HILTON FOODS

8 April 2025

Hilton Food Group plc Preliminary results

for the 52 weeks ended 29 December 2024

Core retail meat market outperformance; strong volume growth driving improved profitability

Group well-positioned with strong offerings across multiple international markets

Current trading in line with expectations [3]

Business Highlights

- Strong retail meat volume growth across UK, Europe and APAC; Market outperformance in all regions, supported by product improvement, premiumisation and new ranges
- Expanding internationally with a capital-light entry into Saudi Arabia in H2 2026, tapping into high-growth potential
- Hilton Foods Canada - a growth pipeline with the number one global retailer on track for launch early 2027
- Growing with existing partnerships into new countries or categories and complementary new partnerships
- Further progress in leveraging technology as a driver of value with highly automated facilities and roll-out of the strategic automation programme as a key differentiator
- Continued advances in sustainability aligned with customer priorities, resulting in an improved CDP Climate score that places us in the top 1.5% of reporting companies

Financial Overview

- Volume increase of 4.4% with ROCE up 3.4% ppts to 21.7%
- Revenue up by 1.9% on a constant currency basis despite expected impact of raw material deflation in APAC. On a statutory basis revenue unchanged at £4.0bn
- Adjusted operating profit [2] increased by 11.9% on a constant currency basis to £104.7m
- Statutory operating profit up 14.8% reflecting £13.2m insurance proceeds offset by £9.8m non-cash goodwill impairment
- Strong free cash inflow [2] of £62.2m (2023: £112.1m); remaining a highly cash generative core business
- Net bank debt [2] £131.4m (2023: £139.7m); year-end net bank debt as a proportion of adjusted EBITDA reduced to 0.9 times (2023: 1.0 times)
- Proposed final dividend of 24.9p, taking the total dividend for 2024 to 34.5p (2023: 32.0p) reflecting the Board's confidence and commitment to a progressive dividend policy

	2024 52 weeks to 29 December 2024	2023 52 weeks to 31 December 2023	Change Reported	Change Constant currency
Volume (tonnes) [1]	**540,239**	**517,347**	**4.4%**	**4.4%**
Revenue	**£3,988.3m**	**£3,989.5m**	**0.0%**	**1.9%**
Adjusted operating profit [2]	**£104.7m**	**£95.0m**	**10.2%**	**11.9%**
Adjusted profit before tax [2]	**£76.1m**	**£66.0m**	**15.3%**	**17.1%**
Adjusted basic earnings per share [2]	**61.0p**	**52.8p**	**15.5%**	**17.4%**
Statutory operating profit	**£98.8m**	**£86.1m**	**14.8%**	
Statutory profit before tax	**£61.0m**	**£48.6m**	**25.5%**	
Statutory basic earnings per share	**43.7p**	**40.6p**	**7.6%**	
Free cash flow [2]	**£62.2m**	**£112.1m**		
Net bank debt [2]	**£131.4m**	**£139.7m**		
Dividends paid and proposed in respect of the year	**34.5p**	**32.0p**	**7.8%**	

Current trading and outlook

2025 trading has started well. While the macro backdrop remains uncertain we are confident that we can deliver further earnings growth for the full year, in line with market expectations [3]. Beyond the near term, we are well placed for continued success with a strong medium-term growth pipeline and recently secured opportunities in new geographies, underpinning our expansion strategy and long-term vision.

Our business model and proposition continues to prove attractive globally, presenting further opportunities to expand and strengthen our presence in key markets. With our track record of disciplined execution, financial stability, and a pipeline of strategic opportunities, we are confident in our ability to create long-term value for all our stakeholders.

Steve Murrells CBE Hilton Foods Chief Executive Officer, said:
"I'm incredibly proud of our strong performance in 2024, with core retail meat volumes outpacing the market. Our teams have gone above and beyond to deliver high-quality products, exceptional service, and the innovation consumers desire, all while maintaining great value. This unwavering commitment reflects our focus on excellence, compliance, and meeting the highest industry standards to better serve our customers. Through innovation, automation, and strategic partnerships, we continue to unlock new growth opportunities, including our expansion into Saudi Arabia and progress with Walmart in Canada.

"Our team's commitment ensures we stay ahead of evolving consumer preferences, enabling us to drive category growth and anticipate future demand. With advanced automation, a strong sustainability focus, and a proven track record of successful product launches.

"Hilton Foods is expert in providing the highest levels of customer service and operating the most efficient sites around the world. These attributes underpin our existing relationships and leave us strongly positioned to enter new markets and attract new customers. I am excited for the opportunities ahead."

Notes
1. Volume includes 50% share of the Portuguese joint venture activities
2. Hilton uses Alternative Performance Measures (APMs) to monitor the underlying performance of the Group which are detailed in note 16 and the Glossary. Management considers that APMs, in addition to statutory metrics, provide useful information on business performance which enables management to monitor and manage the business day-to-day
3. Range of covering analysts adjusted PBT for 2025 as at 7 April 2025 £76.8m - £83.3m

A presentation for analysts and investors will be held this morning at 09.00am, which will also be webcast. For access to the live webcast, please register at the following link:
https://stream.brrmedia.co.uk/broadcast/67e4042605615af5cfeafccf

Enquiries

Hilton Foods	Tel: +44 (0) 1480 387214
Steve Murrells CBE, Chief Executive Officer	
Matt Osborne, Chief Financial Officer	
Hannah Surtees, IR & Communications Director	
Headland Consultancy Limited	Tel: +44 (0) 20 3805 4822
Susanna Voyle	Email: hiltonfood@headlandconsultancy.com
Will Smith	
Joanna Clark	

About Hilton Foods
Hilton Foods is a leading international food manufacturer, supplying high-quality meat, seafood, plant-based foods, and pre-prepared meals, alongside supply chain solutions. With over 8,000 employees and 24 state-of-the-art facilities (including JVs), we serve customers in 19 markets across Europe, Asia Pacific, and North America. Our business is built on long-term partnerships with retailers and suppliers, driving international growth and shared value. We focus on delivering high quality, affordable, traceable, and sustainable food products while investing in innovation and automation to meet evolving consumer needs.

Chairman’s introduction

Robert Watson led the Hilton Foods Board during 2024 before stepping down on 31 December 2024. I joined the Board on 1 October 2024, initially as a Non-Executive Director, before taking over as Board Chair on 1 January 2025. I am delighted to have joined this fantastic business, built over 30 years by Robert and fellow founder Philip Heffer, with great people and an excellent leadership team.

Strategic progress

This business has strong foundations. Our long-standing customer relationships, global scale, and product and technology expertise have enabled us to make continued strategic progress - even in another year marked by ongoing political and economic uncertainties.

During the year, investments delivered through our automation programme have strengthened our long-term operational resilience, unlocked capacity and positioned us well to deliver on future growth opportunities. We are also creating new growth opportunities by expanding our customer base through new retail partnerships.

Our new Canadian facility is on track, with operations expected to commence in early 2027. Meanwhile, the recently announced NADEC joint venture, due to launch in the second half of 2026, extends our global reach into the Middle East, where we see exciting long-term growth potential.

Group performance

In 2024, we achieved further volume growth, delivering strong results through sustainable growth. Our core meat business grew across all regions, outperforming the market. The performance of our seafood business has improved and was a significant contributor to the improved profitability of the UK and Ireland.

While ongoing market challenges continue to impact our vegetarian and vegan business, we have taken proactive measures to streamline operations – including consolidating to a single production site. We remain confident in the category’s long-term opportunities.

In 2024, we generated strong operating cash flows, enabling further significant investment in our facilities. These investments are increasing capacity, improving operational efficiency and allowing us to deliver innovative solutions for our retailer partners. We have a robust balance sheet operating comfortably within our banking covenants. We are well-positioned to continue to invest to support our growth.

Our performance has been delivered by an excellent team of people across the whole Group and I would like to thank them for their continued hard work and commitment.

Dividend policy

The Board is pleased to maintain a progressive dividend policy and remains confident that this continues to be appropriate. With the proposed final dividend of 24.9p per ordinary share, total dividends in respect of 2024 will be 34.5p per ordinary share, an increase of 7.8% compared to last year.

Our Board, purpose and governance

The Hilton Foods Board is responsible for the long-term success of the Group and establishing its purpose, values and strategy aligned with its desired culture. Our purpose is to partner with leading retail and food service customers to produce high quality food products at scale. Our principle of partnership extends to our suppliers, colleagues and the communities in which we operate. We enable success through our passion for innovation, improving supply chains, processes and packaging, and continually developing our product ranges to best meet consumer needs. As an international food processor and supply chain specialist, we create efficiency and flexibility, delivering growth for stakeholders.

To achieve this the Board has an appropriate mix of skills, depth and diversity and a range of practical business experience, which is available to support and guide our management teams across a wide range of countries, continuing to address succession planning and maintain a talent pipeline. We balance good governance with an agile, entrepreneurial approach, considering workforce and stakeholder interests in all decisions. I would like to thank my colleagues on the Board for their support, counsel and expertise.

Sustainability

Sustainability is written into the way we work and is strategically aligned with our customer's priorities. Our 2025 Sustainable Protein Plan targets reflect our ambition to make proteins more sustainable, and we are on track to achieve most of our original targets a year ahead of schedule.

In 2024 we published our inaugural Transition Plan, setting out a road map to becoming a net zero company by 2048, two years ahead of our original target. The plan sets out five areas where we see opportunities for faster reductions in carbon emissions, from reducing operational emissions, through to lowering methane from livestock. Our Transition Plan is one of the first of its kind in the sector and demonstrates our commitment to driving change.

We have made excellent progress improving all three of our Carbon Disclosure Project scores from last year even as the bar becomes more challenging. We scored an A for climate, A- for forests and, in our first year of disclosure, a B for water. This is a fantastic set of scores and puts us among top businesses globally. We have also cut the amount of food waste in our factories by 47% since 2020 by harnessing our strengths in technology and supply chain management to innovate at every stage of the food chain. By the end of 2025 we will be using 100% renewable electricity across all our operations in the UK and Europe.

Our scale, our partnerships, and our supply chain expertise give us a vantage point which helps us to deliver positive change, shaping the future of food. The progress we have made has been particularly notable in light of rising prices and global instability over the past few years. We continue to focus on building impactful partnerships, to scale our work and make an even bigger difference to the sustainability challenges we face as a planet.

People and culture

We believe the work we do as a business is crucial for society and brings value to all our stakeholders. None of this would be possible without the people who run, manage and drive the business forward each and every day. Ensuring the safety, wellbeing and fair treatment of everyone in our business is at the centre of everything we do, fuelling our progress and shaping our future, and their voices are crucial to the success of the business.

In 2024, we achieved a 47% reduction in lost time incident severity rate as part of our continued focus on safety through creative campaigns that raise awareness and encourage safe behavioural changes at work. Through our annual engagement survey wellbeing, continued opportunities for growth, and inclusion came out as key priorities. We have established robust internal systems by integrating a core ethical labour standard across all global manufacturing sites, with all our sites successfully completing SMETA audits in the year. We also launched our online learning management system at our UK sites, offering employees flexible and accessible opportunities for professional growth.

Robert Watson stepped down from the Board after more than 20 years with the business, initially as Chief Executive before transitioning to Executive Chairman in 2018 and then Non-Executive Chairman in 2021. Robert’s contribution to Hilton Foods, together with Philip Heffer, is immeasurable and on behalf of all our people, customers and investors I want to thank them for everything that they have done to build this business into what it is today.

Annual General Meeting

This year’s AGM will be held at the Hilton Foods offices at 2-8 The Interchange, Latham Road, Huntingdon, Cambridgeshire PE29 6YE, in an in-person physical meeting format on Tuesday, 20 May 2025, at noon. Please refer to our website at www.hiltonfoods.com/investors/agm/ for further guidance.

Mark Allen OBE
Chairman
7 April 2025

Chief Executive's summary

Strong profit performance and volume growth

Overview

In 2024, we delivered solid volume growth, up 4.4%, across all regions, maintaining strong momentum against all of our strategic priorities. This performance was driven by our core retail meat business – the foundation of our portfolio – which outperformed total market growth in every region. Our seafood operations made significant progress, delivering enhanced efficiency and profitability. These improvements are reflected in our financial results, with adjusted PBT increasing by 17.1% at constant currency and by 15.3% on a reported basis.

We are building a business that is well-positioned for sustainable, long-term success. We are a scale operator in the international food industry, offering a highly relevant, in-demand, product portfolio in attractive growth markets. Our foundation is built on long-term customer partnerships that ensure stable and predictable demand with a unique operating model and deep industry expertise – enabling us to successfully enter new markets and attract new customers globally. This strategic position is supported by strong financials that give us the flexibility to pursue strategic expansion while maintaining stability and resilience in the core business.

