

**HILTON
FOODS**

HILTON FOODS FULL YEAR RESULTS

2023



AGENDA

Highlights

Business Overview

Financial Performance Summary

Business Update

Outlook & Summary



Robust performance in line with expectations

Revenue

+3.7%

£3.99b

Volume

+0.7%

517,347t

PBT

+19%

£66.0m

Free cash flow

£96m

Net debt: EBITDA 1.0x

EPS

52.8p

+17.1%

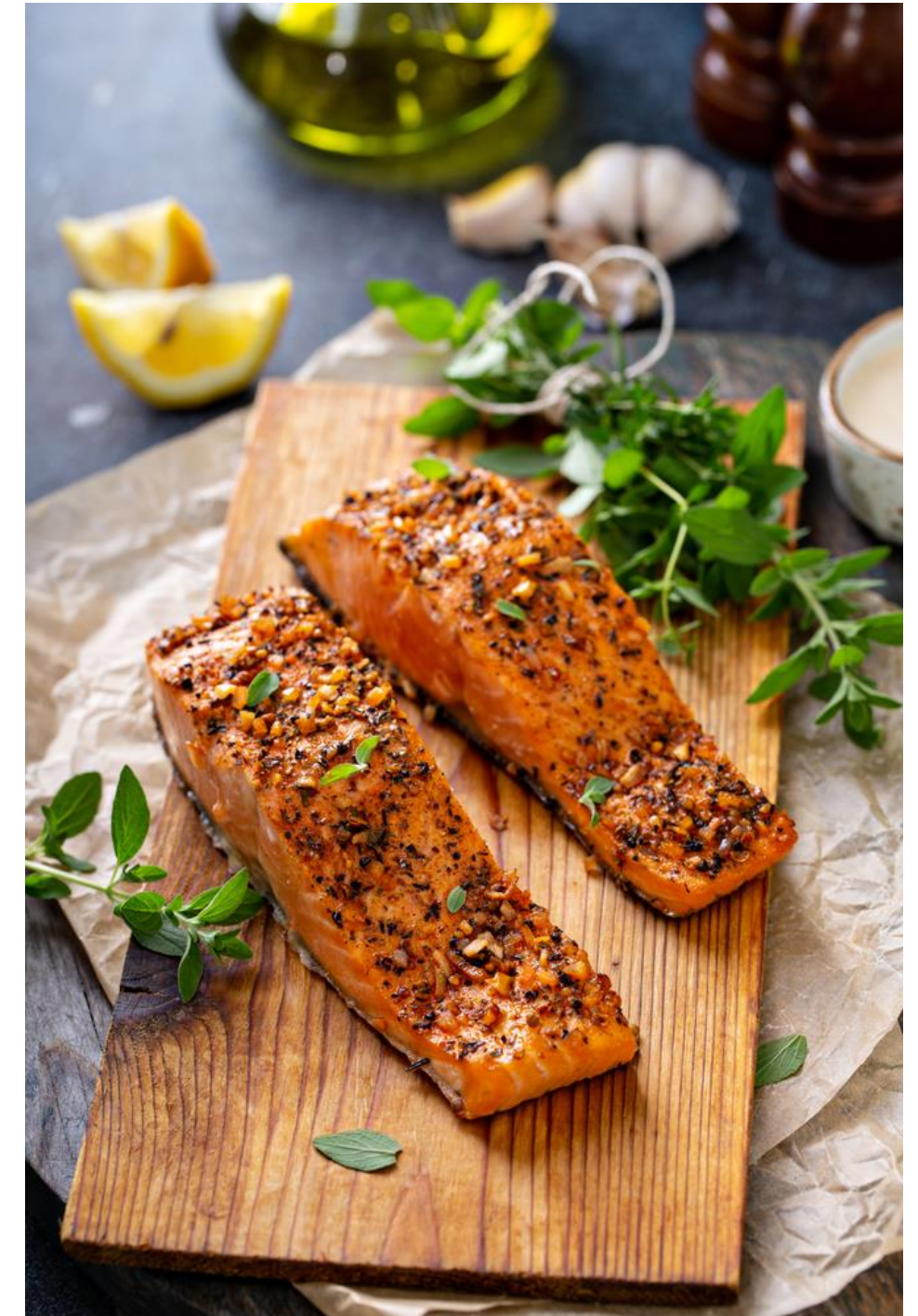
Dividend

32.0p

+7.7%

Strong operational performance

- ▶ Meat category remains robust in retail and foodservice
- ▶ Return to full year operating profitability in UK Seafood
- ▶ Timely response to structural market reset in vegan and vegetarian
- ▶ Easier meals continues strong performance across Central Europe, Scandinavia and the UK
- ▶ Long-term pipeline for growth in new partnership with Walmart in Canada
- ▶ Progress in sustainability, a central foundation of our commercial offer
 - ▶ More ambitious validated SBTi targets in line with 1.5c pathway
 - ▶ -14%* reduction in emissions in 2023
 - ▶ Food waste reduced by -42%*, and 70% of our packaging now recyclable

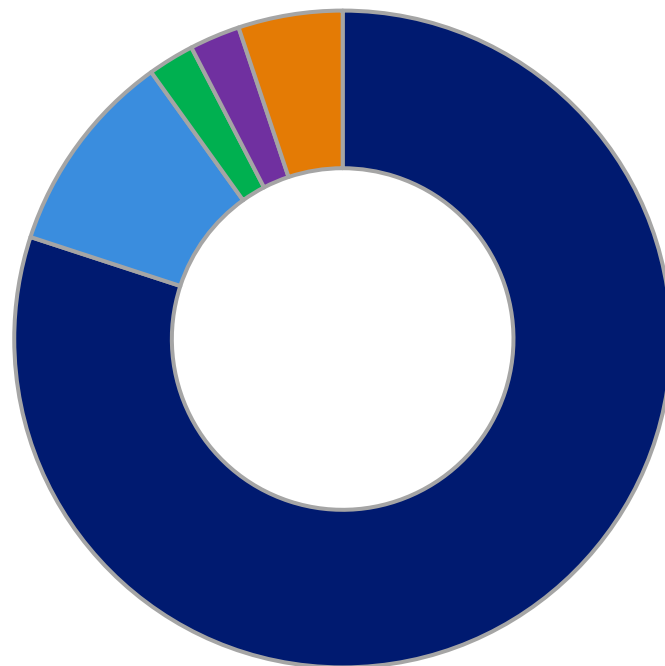


Driving long-term value

International food and supply chain services partner of choice

Outstanding food products

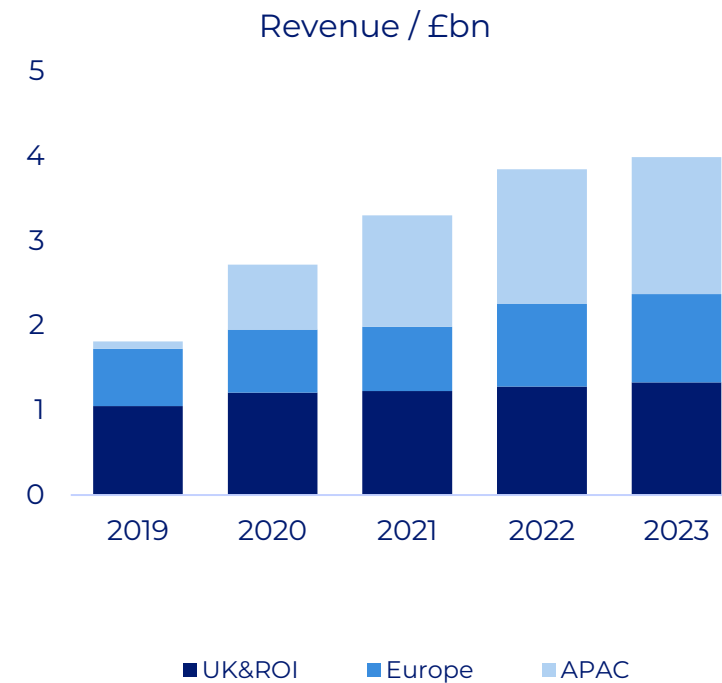
We create and produce award winning multi-category food products for retail, foodservice and wholesale best placed to meet consumer needs



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

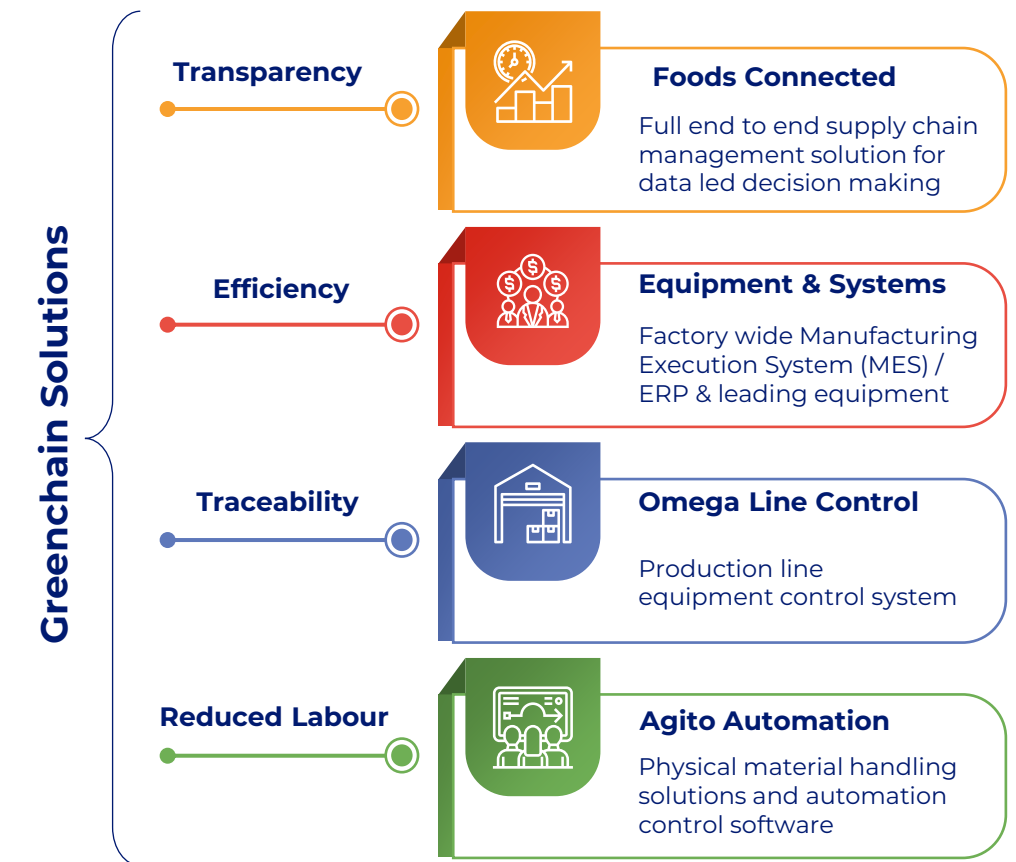
Growing internationally

Long term partnerships spanning almost 30 years with leading international retailers, operating, 24 facilities across 10 countries and over 7000 skilled colleagues



Industry leading technology

Efficient highly automated food processing, production, sortation and logistics services



Integration into our tech stack delivers Hilton Foods competitive edge and opportunity to commercialise

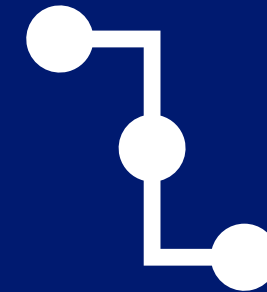
Our key priorities



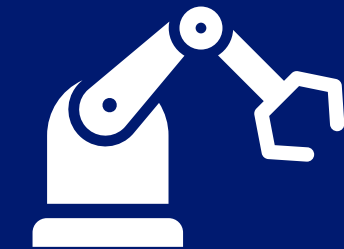
**Continue to grow our
global footprint**



