MMFLOWERS

Annual Report 2024

MM Flowers is a leading supplier of high quality cut flowers and gifts to major retailers across the UK and Europe.

Our goal is to deliver best-in-class products that create a meaningful consumer experience, developed with a commitment to environmental and social responsibility.

Managing Director's Q&A on **page 03**

Journey of a Tulip on **page 07**

Our People and Communities on **page 11**

This is our second Annual Report and covers our 2024 financial year – 1 September 2023 to 31 August 2024. With the exception of our financial performance figures on page 21, quantitative data in this report has not been externally audited.

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What Makes us MM Flowers

Market Expertise

The breadth and depth of our long-standing relationships across retail allow us unparalleled insights into market trends. Our vertical integration means we are positioned to react quickly to trends and develop products that delight our customers. We serve the entire market place, encompassing all retail channels, online stockists as well as wholesale. Our diversification into hampers, and, most recently bulbs and added-value horticulture products expands our expertise.

31

customers across the UK and Europe

Our People

MM Flowers is a dynamic, unique and growing international business, with a diverse workforce. With many colleagues who have been with the business since day one, we are proud of the development opportunities we offer. From new product development and agronomy to engineering and manufacturing, we have in-house expertise across all departments, enabling us to deliver operational excellence for all our customers.

912

direct permanent employees

Grower Owned

We are owned by growers and our vertical integration enables us to invest in quality and resilience at every stage, from breeding all the way through to processing in the UK and Europe. This model ensures we deliver best-in-class flowers to our customers and gives us access to invaluable primary data and insights from across our supply chain.

over 2,300ha

direct production via our shareholders

Asset Base

We operate from five facilities in the UK and Europe. In the UK, Huntingdon is home to our state-of-the-art facility, which has seen significant investment in automation. Our Chatteris site has given us capacity to expand into new product lines, and our site in Holbeach is dedicated to seasonal products. With the acquisition of Moolenaar, we have an additional site in the Netherlands to compliment our existing site which serves our European customers.

620,000sqft

across the UK and Europe

Investing for the Future

Our ownership structure allows us to invest to build a resilient business, from R&D into cut flowers most suited to sea freight, to a comprehensive business automation programme. We're particularly proud of our APEX Horticulture business, which was established to understand and solve some of the biggest challenges for cut flowers and plants through providing testing and monitoring services.

£75m

of investment in the past decade

Year in Review

Q&A with our founder and Managing Director, Phil Whelan, as he reflects on the year.

What makes MM Flowers special and how has this evolved over the last 18 years?

A business as dynamic and fast-paced as ours needs people who have the right skills, are passionate about the product and are willing to work hard.

As the business grows and evolves, we look for people who can not only strengthen but expand the skills and experience within the organisation. People who have deep knowledge of the flower and produce industry but also people with the right digital, data and technical skills that will set us up for the future.

Our strength in people is fused with long-term investment; we are a vertically integrated business and since our inception in 2006, our shareholders have consistently invested in every stage across our supply chain. This investment is key to the long-term resilience of our business.

What are you most proud of in FY24?

Firstly, I'm proud that we continued our trend of annual positive growth. Our revenue grew by 19% and our EBITDA by 44%.

We now have a presence in more European markets than in FY23 and in late FY24 we expanded our product offerings by acquiring a 175-year-old bulb specialist company, Moolenaar, in the Netherlands.

I'm particularly proud that we did this in FY24, one of the most challenging years that I have experienced in the industry. We were significantly impacted by extreme weather events, particularly on the equator where flooding and drought simultaneously impacted flower supply and distribution.

This, compounded with an unstable geopolitical landscape which continues to affect global supply routes, resulted in a particularly difficult year.

Through hard work and focus we were able to overcome these challenges while also maintaining the high service levels expected by our customers. Special thanks to all of the MM Flowers team and our business partners in helping us navigate this period.

What are you hoping to achieve in the next three years?

We have made fantastic progress so far and we don't plan on stopping. We are focused on continuing to delight our customers and consumers with meaningful moments – from flowers to bulbs and gifts. We will do this by continuing to broaden our horticultural platform with new offerings, while maintaining high service levels and quality.

We know innovation is key to this so we will continue to invest in innovation in our products as well as in how we deliver them – through digitisation and automation, backed by robust research and development and data. These are relatively new areas for our industry and I'm excited by the opportunities that it will unlock for us now and in the future.

What innovation are you most proud of since starting MM Flowers?

I have always been very proud of our research and development business, APEX Horticulture. It is truly a differentiating part of our business with a wealth of data that has been developed over years of dedicated testing and research.

In FY24 we expanded the remit of APEX to look at seasonal crops such as peonies, taking learnings from the deep knowledge that has been amassed over years of work on roses.

To prepare the business for the future we've also invested in teams that are critical to the future of any company – this includes new product development as well as automation and digitisation of our operating processes. With new leaders and experienced teams at the helm, we feel ready to propel ourselves into the next phase of the MM Flowers journey.

On a personal level, where would we find Phil Whelan on the weekend?

I like to 'wind down' at the weekend – that usually involves a heavy dose of sporting, whether it's doing my own exercise, watching my kids play in their various teams or coaching a local children's football team.

