CRANSWICK plc: INTERIM RESULTS

Strong volume-led earnings growth

26 November 2024

Cranswick plc ("Cranswick" or "the Company" or "the Group"), a leading UK food producer, today announces its unaudited results for the 26 weeks ended 28 September 2024.

Financial highlights[1]:	**H1 2024**	H1 2023	Change (Reported)	Change (Like-for-like[2])
Revenue	**£1,329.9m**	£1,253.7m	+6.1%	+5.8%
Adjusted Group operating profit	**£99.6m**	£85.5m	+16.5%	
Adjusted Group operating margin	**7.5%**	6.8%	+67bps	
Adjusted profit before tax	**£95.8m**	£81.6m	+17.4%	
Adjusted earnings per share	**132.1p**	112.2p	+17.7%	
Return on capital employed[3]	**18.7%**	16.4%	+234bps	
Net debt (excluding IFRS 16)	**£0.9m**	£51.0m	-£50.1m	
Interim dividend per share	**25.0p**	22.7p	+10.1%	

Statutory measures:	**H1 2024**	H1 2023	Change
Group operating profit	**£94.0m**	£90.8m	+3.5%
Profit before tax	**£90.2m**	£86.9m	+3.8%
Earnings per share	**124.0p**	119.5p	+3.8%

Financial highlights:

- Strong reported volume-led revenue growth of 6.1% with like-for-like[2] revenue growth of 5.8%
  - Revenue from core UK food business ahead by 6.4% underpinned by 7.0% volume growth
  - Poultry revenue up by 16.4% with Poultry now accounting for 19.5% of total Group sales
  - Pet food revenue 71.1% higher reflecting successful ongoing roll out of Pets at Home contract
- 67bps increase in adjusted operating margin to 7.5%, reflecting a strong contribution from growing pig farming operations, excellent capacity utilisation and tight cost control
- Free cash conversion[1] of 110.9% with ROCE[3] up 234bps to 18.7% and net debt pre-IFRS 16 down £50.1m to £0.9m
- Outlook for the financial year ending 29 March 2025 remains in line with current market expectations[4]

Strategic highlights:

- Further investment in pig farming operations driving 18% increase in pig production year-on-year
  - Acquisition of a long-standing supplier of RSPCA Assured outdoor bred pigs, based in East Anglia
  - Investment across existing farming operations to drive productivity improvements
- Excellent industry-leading customer service levels maintained
- Total capital expenditure of £47.7m
- Good progress on three earnings enhancing capital projects, with £20m spent in the period
  - £25m fit out of Worsley houmous facility ongoing with initial phase successfully commissioned
  - £62m multi-phased expansion project at the Hull pork primary processing site progressing as planned
  - £27m expansion of the two added-value Hull poultry sites on track to start onboarding large new retail contract in Q4
- £20m now committed to drive further fresh poultry growth
  - Adds substantial capacity at flagship Eye facility and drives further automation
  - Delivers a material increase in incubatory capacity at the Kenninghall site

Adam Couch, Cranswick's Chief Executive Officer commented:
"We have delivered another strong first half performance with good volume-led growth through capacity expansion and market share gains from close alignment to our key long-standing customers and a relentless focus on quality and industry-leading service levels. I would like to thank, once again, our brilliant Cranswick colleagues for their continued support and commitment in delivering this strong performance.

"We continue to grow our poultry business and we have now committed to spending almost £50m across our vertically integrated poultry operations. We will invest £20m to increase volumes processed through our fresh poultry operations in East Anglia, alongside the substantial ongoing investment at our two added-value facilities in Hull.

"Investment in our agricultural operations continues at pace with a further acquisition completed during the period alongside ongoing organic expansion. We now have the largest pig farming business in the UK which is producing over 34,000 finished pigs per week with self-sufficiency maintained at well over 50%. We will continue to invest in our pig farming operations to ensure that we can supply the right quality and quantity of pigs to meet the need of our strategic retail customers.

"We remain on track to deliver further progress in the second half of the year. Our Christmas order book is strong and demand for our innovative products remains high as the UK consumer continues to appreciate the quality, value and versatility of our core pork and poultry ranges.

"Our continued positive progress is made possible by our industry-leading asset infrastructure, the unrivalled capability of our colleagues across the business, the breadth and quality of our product range and robust financial position. Focusing on these strengths will allow Cranswick to continue to prosper, both in the current financial year and over the longer term."

1 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 15.
2 For comparative purposes, like-for-like revenue excludes the current year contribution from current and prior year acquisitions prior to the anniversary of their purchase.
3 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.
4 Market expectations for adjusted profit before tax as at 25 November 2024 range between £189.0m and £193.0m. The range reflects all published updated Broker analysis following the 27 September 2024 half-year trading update.

Presentation
A conference call for analysts and institutional investors will take place at 9.30am 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 Sodali & Co on the details below.

Enquiries:

Cranswick plc
Mark Bottomley, Chief Financial Officer 01482 275 000

Sodali & Co
Ben Foster / Louisa Henry +44 207 100 6451
cranswick@sodali.com

Note to editors:

1. Cranswick is a leading, vertically integrated supplier of premium, fresh and added-value food products. The business employs over 15,000 people across the Group; from our pig and poultry farming operations to our 22 well-invested, highly efficient food production facilities. Cranswick was formed in 1975 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, gourmet products and pet food. 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 substantial export business. Results for the 53 weeks to 30 March 2024 showed revenue of £2,599.3m and profit before tax of £158.4m. For more information go to: https://cranswick.plc.uk
2. At Cranswick, it is second nature for us to protect and nurture our environment while supporting people and communities to thrive. Guided by our sustainability strategy, Second Nature, we have seamlessly integrated our sustainability commitments into the core of our business model, which in turn shapes our decision-making, culture, and actions. For more information on our Second Nature strategy, please visit: https://cranswick.plc.uk/sustainability

Summary

Trading during the period has been strong with healthy demand continuing across our core UK food product business. Premium added-value categories performed particularly well with promotional activity across our customer base driving growth, supported by the affordability, versatility and quality of our pork and poultry products. Poultry revenue grew strongly during the period and further committed substantial capital investment across both fresh and added-value operations will support further growth going forward. Pet revenue grew strongly as the roll out of business with Pets at Home gathers momentum.

We continue to invest at pace in our pig farming and agricultural operations to add scale and drive ongoing productivity improvements. In doing so we are also securing supply for our key retail partners' requirements while continuing to ensure the highest animal welfare standards. We have further strengthened our presence in the UK pig farming sector as an efficient, large-scale producer through the acquisition of a 4,000 sow RSPCA Assured outdoor pig herd in East Anglia. Alongside this we continue to invest in our existing pig farming business with six new herds established during the period. This investment ensures we have the required quality, quantity and mix of indoor and premium outdoor pigs to service our customers' requirements. We have also made significant progress in feed milling to add capacity and drive productivity improvements.

We invested £47.7m across our asset base during the period to support future growth and drive further operating efficiencies. Commissioning of the initial phase of the new Worsley houmous facility is now complete with our fast-growing Ramona's houmous range produced and despatched to customers from the site. The £62m multi-phased investment programme at our Hull pork primary processing facility is progressing as planned, as is the £27m expansion of our two Hull-based breaded and ready-to-eat added-value poultry sites. We have also now committed to £20m of investment to increase capacity in our fresh poultry operations.

Results

Total revenue in the 26 weeks to 28 September 2024 was £1,329.9m, 6.1% higher than the £1,253.7m reported in the corresponding period last year. Adjusting for the contribution from acquisitions made in the current and previous period, revenue increased by 5.8% on a like-for-like basis.

Adjusted profit before tax for the period at £95.8m was 17.4% higher than the £81.6m reported in the corresponding period last year. Adjusted earnings per share on the same basis was up 17.7% at 132.1p compared to 112.2p in the equivalent period last year, reflecting the growth in adjusted profit before tax.

