



Preliminary results for 52 weeks ended 30 March 2024

16 May 2024





Alex Whitehouse

CEO

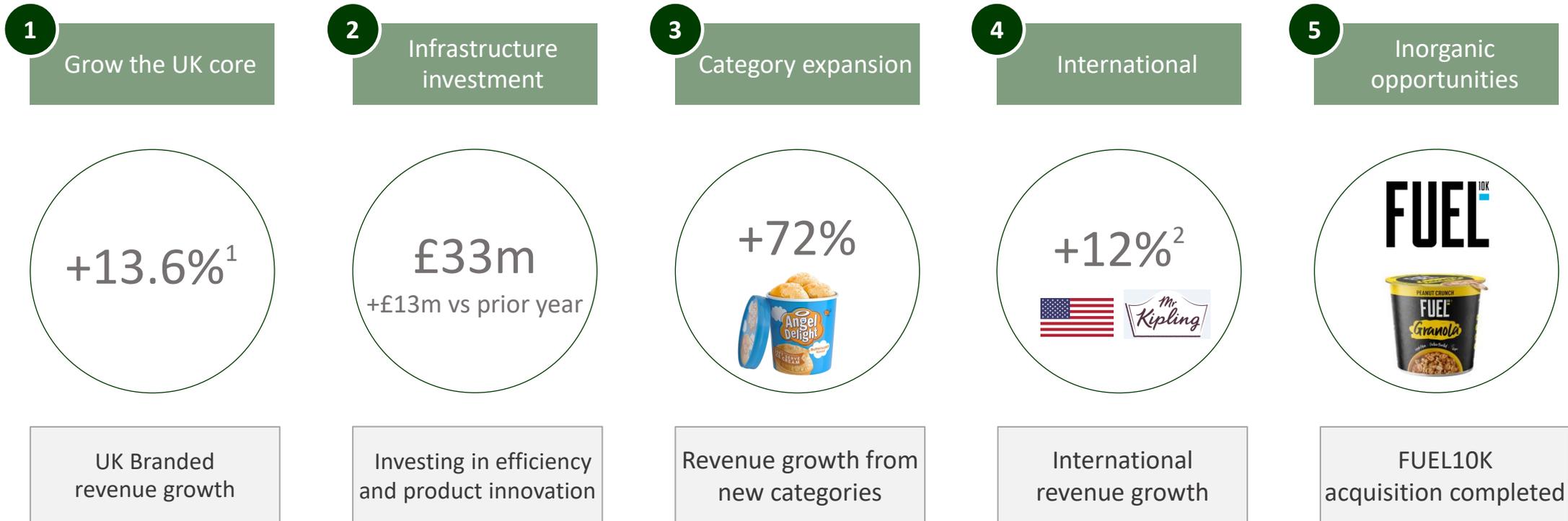


Full year ahead of expectations and return to volume growth in Q4



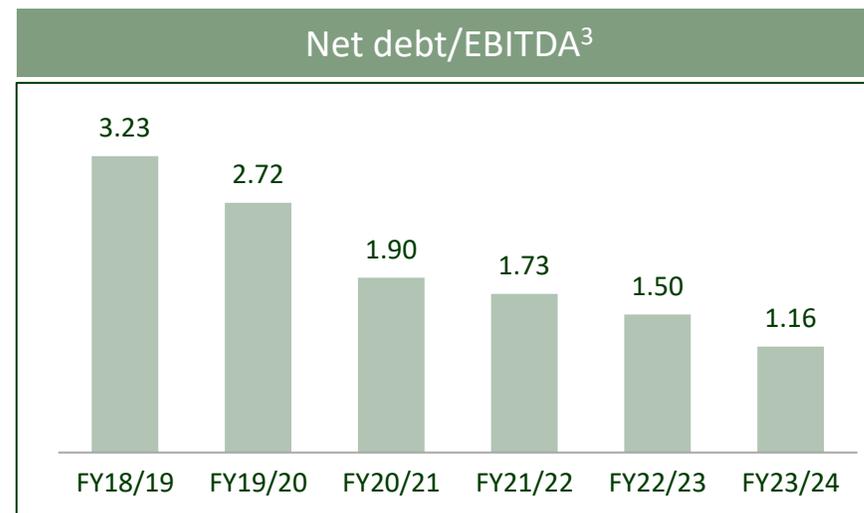
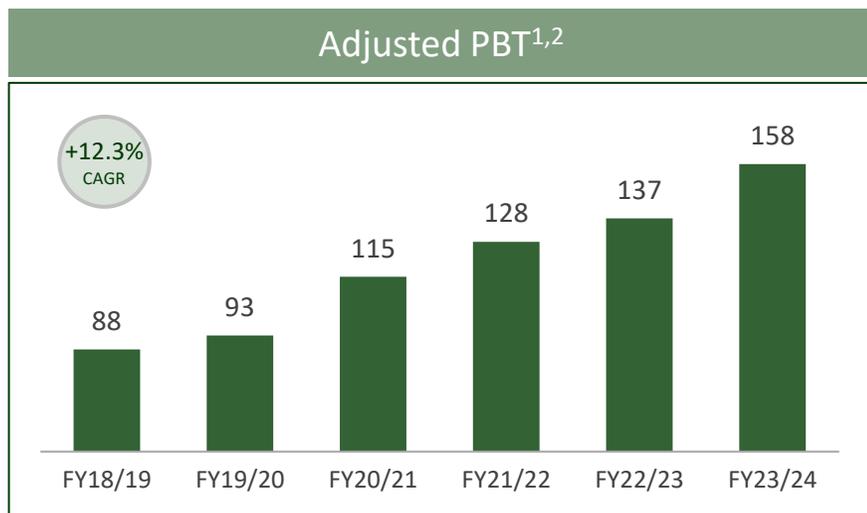
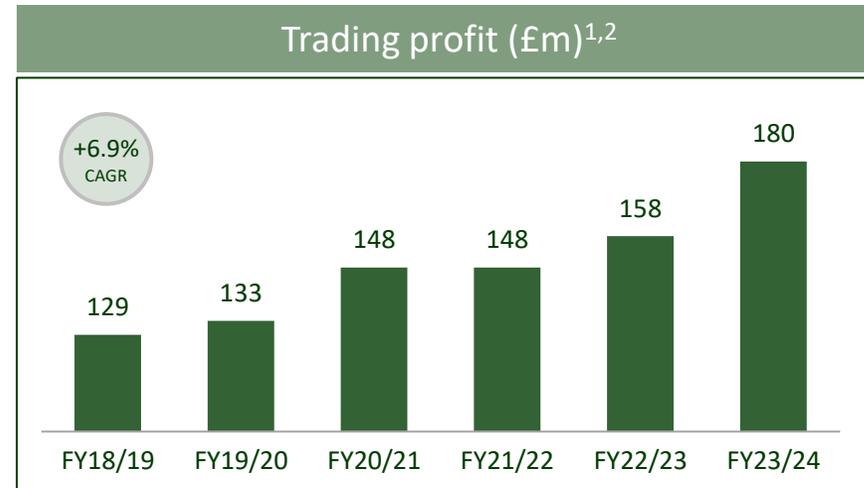
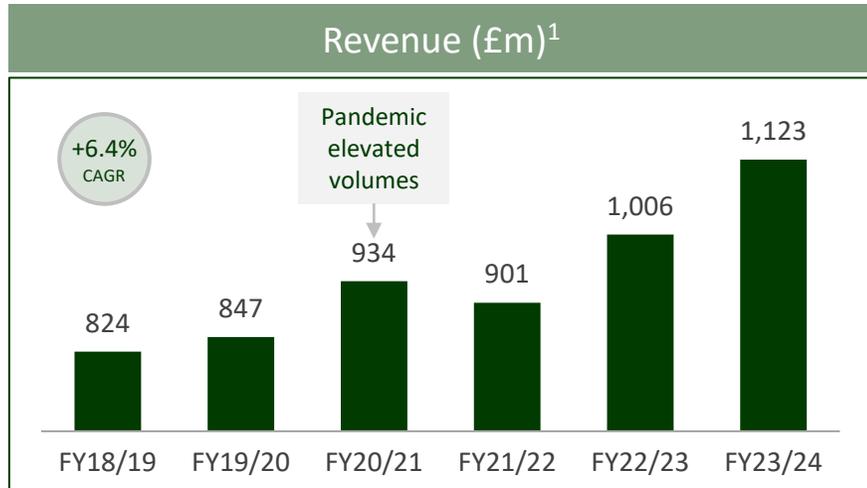
<p>Revenue¹</p> <p>£1,123m</p> <hr/> <p>+15.1%</p>	<p>UK market share²</p> <p>+29bps</p> <p>vs prior year</p>	<p>Trading profit</p> <p>£180m</p> <hr/> <p>+14.0%</p>	<p>Adjusted PBT</p> <p>£158m</p> <hr/> <p>+15.1%</p>
<p>Adjusted eps</p> <p>13.7p</p> <hr/> <p>+6.4%</p>	<p>Net debt/EBITDA</p> <p>1.2x</p> <p>lowest ever leverage</p>	<p>Dividend</p> <p>+20%</p> <p>3x eps growth</p>	<p>Pension contributions</p> <p>↓ £33m</p> <p>from FY24/25</p>