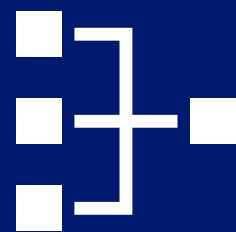
**Expand our multi-
category offer**



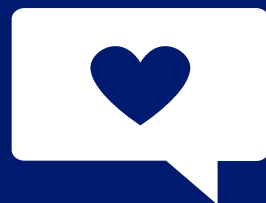
**Build further expertise
as a supply chain
partner**



**Continue to leverage
technology as a driver
of value**



**Philosophy of
simplicity**



**Develop food skills and
product innovation**



**Be rigorous in our
approach to the ESG
agenda**



**Continue to recruit
and develop expert,
motivated people**



**HILTON
FOODS**



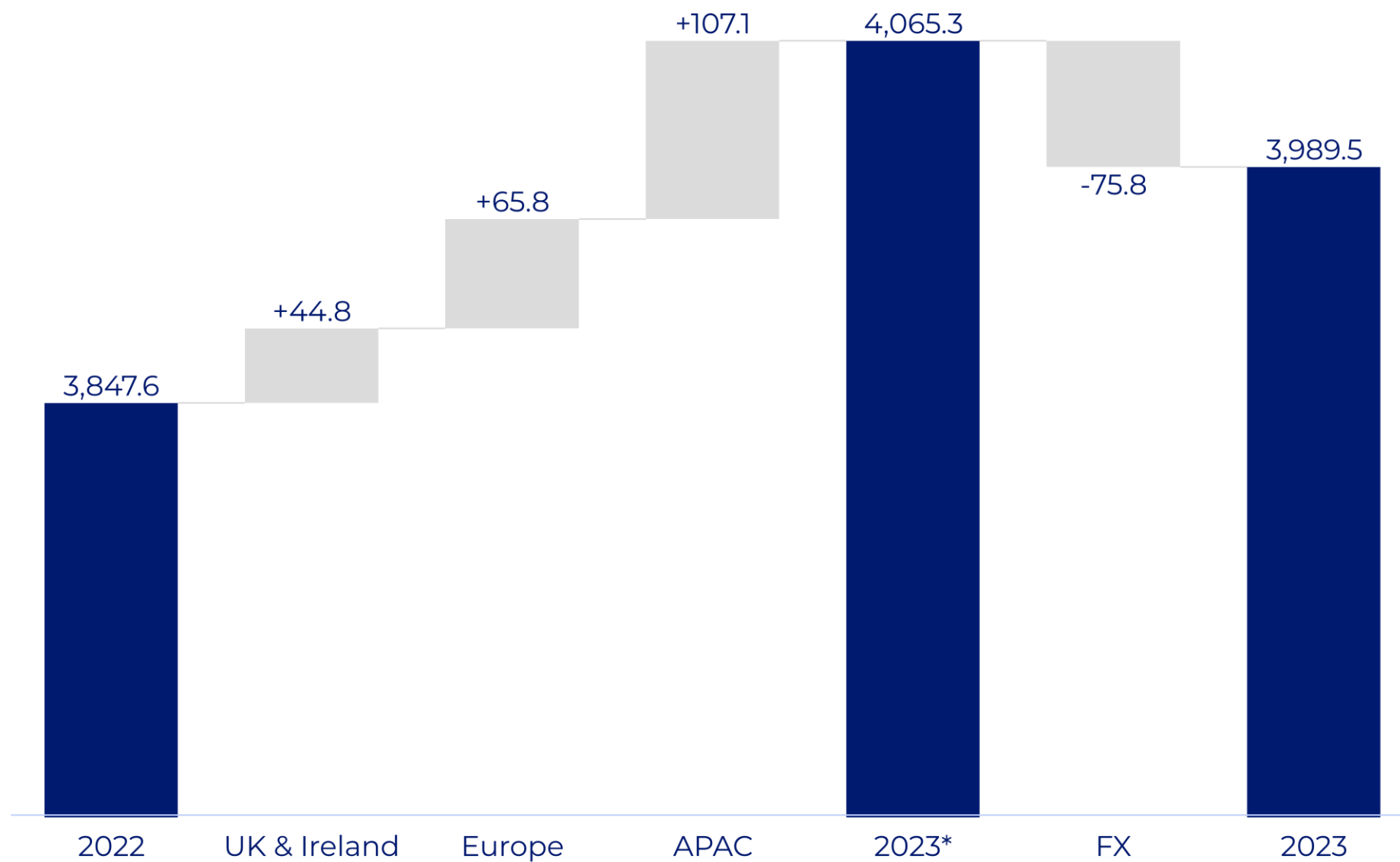
**FINANCIAL
PERFORMANCE
SUMMARY**

Performance Highlights

	2023	2022	+ / -
Volume / t	517,347	513,816	+0.7%
Revenue / £m	3,989.5	3,847.6	+3.7%
Operating profit / £m	95.0	71.1	+33.5%
Operating profit margin	2.4%	1.8%	+0.6 %pts
Enhanced conversion margin	12.7%	10.6%	+2.1 % pts
Profit before tax /£m	66.0	55.5	+19.0%
Adjusted EPS / p	52.8	45.1	+17.1%
Dividend per share /p	32.0	29.7	+7.7%
Capex / £m	58.6	56.5	+£2.7m
Net debt /£m	139.9	211.9	-£72.0m

Consistent positive revenue growth

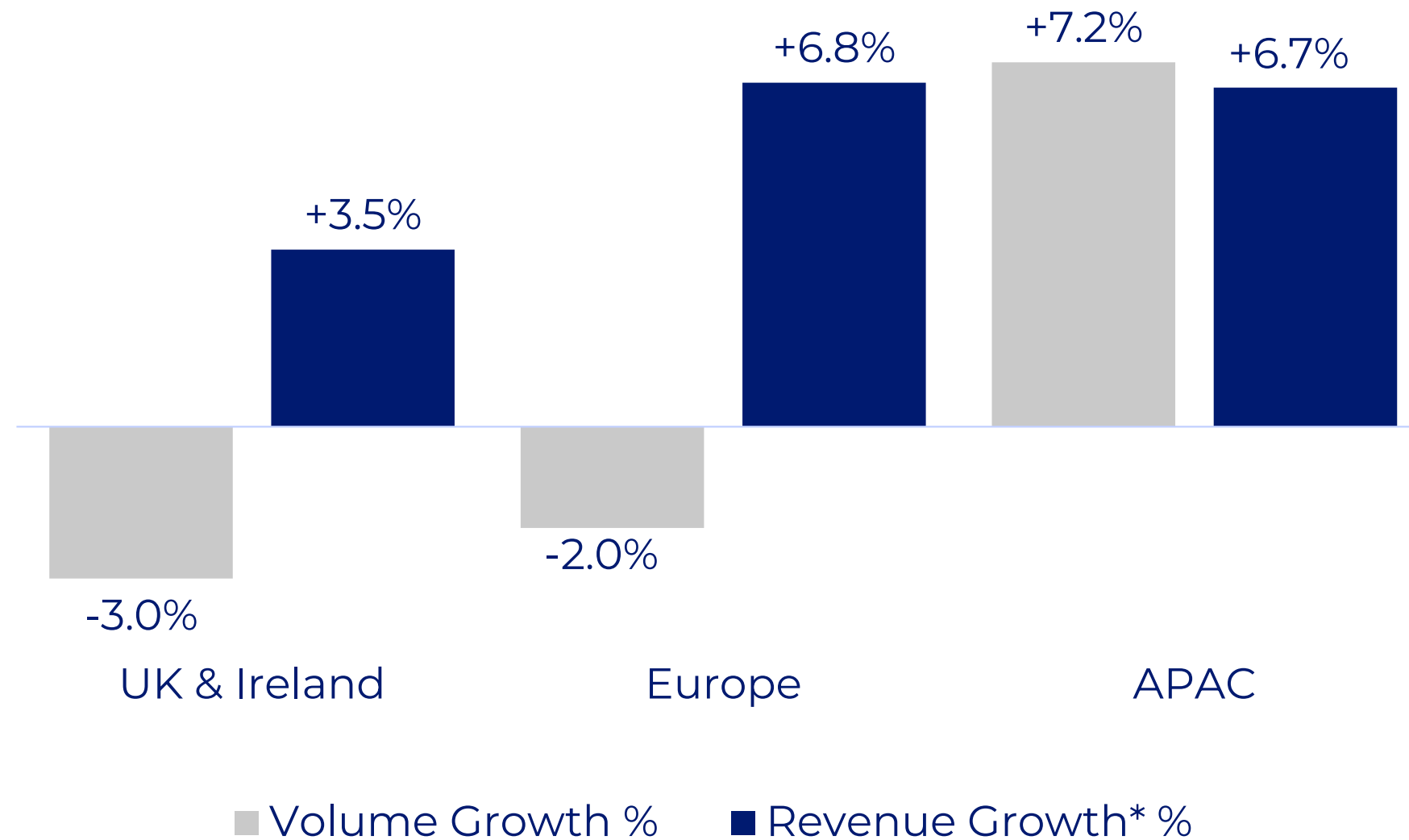
Revenue growth / £m



- ▶ + 5.7% constant currency revenue growth
 - ▶ Volume growth +0.7%
 - ▶ YoY price impact +4.4%
 - ▶ Change in mix +0.7%
- ▶ LFL revenue growth +4.8%
- ▶ LFL volume growth +0.5%
- ▶ Impact of strengthening GBP headwind

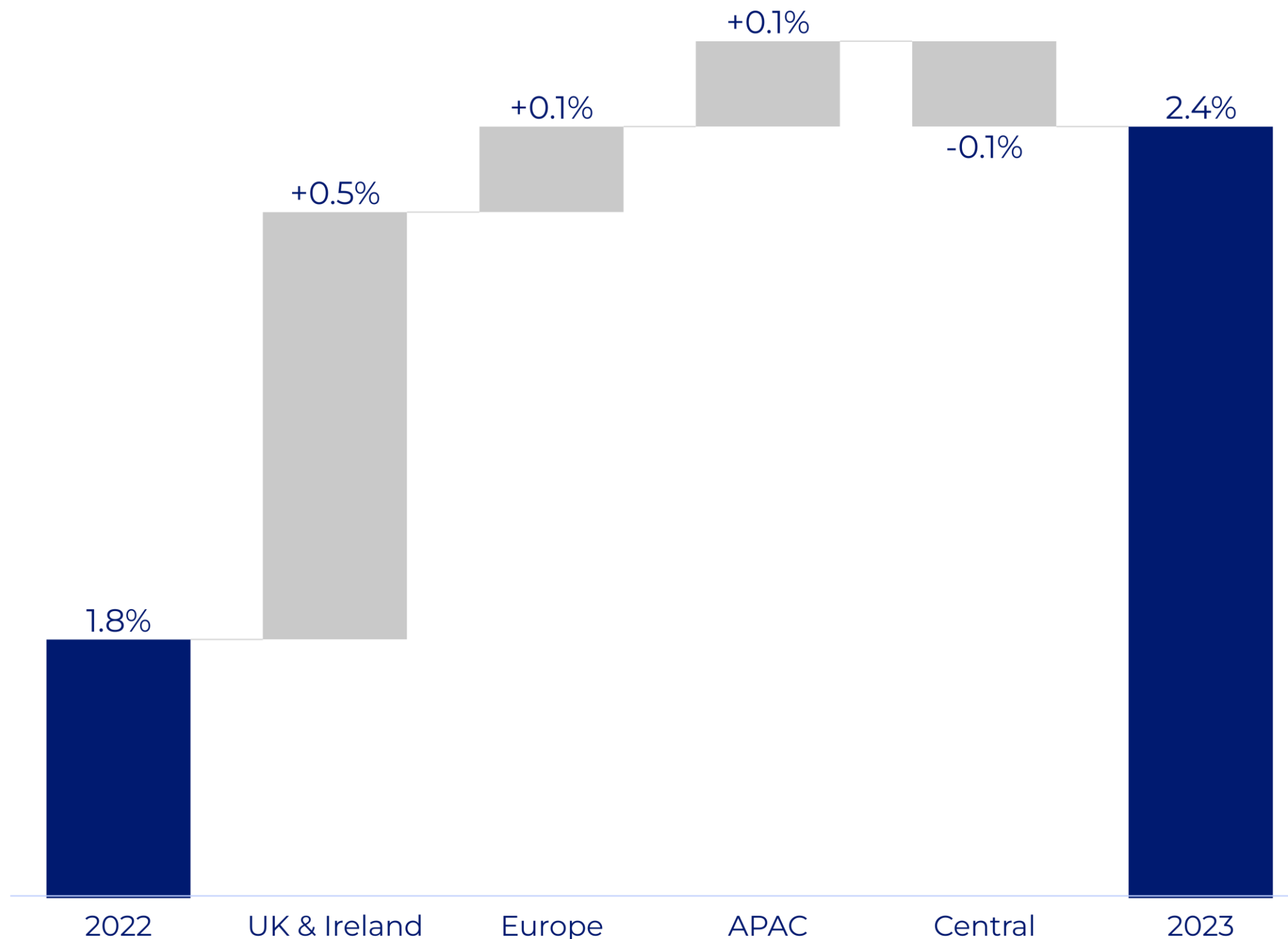
Regional revenue growth, particularly strong performance from APAC region

