Glanbia

Glanbia plc
2022 Full Year Results

Preliminary Statement of Results
for the year ended 31 December 2022

1 March 2023

Delivering better nutrition.

Glanbia Full Year 2022 results

Strong performance, with Group revenue up 21.2% and adjusted EPS[1] up 17.6%, ahead of expectations (both constant currency)

1 March 2023 - Glanbia plc ("Glanbia", the "Group", the "Company", the "plc"), the better nutrition company, announces its preliminary results for the 2022 financial year ended 31 December 2022 ("Full Year 2022", or "2022").

Key highlights:

- Group revenues of €5.6 billion (2021: €4.2 billion) representing growth of 21.2% constant currency (up 34.4% reported);
- Group EBITA pre-exceptional €347.1m (2021: €270.6m), an increase of 13.5% constant currency (up 28.3% reported);
- Adjusted earnings per share[1] ("EPS") of 104.02 cent (2021: 77.84 cent) representing growth of 17.6% constant currency (up 33.6% reported);
- Basic EPS of 93.42 cent (2021: 57.57 cent);
- Operating cash flow conversion of 85.7% and year end net debt to adjusted EBITDA ratio of 1.12 times (2021: 1.71 times);
- Glanbia Performance Nutrition ("GPN"):
    - Branded like-for-like revenue +14.6% with pricing +16.7% and volume -2.1%;
    - Optimum Nutrition ("ON") brand delivered US consumption growth[2] of 30.8% for the 52 week period;
    - EBITA growth of 10.5%; EBITA margin 11.2% (+10bps versus prior year);
- Glanbia Nutritionals - Nutritional Solutions ("GN NS"):
    - Like-for-like revenue +12.6% with pricing +16.1% and volume -3.5%;
    - EBITA growth of 13.0%, EBITA margin 11.4% (-10bps versus prior year);
- Continued progression on ESG agenda with further reductions targeted by 2030 in Scope 1 and 2 carbon emissions;
- Capital allocation:
    - Returned €173.5 million to shareholders in the year via share buybacks;
    - Further €50 million share buyback programme announced, reflecting the Group's strong cash flow and financial position;
    - Recommended final dividend per share of 19.28 cent; total 2022 dividend 32.21 cent; a 10% increase on prior year, representing a payout ratio of 31.0%;
- The Group continues to focus on its better nutrition portfolio and today announces the proposed sale of its interest in the Glanbia Cheese JVs. During 2022, the Group acquired Sterling Technology, which complements the GN NS portfolio, and completed the disposal of its interest in Glanbia Ireland; and
- Glanbia expects to deliver adjusted EPS growth of 5% to 10% constant currency in FY 2023.

Commenting today Siobhán Talbot, Group Managing Director, said:

"On behalf of the Glanbia team, I am pleased to report that Glanbia delivered its highest ever annual earnings performance in 2022 with adjusted EPS[1] growing by 17.6% to 104.02c. This was achieved despite unprecedented inflationary headwinds and was led by the strong performance of the Optimum Nutrition brand, growing US consumption[2] by 30.8% in 2022, and continued good delivery by our GN Nutritional Solutions business. This 2022 result underpinned the delivery of the Group targets set out in 2018 for the period 2018 to 2022. Looking forward, our strategic focus on 'better nutrition' growth platforms is clear and we are confident that it will drive sustained growth in the coming years, delivering the targets set out at our recent capital markets event.

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[1] Adjusted earnings per share for continuing operations
[2] Consumption growth is US measured in channels and includes Online, FDMC (Food, Drug, Mass, Club) and Specialty channels. Data compiled from published external sources and Glanbia estimates for the 52 week period to 1 January 2023

We are aligning our portfolio to our strategy - completing the sale of the plc's stake in Glanbia Ireland and adding new capability with the acquisition of Sterling Technology in 2022. In addition, today we are announcing that we have signed a non-binding memorandum of understanding for the sale of the plc's holding in the Glanbia Cheese joint ventures to our joint venture partner, Leprino Foods. This continued evolution of our portfolio will enable Glanbia to focus on driving growth through our focused market leading positions as a better nutrition company, playing into strong underlying consumer health and wellness trends.

As a purpose led company, we continue to make progress on our ESG agenda, increasing the ambition of our carbon reduction targets and building on the strong inclusive culture of Glanbia through our Diversity, Equity and Inclusion ("DE&I") strategy.

We reaffirm the financial targets for the period 2023 to 2025 as set out at the recent capital markets event. With a strong balance sheet, our ambition for 2023 and beyond is to focus on our better nutrition strategy, investing and growing our Glanbia Performance Nutrition and GN Nutritional Solutions businesses. In 2023, we expect adjusted EPS growth of 5% to 10% constant currency, which will be driven by a strong operating performance in the better nutrition businesses."

Summary financials[1]

2022 full year results €'m	2022	2021	Reported Change	Constant Currency Change[2]
Wholly-owned business (pre-exceptional)				
Revenue	5,642.4	4,196.9	+34.4%	+21.2%
EBITA[3]	347.1	270.6	+28.3%	+13.5%
EBITA margin	6.2%	6.4%		
Joint Ventures (continuing operations[4])				
Share of profit after tax (pre-exceptional)	15.4	19.2		
Profit after tax[5]	256.8	167.4		
Profit after tax – continuing operations	*199.6*	*141.0*		
Profit after tax - discontinued operations	*57.2*	*26.4*		
Adjusted earnings per share[6]	104.02c	87.15c	+19.4%	+6.4%
Adjusted earnings per share (continuing operations)	*104.02c*	*77.84c*	*+33.6%*	*+17.6%*
Adjusted earnings per share (discontinued operations)	-	*9.31c*		
Basic earnings per share	93.42c	57.57c	+62.3%	+37.5%
Basic earnings per share (continuing operations)	*72.67c*	*48.47c*		
Basic earnings per share (discontinued operations)	*20.75c*	*9.10c*		

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 42.
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 2022 was €1 = $1.053 (2021: €1 = $1.183). 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. Profit after tax includes the exceptional gain on disposal relating to Glanbia Ireland.
6. Adjusted earnings per share includes the contribution of continuing and discontinued operations.

FY 2022 results summary

Revenue progression	2022 versus 2021					
	Constant currency movement					Reported movement
	Volume	Price	Like-for-like	Acquisition / (Disposals)	Total constant currency	Total reported
Glanbia Performance Nutrition	(2.9%)	16.4%	13.5%	0.4%	13.9%	24.8%
Glanbia Nutritionals	1.9%	21.2%	23.1%	1.2%	24.3%	38.8%
Nutritional Solutions	*(3.5%)*	*16.1%*	*12.6%*	*4.0%*	*16.6%*	*28.4%*
US Cheese	*4.3%*	*23.4%*	*27.7%*	*-*	*27.7%*	*43.3%*
Total wholly-owned businesses	**0.5%**	**19.7%**	**20.2%**	**1.0%**	**21.2%**	**34.4%**

Revenue, EBITA and margin	2022			2021		
€'m	Revenue	EBITA	Margin %	Revenue	EBITA	Margin %
Glanbia Performance Nutrition	**1,625.7**	**182.1**	**11.2%**	**1,303.1**	**145.1**	**11.1%**
Glanbia Nutritionals	**4,016.7**	**165.0**	**4.1%**	**2,893.8**	**125.5**	**4.3%**
Nutritional Solutions	*1,126.6*	*128.2*	*11.4%*	*877.4*	*101.1*	*11.5%*
US Cheese	*2,890.1*	*36.8*	*1.3%*	*2,016.4*	*24.4*	*1.2%*
Total wholly-owned businesses	**5,642.4**	**347.1**	**6.2%**	**4,196.9**	**270.6**	**6.4%**

2022 full year overview

Glanbia delivered a strong financial and operating performance in 2022. Group revenue was €5,642.4 million (2021: €4,196.9 million), up 21.2% constant currency (up 34.4% reported). Group EBITA was €347.1 million (2021: €270.6 million) up 13.5% constant currency (up 28.3% reported). Group profit after tax for continuing operations for the period was €199.6 million (2021: €141.0 million) up €28.6 million constant currency (up €58.6 million reported).

Adjusted earnings per share ("EPS") for continuing operations was 104.02 cent (2021: 77.84 cent) up 17.6% constant currency (up 33.6% reported).

Balance sheet and financing

The Group's continued focus on cash management delivered a strong performance with an operating cash flow of €355.3 million (2021: €334.2 million), which represents an OCF conversion of 85.7%. At the year end the Group had a net debt position of €459.4 million (2021: €602.7 million) with the decrease driven by the strong cash conversion and disciplined approach to capital allocation. Net debt to adjusted EBITDA was 1.12 times (2021: 1.71 times). In December 2022, the Group renewed its debt facilities, and at the year end had committed debt facilities of €1.22 billion (2021: €1.16 billion) with a weighted average maturity of 5.8 years (2021: 3.9 years).

Capital investment

Glanbia's total investment in capital expenditure (tangible and intangible assets) was €68.9 million in 2022 (2021: €77.5 million). Strategic investment totalled €49.5 million and included the investment in IT infrastructure to support a global transformation of the Group's HR systems and operating model. Total capital expenditure for 2023 is expected to be €70 million to €80 million. Glanbia's ability to generate cash and its available debt facilities ensure the Group has considerable capacity to finance future investments.

Dividend per share

The Board is recommending a final dividend of 19.28 cent per share which brings the total dividend for the year to 32.21 cent per share, a 10% increase on prior year. This total dividend represents a payout ratio of 31.0% of 2022 adjusted EPS, which is within the Board's target of 25% to 35%. The final dividend will be paid on 5 May 2023 to shareholders on the share register on 24 March 2023. Irish withholding tax will be deducted at the standard rate where appropriate.

ESG update

Glanbia continues to deliver good progress against its environmental, social and governance ("ESG") agenda. ESG targets were formally adopted by shareholders into the remuneration policy and have been adopted as part of the short-term and long-term incentive structures for the senior leadership teams.

- **Environmental** – Glanbia recently completed a process to re-align its Scope 1 and 2 decarbonisation targets with a 1.5 degree pathway. The revised ambition is for a 50% reduction (previously a 31% reduction) in Scope 1 and 2 carbon emissions by 2030 from a 2018 base. The Group has also strengthened its improvement targets across water, waste and packaging impacts.
- **Social** – Glanbia's Diversity, Equity & Inclusion ("DE&I") agenda progressed further during the year with a number of initiatives, including an inclusive leadership development programme for senior leaders, additional employee resource groups for multicultural and LGBTQ+ employees, and other inclusion oriented HR policy measures.
- **Governance** – Board changes during the year increased female Board representation to 36%.

Board update

In line with the relationship agreement with Glanbia Co-operative Society Limited (the "Society") Patsy Ahern and John Murphy have announced their intention to retire at the upcoming AGM on 4 May 2023, reducing the Society's representation on the Board to three directors.

Change in presentation currency to US Dollar

Glanbia generates over 80% of its revenue and earnings, and has significant assets and liabilities denominated in US Dollars. To reduce the potential for foreign exchange volatility in future reported earnings, the Group has decided to change its presentation currency to US Dollar effective from 1 January 2023. Financial restatements will be provided in advance of our Q1 trading update.

Strategy

Glanbia's ambition is to deliver focused, scalable growth aligned with enduring consumer mega-trends around health and wellness. The Group held a Capital Markets event in November 2022, highlighting its continuing focus on better nutrition to support healthy lives through specialist consumer brands and ingredients. The event outlined Glanbia's growth agenda and provided an overview of the strategies in its better nutrition growth platforms, GPN and GN NS. In recent years the Group has both reorganised its business operating models to drive sustained organic growth and reshaped its portfolio to sharpen its focus on these growth platforms with the following portfolio optimisation initiatives:

- Nutritional Solutions:
    - On 11 March 2022, Glanbia acquired Sterling Technology, LLC ("Sterling"), a bioactive ingredient company based in South Dakota, USA for a purchase price of $60 million plus deferred consideration.
    - The Group is in advanced discussions to divest Aseptic Solutions, a small non-core US bottling facility. The transaction is expected to complete in the first half of 2023.
- Joint Ventures:
    - On 1 April 2022, Glanbia completed the disposal of its 40% interest in the Glanbia Ireland joint venture ("Glanbia Ireland") to the Society for €307 million.
    - Today, the Group has announced that a memorandum of understanding has been signed for the sale of its shareholding in the Glanbia Cheese EU and Glanbia Cheese UK joint ventures ("Glanbia Cheese") to Leprino Foods Company. It is expected that Glanbia will receive initial cash proceeds in excess of €160 million (including the repayment of shareholder loans), with further contingent consideration of up to €25 million dependant on the performance of Glanbia Cheese over the next three years.

The Group remains confident in delivering the financial ambition outlined at the Capital Markets event in November 2022, which was as follows:

2023-2025 financial ambition	
Group metrics*	
Adjusted earnings per share growth (on a constant currency basis)	5-10%
Operating Cash Flow conversion %	80%+
Return on Capital Employed (“ROCE”)	10-13%
Business Unit metrics**	
GPN average annual revenue growth	5-7%
GPN average EBITA margin %	12%+
GN NS average annual volume growth	3-5%
GN NS average EBITA margin %	12%+

* All Group metrics are average annual metrics for the three years 2023-2025 and include M&A activity.
** Business unit metrics based on organic growth.

