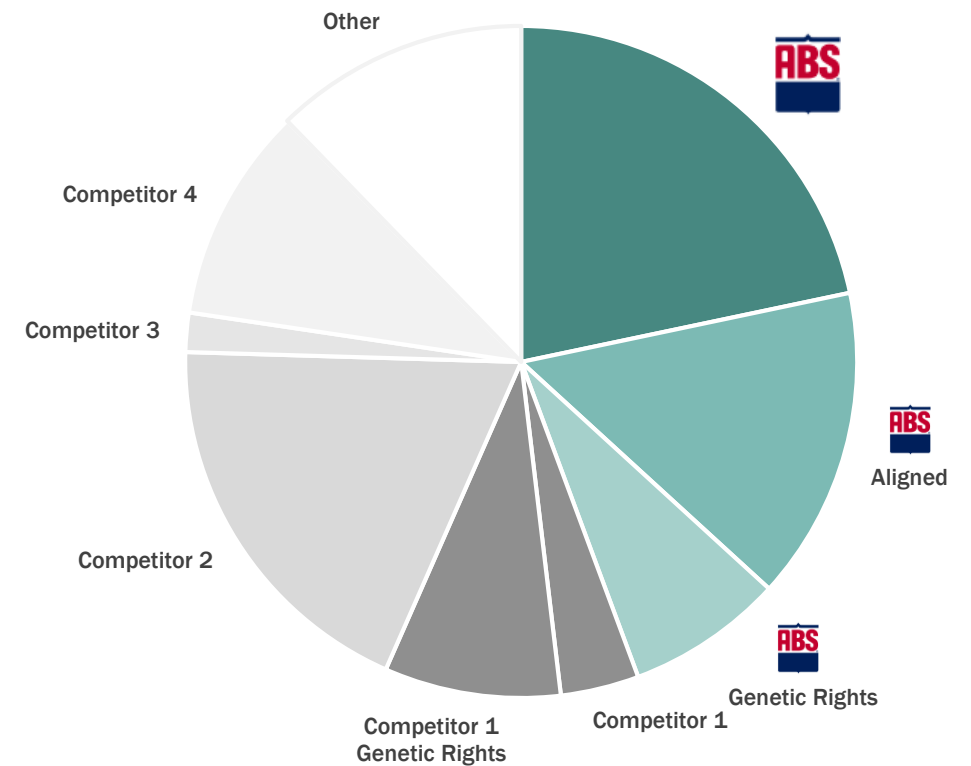
> Sustained leadership in dairy genetics



of Top 100 NM\$ bulls¹



of Top 100 NM\$ females²

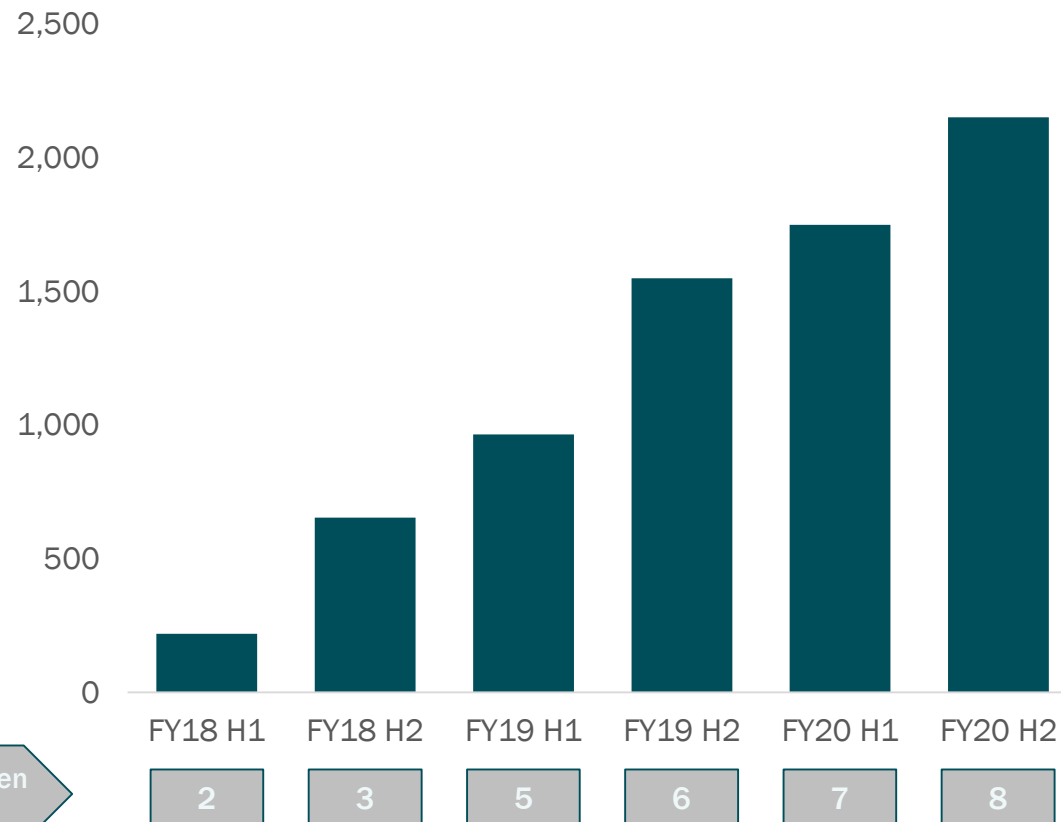


1. Proven and genomic analysis based on Top 100 Holsteins (using data from August 2020 from CDCB); Top 100 Holsteins are reviewed and amended in April, August and December of each year; pipeline bulls includes all genomic bulls including non-active young bulls that are not yet producing semen, but have been genetically assessed; NM\$ refers to Net Merit Dollar rankings; a considerable majority of ABS unit sales is from the sale of units outside the Top 100; not all competitors are included
2. Same basis as above; represents females of all ages

