



Wynnstay Group PLC - WYN Trading Update
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Wynnstay Group plc
("Wynnstay" or "the Group")

Trading Update

Wynnstay, the agricultural supplies group, announces the following update on current trading for the financial year ended 31 October 2019.

Following last year's record results and after an encouraging start to the new financial year, market conditions in the second quarter have significantly weakened and trading is now behind seasonal norms. This mainly reflects the abnormally warm winter months, which reduced the requirement for feed and other weather-related products. It also contrasts significantly with last year, when the winter season was unusually long and harsh. The recent weakening in farmgate prices, partly believed to be the result of Brexit/political uncertainties is also undermining farmer confidence. The impact has been felt across both the Group's Divisions. Results for the first six months of the financial year are therefore expected to be substantially behind those of last year. Given these prevailing uncertainties, management currently believes it prudent to anticipate that the full year outturn is likely to be substantially below current market expectations.

Demand for arable products has gained momentum over recent weeks. Margins for spring cereal seed are expected to be higher than last year although volumes will be lower because of the increased acreage sown to winter cereals. Grain trading volumes continue to grow, but the anticipated margin pressures remain. Our Glasston business continues to perform well and the integration of the Countrywide operations, acquired in April 2018, is progressing as planned.

Some additional Brexit-related costs have been incurred during the period, mainly to ensure continuity of supply in certain sectors, particularly specialist imported raw materials.

The Board believes that despite current trading conditions, Wynnstay remains well placed to capitalise on opportunities in the agricultural sector and that prospects over the longer term are positive as agriculture adjusts to the changing economic landscape.

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