PFD Premier Foods plc

Premier Foods upgrades on cheaper debt and restores interim dividend after 19 years

Following the Half-year Results · 12 November 2026

H1 BRANDED REVENUE	H1 TRADING PROFIT	STATUTORY OPERATING PROFIT	NET DEBT
£467.3m	£72.2m	£63.7m	£131.2m
▲ up 3.2% on £452.7m; Q2 up 2.5%	▲ up 2.4% on £70.5m, margin flat at 14.0%	▼ down 13.0% on £73.2m	▼ 0.6x adjusted EBITDA; £75.9m lower than a year earlier

Share price, past 12 months

Daily close; latest price as at 16:29 on 11 November 2026 · Ticker Data API



Premier Foods' half-year results today showed branded revenue up 3.2% to £467.3m and trading profit up 2.4% to £72.2m. The company raised its full-year adjusted profit before tax and earnings per share expectations, and paid its first interim dividend in 19 years: 1.12p, due on 18 December. The upgrade comes from lower financing costs after the £330m fixed-rate bond was repaid on 15 October. Trading profit guidance stays at growth of around 3-5%. Statutory operating profit fell 13.0% to £63.7m, mostly because of higher restructuring costs and a smaller pension credit.

Over the longer run, the business is in better shape than it has been for years. Net debt is 0.6 times EBITDA, Sweet Treats has grown branded revenue for 12 quarters in a row and Mr Kipling is now a £200m brand. The weak spots are in this half's results. Sweet Treats contribution fell 16.2% even though revenue rose 6.9%. Branded growth slowed to 2.5% in the second quarter from 4.0% in the first. Cash left after restructuring, fees and tax was small next to the dividend. The shares closed at 203p on 11 November, the day before the results, within 5% of the 212.6p high set on 5 November. The Christmas quarter, the group's largest, now has to show that operating profit as well as cheaper debt can drive earnings.

> **“Following the redemption of our fixed rate bond, we now have an updated capital structure which provides us with both the flexibility to deliver on our growth strategy and lower financing costs than previously planned.”**
>
> **Alex Whitehouse**, Chief Executive Officer · Half-year Results, 12 November 2026

Mr Kipling passes £200m while hot weather holds back gravy and soup

The two divisions grew at different speeds in the first half. Sweet Treats branded revenue rose 6.7% to £123.3m, its 12th consecutive quarter of branded growth. Mr Kipling grew revenue by 10% and became a £200m brand for the first time, helped by new whirls flavours, birthday cake slices and last year's cake bites tubs. Grocery branded revenue rose 2.0% to £344.0m, but only 1.1% in the second quarter. Long spells of hot weather cut demand for gravy, stock and soup, which are the heart of Bisto, Oxo and Batchelors.

