

15 May 2025

## Q1 2025 trading update

### Strong Q1 performance; improving outlook for FY25

Bakkavor Group plc ("Bakkavor" or "the Group"), the leading international provider of fresh prepared food ("FPF"), today updates on trading for the 13 weeks to 29 March 2025 ("Q1 25").

£ million	Like-for-like <sup>1</sup> (‘LFL’) revenue	LFL growth	Reported revenue	Growth
Group	556.6	3.9%	559.3	3.3%
UK	471.0	2.7%	471.0	2.7%
US	59.2	7.2%	59.6	8.0%
China	26.4	19.4%	28.7	3.6%

### Strong Q1 25 trading performance

- LFL revenue up 3.9%, driven by good volume growth internationally and primarily price in the UK
- Strong profit performance as we continue to deliver on our strategy and focus on margin
- Leverage<sup>2</sup> at 1.1x, down 0.3x year-on-year and in line with year end, driven by profit improvement

### Good strategic progress and upgrading guidance for FY25

- Confidence builds given visibility on inflation recovery in the UK and continued efficiency improvements in all three regions, leading to upgrading guidance for full year adjusted operating profit to a new range of £120m to £126m
- Significant progress in simplifying China operations; Hong Kong sale completed in March 2025 and sale of remaining mainland China business agreed in April 2025<sup>3</sup> for a cash consideration of £50m (RMB c.500m)
- Remain on track to deliver Group adjusted operating profit margin target of 6% in FY27

*The foregoing statement in relation to FY25 Adjusted Operating Profit (the "Profit Forecast") constitutes an ordinary course profit forecast for the purposes of Rule 28 of the City Code on Takeovers and Mergers (the "Takeover Code"). The additional disclosures required by the Takeover Code are set out in the Appendix to this announcement.*

#### Mike Edwards, CEO commented:

"The Group delivered a strong performance in Q1 25, with excellent progress against the strategy across all three regions. The momentum this has created underpins our confidence in delivering both our increased guidance for FY25, and our ambition of achieving 6% margin in FY27.

The business is in great shape and is largely down to the commitment and energy of our colleagues, who I would like to thank for their hard work and dedication."

1. LFL revenue is revenue from continuing operations and removes the effect of foreign currency movements. China LFL revenue excludes revenue from the Hong Kong business, sold in March 2025, and the China Bakery business, sold in March 2024.
2. Leverage is the ratio of operational net debt to adjusted EBITDA. Operational net debt is at 29 March 2025 and excludes the impact of non-cash items on the Group's net debt. Adjusted EBITDA is the last 12 months to 29 March 2025 pre IFRS 16 and including covenant adjustments.
3. On 29 April 2025, Bakkavor announced the sale of the entire issued share capital of Bakkavor China Holdings Limited ("BCHL") to Lihe Xing (Qingdao) Food Technology Co. Ltd., wholly owned by Lihoo's (Qingdao) Food Industry Company Limited. The cash consideration is RMB c.500m (c.£50m) on a cash and debt-free basis and is expected to complete in the second half of 2025, subject to regulatory approval. At 28 December 2024, the carrying value of net assets was £39m with a net profit on disposal expected to be c.£15m, subject to completion adjustments.

## **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. Around 17,200 colleagues operate from 40 sites across our three markets supplying a portfolio of c.3,100 products across meals, pizza & bread, salads and desserts to leading grocery retailers in the UK and US, and international food brands in China. Of this total, our China business comprises: 2,300 colleagues, 9 sites (7 manufacturing sites, 1 head office, 1 farm) and c.1,100 products. Find out more at [www.bakkavor.com](http://www.bakkavor.com).

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### **Disclaimer - forward-looking statements**

This statement, prepared by Bakkavor Group plc (the "Company"), may contain forward-looking statements about the Company and its subsidiaries (the "Group"). Forward-looking statements involve uncertainties because they relate to events, and depend on circumstances, that will, or may, occur in the future. If the assumptions on which the Company bases its forward-looking statements change, actual results may differ from those expressed in such statements. Forward-looking statements speak only as of the date they are made, and the Company undertakes no obligation to update these forward-looking statements other than as required by law. Nothing in this statement should be construed as a profit forecast. Where relevant, some numbers and period-on-period percentages have been rounded or adjusted to ensure consistency with the financial information for the latest financial reporting year unless otherwise stated.

## APPENDIX

### Application of Rule 28 of the Takeover Code

With the consent of Greencore Group plc to this announcement, the UK Panel on Takeovers and Mergers has confirmed that the Profit Forecast constitutes an ordinary course profit forecast for the purposes of Note 2(b) to Rule 28.1 of the Takeover Code, to which the requirements of Rule 28.1(c)(i) of the Takeover Code apply.

### Directors' confirmation

The directors of Bakkavor confirm that the Profit Forecast has been properly compiled on the basis of the assumptions set out below and that the basis of accounting used is consistent with the Group's existing accounting policies.

### Basis of preparation

The Profit Forecast has been compiled based on the Group's unaudited management accounts for Q1 25 and has been prepared on a basis consistent with the Group's existing accounting policies, which are consistent with International Financial Reporting Standards.

The Profit Forecast has been compiled on the basis of the assumptions set out below and should therefore be read in this context and construed accordingly.

### Assumptions

In confirming the Profit Forecast, the directors of Bakkavor have made the following assumptions in respect of Q1 25:

(i) Assumptions within the Company's control or influence:

- no material change to the existing strategy or operation of the Group's business;
- no material change to the expected realisation of launch and commercialisation of new products or achievement of sustainability goals;
- no material deterioration in the Group's relationships with customers, suppliers or partners, and no material adverse change to the Group's ability to meet customer, supplier and partner needs and expectations based on current practice;
- no material unplanned capital expenditure, asset disposals, merger and acquisition or divestment activity conducted by or affecting the Group;
- no material change in dividend or capital policies of the Group; and
- no material change to the present management of the Group.

(ii) Assumptions outside of the Company's control or influence:

- no material change to existing prevailing macroeconomic, political, fiscal/inflationary, international trade or social conditions or stability during FY25 in the markets or regions in which the Group operates;
- no material change in legislation, taxation or regulatory requirements impacting the Group's operations, expenditure or its accounting policies;
- no material adverse change to the Group's business model or market environment before the end of FY25 (including in relation to customer demand or competitive environment, including regarding the Group's market share and product demand rates);
- no material adverse change to the Group's commercial relationships or product service levels, and no material adverse events that will have a significant impact on the Group's major customers or suppliers;

- no material disruption or delays to international transport networks or adverse changes in supply chain costs to the Group;
- no material change in the Group's existing debt arrangements, ability to access external finance and refinance existing debt upon maturity;
- no material litigation, contractual dispute or regulatory investigations, and no material unexpected developments in any existing litigation, contractual dispute or regulatory investigation, each in relation to any of the Group's operations, products or services;
- no material adverse events that would have a significant impact on the Group including climate change, adverse weather events or information technology/cyber infrastructure disruption; and
- there will be no material change in the control of the Group.

The Profit Forecast does not take into account any effects of the possible offer for Bakkavor Group plc by Greencore Group plc.