

**Associated  
British Foods  
plc**

# **Review of interim results for 24 weeks ended 1 March 2025**

**29 April 2025**





## Group financial highlights

Group revenue \*

£9,509m

in line with H1 2024

Adjusted operating profit \*

£835m

-10%

Adjusted earnings per share

83.6p

-8%

Free cash flow

£27m

-£441m

Gross investment

£557m

-2%

Interim dividend

20.7p

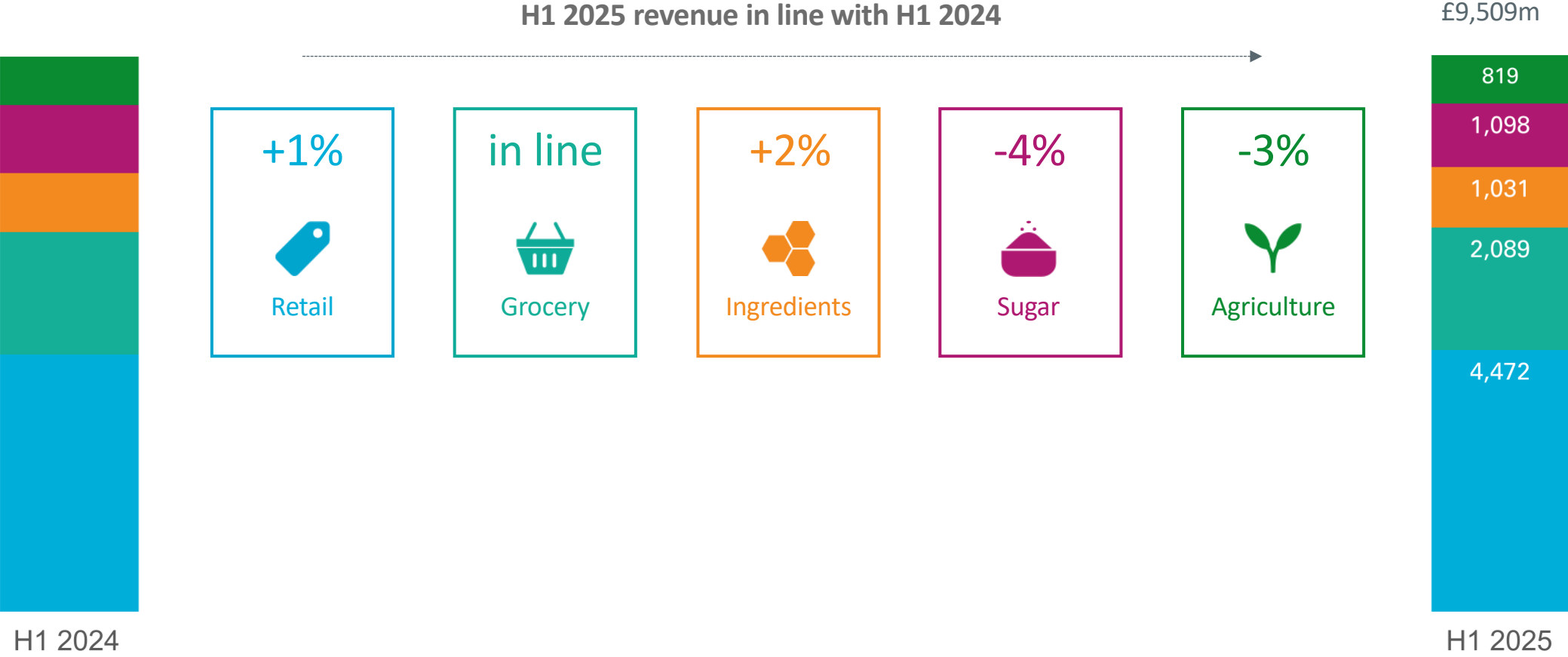
in line with H1 2024

## Good performance in most businesses and taking action to improve profitability in Sugar

- Primark delivered growth in Europe and the US, while consumer caution continued in the UK
- Primark's operating profit and margin delivery was strong and our low-cost model is working well
- Grocery and Ingredients performed well, benefitting from multi-year investments in long-term growth
- Operational and regulatory solutions needed to improve profitability in Sugar are clear and in progress
- Continued investment across the Group in capacity, capabilities and new technology
- Strong balance sheet and disciplined capital allocation

# Overall revenue in line with prior year

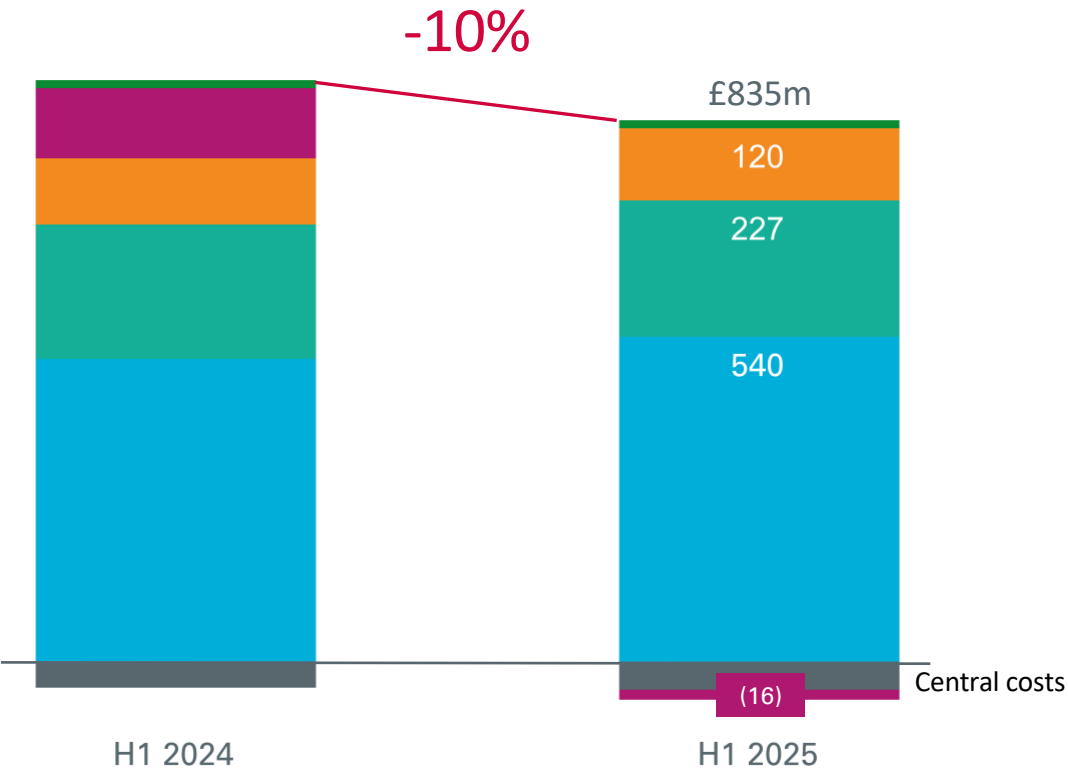
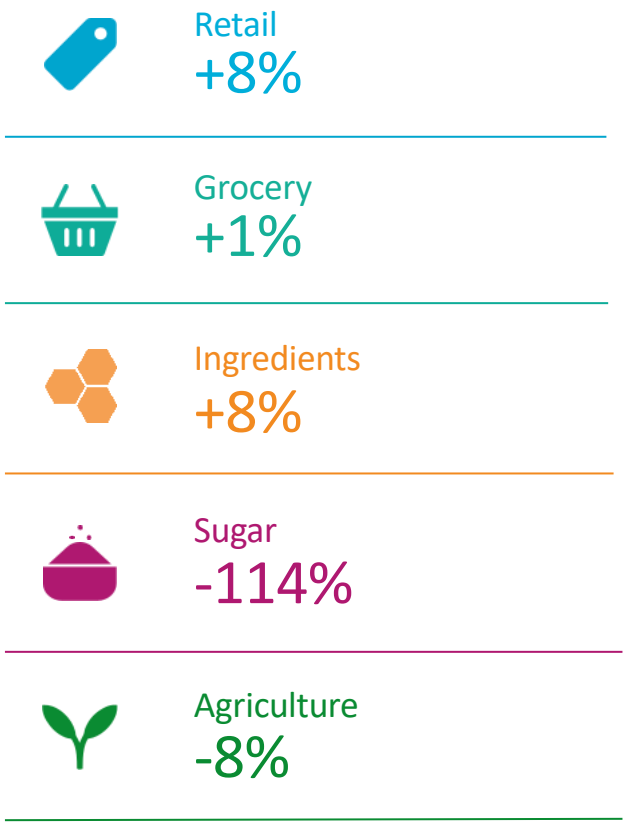
Group revenue, H1 2024 to H1 2025, £m\*



\* H1 2024 and H1 2025 include revenue from disposed businesses of £34m and £nil respectively; Comparisons to prior year presented at constant currency

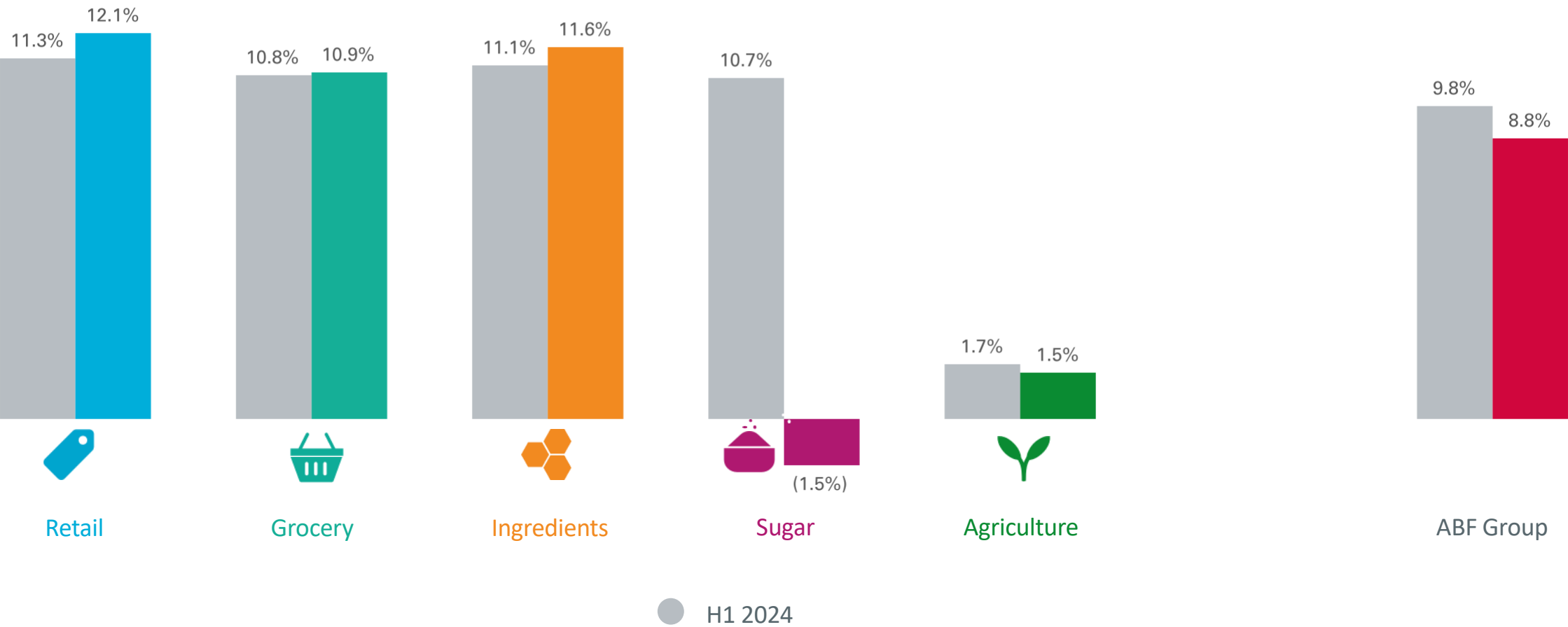
# Adjusted operating profit decline due to an operating loss in Sugar

