

**HILTON  
FOODS**

# **HILTON FOODS**

## **FULL YEAR RESULTS**

**2024**



# AGENDA

Highlights

Business Overview

Financial Performance Summary

Strategic Business Update

Outlook



# Sustained profit and volume growth, backed by operational progress and compelling product offering\*

Volume

**+4.4%**

540,239t

Operating Profit \*

**+11.9%**

£104.7m

ROCE

**21.7%**

+3.4ppt

EPS

**61.0p**

+15.5%

Revenue \*

**+1.9%**

£3.99b

PBT \*

**+17.1%**

£76.1m

Free cash flow\*\*

**£40m**

Net debt: EBITDA 0.9x

Dividend

**34.5p**

+7.8%

# Strong performance, sustained growth and strategic momentum

- ▶ Retail meat volumes up across all regions with constant currency revenue growth - outperforming the market
- ▶ Scalable infrastructure and automation investments strengthening competitive position
- ▶ Leveraging existing partnerships to expand reach, diversify offerings and add new complementary partnerships
- ▶ Capital efficient expansion into Saudi Arabia unlocking access into an exciting growth region
- ▶ Hilton Foods Canada - strategic growth pipeline with the number 1 global retailer - on track for launch early 2027
- ▶ Advancing in sustainability aligned with customer priorities



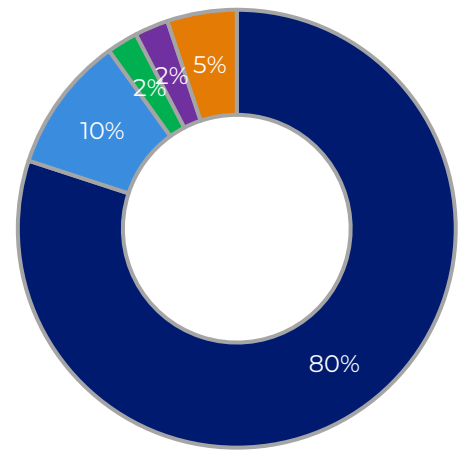
# Translating strategic progress into long-term sustainable value creation

**Leading food manufacturer with highly relevant product offer**

**Expanding internationally with significant growth potential**

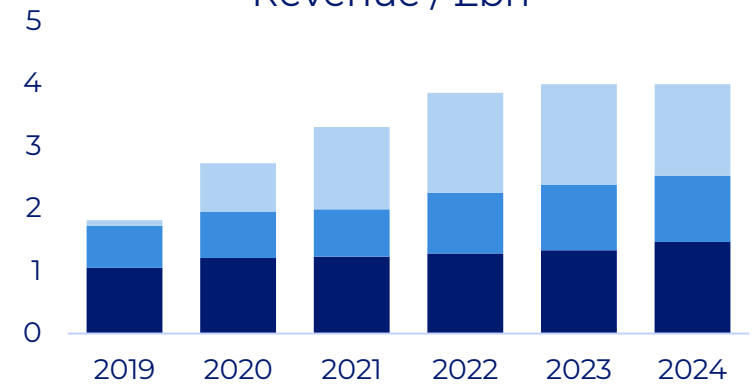
**Driving strong returns through automated, efficient facilities**

Product Mix

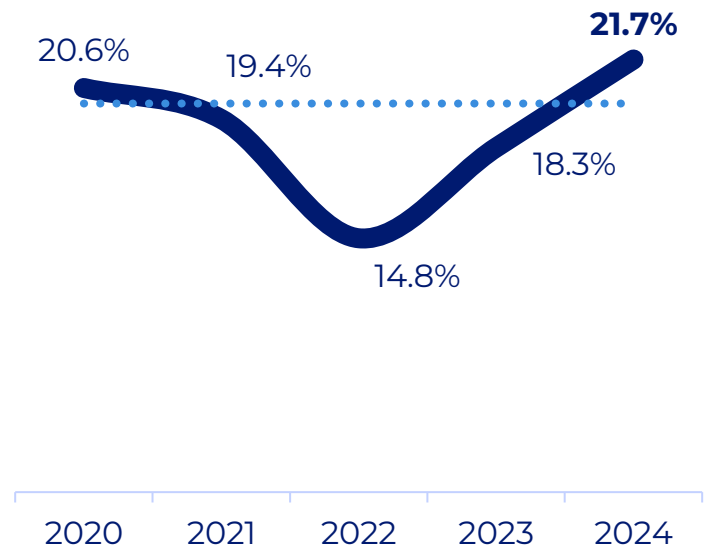


- Meat
- Fish
- Vegan & Vegetarian
- Easier Meals
- Food Service/Trading

Revenue / £bn



ROCE



.....>20% ambition

**A multi-category offer creates new opportunities for growth and boosting core retail meat margins**

**Strong partnerships, stable growth, and a proven track record of expanding into new countries**

**Powered by market leading technology, consumer focus, innovation and a unique business model**

**Future-ready: clear strategy, strong balance sheet and The Sustainable Protein Plan**

The logo for Hilton Foods, featuring the words "HILTON" and "FOODS" in white, uppercase, sans-serif font on a dark blue background. The background of the entire image is a top-down view of a plate of food, including sliced steak, arugula, and cheese, with a fork and knife nearby.

