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By Martyn Fisher

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Fresh prepared boom helps Bakkavor up turnover



Gudmundsson said the business is in a "very strong position"

Food giant's revenue for the year to 26 December 2015 was **£1.65 billion**, while EBITDA reached **£129.7m**, up 14 per cent

Growth in the fresh prepared food market has helped Bakkavor grow its turnover by 2 per cent.

The foodservice firm's revenue for the year to 26 December 2015 was £1.65 billion, while earnings before interest, tax, depreciation and amortisation (EBITDA) reached £129.7m, up by 14 per cent on the previous year.

Around £1.52bn of the revenue was generated through UK sales.

Bakkavor CEO Agust Gudmundsson said: "The fresh prepared foods market grew faster than the wider UK grocery market over the year as consumer spending - while remaining subdued - has reflected a preference for convenient, high-quality chilled foods.

"While raw material price deflation was a factor throughout 2015, labour costs

continued to accelerate and the forthcoming introduction of the National Living Wage in April will present a challenge for the UK food sector as a whole. We continue to work through the potential impact to the business and remain in active dialogue with all our stakeholders to mitigate costs wherever possible.

"Due to the rephasing of certain strategic projects, our capital expenditure in the UK was lower than in 2014. Our focus remained on investing in maintenance, productivity and strengthening category expertise within our core categories. Projects included ready meals automation, desserts and salads capacity improvements and capability investments in bread and pizza."

Looking ahead, Gudmundsson said he anticipates further pressure on growth as Bakkavor continues to reshape its business and focus on rising labour costs.

It is Bakkavor's aim, he said, to mitigate these pressures by continuing to drive productivity and control costs.

Investment firm Baupost Group last month bought 89 per cent of the shares in the business.

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