Glanbia plc
2024 Half Year Results

Half year results for the six month period ended 29 June 2024

14 August 2024

Delivering better nutrition.

Glanbia Half Year 2024 results

Strong performance with adjusted EPS[1] growth of 12.4%; full year guidance reiterated

14 August 2024 – Glanbia plc ("Glanbia", the "Group", the "Company", the "plc"), the 'Better Nutrition company', announces its half year results for the six month period ended 29 June 2024 ("Half Year 2024" or "HY 2024").

Highlights[2]:

- Group Financial Performance:
  - Adjusted EPS[1] of 68.20 $cent (HY 2023: 60.78 $cent) representing growth of 12.4% on a constant currency basis (up 12.2% reported);
  - Group revenues[2] of $1.82 billion (HY 2023: $1.84 billion) representing a decrease of 1.1% on a constant currency basis with volume +1.8%, pricing -4.0% and +1.1% increase from acquisitions;
  - Group EBITDA pre-exceptional of $261.6 million (HY 2023: $232.2 million), an increase of 12.8% constant currency (up 12.7% reported);
  - Group EBITDA pre-exceptional margin[2] of 14.4% (HY 2023: 12.6%), an increase of 180bps;
  - Basic EPS of 54.71 $cent (HY 2023: 71.90 $cent);
- Glanbia Performance Nutrition ("GPN"):
  - Volume growth of +3.1% with pricing -3.9% resulting in a 0.8% revenue decrease on a like-for-like ("LFL") basis;
  - Optimum Nutrition delivered LFL revenue growth of +7.7% driven by volume growth of 11.8%;
  - EBITDA margin of 17.7% (HY 2023: 13.5%), an increase of 420bps;
- Glanbia Nutritionals - Nutritional Solutions ("GN NS"):
  - Volume growth of +3.1%, driven by good volume growth in the premix solutions business, with pricing -3.9% resulting in a 0.8% revenue decrease on a LFL basis;
  - EBITDA margin[2] of 17.7% (HY 2023: 18.3%), a decrease of 60bps;
- Capital allocation:
  - Interim dividend increased by 10% to 15.64 €cent per share;
  - Returned €50 million to shareholders in the period as part of a €100 million share buyback authority. Today, the Group is launching a buyback programme for the remaining €50 million under this authority;
  - Strong balance sheet with net debt to adjusted EBITDA ratio of 1.22 times (HY 2023: 0.99 times);
- 2024 Outlook:
  - Reiterating full year guidance of 5% to 8% growth in adjusted EPS[1].

Commenting today Hugh McGuire, Chief Executive Officer, said:

"I am pleased to report that Glanbia delivered a strong performance in the first half of the year with adjusted EPS growth of 12.4%. This was driven by volume growth of 3.1% across both our Better Nutrition growth platforms. Optimum Nutrition, our flagship global brand, continues to strengthen its leadership position and delivered double-digit volume growth in the period, supported by increased marketing investment.

Our earnings growth was driven by a strong performance in GPN, with volume growth, earnings and margin reflecting strong consumer demand. NS's first half performance was on track, led by good customer demand for premix and protein solutions. Our strong operational and financial performance continues to support our capital allocation framework, with the interim dividend increased by 10% and €50 million returned to shareholders via share buybacks. Today we are launching a further €50 million share buyback programme.

Looking ahead, we continue to focus on driving growth across our portfolio of great brands and ingredients. The category trends remain positive, and with the continued consumer and customer demand for our Better Nutrition brands and ingredients we will see a sequential improvement in volumes across GPN and NS in the second half of the year. Today we are reiterating our full year guidance of 5% to 8% growth in adjusted EPS".

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[1] Adjusted Earnings Per Share ("EPS") on a constant currency basis.

[2] Current period reported revenues and EBITDA margin are not comparable with those of the prior period reported numbers as a result of the amendment of commercial arrangements between Glanbia Nutritionals and its US joint venture effective 1 January 2024, hence for the prior period, pro-forma numbers are used for comparative purposes which includes constant currency throughout. Refer to page 7 for details and refer to Appendix 1 for the reconciliation between reported and pro-forma numbers.

US Joint Venture reporting and Group EBITDA

As announced on 16 August 2023, the Group has amended the commercial arrangements associated with its US joint venture effective 1 January 2024. Under the new commercial terms, in accordance with IFRS 15 Glanbia recognises commissions earned on the sale of joint venture products, whereas previously Glanbia recorded the gross value of revenues and corresponding cost of sales on joint venture products sold. The change in commercial terms impacts the recognition and presentation of revenues and cost of sales from 2024 onwards only.

The Group has also adopted EBITDA (earnings before interest, tax, depreciation and amortisation) as a key performance measure from 2024. This aligns with industry standards.

For comparability purposes, commentary on revenue and EBITDA margins for the Glanbia Nutritionals segment and the Group total presented in this announcement is on a pro-forma basis as if the terms of these amended commercial arrangements were effective from the beginning of 2023. Refer to Appendix 1 for the reconciliation between 2023 reported and pro-forma numbers.

Summary financials[1]

2024 half year results				
$m	**HY 2024**	**HY 2023**	**Change**	**Constant currency change[2]**
Income Statement				
Revenue	1,815.6	1,836.8	(1.2%)	(1.1%)
EBITDA	261.6	232.2	12.7%	12.8%
EBITDA margin	14.4%	12.6%	+180bps	+180bps
Joint Ventures				
Share of profit after tax (pre-exceptional)	3.7	6.5		
Profit after tax	143.3	193.4		
Adjusted EPS	68.20c	60.78c	12.2%	12.4%
Basic EPS	54.71c	71.90c	(23.9%)	(24.3%)

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 40.
2. To arrive at the constant currency change, the average exchange rate for the current period is applied to the relevant result from the same period in the prior year. The average US dollar euro exchange rate for HY 2024 was $1 = €0.9247 (HY 2023: $1 = €0.9253). All movements in the above table are on a pre-exceptional basis.

HY 2024 results summary (pre-exceptional)

Revenue progression	**HY 2024 versus HY 2023**				
	Constant Currency Movement				
	Volume	**Price**	**LFL**	**Acquisitions / (disposals)**	**Total constant currency**
Glanbia Performance Nutrition	3.1%	(3.9%)	(0.8%)	-	(0.8%)
Glanbia Nutritionals	0.6%	(4.1%)	(3.5%)	2.1%	(1.4%)
Nutritional Solutions	3.1%	(3.9%)	(0.8%)	4.3%	3.5%
US Cheese	(1.7%)	(4.1%)	(5.8%)	-	(5.8%)
Group Total	**1.8%**	**(4.0%)**	**(2.2%)**	**1.1%**	**(1.1%)**

Revenue, EBITDA and Margin

	HY 2024			**HY 2023**		
$m	**Revenue**	**EBITDA**	**Margin %**	**Revenue**	**EBITDA**	**Margin %**
Glanbia Performance Nutrition	**882.1**	**156.4**	**17.7%**	**888.9**	**120.2**	**13.5%**
Glanbia Nutritionals	**933.5**	**105.2**	**11.3%**	**947.9**	**112.0**	**11.8%**
Nutritional Solutions	*469.4*	*82.9*	*17.7%*	*455.1*	*83.3*	*18.3%*
US Cheese	*464.1*	*22.3*	*4.8%*	*492.8*	*28.7*	*5.8%*
Group Total	**1,815.6**	**261.6**	**14.4%**	**1,836.8**	**232.2**	**12.6%**

2024 half year overview

Glanbia delivered a strong financial and operating performance in HY 2024. Group revenue was $1,815.6 million (HY 2023: $1,836.8 million), down 1.1% constant currency. Group EBITDA (before exceptional items) was $261.6 million (HY 2023: $232.2 million) up 12.8% constant currency (up 12.7% reported). Group profit after tax was $143.3 million (HY 2023: $193.4 million) down $51.1 million constant currency (down $50.1 million reported).

Adjusted EPS was 68.20 $cent (HY 2023: 60.78 $cent) up 12.4% constant currency (up 12.2% reported).

Balance sheet and financing

Glanbia's net debt at 29 June 2024 was $645.4 million (HY 2023: $450.8 million) which represents an increase of $194.6 million driven largely by the acquisition of Flavor Producers which closed in the second quarter of 2024. Net debt to adjusted EBITDA was 1.22 times (HY 2023: 0.99 times). At the end of the period the Group had committed debt facilities of $1.3 billion (HY 2023: $1.3 billion). Glanbia's ability to generate cash and its available debt facilities ensure the Group has considerable capacity to finance future investments.

Capital investment

Glanbia's total investment in capital expenditure (strategic and maintenance) was $44.9 million in the first half of 2024 (HY 2023: $36.8 million). Strategic investment totalled $30.3 million and included ongoing capacity enhancement, business integrations, and IT investments to drive further efficiencies in operations. Total capital expenditure for the year is expected to be between $80 million and $90 million.

Dividend per share

The Board is recommending an interim dividend of 15.64 €cent per share (HY 2023: 14.22 €cent per share) representing a 10% increase on the prior year interim dividend. Glanbia's overall dividend policy remains unchanged at a target annual dividend payout ratio of between 25% and 35% of adjusted EPS. The interim dividend will be paid on 4 October 2024 to shareholders on the register of members as at 23 August 2024. Irish withholding tax will be deducted at the standard rate where appropriate. The Company's primary dividend payment currency remains Euro.

Share buyback

On 28 February 2024, the Group announced a €100 million share buyback programme and immediately commenced €50 million of the announced buyback. This initial €50 million programme was completed on 26 June 2024. Between 28 February 2024 and 26 June 2024, Glanbia deployed €50 million, repurchasing 2,785,366 ordinary shares on Euronext Dublin at an average price of €17.95. Glanbia is announcing the commencement of the remaining €50 million share buyback today and this is subject to a separate announcement published today.

Board update

In line with the Company's relationship agreement with Tirlán Co-operative Society Limited, Gerard O'Brien and Thomas Phelan were appointed to the Board of Glanbia with effect from 1 June 2024, in place of Patrick Murphy and Brendan Hayes, who retired on 1 May 2024 and 31 May 2024, respectively. Additionally, on 1 May 2024, Paul Duffy and Kimberly Underhill were appointed as members to the Nomination and Governance Committee.

2024 Outlook

Today, the Group is reiterating its guidance for adjusted EPS growth of 5% to 8% in FY 2024 on a constant currency basis. This is expected to be driven by:

- GPN revenue growth of 2.0% to 5.0%;
- GPN EBITDA margins of 16.0% to 16.5%;
- GN NS volume growth of 3.0% to 5.0%; and
- GN NS EBITDA margins of 18.0% to 19.0%.

Glanbia also expects to deliver an operating cash flow conversion rate of 80%+ in FY 2024.

Half year 2024 operations review

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

Glanbia Performance Nutrition

$m	HY 2024	HY 2023	Reported change	Constant currency change
Revenue	882.1	888.9	(0.8%)	(0.8%)
EBITDA	156.4	120.2	30.1%	30.3%
EBITDA margin	17.7%	13.5%		

- LFL revenue decline of 0.8% with volume +3.1% and pricing -3.9%.
- Optimum Nutrition, the number 1 brand in the sports nutrition sector, delivered LFL revenue growth of 7.7% with volume growth of 11.8%.
- EBITDA margin of 17.7%, an increase of 420bps versus HY 2023.

GPN revenue decreased by 0.8% in HY 2024 versus prior year. This was driven by a 3.1% increase in volume, offset by a price decrease of 3.9%. The volume growth was largely driven by a strong performance from the Optimum Nutrition brand and a good performance in the healthy lifestyle brand portfolio which was primarily offset by volume declines in the SlimFast brand. Pricing was negative largely as a result of planned promotional activity, some tactical price reductions in the period and a strong comparative.

Optimum Nutrition, which represents 65% of GPN revenue, delivered revenue growth of 7.7% driven by volume growth of 11.8% offset by planned promotions which decreased price by 4.1%. The brand continues to have strong growth momentum as it drives distribution and velocities. This was supported by increased marketing investment versus prior year.

GPN EBITDA increased by 30.3% versus prior year to $156.4 million and EBITDA margin increased by 420 basis points to 17.7%. This was largely driven by lower input costs and continued focus on revenue growth management initiatives.

