Interim Results

FOR THE SIX MONTHS ENDED
30 SEPTEMBER 2019

CRANSWICK plc
Great British Taste

AGENDA

INTRODUCTION & HIGHLIGHTS
Adam Couch, CEO

FINANCIAL REVIEW
Mark Bottomley, Finance Director

COMMERCIAL UPDATE
Jim Brisby, Commercial Director

OPERATING & STRATEGIC REVIEW
Adam Couch, CEO

Q&A

DISCLAIMER: Certain statements in this presentation are forward looking statements. By their nature, forward looking statements involve a number of risks, uncertainties or assumptions that could cause actual results or events to differ materially from those expressed or implied by those statements. Forward looking statements regarding past trends or activities should not be taken as representation that such trends or activities will continue in the future. Accordingly undue reliance should not be placed on forward looking statements.

H1 HIGHLIGHTS

- Positive start to the year
- Reported revenue ahead by 7.1%
- Total export revenue up 65%, including Far East export revenue 94% ahead
- Commissioning of world-class £75 million primary poultry processing facility in Eye, Suffolk now under way
- Record H1 capital expenditure of £56 million to provide the platform for future growth
- Acquisition of Katsouris Brothers, further broadening our non-meat activities
- Dividend increased 5% to 16.7p per share

10 YEAR RECORD

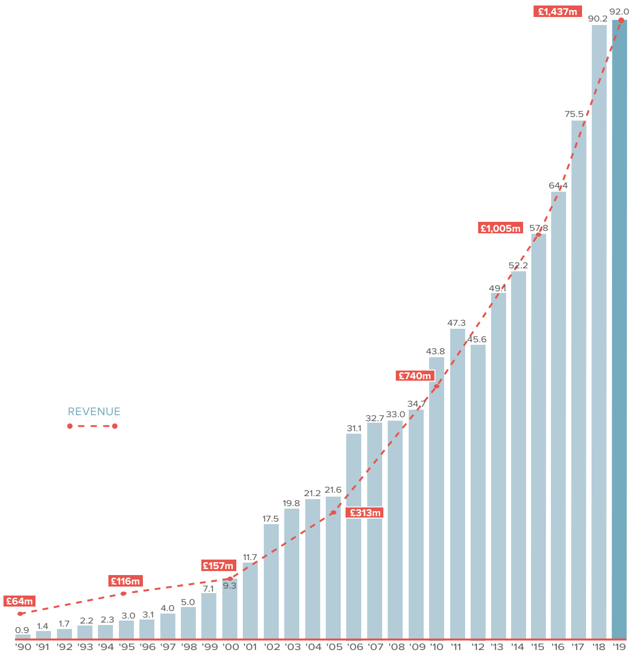
Compound annual growth rates to 31 March 2019

REVENUE	ADJUSTED PROFIT BEFORE TAX	ADJUSTED EARNINGS PER SHARE	DIVIDEND PER SHARE
+9.0%	+10.2%	+10.4%	+9.9%

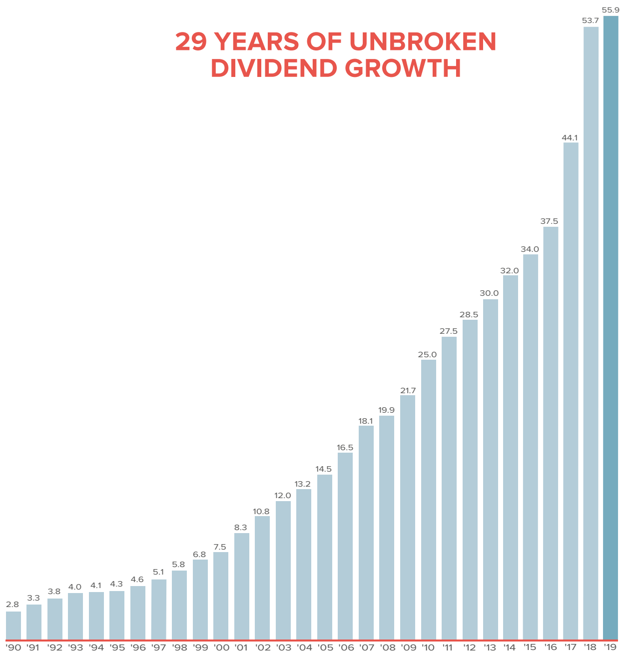
TRADING RECORD

1990 – 2019

ADJUSTED PROFIT BEFORE TAX[1,2] (£M)



DIVIDEND PER SHARE (pence)



1. Excludes IAS41 movements on biological assets and acquisition related amortisation in 2019 and 2018
2. 2018 adjusted for 53rd week

