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FULL YEAR RESULTS STATEMENT
For the financial year ended 29 September 2023

28 November 2023

Performance stabilised, business well positioned for the future

Greencore Group plc ('Greencore' or the 'Group'), a leading manufacturer of convenience food in the UK, today issues its results for the 52 week period ended 29 September 2023.

SUMMARY FINANCIAL PERFORMANCE

	FY23 £m	FY22 £m	Change
Group Revenue	1,913.7	1,739.6	+10.0%
Pro Forma Revenue Growth			+13.5%
Adjusted EBITDA	132.8	126.9	+4.6%
Group Operating Profit	66.0	52.1	+26.7%
Adjusted Operating Profit	76.3	72.2	+5.7%
Adjusted Operating Margin	4.0%	4.2%	-20 bps
Group Profit before taxation	45.2	39.8	+13.6%
Adjusted Profit Before Tax	58.1	59.8	-2.8%
Basic EPS (pence)	7.2	6.2	+16.1%
Adjusted EPS (pence)	9.3	9.2	+1.1%
Group Exceptional Items (after tax)	(5.5)	(13.5)	+59.3%
Free Cash Flow	56.8	58.7	-£1.9m
Net Debt (excluding lease liabilities)	154.0	180.0	
Net Debt: EBITDA as per financing agreements	1.2x	1.5x	
Return on Invested Capital ("ROIC")	8.9%	8.4%	+50bps

FINANCIAL HIGHLIGHTS[1,2]

- Volume growth ahead of the wider market[3], despite exiting low margin business
- Strong second half, supporting delivery of Adjusted Operating Profit of £76.3m in FY23, up 5.7%
- Recovery of inflation, supported by cost reductions and other mitigations
- Net Debt (excluding leases) to Adjusted EBITDA reduced to 1.2x
- ROIC increased to 8.9%, up from 8.4% in FY22
- Continued share buyback programme will deliver on commitment of £50m value return

STRATEGIC & OPERATIONAL HIGHLIGHTS[1]

- Stabilisation of business completed through delivery of "Horizon 1" objectives, moving to "Horizon 2", rebuilding profitability and returns
- Proactive management of contract profitability and manufacturing capacity utilisation
- Continued outstanding operational service levels of 98.5% achieved in FY23
- Refocused sustainability agenda
- Disposal of Trilby Trading Limited, increasing our focus on the convenience food market
- New five year £350m sustainability linked revolving credit facility providing significant financial flexibility for future growth
- Appointment of Catherine Gubbins as Chief Financial Officer and Executive Director

Commenting on the results, Dalton Philips, Chief Executive Officer, said

"In a challenging market environment, we have stabilised the business, and made good strategic progress. The Group delivered above-market volume growth[3], despite exiting a number of low margin contracts. We also successfully mitigated and recovered the majority of our input cost inflation through effective operational and commercial initiatives. We are encouraged by our FY23 performance and the progress across the business. That performance is testament to the strength of our relationships with our customers and suppliers and, in particular, to the hard work and dedication of the entire Greencore team.

The Group continues to focus on improving profitability and is investing in a number of initiatives focused on both optimising our network and our IT infrastructure, to give us the platform for future growth. Our stronger balance sheet provides the financial flexibility to underpin this growth. We are pleased with the start to the year and although it's early days, the Group remains confident in delivering FY24 within the range of current market expectations[4]."

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1 The Group uses Alternative Performance Measures ('APMs') which are non-IFRS measures to monitor the performance of its operations and of the Group as a whole. These APMs along with their definitions are provided in the Appendix to the Full Financial Year Results Statement.
2 The financial year is the 52-week period ended 29 September 2023 with comparatives for the 53-week period ended 30 September 2022.
3 Kantar grocery market performance for the 52 weeks to 1st October 2023.
4 Market expectations as complied by Greencore from available analyst estimates on 13 November 2023 (https://www.greencore.com/investor-relations/analyst-centre)

Basis of preparation

The financial information included within this Results Statement is based on the audited consolidated financial statements of Greencore Group plc. Details of the basis of preparation can be found in Note 1 to the attached financial information.

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. 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. 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.

Presentation & Conference Call

A presentation of the results for analysts and institutional investors will take place at 9.30am on 28 November 2023 at etc. Venues, 8 Fenchurch Place, London EC3M 4PB. The presentation slides will be available on the Investor Relations section on www.greencore.com from 7.00am that morning.

This presentation can also be accessed live from the Investor Relations section on www.greencore.com or alternatively via conference call. Registration and dial in details are available at www.greencore.com/investor-relations/

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About Greencore

We are a leading manufacturer of convenience food in the UK and our purpose is to make every day taste better. To help us achieve this we have a model called The Greencore Way, which is built on the differentiators of People at the Core, Great Food, Excellence and Sustainability – The Greencore Way describes both who we are and how we will succeed. 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 FY23 we manufactured 779m sandwiches and other food to go products, 132m chilled ready meals, 45m chilled soups and sauces and 245m jars of cooking sauces, pickles and condiments. We carry out more than 10,400 direct to store deliveries each day. We have 16 world-class manufacturing sites and 17 distribution centres in the UK, with industry-leading technology and supply chain capabilities. We generated revenues of £1.9bn in FY23 and employ 13,600 people. We are headquartered in Dublin, Ireland. For further information go to www.greencore.com or follow Greencore on social media.

FULL YEAR RESULTS STATEMENT
For the financial year ended 29 September 2023

OPERATING REVIEW[1]

Strategic developments

The Group delivered good progress against its strategic priorities in FY23, underpinned by close customer engagement in a highly inflationary and difficult consumer spending environment. The Group delivered year-on-year reported revenue growth of 10.0%, through a combination of underlying volume growth, including net new business wins and also recovering significant levels of inflation. Manufactured volume growth of 0.5% represents a strong volume performance, relative to the wider market performance[3]. The Group maintained outstanding operational service levels during the financial year, working closely with our customers and supply partners, with overall service levels at 98.5% in FY23 compared to 97.4% in FY22.

Management has remained focused on proactively managing contract returns and capacity management across the Group. The Group has exited a number of contracts, which were delivering sub-optimal returns with a focus on maximising returns and optimising use of our manufacturing footprint.

The Group successfully delivered on its Better Greencore programme targets in FY23, a change programme to drive efficiency and profit improvement, with a focus on fixed cost and overhead inflation. The targeted £30m of annualised benefits from this programme were realised during H2 FY23. In March 2023, the Group accelerated a headcount reduction programme which resulted in the reduction of approximately 250 salaried roles, in addition to this, a further 100 vacant salaried roles were removed from the organisational structure.

An exceptional charge of £8.9m was recognised in FY23 related to the Better Greencore programme; bringing the cumulative cost of delivery of the programme to £25.7m, including £0.7m of capital expenditure.

During the financial year the Group established a strategic framework for recovery and growth, with goals set across a three horizon framework:

- The first objective was to stabilise the business through the first horizon, which was achieved in FY23;
- The second horizon is focused on the rebuilding of profitability and returns; and
- The focus of the third horizon is to further develop our strong growth platform.

Our horizon framework will guide the prioritisation and sequencing of our long-term strategic objectives.

The Group also initiated incremental activity on commercial and operational efficiencies to support profitability and mitigate inflation in FY23. The Group made good progress in implementing these in FY23 as outlined below.

- A commercial excellence programme combining profit enhancement activities across volume, cost, pricing and product mix:
  - a deep product innovation pipeline has enabled the Group to drive volume and unlock value for both Greencore and customers;
  - improvements in our NPD process have increased efficiency and allowed us to better support customers;
  - in FY23, the number of SKUs were reduced by 9% with volume per SKU increasing 10%; while the Group continued to be a supplier of choice to our chosen partners; and
  - increased focus on returns has led to the resignation from contracts which were delivering sub-optimal returns.

- A structured operational excellence programme has been rolled-out across the business. This involves:
  - detailed diagnostic benchmarking of the Group's manufacturing facilities;
  - the selection of four pilot large sites for improvement activities, which together account for c.50% of Group COGS; and
  - implementation of improvement methodologies, with each of the four sites focused on one of material waste, labour, planning, supply chain planning or engineering.

