



Review of interim results for  
24 weeks ended 27 February 2021

30 employees lost to COVID-19

## First half financial highlights

<b>Group revenue</b>	<b>down 18%*</b>	<b>£6.3bn</b>
<b>Adjusted operating profit</b>	<b>down 46%*</b>	<b>£369m</b>
<b>Adjusted profit before tax</b>	<b>down 50%</b>	<b>£319m</b>
<b>Adjusted earnings per share</b>	<b>down 59%</b>	<b>25.1p</b>
<b>Interim dividend per share</b>		<b>6.2p</b>
<b>Gross investment</b>		<b>£382m</b>
<b>Net cash (before lease liabilities)</b>		<b>£705m</b>
<b>Net debt (including lease liabilities)</b>		<b>£2.7bn</b>

■ job retention scheme monies in respect of this financial year to be repaid

\* constant currency

## First half business highlights

- Primark store closures for more than half of the period
  - £1.1bn sales and £0.3bn profit lost while stores closed
  - £0.7bn group cash outflow
- Primark like-for-like sales, when stores open, strong under the circumstances
- food businesses delivered exceptional increase in adjusted operating profit of 30%
- further recovery at AB Sugar
- strong Grocery performance
- £2.2bn liquidity at half year end



## Environmental, Social and Governance (ESG)

- engagement with investors on our approach to ESG factors
- first event covered
  - governance/values in ABF
  - assurance of the social/environmental factors in the Primark supply chain
  - overview on environment
- next event to be held in the summer - Primark focus
- autumn event - climate, environment and carbon
- ESG to be incorporated in the regular half year and full year group reporting from November 2021

# Income Statement

£m	2021	2020	Change	
			actual fx	constant fx
Revenue	6,313	7,646	-17%	-18%
Operating costs before exceptional items	(5,996)	(7,024)		
Exceptional items	(25)	(309)		
Share of joint ventures and associates	26	27		
Profits less losses on disposal of non-current assets	2	9		
Operating profit	320	349		
Adjusted operating profit	369	682	-46%	-46%
Profits less losses on disposal of non-current assets	2	9		
Amortisation of non-operating intangibles	(24)	(24)		
Acquired inventory fair value adjustments	(1)	(8)		
Transaction costs	(1)	(1)		
Exceptional items	(25)	(309)		

## Exceptional items

- this year £25m
  - £21m inventory charge for clearing some autumn/winter items from stores closed since December
  - £4m charge equalisation of Guaranteed Minimum Pensions for historic transfers out
- last year £309m
  - £284m provision for potential lower net realisable inventory value at Primark
  - £25m charge after fire at Speedibake Wakefield

# Income Statement

£m	2021	2020	Change
Operating profit	320	349	-8%
Profit/(loss) on sale and closure of businesses	5	(5)	
Net interest expense	(47)	(47)	
Other financial (expense)/income	(3)	1	
Profit before tax	275	298	-8%
Tax	(103)	(77)	
Profit after tax	172	221	
Adjusted profit before tax	319	636	-50%

## Tax

£m	2021		2020	
Underlying charge	111	34.9%	144	22.6%
Credit on intangible amortisation	(5)		(5)	
Credit on acquired inventory fair value adjustments	-		(2)	
Credit on exceptional items	(5)		(60)	
Charge on transaction costs, disposal of businesses and fixed assets	2		-	
Reported charge	<u>103</u>	37.5%	<u>77</u>	25.8%

## Earnings and Dividend per share

	2021	2020	Change
Adjusted earnings per share	25.1p	61.8p	-59%
Earnings per share	20.5p	27.5p	-25%
Dividend per share	6.2p	nil	

## Government job retention schemes

- claims only made in respect of Primark
- available in each of Primark's European markets
- enabled us to preserve all jobs in Primark's 65,000 workforce
- this financial year
  - £79m relating to the first half
  - £121m to date of this announcement
- no plans to make any further claims from these schemes for which we would be eligible from this date
- we intend to repay the £121m before the financial year end
- this includes £72m repayment to the UK government

