PRELIMINARY RESULTS FOR 52 WEEKS ENDED 2 APRIL 2022

18 MAY 2022

PREMIER FOODS

enriching life THROUGH FOOD

ALEX WHITEHOUSE
CEO

enriching life
THROUGH FOOD

Trading profit and Adjusted PBT ahead of previously raised guidance

	FY revenue	Market share[1]	Trading profit	Adjusted PBT	Net debt[2]
Performance compared to 2 years ago	**+6.3%** Total **+9.7%** Branded	**+41bps**	**+11.9%**	**+37.6%**	**33.7%** lower
Performance compared to 1 year ago	**(3.6%)** Total **(3.4%)** Branded	**+25bps**	**Flat**	**+11.4%**	**14.3%** lower

PREMIER FOODS

enriching life THROUGH FOOD

1 – IRI Grocery outlets, 52 weeks ended 26 March 2022; 2 – Net debt stated on a post IFRS-16 basis

Strong progress against our strategic priorities

+8.7%

+25%[1]

1 UK Branded revenue growth vs 2 years ago

2 Infrastructure Investment

3 Category expansion

4 International revenue vs 2 years ago

5 M&A

Pensions	Deficit reduction + c.£60m reduction in NPV of pension payments

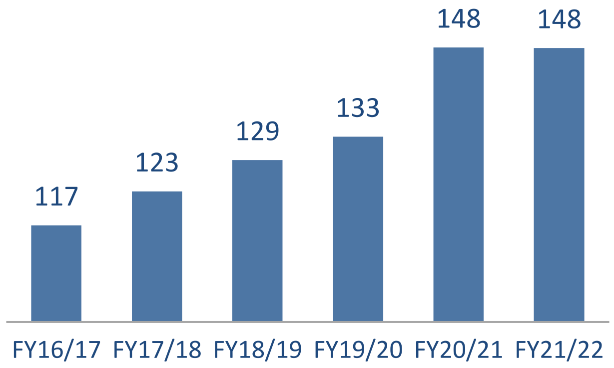
PREMIER FOODS

enriching life THROUGH FOOD

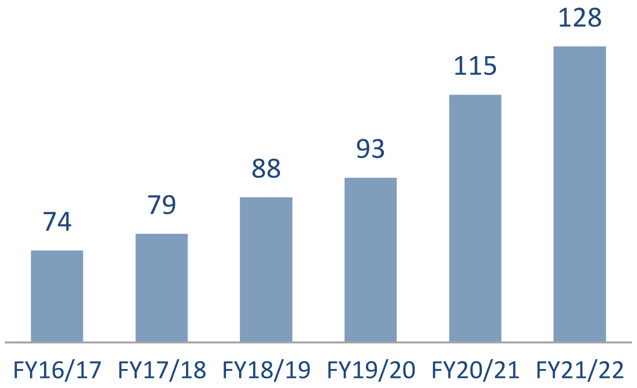
1 – At constant currency rates

Track record of sustained delivery over the last 5 years

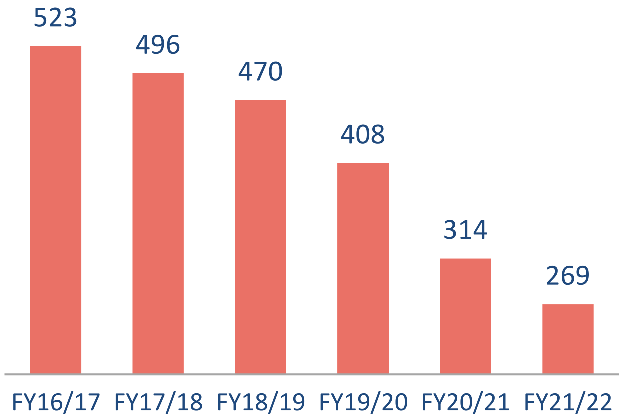
Trading profit (£m)[1]



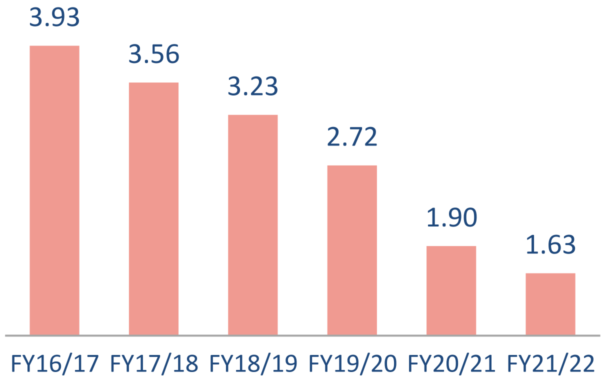
Adjusted PBT (£m)[1]



Net debt (£m)[2]



Net debt/EBITDA[2]



enriching life THROUGH FOOD

1 – Stated on a 52 week comparable basis; 2 – Net debt stated on pre-IFRS 16 basis

DUNCAN LEGGETT
CFO

aah! BISTO

enriching life
THROUGH FOOD

Group headline results – Trading profit 11.9% ahead vs 2 years ago

£m	FY21/22	Change vs 1 year ago	Change vs 2 years ago
Branded revenue	**774**	**(3.4%)**	**9.7%**
Non-branded revenue	127	(4.7%)	(10.6%)
Total revenue	**901**	**(3.6%)**	**6.3%**
Gross margin %	*36.3%*	*0.9ppts*	*+1.2ppts*
Divisional contribution	**193**	**(0.6%)**	**+12.7%**
Group & corporate costs	(45)	+2.7%	(15.3%)
Trading profit	**148**	**0.0%**	**+11.9%**
Trading profit %	*16.5%*	*+0.6ppts*	*+0.8ppts*
EBITDA	**168**	**+0.3%**	**+9.9%**
EBITDA %	*18.6%*	*+0.8ppts*	*+0.6ppts*

- Branded revenue +9.7% ahead of 2YA through benefits of Branded growth model and (3.4%) lower compared to prior year due to elevated volumes during pandemic
- Non-branded revenue down due to some business-to-business out of home sales still lower and Sweet Treats contract exits
- Branded mix of revenue increased to 86.0%; 270 basis points up on two years ago
- Strong Trading profit and EBITDA growth compared to two years ago
- Trading profit in line with the exceptional prior year
- Margin progression reflects benefits from lower Covid costs, improved efficiencies and branded mix

PREMIER FOODS enriching life THROUGH FOOD

Grocery – Branded revenue and DC well ahead of 2 years ago

£m	FY21/22	Change vs 1 year ago	Change vs 2 years ago
Branded revenue	**560**	**(6.9%)**	**+8.8%**
Non-branded revenue	88	(4.5%)	(9.6%)
Total revenue	**648**	**(6.6%)**	**+5.9%**
Divisional contribution	**160**	**(7.1%)**	**+8.1%**
Divisional contribution %	*24.7%*	*(0.1ppts)*	*+0.5ppts*

- Branded revenue; many brands delivered healthy growth compared to two years ago; Nissin a particularly strong performer
- Non-branded revenue lower due to continued pandemic impacts on Business to Business volumes particularly at Knighton Foods
- International revenue 25%[1] higher than two years ago and 2%[1] above prior year
- Divisional contribution cash and margin ahead of two years ago; prior year benefitted from exceptional operational leverage due to elevated pandemic volumes

