

1 February 2018

Cranswick plc

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

Third quarter trading statement

Cranswick, a leading UK food producer, today provides an update on trading for the three months to 31 December 2017.

Current trading

Total and like-for-like revenue* were both ahead of the prior year. Each of the Group's categories delivered positive volume growth, with this growth underpinned, as anticipated, by a strong performance over the key Christmas trading period. Total export sales were also well ahead.

The UK pig price continued to ease during the period, ending the quarter at a similar level to that of a year earlier. This downward trend is being reflected in selling prices.

Trading during the third quarter of the financial year was slightly ahead of the Board's expectations.

Investment

The Group continues to invest at record levels across its asset base to increase capacity, add new capability and drive further operating efficiencies.

Construction of the new Continental Products facility, based at Bury in Lancashire, is well advanced and progressing to plan, with completion expected in the first half of the next financial year. When finished, the site will consolidate production from the Group's two existing Continental Products facilities, lift capacity by approximately 70 per cent, add new capability and drive efficiency improvements on existing product ranges.

Plans for the new primary poultry facility in Eye, Suffolk continue to be developed, with construction, subject to receiving planning approval in the coming weeks, expected to begin in quarter one of the next financial year. This class-leading facility, which is scheduled for completion in late 2019, will double existing capacity with further room for expansion. The facility will incorporate the highest animal welfare standards and latest generation production techniques and equipment to drive operational efficiency gains.

Financial position

During the period, the Group extended its banking facility for a further 12 months on existing terms. The agreement, which now extends to November 2022 with the potential to extend for a further year, comprises a revolving credit facility of £160 million, including a committed overdraft of £20 million. This unsecured facility supports the Group's sound financial position and provides significant headroom for future growth.

Net debt increased during the quarter, albeit it was below the level at the same stage last year, reflecting the anticipated seasonal increase in working capital and ongoing capital expenditure.

Outlook

With experienced management at all levels of the Group, a strong range of products, a well-invested asset base and a robust financial position, the Board is confident in both the prospects for the remainder of the current financial year and the continued long-term success and development of the business.

Preliminary results

The Company's next scheduled comment on trading will be the preliminary results announcement on 22 May 2018.

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Notes:

1. Cranswick's activities are focused within the UK and include the processing and supply of fresh pork, sausage, bacon, cooked meats, premium fresh and cooked poultry, charcuterie and pastry products. Products are primarily supplied into the UK food retail, food service and food manufacturing sectors. Results for the year to 31 March 2017 showed revenue from continuing operations of £1,245m and profit before tax on the same basis of £77.5m.
2. This announcement is based on information sourced from unaudited management accounts.
3. 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.

* Like-for-like revenue excludes the contribution from acquired businesses in the current year prior to the first anniversary following the date of acquisition.