

14 November 2024

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

**Half year results for the 26 weeks ended 28 September 2024**

**Further, strong, volume led branded revenue growth**

| <b>Headline results (£m)</b>                     | <b>FY24/25 H1</b> | <b>FY23/24 H1</b> | <b>change</b>   |
|--|-------------------|-------------------|-----------------|
| Headline Revenue                                 | 498.7             | 476.7             | 4.6%            |
| Headline Branded Revenue                         | 444.7             | 416.5             | 6.8%            |
| Headline Trading profit <sup>1</sup>             | 70.2              | 66.6              | 5.5%            |
| Adjusted profit before taxation <sup>4</sup>     | 61.0              | 56.0              | 8.9%            |
| Adjusted earnings per share <sup>7</sup> (pence) | 5.3               | 4.9               | 8.1%            |
| Net debt <sup>11</sup>                           | 221.3             | 273.1             | £51.8m lower    |
| <b>Statutory measures (£m)</b>                   | <b>FY24/25 H1</b> | <b>FY23/24 H1</b> | <b>% change</b> |
| Revenue (includes Charnwood & Knighton)          | 501.0             | 494.1             | 1.4%            |
| Operating profit                                 | 65.4              | 69.0              | (5.2%)          |
| Profit after taxation                            | 39.5              | 42.7              | (7.5%)          |
| Basic earnings per share (pence)                 | 4.6               | 5.0               | (8.0%)          |

Alternative performance measures above are defined below and reconciled to statutory measures throughout.  
Headline results presented for both periods exclude effect of Charnwood & Knighton site closures  
Statutory measures include Charnwood & Knighton results prior to closure

**Financial headlines**

- Headline Revenue up 4.6%; headline branded revenue up +6.8%
- Total Headline Grocery branded revenue up +7.0%, Sweet Treats branded revenue up +6.1%
- Double digit branded volume growth in both Grocery and Sweet Treats
- Volume and value market share<sup>13</sup> gains
- Non-branded revenue down (10.4%) as consumers switch to brands from own label, and low-margin contract exits
- Headline Trading profit +5.5%; margins slightly ahead of prior period
- Profit after tax £39.5m, £3.2m lower reflecting lower non-cash pension credit compared to prior period
- Net debt £221.3m, £51.8m lower than prior period and Net debt/EBITDA reduced to 1.1x
- On track to deliver on full year expectations

**Strategic headlines**

- UK branded revenue +5.6%, with volumes up due to strong innovation and sharper promotional pricing
- Infrastructure investment up 63%; focus on efficiency, automation and growth capital projects
- International revenue up +31%<sup>8</sup> with strong growth in all markets
- New categories revenue increased +67% with significant growth across all ranges
- *The Spice Tailor* and *FUEL10K* performing well, benefitting from the strength of the branded growth model

**Alex Whitehouse, Chief Executive Officer**

*"We've delivered another really strong branded performance in the first half, underpinned by double-digit volume growth. This demonstrates the success of our proven branded growth model which was also supported by sharper promotional pricing. We gained both volume and value market share, outperforming the market as many consumers switched into our leading brands from own label. Our innovation programme continues apace as we brought many new products to market in the period, including Sharwood's curry kits, Mr Kipling Loaf cakes and Loyd Grossman Pesto."*

*"As inflation has begun to ease and shoppers are starting to feel more confident, we've seen consumers treat themselves more, helping sales of both Mr Kipling Signature Bites and Ambrosia Deluxe more than double in the first half of the year."*

*"We've continued to make very good progress against all the pillars of our growth strategy. We accelerated capital investment in our supply chain, continuing to invest in projects to improve automation and increase efficiency, in addition to enabling growth through new product development. Angel Delight ice cream and Ambrosia porridge pots contributed to strong progress*

in our new categories, which grew 67%, while the international business performed very well, with revenue up 31%<sup>8</sup>. We continue to be very pleased by the progress of our acquired brands, *The Spice Tailor* and *FUEL10K* and we now have the biggest selling granola product on the market."

"As we look to the second half, we have exciting plans in place across all our brands, with our best ever *Mr Kipling* Signature mince pies benefitting from expanded distribution. With this, and our continued branded momentum, we are on track to deliver on expectations for the full year. As we look further ahead, we expect revenue growth to continue to be generated from our strategic priorities of growing our UK branded core, extending into new categories, overseas expansion and M&A activity."

## Outlook

The effectiveness of the Group's branded growth model and investment in promotional pricing have delivered a strong branded volume and revenue performance in the first half of the year. With this momentum, and strong plans in place for further branded growth in the second half, the Group is on track to deliver on expectations for the full year.

## Strategy overview

The Group employs a five pillar strategy, to drive growth and create value, which is outlined below.

| Pillar | Strategy  | Overview  | H1 Proof point                                  |
|--------|---|---|---|
| 1.     | Continue to grow the UK core business             | Our Branded Growth Model leverages our leading category positions, launching new products to market driven by consumer trends, supporting our brands with sustained levels of marketing investment and fostering strong customer and retailer partnerships.   | UK branded revenue growth 5.6%                  |
| 2.     | Supply chain investment                           | Investing in operational infrastructure to increase efficiency and productivity providing a virtuous cycle for brand investment. Also facilitates growth through our innovation strategy and enhances the safety and working conditions of our colleagues.  | Capital investment £22.5m, up 63%               |
| 3.     | Expand UK business into new categories            | Leverage the strength of our brands, using our proven branded growth model to launch products in adjacent, new food categories.   | Revenue growth of 67%                           |
| 4.     | Build international businesses with critical mass | Building sustainable business units with critical mass overseas, applying brand building capabilities to deliver growth in target markets of Australia & New Zealand, North America and EMEA. Brands which currently drive this expansion are <i>Mr Kipling</i> , <i>Sharwood's</i> and <i>The Spice Tailor</i> . | Revenue growth of 31% <sup>8</sup>              |
| 5.     | Inorganic opportunities                           | Financially disciplined approach to brand acquisitions, to drive significant value through the application of our branded growth model.   | FUEL10K Chocolate Chunks the No.1 Granola in Q2 |

## Capital allocation

The Group is highly cash generative, benefits from strong EBITDA margins in line with global branded food sector peers and has substantially reduced its interest costs in recent years.

In March 2024, the Group announced the suspension of pension deficit contribution payments, which historically have consumed a significant proportion of cash. This position creates significantly increased free cash flow from FY24/25, and presents increased options to help the Group deliver on its growth ambitions. Management allocates capital according to a clear and disciplined framework:

1. Capital investment: Investment at attractive paybacks to increase efficiency and automation at our manufacturing sites and facilitate growth through product innovation.
2. M&A: Continue to pursue branded assets which would benefit from the application of the Group's proven branded growth model. We will maintain our financial discipline on M&A, applying a similar approach as to the recent acquisitions of *The Spice Tailor* and *FUEL10K*, with a focus on Return on Invested Capital.
3. Dividends: Expect to pay a progressive dividend, growing ahead of earnings.

The Group's Net debt/EBITDA leverage target of 1.5x remains unchanged.

## Environmental, Social and Governance (ESG)

The Group's 'Enriching Life Plan', encompasses the three strategic pillars of Product, Planet and People; more details can be found in the Group's Annual Report for the 52 weeks ended 30 March 2024 and corporate website. Highlights in the first half of the year include 66% of Government's net zero target, 1550 (from 1400) high school leavers, a 47% reduction in Scope 1

half of the year include 66% of Grocery portfolio sales are non-HFSS (non-high fat, salt & sugar), a 17% reduction in Scope 1 emissions compared to last year and further plans to extend solar power generation across the supply chain footprint.

#### **Further information**

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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](http://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, 14 November 2024, at 1:00pm GMT. Dial in details are outlined below:

Telephone: 0800 358 1035 (UK toll free)  
+44 20 3936 2999 (standard international access)  
Access code: 056591

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

[www.premierfoods.co.uk/investors/results-centre](http://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/](http://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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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 UK Listing Rules, the Disclosure Guidance and Transparency Rules, the rules of the 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>FY24/25 H1</u> | <u>FY23/24 H1</u> | <u>% change</u> |
|--|-------------------|-------------------|-----------------|
| Branded revenue                                  | 444.7             | 416.5             | 6.8%            |
| Non-branded revenue                              | 54.0              | 60.2              | (10.4%)         |
| <b>Headline revenue</b>                          | <b>498.7</b>      | <b>476.7</b>      | <b>4.6%</b>     |
| Divisional contribution <sup>2</sup>             | 105.0             | 100.7             | 4.3%            |
| Group & corporate costs                          | (34.8)            | (34.1)            | (2.1%)          |
| <b>Headline Trading profit<sup>1</sup></b>       | <b>70.2</b>       | <b>66.6</b>       | <b>5.5%</b>     |
| Headline Trading profit margin                   | 14.1%             | 14.0%             | 0.1ppt          |
| Adjusted EBITDA <sup>3</sup>                     | 82.4              | 78.5              | 5.0%            |
| Adjusted profit before tax <sup>4</sup>          | 61.0              | 56.0              | 8.9%            |
| Adjusted earnings per share <sup>7</sup> (pence) | 5.3               | 4.9               | 8.1%            |
| Basic earnings per share (pence)                 | 4.6               | 5.0               | (8.0%)          |

Headline revenue excludes Charnwood & Knighton; reconciliations are provided in the appendices.

Headline Revenue, which excludes Charnwood and Knighton, grew by 4.6% in the first half of the year. Divisional contribution increased by 4.3% to £105.0m and Headline Trading profit increased by 5.5% to £70.2m. Group and corporate costs were marginally higher in the period at £34.8m. Headline Trading profit margins of 14.1% were slightly ahead of the prior period. Adjusted profit before tax increased by 8.9%, while adjusted earnings per share grew by 8.1%. Basic earnings per share for the first half of the year decreased by 8.0% to 4.6p as Headline Trading profit growth was offset by a £4.1m lower non-cash pensions credit compared to the prior period and slightly higher net finance costs.

### Statutory overview

| <u>£m</u>                        | <u>FY24/25 H1</u> | <u>FY23/24 H1</u> | <u>% change</u> |
|----------------------------------|-------------------|-------------------|-----------------|
| <u>Grocery</u>                   |                   |                   |                 |
| Branded revenue                  | 339.0             | 316.9             | 7.0%            |
| Non-branded revenue              | 37.4              | 55.3              | (32.4%)         |
| <b>Total revenue</b>             | <b>376.4</b>      | <b>372.2</b>      | <b>1.1%</b>     |
| <u>Sweet Treats</u>              |                   |                   |                 |
| Branded revenue                  | 105.7             | 99.6              | 6.1%            |
| Non-branded revenue              | 18.9              | 22.3              | (15.1%)         |
| <b>Total revenue</b>             | <b>124.6</b>      | <b>121.9</b>      | <b>2.2%</b>     |
| <u>Group</u>                     |                   |                   |                 |
| Branded revenue                  | 444.7             | 416.5             | 6.8%            |
| Non-branded revenue              | 56.3              | 77.6              | (27.4%)         |
| <b>Statutory revenue</b>         | <b>501.0</b>      | <b>494.1</b>      | <b>1.4%</b>     |
| Profit before tax                | 53.5              | 58.1              | (7.9%)          |
| Basic earnings per share (pence) | 4.6               | 5.0               | (8.0%)          |

The table above is presented including results from Charnwood and Knighton.

Group revenue on a statutory basis increased by 1.4% in the period, led by branded revenue which increased by 6.8%. Non-branded declined 27.4% owing to the closure of the Charnwood and Knighton manufacturing sites, consumers switching to brands and some contract exits. Grocery revenue was 1.1% higher than the prior period at £376.4m and Sweet Treats grew 2.2% to £124.6m. Profit before tax in the first half of the year was £53.5m; £4.6m lower than the prior period as Trading profit growth was offset by a lower pensions credit as described above. Basic earnings per share was 4.6 pence (FY23/24 H1: 5.0 pence).

