

31 January 2017

Greencore Group plc

Continued strong revenue growth in UK Food to Go; good initial progress with US integration

Greencore Group plc ("the Group") today issues a trading update covering the 13 weeks to 30 December 2016 ("Quarter 1" or "Q1").

Quarter 1 Trading

The Group recorded revenue of £417.0m in the 13 weeks to 30 December 2016, an increase of 17.1 % on the prior year on a reported basis. On a like for like basis (expressed in this statement on a constant currency basis and excluding revenue from The Sandwich Factory acquisition in July 2016), revenue was ahead by 9.1% in the quarter.

Convenience Foods

The Convenience Foods division recorded Q1 revenue of £401.6m, 16.4% ahead of the prior year on a reported basis and up 8.9% on a like for like basis. In the UK, Q1 revenue was up 13.9% on a reported basis and up 9.0% on a like for like basis (after excluding the revenue from The Sandwich Factory acquisition). This was driven principally by strong growth in our Food to Go business, which continues to benefit from robust category growth and from the roll-out of business wins announced in FY16.

The Group continues to invest for future growth. Construction of the final new facility in Northampton has been completed, with the commissioning of this facility progressing well. In Prepared Meals, we are investing significantly in capacity and capability in both our Wisbech and Warrington ready meal facilities, to support renewed contracts in that business.

In the US, reported Q1 revenue was up 31.2%, and up 8.0% on a like for like basis (after adjusting for currency), driven largely by the addition of operations in Seattle. The business continues to progress year on year, benefitting from an improved operational performance. Our focus now is on delivering new revenue growth to drive capacity utilisation and margin progression.

Ingredients and Property

The Ingredients and Property division, which now represents less than 5% of Group revenue, recorded revenues of £15.4m in Q1, £4.5m or 41.3% higher on a reported basis and 16.5% higher on a like for like (or constant currency) basis. This growth has been positively impacted by increasing demand in the global dairy markets.

US Integration

The acquisition of Peacock Foods completed on 30 December 2016. Trading in the Peacock Foods business was in line with expectations upon completion. Our integration plan is already progressing well. We will provide a more detailed update on the integration of our US businesses, including progress on the combined commercial agenda, at our half year results announcement on 23 May.

Outlook

The Group continues to deliver strong revenue growth in both the UK and US, reflecting positive category growth and the roll-out of new business wins. The integration of Peacock Foods in the US and the related synergy delivery is on track, albeit the process is at an early stage. Inflation in raw material and packaging prices and labour costs are expected to increase for the remainder of the year, although we anticipate that the combination of supply chain, purchasing and pricing initiatives will mitigate these impacts. Overall, the business is delivering a complex investment and change agenda to drive both the US integration and the new

capacity additions that support the significant new business in the UK. Notwithstanding these investment costs and their impact on the phasing of profit delivery, we remain confident in our ability to deliver FY17 performance in line with market expectations.

Capital Markets Activity

The Group intends to schedule two further capital market events this year. Firstly, the business is planning to hold an analyst visit to our expanded facility in Northampton, UK on March 28. In addition, the Group intends to host a Capital Markets Day in Chicago, US on June 19. More information on these events will be distributed in due course.

Conference Call

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

Conference call details:

Ireland: +353 1 246 5601
UK: +44 20 3427 0503
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Access code: 4210946

For further information:

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NOTES TO EDITORS

- 1) Greencore:
 - A fast growing, international convenience food leader
 - In the UK: a leading manufacturer of sandwiches and other food to go products to grocery retailers, with complementary positions in other convenience food categories, including chilled prepared meals, chilled soups and sauces, ambient sauces & pickles, cakes & desserts and Yorkshire Puddings
 - In the US: a leading manufacturer of sandwiches, meal kits and salads to CPG, convenience retail and food service leaders
- 2) This announcement is based on information sourced from unaudited management accounts
- 3) This announcement contains certain forward looking statements with respect to the financial conditions, results of operations and businesses of the Group. These statements involve risk and uncertainty because they relate to events and depend upon circumstances that will occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward looking statements. Nothing in this announcement should be construed as a profit forecast