

Fevara

Strong FY26 trading completes strategic refocusing

Trading update

General industrials

2 October 2026

Fevara's FY26 trading update indicates continued progress against its strategy, with adjusted EBIT expected to increase c 60% y-o-y to c £6.0m, ahead of company-compiled consensus of £5.5m. Revenue from continuing operations is expected to reach c £86m, with 8% l-f-l growth. The UK, European and US businesses performed well, while Brazil traded in line with expectations. Year-end net debt of c £2.0m was better than anticipated, supported by strong trading cash conversion and disposals. With strategic refocusing complete, the emphasis moves to further margin improvement and Brazilian expansion. We have raised our FY26e and FY27e revenue and profit forecasts and increase our valuation marginally to 190p per share.

Year end	Revenue (£m)	PBT (£m)	EPS (p)	DPS (p)	P/E (x)	Yield (%)
8/24	75.7	2.5	2.60	5.20	56.5	3.5
8/25	78.8	4.2	4.40	2.40	33.4	1.6
8/26e	86.0	5.8	9.40	2.50	15.6	1.7
8/27e	94.1	6.8	10.90	2.80	13.5	1.9

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

Margin improvement drives profit outperformance

The principal positive is the improvement in profitability. Expected adjusted EBIT is c 9% above consensus, while revenue is broadly in line with the £86.3m consensus figure, both compiled by the company as at 29 September. The implied adjusted EBIT margin increases by c 230bp y-o-y to c 7.0%, demonstrating progress towards management's 10% medium-term target. LMB sales continued to grow, although the update does not quantify the individual contributions to margin improvement. Early FY27 trading is encouraging and in line with expectations ahead of the peak Northern Hemisphere season. Performance through this period will be important in assessing the sustainability of the improved profitability.

Balance sheet provides flexibility for growth

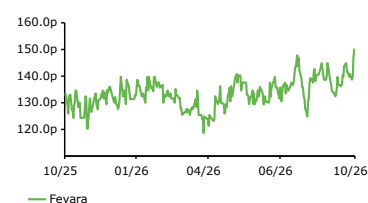
Closing net debt of c £2.0m was better than anticipated, reflecting strong trading cash conversion alongside property disposals and the sale of Chirton Engineering. The latter completed in August for £0.65m, with a further £0.2m deferred over two years, concluding the strategic review and establishing Fevara as a pure-play livestock supplements business. The £20m committed HSBC revolving-credit facility runs to November 2028, with two further one-year extension options and an additional £10m uncommitted facility. This supported FY26 acquisitions and provides capacity for further acquisitions and organic investment.

Valuation: 191p/share, c 30% upside

Following the forecast revisions, our valuation increases from 189p (previously) to 191p per share, an uplift of 0.8%. Sustained margin improvement and successful delivery of the Brazilian expansion remain important to the medium-term growth opportunity. Product launch in Brazil is scheduled from Q427, with installation of LMB capacity is progressing well. Management remains confident in its medium-term targets of £120m revenue, £15m adjusted EBITDA, a 10% adjusted EBIT margin and 20% ROCE. FY26's profit progression supports this, although further margin improvement and successful execution of the expansion plans remain.

Price	147.00p
Market cap	£76m
Net cash/(debt) at FY26	£2.0m
Shares in issue	51.8m
Code	FVA
Primary exchange	LSE
Secondary exchange	N/A

Share price performance



%	1m	3m	12m
Abs	6.1	8.1	9.2
52-week high/low		148.0p	113.5p

Business description

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

Next events

FY26 results	December 2026
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Investment thesis: Improving margins and expansion into Brazil

Fevara offers a combination of improving profitability in established markets and a new growth opportunity in Brazil. Following the completion of its strategic refocusing, the group is a specialist livestock supplements business, with low-moisture blocks (LMB) central to its strategy. The investment case rests on improving margins in the UK, Europe and US, increasing sales of differentiated, higher-margin products and building a Brazilian business through the acquired operating, distribution and manufacturing platform.

The FY26 trading update provides further evidence of delivery. Expected adjusted EBIT of c £6.0m implies a margin of c 7.0%, compared with c 4.7% in FY25, supported by 8% l-f-l revenue growth. We believe these changes provide a firmer basis for sustaining margins, with further sales growth offering scope for operating leverage. Encouraging early FY27 trading supports this view, although seasonal demand and input costs remain important variables.

Brazil provides an additional source of medium-term growth. The acquisitions of Macal and the São Paulo State production facility establish an operating, distribution and manufacturing platform in a large cattle market. LMB production capacity is being installed, with product launch scheduled from Q427, placing the more substantial opportunity beyond our immediate forecast years. Year-end net debt of c £2.0m and the £20m committed banking facility provide flexibility to support this expansion.

Management's medium-term targets are £120m revenue, £15m adjusted EBITDA, a 10% adjusted EBIT margin and 20% return on capital employed (ROCE). Achieving these requires both further improvement in the established businesses and a growing Brazilian contribution, while maintaining capital discipline. Sustaining the improved profitability and converting Brazil's potential into earnings and cash flow remain central to the investment case.

