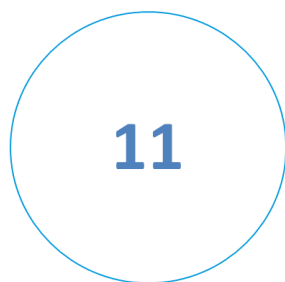


Premier Foods FY19/20 Preliminary results - Factsheet



"A year of substantial progress: Now 3 years of Revenue and Trading profit growth, Net debt/EBITDA down to 2.7x, beating previous 3.0x target and transformational pensions agreement signed"

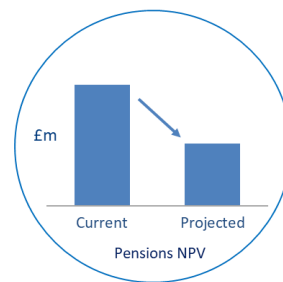
STRATEGIC HEADLINES



1
11 consecutive quarters of UK sales growth



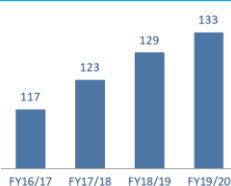
2
Net debt / EBITDA beaten previous 3.0x target



3
Strategic review concluded with landmark pensions agreement

3 YEAR PROGRESS

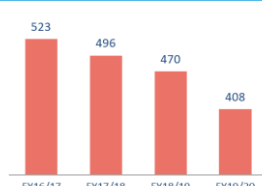
Trading profit (£m)



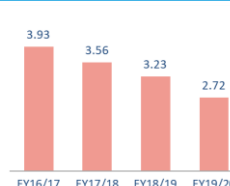
Adjusted PBT (£m)



Net debt (£m)



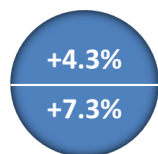
Net debt/EBITDA



FY19/20 FINANCIAL HEADLINES



FY & Q4 Revenue growth



UK FY & Q4 revenue growth



Trading profit



Net debt¹ reduction



Net debt/EBITDA

DETAILED KEY FINANCIALS

Group performance - (£m)	FY19/20	FY18/19	%
Branded sales	705.6	679.2	3.9%
Non-branded sales	141.5	145.1	(2.5%)
Total sales	847.1	824.3	2.8%
Divisional contribution	171.9	161.9	6.2%
Group & corporate costs	(39.3)	(33.4)	(17.7%)
Trading profit	132.6	128.5	3.2%
EBITDA	152.5	145.5	4.8%

Divisional performance - (£m)	FY19/20	FY18/19	%
Grocery			
Branded sales	514.7	498.3	3.3%
Non-branded sales	96.9	98.7	(1.8%)
Total sales	611.6	597.0	2.4%
Divisional contribution	148.2	138.3	7.2%
Sweet Treats			
Branded sales	190.9	180.9	5.6%
Non-branded sales	44.6	46.4	(3.9%)
Total sales	235.5	227.3	3.6%
Divisional contribution	23.7	23.6	0.4%

Adjusted Earnings per share	FY19/20	FY18/19	%
Trading profit	132.6	128.5	3.2%
Less: net regular interest	(39.3)	(40.5)	3.1%
Adjusted Profit before tax	93.3	88.0	6.0%
Less: notional tax @ 19.0%	(17.7)	(16.7)	(6.0%)
Adjusted profit after tax	75.6	71.3	6.0%
Divided by: Average shares in issue	846.6	841.5	(0.6%)
Adjusted earnings per share	8.93	8.47	5.4%

Sales - Q4 (£m)	FY19/20 Q4	FY18/19 Q4	%
Grocery			
Branded sales	142.5	135.0	5.6%
Non-branded sales	24.0	25.5	(6.1%)
Total sales	166.5	160.5	3.7%
Sweet Treats			
Branded sales	47.1	45.5	3.5%
Non-branded sales	4.6	4.7	(1.2%)
Total sales	51.7	50.2	3.0%
Group			
Branded sales	189.6	180.5	5.0%
Non-branded sales	28.6	30.2	(5.3%)
Total sales	218.2	210.7	3.6%

Premier Foods FY19/20 Preliminary results - Factsheet

"A year of substantial progress: Now 3 years of Revenue and Trading profit growth,
Net debt/EBITDA down to 2.7x, beating previous 3.0x target and transformational pensions agreement signed"



DETAILED KEY FINANCIALS (CONT'D)

