Interim Results

FOR THE SIX MONTHS
ENDED 30 SEPTEMBER 2016

CRANSWICK plc
Great British Taste

AGENDA

INTRODUCTION
Martin Davey, Chairman

HIGHLIGHTS
Adam Couch, CEO

FINANCIAL REVIEW
Mark Bottomley, Finance Director

COMMERCIAL REVIEW
Jim Brisby, Commercial Director

OPERATING & STRATEGIC REVIEW
Adam Couch, CEO

Q&A

OVER THE LAST 5 YEARS WE HAVE

INCREASED REVENUE

From £758m to
£1,016m
+34%

INCREASED PROFIT BEFORE TAX

From £47.1m to
£64.4m
+37%

INCREASED DIVIDEND PER SHARE

From 27.5p to
37.5p
+36%

ENHANCED OUR FIXED ASSETS BASE

Over **£130m**
of capital
expenditure

INCREASED NUMBER OF EMPLOYEES

From 4,152 to
5,002
+20%

INCREASED FAR EAST EXPORT SALES

From £2.4m to
£33.1m
+1,279%

INCREASED NUMBER OF PIGS PROCESSED

From 31k to 46k
pigs per week
+48%

REDUCED NET BORROWINGS

From £48.3m net debt
to £17.8m net funds
+£66.1m

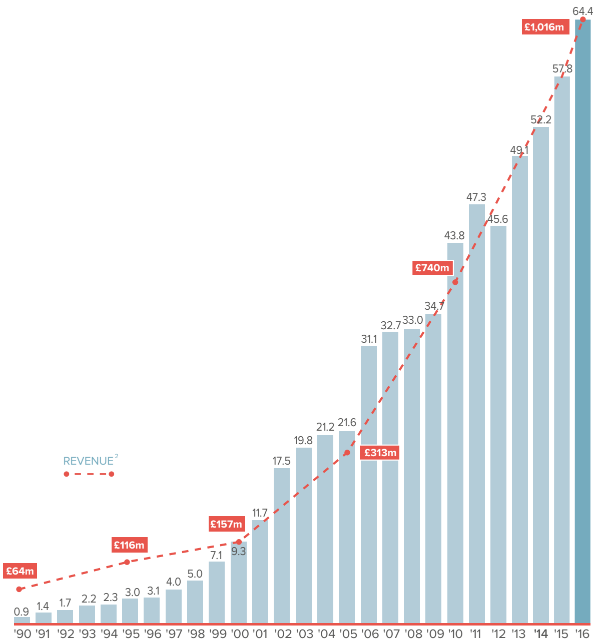
NOTES:

1. From year ended 31 March 2011 to year ended 31 March 2016
2. 2016 results have been restated to exclude the sandwich business, which is now treated as discontinued
3. Profit before tax excludes IAS41 movements on biological assets and acquisition related amortisation

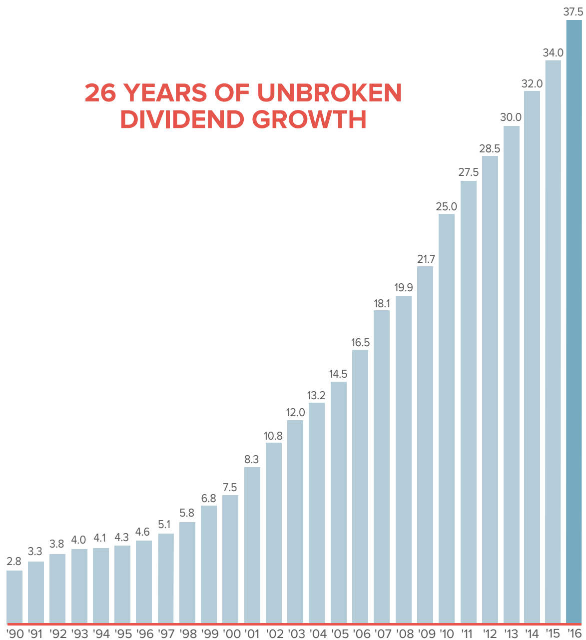
TRADING RECORD

1990 - 2016

ADJUSTED PROFIT BEFORE TAX[1,2] (£m)



