



16 November 2023

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

Half year results for the 26 weeks ended 30 September 2023

Full year expectations raised following strong first half performance

Headline results (£m)	FY23/24 H1	FY22/23 H1	change
Headline Revenue	484.4	406.5	19.2%
Trading profit ¹	67.5	56.7	19.0%
Adjusted profit before taxation ⁴	56.9	47.0	21.2%
Adjusted earnings per share ⁷ (pence)	5.0	4.4	12.0%
Net debt ¹⁰	273.1	337.7	£64.6m lower

Statutory measures (£m)	FY23/24 H1	FY22/23 H1	% change
Revenue	494.1	419.9	17.7%
Profit before taxation	58.1	42.1	38.0%
Profit after taxation	42.7	36.1	18.3%
Basic earnings per share (pence)	5.0	4.2	19.0%

Alternative performance measures above are defined on pages 11-12 and reconciled to statutory measures throughout.
Headline Revenue presented for FY23/24 H1 excludes 'Knighton Foods', Statutory Revenue includes Knighton Foods

Headlines

- Branded revenue up +15.8%; Q2 branded revenue up +14.3%
- Total Headline Grocery revenue up +24.6%, Sweet Treats revenue up +5.4%
- Grocery market share¹² increased +113bps
- Trading profit +19.0%; margins continue to be in line with prior year
- Increased marketing investment across all major brands, expanding Best Restaurant in Town campaign
- Strong International progress; *Mr Kipling* distribution building in USA and further market share growth in Australia
- New categories revenue increased +21% led by continued momentum of *Ambrosia* porridge pots
- *The Spice Tailor* continues to build distribution and on track to deliver returns ahead of plan
- *FUEL10K* acquisition completed early in H2, accelerating expansion into breakfast category
- FY23/24 Trading profit now expected to be in the region of 10% ahead of prior year

Alex Whitehouse, Chief Executive Officer

*“We’ve had a really good start to the year, making strong progress against all our strategic pillars. We delivered branded revenue growth of nearly 16%, again maintained our Trading profit margins and we continue to grow faster than our markets, gaining 113 basis points of share in our Grocery categories. This performance once again demonstrates the power of our branded growth model and the capabilities of our team. New categories revenue increased by 21%, driven by *Ambrosia* porridge pots and our International business grew by 19%, with *Mr Kipling* building distribution in the USA and taking further market share in Australia.”*

*“We know how challenging the past year has been for many consumers and so it’s good to see the rate of input cost inflation falling. This has now given us the opportunity to lower promotional prices across a number of our major branded products such as *Batchelors Super Noodles* and *Mr Kipling Slices*.”*

*“We’re very pleased to have recently acquired the vibrant breakfast brand *FUEL10K*, providing us with the ideal platform to accelerate our expansion into breakfast and deploy our branded growth model, while *The Spice Tailor* is on track this year to deliver returns ahead of our original acquisition plan. With a strong first half behind us, a good start to quarter 3 and exciting plans for the rest of the year, we are again raising our Trading profit expectations for FY23/24, following our previous upgrade earlier this year.”*

Environmental, Social and Governance (ESG)

The Group continues to make strong progress against its ‘Enriching Life Plan’, set out through the three key strategic pillars of Product, Planet and People. As previously articulated, the Group has set out a series of major sustainability targets under each pillar and reports progress on these annually.

Premier Foods plc

1. Product

In H1, Revenue growth from products with high nutritional standards (as defined by UK Government) increased by 23% compared to the same period a year ago. Additionally, 43% of the Group's products have an additional health or nutrition benefit, such as added fibre or higher in vitamins. In terms of packaging, 96% by weight of products are recyclable, reusable or compostable. *Ambrosia* custard mini pots is an example of a reconfigured product which will shortly use entirely recyclable materials.

2. Planet

The Group continues to make progress in reducing emissions, in line with its target to reduce scope 1 and 2 by 2040. Scope 1 emissions are expected to be approximately 4% lower in FY23/24 compared to the prior year, while a new supplier engagement programme has recently been launched to drive lower scope 3 emissions.

3. People

Embracing diversity is an important part of the Premier Foods culture; 47% of management colleagues are female and the Group is a key supporter of Grocery Aid Diversity in Grocery. The five-year partnership with FareShare, now into its second year, has seen over 500,000 meals donated in the first half of FY23/24, while we have also increased our apprentice and graduate positions by 16% in the period.

Outlook

The Group has delivered a strong first half of FY23/24 and made a good start to its third quarter, as it continues to implement its comprehensive programme of brand investment, new product launches and impactful instore execution. With this strong momentum, the Group now expects Trading profit this financial year to be in the region of 10% ahead of last year. The full resolution of the pension schemes is expected within three years and would open up a range of value enhancing opportunities to further accelerate shareholder value over the medium term.

Strategy overview

The Group's five pillar strategy drives growth and creates value, as outlined below.

1. **Continue to grow the UK core business**

We have a well established and growing UK business which provides the basis for further expansion. The Group's branded growth model is at the heart of what we do and is core to our success. Leveraging our leading category positions, we launch new products to market driven by consumer trends, support our brands with sustained levels of marketing investment and foster strong customer and retailer partnerships.

Proof point: H1 UK branded revenue growth of 15.5%.

2. **Supply chain investment**

We invest in operational infrastructure to increase efficiency and productivity across our manufacturing and logistics operations, providing a virtuous cycle for brand investment. Capital investment in our sites also facilitates growth through our innovation strategy and enhances the safety and working conditions of our colleagues. We are also now investing in low energy manufacturing solutions to drive scope 1 and 2 emission reductions, aligned to our Enriching Life Plan.

Proof point: Significantly increasing capital investment in FY23/24, focusing on efficiency and energy reduction

3. **Expand UK business into new categories**

We leverage the strength of our brands, using our proven branded growth model to launch products in adjacent, new food categories.

Proof point: Revenue growth of products in new categories increased by 21% compared to the prior year.

4. **Build international businesses with critical mass**

We are building sustainable business units with critical mass overseas, applying our brand building capabilities to deliver growth in our target markets of Republic of Ireland, Australia & New Zealand, North America and Europe. Our primary brands to drive this expansion are *Mr Kipling*, *Sharwood's* and *The Spice Tailor*.

Proof point: Revenue growth of 19%⁸ with further market share growth of Australia cake and building distribution in US cake.

5. **Inorganic opportunities**

We are looking to acquire brands where we believe we can drive significant value through the application of our branded growth model.

Proof point: Building distribution of The Spice Tailor, ahead of original returns expectations this year and acquired FUEL10K, the vibrant Breakfast brand.

Further information

A presentation to investors and analysts will be webcast today at 9:00am GMT.

To register for the webcast follow the link: www.premierfoods.co.uk/investors/investor-centre

A recording of the webcast will be available on the Company's website later in the day.

A conference call for bond investors and analysts will take place today, 16 November 2023, at 1:30pm GMT. Dial in details are outlined below:

Telephone: 0800 358 1035 (UK toll free)
+44 20 4587 0498 (standard international access)
Access code: 194392

A factsheet providing an overview of the Half year results is available at:

www.premierfoods.co.uk/investors/results-centre

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

www.premierfoods.co.uk/media/image-gallery/

Further information on the 'Best Restaurant in Town' can be found at:

www.bestrestaurantintown.co.uk/

As one of Britain's largest food producers, 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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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.

Financial results

Overview

<u>£m</u>	<u>FY23/24 H1</u>	<u>FY22/23 H1</u>	<u>% change</u>
Branded revenue	416.5	359.6	15.8%
Non-branded revenue	67.9	46.9	44.8%
Headline revenue	484.4	406.5	19.2%
Divisional contribution ²	101.6	83.5	21.7%
Trading profit¹	67.5	56.7	19.0%
<i>Trading profit margin</i>	<i>13.9%</i>	<i>13.9%</i>	<i>0.0ppt</i>
Adjusted EBITDA ³	79.4	68.5	15.9%
Adjusted profit before tax ⁴	56.9	47.0	21.2%
Adjusted earnings per share ⁷ (pence)	5.0	4.4	12.0%
Basic earnings per share (pence)	5.0	4.2	19.0%

Headline revenue excludes Knighton Foods, reconciliations are provided in the appendices.

Headline Revenue, which excludes Knighton Foods, grew by 19.2% in the first half of the year. Divisional contribution increased by 21.7% to £101.6m and Trading profit increased by 19.0% to £67.5m. Group and corporate costs were higher in the period due to investment to improve planning systems and support strategic priorities, wage and salary inflation and wider management incentive scheme costs. Trading profit margins of 13.9% were in line with the prior period. Adjusted profit before tax increased by 21.2%, while adjusted earnings per share grew by 12.0%, reflecting an increase in the UK corporation tax rate from 19% to 25%. Basic earnings per share for FY23/24 H1 increased by 19.0% to 5.0p.

Statutory overview

<u>£m</u>	<u>FY23/24 H1</u>	<u>FY22/23 H1</u>	<u>% change</u>
<u>Grocery</u>			
Branded revenue	316.9	257.4	23.1%
Non-branded revenue	55.3	46.9	18.0%
Total revenue	372.2	304.3	22.3%
<u>Sweet Treats</u>			
Branded revenue	99.6	102.2	(2.6%)
Non-branded revenue	22.3	13.4	66.0%
Total revenue	121.9	115.6	5.4%
<u>Group</u>			
Branded revenue	416.5	359.6	15.8%
Non-branded revenue	77.6	60.3	28.7%
Statutory revenue	494.1	419.9	17.7%
Profit before tax	58.1	42.1	38.0%
Basic earnings per share (pence)	5.0	4.2	19.0%

The table above is presented including revenue from Knighton Foods.

Group revenue on a statutory basis increased by 17.7% in the period, with branded revenue growing by 15.8% and non-branded revenue ahead 28.7%. Grocery revenue was 22.3% higher than the prior period at £372.2m. Non-branded Grocery revenue grew by 18.0% to £55.3m as price increases on existing contracts were partly offset by managed contract exits associated with the closure of Knighton Foods.

Trading performance**Grocery**

£m	FY23/24 H1	FY22/23 H1	% change
Branded revenue	316.9	257.4	23.1%
Non-branded revenue	45.6	33.5	36.2%
Total headline revenue	362.5	290.9	24.6%
Divisional contribution ²	89.5	70.2	27.5%
<i>Divisional contribution margin</i>	<i>24.7%</i>	<i>24.1%</i>	<i>0.6ppts</i>

The table above is presented including the impact of The Spice Tailor acquisition. Revenue excludes Knighton Foods.

