



# Why Invest in Premier Foods?

March 2025





# Introduction



# 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 growth<sup>1</sup>

## 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

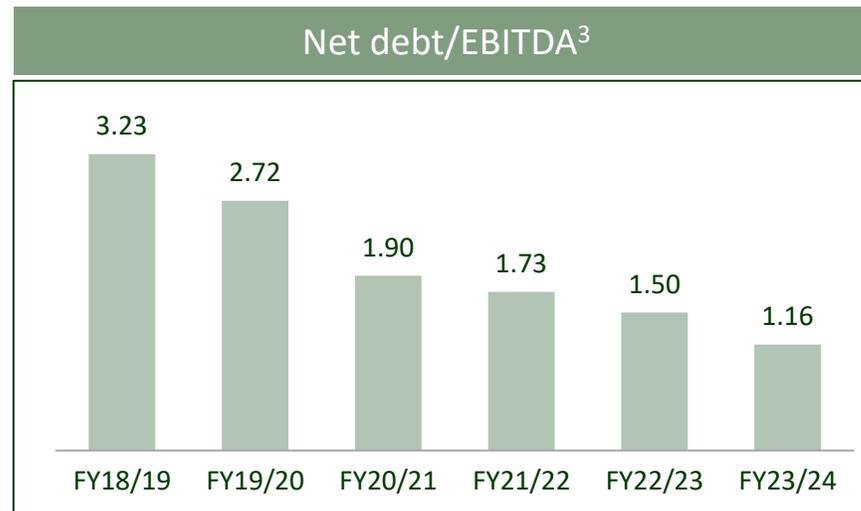
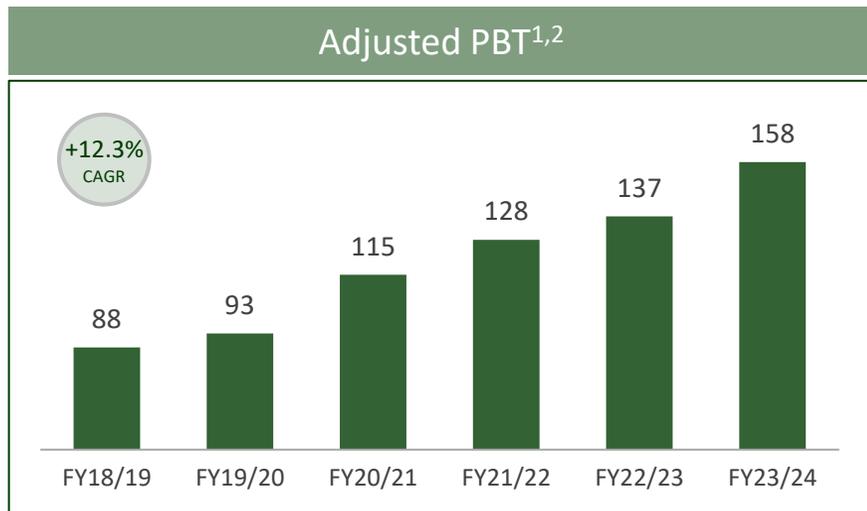
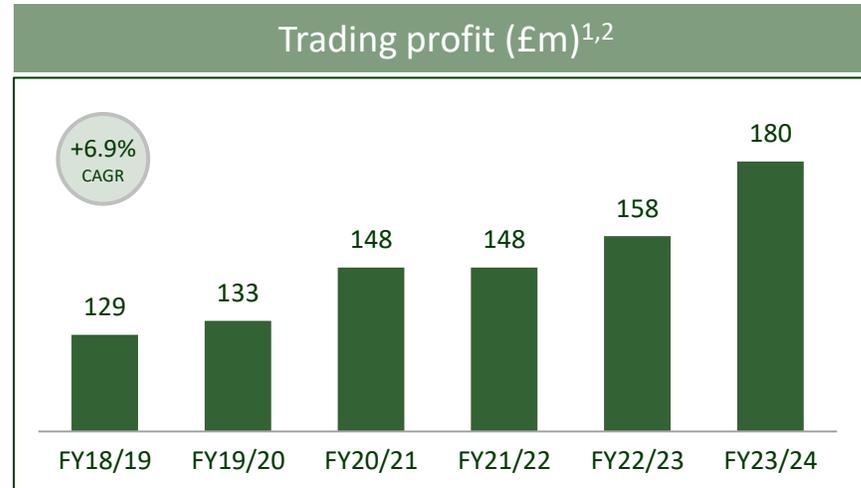
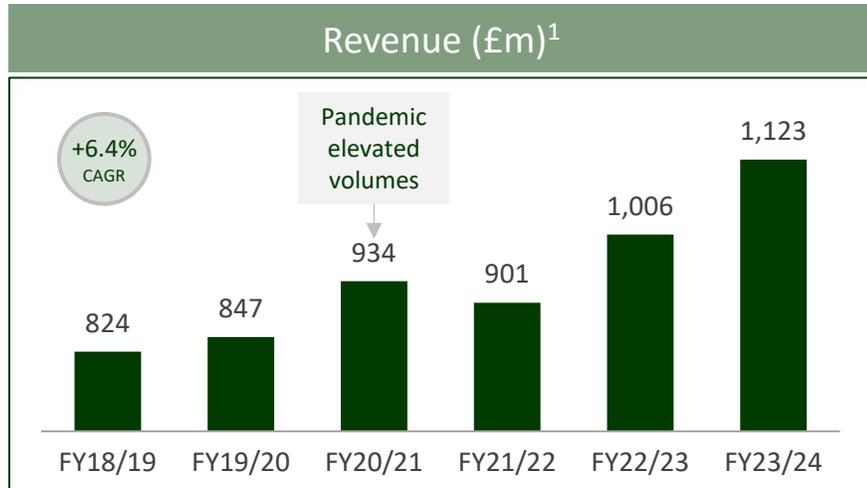
## 6 Pension obligations solution