Americas

GPN Americas revenue declined by 3.0% in HY 2024, with volume growth in performance nutrition and healthy lifestyle brands offset by declines in the weight management category. Optimum Nutrition continues to strengthen its strong consumer position and delivered US measured consumption growth of 0.2%[1], building on a strong comparative period. Trends in the healthy lifestyle portfolio remained robust, with US measured consumption growth of 3.0%[1] across the think!, Isopure and Amazing Grass brands against a strong comparative period. The SlimFast brand, which now represents 7% of the GPN global portfolio, continued to be impacted by headwinds in the weight management category.

International

GPN International, which represents 36% of GPN revenue, grew by 3.3% in HY 2024. This was driven by good volume growth in the Optimum Nutrition brand across key priority markets, which was supported by increased marketing investment.

Glanbia Nutritionals

	HY 2024			HY 2023		
$m – pre-exceptional	**Revenue**	**EBITDA**	**Margin %**	**Revenue**	**EBITDA**	**Margin %**
Nutritional Solutions	469.4	82.9	17.7%	455.1	83.3	18.3%
US Cheese	464.1	22.3	4.8%	492.8	28.7	5.8%
Total Glanbia Nutritionals	**933.5**	**105.2**	**11.3%**	**947.9**	**112.0**	**11.8%**

Nutritional Solutions

$m – pre-exceptional	HY 2024	HY 2023	Change	Constant currency change
Revenue	469.4	455.1	3.1%	3.5%
EBITDA	82.9	83.3	(0.5%)	(0.5%)
EBITDA margin	17.7%	18.3%		

[1] Consumption growth is US measured channels and includes Online, FDMC (Food, Drug, Mass, Club) and Specialty channels. Data compiled from published external sources and Glanbia estimates for the 13 week period to 14 July 2024.

Nutritional Solutions (continued)

- LFL revenue decline of 0.8% on a pro-forma basis with volumes +3.1% and pricing -3.9%.
- EBITDA margin of 17.7%, a decrease of 60 basis points versus HY 2023 on a pro-forma basis.
- Flavor Producers acquisition completed in April 2024. Integration on track.

GN NS revenue increased by 3.5% in HY 2024. This was driven by a 3.1% increase in volume, a 3.9% decline in price and a 4.3% increase driven by the impact of acquisitions. The volume growth was driven largely by a strong performance in the premix solutions business. The price decline was as a result of lower dairy market pricing and reduced input costs.

The Flavor Producers acquisition, which was completed in April 2024, significantly expands GN NS's flavours offering in the attractive and growing natural and organic flavours market and is performing well.

GN NS EBITDA was $82.9 million, a 0.5% decline versus prior year. EBITDA margins decreased by 60 basis points versus prior year to 17.7% as a result of the impact of lower dairy pricing and business mix in the period.

US Cheese

$m – pre-exceptional	HY 2024	HY 2023	Change	Constant currency change
Revenue	464.1	492.8	(5.8%)	(5.8%)
EBITDA	22.3	28.7	(22.3%)	(22.3%)
EBITDA margin	4.8%	5.8%		

US Cheese revenue declined by 5.8% in HY 2024. This was driven by a 1.7% decrease in volume and a 4.1% decline in pricing, which was aligned to lower year-on-year market pricing.

US Cheese EBITDA decreased by 22.3% to $22.3 million as a result of lower market pricing and lapping procurement benefits in prior year.

Joint Ventures (Glanbia share)

$m – pre-exceptional	HY 2024	HY 2023	Change
Share of joint ventures' profit after tax	3.7	6.5	(2.8)

The Group's share of joint ventures' profit after tax pre-exceptional items decreased by $2.8 million to $3.7 million driven by higher input costs.

Appendix 1

The table below re-presents the reported and pro-forma revenue for FY 2023 and HY 2023 to reflect the change in the Group's commercial arrangements between Glanbia Nutritionals and its US joint venture as if the terms were effective from the beginning of 2023. The impact is to decrease revenue; there is no change to EBITDA. The table also provides EBITA by segment, in line with previous reporting and EBITDA by segment, in line with current reporting. The HY 2024 reported numbers are also provided below.

Pro-forma Revenue, EBITA, EBITDA and Margin*

$m	HY 2024	HY 2023			FY 2023		
	Reported	Reported	Pro-forma Adjustment	Pro-forma	Reported	Pro-forma Adjustment	Pro-forma
Revenue							
Nutritional Solutions	469.4	525.5	(70.4)	455.1	1,008.5	(123.1)	885.4
US Cheese	464.1	1,357.0	(864.2)	492.8	2,621.3	(1,672.5)	948.8
Glanbia Nutritionals	**933.5**	**1,882.5**	**(934.6)**	**947.9**	**3,629.8**	**(1,795.6)**	**1,834.2**
Glanbia Performance Nutrition	**882.1**	**888.9**	**-**	**888.9**	**1,795.6**	**-**	**1,795.6**
Group Revenue	**1,815.6**	**2,771.4**	**(934.6)**	**1,836.8**	**5,425.4**	**(1,795.6)**	**3,629.8**
EBITA							
Nutritional Solutions	66.1	67.8	-	67.8	126.2	-	126.2
US Cheese	16.6	23.0	-	23.0	42.4	-	42.4
Glanbia Nutritionals	**82.7**	**90.8**	**-**	**90.8**	**168.6**	**-**	**168.6**
Glanbia Performance Nutrition	**143.8**	**107.8**	**-**	**107.8**	**255.4**	**-**	**255.4**
Group EBITA	**226.5**	**198.6**	**-**	**198.6**	**424.0**	**-**	**424.0**
EBITA Margin							
Nutritional Solutions	14.1%	12.9%	+200 bps	14.9%	12.5%	+180 bps	14.3%
US Cheese	3.6%	1.7%	+300 bps	4.7%	1.6%	+290 bps	4.5%
Glanbia Nutritionals	**8.9%**	**4.8%**	**+480 bps**	**9.6%**	**4.6%**	**+460 bps**	**9.2%**
Glanbia Performance Nutrition	**16.3%**	**12.1%**	**-**	**12.1%**	**14.2%**	**-**	**14.2%**
Group EBITA Margin	**12.5%**	**7.2%**	**+360 bps**	**10.8%**	**7.8%**	**+390 bps**	**11.7%**
Depreciation							
Nutritional Solutions	16.8	15.5	-	15.5	31.1	-	31.1
US Cheese	5.7	5.7	-	5.7	11.4	-	11.4
Glanbia Nutritionals	**22.5**	**21.2**	**-**	**21.2**	**42.5**	**-**	**42.5**
Glanbia Performance Nutrition	**12.6**	**12.4**	**-**	**12.4**	**26.9**	**-**	**26.9**
Group Depreciation	**35.1**	**33.6**	**-**	**33.6**	**69.4**	**-**	**69.4**
EBITDA							
Nutritional Solutions	82.9	83.3	-	83.3	157.3	-	157.3
US Cheese	22.3	28.7	-	28.7	53.8	-	53.8
Glanbia Nutritionals	**105.2**	**112.0**	**-**	**112.0**	**211.1**	**-**	**211.1**
Glanbia Performance Nutrition	**156.4**	**120.2**	**-**	**120.2**	**282.3**	**-**	**282.3**
Group EBITDA	**261.6**	**232.2**	**-**	**232.2**	**493.4**	**-**	**493.4**
EBITDA Margin							
Nutritional Solutions	17.7%	15.9%	+240 bps	18.3%	15.6%	+220 bps	17.8%
US Cheese	4.8%	2.1%	+370 bps	5.8%	2.1%	+360 bps	5.7%
Glanbia Nutritionals	**11.3%**	**5.9%**	**+590 bps**	**11.8%**	**5.8%**	**+570 bps**	**11.5%**
Glanbia Performance Nutrition	**17.7%**	**13.5%**	**-**	**13.5%**	**15.7%**	**-**	**15.7%**
Group EBITDA Margin	**14.4%**	**8.4%**	**+420 bps**	**12.6%**	**9.1%**	**+450 bps**	**13.6%**

*EBITA and EBITDA references are on a pre-exceptional basis

Half Year 2024 Finance Review

Half year 2024 results summary pre-exceptional $m	HY 2024	HY 2023	Change	Constant Currency Change
Revenue*	**1,815.6**	**1,836.8**	**(1.2%)**	**(1.1%)**
EBITDA	261.6	232.2	12.7%	12.8%
EBITDA margin*	14.4%	12.6%	+180bps	+180bps
- Amortisation of intangible assets	(38.9)	(40.0)		
- Depreciation of PPE & ROU Assets	(35.1)	(33.6)		
- Net finance costs	(10.4)	(7.0)		
- Share of results of Joint Ventures	3.7	6.5		
- Income taxes	(28.4)	(21.2)		
Profit for the period	**152.5**	**136.9**		
Basic earnings per share	**54.71c**	**71.90c**	**(23.9%)**	**(24.3%)**
Adjusted earnings per share	**68.20c**	**60.78c**	**12.2%**	**12.4%**

Revenue

Revenue* decreased by 1.1% versus prior half year on a constant currency basis to $1.82 billion. GPN revenues declined by 0.8% constant currency on prior period driven by negative pricing of 3.9%, net of volume increase of 3.1%. GN revenues* declined 1.4% constant currency on prior period driven by volume increases of 0.6%, price decreases of 4.1% and M&A related increases of 2.1%.

EBITDA

EBITDA before exceptional items increased by 12.8% constant currency (12.7% reported) to $261.6 million (HY 2023: $232.2 million), with EBITDA margin* growth of 180 basis points to 14.4% (HY 2023: 12.6% pro-forma).

GPN pre-exceptional EBITDA increased by 30.3% constant currency (30.1% reported) to $156.4 million (HY 2023: $120.2 million). GPN pre-exceptional EBITDA margin increased by 420 basis points to 17.7% (HY 2023: 13.5%).

GN pre-exceptional EBITDA decreased by 6.1% constant currency (6.1% pro-forma) to $105.2 million (HY 2023: $112.0 million). GN pre-exceptional EBITDA margin* decreased by 50 basis points to 11.3% (HY 2023: 11.8% pro-forma).

Net finance costs

Net finance costs increased by $3.4 million to $10.4 million (HY 2023: $7.0 million). The increase was driven primarily by an increase in interest rates on certain fixed-rate funding which was re-financed in late 2023. The Group's average interest rate on a rolling 12 month basis to 29 June 2024 was 3.4% (HY 2023: 2.1%). Glanbia operates a policy of fixing a significant amount of its interest exposure, with 90% of projected 2024 debt currently contracted at fixed rates.

Share of results of Joint Ventures

The Group's pre-exceptional share of joint venture profits decreased by $2.8 million to $3.7 million (HY 2023: $6.5 million). The decrease was driven by higher input costs. The share of results of joint ventures is stated after tax.

Income taxes

The half year 2024 pre-exceptional tax charge increased by $7.2 million to $28.4 million (HY 2023: $21.2 million). This represents an effective tax rate, excluding joint ventures, of 16.0% (HY 2023: 14.0%) and is in line with expectation. The Group currently expects that its effective tax rate for FY 2024 will be in the range of 15% to 17%.

* Current period reported revenues and EBITDA margin are not comparable with those of the prior period reported numbers as a result of the amendment of commercial arrangements between Glanbia Nutritionals and its US joint venture effective 1 January 2024, hence for the prior period, pro-forma numbers are used for comparative purposes. Refer to Appendix 1 for the reconciliation between reported and pro-forma numbers.

Exceptional items

Exceptional items incurred in the first half of 2024 resulted in a net post-tax exceptional charge of $9.2m (HY 2023: gain $56.5m). Details of the exceptional items incurred in the period are as follows:

$m	HY 2024	HY 2023
Portfolio related reorganisation costs (note 1)	**(6.0)**	(0.7)
Acquisition and integration costs (note 2)	**(5.0)**	-
Pension related costs (note 3)	**(0.2)**	(1.2)
Net exceptional gain on disposal/exit of operations (note 4)	**-**	57.8
Total	**(11.2)**	55.9
Exceptional tax credit	**2.0**	0.6
Total exceptional (charge)/gain for the period	**(9.2)**	56.5

1. **Portfolio related reorganisation costs** relates to expenditure resulting from recent portfolio changes. Following divestment decisions related to non-core businesses, the Group launched a programme in 2023 to realign Group-wide support functions and optimise structures of the remaining portfolio, to more efficiently support business operations and growth. This multi-year strategic programme continues into 2024, with realisation of benefits from 2025 onwards. Costs incurred to date relate to advisory fees and people related costs.
2. **Acquisition and integration costs** relate to the transaction costs associated with the Flavor Producers acquisition.
3. **Pension related costs** relate to the restructure of legacy defined benefit pension schemes associated with the Group, which include costs related to the ultimate wind up of these schemes, including professional fees, and a further simplification of the schemes that remain with final wind up of schemes targeted by the end of 2025.
4. Prior year **net exceptional gain on disposal/exit of operations** primarily relates to the net gains on disposal of Leprino Foods (formerly known as Glanbia Cheese) and a small US based bottling facility (Aseptic Solutions) which was designated as held for sale at 31 December 2022. Both transactions concluded during 2023 and the net gain represents the difference between proceeds received, net of costs associated with the divestment and exit of these non-core businesses and the carrying value of the investments.