### Trading performance

#### Grocery

| <u>£m</u>                            | <u>FY24/25 H1</u> | <u>FY23/24 H1</u> | <u>% change</u> |
|--------------------------------------|-------------------|-------------------|-----------------|
| Branded revenue                      | 339.0             | 316.9             | 7.0%            |
| Non-branded revenue                  | 35.1              | 37.9              | (7.6%)          |
| <b>Total headline revenue</b>        | <b>374.1</b>      | <b>354.8</b>      | <b>5.4%</b>     |
| Divisional contribution <sup>2</sup> | 93.3              | 88.6              | 5.3%            |
| Divisional contribution margin       | 24.9%             | 25.0%             | (0.1ppt)        |

The table above is presented excluding the impact of Charnwood and Knighton

On a headline basis (excluding Charnwood and Knighton) Grocery revenue increased by 5.4% in the period to £374.1m,

with branded revenue leading the growth, advancing 7.0% to £339.0m. Non-branded revenue was 7.6% lower at £35.1m. In the second quarter, Grocery revenue (on a headline basis) increased by 4.0%, with branded growth of 5.6% partly offset by Non-branded revenue which declined 10.1%. Non-branded revenue trends in the period were due to consumers switching to our brands and some contract exits.

The Grocery business delivered 12% branded volume growth in the period which was also reflected in strong volume share gains. Promotional investment was higher compared to the prior period, due to the lower promotional price points, which served to support these volume trends, alongside the benefit of the Group's branded growth model strategy. This model leverages the strength of the Group's market leading brands, launching insightful new products, supporting the brands with emotionally engaging advertising and building strategic retail partnerships. This volume performance was instrumental in delivering branded revenue growth of 7.0% in the first half of the year.

Divisional contribution increased by 5.3% to £93.3m; margins were broadly in line with the prior period, reflecting the positive branded mix benefits of the trading performance, offset by some salary inflation. Grocery brand investment continued in the period, with *Ambrosia*, *Batchelors*, *Bisto* and *OXO* all benefitting from advertising campaigns. A new *OXO* advertisement was introduced under the 'Made with Love' campaign, working in conjunction with an online competition and impactful instore execution, all of which will continue in the second half of the year.

*Nissin* noodles yet again grew strongly in the period, as the Group commenced the distribution of the Demae Ramen range supporting the momentum of the brand which is now worth over £60m<sup>13</sup> in retail sales value. New product development launched in the first half included *Sharwood's* curry kits, *Mr Kipling* no bake cheesecake kits, and *Loyd Grossman* Tomato & Mascarpone sauce and Pesto. New product development for the second half of the year includes a range of microwaveable *Batchelors* Pasta n Sauce variants, *OXO* Turkey stock pots for the Christmas season and *The Spice Tailor* pastes.

Building on the track record in previous periods, the Group's share of distribution points, a measure of presence of brands and products on retailers' shelves, increased by 78 basis points in the second quarter due to the strong performance of its brands and innovation programme. Additionally, the Group employs strategies to deliver effective and impactful instore activity across many of its brands and categories. These activities can be single or multi category and are often sited at the end of aisle in retailers to deliver maximum impact and returns. Partnerships are also used to create impactful activity; in the first half of the year this included DC Warner Brothers' Superman with *Batchelors* activity and a Cluedo Who Stole The Recipe? Campaign for *Sharwood's*, *The Spice Tailor* and *Loyd Grossman* cooking sauces.

Revenue growth from expanding into adjacent new categories increased by 67%, as the Group's brands continue to demonstrate their brand stretch capabilities. *Ambrosia* porridge pots grew by 62%; they now hold a 10% share of the category, the performance in the period reflecting inclusion in wider *Ambrosia* brand TV advertising and the launch of an Apple & Blueberry variant. In the second half of the year, distribution will be extended to include another major retailer and the launch of a new Sweet Cinnamon flavour. *Angel Delight* and *Mr Kipling* ice-cream more than doubled revenue, up 139% year on year, with *Angel Delight* benefitting from handheld formats in the summer months. *OXO* marinades and *Cape Herb & Spice* both delivered a strong first half of the year, with revenue up 80% and 54% respectively.

*The Spice Tailor* extended further beyond its Indian cuisine heartland in H1, with the launch of Chinese kits including Spicy Kung Po and Fiery Szechuan. Brand investment included digital activity bringing to life delicious meals to increase brand awareness and recruit new consumers, together with instore promotional activity alongside the Group's other cooking sauces brands. *FUEL10K's* Chocolate chunks was the UK's biggest selling Granola product line in the second quarter, with total Granola sales up 27% in H1. Out of home media for the brand is planned for the second half of the year alongside new products such as Multigrain Flakes and high protein Noodle pots.

#### Sweet Treats

| £m                                    | FY24/25 H1   | FY23/24 H1   | % change         |
|---------------------------------------|--------------|--------------|------------------|
| Branded revenue                       | 105.7        | 99.6         | 6.1%             |
| Non-branded revenue                   | 18.9         | 22.3         | (15.1%)          |
| <b>Total headline revenue</b>         | <b>124.6</b> | <b>121.9</b> | <b>2.2%</b>      |
| Divisional contribution <sup>2</sup>  | 11.7         | 12.1         | (3.3%)           |
| <i>Divisional contribution margin</i> | <i>9.4%</i>  | <i>9.9%</i>  | <i>(0.5ppts)</i> |

Total revenue increased by 2.2% in Sweet Treats, led by branded revenue which advanced 6.1% to £105.7m. The Sweet Treats business gained volume and value share throughout the first half of the year, with both *Mr Kipling* and *Cadbury* cake contributing strongly to these gains. Non-branded revenue was 15.1% lower due to a combination of contract exits

in Fancies and consumers switching to brands. Sweet Treats delivered Divisional contribution of £11.7m in the period compared to £12.1m in the prior period.

Volume growth was strong throughout the first half of the year, reflecting the benefits of the branded growth model and also sharper promotional price points across both the *Mr Kipling* and *Cadbury* cake ranges. Divisional contribution margins were slightly lower reflecting elevated cocoa prices. Brand investment in *Mr Kipling* continued through the period with the 'Piano' TV advert, while new product launches included Signature collection Chocolate and Caramel layer cakes, indulgent loaf cakes and Strawberries and Cream Fancies. Signature bites also continued to perform strongly, with revenue more than doubling, as they tap into the indulgence consumer trend. The Group continues to deliver impactful, branded bay instore execution of both *Mr Kipling* and *Cadbury* cake to assist shoppers navigate the cake category with greater ease.

In the second half of the year, seasonal ranges will include building on the *Mr Kipling* best ever, indulgent, mince pies for Christmas coupled with exceptional instore execution across the cake portfolio.

## **International**

Overseas Revenue (on a constant currency basis) grew strongly in the period, up 31%<sup>8</sup> compared to the prior year. Across the Group's target markets, Australia & New Zealand delivered growth of 39%, North America increased revenue by 28% and EMEA grew 9%. Much of the growth is due to increasing distribution of the Group's brands, leveraging its growing retailer relationships.

In Australia and New Zealand, application of the Group's branded growth model delivered growth in both the Sweet Treats and Cooking Sauces categories. *Mr Kipling* TV advertising expanded to an additional region utilising the popular 'Little Thief' advert while on pack activity included the 'Cake a Difference' campaign, supporting families facing childhood cancer. *Sharwood's* cooking sauces benefitted from innovation including family size jars and *The Spice Tailor* also launched new products such as Coastal Mango Curry and Spicy Butter Chicken. Retailer stock holdings normalised during H1 which also contributed to revenue growth in the period.

In North America, Canada delivered a strong period of trading, as it benefitted from increased distribution for both *Mr Kipling* and *The Spice Tailor*, with the former now available in over 1,000 stores across two major retailers. In the US, momentum of *Mr Kipling* is focused on driving rate of sale on current distribution.

*The Spice Tailor* continues to gain listings in European countries; the brand is available in over 700 stores in both France and Germany and now distributed in a total of 11 countries. In the Middle East, the Group is exploring the opportunity to grow cake in the medium term.

In the second half, Australia will benefit from further *Mr Kipling* new product launches and *Sharwood's* has new listings in New Zealand. In Canada, *The Spice Tailor's* distribution will be extended to two further major retailers.

## **Operating profit**

Operating profit was £65.4m in the period compared to £69.0m in the prior period. Headline Trading profit increased by 5.5% to £70.2m, as described above. Brand amortisation of £10.2m was broadly in line with the comparative period. Net interest on pensions and administrative expenses was a credit of £9.7m (FY23/24 H1: £15.6m credit), the reduction due to a lower opening combined surplus of the pension scheme compared to the prior period of £14.0m, partly offset by £4.3m of administrative expenses. Non-trading items<sup>9</sup> of £3.8m (FY23/24 H1: £3.7m) relate to costs associated with the closure of the Charnwood and Knighton manufacturing sites.

## **Finance costs**

Net finance cost was £11.9m in the first half of FY24/25, an increase of £1.0m compared to FY23/24 H1. Net regular interest<sup>5</sup> decreased by £1.4m to £9.2m, largely due to £1.0m higher interest receivable reflecting increased average cash balances over the period and slightly higher average SONIA rates. A discount provision unwind relating to acquisition contingent consideration was £1.0m. Write off of financing costs of £1.4m in the period relate to write off of debt issuance costs associated with the previous revolving credit facility (RCF). Interest on the Group's Senior secured notes of £5.8m were in line with the prior period.

The Group completed the signing of a new five year £227.5m revolving credit facility (RCF) in the period replacing the

previous £175m facility. The new agreement, on improved terms, currently attracts a margin of 2.0% above SONIA and matures in May 2029.

### Taxation

The taxation charge for the period was £14.0m (2023/24 H1: £15.4m) and was largely due to a charge on operating activities of £13.4m (2023/24 H1: £14.5m). Tax on operating activities substantially reflects the rate of UK corporation tax (25%) owing to the predominantly UK presence of the Group's operations. The Group has started paying modest levels of cash tax, reflecting brought forward losses available to offset against future tax liabilities.

### Earnings per share

| <u>£m</u>                               | <u>FY24/25 H1</u> | <u>FY23/24 H1</u> | <u>% change</u> |
|---|-------------------|-------------------|-----------------|
| Operating profit                        | 65.4              | 69.0              | (5.2%)          |
| Net finance cost                        | (11.9)            | (10.9)            | (9.2%)          |
| <b>Profit before taxation</b>           | <b>53.5</b>       | <b>58.1</b>       | <b>(7.9%)</b>   |
| Taxation                                | (14.0)            | (15.4)            | 9.1%            |
| Profit after taxation                   | 39.5              | 42.7              | (7.5%)          |
| Average shares in issue (million)       | 863.3             | 862.5             | 0.1%            |
| <b>Basic Earnings per share (pence)</b> | <b>4.6</b>        | <b>5.0</b>        | <b>(8.0%)</b>   |

The Group reported profit before tax of £53.5m in the first half of FY24/25, £4.6m lower than the prior period, as Headline Trading profit growth was offset by a lower net credit related to interest on pensions and administrative expenses. Profit after tax was £39.5m (FY23/24 H1: £42.7m) and basic earnings per share was 4.6 pence, a decrease of 8.0%.

### Cash flow

Net debt as at 28 September 2024 was £221.3m, a reduction of £51.8m compared to the same point a year ago and £14.3m lower than 30 March 2024.