MM Flowers in Numbers FY24

Financial Highlights

£352m
Turnover

£9m
EBITDA

ESG Highlights

£770k
Generated in Fairtrade Premium

18%
Renewable energy generated on site

Operational Highlights

>1.1bn
Stems purchased

>500
Varieties of flowers

22
Countries we sourced flowers and foliage from

>400
Farms worldwide

97%
Sourced from directly owned production or strategic partnerships

>57m
Bunches sold

14
Countries with market presence

34%
Market share in FY24 (UK Flowers)

People Highlights

912
Direct permanent employees

54%
of management and supervisory positions held by women

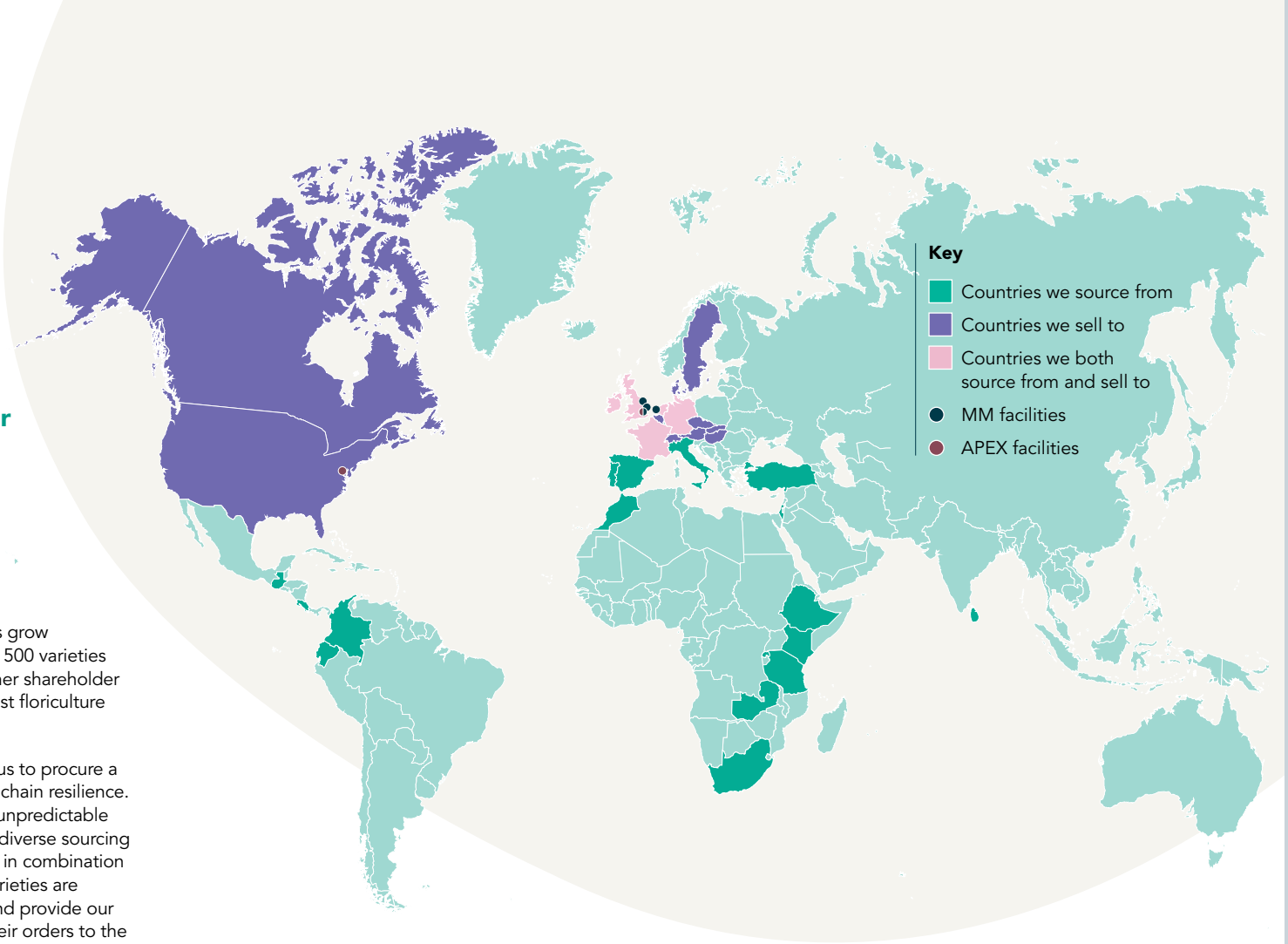
49%
Reduction in employee attrition since FY22

600
Internal recognition awards

46
Internal promotions

Where We Operate

In FY24, our operations, sourcing, and market presence expanded to include five processing facilities across two countries, sourcing partnerships in over 20 countries and a market presence in 14 countries, making MM Flowers's operations truly international.



Global Flower Sourcing

With farms spanning over 2,300 hectares, our shareholders grow approximately 20% of the world's cut flowers. We use over 500 varieties of flowers and source from the world's best growers, whether shareholder or partner farms. Indeed, we partner with over 150 specialist floriculture growers, sourcing from over 400 farms worldwide.

Adopting a geographically diverse sourcing model allows us to procure a wide variety of flowers year round and to maximise supply chain resilience. As detailed on page 20, climate change and the resultant unpredictable weather patterns present genuine risk to supply. Having a diverse sourcing mix, both in terms of flower type and sourcing geography, in combination with APEX providing insight to ensure the most resilient varieties are selected, allows us to mitigate the risks to the maximum and provide our customers with confidence that MM Flowers will service their orders to the highest standard.

South America

Straddling the Equator, Colombia and Ecuador boast year-round natural light and optimal temperatures for growing flowers. We buy an array of crops including roses, chrysanthemums, alstroemeria, carnations and gypsophilia. High altitudes in Ecuador also favour the cultivation of super premium roses.