Delivering on all our strategic growth pillars



1 – Excludes Knighton Foods; 2 – at constant currency rates

And a track record of sustained progress

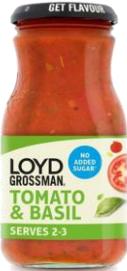


1 – Stated on a 52 week comparable basis, FY23/24 excludes Knighton Foods; 2 – FY23/24 & FY22/23: stated after software amortisation; 3 - FY22-24 Net debt/EBITDA stated on post-IFRS 16 basis

Continued progress on our ESG commitments

PRODUCT

44%
Health benefit¹ and higher nutritional Standard²



LOYD GROSSMAN
TOMATO & BASIL
SERVES 2-3

+19%²
High nutritional standard sales growth



25% LESS SALT
Best BISTO
BEEF GRAVY
230g

PLANET

↓ 14%
Scope 1 & 2 emissions reductions



Solar panel investment at Stoke site

PEOPLE

46%
Management colleagues who are female

c.950,000
↑ 31%
meals donated



FareShare
fighting hunger, tackling food waste

Making strong progress against our Enriching Life Plan 2030 targets



Duncan Leggett

CFO



Another very strong year



£m	FY23/24	Change vs PY	Comments
Branded revenue	958	13.5%	Particularly strong Grocery performance and improved Sweet Treats in H2
Non-branded revenue	165	25.2%	Pricing and new contract benefits
Total revenue	1,123	15.1%	
Divisional contribution	254	17.3%	Ongoing supply chain efficiency programme, increased consumer marketing
Group & corporate costs	(74)	(26.2%)	Investment in systems & strategy support, salary inflation & prior year one-off
Trading profit	180	14.0%	
<i>Trading profit %</i>	<i>16.0%</i>	<i>(0.1ppt)</i>	
Net regular interest	(22)	(6.3%)	Increase due to higher SONIA rates, in line with guidance
Adjusted profit before tax	158	15.1%	
Adjusted earnings per share (pence)	13.7p	6.4%	Higher corporation tax rate of 25%, vs 19% in prior year
Dividend per share (pence)	1.728p	20.0%	A further 20% increase, 3 times greater than earnings growth rate

