

## Interim Results Announcement

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Associated British Foods PLC  
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### Interim Results Announcement

24 WEEKS ENDED 5 MARCH 2022

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#### Associated British Foods plc results for the 24 weeks ended 5 March 2022

#### Group sales and profit return to pre-COVID levels

##### Financial Headlines

		Actual currency change	Constant currency change
Group revenue	£7,882m	+25%	+28%
Adjusted operating profit	£706m	+91%	+92%
Adjusted profit before tax	£666m	+109%	
Adjusted earnings per share	63.8p	+154%	
Dividend per share	13.8p	+123%	
Gross investment	£450m		
Net cash before lease liabilities	£1,476m		
Net debt including lease liabilities	£1,665m		
Statutory operating profit	£686m	+114%	
Statutory profit before tax	£635m	+131%	
Basic earnings per share	60.3p	+194%	

Statutory operating profit is stated after exceptional charges and other items shown on the face of the condensed consolidated income statement. There was a £25m exceptional charge in the prior half year.

##### Food: resilient operational performance

- Sales up 6% to £4,342m; adjusted operating profit down 9% to £330m
- Cost reduction and pricing action taken but lag in recovery of cost inflation
- High input cost inflation, logistics challenges, COVID-related labour absences
- Sugar sales and profit well ahead

##### Primark: strong recovery in sales and margin

- Sales up 59% to £3,540m; adjusted operating profit margin 11.7%
- UK/Ireland: strong sales recovery with increased holiday travel and socialising
- Continental Europe: consumer footfall remained weak
- US: trading well
- Transforming digital capability; launch of new website

##### Dividend

- Interim dividend of 13.8p per share (2021: 6.2p)

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

"This half year sales and operating profit for the Group returned to pre-COVID levels. Our people have responded well to the many challenges we faced.

Our food businesses have once again proved their operational resilience and Sugar had another strong period, building on its recent track record of recovery. Measures to mitigate higher costs in all our businesses have been taken and more are planned. Primark delivered a significant increase in sales and profit, with stores now open and trading largely free of restrictions.

Looking further ahead, inflationary pressures are such that we are unable to offset them all with cost savings, and so Primark will implement selective price increases across some of the autumn/winter stock. However, we are committed to ensuring our price leadership and everyday affordability, especially in this environment of greater economic uncertainty.

Notwithstanding the inflationary pressures we are experiencing, our outlook for the year is for significant progress in adjusted operating profit and adjusted earnings per share for the Group."

The Group has defined and outlined the purpose of its Alternative performance measures in note 13. These measures are used within the Financial Headlines and in this Interim Results Announcement.

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There will be an analyst and investor presentation at 09.00am GMT today which will be streamed online and accessed via our website [here](#).

**Notes to editors**

Associated British Foods is a diversified international food, ingredients and retail group with annual sales of £13.9bn and 128,000 employees in 53 countries. It has significant businesses in Europe, Africa, the Americas, Asia and Australia.

Our aim is to achieve strong, sustainable leadership positions in markets that offer potential for long-term profitable growth. We look to achieve this through a combination of growth of existing businesses, acquisition of complementary new businesses and achievement of high levels of operating efficiency.

FOR RELEASE 26 APRIL 2022

## Interim Results Announcement

For the 24 weeks ended 5 March 2022

### Chairman's statement

This half year sales and adjusted operating profit for the Group returned to the pre-COVID levels reached in the half year to 29 February 2020. This has been led by a strong recovery in sales and operating profit margin at Primark where trading was much improved following the relaxing of most government restrictions on store operations. All our businesses are experiencing logistics challenges, COVID-related labour absences and significant inflationary pressures in raw materials, supply chains and energy. At the end of the period these inflationary pressures increased further with the Russian invasion of Ukraine. Given this backdrop, our food businesses delivered a resilient operational performance.

Our people have faced challenges on so many fronts; I would like to recognise their perseverance and commitment and I thank them for it.

Revenue for the Group of £7.9bn was 25% ahead of last year at actual exchange rates and adjusted operating profit of £706m was 91% ahead.

The net of Finance and Other financial income and expense improved by £10m and so adjusted profit before tax was 109% ahead of last year. The stronger profitability of Primark, and the consequent change in the weight of profit by tax jurisdiction for the Group, has resulted in a return of the Group's effective tax rate to closer to pre-COVID levels at 23.2% from 34.9% last half year. Adjusted earnings per share increased by 154% to 63.8p.

The statutory operating profit for the period of £686m increased by 114%. This reflects the improvement in adjusted operating profit and there was a £25m exceptional charge in the prior half year.

We have continued to invest for the future with Gross investment of £450m. This mainly comprised capital investment which was directed at building capacity in our businesses and, increasingly, expanding capabilities with automation and technology. Acquisitions in Ingredients and Grocery accounted for £114m.

The cash outflow for the first half reflected our normal seasonal build in sugar inventories and the payment of final and special dividends for our last financial year. This was much improved on the same period last year which was adversely affected by the lengthy closure of most Primark stores. As a result, net cash before lease liabilities at the half year was £1.5bn, which compared to £705m a year ago. Net debt including lease liabilities at the half year was £1.7bn giving a financial leverage ratio of 0.8 times, demonstrating once again the strength of our balance sheet.

The successful launch on 10 February of our inaugural public bond of £400m, 2.5 per cent due 2034, diversified the Group's sources of funding and extended the duration of our borrowings. Some £221m of the remaining £297m Private Placement Notes have been repaid this financial year.

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**Dividends**

The Board was pleased to resume the payment of dividends for the 2021 financial year and a special dividend was also declared as a sign of confidence in the recovery in trading across the Group's activities.

This half year, the Board has declared an interim dividend of 13.8p per share which compares to the interim dividend declared last year of 6.2p per share. This will be paid on 8 July 2022 to shareholders registered at the close of business on 10 June 2022.

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**Capital allocation**

Our capital allocation and treasury policies were set out in the Annual Results Announcement of 9 November 2021. Our priority is always to invest in our businesses, both organically and by acquisition, at an appropriate pace and wherever attractive returns on capital can be generated.

The Board recognises that the financial leverage of 0.8 times at the half year is below 1.0 times and judges this appropriate given the uncertainty of the current economic environment. The Board will review the availability of surplus cash and capital at the year end.

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**ESG**

Our ESG priorities are shaped and led by the management of each of our businesses, who apply their detailed local knowledge and customer insights to identify the risks and develop the opportunities relevant to their business. ESG actions become an integral part of their business strategy and they are put into effect with clear ownership.

Last year, we engaged extensively with our investors on the key ESG factors for the Group and our strategy and governance in relation to these. We provided an in-depth review of Primark's processes to provide assurance of its supplier practices and of its sustainability strategy, Primark Cares. The presentations for the two briefings can both be found on our website.

We have committed to report our progress regularly. We have made good progress since the launch of Primark Cares in September 2021 and the Operating Review details the encouraging increase in the proportion of clothes made from recycled or more sustainable materials and the percentage of cotton used that is organic, recycled or sourced from our Sustainable Cotton Programme.

We have evaluated where climate change is likely to have the most material impact on the Group and we will set out the relevant scenario analyses in our full year reporting in accordance with the requirements of TCFD.

We will be hosting an ESG Investor Briefing on 18 May, which will focus on the environmental factors that are most material for the Group.

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**Outlook**

All our food businesses are experiencing increasing inflationary pressures in many areas including raw materials, commodities, supply chain and energy. Action has been taken to offset these higher input costs through operational cost savings and, where necessary, the implementation of price increases. However, the benefit of price increases inevitably lags input cost inflation. While we have no businesses in either country, commodity and energy prices have increased further following the Russian invasion of Ukraine. As a result, we now expect a greater margin reduction in these businesses than previously expected for the full year. We expect recovery in the run-rate of these margins but the full effect of margin recovery is now anticipated in our next financial year. We continue to expect an improvement in profit at AB Sugar for the full year.

In Primark, we have seen a progressive easing of COVID-related restrictions across our markets and an improvement in like-for-like sales is evident in the UK and Ireland. With new store openings, selling space at the end of this financial year will be 10% ahead of the selling space at the end of the 2019 financial year. As a consequence, total sales for Primark in the second half are anticipated to be ahead of the second half of the 2019 financial year, which was pre-COVID. Reflecting further inflationary pressures, we now expect a greater reduction in the second half operating profit margin than previously expected although the full year Primark margin will be some 10%. We still anticipate Primark's adjusted operating profit in the second half will be ahead of the same period last year.

With the recovery in Primark's profitability, we expect the Group's effective tax rate for the full year to be close to that of the half year rate.

We will continue to invest in building the capacity and capabilities of all our businesses.

Notwithstanding the greater inflationary pressures and lower second half margins, we still expect growth in adjusted operating profit for the Group in the second half compared to the same period last year. Our outlook for the year is for significant progress in adjusted operating profit and adjusted earnings per share for the Group.

**Michael McLintock**  
Chairman

#### Operating review

For the half year, sales and adjusted operating profit for the Group were strongly ahead of the prior half year.

All our businesses have experienced increasing inflationary pressures in many areas including raw materials, commodities, supply chain and energy. We have not seen such a scale of inflation in our major markets in recent times. The Group's devolved business model ensures that our management teams are close to their markets and customers, and they have responded to the challenge. We have been taking steps to offset these higher input costs through operational cost savings and, where necessary, the implementation of price increases. However, actions on price inevitably lag input cost inflation and margins in our food businesses declined in the first half as a result. We are focused on recovering these margins but given the extent of the inflation, the full effect is expected in our next financial year.

Despite the inflationary pressures, we have continued to invest in both marketing and new product development in our Grocery brands. Twinings had particular success with the launch of further products in Wellbeing teas, while at Acetum we continue to internationalise the Mazzetti brand. Our Australian bread business Tip Top successfully launched new products into growth markets such as gluten-free bread.

AB Sugar delivered further growth in sales and operating profit in the first half. Both Illovo and Azucarera increased their domestic sugar volumes. Over the years we have invested in our capability to produce valuable co-products. In addition to higher sugar prices, higher prices for these co-products, especially bioethanol and electricity, enabled our businesses to more than offset the increase in energy cost in the first half.

ABF Ingredients performed well in the first half. Its capabilities were enhanced in this period by the acquisition of the Fytexia Group. This is an expert life science company, based in France and Italy, which develops active nutrients for human health. This business is fast-growing and it will broaden our product portfolio to serve the pharmaceutical, nutritional, food and feed markets.

Primark sales for the first half were well ahead of last year at constant currency at 64%. All our stores remained open and trading throughout the period except for short periods in Austria and The Netherlands. Operating profit margin recovered strongly and reached 11.7%, in line with pre-COVID levels. This was primarily achieved by the recovery in store sales densities as footfall has increased and customers return to Primark. The effect of inflation on Primark this first half has been broadly mitigated by a reduction in store operating costs and a favourable US dollar exchange rate. With the increasing inflationary pressures and dollar strengthening, we will implement selective price increases across some of our autumn/winter stock while remaining committed to ensuring our price leadership and everyday affordability, which matters so much to customers.