Following on from this the Group will continue to focus on commercial excellence, operational excellence and continued tight management of costs.

The Group announced the appointment of Catherine Gubbins as Executive Director and Chief Financial Officer on 5September 2023. Catherine joins the business on 6 February 2024 from daa plc, the global airports and travel retail group where she has worked for nine years in various roles including as Group CFO since March 2021.

In November 2023, John Amaechi and Sly Bailey advised the Board that they would not be seeking re-election at the 2024 Annual General Meeting.

FULL YEAR RESULTS STATEMENT
For the financial year ended 29 September 2023

Trading Performance

	FY23 £m	FY22 £m	Change (As reported)	Change (Pro Forma Basis)
Revenue	1,913.7	1,739.6	+10.0%	+13.5%
Group Operating Profit	66.0	52.1	+£13.9m	n/a
Adjusted Operating Profit	76.3	72.2	+£4.1m	n/a
Group Profit Before Tax	45.2	39.8	+£5.4m	n/a

Group reported revenue increased by 10.0% to £1.9bn in FY23. Reported revenue growth was driven by an 11.3% benefit from recovery of cost inflation, a 0.7% benefit from manufactured volume increases (a combination of underlying growth, price mix and new business wins) and a (1.9%) decline related to distribution of third-party goods, the Trilby Trading Limited business and revenue contribution from the 53rd week in FY22. On a pro forma basis, revenue increased 13.5% in FY23 as a result of adjusting for the impact of the 53rd week in FY22 and the disposal of the edible oils trading business, Trilby Trading Limited.

Overall, Group Operating Profit in FY23 increased 26.7% to £66.0m and Adjusted Operating Profit increased by 5.7% to £76.3m. The Adjusted Operating Profit improvement was driven by the increased revenue performance underpinned by the operational and commercial initiatives implemented during the financial year. Group Profit Before Tax was £45.2m in FY23, compared to £39.8m in FY22.

Substantial inflation in the Group's main cost components led to a low double digit percentage rate of inflation in FY23. Inflation incurred was largely recovered or mitigated in the period, through a number of mechanisms, including pass-through of cost increases, cost reductions, product and range reformulations, and alternative sourcing. Specifically, the Better Greencore change programme alongside other efficiency initiatives also supported the offsetting, recovery and mitigation of labour, fixed cost and other overhead cost inflation.

The largest component of inflation was in commodities across raw materials and packaging, some of which was recovered through pre-agreed recovery mechanisms in place with a number of customers. The other elements of inflation were largely recovered through a combination of close customer engagement and operational efficiencies. Key initiatives on which the Group worked in collaboration with customers, included range alterations, packaging redesigns and product reformulations.

New business, net of business losses, contributed c.2% of the Group's revenue growth in the period. The new business was largely driven by the annualisation of the on-boarding of a strategic business win across multiple categories, which was supported by a strategic capital investment.

The Group managed a very active commercial agenda with customers in FY23 and launched approximately 400 new or reformulated products, within the Group's total SKU range of more than 1,600 products. Examples of launches with key customers during the financial year include Christmas ranges of sandwiches. In January 2023, a series of new own label brands were launched in the vegan and health category with major retailers. We also launched a new range of cooking sauces, as well as creating summer twists on the nation's favourite quiche and picnic ranges.

Revenue in the Group's Food to Go categories (comprising sandwiches, salads, sushi and chilled snacking) totalled £1.25bn and accounted for approximately 65% of reported revenue. Reported revenue increased by 7.9% in these categories, largely driven by inflation recovery, in addition to volume growth in sandwiches and the contribution of new business wins. The Group also experienced volume growth across the Food to Go Salads category, however there were weaker performances in the Side of Plate category and a continued challenging own label sushi market. Revenue from the distribution of third-party products accounted for approximately 9% of Group revenue in FY23.

The Group's Other Convenience categories comprise activities in the chilled ready meals, chilled soups and sauces, chilled quiche, ambient sauces and pickles, and frozen Yorkshire Pudding categories, as well as the Trilby Trading Limited business. Reported revenue across these categories increased by 14.3% to £661.1m in FY23. The increase was driven by inflation recovery, in addition to volume increases across a number of categories. Revenue related to volume growth was 0.4% higher than in FY22, excluding the impact of the 53rd week in FY22, due largely to the annualisation of new business wins onboarded in the ready meals category in FY22. In addition to this the Group also saw a strong volume performance in the cooking sauce and soup categories, however much of the remainder of the grocery category saw a more challenging performance.

Group Cash Flow and Returns

	FY23 £m	FY22 £m	Change (as reported)
Free Cash Flow	56.8	58.7	-£1.9m
Net Debt	199.0	228.0	-£29.0m
Net Debt (excluding lease liabilities)	154.0	180.0	-£26.0m
ROIC	8.9%	8.4%	50bps

The Group continued to carefully manage both Cash Flows and leverage in FY23.

The Group recorded a Free Cash inflow of £56.8m in FY23 a modest decrease on the prior year as the higher profitability in FY23, was offset by increases in financing and tax costs. Free Cash Flow conversion was 42.8% compared with 46.3% in FY22.

The Group's Net Debt at 29 September 2023 was £199.0m, a decrease of £29.0m compared to 30 September 2022. Net Debt excluding lease liabilities was £154.0m down 14% on the prior year due to increased profitability, reduction in capital expenditure and disposal proceeds of Trilby Trading Limited. The Group's Net Debt: EBITDA leverage covenant as measured under financing agreements was 1.2x at period end, compared to 1.5x at 30 September 2022.

In January 2023, the Group further strengthened its balance sheet when it extended the maturity on its £50.0m bilateral facility by two years to January 2026. As at 29 September 2023, the Group had total committed debt facilities of £482.8m, a weighted average maturity of 2.1 years and cash and undrawn committed bank facilities of £327.8m. Subsequent to the year end, the Group has refinanced its debt facilities with a new five year £350.0m sustainability linked revolving credit facility.

ROIC increased to 8.9% for the year ended 29 September 2023, compared to 8.4% for the prior year. The year-on-year increase was driven primarily by increased profitability in the 12-month period to 29 September 2023. Average invested capital decreased year-on-year from £695.0m to £678.1m.

Better Future Plan

During FY23, we focused on assigning ownership of action and refined topic priorities to help us to reach our targets.

Our FY23 key sustainability strategy progress included the implementation of a new plan ownership model which sees plan owners within relevant business functions take responsibility for each element of our Better Future Plan and defined the strategic focus to four priorities; Energy, Food Waste, Communities and Healthy and Sustainable Diets.

Progress across the Better Future Plan was made as outlined below:

- reported on deforestation-free soy for the first time, providing visibility of the total soy footprint;
- embedded human rights as an agenda item for discussion in key supplier performance meetings;
- launched scope 3 carbon engagement with key suppliers, for collaboration with suppliers;
- completed energy savings opportunity scheme (ESOS) audits across 80% of our total group energy usage; andon-boarded the Mondra environmental footprinting tool.

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FINANCIAL REVIEW[1]

Revenue and Operating Profit

Reported revenue in the period was £1,913.7m, an increase of 10.0% compared to FY22, due to increased volume in the financial year including new business wins, as well as recovery of inflation. Pro Forma Revenue increased by 13.5%. Pro Forma Revenue adjusts for the disposal of the Trilby Trading Limited in both financial years and has adjusted FY22 revenue for the additional week of trading.

Group Operating Profit increased from £52.1m in FY22 to £66.0m in FY23 as a result of the increased revenue performance underpinned by the operational and commercial initiatives implemented during the financial year. Adjusted Operating Profit was £76.3m compared to £72.2m in FY22. Adjusted Operating Margin was 4.0%, 20bps lower than FY22.

Net finance costs

The Group's net bank interest cost was £16.9m in FY23, an increase of £5.8m versus FY22. The increase was driven by higher cost of debt during FY23. The Group also recognised a £1.2m interest charge relating to the interest payable on lease liabilities in the period (FY22: £1.2m).

The Group's non-cash finance charge in FY23 was a net £2.7m (FY22: £Nil). The change in the fair value of derivatives and related debt adjustments including foreign exchange in the financial year was a £1.4m charge (FY22: £1.2m credit) and the non-cash pension financing charge of £1.2m was £0.1m higher than the FY22 charge of £1.1m.