Financial Review

MARK BOTTOMLEY
FINANCE DIRECTOR

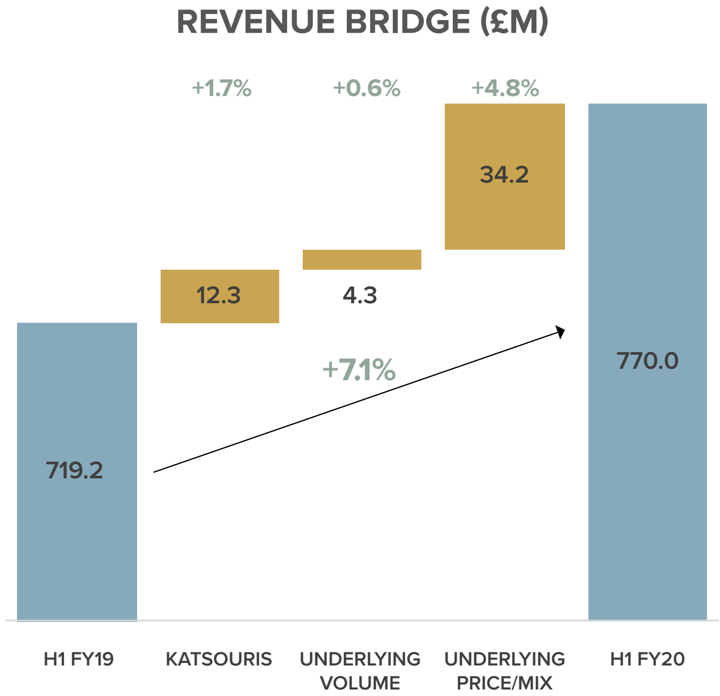
CRANSWICK plc
Great British Taste

H1 P&L SUMMARY

£M	H1 FY20	H1 FY19	% CHANGE
Revenue	**770.0**	719.2	+7.1%
Like-for-like revenue growth[1]			+5.4%
Adjusted gross margin[2]	**13.0%**	12.4%	+60bps
Adjusted operating profit[2,3]	**47.4**	44.9	+5.6%
Adjusted operating margin[2,3]	**6.2%**	6.2%	–
Adjusted profit before tax[2,3]	**46.4**	44.8	+3.6%
Effective tax rate	**20.1%**	20.2%	-10bps
Adjusted EPS (pence)[2,3]	**71.6**	70.0	+2.3%
Reported EPS (pence)	**73.2**	66.4	+10.2%
Interim DPS (pence)	**16.7**	15.9	+5.0%

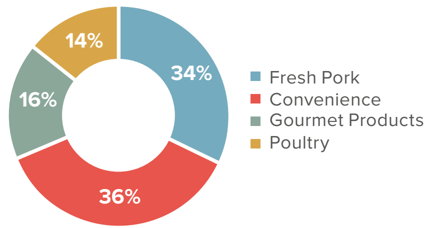
1. Like-for-like revenue excludes the contribution from Katsouris Brothers Limited
2. Excludes IAS 41 movement on biological assets in both years
3. Excludes acquisition related amortisation in both years

H1 REVENUE

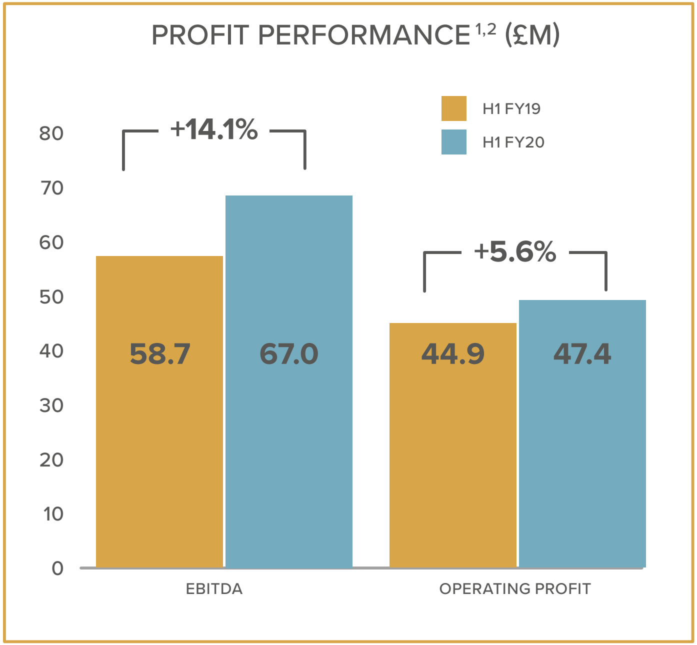


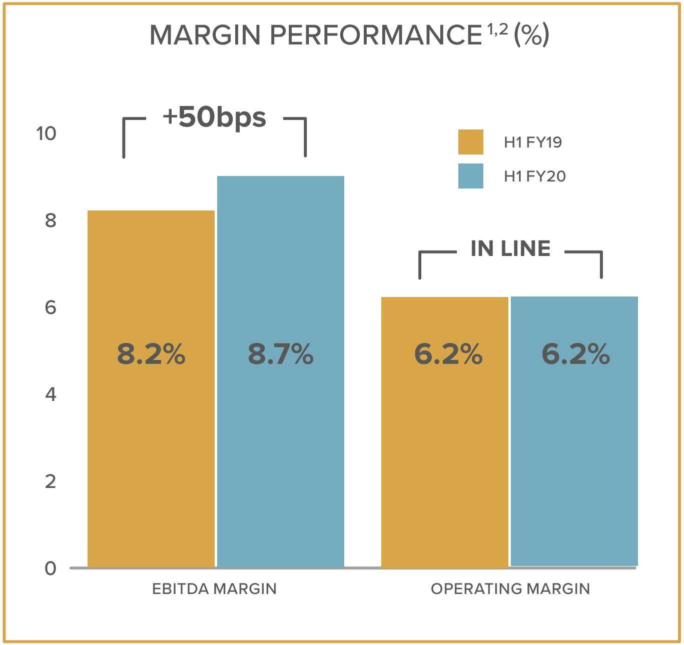
- Acquisition of Katsouris Brothers Limited adds £12.3 million to revenue
- Number of pigs processed during the period increased 9% year-on-year
- Strong wholesale and export pricing alongside an increase in added-value products drove price/mix benefit