Cash flow and financial position

Net debt, excluding IFRS 16 lease liabilities, at the end of the period fell to just £0.9m (September 2023: £51.0m) reflecting the strong operational performance of the Group. Free cash conversion at 110.9% was well ahead of our medium-term target of 90.0%. The Group remains in a robust financial position and has access to a £250m unsecured, sustainability linked facility providing generous headroom which runs through to November 2026.

Dividend

The interim dividend is being increased by 10.1% to 25.0p per share from 22.7p per share previously. The interim dividend will be paid on 24 January 2025 to Shareholders on the register at the close of business on 13 December 2024.

Outlook

We have made a strong start to the year with positive trading momentum continuing into the third quarter. Demand for our product range remains high, driven by growth in premium and added-value products and underpinned by the quality, affordability and versatility of our pork and poultry products and our industry-leading service levels. Whilst we remain cautious about current market and wider economic and geopolitical conditions, the outlook for the current financial year ending 29 March 2025 remains in line with current market expectations*.

The Board is encouraged by the continued strategic progress of the business and is confident that focus on the strengths of the Company, which include its long-standing customer relationships, breadth and quality of products and industry leading asset infrastructure, will support the further successful development of the Group over the longer term.

* Market expectations for adjusted profit before tax as at 25 November 2024 ranged between £189.0m and £193.0m. The range reflects all published Broker analysis that has been updated since the half year trading update dated 27 September 2024.

Operating review

Revenue and adjusted operating profit

	H1 2024	H1 2023	Change (Reported)	Change (Like-for-like)*
Revenue	**£1,329.9m**	£1,253.7m	+6.1%	+5.8%
Adjusted Group operating profit*	**£99.6m**	£85.5m	+16.5%	
Adjusted Group operating margin*	**7.5%**	6.8%	+67bps	
Group operating profit	**£94.0m**	£90.8m	+3.5%	

* See Note 15

Revenue
Reported revenue increased by 6.1% to £1,329.9m, with volumes 7.3% ahead. On a like-for-like basis, revenue increased by 5.8%. Revenue from UK food was ahead by 6.4% underpinned by volume growth of 7.0%. Poultry revenue increased by 16.4% driven by strong growth in cooked and prepared poultry and now represents 19.5% of total Group sales. Pet food revenue grew by 71.1% as the onboarding of Pets at Home business continues to build.

Adjusted Group operating profit
Adjusted Group operating profit was 16.5% higher at £99.6m with adjusted Group operating margin up 67bps to 7.5%. Higher Group operating margin reflected the positive contribution from the Group's expanded agricultural operations, strong volume growth, excellent capacity utilisation and tight cost control.

Category review

FOOD SEGMENT
Fresh Pork
Fresh Pork revenue was 2.8% ahead of the prior period and represented 24.5% of Group revenue. Growth reflected strong volume driven retail and wholesale demand offset by lower export sales revenues. UK food channel revenue increased by 5.6% with corresponding volume up by 12.7%. Export revenue was 7.1% down on the prior year with positive volume growth more than offset by lower pricing from China and other Far Eastern markets.

We continue to invest in and grow our pig farming and feed milling operations. We increased the size, scale and quality of our pig herd during the period through ongoing organic investment and the acquisition of a 4,000 sow herd from a long-standing existing supplier of RSPCA Assured outdoor bred pigs, based in East Anglia. We also increased our self-sufficiency in pig feed milling to 19% following the acquisition of the Elsham mill in the prior year.

We now have the largest pig farming business in the UK which is producing over 34,000 finished pigs each week. Finished pig numbers increased by 18% compared to the same period last year with self-sufficiency maintained at well over 50% as our farming business expands to meet the growing demand from our three primary processing facilities and the wider business. We now have almost 900,000 pigs on the ground at any time which are reared across a mixture of premium outdoor and high-quality indoor units. We will continue to invest in our pig farming operations, both organically and through acquisition, to ensure that we can supply the right quality and quantity of pigs to meet the need of our strategic retail customers.

Investment into our integrated supply chain gives us increased control over the key drivers that influence our carbon footprint. We have a clear strategy to net zero carbon emissions by 2040 for our agricultural operations. We recently announced a carbon inset pilot scheme with farmers incentivised to sequester carbon and increase biodiversity levels on their farmland.

All three primary processing sites lifted production volumes year-on-year with the total number of UK pigs processed across the sites increasing by 9.5% compared to the same period last year. A proportion of this additional throughput drove higher revenue through retail and wholesale channels, with the balance traded internally to fuel growth in our added-value gourmet and convenience ranges. During the period, we launched a new range of premium barbecue grill products including new pork loin flavours and the 'TomaPork' which won 'BBQ Hero' at the BBC Good Food Awards in May.

We remain committed to continued investment across our primary processing operations to increase capacity and drive further operational efficiencies to service our growing added-value pork business. This investment programme includes the ongoing £62m multi-phased redevelopment of the Hull primary processing site which will provide the platform to substantially increase capacity in the future, drive further automation and operational efficiency improvements and add onsite cold storage capability. Ongoing investment at our Ballymena and Norfolk sites include projects which will deliver efficiency improvements and production flexibility.

Convenience
Convenience revenue was 1.1% ahead of the prior period and represented 37.6% of Group revenue.

Cooked Meats revenue was in line with the prior period as new retail business secured during the period and underlying growth from new listings were offset by the decision to forego some lower margin business at the start of the period. Continued positive momentum in our 'slow cook' and 'sous vide' product range following significant recent investment in capacity and strong retailer promotional activity resulted in volume growth at our Hull Cooked Meats site.

Continental and Mediterranean Products revenue growth reflected higher pricing and improved product mix which more than offset a slight fall in volumes. Pricing reflected support for olive producers following the challenging harvest. The business now focuses on premium, added-value Mediterranean foods and produces less high volume, low value, factored products. The ongoing popularity of charcuterie, olives and antipasti products, either sold in single or mixed platter pack formats, continues to drive expansion of wider Mediterranean food categories.

We continue to see opportunities to drive further innovation in the category. In partnership with a leading Spanish restaurant chain, we recently launched a new premium charcuterie range with one of our key retail customers. We see significant potential for growth through expansion and premiumisation of the houmous and dips category where we are growing our presence further through new retailer listings, having recently won a 'Q Award' for an own brand 'Truffle and Pecorino' premium dip, demonstrating our ability to innovate with new products in this exciting category.

Our Ramona's houmous brand is the leading retail houmous brand measured by both volume and value. The capacity constraints of Ramona's small Watford plant have been removed with production transferred to the newly commissioned Worsley facility late in the period. The new facility creates a platform to rapidly expand the Ramona's houmous and dips range and provides substantial headroom for further wider category growth.

During the period we secured a new, major halloumi contract with a key retail customer under the Cypressa brand, launching in 800 stores. We have also supplied Cypriot halloumi to a national quick service restaurant chain where it is sold as halloumi fries. We have recently secured new business for a significant existing food service customer co-packing their branded range. All these products are produced at, or sourced through, our Katsouris business in North London which now has limited capacity headroom. Consequently, we have committed to invest in additional capacity at this site.

Gourmet Products
Gourmet Products revenue increased by 8.7% and represented 17.1% of Group revenue. Revenue growth was underpinned by strong volume growth and the contribution from Froch Foods, acquired during the second half of the prior year.

Sausage and Bacon revenues were both well ahead, with strong retail volume growth driven by the performance of premium ranges and increased promotional activity in these categories. Sausage volume growth was well ahead of the market despite a lacklustre barbecue season. We launched a new summer range of hot dogs with one product granted 'hero status' by a major retail customer. We continue to build for what we anticipate will be another extremely busy Christmas for pigs in blankets. During the period, we added more automated production capacity to alleviate capacity constraints.

