

Boparan Holdings Limited

2 Sisters Food Group Q2 2020/21 Update

Bondholder Presentation

24TH MARCH 2021



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Agenda

- 1 | Executive Summary
- 2 | Q2 Performance
- 3 | Strategy Update and Priorities

Key Headlines

1

Top line growth as customers reward Group COVID response and strengthening standards

2

Underlying profitability on track, but feed inflation timing impacts and temporary COVID headwinds depress reported EBITDA performance for quarter

3

Completion of capital structure refinance – strengthening balance sheet for the future



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Temporary and specific headwinds have a strong negative impact on Q2 EBITDA but underlying performance remains on track

£m	Q2 20/21	Q2 19/20	YoY Change
Revenue, £m	630.5	652.3	(3.3)%
EBITDA ¹ , £m	12.8	30.2	(57.6)%
LTM EBITDA ¹ , £m	109.5	103.1	6.2%
Revenue LFL ² , £m	621.0	604.7	2.7%
EBITDA LFL ^{1,2} , £m	13.9	27.3	(49.1)%
EBITDA LFL Margin %	2.2%	4.5%	(230)bps
LFL LTM EBITDA ^{1,2} £m	96.9	82.3	17.7%
Net debt, £m	468.3	593.6	20.9%
Adjusted Leverage	4.8x	6.1x	1.3x

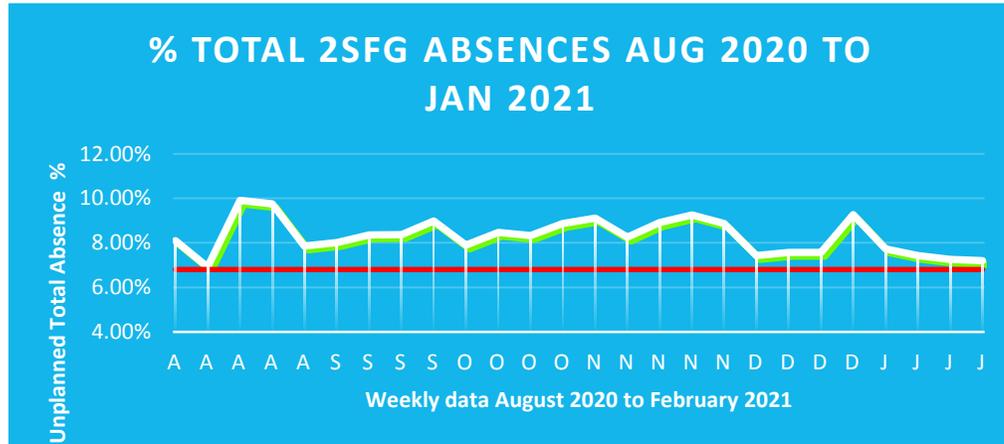
Q2 Performance overview

- LFL revenue increased 2.7% after adjusting for the disposal of Fox's Biscuits and excluding ongoing sales in Uttoxeter.
- LFL margin decline (230)bps particularly due to timing of bird feed price recovery compounded by significant specific COVID impacts.
- EBITDA in non-poultry is relatively less affected as strong cost control is mitigating some of the COVID impacts.
- Leverage improved from 6.1x to 4.8x following Fox's disposal and now reflects full capital structure refinancing.

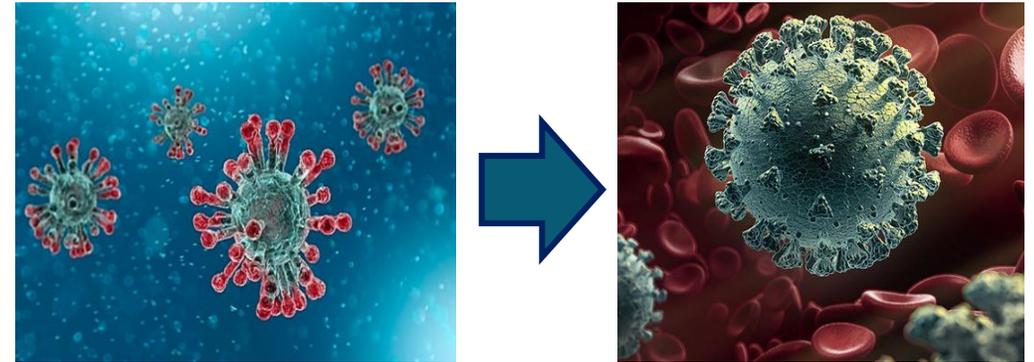
1. EBITDA is stated before depreciation, amortisation and pension scheme administration costs.
2. Like for like (LFL) sales and EBITDA are adjusted for the impact of exchange translation and including only those businesses that were owned by the Restricted Group throughout both periods. Therefore the results of the Biscuits business are excluded.

