

30 March 2020

Greencore Group plc

COVID-19 Update

Greencore Group plc ('Greencore' or the 'Group'), a leading manufacturer of convenience food in the UK, today provides a further update in light of the recent developments regarding COVID-19.

As stated in the Group's update on 18 March, the Group is managing to three objectives through this pandemic:

1. Keeping our people safe
2. Feeding the UK
3. Protecting our business

Greencore is playing a systemically important role in a reset food industry that has become a critical component of the UK infrastructure through this pandemic. The Group's colleagues have been designated as 'key workers' and there is a powerful sense of commitment, skill, spirit, and purpose across the workforce in performing this role. To support colleague safety during this time, the Group carried out a wide range of precautions and enhanced safety measures, focusing in particular on implementing an extensive set of social distancing initiatives across its manufacturing and distribution network.

Since the UK Government's escalating measures to combat the outbreak, as announced on 24 March, consumer demand and shopper behaviours have changed rapidly. There has been a marked reduction in demand for the Group's food to go categories in grocery retail, which has been partly offset by the sustained volume growth in the Group's other convenience categories. The Group is working hard with customers as well as Government agencies, including the NHS and local communities, to leverage our capability and capacity to provide high quality fresh prepared food to both consumers and frontline workers during this pandemic.

In addition, the Group is taking prudent measures to protect profitability and cashflow. Firstly, the Group is tightening its food to go production network and furloughing impacted colleagues, using the Government's Coronavirus Job Retention Scheme. The Group is also working to eliminate non-essential operating costs. The Board and the Executive Directors have voluntarily agreed to take a 30% reduction in respective fees and base salary for a period of three months, with the wider Group Leadership Team also taking a voluntary reduction of 20% of base salary for the same period. This will be kept under review.

In this context and given the ongoing level of uncertainty around the possible duration and impact of COVID-19, the Group is suspending financial guidance for FY20 and the Group's outlook for FY20 included in our FY19 Full Year Results Statement and FY20 Q1 Trading Update should no longer be considered current.

The Group will continue to focus on balance sheet strength and liquidity. It will defer a substantial portion of previously planned capital expenditure and will not be proceeding with an interim FY20 dividend payment. Overall, the Group retains substantial and increased financial headroom, with cash and undrawn committed bank facilities of approximately £265m at 27 March 2020. This includes a newly agreed additional £75m committed debt facility which matures in March 2021.

While the duration and impact of this pandemic remains uncertain, all of our stakeholders are continuing to work together to protect the business. The Board is ensuring that Greencore remains a purposeful and hugely relevant business, feeding the UK right through this period, and importantly that it is also equipped with the team, strategy, reputation and balance sheet to accelerate forward when the pandemic passes.

This announcement contains inside information for the purposes of the Market Abuse Regulation.

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About Greencore

Greencore is a leading manufacturer of convenience food in the UK. It supplies grocery and other retailers including all of the major UK supermarkets. The Group has 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.

The Group's medium term financial ambitions are for mid single-digit organic revenue growth, high single-digit Adjusted EPS growth, the conversion of half of its Adjusted EBITDA to Free Cash Flow and for mid-teen ROIC.

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