INTERIM FINANCIAL REPORT
For the half year ended 29 March 2024

21 May 2024

Strong profit growth as recovery accelerates - full year to be ahead of current market expectations[1]

Greencore Group plc ("Greencore" or the "Group"), a leading manufacturer of convenience food in the UK, today issues its results for the half year ended 29 March 2024 ("H1 24").

SUMMARY FINANCIAL PERFORMANCE

	H1 24 £m	H1 23 £m	Change
Revenue	866.1	925.8	-6.4%
Like-for-Like Revenue Growth			+4.1%
Adjusted EBITDA	55.9	39.9	+40.1%
Group Operating Profit	25.3	3.6	+602.8%
Adjusted Operating Profit	28.3	11.8	+139.8%
Adjusted Operating Margin	3.3%	1.3%	+200bps
Profit/(Loss) Before Taxation	14.7	(6.2)	+£20.9m
Adjusted Profit Before Tax	16.9	3.4	+397.1%
Basic EPS (pence)	2.5	(0.9)	+3.4p
Adjusted EPS (pence)	2.8	0.5	+2.3p
Group Exceptional Items (after tax)	(1.3)	(4.8)	+72.9%
Free Cash Flow	(26.5)	(24.3)	-9.1%
Net Debt (excluding lease liabilities)	(198.0)	(219.4)	+£21.4m
Net Debt: EBITDA as per financing agreements	1.4x	1.9x	+0.5x
Return on Invested Capital ("ROIC")	10.2%	7.5%	+270bps

FINANCIAL HIGHLIGHTS[2,3, 4]

- Volume growth ahead of the wider market[3] driven by key category outperformance
- Reported revenue decline reflects decision to exit a number of low margin contracts in FY23 and the Trilby Trading disposal, on a Like-for-Like ("LFL") basis[4], revenue growth was 4.1% with a 1.2% increase from volume growth and mix impact
- Strong growth in Adjusted Operating Profit to £28.3m with 200bps margin improvement
- ROIC increased 270bps to 10.2%, driven by improvements across product portfolios, manufacturing footprint and disciplined capital investment
- Strong balance sheet at period end with Net Debt (excluding leases) to Adjusted EBITDA as per financing arrangements reducing to 1.4x (H1 23: 1.9x)
- Target to return a further £50m to shareholders over next 12 months, commencing with a share buyback of up to £30m and if the business continues to trade as expected the Board intends to declare a dividend for the year to September 2024
- Currently expect FY24 Adjusted Operating Profit in a range of £86-88m, ahead of current market expectations[1]

STRATEGIC & OPERATIONAL HIGHLIGHTS

- Strong progress across "Horizon 2", driving efficiency, rebuilding profitability and enhancing returns
- Outstanding operational service levels of 99.2% achieved in H1 24
- Continuing to enhance performance across manufacturing footprint and will consolidate soups business into single site providing efficiency gains
- New large ready meals contract win will be onboarded at the Kiveton site in late Q4 24
- Transformation programme launched in H1 24 addressing outdated IT infrastructure, targeted at improving process efficiencies across the Group
- Expect a reduction of £9.8m in annual UK pension funding contributions from September 2025

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 ("MAR").

Dalton Philips, Chief Executive Officer, said:

"Greencore delivered excellent progress against its strategic priorities in the first half and continued to outperform the market in a difficult consumer spending environment.

The Group's accelerating financial performance is very encouraging as we focus on driving profitability and returns. We are working with our major retail customers to develop new products and new offerings which are driving the growth of our Food to Go segment ahead of the market. We have exited low margin business and are undertaking a range of actions to increase the returns profile of each element of the portfolio. We have many opportunities to continue to grow our business profitability and have commenced investing in our IT infrastructure to create a solid platform for growth and enable further efficiency gains across the Group.

Notwithstanding this additional investment, and while our seasonally stronger second half is still ahead of us, we now expect FY24 adjusted operating profit in a range of £86-88m, ahead of current market expectations[1]."

Presentation & Conference Call

A presentation of the results for analysts and institutional investors will take place at 8.30am on 21 May 2024.

The presentation slides will be available on the Investor Relations section on www.greencore.com from 7.00am that morning.

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

Basis of preparation

Details of the basis of preparation of the financial information within this Interim Financial Report can be found in Note 1 to the attached financial information.

Forward-looking statements

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

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

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1 Market expectations as complied by Greencore from available analyst estimates on 14 May 2024 (https://www.greencore.com/investor-relations/analyst-centre)

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

3 Compared to Kantar grocery market performance for the 26 weeks to 1st April 2024.

4 Like-for-Like ("LFL") Revenue Growth and like-for-like volume growth adjusts actual revenue and volumes respectively for the net impact of business wins and losses.

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About Greencore

We are a leading manufacturer of convenience food in the UK and our purpose is to make every day taste better. To help us achieve this we have a model called The Greencore Way, which is built on the differentiators of People at the Core, Great Food, Excellence and Sustainability – The Greencore Way describes both who we are and how we will succeed. We supply all of the major supermarkets in the UK. We also supply convenience and travel retail outlets, discounters, coffee shops, foodservice and other retailers. We have strong market positions in a range of categories including sandwiches, salads, sushi, chilled snacking, chilled ready meals, chilled soups and sauces, chilled quiche, ambient sauces and pickles, and frozen Yorkshire Puddings.

During FY23 we manufactured 779m sandwiches and other food to go products, 132m chilled ready meals, 45m chilled soups and sauces and 245m jars of cooking sauces, pickles and condiments. We carry out more than 10,400 direct to store deliveries each day. We have 16 world-class manufacturing sites and 17 distribution centres in the UK, with industry-leading technology and supply chain capabilities. We generated revenues of £1.9bn in FY23 and employ 13,600 people. We are headquartered in Dublin, Ireland. For further information go to www.greencore.com or follow Greencore on social media.

OPERATING REVIEW[2]

Strategic developments

The Group delivered excellent progress against its strategic priorities in H1 24, underpinned by close customer engagement in a difficult consumer spending environment.

LFL volume growth of 0.5% represented a strong volume performance, relative to the wider market performance[3]. The Group maintained outstanding operational service levels during the financial period, working closely with our customers and supply partners, with overall service levels at 99.2% in H1 24 compared to 97.9% in H1 23.

Investment in new product development has increased over the past year. In particular, there has been an increase in demand for new premium product ranges, alongside demand for affordable family formats from several major retail partners. Greencore supported several major retailers in the development of new products and premium priced offerings and ranges. This has helped drive Food to Go category growth and contributed to the Food to Go category growing ahead of the market over the past year.

The Group has remained focused on proactively managing commercial returns and capacity management. A number of contracts, which delivered sub-optimal returns, were exited in FY23 and the Group shifted focus to maximising returns and optimising use of our manufacturing footprint. This has led to improved operational efficiencies in H1 24 across the manufacturing footprint of the Group and an improvement in the returns profile of the majority of sites.

The ready meals facility at Kiveton has been operating with excess capacity. A new ready meals contract with an existing customer will be on-boarded in Q4 24 at this site and is expected to deliver improved site profitability and returns in FY25.

The consolidation of two soup manufacturing sites is planned in Q4 24. This will lead to the closure of soup production capacity at the Kiveton facility and consolidation of soup production at the Bristol site.

The Group launched a multi-year transformation programme in H1 24 focused on bringing the Group's IT estate onto a single enterprise resource planning platform and improving process efficiency across the Group. An exceptional charge of £1.5m was recognised in H1 24 relating to the programme. The Group expects to invest £6.0m to £7.0m in total during FY24 in commencing this multi-year transformation programme.

The Group's cost base has risen following several years of high-cost inflation and therefore new initiatives commenced in H1 24 targeted at reducing the cost base. We also are partnering with academic institutions on industrial robotics development to support increased manufacturing automation across production lines.

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

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

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

The Group continued the implementation of commercial and operational efficiencies to support profitability and mitigate fixed cost inflation in H1 24 and made progress in implementing these in H1 24 as outlined below.

- A commercial excellence programme combining profit enhancement activities across volume, cost, pricing and product mix:
    - new product development and innovation has enabled the Group to drive volume and unlock value for both Greencore and customers; and
    - in H1 24, the number of SKUs resigned by the business was 10% with volume per SKU increasing 3%; while the Group continued to be a supplier of choice to the Group's chosen partners.

OPERATING REVIEW[2] (continued)

Strategic developments (continued)

- A structured operational excellence programme has been established across the business aimed at deploying best practice learnings throughout the network. This involves:
    - wider diagnostic benchmarking of the Group's manufacturing facilities;
    - implementation of four large pilot sites for improvement activities, which together account for c.50% of the Group's cost of goods sold; and
    - new improvement methodologies introduced, with each of the four sites focused on one of material waste, labour, planning, supply chain planning or engineering.

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

Balance Sheet

Debt Re-financing
In November 2023, the Group further strengthened its balance sheet and lengthened its debt maturity profile when it refinanced a £340.0m Revolving Credit Facility ('RCF') and a £45.0m term loan with a new five year £350.0m sustainability linked RCF. The new RCF is a five year facility with the option of two additional one year extensions.

Pension funding
The Triennial valuation of the UK defined benefit pension scheme was completed in March 2023. The scheme is expected to achieve a fully funded position on a triennial valuation basis by September 2025. Following discussions with the UK scheme's trustees, it has been agreed that £9.8m of annual pension contributions from the Group will cease when the fully funded position is achieved. This is currently expected to be no later than the end of September 2025.

Better Future Plan

The primary focus during H1 24 has been on improving sustainability data and preparation for new upcoming regulatory requirements including the Corporate Sustainability Reporting Directive and transition plans.