Share buyback

During 2022 Glanbia purchased and cancelled 14.9 million ordinary shares, representing 5.2% of total issued ordinary shares at the beginning of 2022, at a total cost of €173.5 million (2021: €91.3 million). Today, the Group has announced a further €50 million buyback programme as part of its broader capital allocation policy.

2023 Outlook

Glanbia remains confident of delivering the financial ambition outlined at the Capital Markets event in November 2022. The Group’s strong performance in 2022, despite the challenging global environment, highlights the strength of its consumer focused better nutrition portfolio, which is expected to drive growth in 2023 and beyond.

Based on the current market environment and expectations for the remainder of the year the Group outlines the following guidance for FY 2023:

- GPN expects revenue to grow by 5% to 7% on a constant currency basis, and to deliver full year EBITA margins of 12.5%+. Revenue growth will be primarily driven by pricing, and the business continues to closely monitor consumer demand and customer inventory levels. The EBITA margin guidance is underpinned by the GPN transformation programme, pricing action and the expected reduction of dairy input costs in the second half of the year.
- GN NS expects a decline in like-for-like revenue driven by lower dairy market pricing, with volumes expected to be broadly in line with FY 2022. GN NS EBITA margins are expected to be between 12% and 13%. The volume expectation reflects customer supply chain rebalancing, particularly in the first half of the year.
- Group EBITA growth is expected to be driven largely by growth in GPN. GN NS and US Cheese EBITA are expected to be broadly in line with FY 2022, on a constant currency basis, with the performance in joint ventures expected to be reduced due to the disposal of the Glanbia Cheese JVs.
- The Group is targeting an operating cash flow conversion rate of 80%+ for FY 2023.

Glanbia expects to deliver adjusted EPS growth of 5% to 10% constant currency in FY 2023 with growth weighted to the second half of the year.

2022 operations review

(Commentary on percentage movements is on a constant currency basis throughout)

Glanbia Performance Nutrition

€'m	2022	2021	Reported change	Constant currency change
Revenue	1,625.7	1,303.1	+24.8%	+13.9%
EBITA	182.1	145.1	+25.5%	+10.5%
EBITA margin	11.2%	11.1%		

- Like-for-like ("LFL") branded revenue growth of +14.6% with volume -2.1% and pricing +16.7%.
- ON, the leading brand in the sports nutrition sector globally, continues to sustain a strong consumer position in key markets and delivered US consumption growth of 30.8%.
- EBITA margin increase of +10bps versus prior year, despite unprecedented inflation, with 12.0% EBITA margin delivered for the second half of 2022.

Overall GPN revenue increased by 13.9% in 2022 versus prior year. This was driven by volume declines of 2.9%, price increases of 16.4%, and the LevlUp acquisition contributing 0.4%. Excluding the impact of the contract business, which GPN exited in North America, like-for-like branded revenues increased by 14.6% with 16.7% growth in pricing partly offset by a volume decline of 2.1%. Pricing was driven by the execution of strategic price increases across all brands, in all regions, in response to inflationary trends. While volume performance in the ON brand was strong, the overall decline was driven by the SlimFast brand, where the brand refresh is currently in market.

GPN EBITA increased by 10.5% versus prior year to €182.1 million. The GPN transformation programme, the scope of which was increased to help mitigate inflation, is now complete and provides a fundamental underpin to margins as the business moves through the current inflationary cycle. The benefits from this programme, together with the pricing action taken, enabled the business to deliver a 12.0% EBITA margin for the second half of the year.

Americas

GPN Americas delivered 12.3% revenue growth in 2022 compared to the prior year, with like-for-like branded revenue increasing by 13.2%. This was driven by significant pricing actions and revenue growth management initiatives. The ON brand continued to exhibit very strong performance in the period and was supported by continued brand investment and innovation. ON delivered US consumption growth in 2022 of 30.8%. Strong consumption trends in the healthy lifestyle portfolio also continued through the period across the think!, Isopure and Amazing Grass brands, with US consumption in 2022 up 13.9%. The SlimFast brand performance continues to be impacted by headwinds in the overall diet category with US consumption in 2022 down 17.9%. The brand refresh is in market as planned, supported by new branding and pack design, creative content and innovation.

International

GPN International, which includes D2C brands, grew like-for-like revenues by 16.3% in 2022 compared to the prior year. This was driven by volume growth in key regional markets, with consumption trends in Europe, India and Oceania particularly strong. Pricing was positive across all regions due to the execution of multiple price increases in response to inflationary trends.

Glanbia Nutritionals

	2022			2021		
€'m	**Revenue**	**EBITA**	**Margin %**	**Revenue**	**EBITA**	**Margin %**
Nutritional Solutions	1,126.6	128.2	11.4%	877.4	101.1	11.5%
US Cheese	2,890.1	36.8	1.3%	2,016.4	24.4	1.2%
Total Glanbia Nutritionals	**4,016.7**	**165.0**	**4.1%**	**2,893.8**	**125.5**	**4.3%**

Nutritional Solutions

€'m	2022	2021	Reported change	Constant currency change
Revenue	1,126.6	877.4	28.4%	16.6%
EBITA	128.2	101.1	26.8%	13.0%
EBITA margin	11.4%	11.5%		

- GN NS LFL revenue growth of +12.6% with volumes -3.5% and pricing +16.1%.
- EBITA growth of 13.0%, EBITA margin of 11.4% (10bps behind the prior year).
- Recent acquisitions performed well in the year, building further on innovation and operational capabilities in NS.

GN NS revenues increased by 16.6% in 2022 versus the prior year. This was driven by a 3.5% decrease in volume, 16.1% increase in price and the net impact of acquisitions and disposals delivering 4.0% revenue growth. While the customised premix solutions portfolio delivered volume growth this was offset by a volume decline in the protein solutions business driven largely by supply chain realignment and inventory reduction by customers in the second half of the year. Overall pricing was strong in the year driven by significantly heightened dairy protein market prices.

GN NS EBITA was €128.2 million, 13.0% higher than prior year as margins were sustained at broadly the same level as 2021.

US Cheese

€'m	2022	2021	Reported change	Constant currency change
Revenue	2,890.1	2,016.4	43.3%	27.7%
EBITA	36.8	24.4	50.8%	33.3%
EBITA margin	1.3%	1.2%		

US Cheese revenue increased by 27.7% in 2022 versus the prior year. This was driven by a 4.3% increase in volume and a 23.4% increase in price. Volume growth was driven by expanded production through the new joint venture plant in Michigan, which was commissioned during 2021. Price increases were aligned to the higher year-on-year market pricing.

US Cheese EBITA increased by 33.3% to €36.8 million due to incremental volumes and focus on driving operating leverage and efficiencies.

Joint Ventures (Glanbia share)

€'m – pre-exceptional	2022	2021	Change
Share of joint ventures' profit after tax – continuing operations	15.4	19.2	(3.8)
Share of joint ventures' profit after tax – discontinued operations	-	25.7	(25.7)
Total	15.4	44.9	(29.5)

Glanbia's principal joint ventures (continuing operations) in 2022 include MWC-Southwest Holdings, Glanbia Cheese EU and Glanbia Cheese UK. The Group's share of joint ventures' profit after tax pre-exceptionals for continuing operations decreased by €3.8 million to €15.4 million.

On 1 April 2022, Glanbia completed the disposal of its 40% interest in the Glanbia Ireland joint venture to 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.

As part of the Group's on-going focus on optimising its portfolio, the Group has today announced that it has signed a non-binding memorandum of understanding for the sale of its 50% holding in Glanbia Cheese EU and 51% holding in Glanbia Cheese UK (collectively the "Glanbia Cheese JVs") to Leprino Foods Company. Based on preliminary results for both companies, the Glanbia Cheese JVs contributed approximately €7.3 million to the share of profit after tax of Glanbia equity accounted investees in 2022 (2021: €0.3 million). It is expected that Glanbia will receive initial cash proceeds in excess of €160m (including the repayment of shareholder loans), with further contingent consideration of up to €25m dependant on the performance of the Glanbia Cheese JVs over the next three years. Subject to the satisfactory completion of limited confirmatory diligence, the negotiation of binding transaction agreements and other conditions, it is expected that the deal will close in the first half of 2023.

FULL YEAR 2022 Finance Review

2022 Group income statement

	2022			2021		
€'m	**Pre-exceptional**	**Exceptional**	**Total**	**Pre-exceptional**	**Exceptional**	**Total**
Revenue – continuing operations	**5,642.4**	**-**	**5,642.4**	4,196.9	-	4,196.9
Earnings before interest, tax and amortisation (EBITA)	**347.1**	**(21.9)**	**325.2**	270.6	(48.4)	222.2
EBITA margin	**6.2%**	**-**	**6.2%**	6.4%	-	5.3%
Intangible asset amortisation and impairment	**(75.0)**	**(26.5)**	**(101.5)**	(63.9)	-	(63.9)
Operating profit	**272.1**	**(48.4)**	**223.7**	206.7	(48.4)	158.3
Finance income	**1.8**	**7.3**	**9.1**	2.0	-	2.0
Finance costs	**(22.5)**	**(0.6)**	**(23.1)**	(19.5)	-	(19.5)
Share of results of joint ventures	**15.4**	**0.2**	**15.6**	19.2	(2.0)	17.2
Profit before taxation	**266.8**	**(41.5)**	**225.3**	208.4	(50.4)	158.0
Income taxes	**(31.4)**	**5.7**	**(25.7)**	(24.6)	7.6	(17.0)
Profit after tax from continuing operations	**235.4**	**(35.8)**	**199.6**	183.8	(42.8)	141.0
Discontinued operations						
Profit after tax from discontinued operations	**-**	**57.2**	**57.2**	25.7	0.7	26.4
Profit for the year	**235.4**	**21.4**	**256.8**	209.5	(42.1)	167.4

Revenue

Revenue increased in 2022 by 21.2% versus prior year on a constant currency basis to €5.6 billion, an increase of 34.4% on a reported basis. Like-for-like wholly-owned revenue increased by 20.2%, driven by positive pricing of 19.7% and volume increases of 0.5%. The full year impact of the 2021 LevlUp and PacMoore acquisitions, and the recent Sterling Technology acquisition added a further 1.0% to revenue. Detailed analysis of revenue is set out within the operations review.

EBITA (pre-exceptional)

EBITA before exceptional items increased 13.5% constant currency (+28.3% reported) to €347.1 million (2021: €270.6 million) with strong EBITA delivery in both GPN and GN. EBITA margin in FY 2022 was 6.2%, compared to 6.4% in 2021 as a result of unprecedented inflationary trends across the business, net of mitigating actions.

GPN pre-exceptional EBITA increased by 10.5% constant currency to €182.1 million (2021: €145.1 million), an increase of 25.5% on a reported basis. GPN pre-exceptional EBITA margin at 11.2% was 10 basis points higher than prior year reported, with an improving margin profile over the year and delivering 12% margin in H2, 2022.

GN pre-exceptional EBITA grew 16.9% constant currency to €165.0 million (2021: €125.5 million), an increase of 31.5% on a reported basis. GN pre-exceptional EBITA margin was 4.1%, down 20 basis points reported from 2021 as the dilutive impact of higher dairy markets was largely mitigated by improved business mix and operating efficiencies.

Net finance costs (pre-exceptional)

Net finance costs (pre-exceptional items) increased by €3.2 million to €20.7 million (2021: €17.5 million). The increase was primarily driven by increased average debt levels and stronger average US Dollar exchange rates in 2022 compared to 2021. The Group's average interest rate was 2.3% (2021: 3.0%). Glanbia operates a policy of fixing a significant amount of its interest exposure, with 90% of projected 2023 debt currently contracted at fixed rates.

Share of results of joint ventures

The Groups' share of results of joint ventures is stated after tax and before exceptional items. The Group's share of joint venture profits from continuing operations decreased by €3.8 million to €15.4 million (2021: €19.2 million). Operationally, the joint ventures, particularly in the US, delivered a strong performance with year-on-year volume growth, benefiting from the full year impact of the new Michigan facility, following successful commissioning in 2021.

The prior year share of joint venture profits from discontinued operations relate to the Glanbia Ireland investment which was classified as an asset held-for-sale in 2021. Following receipt of all shareholder approvals and regulatory clearances, the disposal was completed in April 2022, with the related once off gain on disposal treated as an exceptional item in the period.

Income taxes

The 2022 pre-exceptional tax charge increased by €6.8 million to €31.4 million (2021: €24.6 million). This represents an effective tax rate, excluding joint ventures, of 12.5% (2021: 13.0%). The tax credit related to exceptional items is €5.7m (2021: €7.6m). The Group currently expects that its effective tax rate for 2023 will be in the range of 13.5% to 14.5%.

