Interim Results

26 WEEKS ENDED
26 SEPTEMBER 2020

CRANSWICK plc

Great British Taste

AGENDA

INTRODUCTION AND COVID-19 UPDATE

Adam Couch, CEO

H1 FY21 HIGHLIGHTS

Adam Couch, CEO

FINANCIAL REVIEW

Mark Bottomley, CFO

COMMERCIAL UPDATE

Jim Brisby, CCO

OPERATING & STRATEGIC REVIEW

Adam Couch, CEO

Q&A

DISCLAIMER: Certain statements in this presentation are forward looking statements. By their nature, forward looking statements involve a number of risks, uncertainties or assumptions that could cause actual results or events to differ materially from those expressed or implied by those statements. Forward looking statements regarding past trends or activities should not be taken as representation that such trends or activities will continue in the future. Accordingly undue reliance should not be placed on forward looking statements.

COVID-19 UPDATE

- Working practices adapted to protect employees
- Working in collaboration with relevant bodies including HSE, PHE, Defra and local councils
- HSE visits to sites approved new processes and hygiene measures
- Outbreaks continue nationwide, including in the communities where we operate:
  - 2 week closure of Ballymena site (Aug 20)
  - reduced capacity at Norfolk site (Oct 20)

  Both sites now fully operational
- Clear and timely communications across the Group continue:
  - Daily conference call with senior leadership team
  - Colleague briefings and Q&A sessions

THANKS FOR THE COMMITMENT AND DEDICATION OF OUR COLLEAGUES

RESPONDING TO COVID-19

MEETING DEMAND

Successfully responding to high levels of retail demand

New product launches and ranges to satisfy the increase in meals eaten at home

COLLEAGUES

£500 bonus paid to site-based colleagues in June

Support services for mental wellbeing

COMMUNITIES

Site donations to local foodbanks continue

Working with FareShare throughout the outbreak – 207,000 meals donated

PROACTIVE AND COMPREHENSIVE COVID-19 ACTION PLAN CENTRED ON KEEPING OUR COLLEAGUES SAFE, FEEDING THE NATION AND SUPPORTING OUR LOCAL COMMUNITIES

H1 FY21 Highlights

ADAM COUCH
CHIEF EXECUTIVE OFFICER

CRANSWICK plc
Great British Taste

H1 HIGHLIGHTS

- Strong revenue growth and earnings momentum
- Exceptionally robust demand across all categories reflecting the current shift to in-home consumption
- Strong contribution from new Eye poultry facility with additional investment underway at the site to add further capacity and enhanced capability
- £20m investment in new Hull cooked bacon facility now well advanced and progressing to plan
- Total capital expenditure of £35m spread across the Group's asset base
- Interim dividend up 12.0% to 18.7p per share
- Robust balance sheet with £200m of bank facilities providing over £145m of headroom at year end
- Strong uplift in Return on Capital Employed following Eye ramp-up

5 YEAR CAGR

Compound annual growth rates to 28 March 2020

REVENUE

+10.7%

ADJUSTED PROFIT BEFORE TAX

+12.1%

ADJUSTED EARNINGS PER SHARE

+11.2%

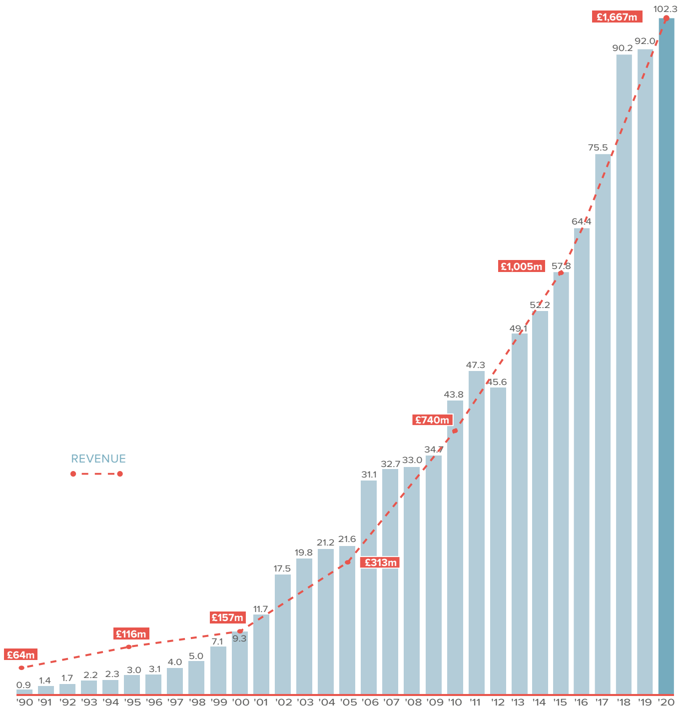
DIVIDEND PER SHARE

+12.2%

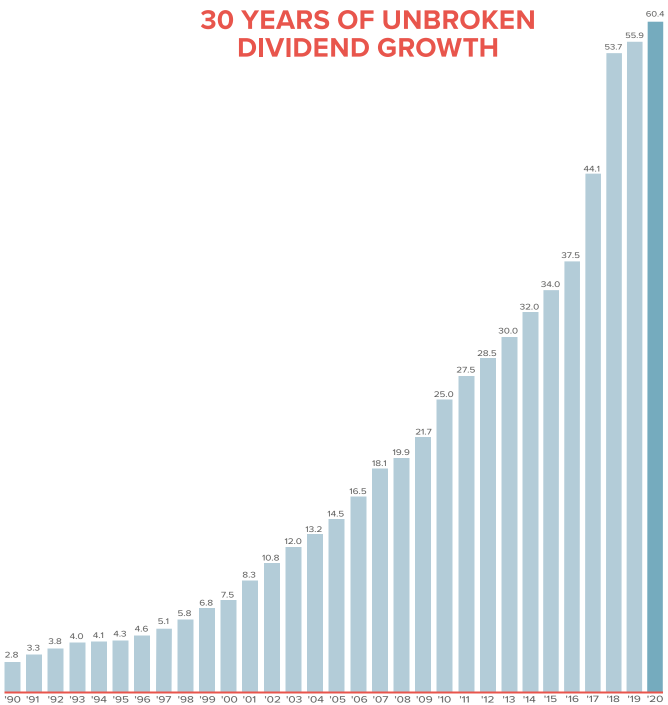
TRADING RECORD

1990 – 2020

ADJUSTED PROFIT BEFORE TAX[1] (£M)



DIVIDEND PER SHARE (pence)



1. Excludes IAS 41 movements on biological assets and acquisition related amortisation in 2020 and 2019

Financial Review

MARK BOTTOMLEY
CHIEF FINANCIAL OFFICER

CRANSWICK plc
Great British Taste

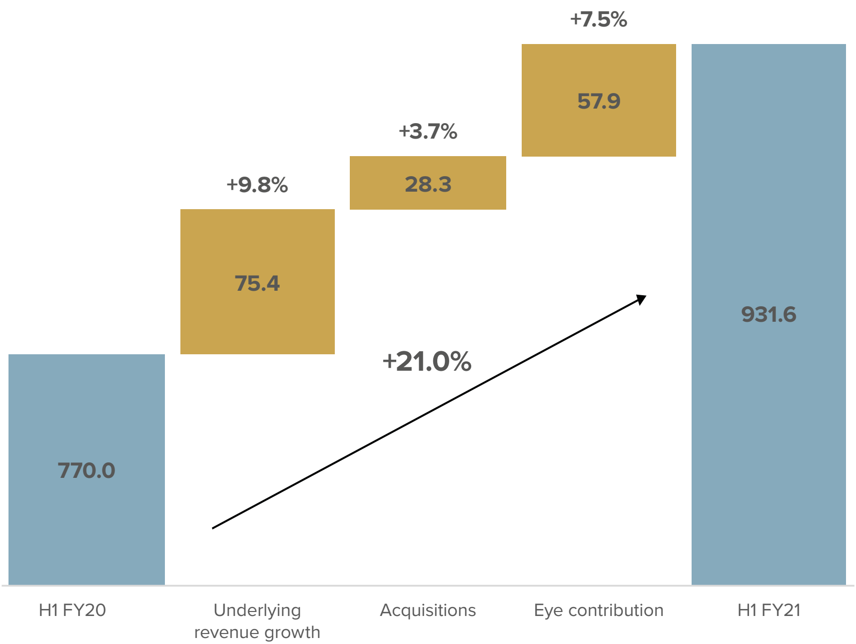
H1 P&L SUMMARY

£M	H1 FY21	H1 FY20	CHANGE
Revenue	**931.6**	770.0	+21.0%
Like-for-like revenue growth[1]			+17.3%
Adjusted gross margin[2]	**13.4%**	13.0%	+39bps
Adjusted operating profit[2,3]	**62.0**	47.4	+30.8%
Adjusted operating margin[2,3]	**6.7%**	6.2%	+50bps
Adjusted profit before tax[2,3]	**60.7**	46.4	+30.8%
Effective tax rate	**20.1%**	20.1%	+7bps
Adjusted EPS (pence)[2,3]	**92.8**	71.6	+29.6%
Reported EPS (pence)	**81.9**	73.2	+11.9%
Interim DPS (pence)	**18.7**	16.7	+12.0%
ROCE[4]	**16.6%**	15.9%	+66bps

1. Like-for-like excludes the contribution from Katsouris Brothers, Packington Pork and White Rose Farms prior to the anniversary of their acquisition
2. Excludes IAS 41 movement on biological assets in both years
3. Excludes acquisition related amortisation in both years
4. Adjusted operating profit divided by the sum of average opening and closing net assets, net debt/(funds), pension (surplus)/deficit and deferred tax. Includes IFRS 16 in H1 FY21 and H1 FY20, however H1 FY19 comparatives used in calculating the average have not been restated

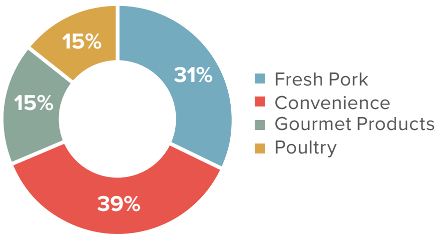
STRONG H1 REVENUE GROWTH

REVENUE BRIDGE (£M)

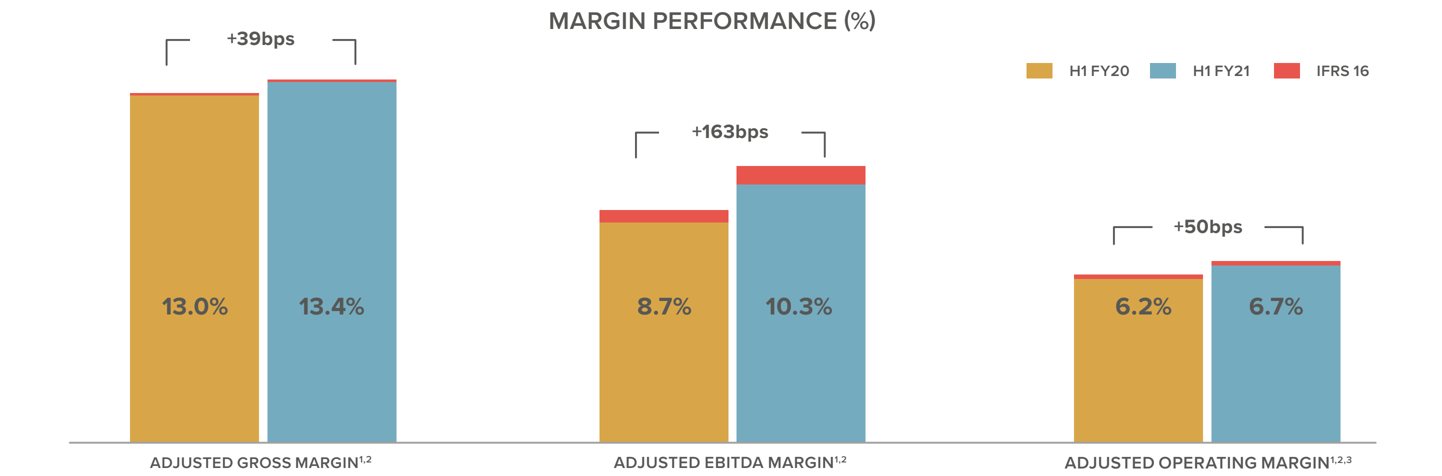


- Underlying revenue growth is driven by:
  – strong retail demand across all four product categories
  – annualisation of new contract wins in FY20
  – further export revenue growth in EU and Far Eastern markets

