16 September 2021

Hilton Food Group plc

Interim results for the 28 weeks to 18 July 2021

Delivering sustainable growth with continuing momentum

Hilton Food Group plc, a leading international multi-protein food business, is pleased to announce its interim results for the 28 weeks to 18 July 2021.

Financial and strategic highlights

	2021 28 weeks to 18 July 2021	2020 28 weeks to 12 July 2020	Change		
			Reported	One-year constant currency	Two-year constant currency
Volume [1] (tonnes)	**262,222**	**237,340**	**10.5%**	**10.5%**	**16.4%**
Revenue	**£1,710.7m**	**£1,264.2m**	**35.3%**	**32.1%**	**35.7%**
Adjusted results [2]					
Adjusted operating profit	**£39.0m**	**£31.5m**	**23.8%**	**21.6%**	**20.7%**
Adjusted profit before tax	**£35.8m**	**£28.1m**	**27.6%**	**25.5%**	**20.8%**
Adjusted basic earnings per share	**32.4p**	**25.9p**	**25.1%**	**22.8%**	
Adjusted EBITDA	**£63.9m**	**£49.0m**	**30.3%**	**27.3%**	**27.4%**
IFRS results				**Pre-exceptional**	
Operating profit	**£29.2m**	**£31.3m**	**-6.9%**	**24.2% [3]**	
Profit before tax	**£21.7m**	**£24.0m**	**-9.9%**	**30.5% [3]**	
Basic earnings per share	**19.6p**	**22.3p**	**-12.1%**	**28.3% [3]**	
Other measures					
EBITDA	**£71.7m**	**£61.3m**	**17.0%**		
Net bank debt [4]	**£134.9m**	**£131.7m**			
Interim dividend	**8.2p**	**7.0p**	**17.1%**		

Notes
1 Volume includes 50% share of the Australian (2020 only), Portuguese and Dutch joint venture activities
2 Adjusted results represent the IFRS results before deduction of acquisition intangibles amortisation and exceptional items and also IFRS 16 lease adjustments as detailed in the Alternative performance measures note 16. Unless otherwise stated financial metrics in the Financial and strategic highlights, Review of operations and Financial review refer to the adjusted results
3 Belgium assets destroyed by fire resulted in exceptional impairment of £9.7m as detailed in note 5
4 Net bank debt represents borrowings less cash and cash equivalents excluding lease liabilities

- Volume and revenue growth following Australia JV transition and Brisbane operating at higher volume levels with growth delivered in fish, plant-based and fresh food categories

- Adjusted operating profit up 21.6%* to £39.0m and adjusted basic earnings per share up 22.8%* to 32.4p

- Continued operational resilience to maintain supply to customers as Covid conditions persist

- Rapid response to ensure continued supply to our customer following fire in Belgium

- Successful opening of facility in New Zealand as part of a dedicated food park concept

- Agreement to acquire remaining 50% in Dalco subject to competition clearance

- Science Based Targets approved consistent with reductions required to keep warming to well-below 2°C

- Interim dividend increased from 7.0p to 8.2p, an increase of 17.1%

* On a constant currency basis

Commenting on the results, Philip Heffer, Group Chief Executive, said:
"This has been another strong performance, delivering both volume and profit growth in the face of ongoing disruption as a result of Covid-19. The results we have published today demonstrate the resilience of our business model and our ability to create sustainable value by working in dedicated partnerships with our customers and suppliers around the world."

"Our supply chain expertise, our international scale, and our market leading technology services have helped to drive growth across our portfolio – in meat, seafood, plant-based and vegetarian foods. Importantly, we have achieved this growth while continuing to deliver on our ESG strategy, and I am delighted that our carbon reduction targets have now been approved by the Science Based Targets initiative."

"The acquisition of the remaining 50% shareholding in Dalco is the natural next step towards our goal of becoming the global protein partner of choice, as more consumers seek out affordable, high quality, and sustainable protein. I want to thank each of my colleagues, and all our customers and suppliers, for ensuring continuous supply through this challenging period, and we look forward to building on this success during the second half of the year."

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This announcement contains inside information.

Cautionary statement
This interim management 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 Hilton'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.

Alternative performance measures (APMs)
Hilton uses APMs to monitor the underlying performance of the Group. Management considers that APMs better reflect business performance and provide useful information in line with how management monitor and manage the business day-to-day.

Review of operations

The Group is presenting its interim results for the 28 week period to 18 July 2021, together with comparative information for the 28 weeks to 12 July 2020. These interim results are prepared in accordance with UK-adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Performance overview

Hilton's business is based on a total partnership approach with its customers and suppliers forged over many years. We operate production facilities in nine countries across Europe and Australia and also work with several joint venture partners. The wide geographical spread of the Group's operations is a significant strength of our business model.

The Covid-19 pandemic continues to present major challenges for people and economies across the globe. All our businesses were resilient during the period in maintaining established protocols to protect the health and wellbeing of our people and responding to higher demand for our products resulting from more cooking at home. Our employees have continued to show extraordinary dedication in ensuring a continued supply of raw material and packaging materials as part of an integrated supply chain to ensure that our retailer partners are able to adapt to consumer demand for protein-based products.

Performance in the period saw revenue grow by 35.3% underpinned by volume growth of 10.5%. This was attributable principally to Australia following the JV transition which was completed in July 2020 and in Brisbane where we are operating at higher volume levels. There was also good progress in Europe particularly in relation to plant-based and fresh food contributing to strong revenue and profit growth. Operating margin was 2.3% (2020: 2.5%) reflecting the Australia post-JV transition arrangements and also higher raw material prices with the operating margin per kg increasing to 14.9p per kg (2020: 13.3p per kg).