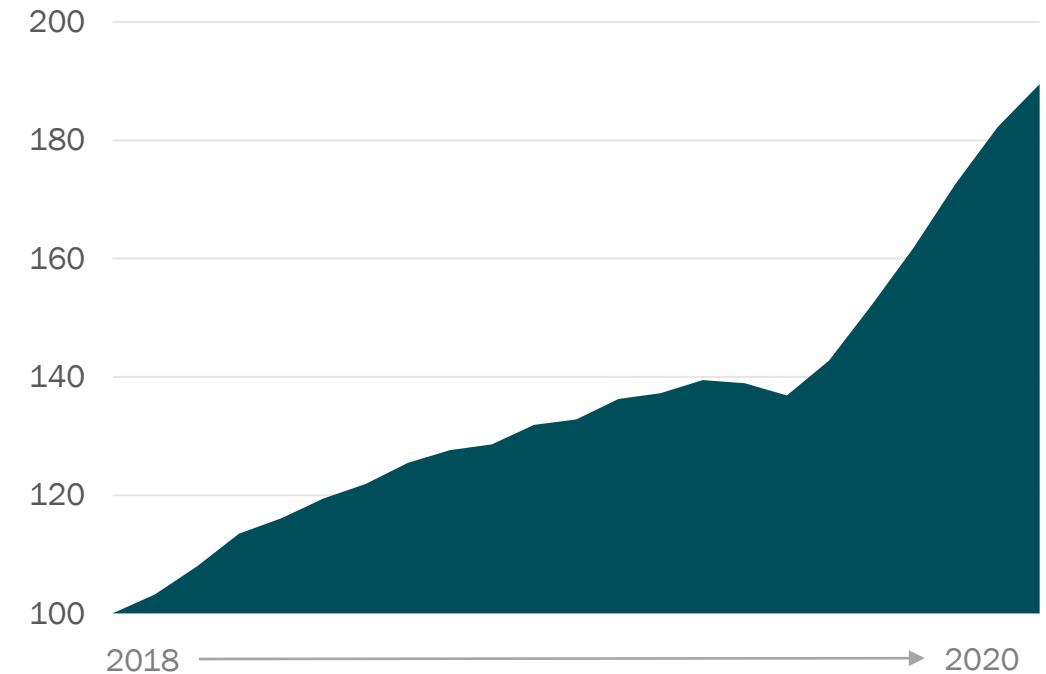
> Growing global demand for our sexed genetics and improving our technology



Total Sexcel/IntelliGen sales units (000s)¹



Index of units per instrument, per day²



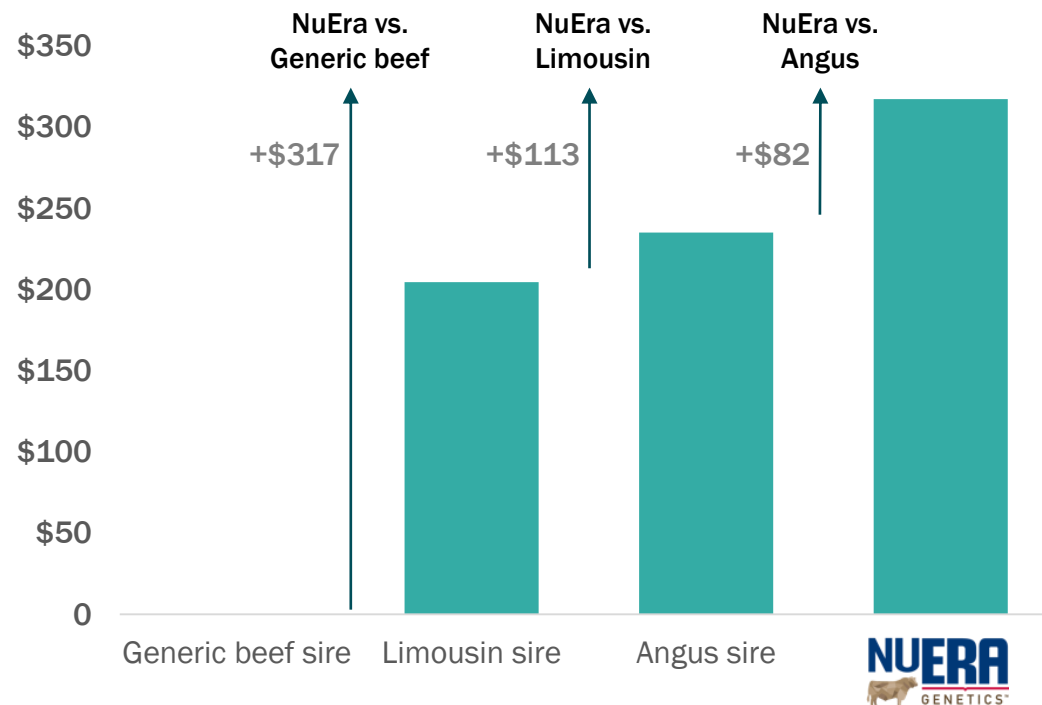
(1) Represents Sexcel sales volumes plus units sexed for third parties or by third parties under a technology licence from Genus