CATEGORY PROFILE
% OF GROUP REVENUE



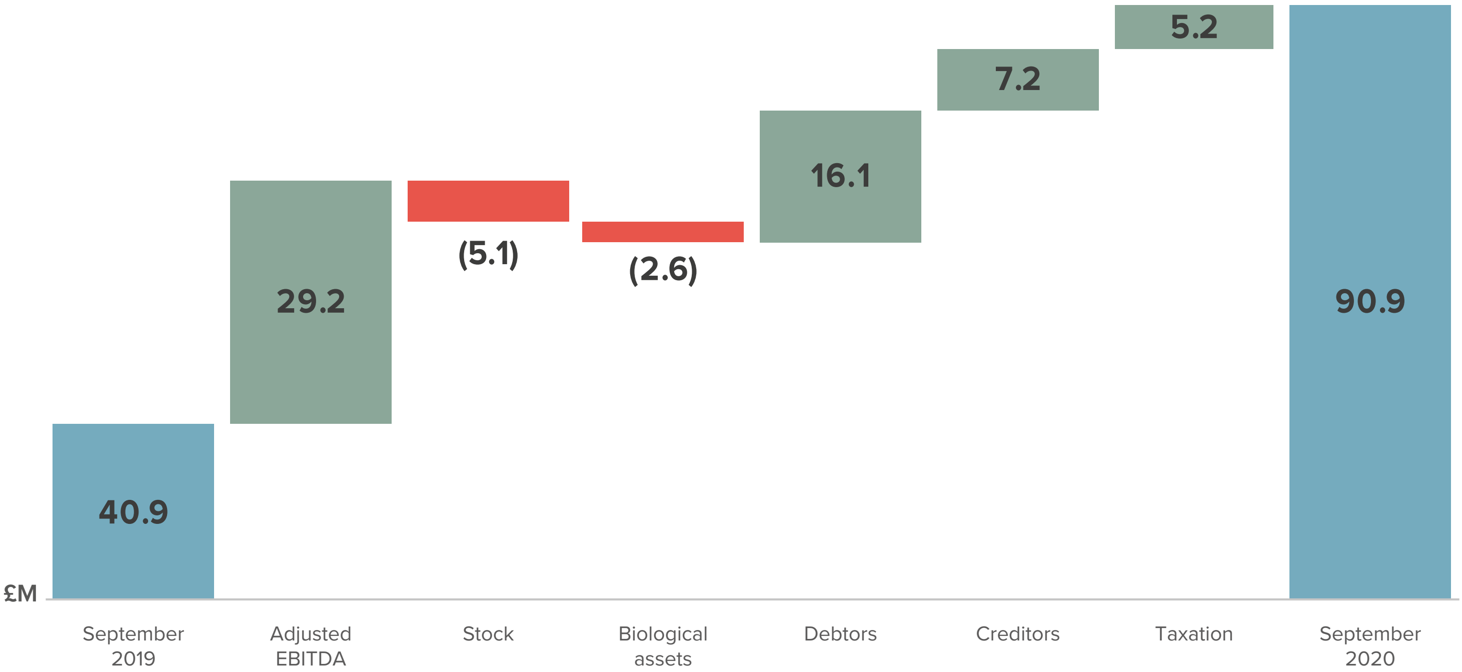
POSITIVE H1 MARGIN PERFORMANCE



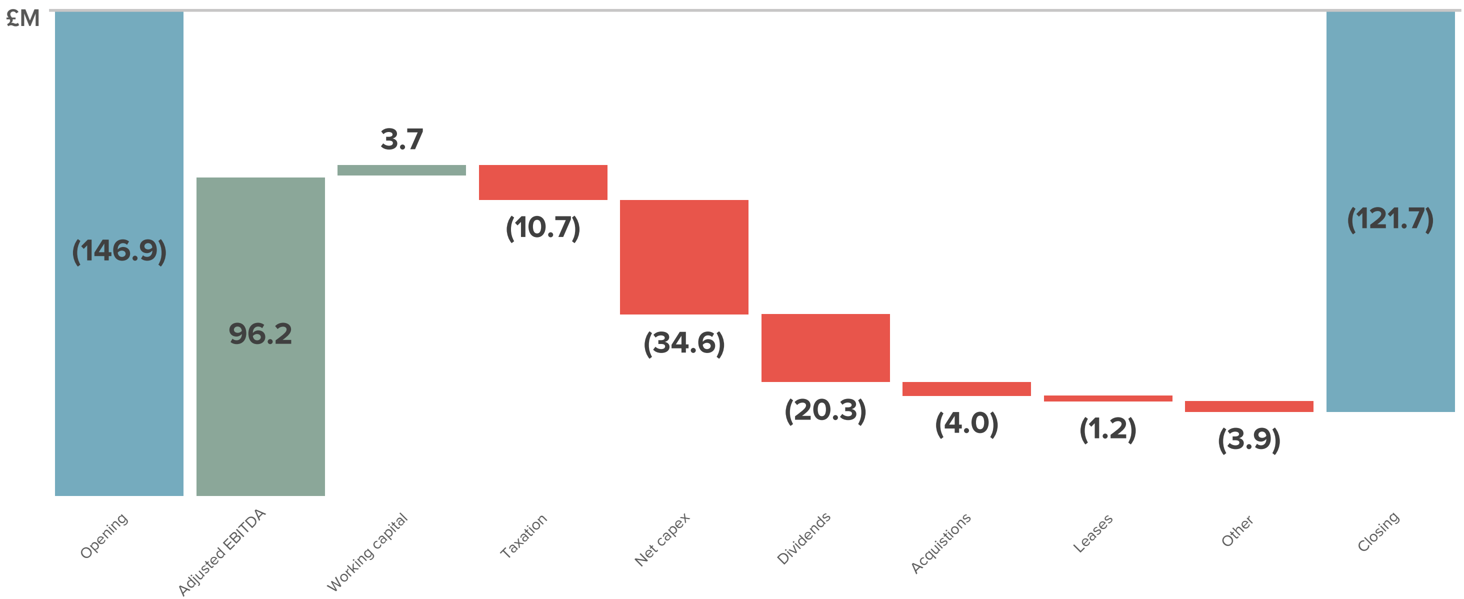
- Gross and operating margin improvement primarily reflect:
  – accretive acquisitions in the prior year
  – volume driven operational efficiencies
  – step change improvement in poultry following successful ramp-up of Eye facility
- Partly offset by:
  – higher depreciation charge due to significant capex in FY20
  – COVID-19 related costs of implementing new processes and site-based colleague bonus

1. Includes recognition of IFRS 16 Leases which increases EBITDA by £6.3m (H1 FY20: £4.1m) and increases operating profit and gross profit by £0.6m (H1 FY20: £0.5m)
2. Excludes IAS 41 movement on biological assets in both years
3. Excludes acquisition related amortisation in both years

STRONG OPERATING CASH PERFORMANCE...



...DRIVES REDUCTION IN NET DEBT



- Opening and closing net debt includes IFRS 16 Leases
- Net debt excluding IFRS 16 lease liabilities at the period end was £54.6m (opening 28 March 2020: £81.0m)

BROAD BASED INVESTMENT PROGRAMME CONTINUES

£M	H1 FY21	H1 FY20
Fresh Pork	7.3	5.1
Convenience	7.8	21.8
Gourmet Products	11.1	1.8
Poultry	9.0	27.0
Gross Capex	**35.2**	**55.7**
Sale proceeds & grants	(0.6)	(3.7)
Net Capex	**34.6**	**52.0**

- Fresh Pork – additional investment in agricultural operations and upgrades across primary processing facilities
- Convenience – additional slicing lines and investment in automation
- Gourmet Products – investment in new cooked bacon facility and refrigeration upgrades
- Poultry – investment in agricultural operations and CHP unit
- Full year capex guidance for FY21 of c£90m

FINANCIALLY RESILIENT BUSINESS MODEL

- Low leverage with pre-IFRS 16 Net debt / Adjusted EBITDA ratio 0.6x
- Robust balance sheet with £160m of core bank facilities
- Access to a further £40m available on the same terms
- Additional £40m extended for a further year
- Strong liquidity with over £145m of headroom
- Majority of facilities secured until 2023

BREXIT PREPARATIONS WELL ADVANCED

- Brexit Taskforce proactively addressing key risks and issues
- Recruited specialist customs team
- Rolled out training across all sites
- Mitigating plans to reduce impact of additional Brexit tariffs and costs
- Working with both suppliers and customers to manage risks
- Implementing new systems and processes across the business
- Supporting colleagues to obtain UK settled status
- Employing more permanent team members

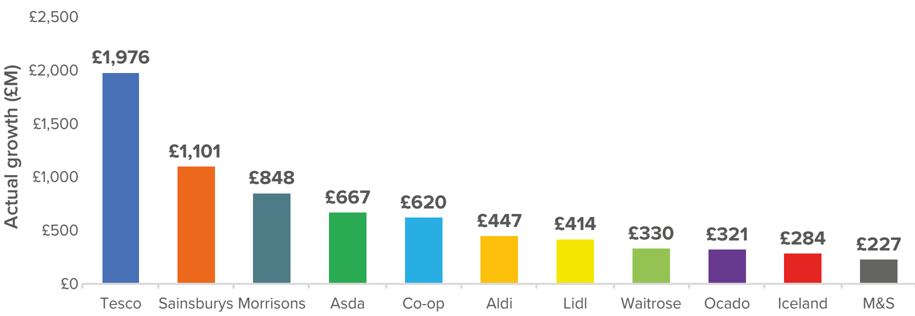
Commercial Update

JIM BRISBY
CHIEF COMMERCIAL OFFICER

CRANSWICK plc
Great British Taste

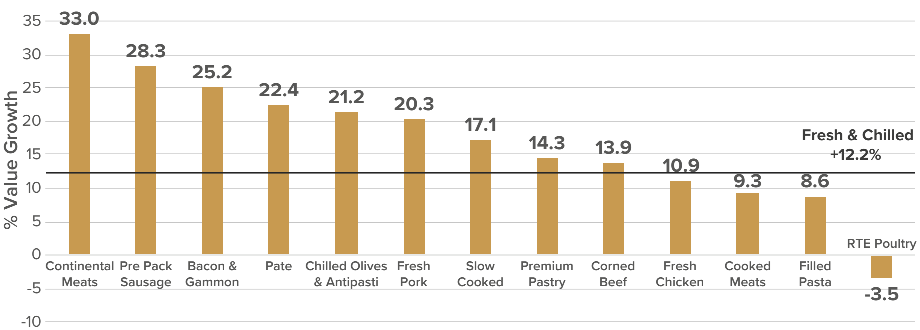
STRONG CATEGORY SALES DUE TO COVID-19 IN FY21 H1

RETAILER SALES GROWTH (£M)



- Fastest growth in grocery sales for over 25 years
- 500m extra meals per week eaten in home
- Top 4 well positioned, with Tesco & Sainsbury's demonstrating strongest growth
- Discounter growth continues but slight reduction in share

