Results

For the year ended 25 September 2015

HIGHLIGHTS

- Food to go led strategy drives sustained out-performance
- Double digit growth in operating profit and fifth consecutive year of double digit growth in adjusted EPS
- Investment programme to deliver future performance on track
- Well placed to deliver further progress in FY16 and beyond

FINANCIAL REVIEW

Alan Williams

Chief Financial Officer

FINANCIAL SUMMARY

	FY15	Versus FY14
Revenue[1]	£1,340.3m	+5.4% LFL
Convenience Foods revenue	£1,290.2m	+6.0% LFL
Operating profit[2]	£91.7m	+10.6%
Operating margin[2]	6.8%	+30 bps
Adjusted PBT[3]	£78.0m	+13.5%
Adjusted earnings per share[3]	18.0p	+13.2%
Leverage[4]	2.0x	+¼ turn
ROIC	14.1%	+40 bps

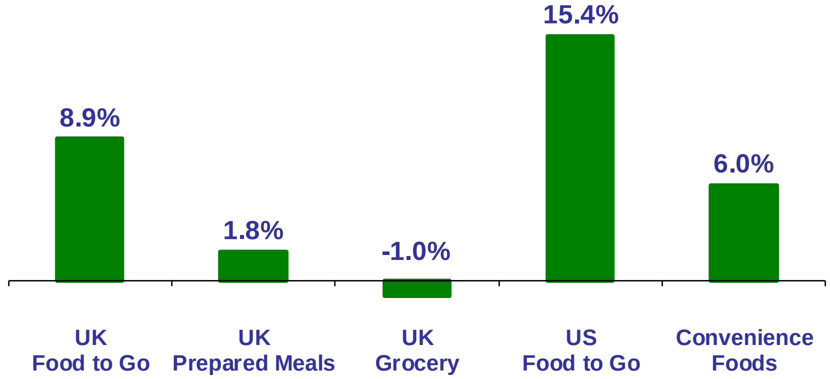
1. References to like for like ("LFL") revenue growth exclude revenue from Ministry of Cake which was sold in May 2014, revenue in the Lettieri's business for the period October 2014 to February 2015 and are expressed in constant currency
2. EBITDA, operating profit and operating margin are stated before exceptional items and acquisition related amortisation
3. Adjusted PBT and adjusted earnings measures are stated before exceptional items, pension finance items, acquisition related amortisation, FX on inter-company and certain external balances and the movement in the fair value of all derivative financial instruments and related debt adjustments
4. Net debt / EBITDA leverage as measured under financing agreements

CONVENIENCE FOODS

Food to go led strategy driving growth

	FY15 £m	FY14 £m	% change
Revenue[1]	1,290.2	1,213.4	+6.0% LFL
Operating profit[2]	89.6	80.7	+11.0%
Operating margin[2]	6.9%	6.7%	+20 bps

FY15 Like for Like revenue growth[1]



- Convenience Foods LFL revenue growth of 6.0%[1]:
  - Food to Go led: roll out of major contracts in the UK and US
- Operating profit growth and margin expansion driven by:
  - Like for like growth
  - Strong operational performance and tight cost control

INGREDIENTS & PROPERTY

	FY15 £m	FY14 £m	% change Actual currency	% change Constant currency
Revenue[1]	50.1	60.1	-16.6%	-7.5%
Operating profit[2]	2.1	2.2	-4.5%	

Division represents less than 5% of Group activity

- Revenue decline driven mainly by lower commodity prices in edible oils
- Operating profit broadly in line with prior year

FINANCING, TAX, PENSIONS & EXCEPTIONAL ITEMS

Financing

- Bank interest payable of £15.1m (FY14: £14.9m): higher average net debt related to the Group's capital investment programme, partly offset by interest capitalisation of £0.9m

Tax

- Group effective tax rate unchanged at 1%
- Effective tax rate continues to benefit from historic tax losses

Pensions

- Net IAS19 pension deficit of £89.4m, net of related deferred tax asset, a decrease of £16.2m from September 2014
- Cash requirement for FY16 expected to remain around £15m

