

A year of double digit growth



Donard Gaynor
Group Chairman

"I am delighted to report that Glanbia enters 2024 in great shape. Our portfolio of exciting consumer performance nutrition and lifestyle brands and nutritional ingredients leave us well positioned to sustain our growth momentum."

Dear Shareholder,

A thank you to Siobhán Talbot

It is impossible to reflect on the past year without first talking to the retirement of our Group Managing Director, Siobhán Talbot. Siobhán's leadership defined the last decade of Glanbia. Siobhán led the creation of a focused business, with a defined purpose, strong values, aligned with growing consumer trends; and a clear ambition for growth. These are all key parts of her distinguished legacy. A deeply principled and values-driven leader, her vision to reshape the business and its culture has been pivotal in positioning Glanbia as a global leader in the world of better nutrition. On behalf of the Board, I would like to take this opportunity to thank Siobhán most sincerely for her very significant contribution over more than three decades. On behalf of everyone connected with Glanbia, we wish Siobhán and her family every success and happiness in the future.

Welcoming our new CEO Hugh McGuire

A key role of the Board is to ensure there are appropriate succession plans in place for Board and senior management roles. The Board diligently planned for Siobhán's succession, and we are delighted that our process resulted in the internal promotion of a leader of Hugh McGuire's calibre. Hugh, who took over as CEO on 1 January 2024, has been a highly valued member of Glanbia's Executive team for ten years. He has deep consumer and ingredients industry expertise as well as proven strategic capabilities and a clear ability to build and lead teams. I have no doubt that Glanbia is in the right hands for the next phase of its growth.

Our “Better Nutrition” strategy

The Board is strongly supportive of Hugh’s commitment to the Company’s three-year strategic vision which was set out at our Capital Markets Day (“CMD”) in November 2022. This “Better Nutrition” strategy seeks to create and sustain long-term shareholder returns while building a responsible Company guided by a strong sense of purpose. I am pleased to report that in 2023 we updated the market and raised our adjusted EPS guidance three times from 5-10% to 17-20% and exceeded all of our ambitious Group targets as set out at the CMD in November 2022. (See page 14.)

While 2023 was again a year of broad uncertainty with major economies facing the challenge of inflation, cost-of-living pressures and geopolitical uncertainty, as ever my colleagues throughout Glanbia responded to this operating environment with agility and resilience. This spirit of entrepreneurialism coupled with our strong brands, ingredients and business continued to drive double-digit earnings growth in 2023.

Profit, cash and return on capital employed (“ROCE”) all grew in 2023. Pre-exceptional Group EBITA increased by 16.4%, constant currency, to \$424.0 million (+15.9% reported). ROCE, a key metric for the Group, was 12.2% and our strong Operating Cash Flow conversion continued at 90.4%.

During the year, we also continued to evolve our portfolio with the disposal of our interest in the Glanbia Cheese UK and EU joint ventures and the acquisition of a bioactive ingredient business within our Glanbia Nutritionals portfolio. Our strategy to simplify our organisation and focus on our two growth platforms is serving us well and strengthening our position as a global nutrition leader.

The fundamentals of the health and nutrition categories in which we play, remain attractive. The growth of the health and wellness industry and the growing desire amongst all demographics for a more active lifestyle are long-term, sectoral trends in which we continue to focus.

Dividends

In testament to the strength of the business, the Board believes it is appropriate for Glanbia to deliver a strong dividend for 2023. The Board is recommending a final dividend of 21.21 euro cent per share for the year ended 30 December 2023. This brings the total

dividend per share for the year ended 30 December 2023 to 35.43 euro cent per share, up 10% on the previous year. The Board will continue to review the availability of surplus cash and capital in accordance with the Group’s policies on financial leverage and capital allocation. In 2023, we spent €100m on share buybacks with an additional buyback announced in February 2024.

Board and leadership changes

We have significantly refreshed the composition of the Board over the past number of years, to ensure we reflect an appropriate mix of skills, experience and diversity to suit the evolving nature of the business and the expectations of society. The reduction in the representation of Tirlán Co-operative Society Limited (the “Society”) to three in 2023, has also enabled us to achieve greater diversity. Patsy Ahern and John Murphy retired from the Board on 4 May 2023. In addition to retiring as Group MD, Siobhán also stepped down from the Glanbia Board on 31 December 2023. I thank them for their extensive contribution. On 1 June 2023, we were delighted to appoint Gabriella Parisse to the Board as an Independent Non-Executive Director. Gabriella also joins the Board’s Development Committee. Gabriella brings to the Glanbia Board significant experience in consumer brand development, the food ingredients industry, innovation and strategic leadership of multinational businesses. (See page 91 for biography). We also made a number of changes to our Committees. On 30 December 2023, Róisín Brennan succeeded Dan O’Connor as Senior Independent Director and Dan replaced myself as Chair of the Environmental Social and Governance (“ESG”) Committee.

As mentioned earlier, the most important change made to the management of our business was the appointment of Hugh McGuire as Group CEO. Following Hugh’s appointment, Steve Yucknut was appointed CEO of Glanbia Performance Nutrition (“GPN”). Steve previously held the position of President, GPN Americas, having joined GPN as Chief Operating Officer in 2015.

Furthermore in 2023 we saw the retirement of our Chief ESG and Corporate Affairs Officer Michael Patten. I would like to thank Michael for his work and commitment to Glanbia and wish him well in his retirement. Given the importance of ensuring the delivery of our ESG agenda, our Chief Financial Officer Mark Garvey has now been appointed to the ESG Committee.

Connecting our purpose to strategy

As a global nutrition company, Glanbia has an important role to play in the changes required to tackle the global food challenges we all face. “Delivering Better Nutrition for every step of life’s journey” is our purpose and we have put this into action by establishing ambitious targets that ensure impact beyond profit. We’ve demonstrated our purpose through partnerships and commitments that are making a difference to our people and planet, accelerating our sustainable nutrition impact, and that of our customers.

Our focus on our sustainability strategy “Better Nutrition, Better World” is testament to our purpose. Together, they inform our innovation and acquisition strategies – driving us to invest in markets and technologies where we can make the greatest impact towards our sustainability goals.

Employee engagement

As lead Board member for workforce engagement, I engaged with hundreds of colleagues across Europe, the US and Asia. I continue to be impressed by their passion. That passion was reflected once again in the results of our annual ‘Your Voice’ employee survey. Employee engagement remains very high at 72 points, up one point on last year. I believe that our culture is a major differentiator for Glanbia and a significant source of our ongoing competitive advantage.

Summary

As a Board we continue to have a clear focus on maximising long-term shareholder value. I have no doubt that Hugh will continue to drive a strong values-led business, embedding a culture that enables the business to innovate and act with agility in a fast-paced, interconnected world. We are building on firm foundations to create the conditions for long-term sustainable growth and outperformance. Like every business, we will face challenges ahead but our continued investment in our brands and ingredients, coupled with our deep understanding of our consumers and customers, positions us well to capture opportunities in a market we believe has very attractive fundamentals.



Donard Gaynor
Group Chairman