

THIRD QUARTER 2022 INTERIM MANAGEMENT STATEMENT

Glanbia revenues up 23.1%¹ for the first nine months of 2022

Full year earnings guidance updated to 10% - 13% growth in adjusted EPS²

03 November 2022 – Glanbia plc, the global nutrition group (“Glanbia”, the ‘Group’, the ‘Company’ or the ‘plc’), is issuing this Interim Management Statement for the nine month period ended 1 October 2022 (“YTD third quarter” or “YTD Q3 2022”).

Highlights YTD Q3 2022

- Revenues up 23.1% on a constant currency basis (up 36.8% on a reported basis)
 - Pricing +20.9%, volume +0.8%, acquisitions +1.4%
- Glanbia Performance Nutrition (“GPN”) branded like-for-like revenue growth of 14.4%
 - Pricing +15.6%, volume -1.2%
 - Strong ON brand trends continue; YTD Q3 2022 like-for-like global revenue growth +22.6%; 12 week North America consumption growth +32.9%³
- Nutritional Solutions (“NS”) like-for-like revenue growth 14.5%
 - Pricing +17.7%, volume -3.2%
 - Volume decline largely timing related in dairy ingredients
- Revised ESG ambition for a 50% reduction in Scope 1 and 2 carbon emissions by 2030 (previously a 31% reduction); and
- Updating full year guidance to 10% to 13% growth in adjusted EPS constant currency (updated to 26% to 29% growth in reported currency⁴).

Commenting today, Siobhán Talbot, Group Managing Director said:

“I am pleased to report that the momentum outlined at our half year has been sustained through the third quarter. Consumption trends continue to be resilient across the performance nutrition and healthy lifestyle brand portfolios in GPN. Revenue growth was primarily driven by pricing actions in response to unprecedented inflation.

The global macro-economic environment continues to be challenging and we are monitoring consumption and inflation trends closely. The strength of our platforms in better nutrition, supported by the combination of pricing actions taken and operational efficiencies achieved, gives us continued confidence that we will deliver strong full year EBITA growth.

This confidence sees us today updating our full year guidance to 10% to 13% growth in adjusted EPS, constant currency. Based on current foreign exchange rates, our reported adjusted EPS growth is expected to be 26% to 29%.”

¹ Constant currency: 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 2022 was €1 = \$1.06 (Q3 2021 was €1 = \$1.196)

² Adjusted earnings per share (“EPS”) for continuing operations on a constant currency basis

³ Consumption growth is measured in North American channels and includes Online, FDMC (Food, Drug, Mass, Club) and Specialty channels. Data compiled from published external sources and Glanbia estimates to 2 October 2022

⁴ Based on foreign exchange rates being sustained at current rates for the remainder of 2022

Summary revenue progression

Summary of YTD Q3 2022 revenue progression versus prior year						
Constant currency movement						Reported movement
	Volume	Price	Like-for-like	Acquisition	Total constant currency	Total reported
Glanbia Performance Nutrition	(2.2%)	15.4%	13.2%	0.5%	13.7%	24.8%
Glanbia Nutritionals	2.2%	23.5%	25.7%	1.7%	27.4%	42.3%
<i>Nutritional Solutions</i>	(3.2%)	17.7%	14.5%	5.8%	20.3%	32.6%
<i>US Cheese</i>	4.5%	26.0%	30.5%	-	30.5%	46.7%
Total wholly-owned businesses	0.8%	20.9%	21.7%	1.4%	23.1%	36.8%

In the nine months ended 1 October 2022 compared to the same period in 2021, wholly-owned revenue increased 23.1%, constant currency. On a reported basis, reflecting the stronger Euro US Dollar foreign exchange rate, revenue increased 36.8%. The drivers of the revenue increase, on a constant currency basis was volume growth of 0.8% across the Group, price increase of 20.9% and acquisitions delivering 1.4%.