Hilton's results, reported in Sterling, are sensitive to changes in the value of Sterling compared to the range of overseas currencies in which the Group trades. Over the 28 weeks to 18 July 2021 the average Euro exchange rate weakened slightly but the Australian Dollar strengthened against Sterling compared with the corresponding period in 2020 which has the effect of increasing revenues by 3.2%.

Europe

Operating profit of £35.3m (2020: £31.3m) on revenue of £1,076.1m (2020: £1,036.1m)

This operating segment covers the Group's meat, fish and vegetarian businesses and joint ventures in the UK, Holland, Belgium, Ireland, Sweden, Denmark, Poland and Portugal. Our products are sold in 14 countries across Europe.

Volumes grew in the fish, fresh convenience and plant-based categories although overall volumes during the period were 1.3% lower following the Covid lockdown boost in the corresponding 2020 period. Over a two year period volumes grew at an average 4.3% per year.

Revenue increased by 3.7% on a constant currency basis with increases in raw material prices; growth was lower in 2021 due to the impact of reduced retail volumes compared with 2020, partly offset by improved trading in food service. The results in 2021 include the new Belgium facility which suffered an extensive fire in June 2021. We quickly implemented our contingency plan to ensure continued local supply to our customers and are working hard to restore our production capability as well as preparing an insurance claim.

Operating margins increased to 3.3% (2020: 3.0%) despite ongoing Covid-related costs. At SV Cuisine we have moved sous vide production to Huntingdon to reduce costs and provide additional capacity in a growing segment and also agreed an early settlement of the acquisition deferred consideration.

Australasia

Operating profit of £11.7m (2020: £7.5m) on revenue of £634.6m (2020: £228.1m)

In Australia, the Group previously operated a joint venture with Woolworths earning service fees based on retail packed meat produced at plants in Bunbury, Western Australia and Melbourne, Victoria. In July 2020 these plants transitioned to Hilton's ownership. Additionally a new Hilton facility in Brisbane, Queensland opened in July 2019.

Volumes during the period, which in 2020 included 50% of the JV activities, increased by 51.2% with increased volumes stemming primarily from the annualisation of the higher volume growth at our Brisbane facility. Revenue, which in 2020 excluded the JV activities, increased to £634.6m (2020: £228.1m) with operating profit increasing to £11.7m (2020: £7.5m). The new facility in New Zealand opened in July 2021 which will scale up to supply beef, lamb, pork, chicken, fish and added-value products.

Strategic progress

During the period a site in New Zealand opened representing Hilton's first multi-protein state-of-the-art facility as part of a dedicated food park for Countdown which also incorporates their own distribution centre.

On 7 September 2021 the Group reached an agreement to acquire the remaining 50% of its Dalco Food BV joint venture partner, a leading vegan and vegetarian product manufacturer, based in Oss, the Netherlands. Completion of this acquisition is subject to clearance from the Dutch competition authority. This acquisition is in line with our strategy to further diversify and strengthen our protein offering within the fast-growing vegan and vegetarian market. Following this agreement there will be investment to significantly increase capacity to customers, grow its ranges and develop new, innovative, plant-based products.

We continue to develop and apply automation, robotics and technology services, including Foods Connected.

Hilton has, working with the Science Based Targets initiative, committed to reduce absolute scope 1 and 2 GHG emissions by 25% by 2030 from a 2020 base year and reduce absolute scope 3 GHG emissions from purchased agricultural products by 12.3% within the same timeframe. These targets covering greenhouse gas emissions from Group operations (scopes 1 and 2) are consistent with reductions required to keep warming to well-below 2°C.

Investments in our facilities

Hilton continues to invest in all its facilities maintaining state of the art levels required to service our customers' growth, extend the range of products supplied to those customers and deliver both first class service levels and further increases in production efficiency. This investment ensures we can achieve low unit costs and competitive selling prices at increasingly higher levels of production throughput.

Capital expenditure during the period was £27.0m (2020: £60.7m) which included investment in the new facility in New Zealand, moving sous vide production to Huntingdon and also further investments across the Group to increase operational efficiency and automation ensuring state-of-the-art facilities.

Outlook

The Group's growth prospects remain strong as we explore further opportunities arising across our markets by the development of cross-category business as well as through our supply chain expertise including Foods Connected technology. In addition we expect growth in Belgium and the recently opened New Zealand facility.

Our financial position remains robust and we continue 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 growth options with our existing customers. Our full year results are expected to be in line with the Board's expectations.

Financial review

Adjusted results represent the IFRS results before deduction of acquisition intangibles amortisation, exceptional items and IFRS 16 lease adjustments. These adjustments are detailed in the Alternative performance measures note 16. Unless otherwise stated the financial metrics refer to the adjusted results.

Hilton's underlying financial performance was strong. Revenue increased by 35.3% to £1,710.7m (2020: £1,264.2m) and by 32.1% on a constant currency basis reflecting the Australia post-JV transition arrangements and also higher raw material prices. Australia was a significant driver of revenue growth which, at constant currency, increased by 160.9%. 26.6% of this increase is attributable to additional Brisbane volume with 134.3% from the recognition of revenue from the two JV facilities following their transition to Hilton ownership. Further details of revenue and volume growth by segment are detailed in the Review of operations above.

Operating profit for the first 28 weeks of 2021 was £39.0m, 23.8% higher than in the previous year (2020: £31.5m) and 21.6% higher on a constant currency basis. The operating profit margin reduced to 2.3% (2020: 2.5%) mainly due to the recognition of revenue from the two Australian joint venture facilities following their transition to Hilton ownership and higher raw material prices. IFRS operating profit for the first 28 weeks of 2021 was £29.2m (2020: £31.3m) which includes £9.7m impairment of the Belgium assets destroyed by fire. The Group maintains comprehensive insurance policies and is working closely with its insurers to prepare the relevant claims. Our half year results do not include any potential income that we may receive from our insurers in respect of the Belgium fire.