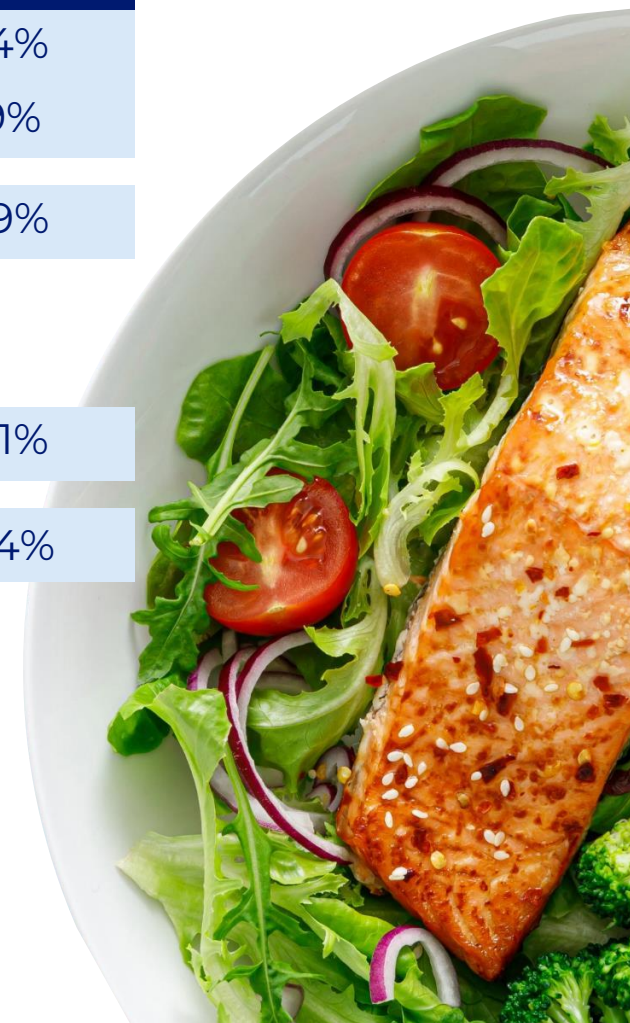
**HILTON  
FOODS**

A white rectangular text box with a thin black border, containing the text "FINANCIAL PERFORMANCE SUMMARY" in bold, dark blue, uppercase, sans-serif font. The text box is positioned over the bottom portion of the food image.

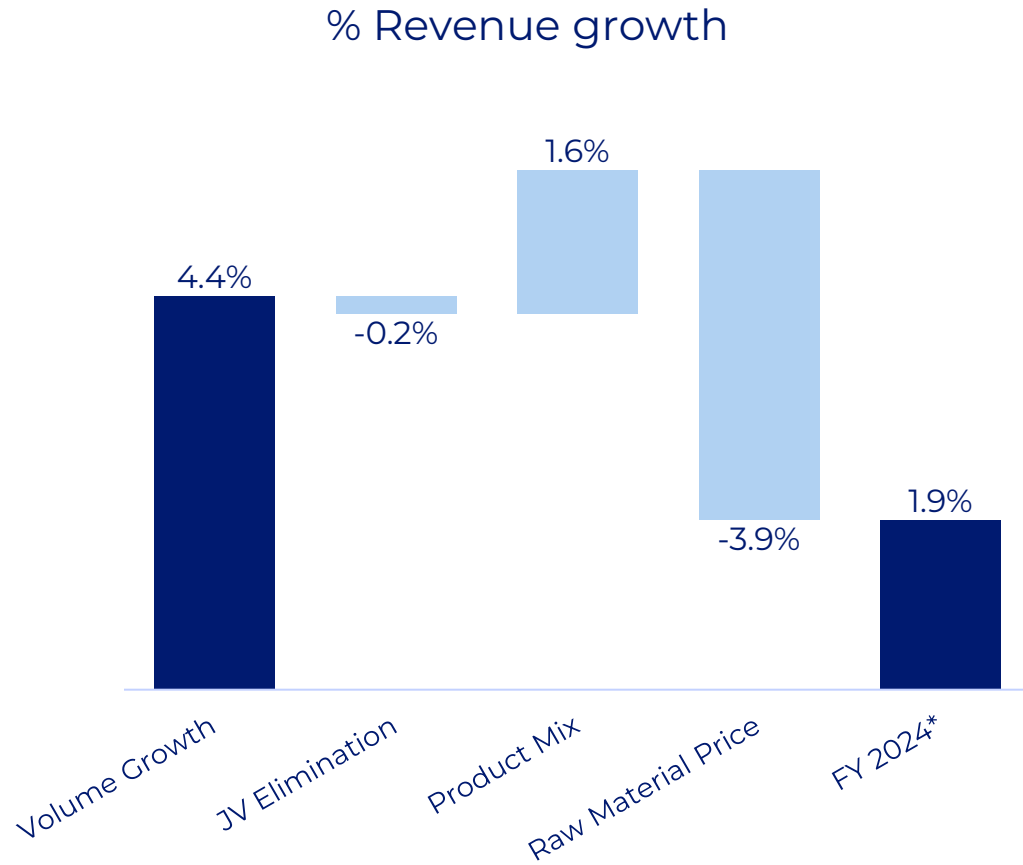
**FINANCIAL  
PERFORMANCE  
SUMMARY**

# Profit and volume growth underpin strong financial performance

	2024	2023	+/-	+/- Constant fx
Volume / t	<b>540,239</b>	517,347	+4.4%	+4.4%
Revenue / £m	<b>3,988.3</b>	3,989.5	-0.0%	+1.9%
Operating profit / £m	<b>104.7</b>	95.0	+10.2%	+11.9%
Operating profit margin	<b>2.6%</b>	2.4%	+0.2 %pts	
Enhanced conversion margin	<b>13.4%</b>	12.7%	+0.7 %pts	
Profit before tax /£m	<b>76.1</b>	66.0	+15.3%	+17.1%
Adjusted EPS / p	<b>61.0</b>	52.8	+15.5%	+17.4%
Final dividend per share /p	<b>34.5</b>	32.0	+7.8%	
Capex / £m	<b>73.5</b>	58.6	-£14.9m	
Net debt /£m	<b>131.4</b>	139.7	-£8.3m	



# Revenue gains from positive shifts in product mix



- ▶ Revenue uplift from positive mix and premiumisation
- ▶ Revenue impact from raw material deflation in APAC
- ▶ + 1.9% constant currency revenue growth
- ▶ Strengthening GBP remains headwind
  - ▶ Revenue flat at actual Fx rates