Volume / Revenue* Development by Region



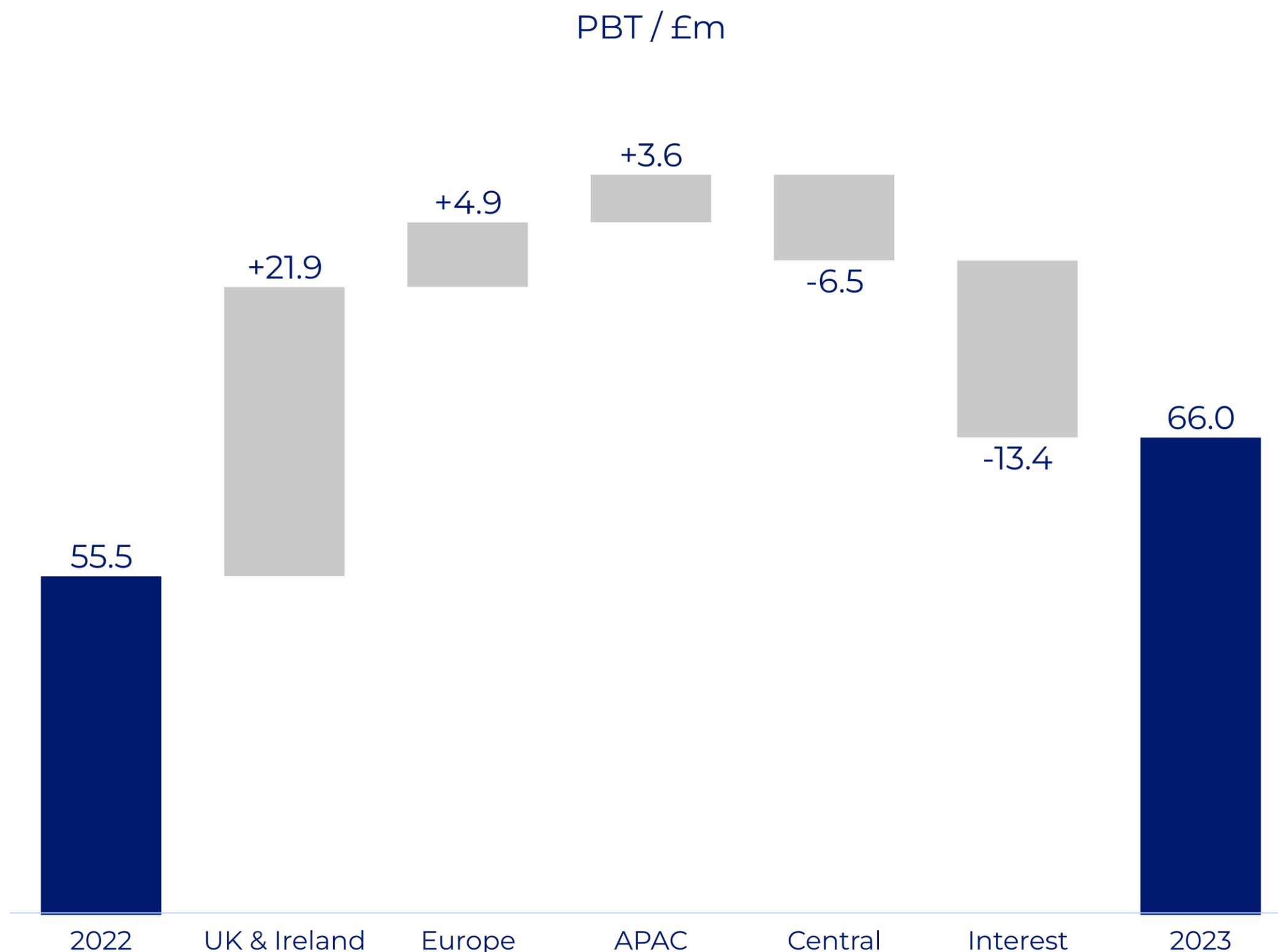
- ▶ UK & Ireland and Europe resilient volume performance impacted by inflationary market
- ▶ Full year of Foppen trading in Europe
- ▶ Structural market reset in vegan and vegetarian
- ▶ Strong APAC volumes

Positive operating margin progression



- ▶ Operating margin 2.4% up +0.6% pts
- ▶ Enhanced conversion margin 12.7% up +2.1% pts
- ▶ Benefits from turnaround of Seafood in UK & Ireland
- ▶ Full year of Foppen accretive to European margin mix
- ▶ Increased interest recovery in APAC
- ▶ Normalised central costs

PBT progression in all markets



- ▶ UK & Ireland
 - ▶ Seafood turnaround
 - ▶ Resilient core performance
- ▶ Europe
 - ▶ Structural market reset in vegan and vegetarian
 - ▶ Full year of Foppen business
- ▶ APAC
 - ▶ Volume growth
 - ▶ EBIT benefits from interest cost recovery
- ▶ Increased interest costs impacting PBT

Strong free cashflow generation

£m	2023	2022	+/-
EBITDA	144.0	119.9	+24.1
Working capital & other	50.6	(30.9)	+81.5
Tax & Interest	(40.1)	(29.5)	-10.6
Operating cash flow	154.5	59.5	+95.0
Maintenance capex	(20.1)	(19.4)	-0.7
Underlying FCF	134.4	40.1	+94.3
Expansionary capex	(38.5)	(37.1)	-1.4
Free cash flow*	95.9	3.0	+92.9
Net Debt	139.9	211.9	-72.0
Net debt: EBITDA	1.0x	1.8x	-0.8x

- ▶ Highly cash generative core business
 - ▶ Operating cash conversion 3.2x
 - ▶ Working capital benefit through optimised inventory management
- ▶ Reducing leverage
 - ▶ Annualised Net debt : EBITDA 1.0x
 - ▶ Board target of <2x
- ▶ Floating rate interest
 - ▶ FY23 Average rate on bank debt 6.0%
 - ▶ +2.7%pts vs FY22

Capex – focused investments targeting strong returns

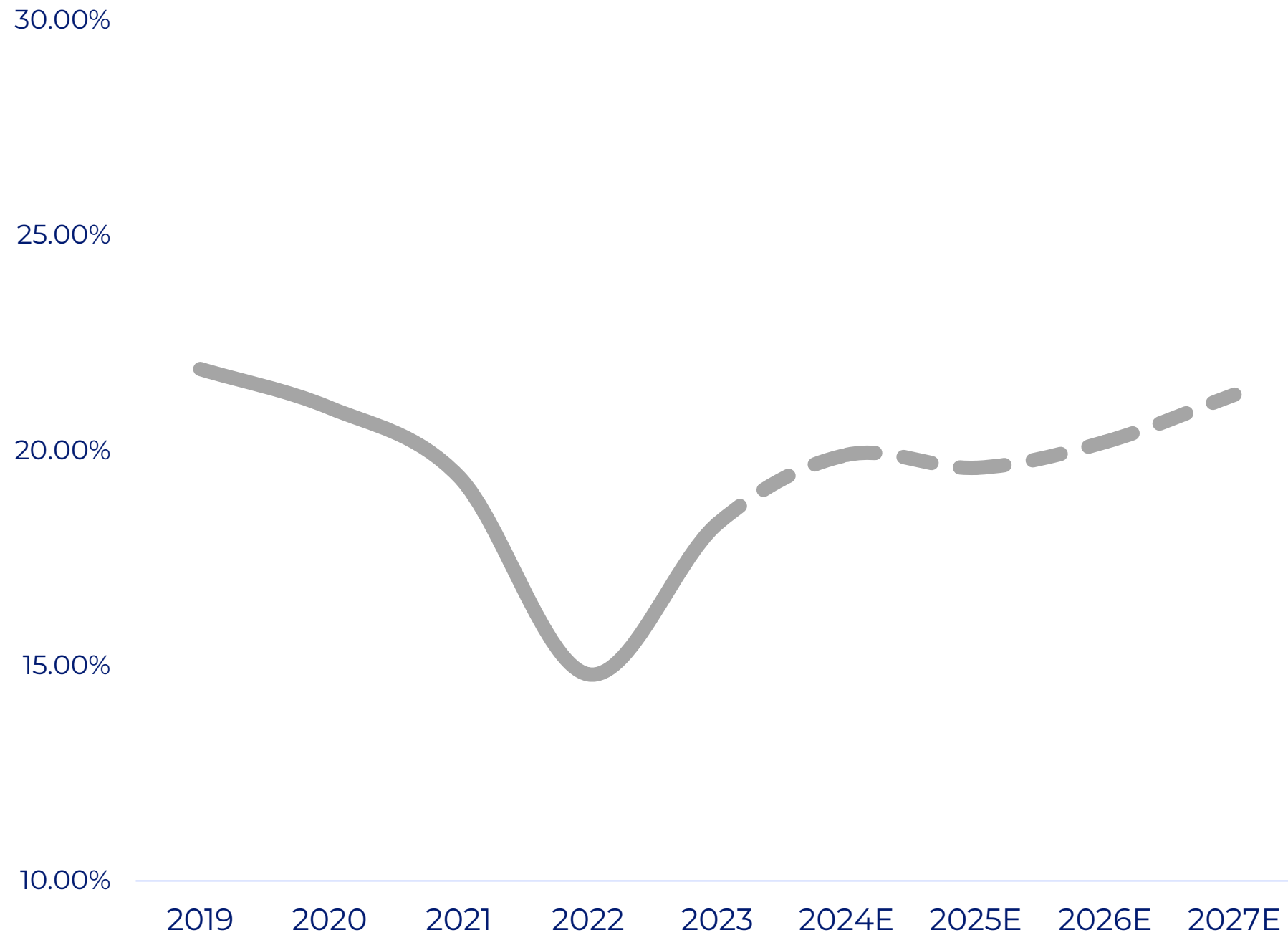
- ▶ Expansionary capex – supporting growth
 - ▶ Swedish Food Park – launched in Q3
 - ▶ UK automation investment - improving efficiency at Huntingdon and Grimsby facilities
- ▶ Maintenance capex – protecting the core
- ▶ FY24 targeted spend c£60m
 - ▶ Strong pipeline of expansionary investment opportunities