SUMMARY OF CATEGORY PERFORMANCE

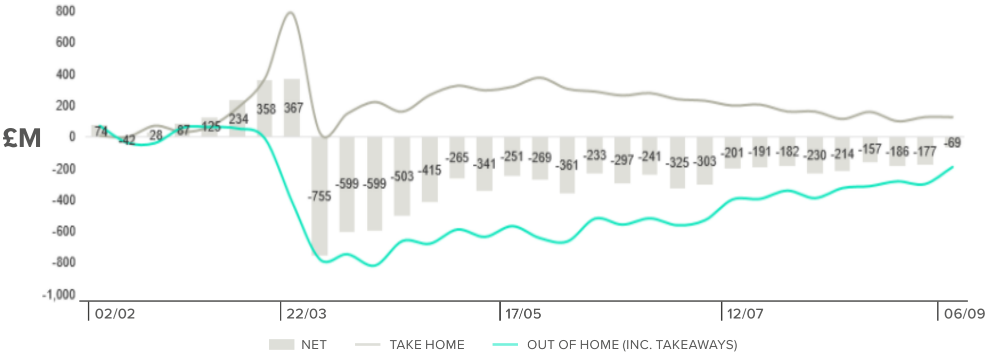


- Strong growth across the majority of Cranswick supplied categories
- Consumers returning to scratch cooking and traditional categories performing strongly
- Strong sales of continental meats, olives and antipasti providing a treat during the hot summer months
- RTE poultry sales lower as the out of home packed lunch occasion has reduced during the pandemic

SOURCE: Kantar 24w/e 4th October 2020

SIGNIFICANT CHANGES TO EATING OUT OF HOME AND ON THE GO

TOTAL SPEND (FOOD AND NON ALCOHOLIC DRINKS)



- Overall loss of £7.4bn in total food and drink spend
- Out of home sales of £12.6bn – down by almost 50% vs 2019
- Gradual recovery supported by “Eat Out to Help Out” scheme with spend recovering to 75% of previous levels
- Further tightening of restrictions introduced from October affecting market

- QSR sector buoyant as “drive thru” and takeaway provide an everyday treat
- Delivery generated £2bn additional sales and now worth £3.2bn
- FTG and lunchtime occasion hit hard as home working encouraged

SOURCE: Kantar Worldpanel OOH Panel; 24 w/e 06 Sep 2020

ADAPTING TO A NEW NORMAL

HIGH ADAPTATION TO COVID-19 WAYS OF LIFE

60%

BACK TO BASICS

40%

DIGITAL REVOLUTION

LOW FINANCIAL CONFIDENCE ⟷ **HIGH FINANCIAL CONFIDENCE**

HECTIC BUDGETING

CELEBRATING NORMAL

LOW ADAPTATION TO COVID-19 WAYS OF LIFE

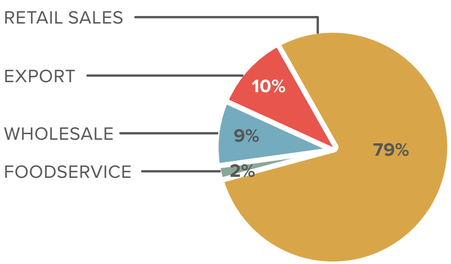
STRONG SALES BY CATEGORY & CHANNEL

CRANSWICK SALES H1 2020

CATEGORY	CHANGE	
	VALUE	VOLUME
Fresh Pork (i)	▲ +7.4%	▲ +1.6%
Convenience (ii)	▲ +31.1%	▲ +21.9%
Gourmet Products (iii)	▲ +15.1%	▲ +8.8%
Poultry (iv)	▲ +34.9%	▲ +9.3%

- Fresh Pork – strong retail growth and good summer weather offset by higher internal demand
- Convenience – new business wins, market share gains, new sous vide launches and impact of Katsouris acquisition in 2019
- Gourmet Products – strong demand for sausage and bacon and buoyant pastry sales with anchor customer
- Poultry – fresh chicken site fully operational. Cooked chicken impacted by FTG occasion

CRANSWICK CHANNEL SALES H1 2020



- Retail share increases due to COVID-19 related demand
- Foodservice recovery towards end of the reporting period
- Wholesale share reduces as focus shifted to supplying retail business
- Export growth driven by strong Far East demand

(i) On a like-for-like basis excluding the contribution from Packington Pork and White Rose Farms sales +6.9%, volume +1.0%
(ii) Convenience comprises Cooked Meats, Continental Products and Katsouris. On a like-for-like basis excluding the contribution from Katsouris sales +21.5%, volume +12.3%
(iii) Gourmet Products comprises Sausage, Bacon and Pastry
(iv) Poultry comprises Fresh and Cooked Poultry

COMMERCIAL OUTLOOK REMAINS POSITIVE

RETAIL GROWTH

CONTRACT EXTENSIONS

SALES REMAIN HIGH

STRONG OUTLOOK FOR CHRISTMAS

STRATEGIC PROGRESS

SUCCESSFUL INTEGRATION OF KATSOURIS BROTHERS

ADDITIONAL FRESH CHICKEN VOLUMES SECURED THROUGH EYE

PASTRY GROWTH IN COFFEE SHOPS

BUSINESS WINS

NEW BUSINESS SECURED IN COOKED MEATS, OLIVES & PASTRY

MAJOR SUPPLY AGREEMENT FOR COOKED BACON WITH LEADING QSR OPERATOR

FURTHER GROWTH OPPORTUNITIES IDENTIFIED

SUSTAINABILITY IS SECOND NATURE

61% REDUCTION IN FOOD WASTE

1,217 TONNES OF PLASTIC REMOVED

BBFAW TIER ONE

NET ZERO JOURNEY

Operating & Strategic Review

ADAM COUCH
CHIEF EXECUTIVE OFFICER

CRANSWICK plc
Great British Taste

FURTHER STRATEGIC PROGRESS

PURPOSE

FEEDING THE NATION WITH AUTHENTICALLY MADE, SUSTAINABLY PRODUCED FOOD; CREATED WITH PASSION

CONSOLIDATION DRIVING THE CORE	DIVERSIFICATION EXPANDING OUR OFFER	INTERNATIONAL DEVELOPING NEW OPPORTUNITIES
CONSTRUCTION OF COOKED BACON FACILITY	EXPANSION OF EYE POULTRY FACILITY	STRONG EXPORT GROWTH
LONG-TERM CUSTOMER RELATIONSHIPS	POULTRY IS A STRONG GROWTH CATEGORY	MAXIMISE 5TH QUARTER FOR REGIONAL TASTES AND DEMAND
CONTINUED INVESTMENT IN AGRICULTURAL OPERATIONS	CONTINUED NEW PRODUCT DEVELOPMENT	DIRECT RELATIONSHIPS

CONSOLIDATION

INVESTMENT IN VERTICAL INTEGRATION

- Continued investment in agricultural operations
- Further expansion of the pig herd – 76% increase year-on-year
- Breeding herd increased with additional housing and feeding facilities
- Growing and finishing facilities expanded
- Self-sufficiency increased from c20% to over 30%

CONSOLIDATION
COOKED BACON FACILITY

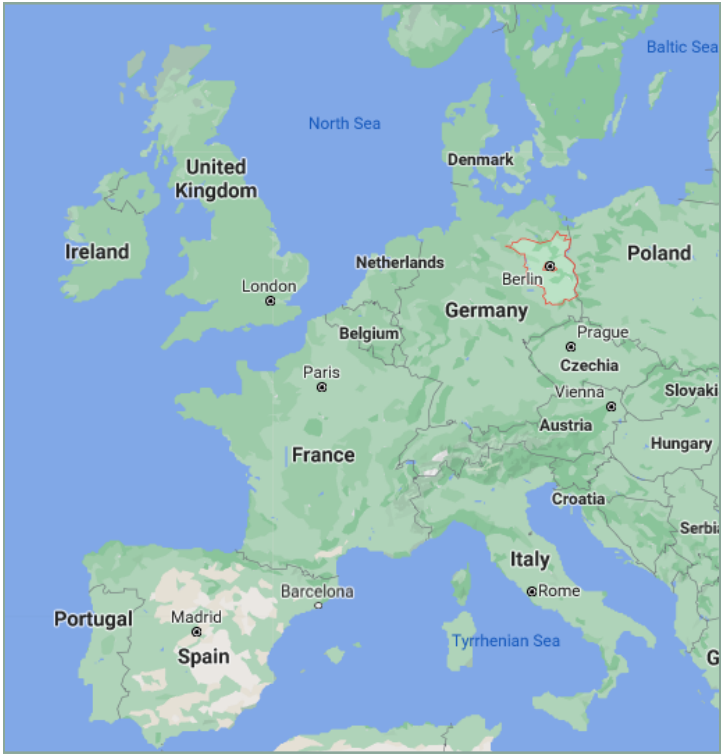
- Construction of new purpose-built cooked bacon facility underway
- £20m investment
- Strategic opportunities identified with key quick-service restaurant and in retail market
- Increases capabilities as cooking is currently outsourced
- Capitalise on the benefits of full vertical integration
- Competitors generally close to capacity

DIVERSIFICATION
EYE POULTRY EXPANSION

- Successful ramp-up of operations at Eye to meet increased retail demand
- Further investment in facility to lift capacity from 1.1m to 1.4m birds per week
- Includes investment in associated agricultural operations to ensure continuity of full vertical supply chain
- Expansion adds to retail capability and increases internal supply
- Fresh chicken market continues to grow strongly

INTERNATIONAL
AFRICAN SWINE FEVER

- China's pork import volumes increased 100% year-on-year in the first eight months of 2020
- COVID-19 continues to impact and is expected to slow China's import pace
- Detection of ASF in Germany disrupts the trade balance
  - First cases confirmed in Sept 2020 in wild boar
  - Ten non-EU countries banned pork imports from Germany, including China
  - Intra-EU exports continue and allow Germany to export from non-affected regions
  - EU prices declined as a result



SOURCE: Rabobank October 2020 & Barclays October 2020

SUMMARY AND OUTLOOK

STRONG PERFORMANCE

Strong revenue growth

Positive earnings momentum

Robust financial position

ONGOING INVESTMENT

Expansion of Eye Poultry facility

Investment in Cooked Bacon facility

Benefits of vertical supply chain

POSITIVE OUTLOOK

Brexit preparations well advanced

Growth strategy on track

Leading the sustainability challenge

"Our outlook for the current year is unchanged and we have a solid platform from which to continue Cranswick's successful long-term development."