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

**£33m**  
Suspension of pension payments

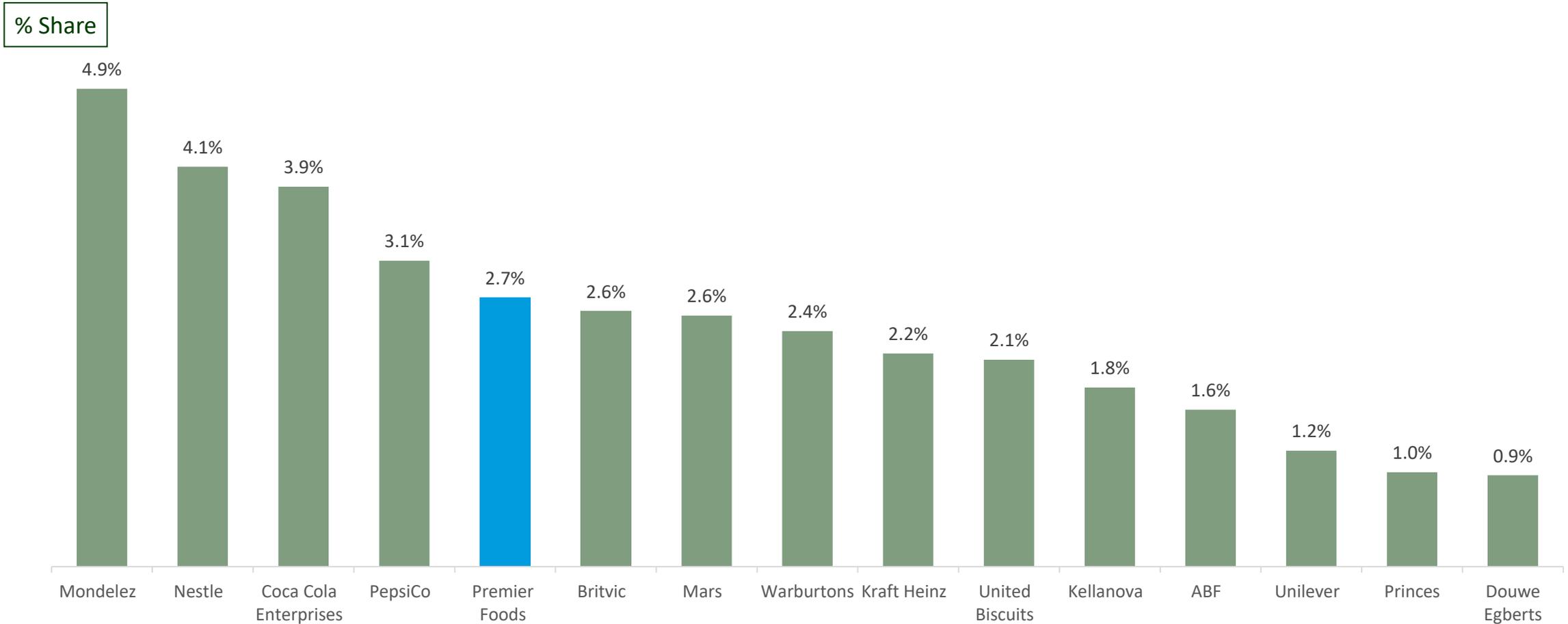
*We are guided by our purpose, 'Enriching Life Through Food', together with our ESG strategy*

# A strong track record of sustained progress over the last 5 years



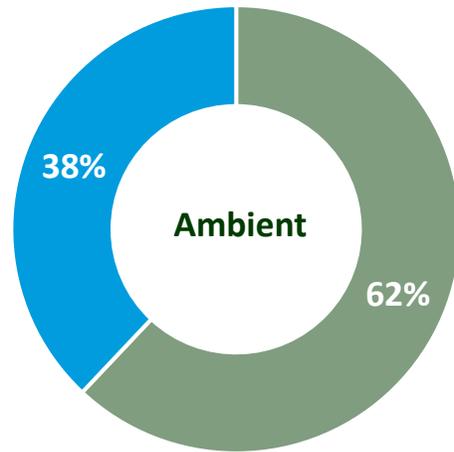
1 – Stated on a 52 week comparable basis, FY23/24 excludes Knighton Foods; 2 – FY23/24 & FY22/23: stated after software amortisation; 3 - FY22-24 Net debt/EBITDA stated on post-IFRS 16 basis

# We are one of the UK's leading ambient grocery suppliers

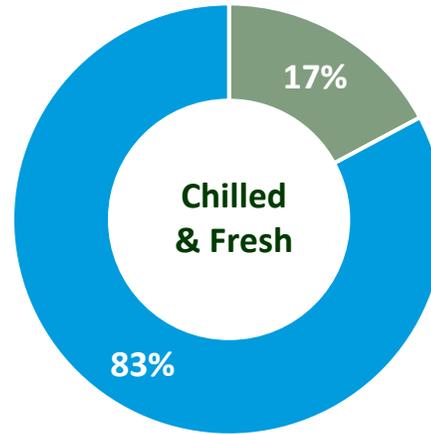


Source: Kantar Worldpanel, 52 weeks ending 29 December 2024, excludes Foodservice and out of home

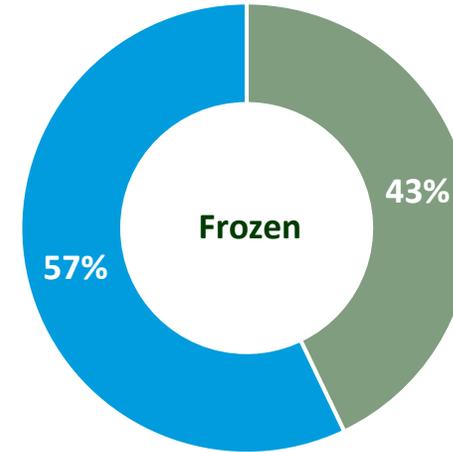
# UK Grocery market



■ 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

# Strong brand equities across five categories

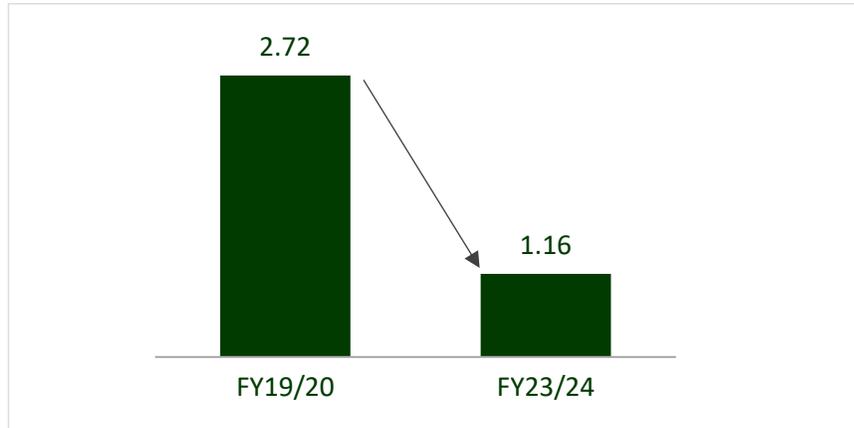
Category	Brands	Products	Position	Share	Penetration
Flavourings & Seasonings	  		1	44%	59%
Quick Meals, Snacks & Soups	 		1	38%	42%
Cooking Sauces & Accompaniments	   		1	15%	42%
Ambient Desserts	  		1	41%	51%
Ambient Cakes	 		1	18%	55%