Profit after tax

Profit after tax for the half year was $143.3 million compared to $193.4 million in HY 2023, comprising pre-exceptional profit of $152.5 million (HY 2023: $136.9 million) and exceptional charge of $9.2 million (HY 2023: gain of $56.5 million).

Earnings per share (EPS)

The decrease in basic EPS is largely due to the reduction in exceptional profits from the prior year, as outlined above.

Adjusted EPS is a key performance indicator (“KPI”) of the Group and a key metric guided to the market and a key element of Executive Director and senior management remuneration. Adjusted EPS increased by 12.4% constant currency (+12.2% reported). Full year 2024 adjusted EPS is expected to be in the range of 5% to 8% growth on a constant currency basis versus prior year.

Cash flow

The principal cash flow KPIs of the Group and business segments are Operating Cash Flow ("OCF") and Free Cash Flow ("FCF"). Refer to G 6.1 and G 6.2 of the glossary included in the interim financial statements for the definition of these measures. These metrics are used to monitor the cash conversion performance of the Group and Business Units and identify available cash for strategic investment. OCF conversion, which is OCF as a percentage of EBITDA, is a key element of the Executive Directors and senior management remuneration. OCF and FCF half year results for the Group are outlined below.

$m	HY 2024	HY 2023
EBITDA (pre-exceptional)	**261.6**	232.2
Movement in working capital (pre-exceptional)	**(148.2)**	(181.4)
Business-sustaining capital expenditure	**(14.6)**	(9.5)
Operating cash flow	**98.8**	41.3
Net interest and tax paid	**(26.0)**	(37.0)
Dividends from related parties	**-**	19.5
Payment of lease liabilities	**(10.7)**	(10.8)
Other outflows	**(8.5)**	(5.0)
Free cash flow	**53.6**	8.0
Strategic capital expenditure	**(30.3)**	(27.3)
Dividend paid to Company shareholders	**(59.6)**	(57.3)
Share buyback (purchase of own shares)	**(54.0)**	(69.3)
Proceeds from disposal of property, plant and equipment	**1.9**	-
Repayment of loans from joint ventures	**-**	67.8
Exceptional costs paid	**(9.1)**	(8.5)
Acquisitions/disposals	**(298.8)**	130.8
Net cash flow	**(396.3)**	44.2
Exchange translation	**(2.1)**	(5.0)
Cash acquired on acquisition	**1.7**	-
Net debt movement	**(396.7)**	39.2
Net debt at the beginning of the period	**(248.7)**	(490.0)
Net debt at the end of the period	**(645.4)**	(450.8)

OCF was an inflow of $98.8 million (HY 2023: $41.3 million) and represents a cash conversion on EBITDA of 37.8% (HY 2023: 17.8%) in the period. The increase in OCF versus prior period was due primarily to increased EBITDA and improved working capital performance. Full year OCF cash conversion is expected to be in line with the 80%+ target.

FCF was an inflow of $53.6 million (HY 2023: $8.0 million), with the movement since prior period primarily as a result of movements in OCF outlined above, as well as a decrease in dividend income from Joint Ventures.

Capital allocated for the benefit of shareholders includes regular dividend payments of $59.6 million (HY 2023: $57.3 million) and the execution of share buyback programmes of $54.0 million (HY 2023: $69.3 million), the most recent buyback programme launched in February 2024, with the first tranche concluding in June 2024.

Acquisition spend relates to the acquisition in April 2024 of Flavor Producers, LLC, a leading flavour platform in the US, for up-front consideration of $298.8 million. Divestment proceeds in the prior year primarily related to the disposal of the Group's interest in the UK and Ireland Glanbia Cheese joint ventures.

Capital expenditure

The cash outflow relating to capital expenditure for half year 2024 amounted to $44.9 million (HY 2023: $36.8 million) which includes $14.6 million of business-sustaining capital expenditure and $30.3 million of strategic capital expenditure.

Group financing

Financing key performance indicators	HY 2024	HY 2023
Net debt: adjusted EBITDA	**1.22 times**	0.99 times
Adjusted EBIT: adjusted net finance cost	**28.0 times**	23.1 times

The Group's financial position remains strong. Net debt at the 2024 half year was $645.4 million. This represents an increase of $194.6 million from the prior half year net debt of $450.8 million. At half year 2024, Glanbia had committed debt facilities of $1.3 billion (HY 2023: $1.3 billion) with a weighted average maturity of 4.3 years (HY 2023: 5.2 years). Glanbia's ability to generate cash as outlined above and available debt facilities ensures the Group has considerable capacity to finance future investments. Net debt to adjusted EBITDA was 1.22 times (HY 2023: 0.99 times) and interest cover was 28.0 times (HY 2023: 23.1 times), with both metrics remaining well within financing covenants.

Pension

The Group's net pension position under IAS 19 (revised) 'Employee Benefits', before deferred tax, improved by $3.4 million since 30 December 2023, resulting in a net pension asset of $10.6 million as at 29 June 2024. The defined benefit pension position is calculated by discounting the estimated future cash outflows using appropriate corporate bond rates. Restructuring of legacy defined pension schemes which began in 2021 is ongoing. Favourable market conditions resulted in actuarial gains in the period, which reduced the net pension liability resulting in an increase in the net asset position at period end.

Dividends

Glanbia's overall dividend policy remains unchanged at a target annual dividend payout ratio of between 25% and 35% of adjusted EPS. In line with this policy, the Board is recommending an interim dividend of 15.64 €cent per share (HY 2023: 14.22 €cent per share). The dividend will be paid on 4 October 2024 to shareholders on the register of members as at 23 August 2024. Irish withholding tax will be deducted at the standard rate where appropriate.

Share buyback

In February 2024, the Group commenced an initial €50 million share buyback programme under a €100 million share buyback authority. A total of $54.0 million (HY 2023: $69.3 million) was deployed under this programme in the period. The first tranche concluded in June 2024 and a second €50 million share buyback will commence on 14th August.

Foreign exchange

While the Group reports its results in US dollar, it generates a proportion of its earnings in currencies other than US dollar, in particular euro. Constant currency reporting is used by the Group to eliminate the translational effect of foreign exchange on the Group's results. To arrive at the constant currency period-on-period change, the results for the prior period are retranslated using the average exchange rates for the current period and compared to the current period reported numbers. The principal average exchange rates used to translate results for 2024 and 2023 are outlined below:

	HY 2024	FY 2023	HY 2023
1 US Dollar converted to euro	**0.9247**	0.9247	0.9253

Financial strategy

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

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

Principal risks and uncertainties

The Board of Glanbia plc has the ultimate responsibility for the Group's systems of risk management and internal control. The Group's risk management framework outlines the key stakeholder risk management responsibilities. It is strategically designed to foster risk awareness and ensure active participation across all levels of the business to the management of risk. A primary objective is to enable the Group to remain responsive to the dynamic environment in which it operates. This framework, together with the processes to identify, manage and mitigate potential material key risks to the achievement of the Group's strategic objectives are set out in detail on pages 72 - 85 of Glanbia plc's 2023 Annual Report.

The Group's principal risks and uncertainties, which are summarised in the risk profile table below, continue to remain relevant and unchanged from the risks reported for the year ended 30 December 2023. No new principal risks were identified during the year. Geopolitical risk, Economic and Industry risk, Market Disruption risk, Climate Change risk, and Cyber Security and Data Protection risk continue to trend upwards due to the ongoing geopolitical instability, continuing macroeconomic uncertainties, dynamic ESG regulatory landscape and rapid technological evolution, particularly in AI, and continuing global cybersecurity control threats.

There may be other risks and uncertainties that are not yet considered material or not yet known to the Group and this list will change if these risks assume greater importance in the future. 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	Technological	Operational/Regulatory	Financial
Risk where trend is stable	• Customer Concentration	• Digital Transformation	• Health and Safety • Product Safety and Compliance • Acquisition/Integration • Supply Chain • Talent Management	• Taxation Changes
Risk where trend is increasing	• Geopolitical • Economic and Industry • Climate Change	• Cyber Security and Data Protection		

The Board is closely monitoring the key risks that could materially and adversely affect the Group's ability to achieve its strategic objectives, particularly those whose probability of occurrence/extent of impact are elevated by the consequences of the continued geopolitical uncertainties and instability from ongoing wars/conflicts and major global elections. Similar, to our previous disclosures, these risks have wide-ranging consequences on our principal risks and uncertainties with the consequences being captured across a number of our principal risks, as well as within the stand-alone Geopolitical risk. The key risk factors and uncertainties with the potential to impact on the Group's financial performance in the second half of 2024 include:

- **Geopolitical risk -** the ongoing geopolitical situation remains fragile. The market consequences of the ongoing war in Ukraine, conflicts in the Middle East and tensions between China and neighbouring countries continue to create volatility. The Board is closely monitoring tensions in key trading regions where any potential conflict, economic sanctions or trade rulings would impact Glanbia's growth objectives. The upcoming US presidential election also has the potential to create short-term uncertainty.

- **Economic and Industry risk –** the macroeconomic environment continues to be uncertain. Capital markets volatility, combined with higher interest rates and growing unemployment could fuel pressure on consumer spending and push the US economy into recession. The Group will continue to monitor these and any other adverse changes in economic conditions which may increase the cost of living and disrupt demand through reduced consumer spending.

- **Market disruption risk –** while inflation has reduced in the majority of our core markets it remains sticky and vulnerable to potential negative impacts from geopolitical tensions and the upcoming US presidential election. Given the potential for a combination of external factors to influence this position, continued action is being taken by the Group to mitigate remaining inflationary pressures and competitor challenges.

- **Supply chain risk –** while supply chain volatility has continued to reduce in the period, the ongoing geopolitical tensions could potentially impact the importation of key raw materials and/or negatively impact 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, extreme weather events and natural disasters, heightened inflation or a geo-political event in a key trading region would have negative consequences from both a supply and pricing perspective.

- **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.

- **Health and safety risk –** a failure to maintain good health and safety practices or the risk of a global pandemic, 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 pandemic and remain in place which build on the existing strong controls across the Group.

We have identified and assessed our climate-related risks and opportunities (CROs) and continue to monitor and embed the identified impacts within our governance, operations and strategic model and risk management system. The CROs as outlined in the 2023 Annual Report on pages 64 to 71 continue to apply to the Group and are expected to remain the same for the remainder of 2024. We are focused on managing our impacts within our own operations, in particular relating to our Scope 1 and Scope 2 emission targets by meeting key elements of our transition plan; to progressively shift towards 100% renewable energy procurement (Scope 2) by 2030 and reduce on-site emissions (Scope 1) through operational efficiencies and capital investments. We also acknowledge the material impact of our Scope 3 emissions and have a roadmap in place with our key dairy supply stakeholders which will deliver a detailed transition plan to meet our Scope 3 commitments. Our progress on Scope 1 and Scope 2 emission targets is on track and we are finalizing our Scope 3 transition plan for presentation to the Board by year-end.

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

Cautionary statement
Glanbia plc has made forward-looking statements in this document that are based on management's beliefs and assumptions and on information currently available to management. Forward-looking statements include, but are not limited to, information concerning the Group's possible or assumed future results of operations, business strategies, financing plans, competitive position, potential growth opportunities, potential operating performance improvements, the effects of competition and the effects of future legislation or regulations. Forward-looking statements include all statements that are not historical facts and can be identified by the use of forward-looking terminology such as the words 'believe', 'develop', 'expect', 'ensure', 'arrive', 'achieve', 'anticipate', 'maintain', 'grow', 'aim', 'deliver', 'sustain', 'should' or the negative of these terms or similar expressions. Forward-looking statements involve risks, uncertainties and assumptions. Actual results may differ materially from those expressed in these forward-looking statements. You should not place undue reliance on any forward-looking statements. The risk factors included on pages 76 to 83 of the Group's 2023 Annual Report, could cause the Group's results to differ materially from those expressed in forward-looking statements. There may be other risks and uncertainties that the Group is unable to predict at this time or that the Group currently does not expect to have a material adverse effect on its business. These forward-looking statements are made as of the date of this document. The Group expressly disclaims any obligation to update these forward-looking statements other than as required by law. The forward-looking statements in this release do not constitute reports or statements published in compliance with any of Regulations 6 to 8 of the Transparency (Directive 2004/109/EC) Regulations 2007.