Exceptional items

€'m – continuing operations	**2022**	**2021**
Pension related costs (note 1)	**(1.7)**	(30.3)
Changes in the fair value of contingent consideration and call option (note 2)	**6.7**	-
Organisation redesign costs (note 3)	**-**	(18.1)
Portfolio related re-organisation costs (note 4)	**(2.9)**	-
Non-core assets held-for-sale (note 5)	**(43.8)**	-
Wholly-owned exceptional charge before tax	**(41.7)**	(48.4)
Share of results of joint ventures (note 1)	**0.2**	(2.0)
Exceptional tax credit	**5.7**	7.6
Exceptional (charge) after tax	**(35.8)**	(42.8)

€'m – discontinued operations	**2022**	**2021**
Exceptional gain from discontinued operations (note 6)	**57.2**	0.7
Exceptional gain/(charge) after tax – discontinued operations	**57.2**	0.7

Total exceptional gain/(charge) in the year	**21.4**	(42.1)

During 2022 there were cash outflows of €21.3 million in respect of exceptional charges. During 2021 there were cash outflows of €55.9 million in respect of exceptional charges incurred in FY 2021 and prior years.

Details of the exceptional items are as follows:

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 buyout and wind up of these schemes and a further simplification of 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 from risk reduction activities. The restructuring effort has progressed well during 2022, effectively managing the volatile financial market conditions in the UK during 2022, with final wind up of schemes planned for completion in 2023.
2. **Changes in fair value of contingent consideration and call option** relates to contingent payments and call option 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 to drive greater efficiencies, improve margin and deliver top line growth. The investment phase of this programme is now complete, with no further costs incurred during the period.
4. **Portfolio related re-organisation costs** relate to indirect one off costs as a result of recent and planned portfolio changes. Following these divestment decisions related to non-core businesses, the Group launched a programme to realign Group-wide support functions and optimise structures of the remaining portfolio, to more efficiently support business operations and growth. This programme will continue into 2023 with realisation of benefits from 2024 onwards. Costs incurred to date relate to advisory fees and people related costs.
5. **Non-core assets held-for-sale** relate to fair value adjustments to reduce the carrying value of certain assets to recoverable value. The assets relate to a small US based bottling facility (Aseptic Solutions) which, following the completion of a strategic portfolio review, were determined to be non-core and a decision was made to divest the business, resulting in the designation as held-for-sale at year end. Discussions are ongoing, and a sale is expected to conclude in H1, 2023.
6. **Exceptional gain from discontinued operations** relates to the gain arising on the divestment of the Group's interest in Glanbia Ireland, following its classification as a discontinued operation in 2021. The 2021 gain includes one off gains on the settlement of forward contracts, net of one off re-organisation costs within this joint venture.

Profit after tax

Profit after tax for the year was €256.8 million compared to €167.4 million in 2021, comprising continuing operations of €199.6 million (2021: €141.0 million) and discontinued operations of €57.2 million (2021: €26.4 million). Profit after tax from continuing operations comprises pre-exceptional profit of €235.4 million (2021: €183.8 million) and exceptional charges of €35.8 million (2021: €42.8 million). The €51.6 million increase in pre-exceptional profit after tax from continuing operations is driven by the increased profitability of wholly-owned businesses net of reduced profitability of joint ventures.

Profit after tax from discontinued operations in the current and prior year relates to the Glanbia Ireland joint venture. As outlined above, the Group's share of Glanbia Ireland was disposed in April 2022, with the resulting gain being recognised as an exceptional gain.

Earnings Per Share (EPS)

	2022	2021	Reported Change	Constant Currency Change
Basic EPS	**93.42c**	**57.57c**	**+62.3%**	**+37.5%**
– continuing operations	72.67c	48.47c	+49.9%	+23.5%
– discontinued operations	20.75c	9.10c	+128.0%	+128.0%
Adjusted EPS	**104.02c**	**87.15c**	**+19.4%**	**+6.4%**
– continuing operations	104.02c	77.84c	+33.6%	+17.6%
– discontinued operations	nil	9.31c	-100%	-100%

Basic EPS increased by 62.3% reported versus prior year, driven by a year-on-year increase in pre-exceptional profitability and the exceptional one off gains on portfolio related adjustments.

Adjusted EPS is a Key Performance Indicator (KPI) of the Group, a key metric guided to the market and a key element of Executive Director and senior management remuneration. Adjusted EPS increased by 6.4% constant currency (19.4% reported) in the year, driven primarily by the increased profitability in both GPN and GN, offset by a reduced share of profits of joint ventures. Adjusted EPS comprises continuing operations of 104.02 cent (2021: 77.84 cent) and discontinued operations representing the now disposed Glanbia Ireland joint venture of nil (2021: 9.31 cent).

Cash flow

The principal cash flow KPIs of the Group and Business Units 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 year 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 Executive Director and senior management remuneration. OCF and FCF results for the Group are outlined below.

€'m	2022	2021
EBITDA pre-exceptional	**414.6**	333.6
Movement in working capital (pre-exceptional)	**(39.9)**	16.5
Business-sustaining capital expenditure	**(19.4)**	(15.9)
Operating cash flow	**355.3**	334.2
Net interest and tax paid	**(81.4)**	(51.5)
Dividends from joint ventures	**14.5**	33.9
Payment of lease liabilities	**(16.5)**	(19.1)
Other inflows/(outflows)	**(3.3)**	6.4
Free cash flow	**268.6**	303.9
Strategic capital expenditure	**(49.5)**	(61.6)
Dividends paid to Company shareholders	**(84.4)**	(80.5)
Share buyback (purchase of own shares)	**(173.5)**	(91.3)
Payment for acquisition of subsidiaries	**(54.9)**	(95.0)
Exceptional costs paid	**(21.3)**	(55.9)
Proceeds from sale of property, plant and equipment	**3.4**	1.5
Loans/investment in joint ventures	**(18.2)**	(10.7)
Proceeds on disposal of interest in Glanbia Ireland	**307.0**	-
Net cash flow	**177.2**	(89.6)
Exchange translation	**(34.8)**	(23.6)
Cash/(debt) acquired on acquisition	**0.9**	4.4
Net debt movement	**143.3**	(108.8)
Opening net debt	**(602.7)**	(493.9)
Closing net debt	**(459.4)**	(602.7)

OCF was €355.3 million in the year (2021: €334.2 million) and represents a strong cash conversion on EBITDA of 85.7% (2021: 100.2%). The OCF conversion target for the year was 80%. The rate remains above target conversion levels, reducing since the prior year as a result of an increased investment in working capital due to higher pricing in receivables and inventory, and the restoration of appropriate inventory buffer levels to ensure appropriate supplies of raw materials to mitigate further inflationary exposures.

FCF was €268.6 million versus €303.9 million in 2021, with the reduction primarily due to higher net tax payments in the year combined with a reduction in dividend income from joint ventures following the disposal of the Group's interest in Glanbia Ireland.

Capital allocated for the benefit of shareholders includes regular dividend payments of €84.4 million (2021: €80.5 million) and the execution of share buyback programmes of €173.5 million (2021: €91.3 million). The Board continues to review buyback programmes as part of the Group's capital allocation strategy as they provide an opportunity to allocate capital to the benefit of shareholders.

Acquisition spend primarily relates to the acquisition of Sterling Technology, a US based bioactive ingredient company, for an initial consideration of €54.5 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 €307.0 million in April 2022.

Loans to/equity in joint ventures during 2022 includes the continued investment in Glanbia Cheese EU, the mozzarella cheese joint venture in Portlaoise, Ireland which was fully commissioned during Q4, 2022. Negotiations are ongoing to sell the Group's interest in this joint venture, with full repayment of outstanding loans on completion of the sales transaction.

Group financing

Financing Key Performance Indicators	2022	2021
Net debt (€'m)	459.4	602.7
Net debt: adjusted EBITDA	1.12 times	1.71 times
Adjusted EBIT: net finance cost	17.0 times	15.1 times

The Group's financial position continues to be strong. At year end 2022, net debt was €459.4 million (2021: €602.7 million), a decrease of €143.3 million from prior year and the Group had committed debt facilities of €1.215 billion (2021: €1.16 billion) with a weighted average maturity of 5.8 years (2021: 3.9 years). Glanbia's ability to generate cash, as well as its available debt facilities ensures the Group has considerable capacity to finance future investments. Net debt to adjusted EBITDA was 1.12 times (2021: 1.71 times) and interest cover was 17.0 times (2021: 15.1 times), both metrics remaining well within financing covenants.

In December 2022, the Group completed the refinancing of €0.9 billion of bank facilities, repayable in January 2024, with replacement facilities repayable in December 2027. This refinancing improved the weighted average maturity of committed debt facilities, at 2022 year end, to 5.8 years (2021: 3.9 years).

Use of capital

Capital expenditure
The cash outflow relating to capital expenditure for the year amounted to €68.9 million (2021: €77.5 million) including €19.4 million of business-sustaining capital expenditure and €49.5 million of strategic capital expenditure. Key strategic projects completed in 2022 include ongoing capacity enhancement and business integrations to drive further efficiencies in operations.

Investments in Joint Ventures
During 2022, the Group continued developing its joint venture investment portfolio. Following the successful commissioning of the US cheese and whey manufacturing facility in Michigan in 2021, the Glanbia Cheese EU mozzarella cheese plant in Ireland was fully commissioned during Q4, 2022. A further €47.0 million was advanced to this venture in the period, all of which will be fully repaid on completion of the planned divestment of the business in 2023.

Return on Capital Employed (ROCE)

	2022	2021	Change
Return on Capital Employed	**11.1%**	**10.1%**	**+100bps**
– continuing operations	11.1%	10.0%	+110bps
– discontinued operations	-	12.0%	-1,200bps

Return on Capital Employed (ROCE) increased in 2022 by 100 basis points to 11.1%. This increase was primarily due to the continued growth in profitability of the wholly-owned business, as well as the successful execution of strategy through pricing and efficiency improvements to mitigate the impact of unprecedented input cost inflation. Acquisitions remain a key part of the growth strategy of the Group with investments assessed against a target benchmark of 12% return after tax by the end of year three.

Dividends
The Board is recommending a final dividend of 19.28 cent per share which brings the total dividend for the year to 32.21 cent per share, a 10% increase over 2021. This total dividend represents a return of €87.9 million to shareholders from 2022 earnings and a payout ratio of 31% of 2022 adjusted Earnings Per Share which is in line with the Board's target dividend payout ratio of 25% to 35%. The final dividend will be paid on 5 May 2023 to shareholders on the share register on 24 March 2023.

Total Shareholder Return
Total Shareholder Return (TSR) for 2022 was -8.4%. The STOXX Europe 600 Food & Beverage Index (F&B Index), a benchmark for the Group, decreased by 14.25% in 2022. The three-year period 2020 to 2022 Glanbia TSR was +15.6% versus the F&B Index which decreased by 3.62%. The five-year Glanbia TSR to 2022 was negative 19.2% versus the F&B Index of +10.79%. Glanbia's share price at the end of the financial year was €11.92 compared to €12.30 at the 2021 year end, representing a decrease of 3%.

Impact of new accounting standards

No new accounting standards were adopted in 2022. Amendments to existing standards during the year did not have a material impact on the Group.

Pension

The Group's net pension liability under IAS 19 (revised) 'Employee Benefits', before deferred tax, improved by €15.8 million since 2021, resulting in a net pension asset of €1.6 million at 31 December 2022 (2021: liability of €14.2 million). The defined benefit pension position is calculated by discounting the estimated future cash outflows using appropriate corporate bond rates. During 2022, the company progressed the restructuring of UK pension schemes, further reducing the Group's exposure to liabilities on these legacy schemes. It is anticipated that the UK schemes will ultimately be wound up in 2023, removing any related scheme assets and liabilities and associated volatility from the Group's balance sheet.

Foreign exchange

Glanbia generates the majority 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 Consolidated Financial Statements. Commentary is provided on a constant currency basis to provide a better reflection of the underlying operating results in the year, removing 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, due to the strengthening of the US dollar in 2022, there was a currency translation gain arising primarily on the translation of US assets and liabilities into euro which is presented within other comprehensive income and amounted to €79.9 million in the year. The amount included a gain of €0.2 million on the retranslation of non-euro denominated cash and cash equivalents as presented in the cash flow statement. Average and year end euro to US dollar rates were as follows:

	Average		**Year end**	
	2022	**2021**	**2022**	**2021**
1 euro converted to US dollar	**1.0534**	1.1826	**1.0666**	1.1326

Investor relations

Glanbia has a proactive approach to shareholder engagement with the Annual General Meeting (AGM) being a key event annually. In 2022, a hybrid AGM was held, with shareholders given the opportunity to attend the event in person or participate online. All details relating to the AGM were published on the Company's website: www.glanbia.com/agm.

The Group Chairman consulted directly with a number of shareholders during the year. A shareholder perceptions survey was also completed by an independent third party, where shareholders and investors were given the opportunity to provide confidential feedback to the company. Feedback was discussed with the Board with actions taken on specific areas. The Group Secretary and Head of Investor Relations also undertook a shareholder consultation on the Group's share buyback resolution and support was noted.

In 2022, Glanbia attended 12 international equities investor conferences (physically and virtually). In November 2022, the Group held a Capital Markets Day at its GPN facilities in Illinois, USA, bringing together our investor and shareholder communities to learn more about our strategy, including details of our medium term financial objectives.

In addition to full year and half year results, Glanbia publishes interim management statements after the first and third quarters to provide investors with a regular update on performance and expectations throughout the year. All releases, reports and presentations are made available immediately on publication on the Group's investor relations website.

