



NEWS RELEASE

Half-year Report

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Bakkavor Group PLC

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Bakkavor Group plc

Further upgrade to FY25 guidance: clear strategy underpins strong H1 25 and further improvement in H2 25

Bakkavor Group plc ("Bakkavor" or "the Group"), the leading international provider of fresh prepared food ("FPF"), today announces its unaudited results for the 26-week period ended 28 June 2025 ("H1 25").

FINANCIAL HIGHLIGHTS

£m (unless otherwise stated)	H1 25	H1 24 Re-presented ¹	Change
Continuing operations¹			
Reported revenue	1,076.3	1,066.8	0.9%
Like-for-like ("LFL") revenue ²	1,079.3	1,066.8	1.2%
Adjusted operating profit ²	61.5	56.0	9.8%
Adjusted operating profit margin ²	5.7%	5.2%	50bps
Operating profit	37.5	55.4	(32.3%)
ROIC ²	11.2%	9.3%	190bps
Discontinued operations¹			

Reported revenue	58.3	54.4	7.2%
Adjusted operating profit/(loss) ²	0.5	(1.0)	150%
Adjusted operating profit/(loss) margin ²	0.9%	(1.8%)	270bps
Operating profit	1.2	3.4	(64.7%)
Group			
Adjusted earnings per share ²	6.4p	5.5p	0.9p
Basic earnings per share	2.9p	6.1p	(3.2p)
Free cash flow ²	47.3	53.2	(5.9)
Operational net debt ²	194.8	201.8	(7.0)
Leverage ²	1.1x	1.2x	(0.1x)

Strong H1 25 performance and upgraded FY25 profit guidance

- Continuing operations (UK and US):
 - LFL revenue up 1.2%, driven by strong US volume growth and price in the UK
 - Adjusted operating profit up 9.8% to £61.5m and margin up 50 basis points to 5.7%
 - Operating profit of £37.5m includes £24.0m of exceptional costs, including Greencore Group plc ('Greencore') transaction costs
 - ROIC of 11.2% up 190bps as we drive enhanced returns
- Successful exit from China for £51m in July 2025, presented as a discontinued operation in H1 25
- Leverage down 0.1x to 1.1x, remaining at the lower end of target range (prior to receipt of proceeds from China sale, which equates to 0.3x impact on leverage)
- FY25 guidance upgraded with adjusted operating profit (continuing operations) now expected towards the upper end of previously guided ranges

The foregoing statement in relation to FY25 adjusted operating profit (the 'Profit Forecast') constitutes an ordinary course profit forecast for the purposes of Rule 28 of the City Code on Takeovers and Mergers (the 'Takeover Code'). The additional disclosures required by the Takeover Code are set out in the Appendix to this announcement.

Excellent strategic progress, accelerated delivery of 6% margin target, one year ahead of plan

- UK: Strategy continues to drive margin improvement, with volume impact in line with expectations
- INTERNATIONAL: US margin now accretive to the Group; strategic exit from China complete
- EXCELLENCE: Bakkavor Operating System continues to drive efficiency improvements in all regions
- TRUST: Progressive KPIs across people and ESG priorities
- Accelerated delivery of 6% adjusted operating profit margin target to FY26, one year ahead of plan

Acquisition of Bakkavor by Greencore

- As announced on 15 May 2025, the Boards of Bakkavor and Greencore agreed the terms of a recommended acquisition of Bakkavor
- The transaction was approved by shareholders in both companies in early July
- In the process of obtaining regulatory approvals; the Competition and Markets Authority announced the launch of its merger inquiry on 1 September 2025 and has a deadline of 27 October 2025 for its Phase 1 decision

Mike Edwards, CEO, commented:

"The first half of 2025 has seen another strong performance by the Group as we continued to move at pace delivering on our strategy and driving further margin improvement.

"The business is in great shape, with momentum expected to continue in the second half and we now expect to deliver towards the upper end of our previously guided FY25 profit range. Looking further ahead, we have accelerated the delivery of our medium-term margin target of 6% to FY26, one year ahead of plan.

"I am proud of what we have achieved and would like to thank the entire Bakkavor team for their commitment and exceptional efforts which have delivered such a great performance, while also working towards a significant change in the Group's ownership."

1. The Group's continuing operations exclude the results of the China business, which was sold on 11 July 2025, and the Hong Kong business sold on 14 March 2025, and therefore reflects the Group's remaining business in the UK and US. The relevant prior year data has been re-presented accordingly. The results of the China region in the period are presented as a discontinued operation. Further detail is provided in Note 18.
2. Alternative performance measures are referred to as 'like-for-like', 'adjusted', 'underlying' and are applied consistently throughout this document. These are defined in full and reconciled to the reported statutory measures in Note 22.
3. FY25 adjusted operating profit (continuing operations) guidance range of £120m to £126m. This range is in line with previous guidance, per Q1 2025 trading update published on 15 May 2025, as whilst the China operations has subsequently been disposed of and therefore is excluded from FY25 guidance being issued in the H1 25 results, the expected FY25 profit impact from China was limited. For reference, company compiled consensus as at 2 September 2025, (includes covering, non-restricted analysts - Investec, Kepler, RBC) for FY25 adjusted operating profit on a continuing operations basis is £120.7m, with a range of £120.0m to £121.3m.

Presentation

A copy of these results is available on Bakkavor's website: **Bakkavor Group plc - EN - Investors - Results & presentations**. Mike Edwards, CEO, and Lee Miley, CFO, will be presenting to analysts in-person and via a webcast at 10.00am BST on 3 September 2025, with the webcast link available in the Investor section of the Group's website at: https://brrmedia.news/BAKK_HY25. A recording of the presentation will be available on the Company's website later in the day.

ENQUIRIES

Institutional investors and analysts:

Lee Miley, Chief Financial Officer

Emily Daw, Head of Investor Relations

+44 (0) 20 7908 6114

Financial media:

bakkavor@mhpgroup.com

Katie Hunt, MHP

+44 (0) 7884 494 112

Rachel Farrington, MHP

+44 (0) 7801 894 577

About Bakkavor: We are the leading provider of fresh prepared food in the UK, and our presence in the US positions the Group well in this high-growth market. We leverage our consumer insight and scale to provide innovative food that offers quality, choice, convenience, and freshness. Around 14,900 colleagues operate from 31 sites in our two markets supplying a portfolio of c.2,000 products across meals, pizza & bread, salads and desserts to leading grocery retailers in the UK and US. Find out more at www.bakkavor.com.

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Disclaimer - forward-looking statements: This statement, prepared by Bakkavor Group plc (the "Company"), may contain forward-looking statements about the Company and its subsidiaries (the "Group"). Forward-looking statements involve uncertainties because they relate to events, and depend on circumstances, that will, or may, occur in the future. If the assumptions on which the Company bases its forward-looking statements change, actual results may differ from those expressed in such statements. Forward-looking statements speak only as of the date they are made, and the Company undertakes no obligation to update these forward-looking statements other than as required by law. Nothing in this statement should be construed as a profit forecast. Where relevant, some numbers and period-on-period percentages have been rounded or adjusted to ensure consistency with the financial information for the latest financial reporting period unless otherwise stated.

CHIEF EXECUTIVE'S OVERVIEW

Excellent strategic progress underpins strong margin improvement

The Group delivered another strong performance in the first half as we have continued to make excellent progress against all four pillars of our strategy:

1. **UK:** Drive returns by leveraging scale and market leadership.
2. **INTERNATIONAL:** Drive sustainable growth and Group accretive margin.
3. **EXCELLENCE:** Improve performance through operational excellence.
4. **TRUST:** Be a positive force and a trusted partner for all our stakeholders.

As expected, reported revenue in continuing operations was up 0.9% to £1,076.3m, driven by strong US volume growth and price in the UK, partially offset by the planned impact on volume related to the closure of our UK Wigan site. Adjusted operating profit for continuing operations was up 9.8% to £61.5m and margin was up 50 basis points to 5.7%. This continued progress and acceleration in margin delivery has driven increased confidence in our ability to deliver our medium-term margin target of 6% one year ahead of plan in FY26 (versus FY27 previously communicated). Cash generation also remained strong, with operational net debt down £7.0m on June 2024 and leverage down 0.1x to 1.1x at the lower end of our target range. This is before the receipt of c.£50m proceeds from the sale of our China business (completed July 2025), which equates to c.0.3x leverage impact.

Overall, the business is in great shape and has continued to move at pace to deliver on our strategy. I am proud of what we have achieved and would like to thank the entire Bakkavor team for their commitment and exceptional efforts which have delivered such a great performance.

1. UK: Strategy continues to drive margin improvement, with volume impact in line with expectations

Our UK business delivered a strong performance in the first half. We have continued to deliver on our strategic initiatives to drive margin improvement, with adjusted operating profit margin up 20 basis points to 5.7%.

Despite subdued consumer confidence in the first half, consumers have largely adapted to ongoing pressure on household budgets and demand for convenient, quality and value meal solutions has only increased. The fresh prepared food ("FPF") offer is resonating strongly with consumers desires, and the FPF market delivered the strongest level of volume growth since 2020, up 4.4% on last year, and well ahead of the wider grocery market (up 0.4%). Consumers are favouring eating at home as they have continued to go out less often, which has supported strong growth in more premium ranges and meal deals. Retailers have also increased their focus on core innovation to ensure their ranges maintain and grow their share of stomach. Shopping frequency, a key driver of growth in the FPF market, also saw strong growth as shoppers conducted more frequent, smaller trips to stores.

At a FPF category level, salads performed strongly with demand for variety, health and value in lunchtime options driving growth in food-to-go, and sales were also boosted by sunnier weather. Demand for elevated at-home dining experiences benefited the meals category, along with new product development. Desserts remain discretionary and ongoing inflation, notably in dairy, has continued to put upward pressure on prices and impacted volumes. Pizza and bread experienced good growth, driven by promotional activity and more premium and takeaway offers benefitting from lower demand for eating out.

In terms of our own performance, we delivered strong progress on adjusted operating profit and margin despite volume being down (-2.0%). Volume was in line with plan as we executed on our strategy to exit low margin business, including the closure of a UK site. Our strategic closure of Wigan saw the exit of a large proportion of the c.£80m annualised sales, which particularly impacted volumes in meals and salads. When compared to the overall FPF market, our category mix also had some impact on volume driven by desserts, due to price pressure from ongoing inflation and being a more discretionary purchase. Price contributed meaningfully to our overall revenue growth, up 2.4%, with support secured from our customers on inflation recovery.

Our relentless focus on providing our customers with best-in-class quality, service and innovation has continued.

Our technical KPIs across people safety and food safety were progressive, and we delivered over 99% customer service, which included the seamless delivery through the closure of our Wigan site. We launched over 450 new exciting products responding to the latest consumer trends, comprising 27% of our total product range. This included 18 new cheesecakes as part of a desserts category reset (commenced in 2024) and has resulted in a strategic customer gaining market share. Supporting our customers to deliver a great summer has also been a focus, and included a double filled lemon éclair and modern deli products as part of sharing snacks and plates ranges. We have also continued to improve our quality through recipe and process development, with relaunched ranges of top-tier wraps and pizza, houmous, and premium breads all performing strongly.