CATEGORY PROFILE
% OF GROUP REVENUE



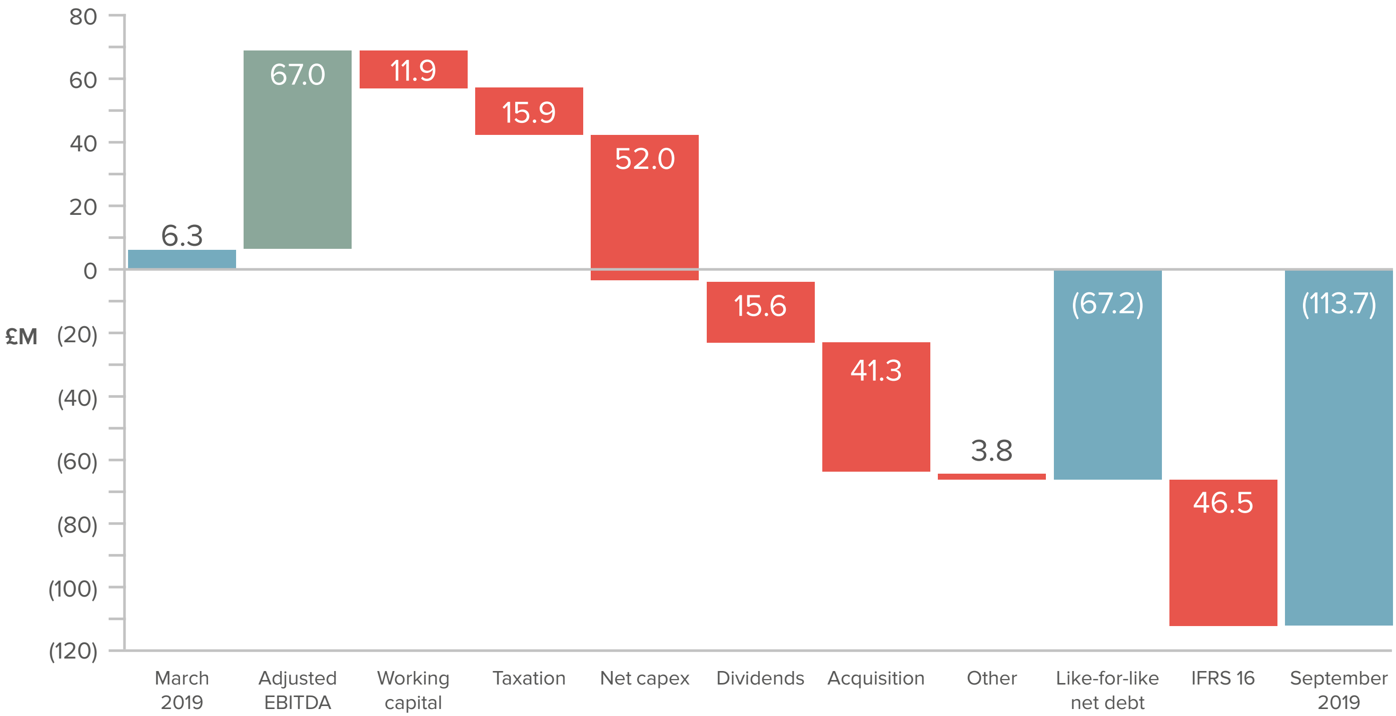
H1 PROFIT & MARGIN PERFORMANCE





1. Includes first time recognition of IFRS 16 Leases in 2019 which increases EBITDA by £4.1m and increases operating profit by £0.5m. Prior year comparatives have not been restated
2. Excludes IAS 41 movement on biological assets and acquisition related amortisation in both years

H1 NET DEBT BRIDGE



H1 CAPITAL EXPENDITURE

NET CAPEX (£M)	H1 FY20	H1 FY19
Fresh Pork	5.1	13.0
Convenience	21.8	14.4
Gourmet Products	1.8	0.9
Poultry	27.0	12.5
Gross Capex	**55.7**	**40.8**
Fixed Asset Sale Proceeds	(3.7)	(0.3)
Net Capex	**52.0**	**40.5**

- £4.2 million invested across three pork primary processing facilities including £0.8 million on refrigeration at Hull facility
- £0.9 million invested in pig farming operations
- £13.9 million extension to Sutton Fields Cooked Meats facility
- £24.1 million spent in the period on new poultry primary processing facility at Eye, Suffolk
- Capex guidance for FY20 of c£100 million

H1 BALANCE SHEET

BALANCE SHEET (£M)	H1 FY20	H1 FY19
Property, plant & equipment[1]	383.2	263.5
Intangible assets	190.6	155.1
Biological assets	26.2	19.6
Working capital	92.4	80.6
Net (debt)/funds[1]	(113.7)	2.2
Tax, grants, provisions, pensions	(18.2)	(17.6)
Net assets[1]	**560.5**	**503.4**

WORKING CAPITAL MOVEMENT (£M)	
Inventories	8.0
Receivables	32.1
Payables	(28.3)
Net movement	**11.8**
Katsouris acquisition	(7.7)
Like-for-like movement	**4.1**

KEY METRICS	H1 FY20	H1 FY19
ROCE [1,2]	15.9%	18.9%
Gearing[1]	20.3%	–

ROCE is lower as expected due to the uplift in capital expenditure and the impact of IFRS 16.