GPN revenue grew by 13.7% constant currency (up 24.8% reported) on prior year driven by a 2.2% reduction in volume, favourable pricing of 15.4% and the positive impact of acquisitions of 0.5%. GPN branded like-for-like revenue grew by 14.4% driven by 15.6% growth in pricing and a volume decline of 1.2%. GPN continued to have good volume and consumption growth in performance nutrition and healthy lifestyle brands offset by the continuing headwinds in the diet category. Pricing was positive across all GPN brands.

GN revenues grew 27.4% constant currency (up 42.3% reported) on prior year driven by volume growth of 2.2%, price increases of 23.5% and the positive impact of acquisitions of 1.7%. GN volume growth was driven by growth in the NS non-dairy portfolio and US Cheese.

Outlook

Glanbia updates its guidance that adjusted EPS for the continuing Group is expected to grow 10% to 13% constant currency for full year 2022. Should the current foreign exchange rate be sustained for the remainder of 2022, the reported full year adjusted EPS growth would be expected to be in a range of 26% to 29%.

The continued resilience of Glanbia's better nutrition platforms supports the Group's confidence in its ability to navigate the current external risks including the challenging economic environment, the impact of geopolitical tensions, and ongoing inflation. In the absence of any further unanticipated major market disruption, Glanbia expects to deliver strong revenue and earnings growth for 2022.

The Group outlines the following guidance for full year 2022:

- GPN expects to deliver low teens percentage revenue growth (constant currency) and NS expects strong double-digit percentage revenue growth (constant currency). Revenue growth in both platforms is expected to be driven by pricing.
- EBITA growth is expected to be delivered in GPN, GN NS and US Cheese. Joint Ventures performance expectations are unchanged.

- GPN expects to deliver the targeted EBITA margin of 12% in the fourth quarter, resulting in a full year margin broadly in line with the prior year. In NS, the expected full year margin contraction of c.100 basis points will be driven by the mathematical dilution related to significant pricing changes, particularly in dairy ingredients.
- The Group is targeting an operating cash flow conversion rate of 80% for FY 2022.

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

GPN delivered revenue growth of 13.7% in the first nine months of 2022. Revenue growth was driven by pricing action of 15.4%, volume decline of 2.2% and the LevUp acquisition contributed 0.5%. Branded like-for-like revenue for the period increased by 14.4%, with 15.6% pricing growth and a volume decline of 1.2%.

Strong momentum continued across the majority of the GPN branded portfolio. Pricing action was taken across all brands, in all regions, in response to inflationary trends. The global ON brand, which represents 54.2% of the GPN portfolio, continues to deliver a strong performance with year-to-date global shipments up 22.6%. Strong marketing activation, distribution gains and innovation continues to underpin consumption growth trends; in the key North American market ON consumption in the 12 weeks to the beginning of October was up 32.9%.

Americas

GPN Americas delivered 13.4% revenue growth in the period. Excluding the impact of the contract business, which has been exited in North America, branded like-for-like revenues increased 14.6%. This was driven by good volume growth in the performance nutrition and healthy lifestyle brand portfolios, with a volume decline in the SlimFast brand as the expected weakness in the diet category continues. Pricing action was taken across all brands in response to inflationary trends.

Strong consumption trends for ON continue in the Americas market. ON innovations across new consumer opportunities in plant protein, dairy RTD and energy/hydration are in market and performing well to date. Strong consumption trends in the healthy lifestyle portfolio also continued with consumption growth in the 12 weeks to the beginning of October of 15.8% across the think!, Isopure and Amazing Grass brands. The SlimFast brand performance continues to be impacted by headwinds in the diet category with consumption in the 12 weeks to the beginning of October down 18.2%. The brand refresh is on track to be in market in advance of the key early 2023 diet season, supported by new brand and pack design, creative content and innovation.

International

GPN International, which includes direct-to-consumer (“D2C”) brands, delivered 14.5% revenue growth in the period driven by price growth as well as the LevUp acquisition.