Froch Foods made a modest contribution to external revenue but the key contribution from this site has been to free up much needed premium bacon curing capacity at the Sherburn facility which was previously being used to cure bacon for the Cooked Bacon and Sausage facility. This activity has now transferred to Froch Foods.

Revenue from the Hull Cooked Bacon and Sausage facility grew strongly reflecting new retail business and further quick service restaurant trade growth.

Pastry revenue improved year-on-year with strong underlying performance and increased promotional activity from the site's anchor retail customer. New product launches included innovative meal solutions in collaboration with a celebrity chef, and a summer range of sausage rolls, all of which continue to drive category growth in our premium pastry product range. The Malton facility was recently awarded 'Fortress' status, by the site's anchor retail customer, one of only nine sites in the country to be awarded this status.

Poultry
Poultry revenue increased by 16.4% during the period and represented 19.5% of Group revenue, up from 17% in the previous financial year.

Fresh Poultry revenue grew strongly reflecting retail demand from the site's anchor customer with the Eye facility running at full capacity throughout the period. We have now committed to £20m of further investment split across the Eye facility and the Kenninghall site in East Anglia. The investment at Eye will add c.15% additional capacity and further automation. At Kenninghall we will add additional incubatory capacity. The move to lower stocking densities across our fresh poultry farming supply chain is progressing to plan.

Cooked Poultry revenue was strongly ahead driven by increased volumes and improved mix following the onboarding of new premium retail business. Volumes have been supported by new retail listings including with one of our premium strategic retail customers. The £17m ongoing investment programme will add additional cooking and cooling capacity and will enable further range expansion, including roasted and bone-in portions. The project will be largely completed by the end of the current financial year to accommodate a new retail contract shared across the Cooked and Prepared Poultry sites from Q4.

Prepared Poultry revenue more than doubled year-on-year reflecting new retail business which launched at the start of the period alongside growth with existing retail and food service customers as site capacity utilisation continues to improve following commissioning of the Hull facility in April 2022. The £10m expansion project continues to progress in line with expectations, ahead of new retail business coming on stream from the beginning of the next financial year, as referred to above.

OTHER SEGMENT
Pet Food
Cranswick Pet Products revenue was 1.3% of Group revenue. Strong revenue growth of 71.1% reflected the successful ongoing roll out of the Pets at Home business. The refreshed Vitalin dog food brand launched with a major grocery multiple towards the period end. Whilst top line growth is pleasing, the financial performance of the pet food business reflects the continued transformation taking place including the ongoing strategic review of the customer base, brand investment and disruption resulting from the major £10m capital investment programme, which is nearing completion.

Finance review

Revenue
Reported revenue increased by 6.1% to £1,329.9m (2023: £1,253.7m). Like-for-like revenue, excluding the contribution from acquisitions made in the current and previous financial period, increased by 5.8%.

Adjusted Group operating profit
Adjusted Group operating profit increased by 16.5% to £99.6m (2023: £85.5m). Adjusted Group operating margin at 7.5% of sales was 67bps higher than the prior period.

Finance costs and funding
Net finance costs were £3.9m (2023: £3.9m) with lower bank interest offset by higher IFRS 16 lease interest.

Adjusted profit before tax
Adjusted profit before tax was 17.4% higher at £95.8m (2023: £81.6m).

Taxation
The tax charge of £23.6m (2023: £22.7m) was 26.2% of profit before tax (2023: 26.1%). The UK statutory rate of corporation tax was 25.0% (2023: 25.0%). The effective rate was higher than the standard rate mainly due to non-qualifying depreciation and tax adjustments related to disallowable expenditure.

Adjusted earnings per share
Adjusted earnings per share for the 26 weeks to 28 September 2024 increased by 17.7% to 132.1p compared to the 112.2p reported in the corresponding period in the prior year, reflecting the growth in adjusted profit before tax and the impact of the shares held in trust. The average number of shares in issue was 53,648,000 (2023: 53,712,000).

Statutory profit measures
Statutory profit before tax increased by 3.8% to £90.2m (2023: £86.9m), statutory Group operating profit was 3.5% higher at £94.0m (2023: £90.8m) and statutory earnings per share was 3.8% higher at 124.0p (2023: 119.5p). Full reconciliations of these results to the adjusted measures can be found in Note 15.

Cash flow and net debt
Cash generated from operations in the period was £127.2m (2023: £103.2m), including a working capital outflow in the period of £18.7m (2023: £24.9m). Net debt, including the impact of IFRS 16 lease liabilities, increased by £8.1m in the period to £107.5m from £99.4m at 30 March 2024. Net debt, excluding IFRS 16 lease liabilities, at the end of the period fell to just £0.9m (September 2023: £51.0m) reflecting the strong operational performance of the Group. Capital expenditure was £47.7m in the period.

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. On 2 December 2022, the Trustees of the defined benefit pension scheme purchased a buy-in insurance policy to secure the majority of the benefits provided by the scheme. The surplus on this scheme at 28 September 2024 was £0.2m which is in line with 30 March 2024. Cash contributions to the scheme during the period were £nil. The Group does not expect to make any contributions to the scheme during the year ending March 2025. The present value of funded obligations was £19.6m, and the fair value of plan assets was £19.8m.

Principal risks and uncertainties
The Board continues to assess the principal risks and uncertainties of the Group on a frequent basis. The principal risks and uncertainties faced by the business at 30 March 2024 are set out on pages 68 to 72 of the Annual Report and Accounts for the 53 weeks ended 30 March 2024, dated 21 May 2024, a copy of which is available on the Group's website. An update to these principal risks and uncertainties at 28 September 2024 is set out in Note 16.

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 28 September 2024

	Notes	Half year **2024** **£'m**	Half year 2023 £'m	53 weeks ended 30 March 2024 (Audited) £'m
Revenue		**1,329.9**	1,253.7	2,599.3
Adjusted Group operating profit		**99.6**	85.5	185.1
Net IAS 41 valuation movement on biological assets		**(3.4)**	7.7	2.2
Amortisation of intangible assets		**(2.2)**	(2.4)	(5.0)
Impairment of intangible assets		**-**	-	(15.4)
Group operating profit	*5*	**94.0**	90.8	166.9
Finance costs		**(3.9)**	(3.9)	(8.9)
Share of net profit of joint venture		**0.1**	-	0.4
Profit before tax		**90.2**	86.9	158.4
Taxation	*6*	**(23.6)**	(22.7)	(45.3)
Profit for the period		**66.6**	64.2	113.1

Earnings per share (pence)				
On profit for the period:				
Basic	*7*	**124.0**	119.5	210.4
Diluted	*7*	**123.4**	119.1	209.7

Group statement of comprehensive income (unaudited)

for the 26 weeks ended 28 September 2024

	Half year		53 weeks ended 30 March 2024
	2024	2023	(Audited)
	£'m	£'m	£'m
Profit for the period	**66.6**	64.2	113.1
Other comprehensive (expense)/income			
Other comprehensive (expense)/income to be reclassified to profit or loss in subsequent periods:			
Cash flow hedges			
Losses arising in the period	**(0.7)**	-	(0.1)
Reclassification adjustments for gains/(losses) included in the income statement	**0.1**	-	(0.1)
Income tax effect	**0.1**	-	0.1
Net other comprehensive expense to be reclassified to profit or loss in subsequent periods	**(0.5)**	-	(0.1)
Items not to be reclassified to profit or loss in subsequent periods:			
Actuarial losses on defined benefit pension scheme	**-**	(0.1)	-
Income tax effect	**-**	-	-
Net other comprehensive expense not being reclassified to profit or loss in subsequent periods	**-**	(0.1)	-
Other comprehensive expense	**(0.5)**	(0.1)	(0.1)
Total comprehensive income	**66.1**	64.1	113.0

