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KERRY GROUP Q3 INTERIM MANAGEMENT STATEMENT 2024

Continued Volume Progression and Strong Margin Expansion

HIGHLIGHTS

- > Taste & Nutrition Q3 volume growth of 3.4% and Group Q3 volumes +3.2%
 - > Taste & Nutrition Q3 price -1.2% | Group Q3 price -1.2%
 - > Taste & Nutrition YTD EBITDA margin +120bps | Group +140bps
 - > Dairy Ireland YTD volume growth of 0.4% | YTD EBITDA margin +120bps
 - > Full year earnings per share guidance range reiterated
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Edmond Scanlon, Chief Executive Officer

“We were pleased with our performance across the first nine months of the year, with continued volume progression through the period, combined with strong margin expansion.

Taste & Nutrition achieved volume growth of 3.4% in Q3, which as previously referenced was broadly in line with market expectations. This represented continued strong volume growth in the Americas, a good performance in APMEA, with volumes in Europe turning positive in the third quarter. Volumes in the retail channel steadily improved through the period, while foodservice continued to deliver strong growth, given our unique positioning as we outlined at our recent investor day.

We remain on track to achieve our full year guidance, and today we reiterate our range of 7% to 10% constant currency adjusted earnings per share growth.”

Markets and Performance

Consumer demand across many food and beverage markets remained relatively muted following recent inflation in many geographies. Customer innovation activity across the period was weighted towards renovation of existing products, with an increased focus on nutritional profile enhancement, cost optimisation and improving sustainability characteristics of products. A significant level of new product innovation concentrated on addressing increased consumer demand for new taste experiences and providing relative value options.

Group reported revenue in the first nine months of the year comprised volume growth of 2.2%, pricing deflation of 3.2%, favourable transaction currency of 0.2%, adverse translation currency of 0.7%, positive contribution from acquisitions of 0.8% and the effect from disposals of 2.3%, resulting in reduced overall revenues of 3.0% across the period. Group EBITDA margin increased by 140bps driven by benefits from the Accelerate Operational Excellence Programme, a positive impact from portfolio developments, operating leverage, product mix, and the net effect from pricing.

Business Reviews

Taste & Nutrition

Volume growth led by strong foodservice performance

- > Volume growth of 3.2% (Q3: +3.4%)
- > Growth led by Snacks, Beverage and Bakery EUMs
- > Pricing -2.5% (Q3: -1.2%) reflecting input cost deflation in places
- > EBITDA margin expansion of 120bps driven by cost efficiencies, portfolio developments, operating leverage, product mix and the net effect of pricing

Taste & Nutrition delivered good volume growth ahead of its end markets. Foodservice continued to perform strongly with volume growth of 6.8%, supported by new menu innovations, seasonal products, and solutions for nutritional, sustainability and operational enhancements. Growth in the retail channel improved through the period, reflecting good performances in the Americas and APMEA.

Good growth was achieved in authentic taste and biotechnology solutions through the period. Growth in taste was led by innovations incorporating Kerry's savoury taste, botanicals, natural extracts, and Tastesense[®] salt and sugar reduction technologies. Biotechnology solutions' growth was driven by good performances across proactive health technologies and through clean label food protection and preservation launches within food applications.

Business volumes in emerging markets increased by 6.4% in the period, led by strong growth in the Middle East and Africa.

Within the Pharma & Other EUM, growth in excipients and supplements was offset by softer cell nutrition volumes.

At the recent investor day, Kerry announced a €15 million investment in its Biotechnology Hub at BioSquare, Leipzig, Germany. Scheduled for completion in the second quarter of 2025, this state-of-the-art facility will provide the space and infrastructure for additional enzyme engineering and bioprocess development. During the period, the Group also acquired the LactoSens[®] lactose testing technology assets and related business from DirectSens GmbH, while modest in scale, it enhances Kerry's position and capability in providing the complete solution as regards lactose-free dairy products.

Americas Region

- > Volumes +3.5% (Q3: +3.7%)
- > Growth led by Snacks, Bakery and Beverage EUMs
- > Retail achieved good growth with continued strong growth in Foodservice

Volume growth in the Americas was broad-based across the region, channels and end markets.