UK & Ireland

British crops are a key pillar of our sourcing strategy, providing customers with a range of seasonal crops such as tulips, daffodils, peonies and sunflowers. The majority of our British growers are located in Lincolnshire, near MM Flowers's UK Field Crop Centre.

Europe

From across Europe, we purchase a range of flowers including roses, tulips, lilies and chrysanthemums, as well as fillers and foliage. The variety of crops grown by our European suppliers is key to ensuring our diverse sourcing requirements are met.

East Africa

Situated on the Equator, Kenya and Ethiopia are key to our sourcing model. Intermediate roses make up the majority of our East African purchases, however summer crops, and foliage and fillers, are also important. We also source from elsewhere in Africa, including cape flora from South Africa, lisianthus from Tanzania and carnations from Morocco.

Moolenaar Acquisition

In July 2024, MM Flowers acquired Moolenaar, a long-established Dutch horticultural business that dates back 175 years.

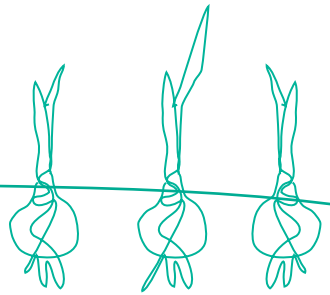
Located in the Netherlands between Leiden and Amsterdam, Moolenaar is at the very heart of Europe's historic flower bulb district. The Moolenaar family began growing bulbs back in 1850 and started exporting flower bulbs in the late 1940s.

From humble roots, the business has developed into a market leader, supplying many of the world's largest and best-known retail chains with a vast range of high-quality gardening products including flower bulbs, seeds and garden plants, sourced predominately from the Netherlands and the UK.

The acquisition is an important milestone for MM Flowers as it strengthens our bulb capacity, deepens our customer relationships and expands our product offerings. This supports our commitment to supplying our customers with the very best horticultural products and securing the future of our business.

"We are proud to be part of MM Flowers. Whilst it is a significant change for a 175-year-old family business, it is a conscious change that will enable Moolenaar to develop better and faster than it could on its own."

Fred Moolenaar, CEO of Moolenaar



Journey of a Tulip

With a rich history spanning back to 100AD, the tulip remains one of the world's most popular flowers. At the height of popularity in the 17th century – a period known as 'Tulipmania' – bulb speculation resulted in the value of single tulip bulb equalling the cost of a riverside townhouse in central Amsterdam! Fortunes were won and lost during this dramatic trading period. Today, thankfully the market is more stable, allowing all our customers to enjoy this beautiful flower.

With Moolenaar, a specialist bulb company, now part of the MM Flowers Group, it is time for a closer look at this most captivating flower.

1

Breeding

Patience is the number one attribute required in tulip breeding. Different tulip cultivars are crossed to create new varieties and it can take around seven years from creating a new bulb before even the first flower is seen from it. On average it takes a total of 15 years to launch a new commercial variety.

2

Propagation

There are circa 11 billion tulip bulbs grown every year in the Netherlands alone. In order to meet the vast demand for tulip flowers it is necessary to reproduce at scale as quickly as possible. Luckily, tulips as with most bulb crops, can reproduce themselves asexually. Tulips naturally produce small bulblets at the base of the original bulb and these are collected, planted and grown on until the bulb is strong enough to produce a quality stem. Typically, this takes three to four years.

3

Bulb Preparation

Preparing the bulbs is a key part of the tulip growing process. Bulbs lifted from the fields in the summer have to be carefully prepared by exposure to specific temperatures to ensure that when the bulbs move to the flower grower's nurseries, they produce the right quality of flower at the right time.

4

Tulip Forcing

Modern tulip growing is a sophisticated business with huge investment into state-of-the-art production units to provide the perfect growing environment to produce millions of spectacular flowers. Most tulip flowers are produced without using soil or substrate and instead are simply grown in water. Contrary to the time it takes to produce and prepare the bulbs, tulip flowers are extremely quick to grow, sometimes in as few as 21 days when placed in a glasshouse.

Journey of a Tulip continued

5

Automation

Tulip growers across the UK and the Netherlands have invested heavily into automation. One of our key strategic growers, Poplar Farm Flowers, has led the field in automating processes, from planting through to packing. The bulbs are grown on mobile benches and when the flowers are ready to harvest they automatically move to the team responsible for harvesting the flowers.

6

Harvesting

Once the mobile bench reaches the harvesting team, the flower is lifted from the growing tray and placed by hand into the beginning of an otherwise, highly automated journey. Tulips are extremely space efficient, and it is not uncommon to produce four million stems a week from just one hectare of production – that's 100 times more than a hectare of roses!

7

Grading and Packing

Once harvested, the flowers are graded by size, stem length and maturity before being automatically bunched and wrapped, avoiding the need for another person to touch the flower. Quality is paramount throughout the journey and at this stage the final quality seal is given to the product.

8

Logistics

Once graded and wrapped, the bunches are put immediately in water to ensure they are fully hydrated before they commence their voyage into retail stores. Once there, the bold colours and striking forms liven up the fixture and let customers know that spring is on its way.

Innovation at MM Flowers

At MM Flowers, we believe that progression is driven by innovation. In an industry rooted in tradition, we choose to think differently.

We believe that every improvement should serve a greater purpose: delivering exceptional quality, reducing our environmental footprint, and shaping more meaningful moments for our customers.