## Dividend

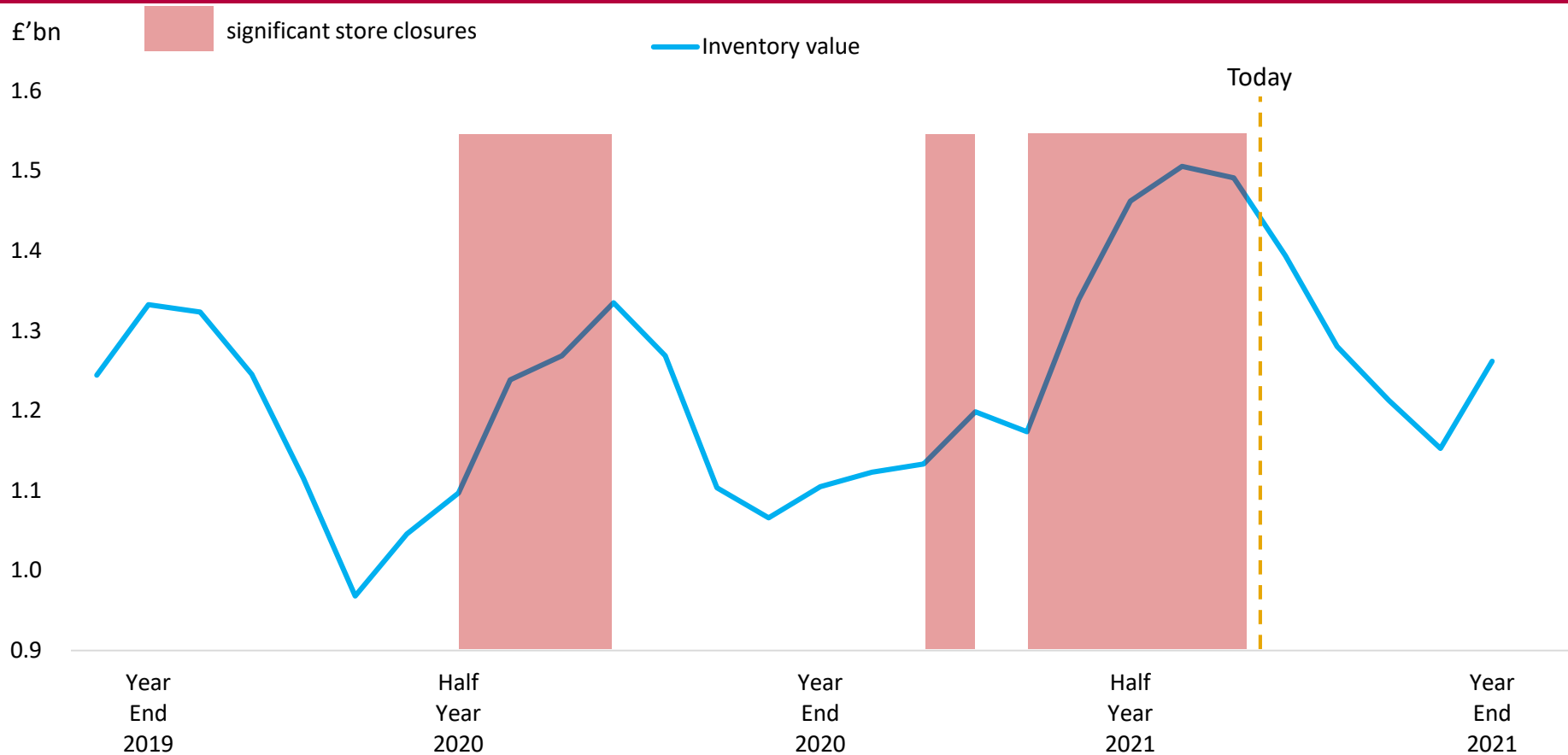
- no dividends paid in respect of last financial year due to uncertain cash flow outlook
- uncertainty this financial year substantially lower
- dividend based on pro-forma first half adjusted earnings per share - reported 25.1p is reduced by the tax effected job retention scheme repayment relating to first half to give pro-forma 18.5p
- interim dividend of 6.2p per share (2020: nil, 2019: 12.05p) totalling £49m
- decision to pay a final dividend to be determined by the trading of the group in the second half and the outlook at that time



# Balance Sheet

£m	2021	2020
Intangible assets (including goodwill)	1,570	1,631
PP&E and other non-current assets	5,790	5,940
Right-of-use assets	2,772	3,057
Working capital	2,046	1,270
Biological assets (current)	96	96
Current tax	(88)	(69)
Net cash	705	801
Lease liabilities	(3,420)	(3,552)
Other net financial assets	16	56
Deferred tax	(83)	(65)
Provisions	(149)	(141)
Net pension asset	382	53
Net assets classified as held for sale	-	36
Net assets	<u>9,637</u>	<u>9,113</u>
Equity shareholders' funds	9,568	9,024
Non-controlling interests	<u>69</u>	<u>89</u>
	<u>9,637</u>	<u>9,113</u>

# Primark stock holding



# Cash Flow

£m	2021	2020
Adjusted operating profit (before joint ventures and associates)	342	654
Depreciation and amortisation of operating intangibles	420	396
Working capital	(947)	(286)
Provisions	(16)	(14)
Capital expenditure - Primark	(136)	(187)
- Food	(127)	(128)
Purchase of intangibles	(44)	(43)
Tax	(160)	(151)
Net interest and other income	(50)	(36)
Pension costs less contributions	4	3
Dividends received from joint ventures and associates	27	29
Repayment of lease liabilities	(131)	(115)
Other	(14)	19
Free cash flow (after lease liability payments)	(832)	141
Dividends	-	(271)
Dividends paid to non-controlling interests	(2)	(4)
Acquisitions	(28)	(3)
Net cash flow before financing	(862)	(137)

# Segmental Analysis

## By business

	Revenue		Profit		Margin		ROCE	
							(annualised)	
	2021	2020	2021	2020	2021	2020	2021	2020
	£m	£m	£m	£m	%	%	%	%
Grocery	1,834	1,689	199	189	10.9	11.2	29.9	26.6
Sugar	763	803	66	12	8.7	1.5	8.7	1.5
Agriculture	746	692	19	16	2.5	2.3	9.1	7.8
Ingredients	735	737	78	62	10.6	8.4	17.7	14.3
Retail	2,232	3,710	43	441	1.9	11.9	1.5	15.0
Central costs	-	-	(37)	(37)	-	-	-	-
Continuing businesses	6,310	7,631	368	683	5.8	9.0	7.6	13.9
Disposed/closed businesses	3	15	1	(1)				
Total	6,313	7,646	369	682	5.8	8.9	7.6	13.8