Region performance

	Revenue		Change		Adjusted operating profit		Change	
	2024	2023	Reported	Constant currency	2024	2023	Reported	Constant currency
UK & Ireland	£1,465.9m	£1,329.3m	10.3%	10.6%	£50.9m	£35.5m	43.4%	43.7%
Europe	£1,059.0m	£1,045.3m	1.3%	3.2%	£40.8m	£40.9m	-0.2%	1.1%
APAC	£1,463.4m	£1,614.9m	-9.4%	-6.2%	£29.8m	£30.2m	-1.3%	2.0%

UK and Ireland

This operating segment covers the Hilton Foods businesses and joint ventures across the UK and Ireland, including our meat processing facilities in the UK in Huntingdon, seafood facilities in Grimsby, our food service business Fairfax Meadow and our ROI meat facility in Drogheda.

The business delivered strong growth in 2024, with volumes increasing by 9.1% and revenue increasing by 10.6% on a constant currency basis (10.3% at actual FX rates). Adjusted operating margins increased to 3.5% (2023: 2.7%), driven by a strong performance from the core meat businesses, with seafood delivering as planned. This performance, which included record Christmas volumes across both meat and seafood, contributed significantly to profit growth across our UK and Ireland business.

Europe

This operating segment covers the Group's meat, easier meals, seafood, vegan and vegetarian businesses and joint ventures in Holland, Sweden, Denmark, Central Europe, Greece and Portugal.

Volumes grew by 1.6%, with revenue increasing by 3.2% on a constant currency basis (1.3% at actual FX rates), reflecting moderating inflationary pressures in meat. Adjusted operating margins remained stable at 3.9% (2023: 3.9%).

The vegan & vegetarian market continues to face changing consumer demand patterns that are creating structural headwinds. We have recognised a £9.8m non-cash impairment charge related to goodwill acquired with our Dalco business reflecting the impact of changes in conditions in the vegan and vegetarian market. We have responded by consolidating operations onto a single site and adapting our approach to address the evolving customer trends, which are already yielding new business opportunities.

We have welcomed a new complementary customer to our facilities in Denmark to utilise excess capacity, agreed to launch a frozen burger range in Sweden with ICA and continue to strengthen our partnership with Żabka in Central Europe serving a new market, Romania.

APAC

The Group operates three Australian processing facilities (Bunbury in Western Australia, Melbourne and Brisbane) alongside our multi-protein food park facility in Auckland, New Zealand.

Volume growth remained strong at 4.0%, demonstrating the continued strength in our core meat category. Revenue declined 6.2% on a constant currency basis (9.4% at actual FX rates) primarily due to significant raw material price deflation, particularly in the first half. In addition, adjusted operating profit margins improved to 2.0% (2023: 1.9%), despite the impact of lower interest cost recovery.

Our expertise in supply chain excellence was recognised when we were named Woolworths' supplier of the year in Australia and New Zealand.

Leading food manufacturer with highly relevant products

Hilton Foods is a business driven by a genuine passion for food innovation. Our food and innovation experts work collaboratively with our customers to develop market-leading ranges that meet evolving consumer demands and drive volume growth across all categories and regions.

At Hilton Foods Australia, we have grown sales through the relaunch of the barbeque range including an improved burger range. In the UK, we have successfully launched an elevated premium at-home steak restaurant experience while expanding our premium Christmas food-to-order products. Across Europe, we introduced premium tier range extensions and ranges of healthier hybrid mince, burger, and meatball products made from beef and poultry.

Throughout 2024, we have continued to launch initiatives to reduce the use of plastic in our packaging, which has resulted in a 1692t reduction or offset of plastic use and launched a first-to-market trial of tray-to-tray packaging circularity in a limited number of stores in partnership with one of our strategic packaging suppliers and Tesco.

Growing across international markets with significant expansion potential

Hilton Foods has unique capabilities to expand its product portfolio across regions – selling more proteins and products to our existing customers around the world. In 2024, we successfully extended our UK-produced value-added seafood range to New Zealand to address the growing consumer demand for convenient seafood products. We also expanded into Romania through our Central European facility by capitalising on our strong partnerships with Ahold Delhaize and Żabka.

Our geographical expansion reached a significant milestone with the recently announced joint venture with NADEC, a new customer partnership in Saudi Arabia – our first entry into the exciting Middle East market, with an estimated red meat market size of 25m tonnes per annum. Our operations are scheduled to commence in H2 2026, and this venture aligns with the Kingdom of Saudi Arabia’s Vision 2030 initiatives that prioritise food security and offers substantial long-term growth potential. Our long-term partnership with Walmart in Canada, where we will provide comprehensive multi-protein solutions whilst deploying our state-of-the-art sorting capabilities, is on track for launch in early 2027.

While organic growth and geographical expansion are our primary growth levers, we will maintain a disciplined approach to evaluating M&A opportunities that arise that could offer strong returns and clear synergies.

Future-ready: Consumer-driven supply chain innovation and digital transformation

Our industry-leading technology is a key element of our competitive differentiation, directly addressing critical macro challenges, including rising labour costs and lower staff availability, as well as growing demand for supply chain traceability and transparency. Through our advanced robotics and cloud-based infrastructure, we deliver exceptionally efficient supply chain solutions that empower retailers to manage their full end-to-end value chain, from specification to product quality and production mapping costs.

The Foods Connected platform strengthens both our business and our customers' supply chains by optimising data-led decision-making that drives cost efficiency and enables visibility of supply chain risks. Our category experts continue to pioneer innovations across our supply chains, exploring alternative species in seafood and optimising availability, price, and quality during seasonal peak periods.

Our integrated technology solutions continue to enhance our core food business with significant improvements in complex automation across our food processing facilities through our joint venture with Agito. This year, our UK strategic automation programme delivered measurable improvements, including end-of-line robotic automation, which boosted efficiency and reduced reliance on labour.

In addition to supporting our core food business, each of our technology businesses continues to make progress in unlocking opportunities to commercialise their products and services outside the Group.

The Sustainable Protein Plan

The Sustainable Protein Plan underpins everything we do, and sustainability remains a key strategic priority for our customers. Our principle of operating through partnership extends into sustainability, where we deliver positive change by collaborating throughout the supply chain. This year we have continued to make progress on our commitments, with a reduction of 32% in scope 1 and 2 emissions versus 2020 base, achieving an A CDP score for climate change, placing us in the top reporting businesses and we published our inaugural transition plan. We continue to raise our standards with more ambitious science-based targets, in line with a 1.5°C pathway, which was validated in March 2024, and most recently were founding signatories to the UK Food Business Charter committing to an ambition of 40% female representation by 2035.

Looking forward

Hilton Foods has all the right attributes to deliver long-term success. We have built a business that is acutely tuned to respond to evolving consumer preferences and market dynamics, enabling us to anticipate demand and drive category growth. Our competitive advantages are clear: strength and longevity of partnerships, industry-leading automation, genuine sustainability leadership, and a strong track record of launching successful new product offers.

The strength and the longevity of our partnerships underpin everything that we do, providing stability within our existing business that creates a strong platform for growth – whether through deeper collaboration with existing partners, developing complementary relationships or expanding into new markets. Our financial strength provides the flexibility to pursue strategic expansion whilst maintaining our focus on ensuring that the core business remains strong and stable.

Steve Murrells CBE
Chief Executive Officer
7 April 2025

Performance and financial review

Summary of Group Performance

This performance and financial review covers the Group's financial performance and position in 2024. Hilton Foods' overall financial performance saw strong profit growth, driven by strong volume growth in our core retail meat category and continued improvements in our UK Seafood business. Cash flow generation was strong, supporting our ongoing investment in facilities.

Basis of preparation

The Group is presenting its results for the 52-week period ended 29 December 2024, with comparative information for the 52-week period ended 31 December 2023. The Group's financial statements have been prepared in accordance with UK-adopted International Financial Reporting Standards (IFRS) and the Companies Act 2006 applicable to companies reporting under IFRS.

Hilton uses Alternative Performance Measures (APMs) to monitor the underlying performance of the Group. Management uses these APMs to monitor and manage the business's day-to-day performance and therefore believes they provide useful additional information to shareholders and wider users of the financial statements.

2024 Financial performance

Group results

Volume and revenue

Volumes grew by 4.4% in the year reflecting growth across all regions. Additional details of volume growth by business segment are set out in the Chief Executive's summary. Revenue increased 1.9% to £4.0bn on a constant currency basis, although flat on a reported basis reflecting APAC raw material price deflation.

Operating profit and margin

Adjusted operating profit, which excludes adjusting items as set out in note 16, was £104.7m (2023: £95.0m) and is 10.2% higher than last year and 11.9% higher on a constant currency basis reflecting strong trading in the UK & Ireland. Adjusting items total £5.9m net cost (2023: £8.9m net cost) and include £13.2m of insurance proceeds received in respect of the claim made in connection with fire at our Belgium facility in 2021, reorganisation costs of £4.2m and a £9.8m non-cash impairment of goodwill recognised. After allowing for these adjusting items, IFRS operating profit was £98.8m (2023: £86.1m).

The Group's adjusted operating profit margin in 2024 increased to 2.6% (2023: 2.4%) and the adjusted operating profit per kilogram of packed food sold increased to 19.4p (2023: 18.4p).

Net finance costs

Adjusted net finance costs, excluding non-underlying items and lease interest, reduced slightly to £28.6m (2023: £28.9m). Interest cover as a proportion of adjusted EBITDA in 2024 increased to 5.3 times (2023: 5.0 times). IFRS net finance costs were £37.8m (2023: £37.5m).

Taxation

The adjusted taxation charge for the period was £18.9m (2023: £17.2m). The effective tax rate was 24.9% (2023: 26.0%). The IFRS taxation charge was £19.4m (2023: £10.6m) with an effective tax rate of 31.8% (2023: 21.9%).

Net income

Adjusted net income, representing profit for the year attributable to owners of the parent, of £54.7m (2023: £47.2m) was 15.9% higher than last year and 17.8% higher on a constant currency basis. IFRS net income was £39.3m (2023: £36.4m).

Earnings per share

Adjusted basic earnings per share at 61.0p (2023: 52.8p) was 15.5% higher than last year and 17.4% on a constant currency basis. IFRS basic earnings per share were 43.7p (2023: 40.6p). Diluted earnings per share were 43.3p (2023: 40.2p).

Earnings before interest, taxation, depreciation and amortisation (EBITDA)

Adjusted EBITDA, which is used by the Group as an indicator of cash generation, increased to £152.6m (2023: £144.0m).

Balance sheet, cash flow and funding

Return on capital employed (ROCE)

ROCE, calculated as adjusted operating profit divided by the average of opening and closing capital employed (representing total equity adjusted for net bank cash/debt, leases, derivatives and deferred tax), was 21.7% (2023: 18.3%).

Free cash flow and net debt position

Operating cash flow was again strong in 2024, with cash flows from operating activities of £183.8m (2023: £216.1m) reflecting higher profits and reduced favourable working capital movements. Free cash inflow, after capital expenditure of £73.5m but before cashflows from financing activities, was £62.2m (2023: £112.1m) primarily attributable to the reduced favourable working capital movements and higher tax and capex expenditure.

The Group’s closing net bank debt (comprising borrowings less cash and cash equivalents excluding lease liabilities), reduced to £131.4m (2023: £139.7m) reflecting bank borrowings of £243.3m net of cash balances of £111.9m. Net debt including lease liabilities was £337.4m (2023: £366.6m). Year-end net bank debt as a ratio of adjusted EBITDA reduced to 0.9 times (2023: 1.0 times).

At the end of 2024 the Group had undrawn committed bank facilities under its syndicated banking facilities of £108.0m (2023: £108.7m). These banking facilities are subject to covenants comprising three times net bank debt to EBITDA and four times EBITDA interest cover. There was comfortable headroom under these covenants at the end of the year for these metrics. The Group also uses supply chain finance facilities provided by its customers as a cost-effective way of managing fluctuations in working capital requirements.

The resilience of the Group has been assessed by applying significant downside sensitivities to the Group’s cash flow projections. Allowing for these sensitivities and potential mitigating actions, the Board is satisfied that the Group has adequate headroom under its existing committed facilities and will be able to continue to operate well within its banking covenants.

Dividends

The Group has maintained a progressive dividend policy since flotation and has recommended a final dividend of 24.9p per ordinary share in respect of 2024. This, together with the interim dividend of 9.6p per ordinary share paid in November 2024, represents an increase of 7.8% compared to last year’s 32.0p per ordinary share. The final dividend, if approved by shareholders, will be paid on 27 June 2025 to shareholders on the register on 30 May 2025 and the shares will be ex-dividend on 29 May 2025.

