Glanbia plc
2022 Half Year

Half year results for the six month period ended 2 July 2022

Delivering better nutrition for every step of life's journey

17 August 2022

glanbia

Glanbia half year 2022 results

Good first half momentum, full year outlook upgraded to 9% to 13% growth in adjusted EPS constant currency

17 August 2022 - Glanbia plc ("Glanbia", the "Group", the "Company", the "plc"), the global nutrition company, is publishing its financial results for the six month period ended 2 July 2022 ("half year 2022", or "HY 2022").

Half year highlights include:

- Group revenues of €2.8 billion (HY 2021: €2 billion) represents growth of 26.8% constant currency (up 38.5% reported);
- Strong operating performance
  - Glanbia Performance Nutrition ("GPN") branded like-for-like volume +1.9%, pricing +13.9%
  - Nutritional Solutions ("NS") like-for-like volume +1.6%, pricing +17.9%;
- Group EBITA pre-exceptional €171.7m (HY 2021: €159.9m), a decrease of 3.5% constant currency (up 7.4% reported);
- Adjusted earnings per share[1] ("EPS") ahead of expectations at 52.31 cent (HY 2021: 48.84 cent), a decrease of 3.8% constant currency (up 7.1% reported);
- Basic EPS of 66.13 cent (HY 2021: 27.90 cent);
- Net debt to adjusted EBITDA ratio of 1.83 times (HY 2021: 1.51 times);
- Completed the disposal of 40% interest in Glanbia Ireland and acquired Sterling Technology, a US bioactive ingredient company;
- Continued progress against ESG targets and Board diversity increased;
- Returned €127.1m to shareholders in the period via share buybacks;
- Interim dividend increased by 10% to 12.93 cent per share; and
- Strong H2 EBITA growth expected over prior year – full year guidance upgraded to 9% to 13% adjusted EPS constant currency growth (21% to 25% reported[2])

Commenting today Siobhán Talbot, Group Managing Director, said:
"I am pleased to report that half year 2022 results have exceeded our plans, demonstrating the impact of a series of actions implemented since the latter part of last year in response to unprecedented inflation.

Revenues grew strongly with significant pricing initiatives and volume growth in all business segments in the period. Adjusted EPS[1] at 52.31 cent, reflected improving momentum across the Group, building on a strong 2021 comparator. We continue to make progress on our strategic agenda and with the completion of the sale of the Company's minority interest in Glanbia Ireland, Glanbia plc continues to evolve as a focused, purpose led global nutrition company.

We will continue to monitor inflationary trends into the second half of the year but are confident that further pricing action and operational efficiencies will deliver improving margins and strong year-on-year EBITA growth.

Current expectations for improved EBITA growth in GPN underpin the upgrade in full year guidance for the Group, with growth in adjusted EPS[1] now expected to be 9% to 13%, constant currency. Based on current foreign exchange rates, the reported adjusted EPS growth is expected to be 21% to 25%."

[1] Adjusted earnings per share ("EPS") for continuing operations

[2] Based on foreign exchange rates being sustained for the reminder of 2022

Summary financials (pre-exceptional)[1]

2022 half year results €m	HY 2022	HY 2021	Reported Change	Constant Currency Change[2]
Wholly-owned business				
Revenue	2,828.8	2,042.2	+38.5%	+26.8%
EBITA[3]	171.7	159.9	+7.4%	-3.5%
EBITA margin	6.1%	7.8%		
Joint Ventures (continuing operations[4])				
Share of profit after tax	11.4	18.8		
Profit after tax	121.5	133.5		
Profit after tax – continuing operations	*121.5*	*122.4*		
Profit after tax - discontinued operations	-	*11.1*		
Adjusted earnings per share[5]	52.31c	52.86c	-1.0%	-10.4%
Adjusted earnings per share (continuing operations)	*52.31c*	*48.84c*	+7.1%	-3.8%
Adjusted earnings per share (discontinued operations)	-	*4.02c*		
Exceptional gains/(costs) (after tax) (continuing operations)	6.9	(52.2)		
Basic earnings per share (continuing operations)	46.1c	24.09c		
Basic earnings per share (discontinued operations)	20.03c	3.81c		

1. This release contains certain alternative performance measures. Detailed explanation of the key performance indicators and non-IFRS performance measures can be found in the glossary on pages 35 to 43.
2. To arrive at the constant currency change, the average exchange 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 exchange rate for HY 2022 was €1 = $1.093 (HY 2021: €1 = $1.204). Reported and constant currency movements are on a pre-exceptional basis.
3. EBITA is defined as earnings before interest, tax and amortisation.
4. Continuing operations. The Glanbia Ireland joint venture was classified as a discontinued operation on 17 December 2021. Results presented for continuing operations excludes the impact on the Group of the Glanbia Ireland joint venture. Discontinued operations reflects the contribution from the Glanbia Ireland joint venture. Prior year comparatives have been restated on the same basis.
5. Adjusted earnings per share includes the contribution of continuing and discontinued operations.

2022 financial half year results summary

Revenue progression	**HY 2022 versus HY 2021**					
	Constant currency movement					**Reported movement**
	Volume	**Price**	**Like-for-like**	**Acquisition**	**Total constant currency[2]**	**Total reported**
Glanbia Performance Nutrition	0.5%	13.6%	14.1%	0.8%	14.9%	24.4%
Glanbia Nutritionals	5.1%	25.4%	30.5%	1.7%	32.2%	44.9%
Nutritional Solutions	*1.6%*	*17.9%*	*19.5%*	*5.4%*	*24.9%*	*35.4%*
US Cheese	*6.6%*	*28.8%*	*35.4%*	-	*35.4%*	*49.2%*
Total wholly-owned businesses	3.7%	21.7%	25.4%	1.4%	26.8%	38.5%

Revenue, EBITA and margin						
	HY 2022			**HY 2021**		
€m	**Revenue**	**EBITA**	**Margin %**	**Revenue**	**EBITA**	**Margin %**
Glanbia Performance Nutrition	794.1	82.3	10.4%	638.4	90.2	14.1%
Glanbia Nutritionals	2,034.7	89.4	4.4%	1,403.8	69.7	5.0%
Nutritional Solutions	*588.8*	*71.7*	*12.2%*	*434.8*	*56.6*	*13.0%*
US Cheese	*1,445.9*	*17.7*	*1.2%*	*969.0*	*13.1*	*1.4%*
Total wholly-owned businesses	2,828.8	171.7	6.1%	2,042.2	159.9	7.8%

2022 half year overview

The Group's results for the first half of 2022 were very solid in the context of unprecedented inflationary trends across the business. Significant management actions were taken to mitigate cost inflation including price increases and other efficiency measures. Consumer response to date to higher pricing has been better than expected in key areas with volume growth in both GPN and GN for the half year. EBITA margins in the period reduced as actions to mitigate inflation did not fully insulate year-on-year margins which, particularly in GPN, were comparatively high in the first half of 2021.

Glanbia wholly-owned revenue was €2,828.8 million, an increase of 26.8% constant currency (up 38.5% reported). GPN revenues grew by 14.9% constant currency (up 24.4% reported) on prior year driven by a 0.5% increase in volumes, favourable pricing of 13.6% and the positive impact of acquisitions of 0.8%. GPN had good volume and consumption growth in performance nutrition, healthy lifestyle and direct-to-consumer ("D2C") brands which was offset by continuing headwinds in the diet category and the SlimFast brand. Pricing was positive across all GPN brands. GN revenues were up 32.2% constant currency (up 44.9% reported) on prior period driven by volume increase of 5.1%, price increases of 25.4%, and the positive impact of the PacMoore and Sterling Technology acquisitions of 1.7%. GN volume growth was largely driven by growth in the Nutritional Solutions non-dairy ingredient portfolio and US Cheese.

Wholly-owned EBITA pre-exceptional was €171.7 million, down 3.5% constant currency (up 7.4% reported).

GPN pre-exceptional EBITA decreased by 18.1% constant currency (down 8.8% reported) to €82.3 million (HY 2021: €90.2 million). GPN pre-exceptional EBITA margin at 10.4% (HY 2021: 14.1%) was 370 basis points lower than prior year as significant inflation in cost of goods sold was not fully mitigated by increased pricing and incremental benefits from the GPN transformation programme. GN pre-exceptional EBITA increased by 15.5% constant currency (up 28.3% reported) to €89.4 million (HY 2021: €69.7 million) with good growth in both NS and US Cheese. GN pre-exceptional EBITA margin at 4.4% (HY 2021: 5.0%) was 60 basis points lower than prior year largely due to the dilutive impact of higher pricing.

The Group's joint ventures (continuing operations) performed in line with expectations with profit after tax decreasing by €7.4 million to €11.4 million for the first half of 2022 due to strong prior year comparatives.

Total Group profit after tax for continuing operations (pre-exceptional items) for the period was €121.5 million, down €0.9 million on prior half year.

Adjusted EPS for continuing operations for the period of 52.31 cent represents a decline of 3.8% constant currency (up 7.1% reported) versus a strong prior year comparative.

Capital investment
Glanbia's total investment in capital expenditure (tangible and intangible assets) was €29.3 million in the first half of 2022 (HY 2021: €39.7 million). Strategic investment totalled €22.0 million related largely to IT investment supporting a global transformation of the Group's HR systems and operating model. Total capital expenditure for the year is expected to be €70 million to €80 million.

Dividend per share
The Board is recommending an interim dividend of 12.93 cent per share (HY 2021: 11.75 cent per share) representing a 10% increase on prior year interim dividend. Glanbia's overall dividend policy remains unchanged at a target annual dividend payout ratio of between 25% and 35% of adjusted EPS. The interim dividend will be paid on 7 October 2022 to shareholders on the register of members as at 26 August 2022. Irish withholding tax will be deducted at the standard rate where appropriate.

Share buyback
Glanbia maintained share buyback activity through the first half of 2022, deploying €127.1 million in the period (HY 2021: €33.4 million). Following the Company's AGM on 5 May 2022, Glanbia consulted with, and received support from, a number of its independent shareholders on the use of share buy-backs as a capital allocation tool, where appropriate. On 23 June 2022, the Group launched a further €50 million share buyback which is ongoing. In the year to date Glanbia has deployed a total of €148.0 million on share buybacks.

Board update
As part of Glanbia's focus on Board renewal, on 29 July 2022, the Company announced the appointment of two non-executive Directors to the Board effective 1 August 2022, Ms. Ilona Haaijer and Ms. Kimberly Underhill. This follows the reduction in Glanbia Co-operative Society Limited's representation on the Board from seven Directors in 2021, to five in 2022 with a further agreed reduction to three in 2023. Ms. Haaijer, a Dutch citizen, brings extensive and significant leadership experience of strategic development, change management, mergers and acquisitions and leading complex, global businesses in the food ingredients and consumer sectors. Ms. Underhill, a US citizen, brings extensive and significant leadership experience in US and international consumer products businesses, with particular strength in product development, marketing, portfolio management, brand-building, strategic planning and international business development. The Board is currently made up of 14 members, five of which are female, and in 2023 the overall size of the Board is planned to reduce to 13 Members.

ESG update
Glanbia continues to make solid progress against its stated objectives in its environmental, social and governance agenda. As referenced above, recent Board changes have increased female Board membership to 36%. Initiatives in the roadmap to decarbonise operations (Scope 1 & 2) emissions in line with the Group's Science Based Targets initiative ("SBTi") targets are advancing through technical, engineering, procurement and financial evaluation and decision making. A separate working strand on dairy supply chain (Scope 3) emissions reductions is also progressing, together with assessing priority suppliers in all categories through EcoVadis, a provider of business sustainability ratings. The Group will finalise water targets, and is completing zero waste planning for all operational sites, in 2022. Glanbia's Diversity, Equity & Inclusion ("DEI") agenda has further progressed with the launch of an inclusive leadership development programme for senior leaders as well as additional employee resource groups for LGBTQ+ and multicultural employees. DEI targets have been cascaded into leadership incentives deeper in the organisation and, to assist target delivery, Glanbia is formally measuring employee attitudes to inclusion and belonging as well as female management participation levels.

Capital Markets Event
The Group will be holding a Capital Markets event on November 9th to update the market on its growth agenda, while also providing an opportunity to meet divisional management.

Outlook
The resilience and momentum of Glanbia's core brands and nutritional solutions ingredients portfolio in HY 2022 supports the Group's confidence in its ability to navigate continuing external risks including an increasingly challenging economic environment, the impact of geopolitical tensions, and unprecedented inflation. In the absence of any further unanticipated major market disruption, Glanbia expects sustained revenue and earnings momentum in H2 2022.

In FY 2022, GPN expects to deliver low teens percentage revenue growth while GN NS expects strong double-digit percentage revenue growth. As previously noted, revenue growth in both platforms will be primarily driven by pricing. EBITA growth is expected to be delivered in GPN, GN NS and US Cheese based on the momentum to date and the actions taken to mitigate material inflation headwinds. Full year expectations for joint ventures are unchanged from prior views. The full year GPN EBITA margin outlook has improved with the targeted EBITA margin of 12% expected to be achieved in the fourth quarter and full year margin contraction now expected to be up to 50bps versus prior year. In GN NS, the expected full year margin contraction of c.100bps will be driven by the mathematical dilution related to significant pricing changes, particularly in dairy ingredients. From a Group perspective the strong focus on cash generation is expected to deliver an operating cash flow conversion rate of over 80% for FY 2022.

Based on these latest expectations for full year earnings growth in GPN and GN, Glanbia is now confident to upgrade full year guidance for growth in adjusted EPS to a range of 9% to 13% constant currency. Should current foreign exchange rates be sustained for the remainder of 2022 the reported adjusted EPS growth would be expected to be in a range of 21% to 25%.

Inside Information

This announcement contains inside information as set out in the paragraphs titled Outlook. The person responsible for arranging for the release of this announcement on behalf of Glanbia plc is Liam Hennigan, Group Secretary and Head of Investor Relations. The time and date of this announcement is, at 7am BST, 17 August 2022.

Financial half year 2022 operations review

Glbania Performance Nutrition

€m	HY 2022	HY 2021	Reported change	Constant currency change
Revenue	794.1	638.4	+24.4%	+14.9%
EBITA	82.3	90.2	-8.8%	-18.1%
EBITA margin	10.4%	14.1%		

Commentary on percentage movements is on a constant currency basis throughout.

GPN revenue increased by 14.9% in HY 2022 versus prior year. This was driven by volume growth of 0.5%, price increases of 13.6%, and the LevlUp acquisition contributing 0.8%. Excluding the impact of contract business, which has been exited in North America, branded like-for-like revenues increased by 15.8% with 13.9% growth in pricing and 1.9% volume growth. Pricing was driven by the execution of price increases in the third quarter of 2021 and first half of 2022 to mitigate cost inflation. Volume growth was strong in the performance nutrition and lifestyle brand portfolios with volume decline in SlimFast as the expected weakness in the diet category continues. Globally the Optimum Nutrition ("ON") brand grew by 23.2% in the period with strong volume and pricing growth. The healthy lifestyle brands of think!, Isopure and Amazing Grass also grew strongly at 28.1% with both volume and price growth. SlimFast revenue declined by 12.1% in the period and plans are well underway to navigate category weakness and drive brand performance into the key diet season of early 2023.