# Segmental Analysis

## By geography

	Revenue		Profit		Margin	
	2021	2020	2021	2020	2021	2020
	£m	£m	£m	£m	%	%
United Kingdom	2,186	2,881	99	254	4.5	8.8
Europe & Africa	2,180	2,882	69	241	3.2	8.4
The Americas	801	804	130	122	16.2	15.2
Asia Pacific	1,143	1,064	70	66	6.1	6.2
Continuing businesses	6,310	7,631	368	683	5.8	9.0
Disposed/closed businesses	3	15	1	(1)		
Total	6,313	7,646	369	682	5.8	8.9

# Half year business review



Retail



All stores in England and Wales reopened last week



Birmingham High Street



Happy customers



## Store safety



Till booths



Queue management



Hand sanitiser



Baskets sanitised

## Liverpool reopening day



## Last week England and Wales reopening

- record sales week
- big basket sizes
- footfall improvement in all store types
  - total footfall back to pre COVID-19 levels
  - big recovery in city centre stores
- fashion is back

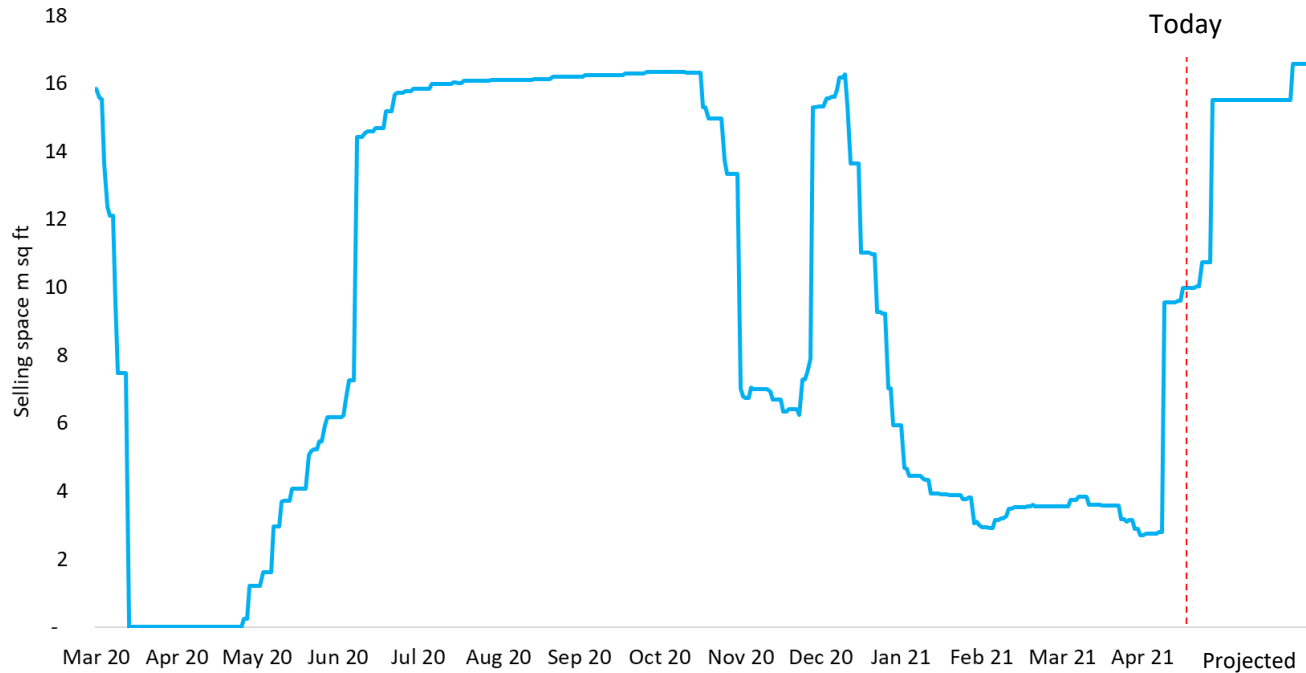
**customers are thinking differently**

## Retail

		2021	2020	Change	
				actual fx	constant fx
<b>Revenue</b>	£m	2,232	3,710	-40%	-41%
<b>Operating profit</b>	£m	43	441	-90%	-90%
<b>Margin</b>		1.9%	11.9%		
<b>ROCE</b>		1.5%	15.0%		

- severe impact of store closures in the UK and Europe
- strong trading when open; -15% like-for-like compared to last year
- management team demonstrated operational agility
- closed store operating costs reduced by 25%
- US performed well, now profitable
- 6 stores added - ranging from Miami to Rome

## Profile of store closures due to COVID-19



- all stores open for just 4 weeks in the first half
- at no time were all stores closed in the first half
- restrictions other than total lockdown employed by European governments

## Like-for-like sales of open stores in the first half

- Group -15%
- UK -6%, -1% excluding the four major city centre stores
  - limited restrictions on store trading but customer apprehension and restricted social and leisure
- EU -20%
  - more severe government restrictions on trading while open
- US -11%, -3% excluding Boston city centre store
  - no store closures but customer apprehension to leave home

