



20 July 2023

Premier Foods plc (the “Group” or the “Company”)

Strong Quarter 1, full year Trading profit expected to be at top end of market expectations

Premier Foods today provides its Quarter 1 trading update for the thirteen weeks ended 1 July 2023

- Q1 Group sales up 21.1% versus prior year, Branded sales up 17.5%
- Further Grocery market share^{2,3} gains in the quarter, up another 94 basis points
- *Mr Kipling* delivered record market share in Australia and continued to build further distribution in the US
- New categories progress continues; sales of *Ambrosia* Porridge pots and *Cape Herb & Spice* more than doubled
- FY23/24 Trading profit now expected to be at top end of market expectations⁴

Alex Whitehouse, Chief Executive Officer

“We’ve made a strong start to the year, sustaining the positive momentum from previous quarters, with Q1 sales growth of 21.1%, branded sales up 17.5% and further grocery market share gains. Our sales performance was broad based, supported by ongoing brand investment, new product development such as Mr Kipling Brownie Bites and strong instore activation. Our portfolio, which helps consumers make good value and nutritious, tasty meals at home, continues to demonstrate a high level of relevance in the current, challenging economic climate.”

“We continue to make very good progress on our five pillar growth strategy. In our International business, Mr Kipling has achieved a record level of market share in Australia and has now built distribution to 1,400 stores in the US. New categories sales of both Ambrosia porridge and Cape Herb & Spice more than doubled, while The Spice Tailor continues to secure incremental distribution in the UK and overseas.”

“We believe the recent period of significant input cost inflation is now past its peak and have no further price increases planned for the rest of 2023. With this positive momentum, and strong plans behind our leading brands for the remainder of the year, we now expect FY23/24 Trading profit to be at the top end of market expectations.”

Trading update

Grocery

The Grocery business delivered a very strong performance in the quarter, as sales increased by 26.7% compared to last year. Branded sales increased by 25.1%, with all major brands well ahead in the quarter, translating into a further 94 basis points of market share growth. Instore activation was also strong, and this contributed to an improving volume trend towards the end of the period. With consumer disposable incomes remaining under pressure, the Group’s Grocery brands continued to demonstrate their relevance, helping consumers make affordable and nutritious meals at home, and as illustrated by the *Best Restaurant in Town* campaign. Expansion into new categories continues to progress well, and both *Ambrosia* Porridge pots and *Cape Herb & Spice* more than doubled sales compared to the prior year. Non-branded sales were 38.3% ahead of last year and reflected pricing in retailer branded product categories.

Sweet Treats

Sweet Treats sales grew by 7.6% in the period, demonstrating an improving trend, with branded sales broadly flat and non-Branded sales up 86.2%. *Mr Kipling* revenue increased by 3.6%, benefitting from new product launches such as Signature Brownie Bites and activity commemorating the King’s Coronation. The high growth in Non-branded sales was due to contract gains in pies and tarts and pricing benefits on existing product lines.

International

Overseas sales were 14%⁵ higher in Q1. The continued expansion of *Mr Kipling* cake in the US has now reached distribution in over 1,400 stores, and additional seasonal products are planned for launch in the coming months. In Australia, cake continued its strong progress in market, demonstrated by record market share of 17.6%⁶. Additionally, household penetration of the Group’s cake brands has now increased by a further two percentage points. Retailer stockholdings decreased in the period which resulted in temporarily lower order levels, however this has now normalised in quarter two. The application of the Group’s proven branded growth model strategy in Australia accelerated in the period, with brand investment in the form of television advertising for *Mr Kipling* and the launch of a

number of new products including *Mr Kipling* Signature Brownie Bites. Sales in Europe grew over 30% due to increased distribution of *Sharwood's* in Germany and the Netherlands as part of the *Sharwood's* European expansion plan.

Outlook

The Group has started the year off well, delivering strong sales growth across its brand portfolio and further Grocery market share gains. Looking ahead, revenue growth in the Grocery business is expected to moderate in forthcoming quarters, as year on year effects of higher prices reduce, while the trajectory for Sweet Treats is expected to build through the second half of the year.

The Company's portfolio continues to demonstrate a high level of relevance to consumers in the current economic climate. Following a strong first quarter, and with exciting plans behind the Group's leading brands for the remainder of the year, it now sees Trading profit for FY23/24 at the top end of market expectations. In the medium term, the Group expects to unlock further significant shareholder value through the delivery of its five pillar growth strategy, as it builds on its successful core UK business and applies this to new categories, overseas markets and inorganic opportunities.

~ Ends ~

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 15 sites across the country, supplying a range of retail, wholesale, foodservice and other customers with our iconic brands which feature in millions of homes every day.

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

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Conference call

A conference call for investors and analysts hosted by Alex Whitehouse, CEO and Duncan Leggett, CFO, will take place today, 20 July 2023, at 9.00am, details of which are outlined below. A replay of the conference call will be available on the Company's website later in the day: www.premierfoods.co.uk/investors/results-centre

Telephone number: 0800 358 1035 (UK toll free)
+44 20 4587 0498 (standard international access)
Conference ID: 282669

- Ends -

Notes to editors:

1. Sales data is for the thirteen weeks to 1 July 2023 and 2 July 2022
2. Sales stated above are including *The Spice Tailor* and excluding Knighton
3. Market share data sourced from IRI, 13 weeks ended 1 July 2023
4. Company compiled equity analyst forecasts for FY23/24 Trading profit are £162.0m - £165.4m
5. International sales are stated on a constant currency basis and include *The Spice Tailor* for the period of ownership.
6. Australia cake market share source: IRI, 12 weeks ended 18 June 2023.
7. All financial data detailed above is unaudited and has not been subject to review by the Company's auditors.

Q1 Sales (£m)	FY23/24	FY22/23	Change vs 1 year ago
Grocery			
Branded	149.2	119.3	25.1%
Non-branded	22.3	16.1	38.3%
Total	171.5	135.4	26.7%
Sweet Treats			
Branded	50.1	50.3	(0.4%)
Non-branded	9.5	5.1	86.2%
Total	59.6	55.4	7.6%
Group			
Branded	199.3	169.6	17.5%
Non-branded	31.8	21.2	49.8%
Total	231.1	190.8	21.1%

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 Listing Rules, the Disclosure and Transparency Rules, London Stock Exchange and any other applicable law or regulations, but otherwise expressly disclaims any obligation or undertaking to update or revise any forward-looking statement, whether as a result of new information, future developments or otherwise.