Exceptional Charge

- £3.4m recognised in relation to the start-up of production at the new facility in Rhode Island and the related exit from the Newburyport and Brockton facilities

EPS AND DIVIDEND

EPS

	FY15	FY14
Adjusted earnings[3]	£72.8m	£63.7m
Denominator for earnings per share	405.5m	401.2m
Adjusted earnings per share[3]	18.0p	15.9p

- Adjusted earnings 14.3% ahead
- Adjusted earnings per share up 13.2%

Dividend

	FY15	FY14
Total dividend distribution	£25.3m	£22.1m
Interim dividend per share	2.40p	2.20p
Final dividend per share	3.75p	3.25p
Dividend per share	6.15p	5.45p

- Recommended final dividend of 3.75 pence per share
- Growth in dividend distribution broadly in line with growth in adjusted EPS - 35% of adjusted earnings distributed

CASHFLOW AND NET DEBT

Net debt at 25 September 2015 of £265.5m - 2.0x Net Debt / EBITDA*

£m	FY15	FY14
EBITDA[2]	**121.5**	**109.5**
Working capital movement	(7.6)	9.8
Net capex	(93.1)	(51.3)
Interest & tax	(16.9)	(16.2)
Operating cashflow	**3.9**	**51.8**
Pension financing	(13.5)	(13.7)
Exceptional items	(9.2)	(9.1)
Net dividends paid	(17.4)	(11.9)
Other including FX	(8.8)	2.6
Cashflow before acquisitions/disposals	**(45.0)**	**19.7**
Seattle investment	(8.8)	-
Littlehampton	-	15.1
Other disposals/(acquisitions)	0.4	(14.1)
Change in net debt	**(53.4)**	**20.7**

Key features of net debt movement:

- Significant increase in capital expenditure behind major capacity and capability enhancement projects
- Modest working capital outflow following similar level of inflow in the prior year
- Contract acquisition costs of £8.8m for new supply agreement in Seattle

FY16 capital expenditure expected to be c.£100m– Northampton, Seattle and Food to Go capability enhancement the key drivers

* Net debt / EBITDA leverage as measured under financing agreements

BORROWINGS PROFILE

- Refinancing of primary bank facility completed in March 2015 - new five year £300m facility in place
- USD100m of maturing private placement notes repaid post year-end
- Total committed facilities at 24 November 2015 of £445m
- Weighted average debt maturity of 4.3 years as at 24 November 2015

Maturity profile	**£m**
< 1 year	-
3 – 5 years	402
> 5 years	43
Total facilities	**445**
Average maturity	**4.3 years**

Borrowings split	**£m**
Bank borrowings	350
Non bank borrowings	95
Total facilities	**445**

SUMMARY – PERFORMANCE VERSUS FINANCIAL GOALS

Key Metrics	Goal	FY15 Outcome	Key Drivers
Convenience Revenue	5% LFL	6.0% LFL	▪ Double digit like for like growth in Food to Go revenues
Operating Margin*	Maintain above 6%	6.8% (+30 bps)	▪ Like for like growth momentum ▪ Strong operational performance
ROIC	Maintain above 13%	14.1% (+40 bps)	▪ Growth in NOPAT drives year on year improvement despite significant increase in capex
Leverage**	1.5 – 2.0x net debt/ EBITDA	2.0x	▪ EBITDA growth ▪ Disciplined capital management

*Operating Margin before exceptional items and acquisition related amortisation
** Net debt to EBITDA leverage as measured under financing agreements