Group balance sheet (unaudited)

at 28 September 2024

	Notes	Half year **2024**	2023 Restated*	As at 30 March 2024 (Audited)
		£'m	£'m	£'m
Non-current assets				
Financial asset investment		**0.1**	0.1	0.1
Investment in joint venture		**0.8**	0.4	0.8
Intangible assets		**211.9**	224.1	213.5
Defined benefit pension scheme surplus		**0.2**	0.1	0.2
Property, plant and equipment		**533.8**	496.7	518.9
Right-of-use assets		**99.0**	85.0	92.4
Biological assets		**4.9**	6.3	6.4
Total non-current assets		**850.7**	812.7	832.3
Current assets				
Biological assets		**84.1**	90.8	83.7
Inventories		**144.7**	128.7	113.7
Trade and other receivables		**321.9**	310.2	325.3
Other financial assets		**0.1**	0.1	-
Income tax receivable		**6.6**	3.6	2.0
Cash and short-term deposits	*11*	**8.4**	27.8	27.0
Total current assets		**565.8**	561.2	551.7
Total assets		**1,416.5**	1,373.9	1,384.0
Current liabilities				
Trade and other payables		**(321.3)**	(292.0)	(310.0)
Other financial liabilities		**(2.2)**	(2.8)	(2.3)
Lease liabilities		**(17.2)**	(14.4)	(17.3)
Provisions		**(1.8)**	(0.8)	(1.8)
Total current liabilities		**(342.5)**	(310.0)	(331.4)
Non-current liabilities				
Other payables		**(1.0)**	(0.3)	(0.9)
Financial liabilities		**(9.3)**	(78.8)	(27.1)
Lease liabilities		**(89.4)**	(76.5)	(82.1)
Deferred tax liabilities		**(31.7)**	(27.1)	(28.4)
Provisions		**(2.6)**	(2.8)	(2.6)
Total non-current liabilities		**(134.0)**	(185.5)	(141.1)
Total liabilities		**(476.5)**	(495.5)	(472.5)
Net assets		**940.0**	878.4	911.5
Equity				
Called-up share capital		**5.4**	5.4	5.4
Share premium account		**130.1**	125.4	128.3
Share-based payments		**11.0**	8.3	11.8
Shares held in trust		**(20.6)**	(3.3)	(15.6)
Hedging reserve		**(0.6)**	-	(0.1)
Retained earnings		**814.7**	742.6	781.7
Total equity attributable to owners of the parent		**940.0**	878.4	911.5

* See note 2 for details regarding the restatement as a result of a change in accounting policy.

Group statement of cash flows (unaudited)
for the 26 weeks ended 28 September 2024

	Notes	Half year 2024 £'m	Half year 2023 £'m	53 weeks ended 30 March 2024 (Audited) £'m
Operating activities				
Profit for the period		**66.6**	64.2	113.1
Adjustments to reconcile Group profit for the period to net cash from operating activities:				
Income tax expense		**23.6**	22.7	45.3
Net finance costs		**3.9**	3.9	8.9
(Gain)/loss on sale of property, plant and equipment		**(0.1)**	0.2	1.0
(Gain)/loss on disposal of right-of-use assets		**(0.3)**	0.4	0.2
Depreciation of property, plant and equipment		**34.0**	30.1	65.5
Depreciation of right-of-use assets		**8.8**	7.7	16.2
Amortisation of intangibles		**2.2**	2.4	5.0
Impairment of intangible assets		**-**	-	15.4
Share-based payments		**4.1**	4.3	8.8
Share of net profit of joint venture		**(0.1)**	-	(0.4)
Release of Government grants		**(0.2)**	(0.1)	(0.4)
Net IAS 41 valuation movement on biological assets		**3.4**	(7.7)	(2.2)
Increase in biological assets		**(1.0)**	(2.8)	(1.3)
(Increase)/decrease in inventories		**(30.9)**	(14.7)	0.3
Decrease/(increase) in trade and other receivables		**4.3**	(19.4)	(33.8)
Increase in trade and other payables		**8.9**	12.0	28.2
Cash generated from operations		**127.2**	103.2	269.8
Tax paid		**(20.6)**	(22.9)	(41.4)
Net cash from operating activities		**106.6**	80.3	228.4
Cash flows from investing activities				
Acquisition of subsidiaries, net of cash acquired	*9*	**(4.4)**	(13.6)	(23.5)
Distributions received from joint venture		**0.1**	-	-
Payment of property, plant and equipment acquired on acquisition		**-**	(9.1)	(9.1)
Purchase of financial asset investment		**-**	(0.1)	(0.1)
Purchase of property, plant and equipment		**(47.7)**	(39.4)	(91.4)
Proceeds from sale of property, plant and equipment		**1.0**	0.3	0.8
Net cash used in investing activities		**(51.0)**	(61.9)	(123.3)
Cash flows from financing activities				
Interest paid		**(1.2)**	(2.0)	(5.0)
Proceeds from issue of share capital		**1.8**	1.5	4.4
Own shares purchased		**(10.4)**	(3.3)	(15.6)
(Repayment of)/proceeds from borrowings	*11*	**(18.0)**	38.0	(14.0)
Repayment of borrowings acquired		**-**	(4.8)	(6.5)
Dividends paid		**(36.1)**	(31.7)	(43.9)
Payment of lease capital		**(7.9)**	(7.1)	(14.2)
Payment of lease interest		**(2.4)**	(1.5)	(3.6)
Net cash used in financing activities		**(74.2)**	(10.9)	(98.4)
Net (decrease)/increase in cash and cash equivalents	*11*	**(18.6)**	7.5	6.7
Cash and cash equivalents at beginning of period	*11*	**27.0**	20.3	20.3
Cash and cash equivalents at end of period	*11*	**8.4**	27.8	27.0

Group statement of changes in equity (unaudited)

for the 26 weeks ended 28 September 2024

	Share capital £'m	Share premium £'m	Share-based payments £'m	Shares held in trust £'m	Hedging reserve £'m	Retained earnings £'m	Total equity £'m
At 30 March 2024	5.4	128.3	11.8	(15.6)	(0.1)	781.7	911.5
Profit for the period	-	-	-	-	-	66.6	66.6
Other comprehensive expense	-	-	-	-	(0.5)	-	(0.5)
Total comprehensive income	-	-	-	-	(0.5)	66.6	66.1
Share-based payments (SBPs)	-	-	4.1	-	-	-	4.1
Exercise, lapse or forfeit of SBPs	-	-	(4.9)	-	-	4.9	-
Shares acquired by Employee Benefit Trust	-	-	-	(10.4)	-	-	(10.4)
Transfer on grant of shares to beneficiaries of the Employee Benefit Trust	-	-	-	5.4	-	(5.4)	-
Share options exercised	-	1.8	-	-	-	-	1.8
Dividends	-	-	-	-	-	(36.1)	(36.1)
Deferred tax relating to changes in equity	-	-	-	-	-	2.1	2.1
Current tax relating to changes in equity	-	-	-	-	-	0.9	0.9
At 28 September 2024	**5.4**	**130.1**	**11.0**	**(20.6)**	**(0.6)**	**814.7**	**940.0**
At 25 March 2023 as originally presented	5.4	123.9	49.0	-	-	664.6	842.9
Change in accounting policy	-	-	(39.5)	-	-	39.5	-
Total equity at the beginning of the financial year (restated*)	5.4	123.9	9.5	-	-	704.1	842.9
Profit for the period	-	-	-	-	-	64.2	64.2
Other comprehensive expense	-	-	-	-	-	(0.1)	(0.1)
Total comprehensive income	-	-	-	-	-	64.1	64.1
Share-based payments	-	-	4.3	-	-	-	4.3
Exercise, lapse or forfeit of SBPs (restated*)	-	-	(5.5)	-	-	5.5	-
Shares acquired by Employee Benefit Trust	-	-	-	(3.3)	-	-	(3.3)
Share options exercised	-	1.5	-	-	-	-	1.5
Dividends	-	-	-	-	-	(31.7)	(31.7)
Deferred tax relating to changes in equity	-	-	-	-	-	0.2	0.2
Current tax relating to changes in equity	-	-	-	-	-	0.4	0.4
At 23 September 2023 (restated*)	5.4	125.4	8.3	(3.3)	-	742.6	878.4
(Audited)							
At 25 March 2023 as originally presented	5.4	123.9	49.0	-	-	664.6	842.9
Change in accounting policy	-	-	(39.5)	-	-	39.5	-
Total equity at the beginning of the financial year (restated*)	5.4	123.9	9.5	-	-	704.1	842.9
Profit for the year	-	-	-	-	-	113.1	113.1
Other comprehensive expense	-	-	-	-	(0.1)	-	(0.1)
Total comprehensive income	-	-	-	-	(0.1)	113.1	113.0
Share-based payments	-	-	8.8	-	-	-	8.8
Exercise, lapse or forfeit of SBPs	-	-	(6.5)	-	-	6.5	-
Shares acquired by Employee Benefit Trust	-	-	-	(15.6)	-	-	(15.6)
Share options exercised	-	4.4	-	-	-	-	4.4
Dividends	-	-	-	-	-	(43.9)	(43.9)
Deferred tax relating to changes in equity	-	-	-	-	-	1.4	1.4
Current tax relating to changes in equity	-	-	-	-	-	0.5	0.5
At 30 March 2024	5.4	128.3	11.8	(15.6)	(0.1)	781.7	911.5

