

16 January 2025

Full year 2024 trading update
Strong 2024 performance ahead of market expectations

Bakkavor Group plc (“Bakkavor” or the “Group”), the leading international provider of fresh prepared food (“FPF”), today updates on trading for the 52 weeks to 28 December 2024 (“FY24”), ahead of the publication of its full year results on 4 March 2025.

£ million	Like-for-like ¹ ('LFL') revenue	LFL growth	Reported revenue	Growth
Group	2,300.9	5.1%	2,292.7	4.0%
UK	1,948.5	5.2%	1,948.5	5.2%
US	234.0	2.0%	227.7	(0.7%)
China	118.4	11.3%	116.5	(4.3%)

Strong revenue growth with profit ahead of market expectations and strengthened balance sheet as the Group continues to deliver good progress against its strategy

- LFL revenue up 5.1% and reported revenue up 4.0% (including the impact of currency and the China Bakery up to disposal)
- UK: Improved volumes and some price recovery drove growth. Bakkavor Operating System delivering efficiencies, underpinning profit and margin improvement
- US: Returned to growth in H2 in line with expectations, with strong operational delivery supporting a step up in profit
- China: Volumes strengthened, driven by retail and adding new foodservice customers. Remains cash generative and self-sufficient, with improved profitability
- Good strategic progress as we continue to deliver on our regional priorities, with an ongoing focus on efficiencies
- As a result, the Group anticipates FY24 adjusted operating profit to be at least in line with the upper end of market expectations²
- Operational net debt reduced further in H2, with leverage also improved and expected to be towards the bottom-end of our target range (1.0x - 2.0x)
- Impact of UK budget: c.£15m annualised impact of changes to National Insurance (effective April 2025) expected to be mitigated through price recovery and our ongoing efficiency improvements

Looking forward, confident of continuing to deliver against our strategy as we remain focused on driving adjusted operating profit margin to 6% in the medium-term

Mike Edwards, CEO, commented:

“We delivered a strong performance in 2024 as we continue rebuilding our margin and strengthening our balance sheet. Throughout the year we have delivered excellent quality, service and innovation for our customers, culminating in exceptional delivery of our Christmas peak.

I would like to thank all colleagues for their commitment, energy and drive which has been fundamental to our delivery. Our improved financial performance will help us continue to invest in our business and our people.

Looking forward, we expect to deliver further progress as we continue on our trajectory to our 6% margin target.”

1. LFL revenue adjusts reported revenue for the effect of foreign currency movements and the China Bakery disposal.
2. Based on company compiled consensus (“Consensus”) which includes all covering analysts. FY24 adjusted operating profit Consensus £110.4m, range £108.0m to £111.5m.

ENQUIRIES

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About Bakkavor

We are the leading provider of fresh prepared food in the UK, and our presence in the US and China positions the Group well in these high-growth markets. We leverage our consumer insight and scale to provide innovative food that offers quality, choice, convenience and freshness. Our c.18,000 colleagues operate from 43 sites across our three markets supplying a portfolio of over 3,000 products across meals, pizza & bread, salads and desserts to leading grocery retailers in the UK and US, and international food brands in China.

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Disclaimer - forward-looking statements

This statement includes forward-looking statements. By their nature, forward-looking statements involve risk, uncertainty and other factors, which may cause the actual results and developments of the Group to differ materially from any results and developments expressed or implied by such forward-looking statements. You should not place undue reliance on any forward-looking statements. These forward-looking statements are made as of the date of this statement. The Group is under no obligation to publicly update or review these forward-looking statements other than as required by law.