Operationally, we have continued to drive efficiencies across our business and build on the strong momentum with which we exited 2024 to deliver further margin improvement. The Bakkavor Operating System ("BOS") has continued to underpin strong factory performance and overhead savings from the closure of Wigan are delivering in line with plan.

2. INTERNATIONAL: US margin now accretive to the Group and strategic exit from China complete

Building on the positive momentum achieved in 2024, our US business grew strongly in the first half, with LFL revenue up 7.6% year-on-year all driven by volume. This growth has been fuelled by successful new product launches and good underlying growth with strategic customers, alongside broadening our 'Fresh & Simple' branded product range which now includes fresh meals, burritos and artisan bread.

Sustained momentum in operational efficiencies has continued to enhance adjusted operating profit and margin, up 260 basis points to 5.9%, now delivering on our strategic objective to be accretive to the Group. Through 2024,

we started to embed our BOS principles across our US sites, and the implementation of our smart manufacturing system in Texas in summer 2024 has driven further labour efficiencies. Our footprint rationalisation, with the closure of Jessup and transfer of volume to our Charlotte site, has also driven an improvement in factory performance and delivered overhead savings. These actions, combined with the successful conversion and seamless onboarding of volume growth, has supported the strong progress seen in the US.

The Group has achieved its strategic objective of successfully exiting its margin dilutive China business. The disposal of the Hong Kong business completed in March 2025, and the sale of the remaining China operations completed in July 2025 for a net consideration of £51m with a net profit on disposal (after tax) of at least £18m. This takes total proceeds from disposals in the region over the last two years to c.£65m, contributing positively to our overall financial position and will reduce leverage further in the second half. The exit from the region enables us to sharpen our focus on our core business and reduces the risk profile of the Group.

3. EXCELLENCE: Bakkavor Operating System continues to drive efficiency improvements in all regions

Building on two strong years of progress, the Bakkavor Operating System ("BOS") and its key principles of standardisation, people and optimisation, has fuelled further efficiencies which have been fundamental in driving the Group's H1 25 margin improvement.

In our UK manufacturing operations, performance reporting and behaviours are well-embedded and standardised. With these strong foundations, we are now starting to leverage our core principles to drive wider 'business excellence', and in the first half our UK commercial team adopted our BOS behaviours in their approach to driving value optimisation for our customers. We have also embedded our standardised performance reporting and data driven insight to waste management, which whilst helping drive efficiencies, is also supporting our sustainability agenda, with 40 live projects targeting food waste reduction.

To ensure ways of working are standardised and colleagues are equipped to drive further improvements upskilling and training our people has remained a priority. The Operational Excellence Academy, launched in 2024, saw c.4,300 training sessions completed by more than 750 operational colleagues in H1 25, and we now have operational excellence teams in place at all UK and US sites, with well-established business partnering and standardised performance reporting.

Our commitment to optimise performance and drive continuous improvement saw multiple projects contribute to the Group's strong performance. For example, the automation of our stuffed crust pizza process has improved quality and reduced labour, and overhead savings from our strategic decision to close our UK Wigan site and US Jessup site are delivering in line with plan. We continued to enhance our UK performance management structure through the introduction of an improved Management Control and Report Process. In the US, the implementation of our smart manufacturing system - in San Antonio last summer, in Carson in Q2 2025, and due to go live in Charlotte in Q1 2026 - is helping fuel our future activity pipeline, and we remain excited about the significant opportunity this provides to optimise performance further.

We have continued to leverage our approach to excellence in our supply chain. Our scale and resilience, has once again, ensured we delivered excellent service for our customers while navigating ongoing supply chain disruption and inflationary pressures.

4. TRUST: Progressive KPIs across people and ESG priorities

Our people remain central to our business and our continued investment in pay and wider benefits reflects this commitment. 2025 pay negotiations at all our sites concluded by June 2025, reflecting the strength of offer for our colleagues. In the UK, weekly colleagues have received an average pay increase of 29.8% over the last four years, compared with 25.1% CPI inflation over the same period. UK employee turnover has also improved by 360 basis points on last year to 18.5%, (12m Jun-24: 22.1%) and is ahead of the year end (FY24: 18.9%), and we drove a significant reduction in the US with turnover down by over 10 percentage points (12m Jun-25: 27.3%, 12m Jun-24: 38.0%).

We believe we have the best people in the industry and our commitment to developing our future talent was once again recognised by 'TheJobCrowd', being ranked the top company in Consumer Goods & FMCG for both our Graduate and Apprenticeship programmes. We are also proud to now be able to offer every leader in the business, from the factory floor through to senior management, the opportunity to participate in a leadership development programme. The positive steps we have taken to embed wellness across the business have been recognised externally, with the Group receiving a 'Tier 3' rating in the 2025 CCLA Corporate Mental Health Benchmark UK 100 Report. Whilst we will always strive for zero harm, we have continued to outperform the food industry benchmark for accidents at work. In the UK, accidents (>7 day lost-time per 100k employees 12m Jun-25) reduced by 7.6% on last year.

We have made good progress in operationalising our sustainability priorities across the Group, driving increased ownership and oversight. UK food waste reduced by 80 basis points to 5.4% (H1 24: 6.2%), as sites have focused on tackling root causes of waste and maximising surplus redistribution. Our staff shop continues to be successful with c.£1m of savings on meals, versus high street prices, provided to our colleagues in the first half. Group net carbon emissions decreased 9.5% year-on-year (12m Jun-25), driven by a reduction in energy usage in the UK and the closure of Wigan, fewer F-gas leaks in the US, and China benefitted from the sale of our China Bakery and Hong Kong businesses (completed in Mar-24 and Mar-25 respectively). On a continuing basis, excluding the impact of the China region, emissions were down 7.7% (12m Jun-25). The strong progress to date means we are ahead of our glidepath to deliver on our commitment to reduce net emissions by 42% by 2030.

OUTLOOK: FY25 guidance upgraded and accelerated delivery of 6% margin target to FY26

As we carry strong momentum from H1 25, trading through the summer has been in line with expectations. The business is in great shape and we remain confident in driving further margin improvement and delivering our upgraded profit guidance for the full year.

With the successful completion of the sale of our China business in July 2025, the results of China are excluded from our guidance for FY25. As previously guided, FY25 revenue (continuing operations) is expected to be broadly in line with FY24, with UK underlying growth and price largely offset by the annualisation of the impact of our UK site closure. In the US, with our innovation pipeline in full flight and underlying core growth expected to remain strong, we have started to exit certain legacy business and therefore anticipate low single digit growth for the full year. FY25 adjusted operating profit (continuing operations) is expected to be towards the upper end of our previously guided range (£120m to £126m) as we deliver further strategic progress in both the UK and US.

On inflation, we expect a c.£65m impact in FY25 with certain key commodities driving the increase versus the £50m previously guided to but overall remains weighted to labour given the increases in National Insurance contributions (c.£15m annualised impact) and the National Living Wage. We have good visibility on inflation recovery with the support of our customers and, combined with our continued focus on cost and significant pipeline of efficiency opportunities, is expected to offset any shortfall in recovery.

The Group's balance sheet remains strong and continued strong cash generation, along with proceeds from the sale of our China business, is expected to drive further improvement to leverage below the bottom end of our target range (1.0x - 2.0x). The Group is well-positioned to continue to make return-enhancing investments to drive further efficiencies.

Looking further ahead, with the momentum we have created to drive margin improvement through executing on all four pillars of our strategy, this gives us confidence we will deliver our medium-term adjusted operating profit margin target of 6% one year ahead of plan in FY26 (versus FY27 as previously communicated).

We will also continue to drive action to deliver on our medium-term sustainability targets, and by ensuring trust is kept at the core of our business activities we strive to maintain an engaged, safe and thriving workforce.

FINANCIAL REVIEW

The Group completed the disposal of its operations in China on 11 July 2025. The results of this business have been presented as a discontinued operations in the Group Financial Statements in H1 25 and the H1 24 comparatives have been re-presented on the same basis.

Continuing operations - UK and US

Regional trading performance

				H1 25			H1 24		
							re-presented		
£m (unless otherwise stated)	UK	US	Total	UK	US	Total	UK	US	Total

Reported revenue	961.6	114.7	1,076.3	957.4	109.4	1,066.8
<i>Change</i>	<i>0.4%</i>	<i>4.8%</i>	<i>0.9%</i>			
Like-for-like revenue ²	961.6	117.7	1,079.3	957.4	109.4	1,066.8
<i>Change</i>	<i>0.4%</i>	<i>7.6%</i>	<i>1.2%</i>			
Adjusted operating profit ²	54.7	6.8	61.5	52.4	3.6	56.0
<i>Change</i>	<i>4.4%</i>	<i>88.9%</i>	<i>9.8%</i>			
Adjusted operating margin ²	5.7%	5.9%	5.7%	5.5%	3.3%	5.2%
<i>Change</i>	<i>20bps</i>	<i>260bps</i>	<i>50bps</i>			
Operating profit/(loss)	40.0	(2.5)	37.5	52.4	3.0	55.4
<i>Change</i>	<i>(23.7%)</i>	<i>(183.3%)</i>	<i>(32.3%)</i>			
Operating profit / (loss) margin	4.2%	(2.2%)	3.5%	5.5%	2.7%	5.2%
<i>Change</i>	<i>(130bps)</i>	<i>(490bps)</i>	<i>(170bps)</i>			

Note: Comparative information for H1 24 has been re-presented to remove China discontinued operations.

Reported revenue (continuing operations) increased 0.9% to £1,076.3m (H1 24: £1,066.8m). LFL revenue grew by 1.2% to £1,079.3m (H1 24: £1,066.8m), which is adjusted for the impact of impact of currency movements, only applicable to the US. LFL revenue growth was driven by strong volume growth in the US (up 7.6%) and price in the UK (up 2.4%), reflecting good support from our customers as inflationary pressures have persisted (UK £30.8m of total £34.2m inflation in H1 25), while our strategic decision to exit our Wigan site was the key driver of UK volumes being down 2.0% in the period.

Adjusted operating profit (continuing operations) increased by £5.5m to £61.5m (H1 24: £56.0m), with the benefit of US volume growth and our focus on efficiency improvements in both the UK and US driving a 50 basis point improvement to adjusted operating profit margin of 5.7% (H1 24: 5.2%).

Operating profit (continuing operations) of £37.5m was down £17.9m (H1 24: £55.4m) and margin of 3.5% was down 170 basis points (H1 24: 5.2%). This is due to the impact of £24.0m of exceptional costs (H1 24: £0.6m exceptional costs) excluded from adjusted operating profit, primarily related to transaction costs associated with the acquisition of Bakkavor by Greencore, the costs of closure of our US Jessup site and spend on the UK ERP replacement project (in line with our expectations).