Sources: Category position & market share: Circana 52 w/e 30 March 2024; Penetration: Kantar FMCG panel, 52 w/e 17 March 2024

# A completely transformed financial position

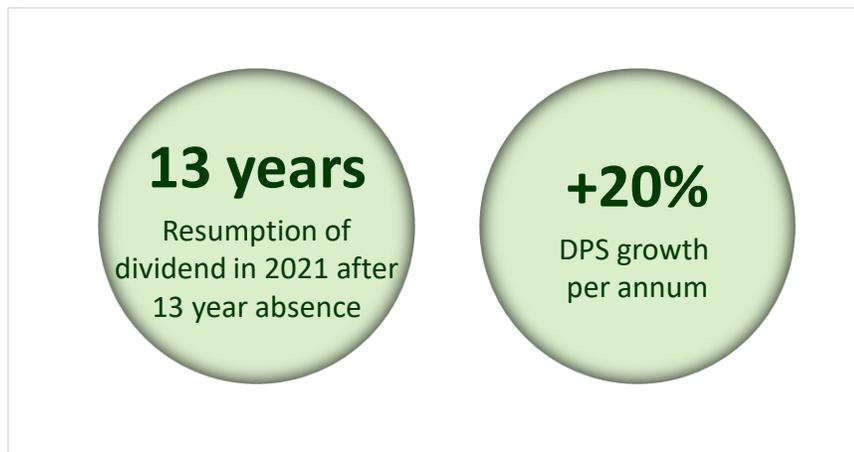
1

Substantially reduced leverage



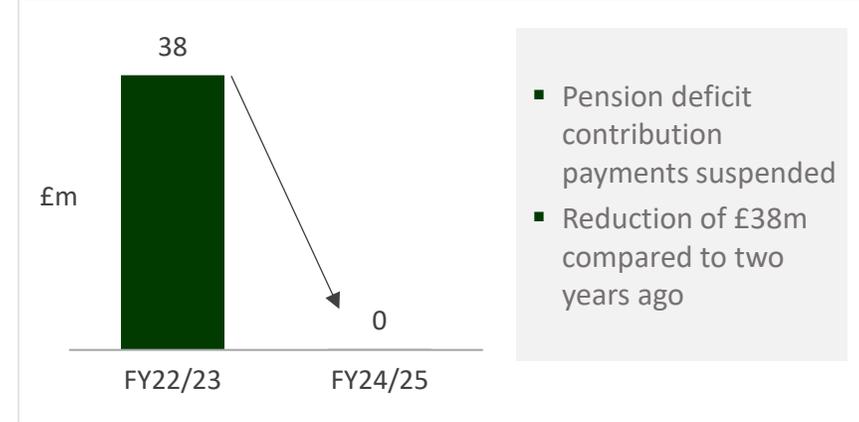
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Progressive dividend



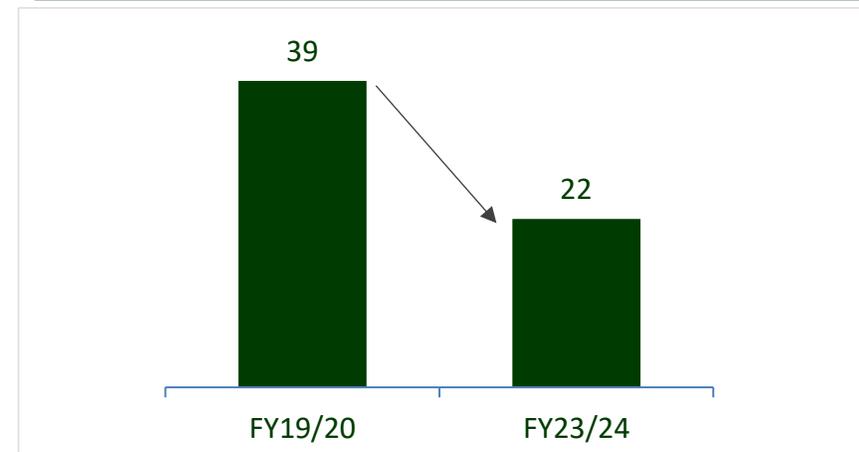
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Pensions deficit payments suspended



4

Lower interest costs





# Strategy & delivery



# 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



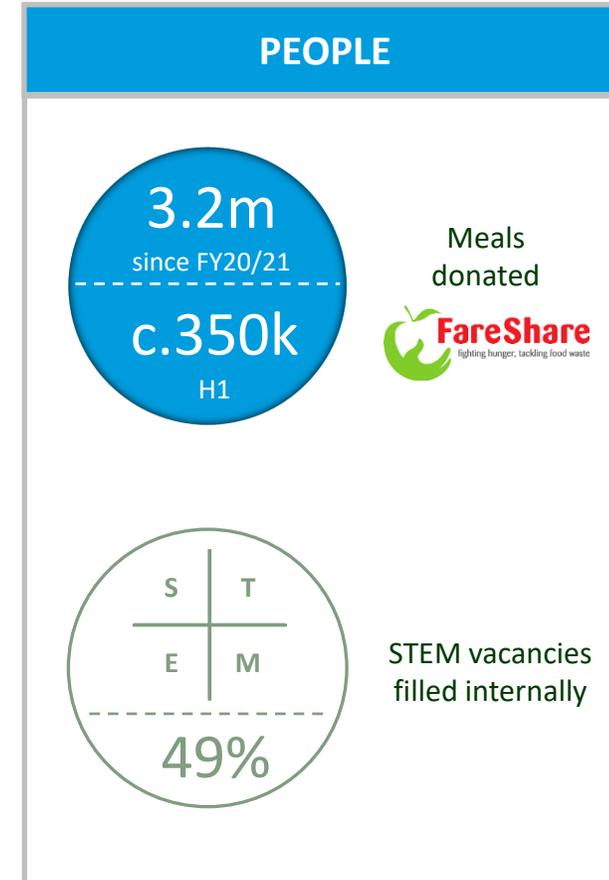
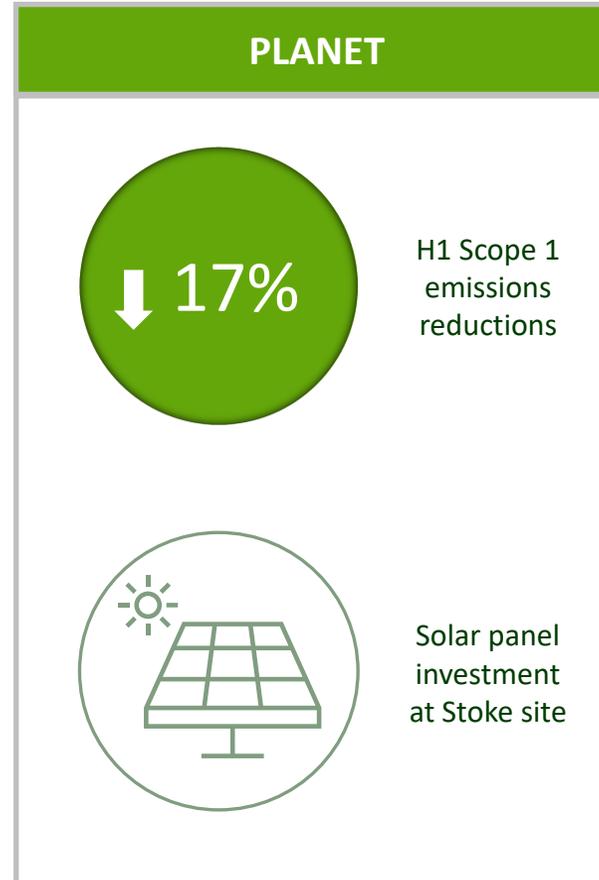
# Our ESG strategy, the 'Enriching Life Plan'