GPN EBITA decreased by 18.1% versus prior year to €82.3 million. Earnings declined in the period as the net impact of inflation reduced margins. The GPN transformation programme, the scope of which was increased in HY 2022 to help mitigate inflation, is providing a fundamental underpin to margins as the business moves through the current inflationary cycle. The continuing benefits from this programme together with further planned pricing action is expected to increase EBITA margins in the second half of the year with margins expected to reach the targeted level of 12% in the fourth quarter.

Americas

GPN Americas delivered 12.0% revenue growth in the first half of 2022 compared to the prior year, with branded like-for-like revenue increasing by 13.8%. This was driven by volume growth in the performance nutrition and healthy lifestyle categories offset by challenges in the diet category. Pricing was positive in all categories. The ON brand had a very strong performance in the period with ON consumption[1] growth in the 12 weeks to mid-June 2022 of 32.3%. ON continues to leverage its strong position with innovation to support new consumer opportunities in plant protein, dairy RTD and energy/hydration. The SlimFast brand performance continues to be impacted by headwinds in the diet category with consumption[1] in the 12 weeks to mid-June 2022 down 16.7%. The brand refresh planned for the second half of the year is on track to be in market in advance of the early 2023 key diet season, supported by new brand and pack design, creative content and innovation. The strong consumption trends in the healthy lifestyle portfolio continued in the period across the think!, Isopure and Amazing Grass brands.

International

GPN International, which includes D2C brands, grew like-for-like revenues by 19.0% in the first half of 2022 compared to prior year. This was driven by volume growth in key regional markets, with consumption trends in Europe and Asia particularly strong. Pricing was positive across all regions due to price increases in response to inflationary trends.

1. 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 12 June 2022.

Glanbia Nutritionals

	HY 2022			HY 2021		
€m	**Revenue**	**EBITA**	**Margin %**	**Revenue**	**EBITA**	**Margin %**
Nutritional Solutions	588.8	71.7	12.2%	434.8	56.6	13.0%
US Cheese	1,445.9	17.7	1.2%	969.0	13.1	1.4%
Total Glanbia Nutritionals	2,034.7	89.4	4.4%	1,403.8	69.7	5.0%

Commentary on percentage movements is on a constant currency basis throughout.

Nutritional Solutions

€m	HY 2022	HY 2021	Reported change	Constant currency change
Revenue	588.8	434.8	+35.4%	+24.9%
EBITA	71.7	56.6	+26.7%	+14.4%
EBITA margin	12.2%	13.0%		

NS revenues increased in the first half of 2022 by 24.9%. This was driven by a 1.6% increase in volume, 17.9% increase in price, and the PacMoore and Sterling Technology acquisitions delivering 5.4% of the revenue growth. Volume growth for the period reflects strong growth in the non-dairy portfolio somewhat offset by a decline in dairy as NS increased internal sales to GPN in the period. Price increase was driven by dairy ingredients due to strong market pricing, along with pricing action taken across the portfolio to offset the impact of raw material cost inflation.

The PacMoore acquisition, which completed in September 2021, is performing well and NS completed the acquisition of Sterling Technology in March 2022 which further complements the NS portfolio.

NS EBITA was €71.7 million, 14.4% higher than prior year due to a strong performance across all areas of the business. Margins decreased from 13% to 12.2% due to the dilutive impact of higher pricing.

US Cheese

€m	HY 2022	HY 2021	Reported change	Constant currency change
Revenue	1,445.9	969.0	+49.2%	+35.4%
EBITA	17.7	13.1	+35.1%	+20.4%
EBITA margin	1.2%	1.4%		

US Cheese revenue increased in the first half of 2022 by 35.4%. This was driven by a 6.6% increase in volume and a 28.8% increase in price. Volume growth was related to the new joint venture plant in Michigan which was commissioned during 2021. Price increase was related to the higher year-on-year market pricing.

US Cheese EBITA increased by 20.4% to €17.7 million in HY 2022 due to incremental volumes. Margin declined from 1.4% to 1.2% as a result of the dilutive impact of higher pricing.

Joint Ventures (Glanbia share)

€m – pre-exceptionals	HY 2022	HY 2021	Change
Share of joint ventures' profit after tax – continuing operations	11.4	18.8	(7.4)
Share of joint ventures' profit after tax – discontinued operations	-	11.1	(11.1)
Total	11.4	29.9	(18.5)

Glanbia's principal joint ventures (continuing operations) include MWC-Southwest Holdings, Glanbia Cheese UK and Glanbia Cheese EU. Glanbia uses the equity method of accounting for its joint ventures and includes its share of joint venture profit after tax in the adjusted earnings per share calculation. The Group's share of joint ventures' profit after tax pre-exceptionals for continuing operations decreased by €7.4 million to €11.4 million in the first half of 2021. Joint ventures continue to perform in line with expectations with growth expected in the second half versus prior year.

On 1 April 2022, Glanbia completed the disposal of its 40% interest in the Glanbia Ireland joint venture ("Glanbia Ireland") to Glanbia Co-operative Society Limited (the 'Society') for €307 million. The transaction was approved by members of the Society on 17 December 2021, following which this joint venture investment was considered as an investment 'held-for-sale', with equity accounting ceasing to apply from that date. Other joint venture operations remain part of the Group and are unaffected by this transaction.

HALF YEAR 2022 FINANCE REVIEW

Half year 2022 Group Income Statement

	HY 2022			HY 2021		
€m	**Pre-exceptional**	**Exceptional**	**Total**	**Pre-exceptional**	**Exceptional**	**Total**
Revenue	**2,828.8**	**-**	**2,828.8**	2,042.2	-	2,042.2
Earnings before interest, tax and amortisation (EBITA)	**171.7**	**(0.6)**	**171.1**	159.9	(53.7)	106.2
EBITA margin	**6.1%**	**-**	**6.1%**	7.8%	-	5.2%
Intangible asset amortisation	**(36.2)**	**-**	**(36.2)**	(30.0)	-	(30.0)
Operating profit	**135.5**	**(0.6)**	**134.9**	129.9	(53.7)	76.2
Finance income	**0.5**	**7.3**	**7.8**	0.7	-	0.7
Finance costs	**(10.2)**	**-**	**(10.2)**	(11.5)	-	(11.5)
Share of results of Joint Ventures	**11.4**	**0.2**	**11.6**	18.8	(2.3)	16.5
Profit before taxation	**137.2**	**6.9**	**144.1**	137.9	(56.0)	81.9
Income taxes	**(15.7)**	**-**	**(15.7)**	(15.5)	3.8	(11.7)
Profit from continuing operations	**121.5**	**6.9**	**128.4**	122.4	(52.2)	70.2
Discontinued operations						
Profit after tax from discontinued operations	**-**	**55.9**	**55.9**	11.1	-	11.1
Profit for the half year	**121.5**	**62.8**	**184.3**	133.5	(52.2)	81.3

Revenue

Revenue increased by 26.8% versus prior half year on a constant currency basis to €2.8 billion, an increase of 38.5% on a reported basis. GPN revenues grew by 14.9% constant currency (up 24.4% reported) on prior period driven by a 0.5% increase in volumes, favourable pricing of +13.6% and acquisitions contributing a further 0.8%. GN also recorded a strong performance with revenues up 32.2% constant currency (up 44.9% reported) on prior period driven by volume increases of 5.1%, positive pricing of 25.4% and the positive impact of the recent PacMoore and Sterling Technology acquisitions of 1.7%.

EBITA

EBITA before exceptional items decreased by 3.5% constant currency (increase of 7.4% reported) to €171.7 million (HY 2021: €159.9 million).

GPN pre-exceptional EBITA decreased by 18.1% constant currency (decrease of 8.8% reported) to €82.3 million (HY 2021: €90.2 million). GPN pre-exceptional EBITA margin at 10.4% reduced from 14.1% at HY 2021.

GN pre-exceptional EBITA increased by 15.5% constant currency (up 28.3% reported) to €89.4 million (HY 2021: €69.7 million). GN pre-exceptional EBITA margin decreased from 5.0% to 4.4% since HY 2021.

Net finance costs

Net finance costs before exceptional items decreased by €1.1 million to €9.7 million (HY 2021: €10.8 million). The decrease was driven primarily by the full period impact of lower interest rates on fixed rate indebtedness refinanced during 2021. The Group's average interest rate in HY 2022 was 2.2% (HY 2021: 3.8%). Glanbia operates a policy of fixing a significant amount of its interest exposure, with 95% of projected 2022 debt currently contracted at fixed rates.

Share of results of Joint Ventures (continuing operations)

The Group's pre-exceptional share of joint venture (continuing operations) profits decreased by €7.4 million to €11.4 million (HY 2021: €18.8 million) in the half year. The share of results of joint ventures is stated after tax.

Income taxes

The half year 2022 pre-exceptional tax charge increased by €0.2 million to €15.7 million (HY 2021: €15.5 million). This represents an effective tax rate, excluding joint ventures, of 12.5% (HY 2021: 13%) and is in line with expectation. The Group currently expects that its effective tax rate for FY 2022 will be in the range of 12% to 13%.

Share of results of Joint Ventures (discontinued operations)

In November 2021, the Group announced its intention to sell its remaining 40% interest in Glanbia Ireland DAC to Glanbia Co-operative Society Limited, and following the receipt of all shareholder approvals and regulatory clearances, completed the disposal in April 2022. As the investment was considered 'held for sale' in the period, equity accounting did not apply. The resulting once off gain on disposal of the investment has been treated as an exceptional item in the period.

Exceptional items

Exceptional items incurred in the first half of 2022 resulted in a net post-tax exceptional gain of €62.8m (HY 2021: charge of €52.2m). Details of the exceptional items incurred in the period are as follows:

€m – continuing operations	HY 2022	HY 2021
Pension related costs (note 1)	(0.6)	(38.9)
Changes in fair value of contingent consideration (note 2)	7.3	-
Organisation redesign costs (note 3)	-	(14.8)
Wholly-owned exceptional gain/(charge) before tax	**6.7**	(53.7)
Share of results of equity accounted investees, net of tax (note 1)	0.2	(2.3)
Exceptional tax credit	-	3.8
Exceptional gain/(charge) after tax	**6.9**	(52.2)

€m – discontinued operations		
Exceptional gain from discontinued operations (note 4)	**55.9**	-
Exceptional gain after tax – discontinued operations	**55.9**	-
Total Exceptional gain/(charge) in the period	**62.8**	(52.2)

1. ***Pension related costs*** relate to the restructure of legacy defined benefit pension schemes associated with the Group and joint ventures, which included initiating a process for the ultimate buy out and wind up of these schemes and a further simplification of the schemes that remain. Costs incurred relate to the estimated cost of the settlement loss as a result of acquiring bulk purchase annuity policies to mirror and offset movements in known liabilities of the schemes ('buy-in' transaction), as well as related advisory and execution costs net of gains arising from risk reduction activities. This restructuring, which commenced in 2021 is on track and anticipated to conclude during the second half of 2022.
2. ***Changes in fair value of contingent consideration*** relate to contingent payments associated with the 2021 LevlUp acquisition that have now reduced following an assessment of conditions that give rise to the additional payments.
3. Prior year ***organisation redesign costs*** related to a fundamental reorganisation of the GPN segment that realigned operating and supply chain structures in support of individual businesses, sharpened focus on brands and optimised routes-to-market across non-US markets to drive greater efficiencies, improve margin and deliver top line growth. The investment phase of this multi-year strategic programme is now complete, with no further costs incurred during the period.
4. ***Exceptional gain from discontinued operations*** relates to the gain arising on the completion of the disposal of the Group's 40% interest in Glanbia Ireland DAC ("Glanbia Ireland") to Glanbia Co-operative Society Limited. The gain represents the difference between proceeds received, net of transaction related costs, and the carrying value of the Group's investment in Glanbia Ireland. The transaction completed on 1 April 2022.

Profit after tax

Profit after tax for the half year was €184.3 million compared to €81.3 million in HY 2021, comprising continuing operations of €128.4 million (HY 2021: €70.2 million) and discontinued operations of €55.9 million (HY 2021: €11.1). Profit after tax from continuing operations comprises pre-exceptional profit of €121.5 million (HY 2021: €122.4 million) and exceptional gains of €6.9 million (HY 2021: charge of €52.2 million). Pre-exceptional profitability is consistent period on period.

Profit after tax from discontinued operations in both the current and preceding period relates entirely to Glanbia Ireland. As outlined above, the Group's share of Glanbia Ireland was disposed in April 2022, with the resulting gain on disposal being recognised as an exceptional gain.

Earnings per share (EPS)

	HY 2022	HY 2021	Reported change	Constant currency change
Basic EPS	**66.13c**	**27.90c**	**+137.0%**	**+107.4%**
- continuing operations	46.10c	24.09c	+91.4%	+64.2%
- discontinued operations	20.03c	3.81c	+425.7%	+425.7%
Adjusted EPS	**52.31c**	**52.86c**	**(1.0%)**	**(10.4%)**
- continuing operations	52.31c	48.84c	+7.1%	(3.8%)
- discontinued operations	-	4.02c	-	-

Basic EPS increased by 137.0% versus prior period, as a result of exceptional gains in the current period, compared to exceptional losses in the prior period.

Adjusted EPS is a key performance indicator ("KPI") of the Group and a key metric guided to the market and a key element of Executive Director and senior management remuneration. Adjusted EPS remained consistent with the prior period and comprises continuing operations of 52.31 cent (HY 2021: 48.84 cent) and discontinued operations (related to Glanbia Ireland which was divested in April 2022) of nil (HY 2021: 4.02 cent). Full year 2022 adjusted EPS is expected to be in the range of 9% to 13% growth on a constant currency basis versus prior year.

Cash flow

The principal cash flow KPIs of the Group and business segments are Operating Cash Flow ("OCF") and Free Cash Flow ("FCF"). OCF represents EBITDA of the wholly-owned businesses net of business-sustaining capital expenditure and working capital movements, excluding exceptional cash flows. FCF is calculated as the cash flow in the period before the following items: strategic capital expenditure, equity dividends paid, expenditure on share buyback, acquisition spend, proceeds received on disposal, exceptional costs paid, loans/equity invested in joint ventures, and foreign exchange movements. These metrics are used to monitor the cash conversion performance of the Group and Business Units and identify available cash for strategic investment. OCF conversion, which is OCF as a percentage of EBITDA, is a key element of the Executive Directors and senior management remuneration. OCF and FCF half year results for the Group are outlined below.

€m	HY 2022	HY 2021
EBITDA pre-exceptional	**204.0**	191.2
Movement in working capital (pre-exceptional)	**(225.3)**	(24.0)
Business-sustaining capital expenditure	**(7.3)**	(5.8)
Operating cash flow	**(28.6)**	161.4
Net interest and tax paid	**(31.8)**	(30.6)
Dividends from joint ventures	**2.6**	17.4
Payment of lease liabilities	**(7.4)**	(9.7)
Other (outflows)/inflows	**(2.0)**	3.2
Free cash flow	**(67.2)**	141.7
Strategic capital expenditure	**(22.0)**	(33.9)
Dividend paid to Company shareholders	**(49.0)**	(46.4)
Share buyback (purchase of own shares)	**(127.1)**	(33.4)
Payment for acquisition of subsidiaries	**(54.4)**	(31.4)
Exceptional costs paid	**(14.8)**	(43.5)
Repayment of/(loans) to joint ventures	**25.3**	(3.5)
Proceeds on disposal of interest in Glanbia Ireland	**307.0**	-
Net cash flow	**(2.2)**	(50.4)
Exchange translation	**(44.1)**	(9.8)
Cash acquired on acquisition	**0.9**	4.4
Net debt movement	**(45.4)**	(55.8)
Net debt at the beginning of the period	**(602.7)**	(493.9)
Net debt at the end of the period	**(648.1)**	(549.7)

OCF was an outflow of €28.6 million (HY 2021: inflow of €161.4 million) and represents a cash conversion on EBITDA of -14% (HY 2021: 84.4%) in the period. The decrease in OCF versus prior period was due primarily to an increased investment in working capital as a result of higher pricing in both inventory and receivables. The OCF conversion rate is expected to gradually adjust to more normalised levels during the second half of 2022 and full year cash conversion is expected to be c.80% in line with target.

