

30 October 2023

Premier Foods plc (the "Company" or the "Group")

Acquisition of FUEL10K, accelerating expansion into Breakfast

Premier Foods today announces it has acquired FUEL10K, a vibrant Breakfast brand, with a portfolio of granola, oats and drinks products, as the Group significantly expands its presence in the Breakfast meal occasion.

Strategic highlights & opportunities

- FUEL10K is a differentiated, protein enriched Breakfast brand
- On-trend proposition which attracts a predominantly young consumer demographic
- Track record of strong double-digit revenue growth over the last three years
- Substantially increases Group's position in the Breakfast category, building on success of Ambrosia porridge pots
- The Group expects to unlock significant future value through leveraging its proven branded growth model
- FUEL10K's commitment to sustainability supports the Group's purpose of Enriching Life Through Food

Alex Whitehouse, Chief Executive Officer

"The acquisition of FUEL10K follows on from our successful integration of The Spice Tailor, where we have increased revenue and profit through the application of our branded growth model. FUEL10K provides us with an ideal platform to accelerate our expansion into the Breakfast category, building on our recent successful launch of Ambrosia porridge pots. Possessing a differentiated category position, with its protein enriched product range and appealing to a younger demographic, we expect to deliver significant further profitable growth of FUEL10K through the deployment of our successful branded growth model."

Barney Mauleverer, co-founder, FUEL10K

"We are very excited to be passing the reigns on to the owner of such a great stable of UK brands. Having built the foundations from start-up, the FUEL10K brand is now primed to accelerate into the future and achieve even more great things. I could not think of a better custodian of our brand than Premier Foods to entrust what we have begun and make the most of such a great opportunity."

Transaction details

- Premier Foods has acquired 100% of FUEL10K¹ for an Enterprise Value of £34.0m, equivalent to an EV/sales multiple of c.1.6x on revenues² of c.£21m
- Initial consideration of £29.6m funded through available cash reserves
- A minimum further deferred consideration of £4.0m will be payable in FY26/27, with any increment to this dependent upon certain growth targets³
- Earnings accretive⁶ in first full year
- Post acquisition, the Group's FY23/24 Net debt/EBITDA is expected to be lower than FY22/23
- The transaction completed on 29 October 2023

Further information on the transaction can be found in an investor presentation on our website at <https://www.premierfoods.co.uk/Investors/Results-Centre/2023-2024.aspx>

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About Premier Foods

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

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

About FUEL10K

FUEL10K make fuel for busy people, with a protein enriched Breakfast range which make mornings easier, tastier and more nutritious. The portfolio includes a range of granola, oats and drinks products which can be eaten at the Breakfast table or on the go. FUEL10K is sold in the UK in all major retailers, convenience channels and online and attracts a young demographic who need fuel to power them through the day. A fast growing Breakfast brand, FUEL10K was acquired by Premier Foods on 29 October 2023.

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Notes to editors:

1. The Group has acquired 100% of the shares of FUEL10K Limited on a cash and debt free basis
2. Projected revenue to the year ended 31 March 2024
3. Additional consideration above the Enterprise value of £34.0m is dependent on future sales growth to FY25/26 and subject to a maximum cap of total consideration (comprising initial consideration and additional consideration) of £55.0m. The maximum cap reflects a stretching revenue target.
4. For year ended 31 March 2023, FUEL10K reported Profit before tax of £0.5m; as at 31 March 2023, Gross Assets were £5.1m
5. There are no further conditions to be fulfilled post completion of the transaction
6. Expected to be Adjusted earnings per share ("eps") accretive in year one. Adjusted eps is defined as Adjusted profit after tax divided by the weighted average number of shares in the period. Adjusted profit after tax is defined as Adjusted profit before tax less a notional tax charge of 25.0%. Adjusted profit before tax is defined as Trading profit less net regular interest. Trading profit is defined as profit/(loss) before tax, before net finance costs, amortisation of acquired intangibles, fair value movements on foreign exchange and other derivative contracts, net interest on pensions and administration expenses. 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.

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