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 Directors of Glanbia have carried out a robust assessment of the Group's principal risks, including those that may threaten Glanbia's business model, future performance, solvency or liquidity. The risk categorisation recognises the external risks associated with the operating environment, which are typically considered and managed through strategic processes, and the mainly internal risks associated with people, processes and systems which are managed through Glanbia's internal controls. Emerging risks with the potential to impact longer term success are also considered to ensure appropriate plans are in place to respond to them over time.

The Group's principal risks and uncertainties are summarised in the risk profile table below. No new principal risks were identified during the year while some fluctuation in the risk trends did arise including:

- The market disruption risk trend has increased from stable to increasing during the year due to the potential impacts to demand from the rising cost of living which has been intensified by continued inflationary pressures and rising energy costs hitting household incomes.
- Economic, industry and political, climate change, supply chain, talent management, and cyber security and data protection risks continue to trend upwards.
- The importance of climate change risk on the Groups strategy continues to increase with a significant and continued effort being applied at a Group and business segment level in this area to address the evolving regulatory landscape and increasing stakeholder expectations.
- While pandemic related risks have reduced due to the success of vaccination rollout programmes, the supply chain risk trend remains elevated with continued inflationary headwinds across the business driven by geo-political conflict and increased global activity.

There may be other risks and uncertainties that are not yet considered material or not yet known to Glanbia and this list will change if these risks assume greater importance in the future. Likewise, some of the current risks will drop off the key risks schedule as management actions are implemented or changes in the operating environment occur.

	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

Key risk factors and uncertainties with the potential to impact on the Group's financial performance in 2023 include:

- Economic, industry and political risk – continues to increase primarily due to the inflationary pressures across the global economy and the geo-political risks associated with the conflict between Russia and the Ukraine.
- Market disruption risk – adverse changes in economic conditions and/or continued inflationary and interest rate pressures could result in reduced consumer spending which may disrupt demand. The inability to contain the spread of global pandemics, such as Covid-19, may also disrupt markets in 2023.
- 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. This has resulted in price increases to offset some of the increased input costs and further increases may be required in 2023 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 global pandemics, such as the Covid-19 virus. This is important in preventing unexpected supply chain disruptions which could result in restrictions on the importation of key raw materials and/or negative impacts on the Group's international sales channels. The Group is holding appropriate safety stocks for core raw materials, however a prolonged impact to supply chains due to a pandemic or the geo-political environment in key trading regions would have negative consequences from both a supply and pricing perspective;
  - Labour markets continue to be competitive, particularly in the US, and plants are operating at a high capacity. Labour inflation, together with global supply chain cost increases in transport and logistics will continue to require careful navigated in 2023;

- 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; and
- Health and safety risk – a failure to maintain good health and safety practices or the risk of a global pandemic, such as Covid-19, in Glanbia's 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.

The Group actively manages these and all other risks through its risk management and internal control processes.

Cautionary statement

This announcement contains forward-looking statements. These statements have been made by the Directors in good faith based on the information available to them up to the time of their approval of this report. Due to the inherent uncertainties, including both economic and business risk factors underlying such forward-looking information, actual results may differ materially from those expressed or implied by these forward-looking statements. The Directors undertake no obligation to update any forward-looking statements contained in this announcement, whether as a result of new information, future events, or otherwise.

On behalf of the Board

Siobhán Talbot	Mark Garvey
Group Managing Director	Group Finance Director

28 February 2023

Annual General Meeting (AGM)
Glanbia plc's AGM will be held on Thursday 4 May 2023, in the Lyrath Estate Hotel, Kilkenny, Ireland.

Results webcast and dial-in details:
There will be a webcast and presentation to accompany this results announcement at 8.30 a.m. GMT today. Please access the webcast from the Glanbia website at https://www.glanbia.com/investors/results-centre, where the presentation can also be viewed or downloaded. In addition, a dial-in facility is available using the following numbers:

Global	+353 (0)1 536 9584
Ireland	+353 (0)1 536 9584
United Kingdom	+44 (0) 203 936 2999
United States	+1 855 9796 654
All other locations	+44 (0) 203 936 2999

The access code for all participants is: 469953
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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Mark Garvey, Group Finance Director	
Liam Hennigan, Group Secretary & Head of Investor Relations	+353 86 046 8375
Martha Kavanagh, Head of Corporate Communications	+353 87 646 2006

Group income statement
for the financial year ended 31 December 2022

	Notes	2022 Pre-exceptional €'m	2022 Exceptional €'m (note 4)	2022 Total €'m	2021 Pre-exceptional €'m	2021 Exceptional €'m (note 4)	2021 Total €'m
Continuing operations							
Revenue	2/3	**5,642.4**	**–**	**5,642.4**	4,196.9	–	4,196.9
Operating profit before intangible asset amortisation and impairment (earnings before interest, tax and amortisation (EBITA))	3	**347.1**	**(21.9)**	**325.2**	270.6	(48.4)	222.2
Intangible asset amortisation and impairment	3	**(75.0)**	**(26.5)**	**(101.5)**	(63.9)	–	(63.9)
Operating profit	3	**272.1**	**(48.4)**	**223.7**	206.7	(48.4)	158.3
Finance income	5	**1.8**	**7.3**	**9.1**	2.0	–	2.0
Finance costs	5	**(22.5)**	**(0.6)**	**(23.1)**	(19.5)	–	(19.5)
Share of results of joint ventures accounted for using the equity method		**15.4**	**0.2**	**15.6**	19.2	(2.0)	17.2
Profit before taxation		**266.8**	**(41.5)**	**225.3**	208.4	(50.4)	158.0
Income taxes	6	**(31.4)**	**5.7**	**(25.7)**	(24.6)	7.6	(17.0)
Profit from continuing operations		**235.4**	**(35.8)**	**199.6**	183.8	(42.8)	141.0
Discontinued operations							
Profit after tax from discontinued operations	13	**–**	**57.2**	**57.2**	25.7	0.7	26.4
Profit for the year		**235.4**	**21.4**	**256.8**	209.5	(42.1)	167.4
Attributable to:							
Equity holders of the Company	11			**257.6**			167.0
Non-controlling interests				**(0.8)**			0.4
				256.8			167.4
Earnings Per Share from continuing operations attributable to the equity holders of the Company							
Basic Earnings Per Share (cent)	7			**72.67**			48.47
Diluted Earnings Per Share (cent)	7			**71.76**			48.30
Earnings Per Share attributable to the equity holders of the Company							
Basic Earnings Per Share (cent)	7			**93.42**			57.57
Diluted Earnings Per Share (cent)	7			**92.24**			57.37

Group statement of comprehensive income
for the financial year ended 31 December 2022

	Notes	2022 €'m	2021 €'m
Profit for the year		**256.8**	167.4
Other comprehensive income			
Items that will not be reclassified subsequently to the Group income statement:			
Remeasurements on defined benefit plans, net of deferred tax		**12.1**	(0.5)
Revaluation of equity investments at FVOCI, net of deferred tax	10	**0.4**	(0.2)
Share of other comprehensive income of joint ventures accounted for using the equity method, net of deferred tax	11	**0.5**	1.7
Share of other comprehensive income of discontinued operations, net of deferred tax	11	**–**	4.3
Items that may be reclassified subsequently to the Group income statement:			
Currency translation differences	10	**79.9**	126.7
Currency translation difference arising on net investment hedge	10	**(5.4)**	(6.7)
Gain on cash flow hedges, net of deferred tax		**2.6**	2.7
Share of other comprehensive income of joint ventures accounted for using the equity method, net of deferred tax		**15.6**	6.2
Share of other comprehensive income of discontinued operations, net of deferred tax		**–**	1.1
Other comprehensive income for the year, net of tax		**105.7**	135.3
Total comprehensive income for the year		**362.5**	302.7
Attributable to:			
Equity holders of the Company		**363.3**	302.3
Non-controlling interests		**(0.8)**	0.4
Total comprehensive income for the year		**362.5**	302.7

Group balance sheet
as at 31 December 2022

	Notes	31 December 2022 €'m	1 January 2022 €'m
ASSETS			
Non-current assets			
Property, plant and equipment		**478.9**	485.2
Right-of-use assets		**94.4**	99.9
Intangible assets		**1,452.1**	1,375.4
Interests in joint ventures		**211.2**	184.8
Other financial assets		**2.1**	1.9
Loans to joint ventures		**61.5**	42.5
Deferred tax assets		**4.7**	4.7
Other receivables		**0.3**	0.8
Derivative financial instruments		**–**	0.5
Retirement benefit assets		**3.0**	2.9
		2,308.2	2,198.6
Current assets			
Inventories		**703.7**	593.6
Trade and other receivables		**379.5**	359.4
Current tax receivable		**12.9**	8.8
Derivative financial instruments		**2.9**	2.2
Cash and cash equivalents (excluding bank overdrafts)	9	**438.6**	231.0
		1,537.6	1,195.0
Assets held for sale	13	**14.3**	234.0
		1,551.9	1,429.0
Total assets		**3,860.1**	3,627.6
EQUITY			
Issued capital and reserves attributable to equity holders of the Company			
Share capital and share premium		**104.1**	105.0
Other reserves	10	**359.3**	245.5
Retained earnings	11	**1,397.7**	1,381.7
		1,861.1	1,732.2
Non-controlling interests		**7.3**	8.1
Total equity		**1,868.4**	1,740.3
LIABILITIES			
Non-current liabilities			
Borrowings	9	**639.8**	697.2
Lease liabilities		**97.0**	105.0
Other payables		**–**	32.6
Retirement benefit obligations		**1.4**	17.1
Deferred tax liabilities		**129.7**	144.4
Provisions		**3.8**	3.6
		871.7	999.9
Current liabilities			
Trade and other payables		**774.8**	669.3
Borrowings	9	**258.2**	136.5
Lease liabilities		**17.8**	14.5
Current tax liabilities		**50.7**	53.0
Derivative financial instruments		**1.0**	1.2
Provisions		**11.2**	12.9
		1,113.7	887.4
Liabilities held for sale	13	**6.3**	–
		1,120.0	887.4
Total liabilities		**1,991.7**	1,887.3
Total equity and liabilities		**3,860.1**	3,627.6

Group statement of changes in equity
for the financial year ended 31 December 2022

	Attributable to equity holders of the Company					
	Share capital and share premium €'m	Other reserves €'m (note 10)	Retained earnings €'m (note 11)	Total €'m	Non-Controlling interests €'m	Total €'m
Balance at 2 January 2022	**105.0**	**245.5**	**1,381.7**	**1,732.2**	**8.1**	**1,740.3**
Profit for the year	**–**	**–**	**257.6**	**257.6**	**(0.8)**	**256.8**
Other comprehensive income	**–**	**93.1**	**12.6**	**105.7**	**–**	**105.7**
Total comprehensive income for the year	**–**	**93.1**	**270.2**	**363.3**	**(0.8)**	**362.5**
Dividends	**–**	**–**	**(84.4)**	**(84.4)**	**–**	**(84.4)**
Purchase of own shares	**–**	**(196.9)**	**–**	**(196.9)**	**–**	**(196.9)**
Cancellation of own shares	**(0.9)**	**174.4**	**(173.5)**	**–**	**–**	**–**
Cost of share-based payments	**–**	**18.8**	**–**	**18.8**	**–**	**18.8**
Transfer on exercise, vesting or expiry of share-based payments	**–**	**(1.9)**	**1.9**	**–**	**–**	**–**
Deferred tax on share-based payments	**–**	**–**	**0.5**	**0.5**	**–**	**0.5**
Sale of shares held by a subsidiary	**–**	**–**	**1.3**	**1.3**	**–**	**1.3**
Remeasurement of put option liability	**–**	**24.8**	**–**	**24.8**	**–**	**24.8**
Transfer to Group income statement	**–**	**1.5**	**–**	**1.5**	**–**	**1.5**
Balance at 31 December 2022	**104.1**	**359.3**	**1,397.7**	**1,861.1**	**7.3**	**1,868.4**
Balance at 3 January 2021	105.3	126.0	1,380.5	1,611.8	–	1,611.8
Profit for the year	–	–	167.0	167.0	0.4	167.4
Other comprehensive income	–	129.8	5.5	135.3	–	135.3
Total comprehensive income for the year	–	129.8	172.5	302.3	0.4	302.7
Dividends	–	–	(80.5)	(80.5)	–	(80.5)
Purchase of own shares	–	(94.0)	–	(94.0)	–	(94.0)
Issuance of shares	0.2	–	–	0.2	–	0.2
Cancellation of own shares	(0.5)	91.8	(91.3)	–	–	–
Cost of share-based payments	–	15.9	–	15.9	–	15.9
Transfer on exercise, vesting or expiry of share-based payments	–	0.8	(0.8)	–	–	–
Deferred tax on share-based payments	–	–	1.3	1.3	–	1.3
Non-controlling interests on acquisition of subsidiary	–	–	–	–	7.7	7.7
Recognition and remeasurement of put option liability	–	(24.8)	–	(24.8)	–	(24.8)
Balance at 1 January 2022	105.0	245.5	1,381.7	1,732.2	8.1	1,740.3

