

Trading Update

Associated British Foods plc (“ABF” or “the Group”) is today providing an update on trading for the third quarter of financial year 2026¹, summarising the significant trading developments since the last market update on 21 April 2026. 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:

“The Group delivered a resilient trading performance in the third quarter. While the retail environment remained challenging in most markets, Primark continued to strengthen its customer proposition, including new product launches, a sharper focus on price and increased investment in marketing, particularly digital. We are making good progress and there is more to come. Grocery and Ingredients delivered solid results. In Sugar, the duration and severity of the Middle East conflict have increased gas price expectations for next year, which has impacted our European profit outlook. Aside from Sugar, our full year outlook for the Group is unchanged.

Across the Group, we continued to take targeted actions and make investments to drive performance. Several long-running projects have either recently been completed or are nearing completion, reinforcing our confidence in the Group’s long-term growth prospects.”

Group

The following table sets out the revenue by business segment for the period. Please refer to the Appendix for details of the comparator period.

	Third quarter ¹ 2026 £m	Actual currency	Constant currency	Year to date ² 2026 £m	Actual currency	Constant currency
Retail	2,920	+4%	+3%	7,577	+4%	+2%
Grocery	1,043	+5%	+1%	3,115	+1%	In line
Ingredients	543	+7%	+3%	1,546	+1%	In line
Sugar	451	+4%	(4)%	1,422	(3)%	(8)%
Agriculture	347	(13)%	(14)%	1,105	(9)%	(10)%
Group³	5,304	+3%	In line	14,774	+1%	(1)%

Retail

Market	Percentage of total sales YTD 2026	Like-for-like sales growth		Total sales growth	
		Q3 2026	YTD 2026	Q3 2026	YTD 2026
UK only		(0.1)%	+0.8%	+1%	+2%
UK and Ireland	46%	(0.2)%	+0.6%	+1%	+2%
Europe (excluding UK and Ireland)	47%	(3.6) %	(4.8)%	(1)%	(1)%
US	6%			+16%	+14%
Primark⁴		(2.2)%	(2.5)%	+3%	+2%

¹ Q3 refers to the 16-week period to 20 June 2026 for Primark and to the 12-week period to 23 May 2026 for the Food businesses

² Year to date (YTD) refers to the 40-week period to 20 June 2026 for Primark and the 36-week period to 23 May 2026 for the Food businesses

³ ABF Group Q3 revenue includes £nil (Q3 2025: £27m) and YTD includes £9m (YTD 2025: £94m) from disposed and closed businesses

⁴ Primark Group includes franchise revenue, which in Q3 comprised three stores in Dubai and one in Kuwait

Primark's sales grew 3% in Q3. New stores contributed 5% to growth, with good execution across our key growth markets in Europe, the US and the Middle East. Like-for-like sales declined 2.2%.

In a challenging consumer environment across most of our markets, we continued to strengthen our customer proposition including an improved product offer, a sharper focus on price and price perception, and increased investment in marketing and digital customer engagement. Womenswear, the cornerstone of our offering, has been our primary area of focus and has outperformed our other departments. We continued to improve our product quality and fit, expanded our offer of co-ordinated ranges, launched new ranges such as 'By Coleen', and reinforced our unbeatable value with initiatives such as 'Major Finds'.

In the UK, Primark delivered sales growth of 1% in Q3, with like-for-like sales broadly flat. Primark continued to gain market share in a market that declined in the period.⁵ A strong start to our spring/summer trading in March was followed by weaker trading in April and May, largely due to the impact of the Middle East conflict on consumer sentiment and unseasonal weather. Improved weather in June contributed to stronger trading. We benefited from our increased investment in marketing, with campaigns including 'Shockingly Chic' and 'The Get Away', and from greater digital customer engagement, including the launch of our app.

In continental Europe, where consumer confidence remains weak, total sales decreased 1% and like-for-like sales declined 3.6%. Initiatives are in place to strengthen our value perception, improve our in-store execution and increase our digital marketing, and we have sharpened our focus on our key target customer base. In Spain, our largest European market, we recently launched our first fully integrated marketing campaign, building on the approach already taken in the UK. Other marketing initiatives will launch in Europe this summer.

In the US, trading continued to be mixed in the period. Sales grew 16%, with three new store openings to reach 41 in total. This included the opening of our first store in Manhattan in May, which has started strongly and supports our focus on driving brand awareness. Our franchise business, which now comprises three stores in Dubai and one store in Kuwait, performed strongly, despite the market backdrop.

There is no change to our guidance for 2026. In a challenging consumer environment, including the impact of the Middle East conflict, we continue to expect Primark to deliver an adjusted operating profit margin for the full year of approximately 10%. We are making good progress in re-energising Primark's customer proposition, including increased investment in initiatives to drive like-for-like sales growth and enhance our technology capabilities.

On 11 June, Primark announced the appointment of Lucy Slinger as Chief Financial Officer and Lucy will join Primark in September.

Food

Grocery

Grocery revenue grew 1% in Q3, reflecting good growth across a number of our brands and businesses, partially offset by continued lower sales of US oils due to reduced expenditure by our core Hispanic consumer. Twinings delivered good growth in key markets, including the US, UK and Australia, driven by strong demand for wellness teas. Ovaltine continued to recover from the disruption caused by cocoa-related price increases last year.