PREMIER FOODS enriching life THROUGH FOOD

1 – At constant currency rates

Sweet Treats strong margins through Branded growth and cost efficiencies

£m	FY21/22	Change vs 1 year ago	Change vs 2 years ago
Branded revenue	**214**	**+7.0%**	**+12.1%**
Non-branded revenue	39	(5.0%)	(13.0%)
Total revenue	**253**	**+5.0%**	**+7.3%**
Divisional contribution	**33**	**+49.6%**	**+41.0%**
Divisional contribution %	*13.2%*	*+3.9ppts*	*+3.2ppts*

- Mr Kipling and Cadbury cake both delivered strong revenue performances throughout the year, with branded revenue up +7.0%, due to extensive new product development
- Non-branded revenue lower due to contract exits on certain Pies and Slices business
- Increased Divisional contribution against prior year and two years ago, with mix benefits of branded growth, lower Covid costs versus prior year and improved cost efficiencies in supply chain

Premier Foods enriching life THROUGH FOOD

Double digit adjusted eps growth for 2nd consecutive year

£m	FY21/22	vs FY20/21	vs FY19/20
Trading profit	**148**	**0.0%**	**11.9%**
Net regular interest	(20)	40.0%	49.5%
Adjusted PBT	**128**	**11.4%**	**37.6%**
Notional tax @ 19%	(24)	(11.4%)	(37.6%)
Adjusted earnings	**104**	**11.4%**	**37.6%**
Weighted average shares in issue (million)	858.8	0.9%	1.4%
Adjusted earnings per share (pence)	**12.1p**	**10.5%**	**35.6%**
Dividend per share	1.2p	20.0%	-

- Significant reduction in Net regular interest following completion of refinancing in H1, particularly due to lower bond coupon of 3.5%
- Adjusted PBT and earnings per share delivered double-digit growth on both one and two-year bases

Dividend up 20% and net debt £48m lower

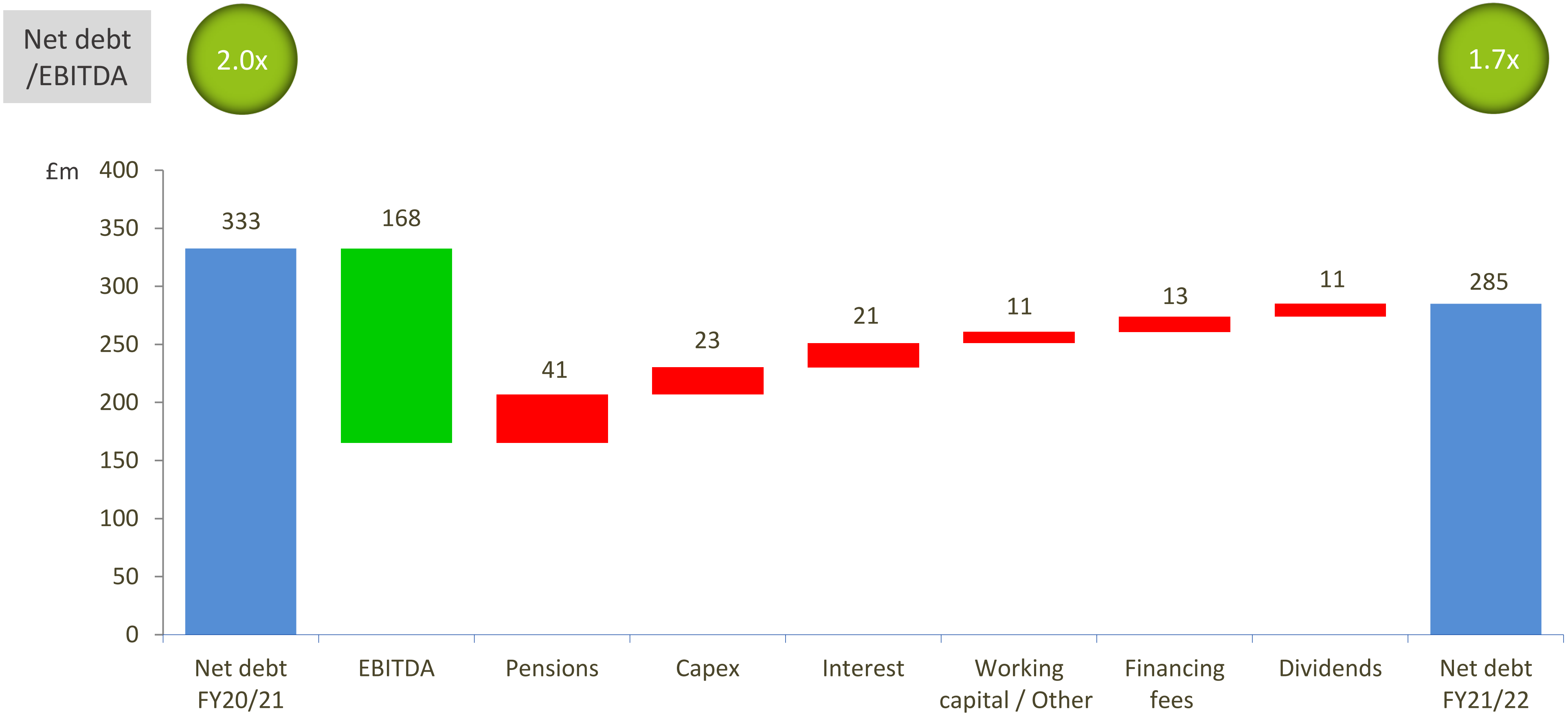
Operating profit pre Hovis disposal up £10m

Compared to 2 years ago		Compared to prior year				
£131m +£36m	9.3p +69.1%	£131m (£22m)	£131m +£11m	9.3p (25.7%)	+20%	£285m £48m lower
Operating profit	Basic eps	Operating profit	Operating profit pre-disposal	Basic eps	Dividend /share	Net debt

- Operating profit in prior year benefitted from £33m related to Hovis disposal
- Basic eps 9.3p, nearly 70% higher than two years ago
- Dividend increased by 20%
- Net debt reduced by £48m to £285m (post IFRS 16 basis)

