



INTERIM RESULTS

26 WEEKS ENDED
24 SEPTEMBER 2022

AGENDA

INTRODUCTION AND H1 FY23 HIGHLIGHTS

Adam Couch, CEO

FINANCIAL REVIEW

Mark Bottomley, CFO

COMMERCIAL UPDATE

Jim Brisby, CCO

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.



A photograph of a light green ceramic plate with a textured, pebbled surface. On the plate are several small, golden-brown sausages wrapped in bacon, garnished with finely chopped green onions. To the right of the sausages is a small, white ceramic bowl containing a dark red dipping sauce, also garnished with green onions. The plate is set on a dark, textured surface. In the background, a glass of red wine is partially visible.

H1 FY23 HIGHLIGHTS

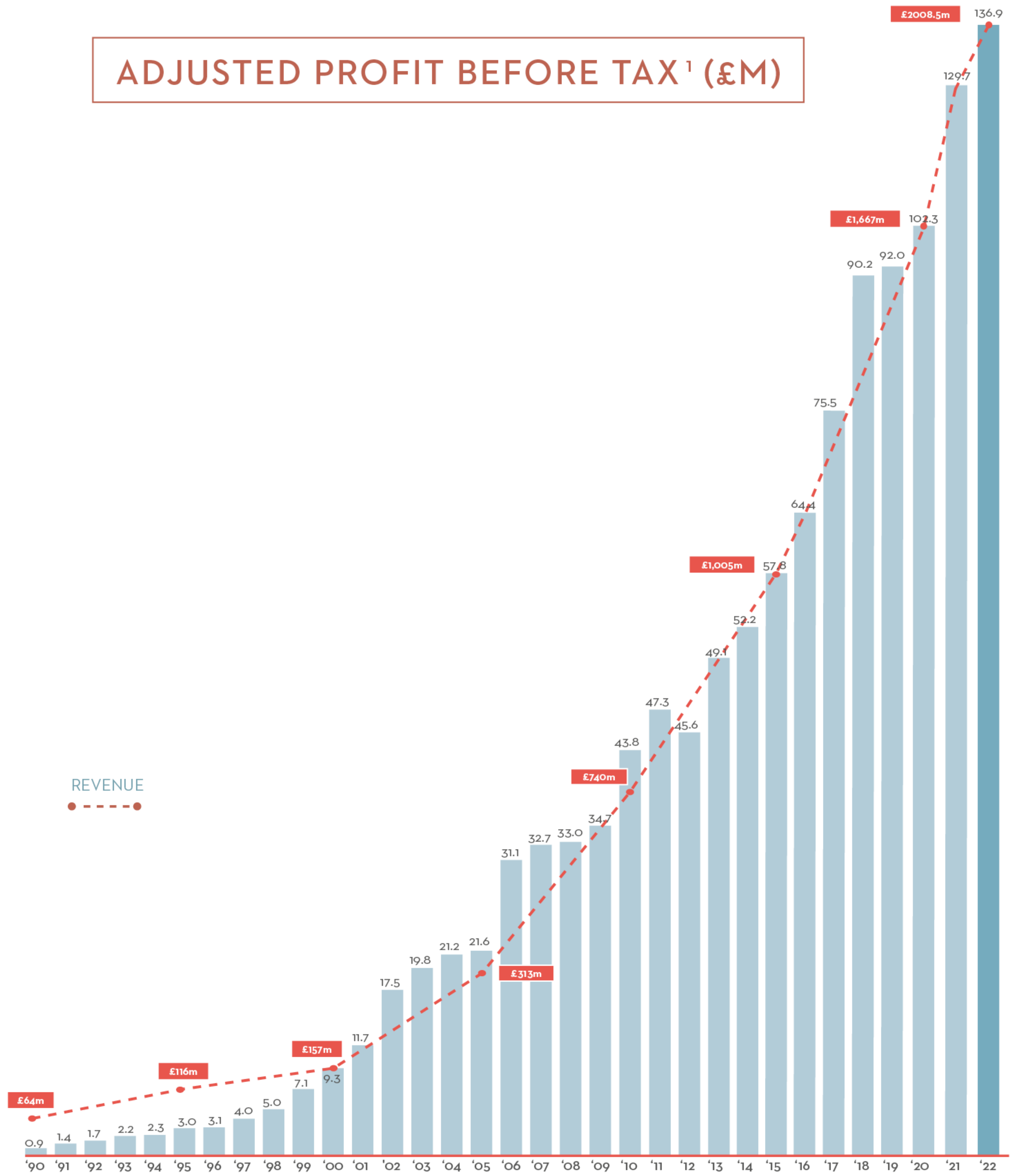
ADAM COUCH
CHIEF EXECUTIVE OFFICER



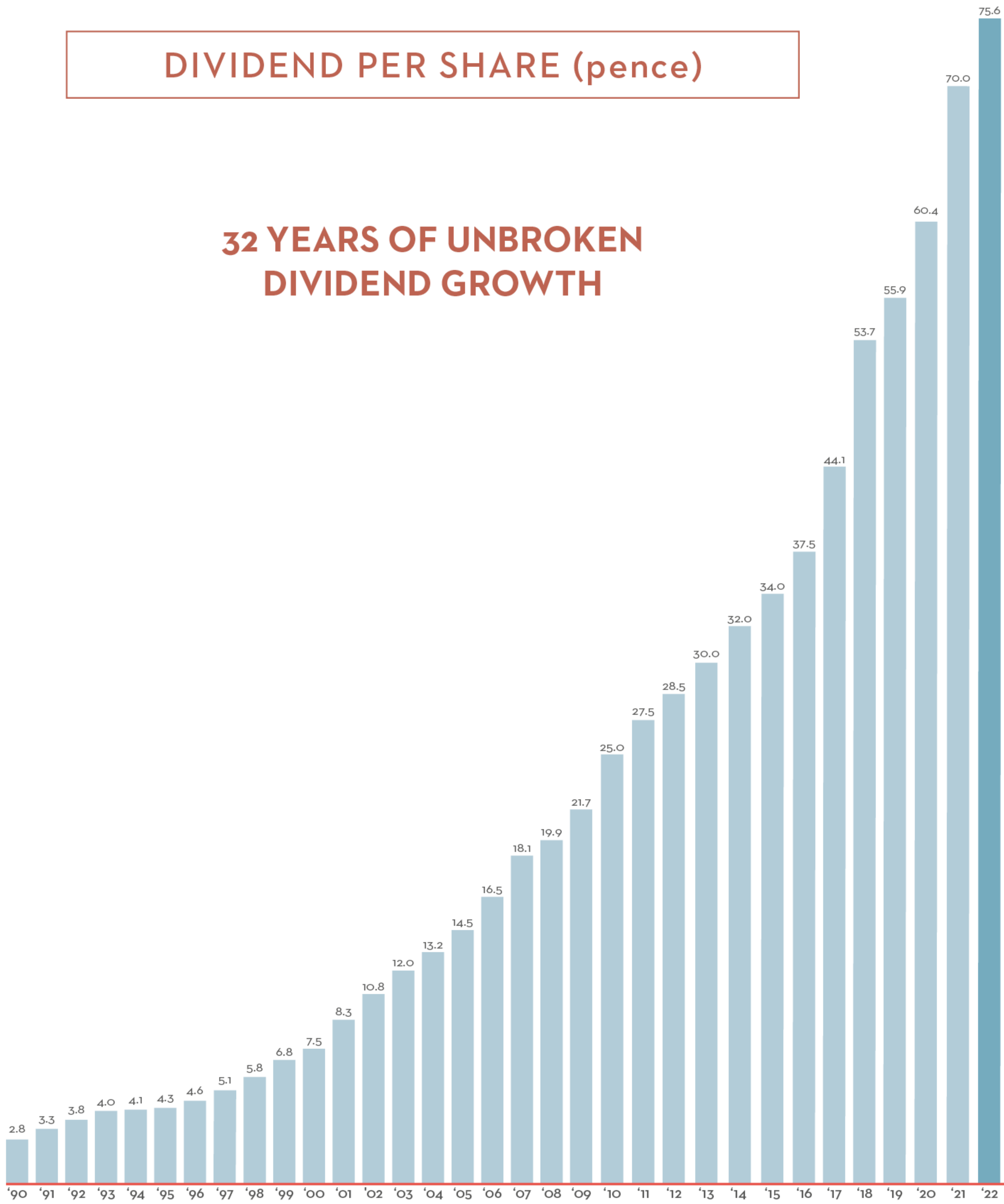
OUR LONG-TERM TRADING RECORD

1990 - 2022

ADJUSTED PROFIT BEFORE TAX¹ (£M)



DIVIDEND PER SHARE (pence)



1. Excludes IAS 41 movements on biological assets and acquisition related amortisation



H1 FY23 HIGHLIGHTS

Strong revenue growth reflecting inflation recovery with like-for-like volumes in line with prior period

Broad-based inflationary pressure across the Group's cost base continues to be well controlled

Total capital expenditure of £38.1m across the Group's asset base to add capacity, capability and drive efficiency

New £32m Hull Breaded Poultry facility successfully commissioned at the start of the period with retail and food service customers now on board

Installation of third contact cooking line at the Hull Cooked Bacon facility to add capacity and capability

Further investment in the Group's pig farming operations; self-sufficiency now more than 40%

Half year dividend up 3.0% at 20.6p per share

Current year outlook unchanged

5 YEAR CAGR

Compound annual growth rates to 26 March 2022

REVENUE



ADJUSTED PROFIT BEFORE TAX



ADJUSTED EARNINGS PER SHARE



DIVIDEND PER SHARE



A top-down photograph of a wooden cutting board. On the right side of the board is a whole roasted pig's head, its skin golden-brown and glistening, topped with coarse salt and dried herbs. To the left of the head are two thick slices of pork belly, showing the characteristic layers of fat and meat. In the bottom-left corner, a small white bowl with a brown rim is filled with a vibrant green salad, featuring shredded lettuce, sliced red and yellow bell peppers, and crumbled cheese. A serrated knife lies horizontally at the top of the board. The background shows a grey textured cloth on the left and a grey surface on the right.

