

THIRD QUARTER 2024 INTERIM MANAGEMENT STATEMENT

Continued momentum in third quarter, full year guidance reiterated

Announcing new operating model

6 November 2024 – Glanbia plc, the Better Nutrition company (“Glanbia” or the ‘Group’), is issuing this Interim Management Statement for the nine month period ended 5 October 2024 (“the period” or “YTD Q3 2024”).

Highlights¹

- YTD Q3 2024 Group performance in line with expectations;
- Reiterating full year guidance of 5% to 8% growth in adjusted EPS²;
- Group revenue growth of 6.0%;
- Glanbia Performance Nutrition (“GPN”) revenue growth of +1.7%;
 - Optimum Nutrition and Isopure continued their growth momentum, delivering strong volume growth;
- Glanbia Nutritionals (“GN”) – Nutritional Solutions (“NS”) revenue growth of +14.4% (7.2% of which related to acquisitions);
 - Volume trends continue to improve with strong growth in premix and protein solutions businesses;
- €100 million share buyback on-going with €88.6 million bought in the year-to-date;
- Further €50 million buyback authorisation approved by the Board to commence in early 2025; and
- As part its on-going portfolio evolution, the Group is today announcing a change in its operating model, separating its Glanbia Nutritionals business into two new segments.

Commenting today Hugh McGuire, Chief Executive Officer, said:

“Glanbia continued to deliver good momentum during the third quarter, driven by revenue growth across our portfolio of better nutrition brands and ingredients. Volume growth was driven by our protein growth brands Optimum Nutrition and Isopure, as well as premix and protein solutions.

Today, we are announcing the separation of our GN business into two new segments – Health & Nutrition and Dairy Nutrition. The new structure is designed to further streamline our business, sharpen our focus on our end use markets, and position ourselves for the next phase of growth. As part of this change in our operating model, we are commencing a group wide transformation programme which will allow us to fund and drive growth in our business, supporting our ambition to maximise long-term value for shareholders.

We are also announcing an additional €50 million share buyback authorisation which reflects our strong cash flows and balance sheet position further increasing our returns to shareholders.

Looking ahead to the remainder of 2024, we will continue to focus on delivering growth across our portfolio and we are reiterating our full year guidance of 5% to 8% growth in adjusted EPS.”

¹ Current period reported revenues 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. Revenue growth includes the impact of the 53rd week.

² Adjusted Earnings Per Share (“EPS”) on a constant currency basis.

Summary revenue progression (all commentary is on a constant currency basis)

For comparability purposes, commentary on revenue for the total Group and the GN segment presented in this announcement is on a pro-forma basis reflecting the change in commercial arrangements associated with the Group's US joint venture. Further details of this change were published on 28 February 2024.

Summary of YTD Q3 2024 revenue progression versus prior year						
	Volume	Price	Like-for-like ³	53 rd week	Acquisition / Disposals	Total constant currency
Glanbia Performance Nutrition	3.2%	(4.0%)	(0.8%)	2.5%	-	1.7%
Glanbia Nutritionals	2.0%	1.6%	3.6%	3.0%	3.4%	10.0%
<i>Nutritional Solutions</i>	5.0%	(0.9%)	4.1%	3.1%	7.2%	14.4%
<i>US Cheese</i>	(0.7%)	3.9%	3.2%	2.9%	-	6.1%
Total wholly-owned businesses	2.6%	(1.1%)	1.5%	2.7%	1.8%	6.0%

In the nine months ended 5 October 2024, wholly-owned revenue increased 6.0% compared to the same period in 2023. The main drivers of the revenue growth were a volume increase of 2.6%, a price decrease of 1.1%, the positive impact of the 53rd week of 2.7% and the net impact of acquisitions and disposals of 1.8%.

GPN

GPN revenue increased by 1.7% which was driven by volume growth of 3.2%, a price decline of 4.0% and the positive impact of the 53rd week of 2.5%.