Headline Trading profit was £70.2m, as described above, while depreciation and software amortisation<sup>10</sup> totalled £12.2m. There was a working capital outflow of £2.9m in the period, reflecting lower levels of inflation than previous periods. Non-trading items were £6.4m and related to payments associated with closure of the Knighton and Charnwood manufacturing sites. The Group expects non-trading items to be significantly lower in the second half of the year. Pension payments were £5.6m, of which administration costs including government levies were £2.9m and £2.7m being the last monthly payment of deficit contributions (relating to March 2024), prior to suspension. A dividend match payment to the Group's pension schemes of £5.0m was also made in the period.

On a statutory basis, cash generated from operating activities was £50.6m (FY23/24 H1: £34.8m) after deducting net interest paid of £12.0m (FY23/24 H1: £9.7m), of which £3.7m is transaction costs related to the new RCF. The Group paid Tax of £4.0m in the period (2023/24 H1: £0.8m).

Cash used in investing activities was £22.5m (FY23/24 H1: £13.8m), solely due to the Group accelerating its capital expenditure in the period, and in line with its full year guidance of £40-45m of expenditure. Such investment includes both growth projects supporting the Group's innovation strategy and cost release projects to deliver efficiency savings. With pension deficit payments suspended, the Group is allocating more funds to capital investment which will provide the fuel to deliver further branded growth. Examples of investment in the period include a new pot filling machine at the Ambrosia factory and a new, innovative energy efficient process to manufacture iced-topped cake products, which increases line efficiency and also reduces carbon emissions.

Cash used in financing activities was £16.5m in the period (FY23/24 H1: £16.7m) which included a £14.9m dividend payment to shareholders (FY23/24 H1: £12.4m). As at 28 September 2024, the Group held cash and bank deposits of £113.9m and its newly arranged revolving credit facility, maturing May 2029, was undrawn.

### Pensions

As previously disclosed, the Group announced the suspension of deficit contribution payments to the pension scheme Trustee with effect from 1 April 2024. Consequently, the Group now benefits from increased free cash flow for the financial year ending 29 March 2025, and subject to the results of the next triennial valuation, at 31 March 2025, the Group anticipates no further contributions to be payable after this date. Administrative expenses associated with

running the scheme and the dividend match mechanism remain in place. The scheme continues to make good progress with its investment strategy and a full resolution, where the scheme has fully de-risked, is forecast to take place by the end of 2026.

| IAS 19 Accounting<br>Valuation (£m) | 28 September 2024 |                  |              | 30 March 2024 |                  |              |
|-------------------------------------|-------------------|------------------|--------------|---------------|------------------|--------------|
|                                     | RHM               | Premier<br>Foods | Combined     | RHM           | Premier<br>Foods | Combined     |
| Assets                              | 2,973.3           | 517.4            | 3,490.7      | 3,032.0       | 533.0            | 3,565.0      |
| Liabilities                         | (2,118.3)         | (693.4)          | (2,811.7)    | (2,232.8)     | (730.7)          | (2,963.5)    |
| <b>Surplus/(Deficit)</b>            | <b>855.0</b>      | <b>(176.0)</b>   | <b>679.0</b> | <b>799.2</b>  | <b>(197.7)</b>   | <b>601.5</b> |

The Group's pension scheme reported a combined surplus of £679.0m as at 28 September 2024, an increase of £77.5m compared to the prior period. This is equivalent to a surplus of £509.3m net of deferred tax 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 4.8% to 5.1%, as a result of rises in UK 15 year corporate bond yields. Accordingly, the value of liabilities fell by £151.8m to £2,811.7m. The RPI inflation rate assumption used decreased from 3.15% to 3.05%. Asset values in the scheme reduced by £74.3m, or 2.1% in the period.

#### 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 63 to 70 of the Group's Annual Report for the 52 weeks ended 30 March 2024 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 28th September 2024 and are not expected to change during the second half of the financial year. In accordance with the UK Corporate Governance Code 2018, the Board also included a viability statement on page 71-72 of the Group's Annual Report for the 52 weeks ended 30 March 2024.

Alex Whitehouse  
Chief Executive Officer

Duncan Leggett  
Chief Financial Officer

#### Appendices

The Company's Half year results are presented for the 26 weeks ended 28 September 2024 and the comparative period, 26 weeks ended 30 September 2023. All references to the 'period', unless otherwise stated, are for the 26 weeks ended 28 September 2024 and the comparative periods, 26 weeks ended 30 September 2023.

All references to the 'quarter', unless otherwise stated, are for the 13 weeks ended 28 September 2024 and the comparative periods, 13 weeks ended 30 September 2023.

#### Half year and Quarter 2 Revenue

| Half year revenue (£m) | FY24/25              |              |                  |   |
|------------------------|----------------------|--------------|------------------|---|
|                        | Statutory<br>revenue | Charnwood    | Headline revenue | Headline revenue<br>% change vs prior<br>year |
| <b>Grocery</b>         |                      |              |                  |   |
| Branded                | 339.0                | -            | 339.0            | 7.0%  |
| Non-branded            | 37.4                 | (2.3)        | 35.1             | (7.6%)  |
| <b>Total</b>           | <b>376.4</b>         | <b>(2.3)</b> | <b>374.1</b>     | <b>5.4%</b>                                   |
| <b>Sweet Treats</b>    |                      |              |                  |   |
| Branded                | 105.7                | -            | 105.7            | 6.1%  |
| Non-branded            | 18.9                 | -            | 18.9             | (15.1%)                                       |
| <b>Total</b>           | <b>124.6</b>         | <b>-</b>     | <b>124.6</b>     | <b>2.2%</b>                                   |
| <b>Group</b>           |                      |              |                  |   |
| Branded                | 444.7                | -            | 444.7            | 6.8%  |
| Non-branded            | 56.3                 | (2.3)        | 54.0             | (10.4%)                                       |
| <b>Total</b>           | <b>501.0</b>         | <b>(2.3)</b> | <b>498.7</b>     | <b>4.6%</b>                                   |

| Quarter 2 Revenue (£m) | FY24/25              |           |                  |   |
|------------------------|----------------------|-----------|------------------|---|
|                        | Statutory<br>revenue | Charnwood | Headline revenue | Headline revenue<br>% change vs prior<br>year |
| <b>Grocery</b>         |                      |           |                  |   |
| Branded                | 177.1                | -         | 177.1            | 5.6%  |
| Non-branded            | 17.8                 | (0.2)     | 17.6             | (10.1%)                                       |



|                     |              |              |              |             |
|---------------------|--------------|--------------|--------------|-------------|
| <b>Total</b>        | <b>194.9</b> | <b>(0.2)</b> | <b>194.7</b> | <b>4.0%</b> |
| <b>Sweet Treats</b> |              |              |              |             |
| Branded             | 53.8         | -            | 53.8         | 8.7%        |
| Non-branded         | 10.9         | -            | 10.9         | (14.4%)     |
| <b>Total</b>        | <b>64.7</b>  | <b>-</b>     | <b>64.7</b>  | <b>4.0%</b> |
| <b>Group</b>        |              |              |              |             |
| Branded             | 230.9        | -            | 230.9        | 6.3%        |
| Non-branded         | 28.7         | (0.2)        | 28.5         | (11.8%)     |
| <b>Total</b>        | <b>259.6</b> | <b>(0.2)</b> | <b>259.4</b> | <b>4.0%</b> |

Note: Headline revenue in the tables above exclude Charnwood and Knighton Foods in both periods.

| <b>EBITDA to Operating profit reconciliation (£m)</b>           | <b>FY24/25 H1</b> | <b>FY23/24 H1</b> |
|---|-------------------|-------------------|
| <b>Adjusted EBITDA<sup>3</sup></b>                              | <b>82.4</b>       | <b>78.5</b>       |
| Depreciation  | (9.5)             | (9.6)             |
| Software amortisation   | (2.7)             | (2.3)             |
| <b>Headline Trading profit</b>                                  | <b>70.2</b>       | <b>66.6</b>       |
| Charnwood   | -                 | 0.9               |
| Amortisation of brand assets                                    | (10.2)            | (10.5)            |
| Fair value movements on foreign exchange & derivative contracts | (0.5)             | 0.1               |
| Net interest on pensions and administrative expenses            | 9.7               | 15.6              |
| Non-trading items - restructuring costs                         | (3.8)             | (3.7)             |
| <b>Operating profit</b>   | <b>65.4</b>       | <b>69.0</b>       |

| <b>Finance costs (£m)</b>                  | <b>FY24/25 H1</b> | <b>FY23/24 H1</b> | <b>Change</b> |
|--|-------------------|-------------------|---------------|
| Senior secured notes interest              | 5.8               | 5.8               | -             |
| Bank debt interest - net                   | 2.5               | 3.9               | 1.4           |
|  | 8.3               | 9.7               | 1.4           |
| Amortisation of debt issuance costs        | 0.9               | 0.9               | -             |
| <b>Net regular interest<sup>5</sup></b>    | <b>9.2</b>        | <b>10.6</b>       | <b>1.4</b>    |
| Re-measurement due to discount rate change | 0.9               | (0.1)             | (1.0)         |
| Write-off of financing costs               | 1.4               | -                 | (1.4)         |
| Other finance cost                         | 0.4               | 0.4               | -             |
| <b>Net finance cost</b>                    | <b>11.9</b>       | <b>10.9</b>       | <b>(1.0)</b>  |

| <b>Adjusted earnings per share (£m)</b>    | <b>FY24/25 H1</b> | <b>FY23/24 H1</b> | <b>Change</b> |
|--|-------------------|-------------------|---------------|
| Headline Trading profit                    | 70.2              | 66.6              | 5.5%          |
| Less: Net regular interest <sup>5</sup>    | (9.2)             | (10.6)            | 12.8%         |
| <b>Adjusted profit before tax</b>          | <b>61.0</b>       | <b>56.0</b>       | <b>8.9%</b>   |
| Less: Notional tax @ 25%                   | (15.3)            | (14.0)            | (8.9%)        |
| Adjusted profit after tax <sup>6</sup>     | 45.7              | 42.0              | 8.9%          |
| Average shares in issue (millions)         | 863.3             | 862.5             | 0.1%          |
| <b>Adjusted earnings per share (pence)</b> | <b>5.3</b>        | <b>4.9</b>        | <b>8.1%</b>   |

|   |              |
|---|--------------|
| <b>Net debt (£m)</b>                          |              |
| <b>Net debt<sup>11</sup> at 30 March 2024</b> | <b>235.6</b> |
| Movement in cash                              | (11.6)       |
| Movement in debt issuance costs               | (1.4)        |
| Movement in lease creditor                    | (1.3)        |
| <b>Net debt at 28 September 2024</b>          | <b>221.3</b> |

| <b>Free cash flow (£m)</b>                       | <b>FY24/25 H1</b> | <b>FY23/24 H1</b> |
|--|-------------------|-------------------|
| Trading profit (including Charnwood)             | 70.2              | 67.5              |
| Depreciation & software amortisation             | 12.2              | 11.9              |
| Other non-cash items                             | 2.1               | 2.5               |
| Capital expenditure                              | (22.5)            | (13.8)            |
| Working capital                                  | (2.9)             | (11.0)            |
| <b>Operating cash flow<sup>14</sup></b>          | <b>59.1</b>       | <b>57.1</b>       |
| Interest   | (8.3)             | (9.7)             |
| Pension contributions                            | (5.6)             | (20.0)            |
| <b>Free cash flow<sup>12</sup></b>               | <b>45.2</b>       | <b>27.4</b>       |
| Non-trading items                                | (6.4)             | (2.8)             |
| Net share issue/(repurchase)                     | 0.4               | (2.8)             |
| Financing fees                                   | (3.7)             | (0.5)             |
| Taxation   | (4.0)             | (0.8)             |
| Dividend (including pensions match)              | (19.9)            | (16.2)            |
| <b>Net increase in cash and cash equivalents</b> | <b>11.6</b>       | <b>4.3</b>        |

