

Real Good Food plc

Cake Decoration • Food Ingredients • Premium Bakery

Real Good Food plc

Cake Decoration • Food Ingredients • Premium Bakery

AGM Presentation

Monday 12th September 2016

AGENDA

- **2016 Highlights** **Pieter Totté**
- **Financial summary** **David Newman**
- **Strategy presentation** **Andrew Brown**
- **Summary** **Pieter Totté**

Results: Operating Highlights 2015/16

- Successful disposal of Napier Brown for £44.4 million (gross), generated a profit of £9.1 million
- Group PBT £12.9 million
- Group balance sheet transformed: net debt from £30.1 million down to £5.1 million

Strategic progress

- Group restructured into three pillar markets
- Investment strategy in each to drive sales, operating efficiency and future EBITDA growth
 - Immediate focus on fast return projects, especially automation and capacity
 - Improve workforce skills –fewer, better qualified employees
 - Clear plan to take account of new Living Wage
- Acquisition strategy progressing
- New Innovation Centre and Renshaw Academy opened
- Strong financial and operational platform in place

Financial Review

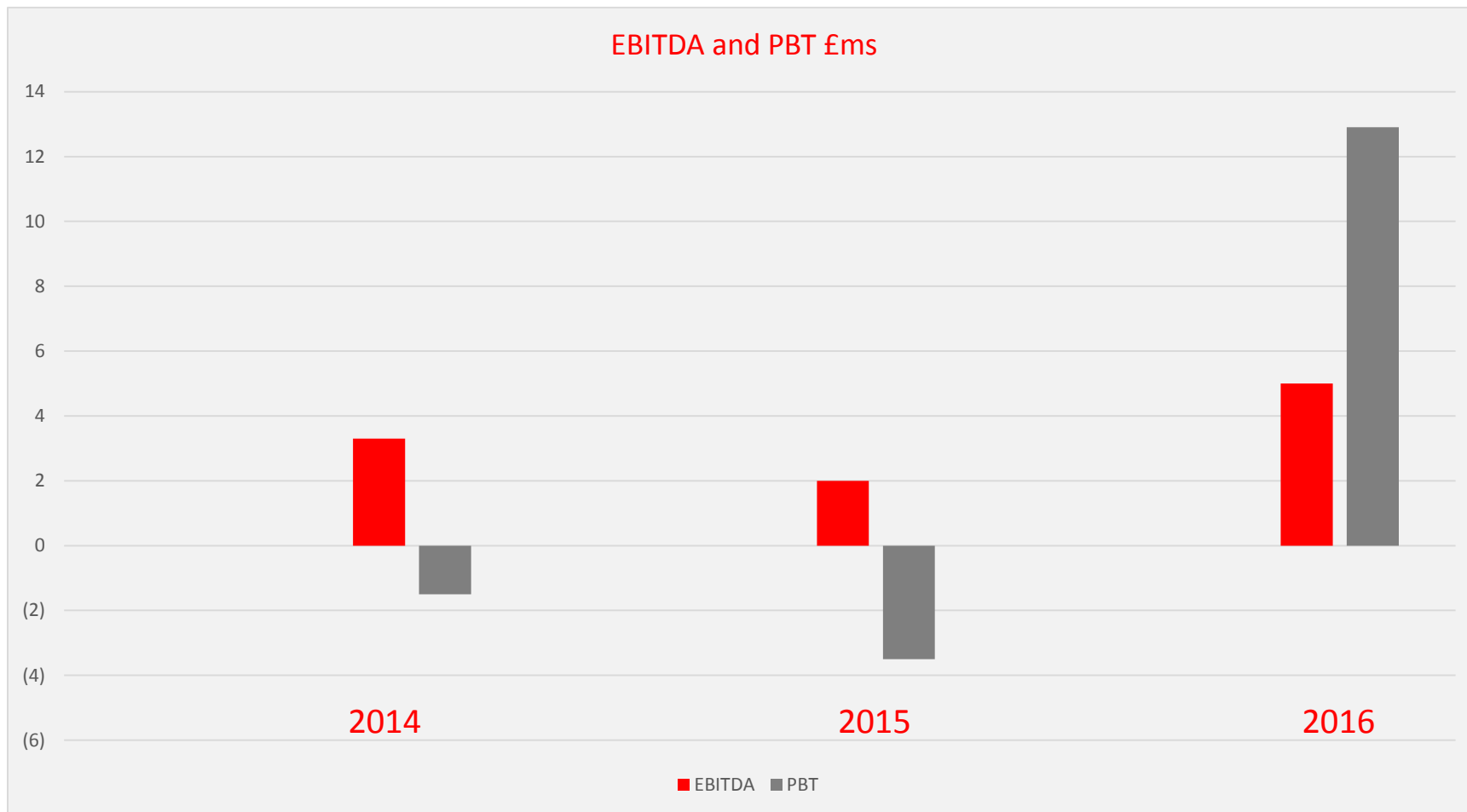
David Newman

Finance Director

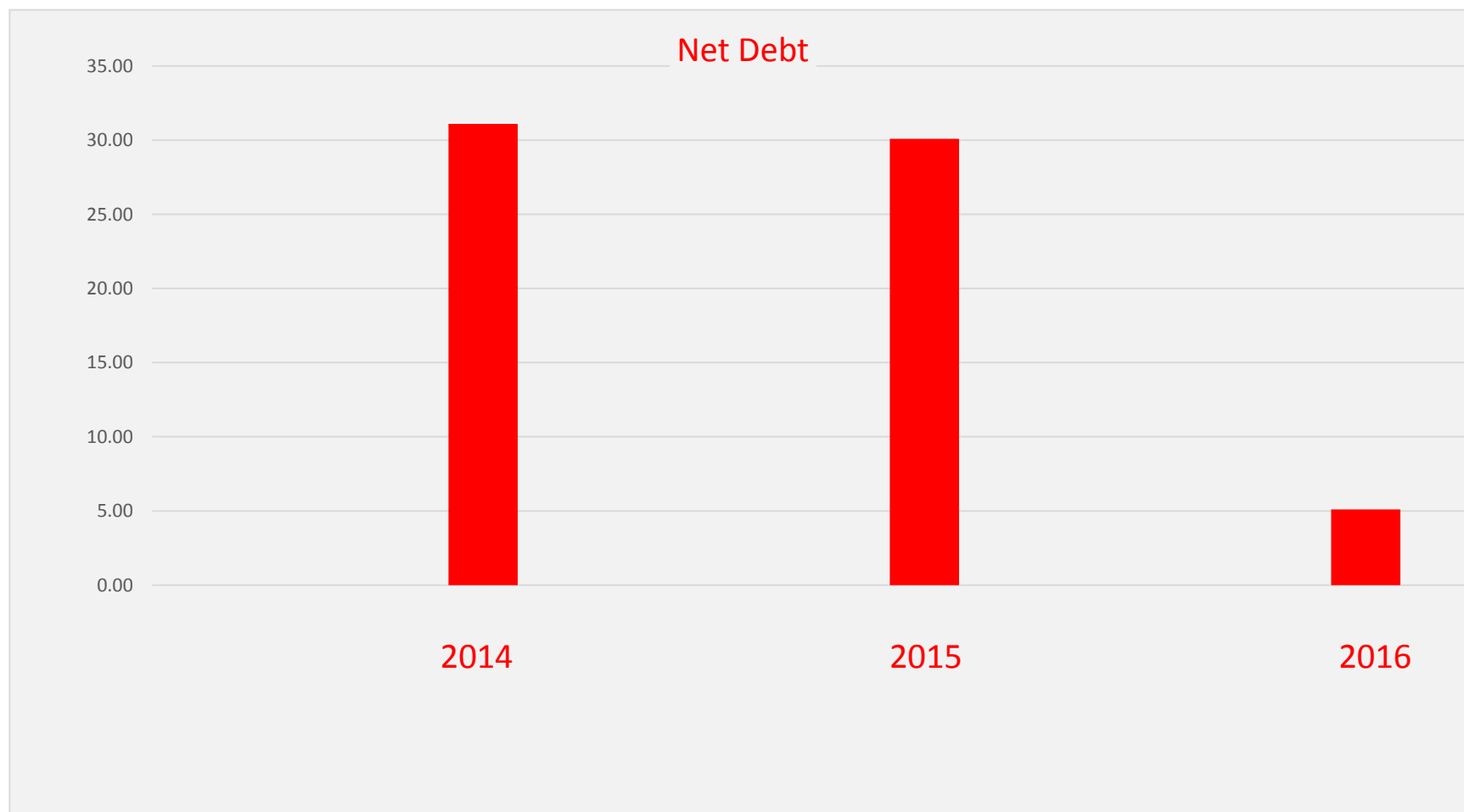
Financial Highlights: year ending March 2016