Within North America, Snacks achieved excellent growth with new business wins incorporating Kerry's leading range of savoury taste profiles and Tastesense[®] salt reduction technologies. Growth in Bakery was supported by performance in preservation and taste systems. Beverage achieved good growth with new innovations including Kerry's coffee extracts, proactive health and Tastesense[®] sugar reduction technologies.

Foodservice delivered strong volume growth through the period, supported by innovations across both established and emerging chains, with good growth in the retail channel across customer and retailer brands.

Within LATAM, growth was led by Mexico, particularly in Snacks and Beverage.

Europe Region

- > Volumes -0.5% (Q3: +0.7%) – turning positive in Q3
- > Beverage and Bakery EUMs achieved good growth
- > Foodservice performed well, with retail volumes improving through the period

Volumes within Europe reflected market conditions, particularly given market consumption in the retail channel post the recent inflation in the region.

Beverage achieved good growth with a number of new innovations in refreshing beverages incorporating Kerry's botanical extracts and Tastesense® sugar reduction technologies. Performance in Dairy and Snacks reflected strong prior year comparatives, while Bakery performed well with solutions incorporating Kerry's food protection, preservation, and texture systems.

Foodservice continued to deliver good growth through seasonal and limited time offer extensions, combined with new beverage and meat innovations across a number of customers.

APMEA Region

- > Volumes +5.4% (Q3: +5.1%)
- > Snacks, Beverage, and Meat EUMs delivered good growth
- > Foodservice achieved strong growth with good growth in retail

Volume growth in the APMEA region reflected strong growth in the Middle East and Africa, while volumes in China were similar to the prior year.

Snacks delivered very strong growth across leading global and regional brands, with increased demand and continued innovation incorporating Kerry's authentic local savoury taste profiles. Beverage performed well through refreshing beverage innovations, while good growth was achieved in Meat through taste and preservation systems.

Foodservice achieved strong volume growth with leading regional coffee chains and quick service restaurants in particular, while growth in the retail channel was supported by strong demand for Kerry's range of local authentic taste solutions with regional leaders.

Dairy Ireland

Good EBITDA Performance led by Dairy Consumer Products

- > Volume growth of 0.4% with Q3 +5.7%
- > Pricing -3.1% with Q3 +5.1% given year-on-year movement in input costs
- > EBITDA margin expansion of 120bps YTD

The segment achieved a good EBITDA performance in the period. This was driven by Dairy Consumer Products' growth and mix development as well as recovery in Dairy Ingredients. Dairy Consumer Products performance was led by good volume growth across Kerry's snacking and branded cheese ranges. Dairy Ingredients volumes reflected soft overall supply conditions, which improved through the period.

Financial Review and Share Buyback Programme

At the end of September, Group net debt was €1.9 billion reflecting cash generation, capital investment and the share buyback programme.

As announced at Kerry's recent investor day and aligned to the Group's Capital Allocation Framework, the Group intends to initiate a further share buyback programme of up to €300 million of Kerry Group plc ordinary shares post the completion of the existing programme. A formal announcement will be made prior to its launch.

The Group's consolidated balance sheet remains strong, which will facilitate the continued strategic development and growth of the business.

Future Prospects

Kerry has a good innovation pipeline and remains well positioned for good volume growth and strong margin expansion, while recognising overall market dynamics remain relatively unchanged.

The Group will continue to develop its business and portfolio aligned to its strategic priorities.

The Group reiterates its full year constant currency adjusted earnings per share growth guidance of 7% to 10%.

Note: Foreign currency translation expected to be a headwind of ~1% on earnings per share in the full year.
Guidance based on average number of shares in issue of ~173m.

Disclaimer: Forward Looking Statements

This Announcement contains forward looking statements which reflect management expectations based on currently available data. However actual results may differ materially from those expressed or implied by these forward looking statements. These forward looking statements speak only as of the date they were made, and the Company undertakes no obligation to publicly update any forward looking statement, whether as a result of new information, future events or otherwise.

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