The table below shows the results by segment on a reported basis.

	Revenue			Adjusted operating profit		
	24 weeks ended	24 weeks ended	53 weeks ended	24 weeks ended	24 weeks ended	53 weeks ended
	5 March 2022	27 February 2021	18 September 2021	5 March 2022	27 February 2021	18 September 2021
	£m	£m	£m	£m	£m	£m
<b>Operating segments</b>						
Grocery	1,821	1,834	3,593	175	199	413
Sugar	914	763	1,650	77	66	152
Agriculture	809	746	1,537	15	19	44
Ingredients	798	735	1,508	63	78	151
Food	4,342	4,078	8,288	330	362	760
Retail	3,540	2,232	5,593	414	43	321
Central	-	-	-	(38)	(37)	(70)
	7,882	6,310	13,881	706	368	1,011
Businesses disposed:						
Grocery	-	2	2	--	1	-
Ingredients	-	1	1	-	-	-
	7,882	6,313	13,884	706	369	1,011

References to changes in revenue and adjusted operating profit in the following segmental commentary are based on constant currency.

#### Grocery

	2022	2021	Actual currency	Constant currency
Revenue £m	1,821	1,834	-1%	+2%
Adjusted operating profit £m	175	199	-12%	-9%

Revenue in the first half was 2% ahead of last year in the face of a number of challenges: retail volumes returned to more normal levels after the COVID lockdowns last year, operating constraints this year as a result of supply chain disruption and COVID-related absences, and Allied Bakeries exiting the Co-op contract in April last year. Operating profit margin reduced with high levels of input cost inflation, especially in Allied Bakeries. Pricing actions have already been implemented and more are in hand to mitigate subsequent cost increases.

Twinings Ovaltine performed well in this period driven by Ovaltine revenue growth in Switzerland and Germany and some recovery in Thailand. In Twinings, further new product launches of Wellbeing teas more than offset a reduction in the retail sales of other teas from COVID-elevated levels last year.

Allied Bakeries sales were well below the same period last year. Restaurant and take-away trade sales were strong for Westmill. Sales were ahead at Acetum as we continue to internationalise and develop the Mazzetti brand. Patak's, Blue Dragon and Al'Fez performed strongly for AB World Foods but margins here, and at Jordans Dorset Ryvita, reduced with the later phasing of price increases.

ACH revenue growth was driven by the price increases for its vegetable oils implemented over the last year to mitigate the impact of higher commodity costs. Strong bakery ingredient volumes more than offset declines in US retail yeast volumes compared to the COVID-elevated levels during lockdowns. Adjusted operating profit for George Weston Foods in Australia was ahead of last year, despite COVID-related operational challenges in our Tip Top bread and Don KRC meat businesses. Tip Top traded well with successful new product launches into growth markets such as gluten-free bread. In the period we developed our pie business in New Zealand with the acquisition of Dad's Pies, a producer of premium pies.

## Sugar

	2022	2021	Actual currency	Constant currency
<b>Revenue £m</b>	<b>914</b>	<b>763</b>	<b>+20%</b>	<b>+19%</b>
<b>Adjusted operating profit £m</b>	<b>77</b>	<b>66</b>	<b>+17%</b>	<b>+8%</b>

AB Sugar traded strongly in the first half with revenue driven by both higher domestic sales volumes in Illovo and Azucarera and higher sugar and bioethanol prices. This period is the next step in the recovery of profit with an increase of 8% over last year. All businesses continued to focus on reducing the cost of sugar production through on-going efficiency programmes. These cost savings and the contribution from higher sales prices helped mitigate the effects of significant input cost inflation, particularly energy costs. The margin decline was driven by the start-up costs for our Vivergo bioethanol plant included in this period.

EU sugar prices continued to improve over last year as a result of the continuation of low European sugar stocks. Our UK and Spanish businesses have largely contracted sales for the year at much improved prices compared to last year.

UK sugar production is now expected to be 1.03 million tonnes, compared to 0.9 million tonnes produced in the last campaign, with good growing conditions supporting higher yields and mitigating the reduced growing area. The factories performed well, overcoming early beet logistics issues which delayed the start of the campaign. Energy costs remain at very high levels although substantial forward cover mitigated to some degree the margin impact during the first half. We have benefitted from strong pricing of the electricity we produce for export and from the bioethanol produced from sugar. Re-commissioning of the Vivergo bioethanol plant is well underway.

The performance of Azucarera in Spain improved with higher prices and volumes. Significantly improved sales volumes reflected share recovery in Iberia. Sugar production is expected to be significantly higher than last year, although mostly from lower margin refined raws.

Illovo continued to deliver strong domestic sales in Zambia, Malawi and Tanzania along with a strong contribution from co-products in South Africa. However, there was some disruption to production in Malawi, Eswatini and Mozambique in the period, in large part due to adverse weather. Sugar production for the full year is expected to be broadly in line with last year with earlier season start-ups planned later this year to offset the delays already experienced at the end of the current season. The construction of our new sugar factory in Tanzania has begun.

AB Sugar China trading performance was in line with last year.

## Agriculture

	2022	2021	Actual currency	Constant currency
<b>Revenue £m</b>	<b>809</b>	<b>746</b>	<b>+8%</b>	<b>+9%</b>
<b>Adjusted operating profit £m</b>	<b>15</b>	<b>19</b>	<b>-21%</b>	<b>-17%</b>

Revenue at AB Agri was well ahead of last year in the first half with higher selling prices reflecting commodity and energy cost increases. Profit margins were reduced in the period compared to the first half of the last financial year due to the later phasing of mitigating pricing actions.

In the UK sales of monogastric feed benefited from increased demand while pigs were held longer on farms due to meat processing constraints, but piglet feed demand reduced in response to low pork prices.

Frontier sales benefited from a strong start to the year for certified seed, crop protection and fertiliser with farmers willing to invest in crop inputs due to the strength of agricultural commodity prices. The profit from grain merchandising was behind the elevated levels last year when market volatility was high ahead of the end of the Brexit transition period at the end of calendar 2020.

Our business in China traded well with the benefit of a range of new premium products and we successfully opened a new mill in Tongchuan, which makes compound feed for pigs and ruminants.

## Ingredients

	2022	2021	Actual currency	Constant currency
<b>Revenue £m</b>	<b>798</b>	<b>735</b>	<b>+9%</b>	<b>+12%</b>
<b>Adjusted operating profit £m</b>	<b>63</b>	<b>78</b>	<b>-19%</b>	<b>-17%</b>

Revenue in the first half was 12% ahead of last year driven by volume recoveries in a number of our businesses and the price increases already implemented. However, margins were much lower as significant inflation impacted costs ahead of price actions especially in yeast and bakery ingredients.

AB Mauri revenues were ahead although held back by lower demand for retail yeast and retail bakery ingredients compared to last year when COVID restrictions were driving the popularity of home baking. Adjusted operating profit was impacted by the lag in the recovery of significant commodity input cost inflation and the timing of customer price actions. We continued to invest in capacity and capability. We opened a new facility in São Paulo, Brazil, which incorporates an innovation laboratory and bakery centre. A new specialty yeast plant is entering the final phase of construction at our Hull site in the UK which will further expand AB Biotek's ability to develop and deliver innovative products and solutions.

The businesses in ABF Ingredients performed well, with revenue significantly ahead driven by sustained volume recoveries and price increases to compensate for input inflation. AB Enzymes continued to see strong momentum in bakery, food and textiles and our animal feed enzymes performed well in a competitive environment. Abitec, our specialty lipids business, delivered sales growth in pharmaceutical excipients and specialty human nutrition products. Ohly, our yeast extracts business, traded well driven by new products targeted at the attractive meat alternative and human health and nutrition segments. This period we acquired the Fytexia Group, an expert life science company based in France and Italy which develops scientifically supported active nutrients for human health. This business is fast-growing, and the acquisition will broaden our product portfolio and enhance our capabilities to serve the pharmaceutical, nutritional, food and feed markets.

## Retail

	2022	2021	Actual currency	Constant currency
<b>Revenue £m</b>	<b>3,540</b>	<b>2,232</b>	<b>+59%</b>	<b>+64%</b>
<b>Adjusted operating profit £m</b>	<b>414</b>	<b>43</b>	<b>+863%</b>	<b>+781%</b>

All Primark stores were trading at the period end and, with minor exceptions, remained open throughout the half year. This compared to prolonged periods of store closures in the UK and Europe in the first half of last year. As a consequence, sales for the first half were 64% ahead of last year and operating profit margin recovered strongly to 11.7%, broadly in line with pre-COVID levels achieved two years ago.

Like-for-like sales improved compared to the final quarter of our 2021 financial year and for the first half were 10% lower than pre-COVID levels in the same period two years ago. Total sales were 4% lower than pre-COVID levels two years ago having opened 27 stores which increased our selling space during this period. Sales were disrupted by the Omicron infections in the middle of this half year but subsequently we have seen like-for-like sales pick up strongly in the UK and Ireland. However, recovery has been slower in Continental Europe where some restrictions have persisted for longer and consumer footfall has remained weaker.

Sales in our UK stores were well ahead of last year. Like-for-like sales were 8% below two years ago and have continued to improve after the period end. Stores in retail parks and town centres have outperformed and footfall in destination city centre stores has picked up as more customers return to work, socialise and shop in city centres.

Sales in Continental Europe were also well ahead of last year. Total sales were 3% below two years ago; like-for-like sales were 14% down, offset by a 12% increase in retail selling space.

Our US business traded well. Total sales were 37% ahead of two years ago; like-for-like sales were 1% ahead of two years ago.

We have seen strong sales of luggage and holiday essentials such as swimwear and sandals as customers return to holiday travel. Sales of health and beauty also staged a recovery as customers return to socialising and false eyelashes and nails performed particularly well with demand boosted by promotion on our social media channels. Homewares benefited from more home entertaining. Customer reaction to our new spring/summer fashion ranges has been very positive. We continued to develop The Edit, our quality investment pieces for

women which first launched in the autumn, and The Great Outdoors, our range of high-performance clothing and accessories of which one-third is made from recycled or more sustainably sourced materials.

Operating profit margin of 11.7% in the first half mainly reflected our stores trading for the whole of the period with minor exceptions. In this half year, inflation in raw materials and supply chain costs was broadly mitigated by a favourable US dollar exchange rate and a reduction in store operating costs. Our stock purchases for the second half of the financial year are already largely committed and we expect some reduction in the second half operating profit margin compared to the first half. We expect Primark's full year margin to be some 10%. With increasing inflationary pressure and dollar strengthening, we will implement selective price increases across some of our autumn/winter stock. However, we are committed to ensuring our price leadership and everyday affordability.

