

Premier Foods FY15/16 Preliminary Results - Factsheet



'Quarter 4 and Full Year sales trajectory provides strong platform to accelerate growth'

Key Messages:

- Full Year Group sales +0.6%; Branded sales flat
- Q4 Group sales up +1.4%; Branded sales up +1.0%
- Trading profit² £131.0m, in line with last year
- Adjusted profit before tax³ increased +£2.9m to £86.1m
- Adjusted earnings per share⁵ increased +4.6% to 8.3 pence
- Net debt reduced to £534.2m from £584.9m - includes consolidation of Knighton
- Improved overall IAS 19 pension schemes position
- FY16/17 sales growth guidance raised to 2-4%

HEADLINE RESULTS



Group performance - (£m)	FY15/16	FY14/15	%
Branded sales	683.4	683.7	(0.0%)
Non-branded sales	88.3	83.7	5.5%
Total sales	771.7	767.4	0.6%
Divisional contribution	167.1	163.2	2.4%
Group & corporate costs	(36.1)	(32.2)	(12.1%)
Trading profit	131.0	131.0	0.0%
EBITDA	147.1	144.9	1.5%

Divisional performance - (£m)	FY15/16	FY14/15	%
Grocery			
Branded sales	504.9	508.5	(0.7%)
Non-branded sales	43.7	43.2	1.1%
Total sales	548.6	551.7	(0.6%)
Divisional contribution	142.1	145.2	(2.1%)
Sweet Treats			
Branded sales	178.5	175.2	1.9%
Non-branded sales	44.6	40.5	10.0%
Total sales	223.1	215.7	3.4%
Divisional contribution	25.0	18.0	38.9%

Statutory earnings per share	FY15/16	FY14/15
Continuing operations Trading profit	128.8	150.2
Amortisation of intangible assets	(37.6)	(47.6)
Foreign exchange fair value movements	2.6	(0.6)
Net interest on pensions and admin expenses	(14.5)	(48.0)
Restructuring costs	(11.2)	(8.2)
Loss on disposal of operations	-	(6.0)
Impairment	(13.6)	(83.9)
Operating profit/(loss)	54.5	(44.1)
Net finance expense	(44.9)	(81.9)
Share of loss from associates	(22.6)	(9.6)
Loss before tax	(13.0)	(135.6)
Taxation credit	47.0	42.9
Profit/(loss) after tax	34.0	(92.7)
Average shares in issue (millions)	826.0	731.4
Basic earnings/(loss) per share (pence)	4.1p	(12.7p)

FY16/17 guidance	£m
Working capital	Neutral to positive
Depreciation	17-18
Capital expenditure	20-25
Interest - cash	40-43
Interest - P&L	44-45
Tax - cash	Nil
Tax - notional P&L rate	20.0%
Pension (includes admin costs)	56-58
Restructuring	10-12
Consumer marketing	42-44

Outlook summary

Adjusted Earnings per share	FY15/16	FY14/15	%
Trading profit	131.0	131.0	0.0%
Less: net regular interest	(44.9)	(47.8)	6.0%
Adjusted Profit before tax	86.1	83.2	3.5%
Less: notional tax (20.0%/21.0%)	(17.2)	(17.5)	1.5%
Adjusted profit after tax	68.8	65.7	4.8%
Divided by: Average shares in issue	826.0	824.4	-
Adjusted earnings per share	8.3	8.0	4.6%

Sales - Q4 (£m)	FY15/16 Q4	FY14/15 Q4	%
Grocery			
Branded sales	123.7	123.4	0.2%
Non-branded sales	10.7	10.3	3.8%
Total sales	134.4	133.7	0.5%
Sweet Treats			
Branded sales	45.1	43.8	3.0%
Non-branded sales	6.0	5.4	10.5%
Total sales	51.1	49.2	3.8%
Group			
Branded sales	168.8	167.2	1.0%
Non-branded sales	16.7	15.7	6.5%
Total sales	185.5	182.9	1.4%

Cash flow (£m)	FY15/16
Trading profit	131.0
Depreciation	16.1
Share based payments	4.1
Interest	(41.7)
Pension contributions	(12.9)
Capital expenditure	(25.4)
Working capital & other	0.3
Recurring cash inflow	71.5
Restructuring costs	(7.5)
Free cash flow	64.0
Knighton consolidation	(8.3)
Total cash inflow	55.7

Net debt position	£m
Net debt at 4 April 2015	584.9
Total cash inflow	(55.7)
Movement in debt issuance costs	5.0
Net debt at 2 April 2016	534.2

Pension valuation (£m)	2 April 2016	4 April 2015
RHM Pension schemes		
Assets	3,758.7	3,636.0
Liabilities	(3,207.8)	(3,394.4)
Surplus	550.9	241.6
Premier Foods Pension schemes		
Assets	584.2	612.5
Liabilities	(1,004.2)	(1,065.9)
Deficit	(420.0)	(453.4)

Combined Pension schemes		
Assets	4,342.9	4,248.5
Liabilities	(4,212.0)	(4,460.3)
Surplus/(Deficit)	130.9	(211.8)
Surplus/(Deficit) net of tax	104.7	(166.5)
Discount rate	3.55%	3.30%
Inflation rate (RPI/CPI)	3.0%/1.9%	3.0%/1.9%
Mortality rate	LTI +1.0%	LTI +1.0%

All disclosure refer to Underlying business definitions. For full definitions refer to the accompanying RNS at www.premierfoods.co.uk/investors/results-center