Net finance costs decreased to £3.2m (2020: £3.5m) mainly reflecting lower benchmark rates. Interest cover was 12 times (2020: 9 times). IFRS net finance costs were £7.5m (2020: £7.3m).

The taxation charge for the period was £8.3m (2020: £6.0m) representing an effective underlying tax rate of 23.0%, compared with 21.5% last year, which is due to increased income in Australia which is taxed at higher rates. The IFRS taxation charge was £4.6m (2020: £5.0m) representing an effective underlying tax rate of 21.1% (2020: 20.7%).

Net income, representing profit for the year attributable to owners of the parent, of £26.5m was 25.3% above last year (2020: £21.2m) reflecting higher operating profit and lower interest partially offset by higher taxation charges. IFRS net income was £16.1m (2020: £18.2m).

Basic earnings per share of 32.4p in the first 28 weeks of 2021 were 25.1% above last year's level reflecting the growth in operating profit. IFRS basic earnings per share of 19.6p (2020: 22.3p) was impacted by impairment of Belgium assets destroyed by fire.

EBITDA increased to £63.9m for the period (2020: £49.0m) reflecting the continued successful deployment of our recent investment programmes leading to increased operating profits. IFRS EBITDA was £71.7m (2020: £61.3m).

In the first 28 weeks the Group generated £0.7m of cash inflow before financing activities (2020: cash outflow £22.9m) including lower capital expenditure than in 2020. Net cash generated from operations was £28.3m (2020: £35.4m) and was impacted by the start-up of new operations coupled with expected working capital movements from the, later, 2020 year end.

Cash balances at 18 July 2021 were £96.1m, which net of borrowings of £231.0m, resulted in net bank debt of £134.9m (£131.7m at 12 July 2020 and £122.2m at 3 January 2021). At 18 July 2021 the Group had undrawn committed facilities under its syndicated banking facilities of £40.4m (£51.5m at 3 January 2021). These banking facilities are subject to covenants comprising minimum tangible net worth, net bank debt to EBITDA and interest cover. The Group had significant headroom under these covenants at 18 July 2021 of at least 50% for all these metrics.

The Group has maintained a progressive dividend policy since flotation. Hilton remains financially strong with significant cash balances and undrawn loan facilities and we continue to operate well within our banking covenants. The Board is satisfied that the Group has adequate headroom under its existing facilities, that it is appropriate to continue to operate and to maintain this dividend policy, and have approved the payment of an interim dividend of 8.2p per ordinary share (2020: 7.0p). This interim dividend amounting to £6.7m will be paid on 3 December 2021 to shareholders on the register at close of business on 5 November 2021.

Going concern

The Directors have performed a detailed assessment, including a review of the Group's budget and forecasts for the 2021 financial year and its longer term plans, including consideration of the principal risks faced by the Group. The evolving Covid-19 outbreak led to an increased demand for protein-based products produced by the Group. The Group established business continuity plans and flexible supply models in order to continue to meet this increased demand. The resilience of the Group in the face of the uncertain challenges presented by Covid-19 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 is able to continue to operate well within its banking covenants and has adequate headroom under its existing committed facilities which do not expire until October 2022. 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 interim financial statements.

The Group's borrowings are detailed in note 11 to this report and the principal banking facilities which support the Group's existing and contracted new business are committed. The Group is in full compliance with all its banking covenants and based on forecasts and sensitized projections is expected to remain in compliance. Future geographical expansion, which is not yet contracted for, and which is not built into 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 required.

The financial position of the Group including its cash flows, liquidity position and borrowings are described above, with its business activities and the factors likely to affect its future development, performance and position being covered in the Review of operations. As at the date of this report the Directors have a reasonable expectation that the Group has adequate resources and, having reassessed the principal risks, consider it appropriate to adopt the going concern basis of accounting in preparing the interim financial statements.

The principal risks and uncertainties facing the Group's businesses

Hilton has well developed processes and structures for identifying and subsequently mitigating the key risks which the Group faces. The most significant risks and uncertainties faced by the Group, together with the Group's risk management processes are detailed in the review of Risk management and principal risks on pages 24 to 27 of the Hilton Food Group plc 2020 Annual report. The principal risks and uncertainties identified in that report were:

- The Group strategy focuses on a small number of customers who can exercise significant buying power and influence when it comes to contractual renewal terms at 5 to 15 year intervals;
- The Group's growth potential may be affected by the success of its customers and the growth of their packed food sales;
- The progress of the Group's business is affected by the macroeconomic environment and levels of consumer spending which is influenced by publicity including reports concerning risk of consuming certain foods and the decline in the consumption of meat in the countries in which it operates;
- As Hilton continues to grow there is more reliance on key personnel and their ability to manage growth, change, integration and compliance across new legislative and regulatory environments. This risk increases as the Group continues to expand with new customers and into new territories with potentially greater reliance on stretched skilled resource and execution of simultaneous growth projects;
- The Group's business strength is affected by its ability to maintain a wide and flexible global food supply base operating at standards that can continuously achieve the specifications set by Hilton and its customers;
- Contamination within the supply chain including outbreaks of disease and feed contaminants affecting livestock and fish;
- Significant incidents such as fire, flood, pandemic or interruption of supply of key utilities could impact the Group's business continuity;
- The Group's IT systems could be subject to cyber-attacks including ransomware and fraudulent external email activity. These kinds of attacks are generally increasing in frequency and sophistication;
- A significant breach of health & safety legislation as complexity increases in managing sites across different product groups and geographies; and
- The Group's business 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.