Following the launch last September of the sustainability strategy, Primark Cares, we are developing key performance indicators for the three pillars that will form the basis of ESG reporting in our full year results. We are making progress in a number of key areas, in line with our pledge to make more sustainable choices affordable for all. Some 39% of all clothes sold in the first half were made from recycled or more sustainably sourced materials, a big step-up from 25% for the six months to July 2021. More than half of the clothes we sell are made from cotton and one-third of the cotton in our clothes is now recycled, organic or sourced from the Primark Sustainable Cotton Programme, up from 27% at the launch of Primark Cares. We have now trained some 150,000 farmers in more sustainable farming practices under this Programme, and we are well-placed to reach our target of 160,000 farmers by the end of this calendar year.

	Six months to March 2022	Six months to July 2021
Proportion of clothes made from recycled or more sustainably sourced materials (in unit sales)	39%	25%
Proportion of cotton that is organic, recycled or sourced from the Primark Sustainable Cotton Programme	33%	27%

The disruption experienced in the supply chain in the autumn continued to alleviate. However, we are still experiencing some delays in dispatch at ports of origin and we expect longer shipping times to continue for some time.

The roll-out of the Oracle stock management system across our store estate is now complete and we are making good progress to equip all stores with state-of-the-art point of sale terminals.

We are transforming Primark's digital capability. We took a significant step forward with the UK launch earlier this month of our new customer website. The new site showcases many more of our products and allows customers to check stock availability in their chosen store. We have seen good early reaction from customers: in the first two weeks, traffic to the new site doubled with customers viewing on average twice as many individual pages per session. We will add additional features including a customer account and the ability to create a wishlist of favourite products enabling more personalised marketing. We will roll out the new website across all our markets by the autumn.

Retail selling space increased by 0.2 million sq ft since the financial year end and at 5 March 2022 we were trading from 402 stores and 17.0 million sq ft of retail space, which compared to 16.5 million sq ft a year ago. Four new stores were opened in the period: Catania in Sicily, Italy, and Vigo, Girona and Cadiz in Spain. In addition, we relocated to larger premises in Gloucester in the UK. Since the half year, we opened a new flagship store in Milan city centre, Italy, which has been met by a very strong customer response. We expect to add a net total of 0.5 million sq ft of selling space this financial year.

We continue to make good progress in developing the pipeline of new stores to deliver our ambition to grow our store estate to some 530 stores in the next five years. Our growth markets are the US, France, Italy and Iberia. We will deliver a strong programme of store openings in our next financial year with many currently scheduled during the period up to Christmas 2022. We will also enter the new markets of Romania and Slovakia during that financial year, which will be our fifteenth and sixteenth markets. The US will become a major market for us and, in addition to the six new leases already announced, we have signed an additional three: Walden Galleria Buffalo, in upstate New York, Jersey Gardens, Elizabeth New Jersey, and Woodfield Mall, which will become our second store in the Chicago area. We are already planning an extension to our recently opened store in Sawgrass Mills, Florida.

## PRINCIPAL RISKS AND UNCERTAINTIES

### Managing our risks

#### Our approach to risk management

The delivery of our strategic objectives is dependent on effective risk management. There are a number of potential risks and uncertainties which could have a material impact on the Group's performance and could cause actual results to differ materially from expected and historical results. Details of the principal risks facing the Group's businesses at an operational level were included on pages 88 to 94 of the Group's Annual Report and Accounts for the 53 weeks ended 18 September 2021, as part of the Strategic Report.

We have reassessed our principal risks as the world faces the repercussions and impacts of the ongoing geopolitical crisis between Russia and Ukraine; together with the inflationary pressures on raw materials, commodities and energy as economies recover from the impacts of COVID.

In response to the geopolitical uncertainties, our procurement teams have been working closely with suppliers to help them assess their business continuity plans and where appropriate to identify and establish alternative suppliers for essential ingredients and services. In addition, some of our businesses are looking at amending recipes to substitute ingredients, such as sunflower oil, which are likely to be in short supply.

Our businesses remain on high alert to the heightened risk of IT security breaches and cyber-based attacks. We continue to invest in monitoring and detection capabilities.

Whilst the majority of the world is emerging from the COVID pandemic, localised restrictions remain a risk, particularly in Asia.

The purchase of merchandise denominated in foreign currencies by Primark is the most material currency transaction risk for the Group, although Primark is now fully bought for this financial year. The crisis in Ukraine has led to significant volatility in FX markets and a general strengthening of the US dollar, and other commodity-independent currencies such as the Australian dollar, versus Sterling and the Euro. The net impact of these moves will likely lead to a small translation gain in the second half of the financial year.

The Group purchases a wide range of commodities, including the consumption of energy, in the ordinary course of business. We constantly monitor the markets in which we operate and manage certain of these exposures with fixed price supply contracts, exchange traded contracts and hedging instruments. The commercial implications of commodity price movements are continuously assessed and, where appropriate, are reflected in the pricing of our products.

The number of employees working from home continues to be high and they are supported by effective collaboration tools with appropriate IT infrastructure and bandwidth. Remote working has increased the exposure to phishing attacks, which together with socially engineered fraud, have become more sophisticated. In response to this we have worked on increasing user awareness and have implemented higher levels of monitoring.

The Group continues to focus on tightly managing cash flow and maintaining a very strong level of liquidity, further strengthened by the issuance of ABF's £400m 12-year inaugural public bond in February 2022.

#### Going concern

After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the Condensed Consolidated Interim Financial Statements. See note 10 to the Condensed Consolidated Interim Financial Statements.

## Condensed consolidated income statement

for the 24 weeks ended 5 March 2022

		24 weeks ended 5 March 2022	24 weeks ended 27 February 2021	53 weeks ended 18 September 2021
	Note	£m	£m	£m
Continuing operations				
<b>Revenue</b>	1	<b>7,882</b>	6,313	13,884
Operating costs before exceptional items		(7,237)	(5,996)	(13,008)
Exceptional items	2	-	(25)	(151)

	645	292	725
Share of profit after tax from joint ventures and associates	37	26	79
Profits less losses on disposal of non-current assets	4	2	4
<b>Operating profit</b>	<b>686</b>	<b>320</b>	<b>808</b>
Adjusted operating profit	706	369	1,011
Profits less losses on disposal of non-current assets	4	2	4
Amortisation of non-operating intangibles	(20)	(24)	(50)
Acquired inventory fair value adjustments	-	(1)	(3)
Transaction costs	(4)	(1)	(3)
Exceptional items	2	-	(25)
Profits less losses on sale and closure of businesses	6	(11)	5
Profit before interest	675	325	828
Finance income	6	5	9
Finance expense	(50)	(52)	(111)
Other financial income/(expense)	4	(3)	(1)
Profit before taxation	635	275	725
Adjusted profit before taxation	666	319	908
Profits less losses on disposal of non-current assets	4	2	4
Amortisation of non-operating intangibles	(20)	(24)	(50)
Acquired inventory fair value adjustments	-	(1)	(3)
Transaction costs	(4)	(1)	(3)
Exceptional items	2	-	(25)
Profits less losses on sale and closure of businesses	6	(11)	5
Taxation UK (excluding tax on exceptional items)	(29)	(18)	(68)
UK (on exceptional items)	-	3	3
Overseas (excluding tax on exceptional items)	(122)	(90)	(196)
Overseas (on exceptional items)	-	2	34
	3	(151)	(103)
<b>Profit for the period</b>	<b>484</b>	<b>172</b>	<b>498</b>
<b>Attributable to</b>			
Equity shareholders	476	162	478
Non-controlling interests	8	10	20
<b>Profit for the period</b>	<b>484</b>	<b>172</b>	<b>498</b>
Basic and diluted earnings per ordinary share (pence)	4	60.3	20.5
Dividends per share paid and proposed for the period (pence)	5	13.8	6.2
Special dividend per share proposed for the period (pence)	5	nil	nil

## Condensed consolidated statement of comprehensive income

for the 24 weeks ended 5 March 2022

	24 weeks ended 5 March 2022 £m	24 weeks ended 27 February 2021 £m	53 weeks ended 18 September 2021 £m
<b>Profit for the period recognised in the income statement</b>	<b>484</b>	<b>172</b>	<b>498</b>
<b>Other comprehensive income</b>			
Remeasurements of defined benefit schemes	300	448	559
Deferred tax associated with defined benefit schemes	(74)	(84)	(144)
Items that will not be reclassified to profit or loss	226	364	415
Effect of movements in foreign exchange	5	(335)	(355)
Net gain on hedge of net investment in foreign subsidiaries	5	11	14
Reclassification adjustment for movements in foreign exchange on subsidiaries disposed	-	(6)	(6)
Movement in cash flow hedging position	72	(26)	39
Deferred tax associated with movement in cash flow hedging position	(3)	(1)	(14)
Share of other comprehensive income of joint ventures and associates	7	(10)	(10)
Effect of hyperinflationary economies	10	12	18
Items that are or may be subsequently reclassified to profit or loss	96	(355)	(314)
<b>Other comprehensive income for the period</b>	<b>322</b>	<b>9</b>	<b>101</b>
<b>Total comprehensive income for the period</b>	<b>806</b>	<b>181</b>	<b>599</b>
<b>Attributable to</b>			
Equity shareholders	799	177	579
Non-controlling interests	7	4	20
<b>Total comprehensive income for the period</b>	<b>806</b>	<b>181</b>	<b>599</b>

## Condensed consolidated balance sheet

at 5 March 2022

	Note	5 March 2022 £m	27 February 2021 £m	18 September 2021 £m
<b>Non-current assets</b>				
Intangible assets		1,756	1,570	1,581
Property, plant and equipment		5,308	5,417	5,286
Right-of-use assets		2,511	2,772	2,649
Investments in joint ventures		271	256	278
Investments in associates		69	59	60
Employee benefits assets	9	942	531	640
Income tax		23	-	23
Deferred tax assets		191	217	218
Other receivables		53	58	55
<b>Total non-current assets</b>		<b>11,124</b>	<b>10,880</b>	<b>10,790</b>
<b>Current assets</b>				
Assets classified as held for sale		-	-	13
Inventories		2,525	2,596	2,151
Biological assets		115	96	85
Trade and other receivables		1,507	1,381	1,367
Derivative assets		146	64	124
Current asset investments	7	34	33	32
Income tax		62	13	58
Cash and cash equivalents	7	2,190	1,112	2,275
<b>Total current assets</b>		<b>6,579</b>	<b>5,295</b>	<b>6,105</b>
<b>Total assets</b>		<b>17,703</b>	<b>16,175</b>	<b>16,895</b>
<b>Current liabilities</b>				
Lease liabilities	7	(292)	(290)	(289)
Loans and overdrafts	7	(275)	(213)	(330)
Trade and other payables		(2,466)	(1,931)	(2,386)
Derivative liabilities		(40)	(48)	(34)
Income tax		(152)	(101)	(172)
Provisions		(80)	(102)	(71)
<b>Total current liabilities</b>		<b>(3,305)</b>	<b>(2,685)</b>	<b>(3,282)</b>
<b>Non-current liabilities</b>				
Lease liabilities	7	(2,849)	(3,130)	(2,992)
Loans	7	(473)	(227)	(76)
Provisions		(35)	(47)	(31)
Deferred tax liabilities		(456)	(300)	(363)
Employee benefits liabilities		(145)	(149)	(147)
<b>Total non-current liabilities</b>		<b>(3,958)</b>	<b>(3,853)</b>	<b>(3,609)</b>
<b>Total liabilities</b>		<b>(7,263)</b>	<b>(6,538)</b>	<b>(6,891)</b>
<b>Net assets</b>		<b>10,440</b>	<b>9,637</b>	<b>10,004</b>
<b>Equity</b>				
Issued capital		45	45	45
Other reserves		175	175	175
Translation reserve		(16)	(11)	(34)
Hedging reserve		61	-	43
Retained earnings		10,091	9,359	9,692
<b>Total equity attributable to equity shareholders</b>		<b>10,356</b>	<b>9,568</b>	<b>9,921</b>
Non-controlling interests		84	69	83
<b>Total equity</b>		<b>10,440</b>	<b>9,637</b>	<b>10,004</b>