* See note 2 for details regarding the restatement as a result of a change in accounting policy.

Responsibility statement

The Directors confirm that these condensed set of consolidated interim financial statements have been prepared in accordance with UK-adopted International Accounting Standard (IAS) 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the first 26 weeks of the year and their impact on the condensed set of consolidated financial statements, and a description of the principal risks and uncertainties for the remaining 26 weeks of the financial year; and
- material related-party transactions in the first 26 weeks of the year and any material changes in the related-party transactions described in the last annual report.

The Board of Directors that served during the 26 weeks ended 28 September 2024, and their respective responsibilities, can be found on pages 78 to 79, and 92 of the Annual Report and Accounts for the 53 weeks ended 30 March 2024, dated 21 May 2024. A list of current Directors is maintained on the Cranswick plc website: www.cranswick.plc.uk

On behalf of the Board

Tim J Smith CBE	**Mark Bottomley**
Chairman	Chief Financial Officer

26 November 2024

Notes to the interim accounts

1. Basis of preparation

Cranswick plc is a public limited company incorporated and domiciled in England, United Kingdom. The condensed set of consolidated interim financial statements have been prepared in accordance with the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority and UK-adopted IAS 34, 'Interim Financial Reporting'. The Group is presenting its condensed consolidated interim financial statements for the 26 weeks to 28 September 2024 with comparative information for the 26 weeks to 23 September 2023 and the 53 weeks to 30 March 2024. The 2023 Balance Sheet has been restated following a change in accounting policy. For more details see the accounting policies section below. This interim report was approved by the Directors on 26 November 2024.

The annual financial statements will be prepared in accordance with UK-adopted International Accounting Standards (IAS) and the requirements of the Companies Act 2006.

As required by the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority, the condensed set of consolidated financial statements have been prepared applying the accounting policies and presentation that were applied in the preparation of the Group's published consolidated financial statements for the 53 weeks ended 30 March 2024. These statements do not include all the information required for full annual consolidated financial statements and should be read in conjunction with the full Annual Report and Accounts for the 53 weeks ended 30 March 2024.

The information does not constitute statutory accounts within the meaning of Section 435 of the Companies Act 2006. The statutory accounts for the 53 weeks ended 30 March 2024 were prepared in accordance with UK-Adopted International Accounting Standards ('UK-Adopted IAS') and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards, and 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'.

1. Basis of preparation (continued)

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 the principal risks of the Group. Management has produced forecasts to reflect severe yet plausible downside scenarios which consider the principal risks faced by the Group, including, but not limited to, a loss of consumer demand, an outbreak of Avian Influenza and a widespread outbreak of African Swine Fever in the UK and Europe, as well the Group's considerable financial resources and strong trading relationships with its key customers and suppliers. 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 and bank covenants.

Given the strong liquidity of the Group, the £250m committed banking facilities in place beyond the going concern period, and the diversity of operations, 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 current available facilities and full covenant compliance in all modelled scenarios.

After reviewing the available information, including business plans and downside scenario modelling and making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the twelve months from the date of signing the condensed consolidated interim financial statements. For this reason, the Directors continue to adopt the going concern basis for preparing these 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 53 weeks ended 30 March 2024, except as described below:

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.

There were no accounting standards or interpretations that have become effective in the current reporting period which had an impact on disclosures, financial position or performance.

Change in accounting policy

During the prior financial year, the Group changed its accounting policy for share-based payments such that the value of shares that have exercised, lapsed or forfeit is now credited to Retained earnings as opposed to remaining within the Share-based payment reserve.

The change in accounting policy had no impact upon the Group Income Statement, Group Statement of Comprehensive Income, Group Statement of Cash Flows, net assets of the Group, or the Group distributable reserves. The change in accounting policy enables the readers of the financial statements to identify the cumulative value of share-based payments that are still to be exercised, lapse or forfeit.

The impact of the change in accounting policy is detailed in the Group Statement of Changes in Equity. There is no change to basic and diluted earnings per share arising from the change in accounting policy.

3. Significant estimates and judgements

In preparing this set of consolidated condensed interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the 53 weeks ended 30 March 2024.

4. 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.

The reporting segments are organised based on the nature of the end markets served. The 'Food' segment entails manufacture and supply of food products to UK grocery retailers, the food service sector and other UK and global food producers. The 'Other' segment represents all other activities which do not meet the above criteria, principally Cranswick Pet Products Limited.

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. The Piggy Green Limited and Fornham Pigs Limited acquisitions are included within the Fresh Pork product category. The 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.

	Half year						53 weeks ended 30 March 2024		
	2024	**2024**	**2024**	2023	2023	2023			
	£'m	**£'m**	**£'m**	£'m	£'m	£'m	£'m	£'m	£'m
	Food	**Other**	**Total**	Food	Other	Total	Food	Other	Total
Revenue	**1,313.0**	**16.9**	**1,329.9**	1,243.8	9.9	1,253.7	2,573.9	25.4	2,599.3
Adjusted operating profit	**101.8**	**(2.2)**	**99.6**	87.2	(1.7)	85.5	192.5	(7.4)	185.1
Finance costs	**(3.9)**	**-**	**(3.9)**	(3.9)	-	(3.9)	(8.9)	-	(8.9)
Share of net profit of joint venture	**0.1**	**-**	**0.1**	-	-	-	0.4	-	0.4
Adjusted profit before tax	**98.0**	**(2.2)**	**95.8**	83.3	(1.7)	81.6	184.0	(7.4)	176.6

Geographical segments

The following table sets out revenues by destination, regardless of where the goods were produced:

	Half year		53 weeks ended 30 March
	2024	2023	2024
	£'m	£'m	£'m
UK	**1,302.3**	1,224.7	2,543.7
Continental Europe	**10.5**	15.8	24.9
Rest of world	**17.1**	13.2	30.7
	1,329.9	1,253.7	2,599.3

In addition to the non-UK sales disclosed above, the Group also made sales to export markets through UK-based meat trading agents totalling £26.1m (2023: £28.9m). Including these sales, total sales to export markets were £53.7m for the period (2023: £57.9m).

4. Segmental analysis (continued)

Customer concentration

The Group has three customers (2023: three) which individually account for more than 10% of the Group's total revenue. These customers account for 23%, 16% and 11% respectively. In the prior period, these same three customers accounted for 22%, 16% and 10% respectively.