Profit before taxation

The Group's Profit before taxation increased from £39.8m in FY22 to £45.2m in FY23, driven by higher Group Operating Profit and lower exceptional items offset by higher finance costs. Adjusted Profit Before Tax in the period was £58.1m compared to £59.8m in FY22, the decrease primarily driven by a higher effective tax rate.

Taxation

The Group's effective tax rate in FY23 was 21% (FY22: 19%). The increase in the effective tax rate reflects the increase in the UK corporation tax rate.

Exceptional items

The Group had a pre-tax exceptional charge of £6.7m in FY23, and an after tax charge of £5.5m, comprised as follows:

Exceptional Items	**£m**
Reorganisation costs	(8.9)
Pension restructuring	(0.4)
Profit on disposal of trading business	0.1
Release of legacy business liability	1.7
Reversal of Impairment	0.6
Non-core property related income	0.2
Exceptional items (before tax)	**(6.7)**
Tax on exceptional items	1.2
Exceptional items (after tax)	**(5.5)**

In FY23, the Group continued the Better Greencore programme to support the Group's excellence cost efficiency programmes and to unlock further cost efficiencies by reducing organisational complexity. The Group recognised a charge of £8.9m in respect of work carried out in the period (FY22: £16.1m). These exceptional costs were offset by a number of exceptional credits which included the profit on disposal of Trilby Trading Limited of £0.1m and the release of a legacy business liability of £1.7m.

Earnings per share

The Group's basic earnings per share for FY23 was 7.2 pence compared to 6.2 pence in FY22. This was driven by a £3.6m increase in profit attributable to equity holders and a decrease in the weighted average number of shares in issue in FY23 to 495.4m (FY22: 523.4m) due to the impact of the share buyback programme.

Adjusted Earnings were £46.2m in the period, £1.9m behind FY22 largely due to an increase in Adjusted Operating Profit offset by an increase in interest and tax costs. Adjusted Earnings Per Share of 9.3 pence compared to adjusted earnings per share of 9.2 pence in FY22.

Cash Flow and Net Debt

Adjusted EBITDA was £5.9m higher in FY23 at £132.8m. The Group recognised a net working capital inflow of £2.2m (FY22: working capital inflow of £2.0m). Maintenance Capital Expenditure of £26.6m was recorded in the financial year (FY22: £16.9m). The cash outflow in respect of exceptional charges was £10.9m (FY22: £13.6m).

Interest paid in the period was £17.6m (FY22: £16.7m), including interest of £1.2m on lease liabilities, an increase on FY22 reflecting higher interest costs on borrowings in FY23. The Group recognised tax paid of £2.7m (FY22: £2.2m tax receipt) in the period. The cash tax payable by the Group will remain low due to the availability of full expensing relief for capital expenditure. The Group's effective tax rate will be higher than the cash tax rate in the medium term as deferred tax liabilities will arise on assets where full expensing relief has been claimed. The deferred tax liabilities will release over the useful life of the assets. Cash repayments on lease liabilities decreased to £15.6m (FY22: £17.3m). The Group's cash funding for defined benefit pension schemes was £11.1m (FY22: £11.5m).

In FY23, the Group recorded Strategic Capital Expenditure of £10.8m (FY22: £33.1m).

The Group did not make any equity dividend cash payments in either period. The Group made net share purchases of £30.1m in FY23 reflecting the continuation of the Group's share buyback programme in FY23 with £26.2m of shares bought back in FY23 and the purchase of shares for the Group's employee share ownership scheme of £3.9m. This compared to net share purchases of £11.8m in FY22.

In September 2023, the Group completed the sale of its interests in its edible oils business, Trilby Trading Limited for a final net cash consideration of £6.1m.

The Group's Net Debt excluding lease liabilities at 29 September 2023 was £154.0m, a decrease of £26.0m compared to the end of FY22.

Financing

As at 29 September 2023, the Group had total committed debt facilities of £482.8m and a weighted average maturity of 2.1 years. These facilities comprised:

- a £340.0m revolving credit bank facility with a maturity date of January 2026;
- a £50.0m bilateral bank facility with a maturity date of January 2026;
- a £45.0m bank term loan facility with a maturity date of June 2024; and
- £13.5m and $41.9m of outstanding Private Placement Notes with maturities ranging between June 2024 and June 2026

At 29 September 2023 the Group had cash and undrawn committed bank facilities of £327.8m (FY22: £398.0m).

Subsequent to the financial year end, the Group has refinanced its debt facilities with a new five year £350.0m sustainability linked revolving credit facility ('RCF'), maturing in November 2028 with the option to extend for up to a further two years. The facility also includes a £100 million accordion option which provides additional potential financing facilities. This new facility replaces the existing £340.0m RCF that was due to mature in January 2026. A £45.0m term loan due to mature in June 2024 was also repaid in full as part of this debt restructuring.

Pensions

All of the Group's legacy defined benefit pension schemes are closed to future accrual. The net pension deficit relating to legacy defined pension schemes, before related deferred tax, at 29 September 2023 was £20.1m, £0.2m lower than the position at 30 September 2022. The net pension deficit after related deferred tax was £12.8m (FY22: £10.4m), comprising a net deficit on UK schemes of £28.3m (FY22: £44.5m) and a net surplus on Irish schemes of £15.5m (FY22: £34.1m).

In November 2022, the trustees of the Irish legacy defined benefit scheme entered into an annuity buy-in transaction to purchase an insurance policy for the pensioner liabilities, representing approximately 80% of the liabilities of the scheme. This has the benefit of de-risking the future of the scheme. The insurance policy is treated as a plan asset and the fair value of the policy is determined to be the present value of the related obligations. At the completion of the buy-in of the insurance policy, the Group recognised an actuarial loss in equity reflecting the change in the value of the plan assets to match the related obligation.

The decrease in the Group's net pension deficit was driven principally by net actuarial losses particularly on the Irish scheme offset by contributions paid by the Group. The movement in the discount rate is driven by the corporate bond rate. The UK scheme is 75% hedged for movements in gilt yields.

Separate to this IAS 19 *Employee Benefits* valuation, the valuations and funding obligations of the Group's legacy defined benefit pension schemes are assessed on a triennial basis with the relevant trustees. A full actuarial valuation was carried out on the Irish scheme at 31 March 2022 and a full actuarial valuation is ongoing with reference to 31 March 2023 for the UK defined benefit scheme. The Group expects the annual cash funding requirement for all schemes to be approximately £12m - £15m.

Return of value to shareholders

In May 2022, a £50m return of value to shareholders over the next two years was announced. The Group completed £35.0m of share buyback programme to 29 September 2023, of which the total cash returned in FY23 was £26.2m. On 10 October 2023, the continuation of the Group's share buyback programme was announced up to a maximum of £15.0m to 30 March 2024. Between 10 October 2023 and 24 November 2023, the Company purchased a total of 4,907,006 ordinary shares under the Buyback Programme, returning a total of £4.5m in cash to shareholders.

Principal risks and uncertainties

There are a number of potential risks and uncertainties which could have a material impact on future Group performance and could cause actual results to differ materially from expected and historical results. The risks and uncertainties are described in detail in the section Risks and risk management in the Annual Report and Financial Statements for the financial year ended 29 September 2023 issued on 28 November 2023.

