

RNS Number : 5077G  
Bakkavor Group PLC  
29 April 2025

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## **Bakkavor Group plc**

### **Bakkavor announces sale of its China operations**

Bakkavor Group plc ("Bakkavor" or "the Group"), a leading international provider of fresh prepared food, is pleased to announce it has entered into a binding agreement to sell its China operations, with the sale of the entire issued share capital of Bakkavor China Holdings Limited ("BCHL") to Lihe Xing (Qingdao) Food Technology Co. Ltd., wholly owned by Lihoo's (Qingdao) Food Industry Company Limited ("Lihoo's") ("the Transaction"), a company headquartered in China.

Bakkavor's business in China is as a leading manufacturer of fresh prepared food, supplying foodservice and retail customers nationally with salads, sandwiches and meals from 7 manufacturing sites with c.2,300 colleagues. In FY24, the business generated revenue of £105m.

Over the last two years, Bakkavor has made significant progress in simplifying its operations in China and, as part of its previously stated review of its strategic options, this sale completes the Group's exit from the region.

The cash consideration is RMB c.500m (c.£50m) on a cash and debt-free basis and is expected to complete in the second half of 2025, subject to regulatory approval. At 28 December 2024, the carrying value of net assets was £39m with a net profit on disposal expected to be c.£15m, subject to completion adjustments.

Transaction proceeds will be used to further reduce the Group's leverage and the exit from China, historically dilutive to Group adjusted operating profit margin, will support the delivery of the Group's medium-term margin target of 6%.

#### **Mike Edwards, CEO, commented:**

"Over the last 20 years, we have built a great business in China and I would like to thank all our China colleagues for their contribution to the significant progress we have made in recent years. With strong foundations in place, we are confident that going forward the business and its stakeholders will benefit from Lihoo's local expertise and experience as a frozen and fresh meal manufacturer.

We remain focussed on delivering the great service our customers are accustomed to whilst we work towards completion."

#### **ENQUIRIES**

##### **Institutional investors and analysts:**

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#### **About Bakkavor**

We are the leading provider of fresh prepared food in the UK, and our presence in the US and China positions the Group well in these, high-growth markets. We leverage our consumer insight and scale to provide innovative food that offers quality, choice, convenience, and freshness. Around 17,200 colleagues operate from 40 sites across our three markets supplying a portfolio of c.3,100 products across meals, pizza & bread, salads and desserts to leading grocery retailers in the UK and US, and international food brands in China. Of this total, our China business comprises: 2,300 colleagues, 9 sites (7 manufacturing sites, 1 head office, 1 farm) and c.1,100 products. Find out more at [www.bakkavor.com](http://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 year unless otherwise stated.

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