Our priorities to keep our people safe and feed the nation has been especially challenging in Q2

Much higher levels of Absenteeism than Normal



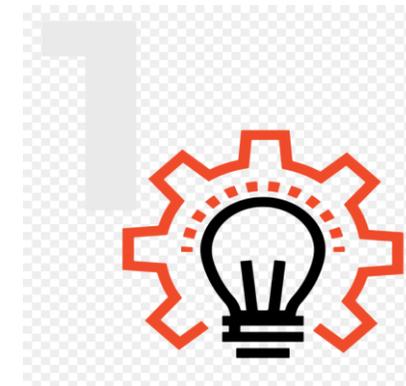
More Outbreaks in Q2 due to more Aggressive Variants



Resulting into Significant Operational Inefficiencies



Mitigation Actions to keep People Safe and Continue to Service Customers



Poultry Q2 2020/21 Results

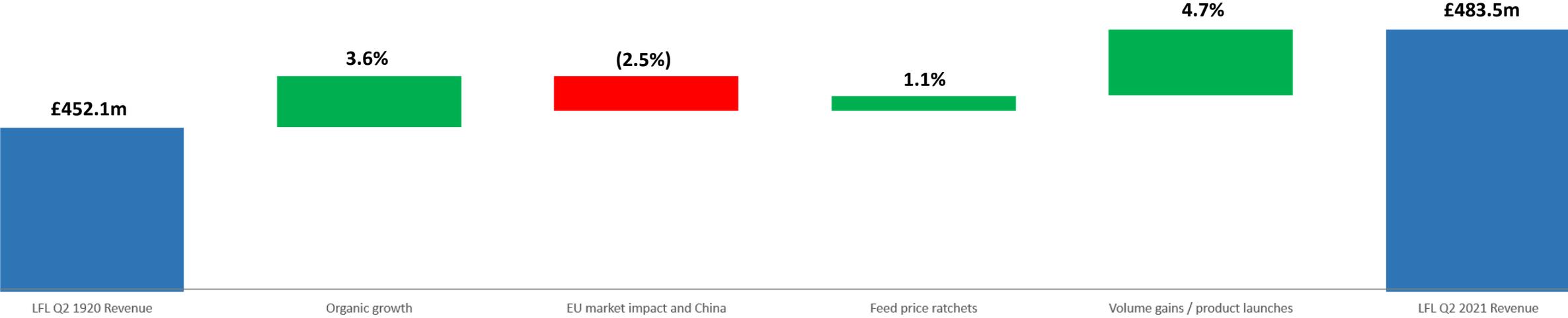
£m	Q2 20/21	Q2 19/20	YoY Change
Revenue LFL ^{1,2} , £m	483.5	452.1	6.9%
EBITDA LFL ^{1,2} , £m	3.8	15.8	(75.9)%
EBITDA LFL Margin %	0.8%	3.5%	(270)bps
Revenue, £m	483.5	448.6	7.8%
EBITDA ² , £m	3.8	15.9	(76.1)%

