

26 June 2025

ABF provides an update on its Sugar business

Associated British Foods plc ("ABF") is today providing an update on its Sugar business.

Vivergo

In our interim results announcement on 29 April 2025, we stated that the commercial viability of Vivergo, our bioethanol business, was being undermined by the way in which the UK Government was applying regulations to imported ethanol. Since then, the situation has been made significantly worse by the UK's trade deal with the US, which will allow tariff-free US ethanol into the UK. ABF has engaged in extensive discussions with the Government to find a financial and regulatory solution that would enable Vivergo to operate on a profitable and sustainable basis. Yesterday, our extended deadline for the Government to deliver that solution passed.

Recognising the strategic importance of a domestic ethanol supply, the Government has now committed to formal negotiations to reach a sustainable solution. Given the outcome of the negotiations is uncertain, Vivergo is simultaneously beginning consultation with employees to effect an orderly wind-down, with wheat purchases having ceased from 11 June. Unless the Government is able to provide both short-term funding of Vivergo's losses and a longer-term solution, we intend to close the plant once the consultation process has completed and the business has fulfilled its contractual obligations. We would cease all manufacturing before the end of our financial year on 13 September 2025.

Azucarera

Our interim results also highlighted that our Spanish sugar business, Azucarera, was undertaking an operational review. This has now been completed and Azucarera began a restructuring process in May. It has announced a reduction in its beet manufacturing footprint to one facility in the north, which will simplify its manufacturing operations, reduce cost and improve efficiency.

Sugar outlook - 2025 financial year

High rainfall has caused a slow start to our processing season in Africa. The seasonal peak in our African profit generation is always over the last two months of the financial year. Production is running at elevated levels to recover some of the initial shortfall. On this basis, the overall guidance for our Sugar business in this financial year remains unchanged.

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