(2) Based on actual production metrics at IntelliGen Pepsi Way facility; data represents six month rolling average indexed at 100 from 2018

> Demonstrating the value of our superior NuEra beef genetics through competitive trials



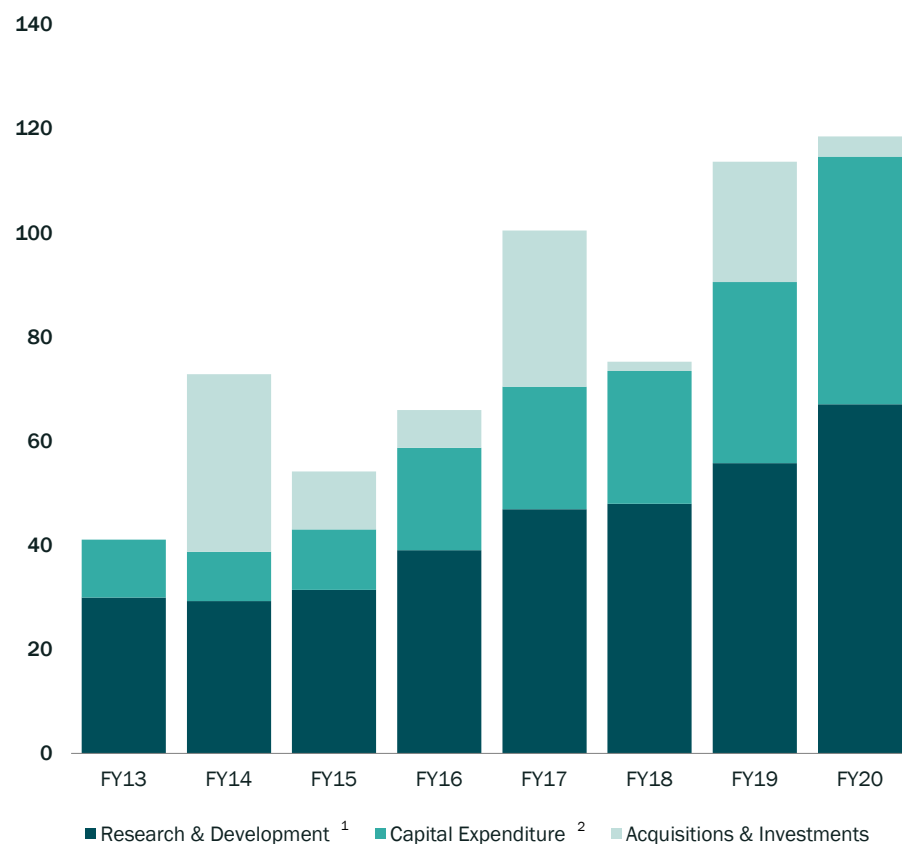
Profit advantage per beef on dairy calf bred with NuEra genetics¹



1. Represents total additional economic value of beef of dairy calves from different sires compared with generic beef on dairy cattle. Economics measured on 470 head trial taking into account growth rates, carcass values and feed conversion rates; trial held at leading US feedlot under controlled conditions

> Investing in Genus's future

Investing to strengthen our position (£m)

