

RNS Number : 6624W
Cake Box Holdings PLC
19 April 2023

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Cake Box Holdings plc
("Cake Box" or the "Company" or the "Group")

Full Year Trading Update

Improved performance in the second half

Cake Box Holdings plc, the specialist retailer of fresh cream cakes, is pleased to announce a full year trading update for the 12 months ended 31 March 2023.

Second half improvement in sales and margins

The Group expects to report revenues for the year up c.5% year-on-year (FY 2022: £33.0m), with adjusted profit before tax in line with market expectations. This reflects an improvement in trading in the second half of the year with further new store openings and positive like-for-like sales growth despite tough comparatives from last year, following the easing of pandemic lockdowns.

The cost of raw materials stabilised during the second half, primarily due to reduced freight rates, which led to a marginal improvement in Group margins. Franchisees continued to face inflationary pressures but introduced measures to mitigate the impact of increased costs and, with the help of effective marketing initiatives, sales and margins levels were maintained.

We have been mindful to protect our value proposition with customers. On this basis, we have been highly selective with customer price increases and as a result, we have seen increased customer retention and continued to attract new customers to the Cake Box brand.

Continued growth in store estate

The Group has continued to open stores despite the challenging economic climate that has persisted this year. The Group added 10 new franchise stores (H2 2022: 11) in the second half, bringing the total number of stores opened in the full year to 20 (FY 2022: 24). At the year end, the total number of Cake Box stores across the estate stood at 205. New geographical locations opened successfully in the second half include Oxford, Kettering and Banbury.

Balance sheet

The Group's balance sheet remains strong, with a significant increase in the Group's net cash position, which stood at £6.3m at period end (FY 2022: £5.2m).

Sukh Chamdal, Co-founder and Chief Executive Officer, said:

"Just as during the pandemic, we have faced an unprecedented set of circumstances this year, with the war in Ukraine causing a rise in energy and raw material prices and a cost of living crisis impacting consumer confidence. The business showed resilience during a difficult first half and, encouragingly, we have seen sales recover in the second half, with raw material prices stabilising.

"We continue to strengthen our team and invest in our operations and processes, and with the dedication, determination and commitment of our staff and franchisees we continue to grow the Cake Box customer base and brand."

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*Like-for-like: Stores trading for at least one full financial year prior to 31 March 2023.

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