Dalton Philips

Chief Executive Officer

Date: 27 November 2023

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GROUP INCOME STATEMENT
For financial year ended 29 September 2023

	Notes	2023* Pre-exceptional £m	2023* Exceptional (Note 3) £m	2023* Total £m	2022 Pre-exceptional £m	2022 Exceptional (Note 3) £m	2022 Total £m
Revenue	2	**1,913.7**	**–**	**1,913.7**	1,739.6	–	1,739.6
Cost of sales		**(1,344.9)**	**–**	**(1,344.9)**	(1,216.6)	–	(1,216.6)
Gross profit		**568.8**	**–**	**568.8**	523.0	–	523.0
Operating costs before acquisition related amortisation		**(491.4)**	**(6.7)**	**(498.1)**	(449.6)	(16.5)	(466.1)
Impairment of trade receivables		**(1.1)**	**–**	**(1.1)**	(1.2)	–	(1.2)
Group operating profit before acquisition related amortisation		**76.3**	**(6.7)**	**69.6**	72.2	(16.5)	55.7
Amortisation of acquisition related intangibles		**(3.6)**	**–**	**(3.6)**	(3.6)	–	(3.6)
Group operating profit/(loss)		**72.7**	**(6.7)**	**66.0**	68.6	(16.5)	52.1
Finance income	4	**0.7**	**–**	**0.7**	0.2	–	0.2
Finance costs	4	**(21.5)**	**–**	**(21.5)**	(12.5)	–	(12.5)
Profit/(loss) before taxation		**51.9**	**(6.7)**	**45.2**	56.3	(16.5)	39.8
Taxation		**(10.5)**	**1.2**	**(9.3)**	(10.5)	3.0	(7.5)
Profit/(loss) for the financial year attributable to the equity shareholders		**41.4**	**(5.5)**	**35.9**	45.8	(13.5)	32.3
Earnings per share (pence)							
Basic earnings per share	5			**7.2**			6.2
Diluted earnings per share	5			**7.2**			6.1

* The financial year is the 52 week period ended 29 September 2023 with comparatives for the 53 week period ended 30 September 2022.

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GROUP STATEMENT OF COMPREHENSIVE INCOME
for financial year ended 29 September 2023

	Notes	2023* £m	2022 £m
Total comprehensive income for the financial year			
Items that will not be reclassified to profit or loss:			
Actuarial (loss)/gain on Group legacy defined benefit pension schemes		**(9.2)**	14.4
Tax charge on Group legacy defined benefit pension schemes		**(0.6)**	(4.1)
		(9.8)	10.3
Items that may subsequently be reclassified to profit or loss:			
Currency translation adjustment		**(0.5)**	1.8
Translation reserve transferred to Income Statement on disposal of subsidiary	9	**(0.6)**	–
Cash flow hedges:			
fair value movement taken to equity		**(3.1)**	8.5
transferred to Income Statement for the financial year		**(1.5)**	(1.6)
		(5.7)	8.7
Other comprehensive income for the financial year		**(15.5)**	19.0
Profit for the financial year		**35.9**	32.3
Total comprehensive income for the financial year attributable to the equity holders		**20.4**	51.3

* The financial year is the 52 week period ended 29 September 2023 with comparatives for the 53 week period ended 30 September 2022.

FULL YEAR RESULTS STATEMENT
For the financial year ended 29 September 2023

GROUP STATEMENT OF FINANCIAL POSITION
at 29 September 2023

	Notes	**2023 £m**	2022 £m
ASSETS			
Non-current assets			
Goodwill and intangible assets	6	**461.1**	468.1
Property, plant and equipment	6	**315.5**	319.4
Right-of-use assets		**41.0**	44.4
Investment property		**4.6**	3.1
Retirement benefit assets	8	**18.4**	39.8
Derivative financial instruments		**3.7**	12.4
Deferred tax assets		**28.8**	37.1
Trade and other receivables		**0.1**	0.3
Total non-current assets		**873.2**	924.6
Current assets			
Inventories		**72.9**	63.3
Trade and other receivables		**234.2**	248.7
Cash and cash equivalents		**116.5**	99.6
Derivative financial instruments		**0.9**	2.5
Total current assets		**424.5**	414.1
Total assets		**1,297.7**	1,338.7
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital		**4.8**	5.2
Share premium		**89.7**	89.7
Other reserves		**120.8**	127.8
Retained earnings		**244.5**	242.9
Total equity		**459.8**	465.6
LIABILITIES			
Non-current liabilities			
Borrowings	7	**125.8**	209.8
Lease liabilities		**30.7**	33.6
Other payables		**2.4**	2.7
Provisions		**6.9**	5.2
Retirement benefit obligations	8	**38.5**	60.1
Deferred tax liabilities		**15.2**	18.9
Total non-current liabilities		**219.5**	330.3
Current liabilities			
Borrowings	7	**144.7**	69.8
Trade and other payables		**446.0**	445.1
Lease liabilities		**14.3**	14.4
Derivative financial instruments		**–**	0.1
Provisions		**3.0**	4.7
Current tax payable		**10.4**	8.7
Total current liabilities		**618.4**	542.8
Total liabilities		**837.9**	873.1
Total equity and liabilities		**1,297.7**	1,338.7

FULL YEAR RESULTS STATEMENT
For the financial year ended 29 September 2023

GROUP STATEMENT OF CASH FLOWS
for the financial year ended 29 September 2023

	Notes	2023* £m	2022 £m
Profit before taxation		**45.2**	39.8
Finance income	4	**(0.7)**	(0.2)
Finance costs	4	**21.5**	12.5
Exceptional items	3	**6.7**	16.5
Group operating profit before exceptional items		**72.7**	68.6
Depreciation and impairment of property, plant and equipment and right-of-use assets		**56.8**	52.5
Amortisation of intangible assets		**6.3**	6.7
Employee share-based payment expense		**3.3**	2.7
Contributions to Group legacy defined benefit pension scheme	8	**(11.1)**	(11.5)
Working capital movement		**2.2**	2.0
Net cash inflow from operating activities before exceptional items		**130.2**	121.0
Cash outflow related to exceptional items		**(10.9)**	(13.6)
Interest paid (including lease liability interest)		**(17.6)**	(16.7)
Tax (paid)/ received		**(2.7)**	2.2
Net cash inflow from operating activities		**99.0**	92.9
Cash flow from investing activities			
Purchase of property, plant and equipment		**(36.0)**	(48.6)
Purchase of intangible assets		**(1.4)**	(1.4)
Disposal of undertakings	9	**6.1**	–
Net cash outflow from investing activities		**(31.3)**	(50.0)
Cash flow from financing activities			
Ordinary shares purchased – own shares		**(3.9)**	(3.0)
Capital return via share buyback		**(26.2)**	(8.8)
(Repayment)/drawdown of bank borrowings		**(20.2)**	9.6
Repayment of Private Placement Notes		**(15.5)**	(47.3)
Settlement of swaps on maturity of Private Placement Notes		**(0.1)**	(2.6)
Repayment of lease liabilities		**(15.6)**	(17.3)
Net cash outflow from financing activities		**(81.5)**	(69.4)
Net decrease in cash and cash equivalents and bank overdrafts		**(13.8)**	(26.5)
Reconciliation of opening to closing cash and cash equivalents and bank overdrafts			
Cash and cash equivalents and bank overdrafts at beginning of the financial year		**46.7**	73.6
Translation adjustment		**(0.1)**	(0.4)
Net decrease in cash and cash equivalents and bank overdrafts		**(13.8)**	(26.5)
Cash and cash equivalents and bank overdrafts at end of the financial year**		**32.8**	46.7

* The financial year is the 52 week period ended 29 September 2023 with comparatives for the 53 week period ended 30 September 2022.

** Cash and cash equivalents and bank overdrafts is made up of cash at bank and in hand of £116.5m (2022: £99.6m) and bank overdrafts of £83.7m (2022: £52.9m).

FULL YEAR RESULTS STATEMENT
For the financial year ended 29 September 2023

Notes to the financial information for the financial year ended 29 September 2023

1. Basis of preparation

The financial information presented in this full year results statement represents financial information that has been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee interpretations adopted by the European Union (EU). The financial information does not include all the information required for a complete set of financial statements prepared in accordance with EU IFRS, however selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance during the financial year ended 29 September 2023.

The financial information is based on the information included in the audited Consolidated Financial Statements of Greencore Group plc for the financial year ended 29 September 2023, to which an unqualified audit opinion is provided. Full details of the basis of preparation of the Group Financial Statements for the financial year ended 29 September 2023 are included in Note 1 of the FY23 Annual Report.

The financial information is presented in GBP, which is the functional currency of the Company and presentation currency of the Group, rounded to the nearest million.

Going Concern

The Directors, after making enquiries, have a reasonable expectation that the Group has adequate resources to continue operating as a going concern for the foreseeable future.

In the current period, the Group continue to operate in a complex trading environment linked to ongoing challenges with inflation.