On a headline basis (excluding Knighton Foods) Grocery revenue increased by 24.6% in the period to £362.5m, with Branded revenue up 23.1% to £316.9m. Non-branded revenue increased by 36.2% to £45.6m. Market share¹³ in the Group's Grocery categories increased by 113 basis points in the first half of the year, as the Group's brands continue to demonstrate their strength and resilience in what has been a challenging consumer environment.

In the second quarter, Grocery revenue (on a headline basis) increased by 23.0%, with very strong growth in both branded and non-branded revenue. Branded growth of 21.5% was due to the benefit of the Group's proven branded growth model across the portfolio and price increases. Non-branded revenue grew by 35.1% and was primarily due to pricing benefits in retailer branded product categories compared to the prior period.

Divisional contribution increased by 27.5% to £89.5m; margins expanded by 60 basis points as the strong trading performance was partly offset by increased brand investment and salary inflation.

Grocery volume trends improved in the second quarter, as elasticity effects of price increases dissipated. Greater promotional investment across a range of popular products in the second half is expected to further underpin these volume trends.

The Group's branded growth model leverages the strength of its market leading brands, launching insightful new products, supporting the brands with emotionally engaging advertising and building strategic retail partnerships. Consistent and effective application of this strategy has resulted in H1 Grocery branded revenue increasing by over 50% compared to five years ago, translating into Trading profit growth of 8.6% per annum.

All the Group's Grocery brands reported strong growth in the period, due to further momentum driven by the proven branded growth model. In the first half of the year, the Group upweighted investment in its 'Best Restaurant in Town' campaign, which highlights great value meal ideas across the Grocery portfolio. The Grocery business's major brands, *Ambrosia*, *Batchelors*, *Bisto*, *Sharwood's*, *Oxo* and *Loyd Grossman* all benefitted from this impactful campaign. *Oxo* revenue in the first half of the year was particularly strong, benefitting not only from increased brand advertising but also further expansion of new *Oxo* Stock pots.

Nissin noodles ranges again demonstrated very strong growth in the period, with revenue up nearly 50%, due to their strong consumer repeat rate and launch of the Big *Soba* pots range. As part of our commitment to giving consumers new healthier options, we launched *Batchelors* Pasta 'n' Sauce pots, *Sharwood's* curry pastes and *Homepride* pasta bake sauces in the period. Under the 'indulgence' trend, *Ambrosia* launched Deluxe creamed rice in can and pot formats.

Another key element of the branded growth model is to build and maintain strong, collaborative partnerships with customers. For example, *Batchelors* extended its successful partnership with DC Warner Brothers in the period, this time through its tie-up with Batman, producing some highly impactful instore execution displays. Illustrating the effectiveness of this strategy, the Group increased off shelf display by 56% in its Grocery categories during the second quarter, driving significantly improved brand visibility and volume trends. Additionally, total distribution of Grocery products increased by 2.6% reflecting significant gains in recent range reviews.

One of the Group's key strategic pillars is expanding into adjacent categories, leveraging the strong brand equities across its brand portfolio to deliver further growth. Revenue in new categories increased by 21% in the period and *Ambrosia* porridge pots was again one of the main drivers of this progress. Market share grew to 6.2% in a category growing at around 20% and sales nearly doubled compared to last year. In ice-cream, new distribution into major multiple retailers was achieved in the second quarter, as it builds on the success of its initial launch in 2022. These ranges exemplify the brands' respective differentiators; *Angel Delight* ice-cream is available in its iconic Butterscotch and Strawberry flavours and *Mr Kipling* Cherry Bakewell ice-cream includes cherries and pieces of cake.

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The Spice Tailor is now benefitting from the commercial capabilities and category expertise of the Group which has resulted in improved retailer distribution both in the UK and overseas and significantly enhanced instore execution through more impactful product displays. The brand is well on track to deliver returns ahead of its original plan for FY23/24 and there is a strong pipeline of product innovation planned for the next 12 months.

New product development for the second half of the year includes *Loyd Grossman* pesto sauces, *Ambrosia* plant-based custard and *Plantastic* Protein Boost curry and rice pots.

Sweet Treats

£m	FY23/24 H1	FY22/23 H1	% change
Branded revenue	99.6	102.2	(2.6%)
Non-branded revenue	22.3	13.4	66.0%
Total headline revenue	121.9	115.6	5.4%
Divisional contribution ²	12.1	13.3	(8.8%)
<i>Divisional contribution margin</i>	9.9%	11.5%	(1.6ppts)

Total revenue increased by 5.4% in Sweet Treats, with Branded revenue 2.6% lower than the prior period and non-branded revenue up by 66.0% at £22.3m. The non-branded revenue growth was due to a combination of contract wins in pies and tarts and price increases on existing ranges.

Sweet Treats delivered Divisional contribution of £12.1m in the first half of the year compared to £13.3m in the prior period. Investment in *Mr Kipling* television media advertising, broadcasting the new 'Piano' advert, demonstrates the Group's media approach of building emotional connections with consumers and is weighted to the first half. Revenue growth included price increases, sales from new products such as the *Mr Kipling* Deliciously Good range and Signature Brownie Bites and offset by some lower promotional volumes owing to price elasticity effects. Quarter 1 also benefitted from activity commemorating the King's Coronation. In the second half of the year, the Group's promotional pricing will be sharper, reflecting lower levels of input cost inflation and which will assist in driving further volume recovery.

During the course of the first half, the Group focused on enhancing instore execution of both *Mr Kipling* and *Cadbury cake* through developing innovative branded displays to assist shoppers navigate the cake category with greater ease. Additionally, the partnership with The Minions franchise was extended to *Mr Kipling* in the period, with the opportunity for consumers to win prizes. Looking forward to the second half of the year, innovation plans include *Mr Kipling* launching its best ever, indulgent, all butter mince pies and *Cadbury cake* is re-introducing Crème Egg cake bars.

International

Revenue overseas (on a constant currency basis) increased by 19%⁸ compared to the prior period. In the Group's strategic target markets, particularly strong growth was delivered in USA (+53%), Europe (+39%) and Ireland (+27%). In-market cake sales in Australia continue to be strong, however revenue was impacted by reduced shipping times which in turn led to lower stock holdings in the supply chain.

Building sustainable businesses in the Group's target markets continues to progress strongly. The *Mr Kipling* and *Cadbury cake* brands again grew market share in Australia, reaching a record 16.0%¹⁴ and delivering retail sales growth of 21.8%. The rollout of the Company's branded growth model is developing well with both brand investment and new product development launches for *Mr Kipling* in the first half of the year. *Mr Kipling* received TV advertising in the form of the engaging 'Little Thief' advert and also sponsored the Great Australian Bake Off, while new products launched in the period included Caramel Bakewell Tarts and Salted Caramel Slices.

In the USA, the distribution of *Mr Kipling* to a range of retailers is building well, with approximately 1,100 stores now stocking the Group's largest brand, up from c.200 at the start of the year. Further store listings are planned for the second half of the year, expected to reach over 1,900 in quarter three, and will be accompanied by instore activation and social media campaigns.

Sales in Ireland were, like the UK, broad based with many brands delivering double-digit sales growth; *Ambrosia*, *Bisto* and *Oxo* were particularly strong performers due to pricing benefits and continued application of the branded growth model. In Europe, *Sharwood's* sales were strong, reflecting increased listings in major retailers in Germany and Netherlands.

Operating profit

Operating profit increased by £18.1m to £69.0m in the period. Trading profit increased by 19.0% to £67.5m, as described above. Brand amortisation of £10.5m was broadly in line with the prior year period. Net interest on pensions and administrative expenses was a credit of £15.6m (FY22/23 H1: £8.5m credit), due to an interest credit on the opening combined surplus of the pension scheme of £18.1m, partly offset by £2.5m of administrative expenses. Non-trading items of £3.7m were £1.0m lower than the prior period and relate primarily to costs associated with the closure of the Knighton manufacturing site.

Finance costs

Net finance cost was £10.9m in the first half of FY23/24, an increase of £2.1m compared to FY22/23 H1. Net regular interest⁵ increased by £0.9m to £10.6m, due to a higher SONIA rate applicable to the Group's revolving credit and debtors securitisation facilities. Interest on the Group's Senior secured notes of £5.8m were in line with the prior period. Interest income was £1.7m, £0.3m higher than the prior period reflecting higher interest rates on cash reserves partly offset by the discount provision unwind which was lower than FY22/23 H1.

Taxation

The taxation charge for the period was £15.4m (2022/23 H1: £6.0m) and was largely due to a charge on operating activities of £14.5m (2022/23 H1: £8.0m), reflecting an increase in the UK corporation tax rate from 19% to 25%. The Group has now recommenced paying cash tax, albeit at low absolute levels, reflecting brought forward losses available to offset against future tax liabilities.

Earnings per share

<u>£m</u>	<u>FY23/24 H1</u>	<u>FY22/23 H1</u>	<u>% change</u>
Operating profit	69.0	50.9	35.6%
Net finance cost	(10.9)	(8.8)	(23.9%)
Profit before taxation	58.1	42.1	38.0%
Taxation	(15.4)	(6.0)	(156.7%)
Profit after taxation	42.7	36.1	18.3%
Average shares in issue (million)	862.5	860.3	0.3%
Basic Earnings per share (pence)	5.0	4.2	19.0%

The Group reported profit before tax of £58.1m in the first half of FY23/24, a 38.0% increase on the prior period. Profit after tax increased by £6.6m to £42.7m and basic earnings per share was 5.0 pence, an increase of 19.0%.

Cash flow

Net debt as at 30 September 2023 was £273.1m, a reduction of £64.6m compared to the same point a year ago and £1.2m lower than 1 April 2023.

Trading profit was £67.5m, as described above, while depreciation and software amortisation totalled £11.9m. An £11.0m outflow of working capital was due to higher stock reflecting inflation of both raw materials and finished goods and some stock build in advance of the Knighton site closure. Pension deficit contribution payments of £16.7m reflected the recently agreed reductions with the Pension Trustee and administration costs were £3.3m, totalling a £20.0m cash outflow to the schemes. Non-trading items were £2.8m and related to payments associated with closure of the Knighton manufacturing site. In the Full year, the Group expects non-trading items to be approximately £20m.

