

Strategic Priorities for Growth

The Group has clear strategic priorities for organic and acquisitive growth which are the main drivers of our medium term organic growth targets and focus areas for capital allocation.

These are complemented by our margin expansion objectives and underpinned by a returns discipline, with sustainability a key consideration for all strategic decisions.

The **Taste & Nutrition** division's leading strategic priorities for growth are Authentic Taste combined with Nutrition, Wellness & Functionality. These are intrinsically intertwined, as Kerry's philosophy and ways of working focus on delivering great tasting products, whilst enhancing their nutrition, wellness and functionality.

The Group also continues to advance our leading positions in Developing Markets and the Foodservice channel.

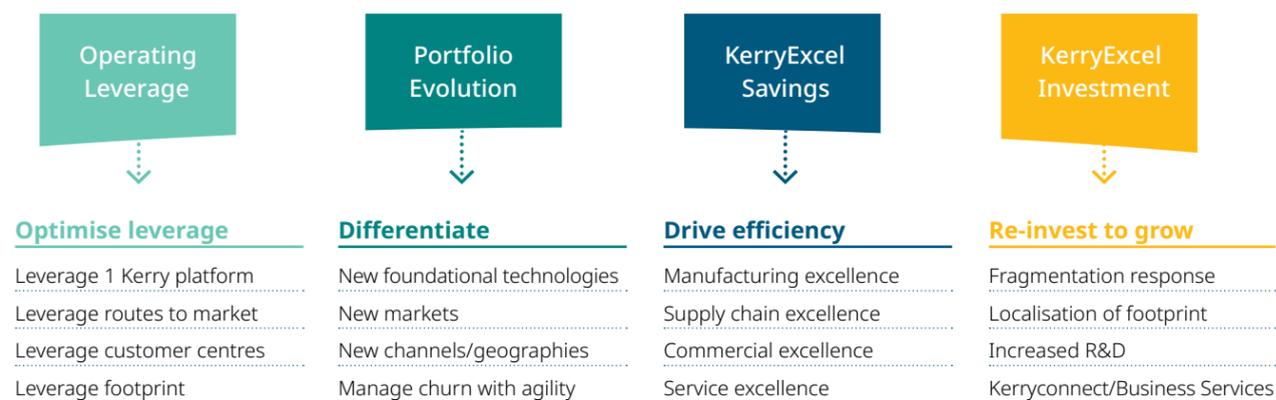
The **Consumer Foods** division is a leader in its categories in the chilled cabinet and is focused on best positioning its offering in the changing marketplace to drive further growth.

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Taste & Nutrition Business Review pages 42-46
Consumer Foods Business Review pages 47-48

STRATEGIC PRIORITIES FOR GROWTH	TASTE & NUTRITION			TASTE & NUTRITION		CONSUMER FOODS
OVERVIEW	AUTHENTIC TASTE	KERRY Unique Proposition	NUTRITION, WELLNESS & FUNCTIONALITY	DEVELOPING MARKETS	FOODSERVICE	Core New occasions New channels New customers Adjacencies
KEY ACHIEVEMENTS STRATEGY IN ACTION	<p>Our Authentic Taste platform is founded on a 'from-food-for-food' heritage and philosophy, with a broad range of foundational technology capabilities in Dairy, Savoury, Smoke & Grill, Citrus, Tea & Coffee, Beverage and Sweet amongst others.</p>	<p>Kerry has an extensive portfolio of technologies across both Taste and Nutrition. It has developed its unique ability to deploy these technologies together to enhance the taste and improve the nutrition and functionality of products, which has been integral to Kerry leading the industry shift towards delivering customer specific integrated solutions.</p>	<p>Our Nutrition, Wellness & Functionality platform delivers benefits such as natural preservation, immunity support, digestive health, sustainable efficiencies, fortification and cleaner labels. These benefits are achieved by leveraging this broad foundational technology platform which includes Proteins, Fibres, Enzymes, Probiotics, Texturants, Food Protection and Natural Preservation Solutions amongst others.</p>	<p>Kerry's local knowledge and focus, combined with its global expertise and capabilities have been key to its excellent track record of growth in developing markets.</p> <p>Kerry's target is to continue to achieve average volume growth in developing markets of 10%+ per annum over the five year plan.</p>	<p>Kerry has an unrivalled position as a partner to the Foodservice channel. The breadth of our offering and depth of capabilities means Kerry is the leading partner for foodservice operators, as it provides menu innovation and new platforms, themed & seasonal offerings and nutrition-led innovation.</p> <p>Kerry's target is to achieve average volume growth in Foodservice of 7% per annum over the five year plan.</p>	<p>A leader in its categories in the chilled cabinet primarily in Ireland and the UK.</p> <p>We will continue to drive growth and outperform our markets in our core business by responding to key consumer trends in meat, meals and dairy, while also leveraging this core expertise in developing and expanding adjacent categories.</p>
	<div data-bbox="356 1129 1415 1958"> <h3>Winning in the Market through Kerry's Leading Plant-Based Offering</h3> <p>The demand for plant-based products is growing at pace across a range of categories, as consumers recognise the health benefits of a balanced diet and the ever increasing impact of sustainability on purchasing decisions. Customers continue to expand their ranges and improve the product attributes of their offerings, including improving flavour, texture, nutritional value and delivering a cleaner label. During the year Kerry launched its Radicle™ brand to allow customers to access the full suite of its plant-based offering. Examples of a number of successful launches during the year across a variety of applications are outlined below.</p> <div style="display: flex; justify-content: space-around;"> <div data-bbox="368 1454 710 1916">  <p>Meat-Free Al Pastor Plenti</p> <ul style="list-style-type: none"> Authentic Savoury™ Clean Smoke, Al Pastor marinade Plenti™ Protein Freshness – Clean Label Preservation  </div> <div data-bbox="731 1454 1052 1916">  <p>Dairy-Free Cold Brew Soft Serve</p> <ul style="list-style-type: none"> Cold Brew Extract & Functional Oat Solution Natural Flavour & TasteSense™ Solution Clean Label Texture Solution including Emugold™ Fibre </div> <div data-bbox="1073 1454 1397 1916">  <p>Coconut & Lemongrass Protein Beverage</p> <ul style="list-style-type: none"> TasteSense™ – Sugar Reduction Technology Simply Nature™ – Lemongrass Extract and Coconut Crystals Prodiem™ Refresh </div> </div> </div>			<div data-bbox="1648 1129 2041 1315">  <p>The official inauguration of Kerry Tumkur facility in India. Pictured: Scott Scharinger, VP & General Manager SWA; Ambassador Brian McElduff; Philip Toomey, Chairman; John Savage, President & CEO Kerry APMEA.</p> </div> <ul style="list-style-type: none"> Continued strong organic performance, with volume growth of 10.0%. Strategic expansion in China through upgrading the recently acquired SIAS facility to serve customers in the Greater Beijing region, and the continued expansion of the Nantong facility. Commissioned new state-of-the-art 40,000m² facility in Tumkur, India, which is another example of the Group's ambition for sustainable production. 	<div data-bbox="2080 1129 2443 1419">  </div> <ul style="list-style-type: none"> Achieved good volume growth of 5.5% in the year. Excellent growth within beverage in Europe, as the nutritional partner to a number of leading Foodservice players. Strong growth across the APMEA region, with the DaVinci brand performing particularly well. 	<div data-bbox="2503 1129 2848 1419">  </div> <ul style="list-style-type: none"> Achieved underlying volume growth ahead of our markets, which were challenged in the year due to softer consumer demand. Achieved strong growth in our adjacent categories, particularly in snacking through the Cheestrings and Fridge Raiders ranges. Launched a number of plant-based offerings under the Richmond and Naked Glory brands.