APPENDIX 1

OUR HISTORY

- **1970s** Established Agri-Food business (animal feed)
- **1980s** Move into food production
- **1992** FT Sutton – deli cooked meats
- **1995** Simply Sausages – Gourmet Sausage
- **2001** Continental Fine Foods
- **2003** Sandwich Factory
- **2004** Jack Scaife – dry cured air dried bacon
- **2005** Perkins Chilled Foods – sliced cooked meats
- **2009** Bowes of Norfolk – primary processing
- **2010** Yorkshire Baker – Gourmet Pastry
- **2013** Pig rearing business – outdoor reared pigs
- **2014** Benson Park – premium cooked poultry
- **2016** Crown Chicken – integrated chicken processor
- **2016** Sale of Sandwich Factory
- **2016** Ballymena – primary processing
- **2018** New Continental Foods site in Bury
- **2019** Katsouris Brothers – Mediterranean foods
- **2019** New chicken processing facility in Suffolk
- **2020** Pig rearing businesses – farming acquisitions
- **2021** Cooked bacon (coming soon)

APPENDIX 2
OUR LOCATIONS

Country Foods
Preston, Hull
Riverside, Hull
Ballymena, N.I.
Watton, Norfolk

Gourmet Sausage Co.
Lazenby's, Hull

Gourmet Bacon Co.
Sherburn-in-Elmet, Leeds

Convenience Foods
Sutton Fields, Hull
Valley Park, Barnsley
Delico, Milton Keynes

Foodservice & Ingredients
Colomendy, Denbigh

Continental Foods
Roach Bank, Bury

Gourmet Pastry Co.
Yorkshire Baker, Malton

Country Foods - Poultry
Geneva Way, Hull
Eye, Suffolk

Gourmet Kitchen
Sutton Fields, Hull

Katsouris Brothers
Wembley, London

Agriculture
Yorkshire
Norfolk
Staffordshire

APPENDIX 3

ADJUSTED & REPORTED EARNINGS, TAX & EARNINGS PER SHARE

ADJUSTED & REPORTED EARNINGS		
£M	H1 FY21	H1 FY20
Adjusted operating profit	**62.0**	**47.4**
Net IAS 41 movement	(5.3)	2.6
Acquisition related amortisation	(1.7)	(1.6)
Operating profit	**55.0**	**48.4**
Profit before tax	**53.7**	**47.4**
Profit after tax	**42.9**	**37.9**

TAX		
%	H1 FY21	H1 FY20
Headline tax rate	**19.0**	**19.0**
Disallowed expenses	1.0	0.9
Other	0.1	0.2
Effective tax rate	**20.1**	**20.1**

EARNINGS PER SHARE		
PENCE	H1 FY21	H1 FY20
Adjusted	**92.8**	**71.6**
Net IAS 41 movement	(10.1)	5.0
Acquisition related amortisation	(3.3)	(3.1)
Tax impact	2.5	(0.3)
On profit for the year	**81.9**	**73.2**

APPENDIX 4

BALANCE SHEET & CASH FLOW

BALANCE SHEET (£M)	H1 FY21	H1 FY20
Property, plant & equipment	364.5	336.8
Intangible assets	205.6	190.6
Right-of-use assets	65.1	46.4
Biological assets	45.3	26.2
Working capital	89.2	92.4
Net debt	(121.7)	(113.7)
Tax, grants, provisions, pensions	(9.9)	(18.2)
Net assets	**638.1**	**560.5**

KEY METRICS	H1 FY21	H1 FY20
Gearing[1]	19.1%	20.3%
Interest cover[2]	143x	190x

CASH FLOW (£M)	H1 FY21	H1 FY20
Cash generated from operations	**101.6**	**56.8**
Tax paid	(10.7)	(15.9)
Net cash from operating activities	**90.9**	**40.9**
Net capital expenditure	(34.6)	(52.0)
Acquisitions	(4.0)	(41.3)
Loan to joint venture	–	(0.9)
Interest paid	(0.3)	(0.2)
Share issues	0.5	0.5
Dividend paid	(20.3)	(15.6)
Net cash inflow/(outflow)	**32.2**	**(68.6)**
Net debt	**(121.7)**	**(113.7)**
Net debt (excluding IFRS 16)	**(54.6)**	**(67.2)**

1. Net debt divided by net assets
2. Profit after tax divided by interest paid

APPENDIX 5

CASH ALLOCATION (£M)

	FREE CASH FLOW	NET CAPEX	ACQUISITION / (DISPOSAL)[2]	DIVIDEND PAID	CASH INFLOW / (OUTFLOW)[1]
H1 FY21	**90.6**	**34.6**	**4.0**	**20.3**	**31.7**
FY20	115.8	97.1	76.2	22.6	(80.1)
FY19	87.3	78.0	3.0	22.1	(15.8)
FY18	111.7	58.0	5.3	18.2	30.2
FY17	72.4	46.5	40.5	14.6	(29.2)
FY16	83.4	33.5	–	14.6	35.3
FY15	52.7	20.4	17.7	15.3	(0.7)
FY14	59.1	27.4	14.4	12.7	4.6
	673.0	**395.5**	**161.1**	**140.4**	**(24.0)**

BANKING FACILITY

£160m revolving credit facility with four major UK banks

Includes committed overdraft of £20m

Option to access further £40m on same terms

To November 2023[3]

Unsecured

Additional £40m of short-term, unsecured funding extended during the year, which runs to December 2021

1. Excludes the proceeds from the issue of share options
2. Includes loan to joint venture and loans repaid on acquisition in prior years
3. Facility reduces to £120m from November 2022

APPENDIX 6

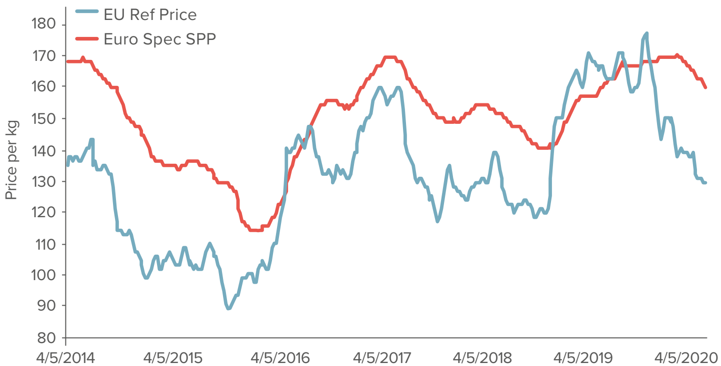
IFRS 16 IMPACT

IFRS 16 IMPACT ON FINANCIAL STATEMENTS (£M)	H1 FY21	H1 FY20
Impact on total assets	65.1	46.4
Impact on total liabilities	(67.1)	(46.5)
Overall effect on net assets	**(2.0)**	**(0.1)**
Remove rental costs	6.3	4.1
Add depreciation	(5.7)	(3.6)
Impact on operating profit	**0.6**	**0.5**
Add lease interest costs	(1.1)	(0.6)
Impact on PBT	**(0.5)**	**(0.1)**
Impact on net debt	**(67.1)**	**(46.5)**
Impact on EPS (pence)	**(1.0)**	**(0.2)**

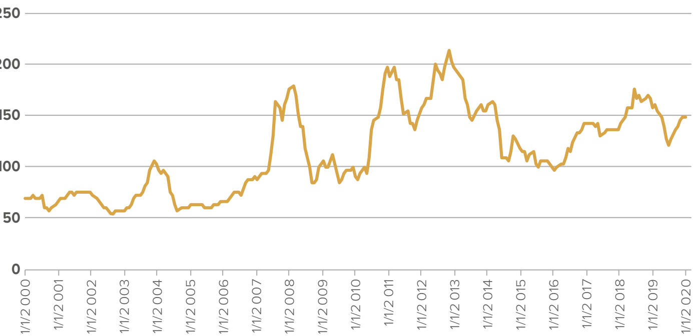
APPENDIX 7

MARKET OVERVIEW

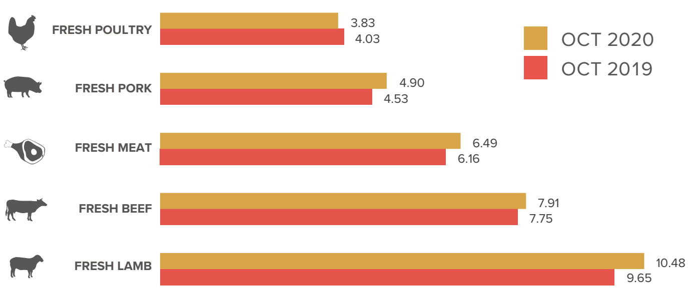
AVERAGE WEEKLY EU SPEC PRICES



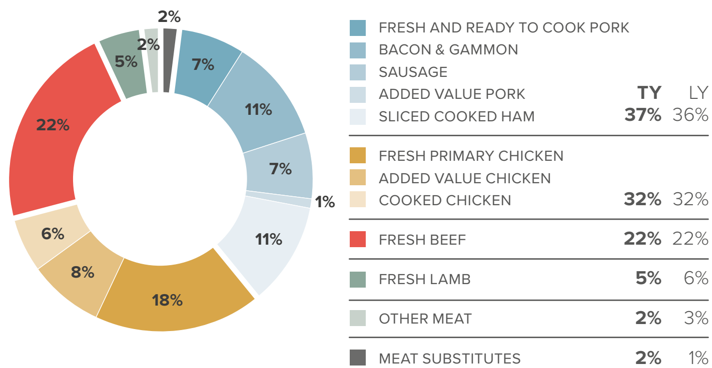
WHEAT PRICE 2000-2020



UK RETAIL AVERAGE PRICE/KG



EXPENDITURE SHARE BY PROTEIN (£)



SOURCE:
Kantar Worldpanel 24w/e 4th October 2020
Average weekly pig price & wheat price AHDB

CRANSWICK plc
Great British Taste

CRANSWICK plc: INTERIM RESULTS

A strong performance in a challenging environment

24 November 2020

Cranswick plc ("Cranswick" or "the Company" or "the Group"), a leading UK food producer, today announces its unaudited results for the 26 weeks ended 26 September 2020.

COVID-19 update:

- Colleague safety and wellbeing remains our priority
- Proactive, comprehensive and well embedded COVID-19 action plan centred on keeping our colleagues safe, feeding the nation and supporting our local communities:
    - Enhanced safety measures swiftly introduced in March continue to be monitored and reviewed
    - Working closely with our customers, the Government and regulatory bodies to ensure the continued supply of essential food products
    - £500 bonus paid at the end of June to each of our site-based colleagues to recognise their essential key worker status and valued contribution throughout the pandemic
    - Ongoing support to front line NHS staff, the elderly and vulnerable and charities in our local communities
- Robust financial position and strong trading has enabled us to continue operating well within banking covenants and without recourse to any Government assistance

Commercial and strategic progress:

- Strong revenue growth and earnings momentum
- Exceptionally robust demand across all categories reflecting the current shift towards greater in-home consumption
- Strong contribution from the new Eye poultry facility during the period. Additional investment underway at the site to add further capacity and enhanced capability
- £20m investment in new Hull cooked bacon facility now well advanced and progressing to plan
- Total capital expenditure of £35m spread across the Group's asset base during the period
- Brexit preparations well advanced across all areas of the business
- Continued positive progress towards meeting our 'Second Nature' sustainability targets

Financial highlights*:

	2020	2019	Change (Reported)	Change (Like-for-like†)
Revenue	**£931.6m**	£770.0m	+21.0%	+17.3%
Adjusted Group operating profit	**£62.0m**	£47.4m	+30.8%	
Adjusted Group operating margin	**6.7%**	6.2%	+50bps	
Adjusted profit before tax	**£60.7m**	£46.4m	+30.8%	
Adjusted earnings per share	**92.8p**	71.6p	+29.6%	

- Statutory profit before tax 13.3% higher at £53.7m (2019: £47.4m)
- Statutory earnings per share up 11.9% to 81.9p (2019: 73.2p)
- Interim dividend increased by 12.0% to 18.7p (2019: 16.7p)

- Return on capital employed‡ 66bps higher at 16.6% (2019: 15.9%)
- Net debt (excluding IFRS 16 lease liabilities) of £54.6m (2019: £67.2m and March 2020: £81.0m)
- Robust balance sheet with £200m of bank facilities providing over £145m of headroom

Adam Couch, Cranswick's Chief Executive Officer commented:

"I am incredibly proud of our colleagues who have performed so brilliantly in responding to the extraordinary and unparalleled challenges we currently face. I would again like to thank them for their professionalism, commitment, dedication and passion.

"We have made a strong start to the year. Although we remain cautious about the longer-term economic impact of COVID-19 and the continued uncertainty surrounding the ongoing Brexit negotiations, we are well positioned to address these challenges.

"Our outlook for the current year is unchanged and we have a solid platform from which to continue Cranswick's successful long-term development."

* Adjusted and like-for-like references throughout this statement refer to non-IFRS measures or Alternative Performance Measures ('APMs'). Definitions and reconciliations of the APMs to IFRS measures are provided in Note 12.

† For comparative purposes, like-for-like revenues exclude the current year contribution from prior year acquisitions prior to the anniversary of their purchase.

‡ Return on capital employed is defined as adjusted operating profit divided by the sum of average opening and closing net assets, net debt/(funds), pension (surplus)/deficit and deferred tax.

Presentation

A conference call for analysts and institutional investors will take place at 10.00am today. Slides to accompany the call will be sent to registered participants ahead of the call. Slides will also be available on the company website. For the dial-in details please contact Powerscourt on the details below.