## Condensed consolidated cash flow statement

for the 24 weeks ended 5 March 2022

	Note	24 weeks ended 5 March 2022 £m	24 weeks ended 27 February 2021 £m	53 weeks ended 18 September 2021 £m
<b>Cash flow from operating activities</b>				
Profit before taxation		635	275	725
Profits less losses on disposal of non-current assets		(4)	(2)	(4)
Profits less losses on sale and closure of businesses		11	(5)	(20)
Transaction costs		4	1	3
Finance income		(6)	(5)	(9)
Finance expense		50	52	111
Other financial (income)/expense		(4)	3	1
Share of profit after tax from joint ventures and associates		(37)	(26)	(79)



Amortisation		33	34	74
Depreciation (including depreciation of right-of-use assets and non-cash lease adjustments)		373	409	823
Exceptional items		-	25	151
Acquired inventory fair value adjustments		-	1	3
Effect of hyperinflationary economies		2	2	7
Net change in the fair value of current biological assets		(29)	(32)	(12)
Share-based payment expense		8	8	17
Pension costs less contributions		3	4	4
Increase in inventories		(376)	(565)	(120)
Increase in receivables		(122)	(113)	(98)
Increase/(decrease) in payables		46	(269)	175
Purchases less sales of current biological assets		-	-	(1)
Increase/(decrease) in provisions		13	(16)	(40)
Cash generated from/(utilised in) operations		600	(219)	1,711
Income taxes paid		(150)	(160)	(298)
<b>Net cash generated from/(utilised in) operating activities</b>		<b>450</b>	<b>(379)</b>	<b>1,413</b>
<b>Cash flow from investing activities</b>				
Dividends received from joint ventures and associates		45	27	63
Purchase of property, plant and equipment		(272)	(263)	(551)
Purchase of intangibles		(64)	(44)	(76)
Lease incentives received		8	12	10
Sale of property, plant and equipment		10	9	21
Purchase of subsidiaries, joint ventures and associates	6	(114)	(39)	(57)
Sale of subsidiaries, joint ventures and associates	6	-	34	34
Purchase of other investments		-	(13)	(14)
Interest received		4	6	9
<b>Net cash used in investing activities</b>		<b>(383)</b>	<b>(271)</b>	<b>(561)</b>
<b>Cash flow from financing activities</b>				
Dividends paid to non-controlling interests		(6)	(2)	(4)
Dividends paid to equity shareholders	5	(271)	-	(49)
Interest paid		(48)	(56)	(116)
Repayment of lease liabilities	7	(131)	(131)	(290)
(Decrease)/increase in short-term loans	7	(80)	4	(10)
Increase/(decrease) in long-term loans	7	402	-	(18)
Increase in current asset investments	7	(1)	(2)	(2)
Movement from changes in own shares held		(50)	-	-
Purchase of shares in subsidiary undertaking from non-controlling interests		-	(23)	(23)
<b>Net cash used in financing activities</b>		<b>(185)</b>	<b>(210)</b>	<b>(512)</b>
Net (decrease)/increase in cash and cash equivalents		(118)	(860)	340
Cash and cash equivalents at the beginning of the period		2,189	1,909	1,909
Effect of movements in foreign exchange		20	(23)	(60)
<b>Cash and cash equivalents at the end of the period</b>	7	<b>2,091</b>	<b>1,026</b>	<b>2,189</b>

## Condensed consolidated statement of changes in equity

for the 24 weeks ended 5 March 2022

	Attributable to equity shareholders						Non-controlling interests	Total equity	
	Note	Issued capital	Other reserves	Translation reserve	Hedging reserve	Retained earnings			
		£m	£m	£m	£m	£m	£m	£m	
Balance as at 18 September 2021		45	175	(34)	43	9,692	9,921	83	10,004
<b>Total comprehensive income</b>									
Profit for the period recognised in the income statement		-	-	-	-	476	476	8	484
Remeasurements of defined benefit schemes		-	-	-	-	300	300	-	300
Deferred tax associated with defined benefit schemes		-	-	-	-	(74)	(74)	-	(74)
Items that will not be reclassified to profit or loss		-	-	-	-	226	226	-	226
Effect of movements in foreign exchange		-	-	6	-	-	6	(1)	5
Net gain on hedge of net investment in foreign subsidiaries		-	-	5	-	-	5	-	5
Movement in cash flow hedging position		-	-	-	72	-	72	-	72
Deferred tax associated with movement in cash flow hedging position		-	-	-	(3)	-	(3)	-	(3)
Share of other comprehensive income of joint ventures and associates		-	-	7	-	-	7	-	7
Effect of hyperinflationary economies		-	-	-	-	10	10	-	10
Items that are or may be reclassified to profit or loss		-	-	18	69	10	97	(1)	96
Other comprehensive income		-	-	18	69	236	323	(1)	322
Total comprehensive income		-	-	18	69	712	799	7	806
<b>Inventory cash flow hedge movements</b>									
Gains transferred to cost of inventory		-	-	-	(51)	-	(51)	-	(51)
Total inventory cash flow hedge movements		-	-	-	(51)	-	(51)	-	(51)
<b>Transactions with owners</b>									
Dividends paid to equity shareholders	5	-	-	-	-	(271)	(271)	-	(271)
Net movement in own shares held		-	-	-	-	(42)	(42)	-	(42)





Dividends paid to equity shareholders	5	-	-	-	-	(49)	(49)	-	(49)
Net movement in own shares held		-	-	-	-	17	17	-	17
Dividends paid to non-controlling interests		-	-	-	-	-	-	(4)	(4)
Acquisition of non-controlling interests		-	-	-	-	(6)	(6)	(17)	(23)
Total transactions with owners		-	-	-	-	(38)	(38)	(21)	(59)
<b>Balance as at 18 September 2021</b>		45	175	(34)	43	9,692	9,921	83	10,004

## 1. Operating segments

The Group has five operating segments. These are the Group's operating divisions, based on the management and internal reporting structure, which combine businesses with common characteristics, primarily in respect of the type of products offered by each business, but also the production processes involved and the manner of the distribution and sale of goods. The Board is the chief operating decision-maker.

Inter-segment pricing is determined on an arm's length basis. Segment result is adjusted operating profit, as shown on the face of the consolidated income statement. Segment assets comprise all non-current assets except employee benefits assets and deferred tax assets, and all current assets except cash and cash equivalents, current asset investments and income tax assets. Segment liabilities comprise trade and other payables, derivative liabilities, provisions and lease liabilities.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets and expenses, cash, borrowings, employee benefits balances and current and deferred tax balances.

Segment non-current asset additions are the total cost incurred during the period to acquire segment assets that are expected to be used for more than one year, comprising property, plant and equipment, right-of-use assets, operating intangibles and biological assets.

Businesses disposed are shown separately and comparatives have been re-presented for businesses sold or closed during the period.

The Group is comprised of the following operating segments:

### Grocery

The manufacture of grocery products, including hot beverages, sugar and sweeteners, vegetable oils, balsamic vinegars, bread and baked goods, cereals, ethnic foods, and meat products, which are sold to retail, wholesale and foodservice businesses.

### Sugar

The growing and processing of sugar beet and sugar cane for sale to industrial users and to Silver Spoon, which is included in the Grocery segment.

### Agriculture

The manufacture of animal feeds and the provision of other products for the agriculture sector.

### Ingredients

The manufacture of bakers' yeast, bakery ingredients, enzymes, lipids, yeast extracts and cereal specialities.

### Retail

Buying and merchandising value clothing and accessories through the Primark and Penneys retail chains.

### Geographical information

In addition to the required disclosure for operating segments, disclosure is also given of certain geographical information about the Group's operations, based on the geographical groupings: United Kingdom; Europe & Africa; The Americas; and Asia Pacific.

Revenues are shown by reference to the geographical location of customers. Profits are shown by reference to the geographical location of the businesses. Segment assets are based on the geographical location of the assets.

	Revenue			Adjusted operating profit		
	24 weeks ended	24 weeks ended	53 weeks ended	24 weeks ended	24 weeks ended	53 weeks ended
	5 March 2022	27 February 2021	18 September 2021	5 March 2022	27 February 2021	18 September 2021
	£m	£m	£m	£m	£m	£m
<b>Operating segments</b>						
Grocery	1,821	1,834	3,593	175	199	413
Sugar	914	763	1,650	77	66	152
Agriculture	809	746	1,537	15	19	44
Ingredients	798	735	1,508	63	78	151
Food	4,342	4,078	8,288	330	362	760
Retail	3,540	2,232	5,593	414	43	321
Central	-	-	-	(38)	(37)	(70)
	7,882	6,310	13,881	706	368	1,011
Businesses disposed:						
Grocery	-	2	2	-	1	-
Ingredients	-	1	1	-	-	-
	7,882	6,313	13,884	706	369	1,011
<b>Geographical information</b>						
United Kingdom	2,951	2,186	4,982	288	99	293
Europe & Africa	2,902	2,180	4,944	255	69	302
The Americas	919	801	1,678	107	130	259
Asia Pacific	1,110	1,143	2,277	56	70	157
	7,882	6,310	13,881	706	368	1,011
Businesses disposed:						
Asia Pacific	-	3	3	-	1	-
	7,882	6,313	13,884	706	369	1,011

### Operating segments for the 24 weeks ended 5 March 2022

	Grocery £m	Sugar £m	Agriculture £m	Ingredients £m	Retail £m	Central £m	Total £m
Revenue from continuing businesses	1,822	950	810	878	3,540	(118)	7,882
Internal revenue	(1)	(36)	(1)	(80)	-	118	-
External revenue from continuing businesses	1,821	914	809	798	3,540	-	7,882
Revenue from external customers	1,821	914	809	798	3,540	-	7,882