Finance costs

Profit before tax (continuing operations) of £24.6m (H1 24: £41.8m), is after finance costs (net) of £12.6m (H1 24: £13.9m). The reduction in finance costs was driven by benefit of the margin reduction secured as part of the refinancing completed in July 2024, lower average debt levels, and lower base rate. The Group has £130m of interest rate swaps at an average rate of 3.73%, which remain in place until March 2026. For FY25, we expect finance costs to reduce year-on-year to c.£20m (excluding IFRS 16), as we maintain lower debt levels and benefit from the proceeds from the sale of our China business.

Tax

The tax charge (continuing operations) for H1 25 was £9.3m (H1 24: £9.7m), representing an effective tax rate of 37.8% (H1 24: 23.2%), higher than last year largely due to the impact of certain non-deductible exceptional costs. The underlying effective tax rate, which excludes exceptionals, was 25.7% (H1 24: 23.3%). The increase in underlying effective tax rate year-on-year is due to the non-recurrence of one-off benefits (additional losses brought forward) in the prior year. In line with previous guidance, we expect the FY25 underlying effective tax rate to remain at c.26%, marginally above the UK corporation tax rate.

ROIC

ROIC (continuing operations) improved significantly, up 190 basis points to 11.2% (H1 24: 9.3%), reflecting the Group's improved profitability and lower average invested capital, following two years of controlled capital spend, along with rationalising our UK footprint. We have continued to see returns from our investment in productivity and capacity materialise, as evidenced in the strong efficiencies that have supported the step-up in profitability in the year.

Discontinued operations - China

China performance

£m (unless otherwise stated)	H1 25	H1 24	Change
Reported revenue	58.3	54.4	7.2%
Like-for-like revenue ²	57.7	45.8	25.9%
Adjusted operating profit/(loss) ²	0.5	(1.0)	150%
Adjusted operating margin ²	0.9%	(1.8%)	270bps
Operating profit	1.2	3.4	(64.7%)
Operating margin	2.1%	6.3%	(420bps)
Finance costs	-	-	-
Tax charge	(0.1)	(0.3)	0.2

On 29 April 2025, the Group entered a binding agreement to sell its China operations and the sale completed on 11 July 2025, which concluded the Group's exit from the region. At 28 June 2025, the carrying value of our China operations net assets was £30.7m and will result in a net profit on disposal (after tax) of at least £18m in H2 25. Net transaction proceeds (net of fees) of £51m, less c.£3m cash held on disposal, will be used to further reduce the Group's leverage. Results of the China business are presented as a discontinued operations in the Financial Statements. More details are set out in Note 18.

In the first half of the year, LFL revenue in China was up 25.9% to £57.7m (H1 24: £45.8m), driven by volume in retail and strong growth with a new foodservice customer acquired in 2024. Reported revenue was up 7.2% to £58.3m (H1 24: £54.4m), which includes the Hong Kong business up to its disposal at the beginning of March 2025, and the impact of currency movements, and the prior period includes the China bakery business up to its disposal in March 2024.

Adjusted operating profit of £0.5m, compared to a £1.0m loss in H1 24, as volume converted positively and our lean manufacturing initiatives delivered further efficiencies. Operating profit of £1.2m (H1 24: £3.4m) includes £0.7m of exceptional income (H1 24: £4.4m net income), reflecting the benefit on the release of the liabilities held for sale of our Hong Kong business.

Group

Exceptional items

In H1 25, the Group incurred a net exceptional charge before tax of £23.3m, of which £24.0m net charge related to continuing operations and £0.7m net income in discontinued operations, with a breakdown provided in the table below. Note, the net profit on disposal from our China operations, which completed on 11 July 2025, will be recognised in H2 25 and is therefore not included in the numbers presented below. Further detail is provided in Note 4 of the accounts.

£m	H1 25	H1 24
Continuing operations:		
UK: Greencore transaction costs	(11.0)	-
UK: ERP transformation costs	(3.7)	-
US: site closure and impairments	(9.3)	(0.6)
Total exceptional items included in operating profit	(24.0)	(0.6)
Exceptional finance costs	-	(0.6)
Total exceptional items (before tax)	(24.0)	(1.2)
Tax on exceptional items	3.2	0.3
Total exceptional items (after tax)	(20.8)	(0.9)
Discontinued operations:		
China: Net profit on disposal (H1 25: Hong Kong, H1 24: China Bakery)	0.7	4.4
Tax on exceptional items	-	(0.3)
Total exceptional items (after tax)	0.7	4.1

Earnings per share ("EPS")

Adjusted EPS increased by 0.9p to 6.4p (H1 24: 5.5p), driven by the strong improvement in trading performance and decrease in finance costs, partially offset by higher tax costs. Basic EPS decreased by 3.2p to 2.9p (H1 24: 6.1p), driven by the above factors, offset by exceptional costs which are excluded from adjusted EPS.

Cash flow and net debt

Free cash generation continued to be strong, with a £47.3m inflow in H1 25 (H1 24: £53.2m), primarily driven by the improvement in operating profit, partially offset by a small working capital outflow and an increase in capital spend on last year. Capital expenditure in H1 25 of £21.1m was up £6.5m (H1 24: £14.6m) driven largely by the timing of spend and includes £1.7m related to the replacement of our legacy UK ERP system.

Continued strong cash generation has enabled a further £7.0m reduction in operational net debt to £194.8m (H1 24: £201.8m) and up £1.0m compared to the year-end (Dec-24: £193.8m). Leverage, the ratio of operational net debt to adjusted EBITDA, improved by 0.1x to 1.1x (versus June 2024) and is in line with the year end, and remains at the lower end of the Group's target range of 1.0x to 2.0x.

For FY25, we expect capital spend to be c.£65m, c.£5m lower than previously guided to due to the sale of our China operations and a re-phasing of certain UK spend into 2026. Our spend in relation to the UK ERP transformation remains unchanged, with c.£7m of capital spend in FY25 and c.£8m to be expensed and treated as an exceptional cost (with £3.7m incurred in H1 25).

By the year end, we expect to reduce debt further and bring leverage below the bottom end of our target range (1.0x to 2.0x), driven by the net proceeds from the sale of our China business, remaining in the Group, which has c.0.3x impact on leverage, combined with the expected improvement in trading.

Cash flow and net debt (continued)

£m	H1 25	H1 24
Operating profit - continuing operations	37.5	55.4
Operating profit - discontinued operations	1.2	3.4
Exceptional items (before tax)	23.3	(3.8)
Adjusted operating profit	62.0	55.0
Depreciation, amortisation & other	36.5	35.1
Net working capital (excl. exceptional items)	(4.6)	3.5
Purchases of property, plant and equipment (net) & intangible assets	(21.1)	(14.6)
Net interest and tax paid	(18.2)	(19.1)
Net retirement benefits charge less contributions	(0.5)	(1.1)
IFRS 16 lease payments	(6.8)	(5.6)
Free cash flow	47.3	53.2

Dividend

During the period, the Group paid £27.6m in respect of the final dividend for FY24.

In relation to the acquisition of Bakkavor by Greencore, under the terms of the Co-operation Agreement (published on 15 May 2025), Greencore and Bakkavor have agreed that if completion does not occur on or before 31 January 2026, Bakkavor will be entitled to declare and pay an interim dividend in respect of the 26-week period ending 28 June 2025 of an amount equal to no more than 75% of Bakkavor's adjusted EPS, subject further to a cap of 3.20 pence per Bakkavor share (H1 24: 3.20 pence).

A further dividend in respect of FY25 may also be declared and paid, which, when aggregated with the interim dividend (if any) in respect of the 26-week period ending 28 June 2025, is equal to no more than 75% of Bakkavor's adjusted EPS, subject to a further cap of 5.20 pence per Bakkavor share provided that the declaration of such dividend is in line with Bakkavor's ordinary course dividend timetable. If completion does not occur on or before 31 July 2026, Bakkavor will be entitled to declare and pay an additional interim dividend in respect of the 26-week period ending 27 June 2026 of an amount equal to no more than 75% of Bakkavor's adjusted EPS, subject to a cap of 3.53 pence per Bakkavor share, provided that the declaration of such dividend is in line with Bakkavor's ordinary course dividend timetable. A further condition in respect of all such dividends is that they are

declared and paid, with the record date for such dividend being, prior to completion.

Pensions

Under the IAS 19 valuation principles, at 28 June 2025 the Group recognised a surplus of £22.9m for the UK defined benefit scheme (28 December 2024: £18.8m surplus). This increase is mainly due to a decrease in the market expectations for inflation, and the Schemes investment return was slightly above that expected over the period. The Group and the Trustees agreed the triennial valuation of the UK defined benefit pension scheme as at 31 March 2022 in May 2023, resulting in the Group agreeing to make recovery payments of £2.5m per annum through to 31 March 2025. As the scheme was in surplus at December 2024 and January 2025, final deficit contributions in H1 25 were £0.6m and were paid over a recovery period ending on 31 March 2025.

Principal risks and uncertainties

The principal risks and uncertainties facing the Group are set out on pages 66 to 74 of the 2024 Annual Report and Accounts, published on 4 March 2025. The principal risks themselves remain unchanged as at 28 June 2025. Developments through the first half of the year have, however, resulted in the risk profile of four of our principal risks changing, as outlined in the table below:

Principal risks and uncertainties (continued)

Principal risk	Severity (likelihood x impact)	Description
Strategic growth and change programmes	↑	The strategic decision to accept Greencore's offer to buy Bakkavor increases our risk profile as we navigate through the acquisition and legalities of the deal. However, partially offsetting this increase in risk is the completion of strategic review of our China business, with the sale of our China operations in July 2025 which concludes our exit from the region.
Availability, recruitment & retention of colleagues	↓	The early conclusion of 2025 pay negotiations in June 2025 reduces the likelihood of further industrial action or strikes within the year.
Disruption to operations	↓	Our strong factory performance in H1 25, supported by the cessation of industrial action at one of our UK sites in March 2025, the completion of site closures in the UK and US, and the positive early conclusion of 2025 UK pay negotiations in June 2025, have reduced the potential for disruption to operations.
Corporate and regulatory	↓	The resolution of industrial action at one of our UK sites in March 2025, related to our 2024 pay negotiations, has reduced the likelihood of potential legal disputes.

APPENDIX

Application of Rule 28 of the Takeover Code

With the consent of Greencore Group plc to this announcement, the UK Panel on Takeovers and Mergers has confirmed that the Profit Forecast constitutes an ordinary course profit forecast for the purposes of Note 2(b) to Rule 28.1 of the Takeover Code, to which the requirements of Rule 28.1(c)(i) of the Takeover Code apply.

Directors' confirmation

The directors of Bakkavor confirm that the Profit Forecast has been properly compiled on the basis of the assumptions set out below and that the basis of accounting used is consistent with the Group's existing accounting policies.

Basis of preparation

The Profit Forecast has been compiled based on the Group's unaudited management accounts for H1 25 and has been prepared on a basis consistent with the Group's existing accounting policies, which are consistent with International Financial Reporting Standards.