Overall momentum continued through the period, with volume growth particularly strong across Optimum Nutrition and Isopure, partly offset by a decline in other portfolio brands. Pricing was negative largely as a result of tactical price reductions and promotional activity. Optimum Nutrition and Isopure delivered double digit volume growth.

GPN Americas revenue was broadly in line with the prior year as growth in performance nutrition and healthy lifestyle was offset by a decline in weight management. Optimum Nutrition continued its strong momentum and delivered US consumption⁴ growth of 1.1% with strong growth in most channels, offset by some weakness in the Specialty channel. Trends in the healthy lifestyle portfolio continued to be robust with US consumption⁴ growth of 1.2%.

GPN International revenue grew by 4.7% driven by strong volume growth in the Optimum Nutrition brand across key priority markets.

GN

GN revenue increased by 10.0%, driven by a 2.0% increase in volume, a 1.6% increase in price, an increase of 3.0% driven by the impact of the 53rd week and an increase of 3.4% driven by the net impact of acquisitions and disposals.

³ Like-for-like revenue change represents the revenue 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, on a pro-forma and constant currency basis.

⁴ 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 5 October 2024.

Nutritional Solutions (“NS”)

NS revenue increased by 14.4%, which was driven by a 5.0% increase in volume, a 0.9% decrease in price, an increase of 3.1% from the impact of the 53rd week and a 7.2% increase from the net impact of acquisitions and disposals. Volume growth was predominantly driven by a strong performance in the premix solutions and protein businesses. Price declines were driven primarily by lower dairy market pricing and reduced input costs in the first half of the year which reversed in the third quarter. The Flavor Producers acquisition, which was completed in April 2024, is performing well.

US Cheese

US Cheese revenue increased by 6.1%, driven by a 0.7% decrease in volume, a 3.9% increase in price as a result of pass-through pricing and an increase of 2.9% driven by the impact of the 53rd week.

Strategic updates

The Group is today announcing its intention to create a new operating model, separating its GN business into two new segments – Health & Nutrition and Dairy Nutrition. The Health & Nutrition segment will primarily incorporate the premix solutions and flavours platforms with the Dairy Nutrition segment focusing on cheese and dairy ingredients and will comprise the portfolios of protein solutions (currently in NS) and US Cheese as well as being the commercial partner for the Group’s joint venture MWC-Southwest Holdings LLC. The new structure is designed to further streamline the business, increase focus on end use markets and to provide greater insight into Glanbia’s value drivers and growth opportunities. The Group expects the new operating model to be implemented during FY 2025 and further details will be provided in early 2025.

In order to maximise the benefit of this operating model change, Glanbia is commencing a group wide transformation programme designed to fund and enable the next phase of growth. The programme will focus on identifying opportunities to enhance productivity and drive efficiencies across operations, accelerating digital transformation and ensuring the Group is well positioned to capitalise on future market growth opportunities.

Financing

The Group’s balance sheet remains in a strong position. The Group’s net debt at 5 October 2024 was \$619.7 million, an increase of \$284.8 million versus prior year and a reduction of \$25.7 million versus half year 2024. The Group has committed debt facilities of \$1.3 billion.

Share buyback

On 14 August 2024, the Group commenced the second €50 million tranche of a €100 million share buyback authority originally announced on 28 February 2024. Between 14 August 2024 and 5 October 2024, €27.7 million was deployed repurchasing 1,747,776 ordinary shares on Euronext Dublin at an average price of €15.84. The Group has spent a total of €88.6 million on share buybacks year-to-date⁵.

Today, Glanbia is announcing that its Board has approved a further €50 million share buyback authority, to commence in early 2025, reflecting the strong capital position of the Group.

2024 Outlook

Based on the current market environment and expectations for the remainder of the year, the Group reiterates its guidance and expects to deliver adjusted EPS growth of 5% to 8% in 2024.

Ends

⁵ Year-to-date to 4 November 2024

Cautionary statement

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

IMS conference call and webcast details

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

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