

# Real Good Food PLC

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## Real Good Food gets out of jam with sale of R&W Scott

Real Good Food PLC (LON:RGD) has sold R&W Scott Limited to the jam and preserves maker's management team for £3.95m.

Real Good Food, which also released its half-year report today, will receive £1.5m in cash upfront and is scheduled to receive a further £500,000 before the end of September of next year; R&W Scott will also take on £2.45m of third-party debt.

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The business contributed £10.36m of revenue to Real Good Food's top-line in the year to the end of March 2017 and made a loss of £3.3m.

The business had net assets of £1.89m but Real Good Food said it expects to record a paper loss of around £3.0m on the disposal and will write down parent company reserves in the current financial year by around £5m.

Previously cash-strapped Real Good Food has made three disposals this year, raising £7.2m in cash (with another £500,000 to come) and offloading £7.2m of third-party debt.

"This disposal, alongside those of Haydens and Garretts, marks a significant milestone in the turnaround and performance improvement programme of Real Good Food. We are now able to focus on the core continuing businesses, Brighter Foods and Cake Decoration, with no bank term loan and a fully funded growth plan," said Hugh Cawley, the chief executive officer of Real Good Food.

"Overall, through the actions of the last twelve months, the performance of, and prospects for, what is now a smaller and more focused group, have improved considerably. The company now has a solid platform from which to maximise earnings and look to optimise shareholder value," he added.

In the six months to the end of September, Real Good Food's revenue from continuing operations eased slightly to £30.4m from £31.4m the year before.

Underlying earnings (EBITDA) were positive at £900,000, compared to a loss the previous year of £400,000.

A goodwill impairment charge of £6.3m was largely responsible for a loss before tax of £9.1m, compared to a loss in the corresponding period of 2017 of £3.4m.

Net debt at the end of the reporting period had been reduced to £29.9m from £35.8m at the end of September 2017.

Current trading remains in line with management's expectations.

**Price:** £0.07

**Market Cap:** £6.85 m

### 1 Year Share Price Graph



September 2018 April 2019 September 2019

### Share Information

**Code:** RGD

**Listing:** LSE

**52 week High Low**  
9 5

**Sector:** Food & drink

**Website:** [www.realgoodfoodplc.com](http://www.realgoodfoodplc.com)

### Company Synopsis:

Real Good Food plc is a diversified food business serving a number of market sectors including retail, manufacturing, wholesale, foodservice and export. Each of these markets has different characteristics and our strategies will be tailored to the specific market needs but with the common theme of building long term sustainable growth.

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"The first half saw significant, progressive corporate activity, including a further restructuring of the Group to focus on our two core divisions, Cake Decorations and Food Ingredients. At the same time, the underlying performance of these continuing operations improved, reflecting the cost savings made," Cawley said.

"The performance of these continuing operations remains in line with our modest expectations for the year. Overall, the board remains confident, but far from complacent, in the future prospects for the group and reiterates that the performance of, and prospects for, what is now a smaller and more focused group, have improved considerably," he added.

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