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Q1 INTERIM MANAGEMENT STATEMENT 2024

Good Start To The Year

FIRST QUARTER HIGHLIGHTS

- Taste & Nutrition delivered good volume growth of 3.1% with Group volumes +1.9%
- Group pricing of -5.3% | Taste & Nutrition -3.9%
- Group EBITDA margin +140bps | Taste & Nutrition +140bps
- Dairy Ireland delivered a solid performance with EBITDA margin +70bps
- New €300m share buyback programme – reflected in updated full year guidance

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Edmond Scanlon, Chief Executive Officer

"We are pleased to report a good start to the year given market dynamics. Taste & Nutrition achieved good volume growth driven by a strong performance within our foodservice channel and we delivered strong margin expansion in the period reflecting the continued development and evolution of our business.

Consumer market dynamics remain similar to those outlined at our full year results. As part of our capital allocation framework as previously indicated, we are announcing a new share buyback programme, and the expected net earnings per share accretion has been reflected in our updated guidance range."

Markets and Performance

Consumer demand remained relatively subdued during the period given the recent inflation across many geographies. Customer innovation and renovation primarily focused on new taste profiles, enhancing product nutritional characteristics and providing relative value options for consumers at different price points.

Group revenue comprised volume growth of 1.9%, pricing deflation of 5.3%, the effect from disposals net of acquisitions of 5.1% and unfavourable translation currency of 1.4%, resulting in overall reduced revenues of 9.9% in the period. Group EBITDA margin increased by 140bps driven by cost efficiencies, portfolio developments and the effect of pricing.

As previously announced and as expected, the carve-out acquisition of part of the global lactase enzyme business of Novonesis (formerly Chr. Hansen Holding A/S ("Chr. Hansen") and Novozymes A/S ("Novozymes")) was completed at the end of April. This acquisition[1] is strongly aligned to Kerry's recent strategic enhancement of its biotechnology capabilities, while extending Kerry's enzyme manufacturing capabilities and footprint to three continents with its focus on food, beverage and pharma applications.

[1] Acquisition comprises certain trade and assets of Chr. Hansen's global lactase enzyme business and 100% of the share capital of Nuocheng Trillion Food (Tianjin) Co., Ltd, a Chinese subsidiary of Novozymes.

Business Reviews

Taste & Nutrition

Growth driven by strong foodservice performance

- Volume growth of 3.1%
- Growth led by Snacks, Meals, Meat and Beverage
- Pricing of -3.9% reflected the deflationary environment
- EBITDA margin expansion of 140bps driven by cost efficiencies, portfolio developments and effect of pricing

Taste & Nutrition delivered good overall volume growth in the period given relatively muted consumer demand in a number of markets. Foodservice continued its momentum with volume growth of 8.6%, supported by menu enhancement activity, seasonal products and back-of-house solutions. The retail channel returned to overall growth recognising varying market conditions across regions.

Growth in the period was led by Snacks, Meals, Meat and Beverage markets, with recent innovations in healthier, more nutritious products performing well. This was supported by strong growth in savoury taste and Tastesense® salt and sugar reduction technologies in particular, as well as good growth across many of Kerry's Proactive Health technologies.

Business volumes in emerging markets increased by 5.2% in the period, led by strong growth in the Middle East.

Within the global Pharma EUM, volumes were similar to the prior year, with growth in excipients offset by lower volumes in cell nutrition.

Americas Region

- Returned to volume growth of 3.6% in Q1
- Snacks, Meals and Beverage delivered strong growth
- Foodservice delivered strong growth with retail performing well
- LATAM growth led by Mexico

Performance in North America reflected a return to volume growth given significant customer inventory management in the prior year. Growth in the period reflected a strong performance in the foodservice channel, as well as some timing benefits in the first quarter.