On a statutory basis, cash generated from operating activities was £34.8m (FY22/23 H1: £6.9m) after deducting net interest paid of £9.7m (FY22/23 H1: £9.7m). The Group paid Tax of £0.8m in the period (2022/23 H1: £0.4m).

Cash used in investing activities was £13.8m (FY22/23 H1: £50.1m), the reduction primarily due to consideration paid for The Spice Tailor acquisition in the prior period of £43.8m, partly offset by a planned increase in capital expenditure in the period of £6.3m to £13.8m. In FY23/24, the Group expects to increase its capital investment, as it looks to accelerate investment across the supply chain and transfer some manufacturing capability from the Knighton site to Ashford, Kent and Carlton, South Yorkshire. Such investment includes both growth projects supporting the Group's innovation strategy and cost release projects to deliver efficiency savings. The strategy of investing in supply chain infrastructure represents a virtuous cycle to provide the fuel for the Group's branded growth model. Other examples

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include replacement of new air compressors across a number of sites which have improved efficiency and will reduce scope 2 carbon emissions. Future plans include the development of a new, innovative energy efficient process to manufacture iced-topped cake products which will also increase line efficiency and reduce carbon emissions.

Cash used in financing activities was £16.7m in the period (FY22/23 H1: £12.7m generated) which included a £12.4m dividend payment to shareholders (FY22/23 H1: £10.3m). A dividend match payment to the Group's pension schemes of £3.7m was also made in the period. As at 30 September 2023, the Group held cash and bank deposits of £67.7m and its £175m revolving credit facility was undrawn.

Pensions

The Pension scheme has continued to make strong progress, benefiting from a successful investment strategy for both the RHM and Premier Foods sections since the segregated merger of the scheme in June 2020. As of March 2022, the RHM section reported a buyout valuation in excess of £100m and the deficit in the Premier Foods section continued to reduce. This investment strategy continues to deliver, such that a full resolution of the pension scheme deficit, where an RHM section surplus would offset a Premier Foods section deficit, is now forecast within three years. This is expected to result in the cessation of deficit contributions paid by the Company and in turn, opens up broader, deeper, capital allocation opportunities.

IAS 19 Accounting Valuation (£m)	30 September 2023			1 April 2023		
	RHM	Premier Foods	Combined	RHM	Premier Foods	Combined
Assets	2,903.6	503.1	3,406.7	3,240.2	552.6	3,792.8
Liabilities	(2,077.2)	(671.5)	(2,748.7)	(2,291.9)	(735.4)	(3,027.3)
Surplus/(Deficit)	826.4	(168.4)	658.0	948.3	(182.8)	765.5
Net of deferred tax (25%)	619.8	(126.3)	493.5	711.2	(137.1)	574.1

The Group's pension scheme reported a combined surplus of £658.0m as at 30 September 2023, a reduction of £107.5m compared to the prior period. This is equivalent to a surplus of £493.5m net of a deferred tax charge of 25.0%. Asset values fell in both sections of the schemes as a result of hedging in place. The applicable discount rate used to value liabilities increased from 4.80% to 5.50%, as a result of further rises in UK corporate bond yields. Accordingly, the value of liabilities fell by £278.6m to £2,748.7m. The RPI inflation rate assumption used was unchanged at 3.30%. Asset values reduced by £386.2m in the period and were lower in Government bonds and absolute return products.

A deferred tax rate of 25.0% is deducted from the IAS19 retirement benefit valuation of the Group's schemes to reflect the fact that pension deficit contributions made to the Group's pension schemes are allowable for tax.

As previously disclosed, the Company and Trustees of the pension scheme have agreed to reduce the annual deficit contribution payments by £5m per annum to £33m until FY25/26. Additionally, administrative expenses (including UK Government levies) have reduced to c.£6m per annum. The net present value of future pension contributions to the end of the respective recovery periods remains unchanged at approximately £125m¹⁵ and includes the benefit of a c.£100m surplus (as at 31 March 2022) from the RHM section on a buyout valuation basis.

Capital allocation

The Group is a highly cash generative business and has substantially reduced its interest costs in recent years. Today, the allocation of capital is split across pension contributions, capital investment and dividends. Additionally, the Group continues to explore M&A opportunities. In the medium term, pension contributions are expected to reduce further, freeing up more cash for capital investment, M&A and dividends.

Principal risks and uncertainties

Strong risk management is key to delivery of the Group's strategic objectives. It has an established risk management process, the Executive Leadership Team performing a formal robust assessment of the principal risks bi-annually which is reviewed by the Board and Audit Committee. Risks are monitored at a segment and functional level throughout the year considering both internal and external factors. The Group's principal risks were disclosed on page 60 to 66 of the annual report and accounts for the financial period ended 1 April 2023 and these remain relevant for the current period. The major strategic and operational risks are summarised under the headings of Macroeconomic and geopolitical instability, Impact of Government legislation, Market and retailer actions, Operational integrity, Legal compliance, Climate risk, Technology, Product portfolio, HR and employee risk, Strategy delivery. The nature and potential impact of the principal risks and uncertainties facing the Group are considered essentially unchanged in the six months ended 30th September and are not expected to change during the second half of the financial year.

Alex Whitehouse
Chief Executive Officer

Duncan Leggett
Chief Financial Officer

Appendices

The Company's Half year results are presented for the 26 weeks ended 30 September 2023 and the comparative period, 26 weeks ended 1 October 2022. All references to the 'period', unless otherwise stated, are for the 26 weeks ended 30 September 2023 and the comparative periods, 26 weeks ended 1 October 2022.

All references to the 'quarter', unless otherwise stated, are for the 13 weeks ended 30 September 2023 and the comparative periods, 13 weeks ended 1 October 2022.

Half year and Quarter 2 Revenue

Half year revenue (£m)	FY23/24			<i>Headline revenue % change vs prior year</i>
	<u>Statutory revenue</u>	<u>Knighton Foods</u>	<u>Headline revenue</u>	
Grocery				
Branded	316.9		316.9	23.1%
Non-branded	55.3	(9.7)	45.6	36.2%
Total	372.2	(9.7)	362.5	24.6%
Sweet Treats				
Branded	99.6		99.6	(2.6%)
Non-branded	22.3		22.3	66.0%
Total	121.9		121.9	5.4%
Group				
Branded	416.5		416.5	15.8%
Non-branded	77.6	(9.7)	67.9	44.8%
Total	494.1	(9.7)	484.4	19.2%

Quarter 2 Revenue (£m)	FY23/24			<i>Headline revenue % change vs prior year</i>
	<u>Statutory revenue</u>	<u>Knighton Foods</u>	<u>Headline revenue</u>	
Grocery				
Branded	167.8		167.8	21.5%
Non-branded	28.2	(4.9)	23.3	35.1%
Total	196.0	(4.9)	191.1	23.0%
Sweet Treats				
Branded	49.4		49.4	(4.7%)
Non-branded	12.8		12.8	53.1%
Total	62.2		62.2	3.2%
Group				
Branded	217.2		217.2	14.3%
Non-branded	41.0	(4.9)	36.1	40.7%
Total	258.2	(4.9)	253.3	17.4%

EBITDA to Operating profit reconciliation (£m)	FY23/24 H1	FY22/23 H1
Adjusted EBITDA³	79.4	68.5
Depreciation	(9.6)	(9.3)
Software amortisation	(2.3)	(2.5)
Trading profit	67.5	56.7
Amortisation of brand assets	(10.5)	(10.3)
Fair value movements on foreign exchange & derivative contracts	0.1	0.7
Net interest on pensions and administrative expenses	15.6	8.5
Non-trading items – restructuring costs	(3.7)	(4.7)
Operating profit	69.0	50.9

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Finance costs (£m)	FY23/24 H1	FY22/23 H1	Change
Senior secured notes interest	5.8	5.8	-
Bank debt interest – net	3.9	3.0	(0.9)
	9.7	8.8	(0.9)
Amortisation of debt issuance costs	0.9	0.9	-
Net regular interest⁵	10.6	9.7	(0.9)
Re-measurement due to discount rate change	(0.1)	(1.3)	(1.2)
Other finance cost	0.4	0.4	-
Net finance cost	10.9	8.8	(2.1)

Adjusted earnings per share (£m)	FY23/24 H1	FY22/23 H1	Change
Trading profit	67.5	56.7	19.0%
Less: Net regular interest ⁵	(10.6)	(9.7)	(8.5%)
Adjusted profit before tax	56.9	47.0	21.2%
Less: Notional tax (25%/19%)	(14.2)	(8.9)	(59.6%)
Adjusted profit after tax ⁶	42.7	38.1	12.2%
Average shares in issue (millions)	862.5	860.3	0.3%
Adjusted earnings per share (pence)	5.0	4.4	12.0%

Net debt (£m)	
Net debt¹¹ at 1 April 2023	274.3
Movement in cash	(4.3)
Movement in debt issuance costs	0.4
Movement in lease creditor	2.7
Net debt at 30 September 2023	273.1

Free cash flow (£m)	FY23/24 H1	FY22/23 H1
Trading profit	67.5	56.7
Depreciation & software amortisation	11.9	11.8
Other non-cash items	2.5	1.8
Capital expenditure	(13.8)	(6.3)
Working capital	(11.0)	(28.6)
Operating cash flow¹⁷	57.1	35.4
Interest	(9.7)	(9.7)
Pension contributions	(20.0)	(20.7)
Free cash flow¹²	27.4	5.0
Non-trading items	(2.8)	(2.7)
Net share (repurchase)/issue	(2.8)	0.1
Financing fees	(0.5)	(0.7)
Taxation	(0.8)	(0.4)
Dividend (including pensions match)	(16.2)	(13.0)
Acquisition	-	(43.8)
Movement in cash	4.3	(55.5)
Proceeds from borrowings	-	25.0
Net increase in cash and cash equivalents	4.3	(30.5)

The following table outlines the basis on which the Group is reporting headline revenue for FY23/24.

This includes *The Spice Tailor* but excludes sales from Knighton which is being managed for exit during the course of FY23/24, following the decision to close the site. In FY22/23, all Knighton revenue was all reported in Grocery – Non-branded.