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Note to Editors:

Cranswick is a leading and innovative supplier of premium, fresh and added value food products. The business employs over 12,500 people and operates from sixteen well invested, highly efficient production facilities in the UK.

Cranswick was formed in the early 1970s by farmers in East Yorkshire to produce animal feed and has since evolved into a business which produces a range of high quality, predominantly fresh food, including fresh pork, poultry, convenience and gourmet products. Through the Group's four primary processing and twelve added value processing facilities the business develops innovative, great tasting food products to the highest standards of food safety and traceability. The Group supplies the major grocery multiples as well as the growing premium and discounter retail channels. Cranswick also has a strong presence in the 'food-to-go' sector and a rapidly growing export business. For more information go to: www.cranswick.plc.uk

Cranswick is committed to ensuring that its business activities are sustainable from farm-to-fork. Our ambitious sustainability strategy 'Second Nature' has been developed to deliver our vision to become the world's most sustainable meat business. Find out more at: www.thisissecondnature.co.uk

Summary

The first half of the year has been notable for the determination and commitment of all our colleagues at Cranswick to continue to produce and supply food in the extremely difficult COVID-19 environment. Working practices were adapted to provide high levels of protection and safety at all sites. Virus challenges within local communities necessitated the short-term closure of the Ballymena plant and more recently reduced capacity at Watton. At times of adversity, spirit and character come to the fore and we have seen this in abundance from all at Cranswick during 2020.

The first half of the year has been very positive seeing strong growth in Group revenue and the ongoing successful development of the poultry activities. The well-publicised surge in supermarket sales, triggered earlier in the year with the lockdown restrictions, led to an uplift in output which came alongside continued strong growth in export revenue.

Results
Total revenue in the six months was £931.6m, 21.0% higher than the £770.0m in the corresponding period last year. Katsouris Brothers was acquired at the end of July 2019 and its results were included for just two months in the comparative period. Adjusting for this, and other acquisitions made in the prior year, the increase in sales on a like-for-like basis was 17.3%.

Adjusted profit before tax for the period at £60.7m was 30.8% higher than the £46.4m in the corresponding period last year. Adjusted earnings per share on the same basis was up 29.6% at 92.8 pence compared to 71.6 pence in the equivalent period last year.

Cash flow and financial position
Net debt, excluding IFRS 16 lease liabilities, at the end of the period fell to £54.6m (2019: £67.2m) reflecting the strong operational performance of the Group. The Group's unsecured bank facilities provide comfortable headroom and further details are provided in the Finance Review.

Dividend
The interim dividend is being increased by 12.0% to 18.7 pence per share from 16.7 pence per share previously. The dividend will be paid on 29 January 2021 to Shareholders on the register at the close of business on 18 December 2020. Shareholders will again have the option to receive the dividend by way of a scrip issue.

Colleagues
We have referred earlier to the spirit and character of all our colleagues at Cranswick and their contribution to the continued development of the business during this year. In acknowledgement of this a special "thank you" bonus was paid to all site-based colleagues during the period. We thank all at Cranswick for their remarkable efforts.

Outlook
The Board is encouraged by the continued strategic and commercial progress of the business. Our outlook for the current year is unchanged and we have a solid platform from which to continue Cranswick's successful long-term development.

Operating review

Revenue and adjusted operating profit

	H1 20	H1 19	Change (Reported)	Change (Like-for-like)*
Revenue	£931.6m	£770.0m	+21.0%	+17.3%
Adjusted Group operating profit*	£62.0m	£47.4m	+30.8%	
Adjusted Group operating margin*	6.7%	6.2%	+50bps	
Group operating profit	£55.0m	£48.4m	+13.6%	

* See Note 12

COVID-19 update

As new safer ways of working have evolved and as we have learnt more about the pandemic, we continue to make substantial investment in both physical protection measures at our sites and support services to ensure the physical and mental wellbeing of our colleagues. New systems and processes have been introduced to reduce physical contact between staff and additional cleaning and hygiene measures, above and beyond the stringent procedures already in place, continue across all sites. The total cost of implementing these measures together with the bonus paid to site-based colleagues during the period was £8.2m.

Despite this investment and continued focus on employee wellbeing, outbreaks continue to arise nationwide, including in the communities in which we operate. These localised outbreaks disrupted operations, for short periods, at a small number of our sites. We closed our Ballymena, Northern Ireland, primary processing facility for 14 days to protect our colleagues following an outbreak in the local community which affected a small number of our site team. We have also voluntarily, temporarily suspended the site's China export licence. More recently, after the period end, production at our Watton primary processing site was briefly disrupted following confirmation of a number of positive cases. This time however we were able to continue operating, albeit on a reduced basis. Again, we have voluntarily, temporarily suspended the site's China export licence. Given the diversity of sites across the Group, we have been able to manage this disruption to minimise the impact on our customers and to protect the welfare of our colleagues and our livestock. We are hopeful of recommencing exports to China from our Ballymena site shortly and from our Watton site in the near future.

Further details of the enhanced policies, procedures and other mitigation strategies which have been implemented to safeguard our colleagues and the business against the threat posed by COVID-19 are set out in note 13.

Brexit update

We continue to prepare for the end of the UK's period of transition from the EU on 31 December 2020. Our Brexit Taskforce, which comprises a number of key internal stakeholders, supported by a national third-party technical specialist, met regularly over the course of the last six months to review and address potential Brexit risks and issues.

The continued uncertainty over the nature of the UK's departure from the EU and whether a Free Trade Agreement (FTA) will or will not be achieved drives the risk of volatility within the Group's supply chains and uncertainty within the Group's customer base. However, the Group continues to maintain close relationships with both its customers and suppliers to proactively manage the risks in these areas and to develop mitigating action plans to reduce the impact of additional Brexit tariffs and costs.

We continue to review Brexit guidance published by the UK Government including the UK Global Tariff introduction and changes to customs processes such as the Northern Ireland Protocol which may affect the Group's Northern Ireland business and existing relationships with both Northern Ireland customers and suppliers. In readying the business for the proposed changes, we have recruited a specialist customs team, rolled out training, secured broker capacity and have implemented new systems and processes across the business. We have now moved to testing these systems with our customers and suppliers to ensure that disruption to our supply chains is minimised.

Furthermore, given the likely changes to the immigration rules, we continue to support colleagues in obtaining UK settled status, recruit more permanent team members and proactively communicate Brexit issues to all our employees. As political negotiations between the EU and UK Governments develop, we will continue to assess the outcomes and respond accordingly to the associated impacts from 1 January 2021.

Capital expenditure

We continue to invest at pace in our capital base to add capacity, capability and improve efficiency. In total, the Group spent £35m across its farming operations and production facilities during the period. Work is progressing well on a new £20m cooked bacon facility in Hull which will be completed in Q4. This facility will initially service a market leading Quick Service Restaurant (QSR) customer and capitalise on the benefits of the full vertical integration we continue to offer to our customers.

The balance of spend in the period was broadly spread across our asset base to add capacity, expand and enhance our agricultural supply chain, extend automation, upgrade colleague amenities and to invest in other projects aligned to our 'Second Nature' sustainability programme. In excess of £5m has been invested in sustainability initiatives during the period, including new Combined Heat and Power (CHP) systems and effluent plants as well as green power initiatives such as solar panels and efficiency driven refrigeration upgrades across several sites.

We also invested £4m in our agricultural supply chain with spend across both pork and poultry farming operations to increase herd sizes, drive efficiency and ensure animal welfare, thus further cementing our 'Tier One' status in the global 'Business Benchmark on Farm Animal Welfare' for the fourth consecutive year.

Shortly after the period end, we acquired a cold store facility in Goole, East Yorkshire for £3.1m. The facility provides us with much needed additional cold storage capacity and greater supply chain flexibility as we build Christmas inventory and prepare for the UK leaving the EU on 1 January 2021.

Sustainability

The Company's 'Second Nature' sustainability strategy reflects our ambition to be the world's most sustainable meat business and is focused on key areas including food waste, plastic usage, energy efficiency, water usage and reducing our carbon footprint.

As part of our journey to achieve Net Zero greenhouse gas emissions by 2040 we committed to set Science Based Targets and work in this area has progressed to plan in the first half of the financial year.

We have surpassed our Champions 12.3 target set in January 2018, achieving a 61% reduction in edible food waste by removing over 4,216 tonnes of food waste against our 2017 baseline position. Food waste now represents just 0.4% of the total food we produce. During the pandemic we have also donated enough food to create 207,000 meals for vulnerable people through our partnership with food charity FareShare and have continued to support several local community initiatives.

In addition, we continue to make good progress towards reducing our plastic usage and we have now removed 1,217 tonnes of plastic since 2017.

Category review

Fresh Pork

Fresh Pork includes the Group's three primary processing facilities and associated farming operations and represented 31% of Group revenue.

Like-for-like Fresh Pork revenue increased by 6.9% reflecting strong retail and export demand partially offset by lower wholesale volumes, as more product was diverted into the Group's internal supply chain, and the impact, towards the end of the period, of COVID-19 driven operational challenges at the Ballymena facility as referred to above.

With online participation increasing significantly during the period we worked closely with our customers to redevelop products to better fit this channel. Product innovation continued to centre on the scratch cooking and health and wellbeing trends. During the period we agreed a new long-term supply agreement across Fresh Pork, Bacon and Sausage with one of our principle retail customers.

Despite the disruption caused by COVID-19 we invested a further £7.3m across the three pork primary processing facilities and our farming infrastructure to increase automation, improve and expand farming capacity and enhance our sustainability credentials.

Far East export sales were 24.8% ahead of the same period last year with total exports accounting for 10.0% of Group revenue. Total export volumes were ahead of the prior period despite the voluntary, temporary suspension of the Ballymena export licence and despite opportunities to further increase sales of prime cuts and whole carcasses being limited due to the strong UK customer demand. The widespread outbreak of African Swine Fever (ASF) in China continues to drive export demand, strengthened by the detection of ASF in Germany's wild boar population earlier this year which resulted in the suspension of German pig meat exports into China. We remain acutely aware of the impact an outbreak of ASF would have on the UK pig industry and its ability to continue exporting. The UK industry remains on high alert with intensive biosecurity protocols in place.

The UK standard pig price (SPP) fell from 163.4p/kg at year end to 159.6p/kg by the end of September primarily reflecting weaker wholesale demand as a result of the COVID-19 restrictions on food service outlets. The price at the end of September was, though, still 4% higher than at the same time a year earlier. Across the last 12 months, UK pig prices have remained stable compared to those in Europe where the price fell by 20% to 129.5p/kg. Restrictions around COVID-19 lockdowns and the ASF related loss of Germany's export licence to China have weighed heavily on EU pricing. Chinese fifth-quarter pricing remained robust during the period and increased strongly in Q2 as China continues to struggle with domestic ASF related supply issues and following widespread flooding in the south of the country during the summer. According to the latest Rabobank outlook, China is moving to re-establish local supplies, however it is estimated that it may take until 2024/25 to restock to levels approaching those in place prior to the ASF outbreak.

Convenience

Convenience, which comprises Cooked Meats and Continental Products, represented 39% of Group revenue. Like-for-like Convenience revenue (excluding the benefit of the Katsouris acquisition) increased by 21.5% reflecting strong consumer demand with more meals eaten within the home.

The Cooked Meats category performed exceptionally well in the period with strong retail revenue growth delivered through changing consumer habits as a result of the pandemic as less food was consumed out of the home. The strong category performance also reflected a full contribution during the period from contract wins secured in FY20 with two of the Group's key retail customers. In addition to growth in core cooked meats volumes, a new range of slow cook products was launched during the period with a premium retailer which performed well ahead of plan as customers looked to replicate the restaurant eating experience at home.