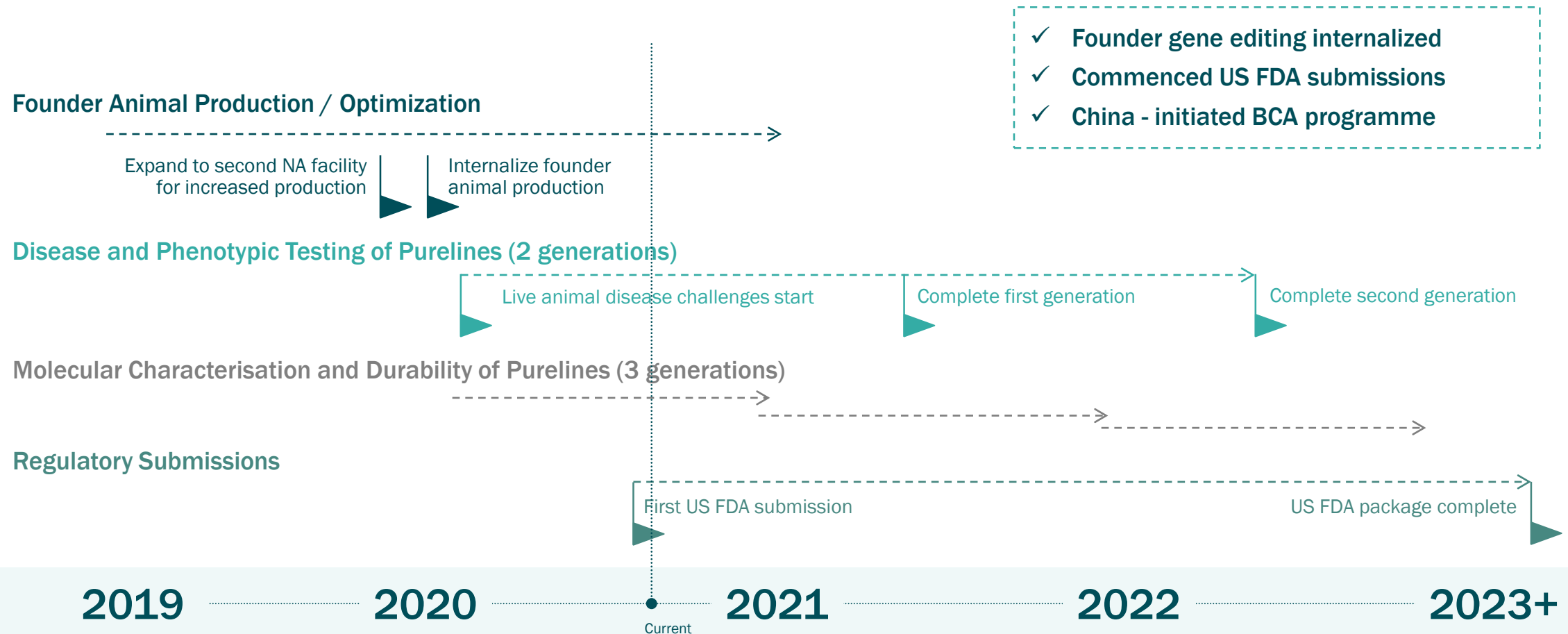


(1) Includes IntelliGen capitalised development cost

(2) Includes biological asset cash movements and finance lease payments



> PRRSv resistance programme progressing



> Investing in talent, protecting our people



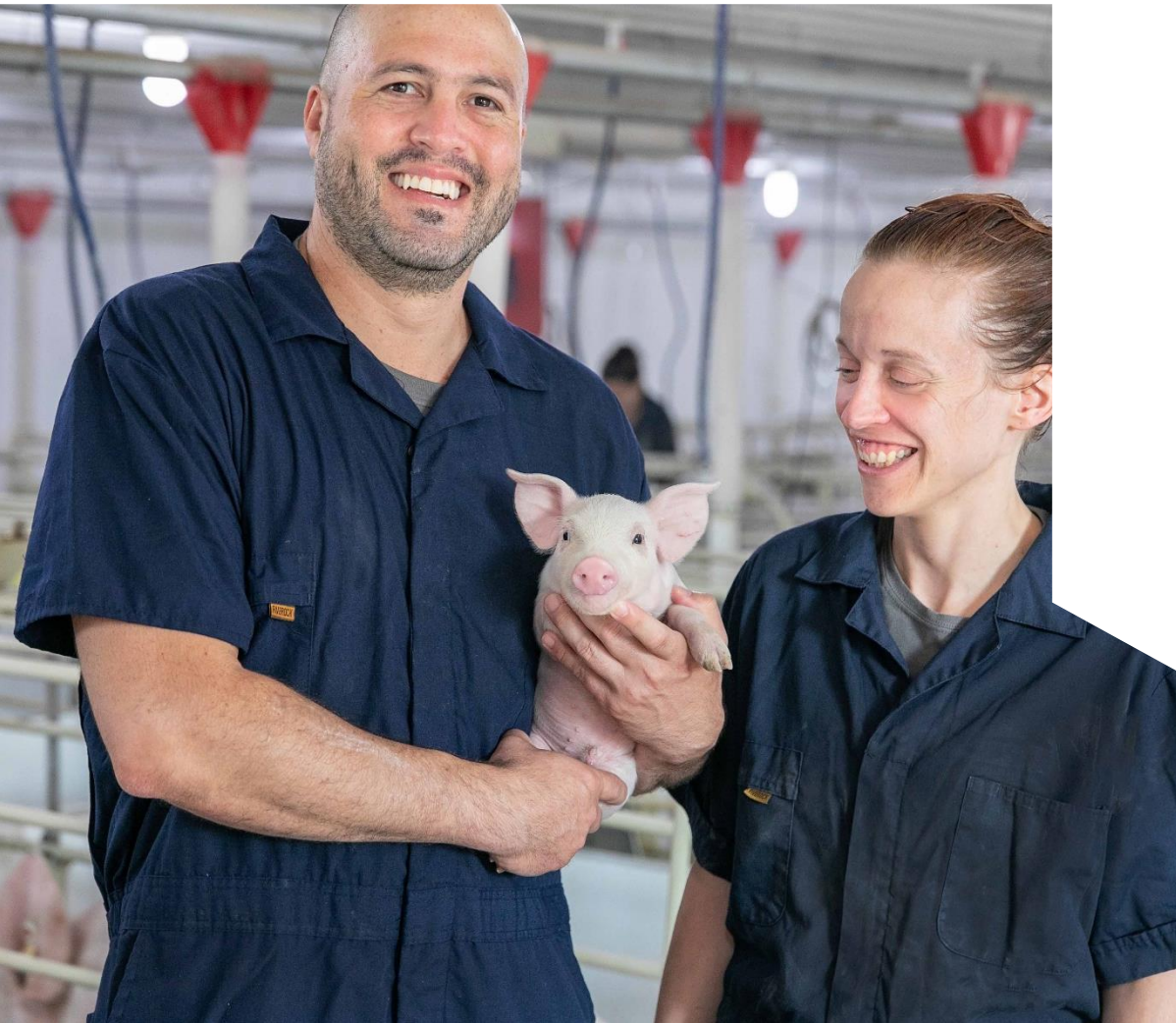
Investing for the future

- > Recruiting and developing the best talent
- > Promoting an engaged, diverse and inclusive culture

