Associated British Foods plc

10 September 2026

Trading update

Associated British Foods plc ("ABF" or "the Group") is today providing an update on trading for the fourth quarter of the 2026 financial year[1], which will end on 12 September 2026.

References to sales growth 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 resilient trading in the quarter. The Hovis integration is well underway and we're announcing today that Primark will be offering home delivery in Great Britain.

"Actions to strengthen Primark's customer proposition have continued at pace. Our priority focus areas, the UK and womenswear, continued to outperform our other markets and categories. Trading in continental Europe remained challenging, where actions to strengthen our customer proposition are at an earlier stage. The recent launch of our 'Iconic Value' campaign is a strategic investment in price and price perception and the initial customer reaction has been encouraging. Primark has made significant progress in building its digital capabilities and will continue this through both growing Click & Collect and by offering home delivery in Great Britain in the future. There is now an opportunity for incremental and profitable growth through this channel.

"Grocery and Ingredients both delivered good growth in the quarter, although the prolonged hot weather in the UK and Europe impacted consumer demand for Twinings tea. While a number of factors contribute to our negative outlook for Sugar in 2027, the recent positive turn in European and global sugar pricing should benefit future years.

"Across the Group, we continued to take actions and make strategic capital investments to drive performance. On top of the integration of Hovis Bakeries, we announced the restructuring of our UK Sugar and Agriculture businesses and completed multi-year capital projects. A sharp focus on operational performance across the Group reinforces our confidence in the Group's long-term growth prospects."

Q4 trading and 2026 outlook

Group

Group adjusted operating profit is expected to be broadly in line with our previous expectations. Adjusted earnings per share is expected to be ahead of our expectations.

Work on the demerger of ABF's Retail business from its Food businesses is progressing well and the demerger is expected to be completed in December 2027.

[1] Q4 refers to the 12-week period to 12 September 2026 for Primark and the 16-week period to 12 September 2026 for the Food businesses

Retail

The following table sets out Primark's estimated like-for-like sales growth and estimated total sales growth for the fourth quarter and the full financial year in 2026. Please refer to the Appendix for details of the comparator period.

	Percentage of total sales FY 2026	ESTIMATE		ESTIMATE	
		Like-for-like sales growth		Total sales growth	
Market		**Q4 2026**	**FY 2026**	**Q4 2026**	**FY 2026**
UK only		-%	+0.6%	+1%	+2%
UK and Ireland	45%	+0.4%	+0.5%	+1%	+2%
Continental Europe	47%	(4.3)%	(4.7)%	(1)%	(1)%
US	6%			+11%	+13%
Primark[2]		**(3.0)%**	**(2.6)%**	**+2%**	**+2%**

In Q4, Primark's sales are expected to grow around 2%, with new stores and our franchise model contributing around 5% to growth, and like-for-like sales down around 3%.

Despite a challenging consumer environment in most markets, we continued to strengthen Primark's customer proposition. In July, we launched our 'Iconic Value' campaign across all markets and categories, which introduced new, lower prices across hundreds of items in our autumn/winter range as we continue to redefine value in Primark. The initial volume reaction has been positive, including key lines in nightwear, leisure and performance. We expect to build momentum as our full range of autumn/winter product lands in stores over the coming weeks.

We continued to strengthen our product offer, including more co-ordinated ranges, new collaborations such as 'By Coleen', improvements to quality and style, more streamlined options and clearer price visibility in stores. We also increased investment in marketing and digital engagement, including marketing campaigns in key European markets. Womenswear, which has been our primary focus for investment and activations, continued to outperform our other departments in all markets.

Market summary

In the UK, Primark's sales are expected to grow around 1% in Q4, with like-for-like sales expected to be broadly flat. Primark continued to gain market share in a market that declined in the period.[3] While trading in the quarter started strongly, sales were then impacted by the prolonged hot weather, which delayed the seasonal purchasing catalyst for autumn/weather clothing. Trading was stronger when the weather cooled towards the end of the quarter. Click & Collect sales continued to grow well in the UK.