Strong revenue growth in Continental Products was driven by increased consumer demand but also new and extended ranges reflecting extensive new product development with the site's retail customers. The Bury facility which was commissioned in the spring of 2018 continues to perform strongly and investment in the site continues to improve efficiencies and extend product range capability. Katsouris Brothers, which was acquired in July 2019 continues to perform well. Revenue growth was strongly ahead reflecting a full six-month contribution, compared to two months from the date of acquisition in the prior year. This performance was particularly pleasing given the reduction in food service trade. Retail sales were resilient, with the impact of lost sales due to deli counter closures during lockdown replaced by pre-packaged 'grab and go' products. Sales of continental cheeses also performed well with growth across multiple retailers.

Gourmet Products

Gourmet Products, which comprise Sausage, Bacon and Pastry, represented 15% of Group revenue. Gourmet Products revenue increased by 15.1% in the period with strong growth across all product categories.

Strong Sausage revenue growth was driven by buoyant retail demand across all tiers. A strong barbeque season, particularly in the early summer during lockdown, provided a further boost to revenue. Cooked breakfast occasions also doubled during the lockdown period with consumers having more time to enjoy meal occasions at home.

Growth in Bacon reflected increased demand from all retail customers. Food service revenue, which represents only a small proportion of total Bacon revenue was strongly impacted by COVID-19, but sales of Bacon into third party processors for Quick Service Restaurants (QSR) has increased in the period. From early FY22, a proportion of these sales will transfer to our new Hull cooked bacon facility to be supplied directly to an industry leading QSR customer.

Pastry revenue was again strong during the period, building on the momentum generated in FY20. Strong revenue growth with the Malton site's anchor customer reflected consumer demand as well as the legacy of a strong product innovation pipeline in the prior year. High retail demand was supported by growth in food service sales reflecting, in part, new contract wins with two national coffee shop chains. Whilst food service sales were clearly impacted by national restrictions during the period, the breadth of food service customers now being serviced augurs well for the future.

Poultry
Poultry, which includes Fresh and Cooked Poultry represented 15% of Group Revenue. Poultry revenue increased by 34.9% during the period reflecting a full contribution from the new Eye facility during the period, partially offset by lower food service sales in Cooked Poultry.

Following the successful commissioning and production ramp-up of the new Eye primary processing facility in Q4 last financial year, birds processed averaged the targeted 1.1m per week during the period. The business continues to perform ahead of expectations and the successful partnership with the site's anchor retail customer has resulted in plans being developed to increase processing capacity to 1.4m birds per week by the end of the financial year. This capacity increase will be delivered primarily through restructuring shift patterns and will require modest capital investment during H2 to upgrade the site's effluent plant. Capital expenditure at the site during the period included investment in a combined heat and power plant. We also invested £3.1m in the milling, hatching and rearing operations during the period and will continue to do so during H2 to secure the internal supply chain for the additional 0.3m birds per week required by Eye in FY22.

Sales of Cooked Poultry were well below the same period last year primarily reflecting the proportion of business centred on food service and food-to-go channels. After a challenging Q1, business performance steadily improved during Q2. New business secured with a national grocery retailer also helped to offset some of the food service related revenue decline. A strong innovation pipeline and ongoing promotional activity should generate further positive momentum in the second half of the year.

Finance review

Revenue
Reported revenue increased by 21.0% to £931.6m. Like-for-like revenue of £903.3m, after adjusting for acquisitions in the prior period, increased by 17.3%, with corresponding volumes 7.5% higher. All four product categories delivered strong revenue growth reflecting the annualisation of new contract wins in FY20, the new Eye poultry facility operating at full capacity throughout the period and further export revenue growth. The business also responded positively to COVID-19 related increased consumer demand throughout the period. Retail demand was exceptionally strong, particularly during the early stages of the first national lockdown, comfortably offsetting lower food service volumes across the Group's product ranges.

Total export revenue increased by 28.8% during the period driven by continued strong demand from Far Eastern markets and growth in trade with EU customers.

Adjusted Group operating profit
Adjusted Group operating profit increased by 30.8% to £62.0m (2019: £47.4m). Adjusted Group operating margin at 6.7% of sales was 50bps ahead of the prior year reflecting volume driven operational efficiencies and a step change improvement from poultry following the successful commissioning and ramp-up of the new Eye poultry facility.

Finance costs
Net financing costs at £1.3m were £0.4m higher than the first half of the prior year, with an increase in IFRS 16 lease interest and higher average borrowings offsetting a reduction in the base rate.

The Group's banking facility is unsecured, runs to November 2023 and comprises a revolving credit facility of £160m (falling to £120m from November 2022), including a committed overdraft of £20m. It also includes the option to access a further £40m on the same terms at any point during the term of the agreement. During the prior year the Group arranged an additional £40m of short-term, unsecured funding, split evenly across two of its incumbent banking partners and this has recently been extended until December 2021. This increases the Group's overall facilities to £200m, providing the business with over £145m of headroom at 26 September 2020.

Adjusted profit before tax
Adjusted profit before tax was 30.8% higher at £60.7m (2019: £46.4m).

Taxation

The tax charge as a percentage of profit before tax was 20.1% (2019: 20.1%). The standard rate of corporation tax was 19.0% (2019: 19.0%). The charge for the period was higher than the standard rate of corporation tax due to the impact of disallowed expenses, largely relating to non-qualifying depreciation, as in the same period last year.

Adjusted earnings per share

Adjusted earnings per share for the six months to 26 September 2020 rose by 29.6% to 92.8 pence compared to the 71.6 pence reported in the corresponding period in the prior year. The average number of shares in issue was 52,361,000 (2019: 51,810,000).

Statutory profit measures

Statutory profit before tax increased by 13.3% to £53.7m (2019: £47.4m), statutory Group operating profit was 13.6% higher at £55.0m (2019: £48.4m) and statutory earnings per share were up 11.9% at 81.9 pence (2019: 73.2 pence). Full reconciliations of these results to the adjusted measures can be found in Note 12.

Cash flow and net debt

Cash generated from operations in the period was £101.6m (2019: £56.8m), reflecting higher adjusted Group operating profit and a working capital inflow of £3.7m (2019: £11.9m outflow). Net debt excluding IFRS 16 lease liabilities decreased by £26.4m in the six-month period to £54.6m from £81.0m at 28 March 2020 reflecting the strong operational performance of the business. Full year capital expenditure guidance is increased to £90m. The Group's balance sheet continues to be conservatively managed.

Pensions

The Group operates defined contribution pension schemes whereby contributions are made to schemes administered by major insurance companies. Contributions to these schemes are determined as a percentage of employees' earnings. The Group also operates a defined benefit pension scheme which has been closed to further benefit accrual since 2004. The surplus on this scheme at 26 September 2020 was £4.0m compared to £7.2m at 28 March 2020. Cash contributions to the scheme during the period, as part of the programme to reduce the deficit, were £0.9m. The present value of funded obligations was £39.3m, and the fair value of plan assets was £43.3m. The reduction in the surplus during the period reflects the update to actuarial assumptions in relation to inflation and the liability discount rate.

The valuation of the defined benefit pension liability is dependent upon market conditions and actuarial methods and assumptions (including mortality assumptions). Such changes in actuarial assumptions and the performance of the funds may result in changes to amounts charged or released through the income statement and the Group may be required to pay increased pension contributions in the future. The Board regularly reviews its pension strategy with reference to the value of assets and liabilities under the pension scheme as well as the potential impact of changes in actuarial assumptions.

COVID-19

Towards the end of the previous financial year, the Group incurred costs relating to inventory write-downs and an increase in the provision for bad debts relating, respectively, to products destined for and receivables due from certain customers. These provisions have been reassessed at the period end with the provision for bad debts remaining at a similar level and the inventory provision reducing to the extent that inventory has been sold or the provision utilised.

Principal risks and uncertainties

The Board considers the principal risks and uncertainties of the Group as at 26 September 2020 to be the same as those described on pages 52 to 54 of the Report & Accounts for the 52 weeks ended 28 March 2020, dated 23 June 2020, a copy of which is available on the Group's website. In addition, due to the evolving global COVID-19 pandemic, the Group has seen fluidity within this risk area over recent months, as set out in more detail in note 13.

Forward looking information

This interim report contains certain forward-looking statements. These statements are made by the Directors in good faith based on the information available to them at the time of their approval of this report and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward looking information.

Group income statement (unaudited)

for the 26 weeks ended 26 September 2020

	Notes	Half year 2020 £'m	Half year 2019 £'m	52 weeks ended 28 March 2020 (Audited) £'m
Revenue		**931.6**	770.0	1,667.2
Adjusted Group operating profit		**62.0**	47.4	105.1
Net IAS 41 valuation movement on biological assets		**(5.3)**	2.6	5.4
Amortisation of acquired intangible assets		**(1.7)**	(1.6)	(3.7)
Group operating profit	*4*	**55.0**	48.4	106.8
Share of loss of joint venture		**-**	(0.1)	(0.1)
Profit on disposal of joint venture		**-**	-	0.1
Finance costs		**(1.3)**	(0.9)	(2.8)
Profit before tax		**53.7**	47.4	104.0
Taxation	*5*	**(10.8)**	(9.5)	(21.3)
Profit for the period		**42.9**	37.9	82.7

Earnings per share (pence)

	Notes	2020	2019	52 weeks ended 28 March 2020
On profit for the period:				
Basic	*6, 12*	**81.9**	73.2	159.1
Diluted	*6, 12*	**81.5**	73.0	158.6

Group statement of comprehensive income (unaudited)

for the 26 weeks ended 26 September 2020

	Half year		52 weeks ended 28 March
	2020	2019	2020 (Audited)
	£'m	£'m	£'m
Profit for the period	**42.9**	37.9	82.7
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Cash flow hedges			
Gains arising in the period	**0.8**	0.5	0.4
Reclassification adjustments for gains included in the income statement	**(0.4)**	(0.4)	0.2
Income tax effect	**(0.1)**	-	(0.1)
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	**0.3**	0.1	0.5
Items not to be reclassified to profit or loss in subsequent periods:			
Actuarial (losses)/gains on defined benefit pension scheme	**(4.2)**	(0.1)	11.9
Income tax effect	**0.8**	0.1	(2.2)
Net other comprehensive income not being reclassified to profit or loss in subsequent periods	**(3.4)**	-	9.7
Other comprehensive income, net of tax	**(3.1)**	0.1	10.2
Total comprehensive income, net of tax	**39.8**	38.0	92.9

Group balance sheet (unaudited)

at 26 September 2020

	Notes	Half year 2020 £'m	Half year 2019 £'m	As at 28 March 2020 (Audited) £'m
Non-current assets				
Intangible assets		**205.6**	190.6	207.3
Defined benefit pension scheme surplus		**4.0**	-	7.2
Property, plant and equipment		**364.5**	336.8	357.7
Right-of-use assets		**65.1**	46.4	64.8
Biological assets		**1.6**	1.7	3.8
Total non-current assets		**640.8**	575.5	640.8
Current assets				
Biological assets		**43.7**	24.5	41.9
Inventories		**87.0**	78.4	75.5
Trade and other receivables		**216.5**	191.0	213.6
Income tax receivable		**0.4**	-	0.7
Financial assets		**0.7**	3.1	1.5
Cash and short-term deposits	*9*	**25.0**	21.1	21.5
Total current assets		**373.3**	318.1	354.7
Total assets		**1,014.1**	893.6	995.5
Current liabilities				
Trade and other payables		**(214.3)**	(177.0)	(191.4)
Lease liabilities		**(9.6)**	(8.4)	(10.3)
Financial liabilities		**(7.1)**	(7.2)	(12.0)
Provisions		**(0.1)**	(0.2)	(0.1)
Income tax payable		**-**	(1.3)	-
Total current liabilities		**(231.1)**	(194.1)	(213.8)
Non-current liabilities				
Other payables		**(1.1)**	(1.2)	(0.8)
Lease liabilities		**(57.5)**	(38.1)	(55.6)
Financial liabilities		**(79.6)**	(88.3)	(102.5)
Deferred tax liabilities		**(5.5)**	(3.6)	(7.2)
Provisions		**(1.2)**	(1.9)	(1.1)
Share of joint venture		**-**	(0.2)	-
Defined benefit pension scheme deficit		**-**	(5.7)	-
Total non-current liabilities		**(144.9)**	(139.0)	(167.2)
Total liabilities		**(376.0)**	(333.1)	(381.0)
Net assets		**638.1**	560.5	614.5
Equity				
Called-up share capital		**5.2**	5.2	5.2
Share premium account		**101.5**	94.7	98.5
Share-based payments		**34.5**	28.7	31.6
Hedging reserve		**0.4**	(0.3)	0.1
Retained earnings		**496.5**	432.2	479.1
Equity attributable to owners of the parent		**638.1**	560.5	614.5