HY 2024 conference call and webcast details
There will be an analysts' conference call and webcast presentation to accompany this results announcement at 8.30 a.m. (BST) today. Please access the webcast from the Glanbia website at https://www.glanbia.com/investors/results-and-events, where the presentation can also be viewed or downloaded.

A replay of the call will be available for 30 days from this afternoon. Please see the link below to the Investor Relations section of the Glanbia plc website for details:

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

For further information contact

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2024 half year financial report

Responsibility statement

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

- the 2024 Half Year Financial Report is in accordance with International Accounting Standard (IAS) 34, 'Interim Financial Reporting', as adopted by the European Union and the Transparency (Directive 2004/109/EC) Regulations 2007, as amended, and the Central Bank (Investment Market Conduct) Rules 2019 and the Disclosure Guidance and Transparency Rules of the UK's Financial Conduct Authority; and

- the 2024 Half Year Financial Report includes a fair review of:
  - important events that have occurred during the first six months of the year, and their impact on the condensed consolidated interim financial statements;
  - a description of the principal risks and uncertainties for the remaining six months of the financial year;
  - details of any related party transactions that have materially affected the Group's financial position or performance in the six months ended 29 June 2024, and material changes to related party transactions described in the Annual Report for the year ended 30 December 2023; and
  - any changes in the related parties' transactions described in the last annual report that could have a material effect on the financial position or performance of the Group in the first six months of the current financial year.

On behalf of the Board

Hugh McGuire Chief Executive Officer	Mark Garvey Chief Financial Officer

13 August 2024

CONDENSED GROUP INCOME STATEMENT
FOR THE HALF YEAR ENDED 29 JUNE 2024

	Notes	Half year 2024 Pre-exceptional $m	Half year 2024 Exceptional $m (note 5)	Half year 2024 Total $m	Half year 2023 Pre-exceptional $m	Half year 2023 Exceptional $m (note 5)	Half year 2023 Total $m
Revenue*	3	**1,815.6**	**-**	**1,815.6**	2,771.4	-	2,771.4
Cost of goods sold*		**(1,211.0)**	**-**	**(1,211.0)**	(2,246.6)	-	(2,246.6)
Gross profit		**604.6**	**-**	**604.6**	524.8	-	524.8
Selling and distribution expenses		**(240.4)**	**-**	**(240.4)**	(226.8)	(0.6)	(227.4)
Administration expenses		**(137.7)**	**(11.2)**	**(148.9)**	(99.4)	56.5	(42.9)
Operating profit before intangible asset amortisation		**226.5**	**(11.2)**	**215.3**	198.6	55.9	254.5
Intangible asset amortisation	11	**(38.9)**	**-**	**(38.9)**	(40.0)	-	(40.0)
Operating profit		**187.6**	**(11.2)**	**176.4**	158.6	55.9	214.5
Finance income	7	**4.0**	**-**	**4.0**	5.7	-	5.7
Finance costs	7	**(14.4)**	**-**	**(14.4)**	(12.7)	-	(12.7)
Share of results of joint ventures accounted for using the equity method	3	**3.7**	**-**	**3.7**	6.5	-	6.5
Profit before taxation		**180.9**	**(11.2)**	**169.7**	158.1	55.9	214.0
Income taxes	8	**(28.4)**	**2.0**	**(26.4)**	(21.2)	0.6	(20.6)
Profit for the period		**152.5**	**(9.2)**	**143.3**	136.9	56.5	193.4
Attributable to:							
Equity holders of the Company	10			**143.3**			193.6
Non-controlling interests				**-**			(0.2)
				143.3			193.4
Earnings Per Share attributable to the equity holders of the Company							
Basic Earnings Per Share (cent)	10			**54.71**			71.90
Diluted Earnings Per Share (cent)	10			**54.03**			70.91

*Current period revenue and cost of goods sold are not comparable with those of the prior period. Refer to note 2 for details.

CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED 29 JUNE 2024

	Notes	**Half year 2024 $m**	Half year 2023 $m
Profit for the period		**143.3**	193.4
Other comprehensive income			
Items that will not be reclassified subsequently to the Group income statement			
Remeasurements on defined benefit plans, net of deferred tax		**3.2**	2.3
Share of other comprehensive income of joint ventures, net of deferred tax	15.2	**-**	0.1
Revaluation of equity instruments at FVOCI, net of deferred tax	15.1	**-**	0.1
Items that may be reclassified subsequently to the Group income statement			
Currency translation differences	15.1	**(7.1)**	2.4
Currency translation difference arising on net investment hedge	15.1	**(3.1)**	1.8
Gain/(loss) on cash flow hedges, net of deferred tax		**0.4**	(2.0)
Share of other comprehensive income of joint ventures, net of deferred tax		**2.2**	0.1
Other comprehensive income for the period, net of tax		**(4.4)**	4.8
Total comprehensive income for the period		**138.9**	198.2
Total comprehensive income attributable to:			
Equity holders of the Company		**138.9**	198.4
Non-controlling interests		**-**	(0.2)
Total comprehensive income for the period		**138.9**	198.2

CONDENSED GROUP BALANCE SHEET
AS AT 29 JUNE 2024

	Notes	**29 June 2024 $m**	30 December 2023 $m
ASSETS			
Non-current assets			
Property, plant and equipment	11	**525.9**	515.1
Right-of-use assets	11	**85.2**	88.3
Intangible assets	11	**1,778.2**	1,537.3
Interests in joint ventures		**165.2**	159.3
Other financial assets		**2.3**	2.6
Deferred tax assets		**4.8**	5.2
Retirement benefit assets	6	**11.6**	8.2
		2,573.2	2,316.0
Current assets			
Inventories		**647.3**	550.2
Trade and other receivables		**500.0**	501.8
Current tax receivable		**24.4**	17.4
Derivative financial instruments		**0.1**	-
Cash and cash equivalents (excluding bank overdrafts)		**300.9**	413.7
		1,472.7	1,483.1
Total assets		**4,045.9**	3,799.1
EQUITY			
Issued capital and reserves attributable to equity holders of the Company			
Share capital and share premium	14	**129.5**	129.7
Other reserves	15.1	**163.3**	172.1
Retained earnings	15.2	**1,858.6**	1,830.8
Total equity		**2,151.4**	2,132.6
LIABILITIES			
Non-current liabilities			
Borrowings	12	**770.7**	553.5
Lease liabilities		**85.9**	89.3
Retirement benefit obligations	6	**1.0**	1.0
Deferred tax liabilities		**127.1**	137.9
Provisions		**4.4**	4.3
		989.1	786.0
Current liabilities			
Trade and other payables		**598.0**	659.1
Borrowings	12	**175.6**	108.9
Lease liabilities		**19.9**	20.1
Current tax liabilities		**94.3**	67.3
Derivative financial instruments		**0.2**	2.0
Provisions		**17.4**	23.1
		905.4	880.5
Total liabilities		**1,894.5**	1,666.5
Total equity and liabilities		**4,045.9**	3,799.1

CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 29 JUNE 2024

	Attributable to equity holders of the Company					
Half year 2024	**Share capital and share premium $m (note 14)**	**Other reserves $m (note 15.1)**	**Retained earnings $m (note 15.2)**	**Total $m**	**Non-controlling interests $m**	**Total $m**
Balance at 31 December 2023	**129.7**	**172.1**	**1,830.8**	**2,132.6**	**-**	**2,132.6**
Profit for the period	**-**	**-**	**143.3**	**143.3**	**-**	**143.3**
Other comprehensive income	**-**	**(7.6)**	**3.2**	**(4.4)**	**-**	**(4.4)**
Total comprehensive income for the period	**-**	**(7.6)**	**146.5**	**138.9**	**-**	**138.9**
Dividends	**-**	**-**	**(59.6)**	**(59.6)**	**-**	**(59.6)**
Purchase of own shares	**-**	**(71.7)**	**-**	**(71.7)**	**-**	**(71.7)**
Cancellation of own shares	**(0.2)**	**54.2**	**(54.0)**	**-**	**-**	**-**
Cost of share-based payments	**-**	**9.6**	**-**	**9.6**	**-**	**9.6**
Transfer on exercise, vesting or expiry of share-based payments	**-**	**6.7**	**(6.7)**	**-**	**-**	**-**
Deferred tax on share-based payments	**-**	**-**	**1.6**	**1.6**	**-**	**1.6**
Balance at 29 June 2024	**129.5**	**163.3**	**1,858.6**	**2,151.4**	**-**	**2,151.4**

Half year 2023						
Balance at 1 January 2023	130.2	167.9	1,686.2	1,984.3	8.4	1,992.7
Profit for the period	-	-	193.6	193.6	(0.2)	193.4
Other comprehensive income	-	2.4	2.4	4.8	-	4.8
Total comprehensive income for the period	-	2.4	196.0	198.4	(0.2)	198.2
Dividends	-	-	(57.3)	(57.3)	-	(57.3)
Purchase of own shares	-	(82.7)	-	(82.7)	-	(82.7)
Cancellation of own shares	(0.3)	68.4	(68.1)	-	-	-
Cost of share-based payments	-	10.0	-	10.0	-	10.0
Transfer on exercise, vesting or expiry of share-based payments	-	5.9	(5.9)	-	-	-
Deferred tax on share-based payments	-	-	0.8	0.8	-	0.8
Transfer to Group income statement	-	8.1	-	8.1	-	8.1
Balance at 1 July 2023	129.9	180.0	1,751.7	2,061.6	8.2	2,069.8

CONDENSED GROUP STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 29 JUNE 2024

	Notes	**Half year 2024 $m**	Half year 2023 $m
Cash flows from operating activities			
Net cash flows from operating activities before exceptional items	17	**122.3**	59.2
Cash outflow related to exceptional items		**(9.1)**	(8.5)
Interest received		**4.3**	5.2
Interest paid (including interest expense on lease liabilities)		**(13.5)**	(13.5)
Tax paid		**(16.8)**	(28.7)
Net cash inflow from operating activities		**87.2**	13.7
Cash flows from investing activities			
Payment for acquisition of subsidiaries	19	**(298.8)**	-
Purchase of property, plant and equipment		**(29.8)**	(18.3)
Purchase of intangible assets		**(15.1)**	(18.5)
Dividends received from related parties	16	**-**	19.5
Proceeds from disposal of Leprino Foods (exceptional)		**-**	123.4
Proceeds on repayment of loans advanced to Leprino Foods EU Limited	16	**-**	71.3
Loans advanced to Leprino Foods EU Limited	16	**-**	(3.5)
Proceeds from disposal of assets and liabilities held for sale (exceptional)		**-**	7.4
Proceeds from disposal/redemption of FVOCI financial assets		**0.3**	-
Proceeds from sale of property, plant and equipment		**1.9**	-
Net cash (outflow)/inflow from investing activities		**(341.5)**	181.3
Cash flows from financing activities			
Purchase of own shares	15.1	**(71.7)**	(82.7)
Drawdown of borrowings	12	**314.6**	140.8
Repayment of borrowings	12	**(96.1)**	(245.6)
Payment of lease liabilities		**(10.7)**	(10.8)
Dividends paid to Company shareholders	15.2	**(59.6)**	(57.3)
Net cash inflow/(outflow) from financing activities		**76.5**	(255.6)
Net decrease in cash and cash equivalents	12	**(177.8)**	(60.6)
Cash and cash equivalents at the beginning of the period		**304.8**	192.5
Cash and cash equivalents acquired on acquisition	12	**1.7**	-
Effects of exchange rate changes on cash and cash equivalents		**(3.4)**	(3.8)
Cash and cash equivalents at the end of the period	12	**125.3**	128.1

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

		29 June 2024 $m	1 July 2023 $m
Cash and cash equivalents (excluding bank overdrafts)		**300.9**	251.0
Bank overdrafts		**(175.6)**	(122.9)
	12	**125.3**	128.1

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 29 JUNE 2024

1. General information

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

These condensed consolidated interim financial statements as at, and for the period commencing 31 December 2023 and ended 29 June 2024 (half year/six months) ("interim financial statements") were approved for issue by the Board of Directors on 13 August 2024.

