

Business Review



Kerry Foods is an industry-leading manufacturer of chilled food products primarily to the Irish and UK markets.

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Our Markets
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- Volume performance reflected underlying growth of 2.2%, more than offset by the ready meals contract exit impact
- Volume growth of 8.8% in Q4 represented strong performances across the portfolio and some stocking benefits
- Pricing of +1.2% reflective of increases in input costs and market pricing
- Trading margin +20bps as efficiencies partially offset by COVID-19 impacts and pricing

Revenue

2020

€1,279m (volume -2.6%¹)

Trading Margin

2020

7.8% (+20bps)

¹ volume growth of 2.2% excluding contract exit

The market saw major variations in category performances through the year, as consumers' purchasing and consumption behaviours changed significantly as a result of COVID-19. Shopping habits became more functional and impulse purchases have reduced. At-home snacking increased, as out-of-home occasions have been curtailed by restrictions on movement. Many retailers scaled back category product listings and their freshly prepared over-the-counter operations. Large traditional retailers have benefitted through the year, with increased average basket sizes and reduced promotional activity, while demand for online and delivery has increased dramatically.

Consumer Foods reported revenue was €1.3 billion, reflecting a reported decrease of 2.1%, as lower volumes due to the previously reported ready meals contract exit and adverse foreign currency movements were partially offset by increased pricing.

The Richmond sausage range achieved very good growth in the year, with strong growth across Kerry's branded meat-free ranges driving further market share gains. The Denny brand performed well, while overall meat sales were impacted by reduced retailer deli counter operations. Spreadable butter and Dairygold performed well due to increased at-home consumption.

Chilled meals was impacted by reduced consumer impulse purchases, while frozen meals benefitted from increased retailer stocking in the fourth quarter. Plant-based meals had strong growth across both chilled and frozen ranges through the year, with a number of successful launches supporting performance.

The snacking range and home delivery meals business achieved very strong growth in the year. This was led by Fridge Raiders, which benefitted from increased at-home snacking consumption. The Strings & Things range, led by Cheestrings also delivered strong growth with a number of innovations, while Oakhouse Foods home delivery meals had exceptionally strong growth in the year.