The Profit Forecast has been compiled on the basis of the assumptions set out below and should therefore be read in this context and construed accordingly.

Assumptions

In confirming the Profit Forecast, the directors of Bakkavor have made the following assumptions in respect of H1 25:

(i) Assumptions within the Company's control or influence:

- no material change to the existing strategy or operation of the Group's business;
- no material change to the expected realisation of launch and commercialisation of new products or achievement of sustainability goals;
- no material deterioration in the Group's relationships with customers, suppliers or partners, and no material adverse change to the Group's ability to meet customer, supplier and partner needs and expectations based on current practice;
- no material unplanned capital expenditure, asset disposals, merger and acquisition or divestment activity conducted by or affecting the Group;
- no material change in dividend or capital policies of the Group; and
- no material change to the present management of the Group.

(ii) Assumptions outside of the Company's control or influence:

- no material change to existing prevailing macroeconomic, political, fiscal/inflationary, international trade or social conditions or stability during FY25 in the markets or regions in which the Group operates;
- no material change in legislation, taxation or regulatory requirements impacting the Group's operations, expenditure or its accounting policies;
- no material adverse change to the Group's business model or market environment before the end of FY25 (including in relation to customer demand or competitive environment, including regarding the Group's market share and product demand rates);
- no material adverse change to the Group's commercial relationships or product service levels, and no material adverse events that will have a significant impact on the Group's major customers or suppliers;
- no material disruption or delays to international transport networks or adverse changes in supply chain costs to the Group;
- no material change in the Group's existing debt arrangements, ability to access external finance and refinance existing debt upon maturity;
- no material litigation, contractual dispute or regulatory investigations, and no material unexpected developments in any existing litigation, contractual dispute or regulatory investigation, each in relation to any of the Group's operations, products or services;
- no material adverse events that would have a significant impact on the Group including climate change, adverse weather events or information technology/cyber infrastructure disruption; and
- there will be no material change in the control of the Group.

The Profit Forecast does not take into account any effects of the offer for Bakkavor Group plc by Greencore Group

plc.

CONDENSED CONSOLIDATED INCOME STATEMENT

		26 weeks ended 28 June 2025 (Unaudited)			26 weeks ended 29 June 2024 (Unaudited) Re-presented ¹		
£m	Note	Underlying activities	Exceptional items ² (Note 4)	Total	Underlying activities	Exceptional items ² (Note 4)	Total
Continuing operations							
Revenue	3	1,076.3	-	1,076.3	1,066.8	-	1,066.8
Cost of sales		(767.2)	-	(767.2)	(766.3)	-	(766.3)
Gross profit		309.1	-	309.1	300.5	-	300.5
Distribution costs		(38.5)	-	(38.5)	(41.4)	-	(41.4)
Other administrative costs		(209.1)	(24.0)	(233.1)	(203.1)	(0.6)	(203.7)
Operating profit		61.5	(24.0)	37.5	56.0	(0.6)	55.4
Finance costs, net	5	(12.6)	-	(12.6)	(13.3)	(0.6)	(13.9)
Other (losses) and gains	6	(0.3)	-	(0.3)	0.3	-	0.3
Profit before tax		48.6	(24.0)	24.6	43.0	(1.2)	41.8
Tax	7	(12.5)	3.2	(9.3)	(10.0)	0.3	(9.7)
Profit from continuing operations		36.1	(20.8)	15.3	33.0	(0.9)	32.1
Profit/(loss) from discontinued operations	18	0.8	0.7	1.5	(1.0)	4.1	3.1
Profit for the period		36.9	(20.1)	16.8	32.0	3.2	35.2
Earnings per share for profit for the period							
Basic	8			2.9p			6.1p
Diluted	8			2.8p			6.0p

¹ Comparative information has been re-presented due to a discontinued operation. See Note 18.

² The Group presents its Condensed Consolidated Income Statement with three columns. The Directors consider that the underlying activities are more representative of the ongoing operations and key metrics of the Group. Details of exceptional items can be found in Note 4 and include material items that are non-recurring, significant in nature and are important to users in understanding the business, including restructuring, transaction and ERP transformation costs, and impairment of assets. In addition, the Group uses further Alternative Performance Measures which can be found in Note 22.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

£m	26 weeks ended 28 June 2025 (Unaudited)	26 weeks ended 29 June 2024 (Unaudited) Re-presented ¹
Profit for the period	16.8	35.2
Other comprehensive income/(expense)		
Items that will not be reclassified to the income statement:		
Actuarial gain on defined benefit pension schemes	3.6	5.6
Tax relating to components of other comprehensive income	(0.9)	(1.4)
Items that may be reclassified to the income statement:		
Exchange differences on translation of continuing foreign operations	(11.1)	0.6
Exchange differences on translation of discontinued foreign operations	(2.8)	0.2
Gain on cash flow hedges	0.9	2.3
Hedging losses reclassified to profit or loss	(0.4)	(2.0)
Tax relating to components of other comprehensive (expense)/income	(0.4)	0.5
Total other comprehensive (expense)/income net of tax	(11.1)	5.8
Total comprehensive income	5.7	41.0
Total comprehensive income for the period attributable to owners of the Group from:		
Continuing operations	7.0	37.7
Discontinued operations (Note 18)	(1.3)	3.3
	5.7	41.0

¹ Comparative information has been re-presented due to a discontinued operation. See Note 18.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

£m	Note	28 June 2025 (Unaudited)	28 December 2024 (Audited)
Non-current assets			
Goodwill	10	649.0	653.1
Other intangible assets		16.5	16.1
Property, plant and equipment	11	437.8	483.0
Other Investments		0.1	0.1
Deferred tax asset		13.2	16.2
Retirement benefit asset		22.9	18.8
Derivative financial instruments		0.6	-
		1,140.1	1,187.3
Current assets			
Assets held for sale	18	66.7	2.3
Inventories	12	75.0	82.5
Trade and other receivables	13	178.5	195.4
Cash and cash equivalents	15	21.2	29.9
Derivative financial instruments		1.4	1.2
		342.8	311.3
Total assets		1,482.9	1,498.6
Current liabilities			
Liabilities held for sale	18	(33.9)	(3.0)
Trade and other payables	14	(463.1)	(492.7)
Current tax liabilities		(1.5)	(1.7)
Borrowings	15	(7.2)	(6.9)
Lease liabilities	15	(14.0)	(12.1)
Provisions		(10.6)	(15.9)
Derivative financial instruments		(1.0)	(2.1)
		(531.3)	(534.4)
Non-current liabilities			
Borrowings	15	(212.4)	(215.4)
Lease liabilities	15	(77.5)	(72.2)
Provisions		(18.6)	(18.3)
Deferred tax liabilities		(45.0)	(42.2)
		(353.5)	(348.1)
Total liabilities		(884.8)	(882.5)
Net assets		598.1	616.1
Equity			
Called up share capital	17	11.6	11.6
Own shares held	17	(1.7)	(6.3)
Merger reserve		(130.9)	(130.9)
Hedging reserve		1.0	(0.5)
Translation reserve		19.8	33.7
Retained earnings		698.3	708.5
Total equity		598.1	616.1

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

£m	Share capital	Own shares held	Merger reserve	Hedging reserve	Translation reserve	Retained earnings	Total
Balance at 28 December 2024 (Audited)	11.6	(6.3)	(130.9)	(0.5)	33.7	708.5	616.1
Profit for the period	-	-	-	-	-	16.8	16.8
Other comprehensive income/(expense) for the period	-	-	-	0.1	(13.9)	2.7	(11.1)
Total comprehensive income/(expense) for the period	-	-	-	0.1	(13.9)	19.5	5.7
Reclassification to inventory	-	-	-	1.4	-	-	1.4
Share-based payments	-	4.6	-	-	-	(4.6)	-
Dividends (Note 9)	-	-	-	-	-	(27.6)	(27.6)
Proceeds from exercise of share options (Note 17)	-	-	-	-	-	0.1	0.1
Credit for share-based payments	-	-	-	-	-	2.4	2.4
Balance at 28 June 2025 (Unaudited)	11.6	(1.7)	(130.9)	1.0	19.8	698.3	598.1

£m	Share capital	Own shares held	Merger reserve	Hedging reserve	Translation reserve	Retained earnings	Total
Balance at 31 December 2023 (Audited)	11.6	(4.4)	(130.9)	1.1	32.8	697.4	607.6
Profit for the period	-	-	-	-	-	35.2	35.2
Other comprehensive income for the period	-	-	-	0.8	0.8	4.2	5.8
Total comprehensive income for the period	-	-	-	0.8	0.8	39.4	41.0
Reclassification to inventory	-	-	-	(1.6)	-	-	(1.6)
Purchase of own shares (Note 17)	-	(2.8)	-	-	-	-	(2.8)
Share-based payments	-	5.8	-	-	-	(5.8)	-
Dividends (Note 9)	-	-	-	-	-	(25.3)	(25.3)
Proceeds from exercise of share options (Note 17)	-	-	-	-	-	0.3	0.3

Balance at 29 June 2024 (Unaudited)	11.6	(1.4)	(130.9)	0.3	33.6	706.0	619.2
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

£m	Note	26 weeks ended 28 June 2025 (Unaudited)	26 weeks ended 29 June 2024 (Unaudited)
Net cash generated from operating activities	19	56.1	70.7
Investing activities			
Interest received		0.3	0.2
Purchases of property, plant and equipment		(18.9)	(13.2)
Purchase of intangibles		(2.2)	(1.4)
Acquisition of subsidiary		-	(1.8)
Proceeds on disposal of subsidiaries	18	6.5	6.9
Net cash used in investing activities		(14.3)	(9.3)
Financing activities			
Dividends paid	9	(27.6)	(25.3)
Own shares purchased	17	0.1	(2.5)
Increase in borrowings		-	15.0
Repayment of borrowings		(3.2)	(33.9)
Principal elements of lease payments		(6.9)	(5.6)
Net cash used in financing activities		(37.6)	(52.3)
Net increase in cash and cash equivalents		4.2	9.1
Cash and cash equivalents at beginning of period		29.9	36.6
Effect of foreign exchange rate changes		(1.4)	(0.2)
Cash and cash equivalents at end of period		32.7	45.5
Included in cash and cash equivalent per the balance sheet		21.2	45.5
Included in assets held for sale		11.5	-

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. General information

Bakkavor Group plc is a company limited by shares, incorporated and domiciled in England, United Kingdom. Its registered office and principal place of business is Fitzroy Place, 5th Floor, 8 Mortimer Street, London, W1T 3JJ, England (Company number: 10986940). Its ordinary shares are listed on the London Stock Exchange.

The principal activities of the Group comprise the manufacture of fresh prepared foods and fresh produce. These activities are undertaken in the UK and US where products are primarily sold through high-street supermarkets and China where products are primarily sold through foodservice operators.

The Condensed Consolidated Interim Financial Statements ("Interim Report") for the 26 weeks ended 28 June 2025 ("H1 25") and 26 weeks ended 29 June 2024 ("H1 24") do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 28 December 2024 were approved by the board of directors on 3 March 2025 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006.