Growth across both Grocery and Sweet Treats

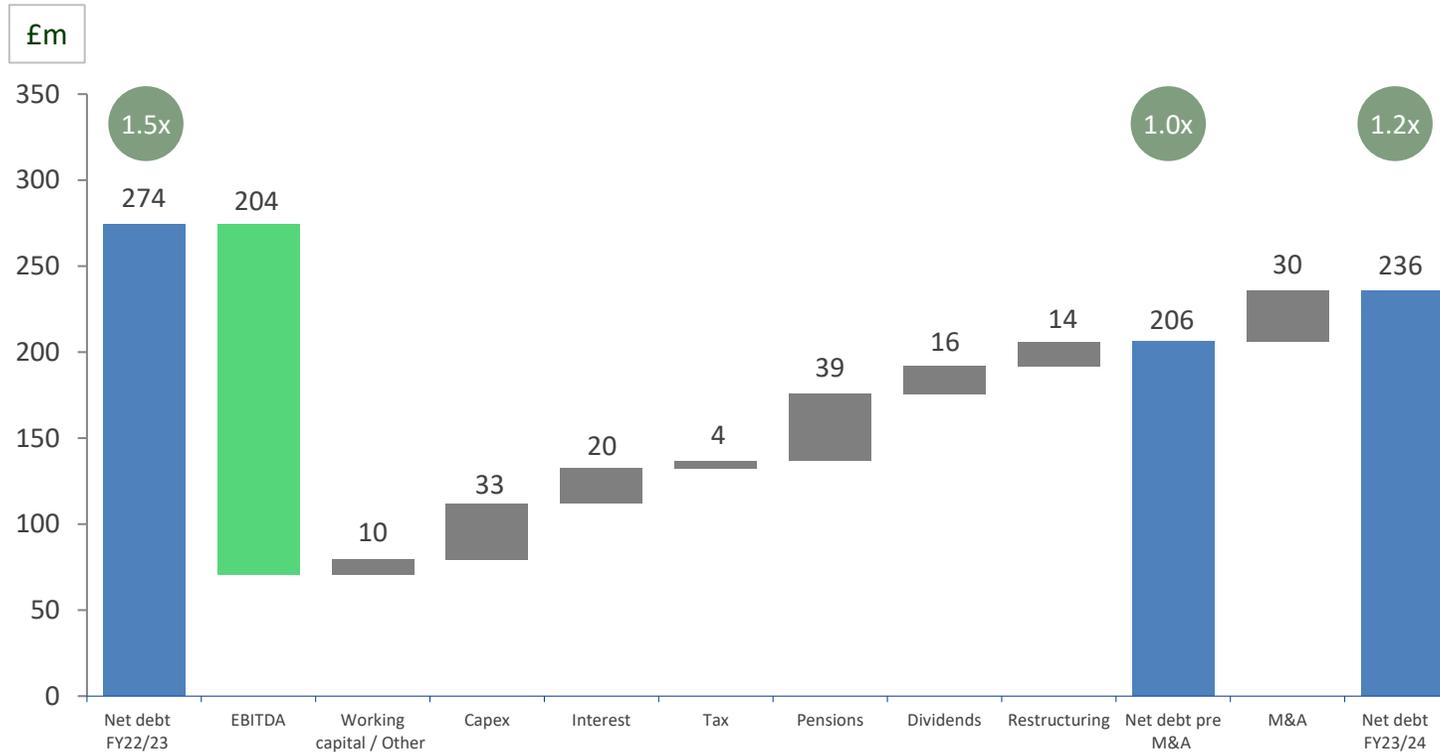


£m	FY23/24	Change vs PY	Comments
Grocery			
Branded revenue	741	16.5%	All major brands in growth; Ambrosia becomes Group's fourth £100m brand
Non-branded revenue	95	17.8%	Largely due to price increases, Charnwood volumes down
Total revenue	836	16.7%	
Divisional contribution	220	16.2%	Strong trading performance coupled with upweighted brand investment
<i>Divisional contribution %</i>	<i>26.3%</i>	<i>(0.1ppt)</i>	
Sweet Treats			
Branded revenue	218	4.2%	Cadbury cake sales recovery in H2
Non-branded revenue	69	36.9%	Combination of contract wins in Pies & Tarts and price increases
Total revenue	287	10.6%	
Divisional contribution	34	24.8%	Increased Mr Kipling marketing investment this year
<i>Divisional contribution %</i>	<i>11.7%</i>	<i>1.3ppts</i>	Strong margin performance driven by overhead recovery from improved volumes

Leverage at lowest ever levels of 1.2x Net debt/EBITDA



Cash flow bridge



FY24/25 guidance

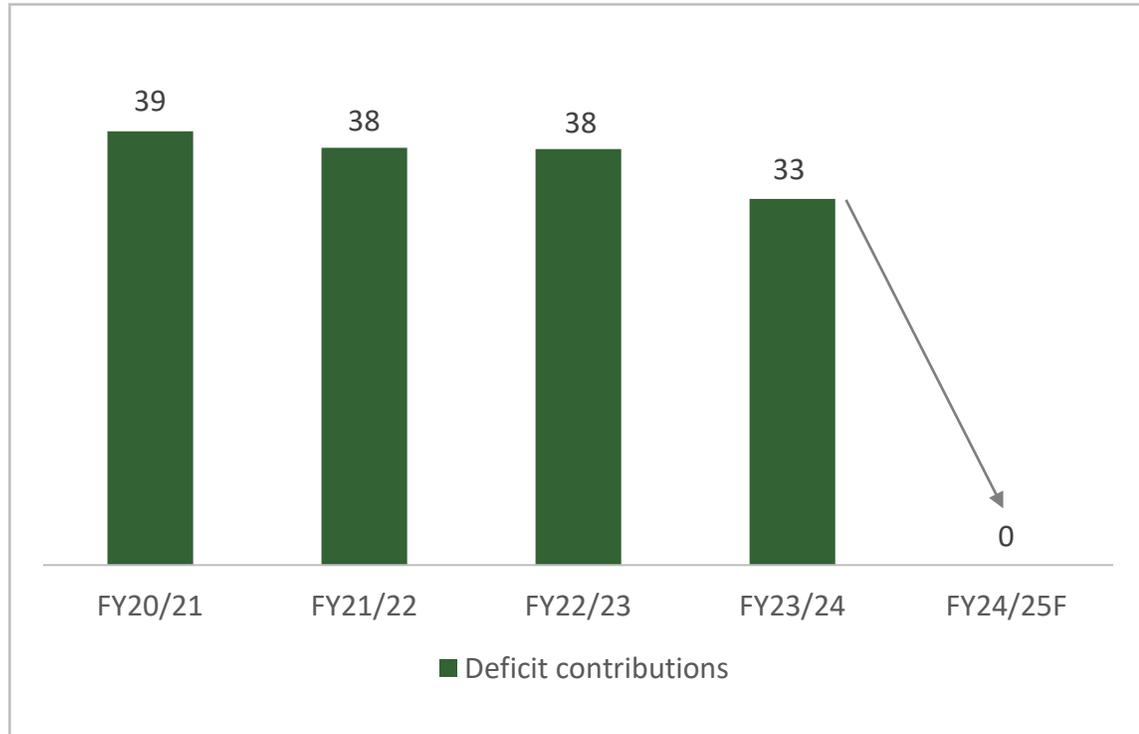
£m

Working capital	Neutral
Depreciation (incl. software amortisation)	c.£25m
Amortisation of brands	c.£20m
Capital expenditure	£40-45m
Restructuring - cash	c.£5m
Interest – cash	c.£22m
Interest – P&L	c.£23m
Tax – cash	MSD £m's
Tax – notional P&L rate	25.0%
Pension administrative & PPF levy costs	£5-6m
FY23/24 cash dividend (incl pension match)	£20m
EBT purchases	c.£5m