Global pandemic
The current Covid-19 pandemic continues to present major challenges for people and economies across the globe. Food production is a key industry so our challenge was to keep our facilities open, as part of an integrated supply chain, to ensure that our retailer partners are able to adapt to consumer demand for protein-based products whilst at the same time keeping our people safe. We have maintained established protocols to protect the health and wellbeing of our people and to maintain a continued supply of raw material and packaging materials. We are confident that through our local operating model and financial strength we are well placed.

Brexit
Hilton's exposure is generally mitigated through our predominantly local sourcing and operating model. Impacts are likely to continue into 2022 as the conditions of the new UK-EU relationship are implemented and our mitigation plans will continue to evolve to minimise any disruption to our operations. Potential food sector risks include availability of sufficient workers and the impact of sanitary and phytosanitary requirements.

The risks and uncertainties outlined above had no material adverse impact on the results for the 28 weeks to 18 July 2021 and are expected to remain unchanged for the remainder of the 2021 financial year.

Philip Heffer
Chief Executive Officer

Nigel Majewski
Chief Financial Officer

15 September 2021

Statement of Directors' responsibilities

The Directors confirm that the condensed consolidated interim financial statements (the "interim financial statements") have been prepared in accordance with UK-adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

(a) an indication of important events that have occurred during the first 28 weeks and their impact on the interim financial statements, and a description of principal risks and uncertainties for the remaining 24 weeks of the financial year; and
(b) material related party transactions in the first 28 weeks and any material changes in related party transactions described in the last annual report.

The Directors of Hilton Food Group plc are listed in the 2020 Hilton Food Group plc Annual report and financial statements and there have been no changes in Directors since 3 January 2021. A list of current Directors is maintained on the Hilton Food Group plc website at www.hiltonfoodgroupplc.com.

On behalf of the Board

Robert Watson OBE
Chairman

Nigel Majewski
Chief Financial Officer

Income statement

Continuing operations	Note	28 weeks ended 18 July 2021 £'000	28 weeks ended 12 July 2020 £'000
Revenue	4	**1,710,672**	1,264,155
Cost of sales		**(1,517,493)**	(1,112,825)
Gross profit		**193,179**	151,330
Distribution costs		**(12,986)**	(12,064)
Other administrative expenses		**(142,264)**	(111,361)
Exceptional item	5	**(9,721)**	-
Total administrative expenses		**(151,985)**	(111,361)
Share of profit in joint venture		**952**	3,403
Operating profit	4	**29,160**	31,308
Finance income		**11**	1
Finance costs		**(7,519)**	(7,272)
Finance costs – net		**(7,508)**	(7,271)
Profit before income tax		**21,652**	24,037
Income tax expense	6	**(4,567)**	(4,969)
Profit for the period		**17,085**	19,068
Profit attributable to:			
Owners of the parent		**16,076**	18,218
Non-controlling interests		**1,009**	850
		17,085	19,068
Earnings per share for profit attributable to owners of the parent			
- Basic (pence)	8	**19.6**	22.3
- Diluted (pence)	8	**19.3**	22.1

Statement of comprehensive income

	28 weeks ended 18 July 2021 £'000	28 weeks ended 12 July 2020 £'000
Profit for the period	**17,085**	19,068
Other comprehensive (expense)/income		
Currency translation differences	**(5,567)**	4,152
Other comprehensive (expense)/income for the period net of tax	**(5,567)**	4,152
Total comprehensive income for the period	**11,518**	23,220
Total comprehensive income attributable to:		
Owners of the parent	**10,749**	22,129
Non-controlling interests	**769**	1,091
	11,518	23,220

The notes form an integral part of these interim financial statements.

Balance sheet

	Note	**18 July 2021 £'000**	12 July 2020 £'000	3 January 2021 £'000
Assets				
Non-current assets				
Property, plant and equipment	9	**276,040**	276,463	290,846
Lease: Right-of-use asset	9	**218,530**	144,434	235,135
Intangible assets	9	**69,272**	68,578	70,071
Investments	10	**11,628**	13,179	12,622
Trade and other receivables		**-**	176	-
Deferred income tax assets		**6,345**	2,467	6,219
		581,815	505,297	614,893
Current assets				
Inventories		**112,767**	107,433	116,941
Trade and other receivables		**225,700**	251,894	199,642
Current income tax assets		**2,982**	1,973	-
Cash and cash equivalents		**96,126**	111,064	123,816
		437,575	472,364	440,399
Total assets		**1,019,390**	977,661	1,055,292
Equity and liabilities				
Equity				
Share capital	12	**8,215**	8,191	8,194
Share premium		**67,335**	65,397	65,619
Employee share schemes reserve		**7,175**	3,362	6,123
Foreign currency translation reserve		**(707)**	4,166	4,620
Retained earnings		**162,122**	145,824	161,607
Reverse acquisition reserve		**(31,700)**	(31,700)	(31,700)
Merger reserve		**919**	919	919
Own shares		**(1,527)**	-	-
Equity attributable to owners of the parent		**211,832**	196,159	215,382
Non-controlling interests		**6,126**	5,640	6,556
Total equity		**217,958**	201,799	221,938
Liabilities				
Non-current liabilities				
Borrowings	11	**190,153**	215,383	206,228
Lease liabilities		**226,085**	142,646	238,995
Deferred consideration		**-**	3,318	3,318
Deferred income tax liabilities		**1,446**	3,125	2,384
		417,684	364,472	450,925
Current liabilities				
Borrowings	11	**40,829**	27,372	39,759
Lease liabilities		**10,679**	11,077	6,250
Trade and other payables		**332,240**	372,941	332,354
Current income tax liabilities		**-**	-	4,066
		383,748	411,390	382,429
Total liabilities		**801,432**	775,862	833,354
Total equity and liabilities		**1,019,390**	977,661	1,055,292

The notes form an integral part of these interim financial statements.