Protecting our people and businesses

- > Protecting the health, safety and wellbeing of our people during COVID-19
- > Maintained operational continuity to support our customers

> Well positioned to deliver further growth



RESILIENT OPERATIONS

- > COVID-19 impacting animal protein demand and supply
- > Our businesses resilient and benefiting from global presence

LEADING IN GENETICS

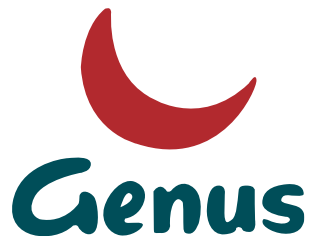
- > Extending our lead in porcine
- > Strong demand for our superior sexed dairy genetics
- > Demonstrating differentiated value proposition from beef on dairy trials

INVESTING IN OUR FUTURE

- > People, technology, facilities and systems

EXPECT TO PERFORM IN LINE WITH OUR EXPECTATIONS IN FY21
(IN CONSTANT CURRENCY)

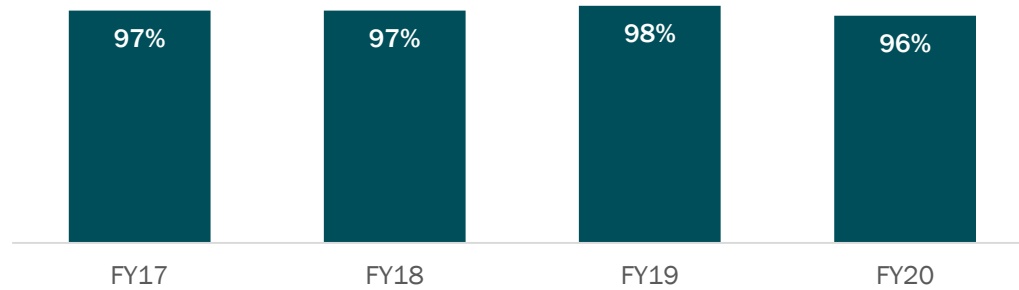
> Appendices



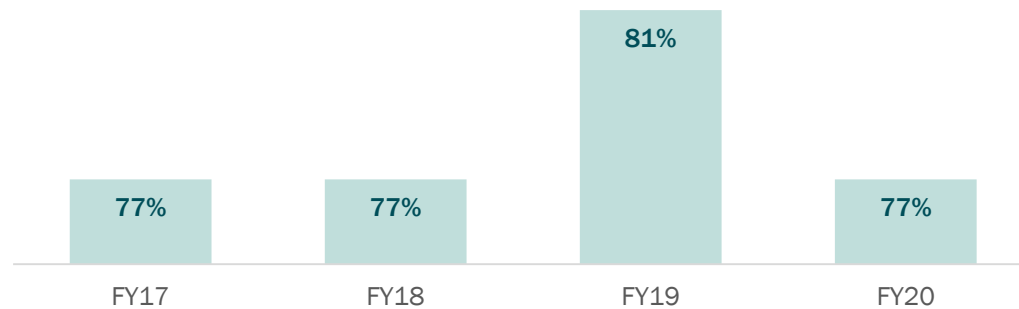
> Proportion of total porcine volumes under royalty



