Wynnstay Group

Industrials

3 July 2026

Self-help delivering as the growth pivot begins

Wynnstay's H126 results provide clear evidence that management's self-help programme, Project Genesis, is working, with the board reiterating confidence in a full-year result in line with expectations. Adjusted PBT was £6.0m up 11.7% from H125 (£5.4m), as Project Genesis efficiencies more than offset persistent inflation in labour, logistics and energy. In our view the more telling signal is quality: flat revenue but higher margins, 128% cash conversion and group return on net investments (RONA) up 60bp to 7.3%.

Genesis efficiencies driving margin quality

Group revenue was broadly unchanged at £304.1m as a 12% rise in fertiliser tonnage and firmer pricing offset lower feed volumes, softer retail sales and site closures completed under Project Genesis. Feed & Grain was the standout, with adjusted PBT more than doubling to £2.2m on a leaner cost base and a strong GrainLink trading performance, while Arable benefited from a first full-period contribution from the Avonmouth blending facility, adding c 20% capacity and record spring throughput. Stores lagged, with adjusted PBT down to 2.0m (H125: £1.44m) on weaker small-bag feed sales and inflation, though management expects recovery as an estate and pricing review takes effect.

Cash generation funds the growth pivot

The balance sheet remains an attraction. Net cash, excluding IFRS 16 leases, rose to £10.9m despite peak seasonal working capital and higher commodity prices, supported by disciplined inventory management. Management has identified more than £8m of capital release over two to three years from property and working capital to self-fund growth. In the medium-term strategy, Project Genesis targets 10% revenue and gross profit growth, 20% adjusted EPS growth and group RONA above 10%, leveraging funded capacity at Avonmouth, Carmarthen and Condover and a drive to grow share of farmer wallet across seven core categories. The interim dividend rose 3.5% to 5.9p, marking another unbroken quarterly dividend payment since inception in 2017.

Valuation

The shares trade c 365p, a c 30% discount to the sole broker's 500p target and well below net assets of £134.9m (market cap £84.4m), underlining the equity's asset backing. In our view the principal re-rating catalyst is evidence that the Project Genesis strategy can convert the lower, more resilient cost base into sustained top-line and returns growth. Continued delivery against medium-term targets, alongside capital release, should narrow the valuation gap.

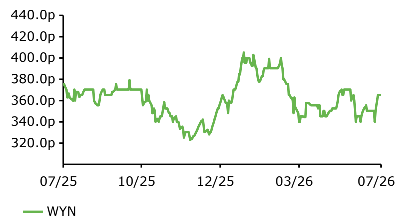
Consensus estimates

Year end	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (£)	DPS (£)	P/E (x)	Yield (%)	EV/EBITDA (x)
10/25	583.4	16.2	9.2	0.29	0.18	12.7	4.9	4.5
10/26e	603.0	17.1	10.0	0.31	0.18	11.8	4.9	4.3
10/27e	622.5	18.7	11.3	0.35	0.19	10.4	5.1	3.9

Source: LSEG Data & Analytics. Note: EPS is adjusted EPS.

Price	**365.00p**
Market cap	**£84m**

Share price performance



Share details

Code	WYN
Listing	AIM
Shares in issue	23.1m
Net cash (30 April 2026)	£10.9m

Business description

Wynnstay is a leading UK supplier of agricultural products and services, serving livestock and arable farmers through an integrated network of feed mills, retail stores, on-farm advisers and trading desks.

Bull points

- Genesis has structurally lowered the cost base, lifting margins and group RONA to 7.3% despite a tough industry backdrop.
- Asset-backed balance sheet, rising net cash, 128% cash conversion and £8m+ of identified capital release to self-fund growth.
- c 30% discount to net assets and the 500p broker target, with a progressive c 5% yield.

Bear points

- Earnings remain exposed to volatile commodity prices, weather and farm profitability outside management's control.
- Stores is underperforming (adjusted PBT down to £2.0m), with an estate and pricing turnaround still to be proven.
- Ongoing Health and Safety Executive investigation into a January 2025 site fatality is an unquantified potential liability.

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