2. Basis of preparation

The interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union, the Transparency (Directive 2004/109/EC) Regulations 2007 as amended, and the Central Bank (Investment Market Conduct) Rules 2019 and the Disclosure Guidance and Transparency Rules of the UK's Financial Conduct Authority. The interim financial statements should be read in conjunction with the financial statements as at, and for the year ended 30 December 2023 ("2023 Annual Report"). The interim financial statements do not include all of the information required for a complete set of IFRS financial statements and have not been audited or reviewed by the Group's auditor.

The methods of computation, presentation and accounting policies adopted in the preparation of the interim financial statements are consistent with those applied in the 2023 Annual Report other than those noted below. The Group's accounting policies are set out in note 2 to the financial statements in the 2023 Annual Report. All amounts relate to continuing operations unless otherwise stated.

Income statement format

Certain line items on the condensed group income statement that were previously presented in the Operating profit note have now been presented directly on the condensed group income statement. There is no impact on reported profit or net assets as a result of this change.

Change in US joint venture commercial arrangements

Following an announcement on 16 August 2023, the Group amended the commercial arrangements between Glanbia Nutritionals and its US joint venture effective 1 January 2024. Under the previous commercial terms, the Group was considered to be a principal under IFRS 15 and consequently recorded the gross value of revenues and corresponding cost of sales on joint venture products sold. Under the new commercial terms, the Group is considered to be an agent under IFRS 15 and recognises commissions earned on the sale of joint venture products. The change in commercial terms has impacted the recognition and presentation of revenues and cost of sales from 2024 onwards only. Consequently, revenues, costs of sales, and corresponding transactional amounts with its joint venture of the current reporting period are not comparable with those of the previous reporting period.

Critical accounting judgements and estimates

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty in preparing the interim financial statements were the same as those that applied to the 2023 Annual Report, with the exception of the change in commercial arrangements with the US joint venture noted above which results in the Group being considered an agent under IFRS 15.

Going concern

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

The Directors have given due regard to the Group's available cash resources, borrowing facilities and related covenant requirements which taken together, provide confidence that the Group will be able to meet its obligations as they fall due, and the Group's financial risk management policies as described in the 2023 Annual Report, the nature of business activities and the factors likely to impact operating performance and future growth.

Having assessed the relevant business risks identified and discussed in the Principal risks and uncertainties on pages 12 and 13, the Directors believe that the Group is well placed to manage these risks successfully and they have a reasonable expectation that the Group has adequate resources to continue in operational existence for the period of assessment. The Group therefore considers it appropriate to adopt the going concern basis in preparing its interim financial statements.

Foreign currency translation

The interim financial statements are presented in US dollar.

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

	Average			Period end		
1 US dollar =	**Half year 2024**	Half year 2023	Year 2023	**29 June 2024**	1 July 2023	30 December 2023
euro	**0.9247**	0.9253	0.9247	**0.9341**	0.9203	0.9050
Pound sterling	**0.7904**	0.8110	0.8043	**0.7906**	0.7899	0.7865

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3. Segment information

	Half year 2024				Half year 2023			
	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	**882.6**	**959.7**	**-**	**1,842.3**	889.0	1,929.3	-	2,818.3
Inter-segment revenue	**(0.5)**	**(26.2)**	**-**	**(26.7)**	(0.1)	(46.8)	-	(46.9)
Revenue	**882.1**	**933.5**	**-**	**1,815.6**	888.9	1,882.5	-	2,771.4
Earnings before interest, tax, depreciation, amortisation and exceptional items (EBITDA)**	**156.4**	**105.2**	**-**	**261.6**	120.2	112.0	-	232.2
Shares of results of joint ventures accounted for using the equity method	**-**	**-**	**3.7**	**3.7**	-	-	6.5	6.5

	29 June 2024				30 December 2023			
	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 assets and liabilities								
Segment assets	**1,872.7**	**1,617.3**	**555.9**	**4,045.9**	1,859.6	1,285.1	654.4	3,799.1
Segment liabilities	**399.6**	**322.2**	**1,172.7**	**1,894.5**	394.7	403.5	868.3	1,666.5

Segment earnings before interest, tax, depreciation, amortisation and exceptional items are reconciled to reported profit before taxation and profit after taxation as follows:

	Notes	Half year 2024 $m	Half year 2023 $m
Earnings before interest, tax, depreciation, amortisation and exceptional items		**261.6**	232.2
Finance income	7	**4.0**	5.7
Finance costs	7	**(14.4)**	(12.7)
Shares of results of joint ventures accounted for using the equity method		**3.7**	6.5
Exceptional items	5	**(11.2)**	55.9
Intangible asset amortisation	11	**(38.9)**	(40.0)
Depreciation of property, plant and equipment	11	**(25.1)**	(23.8)
Depreciation of right-of-use assets	11	**(10.0)**	(9.8)
Profit before taxation		**169.7**	214.0
Income taxes	8	**(26.4)**	(20.6)
Profit for the period		**143.3**	193.4

Geographical information

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

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

	Revenue		Non-current assets	
	Half year 2024 $m	Half year 2023 $m	29 June 2024 $m	30 December 2023 $m
Ireland (country of domicile)	**12.3**	10.6	**806.9**	821.4
US*	**1,238.3**	2,192.9	**1,560.8**	1,281.5
Other				
– North America (excluding US)	**56.2**	52.0	**6.0**	6.3
– Europe (excluding Ireland)	**229.0**	238.3	**169.2**	178.7
– Asia Pacific	**198.2**	200.6	**11.7**	12.0
– LATAM	**50.7**	52.5	**0.1**	0.1
– Rest of World	**30.9**	24.5	**-**	-
	1,815.6	2,771.4	**2,554.7**	2,300.0

* Current period revenue is not comparable with that of the prior period. Refer to note 2 for details.

** The Group moved to presenting EBITDA in lieu of EBITA in the current period to continue its ambition to simplify reporting to be more in line with its peers.

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Disaggregation of revenue

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

	Half year 2024			Half year 2023		
	Glanbia Performance Nutrition $m	**Glanbia Nutritionals* $m**	**Total $m**	Glanbia Performance Nutrition $m	Glanbia Nutritionals $m	Total $m
Internal reporting structures						
Nutritional Solutions	**-**	**469.4**	**469.4**	-	525.5	525.5
US Cheese	**-**	**464.1**	**464.1**	-	1,357.0	1,357.0
GPN Americas	**568.1**	**-**	**568.1**	585.5	-	585.5
GPN International (including Direct-to-Consumer)	**314.0**	**-**	**314.0**	303.4	-	303.4
Total	**882.1**	**933.5**	**1,815.6**	888.9	1,882.5	2,771.4
Primary geographical markets						
North America	**569.2**	**725.3**	**1,294.5**	593.2	1,651.7	2,244.9
Europe	**173.6**	**67.7**	**241.3**	180.9	68.0	248.9
Asia Pacific	**110.5**	**87.7**	**198.2**	90.5	110.1	200.6
LATAM	**9.1**	**41.6**	**50.7**	7.7	44.8	52.5
Rest of World	**19.7**	**11.2**	**30.9**	16.6	7.9	24.5
Total	**882.1**	**933.5**	**1,815.6**	888.9	1,882.5	2,771.4
Timing of revenue recognition						
Products transferred at point in time	**882.1**	**933.5**	**1,815.6**	888.9	1,882.5	2,771.4
Products transferred over time	**-**	**-**	**-**	-	-	-
Total	**882.1**	**933.5**	**1,815.6**	888.9	1,882.5	2,771.4

*Current period revenue is not comparable with that of the prior period. Refer to note 2 for details.

Channel mix for Glanbia Performance Nutrition	**Half year 2024 $m**	Half year 2023 $m
Distributor	**197.0**	176.7
Food, Drug, Mass, Club (FDMC)	**314.0**	311.5
Online	**267.3**	281.8
Specialty	**103.8**	118.9
Total	**882.1**	888.9

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

4. Seasonality

Due to the somewhat seasonal nature of the retail segment into which the Glanbia Performance Nutrition segment sells, a higher level of business activity is expected in the second half of the year than in the first six months. The operations of the Glanbia Nutritionals segment is typically more evenly spread throughout the year.

5. Exceptional items

	Notes	**Half year 2024 $m**	Half year 2023 $m
Portfolio related reorganisation costs	(a)	**6.0**	0.7
Acquisition and integration costs	(b)	**5.0**	-
Pension related costs	(c)	**0.2**	1.2
Net exceptional gain on disposal/exit of operations	(d)	**-**	(57.8)
Total		**11.2**	(55.9)
Exceptional tax credit	8	**(2.0)**	(0.6)
Total exceptional charge/(gain) for the period	17	**9.2**	(56.5)

(a) **Portfolio related reorganisation costs** relates to expenditure resulting from recent portfolio changes. Following divestment decisions related to non-core businesses, the Group launched a programme in 2023 to realign Group-wide support functions and optimise structures of the remaining portfolio, to more efficiently support business operations and growth. This multi-year strategic programme continues into 2024, with realisation of benefits from 2025 onwards. Costs incurred to date relate to advisory fees and people related costs.

(b) **Acquisition and integration costs** relate to the transaction costs associated with the Flavor Producers acquisition.

(c) **Pension related costs** relate to the restructure of legacy defined benefit pension schemes associated with the Group, which include costs related to the ultimate wind up of these schemes, including professional fees, and a further simplification of the schemes that remain with final wind up of schemes targeted by the end of 2025.

(d) Prior year **net exceptional gain on disposal/exit of operations** primarily relates to the net gains on disposal of Leprino Foods (formerly known as Glanbia Cheese) and a small US based bottling facility (Aseptic Solutions) which was designated as held for sale at 31 December 2022. Both transactions concluded during 2023 and the net gain represents the difference between proceeds received, net of costs associated with the divestment and exit of these non-core businesses and the carrying value of the investments.

6. Retirement benefit obligations

Recognition in the Condensed Group balance sheet:

	29 June 2024 $m	30 December 2023 $m
Non-current assets – Surplus on defined benefit pension plan	**11.6**	8.2
Non-current liabilities – Deficit on defined benefit pension plan	**(1.0)**	(1.0)
Net defined benefit pension plans asset	**10.6**	7.2

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

	29 June 2024 $m	30 December 2023 $m
At the beginning of the period	**7.2**	1.7
Current service cost	**(0.4)**	(1.0)
Interest income	**0.1**	0.2
Settlement loss*	**-**	(0.7)
Total amount recognised in profit or loss	**(0.3)**	(1.5)
Remeasurements		
– Return of plan assets in excess of interest income	**0.3**	(3.4)
– (Loss)/gain from experience adjustments	**(0.7)**	2.0
– Gain from changes in demographic assumptions	**-**	1.5
– Gain from changes in financial assumptions	**4.1**	1.6
Total amount recognised in other comprehensive income	**3.7**	1.7
Exchange differences	**(0.2)**	0.2
Contributions paid/payable by the employer	**0.2**	5.1
At the end of the period	**10.6**	7.2

* Included in pension related costs (note 5).

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

	Half year 2024		Half year 2023		Year 2023	
	ROI	**UK**	ROI	UK	ROI	UK
Discount rate	**3.60%**	**5.30%**	3.60%	5.40%	3.20%	4.70%
Inflation rate	**2.10%**	**2.70%-3.25%**	2.40%	2.75%-3.35%	2.00%	2.55%-3.10%
Future salary increases*	**3.10%**	**0.00%**	3.40%	0.00%	3.00%	0.00%
Future pension increases	**0.00%**	**2.65%-3.10%**	0.00%	2.75%-3.30%	0.00%	2.55%-3.00%
Mortality rates (years):						
– Male – reaching 65 years of age in 20 years' time	**24.3**	**21.7**	24.2	22.3	24.3	21.7
– Female – reaching 65 years of age in 20 years' time	**26.4**	**24.1**	26.3	24.6	26.4	24.1
– Male – currently aged 65 years old	**22.1**	**20.8**	21.9	21.3	22.1	20.7
– Female – currently aged 65 years old	**24.4**	**23.0**	24.3	23.4	24.4	22.9

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED
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7. Finance income and costs

	Half year 2024 $m	Half year 2023 $m
Finance income		
Interest income on loans to joint ventures	**-**	1.0
Interest income on cash and deposits	**3.8**	1.6
Interest income on swaps	**0.2**	3.1
Total finance income	**4.0**	5.7
Finance costs		
Bank borrowing costs	**(6.5)**	(4.3)
Facility fees	**(1.5)**	(1.4)
Finance cost of private placement debt	**(5.1)**	(5.1)
Interest expense on lease liabilities	**(1.3)**	(1.4)
Remeasurements of contingent consideration	**-**	(0.5)
Total finance costs	**(14.4)**	(12.7)
Net finance costs	**(10.4)**	(7.0)

8. Income taxes

The Group's income tax charge of $26.4 million (HY 2023: $20.6 million) net of an exceptional tax credit of $2.0 million (HY 2023: $0.6 million) (note 5) has been prepared based on the Group's best estimate of the weighted average tax rate that is expected for the full financial year. Based on legislation in effect and current financial forecasts, the Group does not expect to pay a material top-up tax with respect to its 2024 financial year (the year ending 4 January 2025).