Group sales ex Knighton Foods (£m)	FY22/23 revenue by quarter				
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Group sales (including <i>The Spice Tailor</i>)	197.0	222.9	318.0	268.5	1,006.4
Knighton	(6.2)	(7.2)	(9.8)	(7.6)	(30.8)
Group sales (including <i>The Spice Tailor</i> , ex Knighton)	190.8	215.7	308.2	260.9	975.6

Notes and definitions of alternative performance measures

The Company uses a number of alternative performance measures to measure and assess the financial performance of the business. The directors believe that these alternative performance measures assist in providing additional useful information on the underlying trends, performance and position of the Group. These alternative performance measures are used by the Group for reporting and planning purposes and it considers them to be helpful indicators for investors to assist them in assessing the strategic progress of the Group.

1. The Group uses Trading profit to review overall Group profitability. Trading profit is defined as profit/(loss) before tax, before net finance costs, amortisation of brand 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, net interest on pensions and administration expenses and past service costs.
2. Divisional contribution refers to Gross Profit less selling, distribution and marketing expenses directly attributable to the relevant business segment.
3. Adjusted EBITDA is Trading profit as defined in (1) above excluding depreciation and software amortisation.
4. Adjusted profit before tax is Trading profit as defined in (1) above less net regular interest.
5. Net regular interest is defined as net finance cost after excluding write-off of financing costs, early redemption fees, other finance cost and other finance income.
6. Adjusted profit after tax is Adjusted profit before tax as defined in (4) above less a notional tax charge of 25.0% (2022/23 H1: 19.0%).
7. References to Adjusted earnings per share are on a non-diluted basis and is calculated using Adjusted profit after tax as defined in (6) above divided by the weighted average of the number of shares of 862.5 million (26 weeks ended 1 October 2022: 860.3 million).
8. International sales remove the impact of foreign currency fluctuations and adjusts prior year sales to ensure comparability in geographic market destinations. The constant currency calculation is made by adjusting the current year's sales to the same exchange rate as the prior year. The constant currency adjustment is calculated by applying a blended rate.

£m	Reported	Adjustment	Constant currency
FY23/24 H1	32.2	0.0	32.2
FY22/23 H1	27.1	N/A	27.1
Growth/(decline) %	18.9%	N/A	19.0%

9. Non-trading items have been presented separately throughout the financial statements. These are items that management believes require separate disclosure by virtue of their nature in order that the users of the financial statements obtain a clear and consistent view of the Group's underlying trading performance. In identifying non-trading items, management have applied judgement including whether i) the item is related to underlying trading of the Group; and/or ii) how often the item is expected to occur.
10. Software amortisation is the annual charge related to the amortisation of the Group's software assets during the period.
11. Net debt is defined as total borrowings, less cash and cash equivalents and less capitalised debt issuance costs.
12. Free cash flow is Net increase or decrease in cash and cash equivalents excluding proceeds and repayment of borrowings, less dividend payments, disposal proceeds, re-financing fees, net proceeds from share issues, tax, acquisitions and non-trading items.
13. Circana, 24 weeks ended 30 September 2023.
14. Circana, 52 weeks ended 10 September 2023
15. The schedule of future contributions are as agreed per the 2022 actuarial funding valuation for the Premier Foods sections, discounted using the Company post tax WACC of 9.1%.
16. Acquisition accounting pertaining to *The Spice Tailor* acquisition can be found in Note 17.
17. Operating cash flow excludes interest and pension contributions.

Additional notes:

- The directors believe that users of the financial statements are most interested in underlying trading performance and cash generation of the Group. As such intangible brand asset amortisation and impairment are excluded from Trading profit because they are non-cash items.
- Non-trading items have been excluded from Trading profit because they are incremental costs incurred as part of specific initiatives that may distort a user's view of underlying trading performance.

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- Net regular interest is used to present the interest charge related to the Group's ongoing financial indebtedness, and therefore excludes non-cash items and other credits/charges which are included in the Group's net finance cost.
- Group & corporate costs refer to group and corporate expenses which are not directly attributable to a reported segment and are disclosed at total Group level.
- In line with accounting standards, the International operating segment, the results of which are aggregated within the Grocery reported segment, are not required to be separately disclosed for reporting purposes.

Statement of directors' responsibilities

The directors confirm that these condensed interim financial statements have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the 26 weeks ended 30 September 2023 and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining 26 weeks of the financial period; and
- material related-party transactions in the first 26 weeks and any material changes in the related-party transactions described in the last annual report.

The maintenance and integrity of the Premier Foods plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that might have occurred to the interim financial statements since they were initially presented on the website.

The directors of Premier Foods plc are listed on pages 72-73 of the Premier Foods plc annual report and accounts for the 52 weeks ended 1 April 2023, with the exception of the resignation of Simon Bentley on 12 July 2023. A list of current directors is maintained on the Premier Foods plc website: www.premierfoods.co.uk

Approved by the Board on 16 November 2023 and signed on its behalf by:

Alex Whitehouse
Chief Executive Officer

Duncan Leggett
Chief Financial Officer

Independent review report to Premier Foods plc

Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed Premier Foods plc's condensed consolidated interim financial statements (the "interim financial statements") in the Half year results of Premier Foods plc for the 26 week period ended 30 September 2023 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim financial statements comprise:

- the Condensed consolidated balance sheet as at 30 September 2023;
- the Condensed consolidated statement of profit or loss and the Condensed consolidated statement of comprehensive income for the period then ended;
- the Condensed consolidated statement of cash flows for the period then ended;
- the Condensed consolidated statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the Half year results of Premier Foods plc have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the United Kingdom ("ISRE (UK) 2410"). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the Half year results and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed. This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the Group to cease to continue as a going concern.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The Half year results, including the interim financial statements, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the Half year results in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. In preparing the Half year results, including the interim financial statements, the directors are responsible for assessing the Group's ability to

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continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements in the Half year results based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report. This report, including the conclusion, has been prepared for and only for the Company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP
Chartered Accountants
London
16 November 2023

Condensed consolidated statement of profit or loss (unaudited)

		26 weeks ended 30 Sep 2023	26 weeks ended 1 Oct 2022
	Note	£m	£m
Revenue	4	494.1	419.9
Cost of sales		(308.0)	(274.3)
Gross profit		186.1	145.6
Selling, marketing and distribution costs		(84.5)	(62.2)
Administrative costs		(32.6)	(32.5)
Operating profit	4	69.0	50.9
Finance cost	5	(12.6)	(10.2)
Finance income	5	1.7	1.4
Profit before taxation		58.1	42.1
Taxation	6	(15.4)	(6.0)
Profit for the period attributable to owners of the parent		42.7	36.1
Basic earnings per share (pence)	7	5.0	4.2
Diluted earnings per share (pence)	7	4.8	4.1

Condensed consolidated statement of comprehensive income (unaudited)

		26 weeks ended 30 Sep 2023	26 weeks ended 1 Oct 2022
	Note	£m	£m
Profit for the period		42.7	36.1
Other comprehensive income, net of tax			
Items that will never be reclassified to profit or loss			
Remeasurements of defined benefit schemes	8	(146.8)	(15.7)
Deferred tax credit		31.1	-
Current tax credit on pension movements		4.8	3.5
Items that are or may be reclassified subsequently to profit or loss			
Exchange differences on translation		(0.3)	0.5
Other comprehensive income, net of tax		(111.2)	(11.7)
Total comprehensive income attributable to owners of the parent		(68.5)	24.4

The notes on pages 21 to 40 form an integral part of the condensed consolidated interim financial information.

Condensed consolidated balance sheet (unaudited)

	Note	As at 30 Sep 2023 £m	As at 1 April 2023 £m
ASSETS:			
Non-current assets			
Property, plant and equipment		186.7	185.9
Goodwill	17	680.3	680.3
Other intangible assets		283.5	294.4
Deferred tax assets		21.1	22.4
Net retirement benefit assets	8	836.7	960.1
		2,008.3	2,143.1
Current assets			
Inventories		137.3	93.7
Trade and other receivables		111.0	103.9
Derivative financial instruments	10	0.7	0.8
Cash and cash equivalents	12	67.7	64.4
		316.7	262.8
Total assets		2,325.0	2,405.9
LIABILITIES:			
Current liabilities			
Trade and other payables		(296.1)	(255.4)
Financial liabilities:			
– short-term borrowings	9	-	(1.0)
– derivative financial instruments	10	(0.3)	(0.5)
Lease liabilities	9	(5.5)	(2.1)
Provisions for liabilities and charges	11	(9.7)	(13.3)
		(311.6)	(272.3)
Non-current liabilities			
Long term borrowings	9	(324.8)	(324.4)
Lease liabilities	9	(10.5)	(11.2)
Net retirement benefit obligations	8	(178.7)	(194.6)
Provisions for liabilities and charges	11	(7.1)	(6.6)
Deferred tax liabilities		(155.2)	(177.9)
Other liabilities		(12.4)	(12.9)
		(688.7)	(727.6)
Total liabilities		(1,000.3)	(999.9)
Net assets		1,324.7	1,406.0
EQUITY:			
Capital and reserves			
Share capital		86.9	86.8
Share premium		2.6	2.5
Merger reserve		351.7	351.7
Other reserves		(9.3)	(9.3)
Retained earnings		892.8	974.3
Total equity		1,324.7	1,406.0

The notes on pages 21 to 40 form an integral part of the condensed consolidated interim financial information.

Condensed consolidated statement of cash flows (unaudited)

	Note	26 weeks ended 30 Sep 2023 £m	26 weeks ended 1 Oct 2022 £m
Cash generated from operations	12	45.3	17.0
Interest paid		(11.4)	(9.9)
Interest received		1.7	0.2
Taxation paid		(0.8)	(0.4)
Cash generated from operating activities		34.8	6.9
Purchase of property, plant and equipment		(10.8)	(5.5)
Purchase of intangible assets		(3.0)	(0.8)
Acquisition of subsidiaries, net of cash acquired	17	-	(43.8)
Cash used in investing activities		(13.8)	(50.1)
Proceeds from borrowings		-	25.0
Principal element of lease payments		(1.0)	(1.4)
Financing fees ¹	9	(0.5)	(0.7)
Dividends paid		(12.4)	(10.3)
Proceeds from share issue		0.2	0.1
Purchase of shares to satisfy share awards		(3.0)	-
Cash (used in)/generated from financing activities		(16.7)	12.7
Net increase/(decrease) in cash and cash equivalents		4.3	(30.5)
Cash, cash equivalents and bank overdrafts at beginning of period		63.4	54.3
Cash, cash equivalents and bank overdrafts at end of period	12	67.7	23.8

¹ Payments in the current and prior period relate to the extension of the revolving credit facility. See note 9 for further details.