Higher profitability drives earnings upgrades

We increase our FY26e revenue forecast by 0.7% to £86.0m and EBIT by 7.3% to £5.9m, reflecting the stronger profitability indicated by the trading update. For FY27e, we raise revenue by 0.6% to £94.1m and EBIT by 9.4% to £7.0m. The larger revisions to profit than revenue reflect our expectation that improved FY26e profitability provides a firmer base for further margin progress. We see scope to sustain these gains as the benefits of business simplification carry through, while further sales growth should provide operating leverage across the existing cost base. Continued LMB sales growth and encouraging early FY27 trading support this view, although performance through the peak Northern Hemisphere season will be an important test. Our revised forecasts imply an EBIT margin of 7.4% in FY27e, up from 6.9% in FY26e.

Exhibit 1: Forecast revisions

	FY26e previous	FY26e revised	Change (%)	FY27e previous	FY27e revised	Change (%)
Revenue (£m)	85.4	86.0	0.7%	93.5	94.1	0.6%
EBIT (£m)	5.5	5.9	7.3%	6.4	7.0	9.4%
EBIT margin	0.1	0.1	6.5%	0.1	0.1	8.8%

Source: Edison Investment Research

DCF increased from 189p to 191p: 30% upside to current price

Following the forecast revisions, our valuation increases from 189p ([previously](#)) to 190p per share, an uplift of 0.8%. The change is modest despite the larger percentage increases in near-term normalised EBIT. Sustained margin improvement and successful delivery of the Brazilian expansion remain important to the longer-term investment case.

Exhibit 2: Exhibit 3: 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%	195	182	171	161	151	143	136
	1%	218	201	187	175	164	154	146
	2%	247	226	209	193	180	168	158
	3%	289	261	237	217	200	186	173
	4%	351	310	277	250	227	209	192

Source: Edison Investment Research

Exhibit 3: Financial summary

£m	FY23	FY24	FY25	FY26e	FY27e
31-August	IFRS	IFRS	IFRS	IFRS	IFRS
INCOME STATEMENT					
Revenue	81.8	75.7	78.8	86.0	94.1
Operating profit	4.3	3.8	5.0	5.8	6.2
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)	(1.3)	(0.8)
EBITDA (inc JVs)	4.6	3.8	4.9	7.1	7.7
Group EBIT (before amort and excepts)	2.8	2.2	3.7	5.9	7.0
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	5.9	7.0
Net Interest	0.1	0.3	0.5	(0.9)	(0.2)
Profit Before Tax (norm)	2.9	2.5	4.2	5.1	6.8
Profit Before Tax (reported)	(0.8)	(1.1)	5.7	5.1	6.8
Reported tax	(0.1)	2.0	0.1	(0.8)	(1.1)
Profit After Tax (norm) - continuing businesses	2.9	2.3	3.8	4.3	5.7
Profit After Tax (reported) - continuing businesses	(0.9)	0.8	5.8	4.3	5.7
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	8.3	10.9
EPS - basic reported (p)	(1.0)	(4.8)	23.1	8.3	10.9
Dividend (p)	5.2	5.2	2.4	2.5	2.8
EBITDA margin (%)	5.6	5.0	6.2	8.3	8.2
Normalised operating margin	5.3	5.0	6.3	6.8	6.6
Normalised Group EBIT margin (inc JV and central costs)	3.4	2.9	4.7	6.9	7.4
BALANCE SHEET					
Fixed Assets	73.9	21.3	21.4	22.8	24.8
Intangible Assets	22.5	2.1	2.1	2.8	2.8
Tangible Assets	37.3	10.6	9.8	10.4	12.4
Investments & other	14.1	8.6	9.6	9.6	9.6
Current Assets	88.4	122.5	38.3	35.6	34.7
Stocks	26.6	12.1	12.3	13.4	14.7
Debtors	26.9	10.4	10.6	11.6	12.7
Cash & cash equivalents	23.1	13.7	12.4	7.6	7.3
Other	11.8	86.4	2.9	2.9	0.0
Current Liabilities	(39.2)	(45.5)	(15.2)	(14.8)	(16.0)
Creditors	(24.1)	(10.7)	(11.7)	(12.8)	(14.0)
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	36.5	36.4
Shareholders' equity	107.9	94.9	37.4	36.5	36.4
CASH FLOW					
EBITDA	3.3	4.1	1.8	6.3	7.5
Working capital	(3.1)	3.2	2.9	(1.0)	(1.2)
Exceptional & other	(1.8)	(4.6)	(5.9)	(1.1)	(1.3)
Tax	(0.5)	1.5	0.2	(0.8)	(1.1)
Net Operating Cash Flow	(2.1)	4.2	(0.9)	3.4	3.9
Investment activities	(3.3)	(1.0)	(1.2)	(3.4)	(2.7)
Acquisitions/disposals	26.5	4.0	72.7	(5.0)	0.0
Net interest	(0.2)	0.1	0.4	0.0	(0.2)
Equity financing	0.2	0.2	(70.7)	0.0	0.0
Dividends	(4.9)	(5.1)	(3.8)	(1.2)	(1.3)
Other	(1.1)	(5.0)	1.8	1.5	0.0
Net Cash Flow	15.1	(2.6)	(1.7)	(4.8)	(0.3)
Opening net debt/(cash) including finance leases	21.6	4.2	4.5	2.6	(2.2)
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	(2.2)	(2.5)

Source: Fevara, Edison Investment Research

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