Group adjusted operating profit, £m\*, and % change at constant currency, H1 2024 to H1 2025



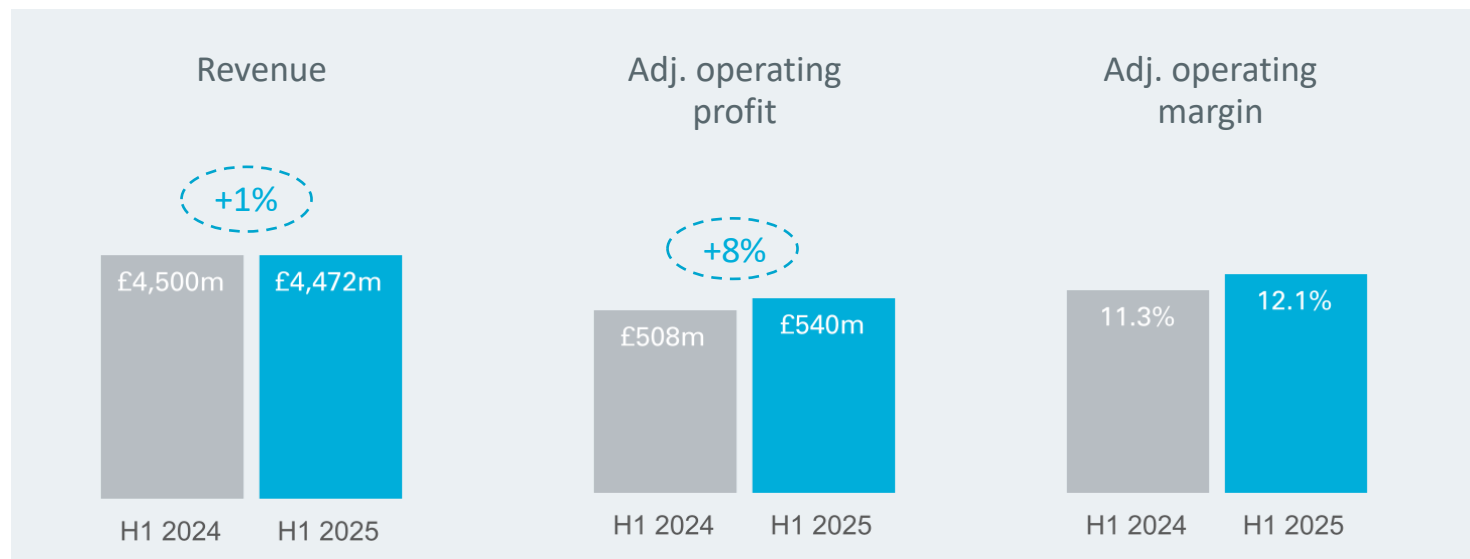
# Strong margin delivery in Retail, Grocery and Ingredients

Group adjusted operating margin, H1 2024 to H1 2025, %



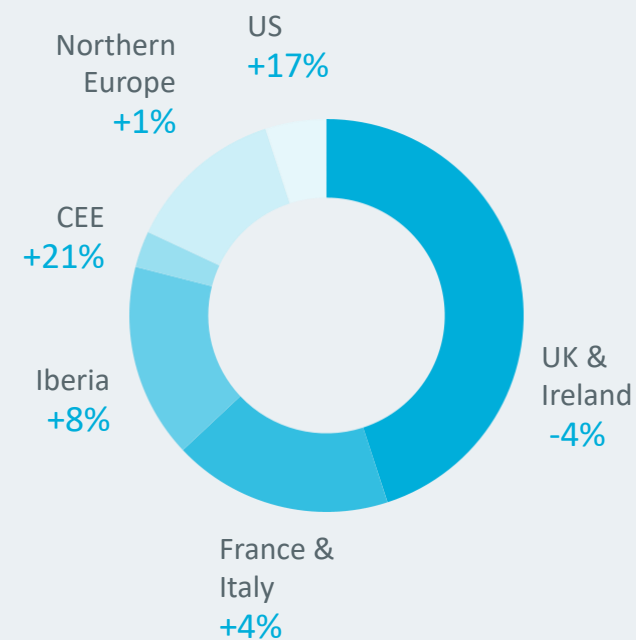


## Strong profit and margin delivery in Primark



- Good performance across key growth markets in Europe and US
- Sales declined in the UK and Ireland in a challenging retail environment
- Strong growth in adjusted operating profit and margin delivery
- Invested in product, digital and brand initiatives underpinned by strong cost management
- Targeting low-single digit sales growth in 2025 and operating margin broadly in line with 2024

### Revenue split and growth % by market

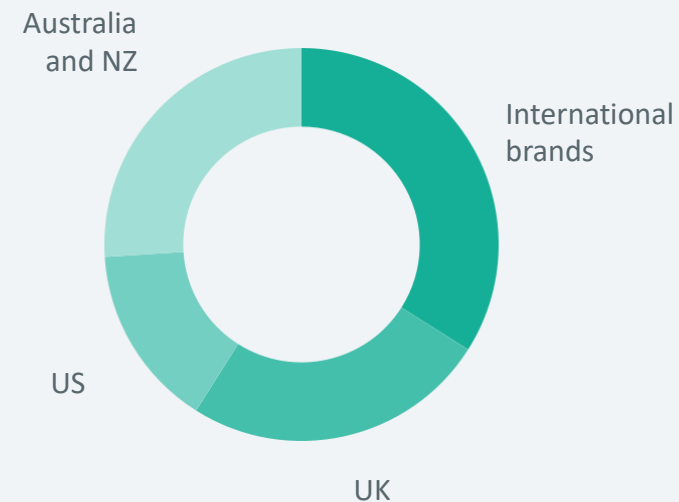




## Sales growth in most brands in Grocery offset by lower sales in US oils and Allied Bakeries



### Revenue split\*

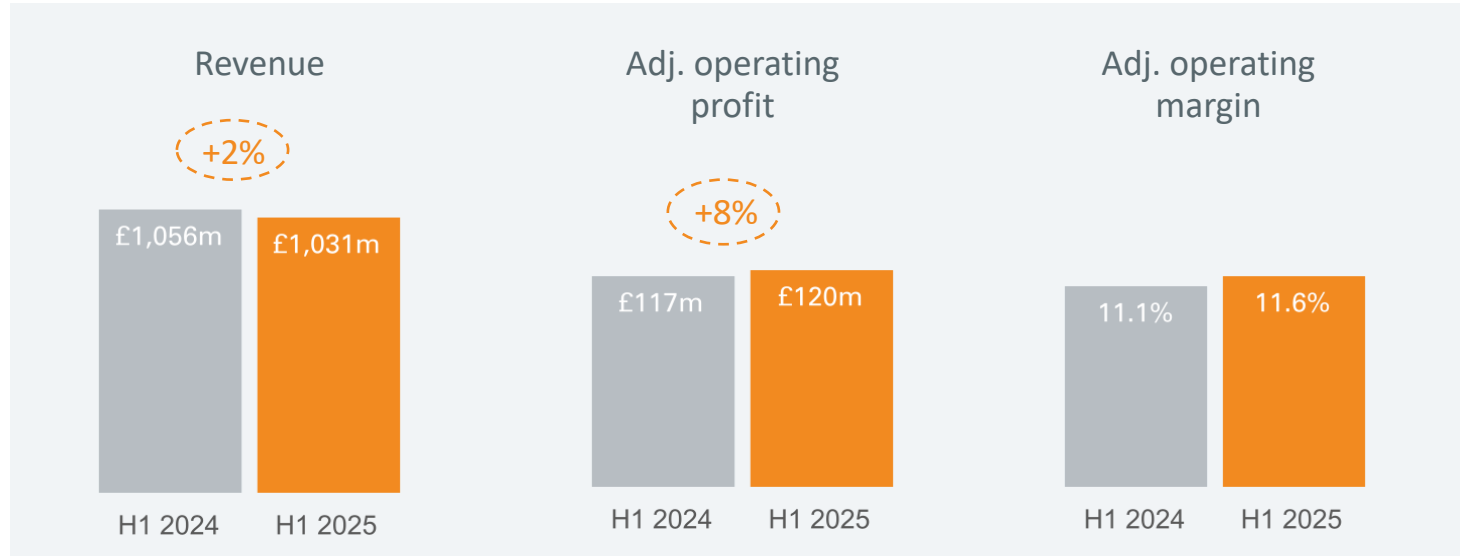


- Most of our leading international and regionally-focused brands performed well
- Benefitted from continued investment in effective marketing, excellent commercial execution and consolidation of our recent acquisition in Australia, The Artisanal Group
- As expected, normalisation of sales in US oils and lower volumes in UK bread
- Drivers of performance in H1 2025 expected to continue for the financial year





