

29th July 2024

Cranswick plc
("Cranswick" or "the Company" or "the Group")

First quarter trading statement

Cranswick, a leading UK food producer, today provides an update on trading for the 13 weeks to 29 June 2024.

Current trading

Trading in the first quarter of the new financial year has been strong with robust demand continuing in our core UK food categories. Group reported revenue in the quarter was 6.7 per cent ahead of the same period last year driven by strong volume growth which, in turn, reflected business wins and a return to promotional activity across our customer base. Premium product ranges performed particularly well. Easing input costs have been reflected in selling prices. On a like-for-like basis¹ revenue growth was 6.4 per cent.

We continue to deliver industry leading service levels and drive innovation as our customers and the UK consumer continue to appreciate the value for money, versatility and quality of our pork and poultry ranges.

Integration of our agricultural operations continues to deliver positive momentum, securing supply for customers' pork requirements whilst enabling optimisation of cost of production and productivity, market leading farm infrastructure and animal welfare standards. During the first quarter we completed the acquisition of a long-standing existing supplier of RSPCA Assured outdoor bred pigs, based in East Anglia. These farms will be integrated into Cranswick's Wayland Farms operation, further increasing our self-sufficiency in premium British pigs.

Export sales volumes were strongly ahead but were offset by reduced pricing in the Far East and EU albeit there are early signs that Far East prices are starting to firm.

Pet Products revenue was strongly ahead of the prior year reflecting the continued onboarding of the Pets at Home business.

Investment

We continue to invest across our asset base to drive operating efficiencies and to add capacity in readiness for new business coming on stream. This investment includes delivery of three ongoing earnings enhancing capital projects that are progressing to plan: the multi-phased expansion project at the Hull pork primary processing site; fit out of the new hounous facility at Worsley, Manchester; and expansion of value-added poultry across both Hull sites.

Financial position

Strong cash generation continued during the quarter, although, as expected, net debt was modestly higher at the quarter end compared to the March 2024 year end position. The Group remains in a robust financial position with committed, unsecured facilities of £250 million providing comfortable headroom.

Outlook

The Group has delivered strong, volume led, revenue growth in the first quarter, along with further investment in its farming operations, capacity expansion and driving operating efficiencies. The Board's expectations for the current financial year ending 29 March 2025 are unchanged.

The Board remains confident that continued focus on the strengths of the Company, which include its long-standing customer relationships, breadth and quality of products and industry leading asset infrastructure, will support the further successful development of the Group over the longer term.

Adam Couch, CEO of Cranswick, commented:

“We have made a strong start to the year, delivering another quarter of strong revenue growth, whilst continuing to provide excellent service levels ensuring full availability of our products for our customers and the UK consumer. Our continued capital investment programme, including integration of agricultural supply chains, will further enhance operating efficiency and support UK food security as we continue to deliver on our long-term growth strategy.

“Our poultry business is growing strongly and the substantial investment we are making in our two value-added facilities in Hull will create the headroom for further expansion in this category.

“Looking ahead we continue to lay the foundations which will allow Cranswick to prosper. We have added to our pig herd during the quarter and, going forward, we expect to make further investment in our agricultural operations to ensure supply chain security and value optimisation. We expect demand for our products to remain robust through the remainder of this year and our outlook for the current year remains unchanged.”

Interim results

The Company's next scheduled comment on trading will be the interim results announcement for the 26 weeks ending 28 September 2024, on Tuesday 26 November 2024.

Enquiries:

Cranswick plc	01482 275 000
Mark Bottomley, Chief Financial Officer	
Sodali & Co	020 7250 1446
Ben Foster / Elizabeth Kittle / Louisa Henry	cranswick@sodali.com

Notes:

1. For comparative purposes, like-for-like revenues exclude the impact of current year acquisitions and the contribution from prior year acquisitions prior to the anniversary of their purchase.
2. Cranswick is a leading and innovative supplier of premium, fresh and added-value food products. The business employs over 15,000 people and operates from 23 well-invested, highly efficient facilities in the UK. Cranswick was formed in the early 1970s by farmers in East Yorkshire to produce animal feed and has since evolved into a business which produces a range of high quality, predominantly fresh food, including fresh pork, poultry, convenience, gourmet products and pet food. The business develops innovative, great tasting food products to the highest standards of food safety and traceability. The Group supplies the major grocery multiples as well as the growing premium and discounter retail channels. Cranswick also has a strong presence in the 'food-to-go' sector and a substantial export business. Results for the 53 weeks to 30 March 2024 showed revenue of £2,599.3m and profit before tax of £158.4m. For more information go to: www.cranswick.plc.uk
3. At Cranswick, it is second nature for us to protect and nurture our environment while supporting people and communities to thrive. Guided by our sustainability strategy, Second Nature, we have seamlessly integrated our sustainability commitments into the core of our business model, which in turn shapes our decision-making, culture, and actions. For more information on our Second Nature strategy, please visit: www.cranswick.plc.uk/sustainability
4. This announcement is based on information sourced from unaudited management accounts.
5. This announcement contains certain 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.