At every stage of our work, from R&D to product design, and from processing to distribution we ask ourselves: How can we do better for our customers? How can we create a more resilient and sustainable supply chain? How can we design processes to be more efficient? We use the learnings from these questions, supplemented by our data, to continuously improve how we create meaningful moments.

Through cross-functional collaboration, market insight, and strategic partnerships, we ensure that every new idea is not only bold and exciting – but backed by a solid business case and a sound understanding of our corporate vision.

Innovation in product development

We have a wealth of consumer data at our fingertips that we analyse for insights into the market before making innovation decisions; helping to shape the flowers and gifts of the future that are guaranteed for success.

Innovation in our operations

We're proud to pioneer innovations in our operational processes. From state-of-the-art automated production lines to incorporating flower food sachet application, we are constantly seeking ways to evolve in the interest of improved quality and greater productivity.

Innovation in R&D

Since its inception in 2018, our R&D business – APEX Horticulture – has generated a unique and unparalleled flowers dataset comprised of more than 10 million data points. This information is used to make robust, science-based decisions on all aspects of floriculture from varietal development through to efficiency and quality process development.

Alongside APEX, our shareholder companies have in-house breeding facilities that work continuously to develop flowers for the future; including aesthetic virtues alongside long storage capabilities. Together these teams have revolutionised how we and our growers understand and solve floral challenges while continuing to delight and inspire consumers across the globe.

Our Approach to ESG

We understand the responsibility we have to protect our environment, our people and the communities within which MM Flowers and our shareholders operate.

In 2023, we conducted a materiality assessment that informed our ESG strategy. This focused not only on our core operations but also on the material environmental and social impacts of our supply chain.

A dedicated team drives our ESG strategy and ensures that sustainability is integrated into business decisions. Our strategy and progress are overseen by our ESG Committee whose members are MM Flowers's Group Leadership Team. To ensure alignment and maximise impact, we also input into the ESG Committees of our shareholder's companies the VP Group and The Elite Group. Additionally, ESG is a standing agenda item at our Board meetings.

Our Approach to ESG in our Supply Chain

Our approach to environmental, ethical and agronomic due diligence is underpinned by internationally recognised standards. New suppliers are assessed jointly by our expert internal teams before suppliers are onboarded. The process considers numerous aspects including supplier management systems, certifications, risk management alongside previous audit findings and recommendations.

Approved strategic growers and suppliers are required to adhere to our strict Responsible Sourcing Code of Conduct. The Code includes commitments to uphold human rights, comply with pesticide requirements, adhere to environmental targets and maintain a high level of agricultural or manufacturing practice. We continuously assess compliance with our requirements through external audits using a risk-based approach. We cross reference this with data from respected industry sources and publicly available information, supplemented with first-hand knowledge from our own visits to suppliers.

Our sourcing models and close relationships with our strategic suppliers ensure we maintain an overview of how our suppliers operate, the risks that they face and actions they are taking. Our flowers can be traced back to the grower and our packaging traced back to the first-tier supplier.

Read more about how we collaborate with industry bodies and stakeholders to inform our approach to ESG on page 19.

Our People and Communities

MM Flowers is a dynamic global business to work in and our people are our greatest asset.

In FY24, we directly employed 912 people, the majority of whom are operational colleagues – the backbone of our business. During our peak seasons, we may quadruple the number of workers on our sites to help keep pace with demand for our products.

Our Values

Our Values form the cornerstones of our culture, guiding how we work and conduct ourselves. We expect our employees to apply the same values to anyone they interact with at work – from their fellow teammates to our agency employees and from customers to our suppliers. We have a recognition scheme to reward those who demonstrate these values and in FY24 we awarded almost 600 of our employees for doing so.

Our Values

Trusted
We are honest; we do what we say we're going to do and we trust each other. We're also trusted for our knowledge and expertise.

Passionate
We love what we do and we love being part of life's meaningful moments.

Dynamic
We flex with the peaks of our work and are quick to try out new ideas in our desire to get better and better at what we do.

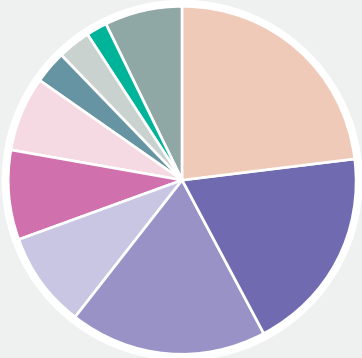
Work Together
We know we can't do this alone, so we support, motivate and challenge to work effectively together.

Diversity, Equity, and Inclusion

We have a very diverse workforce with over 45 nationalities represented and over 40 languages spoken, and we work hard to make everyone feel included and appreciated. In FY24, 52% of our total workforce were women, with 54% of management and supervisory positions being held by women, something we are really proud of. Whilst our UK gender pay gap currently stands at 14.9%, we are continually working to ensure that women are supported to take up more senior positions within our organisation.

Gender is a priority at our shareholder farms and they all have gender-sensitive processes, policies and committees in place. From gender mapping work undertaken, we identified that women are underrepresented in higher skilled and better paid supervisory and management positions. Usually this is due to societal norms rather than a lack of aspiration. Therefore, our focus in FY24 has been on equipping women with the skills and knowledge needed to succeed in being promoted and addressing the cultural barriers historically preventing them from progressing.

Employee Nationalities at MM Flowers



Romanian	20%	Latvian	8%
British	18%	Portuguese	4%
Lithuanian	18%	Dutch	3%
Polish	10%	Italian	2%
Bulgarian	8%	Other	11%

Employee Engagement

Our employee forum "The Voice" provides a platform for all MM Flowers and agency employees to express views and share ideas about their work and workplace with members of the Leadership Team. Its aim is to strengthen relationships, improve employee engagement and encourage constructive, two-way communication. This is mirrored across our shareholders' farms through worker committees.