## Good growth in Ingredients sales and good adjusted operating profit

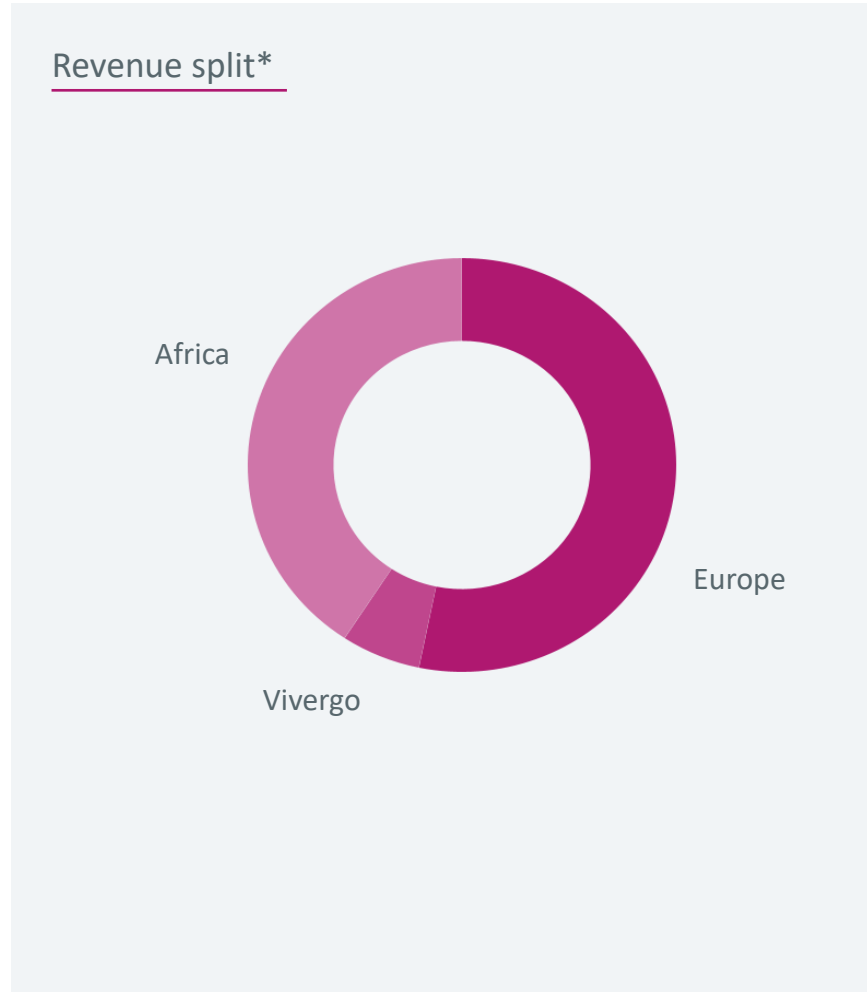


- Good growth in yeast and bakery ingredients, led by Europe and Central and South America
- Strong growth in speciality yeast, benefitting from consolidation of Omega Yeast acquisition
- Specialty ingredients, ABFI, mostly performed well, particularly enzymes and health and nutrition
- Ingredients segment expected to deliver continued growth for the financial year





## Sugar profitability impacted by low European sugar prices and low bioethanol prices



- UK and Spain were significantly impacted by lower European sugar prices and high beet cost
- Operating loss in Vivergo was due to continued low bioethanol prices
- Non-cash impairment charge of £101m in respect of our Spanish business, Azucarera
- Tanzania and South Africa had lower profit
- Sugar expected to have an adjusted operating loss of up to £40m in 2025
- Taking action on operational and regulatory solutions to improve financial performance

## Good progress in Agriculture held back by one-off costs

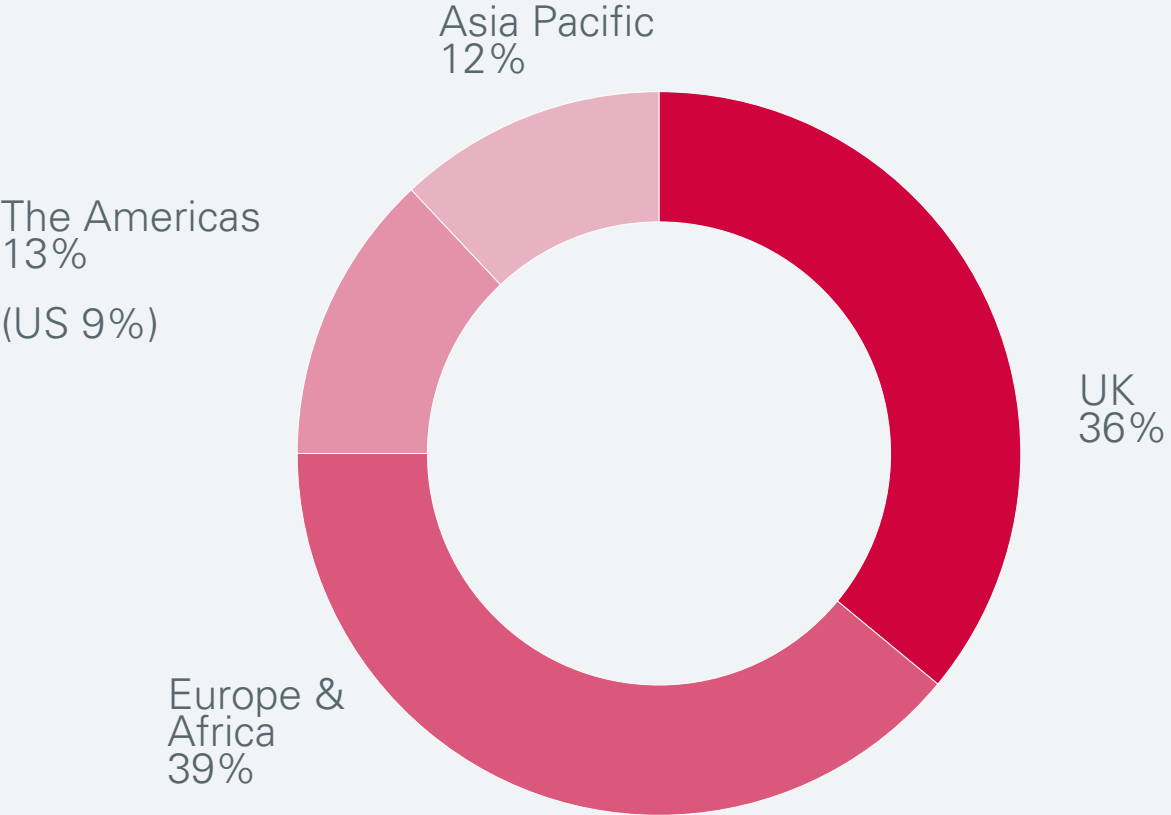


- Speciality feed and additives businesses performed well
- Good growth in Dairy
- Lower profit in compound feed and reduced profit from Frontier JV
- Overall decline in Agriculture profit was due to one-off costs