## Context for first half like-for-like trading

- government restrictions while stores were open included:
  - reduced trading hours/days
  - customer occupancy limits
  - limited range of merchandise permitted
- restrictions on our customers included:
  - constraints on social and leisure events
  - apprehension over leaving home
  - travel distance limits from home
  - home working
  - very little tourism
- despite restrictions, European stores, particularly Spanish, provided welcome cash flow during this period

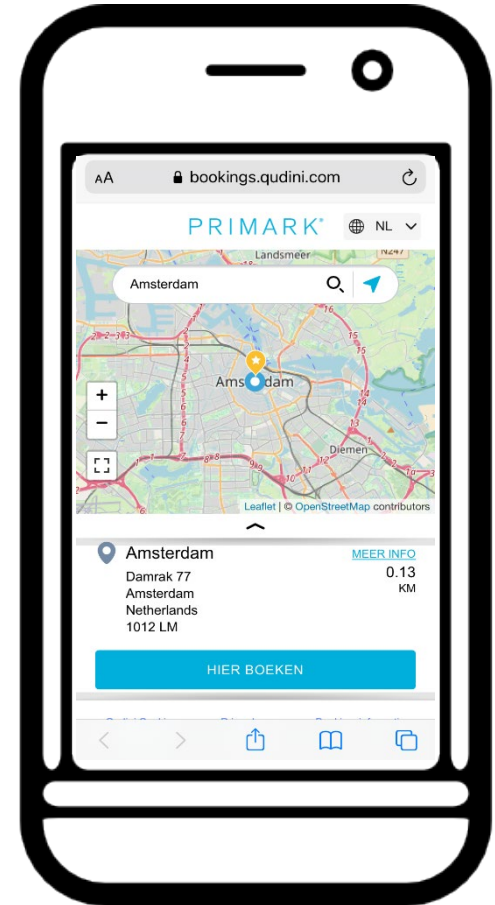
## Oviedo, Spain - an example of operational challenges from store status changes

■ 4 Nov	Closed	projected reopening 18 Nov
■ 17 Nov	Reopening delayed	projected reopening now 4 Dec
■ 4 Dec	Reopening delayed	projected reopening now 18 Dec
■ 14 Dec	Reopened earlier	with reduced trading hours and reduced occupancy at 30%
■ 2 Feb	Closed	projected reopening 15 Feb
■ 12 Feb	Reopening delayed	projected reopening now 16 Feb
■ 16 Feb	Reopening delayed	projected reopening now 1 March
■ 18 Feb	Reopening earlier	now reopening 20 Feb
■ 20 Feb	Reopened	with reduced trading hours and reduced occupancy at 30%
■ 19 Mar	Closed	projected reopening 3 Apr
■ 1 Apr	Reopening delayed	projected reopening now 17 Apr
■ 9 Apr	Reopening earlier	now reopening 10 Apr
■ 10 Apr	Reopened	normal trading hours and reduced occupancy at 50%



# Pre-booking system

- introduced for stores reopening from current lockdown
- Netherlands, Germany and Belgium
- customer reserves 45 minute shopping slot
- limit on customer numbers in store
- no immediate slot availability in Netherlands



- three stores opened this financial year, now trading from 12 stores
  - American Dream, New Jersey
  - Sawgrass Mills, Florida
  - State Street, Chicago
- Philadelphia Fashion District to open later this calendar year
- leases for new stores signed at
  - Queens, New York
  - Green Acres Mall, Long Island, New York
  - Tysons Corner, just outside Washington DC
- now accelerating our growth

## Sawgrass Mills and American Dream



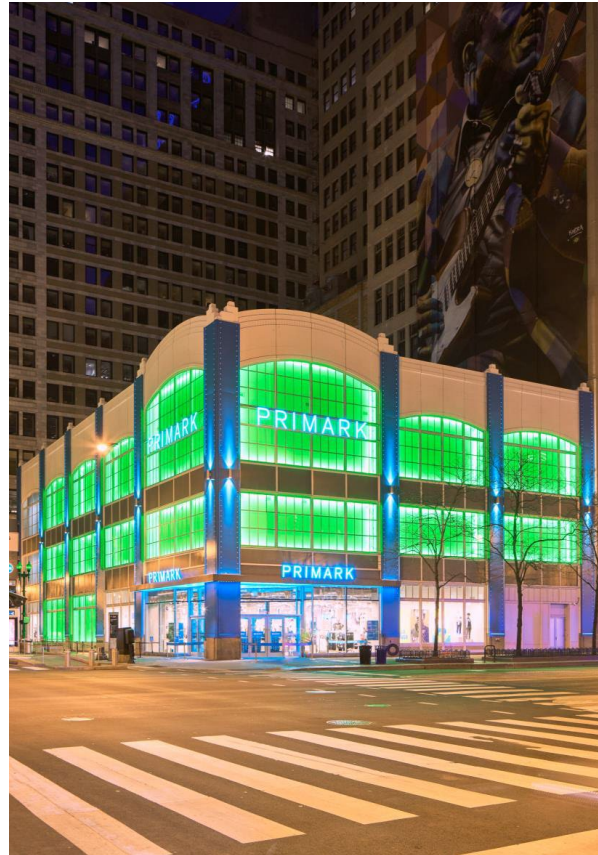
Sawgrass Mills



American Dream



# Chicago State Street



## Chicago State Street



Opening day queue



Personal shopper

- profitable store model
- leveraging existing warehouse capacity
- clothing range continues to develop