Seasonality

The Group is subject to marginal seasonal fluctuations in its Food segment with increased sales over the Christmas period. This increase results in a working capital build towards Christmas which then unwinds over the remainder of the financial year.

5. Group operating profit

Group operating costs comprise:

	Half year		53 weeks ended 30 March
	2024	2023	2024
	£'m	£'m	£'m
Cost of sales excluding net IAS 41 valuation movement on biological assets	**1,126.5**	1,077.1	2,224.6
Net IAS 41 valuation movement on biological assets*	**3.4**	(7.7)	(2.2)
Cost of sales	**1,129.9**	1,069.4	2,222.4
Gross profit	***200.0***	*184.3*	*376.9*
Selling and distribution costs	**54.9**	48.1	100.0
Administrative expenses excluding impairment and amortisation of intangible assets	**48.9**	43.0	95.3
Impairment of intangible assets (Note 14)	**-**	-	15.4
Amortisation of intangible assets	**2.2**	2.4	5.0
Administrative expenses	**51.1**	45.4	115.7
Other operating income	**-**	-	(5.7)
Total operating costs	**1,235.9**	1,162.9	2,432.4

* 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.

Included within other operating income at 30 March 2024 are credits of £5.7m for insurance claims received in the period.

6. Taxation

The tax charge of £23.6m (2023: £22.7m) gives an effective tax rate of 26.2% (2023: 26.1%). The effective tax rate is higher than the UK statutory rate of corporation tax of 25.0% (2023: 25.0%) mainly due to non-qualifying depreciation and tax adjustments related to disallowable expenditure.

7. Earnings per share

Basic earnings per share are based on profit for the period attributable to members of the Parent Company and on the weighted average number of shares in issue during the period (excluding the shares held by the Employee Benefit Trust) of 53,648,000 (30 March 2024: 53,776,000, 23 September 2023: 53,712,000). The calculation of diluted earnings per share is based on 53,940,000 shares (30 March 2024: 53,963,000, 23 September 2023: 53,903,000).

8. Dividends

	Half year 2024 £'m	Half year 2023 £'m	53 weeks ended 30 March 2024 £'m
Interim dividend for year ended 30 March 2024 of 22.7p per share	**-**	-	12.2
Final dividend for year ended 30 March 2024 of 67.3p (2023: 58.8p) per share	**36.1**	31.7	31.7
	36.1	31.7	43.9

The interim dividend for the year ending 29 March 2025 of 25.0p per share was approved by the Board on 26 November 2024 for payment to Shareholders on 24 January 2025 and therefore has not been included as a liability at 28 September 2024.

9. Acquisitions

i) Piggy Green Limited and Fornham Pigs Limited

On 28 June 2024, the Group acquired 100% of the issued share capital of Piggy Green Limited and Fornham Pigs Limited, both of which are outdoor pig breeders based in East Anglia, for net cash consideration of £4.1m.

The acquisition is in line with the Group's focus on increasing our self-sufficiency in British pigs.

The acquisition has been accounted for as a business combination using the acquisition method of accounting in accordance with IFRS 3 Business Combinations. Consequently, the assets acquired and liabilities assumed, have been recorded by the Group at fair value with an excess purchase price over the fair value of the identifiable asset and liabilities recognised as goodwill.

The following table sets out the provisional fair values of the identifiable assets and liabilities acquired by the Group in relation to Piggy Green Limited and Fornham Pigs Limited:

	Provisional fair value £'m
Net assets acquired:	
Property, plant and equipment	1.5
Biological assets	1.3
Inventories	0.1
Trade and other receivables	0.9
Cash	0.2
Trade and other payables	(0.4)
Deferred tax liability	(0.1)
	3.5
Goodwill arising on acquisition	0.6
Total consideration	4.1

Satisfied by:	
Initial cash consideration	3.7
Deferred consideration	0.4
	4.1

9. Acquisitions (continued)

Net cash outflow arising on acquisition:	
Cash consideration paid	3.7
Cash and cash equivalents acquired	(0.2)
	3.5

The fair values on acquisition are provisional pending finalisation of the completion accounts and will be finalised within twelve months of the acquisition date.

The fair value of trade and other receivables acquired is the same as the gross contractual amounts. All of the trade and other receivables acquired are expected to be collected in full.

No customer relationship intangible asset has been recognised as the acquisition was undertaken in line with the Group's focus on increasing self-sufficiency in British pigs. There are no trademarks linked to Piggy Green Limited or Fornham Pigs Limited.

Included in the £0.6m of goodwill recognised above are certain intangible assets that cannot be individually separated from the acquiree and reliably measured due to their nature. These items include the expected value of synergies and an assembled workforce.

Transaction costs in relation to the acquisition of £0.2m have been expensed within administrative expenses.

From the date of acquisition to 28 September 2024, the external revenue of Piggy Green Limited and Fornham Pigs Limited combined was £0.1m and the combined net profit after tax was less than £0.1m. Had the acquisition taken place at the beginning of the financial year, Group revenue would have been £1,330.1m with no change to Group profit after tax.

(ii) Deferred and contingent consideration

The Sale and Purchase agreements for Atlantica UK Limited and Ramona’s Kitchen Limited included contingent consideration payable in cash to the previous owners based on the performance of the businesses in the period to 30 June 2024.

The fair value of the deferred contingent consideration on acquisition was estimated at £2.7m and was estimated calculating the present value of the future expected cashflows. During the period, the Atlantica UK Limited deferred contingent consideration was finalised, resulting in a cash payment of £0.6m with £0.1m being released to the Group Income Statement. In the prior year, £1.0m of the Ramona's Kitchen Limited deferred contingent consideration was paid. The remaining value has been reassessed at the end of the reporting period based on latest Board approved cash flows, resulting in £1.0m recognised as at the period end and will be paid within the year.

The Sale and Purchase agreement for Froch Foods Holdings Limited included deferred consideration payable in cash to the previous owners based on the finalisation of the completion accounts. The estimated amount payable was £0.4m. Following the finalisation of the completion accounts, the deferred consideration was reduced by £0.1m and a cash payment of £0.3m was made in the period.

The Sale and Purchase agreements for Piggy Green Limited and Fornham Pigs Holdings Limited included deferred consideration payable in cash to the previous owners based on the finalisation of the completion accounts. The amount payable is estimated at £0.4m and will be paid within the year.

10. 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 135 of the Annual Report and Accounts for the 53 weeks ended 30 March 2024.

Fair value of financial instruments

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

	Half year				53 weeks ended 30 March 2024	
	2024		2023			
	Book value £'m	**Fair value £'m**	Book value £'m	Fair value £'m	Book value £'m	Fair value £'m
Forward currency contracts	**0.7**	**0.7**	-	-	0.2	0.2
Contingent consideration	**1.0**	**1.0**	2.7	2.7	1.7	1.7

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 to the Group.

