

# City praise for Hull food giant Cranswick's performance against 'strong headwinds'

City analysts have poured praise on Cranswick's performance, as it became a £2 billion turnover company in the past financial year.

The Hull food giant, started by East Yorkshire farming families as a feed milling business almost 50 years ago, now supplies pork and poultry products to major supermarkets, while also serving up the needs of McDonald's when it comes to bacon.

Recently it has branched out further, with those tracking investments impressed with what it has seen.

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Shore Capital's analysts Darren Shirley and Clive Black described it as a "high-class act" with profit growth generation described as an "outstanding achievement".

They say it makes a compelling entry point for a "top-quality medium-term growth business".

While pleasing the stock market – with shares described as subdued and trading on a modest valuation – it will also be music to the ears of the 5,500 strong workforce in East Yorkshire.

The duo said: "Whilst times are challenging for all consumer-facing companies, with demand weakening, and the headwinds from cost inflation remaining a significant feature, Cranswick has demonstrated considerable operational excellence and flexibility over the past 12 months, delivering above market

expectations whilst maintaining outstanding service levels across its customer base.

“In addition, the group has made strong strategic progress, materially expanding its poultry scale and capabilities at Eye and the new breaded facility, while broadening its capabilities in convenience and entering the fast-growing and highly complementary pet food market through the Grove acquisition.

“Cranswick is a high-class operator, with an outstanding management team and group-wide capability, and a very well invested asset base that supports a growing array of growth channels and opportunities.”

As reported, behind the headline revenue achievement [Tuesday's results](#) showed a 5.8 per cent sales growth, with operating profit up 6.1 per cent to £140.6 million, as margins were maintained.

It has just opened a breaded chicken facility in Hull, with work to ramp up over the coming months for retail customers.

Shore Capital said “high and sustained levels of investment are a cornerstone of Cranswick’s success” with a further £100 million in capital expenditure anticipated this year, following on from £93.7 million in the period under review.

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