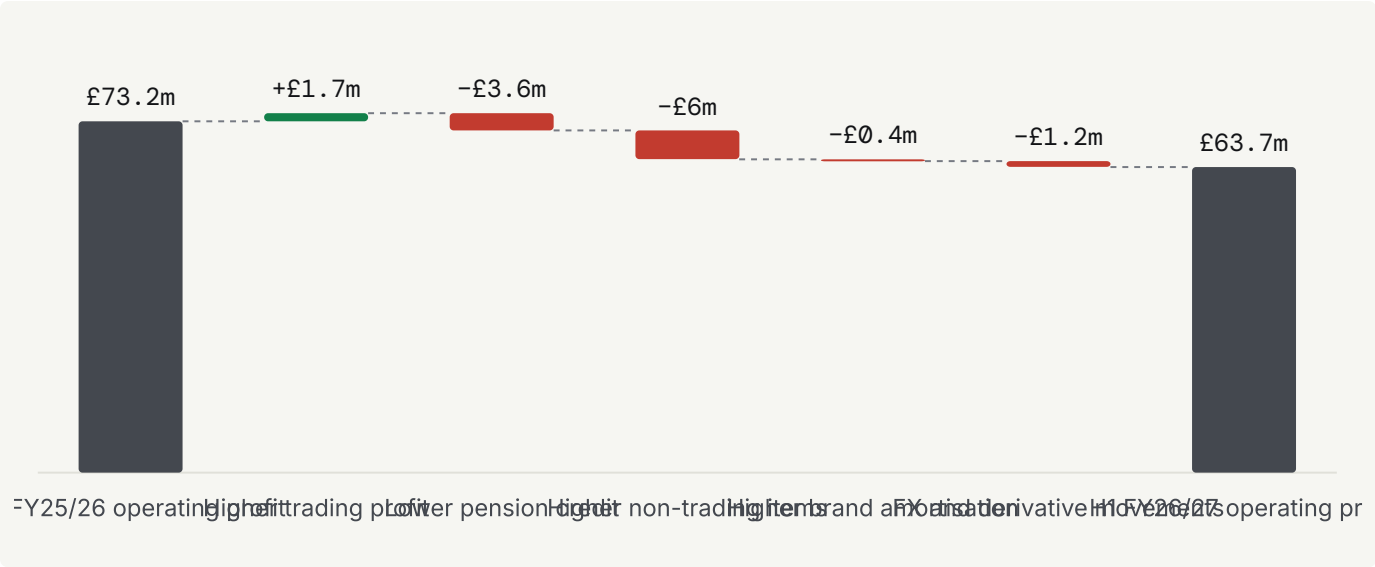
The slowdown shows up at group level. Branded revenue grew 2.5% in the second quarter, against the 4.0% reported in the July first-quarter update. Market share still rose in both divisions. Grocery's share of distribution points in major retailers rose 19 basis points and Sweet Treats gained 121 basis points. Non-branded (own-label) revenue fell 5.1% to £46.9m after Grocery exited contracts for stuffing, custard and home baking.

The growth areas are still small next to the UK core. New categories, led by Cape Herb & Spice, Ambrosia porridge pots and FUEL10K yogurt pots, grew 15%. International revenue rose 8% at constant currency to £26.2m, and 10% in the second quarter, with FUEL10K now listed in the Netherlands and Germany. The three acquired brands, The Spice Tailor, FUEL10K and Merchant Gourmet, all grew revenue by double digits. Even so, UK customers still accounted for £477.9m of the £514.5m statutory revenue. Group results will keep tracking the British grocery aisle for some time.

FIGURE	VALUE	CHANGE
Headline branded revenue H1 FY26/27	£467.3m	+3.2%
Q2 group branded revenue growth Q2 FY26/27	2.5%	+2.5%
Q1 group branded revenue growth Q1 FY26/27	4.0%	+4%
Sweet Treats branded revenue H1 FY26/27	£123.3m	+6.7%
Grocery branded revenue (headline) H1 FY26/27	£344m	+2%
International revenue (constant currency) H1 FY26/27	£26.2m	+8% on £24.3m
New categories revenue growth H1 FY26/27	15%	+15%
UK revenue H1 FY26/27	£477.9m	+2.8% from £465.0m

Sources: Half-year Results RNS, 12 Nov 2026; Quarter 1 Trading Update RNS, 16 Jul 2026

Why statutory operating profit fell in H1



Each step is the year-on-year change in a line of the company's EBITDA-to-operating-profit reconciliation.