- Capex increased by £13m vs prior year to £33m, expect to grow further in FY24/25 reflecting efficiency and growth project opportunities
- Pensions deficit contributions now suspended, significantly enhancing future free cash flow
- FY24/25 restructuring includes costs associated with Charnwood closure

Suspension of pension DC payments presents investment opportunities

Significant reduction in pension cash outflows¹ from FY24/25



Re-cap on progress & timeline

- 1 Segregated merger of schemes in July 2020
- 2 Strong delivery of investment strategy by pension Trustees
- 3 Suspension of deficit payments from FY24/25
- 4 Next Triennial valuation March 2025
- 5 Full resolution expected by end 2026
 - Full de-risking of scheme
 - Other cash costs (admin and dividend match) removed

¹ – Excludes administrative costs and dividend match

Capital allocation framework

Capex 



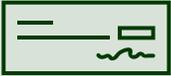
- Strong pipeline of opportunities to enhance efficiencies
- Facilitates manufacturing of new product development

M&A 



- The Spice Tailor & FUEL10K were selected very carefully and are performing strongly
- Continue to pursue branded assets which would benefit from application of the Group's Branded Growth Model

Dividends 



- Expect to pay a progressive dividend
- To grow ahead of earnings

Pensions 



- Deficit payments suspended
- Greater flexibility to invest in Capex, M&A and Dividends

Leverage	Target of c.1.5x Net debt/EBITDA unchanged; M&A may increase short-term leverage
M&A	Maintain financial discipline, taking similar approach to recent acquisitions and with focus on ROIC



Alex Whitehouse

CEO



Our strategy and purpose

Extending our brand building capabilities beyond our UK core



Guided by our purpose, 'Enriching Life Through Food', together with our ESG strategy

Our branded growth model is at the core of what we do

1 Leading brand positions

- Our brands are leaders in their core categories
- High household penetration



2 Insight driven new products

- Launch new products linked to key consumer trends
- Major focus on health & nutrition



3 Sustained marketing investment

- Marketing and advertising to build brands, maintain awareness and keep them contemporary
- Create emotional connections through media



4 Retailer partnerships

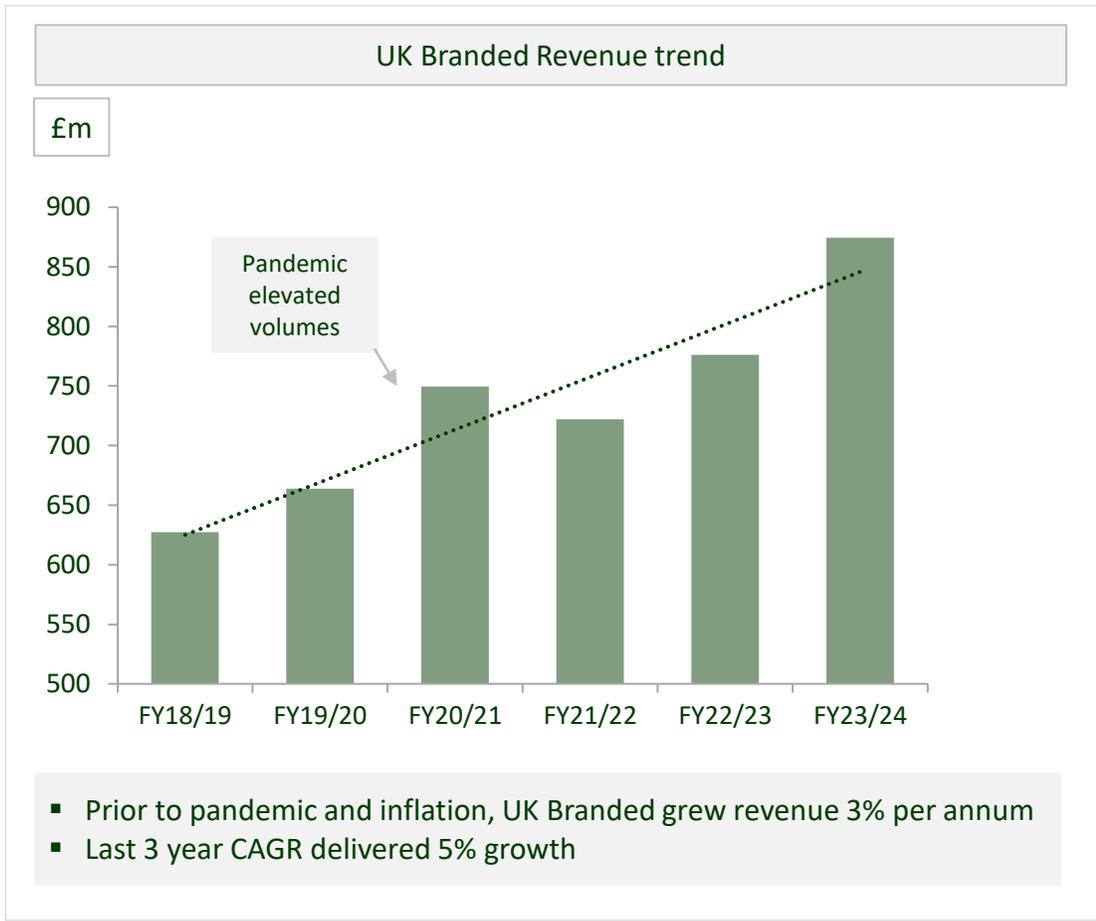
- Focused on driving mutual category growth
- Deliver outstanding instore execution



Consistent UK branded revenue growth and market share gains



Revenue



Market share



1 - Source: Circana, 30 March 2024

Continued innovation and upweighted brand investment

Product innovation aligned to consumer trends



Health & Nutrition



Convenience



Snacking & On the go



Indulgence



Packaging sustainability

Ambrosia Deluxe



- Focuses on indulgence trend, although is non-HFSS
- Now in Rice as well as Custard
- Increased to 7% share of Ambrosia in Q4
- Retail sales grew 155%¹ vs prior year
- Supported by out of home media advertising and strong instore activation