The following table outlines the basis on which the Group will report Headline revenue, Trading profit and adjusted earnings per share for FY24/25. This includes acquisitions but excludes Revenue and Trading profit from the Charnwood site which closed in FY24/25 H1 and the Knighton site which closed in FY23/24. All Charnwood and Knighton Foods revenue was previously reported in Grocery - Non-branded.

| <b>Group results ex Charnwood &amp; Knighton</b> |                  |                  |                  |                  |                  |
|--|------------------|------------------|------------------|------------------|------------------|
| <b>(£m)</b>                                      |                  |                  |                  |                  |                  |
|  | <b>FY23/24</b>   |                  |                  |                  |                  |
| <b>Revenue</b>                                   | <b>Quarter 1</b> | <b>Quarter 2</b> | <b>Quarter 3</b> | <b>Quarter 4</b> | <b>Full Year</b> |
| Statutory revenue                                | 235.9            | 258.2            | 356.3            | 287.1            | 1,137.5          |
| Less: Knighton                                   | (4.8)            | (4.9)            | (3.6)            | (1.6)            | (14.9)           |
| Headline revenue (FY23/24 basis)                 | 231.1            | 253.3            | 352.7            | 285.5            | 1,122.6          |
| Less: Charnwood                                  | (3.9)            | (3.8)            | (3.1)            | (3.1)            | (13.9)           |
| Headline revenue (FY24/25 basis)                 | 227.2            | 249.5            | 349.6            | 282.4            | 1,108.7          |
| <b>Trading profit (£m) to adjusted eps (p)</b>   | <b>Half 1</b>    | <b>Half 2</b>    | <b>Full Year</b> |                  |                  |
| Trading profit as reported                       | 67.5             | 112.0            | 179.5            |                  |                  |
| Less: Charnwood                                  | (0.9)            | (1.4)            | (2.3)            |                  |                  |
| Headline Trading profit (FY24/25 basis)          | 66.6             | 110.6            | 177.2            |                  |                  |
| Net regular interest                             | (10.6)           | (11.0)           | (21.6)           |                  |                  |
| Adjusted profit before tax                       | 56.0             | 99.6             | 155.6            |                  |                  |
| Adjusted profit after tax at 25%                 | 42.0             | 74.7             | 116.7            |                  |                  |
| Adjusted earnings per share (pence)              | 4.9p             | 8.6p             | 13.5p            |                  |                  |

#### 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%.
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 863.3 million (26 weeks ended 30 September 2023: 862.5 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 |
|--------------------|----------|------------|-------------------|
| FY24/25 H1         | 24.8     | 0.1        | 24.9              |
| FY23/24 H1         | 18.9     | N/A        | 18.9              |
| Growth/(decline) % | 31.0%    | N/A        | 31.4%             |

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 28 September 2024
14. Operating cash flow excludes interest and pension contributions
15. Defined as scoring less than 4 on UK Government's Nutrient Profiling Model

#### 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.
- 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 first six months to 28 September 2024 and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related-party transactions in the first six months 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 authors 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 76-77 of the Premier Foods plc Annual report for the 52 weeks ended 30 March 2024. A list of current directors is maintained on the Premier Foods plc website: [www.premierfoods.co.uk](http://www.premierfoods.co.uk)

Approved by the Board on 14 November 2024 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 28 September 2024 (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 28 September 2024;
- 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 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

14 November 2024

#### Condensed consolidated statement of profit or loss (unaudited)

|   |      | 26 weeks ended<br>28 Sep 2024 | 26 weeks ended<br>30 Sep 2023 |
|---|------|-------------------------------|-------------------------------|
|   | Note | £m                            | £m                            |
| Revenue   | 4    | 501.0                         | 494.1                         |
| Cost of sales   |      | (318.8)                       | (308.0)                       |
| <b>Gross profit</b>   |      | <b>182.2</b>                  | <b>186.1</b>                  |
| Selling, marketing and distribution costs                         |      | (77.2)                        | (84.5)                        |
| Administrative costs  |      | (39.6)                        | (32.6)                        |
| <b>Operating profit</b>   | 4    | <b>65.4</b>                   | <b>69.0</b>                   |
| Finance cost  | 5    | (14.5)                        | (12.6)                        |
| Finance income  | 5    | 2.6                           | 1.7                           |
| <b>Profit before taxation</b>                                     |      | <b>53.5</b>                   | <b>58.1</b>                   |
| Taxation  | 6    | (14.0)                        | (15.4)                        |
| <b>Profit for the period attributable to owners of the parent</b> |      | <b>39.5</b>                   | <b>42.7</b>                   |
| <b>Basic earnings per share (pence)</b>                           |      |                               |                               |
| Basic   | 7    | 4.6                           | 5.0                           |
| Diluted   | 7    | 4.5                           | 4.8                           |

#### Condensed consolidated statement of comprehensive income (unaudited)

|  |      | 26 weeks ended<br>28 Sep 2024 | 26 weeks ended<br>30 Sep 2023 |
|--|------|-------------------------------|-------------------------------|
|  | Note | £m                            | £m                            |
| Profit for the period  |      | 39.5                          | 42.7                          |
| <b>Other comprehensive income / (expense), net of tax</b>                          |      |                               |                               |
| <b>Items that will never be reclassified to profit or loss</b>                     |      |                               |                               |
| Remeasurements of defined benefit schemes  | 8    | 57.5                          | (146.8)                       |
| Deferred tax (charge) / credit   |      | (15.3)                        | 31.1                          |
| Current tax credit   |      | 1.2                           | 4.8                           |
| <b>Items that are or may be reclassified subsequently to profit or loss</b>        |      |                               |                               |
| Exchange differences on translation  |      | (0.2)                         | (0.3)                         |
| <b>Other comprehensive income / (expense), net of tax</b>                          |      | <b>43.2</b>                   | <b>(111.2)</b>                |
| <b>Total comprehensive income / (expense) attributable to owners of the parent</b> |      | <b>82.7</b>                   | <b>(68.5)</b>                 |

# Condensed consolidated balance sheet (unaudited)

|  |      | As at<br>28 Sep 2024<br>£m | As at<br>30 March 2024<br>£m |
|--|------|----------------------------|------------------------------|
|  | Note |                            |                              |
| <b>ASSETS:</b>                         |      |                            |                              |
| <b>Non-current assets</b>              |      |                            |                              |
| Property, plant and equipment          |      | 199.0                      | 190.4                        |
| Goodwill                               | 17   | 702.7                      | 702.7                        |
| Other intangible assets                |      | 279.0                      | 289.6                        |
| Deferred tax assets                    |      | 21.2                       | 22.4                         |
| Net retirement benefit assets          | 8    | 865.6                      | 810.0                        |
|  |      | <b>2,067.5</b>             | <b>2,015.1</b>               |
| <b>Current assets</b>                  |      |                            |                              |
| Inventories                            |      | 131.8                      | 98.9                         |
| Trade and other receivables            |      | 118.5                      | 115.7                        |
| Cash and cash equivalents              | 12   | 113.9                      | 102.3                        |
|  |      | <b>364.2</b>               | <b>316.9</b>                 |
| <b>Total assets</b>                    |      | <b>2,431.7</b>             | <b>2,332.0</b>               |
| <b>LIABILITIES:</b>                    |      |                            |                              |
| <b>Current liabilities</b>             |      |                            |                              |
| Trade and other payables               |      | (299.4)                    | (264.6)                      |
| Financial liabilities:                 |      |                            |                              |
| - derivative financial instruments     | 10   | (1.3)                      | (0.8)                        |
| Lease liabilities                      | 9    | (1.0)                      | (2.7)                        |
| Provisions for liabilities and charges | 11   | (5.1)                      | (9.8)                        |
| Current income tax liabilities         |      | -                          | (0.4)                        |
|  |      | <b>(306.8)</b>             | <b>(278.3)</b>               |
| <b>Non-current liabilities</b>         |      |                            |                              |
| Long-term borrowings                   | 9    | (324.3)                    | (325.7)                      |
| Lease liabilities                      | 9    | (9.9)                      | (9.5)                        |
| Net retirement benefit obligations     | 8    | (186.6)                    | (208.5)                      |
| Provisions for liabilities and charges | 11   | (7.3)                      | (7.3)                        |
| Deferred tax liabilities               |      | (174.4)                    | (152.9)                      |
| Other liabilities                      |      | (23.4)                     | (22.9)                       |
|  |      | <b>(725.9)</b>             | <b>(726.8)</b>               |
| <b>Total liabilities</b>               |      | <b>(1,032.7)</b>           | <b>(1,005.1)</b>             |
| <b>Net assets</b>                      |      | <b>1,399.0</b>             | <b>1,326.9</b>               |
| <b>EQUITY:</b>                         |      |                            |                              |
| <b>Capital and reserves</b>            |      |                            |                              |
| Share capital                          |      | 86.9                       | 86.9                         |
| Share premium                          |      | 2.7                        | 2.7                          |
| Merger reserve                         |      | 351.7                      | 351.7                        |
| Other reserves                         |      | (9.3)                      | (9.3)                        |
| Retained earnings                      |      | 967.0                      | 894.9                        |
| <b>Total equity</b>                    |      | <b>1,399.0</b>             | <b>1,326.9</b>               |

# Condensed consolidated statement of cash flows (unaudited)

|  |      | 26 weeks ended<br>28 Sep 2024<br>£m | 26 weeks ended<br>30 Sep 2023<br>£m |
|--|------|-------------------------------------|-------------------------------------|
|  | Note |                                     |                                     |
| Cash generated from operations                               | 12   | 66.6                                | 45.3                                |
| Finance costs paid <sup>1</sup>                              |      | (14.6)                              | (11.4)                              |
| Finance income received                                      |      | 2.6                                 | 1.7                                 |
| Taxation paid  |      | (4.0)                               | (0.8)                               |
| <b>Cash generated from operating activities</b>              |      | <b>50.6</b>                         | <b>34.8</b>                         |
| Purchase of property, plant and equipment                    |      | (19.8)                              | (10.8)                              |
| Purchase of intangible assets                                |      | (2.7)                               | (3.0)                               |
| <b>Cash used in investing activities</b>                     |      | <b>(22.5)</b>                       | <b>(13.8)</b>                       |
| Principal element of lease payments                          |      | (2.0)                               | (1.0)                               |
| Financing fees   | 9    | -                                   | (0.5)                               |
| Dividends paid   |      | (14.9)                              | (12.4)                              |
| Proceeds from / (purchase) of shares to satisfy share awards |      | 0.4                                 | (3.0)                               |
| Proceeds from share issue                                    |      | -                                   | 0.2                                 |
| <b>Cash used in financing activities</b>                     |      | <b>(16.5)</b>                       | <b>(16.7)</b>                       |

| Cash used in financing activities                                  | (10.5)       | (10.7)      |
|--|--------------|-------------|
| <b>Net increase in cash and cash equivalents</b>                   | <b>11.6</b>  | <b>4.3</b>  |
| Cash, cash equivalents and bank overdrafts at beginning of period  | <b>102.3</b> | 63.4        |
| <b>Cash, cash equivalents and bank overdrafts at end of period</b> | <b>113.9</b> | <b>67.7</b> |

<sup>1</sup> Payments in the current period include costs related to the refinancing of the revolving credit facility. See note 9 for further details

