Kerry Presents its Strategic Update at Virtual Capital Markets Day

Kerry Group plc ("Kerry"), the global taste & nutrition company, today presents its updated strategy, mid-term financial targets for the period 2022-2026, and sustainability commitments for 2030.

CEO Edmond Scanlon commented “We have made significant strategic progress in recent years, as we continue to evolve our business as the world’s leading taste & nutrition partner for the food, beverage and pharmaceutical markets. We have a truly unique business with strong leadership positions, aligned to today’s consumer demands and customer needs. Today’s update is the next evolution of Kerry, as we strive to create value for our customers every day, by solving their complex challenges with differentiated solutions. This supports our vision to be our customers’ most valued partner, creating a world of sustainable nutrition”. The updated strategic framework continues to reflect Kerry’s overarching strategic priorities of Taste, Nutrition and Emerging Markets. The Group’s annual revenue volume growth target has been updated to 4-6% on average across the plan, supported by the key growth platforms of Authentic Taste, Plant-Based, Food Waste, and Health & Bio-Pharma.

The Group has set an EBITDA¹ margin target of 18%+ by 2026. This will be underpinned by expanding the EBITDA¹ margin in Taste & Nutrition to 20%+. The key pillars of Kerry’s margin expansion target are enhanced portfolio mix, operating leverage, and operational efficiencies, partially offset by reinvestment for growth initiatives. As part of the operational efficiencies pillar, the Group is today announcing its Accelerate Operational Excellence Transformation programme, beginning in 2022 and running until 2024. The programme will focus on manufacturing and supply chain excellence, with an investment of approximately €120m over the period, delivering a full annual recurring benefit of c. €70m per annum from 2025, following the completion of the programme. Included within the Group’s average mid-term targets are cash conversion of 80%+ and Return on Average Capital Employed of 10-12%.

As part of Kerry’s Beyond the Horizon sustainability strategy, the company also announces an enhancement of its targets. Kerry is increasing its target for scope 1 and 2 emissions reduction from 33% to 55% by 2030, aligning with the most ambitious goal of the Paris Agreement. As part of its broader Diversity, Inclusion and Belonging strategy, Kerry is extending its commitment to equal gender representation across all senior management roles by 2030.

The virtual Capital Markets Day will begin at 1pm Irish time and will run until approximately 4:30pm. Access to the webcast will be available on the Investor Relations section of the Kerry Group website on www.kerrygroup.com/investors. A replay of the webcast and slides will be available on the Group’s website later in the day.

About Kerry Group

Kerry is the world’s leading taste and nutrition partner for the food, beverage and pharmaceutical markets. We innovate with our customers to create great tasting products, with improved nutrition and functionality, while ensuring better impact for the planet. Our leading consumer insights, global RD&A team of 1,100+ food scientists and extensive global footprint enable us to solve our customers’ complex challenges with differentiated solutions. At Kerry, we are driven to be our customers’ most valued partner, creating a world of sustainable nutrition, and to reach over 2 billion consumers with sustainable nutrition solutions by 2030. For more information, visit www.kerrygroup.com.

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. No statement in the Announcement is intended as a profit forecast or a profit estimate.

¹EBITDA represents profit before finance income and costs, income taxes, depreciation (net of capital grant amortisation), intangible asset amortisation and non-trading items (net of related tax).
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