THIRD QUARTER 2020 INTERIM MANAGEMENT STATEMENT

Glanbia reports improving trends in Q3 2020

29 October 2020 – Glanbia plc, the global nutrition group ('Glanbia' or the 'Group'), is issuing this Interim Management Statement for the nine month trading period ended 3 October 2020 ("Q3 YTD" or "first nine months of 2020").

Summary

- Improving trends in Q3 2020 while navigating the challenges resulting from the Covid-19 pandemic;
- Q3 YTD wholly owned revenues up 1.0% reported. On a like-for-like* basis up 3.1% versus prior year;
- Good performance from Glanbia Nutritionals ("GN") maintaining growth trajectory, Q3 YTD like-for-like revenues up 10.9% versus prior year;
- Foodarom acquisition closed in the third quarter;
- Improving trends in Glanbia Performance Nutrition ("GPN") in the third quarter. Q3 2020 like-for-like branded revenue down 2.3% versus Q3 2019 with positive pricing. Q3 2020 EBITA margin in double digits;
- GPN transformation programme on track and delivering margin improvements;
- Joint Ventures ("JVs") continue to deliver a robust performance;
- Group is in a strong financial position, net debt at Q3 period end improved by €187.7 million versus the prior year with a net debt to EBITDA ratio of 1.95 times;
- Glanbia announces intention to launch a share buy-back programme of up to €50 million; and
- In Q4 2020, notwithstanding continued Covid-19 related uncertainty, Glanbia expects GN and JVs to continue to deliver a resilient earnings performance in addition to further sequential improvement in GPN.

Commenting today, Siobhán Talbot, Group Managing Director said:

"I would like to again acknowledge the tremendous efforts of all my Glanbia colleagues as well as our supplier and customer partners as we navigate the challenges of 2020.

I am pleased to announce that in the first nine months of 2020 Glanbia grew like-for-like wholly owned revenues by 3.1% (up 1.0% reported). Through the challenges of the Covid-19 pandemic the Glanbia portfolio has been resilient, particularly the Glanbia Nutritionals segment and our joint ventures. In the third quarter, trends in Glanbia Performance Nutrition improved significantly with an increase in revenues and margins versus the second quarter as markets gradually reopened and trading patterns improved. The Group has continued to focus on improving its financial position while maintaining investment in growth; with all key strategic projects on track and the acquisition of Foodarom closing in the third quarter. Operating cash flow has been strong and net debt versus the same period in the prior year has reduced by €188 million. We expect to continue to build momentum into Q4 and to exit the year well positioned for 2021 growth."

* "Like-for-like" – Eliminates the impact of the 53rd week in the 2019 comparison and the impact of foreign exchange ("FX") on translation of results into reported currency.

There were 53 weeks in the 2019 financial year versus 52 in 2020. The 53rd week fell in the third quarter of 2019 and therefore the first three quarters of the 2019 financial year had 40 weeks whereas the 2020 financial year had 39. To provide a view of the underlying performance of the business versus prior year, commentary using the term "like-for-like" provides a comparison of sales, on a constant currency basis, excluding the impact of the 53rd week in 2019 and any acquisitions made in the prior 12 months.

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 for Q3 YTD 2020 was €1 = $1.125 (Q3 YTD 2019 was €1 = $1.123).

Performance update

In the nine months ended 3 October 2020, wholly owned revenue on a reported basis increased by 1.0% when compared to the same period in 2019. Excluding the impact of the 53rd week in 2019 and acquisitions wholly owned revenues in the first nine months of 2020 were up 3.1% on a constant currency basis. The drivers of this revenue increase were price growth of 4.8% offset by a volume decline of 1.7%. Price growth reflected strong cheese markets in the period in GN and volume decline in GPN, primarily as a result of the challenges experienced in the second quarter. Acquisitions delivered 0.6% revenue in the Q3 YTD 2020.