FINANCIAL REVIEW

MARK BOTTOMLEY
CHIEF FINANCIAL OFFICER



FINANCIAL HIGHLIGHTS

REVENUE (£M) +12.4%

H1 FY23	1,116.3
H1 FY22	993.1
H1 FY21	931.6

ADJUSTED PROFIT BEFORE TAX (£M)¹ -3.4%

H1 FY23	66.0
H1 FY22	68.3
H1 FY21	60.7

ADJUSTED EARNINGS PER SHARE (P)¹ -4.7%

H1 FY23	98.6
H1 FY22	103.5
H1 FY21	92.8

DIVIDEND PER SHARE (P) +3.0%

H1 FY23	20.6
H1 FY22	20.0
H1 FY21	18.7

FREE CASH FLOW (£M) -40.7%

H1 FY23	46.9
H1 FY22	79.1
H1 FY21	90.6

NET DEBT (£M)² +£49.3M

(136.5)	H1 FY23
(87.2)	H1 FY22
(121.7)	H1 FY21

1. Excludes IAS 41 movement on biological assets, acquisition related amortisation and impairment of intangible asset

2. Includes recognition of IFRS 16 leases



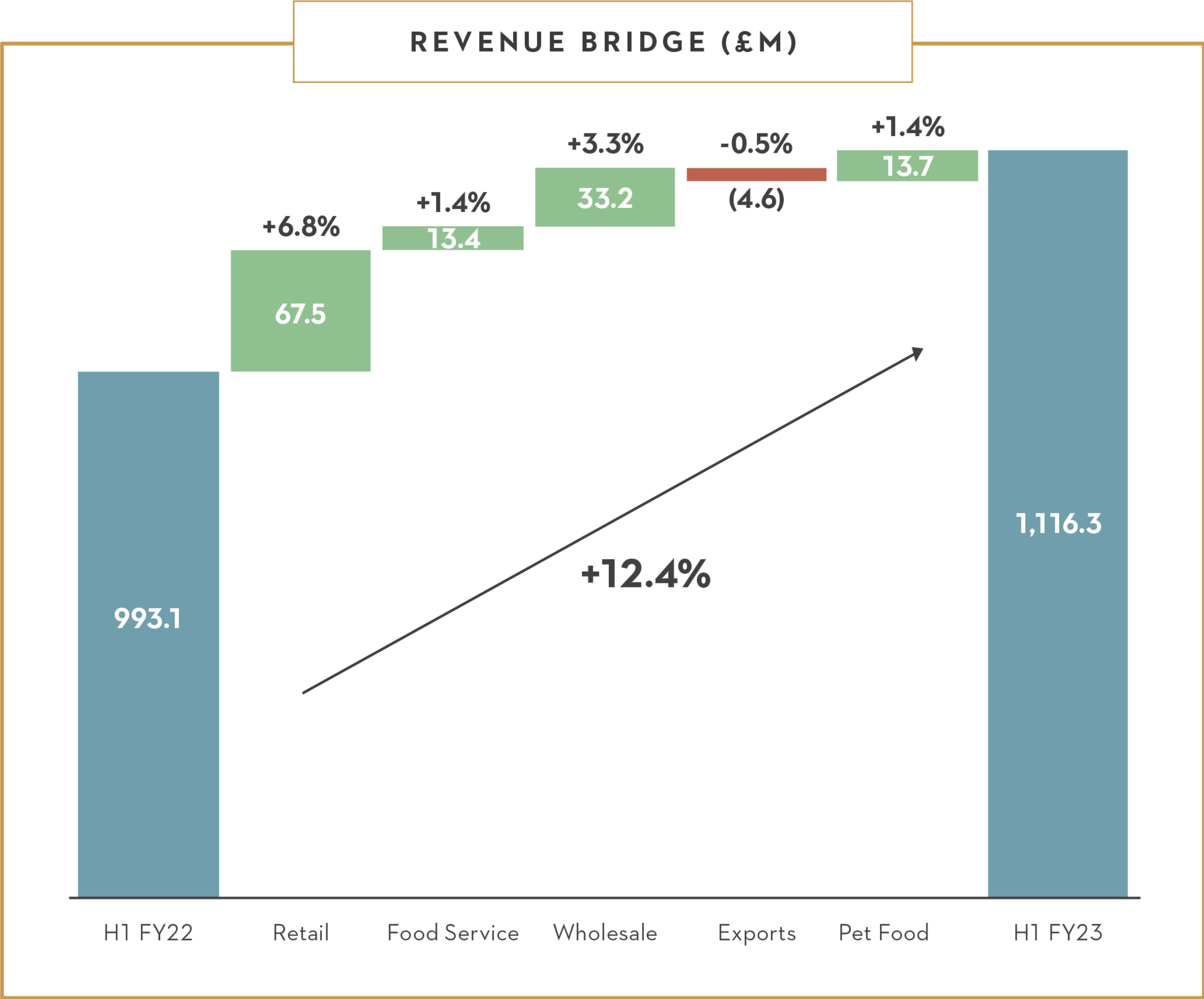
H1 FY23 SUMMARY

£M	H1 FY23	H1 FY22	CHANGE
Revenue	1,116.3	993.1	+12.4%
Like-for-like revenue growth ¹	-	-	+10.7%
Adjusted gross margin ²	13.1%	13.8%	-74bps
Adjusted operating profit ^{2,3}	68.4	69.6	-1.7%
Adjusted operating margin ^{2,3}	6.1%	7.0%	-88bps
Adjusted profit before tax ^{2,3}	66.0	68.3	-3.4%
Tax on adjusted PBT	20.3%	19.9%	+39bps
Adjusted EPS (pence) ^{2,3}	98.6	103.5	-4.7%
Reported EPS (pence)	92.0	95.7	-3.9%
Dividend per share (pence)	20.6	20.0	+3.0%
ROCE ⁴	15.9%	17.8%	-197bps

1. Like-for-like revenue excludes the current year contribution from prior year acquisitions prior to the anniversary of their purchase
2. Excludes IAS 41 movement on biological assets in both years
3. Excludes acquisition related amortisation in both years and impairment of intangible asset in the current year
4. Adjusted operating profit divided by the sum of average opening and closing net assets, net debt, pension surplus and deferred tax. Includes IFRS 16



STRONG REVENUE GROWTH

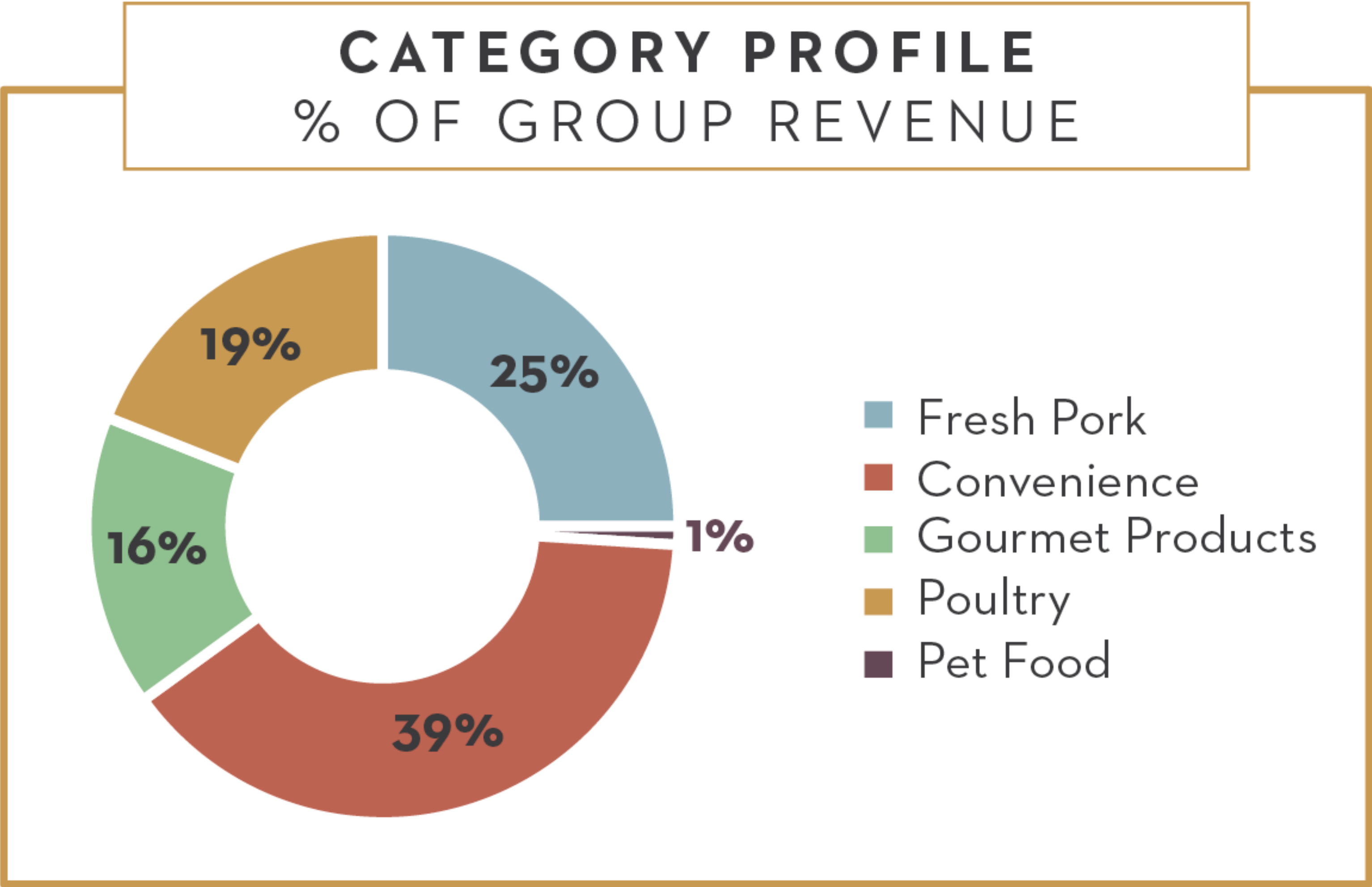


REVENUE GROWTH IS DRIVEN BY:

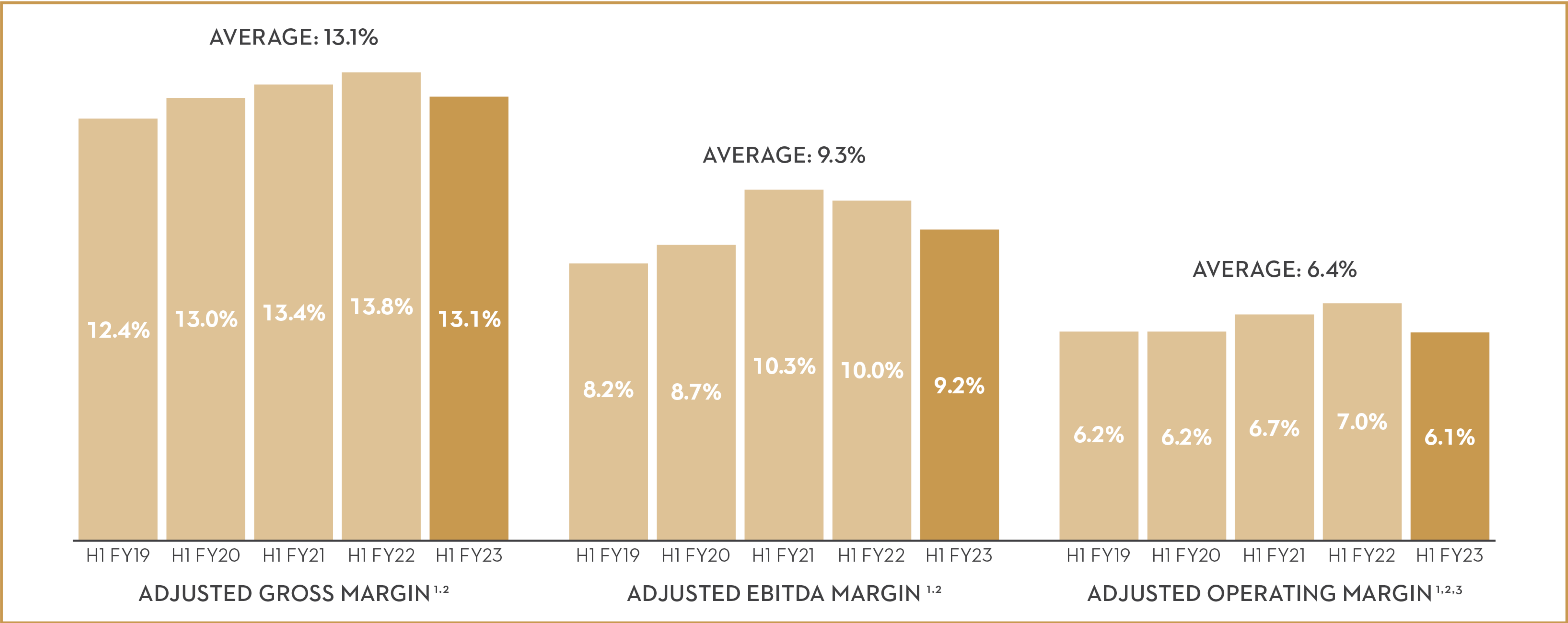
- Successful control and recovery of widespread cost inflation
- New products launched with both retail and food service customers
- Like-for-like volumes maintained

Partially offset by:

- Modestly lower export revenue reflecting strong FY22 Q1 comps, with good recovery in Q2



STABLE MARGINS



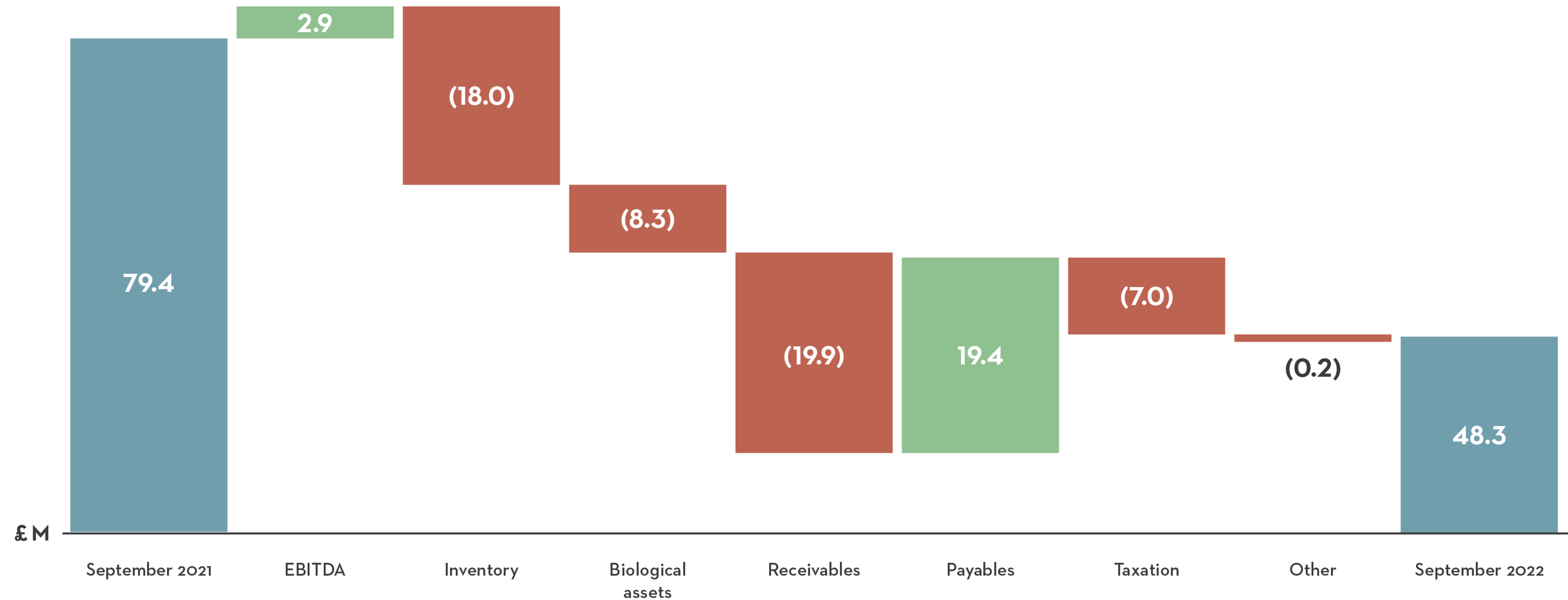
Lower operating margin reflects the anticipated short-term lag in recovering inflationary pressure across several cost categories

Current year margins include a net charge of £3.1m, in relation to costs associated with the product recall at the Hull Cooked Poultry facility at the start of the period

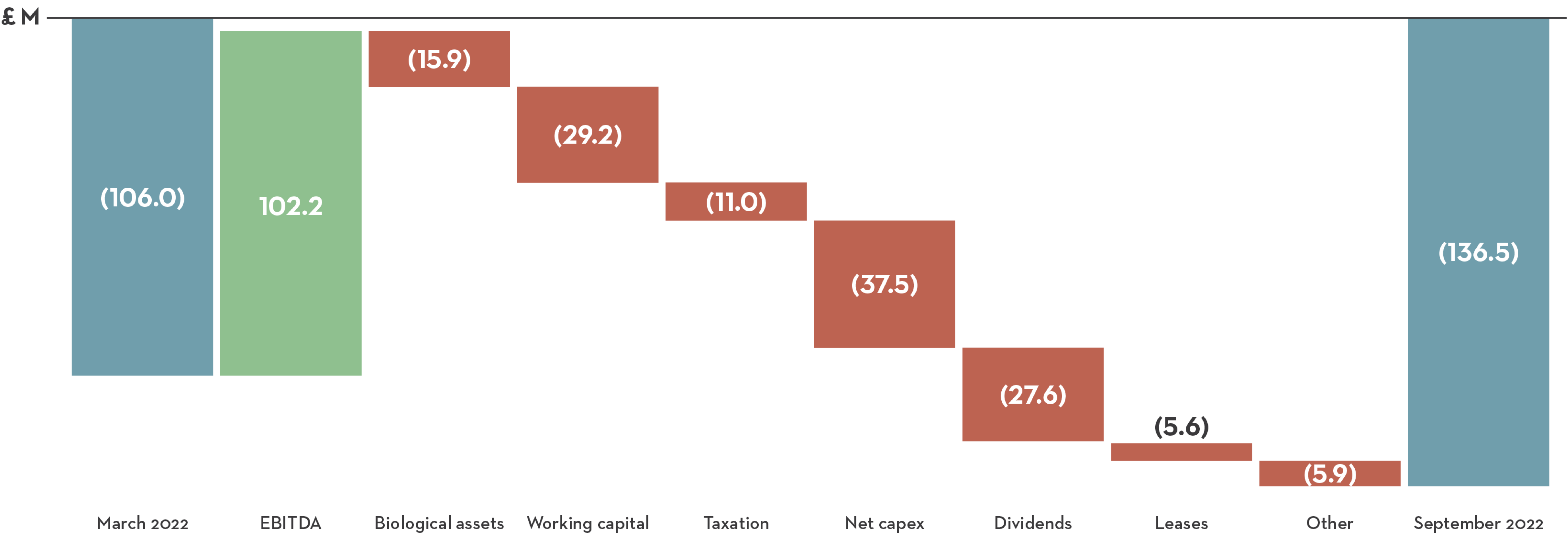
1. Includes recognition of IFRS 16 Leases
 2. Excludes IAS 41 movement on biological assets
 3. Excludes acquisition related amortisation in all years and impairment of intangible asset in the current year



INVESTMENT IN INVENTORY AND BIOLOGICAL ASSETS DRIVES MOVEMENT IN OPERATING CASH



NET DEBT



Opening and closing net debt includes IFRS 16 leases
Net debt excluding IFRS 16 lease liabilities at the period end was £61.1m (March 2022: £36.2m)



STRATEGIC INVESTMENT CONTINUES

CONSOLIDATE

£10m	Phase 1 expansion of Fresh Pork Hull to increase capacity and improve efficiency incorporating latest production technology
£9m	Expansion of Milton Keynes Cooked Meats site incorporating new lines, increasing capacity by 25% and opening new sales channels
£8m	Investment in new alginate capability, more efficient processing and added capacity at Gourmet Sausage
£7m	Overhaul of Fresh Pork retail packing to reduce labour reliance, increase throughput and produce additional seasonal ranges

EXPAND

£8m	Expansion of High Care capacity at the Bury Continental site increasing production capacity in Chartcuterie, Olives and Antipasti utilising robotic technology
£8m	Investment to double the Slow Cook capacity at Hull Cooked Meats through additional Sous Vide capabilities
£5m	Third cooking line at Gourmet Kitchen, increasing contact cooking capacity allowing further growth in food service
£2m	Additional portioning line at Eye maximising value

DIVERSIFY

£8m	First stage investment in dry pet food production, significantly increasing capacity whilst reducing the cost of production
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SECOND NATURE

£4m	Investment in solar panel installations at a further six sites
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FY23 CAPEX GUIDANCE OF c.£100M

Incremental projects strengthen ROCE

Period from approval to commissioning extended by supply chain challenges

£29m of capital deployed to assets currently in the course of construction

£32m deployed to Prepared Poultry in the prior year with returns still in start-up phase