1. Includes first time recognition of IFRS 16 Leases in 2019 which increases net debt by £46.5m, and increases property, plant and equipment by £46.4m. Prior year comparatives have not been restated
2. Adjusted operating profit divided by the sum of average opening and closing net assets, net debt/(funds), pension liability and deferred tax

IFRS 16 IMPACT

H1 IFRS 16 IMPACT ON FINANCIAL STATEMENTS	£M
Impact on total assets	46.4
Impact on total liabilities	(46.5)
Overall effect on net assets	**(0.1)**
Remove rental costs	4.1
Add depreciation	(3.6)
Impact on operating profit	**0.5**
Add lease interest costs	(0.6)
Impact on PBT	**(0.1)**
Impact on net debt	**(46.5)**
Impact on EPS (pence)	**(0.2)**

No material impact to PBT or Net Assets

- Right-of-use assets and lease liabilities have been recognised on the balance sheet
- Lease liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as of 1 April 2019. The weighted average Group incremental borrowing rate applied to the lease liabilities on 1 April 2019 was 3.0%

The Group used the modified retrospective, asset equals liability, transition approach:

- No impact to previously reported equity
- No restatement of the previous reported period

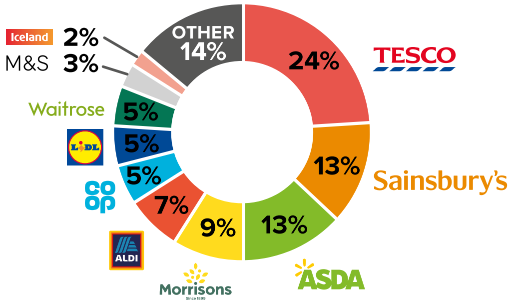
Commercial Update

JIM BRISBY
GROUP COMMERCIAL DIRECTOR

CRANSWICK plc
Great British Taste

GROCERY MARKET OVERVIEW

TOTAL GROCERY MARKET SHARE (%)



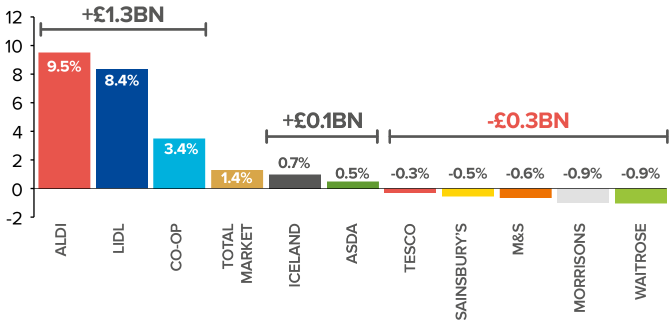
SOURCE: Kantar Worldpanel 52 w/e 6 October 2019

- Total grocery market growth at 1.4% (worth £1.6BN)
- Top 4 performance remains subdued
- Discounter growth continues through penetration gains and store openings
- Consumer drivers remain focused around premium, convenience and health

TOTAL OWN LABEL GROWTH

ECONOMY TIER	STANDARD TIER	PREMIUM TIER
+4.3%	+1.3%	+5.9%

TOTAL GROCERY £ GROWTH (%)



SOURCE: Kantar Worldpanel 52 w/e 6 October 2019

DISRUPTING THE RETAIL LANDSCAPE

LOW CONSUMER CONFIDENCE

ocado M&S deliveroo UBER eats

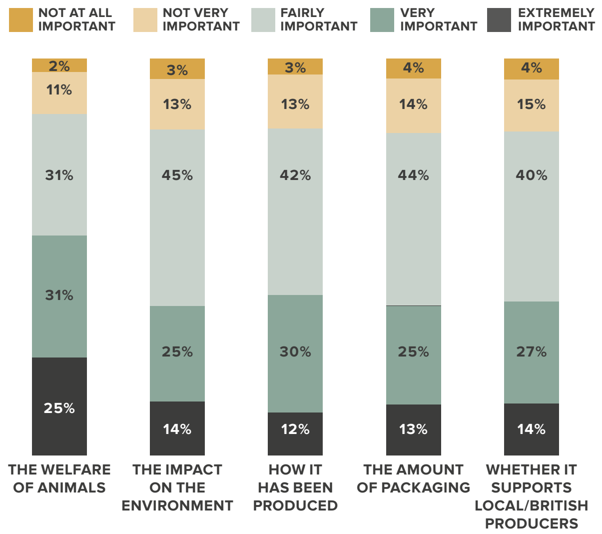
SUSTAINABILITY: A KEY CONSUMER ISSUE FOR THE INDUSTRY

- Growing focus on the issue of sustainability in the food industry
- CO_2 emissions, soil health, animal welfare, packaging and provenance are all key challenges

SECOND NATURE

- Second Nature is at the heart of our business and strategic focus and progress continues:
  - Over 1,000 employees volunteered as changemakers
  - Food waste reduced by 25% to 0.8% of total production
  - Over 950 tonnes of plastic removed from supply chain
  - All PVC plastic removed
  - Black plastic will be removed by January 2020
  - Collaboration with industry to communicate health and sustainability benefits of meat

THE IMPORTANCE OF ETHICS TO THE CONSUMER

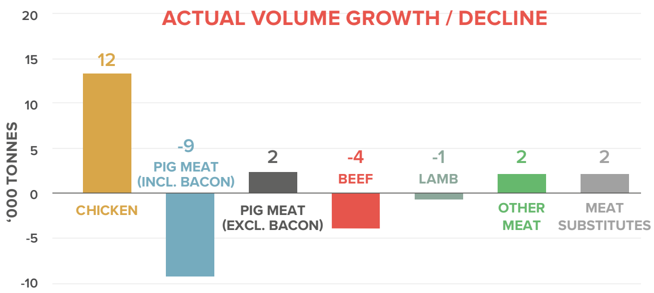


SOURCE: IGD, Health, Nutrition & Ethics, September 2019

OUR PARTNERSHIPS:

RETAIL MARKET VOLUME GROWTH DRIVEN BY POULTRY

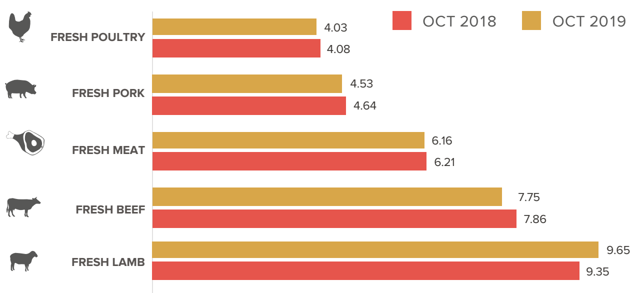
CATEGORY PERFORMANCE



GROWTH

+1.7% -1.3% +0.4% -1.3% -1.5% +3.6% +17.7%

UK RETAIL AVERAGE PRICE/KG



CATEGORIES	52 W/E 06 OCT 19	YOY	%SHARE
PRIMARY FRESH VOLUME	480	4.0%	26.82%
COOKED CHICKEN TOTAL VOLUME	80	-5.2%	4.47%
AV FRESH VOLUME	75	-4.6%	4.19%
FURTHER PROCESSED & BURGERS VOLUME	69	1.6%	3.85%
TOTAL CHICKEN	**704**	**1.7%**	**39.4%**
BACON & GAMMON VOLUME	204	-4.8%	11.40%
PORK CORE VOLUME	150	2.0%	8.38%
SAUSAGES VOLUME	145	0.1%	8.10%
SLICED COOKED HAM VOLUME	129	-2.2%	7.21%
RTC/SC/BURGERS VOLUME	21	10.8%	1.17%
MARINADES VOLUME	8	-4.6%	0.45%
TOTAL PIG MEAT	**657**	**-1.3%**	**36.7%**
FRESH PRIMARY BEEF VOLUME	272	-0.7%	15.20%
FRESH BEEF BURGERS & GRILLS VOLUME	29	-6.6%	1.62%
TOTAL BEEF	**301**	**-1.3%**	**16.8%**
FRESH PRIMARY LAMB VOLUME	62	-1.1%	3.46%
FRESH LAMB BURGERS & GRILLS VOLUME	2	-12.6%	0.11%
TOTAL LAMB	**64**	**-1.5%**	**3.6%**
FRESH PRIMARY OTHER PROTEIN VOLUME	48	2.6%	2.68%
FRESH OTHER BURGERS & GRILLS VOLUME	3	28.0%	0.17%
TOTAL OTHER PROTEIN	**51**	**3.6%**	**2.8%**
MEAT SUBSTITUTES	13	17.7%	0.7%
TOTAL PROTEIN VOLUME	**1,790**	**0.1%**	**100.0%**

SOURCE: Kantar Worldpanel 52 w/e 6 October 2019

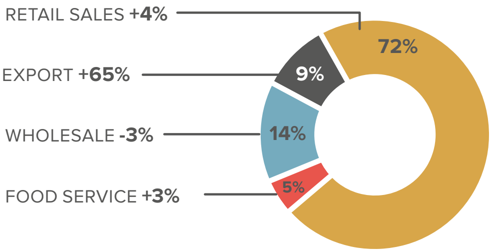
SALES BY CATEGORY AND CHANNEL

CRANSWICK SALES H1 2019-20

CATEGORY	CHANGE	
	VALUE	VOLUME
Fresh Pork (i)	▲ +15.1%	▲ +7.4%
Convenience (ii)	▲ +5.1%	▲ +1.3%
Gourmet Products (iii)	+0.0%	▲ +1.6%
Poultry (iv)	▲ +5.0%	▼ -2.5%

- Significant fresh pork growth due to Far East demand as well as retail growth in the UK
- Convenience sales include acquisition of Katsouris – Like-for-like sales in year +0.5% for Continental and Cooked meats
- In Gourmet, strong bacon and pastry sales are offset by a reduction of sausage & burgers sales vs exceptional summer of 2018
- Poultry growth due to added value and increased cutting (impacting total volume performance)

CRANSWICK CHANNEL SALES H1 2019-20



- Retail sales performance bolstered by core customer recovery and new business wins
- Food service growth sustained through customer growth and new business wins
- Wholesale business decline offset by growth in Export performance
- Impact of African Swine Fever driving strong performance in Far East

NOTES:

(i) Retail fresh pork sales +2.4%, volume +0.8%
(ii) Convenience comprises Cooked Meats, Continental and Katsouris.
On a like-for-like basis excluding the contribution from Katsouris sales +0.5%, volume -3.4%
(iii) Gourmet Products comprises Sausage, Bacon and Pastry
(iv) Poultry comprises Fresh and Cooked Poultry

COMMERCIAL OUTLOOK

INFLATION

RISING PIG PRICES AND FURTHER INFLATION EXPECTED

FAR EAST DEMAND

NEW BUSINESS

NEW BUSINESS WINS

POULTRY GROWTH

POSITIVE SALES MOMENTUM

POSITIVE CHRISTMAS OUTLOOK

H2 SALES ACCELERATING

Operating & Strategic Review

ADAM COUCH
CHIEF EXECUTIVE OFFICER

CRANSWICK plc
Great British Taste

STRATEGY

PURPOSE

FEEDING THE NATION WITH AUTHENTICALLY MADE, SUSTAINABLY PRODUCED FOOD; CREATED WITH PASSION

CONSOLIDATION DRIVING THE CORE	DIVERSIFICATION EXPANDING OUR OFFER	INTERNATIONAL DEVELOPING NEW OPPORTUNITIES
STRONG SALES GROWTH TO DISCOUNT RETAILERS	POULTRY IS A STRONG GROWTH CATEGORY	STRONG FAR EAST VOLUME GROWTH
LONG-TERM CUSTOMER RELATIONSHIPS	NEW, CLASS-LEADING POULTRY FACILITY	DEVELOPING DIRECT RELATIONSHIPS
STRONG INNOVATION PIPELINE	FRESH, MARINATED AND 'READY TO COOK' PRODUCTS	REPUTATION OF BRITISH OUTDOOR BRED PORK
BUSINESS WINS BASED ON QUALITY	LONG-TERM CONTRACT SECURED	IMPACT OF AFRICAN SWINE FEVER
FOCUS ON PREMIUM PRODUCTS	EXPAND NON-MEAT OFFERING	PIG PRICES INCREASING