9. Dividends

	Half year 2024 $m	Half year 2023 $m
Equity dividends to shareholders		
Final – EUR 21.21c per ordinary share, paid on 3 May 2024 (FY 2023: EUR 19.28c, paid on 5 May 2023)	**60.2**	57.6
Interim – EUR 15.64c per ordinary share, payable on 4 October 2024 (HY 2023: EUR 14.22c, paid on 6 October 2023)	**43.9**	39.9

Of the $60.2 million (HY 2023: $57.6 million) dividends paid during the half year ended 29 June 2024, $0.4 million (HY 2023: $0.3 million) are waived in relation to own shares. There was also a dividend withholding tax refund of $0.2 million in the current period (HY 2023: nil).

These interim financial statements do not reflect the interim dividends recommended for 2024. The amount of interim dividends recommended is based on the number of issued shares at period end (note 14). The actual amount will be based on the number of issued shares on the record date. There are no income tax consequences for the Company in respect of dividends proposed prior to issuance of the interim financial statements.

10. Earnings per share

Basic

Basic Earnings Per Share is calculated by dividing profit after tax attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue during the period, excluding ordinary shares purchased by the Group and held as own shares.

Diluted

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

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

	Half year 2024	Half year 2023
Profit after tax attributable to equity holders of the Company ($m)	**143.3**	193.6
Basic Earnings Per Share (cent)	**54.71**	71.90
Diluted Earnings Per Share (cent)	**54.03**	70.91

	Half year 2024	Half year 2023
Weighted average number of ordinary shares in issue	**261,915,963**	269,254,932
Shares deemed to be issued for no consideration in respect of share awards	**3,309,696**	3,761,216
Weighted average number of shares used in the calculation of Diluted Earnings Per Share	**265,225,659**	273,016,148

11. Property, plant and equipment, right-of-use assets and intangible assets

Property, plant and equipment

During the six month period to 29 June 2024, property, plant and equipment increased by $10.8 million to $525.9 million, arising from additions of $27.7 million (HY 2023: $21.0 million) and from business combinations of $11.3 million (HY 2023: nil). The increase was offset by depreciation charges of $25.1 million (HY 2023: $23.8 million) and disposals of $1.2 million (HY 2023: nil). Exchange differences loss of $1.9 million (HY 2023: $1.4 million gain) was also recognised in the period.

Right-of-use assets

During the six month period to 29 June 2024, right-of-use assets decreased by $3.1 million to $85.2 million, arising from depreciation charges of $10.0 million (HY 2023: $9.8 million), remeasurement loss of $1.1 million (HY 2023: $1.0 million gain) and disposals of $0.3 million (HY 2023: $0.1 million). The decrease was offset by additions of $6.1 million (HY 2023: $2.4 million) and business combinations of $2.3 million (HY 2023: nil). Exchange differences loss of $0.1 million (HY 2023: $0.2 million gain) were also recognised in the period.

Intangible assets

During the six month period to 29 June 2024, intangible assets increased by $240.9 million to $1,778.2 million, arising from additions of $15.1 million (HY 2023: $18.5 million) and from business combinations of $270.5 million (HY 2023: nil). The increase was reduced by amortisation charges of $38.9 million (HY 2023: $40.0 million). Exchange differences loss of $5.8 million (HY 2023: $3.4 million gain) were also recognised in the period.

12. Borrowings

	29 June 2024 $m	30 December 2023 $m
Non-current		
Bank borrowings	**395.7**	178.5
Private placement debt	**375.0**	375.0
	770.7	553.5
Current		
Bank overdrafts	**175.6**	108.9
Total borrowings	**946.3**	662.4

Bank borrowings increased due to net drawdown of borrowings during the current period.

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

	29 June 2024			30 December 2023		
	Borrowings $m	**Undrawn committed facilities $m**	**Undrawn uncommitted facilities $m**	Borrowings $m	Undrawn committed facilities $m	Undrawn uncommitted facilities $m
12 months or less	**175.6**	**-**	**16.7**	108.9	-	16.9
Between 1 and 2 years	**-**	**-**	**-**	-	-	-
Between 2 and 5 years	**495.7**	**528.1**	**-**	278.5	767.2	-
More than 5 years	**275.0**	**-**	**-**	275.0	-	-
	946.3	**528.1**	**16.7**	662.4	767.2	16.9

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

	29 June 2024 $m	1 July 2023 $m
Bank borrowings and private placement debt	**770.7**	578.9
Cash and cash equivalents net of bank overdrafts	**(125.3)**	(128.1)
	645.4	450.8

Net debt reconciliation is as follows:

	Half year 2024 $m	Half year 2023 $m
Net debt at the beginning of the period	**248.7**	490.0
Drawdown of borrowings	**314.6**	140.8
Repayment of borrowings	**(96.1)**	(245.6)
Exchange translation adjustment on net debt	**2.1**	5.0
Net decrease in cash and cash equivalents	**177.8**	60.6
Cash and cash equivalents acquired on acquisition (note 19)	**(1.7)**	-
Net debt at the end of the period	**645.4**	450.8

13. Fair value of financial instruments

There have been no changes to the risk management procedures or policies since 30 December 2023. Refer to note 30 of the 2023 Annual Report for details on these risk management procedures and policies.

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

	29 June 2024		30 December 2023	
	Carrying amount $m	**Fair value $m**	Carrying amount $m	Fair value $m
Non-current borrowings payable	**770.7**	**705.9**	553.5	496.8

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

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

	Fair value hierarchy	**29 June 2024 $m**	30 December 2023 $m
Assets			
Equity instrument designated at FVOCI – The BDO Development Capital Fund	Level 2	**1.4**	1.7
Cross currency swaps – fair value through income statement	Level 2	**0.1**	-
Contingent consideration receivable – Leprino Foods	Level 3	**-**	-
Liabilities			
Foreign exchange contracts – cash flow hedges	Level 2	**(0.1)**	(0.5)
Cross currency swaps – fair value through income statement	Level 2	**(0.1)**	(1.5)
Contingent consideration payable – Flavor Producers, LLC	Level 3	**-**	-

There was no movement in the carrying amounts associated with Level 3 financial instruments. Refer to note 29 of the 2023 Annual Report for details of the valuation process of the financial assets and liabilities and note 19 of these interim financial statements for the valuation methodology of the contingent consideration at period end which is related to the acquisition of Flavor Producers, LLC.

14. Share capital and share premium

	Number of shares (thousands)	**Ordinary shares $m**	**Share premium $m**	**Total $m**
At 31 December 2023	**265,072**	**19.8**	**109.9**	**129.7**
Cancellation of own shares	**(2,786)**	**(0.2)**	**-**	**(0.2)**
At 29 June 2024	**262,286**	**19.6**	**109.9**	**129.5**
At 1 January 2023	272,287	20.3	109.9	130.2
Cancellation of own shares	(4,637)	(0.3)	-	(0.3)
At 1 July 2023	267,650	20.0	109.9	129.9

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

15. Other reserves and retained earnings

15.1 Other reserves

Half year 2024	Capital and merger reserve $m	Currency reserve $m	Hedging reserve $m	Own shares $m	Share based payment reserve $m	Other $m	Total $m
Balance at 31 December 2023	**136.7**	**30.4**	**4.5**	**(37.5)**	**37.8**	**0.2**	**172.1**
Currency translation differences	**-**	**(7.1)**	**-**	**-**	**-**	**-**	**(7.1)**
Net investment hedge	**-**	**(3.1)**	**-**	**-**	**-**	**-**	**(3.1)**
Revaluation – gross	**-**	**-**	**3.3**	**-**	**-**	**-**	**3.3**
Reclassification to profit or loss – gross	**-**	**-**	**0.2**	**-**	**-**	**-**	**0.2**
Deferred tax	**-**	**-**	**(0.9)**	**-**	**-**	**-**	**(0.9)**
	-	**(10.2)**	**2.6**	**-**	**-**	**-**	**(7.6)**
Purchase of own shares	**-**	**-**	**-**	**(71.7)**	**-**	**-**	**(71.7)**
Cancellation of own shares	**0.2**	**-**	**-**	**54.0**	**-**	**-**	**54.2**
Cost of share-based payments	**-**	**-**	**-**	**-**	**9.6**	**-**	**9.6**
Transfer on exercise, vesting or expiry of share-based payments	**-**	**-**	**-**	**30.8**	**(24.1)**	**-**	**6.7**
Balance at 29 June 2024	**136.9**	**20.2**	**7.1**	**(24.4)**	**23.3**	**0.2**	**163.3**

Half year 2023	Capital and merger reserve $m	Currency reserve $m	Hedging reserve $m	Own shares $m	Share based payment reserve $m	Other $m	Total $m
Balance at 1 January 2023	136.2	12.6	9.7	(22.0)	31.4	-	167.9
Currency translation differences	-	2.4	-	-	-	-	2.4
Net investment hedge	-	1.8	-	-	-	-	1.8
Revaluation – gross	-	-	(1.3)	-	-	0.1	(1.2)
Reclassification to profit or loss – gross	-	-	(0.9)	-	-	-	(0.9)
Deferred tax	-	-	0.3	-	-	-	0.3
	-	4.2	(1.9)	-	-	0.1	2.4
Purchase of own shares	-	-	-	(82.7)	-	-	(82.7)
Cancellation of own shares	0.3	-	-	68.1	-	-	68.4
Cost of share-based payments	-	-	-	-	10.0	-	10.0
Transfer on exercise, vesting or expiry of share-based payments	-	-	-	22.9	(17.0)	-	5.9
Transfer to Group income statement	-	7.9	0.2	-	-	-	8.1
Balance at 1 July 2023	136.5	24.7	8.0	(13.7)	24.4	0.1	180.0

Refer to note 23 of the 2023 Annual Report for a description of the components of other reserves.

15.2 Retained earnings

	Notes	**Half year 2024 $m**	Half year 2023 $m
At the beginning of the period		**1,830.8**	1,686.2
Profit for the period attributable to equity holders of the Company		**143.3**	193.6
Other comprehensive income			
– Remeasurements on defined benefit plans	6	**3.7**	2.6
– Deferred tax on remeasurements on defined benefit plans		**(0.5)**	(0.3)
– Share of remeasurements on defined benefit plans from joint ventures, net of deferred tax		**-**	0.1
		3.2	2.4
Dividends		**(59.6)**	(57.3)
Cancellation of own shares	15.1	**(54.0)**	(68.1)
Transfer on exercise, vesting or expiry of share-based payments	15.1	**(6.7)**	(5.9)
Deferred tax on share-based payments		**1.6**	0.8
At the end of the period		**1,858.6**	1,751.7

16. Related party transactions

On 28 April 2023, Glanbia disposed of Leprino Foods (formerly known as Glanbia Cheese) which were joint ventures of the Group up to that date. From 29 April 2023, they became other related parties to the Group. Accordingly transactions with them before and after the disposal are included within "Transactions with joint ventures" and "Transactions with Leprino Foods" respectively.

Transactions that occurred with related parties during the period ended 29 June 2024 include:

	Half year 2024 $m	Half year 2023 $m
Transactions with joint ventures		
Dividends received*	**-**	19.5
Sales of services**	**26.8**	9.6
Purchases of goods**	**7.2**	957.0
Repayment of loans by Leprino Foods	**-**	71.3
Loans advanced to Leprino Foods	**-**	3.5
Transactions with Tirlán Co-operative Group		
Dividends paid	**17.3**	16.0
Sales of services	**14.1**	15.4
Sales of goods	**0.3**	0.3
Purchases of goods	**23.7**	27.2
Purchases of services	**0.3**	0.8
Transactions with Leprino Foods		
Sales of services	**1.5**	-

* $4.5 million of the prior year figure relates to Leprino Foods.