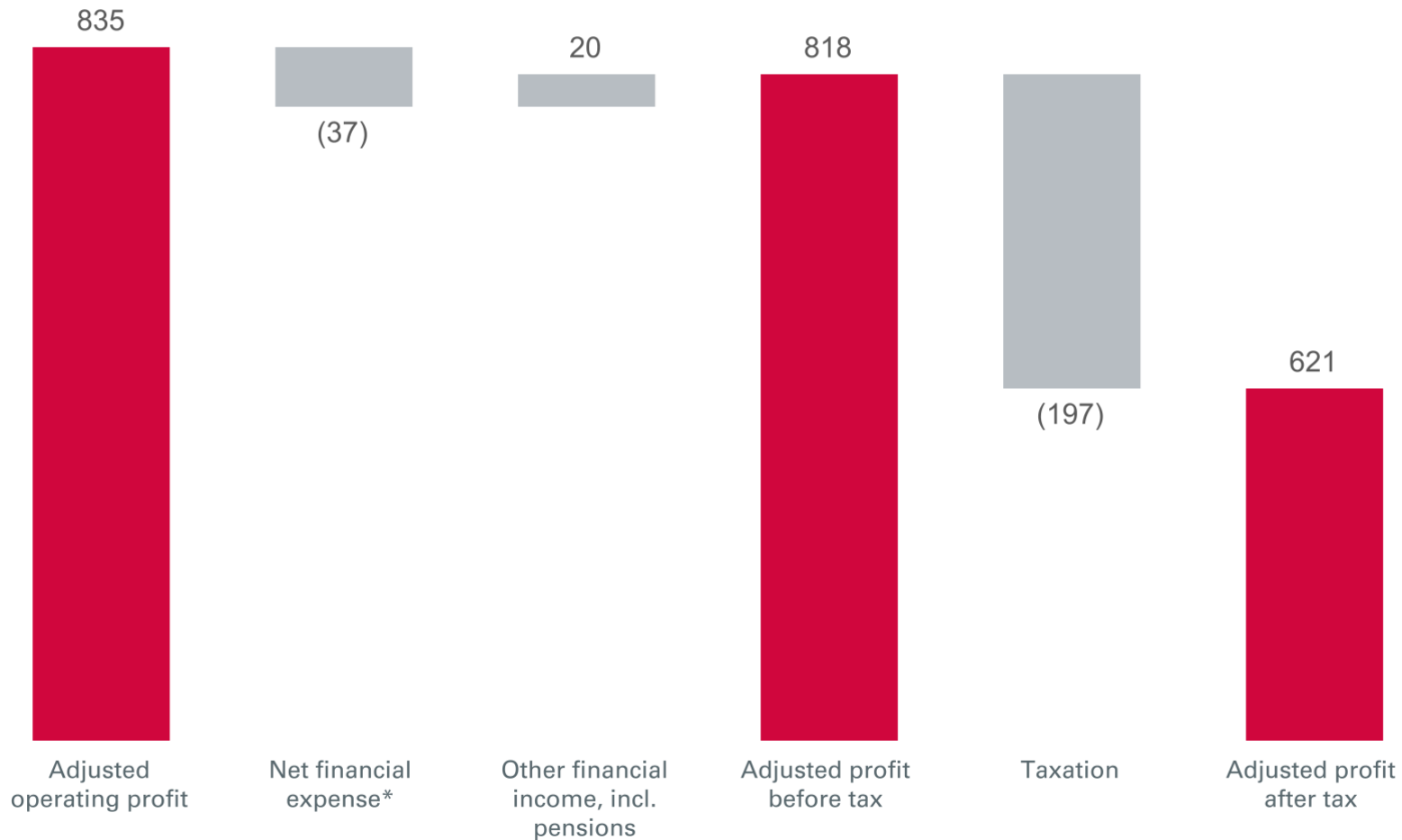
# Global geographical presence

Revenue split by geography



## Adjusted EPS benefitting from share buybacks

£m



**£818m: -10%**

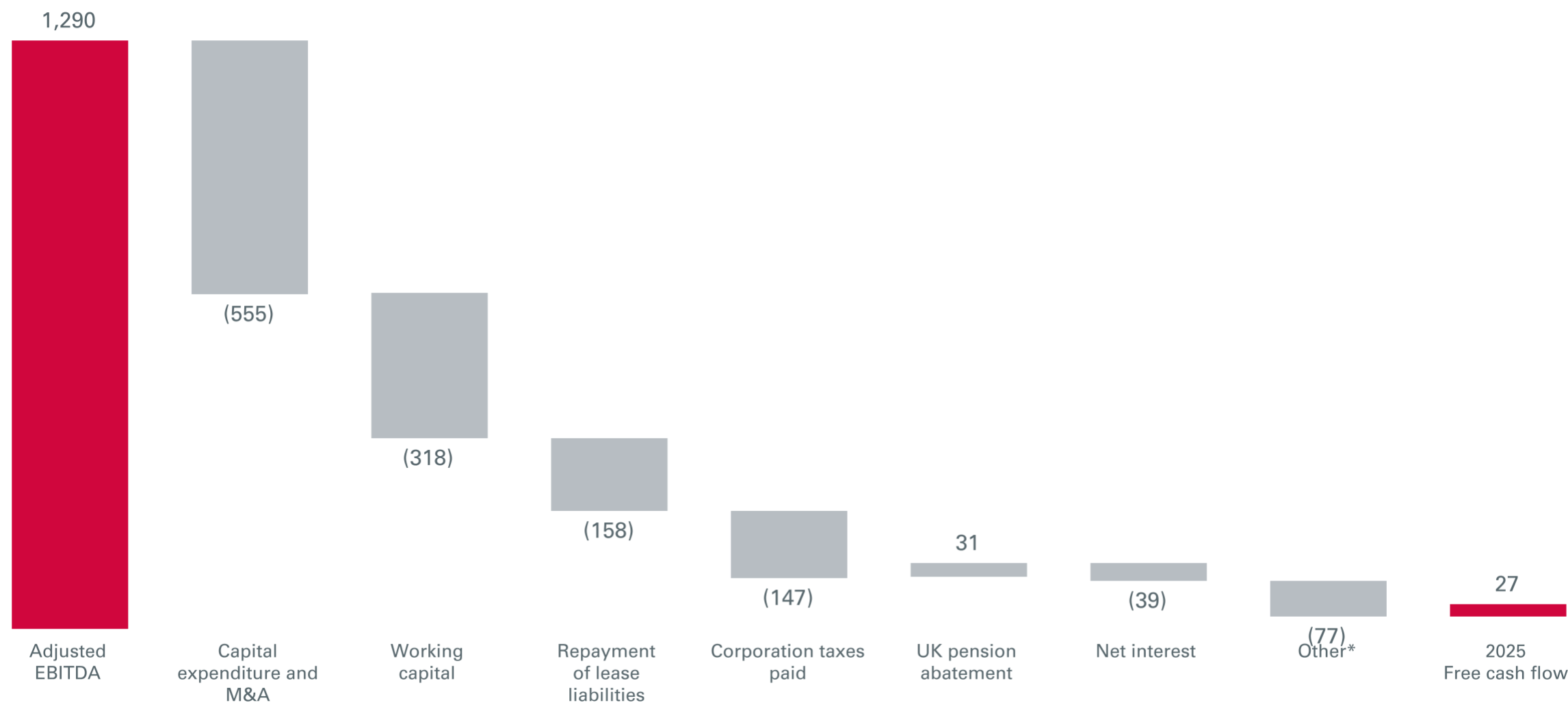
Adjusted profit before tax

**83.6p: -8%**

Adjusted earnings per share



# Free cash flow supporting investment and seasonal working capital outflow



\* Other includes share of adjusted profit after tax and dividends received from joint ventures and associates, and movements in changes in shares held, current biological assets and provisions

## Balance sheet remains strong

	1 March 2025 £m	2 March 2024 £m
Intangible assets (including goodwill)	1,924	1,885
PP&E and other non-current assets	6,677	6,314
Right-of-use assets	2,192	2,351
Investment properties	105	110
Working capital	1,916	1,998
Biological assets (current)	141	128
Current tax	(48)	(26)
Net cash	201	668
Lease liabilities	(2,973)	(3,164)
Other net financial assets	106	16
Deferred and non-current tax	(523)	(451)
Provisions	(117)	(116)
Net pension assets	1,497	1,452
<b>Net assets</b>	<b>11,098</b>	<b>11,165</b>
Equity shareholders' funds	10,995	11,078
Non-controlling interests	103	87
	<b>11,098</b>	<b>11,165</b>

## Net debt and leverage broadly in line with last year

£m

	1 March 2025 £m	1 March 2024 £m
Cash, cash equivalents, and current asset investments	824	1,268
Total liquidity	2,055	2,537
Net cash before lease liabilities	201	668
Total net debt	(2,772)	(2,496)
Leverage ratio (times)	1.0x	0.9x

# Continued investment to drive long-term sustainable growth

## Retail £212m

- 8 new stores opened, 2 stores relocated, and 2 stores rightsized
- Store refurbishment programme continues
- C&C roll out in GB, now in 158 stores
- Depot expansion and automation

## Ingredients £72m

- New fresh yeast plant in India
- Expanded capacity in Ohly Hamburg
- Flour mill relocation in Australia
- High-care enzyme powder packing
- Vaccine adjuvant capability

## Grocery £90m

- Tip Top capacity expansion in Australia
- New Ovaltine production in Nigeria
- Capacity expansion for Blue Dragon in Poland
- New Scrocchiarella capacity in the UK
- Various ERP investments

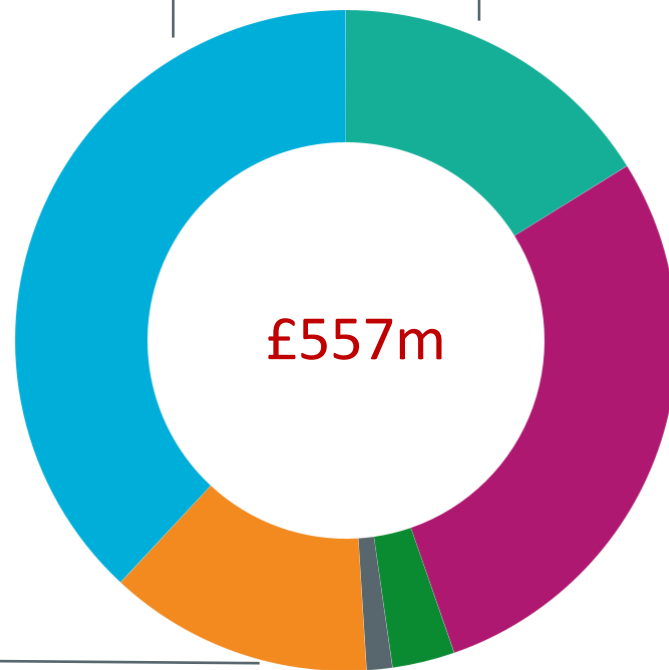
## Sugar £159m

- New sugar mill in Tanzania
- Decarbonisation projects in the UK
- Debottlenecking and energy expansion in Eswatini
- Various investments in irrigation and yields
- ERP investment

## Agriculture £17m

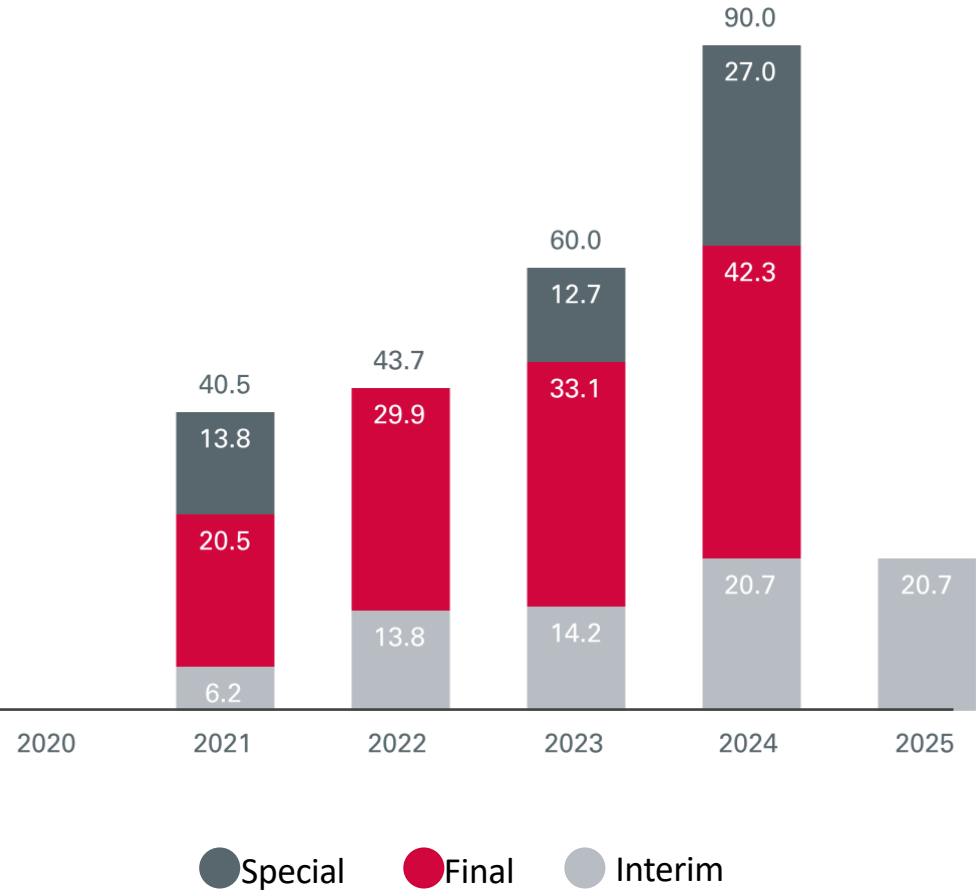
- New premix plant in China
- ERP investment

## Central £7m

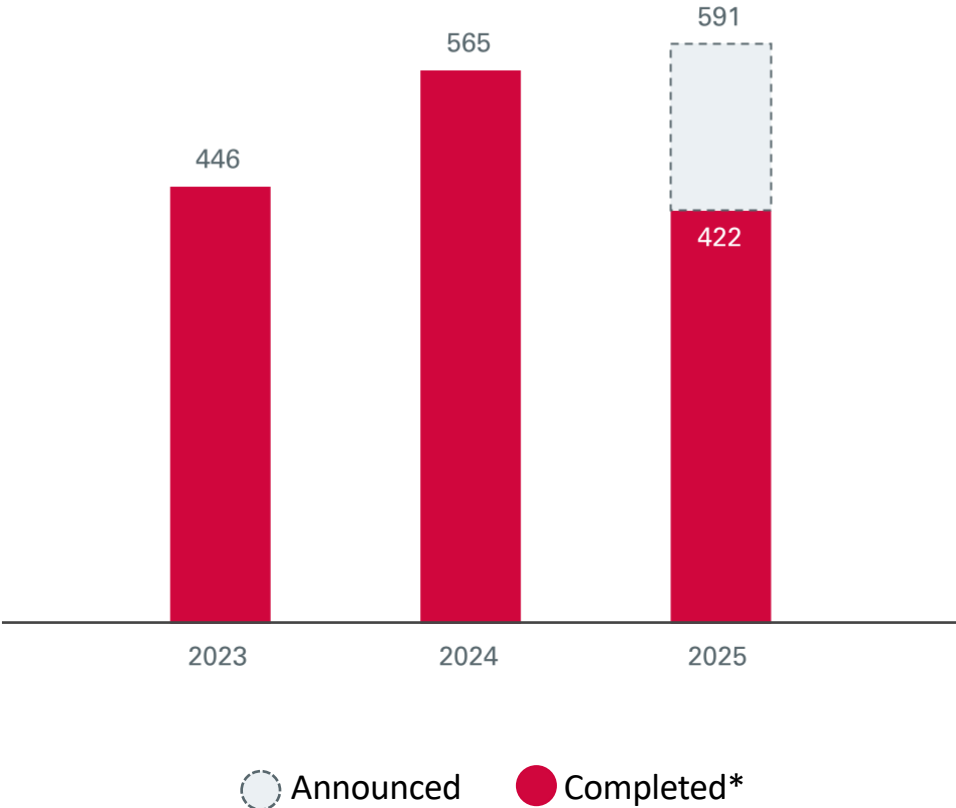


# Returns to shareholders through interim dividend and current share buybacks

Total declared dividend per share, pence, 2020-2025



Share buybacks executed in year, £m, 2023-2025





# Retail



Shop online  
at [primark.com](https://www.primark.com)