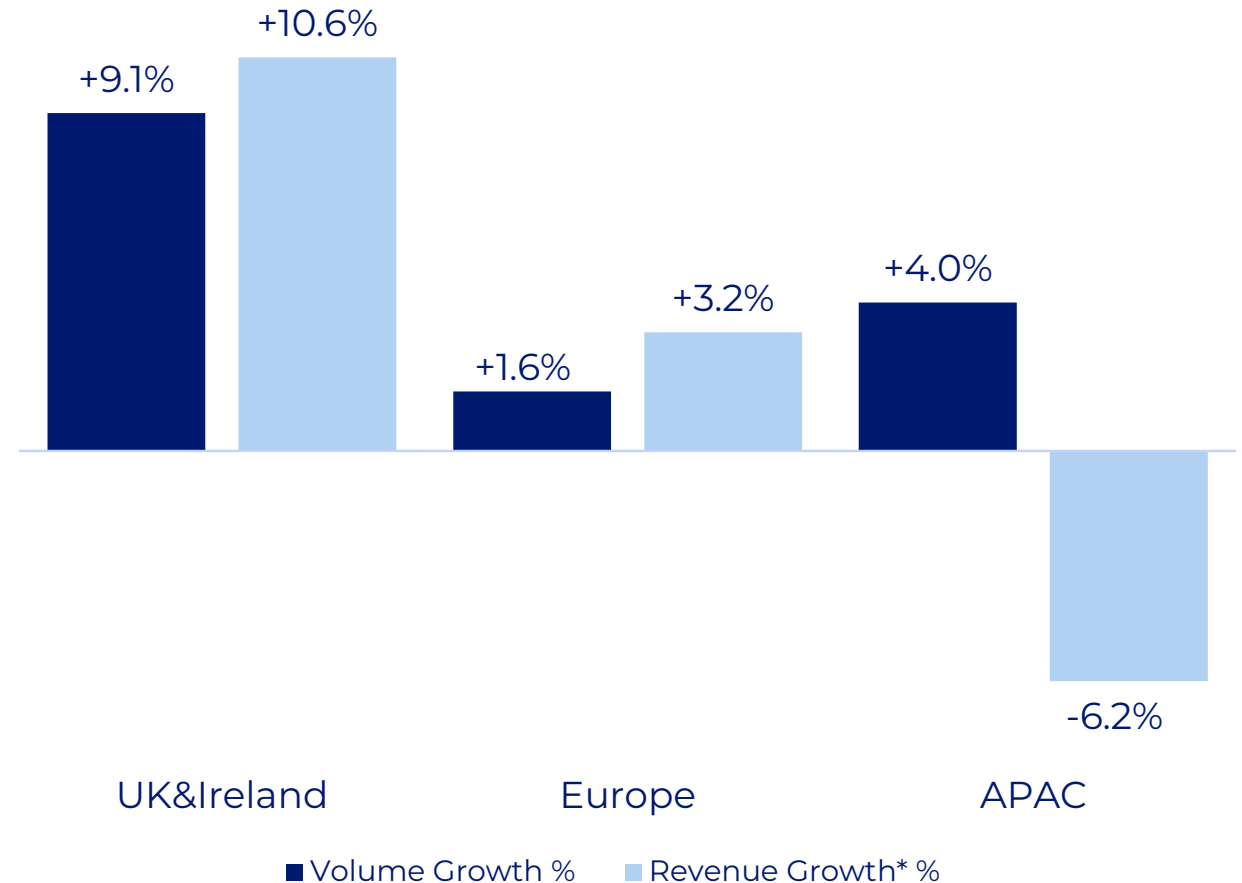




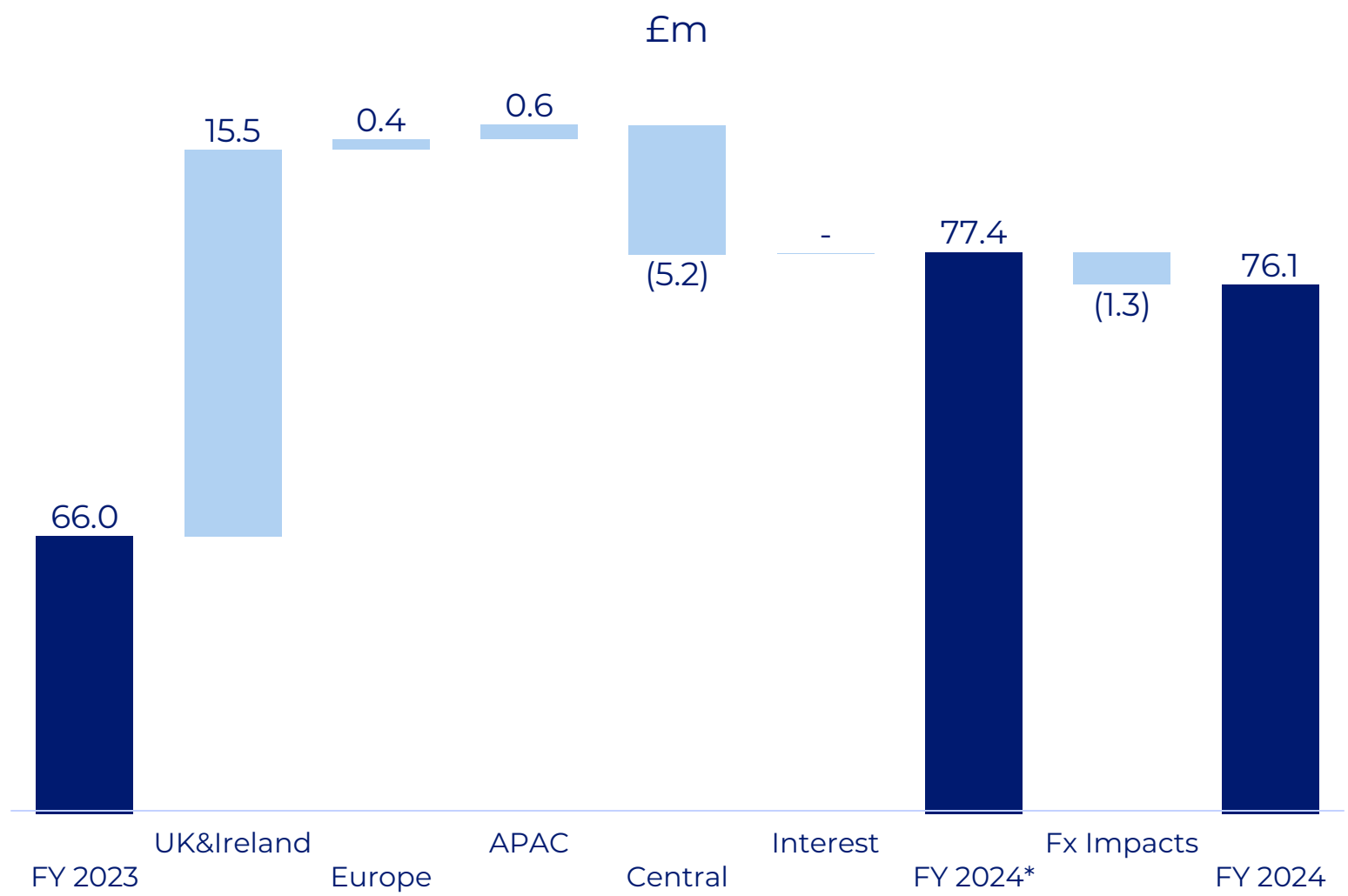
# Volume growth across all regions

- ▶ UK & Ireland
  - ▶ Significant volume growth, particularly retail meat driving strong revenue growth
  - ▶ Record Christmas volumes in meat and seafood
  - ▶ Growth in premium tier steaks
- ▶ Europe
  - ▶ Easing inflationary pressures in meat
  - ▶ Vegan and vegetarian market and volumes remained challenging
- ▶ APAC
  - ▶ Raw material deflation impacting revenue
  - ▶ Strong volume growth continues

Volume / Revenue\* Development by Region



# Profit growth led by UK & Ireland operations



- ▶ UK & Ireland
  - ▶ Profit enhanced by product mix change
  - ▶ Annualised recovery in seafood business
- ▶ Europe
  - ▶ Gains in core categories offset by vegan and vegetarian challenges
  - ▶ Profit growth underpinned by strong performance in fresh food
- ▶ APAC
  - ▶ Volume growth driving increased profit contribution
- ▶ Interest costs stable
- ▶ Fx headwinds due to strength of GBP

\*(constant currency)

# Strong free cashflow supports progressive dividend payments

	2024 £m	2023 £m	+/- £m
<b>EBITDA</b>	<b>152.6</b>	<b>144.0</b>	<b>+8.6</b>
Working capital & other	8.1	50.6	-42.5
Tax & interest payments	(47.5)	(40.1)	-7.4
<b>Operating cash flow</b>	<b>113.2</b>	<b>154.5</b>	<b>-41.3</b>
Core capex	(55.2)	(58.6)	+3.4
<b>Core free cash flow</b>	<b>58.0</b>	<b>95.9</b>	<b>-37.9</b>
Site purchases / Canada capex	(18.3)	-	-18.3
<b>Free cashflow</b>	<b>39.7</b>	<b>95.9</b>	<b>-56.2</b>
<b>Dividends paid</b>	<b>29.2</b>	<b>28.3</b>	<b>+ 3.2%</b>

- ▶ Healthy working capital position maintained
  - ▶ Normalised working capital cash flows
- ▶ Highly cash generative core business
  - ▶ Operating cash conversion 2.0x
- ▶ Core capex £55.2m
- ▶ Total capex after site purchases and investment in Canada £73.5m
- ▶ Increased tax payments as underlying rates rise
- ▶ 3.2% increase in dividends paid to shareholders

# Strategic investment to sustain competitive edge and accelerate growth

<p><b>Core Capex</b></p> <p><b>£55.2m</b></p>	<p><b>Maintenance Capital</b></p> <p><b>£27.5m</b></p>	<p><b>Protecting the core</b></p> <ul style="list-style-type: none"> <li>• Maintaining market leading standards expected by our customers</li> </ul>
	<p><b>Business Development</b></p> <p><b>£27.7m</b></p>	<p><b>New product ranges, increasing capacity and improving efficiency</b></p> <ul style="list-style-type: none"> <li>• £16m - New product ranges / increased capacity driving strong returns</li> <li>• £12m - Efficiency investments with benefits shared with strategic partners</li> </ul>