In continental Europe, where consumer confidence remains weak, sales are expected to be down 1% in Q4, with like-for-like sales down around 4.3%. As in the UK, initiatives are in place to sharpen price and price perception, improve our in-store execution and increase our digital marketing, and we have increased our focus on our key target customer base. In our largest European markets, Spain, France and Italy, we increased our investment in marketing, building on our learnings from the UK.

In the US, sales are expected to grow around 11% in Q4. Underlying trading was challenging in a difficult consumer environment and Q4 2025 was a strong comparator period. However, we continued to refine our proposition to meet the needs of our target customer. This included changes to space allocation in stores as we increasingly localise our product offer in the US. Our recently opened Manhattan store performed well, with good execution of six other new store openings in Q4 taking Primark to a total of 47 stores in the US.

Primark's franchise business, which currently comprises three stores in Dubai and one in Kuwait, continued to perform strongly in Q4. We have extended our agreement with Alshaya Group to now include the Kingdom of Saudi Arabia, with

[2] Primark Group includes franchise revenue, which in Q4 comprised three stores in Dubai and one in Kuwait

[3] Kantar, Primark market share of the total UK clothing, footwear and accessories market including online by value, 12-week data to 19 July 2026

the first store expected to open in spring 2027. We have also signed a franchise agreement with El Puerto de Liverpool to open stores in the Mexican market.

Investment in Click & Collect and home delivery

Primark's digital strategy is to deliver incremental growth while complementing its store-led model. In recent years, Primark has made significant progress in developing its digital capabilities, including introducing CRM, digital marketing, an app and the rollout of Click & Collect across Great Britain. Building on this strategy, Primark will continue to grow Click & Collect and, having undertaken a detailed review, will in the future offer home delivery in Great Britain. Primark's digital maturity, including the success of Click & Collect, and online market developments, mean there is now the opportunity for profitable growth through the home delivery channel. To enable this, Primark has acquired a highly-automated fulfilment facility in Sheffield.

Full year outlook 2026

For the 2026 financial year, Primark's sales are expected to grow around 2%, with like-for-like sales down around 2.6%. Good execution of new store openings, including through our new franchise model, is expected to contribute around 5% to sales growth. Adjusted operating margin is still expected to be approximately 10%.

Food

Grocery

Grocery sales are expected to grow in the mid-single digits in Q4. Twinings had good growth in Australia, while sales in the UK and Europe were lower than expected due to the long hot summer reducing hot tea consumption. Growth in Ovaltine was impacted by the phasing of sales in Thailand as we changed to a new distribution model.

In July, we completed the acquisition of Hovis and we are progressing at pace with the integration of its production and distribution facilities with our bakeries business. We expect to drive significant cost synergies to invest in innovation and create a sustainably profitable business.

For the 2026 financial year, Grocery adjusted operating profit is expected to be slightly below our previous expectations, mainly due to the short-term impacts on Twinings and Ovaltine.

Ingredients

Ingredients sales are expected to increase approximately 10% in Q4. Our yeast and bakery ingredients business, AB Mauri, delivered good growth across most of our markets. Our portfolio of speciality ingredients businesses, ABFI, continued to grow well overall.

For the 2026 financial year, adjusted operating profit is expected to be in line with our previous expectations.

Sugar

In the UK and Spain, sales and profitability declined in Q4 due to lower average selling prices in Europe compared with Q4 2025. Profitability was also significantly impacted by the recognition of onerous contract provisions due to continued low European sugar prices, higher gas costs and lower yield expectations for the 2026/27 UK beet crop following the prolonged hot and dry weather. The lower yield expectations reduce the absorption of fixed production costs.

In July, we announced our intention to reduce our footprint from four to three sites in the UK, ceasing beet processing at Cantley in 2027. This will enable us to meet existing customer demand more efficiently, supporting sustainable profitability over the long-term.