The notes on pages 21 to 40 form an integral part of the condensed consolidated interim financial information.

Condensed consolidated statement of changes in equity (unaudited)

	Note	Share capital	Share premium	Merger reserve	Other reserves	Retained earnings	Total equity
		£m	£m	£m	£m	£m	£m
At 2 April 2022		86.3	1.5	351.7	(9.3)	1,076.7	1,506.9
Profit for the period		-	-	-	-	36.1	36.1
Remeasurements of defined benefit schemes	8	-	-	-	-	(15.7)	(15.7)
Current tax credit on pension movements		-	-	-	-	3.5	3.5
Exchange differences on translation		-	-	-	-	0.5	0.5
Other comprehensive income		-	-	-	-	(11.7)	(11.7)
Total comprehensive income		-	-	-	-	24.4	24.4
Shares issued		-	0.1	-	-	-	0.1
Share-based payments		-	-	-	-	1.8	1.8
Deferred tax movements on share-based payments		-	-	-	-	0.5	0.5
Dividends	13	-	-	-	-	(10.3)	(10.3)
At 1 October 2022		86.3	1.6	351.7	(9.3)	1,093.1	1,523.4
At 1 April 2023		86.8	2.5	351.7	(9.3)	974.3	1,406.0
Profit for the period		-	-	-	-	42.7	42.7
Remeasurements of defined benefit schemes	8	-	-	-	-	(146.8)	(146.8)
Deferred tax credit		-	-	-	-	31.1	31.1
Current tax credit on pension movements		-	-	-	-	4.8	4.8
Exchange differences on translation		-	-	-	-	(0.3)	(0.3)
Other comprehensive income		-	-	-	-	(111.2)	(111.2)
Total comprehensive income		-	-	-	-	(68.5)	(68.5)
Shares issued		0.1	0.1	-	-	-	0.2
Share-based payments		-	-	-	-	2.4	2.4
Purchase of shares to satisfy share awards		-	-	-	-	(3.0)	(3.0)
Dividends	13	-	-	-	-	(12.4)	(12.4)
At 30 Sep 2023		86.9	2.6	351.7	(9.3)	892.8	1,324.7

The notes on pages 21 to 40 form an integral part of the condensed consolidated interim financial information.

1. General information

Premier Foods plc (the "Company") is a public limited Company incorporated in the United Kingdom and domiciled in England, registered number 05160050, with its registered office at Premier House, Centrium Business Park, Griffiths Way, St Albans, Hertfordshire AL1 2RE. The principal activity of the Company and its subsidiaries (the "Group") is the manufacture and distribution of branded and own label food products as described in the Group's annual report and accounts for the 52 weeks ended 1 April 2023.

2. Basis of preparation

This condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted for use in the UK.

The annual financial statements of the Group for the 52 weeks ending 30 March 2024 will be prepared in accordance with UK-adopted international accounting standards and with the requirements of the Companies Act 2006. As required by the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority, this condensed set of financial statements has been prepared applying the accounting policies and presentation that were applied in the preparation of the Company's published consolidated financial statements for the 52 weeks ended 1 April 2023 which were prepared in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006. There has been no significant impact on the Group profit or net assets on adoption of new or revised accounting standards in the period. Amounts are presented to the nearest £0.1m, unless otherwise stated. These condensed interim financial statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006.

The financial information for the 26 weeks ended 30 September 2023 is unaudited but has been subject to an independent review by PricewaterhouseCoopers LLP.

The Group's statutory financial statements for the 52 weeks ended 1 April 2023, which were approved by the Board of Directors on 18 May 2023, were reported on by PricewaterhouseCoopers LLP and delivered to the Registrar of Companies. The report of the auditors was unqualified, did not contain a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and did not contain any statement under section 498 (2) or (3) of the Companies Act 2006.

This financial information was approved for issue on 16 November 2023.

Going concern

The Group's revolving credit facility includes net debt/EBITDA and EBITDA/interest covenants as detailed in note 9. In the event these covenants are not met then the Group would be in breach of its financing agreement and, as would be the case in any covenant breach, the banking syndicate could withdraw funding to the Group. The Group is required to test covenants biannually aligned to reporting dates. The Group was compliant with its covenant tests as at 1 April 2023 and 30 September 2023.

Having undertaken a robust assessment of the Group's forecasts with specific consideration to the trading performance of the Group, cashflows and covenant compliance, the directors have a reasonable expectation that the Group is able to operate within the level of its current facilities, meet the required covenant tests and has adequate resources to continue in operational existence for at least 12 months from the date of approval of these financial statements. The Group therefore continues to adopt the going concern basis in preparing its financial information for the reasons set out below:

At 30 September 2023, the Group had total assets less current liabilities of £2,013.4m, net current assets of £5.1m and net assets of £1,324.7m. Liquidity as at that date was £242.7m, made up of cash and cash equivalents, and undrawn committed credit facilities of £175.0m expiring in May 2026. At the time of the approval of this report, the cash and liquidity position of the Group has not changed significantly.

The directors have rigorously reviewed the inflationary pressures across the industry and associated cost of living crisis, and have modelled a severe but plausible downside case impacting future financial performance, cash flows and covenant compliance, that covers a period of at least 12 months from the date of approval of these interim financial statements. This downside case represents severe but plausible assumptions related primarily to the impact of inflation during the review period. The directors have also considered the impact of climate change, cyber-attacks and changes in consumer

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preferences in the downside case modelled and have assumed all scenarios within the downside case impact concurrently during the period reviewed.

Whilst the downside scenario is deemed severe but plausible, it is considered by the directors to be a robust stress test of going concern, having an adverse impact on revenue, margin and cash flow and with covenants remaining compliant. Should circumstances mean there is further downside, whilst not deemed plausible, the directors, in response have identified mitigating actions within their control, that would reduce costs, optimising cashflow and liquidity. Amongst these are the following actions: reducing capital expenditure, reducing marketing spend and delaying or cancelling discretionary spend. The directors have assumed no significant structural changes to the business will be needed in any of the scenarios modelled. None of the scenarios modelled are sufficiently material to prevent the Group from continuing as a going concern.

The directors, after reviewing financial forecasts and financing arrangements, consider that the Group has adequate resources to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of this report. Accordingly, the directors are satisfied that it is appropriate to adopt the going concern basis in preparing its consolidated financial information.

3. Accounting policies

These Group condensed interim financial statements have been prepared in accordance with the accounting policies adopted in the Group's most recent annual financial statements for the 52 weeks ended 1 April 2023.

When preparing the Group condensed interim financial statements management undertakes judgments, estimates and assumptions that affect the recognition and measurement of assets and liabilities, income and expense. The actual results may differ from the judgments, estimates and assumptions made by management.

In preparing these Group condensed interim financial statements the significant judgments, estimates and key sources of estimation uncertainty made by management were the same as those that applied to the Group financial statements for the year ended 1 April 2023.

4. Segmental analysis

IFRS 8 requires operating segments to be determined based on the Group's internal reporting to the Chief Operating Decision Maker ('CODM'). The CODM has been determined to be the Executive Leadership Team as it is primarily responsible for the allocation of resources to segments and the assessment of performance of the segments.

The Group's operating segments are defined as 'Grocery', 'Sweet Treats', and 'International'. The CODM reviews the performance by operating segments. The Grocery segment primarily sells savoury ambient food products and the Sweet Treats segment sells primarily sweet ambient food products. The International segment has been aggregated within the Grocery segment for reporting purposes as revenue is below 10% of the Group's total revenue and the segment is considered to have similar characteristics to that of Grocery as identified in IFRS 8. There has been no change to the segments during the period.

The CODM uses Divisional contribution as the key measure of the segments' results. Divisional contribution is defined as gross profit after selling, marketing and distribution costs. Divisional contribution is a consistent measure within the Group and reflects the segments' underlying trading performance for the period under evaluation.

The Group uses trading profit to review overall Group profitability. Trading profit is defined as profit/loss before tax before net finance costs, amortisation of intangible assets, fair value movements on foreign exchange and other derivative contracts, net interest on pensions and administrative expenses, and any material items that require 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.

The Group's largest quarter in terms of Revenue is quarter three, reflecting seasonality across both segments.

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The segment results for the 26 weeks ended 30 September 2023 and 1 October 2022, and the reconciliation of the segment measures to the respective statutory items included in the financial information, are as follows:

	26 weeks ended 30 Sep 2023		
	Grocery	Sweet Treats	Total
	£m	£m	£m
Revenue	372.2	121.9	494.1
Divisional contribution	89.5	12.1	101.6
Group and corporate costs			(34.1)
Trading profit			67.5
Amortisation of brand assets			(10.5)
Fair value movements on foreign exchange and other derivative contracts			0.1
Net interest on pensions and administrative expenses			15.6
Non-trading items ¹			(3.7)
Operating profit			69.0
Finance cost			(12.6)
Finance income			1.7
Profit before taxation			58.1

¹Non-trading items relate primarily to the closure costs in relation to the Knighton site and the subsequent asset restructure costs.

	26 weeks ended 1 Oct 2022		
	Grocery	Sweet Treats	Total
	£m	£m	£m
Revenue	304.3	115.6	419.9
Divisional contribution	70.2	13.3	83.5
Group and corporate costs			(26.8)
Trading profit			56.7
Amortisation of brand assets			(10.3)
Fair value movements on foreign exchange and other derivative contracts			0.7
Net interest on pensions and administrative expenses			8.5
Non-trading items ¹			(4.7)
Operating profit			50.9
Finance cost			(10.2)
Finance income			1.4
Profit before taxation			42.1

¹Non-trading items relate primarily to M&A advisory costs, and expenses due to a short term manufacturing interruption.

Inter-segment transfers or transactions are entered into under the same terms and conditions that would be available to unrelated third parties.

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The Group primarily supplies the UK market, although it also supplies certain products to other countries in Europe and the rest of the world. The following table provides an analysis of the Group's revenue, which is allocated on the basis of geographical market destination, and an analysis of the Group's non-current assets by geographical location.