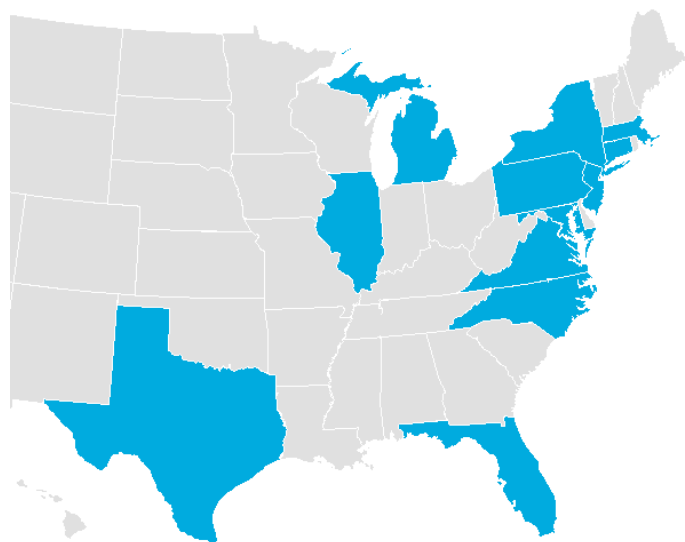


g up?  
n pay for  
n-store  
ases here too.





## Good momentum across our key growth markets in the US and Europe



**US: £0.2bn**  
**+17%**  
 New stores: **2 (29)\***



**UK and Ireland: £2.1bn**  
**-4%**  
 New stores: **1 (233)\***



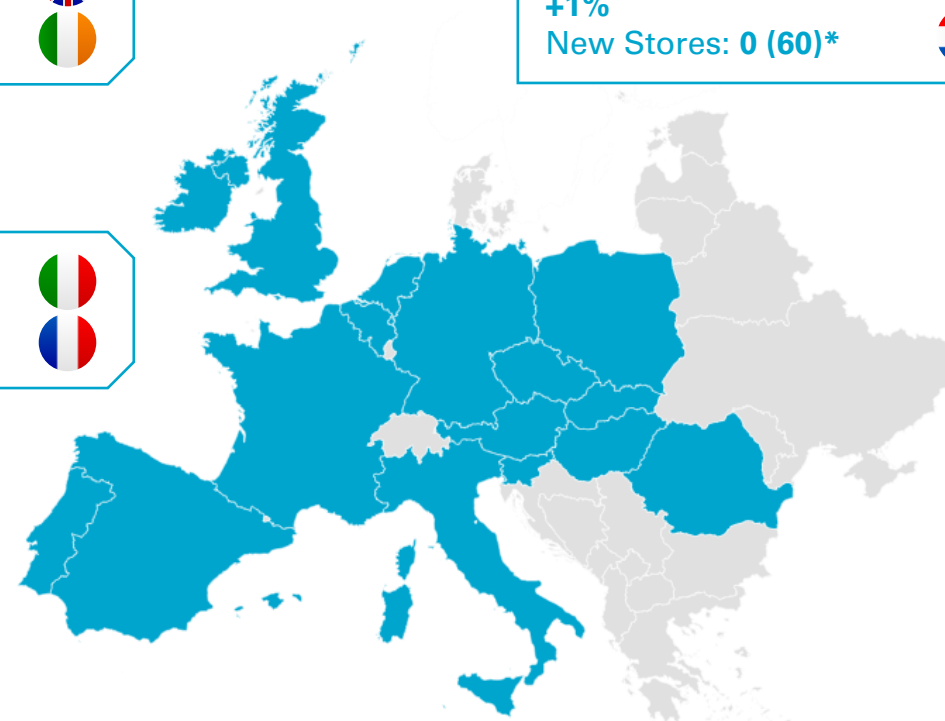
**France & Italy: £0.7bn**  
**+4%**  
 New stores: **2 (46)\***



**Iberia: £0.8bn**  
**+8%**  
 New stores: **1 (75)\***



**Northern Europe: £0.6bn**  
**+1%**  
 New Stores: **0 (60)\***



**CEE: £0.1bn**  
**+21%**  
 New stores: **2 (16)\***



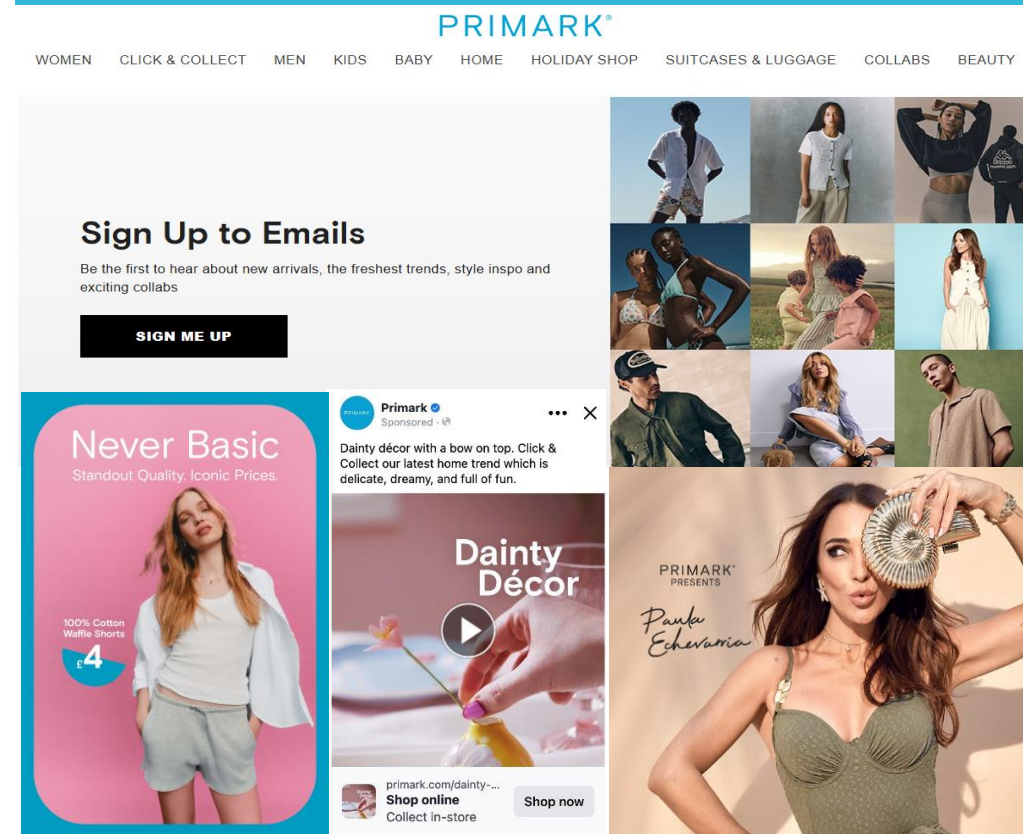




# Activating our product ranges in store supported by digital engagement



## Increased investment in digital customer engagement

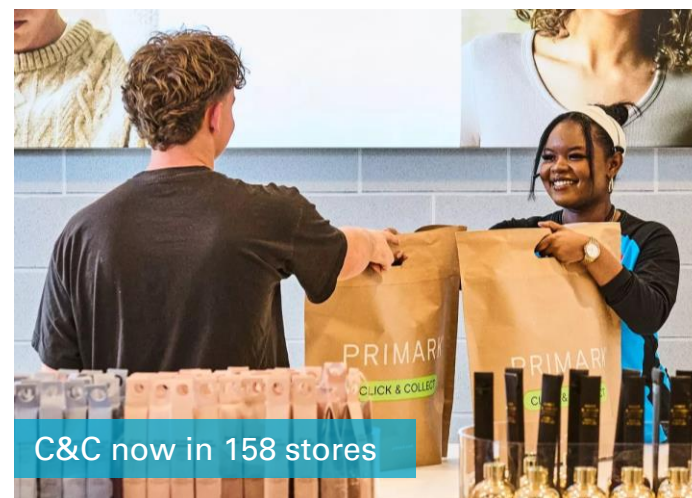
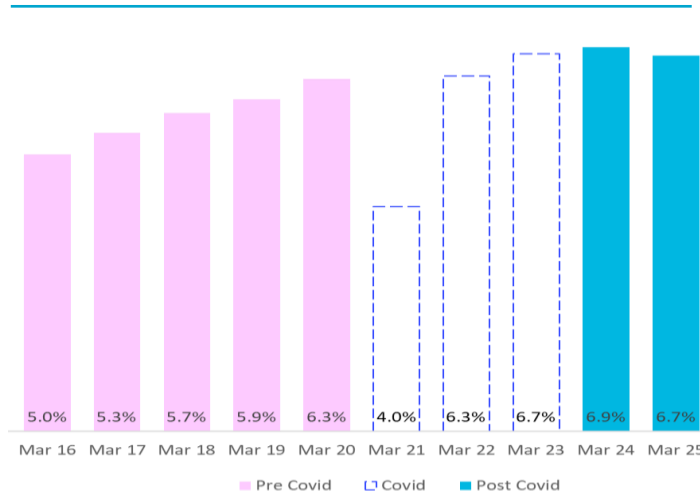




## Further strengthening our customer proposition and footprint in the UK

- Investing in increased digital customer engagement
- Rollout of Click & Collect in GB to be completed by June 2025
  - Reaching new customers
  - Making more product ranges available to existing customers
  - Driving incremental sales
- Actively managing our UK store estate – relocations, extensions and refurbishments
- Improving in-store experience

Kantar UK Primark Market Share, 24 weeks\*

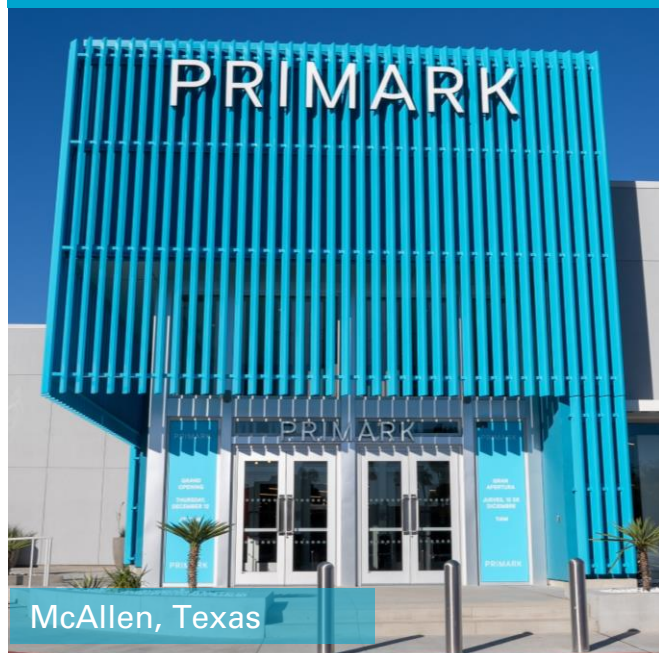


C&C now in 158 stores



## Expanding in Europe, the US and the Gulf

Targeting store rollout programme to contribute 4% to 5% annual sales growth for the foreseeable future