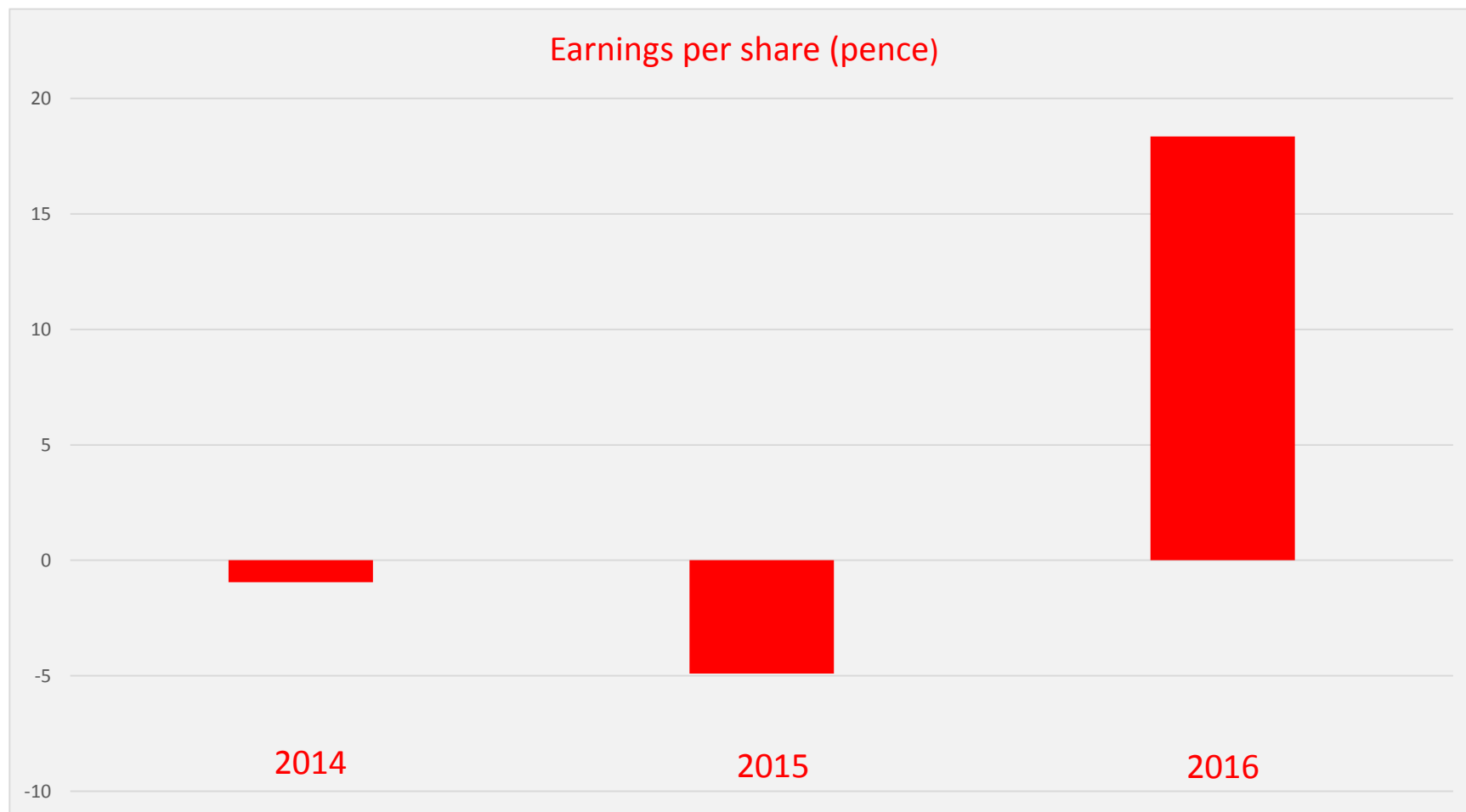
Profit trend



Net Debt reduction



Earnings per share (basic)