Outlook

In Q4 2020, Glanbia expects GN and JVs to continue to deliver a resilient earnings performance in addition to further sequential improvement in GPN. However, the Group remains vigilant of the continuing uncertainties arising from Covid-19. Good operating cash flow is expected to continue in the fourth quarter with net debt to adjusted EBITDA ratio anticipated to be below 2 times by year-end.

Share buy-back

Glanbia is announcing today that it intends to launch a share repurchase programme of up to €50 million. The intention is to acquire Glanbia shares on the open market and subsequently cancel them. The Board has decided to launch this programme as a result of the strong cash flows in the business which provides an opportunity to allocate capital to benefit shareholders. Glanbia expects to commence the share repurchase programme in November 2020 and an announcement with further details will be made immediately prior to its formal launch.

Covid-19 update

The Group's Covid-19 business continuity planning teams continue to focus on three priorities: protect employees, continue food supply and maintain the strong financial position, to ensure Glanbia can emerge safely and strongly from the pandemic's impact.

To date there has been no interruption to the Group's operations globally due to the exceptional work performed by Glanbia's employees, suppliers and customer partners.

All strategic projects across the Group are on track which include the GPN Transformation programme, two major JV plant construction projects, the Foodarom acquisition (which closed in Q3) and a refinancing of the Group's key finance facilities which was recently agreed. The Group's financial position has improved due to continued strong operating cash flow with a rolling 12 month conversion rate well ahead of the targeted 80% and this has led to a reduction in net debt by €187.7 million versus Q3 2019.

Board update

John Daly is to step down as Independent Non-Executive Director with effect from 1 November 2020 and Mary Minnick will step down as Independent Non-Executive Director with effect from 31 December 2020.

Jane Lodge and Roisin Brennan will join the Board as Independent Non-Executive Directors effective 1 November 2020 and 1 January 2021 respectively.

Jane Lodge is a former Senior Audit Partner of Deloitte. In Jane's 25 years as an audit partner, she gained extensive knowledge and experience of international businesses in a wide variety of sectors - manufacturing (including food), complex engineering, construction, distribution and financial services. As lead audit partner, she directed global audit teams and advised Boards on all aspects of Corporate Governance and reporting.

Jane served on the Deloitte UK Board of Partners, overseeing management strategy, acquisitions, and for two years she was the UK Manufacturing Industry Lead Partner and played a key role in Deloitte's global manufacturing executive. Since retiring from Deloitte, Jane has held a number of non- executive public company roles. She is currently a non-executive director of DCC plc, Costain Group Plc and Bakkavor Group plc and is a former non - executive director of Devro plc and Sirius Minerals plc. A fellow of the Institute of Chartered Accountants in England and Wales, Jane graduated from the University of Birmingham with a BSc in Geology.

Roisin Brennan is a former Chief Executive of IBI Corporate Finance Ltd and has over 20 years of investing banking experience, particularly advising public companies in Ireland. She brings strong strategic and financial advisory experience across many sectors including food and FMCG to the Board. Roisin was a Non-Executive Director of DCC plc from 2005 until 2016 and is also a former Non-Executive Director of Wireless Group plc, Coillte DAC and The Irish Takeover Panel. She is currently a Non-Executive Director of Ryanair Holdings plc, Hibernia REIT plc, Musgrave Group plc and Dell Bank International DAC. A fellow of Chartered Accountants Ireland Roisin graduated from University College Dublin with a Bachelor of Civil Law degree.

Jane Lodge and Roisin Brennan have notified Glanbia plc, save as disclosed herein, that they do not have any details to be disclosed as required under Paragraph 6.6.7, Chapter 6 of the Euronext Dublin Listing Rules and Paragraph 9.6.13, Chapter 9 of the UK Listing Rules.

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

GPN delivered a revenue decline of 13.9% in the first nine months of 2020 compared to prior year. This was driven by a volume decline of 13.6% and a price decline of 0.3%. Excluding the impact of the 53rd week and declines in the North America contract business (which is being exited) GPN like-for-like branded revenue declined by 9.0% in the first nine months of 2020 versus prior year and by 2.3% in the third quarter. Year to date decline was primarily driven by the disruption associated with the Covid-19 pandemic in the second quarter which reduced volumes in International markets and the specialty and distributor channels in North America. Trends improved significantly in the third quarter, as routes-to-market in International regions gradually reopened. Price trends also improved and were positive in the third quarter.