PREMIER FOODS enriching life THROUGH FOOD

Net debt reduced by nearly £50m and leverage of 1.7x EBITDA

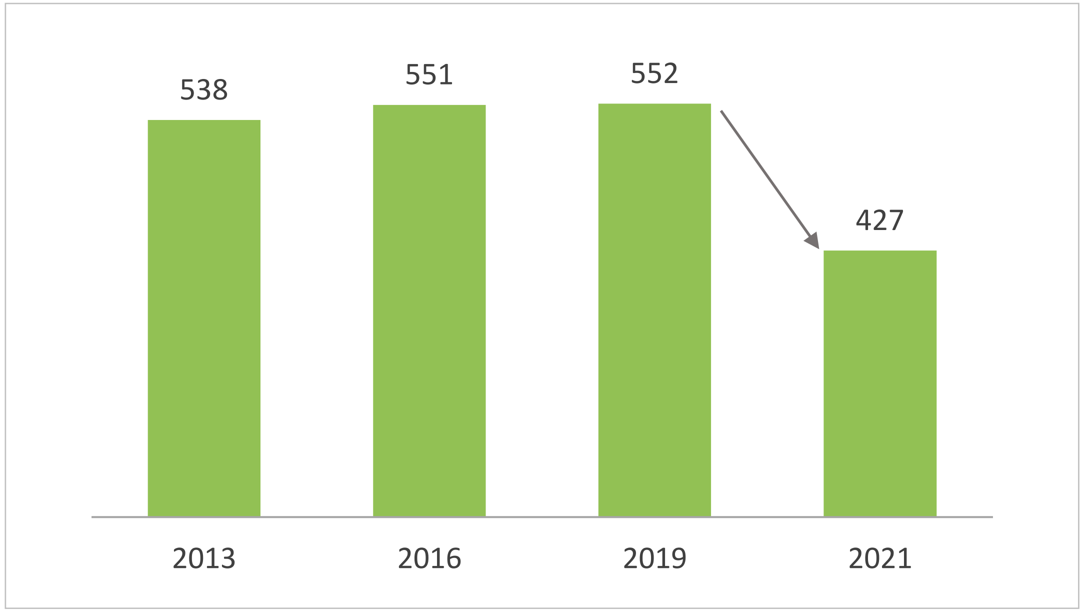


- Capex includes new high-speed lines at Lifton & Ashford sites
- Interest c. half levels of two years ago following successful refinancing
- Working capital outflow due to higher value of stock holding reflecting input cost inflation
- Dividend payment for first time in 13 years

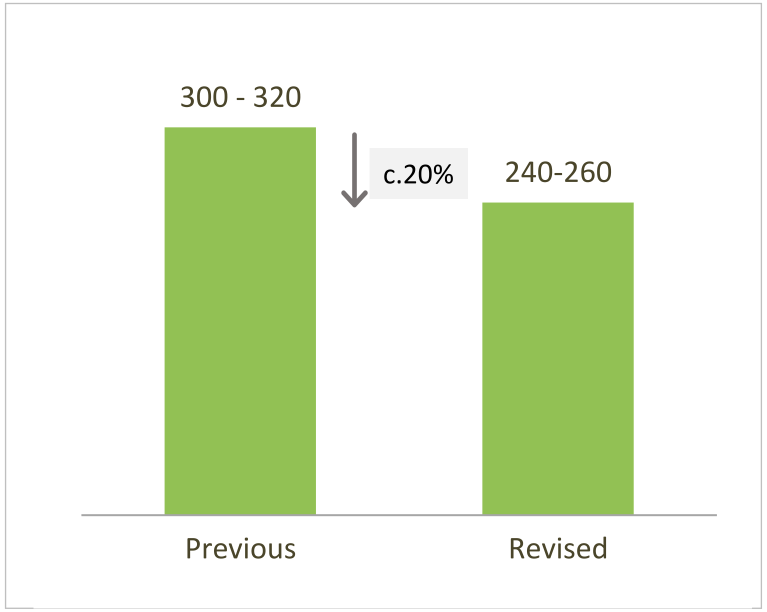
Net debt is stated on a post-IFRS 16 basis; see appendix for full cash guidance

Significant reduction in PF pension deficit in less than 12 months post-merger

Premier Foods Schemes Actuarial deficit progression (£m)



Pensions NPV (£m)



- Benefits of merger being realised including revised investment strategy driving an improved funding position and reduction in the PF schemes deficit in just 9 months post merger completion
- Liabilities valued at Gilts +0.5% for 2021 compared to Gilts +1.0% in prior years
- Resultant reduction in contribution schedule in outer years drives c.£60m improvement in NPV of pension contributions
- Next Triennial actuarial valuation as at 31 March 2022 will be completed in coming months and covers both RHM and PF schemes

Earnings enhancing refinancing completed this year

First RCF extension completed May 2022

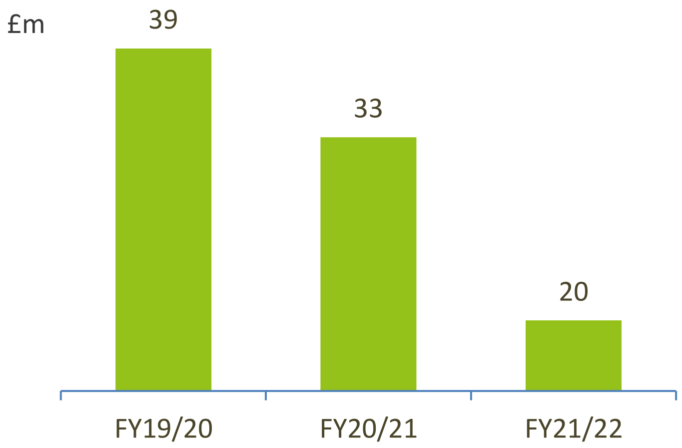
Bond pricing

6.25% → 3.50%

Retired Fixed rate Notes | New Fixed rate Notes

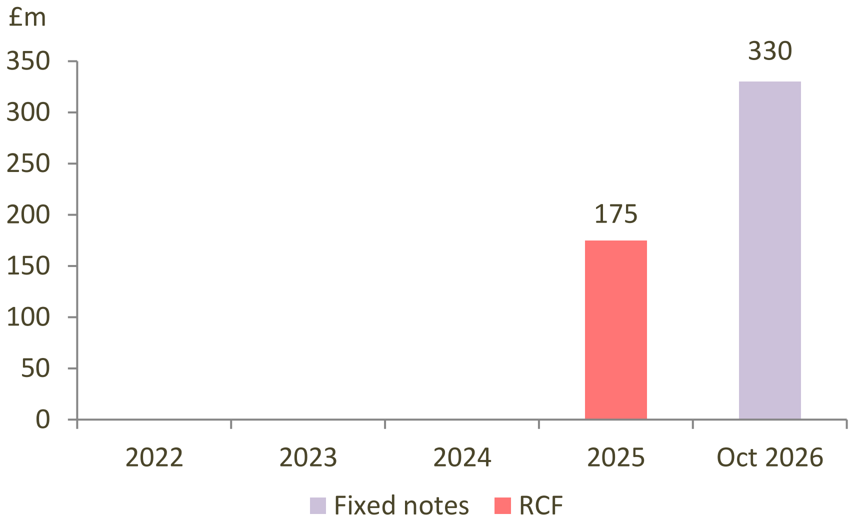
- £330m 3.5% Fixed rate bond due October 2026 issued in H1
- Credit ratings upgrades over last 18+ months

Substantial interest cost reduction



- Progressive net regular interest reduction since FY19/20
- FY effect of Floating Rate Note redemptions and new Fixed Rate Notes to complete in FY22/23

Capital structure



- Extended maturity of facilities
- RCF first extension completed May 2022
- S&P BB- Stable; Moody’s B1 Positive

enriching life THROUGH FOOD

Capital allocation to evolve over medium-term

Context — A cash generative business with leading sector margins, progressive marketing investment and lower interest costs

Today

1	Pensions	Current contributions expected to reduce over time as RHM scheme creates surplus on buyout valuation
2	Capex	Accelerated capital investment behind infrastructure to drive growth and facilitate cost reduction
3	Dividends	Dividend recommenced on full year basis
4	M&A	Explore targeted bolt-on acquisitions in the UK and selected international markets