Accordingly, the Directors have considered a number of scenarios for the next 18 months from the commencement of FY24. These scenarios consider the potential impact of inflation on consumer spending, along with consideration of under recovery of targets set out under the Group's commercial and operational initiatives. The impact on revenue, profit and cashflow are modelled, including the consequential impact on working capital.

The scenarios assumed by the Group are as follows:

- A base case assuming internally approved budget and strategic plans, which includes amounts for near term climate change related expenditure;
- A downside scenario which assesses the potential impact of inflation on consumer spending and corresponding impact on volume, along with under recovery of targets set out under the Group's commercial and operational initiatives; and
- A severe downside scenario which includes further potential impacts on volume due to the inflationary environment and further under recovery of targets set out under the Group's commercial and operational initiatives.

In each scenario, the Group would employ mitigants within its control, which would include a reduction in non-business critical capital projects and other discretionary cash flow items.

While the Group is in a net current liability position of £193.9m (2022: £128.7m) at 29 September 2023, the Group has retained financial strength and flexibility, with cash and undrawn committed bank facilities of £327.8m at 29 September 2023 (September 2022: £398.0m).

Subsequent to the year end, the Group has refinanced its debt facilities with a new five year £350.0m sustainability linked revolving credit facility ('RCF'), maturing in November 2028 with the option to extend for up to a further two years. This new facility replaces the existing £340.0m RCF that was due to mature in January 2026. A £45.0m term loan due to mature in June 2024 was also repaid in full as part of this debt restructuring.

The Group is satisfied that there is sufficient headroom in the financial covenants under facilities for each scenario.

Based on these scenarios and the resources available to the Group, including the post year end re-financing, the Directors believe the Group has sufficient liquidity to manage through a range of different cashflow scenarios over the next 18 months from the year end date. Accordingly, the Directors adopt the going concern basis in preparing these Group Financial Statements.

2. Segment Information

Convenience Foods UK & Ireland is the Group's operating segment, which represents its reporting segment. The segment incorporates many UK convenience food categories including sandwiches, salads, sushi, chilled snacking, chilled ready meals, chilled soups and sauces, chilled quiche, ambient sauces and pickles, frozen Yorkshire Puddings, as well as the Irish Ingredients trading business. On 29 September 2023, the Group disposed the Irish Ingredients trading business, Trilby trading Limited.

Notes to the financial information for the financial year ended 29 September 2023

2. Segment information (continued)

Revenue earned individually from three customers in Convenience Foods UK & Ireland of £348.3m, £280.7m and**,** £274.8m respectively represents more than 10% of the Group's revenue (2022: Revenue earned individually from three customers in Convenience Foods UK & Ireland of £316.0m, £261.0m and £196.3m, each respectively represents more than 10% of the Group's revenue).

The following table disaggregates revenue by product categories in the Convenience Foods UK and Ireland reporting segment. All income in the Group has been recognised at a point in time and not over time.

	2023 £m	2022 £m
Revenue		
Food to go categories	**1,252.6**	1,161.3
Other convenience categories	**661.1**	578.3
Total revenue for Convenience Foods UK and Ireland	**1,913.7**	1,739.6

Food to go categories includes sandwiches, salads, sushi and chilled snacking while other convenience categories include chilled ready meals, chilled soups and sauces, chilled quiche, ambient sauces and pickles, frozen Yorkshire Puddings, as well as the Irish Ingredients trading business, which was disposed of on 29 September 2023.

3. Exceptional Items

Exceptional items are those which, as set out in our accounting policy, are disclosed separately by virtue of their nature or amount. Such items are included within the Group Income Statement caption to which they relate.

The Group reports the following exceptional items:

		2023 £m	2022 £m
Reorganisation costs	(A)	**(8.9)**	(16.1)
Defined benefit pension schemes restructuring	(B)	**(0.4)**	(0.4)
Profit on disposal of trading business	(C)	**0.1**	–
Release of legacy business liability	(D)	**1.7**	–
Reversal of impairment	(E)	**0.6**	–
Non-core property related income	(F)	**0.2**	–
Total exceptional items before taxation		**(6.7)**	(16.5)
Tax credit on exceptional items		**1.2**	3.0
Total exceptional items		**(5.5)**	(13.5)

(A) Reorganisation costs
The Group continued with its change programme 'Better Greencore', which commenced in the prior year. This is to support revitalisation of its excellence cost efficiency programmes and unlock further cost efficiencies by reducing organisational complexity. The Group recognised a charge of £8.9m in the current financial year (2022: £16.1m) of which £6.2m related to people costs and £2.7m related to professional fees.

(B) Defined benefit pension schemes restructuring
In the current financial year, the Group incurred a charge of £0.4m (2022: £0.4m) in relation to restructuring costs associated with its legacy defined benefit schemes in Ireland. In FY23, the trustees of the scheme completed the buy-in of an annuity insurance policy. See note 8 for further details.

(C) Profit on disposal of trading business
On 29 September 2023, the Group completed the disposal of its interest in its Irish trading business, Trilby Trading Limited, recognising a profit on disposal of £0.1m (2022: £Nil). For more detail on the disposal, see Note 9.

(D) Release of legacy business liability
In the current financial year, the Group released £1.7m of a liability relating to legacy business disposals which the Group is satisfied are not probable to be paid.

3. Exceptional Items (continued)

(E) Reversal of impairment

As volumes have continued to build back since the impact of COVID-19, the Group reopened a facility and brought its related assets back into use in the financial year which had been impaired in a prior period. The Group reviewed the assets in line with the requirements of IAS 36 *Impairment of assets* and determined it appropriate to recognise a reversal of impairment of £0.6m relating to these assets.

(F) Non-core property related income

At 29 September 2023, the Group reviewed the fair value of the Irish investment properties portfolio in line with the requirements of IAS 36, with consideration given to bids received from third parties during the financial year for the purchase of parts of the land and have determined it appropriate to recognise a reversal of an impairment of £1.6m. The Group also recognised a provision of £1.2m (2022: £Nil) of remediation costs in relation to investment properties.

Cash flow on exceptional items

The total net cash outflow during the financial year in respect of exceptional charges was £10.9m (2022: £13.6m), of which £2.7m was in respect of prior year exceptional charges. The net proceeds from the disposal of Trilby Trading Limited of £6.1m has been recognised separately on the Group Statement of Cash Flows within investing activities.

4. Finance income and finance costs

	2023 £m	2022 £m
Finance income		
Interest on bank deposits	**0.7**	0.2
Total finance income	**0.7**	0.2
Finance costs		
Finance costs on interest bearing cash and cash equivalents, borrowings and other financing costs	**(17.6)**	(11.3)
Interest on lease obligations	**(1.2)**	(1.2)
Net pension financing charge	**(1.2)**	(1.1)
Unwind of discount on liabilities	**(0.1)**	(0.1)
Change in fair value of derivatives and related debt adjustment	**(1.2)**	1.9
Foreign exchange on inter-company and external balances where hedge accounting is not applied	**(0.2)**	(0.7)
Total finance costs	**(21.5)**	(12.5)

Notes to the financial information for the financial year ended 29 September 2023

5. Earnings per Ordinary Share

In the current financial year, the Group repurchased 33,382,718 Ordinary Shares (2022: 9,728,677) in the Company, by way of a share buyback, costing £26.2m (2022: £8.8m). These shares were immediately cancelled. The effect of this on the weighted average number of ordinary shares was a decrease of 16,134,894 shares (2022: 774,827).