A SUSTAINABLE CAPITAL ALLOCATION FRAMEWORK

INVESTING IN THE BUSINESS TO
SUPPORT OUR GROWTH STRATEGY



CAPEX OF c.£100M TO ADD CAPACITY,
CAPABILITY AND AUTOMATION

MAINTAIN INVESTMENT
GRADE BALANCE SHEET



TARGET LEVERAGE OF
≤2X NET DEBT:EBITDA

MAINTAIN PROGRESSIVE
DIVIDEND POLICY



COVER OF $\geq 2.5X$ EPS*:DPS

CONTINUE COMPLEMENTARY
TARGETED BOLT-ON M&A



EARNINGS ACCRETIVE WITH
RETURNS AHEAD OF GROUP WACC

* Adjusted EPS

26 weeks ended 24 September 2022





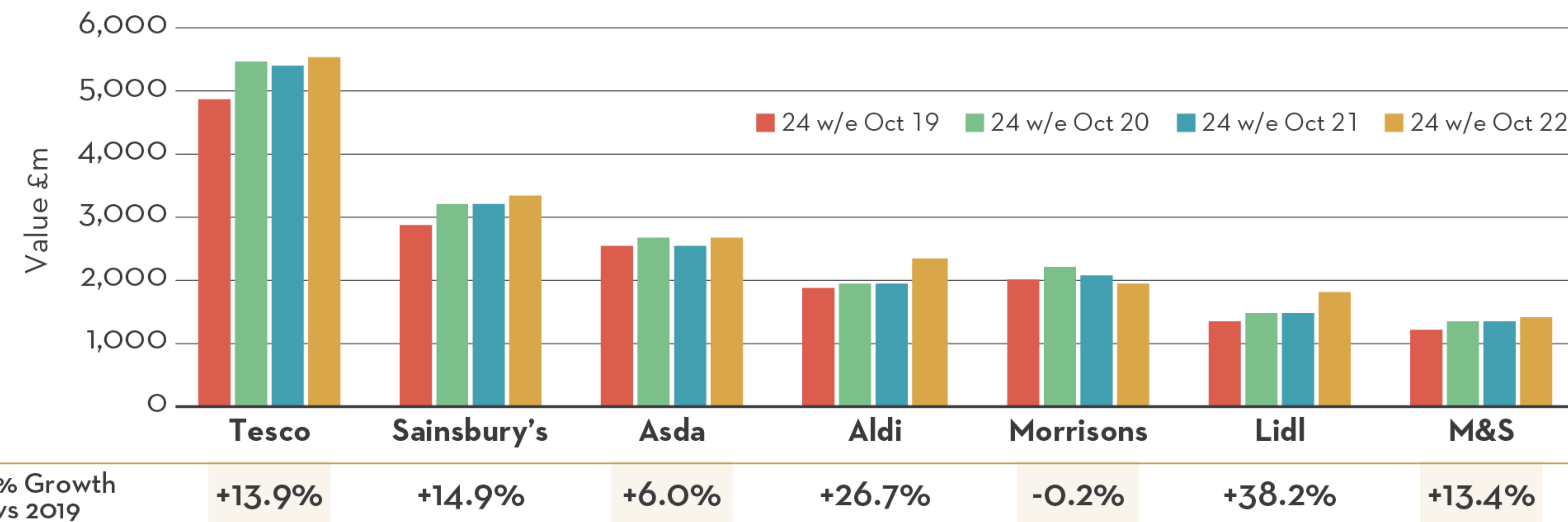
COMMERCIAL UPDATE

JIM BRISBY
CHIEF COMMERCIAL OFFICER



RETAIL SALES CONTINUE TO PERFORM AHEAD OF PRE-PANDEMIC LEVELS

FRESH & CHILLED RETAIL SALES



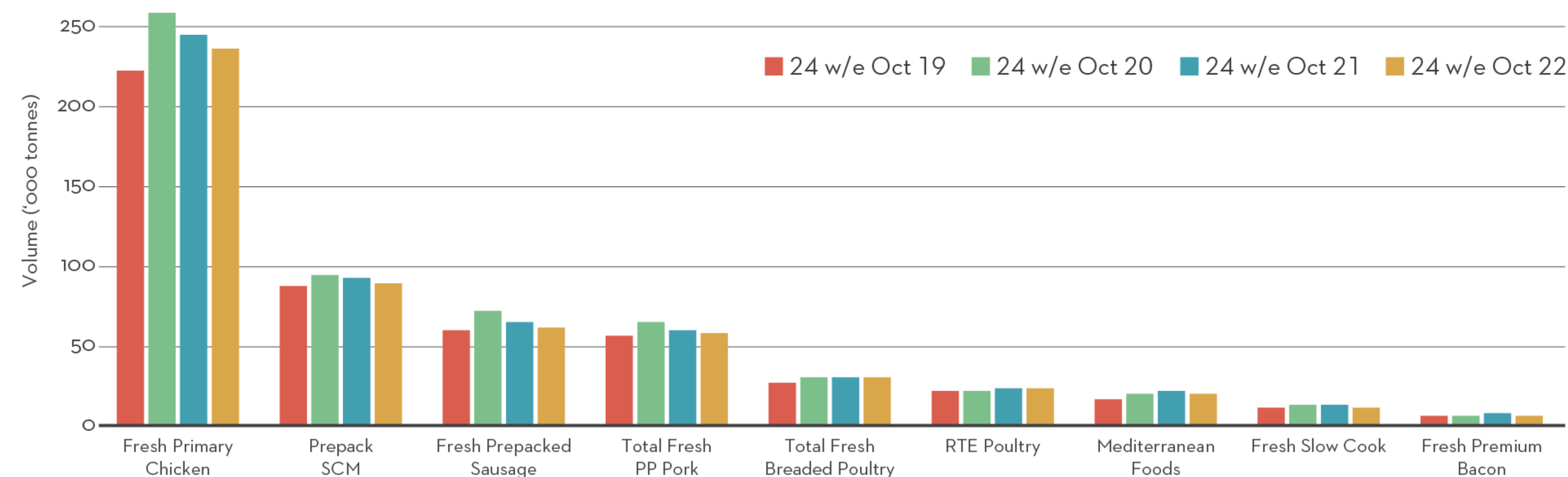
Strong performance by Aldi and Lidl as shoppers focus on price

Aldi reach Top 4 share position, and Lidl close to overtaking Morrisons

Asda recovery supported by value for money positioning

M&S growth continues as footfall increases

CATEGORY SALES



All key Cranswick supplied categories have increased volume vs 2019 levels

Growth in fresh, primary cuts of meat with chicken (+6%) and pork (+5%) vs 2019

Convenient, added-value meal solutions continue to grow (breaded chicken +12%; ready-to-eat chicken +10% & slow cook +7%)

Mediterranean foods continue to attract and inspire consumers with volumes up +28%

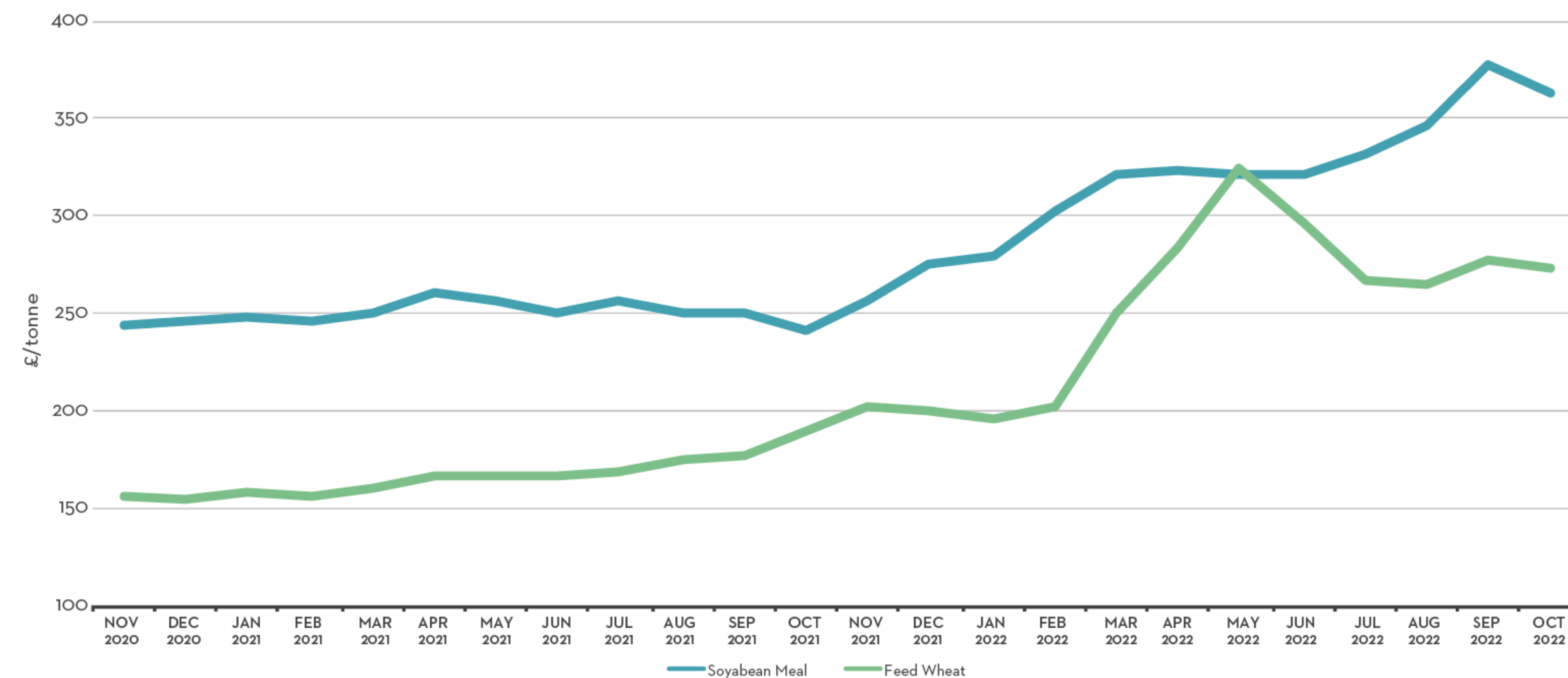
Source: Kantar 24 w/e 30 October 2022

26 weeks ended 24 September 2022



INFLATIONARY PRESSURE ACROSS THE COST BASE

WHEAT AND SOY PRICES



Source: AHDB; Chicago Soyabean Meal Futures, October 2022; London Wheat Futures, November 2022