** Current period figures are not comparable with those of the prior period. Refer to note 2 for details.

There have been no significant changes in the nature and scale of the transactions with directors and key management personnel as described in the 2023 Annual Report.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED
FOR THE HALF YEAR ENDED 29 JUNE 2024

17. Net cash flows from operating activities before exceptional items

	Notes	**Half year 2024 $m**	Half year 2023 $m
Profit for the period		**143.3**	193.4
Exceptional items	5	**9.2**	(56.5)
Income taxes		**28.4**	21.2
Profit before taxation		**180.9**	158.1
Share of results of joint ventures accounted for using the equity method	3	**(3.7)**	(6.5)
Finance costs	7	**14.4**	12.7
Finance income	7	**(4.0)**	(5.7)
Amortisation of intangible assets	11	**38.9**	40.0
Depreciation of property, plant and equipment	11	**25.1**	23.8
Depreciation of right-of-use assets	11	**10.0**	9.8
Cost of share-based payments	15.1	**9.6**	10.0
Net write down of inventories		**10.4**	8.1
Other		**(4.8)**	(5.1)
Operating cash flows before movement in working capital		**276.8**	245.2
Movement in working capital		**(154.5)**	(186.0)
Net cash flows from operating activities before exceptional items		**122.3**	59.2

18. Contingent liabilities and commitments

Contingent liabilities

Guarantees provided by financial institutions amounting to $7.3 million (FY 2023: $7.3 million) are outstanding at 29 June 2024. The Group does not expect any material loss to arise from these guarantees. The Group has contingent liabilities in respect of legal claims arising in the ordinary course of business. It is not anticipated that any material liability will arise from these contingent liabilities other than those provided for.

Commitments

At 29 June 2024 the Group had entered into contractual commitments for the acquisition of property, plant and equipment amounting to $7.7 million (FY 2023: $7.2 million) and software of $0.2 million (FY 2023: $1.0 million).

19. Business combinations

On 26 April 2024, Glanbia acquired 100% of the voting equity interests of Aroma Holding Company, LLC which owns Flavor Producers, LLC ("Flavor Producers"), via cash and contingent consideration as noted below. Flavor Producers is a leading flavour platform in the US, providing flavours and extracts to the food and beverage industries, with a focus on organic and natural ingredients. The acquisition is consistent with Glanbia's strategy of acquiring complementary businesses to grow its Better Nutrition platforms. Flavor Producers significantly expands Nutritional Solutions' flavours offering, bringing new capabilities in the attractive and growing natural and organic flavours market which are aligned with long-term consumer trends. 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 complements the recipes and know-how across the Glanbia Nutritionals segment. Of the goodwill recognised in respect of the acquisition, the Group expects the full amount 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	**298.8**
Contingent consideration	**-**
Total purchase consideration	**298.8**
Less: Fair value of net assets acquired	**(154.3)**
Goodwill	**144.5**

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

	Notes	Total $m
Property, plant and equipment	11	**11.3**
Right-of-use assets	11	**2.3**
Intangible assets – trade names		**8.0**
Intangible assets – customer relationships		**17.0**
Intangible assets – recipes and know-how		**101.0**
Inventories		**10.6**
Trade and other receivables		**14.6**
Cash and cash equivalents	12	**1.7**
Trade and other payables		**(8.5)**
Lease liabilities		**(2.3)**
Deferred tax liabilities		**(1.4)**
Fair value of net assets acquired		**154.3**

The contingent consideration arrangement requires the Group to pay the sellers an earnout in 2025 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 $55.0 million.

The fair value of the contingent consideration was estimated by calculating the present value of the future expected payments and was nil at period end (note 13). The main significant unobservable input in the calculation is the forecast EBITDA of Flavor Producers over the relevant period. A 10% increase/decrease in the forecast EBITDA would not have a material effect on the fair value of the contingent consideration.

The fair value of Flavor Producers trade and other receivables at the acquisition date amounted to $14.6 million. The gross contractual amount for trade receivables due is $11.6 million, of which $0.2 million is expected to be uncollectible. Acquisition-related costs of $5.0 million incurred primarily on professional fees are included in administrative expenses (exceptional).

Flavor Producers contributed $14.6 million of revenue and incurred a loss of $0.2 million before taxation and exceptional items for the period from the date of acquisition to the reporting date. If the acquisition of Flavor Producers had occurred on 31 December 2023, pro-forma Group revenue and Group profit before taxation and exceptional items for the period ended 29 June 2024 would have been $1,844.3 million and $180.2 million respectively.

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

The Group acquired PanTheryx, Inc. in 2023 for which the fair values of the net identifiable assets were determined provisionally. The valuation exercise is near finalisation. We expect any amendments to these fair values to be disclosed in the 2024 Annual Report.

20. Events after the reporting period

See note 9 for the interim dividend, recommended by the Directors, to be paid on 4 October 2024.

Other than as described above, there have been no material events subsequent to the end of the interim period ended 29 June 2024 which require disclosure in this report.

21. Information

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

- the interim financial statements have been prepared to meet our obligation under the Transparency (Directive 2004/109/EC) Regulations 2007 as amended (Statutory Instrument No. 277 of 2007);
- the interim financial statements do not constitute the statutory financial statements of the Group and are unaudited;
- the statutory financial statements as at, and for the financial year ended 30 December 2023 will be annexed to the 2024 annual return and filed with the Companies Registration Office;
- the statutory auditor of the Group have made a report under section 391 in the form required by section 336 Companies Act 2014 in respect of the statutory financial statements of the Group; and
- the matters referred to in the statutory auditor’s report were unqualified, and did not include a reference to any matters to which the statutory auditor drew attention by way of emphasis without qualifying the report.

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

GLOSSARY OF NON-IFRS PERFORMANCE MEASURES

The Group reports certain performance measures including key performance indicators 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 an enhanced 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 relevant to the interim period are defined below with a reconciliation of these measures to IFRS measures where applicable. Please note where referenced “CGIS” refers to Condensed Group income statement, “CGBS” refers to Condensed Group balance sheet, and “CGSCF” refers to Condensed Group statement of cash flows. EBITA and EBITDA references throughout the interim report are on a pre-exceptional basis unless otherwise indicated.

The definition of exceptional items and the analysis of exceptional items are disclosed in note 2 to the financial statements of the 2023 Annual Report and note 5 of these interim financial statements respectively.

While the Group reports its results in US dollar, it generates a proportion of its earnings in currencies other than US dollar, in particular euro. Constant currency reporting is used by the Group to eliminate the translational effect of foreign exchange on the Group's results. To arrive at the constant currency period-on-period change, the results for the prior period are retranslated using the average exchange rates for the current period and compared to the current period reported numbers. The principal average exchange rates used to translate results for 2024 and 2023 are outlined in note 2 of the interim financial statements.

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

As announced on 16 August 2023, the Group has amended the commercial arrangements associated with its US joint venture effective 1 January 2024 (see note 2 of the financial statements for further details). Revenue for the Glanbia Nutritionals segment and total revenue presented below is on a pro-forma basis as if the terms of this amendment were effective from the beginning of 2023. Prior year pro-forma revenue numbers are provided for illustrative purposes and to aid comparability to 2024 reported revenue.

G 1. Revenue measures

G 1.1 Constant currency and like-for-like revenue change

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

GPN like-for-like branded revenue change represents the sales increase/(decrease) period-on-period on branded sales, excluding the incremental revenue contributions from current period and prior period acquisitions and disposals and the impact of a 53rd week (when applicable), on a constant currency basis. Like-for-like branded revenue change is one of the GPN segment’s Key Performance Indicators and one of the performance conditions in Glanbia’s Annual Incentive Plan for GPN Senior Management.

	Reference	**HY 2024 Reported $m**	HY 2023 Reported $m	HY 2023 Pro-forma $m	HY 2023 Constant currency* $’m	**Constant currency change (G 1.2) %**	**Like-for-like change (G 1.2) %**
Nutritional Solutions	Note 3	**469.4**	525.5	455.1	453.5	**3.5%**	**(0.8%)**
US Cheese	Note 3	**464.1**	1,357.0	492.8	492.8	**(5.8%)**	**(5.8%)**
Glanbia Nutritionals	Note 3	**933.5**	1,882.5	947.9	946.3	**(1.4%)**	**(3.5%)**
GPN Americas	Note 3	**568.1**	585.5	585.5	585.5	**(3.0%)**	**(3.0%)**
GPN International (including Direct-to-Consumer)	Note 3	**314.0**	303.4	303.4	304.0	**3.3%**	**3.3%**
Glanbia Performance Nutrition	Note 3	**882.1**	888.9	888.9	889.5	**(0.8%)**	**(0.8%)**
Revenue	CGIS	**1,815.6**	2,771.4	1,836.8	1,835.8	**(1.1%)**	**(2.2%)**

*Based on pro-forma figures.

G 1.2 Volume and pricing increase/(decrease)

Volume increase/(decrease) represents the impact of sales volumes within the revenue movement period-on-period, excluding volume from acquisitions and disposals and the impact of a 53rd week (when applicable), on a pro-forma and constant currency basis.

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

Reconciliation of volume and pricing increase/(decrease) to constant currency revenue change:

	Volume increase/ (decrease)	**Price increase/ (decrease)**	**Like-for-like change (G 1.1)**	**Acquisitions/ (disposals)**	**Constant currency change (G 1.1)**
Nutritional Solutions	3.1%	(3.9%)	(0.8%)	4.3%	3.5%
US Cheese	(1.7%)	(4.1%)	(5.8%)	-	(5.8%)
Glanbia Nutritionals	0.6%	(4.1%)	(3.5%)	2.1%	(1.4%)
Glanbia Performance Nutrition	3.1%	(3.9%)	(0.8%)	-	(0.8%)
HY 2024 increase/(decrease) % - revenue	**1.8%**	**(4.0%)**	**(2.2%)**	**1.1%**	**(1.1%)**

GLOSSARY OF NON-IFRS PERFORMANCE MEASURES CONTINUED

G 2. EBITDA and EBITDA margin % (pre-exceptional)

EBITDA (pre-exceptional) is defined as earnings before interest, tax, depreciation (net of grant amortisation) and amortisation. Refer to note 3 of the interim financial statements for the reconciliation of EBITDA (pre-exceptional) to IFRS measures.

EBITDA margin % (pre-exceptional) is defined as EBITDA (pre-exceptional) as a percentage of revenue. The Group moved to presenting EBITDA margin % in lieu of EBITA margin % in the current period to continue its ambition to simplify reporting to be more in line with its peers.

	Reference	**HY 2024 Reported $m**	HY 2023 Reported $'m	HY 2023 Constant currency $m	**Constant currency change %**
Nutritional Solutions		**82.9**	83.3	83.3	**(0.5%)**
US Cheese		**22.3**	28.7	28.7	**(22.3%)**
Glanbia Nutritionals	Note 3	**105.2**	112.0	112.0	**(6.1%)**
Glanbia Performance Nutrition	Note 3	**156.4**	120.2	120.0	**30.3%**
EBITDA (pre-exceptional)	Note 3, G 6.4	**261.6**	232.2	232.0	**12.8%**

G 3. EBITA (pre-exceptional)

EBITA (pre-exceptional) is defined as earnings before interest, tax and amortisation. EBITA (pre-exceptional) is one of the performance conditions in Glanbia's Annual Incentive Plan for Senior Management.

	Reference	**HY 2024 $m**	HY 2023 $m
EBITDA (pre-exceptional)	G 2	**261.6**	232.2
Depreciation*		**(35.1)**	(33.6)
EBITA (pre-exceptional)		**226.5**	198.6

* Includes depreciation of property, plant and equipment of $25.1 million (HY 2023: $23.8 million) and depreciation of right-of-use assets of $10.0 million (HY 2023: $9.8 million).

G 4. Constant currency earnings per share ("EPS") measures

G 4.1 Constant currency basic EPS

Basic EPS is an IFRS measure and defined in note 10 of the interim financial statements. Profit after tax in this performance measure refers to the amount attributable to equity holders of the Company.