<p><b>Strategic Capex</b></p> <p><b>£18.3m</b></p>	<p><b>Site Purchases</b></p> <p><b>£12.6m</b></p>	<p><b>Providing flexibility with opportunities to diversify funding sources</b></p> <ul style="list-style-type: none"> <li>• Freehold purchased in Ireland supporting expansion</li> <li>• Fairfax Meadow purchase of long leasehold</li> </ul>
	<p><b>Supercharging Growth</b></p> <p><b>£5.7m</b></p>	<p><b>Hilton Foods Canada</b></p> <ul style="list-style-type: none"> <li>• Total investment £60m ahead of 2027 go-live</li> <li>• Capital phasing 2025 £35m and 2026 £20m</li> </ul>

# Solid balance sheet and disciplined leverage enable future growth

**Net debt**

**£131.4m**

-£8.3m vs FY23

**Net debt : EBITDA**

**0.9x**

-0.1x vs FY23

**Interest cover\***

**5.3x**

+0.3x vs FY23

**Undrawn bank facilities**

**£108m**

Runs to Jan '27

## Bank facility

Syndicated facility

£48m amortising term loans

- £72m repaid since inception in Jan '22

£290m revolving credit facility

Unsecured

Floating rate

- Average rate 6.8% vs 6.0% in 2023
- Project rate 6.3% for 2025

## Enhanced by

Lease financing facilities

Customer supply chain financing

- Margins 0.5-1.5% pts below bank facility
- Cost effective working capital funding

# Capital discipline enabling sustainable growth and long-term value creation

## Maintenance Capex

protecting the core

## Business Development Capex

supporting growth within our existing business

## Supercharging Growth

through new facilities in new geographies  
>20% ROCE over length of contract

## Selective M&A

bolt-on M&A with strong returns and synergies

## Attractive shareholder returns

progressive dividend policy



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**STRATEGIC  
BUSINESS  
UPDATE**

# Progress against our priorities

1

GROW  
OUR GLOBAL FOOTPRINT



2

EXPAND  
OUR MULTI-CATEGORY  
OFFER



3

BUILD  
FURTHER EXPERTISE AS A  
SUPPLY CHAIN PARTNER



4

LEVERAGE TECHNOLOGY  
AS A DRIVER OF VALUE





# Hilton Foods Canada on track to launch early 2027

1

GROW  
OUR GLOBAL  
FOOTPRINT



Deeper consumer understanding through extensive research

Defined product range and packaging formats for launch

Working with primary meat suppliers and onboarding

Total £60m investment and three-year ramp up planned post 2027

Expected first revenue and profit contribution 2027

Walmart  
Canada



# Saudi Arabia JV launch H2 2026

1

GROW  
OUR GLOBAL  
FOOTPRINT



Partner with local expertise, trusted brand, market access, and growing cattle supply