Inflation impacting all elements of the cost model

Feed input costs significantly increased since early 2022

Cranswick initiated pricing support for pig farmers

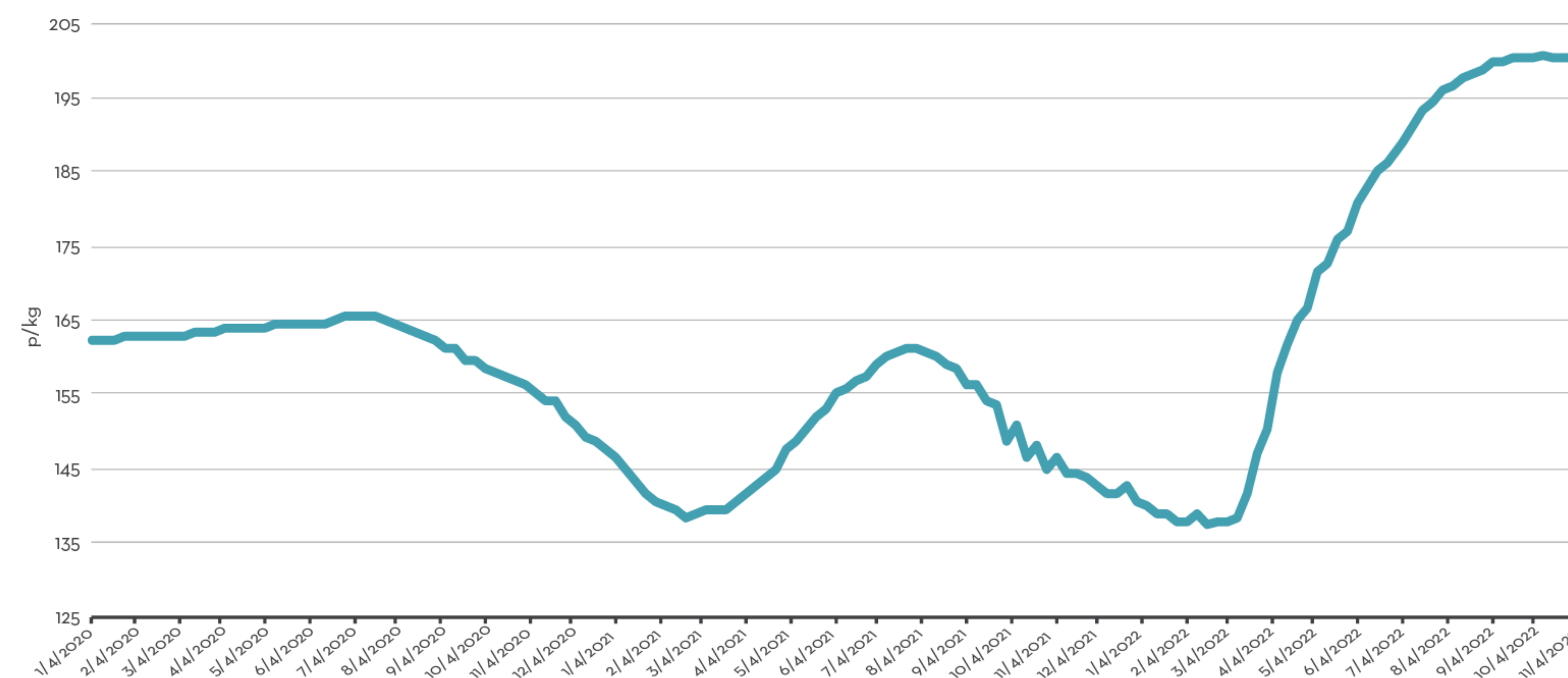
SPP increased from £1.40/kg to stabilise at c.£2.00/kg

Recovery secured from customers

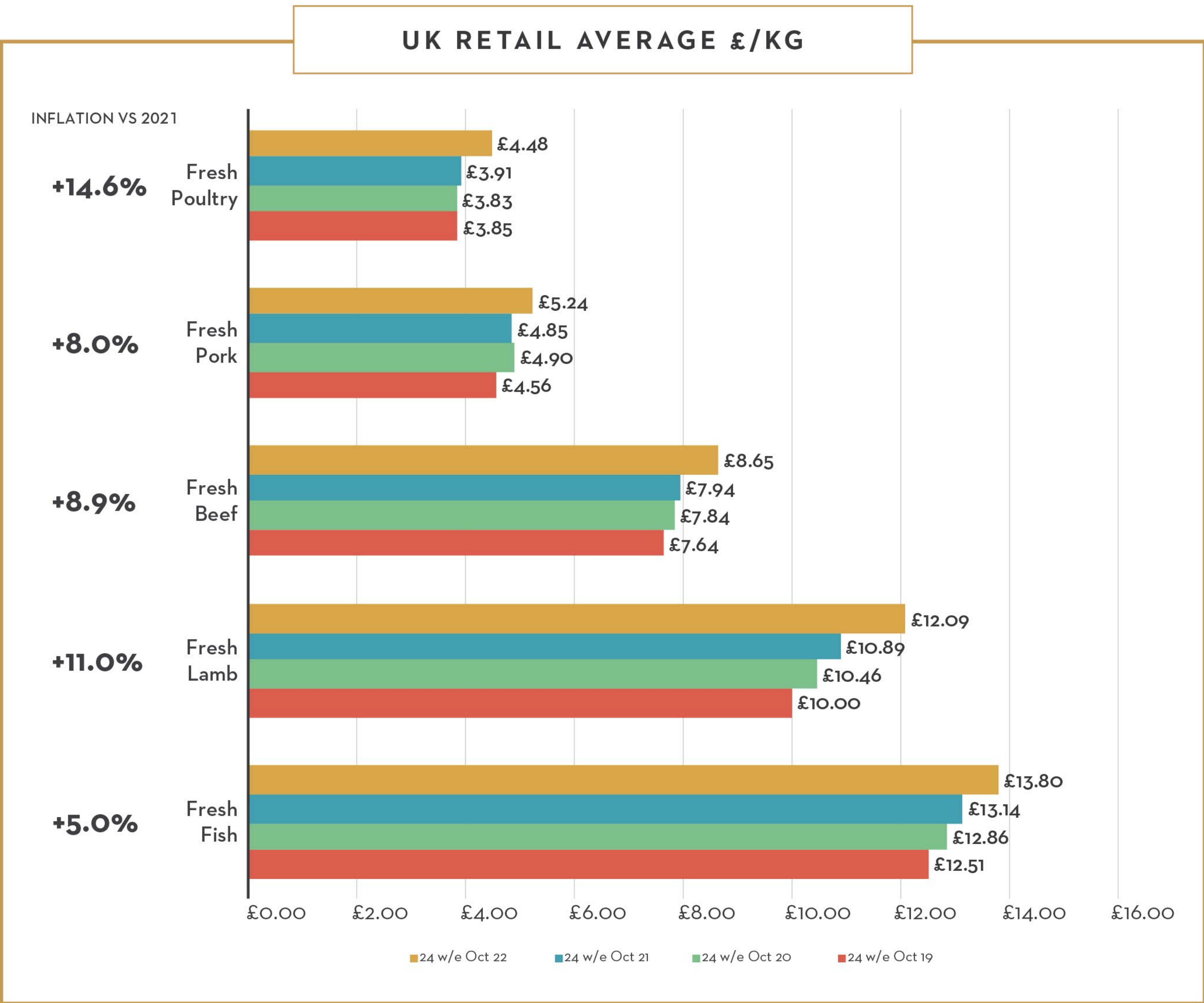
Additional inflation recovered across non-commodity areas

Cranswick gas and electricity portfolio well managed with mature hedging strategy in place

BRITISH PIG PRICE CHANGES



PORK AND POULTRY CONTINUE TO OFFER THE BEST VALUE TO CONSUMERS



Source: Kantar 24 w/e 30 October 2022

26 weeks ended 24 September 2022



Inflation evident over the last 3 years, but most pronounced in last 12 months

Poultry remains the lowest cost protein although highest inflation levels

Pork inflation at +8.0%, but continues to offer value for money

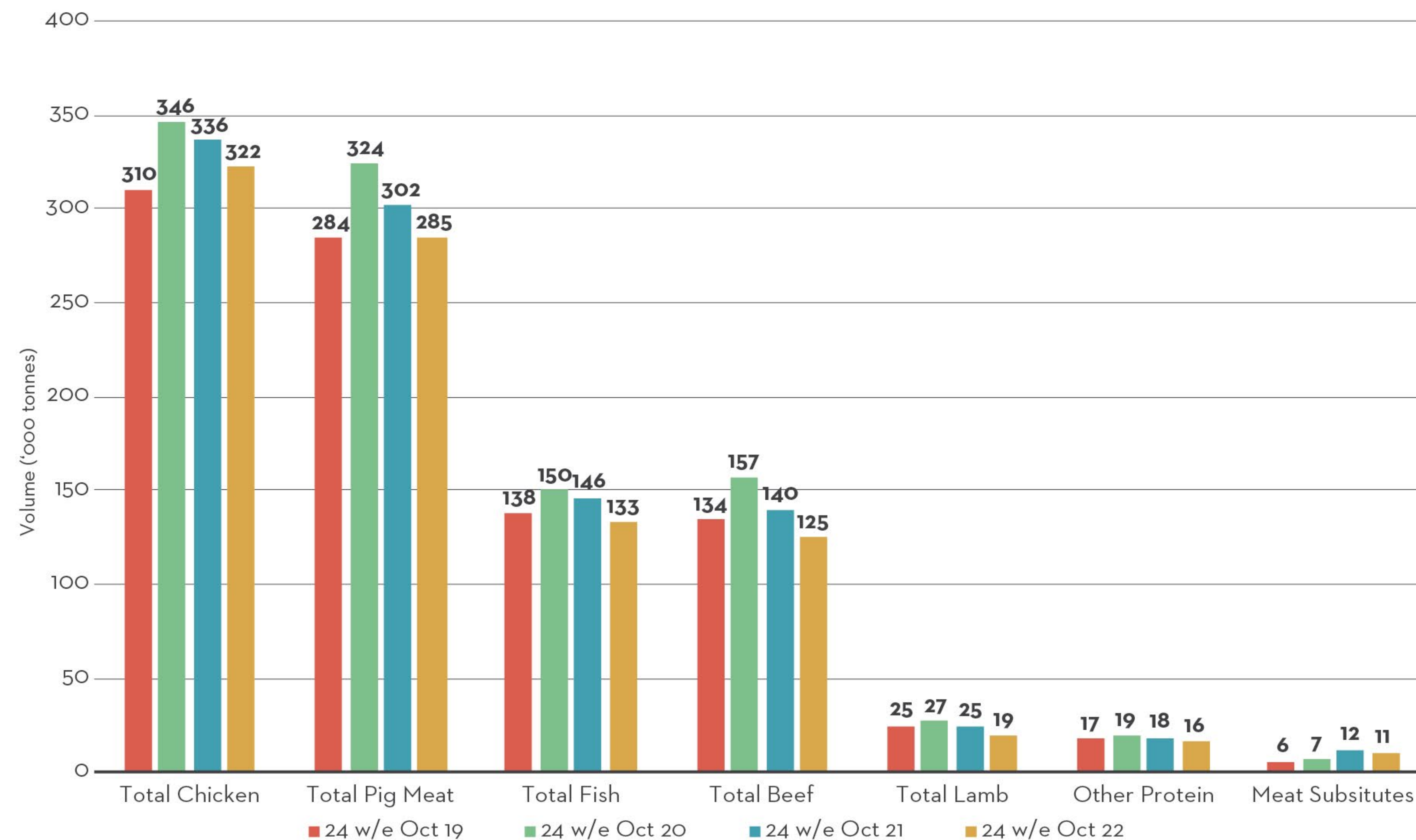
Lamb inflation significant and cost per kg more than double that of pork and poultry