	Reference	**HY 2024 Reported $m**	HY 2023 Reported $m	HY 2023 Constant currency $m	Year 2023 Reported $m
Profit after tax	CGIS	**143.3**	193.6	194.6	344.4
Profit after tax– discontinued operations		**-**	-	-	3.2
Profit after tax – continuing operations	G 4.2	**143.3**	193.6	194.6	347.6
Weighted average number of ordinary shares in issue (thousands)	Note 10	**261,916**	269,255	269,255	266,548
Basic EPS (cent) – continuing operations	Note 10	**54.71**	71.90	72.26	130.41
Basic EPS (cent)	Note 10	**54.71**	71.90	72.26	129.21
Constant currency change – continuing operations		**(24.3%)**			
Constant currency change		**(24.3%)**			

GLOSSARY OF NON-IFRS PERFORMANCE MEASURES CONTINUED

G 4.2 Constant currency adjusted 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 period, excluding ordinary shares purchased by the Group and held as own shares (see note 10). The Group believes that adjusted EPS provides useful information of underlying performance as it excludes exceptional items (net of related tax) that are not related to ongoing operational performance and intangible asset amortisation, which allows for comparability of companies that grow by acquisition to those that grow organically.

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	**HY 2024 Reported $m**	HY 2023 Reported $m	HY 2023 Constant currency $m	Year 2023 Reported $m
Profit after tax from continuing operations	G 4.1	**143.3**	193.6	194.6	347.6
Exceptional charge/(credit) – continuing operations	CGIS	**9.2**	(56.5)	(57.8)	(49.6)
Profit after tax from continuing operations (pre-exceptional)		**152.5**	137.1	136.8	298.0
Amortisation and impairment of intangible assets (excluding software amortisation)*– continuing operations		**26.1**	26.6	26.6	52.1
Adjusted net income – continuing operations		**178.6**	163.7	163.4	350.1
Loss after tax from discontinued operations		**-**	-	-	(3.2)
Exceptional charge - discontinued operations		**-**	-	-	3.2
Profit from discontinued operations (pre-exceptional)		**-**	-	-	-
Adjusted net income		**178.6**	163.7	163.4	350.1
Weighted average number of ordinary shares in issue (thousands)	Note 10	**261,916**	269,255	269,255	266,548
Adjusted EPS (cent) – continuing operations	G 8	**68.20**	60.78	60.69	131.37
Adjusted EPS (cent)		**68.20**	60.78	60.69	131.37
Constant currency change – continuing operations		**12.4%**			
Constant currency change		**12.4%**			

* Net of related tax of $3.9 million (HY 2023: $4.0 million, HY 2023 retranslated $4.0 million, FY 2023: $7.8 million)

G 5. Financing measures

G 5.1 Net debt

Net debt is calculated as current and non-current borrowings less cash and cash equivalents. Refer to note 12 of the interim financial statements for net debt at the end of the reporting period.

G 5.2 Net debt: adjusted EBITDA

Net debt: adjusted EBITDA is calculated as net debt at the end of the period divided by adjusted EBITDA. Adjusted EBITDA is calculated in accordance with lenders' facility agreements definitions which adjust EBITDA for items such as exceptional items, dividends received from related parties, 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	**HY 2024 $m**	HY 2023 $m	Year 2023 $m
Net debt	Note 12	**645.4**	450.8	248.7
Rolling EBITDA		**522.8**	446.0	493.4
Adjustments in line with lenders' facility agreements		**4.3**	9.1	6.8
Rolling adjusted EBITDA		**527.1**	455.1	500.2
Net debt: adjusted EBITDA		**1.22 times**	0.99 times	0.50 times

G 5.3 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 related parties divided by adjusted net finance cost. Adjusted net finance cost comprises finance costs plus borrowing costs capitalised into assets less adjustments including interest expense on lease liabilities and finance income/costs on contingent consideration and remeasurements of call options. This measure and the numbers in the table below are on a rolling 12 month basis (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).

	HY 2024 $m	HY 2023 $m	Year 2023 $m
Operating profit	**375.9**	302.6	392.2
Exceptional (credit)	**(2.6)**	(5.5)	(47.8)
Operating profit (pre-exceptional)	**373.3**	297.1	344.4
Dividends received from related parties	**12.5**	31.9	32.0
IFRS 16 adjustment – interest expense on lease liabilities	**(2.5)**	(2.7)	(2.7)
Adjusted EBIT	**383.3**	326.3	373.7
Net finance cost	**16.4**	16.7	12.3
Adjustments	**(2.7)**	(2.6)	(2.5)
Adjusted net finance cost	**13.7**	14.1	9.8
Adjusted EBIT: net finance cost	**28.0 times**	23.1 times	38.1 times

GLOSSARY OF NON-IFRS PERFORMANCE MEASURES CONTINUED

G 5.4 Average interest rate

The average interest rate is defined as the rolling 12 month adjusted net finance cost divided by average net debt. Adjusted net finance cost comprises finance costs plus borrowing costs capitalised into assets less adjustments including interest expense on lease liabilities and finance income/costs on contingent consideration and remeasurements of call options. Average net debt 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).

G 6. Cash flow measures

G 6.1 Operating cash flow ("OCF")

OCF is defined as EBITDA (pre-exceptional) net of business sustaining capital expenditure and working capital movements, excluding exceptional cash flows. Refer to G 6.4 for the calculation of OCF.

Reconciliation of OCF to cash generated from operating activities before exceptional items:

	Reference	**HY 2024 $m**	HY 2023 $m
Cash generated from operating activities before exceptional items	CGSCF	**122.3**	59.2
Less: business sustaining capital expenditure	G 10(b)	**(14.6)**	(9.5)
Non-cash items not adjusted in computing OCF:			
- Cost of share-based payments	Note 17	**(9.6)**	(10.0)
- Other items		**0.7**	1.6
OCF	G 6.4	**98.8**	41.3

G 6.2 Free cash flow ("FCF")

FCF 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 related parties, exceptional costs paid, payment for acquisition of subsidiaries, proceeds received on disposals and purchase of own shares under share buyback. Refer to G 6.1 and G 6.4 for the reconciliation of FCF to CGSCF.

G 6.3 Operating cash conversion ("OCF Conversion")

OCF conversion is defined as Operating Cashflow ("OCF") divided by EBITDA (pre-exceptional). OCF 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. The measure is a key element of Executive Director and senior management remuneration.

G 6.4 Summary cash flow

The summary cash flow is prepared on a different basis to the CGSCF and as such the reconciling items between EBITDA and net debt movement may differ from amounts presented in the CGSCF. The summary cash flow details movements in net debt while the CGSCF details movements in cash and cash equivalents. The reconciliations of various reconciling items in the summary cash flow to IFRS information are presented separately in G 10 for a clear presentation of information.

	Reference	**HY 2024 $m**	HY 2023 $m
EBITDA (pre-exceptional)	G 2	**261.6**	232.2
Movement in working capital (pre-exceptional)	G 10(a)	**(148.2)**	(181.4)
Business sustaining capital expenditure	G 10(b)	**(14.6)**	(9.5)
Operating cash flow	G 6.1	**98.8**	41.3
Net interest and tax paid	G 10(c)	**(26.0)**	(37.0)
Dividends received from related parties	CGSCF	**-**	19.5
Payments of lease liabilities	CGSCF	**(10.7)**	(10.8)
Other outflows	G 10(d)	**(8.5)**	(5.0)
Free cash flow		**53.6**	8.0
Strategic capital expenditure	G 10(b)	**(30.3)**	(27.3)
Dividends paid to Company shareholders	CGSCF	**(59.6)**	(57.3)
Purchase of own shares under share buyback	G 10(f)	**(54.0)**	(69.3)
Proceeds from disposal of property, plant and equipment	CGSCF	**1.9**	-
Loans/investments in related parties	G 10(e)	**-**	67.8
Exceptional costs paid	CGSCF	**(9.1)**	(8.5)
Acquisitions/disposals	G 10(g)	**(298.8)**	130.8
Net cash flow		**(396.3)**	44.2
Exchange translation	Note 12	**(2.1)**	(5.0)
Cash acquired on acquisition	Note 12	**1.7**	-
Net debt movement		**(396.7)**	39.2
Opening net debt	Note 12	**(248.7)**	(490.0)
Closing net debt	Note 12	**(645.4)**	(450.8)

GLOSSARY OF NON-IFRS PERFORMANCE MEASURES CONTINUED

G 7. 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	HY 2024 $m	HY 2023 $m
Income tax	CGIS	**26.4**	20.6
Exceptional tax credit	CGIS	**2.0**	0.6
Income tax (pre-exceptional)	CGIS	**28.4**	21.2
Profit before tax	CGIS	**169.7**	214.0
Exceptional charge/(credit)	CGIS	**11.2**	(55.9)
Profit before tax (pre-exceptional)	CGIS	**180.9**	158.1
Less: share of results of joint ventures (pre-exceptional)	CGIS	**(3.7)**	(6.5)
		177.2	151.6
Effective tax rate		**16.0%**	14.0%

G 8. Dividend payout ratio

Dividend payout ratio is defined as the US dollar equivalent interim dividend per ordinary share divided by the Adjusted EPS. US dollar equivalent dividend is based on the actual dividend recommendation/payment in euro, retranslated to US dollar at the average exchange rate in the period. The dividend payout ratio provides an indication of the value returned to shareholders relative to the Group's total earnings.

	Reference	HY 2024	HY 2023
Adjusted EPS	G 4.2	**$ 68.20c**	$ 60.78c
Dividend recommended/paid per ordinary share in euro	Note 9	**€ 15.64c**	€ 14.22c
Equivalent US dollar dividend translated at average exchange rate in the period		**$ 16.91c**	$ 15.37c
Dividend payout ratio		**24.8%**	25.3%

G 9. Compound annual growth rate (“CAGR”)

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

G 10. Cash flow items

(a) Movement in working capital

	Reference	HY 2024 $m	HY 2023 $m
Movement in working capital (pre-exceptional)	Note 17	**(154.5)**	(186.0)
Net write down of inventories (pre-exceptional)	Note 17	**10.4**	8.1
Other reconciling items		**(4.1)**	(3.5)
Total movement in net working capital	G 6.4	**(148.2)**	(181.4)

(b) Capital expenditure

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.

	Reference	HY 2024 $m	HY 2023 $m
Business sustaining capital expenditure	G 6.1, G 6.4	**14.6**	9.5
Strategic capital expenditure	G 6.4	**30.3**	27.3
Total capital expenditure		**44.9**	36.8
Purchase of property, plant and equipment	CGSCF	**29.8**	18.3
Purchase of intangible assets	CGSCF	**15.1**	18.5
Total capital expenditure per CGSCF		**44.9**	36.8

GLOSSARY OF NON-IFRS PERFORMANCE MEASURES CONTINUED

(c) Net interest and tax paid

	Reference	**HY 2024 $m**	HY 2023 $m
Interest received	CGSCF	**4.3**	5.2
Interest paid (including interest expense on lease liabilities)	CGSCF	**(13.5)**	(13.5)
Tax paid	CGSCF	**(16.8)**	(28.7)
Total net interest and tax paid	G 6.4	**(26.0)**	(37.0)

(d) Other inflows/(outflows)

	Reference	**HY 2024 $m**	HY 2023 $m
Cost of share-based payments	Note 17	**9.6**	10.0
Purchase of own shares by Employee Share (Scheme) Trust	G 10(f)	**(17.7)**	(13.4)
Other reconciling items		**(0.4)**	(1.6)
Total other outflows	G 6.4	**(8.5)**	(5.0)

(e) Loans/investments in related parties

	Reference	**HY 2024 $m**	HY 2023 $m
Loans advanced to Leprino Foods EU Limited	CGSCF	**-**	(3.5)
Proceeds on repayment of loans advanced to Leprino Foods EU Limited	CGSCF	**-**	71.3
Total loans/investments in related parties	G 6.4	**-**	67.8

(f) Purchase of own shares

	Reference	**HY 2024 $m**	HY 2023 $m
Purchase of own shares under share buyback	G 6.4	**(54.0)**	(69.3)
Purchase of own shares by Employee Share (Scheme) Trust	G 10(d)	**(17.7)**	(13.4)
Total purchase of own shares	CGSCF	**(71.7)**	(82.7)

(g) Acquisitions/disposals

	Reference	**HY 2024 $m**	HY 2023 $m
Payment for acquisition of subsidiaries	CGSCF	**(298.8)**	-
Proceeds from disposal of Leprino Foods (exceptional)	CGSCF	**-**	123.4
Proceeds from disposal of assets and liabilities held for sale (exceptional)	CGSCF	**-**	7.4
Total acquisitions/disposals	G 6.4	**(298.8)**	130.8