

Strategy

# Delivering on our growth ambition

**Our purpose: To deliver better nutrition for every step of life's journey.**

Glanbia has evolved and grown over the past decade. Today, we are a “Better Nutrition” company, the home of consumer brands and ingredients that nourish millions around the world.



The choices we do – and don't – make, are guided by our purpose. Everything we do reflects our respect for each other and the earth.

Each day, we set our sights on better. With ceaseless curiosity, our experts meet the needs of our customers and consumers, using insight and science-led innovation to create high-quality nutrition and more sustainable ways of doing business. As a team, we stay ahead of the curve by asking the right questions.

**Our strategy**

Our defined set of strategic priorities: grow the core; optimise our business; and disciplined capital allocation will help us to achieve our 2025 ambitions.

To support these priorities and harness Glanbia's global growth potential, we will continue to develop our key enablers, our world-class strategic capabilities and our strong assets.



**Enablers**

**Powerful consumer trends:**  
Our markets have evolved and as a Group we are evolving with them, understanding and staying close to our consumers and customers.

**Culture and talent:**  
Glanbia's culture and talent are key sources of competitive advantage for the Group.

**Disciplined financial management:**  
We invest in the future success of our business. This investment supports the delivery of a strong performance and enables sustainable growth.

**Sustainable operations:**  
We seek to maintain a strong position on key sustainability issues in our sector including food safety and quality, diversity, equity, and inclusion and in particular our environmental commitments.

Grow the core

Optimise our business

Disciplined capital allocation



See our business model on pages 22-23.

# Strategy continued

## Better Nutrition – Strategic priority #1

### Grow the core

Our core brands and nutritional ingredients hold market-leading positions in categories that are driven by strong underlying health and wellness trends.

#### Our strategy

- + Capture global potential of billion dollar ON brand;
- + Build North America’s branded lifestyle nutrition platform;
- + Continue to scale our international business;
- + Build on core strength in GN NS custom premix solutions; and
- + Scale GN NS’ extensive capability in protein.



#### 2023 progress

- Like-for-like (“LFL”) GPN branded growth of 5.1% constant currency with strong growth in sports nutrition across all regions;
- Delivered double-digit global volume in ON;
- Scaled international business delivering 12.8% LFL revenue growth;
- Sequentially improved LFL NS volume growth managed through significant supply chain rebalancing;
- Ensured NS resiliently played into market trending categories driven by strong demand for functional and nutritional ingredients; and
- Continued to build compelling capabilities and innovative solutions that are attractive to NS’ customers.

#### Looking ahead to 2024

- Following price-led growth in 2022 and 2023, drive volume growth in 2024 through distribution and awareness;
- Capture further growth of GPN lifestyle brands in key growing markets; and
- Maintain GN NS’ momentum in healthy snacking and ingredients solutions.

#### STRATEGY IN ACTION

### ON – a billion dollar brand

Firmly established as the world’s no. 1 sports nutrition brand, Optimum Nutrition (“ON”) surpassed \$1bn in revenue in 2023. For over 35 years ON has been a pioneer in the sports nutrition category through its commitment to quality, performance and innovation across a range of products and formats including ON 100% Gold Standard Whey, the world’s best selling protein powder.



#### KPIs

Adjusted EPS (\$) – continuing operations

**131.37c**

+20.5% constant currency

GPN revenue

**\$1.8bn**

+4.8% constant currency

GN revenue

**\$3.6bn**

-14.2% constant currency

#### Key risks

- Macroeconomic headwinds impacting demand;
- Geopolitical uncertainties may negatively impact consumer demand; and
- Competitor promotional activity or unexpected rapid changes in consumer behaviour.

[For more information about risk, see pages 72-85.](#)

#### Link to remuneration

- Adjusted Earnings Per Share is a performance target in both the annual incentive and LTIP for Executive Directors;
- Business segment EBITA forms part of the annual incentive and LTIP for the CEOs of GPN and GN;
- GPN LFL branded revenue growth and margin forms part of the annual incentive of the CEO of GPN; and
- NS LFL revenue growth and margin forms part of the annual incentive of the CEO of GN.

[For more information about remuneration, see pages 126-149.](#)

Better Nutrition – Strategic priority #2

## Optimise our business

Improving the operational, commercial, sustainability and financial performance of our business to maximise long-term value and deliver superior returns.