We have also deepened collaborations with key customers and supply chain partners. In particular, on scope 3 carbon and Healthy and Sustainable Diets.

Trading Performance

	H1 24 £m	H1 23 £m	Change (As reported)	Change (Like-for-Like Basis)
Revenue	866.1	925.8	-6.4%	+4.1%
Group Operating Profit	25.3	3.6	+602.8%	
Adjusted Operating Profit	28.3	11.8	+139.8%	
Adjusted Profit Before Tax	16.9	3.4	+397.1%	

Group reported revenue decreased by 6.4% to £866.1m in H1 24. The decline was driven by the disposal of the Trilby Trading business in September 2023, accounting for a decrease of 4.6% and the proactive decision to exit a number of low returning contracts during FY23 accounting for a further 5.9% decline. This was partially offset by the impact of inflation recovery and price totalling 2.9% and a 1.2% benefit from volume increases (a combination of underlying growth and price mix). LFL Revenue Growth increased by 4.1%.

Overall, Group Operating Profit in H1 24 increased 602.8% to £25.3m and Adjusted Operating Profit increased by 139.8% to £28.3m. The Adjusted Operating Profit improvement was driven by the increase in Gross Profit underpinned by the operational and commercial initiatives implemented during the financial period. Group Adjusted Profit Before Tax was £16.9m in H1 24, compared to £3.4m in H1 23.

OPERATING REVIEW[2] (continued)

Trading Performance (continued)

With the exception of labour costs, inflation in the Group's main cost components has slowed and the majority incurred was recovered or mitigated in the period, through a range of mechanisms, including pass-through of cost increases, cost reductions, product and range reformulations, and alternative sourcing. Efficiency initiatives also supported the offsetting, recovery and mitigation of labour, fixed cost and other overhead cost inflation. Labour costs will continue to increase with the introduction of further national living wage increases in the UK from April 2024.

An exceptional charge of £1.5m was recognised in H1 24 for business transformation costs related to the group wide technology and end-to-end processes transformation programme.

The Group managed a very active commercial agenda with customers in H1 24 and launched approximately 184 new products, within the Group's total SKU range of more than 2,000 products. The new product development teams were more active in the development of premium ranges and supported major retailers in the development of numerous new products and offerings.

LFL volumes increased 10% (1.1m units) on the prior year during the Christmas period, across numerous categories (sandwich, soup and sauce, grocery and quiche) and the Group delivered 15.2m Christmas sandwiches to customers. Other examples of launches with key customers during H1 24 were health and vegan ranges launched in the new year and Valentine's Day meal deal ranges across the ready meals and quiche market. The Group also launched several seasonal limited-edition ranges across soup and sandwiches to support key food trends.

Revenue in the Group's Food to Go categories (comprising sandwiches, salads, sushi and chilled snacking) totalled £578.9m and accounted for approximately 67% of reported revenue. Reported revenue decreased by £1.5m in these categories, as LFL volume growth, inflation recovery and pricing impacts were offset by the proactive decision to exit a number of low margin contracts. LFL Revenue Growth across the Food to Go category was 4.6% in the period. The Group experienced LFL volume growth of 2.5% across the Food to Go sandwiches category, outperforming the wider market[3], however there were weaker performances in the Food to Go salads and the own label sushi categories.

The Group's Other Convenience categories comprise activities in the chilled ready meals, chilled soups and sauces, chilled quiche, ambient sauces and pickles, and frozen Yorkshire Pudding categories. Reported revenue across these categories decreased by 16.9% to £287.2m in H1 24. The decrease was driven by the disposal of the Trilby Trading business and exiting low margin contracts which offset inflation recovery. Volumes declined 0.3% on a LFL basis in the period. LFL Revenue Growth across the Other Convenience category was 3.1% in the period. The Group achieved a strong volume performance in the chilled ready meals category, increasing 1.7% on a LFL basis, outperforming the wider market[3]. This was in addition to a strong LFL volume performance across cooking sauce, table sauce and bakery categories, however much of the remainder of the grocery category saw a more challenging performance.

Group Cash Flow and Returns

	H1 24 £m	H1 23 £m	Change (as reported)
Free Cash Flow	(26.5)	(24.3)	-9.1%
Net Debt	(243.9)	(268.8)	+£24.9m
Net Debt (excluding lease liabilities)	(198.0)	(219.4)	+£21.4m
Net Debt: EBITDA as per financing agreements	1.4x	1.9x	0.5x
ROIC	10.2%	7.5%	+270bps

The Group continued to carefully manage both Cash Flows and leverage in H1 24, in the context of recovering profitability, seasonal working capital outflows, and the investment programme to support future growth.

The Group recorded a Free Cash outflow of £26.5m in H1 24 compared to an outflow of £24.3m in H1 23 as the higher profitability in H1 24 was offset by increases in financing and tax costs. Free Cash Flow conversion was 36.7% compared with 42.4% in H1 23.

The Group's Net Debt at H1 24 was £243.9m, a decrease of £24.9m compared to H1 23. Net Debt excluding lease liabilities was £198.0m, down £21.4m on the prior year due to increased profitability, a reduction in capital expenditure and the receipt of disposal proceeds of Trilby Trading Limited. The Group's Net Debt: EBITDA leverage covenant as measured under financing agreements was 1.4x at period end, compared to 1.9x at H2 23.

OPERATING REVIEW[2] (continued)

Group Cash Flow and Returns (continued)

In November 2023, the Group further strengthened its balance sheet and lengthened its debt maturity profile when it refinanced a £340.0m revolving credit facility and a £45.0m term loan with a new five year £350.0m sustainability linked revolving credit facility. As at H1 24, the Group had total committed debt facilities of £446.7m, a weighted average maturity of 4.0 years and cash and undrawn committed bank facilities of £246.0m.

ROIC increased to 10.2% for the 12 months ended 29 March 2024, compared to 7.5% for the prior year. The year-on-year increase was driven primarily by increased profitability in the 12-month period to 29 March 2024. Average invested capital decreased year-on-year from £717.4m to £709.8m.

FINANCIAL REVIEW[1]

Revenue and Operating Profit

Reported revenue in the period was £866.1m a decrease of 6.4% compared to H1 23, due to a decrease in volume year on year, driven by the decision to proactively resign a number of low margin contracts in FY23 and the disposal of the Trilby Trading business. These decreases were partially offset by the impact of the recovery of inflation and pricing, in addition to underlying volume increases. LFL Revenue Growth was 4.1%, due to LFL volume growth and inflation recovery and pricing impacts. LFL Revenue Growth adjusts for the disposal of Trilby Trading Limited in FY23 and the impact of net business wins and losses.

Group Operating Profit increased from £3.6m in H1 23 to £25.3m in H1 24 as a result of the increased gross profit performance underpinned by the operational and commercial initiatives implemented during the financial period. Adjusted Operating Profit was £28.3m compared to £11.8m in H1 23. Adjusted Operating Margin was 3.3%, 200bps higher than in H1 23.

Net finance costs

The Group’s net bank interest cost was £10.7m in H1 24, an increase of £2.9m versus H1 23. The increase was driven by higher cost of debt during H1 24. The Group also recognised a £0.7m interest charge relating to the interest payable on lease liabilities in the period (H1 23: £0.6m).

The change in the fair value of derivative financial instruments and related debt adjustments including foreign exchange in the financial period was a credit of £1.4m (H1 23: £0.8m charge) and the non-cash pension financing charge of £0.6m in line with the H1 23 charge of £0.6m.

Profit before taxation

The Group’s Profit before taxation of £14.7m in H1 24 increased from a loss of £6.2m in H1 23. The increase was driven by higher Group Operating Profit partly offset by higher finance costs. Adjusted Profit Before Tax in the period was £16.9m compared to £3.4m in H1 23.

Taxation

The underlying ETR for the half year is 24% (H1 23: 21%) when adjusted for the change in fair value of derivative financial instruments and related debt adjustments and exceptional items included in the half year period. The Group expects the annual ETR to be in line with the guidance rate of c.25%. The increase in the effective tax rate reflects the increase in the UK corporation tax rate.

FINANCIAL REVIEW[1] (continued)

Exceptional items

The Group had a pre-tax exceptional charge of £1.5m in H1 24, and an after-tax charge of £1.3m, comprised as follows:

Exceptional Items	**£m**
Transformation costs	(1.5)
Exceptional items (before tax)	**(1.5)**
Tax on exceptional items	0.2
Exceptional items (after tax)	**(1.3)**

The charge relates to costs incurred for the Group's transformation programme launched in H1 24 focusing on transformation of the Group's technology infrastructure and end-to-end processes.

Earnings per share

The Group's basic earnings per share for H1 24 was 2.5 pence compared to a loss of 0.9 pence in H1 23. This was driven by a £16.3m increase in profit attributable to equity holders and a decrease in the weighted average number of shares in issue in H1 24 to 468.6m (H1 23: 505.9m) due to the impact of the share buyback programme.

Adjusted Earnings were £13.0m in the period, £10.3m ahead of H1 23 largely due to an increase in Adjusted Operating Profit partly offset by an increase in interest and tax costs. Adjusted Earnings Per Share of 2.8 pence compared to 0.5 pence in H1 23.

Cash Flow and Net Debt

Adjusted EBITDA was £16.0m higher in H1 24 at £55.9m. The Group reported a seasonal net working capital outflow of £43.2m (H1 23: working capital outflow of £32.3m). Maintenance Capital Expenditure of £10.1m was recorded in the period (H1 23: £8.8m). In H1 24, the Group recorded Strategic Capital Expenditure of £2.5m (H1 23: £4.2m). The cash outflow in respect of exceptional charges was £2.9m (H1 23: £2.3m).