Inflation in the fish category is not evident on the shelf



VOLUMES OF CHILLED MEAT IN LINE WITH 2019 LEVELS

RETAIL PROTEIN VOLUME



CATEGORY PERFORMANCE

Retail protein volumes back to 2019 levels

Total fresh chicken volumes increased vs 2019 due to values and versatility

Pig meat returns to pre-pandemic levels following largest gains

Declining sales of beef, lamb and fish as cost pressure hits

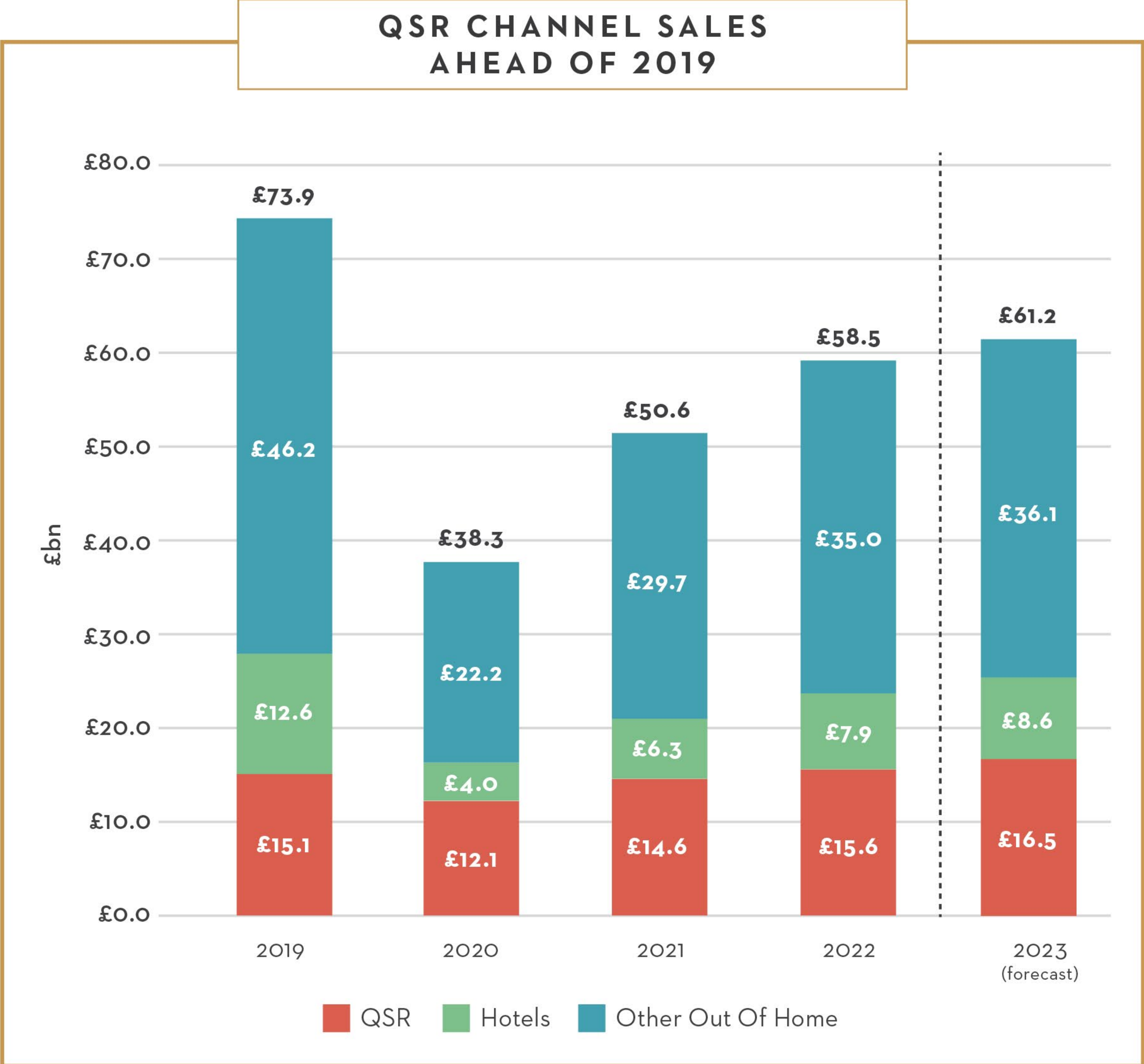
Volumes of meat substitutes beginning to fall

PROTEIN RETAIL ('000 TONNES)	2019	2020	2021	2022
TOTAL FRESH	914	1,030	979	910
% vs 2019	-	12.7%	7.1%	-0.4%

Source: Kantar 24w/e 30 October 2022



OUT OF HOME MARKET REMAINS CHALLENGING



Out of home spend tracking at £58.5bn, +15.6% in last 12 months

QSR channel, including food-to-go operators, returning sales ahead of 2019

QSR is the key channel served by Cranswick with extended contracts and new listings in place

Recovery in hotel sector underway and key customer for Group performing strongly

Further growth forecast for 2023, although cost of living pressure will continue to constrain performance







Source: IGD Eating In vs Eating Out, October 2022



STRONG CATEGORY SALES

IMPACT OF INFLATION EVIDENT; VOLUMES STATIC ON A LIKE-FOR-LIKE BASIS

CRANSWICK SALES H1 FY23

CATEGORY	CHANGE	
	VALUE	VOLUME
 Fresh Pork	+5.9%	-2.8%
 Convenience ¹	+13.1%	+4.2%
 Gourmet Products ²	+19.5%	+2.9%
 Poultry ³	+7.6%	+0.5%

Fresh Pork sales up +11.1% in UK market reflecting strong retail and wholesale demand

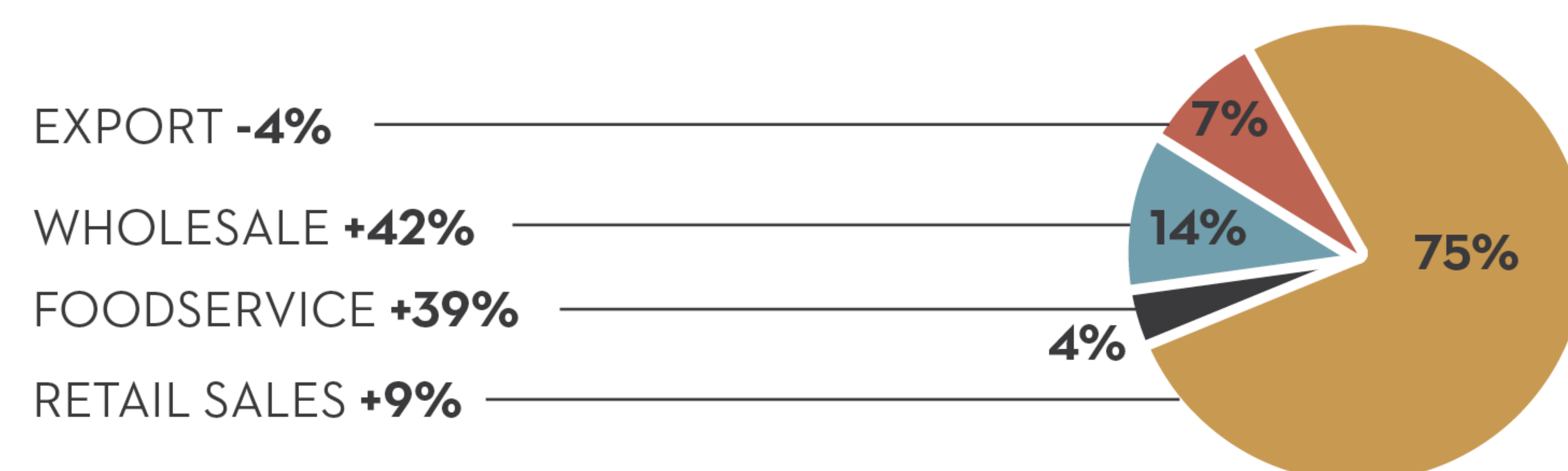
Export volumes subdued and Group requirements for added-value restricting external sales

Convenience sales ahead through inflation recovery and strong volumes in Continental Foods and Katsouris as a result of business wins

Gourmet sales reflect increased sales through Cooked Bacon facility and growth in Pastry through both retail and food-to-go customers

Fresh Poultry and the new Breaded Poultry site driving overall poultry growth; performance impacted by the Cooked Poultry product recall

CRANSWICK CHANNEL SALES H1 FY23



Good control of widespread inflation

Like-for-like volumes maintained

Investment and further strategic progress set to continue

1. Convenience comprises Cooked Meats, Continental Products and Katsouris. On a like-for-like basis excluding the contribution from Ramona's Kitchen and Atlantica sales value +12.3%, volume +3.2%
2. Gourmet Products comprises Sausage, Bacon and Pastry
3. Poultry comprises Fresh, Cooked and Breaded Poultry



