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Greencore Group PLC
03 December 2024

3 December 2024

Delivering ahead of expectations in FY24, with strong momentum into FY25 and dividend reintroduction

Greencore Group plc ('Greencore' or the 'Group'), the FTSE 250 leading manufacturer of convenience food in the UK, issues its results for the 52-week period ended 27 September 2024, reporting a stronger than expected performance and a positive outlook as the Group enters FY25.

SUMMARY FINANCIAL PERFORMANCE[1,2,3]

	FY24 £m	FY23 £m	Change
Group Revenue	1,807.1	1,913.7	-5.6%
Pro Forma Revenue Growth			-1.4%
Like-for-Like Revenue Growth			+3.4%
Gross margin	33.2%	29.7%	+350bps
Adjusted EBITDA	153.7	132.8	+15.7%
Group Operating Profit	84.3	66.0	+27.7%
Adjusted Operating Profit	97.5	76.3	+27.8%
Adjusted Operating Margin	5.4%	4.0%	+140 bps
Group Profit before taxation	61.5	45.2	+36.1%
Basic EPS (pence)	10.1	7.2	+40.3%
Adjusted EPS (pence)	12.7	9.3	+36.6%
Total Proposed Dividend per Share (pence)	2.0	-	+2.0p
Group Exceptional Items (after tax)	(9.4)	(5.5)	-£3.9m
Free Cash Flow	70.1	56.8	+£13.3m
Net Debt (excluding lease liabilities)	148.1	154.0	
Net Debt: EBITDA as per financing agreements	1.0x	1.2x	
Return on Invested Capital ("ROIC")	11.5%	8.9%	+260bps

FINANCIAL HIGHLIGHTS[1,2,3,4]

- Like-for-Like (LFL) volume growth ahead of the wider market driven by a strong performance in key categories and gross margin improvement to 33.2% in FY24, up 350 basis points from 29.7% in FY23
- Delivery of Adjusted Operating Profit of £97.5m in FY24, up 27.8%, with +140bps of margin improvement to 5.4%
- ROIC increased to 11.5%, up 260 basis points from 8.9% in FY23
- Improved balance sheet position with Net Debt (excluding leases) to Adjusted EBITDA reduced to 1.0x
- Following the commitment to return £50m to shareholders in May 2024, the Group returned £40m to shareholders via share buybacks in FY24 and today announces the reintroduction of a dividend
- Proposed FY24 dividend of 2.0p per share (FY23: nil) payable on 6 February 2025
- Given the Group's strong balance sheet and confidence in the outlook the Group is today announcing the launch of an additional £10m share buyback

STRATEGIC AND OPERATIONAL HIGHLIGHTS[3]

- Continued delivery of "Horizon 2" resulting in an accelerated profit recovery
- Outstanding operational service levels of 99.2% achieved in FY24
- Several customer contract renewals in FY24 providing a solid multi-year platform
- New large ready meals contract successfully onboarded at the Kiveton site in late Q4 FY24
- Completed consolidation of soups business into single site providing efficiency gains
- Continued proactive management of contract profitability and manufacturing capacity utilisation
- Sustainable colleague engagement score at 81% in our *People at the Core* survey, up from 79% previously
- Transformation programme (Making Business Easier) launched to update the Group's IT infrastructure and to improve process efficiency across the Group
- Agreement with UK Trustees to cease £9.8m in annual UK pension funding contributions when fully funded position is achieved
- The Group will hold a Capital Markets Day for analysts and institutional investors in London on 5 February 2025

OUTLOOK[5]

Building on a strong FY24 performance and the ongoing successful execution of Horizon 2, Greencore has developed a

Building on a strong FY24 performance and the ongoing successful execution of Horizon 2, Greencore has developed a leaner, more agile and efficient operating platform. This is driving exciting new innovations across our categories for both customers and the UK consumer. It has also accelerated profit recovery and enhanced the Group's returns profile. Although it is early in the year and being mindful of the significant labour cost headwind announced in the UK Budget, the Group is encouraged by the business's underlying momentum. The Group plans to offset the additional labour costs fully via further efficiency initiatives, alongside our usual inflation recovery measures in FY25. As a result, the Group anticipates FY25 Adjusted Operating Profit to be within the top half of the range of current market expectations [5]. Further detail on medium-term plans will be shared at the Capital Markets Day on 5 February 2025.

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1 The Group uses Alternative Performance Measures ('APMs') which are non-IFRS measures to monitor the performance of its operations and of the Group as a whole. These APMs along with their definitions are provided in the Appendix to the Full Year Results Statement.

2 The Group has introduced an additional APM in 2024, Like-for-Like Revenue Growth, to complement the existing APM, Pro Forma Revenue Growth. Like-for-Like Volume Growth is calculated on the same basis as Like-for-Like Revenue Growth.

3 The financial year is the 52-week period ended 27 September 2024 with comparatives for the 52-week period ended 29 September 2023.

4 Kantar grocery market performance for the 52-week period to 29 September 2024

5 Market expectations as complied by Greencore from available analyst estimates on 25 November 2024 (https://www.greencore.com/investor-relations/analyst-centre

Dalton Philips, Greencore Chief Executive Officer, said

"The Group delivered excellent progress against its key financial metrics and strategic priorities in FY24, underpinned by close customer engagement in a period that continued to be defined by cost inflation and muted consumer confidence. I would like to thank all our Greencore colleagues whose continued dedication has enabled us to deliver these results. Over the last 12 months we have remained focused on making high quality food, rebuilding our profitability, and positioning Greencore to be known as the UK's leading convenience foods manufacturer. We continue to make progress against each of our strategic objectives and are well positioned to continue this momentum in FY25 and over the longer term.

The Group has maintained its strong financial discipline, with leverage reduced to 1.0x, while also returning a further £40m to shareholders and announcing an additional share buyback. I am also delighted that today marks a return to Greencore paying dividends. The strength of our balance sheet will provide us with the ability to invest in the growth and efficiency of our business and to pursue M&A opportunities on a selective basis, while also enabling us to deliver increasing returns to shareholders.

Looking ahead, we expect Adjusted Operating Profit for FY25 to be within the top half of the range of current market expectations and we'll share more detail on our medium-term growth strategy at our Capital Markets Day in February".

Basis of preparation

The financial information included within this results statement is based on the audited consolidated financial statements of Greencore Group plc. Details of the basis of preparation can be found in Note 1 to the attached financial information.

Forward-looking statements

Certain statements made in this document are, or may be deemed to be, forward-looking. These represent expectations for the Group's business, and involve known and unknown risks and uncertainties, many of which are beyond the Group's control. The Group has based these forward-looking statements on current expectations and projections about future events based on information currently available to the Group. The forward-looking statements contained in this document include statements relating to the financial condition, results of operations, business, viability and future performance of the Group and certain of the Group's plans and objectives. These forward-looking statements include all statements that do not relate only to historical or current facts and may generally, but not always, be identified by the use of words such as 'will', 'aims', achieves', 'anticipates', 'continue', 'could', 'develop', 'should', 'expects', 'is expected to', 'may', maintain', 'grow', 'estimates', 'ensure', 'believes', 'intends', 'projects', 'sustain', 'targets', or the negative thereof, or similar future or conditional expressions, but their absence does not mean that a statement is not forward-looking.

By their nature, forward-looking statements are prospective and involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future and reflect the Group's current expectations and assumptions as to such future events and circumstances that may not prove accurate. A number of material factors could cause actual results and developments to differ materially from those expressed or implied by forward-looking statements. There may be risks and uncertainties that the Group is unable to predict at this time or that the Group currently does not expect to have a material adverse effect on its business. You should not place undue reliance on any forward-looking statements. These forward-looking statements are made as of the date of this announcement. The Group expressly disclaims any obligation to publicly update or review these forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by law.

Presentation and Conference Call

A presentation of the results for analysts and institutional investors will take place at 8.30am on 3 December 2024 at etc. Venues, 8 Fenchurch Place, London EC3M 4PB. The presentation slides will be available on the Investor Relations section on www.greencore.com from 7.00am that morning.

This presentation can also be accessed live from the Investor Relations section on www.greencore.com or alternatively via conference call. Registration and dial in details are available at www.greencore.com/investor-relations/

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About Greencore

We are a leading manufacturer of convenience food in the UK and our purpose is to make every day taste better. To help us achieve this we have a model called The Greencore Way, which is built on the differentiators of People at the Core, Great Food, Excellence and Sustainability - The Greencore Way describes both who we are and how we will succeed.

We supply all of the major supermarkets in the UK. We also supply convenience and travel retail outlets, discounters, coffee shops, foodservice and other retailers. We have strong market positions in a range of categories including sandwiches, salads, sushi, chilled snacking, chilled ready meals, chilled soups and sauces, chilled quiche, ambient sauces, pickles and frozen Yorkshire Puddings.