Major, ambitious, targets introduced in 2021



Pillar	PRODUCT		PLANET		PEOPLE		
Our ambitions	<b>GREAT TASTING NUTRITIOUS AND SUSTAINABLE FOOD</b>		<b>CONTRIBUTING TO A HEALTHIER PLANET</b>		<b>NOURISHING THE LIVES OF OUR COLLEAGUES AND COMMUNITIES</b>		
	<ul style="list-style-type: none"> <li>• Healthier Nutrition</li> <li>• Plant-based Eating</li> <li>• Sustainable Packaging</li> </ul>		<ul style="list-style-type: none"> <li>• Taking action on climate change</li> <li>• Protecting our natural resources</li> <li>• Reducing waste across our value chain</li> </ul>		<ul style="list-style-type: none"> <li>• A diverse, healthy and inclusive culture</li> <li>• A leading developer of people</li> <li>• A caring community partner</li> </ul>		
Targets include	More than double sales of high nutritional standard by 2030	£250m sales from plant-based products by 2030	Reduction of Scope 1 and 2 emissions by 42% by 2030 and achieve Net Zero for direct emissions by 2040	Introduce SBTi aligned to the 'Business Ambition for 1.5'	Halve food waste by 2030	Gender balance for senior management population by 2030	Donation of 1 million meals per annum to those in poverty by 2030

# Continued progress on our ESG commitments in H1 FY25



*Making strong progress against our Enriching Life Plan 2030 targets*

# 1 Product innovation and investment driving branded growth

Product innovation  
aligned to consumer  
trends



Health &  
Nutrition



Convenience



Snacking &  
On the go



Indulgence



Packaging  
sustainability

Brand investment

Grocery



- New OXO 'Made with Love' TV campaign for 2024
- All major brands to benefit from media advertising this year

Sweet Treats



# Product innovation programme aligns to consumer trends

## Mr Kipling Signature Nibbles & Bites

### H1 Revenue Progression

£m

**+134%**  
H1 YoY Revenue

FY23/24 H1

FY24/25 H1

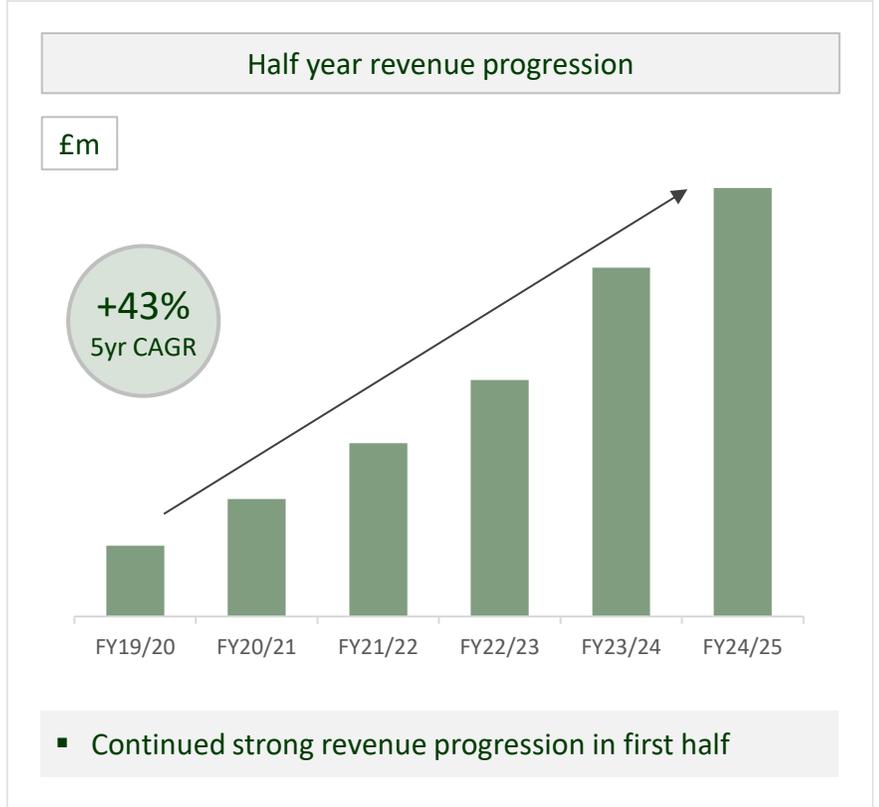


Indulgence

- Rich and moist brownies covered in thick chocolate
- Range aligns very strongly to indulgence consumer trend
- Targets sharing or individual treating occasions
- Continuing to build presence in chocolate based cakes

# 1 Nissin momentum continues

## Exceptional Nissin revenue progression



## New products in H1

- Demae Ramen now in range and added to H1 growth
- Launch of Big pot version of popular Yakitori

## Growing scale



1 - Source: Circana, 28 September 2024, Authentic noodles category; 2 – Last 12 months Revenue

# Great instore execution and further distribution gains

Supported by strong retailer relationships

Share of  
Distribution<sup>1</sup>

**+78bps**

Grocery categories

**+56bps**

Cake category

- Strong brand performance and innovation programme driving distribution gains across many categories