#### Condensed consolidated statement of changes in equity (unaudited)

|  | Note | Share capital<br>£m | Share premium<br>£m | Merger reserve<br>£m | Other reserves<br>£m | Retained earnings<br>£m | Total equity<br>£m |
|--|------|---------------------|---------------------|----------------------|----------------------|-------------------------|--------------------|
| <b>At 2 April 2023</b>                         |      | <b>86.8</b>         | <b>2.5</b>          | <b>351.7</b>         | <b>(9.3)</b>         | <b>974.3</b>            | <b>1,406.0</b>     |
| Profit for the period                          |      | -                   | -                   | -                    | -                    | 42.7                    | 42.7               |
| Remeasurements of defined benefit schemes      |      | -                   | -                   | -                    | -                    | (146.8)                 | (146.8)            |
| Deferred tax credit                            |      | -                   | -                   | -                    | -                    | 31.1                    | 31.1               |
| Current tax credit                             |      | -                   | -                   | -                    | -                    | 4.8                     | 4.8                |
| Exchange differences on translation            |      | -                   | -                   | -                    | -                    | (0.3)                   | (0.3)              |
| Other comprehensive expense                    |      | -                   | -                   | -                    | -                    | (111.2)                 | (111.2)            |
| <b>Total comprehensive expense</b>             |      | <b>-</b>            | <b>-</b>            | <b>-</b>             | <b>-</b>             | <b>(68.5)</b>           | <b>(68.5)</b>      |
| 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)             |
| <b>At 30 September 2023</b>                    |      | <b>86.9</b>         | <b>2.6</b>          | <b>351.7</b>         | <b>(9.3)</b>         | <b>892.8</b>            | <b>1,324.7</b>     |
| <b>At 31 March 2024</b>                        |      | <b>86.9</b>         | <b>2.7</b>          | <b>351.7</b>         | <b>(9.3)</b>         | <b>894.9</b>            | <b>1,326.9</b>     |
| Profit for the period                          |      | -                   | -                   | -                    | -                    | 39.5                    | 39.5               |
| Remeasurements of defined benefit schemes      |      | -                   | -                   | -                    | -                    | 57.5                    | 57.5               |
| Deferred tax charge                            |      | -                   | -                   | -                    | -                    | (15.3)                  | (15.3)             |
| Current tax credit                             |      | -                   | -                   | -                    | -                    | 1.2                     | 1.2                |
| Exchange differences on translation            |      | -                   | -                   | -                    | -                    | (0.2)                   | (0.2)              |
| Other comprehensive income                     |      | -                   | -                   | -                    | -                    | 43.2                    | 43.2               |
| <b>Total comprehensive income</b>              |      | <b>-</b>            | <b>-</b>            | <b>-</b>             | <b>-</b>             | <b>82.7</b>             | <b>82.7</b>        |
| Share-based payments                           |      | -                   | -                   | -                    | -                    | 2.2                     | 2.2                |
| Deferred tax movements on share-based payments |      | -                   | -                   | -                    | -                    | 1.7                     | 1.7                |
| Proceeds from shares to satisfy share awards   |      | -                   | -                   | -                    | -                    | 0.4                     | 0.4                |
| Dividends                                      | 13   | -                   | -                   | -                    | -                    | (14.9)                  | (14.9)             |
| <b>At 28 September 2024</b>                    |      | <b>86.9</b>         | <b>2.7</b>          | <b>351.7</b>         | <b>(9.3)</b>         | <b>967.0</b>            | <b>1,399.0</b>     |

## 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 on page 133 in Premier Foods plc Annual Report for the 52 weeks ended 30 March 2024.

## 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.

Premier Foods plc Annual Report for the 52 weeks ended 29 March 2025 will be prepared in accordance with UK-adopted international accounting standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. 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 30 March 2024 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 28 September 2024 is unaudited but has been subject to an independent review by PricewaterhouseCoopers LLP.

The Group's Annual Report for the 52 weeks ended 30 March 2024, which were approved by the Board of Directors on 16 May 2024, 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 14 November 2024.

### **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 30 March 2024 and 28 September 2024.

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 28 September 2024, the Group had total assets less current liabilities of £2,124.9m, net current assets of £57.4m and net assets of £1,399.0m. Liquidity as at that date was £348.4m, made up of cash and cash equivalents, available overdrafts and undrawn committed credit facilities of £227.5m expiring in July 2029. 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 global political and economic uncertainty driven by current conflicts, the inflationary pressures across the industry and the cost-of-living crisis and have modelled a severe but plausible downside case impacting future financial performance, cash flows and covenant compliance, that cover a period of at least 12 months from the date of approval of the financial statements. The downside case represents severe but plausible assumptions considering the impact of inflation, the outbreak of an infectious disease, climate change and changes in consumer preferences and have assumed all scenarios within the downside case impact 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. 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, optimise cashflow and liquidity. Among 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, have a reasonable expectation 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 continue to adopt the going concern basis (in accordance with the guidance 'Guidance on Risk Management, Internal Control and Related Financial and Business Reporting' issued by the FRC) in preparing the Group's consolidated financial statements.

### **3. Accounting policies**

These Group condensed interim financial statements have been prepared in accordance with the accounting policies adopted in the Group's Annual Report for the 52 weeks ended 30 March 2024.

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's Annual Report for the 52 weeks ended 30 March 2024.

#### 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 segment. The Grocery segment primarily sells savoury ambient food products, and the Sweet Treats segment sells primarily sweet ambient food products. Sales to Ireland were previously included in the International operating segment; following an internal reorganisation these sales from 1 April 2024 are included as part of the Grocery operating segment. 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 Group's reported 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, 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.

The segment results for the 26 weeks ended 28 September 2024 and 30 September 2023, and the reconciliation of the segment measures to the respective statutory items included in the financial information, are as follows:

|   | 26 weeks ended 28 Sep 2024 |              |              | 26 weeks ended 30 Sep 2023 |              |        |
|---|----------------------------|--------------|--------------|----------------------------|--------------|--------|
|   | Grocery                    | Sweet Treats | Total        | Grocery                    | Sweet Treats | Total  |
|   | £m                         | £m           | £m           | £m                         | £m           | £m     |
| External revenues   | 376.4                      | 124.6        | 501.0        | 372.2                      | 121.9        | 494.1  |
| <b>Divisional contribution</b>  | <b>93.3</b>                | <b>11.7</b>  | <b>105.0</b> | 89.5                       | 12.1         | 101.6  |
| Group and corporate costs   |                            |              | (34.8)       |                            |              | (34.1) |
| <b>Trading profit</b>   |                            |              | <b>70.2</b>  |                            |              | 67.5   |
| Amortisation of brand assets  |                            |              | (10.2)       |                            |              | (10.5) |
| Fair value movements on foreign exchange and other derivative contracts |                            |              | (0.5)        |                            |              | 0.1    |
| Net interest on pensions and administrative expenses                    |                            |              | 9.7          |                            |              | 15.6   |
| Non-trading items <sup>1</sup>  |                            |              | (3.8)        |                            |              | (3.7)  |
| <b>Operating profit</b>   |                            |              | <b>65.4</b>  |                            |              | 69.0   |
| Finance cost  |                            |              | (14.5)       |                            |              | (12.6) |
| Finance income  |                            |              | 2.6          |                            |              | 1.7    |
| <b>Profit before taxation</b>   |                            |              | <b>53.5</b>  |                            |              | 58.1   |

<sup>1</sup> Non-trading items in the current period relate to the closures of both the Knighton and Charnwood sites, in the prior period non-trading items related primarily to the closure of the Knighton site.

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

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<br>28 Sep 2024 | 26 weeks ended<br>30 Sep 2023 |
|----------------|-------------------------------|-------------------------------|
|                | £m                            | £m                            |
| United Kingdom | 465.0                         | 461.9                         |
| Other Europe   | 14.5                          | 15.2                          |
| Rest of world  | 21.5                          | 17.0                          |
| <b>Total</b>   | <b>501.0</b>                  | <b>494.1</b>                  |

  

|                | As at<br>28 Sep 2024 | As at<br>30 Mar 2024 |
|----------------|----------------------|----------------------|
|                | £m                   | £m                   |
| United Kingdom | 1,180.7              | 1,182.7              |

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

## 5. Finance income and costs

|   | 26 weeks ended<br>28 Sep 2024 | 26 weeks ended<br>30 Sep 2023 |
|---|-------------------------------|-------------------------------|
|   | £m                            | £m                            |
| Interest payable on bank loans and overdrafts | (5.1)                         | (5.5)                         |
| Interest payable on senior secured notes      | (5.8)                         | (5.8)                         |
| Other interest payable <sup>1</sup>           | (1.3)                         | (0.4)                         |
| Write off of financing costs                  | (1.4)                         | -                             |
| Amortisation of debt issuance costs           | (0.9)                         | (0.9)                         |
| <b>Total finance cost</b>                     | <b>(14.5)</b>                 | <b>(12.6)</b>                 |
| Interest receivable on bank deposits          | 2.6                           | 1.6                           |
| Other finance income <sup>2</sup>             | -                             | 0.1                           |
| <b>Total finance income</b>                   | <b>2.6</b>                    | <b>1.7</b>                    |
| <b>Net finance cost</b>                       | <b>(11.9)</b>                 | <b>(10.9)</b>                 |

<sup>1</sup> Included in other interest payable is £0.4m charge relating to non-cash interest costs on lease liabilities under IFRS 16 and £0.9m relating to the unwind of the Group's long-term provisions and contingent consideration related to Group acquisitions.

<sup>2</sup> Other finance income in the prior period 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<br>28 Sep 2024 | 26 weeks ended<br>30 Sep 2023 |
|--------------------------|-------------------------------|-------------------------------|
|                          | £m                            | £m                            |
| Current tax              |                               |                               |
| - Current period         | (4.7)                         | (5.7)                         |
| - Prior periods          | (0.2)                         | -                             |
| Deferred tax             |                               |                               |
| - Current period         | (9.1)                         | (9.7)                         |
| <b>Income tax charge</b> | <b>(14.0)</b>                 | <b>(15.4)</b>                 |

Tax relating to items recorded in other comprehensive income included:

|   | 26 weeks ended<br>28 Sep 2024 | 26 weeks ended<br>30 Sep 2023 |
|---|-------------------------------|-------------------------------|
|   | £m                            | £m                            |
| Current tax credit on pension movements             | 1.2                           | 4.8                           |
| Deferred tax (charge) / credit on pension movements | (15.3)                        | 31.1                          |
|   | <b>(14.1)</b>                 | <b>35.9</b>                   |

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

Tax charged for the 26 weeks ended 28 September 2024 has been calculated by applying the effective rate of tax which is expected to apply to the Group for the 52 weeks ended 29 March 2025 using rates substantively enacted by 28 September 2024 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 30 September 2023: 25.0%). The reasons for this are explained below:

|   | 26 weeks ended<br>28 Sep 2024 | 26 weeks ended<br>30 Sep 2023 |
|---|-------------------------------|-------------------------------|
|   | £m                            | £m                            |
| Profit before taxation  | 53.5                          | 58.1                          |
| Tax charge at the domestic income tax rate of 25.0% (26 weeks ended | <b>(13.4)</b>                 | <b>(14.5)</b>                 |

30 September: 25.0%)

Tax effect of:

|   |               |               |
|---|---------------|---------------|
| Non-taxable items                         | 0.5           | -             |
| Disposal proceeds                         | -             | 0.1           |
| Adjustments to prior years                | (0.2)         | -             |
| Current tax relating to overseas business | (0.3)         | -             |
| Other disallowable items                  | (0.6)         | (1.0)         |
| <b>Income tax charge</b>                  | <b>(14.0)</b> | <b>(15.4)</b> |