DIVIDEND PER SHARE (pence)



1. Excludes IAS41 movements on biological assets and acquisition related amortisation in 2016 and 2015
2. 2016 results have been restated to exclude the sandwich business, which is now treated as discontinued

HIGHLIGHTS

- Strong revenue and earnings growth
- Positive contribution from Crown Chicken
- Post period end acquisition of Dunbia Ballymena
- Far East export sales up 83%
- Record H1 capital expenditure to support strong growth pipeline
- Sale of sandwich business
- Interim dividend up 12.9% to 13.1p per share

10 YEAR RECORD

Compound annual growth rates to 31 March 2016

REVENUE	ADJUSTED PROFIT BEFORE TAX	ADJUSTED EARNINGS PER SHARE	DIVIDEND PER SHARE
8.9% PA	7.6% PA	7.2% PA	8.6% PA

FINANCIAL SUMMARY

£M	2016	2015	% CHANGE
Revenue	580.8	501.0	▲ 15.9%
Underlying revenue [1]	541.2	501.0	▲ 8.0%
Adjusted gross margin [2]	13.4%	13.3%	▲ 7bps
Adjusted operating profit [2,3]	38.2	30.9	▲ 23.6%
Adjusted operating margin [2,3]	6.6%	6.2%	▲ 40bps
Adjusted profit before tax [2,3]	37.9	30.6	▲ 23.9%
Adjusted earnings per share [2,3]	58.3p	50.0p	▲ 16.6%
Dividend per share	13.1p	11.6p	▲ 12.9%

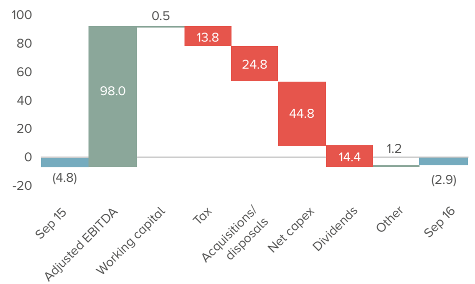
1. Underlying revenue excludes the contribution from Crown Chicken in the current period
2. Excludes IAS 41 movement on biological assets in 2016 & 2015
3. Excludes acquisition related amortisation in 2016 & 2015

CASH FLOW

£M	2016	2015
Cash generated from operations	**45.2**	42.5
Tax paid	**(6.8)**	(7.0)
Net cash from operating activities	**38.4**	35.5
Net capital expenditure	**(24.3)**	(13.2)
Government grants received	**–**	0.2
Acquisitions	**(39.3)**	–
Disposals	**14.5**	–
Interest paid	**(0.2)**	(0.3)
Share issues	**0.1**	0.1
Dividend paid	**(9.5)**	(9.6)
Net cash (outflow) / inflow	**(20.3)**	12.7
Net debt	**(2.9)**	(4.8)

NET CAPEX (£M)	2016	2015
Fresh pork	**5.8**	4.5
Cooked meats	**12.7**	2.8
Cooked poultry	**0.3**	3.2
Sausage/bacon	**3.2**	1.0
Other	**2.3**	1.7
Net capex	**24.3**	13.2

NET DEBT BRIDGE (£M)



BALANCE SHEET

£M	2016	2015
Property, plant & equipment	**204.4**	168.8
Intangible assets	**147.6**	140.4
Biological assets	**18.3**	13.6
Working capital	**53.4**	47.4
Net debt	**(2.9)**	(4.8)
Tax, grants, provisions, pensions	**(27.8)**	(21.1)
Net assets	**393.0**	344.3

Crown Chicken acquisition	**15.9**
Acquisition related amortisation	**(1.7)**
Sale of sandwich business	**(7.0)**
Net movement	**7.2**

