

Real Good Food PLC

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Real Good Food positive on outlook as restructuring begins to bear fruit

- Real Good Food restructuring pays off
- Focus on cake decoration and food ingredients divisions after disposals
- Management confident in future prospects for the firm

What Real Good Food does:

Real Good Food PLC (LON:RGD) is an AIM-listed business that supplies food products and ingredients to a number of market sectors including retail, manufacturing, wholesale, foodservice and export.

Its two core divisions include cake decorations and food ingredients.

What it owns:

Under the banner of the cake decoration division is the Renashaw business, which makes marzipan, soft icings and sugarpaste.

Rainbow Dust Colours, also within the cake decoration unit, sells edible glitters, dusts, powders and food paints.

In the food ingredients arm is the Brighter Foods business, which makes healthy snack bars.

Inflection points:

- The company has sold four businesses over the past year as part of a restructuring to focus on more profitable areas of the business in its cake decoration and food ingredients divisions. The disposals include the Chantilly Patisserie frozen desserts firm, the Haydens bakery business, the Garretts dairy and bakery ingredients group and R&W Scott - a jam and preserve maker.
- In the half-year ended 30 September 2018, Real Good Food swung to underlying adjusted earnings of £900,000 from a loss of £400,000 a year ago on revenue of £30.4m. Cost savings from the restructuring of the business boosted the results.
- Current trading remains in line with management expectations
- Net debt at the end of September 2018 was cut to £29.9m from £35.8m the same time a year earlier
- Real Good Food remains confident in the outlook for the business.

Blue Sky:

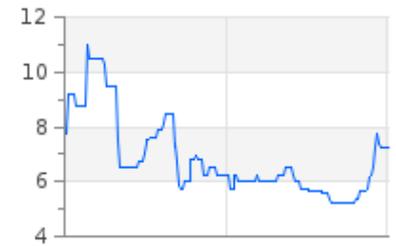
Real Good Food has seen its performance improve through actions taken to streamline the business over the past year.

"The company now has a solid platform from which to maximise earnings and look to optimise shareholder value," said Hugh Cawley, the chief executive officer of Real Good Food.

Price: 7.25p

Market Cap: £7.2M

1 Year Share Price Graph



June 2018 December 2018 June 2019

Share Information

Code: RGD

Listing: LSE

52 week High Low
11.30p 5.00p

Sector: Food & Beverages

Website: 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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He added: "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."

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