Throughout FY24, we held nine "The Voice" meetings and actioned some large-scale projects discussed within the forum, including implementation of an outdoor seating area and an upgraded reflection space at our Huntingdon site. We also continued to widen our forum agenda to include a strong focus on Quality and Health and Safety. We're proud that this focus on engagement has resulted in an employee net promoter score of 78%. Furthermore, our proportion of employees with over two years service has increased from 38% to 50% in the last year and our attrition rate has decreased by 49% since we started measuring it in FY22.

We have also continued to strengthen our employee communication with our employee newsletter and cascade events throughout the year, ensuring that all employees are updated on company events and messages and can celebrate colleague's successes. Acknowledging the diversity of our workforce, all our communications are translated into several languages.

Health and Safety

The health and safety of our colleagues is of the utmost importance. We aim to avoid harm to our people and property and to create a proactive, innovative Health and Safety culture with visible leadership commitment. In FY24 we conducted 899 hours of Health and Safety training and 545 leadership audits were completed. This, combined with a focus on embedding a Health and Safety culture, has led to great improvements in our performance year on year since 2021.

Did you know?

In FY24, we achieved a 38% decrease in our average Accident Frequency Rate compared with FY22.

Learning and Development

The ongoing development of our people continues to be a priority. In FY24, we constructed our Floristry Academy, a state-of-the-art facility located in our Huntingdon office, dedicated to providing an engaging space to conduct training and engagement sessions for our employees, suppliers, customers and local communities.

Utilising the Floristry Academy, we have provided learning and training opportunities to our operational teams including "An Introduction to Lean Manufacturing" and "Trusted to Challenge". Content covered and the skills developed in both sessions remain paramount to the ongoing development of our operational teams. By empowering our operational leaders to be lean champions, we hope to reduce inefficiencies and strengthen financial performance. Similarly, by equipping our leaders with the tools to challenge Health and Safety and Quality issues at source, we will make MM Flowers a safer place to work and ingrain a culture of quality.

FY24 also included the third iteration of the MM Flowers leadership programme. Eleven existing and future leaders participated, exploring subjects such as: leading people, leading business and leading change. Additionally, seven previous participants of the programme were promoted to leadership roles in the year.

Community Engagement

We strive to have a positive impact in the communities that we operate in and source from, partnering with customers, suppliers and NGOs wherever we can. In the UK we support local charities through providing product and financial donations, as well as skills-based volunteering.

Throughout FY24, we continued to strengthen community relations within our main processing site in Huntingdon. Our engagement activities included:

- establishing ties with the Mayor of Huntingdon to understand local needs and donate MM Flowers products to local charities
- raising money to supporting local charities
- connecting with local schools through wreath making workshops
- attending sixth form colleges and university careers fairs.

Our shareholder farms support their local communities in East Africa and South America with bespoke initiatives relating to education, health and nutrition, economic independence and gender equity. On Fairtrade-certified farms, a committee made up of selected farm workers decides how money generated from the Fairtrade premium is spent. In FY24, this premium was focused on strengthening the resilience of communities against the effects of climate change in East Africa. This included projects that help to diversify family income, land ownership to grow vegetables for self-sufficiency and access to clean drinking water.

Did you know?

As part of our gifting business, we partner with FareShare, the UK's national network of charitable food redistributors, to ensure all excess food products are donated to charity rather than ending up as waste.

National Three Peaks Challenge

In June 2024, 14 UK colleagues undertook the National Three Peaks Challenge, climbing the highest peaks in England, Scotland and Wales within 24 hours to raise money for local charities.

The team trained and worked hard together to complete the challenge, and nobody was left behind. They walked a total distance of 25.18 miles with an elevation gain of 3,127 meters (10,262ft).

The chosen charities were elected by our workforce, who wanted to give back to two local causes that are particularly meaningful to our colleagues. In the end, over £10,000 was raised for the charities, MAGPAS Air Ambulance and Just George, a special named fund at the Children's Cancer and Leukaemia Group.

Worker Welfare in the Supply Chain

We believe that everyone has a right to decent employment. We work closely with our shareholder farms to ensure that their 35,000 employees across East Africa and South America feel valued and safe in their place of work.

We monitor worker welfare closely at our shareholder farms. We do this through close collaboration with their on-the-ground HR teams as well as collaboration with leading NGOs and industry bodies such as the Ethical Trade Initiative and IDH to identify how we can continuously improve the lives of workers, and the families they support, not only in our direct supply chains but across the horticulture sector as a whole.

Did you know?

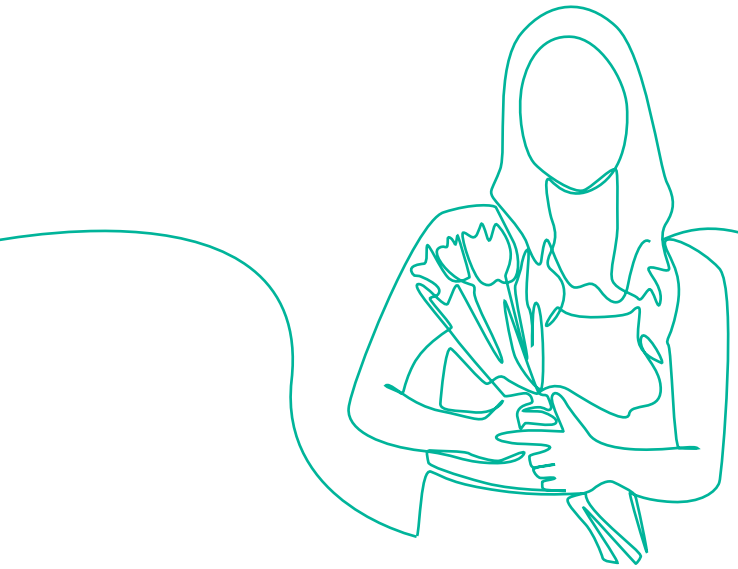
In FY24, over four million nutritious lunches were provided for free for workers across our shareholder farms in Kenya.