McAllen, Texas



Salerno, Italy

### Expansion in the Gulf





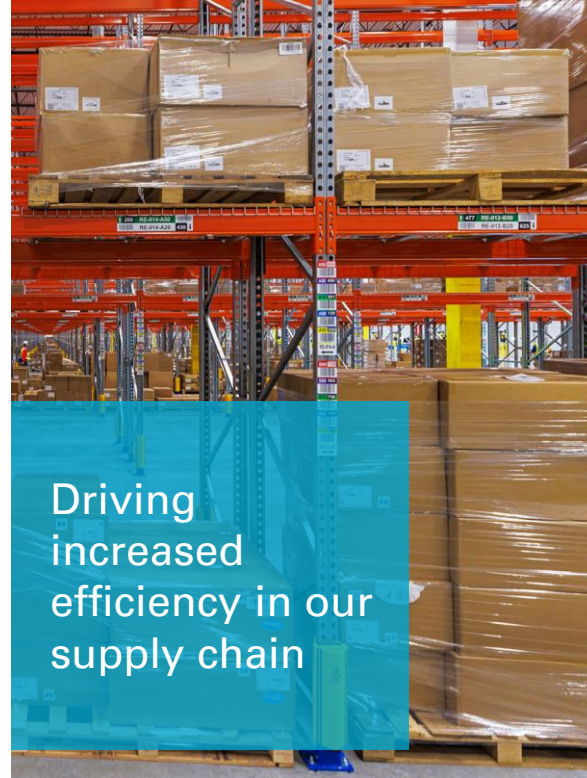


## Driving cost optimisation and efficiencies

Investing in our depot network including automation projects



Magna Park, UK



Driving increased efficiency in our supply chain

Self check outs improve customer experience; reduce labour costs



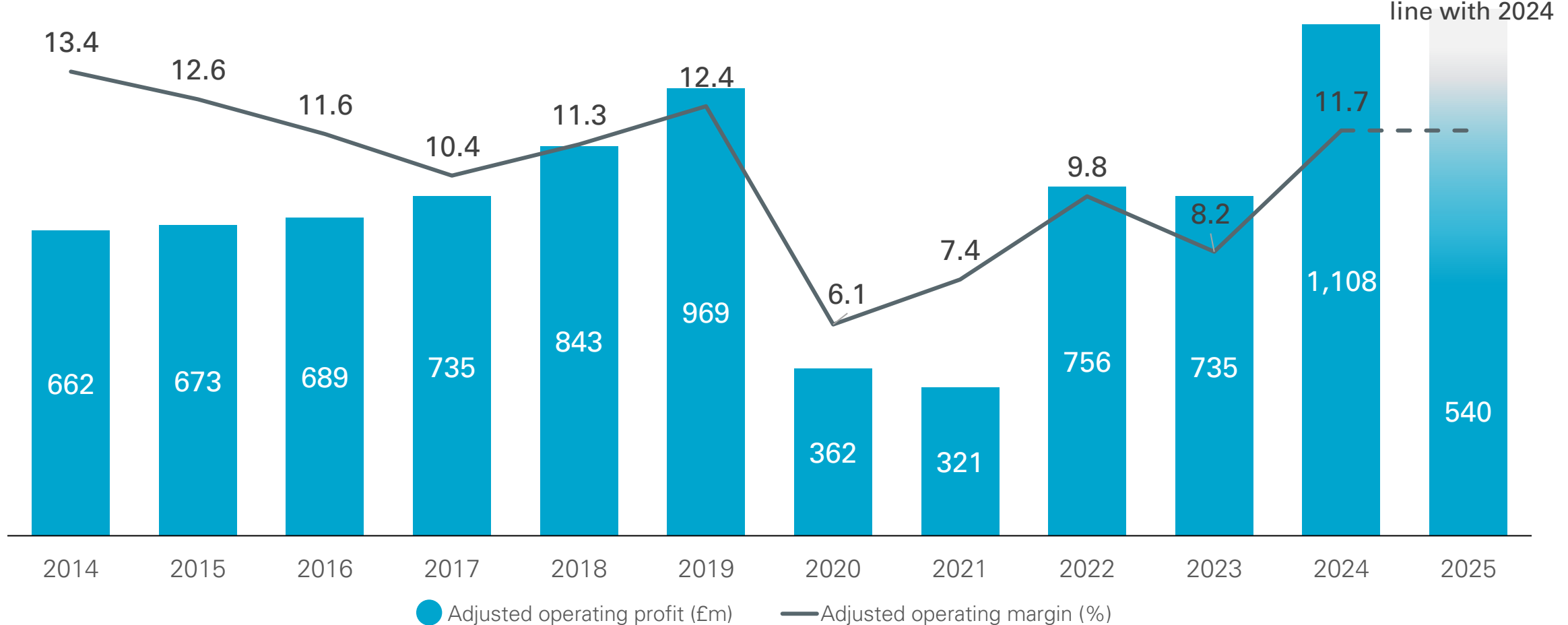
Parque Sur, Spain

LED lighting significantly reduces energy consumption in stores



## Good growth in operating profit and strong margin delivery

Adjusted operating profit and margin, year-end 2014 to 2025 estimate\*





## Strong leadership team to accelerate delivery of strategic priorities

- Primark's strategic priorities are clear
- Strength and depth of leadership team
- Experienced in-country management and retail teams
- Focus is on acceleration and delivery of supply chain initiatives



# Grocery





## Good progress in Grocery while investing in growth opportunities

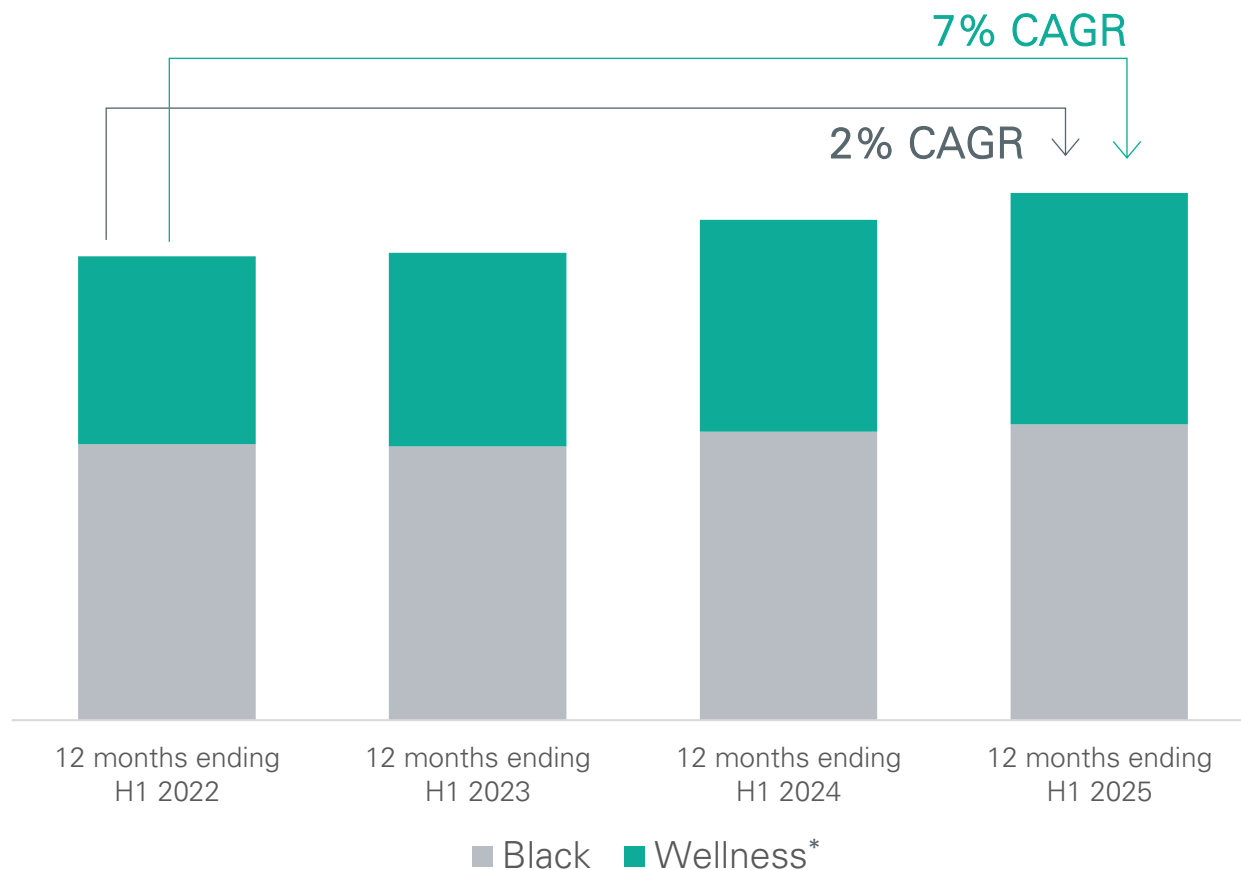
- Good growth in our international brands
- US-focused businesses performed well, including normalisation in consumer oils as expected
- Allied Bakeries had lower sales volumes, as expected, and evaluating strategic options
- Some consumer recovery in Australia and benefitting from investments in capacity and acquisitions





# Twinings continued strength in black tea is enabling expansion in wellness teas

12-month rolling sales, H1 2022 to H1 2025





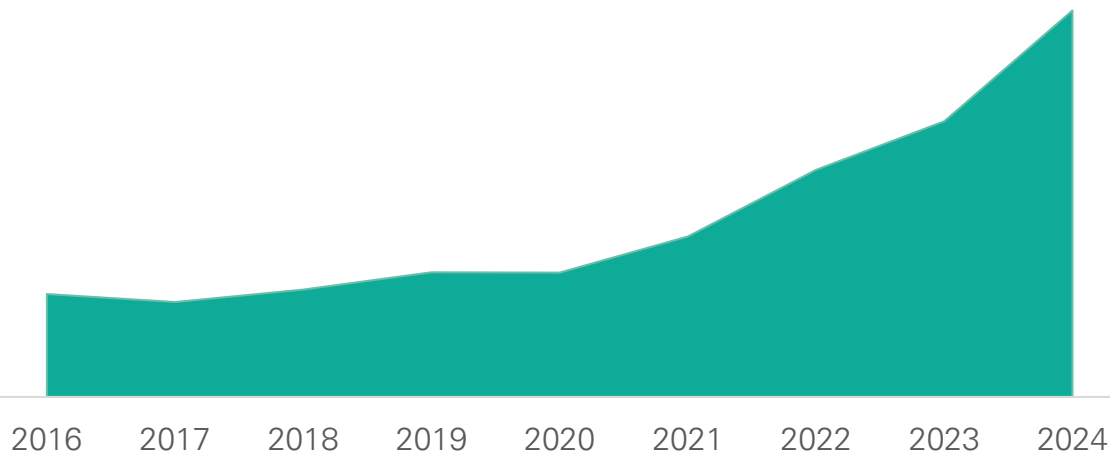
## Strong brand and growing product portfolio to drive growth in Ovaltine