## 7. Earnings per share

Basic earnings per share has been calculated by dividing the profit for the 26 weeks ended 28 September 2024 attributable to owners of the parent of £39.5m (26 weeks ended 30 September 2023: £42.7m profit) by the weighted average number of ordinary shares of the Company.

|   | 26 weeks ended<br>28 Sep 2024 | 26 weeks ended 30<br>Sep 2023 |
|---|-------------------------------|-------------------------------|
|   | Number (m)                    | Number (m)                    |
| Weighted average number of ordinary shares for the purpose of basic earnings per share          | 863.3                         | 862.5                         |
| Effect of dilutive potential ordinary shares  | 22.2                          | 22.5                          |
| <b>Weighted average number of ordinary shares for the purpose of diluted earnings per share</b> | <b>885.5</b>                  | <b>885.0</b>                  |

|                                       | 26 weeks ended 28 Sep 2024 |                                     |            | 26 weeks ended 30 Sep 2023 |                                     |            |
|---------------------------------------|----------------------------|-------------------------------------|------------|----------------------------|-------------------------------------|------------|
|                                       | Basic                      | Dilutive effect<br>of share options | Diluted    | Basic                      | Dilutive effect<br>of share options | Diluted    |
| Profit after tax (£m)                 | 39.5                       |                                     | 39.5       | 42.7                       |                                     | 42.7       |
| Weighted average number of shares (m) | 863.3                      | 22.2                                | 885.5      | 862.5                      | 22.5                                | 885.0      |
| <b>Earnings per share (pence)</b>     | <b>4.6</b>                 | <b>(0.1)</b>                        | <b>4.5</b> | <b>5.0</b>                 | <b>(0.2)</b>                        | <b>4.8</b> |

### 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 earnings per share ("Adjusted 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 30 September 2023: 25.0%) 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, 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<br>28 Sep 2024 | 26 weeks ended<br>30 Sep 2023 |
|-----------------------------------|-------------------------------|-------------------------------|
|                                   | £m                            | £m                            |
| Trading profit (note 4)           | 70.2                          | 67.5                          |
| Less net regular interest         | (9.2)                         | (10.6)                        |
| <b>Adjusted profit before tax</b> | <b>61.0</b>                   | <b>56.9</b>                   |
| Notional tax at 25%               | (15.3)                        | (14.2)                        |
| <b>Adjusted profit after tax</b>  | <b>45.7</b>                   | <b>42.7</b>                   |
| Average shares in issue (m)       | 863.3                         | 862.5                         |
| <b>Adjusted basic EPS (pence)</b> | <b>5.3</b>                    | <b>5.0</b>                    |

Net regular interest

|                                      |              |               |
|--------------------------------------|--------------|---------------|
| Net finance cost                     | (11.9)       | (10.9)        |
| Exclude other interest payable       | 1.3          | 0.4           |
| Exclude write-off of financing costs | 1.4          | -             |
| Exclude other finance income         | -            | (0.1)         |
| <b>Net regular interest</b>          | <b>(9.2)</b> | <b>(10.6)</b> |

## 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  
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 = €1.18072 (26 weeks ended 30 September 2023: £1.00 = €1.15656) for the average rate during the period, and £1.00 = €1.19940 (26 weeks ended 30 September 2023: £1.00 = €1.15285) for the closing position at 28 September 2024.

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 |
|-----------------------------|-----------------|-------------|
| <b>At 28 September 2024</b> |                 |             |
| Discount rate               | 5.10%           | 5.10%       |
| Inflation - RPI             | 3.05%           | 3.05%       |
| Inflation - CPI             | 2.70%           | 2.70%       |
| Expected salary increases   | n/a             | n/a         |
| Future pension increases    |                 |             |
| - RPI (min 0% and max 5%)   | 2.85%           | 2.85%       |
| - CPI (min 3% and max 5%)   | 3.50%           | 3.50%       |
| <b>At 30 March 2024</b>     |                 |             |
| Discount rate               | 4.80%           | 4.80%       |
| Inflation - RPI             | 3.15%           | 3.15%       |
| Inflation - CPI             | 2.75%           | 2.75%       |
| Expected salary increases   | n/a             | n/a         |
| Future pension increases    |                 |             |
| - RPI (min 0% and max 5%)   | 2.90%           | 2.90%       |
| - CPI (min 3% and max 5%)   | 3.55%           | 3.55%       |

For the smaller overseas schemes, the discount rate used was 3.35% (52 weeks ended 30 March 2024: 3.30%) and future pension increases were 1.70% (52 weeks ended 30 March 2024: 2.10%).

The mortality assumptions are based on the latest standard mortality tables at the reporting date. The directors have considered the impact of the recent Covid-19 pandemic on the mortality assumptions and consider that use of the updated Continuous Mortality Improvement (CMI) 2023 projections for the future improvement assumption a reasonable approach.

The life expectancy assumptions are as follows:

|   | Premier schemes | RHM schemes |
|---|-----------------|-------------|
| <b>Life expectancy at 28 September 2024</b> |                 |             |
| Male pensioner, currently aged 65           | 86.3            | 84.5        |

|   |      |      |
|---|------|------|
| Female pensioner, currently aged 65     | 88.2 | 87.0 |
| Male non-pensioner, currently aged 45   | 87.1 | 85.8 |
| Female non-pensioner, currently aged 45 | 89.5 | 88.8 |
| <b>Life expectancy at 30 March 2024</b> |      |      |
| Male pensioner, currently aged 65       | 86.3 | 84.6 |
| Female pensioner, currently aged 65     | 88.1 | 87.0 |
| Male non-pensioner, currently aged 45   | 87.2 | 85.8 |
| Female non-pensioner, currently aged 45 | 89.5 | 88.8 |

|  | Premier<br>schemes | % of total  | RHM<br>schemes | % of total  | Total          | % of total  |
|--|--------------------|-------------|----------------|-------------|----------------|-------------|
|  | £m                 |             | £m             |             | £m             |             |
| <b>Assets with a quoted price in an active market at 28 September 2024:</b>    |                    |             |                |             |                |             |
| Government bonds   | 272.6              | 52.6        | 965.8          | 32.6        | 1,238.4        | 35.5        |
| Cash   | 9.7                | 1.9         | 40.7           | 1.4         | 50.4           | 1.4         |
| <b>Assets without a quoted price in an active market at 28 September 2024:</b> |                    |             |                |             |                |             |
| Global equities  | -                  | -           | 2.0            | 0.1         | 2.0            | 0.1         |
| Government bonds   | 28.8               | 5.6         | 4.4            | 0.1         | 33.2           | 1.0         |
| Corporate bonds  | 7.2                | 1.4         | 4.2            | 0.1         | 11.4           | 0.3         |
| Global Property  | 67.8               | 13.1        | 354.3          | 11.8        | 422.1          | 12.1        |
| Absolute return products   | 4.5                | 0.9         | 222.9          | 7.5         | 227.4          | 6.5         |
| Infrastructure funds   | 22.1               | 4.3         | 350.5          | 11.7        | 372.6          | 10.7        |
| Interest rate swaps  | -                  | -           | 242.7          | 8.2         | 242.7          | 7.0         |
| Inflation swaps  | -                  | -           | 22.9           | 0.8         | 22.9           | 0.7         |
| Private equity   | 41.0               | 7.9         | 312.8          | 10.5        | 353.8          | 10.1        |
| LDI  | -                  | -           | 8.1            | 0.3         | 8.1            | 0.2         |
| Global credit  | 2.6                | 0.5         | 172.0          | 5.8         | 174.6          | 5.0         |
| Illiquid credit  | 53.5               | 10.3        | 171.6          | 5.8         | 225.1          | 6.4         |
| Cash   | 3.6                | 0.7         | 0.1            | -           | 3.7            | 0.1         |
| Other  | 4.0                | 0.8         | 98.3           | 3.3         | 102.3          | 2.9         |
| <b>Fair value of scheme assets<br/>as at 28 September 2024</b>                 | <b>517.4</b>       | <b>100%</b> | <b>2,973.3</b> | <b>100%</b> | <b>3,490.7</b> | <b>100%</b> |
| <b>Assets with a quoted price in an active market at 30 March 2024:</b>        |                    |             |                |             |                |             |
| Government bonds   | 276.5              | 51.8        | 958.9          | 31.7        | 1,235.4        | 34.6        |
| Cash   | 9.7                | 1.8         | 31.6           | 1.0         | 41.3           | 1.2         |
| <b>Assets without a quoted price in an active market at 30 March 2024:</b>     |                    |             |                |             |                |             |
| Global equities  | -                  | -           | 2.1            | 0.1         | 2.1            | 0.1         |
| Government bonds   | 29.8               | 5.6         | 4.3            | 0.1         | 34.1           | 1.0         |
| Corporate bonds  | 7.4                | 1.4         | 4.0            | 0.1         | 11.4           | 0.3         |
| Global property  | 72.3               | 13.5        | 376.3          | 12.4        | 448.6          | 12.5        |
| Absolute return products   | 5.3                | 1.0         | 239.3          | 7.9         | 244.6          | 6.9         |
| Infrastructure funds   | 22.7               | 4.3         | 355.8          | 11.7        | 378.5          | 10.5        |
| Interest rate swaps  | -                  | -           | 241.6          | 8.0         | 241.6          | 6.8         |
| Inflation swaps  | -                  | -           | 24.0           | 0.8         | 24.0           | 0.7         |
| Private equity   | 39.2               | 7.4         | 326.3          | 10.8        | 365.5          | 10.3        |
| LDI  | -                  | -           | 7.2            | 0.2         | 7.2            | 0.2         |
| Global credit  | 3.2                | 0.6         | 178.0          | 5.9         | 181.2          | 5.1         |
| Illiquid credit  | 61.7               | 11.6        | 201.6          | 6.6         | 263.3          | 7.4         |
| Cash   | 3.6                | 0.7         | 0.6            | -           | 4.2            | 0.1         |
| Other  | 1.6                | 0.3         | 80.4           | 2.7         | 82.0           | 2.3         |
| <b>Fair value of scheme assets<br/>as at 30 March 2024</b>                     | <b>533.0</b>       | <b>100%</b> | <b>3,032.0</b> | <b>100%</b> | <b>3,565.0</b> | <b>100%</b> |

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 28 September 2024 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 2024) have been rolled forward for cash movements to 28 September 2024 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 28 September 2024 the financial statements include £397.1m of assets (30 March 2024: £363.8m) using lagged valuations and were these lagged valuations to move by 1% there would be a £4.0m impact (30 March 2024: £3.6m) on the fair value of scheme assets. This approach is principally relevant for Private Equity, Property Assets and Illiquid 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<br>schemes<br>£m | RHM<br>schemes<br>£m | Total<br>£m  |
|---|--------------------------|----------------------|--------------|
| <b>At 28 September 2024</b>                 |                          |                      |              |
| Present value of defined benefit obligation | (693.4)                  | (2,118.3)            | (2,811.7)    |
| Fair value of plan assets                   | 517.4                    | 2,973.3              | 3,490.7      |
| <b>(Deficit)/surplus in schemes</b>         | <b>(176.0)</b>           | <b>855.0</b>         | <b>679.0</b> |
| <b>At 30 March 2024</b>                     |                          |                      |              |
| Present value of defined benefit obligation | (730.7)                  | (2,232.8)            | (2,963.5)    |
| Fair value of plan assets                   | 533.0                    | 3,032.0              | 3,565.0      |
| <b>(Deficit)/surplus in schemes</b>         | <b>(197.7)</b>           | <b>799.2</b>         | <b>601.5</b> |

The aggregate surplus of £601.5m as at 30 March 2024 has increased to a surplus of £679.0m during the 26 weeks ended 28 September 2024. The increase of £77.5m (52 weeks ended 30 March 2024: £164.0m decrease) is primarily the change in financial assumptions due to the higher discount rate driving a reduction in liabilities which is partly offset by a lower return on scheme assets.