Reconciliation of contingent consideration:

	£'m
At 30 March 2024	1.7
Paid in the period	(0.6)
Released to the Group Income Statement in the period	(0.1)
At 28 September 2024	**1.0**

Biological assets

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its non-financial assets and liabilities into the three levels prescribed under the accounting standards:

	Level 1 £'m	Level 2 £'m	Level 3 £'m	**Total £'m**
At 28 September 2024				
Breeding sows (Bearer biological assets)	-	10.5	-	**10.5**
Boars	-	0.2	-	**0.2**
Finished pigs (Consumable biological assets)	-	-	48.0	**48.0**
Sucklers and weaners (Consumable biological assets)	-	-	19.4	**19.4**
Breeder chickens (Bearer biological assets)	-	2.4	-	**2.4**
Broiler chickens (Consumable biological assets)	-	7.7	-	**7.7**
Total biological assets	**-**	**20.8**	**67.4**	**88.2**

	Level 1 £'m	Level 2 £'m	Level 3 £'m	**Total £'m**
At 30 September 2023				
Breeding sows (Bearer biological assets)	-	13.2	-	**13.2**
Boars	-	0.2	-	**0.2**
Finished pigs (Consumable biological assets)	-	-	53.6	**53.6**
Sucklers and weaners (Consumable biological assets)	-	-	19.4	**19.4**
Breeder chickens (Bearer biological assets)	-	2.2	-	**2.2**
Broiler chickens (Consumable biological assets)	-	8.0	-	**8.0**
Total biological assets	**-**	**23.6**	**73.0**	**96.6**

10. Financial instruments (continued)

	Level 1 £'m	Level 2 £'m	Level 3 £'m	**Total £'m**
At 30 March 2024				
Breeding sows (Bearer biological assets)	-	12.2	-	**12.2**
Boars	-	0.2	-	**0.2**
Finished pigs (Consumable biological assets)	-	-	49.9	**49.9**
Sucklers and weaners (Consumable biological assets)	-	-	16.9	**16.9**
Breeder chickens (Bearer biological assets)	-	2.2	-	**2.2**
Broiler chickens (Consumable biological assets)	-	8.2	-	**8.2**
Total biological assets	**-**	**22.8**	**66.8**	**89.6**

Included within biological assets are eggs with a value of £0.8m (30 March 2024: £0.5m, 23 September 2023: £0.5m).

In the prior year, there was a change in available external data from AHDB in respect of suckler and weaner pig prices. As a result, management has used historic data and applied a correlation with the current UK Standard Pig Price. There was no change in underlying methodology applied, however as these suckler and weaner prices were no longer observable in the market, management considered that this caused the valuation to move into Level 3 of the fair value hierarchy. Having considered the sensitivities in key inputs to suckler and weaner valuations, management considered that reasonable sensitivities would not result in a material impact on the fair value.

The Group's valuation model for finished pigs utilises quoted (unadjusted) prices in an active market: the UK Standard Pig Price (SPP). The prices are then adjusted to reflect the growth of the animals through straight-line interpolation between weaner to finished pig to provide a value for the pigs at a particular stage of growth. As the weaner price used in the straight-line interpolation for finished pigs was not observable in the market in the prior year, management concluded that these prices moved into Level 3 of the fair value hierarchy.

Reconciliation of carrying amounts of fair value level 3 livestock:

	£'m
At 30 March 2024	66.8
Increase due to purchases	8.8
Increase due to acquisition	0.7
Decrease attributable to harvest	(154.0)
Decrease attributable to sales	(2.2)
Changes in fair value less estimated costs to sell	147.3
At 28 September 2024	**67.4**

The gains or (losses) recognised in relation to the sucklers, weaners and finished pigs are as follows:

	Half year		53 weeks ended 30 March
	2024	2023	2024
	£'m	£'m	£'m
Net total (losses)/gains for the period recognised in profit or loss within 'Net IAS 41 valuation movement on biological assets'	**(0.7)**	10.3	6.4
Net change in unrealised gains for the period recognised in profit or loss attributable to sucklers, weaners and finished pigs held at the end of the reporting period	**6.3**	10.6	6.7

The following table summarises the quantitative information about the significant unobservable inputs used in the fair value measurements of the weaners, sucklers and finishers.

10. Financial instruments (continued)

Description	Unobservable inputs	Range of inputs: Half year 2024 £	Half year 2023 £	53 weeks ended 30 March 2024 £	Relationship of unobservable inputs to fair value
Sucklers and weaners	Suckler price	**51.30 - 51.98**	51.98 - 55.40	51.98 - 55.40	The higher the market price, the higher the fair value.
	Weaner price	**60.40 - 61.20**	56.70 - 64.69	56.70 - 64.69	
Finished pigs	Finisher price	**175.66 - 203.37**	184.61 - 215.19	182.83 - 215.19	

If the sensitivities in the table above moved by 10%, the fair value of the sucklers and weaners as well as finished pigs would move by £3.0m (30 March 2024: £2.8m, 23 September 2023: £3.1m). There is no material impact on the Group.

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 of financial instruments 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 valuation models and are based on mid-market levels as at close of business on the Group's reporting date.

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

The Group's biological assets are measured using Level 2 and Level 3 of the fair value hierarchy.

Quoted (unadjusted) prices in an active market are not available for sucklers and weaners. The Group's valuation model for sucklers and weaners is therefore a function of the UK Standard Pig Price (SPP) for finished pigs since historic data suggests that prices for sucklers, weaners and finished pigs were strongly correlated. The derived prices for sucklers and weaners are then adjusted to reflect the growth of the pigs through a straight line interpolation based on age, to provide a value for the pigs at a particular stage of growth. As suckler and weaner prices are not observable in the market, management concludes that these prices fall within Level 3 of the fair value hierarchy.

The Group's valuation model for finished pigs utilises quoted (unadjusted) prices in an active market: the UK Standard Pig Price (SPP). The prices are then adjusted to reflect the growth of the animals through straight-line interpolation between weaner to finished pig to provide a value for the pigs at a particular stage of growth. As the weaner price used in the straight-line interpolation for finished pigs is not observable in the market, management concludes that these prices fall within Level 3 of the fair value hierarchy.

The valuation for broiler birds uses recent transaction prices at various stages of development. The prices are then adjusted to reflect the growth of the birds through interpolation between the transaction prices. The valuation of breeder chickens is based on recent transactions for similar assets and therefore it is classified as Level 2 in the fair value hierarchy. The valuation of sows, boars and breeder chickens is based on recent transactions for similar assets and therefore is also classified as Level 2 in the fair value hierarchy.

The main assumptions used in relation to the valuation are growth and mortality rates of chickens and a price for sucklers and weaners.

11. Analysis of Group net debt

	At 30 March 2024 £'m	Acquired on acquisition £'m	Cash flow £'m	Other non-cash changes £'m	**At 28 September 2024 £'m**
Cash and cash equivalents	27.0	0.2	(18.8)	-	**8.4**
Revolving credit facility	(27.1)	-	18.0	(0.2)	**(9.3)**
Net debt excluding IFRS 16 lease liabilities	(0.1)	0.2	(0.8)	(0.2)	**(0.9)**
Lease liabilities	(99.3)	-	10.3	(17.6)	**(106.6)**
Total net debt	(99.4)	0.2	9.5	(17.8)	**(107.5)**

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 of £0.7m.

The Group acquired £0.2m cash and cash equivalents as part of the Piggy Green Limited and Fornham Pigs Limited acquisition.

Cash and cash equivalents and bank overdrafts are presented on a net (offset) basis. The Group's bank arrangements and facilities provide the legally enforceable right to offset and the Group demonstrated its intention to offset by sweeping balances regularly throughout the year. Consequently, the balances have been offset in the financial statements.

12. Related party transactions

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

13. Property, plant and equipment, right-of-use assets and capital expenditure commitments

Additions to owned property, plant and equipment during the period totalled £48.4m (2023: £40.5m). Future capital expenditure under contract at 28 September 2024 was £47.5m (2023: £18.5m).

Additions to right-of-use assets in the period totalled £18.7m (2023: £13.8m). At 28 September 2024, the Group had no signed leases for right-of-use assets which commence after the balance sheet date (2023: £nil).

14. Impairment of non-current assets

No impairment of goodwill or intangible assets were recognised in the 26 weeks ended 28 September 2024 (2023: £nil). The Group reviewed both internal and external sources of information and concluded that there are no indicators of impairment during the 26 weeks to 28 September 2024, hence no impairment loss was recognised in the period.

There were no impairment losses in the period (2023: £nil) with respect to investments in joint ventures.

