

FOOD & DRINK

Gluten-free expansion helps boost second half sales for Finsbury

By Henry Saker-Clark

There was no soggy bottom for Finsbury Food Group yesterday after the bakery business rose strongly after expanding its gluten-free product range in the second half of the year.

The own-label cake and bread maker said group like-for-like revenues rose by 3.1 per cent to £299.3m for the year to 29 June, as sales accelerated towards the end of the year.

Like-for-like sales in the second half were up by 5.7 per cent against the same period last year, the firm said, driven by “strong organic growth”, improvement in price and new business wins.

Total sales also boomed in the latter half of the year, on the back of its £17m acquisition of gluten-free specialist Ultrapharm.

Finsbury said sales for the second half increased by 11.7 per cent, taking its total annual sales to £315.3m, up by 3.8 per cent on last year.

The food firm, which makes cakes, bread and pastries for supermarkets and food-service businesses, said it is investing to grow the recently acquired “free-from” bakery, and has nearly completed a new bakery in Poland.

Finsbury’s core UK bakery business experienced a 4.7 per cent rise in sales over the year. Sales in its overseas business fell by 9.8 per cent on a like-for-like basis, although there was double-figure growth overseas including the acquired Ultrapharm business.

The performance comes amid significant pressure in the bakery sector, with rivals Hovis and Allied Bakeries announcing hundreds of redundancies between them in the past year.

Finsbury said that cost inflation in the industry is “moderating” after major spikes, but that these pressures still weigh on the market.

The supermarket supplier nevertheless held firm on its profit forecasts.

John Duffy, chief executive of Finsbury Food Group, said: “We have navigated through an intense period of cost inflation and broader macro issues and, as such, we are very pleased to be reporting a strong

11.7

percentage increase in Finsbury sales for the second half of last year, lifting its annual total to £315.3m

i Finsbury said it had invested in Ultrapharm, which makes a range of **gluten-free products** from cakes to sausage rolls, to expand capacity with a new bakery in Poland.