



INVESTOR PRESENTATION

FULL YEAR 2022

International food and supply chain services partner of choice

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, cyber-security, 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.

AGENDA

Financial & Business Review 2022

Strategic Priorities 2023

ESG

Summary

Outlook 2023

Q & A



Driving long term value during challenging times

► Full Year Performance

- Total volume +4.3%, revenue +16.5% and operating profit -3.3% versus prior year
- Final dividend per share 22.6p. Full year dividend 29.7p, flat year on year

► Outstanding Protein Products

- Strength and resilience in core meat category, underpinned by strong commercial partnerships
- Challenging seafood performance, with robust recovery plans in place to restore profitability
- Further vegan and vegetarian growth through branded partnerships and private label expansion
- Double digit growth in easier meals, with launch of award-winning new products

► Growing across International Markets

- Strong performance in APAC including first full year of New Zealand
- New partnership formed in Singapore with Country Foods
- Growth through geographical diversification with Foppen acquisition

► Industry-leading technology

- Increased ownership of Foods Connected supply chain management platform to 65%
- Agito joint venture reinforcing automation and engineering capabilities

► Delivered through The Sustainable Protein Plan

- Introduction of stretching ESG performance metrics into our LTIP Scheme including targets for Scope 1 & 2 energy efficiency, packaging recycled content and food waste

FINANCIAL REVIEW

FULL YEAR 2022



Profit and loss account

52 weeks ended 1st January 2023

	2022 £m	2021 £m	% Change	% Change Constant Currency
Volume (tonnes)	513,816	492,588	4.3%	
Turnover	3,847.6	3,302.0	16.5%	16.0%
Operating profit	71.1	73.6	-3.3%	-3.2%
<i>Operating margin %</i>	1.8%	2.2%		
<i>Alternative operating margin %*</i>	10.6%	12.7%		
<i>Operating profit per kg</i>	13.8p	14.9p	-7.3%	-7.2%
Interest	(15.7)	(6.4)		
Profit before taxation	55.5	67.2	-17.4%	-17.3%
Taxation	(13.5)	(14.5)		
Profit after taxation	42.0	52.7	-20.2%	-20.0%
Earnings per share (pence)	45.1	61.3	-26.4%	-26.3%

Cash Flow – pre IFRS 16

£m	2022	2021**
EBITDA	119.9	119.5
Working capital	(29.0)	(7.7)
Other non-cash adjustments	(1.9)	0.8
Tax and net interest paid	(29.5)	(25.6)
Net cash from operating activities	59.5	87.0
Maintenance capex*	(19.4)	(16.7)
Underlying free cashflow	40.1	70.3
Expansionary capex	(37.1)	(40.6)
Acquisitions & investments	(84.7)	(40.9)
Free cashflow – pre minorities	(81.7)	(11.2)
Share issues	1.1	75.3
Own shares purchased	-	(2.3)
Dividends paid	(26.7)	(24.1)
Dividends from JV	0.7	2.3
Exceptional items	(14.6)	(7.2)
FX adjustments	(5.3)	5.2
Change in net funds/debt	(126.5)	38.0
Opening Net debt	(85.4)	(123.4)
Closing Net debt	(211.9)	(85.4)