We welcomed the recent decision by the UK's Competition and Markets Authority to approve our acquisition of Hovis Group Limited. By combining the production and distribution activities of Allied Bakeries and Hovis, we expect to drive significant cost synergies to invest in product innovation and create a sustainably profitable bakeries business. We are working on next steps towards completion.

There is no change to our guidance for the 2026 financial year.

⁵ Kantar, Primark market share of the total UK clothing, footwear and accessories market including online by value, 12-week data to 24 May 2026

Ingredients

Ingredients revenue grew 3% in Q3. Our yeast and bakery ingredients business, AB Mauri, delivered a solid performance across most markets and a broad range of products. Our portfolio of speciality ingredients businesses, ABFI, continued to grow with most businesses performing well.

There is no change to our guidance for the 2026 financial year.

Sugar

Sugar sales declined 4% in Q3, reflecting lower average selling prices in Europe compared to Q3 2025, and lower volume declines in Africa due to rain-related production delays in Tanzania, and the impact of higher imports in South Africa due to a delay in tariff adjustments.

In Africa, the cane crushing season has recently begun and it typically runs until December. With the exception of rain-related delays in Tanzania, our factories have started up well. However, as the season spans two financial years, the phasing of sales and production is only fully visible towards the end of August. As previously noted, two additional uncertainties have been factored into the guidance for this financial year: the pace of ramp-up in our new factory in Tanzania; and a potential devaluation of the Malawian currency.

In the UK, our expectations for the 2025/26 beet crop are unchanged, with sugar prices, beet costs and energy costs all known. However, the profitability of the 2026/27 beet crop is still difficult to assess. The contracting round has now started, and while there has not yet been an upward inflection in European sugar prices, gas costs are significantly higher due to the Middle East conflict. If these dynamics persist, we expect to recognise onerous contracts in the 2026 financial year.

Taking these factors together, we now expect Sugar to deliver an adjusted operating loss in the range of £25 million to £60 million in the 2026 financial year. The loss of £25 million assumes that there is no devaluation of the Malawian kwacha, and that there is a good level of production in our new factory in Tanzania. The upper end of the range reflects the potential impact of further onerous contracts if gas costs remain at around current levels, as well as a devaluation of the Malawian kwacha and a slow ramp up in production in Tanzania. It should be noted that if the Malawian kwacha does not devalue in this financial year, it will likely devalue in the next financial year.

Looking ahead to the 2027 financial year, our current expectation is for a further deterioration in the Sugar result from the £60 million operating loss at the upper end of the range in 2026. However, there are a significant number of factors that could materially influence the outcome, either positively or negatively, and these are: average European sugar prices; energy, fuel and fertiliser costs; production levels in Africa; El Nino weather impacts; and currency movements. Despite an expected significant reduction in European sugar production, it is likely that the European sugar market will remain in surplus due to the high inventory levels carried over from 2025.

The performance of our Sugar business continues to be a priority area of focus for management and the Board. We expect to take further action to lower our cost base going forward, particularly in Europe.

Agriculture

Agriculture revenue declined 14% in Q3 due to lower sales of compound feed. We are adjusting our cost base accordingly and disposed of one of our nine UK compound feed mills in the period. Our speciality feed and additives businesses delivered good growth.

There is no change to our guidance for the 2026 financial year.

Group

Our full year outlook is unchanged, with the exception of Sugar. We continue to expect Group adjusted operating profit and adjusted EPS in 2026 to be below last year.

As announced on 21 April 2026, the Board of ABF has decided to proceed with a demerger of its Retail business from its Food business. We remain on track for the demerger to become effective before the end of 2027 calendar year.

An investor and analyst call will be held at 08:30 today, Wednesday 1 July 2026. All participants must pre-register to join this conference using the Participant Registration link [here](#). Once registered, an email will be sent with your unique Registrant ID.

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APPENDIX

Group

The following table sets out the revenue by business segment for the third quarter of financial year 2025⁶.

	Third quarter 2025 ⁶ £m	Actual currency	Constant currency	Year to date 2025 ⁷ £m	Actual currency	Constant currency
Retail	2,809	+1%	+1%	7,281	In line	+1%
Grocery	993	(5)%	(2)%	3,082	(3)%	In line
Ingredients	508	(8)%	(3)%	1,539	(4)%	In line
Sugar	435	(26)%	(24)%	1,466	(12)%	(10)%
Agriculture	400	(1)%	In line	1,219	(3)%	(2)%
Group⁸	5,172	(5)%	(3)%	14,681	(3)%	(1)%

Retail

The following table sets out Primark's like-for-like sales growth and total sales growth for the third quarter of financial year 2025.

Market	Like-for-like sales growth		Total sales growth	
	Q3 2025	YTD 2025	Q3 2025	YTD 2025
UK only	(0.7)%	(4.1)%	+1%	(2)%
UK and Ireland	(1.0)%	(4.1)%	+1%	(2)%
Europe (excluding UK and Ireland)	(3.5)%	(0.7)%	In line	+3%
US			+22%	+19%
Primark	(2.3)%	(2.4)%	+1%	+1%

⁶ Q3 refers to the 16-week period to 21 June 2025 for Primark and to the 12-week period to 24 May 2025 for the Food businesses

⁷ Year to date (YTD) refers to the 40-week period to 21 June 2025 for Primark and the 36-week period to 24 May 2025 for the Food businesses

⁸ ABF Group Q3 revenue includes £27m (Q3 2024: £70m) and YTD includes £94m (YTD 2024: £188m) from disposed and closed businesses