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// FY2026

Associated British Foods plc

PRIMARK

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01

Executive Summary

Primary source: Associated British Foods plc, "Annual Results Announcement, 52 weeks ended 12 September 2026", RNS, 3 November 2026. https://www.investegate.co.uk/announcement/rns/associated-british-foods--abf/annual-results-announcement-/9854568

Primark's adjusted operating profit fell 10.7% on 3.5% more revenue

ABF's Retail segment, Primark, reported revenue of £9,820m, up 3.5% and 2% in constant currency. Adjusted operating profit was £1,005m against £1,126m, down 10.7%. The adjusted margin was 10.2% against 11.9%, a fall of 163bp. Like-for-like sales fell 2.6%, and the company puts the contribution of new stores to growth at 5%.

The margin gap narrowed in the second half but did not close

Taking the interim figures from the full year, second-half revenue was £5,163m, up 2.9%, and adjusted operating profit £534m against £586m, down 8.9%. The second-half margin was 10.3% against 11.7%, a fall of 134bp, after 196bp in the first half. UK like-for-like sales moved from plus 1.3% in the first half to minus 0.2% in the second, while continental Europe improved from minus 5.6% to minus 3.9%.

Primark supplied 53% of the fall in group adjusted operating profit

Group adjusted operating profit fell £226m to £1,508m, and Primark's £121m is 53.5% of that. Sugar fell £46m. Primark is 50.2% of group revenue and 66.6% of group adjusted operating profit. Free cash flow was £652m against £648m, helped by a £161m inventory inflow against a £223m outflow, and dividends plus buybacks of £699m were 107% of it.

New stores added 5 points of growth and like-for-like took 2.6 away

Selling space reached 20.6m sq ft, about 5.6% more than a year earlier, after 33 owned openings, 14 of them in the US, where sales rose 13%. Of the 3.5% revenue growth, currency gave 1.4 points. Sales in continental Europe fell 1%. The release gives no gross margin, no Primark inventory and no US like-for-like figure.

The 2027 guide is a margin of about 10% in a 53-week year

Primark guides to an adjusted operating margin of approximately 10% in 2027, before dis-synergy costs, with space adding around 4% to sales. At 10% on revenue of £10,205m to £10,598m, an illustration that is not a forecast, adjusted operating profit would be £1,020m to £1,060m against £1,005m. The demerger is expected in December 2027.

WHAT TO WATCH

Continuation: UK like-for-like sales below zero and a second-half style margin gap of about 130bp through the first half of 2027.

Break: Primark like-for-like sales turning positive on the lower prices launched in July.

VGR will publish the next Primark analysis when the figures are released.

The period in figures

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ASSOCIATED BRITISH FOODS PLC · LSE: ABF · PRIMARK · FY2026 · GBP

FINANCIAL YEAR ENDS 12 SEPTEMBER 2026 · PERIOD ENDED 12 SEPTEMBER 2026 · REPORTED 3 NOVEMBER 2026 · ANALYSIS 11 NOVEMBER 2026

NET REVENUES	**GROSS PROFIT**	**OPERATING PROFIT**	**NET PROFIT**
+3.5%	not provided	**-10.7%**	not provided
9,820 vs 9,489		1,005 vs 1,126	
	GROSS MARGIN	**OPERATING MARGIN**	**RoS**
	not provided	**10.2%**	not provided
		from 11.9%	
GROUP ADJ. OP. PROFIT	**PRIMARK LFL SALES**	**PRIMARK ROACE**	**GROUP NET DEBT**
£1,508m	**-2.6%**	**16.8%**	**£2,845m**
from £1,734m	from H1 -2.7%	from 19.1%	from £2,629m

£m, 52 weeks against 52 weeks, Primark (Retail segment); operating profit is adjusted operating profit