£m	2023	2022	+/-
Expansionary capex	38.5	37.1	+1.4
Maintenance capex*	20.1	19.4	+0.7
Total core	58.6	56.5	+2.1

£m	2023	2022	+/-
UK & Ireland	29.6	33.5	-3.9
Europe	21.0	12.5	+8.5
APAC	7.8	9.6	-1.8
Other	1.2	1.2	-
Disposal proceed	(1.0)	(0.3)	-0.7
Total core	58.6	56.5	+2.1

Focus on sustainable returns

ROCE Progression



▶ **2023 ROCE 18.3%**

▶ +3.5% pts vs 2022

▶ **In-year ROCE progression**

▶ Seafood turnaround

▶ Continued positive impact of APAC

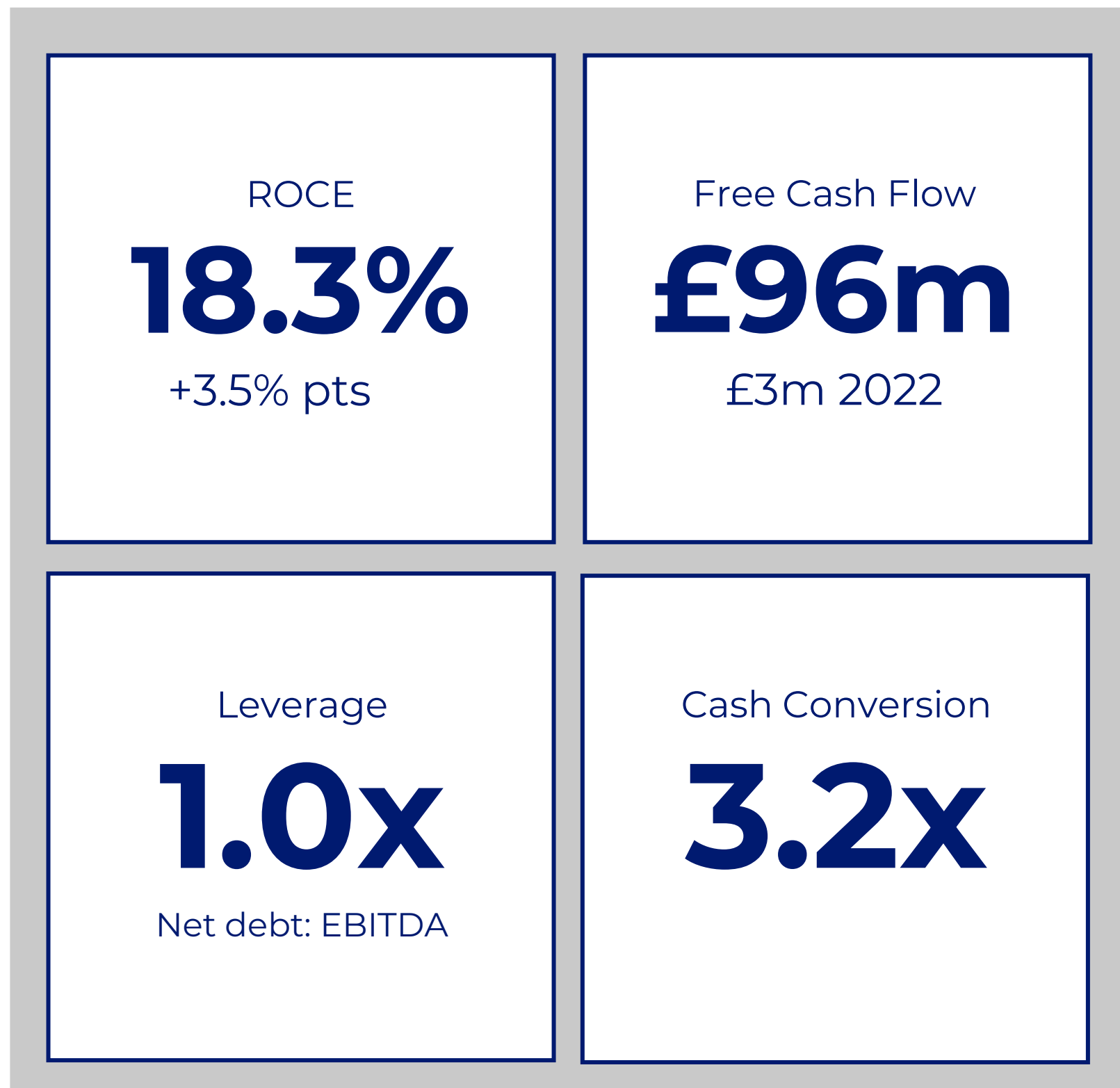
▶ Working capital focus

▶ **Hilton Foods Canada**

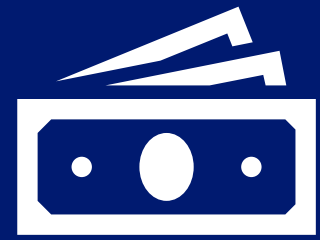
▶ Short term ROCE dilution

▶ Sustained YoY ROCE improvements as capital matures

Strong balance sheet and capital allocation framework in place



Our medium-term financial ambitions



Focused investment
delivering sustainable
returns

> 20%

ROCE target

< £50_m

Target capital spend
per annum

< 2.0x

Leverage

> 1.5x

Cash conversion



Grow margin through
additional services



Sustained mid-single
digit profit growth



Organic mid-single
digit EPS growth

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**BUSINESS
UPDATE**

Responding to consumer needs through our long-term partnerships

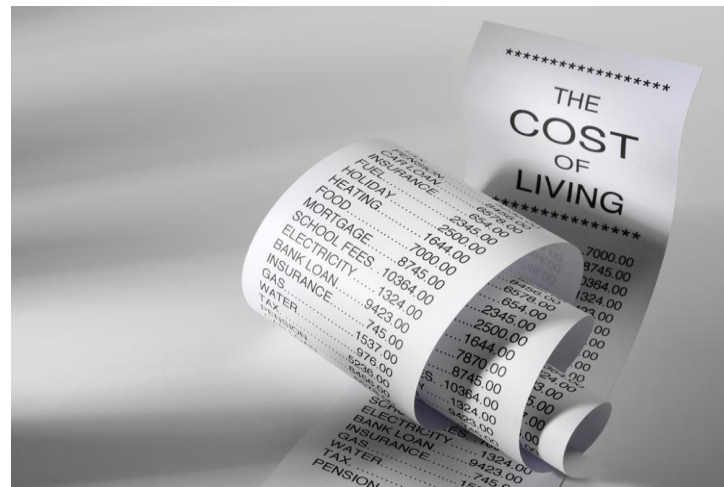
Affordable product proposition

More ideas for healthier meals and products

Easier and quicker products to prepare

Prioritising more sustainable choices

Seeking experience and indulgence



We are making progress in expanding our multi-category offer, but growth opportunities remain

Innovation within existing partnerships



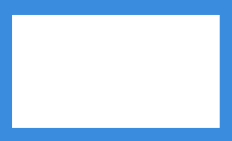
Cross sales of our product portfolio



New partnerships



	UK	Ireland	Holland	Denmark	Sweden	C. Europe	Portugal	Australia	New Zealand	Asia	North America
Meat	Incremental	Incremental	Incremental	Incremental	Incremental	Incremental	Incremental	Incremental	Incremental	New	New
Seafood	Incremental	Incremental	Incremental	New	New	New	New	New	Incremental	Incremental	Incremental
Vegan & Vegetarian	Incremental	New	Incremental	New	Incremental	Incremental	Incremental	New	New	New	New
Easier Meals	Incremental	New	New	Incremental	Incremental	Incremental	New	New	New	New	New
Food Service	Incremental	New	Incremental	Incremental	New	New	New	New	New	New	New



New category growth



Incremental growth in an existing market

2023 Highlights - Driving our multi-category offer



Strength in our core category in retail and foodservice



A strong platform for growth in seafood



Sustainable, rationalised operating footprint



Strong growth as shoppers seek easier, quicker product solutions



Core food business supported by our 'market leading' technology, and progress in commercialisation of our supply chain services

Strength within our core meat category



Best placed product ranges

Growth in APAC underpinned by new product launches meeting affordable everyday consumer needs

Strong festive trading across Europe and UK in retail with award-winning innovation

Continued roll out of flow wrap packaging across Holland, Sweden, Ireland and UK



Robust performance in foodservice

Mitchells & Butlers supplier of the year

New business onboarding and secured pipeline into 2024

Celebrating 50-years of Fairfax Meadow heritage in 2024



Progress as protein partner of choice

Growth in fresh poultry through existing partnerships with ICA, Coop and Woolworths

Extended supply chain sortation services for festive poultry in Denmark

Protein supply chain responsibility for Albert Heijn

A strong platform for growth in Seafood



Back to full year operating profitability

Consolidation and driving the core product range

Inflation recovery and complementary new business

Cost out operational transformation



Sustainable platform for growth

Strategic promotions in core product offer

Success in unlocking cross sales and product range extensions to existing customers

Expanding our international reach



Carrying momentum into 2024

Annualised benefit of turnaround plan

Realising growth within new customer relationships and international reach

Stronger supply chain and buying models

Sustainable, rationalised operating footprint in vegan and vegetarian



Structural market reset showing signs of stability

Structural market reset

Short term business performance impacted

Sector forecast reduced; 3yr CAGR c.3%*



Production facility consolidation completed

Operating facilities rationalised to single site

Timely response to market contraction in second half of the year

Optimising a one site centre of excellence



Sustainable base for growth

Portfolio review and range rationalisation

Strategic business development creating a pipeline for growth

Opportunities in private label

Strong growth in easier meals as shoppers seek easier, quicker product solutions

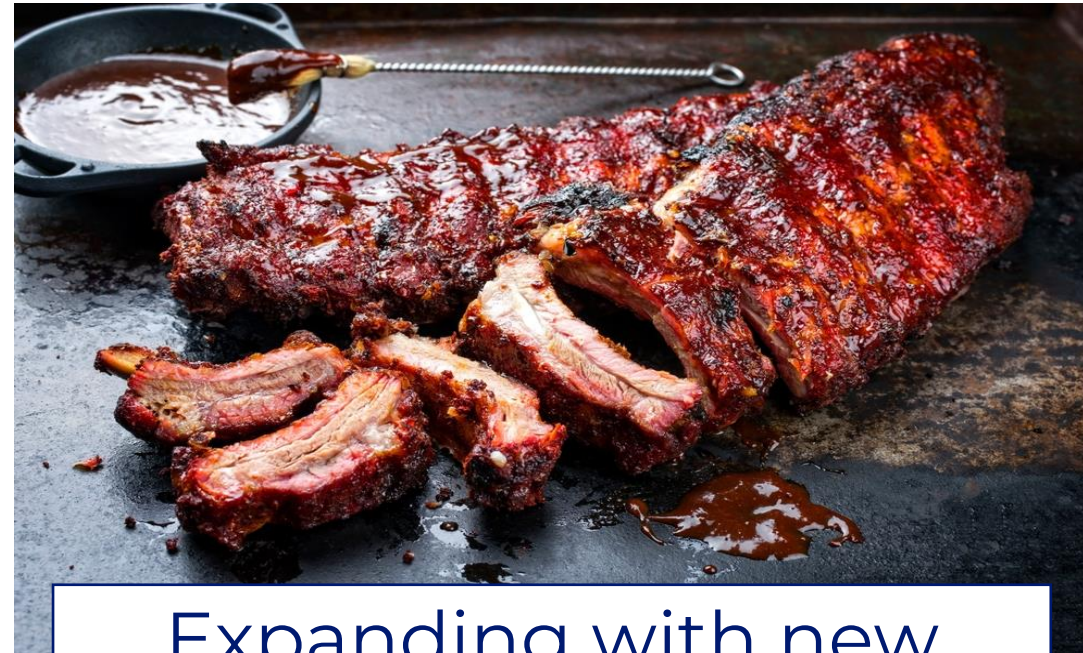


Growth in existing product offer

Relaunched sandwiches and wrap product offer in Central Europe which are performing ahead of expectations

