EAH AIMX Eco Animal Health Group PLC

Trading Update and Notice of Interim Results · RNS 0492C · 6 November 2026

ECO Animal Health cuts revenue outlook on China pork slump but holds EBITDA guidance

Share price	94.66p
Market cap	£64.1m
52-week range	80.01p - 116.9p
Shares in issue	67.8m
12-month change	+17.3%

Ticker Data API, as at 5 Nov 2026, 16:17

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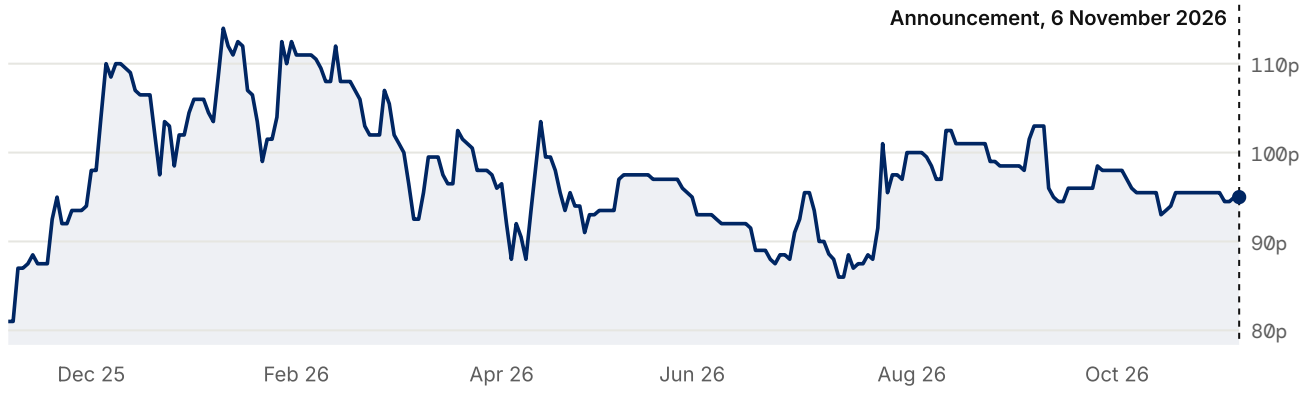

SUMMARY

ECO Animal Health's trading update today puts first-half revenue at £33 million (H1 2025: £39 million) as a pork-price trough in China cut producers' spending on animal health products. Outside China, revenue grew 6%, and gross margin rose to c.52%, which with cost control holds half-year adjusted EBITDA at c. £3.0 million, level with last year. The Board now expects full-year revenue below the £89.6m consensus, with China and Japan at less than half of FY26, but adjusted EBITDA and earnings per share broadly in line. Cash was £24 million at 30 September. The longer-term case depends on whether the margin gains last and whether a 10.7% fall in China's breeding sow herd turns into renewed customer spending, with the 30 November interims the first test.

KEY FIGURES

FIGURE	VALUE	PERIOD	CHANGE
H1 group revenue (six months to 30 September 2026)	£33 million	H1 FY27	H1 2025: £39 million
Revenue growth excluding China	6%	H1 FY27	Against prior year
Gross margin	c.52%	H1 FY27	H1 2025: 49.6%
Adjusted EBITDA	c.£3.0 million	H1 FY27	H1 2025: £3.0 million
Cash	£24 million	30 September 2026	£25.4m at 31 March 2026
Market consensus revenue, year to 31 March 2027	£89.6m	As at 5 November 2026	Board expects a shortfall
Market consensus adjusted EBITDA, year to 31 March 2027	£8.5m	As at 5 November 2026	Board expects broadly in line
Market consensus EPS, year to 31 March 2027	3.30p	As at 5 November 2026	Board expects broadly in line
China breeding sow herd	36.0 million head	End September 2026	Down 10.7% year on year
China national pork wholesale price	15.49 CNY/kg	Week to 1 November 2026	13.8% lower year on year; about 6% below the September peak

Sources: Trading Update RNS, 6 Nov 2026; Trading Update RNS, 6 Nov 2026; FY26 accounts