Group statement of cash flows
for the financial year ended 31 December 2022

	Notes	2022 €'m	2021 €'m
Cash flows from operating activities			
Cash generated from operating activities before exceptional items	12	**393.0**	358.0
Cash outflow related to exceptional items		**(13.3)**	(55.9)
Interest received		**1.5**	2.1
Interest paid (including interest expense on lease liabilities)		**(23.2)**	(18.8)
Tax paid		**(59.7)**	(34.3)
Net cash inflow from operating activities		**298.3**	251.1
Cash flows from investing activities			
Payment for acquisition of subsidiaries		**(54.9)**	(95.0)
Purchase of property, plant and equipment		**(31.9)**	(49.0)
Purchase of intangible assets		**(37.0)**	(28.5)
Interest paid in relation to property, plant and equipment	5	**–**	(0.5)
Proceeds from sale of property, plant and equipment		**3.4**	1.5
Dividends received from related parties*		**14.5**	33.9
Loans advanced to joint ventures		**(47.0)**	(10.7)
Proceeds on repayment of loans advanced to Glanbia Ireland DAC		**28.8**	–
Proceeds from disposal/redemption of FVOCI financial assets		**0.4**	1.1
Proceeds on sale of shares held by subsidiary		**1.4**	–
Payments for FVOCI financial assets		**–**	(0.1)
Proceeds from disposal of Glanbia Ireland DAC (exceptional)	13	**307.0**	–
Cash outflow related to exceptional items	13	**(8.0)**	–
Net cash inflow/(outflow) from investing activities		**176.7**	(147.3)
Cash flows from financing activities			
Purchase of own shares	10	**(196.9)**	(94.0)
Drawdown of borrowings		**688.4**	458.5
Repayment of borrowings		**(780.8)**	(383.4)
Payment of lease liabilities		**(16.5)**	(19.1)
Dividends paid to Company shareholders	8	**(84.4)**	(80.5)
Proceeds from issue of shares		**–**	0.2
Net cash outflow from financing activities		**(390.2)**	(118.3)
Net increase/(decrease) in cash and cash equivalents		**84.8**	(14.5)
Cash and cash equivalents at the beginning of the year		**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		**0.2**	13.0
Cash and cash equivalents at the end of the year	9	**180.4**	94.5

* €12.2 million in 2021 related to discontinued operations and represented the net cash inflow from investing activities from discontinued operations.

Notes to the financial statements
for the financial year ended 31 December 2022

1. Accounting policies

The financial information set out in this document does not constitute full statutory financial statements but has been derived from the Group financial statements for the year ended 31 December 2022 (referred to as the 2022 financial statements). The Group financial statements have been prepared in accordance with EU adopted International Financial Reporting Standards ("IFRS"), IFRIC interpretations and those parts of the Companies Act 2014, applicable to companies reporting under IFRS. The 2022 financial statements have been audited and have received an unqualified audit report. Amounts are stated in euro millions (€'m) unless otherwise stated. These financial statements are prepared for the 52-week period ended 31 December 2022. Comparatives are for the 52-week period ended 1 January 2022. The balance sheets for 2022 and 2021 have been drawn up as at 31 December 2022 and 1 January 2022 respectively.

The financial statements have been prepared under the historical cost convention as modified by use of fair values for certain other financial assets, contingent consideration, put option liability, and derivative financial instruments.

All notes to the financial statements include amounts for continuing operations, unless indicated otherwise.

The Group's accounting policies which will be included in the 2022 financial statements are consistent with those as set out in the 2021 financial statements.

There are no new IFRS standards or amendments effective for the Group in 2022 which had a material impact on the financial statements. The financial statements were approved and authorised for issue by the Board of Directors on 28 February 2023 and signed on its behalf by D Gaynor, S Talbot, and M Garvey.

Going concern

After making appropriate enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of the financial statements. The Group therefore considers it appropriate to adopt the going concern basis in preparing its financial statements.

Adoption of amended standards

The following changes to IFRS became effective for the Group during the financial year but did not result in material changes to the Group's financial statements:

- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16
- Onerous Contracts – Cost of Fulfilling a Contract – Amendments to IAS 37
- Annual Improvements to IFRS Standards 2018–2020
- Reference to the Conceptual Framework – Amendments to IFRS 3

New and amended standards that are not yet effective

The Group has not applied new standards and amendments to existing standards that have been issued but are not yet effective. The most significant of which are as follows:

Disclosure of Accounting Policies – Amendments to IAS 1 (EU effective date: on or after 1 January 2023)
The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. The Group does not expect the adoption of the amendments to have a material impact on the financial statements.

Classification of Liabilities as Current or Non-current – Amendments to IAS 1 (IASB effective date: on or after 1 January 2024)
The amendments clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. The Group is currently evaluating the impact of the amendments on future periods.

Other changes to IFRS have been issued but are not yet effective for the Group. However, they are either not expected to have a material impact on the Group or they are not currently relevant for the Group.

2. Segment information

In accordance with IFRS 8 'Operating Segments', the Group has identified Glanbia Performance Nutrition and Glanbia Nutritionals as reportable segments as at 31 December 2022. Glanbia Performance Nutrition manufactures and sells sports nutrition and lifestyle nutrition products through a variety of channels including specialty retail, online, Food, Drug, Mass, Club (FDMC), and gyms in a variety of formats, including powders, Ready-to-Eat (bars and snacking foods) and Ready-to-Drink beverages. Glanbia Nutritionals manufactures and sells cheese, dairy and non-dairy nutritional and functional ingredients, and vitamin and mineral premixes targeting the increased market focus on health and nutrition.

Glanbia Ireland is no longer reported as a segment following its disposal on 1 April 2022 (note 13). In accordance with IFRS 8 Operating Segments, the prior period pre-exceptional segment results were restated to exclude Glanbia Ireland and the segment assets associated with Glanbia Ireland are included within "All other segments and unallocated" for the comparative period.

All other segments and unallocated include both the results of joint ventures who manufacture and sell cheese and dairy ingredients and unallocated corporate costs. These investees did not meet the quantitative thresholds for reportable segments in 2022 or 2021. Amounts stated for joint ventures represents the Group's share.

These segments align with the Group's internal financial reporting system and the way in which the CODM assesses performance and allocates the Group's resources. Each segment is reviewed in its totality by the CODM. The CODM assesses the trading performance of operating segments based on a measure of earnings before interest, tax, amortisation and exceptional items. Given that net finance costs and income tax are managed on a centralised basis, these items are not allocated between operating segments for the purposes of the information presented to the CODM and are accordingly omitted from the detailed segmental analysis below.

	2022				2021			
	Glanbia Performance Nutrition €'m	Glanbia Nutritionals €'m	All other segments and unallocated €'m	Total €'m	Glanbia Performance Nutrition €'m	Glanbia Nutritionals €'m	All other segments and unallocated €'m	Total €'m
Segment results (pre-exceptional)								
Total gross segment revenue	**1,625.8**	**4,123.1**	**–**	**5,748.9**	1,303.3	2,955.5	–	4,258.8
Inter-segment revenue	**(0.1)**	**(106.4)**	**–**	**(106.5)**	(0.2)	(61.7)	–	(61.9)
Revenue	**1,625.7**	**4,016.7**	**–**	**5,642.4**	1,303.1	2,893.8	–	4,196.9
Operating profit before intangible asset amortisation and impairment (EBITA)	**182.1**	**165.0**	**–**	**347.1**	145.1	125.5	–	270.6
Share of results of joint ventures accounted for using the equity method	**–**	**–**	**15.4**	**15.4**	–	–	19.2	19.2
Profit after tax from discontinued operations	**–**	**–**	**–**	**–**	–	–	25.7	25.7
Segment assets and liabilities								
Segment assets	**1,818.2**	**1,264.3**	**777.6**	**3,860.1**	1,741.3	1,138.9	747.4	3,627.6
Segment liabilities	**433.1**	**471.9**	**1,086.7**	**1,991.7**	441.4	446.7	999.2	1,887.3
Other segment information (pre-exceptional)								
Depreciation of PP&E and ROU assets	**22.9**	**44.6**	**–**	**67.5**	23.4	39.6	(1.4)	61.6
Amortisation of intangible assets	**53.0**	**22.0**	**–**	**75.0**	45.7	18.2	–	63.9
Capital expenditure – additions	**20.3**	**44.5**	**16.0**	**80.8**	54.9	36.5	9.4	100.8
Capital expenditure – business combinations	**–**	**71.1**	**–**	**71.1**	49.7	44.3	–	94.0

Inter-segment transfers or transactions are entered into under the normal commercial terms and conditions that would also be available to unrelated third parties. Revenue of approximately €1,076.3 million (2021: €736.3 million) and €829.4 million (2021: €543.3 million) is derived from two external customers respectively within the Glanbia Nutritionals segment.

Pre-exceptional segment operating profit before intangible asset amortisation and impairment (EBITA) is reconciled to reported profit before tax and profit after tax in the Group income statement.

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 on the following page.

Revenue from external customers in the table below and in the disaggregation of revenue by primary geographical markets table below 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.

	2022 Revenue €'m	2022 Non-current assets €'m	2021 Revenue €'m	2021 Non-current assets €'m
Ireland (country of domicile)	**11.0**	**767.3**	7.7	713.1
US	**4,613.4**	**1,234.3**	3,390.2	1,201.9
Other				
– North America (excluding US)	**96.4**	**6.0**	79.9	5.2
– Europe (excluding Ireland)	**432.6**	**218.1**	372.6	214.7
– Asia Pacific	**374.5**	**11.2**	265.6	11.2
– LATAM	**69.2**	**–**	43.9	–
– Rest of World	**45.3**	**–**	37.0	–
	5,642.4	**2,236.9**	4,196.9	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.

	2022 Glanbia Performance Nutrition €'m	2022 Glanbia Nutritionals €'m	2022 Total €'m	2021 Glanbia Performance Nutrition €'m	2021 Glanbia Nutritionals €'m	2021 Total €'m
Internal reporting structures						
Nutritional Solutions	**–**	**1,126.6**	**1,126.6**	–	877.4	877.4
US Cheese	**–**	**2,890.1**	**2,890.1**	–	2,016.4	2,016.4
GPN Americas	**1,098.0**	**–**	**1,098.0**	872.3	–	872.3
GPN International (including Direct-to-Consumer)	**527.7**	**–**	**527.7**	430.8	–	430.8
	1,625.7	**4,016.7**	**5,642.4**	1,303.1	2,893.8	4,196.9
Primary geographical markets						
North America	**1,100.8**	**3,609.0**	**4,709.8**	881.7	2,588.4	3,470.1
Europe	**317.8**	**125.8**	**443.6**	265.4	114.9	380.3
Asia Pacific	**161.7**	**212.8**	**374.5**	119.5	146.1	265.6
LATAM	**13.8**	**55.4**	**69.2**	9.7	34.2	43.9
Rest of World	**31.6**	**13.7**	**45.3**	26.8	10.2	37.0
	1,625.7	**4,016.7**	**5,642.4**	1,303.1	2,893.8	4,196.9
Timing of revenue recognition						
Products transferred at point in time	**1,625.7**	**4,016.7**	**5,642.4**	1,303.1	2,893.8	4,196.9
Products transferred over time	**–**	**–**	**–**	–	–	–
	1,625.7	**4,016.7**	**5,642.4**	1,303.1	2,893.8	4,196.9

Channel mix for Glanbia Performance Nutrition	2022 €'m	2021 €'m
Distributor	**367.0**	287.7
Food, Drug, Mass, Club (FDMC)	**575.6**	440.0
Online	**482.3**	398.6
Specialty	**200.8**	176.8
	1,625.7	1,303.1

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

3. Operating profit

	Notes	2022 Pre-exceptional €'m	2022 Exceptional €'m	2022 Total €'m	2021 Pre-exceptional €'m	2021 Exceptional €'m	2021 Total €'m
Revenue		**5,642.4**	**–**	**5,642.4**	4,196.9	–	4,196.9
Cost of goods sold		**(4,671.3)**	**(16.6)**	**(4,687.9)**	(3,359.9)	(6.4)	(3,366.3)
Gross profit		**971.1**	**(16.6)**	**954.5**	837.0	(6.4)	830.6
Selling and distribution expenses		**(415.4)**	**(0.1)**	**(415.5)**	(379.7)	(0.3)	(380.0)
Administration expenses		**(208.2)**	**(4.7)**	**(212.9)**	(185.9)	(41.7)	(227.6)
Net impairment losses on financial assets		**(0.4)**	**(0.5)**	**(0.9)**	(0.8)	–	(0.8)
Operating profit before intangible asset amortisation and impairment (EBITA)		**347.1**	**(21.9)**	**325.2**	270.6	(48.4)	222.2
Intangible asset amortisation and impairment	12	**(75.0)**	**(26.5)**	**(101.5)**	(63.9)	–	(63.9)
Operating profit		**272.1**	**(48.4)**	**223.7**	206.7	(48.4)	158.3

4. Exceptional items

The nature of the total exceptional items is as follows:

	Notes	2022 €'m	2021 €'m
Pension related costs	(a)	**1.7**	30.3
Organisation redesign costs	(b)	**–**	18.1
Portfolio related re-organisation costs	(c)	**2.9**	–
Non-core assets held for sale	(d)	**43.8**	–
Total		**48.4**	48.4
Remeasurements of contingent consideration and call option	(e)	**(6.7)**	–
Share of results of joint ventures accounted for using the equity method	(a)	**(0.2)**	2.0
Exceptional tax credit	6	**(5.7)**	(7.6)
Total exceptional charge from continuing operations		**35.8**	42.8
Exceptional gain after tax from discontinued operations	(f)	**(57.2)**	(0.7)
Total exceptional (gain)/charge after tax for the year	12	**(21.4)**	42.1

Details of the exceptional items are as follows:

(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 buyout and wind up of these schemes and a further simplification of 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 from risk reduction activities. The restructuring effort has progressed well during 2022, effectively managing the volatile financial market conditions in the UK during 2022, with final wind up of schemes planned for completion in 2023.