OPERATING REVIEW AND OUTLOOK

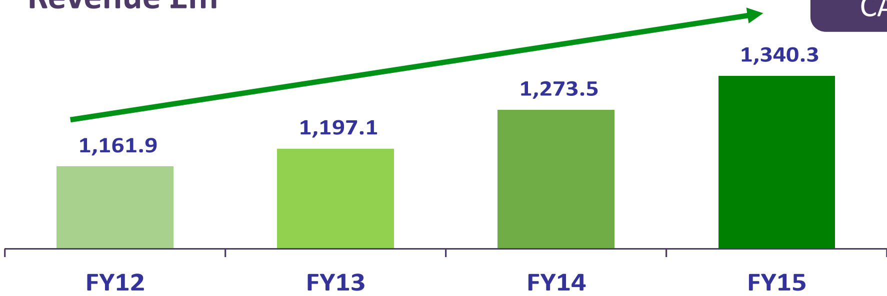
Patrick Coveney

Chief Executive Officer

FY15 RESULTS REPRESENT A FURTHER YEAR OF STRONG PERFORMANCE…

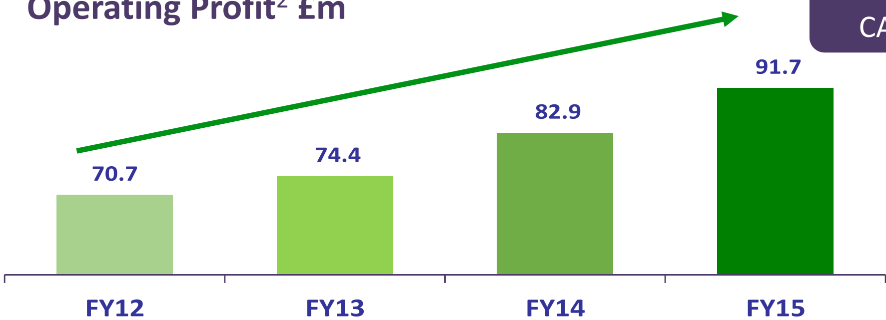
Revenue £m

FY12-15
CAGR: 5%



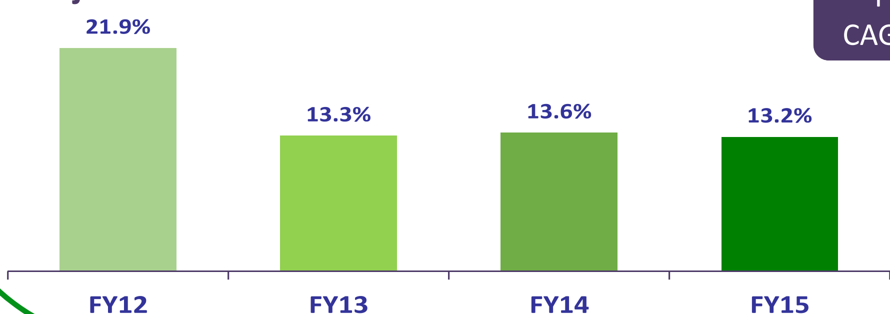
Operating Profit[2] £m

FY12-15
CAGR: 9%



Adjusted EPS[3] Growth

FY11-15
CAGR: 13.4%



- Track record of strong delivery
- Performing across all target metrics
- Sustained through consumer, retailer and competitive turbulence

…DRIVEN BY THE SUCCESS OF OUR OUR FOOD TO GO LED STRATEGY AND CULTURE

UK Food to Go	US Food to Go	UK Prepared Meals	UK Grocery
45%	15%	20%	20%




Combined FY15 LFL revenue growth of 10.4%

Note: Percentages shown are as a percentage of total Convenience Foods revenues

FY15 PERFORMANCE PRIORITIES

1 **Navigate** a UK grocery market undergoing profound change

2 **Deliver** strong growth in the US while successfully integrating new business