Key performance indicators

How we measure our performance against our strategic objectives

The Board monitors a range of financial and non-financial key performance indicators (KPIs) to measure the Group's performance over time in building shareholder value and achieving the Group's strategic priorities. The nine headline KPI metrics used by the Board for this purpose, together with our performance over the past two years, is set out below:

	2024 52 weeks	**2023 52 weeks**	**Definition, method of calculation and analysis**
Financial KPIs			
Revenue growth (%)	0.0%	3.7%	Year on year revenue growth expressed as a percentage. The 2024 metric reflects volume growth offset by the impact of fx rates and APAC raw material price deflation.
Adjusted operating profit margin (%)	2.6%	2.4%	Adjusted operating profit expressed as a percentage of turnover. The improvement in 2024 mainly reflects strong trading in the UK & Ireland.
Adjusted operating profit margin (pence per kg)	19.4	18.4	Adjusted operating profit per kilogram processed and sold in pence. The increase in 2024 mainly reflects strong trading in the UK & Ireland.
Adjusted earnings before interest, taxation, depreciation and amortisation (EBITDA) (£m)	152.6	144.0	Adjusted operating profit before depreciation and amortisation. The increase in 2024 mainly reflects higher profitability.
Return on capital employed (ROCE) (%)	21.7%	18.3%	Adjusted operating profit divided by average of opening and closing capital employed representing total equity adjusted for net bank cash/debt, leases, derivatives and deferred tax. The increase in 2024 is primarily driven by higher profitability.
Free cash flow (£m)	62.3	112.1	IFRS cash inflow/(outflow) before minorities, dividends and financing. The decrease in 2024 is primarily attributable to reduced favourable working capital movements and higher tax and capex expenditure.
Net debt / EBITDA ratio (times)	0.9	1.0	Year-end net bank debt as a percentage of adjusted EBITDA. The improvement in 2024 is due to strong profit and cash generation.
Non-financial KPIs			
Growth in sales volumes (%)	4.4%	0.7%	Year on year volume growth. There was volume growth across all regions in 2024.
Customer service level (%)	98.4%	94.1%	Packs of product delivered as a % of the orders placed. The customer service level remains best in class.

In addition, a much wider range of financial and operating KPIs are continuously tracked at business unit level.

Going concern statement

The Directors have performed a detailed assessment, including a review of the Group's budget for the 2025 financial year and its longer term plans, including consideration of the principal risks faced by the Group.

The resilience of the Group has been assessed by applying significant downside sensitivities to the Group's cash flow projections and a reverse stress test, flexing operating profit to determine what circumstance would be required to breach the two financial covenants, net debt/EBITDA and interest cover.

Allowing for these sensitivities and potential mitigating actions, the Board is satisfied that the Group is able to continue to operate well within its banking covenants and has adequate headroom under its new committed facilities which do not expire until January 2027. The Directors are satisfied that the Company and the Group have adequate resources to continue to operate and meet its liabilities as they fall due for the foreseeable future, a period considered to be at least 12 months from the date of signing these financial statements. For this reason, the Directors continue to adopt the going concern basis for preparing the financial statements.

The Group's net bank debt as at 29 December 2024 was £131.4m. It has access to undrawn committed loan facilities of £108m which have an expiry date of January 2027.

Future geographical expansion which is not yet contracted, and which is not built into our internal budgets and forecasts, may require additional or extended banking facilities, and such future geographical expansion will depend on our ability to negotiate appropriate additional or extended facilities, as and when they are required.

The Group considers that the likelihood of the reverse stress test scenario occurring to be remote. Internal budgets and forward forecasts, which incorporate all reasonably foreseeable changes in trading performance, are regularly reviewed by the Board and show that it will be able to operate within its current banking facilities, taking into account available cash balances, for the foreseeable future.

Viability statement

In accordance with provision 31 of the 2018 UK Corporate Governance Code, the Directors confirm that they have a reasonable expectation that the Group will continue to operate and meet its liabilities, as they fall due, for the three years ending in December 2027.

A period of three years has been chosen for the purpose of this viability statement as it is the key period of focus within the Group's strategic plan, which is based on the Group's current customers and does not incorporate the benefits from any potential new contract gains over this period.

The Directors' assessment has been made with reference to the Group's current position and strategy taking into account the Group's principal risks, including those in relation to the changing geopolitical and macroeconomic environment, and how these are managed. The strategy and associated principal risks, which the Directors review at least annually, are incorporated in the strategic plan and such related scenario testing as is required. The strategic plan makes reasoned assumptions in relation to volume growth based on the position of our customers and expected changes in the macroeconomic environment and retail market conditions, expected changes in food raw material, packaging and other costs, together with the anticipated level of capital investment required to maintain our facilities at state-of-the-art levels. The Group's current bank facilities expire in January 2027 and are expected to be renegotiated prior to their expiry on comparable terms to the existing arrangements.

Cautionary statement

This Strategic report contains forward-looking statements. Such statements are based on current expectations and assumptions and are subject to risk factors and uncertainties which we believe are reasonable. Accordingly the Group's actual future results may differ materially from the results expressed or implied in these forward-looking statements. We do not undertake to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Matt Osborne
Chief Financial Officer
7 April 2025

Risk management and principal risks

Overview

Effective risk management at Hilton Foods is essential to the delivery of our strategic objectives and aims to safeguard the interests of all our stakeholders in an increasingly complex world. Our proactive approach to risk management enables the long-term sustainable growth of all aspects of our business and is integrated into everything we do.

Risks and risk management

In accordance with provision 28 of the 2018 UK Corporate Governance Code, the Directors confirm that they have carried out a robust assessment of the emerging and principal risks facing Hilton Foods that might impede the achievement of its strategic and operational objectives or affect performance and cash position. As a leading international food and supply chain services provider in a fast-moving environment it is critical that Hilton Foods identifies, assesses and prioritises its risks. The result of this assessment is a statement of principal risks together with a description of the main controls and mitigations that reduce the effect of those risks were they to crystallise. This, together with the adoption of appropriate mitigating actions, enables us to monitor, minimise and control both the probability and potential impact of these risks.

How we manage risk

Hilton Foods takes a proactive approach to risk management with well-developed structures and a range of processes for identifying, assessing, prioritising and mitigating its key risks. The delivery of our strategy depends on our ability to make sound risk informed decisions. The Internal Audit function provides independent assurance that Hilton Foods risk management, governance and internal control processes are operating effectively. The Audit Committee are regularly updated on the risk based assurance plan by the Internal Audit function who maintain and review processes for risk identification and assessment, measurement, control, monitoring and reporting. Risk exposure is reviewed by the Audit Committee twice a year.

Risk management process and risk appetite

The Board aims to balance a robust and proportionate control environment with the agility needed to pursue new business opportunities. Despite these efforts, the business will inevitably face certain risks and uncertainties, as outlined below.

At Hilton Foods we nurture a culture where everyone is required to be aware of the risks facing the business and their responsibilities for managing them. To support this we maintain and create an environment where employees feel comfortable speaking up. Our processes for identifying existing and emerging risks and responding collaboratively to them is managed by the Internal Audit function. Identified risks are measured and assessed for likelihood and impact allowing for the correct risk responses to be developed. Policies, procedures, controls and other measures are put in place to mitigate risks. We use a suite of preventative, detective and corrective controls.

Risk ownership is assigned to key leaders. This ownership is reviewed as part of the ongoing risk management process. Mitigation plans and controls are developed collaboratively with the risk owner to ensure effective management.

Not all the risks listed are within the Group’s control and others may be unknown or currently considered immaterial but could turn out to be material in the future. These risks, together with our risk mitigation strategies, should be considered in the context of our risk management and internal control framework, details of which are set out in the Corporate governance statement. It must be recognised that systems of internal control are designed to manage rather than completely eliminate any identified risks.

Current and emerging risks

Increasing geopolitical uncertainty

Geopolitical uncertainty and increasing levels of active hostilities in multiple regions remain a significant concern and increases the risk impacting our supply chains and operations. Disruption to energy markets, global shipping and international trade particularly in relation to government tariff strategies can also have far-reaching impacts. However, our continued review of mitigations enables us to maintain resilience in our supply chains and operations.

The macroeconomic environment

Cost-of-living pressures and economic uncertainty continue in much of the world, with elevated inflation and interest rates not expected to reduce as rapidly as previously expected. As these trends continue and as levels of inflation and interest rates further ease we expect consumer spending and eating habits to recover but remain cautious. We recognise the effect of higher interest costs on all businesses and we continue to focus on ways of reducing our exposure such as the use of cash pooling and exploring working capital financing.

Our continued focus on cost control, innovation and factory efficiency, and the implementation of automation and robotics is enabling us to manage the inflationary pressures the industry is currently facing. Through our strong customer relationships we are able to support consumers to navigate through these challenging times.

Budgetary changes in the UK in relation to national insurance contributions and wage inflation in the UK and Ireland, Europe and APAC regions are also factors being mitigated through our 2025 budgets and regional planning.

Changing regulatory landscape

Hilton Foods has a strong basis of environmental, social and governance policies and strategy. We recognise the potential disruption from growing environmental regulations and the resourcing requirements to meet upcoming disclosure requirements. We are actively enhancing our mitigations, including third party risk management and supply chain due diligence.

We continue to monitor international regulatory and trade environments as they evolve and amend processes and operations as required, including as a result of the new administration in the USA.

We work closely with our customers and supply chains to adapt to further revisions to border processes and trade agreements.

Cyber Risk

Information systems and cyber security risk continues to pose a threat to the Group and remains a principal risk. We are aware that specific sectors including manufacturing and logistics are increasingly a focus of such attacks. Whilst the cyber security risk profile for Hilton Foods has remained stable during the year, we recognise the challenges and opportunities that are emerging through the development of Artificial Intelligence. We continue to invest in our IT systems to remain protected and match the ever-increasing number and diversity of external security threats.

The Board, through the Audit Committee receives key updates from the Group Internal Audit and Risk Director, the Chief Information Officer and Head of IT Security regarding our risk mitigation activities focussing on both the direct threat to our operations and the wider supply chain, and the continued drive on cyber-risk awareness and training across the Group.

The internal audit plan for 2024 included specific reviews on IT access governance and IT systems and cyber-security resilience.

Hilton Foods fosters a digitally secure culture through:

- Information Security and IT policies are in place and are regularly reviewed. Our cyber-security strategy and actions are regularly monitored by the Audit Committee and the Board.
- Compulsory IT and cyber-security training is regularly run, including internal phishing awareness campaigns, to validate that learning is embedded throughout the organisation.
- Regular employee communication and engagement through cyber security newsletters and email alerts to raise awareness of emerging threats.
- A centrally governed IT function continually monitors known and emerging threats through dedicated platforms and in turns considers the effectiveness of our incident response plans to manage and eliminate these risks. This includes maintaining firewalls and threat detection and response systems with regular penetration testing performed.
- Expanding IT response plans to incorporate wider stakeholders and continue to develop alignment to the latest threats. Employees are encouraged to log all security issues, facilitating rapid response to emerging threats. Easier reporting of suspected phishing emails has been enabled through a shortcut embedded in email software.

Principal risks

The most significant business risks that Hilton Foods faces, together with the measures we have adopted to mitigate these risks, are outlined in the following tables. This is not intended to constitute an exhaustive analysis of all risks faced by Hilton Foods, but rather to highlight those which are the most significant.

