



Hilton Food Group plc

21st May 2020

TRADING UPDATE

Hilton Food Group plc (“Hilton” or the “Group”), the leading specialist international food packing business, is today providing a trading update for the period from 30th December 2019 to date, ahead of its Annual General Meeting to be held at 1 pm today.

Overall the Group’s trading has been in line with the Board’s expectations. During the lockdown period arising from the Covid 19 pandemic, we have experienced increased demand and have worked closely with our market leading retail customers to meet their requirements. We are very grateful to our colleagues for their hard work and help to deliver increased production levels. At the same time, we have seen increased costs as we worked to ensure the safety of our employees by establishing a number of protocols to protect our people and minimise contact. As noted in our Preliminary Results statement, we also signed an agreement during this period to build a packing plant in Belgium to meet the red meat requirements of Delhaize, expected to commence production in September 2020.

In Western Europe we have made good progress in a number of markets. In both the UK and Ireland, turnover has grown strongly relative to last year in the red meat business boosted by the impact of higher meat purchases by consumers during the lockdown period as well as the move to supply 100% of Tesco’s red meat requirements in the UK from mid 2019. Hilton Seafood UK has progressed well, where we have seen a shift from counter sales to centrally packed products. We have also seen growth in our Scandinavian markets as well as in the Dutch market. Hilton is well placed in the current climate as it almost exclusively serves the Retail sector. In Central Europe, we have seen turnover growth driven by red meats and fresh food, whilst in both the Portugal and Dalco Joint Ventures, the latter being our Holland based vegetarian producer, we have also seen growth.

In Australia, we have continued to see strong growth stemming from the combined effect of the ramp up in Queensland volume as well as increased demand for red meat. As noted at the year end, the completion of the New Zealand meat and fish plant has been delayed compared with our original estimates due to lockdown measures, as well as the continued quarantining of individuals entering New Zealand.

The Group’s financial position remains strong, having put in place committed facilities to cover current expansion plans, including the purchase of the assets relating to the Australian Joint Ventures from Woolworths. Hilton continues to explore opportunities in which to invest and to grow the business both domestically and in overseas markets and we are also exploring a number of options for growth with our existing customers.

The Group intends to publish its results for the 28 weeks ended 12th July 2020 on 17th September 2020.

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