Numerator for Earnings per Share Calculations	2023 £m	2022 £m
Profit attributable to equity holders of the Company	**35.9**	32.3

Denominator for Basic Earnings Per Share Calculations	2023 '000	2022 '000
Shares in issue at the beginning of the financial year	**516,837**	526,547
Effect of share buyback and cancellation in the financial year	**(16,135)**	(775)
Effect of shares held by Employee Benefit Trust	**(5,330)**	(2,403)
Effect of shares issued during the financial year	**–**	13
Weighted average number of Ordinary Shares in issue during the financial year	**495,372**	523,382
Dilutive effect of share options	**1,165**	2,123
Weighted average number of Ordinary Shares for diluted earnings per share	**496,537**	525,505

	2023 pence	2022 pence
Basic earnings per Ordinary Share	**7.2**	**6.2**
Diluted earnings per Ordinary Share	**7.2**	**6.1**

6. Impairment of goodwill, intangible assets and property, plant and equipment

At 29 September 2023, the Group's market capitalisation was lower than the Group's net assets which is an indicator of impairment and therefore an impairment review was performed. The Group performed an impairment test on the carrying value of goodwill of £447.3m (2022: £449.4m) at 29 September 2023 using a value in use model to determine the recoverable amount. The recoverable amount had significant headroom above the carrying value and therefore, no impairment was recorded (2022: £Nil). The reduction in goodwill value of £2.1m year-on-year relates to the disposal of the Group's interest in Trilby Trading Limited (£2.0m) and a reduction in relation to foreign exchange of £0.1m. There were no impairments of intangible assets (2022: £Nil).

The Group keeps all assets under review on an ongoing basis to identify any impairments to be recognised as a result of obsolescence due to either a change in production methods rendering certain assets idle or a replacement of assets to align with the Group's net zero. There was an impairment of £3.0m recorded on property, plant and equipment following such reviews in the current financial year (2022: £0.9m). No assets were impaired in the current financial year due to climate related strategy (2022: £Nil).

7. Borrowings and cash and cash equivalents

	2023 £m	2022 £m
Bank overdrafts	**(83.7)**	(52.9)
Bank borrowings	**(139.0)**	(158.8)
Private placement notes	**(47.8)**	(67.9)
Total borrowings	**(270.5)**	(279.6)
Cash and cash equivalents	**116.5**	99.6
Total borrowings and cash and cash equivalents	**(154.0)**	(180.0)

Total borrowings and cash and cash equivalents is used by the Group for the purpose of calculating leverage under the Group's financing agreements.

Notes to the financial information for the financial year ended 29 September 2023

7. Borrowings and cash and cash equivalents (continued)

Private Placement Notes

The Group's outstanding Private Placement Notes net of finance fees amounted to £47.8m (denominated as $41.9m and £13.5m) at 29 September 2023 (2022: £67.9m, denominated as $55.9m and £18.0m). These were issued as fixed rate debt in June 2016 ($55.9m and £18m) with maturities ranging between June 2024 and June 2026. The Group repaid $14.0m and £4.5m Private Placement Notes in June 2023 (2022: $65m repaid in October 2021).

In December 2018, the Group entered into cross-currency swap arrangements for the $55.9m Private Placement Notes to swap from fixed rate US dollar to fixed rate sterling. The fixed rate US dollar to fixed rate sterling swaps are designated as cash flow hedges.

8. Retirement Benefit Obligations

The Group operates one legacy defined benefit pension scheme and one legacy defined benefit commitment in Ireland (the 'Irish schemes') and one legacy defined benefit pension scheme and one legacy defined benefit commitment in the UK (the 'UK schemes') (collectively the "schemes"). These are all closed to future accrual. The scheme assets are held in separate Trustee administered funds. The Group continues to seek ways to reduce its liabilities through various restructuring initiatives in co-operation with the respective schemes.

In November 2022, the Trustees of the Irish legacy defined benefit scheme entered into an annuity buy-in transaction to purchase an insurance policy for the pensioner liabilities, representing approximately 80% of the liabilities of the scheme. This has the benefit of de-risking the future of the scheme. The insurance policy is treated as a plan asset and the fair value of the policy is determined to be the present value of the related obligations. At the completion of the buy-in of the insurance policy, the Group recognised an actuarial loss in equity reflecting the change in the value of the plan assets to match the related obligation.

In consultation with the independent actuaries to the schemes, the valuation of pension obligations has been updated to reflect current market discount rates, rates of increase in salaries, pension payments and inflation, current market values of investments and actual investment returns.

The Group's retirement benefit obligations moved from a net liability of £20.3m at 30 September 2022 to a net liability of £20.1m at 29 September 2023. This reduction in the net liability position is mainly driven by actuarial losses of £9.2m and the completion of the annuity buy-in offset by contributions paid by the group. During the financial year, the Group paid £12.4m (2022: £12.6m) in contributions to the pension schemes.

Where a funding valuation reveals a deficit in a scheme, the Group will generally agree a schedule of contributions with the Trustees designed to address the deficit over an agreed future time horizon. A full actuarial valuation was carried out on the Irish scheme at 31 March 2022 and a full actuarial valuation is ongoing with reference to 31 March 2023 for the UK scheme. All of the schemes are operating under the terms of current funding proposals agreed with relevant pension authorities. Based on current discussions with the Trustees of the scheme cash contributions are expected to be in the range of £12m-£15m in FY24.

The financial position of the schemes was as follows:

	UK schemes £m	**Irish schemes £m**	**2023 Total £m**	UK schemes £m	Irish schemes £m	2022 Total £m
Fair value of plan assets	**159.4**	**145.4**	**304.8**	168.7	170.3	339.0
Present value of scheme liabilities	**(197.2)**	**(127.7)**	**(324.9)**	(228.0)	(131.3)	(359.3)
(Deficit)/surplus in schemes	**(37.8)**	**17.7**	**(20.1)**	(59.3)	39.0	(20.3)
Deferred tax asset	**9.5**	**(2.2)**	**7.3**	14.8	(4.9)	9.9
Net (liability)/asset at end of financial year	**(28.3)**	**15.5**	**(12.8)**	(44.5)	34.1	(10.4)
Presented as:						
Retirement benefit asset*	**–**	**18.4**	**18.4**	–	39.8	39.8
Retirement benefit obligation	**(37.8)**	**(0.7)**	**(38.5)**	(59.3)	(0.8)	(60.1)

*The value of a net pension benefit asset is the value of any amount the Group reasonably expects to recover by way of a refund of surplus from the remaining assets of a plan at the end of the plan's life.

Notes to the financial information for the financial year ended 29 September 2023

8. Retirement Benefit Obligations (continued)

The principal actuarial assumptions are as follows:

	UK schemes		Irish schemes	
	2023	2022	**2023**	2022
Rate of increase in pension payments*	**3.05%**	3.35%	**1.50%**	0.00%
Discount rate	**5.60%**	5.00%	**4.50%**	4.00%
Inflation rate**	**3.30%**	3.55%	**2.50%**	2.40%

* The rate of increase in pension payments applies to the majority of the liability base, however there are certain categories within the Group's Irish Schemes that have an entitlement to pension indexation.

** The assumption for Retail Price Index ('RPI') and Consumer Price Index ('CPI') are derived from the Harmonised Index of Consumer Prices ('HICP') and relative yields of index-linked and fixed interest government bonds.

9. Disposal of Undertakings

On 29 September 2023, the Group completed the sale of the entire share capital of Trilby Trading Limited ('Trilby') to K.T.C. (Edibles) Limited, a majority owned subsidiary of funds managed by Endless LLP. Trilby is an importer and distributor of edible oils and fats for the food processing industry, operating out of Ireland. From a sustainability perspective, the Group's disposal of Trilby is expected to result in the removal of circa 280,000 tonnes of carbon dioxide equivalents (CO_2e) from the Group's FY24 Scope 3 footprint. This accounts for 20% of our total Scope 3 footprint in FY23 and a 32% reduction in the base year.

The business is not considered to be a separate major line of business or geographical area of operation and therefore does not constitute a discontinued operation as defined in IFRS 5 *Non-Current Assets Held for Sale and Discontinued Operations*. Trilby is included within the Convenience Foods UK and Ireland reporting segment.

Effect of disposal on the financial statements

	2023
	£m
Goodwill and intangibles	**(2.0)**
Property, plant and equipment	**(0.4)**
Trade and other receivables	**(11.5)**
Cash and cash equivalents	**(5.1)**
Trade and other payables	**8.1**
Financial Instruments	**0.1**
Total assets and liabilities disposed of	**(10.8)**
Disposal consideration	
Purchase consideration	**8.5**
Working capital settlement	**2.8**
Total net consideration	**11.3**
Disposal-related costs	**(1.0)**
Translation reserve transferred to Income Statement on disposal of subsidiary	**0.6**
Profit on disposal	**0.1**

Reconciliation of consideration to cash received

	2023
	£m
Purchase consideration	**8.5**
Cash received in respect of working capital settlement	**2.8**
Transaction costs paid	**(0.1)**
Net consideration received on completion	**11.2**
Cash and cash equivalents disposed of	**(5.1)**
Net cash inflow arising on disposal	**6.1**

Notes to the financial information for the financial year ended 29 September 2023

10. Dividends Paid and Proposed

There were no dividends paid in the current or prior year and there are no dividends proposed to be paid.