Partnership strategically aligned to Kingdom 2030 Vision for food security

First-mover advantage through capital-light entry into a new market

Red meat market size c. 25m\* tonnes annually and population growth forecast to 40m by 2027\*\*

Shared ambition for expansion within Saudi Arabia and the wider GCC region



# Deepening partnerships and driving growth through innovation and product expansion

2

## EXPAND OUR MULTI-CATEGORY OFFER



Our consumer-driven product innovation gives customers a competitive edge

Expanding growth opportunities with existing retail partners across new categories and markets

Utilising excess capacity with new complementary partnerships

# Our consumer-driven product innovation gives customers a competitive edge

Growing through product improvement



Premiumisation winning more occasions at home and trading shoppers up

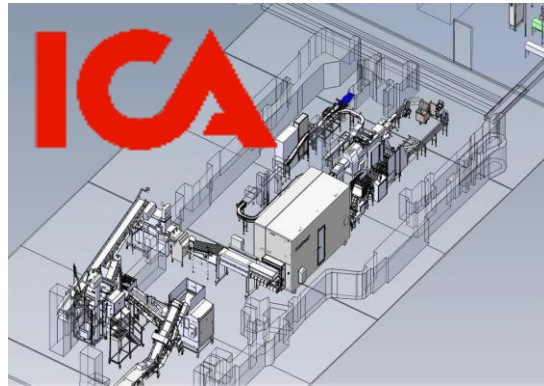


New ranges for convenience and health needs



# Expanding growth opportunities with existing retail partners across new categories and markets

## Sweden



- ▶ Expanded food park capability — now serving more categories including frozen meat
- ▶ Launching frozen burger range May 2025

## New Zealand



- ▶ Successful cross-selling of coated and fish cake products from UK to New Zealand
- ▶ Expanding product offer positively received by customers

## Central Europe



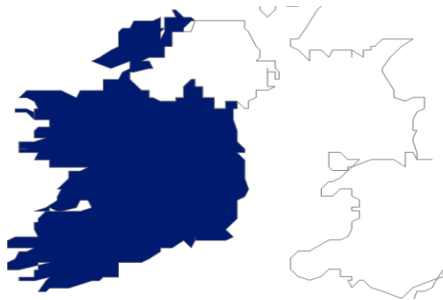
- ▶ Entering Romania in fresh meat and fresh foods
- ▶ Leveraging existing partnerships for further geographical expansion

# Utilising our expertise and capacity with new complementary partnerships

## Ireland

**TESCO**

**DUNNES**  
STORES



- ▶ Successfully growing with both customer partners
- ▶ Completing extension to support growth in May 2025

## Denmark

**COOP** **salling** group



- ▶ Optimising available capacity with a complimentary new partner
- ▶ Creating new avenues for growth

# Enhancing supply chain resilience and leadership to ensure security and sustainable growth

3

BUILD  
FURTHER EXPERTISE AS A  
SUPPLY CHAIN PARTNER



Making seafood more sustainable through alternative species and leveraging tactical brands in 2024 to optimise sales opportunities

Optimising in country beef availability through alternative dairy herd supply chains

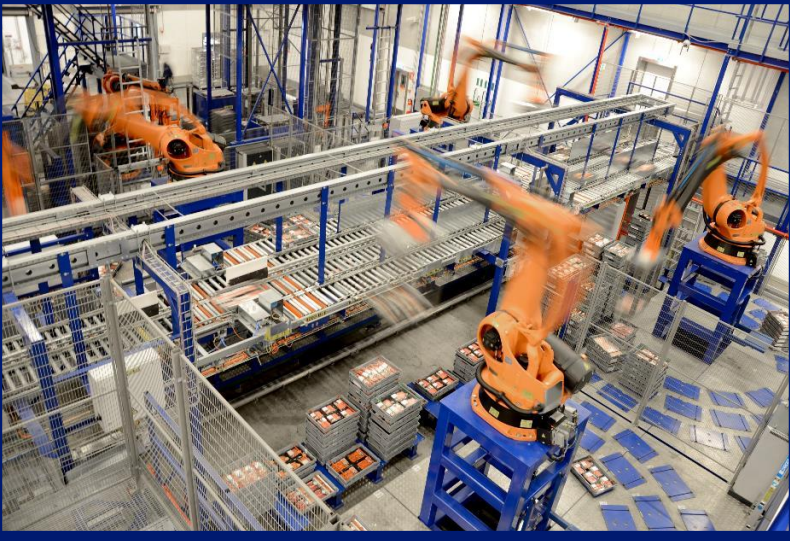
International procurement and supply chain expertise optimising availability at seasonal peaks

Award recognition by Woolworths in Australia and New Zealand as Food Supplier of the Year

# Our technology enhances efficiency, reinforces our core business, and enables long-term success

4

## LEVERAGE TECHNOLOGY AS A DRIVER OF VALUE



End of line automation completed in Huntingdon - reducing labour reliance by c.10%

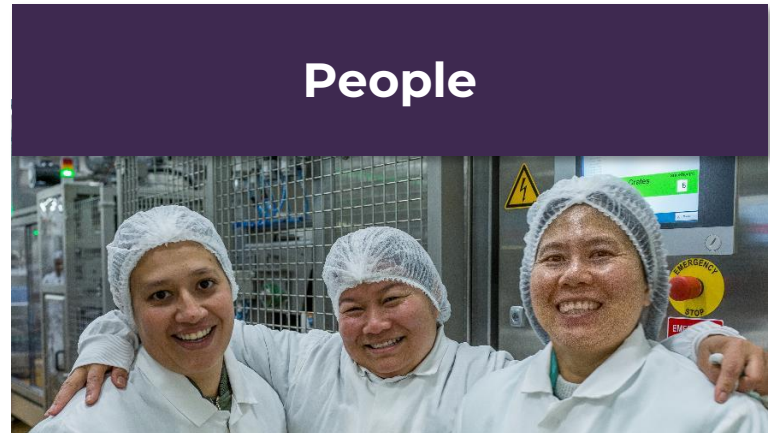
Automated white fish processing and precision in line cutting water jet cutting technology

