

FIRST QUARTER 2020 INTERIM MANAGEMENT STATEMENT

Glanbia reports a good Q1 and now focused on navigating Covid-19

22 April 2020 – Glanbia plc, the global nutrition group ('Glanbia', the 'Group' or the "plc"), is issuing this Interim Management Statement for the three month period ended 4 April 2020 ("first quarter" or "Q1 2020" or "Q1"). This statement is issued in conjunction with the plc's Annual General Meeting ("AGM") which is being held today.

Summary

- Q1 2020 wholly owned revenues up 17.0% on a constant currency basis (20.2% reported) versus prior year due to good demand across both Glanbia Performance Nutrition and Glanbia Nutritionals;
- Group wide plans in place for Covid-19 operational from February, key priorities:
 - protect the health and safety of employees,
 - continue supply of food to consumers and customers, and
 - maintain a strong financial position.
- Limited operational disruption to date due to the exceptional performance of Glanbia employees and supply chain partners;
- Strong balance sheet and operating cash flow; committed facilities of €1.15 billion with no debt due for renewal in the next 12 months and quarter end net debt of €690 million;
- The final 2019 dividend will be paid to shareholders on 24 April 2020; and
- Due to the uncertainty of duration and impact of Covid-19, financial guidance previously issued on 26 February 2020 is withdrawn.

Commenting today, Siobhán Talbot, Group Managing Director said:

"Glanbia had a good first quarter of 2020, growing revenues by 17%, constant currency, versus prior year. This was underpinned by good volume growth in both Glanbia Performance Nutrition ("GPN") and Glanbia Nutritionals ("GN") in the period. Overall demand in our key end markets was positive in the first quarter, however greater volatility in consumer shopping behaviour was evident in recent weeks arising from Covid-19 and due to uncertainty of duration and impact of this pandemic, full year 2020 financial guidance is withdrawn.

The Covid-19 pandemic is a human tragedy and our priorities are to protect our people, provide essential food supplies and maintain our strong financial position. Our nutritious products and ingredients are essential for our consumers and to date all of our plants have largely operated to plan and maintained supply. I would like to express my deep thanks to our employees, customers and suppliers around the world, in particular to our frontline staff and their families who continue to give enormous commitment to keep our supply chain and operations running. As an essential service, the food industry has a critical role to play and we are very focused on continuing to serve our consumers, customers and communities through this global crisis."

Performance update

In the three months ended 4 April 2020, wholly owned revenue increased 17.0%, constant currency. On a reported basis, reflecting the stronger US Dollar Euro foreign exchange rate*, revenue increased 20.2% when compared to the same period in 2019. The drivers of the revenue increase, on a constant currency basis, were price growth of 9.2%, volume growth of 6.3% and the Watson acquisition representing 1.5%. Price growth reflected strong cheese markets in the period in GN and volume growth was driven by a good performance across both GN and GPN.

Covid-19 update

In the first quarter of 2020, the Group has traded well due to good consumer demand for its nutritious products and ingredients, which are predominantly sold in retail end markets. Strong demand in North America offset weaker demand in International markets where the challenges posed by Covid-19 had a greater impact, in particular, on GPN's route-to-market.

In response to the Covid-19 pandemic the Group put in place business continuity planning teams with three priorities: protect the health and safety of employees, continue supply of food and maintain the Group's strong financial position.

Protecting employees and maintaining food supply

The health and safety of the Group's employees is its number one priority with office based staff working remotely and a restriction on all travel in place. A comprehensive set of health and safety measures has been implemented at all production sites worldwide including health monitoring, occupational health support, employee welfare supports, physical distancing, hygiene and sanitation measures.

Glanbia employees have done an exceptional job and to date all plants across the Group have maintained production with plans in place at each site to manage potential disruption.

Financial position

Net debt at 4 April 2020 was €690.3 million, which represents a decrease of €119.5 million versus the net debt position at the end of the first quarter of 2019 with this improvement due to continuing strong operating cash flow. Glanbia has available total committed banking facilities of €1.15 billion with no facilities coming due for renewal in the next 12 months. In addition, to further preserve cash, the following precautionary measures have been taken, discretionary spend has been curtailed, working capital monitoring has been increased, capital expenditure has been reduced to key strategic projects and essential maintenance only, and M&A activity has been deferred.