Medium-term

1	Capex	Investment programmes focused on cost release, growth and ESG projects
2	Dividends	Dividend payout ratio has potential to accelerate as free cash flow increases
3	M&A	Continued bolt-on acquisitions while maintaining financial discipline
4	Pensions	Pension contributions to become a smaller proportion of free cash flow

Leverage — Target of c.1.5x Net debt/EBITDA; M&A may increase leverage in short-term

PREMIER FOODS
enriching life THROUGH FOOD

Guidance

FY22/23 guidance	£m
Working capital	Small outflow
Depreciation	c.£20m
Capital expenditure	£30-35m
Interest – cash	£16-18m
Interest – P&L	£18-20m
Tax – cash	Nil
Tax – notional P&L rate	19.0%
Pension deficit contributions	£38m
Pension administrative & PPF levy cash costs	£6-8m
Final dividend (includes pension match)	c.£13m

Trading profit definition change

- From FY22/23, Trading profit will include amortisation of software
- Therefore, FY21/22 restated Trading profit will be £141.2m
- EBITDA is unaffected by this definition change

- Low to mid single digit £m cash tax payable from FY23/24 due to tax legislation changes on brought forward losses
- Tax rate rises to 25% from FY23/24
- Dividend payment refers to FY21/22 declared dividend, to be paid in H1, and includes matching component to pension schemes
- Issued share count for future years should include share option and share award schemes, per earnings per share notes to the financial statements

PREMIER FOODS enriching life THROUGH FOOD

ALEX WHITEHOUSE
CEO

SINCE 1889
Sharwood's

enriching life
THROUGH FOOD

Our strategy and purpose

1. **Continue to grow the UK core**
   A solid and growing UK business provides the foundation for broader expansion

2. **Supply chain investment**
   Invest in operational infrastructure behind NPD and drive efficiencies, fueling brand investment

3. **Expand UK into new categories**
   Leverage proven branded growth model in new categories

4. **Build International businesses with critical mass**
   Build sustainable business units overseas applying and tailoring brand building model

5. **Inorganic opportunities**
   Utilise brand building expertise across a wider portfolio to accelerate value creation

Guided by our purpose, 'Enriching Life Through Food' together with our ESG strategy

Our new ESG strategy, 'Enriching Life Plan'

Major, new, ambitious targets we introduced this year

Pillar	PRODUCT		PLANET		PEOPLE	
Our ambitions	GREAT TASTING NUTRITIOUS AND SUSTAINABLE FOOD • Healthier Nutrition • Plant-based Eating • Sustainable Packaging		CONTRIBUTING TO A HEALTHIER PLANET • Taking action on climate change • Protecting our natural resources • Reducing waste across our value chain		NOURISHING THE LIVES OF OUR COLLEAGUES AND COMMUNITIES • A diverse, healthy and inclusive culture • A leading developer of people • A caring community partner	
Targets include	More than double sales of high nutritional standard by 2030	£250m sales from plant-based products by 2030	Reduction of Scope 1 and 2 emissions by 42% by 2030 and achieve Net Zero for direct emissions by 2040	Introduce SBTi aligned to the 'Business Ambition for 1.5' Halve food waste by 2030	Gender balance for senior management population by 2030	Donation of 1 million meals per annum to those in poverty by 2030

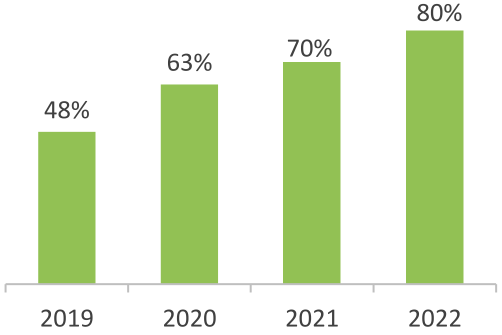
PREMIER FOODS

enriching life THROUGH FOOD

Progress in all three ESG pillars

PRODUCT

- Exciting range of ‘Deliciously Good’ non-HFSS Mr Kipling cakes
- 89% of core ranges have a better for you option, up from 84% last year



% of plastics recyclable

PLANET

BBFAW
Business Benchmark on Farm Animal Welfare
Tier 1

- Promoted to BBFAW Tier 1 for 1st time this year
- Only 3 other food companies in top tier across 150 companies assessed worldwide

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

- Signed up to the setting and adoption of science based targets, aligning to limiting global warming to 1.5°C

ENVIRONMENTAL MANAGEMENT SYSTEM
ISO 14001

- All manufacturing sites now have ISO 14001 environmental management accreditation

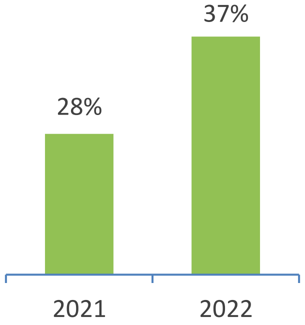
CO_2

6.9%

Reduction in scope 1+2 GHG emissions

PEOPLE

Board now aligns with Hampton Alexander report recommendations following new NED appointments and also adheres to Parker review requirements on ethnicity



Increase in proportion of senior female leaders in FY21/22, up to 37% from prior year

#oktobeme

- Over 900 leaders and managers undertaken I&D programme
- A programme dedicated to create an environment where colleagues can bring their true, authentic selves to work

PREMIER FOODS
enriching life THROUGH FOOD

Our Branded growth model is at the core of what we do

1 Leading brand positions

- Our brands are leaders in their categories
- High household penetration

2 Insight driven new products

- Launch new products linked to key consumer trends
- Major focus on health & nutrition

3 Sustained marketing investment

- Marketing and advertising to build brands, maintain awareness and keep them contemporary
- Create emotional connections through media

4 Retailer partnerships

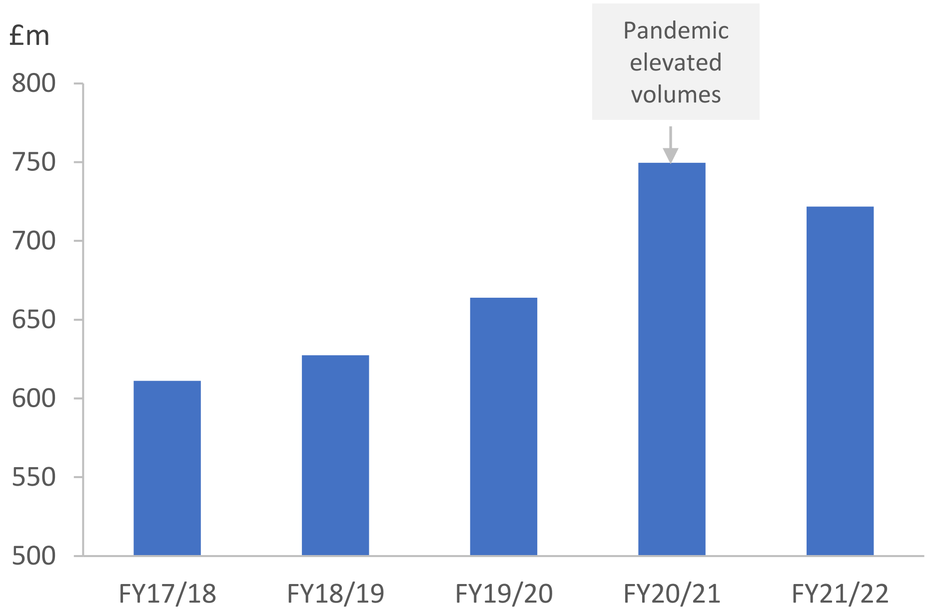
- Focused on driving mutual category growth
- Deliver outstanding instore execution

