

25 July 2023

## Solid financial and operational performance in Q3; on track to deliver full year results in line with current market expectations

Greencore Group plc ('Greencore' or the 'Group'), a leading manufacturer of convenience foods in the UK, today issues its trading update for the 13 weeks ended 30 June 2023 ("Q3" or "the quarter").

### Q3 TRADING

	Revenue	Revenue Growth (versus FY22)			
	Q3	Q3		9 Months	
	£m	Reported	Pro Forma <sup>(1)</sup>	Reported	Pro Forma <sup>(1)</sup>
<b>Group</b>	495.4	+1.9%	+9.3%	+13.1%	+16.0%
<b>Food to go categories</b>	335.3	+0.6%	+8.1%	+9.6%	+12.7%
<b>Other convenience categories</b>	160.1	+4.7%	+12.1%	+19.9%	+22.4%

<sup>1</sup> Pro Forma Revenue Growth (versus FY22) adjusts reported revenue to exclude the additional week of trading in FY22 accounting period. It also presents the revenue on a constant currency basis utilising FY22 FX rates on FY23 reported revenue.

### PERFORMANCE <sup>[1]</sup>

- Greencore delivered a solid financial and operational performance in Q3 FY23, underpinned by outstanding customer service levels and the ongoing resilience of the categories in which it operates.
- Group reported revenue increased in Q3 FY23 by 1.9% to £495.4m. On a Pro Forma basis revenue grew by 9.3% with the increase driven by a combination of inflation recovery and underlying volume growth, supported by the contribution from new customer wins. Across the Group, manufactured volume growth in the quarter was +0.9%.
- Q3 FY23 reported revenue in food to go categories increased by 0.6% to £335.3m with Pro Forma revenue growth of 8.1%. The increase was primarily due to inflation recovery, in addition to food to go manufactured volumes being 2.0% ahead of Q3 FY22. Revenue from the distribution of third-party products was approximately 1% ahead of the prior year due to higher volumes.
- Q3 FY23 reported revenue in other convenience categories was £160.1m, a 4.7% increase year-on-year. On a Pro Forma basis this represented a 12.1% increase. The improvement was largely due to inflation recovery, the on-boarding of new business wins in ready meals coupled with a strong performance across ambient sauces. Underlying ready meals volumes in the quarter were 2.6% lower net of new business wins.
- Cost inflation continues to be managed through ongoing recovery and other mitigating actions, although the rate of inflation in some areas is now beginning to slow.
- Profit conversion and underlying free cash generation in Q3 FY23 were in line with management expectations and underpinned by on-going operational and commercial initiatives.

### OUTLOOK <sup>[2]</sup>

- The Group continues to expect to generate an FY23 outturn in line with current market expectations. Q4 FY23 represents a seasonally important period for Greencore and the Group anticipates delivering year-on-year profit and cashflow progression in the second half of the year.
- In addition, the Group expects that FY23 Net Debt:EBITDA, as measured under the financing agreements, will be within the range of its medium term target of between 1.0x to 1.5x.

<sup>2</sup> Consensus FY23 market expectations of mean Adjusted Operating Profit of £70.0m, mean Adjusted EPS of 7.8p, and mean Net Debt (excluding lease liabilities) of £188.6m, as compiled by Greencore from available analyst estimates on 14 July 2023 and as reported in the Investor Relations section of the Group website.

## Commenting on the performance, Dalton Philips, Chief Executive Officer, said:

*"I am encouraged by the progress made during the third quarter and that manufactured volume growth is continuing to support our top line momentum. This clearly illustrates the underlying demand for the categories in which we operate, as well as Greencore's resilience in the current difficult consumer spending environment.*

*The food to go category remains hugely relevant to consumers as they contend with the cost-of living crisis, and it is particularly notable that 52% of supermarket sandwiches are now bought as part of a meal deal, up from 46% this time last year. We are delighted that our core category is playing such a key role in feeding the UK, and in a way that represents such good value.*

*As we enter the fourth quarter, which is a seasonally important trading period for the business, we remain confident that the Group will deliver a full year outturn in line with current market expectations.*

*As outlined at the interim results in May, our priority in the near-term is to rebuild profitability and returns to create a platform on which to build for future growth".*

Greencore will report its FY23 results for the year ending 29 September 2023 on 28 November 2023.

## For further information, please contact:

Jonathan Solesbury Curtis Armstrong	Interim Chief Financial Officer Head of FP&A	Tel: +353 (0) 1 605 1000 Tel: +44 (0) 1246 384649
Rob Greening/ Nick Hayns/ Sam Austrums Billy Murphy/ Claire Rowley	Powerscourt Drury Communications	Tel: +44 (0) 20 7250 1446 Tel: +353 (0) 1 260 5000

## Forward-looking statements

Certain statements made in this document are, or may be deemed to be, 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 based on information currently available to the Group. The forward-looking statements contained in this document include statements relating to the financial condition, results of operations, business, viability and future performance of the Group and certain of the Group's plans and objectives. These forward-looking statements include all statements that do not relate only to historical or current facts and may generally, but not always, be identified by the use of words such as 'will', 'aims', 'achieves', 'anticipates', 'continue', 'could', 'develop', 'should', 'expects', 'is expected to', 'may', 'maintain', 'grow', 'estimates', 'ensure', 'believes', 'intends', 'projects', 'sustain', 'targets', or the negative thereof, or similar future or conditional expressions, but their absence does not mean that a statement is not forward-looking.

By their nature, forward-looking statements are prospective and 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. Investors should read 'Principal Risks and Uncertainties' as set out in the Appendix to the Interim Financial Report for the half-year ended 31 March 2023 issued on 30 May 2023 and also the discussion of risk in the Group's Annual Report and Financial Statements for the year ended 30 September 2022 issued on 29 November 2022. There may be risks and uncertainties that the Group is unable to predict at this time or that the Group currently does not expect to have a material adverse effect on its business. None of the Company or any of its associates or Directors, officers or advisers provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this document will actually occur. You should not place undue reliance on any forward-looking statements. These forward-looking statements are made as of the date of this announcement. The Group expressly disclaims any obligation to publicly update or review these forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by law.

## 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 FY22 we manufactured 795m sandwiches and other food to go products, 127m chilled prepared meals, 249m bottles of cooking sauces, pickles and condiments and 47m of chilled soups and sauces. We carry out more than 10,600 direct to store deliveries each day. We have 16 world-class manufacturing and 18 distribution centres in the UK, with industry-leading technology and supply chain capabilities. We generated revenues of £1.7bn in FY22 and employ more than 14,000 people. We are headquartered in Dublin, Ireland.

For further information go to [www.greencore.com](http://www.greencore.com) or follow Greencore on social media