15. 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 intangible assets and, where relevant, profit on sale of a business and impairment charges. Free cash flow is defined as net cash from operating activities less net interest paid and like-for-like revenue excludes the current year contribution from current and prior year acquisitions prior to the anniversary of their purchase.

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 other intangible assets) 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.

15. Alternative performance measures (continued)

Like-for-like revenue

	Half year		53 weeks ended 30 March
	2024	2023	2024
	£'m	£'m	£'m
Revenue	**1,329.9**	1,253.7	2,599.3
Elsham Linc Limited	**(0.6)**	-	-
Froch Foods Limited	**(3.5)**	-	-
Like-for-like revenue	**1,325.8**	1,253.7	2,599.3

Adjusted gross profit

	Half year		53 weeks ended 30 March
	2024	2023	2024
	£'m	£'m	£'m
Gross profit	**200.0**	184.3	376.9
Net IAS 41 valuation movement on biological assets	**3.4**	(7.7)	(2.2)
Adjusted gross profit	**203.4**	176.6	374.7

Adjusted Group operating profit and adjusted EBITDA

	Half year		53 weeks ended 30 March
	2024	2023	2024
	£'m	£'m	£'m
Group operating profit	**94.0**	90.8	166.9
Net IAS 41 valuation movement on biological assets	**3.4**	(7.7)	(2.2)
Amortisation of intangible assets	**2.2**	2.4	5.0
Impairment of intangible assets	**-**	-	15.4
Adjusted Group operating profit	**99.6**	85.5	185.1
Depreciation of plant, property and equipment	**34.0**	30.1	65.5
Depreciation of right-of-use assets	**8.8**	7.7	16.2
Adjusted EBITDA	**142.4**	123.3	266.8

Adjusted profit before tax

	Half year		53 weeks ended 30 March
	2024	2023	2024
	£'m	£'m	£'m
Profit before tax	**90.2**	86.9	158.4
Net IAS 41 valuation movement on biological assets	**3.4**	(7.7)	(2.2)
Amortisation of intangible assets	**2.2**	2.4	5.0
Impairment of intangible assets	**-**	-	15.4
Adjusted profit before tax	**95.8**	81.6	176.6

15. Alternative performance measures (continued)

Adjusted earnings per share

On adjusted profit for the period:

	Half year				53 weeks ended 30 March	
	2024 Basic pence	**2024 Diluted pence**	2023 Basic pence	2023 Diluted pence	2024 Basic pence	2024 Diluted pence
On profit for the period	**124.0**	**123.4**	119.5	119.1	210.4	209.7
Net IAS 41 valuation movement on biological assets	**6.4**	**6.4**	(14.3)	(14.2)	(4.2)	(4.1)
Tax on net IAS 41 valuation movement on biological assets	**(1.6)**	**(1.6)**	3.6	3.6	1.0	1.0
Amortisation of intangible assets	**4.4**	**4.4**	4.5	4.5	9.4	9.3
Tax on amortisation of intangible assets	**(1.1)**	**(1.1)**	(1.1)	(1.1)	(2.3)	(2.3)
Impairment of goodwill	**-**	**-**	-	-	28.0	27.9
Impairment of intangible assets	**-**	**-**	-	-	0.6	0.6
Tax on impairment of intangible assets	**-**	**-**	-	-	(0.1)	(0.1)
On adjusted profit for the period	**132.1**	**131.5**	112.2	111.9	242.8	242.0

Free cash flow

	Half year		53 weeks ended 30 March
	2024 £'m	2023 £'m	2024 £'m
Net cash from operating activities	**106.6**	80.3	228.4
Net interest paid	**(1.2)**	(2.0)	(5.0)
Free cash flow	**105.4**	78.3	223.4

Free cash conversion

	Half year		53 weeks ended 30 March
	2024 £'m	2023 £'m	2024 £'m
Free cash flow	**105.4**	78.3	223.4
Non-growth capital expenditure	**(13.2)**	(10.9)	(22.1)
Net IAS 41 valuation movement on biological assets	**(3.4)**	7.7	2.2
Payment of lease capital	**(7.9)**	(7.1)	(14.2)
Payment of lease interest	**(2.4)**	(1.5)	(3.6)
	78.5	66.5	185.7
Adjusted profit after tax	**70.8**	60.3	130.5
Free cash conversion	**110.9%**	110.4%	142.3%

15. Alternative performance measures (continued)

Return on capital employed

	Half year		53 weeks ended 30 March
	2024	2023	2024
	£'m	£'m	£'m
Average opening and closing net assets	**909.2**	835.5	877.2
Average opening and closing net debt	**124.7**	139.2	100.4
Average opening and closing pension surplus	**(0.2)**	(2.2)	(0.2)
Average opening and closing deferred tax	**29.4**	25.1	24.6
	1,063.1	997.6	1,002.0
Adjusted Group operating profit	**199.2**	163.6	185.1
Return on capital employed	**18.7%**	16.4%	18.5%

Return on capital employed over a 12 month period is a key performance indicator for the Group and is defined as adjusted operating profit divided by the sum of average opening and closing net assets, net debt/(funds), pension liability/(surplus) and deferred tax.

16. Principal risks and uncertainties

The Group continues to have a structured and mature approach to risk management to ensure a systematic and planned method for identifying, assessing, prioritising, mitigating, and monitoring risks is in place across the business. In recent years, the successful implementation of a Risk Management IT System has led to improvements in the quality and integrity of reported risk information and importantly the ability to respond promptly to existing and emerging risks. Going forward, the Group will continue to focus on enhancing risk management arrangements specifically to give greater simplicity and effectiveness to our reporting processes and options to create greater interconnectivity of risks across different areas of the business.

The principal risks and uncertainties facing the Group are set out in detail on pages 68 to 72 of the Annual Report and Accounts for the 53 weeks ended 30 March 2024, dated 21 May 2024, a copy of which is available on the Group's website.

Following a detailed review of the Group's principal risks, the competitor activity principal risk has now been amalgamated into the reliance on key customers and exports principal risk due to being comparable in nature with similar existing controls and mitigations.

The Board therefore considers the principal risks and uncertainties at 28 September 2024 to be as follows:

- Reliance on key customers and exports
- Disease and infection within livestock
- Consumer demand
- Recruitment and retention of key personnel
- Climate change
- Food scares and product contamination
- Disruption to Group operations
- Labour availability and cost
- Growth and change
- Pig meat availability and price
- Health and Safety
- Interest rate, currency, liquidity and credit risk
- IT systems and cyber security
- Adverse media attention

In common with other UK businesses, the Group has seen volatility within existing risks caused by external issues including the ongoing conflicts in Ukraine and the Middle East, the cost of living crisis and broader economic, geopolitical and supply chain uncertainties.

As previously reported, disease in livestock continues to present a significant risk to the Group and we remain acutely aware of the impact an African Swine Fever (ASF) outbreak would have on the UK pig industry and specifically our ability to continue exporting. The spread of ASF continues to be closely monitored by the Group, and over recent months we have worked with the Department for Environment, Food and Rural Affairs (DEFRA) regarding ASF outbreak simulation planning. Across all Cranswick farms, robust bio-security protocols continue to be strictly in place and enforced.

Independent review report to Cranswick plc
Report on the condensed consolidated interim financial statements

Our conclusion
We have reviewed Cranswick plc's condensed consolidated interim financial statements (the "interim financial statements") in the interim results of Cranswick plc for the 26 week period ended 28 September 2024 (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 UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim financial statements comprise:

- the Group balance sheet as at 28 September 2024;
- 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 UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Basis for conclusion
We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the United Kingdom ("ISRE (UK) 2410"). 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.

Conclusions relating to going concern
Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed. This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the group to cease to continue as a going concern.

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. In preparing the interim results, including the interim financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements in the interim results based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report. 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.

PricewaterhouseCoopers LLP
Chartered Accountants
Leeds
26 November 2024