PREMIER FOODS

enriching life THROUGH FOOD

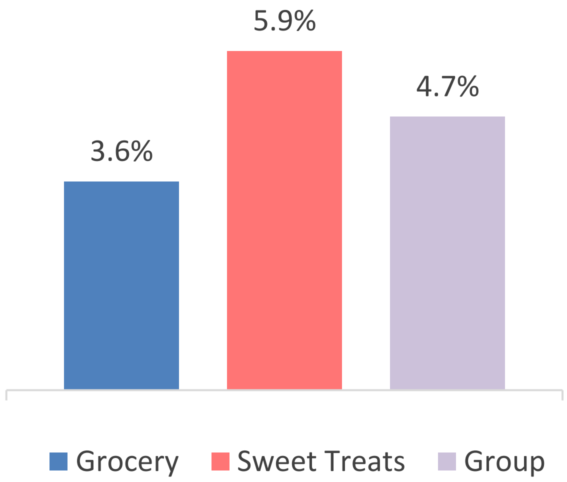
Demonstrating the success of the Branded Growth Model

UK Branded revenue progression
4.2% 4 yr CAGR



- Consistent branded revenue progression over last 4 years driven by success of growth model
- Peak in FY20/21 due to elevated volumes during early phase of pandemic

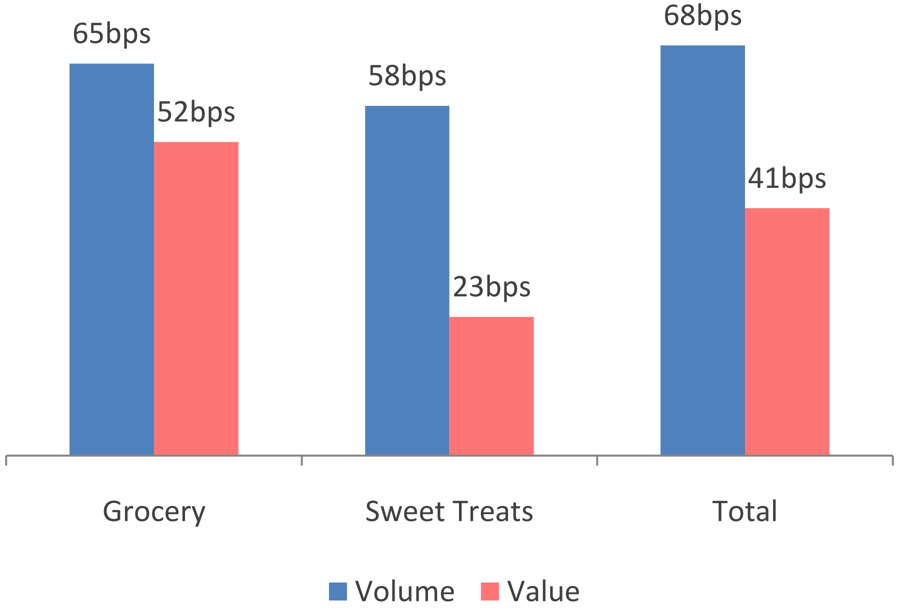
Branded Revenue 2yr CAGR



PREMIER FOODS
enriching life THROUGH FOOD

Growing faster than our markets and delivering distribution gains

Market share[1] vs 2 years ago



- Market share gains reflecting strength of branded growth model
- Nissin Soba key contributor to Grocery gains while Sweet Treats from strong NPD program, e.g. Mr Kipling Signature and Cadbury Fudge and Crunchie cake bars
- Also growing share in Grocery and Sweet Treats in online channel, up 111bps

Weighted average distribution points YoY[2]

- NPD launches continue to drive substantially higher distribution points instore

PREMIER FOODS

enriching life THROUGH FOOD

Sources: 1: IRI 52 w/e 26 March 2022; 2: IRI 52 w/e 2 April 2022

Navigating macro and industry-wide challenges

Input cost inflation

- Inflation seen so far covered by cost savings and price increases already implemented
- Continue to actively monitor commodity market movements
- Looking ahead, we expect to see further inflation
- We will address using a combination of measures including cost efficiency measures and increased pricing
- Group has no sales to, or buys any ingredients, packaging or finished products from, Russia or Ukraine

Labour market

- Many long service colleagues
- High proportion of skilled labour roles, especially on automated lines
- Teams able to flex to meet demand uplifts
- Positive employer brand and ability to attract talent

Supply chain

- Maintained continuity of supply helped by excellent supplier partnerships
- Customer service levels remained strong throughout the year
- Supply chain team delivered a great job to anticipate, plan and mitigate challenges
- Secured the logistics resources we required for our peak trading periods

Product innovation & investment delivering branded revenue growth

Insight driven new products

Sweet Treats

- **Mr Kipling** 30% less sugar Viennese Whirls and Signature premium range contributors to growth
- **Cadbury** Crunchie & Fudge Cake Bars and Cup cake new ranges a particular highlight

Grocery

- **Loyd Grossman** pizza range proved very popular
- **Batchelors Big Pots** aligns to lunchtime occasion

Brand investment

Six major brands on TV + digital activations

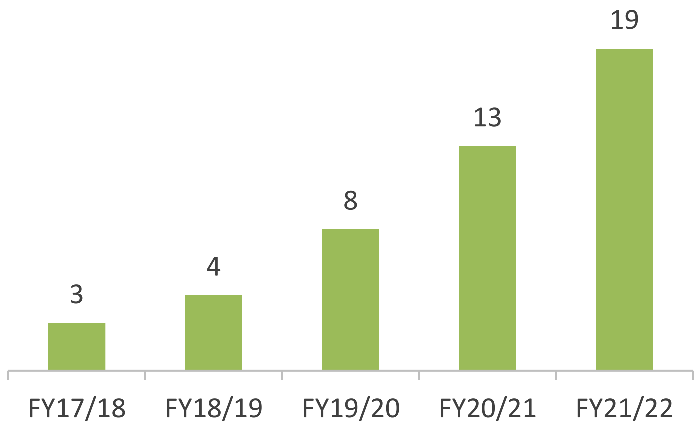
Ambrosia Batchelors Bisto

Mr Kipling OXO Sharwood's

PREMIER FOODS enriching life THROUGH FOOD

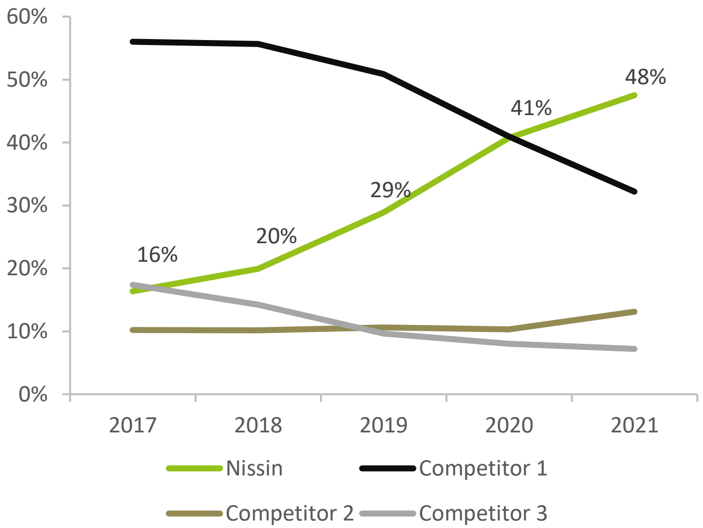
An exceptional year for Nissin – revenue up +44%