Modern Slavery Prevention

Modern slavery takes many forms. It is a constantly evolving risk in many businesses, especially those like MM Flowers that require significant amounts of labour to process products sourced from global supply chains. Our detailed risk assessment process enables us to identify, mitigate and remediate modern slavery risks in our own operations. In FY24, we expanded our influence to prevent modern slavery not only in our operations but also in the areas surrounding our UK sites by joining the Modern Slavery Intelligence Network. This pioneering not-for-profit organisation facilitates a collaborative intelligence-sharing mechanism to disrupt modern slavery and labour exploitation across UK supply chains.

In May 2024, MM Flowers and two other horticultural businesses hosted a modern slavery event for UK growers. The free to attend, face-to-face workshop was delivered by modern slavery experts Stronger Together and was attended by over 25 individuals from across our UK supply base. Training included the guises modern slavery takes in UK agriculture, how to spot it and what best practice remediation looks like for an individual suffering from exploitation. This pioneering event was the first of its kind in UK horticulture and will be repeated in FY25.

> "We appreciate our growers convening to learn how they can help spot, prevent and rectify modern slavery in the UK."
>
> **Peter Rodgers, Social and Environmental Sustainability Lead, MM Flowers**



Our Environment

Decarbonising our Business

Weather and agriculture are intrinsically linked. As weather patterns become more unpredictable due to climate change, our farms, the flowers they grow and their employees are impacted. We recognise climate change as a significant risk to the future of our business and are working to mitigate against this risk.

To play our part in tackling the climate crisis, we have set an ambition to have net zero emissions across our operations and value chain – our Scopes 1, 2 and 3 – by 2040. We will be submitting our targets to the Science Based Targets initiative (SBTi) for validation in FY26.

In the meantime, we are continuing to progress our decarbonisation efforts in the areas where we know it matters the most. In 2022 we worked with an independent consultancy to understand our GHG emissions footprint and identify the main levers for reducing it. It confirmed that our Scope 3 footprint was the main contributor to our footprint, accounting for approximately 99% of our emissions.

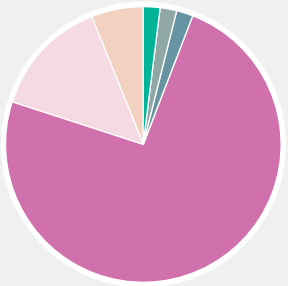
A breakdown of where these Scope 3 emissions arise is shown figuratively below.

This work also provided us with the needed insight to prioritise our efforts on:

- Increasing our use of renewable energy at our operating sites
- Working with our strategic growers to reduce emissions at their farms
- Exploring the potential to transport flowers by sea freight instead of air freight
- Continuously reducing the amount of embodied carbon in our packaging.

FY24 saw the first full year of operation of our UK Field Crop Centre in Lincolnshire, resulting in a rise in absolute emissions and carbon intensity compared with last year. To support decarbonisation, in FY24 we phased out diesel and LPG fossil fuel use for manual handling equipment at our sites. We're currently evaluating the addition of further self-generation assets to reduce our emissions in the years to 2030.

Approximation of our Scope 3 footprint



Our Scope 1 and 2 CO_2 emissions performance

	CO_2 emissions (tCO_2e)	Carbon intensity (tCO_2e/£100k)
FY24	**1,533**	**0.40**
FY23	1,285	0.36
FY22 (baseline)	1,446	0.66

Circularity and Packaging

Circularity and material usage efficiency make sense, both financially and environmentally. Maximising the value of a material before passing it on for further usage is vital to reduce our footprint. Our zero waste-to-landfill policy ensures that our operations in the UK and the Netherlands send 100% of their waste for composting, recycling or energy recovery. Our shareholder farms also extract value from their waste, using approaches such as recycling the plastic used to shelter crops to turn it into posts to uphold crops, on-site composting and anaerobic digesters powered by flower waste.

Packaging also plays a key role in our decarbonisation efforts too, and we have an internal steering group to drive packaging innovation and absolute reductions. Nearly all the cardboard we use is certified by the Forest Stewardship Council and we are aiming to achieve 45% recycled content in three quarters of our outbound plastic packaging by the end of FY25.

Did you know?

In FY24, over 3,600 tonnes of cardboard from our UK sites were recycled by our waste management company. This is the equivalent of saving over 62,000 trees.

Water Security and Stewardship

In our own operations, bouquets are typically dispatched in water to ensure a high-quality product reaches the end consumer. For our growers, water is integral no matter the flower type or location. To evaluate water stress areas within our supply chain, we use the WWF Risk Portal, incorporating scarcity, quality, flooding and basin risk. This enables us to champion water stewardship with our growers and own operations in line with WRAP and the WWF Water Stewardship Ladder.