Mr Kipling 'Best ever' Mince Pies



- Contributed to share growth of Mr Kipling mince pies
- Very strong consumer reviews
- Attracts younger demographic

Increased brand investment



- Mainstream TV advertising for 7 major brands and extension of successful 'Best Restaurant in Town' campaign

Great instore execution and distribution gains

Supported by strong retailer relationships

Instore KPIs

Distribution points

+1.2%

Accelerating performance during H2

Off-shelf display

+34%

All Grocery categories increasing

Batchelors Aquaman



Cross-brand 'Win a Dinner Give a Dinner'



Bisto

Paxo

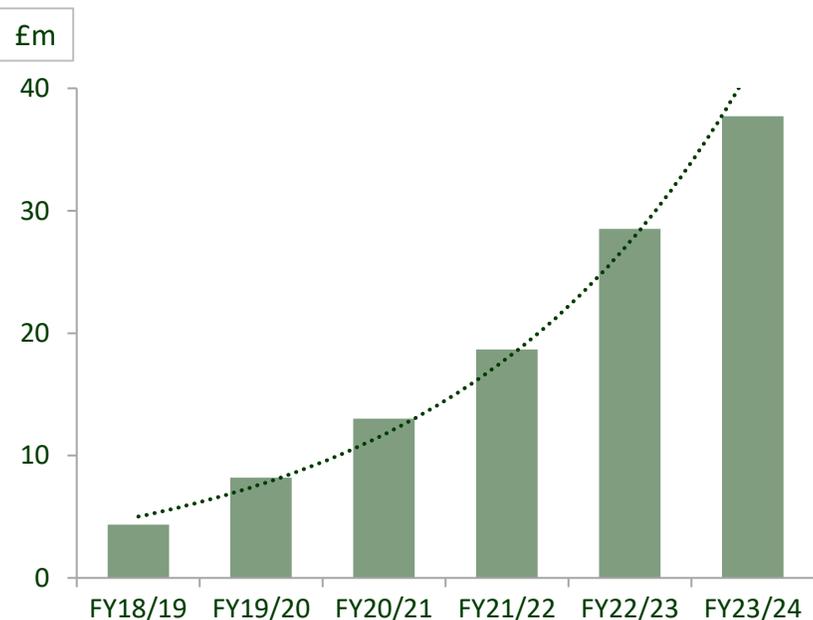
Sharwood's

Loyd Grossman

Ambrosia

1 Our Nissin partnership goes from strength to strength

Exceptional Nissin revenue progression



+54%
5yr CAGR

68%¹
market share

- Exceptional & consistent strong revenue progression over the last 5 years, CAGR of 54%

Market leader in authentic noodles



- Very successful Soba Noodles pot format enjoys extensive retailer distribution
- Extending Soba into Block noodle
- Batchelors Super Noodles manufactured by Nissin

Future plans



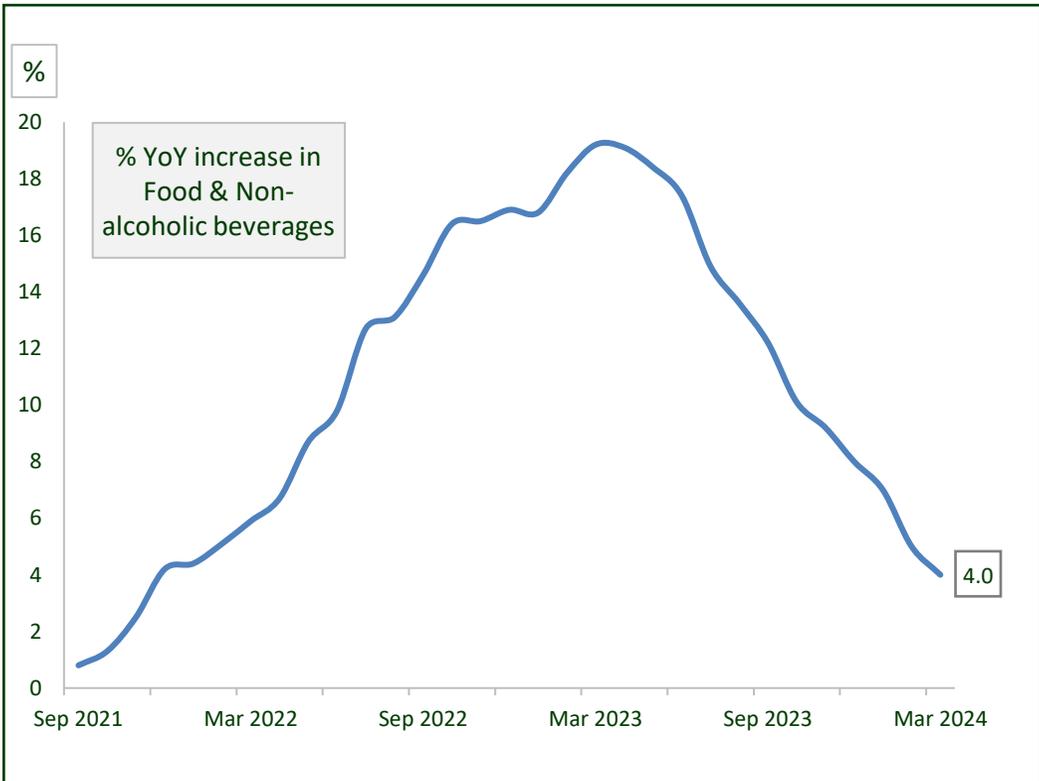
- Will commence distribution of authentic Demae Ramen range in FY24/25
- Opportunity for distribution expansion in major retailers
- Further collaboration and commercial opportunities to deliver future growth

