

18 July 2024

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

Strong volume led branded sales growth

Premier Foods today provides its Quarter 1 trading update for the thirteen weeks ended 29 June 2024

- Q1 Group sales up 5.3% versus prior year, Branded sales up 7.3%
- Grocery branded sales up 8.6%, Sweet Treats branded sales up 3.5%
- Volume growth and market share gains in both Grocery and Sweet Treats
- New categories sales up 68%; led by Ambrosia Porridge pots and Ice-cream
- International sales up 24%
- New larger five year Revolving Credit Facility signed on improved terms
- FY24/25 full year expectations unchanged

Alex Whitehouse, Chief Executive Officer

"We've delivered another quarter of strong branded sales growth, yet again demonstrating the strength of our portfolio and the effectiveness of our branded growth model. During the quarter, we have gained both value and volume market share in Grocery and Sweet Treats, as more shoppers bought more of our leading brands, delivering good volume growth across our categories. Mr Kipling, Nissin and The Spice Tailor were standout performers, and we continued to launch new products across the portfolio. International sales grew by 24%, with strong growth in each of our overseas regions, and sales from new categories increased by 68%, led by Ambrosia porridge pots and Angel Delight ice-cream."

"As we look forward to the rest of the year, we have a strong set of marketing and product innovation plans for our brands in the UK and Ireland, while we continue to build distribution internationally. We expect to see more volume led branded sales growth in the coming quarters, further progress overseas and our expectations for the full year remain unchanged."

Trading update

Grocery

Grocery revenue increased by 7.1% in the quarter, led by a strong branded performance, with branded sales growing by 8.6%. As expected, this volume led growth was due to continued strong execution of the branded growth model and partly reflecting sharper promotional pricing. Consequently, market share grew in both value and volume terms, and follows the track record of 200 basis points of share gains in the three years to FY23/24.

Many of the Group's Grocery brands delivered substantial growth, with Nissin and The Spice Tailor both contributing strongly to performance in the quarter. New product development in the period included Loyd Grossman Tomato & Mascarpone cooking sauces and The Spice Tailor Chinese kits. New categories revenue increased by 68% as Ambrosia Porridge pots continues to take a larger share of the category with more consumers building it into their morning routine. Angel Delight ice-cream was also boosted by the launch of the handheld format. Non-branded revenue declined (5.1%) partly due to consumers switching to brands and some contract exits.

Sweet Treats

Sweet Treats delivered sales of £59.9m in the quarter, 0.4% ahead of last year. Branded sales increased by 3.5% in the period, with market share increasing in both volume and value terms, partly reflecting more competitive promotional pricing of brands, winning consumers at the expense of own label. Mr Kipling Signature Brownie Bites continues to perform well in market and instore execution of both Mr Kipling and Cadbury cake was also a strong contributor of growth in the period. Product innovation launched in the quarter included Mr Kipling Caramel Tarts and Mr Kipling Strawberry & Cream Fancies. Non-branded sales were 16.0% lower reflecting the movement of consumers to brands and the impact of contract exits.

International

Overseas sales were strong, increasing by 24%⁴ compared to the prior year. North America revenue grew by 21% as *Mr Kipling* cake was rolled out across 800 stores in Canada and the first sales of *The Spice Tailor* commenced in the USA. EMEA delivered revenue growth of 6% with Germany being the latest country to achieve listings of *The Spice Tailor*, taking the total number of countries listing the brand to 11. Revenue also increased substantially in Australia, following the launch of new family-size *Sharwood's* Indian cooking sauces while, as previously reported, benefiting from a softer comparative period in cake associated with retailer de-stocking in the prior year.

New Revolving Credit Facility

The Group recently completed the signing of a new five year £227.5m revolving credit facility, effective July 2024 and replaces the previous £175m facility. This new agreement is on improved terms, attracting a margin⁶ of 2.0% above SONIA. The Group's cash guidance for FY24/25 remains unchanged.

Outlook

As anticipated, the Group delivered further volume led revenue growth in the first quarter, accompanied by sharper promotional investment and market share gains. This year, the Group expects to deliver further volume led branded sales growth, progress against its strategic pillars and full year expectations for FY24/25 are unchanged.

Following the suspension of deficit contribution payments, the Group has a number of options to invest in the business at attractive returns to increase efficiency and innovation, while continuing to explore M&A opportunities and apply its progressive approach to dividends.

Further information

A conference call for investors and analysts hosted by Alex Whitehouse, CEO, and Duncan Leggett, CFO, will take place today, 18 July 2024, at 9:00am BST. Dial in details are outlined below. A recording of the conference call will be available on the Company's website later in the day: www.premierfoods.co.uk/investors/results-centre

Telephone: 0800 358 1035 (UK toll free)
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Access code: 687751

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

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

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 13 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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Notes to editors:

1. Sales data is for the thirteen weeks to 29 June 2024 and 1 July 2023
2. Sales disclosed include acquisitions and exclude Charnwood Foods, the closure of which is due this financial year
3. Market share data sourced from IRI, 12 weeks ended 29 June 2024
4. International sales are stated on a constant currency basis. Sales to Ireland were previously included in International; following an internal reorganisation these are now included as part of our UK business
5. All financial data is unaudited and has not been subject to review by the Company's auditors
6. The Revolving Credit Facility attracts a margin on a ratchet grid according to latest reported Net debt/EBITDA

Q1 Sales (£m)	FY24/25	FY23/24	Change vs 1 year ago
Grocery			
Branded	161.9	149.2	8.6%
Non-branded	17.5	18.4	(5.1%)
Total	179.4	167.6	7.1%
Sweet Treats			
Branded	51.9	50.1	3.5%
Non-branded	8.0	9.5	(16.0%)
Total	59.9	59.6	0.4%
Group			
Branded	213.8	199.3	7.3%
Non-branded	25.5	27.9	(8.8%)
Total	239.3	227.2	5.3%

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