(b) Prior year **organisation redesign costs** related to a fundamental reorganisation of the GPN segment to drive greater efficiencies, improve margin and deliver top line growth. The investment phase of this programme is now complete, with no further costs incurred during the period.

(c) **Portfolio related re-organisation costs** relate to indirect one off costs as a result of recent and planned portfolio changes. Following divestment decisions related to non-core businesses, the Group launched a programme to realign Group-wide support functions and optimise structures of the remaining portfolio, to more efficiently support business operations and growth. This programme will continue into 2023 with realisation of benefits from 2024 onwards. Costs incurred to date relate to advisory fees and people related costs.

(d) **Non-core assets held for sale** relate to fair value adjustments to reduce the carrying value of certain assets to recoverable value. The assets relate to a small US based bottling facility (Aseptic Solutions) which, following the completion of a strategic portfolio review, were determined to be non-core and a decision was made to divest the business, resulting in the designation as held-for-sale at year end. Discussions are ongoing and a sale is expected to conclude in H1, 2023.

(e) **Remeasurements of contingent consideration and call option** relate to contingent payments and call option associated with the 2021 LevlUp acquisition that have now reduced following an assessment of conditions that give rise to the additional payments.

(f) **Exceptional gain after tax from discontinued operations** relates to the gain arising on the divestment of the Group's interest in Glanbia Ireland, following its classification as a discontinued operation in 2021. The 2021 gain includes one off gains on the settlement of forward contracts, net of one off reorganisation costs within this joint venture.

5. Finance income and costs

	Notes	2022 €'m	2021 €'m
Finance income			
Interest income on loans to joint ventures		**1.1**	1.4
Interest income on deposits		**0.4**	0.1
Interest income on swaps		**0.2**	–
Remeasurements of call option		**0.1**	0.5
Remeasurements of contingent consideration	4	**7.3**	–
Total finance income		**9.1**	2.0
Finance costs			
Bank borrowing costs		**(7.0)**	(3.8)
Facility fees		**(1.7)**	(2.0)
Finance cost of private placement debt		**(9.7)**	(10.8)
Interest expense on swaps		**–**	(0.2)
Interest expense on lease liabilities		**(2.6)**	(2.5)
Remeasurements of call option	4	**(0.6)**	–
Remeasurements of contingent consideration		**(1.5)**	(0.2)
Total finance costs		**(23.1)**	(19.5)
Net finance costs		**(14.0)**	(17.5)

Capitalised borrowing costs of nil (2021: €0.5 million) on qualifying assets are not included in net finance costs. Interest is capitalised at the Group's average interest rate for the period of 2.3% (2021: 3.0%). Where relevant, tax deduction for capitalised interest was taken in accordance with Sec 81(3), TCA 1997. Tax relief in relation to capitalised interest is nil (2021: €0.1 million).

6. Income taxes

	2022 €'m	2021 €'m
Current tax		
Irish current tax charge	**19.8**	9.4
Adjustments in respect of prior years	**(1.2)**	–
Irish current tax for the year	**18.6**	9.4
Foreign current tax charge	**28.4**	28.4
Adjustments in respect of prior years	**2.0**	(0.4)
Foreign current tax for the year	**30.4**	28.0
Total current tax	**49.0**	37.4
Deferred tax		
Deferred tax – current year	**(23.8)**	(20.2)
Adjustments in respect of prior years	**0.5**	(0.2)
Total deferred tax	**(23.3)**	(20.4)
Tax charge	**25.7**	17.0

The tax credit on exceptional items included in the above amounts is as follows:

	Notes	2022 €'m	2021 €'m
Current tax credit on exceptional items		**(0.6)**	(3.1)
Deferred tax credit on exceptional items		**(5.1)**	(4.5)
Total tax credit on exceptional items for the year	4	**(5.7)**	(7.6)

The tax credit on exceptional items has been disclosed separately above as it relates to costs and income which have been presented as exceptional.

The tax on the Group's profit before tax differs from the theoretical amount that would arise applying the corporation tax rate in Ireland, as follows:

	2022 €'m	2021 €'m
Profit before tax	**225.3**	158.0
Income tax calculated at Irish rate of 12.5% (2021: 12.5%)	**28.2**	19.8
Earnings at non-standard Irish tax rate	**1.3**	0.2
Difference due to overseas tax rates (capital and trading)	**0.2**	2.2
Adjustment to tax charge in respect of previous periods	**1.3**	(0.6)
Tax on share of results of joint ventures accounted for using the equity method included in profit before tax	**(2.0)**	(2.1)
Other reconciling items	**(3.3)**	(2.5)
Total tax charge	**25.7**	17.0

Factors that may affect future tax charges and other disclosure requirements

The total tax charge in future periods will be affected by any changes to the applicable tax rates in force in jurisdictions in which the Group operates and other relevant changes in tax legislation. The total tax charge of the Group may also be influenced by the effects of corporate development activity and the resolution of uncertain tax positions where the final outcome of those matters is different than the amounts recorded.

7. 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 year, excluding ordinary shares purchased by the Group and held as own shares (note 10). The weighted average number of ordinary shares in issue used in the calculation of Basic Earnings Per Share is 275,760,676 (2021: 290,059,376).

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.

	2022			2021		
	Continuing operations	**Discontinued operations**	**Total**	Continuing operations	Discontinued operations	Total
Profit after tax attributable to equity holders of the Company (€'m)	**200.4**	**57.2**	**257.6**	140.6	26.4	167.0
Basic Earnings Per Share (cent)	**72.67**	**20.75**	**93.42**	48.47	9.10	57.57
Diluted Earnings Per Share (cent)	**71.76**	**20.48**	**92.24**	48.30	9.07	57.37

	2022	2021
Weighted average number of ordinary shares in issue	**275,760,676**	290,059,376
Shares deemed to be issued for no consideration in respect of share awards	**3,505,766**	1,048,035
Weighted average number of shares used in the calculation of Diluted Earnings Per Share	**279,266,442**	291,107,411

8. Dividends

The dividends paid and recommended on ordinary share capital are as follows:

	Notes	**2022 €'m**	2021 €'m
Equity dividends to shareholders			
Final – paid 17.53c per ordinary share (2021: 15.94c)		**49.1**	46.5
Interim – paid 12.93c per ordinary share (2021: 11.75c)		**35.4**	34.2
Total		**84.5**	80.7
Reconciliation to Group statement of cash flows and Group statement of changes in equity			
Dividends to shareholders		**84.5**	80.7
Waived dividends in relation to own shares		**(0.1)**	(0.2)
Total dividends paid to equity holders of the Company	11	**84.4**	80.5
Equity dividends recommended			
Final 2022 – proposed 19.28c per ordinary share (2021: 17.53c)	15	**52.5**	50.3

The amount of dividends recommended is based on the number of issued shares at year end. The actual amount will be based on the number of issued shares on the record date (note 15).

9. Net Debt

	2022 €'m	2021 €'m
Non-current		
Bank borrowings	**288.2**	366.1
Private placement debt	**351.6**	331.1
	639.8	697.2
Current		
Bank overdrafts	**258.2**	136.5
Total borrowings	**898.0**	833.7

Net debt is a non-IFRS measure which we provide to investors as we believe they find it useful. It is also used to calculate leverage under the Group's financing arrangements, as defined within covenants. Refer to the Financing Key Performance Indicators section in the Glossary for more details. Net debt comprises the following:

	2022 €'m	2021 €'m
Private placement debt	**351.6**	331.1
Bank borrowings	**158.4**	149.2
Not subject to interest rate changes*	**510.0**	480.3
Bank borrowings	**129.8**	216.9
Cash and cash equivalents net of bank overdrafts	**(180.4)**	(94.5)
Subject to interest rate changes*	**(50.6)**	122.4
Net debt	**459.4**	602.7

* Taking into account contractual repricing dates at the reporting date.

	2022 €'m	2021 €'m
Cash at bank and in hand	**432.4**	224.2
Short term bank deposits	**6.2**	6.8
Cash and cash equivalents in the Group balance sheet	**438.6**	231.0
Bank overdrafts used for cash management purposes	**(258.2)**	(136.5)
Cash and cash equivalents in the Group statement of cash flows	**180.4**	94.5

10. Other reserves

	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	–	**79.9**	–	–	–	–	–	**79.9**
Net investment hedge	–	**(5.4)**	–	–	–	–	–	**(5.4)**
Revaluation – gross	–	–	**27.3**	–	–	–	**0.6**	**27.9**
Reclassification to profit or loss – gross	–	–	**(3.2)**	–	–	–	–	**(3.2)**
Deferred tax	–	–	**(5.9)**	–	–	–	**(0.2)**	**(6.1)**
Net change in OCI	–	**74.5**	**18.2**	–	–	–	**0.4**	**93.1**
Purchase of own shares	–	–	–	–	**(196.9)**	–	–	**(196.9)**
Cancellation of own shares	**0.9**	–	–	–	**173.5**	–	–	**174.4**
Cost of share-based payments	–	–	–	–	–	**18.8**	–	**18.8**
Transfer on exercise, vesting or expiry of share-based payments	–	–	–	–	**9.1**	**(11.0)**	–	**(1.9)**
Remeasurement of put option liability	–	–	–	**24.8**	–	–	–	**24.8**
Transfer to Group income statement*	–	–	**1.5**	–	–	–	–	**1.5**
Balance at 31 December 2022	**117.4**	**226.4**	**9.1**	**–**	**(20.7)**	**27.1**	**–**	**359.3**
Balance at 3 January 2021	116.0	31.9	(20.6)	–	(11.4)	10.3	(0.2)	126.0
Currency translation differences	–	126.7	–	–	–	–	–	126.7
Net investment hedge	–	(6.7)	–	–	–	–	–	(6.7)
Revaluation – gross	–	–	11.1	–	–	–	(0.3)	10.8
Reclassification to profit or loss – gross	–	–	1.6	–	–	–	–	1.6
Deferred tax	–	–	(2.7)	–	–	–	0.1	(2.6)
Net change in OCI	–	120.0	10.0	–	–	–	(0.2)	129.8
Purchase of own shares	–	–	–	–	(94.0)	–	–	(94.0)
Cancellation of own shares	0.5	–	–	–	91.3	–	–	91.8
Cost of share-based payments	–	–	–	–	–	15.9	–	15.9
Transfer on exercise, vesting or expiry of share-based payments	–	–	–	–	7.7	(6.9)	–	0.8
Recognition of put option liability	–	–	–	(23.2)	–	–	–	(23.2)
Remeasurement of put option liability	–	–	–	(1.6)	–	–	–	(1.6)
Balance at 1 January 2022	116.5	151.9	(10.6)	(24.8)	(6.4)	19.3	(0.4)	245.5

* On disposal of discontinued operation.