Healthier new products performing strongly in CE ready meals

Growth through new products launched in partnership with Zabka



Expanding with new customers

Central European facility extended reach into new partnership in Romania

New Tesco RTC range launched in October 2023

Extending the 'Cook' range of added value meal centres with Woolworths



Convenience foods launched in Scandinavia

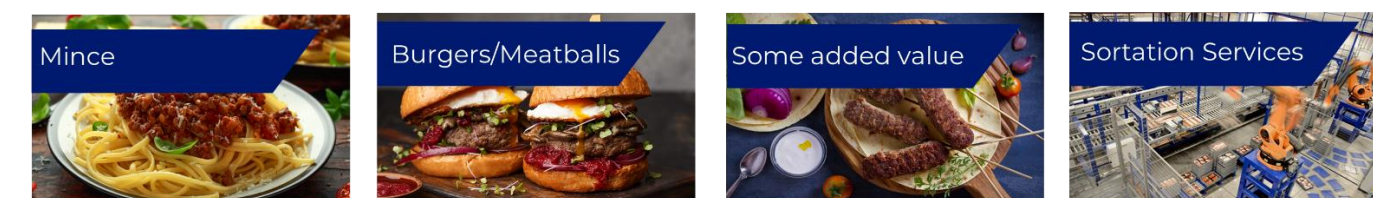
Launch of the fresh food park facility in Sweden

Serving our local partner with highly localised convenience products

Unlocked cross-sales from product range launched from the Fresh food park from Sweden into Denmark

Hilton Foods Canada - our first operating facility in North America

- ▶ Long-term partnership agreement with the no.1 retailer in the world
- ▶ In Canada, Walmart operate a chain of >400 stores nationwide
- ▶ Initial development of a multi-protein food park
- ▶ Additional services include crate wash and store order pick sortation services for Hilton Foods and Third-Party products
- ▶ Transparent cost-plus model
- ▶ Full production now expected 2027



1. Opportunity identification



2. Business development



3. Design & Execution

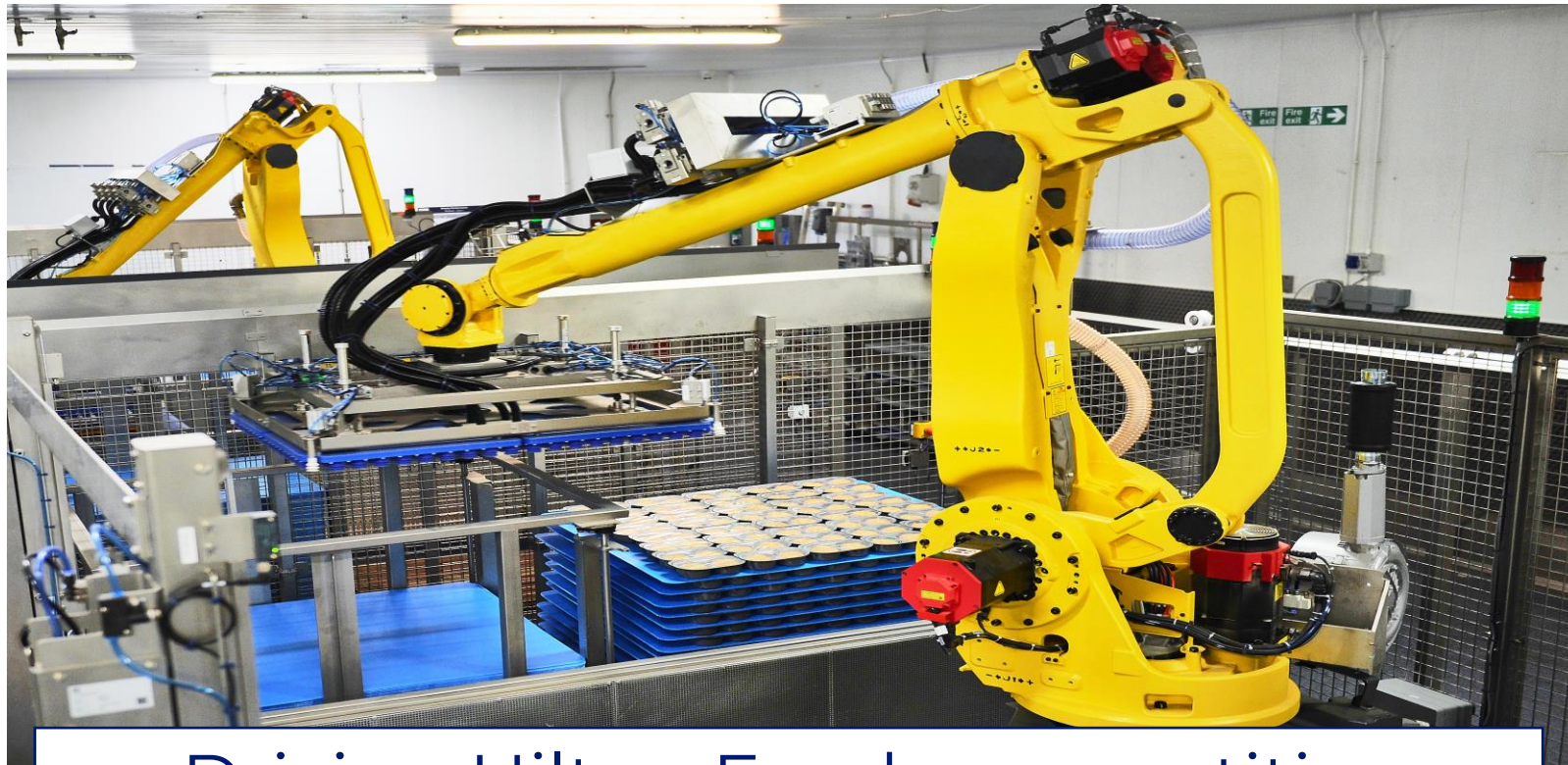


4. Go live: Start-up & Ramp-up



5. Driving the ongoing operation

‘Market-leading’ tech enhancing our food business’ competitive advantage and progress in commercialisation



Driving Hilton Foods competitive advantage

Delivered Hilton Foods UK and Seafood UK automation programmes reducing labour reliance

Trusted and optimised supply chains through Foods Connected data insight platform

Extended crate wash and sortation services in Denmark



Early stages of commercialisation journey

Foods Connected wins new customers and extended international reach

Agito Group JV chosen automation partner for multi-national e-commerce retailer

Developing brand and market proposition

Sustainability is central to our commercial offer

People

78%

High colleague engagement score

Supporting our colleagues with learning and development in our **manufacturing excellence and international leadership programmes**

Established group Wellbeing Framework and **extended mental health first aider training** to more colleagues

Planet

1.5°C

Validated SBTi's increased ambition

A-

CDP Climate rating maintained overall, improving soy and timber to a B in Forests disclosure

-14%

Reduction in FY 2023 equivalent scope 1 and 2 emissions *

Product

70%

of our packaging is now recyclable

1971

Tonnes of plastic removed from our packaging*

-42%

reduction in food waste*

ISO

50001 accreditation for energy management system across 10 sites with further roll out planned throughout 2024

All senior leaders' LTIPs include sustainability objectives across all three pillars