Group statement of cash flows (unaudited)

for the 26 weeks ended 26 September 2020

	Notes	Half year 2020 £'m	Half year 2019 £'m	52 weeks ended 28 March 2020 (Audited) £'m
Operating activities				
Profit for the period		**42.9**	37.9	82.7
Adjustments to reconcile Group profit for the period to net cash inflows from operating activities:				
Share of loss of joint venture		**-**	0.1	0.1
Income tax expense		**10.8**	9.5	21.3
Net finance costs		**1.3**	0.9	2.8
Gain on disposal of joint venture		**-**	-	(0.1)
Gain on sale of property, plant and equipment		**(0.2)**	(0.2)	(1.1)
Depreciation of property, plant and equipment		**28.5**	16.0	42.0
Depreciation of right-of-use assets		**5.7**	3.6	8.2
Amortisation of acquired intangibles		**1.7**	1.6	3.7
Share-based payments		**2.9**	2.9	5.8
Difference between pension contributions paid and amounts recognised in the income statement		**(0.9)**	(0.9)	(1.8)
Release of government grants		**(0.1)**	(0.1)	(0.3)
Net IAS 41 valuation movement on biological assets		**5.3**	(2.6)	(5.4)
Increase in biological assets		**(4.9)**	(2.3)	(3.9)
Increase in inventories		**(11.5)**	(6.4)	(2.6)
Increase in trade and other receivables		**(2.8)**	(18.9)	(39.5)
Increase in trade and other payables		**22.9**	15.7	32.8
Cash generated from operations		**101.6**	56.8	144.7
Tax paid		**(10.7)**	(15.9)	(27.7)
Net cash from operating activities		**90.9**	40.9	117.0
Cash flows from investing activities				
Acquisition of subsidiary, net of cash acquired	*8*	**(4.0)**	(41.3)	(69.4)
Loan to joint venture		**-**	(0.9)	2.2
Purchase of property, plant and equipment		**(35.2)**	(55.7)	(101.2)
Proceeds from sale of property, plant and equipment		**0.4**	3.7	4.1
Receipt of government grants		**0.2**	-	-
Net cash used in investing activities		**(38.6)**	(94.2)	(164.3)
Cash flows from financing activities				
Interest paid		**(0.3)**	(0.2)	(1.2)
Proceeds from issue of share capital		**0.5**	0.5	2.6
Issue costs of long-term borrowings		**-**	-	(0.1)
Repayment of borrowings	*9*	**(23.0)**	(0.7)	(9.0)
Proceeds from borrowings		**-**	74.0	88.0
Dividends paid		**(20.3)**	(15.6)	(22.6)
Payment of lease capital		**(4.6)**	(3.5)	(7.8)
Payment of lease interest		**(1.1)**	(0.6)	(1.6)
Net cash (used in)/from financing activities		**(48.8)**	53.9	48.3
Net increase in cash and cash equivalents	*9*	**3.5**	0.6	1.0
Cash and cash equivalents at beginning of period	*9*	**21.5**	20.5	20.5
Cash and cash equivalents at end of period	*9*	**25.0**	21.1	21.5

Group statement of changes in equity (unaudited)

for the 26 weeks ended 26 September 2020

	Share capital £'m	Share premium £'m	Share-based payments £'m	Hedging reserve £'m	Retained earnings £'m	Total equity £'m
At 29 March 2020	5.2	98.5	31.6	0.1	479.1	614.5
Profit for the period	-	-	-	-	42.9	42.9
Other comprehensive income	-	-	-	0.3	(3.4)	(3.1)
Total comprehensive income	-	-	-	0.3	39.5	39.8
Share-based payments	-	-	2.9	-	-	2.9
Scrip dividend	-	2.5	-	-	-	2.5
Share options exercised	-	0.5	-	-	-	0.5
Dividends	-	-	-	-	(22.8)	(22.8)
Deferred tax relating to changes in equity	-	-	-	-	(0.1)	(0.1)
Corporation tax relating to changes in equity	-	-	-	-	0.8	0.8
At 26 September 2020	**5.2**	**101.5**	**34.5**	**0.4**	**496.5**	**638.1**
At 30 March 2019	5.2	89.1	25.8	(0.4)	415.2	534.9
Profit for the period	-	-	-	-	37.9	37.9
Other comprehensive income	-	-	-	0.1	-	0.1
Total comprehensive income	-	-	-	0.1	37.9	38.0
Share-based payments	-	-	2.9	-	-	2.9
Scrip dividend	-	5.1	-	-	-	5.1
Share options exercised	-	0.5	-	-	-	0.5
Dividends	-	-	-	-	(20.7)	(20.7)
Deferred tax relating to changes in equity	-	-	-	-	0.2	0.2
Corporation tax relating to changes in equity	-	-	-	-	(0.4)	(0.4)
At 28 September 2019	5.2	94.7	28.7	(0.3)	432.2	560.5
(Audited)						
At 30 March 2019	5.2	89.1	25.8	(0.4)	415.2	534.9
Profit for the year	-	-	-	-	82.7	82.7
Other comprehensive income	-	-	-	0.5	9.7	10.2
Total comprehensive income	-	-	-	0.5	92.4	92.9
Share-based payments	-	-	5.8	-	-	5.8
Scrip dividend	-	6.8	-	-	-	6.8
Share options exercised	-	2.6	-	-	-	2.6
Dividends	-	-	-	-	(29.4)	(29.4)
Deferred tax relating to changes in equity	-	-	-	-	0.3	0.3
Corporation tax relating to changes in equity	-	-	-	-	0.6	0.6
At 28 March 2020	5.2	98.5	31.6	0.1	479.1	614.5

Responsibility statement

The Directors confirm that to the best of their knowledge the condensed set of financial statements has been prepared in accordance with IAS 34 *Interim Financial Reporting* and includes a fair review of the information required by DTR 4.2.7R (an indication of important events during the first six months and a description of the principal risks and uncertainties for the remaining six months of the year) and by DTR 4.2.8R (a disclosure of related party transactions and changes therein) of the *Disclosure and Transparency Rules*. The Board of Directors that served during the six months ended 26 September 2020, and their respective responsibilities, can be found on pages 58 and 59 of the 2020 Annual Report & Accounts.

On behalf of the Board

Martin Davey	**Mark Bottomley**
Chairman	Chief Financial Officer

24 November 2020

Notes to the interim accounts

1. Basis of preparation

The Group is presenting its condensed consolidated interim financial statements for the 26 weeks to 26 September 2020 with comparative information for the 26 weeks to 28 September 2019 and the 52 weeks to 28 March 2020.

This interim report was approved by the Directors on 24 November 2020 and has been prepared in accordance with the Disclosure and Transparency Rules of the UK's Financial Conduct Authority and the requirements of IAS 34 *Interim Financial Reporting* as adopted by the European Union. The information does not constitute statutory accounts within the meaning of Section 435 of the Companies Act 2006. The statutory accounts for the 52 weeks ended 28 March 2020 prepared under IFRS as adopted by the European Union have been filed with the Registrar of Companies. The report of the auditors on the statutory accounts was not qualified and did not contain a statement under Section 498(2) or (3) of the Companies Act 2006. The interim report is unaudited but has been subject to an independent review by PricewaterhouseCoopers LLP pursuant to the Auditing Practices Board guidance contained in ISRE 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Operating review. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Finance review. The Group has considerable financial resources together with strong trading relationships with its key customers and suppliers. As a consequence, the Directors believe that the Group is well placed to manage its business risks successfully.

The Board's going concern assessment has utilised the Group's latest forecasts and has taken into account the Group's current position, future prospects and the potential impact of both the principal risks of the Group (including the potential impact of an outbreak of ASF in the UK) and a prolonged outbreak of COVID-19. Sensitivity analysis was carried out on the Group's forecasts to quantify the financial impact of these risks on the strategic plan and on the Group's viability against specific measures including liquidity, credit rating and bank covenants.

Given the strong liquidity of the Group and the £200 million of committed bank facilities in place, the diversity of operations, and the limited exposure to food service customers, the results of the sensitivity analysis highlighted that the Group would, be able to withstand the impact of the most severe, but plausible, combination of the risks modelled by making adjustments to its strategic plan and discretionary expenditure, with strong headroom against available facilities and full covenant compliance in all modelled scenarios.

1. Basis of preparation (continued)

Going concern (continued)

Based on the results of this analysis, and after making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the condensed consolidated interim financial statements.

2. Accounting policies

The accounting policies applied by the Group in this interim report are the same as those applied by the Group in the financial statements for the 52 weeks ended 28 March 2020 except for:

Taxation

Taxes for the interim periods are accrued using the tax rate that is expected to be applicable to total earnings for the full year based on enacted tax rates at the interim date.

3. Segmental analysis

IFRS 8 requires operating segments to be identified on the basis of the internal financial information reported to the Chief Operating Decision Maker ('CODM'). The Group's CODM is deemed to be the Executive Directors on the Board, who are primarily responsible for the allocation of resources to segments and the assessment of performance of the segments.

The CODM assesses profit performance principally through adjusted profit measures consistent with those disclosed in the Annual Report and Accounts.

For the purposes of managing the business, the Group is organised into one reportable segment, being Food: manufacture and supply of food products to UK grocery retailers, the food service sector and other UK and global food producers.

The reportable segment 'Food' represents the aggregation of four operating segments which are aligned to the product categories of the Group; Fresh Pork, Convenience, Gourmet Products and Poultry, all of which manufacture and supply food products through the channels described above. These operating segments have been aggregated into one reportable segment as they share similar economic characteristics. The economic indicators which have been assessed in concluding that these operating segments should be aggregated include the similarity of long-term average margins; expected future financial performance; and operating and competitive risks. In addition, the operating segments are similar with regard to the nature of the products and production process, the type and class of customer, the method of distribution and the regulatory environment.

The revenue of the Group is not significantly impacted by seasonality.

4. Group operating profit

Group operating costs comprise:

	Half year 2020 £'m	Half year 2019 £'m	52 weeks ended 28 March 2020 £'m
Cost of sales excluding net IAS 41 valuation movement on biological assets	**806.6**	669.7	1,445.9
Net IAS 41 valuation movement on biological assets*	**5.3**	(2.6)	(5.4)
Cost of sales	**811.9**	667.1	1,440.5
Gross profit	***119.7***	*102.9*	*226.7*
Selling and distribution costs	**34.4**	30.8	65.8
Administrative expenses excluding amortisation of acquired intangible assets	**28.6**	22.1	50.4
Amortisation of acquired intangible assets	**1.7**	1.6	3.7
Administrative expenses	**30.3**	23.7	54.1
Total operating costs	**876.6**	721.6	1,560.4

* This represents the difference between operating profit prepared under IAS 41 and operating profit prepared under historical cost accounting, which forms part of the reconciliation of adjusted operating profit.

5. Taxation

The tax charge for the period was £10.8m (2019: £9.5m) and represents an effective rate of 20.1% (2019: 20.1%). The charge for the period was higher than the standard rate of corporation tax due to the impact of disallowed expenses, largely relating to non-qualifying depreciation, as in the same period last year.