Strategic initiatives

Glanbia remains focused on delivering its Group wide strategic initiatives as outlined in February 2020. GPN organisational changes and SKU rationalisation have been largely progressed. The exit of contract manufacturing in North America remains on track. Given the Covid-19 restrictions currently in place, the pacing of some of the projects relating to Group wide initiatives and GPN route to market may alter.

Outlook

The period since Glanbia gave financial guidance in late February has been marked by a rapid acceleration of the Covid-19 pandemic across the globe. A significant proportion of the global population is now in lockdown which has impacted consumer shopping activity in a variety of ways and it is difficult to model how those behaviours will evolve.

Although the Group has traded well in Q1 2020, demand became more volatile at the end of the quarter and into April particularly in GPN. At this time it is extremely difficult to assess the impact and duration of Covid-19 and therefore it is prudent for Glanbia to withdraw its 2020 full year financial guidance issued on 26 February 2020.

As an organisation Glanbia is highly focused both on navigating the current challenges and emerging strongly to capture growth opportunities that will become available. The majority of the Glanbia portfolio is exposed to health and wellness trends and in growing channels which is positive for long term growth. The financial strength of Glanbia and the commitment of its people, positions the Group well for the future.

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

GPN delivered revenue growth of 3.6% in the first quarter of 2020 compared to the prior year. This was driven by volume growth of 4.1% offset by a price decline of 0.5%. Like for like branded revenue growth was 6.0%, driven by volume growth of 6.8% offset by price decline of 0.8%.

Volume growth was driven by good growth in the North American Performance Nutrition and Lifestyle portfolios while the price decline was driven by some increased promotional spend in International markets and the Direct-to-Consumer business.

North America Performance Nutrition portfolio

The North America Performance Nutrition portfolio accounted for 39% of total Global GPN sales in 2019 and encompasses the Optimum Nutrition (ON), BSN and Isopure brands. This portfolio delivered a strong performance in Q1 2020 as a result of good demand in the online and food, drug, mass and club (“FDMC”) channels which offset declines in specialty as well as contract business. Overall sales momentum slowed at the end of the quarter. However, consumption in measured channels for the ON brand was resilient in the quarter with consumption of BSN and Isopure more adversely impacted by Covid-19 as they are more specialty and distributor based brands.

GPN’s strategy of developing in the online channel has helped to mitigate challenges in other channels related to the current consumer environment. The ON brand is the category leader in the online channel in North America and has developed and deployed digital content in the period which helps consumers adapt their training and nutrition plans where they have to spend extended periods at home.

North America Lifestyle portfolio

The North America Lifestyle portfolio accounted for 29% of total Global GPN sales in 2019 and encompasses SlimFast, think! and Amazing Grass brands. This portfolio had a strong performance in Q1 2020 led by the SlimFast brand due to strong sales in the food, drug and mass (“FDM”) channels

as well as expansion online. Consumption of the overall lifestyle portfolio of brands was good in Q1 2020 in measured channels. Pantry loading was evident in the first half of March across both the Slimfast and Think! brands while sales decelerated somewhat in the last two weeks of the month. Consumption of the Amazing Grass brand has been very strong throughout the quarter. GPN's Lifestyle products are typically consumed as lower calorie healthy alternatives or as part of an overall nutrition plan. Post the Covid-19 crisis, health and wellness is likely to become even more embedded with consumers and the portfolio of Lifestyle brands is well positioned for these trends.

International

International markets accounted for 26% of 2019 total Global GPN sales and are split evenly between European markets and Rest of World. The quarter started well across international markets but in March performance was significantly impacted by Covid-19 disruption, as restrictions affected all markets where the route to market relies on third party distributors and the retail base is fragmented.

Direct-to-Consumer

Body & Fit is GPN's Direct-to-Consumer online platform serving consumers in Europe and accounted for 6% of total GPN sales in 2019. Body & Fit volumes were solid in Q1 2020 but pricing was adverse in response to increased competitive activity in its core markets. The team continues to expand the platform from a new base in Amsterdam with six new European markets added in the period.