In FY24 we manufactured 748m sandwiches and other food to go products, 125m chilled ready meals, and 204m bottles of cooking sauces, dips and table sauces. We carry out more than 10,500 direct to store deliveries each day. We have 16 world-class manufacturing sites and 17 distribution centres in the UK, with industry-leading technology and supply chain capabilities. We generated revenues of £1.8bn in FY24 and employ c.13,300 people. We are headquartered in Dublin, Ireland.

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

OPERATING REVIEW[1,2,3]

Trading Performance

	FY24 £m	FY23 £m	Change (As reported)
Group Revenue	1,807.1	1,913.7	-5.6%
Pro Forma Revenue Growth			-1.4%
Like-for-Like Revenue Growth			+3.4%
Gross margin	33.2%	29.7%	+350bps
Group Operating Profit	84.3	66.0	+27.7%
Adjusted Operating Profit	97.5	76.3	+27.8%
Group Profit Before Tax	61.5	45.2	+36.1%

Group revenue decreased by 5.6% to £1,807.1m in FY24. The decline was driven by the disposal of Trilby Trading in September 2023, accounting for a decrease of 4.2%, and the proactive decision to exit a number of low returning contracts during FY23 accounting for a further 4.8% decline. This was partially offset by the impact of inflation recovery and price totalling 1.8% and a 1.6% benefit from volume increases (a combination of underlying growth and price mix). While pro forma revenue showed a 1.4% decline, LFL revenue, an additional measure introduced in FY24, which considers the impact of new business wins and losses, increased by 3.4%.

Overall, Group Operating Profit in FY24 increased 27.7% to £84.3m and Adjusted Operating Profit increased by 27.8% to £97.5m. The improvement was driven by a continuation of operational and commercial initiatives during the financial year.

With the exception of labour costs, inflation in the Group's main cost components has slowed and the majority incurred was recovered or mitigated in the period through a range of mechanisms, including pass-through of cost increases, cost reductions, product and range reformulations, and alternative sourcing. These mechanisms benefited the Group's gross margin, which increased 350bps to 33.2% in FY24. Efficiency initiatives also supported the offsetting, recovery and mitigation of labour, fixed cost and other overhead cost inflation. Labour costs will increase in FY25 with the introduction of further national living wage increases and national insurance changes in the UK from April 2025 as announced in the recent UK Budget. As a result of the increase in national insurance charges, our current estimate for FY25 is additional costs of c. £7.5m. We have a strong track record of managing inflationary costs - including annual increases in the national living wage; contractual protections in place across many of our contracts; and strong customer relationships where negotiations are necessary. We will work hard and plan to offset the additional costs fully via further efficiency initiatives alongside our usual inflation recovery measures in FY25.

Revenue in the Group's Food to Go categories (comprising sandwiches, salads, sushi and chilled snacking) totalled £1,244.6m and accounted for approximately 69% of Group revenue. Revenue decreased by £8.0m in these categories, as LFL volume growth (including mix), inflation recovery and pricing impacts were offset by the proactive decision to exit a number of low margin contracts in FY23. LFL Revenue Growth across the Food to Go category was 4.0% in the period. The Group experienced LFL volume growth of 1.4% across the Food to Go sandwiches category, outperforming the wider market[4], however there were weaker performances in the Food to Go salads and the own label sushi categories.

The Group's Other Convenience categories comprise chilled ready meals, chilled soups and sauces, chilled quiche, ambient sauces, pickles and frozen Yorkshire Pudding categories. Revenue across these categories decreased by 14.9% to £562.5m in FY24. The decrease was driven by the disposal of the Trilby Trading business and exiting low margin contracts which offset LFL volume growth (including mix), inflation recovery and pricing impacts. Volumes increased 0.3% on a LFL basis in the period. LFL Revenue Growth across the Other Convenience category was 2.2% in the period. The Group achieved a strong volume performance in the chilled ready meals category, increasing 1.6% on a LFL basis, outperforming the wider market[4]. This was in addition to a strong LFL volume performance across ambient sauces, chilled soups and sauces, and frozen Yorkshire Pudding categories.

Group Cash Flow

	FY24 £m	FY23 £m	Change (as reported)
Free Cash Flow	70.1	56.8	+£13.3m
Net Debt	193.0	199.0	+£6.0m
Net Debt (excluding lease liabilities)	148.1	154.0	+£5.9m
ROIC	11.5%	8.9%	+260bps

The Group continued to carefully manage cash flows and leverage in FY24, as Group profit recovered, the seasonal working capital profile was managed and the Group continued ongoing investment to support future growth.

Free Cash Flow for FY24 was an inflow of £70.1m and represented a 23% increase on the prior year as the higher profitability in FY24 was offset by increases in financing and tax costs. Free cash flow conversion was 45.6%, an increase on 42.8% in FY23.

The Group's Net Debt at 27 September 2024 was £193.0m, a decrease of £6.0m compared to 29 September 2023. Net Debt excluding lease liabilities was £148.1m, down 4% on the prior year due to increased profitability. The Group's Net Debt: Adjusted EBITDA leverage covenant as measured under financing agreements was 1.0x, compared to 1.2x at 29 September 2023. As outlined in the financial review, the Group successfully completed a refinancing of its revolving credit facility (RCF) with a new £350m RCF put in place in November 2023. See note 7 for more details.

ROIC increased to 11.5% for FY24, compared to 8.9% for the prior year. The year-on-year increase was driven primarily by increased profitability in the 12-month period. Average invested capital decreased year-on-year from £678.1m to £660.3m.

Strategic Developments

The Group delivered excellent progress against its strategic priorities in FY24, underpinned by close customer engagement in a period that continued to be defined by inflation and muted consumer confidence.

The Group's priorities continue to be guided by the strategic framework for recovery and growth, with goals set across a three-horizon framework:

- The first objective was to stabilise the business through the first horizon, which was achieved in FY23;
- The second horizon is focused on the rebuilding of profitability and returns; and
- The focus of the third horizon is to further develop our strong growth platform.

Our horizon framework will guide the prioritisation and sequencing of our long-term strategic objectives.

The Group delivered year-on-year LFL revenue growth of 3.4% through a combination of underlying volume growth, in addition to price and mix impact, including the recovery of inflation. LFL volume growth of 0.5% represents a strong volume performance, relative to the wider market performance[4]. The Group maintained outstanding operational service levels during the financial year, working closely with our customers and supply partners, with average service levels at 99.2% in FY24 compared to 98.5% in FY23. In June 2024, the Group took the step of recalling a number of products, in line with a number of other food manufacturers as a result of an outbreak of E.coli in the UK. The Group took this precautionary step as we are committed to the highest food safety and quality standards for our customers and end consumers.

The Group has remained focused on proactively managing commercial returns, capacity management, maximising returns and optimising use of our manufacturing footprint. This has led to improved operational efficiencies in FY24 across the manufacturing footprint of the Group and an improvement in the returns profile of the majority of sites. We continue to review all sites to ensure they are delivering, or are on a path to deliver, in line with the Group's expectations.

The consolidation of two soup manufacturing sites was completed in FY24, with the closure of soup production capacity at the Kiveton facility and consolidation of soup production at the Bristol site. Following the consolidation, the Group secured a long term, reinvigorated partnership with a major food retailer in the soups category, which was delivered via high quality innovation and consistency, supporting the Group's decision to consolidate into one site for our soups category.

From a customer perspective, the Group successfully won new business with existing customers and added new customers to its portfolio. The Group already operates in the coffee shop and café channel but successfully added a significant new customer, the largest coffee shop operator in the UK, securing a long-term supply position in their critical food to go mission and increasing our presence in this important and growing channel. A new chilled ready meals contract with an existing customer was successfully onboarded at the Kiveton site in Q4 FY24. The chilled ready meals category is now expected to deliver improved profitability and returns in FY25. In addition, the Group onboarded a significant customer across its Direct to Store network, driving improved profitability and returns across this category and augmented the Group's overall sushi proposition with a supply extension into a new category, Poke Bowls for a premium food retailer, winning the business on quality and innovation.

The Group's grocery business at Selby benefited from two significant commercial developments: firstly, the complete overhaul of one of its major client's cooking sauce range, for which the Group won supplier of the year, and secondly, securing a long-term supply partnership with a significant, fast-growing retailer.

The Group launched a multi-year programme in FY24, called Making Business Easier, focused on bringing the Group's IT estate onto a single enterprise resource planning platform and improving process efficiency across the Group. An exceptional charge of £4.0m was recognised in FY24 relating to the programme.

Despite a slowing inflationary environment, the Group's cost base had risen following several years of high-cost inflation and therefore new initiatives commenced in FY24 targeted at reducing the cost base to make the business more efficient but ensuring consistent high-quality and delivery of products to customers. Commercial and operational efficiencies to support profitability and mitigate fixed cost inflation in FY24 included:

- A commercial excellence programme combining profit enhancement activities across volume, cost, pricing and product mix:
    - new product development and innovation has enabled the Group to drive volume and unlock value for both Greencore and customers, with 421 new products launched in FY24, delivering almost 60m units; and
    - streamlining the total number of unique ingredients used in our products, resulted in a reduction of 5% versus FY23, with a continued focus on decreasing complexity and cost, alongside driving innovation and growth, while the Group continued to nurture long term customer relationships and be a supplier of choice to the Group's chosen partners.