Adjusted operating profit before joint ventures and associates	150	75	13	54	414	(38)	668
Share of profit after tax from joint ventures and associates	25	2	2	9	-	-	38
Adjusted operating profit	175	77	15	63	414	(38)	706
Profits less losses on disposal of non-current assets	3	-	-	-	-	1	4
Amortisation of non-operating intangibles	(15)	-	-	(5)	-	-	(20)
Transaction costs	(1)	-	-	(3)	-	-	(4)
Profits less losses on sale and closure of businesses	-	-	-	(11)	-	-	(11)
Profit before interest	162	77	15	44	414	(37)	675
Finance income						6	6
Finance expense	(1)	(1)	-	-	(35)	(13)	(50)
Other financial income						4	4
Taxation						(151)	(151)
<b>Profit for the period</b>	<b>161</b>	<b>76</b>	<b>15</b>	<b>44</b>	<b>379</b>	<b>(191)</b>	<b>484</b>
Segment assets (excluding joint ventures and associates)	2,611	2,099	519	1,722	6,805	165	13,921
Investments in joint ventures and associates	37	32	141	130	-	-	340
<b>Segment assets</b>	<b>2,648</b>	<b>2,131</b>	<b>660</b>	<b>1,852</b>	<b>6,805</b>	<b>165</b>	<b>14,261</b>
Cash and cash equivalents						2,190	2,190
Current asset investments						34	34
Income tax						85	85
Deferred tax assets						191	191
Employee benefits assets						942	942
<b>Segment liabilities</b>	<b>(649)</b>	<b>(461)</b>	<b>(177)</b>	<b>(349)</b>	<b>(3,906)</b>	<b>(220)</b>	<b>(5,762)</b>
Loans and overdrafts						(748)	(748)
Income tax						(152)	(152)
Deferred tax liabilities						(456)	(456)
Employee benefits liabilities						(145)	(145)
<b>Net assets</b>	<b>1,999</b>	<b>1,670</b>	<b>483</b>	<b>1,503</b>	<b>2,899</b>	<b>1,886</b>	<b>10,440</b>
Non-current asset additions	55	120	14	73	142	1	405
Depreciation and non-cash lease adjustments	(52)	(42)	(8)	(26)	(240)	(5)	(373)
Amortisation	(20)	(1)	(1)	(6)	(5)	-	(33)
Impairment of property, plant, equipment and right-of-use assets on sale and closure of businesses	-	-	-	(11)	-	-	(11)

#### Operating segments for the 24 weeks ended 27 February 2021

	Grocery £m	Sugar £m	Agriculture £m	Ingredients £m	Retail £m	Central £m	Total £m
Revenue from continuing businesses	1,835	798	747	825	2,232	(127)	6,310
Internal revenue	(1)	(35)	(1)	(90)	-	127	-
External revenue from continuing businesses	1,834	763	746	735	2,232	-	6,310
Businesses disposed	2	-	-	1	-	-	3
Revenue from external customers	1,836	763	746	736	2,232	-	6,313
Adjusted operating profit before joint ventures and associates	186	64	16	69	43	(37)	341
Share of profit after tax from joint ventures and associates	13	2	3	9	-	-	27
Businesses disposed	1	-	-	-	-	-	1
Adjusted operating profit	200	66	19	78	43	(37)	369
Profits less losses on disposal of non-current assets	1	-	-	1	-	-	2
Amortisation of non-operating intangibles	(20)	-	(1)	(3)	-	-	(24)
Acquired inventory fair value adjustments	(1)	-	-	-	-	-	(1)
Transaction costs	-	-	-	(1)	-	-	(1)
Exceptional items	-	-	-	-	(21)	(4)	(25)
Profits less losses on sale and closure of businesses	-	-	-	5	-	-	5
Profit before interest	180	66	18	80	22	(41)	325
Finance income						5	5
Finance expense	-	(1)	-	-	(37)	(14)	(52)
Other financial expense						(3)	(3)
Taxation						(103)	(103)
<b>Profit for the period</b>	<b>180</b>	<b>65</b>	<b>18</b>	<b>80</b>	<b>(15)</b>	<b>(156)</b>	<b>172</b>
Segment assets (excluding joint ventures and associates)	2,585	1,925	466	1,394	7,417	167	13,954
Investments in joint ventures and associates	36	27	139	113	-	-	315
<b>Segment assets</b>	<b>2,621</b>	<b>1,952</b>	<b>605</b>	<b>1,507</b>	<b>7,417</b>	<b>167</b>	<b>14,269</b>
Cash and cash equivalents						1,112	1,112
Current asset investments						33	33
Income tax						13	13
Deferred tax assets						217	217
Employee benefits assets						531	531
<b>Segment liabilities</b>	<b>(609)</b>	<b>(334)</b>	<b>(153)</b>	<b>(302)</b>	<b>(3,924)</b>	<b>(226)</b>	<b>(5,548)</b>
Loans and overdrafts						(440)	(440)
Income tax						(101)	(101)
Deferred tax liabilities						(300)	(300)
Employee benefits liabilities						(149)	(149)
<b>Net assets</b>	<b>2,012</b>	<b>1,618</b>	<b>452</b>	<b>1,205</b>	<b>3,493</b>	<b>857</b>	<b>9,637</b>
Non-current asset additions	44	50	10	59	162	8	333

Depreciation and non-cash lease adjustments	(56)	(47)	(8)	(27)	(266)	(5)	(409)
Amortisation	(24)	(1)	(2)	(4)	(2)	(1)	(34)

#### Operating segments for the 53 weeks ended 18 September 2021

	Grocery £m	Sugar £m	Agriculture £m	Ingredients £m	Retail £m	Central £m	Total £m
Revenue from continuing businesses	3,594	1,714	1,539	1,687	5,593	(246)	13,881
Internal revenue	(1)	(64)	(2)	(179)	-	246	-
External revenue from continuing businesses	3,593	1,650	1,537	1,508	5,593	-	13,881
Businesses disposed	2	-	-	1	-	-	3
Revenue from external customers	3,595	1,650	1,537	1,509	5,593	-	13,884
Adjusted operating profit before joint ventures and associates	364	149	31	134	321	(70)	929
Share of profit after tax from joint ventures and associates	49	3	13	17	-	-	82
Adjusted operating profit	413	152	44	151	321	(70)	1,011
Profits less losses on disposal of non-current assets	2	1	-	1	-	-	4
Amortisation of non-operating intangibles	(41)	-	(2)	(7)	-	-	(50)
Acquired inventory fair value adjustments	(3)	-	-	-	-	-	(3)
Transaction costs	-	-	-	(2)	-	(1)	(3)
Exceptional items	-	(141)	-	-	(6)	(4)	(151)
Profits less losses on sale and closure of businesses	-	-	-	19	-	1	20
Profit before interest	371	12	42	162	315	(74)	828
Finance income	-	-	-	-	-	9	9
Finance expense	(1)	(2)	-	(1)	(80)	(27)	(111)
Other financial expense	-	-	-	-	-	(1)	(1)
Taxation	-	-	-	-	-	(227)	(227)
<b>Profit for the period</b>	<b>370</b>	<b>10</b>	<b>42</b>	<b>161</b>	<b>235</b>	<b>(320)</b>	<b>498</b>
Segment assets (excluding joint ventures and associates)	2,541	1,776	441	1,480	6,919	154	13,311
Investments in joint ventures and associates	53	28	139	118	-	-	338
<b>Segment assets</b>	<b>2,594</b>	<b>1,804</b>	<b>580</b>	<b>1,598</b>	<b>6,919</b>	<b>154</b>	<b>13,649</b>
Cash and cash equivalents	-	-	-	-	-	2,275	2,275
Current asset investments	-	-	-	-	-	32	32
Income tax	-	-	-	-	-	81	81
Deferred tax assets	-	-	-	-	-	218	218
Employee benefits assets	-	-	-	-	-	640	640
<b>Segment liabilities</b>	<b>(601)</b>	<b>(361)</b>	<b>(151)</b>	<b>(340)</b>	<b>(4,142)</b>	<b>(208)</b>	<b>(5,803)</b>
Loans and overdrafts	-	-	-	-	-	(406)	(406)
Income tax	-	-	-	-	-	(172)	(172)
Deferred tax liabilities	-	-	-	-	-	(363)	(363)
Employee benefits liabilities	-	-	-	-	-	(147)	(147)
<b>Net assets</b>	<b>1,993</b>	<b>1,443</b>	<b>429</b>	<b>1,258</b>	<b>2,777</b>	<b>2,104</b>	<b>10,004</b>
Non-current asset additions	113	134	21	118	343	16	745
Depreciation and non-cash lease adjustments	(110)	(82)	(16)	(56)	(549)	(10)	(823)
Amortisation	(48)	(4)	(3)	(9)	(8)	(2)	(74)
Reversal of impairment of property, plant, equipment and right-of-use assets on sale and closure of businesses	-	-	-	10	-	-	10

#### Geographical information for the 24 weeks ended 5 March 2022

	United Kingdom £m	Europe & Africa £m	The Americas £m	Asia Pacific £m	Total £m
Revenue from external customers	2,951	2,902	919	1,110	7,882
Segment assets	5,449	5,856	1,415	1,541	14,261
Non-current asset additions	139	170	54	42	405
Depreciation and non-cash lease adjustments	(138)	(176)	(29)	(30)	(373)
Amortisation	(14)	(13)	(3)	(3)	(33)
Transaction costs	(3)	-	-	(1)	(4)
Impairment of property, plant, equipment and right-of-use assets on sale and closure of businesses	-	-	-	(11)	(11)

#### Geographical information for the 24 weeks ended 27 February 2021

	United Kingdom £m	Europe & Africa £m	The Americas £m	Asia Pacific £m	Total £m
Revenue from external customers	2,186	2,180	801	1,146	6,313
Segment assets	5,577	6,020	1,214	1,458	14,269
Non-current asset additions	98	164	32	39	333
Depreciation and non-cash lease adjustments	(144)	(203)	(30)	(32)	(409)
Amortisation	(17)	(10)	(4)	(3)	(34)
Acquired inventory fair value adjustments	-	(1)	-	-	(1)
Transaction costs	-	-	-	(1)	(1)
Exceptional items	(18)	(7)	-	-	(25)

#### Geographical information for the 53 weeks ended 18 September 2021

	United Kingdom £m	Europe & Africa £m	The Americas £m	Asia Pacific £m	Total £m
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Revenue from external customers	4,982	4,944	1,678	2,280	13,884
Segment assets	5,178	5,754	1,324	1,393	13,649
Non-current asset additions	200	382	74	89	745
Depreciation and non-cash lease adjustments	(288)	(406)	(62)	(67)	(823)
Amortisation	(35)	(26)	(7)	(6)	(74)
Acquired inventory fair value adjustments	-	(3)	-	-	(3)
Reversal of impairment of property, plant, equipment and right-of-use assets on sale and closure of businesses	-	-	-	10	10
Transaction costs	(2)	-	-	(1)	(3)
Exceptional items	(13)	(117)	-	(21)	(151)

The Group's operations in the following countries met the criteria for separate disclosure:

	Revenue			Non-current assets		
	24 weeks ended	24 weeks ended	53 weeks ended	24 weeks ended	24 weeks ended	53 weeks ended
	5 March 2022	February 2021	September 2021	5 March 2022	February 2021	September 2021
	£m	£m	£m	£m	£m	£m
Australia	571	601	1,209	568	545	533
Spain	748	541	1,190	635	776	670
United States	614	530	1,098	683	651	672

All segment disclosures are stated before reclassification of assets and liabilities classified as held for sale.