Interest paid in the period was £10.1m (H1 23: £8.2m), including interest of £0.7m on lease liabilities, an increase of £1.9m on H1 23 reflecting higher interest costs on borrowings in H1 24. The Group recognised tax paid of £4.2m (H1 23: £1.4m) in the period. The cash tax payable by the Group will remain low due to the availability of full expensing relief for capital expenditure. The Group's effective tax rate will be higher than the cash tax rate in the medium term as deferred tax liabilities will arise on assets where full expensing relief has been claimed. The deferred tax liabilities will release over the useful life of the assets. Cash repayments on lease liabilities were £8.4m (H1 23: £8.3m). The Group's cash funding for defined benefit pension schemes was £6.7m (H1 23: £5.3m).

The Group made net share purchases of £15.2m in H1 24 reflecting the completion of the Group's share buyback programme in H1 24 with £15.0m of shares bought back in H1 24 and the purchase of £0.2m of shares for employee share based payments. This compared to net share purchases of £15.2m in H1 23.

The Group's Net Debt excluding lease liabilities at 29 March 2024 was £198.0m, a decrease of £21.4m compared to the end of H1 23.

Financing

On 20 November 2023, the Group refinanced its debt facilities with a new five-year £350.0m sustainability-linked revolving credit facility ('RCF'), maturing in November 2028 with the option to extend for up to a further two years. This new facility replaces the previous £340.0m RCF that was due to mature in January 2026. A £45.0m term loan due to mature in June 2024 was also repaid in full as part of this debt restructuring.

At 29 March 2024 the Group had cash and undrawn committed bank facilities of £246.0m (H1 23: £277.8m).

FINANCIAL REVIEW[1] (continued)

Pensions

All of the Group's legacy defined benefit pension schemes are closed to future accrual. The net pension deficit relating to legacy defined pension schemes, before related deferred tax, at 29 March 2024 was £22.1m, £2.0m higher than the position at 29 September 2023. The net pension deficit after related deferred tax was £15.2m (FY23: £12.8m), comprising a net deficit on UK schemes of £24.4m (H1 23: £28.3m) and a net surplus on Irish schemes of £9.2m (FY23: £15.5m).

The increase in the Group's net pension deficit was driven principally by net actuarial losses particularly on the Irish scheme partially offset by contributions paid by the Group.

Separate to this IAS 19 *Employee Benefits* valuation, the valuations and funding obligations of the Group's legacy defined benefit pension schemes are assessed on a triennial basis with the relevant trustees. A full actuarial valuation was carried out on the Irish scheme at 31 March 2022 and for the UK defined benefit scheme at 31 March 2023. The Group expects the annual cash funding requirement for all schemes to be approximately £12m - £15m in FY24.

The UK defined benefit scheme is expected to achieve a fully funded position on a triennial valuation basis by the end of September 2025. Following discussions with the UK scheme's trustees, it has been agreed that £9.8m of annual pension contributions from the Group will cease when the fully funded position is achieved. The Group has engaged with the trustees of the UK scheme and, relative to the liabilities on the triennial funding basis the UK scheme is now 100% hedged for movements in gilt yields, reducing the Group's exposure to risk. The Group has also agreed with the trustees that these contributions will cease sooner if the UK scheme remains ahead of schedule.

Return of value to shareholders

The Group completed its commitment to return £50m to shareholders over two years in H1 24, with the remaining £15.0m returned through buybacks in H1 24.

The Group has announced additional shareholder distributions totalling £50m anticipated across the next 12 months, initially in the form of a share buyback of up to £30m. The Board continually reviews the Group's capital management policy and while no final decision has been taken, if the business continues to trade as expected the Board intends to declare a dividend for the year to September 2024.

Principal risks and uncertainties

The Directors continue to assess the principal risks and uncertainties of the Group on a frequent basis. The principal risks and uncertainties faced by the business at 29 September 2023 are described in detail in the Risk Management section of the Annual Report and Financial Statements for the year ended 29 September 2023 issued on 28 November 2023, a copy of which is available on the Group's website.

A description of the principal risks and uncertainties for the remaining six months of the financial year is set out in the Appendix to the Interim Financial Report.

Responsibility Statement

Each of the Directors of Greencore Group plc confirm that, to the best of each person's knowledge and belief as required by the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority ('FCA'):

- The Financial Statements have been prepared in accordance with *IAS 34 Interim Financial Reporting* as adopted by the European Union;
- The Interim Management Report includes a fair review of important events that have occurred during the first six months of the financial year, and their impact on the condensed financial statements, and also contains a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- The Interim Management Report includes a fair review of the related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last Annual Report that could have a material effect on the financial position or performance of the Group in the first six months of the current financial year.

Dalton Philips

Chief Executive Officer

Date: 20 May 2024

Catherine Gubbins

Chief Financial Officer

Date: 20 May 2024

INTERIM FINANCIAL REPORT
For the half year ended 29 March 2024

CONDENSED GROUP INCOME STATEMENT
for the half year ended 29 March 2024

		Half year ended 29 March 2024 (Unaudited)			Half year ended 31 March 2023 (Unaudited)		
	Notes	**Pre–exceptional £m**	**Exceptional (Note 4) £m**	**Total £m**	Pre–exceptional £m	Exceptional (Note 4) £m	Total £m
Revenue	2	**866.1**	**–**	**866.1**	925.8	–	925.8
Cost of sales		**(585.0)**	**–**	**(585.0)**	(662.2)	–	(662.2)
Gross profit		**281.1**	**–**	**281.1**	263.6	–	263.6
Operating costs before acquisition related amortisation		**(251.2)**	**(1.5)**	**(252.7)**	(251.4)	(6.4)	(257.8)
Impairment of trade receivables		**(1.6)**	**–**	**(1.6)**	(0.4)	–	(0.4)
Group operating profit before acquisition related amortisation	2	**28.3**	**(1.5)**	**26.8**	11.8	(6.4)	5.4
Amortisation of acquisition related intangibles		**(1.5)**	**–**	**(1.5)**	(1.8)	–	(1.8)
Group operating profit		**26.8**	**(1.5)**	**25.3**	10.0	(6.4)	3.6
Finance income	5	**0.5**	**–**	**0.5**	0.4	–	0.4
Finance costs	5	**(11.1)**	**–**	**(11.1)**	(10.2)	–	(10.2)
Profit/(Loss) before taxation		**16.2**	**(1.5)**	**14.7**	0.2	(6.4)	(6.2)
Taxation	6	**(3.4)**	**0.2**	**(3.2)**	(0.2)	1.6	1.4
Profit/(Loss) for the financial period attributable to the equity shareholders		**12.8**	**(1.3)**	**11.5**	–	(4.8)	(4.8)
Earnings per share (pence)							
Basic earnings per share	8			**2.5**			(0.9)
Diluted earnings per share	8			**2.4**			(0.9)

INTERIM FINANCIAL REPORT
For the half year ended 29 March 2024

CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME
for the half year ended 29 March 2024

	Half year ended 29 March 2024 (Unaudited) £m	Half year ended 31 March 2023 (Unaudited) £m
Total comprehensive income for the financial period		
Items that will not be reclassified to profit or loss:		
Actuarial loss on Group legacy defined benefit pension schemes	**(8.2)**	(9.5)
Deferred tax on Group legacy defined benefit pension schemes	**1.0**	1.2
	(7.2)	(8.3)
Items that may subsequently be reclassified to profit or loss:		
Currency translation adjustment	**(0.1)**	0.1
Cash flow hedges:		
fair value movement taken to equity	**(0.9)**	(1.9)
transferred to Income Statement	**(2.5)**	(1.4)
	(3.5)	(3.2)
Other comprehensive income for financial period	**(10.7)**	(11.5)
Profit/(Loss) for the financial period	**11.5**	(4.8)
Total comprehensive income for the financial period attributable to equity shareholders	**0.8**	(16.3)

INTERIM FINANCIAL REPORT
For the half year ended 29 March 2024

CONDENSED GROUP STATEMENT OF FINANCIAL POSITION
as at 29 March 2024

	Notes	**March 2024 (Unaudited) £m**	September 2023 (Audited) £m
ASSETS			
Non–current assets			
Goodwill and intangible assets	9	**459.3**	461.1
Property, plant and equipment	9	**308.5**	315.5
Right-of-use assets	9	**42.9**	41.0
Investment property		**4.6**	4.6
Retirement benefit assets	13	**11.2**	18.4
Derivative financial instruments	11	**0.2**	3.7
Deferred tax assets		**29.1**	28.8
Trade and other receivables		**0.1**	0.1
Total non-current assets		**855.9**	873.2
Current assets			
Inventories		**67.8**	72.9
Trade and other receivables		**235.4**	234.2
Cash and cash equivalents	10	**108.9**	116.5
Derivative financial instruments	11	**1.5**	0.9
Total current assets		**413.6**	424.5
Total assets		**1,269.5**	1,297.7
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital		**4.7**	4.8
Share premium		**89.7**	89.7
Other Reserves		**119.7**	120.8
Retained Earnings		**234.4**	244.5
Total equity		**448.5**	459.8
LIABILITIES			
Non–current liabilities			
Borrowings	11	**203.5**	125.8
Lease liabilities		**31.3**	30.7
Other payables		**2.4**	2.4
Derivative financial instruments	11	**0.3**	–
Provisions	12	**6.7**	6.9
Retirement benefit obligations	13	**33.3**	38.5
Deferred tax liabilities		**18.7**	15.2
Total non-current liabilities		**296.2**	219.5
Current liabilities			
Borrowings	11	**103.4**	144.7
Trade and other payables		**398.8**	446.0
Lease liabilities		**14.6**	14.3
Provisions	12	**2.5**	3.0
Current tax payable		**5.5**	10.4
Total current liabilities		**524.8**	618.4
Total liabilities		**821.0**	837.9
Total equity and liabilities		**1,269.5**	1,297.7