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 28 Sep 2024           |                      |              | At 30 March 2024         |                      |              |
|---|--------------------------|----------------------|--------------|--------------------------|----------------------|--------------|
|   | Premier<br>Schemes<br>£m | RHM<br>Schemes<br>£m | Total<br>£m  | Premier<br>Schemes<br>£m | RHM<br>Schemes<br>£m | Total<br>£m  |
| Schemes in net asset position           | 10.7                     | 854.9                | 865.6        | 10.8                     | 799.2                | 810.0        |
| Schemes in net liability position       | (186.6)                  | -                    | (186.6)      | (208.5)                  | -                    | (208.5)      |
| <b>Net (deficit)/surplus in schemes</b> | <b>(175.9)</b>           | <b>854.9</b>         | <b>679.0</b> | <b>(197.7)</b>           | <b>799.2</b>         | <b>601.5</b> |

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

|  | Premier<br>schemes<br>£m | RHM<br>schemes<br>£m | Total<br>£m      |
|--|--------------------------|----------------------|------------------|
| <b>Defined benefit obligation at 1 April 2023</b>      | (735.4)                  | (2,291.9)            | (3,027.3)        |
| Interest cost  | (33.9)                   | (105.8)              | (139.7)          |
| Remeasurement (loss) / gain                            | (1.9)                    | 18.5                 | 16.6             |
| Exchange differences                                   | 0.9                      | 0.5                  | 1.4              |
| Benefits paid  | 39.6                     | 145.9                | 185.5            |
| <b>Defined benefit obligation at 30 March 2024</b>     | <b>(730.7)</b>           | <b>(2,232.8)</b>     | <b>(2,963.5)</b> |
| Interest cost  | (16.9)                   | (51.9)               | (68.8)           |
| Remeasurement gain                                     | 34.6                     | 100.7                | 135.3            |
| Exchange differences                                   | 1.0                      | 0.4                  | 1.4              |
| Benefits paid  | 18.6                     | 65.3                 | 83.9             |
| <b>Defined benefit obligation at 28 September 2024</b> | <b>(693.4)</b>           | <b>(2,118.3)</b>     | <b>(2,811.7)</b> |

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

|   | Premier<br>schemes<br>£m | RHM<br>schemes<br>£m | Total<br>£m    |
|---|--------------------------|----------------------|----------------|
| <b>Fair value of scheme assets at 1 April 2023</b>    | 552.6                    | 3,240.2              | 3,792.8        |
| Interest income on scheme assets                      | 25.9                     | 151.0                | 176.9          |
| Remeasurement losses                                  | (40.5)                   | (213.8)              | (254.3)        |
| Administrative costs                                  | (2.7)                    | (2.9)                | (5.6)          |
| Contributions by employer                             | 34.8                     | 3.9                  | 38.7           |
| Additional employer contribution <sup>1</sup>         | 3.8                      | -                    | 3.8            |
| Exchange differences                                  | (1.3)                    | (0.5)                | (1.8)          |
| Benefits paid   | (39.6)                   | (145.9)              | (185.5)        |
| <b>Fair value of plan assets at 30 March 2024</b>     | <b>533.0</b>             | <b>3,032.0</b>       | <b>3,565.0</b> |
| Interest income on scheme assets                      | 12.1                     | 70.7                 | 82.8           |
| Remeasurement losses                                  | (15.2)                   | (62.6)               | (77.8)         |
| Administrative costs                                  | (1.2)                    | (3.1)                | (4.3)          |
| Contributions by employer                             | 3.5                      | 2.1                  | 5.6            |
| Additional employer contribution <sup>1</sup>         | 5.0                      | -                    | 5.0            |
| Exchange differences                                  | (1.2)                    | (0.5)                | (1.7)          |
| Benefits paid   | (18.6)                   | (65.3)               | (83.9)         |
| <b>Fair value of plan assets at 28 September 2024</b> | <b>517.4</b>             | <b>2,973.3</b>       | <b>3,490.7</b> |

<sup>1</sup> Contribution by the Group to the Premier schemes due to the payment of dividends during

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

The reconciliation of the net defined benefit (deficit) / surplus over the period is as follows:

|   | Premier<br>schemes<br>£m | RHM<br>schemes<br>£m | Total<br>£m  |
|---|--------------------------|----------------------|--------------|
| <b>(Deficit)/surplus in schemes at 1 April 2023</b>           | (182.8)                  | 948.3                | 765.5        |
| Amount recognised in profit or loss                           | (10.7)                   | 42.3                 | 31.6         |
| Remeasurements recognised in other comprehensive income       | (42.4)                   | (195.3)              | (237.7)      |
| Contributions by employer                                     | 34.8                     | 3.9                  | 38.7         |
| Additional employer contribution <sup>1</sup>                 | 3.8                      | -                    | 3.8          |
| Exchange differences recognised in other comprehensive income | (0.4)                    | -                    | (0.4)        |
| <b>(Deficit)/surplus in schemes at 30 March 2024</b>          | <b>(197.7)</b>           | <b>799.2</b>         | <b>601.5</b> |
| Amount recognised in profit or loss                           | (6.0)                    | 15.7                 | 9.7          |
| Remeasurements recognised in other comprehensive income       | 19.4                     | 38.1                 | 57.5         |
| Contributions by employer                                     | 3.5                      | 2.1                  | 5.6          |
| Additional employer contribution <sup>1</sup>                 | 5.0                      | -                    | 5.0          |
| Exchange differences recognised in other comprehensive income | (0.2)                    | (0.1)                | (0.3)        |
| <b>(Deficit)/surplus in schemes at 28 September 2024</b>      | <b>(176.0)</b>           | <b>855.0</b>         | <b>679.0</b> |

<sup>1</sup> Contribution by the Group to the Premier schemes due to the payment of dividends during the year.

An agreement was reached with the RHM Pension Scheme Trustee to suspend deficit contributions payments from 1 April 2024, as a result of this agreement the Group has entered into Letters of Credit in favour of the Scheme, equal to the suspended deficit contributions.

The Virgin Media Limited v NTL Pension Trustees II Limited decision, handed down by the High Court on 16 June 2023, considered the implications of Section 37 of the Pension Schemes Act 1993. Section 37 of the Pension Schemes Act 1993 only allowed the rules of contracted-out schemes in respect to benefits, to be altered where certain requirements were met.

Following an appeal on 25 July 2024, the Court of Appeal upheld the High Court's decision, that the statutory actuarial confirmation was required, and without this, alterations to schemes were void. There is also potential for legislative intervention following industry lobbying efforts that may retrospectively validate certain rule amendments.

As at the date of signing, the Trustee has not identified any matters which indicate an increased risk of non-compliance with Section 37 of the Pension Schemes Act 1993. Management has also confirmed that the required actuarial confirmation was obtained for the most significant rule change, the change to career average salary, which further mitigates the risk of a significant impact on the value of defined benefit obligations.

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

|   | Premier<br>schemes<br>£m | RHM<br>schemes<br>£m | Total<br>£m |
|---|--------------------------|----------------------|-------------|
| <b>26 weeks ended 28 September 2024</b> |                          |                      |             |
| <b>Operating profit</b>                 |                          |                      |             |
| Administrative costs                    | (1.2)                    | (3.1)                | (4.3)       |
| Net interest (cost)/credit              | (4.8)                    | 18.8                 | 14.0        |
| <b>Total (cost)/credit</b>              | <b>(6.0)</b>             | <b>15.7</b>          | <b>9.7</b>  |
| <b>26 weeks ended 30 September 2023</b> |                          |                      |             |
| <b>Operating profit</b>                 |                          |                      |             |
| Administrative costs                    | (1.0)                    | (1.5)                | (2.5)       |
| Net interest (cost)/credit              | (4.3)                    | 22.4                 | 18.1        |
| <b>Total (cost)/credit</b>              | <b>(5.3)</b>             | <b>20.9</b>          | <b>15.6</b> |
| <b>52 weeks ended 30 March 2024</b>     |                          |                      |             |
| <b>Operating profit</b>                 |                          |                      |             |
| Administrative costs                    | (2.7)                    | (2.9)                | (5.6)       |
| Net interest (cost)/credit              | (8.0)                    | 45.2                 | 37.2        |
| <b>Total (cost)/credit</b>              | <b>(10.7)</b>            | <b>42.3</b>          | <b>31.6</b> |

## 9. Bank and other borrowings

|   | As at<br>28 Sep 2024<br>£m | As at<br>30 March 2024<br>£m |
|---|----------------------------|------------------------------|
| <b>Current:</b>                             |                            |                              |
| Lease liabilities                           | (1.0)                      | (2.7)                        |
| <b>Total borrowings due within one year</b> | <b>(1.0)</b>               | <b>(2.7)</b>                 |

|  |                |                |
|--|----------------|----------------|
| <b>Total borrowings due within one year</b>          | <b>(1.0)</b>   | <b>(1.1)</b>   |
| <b>Non-current:</b>                                  |                |                |
| Transaction costs <sup>1</sup>                       | 5.7            | 4.3            |
| Senior secured notes                                 | (330.0)        | (330.0)        |
|  | <b>(324.3)</b> | <b>(325.7)</b> |
| Lease liabilities                                    | (9.9)          | (9.5)          |
| <b>Total borrowings due after more than one year</b> | <b>(334.2)</b> | <b>(335.2)</b> |
| <b>Total bank and other borrowings</b>               | <b>(335.2)</b> | <b>(337.9)</b> |

<sup>1</sup>Included in transaction costs is £3.6m (30 March 2024: £1.6m) relating to the revolving credit facility.

#### Revolving credit facility

During the period, the Group signed a new five-year revolving credit facility (RCF) agreement with an increased facility limit of £227.5m. Transactions costs of £3.7m were capitalised in relation to this extension. The RCF attracts a leverage-based margin of between 1.8% and 3.5% 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:

|            | <b>Net debt /<br/>EBITDA<sup>1</sup></b> | <b>EBITDA /<br/>Interest<sup>1</sup></b> |
|------------|--|--|
| 2024/25 FY | 3.50x                                    | 3.00x                                    |
| 2025/26 FY | 3.50x                                    | 3.00x                                    |

<sup>1</sup>Net 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.

|  | <b>As at 28 Sep 2024</b>   |                       | <b>As at 30 March 2024</b> |                       |
|--|----------------------------|-----------------------|----------------------------|-----------------------|
|  | <b>Carrying<br/>amount</b> | <b>Fair<br/>value</b> | <b>Carrying<br/>amount</b> | <b>Fair<br/>value</b> |
|  | <b>£m</b>                  | <b>£m</b>             | <b>£m</b>                  | <b>£m</b>             |
| <b>Financial assets at amortised cost:</b>                         |                            |                       |                            |                       |
| Trade and other receivables  | 72.5                       | 72.5                  | 72.7                       | 72.7                  |
| Cash and cash equivalents  | 113.9                      | 113.9                 | 102.3                      | 102.3                 |
| <b>Financial assets at fair value through profit or loss:</b>      |                            |                       |                            |                       |
| Trade and other receivables  | 9.1                        | 9.1                   | 7.8                        | 7.8                   |
| <b>Financial liabilities at fair value through profit or loss:</b> |                            |                       |                            |                       |
| Derivative financial instruments                                   |                            |                       |                            |                       |
| - Forward foreign currency exchange contracts                      | (1.3)                      | (1.3)                 | (0.8)                      | (0.8)                 |
| Other financial liabilities at fair value through profit or loss:  |                            |                       |                            |                       |
| - Deferred contingent consideration                                | (20.2)                     | (20.2)                | (19.1)                     | (19.1)                |
| <b>Financial liabilities at amortised cost:</b>                    |                            |                       |                            |                       |
| Trade and other payables   | (290.6)                    | (290.6)               | (255.8)                    | (255.8)               |
| Senior secured notes   | (330.0)                    | (321.1)               | (330.0)                    | (315.0)               |

