Fevara

Strategy bearing fruit

Full year results

General industrials

17 December 2025

Fevara, the livestock supplement specialist, reported positive results with good margin expansion and profit improvement, benefiting from management's restructuring actions. In terms of growth, the recent Brazilian acquisition provides a bridgehead in a major new market for cattle supplements. Add in the upside from the 'profitable growth' programmes in the UK and North America and the re-focused group appears well-positioned to generate continued positive profit progression.

Year end	Revenue (£m)	PBT (£m)	EPS (p)	DPS (p)	P/E (x)	Yield (%)
8/24	75.7	2.5	2.60	5.20	51.9	3.9
8/25	78.8	4.2	4.40	2.40	30.7	1.8
8/26e	82.4	5.3	8.60	3.40	15.7	2.5
8/27e	86.5	7.0	11.30	4.50	11.9	3.3

Note: PBT and EPS are normalised, excluding exceptionals. Results are for continuing operations.

Results show positive progress

Sales from continuing operations increased by 4.1% to £78.8m in FY25 (FY24: £75.7m), adjusted operating profit increased by 69.2% to £3.7m (FY24: £2.2m), with an operating margin of 6.3%, an increase of 130bp (FY24: 5.0%). Adjusted PBT was £4.2m (FY24: £2.5m), up 67.0%, and adjusted EPS was 4.4p (FY24: 2.6p), up 69.2%. The dividend for the full year was 2.4p (final dividend 1.2p). UK sales increased 8.4% with volume benefits and cost actions leading to operating profit of £2.2m, an increase of £1.1m. US sales increased by 2.6%, with operating profit of £2.8m and margin expansion from 7.2% to 7.5%. The joint ventures' profitability was marginally ahead at £1.4m. Central costs reduced from £3.0m to £2.7m. Net adjusting items were a gain of £11.3m, primarily relating to the disposal of the Engineering businesses. Positive working capital and cash generation were offset by spend on exceptional items and funds placed in escrow relating to the pension buy-in (funds from the Engineering and property disposals were returned to shareholders in the year). Net cash at the year-end was £2.6m.

Outlook and forecast changes

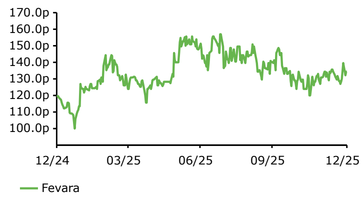
The key Northern Hemisphere seasonal winter trading period has started strongly and ahead of last year. The company will also benefit from actions undertaken in FY25, including the closure of Animax, which was only completed in June. We have adjusted our forecasts to reflect stronger trading in existing operations and the benefit from the Macal acquisition in H226, but also assume higher central costs reflecting the timing of the disposal of the Engineering division. Our FY26 estimates are PBT of £5.3m, down 8% from £5.7m, and EPS of 8.6p, down 6% from 9.3p.

Valuation: 181p/share, down marginally from 184p

We see the discounted cash flow (DCF) valuation as being key, as it fully encompasses the margin recovery anticipated from management's strategy and actions, as demonstrated in the results. This comes to 181p/share, while our peer-based valuation comes to 157p.

Price	**135.00p**
Market cap	**£69m**
Net cash at 31 August 2025	£2.6m
Shares in issue	51.8m
Code	FVA
Primary exchange	LSE
Secondary exchange	N/A

Share price performance



%	1m	3m	12m
Abs	0.8	(5.0)	12.5
52-week high/low		160.0p	98.4p

Business description

Fevara's speciality livestock supplements business serves farmers in the UK, Ireland, the United States, Brazil, Germany, Canada and New Zealand with high-quality feed blocks and feed supplements.

Next events

AGM	February 2026

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Edison profile page

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FY25 results: A year of positive progress

Profit & loss

The FY25 results exclude the Engineering businesses disposed of during the year and the remaining small business, Chirton Engineering, which is currently held as discontinued. Total revenue increased by 4.1% to £78.8m (FY24: £75.7m), adjusted operating profit increased by 69.2% to £3.7m (FY24: £2.2m) with operating margin pre-JVs of 6.3% (FY24: 5.0%) showing good improvement, albeit remaining below the double-digit level historically achieved. Adjusted PBT from continuing operations was £4.2m (FY24: £2.5m), up 67.0%, with adjusted EPS of 4.4p (FY24: 2.6p), up 69.2%. The dividend for the full year was 2.4p, down from the previous year, reflecting the disposals, and the new strategy is for the dividend to be at least 2x covered.