Crown Chicken acquisition	**4.7**
Sale of sandwich business	**(1.4)**
Other	**2.7**
Net movement	**6.0**

KEY METRICS	2016	2015
ROCE[1]	**18.9%**	18.0%
Gearing	**0.7%**	1.4%
Interest cover	**126x**	86x
Net debt / adjusted EBITDA	**0.03**	0.06

90 bps y-o-y improvement in ROCE

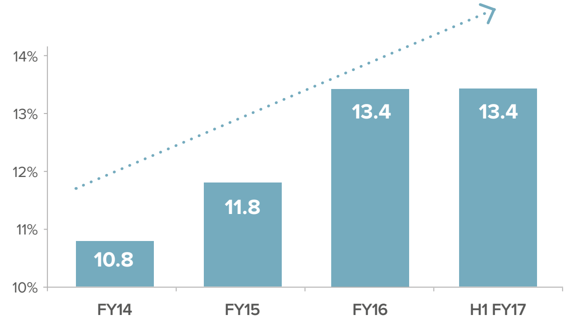
70 bps improvement on year end ROCE position

Strong improvement across all key metrics

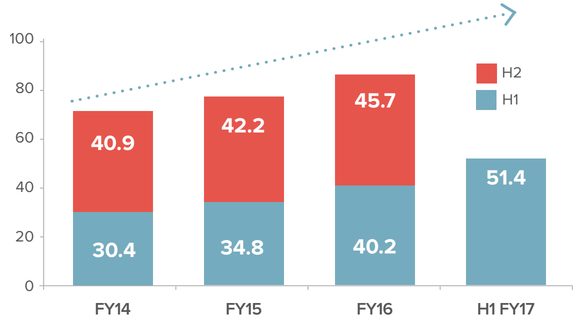
1. Adjusted operating profit divided by sum of average net assets, net debt, pension liabilities & deferred tax

STRONG IMPROVEMENT ACROSS ALL METRICS

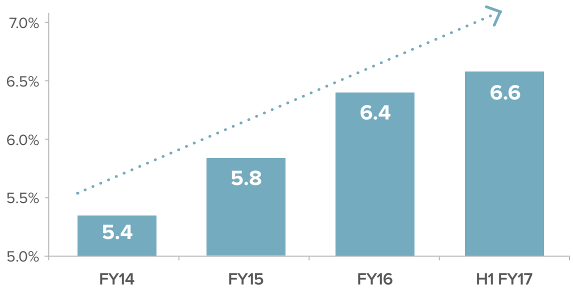
ADJUSTED GROSS MARGIN



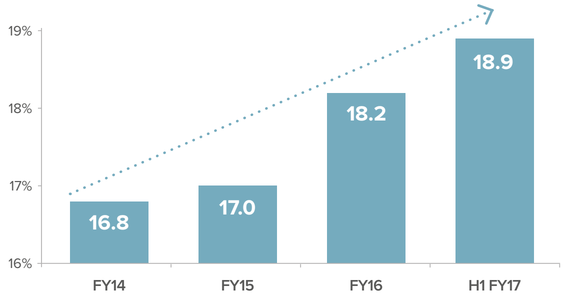
ADJUSTED EBITDA (£M)



ADJUSTED OPERATING MARGIN



ROCE



CASH GENERATION 2010-2017 (£M)

	FREE CASH FLOW	NET CAPEX	ACQUISITION / (DISPOSAL)	DIVIDEND PAID	CASH INFLOW / (OUTFLOW)*
H1 2017	**38.2**	**24.3**	**24.8**	**9.5**	**(20.4)**
FY 2016	83.4	33.5	–	14.6	35.3
2015	52.7	20.4	17.7	15.3	(0.7)
2014	59.1	27.4	14.4	12.7	4.6
2013	49.0	30.5	5.8	11.4	1.3
2012	43.4	19.9	(14.5)	11.8	26.2
2011	50.0	33.9	–	10.5	5.6
2010	29.6	19.9	(8.1)	8.8	9.0
	405.4	**209.8**	**40.1**	**94.6**	**60.9**