At our shareholder farms, responsible water stewardship is particularly crucial as farms and local communities rely on the same water source. For example, drinking water availability in the communities surrounding farms in Kenya is limited, with water usually sold by private vendors who operate with no governance, and much of the water is unpurified. Without safely-managed water, sanitation, and hygiene (WASH) services, women and girls in particular are more vulnerable to abuse, attack and ill health, affecting their ability to study, work and live in dignity. To combat this issue, our Kenyan growers provide drinking water for free to their employees and local communities. This eliminates the time-consuming task of travelling to collect water and enables individuals to attend school or work.

Farming Practices with Nature

To benefit nature and promote sustainability, we encourage our growers to adopt less intensive farming practices that support biodiversity and soil health. In FY24, we prioritised reducing conventional chemical usage and enhancing our Integrated Crop Management techniques.

Integrated Crop Management

Working with our shareholders and strategic growers, we aim to maximise the use of alternatives to the chemical control of pests and diseases in flower crops. We have developed large-scale, long-term projects including one based at a shareholder farm in Kenya. The project investigates how to grow roses within an Integrated Crop Management (ICM) system.

The output will provide comparative data on every element of rose production between conventional and ICM systems. ICM is predicated on prevention rather than cure, starting with healthy plants and choosing varieties that are less susceptible to pest and disease problems. In addition, agronomic steps are taken to strengthen the crop through correct nutritional and water balance and infrastructure designed to reduce pest and disease pressure.

When interventions are required, biological products or natural predators are used to combat the pest hot-spots to avoid having to resort to broad chemical usage. Advanced camera technology is on trial, powered with AI to monitor specific pests, and, in subsequent phases, drones will be used in the greenhouses to target and remove infestations. Through projects such as these, we believe strongly that more environmentally friendly growing will become the norm and that, whilst costly in the short term, over the long term this approach will also be more cost-effective than the current industry approach.

Governance

Our business purpose is to create meaningful moments that do good for people and do better for our planet. This purpose underpins key business decisions and drives our future strategy. It is supported by our Board and shapes how we govern our business.

Board Composition

MM Flowers is partly owned by two of our strategic growers, The Elite Group and VP Group. This vertically integrated structure enables us to react quickly to demand, facilitates communication and sharing of information and supports a shared commitment to quality.

MM Flowers's Board is comprised of two representatives from each of its three shareholder companies. The Board formally meets three times a year but because MM Flowers sources from two of its shareholders, operational communication is far more dynamic.

Organisational Structure

Shareholders

The Elite Group
Largest flower grower in the world with farms across Colombia, Ecuador and Kenya.

VP Group
One of the largest flower growers in Africa with farms across Kenya and Ethiopia.

AMFRESH
Spanish-based global producer of fresh produce.

MM Flowers Companies

MM Flowers
Supplier of cut flowers and gifts to UK and European retailers, with five processing facilities across the UK and Netherlands.

APEX Horticulture
An independent business dedicated to research and development for cut flowers and plants.

Moolenaar
A long-established horticultural company, supplying the world's largest retail chains with a range of bulbs and gardening products.

Group Leadership Team

The Board has delegated authority to the Managing Director and Finance Director to conduct the day-to-day management of MM Flowers in accordance with the budget and strategic business plan.

The Managing Director leads our Group Leadership Team who set the strategy and monitor performance across the business, supported by two Non-Executive Directors who provide independent views and perspective to this team. Our Group Leadership Team is also supported by an experienced team of senior leaders in the UK and Europe who drive the business forward in their respective regions.

Executive Directors

Non-Executive Directors

Phil Whelan 2006

Founder and Managing Director

Previous Experience:
KPMG, M&S

Phil is the founder of MM Flowers, and it is his determination, entrepreneurial spirit and revolutionary vision that has driven MM Flowers's evolution over the last 17 years.

Daniel Pickford 2018

Group Finance Director

Previous Experience:
M&S, Tesco

Joining after a number of commercial roles and a vast accruement of finance experience, Dan is responsible for overseeing all financial operations within the MM Flowers Group.

Rachel Coppillie 2022

Group HR Director

Previous Experience:
Antalis, Premium Foods' Cadbury

With extensive experience in HR across multiple industries, Rachel is responsible for the People agenda across the MM Flowers Group.

Alan Potter 2024

Group Information Officer

Previous Experience:
J Barbour & Sons, Weetabix, Arcadis

With digital experience across multiple sectors for household brands and global AEC consultancies, Alan is responsible for Technology across the Group.

Colum Donnelly 2009

Group Technical Director and APEX Director

Previous Experience:
M&S, Bakkavor

A decorated horticultural background and an astute knowledge in import and processing, Colum is trusted to find scientific solutions to all aspects of the supply chain.

Nyika Brain 2022

Group ESG Director

Previous Experience:
Barclays, John Lewis Partnership

From a broad sustainability background, including in retail, Nyika joined with a responsibility to oversee ESG across the Group.

Richard Brannam 2016

Group Business Director

Previous Experience:
Samworth Brothers

Having worked for blue-chip organisations, with roles in board-level operations, Richard has been responsible for developing footprint and capacity to underpin company growth.

Michael Walsh 2008

Group Transformation Director

Previous Experience:
Kerry Ingredients, Fenmarc Produce

Mike has responsibility for evolving strategic projects, helping to build the foundations for the business to continue to excel in the sector.

Syd Reid 2019

Non-Executive Director

Experience:
M&S

Before joining MM Flowers, Syd attained a wealth of retailer and global supply chain knowledge, and contributes valuable, independent guidance.

Beverley Dixon 2022

Non-Executive Director

Experience:
Haygrove, G's Fresh

With a background in HR in the UK, Europe, Africa and the USA, Beverley brings a creative approach to HR, underpinned by a commercial outlook.