Sweet Treats sold more cake and earned less on it

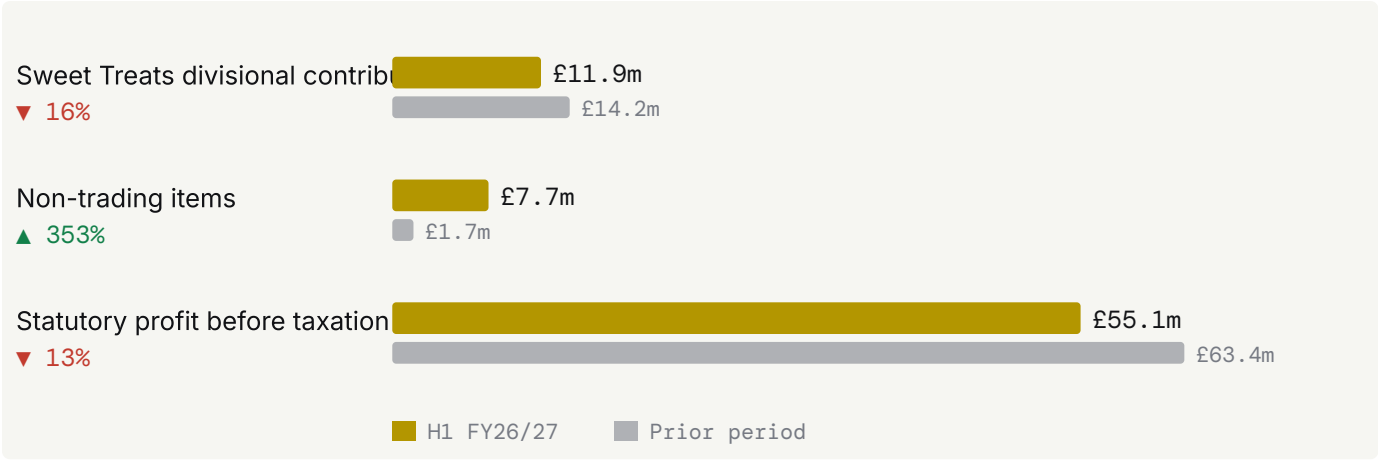
BEFORE		NOW · GROCERY DIVISIONAL CONTRIBUTION MARGIN
~~25.1%~~	→	25.7%

Trading profit, the company's main profit measure before pension items, brand amortisation and one-off costs, rose 2.4% to £72.2m. The margin held at 14.0%. Group and corporate costs fell £1.0m to £35.3m, and the two divisions did very different things beneath that. Grocery contribution rose 3.2% to £95.6m and its margin improved 60 basis points to 25.7%, helped by cost control and a better mix of branded sales. Sweet Treats contribution fell 16.2% to £11.9m, taking the margin down to 8.4% from 10.7%.

The company blames two causes. Hot weather lowered manufacturing efficiency, especially on Cadbury cake. It also needed short-term extra labour to meet unusually strong demand for the larger 4-pack whirls ranges. It expects margins to strengthen over the medium term through automation, efficiency projects and mix. It gave no date or target margin. The Sweet Treats margin is the clearest test of whether the division's volume growth will turn into profit.

Statutory profit moved the other way. Operating profit fell £9.5m to £63.7m. The pension credit dropped £3.6m to £10.2m because the scheme started the year with a smaller surplus. Non-trading items rose to £7.7m from £1.7m. These included £3.9m of restructuring costs, against a £0.9m credit a year earlier, and £3.8m of other items covering a technology upgrade and the disposal of a non-trading entity. Adjusted profit before tax rose 3.8% to £64.7m, so it now sits £9.6m above statutory pre-tax profit of £55.1m. A year earlier it was £1.0m below. Basic earnings per share fell 13.0% to 4.7p, while adjusted earnings per share rose 4.0% to 5.6p.

H1 FY26/27 against the prior period



H1 FY26/27	VALUE	CHANGE
Trading profit	£72.2m	+2.4%
Trading profit margin	14.0%	flat
Sweet Treats divisional contribution	£11.9m	−16% from £14.2m
Sweet Treats divisional contribution margin	8.4%	from 10.7%
Non-trading items	£7.7m	+353% from £1.7m
Adjusted profit before taxation	£64.7m	+3.8%
Statutory profit before taxation	£55.1m	−13% from £63.4m
Basic earnings per share	4.7p	−13% from 5.4p