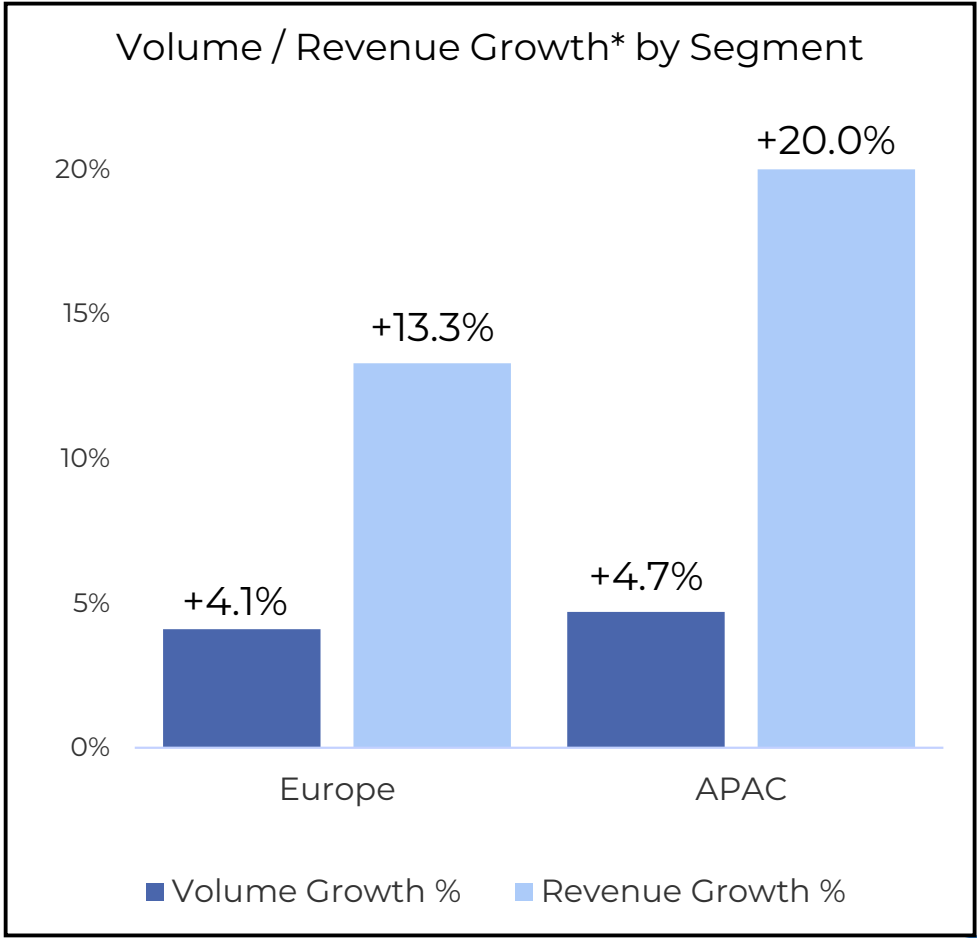
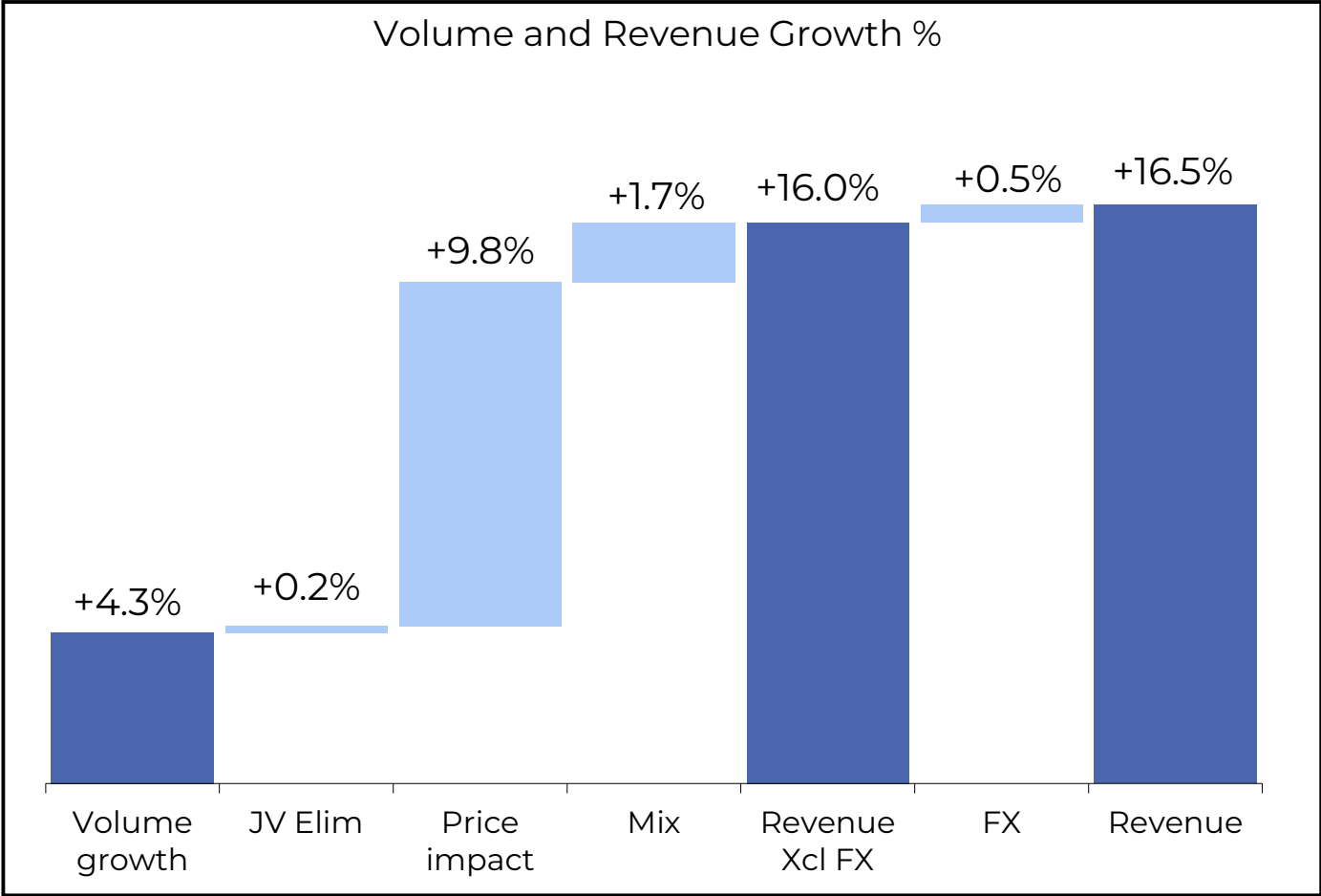
Primarily driven by:

- Planned increases in salmon and other frozen inventory
- Inclusion of Foppen post acquisition
- Strong Food service Christmas trading

Capex / £m	2022	2021
Europe	46.0	29.2
APAC	9.6	27.5
Other	1.2	0.7
Disposal Proceeds	(0.3)	(0.1)
Total	56.5	57.3

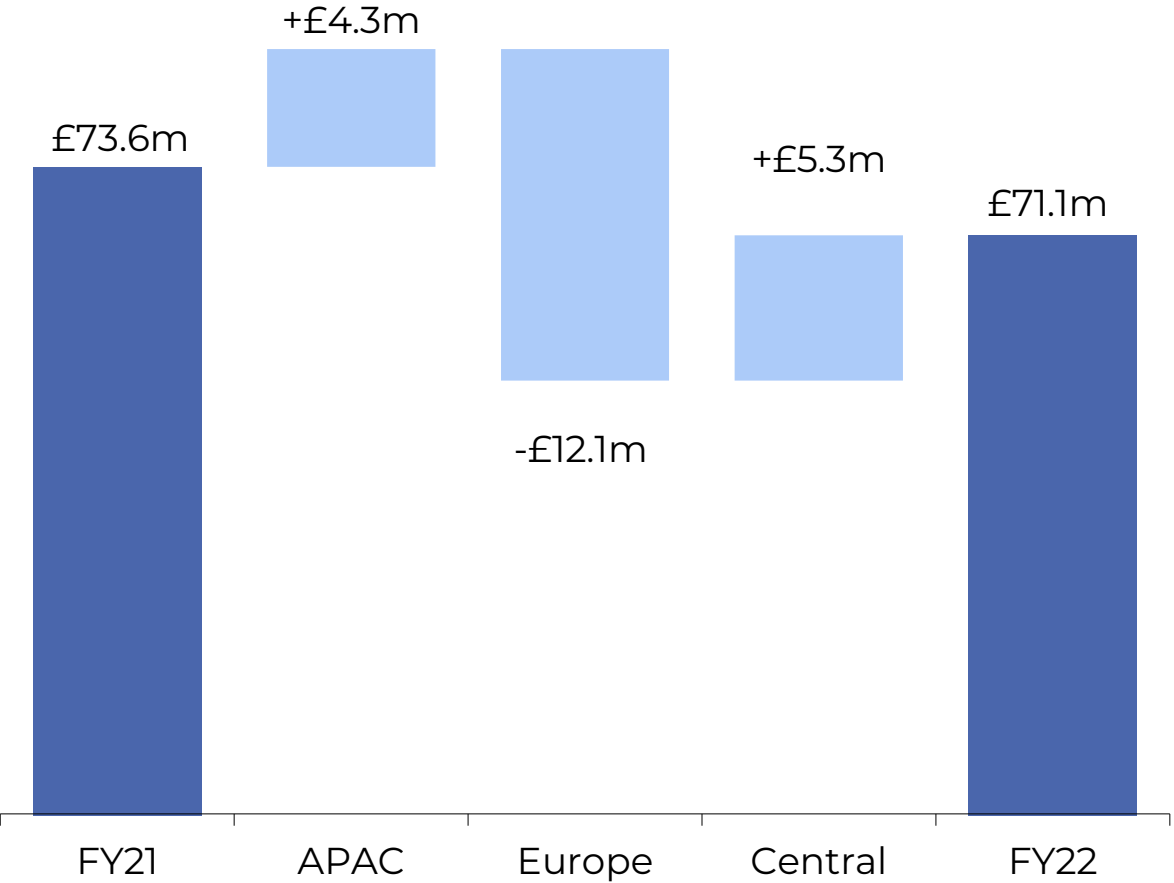
Acquisitions / £m	2022	2021
Foppen	82.1	-
Fairfax Meadow	-	23.9
Dalco	-	13.4
Other	2.6	3.6
Total	84.7	40.9