Stakeholder Engagement

We engage regularly with our key stakeholders to better understand the diverse views within our value chain and consider them as our business evolves.

Stakeholder	Our Approach
Employees	Our employee forum "The Voice"meets nine times a year and provides a platform for all MM Flowers and agency employees to express their opinion. In addition, worker voice surveys, covering all UK sites are conducted annually via a third party, nGaje. The results of the surveys are collated, and a review forum is attended by employee representatives and company senior management.
Shareholders	Our Shareholders are represented on the MM Flowers Board. The Board receives monthly reports, which include updates on the material, financial and non-financial performance and risks facing the business. In addition, the Board meets formally three times a year. As MM Flowers sources from its shareholders, operational communication is much more dynamic.
Suppliers	Business to business meetings and site visits are conducted with strategic suppliers at varying frequencies throughout the year to discuss critical issues such as quality, compliance and innovation. We also require our suppliers to sign our Responsible Sourcing Code of Conduct which details what we expect from our suppliers on a range of topics.
Customers	We are in constant communication with our corporate customers via regular check-ins, supplier conferences and formal quarterly reviews. All customer targets and priority areas are tracked internally. Where possible, we collaborate with customers to design workstreams and projects to best meet our mutual needs.
Communities	Being a good neighbour to the communities in which we operate is of the utmost importance to us. We engage with the communities near our operating sites via partnerships with local schools, councils and charities. In our key sourcing regions engagement is most commonly done through community social and environmental projects, which are determined based on the identified needs of the community and workers.
NGOs/Industry Bodies	MM Flowers is an active member of several multi-stakeholder initiatives which aim to address key sustainability issues in international floriculture supply chains. We are proud to be a member of the Floriculture Sustainability Initiative (FSI), the only global initiative dedicated to driving sustainable change in the floriculture sector. We are also members of the Food Network for Ethical Trade (FNET) and the Modern Slavery Intelligence Network (MSIN) and are signatories of the IDH call to action on Living Wage.

Risk Management

Effective risk management safeguards our future success.

Our Group Leadership Team regularly reviews the risks facing our business and works with our various leaders to incorporate mitigating actions into our management processes. Risk is a standing agenda item for monthly Leadership meetings with deep reviews of our risk register taking place bi-annually, or as needed.

Principal Risks and Uncertainties

The Company is dependent on maintaining the loyalty of both its customers and suppliers. Inflationary pressures have accentuated the importance of these relationships, which we continue to enhance by maintaining a constant focus on service, technical standards and the challenges of costs throughout the supply chain. Our vertically integrated supply chain, strong support from our owners, long-term strategic relationships with key growers, together with increased investment in primary production, is key to our management of supply risk.

Macroeconomic Uncertainties

The business continues to navigate volatile macroeconomic circumstances. In the UK, the government has indicated its intention to increase the National Living Wage over the coming years and inflation and interest rates remain ahead of recent norms. We will continue to strengthen our long-term partnerships with our key retail clients to minimise the impact of price increases on our end consumers, while protecting product quality.

Cash Resources and Cash Position

The company continues to deliver positive operating cash flows secured against multi-year contracts with our customers. Additionally, the Company has at its disposal sufficient third-party funding lines to enable its obligations to be met both now and into the future.

Employee Wellbeing

The health, safety and wellbeing of our employees is of paramount importance to us. As a result the Directors continue to invest in a number of measures to ensure a safe and enjoyable working environment.

Climate and Resilience of Supply

The Group's business is reliant on a product that is sensitive to climate change and availability can, therefore, be subject to adverse weather conditions. This risk is mitigated by monitoring climate change and events at our growers' locations as well as engaging with farms on water management plans. We also ensure that our supply base is sufficiently diverse to ensure consistency of supply all year round.

Environmental Responsibility Including Climate Change

As our customers become increasingly focused on climate change, this and our stewardship of our environmental responsibilities are increasingly recognised as a material risk to our business. Our dedicated ESG team is working across our functions and with our key business partners to reduce our carbon emissions as we work towards our goal of achieving Net Zero emissions across Scopes 1, 2 and 3 by 2040.

Financial Performance

MM Flowers continues to deliver growth across a number of metrics including Sales, Gross Margin and EBITDA. The Group is focused on delivery of the sales and EBITDA in line with the three-year plan agreed with our shareholders.

We have demonstrated our commitment to investing in the future of the business and therefore have continued our current policy not to pay a dividend. Underlying positive operating cash flow has been invested in the business to support both future capacity and inflation mitigation.

We recognise the importance of prompt payment practices to suppliers and therefore retain a negative working capital differential between supplier and customer payment days.

	2024 MMF Group £	2023 MMF Group £
Financial key performance indicators		
Turnover	**351,606,926**	295,774,725
Gross Profit	**36,279,005**	26,574,590
Gross Profit %	**10.2%**	8.9%
Administrative expenses	**29,772,733**	23,051,704
Administrative expenses % sales	**8.5%**	7.7%
Operating profit	**6,879,806**	3,318,529
Adjusted EBITDA	**8,647,902**	6,014,897
Reconciliation of operating profit adjusted EBITDA:		
Operating profit	**6,879,806**	3,318,529
Fair value losses/gains on derivative financial turnover	**0**	204,357
Depreciation	**1,360,376**	1,382,665
Amortisation	**407,720**	338,744
IFRS16	**0**	770,601
Adjusted EBITDA	**8,647,902**	6,014,897

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