## NBA licence



## 6 new stores opened in first half

- Barcelona Sant Cugat, Spain
- Espacio Leon, Spain
- Roma Maximo, Italy
- American Dream, New Jersey
- Sawgrass Mills, Florida
- Coquelles near Calais, France



Roma Maximo



Barcelona Sant Cugat



## Digital/Social media

- over 22 million followers
- key role in store reopening plans
- vital part of the marketing mix
- further investment in website and digital marketing to come



Twitter



Instagram

## Top sellers during first half



Christmas gifting



"Stay at home" kit



Pyjamas

## Spring/Summer fashion



Womenswear – gingham prints and gelato tones



Womenswear – “Urban Meadows”



## Seamfree Jersey



## Primark Cares featuring Disney





## Pineapple licence



## Product range development



Parenthood launch



Baby World collection



Lifestyle and Home expansion

## Reopening status

- as at today, we are trading from 60% of our total retail selling space
- including those markets with restricted trading, this rises to 70% of our total retail selling space
- as at end of April, we expect to be trading from 68% of our total retail selling space
- including those markets with restricted trading, this rises to 79% of our total retail selling space



## Second half new stores

- expect to add a net 0.7m sq ft of selling space this financial year
- following Chicago, a further 8 new stores planned in second half
  - Prague Wenceslas Square
  - Poznan
  - Roma Est
  - three further stores in Spain
  - Rotterdam Forum
  - Tamworth

## Primark store growth prospects

- accelerating pace of new store openings
- significant growth in the US
- opportunity for expansion in existing markets of France, Spain, Portugal and Italy
- just starting in Eastern Europe

# Food



## COVID-19 in the food businesses

- provided safe and nutritious food under the most demanding of conditions
- main impacts on our businesses
  - increased volumes through retail sales channels
  - reduced foodservice and on-the-go volumes
  - reduced customer new product development

# Sugar

		2021	2020	Change	
				actual fx	constant fx
<b>Revenue</b>	£m	763	803	-5%	+1%
<b>Operating profit</b>	£m	66	12	+450%	+633%
<b>Margin</b>		8.7%	1.5%		
<b>ROCE</b>		8.7%	1.5%		

- further recovery in profit
  - much improved Illovo profit
- performance improvement programme continues to deliver
- much lower production in British Sugar due to virus yellows
- Vivergo bioethanol plant being recommissioned, reopening 2022
- continuing capital investment in both water and energy reduction

## Illovo improvement

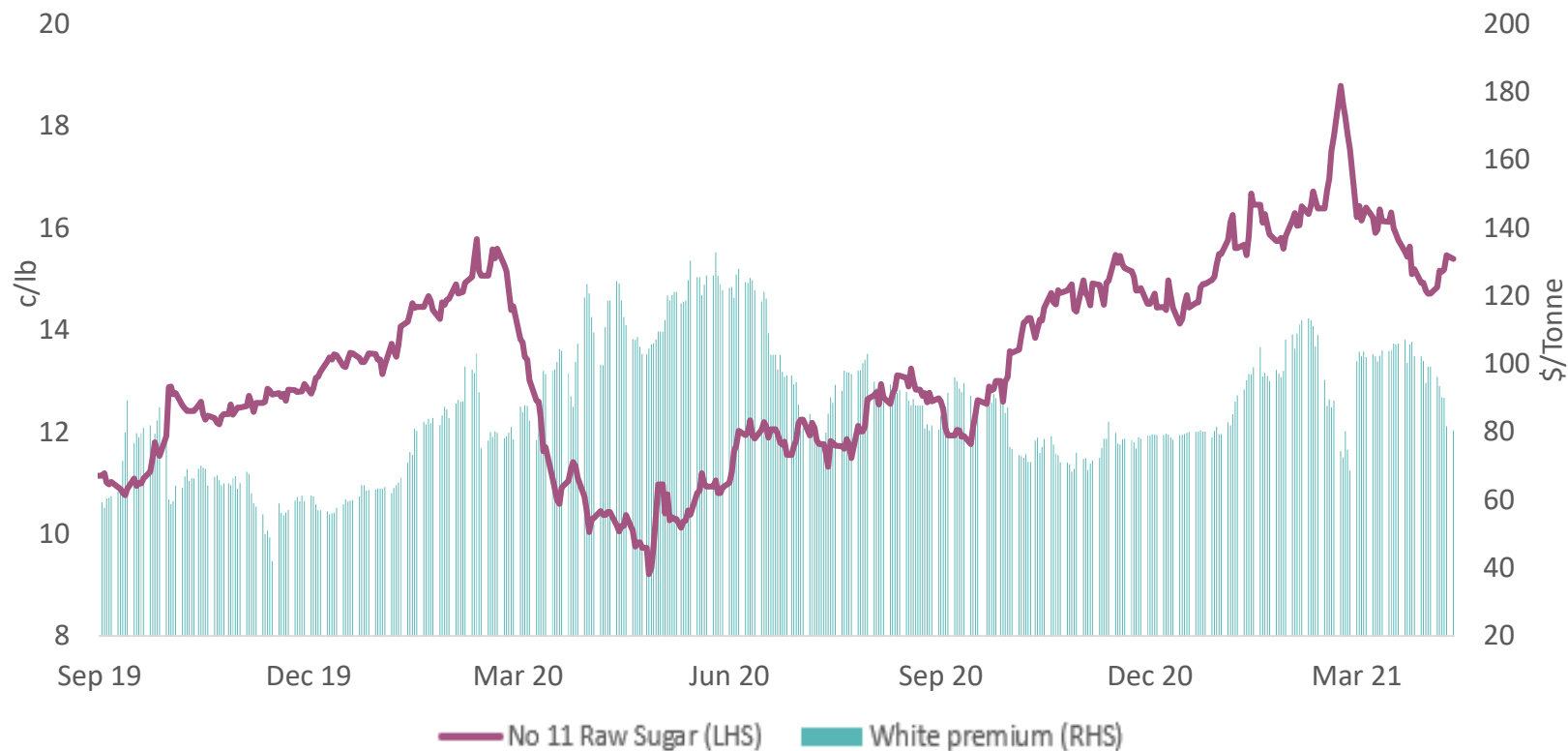
- significant cost reductions
- continued growth in retail branded sales
- better pricing discipline
- higher domestic volumes, including South Africa
- export benefit from higher world sugar price
- Mozambique operational difficulties resolved
- continued investment in drip irrigation - step change in water usage and power requirement