Sources: Half-year Results RNS, 12 Nov 2026

The bond is repaid, but little cash was left after this half's costs

BEFORE
~~6.20%~~

→

NOW · PENSION DISCOUNT RATE
6.50%

Senior secured notes repaid, 15 Oct 2026
£330.0m

Revolving credit facility (undrawn), 26 Sep 2026
£367.5m

Non-trading cash costs, H1 FY26/27
£11.0m

The October refinancing removed the one large debt maturity. In September the group arranged a £175.0m term loan at 1.55% over SONIA (the Bank of England's overnight rate), maturing in September 2028. It drew the loan on 12 October and used it, with existing cash, to repay the £330.0m 3.5% notes on 15 October. The revolving credit facility, a standing bank line, was enlarged to £367.5m in May, runs to May 2031 and was undrawn at the half-year. Net debt was £131.2m, 0.6 times rolling adjusted EBITDA, against bank covenants of 3.5 times net debt to EBITDA and 3.0 times interest cover. The £204.1m of cash held on 26 September predates the redemption and is not what the group holds now.

Net debt rose from £95.2m in March because of a seasonal build in finished stock ahead of Christmas. Inventories climbed to £138.8m from £117.8m. On the company's definition, free cash flow was £24.0m after £35.9m of capital spending, which is up 54%. That figure leaves out £11.0m of non-trading cash costs, £4.5m of refinancing fees and £2.9m of tax. Deducting those leaves £5.6m. Against that, the half paid a £28.9m final dividend, £10.1m of deferred consideration for FUEL10K and £4.6m for shares to cover staff awards. The first half is seasonally weaker for cash: last year's full-year operating cash flow was £186m. Still, this half's spending was not covered by the cash it generated after costs.

The pension surplus fell £28.4m to £473.4m. Scheme assets dropped £115.4m as the trustees cut private equity and other less liquid holdings, while liabilities fell £87.0m as the discount rate rose to 6.50% from 6.20%. £275.7m of assets are valued with a time lag. The company sees an increasing prospect of realising a surplus, but any surplus would be shared between the scheme and the company. All schemes are closed to future accrual and employer contributions were only £0.6m in the half.

FIGURE	VALUE	CHANGE
Net debt 26 Sep 2026	£131.2m	£75.9m lower year on year; £95.2m at 28 Mar 2026
Net debt / adjusted EBITDA 26 Sep 2026	0.6x	
New term loan drawn 12 Oct 2026	£175m	+1.6% SONIA + , matures Sep 2028
Free cash flow (company definition) H1 FY26/27	£24m	+44% from £16.7m
Capital expenditure H1 FY26/27	£35.9m	+54%
Pension surplus 26 Sep 2026	£473.4m	−5.7% down £28.4m from £501.8m

Sources: Half-year Results RNS, 12 Nov 2026

> **“With the strength of our balance sheet, we have significant firepower available to expand the size of the business through the acquisition of further, future-focused, high growth brands.”**
>
> **Alex Whitehouse**, Chief Executive Officer · Half-year Results, 12 November 2026

The upgrade comes from lower interest costs, and trading guidance is unchanged

FY26/27 net regular interest, FY26/27
approximately £18m

FY26/27 capital investment, FY26/27
approximately £60m

FY26/27 cash tax, FY26/27
c.£10m

The group now expects net regular interest of about £18m for the year and trading profit growth of 3-5%. It says adjusted profit before tax and adjusted EPS will be at the top end of market expectations. The higher earnings forecast all comes from below trading profit. Trading guidance is the same as before. The year is also a 53-week period ending 3 April 2027.

The guidance implies a stronger second half. Trading profit was £200.4m in FY25/26, about £130m of it in the second half. Growth of 3-5% puts this year at roughly £206m to £210m. Taking off the first half's £72.2m leaves £134m to £138m for the second half, growth of about 3% to 6% against 2.4% in the first. Expectations cited alongside the July first-quarter update were £209.4m to £213.7m, so the 3-5% range overlaps only their lower part.

Several things make the second half harder. Australia had a spike in orders in last year's third quarter, which the company says will hold back growth this time. The Bank of England raised Bank Rate to 4.00%, and the new term loan floats over SONIA. Each percentage point on the £175m loan adds £1.75m a year in interest. The group expects cash tax of about £10m and capital spending of about £60m, which leaves roughly £24m for the second half. Christmas mince pies and the wider cake bites range will get outdoor advertising. The third-quarter trading update, which last year came on 21 January, will show whether the Christmas quarter delivered.