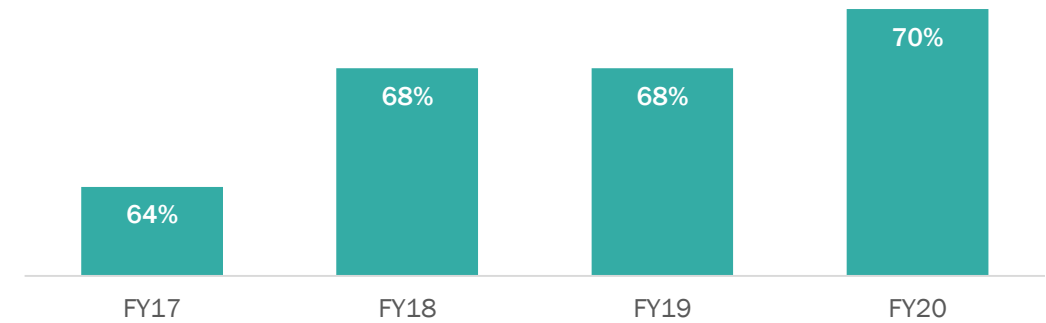
North America



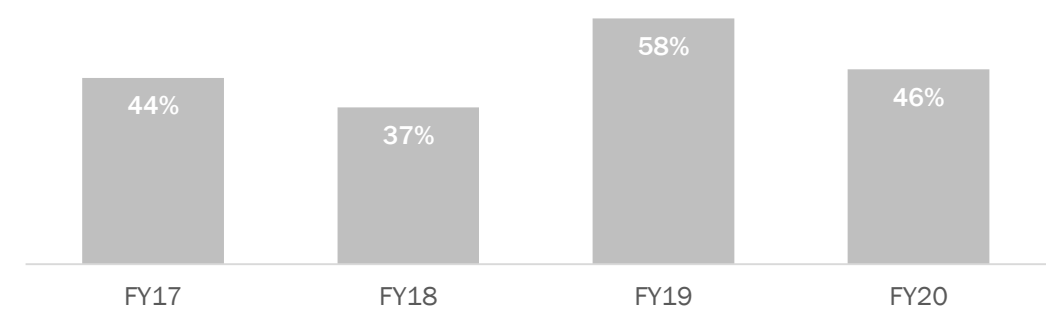
Latin America



EMEA



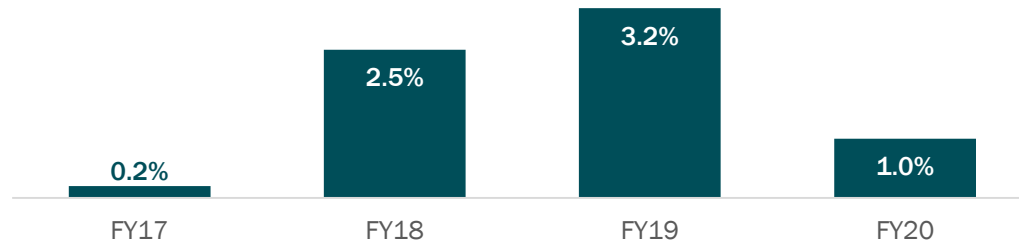
Asia



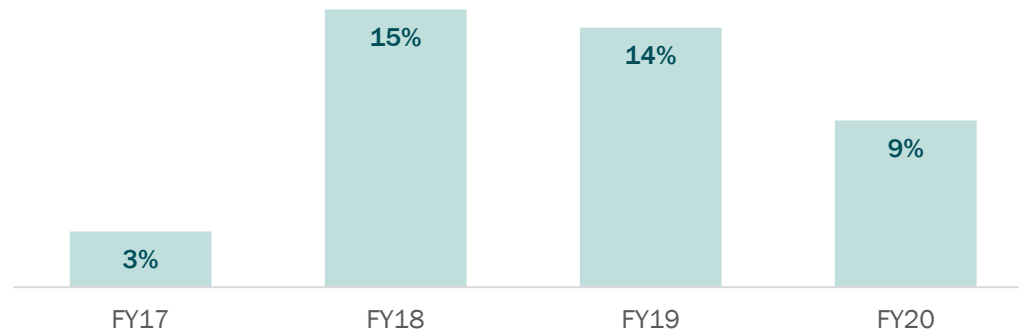
> Porcine royalty revenue growth



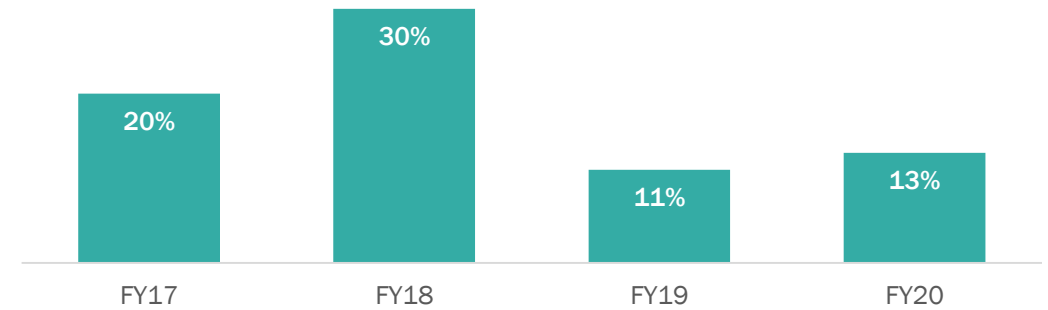
North America



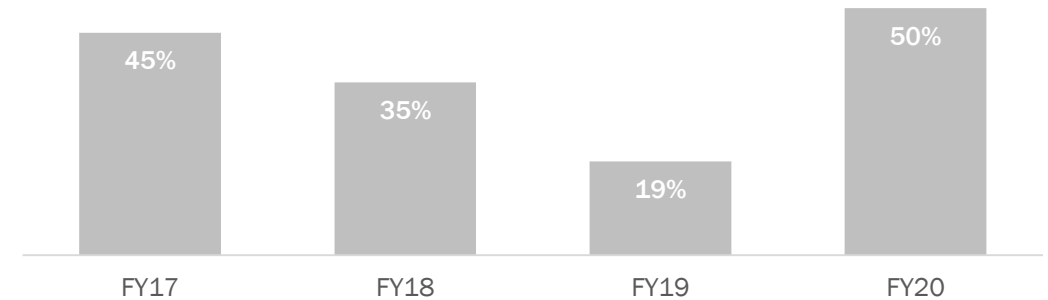
Latin America



EMEA



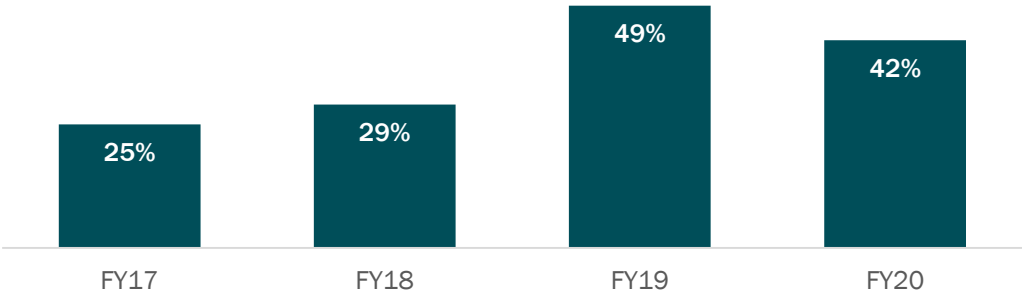
Asia



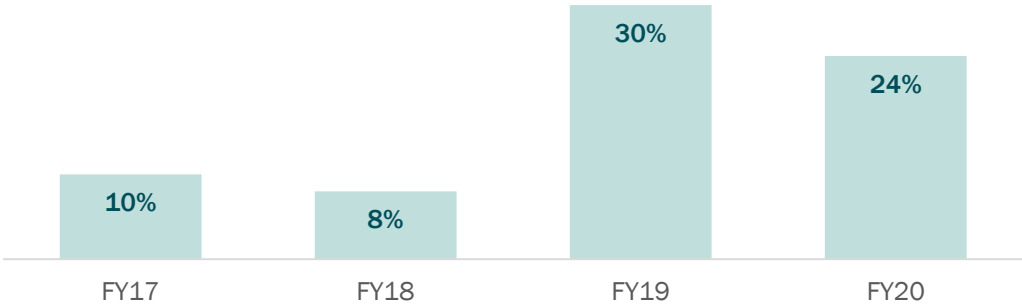
> Bovine sexed volume growth



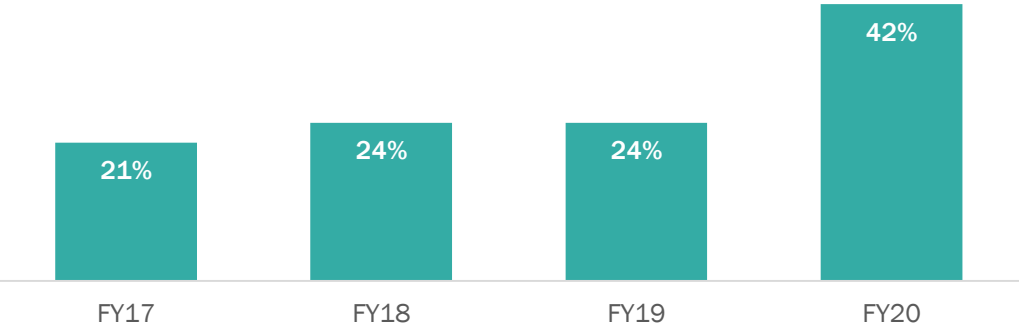
North America



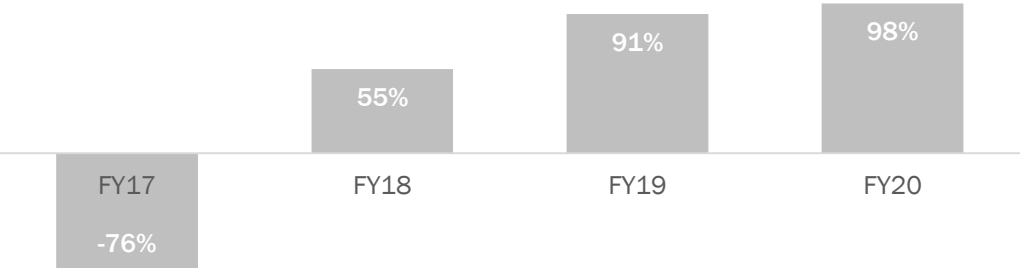
Latin America



EMEA



Asia



Growth rates represents growth in sexed genetics and third party IntelliGen volumes

> Financial results

	FY20	FY19	% Change	% Change
	£m	£m	Actual Currency	Constant Currency
Revenue	551.4	488.5	13%	13%
Adjusted Operating Profit inc JV exc gene editing	81.2	72.2	12%	17%
Adjusted Operating Profit inc JV	76.0	64.9	17%	22%
Net finance costs	(5.0)	(3.9)	(28)%	(28)%
Adjusted profit before tax	71.0	61.0	16%	22%
Adjusted earnings per share (pence)	85.4	73.2	17%	23%
Dividend per share (pence)	29.1	27.7	5%	

> Genus PLC results

	FY20	FY19	% Change	% Change
	£m	£m	Actual Currency	Constant Currency
Revenue	298.8	253.7	18%	17%
Adjusted Operating Profit exc JV	113.3	93.1	22%	21%
Adjusted Operating Profit inc JV	124.3	100.6	24%	25%
Adjusted operating margin exc JV	37.9%	36.7%	1.2pts	1.2pts

