

## Strategic Report Highlights

### Summary

The full year figures reflect an evolving trading environment with the ongoing post-pandemic recovery being followed by inflationary pressures impacting our operations and total supply chain. The improvement in all figures is a reflection of the robustness of our business model.

- Group revenue up 13.9% to £357.0 million.
- Gross margins 32.4% (2021: 32.9%).
- Group EBITDA\*<sup>1</sup> up 6.9% to £28.7 million.
- Profit before tax\*<sup>1</sup> up 12.1% to £17.0 million.
- Adjusted Diluted EPS\*<sup>2</sup> (pence per share) up 17% to 10.1p.
- Net bank debt (excluding IFRS 16 debt), £20.6 million (2021: £13.1 million), representing 0.7 x FY EBITDA.

### Strategic Highlights

- Revenue growth, as a result of:
  - Strong post Covid-19 recovery in UK foodservice, up 38%;
  - UK retail up 7.1%; and
  - Overseas division growth of 27%.
- Taking our ownership to 85% in Lightbody-Stretz Limited deepening our presence in France, Benelux, Scandinavia and Switzerland.
- Innovation in gluten-free recipes and product quality which is driving organic growth in both the UK and in Europe.
- Operating Brilliance Programme continues to drive significant operational efficiency which is helping to manage inflationary pressure in the short-term.
- Clear sustainability agenda driving continued improvement in energy and waste management.
- Continued investment in development, engagement and the health and wellbeing of employees.

In order to set out the business performance, adjusted measures for the Group are presented which exclude the impact of significant non-recurring items and other items to present adjusted EBITDA, operating profit and profit before tax. In the opinion of the Board the adjusted measures allow shareholders to gain a clearer understanding of the trading performance of the Group. The analysis below shows the movement from adjusted to statutory measures.

#### Adjusted EBITDA

	2022 £000	2021 £000
Adjusted EBITDA	<b>28,747</b>	26,904
Significant non-recurring items – (see Note 4)	<b>(1,898)</b>	958
Difference between Defined Benefit Pension Scheme charges and cash cost	<b>417</b>	473
Movement in the fair value of foreign exchange contracts	<b>(821)</b>	696
Adjustments, significant non-recurring and other items	<b>(2,302)</b>	2,127
EBITDA	<b>26,445</b>	29,031

#### Adjusted Operating Profit

	2022 £000	2021 £000
Adjusted operating profit	<b>17,807</b>	16,100
Significant non-recurring items – (see Note 4)	<b>(1,898)</b>	958
Difference between Defined Benefit Pension Scheme charges and cash cost	<b>417</b>	473
Movement in the fair value of foreign exchange contracts	<b>(821)</b>	696
Adjustments, significant non-recurring and other items	<b>(2,302)</b>	2,127
Operating profit	<b>15,505</b>	18,227

#### Adjusted Profit Before Tax

	2022 £000	2021 £000
Adjusted profit before tax	<b>16,956</b>	15,126
Significant non-recurring items – (see Note 4)	<b>(1,898)</b>	958
Difference between Defined Benefit Pension Scheme charges and cash cost	<b>132</b>	249
Movement in the fair value of foreign exchange contracts	<b>(821)</b>	696
Discounting of deferred consideration	<b>(54)</b>	(105)
Movement in the fair value of interest rate swaps	<b>(18)</b>	89
Adjustments, significant non-recurring and other items	<b>(2,659)</b>	1,887
Profit before tax	<b>14,297</b>	17,013

\*1 The Group uses Alternative Performance Measures (APMs) which are non-IFRS measures to monitor performance of its operations and of the Group as a whole. These APMs along with their definitions are provided in the Adjusted Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA), Operating Profit and Profit Before Tax tables on this page and the tables in the Financial Review Section. APMs are disclosed as, in the opinion of the Board, this will allow shareholders to gain a clearer understanding of the trading performance of the Group.

\*2 Adjusted EPS has been calculated using profit, excluding amortisation of intangibles, significant non-recurring and other items as shown in the tables in the Financial Review Section net of associated taxation. In the opinion of the Board, the adjustments made will allow shareholders to gain a clearer understanding of the trading performance of the Group.

Group Performance  
Measures

## Group Revenue

£356.8m

up 13.9%

Adjusted EBITDA\*<sup>1</sup>

£28.7m

up 6.9%

Adjusted Operating Profit\*<sup>1</sup>

£17.8m

up 10.6%

Adjusted Profit\*<sup>1</sup> Before Tax

£17.0m

up 12.1%

## Adjusted Diluted EPS

10.1p

up 17.4%

## Capital Investment

£12.5m

up 103%

## Net Debt (excl. leases)

£20.6m

up 57.3%

## Statutory Measures

\*2

## EBITDA

£26.4m

## Operating Profit

£15.5m

## Profit Before Tax

£14.3m

## Diluted EPS

7.9p

\*2

## Net Debt (incl. leases)

£29.6m

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Adjusted EPS has been calculated using profit, excluding amortisation of intangibles, significant non-recurring and other items as shown in the tables in the Financial Review Section net of associated taxation. In the opinion of the Board, the adjustments made will allow shareholders to gain a clearer understanding of the trading performance of the Group.

\*2 Measures that do not vary are shown in the first column only.