

26 July 2021

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 26 June 2021.

Current trading

Revenue in the 13 weeks to 26 June 2021 was 9.6 per cent ahead of the same period last year, with corresponding volumes up 7.7 per cent reflecting strong retail demand and increased sales from the Eye poultry facility. Revenue growth also reflected the gradual but sustained recovery of the food to go and food service channel.

Far East export sales were well ahead of the same quarter last year, reflecting strong market prices. The China export licence at our Norfolk primary processing facility remains suspended; as previously noted, whilst the technical audits were passed at the site in January 2021, we still await final approval.

The UK pig price increased by 12 per cent during the period; the average price across the quarter to June 2021 was 9 per cent below that in the equivalent period a year earlier.

Investment

We continue to invest at pace across our asset base to support future growth and further operating efficiencies. The capacity uplift from 1.1m to 1.4m birds per week at the Eye poultry facility was delivered successfully and, as anticipated, the new £20m cooked bacon facility in Hull started commercial production during the quarter. A further £5m will be spent at the facility over the coming months to add additional capacity and capability. Work on the new premium breaded poultry facility in Hull is progressing well, with incremental investment of £5m, which includes a third production line, added to what is now an overall £30m build plan.

'Second Nature' Sustainability

We continue to make meaningful progress in delivering our Group-wide 'Second Nature' sustainability strategy. During the period six more of our sites were awarded the carbon neutral (IPAS 2060) certification. Nine of our sites have now gained the accreditation, with all remaining production facilities on track to achieve this status by the end of 2021.

We set exacting standards in animal welfare and our leadership in this field was again recognised with confirmation on 30 March 2021 that we had retained our Tier 1 status in the Business Benchmark on Farm Animal Welfare (BBFAW) for the fifth consecutive year. The BBFAW is the globally recognised investor framework for assessing the quality of companies' practices, processes and performance on farm animal welfare. We are one of only four companies globally, and the only meat processor, to be ranked in 'Tier One'.

On 22 July 2021 we received confirmation that our Science Based Target (SBT) has now been validated. Our challenging but achievable SBT is set in line with efforts to limit global warming to 1.5°C under the Paris agreement and includes halving our Scope 1, 2 and 3 emissions by 2030 and achieving Net Zero status by 2040.

Financial position

As a result of strong cash generation and tight working capital management, net debt was only modestly higher than the March 2021 year end position. The Group remains in a robust financial position with committed, unsecured facilities of £200 million providing comfortable headroom.

Outlook

The outlook for the current financial year remains in line with the Board's expectations.

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

Adam Couch, CEO of Cranswick, commented:

"We have made a positive start to the year. Our capital investment programme remains firmly on track as we build the platform to deliver our long-term growth strategy and we continue to make meaningful progress in delivering our Group-wide 'Second Nature' sustainability strategy. We also continue to support our customers by delivering excellent service levels to ensure full availability of our products.

"The professionalism and commitment of our colleagues across the business is the foundation on which our successful performance is based and as always I would like to thank them for their continued dedication and support.

"As announced on 18 May 2021, Martin Davey will stand down as Chairman at the conclusion of this morning's AGM. He will though stay with the business in an advisory capacity till May 2022. Martin joined Cranswick 36 years ago and has been Chairman since 2004. Much of what Cranswick is today in terms of its culture and ethos reflects Martin's character and personality. He has been an inspiration, mentor, wise counsel and friend and on behalf of all at Cranswick I would like to thank Martin for his invaluable contribution over the last 36 years and to wish him, his wife Linda and their family all the very best for the future."

Interim results

The Company's next scheduled comment on trading will be the interim results announcement for the 26 weeks ending 25 September 2021, on Tuesday 23 November 2021.

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Notes:

1. Cranswick is a leading and innovative supplier of premium, fresh and added value food products. The business employs over 12,900 people and operates from sixteen well invested, highly efficient production 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 and gourmet products. Through the Group's four primary processing and twelve added value processing facilities 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 rapidly growing export business. Results for the 52 weeks to 27 March 2021 showed revenue of £1,898m and profit before tax of £114.8m. For more information go to: www.cranswick.plc.uk

2. Cranswick is committed to ensuring that its business activities are sustainable from farm-to-fork. Our ambitious sustainability strategy 'Second Nature' has been developed to deliver our vision to become the world's most sustainable meat business. Find out more at: www.thisissecondnature.co.uk
3. This announcement is based on information sourced from unaudited management accounts.
4. This announcement contains certain forward-looking statements with respect to the financial conditions, results of operations and businesses of Cranswick. These statements involve risk and uncertainty because they relate to events and depend upon circumstances that will occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements. Nothing in this announcement should be construed as a profit forecast.