03 · THE GROUP PROFIT BRIDGE

Primark is 53% of the group's £226m profit fall

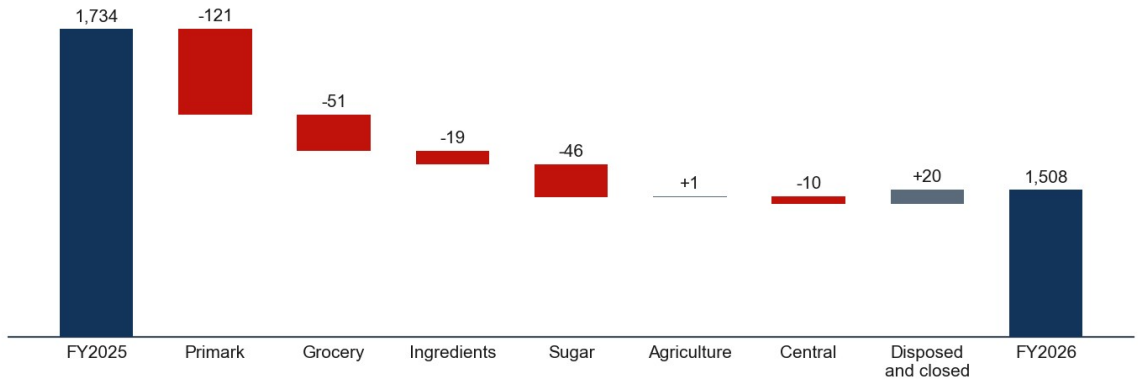
Group adjusted operating profit fell £226m, 13.0%, to £1,508m. Primark's fall of £121m is 53.5% of it. Sugar fell £46m, Grocery £51m and Ingredients £19m; Agriculture added £1m and the disposed and closed businesses £20m. Primark is 50.2% of group revenue (48.8% a year earlier) and 66.6% of group adjusted operating profit (64.9%). The group margin was 7.7% against 8.9%; Primark's was 10.2% against 11.9%.

ADJUSTED OPERATING PROFIT, £M	2026	2025	CHANGE
Retail (Primark)	1,005	1,126	**(121)**
Grocery	427	478	**(51)**
Ingredients	238	257	**(19)**
Sugar	(47)	(1)	**(46)**
Agriculture	19	18	**+1**
Central costs	(120)	(110)	**(10)**
Disposed and closed businesses	(14)	(34)	**+20**
Group	1,508	1,734	**(226)**

Source: Associated British Foods plc, Annual Results Announcement (RNS), 3 November 2026. Changes, margins and contributions are VGR arithmetic on the disclosed figures. Disposed and closed: Sugar (5) and Agriculture (9) in 2026; (41) and 7 in 2025.

Primark accounts for £121m of the £226m fall in group adjusted operating profit

ABF adjusted operating profit by segment, 2026 against 2025 · £m



Source: Associated British Foods plc, Annual Results Announcement. Bridge: VGR arithmetic. Axis from £1,300m.

04 · GROWTH COMPOSITION

New stores added 5 points; like-for-like took away 2.6

Primark revenue rose 3.5% as reported and 2.1% in constant currency. The £127m currency effect in the constant-currency note is 1.4 points. The company states that new stores contributed 5% to growth and that like-for-like sales fell 2.6%. Those two figures and the constant-currency growth leave a residual of minus 0.3 points, bounded between minus 0.8 and plus 0.2 because the 5% is a whole number. The release does not explain the residual.

REVENUE GROWTH, POINTS	POINTS	PRECISION	BASIS
Reported growth	+3.5	Exact	9,820 / 9,489
Currency	+1.4	Exact	£127m, note B
Constant currency growth	+2.1	Exact	9,820 / 9,616
New stores	+5	Company, whole points	Release text
Like-for-like	(2.6)	Company	Release text
Residual	(0.3)	Bounded (0.8) to +0.2	VGR arithmetic

Source: Associated British Foods plc, Annual Results Announcement (RNS), 3 November 2026. Changes, margins and contributions are VGR arithmetic on the disclosed figures.