Revenue and volume breakdown



*Constant currency growth

EBIT Summary



▶ APAC

- ▶ First full year of trading at NZ food park
- ▶ EBIT benefits from recovery of increased interest costs

▶ Europe

- ▶ First full year of post acquisition trading of Fairfax Meadow and Dalco
- ▶ Acquisition of Foppen completed in March
- ▶ Convenience volume growth in Central Europe
- ▶ Core meat and fish volumes compared to strong comparatives
- ▶ Seafood performance challenges
 - Impact of unprecedented inflation levels
 - Price investment
 - Delayed cost recovery / mitigation

▶ Central Costs

- ▶ Continued focus on cost control
- ▶ Reduced LTIP/Bonus costs

Recovery plan within seafood UK

Inflation Recovery



Working in partnership with our customers to deliver future inflation recovery in anticipated timescales

Cost Reduction Plan



Delivering the cost out plan 2023-24 and maintaining proactive cost out plans to support progress in rebuilding profitability and cash generation which will be delivered through a commercialised, collaborative, agile culture

Range Optimisation



Consumer led management of our procurement, supply chains, ingredients, customers and product portfolio proactively for mutual benefit of us and our partners

Automation



Realising annual benefits from continued investment in industry leading automation to enhance efficiency, reduce labour reliance, unlock capacity to support profitable future growth

Outstanding Protein Products: Summary of 2022

Growing the core, meeting needs in and out of home



1. Engineering range for consumer best fit
2. Channel expansion
3. Growth through new products in poultry

Recovery and progress in a challenging year



1. Recovery plan established and started
2. Onboarding of new customers and first cross-sales
3. New added value products in new geographies

Optimising growth in private label and brand partnerships



1. Geographical expansion in private label partnerships
2. New and improved products launched in existing markets
3. Evolved product portfolio growing in convenience foods

Growth through innovation and new geographies



1. Continued growth momentum in convenience
2. NPD for more meal occasions and channels
3. Launched more sustainable packaging formats

Leading Technology: Summary of 2022

Hilton Foods automation and supply chain services



1. Growth in existing retail partnerships in commissioning of air bridge in Melbourne to DC
2. Launch of returnable crate model in the convenience channel in Central Europe
3. Trialled a returnable crate project and electric vehicles for London direct delivery in food service

Increased ownership of Foods Connected



1. Winners of the Food and Drink Federation Award for Digital Transformation 2022
2. New customers wins across Europe, APAC and USA
3. Customer contract agreed with a leading retailer for the Clothing Connected platform

Growth in JV partnership and diversification into Europe



1. Growth through business development in the food sector
2. Growth in existing partnerships with leading tech and logistics companies
3. Geographical expansion including UK and Portugal

STRATEGIC PRIORITIES

2023



Outstanding Protein Products: Priorities for 2023

Growing the core, meeting needs in and out of home



1. Value for customers in cost of living crisis

2. Roll out of packaging improvement initiatives

3. Event and meal occasion led NPD

Sustainable profit recovery



1. Back to basics

2. Rebuild P&L

3. Unlock sustainable growth with all customers

Optimisation in private label and brand partnerships



1. Simplification and focus on the core offer

2. Driving our B2B relationships

3. Future reformulation of products

Growth through innovation and new geographies



1. Swedish food park development

2. Developing products for dinner for tonight

3. Premium range extension

Leading Technology: Priorities for 2023

Enable growth in existing retail partnerships and develop 'services'



1. Launch of Swedish food park extension
2. Completion of automation investments
3. Commercialise Hilton Services

Expansion, platform modernisation and diversification



1. Increase customer base in North America, accelerating growth in the USA
2. Strategic platform enhancements for Foods Connected
3. Continued execution of the diversification strategy unlocking growth in Racing, Clothing and Medical Connected platforms

Growth through expansion and development of firsts to market



1. Expansion within existing customers in new markets and ongoing service provision
2. Accelerated international expansion in new customers
3. Developing first to market new tech partnerships

Sustainable Protein Plan: Progress across all parts of the plan during 2022

2022 Highlights



Exceeded 30% of women in leadership target, with 33% of women in leadership

Launch and implementation of Global Supplier Social Responsibility Code of Conduct and Risk Assessment process

Developed best-practice grievance system 'Speak Up!'