Description of risk	Its potential impact	Risk mitigation measures and strategies adopted
Risk 1 The progress of the Hilton Foods business is affected by the macroeconomic and geopolitical environment and levels of consumer spending. ⊖ No movement	No business is immune to difficult economic climates. The macroeconomic and geopolitical landscape, is placing extraordinary financial pressures on our supply chains, operations, consumers and customers. The risk of energy price volatility and the ongoing cost of driving crisis is impacting consumer spending and eating habits. As a result, our retail customers are under immense pressure to deliver value and are sharing that pressure with supplier partners.	Our strong growth model, based on successful diversification across different proteins and expanding as a technology-led supply chain partner is built on our ESG credentials which underpin our business resilience. We continue to broaden product ranges with our retail partners, maintaining a single-minded focus on minimising unit packing costs, whilst continuing to deliver high levels of product quality and integrity. Hilton Foods is able to harness its innovative and agile approach with its class-leading technology and systems to respond quickly and effectively to macroeconomic challenges and opportunities. We recognise the impact of increasing interest costs on all businesses and we continue to focus on ways of reducing our exposure such as the use of cash pooling and exploring working capital financing.
Risk 2 Hilton Foods growth potential may be affected by the success of our customers and the growth of their packed food sales. ⊖ No movement	Hilton Foods products predominantly carry the brand labels of our customers so our sales are dependent on the success of our customers and their consumer perception which is increasingly influenced by environmental, social and governance (ESG) considerations.	Hilton Foods plays a very proactive role in enhancing its customers' brand values, by providing high quality, competitively priced products, high service levels, ongoing product and packaging innovation and category management support. We recognise that quality and traceability assurance are integral to our customers' brands and we work closely with customers to ensure rigorous quality assurance standards are met. Our customers continually measure performance across a very wide range of parameters, including delivery time, product specification, product traceability and accuracy of documentation. We work closely with our customers to identify continuous improvement opportunities across the supply chain, including enhanced product presentation, extended shelf life and reduced wastage at every stage in the supply chain. Our ESG strategy underpins the growth of our product sectors for our customers and supports them to reach their goals. Our ambitious 2025 Sustainable Protein Plan is in partnership with our customers and suppliers as we engage in the key collaborative initiatives that drive sustainability for our sectors and raise the bar together. We have set stretching goals that drive impactful actions that become integrated into our core business practices. Our data collection platform, Foods Connected, demonstrates the assurance of

		standards across our supply chains, and allows us to measure progress towards our 2025 targets.
Risk 3 Hilton Foods strategy focuses on a small number of customers who can exercise significant buying power and influence when it comes to contractual renewal terms at 1 to 15-year intervals. No movement	Although Hilton Foods has historically relied on a few, influential retailers for a larger part of our revenue, this has diversified in recent years. The larger retail chains continue to focus on strengthening their market share of protein products in the countries in which we operate, creating an increasingly competitive retail environment. This has increased the buying and negotiating power of our customers, which could enable them to seek better terms over time. During periods of unprecedented inflationary pressure, misalignment between production costs and agreed operational packing rates may occur, potentially impacting profitability.	Hilton Foods is progressively widening its customer base, with the recent announcement of a partnership with Walmart Canada bringing further diversification to the customer portfolio. We maintain a high level of investment in state-of-the-art facilities, which together with management's continuous focus on reducing costs, allows us to operate efficiently at high throughputs and price our products competitively. Hilton Foods operates an entrepreneurial business structure, which enables us to work very closely and flexibly with retail partners, in order to achieve high service levels in terms of orders delivered, delivery times, compliance with product specifications and accuracy of documentation, all backed by an uncompromising focus on food safety, product integrity and traceability assurance. The Group maintains an ongoing focus on cost control, innovation and factory efficiency to manage inflationary pressures. Hilton Foods continues to evolve and respond to changing market conditions. The provision of added value services in distribution and logistics deepens the relationships we have with our retailer partners. Our technology and services business offers an industry leading technology platform providing end-to-end supply chain and integrated automation solutions. Investment in these services means that we are able to develop and maintain a technology advantage within our industry.
Risk 4 As Hilton Foods continues to grow there is a risk that the people capabilities do not enable the business to grow and change as is necessary. Recruiting, developing and engaging our workforce is critical to executing our strategy and achieving business success. This risk increases as the Group continues to expand through simultaneous growth projects with a need to ensure we have the right culture, skills, capability and capacity	The Group may struggle to meet key strategic objectives and projects and grow in line with the strategy of the business due to the following: • Culture, diversity & employee engagement • Leadership development & talent management • Human capital management	The Group carefully manages its skilled resources including succession planning and maintaining a talent pipeline. The Group is evolving its people capability balanced with an appropriate management structure within the overall organisation. Hilton Foods continues to invest in on-the-job training and career development, whilst recruiting high quality new employees, as required to facilitate the Group's ongoing growth. Appointment of additional key resources and alignment of structures have supported the enhancement of project management control and oversight. Control systems embedded in project management enable the risks of growth to be appropriately highlighted and managed. To underscore our efforts, we have active relationships with strong industry experts across all areas of business growth. In the current climate, strong partnership and proximity to our customers are fundamental.

in our workforce to execute the strategy. movement		Hilton Foods leadership continues to develop its organisational structures to ensure as close a relationship with our retail partners as possible.
Risk 5 Hilton Foods business strength is affected by our ability to maintain a wide and flexible global food supply base operating at standards that can continuously achieve the specifications set by ourselves and our customers. Increasing volatility within the upstream supply chain places additional pressure on our ability to source raw material. No movement	Hilton Foods is reliant on its upstream supply chain to provide sufficient volume of products, to the agreed specifications, in the very short lead times required by customers, with efficient supply chain management being a key business attribute. The Group has both local and global sourcing models. Current or future tariffs, quotas or trade barriers imposed by supplier countries and other global trade developments, could materially affect the Group's international procurement ability and therefore potentially impact our ability to meet agreed customer service levels. Hilton Foods is reliant on its suppliers to provide sufficient volume of products, to the agreed specifications, on time. The Group has both local and global sourcing models and efficient supply chain management is a key business attribute. Current or future tariffs, quotas or trade barriers imposed by supplier countries and other global trade developments could materially affect the Group's international procurement ability and therefore potentially impact our ability to meet agreed customer service levels.	Hilton Foods maintains a flexible global and local food supply base, which is progressively widening as it expands and is continuously audited to ensure standards are maintained, so as to have in place a wide range of options should supply disruptions occur. We have also developed partnerships with key strategic suppliers who share our commitment to quality, food safety, animal welfare and sustainability. We engage with our suppliers through our supplier management platform, Foods Connected where we track supply chain compliance, internal quality procedures and manage the buying, planning and selling of our raw materials. This provides further assurance through strengthening supply chain robustness and transparency.
Risk 6 Contamination within the supply chain including outbreaks of disease and feed contaminants affecting livestock and fish. No movement	This will potentially affect Hilton Foods ability to procure sufficient quantities of safe raw material.	Hilton Foods sources its food from a trusted raw material supply base, all components of which meet stringent national, international and customer standards. We are subject to demanding standards which are independently monitored in every country and reliable product traceability and high welfare standards from the farm to the consumer are integral to our business model. Full traceability from source to packed product is ensured across our suppliers, supported by a comprehensive ongoing audit programme. Within our factories Global Food Safety Initiative (GFSI) benchmarked food safety standards and our own factory standard assessments ensure that the risk of contamination throughout the processing, packing and distribution stages is mitigated.

Risk 7 Significant incidents such as fire, flood, pandemic, a breach of site security or interruption of supply of key utilities could impact the Group's business continuity. No movement	Such incidents could result in systems or manufacturing process stoppages with consequent disruption and loss of efficiency which could impact the Group's sales.	Hilton Foods has robust business continuity plans in place including sister site support protocols enabling other sites to step in with manufacturing and distribution of key product lines where necessary. Continuity management systems and plans are suitably maintained and adequately tested including building risk assessments and emergency power solutions. Mitigation measures to ensure site security include prevention of unauthorised access through biometrics and authentication measures, perimeter controls and monitoring of access points. There are appropriate insurance arrangements in place to mitigate against any associated financial loss.
Risk 8 Hilton Foods IT systems could be subject to cyber attacks, including ransomware and fraudulent external email activity. Such attacks are rapidly increasing in frequency and sophistication, especially with the progression of artificial intelligence. movement	Hilton Foods operations are underpinned by a variety of IT systems. Loss or disruption to those IT systems or extended times to recover data or functionality could disrupt our operations and affect our sales and reputation. Unauthorised access to systems, both within our own network and in our supply chains, could lead to loss of sensitive information. The risk of cyber attack is exacerbated by increasing geopolitical uncertainties.	Our robust IT control framework, including our information security programme is aligned with the National Institute of Standards and Technology (NIST) Cybersecurity and ISO Frameworks. We proactively identify and assess vulnerabilities in our systems through simulated attacks, annual penetration testing and weekly vulnerability scans. Remediation procedures allow us to correct potential weaknesses promptly. Testing is conducted by both internal staff and specialist external bodies. We continuously improve our IT control framework which is applied consistently throughout the business and ensures that our defences remain resilient in the face of evolving cyber threats. Our information security programme places a strong emphasis on incident reporting and response. Employees are encouraged to promptly report any potential security incidents, fostering a culture of transparency and accountability. In the event of an incident, our response protocols enable us to swiftly and effectively contain, eradicate, and recover from security breaches. Cyber awareness training plays a vital role in empowering our workforce to recognise and report potential incidents. Frequent testing and simulations help bolster the resilience of the organisation. The Board and Risk Management Committee are regularly updated on cyber security risk and mitigations. IT risk is considered when assessing new ventures, new sites are required to comply with our minimum standards and operating models. IT forms part of site business continuity exercises which test and help develop the capacity to respond to possible crises or incidents. Regular IT security reviews ensure compliance with expected levels of updates to applications, servers and data centres.

Risk 9 A significant breach of health and safety resulting in any harm to people from negligence or management oversight. The complexity of this risk increases as the Group expands both geographically and into new product groups. ▲ movement	Failure to maintain appropriate health and safety across the Group could result in significant harm or fatality leading to a reputational, regulatory and/or financial impact on our business.	The safety and health of our employees is the number one priority for the business. Hilton Foods has established robust health and safety processes and procedures across its operations, including a Group oversight function which provides key guidance and support necessary to strengthen monitoring, best practice and compliance. The Group has also rolled out an enhanced standardised safety framework. Health and safety performance is reviewed at every meeting by the Board. We are in the process of rolling out a health and safety auditing platform to support the strengthening of our current health and safety framework.
Risk 10 Hilton Foods business and supply chain is affected by climate change risks comprising both physical and transition risks. Physical risks include long-term rises in temperature and sea levels as well as changes to the frequency and severity of extreme weather events. Transition risks include policy changes, reputational impacts, and shifts in market preferences and technology. ⊖ No movement	Potential physical impacts from climate change could include a higher incidence of extreme weather events such as flooding, drought, and forest fires that could disrupt our supply chains and potentially impact production capabilities, increase costs and add complexity. Action taken by societies could reduce the severity of these impacts. Governmental efforts to mitigate climate change may lead to policy and regulatory changes as well as shifts in consumer demand. The potential transitional impacts include additional costs of low greenhouse gas emission farming systems, and the potential of carbon price regulation aimed at shifting consumers to lower carbon foods, which may reduce the profitability of some of our products. Additionally there is increased stakeholder focus on climate change issues. Our reputation could be impacted if we are not active in reducing the climate impacts of our operations and supply chains, resulting in lower demand for our products.	We continue to develop our approach to climate change risk mitigation. We have submitted more ambitious Science Based Targets across Scope 1, 2 and 3 emissions aligned to the 1.5℃ pathway, to decarbonise our own operations and supply chains. We have set energy and water efficiency targets for our sites and continue to engage in global collaborative action for decarbonisation of our key raw materials. We have targets in place to deliver net zero emissions from our operations and supply chain before 2050. Shifts in consumer demand are an opportunity for growth in our portfolio of plant based and seafood products. Additionally, we are ensuring we have the flexibility to adapt our supply chains over time to mitigate physical disruption. We continue to review and develop our assessment of the key physical and transition risks impacting our business in line with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations.

Note: References in this preliminary announcement to the Strategic report, the Corporate and social responsibility report, the Directors' report and the Corporate Governance statement are to reports which will be available in the Company's full published accounts.

Consolidated statement of comprehensive income

	Note	2024 52 weeks £'m	2023 52 weeks £'m
Continuing operations			
Revenue	3	**3,988.3**	3,989.5
Cost of sales		**(3,531.4)**	(3,559.2)
Gross profit		**456.9**	430.3
Distribution costs		**(48.3)**	(47.7)
Administrative expenses		**(310.2)**	(297.1)
Share of profit in joint ventures		**0.4**	0.6
Operating profit		**98.8**	86.1
Finance income	4	**1.8**	0.6
Finance costs	4	**(39.6)**	(38.1)
Finance costs – net		**(37.8)**	(37.5)
Profit before income tax		**61.0**	48.6
Income tax expense	5	**(19.4)**	(10.6)
Profit for the period		**41.6**	38.0
Attributable to:			
Owners of the parent		**39.3**	36.4
Non-controlling interests		**2.3**	1.6
		41.6	38.0
Earnings per share attributable to owners of the parent during the year			
Basic (pence)	6	**43.7**	40.6
Diluted (pence)	6	**43.3**	40.2

	2024 52 weeks £'m	2023 52 weeks £'m
Profit for the period	**41.6**	38.0
Other comprehensive (expense)/income		
Items that may be subsequently reclassified to the income statement		
Exchange differences on translation of foreign operations	**(9.4)**	(0.7)
(Loss)/gain on cash flow hedges	**(6.2)**	6.7
Less: Cumulative loss/(gain) arising on hedging instruments reclassified to profit or loss	**1.4**	-
	(4.8)	6.7
Other comprehensive (expense)/income for the year net of tax	**(14.2)**	6.0
Total comprehensive income for the year	**27.4**	44.0
Total comprehensive income attributable to:		
Owners of the parent	**25.4**	42.4
Non-controlling interests	**2.0**	1.6
	27.4	44.0

The notes are an integral part of these consolidated financial statements.