EBITA margins in the third quarter were in double digits and this increase over margins in the first half of 2020 was driven by improved operating leverage, pricing and the realisation of benefits from the GPN Transformation programme.

GPN Transformation

As previously noted, GPN has since late 2019 engaged in a wide-ranging transformation project to restore organic growth and improve margins. A series of initiatives across efficiency improvement and demand drivers are well advanced and the business has realised benefits from the programme in the third quarter which will build as the project advances. The programme will continue into 2021 and is on track to deliver an overall GPN EBITA margin ambition by 2022 of between 12% and 13%.

North America Performance Nutrition portfolio

The North America Performance Nutrition portfolio was 37% of total global GPN sales to Q3 2020 and encompasses the Optimum Nutrition, BSN and Isopure brands.

In Q3 2020 like-for-like branded revenues improved on the second quarter driven by good growth in the online and club channels and price increases. This was offset by declines in the specialty and distributor channels with trends in the specialty channel stabilising in recent weeks.

Optimum Nutrition brand consumption in measured channels improved as the quarter progressed resulting in consumption broadly in line in Q3 YTD versus prior year.

North America Lifestyle portfolio

The North America Lifestyle portfolio was 33% of total global GPN sales to Q3 2020 and encompasses SlimFast, think! and Amazing Grass brands.

In Q3 2020 like-for-like branded revenues improved versus Q2 2020 but as expected were lower versus prior year due to strong comparatives for the SlimFast brand and ongoing headwinds in the ready-to-eat category. The Amazing Grass plant based brand continued to deliver a good performance in Q3 2020 with strong demand across mass and online channels.

SlimFast brand consumption in measured channels increased 8% in Q3 YTD outpacing category growth rates.

International

International markets were 23% of total global GPN sales to Q3 2020 with Optimum Nutrition accounting for the majority of the business.

In Q3 2020 like-for-like branded revenues recovered strongly as markets began to reopen following the severe disruption in Q2 2020 related to the Covid-19 pandemic. This performance along with increased price has led to improved operating leverage across all regions which has benefitted the overall GPN margin.

Route-to-market in several regions in International was impacted by lockdowns in Q2 2020. GPN is closely monitoring the increase in restrictions which have come into effect, in Europe in particular, in recent weeks. To date this has not significantly impacted performance in Q4 but GPN remains vigilant in managing any potential disruption that may emerge.

Direct-to-Consumer

Body & Fit is GPN's Direct-to-Consumer online platform serving consumers in Europe and were 7% of total global GPN sales to Q3 2020.

In Q3 2020, Body & Fit like-for-like revenues improved versus Q2 2020 as overall traffic levels to the site increased and conversion rate was maintained. This was achieved across core and recently entered markets.

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

GN delivered good revenue growth in the first nine months of 2020 versus prior year. Revenue increased by 9.2% versus prior year. This was driven by a price increase of 7.5%, a volume increase of 0.8%, and acquisitions delivering 0.9%. Excluding the impact of the 53rd week and acquisitions GN like-for-like revenue grew by 10.9% in Q3 YTD versus prior year. Revenue drivers across Nutritional Solutions and US Cheese are set out below.

Nutritional Solutions

Nutritional Solutions ("NS") is an added value food ingredients business and sells a range of nutritional solutions to brand owners in food and beverage as well as specialised nutrition categories.

NS revenue increased by 1.6% in Q3 YTD. This was driven by volume decline of 0.2%, a price decline of 1.2% and acquisitions delivering 3.0%. Excluding the impact of the 53rd week and acquisitions, NS like-for-like volumes grew by 2.3% in the first nine months of 2020.