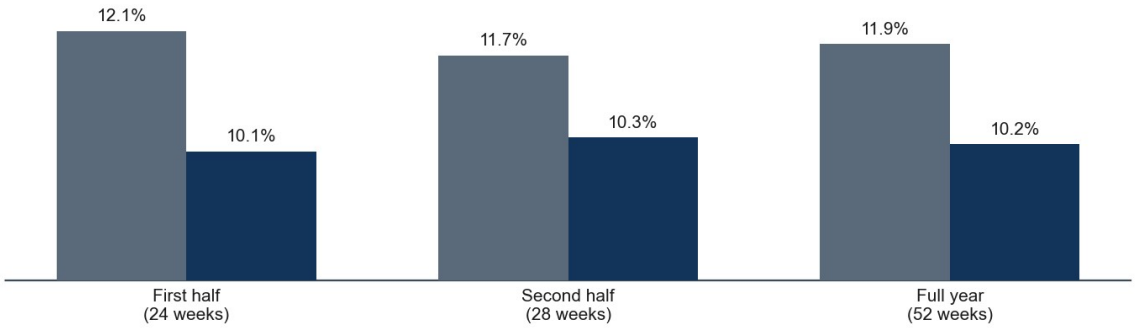
By market, the US grew 13% on 6% of sales and added the most weighted growth. Continental Europe, 47% of sales, fell 1% and nets to minus 0.48 points. Weighted by this year's shares, the markets sum to 0.75 points against the company's 2% for the year; the shares are printed in whole points and total 98%, so the sum is approximate.

MARKET	SHARE OF SALES	FY SALES GROWTH	WEIGHTED POINTS
UK and Ireland	45%	+1%	+0.45
Spain and Portugal	17%	flat	0.00
France and Italy	15%	(2%)	(0.30)
Northern Europe	12%	(4%)	(0.48)
Central and Eastern Europe	3%	+10%	+0.30
US	6%	+13%	+0.78
Primark Group	98% shown	+2%	+0.75 (sum)

Source: Associated British Foods plc, Annual Results Announcement (RNS), 3 November 2026. Changes, margins and contributions are VGR arithmetic on the disclosed figures.

The margin gap narrowed from 196bp in the first half to 134bp in the second

Primark adjusted operating margin, FY2025 (light) against FY2026 (dark) · % of revenue



Source: Associated British Foods plc, Annual Results and Interim Results. Second half = full year less first half, VGR arithmetic. Axis from 8%.

Like-for-like by half

UK like-for-like sales moved from plus 1.3% in the first half to minus 0.2% in the second, while the company's UK-only full-year figure is plus 0.5%. Continental Europe improved from minus 5.6% to minus 3.9%. The group figure barely moved, from minus 2.7% to minus 2.5%. US like-for-like is not given.

LIKE-FOR-LIKE SALES	H1	H2	FY
UK only	+1.3%	(0.2%)	+0.5%
UK and Ireland	+1.1%	(0.1%)	+0.5%
Continental Europe	(5.6%)	(3.9%)	(4.7%)
Primark Group	(2.7%)	(2.5%)	(2.6%)

Source: Associated British Foods plc, Annual Results Announcement (RNS), 3 November 2026.

05 · THE ESTATE

Selling space grew about 5.6% across 508 stores

Primark opened 33 owned stores: 14 in the US, five in Italy, three each in the UK and Romania, two each in Portugal, Germany and Poland, and one each in Spain and Czechia. It closed two. At 12 September 2026 it traded from 508 stores, four of them franchise, in 19 markets, with 20.6m sq ft. The prior-year year-end selling space is not in this release; the interim ledger gives 19.8m sq ft after an increase of 0.3m, so about 19.5m a year earlier. That implies growth of 5.6%, bounded between 5.1% and 6.2%, against the 5% the company attributes to new stores. US stores rose from 38 to 47, which equals 14 openings less the 5 opened in the first half.