A- rating from CDP for Climate Change

CDP rated "Supplier Engagement Leader" for second year running

16% reduction in equivalent scope 1 and 2 emissions since 2020*

14% reduction in absolute equivalent scope 3 emissions since 2020



Innovative first to market meat tray launched in the UK – removing 9m absorbent pads

95% of packaging materials across APAC now recyclable

Investment in Cellular Agriculture Ltd developing production systems for high quality, nutritious protein in the future within planetary boundaries

Sustainable Protein Plan: Stretching leadership targets to drive delivery

Business Targets



30% of all leadership roles filled by women by 2025

Global human rights programme



Reduce Scope 1 & 2 emissions by 25% by 2030
15% reduction in cattle emissions in Europe by 2025

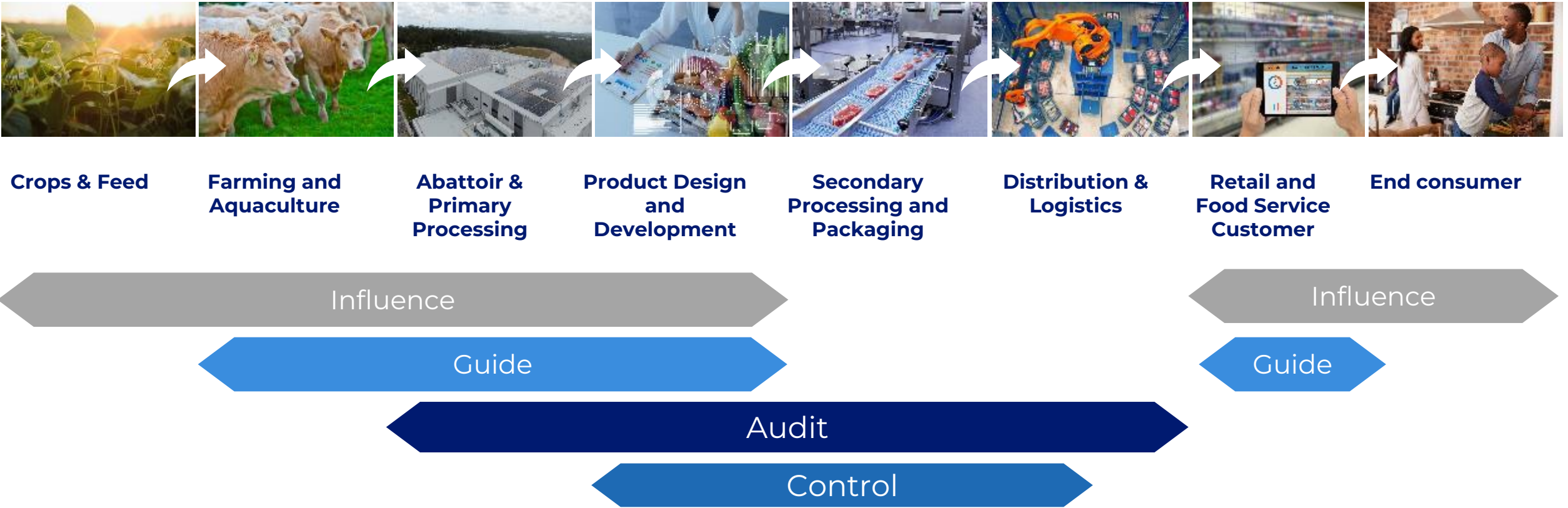


All Hilton Foods retail packaging fully reusable, recyclable or compostable by 2025
Halve Hilton Foods factory generated food waste by 2030 compared to 2019

New LTIP metrics – all senior leaders

	Weighting	Maximum vesting
Scope 1 & 2 energy efficiency	5%	43.9% reduction over 3 years
Packaging recycled content	5%	28.3% increase over 3 years
Food waste	5%	30.0% reduction over 3 years

Sustainable Protein Plan: Industry leading traceability & standards, from farm to fork



SUMMARY & OUTLOOK

FULL YEAR 2022



Summary

Outstanding Protein Products



Strong performance in meat & easier meals

Robust seafood recovery plans in place

Best fit range and innovation

Progress in packaging sustainability

Growing across International Markets



75% of volume outside the UK

Strong performance in APAC

New partnership with SATS, Singapore

Agito Group JV European expansion

Leading Technology



Growth in supply chain services

65% Ownership of Foods Connected

New customers in Agito JV

Investment in Cellular Agriculture

Delivered through The Sustainable Protein Plan

Continued progress made against all pillars in our ESG strategy and introduction of LTIP's

Outlook

- ▶ 2023 Current trading in line with expectations
- ▶ Seafood recovery progressing
- ▶ Well positioned to deliver growth in 2023
- ▶ Group CEO succession