Poultry Performance overview

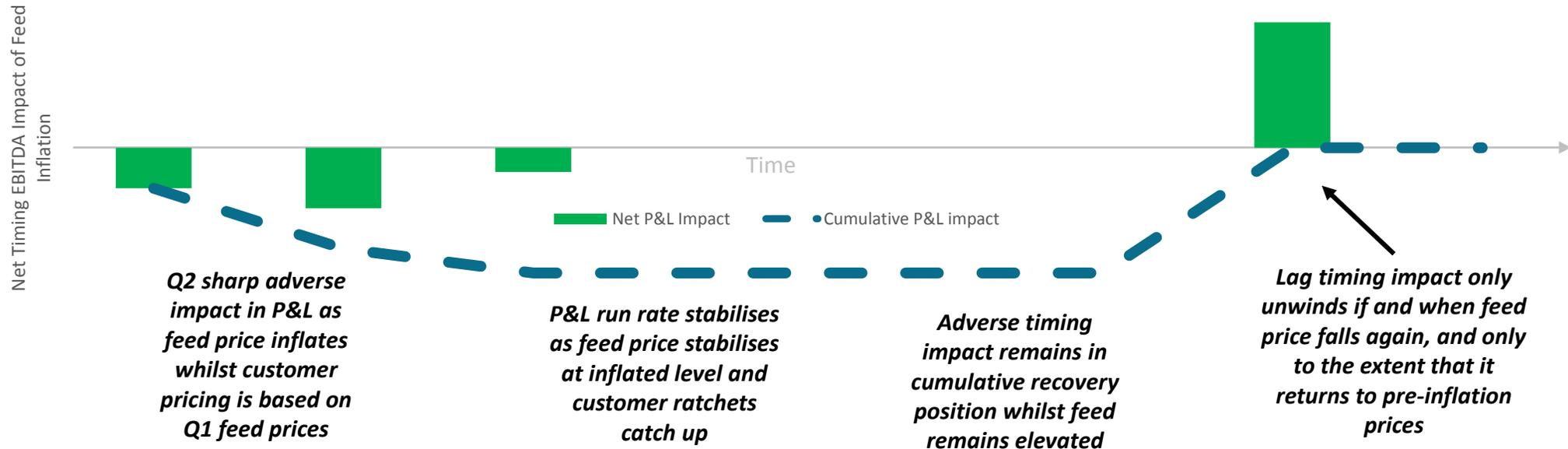
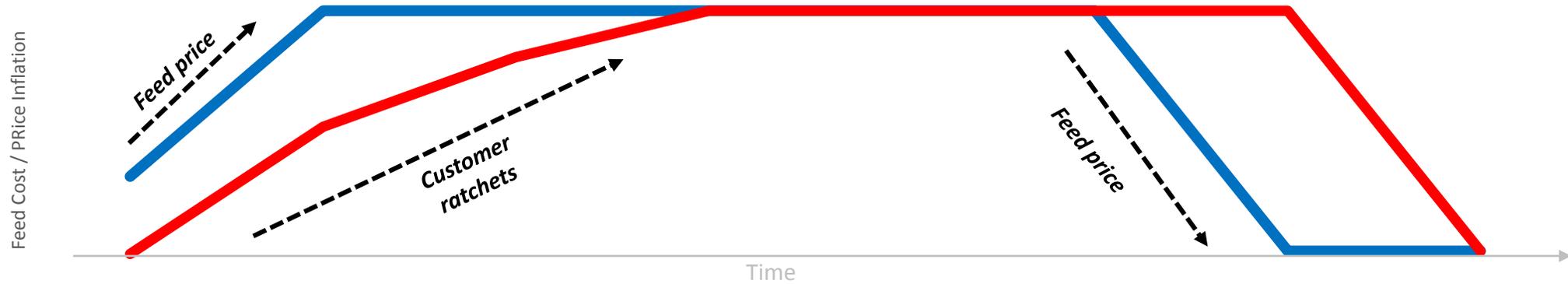
- LFL sales increased by 6.9% (UK +11.8%; EUP -6.2%), driven by volume gains and Discounter and Online channel growth in UK Poultry.
- Underlying annualization of EBITDA improvements in UK Poultry more than offset by timing difference between feed price and customer ratchets and COVID impacts.
- Expansion in agricultural capacity coming on line in Q4 to catch up with new business wins, improving throughput and fixed cost recovery
- European Poultry EBITDA significantly impacted by COVID, market pricing and continuing closure to Chinese exports.

1. Like for like (LFL) sales and EBITDA are adjusted for the impact of exchange translation and including only those businesses that were owned throughout both periods. There were no disposals in the Poultry Segment in FY20 or FY21.
2. EBITDA is stated before depreciation, amortisation and pension scheme administration costs

LFL Poultry revenue grows 6.9% YOY although EBITDA margin is diluted in the short term as volume growth requires agricultural capacity



c.80% of current feed price inflation is covered by customer ratchets, but with a lag



Note: Worked example and for illustration only, does not represent guidance on future expectations