In the current financial year, the next phase of the value return to shareholders completed with a further £26.2m value (2022: £8.8m) returned up to 29 September 2023 in the form of a share buyback. The Group launched the fourth share buyback programme which commenced on 10 October 2023 and will end no later than 30 March 2024 and will conclude the £50m commitment.

11. Subsequent Events

Bank Refinancing

Subsequent to the year end, the Group has refinanced its debt facilities with a new five year £350m sustainability linked revolving credit facility ('RCF'), maturing in November 2028 with the option to extend for up to a further two years. This new facility replaces the existing £340m RCF that was due to mature in January 2026. A £45m term loan due to mature in June 2024 was also repaid in full as part of this debt restructuring.

12. Information

Copies of the Annual Report and Group Financial Statements are available for download from the Group's website at www.greencore.com.

ALTERNATIVE PERFORMANCE MEASURES

The Group uses the following Alternative Performance Measures ('APMs') which are non-IFRS measures to monitor the performance of its operations and of the Group as a whole: Pro Forma Revenue Growth, Adjusted EBITDA, Adjusted Operating Profit, Adjusted Operating Margin, Adjusted Profit before Tax ('PBT'), Adjusted Earnings, Adjusted Earnings per Share, Maintenance and Strategic Capital Expenditure, Free Cash Flow, Free Cash Flow Conversion, Net Debt, Net Debt excluding lease liabilities and Return on Invested Capital ('ROIC'). There have been no adjustments made to existing APMs being reported and no new APMs have been included in this report.

The Group views these APMs as useful for providing historical information to help investors evaluate the performance of the underlying business and are measures commonly used by certain investors and security analysts for evaluating the performance of the Group. In addition, the Group uses certain APMs which reflect the underlying performance on the basis that this provides a focus on the core business performance of the Group. The APMs are not part of the IFRS financial statements and are accordingly are not audited.

PRO FORMA REVENUE GROWTH

The Group uses Pro Forma Revenue Growth as a supplemental measure of its performance. The Group views Pro Forma Revenue Growth as providing a guide to underlying revenue performance and is calculated by adjusting reported revenue for the impact of acquisitions, disposals and foreign currency.

Pro Forma Revenue Growth FY23

Pro Forma Revenue Growth adjusts reported revenue in FY23 and FY22 to reflect the disposal of Trilby Trading Limited, which completed in FY23. In addition, FY22 revenue has been adjusted for the additional trading week which was included in H2.

	2023 Convenience Foods UK & Ireland
Reported revenue - % increase from FY22 to FY23	**10.0%**
Impact of disposals	**1.0%**
Impact of additional trading week	**2.5%**
Pro Forma Revenue Growth FY23	**13.5%**

The table below shows the Pro Forma Revenue Growth split by food to go categories and other convenience categories.

		Food to go categories			**Other convenience categories**	
	H1 FY23	**H2 FY23**	**Full year**	**H1 FY23**	**H2 FY23**	**Full year**
Reported revenue- % increase from FY22 to FY23	**15.6**	**2.0%**	**7.9%**	**28.5%**	**2.0%**	**14.3%**
Impact of disposals	**–**	**–**	**–**	**2.8%**	**6.8%**	**4.2%**
Impact of additional trading week	**–**	**3.7%**	**2.2%**	**–**	**3.7%**	**3.1%**
Pro Forma Revenue Growth FY23	**15.6%**	**5.7%**	**10.1%**	**31.3%**	**12.5%**	**21.6%**

Pro Forma Revenue Growth FY22

While Pro Forma Revenue Growth is not comparable year-on-year, we have included the prior year disclosure for completeness. This has been calculated to reflect the disposal of Premier Molasses Company Limited for the period in FY21 up to the date of disposal. FY22 was a 53 week period, Pro Forma Revenue adjusts the FY22 reported revenue to exclude the additional revenue. It also presents the revenue on a constant currency basis utilising FY21 FX rates on FY22 reported revenue.

	2022 Convenience Foods UK & Ireland
Reported revenue - % increase from FY21 to FY22	31.3%
Impact of disposals	0.4%
Impact of currency	0.2%
Impact of additional trading week	(2.5%)
Pro Forma Revenue Growth FY22 (%)	29.4%

PRO FORMA REVENUE GROWTH (CONTINUED)

Pro Forma Revenue Growth FY22 (continued)
The table below shows the Pro Forma Revenue Growth split by food to go categories and other convenience categories.

		Food to go categories			Other convenience categories	
	H1 FY22	H2 FY22	Full Year	H1 FY22	H2 FY22	Full Year
Reported revenue - % increase from FY21 to FY22	48.0%	31.1%	37.9%	12.9%	26.5%	19.8%
Impact of disposals	–	–	–	2.0%	–	1.0%
Impact of currency	–	–	–	0.9%	0.2%	0.6%
Impact of additional trading week	–	(4.6%)	(2.7%)	–	(4.2%)	(2.2%)
Pro Forma Revenue Growth FY22	48.0%	26.5%	35.2%	15.8%	22.5%	19.2%

ADJUSTED EBITDA, ADJUSTED OPERATING PROFIT AND ADJUSTED OPERATING MARGIN

Adjusted EBITDA, Adjusted Operating Profit and Adjusted Operating Margin are used by the Group to measure the underlying and ongoing operating performance of the Group.

The Group calculates Adjusted Operating Profit as operating profit before amortisation of acquisition related intangibles and exceptional items. Adjusted EBITDA is calculated as Adjusted Operating Profit plus deprecation and amortisation of intangibles assets. Adjusted Operating Margin is calculated as Adjusted Operating Profit divided by reported revenue.

The following table sets forth a reconciliation from the Group's Profit for the financial year to Adjusted Operating Profit, Adjusted EBITDA and Adjusted Operating Margin:

	2023 £m	2022 £m
Profit for the financial year	**35.9**	32.3
Taxation [A]	**9.3**	7.5
Exceptional items	**6.7**	16.5
Net finance costs [B]	**20.8**	12.3
Amortisation of acquisition related intangibles	**3.6**	3.6
Adjusted Operating Profit	**76.3**	72.2
Depreciation and amortisation [c]	**56.5**	54.7
Adjusted EBITDA	**132.8**	126.9
Adjusted Operating Margin (%)	**4.0%**	4.2%

(A) Includes tax credit on exceptional items of £1.2m (2022: £3.0m).
(B) Finance costs less finance income.
(C) Excludes amortisation of acquisition related intangibles.

ADJUSTED PROFIT BEFORE TAX ('PBT')

Adjusted PBT is used as a measure by the Group to measure overall performance before associated tax charge and other specific items.

The Group calculates Adjusted PBT as profit before taxation, excluding tax on share of profit of associate and before exceptional items, pension finance items, amortisation of acquisition related intangibles, FX on inter-company and certain external balances and the movement in the fair value of all derivative financial instruments and related debt adjustments.

ADJUSTED PROFIT BEFORE TAX ('PBT') (Continued)

The following table sets out the calculation of Adjusted PBT:

	2023	2022
	£m	£m
Profit before taxation	**45.2**	39.8
Exceptional items	**6.7**	16.5
Pension finance items	**1.2**	1.1
Amortisation of acquisition related intangibles	**3.6**	3.6
FX and fair value movements[(A)]	**1.4**	(1.2)
Adjusted Profit Before Tax	**58.1**	59.8

[(A)] FX on inter-company and certain external balances and the movement in the fair value of all derivative financial instruments and related debt adjustments.

ADJUSTED BASIC EARNINGS PER SHARE ('EPS')

The Group uses Adjusted Earnings and Adjusted EPS as key measures of the overall underlying performance of the Group and returns generated for each share.