The Interim Report has been reviewed, not audited.

The Interim Report has been prepared in accordance with the UK-adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency rules of the Financial Conduct Authority.

The Interim Report does not include all of the information and disclosure required in the Annual Consolidated Financial Statements and should be read in conjunction with the Bakkavor Group plc (the "Group") Annual Consolidated Financial Statements for the 52 weeks ended 28 December 2024, which have been prepared in accordance with UK-adopted International Accounting Standards, and any public announcements made by the Group during the interim reporting period.

Controlling parties

As at 28 June 2025, two of the Company's Directors, Agust Gudmundsson and Lydur Gudmundsson, hold shares in the Company through their beneficial ownership of Carrion Enterprises Limited (the corporate holding structure of Agust Gudmundsson) and Umbriel Ventures Limited (the corporate holding structure of Lydur Gudmundsson). Umbriel Ventures Limited holds 139,062,764 ordinary shares (representing 24.01% of the issued share capital of the Company) and Carrion Enterprises Limited holds 142,103,505 ordinary shares (representing 24.52% of the issued share capital of the Company). Lydur Gudmundsson also holds 3,240,741 ordinary shares in the Company (following a transfer from Umbriel Ventures Limited on the 29 July 2025).

Lixaner Co Limited, a company owned and controlled by Sigurdur Valtysson, who runs the family office for Agust and Lydur Gudmundsson, holds 6,457,750 ordinary shares (representing 1.11% of the issued share capital of the Company). Given the close relationship between the parties, Sigurdur Valtysson is to be considered as acting in concert with Agust and Lydur Gudmundsson for the purposes of the definition in the Takeover Code and the parties are controlling shareholders of the Company. The aggregate shareholding in the Company of Lydur Gudmundsson, Carrion Enterprises Limited and Umbriel Ventures Limited and their concert party group (Lixaner Co Limited) is 290,864,760 ordinary shares (representing 50.20% of the issued share capital of the Company).

Seasonality of operations

The Group's cash flows are affected by seasonal variations. Sales of fresh prepared food have historically tended to be marginally higher during the summer months and in the weeks leading up to Christmas.

2. Significant accounting policies

Basis of accounting

The financial information has been prepared on the historical cost basis, except for the revaluation of financial instruments and retirement benefit plan assets, which are stated at fair value

2. Significant accounting policies (continued)

Accounting policies

The accounting policies adopted are consistent with those of the previous Group's Annual Financial Statements for the 52 weeks ended 28 December 2024.

The Group has taken advantage of the relief to amendments to IAS 7 and IFRS 7 in relation to supplier finance arrangements (SFAs) for the Interim Report.

Critical accounting judgements and key sources of estimation uncertainty

There have been no changes in the period to the Group's critical accounting judgements and key sources of estimation uncertainty as disclosed in the Group's Annual Financial Statements for the 52 weeks ended 28 December 2024.

Going concern

The Directors have reviewed the historical trading performance of the Group and the forecasts for the 12-month period through to end of September 2026.

The Directors, in their detailed consideration of going concern, have reviewed the Group's future revenue projections, and cash requirements, which they believe are based on prudent interpretations of market data and past experience.

The Directors have also considered the Group's level of available liquidity under its financing facilities. The Group has a £350m corporate loan facility with an initial maturity of four years through to July 2028, with options to request two one-year extensions. The agreement comprises revolving credit facilities of £200m and a Term Loan of £150m. In addition, at the end of June 2025 the Group had £25 million of other debt facilities that will be repaid on an amortising basis by August 2028.

The Directors have carried out a robust assessment of the significant risks currently facing the Group. This has included scenario planning on the implications of the potential impact of lower sales volumes and the associated impact on factory performance, along with the potential impact of further cost inflation on the Group's performance.

Having taken these factors into account under the scenario, which is considered to be severe but plausible, the Directors consider that adequate headroom is available based on the forecasted cash requirements of the business. At the date of this report, the Group has complied in all respects with the terms of its borrowing agreements, including its financial covenants, and forecasts to continue to do so in the future.

Consideration of the firm offer by Greencore Group plc

On 7 July 2025 the shareholders of Bakkavor Group plc approved the terms of the recommended cash and shares offer by Greencore Group plc ("Greencore") to acquire the entire issued and to be issued share capital of Bakkavor Group plc. Completion of the acquisition remains subject to the satisfaction or waiver of the remaining conditions set out in the document sent to shareholders to approve the transaction (Scheme document), including, regulatory approval. Subject to obtaining this approval and the scheme receiving the sanction of the court, the scheme is expected to become effective during the first quarter of 2026. The Directors have assessed the impact of this on the going concern basis of accounting below.

As set out in the Scheme document, Greencore has stated the cash consideration for the transaction and the cash required to repay Group's existing bank facilities, as a result of a change of control clause in these facilities, will be funded from third party debt incurred by Greencore's UK subsidiary, Greencore UK Holdings Limited. This third party debt is to be provided under a new term loan facilities agreement entered into on 15 May 2025 with Coöperatieve Rabobank U.A. (as facility agent) and BNP Paribas and Coöperatieve Rabobank U.A. (as underwriters), pursuant to which senior term loan facilities of a total of £825m have been made available to Greencore UK Holdings Limited. Such facilities are in addition to Greencore's existing £350m revolving credit facility.

The Directors of Bakkavor Group plc consider that as a result of the proposed transaction there is a material uncertainty around Greencore's refinancing of existing bank facilities as a result of change in control and the level of funding that may be available to the existing Group's operations if the sale to Greencore completes. The current Directors will not have control over the Group if the sale completes and they do not currently have full knowledge of the new ultimate parent undertaking's future funding plans in relation to the Group and Company. Therefore the change of control position indicates the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

Notwithstanding this uncertainty, the Directors of Bakkavor Group plc consider that the Group has adequate resources to meet its liabilities as they fall due for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the Financial Statements. The interim financial statements do not include the adjustments that would result if the Group were unable to continue as a going concern.

3. Segment information

The chief operating decision-maker ("CODM") has been defined as the Senior Executive Team headed by the Chief Executive Officer. They review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the segments based on these reports.

The China segment was held for sale as at 28 June 2025. Information about this discontinued segment is provided in Note 18.

As at the statement of financial position date, the Group is organised into continuing operations for the UK and US and discontinued operations for China and manufactures fresh prepared foods and produce in each region.

The Group manages the performance of its businesses through the use of 'Adjusted operating profit' as defined in Note 22.

The following table provides an analysis of the Group's segment information for the period from 29 December 2024 to 28 June 2025:

Continuing Operations					Discontinued	Group
£m	Note	UK	US	Total	China	Total
Revenue		961.6	114.7	1,076.3	58.3	1,134.6
Adjusted EBITDA	22	83.4	12.4	95.8	2.7	98.5
Depreciation		(24.7)	(5.4)	(30.1)	(2.2)	(32.3)
Amortisation		(1.7)	(0.1)	(1.8)	-	(1.8)
Share scheme charges		(2.3)	(0.1)	(2.4)	-	(2.4)
Adjusted operating profit	22	54.7	6.8	61.5	0.5	62.0
Exceptional items	4	(14.7)	(9.3)	(24.0)	0.7	(23.3)
Operating profit	22	40.0	(2.5)	37.5	1.2	38.7

The following table provides an analysis of the Group's segment information for the period from 31 December 2023 to 29 June 2024:

Re-presented¹

Continuing Operations					Discontinued	Group
£m	Note	UK	US	Total	China	Total
Revenue		957.4	109.4	1,066.8	54.4	1,121.2
Adjusted EBITDA	22	80.7	9.2	89.9	2.0	91.9
Depreciation		(24.9)	(5.5)	(30.4)	(3.0)	(33.4)
Amortisation		(1.5)	(0.1)	(1.6)	-	(1.6)
Share scheme charges		(1.9)	-	(1.9)	-	(1.9)
Adjusted operating profit/(loss)	22	52.4	3.6	56.0	(1.0)	55.0
Exceptional items	4	-	(0.6)	(0.6)	4.4	3.8
Operating profit	22	52.4	3.0	55.4	3.4	58.8

3. Segment information (continued)

Major customers

For the 26 weeks ended 28 June 2025, the Group's four largest UK customers accounted for 79.1% (H1 24: 78.9%) of total Group revenue from continuing operations. These customers accounted for 88.6% (H1 24: 87.9%) of total UK revenue from continuing operations. The Group does not enter into long-term contracts with its retail customers. The percentage of Group revenue from continuing operations for these customers is as follows:

	26 weeks ended 28 June 2025	Re-presented ¹ 26 weeks ended 29 June 2024
Customer A	33.3%	33.5%
Customer B	23.3%	23.2%
Customer C	15.4%	15.2%
Customer D	7.1%	7.0%

4. Exceptional items

The Group's financial performance is analysed in two ways: review of underlying performance (which does not include exceptional items) and separate review of exceptional items. The Directors consider that the underlying performance, which is reported as our "Adjusted" measures, is more representative of the ongoing operations and key metrics of the Group.

Exceptional items are those that, in management's judgement, should be disclosed by virtue of their nature or amount and include material items that are non-recurring in nature and are important to users in understanding the business. They may include, but is not limited to restructuring costs, impairment of assets, profits or losses on sale of operations and associated transaction costs, and transformation projects.

<u>Continuing operations</u>	26 weeks ended 28 June 2025	Re-presented ¹ 26 weeks ended 29 June 2024
£m		
UK: Greencore transaction costs	(11.0)	-
UK: ERP transformation costs	(3.7)	-
US: Site closure and impairment costs	(9.3)	(0.6)
Total exceptional items included in operating profit	(24.0)	(0.6)
Exceptional finance costs (Note 5)	-	(0.6)
Total exceptional items before tax	(24.0)	(1.2)
Tax on exceptional items	3.2	0.3
Total exceptional items from continuing operations after tax	(20.8)	(0.9)
<u>Discontinued Operations</u>		
Net profit on disposal of China operations	0.7	4.4
Tax on exceptional items	-	(0.3)
Total exceptional items from discontinued operations after tax	0.7	4.1

Total exceptional items before tax	(23.3)	3.2
Total tax on exceptional items	3.2	-
Total exceptional items after tax	(20.1)	3.2

4. Exceptional items (continued)

H1 25:

The Group recognised net exceptional costs of £23.3m in H1 25, which included:

- £11.0m of transaction costs related to costs incurred in relation to the proposed takeover of Bakkavor Group plc by Greencore Group plc.
- £3.7m related to our UK ERP transformation. In 2024, the Group commenced a multi-year project to replace its legacy UK ERP systems with a new ERP system which is a cloud-based solution. The total project cost is expected to be c.£40m and be incurred over four years, with c.£20m to be expensed and recognised within exceptional items and the balance to be capital spend.
- £9.3m of US Closure and impairment costs. The decision to discontinue the operations at Jessup site resulted in closure costs of £2.7m relating to property costs and redundancy. In addition there were impairment charges for owned assets of £5.3m and £1.3m for leased assets relating to redundant assets at Jessup, and Charlotte as result of the transfer of business to this site.
- £0.7m of exceptional income included in discontinued operating profit related to the release of Hong Kong liabilities 'held for sale' at 28 December 2024. The sale of the Hong Kong operations completed in March 2025.