FCF was an outflow of €67.2 million (HY 2021: inflow of €141.7 million), with the movement since prior period primarily as a result of movements in OCF outlined above, as well as a decrease in dividend income from Joint Ventures following the disposal of Glanbia Ireland.

Capital allocated for the benefit of shareholders includes regular dividend payments of €49 million (HY 2021: €46.4 million) and the execution of share buyback programmes of €127.1 million (HY 2021: €33.4 million), with the most recent buyback programme that launched in June 2022 ongoing at HY 2022.

Acquisition spend relates to the acquisition of Sterling Technology, a US based bioactive ingredient company, for an initial consideration of US$59.4 million which concluded in March 2022, and divestment proceeds relate to the completion of the disposal of the Group's 40% holding in Glanbia Ireland for a consideration of €307 million in April 2022.

Group financing

Financing key performance indicators	HY 2022	HY 2021
Net debt: adjusted EBITDA	1.83 times	1.51 times
Adjusted EBIT: net finance cost	16.0 times	14.5 times

The Group's financial position remains strong. Net debt at the 2022 half year was €648.1 million. This is an increase of €98.4 million from the prior half year net debt of €549.7 million. At half year 2022, Glanbia had committed debt facilities of €1.22 billion (HY 2021: €1.13 billion) with a weighted average maturity of 3.5 years. Glanbia's ability to generate cash as outlined above and available debt facilities ensures the Group has considerable capacity to finance future investments. Net debt to adjusted EBITDA was 1.83 times and interest cover was 16 times, with both metrics remaining well within financing covenants.

Use of capital

Capital expenditure
The cash outflow relating to capital expenditure for half year 2022 amounted to €29.3 million (HY 2021: €39.7 million) which includes €7.3 million of business-sustaining capital expenditure and €22 million of strategic capital expenditure.

Investments in equity accounted investees
During half year 2022, a further €3.5 million was invested in Glanbia Cheese EU, the joint venture mozzarella cheese plant in Portlaoise, Ireland, bringing the total invested to €42.2 million, with a further €13.0 million committed. Commissioning is ongoing and remains on track to be completed in 2022.

Pension
The Group's net pension position under IAS 19 (revised) 'Employee Benefits', before deferred tax, improved by €16.1 million since 1 January 2022, resulting in a net pension asset of €1.9 million at 2 July 2022. The defined benefit pension position is calculated by discounting the estimated future cash outflows using appropriate corporate bond rates. Restructuring of legacy defined pension schemes which began in 2021 is ongoing. Favourable market conditions resulted in actuarial gains in the period, which reduced the net pension liability resulting in a net asset position at period end.

Dividends
Glanbia's overall dividend policy remains unchanged at a target annual dividend payout ratio of between 25% and 35% of adjusted EPS. In line with this policy the Board is recommending an interim dividend of 12.93 cent per share (HY 2021: 11.75 cent per share). The dividend will be paid on 7 October 2022 to shareholders on the register of members as at 26 August 2022. Irish withholding tax will be deducted at the standard rate where appropriate.

Share buyback
During the first half of 2022, the Group completed a share buyback programme of €50 million which launched in December 2021 and commenced a further programme of €50 million in June 2022, which was ongoing at HY 2022. A total of €96.1 million was deployed under these programmes in the period, with a further €31.0 million deployed to participate in a share placement by Glanbia Co-operative Society in advance of completing the Glanbia Ireland transaction.

Foreign exchange
Glanbia generates over 90% of its earnings in US dollar currency and has significant assets and liabilities denominated in US dollars. As a result, and as Glanbia's reporting currency is euro, there can be a significant impact to reported numbers arising from currency movements year-on-year and on translation of US dollar non-monetary assets and liabilities in the preparation of the half year consolidated financial statements. Commentary has been provided within the income statement on a constant currency basis to provide a better reflection of the underlying operating results in the year, as this removes the translational currency impact. To arrive at the constant currency change, the average foreign exchange rate for the current period is applied to the relevant reported result from the same period in the prior year. At the balance sheet date, primarily due to the strengthening of the US dollar compared to 2021 year end, there was a translation gain arising on the translation of non-euro denominated assets and liabilities into euro. The gain on translation of non-monetary assets and liabilities into euro is presented within other comprehensive income and amounted to €140.3 million in the half year (HY 2021: €62.0 million). Period-end euro to US dollar rates were as follows:

	HY 2022	FY 2021	HY 2021
1 euro converted to US dollar	**1.0425**	1.1326	1.1823

Financial strategy
Glanbia's financial strategy is very much aligned with its overall strategy of ensuring the Group delivers on its key financial goals. Specific financial goals to enable this strategy include:

- Assessing both external and organic investment opportunities against a target benchmark of 12% return after tax by end of year three;
- Focusing the organisation on cash conversion through improved working capital management and disciplined business-sustaining capital expenditure, with a goal of greater than 80% cash conversion as a percentage of EBITDA;
- Leveraging the Group's activities to enable improved cost structures utilising shared services, procurement, IT and a continuous improvement mindset;
- Maintaining the capital structure of the Group within an implicit investment-grade credit profile; and
- Capital allocation policy to return capital to shareholders which includes a dividend policy with a payout ratio of between 25% and 35% and the authorisation to implement a share buyback programme.

Principal risks and uncertainties

The Board of Glanbia plc has the ultimate responsibility for the Group's systems of risk management and internal control. The Group's risk management framework outlines the key stakeholder risk management responsibilities. It is designed to ensure that there is input across all levels of the business to the management of risk and to enable the Group to remain responsive to the ever changing environment in which it operates. This framework, together with the processes to identify, manage and mitigate potential material key risks to the achievement of the Group's strategic objectives are set out in detail on pages 67-75 of Glanbia plc's 2021 Annual Report.

The Group's principal risks and uncertainties are summarised in the risk profile diagram below and remain relevant and unchanged from the risks reported for the year ended 1 January 2022, with no new principal risks identified. The underlying risk trend and potential impacts of some of these risks has evolved with the Market Disruption risk trend increasing partly due to the continued inflationary pressures which may disrupt consumer demand as price increases are implemented. There may be other risks and uncertainties that are not yet considered material or not yet known to the Group and this list will change if these risks assume greater importance in the future.

	Strategic/External	Financial	Technological	Operational/Regulatory
Risk where trend is stable	• Customer concentration	• Taxation changes	• Digital transformation	• Health and safety • Product safety and compliance • Acquisition/Integration
Risk where trend is increasing	• Economic, Industry and Political • Market disruption • Climate change		• Cyber security and data protection	• Supply chain • Talent management

The Board is closely monitoring the key risks that could materially and adversely affect the Group's ability to achieve its strategic objectives, particularly those whose probability of occurrence/extent of impact are elevated by the consequences of the ongoing war in Ukraine, the deteriorating global economic outlook and the increasing inflationary, energy and interest rate pressures together with the continually evolving nature of Covid-19.

In our previous disclosures, we explained how Covid-19 had wide-ranging consequences on our principal risks and uncertainties and was not presented as a single principal risk. This has not changed and the same approach has been taken in relation to the impacts of the Russian invasion of Ukraine, with the consequences being captured in the relevant principal risks rather than shown as a stand-alone item. The key risk factors and uncertainties with the potential to impact on the Group's financial performance in the second half of 2022 include:

- Economic, industry and political risk – continues to increase primarily due to the current and potential future consequences of the Russian invasion of Ukraine, the resulting geopolitical and macroeconomic uncertainties and the significant inflationary impacts affecting both our operational costs and our consumer's finances. The Board is also closely monitoring the escalating tensions in other key trading regions, particularly between China and Taiwan, where any potential conflict, economic sanctions or trade rulings would impact Glanbia's growth objectives.
- Market disruption risk – adverse changes in economic conditions, continued inflationary pressures, energy availability and cost impacts, and interest rate increases could result in reduced consumer spending which may disrupt demand and increase operational and financial costs. The risk of further waves of Covid-19 and the inability to contain the spread of new variants may also disrupt markets in the second half of 2022.
- Supply chain risk – Glanbia is actively monitoring a number of supply chain and inflationary pressures including:
    - The overall impact on margins of movements in dairy pricing, particularly in whey markets, which experienced significant price increases over the last eighteen months and may continue into the remainder of 2022. This has resulted in price increases to offset some of the increased input costs and further price increases are envisaged in H2 2022 which may disrupt demand due to price elasticity. Any further price increases will be managed against the Group's ambition to continue to drive revenue growth;
    - The ability of governments and medical agencies to suppress the spread of the Covid-19 virus. This continues to be important in preventing unexpected supply chain disruptions which could result in restrictions on the importation of key raw materials and/or negative impacts on our international sales channels. The Group is holding appropriate safety stocks of core raw materials, however a prolonged impact to supply chains due to Covid-19 or the geopolitical environment in key trading regions would have negative consequences from both a supply and pricing perspective; and
    - Labour markets continue to be competitive and plants are operating at a high capacity. Labour inflation, together with global supply chain cost increases in energy transport, logistics and containers will continue to require careful navigation.
- Customer concentration risk – while strategically the Group aims to build strong customer relationships with major customers, material disruption with, or loss of, one or more of these customers, or a significant deterioration in commercial terms, could materially impact profitability. This risk can also expose the Group to credit exposure and other balance sheet risks. The Board is focused on utilising available mitigation to limit such exposures where possible. This remains relevant for the remainder of 2022 as customers navigate the macroeconomic downturn on their operations and any potential challenges imposed by Covid-19 restrictions.
- Health and safety risk – a failure to maintain good health and safety practices or a significant escalation in the spread of the virus or new variants, in our core markets, may adversely impact performance. A wide range of additional measures and mitigations have been introduced as a result of the Covid-19 pandemic which build on the existing strong controls across the Group.

Thirteen thematic Climate-related Risks and Opportunities (CROs) were outlined in the plc's 2021 Annual Report following a comprehensive climate change risk assessment in conjunction with The Carbon Trust, an independent sustainability consultant, on the parts of the business over which Glanbia has operational control. This helped the plc to better understand the potential impacts from physical climate risks largely associated with a failure to act, and the potential transition risks associated with the transition to a decarbonised economy.

The reassessment of these CROs and the completion of scenario and quantification analysis which will consider available mitigation measures and the interplay of the material CROs identified with each other under a number of temperature scenarios and the associated potential impact, including taking into consideration a two-degree or lower scenario, are currently in progress and will be outlined in the plc's 2022 Annual Report.

The Group actively manages these and all other risks (inclusive of emerging risks) through its risk management and internal control processes.

Cautionary statement

Glanbia plc has made forward-looking statements in this document that are based on management's beliefs and assumptions and on information currently available to management. Forward-looking statements include, but are not limited to, information concerning the Group's possible or assumed future results of operations, business strategies, financing plans, competitive position, potential growth opportunities, potential operating performance improvements, the effects of competition and the effects of future legislation or regulations. Forward-looking statements include all statements that are not historical facts and can be identified by the use of forward-looking terminology such as the words 'believe', 'develop', 'expect', 'ensure', 'arrive', 'achieve', 'anticipate', 'maintain', 'grow', 'aim', 'deliver', 'sustain', 'should' or the negative of these terms or similar expressions. Forward-looking statements involve risks, uncertainties and assumptions. Actual results may differ materially from those expressed in these forward-looking statements. You should not place undue reliance on any forward-looking statements. The risk factors included on pages 72 to 75 of the Group's 2021 Annual Report, could cause the Group's results to differ materially from those expressed in forward-looking statements. There may be other risks and uncertainties that the Group is unable to predict at this time or that the Group currently does not expect to have a material adverse effect on its business. These forward-looking statements are made as of the date of this document. The Group expressly disclaims any obligation to update these forward-looking statements other than as required by law. The forward-looking statements in this release do not constitute reports or statements published in compliance with any of Regulations 6 to 8 of the Transparency (Directive 2004/109/EC) Regulations 2007.

Results webcast and dial-in details

There will be a webcast and presentation to accompany this results announcement at 8.30 a.m. BST 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. In addition, a dial-in facility is available using the following numbers:

Ireland	+353 (0)1 246 5638
UK	+44 (0)330 165 4012
Netherlands	+31 (0)20 703 8218
France	+33 (0)1 70 73 03 39
Germany	+49 (0)69 22222 5197
Italy	+39 02 00638217
Sweden	+46 (0)8 5664 2765
USA	+1 323-701-0160
Rest of the world	+44 (0)330 165 4016

The access code for all participants is: 9182171
A replay of the call will be available for 30 days approximately two hours after the call ends.

For further information contact

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Martha Kavanagh, Head of Corporate Communications	+353 (0)87 646 2006

Responsibility statement

Each of the Directors of Glanbia plc, whose names and functions are listed on the Group's website (www.glanbia.com), confirms that to the best of each person's knowledge and belief:

- the 2022 Half Year Financial Report is in accordance with International Accounting Standard (IAS) 34, 'Interim Financial Reporting', as adopted by the European Union and the Transparency (Directive 2004/109/EC) Regulations 2007, as amended, and the Central Bank (Investment Market Conduct) Rules 2019; and

- the 2022 Half Year Financial Report includes a fair review of:
  - important events that have occurred during the first six months of the year, and their impact on the condensed consolidated interim financial statements;
  - a description of the principal risks and uncertainties for the remaining six months of the financial year;
  - details of any related party transactions that have materially affected the Group's financial position or performance in the six months ended 2 July 2022, and material changes to related party transactions described in the Annual Report for the year ended 1 January 2022; and
  - any changes in the related parties' transactions described in the last annual report that could have a material effect on the financial position or performance of the group in the first six months of the current financial year.