STRATEGIC REPORT
STRATEGY & FINANCIAL TARGETS

Strategic Priorities for Margin Expansion



Medium Term Financial Targets

The medium term financial targets are based on a combination of growth and return.

Our overall target of 10%+ average constant currency adjusted EPS growth represents a balance of volume growth and margin expansion, supported by the reinvestment of cash in our strategic priorities. The metrics of return on average capital employed and cash conversion represent a balanced assessment of performance over time.

These metrics ensure that there is an appropriate balance between growth and return. We believe that the delivery of these financial targets should underpin a Total Shareholder Return outperformance relative to our peers.

Strategic Medium Term Financial Targets

On average over life of plan



Note 1: Volume growth targets assume 2% above market growth rates.
 Note 2: Adjusted EPS growth and ROACE are calculated before brand related intangible asset amortisation and non-trading items (net of related tax).
 Note 3: Cash conversion is free cash flow expressed as a percentage of adjusted earnings after tax.
 Full definitions can be found on pages 216-219.

STRATEGIC REPORT
STRATEGIC ADVANTAGE

TECHNOLOGY LEADER

Unique expertise in technology integration for solution delivery

Industry-leading application & culinary expertise

Leading technology portfolio

Deep science & research expertise aligned to global network of partners

Unparalleled breadth of product process expertise

Best-in-industry infrastructure of global and local technology & application centres

MARKET LEADER

Global leader in Taste & Nutrition – Co-creation partner for the food & beverage industry

Largest Taste & Nutrition business in Developing Markets

Global Leader in Taste & Nutrition solutions into Meat/Meat Alternative Market

Global Leader in Clean Label solutions (in particular natural preservation & natural taste)

In 5 of the top 10 blockbuster drugs

Leader in our chilled foods categories in Ireland and the UK

PROVEN SUCCESS

33 years of consistent results since 1986

10% CAGR for revenue

13% CAGR for trading profit

13% CAGR for adjusted EPS growth

16% CAGR on share price

17% CAGR on dividend per share

CAGR = Compound Annual Growth Rate

GROWTH POTENTIAL

Industry-leading business model

Unique Taste & Nutrition positioning with long runway of technology deployment opportunities

Winning across all customer segments and channels

Further strong growth potential in developing markets

Extensive global footprint platform to meet local needs

Proven consolidator

We have a long history of sustained profitable growth.

Group strategy will continue to be achieved through the commitment and expertise of our people.

SUSTAINABILITY

Long term strategy fully anchored in our Sustainability commitments

Natural community based heritage

Investing for a sustainable future

Strong delivery against 2020 targets

Milestones linked to performance management

Innovative health & wellbeing programmes supporting communities globally

PEOPLE

Proven leadership and management capability

Ambitious, results driven and collaborative culture

Investment in leadership, professional and technical capabilities for the future

Opportunities for personal growth and career fulfilment

Global mobility programme

Diverse and inclusive teams

Reward & recognition focus

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[Sustainability Review pages 49-72](#)
[Our People pages 18-23](#)