Statement of changes in equity

		Attributable to owners of the parent										
	Note	Share capital	Share premium	Employee share schemes reserve	Foreign currency translation reserve	Retained earnings	Reverse acquisition reserve	Merger reserve	Own shares	Total	Non-controlling interests	Total equity
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 29 December 2019		8,173	64,251	4,139	255	140,192	(31,700)	919	-	186,229	5,711	191,940
Comprehensive income												
Profit for the period		-	-	-	-	18,218	-	-	-	18,218	850	19,068
Other comprehensive income												
Currency translation		-	-	-	3,911	-	-	-	-	3,911	241	4,152
Total comprehensive income		-	-	-	3,911	18,218	-	-	-	22,129	1,091	23,220
Transactions with owners												
Issue of new shares	12	18	1,146	-	-	-	-	-	-	1,164	-	1,164
Adjustment in respect of employee share schemes		-	-	(777)	-	-	-	-	-	(777)	-	(777)
Dividends paid	7	-	-	-	-	(12,586)	-	-	-	(12,586)	(1,162)	(13,748)
Total transactions with owners, recognised directly in equity		18	1,146	(777)	-	(12,586)	-	-	-	(12,199)	(1,162)	(13,361)
Balance at 12 July 2020		8,191	65,397	3,362	4,166	145,824	(31,700)	919	-	196,159	5,640	201,799
Balance at 3 January 2021		**8,194**	**65,619**	**6,123**	**4,620**	**161,607**	**(31,700)**	**919**	**-**	**215,382**	**6,556**	**221,938**
Comprehensive income												
Profit for the period		**-**	**-**	**-**	**-**	**16,076**	**-**	**-**	**-**	**16,076**	**1,009**	**17,085**
Other comprehensive income												
Currency translation differences		**-**	**-**	**-**	**(5,327)**	**-**	**-**	**-**	**-**	**(5,327)**	**(240)**	**(5,567)**
Total comprehensive income		**-**	**-**	**-**	**(5,327)**	**16,076**	**-**	**-**	**-**	**10,749**	**769**	**11,518**
Transactions with owners												
Issue of new shares	**12**	**21**	**1,716**	**-**	**-**	**-**	**-**	**-**	**-**	**1,737**	**-**	**1,737**
Purchase of shares for employee share plans		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(2,278)**	**(2,278)**	**-**	**(2,278)**
Adjustment in respect of employee share schemes		**-**	**-**	**1,803**	**-**	**-**	**-**	**-**	**-**	**1,803**	**-**	**1,803**
Settlement of employee share schemes		**-**	**-**	**(751)**	**-**	**-**	**-**	**-**	**751**	**-**	**-**	**-**
Dividends paid	**7**	**-**	**-**	**-**	**-**	**(15,561)**	**-**	**-**	**-**	**(15,561)**	**(1,199)**	**(16,760)**
Total transactions with owners, recognised directly in equity		**21**	**1,716**	**1,052**	**-**	**(15,561)**	**-**	**-**	**(1,527)**	**(14,299)**	**(1,199)**	**(15,498)**
Balance at 18 July 2021		**8,215**	**67,335**	**7,175**	**(707)**	**162,122**	**(31,700)**	**919**	**(1,527)**	**211,832**	**6,126**	**217,958**

The notes form an integral part of these interim financial statements.

Cash flow statement

	28 weeks ended 18 July 2021 £'000	28 weeks ended 12 July 2020 £'000
Cash flows from operating activities		
Cash generated from operations	**48,596**	53,234
Interest paid	**(7,508)**	(7,271)
Income tax paid	**(12,768)**	(10,568)
Net cash generated from operating activities	**28,320**	35,395
Cash flows from investing activities		
Dividends received from joint venture	**1,823**	2,133
Settlement of deferred consideration	**(2,500)**	-
Purchases of property, plant and equipment	**(26,237)**	(60,277)
Proceeds from sale of property, plant and equipment	**41**	261
Purchases of intangible assets	**(785)**	(373)
Net cash used in investing activities	**(27,658)**	(58,256)
Cash flows from financing activities		
Proceeds from borrowings	**16,815**	71,563
Repayments of borrowings	**(24,030)**	(29,506)
Payment of lease liabilities	**(1,290)**	(8,290)
Issue of new shares	**1,737**	1,164
Purchase of own shares	**(2,278)**	-
Dividends paid to owners of the parent	**(15,561)**	(12,586)
Dividends paid to non-controlling interests	**(1,199)**	(1,162)
Net cash (used in)/generated from financing activities	**(25,806)**	21,183
Net decrease in cash and cash equivalents	**(25,144)**	(1,678)
Cash and cash equivalents at beginning of the period	**123,816**	110,514
Exchange (losses)/gains on cash and cash equivalents	**(2,546)**	2,228
Cash and cash equivalents at end of the period	**96,126**	111,064

The notes form an integral part of these interim financial statements.

Notes to the interim financial statements

1 General information

Hilton Food Group plc ("the Company") and its subsidiaries (together "the Group") is a leading international multi-protein food business.

The Company is a public company limited by shares incorporated and domiciled in the UK. 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.

These interim financial statements were approved for issue on 15 September 2021.

These interim financial statements do not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for the 53 weeks ended 3 January 2021 were approved by the Board of Directors on 6 April 2021 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under Section 498 of the Companies Act 2006.

These interim financial statements have been reviewed, not audited.

2 Basis of preparation

On 31 December 2020, IFRS as adopted by the European Union at that date was brought into UK law and became UK-adopted International Accounting Standards, with future changes being subject to endorsement by the UK Endorsement Board. Hilton Food Group plc transitioned to UK-adopted International Accounting Standards in its consolidated financial statements on 4 January 2021. This change constitutes a change in accounting framework. However, there is no impact on recognition, measurement or disclosure in the period reported as a result of the change in framework.