Q&A

FULL YEAR 2022

International food and supply chain services partner of choice

APPENDIX

FULL YEAR 2022



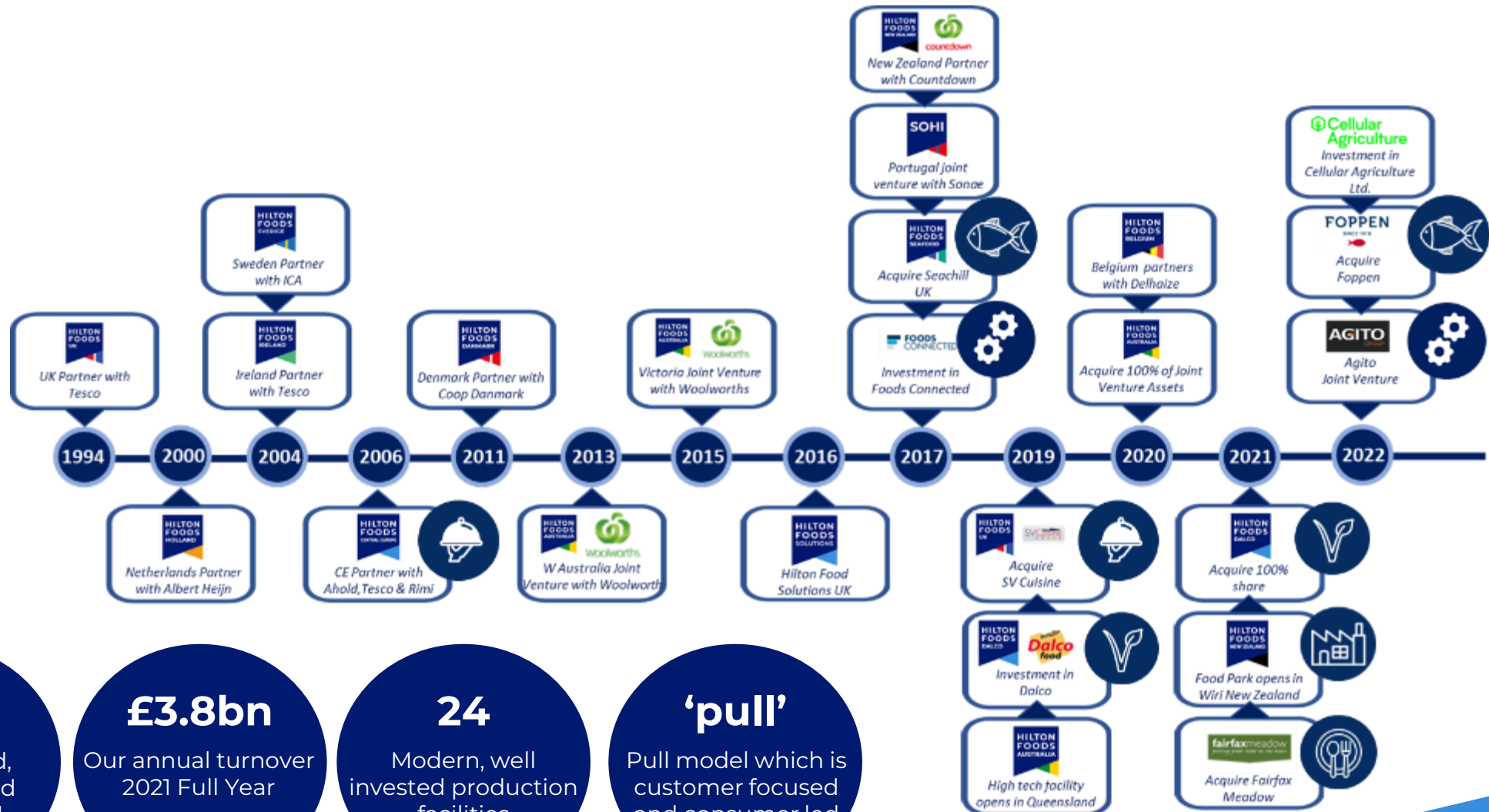
CEO Succession Profile

Steve Murrells CBE



Steve became Co-op Group CEO in March 2017 having previously led the Co-op's Food business. The Co-op is the UK's largest mutual business with more than 4.5 million members, 63,000 colleagues and a presence in every postal region of the country. Steve had overall responsibility for all the Co-op's businesses - Food, Funeral Care, Insurance and Legal Services. He oversaw the acquisition of Nisa Retail Limited which grew the Co-op wholesale to over 7,700 stores across the UK. Steve developed a bold vision for the Co-op, to 'Co-operate for a fairer world.' He led the organisation to stay true to this throughout and beyond the COVID-19 crisis and campaigned boldly on issues such as violence against shop workers, modern slavery, racial inequality, climate change and food poverty. Steve was made CBE in the New Year's Honours List for his efforts in keeping Co-op's customers, members and communities fed and cared for via its Food and Life Services businesses, against the backdrop of the pandemic. Before joining Co-op Group Steve was CEO at Tulip, Chief Commercial Officer for Fresh Foods at Tesco and held a number of buying roles in Sainsbury. Steve will assume the role of Hilton Foods Group CEO from 3rd July 2023.

A business to serve a growing protein, channel and supply chain service market with long-term growth



7000+

Highly skilled, dedicated and empowered employees

£3.8bn

Our annual turnover 2021 Full Year

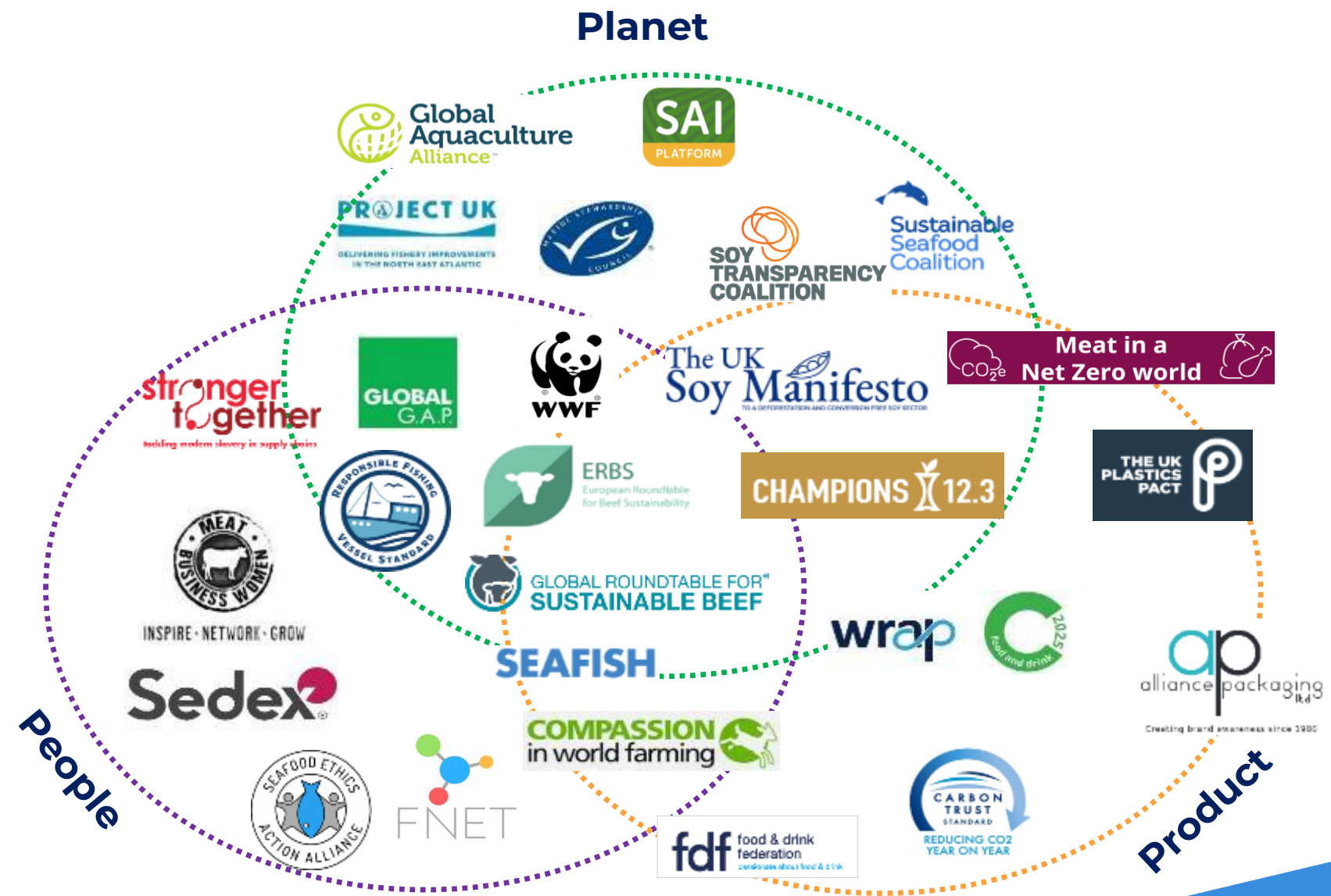
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Modern, well invested production facilities internationally