FIGURE	VALUE	CHANGE
FY26/27 trading profit growth guidance FY26/27	around 3-5%	
FY25/26 trading profit FY25/26	£200.4m	+6.7%
Medium-term leverage range	1.0-2.0x	
Bank Rate 9 Nov 2026	4.00%	+0.25 points over three months

Sources: Half-year Results RNS, 12 Nov 2026; Full-year Results RNS, 14 May 2026; UK economy and markets data

About 13 times last year's earnings, with a pension surplus alongside

At the 203p close on 11 November, Premier Foods was valued at £1.76bn, about 13 times last year's basic EPS of 15.7p (adjusted EPS was 15.8p). The dividend is now paid twice a year: a 3.36p final for FY25/26, paid in July, and this year's 1.12p interim. The board aims to grow the dividend faster than adjusted earnings. At 1.12p on 868.8 million shares, the interim costs about £9.7m.

The low earnings multiple sits beside two balance sheet items. The £473.4m pension surplus is worth more than a quarter of the market value. It is an accounting surplus, though, and the scheme and the company would share any cash that came out of it. Nissin Foods holds 25.15% of the shares and can appoint a director. Premier bought £16.6m of goods from it in the half.

Director dealings since the full-year results have gone both ways. Non-executive director Malcolm Waugh bought 5,156 shares at 192.79p on 17 July. HR director David Wilkinson exercised and sold 406,680 shares at 200.6582p on 24 August. Nine disclosed short positions totalled 3.64% of the shares at the latest filing on 20 October.

FIGURE	VALUE	CHANGE
Share price close, 11 Nov 2026	203p	
Market capitalisation 11 Nov 2026	£1.76bn	
FY25/26 basic EPS FY25/26	15.7p	+9.8%

FIGURE	VALUE	CHANGE
FY25/26 final dividend FY25/26	3.36p	+20% from 2.8p
Interim dividend H1 FY26/27	1.12p	nil a year earlier
Nissin shareholding 26 Sep 2026	25.15%	
Disclosed short positions latest 20 Oct 2026	3.64%	

Sources: Ticker market data; Full-year Results RNS, 14 May 2026; Half-year Results RNS, 12 Nov 2026; Disclosed short positions data

The shares slipped from a 212.6p high in the week before results

The chart describes the shares up to the 11 November close, the session before the results. The shares hit a 52-week low of 165.2p on 6 January and a 52-week high of 212.6p on 5 November. They then fell 3% in a week to 203p. They stayed above their 20, 50, 100 and 200-day moving averages, and the 50-day average crossed above the 200-day in March. The ADX reading, which measures how strong a trend is, was only 9.8, well below the 25 that usually marks a firm trend.

Momentum weakened into the results. Both RSI (the relative strength index) and the MACD histogram made lower highs while the price made higher highs in October. The MACD line crossed below its signal line on 10 November. The run to the high on 5 November came on below-average volume. On 9 November the shares opened at 210p and closed at 203.6p on roughly twice normal volume. That pattern often means holders are selling into strength. Against that, on-balance volume, a running total of volume on up and down days, still confirms the advance since the spring.

The nearest resistance is 207.17p, a level touched eleven times and last hit on 27 October, with the 212.6p high above it. Support sits at 194.59p and then 182.74p. The 50-day average is near 197p. The average daily range is 5.82p, so a move of 3-4% on results day is within normal trading. A close above 207p on heavy volume would show buyers accepting the upgrade. A close below 194-197p would show the uptrend fading.

FIGURE	VALUE	CHANGE
52-week range to 11 Nov 2026	165.20p - 212.60p	
Share price close, 11 Nov 2026	203p	

Sources: Ticker market data

The case for and against

FOR

The case for rests on a record of delivery and a much stronger balance sheet. Management has a habit of meeting or beating its own forecasts. FY25/26 trading profit of £200.4m came in ahead of expectations that had already been raised in January. Branded revenue grew again and market share rose in both divisions in a hot summer that hurt the gravy and soup ranges. The newer businesses are growing fast: new categories up 15%, International up 10% in the second quarter and every acquired brand up by double digits. With net debt at 0.6 times EBITDA, the bond repaid and a £367.5m bank line undrawn, the group can fund capital spending, a rising dividend and further acquisitions. On this reading, the Sweet Treats margin fell for temporary reasons, weather and extra labour, that the automation spending at Carlton and elsewhere is meant to fix. At about 13 times last year's earnings, the shares do not assume much growth.

