



19 January 2023

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

A strong Quarter 3, well on track to deliver full year expectations

Premier Foods today provides its Quarter 3 trading update for the thirteen weeks ended 31 December 2022

- Q3 Group sales up 12.0% versus prior year; Q3 Branded sales up 8.8%
- Particularly strong Grocery performance, Q3 sales up 17.4%
- Grocery business continues to grow faster than its markets, gaining 66 basis points of value share¹
- Sweet Treats Q3 sales down (0.9%)
- International sales up 10%², another quarter of double-digit growth
- Announcing proposed closure of loss-making, predominantly non-branded, Knighton manufacturing site
- Well on track to deliver on FY22/23 expectations

Note: Headline results presented for the quarter exclude *The Spice Tailor* unless otherwise stated

Alex Whitehouse, Chief Executive Officer

“We delivered a strong trading performance in our important third quarter, with sales growth of 12% compared to the same period last year. These results illustrate the continuing appeal of our portfolio of market-leading brands in such a challenging environment and demonstrate the strength and resilience of our branded growth model.”

“Our major Grocery brands produced a particularly good set of results for us, continuing to grow faster than the market, taking 66 basis points of share¹. Across the country, people got cooking again this Christmas, demonstrating that the Best Restaurant in Town really is at home. Many of our leading brands grew strongly, with established seasonal favourites including Ambrosia custard and new launches such as Bisto pigs-in-blankets gravy granules all proving very popular. Mr Kipling had another strong performance, with the introduction of our non-HFSS Deliciously Good Festive Pies helping to grow our Mince Pie market share. Meanwhile, our International business has now reported another quarter of double-digit sales growth, with Sharwood’s growing over 20% following major new listings in Canada.”

“Input cost inflation remains at elevated levels, and we continue to take action to offset this inflation through a range of measures. With strong trading momentum as we enter our final quarter of the year, and with more brand investment and new product launches to come, we are well on track to deliver on expectations for the full year.”

Trading update

Grocery

The Grocery business enjoyed a particularly strong quarter as total sales increased by 17.4% and branded sales grew by 15.5% versus last year. This growth was broad based, with all of the Group’s major brands performing strongly; demonstrating the continued effectiveness of the Group’s proven branded growth model. Pricing contributed a significant proportion of revenue growth in the quarter and demand was particularly buoyant running into the key festive period. Sales of *The Spice Tailor* again grew by double-digit and its integration into the Group continues to progress well. Additionally, the ‘Best Restaurant in Town’ campaign, which helps people cook and prepare tasty and affordable meals, has been well received, and will be extended further in Q4. Non-branded sales grew by 29.6% due to pricing benefit in retailer branded product categories and continued recovery in out of home sales compared to the prior year.

Sweet Treats

Sweet Treats sales were (0.9%) lower in the period, with branded sales down (10.8%) and non-branded sales up 22.8%. *Mr Kipling* sales increased in the quarter helped by growth of Angel, Lemon and Chocolate slices, and the launch of new non-HFSS³ *Mr Kipling* Deliciously Good Festive Pies delivered market share gains in the Mince Pie category. *Cadbury* cake was impacted by some unscheduled maintenance associated with one plant line, which has since been completed and full production now resumed. The continued growth trend in Non-branded Sweet Treats was again due to contract gains in pies and tarts as well as pricing benefits.

International

International continues to progress strongly, reporting another quarter of double-digit sales growth in Quarter 3. Sales increased by 10%² in the period reflecting growth of *Sharwood's* and *Mr Kipling*, notably in Canada and Europe. *Sharwood's* sauces growth was particularly strong in Canada due to new listings in Walmart. In Australia, *Mr Kipling* cake again increased sales in double-digit percentage terms and continues to grow share and household penetration. Following a successful test of *Mr Kipling* in US Target stores, the Group is now exploring opportunities for further distribution expansion.

Proposed closure of Knighton manufacturing site

Knighton manufactures predominantly non-branded powdered beverages, so is not aligned to the Group's branded growth model strategy and is marginally unprofitable at Trading profit. Following a comprehensive review of the site, the Company is entering into colleague consultation on its proposed closure.

Under these proposals, effective from mid-2023, non-branded revenue contracts of c.£27m sales will be carefully managed for exit. Cash exceptional costs of c.£10m associated with closure are expected to be incurred in FY23/24. This proposed closure will be accretive to Trading profit and increase branded sales mix by 270 basis points.

It is recognised that this will be an unsettling time for those c.300 colleagues who are potentially affected by these proposals, and they will be fully supported and consulted with throughout the process.

