PFD XLON Premier Foods plc

Half-year Results · RNS 8174C · 12 November 2026

Premier Foods raises earnings outlook on cheaper debt and restores interim dividend

Share price	203p
Market cap	£1.76bn
52-week range	165.2p - 212.6p
Shares in issue	868.8m
12-month change	+17.3%

Ticker Data API, as at 11 Nov 2026, 16:29

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SUMMARY

Premier Foods' half-year results today showed branded revenue up 3.2% to £467.3m and trading profit up 2.4% to £72.2m. Full-year adjusted profit before tax and EPS should now reach the top end of market expectations, and the first interim dividend in 19 years, 1.12p, will be paid on 18 December. The upgrade comes from lower interest costs after the £330m bond was repaid on 15 October. Trading profit guidance stays at 3-5% growth, and statutory operating profit fell 13.0% to £63.7m. Over the longer run the balance sheet is much stronger, with net debt at 0.6 times EBITDA. The open questions are a 16.2% fall in Sweet Treats contribution and thin cash after one-off costs. The shares closed at 203p on 11 November, the day before the results.

KEY FIGURES

FIGURE	VALUE	PERIOD	CHANGE
Headline branded revenue	£467.3m	H1 FY26/27	up 3.2%
Trading profit	£72.2m	H1 FY26/27	up 2.4%
Adjusted profit before taxation	£64.7m	H1 FY26/27	up 3.8%
Statutory operating profit	£63.7m	H1 FY26/27	down 13.0%
Basic earnings per share	4.7p	H1 FY26/27	down 13.0% from 5.4p
Sweet Treats divisional contribution margin	8.4%	H1 FY26/27	down 2.3ppts from 10.7%
Net debt / adjusted EBITDA	0.6x	26 September 2026	net debt £131.2m, £75.9m lower year on year
Interim dividend	1.12p	FY26/27	nil a year earlier
Net regular interest guidance	approximately £18m	FY26/27	
Pension surplus	£473.4m	26 September 2026	down £28.4m from 28 March 2026

Sources: Half-year Results RNS, 12 Nov 2026

THE ANNOUNCEMENT

- Full-year adjusted profit before tax and adjusted EPS are now expected at the top end of market expectations, because net regular interest should be about £18m after the £330.0m 3.5% notes were repaid on 15 October. Trading profit growth guidance is unchanged at around 3-5%.
- An interim dividend of 1.12p, the first in 19 years, will be paid on 18 December 2026 to shareholders on the register on 20 November. The board aims to grow the dividend ahead of adjusted earnings.
- Branded revenue rose 3.2% in the half but 2.5% in the second quarter. Sweet Treats branded revenue grew 6.7% and Mr Kipling became a £200m brand, while hot weather held Grocery branded growth to 2.0%.
- Trading profit rose 2.4% to £72.2m on a flat 14.0% margin. Sweet Treats contribution fell 16.2% to £11.9m, which the company puts down to weather-hit efficiency and extra labour for whirls demand.
- Statutory operating profit fell 13.0% to £63.7m and basic EPS fell to 4.7p, reflecting higher restructuring costs and a smaller pension credit.
- Net debt was £131.2m, 0.6 times adjusted EBITDA, with the £367.5m revolving credit facility undrawn. A new £175.0m floating-rate term loan was drawn on 12 October.

AGAINST GUIDANCE

The earnings upgrade sits entirely below trading profit: it reflects lower financing costs, while trading profit guidance stays at growth of 3-5%. On FY25/26 trading profit of £200.4m, that range implies roughly £134m to £138m in the second half, against £72.2m in the first, so growth needs to pick up from 2.4%. Trading profit expectations cited at the July first-quarter update were £209.4m to £213.7m, so the 3-5% range overlaps only the lower part of them. Branded growth also slowed to 2.5% in the second quarter from 4.0% in the first.

BULL CASE

- Management has a record of delivery: FY25/26 trading profit of £200.4m came in ahead of expectations that had already been raised in January, and branded revenue and market share grew in both divisions this half despite a hot summer that hurt gravy and soup.
- The balance sheet is far stronger, with net debt at 0.6 times EBITDA, the bond repaid and £367.5m of bank facility undrawn, which leaves room for £60m of capital spending, a rising dividend and further acquisitions.
- The growth areas are moving quickly: new categories up 15%, International up 10% in the second quarter and all three acquired brands up by double digits. Grocery's margin rose 60 basis points to 25.7%, so the margin squeeze is confined to Sweet Treats.
- At the 203p close on 11 November the shares were about 13 times last year's 15.7p basic EPS, which does not assume much growth, with a £473.4m accounting pension surplus alongside.

BEAR CASE

- All of the upgrade came from lower interest costs, while trading guidance was unchanged and quarterly branded growth slowed from 4.0% to 2.5%.
- Sweet Treats turned 6.9% revenue growth into a 16.2% fall in contribution, and the company gives no date or target for the margin recovery it expects from automation, just as energy, transport and packaging costs rise.
- Adjusted pre-tax profit now sits £9.6m above statutory, against £1.0m below a year earlier, and £11.0m of non-trading cash left the business. After those costs, £4.5m of fees and £2.9m of tax, only £5.6m of the half's £24.0m free cash flow remained, against a £28.9m dividend.
- The new term loan and revolving facility float over SONIA, Bank Rate stood at 4.00% on 9 November, and management plans to take leverage to 1.0-2.0 times to buy brands, so a full-price acquisition would test returns on capital.

WHAT TO WATCH

- The third-quarter trading update covering Christmas, which last year came on 21 January: UK branded growth needs to pick up from the second quarter's 2.5%.
- Full-year results for the 53 weeks to 3 April 2027: trading profit inside the 3-5% growth range and a Sweet Treats contribution margin above this half's 8.4%.
- Cash: non-trading cash costs well below the first half's £11.0m, and full-year free cash flow covering the larger dividend alongside the planned £60m of capital spending.
- Any acquisition: the price paid, how much is funded from the floating-rate facilities and whether a return target is stated.

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