

26 January 2021

Greencore Group plc

A resilient Q1 performance in challenging trading conditions

Greencore Group plc (“Greencore” or the “Group”), a leading manufacturer of convenience foods in the UK, today issues a trading update covering the 13 weeks to 25 December 2020 (“Q1” or “the quarter”).

Q1 Highlights^{1,2}

- Consistent focus on the Group’s three priorities – keeping our people safe, feeding the UK, and protecting our business
- Group revenue down 15.0% in Q1, impacted by the reduction in mobility arising from tiered restrictions and lockdowns in the UK during the period
- Positive Adjusted Operating Profit and Adjusted EBITDA for the quarter
- Continued to execute well against growth opportunities and secured additional new business during the quarter
- Liquidity and balance sheet strengthened through revised debt financing agreements and a successful equity placing raising gross proceeds of £90m, protecting the business in the near term and supporting delivery of value creating opportunities as trading conditions recover
- Latest lockdown significantly impacting demand in food to go categories, though not as marked as the initial lockdown in March 2020. Currently, pro forma Group revenue is approximately 20% below prior year levels, with performance in food to go categories down approximately 35% on prior year while other convenience categories remain stable
- Continued near term trading uncertainty however, the Group is well positioned to build back the business rapidly as trading conditions recover

Q1 Trading ^{1,2}

	Revenue	Growth	
	£m	Reported	Pro forma
Group	312.7	-15.0%	-15.1%
Food to go categories	188.5	-21.7%	-21.7%
Other convenience food categories	124.1	-2.1%	-2.1%

	Pro Forma Revenue Growth		
	October 2020	November 2020	December 2020
Group	-15%	-17%	-14%
Food to go categories	-22%	-24%	-20%
Other convenience food categories	-2%	-2%	-2%

Greencore's purposeful leadership and its three priorities - keeping our people safe, feeding the UK, and protecting our business – continued to provide a clear direction for the Group in Q1. The organisation, supply chain and production network all functioned well in the period, enabling the Group to maintain its high levels of customer service and satisfaction in this challenging operating environment.

The Group's reported revenue in Q1 was £312.7m, a decrease of 15.0% on the prior year, reflecting the impact of COVID-19 related restrictions on demand in food to go categories. On a pro forma basis, Group revenue decreased by 15.1%. The Group continued to execute well against growth opportunities and secured additional new business during the quarter.

In the Group's food to go categories, reported revenue was £188.5m in Q1, a decrease of 21.7% on both a reported and pro forma basis. The recovery in demand that was evident at the end of FY20 was impeded by the tiered regional restrictions on mobility introduced across the UK in October, and then by a subsequent national lockdown until early December, followed by the implementation of tiered regional lockdowns.

Reported revenue in the Group's other convenience food categories was £124.1m in Q1, a decrease of 2.1% on both a reported and pro forma basis.

During the quarter the Group continued to focus on cost and cash flow mitigants to protect the business, including the renewed use of furlough supports, pay freezes, elimination of discretionary spending, and a reduction in planned capital expenditures. These initiatives supported the delivery of positive Adjusted Operating Profit and Adjusted EBITDA in Q1.

The Group's liquidity and balance sheet was also strengthened in Q1. The Group secured revised debt financing facilities and amendments on near term covenant conditions, raised gross proceeds of £90m in an equity placing, and completed the sale of its molasses businesses for cash consideration of approximately £15.5m.

Outlook^{1,2}

A further national lockdown was introduced on 4 January 2021 and, as a result, Group revenue is currently 20% below prior year levels. Pro forma revenue in the Group's food to go categories is currently running approximately 35% below prior year levels, while performance in the Group's other convenience categories is stable year on year. The Group will continue to proactively manage costs and cash flow through the duration of the current lockdown, while also preparing for recovery and growth as mobility restrictions begin to ease.

The free trade agreement negotiated between the EU and the UK entered into force on 1 January 2021. The operational impact has been modest to date as the Group had completed extensive Brexit planning and was well prepared for any near term volatility in the supply chain.

The ongoing uncertainty regarding the duration and impact of COVID-19 on the Group's trading environment, and in particular on demand in its food to go categories, continues to make it difficult to predict FY21 performance. In this context, the Group's financial guidance remains suspended.

Greencore will report its H1 21 results on 25 May 2021.

Commenting on the performance, Patrick Coveney, Chief Executive Officer, said:

“This has been another challenging period for Greencore, and as ever I would like to thank all of our colleagues for the outstanding professionalism and resilience that they are showing. Although the difficult trading conditions are likely to persist in the near term, we remain confident that demand for our food to go categories will recover strongly as the effects of COVID-19 recede and mobility restrictions are removed.

We secured a number of new business wins in the quarter and have a healthy commercial pipeline as we look forward. In addition, the operational, debt and equity measures that we have taken in recent months provide us with a strong foundation from which to navigate our way through all of the challenges of COVID-19. We are confident that we have the capability and resources to build back the business rapidly as soon as market conditions allow, and we are optimistic about the medium-term prospects for Greencore.”

Conference Call

A conference call for investors and analysts will be held at 8.30am on 26 January 2021. Registration and dial in details are available at www.greencore.com/investor-relations/

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¹ Pro forma references throughout this statement are on a constant currency basis. Reported revenue in Q1 21 and Q1 20 is adjusted to exclude the sale of the Group’s molasses businesses that was completed in Q1 21

² Current performance based on trading week to 15 January 2021

About Greencore

We are a leading manufacturer of convenience food in the UK and our purpose is to make every day taste better. We supply all of the major supermarkets in the UK. We also supply convenience and travel retail outlets, discounters, coffee shops, foodservice and other retailers. We have strong market

positions in a range of categories including sandwiches, salads, sushi, chilled snacking, chilled ready meals, chilled soups and sauces, chilled quiche, ambient sauces and pickles, and frozen Yorkshire Puddings.

In FY20 we manufactured 619m sandwiches and other food to go products, 116m chilled prepared meals, and 264m bottles of cooking sauces, pickles and condiments. We carry out more than 10,000 direct to store deliveries each day. We have 16 world-class manufacturing sites in the UK, with industry-leading technology and supply chain capabilities. We generated revenues of £1.3bn in FY20 and employ approximately 12,200 people. We are headquartered in Dublin, Ireland.

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

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

Certain statements made in this Trading Update are forward-looking. These represent expectations for the Group's business, and involve known and unknown risks and uncertainties, many of which are beyond the Group's control. The Group has based these forward-looking statements on current expectations and projections about future events. These forward-looking statements may generally, but not always, be identified by the use of words such as 'will', 'aims', 'anticipates', 'continue', 'could', 'should', 'expects', 'is expected to', 'may', 'estimates', 'believes', 'intends', 'projects', 'targets', or the negative thereof, or similar expressions.

By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future and reflect the Group's current expectations and assumptions as to such future events and circumstances that may not prove accurate. A number of material factors could cause actual results and developments to differ materially from those expressed or implied by forward-looking statements. You should not place undue reliance on any forward-looking statements. These forward-looking statements are made as of the date of this Trading Update. The Group expressly disclaims any obligation to publicly update or review these forward-looking statements other than as required by law.