

31 May 2023

Q1 2023 trading update

Encouraging Q1 performance; improving outlook for FY23

Bakkavor Group plc (the “Company”) and its subsidiaries (“Bakkavor” or “the Group”), the leading international provider of fresh prepared food (“FPF”), today updates on trading for the 13 weeks to 1 April 2023 (“Q1 2023”).

£ million	Reported revenue	Growth	Like-for-like¹ ('LFL') revenue	LFL growth
Group	529.3	9.0%	522.6	7.6%
UK	440.3	8.1%	440.3	8.1%
US	61.2	11.1%	55.4	0.4%
China	27.8	21.4%	26.9	17.1%

Encouraging Q1 trading performance in-line with expectations

- LFL revenue up 7.6%, driven by price as well as volume recovery in China
- UK: Continued to win market share, driven by strong service and net business gains
- US: Good underlying volume and price growth offset by the loss of volume from a customer
- China: Good revenue momentum reflects positive volume recovery post-Covid
- Continued to largely mitigate ongoing inflationary pressures through pricing, value optimisation, operational efficiency improvements and cost control actions
- Restructuring plans on track; new leadership team embedded, synergies materialising following two UK site closures and the alignment of our UK business to two sectors

Improving outlook for FY23

- UK: Further share gains, strong operational performance and price recovery expected to offset subdued underlying volumes
- US: Renewed focus on profitability is starting to deliver in line with our expectations
- China: Volume momentum is expected to continue to build steadily, supported by diversification into retail
- Accelerated delivery of restructuring plans now expected to result in £17m of savings in FY23, ahead of previous guidance
- With momentum expected to continue in all three regions, Group adjusted operating profit expected to be at the upper end of the range of market expectations²

Mike Edwards, CEO, commented:

“The Group has made an encouraging start to trading in 2023 and, with momentum expected to continue in all regions, our outlook for FY23 is now at the upper end of market expectations.

“There is no doubt that the changes we have made as part of our restructuring plans are underpinning performance. I would like to thank our teams for embracing and embedding these changes so quickly.

“The fundamentals of our business remain strong, as we continue to win market share, demonstrate strong operational delivery and maintain a robust balance sheet. We are confident of making further progress through the remainder of this year and into 2024.”

1. LFL revenue is revenue from continuing operations adjusted for the revenue generated from businesses closed or sold in the current and prior year, revenue generated from businesses acquired in the current and prior period, and the effect of foreign currency movements.
2. Based on company compiled consensus ("Consensus") which includes; Citi, Goodbody, HSBC, Investec, Kepler, Numis and Peel Hunt, Adjusted operating profit Consensus for 2023 of £82.9m, with a range of £80.0m to £85.0m.

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 18,500 colleagues operate from 44 sites across our three markets supplying a portfolio of over 2,900 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

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