

THIRD QUARTER 2019 INTERIM MANAGEMENT STATEMENT

Q3 YTD revenues up 16.9% - Full year earnings guidance reiterated

31 October 2019 – Glanbia plc, the global nutrition group ('Glanbia', the 'Group' or the "plc"), is issuing this Interim Management Statement for the nine month period ended 5 October 2019.

Results summary for the first nine months of 2019:

- Revenues up 16.9% driven by volume up 2.4%, price up 3.2% and acquisitions adding 11.3%;
- Strong performance from Nutritional Solutions ("NS") growing revenue 25.4% with the Watson acquisition adding 12.2%, volume up 9.3% and price up 3.9% with good growth across dairy and non-dairy solutions globally;
- Watson acquisition performing well with the integration on track within NS ;
- Glanbia Performance Nutrition ("GPN") increased revenue by 16.5% with the SlimFast acquisition adding 25.8% offset by a price decline of 1.4% and a volume decline of 7.9%. In Q3 a price increase was successfully implemented as planned in the US.
- GPN like-for-like volumes were weaker than expected in the third quarter as key non-US markets in Brazil, Middle East and India remain challenging. A series of actions are underway to address these issues which will continue into 2020;
- SlimFast growth accelerated in Q3 with YTD like-for-like sales , on a pro-forma** basis, up 34.8%; and
- Guidance reiterated for full year 2019 adjusted earnings per share on a reported basis being in a range of 88 cent to 92 cent.

Full year 2019 outlook

Glanbia reiterates its full year guidance of adjusted earnings per share on a reported basis being in a range of 88 cent to 92 cent, assuming foreign exchange rates remain at current levels.

In 2019, NS and US Cheese are expected to deliver good revenue growth along with a positive contribution from the Watson acquisition. GPN is expected to deliver good overall revenue growth as like-for-like revenue declines of mid-to-high single digits are countered by a strong performance from the SlimFast acquisition. The like-for-like revenue decline in GPN reflects on-going challenges in EU, Middle East, Brazil and India as well as lower activity in the Club channel in the US in 2019 versus the prior year. The SlimFast acquisition is expected to have a very strong year as a result of growth across multiple product formats and successful innovation.

Commenting today, Siobhán Talbot, Group Managing Director said:

"Glanbia delivered 16.9% growth in wholly owned revenues on a constant currency basis in the first nine months of 2019 versus prior year. This was driven by a strong performance from Glanbia Nutritionals as it meets demand from its global and regional customers for dairy and non-dairy solutions, as well as a good contribution from acquisitions. In GPN while we are very pleased with the performance of the SlimFast acquisition our like-for-like volume performance is disappointing. This is largely driven by specific challenges in key non-US markets. We are actively addressing the issues in these markets as they represent a compelling long term growth opportunity for the Group. We reiterate our full year guidance of adjusted earnings per share on a reported basis of being in a range of 88 cent to 92 cent, assuming foreign exchange rates remain at current levels."

Performance update

In the nine months ended 5 October 2019, wholly owned revenue increased 16.9%, constant currency*. On a reported basis, reflecting the stronger US Dollar Euro foreign exchange rate, revenue increased by 23.4% when compared to the same period in 2018. Revenue increase, on a constant currency basis, was driven by volume growth of 2.4%, pricing growth of 3.2% and acquisitions which delivered 11.3%. Volume growth was driven by Glanbia Nutritionals ("GN") and pricing mainly reflected stronger year-on-year dairy markets in North America as well as a price increase in GPN in the third quarter.

Glanbia Performance Nutrition (all commentary is on a constant currency basis*)

GPN delivered revenue growth of 16.5% in the first nine months of 2019. This was driven by the SlimFast acquisition adding 25.8% revenue, offset by a volume decline of 7.9% and a pricing decline of 1.4%.

Volume decline in the first nine months of 2019 primarily related to the continued challenging environment in some non-US markets. As previously noted, key territories experiencing headwinds were Europe, Middle East, Brazil and India.

GPN is actively addressing these issues. In Europe, where channel shift to online has accelerated, the direct-to-consumer online platform has been enhanced and the Body & Fit brand is being rolled out across the region.

In Brazil, Middle East and India local market conditions for imported brands remain difficult as a result of currency and tariff headwinds. The actions required to address these challenges differ by market and are focused on moving further down the value chain to ensure that GPN's brands are supported by the right infrastructure and resources to compete locally. In Middle East and Brazil the route to market is currently being assessed to drive further optimisation while in India GPN is well advanced in developing alternate supply chain options. These initiatives will continue into 2020.

In North America despite on-going declines in the specialty channel consumption has remained positive throughout the year. Sell in volume has lagged consumption in the first nine months of 2019 due to the seasonality of the business. Price increases were successfully implemented in the third quarter which moderated price declines on a year-to-date basis.

