

30 January 2018

GREENCORE GROUP PLC

Good revenue growth driven by Food to Go in the UK and increased US volumes

Greencore Group plc ("the Group" or "Greencore"), a leading manufacturer of convenience foods in the UK and US, today issues a trading update covering the 13 weeks to 29 December 2017 ("Quarter 1" or "Q1").

Quarter 1 Trading^{1,2}

The Group recorded revenue of £640.5m in the 13 weeks to 29 December 2017, an increase of 53.6% on a reported basis. Pro forma revenue grew by 7.2% in the quarter.

Convenience Foods UK & Ireland

The division reported Q1 revenue growth of 9.2% to £385.4m. Pro forma revenue grew by 8.7% in the quarter. The strong growth momentum was again driven by the Food to Go business, where reported revenue grew by 12.2% and pro forma revenue grew by 11.4%. This reflects both positive growth in the underlying market as well as the incremental impact of the previously announced business wins with several of the Group's largest customers. Reported revenue in the other parts of the Convenience Foods UK & Ireland division grew by 5.7% in Q1, and by 5.5% on a pro forma basis.

As anticipated, the scale of investment activity in this division eased during Q1 after a phase of substantial spending in FY16 and FY17. The key remaining project, which is the refurbishment and extension of the Group's largest ready meal facility in Warrington, is progressing well and will be completed in the first half. The previously announced restructuring of the UK business is on track. The Group has transitioned to the new organisational structure and has launched the 'Greencore Manufacturing Excellence' initiative to drive operational benefits across the division.

The Group has also reached an agreement to sell its cakes and desserts business in Hull. This sale, together with the previously announced closure of our desserts facility in Evercreech, marks Greencore's exit from the UK cakes and desserts sector. The impact of this disposal on Group Adjusted Earnings is neutral, although the Group will take a one-off, largely non cash, charge of approximately £15m to the income statement in its FY18 interim results.

Convenience Foods US

The division reported Q1 revenue growth of 297.0% to £255.1m, primarily reflecting the acquisition of Peacock Foods at the end of December 2016.

On a pro forma basis, revenue growth was 5.1% underpinned by volume growth of approximately 7%. Commercial activity with core Consumer Packaged Goods ("CPG") customers was encouraging, with strong underlying trading as a result of category growth and previously announced business wins. The broader commercial pipeline is also developing well.

The Group has intensified its focus on enhancing network efficiencies given the shape of the current and emerging commercial pipeline, particularly within some parts of the Group's original network where capacity utilisation remains low.

Group Cash Flow and Returns

As anticipated, the trajectory of the Group's capital spend continued to reduce in the first quarter. In addition, in December the Group extended the maturity of its \$249m committed bank facility by one year to December 2022, increasing the weighted average maturity of debt from 4.1 years to 4.4 years.

Taxation

Greencore notes the enactment of the Tax Cuts and Jobs Act in the US. The overall impact of the changes from this new law are subject to a number of detailed provisions in the legislation which Greencore is reviewing and will continue to monitor as implementing guidance is issued by the Treasury Department and the IRS.

The reduction in the US corporate income tax rate to 21% requires revaluation of Greencore's US deferred tax assets and liabilities as at September 2017. As a result the Group expects to reflect a one-off, non-cash, credit of approximately \$28m to the Income Statement in its FY18 interim results. It is also expected that Greencore will benefit from the lower rate of corporate income tax on future taxable earnings in its US business.

Outlook

The Group anticipates delivering a year of strong growth in FY18 and is well positioned to drive improved profitability, cash flow and returns over the medium term.

Recent GBP/USD foreign exchange movements, if sustained, would have an adverse impact on translated US profits.

The Group will report its FY18 Interim Results on 22 May 2018.

Conference Call

A conference call for investors and analysts will be held at 8am GMT today. Dial in details are below and a 7 day replay facility will be available afterwards at www.greencore.com.

Dial in details:

Confirmation Code:	3006644
Ireland, Dublin	+353 (0)1 246 5638
United Kingdom	+44 (0)330 336 9105
United States	+1 323-794-2093

For further information, please contact:

Eoin Tonge	Chief Financial Officer	Tel: +353 (0) 1 605 1029
Jack Gorman	Head of Investor Relations	Tel: +353 (0) 1 605 1020
Rob Greening or Lisa Kavanagh	Powerscourt	Tel: +44 (0) 20 7250 1446
Billy Murphy or Sarah O'Connor	Drury Porter Novelli	Tel: +353 (0) 1 260 5000

¹ Pro forma sales growth is on a constant currency basis and adjusts reported revenue in FY17 to reflect ownership of Peacock Foods and adjusts reported revenue in FY18 to exclude the impact of the Heathrow acquisition.

² Group Adjusted Earnings is calculated as profit attributable to equity holders (as shown on the Group's Income Statement) adjusted to exclude exceptional items (net of tax), the effect of foreign exchange (FX) on inter-company and external balances where hedge accounting is not applied, the movement in the fair value of all derivative financial instruments and related debt adjustments, the amortisation of acquisition related intangible assets (net of tax) and the interest expense relating to legacy defined benefit pension liabilities (net of tax).

NOTES TO EDITORS

Greencore is a leading international producer of convenience foods with extensive operations in the UK and the US. Headquartered in Dublin, it employs approximately 16,000 people in 31 manufacturing facilities across the UK and the US. On average, it manufactures around 1.5 billion sandwiches, over 600m salad and lunch kits, and 140 million ready meals every year.

In the UK, it is a supplier of own-label convenience food products to all of the major UK supermarkets, and has world-class manufacturing sites with industry-leading technology and supply chain capabilities. It has strong market positions across sandwiches and other food to go products as well as complementary positions in other convenience food categories, including chilled prepared meals, chilled soups and sauces, ambient sauces and pickles, cakes and desserts and Yorkshire Puddings.

In the US, Greencore is a leading manufacturer of convenience food products for many of the largest food brands, convenience retail and food service leaders in the US. It produces a wide range of fresh, frozen and ambient products including sandwiches, meal kits and salad kits. It has a well invested network of high quality, scale facilities which supports the Group's ambitions to grow in value added, assembly-led, convenience food manufacturing.

For more information go to www.greencore.com or follow Greencore on social media.

This announcement is based on information sourced from unaudited management accounts.

This announcement contains certain forward looking statements with respect to the financial conditions, results of operations and businesses of the Group. 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. The Group expressly disclaims any obligation to update these forward-looking statements other than as required by law.