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By Nina Pullman

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'Innovation pipeline' drives sales growth at Bakkavor



Bakkavor CEO Agust Gudmundsson: Growth is driven by continued investment

Prepared produce giant has record like-for-like sales growth across the group and confirmed continued capital investment

Prepared produce firm Bakkavor has seen like-for-like sales grow by 2.8 per cent in the third quarter in its UK business.

The company saw positive sales growth across the business for the 13 weeks to 24 September 2016, with international like-for-like sales up by 3.2 per cent, excluding currency movement, while accelerated capital expenditure will support ongoing growth.

Contributors to growth included a "strong innovation pipeline" and "a number of business wins across core categories", Bakkavor said.

CEO Agust Gudmundsson said:

"We are pleased that we have delivered another strong quarter, with good growth in both revenue and EBITDA across the Group. Our success is driven by our continued investment in our business, a focus on efficiency and constant innovation.

"Looking ahead, our sector faces a number of challenges from increasing inflation and cost pressures, but our strong operational model and strong partnerships with our customers mean we are well placed to continue the progress of recent years."

In the US, Bakkavor said it is continuing to invest in capacity and processing in core categories, reflecting

the growth in the fresh prepared food sector in the country. The company said it will continue to build its infrastructure and customer base in the US as a key strategic market.

In Asia, revenues were impacted by a decision to resign from certain low margin business, and the company confirmed it has completed its exit from the European market with the sale of its Belgian fresh prepared food business Vaco, to Culinor Food Group. "This transaction allows us to focus our resources on the significant opportunities in the US and Asia," the company said.

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