Lifestyle brands in North America delivered volume and price growth in Q3 driven mainly by the re-launch of the "think!" brand which gained momentum despite a competitive market environment for bars.

SlimFast continues to deliver a very strong performance with growth accelerating across multiple formats along with successful innovations. Pro-forma** like-for-like sales in the first nine months of 2019 were up 34.8%, with strong growth expected for the remainder of the year.

For full year 2019 GPN expects like-for-like branded revenue to decline by mid-to-high single digits predominantly as a result of continued challenges in some non-US markets and a lower level of activity in the Club channel in North America versus the prior year. Revenue decline is expected to be all volume related with pricing flat on a full year basis as a result of price increases which were implemented in Q3.

Glanbia Nutritionals (all commentary is on a constant currency basis*)

GN delivered revenue growth of 17.1% in the first nine months of 2019. This was driven by a volume increase of 7.9%, a price increase of 5.7% and the Watson acquisition delivering 3.5% revenue.

Nutritional Solutions

NS is a leading provider of customised nutrient premixes, advanced-technology protein solutions, functional beverages and flavours. NS has a diverse product portfolio and supports its customers on both a global and regional basis, supplying solutions that improve product functionality and nutritional profile.

NS revenue increased by 25.4% in the first nine months of 2019. This was driven by volume growth of 9.3%, as a result of a strong performance across both dairy and non-dairy solutions, a pricing increase of 3.9%, which was primarily related to relatively higher year-on-year dairy markets in North America and the Watson acquisition delivering 12.2% revenue.

Watson, which closed in February 2019, is performing well with integration on track. This acquisition has helped to expand the NS supply chain foot print and bring added technical capability into NS.

NS is a key innovation partner with its customers with healthy snacking solutions a key driver of growth in the period. NS further continued to expand its reach in non US markets where it partners with key brand owners delivering a suite of products from ingredients to full consumer ready solutions as they extend their brand reach into new consumers and geographies.

For full year 2019 NS expects to deliver continued strong volume momentum across the dairy and non-dairy platforms as well as a contribution from the Watson acquisition. Full year pricing is expected to be positive reflecting higher year on year dairy markets in North America.

US Cheese

US Cheese is a leading producer and marketer of American-style cheddar cheese in the US supplying brand owners and private label companies who in turn supply major retail and food service operators. US Cheese operates all of the dairy processing plants within GN and also the SwC joint venture plant which produces cheese and whey ingredients.

US Cheese revenue increased by 13.8% in the first nine months of 2019. This was driven by volume growth of 7.4% as a result of a strong operational performance. Price increased by 6.4% due to higher year-on-year cheese markets in North America.

US Cheese is expected to deliver low double digit revenue growth versus prior year as a result of volume growth and stronger year-on-year cheese prices in North America.

Joint Ventures (all commentary is on a constant currency basis*)

Glanbia's share of Joint Ventures ("JVs") revenue increased by 8.6% in the first nine months of 2019. This was driven by volume growth of 9.0% as a result of production growth. This was offset by a pricing decline of 0.4% due to comparatively lower year-on-year dairy markets in Europe.

Financing

Glanbia's net debt at 5 October 2019 was €815.8 million, which represents an increase of €418.0 million versus the net debt position at the end of the third quarter of 2018. This has been primarily driven by the acquisitions of SlimFast and Watson, JV investments and timing of the interim dividend payment. Glanbia expects to deliver over 80% operating cash conversion of EBITDA in 2019. Total 2019 capital expenditure is expected to be approximately €70 million to €80 million. On this basis Glanbia expects its net debt to adjusted EBITDA ratio to be under 2 times at the 2019 financial year end.

* The Constant Currency movement eliminates the impact of foreign exchange rates on translation of results to Euro for reporting. To arrive at the Constant Currency change, the average FX rate for the current period is applied to the relevant reported result from the same period in the prior year. The average Euro US Dollar FX rate year-to-date ('YTD') to Q3 2019 was €1 = \$1.123 (YTD to Q3 2018 was €1 = \$1.195).

** SlimFast was acquired on 19 November 2018. The pro-forma like-for-like sales growth number assumes Slim Fast was owned by Glanbia from 1 January 2018 and is presented on a constant currency basis.

Ends

Cautionary statement

This announcement contains forward-looking statements. These statements 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. 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 contained in this announcement, whether as a result of new information, future events, or otherwise.

IMS conference call dial-in details

There will be an analysts' conference call to accompany this Interim Management Statement at **8.30 a.m.** (GMT) today.

To listen to the call, please dial-in using the following numbers:

Ireland	UK	Europe	USA	Pass code
01 2465638	0330 336 9127	+44 330 336 9127	323 994 2093	5258396

A replay of the call will be available for 30 days from this afternoon. Please see the link below to the Investor Relations section of the Glanbia plc website for details:

<http://www.glanbia.com/investors/results-centre>

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