On behalf of the Board

Siobhán Talbot Group Managing Director	Mark Garvey Group Finance Director

16 August 2022

CONDENSED GROUP INCOME STATEMENT
FOR THE HALF YEAR ENDED 2 JULY 2022

		Half year 2022			Half year 2021		
	Notes	**Pre–exceptional €m**	**Exceptional €m (note 7)**	**Total €m**	Pre–exceptional €m	Exceptional €m (note 7)	Total €m
CONTINUING OPERATIONS							
Revenue	6	**2,828.8**	**-**	**2,828.8**	2,042.2	-	2,042.2
Operating profit before intangible asset amortisation (earnings before interest, tax and amortisation (EBITA))	6	**171.7**	**(0.6)**	**171.1**	159.9	(53.7)	106.2
Intangible asset amortisation	13	**(36.2)**	**-**	**(36.2)**	(30.0)	-	(30.0)
Operating profit	6	**135.5**	**(0.6)**	**134.9**	129.9	(53.7)	76.2
Finance income	9	**0.5**	**7.3**	**7.8**	0.7	-	0.7
Finance costs	9	**(10.2)**	**-**	**(10.2)**	(11.5)	-	(11.5)
Share of results of joint ventures accounted for using the equity method	4	**11.4**	**0.2**	**11.6**	18.8	(2.3)	16.5
Profit before taxation		**137.2**	**6.9**	**144.1**	137.9	(56.0)	81.9
Income taxes	10	**(15.7)**	**-**	**(15.7)**	(15.5)	3.8	(11.7)
Profit from continuing operations		**121.5**	**6.9**	**128.4**	122.4	(52.2)	70.2
DISCONTINUED OPERATIONS							
Profit after tax from discontinued operations	3	**-**	**55.9**	**55.9**	11.1	-	11.1
Profit for the period		**121.5**	**62.8**	**184.3**	133.5	(52.2)	81.3
Attributable to:							
Equity holders of the Company	12			**184.6**			81.3
Non-controlling interests				**(0.3)**			-
				184.3			81.3
Earnings Per Share from continuing operations attributable to the equity holders of the Company							
Basic Earnings Per Share (cent)	12			**46.10**			24.09
Diluted Earnings Per Share (cent)	12			**45.64**			24.01
Earnings Per Share attributable to the equity holders of the Company							
Basic Earnings Per Share (cent)	12			**66.13**			27.90
Diluted Earnings Per Share (cent)	12			**65.47**			27.81

CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 2 JULY 2022

	Notes	**Half year 2022 €m**	Half year 2021 €m
Profit for the period		**184.3**	81.3
Other comprehensive income			
Items that will not be reclassified subsequently to the Group income statement			
Remeasurements on defined benefit plans, net of deferred tax		**14.0**	3.4
Share of other comprehensive income of joint ventures, net of deferred tax	18.2	**0.6**	-
Revaluation of equity instruments at FVOCI, net of deferred tax	18.1	**0.2**	(0.2)
Share of other comprehensive income of discontinued operations, net of deferred tax	18.2	**-**	11.2
Items that may be reclassified subsequently to the Group income statement			
Currency translation differences	18.1	**140.3**	62.0
Currency translation difference arising on net investment hedge	18.1	**(7.5)**	(3.0)
Gain on cash flow hedges, net of deferred tax		**2.1**	1.8
Share of other comprehensive income of joint ventures, net of deferred tax		**9.5**	3.7
Share of other comprehensive income of discontinued operations, net of deferred tax		**-**	0.1
Other comprehensive income for the period, net of tax		**159.2**	79.0
Total comprehensive income for the period		**343.5**	160.3
Total comprehensive income attributable to:			
Equity holders of the Company		**343.8**	160.3
Non-controlling interests		**(0.3)**	-
Total comprehensive income for the period		**343.5**	160.3

CONDENSED GROUP BALANCE SHEET
AS AT 2 JULY 2022

	Notes	**2 July 2022 €m**	1 January 2022 €m
ASSETS			
Non–current assets			
Property, plant and equipment		**517.1**	485.2
Right-of-use assets		**103.5**	99.9
Intangible assets		**1,533.5**	1,375.4
Interests in joint ventures		**215.3**	184.8
Other financial assets		**1.9**	1.9
Loans to joint ventures		**17.2**	42.5
Deferred tax assets		**4.8**	4.7
Other receivables		**0.6**	0.8
Derivative financial instruments		**0.5**	0.5
Retirement benefit assets	8	**4.8**	2.9
		2,399.2	2,198.6
Current assets			
Inventories		**713.7**	593.6
Trade and other receivables		**558.6**	359.4
Current tax receivables		**8.8**	8.8
Derivative financial instruments		**2.2**	2.2
Cash and cash equivalents (excluding bank overdrafts)		**232.0**	231.0
		1,515.3	1,195.0
Joint venture held for sale	3	**-**	234.0
		1,515.3	1,429.0
Total assets		**3,914.5**	3,627.6
EQUITY			
Issued capital and reserves attributable to equity holders of the Company			
Share capital and share premium	17	**104.4**	105.0
Other reserves	18.1	**391.8**	245.5
Retained earnings	18.2	**1,408.8**	1,381.7
		1,905.0	1,732.2
Non-controlling interests		**7.8**	8.1
Total equity		**1,912.8**	1,740.3
LIABILITIES			
Non–current liabilities			
Borrowings	14	**787.3**	697.2
Lease liabilities		**106.9**	105.0
Other payables		**20.7**	32.6
Retirement benefit obligations	8	**2.9**	17.1
Deferred tax liabilities		**146.0**	144.4
Provisions	16	**3.3**	3.6
		1,067.1	999.9
Current liabilities			
Trade and other payables		**757.9**	669.3
Borrowings	14	**92.8**	136.5
Lease liabilities		**18.9**	14.5
Current tax liabilities		**52.9**	53.0
Derivative financial instruments		**0.8**	1.2
Provisions	16	**11.3**	12.9
		934.6	887.4
Total liabilities		**2,001.7**	1,887.3
Total equity and liabilities		**3,914.5**	3,627.6

CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 2 JULY 2022

	Attributable to equity holders of the Company					
	Share capital and share premium €m (note 17)	Other reserves €m (note 18.1)	Retained earnings €m (note 18.2)	Total €m	Non-controlling interests €m	Total €m
Half year 2022						
Balance at 2 January 2022	**105.0**	**245.5**	**1,381.7**	**1,732.2**	**8.1**	**1,740.3**
Profit for the period	**-**	**-**	**184.6**	**184.6**	**(0.3)**	**184.3**
Other comprehensive income	**-**	**144.6**	**14.6**	**159.2**	**-**	**159.2**
Total comprehensive income for the period	**-**	**144.6**	**199.2**	**343.8**	**(0.3)**	**343.5**
Dividends	**-**	**-**	**(49.0)**	**(49.0)**	-	**(49.0)**
Purchase of own shares	**-**	**(136.6)**	**-**	**(136.6)**	-	**(136.6)**
Cancellation of own shares	**(0.6)**	**126.8**	**(126.2)**	**-**	-	**-**
Cost of share-based payments	**-**	**7.6**	**-**	**7.6**	-	**7.6**
Transfer on exercise, vesting or expiry of share-based payments	**-**	**(2.1)**	**2.1**	**-**	**-**	**-**
Deferred tax on share-based payments	**-**	**-**	**1.0**	**1.0**	-	**1.0**
Changes in fair value of put option liability	**-**	**4.5**	**-**	**4.5**	-	**4.5**
Transfer to Group income statement	**-**	**1.5**	**-**	**1.5**	-	**1.5**
Balance at 2 July 2022	**104.4**	**391.8**	**1,408.8**	**1,905.0**	**7.8**	**1,912.8**
Half year 2021						
Balance at 3 January 2021	105.3	126.0	1,380.5	1,611.8	-	1,611.8
Profit for the period	-	-	81.3	81.3	-	81.3
Other comprehensive income	-	64.4	14.6	79.0	-	79.0
Total comprehensive income for the period	-	64.4	95.9	160.3	-	160.3
Dividends	-	-	(46.4)	(46.4)	-	(46.4)
Purchase of own shares	-	(35.3)	-	(35.3)	-	(35.3)
Issuance of shares	0.2	-	-	0.2	-	0.2
Cancellation of own shares	(0.2)	33.6	(33.4)	-	-	-
Cost of share-based payments	-	6.2	-	6.2	-	6.2
Deferred tax on share-based payments	-	-	0.8	0.8	-	0.8
Non-controlling interests on acquisition of subsidiary	-	-	-	-	7.8	7.8
Recognition of put option liability	-	(23.2)	-	(23.2)	-	(23.2)
Balance at 3 July 2021	105.3	171.7	1,397.4	1,674.4	7.8	1,682.2

CONDENSED GROUP STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 2 JULY 2022

	Notes	**Half year 2022 €m**	Half year 2021 €m
Cash flows from operating activities			
Net cash flows from operating activities before exceptional items	20	**(14.1)**	171.8
Cash outflow related to exceptional items		**(6.8)**	(43.5)
Interest received		**1.0**	0.4
Interest paid (including interest expense on lease liabilities)		**(9.4)**	(10.6)
Tax paid		**(23.4)**	(20.4)
Net cash (outflow)/inflow from operating activities		**(52.7)**	97.7
Cash flows from investing activities			
Proceeds from disposal of Glanbia Ireland DAC (exceptional)	3	**307.0**	-
Cash outflow related to exceptional items		**(8.0)**	-
Payment for acquisition of subsidiaries		**(54.4)**	(31.4)
Purchase of property, plant and equipment		**(12.7)**	(25.6)
Purchase of intangible assets		**(16.6)**	(14.1)
Loans advanced to joint ventures	19	**(3.5)**	(3.5)
Loans advanced to Glanbia Ireland DAC which were repaid	19	**28.8**	-
Dividends received from joint ventures	19	**2.6**	17.4
Proceeds from disposal/redemption from FVOCI financial assets		**0.3**	0.5
Net cash inflow/(outflow) from investing activities		**243.5**	(56.7)
Cash flows from financing activities			
Purchase of own shares	18.1	**(136.6)**	(35.3)
Drawdown of borrowings	14	**427.9**	308.1
Repayment of borrowings	14	**(388.5)**	(274.7)
Payment of lease liabilities		**(7.4)**	(9.7)
Dividends paid to Company shareholders		**(49.0)**	(46.4)
Net cash outflow from financing activities		**(153.6)**	(58.0)
Net increase/(decrease) in cash and cash equivalents	14	**37.2**	(17.0)
Cash and cash equivalents at the beginning of the period		**94.5**	91.6
Cash and cash equivalents acquired on acquisition	14	**0.9**	4.4
Effects of exchange rate changes on cash and cash equivalents		**6.6**	4.6
Cash and cash equivalents at the end of the period		**139.2**	83.6

Cash and cash equivalents at the end of the period include:

		2 July 2022	3 July 2021
Cash and cash equivalents (excluding bank overdrafts)		**232.0**	156.6
Bank overdrafts	14	**(92.8)**	(73.0)
	14	**139.2**	83.6

Net cash inflow from investing activities from discontinued operations was €327.8 million (2021 HY: €12.2 million).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 2 JULY 2022

1. General information

Glanbia plc (the "Company") and its subsidiaries (together the "Group") is a leading global nutrition group with geographical presence in regions that include North America, Europe and Asia Pacific. The Company is a public limited company incorporated and domiciled in Ireland, the number under which it is registered is 129933. The address of its registered office is Glanbia House, Kilkenny, Ireland, R95 E866. The Company is the ultimate parent company of the Group and its shares are quoted on the Euronext Dublin and London Stock Exchange.

These condensed consolidated interim financial statements as at, and for the period commencing 2 January 2022 and ended 2 July 2022 (half year/six months) ("interim financial statements") were approved for issue by the Board of Directors on 16 August 2022.

2. Basis of preparation

The interim financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union, the Transparency (Directive 2004/109/EC) Regulations 2007 as amended, and the Central Bank (Investment Market Conduct) Rules 2019. The interim financial statements should be read in conjunction with the financial statements as at, and for the year ended 1 January 2022 ("2021 Annual Report"). The interim financial statements do not include all of the information required for a complete set of IFRS financial statements and have not been audited or reviewed by the Group's auditor.

The methods of computation, presentation and accounting policies adopted in the preparation of the interim financial statements are consistent with those applied in the 2021 Annual Report other than those noted below. The Group's accounting policies are set out in note 2 to the financial statements in the 2021 Annual Report.

Amended standard adopted in the current period

Amendments to IAS 16 'Property, Plant and Equipment: Proceeds before intended use' were adopted in the current year. They did not result in a material impact on the Group's results.

Re-presentation

Certain comparative amounts in the Group statement of changes in equity and the "other reserves and retained earnings" note have been re-presented on a basis consistent with the current period. The re-presentation is to present the recognition of put option liability in other reserves. There was no impact on previously reported profit or net assets. In addition, consistent with the 2021 Annual Report, the comparative Group income statement and Group statement of comprehensive income were re-presented to reflect a discontinued operation (note 3).

Critical accounting judgements and estimates

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty in preparing the interim financial statements were the same as those that applied to the 2021 Annual Report.

Going concern

The time period that the Directors have considered in evaluating the appropriateness of the going concern basis in preparing the interim financial statements is a period of at least 12 months from the date of approval of these interim financial statements (the "period of assessment").

The Directors have given due regard to the Group's available cash resources, borrowing facilities and related covenant requirements which taken together, provide confidence that the Group will be able to meet its obligations as they fall due; and the Group's financial risk management policies as described in the 2021 Annual Report, the nature of business activities and the factors likely to impact operating performance and future growth. No material uncertainties have been identified.

Having assessed the relevant business risks identified and discussed in the Principal risks and uncertainties on page 12, the Directors believe that the Group is well placed to manage these risks successfully and they have a reasonable expectation that the Group has adequate resources to continue in operational existence for the period of assessment with no material uncertainties. The Group therefore considers it appropriate to adopt the going concern basis in preparing its interim financial statements.

Foreign currency translation

The interim financial statements are presented in euro, which is the Company's functional and presentation currency.

The principal exchange rates used for the translation of results and balance sheets into euro are as follows:

	Average			Period end		
1 euro =	**Half year 2022**	Half year 2021	Year 2021	**2 July 2022**	3 July 2021	1 January 2022
US dollar	**1.0928**	1.2044	1.1826	**1.0425**	1.1823	1.1326
Pound sterling	**0.8422**	0.8677	0.8596	**0.8665**	0.8600	0.8403

3. Joint venture held for sale and discontinued operations

The Company announced its intention to sell its 40% holding in Glanbia Ireland DAC ("Glanbia Ireland") to Glanbia Co-operative Society Ltd (the "Society") for €307.0 million in November 2021 (the "Transaction"). Members of the Society approved the Transaction on 17 December 2021. Accordingly, in the prior year, the Group has treated the joint venture arrangement in Glanbia Ireland as an asset held for sale on the Group balance sheet and ceased to apply the equity method of accounting to its interest in Glanbia Ireland from 17 December 2021.

The Transaction was completed on 1 April 2022 for €307.0 million cash following the approval of the independent shareholders of the Company and receipt of regulatory approvals. The gain of €55.9 million on disposal of Glanbia Ireland (note 7) is based on the €307.0 million received, less the carrying amount of the asset held for sale of €234.0 million and costs associated with the transaction of €17.1 million. Refer to note 19 for further details of the Transaction.

4. Segment information

Glanbia Ireland is no longer reported as a segment following its disposal on 1 April 2022 (note 3). Accordingly, the prior period pre-exceptional segment results excludes Glanbia Ireland and the segment assets associated with Glanbia Ireland is included within "All other segments and unallocated" for the comparative period.

Pre-exceptional segment results are as follows:

Half year 2022	Glanbia Performance Nutrition €m	Glanbia Nutritionals €m	Total reportable segments €m	All other segments and unallocated €m	Total €m
Total gross segment revenue	**794.2**	**2,083.4**	**2,877.6**	**-**	**2,877.6**
Inter-segment revenue	**(0.1)**	**(48.7)**	**(48.8)**	**-**	**(48.8)**
Revenue	**794.1**	**2,034.7**	**2,828.8**	**-**	**2,828.8**
Operating profit before intangible asset amortisation (EBITA)	**82.3**	**89.4**	**171.7**	**-**	**171.7**
Shares of results of joint ventures accounted for using the equity method	**-**	**-**	**-**	**11.4**	**11.4**
Half year 2021					
Total gross segment revenue	638.5	1,423.0	2,061.5	-	2,061.5
Inter-segment revenue	(0.1)	(19.2)	(19.3)	-	(19.3)
Revenue	638.4	1,403.8	2,042.2	-	2,042.2
Operating profit before intangible asset amortisation (EBITA)	90.2	69.7	159.9	-	159.9
Shares of results of joint ventures accounted for using the equity method	-	-	-	18.8	18.8

Segment earnings before interest, tax, amortisation and exceptional items are reconciled to reported profit before tax and profit after tax in the Group income statement.