The prevailing UK corporation tax rate of 19.0% was substantively enacted as part of the Finance Act 2019. This rate was due to reduce to 17.0% from April 2020, however, in the budget on 12 March 2020 it was announced that the main rate of UK corporation tax will be held at 19.0%. Deferred tax is therefore provided at 19.0% (2019: 17.0%).

6. Earnings per share

Basic earnings per share are based on profit for the period attributable to Shareholders and on the weighted average number of shares in issue during the period of 52,361,000 (28 March 2020: 51,966,000, 28 September 2019: 51,810,000). The calculation of diluted earnings per share is based on 52,585,000 shares (28 March 2020: 52,128,000, 28 September 2019: 51,959,000).

7. Dividends – half year ended 30 September

	Half year 2020 £'m	Half year 2019 £'m	52 weeks ended 28 March 2020 £'m
Interim dividend for year ended 30 March 2020 of 16.7p per share	**-**	-	8.7
Final dividend for year ended 30 March 2020 of 43.7p (2019: 40.0p) per share	**22.8**	20.7	20.7
	22.8	20.7	29.4

The interim dividend for the year ending 27 March 2021 of 18.7 pence per share was approved by the Board on 24 November 2020 for payment to Shareholders on 29 January 2021 and therefore has not been included as a liability as at 26 September 2020.

8. Financial instruments

The Group's activities expose it to a number of financial risks which include foreign currency risk, interest rate risk, credit risk and liquidity risk. The Board considers the Group's financial instruments risk management strategy to be the same as described within the Directors' Report on page 95 of the Report & Accounts for the 52 weeks ended 28 March 2020.

Fair value of financial instruments

All financial instruments are shown in the balance sheet at fair value as follows:

	Half year					
	2020		2019		52 weeks ended 28 March 2020	
	Book value £'m	**Fair value £'m**	Book value £'m	Fair value £'m	Book value £'m	Fair value £'m
Forward currency contracts	**(0.6)**	**(0.6)**	0.4	0.4	(0.2)	(0.2)
Deferred consideration	**7.0**	**7.0**	6.8	6.8	10.7	10.7

The book value of trade and other receivables, trade and other payables, cash balances, overdrafts and amounts outstanding under the revolving credit facility equates to fair value for the Group.

Reconciliation of deferred consideration:

	£'m
At 29 March 2020	10.7
Accrued in the period	0.3
Paid in the period	(4.0)
At 26 September 2020	**7.0**

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Transfers between levels of the fair value hierarchy are deemed to have occurred at the end of the reporting period. There were no such transfers in the period.

The Group's forward currency contracts are measured using Level 2 of the fair value hierarchy. The valuations are provided by the Group's bankers from their proprietary valuations models and are based on mid-market levels as at close of business on the Group's reporting date.

Deferred consideration was measured using Level 3 of the fair value hierarchy and related to future amounts payable on acquisitions. Amounts payable were based on agreements within purchase contracts, management's expectations of the future profitability of the acquired entity and the timings of the payments.

9. Analysis of Group net debt

	At 28 March 2020 £'m	Cash flow £'m	Non-cash movements £'m	**At 26 September 2020 £'m**
Cash and cash equivalents	21.5	3.5	-	**25.0**
Revolving credit	(102.5)	23.0	(0.1)	**(79.6)**
Net debt excluding IFRS 16 leases liability	(81.0)	26.5	(0.1)	**(54.6)**
Lease liabilities	(65.9)	5.7	(6.9)	**(67.1)**
Total net debt	(146.9)	32.2	(7.0)	**(121.7)**

Net debt is defined as cash and cash equivalents and loans receivable less interest-bearing liabilities (including IFRS 16 lease liabilities) net of unamortised issue costs.

10. Related party transactions

During the period the Group entered into transactions, in the ordinary course of business, with its subsidiaries which are related parties. Balances and transactions with subsidiaries are eliminated on consolidation.

11. Property, plant and equipment

Additions to owned property, plant and equipment during the period totalled £35.5m (2019: £58.9m). Future capital expenditure under contract at 26 September 2020 was £15.8m (2019: £26.3m).

Additions to right-of-use assets in the period totalled £6.0m. At 26 September 2020, the Group had signed leases covering £0.4m of right-of-use assets which commence after the balance sheet date.

12. Alternative performance measures

The Board monitors performance principally through adjusted and like-for-like performance measures. Adjusted profit and earnings per share measures exclude certain non-cash items including the net IAS 41 valuation movement on biological assets and amortisation of acquired intangible assets and, where relevant, profit on sale of a business and goodwill impairment charges. Free cash flow is defined as net cash from operating activities less net interest paid and like-for-like revenue is defined as total revenue less revenue from entities acquired during the year.

The Board believes that such alternative measures are useful as they exclude volatile (net IAS 41 valuation movement on biological assets), one-off (impairment of goodwill and profit on sale of a business) and non-cash (amortisation of intangible assets) items which are normally disregarded by investors, analysts and brokers in gaining a clearer understanding of the underlying performance of the Group when making investment and other decisions. Equally, like-for-like revenue provides these same stakeholders with a clearer understanding of the organic sales growth of the business.

A reconciliation to relevant GAAP measures is given below:

Free cash flow

	Half year		52 weeks ended 28 March
	2020	2019	2020
	£'m	£'m	£'m
Net cash from operating activities	**90.9**	40.9	117.0
Net interest paid	**(0.3)**	(0.2)	(1.2)
Free cash flow	**90.6**	40.7	115.8

12. Alternative performance measures (continued)

Like-for-like revenue

	Half year		52 weeks ended 28 March
	2020	2019	2020
	£'m	£'m	£'m
Revenue	**931.6**	770.0	1,667.2
Katsouris	**(26.8)**	-	-
Packington Pork and White Rose Farms	**(1.5)**	-	-
Like-for-like revenue	**903.3**	770.0	1,667.2

Adjusted gross profit

	Half year		52 weeks ended 28 March
	2020	2019	2020
	£'m	£'m	£'m
Gross profit	**119.7**	102.9	226.7
Net IAS 41 valuation movement on biological assets	**5.3**	(2.6)	(5.4)
Adjusted Group operating profit	**125.0**	100.3	221.3

Adjusted Group operating profit and adjusted EBITDA

	Half year		52 weeks ended 28 March
	2020	2019	2020
	£'m	£'m	£'m
Group operating profit	**55.0**	48.4	106.8
Net IAS 41 valuation movement on biological assets	**5.3**	(2.6)	(5.4)
Amortisation of acquired intangible assets	**1.7**	1.6	3.7
Adjusted Group operating profit	**62.0**	47.4	105.1
Depreciation of plant, property and equipment	**28.5**	16.0	42.0
Depreciation of right-of-use assets	**5.7**	3.6	8.2
Adjusted EBITDA	**96.2**	67.0	155.3

Adjusted profit before tax

	Half year		52 weeks ended 28 March
	2020	2019	2020
	£'m	£'m	£'m
Profit before tax	**53.7**	47.4	104.0
Net IAS 41 valuation movement on biological assets	**5.3**	(2.6)	(5.4)
Amortisation of acquired intangible assets	**1.7**	1.6	3.7
Adjusted profit before tax	**60.7**	46.4	102.3

12. Alternative performance measures (continued)

Adjusted earnings per share

On adjusted profit for the period:

	Half year				52 weeks ended 28 March	
	2020 Basic pence	**2020 Diluted pence**	2019 Basic pence	2019 Diluted pence	2020 Basic pence	2020 Diluted pence
On profit for the period	**81.9**	**81.5**	73.2	73.0	159.1	158.6
Net IAS 41 valuation movement on biological assets	**10.1**	**10.1**	(5.0)	(5.0)	(10.5)	(10.5)
Tax on net IAS 41 valuation movement on biological assets	**(1.9)**	**(1.9)**	0.9	0.9	2.0	2.0
Amortisation of acquired intangible assets	**3.3**	**3.3**	3.1	3.1	7.2	7.2
Tax on amortisation of acquired intangible assets	**(0.6)**	**(0.6)**	(0.6)	(0.6)	(1.4)	(1.4)
On adjusted profit for the period	**92.8**	**92.4**	71.6	71.4	156.4	155.9

13. Principal risks and uncertainties

The Group has a structured and mature approach to risk management which facilitates the identification, evaluation and mitigation of key risks facing the business. The principal risks and uncertainties facing the Group are set out in detail on pages 52 to 54 of the Report & Accounts for the 52 weeks ended 28 March 2020, dated 23 June 2020 a copy of which is available on the Group's website.

These risks include: consumer demand, reliance on key customers & exports, pig meat availability & price, Health & Safety, Brexit disruption, IT systems & cyber security, food scares & product contamination, disease & infection within livestock, climate change, disruption to Group operations, recruitment & retention of key personnel, labour availability & cost, competitor activity, growth & change and interest rate, currency, liquidity & credit risk.

Whilst the Board considers the principal risks and uncertainties as at 26 September 2020 to be the same as those described in the Report & Accounts for the 52 weeks ended 28 March 2020, due to the evolving global COVID-19 pandemic, the Group has seen fluidity within this risk area over recent months.

COVID-19

In late January 2020 the COVID-19 pandemic arrived in the UK and presented a number of unprecedented challenges to the Group which were managed though the establishment of a coronavirus crisis team. Specifically, the Government's decision to place the UK into lockdown on the 23 March 2020 saw an immediate change to consumer purchasing behaviours resulting in a substantial increase in retail demand which the Group successfully responded to. This experience leaves the Group well placed to continue to respond to new government restrictions across the UK including the most recent lockdown in England which commenced on 5 November 2020.

As the COVID-19 pandemic has evolved, the Group has implemented a range of additional measures to ensure the safety and wellbeing of all employees to include; staggered shift patterns and breaks, new communal areas, provision of additional personal protective equipment (PPE), restrictions when operating machinery and importantly ensuring that there is constant communication to employees during this challenging time.

Further to this, while the Group has always operated to rigorous Health & Safety, hygiene and food safety procedures, in order to further manage the ongoing risks associated with the COVID-19 pandemic the Group has now embedded a number of additional mitigation strategies to enable sites to remain operational whilst ensuring the safety of all employees. The additional risks and mitigations include:

13. Principal risks and uncertainties (continued)

Potential Risk	Impact	Risk mitigation strategies
Positive COVID-19 cases within workforce	• Higher rates of absenteeism • Disruption to production	• Restricted access onto site • Temperature monitoring when entering site • Extensive additional cleaning / sanitisation of surfaces • Increased hand sanitisation stations around sites • Social distancing markers being implemented at sites • Restrictions on movements between sites • Employees working from home where possible
Government introduce local regional / national lockdowns	• Higher rates of absenteeism due to shielding / self-isolation • Potential site closure from an increase in local positive cases • Employee COVID-19 testing to be required	• Ability to divert production routines to sites not impacted • All sites are compliant with PHE and WHO PPE requirements • Work with local councils and governing bodies to respond promptly to local lockdown issues
Supply Chain Interruptions	• Disruption to production	• Stock piling of key ingredients / packaging / raw materials • Alternative suppliers are sourced • Close monitoring of this key risk for all sites by the Group Procurement Team

Independent review report of Cranswick plc

Report on the consolidated interim financial statements

Our conclusion
We have reviewed Cranswick plc's consolidated interim financial statements (the "interim financial statements") in the interim results of Cranswick plc for the 26 week period ended 26 September 2020 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

What we have reviewed
The interim financial statements comprise:

- the Group balance sheet as at 26 September 2020;
- the Group income statement and Group statement of comprehensive income for the period then ended;
- the Group statement of cash flows for the period then ended;
- the Group statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the interim results of Cranswick plc have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

As disclosed in note 1 to the interim financial statements, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors
The interim results, including the interim financial statements, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the interim results in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express a conclusion on the interim financial statements in the interim results based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What a review of interim financial statements involves
We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the interim results and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PricewaterhouseCoopers LLP
Chartered Accountants
Leeds

24 November 2020

a. The maintenance and integrity of the Cranswick plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the interim financial statements since they were initially presented on the website.

b. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.