

Strategy

Delivering our strategy

We are one of the leading convenience food businesses in the UK. We have built this position through long-term partnerships with major UK retailers in attractive product categories, supported by outstanding innovation and manufacturing capability.

Our strategy is focused on accelerating financial returns and delivering growth from these partnerships, across three horizons:

Horizon 1: Stabilise

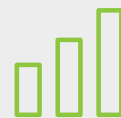
In FY23, we successfully stabilised the business after a period of material external and internal disruption. This was achieved through a series of commercial, operational and cost control interventions, which we have previously described (see our Annual Report for FY23).

Horizon 2: Rebuild

In FY24, we commenced Horizon 2, where our focus is on rebuilding the profitability and returns of the Group. We are pleased to have made progress towards this goal and delivered strong year-on-year Adjusted Operating Profit growth. We delivered this through returns-based assessments in each of our categories, continued focus on our Commercial and Operational Excellence programmes and investment in foundational enablers. Yet, we recognise that our job is not done, and we have more to do to rebuild the business in FY25 and beyond.

Horizon 3: Grow

In parallel to Horizon 2, we also commenced Horizon 3 in FY24, which is focused on the pursuit of further growth opportunities. Although we operate in categories which are growing faster than the wider market, we have an ambition to further strengthen the growth trajectory of the Group. We will pursue this, through selective and disciplined investment, to support growth both within our current footprint, and by broadening our portfolio.



Rebuilding performance


Having stabilised the business, our focus is on rebuilding the profitability and returns of the Group.



Investing for future growth

In parallel to our work on rebuilding profitability, we are focused on driving sustainable long-term growth in our business.



 Tamworth Distribution Centre

In FY24, we made progress towards our goal of rebuilding the profitability and returns of the Group back to historic levels. We delivered a strong year-over-year increase in profitability and returns, with activity in three key areas.

The first area is around portfolio optimisation, and applying a returns-based lens to each of the categories that we operate in. In FY24, while we focused on further development of outperforming categories, we also continued to focus on categories previously identified as underperforming. In these areas, we have taken conscious actions to restore profitability and returns and will continue to do so. For example, in salads, we exited a low-margin sub-category, and in doing so created capacity for higher-margin product. In chilled soup and sauce, we took the strategic decision to close our soup and sauce facility on our Kiveton campus and consolidate production into a stand-alone plant in Bristol.

The second area is focused on commercial and operational excellence. In FY24, we continued to meaningfully step change

our capabilities in these areas, to create a replicable model to drive profitability and returns in future years. In commercial, we are focusing on excellence enhancements across the entire lifecycle of consumer insight, product planning, selling to customers and procurement. In operations, our excellence programme is unpinned by deploying industry-wide best practices across multiple pillars of our operating model. We've implemented a model of site 'lighthouses', where individual sites are piloting improvement programmes to drive quick wins, which we then deploy as best practice learnings across the network.

The third area is process and technology transformation. This is focused on continuing to improve our infrastructure for data, systems, processes and technology, which will help to underpin and improve the delivery of other elements of our operational and commercial improvements. In FY24, we launched our *Making Business Easier* transformation programme to address this, which is now fully mobilised with a clearly defined roadmap for the coming years.

As one of the UK's leading convenience food players, we are well positioned to outperform the market, given the categories that we operate in. Over the 52 weeks to September 2024, Greencore grew Like-for-Like volume by 0.5%, outperforming the market, which declined by 0.1%¹.

However, we recognise that we will need to evolve our portfolio over time to include higher-growth markets, to help lay a foundation for sustainable long-term growth. This will require us to diversify our category, channel and market exposure over time. We will approach any potential expansion in a disciplined way, identifying high-growth areas, aligned to consumer and customer trends, and choosing to invest in areas where we have a right to win and there are natural synergies with our existing business.

While some of this growth will be achieved through organic means, we are also assessing inorganic investment opportunities. In FY24, we have built our capability and network in this area and are continuing to assess potential opportunities, against a set of clearly defined investment criteria.

Our investments in growth will be enabled by the strong platform and strategic flexibility that we are continuing to unlock as we rebuild our profitability.

¹ Kantar World Panel – 52 Weeks Ending 29 September