The segment assets and liabilities are as follows:

2 July 2022	Glanbia Performance Nutrition €m	Glanbia Nutritionals €m	Total reportable segments €m	All other segments and unallocated €m	Total €m
Segment assets	**1,918.1**	**1,462.8**	**3,380.9**	**533.6**	**3,914.5**
Segment liabilities	**453.4**	**481.8**	**935.2**	**1,066.5**	**2,001.7**
1 January 2022					
Segment assets	1,741.3	1,138.9	2,880.2	747.4	3,627.6
Segment liabilities	441.4	446.7	888.1	999.2	1,887.3

Geographical information

Revenue from external customers, and non-current assets, other than financial instruments, deferred tax assets, and retirement benefit assets attributable to the country of domicile and all foreign countries of operation for which revenue/non-current assets exceed 10% of total Group revenue/non-current assets are set out below.

Revenue from external customers in the table below and in the disaggregation of revenue by primary geographical markets table is allocated to geographical areas based on the place of delivery or collection of the products sold as agreed with customers as opposed to the end use market where the product may be consumed.

	Revenue		**Non-current assets**	
	Half year 2022 €m	Half year 2021 €m	**2 July 2022 €m**	1 January 2022 €m
Ireland (country of domicile)	**5.4**	3.7	**830.0**	713.1
US	**2,317.5**	1,646.2	**1,309.2**	1,201.9
Other				
– North America (excluding US)	**49.1**	38.1	**5.3**	5.2
– Europe (excluding Ireland)	**228.9**	175.4	**213.9**	214.7
– Asia Pacific	**172.4**	134.2	**11.6**	11.2
– LATAM	**34.7**	26.1	**-**	-
– Rest of World	**20.8**	18.5	**-**	-
	2,828.8	2,042.2	**2,370.0**	2,146.1

Disaggregation of revenue

Revenue is disaggregated based on the Group's internal reporting structures, the primary geographical markets in which the Group operates, the timing of revenue recognition, and channel mix as set out in the following tables:

	Half year 2022			Half year 2021		
	Glanbia Performance Nutrition €m	**Glanbia Nutritionals €m**	**Total €m**	Glanbia Performance Nutrition €m	Glanbia Nutritionals €m	Total €m
Internal reporting structures						
Nutritional Solutions	**-**	**588.8**	**588.8**	-	434.8	434.8
US Cheese	**-**	**1,445.9**	**1,445.9**	-	969.0	969.0
GPN Americas	**538.7**	**-**	**538.7**	436.6	-	436.6
GPN International (including Direct-to-Consumer)	**255.4**	**-**	**255.4**	201.8	-	201.8
Total	**794.1**	**2,034.7**	**2,828.8**	638.4	1,403.8	2,042.2
Primary geographical markets						
North America	**539.0**	**1,827.6**	**2,366.6**	439.3	1,245.0	1,684.3
Europe	**160.5**	**73.8**	**234.3**	117.5	61.6	179.1
Asia Pacific	**72.1**	**100.3**	**172.4**	63.3	70.9	134.2
LATAM	**8.3**	**26.4**	**34.7**	4.8	21.3	26.1
Rest of World	**14.2**	**6.6**	**20.8**	13.5	5.0	18.5
Total	**794.1**	**2,034.7**	**2,828.8**	638.4	1,403.8	2,042.2
Timing of revenue recognition						
Products transferred at point in time	**794.1**	**2,034.7**	**2,828.8**	638.4	1,403.8	2,042.2
Products transferred over time	**-**	**-**	**-**	-	-	-
Total	**794.1**	**2,034.7**	**2,828.8**	638.4	1,403.8	2,042.2

Channel mix for Glanbia Performance Nutrition	**Half year 2022 €m**	Half year 2021 €m
Distributor	**176.1**	139.8
Food, Drug, Mass, Club (FDMC)	**269.1**	208.0
Online	**251.1**	199.4
Specialty	**97.8**	91.2
Total	**794.1**	638.4

The disaggregation of revenue by channel mix is most relevant for Glanbia Performance Nutrition.

5. Seasonality

Historically, due to the somewhat seasonal nature of the retail segment into which the Glanbia Performance Nutrition segment sells, higher revenues and operating profits were expected in the second half of the year than in the first six months. This has not occurred in the current and prior year with strong demand in the first half. Glanbia Nutritionals revenues and operating profits, although impacted by dairy markets, are typically more evenly spread throughout the year.

6. Operating profit

		Half year 2022			Half year 2021		
	Notes	Pre–exceptional €m	Exceptional €m (note 7)	Total €m	Pre–exceptional €m	Exceptional €m (note 7)	Total €m
Revenue	4	**2,828.8**	**-**	**2,828.8**	2,042.2	-	2,042.2
Cost of goods sold		**(2,333.1)**	**-**	**(2,333.1)**	(1,613.2)	(5.5)	(1,618.7)
Gross profit		**495.7**	**-**	**495.7**	429.0	(5.5)	423.5
Selling and distribution expenses		**(221.4)**	**-**	**(221.4)**	(175.0)	-	(175.0)
Administration expenses		**(101.0)**	**(0.6)**	**(101.6)**	(93.4)	(48.2)	(141.6)
Net impairment losses on financial assets		**(1.6)**	**-**	**(1.6)**	(0.7)	-	(0.7)
Operating profit before intangible asset amortisation (EBITA)	4	**171.7**	**(0.6)**	**171.1**	159.9	(53.7)	106.2
Intangible asset amortisation	13	**(36.2)**	**-**	**(36.2)**	(30.0)	-	(30.0)
Operating profit		**135.5**	**(0.6)**	**134.9**	129.9	(53.7)	76.2

7. Exceptional items

	Notes	Half year 2022 €m	Half year 2021 €m
Pension related costs	(a)	**0.6**	38.9
Changes in fair value of contingent consideration	(b)	**(7.3)**	-
Organisation redesign costs	(c)	**-**	14.8
Share of results of joint ventures accounted for using the equity method	(a)	**(0.2)**	2.3
Exceptional tax credit	10	**-**	(3.8)
Total exceptional (gain)/charge from continuing operations		**(6.9)**	52.2
Exceptional gain after tax from discontinued operations	(d)	**(55.9)**	-
Total exceptional (gain)/charge for the period	20	**(62.8)**	52.2

(a) **Pension related costs** relate to the restructure of legacy defined benefit pension schemes associated with the Group and joint ventures, which included initiating a process for the ultimate buy out and wind up of these schemes and a further simplification of the schemes that remain. Costs incurred relate to the estimated cost of the settlement loss as a result of acquiring bulk purchase annuity policies to mirror and offset movements in known liabilities of the schemes ("buy-in" transaction), as well as related advisory and execution costs net of gains arising from risk reduction activities. This restructuring, which commenced in 2021 is on track and anticipated to conclude during the second half of 2022.

(b) **Changes in fair value of contingent consideration** relate to contingent payments associated with the 2021 LevlUp acquisition that have now reduced following an assessment of conditions that give rise to the additional payments.

(c) Prior year **Organisation redesign costs** related to a fundamental reorganisation of the GPN segment that realigned operating and supply chain structures in support of individual businesses, sharpened focus on brands and optimised routes-to-market across non-US markets to drive greater efficiencies, improve margin and deliver top line growth. The investment phase of this multi-year strategic programme is now complete, with no further costs incurred during the period.

(d) **Exceptional gain from discontinued operations** relates to the gain arising on the completion of the disposal of the Group's 40% interest in Glanbia Ireland to Glanbia Co-Operative Society Limited. The gain represents the difference between proceeds received, net of transaction related costs, and the carrying value of the Group's investment in Glanbia Ireland. The transaction completed on 1 April 2022 (note 3).

8. Retirement benefit obligations

The Group has a number of defined benefit pension plans in the Republic of Ireland ("Ireland") and the United Kingdom ("UK"). The defined benefit pension plans in Ireland and the UK are administered by independent Boards of Trustees through separate trustee controlled funds.

During 2021, the Trustee Boards of the UK pension plans completed a buy-in transaction whereby the assets of the plans were invested in a bulk purchase annuity policy with a UK pension insurance specialist. The insurance policy was purchased using the existing assets of the plans and a contribution of €35.9 million from the Group. It is the intention of the Trustee Boards that the plans will move to a full buy-out as soon as practical, following which the insurance company will become responsible for the UK pension plan obligations. On completion of the buy-out, the defined benefit assets (comprising the annuity policy) and matching defined benefit obligations will be derecognised from the (condensed) Group balance sheet.

The majority of the net UK pension liabilities at 2 July 2022 and 1 January 2022 relates primarily to Guaranteed Minimum Pension equalisation ("GMPe"). These GMPe liabilities may require an additional contribution from the Group prior to the completion of the aforementioned buy-out which is expected to occur in the second half of 2022 and result in the recognition of a charge/gain in the income statement.

Reconciliation of the amounts recognised on the condensed Group balance sheet to net defined benefit pension plan asset/(liability):

	2 July 2022 €m	1 January 2022 €m
Retirement benefit asset	**4.8**	2.9
Retirement benefit obligation	**(2.9)**	(17.1)
Net defined benefit pension plan asset/(liability)	**1.9**	(14.2)

The net asset disclosed above relates to funded plans. The movement in the net defined benefit pension plan asset/(liability) is as follows:

	2 July 2022 €m	1 January 2022 €m
At the beginning of the period	**(14.2)**	(29.3)
Current service cost	**(0.9)**	(1.9)
Net interest cost	**(0.1)**	(0.1)
Settlement loss	**-**	(28.8)
Total amount recognised in profit or loss	**(1.0)**	(30.8)
Remeasurements:		
– Return of plan assets excluding interest income	**(44.7)**	1.9
– Actuarial loss arising from experience adjustments	**(1.8)**	(1.7)
– Actuarial loss arising from demographic adjustments	**-**	(0.7)
– Actuarial gain arising from changes in financial assumptions	**68.6**	0.5
– Change in asset ceiling excluding interest expense	**(6.5)**	-
Total amount recognised in other comprehensive income	**15.6**	-
Exchange differences	**0.1**	(0.4)
Contributions paid/payable by the employer	**1.4**	46.2
Net asset attributed to the Group	**-**	0.1
At the end of the period	**1.9**	(14.2)

During the current period the Group recognised an amount of the total surplus on one of the plans based on the economic benefits that the Group could gain from a reduction in future contributions.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	Half year 2022		Half year 2021		Year 2021	
	ROI	**UK**	ROI	UK	ROI	UK
Discount rate	**3.40%**	**3.85%**	1.10%	1.95%	1.10%	1.90%
Inflation rate	**2.40%**	**2.65%-3.25%**	1.50%	2.60%-3.20%	2.10%	2.80%-3.40%
Future salary increases*	**3.40%**	**0.00%**	2.50%	0.00%	3.10%	0.00%
Future pension increases	**0.00%**	**2.65%-3.10%**	0.00%	2.60%-3.05%	0.00%	2.75%-3.25%
Mortality rates (years):						
– Male – reaching 65 years of age in 20 years' time	**24.2**	**22.3**	24.1	22.2	24.1	22.1
– Female – reaching 65 years of age in 20 years' time	**26.3**	**24.6**	26.2	24.4	26.2	24.5
– Male – currently aged 65 years old	**21.9**	**21.2**	21.8	21.1	21.8	21.1
– Female – currently aged 65 years old	**24.3**	**23.4**	24.2	23.2	24.2	23.2

*The ROI defined benefit pension plans are on a career average structure therefore this assumption does not have a material impact. The UK defined benefit pension plans comprise solely pensioners and deferred pensioners.

9. Finance income and costs

	Notes	**Half year 2022 €m**	Half year 2021 €m
Finance income			
Interest income on loans to related parties	20	**0.5**	0.7
Changes in fair value of contingent consideration	7	**7.3**	-
Total finance income		**7.8**	0.7
Finance costs			
Bank borrowing costs		**(2.5)**	(2.7)
Facility fees		**(0.8)**	(1.0)
Finance cost of private placement debt		**(4.9)**	(6.4)
Interest expense on lease liabilities		**(1.2)**	(1.3)
Interest expense on swaps		**(0.2)**	(0.1)
Changes in fair value of contingent consideration		**(0.6)**	-
Total finance costs	20	**(10.2)**	(11.5)
Net finance costs		**(2.4)**	(10.8)

Included within finance income is an exceptional item of €7.3 million (note 7).

10. Income taxes

The Group's income tax charge of €15.7 million (HY 2021: €11.7 million) net of an exceptional tax credit of nil (HY 2021: €3.8 million) (note 7) has been prepared based on the Group's best estimate of the weighted average tax rate that is expected for the full financial year.

11. Dividends

	Half year 2022 €m	Half year 2021 €m
Equity dividends to shareholders		
Final – 17.53c per ordinary share, paid on 6 May 2022 (FY 2021: 15.94c, paid on 7 May 2021)	**49.1**	46.5
Interim – 12.93c per ordinary share, payable on 7 October 2022 (HY 2021: 11.75c, paid on 1 October 2021)	**35.7**	34.2

Of the €49.1 million (HY 2021: €46.5 million) dividends paid during the half year ended 2 July 2022, €0.1 million (HY 2021: €0.1 million) are waived in relation to own shares.

These interim financial statements do not reflect interim dividends. The amount of interim dividends recommended is based on the number of issued shares at period end (note 17). The actual amount will be based on the number of issued shares on the record date. There are no income tax consequences for the Company in respect of dividends proposed prior to issuance of the interim financial statements.

12. Earnings per share

Basic

Basic Earnings Per Share is calculated by dividing profit after tax attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue during the period, excluding ordinary shares purchased by the Group and held as own shares. The weighted average number of ordinary shares in issue used in the calculation of Basic Earnings Per Share is 279,154,299 (HY 2021: 291,355,433).

	Half year 2022			Half year 2021		
	Continuing operations	**Discontinued operations**	**Total**	Continuing operations	Discontinued operations	Total
Profit after tax attributable to equity holders of the Company (€m)	**128.7**	**55.9**	**184.6**	70.2	11.1	81.3
Basic Earnings Per Share (cent)	**46.10**	**20.03**	**66.13**	24.09	3.81	27.90

Diluted

Diluted Earnings Per Share is calculated by adjusting the weighted average number of ordinary shares in issue to assume conversion of all potential dilutive ordinary shares. Share awards are the Company's only potential dilutive ordinary shares.

The share awards, which are performance based, are treated as contingently issuable shares because their issue is contingent upon satisfaction of specified performance conditions as well as the passage of time. Contingently issuable shares are included in the calculation of diluted Earnings Per Share to the extent that conditions governing exercisability have been satisfied, as if the end of the reporting period were the end of the vesting period.