INTERIM FINANCIAL REPORT
For the half year ended 29 March 2024

CONDENSED GROUP STATEMENT OF CASH FLOWS
for the half year ended 29 March 2024

	Notes	**Half year ended 29 March 2024 (Unaudited) £m**	Half year ended 31 March 2023 (Unaudited) £m
Profit/(loss) before taxation		**14.7**	(6.2)
Finance income	5	**(0.5)**	(0.4)
Finance costs	5	**11.1**	10.2
Exceptional items	4	**1.5**	6.4
Group operating profit before exceptional items		**26.8**	10.0
Depreciation of property, plant and equipment and right-of-use assets	9	**26.7**	26.8
Amortisation of intangible assets	9	**2.4**	3.1
Employee share-based payment expense		**3.1**	1.4
Contributions to Group legacy defined benefit pension schemes	13	**(6.7)**	(5.3)
Working capital movement		**(43.2)**	(32.3)
Other movements		**0.1**	1.0
Net cash inflow from operating activities before exceptional items, interest and tax		**9.2**	4.7
Cash outflow related to exceptional items	4	**(2.9)**	(2.3)
Interest paid (including lease liability interest)		**(10.1)**	(8.2)
Tax paid		**(4.2)**	(1.4)
Net cash outflow from operating activities		**(8.0)**	(7.2)
Cash flow from investing activities			
Purchase of property, plant and equipment		**(12.0)**	(12.0)
Purchase of intangible assets		**(0.6)**	(1.0)
Net cash outflow from investing activities		**(12.6)**	(13.0)
Cash flow from financing activities			
Ordinary shares purchased – own shares		**(0.2)**	(2.0)
Capital return via share buyback	7	**(15.0)**	(13.2)
Drawdown of bank borrowings	11	**32.3**	19.9
Repayment of lease liabilities		**(8.4)**	(8.3)
Net cash inflow/(outflow) from financing activities		**8.7**	(3.6)
Net decrease in cash and cash equivalents and bank overdrafts		**(11.9)**	(23.8)
Reconciliation of opening to closing cash and cash equivalents and bank overdrafts			
Cash and cash equivalents and bank overdrafts at beginning of the financial period	10	**32.8**	46.7
Translation adjustment		**0.1**	(0.1)
Decrease in cash and cash equivalents and bank overdrafts		**(11.9)**	(23.8)
Cash and cash equivalents and bank overdrafts at end of the financial period*	10	**21.0**	22.8

* Cash and cash equivalents and bank overdrafts is made up of cash at bank and in hand of £108.9m (H1 23: £68.3m) and bank overdrafts of £87.9m (H1 23: £45.5m).

CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY
for the half year ended 29 March 2024

	Share capital £m	Share premium £m	Other reserves £m	Retained earnings £m	Total Equity £m
At 29 September 2023	**4.8**	**89.7**	**120.8**	**244.5**	**459.8**
Total comprehensive income for the period					
Currency translation adjustment	**–**	**–**	**(0.1)**	**–**	**(0.1)**
Cashflow hedge fair value movement taken to equity	**–**	**–**	**(0.9)**	**–**	**(0.9)**
Cashflow hedge transferred to Income Statement	**–**	**–**	**(2.5)**	**–**	**(2.5)**
Actuarial loss on Group legacy defined benefit pension schemes	**–**	**–**	**–**	**(8.2)**	**(8.2)**
Deferred tax on Group legacy defined benefit pension schemes	**–**	**–**	**–**	**1.0**	**1.0**
Profit for the financial period	**–**	**–**	**–**	**11.5**	**11.5**
Total comprehensive income for the financial period	**–**	**–**	**(3.5)**	**4.3**	**0.8**
Transactions with equity holders of the Company					
Contributions and distributions					
Employee share-based payment expense	**–**	**–**	**3.1**	**–**	**3.1**
Exercise, lapse or forfeit of share-based payments	**–**	**–**	**(0.8)**	**0.8**	**–**
Shares acquired by Employee Benefit Trust	**–**	**–**	**(0.2)**	**–**	**(0.2)**
Transfer to Retained Earnings on grant of shares to beneficiaries of the Employee Benefit Trust	**–**	**–**	**0.2**	**(0.2)**	**–**
Capital return via share buyback	**(0.1)**	**–**	**0.1**	**(15.0)**	**(15.0)**
Total transactions with equity holders of the Company	**(0.1)**	**–**	**2.4**	**(14.4)**	**(12.1)**
At 29 March 2024	**4.7**	**89.7**	**119.7**	**234.4**	**448.5**

	Share capital £m	Share premium £m	Other reserves £m	Retained earnings £m	Total Equity £m
At 30 September 2022	5.2	89.7	127.8	242.9	465.6
Total comprehensive income for the period					
Currency translation adjustment	–	–	0.1	–	0.1
Cash flow hedge fair value movement taken to equity	–	–	(1.9)	–	(1.9)
Cash flow hedge transferred to Income Statement	–	–	(1.4)	–	(1.4)
Actuarial loss on Group legacy defined benefit pension schemes	–	–	–	(9.5)	(9.5)
Deferred tax on Group legacy defined benefit pension schemes	–	–	–	1.2	1.2
Loss for the financial period	–	–	–	(4.8)	(4.8)
Total comprehensive income for the financial period	–	–	(3.2)	(13.1)	(16.3)
Transactions with equity holders of the Company					
Contributions and distributions					
Employee share–based payment expense	–	–	1.7	–	1.7
Exercise, lapse or forfeit of share–based payments	–	–	(2.2)	2.2	–
Shares acquired by Employee Benefit Trust	–	–	(2.0)	–	(2.0)
Transfer to Retained Earnings on transfer of shares to beneficiaries of the Employee Benefit Trust	–	–	1.6	(1.6)	–
Capital return via share buyback	(0.2)	–	0.2	(13.2)	(13.2)
Total transactions with equity holders of the Company	(0.2)	–	(0.7)	(12.6)	(13.5)
At 31 March 2023	5.0	89.7	123.9	217.2	435.8

INTERIM FINANCIAL REPORT
For the half year ended 29 March 2024

CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY *(continued)*
for the half year ended 29 March 2024

OTHER RESERVES

	Share-based payment reserve £m	Own Share reserve £m	Undenominated capital reserve £m	Hedging reserve £m	Foreign currency translation reserve £m	Total £m
At 29 September 2023	**4.1**	**(6.4)**	**120.9**	**3.5**	**(1.3)**	**120.8**
Total comprehensive income for the financial period						
Currency translation adjustment	**–**	**–**	**–**	**–**	**(0.1)**	**(0.1)**
Cash flow hedge fair value movement taken to equity	**–**	**–**	**–**	**(0.9)**	**–**	**(0.9)**
Cash flow hedge transferred to Income Statement	**–**	**–**	**–**	**(2.5)**	**–**	**(2.5)**
Total comprehensive income for the financial period	**–**	**–**	**–**	**(3.4)**	**(0.1)**	**(3.5)**
Transactions with equity holders of the Company						
Contributions and distributions						
Employee share-based payment expense	**3.1**	**–**	**–**	**–**	**–**	**3.1**
Exercise, lapse or forfeit of share-based payments	**(0.8)**	**–**	**–**	**–**	**–**	**(0.8)**
Shares acquired by Employee Benefit Trust	**–**	**(0.2)**	**–**	**–**	**–**	**(0.2)**
Transfer to retained earnings on grant of shares to beneficiaries of the Employee Benefit Trust	**–**	**0.2**	**–**	**–**	**–**	**0.2**
Capital return via share buyback	**–**	**–**	**0.1**	**–**	**–**	**0.1**
Total transactions with equity holders of the Company	**2.3**	**–**	**0.1**	**–**	**–**	**2.4**
At 29 March 2024	**6.4**	**(6.4)**	**121.0**	**0.1**	**(1.4)**	**119.7**

	Share-based payment reserve £m	Own Share reserve £m	Undenominated capital reserve £m	Hedging reserve £m	Foreign currency translation reserve £m	Total £m
At 30 September 2022	3.8	(4.4)	120.5	8.1	(0.2)	127.8
Total comprehensive income for the period						
Currency translation adjustment	–	–	–	–	0.1	0.1
Cash flow hedge taken to equity	–	–	–	(1.9)	–	(1.9)
Cash flow hedge transferred to Income Statement	–	–	–	(1.4)	–	(1.4)
Total comprehensive income for the financial period	–	–	–	(3.3)	0.1	(3.2)
Transactions with equity holders of the Company						
Contributions and distributions						
Employee share–based payment expense	1.7	–	–	–	–	1.7
Exercise, lapse or forfeit of share-based payments	(2.2)	–	–	–	–	(2.2)
Share acquired by Employee Benefit Trust	–	(2.0)	–	–	–	(2.0)
Transfer to Retained Earnings on grant of shares to beneficiaries of the Employee Benefit Trust	–	1.6	–	–	–	1.6
Capital return via share buyback	–	–	0.2	–	–	0.2
Total transactions with equity holders of the Company	(0.5)	(0.4)	0.2	–	–	(0.7)
At 31 March 2023	3.3	(4.8)	120.7	4.8	(0.1)	123.9

NOTES TO THE CONDENSED GROUP FINANCIAL STATEMENTS

1. Basis of preparation

The Condensed Group Financial Statements of Greencore Group plc (the 'Group'), which are presented in sterling and expressed in millions, unless otherwise indicated, have been prepared as at, and for the 26 week period ended, 29 March 2024, and have been prepared in accordance with the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority ('FCA') and IAS 34 *Interim Financial Reporting* as adopted by the European Union.