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

GN delivered good revenue growth in the first quarter of 2020 versus prior year. Revenue increased by 24.0% versus prior year. This was driven by a price increase of 14.2%, a volume increase of 7.5%, and the Watson acquisition, completed on 28 February 2019, delivering 2.3%. Revenue drivers across Nutritional Solutions and US Cheese are set out below.

Nutritional Solutions ("NS")

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 14.2% in the period. This was driven by volume growth of 7.6%, a price decline of 0.7% and the Watson acquisition delivering 7.3%.

All NS operations and supply chains continue to operate to plan. Volume growth in Q1 2020 was driven by a strong performance in vitamin and mineral premix and value-added dairy solutions. The price decline in Q1 primarily related to dairy market dynamics.

Demand in Q1 has been underpinned by the depth of the portfolio within NS which reaches across multiple sectors many of which continue to grow despite the current Covid-19 restrictions. In particular NS has seen strong demand in the healthy snacking and supplement sectors. The Watson acquisition continues to perform well.

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 the Southwest Cheese JV plant which produces cheese and whey ingredients.

All US Cheese operations and supply chains continue to operate to plan. US Cheese revenue increased by 28.6% in the period. This was driven by volume growth of 7.4% as increased demand from retail destinations compensated for lower demand from food service channels. Pricing increased by 21.2% as a result of stronger cheese pricing in the period versus prior year, a trend that has now reversed materially since the end of the quarter. US Cheese operates a robust business model which passes through dairy market movements to input costs providing substantial margin protection against dairy price changes.

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

Glanbia share of Joint Ventures (“JVs”) revenue grew by 10.0% in Q1 2020 versus prior year. This was driven by volume growth of 1.7% and price growth of 8.3%. Volume growth was primarily driven by Southwest Cheese which more than offset a decline at Glanbia Ireland. Price growth was also primarily driven by Southwest Cheese which was offset by a decline in Glanbia Cheese UK.

All of Glanbia’s JVs have performed well in Q1 2020. The JVs operate robust business models, are well financed and are well positioned for Covid-19 related market volatility.

New Joint Ventures

Construction of the Group’s new joint venture project in Michigan, USA continues as planned. Construction of the new joint venture project in Portlaoise, Ireland has paused due to Covid-19 restrictions in place currently in Ireland which may delay the completion of this project.

Financing

The Group’s balance sheet remains in a strong position. Glanbia's net debt at 4 April 2020 was €690.3 million which represents a decrease of €119.5 million versus the net debt position at the end of the first quarter of 2019. This decrease was primarily driven by continuing strong operating cash flow.

In light of the potential financial risks posed by Covid-19 Glanbia has increased its focus on cash flow and liquidity to ensure it has significant resources to mitigate material disruption if it were to arise.

In response to the considerable financial market volatility during March, on 8 April 2020, Glanbia completed a precautionary measure of extending the maturity date on \$351 million facilities due 5 November 2020 to 5 July 2021.

Glanbia had €1.15 billion of committed facilities at the end of Q1 2020 and over €450 million of available debt capacity, of which over €200 million was held in cash balances. Committed facilities have an average maturity date of 2.7 years with none due for renewal within the next 12 months.

Chairperson succession

A process to identify a successor as Chairperson of the plc commenced earlier this year. A sub-committee of the Board, led by Dan O'Connor, Senior Independent Director, was established. External advisors were appointed to assist the sub-committee in the selection process which is progressing well.

AGM

Glanbia is holding its AGM today. Due to restrictions in Ireland to limit the spread of Covid-19 the meeting has been adjourned to the Company's head office in Kilkenny, Ireland and will be held as a closed meeting. Shareholders who wish to follow the proceedings of the AGM can do so by listening via a teleconference and later today the results of the resolutions relating to the AGM will be published. All details relating to the AGM can be found on the Company's website: www.glanbia.com/agm

* 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 Q1 2020 was €1 = \$1.101 (Q1 2019 was €1 = \$1.136).

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. (BST) today.

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

Ireland 01 246 5621

UK 0330 336 9411

Europe +44 (0)330 336 9411

USA +1 323-794-2093

Pass code 2951907

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>

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, 22 April 2020.

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