Extended third-party supply chain services in Denmark

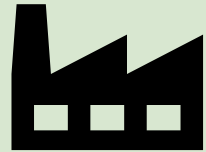
Continued momentum in Foods Connected and Agito



# Advancing in all areas of The Sustainable Protein Plan, aligned to our customers' priorities



**100%** SMETA®  
of our own operations audited

**-32%**   
Reduction in scope 1 and 2 emissions

**1692t**   
Plastic reduced and forecast to be offset in our packaging

 **FOOD BUSINESS CHARTER** **40%**  
Female representation ambition

 **A**  
Score for Climate Change - top 1.5% of businesses

 **-47%**  
Food waste reduction

All senior leaders' LTIPs include sustainability objectives across all three pillars  
Board level leadership of Sustainability Committee

# Outlook

- ▶ Confident in meeting current market expectations despite economic uncertainty
- ▶ Secured medium-term growth pipeline across two new geographies, underpinned by a resilient core business
- ▶ Robust balance sheet and financials positions the Group for sustained success and future growth
- ▶ Well positioned with a differentiated and scalable business model with significant potential to deliver long-term, sustainable returns



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**Q&A**

# Cautionary Statement

This investor presentation contains forward-looking statements that are subject to risks and uncertainties. These forward-looking statements are based on current expectations and assumptions relating to anticipated events and circumstances which may be beyond Hilton Foods control. Words such as 'aim', 'anticipate', 'believe', 'consider', 'estimate', 'expect', 'goal', 'intend', 'may', 'plan', 'potential', 'should', 'target' and other words and phrases of similar meaning including the negative of these terms are generally but not always used to infer forward-looking statements. Forward-looking statements are not a guarantee of future performance or outcomes. Neither Hilton Foods or any of its associates or directors provides any guarantee that any occurrence or event expressed in a forward-looking statement will actually occur. Undue reliance should not be placed on these statements.

These forward-looking statements are made as of the date of this presentation and based on risk factors and uncertainties that we believe to be reasonable at the time of writing. After this date and except as required by law or regulation, Hilton Foods does not undertake to publicly update or review these forward-looking statements to reflect any change to expectations, new information, or otherwise on which the statement may have been based.

Actual results and events could differ substantially from those implied in the forward-looking statements for a multitude of reasons including but not limited to domestic and global macroeconomic and political factors, changes to consumer purchasing strategies, industry trends, changes to customer relationships, supply chain disruption, volatility in raw material and commodities markets, cybersecurity, the recruitment and retention of talented employees, significant incidents such as fire, flood, pandemic or interruption of supply of key utilities, the production of safe and high quality products, interest rates and currency movements and the impact of changes to tax and other legislation. Further detail on the principal risks and uncertainties faced by the Group are detailed in the Hilton Food Group Plc 2022 Annual report.