These Condensed Group Financial Statements do not comprise statutory accounts within the meaning of Section 340 of the Companies Act 2014. These Condensed Group Financial Statements for the six-month period ended 29 March 2024 and the comparative amounts for the six-months ended 31 March 2023 are unaudited and have not been reviewed by the Group's auditor. The condensed financial information for the year ended 29 September 2023 represents an abbreviated version of the Group Financial Statements for that year. Those financial statements, upon which the auditor issued an unqualified audit report have been filed with the Registrar of Companies.

Going concern

The Directors, after making enquiries and having considered the business activities of the Group as set out on pages 1 to 9 and the principal risks and uncertainties as set out on page 31, have a reasonable expectation that the Group has adequate resources to continue operating as a going concern for the foreseeable future.

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

For the purpose of the going concern assessment, the Group has used the latest internally approved forecasts and strategic plan as a base case which takes into account the Group's current position and future prospects. The Group has used this to produce downside and severe downside scenarios which consider the potential impact of commercial risks materialising which would result in a decrease in volume along with under delivery of targets set out under the Group's commercial and operational initiatives. The impact on revenue; profit; and cashflow are modelled, including the consequential impact on working capital and bank covenants. Based on the forecast cashflows, throughout the 18-month period to September 2025, the Group is satisfied that it has sufficient resources available and has adequate headroom to meet covenant requirements and if needed, the Group could employ mitigants within its control, which would include a reduction in non-business critical capital projects and other discretionary cash flow items.

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

Accounting Policies

The accounting policies and methods of computation adopted in the preparation of the Condensed Group Financial Statements are consistent with those applied in the Annual Report for the financial year ended 29 September 2023 and are as set out in those financial statements.

The following changes to IFRS became effective for the Group during the financial period but did not result in material changes to the Condensed Group Financial Statements:

- IFRS 17 *Insurance Contracts*
- Amendments to IAS 1 and IFRS Practice Statement 2 *Disclosures of Accounting Policies*
- Amendments to IAS 8 *Definition of Accounting Estimates*
- Amendments to IAS 12 *Deferred tax relating to assets and liabilities arising from a single transaction*

The Group has not applied new standards, amendments and interpretations to existing standards that have been issued but are not yet effective. The Group is currently in the process of reviewing the potential impact of those amendments.

NOTES TO THE CONDENSED GROUP FINANCIAL STATEMENTS

1. Basis of preparation (continued)

Significant Accounting Estimates and Judgements

The preparation of the Condensed Group Financial Statements requires management to make certain estimates, assumptions and judgements that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Changes in accounting estimates may be necessary if there are changes in circumstances on which the estimate was based or as a result of new information or more experience. Such changes are reflected in the period in which the estimate was revised.

In preparing the Condensed Group Financial Statements, the material judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the Consolidated Financial Statements for the 52 weeks ended 29 September 2023.

2. Segment Information

Convenience Foods is the Group's operating segment, which represents its reporting segment. This reflects the Group's organisational structure and the nature of the financial information reported to and assessed by the Chief Operating Decision Maker ('CODM') as defined by IFRS 8 *Operating Segments*. The CODM has been identified as the Group's Board of Directors.

The segment incorporates many convenience food categories including sandwiches, salads, sushi, chilled snacking, chilled ready meals, chilled soups and sauces, chilled quiche, ambient sauces and pickles and frozen Yorkshire puddings.

Up to 29 September 2023, the segment included an Irish ingredients trading business, Trilby Trading Limited, which was disposed of by the Group on that date. The Irish ingredients trading business is therefore included in the prior period segment information and contributed revenue of £40.9m and profit of £0.9m for the six- month period to 31 March 2023.

	Convenience Foods	
	Half year 2024 £m	Half year 2023 £m
Revenue	**866.1**	925.8
Group operating profit before exceptional items and amortisation of acquisition related intangible assets	**28.3**	11.8
Amortisation of acquisition related intangibles	**(1.5)**	(1.8)
Group operating profit before exceptional items	**26.8**	10.0
Finance income	**0.5**	0.4
Finance costs	**(11.1)**	(10.2)
Exceptional items	**(1.5)**	(6.4)
Taxation	**(3.2)**	1.4
Profit/(loss) for the period	**11.5**	(4.8)

The following table disaggregates revenue by product categories in the Convenience Foods reporting segment:

	Half year 2024 £m	Half year 2023 £m
Revenue		
Food to Go categories	**578.9**	580.4
Other Convenience categories	**287.2**	345.4
Total revenue for Convenience Foods	**866.1**	925.8

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

NOTES TO THE CONDENSED GROUP FINANCIAL STATEMENTS

3. Seasonality

The Group's convenience foods portfolio is seasonal in nature with the Group's business being weighted towards the second half of the year. This weighting is primarily driven by weather and seasonal buying patterns.

4. Exceptional Items

		Half Year 2024 £m	Half Year 2023 £m
Transformation costs	(A)	**(1.5)**	–
Reorganisation costs	(B)	**–**	(7.7)
Defined benefit pension schemes restructuring	(C)	**–**	(0.4)
Release of legacy business liability	(D)	**–**	1.7
Total exceptional items before taxation		**(1.5)**	(6.4)
Tax credit on exceptional items		**0.2**	1.6
Total exceptional items		**(1.3)**	(4.8)

(A) Transformation costs

The Group has commenced a multi-year transformation programme during the current period which is focused on transforming the Group's technology infrastructure and end-to-end processes to drive efficiencies in the way the entire Group operates. In the period, the Group recognised a charge of £1.5m in relation to this (FY23: £nil).

(B) Reorganisation costs

In the prior year, the Group recognised a reorganisation charge of £7.7m in relation to its Better Greencore programme which was focused on the revitalisation of its excellence cost efficiency programmes. The Better Greencore programme concluded in FY23 and therefore there is no cost relating to that programme in H1 24.

(C) Defined benefit pension schemes restructuring

The Group incurred a charge of £0.4m in the prior period in relation to restructuring costs associated with its legacy defined benefit pension schemes in Ireland.

(D) Release of legacy business liability

In the prior period, the Group released £1.7m of a liability relating to legacy business disposals which the Group was satisfied was not probable to be paid.

Cash Flow on Exceptional Items

The total net cash outflow during the period in respect of operating activities exceptional items was £2.9m (H1 23: £2.3m), of which £1.4m was in respect of prior year exceptional charges.

5. Finance income and finance costs

	Half year 2024 £m	Half year 2023 £m
Finance income		
Interest on bank deposits	**0.5**	0.4
Total finance income	**0.5**	0.4
Finance costs		
Finance costs on interest bearing cash and cash equivalents, borrowings and other financing costs	**(11.2)**	(8.2)
Interest on lease obligations	**(0.7)**	(0.6)
Net pension financing charge	**(0.6)**	(0.6)
Change in fair value of derivative financial instruments and related debt adjustments	**1.5**	(0.5)
Foreign exchange on inter–company and external balances where hedge accounting is not applied	**(0.1)**	(0.3)
Total finance costs	**(11.1)**	(10.2)

NOTES TO THE CONDENSED GROUP FINANCIAL STATEMENTS

6. Taxation

Interim period tax is accrued using the tax rate that is estimated to be applicable to expected total annual earnings in the financial year based on tax rates that were enacted or substantively enacted for the period ended 29 March 2024.

The effective tax rate applicable for the period ended 29 March 2024 is 24% (H1 23: 21%) when adjusted for the change in fair value of derivative financial instruments and related debt instruments and exceptional items included in the half year period. The Group expects the annual ETR to be in line with the guidance rate of c.25%.

The increase in the effective tax rate reflects the impact of the increasing corporation tax rate in the UK which increased from 19% to 25% on 1 April 2023.

Factors that may impact future tax charges

The Group is within the scope of the OECD Pillar Two model rules. Pillar Two legislation was enacted in Ireland on 18 December 2023 and the Income Inclusion Rule applies to accounting periods beginning on or after 1 January 2024. The Group will fall within the scope of Pillar Two legislation for the year ended September 2025.

Under the new legislation, groups will be liable to assess their effective tax rate (according to complex new rules) in each jurisdiction that they operate. If the effective tax rate in any jurisdiction is less than the 15% minimum rate top up taxes will be payable. The Group are not expecting to pay top up taxes in the period ending in September 2024.

The IASB issued amendments to IAS 12 in "International Tax Reform - Pillar Two Model Rules" in May 2023, providing an exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes. The Group continues to apply the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

7. Dividends Paid and Proposed

There were no dividends paid in the current or prior period and there are no dividends proposed in the current period.

In the current financial period, the value return to shareholders concluded with a further £15m value returned up to 29 March 2024 (FY23: £26.2m) in the form of share buyback, concluding the £50m commitment made in a prior period.

The Group has announced on 21 May 2024 additional shareholder distributions totalling £50.0m anticipated across the next 12 months, commencing with a share buyback of up to £30.0m and if the Group continues to trade as expected, the Board also intends to declare a dividend for the year to September 2024.

8. Earnings per Ordinary Share

In the current period, the Group repurchased 15,438,604 Ordinary Shares in the Company, by way of a share buyback, costing £15.0m. These shares were immediately cancelled. The effect of this on the weighted average number of ordinary shares was a decrease of 7,869,846 shares.