CONSOLIDATION

DRIVING THE CORE

CONVENIENCE SUTTON FIELDS

NEW BUSINESS WIN

COMPLETION OF £14 MILLION EXTENSION TO SUTTON FIELDS COOKED MEATS FACILITY

CONVENIENCE MILTON KEYNES

ADDITIONAL VOLUMES SECURED

INVESTMENT IN COOKERS, CHILLERS AND ADDITIONAL PACKING AND SLICING LINES

OTHER PORK CATEGORIES

STRONG SALES GROWTH

FURTHER INVESTMENT TO UNDERPIN GROWTH IN CORE CATEGORIES

DIVERSIFICATION

INVESTING IN POULTRY

- New industry leading facility in Eye, Suffolk, began commissioning phase in early November
- Build phase was completed on time and to budget
- Latest technology and advanced equipment lifts capacity from 0.5m to 1.2m birds per week
- Facility incorporates highest animal welfare standards
- Further investment in agricultural operations to support expansion of poultry business

DIVERSIFICATION

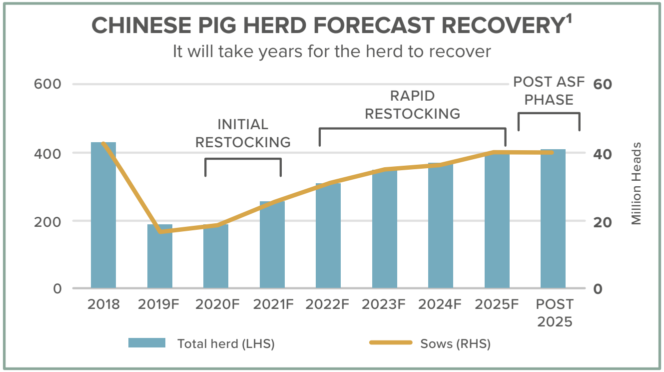
ACQUISITION OF KATSOURIS BROTHERS

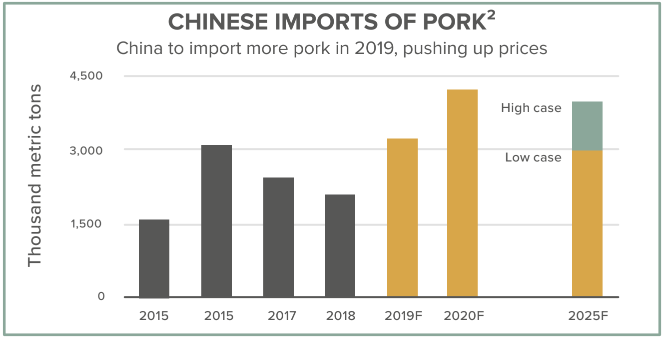
- Premium supplier of predominantly plant-based Mediterranean food products
- Enlarged Continental category with a significant non-meat product offering
- A strategic fit which aligns with our passion for quality and integrity of supply chain
- Attractive future growth potential
- Recognised brand and strong UK retail relationships
- Significant heritage and authenticity

INTERNATIONAL

AFRICAN SWINE FEVER

- ASF described as the largest animal disease outbreak the world has ever seen
- Chinese national pig herd is expected to be 50% lower by the end of 2019
- Rebuilding China's pork industry will likely take 5 years
  – 2022-25 will see more rapid recovery
  – 2025 will likely see stabilisation but at a production level still lower than 2018
- Chinese imports have reached record highs with a further increase in imports likely to be seen in 2020
- Average imports for 2021-25 are estimated to be 30%-40% higher than 2018 levels
- Chinese pork prices have increased to unprecedented levels
- Meat consumption will see a structural change with an increase in poultry consumption





SOURCE:
1. China Statistics Yearbook, MARA, Rabobank
2. China Customs, UN Comtrade, Rabobank 2019

INTERNATIONAL

AFRICAN SWINE FEVER

- ASF was first reported in China in August 2018 with new cases still reported in the country in November 2019
- ASF still not under control
  – Spread to other Asian countries including Vietnam, Cambodia, Laos, South Korea and the Philippines
- Restocking started but reinfection still occurring

- Cranswick Far East export sales up 94%
- All three primary processing facilities are now fully approved for export to China
- Strong Far East export sales are expected to continue

SOURCE: Rabobank, September 2019

SUMMARY AND OUTLOOK

Strong Far East export growth

Robust performance in competitive domestic market

Strong balance sheet and cash generation

Investment in class-leading poultry facility & non-meat activities

Expansion of vertical supply chain

Record capital expenditure

Investing for future growth

Pork and chicken competitively priced

Leading the sustainability challenge

"We remain confident that continued focus on the strengths of our business, which include long-standing customer relationships, breadth, quality and relevance of our products, robust financial position and industry leading infrastructure, will support the further successful development of Cranswick over the near and longer term."