AGAINST

The case against starts with where the upgrade came from. All of it came from lower interest costs, while the guidance for trading profit stayed where it was. Group branded growth slowed from 4.0% to 2.5% between the first and second quarters. Sweet Treats turned 6.9% sales growth into a 16.2% fall in contribution. Food makers face higher energy, transport and packaging costs just as Bank Rate has risen to 4.00%. The gap between adjusted and statutory pre-tax profit widened to £9.6m, and £11.0m of non-trading cash left the business. After those costs, fees and tax, £5.6m of the half's free cash flow remained, against a £28.9m dividend. The new debt is floating-rate, and management plans to raise leverage to 1.0-2.0 times to buy brands. A full-price acquisition would test returns on capital with only a short track record to go on.

WHAT TO WATCH

The Christmas quarter will show which case holds. The third-quarter trading update, which last year came on 21 January, needs to show UK branded growth picking up from the second quarter's 2.5%. The full-year results need trading profit inside the 3-5% range, which means roughly £134m to £138m in the second half. They also need a higher Sweet Treats contribution margin than the 8.4% earned in this half. Cash is the other test: non-trading cash costs well below the first half's £11.0m, and full-year free cash flow covering the larger dividend. If an acquisition comes, the price, the funding mix and any stated return target will show whether the group can spend its borrowing capacity without destroying value.

Risks

- The Sweet Treats margin fell to 8.4% from 10.7% despite 6.9% revenue growth, and the company gives no timetable for recovery. If the squeeze reflects cost inflation more than weather, it could last and could spread to Grocery.
- Higher energy, transport, packaging and ingredient costs, together with weaker real household incomes, could squeeze margins and push shoppers towards own-label.
- Trading profit guidance of 3-5% needs second-half growth of roughly 3-6%. Last year's spike in Australian orders will hold back third-quarter International growth.
- Restructuring and other non-trading cash costs of £11.0m in the half may recur. If so, adjusted earnings would overstate the cash available to shareholders.

- The new £175m term loan and the £367.5m revolving facility float over SONIA. Raising leverage towards the 1.0-2.0x target to fund acquisitions would make interest costs more sensitive to rates.
- Acquisitions bought at high prices may not earn their cost of capital. Double-digit revenue growth from the acquired brands does not yet show what return they earn on the money invested.
- The £473.4m pension surplus depends on actuarial assumptions such as the 6.50% discount rate, and £275.7m of scheme assets are valued with a time lag. Any surplus that is realised would be shared with the scheme.

THE OTHER VIEW

A more positive reading is that the second half has to show less than the cautious view assumes, because the first half already shows most of it. Branded revenue and market share grew in both divisions through a summer that hurt Grocery's most seasonal ranges. Grocery's contribution margin rose 60 basis points to 25.7%, so the margin squeeze is confined to Sweet Treats. There the company gives specific, short-lived causes: weather-hit output on Cadbury cake and temporary labour to meet strong demand for whirls. Neither suggests that pricing power has gone. The gap between adjusted and statutory profit is mostly a smaller pension credit and a jump in restructuring from a low base. Last year the gap ran the other way, so it does not point to a habit of flattering the figures. Cash in the first half always looks thin because stock is built for Christmas, and last year's full-year operating cash flow was £186m against £137m of profit after tax. On this view, a company that beat its raised forecasts last year, carries net debt of 0.6 times EBITDA and has a £473.4m pension surplus is being valued at about 13 times last year's earnings mainly because its upgrade this time came from the interest line. The risk on this reading is that a sound business stays undervalued for too long, not that it fails.

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