

"Key to Glanbia's continuing success in 2022 is our unique culture and values, and the importance we place on our relationships with all our stakeholders. We listen to our people, our investment community, and our consumers and customers to craft and deliver on our strategy and this allows us to succeed on the world stage."

A clear strategy driving growth



Our investment case

- +** We have simplified and continue to evolve our strategy.
- +** We have a highly focused, attractive position in growing nutrition categories.
- +** We have invested in key capabilities across talent, innovation and supply chain.
- +** We have reshaped our operating model to drive customer and consumer relevance.
- +** We have delivered on our 2018-2022 strategic targets and have set new ambitious goals for 2023-2025.

Dear Shareholder,

2022 saw Glanbia deliver the highest earnings it has ever delivered in terms of adjusted earnings per share from continuing operations of 104.02c, with growth in adjusted EPS from continuing operations of 17.6% constant currency against the originally guided range of 2% to 8%. This is attributable to the hard work of our employees, the consistent execution of our strategy, the resilience and flexibility of the Group's business model and ongoing initiatives to enhance business and operational performance.

We delivered a strong performance across all our key metrics. Revenues, profit, cash generation and return on capital employed ("ROCE") all grew in 2022. Pre-exceptional Group EBITA increased by 13.5%, constant currency, to €347.1 million (+28.3% reported). ROCE, a key metric for the Group, was 11.1% and our strong Operating Cash Flow conversion continued at 85.7%.

But the year wasn't without its challenges, and indeed these challenges continue into 2023, with considerable instability in the global environment, the continued reverberations from Covid-19 and significant inflationary pressures

across many cost areas. North America, our largest market remains very resilient as we continue to leverage our supply chain capabilities and longstanding experience in managing the complexities of running a global business.

Long term ambition and strategy

We continue to take a long-term view of our business. Having proudly delivered across all the key metrics of our 2018–2022 strategy, at our Capital Markets Day in November 2022 we set out our new 2023–2025 growth ambitions. We have clear revenue, earnings and returns ambitions at business and Group level as set out on page 14. These ambitions are grounded in attractive fundamentals for our business which provide a strong platform for growth. These include a growing global demand for better nutrition as consumers seek healthier and more active lifestyles.

In April 2022, following a long and successful partnership, we completed the sale of our 40% holding in Glanbia Ireland (Tirlán) to Tirlán Co-operative Society Limited (formerly Glanbia Co-operative Society Limited) (the "Society") for €307 million. This disposal enables us to focus on our portfolio of key brands and ingredients which have distinct competitive advantages and hold leadership positions across their categories. In May we announced the acquisition of Sterling Technology, LLC, a US-based manufacturer of dairy bioactive solutions derived from bovine colostrum. This acquisition represents an attractive addition to the Glanbia Nutritionals (GN) portfolio strengthening our offering in immunity solutions. Our strategy is clear. We will continue to grow our core brands and ingredients, while simultaneously optimising our business through innovation, investment, creativity and precision in our marketing. And we will achieve all this while maintaining consistent financial discipline. Our long-term value creation model is based on the balanced pursuit of top and bottom-line growth and improved capital efficiency.

Our commitment to ESG

This year the Group made further significant and wide-ranging progress in our environmental, social and governance commitment. Over the course of 2022, we completed a process to realign the Group's Scope 1 and 2 decarbonisation agenda. We have moved from a well below two degrees Celsius temperature pathway ambition to 1.5 degrees Celsius pathway, in line with the Paris Agreement. The revised ambition is for a 50% reduction (previously a 31% reduction) in Scope 1 and 2 carbon emissions by 2030 from a 2018 base year. We also agreed that our ESG targets will represent 20% of the total 2022 Long Term Incentive Plan award for the senior executive team.

As the Group's Engagement Director, I continued to engage with employees and was very pleased with the results of the Engagement Survey which showed a score of 71 points (up 1 point since 2021) for employee engagement. Importantly representing a more pronounced improvement in our employee inclusion metrics. As set out later in the Governance section (page 66) of this Report, the Board recognises that Glanbia's culture is one of its principal competitive advantages and something to be carefully nurtured and developed.

The Board's engagement across all of Glanbia's stakeholders is deeper and more extensive than ever before, whether through townhalls with employees, consultations with suppliers and customers or meetings with shareholders.

Dividends

In testament to the strength of the business, the Board believes it is appropriate for Glanbia to deliver a strong dividend for 2022. The Board is recommending a final dividend of 19.28 cent per share for the year ended 31 December 2022. This brings the total dividend per share for the year ended 31 December 2022 to 32.21 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 2022, we spent €173.5m on share buybacks and will continue to assess this option as part of our capital allocation tools.

Our Board

We have significantly refreshed the composition of the Board 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 the Society, on the Board from six to five in 2022 with a further agreed reduction to three in 2023, has also enabled us to achieve greater board diversity. Patrick Coveney and Vincent Gorman retired from the Board on 30 March 2022 and 5 May 2022 respectively. On behalf of the Board, I thank them for their extensive contributions.

We welcomed Ilona Haaijer and Kimberly Underhill who were appointed as Independent Non-Executive Directors effective 1 August 2022 increasing female Board membership to 36%. Full biographical details for Ilona and Kimberly can be found on page 85. Developing our diversity will remain a focus in the selection of future Board members.

While Dan O'Connor continues in the role of Senior Independent Director, Paul Duffy replaced Dan as chair of the Audit Committee. During the year, Michael Horan stepped down as Group Secretary with Liam Hennigan taking the role. I would like to thank Michael for his work and commitment over the many years.

Looking ahead

Every one of Glanbia's employees deserve great credit for the achievements of 2022. On behalf of the Board, I offer them my sincere thanks for their unremitting efforts in helping drive our business forward in accordance with our purpose and values. The confidence I have in Glanbia's people extends fully to its senior leadership team, and I particularly thank Siobhán for her commitment to Glanbia and for her continued leadership.

In this complex world, Glanbia's guiding light remains its purpose: delivering better nutrition for every step of life's journey. The Group also benefits from considerable financial strength attributable to its strong cash generating capability and long-term financing agreements. As set out in our Capital Markets Day last November, we are confident for future and believe we have two strong platforms to realise our ambitions for the future growth. Your Board and executive leadership team will remain focused on delivering long-term value creation for all our stakeholders.



Donard Gaynor
Group Chairman