'pull'

Pull model which is customer focused and consumer led

Delivering progress and success through partnership



FY23 - Technical Guidance

► Capex

- Maintenance Capex £20-25m
- Continued UK Automation Investment £10-15m
- Other Capex £20-25m

► Interest

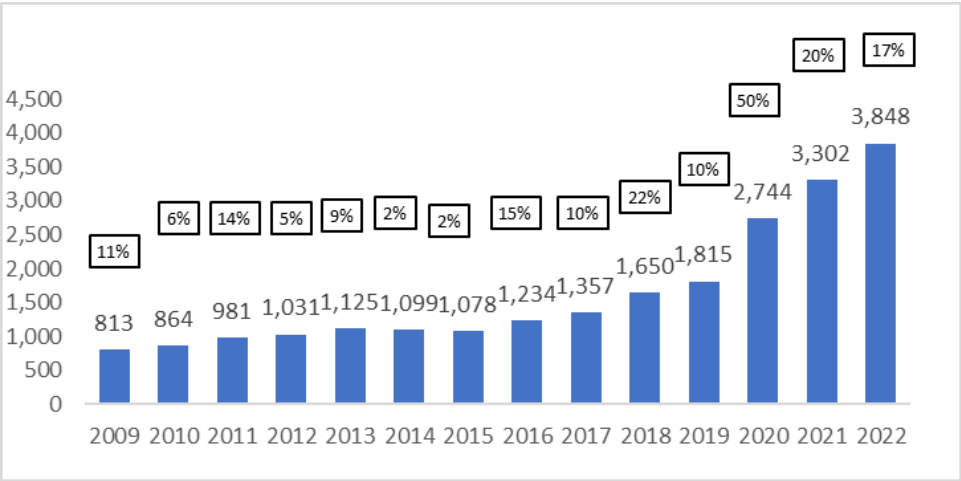
- Multi-currency floating rate debt
- Multiple reference rates
 - SONIA (GBP), EURIBOR, BBSW (AUD), BKBM (NZD) WIBOR (PLN)
 - FY22 weighted average reference rate 1.5%
 - FY23 YTD weighted average reference rate 3.3%

► Leverage

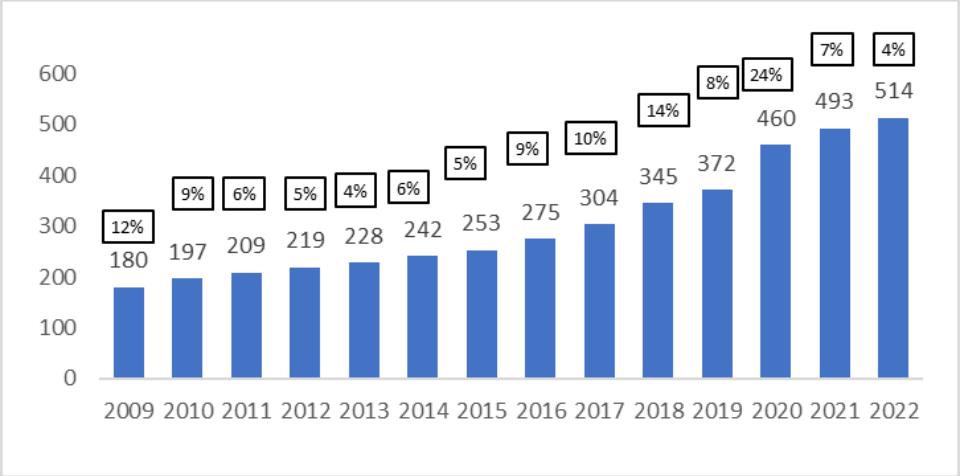
- Year end leverage 1.8x
- Strong operating cash generation
- Targeted leverage reduction 0.3-0.5x