Board level leadership of Sustainability Committee

Increased ambition of SBTi's in line with 1.5 degrees

PREVIOUS TARGETS

Reduce absolute Scope 1 & 2 emissions

25%

By 2030

From a 2020 base year

Reduce absolute Scope 3 emissions

12.3%

By 2030

From a 2020 base year

Net Zero pledge before

2050

NEAR-TERM TARGETS

Reduce absolute Scope 1 & 2 emissions

95%

By 2030

From a 2020 base year

Reduce absolute Scope 3 emissions from energy & industrial sources

45%

By 2030

From a 2020 base year

Reduce absolute Scope 3 emissions from forestry, land & agriculture

45%

By 2030

From a 2020 base year

LONG-TERM TARGETS

Reduce absolute Scope 1 & 2 emissions

98%

By 2048

From a 2020 base year

Reduce absolute Scope 3 emissions from energy & industrial sources

90%

By 2048

From a 2020 base year

Reduce absolute Scope 3 emissions from forestry, land & agriculture

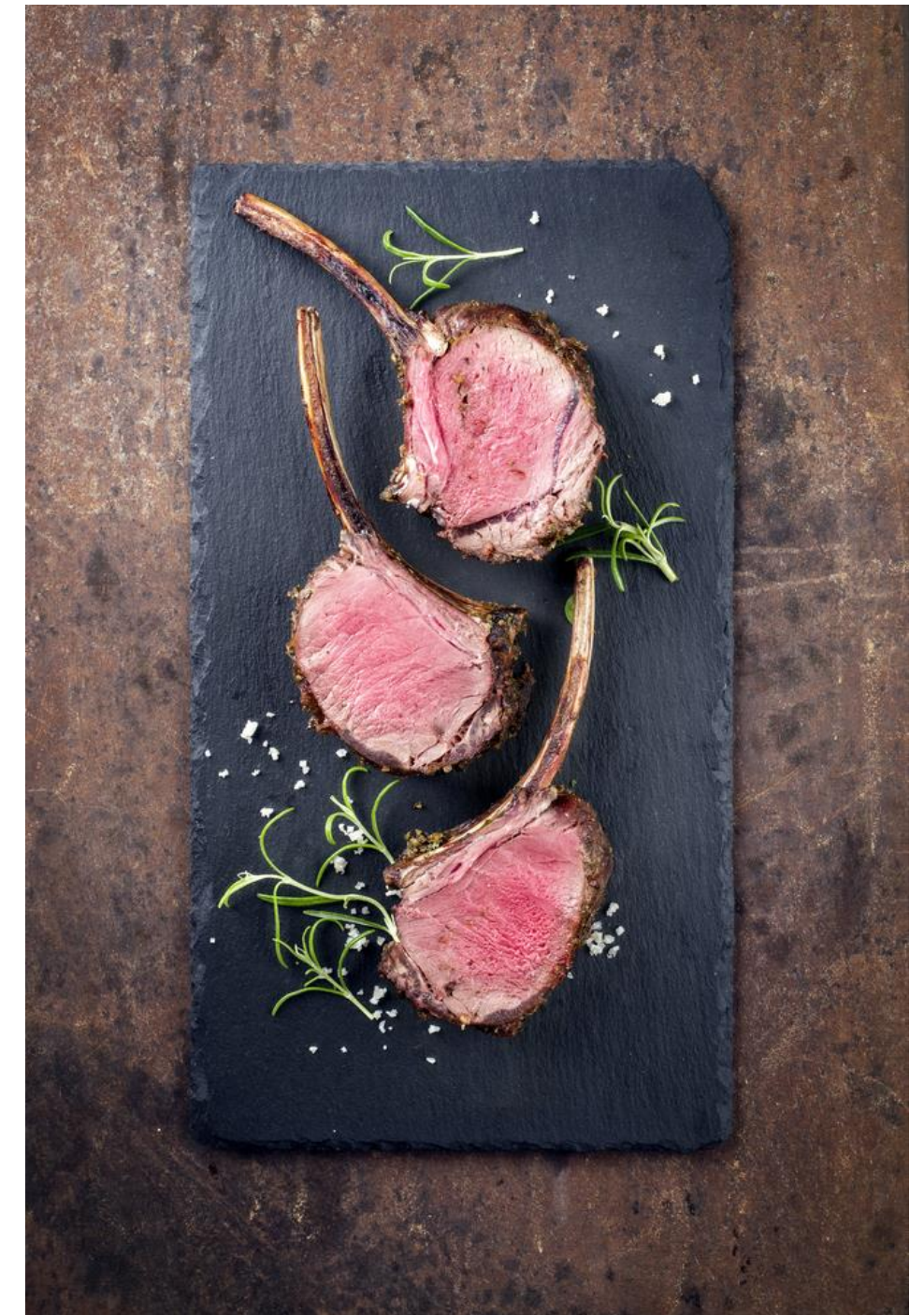
100%

By 2048

From a 2020 base year

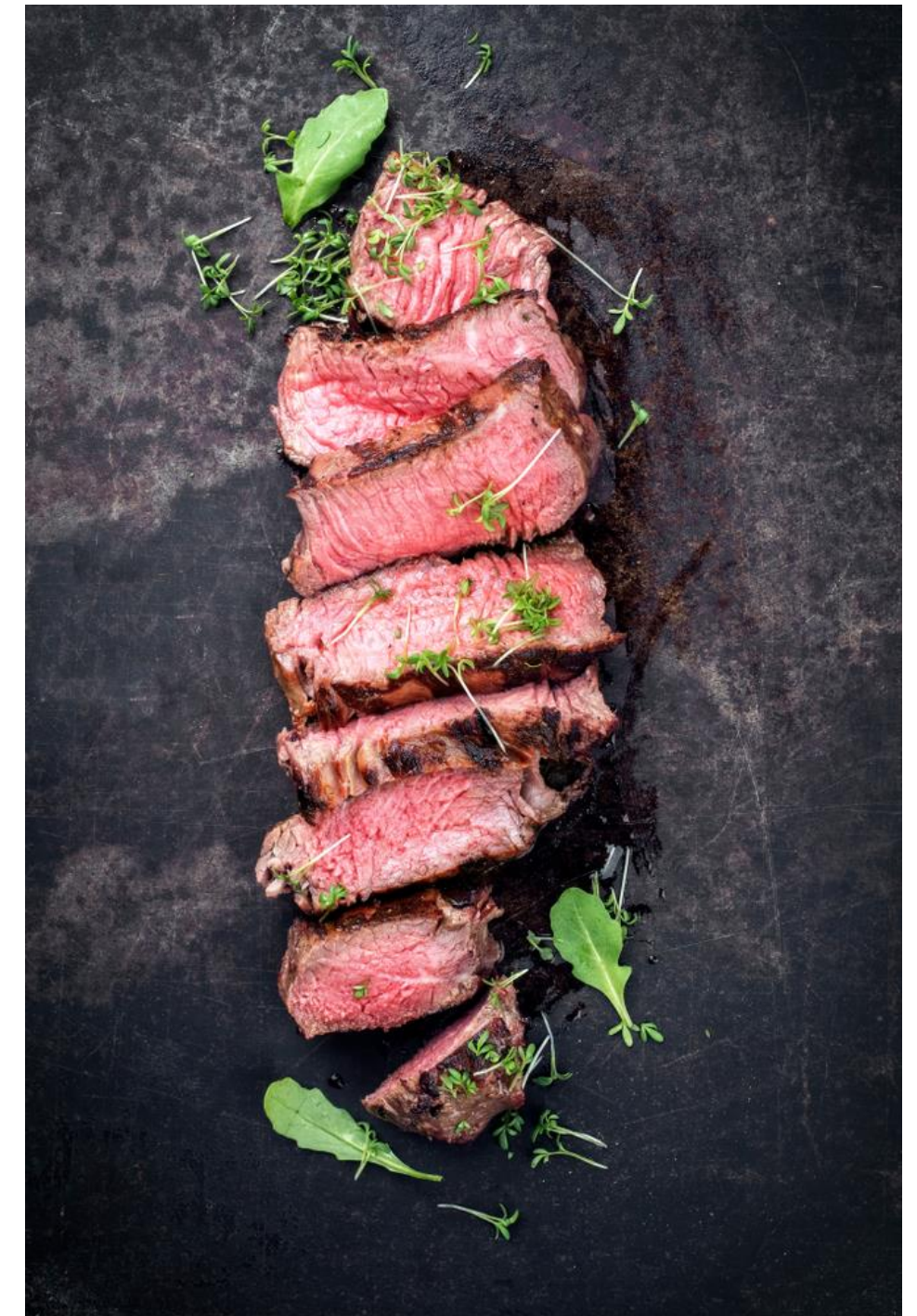
Outlook

- ▶ 2024 Trading started in line with expectations although markets remain challenging
- ▶ The Group's financial position continues to be strong with improving leverage and headroom at comfortable levels in line with our medium-term financial ambitions
- ▶ We continue to explore new growth opportunities with existing partners, wider geographic expansion and complementary M&A
- ▶ We are confident the business is well-placed within a large and attractive international market



Summary

- ▶ Robust full year results and strong operational performance as a platform for growth
- ▶ A real USP optimising cost, quality, service and innovation
- ▶ Driving our competitive advantage through Greenchain Solutions
- ▶ Progress in our sustainability commitments is central to our commercial proposition
- ▶ Underpinned by stability in our long-term partnerships
- ▶ Opportunities for growth within our unique multi-category offer across an expanding international footprint



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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.

