

29 January 2015

Third quarter trading statement

CranSwick, the UK food producer, today provides a trading update for the 3 months to 31 December 2014.

Current trading

Trading during the 3rd quarter of the financial year was in line with the Board's expectations.

Christmas trading was strong, with December total and underlying sales well ahead year on year. Total sales for the quarter were marginally ahead of the same period last year. Underlying sales volumes, excluding the contribution from Benson Park, which was acquired on 22 October 2014, improved by 2 per cent as fresh pork returned to growth in the third quarter. Underlying revenues were down 3 per cent as lower input prices were passed through to the Group's customers. Export sales continued to gain momentum with sales to non-European markets up 38 per cent compared to the same quarter last year.

The markets in which CranSwick operates continue to be competitive, but the Group remains focused on delivering innovative products of the highest quality and exceptional service levels to its customers.

The integration of Benson Park is progressing to plan and performance of the business to date has been in line with the Board's expectations. Further capital investment, which was planned for at the time of the acquisition, will be completed during the next financial year. This investment will create substantial additional capacity as well as enabling the business to offer a broader product range and further improve operating efficiencies.

Financial position

Following the expected seasonal increase in working capital, the acquisition of Benson Park and on-going capital expenditure, net debt increased from £22 million to £57 million during the quarter, with the operating cash outflow following a similar pattern to previous years. Notwithstanding the investment in Benson Park, net debt was only £2 million higher than at the equivalent quarter end last year. The Group is in a strong financial position, with committed, unsecured facilities of £120 million which provide comfortable headroom going forward.

Outlook

With experienced management at all levels of the Group, a strong range of products, a well-invested asset base and a robust financial position, the Board remains confident in both the current financial year and the continued long term success and development of the business.