Turnover profile (£m)



- Turnover over five times the size it was 3½ years ago
- 4 year CAGR of 61%

Authentic pot snack market



- Market share grown from 16% to 48% in 4 years
- Now the leading authentic Noodles in a pot brand

Strong repeat purchase rates

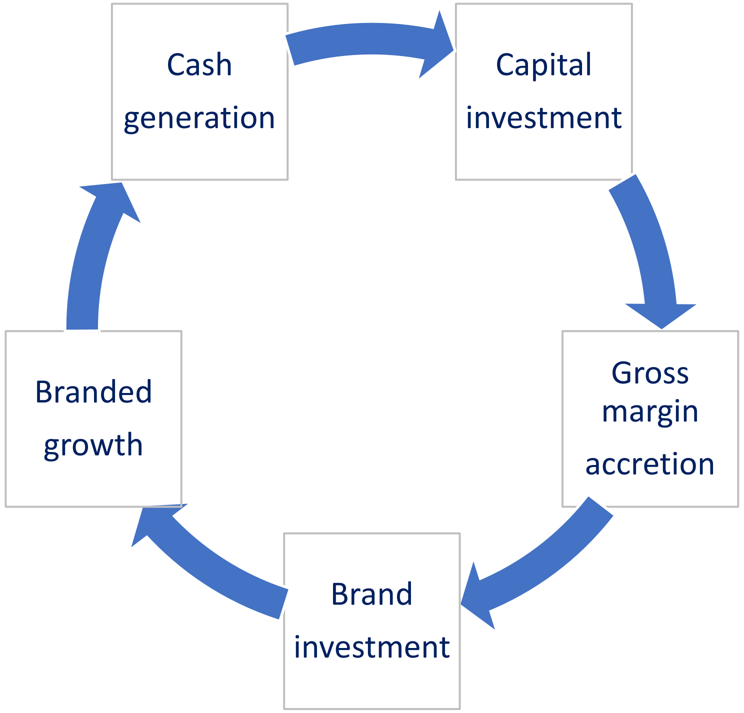
- Authentic flavour profiles
- Combined with application of strong in market execution capabilities has delivered significant growth
- Exceptional repeat rate with consumers

PREMIER FOODS
enriching life THROUGH FOOD

Sources: IRI 52 w/e 2 April 2022

Investing in our infrastructure to drive growth and efficiency

Capital investment fuels branded growth



Investment examples

Ashford – Batchelors and Sharwood's

- New manufacturing line to produce pot snacks ranges
- Previously outsourced, now manufactured at Ashford site

Lifton – Ambrosia

- New pot line at Lifton desserts site
- Highly efficient line which manufactures a range of products and pack size formats

PREMIER FOODS
enriching life THROUGH FOOD

Great progress expanding into new categories

Product ranges now in market

Herbs & Spices and Rubs & Marinades

- Building distribution and collectively over £1m revenue

Biscuits

- Strategy to leverage Mr Kipling brand equity in Sweet Treats
- Targets everyday treat sub-category
- Aligns to indulgence trend

Ice-cream

- Already exceeded £1m revenue
- Utilises iconic flavour variants for each brand:
  - Mr Kipling French Fancy, Chocolate Slice
  - Ambrosia Vanilla Custard
  - Angel Delight Butterscotch and Strawberry

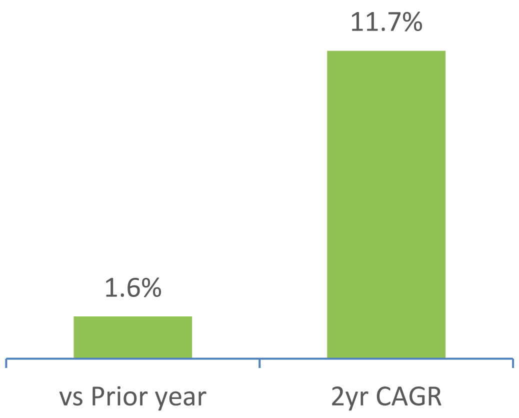
Recently launched

Breakfast

- Ready to eat one portion porridge pot
- Can be eaten hot or cold
- Low fat nutritional profile
- Available in three flavour variants

International – revenue up 25%[1] vs 2 years ago

Revenue overview



Revenue vs 2 years ago

Mr Kipling: +17%

Sharwood's: +31%

- Strong growth driven by the deployment of international strategy
- Double digit growth in key brands Mr Kipling & Sharwood's as rollout out into target markets progressing well

Region performance

- Strong application of branded growth model; sales up 27%[1]
- Performance reflects brand investment, NPD and instore execution

- All brands in growth vs two years ago, shipping delays have eased

- Canada national roll out of Mr Kipling following test trial
- US Mr Kipling test in market with Target

- Sharwood's new listings driving growth

PREMIER FOODS enriching life THROUGH FOOD

1 – At constant currency rates

International – Mr Kipling expansion into key target markets

Mr Kipling	Ireland	Australia	Canada	USA	Europe
Market positioning	No.1 Market leader	No.1 Market leader	 Trial complete, wider distribution underway	200 store trial Trial begun and instore	2022/23 Trial
Next steps	 Continue to deploy Branded Growth Model	 NPD and start of growth model strategy	Extend distribution into more stores	 Assess national rollout potential	 Start in market test Q4 '22/Q1 '23
Range examples					?

PREMIER FOODS

enriching life THROUGH FOOD

Strong/exciting innovation and investment planned for FY22/23

New product development

Sweet Treats

- Aligned to ambition of doubling sales of healthier products
- First full range of non-HFSS products in cake category
- Can be promoted at end of aisle under new UK regulations

Grocery

Brand investment
TV and digital activation

Mr Kipling — New advert for FY22/23

Batchelors

Bisto

OXO

Ambrosia

Sharwood's

A strong FY21/22 behind us….