APPENDIX 1

OUR HISTORY

- **1970s** Established Agri-Food business (animal feed)
- **1980s** Move into food production
- **1992** FT Sutton – deli cooked meats
- **1995** Simply Sausages – Gourmet Sausage
- **2001** Continental Fine Foods
- **2003** Sandwich Factory
- **2004** Jack Scaife – dry cured air dried bacon
- **2005** Perkins Chilled Foods – sliced cooked meats
- **2009** Bowes of Norfolk – primary processing
- **2010** Yorkshire Baker – Gourmet Pastry
- **2013** Pig rearing business – outdoor reared pigs
- **2014** Benson Park – premium cooked poultry
- **2016** Crown Chicken – integrated chicken processor
- **2016** Sale of Sandwich Factory
- **2016** Ballymena – primary processing
- **2018** New Continental Foods site in Bury
- **2019** Katsouris Brothers – Mediterranean foods
- **2019** New chicken processing facility in Suffolk

APPENDIX 2
OUR LOCATIONS

HULL
Fresh Pork, Preston
Fresh Pork, Riverside
Cooked Meats, Sutton Fields
Gourmet Sausages, Lazenby's
Added Value Poultry, CCFP

MALTON
Gourmet Pastry, Yorkshire Baker

SHERBURN
Gourmet Bacon, Sherburn-in-Elmet

BARNSLEY
Cooked Meats, Valley Park

NORTHERN IRELAND
Fresh Pork, Ballymena

BURY
Continental Foods, Roach Bank

DENBIGH
Food Service, Colomendy

EAST ANGLIA
Fresh Pork and Sausages, Watton
Fresh Chicken, Eye and Kenninghall

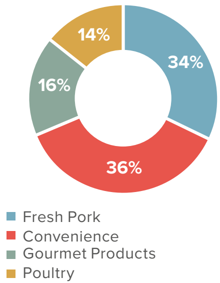
MILTON KEYNES
Cooked Meats, Delico

LONDON
Katsouris Brothers, Wembley

Agriculture
Pig and Poultry Production Heartland

- **>11,000 employees across Group**
- 16 food manufacturing facilities
- New poultry site at Eye in Suffolk
- 2 animal feed mills
- 3 farming businesses
- In house logistics
  – Livestock fleet
  – Chill chain distribution
- Over £346m in capital investment in last 8 years

CATEGORY PROFILE
% OF GROUP REVENUE



APPENDIX 3

ADJUSTED & REPORTED EARNINGS; TAX & EARNINGS PER SHARE

ADJUSTED & REPORTED EARNINGS		
£M	H1 FY20	H1 FY19
Adjusted operating profit	**47.4**	**44.9**
Net IAS 41 movement	2.6	(1.1)
Acquisition related amortisation	(1.6)	(1.1)
Operating profit	**48.4**	**42.7**
Profit before tax	**47.4**	**42.6**
Profit after tax	**37.9**	**34.0**

TAX		
%	H1 FY20	H1 FY19
Headline tax rate	**19.0**	**19.0**
Disallowed expenses	0.9	1.1
Other	0.2	0.1
Effective tax rate	**20.1**	**20.2**

EARNINGS PER SHARE		
PENCE	H1 FY20	H1 FY19
Adjusted	**71.6**	**70.0**
Acquisition related amortisation	(3.1)	(2.2)
Net IAS 41 movement	5.0	(2.2)
Tax impact	(0.3)	0.8
On profit for the year	**73.2**	**66.4**

APPENDIX 4

CASH FLOW

£M CASH FLOW	2019	2018
Cash generated from operations	**56.8**	**48.7**
Tax paid	(15.9)	(9.7)
Net cash from operating activities	**40.9**	**39.0**
Net capital expenditure	(52.0)	(40.5)
Receipt of government grants	–	0.4
Acquisitions	(41.3)	(0.8)
Loan to joint venture	(0.9)	(2.3)
Interest paid	(0.2)	–
Share issues	0.5	0.3
Dividend paid	(15.6)	(14.4)
Net cash outflow	**(68.6)**	**(18.3)**
Net (debt)/funds[1]	**(113.7)**	**2.2**

1. Includes first time recognition of IFRS 16 Leases in 2019 which increases net debt by £46.5m, and increases property, plant and equipment by £46.4m. Prior year comparatives have not been restated

APPENDIX 5

STRONG CASH GENERATION

CASH ALLOCATION 2013-2020 (£M)					
	FREE CASH FLOW	NET CAPEX	ACQUISITION / (DISPOSAL)[2]	DIVIDEND PAID	CASH INFLOW / (OUTFLOW)[1]
H1 2020	**40.7**	**52.0**	**42.2**	**15.6**	**(69.1)**
FY 2019	87.3	78.0	3.0	22.1	(15.8)
FY 2018	111.7	58.0	5.3	18.2	30.2
FY 2017	72.4	46.5	40.5	14.6	(29.2)
FY 2016	83.4	33.5	–	14.6	35.3
FY 2015	52.7	20.4	17.7	15.3	(0.7)
FY 2014	59.1	27.4	14.4	12.7	4.6
FY 2013	49.0	30.5	5.8	11.4	1.3
	556.3	**346.3**	**128.9**	**124.5**	**(43.4)**

BANKING FACILITY

£160m revolving credit facility with four major UK banks

Includes committed overdraft of £20m

Option to access further £40m on same terms

To November 2023[3]

Unsecured

1. Excludes the proceeds from the issue of share options
2. Includes loan to joint venture
3. Facility reduces to £120m from November 2022

