

11:02 07 Dec 2018

Genus upgraded to 'buy' by Peel Hunt after share placing

Genus PLC (LON:GNS) was upgraded to a 'buy' from a 'hold' rating by broker Peel Hunt after the animal genetics company said on Friday it had raised of £68m through a share placing.

Genus said 3.1m new shares were issued to new and existing investors at a price of 2,200p per placing share.

READ: Genus raises of £68m through share placing

"The proceeds will ensure balance sheet flexibility to continue to invest in the business and to take advantage of infill acquisition opportunities," Peel Hunt analysts wrote in a note to clients.

"The raise is slightly dilutive (c3% in the short term) but should be materially accretive as the company strengthens its strategic position and breeding capacity."

Genus's share price is 25% off the peak it reached last July, triggered by the outbreak of African swine fever (ASF) in China.

Peel Hunt said the current share price was an attractive entry point into a high-quality business with attractive long-term growth potential combined with the transformative opportunity in gene editing. Peel Hunt maintained its 2,600p target price.

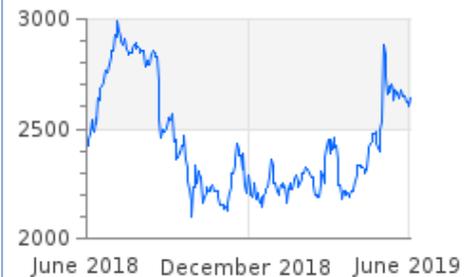
Genus was earlier this week upgraded to a 'buy' from a 'hold' rating by broker Kepler Chevreux who believes the fall in the animal genetics company's share price on the back of fears over the outbreak of African swine fever has been overdone.

Genus shares were 5.6% down at 2,258.0p in mid-morning trade.

Price: 2636p

Market Cap: £1714.77M

1 Year Share Price Graph



Share Information

Code: GNS

Listing: LSE

52 week High Low
2,998.00p 2,090.00p

Sector: Pharma & Biotech

Website: www.genusplc.com

Company Synopsis:

Genus' principal activity is the global application of quantitative genetics and biotechnology to animal breeding. The Company operates in five operating segments: North America, Latin America, Europe, Far East, and research and development. The research and development segment includes research, bovine product development and porcine product development..

Author:

Proactive Investors Ltd

+44 (0)207 989 0813

action@proactiveinvestors.com

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

No investment advice

Proactive Investors is a publisher and is not registered with or authorised by the Financial Conduct Authority (FCA). You understand and agree that no content published constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value or suitability of any particular security, portfolio of securities, transaction, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including company related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.