	26 weeks ended 30 Sep 2023	26 weeks ended 1 Oct 2022
	£m	£m
United Kingdom	461.9	392.9
Other Europe	15.2	11.9
Rest of world	17.0	15.1
Total	494.1	419.9

Non-current assets	As at 30 Sep 2023	As at 1 Apr 2023
	£m	£m
United Kingdom	1,150.5	1,160.6

Non-current assets are all held in the United Kingdom and exclude deferred tax assets and retirement benefit assets.

5. Finance income and costs

	26 weeks ended 30 Sep 2023	26 weeks ended 1 Oct 2022
	£m	£m
Interest payable on bank loans and overdrafts	(5.5)	(3.0)
Interest payable on senior secured notes	(5.8)	(5.8)
Interest payable on revolving facility	-	(0.1)
Amortisation of debt issuance costs	(0.9)	(0.9)
Other interest payable ¹	(0.4)	(0.4)
Total finance cost	(12.6)	(10.2)
Interest receivable on bank deposits	1.6	0.1
Other finance income ²	0.1	1.3
Total finance income	1.7	1.4
Net finance cost	(10.9)	(8.8)

¹ Other interest payable relates to the interest payable on finance leases.

² Other finance income relates to the unwind of the discount on certain of the Group's long term provisions and a change in the discount rates used.

6. Taxation

Current Tax

	26 weeks ended 30 Sep 2023	26 weeks ended 1 Oct 2022
	£m	£m
Current tax		
- Current period	(5.7)	(3.5)
Deferred tax		
- Current period	(9.7)	(5.0)
- Prior periods	-	0.1
- Changes in tax rate on the opening balances	-	2.4
Income tax charge	(15.4)	(6.0)

Tax relating to items recorded in other comprehensive income included:

	26 weeks ended 30 Sep 2023	26 weeks ended 1 Oct 2022
	£m	£m
Current tax (credit) / charge on pension movements	(4.8)	3.5
Deferred tax credit on pension movements	(31.1)	-
Income tax charge	(35.9)	3.5

The applicable rate of corporation tax for the period is 25%.

Tax charged for the 26 weeks ended 30 September 2023 has been calculated by applying the effective rate of tax which is expected to apply to the Group for the 52 weeks ended 30 March 2024 using rates substantively enacted by 30 September 2023 as required by IAS 34 'Interim Financial Reporting'. The tax charge for the period differs from the standard rate of corporation tax in the United Kingdom of 25.0% (26 weeks ended 1 October 2022: 19.0%). The reasons for this are explained below:

	26 weeks ended 30 Sep 2023	26 weeks ended 1 Oct 2022
	£m	£m
Profit before taxation	58.1	42.1
Tax charge at the domestic income tax rate of 25.0% (26 weeks ended 1 October 2022: 19.0%)	(14.5)	(8.0)
Tax effect of:		
Non-taxable items	-	1.7
Other disallowable items	(1.0)	(1.1)
Disposal proceeds	0.1	-
Adjustment due to change in tax rate on the opening balances	-	2.4
Difference between current and deferred tax rate	-	(1.1)
Adjustments to prior periods	-	0.1
Income tax charge	(15.4)	(6.0)

7. Earnings per share

Basic earnings per share has been calculated by dividing the profit for the 26 weeks ended 30 September 2023 attributable to owners of the parent of £42.7m (26 weeks ended 1 October 2022: £36.1m profit) by the weighted average number of ordinary shares of the Company.

	26 weeks ended 30 Sep 2023 Number	26 weeks ended 1 Oct 2022 Number
Weighted average number of ordinary shares for the purpose of basic earnings per share (m)	862.5	860.3
Effect of dilutive potential ordinary shares (m)	22.5	21.3
Weighted average number of ordinary shares for the purpose of diluted earnings per share	885.0	881.6

	26 weeks ended 30 Sep 2023			26 weeks ended 1 Oct 2022		
	Basic	Dilutive effect of share options	Diluted	Basic	Dilutive effect of share options	Diluted
Profit after tax (£m)	42.7		42.7	36.1		36.1
Weighted average number of shares (m)	862.5	22.5	885.0	860.3	21.3	881.6
Earnings per share (pence)	5.0	(0.2)	4.8	4.2	(0.1)	4.1

Dilutive effect of share options

The dilutive effect of share options is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The only dilutive potential ordinary shares of the Company are share options and share awards. A calculation is performed to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the share awards and the subscription rights attached to the outstanding share options.

No adjustment is made to the profit or loss in calculating basic and diluted earnings per share.

Adjusted basic earnings per share ("Adjusted basic EPS")

Adjusted basic earnings per share is defined as trading profit less net regular interest payable, less a notional tax charge at 25.0% (26 weeks ended 1 October 2022: 19.0%) divided by the weighted average number of ordinary shares of the Company.

Net regular interest is defined as net finance cost after excluding write-off of financing costs, early redemption fees, other interest payable and other finance income.

Trading profit and Adjusted basic EPS have been reported as the directors believe these assist in providing additional useful information on the underlying trends and performance of the Group.

	26 weeks ended 30 Sep 2023	26 weeks ended 1 Oct 2022
	£m	£m
Trading profit (note 4)	67.5	56.7
Less net regular interest	(10.6)	(9.7)
Adjusted profit before tax	56.9	47.0
Notional tax at 25% (26 weeks ended 1 October 2022: 19%)	(14.2)	(8.9)
Adjusted profit after tax	42.7	38.1
Average shares in issue (m)	862.5	860.3
Adjusted basic EPS (pence)	5.0	4.4
Net regular interest		
Net finance cost	(10.9)	(8.8)
Exclude other interest payable	0.4	0.4
Exclude other finance income	(0.1)	(1.3)
Net regular interest	(10.6)	(9.7)

8. Retirement benefit schemes

Defined benefit schemes

The Group operates a number of defined benefit schemes under which current and former employees have built up an entitlement to pension benefits on their retirement. Although the Premier Foods Section, Premier Grocery Products Section and RHM Section identified below are no longer separate schemes following the merger in 2020, historically, Premier Foods companies' pension liabilities and ex-RHM companies' liabilities have been shown separately. These are as follows:

(a) The "Premier" Schemes, which comprise:

Premier Foods Pension Section of RHM Pension Scheme
Premier Grocery Products Pension Section of RHM Pension Scheme
Premier Grocery Products Ireland Pension Scheme ('PGPIPS')
Chivers 1987 Pension Scheme

(b) The "RHM" Pension Schemes, which comprise:

RHM Section of the RHM Pension Scheme
Premier Foods Ireland Pension Scheme

The exchange rates used to translate the overseas euro based schemes are £1.00 = €1.15656 (26 weeks ended 1 October 2022: £1.00 = €1.1730) for the average rate during the period, and £1.00 = €1.15285 (26 weeks ended 1 October 2022: £1.00 = €1.1388) for the closing position at 30 September 2023.

All pension schemes are closed to future accrual.

At the balance sheet date, the combined principal actuarial assumptions were as follows:

	Premier schemes	RHM schemes
At 30 September 2023		
Discount rate	5.50%	5.50%
Inflation – RPI	3.30%	3.30%
Inflation – CPI	2.90%	2.90%
Expected salary increases	n/a	n/a
Future pension increases		
- RPI (min 0% and max 5%)	3.05%	3.05%
- CPI (min 3% and max 5%)	3.55%	3.55%
At 1 April 2023		
Discount rate	4.80%	4.80%
Inflation – RPI	3.30%	3.30%
Inflation – CPI	2.85%	2.85%
Expected salary increases	n/a	n/a
Future pension increases		
- RPI (min 0% and max 5%)	3.05%	3.05%
- CPI (min 3% and max 5%)	3.55%	3.55%

For the smaller overseas schemes, the discount rate used was 4.10% (52 weeks ended 1 April 2023: 3.65%) and future pension increases were 2.40% (52 weeks ended 1 April 2023: 2.45%).

The mortality assumptions are based on standard mortality tables. The directors consider that use of the updated Continuous Mortality Improvement CMI 2022 projections released in June 2023 for the future improvement assumption is a reasonable approach, updated from the CMI 2021 projections used in the previous reporting period. CMI 2022 uses the same underlying data as CMI 2021 but makes some allowance for the expected negative long-term impact of COVID-19 on life expectancy. As a result the 5% adjustment to the scaling factors used to reflect the expected long-term impact of COVID-19 resulting from using CMI 2021 is no longer required and the overall impact on life expectancy is lower.

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The base mortality tables continue to use assumptions for the base tables which are consistent with the latest scheme mortality studies commissioned by the Trustees and have updated to allow for the latest expected longevity projections in the UK. The life expectancies (assuming retirement at age 65) are set out below.

The life expectancy assumptions are as follows:

	Premier schemes	RHM schemes
Life expectancy at 30 September 2023		
Male pensioner, currently aged 65	86.2	84.5
Female pensioner, currently aged 65	88.0	86.9
Male non-pensioner, currently aged 45	87.1	85.7
Female non-pensioner, currently aged 45	89.4	88.7
Life expectancy at 1 April 2023		
Male pensioner, currently aged 65	86.5	84.7
Female pensioner, currently aged 65	88.2	87.1
Male non-pensioner, currently aged 45	87.4	86.0
Female non-pensioner, currently aged 45	89.7	89.0