Outlook

The Group has delivered another strong quarter of trading, further demonstrating the strength and resilience of its branded growth model, set against the backdrop of a particularly challenging consumer environment. Input cost inflation remains at elevated levels and is being offset through a combination of cost savings and annual price increases. With strong momentum entering the fourth quarter of the year, and more brand investment and new product launches to come, the Group remains well on track to deliver on expectations for this financial year. In the medium-term, the Company expects to make further significant strategic progress, through delivery of its five pillar growth strategy.

~ Ends ~

As one of the UK's largest food businesses, we're passionate about food and believe each and every day we have the opportunity to enrich life for everyone. Premier Foods employs over 4,000 people operating from 15 sites across the country, supplying a range of retail, wholesale, foodservice and other customers with our iconic brands which feature in millions of homes every day.

Through some of the nation's best-loved brands, including Ambrosia, Batchelors, Bisto, Loyd Grossman, Mr. Kipling, Oxo and Sharwood's, we're creating great tasting products that contribute to healthy and balanced diets, while committing to nurturing our people and our local communities, and going further in the pursuit of a healthier planet, in line with our Purpose of 'Enriching Life Through Food'.

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Conference call

A conference call for investors and analysts hosted by Alex Whitehouse, CEO and Duncan Leggett, CFO, will take place today, 19 January 2023, 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: www.premierfoods.co.uk/investors/results-centre

Telephone number: 0800 640 6441 (UK toll free)
+44 20 3936 2999 (standard international access)
Access code: 216675

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This announcement 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 announcement 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 announcement apply only as at the date of this announcement and are not intended to give any assurance as to future results. Premier Foods will update this announcement 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.

Notes to editors:

| Q3 Sales (£m) | FY22/23 (including TST) | The Spice Tailor | FY22/23 (excluding TST) | FY21/22 | Change vs 1 year ago (excluding TST) |
|---------------------|----------------------------|------------------|----------------------------|---------|---|
| Grocery | | | | | |
| Branded | 201.6 | 3.7 | 197.9 | 171.3 | 15.5% |
| Non-branded | 34.0 | - | 34.0 | 26.2 | 29.6% |
| Total | 235.6 | 3.7 | 231.9 | 197.5 | 17.4% |
| Sweet Treats | | | | | |
| Branded | 52.2 | - | 52.2 | 58.5 | (10.8%) |
| Non-branded | 30.2 | - | 30.2 | 24.6 | 22.8% |
| Total | 82.4 | - | 82.4 | 83.1 | (0.9%) |
| Group | | | | | |
| Branded | 253.8 | 3.7 | 250.1 | 229.8 | 8.8% |
| Non-branded | 64.2 | - | 64.2 | 50.8 | 26.3% |
| Total | 318.0 | 3.7 | 314.3 | 280.6 | 12.0% |

| Q3 YTD Sales (£m) | FY22/23 (including TST) | The Spice Tailor | FY22/23 (excluding TST) | FY21/22 | Change vs 1 year ago (excluding TST) |
|---------------------|----------------------------|------------------|----------------------------|---------|---|
| Grocery | | | | | |
| Branded | 458.8 | 5.0 | 453.8 | 416.2 | 9.0% |
| Non-branded | 80.8 | - | 80.8 | 65.4 | 23.5% |
| Total | 539.6 | 5.0 | 534.6 | 481.6 | 11.0% |
| Sweet Treats | | | | | |
| Branded | 154.5 | - | 154.5 | 158.5 | (2.5%) |
| Non-branded | 43.7 | - | 43.7 | 34.6 | 26.4% |
| Total | 198.2 | - | 198.2 | 193.1 | 2.6% |
| Group | | | | | |
| Branded | 613.3 | 5.0 | 608.3 | 574.7 | 5.9% |
| Non-branded | 124.5 | - | 124.5 | 100.0 | 24.5% |
| Total | 737.8 | 5.0 | 732.8 | 674.7 | 8.6% |

- Market share data sourced from IRI, 12 weeks ended 31 December 2022
- International sales stated on a constant currency basis
- Non-HFSS: Food or drinks not high in fat, salt or sugar
- Sales data is for the thirteen weeks to 31 December 2022 and the comparative period, the thirteen weeks ended 1 December 2022. Headline results in the statement are stated excluding The Spice Tailor
- All financial data detailed above is unaudited and has not been subject to review by the Company's auditors
- Additional notes on the Knighton manufacturing site proposed closure:
 - Group revenue branded mix will increase by c.270 basis points to c.89% (on FY21/22 pro forma basis)
 - Cash exceptionals of c.£10m are expected to be incurred in FY23/24 to cover redundancy and restructuring costs. These costs will be provided for in FY22/23 under non-trading items within Operating profit. There will be no cash exceptional costs incurred in FY22/23.
 - Certain branded products currently manufactured at Knighton will be transferred to other Group sites, with no changes expected to take effect until mid-2023