## 2. Exceptional items

### 2021

Exceptional items of £151m for the 53 weeks ended 18 September 2021 included impairments of £141m in property, plant and equipment at Azucarera and other sugar businesses, a £21m inventory charge in Primark, the reversal of £20m of the £22m Primark inventory provision raised in 2020, a £5m provision for excessive stock of COVID-19 related items in Primark and a £4m pension past service cost following a further High Court ruling on 20 November 2020 regarding the equalisation of Guaranteed Minimum Pensions.

Our prior year half year results were announced on 20 April 2021 and included an exceptional inventory impairment charge of £21m in Primark, which related to certain seasonal items already on display in closed stores and which could not be sold before the end of the season. These items had been cleared from our stores and the exceptional provision was charged to reflect the write down of this inventory to net realisable value, which was subsequently utilised. The £4m pension past service cost was recorded in the first half.

## 3. Income tax expense

	24 weeks ended 5 March 2022 £m	24 weeks ended 27 February 2021 £m	53 weeks ended 18 September 2021 £m
<b>Current tax expense</b>			
UK - corporation tax at 19% (2021 - 19%)	18	12	46
Overseas - corporation tax	112	98	208
UK - under provided in prior periods	1	-	9
Overseas - over provided in prior periods	(3)	(2)	(9)
	128	108	254
<b>Deferred tax expense</b>			
UK deferred tax	10	3	13
Overseas deferred tax	12	(8)	(37)
UK - over provided in prior periods	-	-	(3)
Overseas - under provided in prior periods	1	-	-
	23	(5)	(27)
<b>Total income tax expense in income statement</b>	<b>151</b>	<b>103</b>	<b>227</b>
<b>Reconciliation of effective tax rate</b>			
Profit before taxation	635	275	725
Less share of profit after tax from joint ventures and associates	(37)	(26)	(79)
<b>Profit before taxation excluding share of profit after tax from joint ventures and associates</b>	<b>598</b>	<b>249</b>	<b>646</b>
Nominal tax charge at UK corporation tax rate of 19% (2021 - 19%)	114	47	123
Effect of higher and lower tax rates on overseas earnings	7	26	33
Effect of changes in tax rates on income statement	3	-	17
Expenses not deductible for tax purposes	24	26	51
Disposal of assets covered by tax exemptions or unrecognised capital losses	1	-	(3)
Deferred tax not recognised	3	6	9
Adjustments in respect of prior periods	(1)	(2)	(3)
	151	103	227
<b>Income tax recognised directly in equity</b>			
Deferred tax associated with defined benefit schemes	74	84	144
Deferred tax associated with movement in cash flow hedging position	3	1	14
	77	85	158

The adjusted tax rate of 23.2% is the estimated weighted average annual tax rate based on full year projections and has been applied to profit before adjusting items for the 24 weeks

ended 5 March 2022. The tax impact of adjusting items has been calculated on an item-by-item basis.

The UK corporation tax rate of 19% is set to increase to 25% from 1 April 2023. The legislation to effect these changes was enacted before the 2021 year end balance sheet date and UK deferred tax has been calculated accordingly.

In April 2019 the European Commission published its decision on the Group Financing Exemption in the UK's controlled foreign company legislation. The Commission found that the UK law did not comply with EU State Aid rules in certain circumstances. The Group has arrangements that may be impacted by this decision as might other UK-based multinational groups that had financing arrangements in line with the UK's legislation in force at the time. The Group has appealed against the European Commission's decision, as have the UK Government and a number of other UK companies. We have calculated our maximum potential liability to be £26m (2021 year end: £26m; 2021 half year: £27m), however we do not consider that any provision is required in respect of this amount based on our current assessment of the issue. Following receipt of charging notices from HM Revenue & Customs ("HMRC"), we made payments to HMRC in the prior year. Our assessment remains that no provision is required in respect of this amount. We will continue to consider the impact of the Commission's decision on the Group and the potential requirement to record a provision.

#### 4. Earnings per share

	24 weeks ended 5 March 2022 pence	24 weeks ended 27 February 2021 pence	53 weeks ended 18 September 2021 pence
<b>Adjusted earnings per share</b>	<b>63.8</b>	25.1	80.1
Disposal of non-current assets	0.5	0.3	0.5
Sale and closure of businesses	(1.4)	0.6	2.5
Acquired inventory fair value adjustments	-	(0.1)	(0.4)
Transaction costs	(0.5)	(0.1)	(0.4)
Exceptional items	-	(3.2)	(19.1)
Tax effect on above adjustments	-	0.3	3.0
Amortisation of non-operating intangibles	(2.5)	(3.0)	(6.3)
Tax credit on non-operating intangibles amortisation and goodwill	0.4	0.6	0.6
<b>Earnings per ordinary share</b>	<b>60.3</b>	20.5	60.5

#### 5. Dividends

	24 weeks ended 5 March 2022 pence	24 weeks ended 27 February 2021 pence	53 weeks ended 18 September 2021 pence	24 weeks ended 5 March 2022 £m	24 weeks ended 27 February 2021 £m	53 weeks ended 18 September 2021 £m
2021 interim	-	-	6.2	-	-	49
2021 final	20.5	-	-	162	-	-
2021 special	13.8	-	-	109	-	-
	<b>34.3</b>	-	6.2	<b>271</b>	-	49

The combined 2021 final and special dividend of 34.3p was approved on 10 December 2021 and totalled £271m when paid on 14 January 2022. The 2022 interim dividend of 13.8p per share, totalling £109m will be paid on 8 July 2022 to shareholders on the register on 10 June 2022.

#### 6. Acquisitions and disposals

##### Acquisitions

##### 2022

On 31 January 2022, the Group acquired 100% of Fytexia, a B2B specialty ingredients business in France and Italy producing and formulating polyphenols-based active ingredients for the dietary supplements industry. The Group also acquired a small grocery company in New Zealand and a small agriculture business in Finland during the period. The acquisitions had the following effect on the Group's assets and liabilities:

	Pre-acquisition carrying values £m	Recognised values on acquisition		
		Fytexia £m	Other £m	Total £m
<b>Net assets</b>				
Intangible assets	-	54	7	61
Property, plant and equipment	5	1	4	5
Right-of-use assets	8	-	8	8
Inventory	3	2	1	3
Trade and other receivables	3	2	1	3
Cash	8	6	2	8
Lease liabilities	(8)	-	(8)	(8)
Short-term loans	(13)	(11)	(2)	(13)
Trade and other payables	(3)	(2)	(1)	(3)
Provisions	(6)	(6)	-	(6)
Taxation	-	(14)	(2)	(16)
Net identifiable assets and liabilities	(3)	32	10	42
Goodwill		61	10	71
Total consideration		93	20	113
			Recognised values on acquisition £m	
<b>Satisfied by</b>				
Cash consideration				111
Deferred consideration				2

**Net cash**

Cash consideration	111
Cash and cash equivalents acquired	(8)
	103

Pre-acquisition carrying amounts were the same as recognised values on acquisition apart from £61m of non-operating intangibles in respect of brands, technology and customer relationships, a £16m related deferred tax liability and goodwill of £71m. Cash flow on acquisition of subsidiaries, joint ventures and associates of £114m comprised £111m cash consideration less £8m cash acquired, a £4m contribution to an existing joint venture in China and £7m of deferred consideration relating to previous acquisitions.

**2021**

In the second half of 2021, the Group acquired DR Healthcare España, a Spanish enzymes producer (Ingredients segment). Total consideration was £14m, comprising £12m cash consideration and £2m deferred consideration. Net assets acquired included non-operating intangible assets of £19m together with related deferred tax of £5m.

During the period, the Group contributed £43m (£39m in the half year results) to the bakery ingredients joint venture in China with Wilmar International and also paid £2m of deferred consideration relating to previous acquisitions.

**Disposals****2022**

There were no disposals in the first half. The transaction to sell a further yeast company to the joint venture with Wilmar International in China (classified as held for sale at the end of last year) is no longer going ahead. The £10m non-cash impairment reversed last year through profit/(loss) on sale and closure of business has therefore been reinstated at a cost of £11m.

**2021**

In the first half of 2021, the Group sold a number of Chinese yeast and bakery ingredients businesses into a new Chinese joint venture with Wilmar International. Gross cash consideration was £39m with £5m of cash disposed with the businesses. The joint venture also assumed £11m of debt, resulting in net proceeds of £45m. Net assets disposed were £33m with provisions of £6m for associated restructuring costs and a £6m gain on the recycling of foreign exchange differences. The gain on disposal was £6m at year end and £4m at the half year.

Closure provisions of £3m relating to disposals made in previous years were no longer required and were released to sale and closure of business in Ingredients and Grocery, both in Asia Pacific. Property provisions of £1m held in previous years were also no longer required and were released in the Central and UK segments. The half year release was £1m of closure provisions no longer required in the Asia Pacific and Ingredients segments.

**7. Analysis of net debt**

	At 18 September 2021 £m	Cash flow £m	Acquisitions £m	New leases and non-cash items £m	Exchange adjustments £m	At 5 March 2022 £m
Short-term loans	(244)	80	(13)	-	1	(176)
Long-term loans	(76)	(402)	-	-	5	(473)
Lease liabilities	(3,281)	131	(8)	(25)	42	(3,141)
Total liabilities from financing activities	(3,601)	(191)	(21)	(25)	48	(3,790)
Cash at bank and in hand, cash equivalents and overdrafts	2,189	(118)	-	-	20	2,091
Current asset investments	32	1	-	-	1	34
Net debt including lease liabilities	(1,380)	(308)	(21)	(25)	69	(1,665)

Net cash excluding lease liabilities is £1,476m (2021 half year - £705m; 2021 year end -£1,901m).

**8. Related parties**

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Full details of the Group's other related party relationships, transactions and balances are given in the Group's financial statements for the 53 weeks ended 18 September 2021. There have been no material changes in these relationships in the 24 weeks ended 5 March 2022 or up to the date of this report. No related party transactions have taken place in the first 24 weeks of the current financial year that have materially affected the financial position or the performance of the group during that period.

