A year of focus on shareholder returns

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Group revenue was £19.5bn, a decline of 3% on the previous year at actual exchange rates and 1% lower at constant currency. This decline in revenue was due principally to a 10% fall in Sugar revenue which more than offset revenue growth in Primark. Revenue in Grocery and Ingredients was broadly in line with last year while Agriculture recorded a small decline.

Group adjusted operating profit was £1,734m, a decline from the previous year of 13% at actual exchange rates and 12% at constant currency. Adjusted profit before tax was £1,696m, down 13% and adjusted earnings per share fell by 11% to 174.9p.

Primark sales grew 1% to £9.5bn on the back of our store rollout programme in Europe and the US. Like-for-like sales were lower by 2.3%, reflecting a volatile consumer environment. The business is taking action to ensure its communication with customers on price and product is sharp and clear. Primark's adjusted operating profit margin was good at 11.9% and its adjusted operating profit was up 2% to £1,126m. The company's low-cost operating model and growth potential remain strong.

Grocery benefitted from good sales growth in Twinings and Ovaltine, the two largest brands within that division. However, losses at Allied Bakeries continued and we announced in August that we had reached agreement with Endless LLP to buy Hovis Group Limited. We believe the combination of the two businesses will produce significant cost synergies and efficiencies, so creating a UK bread business that is better able to compete effectively and to carry out innovation. This transaction is subject to regulatory approval, and we will communicate developments to you as and when we are able. Adjusted operating profit at Grocery fell 4% to £478m.

Ingredients had a good year, with revenues in line and adjusted operating profit up 16% to £257m on the back of prior year acquisitions in yeast and bakery ingredients, a generally good performance in our specialty ingredients business, ABFI, and good cost management.

Sugar had a difficult year. Performance in Africa was mixed. In Europe, high sugar beet costs combined with low European sugar prices meant that profitability fell sharply, resulting in a loss of £2m against adjusted operating profit of £213m last year. Profitability at Azucarera, our Spanish sugar business, was particularly affected by low prices and we restructured our sugar beet operations in that country as a result with more work to do. We also decided to close Vivergo, our loss-making bioethanol plant on Humberside.

The decisions to restructure in Spain following a poorer trading performance and to close Vivergo were painful and the Board was aware that jobs would be lost as a result. But no business can tolerate losses on this scale and the actions were needed. As a result of the circumstances leading to these two actions, the Group took a non-cash impairment charge of £135m and cash costs of £56m arising from Azucarera and the closure of Vivergo.

Gross investment was £1,244m, a 3% reduction on the prior year but still at a high level as the Group invests in some large multi-year capital projects.

This investment is focused on new capabilities and capacity in Food and on warehouse automation, the new store programme and new technologies for Primark. Our investment in ESG-related projects also continued.

ABF has a tradition of doing the right thing and we continue to invest in the long-term sustainability of the business with the knowledge that these projects also have attractive returns.

Review of the Group Structure

The Board of ABF has been conducting a review of the Group structure with a view to maximising long-term value. Although no decision has been taken, the outcome of this review may lead to the Board deciding to undertake a separation of the Primark and Food businesses. This review is being conducted in consultation with ABF's largest shareholder, Wittington Investments, which remains committed to maintaining majority ownership of both businesses. Rothschild & Co has been assisting the Board with the review.

The Board will provide an update on the review as soon as practicable.

Capital structure and shareholder returns

Our capital allocation policy is for the Group's financial leverage, expressed as the ratio of total net debt including lease liabilities to adjusted EBITDA, to be well under 1.5 times, whilst financial leverage consistently below 1.0 times may indicate a surplus capital position. Surplus capital may be returned to shareholders by special dividends or share buybacks.

During the financial year we continued our share buyback programmes. On 11 September 2024 we announced a £100m extension to the share buyback programme of the last financial year, which we duly completed in November 2024. We subsequently announced our third £500m share buyback programme on 5 November 2024, which we completed in August 2025.

Free cash flow in the year was substantially lower than last year, generating £648m (2024 – £1,355m). The financial leverage ratio was 1.0x at the end of the financial year, compared to 0.7x in the previous financial year. The Group continues to prioritise investment in its businesses and we expect to maintain investment at a level in line with last year's level. The Board has considered the outlook for the Group, the strength of the balance sheet, and the underlying cash generation of the business. The Board has also taken into consideration the value this year attributed by the financial markets to the Group's share capital.

Taking into account all these factors, the Board has approved a further share buyback programme of £250m to be completed by the end of the current financial year.The Board views the share buyback as an investment rather than simply a return of capital. The size and timing of this programme are considered appropriate for the delivery of value to shareholders while retaining scope for investment opportunities.

The Board is proposing a final dividend of 42.3p per share which will be paid on 9 January 2026 to shareholders on the register on 12 December 2025 . Taken with the interim dividend of 20.7p per share, the total dividend equates to 63.0p per share, equivalent to the ordinary dividends of 63.0p per share in the financial year 2024.

Board

This year we had to turn to our emergency succession plans and appoint Joana Edwards as interim Finance Director on 31 March 2025 in place of Eoin Tonge, with Eoin leaving his role as Finance Director to become interim Chief Executive of Primark on the same day. These moves were necessitated by the resignation of Paul Marchant as Chief Executive of Primark. Joana was ABF Group Financial Controller, having been Group Financial Controller at L'Oréal immediately prior to joining the Group in November 2020. Eoin remains a director of the Company given his position at Primark is on an interim basis. We intend to make a permanent appointment at Primark once we have completed a thorough selection process.

Loraine Woodhouse became Chair of the Audit Committee as planned on 24 April 2025 with Richard Reid stepping down at the end of that month after nine years on the Board. Richard gave generously of his time to ABF in his various roles: non-executive director, Chair of the Audit Committee, and designated Non-Executive Director for workforce engagement. We are grateful for his unstinting contribution and advice.

Outlook

In 2026, we expect the Group to deliver growth in adjusted operating profit and adjusted EPS, and we are confident in the Group's medium and long-term growth prospects.

In Primark, we continue to expect the consumer environment to remain subdued. We are focused on strengthening our customer value proposition through our product offer, price and price perception, and digital customer engagement with a view to driving like-for-like sales. We have made good progress in the UK and Ireland, and we have plans to roll out similar initiatives in all of our other markets. Our store rollout programme continues in Europe, the US and through our franchise model and is expected to contribute around 4% to sales growth in 2026. We continue to target white space growth to contribute around 4% to 5% per annum to our growth in total sales for the foreseeable future. Adjusted operating profit margin is expected to be slightly below last year's underlying adjusted operating profit margin as we focus on investing in growth. It should be noted that in 2025 we had a non-recurring benefit of around £20m.

In Grocery, we expect our international brands to deliver good growth in sales and profit, underpinned by investment in marketing and product innovation, albeit offset by lower volumes and profit in our US oils business. As such, we expect profit to be around the same level as 2025. In Ingredients, we expect to deliver sales growth in our yeast and bakery ingredients business and in our specialty ingredients portfolio. As a result of increased investment, we expect to hold adjusted operating profit in Ingredients at broadly this year's level. In Agriculture, we expect adjusted operating profit to remain in line with 2025.

We still expect to improve profitability in Sugar and to deliver a small adjusted operating profit in 2026. Our cost base will benefit from both the lower beet price that we negotiated in the UK and the restructuring actions that we have taken to date in Spain to reduce our beet manufacturing footprint. We continue to expect our average selling price in 2026 to be below 2025's as European sugar prices remain low. We anticipate good progress in Africa in 2026, in particular with the commissioning of our new sugar mill in Tanzania.

Michael McLintock
Chairman