

Premier Foods FY22/23 Preliminary results - Factsheet

"Another strong year; Adjusted PBT up 13.0% and further pensions progress"



FINANCIAL HEADLINES

Revenue £1,006m +11.8%	Grocery market share +64bps	Trading profit¹ £158m +11.5%	Trading profit margin¹ 15.7% In line with prior year
Adjusted PBT¹ £137m +13.0%	Net debt/EBITDA 1.5x 0.2x lower	Dividend [+20%] Ahead of earnings growth	Pensions 50% ↓ to £125m NPV of contributions vs prior year

1 – Stated after software amortisation; all percentages compared to prior year unless otherwise stated

STRATEGIC PROGRESS



1 – Excludes The Spice Tailor; 2 – At constant currency rates; 3 – Pro forma 12 month basis

KEY FINANCIALS & OUTLOOK

Sales & Trading profit - (£m)	FY22/23	FY21/22	Change vs prior year
<i>Excluding The Spice Tailor</i>			
Branded sales	834.2	774.1	7.8%
Non-branded sales	162.2	126.4	28.3%
Group sales	996.4	900.5	10.6%
Divisional contribution	215.7	193.6	11.4%
Group & corporate costs & other income	(53.8)	(45.3)	(18.4%)
Trading profit - Old definition	161.9	148.3	9.2%
Software amortisation	(4.9)	(7.1)	31.4%
Trading profit - New definition	157.0	141.2	11.2%
<i>Including The Spice Tailor</i>			
Branded sales	844.2	774.1	9.1%
Non-branded sales	162.2	126.4	28.3%
Group sales	1,006.4	900.5	11.8%
Divisional contribution	216.2	193.6	11.7%
Group & corporate costs & other income	(53.8)	(45.3)	(18.4%)
Trading profit - Old definition	162.4	148.3	9.5%
Software amortisation	(4.9)	(7.1)	31.4%
Trading profit - New definition	157.5	141.2	11.5%

Grocery & Sweet Treats segmental sales (£m)	FY22/23	FY21/22	Change vs prior year
<i>Excluding The Spice Tailor</i>			
Grocery	625.3	560.1	11.6%
Branded sales	111.5	87.6	27.3%
Non-branded sales	736.8	647.7	13.8%
Sweet Treats	208.9	214.0	(2.4%)
Branded sales	50.7	38.8	30.5%
Non-branded sales	259.6	252.8	2.7%
<i>Including The Spice Tailor</i>			
Grocery	635.3	560.1	13.4%
Branded sales	111.5	87.6	27.3%
Non-branded sales	746.8	647.7	15.3%
Sweet Treats	208.9	214.0	(2.4%)
Branded sales	50.7	38.8	30.5%
Non-branded sales	259.6	252.8	2.7%

Cash flow (£m)	FY22/23	FY21/22
Trading profit	157.5	141.2
Depreciation & software amortisation	24.8	26.3
Other non-cash items	4.7	4.1
Capital expenditure	(20.0)	(23.2)
Working capital	(24.8)	(21.0)
Operating cash flow	142.2	127.4
Interest	(19.6)	(20.8)
Pension contributions	(45.1)	(41.4)
Free cash flow	77.5	65.2
Non-trading items	(8.3)	0.9
Net (payments)/proceeds from share issue	(1.1)	1.3
Re-financing fees	(0.7)	(13.2)
Taxation	(1.5)	-
Dividend (including pensions match)	(13.0)	(11.0)
Acquisition	(43.8)	-
Movement in cash	9.1	43.2

Adjusted Earnings per share	FY22/23	FY21/22	Change vs prior year
Trading profit - old definition	162.4	148.3	9.5%
Software amortisation	(4.9)	(7.1)	(31.0%)
Trading profit - new definition	157.5	141.2	11.5%
Less: net regular interest	(20.3)	(19.8)	2.6%
Adjusted Profit before tax	137.2	121.4	13.0%
Less: notional tax @ 19.0%	(26.1)	(23.1)	(13.0%)
Adjusted profit after tax	111.1	98.3	13.0%
Divided by: Average shares in issue (m)	861.2	858.8	0.3%
Adjusted earnings per share	12.9	11.5	12.7%

FY23/24 guidance	£m
Working capital	Outflow
Depreciation (includes software amortisation)	c.£25m
Amortisation of brands & intangibles	c.£20m
Capital expenditure	c.£35m
Restructuring	c.£15m
Interest - cash	c.£20m
Interest - P&L	c.£22m
Tax - cash	Low single-digit £m's
Tax - notional P&L rate	25%
Pension deficit contributions	£33m
Pension administration costs	c.£6m
FY22/23 cash dividend (incl. pension match)	[c.£16m]

Accounting pensions valuation (£m)	1 April 2023		2 April 2022	
	RHM	Premier Foods	RHM	Premier Foods
Assets	3,240.2	552.6	3,792.8	826.3
Liabilities	(2,291.9)	(735.4)	(3,027.3)	(1,020.2)
Surplus	948.3	(182.8)	765.5	(193.9)
Adjusted EBITDA	711.2	(137.1)	574.1	(145.4)
Surplus net of tax @25%	540.9	(216.1)	428.6	(216.1)

Outlook
• We enter the year with positive momentum
• We've made a good start to Quarter 1
• We have strong plans in place to deliver on each of our strategic pillars
• The first cash benefits of pensions merger are now being realised
• We expect to make further progress this year with expectations unchanged