**9. Defined benefit pension schemes**

Employee benefits assets primarily comprise the accounting surplus of the Group's UK defined benefit scheme. At the end of the period these were £942m (2021 half year: £531m). The increase from £640m at the end of the last financial year was driven by a reduction in scheme liabilities as a result of an increase in the discount rate applied from 1.75% at the financial year end to 2.40% at this half year.

**10. Basis of preparation**

Associated British Foods plc ('the Company') is a company domiciled in the United Kingdom. The condensed consolidated interim financial statements of the Company for the 24 weeks ended 5 March 2022 comprise those of the Company and its subsidiaries (together referred to as 'the Group') and the Group's interests in joint ventures and associates.

The consolidated financial statements of the Group for the 53 weeks ended 18 September 2021 are available upon request from the Company's registered office at 10 Grosvenor Street, London, W1K 4QY or at [www.abf.co.uk](http://www.abf.co.uk).

The condensed consolidated interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*. They do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements for the 53 weeks ended 18 September 2021.

Lower Group adjusted operating profit for the last two financial years compared to 2018/19 was driven by closure of Primark stores and subsequent trading restrictions because of COVID. All our stores have been reopened for some time and almost all of them are free of trading restrictions.

The events of the last two years demonstrated the importance of sufficient financial resources and credit strength to meet operational challenges. In November last year, S&P Global announced they had assigned the Group an 'A' grade long-term issuer credit rating. In February this year, the Group announced its inaugural £400m public bond, due in 2034, further diversifying its funding base.

At the half year, the Group had net cash before lease liabilities of £1,476m compared to £705m at the half year last year. In August 2020, a two-year extension to the Group's £1,088m committed facility was negotiated extending its maturity to July 2023. Although we expect to replace this facility, as these plans are not yet finalised, for the purpose of this going concern assessment we have assumed this facility will not be available after maturity.

The directors have reviewed a detailed cash flow forecast to the end of the 2023 financial year. The directors reviewed the trading of both the Food and Primark businesses in the base case and applied a downside sensitivity and a reverse stress test. The directors have a thorough understanding of the risks, sensitivities and judgements included in these elements of the cash flow forecast and have a high degree of confidence in these cash flows.

In the downside sensitivity, the two most significant challenges are price inflation and the potential for future COVID trading restrictions affecting Primark.

All businesses are facing significant supply-side inflationary pressures in commodities and other raw materials, packaging, labour, energy (gas and electricity) and logistics. Inflation has been compounded by the Russian invasion of Ukraine. Actions are being taken by the business to recover inflationary cost increases.

The downside scenario assumes that approximately two thirds of cost inflation in the Food businesses and Primark is not recovered and that no mitigating actions are taken. It also



assumes further COVID trading restrictions reduce revenues across the Primark estate by 25% for six months. This includes the key Christmas trading period. Again we have assumed that no mitigating actions are taken. It has also been assumed that there will be no further assistance from national governments.

Under these sensitivities, the Group has a net cash position (before lease liabilities) throughout the assessment period and complies with all debt covenants.

The reverse stress test considers circumstances which could exhaust the Group's cash resources during the assessment period. Cost inflation would need to be more than double, without any price increases to customers or mitigating actions, before the cash resources are exhausted.

Under the downside scenario, headroom throughout the period is substantial, therefore the directors did not consider it necessary to assess potential mitigating actions available to the Group. The directors consider the likelihood of the headroom being exhausted to be remote.

After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the condensed consolidated interim financial statements.

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Operating Review. Note 26 on pages 186 to 197 of the 2021 Annual Report provides details of the Group's policy on managing its financial and commodity risks.

The 24 week period for the condensed consolidated interim financial statements of the Company means that the second half of the year is usually a 28 week period, and the two halves of the reporting year are therefore not of equal length. For the Retail segment, Christmas, falling in the first half of the year, is a particularly important trading period. For the Sugar segment, the balance sheet, and working capital in particular, is strongly influenced by seasonal growth patterns for both sugar beet and sugar cane, which vary significantly in the markets in which the Group operates.

The condensed consolidated interim financial statements are unaudited but have been subject to an independent review by the auditor and were approved by the board of directors on 26 April 2022. They do not constitute statutory financial statements as defined in section 434 of the Companies Act 2006. The comparative figures for the 53 weeks ended 18 September 2021 have been abridged from the Group's 2021 financial statements and are not the Company's statutory financial statements for that period. Those financial statements have been reported on by the Company's auditor for that period and delivered to the Registrar of Companies. The report of the auditor was unqualified, did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

This Interim Results Announcement has been prepared solely to provide additional information to shareholders as a body, to assess the Group's strategies and the potential for those strategies to succeed. This Interim Results Announcement should not be relied upon by any other party or for any other purpose.

## 11. Significant accounting policies

Except where detailed otherwise, the accounting policies applied by the Group in these condensed consolidated interim financial statements are substantially the same as those applied by the Group in its consolidated financial statements for the 53 weeks ended 18 September 2021 including for derivatives and current biological assets, which are recognised in the balance sheet at fair value and fair value less costs to sell, respectively. The methodology for selecting assumptions underpinning the fair value calculations has not changed since 18 September 2021.

In April 2021 the IFRS Interpretations Committee issued a final agenda decision regarding configuration or customisation costs in a cloud computing arrangement which provided additional guidance on how to determine whether configuration or customisation expenditure relating to cloud computing arrangements result in an intangible asset. This agenda decision did not have a material impact on the prior period or current results.

### New accounting standards

The following accounting standards, amendments and clarifications were adopted during the period and had no significant impact on the Group:

- Amendments to IFRS 4 Insurance Contracts - Extension of the Temporary Exemption from Applying IFRS 9
- Amendment to IFRS 16 Leases (Covid-19-Related Rent Concessions beyond 30 June 2021)
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Interest Rate Benchmark Reform - Phase 2. Financial authorities have announced the timing of key interest rate benchmark replacements such as LIBOR in the UK, the US and the EU and other territories expected at the end of 2021, with remaining USD tenors expected to cease in 2023. The Group is primarily exposed to USD LIBORs that will be available until June 2023.

### Accounting standards not yet applicable

The Group is assessing the impact of the following standards, interpretations and amendments that are not yet effective. Where already endorsed by the UK Endorsement Board (UKEB), these changes will be adopted on the effective dates noted. Where not yet endorsed by the UKEB, the adoption date is less certain:

- Amendments to IFRS 3 Business Combinations effective 2023 financial year (not yet endorsed by the UKEB)
- Amendment to IFRS 9 Financial Instruments effective 2023 financial year (not yet endorsed by the UKEB)
- Annual Improvements to IFRS Standards 2018-2020 effective 2023 financial year (not yet endorsed by the UKEB)
- IFRS 17 Insurance Contracts effective 2023 financial year (not yet endorsed by the UKEB)
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current effective 2024 financial year (not yet endorsed by the UKEB)
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) effective 2024 financial year (not yet endorsed by the UKEB)
- Definition of Accounting Estimates (Amendments to IAS 8) effective 2024 financial year (not yet endorsed by the UKEB)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) effective 2024 financial year (not yet endorsed by the UKEB)
- Property, Plant and Equipment - Proceeds before Intended Use (Amendments to IAS 16) effective 2023 financial year (not yet endorsed by the UKEB)
- Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37) effective 2023 financial year (not yet endorsed by the UKEB)

## 12. Accounting estimates and judgements

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing the condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the 53 weeks ended 18 September 2021.

## 13. Alternative performance measures

In reporting financial information, the Board uses various alternative performance measures (APMs) which it believes provide useful additional information for understanding the financial performance and financial health of the Group. These APMs should be considered in addition to IFRS measures and are not intended to be a substitute for them. Since IFRS does not define APMs, they may not be directly comparable to similar measures used by other companies.

The Board also uses APMs to improve the comparability of information between reporting periods and geographical units (such as like-for-like sales) by adjusting for non-recurring or uncontrollable factors which affect IFRS measures, to aid users in understanding the Group's performance.

Consequently, the Board and management use APMs for performance analysis, planning, reporting and incentive-setting.

APM	Closest equivalent IFRS measure	Definition/purpose	Reconciliation/calculation
Like-for-like sales	No direct equivalent	The like-for-like sales metric enables measurement of the performance of our retail stores on a comparable year-on-year basis.  This measure represents the change in sales at constant currency in our retail stores adjusted for new stores, closures and relocations. Refits, extensions and downsizes are also adjusted for if a store's retail square footage changes by 10% or more. For each change described above, a	Consistent with the definition given

APM	Closest equivalent IFRS measure	Definition/purpose	Reconciliation/calculation
		<p>store's sales are excluded from like-for-like sales for one year.</p> <p>No adjustments are made for disruption during refits, extensions or downsizes if a store's retail square footage changes by less than 10%, for cannibalisation by new stores, or for the timing of national or bank holidays.</p> <p>It is measured against comparable trading days in each period.</p>	
Two year like-for-like sales	No direct equivalent	<p>The like-for-like sales metric expressed over two years enables measurement of the performance of our retail stores compared to our experience in the first half of 2020, which was before any of the economic effects of COVID.</p> <p>It is calculated as described above for like-for-like sales, but with 2020 data as the comparator.</p>	Consistent with the definition given
Three year like-for-like sales	No direct equivalent	<p>The like-for-like sales metric expressed over three years enables measurement of the performance of our retail stores compared to our experience in 2019, the last full financial year before any of the economic effects of COVID.</p> <p>It is calculated as described above for like-for-like sales, but with 2019 data as the comparator.</p>	Consistent with the definition given
Adjusted operating (profit) margin	No direct equivalent	Adjusted operating (profit) margin is adjusted operating profit as a percentage of revenue.	See note A
Adjusted operating profit	Operating profit	<p>Adjusted operating profit is stated before amortisation of non-operating intangibles, transaction costs, amortisation of fair value adjustments made to acquired inventory, profits less losses on disposal of non-current assets and exceptional items.</p> <p>Items defined above which arise in the Group's joint ventures and associates are also treated as adjusting items for the purposes of adjusted operating profit.</p>	A reconciliation of this measure is provided on the face of the condensed consolidated income statement and by operating segment in note 1 of the interim results announcement
Adjusted profit before tax	Profit before tax	<p>Adjusted profit before tax is stated before amortisation of non-operating intangibles, transaction costs, amortisation of fair value adjustments made to acquired inventory, profits less losses on disposal of non-current assets, exceptional items and profits less losses on sale and closure of businesses.</p> <p>Items defined above which arise in the Group's joint ventures and associates are also treated as adjusting items for the purposes of adjusted profit before tax.</p>	A reconciliation of this measure is provided on the face of the condensed consolidated income statement.
Adjusted earnings per share	Earnings per share	<p>Adjusted earnings per share is stated before amortisation of non-operating intangibles, transaction costs, amortisation of fair value adjustments made to acquired inventory, profits less losses on disposal of non-current assets, exceptional items and profits less losses on sale and closure of businesses together with the related tax effect.</p> <p>Items defined above which arise in the Group's joint ventures and associates are also treated as adjusting items for the purposes of adjusted earnings per share.</p>	Reconciliation of this measure is provided in note 4 of the interim results announcement
Exceptional items	No direct equivalent	Exceptional items are items of income and expenditure which are material and unusual in nature and are considered of such significance that they require separate disclosure on the face of the income statement.	Exceptional items are included on the face of the condensed consolidated income statement with further detail provided in note 2 of the interim results announcement
Constant currency	Revenue and see adjusted operating profit (non-IFRS) measure	Constant currency measures are derived by translating the relevant prior period figure at current period average exchange rates, except for countries where CPI has escalated to extreme levels, in which case actual exchange rates are used. There are currently two countries where the Group has operations in this position - Argentina and Venezuela.	See note B
Effective tax rate	Income tax expense	The effective tax rate is the tax charge for the period expressed as a percentage of profit before tax.	Whilst the effective tax rate is not disclosed, a reconciliation of the tax charge on profit before tax at the UK corporation tax rate to the actual tax charge is provided in note 3 of the interim results announcement
Adjusted effective tax rate	No direct equivalent	The adjusted effective tax rate is the tax charge for the period excluding tax on adjusting items expressed as a percentage of adjusted profit before tax.	The tax impact of reconciling items between profit before tax and adjusted profit before tax is shown in note 3 of the interim results announcement
Dividend cover	No direct equivalent	Dividend cover is the ratio of adjusted earnings per share to dividends per share relating to the period.	See note C
Capital expenditure	No direct equivalent	Capital expenditure is a measure of investment each period in non-current assets in existing businesses. It comprises cash outflows from the purchase of property, plant and equipment and intangibles.	See note D
Gross investment	No direct equivalent	Gross investment is a measure of investment each period in non-current assets of existing businesses and acquisitions of new businesses. It includes capital expenditure as well as cash outflows from the purchase of subsidiaries, joint ventures and associates, additional shares in subsidiary undertakings purchased from non-controlling interests and other investments, as well as net debt assumed in acquisitions.	See note E
Net cash/debt	No direct	This measure comprises cash, cash equivalents and overdrafts, current asset	A reconciliation of this