Consolidated and Company Balance sheets

	Notes	Group 2024 £'m	Group 2023 £'m	Company 2024 £'m	Company 2023 restated* £'m	Company 2 January 2023 restated* £'m
Assets						
Non-current assets						
Property, plant and equipment	8	**329.7**	324.1	**-**	-	-
Intangible assets	9	**141.0**	156.1	**-**	-	-
Lease: right of use assets	10	**172.8**	194.1	**-**	-	-
Investments		**12.1**	7.9	**256.7**	254.7	252.9
Deferred income tax assets		**17.0**	19.1	**-**	-	-
		672.6	701.3	**256.7**	254.7	252.9
Current assets						
Inventories		**197.7**	179.8	**-**	-	-
Trade and other receivables		**253.7**	277.8	**8.7**	5.7	5.7
Current tax assets		**0.4**	-	**-**	-	-
Derivative financial assets		**0.1**	3.6	**-**	-	-
Cash and cash equivalents		**111.9**	126.7	**-**	0.4	0.4
		563.8	587.9	**8.7**	6.1	6.1
Total assets		**1,236.4**	1,289.2	**265.4**	260.8	259.0
Equity						
Equity attributable to owners of the parent						
Ordinary shares		**9.0**	9.0	**9.0**	9.0	9.0
Share premium		**144.9**	144.9	**144.9**	144.9	144.9
Employee share schemes reserve		**9.0**	6.8	**8.9**	6.9	5.1
Foreign currency translation reserve		**(12.1)**	(3.0)	**-**	-	-
Cashflow hedging reserve		**2.6**	7.4	**-**	-	-
Other reserves		**(30.8)**	(30.8)	**71.0**	71.0	71.0
Retained earnings		**184.0**	176.0	**31.6**	29.0	29.0
		306.6	310.3	**265.4**	260.8	259.0
Non-controlling interests		**10.2**	11.2	**-**	-	-
Total equity		**316.8**	321.5	**265.4**	260.8	259.0
Liabilities						
Non-current liabilities						
Borrowings	11	**213.8**	237.8	**-**	-	-
Lease liabilities	10	**189.1**	211.6	**-**	-	-
Deferred income tax liabilities		**9.6**	14.7	**-**	-	-
		412.5	464.1	**-**	-	-
Current liabilities						
Borrowings	11	**29.4**	28.6	**-**	-	-
Lease liabilities	10	**16.9**	15.3	**-**	-	-
Trade and other payables		**451.9**	458.8	**-**	-	-
Derivative financial liabilities		**3.1**	0.2	**-**	-	-
Current tax liabilities		**5.8**	0.7	**-**	-	-
		507.1	503.6	**-**	-	-
Total liabilities		**919.6**	967.7	**-**	-	-
Total equity and liabilities		**1,236.4**	1,289.2	**265.4**	260.8	259.0

*The comparative information has been restated as a result of prior year shared based payments discussed in note 2.

The notes are an integral part of these consolidated financial statements.

S. Murrells CBE	M. Osborne
Director	Director

Hilton Food Group plc – Registered number: 06165540

Consolidated and Company Statement of changes in equity

		Attributable to owners of the parent									
		Share capital	Share premium	Employee share schemes reserve	Foreign currency translation reserve	Cashflow hedge reserve	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
Group	Note	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m
Balance at 1 January 2023		9.0	144.9	5.0	(2.4)	0.8	(30.8)	167.9	294.4	11.0	305.4
Profit for the period		-	-	-	-	-	-	36.4	36.4	1.6	38.0
Currency translation differences		-	-	-	(0.6)	-	-	-	(0.6)	(0.1)	(0.7)
Gain on cash flow hedging		-	-	-	-	6.6	-	-	6.6	0.1	6.7
Total comprehensive income for the period		-	-	-	(0.6)	6.6	-	36.4	42.4	1.6	44.0
Transactions with non-controlling interests		-	-	-	-	-	-	-	-	0.1	0.1
Employee share schemes - value of employee services		-	-	1.8	-	-	-	-	1.8	-	1.8
Dividends paid	7	-	-	-	-	-	-	(28.3)	(28.3)	(1.5)	(29.8)
Total transactions with owners		-	-	1.8	-	-	-	(28.3)	(26.5)	(1.4)	(27.9)
Balance at 31 December 2023		9.0	144.9	6.8	(3.0)	7.4	(30.8)	176.0	310.3	11.2	321.5
Profit for the period		**-**	**-**	**-**	**-**	**-**	**-**	**39.3**	**39.3**	**2.3**	**41.6**
Other comprehensive (expense)/income											
Currency translation differences		**-**	**-**	**-**	**(9.1)**	**-**	**-**	**-**	**(9.1)**	**(0.3)**	**(9.4)**
(Loss) on cash flow hedging		**-**	**-**	**-**	**-**	**(7.8)**	**-**	**-**	**(7.8)**	**-**	**(7.8)**
Loss arising on hedging instruments reclassified to profit or loss		**-**	**-**	**-**	**-**	**1.4**	**-**	**-**	**1.4**	**-**	**1.4**
Tax on cash flow hedge reserves		**-**	**-**	**-**	**-**	**1.6**	**-**	**-**	**1.6**	**-**	**1.6**
Total comprehensive income for the period		**-**	**-**	**-**	**(9.1)**	**(4.8)**	**-**	**39.3**	**25.4**	**2.0**	**27.4**
Transactions with non-controlling interest		**-**	**-**	**-**	**-**	**-**	**-**	**(2.1)**	**(2.1)**	**(0.1)**	**(2.2)**
Employee share schemes - value of employee services		**-**	**-**	**2.0**	**-**	**-**	**-**	**-**	**2.0**	**-**	**2.0**
Tax on employee share schemes		**-**	**-**	**0.2**	**-**	**-**	**-**	**-**	**0.2**	**-**	**0.2**
Dividends paid	7	**-**	**-**	**-**	**-**	**-**	**-**	**(29.2)**	**(29.2)**	**(2.9)**	**(32.1)**
Total transactions with owners		**-**	**-**	**2.2**	**-**	**-**	**-**	**(31.3)**	**(29.1)**	**(3.0)**	**(32.1)**
Balance at 29 December 2024		**9.0**	**144.9**	**9.0**	**(12.1)**	**2.6**	**(30.8)**	**184.0**	**306.6**	**10.2**	**316.8**
Company											
Balance at 1 January 2023		9.0	144.9	-	-	-	71.0	29.0	253.9	-	253.9
Adjustment in respect of employee share schemes	2	-	-	5.1	-	-	-	-	5.1	-	5.1
Balance at 1 January 2023 - Restated		9.0	144.9	5.1	-	-	71.0	29.0	259.0	-	259.0
Profit for the period		-	-	-	-	-	-	28.3	28.3	-	28.3
Total comprehensive income for the year		-	-	-	-	-	-	28.3	28.3	-	28.3
Adjustment in respect of employee share schemes	2	-	-	1.8	-	-	-	-	1.8	-	1.8
Dividends paid	7	-	-	-	-	-	-	(28.3)	(28.3)	-	(28.3)
Total transactions with owners		-	-	1.8	-	-	-	(28.3)	(26.5)	-	(26.5)
Balance at 31 December 2023 - Restated		9.0	144.9	6.9	-	-	71.0	29.0	260.8	-	260.8
Profit for the period		**-**	**-**	**-**	**-**	**-**	**-**	**31.8**	**31.8**	**-**	**31.8**
Total comprehensive income for the period		**-**	**-**	**-**	**-**	**-**	**-**	**31.8**	**31.8**	**-**	**31.8**
Employee share schemes - value of employee services		**-**	**-**	**2.0**	**-**	**-**	**-**	**-**	**2.0**	**-**	**2.0**
Dividends paid	7	**-**	**-**	**-**	**-**	**-**	**-**	**(29.2)**	**(29.2)**	**-**	**(29.2)**
Total transactions with owners		**-**	**-**	**2.0**	**-**	**-**	**-**	**(29.2)**	**(27.2)**	**-**	**(27.2)**
Balance at 29 December 2024		**9.0**	**144.9**	**8.9**	**-**	**-**	**71.0**	**31.6**	**265.4**	**-**	**265.4**

The notes are an integral part of these consolidated financial statements.

Consolidated and Company Cash flow statements

	Notes	Group 2024 52 weeks £'m	Group 2023 52 weeks £'m	Company 2024 52 weeks £'m	Company 2023 52 weeks £'m
Cash flows from operating activities					
Cash generated from operations	12	**183.8**	216.1	**-**	-
Interest paid		**(39.6)**	(38.1)	**-**	-
Income tax paid		**(19.7)**	(11.1)	**-**	-
Net cash generated from operating activities		**124.5**	166.9	**-**	-
Cash flows from investing activities					
Acquisition of subsidiary, net of cash acquired		**-**	(0.4)	**-**	-
Acquisition of investments		**(4.4)**	(1.7)	**-**	-
Issue of inter-company loan		**-**	-	**-**	0.2
Repayment of inter-company loan		**-**	**-**	**(3.0)**	**-**
Purchases of property, plant and equipment		**(68.0)**	(55.4)	**-**	-
Proceeds from sale of property, plant and equipment		**1.1**	0.9	**-**	-
Purchases of intangible assets		**(6.6)**	(4.2)	**-**	-
Interest received		**1.8**	0.6	**-**	-
Dividends received		**-**	-	**31.8**	28.3
Dividends received from joint venture		**0.6**	0.5	**-**	-
Insurance proceeds for property, plant, and equipment		**13.2**	4.9	**-**	-
Net cash (used in)/generated from investing activities		**(62.3)**	**(54.8)**	**28.8**	28.5
Cash flows from financing activities					
Proceeds from borrowings	13	**10.4**	11.4	**-**	-
Repayments of borrowings		**(31.4)**	(38.3)	**-**	-
Payment of lease liability		**(17.3)**	(14.6)	**-**	-
Transaction with non-controlling interests		**(2.2)**	-	**-**	-
Dividends paid to owners of the parent		**(29.2)**	(28.3)	**(29.2)**	(28.3)
Dividends paid to non-controlling interests		**(2.9)**	(1.5)	**-**	-
Net cash (used in)/generated from financing activities		**(72.6)**	(71.3)	**(29.2)**	(28.3)
Net (decrease)/increase in cash and cash equivalents		**(10.4)**	40.8	**(0.4)**	0.2
Cash and cash equivalents at beginning of the year		**126.7**	87.2	**0.4**	0.2
Exchange losses on cash and cash equivalents	13	**(4.4)**	(1.3)	**-**	-
Cash and cash equivalents at end of the year		**111.9**	126.7	**-**	0.4

The notes are an integral part of these consolidated financial statements.

Notes to the financial statements

1 General information

Hilton Food Group plc ('the Company') and its subsidiaries (together 'the Group') is a leading specialist international food packing business supplying major international food retailers in fourteen European countries, Australia and New Zealand. The Company's subsidiaries are listed in a note to the full financial statements.

The Company is a public company limited by shares incorporated and domiciled in the UK and registered in England. The address of the registered office is 2–8 The Interchange, Latham Road, Huntingdon, Cambridgeshire PE29 6YE. The registered number of the Company is 06165540.

The Company maintains a Premium Listing on the London Stock Exchange.

The financial period represents the 52 weeks to 29 December 2024 (prior financial period 52 weeks to 31 December 2023).

This preliminary announcement was approved for issue on 7 April 2025.

2 Summary of significant accounting policies

The accounting policies are consistent with those of the annual financial statements for the year ended 31 December 2023.

Basis of preparation

The consolidated and company financial statements of Hilton Food Group plc have been prepared under the historical cost convention except for certain financial assets and liabilities measured at fair value and in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 and UK-adopted International Accounting Standards.

The consolidated and company financial statements have been prepared on the going concern basis. The reasons why the Directors consider this basis to be appropriate are set out in the Performance and financial review.

The financial statements are presented in Sterling and all values are rounded to the nearest million (£'m) except when otherwise indicated.

The financial information included in this preliminary announcement does not constitute statutory accounts of the Group for the years ended 29 December 2024 and 31 December 2023 but is derived from those accounts. Statutory accounts for 2023 have been delivered to the Registrar of Companies and those for 2024 will be delivered following the Company's Annual General Meeting. The auditors have reported on those accounts; their reports were (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

Restatement of prior year share based payments

During the period, a review of the Company accounting for share-based payments identified that, at the HFG plc entity level, the entries for share-based payments provided by the Group to employees of subsidiary businesses had not been appropriately reflected. Previously, share-based payment costs were recognised only at the consolidated level and not at the HFG plc level. Specifically, these costs were not recorded as investments with a corresponding credit to a share-based payment reserve, as required under IFRS 2.

As a result of this review, the following adjustments have been made to the plc-only financial statements:

Prior year adjustment: The Company balance sheet has recorded a prior year adjustment. This adjustment involves the recognition of an investment in Hilton Foods Limited of £6.8m, with a corresponding credit made to the share-based payment reserve.

In-year adjustment (2024): In addition, during 2024, an in-year investment of £2.0m (2023: £1.8m) has been recognised in respect of the fair value of share-based payments provided to employees.

These adjustments ensure that the financial statements of the Company accounts accurately reflect the economic substance of share-based payments and are accounting the results correctly under IFRS. There were no other changes in the accounting treatment of share-based payments during the period.