Impactful instore activity



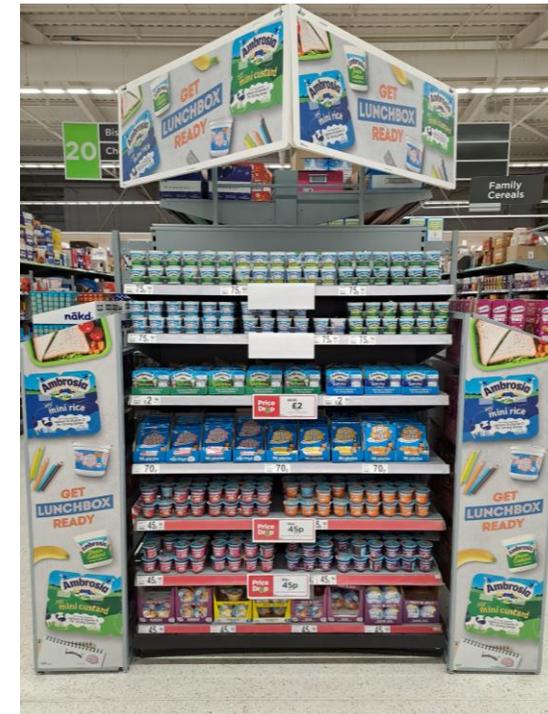
Oxo Marinades

Oxo core

Bisto

Batchelors

- Cross-brand activation across core and New categories ranges

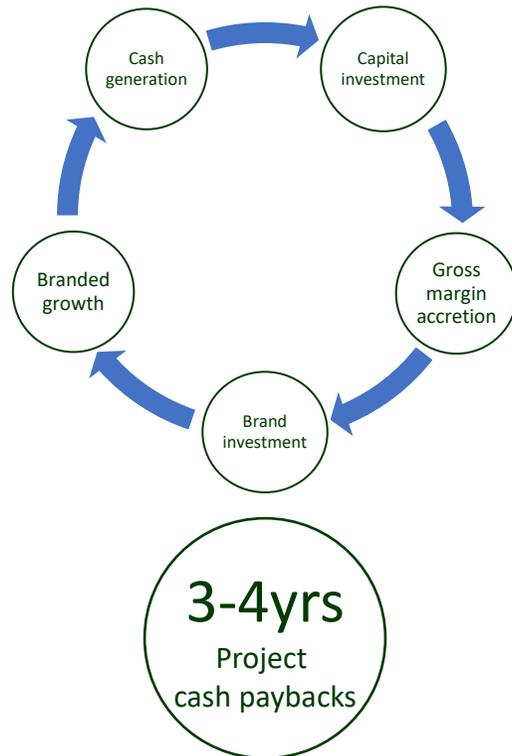


- Multi-format Ambrosia and Angel Delight desserts end of aisle activity

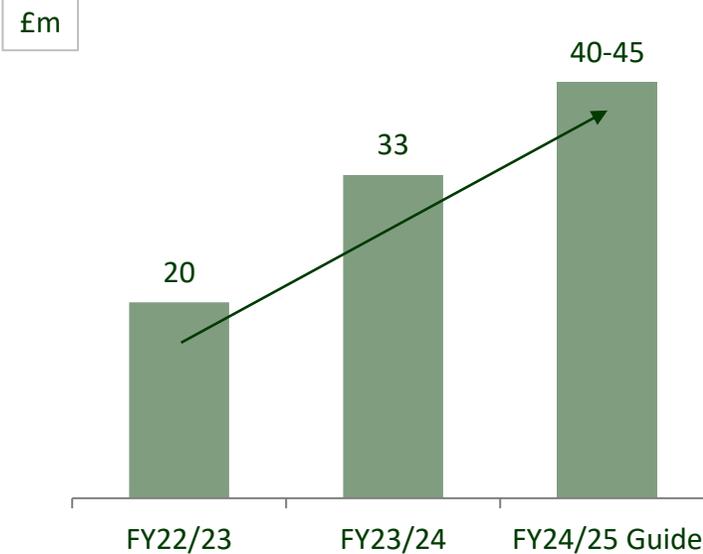
# Substantially increasing infrastructure investment

Deep pipeline of attractive payback projects to implement over the medium term

## Capex fuels branded growth



## Increasing investment levels



- More than doubling investment vs 2 years ago
- In line with capital allocation principles

## Digitisation of operations



- Real time performance data into the cloud
- Analysis tools to drive daily efficiency performance
- Accurate data collection feeds performance improvement

# Extensive pipeline of growth and cost reduction projects

## Growth

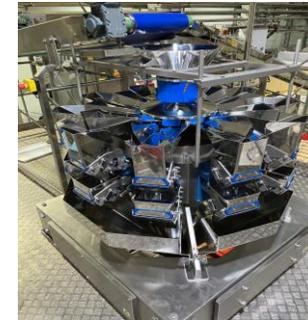
## Cost reduction

### Ambrosia pot filling capacity

### Cooking Sauces line upgrade

### Low energy ice topped manufacture

### Upgraded Bisto packing line



- New pot filling and packing line
- Improved speed and efficiency
- Recyclable packing materials
- Additional capacity for porridge expansion

- Replacement of existing assets to latest equipment (tray packing and palletisation)
- Rapid change over capability
- Delivers increased efficiency and capacity

- Replaced old process that used steam with a novel low temperature process
- Delivering material, labour and energy savings
- Significant CO<sub>2</sub> emissions reductions

- Replacement of multi-head weigher and bag filling machine
- Improves weight control and efficiency

# New categories momentum continues, sales up +67%

## Ambrosia Porridge

H1 Revenue

**+62%**  
Revenue  
growth

Brand investment



Instore activation



Joint high impact  
activity with FUEL10K

## Ice Cream

H1 Revenue

**+139%**  
Revenue  
growth

Range



- Available in tubs and handheld formats
- Leverages iconic flavours of Angel Delight, Mr Kipling and Ambrosia

## Oxo Marinades

**+80%**  
Revenue  
growth



Now listed in all major  
retailers with 5 SKUs  
available in market

## Cape Herb & Spice

**+54%**  
Revenue  
growth



Listed in all major  
retailers and  
continually expanding  
the product range

# 4 International revenue increased 31%<sup>1</sup>

Australia & New Zealand +39%

North America +28%

EMEA +9%





Expanding cake TV media

New product development

- Strong revenue growth in H1 driven by execution of the branded growth model
- Extended Mr Kipling advertising to Brisbane
- NPD included family size Sharwood's cooking sauces and The Spice Tailor range extensions
- Normalisation of retailer stock levels in cake