3 **Build** capacity and capability to enable next phase of growth

1 DESPITE NEAR TERM MARKET CHALLENGES, LONG-TERM TRENDS REMAIN POSITIVE

Portfolio geared to long-term consumer trends

Particularly well placed for recent focus on value

Convenience

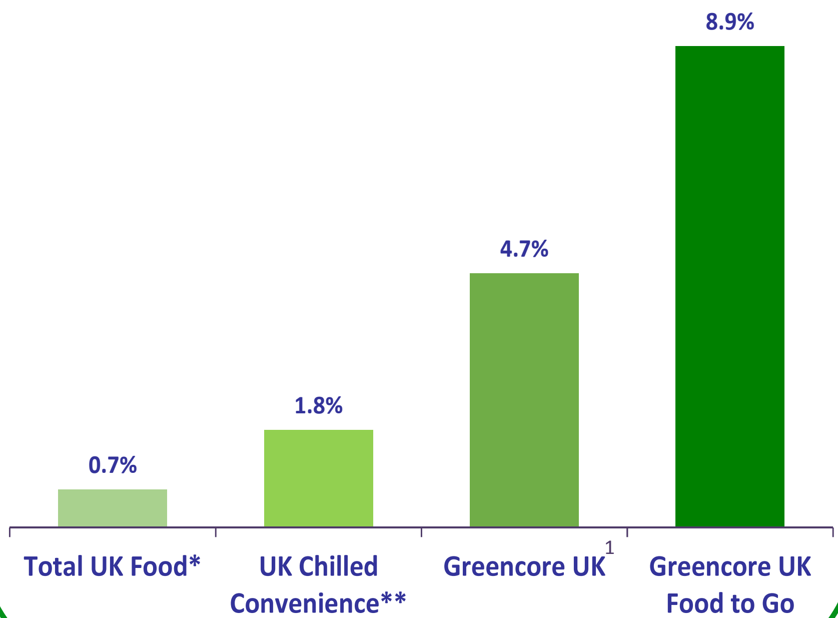
Customer brand focus

Health and freshness

Product investment model

1 OUR UK PORTFOLIO IS OUTPERFORMING THE MARKET

FY15 Growth Rates



- New business wins in each UK division
- Resetting our model to new customer reality
  - Longer term agreements
  - Building scale
  - Eliminating duplication across value chain
  - Reinvesting in product
- Investments in capacity and capability

* Source: Nielsen 52 weeks ending 7 November 2015
** Source: Nielsen 52 weeks ending 26 September 2015

UK CONVENIENCE
- DIVISIONAL PERFORMANCE

1 Food to Go

- Strong revenue growth of 8.9% (versus market growth 4.9%*)
- Multi-phased development of Northampton facility
- Pipeline of growth initiatives

2 Prepared Meals

- Revenue growth of 1.8%
- 4.2% growth in chilled ready meals (versus market growth 2.0%*); partly offset by declines in quiche
- Sustained productivity improvements

3 Grocery

- Revenue in the division declined by 1.0%[1], with pronounced deflation evident in several categories
- Own label cooking sauces outperformed the market
- Continued improvement in cakes and desserts businesses

* Source: Nielsen 52 weeks ending 26 September 2015

1 INVESTMENT IN CAPACITY TO DRIVE ORGANIC GROWTH - NORTHAMPTON

- Extension to existing facility in Northampton successfully commissioned in H1 FY15
- Construction of new production facility ('Unit D') well advanced; product transfers will begin in Q3 FY16
- Volumes and growth trends are strong; this trajectory and specific additional business awards increased projected future volumes
- Decision taken to commission an additional specialist unit at Northampton campus

US FY15 DELIVERY AND DEVELOPMENT

2

- Revenue growth of 28.0%, LFL growth of 15.4%[1]
- Rollout of major hot sandwich contract completed, with Jacksonville now delivering to plan
- Rhode Island facility commissioned with closures of Newburyport and Brockton now complete
- Seattle construction commenced
- Significant start-up and ramp-up costs of new capacity in Jacksonville and Rhode Island impacting profitability

Jacksonville

Rhode Island

Seattle

3 INVESTMENT IN CAPABILITY STARTING TO BRING REWARDS

People at the Core

- Senior leadership strengthened
- HR and leadership development

Great Food

- New product development
- Quality and food safety

Business Effectiveness

- IT infrastructure and capability
- Distribution network investment

Cost Efficiency

- Lean programme development
- Enhanced procurement

OUTLOOK

- Strong performance in FY15
- Clear strategy and strong positions in growing food to go market
- Pipeline of future opportunities
- Significant investment in capacity and capability

"While the outlook for the UK grocery retail market remains uncertain, we are well positioned to deliver further progress in FY16 and beyond"

the greencore way