Numerator for earnings per share calculations

	Half year 2024 £m	Half year 2023 £m
Profit/(loss) attributable to equity holders of the Company	**11.5**	(4.8)

Denominator for earnings per share calculations

	Half year 2024 '000	Half year 2023 '000
Shares in issue at the beginning of the period	**483,454**	516,837
Effect of shares held by Employee Benefit Trust	**(6,937)**	(4,347)
Effect of share buyback and cancellation in the period	**(7,870)**	(6,602)
Effect of shares issued in the period	**2**	–
Weighted average number of Ordinary Shares in issue during the period	**468,649**	505,888
Dilutive effect of share options	**6,010**	5,328
Weighted average number of Ordinary Shares for diluted earnings per share	**474,659**	511,216

NOTES TO THE CONDENSED GROUP FINANCIAL STATEMENTS

8. Earnings per Ordinary Share (continued)

A total of 15,002,468 (H1 23: 21,746,624) unvested shares were excluded from the diluted earnings per share calculation as they were either antidilutive or contingently issuable Ordinary Shares which had not satisfied the performance conditions attaching at 29 March 2024.

Earnings per Share Calculations

	Half year 2024 pence	Half year 2023 pence
Basic earnings per Ordinary Share	**2.5**	(0.9)
Diluted earnings per Ordinary Share	**2.4**	(0.9)

9. Goodwill and Intangible Assets, Property, Plant and Equipment, Right-of-use assets and Capital Expenditure Commitments

During the six-month period to 29 March 2024, the Group made £13.0m of additions to property, plant and equipment and intangible assets through ongoing capital expenditure (cash outflow £12.6m), while £0.3m of assets were impaired. In addition, the Group made £9.6m of additions to right-of-use assets while £0.1m were disposed of. A total depreciation and amortisation charge was recognised in the period of £29.1m including £2.4m on intangible assets (including amortisation of acquisition related intangible assets), £19.1m on property, plant and equipment and £7.6m on right-of-use assets.

During the six-month period to 31 March 2023, the Group made £14.5m of additions to property, plant and equipment and intangible assets through ongoing capital expenditure (cash outflow £13.0m), while £1.0m of assets were impaired. In addition, the Group made £9.8m of additions to right-of-use assets while £0.2m were disposed of. A total depreciation and amortisation charge was recognised in the period of £29.9m including £3.1m on intangible assets (including amortisation of acquisition related intangible assets), £18.8m on property, plant and equipment and £8.0m on right-of-use assets.

At 29 March 2024, the Group had capital expenditure commitments that had been contracted but not yet provided for amounting to £8.9m (H1 23: £9.0m).

10. Cash and cash equivalents and bank overdrafts

For the purposes of the Condensed Group Statement of Cash Flows, cash and cash equivalents and bank overdrafts are presented net as follows:

	March 2024 £m	September 2023 £m	March 2023 £m
Cash at bank and in hand	**108.9**	116.5	68.3
Bank overdraft (Note 11)	**(87.9)**	(83.7)	(45.5)
Total cash and cash equivalents and bank overdrafts	**21.0**	32.8	22.8

11. Borrowings and Derivative Financial Instruments

	March 2024 £m	September 2023 £m	March 2023 £m
Current			
Bank overdrafts	**(87.9)**	(83.7)	(45.5)
Bank borrowings	**–**	(45.0)	–
Private Placement Notes	**(15.5)**	(16.0)	(15.8)
Total current borrowings	**(103.4)**	(144.7)	(61.3)
Non-current			
Bank borrowings	**(172.4)**	(94.0)	(178.9)
Private Placement Notes	**(31.1)**	(31.8)	(47.5)
Total non-current borrowings	**(203.5)**	(125.8)	(226.4)
Total borrowings	**(306.9)**	(270.5)	(287.7)

NOTES TO THE CONDENSED GROUP FINANCIAL STATEMENTS

11. Borrowings and Derivative Financial Instruments (continued)

The maturity profile of the Group's borrowings is as follows:

	March 2024 £m	September 2023 £m	March 2023 £m
Less than 1 year	**(103.4)**	(144.7)	(61.3)
Between 1 and 2 years	**(65.4)**	(16.0)	(60.8)
Between 2 and 5 years	**(138.1)**	(109.8)	(165.6)
	(306.9)	(270.5)	(287.7)

Bank Borrowings

The Group's bank borrowings net of finance fees comprised of £172.4m at 29 March 2024 (FY23: £139.0m) with maturities ranging from January 2026 to November 2028. The Group had £225.0m (FY23: £295.0m) of undrawn committed bank facilities in respect of which all conditions precedent had been met.

On 20 November 2023, the Group refinanced its debt facilities with a new five-year £350.0m sustainability-linked revolving credit facility ('RCF'), maturing in November 2028 with the option of two additional one year extensions. This new facility replaces the previous £340.0m RCF that was due to mature in January 2026. A £45.0m term loan due to mature in June 2024 was also repaid in full as part of this refinancing. Uncommitted facilities undrawn at 29 March 2024 amounted to £5.0m (FY23: £5.0m).

Private Placement Notes

The Group's outstanding Private Placement Notes net of finance fees comprised of £46.6m (denominated as $41.9m and £13.5m) at 29 March 2024 (FY23: £47.8m, denominated as $41.9m and £13.5m). These were issued as fixed rate debt in June 2016 ($55.9m and £18.0m) with maturities ranging between June 2023 and June 2026. The Group repaid $14.0m and £4.5m Private Placement Notes in June 2023.

The Group has swapped the $41.9m Private Placement Notes from fixed rate US Dollar to fixed rate sterling using cross–currency interest rate swaps. The fixed rate US dollar to fixed rate sterling swaps are designated as cash flow hedges.

Drawn and undrawn borrowings facilities

The table below sets out the split between drawn and undrawn borrowings amounts as at 29 March 2024:

	Maturity dates	**Net borrowings Mar-23 £m**	**Undrawn committed bank facilities £m**	**Total facilities available £m**
Cash and cash equivalents and bank overdrafts	-	**21.0**	**(21.0)**	**–**
Bank Borrowings*	Jan-26 - Nov-28	**(175.0)**	**(225.0)**	**(400.0)**
Private Placement Notes*	Jun-24 - Jun-26	**(46.7)**	**–**	**(46.7)**
Total		**(200.7)**	**(246.0)**	**(446.7)**

*excludes capitalised finance fees

Fair Value of financial instruments at amortised cost

Except as set out below, it is considered that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the condensed consolidated interim financial statements approximate their fair values:

	March 2024		September 2023		March 2023	
	Carrying amount £m	**Fair Value £m**	Carrying amount £m	Fair Value £m	Carrying amount £m	Fair Value £m
Bank borrowings**	**(172.4)**	**(173.2)**	(139.0)	(138.9)	(178.9)	(174.2)
Private Placement Notes	**(46.6)**	**(45.9)**	(47.8)	(45.9)	(63.3)	(63.1)

**excludes bank overdrafts

NOTES TO THE CONDENSED GROUP FINANCIAL STATEMENTS

11. Borrowings and Derivative Financial Instruments (continued)

Derivative financial instruments fair value hierarchy – IFRS 13 (level 2 inputs)***

	March 2024 Level 2* £m**	September 2023 Level 2*** £m	March 2023 Level 2*** £m
Non-current			
Assets carried at fair value			
Interest rate swaps - cash flow hedges	**–**	2.5	2.7
Cross currency interest rate swaps - cash flow hedges	**0.2**	1.2	1.5
	0.2	3.7	4.2
Current			
Assets carried at fair value			
Interest rate swaps - cash flow hedges	**–**	0.5	1.3
Interest rate swaps – not designated as cash flow hedges	**1.5**	–	–
Cross currency interest rate swaps - cash flow hedges	**–**	0.4	0.2
Forward foreign exchange contracts - not designated as hedges	**–**	–	0.6
	1.5	0.9	2.1
Non-current			
Liabilities carried at fair value			
Interest rate swaps - cash flow hedges	**(0.3)**	–	–
	(0.3)	–	–
Total	**1.4**	4.6	6.3

*** For definition of level 2 inputs please refer to the 2023 Annual Report.

12. Provisions

	Half year March 2024 £m
At beginning of financial period	**(9.9)**
Provided in the financial period	**(0.5)**
Utilised in financial period	**0.7**
Released in the financial period	**0.5**
Unwind of discount to present value in the financial period	**–**
At end of period	**(9.2)**

	March 2024 £m	September 2023 £m
Analysed as:		
Non–current liabilities	**(6.7)**	(6.9)
Current liabilities	**(2.5)**	(3.0)
	(9.2)	(9.9)

13. Retirement Benefit Obligations

The Group operates defined contribution pension schemes in all of its main operating locations. The Group also has legacy defined benefit contribution schemes, which were closed to future accrual on 31 December 2009.

Legacy defined benefit pension schemes

The Group operates one legacy defined benefit pension scheme and one legacy defined benefit commitment in Ireland (the 'Irish schemes') and one legacy defined benefit pension scheme and one legacy defined benefit commitment in the UK (the 'UK schemes'). The Projected Unit Credit actuarial cost method has been employed in determining the present value of the defined benefit pension obligation, the related current service cost and, where applicable, past service cost.

Scheme assets are held in separate Trustee administered funds. These plans have broadly similar regulatory frameworks. The Group continues to seek ways to reduce its liabilities through various restructuring initiatives in co-operation with the respective schemes.

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

The Group’s retirement benefit obligations moved from a net liability of £12.8m at 29 September 2023 to a net liability of £15.2m at 29 March 2024. This movement was primarily driven by an actuarial loss as a result of a change in financial assumptions, particularly on the Irish schemes, offset by contributions paid to the UK schemes.

The UK legacy defined benefit pension scheme is expected to achieve a fully funded position on a triennial funding valuation basis by the end of September 2025. Following discussions with the UK scheme’s trustees, it has been agreed that £9.8m of annual pension contributions from the Group will cease when the fully funded position is achieved.