APPENDIX 6
CORPORATE ACTIVITY

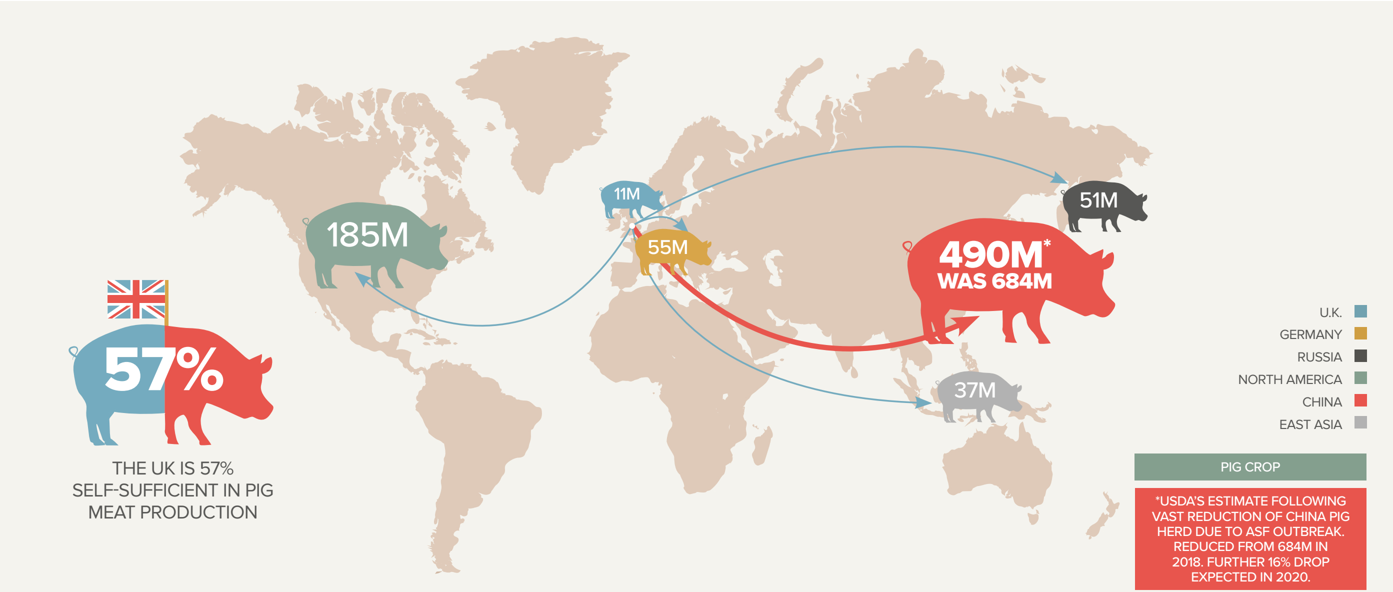
ACQUISITION OF KATSOURIS BROTHERS

- Acquired 26 July 2019
- 2 sites based in Wembley, North London
- Leading processor and multi-channel supplier of Continental and Mediterranean food products
- Management team remains with the business
- Revenue of £68m and adjusted EBITDA of £6m for the year ended 30 June 2019 (unaudited)
- Initial net cash consideration of £41.3m, with a further £0.7m to pay in H2, funded from existing debt facilities
- Further deferred contingent consideration of up to £7.0m may become payable dependent on the future performance of the business in the 12 month period to 30 September 2020
- Will be modestly earnings enhancing in FY20

APPENDIX 7

GLOBAL PIG MEAT FORCES

ANNUAL PROCESSING NUMBERS BY REGION

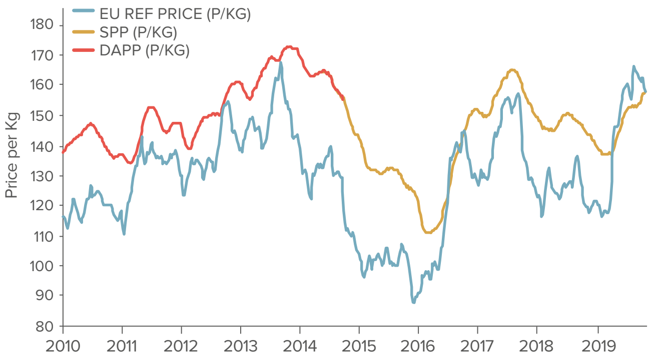


SOURCE: USDA/AHDB 2019

APPENDIX 8

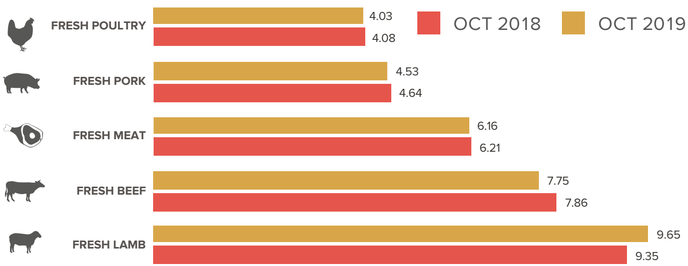
MARKET OVERVIEW

AVERAGE WEEKLY EU SPEC PRICES

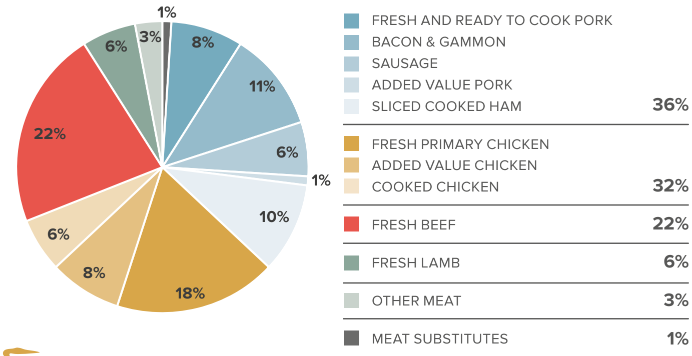


WHEAT PRICE 2016-2019

UK RETAIL AVERAGE PRICE/KG



EXPENDITURE SHARE BY PROTEIN (£)



SOURCE:
Average Price and % share of expenditure Kantar Worldpanel 52 w/e 6 October 2019
Average weekly pig price and wheat price AHDB October 2019

CRANSWICK

Great British Taste

SECOND NATURE

FSC

FORESTS FOR ALL FOREVER™