

## Exit Hilton Food Group: Results in April could provide basis for a turnaround<sup>1</sup>

<b>Company:</b>	Hilton Food Group (HFG LN)	<b>Market Cap:</b>	£407m	(458p)
<b>Industry:</b>	Food Processing	<b>Net debt:</b>	£135m*	
<b>Country:</b>	UK, Europe, APAC	<b>Revenue:</b>	£4,180m*	
<b>Entry Date:</b>	25 <sup>th</sup> November 2025	<b>Adj. operating profit:</b>	£100m*	
<b>Dividend:</b>	£30m (8.8%)	<b>Adj. free cash flow:</b>	£43m*	
<b>Entry:</b>	£440m (495p)	<b>Exit:</b>	£436m or 490p (-1%)	

\*own estimates partly based on company's guidance

### Why exit Hilton Food Group?

- Lower pre-tax adjusted profit guidance was not part of my thesis
- Inventory write down of US stock came as a surprise to me
- No insider share buying from new Executive Chairman, Mark Allen OBE...
- ...expect him to buy in the coming weeks

### A negative outlook & what it could mean

The trading update on 29<sup>th</sup> January 2026 was worse than I anticipated. I expected that there would be some sort of update on the fish business and did not anticipate the US stock write-down and the lower profit guidance. However, as I shifted my personal assets from the UK to Japan, the position in Hilton Food Group was quite small, and I was able to sell it at the open at 490p, leading to a small loss of -1%. I considered that there was a risk of the new Executive Chairman, Mark Allen OBE, not buying any shares after taking on the role as Executive Chairman, and quitting his role as Chairman of A.G. Barr<sup>2</sup>. When you quit your role as Chairman to take on the sole role of Executive Chairman, you want to be properly

<sup>1</sup> all assumptions and observations are based on internal modelling and data analysis

<sup>2</sup> [https://otp.tools.investis.com/clients/uk/ag\\_barr1/rns/regulatory-story.aspx?cid=283&newsid=2025054](https://otp.tools.investis.com/clients/uk/ag_barr1/rns/regulatory-story.aspx?cid=283&newsid=2025054)

financially compensated for such a move. This was not the case for Mark Allen OBE. For that reason, I believe the outlook might have been worse than it actually might be. I remember back in 2023, when I attended the Greencore AGM in Dublin and the trading update had a surprising negative touch on it. However, the presentation at the AGM was very positive. After the presentation, I had a chat with the Chairman of Greencore and asked him why he didn't buy any shares. And he answered something like this: "I'll buy shares in the coming weeks but thought it would be inappropriate to do so after giving a rather negative update." And so, he did – at a higher price though. This totally shocked me. But it shows that people in Chairman positions are often quite clever in how they guide the markets in order to benefit from the share price and then buy at the lows. That's because as Chairman you generally have the most experience but get paid a lot less than the CEO/CFO. Although the case of Hilton Food Group is somewhat different, I believe there is a chance that Mark Allen OBE will buy a significant number of shares mid-February, which could mark the turning point for Hilton Food Group. Why? Because at age 75 you don't just quit your Chairman role (at AG Barr) and take on the Executive Chairman role of a high-risk gamble. He knows very well that the struggles Hilton Food Group is undergoing are temporary, and that 2027 should be a very bright year for Hilton Food Group. That's of course just my opinion, and I might turn out to be very wrong on this. But to some degree, this is simply common sense, and hence I keep Hilton Food Group closely on my radar.



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