Record H1 free cash flow

Record H1 capital expenditure

Strong corporate activity

* Excludes the proceeds from the issue of share options

SUCCESSFUL REFINANCING OF BANKING FACILITY ON IMPROVED TERMS

REFINANCING

Completed 17th November 2016

New £160m revolving credit facility with 4 major UK banks

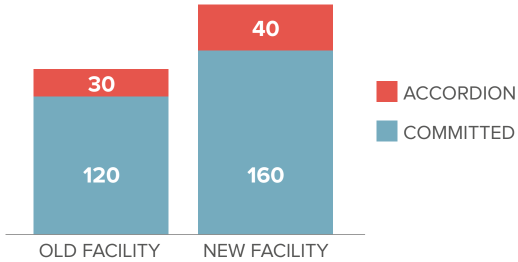
Includes committed overdraft of £20m

Option to access a further £40m on the same improved terms

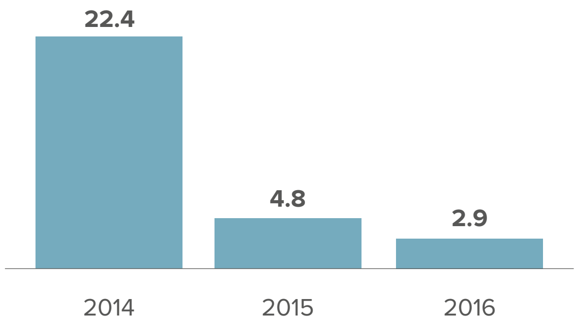
To November 2021 with opportunity to extend for a further two years

Unsecured

REVOLVING CREDIT FACILITY (£M)



H1 NET DEBT PROFILE (£M)



COMMERCIAL UPDATE

TRENDS

Retail environment

Consumer needs

Promotional strategy

CRANSWICK PERFORMANCE

Sustainable growth

Commercial data

Innovation

OUTLOOK

Growth

Innovation

Stability

RETAIL ENVIRONMENT STABILISING

CONSUMER NEEDS - QUICK, HEALTHY, TASTY, EASY

HEALTH TRENDS

Focus on protein

Poultry volume growth

More breakfast occasions

CONVENIENCE

Balance health & convenience

Meals for now & meals for tonight

Smaller households & more single meal occasions

INSPIRATION & FOOD EXPECTATIONS

Adapting out-of-home trends

Global food trends

Mid-week meal solutions

LONG-TERM SUSTAINABLE GROWTH

STRONG VOLUME GROWTH

Market share gains

Offset by deflation

Significant business wins in core categories

LONG-TERM STRATEGIC PARTNERSHIPS

Inflation recovery

Long-term deals

Structural cost saving

NEW BUSINESS DEVELOPMENT & INNOVATION

Sous vide

Front of store

Ingredients & business to business

COMMERCIAL DATA

CATEGORY	CRANSWICK SALES H1 2016-17 CHANGE		MARKET* ANNUAL SALES 2015-16 CHANGE	
	VALUE	VOLUME	VALUE	VOLUME
Fresh pork	▲ +2.5% (ii)	▲ +10.2%	▼ -9.5%	▼ -3.1%
Sausage	▲ +15.7%	▲ +40.4%	▼ -6.7% (iii)	▼ -2.8%
Bacon & gammon	▼ -4.0%	▲ +7.9%	▼ -9.3% (iv)	▼ -2.4%
Cooked meats	▲ +12.5%	▲ +16.7%	▼ -4.0%	▼ -2.2%
Continental products	▲ +14.3%	▲ +18.3%	▲ +1.6%	▲ +2.5%
Pastry	▲ +0.9%	▼ -4.2%	▲ +1.3% (v)	▲ +2.0%
Fresh poultry (i)	▲ +8.3%	▲ +9.5%	▲ +0.9%	▲ +6.2%
Cooked poultry	▲ +13.5%	▲ +21.8%	▲ +3.6%	▲ +3.9%