The UK tonnage increased by 7.0%, driven by Caltech (+14.5%), primarily through demand for Crystalyx, the low-moisture feed blocks range. Scotmin volumes declined 4.9%, reflecting planned product rationalisation. Net revenue increased by 8.4% to £41.4m. Adjusted EBIT stood at £2.2m, an increase of £1.1m (+96%), led by improvements at Caltech, up £1.1m (+45%) and Scotmin, up £0.1m (+41%), along with a £0.9m reduction in losses at Animax. The Animax closure was completed in June, offering further upside benefits in FY26.

US volume output increased by 2.4%, with 10.5% growth in the northern states offsetting the impact of restructuring elsewhere. Revenue increased by 2.6%, in line with volume, albeit down 0.2% after currency translation. This was a positive performance given the continued weakness in US cattle herds (down c 1%). EBIT was £2.8m, up from £2.7m, with the margin increasing from 7.2% to 7.5%, assisted by cost actions including closure of Silver Springs, which was loss-making in FY24. The outlook for FY26 is assisted by the benefits of restructuring at the Belle Fourche facility.

The JV profitability was marginally ahead at £1.4m.

Central costs reduced from £3.0m to £2.7m, the reduction planned being somewhat delayed due to the timing of the disposals. Net adjusting items were a gain of £11.3m, primarily from the £16.2m gain relating to the sale of the majority of the Engineering division but also including restructuring costs of £2.4m, £2.8m related to gains on disposal of the property and £3.1m of costs and impairments relating to Chirton Engineering.

Exhibit 1: Results overview

	FY24	FY25	Change
Revenue			
UK Agriculture	38.2	41.4	8%
US Agriculture	37.5	37.4	0%
Group sales continuing operations	75.7	78.8	4%
EBITA Margin			
UK Agriculture	2.9%	5.2%	234bps
US Agriculture	7.2%	7.5%	30bps
Group margin continuing operations	5.0%	6.3%	128bps
EBITA			
UK Agriculture	1.1	2.2	96%
US Agriculture	2.7	2.8	4%
Speciality Agriculture	3.8	5.0	31%
Share of post-tax results of associates	1.4	1.4	-2%
Central costs	(3.0)	(2.7)	-12%
Group EBITA before exceptional items	**2.2**	**3.7**	69%
Restructuring	(2.1)	(2.4)	13%
Other exceptionals	(6.8)	1.1	-116%
Group reported EBIT	(6.8)	2.4	-135%
Net finance costs	0.3	0.5	53%
Reported PBT	(6.5)	2.9	-145%
Normalised PBT	**2.5**	**4.2**	67%
Adj EPS continuing operations (p)	**2.6**	**4.4**	246%
Dividend per share (p)	**5.2**	**2.4**	-54%

Source: Fevara

Cash flow

Net cash at the year-end stood at £2.6m excluding £4.5m put into escrow as part of the current pension buy-in programme, expected to be finalised in FY26. Working capital was positive with a net £3.0m inflow, but this was offset by the cash costs of the exceptional restructuring charges. The proceeds from the Engineering and property disposals were returned to shareholders via a tender offer in the second half of the year.

Exhibit 2: Cash flow (£m)

	FY24	FY25	Change
Net income	**(4.5)**	**3.0**	(167%)
Depreciation	1.8	1.2	(34%)
Income tax expense	(2.1)	(0.0)	(98%)
Finance & other	8.9	(2.3)	(126%)
EBITDA	**4.1**	**1.8**	**(56%)**
Changes in working capital	(3.6)	2.9	(182%)
Share of JVs	(1.4)	(1.4)	(2%)
Pensions	3.4	(4.5)	(233%)
Share-based payments	0.2	0.0	(100%)
Tax paid	1.5	0.2	(90%)
Operating cash flows from continuing ops	**4.2**	**(0.9)**	**(122%)**
Purchase of property, plant and equipment	(1.0)	(1.2)	20%
Acquisitions/disposals	4.0	72.7	1718%
Interest	0.1	0.4	583%
Other/discontinued	(5.0)	1.8	(137%)
Dividends	(5.1)	(3.8)	(25%)
Share repurchase/issue	0.2	(70.7)	(33116%)
Net change in cash	**(2.6)**	**(1.7)**	**(36%)**
FX/other	2.9	(0.2)	(107%)
Opening net cash/(debt)	**4.2**	**4.5**	**7%**
Closing net cash/(debt)	**4.5**	**2.6**	(42%)

Source: Fevara

Outlook

Management commented that the key Northern Hemisphere seasonal winter trading period has started strongly and ahead of last year. This is positive given that key markets, such as North American cattle, are not expected to show any recovery. The company will also benefit from cost actions undertaken in FY25, including the closure of Animax, which was only completed half-way through the year.

Strategy update and acquisition

The strategy remains unchanged, as detailed in our recent note, and comprises three key strands:

- Improve operating margins across the global agricultural portfolio.
- Deliver profitable commercial growth in the core business.
- Expand into new extensive grazing-based growth geographies.