THE ANNOUNCEMENT

- First-half group revenue is expected to be £33 million (H1 2025: £39 million), because of a significant fall in the China and Japan segment. Chinese pig producers are losing money after excess supply pushed pork prices down.
- Revenue outside China grew 6% on the prior year, and South and South East Asia grew by more than 50%.
- Gross margin is expected to rise to c.52% (H1 2025: 49.6%). With continued cost control, that gives adjusted EBITDA of c.£3.0 million, unchanged on H1 2025. Earnings per share will be strongly ahead, helped by the exclusion of the minority interest in the China segment.
- For the full year, the Board expects group revenue to fall short of the £89.6m consensus, with China and Japan revenue likely to be less than half of FY26. It expects adjusted EBITDA broadly in line with the £8.5m consensus and EPS broadly in line with 3.30p.
- ECOVAXXIN® MS, the poultry vaccine launched in the EU in July 2026, made a modest first-half contribution in line with expectations, with uptake accelerating as customers move beyond initial trials.
- Cash at 30 September 2026 was £24 million. Interim results are due on 30 November 2026.

AGAINST GUIDANCE

The first half was in line with the Board's expectations, as set out with the FY26 results in July, when it flagged weaker trading in China and said FY27 would be second-half weighted. Against market consensus as at 5 November 2026, revenue is now expected to fall short of £89.6m, while adjusted EBITDA (£8.5m) and EPS (3.30p) are expected to be broadly in line. Revenue expectations have come down and earnings expectations have not, with the gap covered by higher gross margin and cost discipline. On the old consensus, the second half would have needed £56.6m of sales against £48.1m in the second half of FY26, a bar the Board has now said it will not clear.

BULL CASE

- The business held half-year adjusted EBITDA at c. £3.0m while revenue fell by £6m, because gross margin kept climbing: 40.3% in H1 FY25, 49.6% in H1 FY26 and c.52% now. In July the Board described the FY26 margin improvement as sustainable, and FY26 adjusted EBITDA of £8.5m beat expectations that had already been raised in March.
- Growth elsewhere is real: 6% outside China and more than 50% in South and South East Asia. China's breeding sow herd is down 10.7% year on year, which the Board sees as the basis for a price recovery in 2027, so the China segment is being measured from a low base.
- The balance sheet absorbs the setback. Cash of £24m sits against a market value of £64m, March borrowings were £4.93m, and a £10m revolving credit facility and £5m overdraft were renewed in June to 2031. The chief executive bought 22,346 shares at 89.5p on 16 July, after the China warning.
- The pipeline is moving beyond Aivlosin®: ECOVAXXIN® MS launched into an EU market of over 220 million layer birds a year, the USDA accepted its US field safety data in September, and a late-stage sheep toxoplasmosis vaccine was in-licensed from Vaxinano in August.

BEAR CASE

- China has disappointed twice. In July the Board expected FY27 in line with market expectations despite weaker China trading, and now China and Japan revenue is expected to be less than half of FY26. Pork prices have already given back part of their September recovery and remain 13.8% lower year on year, so the expected second-half improvement is a forecast, not yet visible in orders.
- Maintained EBITDA guidance now rests on margin and costs. Holding EBITDA flat on lower revenue requires lower costs below gross profit, and until the interims it is unclear how much is permanent saving, how much is regional mix and how much is deferred spending. The EPS improvement owes much to removing the China minority interest, which says nothing about underlying trading.
- On earnings the shares are not cheap: consensus EPS of 3.30p against the 94.66p price quoted today implies a multiple of close to 29 times. The company lists high dependency on a single product and on outsourced manufacturers among its principal risks.
- Soros Fund Management has cut its holding from 10.70793% to 9.76835% in July and to 8.97307% in October. In a £64m AIM company, continued selling can weigh on the price, and a miss on the retained guidance could be punished sharply.

WHAT TO WATCH

- The interim results on 30 November 2026: operating cash flow against EBITDA, China receivables and inventory, any development-cost capitalisation, and how much of the margin gain the company attributes to pricing and cost of goods versus mix.
- Chinese pork wholesale prices against the 16.40 CNY/kg mid-September peak and the 14.3–14.5 CNY/kg June–July low, and whether management reports China orders responding over the autumn and winter.
- Whether the Board keeps adjusted EBITDA broadly in line with £8.5m at the interims and beyond; any retreat would show the cost and margin offsets falling short.
- The pace of ECOVAXXIN® MS sales as EU customers move past trials, and further steps towards US licensure.

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