▲ +6.1%
Super premium sausage

▲ +7.0%
Super premium bacon

▲ +5.6%
Super premium pastry

NOTES:
(i) Fresh poultry sales growth compared with prior year fresh poultry sales of Crown Chicken pre-acquisition
(ii) Fresh pork sales growth includes retail sales reduction -5.3%, volume reduction -2.0%
(iii) Super premium sausage category growth +1.3%, volume growth +6.1%
(iv) Super premium bacon category growth +2.0%, volume growth +7.0%
(v) Super premium pastry category growth +5.0%, volume growth +5.6%

***SOURCE:**
Kantar Worldpanel, 52 w/e 9 October 2016

INNOVATION - KEEPING IT RELEVANT

POSITIVE OUTLOOK

GROWTH STRATEGY

Strong Christmas

New business wins

Poultry growth

INNOVATION

Consumer focused

New product areas

Slow cook / sous vide

STABILITY

Long-term deals

Supply chains

Capital investment

STRATEGY & BUSINESS MODEL

CONSOLIDATION
DRIVING THE CORE

DIVERSIFICATION
EXPANDING OUR OFFER

INTERNATIONAL
SEEKING NEW OPPORTUNITIES

STRATEGIC PILLARS

- SALES GROWTH
- QUALITY PRODUCTS
- OPERATIONAL EFFICIENCY
- SUSTAINABILITY

GUIDING PRINCIPLES

- QUALITY
- VALUE
- PEOPLE
- INNOVATION

CRANSWICK plc
Great British Taste

CONSOLIDATION

DRIVING THE CORE BUSINESS

SALES GROWTH

- Entering new tiers
- Market share gains
- Long-term relationships

QUALITY PRODUCTS

- Focus on premium
- Business wins based on quality
- Strong innovation pipeline

OPERATIONAL EFFICIENCY

- Record capital expenditure to enhance capability
- New £25m facility for Continental Fine Foods
- Stronger throughput drives operating efficiencies

SUSTAINABILITY

- Acquisition of Dunbia Ballymena
- Strengthens UK pork processing business
- Further supply chain security