- A structured operational excellence programme has been established across the business aimed at deploying best practice learnings throughout the network. This has continued to deliver simplification and standardisation across the Group, which involves:
    - wider diagnostic benchmarking of the Group's manufacturing facilities, supporting identification of improvement workstreams;
    - implementation of four large pilot sites for improvement activities, which continues to develop, as we professionalise our operational excellence approach and expand this further into the remaining manufacturing sites; and
    - as part of our centre of excellence model we have created a group logistics improvement team, enhancing our improvement agenda, alongside our planning, technical and engineering teams.

The Group will continue to focus on commercial excellence, operational excellence and continued tight management of costs.

Colleagues

During FY24, we made progress in our engagement with our colleagues. The Group conducted our *People at the Core* survey to understand our colleagues' views with an 84% participation rate. The Group achieved an 81% sustainable engagement score, representing a 2 percentage point increase from the last survey in 2022, which is also 2 percentage points ahead of the UK National norm. Colleague communication and senior leadership engagement scores increased by 9 and 6 percentage points respectively.

Better Future Plan

This year, the Group has sharpened its focus on what it takes to transform into a future-fit food business that drives positive impact for both people and the planet - the *Better Future Plan*.

During FY24, the Group made several adjustments to ensure its *Better Future Plan* was more relevant to the changing external landscape, key environmental and relevant societal issues, and the expectations of stakeholders. Some of the progress made across the *Better Future Plan* in FY24 is outlined below:

- Achieved the first absolute Scope 1 and 2 carbon emissions reduction vs. 2019 base year (1.5% reduction), following four years of increases against our 2030 SBTi target;
- Re-based FY19 Scope 3 footprint and recalculated prior year footprints as a requirement of new FLAG guidance under SBTi, showing a 2.2 % decrease in FLAG-based emissions and a 1.7% decrease in Energy and Industry-based emissions vs. the Group's FY19 baseline;
- Development of a product portfolio dashboard to improve monitoring and insights on Nutrient Profiling Model (NPM) scores and the number of red traffic lights on products. Over 70% of the Group's product portfolio is already classed as 'healthier' according to NPM guidance which places it in a good position towards 2030 targets;
- FY24 saw progress against the Group's 2025 plastic packaging commitments for the first time due to a significant focus on obtaining detailed data on the composition of packaging from suppliers;
- Completed multi-year roadmap development across all ten of the Group's strategic topics, including a clear strategy for each area defining its vision, objectives, KPIs and levers for change; and
- Embedded our sustainability targets further and included sustainability performance in the incentive and reward framework to drive change.

Sustainability data has also received significant focus, and the Group has placed greater emphasis on gathering high-quality data and providing more transparency on definitions across all reportable sustainability metrics, laying critical foundations as it prepares for mandatory sustainability reporting under the Corporate Sustainability Reporting Directive (CSRD) in FY26.

FINANCIAL REVIEW[1,2,3]

Revenue and Operating Profit

Group revenue in the period was £1,807.1m, a decrease of 5.6% compared to FY23, due to a decrease in volume year on year linked to the disposal of Trilby Trading Limited and the proactive decision to resign a number of low margin contracts in FY23. These decreases were offset by the impact of the recovery of inflation and pricing. Pro Forma Revenue Growth declined by 1.4% when adjusting for the disposal of Trilby Trading Limited, while LFL Revenue Growth increased 3.4% when adjusting for the impact of business wins and losses.

Group Operating Profit increased from £66.0m in FY23 to £84.3m in FY24 as a result of continued strong focus on improving returns across our portfolio, other commercial initiatives and enhancing operational efficiencies during the financial year. Adjusted Operating Profit was £97.5m compared to £76.3m in FY23 . Adjusted Operating Margin was 5.4%, 140bps higher than FY23.

Net finance costs

The Group's net bank interest cost was £22.8m in FY24, an increase of £2.0m versus FY23. The increase was driven by higher cost of debt during FY24. The Group also recognised a £1.4m interest charge relating to the interest payable on lease liabilities in the financial year (FY23: £1.2m).

The Group's non-cash finance charge in FY24 was a net £0.9m (FY23: £2.7m). The change in the fair value of derivatives and related debt adjustments including foreign exchange in the financial year was a £0.2m credit (FY23: £1.4m charge) and the non-cash pension financing charge of £1.0m was £0.2m lower than the FY23 charge of £1.2m.

Profit before taxation

The Group's Profit before taxation increased from £45.2m in FY23 to £61.5m in FY24, driven by higher Group Operating Profit offset by higher exceptional items and finance costs. Adjusted Profit Before Tax in the financial year was £75.5m compared to £58.1m in FY23, the increase primarily driven by the strong operating performance of the Group.

Taxation

The Group's reported effective tax rate in FY24 was 25% (FY23: 21%), while the adjusted effective tax rate was 22% (FY23: 21%). The adjusted effective tax rate adjusts profit before tax for exceptional items and derivative financial instruments. The increase in the effective tax rate reflects the increase in the UK corporation tax rate.

Exceptional items

The Group had a pre-tax exceptional charge of £10.2m in FY24, and an after-tax charge of £9.4m, comprised as follows:

Exceptional Items	**£m**
Transformation costs	(4.0)
Manufacturing site consolidation	(6.0)
Non-core property related costs	(0.2)
Exceptional items (before tax)	**(10.2)**
Tax on exceptional items	0.8
Exceptional items (after tax)	**(9.4)**

In FY24, the Group commenced a multi-year transformation programme, Making Business Easier, which is focused on transforming the Group's technology infrastructure and end-to-end processes to drive efficiencies in the way the Group operates. The programme is expected to last over a period of up to five years, with a total estimated cash cost of up to £80m. This is comprised of a projected expense of up to £50m to be recognised within exceptional items and up to £30m of estimated capital spend and software licensing costs. The Group recognised a charge of £4.0m in exceptional items in respect of the work carried out in the financial year. The Group also completed the consolidation of two soup manufacturing sites during the financial year, resulting in the recognition of an impairment of associated property, plant and equipment of £5.0m and incurring associated impairment of engineering spares, redundancy and mothballing costs of £1.0m. A net loss of £0.2m was recognised on the disposal of an investment property.

Earnings per share

The Group's basic earnings per share for FY24 was 10.1 pence compared to 7.2 pence in FY23. This was driven by a £10.4m increase in profit attributable to equity holders and a decrease in the weighted average number of shares in issue in FY24 to 459.8m (FY23: 495.4m) due to the impact of the share buyback programme.

Adjusted Earnings were £58.4m in the financial year, £12.2m ahead of FY23 largely due to an increase in Adjusted Operating Profit offset by an increase in interest and tax costs. Adjusted Earnings Per Share of 12.7 pence compared to adjusted earnings per share of 9.3 pence in FY23.

Cash Flow and Net Debt

Adjusted EBITDA was £20.9m higher in FY24 at £153.7m. The Group recognised a net working capital outflow of £8.0m (FY23: working capital inflow of £2.2m). Maintenance Capital Expenditure of £26.2m was recorded in the financial year (FY23: £26.6m). The cash outflow in respect of exceptional charges was £5.3m (FY23: £10.9m).

Interest paid in the financial year was £20.9m (FY23: £17.6m), including interest of £1.4m on lease liabilities (FY23: £1.2m), an increase on FY23 reflecting higher interest costs on borrowings in FY24. The Group recognised tax paid of £5.4m (FY23: £2.7m) in the financial year driven by an increase in the tax charge for the year in line with an increase in the UK corporation tax rate. Cash repayments on lease liabilities remained in line with the prior year at £15.7m (FY23: £15.6m). The Group's cash funding for defined benefit pension schemes was £11.5m (FY23: £11.1m).

In FY24, the Group recorded Strategic Capital Expenditure of £6.2m (FY23: £10.8m).

The Group did not make any equity dividend cash payments in either financial year. The Group made net share purchases of £59.7m in FY24 reflecting the continuation of the Group's share buyback programme costing £55.0m in FY24 and the purchase of shares for the Group's employee share ownership scheme of £5.5m, offset by the proceeds from the issue of shares of £0.8m. The share buyback cashflow includes £5.6m which had been transferred to the independent broker in order to complete the share buyback, which had yet to be transacted at year end but has been fully utilised as of 11 November 2024. This compared to net share purchases of £30.1m in FY23.

In August 2024, the Group completed the sale of an investment property in Ireland for a final net cash consideration of £0.7m (2023: £Nil).

The Group's Net Debt excluding lease liabilities at 27 September 2024 was £148.1m, a decrease of £5.9m compared to the

The Group's Net Debt excluding lease liabilities at 27 September 2024 was £[illegible]m, a decrease of £[illegible]m compared to the end of FY23.