ESTATE	12 SEP 26	28 FEB 26	CHANGE
Stores	508	483	+25
Selling space, m sq ft	20.6	19.8	+0.8
US stores	47	38	+9
Markets	19	18	+1
Capital projects in period, £m	576 (year)	210 (H1)	366 (H2)

Source: Associated British Foods plc, Annual Results Announcement (RNS), 3 November 2026. Interim comparatives from the H1 FY2026 ledger. Changes: VGR arithmetic.

The 25-store rise in the second half does not reconcile to 22 own openings and the franchise stores less closures, and the release does not reconcile it. VGR does not resolve the difference. Five US leases are signed, and franchise has opened in Bahrain and Qatar since the year end.

06 · MARGIN ARCHITECTURE

The adjusted margin fell 163bp and the release quantifies none of the causes

The adjusted operating margin fell from 11.9% to 10.2%. The company attributes it to lower like-for-like sales, related markdowns and a significant increase in investment in price, product, marketing, digital and technology, partly offset by a foreign exchange benefit and cost efficiencies. It gives no figure for any of these. One cost line can be tested: depreciation and non-cash lease adjustments rose 21bp as a share of revenue. Finance expense, below the operating line, rose 8bp.

SHARE OF PRIMARK REVENUE	2026	2025	CHANGE
Adjusted operating margin	10.2%	11.9%	**(163bp)**
Operating margin (statutory)	10.2%	11.8%	**(159bp)**
Depreciation and non-cash lease adjustments	6.7%	6.5%	**+21bp**
Finance expense	1.1%	1.0%	**+8bp**
Adjusted profit before tax	9.2%	10.9%	**(171bp)**

Source: Associated British Foods plc, Annual Results Announcement (RNS), 3 November 2026. Changes, margins and contributions are VGR arithmetic on the disclosed figures.

The second-half margin was 10.3% against 11.7%, a fall of 134bp, after 196bp in the first half; both halves are VGR arithmetic and assume the interim figures were not restated. The foreign exchange effect disclosed is £10m of adjusted operating profit, 10bp of revenue.

07 · INVENTORY

Group inventory fell 3.7%; Primark's own inventory is not given

Group inventories were £3,053m against £3,169m, down 3.7% against group revenue up 0.6%. The cash flow statement shows an inventory inflow of £161m against an outflow of £223m, a swing of £384m, which is 3.2 times the £121m fall in Primark adjusted operating profit. Working capital contributed £228m against an outflow of £95m. The company says the free cash flow benefit came mainly from reduced inventory in Primark, and does not print the Primark figure. Food is in the group figure.

GROUP, £M	2026	2025	CHANGE
Inventories	3,053	3,169	**(116)**
Inventory cash flow	161	(223)	**+384**
Working capital cash flow	228	(95)	**+323**
Primark inventory	not disclosed	not disclosed	

Source: Associated British Foods plc, Annual Results Announcement (RNS), 3 November 2026. Changes, margins and contributions are VGR arithmetic on the disclosed figures.

08 · CASH FLOW AND BALANCE SHEET

Free cash flow of £652m was flat on a £161m inventory inflow

GROUP CASH FLOW, £M	2026	2025	CHANGE
Adjusted EBITDA	2,526	2,685	**(159)**
Lease liabilities repaid	(356)	(328)	(28)
Working capital	228	(95)	**+323**
Capital expenditure	(1,246)	(1,234)	(12)
Acquisitions	(167)	(4)	(163)
Net interest and tax	(426)	(392)	(34)
Other (residual)	93	16	**+77**
Free cash flow	652	648	+4

Source: Associated British Foods plc, Annual Results Announcement (RNS), 3 November 2026. Changes, margins and contributions are VGR arithmetic on the disclosed figures. Net interest and tax: interest (124), (94); tax (302), (298). Other is the VGR residual to the printed free cash flow.

