

RNS Trading Statement

## Trading Update & Organisational Change

### WYNNSTAY GROUP PLC

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**WYNNSTAY GROUP PLC**  
**("Wynnstay" or "the Group")**

**TRADING UPDATE**  
**&**  
**ORGANISATIONAL CHANGE**

The Board of Wynnstay, the agricultural supplies group, is pleased to provide the following update on trading for the financial year ended 31 October 2020.

As an essential supplier to the farming community, the Group has continued to maintain its operations across all its activities during the recent 'fire-break' lockdown in Wales and since the introduction of new coronavirus-related restrictions in England, which took effect on 5 November 2020.

#### **Trading Update**

Overall trading since June, when the Group reported interim results, has been stronger than anticipated, especially in September and October. This is across both the Agriculture and Specialist Agricultural Merchenting Divisions. As a result, the Board now expects that underlying Group pre-tax profit\* for FY 2020 will be significantly ahead of current market forecasts.

While the anticipated difficulties in Arable activities materialised in the second half of the financial year, trading across other activities has been resilient. As expected, the poor planting conditions in autumn 2019 resulted in a historically low yield from the 2020 UK cereal harvest. Wheat volumes declined by an estimated 40% on the previous year, limiting volumes available for the Group's grain trading operation. Seed sales were also lower, with farmers using last year's unplanted product. However, the Group has benefited from better-than-expected feed sales in September and October. Sales from the Specialist Agricultural Merchenting depot network also performed well, helped by a stronger red meat sector.

More generally, the Board believes that the outlook for agriculture and farm commodities in the UK remains positive despite uncertainties around Brexit and that the Group is well placed to take advantage of the opportunities that are expected to present themselves.

Non-recurring charges in the Group's results for the financial year will include rationalisation costs associated with the closure of the Youngs Animal Feeds distribution centre in Huyton, Merseyside and a specialist agricultural merchenting depot in Salisbury, Wiltshire, as well as the closure of the seed plant in Selby, Yorkshire following its lease expiry.

*\*underlying Group pre-tax profit excludes non-recurring items, share based remuneration payments and adds back the Group's share of tax incurred by joint ventures.*

#### **Board and Organisational Changes**

During the period, the Board has reviewed the Group's organisational structure and is implementing a number of changes that will support future growth and investment plans. These changes include the creation of new roles with new areas of responsibility, as well as revised reporting lines.

The new organisational structure will not include the Board position of Agricultural Director. Andrew Evans will therefore step down from the Board with effect from 1 December 2020. However, he remains a key member of

the senior management team and will take up his new role of Group Operations and Feed Director and lead the reorganisation at senior executive level. The Directors would like to thank Andrew for his valued contribution to the Board and for his continued commitment to the growth of the business. The Board also looks forward to receiving his ongoing input at senior executive level.

Further details of the reorganisation will be provided with the Group's full year results.

#### Date of Final Results

The Group expects to announce its results for the year ended 31 October 2020 towards the end of January 2021 and will also provide a further update on current trading at that time.

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