CONTINUING TO DRIVE OUR SUSTAINABILITY AGENDA

2025

COMMITMENTS

SUSTAINABLE SOYA

RECENT PROGRESS

Soya reduction and deforestation free

50% REDUCTION IN FOOD WASTE

Fareshare “Leading Food Partner” status achieved

Target zero edible food waste by 2030

50% REDUCTION IN PLASTIC USAGE

Further reduction from 1,700 tonnes to over 2,000 tonnes

SET SCIENCE BASED TARGET FOR NATURE

Awaiting full scope to be released

2030

COMMITMENTS

SCIENCE BASED TARGETS – 50% REDUCTION IN SCOPE 1, 2 & 3

RECENT PROGRESS

Six major solar installations approved at manufacturing sites

Transitioning fleet to EV's, bio LPG and renewable diesel

Supplier engagement underway to address Scope 3 impacts

CARBON NEUTRAL FARMS

Trial work at Cranswick pig farms to develop carbon inset scheme

2040

COMMITMENTS

NET ZERO

RECENT PROGRESS

Board level ESG committee monitoring progress

Manufacturing & Agricultural steering committees formed to set targets and implement action plans





OPERATING & STRATEGIC REVIEW

ADAM COUCH
CHIEF EXECUTIVE OFFICER



OUR STRATEGY AND GROWTH AGENDA

OUR PURPOSE

Creating great tasting, affordable food;
authentically made and sustainably produced

CONSOLIDATE

DRIVE THE CORE



- Share growth and business wins
- Invest in capacity and efficiency
- Continue investment in agricultural operations

EXPAND

GROWTH MARKETS



- Additional chicken processing capacity
- Create added-value capacity
- Leverage Mediterranean food synergies

DIVERSIFY

DEVELOPING NEW OPPORTUNITIES



- Develop new export markets
- Maximise utilisation and reduce waste
- Add value though pet food



CONSOLIDATE

INVESTMENT IN VERTICAL INTEGRATION

Continued investment in expanding and enhancing our agricultural supply chain

Further expansion of the pig herd completed during the period lifting our self-sufficiency to more than 40%

Enhances security of supply and ability to drive sustainability initiatives

Pig herd of c.45,000 sows producing c.24,000 pigs per week

Poultry investment spread across milling, hatching and rearing operations



EXPAND

PREMIUM BREADED POULTRY

Premium Breaded Poultry facility successfully commissioned at the beginning of the period

Volumes continue to increase with further capacity for growth

Initial retail volumes complemented by the addition of a strategic Quick Service Restaurant customer shortly after the period end

Additional capacity and capability added into the design

Total investment increased to £32m

Facility capitalises on the benefits of full vertical integration



DIVERSIFY

CRANSWICK PET PRODUCTS

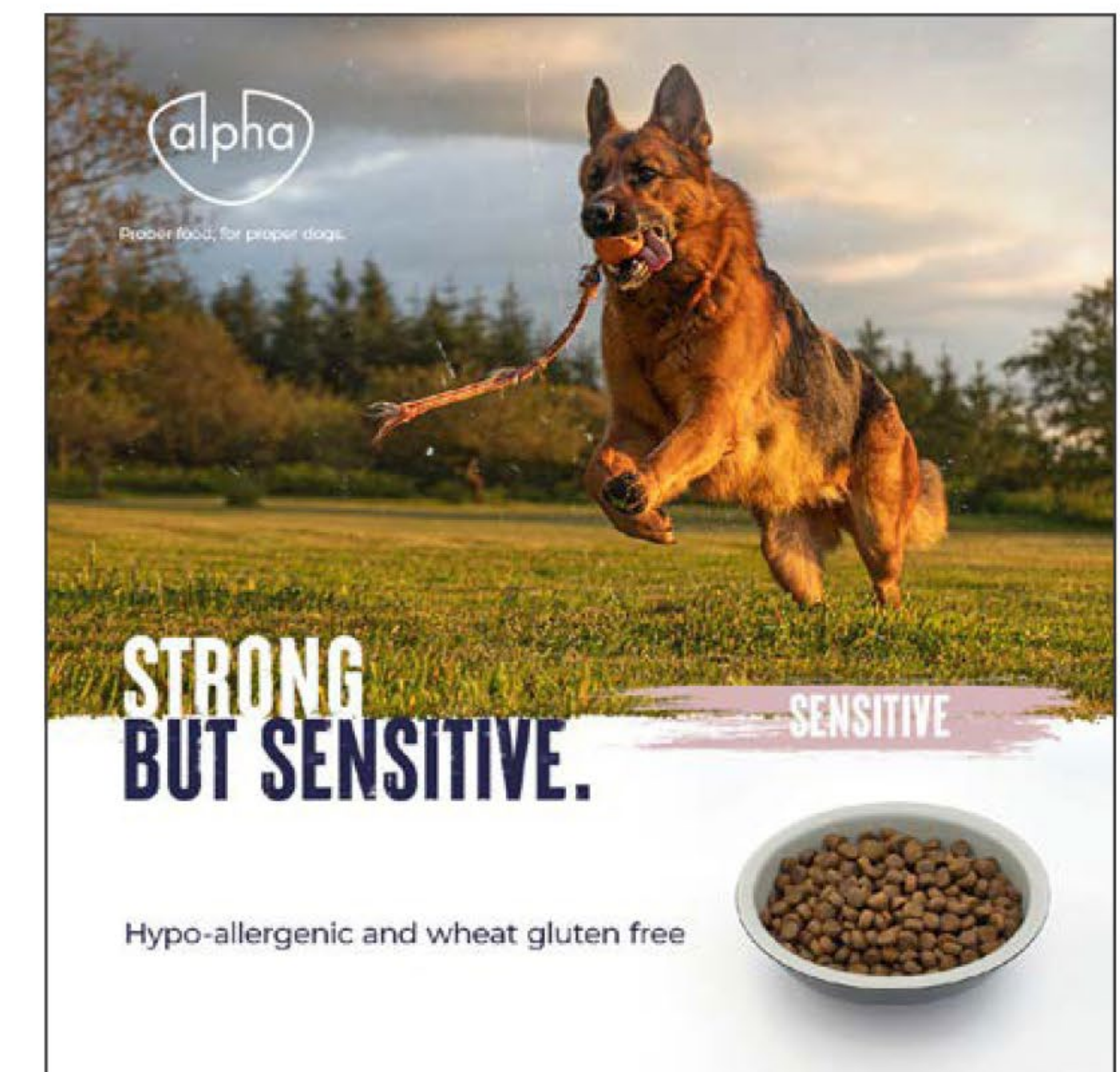
Acquisition of Grove Pet Foods completed on 28 January 2022 with business being reshaped for the future

£8.6m investment due to begin shortly at the business's manufacturing facility to expand capacity and support growth plans

British Retail Consortium approval has been gained for the site and management team has been strengthened

Strong progress being made in securing a significant new customer

During the period a legacy private label customer decided to exit the business resulting in the impairment of £3.0m of customer relationship intangible assets



AVIAN INFLUENZA

The UK poultry industry is experiencing the most virulent Avian Influenza season with record numbers of protection and captive bird monitoring zones in place