- USA: Driving rate of sale on existing distribution
- Canada: Strong growth through distribution gains

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- USA & Canada: The Spice Tailor range now listed in over 2,700 stores
- Further distribution agreed










- The Spice Tailor now in 4 European countries and pursuing further listing opportunities
- Building distribution of Sharwood's

<sup>1</sup> – at constant currency rates

# 5 The Spice Tailor & FUEL10K leveraging the branded growth model



## Extending The Spice Tailor into new cuisines

Existing: Indian & Thai

New: Chinese & East Asian

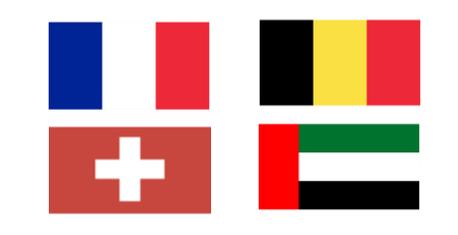


## Brand investment



Digital activity in H1

## Overseas expansion



Now available in 11 countries



## Leading the category



- Now the UK's leading<sup>1</sup> Granola SKU in Quarter 2
- Increasing distribution of ranges across major retailers

## Brand investment



First out of home media activity for FUEL10K, to drive brand awareness

## New product development

Delivered in H1



- Nutritionally Complete Meal solutions
- 25g Protein breakfast shakes

Planned for H2



- Multigrain flakes
- High Protein Noodle pots

1 Source: Circana, 28 September 2024

# Actively seeking further M&A opportunities

## 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

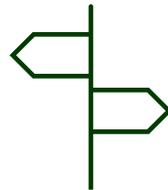
Product innovation

Marketing investment

Retailer partnerships

## Asset selection

- We are very particular as to assets we will review
- 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