Like-for-like volume growth has been driven by a strong volume performance in vitamin and mineral premix and value-added dairy solutions which more than offset ongoing headwinds from customers with convenience channel exposure. Price declines related to lower year-on-year dairy markets.

Demand in the first nine months of 2020 has remained robust with the majority of NS customers oriented around growth categories such as supplements and specialised nutrition as well as retail channels for food and beverage brands.

Foodarom acquisition

During the third quarter Glanbia completed the acquisition of Foodarom, a Canadian Flavours business with CAD 34 million annual revenue for a purchase price of CAD 60 million plus contingent consideration. This business will enable the further development of flavour solutions to NS customers. Foodarom has a strong flavour formulation capability and is focused on segments complementary to NS. With manufacturing and applications facilities in Canada, the US and Europe this acquisition is on-strategy and is scalable.

US Cheese

US Cheese is a leading producer and marketer of American-style cheddar cheese supplying brand owners and processors who in turn supply major retail and food service operators. US Cheese operates all of the dairy processing plants within GN as well as the Southwest Cheese and MWC JV plants which produce cheese and whey ingredients.

US Cheese revenue increased by 12.5% in the period. This was driven by volume growth of 1.2% and pricing increasing by 11.3%. Excluding the impact of the 53rd week, US Cheese like-for-like volume grew by 3.8% in the first nine months of 2020 versus prior year. Volume growth was driven by strong retail demand. Price increased as a result of higher cheese pricing in the period versus prior year, although cheese markets have been volatile throughout 2020 due to the impact of the Covid-19 pandemic. US Cheese largely operates a model which limits the effects of price volatility on margins.

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

Glanbia's share of Joint Ventures ("JVs") revenue declined by 4.3% in the period driven by price decline of 2.2% and by a volume decline of 2.1% . Excluding the impact of the 53rd week in 2019 like-for-like volumes increased by 0.3% in the first nine months of 2020 versus prior year.

All of Glanbia's JVs have performed well in the first nine months of 2020.

The JVs operate robust business models, are well financed and have navigated Covid-19 related market volatility well.

New Joint Ventures

Commissioning of the new JV project in Michigan, USA ("MWC") commenced on 21 October 2020 and will take place over the next eight months. When fully operational the facility will process 3.6m litres (8m pounds) of milk per day into a range of superior quality block cheese and value-added whey products for U.S. and international markets.

The new JV project in Portlaoise, Ireland ("Glanbia Cheese EU") is at an advanced stage in its construction process with commissioning expected to commence in H1 2021.

Financing

The Group's balance sheet remains in a strong position. Glanbia's net debt at 3 October 2020 was €628.1 million which represents a decrease of €187.7 million versus the prior year net debt position (Q3 2019 net debt €815.5 million). The Group's net debt to adjusted EBITDA ratio at the end of Q3 2020 was 1.95 times (Q3 2019 ratio 2.25 times). This decrease in net debt was primarily driven by continuing strong operating cash flow.

The Group has recently completed the financing of US$555 million of debt facilities maturing between January 2024 and December 2031. These new facilities will replace $507 million of existing facilities maturing in June and July 2021. The Group has no other committed facilities due prior to January 2024. At 3rd October 2020 the Group had a total of €1.24 billion of committed facilities.

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 and presentation webcast 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:

Telephone dial-in details are as follows:

Ireland	+353 (0)1 246 5638
UK	+44 (0)330 336 9126
Netherlands	+31 (0) 20 703 8211
France	+33 (0)1 70 72 25 50
Germany	+49 (0)69 2222 25574
Italy	+39 02 3600 8019
USA	+1 323-794-2094
Rest of the world	+44 (0)330 336 9126

The access code for participants is: **9662217**

Please see the link below to the Investor Relations section of the Glanbia plc website for the details of the live webcast presentation which will accompany this call. A replay of this call will be available for 30 days from this afternoon at the same location:

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

This announcement contains inside information. The person responsible for arranging for the release of this announcement on behalf of Glanbia plc is Michael Horan, Company Secretary. The time and date of this announcement is, at 7am, 29 October 2020.

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