

Chairman's Statement

This robust performance delivered during the year highlights that our exceptional management team and strategy has again delivered results that significantly outperform the market against a backdrop of consumer malaise, cost inflation and macro uncertainty, which has undermined sentiment in the sector.

Our ability to innovate and provide our customers with desirable and quality products is testament to the strength of the Group's creativity, investment and growing operational maturity.

Group revenue increased by 3.8% to £315.3 million. Adjusted EBITDA was £25.5 million and profit before tax was £13.6 million. We have announced a growth in the dividend which will take the total dividend for the year to 3.5p per share, up 6.1% from last year.

Delivering on our Ever-consistent Vision

Our vision is to be the leading speciality bakery group, producing a broad range of high-quality products that fulfil the needs and demands of end consumers, delivering a differentiated product for our customers whilst driving growth for the Group, both throughout the UK and Europe.

We continue to build a business of scale, but also one that can deal with the manufacturing complexity and flexibility required for the breadth of ranges we deliver to the foodservice and the retail markets – from specialist, artisan products to premium or higher-margin products. For ten years we've been delivering this while improving efficiency, investing strategically and thoughtfully, whilst reducing debt and improving diversification.

We believe scale will become increasingly important in the food manufacturing sector as we see our main customers getting larger. Over the years we have made major acquisitions and investments, targeting opportunities based on consumer trends, market niches, new channels and added-value products that retail and foodservice customers are trying to develop. As such, we are well positioned to continue to successfully deliver this increasing product range to our larger customers whilst still maintaining strong relationships with our smaller customers.

Illustrating our ability to complete strategic and complementary acquisitions, the acquisition of Ultrapharm has accelerated our access to the high growth Free From market. We have established a robust platform, increased capacity through a new bakery and resourced the business to allow it to have all the key ingredients to drive further growth.

Through a combination of organic growth and targeted acquisitions in what is a very fragmented market, we will continue to invest, consolidate and therefore grow in areas where we believe we can drive the most value, such as artisan bread, Free From and foodservice.

Operational Agility Delivering Results

Our diversification, agility and innovation has allowed the Group to not only adapt but also perform well in the face of the cost pressures and market volatility we have seen of late. We've continued to not only drive efficiency, but at the same time deliver innovation, allowing us to maintain our leading position in the market.

As part of our drive to ensure excellence across the Group, our Operating Principles, were launched in the first half of the year and are now being applied consistently across the Group. This allows us to deliver Group-wide initiatives to drive scale, productivity and best practice. This will be a major strategic theme over the coming years as we unlock benefits from these investments, including our recent IT roll out across the Group.

Board

The Board is committed to high standards of corporate governance, and has chosen to comply with the QCA Corporate Governance Code. In April we announced that Zoe Morgan, a Non-Executive Director of the Company and Chairman of the Remuneration Committee, would not be seeking renewal of her Directorship. I would like to thank Zoe for her valuable contribution over the last three years to both the Board and to the Company. Subsequently, Marnie Millard, a Non-Executive Director of the Company, took over the Chairmanship of the Remuneration Committee from 1 July 2019.

People

Our people are truly the heartbeat of the Group. Over the last few years we have implemented a considerable number of Group-wide initiatives to ensure that we really are being the best that we can be. The hard work of our teams on a day-to-day basis and engagement with the new initiatives we have introduced has been truly inspiring. With these projects now materially complete, the Group is focused on harnessing the outcomes of these initiatives to drive productivity. Alongside this, the teams' skill and ability to continuously create products that appeal to our customers is remarkable. I would like to thank them all for their tireless effort and look forward to working together to continue to deliver baking brilliance.



Peter Baker
Non-Executive Chairman
13 September 2019

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