> Genus ABS results

	FY20	FY19	% Change	% Change
	£m	£m	Actual Currency	Constant Currency
Revenue	237.6	222.6	7%	9%
Adjusted operating profit	32.5	29.9	9%	12%
Adjusted operating margin	13.7%	13.4%	0.3pts	0.4pts

> Cash flow statement

	FY20	FY20 (exc IFRS 16 ¹)	FY19	Variance (exc IFRS 16)
	£m	£m	£m	£m
Adjusted operating profit exc JV	65.3	64.6	57.7	6.9
Depreciation and amortisation	34.0	26.4	17.9	8.5
Adjusted EBITDA	99.3	91.0	75.6	15.4
Working capital	3.3	3.3	(5.1)	8.4
Biological assets	(2.9)	(2.9)	(5.5)	2.6
Pension deficit repair	(7.9)	(7.9)	(6.7)	(1.2)
Exceptional items and other	(8.9)	(8.9)	(9.9)	1.0
Cash generated by operations	82.9	74.6	48.4	26.2
Cash conversion %	127%	115%	84%	31pts
Interest and tax paid	(17.1)	(16.4)	(15.0)	(1.4)
Capital expenditure	(35.4)	(35.4)	(28.3)	(7.1)
JV income and other	4.8	4.8	4.9	(0.1)
Free cash flow	35.2	27.6	10.0	17.6
Acquisitions and investments	(0.1)	(0.1)	(22.7)	22.6
Net share proceeds	0.1	0.1	66.5	(66.4)
Dividends	(18.3)	(18.3)	(16.8)	(1.5)
Net cash flow	16.9	9.3	37.0	(27.7)
Net Debt	102.6	77.9	79.6	(1.7)

(1) Excluding the impact of IFRS 16 adoption

> Return on adjusted invested capital

	FY20	FY20 (exc IFRS 16 ¹)	FY19
	£m	£m	£m
Adjusted operating profit inc JV	76.0	75.3	64.9
Tax rate	22.0%	22.0%	24.3%
Adjusted operating profit after tax	59.3	58.7	49.1
Equity attributable to owners of the company	508.8	508.8	488.4
Add back:			
Net debt	102.6	77.9	79.6
Pension liability	18.1	18.1	24.2
Related deferred tax	(3.5)	(3.5)	(4.4)
Deduct:			
Biological assets (less historic cost)	(312.7)	(312.7)	(288.0)
Goodwill	(105.6)	(105.6)	(106.3)
Related deferred tax	74.4	74.4	66.6
Adjusted invested capital	282.1	257.4	260.1
Return on adjusted invested capital	21.0%	22.8%	18.9%

(1) Excluding the impact of IFRS 16 adoption

> Exchange rate sensitivity

Genus' geographic profile can lead to translational currency impacts

We monitor key rates against GBP

Latest spot rates would indicate a headwind of circa ~£5m for FY21 compared with average FY20 rates

	FY20 Average ¹	FY20 Closing	Spot @ 3 Sep 2020	Profit Sensitivity £m ²
Chinese Yuan	8.89	8.75	9.12	2.2
Mexican Peso	26.1	28.5	29.1	1.4
Euro	1.14	1.10	1.12	1.1
Brazilian Real	5.74	6.77	7.18	1.1
US Dollar	1.26	1.24	1.33	0.8
Russian Rouble	85.2	88.2	99.4	0.5

(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 FY20 results. Current year sensitivity may differ based on current trading

> Lease Accounting (IFRS 16)

> IFRS 16 removed distinctions between operating and finance leases from 1 July 2019

- Operating leases are now represented on the Balance Sheet
- Liability recognised for the future lease payments
- Right of use asset capitalised and depreciated
- We have elected not to restate the FY19 results on adoption

> Impact on FY20 results on adoption

- Additional right of use assets and finance lease liabilities, of £26.6m were recognised on adoption
- There was no impact to net assets on adoption
- Operating profit is £0.7m higher as depreciation is lower than the operating lease payment it replaces
- Net Debt increased by £24.7m at 30 June 2020
- Higher finance charges leave profit before tax minimally impacted
- Bank covenants are on a frozen GAAP basis and so will not be impacted

> Lease Accounting (IFRS 16)

Impact on cash conversion and free cash flow

	FY20 As reported	IFRS 16 impact	FY20 exc IFRS 16 ¹
	£m	£m	£m
Adjusted operating profit exc JV	65.3		65.3
Difference between depreciation and lease payments		(0.7)	(0.7)
Adjusted operating profit exc JV	65.3	(0.7)	64.6
Cash generated by operations	82.9	(0.7)	82.2
Additional depreciation on leases		(7.6)	(7.6)
Cash generated by operations	82.9	(8.3)	74.6
Cash Conversion	127%		115%
Free cash flow	35.2	(7.6)	27.6

(1) Excluding the impact of IFRS 16 adoption

> 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.

Farrow – When a sow gives birth to piglets.

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.

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.

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

GGP/GP – Great – 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.

PRRSv – Porcine Reproductive and Respiratory Syndrome Virus.

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.