This consolidated interim financial report for the 28 weeks ended 18 July 2021 have been prepared in accordance with the UK-adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Going concern
The consolidated interim financial statements have been prepared on the going concern basis. The Group has undertaken a detailed going concern assessment, including a review of its budget and forecasts for the 2021 financial year and its longer term plans, including consideration of the principal risks faced by the Group. The resilience of the Group in the face of uncertain challenges has then 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 is able to continue to operate well within its banking covenants and has adequate headroom under its existing committed facilities. The Directors are satisfied that the Group has adequate resources to continue to operate and meet its liabilities as they fall due for a period of at least 12 months from the date of signing these interim financial statements and therefore consider it appropriate to adopt the going concern basis of accounting in preparing the consolidated interim financial statements.

Estimates
The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were, the same as those that applied to the consolidated financial statements for the 53 weeks ended 3 January 2021.

New and amended standards adopted by the group
A number of new or amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

Notes to the interim financial statements
3 Accounting policies

The accounting policies adopted in the preparation of these interim results are consistent with those applied in the preparation of the Group's annual report for the year ended 3 January 2021 and corresponding interim reporting period.

The Group has recognised exceptional items during the period, the accounting policies in respect of these is summarised below.

Exceptional items
Exceptional items are not defined under IFRS. However, the Group classifies Exceptional Items as those that are separately identifiable by virtue of their size, nature or expected frequency and that therefore warrant separate presentation.

The Group has previously treated acquisition costs, including legal and professional fees and stamp duty costs, as exceptional and as detailed in note 5 during the period to 18 July 2021 has recognised exceptional items in respect of the fire at its facility in Belgium. The income statement separately shows the impact of the exceptional items on reported operating profit with further reconciliations between statutory and adjusted measures used by the group presented in note 16. Presentation of these exceptional items and the reconciliations between adjusted and statutory measures is not intended to be a substitute for or intended to promote the adjusted measures above statutory measures.

Current income tax
Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

4 Segment information

Management have determined the operating segments based on the reports reviewed by the Executive 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 eight operating segments: i) United Kingdom; ii) Netherlands; iii) Republic of Ireland; iv) Sweden; v) Denmark; vi) Central Europe including Poland, Czech Republic, Hungary, Slovakia, Latvia, Lithuania and Estonia; vii) Portugal and viii) Australasia and ix) Central costs. The United Kingdom, Netherlands, Republic of Ireland, Sweden, Denmark, Central Europe and Portugal have been aggregated into one reportable segment, 'Europe' as they have similar economic characteristics as identified in IFRS 8. Australasia and Central costs comprise the other reportable segments.

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:

	Total segment revenue £'000	**Operating profit/(loss) segment result £'000**
28 weeks ended 18 July 2021		
Europe	**1,076,072**	**24,687**
Australasia	**634,600**	**12,452**
Central costs	**-**	**(7,979)**
Total	**1,710,672**	**29,160**
28 weeks ended 12 July 2020		
Europe	1,036,084	30,091
Australasia	228,071	8,526
Central costs	-	(7,309)
Total	1,264,155	31,308

The Group uses a number of alternative performance measures to asses underlying performance, these are explained and reconciled to the segmental results presented above in note 16.

	18 July 2021 £'000	12 July 2020 £'000	3 January 2021 £'000
Total assets			
Europe	**561,288**	561,299	568,638
Australasia	**427,255**	394,401	453,143
Central costs	**21,520**	17,521	27,292
Total segment assets	**1,010,063**	973,221	1,049,073
Current income tax assets	**2,982**	1,973	-
Deferred income tax assets	**6,345**	2,467	6,219
Total assets per balance sheet	**1,019,390**	977,661	1,055,292

There are no significant seasonal fluctuations.

5 Exceptional item

In June 2021 the Group's facility in Belgium suffered an extensive fire and as a result an exceptional impairment totalling £9,721,000 was recognised in respect of assets that were destroyed. The impairment recognised includes £6,443,000 recognised in respect of property, plant and equipment, £2,260,000 recognised in respect of leased right-of use assets and £1,018,000 of costs relating, primarily, to the inventory that was destroyed.

The Group's results for the period to 18 July 2021 do not include potential income that may be received from insurers in respect of these claims with the insurance proceeds therefore considered to be contingent assets; at this stage in the claims process the value of the contingent asset has yet to be determined.

6 Income tax expense

Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the 28 weeks to 18 July 2021 is 21.1%. The estimated average annual effective tax rate for the 28 weeks ended 12 July 2020 was 20.7%.

7 Dividends

	28 weeks ended 18 July 2021 £'000	28 weeks ended 12 July 2020 £'000
Final dividend paid 19.0p per ordinary share (2020: 15.4p)	**15,561**	12,586
Total dividends paid	**15,561**	12,586

The Directors have approved the payment of an interim dividend of 8.2p per share payable on 3 December 2021 to shareholders who are on the register at 5 November 2021. This interim dividend, amounting to £6.7m has not been recognised as a liability in these interim financial statements. It will be recognised in shareholders' equity in the 52 weeks to 2 January 2022.

8 Earnings per share

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the Company 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 Company 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 Company'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.