## Expanded capacity for Tip Top to enable further growth in the food service channel

Tip Top food service, annual revenue



New buns and rolls line, Queensland





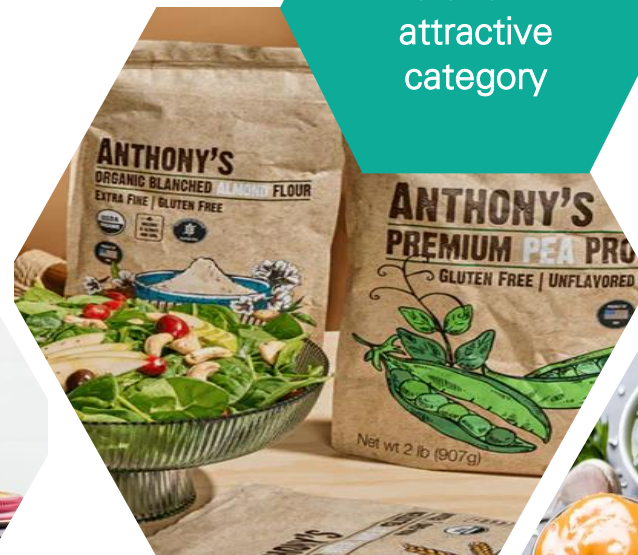
## Strong portfolio of US-focused consumer brands and foodservice products



Mazola  
#1 edible oil  
brand in US



Fleischmann's  
the US market  
leader in baking  
yeast



Fast-growing  
brand in  
attractive  
category



Acquisition by  
our Stratas JV  
strengthens  
portfolio



# Ingredients

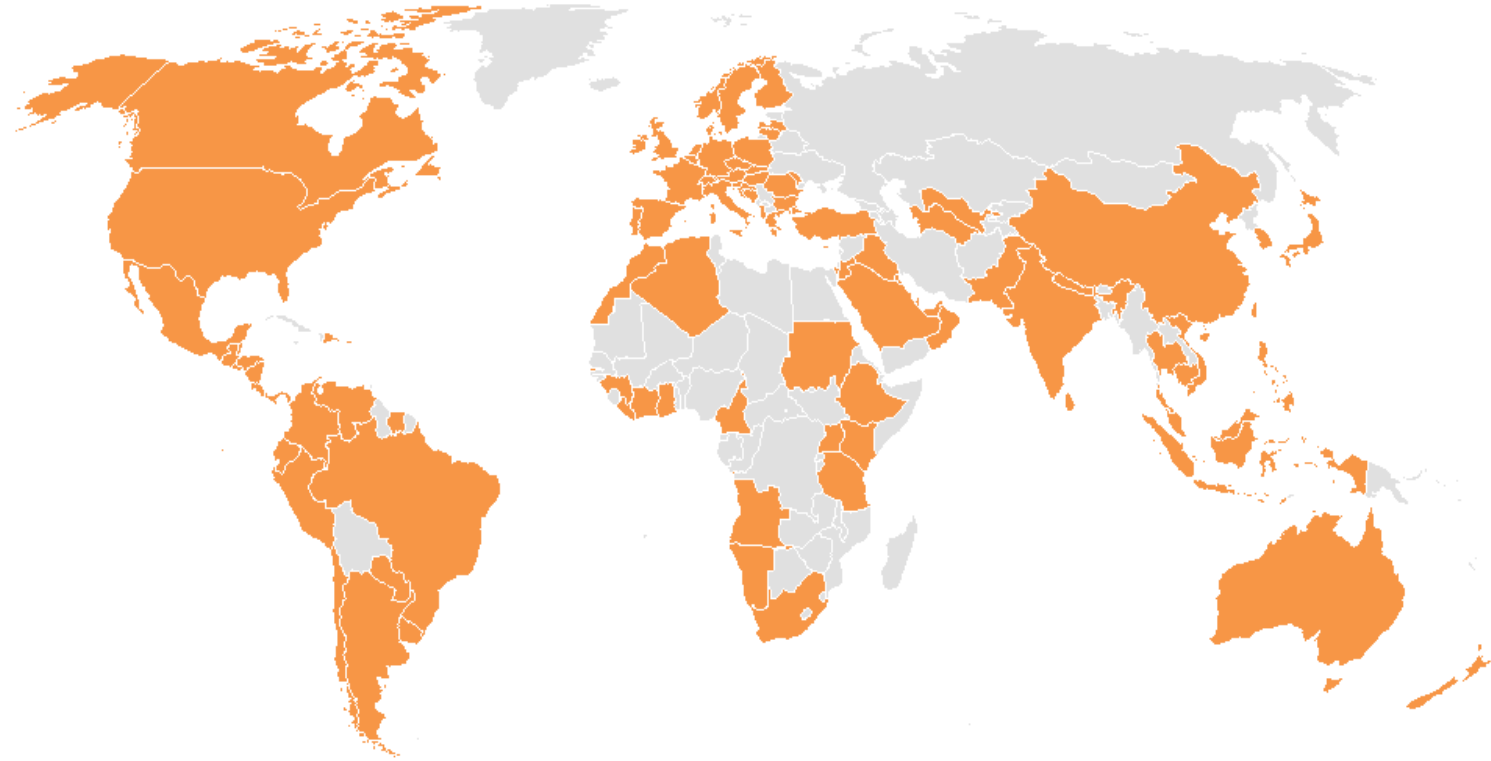






## Yeast and bakery ingredients performing well

- Well established in bakery yeast
- Strong brand position in retail yeast
- Growth opportunity in non-bakery, speciality yeast
- Strong innovation capabilities to drive growth in bakery ingredients
- Leveraging our strong route to market





## Delivering strong growth in speciality yeast



Wine



Distilled Spirits



Bioethanol



Animal Nutrition



Brewing



Omega yeast plant, US



# ABF Ingredients: setting ourselves up for success in speciality ingredients

Ingredients



## Technology platforms

Industrial  
Biotechnology

Precision  
Extraction

Synthetic  
Chemistry

Food & Beverage

Health & Nutrition

Industrial

Animal feed

Pharmaceutical  
delivery systems

Markets



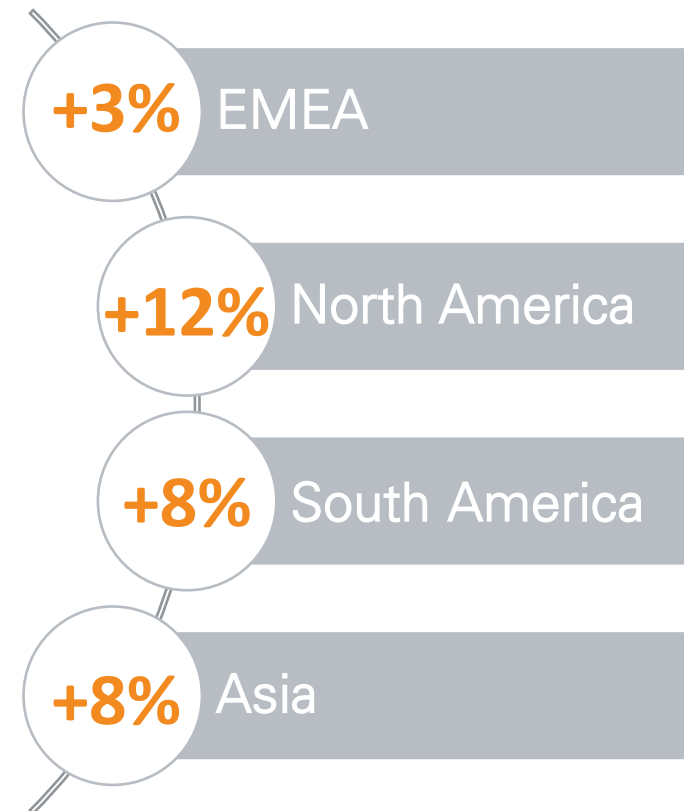
## Strong growth in AB Enzymes reflects investment in innovation and capability



### Increased investment over a multi-year period

- New regional bake labs to enable localised application testing
- Significantly larger commercial teams
- Accelerated rollout of new product innovation across regions
- Increased marketing activities

Strong performance across regions as AB Enzymes globalises  
*Average annual revenue growth rate from 2022 to 2024*