Financial track record

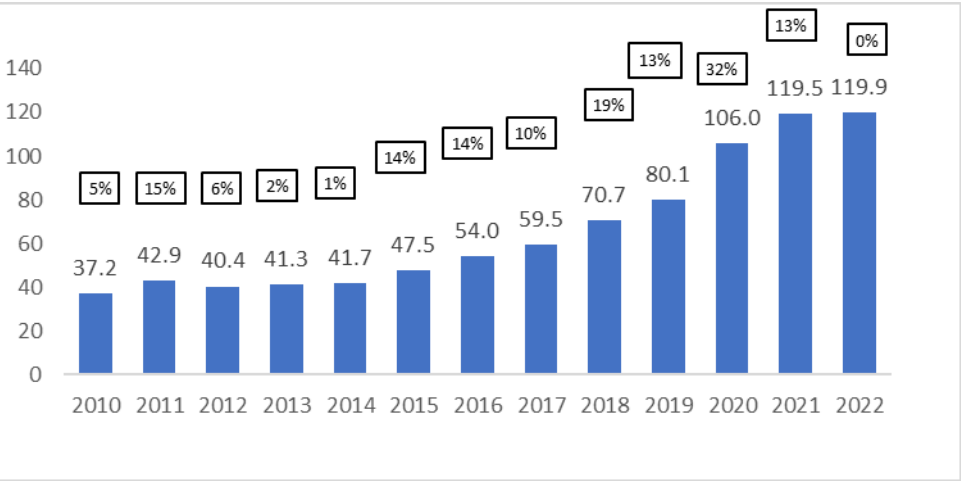
Turnover £m



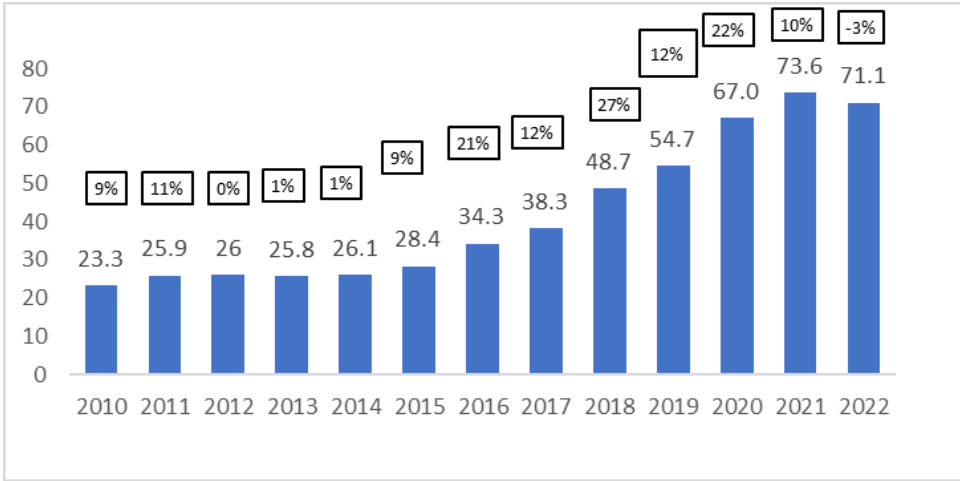
Tonnage (000's) (including share of JV volumes)



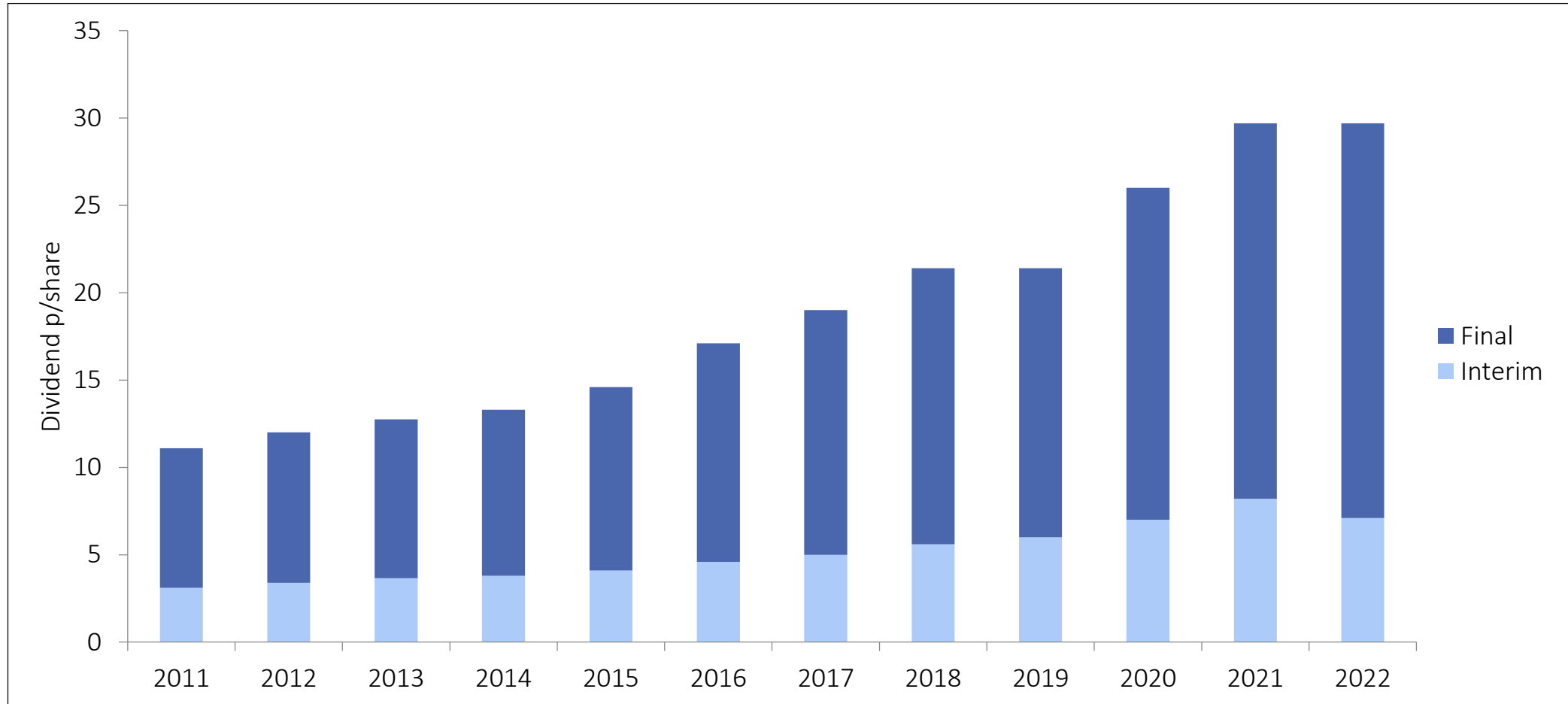
EBITDA £m



Operating profit £m



Dividend progression



Net Interest Charge

	2022 £m	2021 £m
Bank and other interest payable	(16.0)	(6.4)
Bank interest and other finance income receivables	0.4	-
Net interest on bank borrowings	(15.6)	(6.4)
Exceptional finance costs	-	(1.1)
Interest on lease liabilities	(8.8)	(8.5)
Net interest payable	(24.4)	(16.0)
Interest cover – ex IFRS 16 (times)	8.0	11.0