		28 weeks ended 18 July 2021		28 weeks ended 12 July 2020	
		Basic	**Diluted**	Basic	Diluted
Profit attributable to equity holders of the Company	(£'000)	**16,076**	**16,076**	18,218	18,218
Weighted average number of ordinary shares in issue	(thousands)	**81,830**	**81,830**	81,756	81,756
Adjustment for share options	(thousands)	**-**	**1,447**	-	827
Adjusted weighted average number of ordinary shares	(thousands)	**81,830**	**83,277**	81,756	82,583
Basic and diluted earnings per share	(pence)	**19.6**	**19.3**	22.3	22.1

9 Property, plant and equipment, right-of-use and intangible assets

	Property, plant and equipment £'000	Right-of-use asset £'000	Intangible assets £'000
28 weeks ended 12 July 2020			
Opening net book amount as at 30 December 2019	226,562	178,293	69,539
Exchange adjustments	6,916	2,957	14
Additions	24,149	7,891	373
Disposals	(235)	-	-
Lease modifications	(22)	2,628	-
Transfer	36,038	(36,128)	90
Depreciation and amortisation	(16,945)	(11,207)	(1,438)
Closing net book amount as at 12 July 2020	276,463	144,434	68,578
28 weeks ended 18 July 2021			
Opening net book amount as at 4 January 2021	**290,846**	**235,135**	**70,071**
Exchange adjustments	**(10,088)**	**(9,272)**	**23**
Additions	**26,237**	**2,928**	**785**
Disposals	**(41)**	**-**	**-**
Lease modifcations	**-**	**(293)**	**-**
Depreciation and amortisation	**(24,471)**	**(7,708)**	**(1,607)**
Exceptional item (Note 5)	**(6,443)**	**(2,260)**	**-**
Closing net book amount as at 18 July 2021	**276,040**	**218,530**	**69,272**

10 Investments

Investments in joint ventures

	28 weeks ended 18 July 2021 £'000	28 weeks ended 12 July 2020 £'000	53 weeks ended 3 January 2021 £'000
At the beginning of the period	**12,622**	11,758	11,758
Profit for the period	**952**	3,403	5,029
Dividends received	**(1,823)**	(2,133)	(4,271)
Effect of movements in foreign exchange	**(123)**	151	106
At the end of the period	**11,628**	13,179	12,622

11 Borrowings

	18 July 2021 £'000	12 July 2020 £'000	3 January 2021 £'000
Current	**40,829**	27,372	39,759
Non-current	**190,153**	215,383	206,228
Total borrowings	**230,982**	242,755	245,987

Movements in borrowings is analysed as follows:

	28 weeks ended 18 July 2021 £'000	28 weeks ended 12 July 2020 £'000	53 weeks ended 3 January 2021 £'000
Opening amount	**245,987**	197,339	197,339
Exchange adjustments	**(7,790)**	3,359	4,993
New borrowings	**16,815**	71,563	92,563
Repayment of borrowings	**(24,030)**	(29,506)	(48,908)
Closing amount	**230,982**	242,755	245,987

12 Ordinary shares

	Number of shares (thousands)	Ordinary shares £'000	Total £'000
At 30 December 2019	81,725	8,173	8,173
Issue of new shares on exercise of employee share options	181	18	18
At 12 July 2020	81,906	8,191	8,191
At 4 January 2021	**81,939**	**8,194**	**8,194**
Issue of new shares on exercise of employee share options	**211**	**21**	**21**
At 18 July 2021	**82,150**	**8,215**	**8,215**

During the period the Group's employee benefit trust purchased 220,000 shares for consideration of £2,278,000 to fulfil awards made under employee share plans. 72,498 of these shares were issued to employees during the period with the remaining 147,502 shares having a market value of £1,631,000 at 18 July 2021.

13 Related party transactions

The Directors do not consider there to be one ultimate controlling party. The companies noted below are all deemed to be related parties by way of common Directors.

Transactions between related parties on an arm's length basis were as follows:

	28 weeks ended 18 July 2021	28 weeks ended 12 July 2020	53 weeks ended 3 January 2021
Group sales:	**£'000**	£'000	£'000
Foods Connected Limited	**-**	-	3
Dalco Food B.V.	**167**	3	313
Sohi Meat Solutions Distribuicao de Carnes SA - Fee for services	**1,978**	2,209	3,351
Sohi Meat Solutions Distribuicao de Carnes SA - Recharge of joint venture costs	**350**	310	368

Group purchases:	**£'000**	£'000	£'000
Foods Connected Limited	**300**	-	351

Amounts owing from related parties were as follows:

	18 July 2021	12 July 2020	3 January 2021
	£'000	£'000	£'000
Dalco Food B.V.	**-**	-	282
Foods Connected Limited	**-**	-	15
Sohi Meat Solutions Distribuicao de Carnes SA	**605**	35	393

During the period the group settled the deferred consideration liability recognised in respect of the acquisition of SV Cuisine Limited, making a payment of £2.5m. The acquistion of SV Cuisine Limited was considered to be a related party transaction as prior to acquisition Philip Heffer, the Hilton Food Group CEO, Graham Heffer and Robert Heffer, both directors of the Group's subsidiary Hilton Food Solutions Limited, had each held a 30% shareholding in SV Cuisine Limited.

14 Financial instruments

The fair value of the financial assets and liabilities approximate to their carrying amounts. At the date of these interim condensed financial statements the group has no material assets or liabilities measured at fair value.

15 Post balance sheet event

On 7 September 2021 the Group reached an agreement to acquire the remaining 50% of its Dalco Food BV joint venture, a leading vegan and vegetarian product manufacturer, based in Oss, the Netherlands. Completion of this acquisition is subject to clearance from the Dutch competition authority.

16 Alternative Performance Measures

The Group's performance is assessed using a number of alternative performance measures (APMs).

The Group's alternative profitability measures are presented before exceptional items, amortisation of certain intangible assets acquired through business combinations and the impact of IFRS 16.

The measures are presented on this basis, as management believe they provide useful additional information about the Group's performance and aids a more effective comparison of the underlying Group's trading performance.

Adjusted profitability measures are reconciled to unadjusted IFRS results on the face of the income statement below.