Within North America, Snacks achieved very strong growth with new savoury taste business wins and a number of launches incorporating Kerry's Tastesense® technologies. Meals delivered good growth through culinary taste solutions with a number of leading foodservice chains. Growth in Beverage was driven by strong performances in botanicals, coffee extracts and Tastesense® sugar reduction technologies.

Within LATAM, good growth was achieved in Mexico across Beverage and Snacks, with performance improving in Brazil in the period.

Europe Region

- Volumes -1.4% against strong comparatives
- Meals and Beverage achieved good growth
- Foodservice performed well with softer dynamics in the retail channel

Performance in the period reflected strong comparatives and softer market conditions across the region given recent inflation. Foodservice delivered another quarter of good growth with quick service restaurants and coffee chains, while softer retail channel volumes reflected constrained consumer demand. Good growth was achieved in Meals with solutions incorporating Kerry's food protection, preservation and authentic taste technologies. Beverage performed well in functional and refreshing beverages supported by a number of new innovations incorporating Kerry's proactive health portfolio, while performance in Dairy reflected strong prior year comparatives.

APMEA Region

- Volume growth of 4.8% led by Snacks and Meat
- Growth driven by strong performance in the Middle East
- Foodservice achieved strong volume growth

Performance in the region was primarily driven by strong growth in the Middle East, with volumes in China similar to the prior year and Southeast Asia improving in the period. Foodservice delivered very strong volume growth with leading regional coffee chains and quick service restaurants. Growth in the retail channel was supported by strong demand for Kerry's range of local authentic taste profiles.

Snacks delivered excellent growth with a number of launches incorporating Kerry's savoury taste portfolio across leading global and regional brands. Strong growth was achieved in Meat through functional and taste systems, while Dairy performed well with dairy taste solutions.

Dairy Ireland

Solid start to the year in-line with expectations

- Volumes -3.0% with good growth in Dairy Consumer Products, more than offset by the impact of market supply conditions in Dairy Ingredients
- Pricing -13.7% given reduction in dairy input costs year on year
- EBITDA margin expansion of 70bps reflective of the effect of pricing

Within Dairy Ireland, Dairy Ingredients volumes were impacted by softer overall supply across the first quarter given local market conditions. Dairy Consumer Products performed well in the period, with growth led by snacking, Kerry's branded cheese range and private-label spreads.

Note: Revenue in Dairy Ireland reflects changes in contractual arrangements implemented in the current year, in accordance with IFRS 15.

Financial Review and Share Buyback Programme

At the end of March, Group net debt was €1.7 billion reflecting cash generation, capital investment and the share buyback programme. The Group's consolidated balance sheet remains strong, which will facilitate the continued strategic development and growth of the business. Aligned to Kerry's Capital Allocation Framework, the Group announces it will commence a share buyback programme of up to €300 million of Kerry Group plc ordinary shares, subject to approval at today's AGM. The programme will commence in May 2024 and will complete by year end at the latest. A formal announcement will be made prior to its launch. As previously announced, the Group has proposed a final dividend of 80.8 cent per share for approval at the Annual General Meeting.

Board Changes

Dr Hugh Brady and Dr Karin Dorrepaal, each having served as Directors for over nine years, will retire from the Board of Directors effective from the conclusion of the Annual General Meeting to be held later today. Mr Christopher Rogers will succeed Dr Hugh Brady as Senior Independent Director and Ms Emer Gilvarry will succeed Dr Karin Dorrepaal as designated employee engagement director.

Outlook

Kerry has a good innovation pipeline and remains well positioned for volume growth and good margin expansion, while recognising consumer demand remains relatively subdued.

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

Reflecting the new share buyback programme, the Group is updating its adjusted earnings per share guidance range to 5.5% to 8.5% growth[2] in constant currency (previously 5% to 8%).

[2] Expected net earnings per share accretion in FY 2024 from the new share buyback programme of 0.5% based on average number of shares in issue of ~173.0m. | Foreign currency translation expected to have a relatively neutral impact in the full year.

Disclaimer

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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