1

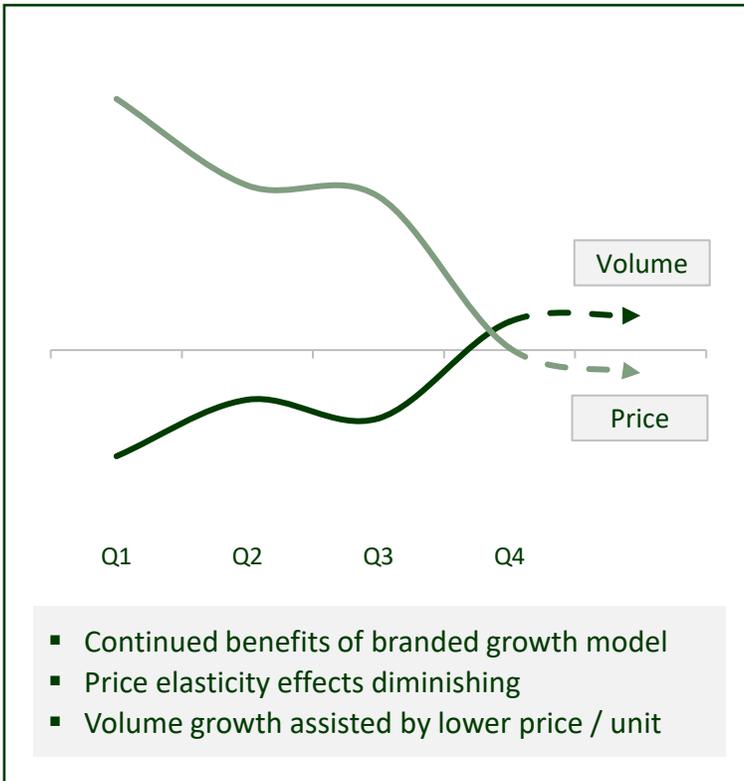
We're heading into a more stable environment



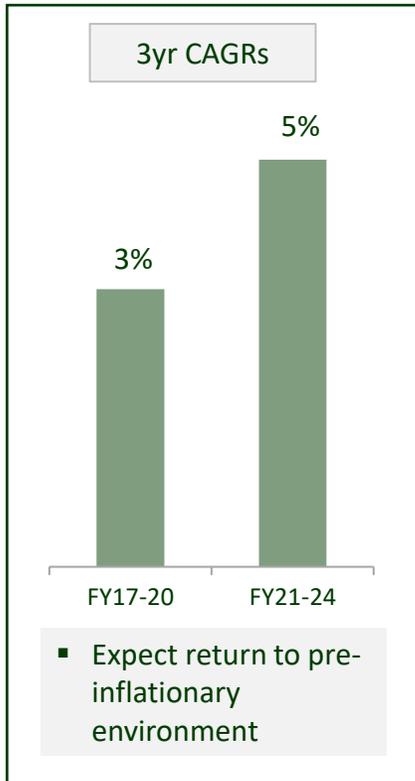
Food inflation¹ is back down to more stable levels



Volume & Price dynamics in FY23/24



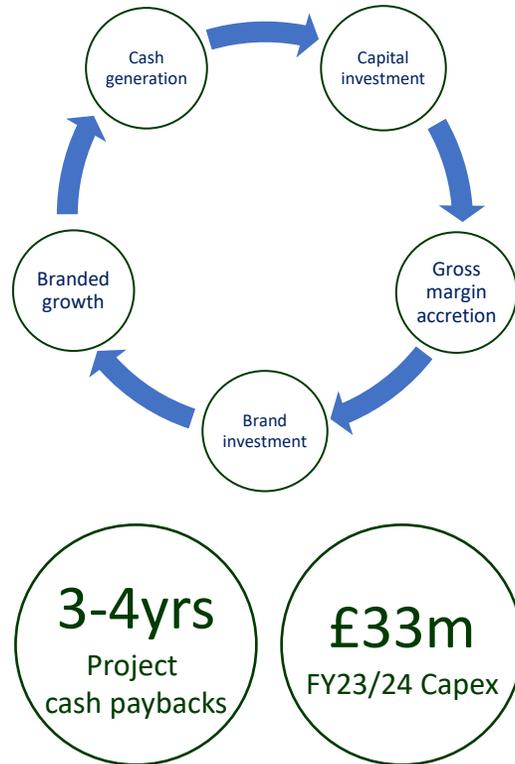
UK Branded Revenue



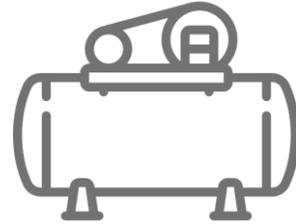
1 - Source: ONS, Food and Non-alcoholic Beverage Inflation, March 2024

Infrastructure investment

Capex fuels branded growth



Efficiency & energy reduction



6
done

2
to come

- **Air compressor** replacement across many sites
- Utilises more efficient technology which reduces scope 2 emissions
- Strong paybacks; less than 3 years

Solar panel installations



- Installed **solar panels** on roof at Stoke manufacturing site
- Strong payback - less than 4 years
- Reduces scope 2 emissions
- More sites to follow

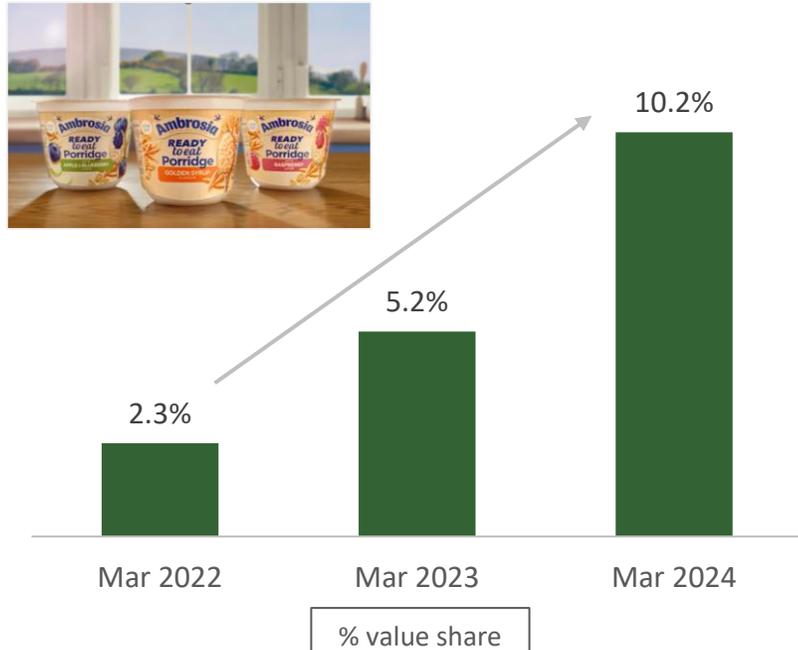
Mr Kipling sponge puddings



- Automation and replacement of retorts
- Increasing line efficiency and capacity

New categories up +72%, driven by Porridge & Ice-cream

Ambrosia Porridge



- Sales accelerating; more than doubled in FY23/24
- Market share now over 10% & 20% in one retailer
- Benefitted from marketing investment across different media