The third element of the strategy has benefited from the recently announced acquisition of Brazilian animal supplement business Domino Industria E Comercio LTDA (Macal) for an initial consideration of £5.0m, with a further £0.8–1.9m of deferred consideration payable in March 2028, subject to performance. Macal generated EBITDA of approximately £0.7m (unaudited) in the last 12 months. Macal is a leading regional provider of minerals and supplements for cattle, sheep and horses. All products are manufactured at its own site in Campo Grande, Mato Grosso do Sul, Brazil. The key interest for Fevara is cattle. Brazil's cattle population is 200m, versus 110m in the Northern Hemisphere markets that Fevara serves, while market penetration of supplements is lower in Brazil. Management intends to use this as a bridgehead to invest in a new production line at a cost of c £4m to manufacture low-moisture feed licks to distribute through Macal.

Forecast changes

We have updated our forecasts, as detailed in Exhibit 3. The key reasons behind the changes are:

- A small upgrade in expectations from the existing Agriculture operations reflecting the strong start to the year.
- Inclusion of the recent Macal acquisition for six months.
- Higher-than-expected central costs as the delay in disposing of the Engineering businesses has affected the timing of central cost reductions.

Exhibit 3: Forecast changes

		FY26e			FY27e	
	Old	New	Change	Old	New	Change
Group revenues (£m)	80.6	82.4	2%	84.7	86.5	2%
EBITA including JVs	6.6	7.0	6%	8.2	8.2	0%
Central costs (£m)	(1.0)	(1.6)	60%	(0.5)	(1.0)	100%
Group EBITA (£m)	5.6	5.4	-4%	7.7	7.2	-6%
Net finance costs	0.1	(0.1)	-200%	0.2	(0.2)	-183%
Normalised PBT (£m)	5.7	5.3	-8%	7.9	7.0	-12%
Normalised undiluted EPS (p)	9.3	8.6	-7%	12.6	11.3	-11%
Dividend per share (p)	3.1	3.4	12%	4.2	4.5	7%
Net cash/(debt) (£m)	4.8	(1.2)	-125%	7.7	(2.6)	-134%

Source: Edison Investment Research

Valuation

We use a combination of a peer-based valuation and DCF due to the limited peer group available.

Peer group valuation

We use a peer group of UK-associated agricultural companies. As Fevara is a relatively specialist business, there is a limited direct peer group available:

- Anpario (LSE: ANP): a manufacturer and distributor of natural animal feed additives for animal health, nutrition and biosecurity.
- Wynnstay Group (SE: WYN): feed and grain, fertiliser and seed and depot merchanting to the UK agricultural market.

This provides an average valuation of 157p a share.

Exhibit 4: Peer group valuation

	Share price (p)	EV/EBIT (x)		P/E (x)	
Company		2026	2027	2026	2027
Anpario	515	13.8	13.1	16.5	15.5
Wynnstay Group	342	10.0	8.8	13.5	12.5
Average		11.9	11.0	15.0	14.0
Fevara's EBIT/EPS (£m/p)		6.6	8.7	8.6	10.8
Enterprise value (£m)		78.7	95.7		
Net cash/(debt) £m		(1.2)	(2.7)		
Equity value (£m)		77.4	93.0		
Value per share (p)		150	180	129	151

Source: LSEG Data & Analytics (10 December 2025), Edison Investment Research

DCF valuation

Exhibit 5 highlights our valuation on a per-share basis relative to the cost of capital and the long-term growth rate expected. Assuming a cost of capital of 9.5% and terminal growth of 2% suggests a price of 181p a share. Note that the DCF valuation is ahead of the peer group, reflecting the margin recovery anticipated.

Exhibit 5: DCF valuation (p/share)

		Discount rate (post-tax, nominal)						
		8.0%	8.5%	9.0%	9.5%	10.0%	10.5%	11.0%
Terminal growth	0%	183	171	160	150	142	134	127
	1%	203	188	175	164	154	145	137
	2%	231	212	195	**181**	169	158	148
	3%	270	244	222	203	187	174	162
	4%	328	290	259	234	213	195	180