11. Retained earnings

	Notes	2022 €'m	2021 €'m
At the beginning of the year		**1,381.7**	1,380.5
Profit for the year attributable to equity holders of the Company		**257.6**	167.0
Other comprehensive income			
– Remeasurements on defined benefit plans		**13.5**	–
– Deferred tax on remeasurements on defined benefit plans		**(1.4)**	(0.5)
– Share of remeasurements on defined benefit plans from joint ventures, net of deferred tax		**0.5**	1.7
– Share of remeasurements on defined benefit plans from discontinued operations, net of deferred tax		**–**	4.3
		12.6	5.5
Dividends	8	**(84.4)**	(80.5)
Cancellation of own shares	10	**(173.5)**	(91.3)
Transfer on exercise, vesting or expiry of share-based payments	10	**1.9**	(0.8)
Deferred tax on share-based payments		**0.5**	1.3
Sale of shares held by a subsidiary		**1.3**	–
At the end of the year		**1,397.7**	1,381.7

12. Cash generated from operating activities

	Notes	2022 €'m	2021 €'m
Profit for the year		**256.8**	167.4
Exceptional items	4	**(21.4)**	42.1
Profit after tax from discontinued operations		**–**	(25.7)
Income taxes		**31.4**	24.6
Profit before taxation		**266.8**	208.4
Share of results of joint ventures accounted for using the equity method		**(15.4)**	(19.2)
Finance costs		**22.5**	19.5
Finance income		**(1.8)**	(2.0)
Amortisation of intangible assets	3	**75.0**	63.9
Depreciation of property, plant and equipment		**48.7**	44.9
Depreciation of right-of-use assets		**18.8**	18.1
Cost of share-based payments		**18.8**	15.9
Difference between pension charge and cash contributions		**(0.5)**	(6.4)
Net write down of inventories		**13.6**	6.1
Non-cash movement in/on:			
– provisions		**1.0**	8.7
– allowance for impairment of receivables		**0.4**	–
– cross currency swaps		**2.6**	(0.8)
– disposal of leases		**(0.4)**	(0.1)
Reversal of impairment of property, plant and equipment		**–**	(1.4)
Loss/(profit) on disposal of property, plant and equipment		**0.4**	(0.1)
Operating cash flows before movement in working capital		**450.5**	355.5
Increase in inventories		**(101.1)**	(186.1)
Decrease/(increase) in short-term receivables		**5.6**	(13.4)
Increase in short-term liabilities		**40.9**	207.1
Decrease in provisions		**(2.9)**	(5.1)
Cash generated from operating activities before exceptional items		**393.0**	358.0

13. Assets and liabilities held for sale, and discontinued operations

	2022 €'m	2021 €'m
Property, plant and equipment	**9.5**	–
Right-of-use assets	**2.6**	–
Inventories	**2.2**	–
Interest in joint venture – Glanbia Ireland	**–**	234.0
Assets held for sale	**14.3**	234.0
Lease liabilities	**(6.3)**	–
Liabilities held for sale	**(6.3)**	–

The assets held for sale at 31 December 2022 relate to the non-core assets of a small US based bottling facility (Aseptic Solutions USA Ventures, LLC). Following the completion of a strategic portfolio review, these assets (and related liabilities) which are part of the Glanbia Nutritional segment were determined to be non-core and a decision was made to divest of them, resulting in the designation as held for sale at year end. Discussions are ongoing with a number of interested parties, and a sale is expected to conclude in H1, 2023. The lease liabilities at 31 December 2022 are directly associated with the right-of-use assets classified as held for sale.

An impairment of €14.5 million was recognised as an exceptional charge in the income statement immediately prior to the classification of the assets and liabilities as held for sale. There was no further gain or loss recognised subsequently. Associated cumulative amounts recognised in other comprehensive income associated with the assets and liabilities held for sale as at 31 December 2022 were currency translation gains of €3.9 million.

We do not regard the divestment of the non-core assets and the associated liabilities as discontinued operations as they are not considered to be either a separate major line of business or geographical area of operations.

The assets held for sale at 1 January 2022 related to the interest in Glanbia Ireland. The Company announced its intention to sell its 40% holding in Glanbia Ireland to Tirlán Co-operative Society Ltd (formerly known as Glanbia Co-operative Society Ltd) for €307.0 million in November 2021 (the "Transaction"). Members of Tirlán Co-operative Society Ltd (the "Society") approved the Transaction on 17 December 2021. Accordingly, in the prior year, the Group has treated the joint venture investment 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. As part of the terms of the Transaction, the Company paid Glanbia Ireland a contribution of €8.0 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. The gain of €57.2 million on disposal of Glanbia Ireland (note 4) 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 €15.8 million.

The profit after tax from discontinued operations included in the Group income statement in the prior year related to the Group's share of profit after tax of Glanbia Ireland and are analysed as follows:

	2021 €'m
Glanbia Ireland's results (100%)	
Revenue	2,169.9
Expenses	(2,088.3)
Profit before tax	81.6
Tax	(10.3)
Profit after tax	71.3
Profit after tax attributable to equity holders of Glanbia Ireland	69.5
Reconciliation to the Group's share of Glanbia Ireland's profit after tax	
Group's 40% share of profit after tax	27.8
Adjustments*	(1.4)
Group's share of Glanbia Ireland's profit after tax presented as discontinued operations	26.4

* Relates to adjustment in respect of unrealised profit on sales to the Group and amortisation of intangible assets recognised on fair value adjustments.

14. 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 €22.5 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	**54.5**
Contingent consideration	**23.1**
Total consideration	**77.6**
Less: fair value of net assets acquired	**(55.1)**
Goodwill	**22.5**

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

Property, plant and equipment	**5.9**
Right-of-use assets	**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	**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 (€25.8 million translated at period end exchange rate).

The fair value of the contingent consideration of €25.3 million at period end 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 €0.2 million incurred primarily on professional fees are included in administrative expenses.

Combined impact of acquisitions

The revenue and profit before taxation and exceptional items of the Group, including the post acquisition impact of the acquisition completed during the year ended 31 December 2022, were as follows:

	2022 Acquisition €'m	Group excluding acquisition €'m	Group including acquisition €'m
Revenue	**22.0**	**5,620.4**	**5,642.4**
Profit before taxation and exceptional items	**5.0**	**261.8**	**266.8**

The revenue and profit before taxation and exceptional items of the Group for the year ended 31 December 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 year would be as follows:

	Pro-forma 2022 acquisition €'m	Group excluding acquisition €'m	Pro-forma group including acquisition €'m
Revenue	**27.0**	**5,620.4**	**5,647.4**
Profit before taxation and exceptional items	**5.5**	**261.8**	**267.3**

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.

15. Events after the reporting period

See note 8 for the final dividend, recommended by the Directors. Subject to shareholder approval, this dividend will be paid on 5 May 2023 to shareholders on the register of members on 24 March 2023, the record date.

Subsequent to the year end, Glanbia has signed a non-binding memorandum of understanding for the sale of the Company's shareholding in Glanbia Cheese and Glanbia Cheese EU joint ventures ("Glanbia Cheese") to Leprino Foods Company. It is expected that Glanbia will receive initial cash proceeds in excess of €160m (including the repayment of shareholder loans), with further contingent consideration of up to €25m dependant on the performance of Glanbia Cheese over the next three years.

Glanbia generates the majority of its earnings and has significant assets and liabilities denominated in US dollar. To reduce the potential for foreign exchange volatility in future reported earnings, the Group has decided to change its presentation currency from Euro to US dollar with effect from 1 January 2023. The impact of change in presentation currency will be provided in advance of the Q1, 2023 trading update.

16. Statutory financial statements

The financial information in this preliminary announcement does not constitute the full statutory financial statements of Glanbia plc (the 'Company'), a copy of which is required to be annexed to the Company's annual return filed with the Companies Registration Office and will be published on www.glanbia.com. A copy of the full statutory financial statements in respect of the financial year ended 31 December 2022 will be annexed to the Company's annual return for 2023. The auditors of the Company have made a report, without any qualification, on their audit of the financial statements of the Group and Company in respect of the financial year ended 31 December 2022, which were approved by the Directors on 28 February 2023. A copy of the financial statements of the Group in respect of the year ended 1 January 2022 has been annexed to the Company's annual return for 2022 and filed with the Companies Registration Office and is available on www.glanbia.com

Glossary
Key Performance Indicators and non-IFRS performance measures

NOT COVERED BY INDEPENDENT AUDITOR'S REPORT

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:

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. Return on capital employed ("ROCE")
G 16. Total shareholder return ("TSR")
G 17. Dividend payout ratio
G 18. Compound annual growth rate ("CAGR")
G 19. Exceptional items

These principal non-IFRS performance measures 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.

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 year-on-year change, the results for the prior year are retranslated using the average exchange rates for the current year and compared to the current year reported numbers.

The principal average exchange rates used to translate results for 2022 and 2021 are set out below:

1 euro =	2022	2021
US dollar	**1.0534**	1.1826
Pound sterling	**0.8527**	0.8596

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 Revenue:

	Reference to the Financial Statements/ Glossary	**2022 Reported €'m**	2021 Reported €'m	2021 Retranslated €'m	Constant currency growth %	Like-for-like growth (G 10) %
Nutritional Solutions	Note 2	**1,126.6**	877.4	966.3	16.6%	12.6%
US Cheese	Note 2	**2,890.1**	2,016.4	2,263.9	27.7%	27.7%
Glanbia Nutritionals	Note 2	**4,016.7**	2,893.8	3,230.2	24.3%	23.1%
Americas	Note 2	**1,098.0**	872.3	978.0	12.3%	12.3%
International (including Direct-to-Consumer)	Note 2	**527.7**	430.8	449.0	17.5%	16.3%
Glanbia Performance Nutrition	Note 2	**1,625.7**	1,303.1	1,427.0	13.9%	13.5%
Revenue	Note 3	**5,642.4**	4,196.9	4,657.2	21.2%	20.2%

G 3. EBITA (pre-exceptional)

EBITA (pre-exceptional) is defined as earnings before interest, tax and amortisation. EBITA references throughout the annual report 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 3 of the financial statements for the reconciliation of EBITA (pre- exceptional).

G 3.1 EBITA (pre-exceptional):

	Reference to the Financial Statements/ Glossary	**2022 Reported €'m**	2021 Reported €'m	2021 Retranslated €'m	Constant currency growth %
Nutritional Solutions		**128.2**	101.1	113.5	13.0%
US Cheese		**36.8**	24.4	27.6	33.3%
Glanbia Nutritionals	Note 2	**165.0**	125.5	141.1	16.9%
Glanbia Performance Nutrition	Note 2	**182.1**	145.1	164.8	10.5%
EBITA (pre-exceptional)	Note 3	**347.1**	270.6	305.9	13.5%

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 annual report 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 annual report are on a pre-exceptional basis unless otherwise indicated.

	Reference to the Financial Statements/ Glossary	**2022 €'m**	2021 €'m
EBITA (pre-exceptional)	G 3.1	**347.1**	270.6
Depreciation*		**67.5**	63.0
EBITDA (pre-exceptional)	G 8.1, G 14	**414.6**	333.6

* Includes depreciation of property, plant and equipment of €48.7 million (2021: €44.9 million) and depreciation of right-of-use assets of €18.8 million (2021: €18.1 million).

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

G 6.1 Constant Currency Basic Earnings Per Share ("EPS")

Basic EPS 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 year, excluding ordinary shares purchased by the Group and held as own shares (see note 10). 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 Group income statement.

	Reference to the Financial Statements/ Glossary	2022 Reported €'m	2021 Reported €'m	2021 Retranslated €'m
Profit after tax attributable to equity holders of the Company	Group income statement	**257.6**	167.0	197.0
Less: profit after tax attributable to equity holders of the Company – discontinued operations	Group income statement	**(57.2)**	(26.4)	(26.4)
Profit after tax attributable to equity holders of the Company – continuing operations		**200.4**	140.6	170.6
Weighted average number of ordinary shares in issue (thousands)	Note 7	**275,761**	290,059	290,059
Basic Earnings Per Share (cent) – continuing operations	Note 7	**72.67**	48.47	58.82
Basic Earnings Per Share (cent)	Note 7	**93.42**	57.57	67.92
Constant currency change – continuing operations		**23.5%**		
Constant currency change		**37.5%**		

G 6.2 Constant Currency Adjusted Earnings Per Share ("EPS")

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 year, excluding ordinary shares purchased by the Group and held as own shares (see note 10). 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 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 Financial Statements/Glossary	2022 Reported €'m	2021 Reported €'m	2021 Retranslated €'m
Profit after tax from continuing operations	Group income statement	**199.6**	141.0	171.0
Exceptional charge – continuing operations	Group income statement	**35.8**	42.8	38.5
Profit after tax from continuing operations (pre-exceptional)	Group income statement	**235.4**	183.8	209.5
Non-controlling interests	Group income statement	**0.8**	(0.4)	(0.4)
Amortisation and impairment of intangible assets (excluding software amortisation) net of related tax of €8.0 million (2021: €7.0 million, 2021 retranslated: €7.8 million) – continuing operations (pre-exceptional)		**50.6**	42.4	47.5
Adjusted net income – continuing operations		**286.8**	225.8	256.6
Profit after tax from discontinued operations	Group income statement	**57.2**	26.4	26.4
Exceptional credit – discontinued operations	Group income statement	**(57.2)**	(0.7)	(0.7)
Profit from discontinued operations (pre-exceptional)	Group income statement	**–**	25.7	25.7
Amortisation and impairment of intangible assets (excluding software amortisation) net of related tax (2021: €0.2 million) – discontinued operations		**–**	1.3	1.3
Adjusted net income		**286.8**	252.8	283.6
Weighted average number of ordinary shares in issue (thousands)	Note 7	**275,761**	290,059	290,059
Adjusted Earnings Per Share (cent) – continuing operations		**104.02**	77.84	88.46
Adjusted Earnings Per Share (cent)	G 17	**104.02**	87.15	97.77
Constant currency growth – continuing operations		**17.6%**		
Constant currency growth		**6.4%**		

G 7. Net debt

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

	Reference to the Financial Statements/Glossary	2022 €'m	2021 €'m
Cash and cash equivalents	Group balance sheet	**(438.6)**	(231.0)
Current borrowings	Group balance sheet	**258.2**	136.5
Non-current borrowings	Group balance sheet	**639.8**	697.2
Net debt	Note 9, G 14	**459.4**	602.7

G 8. Financing Key Performance Indicators

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 Financial Statements/Glossary	2022 €'m	2021 €'m
Net debt	G 7	**459.4**	602.7
EBITDA	G 5	**414.6**	333.6
IFRS 16 adjustment		**(19.1)**	(21.6)
Adjustments in accordance with lenders' facility agreements		**16.5**	40.8
Adjusted EBITDA		**412.0**	352.8
Net debt: adjusted EBITDA		**1.12**	1.71

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 Group income statement plus borrowing costs capitalised into assets and excludes finance income/costs on remeasurements 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).