Ice Cream



- Strong growth in H2
- Now listed in two additional major retailers
- Handheld product extension for FY24/25

Oxo Marinades



- Revenue increased 92% in FY23/24
- Range of five marinade variants in market

Cape Herb & Spice



- Revenue growth 77%
- Now listed in all major retailers

4 International revenue increased 12%¹



- Strong growth across all Grocery brands, up 17%
- The Spice Tailor sales doubled following distribution expansion

- Strong market leadership of Cake & Indian sauces
- Retail sales of cake grew
- Reduction in retailer stock levels

- FY23/24 revenue growth 28%
- Sharwood's additional retailer listings agreed

- Revenue growth 35%; increased distribution of Sharwood's and Mr Kipling
- The Spice Tailor distribution building

1 – at constant currency rates

The Spice Tailor: Returns ahead of plan



Performance



Sales growth



Market share



Returns ahead of plan

Instore execution



- Significant weighted distribution gains across Asda & Morrisons
- Delivered improved and more impactful instore display

Brand investment & Product Innovation



- Digital brand advertising in UK & Australia



- Strong NPD pipeline for next 12 months

Significant geographical expansion

Distribution increased to **10 countries**



- On acquisition, held substantial distribution in **UK** and **Australia** with nascent presence in **Ireland** and **Canada**
- Now increased to ten countries

Progress on FUEL10K post acquisition



Organisational
integration
complete

+30%¹

Full year
revenue growth

+130bps²

Market
share gains



Initial returns
ahead of plan

Instore activation



- Leveraging Ambrosia Porridge pots success and FUEL10K presence to deliver enhanced instore execution

Product innovation



- 25g Protein breakfast shakes
- Nutritionally Complete Meal solutions, available in Rice and Shake formats

Branded assets

- We are focused on acquiring brands with strong potential
- The Spice Tailor and FUEL10K are prime examples of this



Application of Branded Growth Model

- Assets of most interest are where we believe we can add value by applying our proven branded growth model

Brand equity

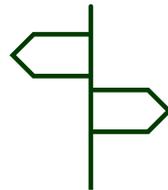
Product innovation

Marketing investment

Retailer partnerships

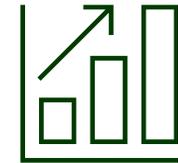
Asset selection

- We are very choiceful with assets we will look at
- The two acquisitions to date were not in formal processes
- Review of UK & International targets is continuous



Financial metrics

- Strong financial discipline, applying similar approach to recent acquisitions, focus on ROIC
- M&A may increase Group's leverage for a short time



Further strategic progress expected in FY24/25

1 UK branded core



- Range of exciting new products coming to market this year

2 Infrastructure investment

Growth



- Example: Expanding capacity for successful Ambrosia porridge pots range

Efficiency



- Example: Developed innovative, energy efficient process to manufacture icing for cakes
- Increases line efficiency and reduces carbon emissions

3 New categories



- Continue to build on tubs and introduce handheld Angel Delight ice cream



- Increasing retailer distribution of Ambrosia Porridge pots
- Further marketing support

4 International



- Drive sales of Mr Kipling cake in North America and Australia/New Zealand



- Continue distribution build of Sharwood's in N.America & Europe



- Deliver growth of The Spice Tailor overseas, building new distribution and leveraging existing gains

Summary & outlook

- 1 — Another very strong year, ahead of expectations and a return to volume growth in Q4
- 2 — Strong progress against all five strategic pillars
- 3 — FY24/25 will see a return to volume growth, as demonstrated in Q4, accompanied by lower price/unit
- 4 — Continue to drive five pillar growth strategy leveraging our brand building capabilities
- 5 — Expect to make further progress in FY24/25 and full year expectations on track
- 6 — Continued strong cash generation, increased capital allocated to capex, M&A and dividends



Q&A





Appendix



Cautionary statement



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

Definitions

- The period 'FY23/24' refers to the 52 weeks ended 30 March 2024, unless where otherwise stated. The period 'FY22/23' refers to the 52 weeks ended 1 April 2023, unless otherwise stated.
- 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 and net interest on pensions and administration expenses and past service costs.
- Adjusted profit before tax is defined as Trading profit less net regular interest. Net regular interest is defined as net finance cost after excluding write-off of financing costs, early redemption fees, other finance income and other interest payable. Adjusted earnings per share is defined as Adjusted profit before tax less a notional tax charge of 25% divided by the weighted average of the number of shares of 862.4 million (52 weeks ended 1 April 2023: 861.2 million).

Why invest in Premier Foods?

1 Portfolio of category leading brands

- Market leaders in the UK in our five main categories
- 90% of UK households buy our brands
- Strong positions in Australia & Ireland



2 Proven branded growth model

- Strong track record of delivering branded revenue growth applying brand investment, innovation and retailer partnerships

5.1%
3yr UK branded growth¹

3 Strong margin profile

- Sector leading margins comparable with large-cap peers
- Branded growth model strategy delivers consistent value creation

17.9%
FY23/24
EBITDA margin

4 Continued supply chain investment

- Pipeline of further automation projects
- Expect to steadily build capital investment over medium term



5 Highly cash generative

- Net debt/EBITDA target of 1.5x
- Fixed rate October 2026 bonds coupon @ 3.5%
- Strong FCF conversion

1.2x
Lowest ever leverage

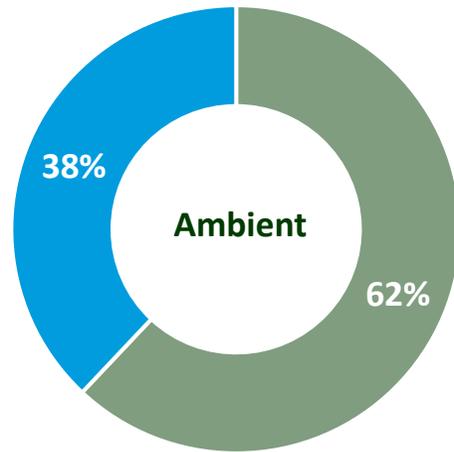
6 Pension obligations solution

- Segregated merger of schemes under one Trust paves way for full resolution
- Suspension of £33m deficit payments