The principal actuarial assumptions are as follows:

	March 2024		September 2023	
	UK	**Ireland**	UK	Ireland
Rate of increase in pension payments *	**3.00%**	**1.50%**	3.05%	1.50%
Discount rate	**4.90%**	**3.55%**	5.60%	4.50%
Inflation rate **	**3.20%**	**2.25%**	3.30%	2.50%

* The pension increase in pension payments applies to the majority of the liability base, however there are certain categories within the Group's Irish schemes that have an entitlement to pension indexation.

** The assumptions for Retail Price Index ('RPI') and Consumer Price Index ('CPI') are derived from the Harmonised Index of Consumer Prices ('HICP') and relative yields of index-linked and fixed interest government

The financial position of the schemes was as follows:

	March 2024			September 2023		
	UK Schemes £m	**Irish Schemes £m**	**Total £m**	UK Schemes £m	Irish Schemes £m	Total £m
Fair value of plan assets	**181.5**	**147.5**	**329.0**	159.4	145.4	304.8
Present value of scheme liabilities	**(214.1)**	**(137.0)**	**(351.1)**	(197.2)	(127.7)	(324.9)
(Deficit)/surplus in schemes	**(32.6)**	**10.5**	**(22.1)**	(37.8)	17.7	(20.1)
Deferred tax asset/(liability)	**8.2**	**(1.3)**	**6.9**	9.5	(2.2)	7.3
Net (liability)/asset at end of the period	**(24.4)**	**9.2**	**(15.2)**	(28.3)	15.5	(12.8)
Presented as:						
Retirement benefit asset***	**-**	**11.2**	**11.2**	-	18.4	18.4
Retirement benefit obligation	**(32.6)**	**(0.7)**	**(33.3)**	(37.8)	(0.7)	(38.5)

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

13. Retirement Benefit Obligations (continued)

Sensitivity of pension liability to judgemental assumptions

Assumption	Change in assumption	UK Schemes	Irish Schemes	Total Half Year 2023
		Increase/(decrease) in Scheme Liabilities		
Discount rate	Decrease by 0.5%	**15.4**	**6.8**	**22.2**
	Increase by 0.5%	**(13.8)**	**(6.3)**	**(20.1)**
Rate of inflation	Decrease by 0.5%	**12.2**	**2.1**	**14.3**
	Increase by 0.5%	**(11.3)**	**(1.9)**	**(13.2)**
Rate of mortality	Members assumed to live 1 year longer	**5.4**	**6.0**	**11.4**

Sensitivity of pension scheme assets to yield movements

Assumption	Change in assumption	UK Schemes	Irish Schemes	Total
		Increase in Scheme Assets		
Change in bond yields	Decrease by 0.5%	**10.9**	**6.6**	**17.5**

14. Contingencies

The Company and certain subsidiaries have given guarantees in respect of borrowings and other obligations arising in the ordinary course of business of the Company and other Group undertakings. The Company treats these guarantee contracts as contingent liabilities until such time as it becomes probable that a payment will be required under such guarantees.

Greencore have two letters of credit ('LoCs') in place to satisfy our insurers' collateral requirements for Employers Liability and Motor Self-Insured Programs for an amount of £4.9m (FY23: £5.5m). The insurers are responsible for paying out on these claims but recovers quarterly from Greencore. The LoCs reduce the insurers credit exposure during the period between the claim payout and subsequent recovery from Greencore.

15. Related party transactions

There have been no related party transactions or changes in the nature and scale of the related party transactions described in the FY23 Annual Report that could have a material impact on the financial position or performance of the Group in the period ended 29 March 2024.

16. Subsequent Events

Closure of Soup production unit in H2 24:

In April 2024, the Group announced the consolidation of two soup manufacturing sites with the closure of the production facility at Kiveton. This is expected to result in a number roles being made redundant and there will be expected costs associated with the closure including impairment of plant and machinery located at the site.

Recommencement of share buyback

The Group has announced on 21 May 2024, additional shareholder distributions totalling £50.0m anticipated across the next 12 months, commencing with a share buyback of up to £30.0m. If the business continues to trade as expected the Board intends to declare a dividend for the year to September 2024.

17. Information

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

APPENDIX: ALTERNATIVE PERFORMANCE MEASURES

The Group uses the following Alternative Performance Measures ('APMs') which are non–IFRS measures to monitor the performance of its operations and of the Group as a whole: Like-for-Like Revenue Growth, Adjusted EBITDA, Adjusted Operating Profit, Adjusted Operating Margin, Adjusted Profit before Tax ('PBT'), Adjusted Earnings, Adjusted Earnings per Share, Maintenance and Strategic Capital Expenditure, Free Cash Flow, Free Cash Flow Conversion, Net Debt, Net Debt excluding lease liabilities and Return on Invested Capital ('ROIC'). The APMs used provide a fair review of the development and performance of the business and of the position regarding the financial position, cash flows and financial performance.

Changes to APMs in the period

The Group has introduced a new APM for FY24, Like-for-Like Revenue Growth. This is calculated by adjusting reported revenue for the impact of net business wins and losses, acquisitions, divestments and other non-recurring items. The Group considers Like-for-Like Revenue Growth provides greater understanding of the underlying performance of the Group's revenue. Therefore, the Group has now removed Pro-Forma Revenue as an APM as Like-for-Like Revenue Growth APM provides greater clarity on the revenue performance of the Group, following the disposal of Trilby Trading Limited in September 2023.

The Group has updated the wording for the definition of Maintenance and Strategic Capital Expenditure to provide further clarity on the classification of sustainability related capital expenditure and automation related capital expenditure which are planned to be incurred by the Group going forward. There was no impact on the H1 23 classification of Maintenance and Strategic Capital Expenditure as a result of the update to the definitions.

LIKE-FOR-LIKE REVENUE GROWTH

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

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

	Half year 2024 Convenience Foods %
Reported revenue	**(6.4%)**
Impact of disposals	**4.6%**
Impact of net business wins and losses	**5.9%**
Like-for-Like Revenue Growth (%)	**4.1%**

The table below shows the Like-for-Like Revenue Growth split by Food to Go categories and Other Convenience categories:

	Half year 2024	
	Food to go categories %	**Other convenience categories %**
Reported revenue	**(0.3%)**	**(16.9%)**
Impact of disposals	**–**	**12.2%**
Impact of net business wins and losses	**4.9%**	**7.8%**
Like-for-Like Revenue Growth (%)	**4.6%**	**3.1%**

APPENDIX: ALTERNATIVE PERFORMANCE MEASURES

ADJUSTED EBITDA, ADJUSTED OPERATING PROFIT AND ADJUSTED OPERATING MARGIN
Adjusted EBITDA, Adjusted Operating Profit and Adjusted Operating Margin are used by the Group to measure the underlying and ongoing operating performance of the Group as a whole.

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

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

	Half Year 2024 £m	Half year 2023 £m
Profit/(loss) for the financial period	**11.5**	(4.8)
Taxation(A)	**3.2**	(1.4)
Net finance costs(B)	**10.6**	9.8
Group Operating Profit	**25.3**	3.6
Exceptional items	**1.5**	6.4
Amortisation of acquisition related intangibles	**1.5**	1.8
Adjusted Operating Profit	**28.3**	11.8
Depreciation and amortisation (C)	**27.6**	28.1
Adjusted EBITDA	**55.9**	39.9
Adjusted Operating Margin (%)	**3.3%**	1.3%

(A) Includes tax credit on exceptional items of £0.2m (H1 23: £1.6m)
(B) Finance costs less finance income
(C) Excludes amortisation of acquisition related intangibles

ADJUSTED PROFIT BEFORE TAX ('PBT')
Adjusted PBT is used as a measure by the Group to measure overall performance before associated tax charge and exceptional items.

The Group calculates Adjusted PBT as profit before taxation, excluding tax on share of profit of associates and before exceptional items, pension finance items, amortisation of acquisition related intangibles, FX on inter–company and certain external balances and the movement on the fair value of all derivative financial instruments and related debt adjustments.

The following table sets out the calculation of Adjusted PBT:

	Half year 2024 £m	Half year 2023 £m
Profit/(loss) before taxation	**14.7**	(6.2)
Exceptional items	**1.5**	6.4
Pension finance items	**0.6**	0.6
Amortisation of acquisition-related intangibles	**1.5**	1.8
FX and fair value movements(A)	**(1.4)**	0.8
Adjusted Profit Before Tax	**16.9**	3.4

(A) FX on inter–company and certain external balances and the movement in the fair value of all derivative financial instruments and related debt adjustments

APPENDIX: ALTERNATIVE PERFORMANCE MEASURES

ADJUSTED EARNINGS PER SHARE ('EPS')

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

Adjusted Earnings is calculated as Profit attributable to equity holders (as shown on the Group's Income Statement) adjusted to exclude exceptional items (net of tax), the effect of foreign exchange (FX) on inter–company and external balances where hedge accounting is not applied, the movement in the fair value of all derivative financial instruments and related debt adjustments, the amortisation of acquisition related intangible assets (net of tax) and the interest expense relating to legacy defined benefit pension liabilities (net of tax). Adjusted EPS is calculated by dividing Adjusted Earnings by the weighted average number of Ordinary Shares in issue during the period, excluding Ordinary Shares purchased by Greencore and held in trust in respect of the Annual Bonus Plan, Performance Share Plan, Employee Share Incentive Plan and Restricted Share Plan. Adjusted EPS described as an APM here is Adjusted Basic EPS.

The following table sets forth a reconciliation of the Group's Profit attributable to equity holders of the Company to its Adjusted Earnings for the financial periods indicated.