APM	Closest equivalent IFRS measure	Definition/purpose	Reconciliation/calculation
before lease liabilities	equivalent	investments and loans.	measure is shown in note 7 of the interim results announcement
Net cash/debt including lease liabilities	No direct equivalent	This measure comprises cash, cash equivalents and overdrafts, current asset investments, loans and lease liabilities.	A reconciliation of this measure is shown in note 7 of the interim results announcement
Adjusted EBITDA	See Adjusted operating profit (non-IFRS) measure	Adjusted EBITDA is stated before depreciation, amortisation and impairment charged to adjusted operating profit.	See note F
Financial leverage ratio	No direct equivalent	Financial leverage is the ratio of net cash/debt including lease liabilities to adjusted EBITDA based on the last 12 months rolling adjusted EBITDA.	See note F
(Average) capital employed	No direct equivalent	Capital employed is derived from the management balance sheet and does not reconcile directly to the statutory balance sheet. All elements of capital employed are calculated in accordance with Adopted IFRS. Average capital employed for each segment and the Group is calculated by averaging the capital employed for each period of the financial year based on the reporting calendar of each business.	Consistent with the definition given
Return on (average) capital employed	No direct equivalent	The return on (average) capital employed measure divides adjusted operating profit by average capital employed.	Consistent with the definition given
(Average) working capital	No direct equivalent	Working capital is derived from the management balance sheet and does not reconcile directly to the statutory balance sheet. All elements of working capital are calculated in accordance with Adopted IFRS. Average working capital for each segment and the Group is calculated by averaging the working capital for each period of the financial year based on the reporting calendar of each business.	Consistent with the definition given
(Average) working capital as a percentage of revenue	No direct equivalent	This measure expresses (average) working capital as a percentage of revenue.	Consistent with the definition given

#### Note A

	Grocery £m	Sugar £m	Agriculture £m	Ingredients £m	Retail £m	Central and disposed businesses £m	Total £m
<b>24 weeks ended 5 March 2022</b>							
External revenue from continuing businesses	1,821	914	809	798	3,540	-	7,882
Adjusted operating profit	175	77	15	63	414	(38)	706
Adjusted operating margin %	9.6%	8.4%	1.9%	7.9%	11.7%		9.0%
<b>24 weeks ended 27 February 2021</b>							
External revenue from continuing businesses	1,834	763	746	735	2,232	3	6,313
Adjusted operating profit	199	66	19	78	43	(36)	369
Adjusted operating margin %	10.9%	8.7%	2.5%	10.6%	1.9%		5.8%

#### Note B

	Grocery £m	Sugar £m	Agriculture £m	Ingredients £m	Retail £m	Disposed businesses £m	Total £m
<b>24 weeks ended 5 March 2022</b>							
External revenue from continuing businesses at actual rates	1,821	914	809	798	3,540	-	7,882
<b>24 weeks ended 27 February 2021</b>							
External revenue from continuing businesses at actual rates	1,834	763	746	735	2,232	3	6,313
Impact of foreign exchange	(41)	4	(2)	(21)	(77)	-	(137)
External revenue from continuing businesses at constant currency	1,793	767	744	714	2,155	3	6,176
% change at constant currency	+2%	+19%	+9%	+12%	+64%		+28%

	Grocery £m	Sugar £m	Agriculture £m	Ingredients £m	Retail £m	Central and disposed businesses £m	Total £m
<b>24 weeks ended 5 March 2022</b>							
Adjusted operating profit at actual rates	175	77	15	63	414	(38)	706
<b>24 weeks ended 27 February 2021</b>							
Adjusted operating profit at actual rates	199	66	19	78	43	(36)	369
Impact of foreign exchange	(7)	5	(1)	(2)	4	(1)	(2)
Adjusted operating profit at constant currency	192	71	18	76	47	(37)	367
% change at constant currency	-9%	+8%	-17%	-17%	+781%		+92%

#### Note C

	24 weeks ended 5 March 2022 pence	24 weeks ended 27 February 2021 pence	53 weeks ended 18 September 2021 pence

Adjusted earnings per share (pence)	63.8	25.1	80.1
Adjustment to reflect the impact of the future repayment of £79m job retention monies received in the first half taxed at the adjusted effective tax rate (pence)	-	(6.6)	-
	63.8	18.5	80.1
Dividends relating to the year (pence) - excluding special dividend	13.8	6.2	26.7
Dividend cover	5	3	3

#### Note D

	24 weeks ended 5 March 2022	24 weeks ended 27 February 2021	53 weeks ended 18 September 2021
	£m	£m	£m
From the cash flow statement			
Purchase of property, plant and equipment	272	263	551
Purchase of intangibles	64	44	76
	336	307	627

#### Note E

	24 weeks ended 5 March 2022	24 weeks ended 27 February 2021	53 weeks ended 18 September 2021
	£m	£m	£m
From the cash flow statement			
Purchase of property, plant and equipment	272	263	551
Purchase of intangibles	64	44	76
Purchase of subsidiaries, joint ventures and associates	114	39	57
Purchase of shares in subsidiary undertaking from non-controlling interests	-	23	23
Purchase of other investments	-	13	14
	450	382	721

#### Note F

	24 weeks ended 5 March 2022	24 weeks ended 27 February 2021	53 weeks ended 18 September 2021
	£m	£m	£m
Adjusted operating profit	706	369	1,011
Charged to adjusted operating profit:			
Depreciation of property, plant and equipment	245	265	535
Amortisation of operating intangibles	14	11	26
Depreciation of right-of-use assets and non-cash lease adjustments	128	144	288
Adjusted EBITDA	1,093	789	1,860
Net debt including lease liabilities	(1,665)	(2,715)	(1,380)
Financial leverage ratio (based on the last 12 months rolling adjusted EBITDA)	0.8	1.7	0.7

## 14. Subsequent events

In addition to the planned repayment of \$100 million of private placement debt during the period, two further planned repayments of \$100 million and £80 million have been made since the end of the period.

## Cautionary statements

This report contains forward-looking statements. These have been made by the directors in good faith based on the information available to them up to the time of their approval of this report. The directors can give no assurance that these expectations will prove to have been correct. Due to the inherent uncertainties, including both economic and business risk factors, underlying such forward-looking information, actual results may differ materially from those expressed or implied by these forward-looking statements. The directors undertake no obligation to update any forward-looking statements whether as a result of new information, future events or otherwise.

## Responsibility statement

The Interim Results Announcement complies with the Disclosure and Transparency Rules ('the DTR') of the UK's Financial Conduct Authority in respect of the requirement to produce a half-yearly financial report.

The directors confirm that to the best of their knowledge:

this financial information has been prepared in accordance with UK-adopted International Accounting Standard 34 *Interim Financial Reporting*; this Interim Results Announcement includes a fair review of the important events during the first half and their impact on the financial information, and a description of the principal risks and uncertainties for the remaining half of the year as required by DTR 4.2.7R; and this Interim Results Announcement includes a fair review of the disclosure of related party transactions and changes therein as required by DTR 4.2.8R.

On behalf of the board

**Michael McLintock**  
Chairman

**George Weston**  
Chief Executive

**John Bason**  
Finance Director

26 April 2022

## Independent review report to Associated British Foods plc

### Conclusion

We have been engaged by the Company to review the condensed set of financial statements in the Interim Results Announcement for the 24 week period ended 5 March 2022 which comprises the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated balance sheet, the condensed consolidated cash flow statement, the condensed consolidated statement of changes in equity and the related explanatory notes. We have read the other information contained in the Interim Results Announcement and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial

statements.

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements in the Interim Results Announcement for the 24 week period ended 5 March 2022 are not prepared, in all material respects, in accordance with UK-adopted International Accounting Standard 34 *Interim Financial Reporting* and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

**Basis for conclusion**

We conducted our review in accordance with International Standard on Review Engagements 2410 (UK and Ireland) *Review of Interim Financial information performed by the Independent Auditor of the Entity* issued by the Auditing Practices Board. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 10, the annual financial statements of the Group will be prepared in accordance with UK-adopted international accounting standards. The condensed set of financial statements included in this Interim Results Announcement has been prepared in accordance with UK-adopted International Accounting Standard 34 *Interim Financial Reporting*.

**Responsibilities of the directors**

The directors are responsible for preparing the Interim Results Announcement in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

**Auditor's responsibilities for the review of the financial information**

In reviewing the Interim Results Announcement, we are responsible for expressing to the Company a conclusion on the condensed set of financial statements in the Interim Results Announcement. Our conclusion is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report.

**Use of our report**

This report is made solely to the company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK and Ireland) *Review of Interim Financial information performed by the Independent Auditor of the Entity* issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the conclusions we have formed.

Ernst & Young LLP

Birmingham

26 April 2022

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