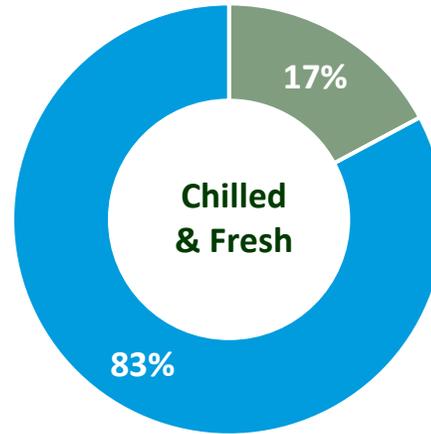
£33m
Suspension of pension payments

We are guided by our purpose, 'Enriching Life Through Food', together with our ESG strategy

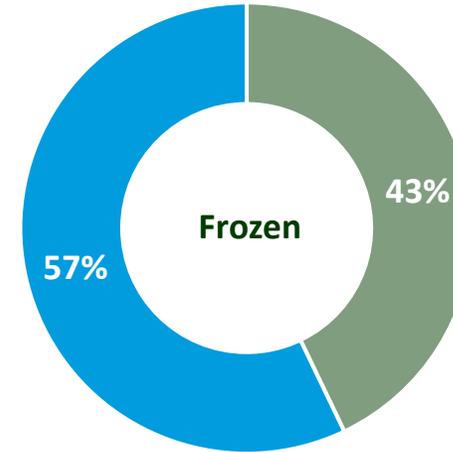
UK Grocery market



■ Branded ■ Private Label



■ Branded ■ Private Label



■ Branded ■ Private Label

Market size	£43bn	£57bn	£9bn
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Premier Foods categories	Flavourings & Seasonings	QMS	Cooking Sauces	Ambient Desserts	Ambient Cake
Category size	£500m	£532m	£1,203m	£340m	£1,437m
PF share	44%	38%	15%	41%	18%
Own label share	17%	6%	32%	21%	58%

Sources: Market sectors: Kantar Worldpanel 52 w/e 17 March 2024, Category size & share: IRI 52 w/e 30 March 2024

Statutory vs Headline Revenue



£m		Quarter 4			Full Year		
		Statutory	Knighton Foods	Headline	Statutory	Knighton Foods	Headline
Grocery	Branded revenue	198	-	198	740	-	741
	Non-branded revenue	24	(2)	22	110	(15)	95
	Total revenue	222	(2)	220	850	(15)	836
Sweet Treats	Branded revenue	57	-	57	218	-	218
	Non-branded revenue	8	-	8	69	-	69
	Total revenue	65	-	65	287	-	287
Group	Branded revenue	255	-	255	958	-	959
	Non-branded revenue	32	(2)	30	179	(15)	164
	Total revenue	287	(2)	285	1,138	(15)	1,123

FY23/24 adjusted for Charnwood closure



Revenue (£m)	Q1	Q2	Q3	Q4	FY
Statutory reported	235.9	258.2	356.3	287.1	1,137.5
Knighton	(4.8)	(4.9)	(3.6)	(1.6)	(14.9)
Headline ex Knighton	231.1	253.3	352.7	285.5	1,122.6
Charnwood	(3.9)	(3.8)	(3.1)	(3.1)	(13.9)
Headline ex Knighton & Charnwood	227.2	249.5	349.6	282.4	1,108.7

Trading profit (£m) to adjusted eps (p)		H1	FY
Trading profit	Reported	67.5	179.5
	Charnwood	(0.9)	(2.3)
	Underlying ex Charnwood	66.6	177.2
Net regular interest		(10.6)	(21.6)
Adjusted PBT		56.0	155.6
Adjusted eps		4.9p	13.5p

Adjusted earnings per share

£m	FY23/24	FY22/23
Trading profit	180	157
Net regular interest	(22)	(20)
Adjusted PBT	158	137
Tax (25%/19%)	(40)	(26)
Adjusted earnings	118	111
Weighted average shares in issue (million)	862.4	861.2
Adjusted earnings per share (pence)	13.7p	12.9p

Interest and taxation

	£m	FY23/24	FY22/23	Change
Interest	Senior secured notes interest	12	12	-
	Bank debt interest	8	6	(2)
		20	18	(2)
	Amortisation of debt issuance costs	2	2	-
	Net regular interest	22	20	(2)

Taxation	<ul style="list-style-type: none"> ▪ Tax charge of £39m, due to operating activities charge at UK corporation tax rate of 25% ▪ Notional corporation tax rate of 25% ▪ Cash tax paid in FY23/24 £4.4m ▪ Group retains brought forward losses, available to offset against future tax liabilities ▪ Following suspension of pension deficit contributions, which were allowable for tax, cash tax expected to be mid-single digit £ms in FY24/25
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Pensions

IAS19 Accounting valuation (£m)	30 March 2024			1 April 2023		
	RHM	Premier Foods	Combined	RHM	Premier Foods	Combined
Assets	3,032	533	3,565	3,240	553	3,793
Liabilities	(2,233)	(731)	(2,964)	(2,292)	(735)	(3,027)
Surplus/(Deficit)	799	(198)	601	948	(182)	766
Discount rate		4.8%			4.80%	

- Liabilities decreased by £63m to £2,964m
- Asset values £228m lower at £3,565m
- Assets reduced by more than liabilities as on an IAS19 valuation basis, the scheme is over hedged

Valuation methodology comparisons (£m)

Methodology	Timing	RHM	Premier Foods	Combined
1. Accounting	30 March 2024	803	(195)	608
2. Technical/Actuarial	31 March 2022	665	(368)	297
3. Buyout	31 March 2022	100+	Reducing	Deficit reducing
4. NPV of contributions	30 September 2023	N/A	(125)	(125)

Summarised balance sheet



£m	30 March 2024	1 April 2023
Property, plant & equipment	190	186
Intangibles / Goodwill	992	975
Deferred tax asset	22	22
Retirement benefit assets	810	960
Non-current Assets	2,014	2,143
Working Capital - Stock	99	94
- Debtors	116	103
- Creditors	(265)	(255)
Total Working Capital	(50)	(58)
Net debt		
Gross borrowings	(338)	(337)
Cash	102	63
Total Net debt	(236)	(274)
Retirement benefit obligations	(209)	(195)
Other net liabilities	(192)	(210)
Net Assets	1,327	1,406
Share capital & premium	90	89
Reserves	1,237	1,317
Total equity	1,327	1,406