	Half year 2024 £m	Half year 2023 £m
Profit/(loss) attributable to equity holders of the Company	**11.5**	(4.8)
Exceptional items (net of tax)	**1.3**	4.8
FX effect on inter–company and external balances where hedge accounting is not applied	**0.1**	0.3
Movement in fair value of derivative financial instruments and related debt adjustments	**(1.5)**	0.5
Amortisation of acquisition related intangible assets (net of tax)	**1.1**	1.4
Pension financing (net of tax)	**0.5**	0.5
Adjusted Earnings	**13.0**	2.7

	Half year 2024 '000	Half year 2023 '000
Weighted average number of ordinary shares in issue during the period	**468,649**	505,888

	Pence	Pence
Adjusted Earnings Per Share	**2.8**	0.5

CAPITAL EXPENDITURE

MAINTENANCE CAPITAL EXPENDITURE

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

STRATEGIC CAPITAL EXPENDITURE

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

APPENDIX: ALTERNATIVE PERFORMANCE MEASURES

CAPITAL EXPENDITURE (continued)

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

	Half year 2024 £m	Half year 2023 £m
Purchase of property, plant and equipment	**12.0**	12.0
Purchase of intangible assets	**0.6**	1.0
Net cash outflow from capital expenditure	**12.6**	13.0
Strategic Capital Expenditure	**2.5**	4.2
Maintenance Capital Expenditure	**10.1**	8.8
Net cash outflow from capital expenditure	**12.6**	13.0

FREE CASH FLOW

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

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

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

	Half year 2024 £m	Half year 2023 £m
Net cash outflow from operating activities	**(8.0)**	(7.2)
Net cash outflow from investing activities	**(12.6)**	(13.0)
Net cash outflow from operating and investing activities	**(20.6)**	(20.2)
Strategic Capital Expenditure	**2.5**	4.2
Repayment of lease liabilities	**(8.4)**	(8.3)
Free Cash Flow	**(26.5)**	(24.3)

FREE CASH FLOW CONVERSION

The Group uses Free Cash Flow Conversion to measure the Group's ability to convert operating profits into free cash flow.

The Group calculates Free Cash Flow Conversion as Free Cash Flow divided by Adjusted EBITDA. This is calculated on a 12- month basis. The following table sets out the calculation of Free Cash Flow Conversion:

	12 months to March 2024 £m	12 months to March 2023 £m
Free Cash Flow (A)	**54.6**	52.2
Adjusted EBITDA (B)	**148.8**	123.0
Free Cash Flow Conversion (%) (C)	**36.7%**	42.4%

(A) Free Cash Flow inflow for H2 23 and H2 22 was £81.1m and £76.5m respectively
(B) Adjusted EBITDA for H2 23 and H2 22 was £92.9m and £83.1m respectively
(C) Free Cash Flow Conversion at 29 September 2023 was 42.8%

APPENDIX: ALTERNATIVE PERFORMANCE MEASURES

NET DEBT AND NET DEBT EXCLUDING LEASE LIABILITIES

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

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

The following table sets out the calculation of Net Debt and Net Debt excluding lease liabilities:

	Half year 2024 £m	Half year 2023 £m
Cash and cash equivalents and bank overdrafts	**21.0**	22.8
Bank borrowings	**(172.4)**	(178.9)
Private Placement Notes	**(46.6)**	(63.3)
Net debt excluding lease liabilities	**(198.0)**	(219.4)
Lease Liabilities	**(45.9)**	(49.4)
Net Debt	**(243.9)**	(268.8)

RETURN ON INVESTED CAPITAL ('ROIC')

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

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

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

The following table sets forth the calculation of net operating profit after tax ('NOPAT') and invested capital used in the calculation of ROIC for the financial periods ending 29 March 2024 and 31 March 2023.

	12 months to March 2024 £m	12 months to March 2023 £m
Adjusted Operating Profit	**92.8**	66.8
Taxation at the effective tax rate(A)	**(20.3)**	(13.0)
Group NOPAT	**72.5**	53.8

	Half year 2024 £m	Half year 2023 £m
Invested Capital		
Total assets	**1,269.5**	1,307.5
Total liabilities	**(821.0)**	(871.7)
Net Debt	**243.9**	268.8
Derivative financial instruments not designated as fair value hedges	**(1.4)**	(6.3)
Retirement benefit obligation (net of deferred tax asset)	**15.2**	15.0
Invested Capital for the Group (B)	**706.2**	713.3
Average Invested Capital for ROIC calculation for the Group	**709.8**	717.4
ROIC (%) for the Group (C)	**10.2%**	7.5%

(A) The effective tax rates for the financial period ended 29 March 2024 and 29 September 2023, were 24% and 21% respectively
(B) The invested capital for the Group in March 2022 was £721.4m
(C) ROIC at 29 September 2023 was 8.9%

APPENDIX: PRINCIPAL RISKS AND UNCERTAINTIES

The Group's Enterprise Risk Management (ERM) framework is continuing to embed across the business, with a comprehensive risk strategy, process, and governance structure enhancing the Group's risk culture, delivering value-add insights, and enabling risk-informed decision-making.

The Group's risks and uncertainties continue to be dynamic, reflecting both the changing internal context as the Group makes progress in rebuilding profitability, and the nature of the external environment which remains uncertain and volatile. The Group monitors such factors closely and is confident that robust and agile commercial and operational arrangements enable effective response. As the Group moves from stabilising the business to rebuilding, additional commercial and strategic risks are being tracked and managed. Principal risks and uncertainties faced by the Group are reported annually within the Annual Report and Financial Statements and are summarised below.

Strategic

Strategic Change: The Group has a refreshed multi-year strategy and are executing plans to rebuild profitability (Horizon 2), and secure long-term growth (Horizon 3). Failing to suitably deliver an ambitious strategic change agenda may reduce long-term Group performance.

Sustainability: The Group's 'Better Future Plan' provides a roadmap for making a meaningful contribution to a sustainable, more equitable food system. This plan is a fundamental enabler of the Group's broader strategy framework and is important to stakeholders. Successful delivery of these commitments requires ongoing significant investment in resources and the prioritisation of these ambitions. Failing to deliver could impact the future success of the Group and cause reputational damage.

*Organisational Resilience***:** The external environment is increasingly volatile and uncertain, and like all large, complex businesses, the Group is exposed to a range of potentially disruptive influences, from geopolitics to climate change and rapid advancements in technology. A failure to effectively build resilience into Group strategy and operations may result in it being less equipped to survive, innovate and thrive, in the face of future risk.

People

High reliance on labour: The Group is reliant on high volumes of labour in its production processes. An uncertain political, economic and social external context, and the fast-paced and dynamic labour needs of the Group, could increase the costs of this labour in unsustainable ways and impact labour relations. This could have operational, commercial, and financial impacts across the Group.

Health and Safety: The nature of the Group's operations exposes our colleagues to inherent risks, with the workforce encountering potential hazards on a daily basis. Ensuring the health and safety of our colleagues is of paramount importance at Greencore, but without effective management, these risks could result in accidents leading to harm to individuals as well as reputational and potential financial damage.

Commercial

Competitor activity: The Group operates in highly competitive markets. Failure to identify and respond to significant product innovations, technical advances and/or the intensification of competition in our markets and those of our customers, could adversely affect the Group's results.

Key Customer Relationships: Although the Group maintains a diverse customer portfolio, any failure in price competitiveness, customer service levels, or product quality, could result in deterioration in key relationships, the possible loss of key customers and significant volumes, which could adversely affect the Group's financial performance.

Commercial Growth: The Group has an ambition to significantly strengthen its growth trajectory in the coming years. Our core categories may not recover to historic levels of growth, whilst our leading position in convenience food may limit the potential for significant growth through share gain. As such, the Group recognises the need to evolve our portfolio over time to include higher growth markets. A failure to innovate, diversify, or pursue suitable growth opportunities may impede the Group's financial performance and ability to achieve its growth ambitions.

Supply Chain Disruption: The Group has established a broad supply chain and maintains strong supplier relationships. Nonetheless, external factors ranging from crop failures, extreme weather, natural disasters, and geopolitical conflict may disrupt supply of some raw materials, resulting in the potential for significant shortages or increased costs, affecting the ability to satisfy customer demand and affective the Group's financial performance.

APPENDIX: PRINCIPAL RISKS AND UNCERTAINTIES

Operational

IT Systems: The Group relies heavily on information technology to support the business, which requires continuous investment and innovation. Failure to successfully modernise and standardise the IT estate may lead to inefficient operations, ineffective decision making, and an inability to build and maintain competitive advantage, impacting Group performance.

Cyber Security: The cyber threat landscape is complex and constantly evolving. In common with all large organisations, the Group is exposed to the risk of a cyber-attack that could threaten the availability and integrity of its systems, and the confidentiality of data. Such attacks could cause significant business disruption and cause financial and reputational damage to the Group.

Environmental Impact: The Group has significant manufacturing operations and an obligation to minimise the impact of these activities on the environment. Failure to sufficiently monitor and manage operational activities to minimise the environmental impacts could lead to business disruption and cause financial and reputational damage to the Group.

Operational Excellence: Operational Excellence underpins the Group's strategy and future success. Failing to continue delivering this across all operational and supporting activities could impede delivery of the Group's strategic ambitions and impact future performance.

Product Contamination: The Group produces a significant volume of food annually and there are risks of product contamination at a Greencore manufacturing facility or one of our approved suppliers, through either accidental or deliberate means. This may lead to potential harm to consumers and result in significant financial, reputational, and / or legal impacts on the Group. In addition, product recalls and withdrawals would require significant resource investment.

Legal and Compliance

Regulatory Compliance: The Group's activities are subject to a complex and constantly evolving regulatory landscape, particularly in the areas of food safety and environmental protection. Failure to comply with such regulations and to enforce an effective internal control environment, may lead to serious operational, financial, reputational and/or legal risk.