Financing

As at 27 September 2024, the Group had total committed debt facilities of £429.9m and a weighted average maturity of 3.7 years. These facilities comprised:

- a £350.0m sustainability linked revolving credit bank facility with a maturity date of November 2028;
- a £50.0m bilateral bank facility with a maturity date of January 2026; and
- £9.0m and 27.9m of outstanding Private Placement Notes with maturities ranging between June 2025 and June 2026.

At 27 September 2024, the Group had cash and undrawn committed bank facilities of £279.4m (FY23: £327.8m).

During FY24, the Group refinanced its debt facilities with a new five year £350.0m sustainability linked RCF, maturing in November 2028 with the option of two additional one-year extensions. The facility also includes a £100 million accordion option which provides additional potential financing facilities. This new facility replaces the £340.0m RCF that was due to mature in January 2026. A £45.0m term loan due to mature in June 2024 was also repaid in full as part of this debt restructuring.

Pensions

All of the Group's legacy defined benefit pension schemes are closed to future accrual. The net pension deficit relating to legacy defined pension schemes, before related deferred tax, at 27 September 2024 was £14.8m, £5.3m lower than the position at 29 September 2023. The net pension deficit after related deferred tax was £9.4m (FY23: £12.8m), comprising a net deficit on UK schemes of £22.0m (FY23: £28.3m) and a net surplus on Irish schemes of £12.6m (FY23: £15.5m).

The decrease in the Group's net pension deficit was driven principally by contributions paid by the Group offset by net actuarial losses, particularly on the Irish scheme. The movement in the discount rate is driven by the corporate bond rate.

Separate to this IAS 19*Employee Benefits* valuation, the valuations and funding obligations of the Group's legacy defined benefit pension schemes are assessed on a triennial basis with the relevant trustees. Full actuarial valuations were carried out on the Irish and UK schemes at 31 March 2022 and 31 March 2023 respectively. The UK defined benefit scheme is expected to achieve a fully funded position on a triennial valuation basis by the end of September 2025. Following discussions with the UK scheme's trustees, it has been agreed that £9.8m of annual pension contributions from the Group will cease when the fully funded position is achieved. The Group has engaged with the trustees of the UK scheme and, relative to the liabilities on the triennial funding basis the UK scheme is now 100% hedged for movements in gilt yields, reducing the Group's exposure to risk. The Group has also agreed with the trustees that these contributions will cease sooner if the UK scheme remains ahead of schedule.

Return of value to shareholders

In May 2024, we committed to returning a further £50m to shareholders over the next 12 months and completed £40m of this return through share buyback by 11 November 2024. We are now pleased to announce a proposed dividend of 2.0 pence per share. Given the Group's strong balance sheet, the Group is also announcing the launch of an additional £10m share buyback.

Dalton Philips

Chief Executive Officer

Date: 2 December 2024

GROUP INCOME STATEMENT

For financial year ended 27 September 2024

		2024*			2023*		
	Notes	**Pre-exceptional £m**	**Exceptional (Note 3) £m**	**Total £m**	Pre-exceptional £m	Exceptional (Note 3) £m	Total £m
Revenue	2	**1,807.1**	**-**	**1,807.1**	1,913.7	-	1,913.7
Cost of sales		**(1,207.5)**	**-**	**(1,207.5)**	(1,344.9)	-	(1,344.9)
Gross profit		**599.6**	**-**	**599.6**	568.8	-	568.8
Operating costs before acquisition related amortisation		**(500.9)**	**(10.2)**	**(511.1)**	(491.4)	(6.7)	(498.1)
Impairment of trade receivables		**(1.2)**	**-**	**(1.2)**	(1.1)	-	(1.1)
Group operating profit/(loss) before acquisition related amortisation		**97.5**	**(10.2)**	**87.3**	76.3	(6.7)	69.6
Amortisation of acquisition							

related intangibles		**(3.0)**	**-**	**(3.0)**	(3.6)	-	(3.6)
Group operating profit/(loss)		**94.5**	**(10.2)**	**84.3**	72.7	(6.7)	66.0
Finance income	4	**1.0**	**-**	**1.0**	0.7	-	0.7
Finance costs	4	**(23.8)**	**-**	**(23.8)**	(21.5)	-	(21.5)
Profit/(loss) before taxation		**71.7**	**(10.2)**	**61.5**	51.9	(6.7)	45.2
Taxation		**(16.0)**	**0.8**	**(15.2)**	(10.5)	1.2	(9.3)
Profit/(loss) for the financial year attributable to the equity holders		**55.7**	**(9.4)**	**46.3**	41.4	(5.5)	35.9
Earnings per share (pence)							
Basic earnings per share	5			**10.1**			7.2
Diluted earnings per share	5			**9.9**			7.2

* The financial year is the 52 week period ended 27 September 2024 with comparatives for the 52 week period ended 29 September 2023.

GROUP STATEMENT OF COMPREHENSIVE INCOME

for financial year ended 27 September 2024

	Notes	2024 £m	2023 £m
Other comprehensive income for the financial year			
Items that will not be reclassified to profit or loss:			
Actuarial loss on Group legacy defined benefit pension schemes		**(4.7)**	(9.2)
Deferred tax on Group legacy defined benefit pension schemes		**1.3**	(0.6)
		(3.4)	(9.8)
Items that may subsequently be reclassified to profit or loss:			
Currency translation adjustment		**(0.3)**	(0.5)
Translation reserve transferred to Income Statement on disposal of subsidiary		**-**	(0.6)
Cash flow hedges:			
fair value movement taken to equity		**(0.8)**	(3.1)
transferred to Income Statement for the financial year		**(2.9)**	(1.5)
		(4.0)	(5.7)
Other comprehensive income for the financial year		**(7.4)**	(15.5)
Profit for the financial year		**46.3**	35.9
Total comprehensive income for the financial year attributable to the equity holders		**38.9**	20.4

GROUP STATEMENT OF FINANCIAL POSITION

at 27 September 2024

	Notes	2024 £m	2023 £m
ASSETS			
Non-current assets			
Goodwill and intangible assets	6	**456.1**	461.1
Property, plant and equipment	6	**300.7**	315.5
Right-of-use assets		**41.4**	41.0
Investment property		**3.5**	4.6
Retirement benefit assets	8	**15.3**	18.4
Derivative financial instruments		**-**	3.7
Deferred tax assets		**30.2**	28.8
Trade and other receivables		**-**	0.1
Total non-current assets		**847.2**	873.2
Current assets			
Inventories		**66.4**	72.9
Trade and other receivables		**232.6**	234.2
Cash and cash equivalents		**57.3**	116.5
Derivative financial instruments		**0.5**	0.9
Current tax receivable		**0.7**	-
Total current assets		**357.5**	424.5
Total assets		**1,204.7**	1,297.7
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital		**4.5**	4.8
Share premium		**90.5**	89.7
Other reserves		**116.3**	120.8
Retained earnings		**238.9**	244.5
Total equity		**450.2**	459.8
LIABILITIES			
Non-current liabilities			
Borrowings	7	**147.6**	125.8
Lease liabilities		**31.3**	30.7
Other payables		**2.2**	2.4
Derivative financial instruments		**0.9**	-

Provisions		**6.8**	6.9
Retirement benefit obligations	8	**30.1**	38.5
Deferred tax liabilities		**27.5**	15.2
Total non-current liabilities		**246.4**	219.5
Current liabilities			
Borrowings	7	**57.8**	144.7
Trade and other payables		**431.0**	446.0
Lease liabilities		**13.6**	14.3
Derivative financial instruments		**0.6**	-
Provisions		**1.9**	3.0
Current tax payable		**3.2**	10.4
Total current liabilities		**508.1**	618.4
Total liabilities		**754.5**	837.9
Total equity and liabilities		**1,204.7**	1,297.7

GROUP STATEMENT OF CASH FLOWS

for the financial year ended 27 September 2024

	Notes	2024 £m	2023 £m
Profit before taxation		**61.5**	45.2
Finance income	4	**(1.0)**	(0.7)
Finance costs	4	**23.8**	21.5
Exceptional items	3	**10.2**	6.7
Group operating profit before exceptional items		**94.5**	72.7
Depreciation and impairment of property, plant and equipment and right-of-use assets		**57.0**	56.8
Amortisation and impairment of intangible assets		**5.9**	6.3
Employee share-based payment expense		**5.7**	3.3
Contributions to Group legacy defined benefit pension scheme	8	**(11.5)**	(11.1)
Working capital movement		**(8.0)**	2.2
Net cash inflow from operating activities before exceptional items, interest and tax		**143.6**	130.2
Cash outflow related to exceptional items		**(5.3)**	(10.9)
Interest paid (including lease liability interest)		**(20.9)**	(17.6)
Tax paid		**(5.4)**	(2.7)
Net cash inflow from operating activities		**112.0**	99.0
Cash flow from investing activities			
Purchase of property, plant and equipment		**(31.5)**	(36.0)
Purchase of intangible assets		**(0.9)**	(1.4)
Disposal of investment property		**0.7**	-
Disposal of undertakings		**-**	6.1
Net cash outflow from investing activities		**(31.7)**	(31.3)
Cash flow from financing activities			
Proceeds from issue of shares		**0.8**	-
Ordinary shares purchased - own shares		**(5.5)**	(3.9)
Capital return via share buyback		**(55.0)**	(26.2)
Repayment of bank borrowings		**(105.0)**	(20.2)
Drawdown of bank borrowings		**97.3**	-
Repayment of Private Placement Notes		**(15.5)**	(15.5)
Settlement of swaps on maturity of Private Placement Notes		**(0.1)**	(0.1)
Repayment of lease liabilities		**(15.7)**	(15.6)
Net cash outflow from financing activities		**(98.7)**	(81.5)
Net decrease in cash and cash equivalents and bank overdrafts		**(18.4)**	(13.8)
Reconciliation of opening to closing cash and cash equivalents and bank overdrafts			
Cash and cash equivalents and bank overdrafts at beginning of the financial year		**32.8**	46.7
Translation adjustment		**0.0**	(0.1)
Net decrease in cash and cash equivalents and bank overdrafts		**(18.4)**	(13.8)
Cash and cash equivalents and bank overdrafts at end of the financial year*		**14.4**	32.8

* Cash and cash equivalents and bank overdrafts is made up of cash at bank and in hand of £57.3m (2023: £116.5m) and bank overdrafts of £42.9m (2023: £83.7m).