H1 24:

The Group recognised net exceptional income of £3.2m in H1 24, which included:

- £0.6m impairment charge in the US relating to equipment that is no longer in use; and
- £0.6m charge relating to accelerated amortisation of refinancing fees, see Note 5 for further details.
- £4.4m of exceptional items included in discontinued operating profit related to profit on disposal arising from our China operations, of which £3.9m being profit on disposal from the 100% owned subsidiary Bakkavor (Taicang) Baking Company Limited on 28 March 2024; and a further £0.5m of net profit arising from the sale of our Hong Kong associate in 2023 (with £1.4m of exceptional income recognised in FY23).

5. Finance costs, net

Continuing operations

£m	26 weeks ended 28 June 2025	26 weeks ended 29 June 2024
Interest on borrowings	7.5	8.1
Interest on non-recourse receivables financing	3.2	3.4
Interest on lease liabilities	1.5	1.5

Unwind of discount on provisions	0.5	0.5
Other Interest	0.2	-
Total finance costs pre exceptionals	12.9	13.5
Exceptional finance costs	-	0.6
Total finance costs	12.9	14.1
Interest income	(0.3)	(0.2)
Total finance costs, net	12.6	13.9

Exceptional finance costs all relate to continuing operations.

In H1 24, exceptional finance costs of £0.6m wholly related to the accelerated amortisation of refinancing fees relating to the Group's refinancing of its core debt facilities which completed on 25 July 2024, with the process having launched on 7 June 2024.

6. Other (losses) and gains

<u>Continuing operations</u>	26 weeks ended 28 June 2025	26 weeks ended 29 June 2024
£m		
Foreign exchange (losses)/gains	(0.3)	0.3

7. Tax

The Group's effective tax rate for the period was 36% (H1 24: 22.0%). Excluding the impact of net exceptional costs and discontinued operations, the effective tax rate was 25.7% which is 0.7% higher than the UK statutory tax rate of 25.0%, and 2.4% higher than prior year (H1 24: 23.3%). The increase in underlying effective tax rate year-on-year is driven by the non-recurrence of one-off benefits in the prior year. The tax charge for the period has been calculated by applying the effective tax rate which is expected to apply for the year ending 27 December 2025.

On 20 June 2023, legislation in respect of the OECD Pillar Two model rules were substantively enacted in the UK, Finance (No.2) Act 2023, and came into effect from 1 January 2024. The Group is within the scope of the Pillar Two rules and the IAS 12 exception to recognise and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes has been applied. An assessment has previously been undertaken to consider the impact of the rules in the jurisdictions in which the group operates for the accounting periods ended 30 December 2023 and 28 December 2024 and has now been updated to reflect the forecasted position for the year ending 27 December 2025. It is anticipated that there will be no material amounts of top up tax due or that the jurisdictions in which the Group operates will meet at least one of the transitional CbCR safe harbour tests (which potentially apply up to the year ending December 2026).

A reconciliation of the expected tax rate to the forecast effective tax rate is as follows:

	26 weeks ended 28 June 2025	Re-presented ¹ 26 weeks ended 29 June 2024
£m	Tax rate	Tax rate

Profit before tax - continuing operations	24.6		41.8	
Profit before tax - discontinued operations	1.6		3.4	
Profit before tax	26.2		45.2	
Expected tax at 25.0%	6.5	25.0%	11.3	25.0%
Impact of:				
Non-deductible costs	3.2	12.2%	-	-
Non-taxable income	(0.2)	(0.8%)	(0.8)	(1.8%)
Overseas utilised losses not previously recognised	(0.1)	(0.4%)	-	-
Overseas losses not recognised	-	-	0.3	0.6%
Prior year adjustment	-	-	(0.8)	(1.8%)
Total tax charge	9.4	36.0%	10.0	22.0%
Tax Charge - continuing operations	9.3	37.8%	9.7	23.2%
Tax Charge - discontinued operations	0.1		0.3	
Total tax charge	9.4		10.0	
Add: Tax credit on exceptional costs - continuing operations	3.2		0.3	
Deduct: Tax charge on exceptional costs - discontinued operations	-		(0.3)	
Deduct: Tax charge on discontinued operations	(0.1)		-	
Tax charge continuing operations pre-exceptional items	12.5	25.7%	10.0	23.3%

8. Earnings per share

The calculation of earnings per Ordinary share is based on earnings after tax and the weighted average number of Ordinary shares in issue during the period.

For diluted earnings per share, the weighted average number of Ordinary shares in issue is adjusted to assume conversion of all potentially dilutive Ordinary shares.

The calculation of the basic and diluted earnings per share is based on the following data:

Earnings

£m	26 weeks ended 28 June 2025			26 weeks ended 29 June 2024		
	Continuing	Discontinued	Total	Continuing	Discontinued	Total
Profit for the period	15.3	1.5	16.8	32.1	3.1	35.2

Number of shares

	26 weeks ended 28 June 2025	26 weeks ended 29 June 2024
Number 000's	Total	Total
Weighted average number of Ordinary shares	578,383	577,790
Effect of potentially dilutive Ordinary shares	10,434	8,423
Weighted average number of Ordinary shares for diluted earnings per share	588,817	586,213

Earnings per share

	26 weeks ended 28 June 2025			26 weeks ended 29 June 2024		
	Continuing	Discontinued	Total	Continuing	Discontinued	Total
Basic earnings per share	2.7p	0.2p	2.9p	5.6p	0.5p	6.1p
Diluted earnings per share	2.6p	0.2p	2.8p	5.5p	0.5p	6.0p

9. Dividends

No dividend has been declared for H1 25 interim results.

In relation to the acquisition of Bakkavor by Greencore, under the terms of the Co-operation Agreement (published on 15 May 2025), Greencore and Bakkavor have agreed that if completion does not occur on or before 31 January 2026, Bakkavor will be entitled to declare and pay an interim dividend in respect of the 26 week period ending 28 June 2025 of an amount equal to no more than 75% of Bakkavor's adjusted EPS, subject further to a cap of 3.20 pence per Bakkavor share (H1 24: 3.20 pence).

Reporting period ended	Dividend per share	Date Approved	Date Paid	Number of dividend rights waived ¹	Amount Paid
28 December 2024					
Final dividend	4.80p	May 2025	28 May 2025	4,057,116	£27,617,687
Interim dividend	3.20p	September 2024	11 October 2024	1,917,903	£18,480,246
30 December 2023					
Final dividend	4.37p	May 2024	29 May 2024	1,065,145	£25,274,351
Interim dividend	2.91p	September 2023	13 October 2023	3,264,816	£16,766,278

¹Dividend rights waived in relation to Ordinary shares held in the Bakkavor Group plc Employee Benefit Trust.

10. Goodwill

£m

At 28 December 2024

Cost	705.1
Accumulated impairment losses	(52.0)
Net book amount	653.1

At 28 December 2024

Exchange rate difference during the period	(4.1)
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At 28 June 2025	649.0
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11. Property, plant and equipment

£m

At 28 December 2024

Cost	1,230.8
Accumulated depreciation and impairment	(747.8)
Net book amount	483.0

At 28 December 2024

Additions	37.8
Disposals	(0.6)
Depreciation charge for the period	(32.3)
Reclassified as held for sale (note 18)	(34.3)
Impairment charge	(6.5)
Exchange rate difference during the period	(9.3)

At 28 June 2025	437.8
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12. Inventories

£m

	28 June 2025	28 December 2024
Raw materials, packaging and consumables	60.4	68.3
Work-in-progress	3.2	3.6
Finished goods	11.4	10.6

13. Trade and other receivables

£m	28 June 2025	28 December 2024
Amounts receivable from trade customers	138.5	159.5
Expected credit loss	(1.3)	(2.5)
Net amounts receivable from trade customers	137.2	157.0
Other receivables	16.4	22.8
Prepayments	24.9	15.6
Trade and other receivables due within one year	178.5	195.4

During the period, the Group has continued to operate trade receivable factoring arrangements. These are non-recourse arrangements and therefore amounts are de-recognised from trade receivables. At 28 June 2025 £161.1m was drawn under factoring facilities (28 December 2024: £138.3m) representing cash collected before it was contractually due from the customer.

As at 28 June 2025, the Group's amounts receivable from trade customers includes £88.2m (28 December 2024: £83.7m) which could be factored under the non-recourse trade receivable factoring arrangement.

14. Trade and other payables

£m	28 June 2025	28 December 2024
Trade payables	272.5	297.9
Other taxation	0.1	2.3
Other payables	29.1	28.0
Accruals and deferred income	161.4	164.5
Trade and other payables due within one year	463.1	492.7

During the period, the Group has continued to operate an arrangement which provides financing for the Group's suppliers. This is a voluntary programme that potentially gives suppliers earlier access to cash. At 28 June 2025, trade payables amounting to £47.6m (28 December 2024: £51.2m) were subject to these arrangements. These balances are classified as trade payables, and the related payments as cash flows from operating activities since the original obligation to the supplier remains and has not been replaced with a new obligation to the bank.

15. Net debt

£m	28 June 2025	28 December 2024
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Cash and cash equivalents	21.2	29.9
Cash included in assets held for sale (Note 18)	11.5	-
Borrowings	(6.5)	(6.4)
Interest accrual	(1.3)	(1.2)
Unamortised fees	0.6	0.7
Lease liabilities	(14.0)	(12.1)
Total debt due within one year	(21.2)	(19.0)
Borrowings	(213.9)	(217.2)
Unamortised fees	1.5	1.8
Lease liabilities	(77.5)	(72.2)
Total debt due after one year	(289.9)	(287.6)
Group net debt	(278.4)	(276.7)

15. Net debt (continued)

Group net debt is the sum of cash and cash equivalents, prepaid fees to be amortised over the term of outstanding borrowings, outstanding borrowings, interest accrued on borrowings and lease liabilities.

Cash and cash equivalents is net of £11.5m held by the China business that has been reclassified to assets held for sale.

On 25 July 2024, the Group completed a refinancing of its core debt facilities, with an aggregate loan amount of £350m, comprising a £150m term loan and a £200m revolving credit facility. These new facilities will mature in July 2028 with the option of two one-year extensions.