Government compensation in place for loss of birds

75 farms with well diversified risk across rearing, laying and broiler farms

Ability to purchase eggs and chickens to replace lost birds

Strictest bio-security protocols enforced across all Cranswick farms



SUMMARY AND OUTLOOK

RESILIENT PERFORMANCE



Strong revenue growth

Volumes maintained

Robust financial position

ONGOING INVESTMENT

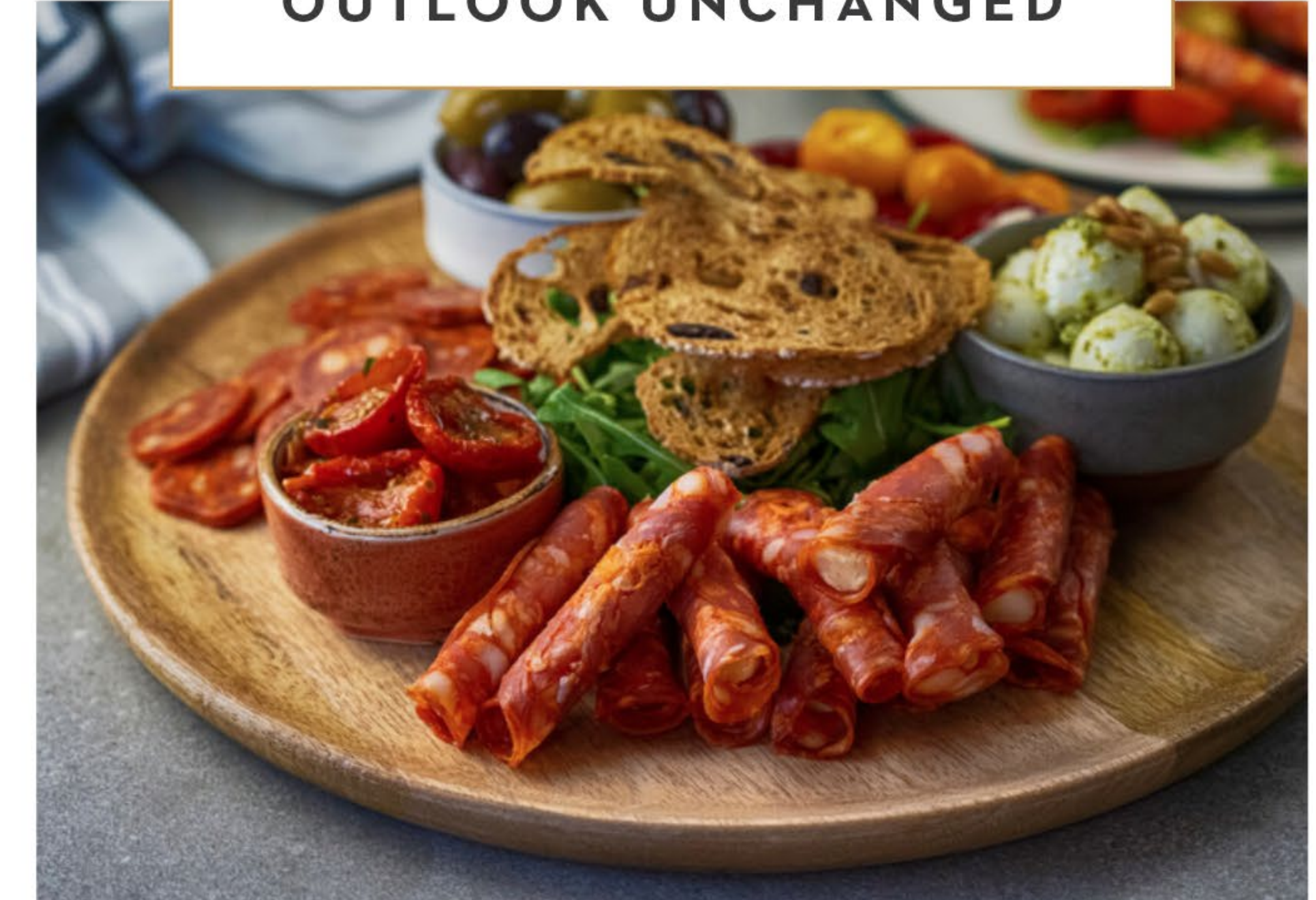


Industry leading infrastructure

Broad-based c.£100m capex plan

Deepening vertical supply chain model

OUTLOOK UNCHANGED



Inflation proactively managed

Further commercial and strategic progress

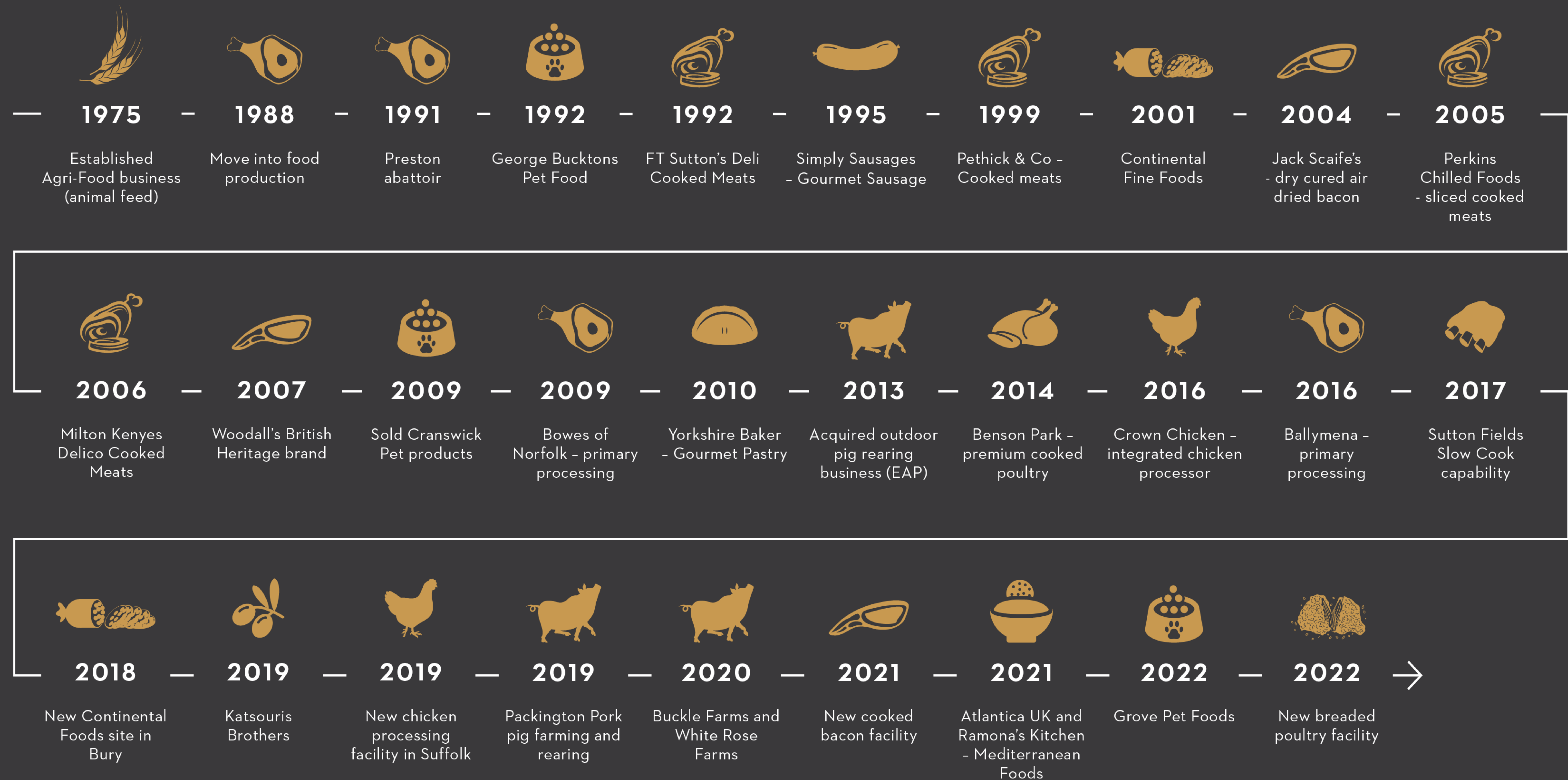
Leading the sustainability challenge

“Our outlook for the current year is unchanged. Notwithstanding the many challenges we face, we are confident that the strengths of our business, which include its diverse and long-standing customer base, breadth and quality of products and channels, robust financial position and industry leading infrastructure will support the further development of Cranswick over the longer term.”



APPENDIX 1

OUR GROWTH HISTORY



APPENDIX 2

OUR LOCATIONS



WE HAVE SITES ACROSS THE UK AND OUR PRIMARY PROCESSING FACILITIES ARE WELL PLACED WITHIN KEY FARMING AREAS

- OVER 13,700 EMPLOYEES
- OPERATING IN 20 FACILITIES
- OVER £400M CAPITAL INVESTMENT IN THE LAST 5 YEARS
- 15 MANUFACTURING SITES CERTIFIED CARBON NEUTRAL

HULL

- Fresh Pork, Preston
- Fresh Pork, Riverside
- Gourmet Sausages, Lazenby's
- Cooked Poultry, Geneva Way
- Cooked Meats, Sutton Fields
- Gourmet Kitchen, Sutton Fields
- Prepared Poultry, Sutton Fields

MALTON

- Gourmet Pastry, Norton

SHERBURN-IN-ELMET

- Gourmet Bacon, Aviation Way

BARNSELEY

- Cooked Meats, Valley Park

NORTHERN IRELAND

- Fresh Pork, Ballymena

NEWARK & RETFORD

- Cranswick Pet Products, North Scarle
- Cranswick Pet Products, Retford

BURY

- Continental Foods, Roach Bank

DENBIGH

- Food Service, Colomendy

NORFOLK & SUFFOLK

- Fresh Pork, Watton
- Fresh Chicken, Eye

MILTON KEYNES

- Cooked Meats, Steinbeck Crescent

LONDON

- Katsouris Brothers, Wembley
- Ramona's Kitchen, Watford

AGRICULTURE

- Feed Production
- Pig & poultry production



APPENDIX 3

ADJUSTED & REPORTED EARNINGS; TAX & EARNINGS PER SHARE

ADJUSTED & REPORTED EARNINGS		
£M	H1 FY23	H1 FY22
Adjusted operating profit	68.4	69.6
Net IAS 41 movement	1.2	(3.2)
Acquisition related amortisation	(2.7)	(1.9)
Impairment of intangible asset	(3.0)	-
Operating profit	63.9	64.5

EARNINGS PER SHARE		
PENCE	H1 FY23	H1 FY22
Adjusted	98.6	103.5
Net IAS 41 movement	2.3	(6.0)
Acquisition related amortisation	(5.1)	(3.6)
Impairment of intangible asset	(5.6)	-
Tax impact	1.8	1.8
On profit for the year	92.0	95.7

TAX		
%	H1 FY23	H1 FY22
Headline tax rate	19.0	19.0
Disallowed expenses	0.6	1.2
Other	0.3	0.2
Deferred tax rate change	2.3	3.4
Super deduction	(2.0)	(3.9)
Effective tax rate	20.2	19.9

	H1 FY23		H1 FY22	
	£M	%	£M	%
Statutory tax charge	12.4	20.2	12.6	19.9
Effect of intangible amortisation	0.5		0.4	
Effect of intangible impairment	0.8		-	
Effect of IAS41 adjustment	(0.3)		0.6	
Tax on adjusted PBT	13.4	20.3	13.6	19.9



APPENDIX 4

BALANCE SHEET & CASH FLOW

BALANCE SHEET (£M)	H1 FY23	H1 FY22
Property, plant & equipment	444.0	395.2
Intangible assets	225.8	210.4
Right-of-use assets	71.9	65.4
Biological assets	70.5	47.9
Working capital	141.5	97.7
Net debt	(136.5)	(87.2)
Tax, grants, provisions, pensions	(24.7)	(11.8)
Net assets¹	792.5	717.6
KEY METRICS	H1 FY23	H1 FY22
Gearing ^{1,2}	17.2%	12.2%
Interest cover ³	48x	230x

CASH FLOW (£M)	H1 FY23	H1 FY22
Cash generated from operations	59.3	83.4
Tax paid	(11.0)	(4.0)
Net cash from operating activities	48.3	79.4
Net capital expenditure	(37.5)	(39.8)
Acquisitions	-	(5.6)
Interest paid	(1.4)	(0.3)
Share issues	1.3	1.0
Proceeds/(Repayment) of borrowings	36.0	(35.0)
Payment of lease capital and interest	(7.8)	(7.3)
Dividend paid	(27.6)	(25.0)
Net cash inflow/(outflow)	11.3	(32.6)
Net debt¹	136.5	87.2

1. Includes recognition of IFRS 16 Leases in both year

2. Net debt divided by net assets

3. Adjusted operating profit divided by interest paid. Excludes IFRS 16 lease impact



APPENDIX 5

CASH ALLOCATION (£M)

	FREE CASH FLOW	NET CAPEX	ACQUISITION / (DISPOSAL) ²	DIVIDEND PAID	CASH INFLOW / (OUTFLOW) ¹
H1 FY23	46.9	37.5	–	27.6	(18.2)
FY22	158.4	92.4	38.5	32.8	(5.3)
FY21	180.9	71.1	10.7	27.9	71.2
FY20	115.8	97.1	76.2	22.6	(80.1)
FY19	87.3	78.0	3.0	22.1	(15.8)
FY18	111.7	58.0	5.3	18.2	30.2
FY17	72.4	46.5	40.5	14.6	(29.2)
FY16	83.4	33.5	–	14.6	35.3
	856.8	514.1	174.2	180.4	(11.9)

BANKING FACILITY

£250m revolving credit facility with five major banks

Includes committed overdraft of £20m

Option to access further £50m on same terms

Extended to November 2026

Unsecured

Sustainability linked financing

1. Excludes the proceeds from the issue of share options, issue costs of long term borrowings, and leases

2. Includes loan to joint venture and loans repaid on acquisition in prior years