Notes to the financial information for the financial year ended 27 September 2024

1. Basis of preparation

The financial information presented in this full year results statement represents financial information that has been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee interpretations adopted by the European Union (EU). The financial information does not include all the information required for a complete set of financial statements prepared in accordance with EU IFRS, however selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance during the financial year ended 27 September 2024.

The financial information is based on the information included in the audited Consolidated Financial Statements of Greencore Group plc for the financial year ended 27 September 2024, to which an unqualified audit opinion is provided. Full details of the basis of preparation of the Group Financial Statements for the financial year ended 27 September 2024 are included in Note 1 of the FY24 Annual Report.

The financial information is presented in GBP, which is the functional currency of the Company and presentation currency of the Group, rounded to the nearest million.

Going Concern

The Directors, after making enquiries, have a reasonable expectation that the Group has adequate resources to continue operating as a going concern for the foreseeable future.

In the current financial year, the Group's performance has continued to improve and this is further supported by the Group's access to liquidity which is underpinned by the successful refinancing of its debt facilities with a new five year £350.0m sustainability linked revolving credit facility ('RCF') obtained in November 2023 replacing the £340.0m RCF that had been due to mature in January 2026. The new facility matures in November 2028 with the option of two additional one-year extensions. The Group therefore has retained financial strength and flexibility, together with strong trading relationships with its customers and suppliers. Consequently, the Directors believe that the Group is well placed to manage its business risks successfully.

For the purpose of the going concern assessment, the Group has used the latest internally approved forecasts and strategic plan as a base case which takes into account the Group's current position and future prospects. The Group has used this to produce downside and severe downside scenarios which consider the potential impact of commercial risks materialising which would result in a decrease in volume along with under delivery of targets set out under the Group's commercial and operational initiatives and potential expenditure that may arise due to near term climate-related risks identified as part of the Group's scenario analysis completed during FY24. The impact on revenue; profit; and cashflow are modelled, including the consequential impact on working capital and bank covenants.

Based on the forecast cashflows, throughout the 18-month period from the year end date, the Group is satisfied that it has sufficient resources available and has adequate headroom to meet covenant thresholds and if needed, the Group could employ mitigants within its control, which would include a reduction in non-business critical capital projects and other discretionary cash flow items.

As a result, the Directors believe the Group has sufficient liquidity to manage through a range of different cashflow scenarios over the next 18 months from the year end date. Accordingly, the Directors adopt the going concern basis in preparing these Group Financial Statements.

2. Segment Information

Convenience Foods is the Group's operating segment, which represents its reporting segment. The segment incorporates convenience food including sandwiches, salads, sushi, chilled snacking, chilled ready meals, chilled soups and sauces, chilled quiche, ambient sauces, pickles and frozen Yorkshire Puddings.

Up to 29 September 2023, the segment included an Irish ingredients trading business, Trilby Trading Limited, which was disposed of by the Group on that date. The Irish ingredients trading business is therefore included in the prior financial year segment information and contributed revenue of £80.1m and profit of £2.6m for the financial year ending 29 September 2023.

Revenue earned individually from four customers in Convenience Foods of £348.5m, £295.1m, £285.9m and £188.5m respectively represents more than 10% of the Group's revenue (2023: Revenue earned individually from three customers in Convenience Foods of £348.3m, £280.7m and £274.8m respectively represents more than 10% of the Group's revenue).

The following table disaggregates revenue by product categories in the Convenience Foods reporting segment. All income in the Group has been recognised at a point in time and not over time.

	2024	2023
	£m	£m
Revenue for Convenience Foods		
Food to go categories	**1,244.6**	1,252.6
Other convenience categories	**562.5**	661.1
Total revenue	**1,807.1**	1,913.7

Food to go categories includes sandwiches, salads, sushi and chilled snacking while other convenience categories include chilled ready meals, chilled soups and sauces, chilled quiche, ambient sauces, pickles and frozen Yorkshire Puddings.

chilled ready meals, chilled soups and sauces, chilled quiche, ambient sauces, pickles and frozen Yorkshire Puddings.

3. Exceptional items

Exceptional items are those which, as set out in our accounting policy, are disclosed separately by virtue of their nature or amount. Such items are included within the Group Income Statement caption to which they relate.

The Group reports the following exceptional items:

		2024 £m	2023 £m
Transformation costs	(A)	**(4.0)**	-
Manufacturing site consolidation	(B)	**(6.0)**	-
Non-core property-related (expense)/income	(C)	**(0.2)**	0.2
Profit on disposal of trading business	(D)	**-**	0.1
Reorganisation costs	(E)	**-**	(8.9)
Defined benefit pension schemes restructuring	(F)	**-**	(0.4)
Release of legacy business liability	(G)	**-**	1.7
Reversal of impairment	(H)	**-**	0.6
Total exceptional items before taxation		**(10.2)**	(6.7)
Tax credit on exceptional items		**0.8**	1.2
Total exceptional items		**(9.4)**	(5.5)

(A) Transformation costs

During the current financial year, the Group has commenced a multi-year transformation programme, *Making Business Easier*, which is expected to take place over a period of up to five years, with a total estimated cash cost of up to £80m. This is comprised of a projected expense of up to £50m to be recognised within exceptional items and up to £30m of estimated capital spend and software licensing costs. The programme is focused on transforming the Group's technology infrastructure and end-to-end processes to drive efficiencies in the way the entire Group operates. In the current financial year, the Group recognised a charge of £4.0m in relation to this (FY23: £nil).

(B) Manufacturing site consolidation

The Group consolidated two soup manufacturing sites during the financial year which resulted in the closure of soup production capacity at the Kiveton facility and consolidation of soup production at the Bristol site. As a result, the Group has recognised costs associated with closing the Kiveton facility, incurring an exceptional charge of £6.0m of which £5.0m relates to impairment of Property, Plant and Equipment and £1.0m associated with impairment of engineering spares, redundancy costs and mothballing costs.

(C) Non-core property-related (expense)/income

In the current financial year, the Group has disposed of an investment property in Ireland and recognised a net loss on disposal of £0.2m.

In the prior financial year, the Group recognised a reversal of an impairment and an increase to a remediation provision in relation to non core properties.

(D) Profit on disposal of trading business

In the prior financial year, the Group disposed of its interest in Trilby Trading Limited with a profit of £0.1m recognised on disposal.

(E) Reorganisation costs

In the prior financial year, the Group recognised a reorganisation charge of £8.9m in relation to its Better Greencore programme which concluded in FY23 and therefore there is no cost relating to that programme in the current financial year.

(F) Defined benefit pension schemes restructuring

In the prior financial year, the Group incurred a charge of £0.4m in relation to restructuring costs associated with its legacy defined benefit schemes in Ireland. There were no further defined benefit scheme restructurings or related costs in the current financial year.

(G) Release of legacy business liability

In the prior financial year, the Group released £1.7m of a liability relating to legacy business disposals which the Group is satisfied are not probable to be paid. The full liability was released in the prior financial year thus no further movements were recognised in the current financial year.

(H) Reversal of impairment

In the prior financial year, the Group recognised a reversal of impairment of £0.6m relating to manufacturing assets that had been brought back into use. No further indicators for reversals of impairment were identified in the current financial year.

Cash flow on exceptional items

The total net cash outflow during the financial year in respect of exceptional charges was £5.3m (2023: £10.9m), of which £1.7m was in respect of prior year exceptional charges. The net income from the disposal of the investment property of £0.7m (2023: £nil) has been recognised separately on the Group Statement of Cash Flows within investing activities.