Adjusted Earnings is calculated as Profit attributable to equity holders (as shown on the Group Income Statement) adjusted to exclude exceptional items (net of tax), the effect of foreign exchange (FX) on inter-company and external balances where hedge accounting is not applied, the movement in the fair value of all derivative financial instruments and related debt adjustments, the amortisation of acquisition related intangible assets (net of tax) and the interest expense relating to legacy defined benefit pension liabilities (net of tax). Adjusted EPS is calculated by dividing Adjusted Earnings by the weighted average number of Ordinary Shares in issue during the financial year, excluding Ordinary Shares purchased by Greencore and held in trust in respect of the Annual Bonus Plan, Performance Share Plan, Employee Share Incentive Plan and Restricted Share Plan. Adjusted EPS described as an APM here is Adjusted Basic EPS.

The following table sets forth a reconciliation of the Group's Profit attributable to equity holders of the Group to its Adjusted Earnings for the financial years indicated:

	2023	2022
	£m	£m
Profit attributable to equity holders	**35.9**	32.3
Exceptional items (net of tax)	**5.5**	13.5
FX effect on inter-company and external balances where hedge accounting is not applied	**0.2**	0.7
Movement in fair value of derivative financial instruments and related debt adjustments	**1.2**	(1.9)
Amortisation of acquisition related intangible assets (net of tax)	**2.7**	2.7
Pension financing (net of tax)	**0.7**	0.8
Adjusted Earnings	**46.2**	48.1

	2023	2022
	'000	'000
Weighted average number of ordinary shares in issue during the financial year	**495,372**	523,382

	2023	2022
	pence	pence
Adjusted Basic Earnings Per Share	**9.3**	9.2

CAPITAL EXPENDITURE

Maintenance Capital Expenditure
The Group defines Maintenance Capital Expenditure as the expenditure required for the purpose of sustaining the operating capacity and asset base of the Group, and of complying with applicable laws and regulations. It includes continuous improvement projects of less than £1.0m that will generate additional returns for the Group.

Strategic Capital Expenditure
The Group defines Strategic Capital Expenditure as the expenditure required for the purpose of facilitating growth and developing and enhancing relationships with existing and new customers. It includes continuous improvement projects of greater than £1.0m that will generate additional returns for the Group. Strategic Capital Expenditure is generally expansionary expenditure creating additional capacity beyond what is necessary to maintain the Group's current competitive position and enables the Group to service new customers and/or contracts or to enter into new categories and/or new manufacturing competencies.

The following table sets forth the breakdown of the Group's purchase of property, plant and equipment and purchase of intangible assets between Strategic Capital Expenditure and Maintenance Capital Expenditure:

	2023	2022
	£m	£m
Purchase of property, plant, and equipment	**36.0**	48.6
Purchase of intangible assets	**1.4**	1.4
Net cash outflow from capital expenditure	**37.4**	50.0
Strategic Capital Expenditure	**10.8**	33.1
Maintenance Capital Expenditure	**26.6**	16.9
Net cash outflow from capital expenditure	**37.4**	50.0

FREE CASH FLOW AND FREE CASH FLOW CONVERSION

The Group uses Free Cash Flow to measure the amount of underlying cash generation and the cash available for distribution and allocation.

The Group calculates the Free Cash Flow as the net cash inflow/outflow from operating and investing activities before Strategic Capital Expenditure, acquisition and disposal of undertakings, disposal of investment property and adjusting for dividends paid to non-controlling interests.

The Group calculates Free Cash Flow Conversion as Free Cash Flow divided by Adjusted EBITDA.

The following table sets forth a reconciliation from the Group's net cash inflow from operating activities and net cash outflow from investing activities to Free Cash Flow and Free Cash Flow Conversion:

	2023	2022
	£m	£m
Net cash inflow from operating activities	**99.0**	92.9
Net cash outflow from investing activities	**(31.3)**	(50.0)
Net cash inflow from operating and investing activities	**67.7**	42.9
Strategic Capital Expenditure	**10.8**	33.1
Repayment of lease liabilities	**(15.6)**	(17.3)
Disposal of undertakings	**(6.1)**	–
Free Cash Flow	**56.8**	58.7
Adjusted EBITDA	**132.8**	126.9
Free Cash Flow Conversion (%)	**42.8%**	46.3%

NET DEBT AND NET DEBT EXCLUDING LEASE LIABILITIES

Net Debt is used by the Group to measure overall cash generation of the Group and to identify cash available to reduce borrowings. Net Debt comprises current and non-current borrowings less net cash and cash equivalents.

Net Debt excluding Lease Liabilities is a measure used by the Group to measure Net Debt excluding the impact of IFRS 16 *Leases*. Net Debt excluding Lease Liabilities is used for the purpose of calculating leverage under the Group's financing agreements.

The reconciliation of opening to closing Net Debt for the year ended 29 September 2023 is as follows:

	At 30 September 2022 £m	**Cash flow £m**	**Translation and non-cash adjustments £m**	**At 29 September 2023 £m**
Cash and cash equivalents and bank overdrafts	**46.7**	**(13.8)**	**(0.1)**	**32.8**
Bank borrowings	**(158.8)**	**20.2**	**(0.4)**	**(139.0)**
Private Placement Notes	**(67.9)**	**15.5**	**4.6**	**(47.8)**
Net debt excluding lease liabilities	**(180.0)**	**21.9**	**4.1**	**(154.0)**
Lease liabilities	**(48.0)**	**16.8**	**(13.8)**	**(45.0)**
Net Debt	**(228.0)**	**38.7**	**(9.7)**	**(199.0)**

The reconciliation of opening to closing Net Debt for the year ended 30 September 2022 is as follows:

	At 24 September 2021 £m	Cash flow £m	Translation and non-cash adjustments £m	At 30 September 2022 £m
Cash and cash equivalents and bank overdrafts	73.6	(26.5)	(0.4)	46.7
Bank borrowings	(150.1)	(9.6)	0.9	(158.8)
Private Placement Notes	(106.6)	47.3	(8.6)	(67.9)
Net debt excluding lease liabilities	(183.1)	11.2	(8.1)	(180.0)
Lease liabilities	(59.6)	18.5	(6.9)	(48.0)
Net Debt	(242.7)	29.7	(15.0)	(228.0)

RETURN ON INVESTED CAPITAL ('ROIC')

The Group uses ROIC as a key measure to determine returns for the Group and as a key measure to determine potential new investments.

The Group uses invested capital as a basis for this calculation as it reflects the tangible and intangible assets the Group has added through its capital investment programme, the intangible assets the Group has added through acquisition, as well as the working capital requirements of the business. Invested capital is calculated as net assets (total assets less total liabilities) excluding Net Debt, the carrying value of derivatives not designated as fair value hedges, and retirement benefit obligations (net of deferred tax assets). Average invested capital is calculated by adding the invested capital from the opening and closing Statement of Financial Position and dividing by two.

The Group calculates ROIC as Net Adjusted Operating Profit After Tax ('NOPAT') divided by average invested capital. NOPAT is calculated as Adjusted Operating Profit plus share of profit of associates before tax, less tax at the effective rate in the Group Income Statement.

RETURN ON INVESTED CAPITAL ('ROIC') (continued)

The following table sets forth the calculation of NOPAT and invested capital used in the calculation of ROIC for the financial years;

	2023	2022
	£m	£m
Adjusted Operating Profit	**76.3**	72.2
Taxation at the effective tax rate [(A)]	**(16.0)**	(13.7)
Group NOPAT	**60.3**	58.5

	2023	2022
	£m	£m
Invested Capital		
Total assets	**1,297.7**	1,338.7
Total liabilities	**(837.9)**	(873.1)
Net Debt	**199.0**	228.0
Derivatives not designated as fair value hedges	**(4.6)**	(14.8)
Retirement benefit obligation (net of deferred tax asset)	**12.8**	10.4
Invested Capital for the Group[(B)]	**667.0**	689.2
Average Invested Capital for ROIC calculation for the Group	**678.1**	695.0
ROIC (%) for the Group	**8.9%**	8.4%

[(A)] The effective tax rates for the Group for the financial year ended 29 September 2023 and 30 September 2022 were 21% and 19% respectively.

[(B)] The invested capital for the Group in 2021 was £700.8m.