



Consumer Foods

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

Revenue

2019
€1,307m

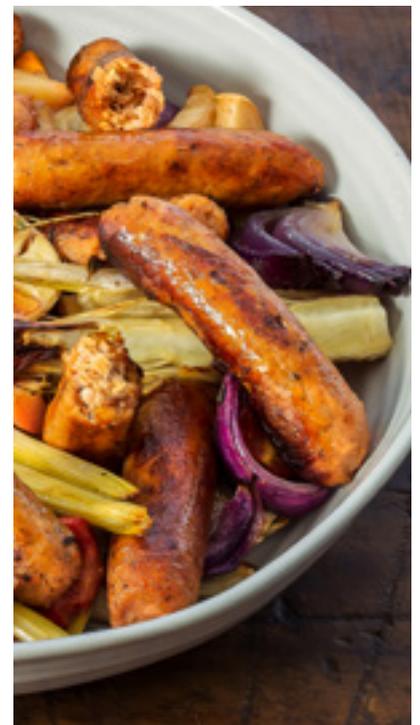
Volume Growth
-2.2% (+0.9)%¹

Trading Margin

2019
7.6%

Margin Expansion
+10bps

¹ volume growth excluding contract exit



STRATEGIC REPORT BUSINESS REVIEW

- Overall volume performance impacted by ready meals contract exit
- Pricing of -0.5% reflective of lower input costs and market pricing
- Trading margin – strong efficiencies partially offset by pricing and Brexit risk management costs

Reported revenue decreased by 2.4% to €1,307m, reflecting a 2.2% reduction in volumes, a 0.5% decrease in net pricing, and a favourable translation currency impact of 0.3%. Excluding the impact of the previously reported ready meals contract exit, Kerry delivered a robust performance in the context of a subdued UK marketplace, where lower consumer confidence impacted overall market volumes. The divisional trading margin increased by 10bps to 7.6%. Trading profit decreased by 1.2% to €98.9m in the year. The Realignment Programme was completed during the year and delivered to plan.

The Richmond brand chilled sausage range delivered a solid performance led by growth in chicken sausages and the new plant-based sausage, which was launched at the end of September, along with a range of meat-free products under the Naked Glory brand.

The Denny brand in Ireland performed well. A number of business wins supported our overall performance within spreads.

Chilled meals continued to be impacted by reduced promotional activity, while frozen meals had a good performance across the range. As previously announced, production ceased in the ready meals facility in Burton in September and the site was sold prior to the year end.

The Cheestrings brand was supported by a number of innovations. Fridge Raiders also extended its snacking range to reach a broader consumer market.