In Africa, sales and profit in Q4 were impacted by challenges in South Africa resulting from drought and higher imports due to a delay in the tariff adjustment. In Tanzania, we made good progress with the ongoing ramp-up in production in our new sugar mill, which is a large-scale and complex project.

For the full year in 2026, Sugar is expected to deliver an adjusted operating loss towards the higher end of our previous guidance range of £25m to £60m, reflecting the increase in onerous contract provisions.

Agriculture

Agriculture sales are expected to decrease in the mid-single digits in Q4. Our speciality feed and additives businesses delivered good growth, offset by lower sales in our dairy business. The profitability of our joint venture, Frontier, continued to be impacted by weather and challenging market conditions. Frontier is adapting its operational footprint as part of implementing a new, more efficient, customer-centric operating model.

For the 2026 financial year, Agriculture adjusted operating profit is expected to be in line with our previous expectations.

We have taken the decision to focus on our higher growth segments and to exit our UK compound feed business. We divested two of our ten mills during 2026 and we expect to finalise the future of the remaining mills by the end of 2027. The results of this business will now be within 'disposed and closed' operations, not in the Agriculture segment.

Outlook for 2027 – initial view

Our initial view for the 2027 financial year shows progress in most of our businesses, with the exception of Sugar and the impact of the Hovis integration on Grocery. However, we remain cautious on consumer sentiment and also the impact of inflation and higher energy costs.

Retail

- Focused on like-for-like sales growth driven by our strengthened customer value proposition, supported by increased investment in our marketing and digital capabilities. We expect new space growth in Europe, the US and our franchise markets to contribute around 4% to sales growth.
- Adjusted operating margin expected to be approximately 10%, reflecting continued investment in like-for-like sales growth. This does not include the impact of the expected dis-synergy costs as Primark moves towards de-merger readiness.
- In 2027, there will be 53 weeks in the financial year for Primark.

Food

- **Grocery** adjusted operating profit expected to be slightly ahead of 2026, with continued growth in most brands and businesses. In 2027, our outlook reflects a one-off impact from consolidating Hovis losses in the first year of ownership, ahead of delivering significant synergies and profit accretion in subsequent years.
- **Ingredients** adjusted operating profit to be broadly in line with 2026, with good growth in specialty ingredients offset by start-up costs in our new yeast facility in India.
- **Sugar** adjusted operating loss expected to be in the range of £70m to £170m. There are a number of factors that could materially influence the outcome, either positively or negatively, in particular: significantly higher gas costs; production levels in Africa; El Nino weather impacts; and currency movements, especially the Malawian kwacha. The higher end of the guidance range assumes all of these variables have a negative impact on performance. Despite an expected significant reduction in European sugar production, it is likely that the European sugar market will remain in surplus in the short term due to the high inventory levels carried over from 2025. However, the recent positive turn in European and global sugar pricing should benefit future years.
- **Agriculture** adjusted operating profit to be ahead of 2026.

Full year 2026 results

We are scheduled to announce our annual results for the 52 weeks to 12 September 2026 on 3 November 2026.

An investor and analyst call will be held at 08:00 today, Thursday 10 September 2026. All participants must pre-register on our website 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

Retail

The following table sets out Primark's estimated like-for-like sales growth and estimated total sales growth for the fourth quarter and full year in 2025.

Market	**Like-for-like sales growth**		**Total sales growth**	
	Q4 2025	**FY 2025**	**Q4 2025**	**FY 2025**
UK only	+0.7%	(3.0)%	+2%	(1)%
UK and Ireland	+0.4%	(3.1)%	+2%	(1)%
Europe (excluding UK and Ireland)	(4.0)%	(1.5)%	(1)%	+2%
US			+25%	+20%
Primark	**(1.8)%**	**(2.3)%**	**+2%**	**+1%**