**Our strategy:**

- + Science-led innovation;**
- + Refine business and operating model;**
- + Optimise opportunities for margin expansion; and**
- + Digital transformation.**



**2023 progress**

- Continued to refine Group and Business Unit operating models and pursued efficiencies resulting in increased EBITA margins in GPN and NS over prior year;
- Through our HR transformation programme, focused on digitally enabling ongoing talent development, performance management and employee engagement strategies;
- Embedded ESG strategy across the business;
- Continued to optimise Group-wide support functions to align with our growth agenda; and
- Implemented a business-wide digital core platform which will enable further digitisation across the Group.

**Looking ahead to 2024**

- Continue to drive innovation in GPN and build out dairy bioactives business in NS;
- Following the implementation of a business-wide digital core platform, focus on further digital transformation across the Group;
- Further embed our ESG strategy across the business;
- Support full integration of acquisitions across the organisation;
- Continue to optimise Group-wide support functions to align with our growth agenda; and
- Implement new commercial arrangements related to our US joint venture.

STRATEGY IN ACTION

### Refining operating models

Glanbia is a resilient business, well versed to operating in volatile and high inflation markets. We have a clear set of priorities and objectives to drive growth. In 2023 we continued to optimise our business portfolio with the sale of Glanbia Cheese UK and EU JVs. This allows us to continue to focus on our two growth platforms and pursue further efficiencies across the organisation.



**KPIs**

**Adjusted EPS (\$)**  
– continuing operations

**131.37c**

+20.5% constant currency

**Employee engagement score**

**72 points**

+1 point

Increase in point score for employees who said they were happy working at Glanbia.

**Carbon emission reduction**

**15.9%**

Scope 1 & 2 GHG emissions reduction versus 2022.

**ROCE – continuing operations**

**12.2%**

+150bps

**Key risks**

- A failure to attract, develop, engage and retain key talent;
- Adverse cyber security events resulting in significant operational impacts; and
- Climate or pandemic-related events impacting supply chains.

**For more information about risk, see pages 72-85.**

**Link to remuneration**

- Adjusted Earnings Per Share is a performance target in both the annual incentive and LTIP for Executive Directors;
- Development of talent is a personal objective of Executive Directors and the Operating Executive; and
- STIP and LTIP incentives for the Executive Team and Senior Leadership Teams both include measurable metrics aligned to our strategic road map to deliver on our ESG targets.

**For more information about remuneration, see pages 126-149.**

# Strategy continued

## Better Nutrition – Strategic priority #3

### Disciplined capital allocation

Optimising our business for maximum long-term value through the disciplined and focused allocation and reallocation of capital.

#### Our strategy:

- +** Portfolio optimisation;
- +** Accretive M&A;
- +** Focus on cash generation; and
- +** Balance between investment and return of capital to shareholders.



#### 2023 progress

- Transitioned to a US dollar presentation currency for reporting purposes better representing core Group markets;
- Delivered strong cash generation with 90.4% operating cash conversion;
- Net debt: adjusted EBITDA 0.5 (2022: 1.13) and adjusted EBIT: adjusted net finance cost 38.1 (2022: 17.0);
- Completed sale of Glanbia Cheese UK and EU joint ventures;
- Acquired a colostrum enriched nutraceutical business; and
- Continued growth in dividend (+10%) and €100m returned via share buyback programme.

#### Looking ahead to 2024

- Continue progressive capital allocation strategy through mechanisms such as dividends and share buyback programmes;
- Transition to new commercial arrangements associated with the Group’s joint venture operations; and
- Pursue other margin accretive strategic M&A opportunities to complement the current portfolio.

#### STRATEGY IN ACTION

### Delivering shareholder value

Creating sustainable long-term value for our shareholders and other stakeholders remains the primary objective of the Board and management. The Group’s ability to generate cash and its available debt facilities ensure the Group has considerable capacity to finance future investments. We have clear capital allocation priorities, with a balanced approach to investing in the business and providing returns to shareholders. We have a progressive dividend policy and remain enthusiastic about opportunities to accelerate growth via organic and M&A investments.



#### KPIs

#### OCF conversion

**90.4%**

2022: 85.7%

#### ROCE – continuing operations

**12.2%**

2022: 10.7%

#### Net debt

**\$248.7m**

2022: \$490.0m

#### Key risks

- Ineffective due diligence, transaction completion or business integration; and
- Failing to obtain accurate and relevant market intelligence.

**For more information about risk, see pages 72-85.**

#### Link to remuneration

- OCF conversion is a performance target in the annual incentive for Executive Directors and the Operating Executive; and
- ROCE is a performance target in the LTIP for Executive Directors and the Operating Executive.

**For more information about remuneration, see pages 126-149.**