Strategy Update

Andrew Brown

Group Brand and Marketing Director

Group Profile



Three Pillar Markets

- **Cake Decoration**

- Renshaw
- Renshaw Europe
- Renshaw Americas
- Rainbow Dust Colours

- **Food Ingredients**

- Garrett Ingredients
 - Inc. GI Nutrition
- R&W Scott

- **Premium Bakery**

- Haydens
- Chantilly Patisserie



Real Good Food



Cake Decoration

Cake Decoration

Real Good Food

Renshaw • Rainbow Dust Colours

Market characteristics

- Global and growing
- Strongly multi-channel – hobby and leisure characteristics
- Spectrum of consumers from the professional to the novice

Vision

- £75-£100 million
- 12-18% EBITDA

Strategy

- Create global Renshaw branded range
- Rainbow Dust Colours product development
- Grow export: Europe, North America and Australasia focus
- Use Renshaw Academy to market global reputation
- Invest in flexible manufacturing



RAINBOW DUST
COLOURS



Real Good Food



Food Ingredients

Food Ingredients

Real Good Food

Garrett Ingredients • R&W Scott

Market characteristics

- Sugar and Dairy commodities
- Many niche added value opportunities
- UK SME focus

Vision

- £40-£50 million
- 4-6% EBITDA

Strategy

- Develop added-value on top of volume commodity base
 - e.g. Sports Nutrition
- Invest in customer service and logistics
- Supply partnerships and distributorships



Garrett Ingredients



Real Good Food



Premium Bakery

Market characteristics

- Dramatic '*premiumisation*' of UK bakery market
- Many niche players
- Growing non-retail opportunities

Vision

- £40-£50 million
- 6-9% EBITDA

Strategy

- Fewer products sold to more customers
- Build a branded presence
- Extend further in out-of-home channels
- Focus on quality plus automating non-added value processes





Real Good Food

DEVELOPMENT CENTRE

LIVERPOOL

Liverpool Development Centre



Real Good Food
DEVELOPMENT CENTRE
LIVERPOOL

Liverpool Development Centre

- **Innovation Centre**
 - Test bakery and pilot plant
 - Technical centre
 - Drive product innovation
- **The Renshaw Academy**
 - World class centre of excellence for cake decorating
 - School and demonstration facilities
 - Revenue generating facility
- **Northern hub for Group personnel**
 - Frees up space for Renshaw at Crown Street
 - Base for Group HR, IT, Technical and Operations
 - Professional meeting facilities for customer visits





Real Good Food
INNOVATION CENTRE
Create • Inspire • Enjoy

The Innovation Centre

- **World class centre for true innovation**
- **Embrace emerging technologies in ingredients, process and packaging**
- **Industry-leading facility for customer training**
- **Platform for inspirational application of RGF products**



Real Good Food
INNOVATION CENTRE
Create • Inspire • Enjoy



RENSHAW ACADEMY

Our Vision for the Academy



- A world class and world renowned centre of excellence for cake decorating
- Supporting all of RGF's cake decorating businesses
- Create, Inspire, Enjoy!

RENSHAW
ACADEMY

The Academy plan

- First European course in July featured 10 participants from 5 different countries
- Further courses planned September to December
- Website launches in September
- Global network of 'Renshaw Ambassadors' being created
- Live streamed web courses being planned
- Academy Branding will be used for exhibitions from Autumn 2016



RENSHAW
ACADEMY

The Academy Facility

- Advanced AV system
- Recording
- Live Streaming
- Close-up demonstration facilities
- Distance learning
- Dedicated webpage to promote events taking place in the Academy



RENSHAW
ACADEMY

Real Good Food



Cake Decoration • Food Ingredients • Premium Bakery

Summary

- **Strong balance sheet post - Napier Brown disposal**
 - Investment cash now available
- **Focus on three pillar markets**
- **Growth strategies in each market sector**
 - Organic growth and bolt-on acquisitions
- **Development Centre to support investment in innovation and growth**
- **Dividend payments will begin –progressive, though initially modest to prioritise fast return capital investment in early years**



Real Good Food plc

Cake Decoration • Food Ingredients • Premium Bakery