

7.00am Monday 25 July 2016

25 July 2016

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

First quarter trading statement and sale of sandwich business

Cranswick, a leading UK food producer, today provides an update on trading for the three months to 30 June 2016 and announces the sale of its sandwich business.

Current trading

The Group has made a positive start to the current financial year.

Revenue in the three months to 30 June 2016 was 11% ahead of the same period last year, driven by strong volume growth.

Underlying revenue* was 5% higher than the same period last year, with corresponding volumes up 12% as the benefit of lower input prices continued to be passed on to the Group's customers. Export volumes to Far Eastern markets were 60% ahead of the same period last year, reflecting both ongoing robust demand from the region and increased output from the Group's two primary processing facilities.

Investment

The integration of Crown Chicken Limited ("Crown"), acquired in April 2016, is progressing to plan with the business making a positive contribution in line with the Board's expectations.

During the period, the Group continued to invest heavily across its asset base to increase capacity, add new capability and drive further operating efficiencies.

Financial position

Notwithstanding the £39 million spent on acquiring Crown during the period and the substantial ongoing capital investment programme across the Group, net debt stood at £22 million at 30 June 2016. This level was just £10 million higher than at the same point last year and compared to £18 million of net funds at 31 March 2016. The Group is in a robust financial position, with committed, unsecured facilities of £120 million which provide comfortable headroom.

Sale of sandwich business

As part of Cranswick's strategy to focus on its core protein businesses, the Board is pleased to announce the sale of the Group's sandwich business, The Sandwich Factory Holdings Limited, to Greencore plc for a cash consideration of £15 million. In the year to 31 March 2016, the sandwich business generated revenues of £54 million.

Adam Couch, CEO of Cranswick, commented:

"I am pleased to announce the sale of our sandwich business to Greencore which is very much in line with our strategy of focusing on our core protein businesses. Moreover I am particularly delighted that the sandwich division is being acquired by a proven global leader in Greencore who will bring new opportunities and strengths to this business, its customers and the staff to whom, on the Board's behalf, I would like to extend our thanks for their long standing loyalty and commitment to Cranswick."

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 current financial year and the continued long term success and development of the business.

Interim results

The Company's next scheduled comment on trading will be the interim results announcement on 29 November 2016.

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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, pastry products and sandwiches. Products are primarily supplied into the UK food retail, food service and food manufacturing sectors. Results for the year to 31 March 2016 showed revenues of £1,070m and profit before tax of £58.7m.
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.

* Underlying revenue excludes the contribution from Crown in the current year