# Premier Foods crosses £1 billion in branded sales as M&A drive accelerates



Premier Foods is actively pursuing an ambitious strategy to enhance its brand portfolio following a robust financial performance that has seen its branded sales surpass £1 billion for the first time. In the year ending 29 March, the company reported annual profits of £187.8 million, exceeding market expectations. This significant growth, driven by the popularity of brands such as Mr Kipling and Nissin, has positioned the company well within the competitive landscape of ambient food suppliers.

CEO Alex Whitehouse hailed the results as indicative of “another strong year” for the company, emphasizing that further mergers and acquisitions (M&A) would be a critical component of its growth strategy. Premier Foods’ total turnover grew by 3.5% to £1.2 billion, bolstered by a marked increase in branded products, which rose by 5.2%. The company is making strategic decisions to reduce its focus on own-label products, thereby realigning its resources towards more profitable branded goods.

The growth was notably fuelled by a significant increase in promotional activities and strategic pricing adjustments, as Premier sought to both enhance market share and counteract rising input costs. While the company anticipates a shift towards a more balanced revenue model, combining value and volume, the continuing inflationary pressures will impact future pricing strategies. As Whitehouse notes, performance in the upcoming financial year is expected to reflect greater balance, following a period dominated by promotional discounting.

Premier Foods has also successfully expanded its category offerings, recording impressive sales growth of 46% in new categories, particularly in porridge and ice cream, largely attributed to products such as Ambrosia porridge pots. Analysts have noted that the company's focus on premium product lines has resonated well with consumers, particularly during the holiday season, where demand surged for higher-end goods. In line with this, the Ambrosia brand reached a pivotal milestone, achieving over £100 million in sales for the first time.

Moreover, strategic acquisitions have played a crucial role in bolstering Premier Foods' growth trajectory. The successful integration of The Spice Tailor and Fuel10K has yielded double-digit growth for both brands. Whitehouse indicated that the company remains "actively out there looking for the right brands" that align with its rigorous selection criteria. Analysts echo this sentiment, highlighting the company's potential for larger acquisitions, particularly given the financial "firepower" at their disposal to support such initiatives.

In tandem with these growth strategies, Premier Foods has focused on improving its financial health, successfully reducing its net debt by £92 million to £143.6 million. This proactive approach has allowed the company to increase its dividend to shareholders by 62%, further enhancing shareholder value.

Looking ahead, Whitehouse expressed optimism regarding future prospects, attributing anticipated revenue growth to a robust innovation programme centred on product development and efficiency enhancements. The company’s commitment to pursuing strategic M&A opportunities underscores a forward-looking approach aimed at sustained growth and a solidified market presence, which could indeed redefine the landscape for Premier Foods in the competitive food sector.

While challenges persist within the broader retail environment, especially as other supermarket groups grapple with rising consumer prices and taxes, Premier Foods seems well-positioned to navigate these hurdles through its strategic focus on premiumisation and brand expansion. As it moves forward, the company's ability to effectively integrate new brands and innovate its product lines will be crucial for maintaining momentum in an ever-evolving market.

### Reference Map

1. Paragraphs 1-2, 4-5
2. Paragraphs 2, 4-5
3. Paragraphs 2, 5
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5. Paragraphs 1, 5
6. Paragraphs 1, 5
7. Paragraphs 2, 5

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://www.thegrocer.co.uk/news/premier-foods-eyes-manda-push-as-sales-of-brands-pass-1bn/704511.article> - Please view link - unable to able to access data
2. <https://www.reuters.com/world/uk/mr-kipling-maker-premier-foods-posts-6-rise-annual-trading-profit-2025-05-15/> - Premier Foods reported a 6% rise in annual trading profit, reaching £187.8 million for the year ending March 29, 2025. This growth was driven by strong sales of its Mr Kipling and Nissin brands, as well as a robust Christmas season. CEO Alex Whitehouse noted that while U.S. tariffs had no material impact, potential price increases may be considered to cover rising input costs. The company anticipates a more balanced revenue growth between volume and pricing for the upcoming year, following a period of promotional discounting.
3. <https://www.reuters.com/business/retail-consumer/mr-kipling-maker-premier-foods-sees-annual-profit-top-end-estimates-2025-01-21/> - Premier Foods, known for brands like Mr Kipling and Bisto, raised its annual profit forecast to the upper end of analyst expectations after strong Christmas sales, causing shares to rise by 6%. CEO Alex Whitehouse attributed the robust performance to consumers indulging in premium products during the holiday season. Analysts estimated the company's trading profit for the 2024-25 financial year to be between £180.1 million and £186.4 million. Despite strong sales, other British supermarket groups face challenges due to concerns over higher taxes and consumer confidence.
4. <https://www.thisismoney.co.uk/money/markets/article-13424965/Ambrosia-owner-Premier-Foods-profits-boosted-promotional-pricing-ice-cream-demand.html> - Premier Foods reported a 15.1% increase in adjusted pre-tax profits to £157.9 million, with headline turnover rising by the same percentage to £1.12 billion. The growth was driven by price reductions on multiple items and a surge in demand for porridge, noodles, and ice cream. Revenue from Ambrosia exceeded £100 million for the first time, with sales of porridge pots more than doubling. The company lowered prices on ranges such as Loyd Grossman cooking sauces and Batchelors Super Noodles in the second half of the period.
5. <https://www.premierfoods.co.uk/news/premier-foods-preliminary-results-for-the-52-weeks-ending-30-march-2024/> - Premier Foods announced its preliminary results for the 52 weeks ending 30 March 2024, reporting a 15.1% increase in headline revenue to £1,122.6 million and a 14.0% rise in trading profit to £179.5 million. The company achieved a 29 basis points market share gain, with branded revenue up 13.6%. CEO Alex Whitehouse highlighted the success of the branded growth model and the expansion into new categories, including porridge pots and ice cream, which contributed to the strong performance.
6. <https://www.premierfoods.co.uk/news/half-year-results-for-the-26-weeks-ending-28-september-2024/> - Premier Foods reported its half-year results for the 26 weeks ending 28 September 2024, with headline revenue up 4.6% and headline branded revenue up 6.8%. The company achieved double-digit branded volume growth in both Grocery and Sweet Treats segments, gaining both volume and value market share. CEO Alex Whitehouse emphasized the success of the branded growth model, supported by sharper promotional pricing, and highlighted the strong performance of new products like Sharwood’s curry kits and Mr Kipling Loaf cakes.
7. <https://www.directorstalkinterviews.com/premier-foods-plc-fy2324-results-exceed-expectations-with-strong-revenue-growth/4121156926> - Premier Foods plc announced its preliminary results for the 52 weeks ended 30 March 2024, reporting a 15.1% increase in headline revenue to £1,122.6 million and a 14.0% rise in trading profit to £179.5 million. The company achieved a 29 basis points market share gain, with branded revenue up 13.6%. CEO Alex Whitehouse highlighted the success of the branded growth model and the expansion into new categories, including porridge pots and ice cream, which contributed to the strong performance.