

27 July 2017

Greencore Group plc – Trading Statement

Continued strong growth in both UK Food to Go and the US

Greencore Group plc (“Greencore” or the “Group”), a leading manufacturer of convenience food in the UK and US, today issues a trading update covering the 13 weeks to 30 June 2017 (“Quarter 3” or “Q3”) and the 39 weeks to 30 June 2017 (“Year to Date”).

Quarter 3 and Year to Date Trading¹

The Group recorded revenue of £636.5m in the 13 weeks to 30 June 2017, an increase of 76.6% on the prior year on a reported basis and of 11.8% on a pro forma basis. Year to Date, the Group recorded revenue of £1,646.8m, 56.5% ahead of the prior year on a reported basis and 8.8% ahead on a pro forma basis.

Convenience Foods UK & Ireland

The division reported Q3 revenue growth of 20.9% to £370.6m, an increase of 15.3% on a pro forma basis. Year to Date, reported growth was 17.8% to £1,056.2m, up 12.2% on a pro forma basis.

The strong growth momentum delivered in the period was driven by the Food to Go business, which accounted for more than 60% of divisional revenue in Q3. Reported revenue grew by 32.6% and pro forma revenue grew by 22.7% in the quarter. This performance was driven by positive underlying market growth as well as by the delivery of the previously announced business wins with several of the Group’s largest customers. Operational disruption relating to the launch of these business wins has reduced in Q3.

At the end of June 2017, the Group acquired a sandwich manufacturing facility in West Drayton, near Heathrow. This modest acquisition enables Greencore to add additional high quality manufacturing capacity to meet its food to go growth agenda.

In the other parts of the Convenience Foods UK & Ireland division (which include the Prepared Meals and Grocery set of businesses in the UK, and the edible oils and molasses trading businesses in Ireland), reported revenue grew by 6.4% in Q3, and by 5.3% on a pro forma basis, with particularly strong revenue growth in our Irish ingredients businesses. Trading conditions were challenging in our ready meals, cakes and desserts businesses during the quarter.

Convenience Foods US

The division reported Q3 revenue growth of 393.3% to £265.9m, an increase of 6.6% on a pro forma basis. Year to Date, reported growth was 280.5% to £590.6m, up 3.9% on a pro forma basis. Reported revenue growth primarily reflects the acquisition of Peacock Foods at the end of December 2016.

Progress with our consumer packaged goods customers (in the business formerly known as Peacock Foods) continues to be encouraging. On a pro forma basis, revenue was up 4.6% in Q3 in this business, with pro forma volume growth up approximately 8% in the quarter. This volume growth, which is a more meaningful indicator of underlying performance, was driven by good category growth and the expansion of our Carol Stream, Illinois, facility to cater for a contract win in meal kits. Pro forma revenue growth with our retail customers (in the original part of our US business) was 12.8% in Q3.

The integration of the US business is on track and the Group is encouraged by the pipeline of commercial opportunities being explored with existing and new customers. The Group believes that these opportunities, as well as an improving customer mix, will help the US division to leverage its enlarged network footprint and wider capabilities in order to drive profitable growth in FY18 and beyond.

Outlook

Q4 is the most seasonally important period for Greencore in both the UK and the US. This year, the step up in activity is expected to be even more significant given the integration of Peacock Foods, as well as the new business wins and associated project work in both the UK and the US.

Notwithstanding the scale of this step up, and the fact that trading conditions remain challenging in certain parts of our UK portfolio, the Group anticipates that the FY17 performance will be in the range of current market expectations.

As indicated in the H1 results in May 2017 and at our Capital Markets Day Event in Chicago last month, this is a transformational period for Greencore. The Group is confident that this exciting phase of operational and network investment will allow it to take full advantage of its exposure to higher growth categories and, in turn, to enhance Group profit, cashflow, and returns.

Conference Call

A conference call for investors and analysts will be held at 8.30am BST today. Dial in details are below and a replay facility will be available afterwards at www.greencore.com.

Conference call details:

Ireland: +353 (0) 1 246 5603

UK: +44 (0) 20 3427 1903

US: +1 718 354 1158

Access code: 1469517

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¹All prior year comparisons are to the 13 weeks to 24 June 2016, as presented in the Q3 2016 trading statement of 26 July 2016; pro forma references throughout this statement are on a constant currency basis and are adjusted to reflect ownership of both The Sandwich Factory and Peacock Foods for the relevant periods in both FY16 and FY17

NOTES TO EDITORS

Greencore is a leading international producer of convenience foods with extensive operations in the UK and the US. Headquartered in Dublin, it employs 16,000 people in 31 manufacturing facilities across the UK and the US. On average, it manufactures around 1.5 billion sandwiches and 140 million ready meals every year.

In the UK, it has strong market positions across sandwiches and other food to go products as well as complementary positions in other convenience food categories, including chilled prepared meals, chilled soups and sauces, ambient sauces and pickles, cakes and desserts and Yorkshire Puddings. It is a supplier of own-label products to all of the major UK supermarkets, and has world-class manufacturing sites with industry-leading technology and supply chain capabilities.

Following its acquisition of Peacock Foods in December 2016, Greencore is now a leading manufacturer of consumer packaged goods for many of the largest food brands in the US. The Group also produces chilled and frozen food to go products for convenience retail and food service leaders in the US.

For more information go to www.greencore.com or follow Greencore on social media.

This announcement is based on information sourced from unaudited management accounts.

This announcement contains certain forward looking statements with respect to the financial conditions, results of operations and businesses of the Group. These statements involve risk and uncertainty because they relate to events and depend upon circumstances that will occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward looking statements. Nothing in this announcement should be construed as a profit forecast.