DIVERSIFICATION

SIGNIFICANT GROWTH POTENTIAL THROUGH POULTRY STRATEGY

SALES GROWTH

Strong growth category

Focus on customer requirements

New product and category opportunities

QUALITY PRODUCTS

Focus on premium tier

From fresh to cooked added value

Retail and out-of-home ranges

OPERATIONAL EFFICIENCY

Drive efficiency through farm to fork model

Optimise usage of cuts

Opportunities for use across Group

SUSTAINABILITY

Integrated supply chain

Low food miles adding to product quality

Strong environmental credentials

INTERNATIONAL

EXPANDING OUR FOOTPRINT

SALES GROWTH

Strong export sales growth

Weaker sterling makes exports more competitive

Ballymena to drive further export growth

QUALITY PRODUCTS

Price premium on quality products

Investment in Norfolk facility to meet USDA standards

New product development

OPERATIONAL EFFICIENCY

Export 5th quarter

Maximise value of cuts

Development of value added business

SUSTAINABILITY

Higher welfare is a differentiator

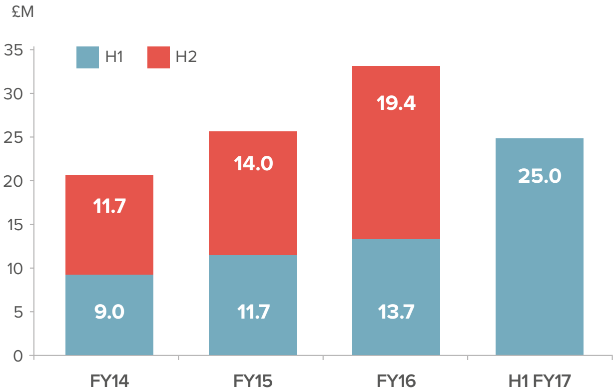
Develop international operations

Long-term market growth

INTERNATIONAL

STRONG FAR EAST REVENUE GROWTH

FAR EAST EXPORT REVENUE

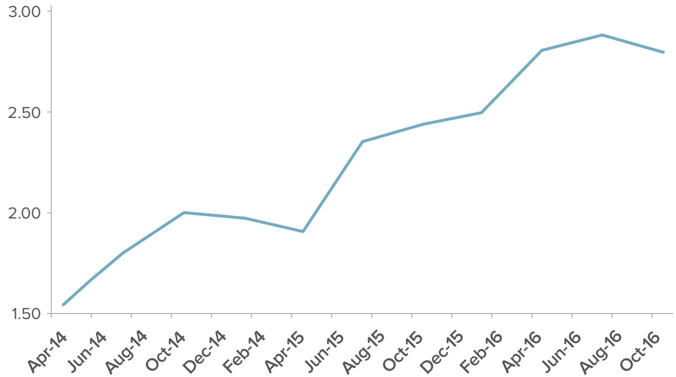


Far East export sales up 83%

Strengthening prices due to supply/ demand imbalance

Ballymena will drive further export growth

CHINA WHOLESALE PIG PRICE (£/Kg)



China consumes over half the global pig meat produced

Leveraging trust in UK products

Long-term sustainable growth pipeline

CONTINUED CAPITAL INVESTMENT TO DRIVE EFFICIENCY & ENHANCE CAPABILITY

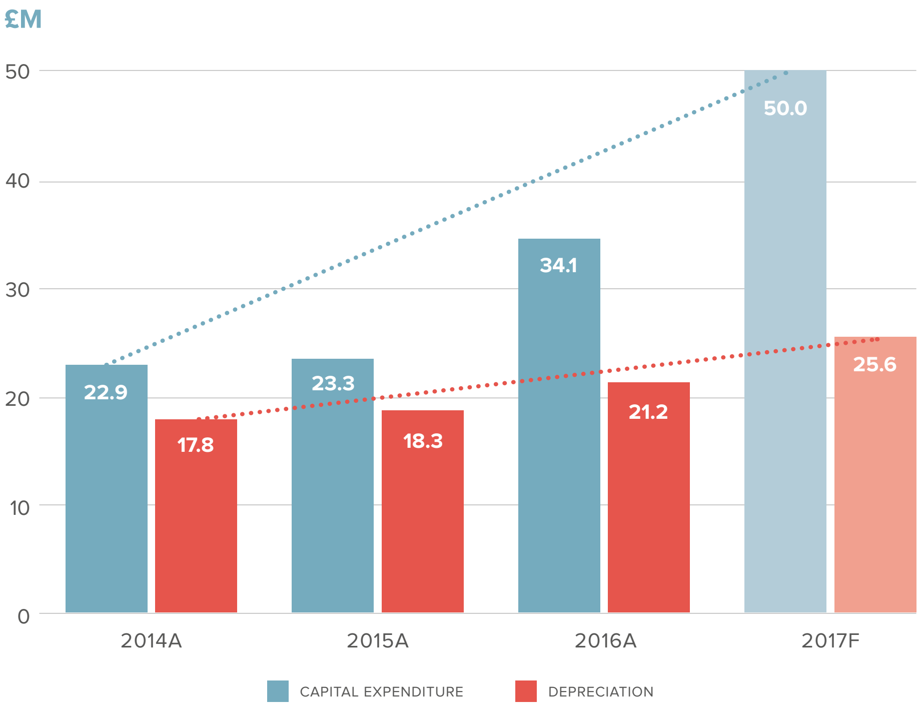
DELIVERED

PROJECT	BENEFIT
FRESH PORK - NORFOLK **Abattoir upgrade (£6m)**	Improved efficiency Additional capacity New capability
COOKED MEATS - BARNSLEY & MILTON KEYNES **Site upgrades (£10m)**	Improved quality Improved efficiency New capability
SAUSAGES - HULL & NORFOLK **Site upgrades (£6m)**	New capability Improved efficiency Additional capacity