	Half year 2022	Half year 2021
Weighted average number of ordinary shares in issue	**279,154,299**	291,355,433
Shares deemed to be issued for no consideration in respect of share awards	**2,822,926**	944,385
Weighted average number of shares used in the calculation of diluted Earnings Per Share	**281,977,225**	292,299,818

	Half year 2022			Half year 2021		
	Continuing operations	**Discontinued operations**	**Total**	Continuing operations	Discontinued operations	Total
Diluted Earnings Per Share (cent)	**45.64**	**19.83**	**65.47**	24.01	3.80	27.81

13. Property, plant and equipment, right-of-use assets, intangible assets and interests in joint ventures

Property, plant and equipment

During the six month period to 2 July 2022, there was an increase of property, plant and equipment arising from additions of €13.2 million (HY 2021: €25.0 million) and from business combinations of €5.9 million (HY 2021: €0.2 million). Exchange differences gain of €36.3 million (HY 2021: €14.6 million gain) and depreciation charges of €23.5 million (HY 2021: €22.3 million) were also recognised in the period. An impairment of nil (HY 2021: €4.8 million) was recognised in the period.

Right-of-use assets

During the six month period to 2 July 2022, there was an increase of right-of-use assets arising from additions of €6.3 million (HY 2021: €9.2 million) and from business combinations of €0.6 million (HY 2021: €0.3 million). The increase was offset by depreciation charges of €8.7 million (HY 2021: €10.4 million) and disposals of €1.8 million (HY 2021: €1.3 million). Exchange differences gain of €7.2 million (HY 2021: €2.9 million gain) were also recognised in the period. An impairment charge of nil (HY 2021: €0.5 million credit) was recognised in the period.

Intangible assets

During the six month period to 2 July 2022, the Group spent €16.3 million (HY 2021: €14.1 million) in relation to software and development costs. In addition, there was an increase of €64.1 million (HY 2021: €49.0 million) of intangible assets arising from business combinations during the period. Exchange differences gain of €113.9 million (HY 2021: €42.5 million gain) and amortisation charges of €36.2 million (HY 2021: €30.0 million) were also recognised in the period.

Interests in joint ventures

The increase in interests in joint ventures during the current period is due to share of profit after tax of €11.6 million (HY 2021: €16.5 million), exchange differences gain of €11.4 million (HY 2021: €7.0 million gain), share of OCI of €10.1 million (HY 2021: €3.7 million) and dividend received of €2.6 million (HY 2021: €5.2 million).

14. Borrowings

	2 July 2022 €m	1 January 2022 €m
Non–current		
Bank borrowings	**427.6**	366.1
Private placement debt	**359.7**	331.1
	787.3	697.2
Current		
Bank overdrafts	**92.8**	136.5
Total borrowings	**880.1**	833.7

The maturity profile of borrowings, and undrawn committed and uncommitted facilities is as follows:

	2 July 2022			1 January 2022		
	Borrowings €m	**Undrawn committed facilities €m**	**Undrawn uncommitted facilities €m**	Borrowings €m	Undrawn committed facilities €m	Undrawn uncommitted facilities €m
12 months or less	**92.8**	**-**	**15.9**	136.5	-	15.9
Between 1 and 2 years	**-**	**-**	**-**	-	-	-
Between 2 and 5 years	**427.6**	**434.1**	**-**	366.1	463.2	-
More than 5 years	**359.7**	**-**	**-**	331.1	-	-
	880.1	**434.1**	**15.9**	833.7	463.2	15.9

Net debt is a non-IFRS measure which we provide to investors as we believe they find it useful. Net debt comprises the following:

	2 July 2022 €m	3 July 2021 €m
Bank borrowings and private placement debt	**787.3**	633.3
Cash and cash equivalents net of bank overdrafts	**(139.2)**	(83.6)
	648.1	549.7

Net debt reconciliation is as follows:

	Notes	Half year 2022 €m	Half year 2021 €m
Net debt at the beginning of the period		**602.7**	493.9
Drawdown of borrowings		**427.9**	308.1
Repayment of borrowings		**(388.5)**	(274.7)
Exchange translation adjustment on net debt		**44.1**	9.8
Net (increase)/decrease in cash and cash equivalents		**(37.2)**	17.0
Cash and cash equivalents acquired on acquisition	22	**(0.9)**	(4.4)
Net debt at the end of the period		**648.1**	549.7

15. Fair value of financial instruments

There have been no changes to the risk management procedures or policies since 1 January 2022. Refer to note 29 of the 2021 Annual Report for details on these risk management procedures and policies.

Except as detailed in the following table, the Group deemed that the carrying amounts of financial instruments measured at amortised cost in the interim financial statements approximate their fair value due to their short-term nature:

	2 July 2022		1 January 2022	
	Carrying amount €m	**Fair value €m**	Carrying amount €m	Fair value €m
Financial assets				
Non-current loans to joint ventures	**17.2**	**16.6**	42.5	42.6
Non-current financial asset measured at amortised cost	**0.1**	**0.1**	0.2	0.2
Financial liabilities				
Non–current borrowings	**787.3**	**728.0**	697.2	673.2

Fair value is estimated by discounting future contractual cash flows using current market interest rates from observable interest rates at the end of the reporting period that are available to the Group for similar financial instruments (classified as level 2 in the fair value hierarchy).

The following table shows the fair values of financial instruments measured at fair value:

	Fair value hierarchy	**2 July 2022 €m**	1 January 2022 €m
Assets			
Equity instrument designated at FVOCI – BDO Development Capital Fund	Level 2	**1.3**	1.1
Interest rate swaps – cash flow hedges	Level 2	**1.2**	-
Cross currency swaps – fair value through income statement	Level 2	**-**	1.4
Foreign exchange contracts – cash flow hedges	Level 2	**1.0**	0.8
Call option over non-controlling interests (NCI)	Level 3	**0.5**	0.5
Liabilities			
Cross currency swaps – fair value through income statement	Level 2	**(0.7)**	-
Foreign exchange contracts – cash flow hedges	Level 2	**(0.1)**	-
Interest rate swaps – cash flow hedges	Level 2	**-**	(1.2)
Put option liability	Level 3	**(20.3)**	(24.8)
Contingent consideration	Level 3	**(24.9)**	(7.3)

Refer to note 29 of the 2021 Annual Report for details of the valuation process of the above financial assets and liabilities and note 22 of these interim financial statements for the valuation methodology of the contingent consideration at period end which is related to the acquisition of Sterling Technology, LLC.

The movement in carrying amounts associated with Level 3 financial instruments are as follows:

	Call option over NCI €m	**Put option liability €m**	**Contingent consideration €m**
At 2 January 2022	**0.5**	**(24.8)**	**(7.3)**
Additions through business combination (note 22)	**-**	**-**	**(23.1)**
Remeasurements	**-**	**4.5**	**6.7**
Exchange translation adjustments	**-**	**-**	**(1.2)**
At 2 July 2022	**0.5**	**(20.3)**	**(24.9)**
At 3 January 2021	-	-	(17.4)
Additions through business combination	0.4	(23.2)	(7.2)
Exchange translation adjustments	-	-	(0.6)
At 3 July 2021	0.4	(23.2)	(25.2)

16. Provisions

	Restructuring €m	Property and lease commitments €m	Legal and operational €m	Total €m
At 2 January 2022 – non-current	**-**	**3.6**	**-**	**3.6**
At 2 January 2022 – current	**2.3**	**2.5**	**8.1**	**12.9**
Amount provided for in the period	**-**	**-**	**0.2**	**0.2**
Utilised in the period	**(2.1)**	**(0.3)**	**(0.2)**	**(2.6)**
Unused amounts reversed in the period	**-**	**-**	**(0.3)**	**(0.3)**
Exchange differences	**0.1**	**0.4**	**0.3**	**0.8**
At 2 July 2022	**0.3**	**6.2**	**8.1**	**14.6**
Non-current	**-**	**3.3**	**-**	**3.3**
Current	**0.3**	**2.9**	**8.1**	**11.3**
	0.3	**6.2**	**8.1**	**14.6**

17. Share capital and share premium

	Number of shares (thousands)	Ordinary shares €m	Share premium €m	Total €m
At 2 January 2022	**287,169**	**17.2**	**87.8**	**105.0**
Cancellation of own shares	**(10,831)**	**(0.6)**	**-**	**(0.6)**
At 2 July 2022	**276,338**	**16.6**	**87.8**	**104.4**
At 3 January 2021	294,402	17.7	87.6	105.3
Issuance of shares	40	-	0.2	0.2
Cancellation of own shares	(3,147)	(0.2)	-	(0.2)
At 3 July 2021	291,295	17.5	87.8	105.3

The total authorised number of ordinary shares in the current and prior period is 350 million shares with a par value of €0.06 per share. All issued shares are fully paid, and carry one vote per share and a right to dividends.

During the half year ended 2 July 2022, 10.8 million ordinary shares (HY 2021: 3.1 million) were cancelled through the share buyback programme. The amount paid to repurchase these shares was initially recognised in the own shares reserve and was transferred to retained earnings on cancellation.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED
FOR THE HALF YEAR ENDED 2 JULY 2022

18. Other reserves and retained earnings
18.1 Other reserves

Half year 2022	Capital and merger reserve €m	Currency reserve €m	Hedging reserve €m	Put option liability reserve €'m	Own shares €m	Share based payment reserve €m	Other €m	Total €m
Balance at 2 January 2022	**116.5**	**151.9**	**(10.6)**	**(24.8)**	**(6.4)**	**19.3**	**(0.4)**	**245.5**
Currency translation differences	-	**140.3**	-	-	-	-	-	**140.3**
Net investment hedge	-	**(7.5)**	-	-	-	-	-	**(7.5)**
Revaluation – gross	-	-	**15.9**	-	-	-	**0.3**	**16.2**
Reclassification to profit or loss – gross	-	-	**(0.7)**	-	-	-	-	**(0.7)**
Deferred tax	-	-	**(3.6)**	-	-	-	**(0.1)**	**(3.7)**
	-	**132.8**	**11.6**	-	-	-	**0.2**	**144.6**
Purchase of own shares	-	-	-	-	**(136.6)**	-	-	**(136.6)**
Cancellation of own shares	**0.6**	-	-	-	**126.2**	-	-	**126.8**
Cost of share-based payments	-	-	-	-	-	**7.6**	-	**7.6**
Transfer on exercise, vesting or expiry of share-based payments	-	-	-	-	**7.2**	**(9.3)**	-	**(2.1)**
Changes in fair value of put option liability (note 15)	-	-	-	**4.5**	-	-	-	**4.5**
Transfer to Group income statement*	-	-	**1.5**	-	-	-	-	**1.5**
Balance at 2 July 2022	**117.1**	**284.7**	**2.5**	**(20.3)**	**(9.6)**	**17.6**	**(0.2)**	**391.8**

Half year 2021	Capital and merger reserve €m	Currency reserve €m	Hedging reserve €m	Put option liability reserve €'m	Own shares €m	Share based payment reserve €m	Other €m	Total €m
Balance at 3 January 2021	116.0	31.9	(20.6)	-	(11.4)	10.3	(0.2)	126.0
Currency translation differences	-	62.0	-	-	-	-	-	62.0
Net investment hedge	-	(3.0)	-	-	-	-	-	(3.0)
Revaluation – gross	-	-	7.0	-	-	-	(0.3)	6.7
Reclassification to profit or loss – gross	-	-	0.2	-	-	-	-	0.2
Deferred tax	-	-	(1.6)	-	-	-	0.1	(1.5)
	-	59.0	5.6	-	-	-	(0.2)	64.4
Purchase of own shares	-	-	-	-	(35.3)	-	-	(35.3)
Cancellation of own shares	0.2	-	-	-	33.4	-	-	33.6
Cost of share-based payments	-	-	-	-	-	6.2	-	6.2
Transfer on exercise, vesting or expiry of Share-based payments	-	-	-	-	5.4	(5.4)	-	-
Recognition of put option liability	-	-	-	(23.2)	-	-	-	(23.2)
Balance at 3 July 2021	116.2	90.9	(15.0)	(23.2)	(7.9)	11.1	(0.4)	171.7

*On disposal of discontinued operation.

Refer to note 23 of the 2021 Annual Report for a description of the components of other reserves.

18.2 Retained earnings

	Notes	Half year 2022 €m	Half year 2021 €m
At the beginning of the period		**1,381.7**	1,380.5
Profit for the period attributable to equity holders of the Company		**184.6**	81.3
Other comprehensive income			
– Remeasurements on defined benefit plans	8	**15.6**	3.6
– Deferred tax on remeasurements on defined benefit plans		**(1.6)**	(0.2)
– Share of remeasurements on defined benefit plans from joint ventures, net of deferred tax		**0.6**	-
– Share of remeasurements on defined benefit plans from discontinued operations, net of deferred tax		**-**	11.2
		14.6	14.6
Dividends		**(49.0)**	(46.4)
Cancellation of own shares		**(126.2)**	(33.4)
Transfer on exercise, vesting or expiry of share-based payments	18.1	**2.1**	-
Deferred tax on share-based payments		**1.0**	0.8
At the end of the period		**1,408.8**	1,397.4

19. Related party transactions

Refer to note 3 for the disposal of Glanbia Ireland which was a joint venture of the Group up to 1 April 2022. From 2 April 2022, Glanbia Ireland became a wholly owned subsidiary of Glanbia Co-operative Society Limited and also a other related party to the Group. Accordingly transactions with Glanbia Ireland from 2 April 2022 were included within Glanbia Co-operative Society Limited and its subsidiaries ("Glanbia Co-operative Group") in the table below. As part of the terms of the Transaction, the Company paid Glanbia Ireland a contribution of €8 million related to pension obligations, separation and rebranding costs and has committed to a maximum additional €1.5 million re-imbursement of rebranding costs in connection with the Transaction.

Other transactions that occurred with related parties during the period ended 2 July 2022 include:

	Half year 2022 €m	Half year 2021 €m
Dividends paid to Glanbia Co-operative Group	**15.3**	14.9
Dividend received from joint ventures	**2.6**	17.4*
Loans advanced to joint ventures	**3.5**	3.5
Loans advanced to Glanbia Ireland which were repaid	**28.8**	-
Sales of goods and services		
– Sales of services to joint ventures	**14.6**	32.0
– Sales of services to Glanbia Co-operative Group	**8.7**	1.4
Purchases of goods and services		
– Purchases of goods from joint ventures	**1,049.5**	663.9
– Purchases of goods from Glanbia Co-operative Group	**16.5**	-

* Includes €12.2 million received from Glanbia Ireland.

20. Net cash flows from operating activities before exceptional items

	Notes	**Half year 2022 €m**	Half year 2021 €m
Profit for the year		**184.3**	81.3
Exceptional items	7	**(62.8)**	52.2
Profit after tax from discontinued operations		**-**	(11.1)
Income taxes		**15.7**	15.5
Profit before taxation		**137.2**	137.9
Share of results of joint ventures accounted for using the equity method	4	**(11.4)**	(18.8)
Finance costs	9	**10.2**	11.5
Finance income	9	**(0.5)**	(0.7)
Amortisation of intangible assets	13	**36.2**	30.0
Depreciation of property, plant and equipment	13	**23.5**	22.3
Depreciation of right-of-use assets	13	**8.7**	10.4
Net movement in allowance for impairment of receivables		**2.1**	0.4
Cost of share-based payments	18.1	**7.6**	6.2
Net write down/(reversal) of inventories		**5.6**	(1.2)
Other		**1.3**	(1.8)
Operating cash flows before movement in working capital		**220.5**	196.2
Movement in working capital		**(234.6)**	(24.4)
Net cash flows from operating activities before exceptional items		**(14.1)**	171.8

21. Contingent liabilities and commitments

Contingent liabilities

Guarantees provided by financial institutions amounting to €7.2 million (FY 2021: €6.9 million) are outstanding at 2 July 2022. The Group does not expect any material loss to arise from these guarantees. The Group has contingent liabilities in respect of legal claims arising in the ordinary course of business. It is not anticipated that any material liability will arise from these contingent liabilities other than those provided for.

