

8 January 2026

Trading Update

Associated British Foods plc (ABF) is today providing an update on trading for the 16 weeks to 3 January 2026 and the outlook for the 2026 financial year. References to changes in revenue and adjusted operating profit in the following commentary are based on constant currency and are in comparison to the same period in the prior year, except where stated.

George Weston, Chief Executive of Associated British Foods, said:

“Primark has had a challenging start to the financial year, with a mixed performance. In the UK, focused actions and investments to strengthen our customer proposition have driven improved trading and market share gains, while trading has remained weak in continental Europe. In a challenging consumer environment, our focus is on factors within our control, including initiatives now underway in Europe aimed at improving performance. We are also making good progress to deliver Primark’s medium and longer-term growth opportunities. Our food businesses experienced mixed trading in the period, particularly in the US where consumer demand in certain categories has continued to weaken. While we expect the tough trading conditions to continue in the short term, we remain confident in the overall prospects for the Group.”

Retail

In the UK, Primark delivered encouraging sales growth of around 3%, with like-for-like sales growth of around 1.7% in a difficult clothing market, particularly over Christmas. Primark gained market share in the period¹. The growth was the result of our actions and investments to strengthen our customer value proposition through enhancing our product offer, improving price perception and increasing digital customer engagement, including Click & Collect. Our womenswear performance was particularly strong.

In continental Europe, where similar initiatives to the UK are only recently underway and consumer confidence remains weak, like-for-like sales declined around 5.7% in the period. In the US, the retail environment was volatile, which impacted consumer sentiment and footfall. Our store roll-out programme continued across markets and as expected, contributed around 4% to sales growth in the period, including the first store opening in Kuwait through our franchise model.

Overall, Primark’s sales growth in the period was below our previous expectations and we now expect Primark’s sales growth in the first half of 2026 to be in the low single digits. In a difficult trading environment, we significantly increased markdowns to manage inventory levels effectively, which impacted profitability.

We have a broad range of initiatives in place and planned for the coming months, which we expect to drive improved sales and profitability, particularly in Europe. However, if Primark’s current sales trends were to continue in the second half, we would expect the adjusted operating profit margin for the full year to be approximately 10%, similar to the first half, as we continue to invest in growth. It should be noted that in the first half of 2025 we had a non-recurring benefit to profit of £20m.

Market	Percentage of total sales	ESTIMATE Like-for-like sales growth	ESTIMATE Total sales growth
UK only		+1.7%	+3%
UK and Ireland	45%	+1.1%	+2%
Europe (excluding UK and Ireland)	49%	(5.7)%	(1)%
US	6%		+12%
Primark		(2.7)%	+1%

¹ Kantar, Primark market share of the total UK clothing, footwear and accessories market including online by value, 12-week data to 7 December 2025

Food

In the first quarter, our Food businesses experienced mixed trading. In the US, we had expected ongoing consumer weakness to lead to lower sales. In our cooking oils and bakery ingredients businesses this year, the impact has been more acute than anticipated and we are more cautious on the outlook. As a result, we now expect both our Grocery and Ingredients segments to deliver adjusted operating profit for the full year that is moderately below last year. In Grocery, the effect of phasing means the impact will be more significant in the first half of the year.

In Sugar and Agriculture, there is no change to the guidance we provided in November 2025.

Group

The following table sets out the estimated change in revenue by business segment for the 16-week period to 3 January 2026 in comparison to the same period in the prior year.

	Estimate Actual currency	Estimate Constant currency
Retail	+4%	+1%
Grocery	In line	+1%
Ingredients	(3)%	(2)%
Sugar	(2)%	(5)%
Agriculture	(4)%	(4)%
Group	+1%	(1)%

We now expect Group adjusted operating profit and adjusted EPS to be below last year, reflecting the guidance by segment set out above.

ABF will provide final revenue by business segment for the 16 weeks to 3 January 2026 on 22 January 2026.

An investor and analyst call will be held at 08:30 today, Thursday 8 January 2026. All participants must pre-register to join this conference using the Participant Registration link below. Once registered, an email will be sent with your unique Registrant ID.

Please register via: <https://register-conf.media-server.com/register/BI89492fc1d5414bf88461258d9ea1805d>.

This announcement is deemed by Associated British Foods plc to contain inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014 (as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018). On the publication of this announcement via a Regulatory Information Service, such inside information is now considered to be in the public domain.

The person responsible for arranging the release of this announcement on behalf of Associated British Foods plc is Paul Lister, Director of Legal Services and Company Secretary.

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