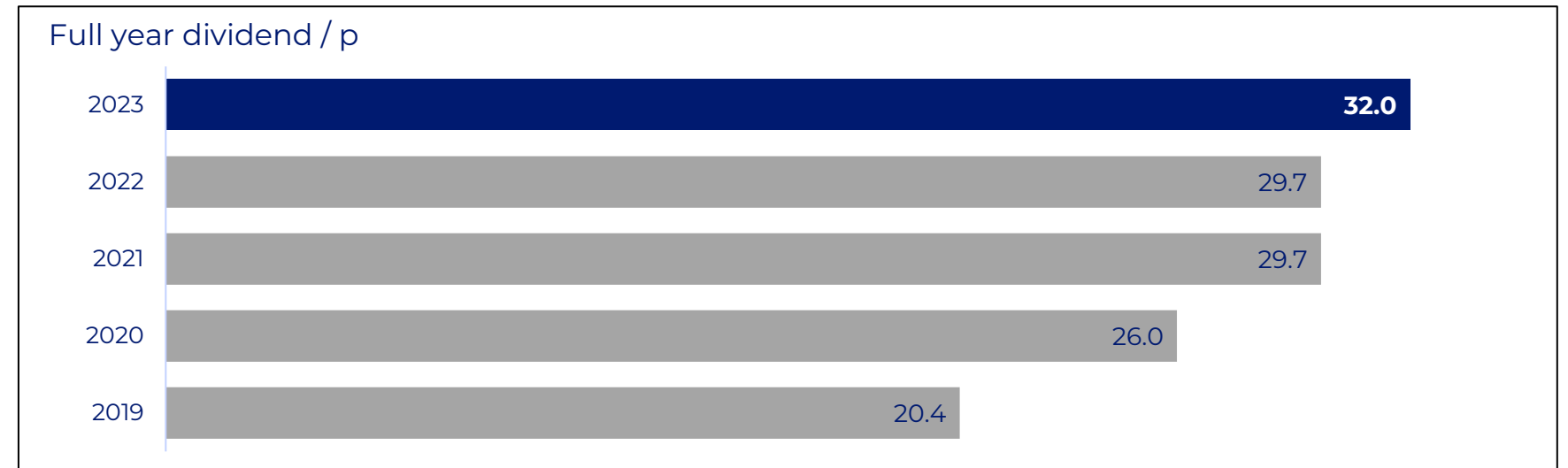
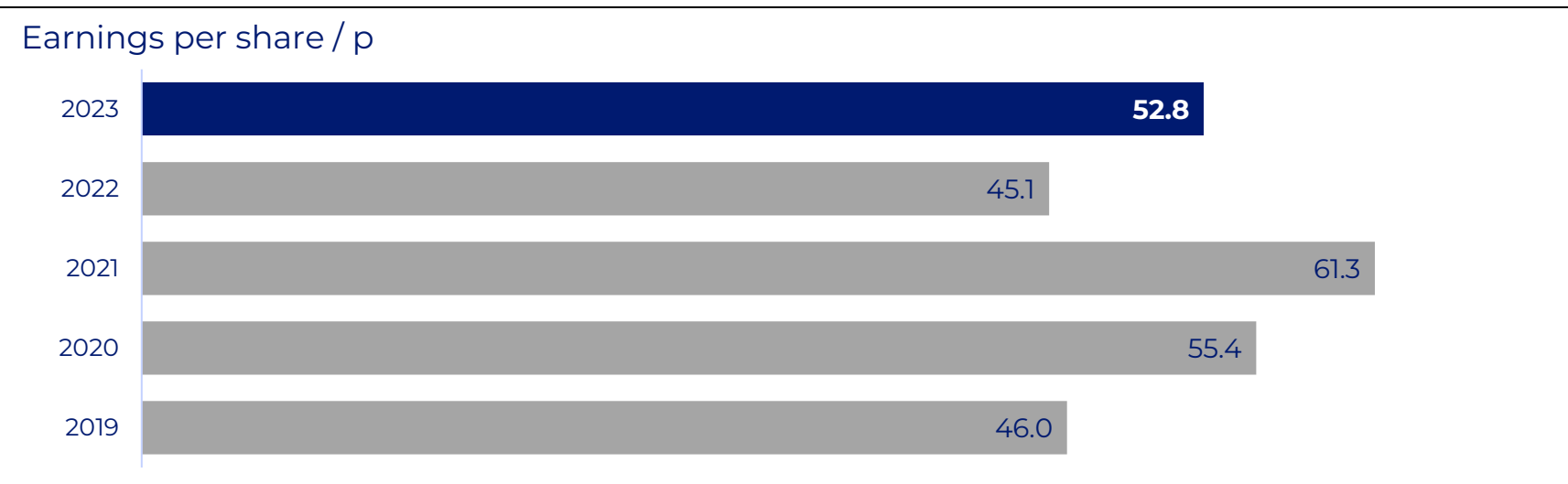
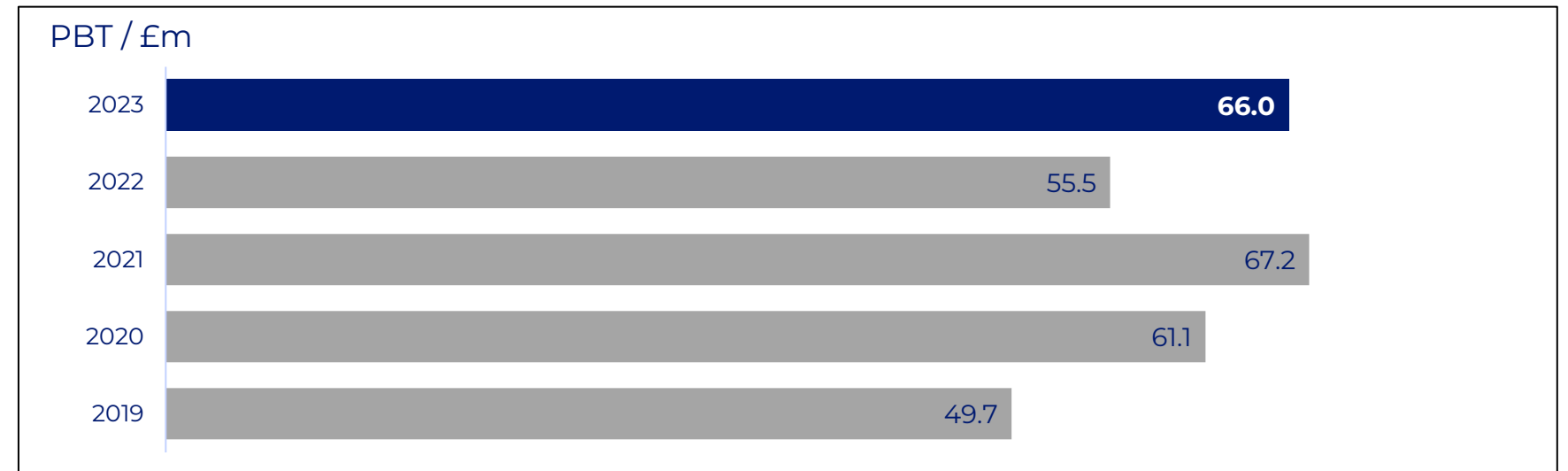
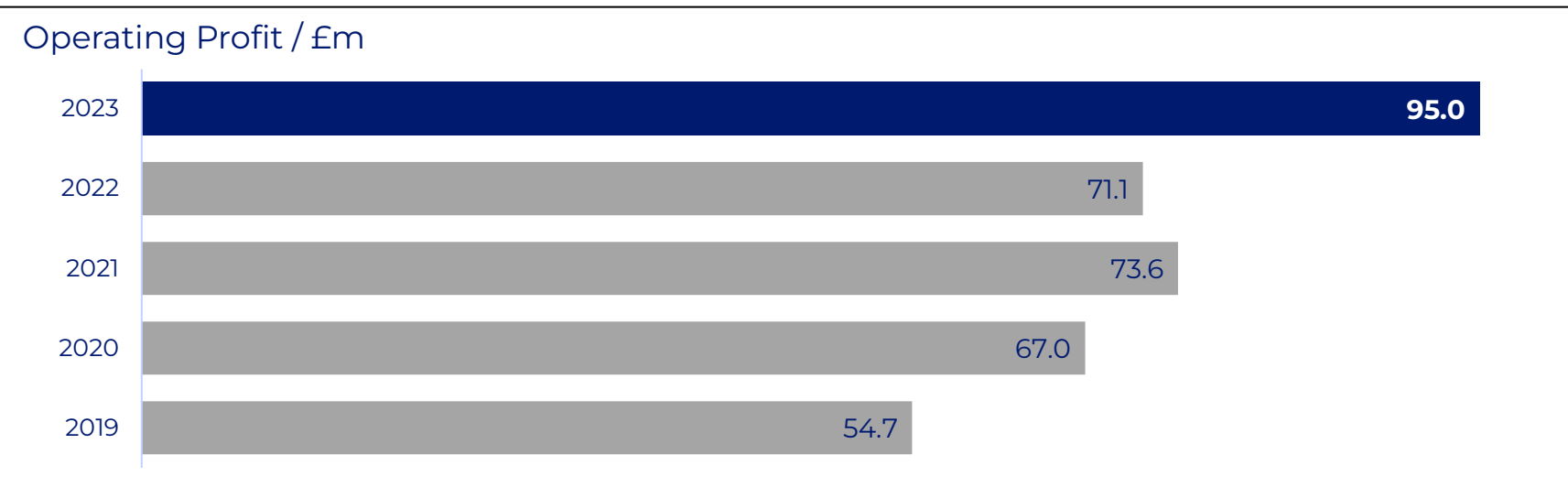
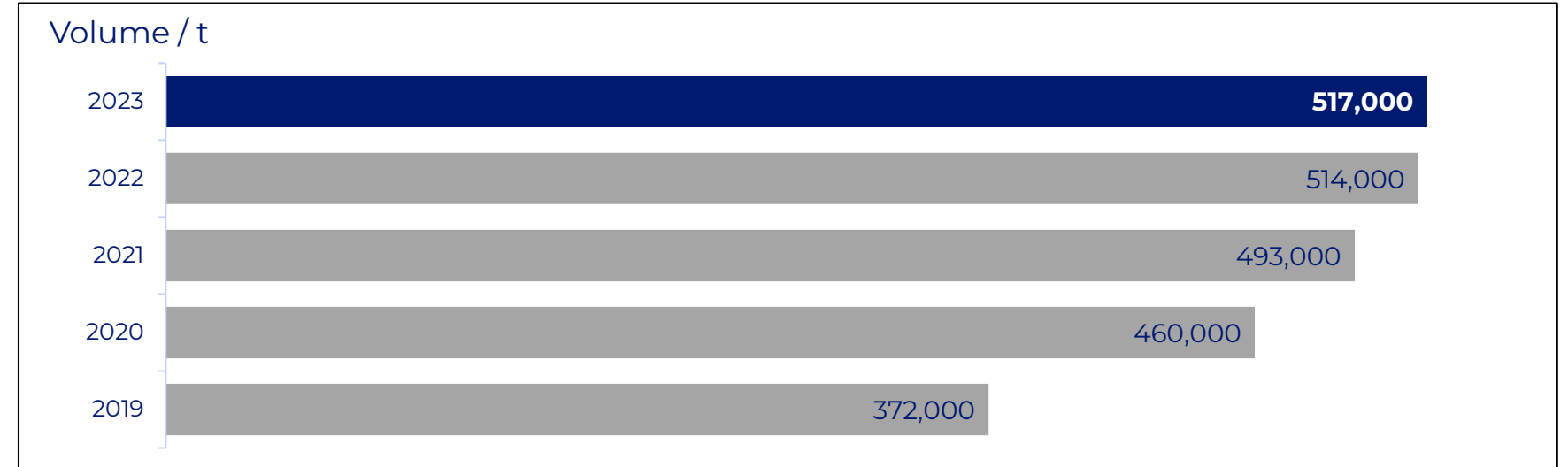
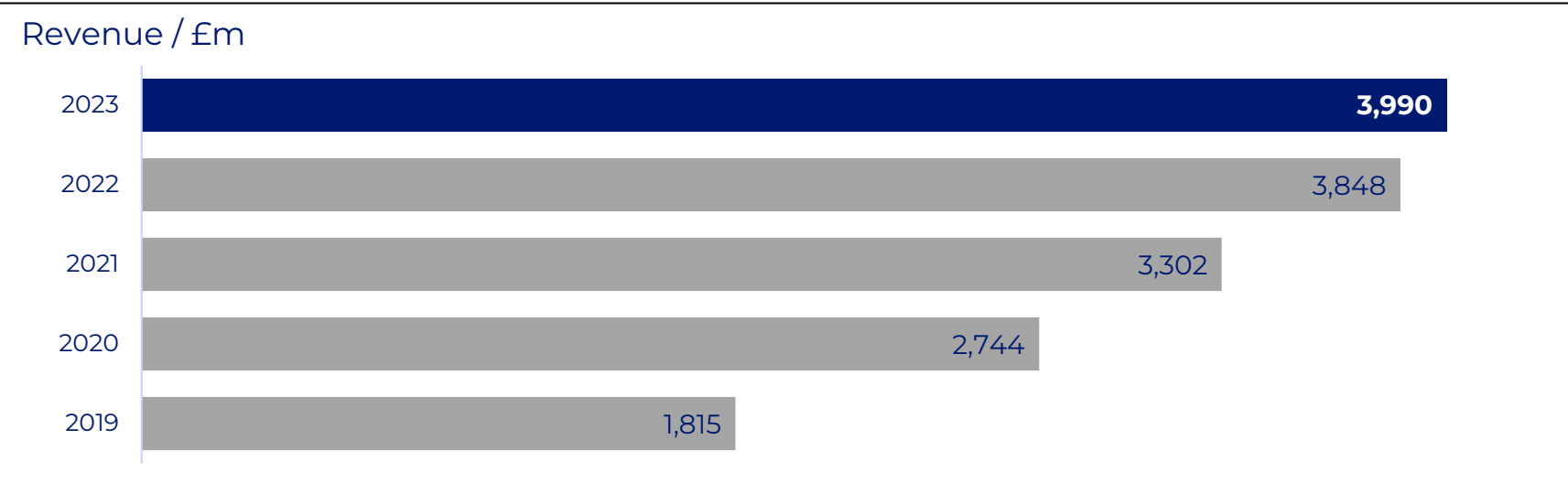
Actual results and events could differ substantially from those implied in the forward-looking statements for a multitude of reasons including but not limited to domestic and global macroeconomic and political factors, changes to consumer purchasing strategies, industry trends, changes to customer relationships, supply chain disruption, volatility in raw material and commodities markets, 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.

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A close-up photograph of two thick, grilled salmon fillets on a white plate. The salmon has a golden-brown, seared top with visible grill marks. The flesh is white and flaky. The plate is garnished with fresh vegetables, including cherry tomatoes, green bell peppers, and a slice of red onion. A blue and white striped napkin is tucked under the plate. In the background, a silver fork is visible on a white plate.

APPENDIX

5 Year Financial Performance Summary



Technical Guidance

	2024	2023	2022
Core Capex / £m	c. £60m	£58.6m	£56.5m
Effective tax rate	c. 27%	26.0%	24.3%
Average interest rate on bank borrowings ¹	c. 6.8%	6.0%	3.3%
Average FX rates ²			
AUD	1.93	1.87	1.78
DKK	8.71	8.57	8.73
EUR	1.17	1.15	1.17
NZD	2.06	2.03	1.94
PLN	5.07	5.22	5.51
SEK	13.16	13.19	12.48
Impact on 2023 PBT / £m	-£0.6m	-	+£0.7m

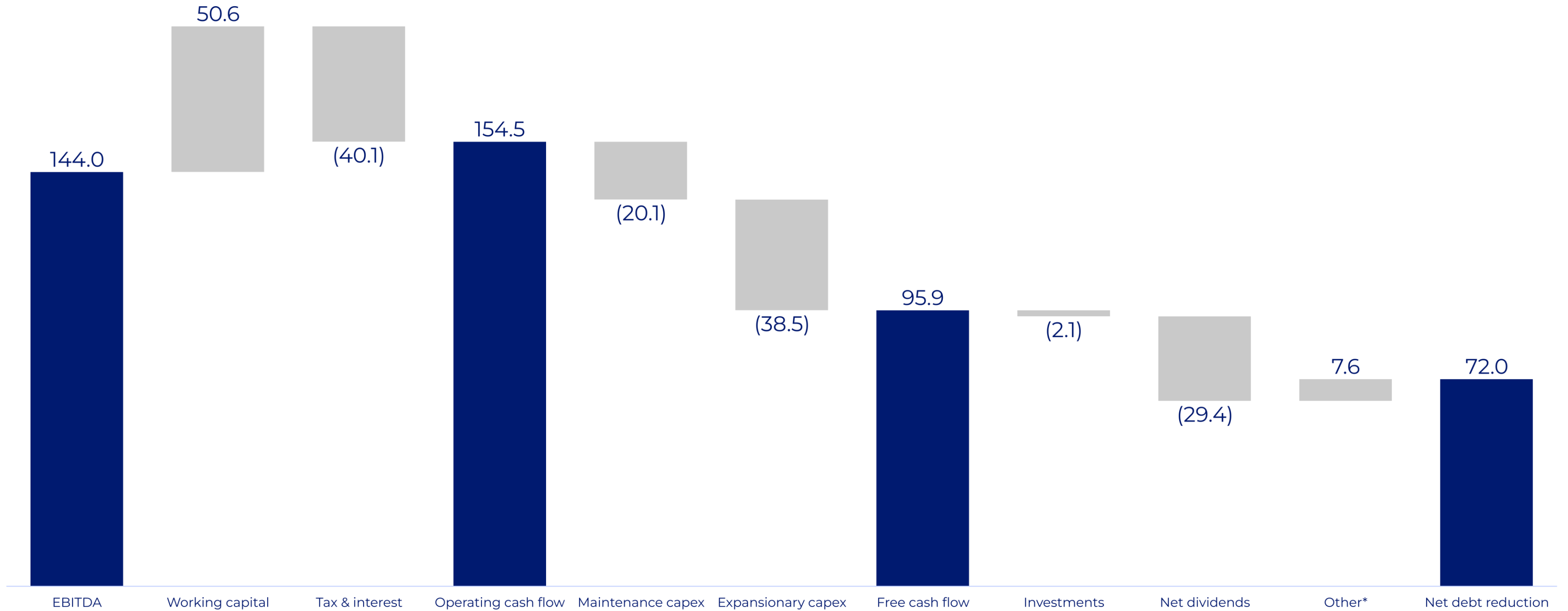
Half-year / Year end

H1 2024 26 weeks ending 30th June 2024 / FY 2024 52 weeks ending 29th December 2024