Commitments

At 2 July 2022 the Group had entered into contractual commitments for the acquisition of property, plant and equipment amounting to €6.2 million (FY 2021: €8.3 million) and software of €1.2 million (FY 2021: €1.5).

As at 2 July 2022, the Group has committed to invest €10.0 million (FY 2021: €10.0 million) cash contributions in Glanbia Cheese EU Limited, a joint venture of the Group, which is contingent on the successful commissioning of the plant. Additionally, there was an undrawn loan facility of €3.0 million as at 2 July 2022 (FY 2021: €1.3 million) which was provided by the Group to the joint venture.

22. Business combinations

On 11 March 2022 Glanbia acquired 100% of the voting shares of Sterling Technology, LLC ("Sterling"), a bioactive ingredient company based in South Dakota, USA. Sterling will complement the existing ingredient technology portfolio of Nutritional Solutions providing bioactive ingredients which are mainly used in the growing immunity and gut-health segments as well as in pet nutrition. The goodwill relates to the acquired workforce, the expectation that the business will give rise to synergies across the Glanbia Nutritionals segment, will generate future sales beyond the existing customer base, as well as the opportunity to expand the business into new markets, where there are no existing customers, and further builds on our offering in immunity solutions in Nutritional Solutions. Goodwill of €22.0 million is expected to be deductible for tax purposes.

Details of the net assets acquired and goodwill arising from the acquisition are as follows:

	Total €m
Cash paid	**54.0**
Contingent consideration	**23.1**
Total purchase consideration	**77.1**
Less: Fair value of net assets acquired	**(55.1)**
Goodwill	**22.0**

The provisional fair value of assets and liabilities arising from the acquisition are as follows:

	Notes	Total €m
Property, plant and equipment	13	**5.9**
Right-of-use assets	13	**0.6**
Intangible assets – customer relationships		**30.5**
Intangible assets – recipes and know-how		**10.0**
Intangible assets – trade names		**1.6**
Inventories		**3.3**
Trade and other receivables		**5.5**
Cash and cash equivalents	14	**0.9**
Trade and other payables		**(2.6)**
Lease liabilities		**(0.6)**
Fair value of net assets acquired		**55.1**

The contingent consideration arrangement requires the Group to pay the former owners of Sterling an earnout in 2023 if a pre-defined earnings threshold is exceeded within a defined period post acquisition. Under the acquisition agreement, the undiscounted amount of future payments for which the Group may be liable ranges from nil to US$27.5 million (€26.4 million translated at the period end exchange rate).

The fair value of the contingent consideration of €24.9 million at period end (note 15) was estimated by calculating the present value of the future expected payments. The main significant unobservable input in the calculation is the forecast EBITDA of Sterling over the relevant period. As it is deemed highly probable that the higher end of the EBITDA range will be met, the Group have assumed that the upper limit of the earnout will be payable. A 10% increase in the forecast EBITDA would not change the fair value of the contingent consideration. A 10% decrease in forecast EBITDA would result in a decrease in fair value of the contingent consideration by €8.4 million.

The fair value of Sterling's trade and other receivables at the acquisition date amounted to €5.5 million. The gross contractual amount for receivables due is €5.8 million, of which €0.3 million is expected to be uncollectible. Acquisition-related costs of €0.6 million incurred primarily on professional fees are included in administrative expenses.

Due to the proximity of the date of the acquisition to the reporting date, completion accounts have not been formally agreed between the purchaser and seller at the date of approving the interim financial statements. Accordingly, the initial assignment of fair values to identifiable net assets acquired has been performed on a provisional basis. In addition, management will need to finalise the valuation exercise undertaken by the Group's external valuation specialist relating to the acquisition. It is therefore possible the final amounts for the assets and liabilities may differ from the provisional values. Any amendments to these fair values within the 12 month timeframe from the date of acquisition will be disclosed in the 2022 Annual Report as stipulated by IFRS 3 'Business Combinations'.

Combined impact of acquisitions

The revenue and profit before taxation and exceptional items of the Group, including the post-acquisition impact of acquisition completed during the period ended 2 July 2022, were as follows:

	2022 acquisition €m	Group excluding acquisition €m	Consolidated group including acquisition €m
Revenue	**9.4**	**2,819.4**	**2,828.8**
Profit before taxation and exceptional items	**2.2**	**135.0**	**137.2**

The revenue and profit before taxation and exceptional items of the Group for the period ended 2 July 2022 determined in accordance with IFRS 3 as though the acquisition date for all business combinations effected during the year had been at the beginning of the period would be as follows:

	2022 acquisition €m	Group excluding acquisition €m	Pro-forma consolidated group €m
Revenue	**14.3**	**2,819.4**	**2,833.7**
Profit before taxation and exceptional items	**2.5**	**135.0**	**137.5**

The Group acquired PacMoore Process Technologies, LLC in 2021 for which the fair value of assets and liabilities were determined provisionally. There was no change to goodwill following the finalisation of the fair value of assets and liabilities during the measurement period.

23. Events after the reporting period

See note 11 for the interim dividend, recommended by the Directors, to be paid on 7 October 2022.

Other than as described above, there have been no material events subsequent to the end of the interim period ended 2 July 2022 which require disclosure in this report.

24. Information

The interim financial statements are considered non–statutory financial statements for the purposes of the Companies Act 2014 and in compliance with section 340(4) of that Act we state that:

- the interim financial statements have been prepared to meet our obligation under the Transparency (Directive 2004/109/EC) Regulations 2007 as amended (Statutory Instrument No. 277 of 2007);
- the interim financial statements do not constitute the statutory financial statements of the Group and are unaudited;
- the statutory financial statements as at, and for the financial year ended 1 January 2022 will be annexed to the 2021 annual return and filed with the Companies Registration Office;
- the statutory auditor of the Group have made a report under section 391 in the form required by section 336 Companies Act 2014 in respect of the statutory financial statements of the Group; and
- the matters referred to in the statutory auditor’s report were unqualified, and did not include a reference to any matters to which the statutory auditor drew attention by way of emphasis without qualifying the report.

Copies of this half yearly financial report are available for download from the Group’s website at www.glanbia.com.

GLOSSARY
KEY PERFORMANCE INDICATORS AND NON–IFRS PERFORMANCE MEASURES

Non-IFRS performance measures

The Group reports certain performance measures that are not defined under IFRS but which represent additional measures used by the Board of Directors and the Glanbia Operating Executive in assessing performance and for reporting both internally and to shareholders and other external users. The Group believes that the presentation of these non-IFRS performance measures provides useful supplemental information which, when viewed in conjunction with our IFRS financial information, provides readers with a more meaningful understanding of the underlying financial and operating performance of the Group.

These non-IFRS performance measures may not be uniformly defined by all companies and accordingly they may not be directly comparable with similarly titled measures and disclosures by other companies. None of these non–IFRS performance measures should be considered as an alternative to financial measures drawn up in accordance with IFRS.

The principal non-IFRS performance measures used by the Group are:

	Relevant for Half year 2022	Relevant for Year 2021
G 1. Constant currency	√	√
G 2. Revenue	√	√
G 3. EBITA (pre-exceptional)	√	√
G 4. EBITA margin % (pre-exceptional)	√	√
G 5. EBITDA	√	√
G 6. Constant Currency Basic and Adjusted Earnings Per Share (“EPS”)	√	√
G 7. Net debt	√	√
G 8. Financing Key Performance Indicators	√	√
G 9. Volume and pricing increase/(decrease)	√	√
G 10. Like-for-like revenue increase/(decrease)	√	√
G 11. Effective tax rate	√	√
G 12. Average interest rate	√	√
G 13. Operating cash conversion	√	√
G 14. Operating cash flow and free cash flow	√	√
G 15. Dividend payout ratio	√	√
G 16. Compound annual growth rate (“CAGR”)	√	√
G 17. Exceptional items	√	√
Total shareholder return		√
Return on capital employed		√

The principal non-IFRS performance measures relevant to the interim period are defined below with a reconciliation of these measures to IFRS measures where applicable.

A number of the non-IFRS performance measures below have been re-presented to reflect continuing and discontinued operations in line with the presentation adopted in the Group income statement.

Total shareholder return and return on capital employed are not considered relevant by the Group for the interim period as they are performance measures considered on an annual basis only as part of the performance conditions in Glanbia’s Long-term Incentive Plan.

G 1. Constant currency

While the Group reports its results in euro, it generates a significant proportion of its earnings in currencies other than euro, in particular US dollar. Constant currency reporting is used by the Group to eliminate the translational effect of foreign exchange on the Group's results. To arrive at the constant currency period–on–period change, the results for the prior period are retranslated using the average exchange rates for the current period and compared to the current period reported numbers.

The principal average exchange rates used to translate results as at the reporting dates are set out below:

1 euro =	**Half year 2022**	Half year 2021	Year 2021
US dollar	**1.0928**	1.2044	1.1826
Pound sterling	**0.8422**	0.8677	0.8596

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KEY PERFORMANCE INDICATORS AND NON–IFRS PERFORMANCE MEASURES

G 2. Revenue

Revenue comprises sales of goods and services to external customers net of value added tax, rebates and discounts. Revenue is one of the Group's Key Performance Indicators and is an IFRS performance measure.

G 2.1 Group revenue

	Reference to the interim financial statements/glossary	**Half year 2022 €'m**	Half year 2021 Reported €'m	Half year 2021 Retranslated €'m	Constant currency growth %	Like-for-like growth %
Nutritional Solutions	Note 4	**588.8**	434.8	471.5	24.9%	19.5%
US Cheese	Note 4	**1,445.9**	969.0	1,068.0	35.4%	35.4%
Glanbia Nutritionals	Note 4	**2,034.7**	1,403.8	1,539.5	32.2%	30.5%
Americas	Note 4	**538.7**	436.6	480.9	12.0%	12.0%
International (including Direct-to-Consumer)	Note 4	**255.4**	201.8	210.2	21.5%	19.0%
Glanbia Performance Nutrition	Note 4	**794.1**	638.4	691.1	14.9%	14.1%
Revenue	Note 6	**2,828.8**	2,042.2	2,230.6	26.8%	25.3%

G 3. EBITA (pre-exceptional)

EBITA (pre-exceptional) is defined as earnings before interest, tax and amortisation. EBITA references throughout the half year results are on a pre-exceptional basis unless otherwise indicated. EBITA (pre-exceptional) is one of the Group's Key Performance Indicators. Business Segment EBITA (pre-exceptional) growth on a constant currency basis is one of the performance conditions in Glanbia's Annual Incentive Plan for Senior Management. Refer to note 6 of the interim financial statements for the reconciliation of EBITA (pre-exceptional).

G 3.1 EBITA (pre-exceptional)

	Reference to the interim financial statements/glossary	**Half year 2022 €'m**	Half year 2021 Reported €'m	Half year 2021 Retranslated €'m	Constant currency growth %
Nutritional Solutions		**71.7**	56.6	62.7	14.4%
US Cheese		**17.7**	13.1	14.7	20.4%
Glanbia Nutritionals	Note 4	**89.4**	69.7	77.4	15.5%
Glanbia Performance Nutrition	Note 4	**82.3**	90.2	100.5	(18.1%)
EBITA (pre-exceptional)	Note 6	**171.7**	159.9	177.9	(3.5%)

G 4. EBITA margin % (pre-exceptional)

EBITA margin % (pre-exceptional) is defined as EBITA (pre-exceptional) as a percentage of revenue. Refer to G 2.1 and G 3.1 for reconciliations of revenue and EBITA (pre-exceptional) respectively. EBITA references throughout the half year results are on a pre-exceptional basis unless otherwise indicated.

G 5. EBITDA

EBITDA is defined as earnings before interest, tax, depreciation (net of grant amortisation) and amortisation. EBITDA references throughout the half year results are on a pre-exceptional basis unless otherwise indicated.

	Reference to the interim financial statements/glossary	**Half year 2022 €'m**	Half year 2021 €'m
EBITA (pre-exceptional)	G 3.1	**171.7**	159.9
Depreciation*		**32.3**	31.3
EBITDA (pre-exceptional)	G 14	**204.0**	191.2

*Includes depreciation of property, plant and equipment of €23.5 million (HY 2021: €22.3 million) and depreciation of right-of-use assets (excluding exceptional) of €8.8 million (HY 2021: €9.0 million).

GLOSSARY
KEY PERFORMANCE INDICATORS AND NON–IFRS PERFORMANCE MEASURES

G 6. Constant Currency Basic and Adjusted Earnings Per Share ("EPS")

G 6.1 Constant Currency Basic Earnings Per Share

Basic EPS is calculated by dividing the net profit attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue during the period, excluding ordinary shares purchased by the Group and held as own shares (see note 12). Basic EPS has also been calculated on a continuing basis (excluding Glanbia Ireland) in line with the presentation of continuing and discontinued operations in the Condensed Group income statement.

	Reference to the interim financial statements/glossary	**Half year 2022 €'m**	Half year 2021 Reported €'m	Half year 2021 Retranslated €'m	Year 2021 Reported €'m
Profit after tax attributable to equity holders of the Company	Condensed Group income statement	**184.6**	81.3	92.9	167.0
Less: Profit after tax attributable to equity holders of the Company – discontinued operations	Condensed Group income statement	**(55.9)**	(11.1)	(11.1)	(26.4)
Profit after tax attributable to equity holders of the Company – continuing operations	Note 12	**128.7**	70.2	81.8	140.6
Weighted average number of ordinary shares in issue (thousands)	Note 12	**279,154**	291,355	291,355	290,059
Basic Earnings Per Share (cent) – continuing operations		**46.10**	24.09	28.08	48.47
Basic Earnings Per Share (cent)	Note 12	**66.13**	27.90	31.89	57.57
Constant currency change – continuing operations		**64.2%**			
Constant currency change		**107.4%**			

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KEY PERFORMANCE INDICATORS AND NON–IFRS PERFORMANCE MEASURES

G 6.2 Constant Currency Adjusted Earnings Per Share

Adjusted EPS is defined as the profit after tax attributable to the equity holders of the Company, before exceptional items and intangible asset amortisation and impairment (excluding software amortisation), net of related tax, divided by the weighted average number of ordinary shares in issue during the period, excluding ordinary shares purchased by the Group and held as own shares (see note 12). The Group concluded that adjusted EPS is a better measure of underlying performance than Basic EPS as it excludes exceptional items (net of related tax) that are not related to ongoing operational performance and intangible asset amortisation, which allows better comparability of companies that grow by acquisition to those that grow organically. Adjusted EPS has also been calculated on a continuing basis (excluding Glanbia Ireland) in line with the presentation of continuing and discontinued operations in the Condensed Group income statement.

Adjusted EPS is one of the Group's Key Performance Indicators. Adjusted EPS growth on a constant currency basis is one of the performance conditions in Glanbia's Annual Incentive Plan and in Glanbia's Long–term incentive plan.