## Recently completed significant investments in new capabilities

**Ohly**<sup>®</sup>  
An ABF Ingredients Company



Doubling spray drying volume  
Ohly, Germany

**SPI Pharma**<sup>™</sup>



Vaccine adjuvant capability  
Septemes, France



# Sugar 🍵



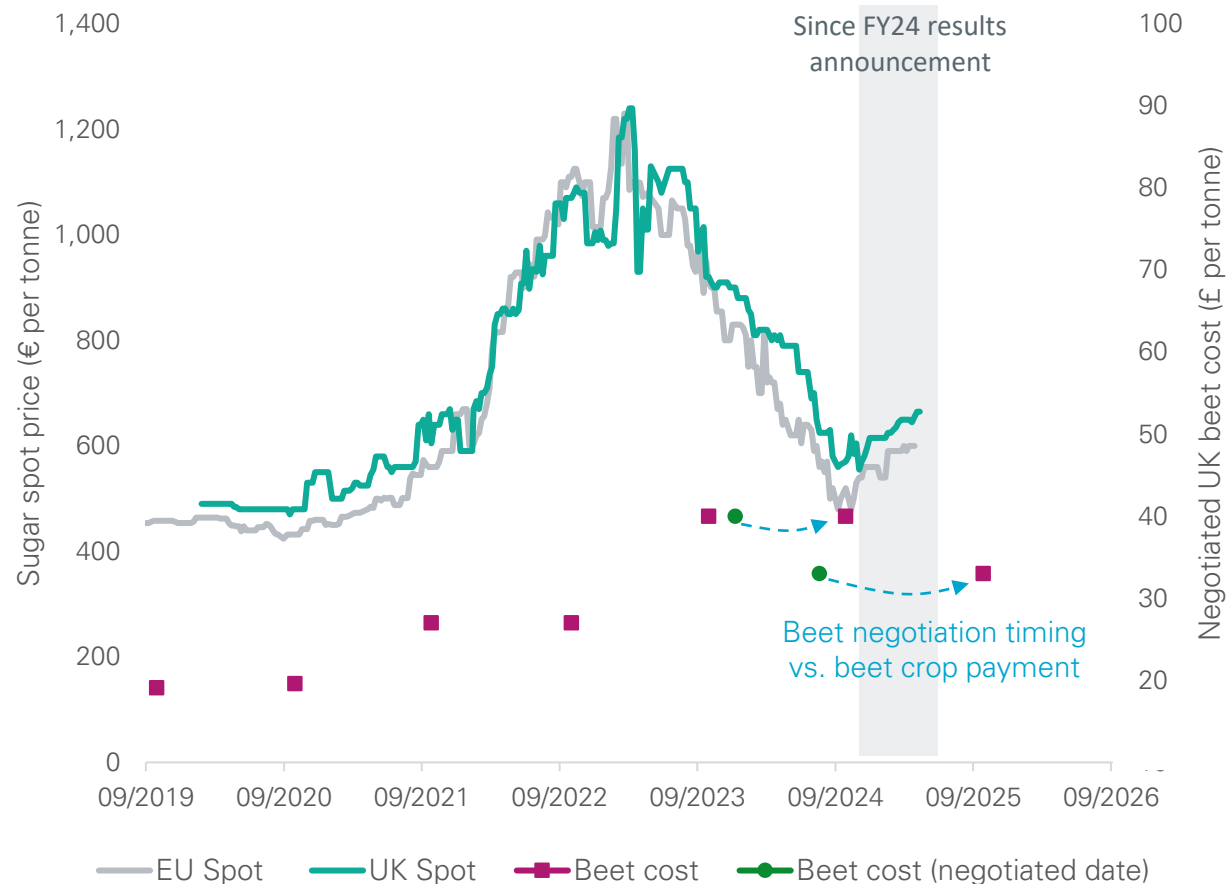




# Slower-paced recovery of European sugar prices and operational review in Spain

## European spot sugar prices and UK negotiated beet prices

Beet price negotiations occur on average one year prior to implementation



## 2024 and 2025

- High beet prices of £40/t for 2023/24 and 2024/25 campaigns
- Sharp reduction in European and UK sugar prices in second half of 2024
- Operational review of Azucarera in Spain to assess a number of scenarios to restructure the business

## 2026

- Lower beet price of £33/t for 2025/26 campaign
- Slower-paced rebalancing of supply and demand in European sugar markets



## Taking action to improve the profitability of Vivergo

- European bioethanol prices have remained low in 2025
- Way in which regulations are being applied to bioethanol is undermining the commercial viability of Vivergo
- In constructive discussions with UK Government to explore regulatory options to improve the position
- No guarantee that these discussions will be successful and we will either mothball or close the Vivergo plant if necessary



## Well positioned for long-term growth opportunities in Africa



Investing in capacity to meet strong demand in Tanzania



Debottlenecking projects to increase capacity in Eswatini



Using precision agriculture technology to improve yields





## Outlook

- Sugar expected to have an adjusted operating loss of up to £40m in 2025
- Confident in recovery of Sugar profitability over the medium term
- Rebalancing of supply and demand in Europe is at a slower pace than previously expected
- Expect operational and regulatory solutions to improve financial performance in Azucarera and Vivergo
- Recovery in profitability in Tanzania to be driven by commissioning of our new sugar mill in H2 2025



# Agriculture





## Growing our presence in value-added products and services

Strong growth  
in speciality feed  
and additives



Integrating and  
growing our full-  
service offer in  
dairy



Leveraging strength  
in compound feed  
to grow value-added  
products





# Summary





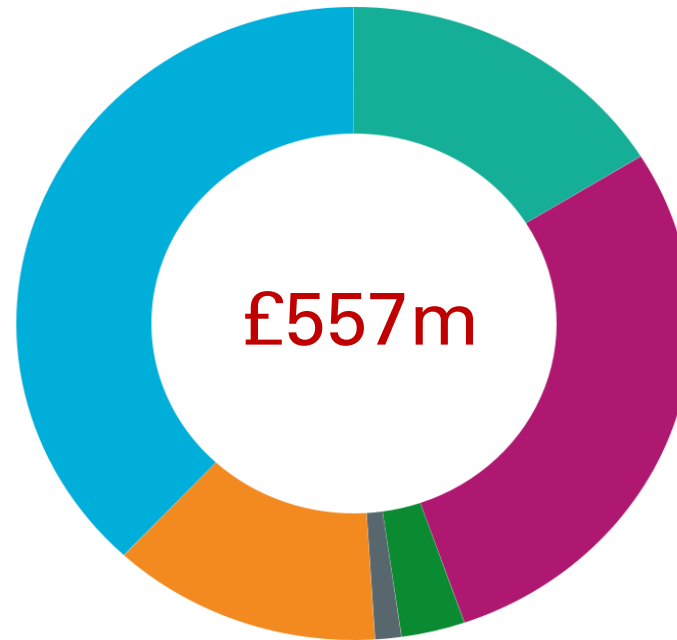
# Good progress on strategic investments in food to drive long term sustainable growth

## Already completed in H1 2025

- Tip Top capacity expansion in Queensland
- New Scrocchiarella capacity in the UK
- Spray drying capacity in Ohly Hamburg
- Vaccine adjuvant capability in SPI Phama

## To be completed H2 2025

- New Ovaltine production in Nigeria
- New fresh yeast plant in India
- High-care enzyme powder packing
- New sugar mill in Tanzania
- New premix plant in China



## Ongoing multi-year investments

- Tip Top capacity expansion in Western Australia
- Capacity expansion for Blue Dragon in Poland
- Flour mill relocation in Australia
- Fermentation capacity in Ohly Hamburg
- Decarbonisation projects in the UK
- Debottlenecking in Eswatini
- Continuous improvements to irrigation and yields
- Various ERP investments



Retail



Grocery



Ingredients



Sugar



Agriculture



# New animal feed mill in Western Australia is well positioned for good long-term returns



**Volume**  
since 2019

**+100%**

**Profit**  
since 2019

**+200%**

## Group outlook

- Good momentum in Retail, Grocery and Ingredients with FY25 outlook unchanged
- Outlook includes the absorption of a US tariff impact in H2 2025, based on what we know today
- Action plans to improve profitability in Azucarera, Vivergo and Allied Bakeries are clear and in progress
- Strong balance sheet and continued disciplined capital allocation
- Completing a number of multi-year capital projects in 2025 to support future growth
- Group well positioned for long-term sustainable growth



**Associated  
British Foods  
plc**

# **Appendices for the interim results for 24 weeks ended 1 March 2025**





## Appendix 1 – Primark selling space

	24 weeks ended 1 March 2025		52 weeks ended 14 September 2024	
	# of stores	sq ft 000	# of stores	sq ft 000
UK	195	7,849	194	7,815
Spain	64	2,616	64	2,587
France	28	1,383	27	1,352
Germany	27	1,380	27	1,380
Republic of Ireland	38	1,186	38	1,184
US	29	1,159	27	1,084
Netherlands	20	941	20	943
Italy	18	859	17	820
Portugal	11	427	10	401
Belgium	8	403	8	403
Poland	7	267	6	233
Austria	5	242	5	242
Czechia	3	119	2	89
Romania	3	107	3	107
Slovenia	1	46	1	46
Slovakia	1	39	1	39
Hungary	1	34	1	34
	<b>459</b>	<b>19,057</b>	<b>451</b>	<b>18,759</b>



## Appendix 2 – Primark net sales growth in H1 2025 and H1 2024

	24 weeks ended 1 March 2025			24 weeks ended 2 March 2024		
	Q1	Q2	H1	Q1	Q2	H1
UK & Ireland	-4%	-4%	<b>-4%</b>	4%	4%	4%
Spain & Portugal	9%	5%	<b>8%</b>	4%	5%	4%
France & Italy	5%	1%	<b>4%</b>	21%	9%	18%
Northern Europe	3%	-5%	<b>1%</b>	-1%	5%	1%
Central & Eastern Europe	22%	18%	<b>21%</b>	53%	36%	48%
US	17%	17%	<b>17%</b>	45%	23%	38%
Group	2%	0%	<b>1%</b>	8%	6%	8%

## Appendix 3 – Capital allocation policy

- Priority to invest in our businesses, organically and by acquisition
- Investment at appropriate pace where attractive returns on capital can be generated
- Considerable opportunities over the short and medium term in all our businesses
- From time to time, the Board may conclude it has surplus cash and capital
- Financial leverage consistently is at or below 1.0x and substantial net cash balances at both half and full year ends
- Surplus capital may be returned to shareholders by special dividend or share buybacks

## Appendix 4 – Exchange rates

	24 weeks ended 1 March 2025	24 weeks ended 2 March 2024
Average rates used to translate the income statement		
US dollar	1.27	1.25
Euro	1.20	1.16
Closing rates used to translate the balance sheet		
US dollar	1.26	1.27
Euro	1.21	1.17

## Appendix 5 - Segmental analysis by geography

By geography	Revenue £m		Adj. operating profit £m		Margin %	
	24 weeks ended 1 March 2025	24 weeks ended 2 March 2024	24 weeks ended 1 March 2025	24 weeks ended 2 March 2024	24 weeks ended 1 March 2025	24 weeks ended 2 March 2024
United Kingdom	3,397	3,585	269	339	7.9	9.5
Europe & Africa	3,702	3,717	320	367	8.6	9.9
The Americas	1,237	1,248	200	213	16.2	17.1
Asia Pacific	1,173	1,150	48	30	4.1	2.6
Business disposed	—	34	(2)	2		
	9,509	9,734	835	951	8.8	9.8



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Certain statements included in this presentation may constitute "forward-looking statements". Forward-looking statements are all statements that do not relate to historical facts and events, and include statements concerning the Company's plans, objectives, goals, financial condition, strategies and future operations and performance and the assumptions underlying these forward-looking statements. The Company often, but not always, uses the words "may", "will", "could", "believes", "assumes", "intends", "estimates", "expects", "plans", "seeks", "approximately", "aims", "projects", "anticipates" or similar expressions, or the negative thereof, to generally identify forward looking statements. Forward-looking statements may be set forth in a number of places in this presentation. The Company has based these forward-looking statements on the current view with respect to future events and financial performance. These views involve uncertainties and are subject to certain risks, the occurrence of which could cause actual results to differ materially from those predicted in the forward-looking statements contained in this presentation and from past results, performance or achievements. Although the Company believes that the estimates and the projections reflected in its forward-looking statements are reasonable, if one or more of the risks or uncertainties materialise or occur, including those which the Company has identified in its presentation, or if any of the Company's underlying assumptions prove to be incomplete or incorrect, the Company's actual results of operations may vary from those expected, estimated or projected. These forward-looking statements are made only as at the date of this presentation. Except to the extent required by law, the Company is not obliged to, and does not intend to, update or revise any forward-looking statements made in this presentation whether as a result of new information, future events or otherwise. All subsequent written or oral forward-looking statements attributable to the Company, or persons acting on the Company's behalf, are expressly qualified in their entirety by the cautionary statements contained throughout this presentation. As a result of these risks, uncertainties and assumptions, readers should not place undue reliance on these forward-looking statements and persons needing advice should consult an independent financial adviser. This presentation does not constitute an invitation to underwrite, subscribe for or otherwise acquire or dispose of any shares or other securities in the Company. No statement in this presentation is intended to be, nor should be construed as, a profit forecast or a profit estimate.

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