P&L – Adjusted to Statutory Measure

£'000	2022							2021						
	Adjusted P&L	Amort. of acq. FV adj	Exceptional Items	Stat P&L Ex IFRS 16	IFRS -16 impact		Statutory P&L	Adjusted P&L	Amort. of acq. FV adj	Exceptional Items	Stat p&L Ex IFRS 16	IFRS -16 impact		Statutory P&L
					Add back IAS 17 lease costs	IFRS 16-Deprn. & Interest						Add back IAS 17 lease costs	IFRS 16-Deprn. & Interest	
Operating Profit – excl. Exceptional Items	71,144	(8,257)	-	62,887	23,815	(20,780)	65,922	73,567	(2,778)	-	70,789	17,907	(18,214)	70,482
Exceptional items	-	-	(11,896)	(11,896)	-	-	(11,896)	-	-	(6,994)	(6,994)	-	(56)	(7,050)
Operating profit	71,144	(8,257)	(11,896)	50,991	23,815	(20,780)	54,026	73,567	(2,778)	(6,994)	63,795	17,907	(18,270)	63,432
Net finance costs	(15,654)	-	-	(15,654)	-	(8,758)	(24,412)	(6,405)	-	(1,131)	(7,536)	-	(8,498)	(16,034)
Profit Before Tax	55,490	(8,257)	(11,896)	35,337	23,815	(29,538)	29,614	67,162	(2,778)	(8,125)	56,259	17,907	(26,768)	47,398
Net Income	40,224	(6,370)	(11,751)	22,103	23,815	(28,212)	17,706	50,525	(2,250)	(5,009)	43,266	17,907	(24,030)	37,143

Balance Sheet Summary

As at	FY 2022				FY 2021		
	ex IFRS 16 £000's	Impact of IFRS 16 £'000	Reported £000's		ex IFRS 16 £000's	Impact of IFRS 16 £'000	Reported £000's
Non Current Assets	501,669	223,009	724,678		407,066	226,931	633,997
Current Assets	573,039	(1,931)	571,108		534,925	(1,498)	533,427
Current Liabilities	(463,642)	(10,244)	(473,886)		(617,260)	(9,106)	(626,366)
Net Current Assets	109,397	(12,175)	97,222		(82,335)	(10,604)	(92,939)
Total Assets Less Current Liabilities	611,066	210,834	821,900		324,731	216,327	541,058
Creditors Falling Due in Over 1 Year	(286,431)	(230,152)	(516,583)		(4,671)	(228,438)	(233,109)
Capital Employed	324,635	(19,318)	305,317		320,060	(12,111)	307,949
Share Capital	8,943	-	8,943		8,893	-	8,893
Distributable reserves	184,536	(16,674)	167,862		188,727	(12,278)	176,449
Other Reserves	120,188	(2,632)	117,556		115,884	175	116,059
	313,667	(19,306)	294,361		313,504	(12,103)	301,401
Minority Interests	10,968	(12)	10,956		6,556	(8)	6,548
Total Equity	324,635	(19,318)	305,317		320,060	(12,111)	307,949
Net Bank Debt	(211,565)	-	(211,565)		(84,562)	-	(84,562)
Net Debt – including lease liabilities	(211,908)	(245,815)	(457,723)		(85,415)	(242,543)	(327,958)

Cashflow Statement – IFRS 16 impact

£m	2022				2021*			
	Ex IFRS 16	IFRS 16 adj	Exceptionals reclass	Reported	Ex IFRS 16	IFRS 16 adj	Exceptionals reclass	Reported
Cash generated from operations	89.0	23.9	(14.6)	98.3	112.6	14.8	(7.2)	120.2
Tax and net interest paid	(29.5)	(8.8)	-	(38.3)	(25.6)	(8.6)	-	(34.2)
Net cash from operating	59.5	15.1	(14.6)	60.0	87.0	6.2	(7.2)	86.0
Maintenance capex*	(19.4)	-	-	(19.4)	(16.7)	-	-	(16.7)
Underlying free cashflow	40.1	15.1	(14.6)	40.6	70.3	6.2	(7.2)	69.3
Expansionary capex	(37.1)	-	-	(37.1)	(40.6)	-	-	(40.6)
Acquisitions & investments	(84.7)	-	-	(84.7)	(40.9)	-	-	(40.9)
Free cashflow – pre minorities	(81.7)	15.1	(14.6)	(81.2)	(11.2)	6.2	(7.2)	(12.2)
Payment of lease liabilities	-	(15.6)	-	(15.6)	-	(6.6)	-	(6.6)
Share issues	1.1	-	-	1.1	75.3	-	-	75.3
Own shares purchased	-	-	-	-	(2.3)	-	-	(2.3)
Dividends paid	(26.8)	-	-	(26.8)	(24.1)	-	-	(24.1)
Dividends from JV	0.7	-	-	0.7	2.3	-	-	2.3
Exceptional items	(14.6)	-	14.6	-	(7.2)	-	7.2	-
FX adjustments	(5.2)	-	-	(5.2)	5.2	-	-	5.2
Change in net funds/debt	(126.5)	(0.5)	-	(127.0)	38.0	(0.4)	-	37.6
Opening Net debt	(85.4)	0.8	-	(84.6)	(123.4)	1.2	-	(122.2)
Closing Net debt	(211.9)	0.3	-	(211.6)	(85.4)	0.8	-	(84.6)

Net Debt

	2022			2021		
	ex IFRS 16 £'m	Impact of IFRS 16 £'m	Reported £'m	ex IFRS 16 £'m	Impact of IFRS 16 £'m	Reported £'m
Cash and cash equivalents	87.2	-	87.2	140.2	-	140.2
Bank Borrowings	(298.8)	-	(298.8)	(224.7)	-	(224.7)
Net Bank Debt	(211.6)	-	(211.6)	(84.5)	-	(84.5)
Lease Liabilities	(0.3)	(245.8)	(246.1)	(0.9)	(242.6)	(243.5)
Net Debt – including Lease Liabilities	(211.9)	(245.8)	(457.7)	(85.4)	(242.6)	(328.0)