16. Financial instruments

The categories of financial instruments are as follows:

£m	28 June 2025	28 December 2024
Financial assets		
Fair value through OCI or profit and loss:		
Trade receivables	88.2	83.7
Derivative financial instruments	2.0	1.2
Measured at amortised cost:		
Trade receivables	49.0	73.3
Other receivables	6.9	8.7
Cash and cash equivalents	21.2	29.9
	167.3	196.8

	2025	2024
Financial liabilities		
Fair value through OCI or profit and loss:		
Derivative financial instruments	1.0	2.1
Other financial liabilities at amortised cost:		
Trade payables	272.5	297.9
Other payables	6.2	13.3
Accruals	161.4	163.7
Borrowings	219.6	222.3
Lease liabilities	91.5	84.3
	752.2	783.6

The fair value of financial assets approximates to their carrying values due to the short-term nature of the receivables. The fair value of trade receivables and derivative financial instruments has been determined as level 2 under IFRS 7 Financial Instruments: Disclosures. Quoted prices are not available for the derivative financial instruments and so valuation models are used to estimate fair value. The models calculate the expected cash flows under the terms of each specific contract and then discount these values back to a present value. These models use as their basis independently sourced market parameters including, for example, interest rate yield curves and currency rates.

16. Financial instruments (continued)

The fair value of other financial liabilities at amortised cost approximates to their carrying value. The trade and other payables approximate to their fair value due to the short-term nature of the payables. The lease liabilities fair value approximates to the carrying value based on discounted future cash flows.

The borrowings fair value is £220.4m (28 December 2024: £223.6m).

Trade and other receivables, trade and other payables and cash and cash equivalents classified as held for sale are not included in the table above. See note 18.

There have been no changes to fair values as a result of change in credit risk of the Group or the Group's customers.

17. Share capital and own shares held

Issued share capital as at 28 June 2025 and 28 December 2024 amounted to £11.6m (579,425,585 Ordinary shares of £0.02 each).

The Company purchases shares through an Employee Benefit Trust called the Bakkavor Group plc Employee Benefit Trust (the "Trust"). Own shares purchased are recorded at cost and deducted from equity.

The own shares held represents the cost of shares in Bakkavor Group plc purchased in the market and held by the Trust to satisfy share awards under the Group's share scheme plans. The number of Ordinary shares held by the Trust at 28 June 2025 was 1,239,284 which represents 0.2% of total called up share capital (28 December 2024: 4,237,328 and 0.7% respectively).

No own shares held in Bakkavor Group plc were cancelled during the periods presented.

The table below shows the number of own shares purchased and distributed by the Trust and the related cost recognised within equity:

	Number of shares	£m
Balance at 28 December 2024	4,237,328	6.3

Distribution of shares under share scheme plans	(2,998,044)	(4.6)
Balance at 28 June 2025	1,239,284	1.7

The table below shows amounts included in the Condensed Consolidated Statement of Cash Flows in relation to own shares purchased for share schemes:

£m	26 weeks ended 28 June 2025	26 weeks ended 29 June 2024
Cash paid to purchase own shares	-	(2.8)
Cash received from distribution of shares under share scheme plans	0.1	0.3
Included in financing activities cash flows	0.1	(2.5)

18. Discontinued operations and Assets Held for Sale

On 29 April 2025, the Group announced that it had entered into a binding agreement to sell its China operations, with the sale of the entire issued share capital of Bakkavor China Holdings Limited to Lihe Xing (Qingdao) Food Technology Co. Limited, wholly owned by Lihoo's (Qingdao) Food Industry Company Limited, a company headquartered in China.

The China operations was classified as held for sale and as a discontinued operation in the 26 weeks ended 28 June 2025. The sale completed on 11 July 2025.

On 24 December 2024, a business transfer agreement was signed for the sale of trade and assets of the Hong Kong business. The assets and liabilities of the Hong Kong business, which was recognised as a "disposal group", were presented as £2.3m of assets held for sale and £3.0m of liabilities held for sale at 28 December 2024. The sale completed on 14 March 2025.

The China and Hong Kong operations are classified as discontinued operations as they were held for sale at 28 June 2025 and 28 December 2024 respectively. In addition, on 28 March 2024, the Group disposed of Bakkavor (Taicang) Baking Company Limited, a 100% owned subsidiary. The sale of these businesses has resulted in the Group no longer operating in a major geographic region.

In the FY24 financial statements, the Group did not consider Hong Kong and China Bakery as a discontinued operation on their own as they were not significant operations within the China region.

The comparative condensed consolidated income statement and statement of comprehensive income has been re-presented to show the discontinued operations separately from continuing operations.

Financial performance

£m	26 weeks ended 28 June 2025	26 weeks ended 29 June 2024
Revenue	58.3	54.4
Cost of sales	(46.6)	(42.0)
Gross profit	11.7	12.4
Distribution costs	(1.9)	(2.0)
Other administrative costs	(9.3)	(11.4)
Exceptional income (Note 4)	0.7	4.4
Operating profit	1.2	3.4
Other gains	0.4	-
Profit before tax of discontinued operations	1.6	3.4
Tax	(0.1)	(0.3)
Profit after tax from discontinued operations	1.5	3.1
Exchange differences on translation of discontinued operations	(2.8)	0.2
Other comprehensive (expense) / income from discontinued operations	(1.3)	3.3
Earnings per share from discontinued operations		
Basic	0.2p	0.5p
Diluted	0.2p	0.5p

18. Discontinued operations and Assets Held for Sale (continued)

Included in the "Proceeds on disposal of subsidiaries" in the Consolidated Statement of Cash Flows, £7.1m is related to a deposit received during HY25 for the sale of the China operation, and £0.6m is related to costs for the sale of trade and assets of the Hong Kong business.

Assets held for sale

£m	28 June 2025
China	
Property, plant and equipment (Note 11)	32.2
Inventories	2.6
Trade and other receivables	18.3
Cash and cash equivalents	11.5
	64.6

UK

Property, plant and equipment - Wigan land and building (Note 11)	2.1
	2.1
Assets held for sale	66.7
China	
Trade and other payables	(33.3)
Borrowings	(0.6)
Liabilities held for sale	(33.9)
Net assets held for sale	32.8

£m

28 December
2024**Hong Kong**

Assets held for sale	2.3
Liabilities held for sale	(3.0)
Net liability held for sale	(0.7)

19. Notes to the Condensed Consolidated Statement of Cash Flows

£m	26 weeks ended 28 June 2025	26 weeks ended 29 June 2024 Re-presented ¹
Operating profit from:		
Continuing operations	37.5	55.4
Discontinued operations	1.2	3.4
Operating profit including discontinued operations	38.7	58.8
Adjustments for:		
Depreciation of property, plant and equipment	32.3	33.4
Amortisation of intangible assets	1.8	1.6
Impairment of property, plant, equipment and intangible assets	6.6	0.6
Profit on disposal of subsidiary and associates	(0.7)	(4.4)
Share scheme charges	2.4	0.1
Net retirement benefits charge less contributions	(0.5)	(1.1)
Operating cash flows before movements in working capital	80.6	89.0
Decrease/(increase) in inventories	4.9	(3.4)
Increase in receivables	(1.5)	(26.6)
(Decrease)/increase in payables	(7.9)	32.2
(Decrease)/increase in provisions	(0.1)	1.3
Decrease in exceptional provisions	(1.4)	(2.2)
Cash generated from operations	74.6	90.3
Income taxes paid	(6.7)	(7.2)
Interest paid	(11.8)	(12.4)
Net cash generated from operating activities	56.1	70.7

20. Contingent liabilities

The Group may from time to time, and in the normal course of business, be subject to claims from customers and counterparties. The Group regularly reviews all of these claims to determine any possible financial loss to the Group. No provision was considered necessary in the Condensed Consolidated Interim Financial Statements.

21. Events after the Statement of Financial Position date

The Shareholders of both Bakkavor Group plc and Greencore Group plc approved the terms of the recommended cash and shares offer by Greencore Group plc to acquire the entire issued and to be issued share capital of Bakkavor Group plc at Extraordinary General Meetings (EGMs) held on 4 and 7 July. The Competition and Markets Authority announced the launch of its merger inquiry on 1 September 2025 and has a deadline of 27 October 2025 for its Phase 1 decision.

On 11 July 2025, the Group completed the sale of its entire issued share capital of Bakkavor China Holdings Limited, a 100% owned subsidiary, to Lihe Xing (Qingdao) Food Technology Co. Limited. The Group received cash

consideration of £51m after fees and the gain on disposal is expected to be at least £18m after tax.

22. Alternative performance measures

The Group uses various non-IFRS financial measures to evaluate growth trends, assess operational performance and monitor cash performance. The Directors consider that these measures enable investors to understand the ongoing operations of the business. They are used by management to monitor financial performance as it is considered to aid comparability of the financial performance of the Group from year to year.

Like-for-like ("LFL") revenue

The Group defines LFL revenue as revenue from continuing and discontinued operations adjusted for the revenue generated from businesses closed, sold or acquired in the current and prior year, and the effect of foreign currency movements and revenues.

The following table provides the information used to calculate LFL revenue for the Group and for each segment:

Group			
£m	26 weeks ended 28 June 2025	Re-presented 26 weeks ended 29 June 2024	Change %
Statutory revenue including discontinued operations	1,134.6	1,121.2	1.2%
Less: Statutory revenue discontinued operations	(58.3)	(54.4)	
Statutory revenue continuing operations	1,076.3	1,066.8	0.9%
Effect of currency movements	3.0	-	
Like-for-like revenue continuing operations	1,079.3	1,066.8	1.2%
UK			
£m			
Statutory and like-for-like revenue continuing operations	961.6	957.4	0.4%
US			
£m			
Statutory revenue continuing operations	114.7	109.4	4.8%
Effect of currency movements	3.0	-	
Like-for-like revenue continuing operations	117.7	109.4	7.6%

China (Discontinued operation)
£m

Statutory revenue	58.3	54.4	7.2%
Effect of currency movements	1.8	-	
Revenue from sold business	(2.4)	(8.6)	
Like-for-like revenue	57.7	45.8	25.9%

22. Alternative performance measures (continued)

Adjusted EBITDA and Adjusted operating profit

The Group manages the performance of its businesses through the use of 'adjusted EBITDA' and 'adjusted operating profit', as these measures exclude the impact of items that hinder comparison of profitability year-on-year. In calculating adjusted operating profit, we exclude restructuring costs, asset impairments and those additional charges or credits that are considered significant or one-off in nature. In addition, for adjusted EBITDA we exclude depreciation, amortisation and share scheme charges, as these are non-cash amounts. Adjusted operating profit margin is used as an additional profit measure that assesses profitability relative to the revenues generated by the relevant segment. It is calculated by dividing the adjusted operating profit by the statutory revenue for the relevant segment.

The Group calculates adjusted EBITDA on a pre-IFRS 16 basis for the purposes of determining covenants under its financing agreements.

The following table provides a reconciliation from the Group's operating profit to adjusted operating profit and adjusted EBITDA for continuing and discontinued operations.

£m	26 weeks ended 28 June 2025			26 weeks ended 29 June 2024		
	Continuing	Discontinued	Total	Continuing	Discontinued	Total
Operating profit	37.5	1.2	38.7	55.4	3.4	58.8
Exceptional items (Note 4)	24.0	(0.7)	23.3	0.6	(4.4)	(3.8)
Adjusted operating profit	61.5	0.5	62.0	56.0	(1.0)	55.0
Depreciation	30.1	2.2	32.3	30.4	3.0	33.4
Amortisation	1.8	-	1.8	1.6	-	1.6
Share scheme charges	2.4	-	2.4	1.9	-	1.9
Adjusted EBITDA	95.8	2.7	98.5	89.9	2.0	91.9
Less IFRS 16 impact	(8.4)	(0.2)	(8.6)	(6.9)	(0.2)	(7.1)
Adjusted EBITDA pre IFRS 16¹	87.4	2.5	89.9	83.0	1.8	84.8

¹ Excludes the impact of IFRS 16 as the Group's bank facility agreement definition of Adjusted EBITDA excludes the impact of this standard.

