

Real Good Food plc

AGM: 23 September 2015

Strategy and Operating Business Update

Andrew Brown: Group Brand and
Marketing Director

Introduction: Group Snapshot

Strong financial platform to facilitate future growth

- Transformational disposal of Napier Brown
- Positive cash balances; cash generative and profitable
- Successful acquisition and integration of Rainbow Dust Colours
- Growth in gross profit, EBITDA and operating profit in continuing operations
- Continued growth in sales and profitability driven by operating focus and product innovation



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Renshaw • Rainbow Dust Colours • Garrett Ingredients
R&W Scott • Real Good Food Europe • Haydens Bakery

Group Strategy

- Three Pillar Markets
- Stand-alone Business Units
- Market-led strategies
- New Group Development Centre delivering expert support
- Capitalise on growth in the home baking market



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Three Pillar markets

- **Cake Decoration**

- Renshaw
- Rainbow Dust
- Real Good Food Europe



- **Food Ingredients**

- Garrett Ingredients
- R&W Scott



- **Premium Bakery**

- Haydens



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Stand-alone Business Units

- **Local control and accountability**
 - MDs agree strategic plan with Group
 - Local teams implement these plans
 - Group support and audit
- **Market-led approach**
 - Transform operationally-led businesses
 - Invest in marketing, product development and sales
 - Invest in manufacturing to meet market opportunities and demand
- **Acquisitions**
 - Identify complementary acquisitions
 - Potential 'bolt-ons' in each market

Real Good Food Recipe Values



Respect



Excellence



Customer Focus



Involvement



Pride



Enthusiasm

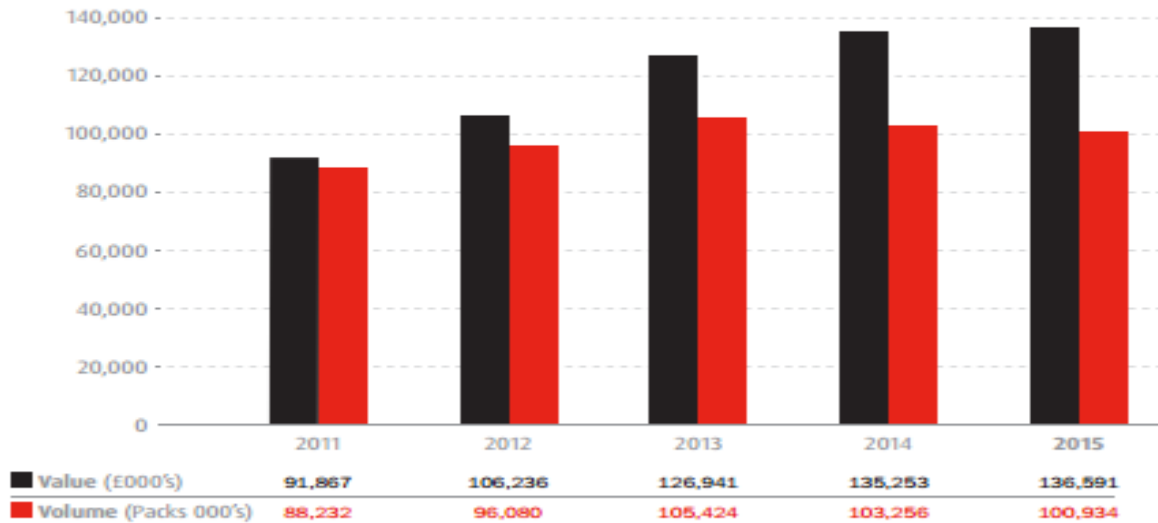
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Cake Decoration Market



Total Cake Decorating Market 52 w/e January



Source: Kantar

OPERATING COMPANY UPDATES



- **Underpin leadership in product quality**
 - Relaunch of sugarpaste range
 - Colour development in modelling paste
 - Marzipan formats
- **Multi-channel strength**
 - Dedicated marketing resource to support each sales channel
 - Growing b2b opportunities
 - Big export drive – already 25% of sales
- **Invest in flexible manufacturing capacity**
 - New capacity to meet changing market demands
 - Longer shelf-life and shorter runs



Rainbow Dust Colours

RAINBOW DUST
COLOURS

- Management team in place
- Dedicated 'sugarcraft' supply chain
- Investment in warehouse facilities
- Launch into Europe via RGFE



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Garrett Ingredients



Garrett Ingredients

- Commodity price deflation intense in both dairy and sugar
- Volumes broadly in line with last year
- Business looking to re-orientate towards added-value offerings and new markets



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R&W Scott



- Full segregation now complete
- Major foodservice jam and pie filling customer gained
- Two new b2b sales managers already delivering results
- Investment plan in site facilities and additional capacity



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Real Good Food Europe

- New fully-operational warehouse facilities in Brussels
- Launches of Renshaw 'Tropical' recipes and Rainbow Dust Colours range in the autumn
- New sales managers recruited for German market

Real Good Food Europe



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Haydens



- **Turnaround now well-embedded**
 - Reduction in product lines
 - 2 customers – 7 customers
- **Focus on 6 product categories**
 - New identity to reflect new business vision
 - Recruitment of more sales and category marketing resource
- **Site investment**
 - Infrastructure
 - Production capability



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New Development Centre in Liverpool

- **Northern office for Group personnel**
 - Frees up space for Renshaw to expand at Crown Street
 - Base for Group HR, IT, Technical and Operations
 - Professional meeting facilities
- **Innovation Centre**
 - Test bakery and pilot plant facilities
 - Technical centre
- **Centre of Excellence for 'sugarcraft'**
 - Launch of new Renshaw Academy
 - School and demonstration facilities
 - Revenue generating facility



Summary

- Strong financial platform in place
- Refocused Group operating structure
- Operational accountability at business level
- Increased demand via product development
- Measured investment in operating capacity to meet that demand
- Proven M&A strategy to identify earnings enhancing and synergistic projects



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