# Sugar operations

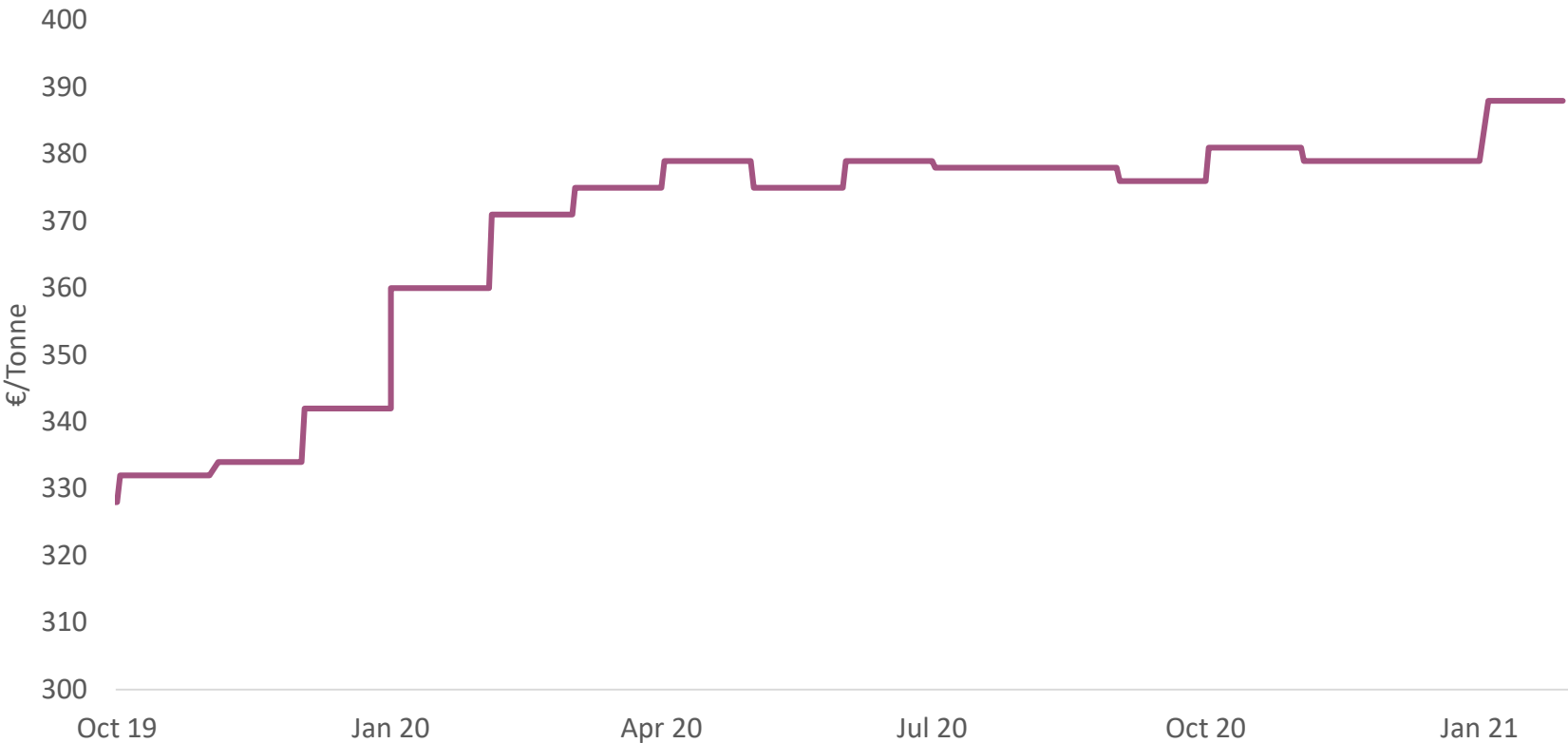
- UK
  - 2020/21 campaign
    - 0.90m tonnes sugar production, well down on 1.19m tonnes prior year
    - yield reduced by virus yellows
  - 2021/22 campaign
    - 1.0m tonnes production forecast with higher yield expected to offset lower beet area
- Spain
  - production in line with last year
- China
  - production ahead of last year with strong factory performance