Operational net debt and leverage

Operational net debt excludes the impact of non-cash items on the Group's net debt. The Directors use this measure, as it reflects actual net borrowings at the relevant reporting date and is most comparable with the Group's free cash flow and aligns with the definition of net debt in the Group's bank facility agreements which exclude the impact of IFRS 16 and restricted cash. The following table provides a reconciliation from the Group's net debt to the Group's operational net debt:

£m	28 June 2025	28 December 2024	29 June 2024
Group net debt	(278.4)	(276.7)	(288.4)
Restricted cash*	(7.1)	-	-
Unamortised fees	(2.1)	(2.5)	(0.2)

Interest accrual	1.3	1.2	0.5
Lease liabilities recognised under IFRS 16	91.5	84.2	86.3
Group operational net debt	(194.8)	(193.8)	(201.8)
Adjusted EBITDA (last 12 months pre IFRS 16 and including covenant adjustments)	177.8	172.6	166.5
Leverage (Operational net debt/Adjusted EBITDA pre IFRS 16 and including covenant adjustments)	1.1	1.1	1.2

*The restricted cash of £7.1m relates to deposit proceeds for the disposal of the China business. Under the banking agreement, restricted cash is not included when calculating leverage and is therefore adjusted to arrive at Operational net debt.

22. Alternative performance measures (continued)

Free cash flow

The Group defines free cash flow as the amount of cash generated by the Group after meeting all of its obligations for interest, tax and pensions, and after purchases of property, plant and equipment (excluding development projects) and intangible assets but before payments of refinancing fees and other exceptional or significant non-recurring cash flows. Free cash flow has benefitted from non-recourse factoring of receivables as set out in Note 13 and the extension of payment terms for certain suppliers as described in Note 14. The Directors view free cash flow as a key liquidity measure, and the purpose of presenting free cash flow is to indicate the underlying cash available to pay dividends, repay debt or make further investments in the Group. The following table provides a reconciliation from net cash generated from operating activities to free cash flow:

£m	26 weeks ended 28 June 2025	26 weeks ended 29 June 2024
Net cash generated from operating activities	56.1	70.7
Interest received	0.3	0.2
Purchases of property, plant and equipment	(18.9)	(13.2)
Purchase of intangible assets	(2.2)	(1.4)
Impact of IFRS 16	(6.8)	(5.6)
Cash impact of exceptional items	18.8	2.5
Free cash flow	47.3	53.2

22. Alternative performance measures (continued)

Adjusted earnings per share

The Group calculates Adjusted basic earnings per share by dividing Adjusted earnings by the weighted average number of Ordinary shares in issue during the period. The Group calculates Adjusted diluted earnings per share by dividing Adjusted earnings by the weighted average number of Ordinary shares (including dilutive shares) for diluted earnings per share. Adjusted earnings is calculated as profit for the period adjusted to exclude exceptional items. The Directors use this measure as it tracks the underlying profitability of the Group and enables comparison with the Group's peer companies. The following table reconciles profit for the period to Adjusted earnings for continuing and discontinued operations:

£m	26 weeks ended 28 June 2025			26 weeks ended 29 June 2024		
	Continuing	Discontinued	Total	Continuing	Discontinued	Total
Profit for the period	15.3	1.5	16.8	32.1	3.1	35.2
Exceptional items (Note 4)	24.0	(0.7)	23.3	1.2	(4.4)	(3.2)
Tax on exceptional items	(3.2)	-	(3.2)	(0.3)	0.3	-
Adjusted earnings	36.1	0.8	36.9	33.0	(1.0)	32.0
Add back: Tax on adjusted profit before tax	12.5	0.1	12.6	10.0	-	10.0
Adjusted profit before tax	48.6	0.9	49.5	43.0	(1.0)	42.0
Effective tax rate on underlying activities (Tax on Adjusted profit before tax/Adjusted profit before tax)	25.7%	11.1%	25.5%	23.3%	-%	24.0%

Number 000's	26 weeks ended 28 June 2025			26 weeks ended 29 June 2024		
	Total			Total		
Weighted average number of Ordinary shares	578,383			577,790		
Effect of dilutive Ordinary shares	10,434			8,423		
Weighted average number of Ordinary shares for diluted earnings per share	588,817			586,213		
	Continuing	Discontinued	Total	Continuing	Discontinued	Total
Adjusted basic earnings per share	6.3p	0.1p	6.4p	5.7p	(0.2p)	5.5p
Adjusted diluted earnings per share	6.2p	0.1p	6.3p	5.7p	(0.2p)	5.5p

22. Alternative performance measures (continued)

Return on Invested Capital ("ROIC")

The Group defines ROIC as Adjusted operating profit after tax divided by the average invested capital for the year. Adjusted operating profit after tax is defined as operating profit excluding the impact of exceptional items less tax at the Group's effective tax rate. Invested capital is defined as total assets less total liabilities excluding; net debt and pension assets and liabilities (net of deferred tax) at the period end. The Group utilises ROIC to measure how effectively it uses its invested capital. Average invested capital is the simple average of invested capital at the beginning of the period and the end of the period.

The Directors believe that ROIC is a useful indicator of the amount returned as a percentage of shareholders' invested capital. The Directors believe that ROIC can help analysts, investors and stakeholders to evaluate the Group's profitability and the efficiency with which its invested capital is employed.

The following table sets out the calculations of Adjusted operating profit after tax and invested capital used in the calculation of ROIC for continuing and discontinued operations:

£m	52 weeks ended 28 June 2025			52 weeks ended 29 June 2024		
	Continuing	Discontinued	Total	Continuing	Discontinued	Total
Operating profit	75.1	(1.8)	73.3	107.7	1.9	109.6
Exceptional items	45.5	1.8	47.3	0.7	(4.4)	(3.7)
Adjusted operating profit	120.6	-	120.6	108.4	(2.5)	105.9
Taxation at the underlying effective rate	(26.0)	-	(26.0)	(25.8)	0.6	(25.2)
Adjusted operating profit after tax	94.6	-	94.6	82.6	(1.9)	80.7
Invested capital						
Total assets	1,418.3	64.6	1,482.9	1,434.2	69.6	1,503.8
Total liabilities	(852.1)	(32.7)	(884.8)	(860.4)	(24.2)	(884.6)
Net debt at period end	289.9	(11.5)	278.4	297.4	(9.0)	288.4
Deposit for sale of China	-	7.1	7.1	-	-	-
Retirement benefit scheme surplus	(22.9)	-	(22.9)	(18.7)	-	(18.7)
Deferred tax liability on retirement benefit scheme	5.7	-	5.7	4.7	-	4.7
Invested capital	838.9	27.5	866.4	857.2	36.4	893.6
Average invested capital for ROIC calculation	848.1	31.9	880.0	887.2	38.3	925.5
ROIC (%)	11.2%	-%	10.8%	9.3%	(5.0%)	8.7%

Statement of Directors' responsibilities

The Directors confirm that, to the best of their knowledge, the Condensed Consolidated Interim Financial Statements has been prepared in accordance with IAS 34: 'Interim Financial Reporting', with ASB's 2007 Statement Half-Yearly Reports, as contained in the UK adopted International Accounting Standard 34, 'Interim Financial Reporting', and that the interim management report includes a fair review of the information required by Disclosure Guidance and Transparency Rules ("DTR") 4.2.7R and DTR 4.2.8R, namely:

- an indication of important events that have occurred during the first six months of the financial year and their impact on the Condensed Consolidated Interim financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related party transactions that have taken place in the first six months of the current financial year and any material changes in the related party transactions described in the last annual report.

The Board of Directors that served during the 26 weeks ended 28 June 2025, and their respective responsibilities, can be found on pages 86 to 92 of the Annual Report & Accounts 2024. A list of current directors is maintained on the Bakkavor Group plc website at: **Bakkavor Group plc - EN - About us - Leadership - Group Board**

The financial statements on pages 12 to 35 were approved by the Group Board on 2 September 2025 and signed on their behalf by:

Mike Edwards
Chief Executive Officer

Lee Miley
Chief Financial Officer

2 September 2025

Independent review report to Bakkavor Group plc

Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed Bakkavor Group plc's condensed consolidated interim financial statements (the "interim financial statements") in the Condensed Consolidated Interim Financial Statements of Bakkavor Group plc for the 26 week period ended 28 June 2025 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim financial statements comprise:

- the Condensed Consolidated Statement of Financial Position as at 28 June 2025;
- the Condensed Consolidated Income Statement and the Condensed Consolidated Statement of Comprehensive Income for the period then ended;
- the Condensed Consolidated Statement of Changes in Equity for the period then ended;
- the Condensed Consolidated Statement of Cash Flows for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the Condensed Consolidated Interim Financial Statements of Bakkavor Group plc have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the Condensed Consolidated Interim Financial Statements and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

Material uncertainty related to going concern

In forming our conclusion on the interim financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2 to the interim financial statements concerning the group's ability to continue as a going concern. On 7 July 2025 the shareholders of Bakkavor Group plc approved the terms of the recommended cash and shares offer by Greencore Group plc ("Greencore") to acquire the entire issued and to be issued share capital of Bakkavor Group plc ("the Group"). Completion of the acquisition remains subject to the satisfaction or waiver of the remaining conditions set out in the document sent to shareholders to approve the transaction ('Scheme document'), including regulatory approval. Subject to obtaining this approval and the scheme receiving the sanction of the court, the Scheme is expected to become effective during the first quarter of 2026, at which point Greencore will acquire the Group.

The Directors of Bakkavor Group plc consider that as a result of the proposed transaction there is a material uncertainty around Greencore's refinancing of the Group's existing bank facilities as a result of change in control and the level of funding that may be available to the existing Group's operations if the sale to Greencore completes. The current Directors will not have control over the Group if the sale completes and they do not currently have full knowledge of the new ultimate parent undertaking's future funding plans in relation to the Group and Company. Therefore the change of control position indicates the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. These conditions, along with the other matters explained in note 2 to the interim financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the group's ability to continue as a going concern. The interim financial statements do not include the adjustments that would result if the group were unable to continue as a going concern.

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately applied the going concern basis of accounting in the preparation of the interim financial statements.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The Condensed Consolidated Interim Financial Statements, including the interim financial statements, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the Condensed Consolidated Interim Financial Statements in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. In preparing the Condensed Consolidated Interim Financial Statements, including the interim financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements in the Condensed Consolidated Interim Financial Statements based on our review. Our conclusion is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP
Chartered Accountants
Birmingham
2 September 2025

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