Pricing was positive in all markets due to price increases implemented in response to cost inflation. While there was some elasticity in Q3 due to pricing and FX trends, we expect to deliver volume growth in key markets in Q4.

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

GN delivered strong revenue growth in the first nine months of 2022 versus prior year. Revenue increased by 27.4% driven by a volume increase of 2.2%, a price increase of 23.5% and acquisitions delivering 1.7% revenue growth.

Nutritional Solutions

NS revenue increased by 20.3% in the period. Pricing actions across all elements of the portfolio, in response to material cost inflation, increased revenue by 17.7%. Volumes declined by 3.2% reflecting lower customer offtakes in Q3 primarily in dairy ingredients, which we expect to largely recover in Q4. The PacMoore and Sterling Technology acquisitions continue to perform well contributing 5.8% to revenue growth in the period.

NS continues to support customers seeking to address growing consumer trends such as nutrition supplementation, functional and nutritional protein and specialised nutrition. Our innovation pipeline remains strong, delivering growth in the period in our customised premix business, particularly in the EMEA and Asia Pacific regions. This good volume momentum is expected to be sustained in premix into Q4.

US Cheese

US Cheese revenue increased by 30.5% in the period. This was driven by volume growth of 4.5% and pricing growth of 26.0%. Volume growth was driven by end market demand and the new joint venture plant in Michigan which was commissioned during 2021. Price increases were aligned to the higher year-on-year market pricing.

Share Buyback

On 30 September 2022, Glanbia completed its previously announced share buyback programme. Between 23 June 2022 and 30 September 2022, Glanbia deployed €50 million, repurchasing 4,301,115 ordinary shares on Euronext Dublin at an average price of €11.62. In the year-to-date, Glanbia has deployed a total of €173.5 million on share buybacks. Glanbia will continue to assess the opportunity for share buybacks as part of its broader capital allocation policy.

Financing

The Group's balance sheet remains in a strong position. Glanbia's net debt at 1 October 2022 was €749.6 million which represents an increase of €160.6 million versus the net debt position at the end of the third quarter of 2021, of which €91.9 million relates to the foreign exchange impact of a strong US Dollar. Investment in working capital is expected to reduce by the year end and the Group continues to target a full year operating cash conversion of 80%.

At the end of Q3 2022 the Group had €1.3 billion in committed debt facilities.

ESG

Glanbia continues to make good progress on its series of ESG initiatives. In the environmental programme, Glanbia has recently completed a process to re-align its Scope 1 and 2 decarbonisation agenda with a Science Based Targets initiative ("SBTi") 1.5 degree pathway. 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.

Aligned to this overall ambition for scope 1 and 2 carbon emissions reduction by 2030, Glanbia has approved the ESG metric applicable to its 2022 Long Term Incentive Plan (“LTIP”). The ESG target will represent 20% of the total 2022 LTIP award, with the target set to achieve between a 20% and 29% reduction in Scope 1 and 2 emissions by 2024 compared to 2021 emissions outturn.

Capital Markets Event

The Group will hold a Capital Markets event on Wednesday, 9 November 2022 at its GPN US facility in Aurora, Illinois. The event will focus on the Group’s growth agenda and provide an overview of the strategies in the growth platforms GPN and NS. The event will also provide attendees with an opportunity to tour the manufacturing facility and meet divisional management. For those interested in attending, registration is available at the following link:

<https://glanbia.connectid.cloud/>

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 and webcast details

There will be an analysts' conference call and webcast presentation to accompany this Interim Management Statement at 8.30 a.m. (GMT) today. Please access the webcast from the Glanbia website at <https://www.glanbia.com/investors/results-and-events>, where the presentation can also be viewed or downloaded.

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

Ireland	+353 (0)1 536 9584
United Kingdom	+44 (0)203 936 2999
Netherlands	+31 (0)85 888 7233
France	+33 (0)9 70 73 39 58
Italy	+39 (0)6 9450 1060
United States	+1 646 664 1960
All other locations	+44 20 3936 2999

Access code: 964059

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:

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

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