Net cash before leases fell to £305m from £390m, and total net debt, including £3,150m of lease liabilities, rose 8.2% to £2,845m. Leverage was 1.1 times against 1.0 times. Total liquidity was £2,397m. In the Retail segment, net assets were £3,263m (£3,209m) and non-current asset additions £730m (£620m), up 17.7% while adjusted operating profit fell 10.7%. Adjusted operating profit on segment net assets was 30.8% against 35.1%; the company's ROACE of 16.8% against 19.1% uses a different capital employed.

09 · CAPITAL ALLOCATION AND RETURNS

Buybacks and dividends took 107% of free cash flow

Dividends of £446m and buybacks of £253m total £699m, 107% of free cash flow. The buyback was £603m a year earlier, so it fell 58%, and the £250m programme was completed in August 2026. The total dividend is 63.0p, flat, made up of an interim of 20.7p and a proposed final of 42.3p, payable on 8 January 2027. Dividend cover is 2.5 times against 2.8. Adjusted EPS fell 10.8% to 156.0p, and the weighted share count fell to 705m from 724m. Capital expenditure in 2027 is expected at a similar level to 2026.

£M	2026	2025	CHANGE
Dividends paid	446	656	**(210)**
Share buyback	253	603	**(350)**
Total returned	699	1,259	**(560)**
Free cash flow	652	648	+4
Returned as % of free cash flow	107%	194%	(87 points)

Source: Associated British Foods plc, Annual Results Announcement (RNS), 3 November 2026. Changes, margins and contributions are VGR arithmetic on the disclosed figures.

10 · EARNINGS QUALITY

Group return on sales fell 58bp; exceptionals cushioned the statutory fall

Group profit for the period fell 10.1% to £939m, a return on sales of 4.80% against 5.37%. Adjusted operating profit fell 13.0% and adjusted EPS 10.8%; basic EPS fell 6.9% to 131.9p. Exceptional items were £113m against £188m, of which £91m is non-cash, including £85m of Sugar impairments. Because exceptionals fell, statutory operating profit fell 10.5% against 13.0% on the adjusted line. The adjusted effective tax rate was 23.9% against 24.2%, and the company warns of upward pressure in 2027.

GROUP	2026	2025	CHANGE
Adjusted operating profit, £m	1,508	1,734	**(13.0%)**
Operating profit, £m	1,327	1,483	**(10.5%)**
Profit for the period, £m	939	1,045	**(10.1%)**
Adjusted EPS	156.0p	174.9p	**(10.8%)**
Basic EPS	131.9p	141.6p	**(6.9%)**
Exceptional items, £m	113	188	**(75)**

Source: Associated British Foods plc, Annual Results Announcement (RNS), 3 November 2026. Changes, margins and contributions are VGR arithmetic on the disclosed figures.

11 · GUIDANCE AND THE IMPLIED REQUIREMENT

A 10% margin on 53 weeks gives £1,020m to £1,060m of profit

GUIDE	PRIOR	CURRENT	VGR CHECK
Primark adjusted operating margin	not disclosed	About 10%	FY26 10.2%
Space contribution to sales	Target 4% to 5% a year	About 4%	FY26 about 5.6% (bounded)
Weeks in the year	52	53	About +1.9% if even
Sugar adjusted operating loss	not disclosed	£70m to £170m	FY26 £47m
Capital expenditure	not disclosed	Similar to 2026	FY26 group £1,246m
Group adjusted operating profit	not disclosed	Below 2026	Mainly Sugar

Source: Associated British Foods plc, Annual Results Announcement (RNS), 3 November 2026. Changes, margins and contributions are VGR arithmetic on the disclosed figures.

The release excludes the expected dis-synergy costs from the Primark margin guide, and those are not quantified for Primark alone (below £45m for the group, with one-off separation costs of about £75m). VGR's illustration adds space of 4%, the 53rd week at about 1.9% and a like-for-like range to the FY2026 base. It is not a forecast.

LIKE-FOR-LIKE	REVENUE, £M	AT 10% MARGIN, £M	AGAINST £1,005M
(2%)	10,205	1,020	**+1.5%**
0%	10,401	1,040	**+3.5%**
+2%	10,598	1,060	**+5.5%**

VGR illustration: 9,820 x (1 + 4% space + 1.9% extra week + like-for-like), constant currency, even weekly sales assumed. Not a forecast.