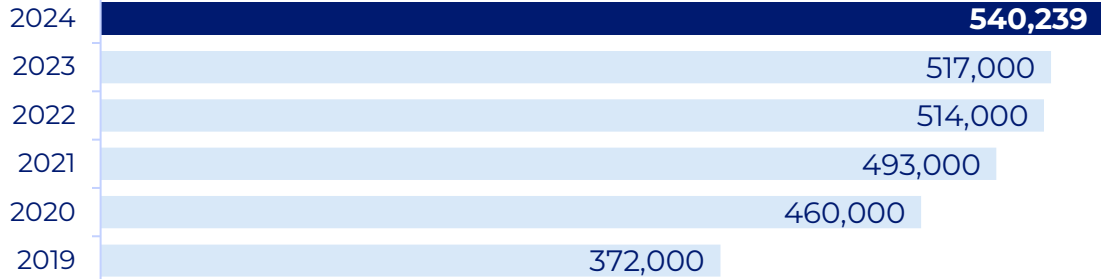
**HILTON  
FOODS**



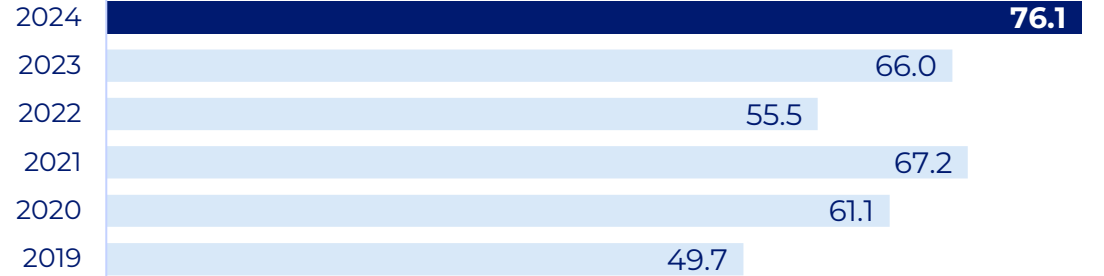
**APPENDIX**

# Financial Performance Summary

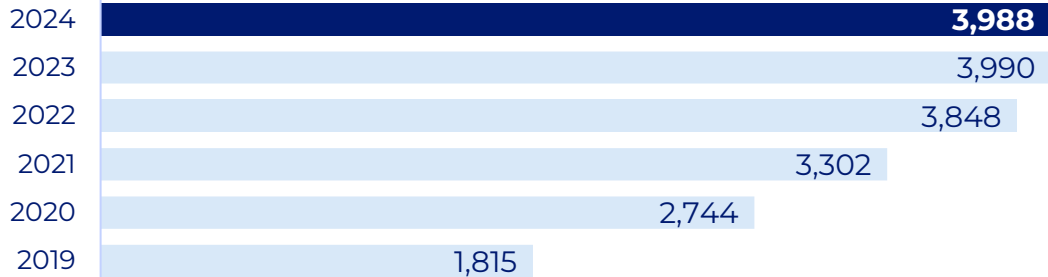
## Volume / t



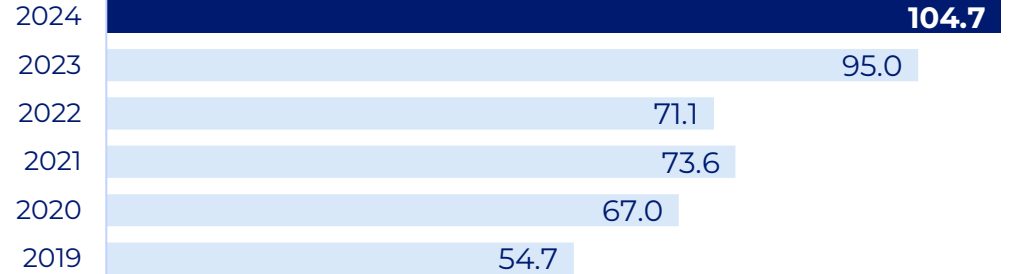
## PBT / £m



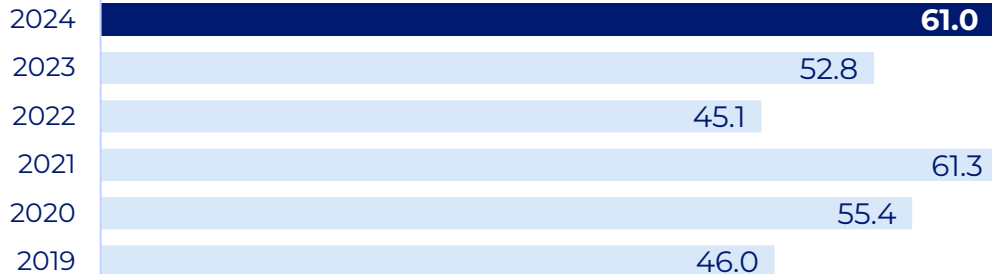
## Revenue / £m



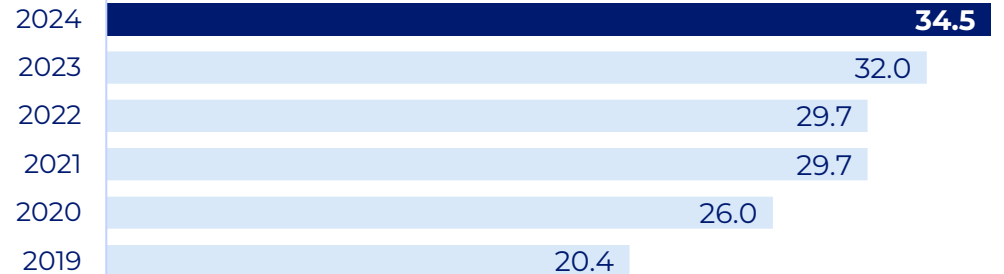
## Operating Profit / £m



## Earnings per share / p



## Full year dividend / p



# ROCE % Calculation

	2024 £m	2023 £m	2022 £m
<b>Total equity</b>	<b>316.8</b>	<b>321.5</b>	<b>305.3</b>
<b>Add back:</b>			
Net debt	131.4	139.7	211.6
Lease liabilities	206.0	226.9	246.2
Lease right of use assets	(172.8)	(194.1)	(216.6)
Net deferred tax	(7.4)	(4.4)	2.1
Derivatives	3.0	(3.4)	3.4
<b>Capital Employed</b>	<b>477.0</b>	<b>486.2</b>	<b>552.0</b>
Average capital employed	481.6	519.1	
Adjusted operating profit	104.7	95.0	
<b>ROCE %</b>	<b>21.7%</b>	<b>18.3%</b>	

## Return on capital employed

- Adjusted operating profit divided by Average Capital Employed

## Average capital employed

- Average of opening and closing Capital Employed

## Capital employed

- Total equity
- Adjusted to add back:
  - Net debt
  - Lease liabilities
  - Lease right of use assets
  - Net deferred tax
  - Derivatives

# Technical Guidance

	2025	2024
Core Capex / £m	£60-65m	£55.2m
Effective tax rate <sup>3</sup>	c. 27%	25%
Average interest rate on bank borrowings <sup>1</sup>	c. 6.3%	6.8%
<b>FX rates<sup>2</sup></b>		
AUD	1.99	1.94
DKK	8.94	8.81
EUR	1.20	1.18
NZD	2.20	2.11
PLN	5.04	5.09
SEK	13.61	13.51
<b>Impact on 2024 PBT / £m</b>	<b>-£0.8m</b>	<b>-</b>

1. 2025 Current blended average rate payable on bank borrowings
2. 2025 YTD average rates to 28<sup>th</sup> March 2025
3. Excluding exceptional and underlying items