# World sugar price





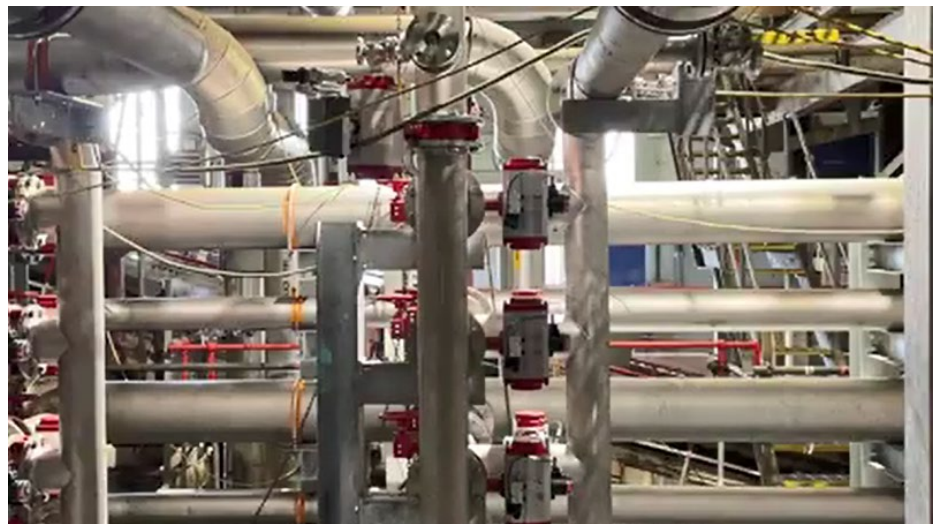
# European sugar price



## British Sugar energy savings



Wissington pressed pulp drying



Newark decalcification plant

## Vivergo bioethanol plant in Hull



## Ingredients

		2021	2020	Change	
				actual fx	constant fx
<b>Revenue</b>	£m	735	737	in line	+2%
<b>Operating profit</b>	£m	78	62	+26%	+28%
<b>Margin</b>		10.6%	8.4%		
<b>ROCE</b>		17.7%	14.3%		

### ■ AB Mauri

- high demand for retail yeast and bakery ingredients driven by home baking
- yeast and bakery ingredient joint venture with Wilmar in China progressing well
- South America ahead despite difficult economic conditions
- new global technology centre opened in the Netherlands
- ongoing investment to increase capacity and improve effluent treatment



## Effluent treatment Pederneiras, Brazil



## Ingredients

		2021	2020	Change	
				actual fx	constant fx
<b>Revenue</b>	£m	735	737	in line	+2%
<b>Operating profit</b>	£m	78	62	+26%	+28%
<b>Margin</b>		10.6%	8.4%		
<b>ROCE</b>		17.7%	14.3%		

### ■ ABF Ingredients

- strong growth from nutritional and pharmaceutical lipids
- further good progress from yeast extracts

## Agriculture

		2021	2020	Change	
				actual fx	constant fx
<b>Revenue</b>	£m	746	692	+8%	+8%
<b>Operating profit</b>	£m	19	16	+19%	+27%
<b>Margin</b>		2.5%	2.3%		
<b>ROCE</b>		9.1%	7.8%		

- AB Vista ahead with improved feed enzyme volumes
- successful new products reducing need for antibiotics in animals
- AB Neo ahead driven by Spain
- animal feed performance in China much improved
- substantial investment in new animal feed mill in East of England

## Grocery

		2021	2020	Change	
				actual fx	constant fx
<b>Revenue</b>	£m	1,834	1,689	+9%	+8%
<b>Operating profit</b>	£m	199	189	+5%	+6%
<b>Margin</b>		10.9%	11.2%		
<b>ROCE</b>		29.9%	26.6%		

- strong revenue growth
  - higher food volumes through retail sales channels
  - international growth for many brands
- Twinings Ovaltine strong performance
- lower margins in Mazola and Don meat
- focus on reducing packaging in particular single use plastic, sustainable rice programme in Pakistan



## Grocery

		2021	2020
Revenue	£m	1,834	1,689
Operating profit	£m	199	189

### ■ Twinings

- successful new product launches
- significant market share gain in France
- China rapid e-commerce growth
- increased home consumption due to COVID-19

### ■ Ovaltine

- strong sales growth
- Thailand and Nigeria much improved
- exciting foodservice growth in China



# Twinnings in France



Flavoured Infusions



Flavoured Teas



La Tisanière  
Organic Range

## Ovaltine in China



## Grocery

		2021	2020
<b>Revenue</b>	£m	1,834	1,689
<b>Operating profit</b>	£m	199	189

- Acetum
  - Mazzetti brand development
  - strong growth in biggest markets
- AB World Foods
  - further progress in international growth