	Reference to the Financial Statements/Glossary	2022 €'m	2021 €'m
Operating profit	Group income statement	**223.7**	158.3
Exceptional charge	Group income statement	**48.4**	48.4
Operating profit (pre-exceptional)	Group income statement	**272.1**	206.7
Dividends received from related parties	Group statement of cash flows	**14.5**	33.9
IFRS 16 adjustment – interest	Note 5	**(2.6)**	(2.5)
Adjusted EBIT		**284.0**	238.1
Adjusted net finance costs	Note 5	**16.7**	15.8
Adjusted EBIT: adjusted net finance cost		**17.0**	15.1

G 9. Volume and pricing increase/(decrease)

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

Pricing increase/(decrease) represents the impact of sales pricing (including trade spend) within revenue movement year-on-year, 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 Financial Statements/ Glossary	Volume increase/ (decrease)	Price increase	Acquisitions	Revenue increase
Nutritional Solutions	G 2.1	(3.5%)	16.1%	4.0%	16.6%
US Cheese	G 2.1	4.3%	23.4%	–	27.7%
Glanbia Nutritionals	G 2.1	1.9%	21.2%	1.2%	24.3%
Glanbia Performance Nutrition	G 2.1	(2.9%)	16.4%	0.4%	13.9%
2022 increase % – continuing operations revenue	G 2.1	**0.5%**	**19.7%**	**1.0%**	**21.2%**

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) year-on-year, excluding the incremental revenue contributions from current year and prior year acquisitions and the impact of a 53rd week (when applicable), on a constant currency basis.

GPN like-for-like branded revenue represents the sales increase/(decrease) year-on-year on branded sales, excluding the incremental revenue contributions from current year and prior year acquisitions and the impact of a 53rd week (when applicable), 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) year-on-year, excluding the incremental revenue contributions from current year and prior year acquisitions and the impact of a 53rd week (when applicable), on a constant currency basis.

G 11. Effective tax rate

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

	Reference to the Financial Statements/Glossary	2022 €'m	2021 €'m
Profit before tax – continuing operations	Group income statement	**225.3**	158.0
Exceptional charge	Group income statement	**41.5**	50.4
Profit before tax (pre-exceptional) – continuing operations	Group income statement	**266.8**	208.4
Less share of results of joint ventures (pre-exceptional)	Group income statement	**(15.4)**	(19.2)
		251.4	189.2
Income tax	Group income statement	**25.7**	17.0
Exceptional tax credit	Group income statement	**5.7**	7.6
Income tax (pre-exceptional)	Group income statement	**31.4**	24.6
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 Cash Flow ("OCF") divided by pre-exceptional EBITDA. Cash conversion is a measure of the Group's ability to convert adjusted trading profits into cash and is an important metric in the Group's working capital management programme.

G 14. Operating cash flow and free cash flow

Operating cash flow is defined as pre-exceptional 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 year 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 Financial Statements/Glossary	2022 €'m	2021 €'m
Earnings before interest, tax, depreciation and amortisation (pre- exceptional EBITDA)	G 5	**414.6**	333.6
Movement in working capital (pre-exceptional)	G 14.2	**(39.9)**	16.5
Business sustaining capital expenditure	G 14.4	**(19.4)**	(15.9)
Operating cash flow	G 14.1	**355.3**	334.2
Net interest and tax paid	G 14.3	**(81.4)**	(51.5)
Dividends received from related parties	Group statement of cash flows	**14.5**	33.9
Payments of lease liabilities	Group statement of cash flows	**(16.5)**	(19.1)
Other (outflows)/inflows	G 14.5	**(3.3)**	6.4
Free cash flow		**268.6**	303.9
Strategic capital expenditure	G 14.4	**(49.5)**	(61.6)
Dividends paid to Company shareholders	Group statement of cash flows	**(84.4)**	(80.5)
Purchase of own shares under share buyback		**(173.5)**	(91.3)
Loans/investment in joint ventures	G 14.6	**(18.2)**	(10.7)
Exceptional costs paid	G 14.7	**(21.3)**	(55.9)
Proceeds from sale of property, plant and equipment	Group statement of cash flows	**3.4**	1.5
Proceeds from disposal of Glanbia Ireland DAC	Group statement of cash flows	**307.0**	–
Payment for acquisition of subsidiaries	Group statement of cash flows	**(54.9)**	(95.0)
Net cash flow		**177.2**	(89.6)
Exchange translation		**(34.8)**	(23.6)
Cash acquired on acquisition		**0.9**	4.4
Net debt movement		**143.3**	(108.8)
Opening net debt		**(602.7)**	(493.9)
Closing net debt	Note 9, G 7	**(459.4)**	(602.7)

G 14.1 Reconciliation of operating cash flow to the Group statement of cash flows in the Financial Statements:

	Reference to the Financial Statements/Glossary	2022 €'m	2021 €'m
Cash generated from operating activities before exceptional items	Note 12	**393.0**	358.0
Less business sustaining capital expenditure	G 14.4	**(19.4)**	(15.9)
Non-cash items not adjusted in computing operating cash flow:			
Cost of share-based payments	Note 12	**(18.8)**	(15.9)
Difference between pension charge and cash contributions	Note 12	**0.5**	6.4
Reversal of impairment of property, plant and equipment	Note 12	**–**	1.4
Other items		**–**	0.2
Operating cash flow	G 14	**355.3**	334.2

G 14.2 Movement in working capital:

	Reference to the Financial Statements/Glossary	2022 €'m	2021 €'m
Movement in working capital (pre-exceptional)	G 14	**(39.9)**	16.5
Net write down of inventories (pre-exceptional)	Note 12	**(13.6)**	(6.1)
Non-cash movement in allowance for impairment of receivables	Note 12	**(0.4)**	–
Non-cash movement in provisions	Note 12	**(1.0)**	(8.7)
Non-cash movement on cross currency swaps	Note 12	**(2.6)**	0.8
Movement in working capital		**(57.5)**	2.5

G 14.3 Net interest and tax paid:

	Reference to the Financial Statements/Glossary	2022 €'m	2021 €'m
Interest received	Group statement of cash flows	**1.5**	2.1
Interest paid (including interest expense on lease liabilities)	Group statement of cash flows	**(23.2)**	(18.8)
Tax paid	Group statement of cash flows	**(59.7)**	(34.3)
Interest paid in relation to property, plant and equipment	Group statement of cash flows	**–**	(0.5)
Net interest and tax paid	G 14	**(81.4)**	(51.5)

G 14.4 Capital expenditure:

	Reference to the Financial Statements/Glossary	2022 €'m	2021 €'m
Business sustaining capital expenditure	G 14	**19.4**	15.9
Strategic capital expenditure	G 14	**49.5**	61.6
Total capital expenditure		**68.9**	77.5
Purchase of property, plant and equipment	Group statement of cash flows	**31.9**	49.0
Purchase of intangible assets	Group statement of cash flows	**37.0**	28.5
Total capital expenditure per the Group statement of cash flows		**68.9**	77.5

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 Financial Statements/Glossary	2022 €'m	2021 €'m
Cost of share-based payments	Note 12	**18.8**	15.9
Difference between pension charge and cash contributions	Note 12	**(0.5)**	(6.4)
Loss/(profit) on disposal of property, plant and equipment	Note 12	**0.4**	(0.1)
Proceeds from disposals/redemption of FVOCI financial assets	Group statement of cash flows	**0.4**	1.1
Payments for FVOCI financial assets	Group statement of cash flows	**–**	(0.1)
Proceeds from issue of shares	Group statement of cash flows	**–**	0.2
Purchase of own shares by Employee Share (Scheme) Trust		**(23.4)**	(2.7)
Proceeds of sale of shares held by subsidiary	Group statement of cash flows	**1.4**	–
Non cash movement on disposal of leases	Note 12	**(0.4)**	(0.1)
Reversal of impairment of property, plant and equipment	Note 12	**–**	(1.4)
Total other (outflows)/inflows	G 14	**(3.3)**	6.4

G 14.6 Loans/investments in joint ventures:

	Reference to the Financial Statements/Glossary	2022 Reported €'m	2021 Reported €'m
Loans advanced to joint ventures	Group statement of cashflows	**(47.0)**	(10.7)
Proceeds on repayments of loans advanced to Glanbia Ireland DAC	Group statement of cashflows	**28.8**	–
Total loans/investments in joint ventures	G 14	**(18.2)**	(10.7)

G 14.7 Exceptional cash paid:

	Reference to the Financial Statements/Glossary	2022 Reported €'m	2021 Reported €'m
Cash outflow related to exceptional items - operating activities	Group statement of cashflows	**(13.3)**	(55.9)
Cash outflow related to exceptional items - investing activities	Group statement of cashflows	**(8.0)**	–
Total exceptional cash paid	G 14	**(21.3)**	(55.9)

G 15. Return on capital employed ("ROCE")

ROCE is defined as the Group's earnings before interest, and amortisation (net of related tax) plus the Group's share of the results of joint ventures after interest and tax divided by capital employed. Capital employed comprises the sum of the Group's total assets plus cumulative intangible asset amortisation and impairment less current liabilities and deferred tax liabilities excluding all borrowings and lease liabilities, retirement benefit assets, cash and acquisition related contingent consideration and contract options. It is calculated by taking the average of the relevant opening and closing balance sheet amounts. ROCE has also been calculated on a continuing basis (excluding Glanbia Ireland) in line with the presentation of continuing and discontinued operations in the Group income statement.

In years where the Group makes significant acquisitions or disposals, the ROCE calculation is adjusted appropriately, to ensure the acquisition or disposal are equally time apportioned in the numerator and the denominator.

ROCE is one of the Group's Key Performance Indicators. ROCE is one of the performance conditions in Glanbia's Long-term Incentive Plan.

	Reference to the Financial Statements/Glossary	2022 €'m	2021 €'m
Operating profit	Group income statement	**223.7**	158.3
Exceptional charge	Group income statement	**48.4**	48.4
Operating profit (pre-exceptional)	Group income statement	**272.1**	206.7
Tax on operating profit		**(34.0)**	(26.9)
Amortisation and impairment of intangible assets net of related tax of €11.5m (2021: €10.0m) (pre-exceptional)		**63.5**	53.9
Share of results of joint ventures accounted for using the equity method	Group income statement	**15.4**	19.2
Return – continuing operations		**317.0**	252.9
Profit after tax from discontinued operations	Group income statement	**57.2**	26.4
Exceptional credit	Group income statement	**(57.2)**	(0.7)
Profit after tax from discontinued operations – pre-exceptional	Group income statement	**–**	25.7
Return		**317.0**	278.6
Total assets	Group balance sheet	**3,860.1**	3,627.6
Current liabilities	Group balance sheet	**(1,113.7)**	(887.4)
Deferred tax liabilities	Group balance sheet	**(129.7)**	(144.4)
Less: cash and cash equivalents	Group balance sheet	**(438.6)**	(231.0)
Less: current financial liabilities (borrowings)	Group balance sheet	**258.2**	136.5
Less: call option over non-controlling interests		**–**	(0.5)
Less: acquisition related liabilities		**25.3**	–
Less: short term lease liabilities	Group balance sheet	**17.8**	14.5
Less: retirement benefit assets	Group balance sheet	**(3.0)**	(2.9)
Plus: accumulated amortisation		**513.3**	392.5
Capital employed before adjustments		**2,989.7**	2,904.9
Adjustment for acquisitions	G 15.1	**49.4**	(12.0)
Adjustment for joint venture held for sale	G 15.2	**(234.0)**	(18.5)
Capital employed after adjustments		**2,805.1**	2,874.4
Average capital employed		**2,855.0**	2,751.7
Adjustment for discontinued operations	G 15.2	**–**	(215.0)
Average capital employed – continuing operations		**2,855.0**	2,536.7
Return on capital employed – continuing operations		**11.1%**	10.0%
Return on capital employed		**11.1%**	10.1%

G 15.1. Adjustment for acquisitions
This adjustment is required to ensure the capital employed of the acquisitions Sterling Technologies (2022), LevlUp and PacMoore (2021) are appropriately time apportioned in the denominator.

G 15.2. Adjustment for discontinued operations
This adjustment is required to ensure the capital employed of the joint venture held for sale (Glanbia Ireland) is appropriately time apportioned in the denominator.

The adjustment for discontinued operations removes the average capital employed of Glanbia Ireland to calculate the return on capital employed for continuing operations.

G 16. Total shareholder return ("TSR")
TSR represents the change in the capital value of a listed quoted company over a period, plus dividends reinvested, expressed as a plus or minus percentage of the opening value.

TSR is one of the Group's Key Performance Indicators. TSR is one of the performance conditions in Glanbia's Long- term Incentive Plan.

G 17. Dividend payout ratio
Dividend payout ratio is defined as the annual 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 Financial Statements/Glossary	**2022 € cent**	2021 € cent
Adjusted Earnings Per Share	G 6.2	**104.02**	87.15
Dividend recommended/paid per ordinary share	Note 8	**32.21**	29.28
Dividend payout %		**31.0%**	33.6%

G 18. 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 19. 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. 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 4 for an analysis of exceptional items recognised in 2022.