Meals & Bakery Q2 2020/21 Results

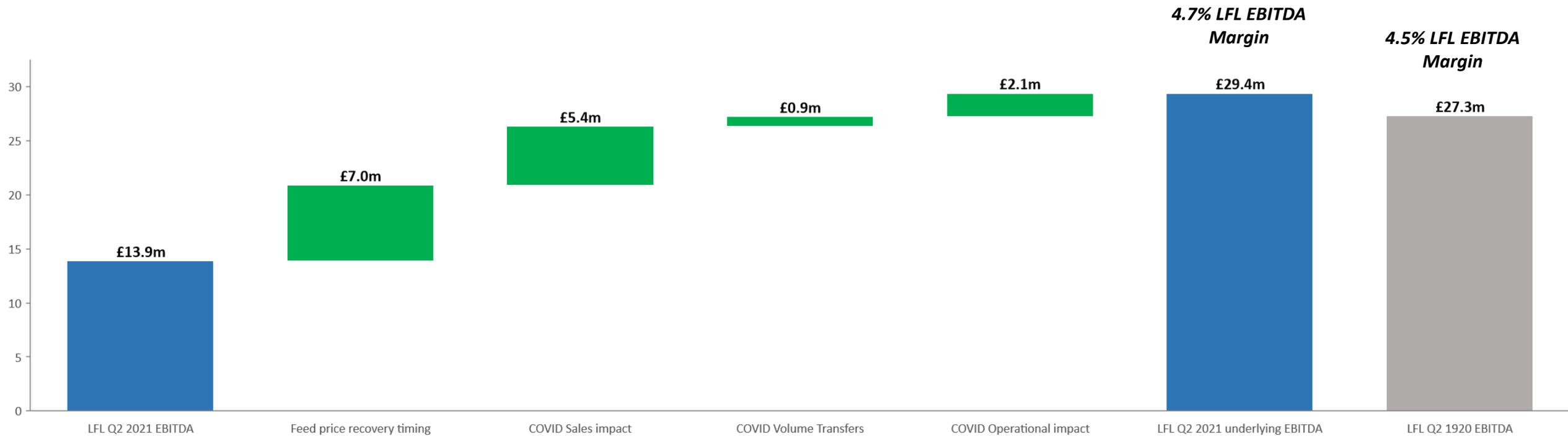
£m	Q2 20/21	Q2 19/20	YoY Change
Revenue LFL ¹ , £m	137.5	152.6	(9.9)%
EBITDA LFL ^{1,2} , £m	10.1	11.5	(12.2)%
EBITDA LFL Margin %	7.4%	7.5%	(10)bps
Revenue, £m	147.0	203.7	(27.8)%
EBITDA ² , £m	9.0	14.3	(37.1)%

Meals & Bakery Performance overview

- LFL sales declined (9.9)%, after stripping out Biscuits, driven by COVID impacts in Ready Meals.
- LFL EBITDA margin flat YOY as Pennine Site closure and cost controls offset impacts of COVID disruption.