4. Finance income and finance costs

	2024 £m	2023 £m
Finance income		
Interest on bank deposits	**1.0**	0.7
Total finance income	**1.0**	0.7
Finance costs		
Finance costs on interest bearing cash and cash equivalents, borrowings and other financing costs	**(21.5)**	(17.6)
Interest on lease obligations	**(1.4)**	(1.2)
Net pension financing charge	**(1.0)**	(1.2)
Unwind of discount on liabilities	**(0.1)**	(0.1)
Change in fair value of derivatives and related debt adjustment	**0.5**	(1.2)
Foreign exchange on inter-company and external balances where hedge accounting is not applied	**(0.3)**	(0.2)
Total finance costs	**(23.8)**	(21.5)

5. Earnings per Ordinary Share

In the current year, the Group repurchased 34,793,763 Ordinary Shares (2023: 33,382,718) in the Company, by way of a share buyback, costing £49.4m (2023: £26.2m). These shares were immediately cancelled. The effect of this on the weighted average number of ordinary shares was a decrease of 15,225,225 shares (2023: 16,134,894). The Group had committed to a share buyback of £40m in H2 FY24 and by 27 September 2024 had transferred all funds to the independent broker in order to complete the share buyback but £5.6m of the total was yet to be transacted. These funds have been fully utilised to complete the £40m share buyback as of 11 November 2024. These shares acquired post year end have not been included in the earnings per share calculations below.

Numerator for earnings per share calculations	**2024 £m**	2023 £m
Profit attributable to equity holders of the Company	**46.3**	35.9

Denominator for basic earnings per share calculations	**2024 '000**	2023 '000
Shares in issue at the beginning of the financial year	**483,454**	516,837
Effect of share buyback and cancellation in the financial year	**(15,225)**	(16,135)
Effect of shares held by Employee Benefit Trust	**(8,400)**	(5,330)
Effect of shares issued during the financial year	**10**	-
Weighted average number of Ordinary Shares in issue during the financial year	**459,839**	495,372
Dilutive effect of share awards and options	**10,205**	1,165
Weighted average number of Ordinary Shares for diluted earnings per share	**470,044**	496,537

	2024 pence	2023 pence
Basic earnings per Ordinary Share	**10.1**	7.2
Diluted earnings per Ordinary Share	**9.9**	7.2

6. Impairment of goodwill, intangible assets and property, plant and equipment

The Group performed an impairment test on the carrying value of goodwill of £447.3m (2023: £447.3m) at 27 September 2024 using a value-in-use model to determine the recoverable amount. The recoverable amount had significant headroom above the carrying value and therefore, no impairment was recorded (2023: £Nil). There was an impairment of £0.6m recognised in relation to intangible assets in FY24 (2023: £Nil).

There was an impairment of £8.1m recorded on property, plant and equipment during FY24 (2023: £3.0m) of which £5.0m was in respect of the consolidation of the Group's soup's business which was recognised in exceptional items (see note 3). In addition to this, the Group keeps all assets under review on an ongoing basis to identify any impairments to be recognised as a result of obsolescence due to either a change in production methods rendering certain assets idle or a replacement of assets to align with the Group's net zero targets. An impairment of £3.1m was recognised following such reviews in the current financial year (2023: £3.0m), which included an impairment of £0.1m for assets impaired due to climate related strategy (2023: £Nil).

7. Borrowings and cash and cash equivalents and bank overdrafts

	2024 £m	2023 £m
Bank overdrafts	**(42.9)**	(83.7)
Bank borrowings	**(132.6)**	(139.0)
Private placement notes	**(29.9)**	(47.8)
Total borrowings	**(205.4)**	(270.5)
Cash and cash equivalents, excluding bank overdrafts	**57.3**	116.5
Total borrowings and cash and cash equivalents	**(148.1)**	(154.0)

Total borrowings and cash and cash equivalents is used by the Group for the purpose of calculating leverage under the Group's financing agreements.

Bank Borrowings

The Group's bank borrowings, net of finance fees amounted to £132.6m at 27 September 2024 (September 2023: £139.0m) with maturities ranging from January 2026 to November 2028. Interest is charged at SONIA (or equivalent benchmark rates) plus an agreed margin.

In November 2023, the Group refinanced its debt facilities with a new five year £350m sustainability linked revolving credit facility ('RCF'), maturing in November 2028 with the option of two additional one-year extensions. This new facility replaces the £340m RCF that was due to mature in January 2026. A £45m term loan due to mature in June 2024 was also repaid in full as part of this debt restructuring. This was treated as a substantial modification of the borrowings and as such the Group derecognised the original facilities and a recognised the new facility and associated fees. As part of this transaction, the Group recognised a repayment of £105.0m of bank borrowings, being the repayment of the £45m term loan and £60m outstanding on the £340m RCF facility.

The Group had £265.0m (2023: £295.0m) of undrawn committed bank facilities in respect of which all conditions precedent had been met. Uncommitted facilities undrawn at 27 September 2024 amounted to £5.0m (2023: £5.0m).

Private Placement Notes

The Group's outstanding Private Placement Notes net of finance fees amounted to £29.9m (denominated as 28.0m and £9.0m) at 27 September 2024 (2023: £47.8m, denominated as 41.9m and £13.5m). These were issued as fixed rate debt in June 2016 (55.9m and £18m) with maturities ranging between June 2023 and June 2026. The Group repaid 14.0m and £4.5m Private Placement Notes in June 2024 (2023: 14.0m and £4.5m repaid in June 2023).

In December 2018, the Group entered into cross-currency interest rate swap arrangements for the original debt of 55.9m Private Placement Notes to swap from fixed rate US dollar to fixed rate sterling. The fixed rate US dollar to fixed rate sterling swaps are designated as cash flow hedges.

8. Retirement Benefit Obligations

The Group operates one legacy defined benefit pension scheme and one legacy defined benefit commitment in Ireland (the 'Irish schemes') and one legacy defined benefit pension scheme and one legacy defined benefit commitment in the UK (the 'UK schemes') (collectively the 'schemes'). These are all closed to future accrual. Scheme assets are held in separate Trustee administered funds. The Group continues to seek ways to reduce its liabilities through various restructuring initiatives in co-operation with the respective board of Trustees for the schemes.

In consultation with the independent actuaries to the schemes, the valuation of pension obligations has been updated to reflect current market discount rates, rates of increase in salaries, pension payments and inflation, current market values of investments and actual investment returns.

The Group's retirement benefit obligations moved from a net liability of £20.1m at 29 September 2023 to a net liability of £14.8m at 27 September 2024. This reduction in the net liability position is mainly driven by contributions paid by the Group of £12.4m (2023: £12.4m).

Where a funding valuation reveals a deficit in a scheme, the Group will generally agree a schedule of contributions with the Trustees designed to address the deficit over an agreed future time horizon. Full actuarial valuations were carried out on the Irish scheme and the UK scheme at 31 March 2022 and 31 March 2023 respectively. All of the schemes are operating under the terms of current funding proposals agreed with relevant pension authorities. The UK legacy defined benefit pension scheme is expected to achieve a fully funded position on a triennial funding valuation basis by the end of September 2025. Following discussions with the UK scheme's trustees, it has been agreed that £9.8m of annual pension contributions from the Group will cease when the fully funded position is achieved. In FY25, the Group expects to pay c.£12m in contributions.

The financial position of the schemes are as follows

The financial position of the schemes was as follows:

	2024			2023		
	UK schemes £m	**Irish schemes £m**	**Total £m**	UK schemes £m	Irish schemes £m	Total £m
Fair value of plan assets	**181.0**	**140.0**	**321.0**	159.4	145.4	304.8
Present value of scheme liabilities	**(210.4)**	**(125.4)**	**(335.8)**	(197.2)	(127.7)	(324.9)
(Deficit)/surplus in schemes	**(29.4)**	**14.6**	**(14.8)**	(37.8)	17.7	(20.1)
Deferred tax asset/(liability)	**7.4**	**(2.0)**	**5.4**	9.5	(2.2)	7.3
Net (liability)/asset at end of financial year	**(22.0)**	**12.6**	**(9.4)**	(28.3)	15.5	(12.8)
Presented as:						
Retirement benefit asset*	**-**	**15.3**	**15.3**	-	18.4	18.4
Retirement benefit obligation	**(29.4)**	**(0.7)**	**(30.1)**	(37.8)	(0.7)	(38.5)

*The value of a net pension benefit asset is the value of any amount the Group reasonably expects to recover by way of a refund of surplus from the remaining assets of a plan at the end of the plan's life.

The principal actuarial assumptions are as follows:

	UK schemes		Irish schemes	
	2024	2023	**2024**	2023
Rate of increase in pension payments*	**2.95%**	3.05%	**1.00%**	1.50%
Discount rate	**5.05%**	5.60%	**3.38%**	4.50%
Inflation rate**	**3.15%**	3.30%	**1.90%**	2.50%

* The rate of increase in pension payments applies to the majority of the liability base, however there are certain categories within the Group's Irish schemes that have an entitlement to pension indexation.
** The assumption for Retail Price Index ('RPI') and Consumer Price Index ('CPI') are derived from the Harmonised Index of Consumer Prices ('HICP') and relative yields of index-linked and fixed interest government bonds.

