

09 April 2015

Trading statement for the year ended 31 March 2015

Cranswick issues the following update on trading for the year ended 31 March 2015. Cranswick expects to announce its full year results on 18 May 2015.

Current trading

The Group finished the year with a strong final quarter. Underlying volumes were 4 per cent ahead of the corresponding quarter a year ago. With lower input prices being passed on to customers this gave rise to a 1 per cent increase in underlying* sales. Full year underlying* sales were in line with those of a year earlier. Total sales in the final quarter were 4 per cent higher and 1 per cent higher for the full financial year. Export sales to non-European markets continued to grow with full year volumes increasing strongly compared to the previous year.

The Group invested £25 million in its infrastructure during the year ended 31 March 2015, generating further operational efficiencies and ensuring the ongoing provision of state of the art processing and production facilities. The extension to the Milton Keynes cooked meats facility, completed earlier in the financial year, has added substantial capacity and is delivering ongoing efficiency gains. A major upgrade to the chilling system at the Norfolk primary processing facility has delivered further efficiency benefits.

The integration of Benson Park is progressing as anticipated and the positive performance of the business continues to be in line with the Board's expectations. The major investment programme at the site remains on track and is expected to be commissioned in the autumn of 2015.

Financial position

Notwithstanding the significant capital investment programme and the acquisition of Benson Park earlier in the year, strong cash generation from operating activities through the final quarter resulted in year-end net debt being substantially lower than at the end of the third quarter and similar to the level reported at the last financial year end.

The Group is in a strong financial position, with committed, unsecured facilities of £120 million which provide comfortable headroom.

Outlook

The Board expects to report a trading performance for the year ended 31 March 2015 in line with its expectations. 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 remains confident in the continued long-term success and development of the business.

* Underlying sales exclude the contribution from acquisitions in the current year and sales from the pig breeding, rearing and trading activities in both the current and prior financial years