The following table summarises the impact of the prior period adjustment on the financial statements:

Company	2024 £'m	2023 £'m	2 January 2023 £'m
Statement of financial position (extract)			
Investments	8.90	6.90	5.10
Increase in net assets	8.90	6.90	5.10

The Balance sheet and Statements of change in equity for the Company only has been adjusted to reflect the changes.

3 Segment information

Management have determined the operating segments based on the reports reviewed by the Group Directors that are used to make strategic decisions.

The Executive Directors have considered the business from both a geographic and product perspective.

From a geographic perspective, the Executive Directors consider that the Group has four operating segments: i) UK & Ireland which comprises the Group's operations in United Kingdom and Republic of Ireland; ii) Europe which includes the Group's operations in the Netherlands, Sweden, Denmark, Central Europe and Portugal; iii) APAC comprising the Group's operations in Australia and New Zealand; and iv) Central costs.

From a product perspective the Executive Directors consider that the Group has only one identifiable product, wholesaling of food protein products including meat, fish and vegetarian. The Executive Directors consider that no further segmentation is appropriate, as all of the Group's operations are subject to similar risks and returns and exhibit similar long term financial performance.

The segment information provided to the Executive Directors for the reportable segments is as follows:

Group	UK & Ireland £'m	Europe £'m	APAC £'m	Central costs £'m	2024 Total £'m	UK & Ireland £'m	Europe £'m	APAC £'m	Central costs £'m	2023 Total £'m
Total revenue	**1,505.2**	**1,060.9**	**1,463.4**	**-**	**4,029.5**	1,389.1	1,061.4	1,614.9	-	4,065.4
Inter-co revenue	**(39.3)**	**(1.9)**	**-**	**-**	**(41.2)**	(59.8)	(16.1)	-	-	(75.9)
Third party revenue	**1,465.9**	**1,059.0**	**1,463.4**	**-**	**3,988.3**	1,329.3	1,045.3	1,614.9	**-**	3,989.5
Adjusted operating profit/(loss) segment result (see note 16)	**50.9**	**40.8**	**29.8**	**(16.8)**	**104.7**	35.5	40.9	30.2	(11.6)	95.0
Amortisation of acquired intangibles	**(5.1)**	**(4.4)**	**-**	**-**	**(9.5)**	(5.1)	(4.4)	-	-	(9.5)
Adjusting/Exceptional items	**(1.0)**	**0.5**	**-**	**(0.1)**	**(0.6)**	(1.8)	(2.0)	-	(0.1)	(3.9)
Impact of IFRS 16	**(0.3)**	**1.0**	**3.5**	**-**	**4.2**	0.6	0.6	3.3	-	4.5
Operating profit/(loss) segment result	**44.5**	**37.9**	**33.3**	**(16.9)**	**98.8**	29.2	35.1	33.5	(11.7)	86.1
Finance income	**-**	**1.1**	**0.7**	**-**	**1.8**	0.1	0.1	0.4	-	0.6
Finance costs	**(8.3)**	**(12.1)**	**(12.4)**	**(6.8)**	**(39.6)**	(9.2)	(10.5)	(13.8)	(4.6)	(38.1)
Income tax (expense)/credit	**(8.9)**	**(9.2)**	**(7.2)**	**5.9**	**(19.4)**	(2.7)	(4.8)	(6.1)	3.0	(10.6)
Profit/(loss) for the period	**27.3**	**17.7**	**14.4**	**(17.8)**	**41.6**	17.4	19.9	14.0	(13.3)	38.0
Depreciation, amortisation and impairment	**24.4**	**32.4**	**31.0**	**0.5**	**88.3**	23.3	19.6	36.0	0.5	79.4
Additions to non-current assets	**40.3**	**24.9**	**8.1**	**1.2**	**74.5**	29.6	21.1	8.3	0.7	59.7
Segment assets	**456.9**	**343.5**	**371.4**	**47.2**	**1,219.0**	404.8	397.5	431.7	36.1	1,270.1
Current income tax assets					**0.4**					-
Deferred income tax assets					**17.0**					19.1
Total assets					**1,236.4**					1,289.2
Segment liabilities	**209.0**	**178.9**	**325.1**	**191.2**	**904.2**	187.2	199.9	380.6	184.6	952.3
Current income tax liabilities					**5.8**					0.7
Deferred income tax liabilities					**9.6**					14.7
Total liabilities					**919.6**					967.7

Sales between segments are carried out at arm's length.

The Executive Directors assess the performance of each operating segment based on its operating profit before adjusting/exceptional items and amortisation of acquired intangibles and also before the impact of IFRS 16 (see note 16). Operating profit is measured in a manner consistent with that in the income statement.

The amounts provided to the Executive Directors with respect to total assets and liabilities are measured in a manner consistent with that of the financial statements. The assets are allocated based on the operations of the segment and their physical location. The liabilities are allocated based on the operations of the segment.

The Group has five principal customers (comprising groups of entities known to be under common control), Tesco, Ahold Delhaize, Coop Danmark, ICA Gruppen and Woolworths. These customers are located in the United Kingdom, Netherlands, Belgium, Republic of Ireland, Sweden, Denmark and Central Europe including Poland, Czech Republic, Hungary, Slovakia, Latvia, Lithuania and Estonia and APAC.

Analysis of revenues from external customers and non-current assets are as follows:

	Revenues from external customers		Non-current assets excluding deferred tax assets	
	2024	2023	**2024**	2023
Group	**£'m**	£'m	**£'m**	£'m
Analysis by geographical area				
United Kingdom – country of domicile	**1,360.8**	1,265.3	**253.4**	223.0
Netherlands	**492.6**	475.8	**99.2**	117.8
Belgium	**14.3**	19.0	**0.1**	0.1
Sweden	**271.2**	245.2	**22.4**	24.4
Republic of Ireland	**100.6**	89.1	**14.7**	5.2
Denmark	**126.2**	123.1	**15.3**	16.2
Central Europe	**159.5**	154.7	**22.1**	23.7
APAC	**1,463.1**	1,617.3	**228.4**	271.8
	3,988.3	3,989.5	**655.6**	682.2
Analysis by principal customer				
Customer 1	**1,211.3**	1,107.3		
Customer 2	**356.2**	337.8		
Customer 3	**268.2**	243.5		
Customer 4	**119.4**	120.8		
Customer 5	**1,291.7**	1,447.5		
Other	**741.5**	732.6		
	3,988.3	3,989.5		

4 Finance income and finance costs

Group	2024 £'m	2023 £'m
Finance income		
Interest income on short term bank deposits	**1.4**	0.6
Other interest income	**0.4**	-
Finance income	**1.8**	0.6
Finance costs		
Bank borrowings	**(18.9)**	(20.1)
Interest on lease liabilities	**(8.6)**	(8.6)
Customer Provided Supply chain finance interest	**(9.6)**	(8.2)
Other interest expense	**(2.5)**	(1.2)
Finance costs	**(39.6)**	(38.1)
Finance costs – net	**(37.8)**	(37.5)

5 Income tax expense

Group	2024 £'m	2023 £'m
Current income tax		
Current tax on profits for the period	**22.5**	17.1
Adjustments to tax in respect of previous periods	**(0.7)**	(0.2)
Total current tax	**21.8**	16.9
Deferred income tax		
Origination and reversal of temporary differences	**(2.1)**	(5.8)
Adjustments to tax in respect of previous periods	**(0.3)**	(0.5)
Total deferred tax	**(2.4)**	(6.3)
Income tax expense	**19.4**	10.6

Deferred tax charged directly to equity during the period in respect of employee share schemes amounted to £0.2m (2023: charge £0.03m).

Deferred tax charged directly to the statement of other comprehensive income during the period in respect of cash flow hedges amounted to £1.6m (2023: charge £nil).

Factors affecting future tax charges

The Group operates in numerous tax jurisdictions around the world and is subject to factors that may affect future tax charges including transfer pricing, tax rate changes and tax legislation changes.

The Group has applied the temporary exception issued by the IASB in May 2023 from the accounting requirements for deferred taxes in IAS 12. Accordingly, the Group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

On 20 June 2023, the government of the United Kingdom, where the parent company is incorporated, enacted the Pillar Two income taxes legislation. The Group is within the scope of Pillar Two with effect from 1 January 2024 under UK legislation. Pillar Two legislation has also been enacted in other jurisdictions where the Group operates and may affect computation of top-up taxes for those markets. Under the legislation, the Group is required to pay top-up tax on profits that are taxed at an effective tax rate of less than 15 per cent. The Group's current tax expense (income) related to Pillar Two income taxes is £nil.

The Group's current tax expense (income) related to Pillar Two income taxes is £nil.

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the standard rate of UK Corporation Tax of 25% (2023: 23.5%) applied to profits of the consolidated entities as follows:

	2024 £'m	2023 £'m
Profit before income tax	**61.0**	48.6
Tax calculated at the standard rate of UK Corporation Tax 25.0% (2023: 23.5%)	**15.3**	11.4
Effects of:		
Expense/(income) not deductible/(taxable)	**2.0**	(0.2)
Joint venture results received	**(0.1)**	(0.1)
Adjustments to tax in respect of previous periods	**(1.0)**	(0.7)
Profits taxed at rates other than 25.0% (2023: 23.5%)	**0.1**	1.3
Impact of change in tax rates	**0.2**	-
Double tax relief	**0.1**	-
Derecognition/(recognition) of deferred tax assets	**2.3**	0.6
Deferred tax recognised in reserves	**0.2**	-
Non-qualifying depreciation	**0.3**	(1.7)
Income tax expense	**19.4**	10.6

Adjustments to tax in respect of prior periods have resulted from changes in assumptions in respect of deductible expenses and the application of capital allowances.

6 Earnings per share

Basic earnings per share are calculated by dividing the profit attributable to owners of the parent by the weighted average number of ordinary shares in issue during the period.

Diluted earnings per share are calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Group has share options for which a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Group's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

			2024		2023
Group		**Basic**	**Diluted**	Basic	Diluted
Profit attributable to owners of the parent	(£'m)	**39.3**	**39.3**	36.4	36.4
Weighted average number of ordinary shares in issue	(millions)	**89.7**	**89.7**	89.5	89.5
Adjustment for share options	(millions)	**-**	**0.9**	-	0.9
Adjusted weighted average number of ordinary shares	(millions)	**89.7**	**90.6**	89.5	90.4
Basic and diluted earnings per share	(pence)	**43.7**	**43.3**	40.6	40.2

7 Dividends

Group and Company	**2024 £'m**	2023 £'m
Final dividend in respect of 2023 paid 23.0p per ordinary share (2023: 22.6p)	**20.6**	20.2
Interim dividend in respect of 2024 paid 9.6p per ordinary share (2023: 9.0p)	**8.6**	8.1
Total dividends paid	**29.2**	28.3

The Directors propose a final dividend of 24.9p (2023: 23.0p) per share payable on 27 June 2025 to shareholders who are on the register at 30 May 2025. This dividend totalling £22.4m (2023: £20.6m) has not been included as a liability in these consolidated financial statements in accordance with IAS 10: Events after the reporting period.

8 Property, plant and equipment

Group	Land and buildings (including leasehold improvements) £'m	Plant and machinery £'m	Fixtures and fittings £'m	Motor vehicles £'m	Asset under construction £'m	Total £'m
Cost						
*Restated at 1 January 2023	147.3	580.5	30.1	1.1	-	759.0
Exchange adjustments	(0.5)	(12.6)	(0.3)	-	-	(13.4)
Additions	3.0	51.8	0.5	0.1	-	55.4
Transfers	0.4	(43.9)	7.6	-	34.4	(1.5)
Disposals	(0.9)	(31.0)	(1.9)	(0.1)	-	(33.9)
*Restated at 31 December 2023	149.3	544.8	36.0	1.1	34.4	765.6
Accumulated depreciation and impairment						
*Restated at 1 January 2023	51.5	358.3	21.0	0.6	-	431.4
Exchange adjustments	(0.6)	(5.5)	(0.2)	-	-	(6.3)
Charge for the period	7.0	37.3	3.3	0.1	-	47.7
Impairment	-	1.2	-	-	-	1.2
Disposals	(0.8)	(29.7)	(1.9)	(0.1)	-	(32.5)
*Restated at 31 December 2023	57.1	361.6	22.2	0.6	-	441.5
Net book value						
*Restated at 1 January 2023	95.8	222.2	9.1	0.5	-	327.6
*Restated at 31 December 2023	92.2	183.2	13.8	0.5	34.4	324.1
Cost						
***Restated at 1 January 2024**	**149.3**	**544.8**	**36.0**	**1.1**	**34.4**	**765.6**
Exchange adjustments	**(3.3)**	**(26.1)**	**(1.9)**	**-**	**0.9**	**(30.4)**
Additions	**15.6**	**10.5**	**1.2**	**0.1**	**40.6**	**68.0**
Transfers	**1.7**	**29.0**	**5.2**	**-**	**(36.0)**	**(0.1)**
Disposals	**(5.2)**	**(14.5)**	**(0.5)**	**(0.2)**	**-**	**(20.4)**
At 29 December 2024	**158.1**	**543.7**	**40.0**	**1.0**	**39.9**	**782.7**
Accumulated depreciation and impairment						
***Restated at 1 January 2024**	**57.1**	**361.6**	**22.2**	**0.6**	**-**	**441.5**
Exchange adjustments	**(1.1)**	**(14.3)**	**(0.9)**	**-**	**-**	**(16.3)**
Charge for the period	**7.4**	**35.5**	**4.1**	**0.1**	**-**	**47.1**
Impairment	**-**	**(0.4)**	**-**	**-**	**0.4**	**-**
Transfers	**-**	**1.8**	**(1.8)**	**-**	**-**	**-**
Disposals	**(5.1)**	**(13.7)**	**(0.4)**	**(0.1)**	**-**	**(19.3)**
At 29 December 2024	**58.3**	**370.5**	**23.2**	**0.6**	**0.4**	**453.0**
Net book value						
At 29 December 2024	**99.8**	**173.2**	**16.8**	**0.4**	**39.5**	**329.7**

*The prior year amounts as at 1 January 2024 have been restated for both cost and accumulated depreciation to take account of errors identified and to disclose assets under construction as a separate category. There is no prior year impact on net book value.