## Grocery

		2021	2020
Revenue	£m	1,834	1,689
Operating profit	£m	199	189

- demand drives retail channel growth
  - Silver Spoon
  - Jordans
  - Dorset Cereals
  - Ryvita
  - North America yeast
- Westmill Foods
  - excellent support for South Asian and Chinese restaurants takeaway development



## Grocery

		2021	2020
<b>Revenue</b>	£m	1,834	1,689
<b>Operating profit</b>	£m	199	189

- Allied Bakeries
  - revenue in line with last year
  - cost reductions following decision to exit Co-op contract
  - COVID-19 challenges overcome once again



## Grocery

		2021	2020
Revenue	£m	1,834	1,689
Operating profit	£m	199	189

### ■ ACH North America

- baking businesses delivered strong growth
- Anthony's Goods ahead
- lower Mazola margins: higher commodity costs, lower availability
- further improvement in ACH Mexico



## Grocery

		2021	2020
Revenue	£m	1,834	1,689
Operating profit	£m	199	189

- George Weston Foods
  - excellent performance at Tip Top bakery business
  - Yumi's developing quickly
  - substantial investment in new WA animal feed mill
  - government restrictions reduced Don meat production volumes





## Tip Top customer service



**Associated  
British Foods**  
plc



# Full year outlook and Summary

## Full year outlook

### ■ Primark

- stores reopening after lockdown - record sales in England and Wales last week
- second half results significantly ahead of last year
- second half very cash generative
- job retention schemes repayment

### ■ softer food performance in second half compared to first half

### ■ Grocery second half - lower retail volumes, higher commodity costs

### ■ AB Sugar full year profit in line with expectation

### ■ at current exchange rates, £30m full year translation loss

## Summary

- investor engagement to share our priorities and work done on ESG
- first half
  - food businesses delivered exceptional increase in adjusted operating profit of 30%
  - further recovery at AB Sugar
  - strong Grocery performance
  - Primark store closures
  - Primark like-for-like sales, when stores open, strong under the circumstances
- Primark
  - stores reopening in second half
  - success in a number of new markets
  - accelerating pace of new store openings
  - we are as convinced as we have ever been in long-term growth prospects for Primark



## Review of interim results for 24 weeks ended 27 February 2021

## Appendix 1 - Liquidity

- Revolving Credit Facility £1,088m
  - term extended to July 2023
  - undrawn
- COVID Corporate Financing Facility not utilised, eligibility has now lapsed
- Private Placement Notes £320m
  - £223m matures next financial year
- £2.2bn liquidity at half year end

## Appendix 2 - Reopening store status

Status	Country	Reopening Date	Stores	Space m sq ft		
<b>Open as of today</b>						
	Austria		3	0.1		
	Italy		5	0.3		
	Spain		44	1.8		
	US		12	0.6		
	Germany		1	0.1		
	Slovenia	12-Apr	1	0.0		
	England	12-Apr	153	6.3		
	Wales	12-Apr	8	0.3		
	Portugal	19-Apr	10	0.4		
	Poland	19-Apr	1	0.1		
	<b>Subtotal</b>		<b>238</b>	<b>61%</b>	<b>10.0</b>	<b>60%</b>
<b>Open by end of April 2021</b>						
	Belgium	26-Apr	8	0.4		
	Scotland	26-Apr	20	0.7		
	Northern Ireland	30-Apr	9	0.2		
	<b>Cumulative Total</b>		<b>275</b>	<b>70%</b>	<b>11.3</b>	<b>68%</b>
<b>Open restricted trading</b>						
	Italy		1	0.0		
	Spain		6	0.2		
	Netherlands		20	1.0		
	Germany		11	0.6		
	<b>Cumulative Total</b>		<b>313</b>	<b>80%</b>	<b>13.1</b>	<b>79%</b>
<b>Opening dates to be confirmed</b>						
	Austria		2	0.1		
	France		20	1.0		
	Republic of Ireland		36	1.1		
	Germany		20	1.2		
	<b>Total</b>		<b>391</b>	<b>100%</b>	<b>16.5</b>	<b>100%</b>

## Appendix 3 - Primark selling space at half year

	HY 21		HY 20	
	# of stores	sq ft 000	# of stores	sq ft 000
UK	190	7,552	189	7,474
Spain	50	2,050	47	1,908
Germany	32	1,841	31	1,829
Republic of Ireland	36	1,076	36	1,076
Netherlands	20	971	20	971
France	20	1,044	15	776
USA	11	547	9	470
Portugal	10	383	10	368
Belgium	8	403	7	372
Austria	5	242	5	242
Italy	6	307	5	257
Slovenia	1	46	1	46
Poland	1	40	-	-
	390	16,502	375	15,789



## Appendix 4 - Exchange rates

Average rates used to translate the income statement	2021	2020
US\$	1.34	1.29
euro	1.11	1.17
South African rand	20.68	18.95
Australian \$	1.79	1.89

Closing rates used to translate the balance sheet	2021	2020
US\$	1.40	1.28
euro	1.15	1.16
South African rand	21.15	20.10
Australian \$	1.81	1.98

This presentation pack is directed only at investment professionals falling within article 19 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 and to other persons to whom the presentation pack may lawfully be promoted.

## Notes

The group has defined, and outlined the purpose of, its alternative performance measures in note 12 of the Interim Results Announcement for the 24 weeks ended 27 February 2021. These measures are used within this presentation.