

Britain's favourite fresh produce magazine since 1895



By Michael Barker

Tuesday 16th March 2021, 12:23 GMT

Bakkavor **'resilient' despite** **income drop**

Covid-19 hits full-year results at fresh prepared specialist, but there's cautious optimism for the future



Agust Gudmundsson

Bakkavor has reported a five per cent drop in income for the last year as it struggled with the impact of the pandemic.

The fresh prepared specialist reported group revenues down 4.9 per cent at £1.8 billion for the 52 weeks to 26 December, while UK income slipped 5.2 per cent to £1.6bn due to lower consumer demand, particularly in the food-to-go segment.

Operating profits slumped by 10.7 per cent to £62 million, with margins decreasing by 20 basis points to 3.5 per cent.

However the business said demand returned for its fresh, convenient foods outside of Covid-19 lockdowns, suggesting better days ahead as restrictions lift.

There was better news in the US, where growing demand for fresh meals helped deliver growth of 12.2 per cent to £146.5m. In China, revenues fell by 21.8 per cent to £80.4m, but that at least

represented a continued recovery following a 60 per cent collapse in February 2020.

The group said it had taken decisive action to preserve cash, lower its cost base and protect profitability in response to the pandemic, including a reduction in non-essential capex, temporary and permanent closures of food-to-go and salads sites, and the simplification of ranges in response to lower consumer demand.

Chief executive Agust Gudmundsson said: "In what was a year like no other, the external environment was the most challenging it has ever been. I am extremely proud of the resilience our business has shown and I would like to thank all our colleagues for their hard work and dedication.

"Despite the UK government's roadmap, with lockdown restrictions in the UK continuing into the spring, the short-term trading environment remains

uncertain, but we are encouraged by the way consumers have returned to our fresher, healthier and more convenient foods each time these restrictions have lifted. Our unique position of scale, expertise and strong customer relationships have served us well during this extraordinary period, and they remain key as we continue to grow our market share and further strengthen our leadership position.

"The actions taken in 2020 to preserve cash and protect profitability across the business, combined with the successful turnaround of our US business, and the strength of our financial position, leave the group well placed to deliver further growth. The way that Bakkavor has been able to rapidly adapt, find new ways of working, and drive the business forward through the Covid-19 crisis provides us with additional confidence for the future."

Enjoyed this free article from Fresh Produce Journal and its team of editors?

<http://www.fruitnet.com/americafruit/article/1474/parts-of-san-diego-quarantined-as-psyllid-count-mounts>

© Copyright Market Intelligence Ltd - Fruitnet.com 2014. The copyright on this article and all content published on Market Intelligence Ltd - Fruitnet.com is held by Market Intelligence Ltd - Fruitnet.com Limited, a joint venture between Market Intelligence Limited and Dr Rolf M Wolf Media GmbH. All rights reserved. Neither this article nor any part of it may be reproduced, stored or transmitted in any form, including print-outs, screen grabs and information retrieval systems, without the prior permission of the copyright owners.

FRUITNET.COM

Don't miss out on even more in-depth analysis, plus all the latest news from the fresh produce business. Subscribe now to [Fresh Produce Journal](#).

<http://www.fruitnet.com/americafruit/article/1474/parts-of-san-diego-quarantined-as-psyllid-count-mounts>

© Copyright Market Intelligence Ltd - Fruitnet.com 2014. The copyright on this article and all content published on Market Intelligence Ltd - Fruitnet.com is held by Market Intelligence Ltd - Fruitnet.com Limited, a joint venture between Market Intelligence Limited and Dr Rolf M Wolf Media GmbH. All rights reserved. Neither this article nor any part of it may be reproduced, stored or transmitted in any form, including print-outs, screen grabs and information retrieval systems, without the prior permission of the copyright owners.

FRUITNET.COM