H1 2023 28 weeks ended 16th July 2023 / FY 2023 52 weeks ended 31st December 2023

Strong free cashflow generation

Net debt reduction / £m



Cashflow Statement – IFRS 16 impact

£m	2023			2022		
	Ex IFRS 16	IFRS 16 Reclass/ Cash Exceptional	Reported	Ex IFRS 16	IFRS 16 Reclass/ Cash Exceptional	Reported
Cash generated from operations	194.6	21.5	216.1	89.0	9.3	98.3
Tax and interest paid	(40.1)	(8.5)	(48.6)	(29.5)	(8.8)	(38.3)
Operating cash flow	154.5	13.0	167.5	59.5	0.5	60.0
Maintenance Capex	(20.1)	-	(20.1)	(19.4)	-	(19.4)
Underlying free cashflow	134.4	13.0	147.4	40.1	0.5	40.6
Expansionary capex	(38.5)	-	(38.5)	(37.1)	-	(37.1)
Free cashflow	95.9	13.0	108.9	3.0	0.5	3.5
Payment of lease liabilities	-	(14.6)	(14.6)	-	(15.6)	(15.6)
Acquisitions/JV Investment	(2.1)	-	(2.1)	(84.7)	-	(84.7)
Share issues	-	-	-	1.1	-	1.1
Net dividends	(29.4)	-	(29.4)	(26.1)	-	(26.1)
Exceptional Items	3.4	1.5	4.9	(14.6)	14.6	-
Other	4.2	-	4.2	(5.2)	-	(5.2)
Change in net debt	72.0	(0.1)	71.9	(126.5)	(0.5)	(127.0)
Opening net debt	(211.9)	0.3	(211.6)	(85.4)	0.8	(84.6)
Closing net debt	(139.9)	0.2	(139.7)	(211.9)	0.3	(211.6)

Net Debt

£m	2023		
	Ex IFRS 16	Impact of IFRS 16	Reported
Cash and cash equivalents	126.7	-	126.7
Bank Borrowings	(266.4)	-	(266.4)
Net Bank Debt	(139.7)	-	(139.7)
Lease Liabilities	(0.2)	(226.7)	(226.9)
Net Debt – including Lease Liabilities	(139.9)	(226.7)	(366.6)

	2022		
	Ex IFRS 16	Impact of IFRS 16	Reported
Cash and cash equivalents	87.2	-	87.2
Bank Borrowings	(298.8)	-	(298.8)
Net Bank Debt	(211.6)	-	(211.6)
Lease Liabilities	(0.3)	(245.8)	(246.1)
Net Debt – including Lease Liabilities	(211.9)	(245.8)	(457.7)

P&L – Adjusted to Statutory Measure

£ m	2023							2022						
	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	95.0	(9.5)	-	85.5	23.4	(18.9)	90.0	71.1	(8.2)	-	62.9	23.8	(20.8)	65.9
Exceptional items	-	-	(3.9)	(3.9)	-	-	(3.9)	-	-	(11.9)	(11.9)	-	-	(11.9)
Operating profit	95.0	(9.5)	(3.9)	81.6	23.4	(18.9)	86.1	71.1	(8.2)	(11.9)	51.0	23.8	(20.8)	54.0
Net finance costs	(29.0)	-	-	(29.0)	-	(8.5)	(37.5)	(15.6)	-	-	(15.6)	-	(8.8)	(24.4)
Profit Before Tax	66.0	(9.5)	(3.9)	52.6	23.4	(27.4)	48.6	55.5	(8.2)	(11.9)	35.4	23.8	(29.6)	29.6
Net Income	47.2	(7.1)	(2.6)	37.5	23.4	(24.5)	36.4	40.2	(6.4)	(11.7)	22.1	23.8	(28.2)	17.7

Balance Sheet Summary

As at 31 December 2023	2023			2022		
	£ m	ex IFRS 16	Impact of IFRS 16	Reported	ex IFRS 16	Impact of IFRS 16
Non Current Assets	498.0	203.4	701.4	501.7	223.0	724.7
Current Assets	590.1	(2.3)	587.8	573.0	(1.9)	571.1
Current Liabilities	(494.9)	(8.7)	(503.6)	(463.7)	(10.2)	(473.9)
Net Current Assets	95.2	(11.0)	84.2	109.3	(12.1)	97.2
Total Assets Less Current Liabilities	593.2	192.4	785.6	611.0	210.9	821.9
Creditors Falling Due in Over 1 Year	(252.5)	(211.6)	(464.1)	(286.4)	(230.2)	(516.6)
Capital Employed	340.7	(19.2)	321.5	324.6	(19.3)	305.3
Share Capital	9.0	-	9.0	8.9	-	8.9
Distributable reserves	193.7	(17.7)	176.0	184.5	(16.6)	167.9
Other Reserves	126.8	(1.5)	125.3	120.2	(2.7)	117.5
	329.5	(19.2)	310.3	313.6	(19.3)	294.3
Minority Interests	11.2	-	11.2	11.0	-	11.0
Total Equity	340.7	(19.2)	321.5	324.6	(19.3)	305.3
Net Bank Debt	(139.7)	-	(139.7)	(211.6)	-	(211.6)
Net Debt – including lease liabilities	(139.9)	(226.7)	(366.6)	(211.9)	(245.8)	(457.7)

Net Interest

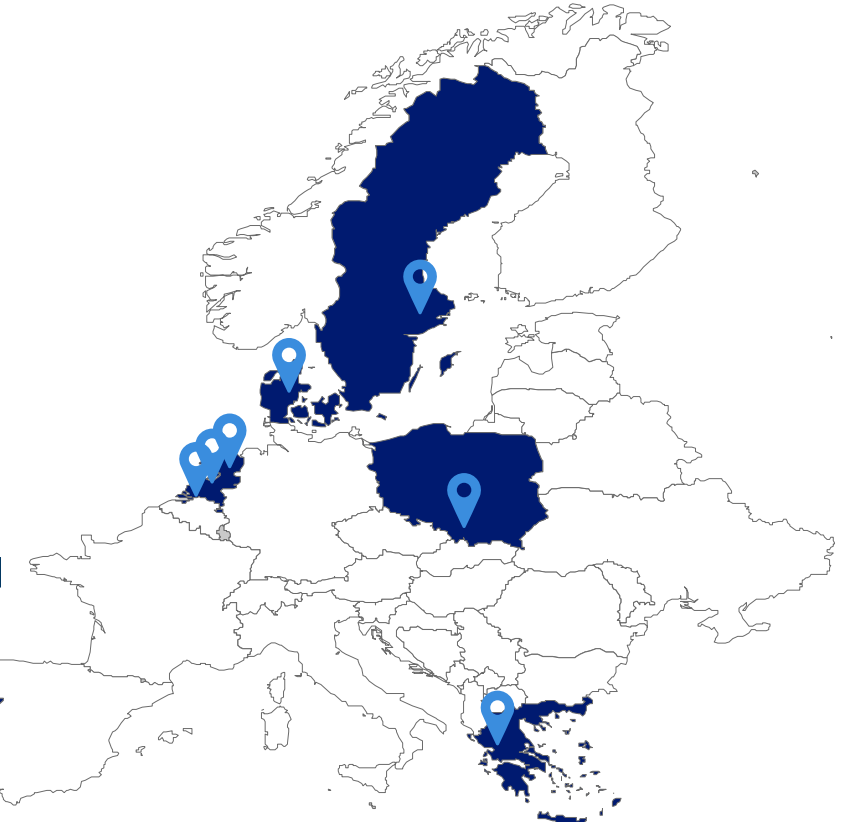
£m	2023	2022
Bank and other interest payable	(29.5)	(16.0)
Bank interest and other finance income receivable	0.6	0.4
Net interest on bank borrowings	(28.9)	(15.6)
Exceptional finance costs	-	-
Interest on lease liabilities	(8.6)	(8.8)
Net interest payable	(37.5)	(24.4)
EBITDA Interest cover – ex IFRS 16 (times)	5	8

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

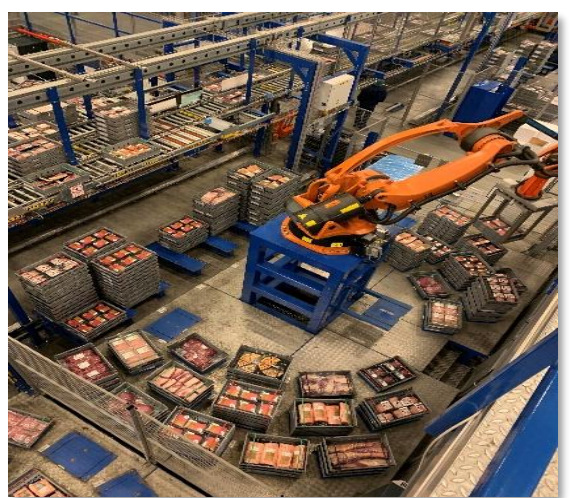
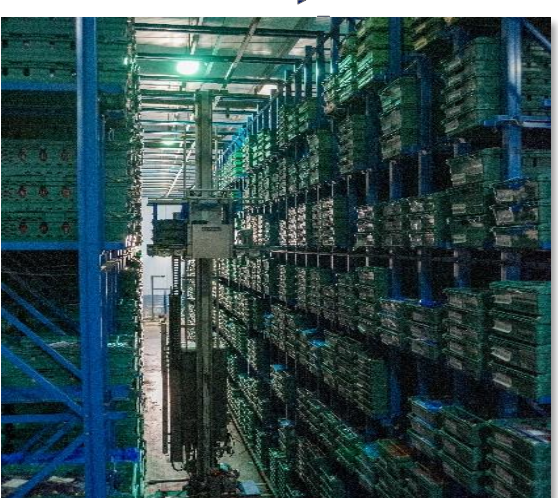
UK & Ireland



Europe



Asia-Pacific



Driving long-term value through our unique business model

- ▶ We become an extension to our retail and foodservice partners
- ▶ Our customers win, we win
- ▶ Stability of business footprint through our long-term partnerships
- ▶ Insulated from individual category trends through being able to leverage our multi category offer
- ▶ Value adding integrated supply chain services enhance our relationships and bring efficiencies to all
- ▶ Our model cannot be replicated easily by others
- ▶ Committed to progress in our Sustainable Protein Plan through end-to-end supply chain collaboration