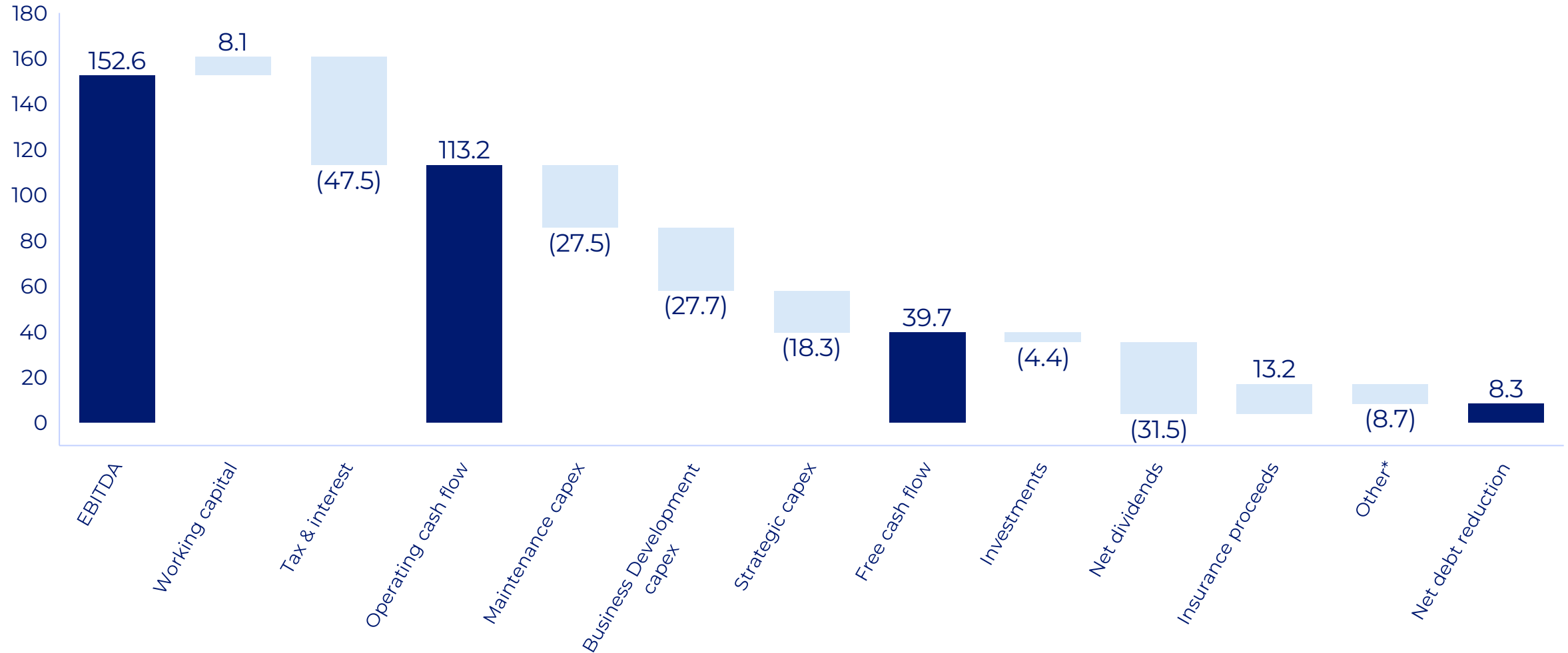


# Strategic investment protecting our competitive advantage and supporting pipeline for growth

£m	2024	2023	+/-
Business Development capex	27.7	38.5	-10.8
Maintenance capex	27.5	20.1	+7.4
<b>Core Capital</b>	<b>55.2</b>	<b>58.6</b>	<b>-3.4</b>
Canada	5.7	-	+5.7
Site Purchases	12.6	-	+12.6
<b>Total</b>	<b>73.5</b>	<b>58.6</b>	<b>+14.9</b>

£m	2024	2023	+/-
UK & Ireland	35.5	29.6	+5.9
Europe	20.3	21.0	-0.3
APAC	7.3	7.8	-0.5
Canada	5.7	-	+5.7
Other	5.8	1.2	+4.6
Disposal proceed	(1.1)	(1.0)	-0.1
<b>Total core</b>	<b>73.5</b>	<b>58.6</b>	<b>+14.9</b>

# Net Debt Reduction / £m



# APM Free Cash Flow

£m	2024	2023	+/-
<b>Reported Free Cash Flow</b>	<b>62.2</b>	<b>112.1</b>	<b>-49.9</b>
Add Back:			
Other Investments	4.4	2.1	+2.3
Dividends received from JV	(0.6)	(0.5)	-0.1
Belgium fire	(0.6)	7.7	-8.3
Belgium fire interest	0.6	-	+0.6
Insurance proceeds	(13.2)	(9.8)	-3.4
Restructuring costs	4.2	4.0	+0.2
IFRS 16 / IAS 17 Adjustments	(17.3)	(14.9)	-2.4
<b>Adjusting Items</b>	<b>(22.5)</b>	<b>(11.4)</b>	<b>-11.1</b>
<b>Free Cash Flow</b>	<b>39.7</b>	<b>100.7</b>	<b>-61.0</b>
Canada Growth Capex	5.7	-	+5.7
<b>Adjusted Cash Flow</b>	<b>45.4</b>	<b>100.7</b>	<b>-55.3</b>

# P&L – Adjusted to Statutory Measure

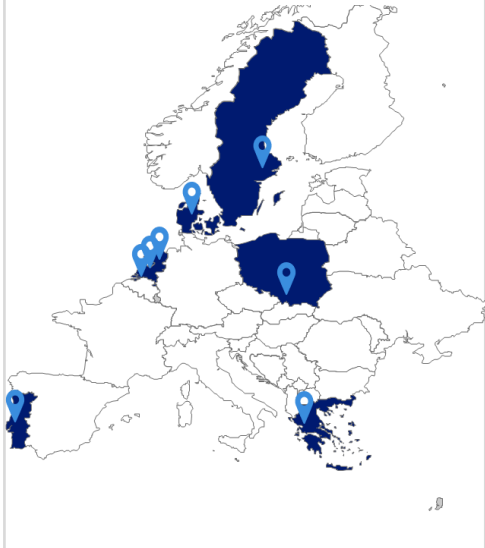
	weeks ended 29 December 2024	52 weeks ended 31 December 2023
	£'m	£'m
<b>Operating profit</b>	<b>98.8</b>	86.1
Add back IFRS 16 depreciation	20.6	18.9
Less: IAS 17 lease accounting	(24.8)	(23.4)
Add back: Amortisation of acquired intangibles and fair value adjustments	9.5	9.5
Other adjusting/exceptional items:		
Costs related to the Belgium fire	(0.6)	7.7
Insurance proceeds	(13.2)	(9.8)
Reorganisation costs	4.2	4.0
Impairment	10.2	2.0
<b>Adjusting items</b>	<b>5.9</b>	8.9
<b>Adjusted operating profit</b>	<b>104.7</b>	95.0
<b>Profit before tax</b>	<b>61.0</b>	48.6
Adjustment to operating profit as above	5.9	8.9
Add back: IFRS 16 interest	8.6	8.5
Other adjusting/exceptional items:		
Costs relating to the Belgium fire <sup>1</sup>	0.6	
<b>Adjusting items</b>	<b>15.1</b>	17.4
<b>Adjusted PBT</b>	<b>76.1</b>	66.0

# We operate highly automated, state of the art facilities internationally that best serve our customers

UK & Ireland



Europe



Asia-Pacific



Saudi Arabia – H2 2026



Canada – Early 2027