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).

|  | <b>As at 28 Sep 2024</b> |                |                | <b>As at 30 March 2024</b> |                |                |
|--|--------------------------|----------------|----------------|----------------------------|----------------|----------------|
|  | <b>Level 1</b>           | <b>Level 2</b> | <b>Level 3</b> | <b>Level 1</b>             | <b>Level 2</b> | <b>Level 3</b> |
|  | <b>£m</b>                | <b>£m</b>      |                | <b>£m</b>                  | <b>£m</b>      | <b>£m</b>      |
| <b>Financial assets at fair value through profit or loss:</b>      |                          |                |                |                            |                |                |
| Trade and other receivables  | -                        | 6.5            | 2.6            | -                          | 4.9            | 2.9            |
| <b>Financial liabilities at fair value through profit or loss:</b> |                          |                |                |                            |                |                |
| Derivative financial instruments                                   |                          |                |                |                            |                |                |
| - Forward foreign currency exchange contracts                      | -                        | (1.3)          | -              | -                          | (0.8)          | -              |
| Other financial liabilities at fair value through profit or loss:  |                          |                |                |                            |                |                |

|   |         |   |        |         |   |        |
|---|---------|---|--------|---------|---|--------|
| - Deferred contingent consideration             | -       | - | (20.2) | -       | - | (19.1) |
| <b>Financial liabilities at amortised cost:</b> |         |   |        |         |   |        |
| Senior secured notes                            | (321.1) | - | -      | (315.0) | - | -      |

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 £2.6m (30 March 2024: £2.9m) and deferred contingent consideration with a fair value of £20.2m (30 March 2024: £19.1m) as a result of previous acquisitions. 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.

Methods and assumptions used to estimate all other fair values are consistent with those used in the Group's Annual Report for the 52 weeks ended 30 March 2024.

#### 11. Provisions for liabilities and charges

|                            | As at<br>28 Sep 2024 | As at<br>30 March 2024 |
|----------------------------|----------------------|------------------------|
|                            | £m                   | £m                     |
| Within one year            | (5.1)                | (9.8)                  |
| Between one and five years | (6.2)                | (5.6)                  |
| After 5 years              | (1.1)                | (1.7)                  |
| <b>Total</b>               | <b>(12.4)</b>        | <b>(17.1)</b>          |

During the 26 weeks ended 28 September 2024 provisions for liabilities and charges decreased by £4.7m. The decrease of £4.7m is due primarily to the utilisation of the restructuring costs provision. Total provisions for liabilities and charges of £12.4m (30 March 2024: £17.1m) comprise primarily of provisions for site 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<br>28 Sep 2024 | 26 weeks ended<br>30 Sep 2023 |
|--|-------------------------------|-------------------------------|
|  | £m                            | £m                            |
| Profit before taxation   | 53.5                          | 58.1                          |
| Net finance cost   | 11.9                          | 10.9                          |
| <b>Operating profit</b>  | <b>65.4</b>                   | <b>69.0</b>                   |
| Depreciation of property, plant and equipment                                    | 9.5                           | 9.6                           |
| Amortisation of intangible assets  | 12.9                          | 12.8                          |
| Impairment of non-current assets   | -                             | 2.6                           |
| Fair value movements on financial instruments                                    | 0.5                           | (0.1)                         |
| Net interest on pensions and administrative expenses                             | (9.7)                         | (15.6)                        |
| Equity settled employee incentive schemes  | 2.2                           | 2.4                           |
| Increase in inventories  | (32.9)                        | (43.6)                        |
| Increase in trade and other receivables  | (2.9)                         | (7.2)                         |
| Increase in trade and other payables and provisions                              | 32.2                          | 39.2                          |
| Additional employer contribution <sup>1</sup>                                    | (5.0)                         | (3.8)                         |
| Contribution to defined benefit pension schemes                                  | (5.6)                         | (20.0)                        |
| <b>Cash generated from operations</b>  | <b>66.6</b>                   | <b>45.3</b>                   |

<sup>1</sup>Contribution 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<br>30 March 2024 | Cash flows  | Non-cash<br>interest<br>expense | Other<br>non-cash movements | As at<br>28 Sep 2024 |
|--|------------------------|-------------|---------------------------------|-----------------------------|----------------------|
|  | £m                     | £m          | £m                              | £m                          | £m                   |
| Cash and bank deposits   | 102.3                  | 11.6        | -                               | -                           | 113.9                |
| <b>Net cash and cash equivalents</b>                               | <b>102.3</b>           | <b>11.6</b> | <b>-</b>                        | <b>-</b>                    | <b>113.9</b>         |
| Borrowings - Senior Secured Fixed Rate Notes maturing October 2026 | (330.0)                | -           | -                               | -                           | (330.0)              |
| Lease liabilities  | (12.2)                 | 2.4         | (0.4)                           | (0.7)                       | (10.9)               |
| <b>Gross borrowings net of cash<sup>1</sup></b>                    | <b>(239.9)</b>         | <b>14.0</b> | <b>(0.4)</b>                    | <b>(0.7)</b>                | <b>(227.0)</b>       |
| Debt issuance costs <sup>2</sup>                                   | 4.3                    | 3.7         | (0.9)                           | (1.4)                       | 5.7                  |
| <b>Net cash and cash equivalents<sup>1</sup></b>                   | <b>(235.6)</b>         | <b>17.7</b> | <b>(1.3)</b>                    | <b>(2.1)</b>                | <b>(221.3)</b>       |



|   |                |             |              |              |                |
|---|----------------|-------------|--------------|--------------|----------------|
| <b>total net borrowings<sup>1</sup></b> | <b>(200.0)</b> | <b>17.1</b> | <b>(1.0)</b> | <b>(2.1)</b> | <b>(221.0)</b> |
|---|----------------|-------------|--------------|--------------|----------------|

<sup>1</sup> Borrowings excludes derivative financial instruments.

<sup>2</sup> The non-cash interest movement relates to the amortisation of capitalised borrowing costs only, the other non-cash movements relate to the write off of financing costs arising on the refinancing of the revolving credit facility in the period.

### 13. Dividends

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

|   | <b>26 weeks ended<br/>28 Sep 2024<br/>£m</b> | <b>26 weeks ended<br/>30 Sep 2023<br/>£m</b> |
|---|--|--|
| 1.728 pence per ordinary share (26 weeks ended 30 September 2023: 1.44 pence) | <b>14.9</b>                                  | <b>12.4</b>                                  |

### 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 28 September 2024 of £17.7m (30 March 2024: £17.3m).

### 15. Contingencies

There were no material contingent liabilities as at 28 September 2024 and 30 March 2024.

### 16. Related party transactions

The Group's related party transactions and relationships for the 52 weeks ended 30 March 2024 were disclosed on page 171-172 in the Premier Foods plc Annual Report for the 52 weeks ended 30 March 2024.

As at 28 September 2024 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% (30 March 2024: 24.84%) 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.

|                          | <b>26 weeks ended<br/>28 Sep 2024<br/>£m</b> | <b>26 weeks ended<br/>30 Sep 2023<br/>£m</b> |
|--------------------------|--|--|
| Sale of services:        |  |  |
| - Nissin                 | <b>0.1</b>                                   | <b>0.1</b>                                   |
| <b>Total sales</b>       | <b>0.1</b>                                   | <b>0.1</b>                                   |
| Purchase of goods:       |  |  |
| - Nissin                 | <b>20.3</b>                                  | <b>15.1</b>                                  |
| <b>Total purchases</b>   | <b>20.3</b>                                  | <b>15.1</b>                                  |
|                          | <b>As at<br/>28 Sep 2024<br/>£m</b>          | <b>As at<br/>30 March 2024<br/>£m</b>        |
| Trade receivables:       |  |  |
| - Nissin                 | <b>0.1</b>                                   | <b>0.2</b>                                   |
| <b>Total receivables</b> | <b>0.1</b>                                   | <b>0.2</b>                                   |
| Trade payables:          |  |  |
| - Nissin                 | <b>(4.2)</b>                                 | <b>(3.6)</b>                                 |
| <b>Total payables</b>    | <b>(4.2)</b>                                 | <b>(3.6)</b>                                 |

### 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 of subsidiary

In the prior period, the Group acquired 100% of the ordinary share capital of FUEL 10K Limited (FUEL10K') for initial consideration of £29.6m. A minimum further deferred consideration of £4.0m will be payable in 2026/27, with any

increment to this dependent upon certain growth targets, and subject to a maximum cap of total consideration (comprising initial consideration and additional deferred consideration) of £55m. The acquisition provides an ideal platform to accelerate the Group's expansion into the Breakfast category, building on the recent successful launch of *Ambrosia* porridge pots and possessing a differentiated category position, with its protein enriched product range and appealing to a younger demographic.

The following table summarises the Group's provisional assessment of the consideration for *FUEL10K*, and the amounts of the assets acquired and liabilities assumed.

|  | IFRS book value at acquisition | Fair value adjustments | Fair value  |
|--|--------------------------------|------------------------|-------------|
| Recognised amounts of identifiable assets acquired and liabilities assumed | £m                             | £m                     | £m          |
| Brands and other intangible assets   | -                              | 14.4                   | 14.4        |
| Deferred tax asset   | -                              | 1.5                    | 1.5         |
| Inventories  | 2.0                            | 0.3                    | 2.3         |
| Trade and other receivables <sup>1</sup>                                   | 3.7                            | 1.1                    | 4.8         |
| Cash and cash equivalents  | 0.3                            | -                      | 0.3         |
| Trade and other payables   | (4.8)                          | -                      | (4.8)       |
| Deferred tax liability   | -                              | (3.6)                  | (3.6)       |
| Provisions   | -                              | (1.1)                  | (1.1)       |
| <b>Total identifiable net assets</b>                                       | <b>1.2</b>                     | <b>12.6</b>            | <b>13.8</b> |
| <b>Goodwill on acquisition</b>   |                                |                        | <b>22.4</b> |
| Initial consideration transferred in cash                                  |                                |                        | 29.6        |
| Initial deferred contingent consideration                                  |                                |                        | 6.6         |
| <b>Total consideration</b>   |                                |                        | <b>36.2</b> |

<sup>1</sup>Fair value adjustment relates to the recognition of indemnification assets in relation to contingent liabilities acquired.

On acquisition, the Group recognised provisions of £1.4m in relation to the fair value of contingent liabilities acquired which related primarily to future tax liabilities in line with IAS 37. As at 28 September 2024, the value has reduced to £1.1m.

The fair value of the trade and other receivables acquired included an indemnification asset of £1.4m in relation to the contingent liabilities assumed. As at 28 September 2024, the value has reduced to £1.1m in line with the above.

#### Goodwill

Goodwill amounting to £22.4m was recognised on acquisition and while *FUEL10K* brand forms much of the enterprise value of the business, there is a premium associated to the purchase of a pre-existing, well positioned business. This goodwill is 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           |
|--|--------------|
| <b>Carrying value</b>                  |              |
| At 1 April 2023                        | <b>680.3</b> |
| Acquisition of subsidiary              | 22.4         |
| <b>At 28 September / 30 March 2024</b> | <b>702.7</b> |

#### 18. Subsequent events

There are no reportable subsequent events after the date of the balance sheet.

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