

16 March 2020

Associated British Foods plc
First Half Trading and COVID-19 Update

Given current market conditions and rapidly changing developments regarding COVID-19, Associated British Foods plc issues this update, further to our pre-close trading update of 24 February 2020.

First half trading

For the first half, adjusted operating profit will be ahead of our previous expectations, mainly due to higher margins for Primark and Grocery. As a result, adjusted earnings per share for the first half will now be ahead of last year on both a lease-adjusted and a reported basis.

COVID-19 update

Our priority continues to be the health and safety of our colleagues, customers and partners. Each of our businesses are closely monitoring the current and potential effects of the outbreak on their operations.

In our February trading statement we described the risk to supply of goods from our suppliers in China. Since then, the situation in China has improved, with most factories supplying Primark having re-opened. As a result, supply shortages from that country are now expected to be minimal.

However, with developments over the last week in Italy and, more materially, over the weekend in France, Spain and Austria, stores accounting for 20 percent of Primark's selling space are now closed until the respective governments permit them to re-open.

These stores currently generate 30 percent of Primark's sales. From the date of this announcement, we had expected sales of £190m from these stores over the next four weeks. The remainder of the estate, including the UK which represents 41 percent of sales, has seen like-for-like sales declines over the last two weeks and these have accelerated over the past few days as a result of reduced footfall. We are managing the business appropriately but do not expect to significantly mitigate the effect of the contribution lost from these sales.

Importantly, in aggregate we have not seen a material impact in our sugar, grocery, ingredients and agriculture businesses.

Given the effect of COVID-19 on Primark's sales, it is too early to provide earnings guidance for the remainder of the current financial year.

The group has a strong balance sheet, substantial cash liquidity with some £800m of net cash at the half year and significant undrawn bank facilities.

The group will provide a further update with our interim results on 21 April.

For further enquiries please contact:

Associated British Foods

John Bason, Finance Director

Tel: 020 7399 6500

Catherine Hicks, Corporate Affairs Director

Citigate Dewe Rogerson

Chris Barrie, Jos Bieneman

Tel: 020 7638 9571