Source: Edison Investment Research

Exhibit 6: Financial summary

£m	FY23	FY24	FY25	FY26e	FY27e
31-August	IFRS	IFRS	IFRS	IFRS	IFRS
INCOME STATEMENT					
Revenue	**81.8**	**75.7**	**78.8**	**82.4**	**86.5**
Operating profit	4.3	3.8	5.0	5.6	6.6
Share of post-tax profit from JVs and associate	1.4	1.4	1.4	1.4	1.6
Central costs	(3.0)	(3.0)	(2.7)	(1.6)	(1.0)
EBITDA (inc JVs)	**4.6**	**3.8**	**4.9**	**6.6**	**9.0**
Group EBIT (before amort. and excepts.)	**2.8**	**2.2**	**3.7**	**5.4**	**7.2**
Amortisation of acquired intangibles	(0.5)	(0.1)	0.0	0.0	0.0
Exceptionals	(3.2)	(3.6)	1.5	0.0	0.0
Reported operating profit	**(0.9)**	**(1.5)**	**5.2**	**5.4**	**7.2**
Net Interest	0.1	0.3	0.5	(0.1)	(0.2)
Profit Before Tax (norm)	**2.9**	**2.5**	**4.2**	**5.3**	**7.0**
Profit Before Tax (reported)	**(0.8)**	**(1.1)**	**5.7**	**5.3**	**7.0**
Reported tax	(0.1)	2.0	0.1	(0.9)	(1.2)
Profit After Tax (norm) - continuing businesses	**2.9**	**2.3**	**3.8**	**4.4**	**5.8**
Profit After Tax (reported) - continuing businesses	**(0.9)**	**0.8**	**5.8**	**4.4**	**5.8**
Average Number of Shares Outstanding (m)	94.0	94.2	87.1	51.7	51.7
EPS - normalised (p)	2.5	2.6	4.4	8.6	11.3
EPS - basic reported (p)	(1.0)	(4.8)	23.1	8.6	11.3
Dividend (p)	5.2	5.2	2.4	3.4	4.5
EBITDA margin (%)	5.6	5.0	6.2	8.0	10.4
Normalised operating margin	5.3	5.0	6.3	6.8	7.7
Normalised Group EBIT margin (inc Jv and central costs)	3.4	2.9	4.7	6.6	8.4
BALANCE SHEET					
Fixed Assets	**73.9**	**21.3**	**21.4**	**22.1**	**25.1**
Intangible Assets	22.5	2.1	2.1	2.1	2.1
Tangible Assets	37.3	10.6	9.8	10.4	13.4
Investments & other	14.1	8.6	9.6	9.6	9.6
Current Assets	**88.4**	**122.5**	**38.3**	**35.5**	**32.4**
Stocks	26.6	12.1	12.3	12.8	13.5
Debtors	26.9	10.4	10.6	11.1	11.7
Cash & cash equivalents	23.1	13.7	12.4	8.6	7.2
Other	11.8	86.4	2.9	2.9	0.0
Current Liabilities	**(39.2)**	**(45.5)**	**(15.2)**	**(14.3)**	**(14.9)**
Creditors	(24.1)	(10.7)	(11.7)	(12.3)	(12.9)
Tax and social security	(0.1)	0.0	0.0	0.0	0.0
Short term borrowings including finance leases	(15.0)	(3.0)	(2.0)	(2.0)	(2.0)
Other	0.0	(31.7)	(1.5)	0.0	0.0
Long Term Liabilities	**(15.3)**	**(3.4)**	**(7.1)**	**(7.1)**	**(7.1)**
Long term borrowings including finance leases	(10.8)	(3.4)	(4.3)	(4.3)	(4.3)
Other long term liabilities	(4.5)	(0.0)	(2.9)	(2.9)	(2.9)
Net Assets	**107.9**	**94.9**	**37.4**	**36.2**	**35.5**
Shareholders' equity	**107.9**	**94.9**	**37.4**	**36.2**	**35.5**
CASH FLOW					
EBITDA	3.3	4.1	1.8	6.2	8.5
Working capital	(3.1)	3.2	2.9	(0.5)	(0.6)
Exceptional & other	(1.8)	(4.6)	(5.9)	(1.1)	(1.3)
Tax	(0.5)	1.5	0.2	(0.9)	(1.2)
Net Operating Cash Flow	**(2.1)**	**4.2**	**(0.9)**	**3.7**	**5.4**
Investment activities	(3.3)	(1.0)	(1.2)	(2.7)	(4.8)
Acquisitions/disposals	26.5	4.0	72.7	(5.0)	0.0
Net interest	(0.2)	0.1	0.4	(0.1)	(0.2)
Equity financing	0.2	0.2	(70.7)	0.0	0.0
Dividends	(4.9)	(5.1)	(3.8)	(1.2)	(1.8)
Other	(1.1)	(5.0)	1.8	1.5	0.0
Net Cash Flow	15.1	(2.6)	(1.7)	(3.8)	(1.4)
Opening net debt/(cash) including finance leases	**21.6**	**4.2**	**4.5**	**2.6**	**(1.2)**
FX	0.0	(0.2)	(0.5)	0.0	0.0
Other non-cash movements	2.4	3.1	0.3	0.0	0.0
Closing net cash/(debt)	**4.2**	**4.5**	**2.6**	**(1.2)**	**(2.6)**

Source: Edison Investment Research

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