Statutory earnings per share	FY19/20	FY18/19
Trading profit	132.6	128.5
Amortisation of intangible assets	(29.4)	(34.4)
Foreign exchange fair value movements	1.7	(1.3)
Net interest on pensions and admin expenses	(4.6)	(1.3)
Restructuring costs	(4.1)	(16.8)
GMP equalisation	-	(41.5)
Impairment of goodwill & intangible assets	-	(30.6)
Other non-trading items	(0.9)	1.9
Operating profit	95.3	4.5
Net finance cost	(41.7)	(47.2)
Profit/(Loss) before tax	53.6	(42.7)
Taxation	(7.1)	8.9
Profit/(Loss) after tax	46.5	(33.8)
Average shares in issue (millions)	846.6	841.5
Basic (Loss)/earnings per share (pence)	5.5p	(4.0p)

FY20/21 guidance	£m
Working capital	Broadly neutral
Depreciation	c.£20m
Capital expenditure	c.£25m
Interest - cash	£32-34m
Interest - P&L	£35-37m
Tax - cash	Nil
Tax - notional P&L rate	19.0%
Pension deficit contributions	£38m
Pension administration costs	£4-6m
Restructuring	c.£5m

Accounting pension valuation (£m)	28 March 2020	30 March 2019
RHM Pension schemes		
Assets	4,745.3	4,333.6
Liabilities	(3,240.0)	(3,495.8)
Surplus	1,505.3	837.8
Premier Foods Pension schemes		
Assets	774.7	707.1
Liabilities	(1,049.6)	(1,171.8)
Deficit	(274.9)	(464.7)
Combined Pension schemes		
Assets	5,520.0	5,040.7
Liabilities	(4,289.6)	(4,667.6)
Surplus	1,230.4	373.1
Surplus net of tax (19%/17%)	996.6	309.7
Discount rate	2.50%	2.45%
Inflation rate (RPI/CPI)	2.65%/1.65%	3.25%/2.15%

Triennial Actuarial pension valuation (£m)	2019	2016	2013
RHM Pension schemes	338	135	(504)
Premier Foods Pension schemes	(552)	(551)	(538)
Irish Pension schemes	0	0	(20)
	(214)	(416)	(1,062)

- Strong performance in RHM portfolio benefitting from a successful hedging strategy and investment performance
- All valuations above except 2019 RHM valuation, liabilities based on Gilts +1.0%
- RHM 2019 valuation based on Gilts +0.5%

Cash flow (£m)	FY19/20	FY18/19
Trading profit	132.6	128.5
Depreciation	19.9	17.0
Other non-cash items	1.7	2.4
Interest	(35.6)	(30.1)
Pension contributions	(44.7)	(41.9)
Capital expenditure	(18.0)	(17.7)
Working capital & other	14.6	(7.7)
Restructuring costs	(6.6)	(18.1)
Proceeds from share issue	1.1	1.4
Sale of property, plant & equipment	0.1	-
Hovis repayment of loan note	-	7.6
Financing fees	-	(12.2)
Free cash outflow	65.1	29.2

Net debt position	£m
Net debt at 30 March 2019	469.9
Free cash outflow	(65.1)
Movement in debt issuance costs	3.3
Net debt pre-IFRS 16 Leases at 28 March 2020	408.1
IFRS 16 Leases	21.5
Net debt at 28 March 2020	429.6
Adjusted EBITDA	152.5
Net debt / EBITDA	2.82
Adjusted EBITDA (pre-IFRS 16)	149.9
Net debt / EBITDA (pre-IFRS 16)	2.72

Summary

- 11 consecutive quarters of UK revenue growth
- Innovation rate increased to 6.5% of branded revenue
- Record ever Mr Kipling sales in FY19/20
- 3rd year of Trading profit and adjusted earnings growth
- Net debt/EBITDA of 2.7x, comfortably beating previous target
- Accounting combined pensions surplus increased to £1,230m
- Landmark pensions agreement de-risks pension liabilities and set to significantly reduce future deficit contributions
- Part redemption (£80m) of £210m callable Floating rate notes to reduce financing cost by c.£4m per annum completed in FY20/21 Q1

Outlook

- Expect to deliver further progress in FY20/21
- Continued focus on branded growth model through innovation & advertising
- Cost savings programme expected to over deliver
- New International strategy to deliver sustainable profitable growth as evidenced in UK
- Quarter 1 revenue expected to be c.20% ahead of prior year due to continued COVID-19 effects
- Early stage in financial year, unclear as to how consumer eating habits may evolve as lockdown measures ease
- Expect to exceed expectations for FY20/21 revenue and Trading profit despite some additional operational costs in supply chain being incurred
- Options for cash deployment and capital allocation improve as a result of further anticipated Net debt reduction in FY20/21