Even at flat like-for-like sales, the guide implies profit growth of 3.5% only because of the extra week and the space. The margin guide is lower than the first-half margin of 10.1% by 0.1 point and below the second-half 10.3%, so the company is not guiding to a recovery of the 11.9% of a year earlier.

12 · DISCLOSURE DELTA AND METRICS NOT REPORTED

Eleven measures are not reported in the release

METRIC	STATUS	WHAT IT WOULD SETTLE
Primark gross margin	not disclosed	Markdown and price investment against mix

METRIC	STATUS	WHAT IT WOULD SETTLE
Primark inventory	not disclosed	The size of the cash inflow from Primark
US like-for-like	not disclosed	Whether new US stores are productive
Online and franchise sales	not disclosed	Contribution of the 22% traffic growth
Womenswear like-for-like	not disclosed	The claim of strong growth
Prior-year UK market share	not disclosed	Whether share rose
Year-end 2025 selling space and stores	not disclosed	Exact space growth
Split of the margin fall	not disclosed	Markdowns against investment
Primark net profit	not disclosed	Return on sales
Primark dis-synergy cost	not disclosed	The 2027 margin before and after
Second-half stated profit	not disclosed	The half-year margin without arithmetic

Source: Associated British Foods plc, Annual Results Announcement (RNS), 3 November 2026.

13 · THE COMPANY'S ACCOUNT, TESTED

One of five claims is fully supported by the disclosed figures

CLAIM	TEST	DISPOSITION
"Our key priority areas, the UK and womenswear, delivered growth"	UK sales +2% and like-for-like +0.5%, but second-half like-for-like (0.2%); no womenswear figure	Partially supported.
"Increased its UK market share to 6.9%"	Prior-year share not given; the interim 7.0% is a different period	Not verifiable from the disclosure.
"New stores contributed 5% to growth"	Constant-currency growth 2.1% and like-for-like (2.6%) leave 4.7 points	Supported by the disclosed figures.
Free cash flow "mainly due to benefit from reduced inventory in Primark"	Group inventory inflow £161m; Primark inventory not disclosed	Partially supported.
Franchise stores "ahead of our original plan"	The plan and franchise sales are not disclosed	Not verifiable from the disclosure.

Source: Associated British Foods plc, Annual Results Announcement (RNS), 3 November 2026.

14 · METHOD, SOURCES AND PRECISION

Method, sources and precision

All current-period figures come from the announcement named in the Executive Summary, which prints the prior-year comparatives used here. The company's own page returns a bot challenge to automated fetch, so the full text of the same RNS was read from a public mirror of the announcement. Second-half figures use the interim ledger and assume no restatement. Margins are calculated from figures in millions.

ITEM	PRECISION	NOTE
Revenue, profit and margin changes	Exact	Calculated from disclosed figures
Currency effect on growth	Exact	Constant-currency note B
Growth composition residual	Bounded	New stores printed in whole points
Second-half figures	Bounded	Full year less interim, no restatement assumed
Space growth	Bounded	One-decimal square footage
Primark gross margin, inventory	Not calculable	Not disclosed

VGR precision register.

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Analysis by Pau Almar, VGR.

METHODOLOGY

VGR Standardised Financial Analysis Methodology v5. Arithmetic before language; every finding names the disclosure that would settle it.

PRIMARY SOURCE

Associated British Foods plc (LSE: ABF), "Annual Results Announcement, 52 weeks ended 12 September 2026", RNS, 3 November 2026. https://www.investegate.co.uk/announcement/rns/associated-british-foods--abf/annual-results-announcement-/9854568

WORKING RECORD

ABF_Primark_FY2026 annual results_Source_Figures.md, with company-disclosed figures, VGR arithmetic, the claims register and metrics not reported in separate parts, alongside the source file in _src.

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