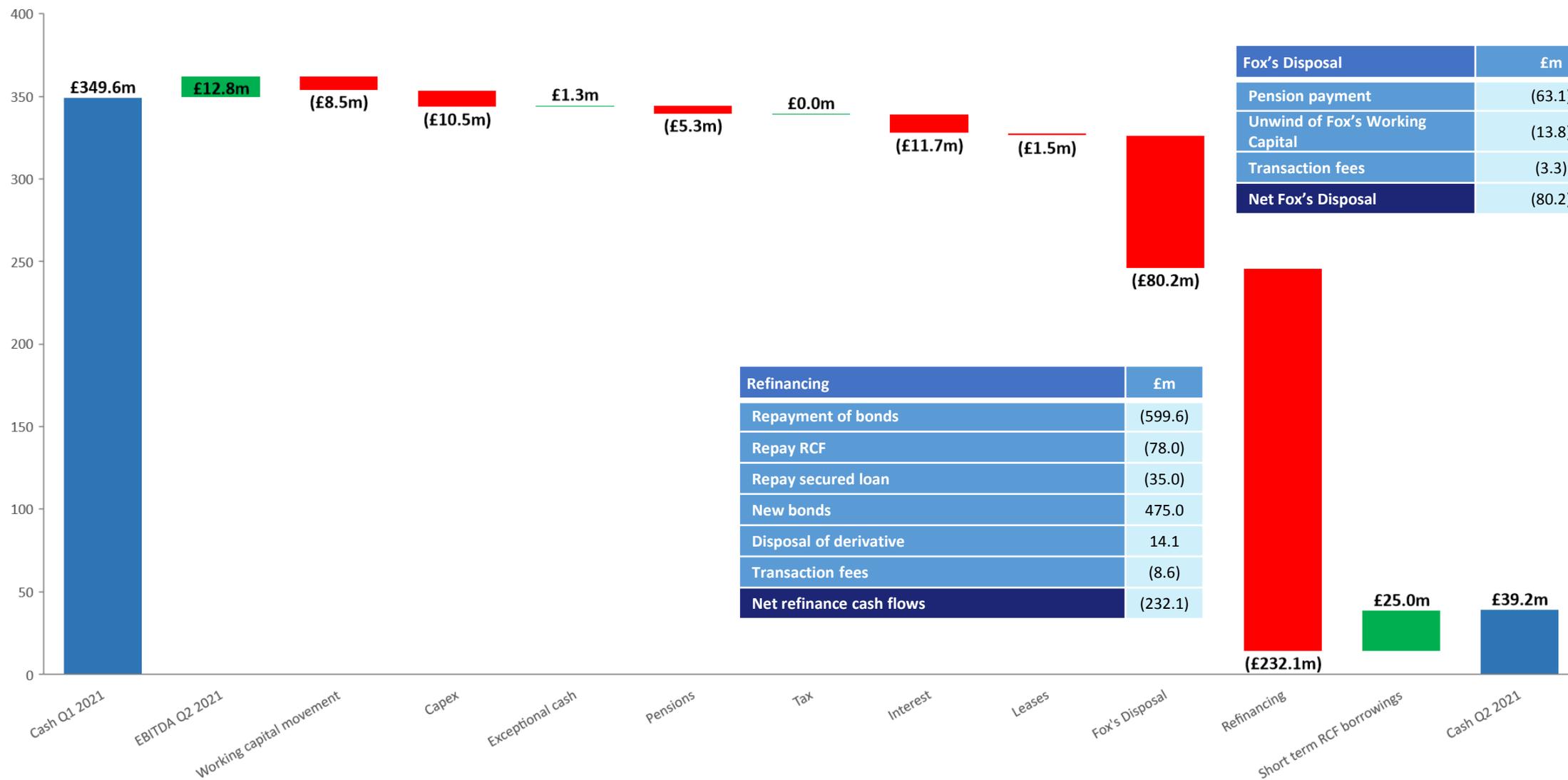
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Significant feed price recovery timing and COVID impacts in Q2 masking underlying EBITDA performance



COVID EBITDA impact					
£m	Q3 19/20	Q4 19/20	Q1 20/21	Q2 20/21	LTM total
LFL Group	(2.8)	(10.0)	(10.3)	(8.4)	(31.5)

Q2 Cashflow



Fox's Disposal	£m
Pension payment	(63.1)
Unwind of Fox's Working Capital	(13.8)
Transaction fees	(3.3)
Net Fox's Disposal	(80.2)

Refinancing	£m
Repayment of bonds	(599.6)
Repay RCF	(78.0)
Repay secured loan	(35.0)
New bonds	475.0
Disposal of derivative	14.1
Transaction fees	(8.6)
Net refinance cash flows	(232.1)



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Poultry Plus strategy continues to deliver and despite current quarter headwinds, we remain on track

1

Focus on our core poultry businesses

2

Add value to and realise value from our non-poultry businesses

3

Increase operational effectiveness and efficiency

4

Build a high performance organisation and culture

5

Improve cash generation and margin

Business Initiatives next 6-12 months

Core Poultry

- Commercial recovery plan UKP
- Accelerate automation plans in UK
- Improve UK Agri performance
- Continue to drive yield in UKP via CI initiatives
- Recover prices in EU as COVID lockdown eases
- Accelerate automation plans in Poland, drive efficiency in the Netherlands
- Drive higher welfare chicken concepts in EU

Meals & Bakery

- Meals recovery plan post current lockdown
- Gunstones to benefit from capacity increasing investment
- Simplify and increase productivity of back office

Outlook

1

Improved trading in Q3 – feed price timing stabilises and EU pricing

2

Targeted capacity expansions to improve efficiencies

3

Strong liquidity position following refinance