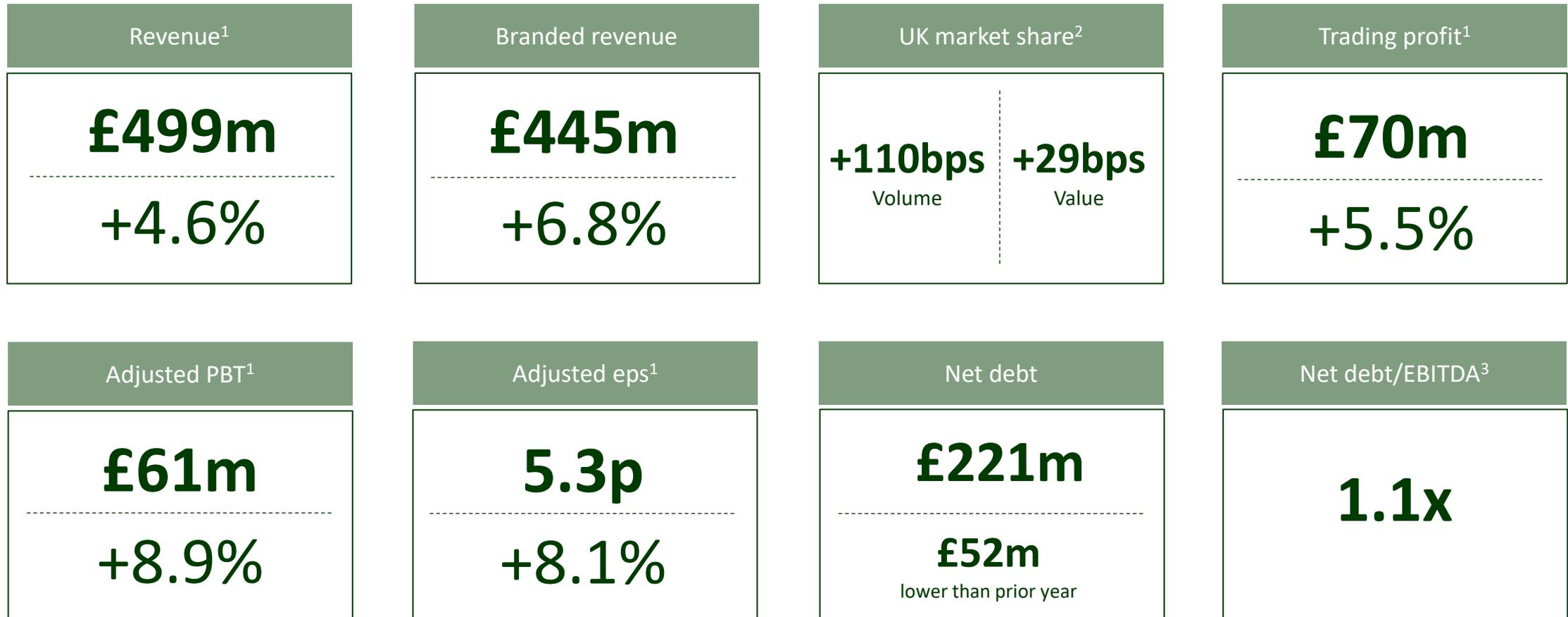


# Recent results

## FY24/25 H1

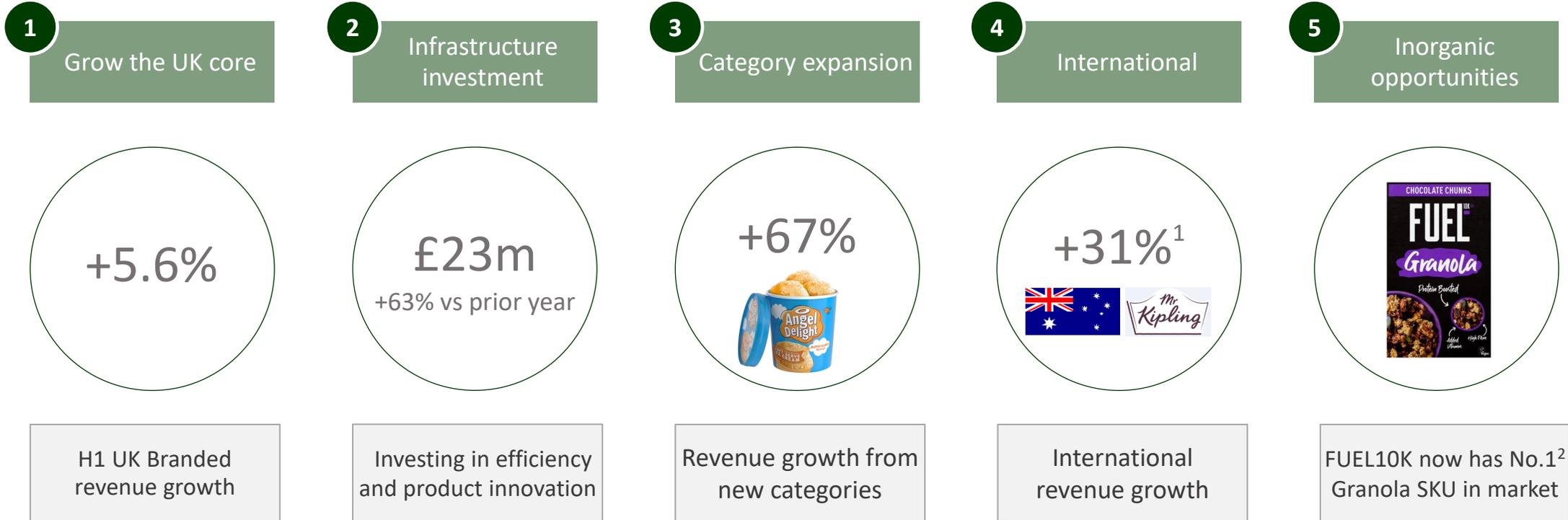


# Strong volume led branded revenue growth



1 – Excludes Charnwood & Knighton; 2 – Circana, 28 September 2024, vs prior year; 3 – L12M EBITDA

# Further progress across our strategic pillars



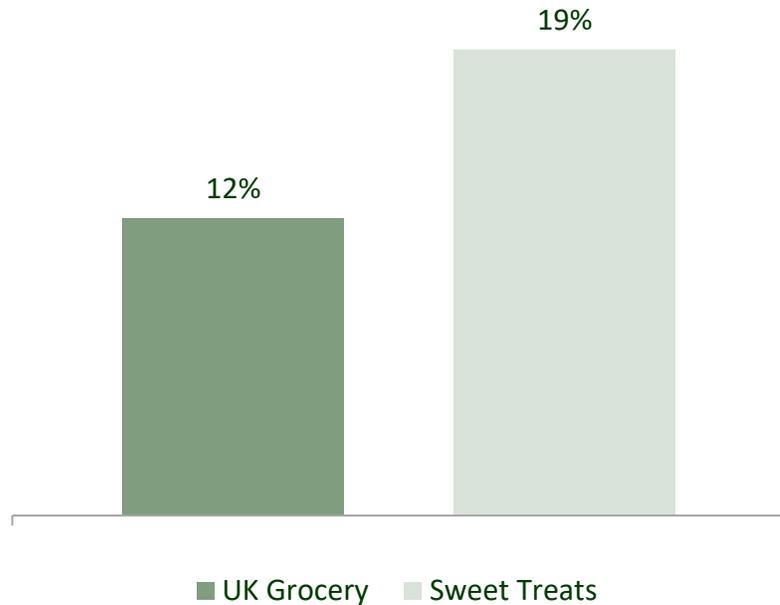
1 – at constant currency rates; 2 – Circana, 12 w/e 28 September 2024

# Strong UK branded volume growth and market share gains



## Volumes

H1 UK Branded Volume



- Branded growth model and sharper promotional pricing drive volumes
- Stronger trend in Sweet Treats, as expected

## Market share<sup>1</sup>

Volume

Value



- Strong absolute volume trends reflected in share gains
- More pronounced gains in Sweet Treats

1 - Source: Circana, 28 September 2024



# Capital structure & pensions



# Value creation through capital allocation framework

Capex ↑



- Strong pipeline of opportunities to enhance efficiencies through attractive payback projects
- 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 - New £227.5m Revolving Credit Facility, matures May 2029, on improved terms
M&A	Maintain financial discipline, taking similar approach to recent acquisitions and with focus on ROIC

# A reminder of our financial strength

## Leverage



- Strong underlying cash generation
- Unutilised revolving credit facility with substantial covenant headroom

## Interest costs

Instrument	Bond	RCF
Quantum	£330m	£227.5m
Coupon/margin	3.5%	2.0% + SONIA
Tenor	October 2026	July 2029

- Net cash balance of £114m at FY24/25 H1
- FY24/25 H1 Net debt of £221m, 1.1x Net debt/EBITDA
- FY24/25 cash interest guidance £22-23m

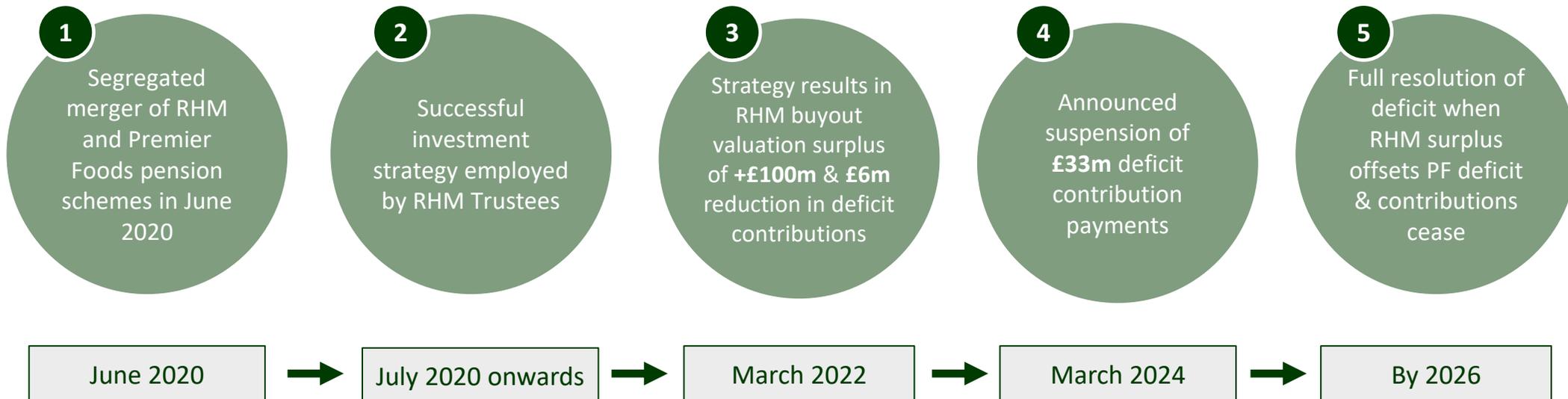
## Commodities & forex



- Broad based spend on commodities
- Forward contracts and hedging used where markets exist
- Neutral position re: US Dollar exposure