+8.7%

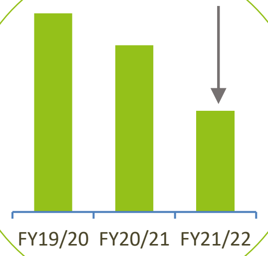
UK Branded revenue growth
vs 2 years ago

+11.9%
Trading profit

+37.6%
Adjusted PBT

Profit delivery & TP margin progress
vs 2 years ago

Industry challenges navigated well



Interest costs nearly halved in 2 years

c.£60m
reduction

Pensions NPV

enriching life THROUGH FOOD

With this momentum, we're well placed for further progress this year

Outlook

1. Strong pipeline of new product development to be launched this year
2. Further brand investment behind major six brands including digital activation
3. Expansion into new categories to accelerate growth
4. International growth in target markets
5. Expect inflationary environment to continue; mitigating actions will be taken, including cost efficiencies and pricing
6. Expectations for further good progress in FY22/23 unchanged

Q&A

enriching life THROUGH FOOD

APPENDIX


Ambrosia
Welcome Home To Devon
Light
30% Less Sugar & Fat†
Devon Custard
creamy & delicious

Cautionary statement

This presentation may contain "forward-looking statements" that are based on estimates and assumptions and are subject to risks and uncertainties. Forward-looking statements are all statements other than statements of historical fact or statements in the present tense, and can be identified by words such as "targets", "aims", "aspires", "assumes", "believes", "estimates", "anticipates", "expects", "intends", "hopes", "may", "would", "should", "could", "will", "plans", "predicts" and "potential", as well as the negatives of these terms and other words of similar meaning. Any forward-looking statements in this presentation are made based upon Premier Foods' estimates, expectations and beliefs concerning future events affecting the Group and subject to a number of known and unknown risks and uncertainties. Such forward-looking statements are based on numerous assumptions regarding the Premier Foods Group's present and future business strategies and the environment in which it will operate, which may prove not to be accurate. Premier Foods cautions that these forward-looking statements are not guarantees and that actual results could differ materially from those expressed or implied in these forward-looking statements. Undue reliance should, therefore, not be placed on such forward-looking statements. Any forward-looking statements contained in this presentation apply only as at the date of this presentation and are not intended to give any assurance as to future results. Premier Foods will update this presentation as required by applicable law, including the Prospectus Rules, the Listing Rules, the Disclosure and Transparency Rules, London Stock Exchange and any other applicable law or regulations, but otherwise expressly disclaims any obligation or undertaking to update or revise any forward-looking statement, whether as a result of new information, future developments or otherwise.

Definitions

- The period ‘FY21/22’ refers to the 52 weeks ended 2 April 2022, unless where otherwise stated. The period ‘FY20/21’ refers to the 52 weeks ended 3 April 2021, unless otherwise stated. The period ‘FY19/20’ refers to the 52 weeks ended 28 March 2020.
- The period ‘Q4’ refers to the thirteen weeks ended 2 April 2022, unless where otherwise stated. The comparative period one year ago is for the thirteen weeks ended 3 April 2021 and the comparative period two years ago is for the thirteen weeks ended 28 March 2020.
- Trading profit is defined as Profit/(loss) before tax before net finance costs, amortisation of intangible assets, non-trading items (items requiring separate disclosure by virtue of their nature in order that users of the financial statements obtain a clear and consistent view of the Group's underlying trading performance), fair value movements on foreign exchange and other derivative contracts and net interest on pensions and administration expenses and past service costs.
- Adjusted profit before tax is defined as Trading profit less net regular interest. Net regular interest is defined as net finance cost after excluding write-off of financing costs, other finance income and other interest payable. Adjusted earnings per share is defined as Adjusted profit before tax less a notional tax charge of 19.0% divided by the weighted average of the number of shares of 858.8 million (52 weeks ended 3 April 2021: 851.3 million).

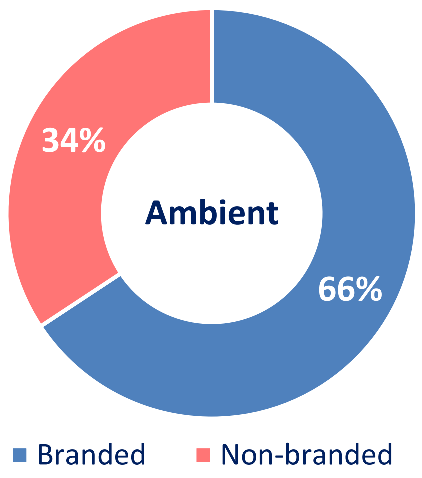
Strong brand equity

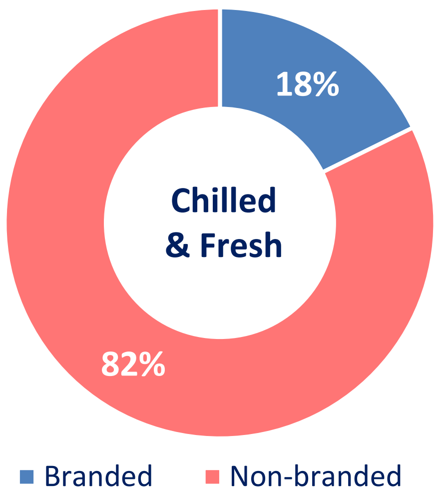
Categories	Brands	Position	Share	Penetration
Flavourings & Seasonings	Bisto, OXO, Paxo	1	44%	67%
Quick Meals, Snacks & Soups	Batchelors, Nissin Group	1	34%	43%
Ambient Desserts	Ambrosia, Angel Delight, Bird's	1	37%	54%
Cooking Sauces & Accompaniments	Sharwood's, Loyd Grossman, Homepride	1	15%	52%
Ambient Cakes	Mr Kipling, Cadbury, Lyons	1	24%	64%

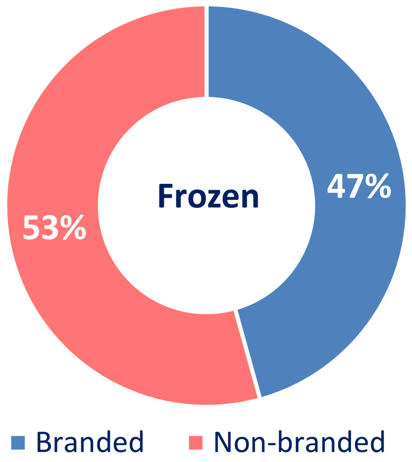
PREMIER FOODS enriching life THROUGH FOOD

Sources: Category position & market share: IRI 52 w/e 26 March 2022; Penetration: Kantar FMCG panel, 52 w/e 20 March 2022