9. Dividends Paid and Proposed

There were no dividends paid in the current or prior year. The directors have proposed a final dividend for the financial year ended 27 September 2024 of 2.0 pence per Ordinary Share, totalling £9.0m. The proposed final dividend will be payable on 6 February 2025 to shareholders on the Register of Members at 10 January 2025.

In the current financial year, the next phase of the value return to shareholders completed with a further £49.4m value (2023: £26.2m) returned up to 27 September 2024 in the form of a share buyback. A further £5.6m had been transferred pre year end to the independent broker engaged to complete the share buyback. As of 11 November 2024, the £5.6m was utilised to repurchase shares which were subsequently cancelled. This completed £55.0m of tranches of the share buyback programme, £15.0m of which related to the completion of the £50m programme announced in May 2022 and £40m related to the shareholder return which had been announced in May 2024.

10. Subsequent Events

The directors have proposed a final dividend for the financial year ended 27 September 2024 of 2.0 pence per Ordinary Share. Additionally, the directors are also announcing the launch of a further £10m share buyback.

11. Information

Copies of the Annual Report and Group Financial Statements are available for download from the Group's website at www.greencore.com.

APPENDIX: ALTERNATIVE PERFORMANCE MEASURES

ALTERNATIVE PERFORMANCE MEASURES

The Group uses the following Alternative Performance Measures ('APMs') which are non-IFRS measures to monitor the performance of the Group as a whole: Pro Forma Revenue Growth, Like-for-Like Revenue Growth, Adjusted EBITDA, Adjusted Operating Profit, Adjusted Operating Margin, Adjusted Profit Before Tax ('PBT'), Adjusted Earnings, Adjusted Earnings per Share ('EPS'), Maintenance and Strategic Capital Expenditure, Free Cash Flow, Free Cash Flow Conversion, Net Debt, Net Debt excluding lease liabilities and Return on Invested Capital ('ROIC').

The Group views these APMs as useful for providing historical information to help investors evaluate the performance of the underlying business and are measures commonly used by certain investors and security analysts for evaluating the performance of the Group. In addition, the Group uses certain APMs which reflect the underlying performance of the business on the basis that this provides a focus on the core business performance of the Group. The APMs are not part of the IFRS financial statements and are accordingly not audited.

Changes to APMs during FY24

The Group has introduced an additional APM in 2024, Like-for-Like Revenue Growth, to complement the existing APM, Pro Forma

Revenue Growth. Like-for-Like Revenue Growth is calculated by adjusting Group revenue for the impact of net business wins and losses, acquisitions, divestments, differences in trading period lengths and other non-recurring items. The Group considers Like-for-Like Revenue Growth to provide a useful insight to the underlying performance of the Group's revenue performance in FY24 due to a proactive management of commercial returns, which resulted in the exit of a number of sub-optimal contracts. Therefore, the Group has included Like-for-Like Revenue Growth as an APM to provide greater clarity on the revenue performance of the Group, following the disposal of Trilby Trading Limited in September 2023 and proactive management of commercial returns.

The Group has updated the wording for the definition of Maintenance and Strategic Capital Expenditure to provide further clarity on the classification of sustainability related capital expenditure and automation related capital expenditure which are planned to be incurred by the Group going forward. There was no impact on the FY23 classification of Maintenance and Strategic Capital Expenditure as a result of the update to the definitions.

Pro Forma Revenue Growth

The Group uses Pro Forma Revenue Growth as a supplemental measure of its performance. The Group views Pro Forma Revenue Growth as providing a guide to underlying revenue performance and is calculated by adjusting Group revenue for the impact of acquisitions, disposals, foreign currency differences in trading periods and other non-recurring items in each reporting periods.

Pro Forma Revenue Growth FY24 (%)

Pro Forma Revenue Growth adjusts Group revenue in FY23 to reflect the disposal of Trilby Trading Limited, which completed in September 2023:

	2024 Group Revenue
Group revenue - % decrease from FY23 to FY24	**(5.6)%**
Impact of disposals	**4.2%**
Pro Forma Revenue Growth FY24 (%)	**(1.4)%**

The table below shows the Pro Forma Revenue Growth split by food to go categories and other convenience categories:

	2024	
	Food to go categories	**Other convenience categories**
Group revenue - % decrease from FY23 to FY24	**(0.6)%**	**(14.9)%**
Impact of disposals	**-**	**11.7%**
Pro Forma Revenue Growth FY24 (%)	**(0.6)%**	**(3.2)%**

Pro Forma Revenue Growth FY23 (%)

Pro Forma Revenue Growth adjusts Group revenue in FY22 and FY23 to reflect the disposal of Trilby Trading Limited, which completed in September 2023. In addition, FY22 revenue has been adjusted for the additional trading week that was included:

	2023 Group Revenue
Group revenue - % increase from FY22 to FY23	10.0%
Impact of disposals	1.0%
Impact of additional trading week	2.5%
Pro Forma Revenue Growth FY23 (%)	13.5%

The table below shows the Pro Forma Revenue Growth split by food to go categories and other convenience categories:

	2023	
	Food to go categories	Other convenience categories
Group revenue - % increase from FY22 to FY23	7.9%	14.3%
Impact of disposals	-	4.2%
Impact of additional trading week	2.2%	3.1%
Pro Forma Revenue Growth FY23 (%)	10.1%	21.6%

Like-for-Like Revenue Growth FY24

Like-for-Like Revenue Growth is a new APM used by the Group to measure the underlying performance of its revenue. Like-for-Like Revenue Growth is defined by the Group as Group revenue adjusted for the impact of net business wins and losses, acquisitions, divestments, differences in trading period lengths and other non-recurring items in each reporting period.

The following table sets forth a reconciliation of the information used to calculate Like-for-Like Revenue Growth for the Group:

	2024 Group Revenue
Group revenue - % decrease from FY23 to FY24	**(5.6)%**
Impact of disposals	**4.2%**
Impact of net business wins and losses	**4.8%**
Like-for-Like Revenue Growth FY24 (%)	**3.4%**

The table below shows the Like-for-Like Revenue Growth split by food to go categories and other convenience categories:

	2024	
	Food to go categories	**Other convenience categories**
Group revenue - % decrease from FY23 to FY24	**(0.6%)**	**(14.9)%**
Impact of disposals	**-**	**11.7%**
Impact of net business wins and losses	**4.6%**	**5.4%**
Like-for-Like Revenue Growth FY24 (%)	**4.0%**	**2.2%**

Like-for-Like Revenue Growth FY23

The following table sets forth a reconciliation of the information used to calculate Like-for-Like Revenue Growth for the Group in the prior financial year:

	2023 Convenience Foods %
Group revenue	10.0%
Impact of disposals	1.0%
Impact of net business wins and losses	(1.6%)
Impact of additional trading week in FY22	2.5%
Like-for-Like Revenue Growth FY23 (%)	11.9%

The table below shows the Like-for-Like Revenue Growth split by food to go categories and other convenience categories:

	2023	
	Food to go categories %	Other convenience categories %
Group revenue	7.9%	14.3%
Impact of disposals	-	4.2%
Impact of net business wins and losses	(1.1%)	(1.6%)
Impact of additional trading week in FY22	2.2%	3.1%
Like-for-Like Revenue Growth FY23 (%)	9.0%	20.0%

ADJUSTED EBITDA, ADJUSTED OPERATING PROFIT AND ADJUSTED OPERATING MARGIN

Adjusted EBITDA, Adjusted Operating Profit and Adjusted Operating Margin are used by the Group to measure the underlying and ongoing operating performance of the Group.

The Group calculates Adjusted Operating Profit as operating profit before amortisation of acquisition-related intangibles and exceptional items. Adjusted EBITDA is calculated as Adjusted Operating Profit plus depreciation and amortisation of intangibles assets. Adjusted Operating Margin is calculated as Adjusted Operating Profit divided by Group revenue.

The following table sets forth a reconciliation from the Group's Profit for the financial year to Adjusted Operating Profit, Adjusted EBITDA and Adjusted Operating Margin:

	2024 £m	2023 £m
Profit for the financial year	**46.3**	35.9
Taxation (A)	**15.2**	9.3
Exceptional items	**10.2**	6.7
Net finance costs (B)	**22.8**	20.8
Amortisation of acquisition related intangibles	**3.0**	3.6
Adjusted Operating Profit	**97.5**	76.3
Depreciation and amortisation (C)	**56.2**	56.5
Adjusted EBITDA	**153.7**	132.8
Adjusted Operating Margin (%)	**5.4%**	4.0%

(A) Includes tax credit on exceptional items of £0.8m (2023: £1.2m).
(B) Finance costs less finance income

(B) Finance costs less finance income.
(C) Excludes amortisation of acquisition related intangibles.

ADJUSTED PROFIT BEFORE TAX ('PBT')

Adjusted PBT is used as a measure by the Group to measure overall performance before associated tax charge and other specific items.

