

Chairman's Statement

The robust performance delivered by the Group for the full year ended 26 June 2021 is testament to the resilience of our business, the strength of the management team, the efforts of the whole Finsbury team and our well-defined strategy.

The whole of this financial year has been affected by the external management of the pandemic. This has created challenges both within our business and our end markets. Our ongoing priority over the period has been to ensure the safety of our employees whilst maintaining excellent continuity of supply to our customers and consumers. Without the hard work and dedication of our teams, in incredibly challenging circumstances, we would not have been able to deliver the performance we have achieved.

RESILIENCE



It has been an extraordinary year for the people of Finsbury with daily challenges for everyone, both professionally and personally.



Pleasingly, the Group has been able to adapt, develop and strengthen over the course of the year, resulting in year-on-year revenue growth and a total sales figure almost at pre-pandemic levels. Our focus on strategic execution has not wavered and we have continued to make progress against our objectives to ensure that our businesses operate as one cohesive unit with a greater uniformity of processes and procedures and better communication.

A Resilient Performance

The resilience and determination of the business has ensured we have delivered a very encouraging performance, despite the continued impact of the pandemic. The full-year figures reflect a period completely impacted by Covid-19 and compares with a previous year period which included a six-month period of strong growth, which pre-dated the onset of the pandemic.

Group revenue was £313.3 million (2020: £306.3 million), adjusted EBITDA increased by 2.5% to £26.9 million (2020: £26.2 million), adjusted profit before tax increased by 10.2% to £15.1 million (2020: £13.7 million) and the Group delivered EPS of 9.8p. There have been good improvements in cost and cash performance with a significant strengthening of the Group's net bank debt position by year end to £13.1 million, a decrease of 50.4%.

Retail sales have performed well and grown year-on-year which largely compensated for the shortfall in foodservice sales which represented 20.0% of the Group's total revenue, pre-Covid. Although foodservice was slower to recover than originally anticipated, as a result of the timing of restrictions, the majority of the shortfall was recovered in the course of year. This resulted in revenue growing versus last year but is still slightly below pre-Covid turnover.

The overall business performance has been enhanced by the Group's successful Operating Brilliance Programme which continued despite Covid restrictions and has delivered improved line efficiencies and lower waste throughout the Group's bakeries.

Dividend

Given the uncertainty at the outset of the pandemic the Board took the decision to withdraw the interim dividend and also decided not to propose a final dividend in the context of the continued uncertainty surrounding the pandemic and Brexit. The Board is recommending a full-year dividend of 2.4 pence per share for the financial year ending 26 June 2021.

Continued Focus on Strategic Execution

Over the past few years Finsbury has been focused on driving operational excellence and achieving 'Baking Brilliance', guided by our Operating Principles. The Finsbury Operating Principles are a set of practical commitments and guidelines for how we run our business. They bring our strategy to life in our day-to-day work.

Indeed, our Process Blueprint is now fully integrated in all aspects of the business and we are seeing excellent results throughout, improving our efficiency and effectiveness and importantly also our sustainability.

We have also throughout the year continued to strengthen and develop our Group IT systems in areas such as supply chain optimisation, product lifecycle management and sales operations and planning.

As a Board, we remain committed to reviewing and evolving the areas of strategic focus to ensure that the Group is always looking to improve and is well positioned to capitalise on the opportunities that present themselves. The process we adopt has developed well over the years, involving more key personnel and has delivered this year the most rigorous and complete outcome, by far.

BRILLIANCE

Our People

It has been an extraordinary year for the people of Finsbury with daily challenges for everyone, both professionally and personally. The strength of our people and culture has continued to shine through and I am proud to be part of such a hardworking and resolute group.

Due to the nature of our business, the majority of our workers are unable to work from home and so have had to balance their roles within our Group with their roles at home. I would like to thank them for the individual sacrifices that they have made and the dedication that they have shown.

I would also like to take this opportunity to say a huge thank you to our executive team, customers, partners, suppliers and shareholders for their continued enthusiasm and dedication and also to the Board for their support and counsel. I look forward to achieving further success together in the future.

A Responsible Business

Acting as a responsible business is at the core of the Group's strategy. Finsbury aims to always operate in an ethical and sustainable way and to help our people play a positive role in the communities where we operate.

We are committed to ensuring our people enjoy a safe working environment and we invest in their development. We all take personal pride in the business's success and remain strong advocates of the business and products.

Being a responsible business also means optimising our use of resources, so we do all we can to reduce waste in our bakeries and throughout our supply chain, minimising our impact on the environment.

Outlook

Whilst we navigate through the consequences of the pandemic's impact on the economy, such as inflation and skilled labour and driver shortages, we remain confident about the Group's continued growth prospects. We have demonstrated the strength of our team and our ability to adapt and evolve in response to changing circumstances. As a result, we are emerging from the shadow of the pandemic a stronger and more united business, focused on our goal of becoming the leading speciality bakery group.



Peter Baker
Non-Executive Chairman
17 September 2021