	Premier schemes £m	% of total %	RHM schemes £m	% of total %	Total £m	% of total
Assets with a quoted price in an active market at 30 September 2023:						
Government bonds	199.8	39.6	721.6	24.8	921.4	27.0
Cash	13.2	2.6	65.7	2.3	78.9	2.3
Assets without a quoted price in an active market at 30 September 2023:						
UK equities	-	-	0.2	-	0.2	-
Global equities	-	-	3.6	0.1	3.6	0.1
Government bonds	27.5	5.5	2.2	0.1	29.7	0.9
Corporate bonds	6.7	1.3	4.6	0.2	11.3	0.3
Global Property	93.0	18.5	387.8	13.3	480.8	14.1
Absolute return products	5.9	1.2	312.9	10.8	318.8	9.4
Infrastructure funds	25.9	5.1	354.9	12.1	380.8	11.2
Interest rate swaps	-	-	251.5	8.7	251.5	7.4
Inflation swaps	-	-	33.5	1.2	33.5	1.0
Private equity	45.7	9.1	314.2	10.8	359.94	10.6
LDI	-	-	5.4	0.2	5.4	0.2
Global credit	3.3	0.7	181.5	6.3	184.8	5.4
Illiquid credit	78.3	15.6	197.3	6.8	275.6	8.1
Cash	3.4	0.7	0.8	-	4.2	0.1
Other	0.4	0.1	65.9	2.3	66.3	1.9
Fair value of scheme assets	503.1	100%	2,903.6	100%	3,406.7	100%
as at 30 September 2023						
Assets with a quoted price in an active market at 1 April 2023:						
Government bonds	197.8	35.8	815.1	25.2	1,012.9	26.7
Cash	8.2	1.5	59.1	1.8	67.3	1.8
Assets without a quoted price in an active market at 1 April 2023:						
UK equities	0.1	0.0	-	-	0.1	0.0
Global equities	2.3	0.4	4.6	0.1	6.9	0.2
Government bonds	30.5	5.5	2.1	0.1	32.6	0.9
Corporate bonds	7.4	1.4	4.9	0.2	12.3	0.3
Global Property	113.4	20.5	418.6	12.9	532.0	14.0
Absolute return products	6.8	1.2	426.6	13.2	433.4	11.4
Infrastructure funds	27.4	5.0	342.5	10.6	369.9	9.8
Interest rate swaps	-	-	286.6	8.8	286.6	7.6
Inflation swaps	-	-	43.4	1.3	43.4	1.1
Private equity	48.8	8.8	310.8	9.6	359.6	9.5
LDI	-	-	7.1	0.2	7.1	0.2
Global credit	4.3	0.8	205.9	6.4	210.2	5.5
Illiquid credit	101.4	18.3	227.5	7.0	328.9	8.7
Cash	0.5	0.1	0.1	0.0	0.6	0.0
Other	3.7	0.7	85.3	2.6	89.0	2.3
Fair value of scheme assets	552.6	100%	3,240.2	100%	3,792.8	100%
as at 1 April 2023						

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For assets without a quoted price in an active market fair value is determined with reference to net asset value statements provided by third parties.

Pension assets have been reported using 30 September 2023 valuations where available. As is usual practice for pension assets where valuations at this date were not available, the most recent valuations (predominantly at 30 June 2023) have been rolled forward for cash movements to 30 September 2023 and recognised as lagged valuations. This is considered by management the most appropriate estimate of valuations for these assets using the information available at the time. At 30 September 2023 the financial statements include £355.3m of assets using lagged valuations and were these lagged valuations to move by 1% there would be a £3.6m impact on the fair value of scheme assets. This approach is principally relevant for Private Equity, Property Assets, Illiquid Credits and Global Credits asset categories. Pension assets valuations are subject to estimation uncertainty due to market volatility, which could result in a material movement in asset values over the next 12 months.

The amounts recognised in the balance sheet arising from the Group's obligations in respect of its defined benefit schemes are as follows:

	Premier schemes £m	RHM schemes £m	Total £m
At 30 September 2023			
Present value of defined benefit obligation	(671.5)	(2,077.2)	(2,748.7)
Fair value of plan assets	503.1	2,903.6	3,406.7
(Deficit)/surplus in schemes	(168.4)	826.4	658.0
At 1 April 2023			
Present value of defined benefit obligation	(735.4)	(2,291.9)	(3,027.3)
Fair value of plan assets	552.6	3,240.2	3,792.8
(Deficit)/surplus in schemes	(182.8)	948.3	765.5

The aggregate surplus of £765.5m has decreased to a surplus of £658.0m during the 26 weeks ended 30 September 2023. The decrease of £107.5m (52 weeks ended 1 April 2023: £179.4m decrease) is primarily due to a lower return on scheme assets partly offset by changes in financial assumptions, largely the higher discount rate.

The disclosures in note 8 represent those schemes that are associated with Premier Foods ('Premier schemes') and those that are associated with ex-RHM companies ('RHM schemes'). These differ to that disclosed on the balance sheet, in which the schemes have been split between those in an asset position and those in a liability position. The disclosures in note 8 reconcile to those disclosed on the balance sheet as shown below:

	At 30 September 2023			At 1 April 2023		
	Premier Schemes £m	RHM Schemes £m	Total £m	Premier Schemes £m	RHM Schemes £m	Total £m
Schemes in net asset position	10.3	826.4	836.7	11.8	948.3	960.1
Schemes in net liability position	(178.7)	-	(178.7)	(194.6)	-	(194.6)
Net (Deficit)/surplus in schemes	(168.4)	826.4	658.0	(182.8)	948.3	765.5

Changes in the present value of the defined benefit obligation were as follows:

	Premier schemes £m	RHM schemes £m	Total £m
Defined benefit obligation at 2 April 2022	(1,020.2)	(3,134.9)	(4,155.1)
Interest cost	(27.0)	(83.9)	(110.9)
Settlement	0.3	-	0.3
Remeasurement gain	271.9	787.3	1,059.2
Exchange differences	(1.6)	(1.1)	(2.7)
Benefits paid	41.2	140.7	181.9
Defined benefit obligation at 1 April 2023	(735.4)	(2,291.9)	(3,027.3)
Interest cost	(17.0)	(53.1)	(70.1)
Remeasurement gain	60.7	198.0	258.7
Exchange differences	0.5	0.3	0.8
Benefits paid	19.7	69.5	89.2
Defined benefit obligation at 30 September 2023	(671.5)	(2,077.2)	(2,748.7)

Changes in the fair value of plan assets were as follows:

	Premier schemes £m	RHM schemes £m	Total £m
Fair value of scheme assets at 2 April 2022	826.3	4,273.7	5,100.0
Interest income on scheme assets	22.1	115.1	137.2
Remeasurement losses	(295.7)	(1,009.1)	(1,304.8)
Administrative costs	(4.2)	(4.4)	(8.6)
Settlement	(0.3)	-	(0.3)
Contributions by employer	40.6	4.5	45.1
Additional employer contribution ¹	2.7	-	2.7
Exchange differences	2.3	1.1	3.4
Benefits paid	(41.2)	(140.7)	(181.9)
Fair value of scheme assets at 1 April 2023	552.6	3,240.2	3,792.8
Interest income on scheme assets	12.7	75.5	88.2
Remeasurement losses	(62.5)	(343.0)	(405.5)
Administrative costs	(1.0)	(1.5)	(2.5)
Contributions by employer	17.8	2.2	20.0
Additional employer contribution ¹	3.8	-	3.8
Exchange differences	(0.6)	(0.3)	(0.9)
Benefits paid	(19.7)	(69.5)	(89.2)
Fair value of plan assets at 30 September 2023	503.1	2,903.6	3,406.7

¹ Contribution by the Group to the Premier schemes due to the payment of dividends during the year.

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The reconciliation of the net defined benefit surplus over the period is as follows:

	Premier schemes £m	RHM schemes £m	Total £m
(Deficit)/surplus in schemes at 2 April 2022	(193.9)	1,138.8	944.9
Amount recognised in profit or loss	(9.1)	26.8	17.7
Remeasurements recognised in other comprehensive income	(23.8)	(221.8)	(245.6)
Contributions by employer	40.6	4.5	45.1
Additional employer contribution ¹	2.7	-	2.7
Exchange differences recognised in other comprehensive income	0.7	-	0.7
(Deficit)/surplus in schemes at 1 April 2023	(182.8)	948.3	765.5
Amount recognised in profit or loss	(5.3)	20.9	15.6
Remeasurements recognised in other comprehensive income	(1.8)	(145.0)	(146.8)
Contributions by employer	17.8	2.2	20.0
Additional employer contribution ¹	3.8	-	3.8
Exchange differences recognised in other comprehensive income	(0.1)	-	(0.1)
(Deficit)/surplus in schemes at 30 September 2023	(168.4)	826.4	658.0

¹ Contribution by the Group to the Premier schemes due to the payment of dividends during the year.

The total amounts recognised in the consolidated statement of profit or loss are as follows:

	Premier schemes £m	RHM schemes £m	Total £m
26 weeks ended 30 September 2023			
Operating profit			
Administrative costs	(1.0)	(1.5)	(2.5)
Net interest (cost)/credit	(4.3)	22.4	18.1
Total (cost)/credit	(5.3)	20.9	15.6
26 weeks ended 1 October 2022			
Operating profit			
Administrative costs	(2.1)	(2.2)	(4.3)
Net interest (cost)/credit	(2.7)	15.5	12.8
Total (cost)/credit	(4.8)	13.3	8.5
52 weeks ended 1 April 2023			
Operating profit			
Administrative costs	(4.2)	(4.4)	(8.6)
Net interest (cost)/credit	(4.9)	31.2	26.3
Total (cost)/credit	(9.1)	26.8	17.7

9. Bank and other borrowings

	As at 30 Sep 2023 £m	As at 1 April 2023 £m
Current:		
Bank overdrafts	-	(1.0)
Lease liabilities	(5.5)	(2.1)
Total borrowings due within one year	(5.5)	(3.1)
Non-current:		
Lease liabilities	(10.5)	(11.2)
Transaction costs ¹	5.2	5.6
Senior secured notes	(330.0)	(330.0)
Total borrowings due after more than one year	(335.3)	(335.6)
Total bank and other borrowings	(340.8)	(338.7)

¹Included in transaction costs is £1.9m (1 April 2023: £1.7m) relating to the revolving credit facility.

Revolving credit facility

During the period, the Group extended the period of its £175m revolving credit facility (RCF) by one year to May 2026. Transactions costs of £0.5m were capitalised in relation to this extension. The RCF of £175m attracts a leverage-based margin of between 2.0% and 4.0% above SONIA.

Banking covenants of net debt / EBITDA and EBITDA / interest are in place and are tested biannually and remain unchanged. The covenant package attached to the revolving credit facility is:

	Net debt / EBITDA ¹	EBITDA / Interest ¹
2023/24 FY	3.50x	3.00x
2024/25 FY	3.50x	3.00x

¹Net debt, EBITDA and Interest are as defined under the revolving credit facility.

Senior secured notes

The senior secured notes are listed on the Irish GEM Stock Exchange. The notes totalling £330m mature in October 2026 and attract an interest rate of 3.5%.

10. Financial instruments

The following table shows the carrying amounts (which approximate to fair value except as noted below) of the Group's financial assets and financial liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Set out below is a summary of methods and assumptions used to value each category of financial instrument.