# Pensions – A full resolution expected by 2026

Significant progress since merger



*Free cash flow per annum will increase by c.75%<sup>1</sup>, opening up broader, deeper, capital allocation opportunities*

*1 – Excluding M&A, assuming £39m pension cash costs*



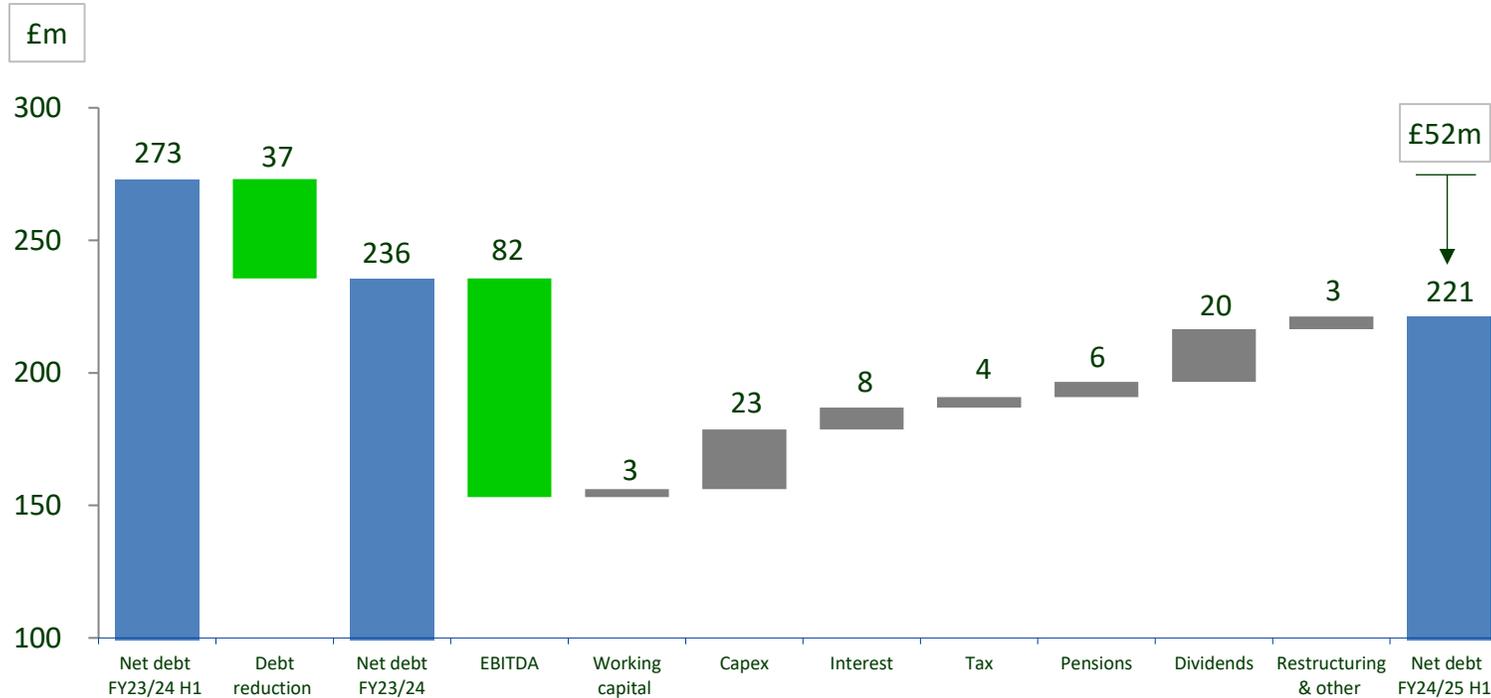
Other



# FY25 H1 Net debt 19% lower than last year, leverage now 1.1x



## Cash flow bridge



## FY24/25 guidance

FY24/25 guidance	£m
Working capital	Neutral
Depreciation (incl. software amortis'n)	c.£25m
Amortisation of brands	c.£20m
Capital expenditure	£40-45m
Restructuring - cash	c.£7m
Interest – cash	£20-21m
Interest – P&L	£22-23m
Tax – cash	c.£8m
Tax – notional P&L rate	25.0%
Pension admin & PPF levy costs	£6-7m
FY23/24 cash dividend	£20m
EBT purchases	c.£5m

- Capex increased by 63% to £22.5m, accelerating automation, efficiency and growth projects to deliver virtuous cycle of branded growth
- Pensions deficit contributions now suspended, significantly enhancing future free cash flow
- FY24/25 restructuring includes costs associated with Charnwood closure
- Cash guidance broadly unchanged

# FY24/25 Quarter 3 sales



£m	Quarter 3		Quarter 3 YTD		
	FY24/25	Change vs 1 year ago	FY24/25	Change vs 1 year ago	
<b>Grocery</b>	Branded revenue	232.4	+3.5%	571.5	+5.6%
	Non-branded revenue	22.3	(9.2%)	57.3	(8.2%)
	Total revenue	254.7	+2.2%	628.8	+4.2%
<b>Sweet Treats</b>	Branded revenue	66.5	+8.9%	172.1	+7.2%
	Non-branded revenue	38.9	0.0%	57.9	(5.5%)
	Total revenue	105.4	+5.5%	230.0	+3.7%
<b>Group</b>	Branded revenue	298.9	+4.6%	743.6	+5.9%
	Non-branded revenue	61.2	(3.6%)	115.2	(6.9%)
	Total revenue	360.1	+3.1%	858.8	+4.0%

Headline results, exclude Charnwood & Knighton and at constant currency

# Pensions

IAS19 Accounting valuation (£m)	28 September 2024			30 March 2024		
	RHM	Premier Foods	Combined	RHM	Premier Foods	Combined
Assets	2,973	518	3,491	3,032	533	3,565
Liabilities	(2,118)	(694)	(2,812)	(2,233)	(731)	(2,964)
<b>Surplus/(Deficit)</b>	<b>855</b>	<b>(176)</b>	<b>679</b>	<b>799</b>	<b>(198)</b>	<b>601</b>
Discount rate			5.1%			4.8%

- Liabilities decreased by £152m to £2,812m
- Asset values decreased by £74m to £3,491m
- Discount rate increased by 30bps to 5.1% reflecting increase to UK 15 year corporate bond yields

## Valuation methodology comparisons (£m)

Methodology	Timing	RHM	Premier Foods	Combined
1. Accounting	28 September 2024	855	(176)	679
2. Technical/Actuarial	31 March 2022	665	(368)	297
3. Buyout	31 March 2022	100+	Reducing	Deficit reducing

# 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.*