9 Intangible assets

Group	Computer software £'m	Brand and customer relationships £'m	Asset under construction £'m	Goodwill £'m	Total £'m
Cost					
*Restated at 1 January 2023	24.7	78.9	-	82.5	186.1
Exchange adjustments	(0.4)	-	-	-	(0.4)
Acquisition	-	0.3	-	1.3	1.6
Additions	4.2	-	-	-	4.2
Transfers	(3.1)	-	4.6	-	1.5
*Restated at 31 December 2023	25.4	79.2	4.6	83.8	193.0
Accumulated amortisation and impairment					
*Restated at 1 January 2023	9.2	16.4	-	-	25.6
Exchange adjustments	(0.2)	-	-	-	(0.2)
Charge for the period	2.5	8.3	-	-	10.8
Impairment	0.7	-	-	-	0.7
*Restated at 31 December 2023	12.2	24.7	-	-	36.9
Net book value					
*Restated at 1 January 2023	15.5	62.5	-	82.5	160.5
*Restated at 31 December 2023	13.2	54.5	4.6	83.8	156.1
Cost					
***Restated at 1 January 2024**	**25.4**	**79.2**	**4.6**	**83.8**	**193.0**
Exchange adjustments	**(1.1)**	**(0.7)**	**-**	**(0.5)**	**(2.3)**
Additions	**2.6**	**-**	**3.9**	**-**	**6.5**
Transfers	**1.2**	**-**	**(0.6)**	**(0.5)**	**0.1**
At 29 December 2024	**28.1**	**78.5**	**7.9**	**82.8**	**197.3**
Accumulated amortisation and impairment					
***Restated at 1 January 2024**	**12.2**	**24.7**	**-**	**-**	**36.9**
Exchange adjustments	**(0.8)**	**(0.2)**	**-**	**-**	**(1.0)**
Charge for the period	**2.5**	**8.1**	**-**	**-**	**10.6**
Impairment	**-**	**-**	**-**	**9.8**	**9.8**
At 29 December 2024	**13.9**	**32.6**	**-**	**9.8**	**56.3**
Net book value					
At 29 December 2024	**14.2**	**45.9**	**7.9**	**73.0**	**141.0**

*The prior year amounts as at 1 January 2024 have been restated for both cost and accumulated amortisation to take account of errors identified and to disclose assets under construction as a separate category. There is no prior year impact on net book value.

Adjusted amortisation charges are included within administrative expenses in the income statement.

Goodwill Impairment Testing

The goodwill generated as a result of major acquisitions represents the premium paid in excess of the fair value of all net assets, including intangible assets, identified at the point of acquisition. The carrying value of goodwill includes a premium paid in order to secure shareholder agreement to the business combination, that is less than the value that the Directors believed could be added to the acquired businesses.

In the prior year goodwill was monitored for impairment at the cash generating unit ("CGU") level. During the current year, in order to better align with the way the Board monitors the performance of the group, goodwill has been monitored at the level of a group of CGUs consistent with the operating segments in the business. This excludes the Dalco CGU which has continued to be monitored separately due to the distinct market and customer model under which it operates.

Goodwill by segment includes UK&I £55.1m and Europe £17.6m (excluding Dalco). Goodwill for the Dalco CGU has been reduced to nil in the current period.

The Group tests goodwill annually or more frequently if there are indications that goodwill might be impaired. In accordance with IAS 36: Impairment of Assets, the Group assesses goodwill based on the recoverable amount of the CGU, or group of CGUs. Recoverable amount was calculated based on value-in-use, which is estimated using a discounted cash flow model. For each group of CGUs tested at a segment level the calculated recoverable amounts exceeded their carrying value and no impairment was indicated. For the Dalco CGU, the recoverable amount was lower than the carrying value, resulting in an impairment charge of £9.8m recognised for the full value of the goodwill.

The key assumptions used in the calculations are projected EBITDA, the pre-tax and post-tax discount rates and the growth rates used to extrapolate cash flows beyond the projected period. EBITDA and profit before tax are based on one-year budgets approved by the Board and longer term, five year, projections based on past experience adjusted to take account of the impact of expected changes to sales prices, volumes, business mix and margin. Cash flows are discounted at a pre-tax discount rate of 11.9%-12.1% (2023: 9.3%-13.4%) depending on the segment with a growth rate of 1.5%-2% (2023: 2%-8%) used to extrapolate cash flows. Discount rates and growth rates are calculated with reference to external benchmarks and where relevant past experience.

Goodwill Impairment

An impairment loss of £9.8 million has been recognised in 2024 on the goodwill allocated to Dalco, following a comprehensive review of the asset's recoverable amount. Under IAS 36 – Impairment of Assets, the company compares the carrying amount of goodwill with its recoverable amount, defined as the higher of fair value less costs to sell or value in use. Detailed impairment testing indicated that the estimated future cash flows from the related assets no longer support the previously recorded value when calculated at value in use. The impairment to goodwill is primarily driven by changes in market conditions in the vegan and vegetarian market and an ongoing reorganisation of the business which has necessitated a reassessment of operational strategies and cost structures.

Prior to recognising this impairment loss, the carrying amount of goodwill was £9.8 million. Following the impairment, the entire goodwill has been written off, ensuring that the balance sheet accurately reflects the fair value of the company's assets.

The impairment test involved significant management judgment and the application of key assumptions such as a pre-tax discount rate of 12.1% (2023: 9.3%), and a long-term growth rate of 2% (2023: 2%).

Sensitivity to changes in assumptions

No sensitivity analysis has been undertaken for the UK&I or Europe Segments as there is no reasonably possible change in key assumptions that could result in an impairment.

Sensitivity analysis has been carried out on Dalco and a reasonably possible change in key assumptions in isolation or in combination may lead to an increase in the impairment. A change in the pre-tax discount rate from 12.1% to 12.6% would result in an increase in the impairment charge of £1.3m. A change in the long-term growth rate from 2% to 1% would result in an increase in the impairment charge of £1.7m. A 5% reduction in volume growth rates, and total cash flows, would result in an increase in the impairment charge of £6.9m and £1.3m respectively. Any additional impairment charge arising would be allocated to the other assets within the Dalco CGU on a pro rata basis.

10 Leases

(i) Amounts recognised in the balance sheet

The balance sheet includes the following amounts relating to leases:

Lease: right of use assets

Group	Land & Buildings £'m	Equipment £'m	Vehicles £'m	Total £'m
Opening net book amount as at 1 January 2023	206.3	7.8	2.5	216.6
Exchange Adjustments	(9.7)	(0.1)	-	(9.8)
Additions	-	4.1	1.0	5.1
Reclassification	4.0	(2.6)	(1.4)	-
Remeasurements, reclassification and scope changes	1.0	0.2	-	1.2
Depreciation	(16.1)	(2.2)	(0.7)	(19.0)
Closing net book amount at 31 December 2023	185.5	7.2	1.4	194.1
Exchange Adjustments	**(13.6)**	**(0.2)**	**(0.1)**	**(13.9)**
Additions	**8.8**	**4.7**	**1.4**	**14.9**
Remeasurements, reclassification and scope changes	**1.8**	**0.9**	**0.2**	**2.9**
Depreciation	**(16.7)**	**(3.3)**	**(0.8)**	**(20.8)**

Disposals	**(3.9)**	**(0.4)**	**(0.1)**	**(4.4)**
Closing net book amount at 29 December 2024	**161.9**	**8.9**	**2.0**	**172.8**

Lease liabilities **Group**	**2024** **£'m**	2023 £'m
Current	**16.9**	15.3
Non-current	**189.1**	211.6
	206.0	226.9

Maturity analysis - contractual undiscounted cash flows **Group**	**2024** **£'m**	2023 £'m
Less than one year	**24.5**	22.9
One to five years	**81.0**	80.5
More than five years	**164.4**	198.4
Total lease liabilities	**269.9**	301.8

(ii) Amounts recognised in the consolidated income statement
The income statement shows the following amounts related to leases:

Depreciation charge on right-of-use assets **Group**	**2024** **£'m**	2023 £'m
Buildings	**16.7**	16.1
Plant & equipment	**3.3**	2.2
Vehicles	**0.8**	0.7
	20.8	19.0

Interest expenses (included in finance costs)	**8.6**	8.5

Expenses relating to short-term leases (included in costs of goods sold and administrative expenses)	**0.1**	1.1

The total cash outflow for leases in 2024 was £25.9m (2023: £22.7m).

Variable Lease Payments
Leases with liabilities recognised of £8.6m (2023: £9.0m), accounting for 4.2% (2023: 3.7%) of total lease liabilities, are subject to five yearly RPI linked rent reviews. These rent reviews are subject to a minimum collar, the impact of which is included in the calculation of lease liabilities and a maximum cap. If the impact of these variable lease payments had been recognised, applying index levels as at 30 December 2024, lease liabilities would have increased by 2024: £5.0m (2023: £5.6m).

In addition, leases with liabilities recognised totalling £2.8m (2023: £3.6m), accounting for 1.3% (2023: 1.5%) of total lease liabilities, are subject to annual CPI linked rent increases. If the impact of these variable lease payments had been recognised, applying index levels as at 29 December 2024, lease liabilities would have increased by £ 0.0m (2022: £0.3m).

11 Borrowings

Group	**2024** **£'m**	2023 £'m
Current		
Bank overdraft	**4.0**	2.8
Bank borrowings	**25.5**	25.8
	29.5	28.6
Non-current		
Bank borrowings	**213.8**	237.8
Total borrowings	**243.3**	266.4

Due to the frequent re-pricing dates of the Group’s loans, the fair value of current and non-current borrowings is approximate to their carrying amount.

The carrying amounts of the Group's borrowings are denominated in the following currencies:

Currency	**2024** **£'m**	2023 £'m
UK Pound	**146.3**	83.2
Euro	**28.8**	82.6
Polish Zloty	**5.0**	7.8
Australian Dollar	**51.1**	73.5
New Zealand Dollar	**12.1**	19.3
	243.3	266.4

Bank borrowings are repayable in quarterly instalments from 2025 – 2027 with interest charged at SONIA (or equivalent benchmark rates) plus 1.95% - 2.10%. Bank borrowings are subject to joint and several guarantees from each active Group undertaking.

The Group has undrawn committed loan facilities of £108m (2023: £109m) which run to January 2027. The Group has modelled a reasonably possible downside scenario against future cash forecasts and throughout this scenario the Group would not breach any of the revised financial covenants and would not require any additional sources of financing.

The undiscounted contractual maturity profile of the Group's borrowings is described in a note to the full financial statements.

Group net debt is analysed as per note 13.

12 Cash generated from operations

Group	**2024** **£'m**	2023 £'m
Profit before income tax	**61.0**	48.6
Finance costs – net	**37.8**	37.5
Operating profit	**98.8**	86.1
Adjustments for non-cash items:		
Share of post-tax profits of joint venture	**(0.4)**	(0.6)
Depreciation of property, plant and equipment	**47.1**	47.7
Depreciation of leased assets	**20.8**	19.0
Impairment of property, plant and equipment	**-**	1.2
Impairment of intangible asset	**9.8**	0.7
Insurance proceeds adjustments for property, plant, and equipment	**(13.2)**	(4.9)
Amortisation of intangible assets	**10.6**	10.8
Gain on disposal of fixed assets	**0.1**	(0.1)
Adjustment in respect of employee share schemes	**2.0**	1.9
Changes in working capital:		
Inventories	**(18.0)**	22.8
Trade and other receivables	**24.2**	(14.9)
Trade and other payables	**(7.0)**	46.4
Net exchange differences	**9.0**	-
Cash generated from operations	**183.8**	216.1

The Company has no operating cash flows.