ONGOING

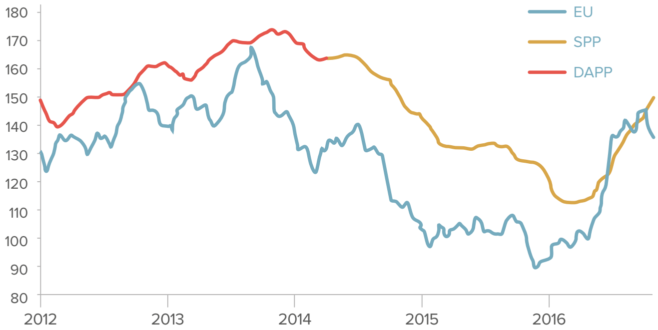
PROJECT	BENEFIT
FRESH PORK - HULL **Extension (£4m)**	Increased capacity Improved efficiency
COOKED MEATS - HULL **Site upgrade (£6m)**	Improved quality Improved efficiency New capability
CONTINENTAL PRODUCTS - MANCHESTER **New site (£25m)**	Increased capacity Improved efficiency Product differentiation

RECORD CAPITAL EXPENDITURE TO SUPPORT FUTURE GROWTH PIPELINE

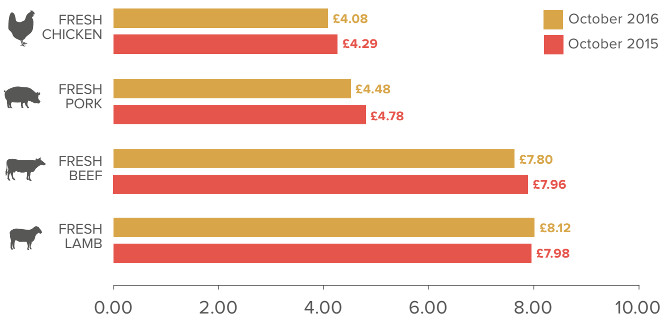


PIG PRICES & MARKET

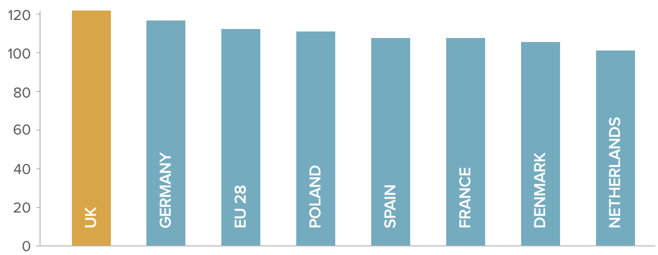
PIG PRICE - UK & EU p/kg



UK RETAIL AVERAGE PRICE (£/kg)

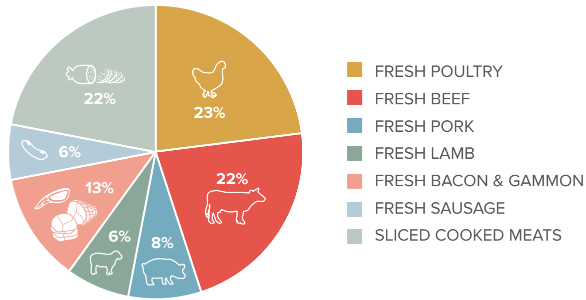


52 WEEK PIG REF PRICE p/kg



SOURCE:
AHDB, 52 week data to 13 November 2016

EXPENDITURE SHARE



SOURCE:
Kantar Worldpanel, October 2016

SUMMARY - STRONG H1 PERFORMANCE

Strong revenue & earnings growth

Strong balance sheet & cash generation

Strong growth in Far East export sales

Acquisition of Crown Chicken

Acquisition of Dunbia Ballymena

Record investment in core asset base

Pork & chicken competitively priced

Gaining market share

Growth strategy on track

SALES GROWTH

QUALITY PRODUCTS

OPERATIONAL EFFICIENCY

SUSTAINABILITY

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.