The Group calculates Adjusted PBT as profit before taxation, excluding tax on share of profit of associate and before exceptional items, pension finance items, amortisation of acquisition related intangibles, foreign exchange ('FX') on inter-company and external balances where hedge accounting is not applied, and the movement in the fair value of derivative financial instruments and related debt adjustments.

The following table sets out the calculation of Adjusted PBT:

	2024	2023
	£m	£m
Profit before taxation	**61.5**	45.2
Exceptional items	**10.2**	6.7
Pension finance items	**1.0**	1.2
Amortisation of acquisition related intangibles	**3.0**	3.6
FX and fair value movements (A)	**(0.2)**	1.4
Adjusted Profit Before Tax	**75.5**	58.1

(A) Foreign exchange on inter-company and certain external balances where hedge accounting is not applied and the movement in the fair value of derivative financial instruments and related debt adjustments.

ADJUSTED BASIC EARNINGS PER SHARE ('EPS')

The Group uses Adjusted Earnings and Adjusted EPS as key measures of the overall underlying performance of the Group and returns generated for each share.

Adjusted Earnings is calculated as profit attributable to equity holders (as shown on the Group 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). Adjusted EPS is calculated by dividing Adjusted Earnings by the weighted average number of Ordinary Shares in issue during the financial year, excluding Ordinary Shares purchased by Greencore and held in trust in respect of the Annual Bonus Plan, Performance Share Plan, Employee Share Incentive Plan and Restricted Share Plan. Adjusted EPS described as an APM here is Adjusted Basic EPS.

The following table sets forth a reconciliation of the Group's profit attributable to equity holders of the Group to its Adjusted Earnings for the financial years indicated:

	2024	2023
	£m	£m
Profit attributable to equity holders	**46.3**	35.9
Exceptional items (net of tax)	**9.4**	5.5
FX on inter-company and external balances where hedge accounting is not applied	**0.3**	0.2
Movement in fair value of derivative financial instruments and related debt adjustment	**(0.5)**	1.2
Amortisation of acquisition related intangible assets (net of tax)	**2.2**	2.7
Pension financing (net of tax)	**0.7**	0.7
Adjusted Earnings	**58.4**	46.2

	2024	2023
	'000	'000
Weighted average number of ordinary shares in issue during the financial year	**459,839**	495,372

	2024	2023
	pence	pence
Adjusted Basic Earnings Per Share	**12.7**	9.3

CAPITAL EXPENDITURE

Maintenance Capital Expenditure

The Group defines Maintenance Capital Expenditure as the expenditure required to maintain/replace existing assets with a high proportion of expired useful life. This expenditure does not attract new customers or create the capacity for a bigger business. It enables the Group to keep operating at current throughput rates but also keep pace with regulatory and environmental changes as well as complying with new requirements from existing customers. This includes expenditure on sustainability related initiatives which replace existing assets.

Strategic Capital Expenditure

The Group defines Strategic Capital Expenditure as the expenditure required to facilitate growth and generate additional returns for the Group. This is generally expansionary expenditure beyond what is necessary to maintain the Group's current competitive position and enables the Group to service new customers and/or contracts or to enter into new categories or manufacturing competencies including automation related capital expenditure.

The following table sets forth the breakdown of the Group's purchase of property, plant and equipment and purchase of intangible assets between Strategic Capital Expenditure and Maintenance Capital Expenditure:

	2024 **£m**	2023 £m
Purchase of property, plant, and equipment	**31.5**	36.0
Purchase of intangible assets	**0.9**	1.4
Net cash outflow from capital expenditure	**32.4**	37.4
Strategic Capital Expenditure	**6.2**	10.8
Maintenance Capital Expenditure	**26.2**	26.6
Net cash outflow from capital expenditure	**32.4**	37.4

FREE CASH FLOW AND FREE CASH FLOW CONVERSION

The Group uses Free Cash Flow to measure the amount of underlying cash generation and the cash available for distribution and allocation.

The Group calculates the Free Cash Flow as the net cash inflow/outflow from operating and investing activities before Strategic Capital Expenditure, acquisition and disposal of undertakings, disposal of investment property and adjusting for dividends paid to non-controlling interests.

The Group calculates Free Cash Flow Conversion as Free Cash Flow divided by Adjusted EBITDA.

The following table sets forth a reconciliation from the Group's net cash inflow from operating activities and net cash outflow from investing activities to Free Cash Flow and Free Cash Flow Conversion:

	2024 **£m**	2023 £m
Net cash inflow from operating activities	**112.0**	99.0
Net cash outflow from investing activities	**(31.7)**	(31.3)
Net cash inflow from operating and investing activities	**80.3**	67.7
Strategic Capital Expenditure	**6.2**	10.8
Repayment of lease liabilities	**(15.7)**	(15.6)
Disposal of investment property	**(0.7)**	-
Disposal of undertakings	**-**	(6.1)
Free Cash Flow	**70.1**	56.8
Adjusted EBITDA	**153.7**	132.8
Free Cash Flow Conversion (%)	**45.6%**	42.8%

NET DEBT AND NET DEBT EXCLUDING LEASE LIABILITIES

Net Debt is used by the Group to measure overall cash generation of the Group and to identify cash available to reduce borrowings. Net Debt comprises current and non-current borrowings less net cash and cash equivalents and bank overdrafts.

Net Debt excluding lease liabilities is a measure used by the Group to measure Net Debt excluding the impact of IFRS 16 *Leases*. Net Debt excluding lease liabilities is used for the purpose of calculating leverage under the Group's financing agreements.

The reconciliation of opening to closing Net Debt for the financial year ended 27 September 2024 is as follows:

	At 29 September 2023 £m	**Cash flow £m**	**Translation and non-cash adjustments £m**	**At 27 September 2024 £m**
Cash and cash equivalents and bank overdrafts	**32.8**	**(18.4)**	**0.0**	**14.4**
Bank borrowings	**(139.0)**	**7.7**	**(1.3)**	**(132.6)**
Private Placement Notes	**(47.8)**	**15.5**	**2.4**	**(29.9)**
Net debt excluding lease liabilities	**(154.0)**	**4.8**	**1.1**	**(148.1)**
Lease liabilities	**(45.0)**	**17.1**	**(17.0)**	**(44.9)**
Net Debt	**(199.0)**	**21.9**	**(15.9)**	**(193.0)**

The reconciliation of opening to closing Net Debt for the financial year ended 29 September 2023 is as follows:

	At 30 September 2022 £m	Cash flow £m	Translation and non-cash adjustments £m	At 29 September 2023 £m
Cash and cash equivalents and bank overdrafts	46.7	(13.8)	(0.1)	32.8
Bank borrowings	(158.8)	20.2	(0.4)	(139.0)

Bank borrowings	(158.8)	20.2	(0.4)	(139.0)
Private Placement Notes	(67.9)	15.5	4.6	(47.8)
Net debt excluding lease liabilities	(180.0)	21.9	4.1	(154.0)
Lease liabilities	(48.0)	16.8	(13.8)	(45.0)
Net Debt	(228.0)	38.7	(9.7)	(199.0)

RETURN ON INVESTED CAPITAL ('ROIC')

The Group uses ROIC as a key measure to determine returns for the Group and as a key measure to determine potential new investments.

The Group uses invested capital as a basis for this calculation as it reflects the tangible and intangible assets the Group has added through its capital investment programme, the intangible assets the Group has added through acquisition, as well as the working capital requirements of the business. Invested capital is calculated as net assets (total assets less total liabilities) excluding Net Debt, the carrying value of derivative financial instrument not designated as fair value hedges, and retirement benefit obligations (net of deferred tax assets). Average invested capital is calculated by adding the invested capital from the opening and closing Statement of Financial Position and dividing by two.

The Group calculates ROIC as Net Adjusted Operating Profit After Tax ('NOPAT') divided by average invested capital. NOPAT is calculated as Adjusted Operating Profit plus share of profit of associates before tax, less tax at the effective rate in the Group Income Statement which is adjusted for the change in fair value of derivative financial instruments and related debt instruments and exceptional items.

The following table sets forth the calculation of NOPAT and invested capital used in the calculation of ROIC;

	2024 **£m**	2023 £m
Adjusted Operating Profit	**97.5**	76.3
Taxation at the effective tax rate (A)	**(21.5)**	(16.0)
Group NOPAT	**76.0**	60.3

	2024 **£m**	2023 £m
Invested Capital		
Total assets	**1,204.7**	1,297.7
Total liabilities	**(754.5)**	(837.9)
Net Debt	**193.0**	199.0
Derivatives not designated as fair value hedges	**1.0**	(4.6)
Retirement benefit obligation (net of deferred tax asset)	**9.4**	12.8
Invested Capital for the Group(B)	**653.6**	667.0
Average Invested Capital for ROIC calculation for the Group	**660.3**	678.1
ROIC (%) for the Group	**11.5%**	8.9%

(A) The effective tax rates for the Group for the financial year ended 27 September 2024 and 29 September 2023 were 22% and 21% respectively.

(B) The invested capital for the Group in 2022 was £689.2m.

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