28 weeks ended 18 July 2021	**Reported**	Add back: IFRS 16 depreciation and interest	Less: IAS 17 lease accounting costs	**Reported excluding IFRS 16**	Exceptional items	Add back: amortisation of acquisition intangibles	**Adjusted**
	£'000	£'000	£'000	**£'000**	£'000	£'000	**£'000**
Operating profit - excl. exceptional items	**38,881**	7,587	(8,764)	**37,704**	**-**	1,318	**39,022**
Exceptional items	**(9,721)**	2,260	-	**(7,461)**	7,461	-	**-**
Operating profit	**29,160**	**9,847**	**(8,764)**	**30,243**	**7,461**	**1,318**	**39,022**
Net finance costs	**(7,508)**	4,287	-	**(3,221)**	-	-	**(3,221)**
Profit before income tax	**21,652**	**14,134**	**(8,764)**	**27,022**	**7,461**	**1,318**	**35,801**
Profit for the period	**17,085**	12,566	(8,764)	**20,887**	5,596	1,067	**27,550**
Less non-controlling interest	**(1,009)**	-	-	**(1,009)**	-	-	**(1,009)**
Profit attributable to members of the parent	**16,076**	**12,566**	**(8,764)**	**19,878**	**5,596**	**1,067**	**26,541**
Depreciation, amortisation and impairment*	**42,496**	(9,870)	-	**32,626**	(6,445)	(1,318)	**24,863**
EBITDA	**71,656**	(23)	(8,764)	**62,869**	**1,016**	**-**	**63,885**
Earnings per share	**pence**			**pence**			**pence**
Basic	**19.6**			**24.3**			**32.4**
Diluted	**19.3**			**23.9**			**31.9**

* Includes £7,000 amortisation of contract assets charged to revenue

28 weeks ended 12 July 2020	**Reported**	Add back: IFRS 16 depreciation and interest	Less: IAS 17 lease accounting costs	**Reported excluding IFRS 16**	Add back: amortisation of acquisition intangibles	**Adjusted**
	£'000	£'000	£'000	**£'000**	£'000	**£'000**
Operating profit	**31,308**	10,986	(12,101)	**30,193**	1,319	**31,512**
Net finance costs	**(7,271)**	3,818	-	**(3,453)**	-	**(3,453)**
Profit before income tax	**24,037**	**14,804**	**(12,101)**	**26,740**	**1,319**	**28,059**
Profit for the period	**19,068**	14,002	(12,101)	**20,969**	1,068	**22,037**
Less non-controlling interest	**(850)**	(198)	185	**(863)**	-	**(863)**
Profit attributable to members of the parent	**18,218**	**13,804**	**(11,916)**	**20,106**	**1,068**	**21,174**
Depreciation and amortisation*	**29,962**	(11,108)	-	**18,854**	(1,319)	**17,535**
EBITDA	**61,270**	(122)	(12,101)	**49,047**	**-**	**49,047**
Earnings per share	**pence**			**pence**		**pence**
Basic	**22.3**			**24.6**		**25.9**
Diluted	**22.1**			**24.3**		**25.6**

* Includes £372,000 amortisation of contract assets charged to revenue.

The depreciation and amortisation figure includes £1,197,000 (2019: £1,273,000) amortisation of contract assets charged to revenue and adds back a gain on disposal of £40,000 (2019: £22,000).

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

28 weeks ended 12 July 2021	**Reported**	Add back: IFRS 16 depreciation and interest	Less: IAS 17 lease accounting costs	**Reported excluding IFRS 16**	Exceptional impairment	Add back: amortisation of acquisition intangibles	**Adjusted**
	£'000	£'000	£'000	**£'000**	£'000	£'000	**£'000**
Europe - excl. exceptional item	**34,408**	3,024	(3,421)	**34,011**	-	1,318	**35,329**
Exceptional items	**(9,721)**	2,260	-	**(7,461)**	7,461	-	**-**
Europe	**24,687**	**5,284**	**(3,421)**	**26,550**	**7,461**	**1,318**	**35,329**
Australasia	**12,452**	4,563	(5,343)	**11,672**	-	-	**11,672**
Central costs	**(7,979)**	-	-	**(7,979)**	-	-	**(7,979)**
Total	**29,160**	**9,847**	**(8,764)**	**30,243**	**7,461**	**1,318**	**39,022**

28 weeks ended 18 July 2020	**Reported**	Add back: IFRS 16 impact	Less: IAS 17 lease accounting costs	**Reported - excl. IFRS 16**	Add back: amortisation of acquisition intangibles	**Adjusted**
	£'000	£'000	£'000	**£'000**	£'000	**£'000**
Europe	**30,091**	3,015	(3,099)	**30,007**	1,319	**31,326**
Australasia	**8,526**	7,971	(9,002)	**7,495**	-	**7,495**
Central costs	**(7,309)**	-	-	**(7,309)**	-	**(7,309)**
Total	**31,308**	**10,986**	**(12,101)**	**30,193**	**1,319**	**31,512**

Independent review report to Hilton Food Group plc
Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed Hilton Food Group plc's condensed consolidated interim financial statements (the "interim financial statements") in the half year report of Hilton Food Group plc for the 28 week period ended 18 July 2021 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

What we have reviewed

The interim financial statements comprise:

- the Balance sheet as at 18 July 2021;
- the Income statement and the Statement of comprehensive income for the period then ended;
- the Cash flow statement for the period then ended;
- the Statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the half year report of Hilton Food Group plc have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The half year report, including the interim financial statements, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the half year report in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express a conclusion on the interim financial statements in the half year report based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What a review of interim financial statements involves

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the half year report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PricewaterhouseCoopers LLP
Chartered Accountants
Belfast
15 September 2021

The maintenance and integrity of the Hilton Food Group website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.