APPENDIX 1

CORPORATE ACTIVITY

ACQUISITION OF CROWN CHICKEN

- Acquired 8th April 2016
- Based in East Anglia
- Leading integrated poultry producer:
  - Breeds, rears and processes fresh chicken
  - Well invested and efficient milling operation
- Revenue of £83.8m and adjusted EBITDA of £6.6m (year ended 31st December 2015)
- Net cash consideration of £39.3m
- Management team remains with the business
- Will be earnings enhancing in FY17

SALE OF SANDWICH BUSINESS

- Sold to Greencore plc on 23rd July 2016
- Net cash consideration of £16.0m
- Revenue of £54m (year to 31st March 2016)
- Supports the Group's strategy of focusing on its high-growth, premium product categories
- Ongoing development of 'Food to Go' offer across core product ranges remains central to the Group's future growth strategy

ACQUISITION OF DUNBIA BALLYMENA

- Acquired 16th November 2016
- Leading Northern Irish pork processing business
- Modern, purpose-built facility in County Antrim, Northern Ireland
- Strategic, well-established supply chain
- Revenue of £72.4m in year ended 29th March 2016
- Initial cash consideration of £16.9m, with further contingent consideration of £1.25m
- Expected to be earnings neutral in FY17 and earnings enhancing in FY18

APPENDIX 2

RESTATEMENT OF INCOME STATEMENT

£M	H1 2016		H1 2015		FY 2016	
	Continuing	Total	Continuing	Total	Continuing	Total
Revenue	**580.8**	599.5	**501.0**	529.1	**1,016.3**	1,069.6
Adjusted gross margin[1]	**13.4%**	13.3%	**13.3%**	13.4%	**13.4%**	13.4%
Adjusted operating profit[1,2]	**38.2**	38.6	**30.9**	31.8	**65.1**	66.2
Adjusted operating margin[1,2]	**6.6%**	6.4%	**6.2%**	6.0%	**6.4%**	6.2%
Adjusted profit before tax[1,2]	**37.9**	38.2	**30.6**	31.5	**64.4**	65.7
Adjusted earnings per share[1,2]	**58.3p**	58.9p	**50.0p**	51.5p	**102.8p**	104.7p

1 Excludes IAS41 movement on biological assets in 2016 & 2015
2 Excludes acquisition related amortisation in 2016 & 2015

APPENDIX 3

ADJUSTED & REPORTED EARNINGS

£M	2016	2015
Adjusted operating profit	38.2	30.9
Net IAS 41 movement	3.6	(0.6)
Acquisition related amortisation	(1.0)	(0.7)
Operating profit	40.8	29.6
Profit before tax	40.4	29.2
Profit after tax	31.3	23.7
Discontinued operations	4.8	(3.9)
Profit for the period	36.1	19.8

APPENDIX 4

TAX & EARNINGS PER SHARE

TAX		
%	2016	2015
Headline tax rate	**20.0**	20.0
Pension	**0.2**	0.4
Disallowables/other	**0.5**	0.8
Underlying rate	**20.7**	21.2
Net IAS 41 movement	**0.8**	(0.2)
Goodwill impairment	**-**	1.5
Profit on sale of business	**(1.1)**	-
Effective rate (including discontinued operations)	**20.4**	22.5

EARNINGS PER SHARE		
PENCE	2016	2015
Adjusted (continuing)	**58.3**	50.0
Acquisition related amortisation	**(2.0)**	(1.4)
Net IAS 41 movement	**7.1**	(1.3)
Tax impact	**(0.9)**	0.5
On profit for the period (continuing)	**62.5**	47.8
Trading profit from discontinued operations	**0.6**	1.5
Goodwill impairment	**-**	(9.3)
Profit on sale of business	**9.1**	-
On profit for the period	**72.2**	40.0