



18 July 2018

**Premier Foods plc (the “Company” or the “Group”)**

## **Trading update for the 13 weeks ended 30 June 2018**

- **Q1 Group sales up +1.7%**
- **Calendar H1 Group sales up +4.5%**
- **Expectations for the full year remain unchanged**

**Gavin Darby, Chief Executive Officer**

*“We are pleased to report another quarter of growth, with sales up +1.7% compared to last year. Our biggest brand, Mr Kipling, led the charge with an excellent performance on the back of its recent brand relaunch with sales up +14% in the UK. Over the last six months, we have delivered sales growth of +4.5% which goes to show that our strategy of product innovation and working closely with our strategic partnerships is delivering results. With further exciting innovation across our branded portfolio to come in the months ahead, our expectations for progress in the year remain unchanged.”*

Q1 Sales % change	Grocery	Sweet Treats	Group	Calendar H1
Branded	(1.5%)	7.6%	<b>1.1%</b>	<b>3.5%</b>
Non-branded	9.1%	(5.4%)	<b>4.8%</b>	<b>10.0%</b>
<b>Total</b>	<b>0.2%</b>	<b>5.5%</b>	<b>1.7%</b>	<b>4.5%</b>

### **Trading update**

Group sales in the first quarter grew by 1.7% compared to the prior year. This reflected a particularly good performance from the Group’s largest brand, *Mr Kipling*, following a comprehensive brand relaunch in March which included a TV advertising campaign, brand re-design and new packaging. International sales increased approximately 4% during quarter 1 and followed a better than expected performance in the previous quarter. Taking these last two quarters together, International sales grew nearly 20%.

In the Grocery business, *Batchelors* continued to display the excellent growth trends it has delivered over the last year, with further demonstration that its innovation strategy, aligned to key consumer trends is working. *Batchelors* Super Noodles pots and Pasta ‘n’ Sauce pots grew by over 50% in the quarter. Sales of *Bisto* were slower towards the end of the first quarter as category volumes declined due to warmer weather experienced in the UK. *Angel Delight* again saw double-digit sales growth in the quarter, while *Loyd Grossman* sales were lower due to changes in the phasing of promotional activity. *Nissin* branded products Soba Noodles and Cup Noodle grew by nearly 80% compared to the same period a year ago.

In Sweet Treats, Cadbury cake sales in the UK were lower in the early part of the quarter as expected due to Easter falling in the previous quarter, while non-branded sales were £0.4m lower as the Group exited two customer contracts.

Non-branded sales in the Grocery business increased by 9.1% with continued good momentum in Knighton Foods and contract wins in Stuffing and Foodservice.

### **Cost reduction & efficiency programmes**

The Group successfully completed the second phase of the consolidation of its warehousing and distribution operations into one central location during the quarter. The facility in Tamworth, Warwickshire, is expected to complete the third and final phase of the project in the second quarter of the year.

### **Outlook**

The Group's expectations for progress in its key priorities in the full year remains unchanged, and as previously communicated, weighted to the second half of the year. The Board is committed to continuing its strategy of improving performance and reducing net debt by £25m per annum, while working in parallel to identify other strategic opportunities to accelerate the Company's turnaround to create value for shareholders.

~ Ends ~

### **For further information, please contact:**

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### **Conference Call**

A conference call for investors and analysts will take place on 18 July 2018 at 9.00am, details of which are outlined below. A replay of the conference call will be available on the Company's website later in the day.

<http://www.premierfoods.co.uk/investors/results-centre>

Telephone number:	+44 20 7192 8000
Telephone number (UK Toll free)	0800 376 7922
Conference ID:	4996315

A Premier Foods image gallery is available using the following link:

<http://www.premierfoods.co.uk/media/image-gallery>

Certain statements in this Trading Update are forward looking statements. By their nature, forward looking statements involve a number of risks, uncertainties or assumptions that could cause actual results or events to differ materially from those expressed or implied by those statements. Forward looking statements regarding past trends or activities should not be taken as representation that such trends or activities will continue in the future. Accordingly, undue reliance should not be placed on forward looking statements.

**Notes to editors:**

1. Sales data is for the thirteen weeks to 30 June 2018 or 1 July 2017 as appropriate.

Q1 Sales (£m)	FY18/19 Q1	FY17/18 Q1	% Change
<b>Grocery</b>			
Branded	100.8	102.3	(1.5%)
Non-branded	20.8	19.1	9.1%
<b>Total</b>	<b>121.6</b>	<b>121.4</b>	<b>0.2%</b>
<b>Sweet Treats</b>			
Branded	43.9	40.8	7.6%
Non-branded	7.5	7.9	(5.4%)
<b>Total</b>	<b>51.4</b>	<b>48.7</b>	<b>5.5%</b>
<b>Group</b>			
Branded	144.6	143.1	1.1%
Non-branded	28.4	27.0	4.8%
<b>Total</b>	<b>173.0</b>	<b>170.1</b>	<b>1.7%</b>