	Reference to the interim financial statements/glossary	**Half year 2022 €'m**	Half year 2021 Reported €'m	Half year 2021 Retranslated €'m	Year 2021 Reported €'m
Profit after tax from continuing operations	Condensed Group income statement	**128.4**	70.2	81.8	141.0
Exceptional (credit)/charge – continuing operations	Condensed Group income statement	**(6.9)**	52.2	54.8	42.8
Profit after tax from continuing operations (pre-exceptional)	Condensed Group income statement	**121.5**	122.4	136.6	183.8
Non-controlling interests	Condensed Group income statement	**0.3**	-	-	(0.4)
Amortisation of intangible assets (excluding software amortisation) net of related tax of €3.8 million (HY 2021: €3.4 million, HY 2021 retranslated €3.7 million, FY 2021: €7.0 million) – continuing operations		**24.2**	19.9	21.9	42.4
Adjusted net income – continuing operations		**146.0**	142.3	158.5	225.8
Profit after tax from discontinued operations	Condensed Group income statement	**55.9**	11.1	11.1	26.4
Exceptional credit - discontinued operations	Condensed Group income statement	**(55.9)**	-	-	(0.7)
Profit after tax from discontinued operations (pre-exceptional)	Condensed Group income statement	**-**	11.1	11.1	25.7
Amortisation and impairment of intangible assets (excluding software amortisation) net of related tax of nil (HY 2021: €0.1 million, HY 2021 retranslated €0.1 million, FY 2021: €0.2 million) – discontinued operations		**-**	0.6	0.6	1.3
Adjusted net income		**146.0**	154.0	170.2	252.8
Weighted average number of ordinary shares in issue (thousands)	Note 12	**279,154**	291,355	291,355	290,059
Adjusted Earnings Per Share (cent) – continuing operations		**52.31**	48.84	54.39	77.84
Adjusted Earnings Per Share (cent)	G 15	**52.31**	52.86	58.41	87.15
Constant currency change – continuing operations		**(3.8%)**			
Constant currency change		**(10.4%)**			

G 7. Net debt

Net debt is calculated as current and non-current borrowings less cash and cash equivalents.

	Reference to the interim financial statements/glossary	**Half year 2022 €'m**	Half year 2021 €'m	Year 2021 €'m
Cash and cash equivalents	Condensed Group balance sheet	**(232.0)**	(156.6)	(231.0)
Current borrowings	Condensed Group balance sheet	**92.8**	73.0	136.5
Non-current borrowings	Condensed Group balance sheet	**787.3**	633.3	697.2
Net debt	Note 14, G 14	**648.1**	549.7	602.7

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G 8. Financing Key Performance Indicators

The following are the financing key performance indicators defined as per the Group's financing agreements.

G 8.1 Net debt: adjusted EBITDA

Net debt: adjusted EBITDA is calculated as net debt at the end of the period divided by adjusted EBITDA. Net debt is calculated as current and non-current borrowings less cash and cash equivalents. Adjusted EBITDA is calculated in accordance with lenders' facility agreements definitions which adjust EBITDA for items such as exceptional items, dividends received from joint ventures, acquisitions or disposals and to reverse the net impact on EBITDA as a result of adopting IFRS 16 "Leases". Adjusted EBITDA is a rolling 12 month measure (a period of 12 consecutive months determined on a rolling basis with a new 12 month period beginning on the first day of each month).

	Reference to the interim financial statements/glossary	**Half year 2022 €'m**	Half year 2021 €'m	Year 2021 €'m
Net debt	Note 14, G 7	**648.1**	549.7	602.7
Rolling EBITDA		**346.4**	346.5	333.6
Adjustments in line with lenders' facility agreements		**7.4**	16.4	19.2
Rolling adjusted EBITDA		**353.8**	362.9	352.8
Net debt: adjusted EBITDA		**1.83 times**	1.51 times	1.71 times

G 8.2 Adjusted EBIT: adjusted net finance cost

Adjusted EBIT: adjusted net finance cost is calculated as earnings before interest and tax adjusted for the IFRS 16 "Leases" impact on operating profit plus dividends received from joint ventures divided by adjusted net finance cost. Adjusted net finance cost comprises finance costs less finance income per the Condensed Group income statement plus borrowing costs capitalised into assets and excludes finance income/costs on changes in fair value of call options and contingent consideration and interest expense on lease liabilities. Adjusted EBIT and adjusted net finance cost are rolling 12 month measures (a period of 12 consecutive months determined on a rolling basis with a new 12 month period beginning on the first day of each month).

	Half year 2022 €'m	Half year 2021 €'m	Year 2021 €'m
Operating profit	**207.6**	297.1	158.3
Exceptional charge	**4.7**	(73.0)	48.4
Operating profit (pre-exceptional)	**212.3**	224.1	206.7
Dividends received from joint ventures	**19.1**	36.1	33.9
IFRS 16 adjustment – interest	**(2.5)**	(2.5)	(2.5)
Rolling adjusted EBIT	**228.9**	257.7	238.1
Rolling net finance cost	**14.3**	17.8	15.8
Adjusted EBIT: net finance cost	**16.0 times**	14.5 times	15.1 times

G 9. Volume and pricing increase/(decrease)

Volume increase/(decrease) represents the impact of sales volumes within the revenue movement period-on-period, excluding volume from acquisitions, on a constant currency basis.

Pricing increase/(decrease) represents the impact of sales pricing (including trade spend) within revenue movement period-on-period, excluding acquisitions, on a constant currency basis.

G 9.1 Reconciliation of volume and pricing increase/(decrease) to constant currency revenue growth

	Reference to the interim financial statements/glossary	**Volume increase/ (decrease)**	**Price increase/ (decrease)**	**Acquisitions/ (disposals)**	**Revenue increase/ (decrease)**
Nutritional Solutions	G 2.1	**1.6%**	**17.9%**	**5.4%**	**24.9%**
US Cheese	G 2.1	**6.6%**	**28.8%**	**-**	**35.4%**
Glanbia Nutritionals	G 2.1	**5.1%**	**25.4%**	**1.7%**	**32.2%**
Glanbia Performance Nutrition	G 2.1	**0.5%**	**13.6%**	**0.8%**	**14.9%**
HY 2022 increase % - revenue	G 2.1	**3.7%**	**21.7%**	**1.4%**	**26.8%**

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G 10. Like-for-like revenue increase/(decrease)

G 10.1 Glanbia Performance Nutrition (“GPN”) like-for-like revenue

GPN like-for-like revenue represents the sales increase/(decrease) period-on-period, excluding the incremental revenue contributions from current period and prior period acquisitions, on a constant currency basis.

GPN like-for-like branded revenue represents the sales increase/(decrease) period-on-period on branded sales, excluding the incremental revenue contributions from current period and prior period acquisitions, on a constant currency basis. Like-for-like branded revenue increase/(decrease) is one of the GPN segment’s Key Performance Indicators. Like-for-like branded revenue increase/(decrease) is one of the performance conditions in Glanbia’s Annual Incentive Plan for GPN Senior Management.

G 10.2 Glanbia Nutritionals like-for-like revenue

This represents the sales increase/(decrease) period-on-period, excluding the incremental revenue contributions from current period and prior period acquisitions, on a constant currency basis.

G 11. Effective tax rate

The effective tax rate is defined as the income tax charge divided by the profit before tax less share of results of joint ventures which is calculated on a pre-exceptional basis.

	Reference to the interim financial statements/glossary	**Half year 2022 €’m**	Half year 2021 €’m
Profit before tax - continuing operations	Condensed Group income statement	**144.1**	81.9
Exceptional charge	Condensed Group income statement	**(6.9)**	56.0
Profit before tax (pre-exceptional) - continuing operations	Condensed Group income statement	**137.2**	137.9
Less share of results of joint ventures (pre-exceptional)	Condensed Group income statement	**(11.4)**	(18.8)
		125.8	119.1
Income tax	Condensed Group income statement	**15.7**	11.7
Exceptional tax credit		**-**	3.8
Income tax (pre-exceptional)	Condensed Group income statement	**15.7**	15.5
Effective tax rate		**12.5%**	13.0%

G 12. Average interest rate

The average interest rate is defined as the annualised net finance costs (excluding capitalised borrowing costs, finance income/costs on changes in fair value of call option and contingent consideration and interest expense on lease liabilities) divided by the average net debt during the reporting period.

G 13. Operating cash conversion

Operating cash conversion is defined as Operating Cashflow ("OCF") divided by pre-exceptional EBITDA. Cash conversion is a measure of the Group's ability to convert trading profits into cash and is an important metric in the Group's working capital management programme.

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G 14. Operating cash flow and free cash flow

Operating cash flow is defined as pre-exceptional Group EBITDA net of business sustaining capital expenditure and working capital movements, excluding exceptional cash flows.

Operating cash flow is one of the Group's Key Performance Indicators. Operating cash flow is one of the performance conditions in Glanbia's Annual Incentive Plan.

Free cash flow is calculated as the net cash flow in the period before the following items: strategic capital expenditure, dividends paid to Company shareholders, loans/investments in joint ventures, exceptional costs paid, payment for acquisition of subsidiaries, proceeds received on disposals, purchase of own shares under share buyback and currency translation movements.

	Reference to the interim financial statements/glossary	**Half year 2022 €'m**	Half year 2021 €'m
EBITDA (pre-exceptional)	G 5	**204.0**	191.2
Movement in working capital (pre-exceptional)	G 14.2	**(225.3)**	(24.0)
Business sustaining capital expenditure	G 14.4	**(7.3)**	(5.8)
Operating cash flow	G 14.1	**(28.6)**	161.4
Net interest and tax paid	G 14.3	**(31.8)**	(30.6)
Dividends received from joint ventures	Condensed Group statement of cash flows	**2.6**	17.4
Payments of lease liabilities	Condensed Group statement of cash flows	**(7.4)**	(9.7)
Other (outflows)/inflows	G 14.5	**(2.0)**	3.2
Free cash flow		**(67.2)**	141.7
Strategic capital expenditure	G 14.4	**(22.0)**	(33.9)
Dividends paid to Company shareholders	Condensed Group statement of cash flows	**(49.0)**	(46.4)
Purchase of own shares under share buyback		**(127.1)**	(33.4)
Loans/investments in joint ventures	Condensed Group statement of cash flows	**25.3**	(3.5)
Cash outflow related to exceptional items	Condensed Group statement of cash flows	**(14.8)**	(43.5)
Proceeds from sale of Glanbia Ireland DAC	Condensed Group statement of cash flows	**307.0**	-
Payment for acquisition of subsidiaries	Condensed Group statement of cash flows	**(54.4)**	(31.4)
Net cash flow		**(2.2)**	(50.4)
Exchange translation	Note 14	**(44.1)**	(9.8)
Cash acquired on acquisition	Note 14	**0.9**	4.4
Net debt movement		**(45.4)**	(55.8)
Opening net debt	Note 14	**(602.7)**	(493.9)
Closing net debt	G 7, Note 14	**(648.1)**	(549.7)

G 14.1 Reconciliation of operating cash flow to the Condensed Group statement of cash flows in the interim financial statements

	Reference to the interim financial statements/glossary	**Half year 2022 €'m**	Half year 2021 €'m
Net cash flows from operating activities before exceptional items	Note 20	**(14.1)**	171.8
Less: business sustaining capital expenditure	G 14.4	**(7.3)**	(5.8)
Non-cash items not adjusted in computing operating cash flow:			
Cost of share-based payments	Note 20	**(7.6)**	(6.2)
Other reconciling items		**0.4**	1.6
Operating cash flow	G 14	**(28.6)**	161.4

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G 14.2 Movement in working capital

	Reference to the interim financial statements/glossary	**Half year 2022 €'m**	Half year 2021 €'m
Movement in working capital (pre-exceptional)	G 14	**(225.3)**	(24.0)
Net (write-down)/reversal of inventories (pre-exceptional)	Note 20	**(5.6)**	1.2
Net movement in allowance for impairment of receivables	Note 20	**(2.1)**	(0.4)
Other reconciling items		**(1.6)**	(1.2)
Movement in net working capital	Note 20	**(234.6)**	(24.4)

G 14.3 Net interest and tax paid

	Reference to the interim financial statements/glossary	**Half year 2022 €'m**	Half year 2021 €'m
Interest received	Condensed Group statement of cash flows	**1.0**	0.4
Interest paid (including interest expense on leases liabilities)	Condensed Group statement of cash flows	**(9.4)**	(10.6)
Tax paid	Condensed Group statement of cash flows	**(23.4)**	(20.4)
Net interest and tax paid	G 14	**(31.8)**	(30.6)

G 14.4 Capital expenditure

	Reference to the interim financial statements/glossary	**Half year 2022 €'m**	Half year 2021 €'m
Business sustaining capital expenditure	G 14	**7.3**	5.8
Strategic capital expenditure	G 14	**22.0**	33.9
Total capital expenditure		**29.3**	39.7
Purchase of property, plant and equipment	Condensed Group statement of cash flows	**12.7**	25.6
Purchase of intangible assets	Condensed Group statement of cash flows	**16.6**	14.1
Total capital expenditure per the Condensed Group statement of cash flows		**29.3**	39.7

Business sustaining capital expenditure
The Group defines business sustaining capital expenditure as the expenditure required to maintain/replace existing assets with a high proportion of expired useful life. This expenditure does not attract new customers or create the capacity for a bigger business. It enables the Group to keep operating at current throughput rates but also keep pace with regulatory and environmental changes as well as complying with new requirements from existing customers.

Strategic capital expenditure
The Group defines strategic capital expenditure as the expenditure required to facilitate growth and generate additional returns for the Group. This is generally expansionary expenditure beyond what is necessary to maintain the Group's current competitive position.

G 14.5 Other (outflows)/inflows

	Reference to the interim financial statements/glossary	**Half year 2022 €'m**	Half year 2021 €'m
Cost of share-based payments	Note 20	**7.6**	6.2
Proceeds from disposal/redemption from FVOCI financial assets	Condensed Group statement of cash flows	**0.3**	0.5
Purchase of own shares		**(9.5)**	(1.9)
Other reconciling items		**(0.4)**	(1.6)
Total other (outflows)/inflows	G 14	**(2.0)**	3.2

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G 15. Dividend payout ratio

Dividend payout ratio is defined as the interim dividend per ordinary share divided by the Adjusted Earnings Per Share. The dividend payout ratio provides an indication of the value returned to shareholders relative to the Group's total earnings.

	Reference to the interim financial statements/glossary	**Half year 2022 € cent**	Half year 2021 € cent
Adjusted Earnings Per Share	G 6.2	**52.31**	52.86
Dividend recommended/paid per ordinary share	Note 11	**12.93**	11.75
Dividend payout %		**24.7%**	22.2%

G 16. Compound annual growth rate ("CAGR")

The compound annual growth rate is the annual growth rate over a period of years. It is calculated on the basis that each year's growth is compounded.

G 17. Exceptional items

The Group considers that items of income or expense which are material by virtue of their scale and nature should be disclosed separately if the Group financial statements are to fairly present the financial performance and financial position of the Group. Determining which transactions are to be considered exceptional in nature is often a subjective matter. However, circumstances that the Group believes would give rise to exceptional items for separate disclosure are outlined in the accounting policy on exceptional items in note 2 to the 2021 financial statements. Exceptional items are included on the income statement line item to which they relate. In addition, for clarity, separate disclosure is made of all items in one column on the face of the Group income statement. Refer to note 7 for an analysis of exceptional items recognised in half year 2022.