13 Analysis and movement in net debt

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

Group	**2024** **£'m**	2023 £'m
Cash and cash equivalents	**111.9**	126.7
Borrowings (including overdrafts)	**(243.3)**	(266.4)
Net bank debt	**(131.4)**	(139.7)
Lease liabilities	**(206.0)**	(226.9)
Net debt	**(337.4)**	(366.6)

Net debt reconciliation	Cash/other financial assets £'m	Borrowings (including overdrafts) £'m	Net bank debt £'m	Lease liabilities £'m	Net debt £'m
At 1 January 2023	87.2	(298.8)	(211.6)	(246.2)	(457.8)
Cash flows	40.8	26.9	67.7	14.6	82.3
Lease additions	-	-	-	(5.1)	(5.1)
Exchange adjustments	(1.3)	5.5	4.2	9.8	14.0
At 31 December 2023	126.7	(266.4)	(139.7)	(226.9)	(366.6)
Cash flows	**(10.4)**	**21.0**	**10.6**	**17.5**	**28.1**
Lease additions	**-**	**-**	**-**	**(13.4)**	**(13.4)**
Exchange adjustments	**(4.4)**	**2.1**	**(2.3)**	**16.8**	**14.5**
At 29 December 2024	**111.9**	**(243.3)**	**(131.4)**	**(206.0)**	**(337.4)**

14 Post balance sheet events

On 6 March 2025, Hilton Food Group plc announced it had entered into a 10-year joint venture with The National Agricultural Development Company (NADEC) in Saudi Arabia, marking its entry into the Middle East. Hilton Foods will hold a 49% stake and invest approximately £6.5 million (49% of SAR 60 million) in developing new meat processing and packaging facilities.

15 Related party transactions and ultimate controlling party

The companies noted below are all deemed to be related parties by way of common Directors.

Sales and purchases made on an arm’s length basis on normal credit terms to related parties during the period were as follows:

Group **Sales**	**2024** **£'m**	2023 £'m
Sohi Meat Solutions Distribuicao de Carnes SA - fee for services	**3.7**	3.4
Sohi Meat Solutions Distribuicao de Carnes SA - recharge of joint venture costs	**0.7**	0.5
Agito Holdings Limited	**-**	0.2

Group **Purchases**	**2024** **£'m**	2023 £'m
Agito Holdings Limited	**9.2**	6.2

Amounts owing from related parties at the year end were as follows:

	Owed from related parties	
	2024	2023
Group	**£'m**	£'m
Agito Holdings Limited	**3.0**	1.9
Sohi Meat Solutions Distribuicao de Carnes SA	**3.9**	1.6
Sphere Design Limited	**-**	0.2
Cellular Agriculture Ltd	**-**	0.4
	6.9	4.1

Amounts owing to related parties at the year end were as follows:

	Owed to related parties	
	2024	2023
Group	**£'m**	£'m
Agito Holdings Limited	**1.0**	0.4
Sohi Meat Solutions Distribuicao de Carnes SA	**0.5**	0.1
	1.5	0.5

16 Alternative Performance Measures

The Group's performance is assessed using a number of alternative performance measures (APMs) that are not required or defined under IFRS.

The Group considers adjusted results to be an important measure used to monitor how the Group is performing as they achieve consistency and comparability between reporting periods and management believe they provide useful additional information about the Group's performance and trends to stakeholders.

These measures are consistent with those used internally and are considered important to understanding the financial performance and financial health of the Group.

The Group's alternative performance measures are presented before other adjusting/exceptional items, amortisation of certain intangible assets and depreciation of fair value adjustments made to property, plant and equipment acquired through business combinations and the impact of IFRS 16 - Leases.

Adjusted performance measures are reconciled to unadjusted IFRS results on the face of the income statement below with other APMs used by the Group defined in the subsequent glossary.

	52 weeks ended 29 December 2024 £'m	52 weeks ended 31 December 2023 £'m
Operating profit	**98.8**	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[1]	**(0.6)**	7.7
Insurance proceeds[2]	**(13.2)**	(9.8)
Restructuring costs[3]	**4.2**	4.0
Impairment[4]	**10.2**	2.0
Adjusting items	**5.9**	8.9
Adjusted operating profit	**104.7**	95.0
Profit before tax	**61.0**	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[1]	**0.6**	-
Adjusting items	**15.1**	17.4
Adjusted PBT	**76.1**	66.0
Profit attributable to share holders	**39.3**	36.4
Adjustments to PBT	**15.1**	17.4
Tax effect of adjustments to PBT	**0.5**	(6.6)
Impact on non-controlling interest of adjustments to PBT	**(0.2)**	-
Adjusting items	**15.4**	10.8
Adjusted profit attributable to members of the parent	**54.7**	47.2
Adjusted earnings per share		
Basic	**61.0**	52.8
Diluted	**60.4**	52.2

	52 weeks ended 29 December 2024 £'m	52 weeks ended 31 December 2023 £'m
Operating profit	**98.8**	86.1
Add back: Depreciation, amortisation and impairment	**88.3**	79.4
EBITDA	**187.1**	165.5
Add back: IFRS 16 lease accounting	**(0.1)**	-
Less: IAS 17 lease accounting	**(24.8)**	(23.4)
Other adjusting/exceptional items:		
Costs related to the Belgium fire[1]	**(0.6)**	7.7
Insurance proceeds[2]	**(13.2)**	(9.8)
Restructuring costs[3]	**4.2**	4.0
Adjusting items	**(34.5)**	(21.5)
Adjusted EBITDA	**152.6**	144.0

	52 weeks ended 29 December 2024 £'m	52 weeks ended 31 December 2023 £'m
Net cash generated from operating activities	**124.5**	166.9
Net cash used in investing activities	**(62.3)**	(54.8)
Free cash flow	**62.2**	112.1
Add back:		
Other investments	**4.4**	2.1
Dividends received from joint venture	**(0.6)**	(0.5)
Belgium fire	**(0.6)**	7.7
Belgium fire interest	**0.6**	-
Insurance proceeds	**(13.2)**	(9.8)
Restructuring costs	**4.2**	4.0
Less IAS 17 lease accounting	**(24.8)**	(23.4)
IFRS 16 interest	**8.6**	8.5
IFRS 16 working capital adjustment	**(1.1)**	-
Adjusting items	**(22.5)**	(11.4)
	39.7	100.7
Add back: Canada growth capex	**5.7**	-
Adjusted free cash flow	**45.4**	100.7

Segmental operating profit reconciles to adjusted segmental operating profit as follows:

52 weeks end 29 December 2024	**UK&I £'m**	**Europe £'m**	**APAC £'m**	**Central £'m**	**Total £'m**
Operating profit	**44.5**	**37.9**	**33.3**	**(16.9)**	**98.8**
Add back IFRS 16 depreciation	**3.5**	**6.5**	**10.5**	**0.1**	**20.6**
Less: IAS 17 lease accounting	**(3.2)**	**(7.5)**	**(14.0)**	**(0.1)**	**(24.8)**
Add back: Amortisation of acquired intangibles and fair value adjustments	**5.1**	**4.4**	**-**	**-**	**9.5**
Other adjusting/exceptional items:					
Costs related to the Belgium fire[1]	**-**	**(0.6)**	**-**	**-**	**(0.6)**
Insurance proceeds[2]	**-**	**(13.2)**	**-**	**-**	**(13.2)**
Restructuring costs[3]	**1.0**	**3.1**	**-**	**0.1**	**4.2**
Impairment[4]	**-**	**10.2**	**-**	**-**	**10.2**
Adjusting items	**6.4**	**2.9**	**(3.5)**	**0.1**	**5.9**
Adjusted operating profit	**50.9**	**40.8**	**29.8**	**(16.8)**	**104.7**

52 weeks end 31 December 2023	UK&I £'m	Europe £'m	APAC £'m	Central £'m	Total £'m
Operating profit	29.2	35.1	33.5	(11.7)	86.1
Add back IFRS 16 depreciation	3.2	4.1	11.5	0.1	18.9
Less: IAS 17 lease accounting	(3.8)	(4.7)	(14.8)	(0.1)	(23.4)
Add back: Amortisation of acquired intangibles and fair value adjustments	5.1	4.4	-	-	9.5
Costs related to the Belgium fire[1]	-	7.7	-	-	7.7
Insurance proceeds[2]	-	(9.8)	-	-	(9.8)
Restructuring costs[3]	1.8	2.1	-	0.1	4.0
Dalco Impairment[4]	-	2.0	-	-	2.0
Adjusting items	6.3	5.8	(3.3)	0.1	8.9
Adjusted operating profit	35.5	40.9	30.2	(11.6)	95.0

Other adjusting/exceptional items

[1]Fire in Belgium
In June 2021, the Group's facility in Belgium suffered an extensive fire. A provision was established to account for the anticipated costs in customer settlements and related costs. Following the resolution of the outstanding balance, a surplus of £0.6 million has been recognised. This amount is classified as an adjusting/exceptional item, consistent with the original treatment. Legal claims have been made against the Group in connection with the fire; however, at the year end, the Group considers the likelihood of incurring financial liabilities as a result of them is remote following consultation with our solicitors.

[2]Insurance proceeds
In December 2023, the Group received an interim insurance payment of £9.8m related to the fire insurance claim. A final insurance payment of £13.2m was received in July 2024 in respect of property damage and business interruption, making the entire insurance proceeds received £23m. An exceptional tax of £4.9m charge has been recognised in respect to the insurance proceeds.

[3]Restructuring costs
During the period, other adjusting/exceptional restructuring costs of £4.2m (2023: £4.0m) have been recognised by the Group. These costs resulted from ongoing efficiency, inventory write-off and restructuring programs resulting in redundancies at a number of facilities operated by the Group. An exceptional tax credit of £0.8m has been recognised in respect of these costs. An exceptional tax credit of £1.2m has been recognised in respect of the reorganisation costs.

[4]Impairment
An impairment loss of £9.8m on goodwill has been recognised in 2024 reflecting a reduction in the recoverable amount of the related assets. The reduction in goodwill is primarily due to changes in market conditions and the impact of the ongoing reorganisation of the business, which have affected the expected future cash flows. Following this impairment, the carrying value of goodwill has been reduced from £9.8m to £3.4m. The adjustment has been made in line with the requirements of IAS 36 – Impairment of Assets, ensuring that the balance sheet reflects the accurate and fair value of the Group's assets.

An additional impairment value of £0.4m (2023: £1.2m) has been taken in respect of property, plant and equipment.

Glossary

Alternative Performance Measures

In the reporting of financial information, the Group uses certain measures that are not required under IFRS. These additional measures (commonly referred to as APMs) provide additional information on the performance of the business and trends to stakeholders. These measures are consistent with those used internally and are considered important to understanding the financial performance and financial health of the Group. APMs are considered to be an important measure to monitor how the businesses are performing because this provides a meaningful comparison of how the business is managed and measured on a day-to-day basis and achieves consistency and comparability between reporting periods.

These APMs may not be directly comparable with similarly titled measures reported by other companies and they are not intended to be a substitute for, or superior to, IFRS measures.

APM	Definition and purpose
Constant currency	The Group uses GBP based constant currency models to measure performance. These are calculated by applying 2024 52 weeks average exchange rates to local currency reported results for the current and prior periods. This gives a GBP denominated Income Statement which excludes any variances attributable to foreign exchange rate movements.
Free cash flow	Free cash flow represents cash generated from operating activities less cash flows from investing activities. This measure provides additional useful information in respect of cash generation and is consistent with how business performance is measured internally.
Adjusted free cash flow	Adjusted free cash flow represents cash generated from operating activities less cash flows from investing activities excluding other adjusting/exceptional items, amortisation of certain intangible assets and depreciation of fair value adjustments made to property, plant and equipment acquired through business combinations and the impact of IFRS 16 - leases.
Net bank debt	Net bank debt represents borrowings excluding lease liabilities less cash equivalents. Net bank debt is one measure that could be used to indicate the strength of the Group's Balance Sheet position and is a useful measure of the indebtedness of the Group.
Adjusted net finance costs	Adjusted net finance costs represents finance costs excluding exceptional items and lease interest. Net finance costs is borrowing costs and other costs that are incurred in connection with the borrowing of funds less interest received from banks for the deposit of funds.
Adjusted taxation charge	Taxation charge excluding adjusting items. Adjusting measures are reconciled to statutory measures by removing adjusting items, the nature of which are disclosed in note 16.
Effective adjusted tax rate	The income tax charge for the Group excluding adjusting tax items, and the tax impact of adjusting items, divided by adjusted profit before tax. This measure is a useful indicator of the ongoing tax rate for the Group.
Return on capital employed (ROCE)	Annualised 12 month adjusted operating profit divided by average opening and closing capital employed representing total equity adjusted for net bank cash/debt, leases, derivatives and deferred tax.