	As at 30 Sep 2023		As at 1 April 2023	
	Carrying amount £m	Fair value £m	Carrying amount £m	Fair value £m
Loans and receivables:				
Cash and cash equivalents	67.7	67.7	64.4	64.4
Financial assets at amortised cost:				
Trade and other receivables	69.6	69.6	63.7	63.7
Financial assets at fair value through profit or loss:				
Trade and other receivables	3.7	3.7	4.2	4.2
Derivative financial instruments				
– Forward foreign currency exchange contracts	0.2	0.2	0.7	0.7
– Commodity and energy derivatives	0.5	0.5	0.1	0.1
Financial liabilities at fair value through profit or loss:				
Derivative financial instruments				
– Forward foreign currency exchange contracts	(0.3)	(0.3)	(0.5)	(0.5)
Other financial liabilities at fair value through profit or loss:				
- Deferred contingent consideration (note 17)	(8.2)	(8.2)	(8.2)	(8.2)
Financial liabilities at amortised cost:				
Trade and other payables	(288.3)	(288.3)	(248.3)	(248.3)
Senior secured notes	(330.0)	(299.5)	(330.0)	(297.8)
Senior secured credit facility – revolving	-	-	(1.0)	(1.0)

The following table presents the Group's assets and liabilities that are measured at fair value using the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

	As at 30 Sep 2023			As at 1 April 2023		
	Level 1 £m	Level 2 £m	Level 3	Level 1 £m	Level 2 £m	Level 3 £m
Financial assets at fair value through profit or loss:						
Trade and other receivables	-	2.2	1.5	-	1.8	2.4
Derivative financial instruments						
– Forward foreign currency exchange contracts	-	0.2	-	-	0.7	-
– Commodity and energy derivatives	-	0.5	-	-	0.1	-
Financial liabilities at fair value through profit or loss:						
Derivative financial instruments						
– Forward foreign currency exchange contracts	-	(0.3)	-	-	(0.5)	-
Other financial liabilities at fair value through profit or loss:						
- Deferred contingent consideration (note 17)	-	-	(8.2)	-	-	(8.2)
Financial liabilities at amortised cost:						
Senior secured notes	(299.5)	-	-	(297.8)	-	-

The fair value of trade and other receivables and trade and other payables is considered to be equal to the carrying amount of these items due to their short-term nature.

Calculation of fair values

The fair values of the financial assets and liabilities are defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Group recognised other receivables with a fair value of £1.5m (1 April 2023: £2.4m) and deferred contingent consideration with a fair value of £8.2m (1 April 2023: £8.2m) as a result of the acquisition in the prior period of The Spice Tailor. The fair values for both are based on unobservable inputs and are classified as a level 3 fair value estimate under the IFRS fair value hierarchy. See note 17 for further details.

Methods and assumptions used to estimate all other fair values are consistent with those used in the 52 weeks ended 1 April 2023.

11. Provisions for liabilities and charges

	As at 30 Sep 2023 £m	As at 1 Apr 2023 £m
Within one year	(9.7)	(13.3)
Between two and five years	(5.2)	(4.9)
After 5 years	(1.9)	(1.7)
Total	(16.8)	(19.9)

During the 26 weeks ended 30 September 2023 provisions for liabilities and charges decreased by £3.1m. The decrease of £3.1m is due primarily to the utilisation of the restructuring costs provision. Total provisions for liabilities and charges of £16.8m (1 April 2023: £19.9m) comprise primarily of provisions for restructuring costs and legal matters, dilapidations and environmental liabilities related to leasehold properties.

12. Notes to the cash flow statement**Reconciliation of profit before taxation to cash flows from operating activities**

	26 weeks ended 30 Sep 2023 £m	26 weeks ended 1 Oct 2022 £m
Profit before taxation	58.1	42.1
Net finance cost	10.9	8.8
Operating profit	69.0	50.9
Depreciation of property, plant and equipment	9.6	9.3
Amortisation of intangible assets	12.8	12.7
Impairment of non-current assets	2.6	-
Fair value movements on financial instruments	(0.1)	(0.7)
Net interest on pensions and administrative expenses	(15.6)	(8.5)
Equity settled employee incentive schemes	2.4	1.8
Increase in stocks	(43.6)	(35.4)
(Increase)/decrease in trade and other receivables	(7.2)	6.6
Increase in trade and other payables and provisions	39.2	3.7
Dividend match pension contribution ¹	(3.8)	(2.7)
Contribution to defined benefit pension schemes	(20.0)	(20.7)
Cash generated from operations	45.3	17.0

¹Contribution by the Group to the Premier sections of the RHM pension schemes due to the payment of dividends during the period.

Analysis of movement in borrowings

	As at 1 April 2023 £m	Cash flows £m	Non-cash interest expense £m	Other non-cash movements £m	As at 30 Sept 2023 £m
Bank overdrafts	(1.0)	1.0	-	-	-
Cash and bank deposits	64.4	3.3	-	-	67.7
Net cash and cash equivalents	63.4	4.3	-	-	67.7
Borrowings - Senior Secured Fixed Rate Notes maturing October 2026	(330.0)	-	-	-	(330.0)
Lease liabilities (IFRS 16)	(13.3)	1.4	(0.4)	(3.7)	(16.0)
Gross borrowings net of cash¹	(279.9)	5.7	(0.4)	(3.7)	(278.3)
Debt issuance costs ²	5.6	0.5	-	(0.9)	5.2
Total net borrowings¹	(274.3)	6.2	(0.4)	(4.6)	(273.1)

¹ Borrowings excludes derivative financial instruments.

² The non-cash movement in debt issuance costs relates to the amortisation of capitalised borrowing costs only.

13. Dividends

The following final dividends were declared and paid by the Group during the period.

	26 weeks ended 30 Sep 2023 £m	26 weeks ended 1 Oct 2022 £m
1.44 pence per ordinary share (26 weeks ended 1 October 2022: 1.2 pence)	12.4	10.3

A final dividend of 1.44 pence per share for the 52 weeks ended 1 April 2023 was approved by the shareholders at the Company's Annual General Meeting on 20 July 2023 and was subsequently paid on 28 July 2023.

14. Capital commitments

The Group has capital expenditure on property, plant and equipment contracted for at the end of the reporting period but not yet incurred at 30 September 2023 of £14.9m (1 April 2023: £8.9m).

15. Contingencies

There were no material contingent liabilities as at 30 September 2023 and 1 April 2023.

16. Related party transactions

The Group's related party transactions and relationships for the 52 weeks ended 1 April 2023 were disclosed on page 168 of the annual report and accounts for the 52 weeks ended 1 April 2023.

As at 30 September 2023 the following are also considered to be related parties under the Listing Rules due to their shareholdings exceeding 10% of the Group's total issued share capital:

- Nissin Foods Holding Co., Ltd. ('Nissin') is considered to be a related party by virtue of its 24.84% (1 April 2023: 24.86%) equity shareholding in Premier Foods plc and its right to appoint a member to the Board of directors.

Transactions with related parties

Transactions with associates and major shareholders during the period are set out below.

	26 weeks ended 30 Sep 2023	26 weeks ended 1 Oct 2022
	£m	£m
Sale of services:		
- Nissin	0.1	0.1
Total sales	0.1	0.1
Purchase of goods:		
- Nissin	15.1	10.8
Total purchases	15.1	10.8

Retirement benefit obligations

The Group has entered into an arrangement with the Pension Scheme Trustees as part of the funding requirements for any actuarial deficit in the scheme.

17. Acquisition in 26 weeks ending 1 October 2022

On 31 August 2022, the Group acquired 100% of the ordinary share capital of The Spice Tailor Limited ('Spice Tailor') and its wholly owned subsidiaries, The Spice Tailor (Direct) Limited, The Spice Tailor (Canada) Limited and The Spice Tailor (Australia) Pty Ltd for initial consideration of £43.8m. Additional consideration is dependent on future performance with an earn out structure over a three year period from FY2024, subject to further growth targets with a maximum cap of total consideration of £72.5m.

The following table summarises the consideration paid for Spice Tailor, and the amounts of the assets acquired and liabilities assumed.

	IFRS book value at acquisition	Fair value adjustments	Fair value
	£m	£m	£m
Recognised amounts of identifiable assets acquired and liabilities assumed			
Property, plant & equipment	0.1	-	0.1
Brands and other intangible assets	-	20.5	20.5
Inventories	3.0	0.2	3.2
Trade and other receivables ¹	2.4	2.4	4.8
Trade and other payables	(3.4)	-	(3.4)
Provisions	(0.1)	(2.4)	(2.5)
Cash and cash equivalents	0.7	-	0.7
Deferred tax liability	-	(5.0)	(5.0)
Total identifiable net assets	2.7	15.7	18.4
Goodwill on acquisition			34.3
Initial consideration transferred in cash			44.5
Deferred contingent consideration			8.2
Total consideration			52.7

¹ Fair value adjustment relates to the recognition of indemnification assets in relation to contingent liabilities acquired

Consideration transferred

Consideration included cash of £44.5m transferred on completion of the acquisition. An additional £8.2m was recognised in relation to the fair value of deferred contingent consideration. The deferred contingent consideration is included within non-current other liabilities.

The fair value of deferred contingent consideration represents the present value of estimate payments measured at the time of acquisition based on the Group's estimate of future performance. The fair value is based on unobservable inputs and is classified as a level 3 fair value estimate under the IFRS fair value hierarchy. See note 10 for further details.

Acquisition-related costs amounting to £2.7m which were not included as part of consideration transferred were recognised as an expense in the consolidated statement of profit or loss, as part of administrative expenses.

Goodwill

Goodwill amounting to £34.3m was recognised on acquisition which was not expected to be deductible for tax purposes and is allocated to the Group's Grocery CGU.

The carrying amount of goodwill at the beginning and end of the period is as follows:

	£m
Carrying value	
As at 4 April 2022	646.0
Acquisition of subsidiary	34.3
At 30 September 2023 and 1 October 2022	680.3

18. Subsequent events

On 29 October 2023 the Group acquired 100% of the ordinary share capital of FUEL 10K Limited ('FUEL10K') for an enterprise value of £34.0m, with initial consideration of £29.6m. FUEL10K is a differentiated, protein enriched Breakfast brand which substantially increases the Group's position in the Breakfast category. Had the acquisition occurred on 2 April 2023, on a pro forma basis, the Group's Revenue for the 26 weeks ended 30 September 2023 would have been £504.0m and profit before taxation for the same period would have been £58.0m. Given the proximity of the transaction completion date to the announcement of the Group's interim results, the acquisition accounting will follow with the Group's full year results for the 52 weeks ended 30 March 2024.