UK Grocery market







Market size	£36bn	£50bn	£7bn

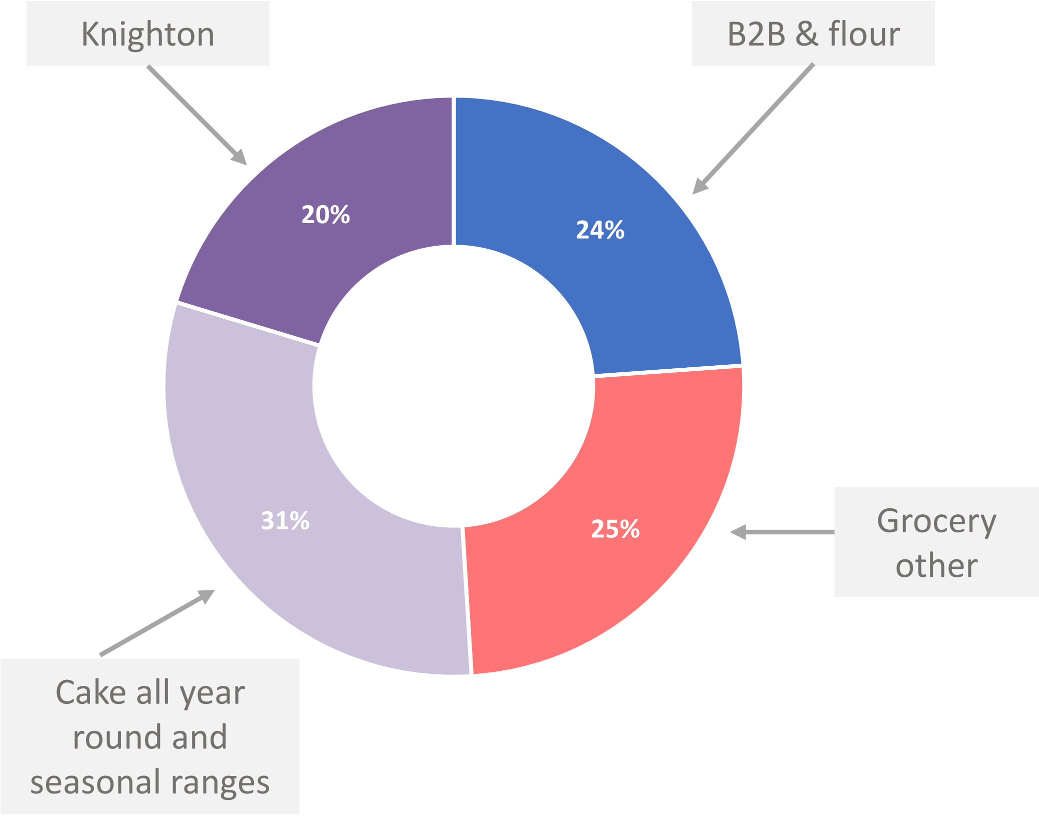
	Flavourings & Seasonings	QMS	Cooking Sauces	Ambient Desserts	Ambient Cake
Market size	£402m	£397m	£926m	£291m	£1,066m
PF share	44%	34%	15%	37%	24%
Own label share	13%	5%	26%	20%	49%

PREMIER FOODS
enriching life THROUGH FOOD

Sources: Market sectors: Kantar Worldpanel 52 w/e 20 March 2022, Category position & market share: IRI 52 w/e 26 March 2022

Non-branded

Non-branded revenue by type



Key principles & criteria

- Retention of branded IP
- Application of a Capex light approach
- Strict financial hurdles apply for new business
- Assists in supporting Manufacturing overhead recoveries

FY21/22 commentary

- FY21/22 Non-branded revenue declined (4.7%) vs PY
- Grocery (4.5%) due to B2B volumes lower at Knighton Foods partly offset by increased retailer own label volumes
- Sweet Treats (5.0%) decrease due to contract exits in pies and slices

Our latest better for you ranges

Product ranges in market

- Cooking sauces better for you ranges up over 100% vs 2YA
- Homepride pasta bake cooking sauces combine healthier and great value for families
- Expansion of Meat-free Bisto & Oxo ranges
- Mr Kipling Viennese Whirls delivered a strong first year

Quarter 4 sales

£m		Quarter 4		
		FY21/22	Change vs 1 year ago	Change vs 2 years ago
Grocery	Branded revenue	143.8	(5.4%)	1.0%
	Non-branded revenue	22.3	9.0%	(7.7%)
	Total revenue	166.1	(3.7%)	(0.2%)
Sweet Treats	Branded revenue	55.4	9.2%	17.7%
	Non-branded revenue	4.3	13.1%	(7.6%)
	Total revenue	59.7	9.5%	15.4%
Group	Branded revenue	199.2	(1.7%)	5.2%
	Non-branded revenue	26.6	9.7%	(7.7%)
	Total revenue	225.8	(0.5%)	3.5%

Operating profit

£m	FY21/22 (52 weeks)	FY20/21 (53 weeks)	Change
Trading profit	**148**	**151**	**(3)**
Amortisation of intangible assets	(27)	(31)	4
Foreign exchange fair value movements	5	(2)	7
Reversal of impairment loss of Loan receivable	-	16	(16)
Profit on disposal of investment in associate	-	17	(17)
Net interest on pension and administration costs	4	10	(6)
Non-trading items	1	(8)	9
Operating profit	**131**	**153**	**(22)**

- Trading profit £3m lower than FY20/21 due to 53 week period in prior year
- Amortisation lower by £4m due to one-off charge in prior year
- Prior year revaluation of £16m due to Hovis loan note previously written off and profit of £17m on disposal of Hovis investment
- Non-trading items in prior year £8m due to strategic review costs, Knighton integration and past pension service costs due to high court ruling on precedent setting case
- Net interest on pensions due to prior year benefitting from wind up lump sum exercise following merger

PREMIER FOODS

enriching life THROUGH FOOD

Interest and taxation

Interest	£m	FY21/22	FY20/21	FY19/20
	Senior secured notes interest	13	26	31
	Bank debt interest	5	4	5
		18	**30**	**36**
	Amortisation of debt issuance costs	2	3	3
	Net regular interest	**20**	**33**	**39**

Taxation

- Tax charge of £25m in FY21/22, due to operating activities charge and impact on tax rate changes
- Notional corporation tax rate of 19.0% rises to 25% in FY23/24
- Low-mid single digit £m cash tax payable from FY23/24 due to tax legislation changes on brought forward losses

PREMIER FOODS

enriching life THROUGH FOOD

Combined Pensions Schemes – combined surplus of nearly £950m

IAS19 Accounting valuation (£m)	2 April 2022			3 April 2021		
	RHM	Premier Foods	Combined	RHM	Premier Foods	Combined
Assets	4,274	826	5,100	4,459	793	5,252
Liabilities	(3,135)	(1,020)	(4,155)	(3,537)	(1,175)	(4,712)
Surplus/(Deficit)	**1,139**	**(194)**	**945**	**922**	**(383)**	**540**
Discount rate		2.75%			2.00%	

- Discount rate increased to 2.75% from 2.0% driving down liabilities by over £550m
- Asset values 2.9% lower at £5,100m as liability driven investments have fallen
- Accounting pensions valuation doesn't directly drive deficit cash contributions
- Current NPV of pension deficit contribution schedule now reduced to £240-260m

PREMIER FOODS

enriching life THROUGH FOOD

Summarised Balance sheet

£m	2 April 2022	3 April 2021
Property, plant & equipment	191	192
Intangibles / Goodwill	940	963
Deferred tax asset	23	29
Retirement benefit assets	1,149	935
Non-current Assets	**2,303**	**2,119**
Working Capital - Stock	78	69
- Debtors	97	83
- Creditors	(254)	(250)
Total Working Capital	**(79)**	**(98)**
Net debt		
Gross borrowings	(339)	(336)
Cash	54	4
Total Net debt	**(285)**	**(332)**
Retirement benefit obligations	(204)	(395)
Other net liabilities	(228)	(110)
Net Assets	**1,507**	**1,184**
Share capital & premium	88	86
Reserves	1,419	1,098
Total equity	**1,507**	**1,184**

PREMIER FOODS

enriching life THROUGH FOOD