

## FY24 Q1 TRADING UPDATE

Released : 25.01.2024

RNS Number : 8357A  
Greencore Group PLC  
25 January 2024

25 January 2024

### Strong start to FY24 trading; full year outlook in line with current market expectations <sup>[1]</sup>

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 29 December 2023 ('Q1' or 'the quarter').

#### Q1 TRADING

|                                     | Revenue | Revenue Growth (versus FY23) |                          |                    |
|-------------------------------------|---------|------------------------------|--------------------------|--------------------|
|                                     | Q1      | Q1                           |                          |                    |
|                                     | £m      | Reported                     | Pro Forma <sup>(2)</sup> | LFL <sup>(2)</sup> |
| <b>Group</b>                        | 441.3   | -4.7%                        | -0.4%                    | +5.8%              |
| <b>Food to go categories</b>        | 293.7   | +0.9%                        | +0.9%                    | +5.8%              |
| <b>Other convenience categories</b> | 147.6   | -14.2%                       | -3.0%                    | +5.9%              |

#### PERFORMANCE

- Greencore delivered a strong financial and operational performance in Q1 FY24, underpinned by outstanding customer service levels (99.2%), and improved profit conversion year on year.
- Q1 FY24 Group reported revenue decreased by 4.7% to £441.3m. On a Pro Forma basis, adjusting for the disposal of Trilby Trading Limited in Ireland, revenue was broadly flat year on year. On a like for like ('LFL') basis<sup>[2]</sup>, revenue increased 5.8% year on year.
- Total manufactured volumes for the quarter declined 4.8%, due to the proactive decision to exit a number of contracts that were delivering sub-optimal returns in FY23. On a LFL basis<sup>[3]</sup>, manufactured volumes were 0.5% higher. For the four weeks to 24 December 2023, LFL volumes were 5.6% higher year on year, versus an overall market performance of 1.8%<sup>[4]</sup>.
- Q1 FY24 reported revenue in food to go categories increased 0.9% to £293.7m, on a LFL basis this was an increase of 5.8%. The LFL increase was primarily due to an increase in LFL manufactured volumes of 0.6% and inflation recovery initiatives. Total food to go manufactured volumes, including exited contracts, declined 2.9%. Overall Sandwich volumes increased 3% on a LFL basis versus a flat year on year market performance<sup>[3]</sup>.
- Reported revenue in other convenience categories was £147.6m, a 14.2% decrease year on year. On a Pro Forma basis this represented a 3.0% decrease, reflecting the disposal of Trilby Trading Limited. On a LFL basis this represented a 5.9% increase, which was driven by ongoing inflation recovery initiatives. Total volumes in other convenience categories, including exited contracts, declined 7.3%. On a LFL basis volumes increased 0.4%. Overall Chilled Ready Meals volumes increased 2% on a LFL basis versus a 2% market decline<sup>[3]</sup>.
- The decision to proactively exit several contracts in FY23, including a significant Chilled Ready Meals contract, accounted for approximately a 6% decrease in year on year revenue on a Pro Forma basis.
- Profit conversion in Q1 FY24 improved strongly year on year and was in line with management expectations. Profit conversion benefitted from on-going commercial, operational and cost initiatives with significant focus on innovation and an optimal product mix to unlock value for Greencore.
- As previously announced, Catherine Gubbins joins the business on 6 February 2024, following her appointment as Executive Director and Chief Financial Officer. Jonathan Solesbury will remain with the Group until the end of May 2024 to ensure a smooth transition.
- In Q1, the Group 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. The facility also includes a £100 million accordion option. This new facility replaces the existing £340m RCF that was due to mature in January 2026.

## OUTLOOK [2]

- Inflationary pressures on raw materials and energy are now easing, providing a more stable cost outlook in FY24 compared to the prior year. Wage inflation will persist due to National Living Wage increases, which we will continue to manage through ongoing recovery and mitigating actions.
- Following the strong financial and operational start to the year, with improved profit conversion, the Group expects to generate an FY24 outturn in line with current market expectations<sup>[1]</sup>.

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

*"I am extremely encouraged by the strong start to the year for our business. Our manufactured like for like volume growth of 0.5% in the quarter, continued to outperform the market in the key categories in which we operate. This performance has once again been supported by our outstanding operational service levels to ensure availability of products to our customers. Our focus as a team is to provide fresh and healthy foods to our customers and consumers each and every day.*

*Our progress as a business has been delivered through continued effective operational and commercial initiatives, as detailed in November, this has supported improved profit conversion and a strong profit outturn in the quarter. We are committed to continuing to drive profitability through commercial discipline and are investing in several initiatives to develop a robust platform for future growth.*

*While we remain mindful of the seasonally important second half of the year, we are confident that the Group will deliver a full year outturn in line with current market expectations."*

Greencore will report its FY24 interim results for the half year ending 29 March 2024 on 21 May 2024.

<sup>1</sup> Consensus FY24 market expectations of Adjusted Operating Profit range of £80.5m to £85.0m, as compiled by Greencore from available analyst estimates on 15 January 2024 and as reported in the Investor Relations section of the Group website.

<sup>2</sup> Pro-Forma revenue growth (versus FY23) adjusts reported revenue in FY23 to reflect the disposal of Trilby Trading Limited. Like for like revenue growth (versus FY23) adjusts Pro forma revenue for business wins and losses.

<sup>3</sup> Volumes are on a like for like basis and adjust for business wins and losses. Market performance in those categories, unless stated, is Circona data for the 12 weeks to 24 December 2023.

<sup>4</sup> Kantar data based on 4 weeks to 24 December 2023.

### For further information, please contact:

|                    |                                 |                           |
|--------------------|---------------------------------|---------------------------|
| Jonathan Solesbury | Interim Chief Financial Officer | Tel: +353 (0) 1 605 1000  |
| Curtis Armstrong   | Finance Director - FP&A and IR  | Tel: +44 (0) 1246 384649  |
| David Marshall     | Head of Capital Markets         | Tel: +353 (0) 1 605 1000  |
| Jonathan Neilan    | FTI Consulting                  | Tel: +353 (0) 86 231 4135 |
| Nick Hasell        | FTI Consulting                  | Tel: +44 (0) 203 727 1340 |

### 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 the discussion of risk in the Group's Annual Report and Financial Statements for the year ended 29 September 2023 issued on 28 November 2023. 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. 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](http://www.greencore.com) or follow Greencore on social media.

please contact [rns@lseg.com](mailto:rns@lseg.com) or visit [www.rns.com](http://www.rns.com).

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

TSTUSSARBUAUUR