KERRY

Date: 15 February 2024

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KERRY GROUP

PRELIMINARY STATEMENT OF RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023

Solid Business Performance In A Challenging Environment

FY 2023 KEY HIGHLIGHTS

- Group revenue of €8,020m
- Taste & Nutrition volume growth of +1.1% and +0.1% in Q4 (FY 2022: +7.8%) | Group volumes -0.9% (FY 2022: +6.1%)
- Group pricing -0.7% reflecting the deflationary H2 environment (FY 2022: +11.7%)
- EBITDA of €1,165m with organic profit growth more than offset by the impact of disposals and translation currency
- EBITDA margin increased by 60bps to 14.5% | Taste & Nutrition EBITDA margin 17.0%
- Adjusted EPS of 430.1 cent – reflecting a 1.2% increase in constant currency (2022: 440.6 cent)
- Basic EPS of 410.4 cent (2022: 341.9 cent)
- Free cash flow of €701m reflecting 92% cash conversion
- Good progress on sustainability commitments including increasing nutritional reach to 1.25 billion consumers
- Final dividend of 80.8 cent per share (total 2023 dividend up 10.1% to 115.4 cent)
- Plan for further share buyback in 2024 – details to be announced post completion of existing €300m programme

Edmond Scanlon, Chief Executive Officer

"We delivered a solid performance in 2023 recognising varying market dynamics across our regions. Overall Taste & Nutrition volume growth represented an outperformance of our markets. APMEA and Europe achieved good volume growth led by a strong performance in the foodservice channel, while volumes in North America were impacted by stocking dynamics and softer market conditions. Dairy Ireland performance reflected challenging market conditions across the year. We were pleased with our good progress in expanding our EBITDA margin and reporting strong free cash flow generation.

During the year we continued to invest capital and develop our business aligned to our strategic priorities. This included the expansion of our taste capabilities and footprint across our regions, further development of our nutrition portfolio, and broadening our emerging markets presence. This progress builds on our significant recent strategic portfolio developments and geographical expansion, strongly positioning Kerry for market outperformance and good margin progression in the coming years. As we begin 2024, Kerry's innovation pipeline is strong, though overall consumer market volumes remain relatively muted, which is reflected in our guidance for the year of 5% to 8% adjusted earnings per share growth in constant currency[1]."

[1] See Outlook section for detailed guidance summary

Markets and Performance

The overall demand landscape in the year was characterised by a number of noteworthy market dynamics including customer destocking, shrinkflation and the impact of recent broad-based inflation on consumers' spending habits. Despite these factors, customer innovation activity remained strong, with a focus on adding new taste profiles, improving products' nutritional and sustainability characteristics, and providing more relative value options for consumers.

Group revenue for the year was €8,020 million reflecting a decrease of 8.6%, comprising the effect of disposals of 5.1%, contribution from acquisitions of 1.0%, unfavourable translation currency of 2.9%, pricing reduction of 0.7% and volume reduction of 0.9%. Taste & Nutrition business volumes increased by 1.1% while Dairy Ireland volumes decreased by 6.5%.

Group EBITDA margin increased by 60bps to 14.5% as benefits from our Accelerate Operational Excellence transformation programme and portfolio developments were partially offset by the net effect from pricing. Group EBITDA for the year was €1,165 million (2022: €1,216m) as organic profit growth was more than offset by the impact of disposals net of acquisitions and unfavourable translation currency.

Constant currency adjusted earnings per share increased by 1.2% to 430.1 cent (2022: +7.3%), which represented a decrease of 2.4% in reported currency (2022: +15.7%). Basic earnings per share increased by 20.0% to 410.4 cent (2022: 341.9 cent) primarily reflecting the profit on disposal of businesses and assets in 2023 and the Group's exit from Russia and Belarus in the prior year.

Research and development expenditure amounted to €301m (2022: €303m) and net capital expenditure was €303m (2022: €217m) as the Group continued to invest to develop its capabilities and global footprint. Free cash flow was €701m (2022: €640m) representing cash conversion of 92% driven by a strong improvement in working capital.

The Board proposes a final dividend of 80.8 cent per share, an increase of 10.1% on the final 2022 dividend. Together with the interim dividend of 34.6 cent per share, this brings the total dividend for the year to 115.4 cent, an increase of 10.1% on 2022. As previously announced, the Board approved a share buyback programme of up to €300 million of Kerry Group plc ordinary shares, which commenced in November, with 1,373,261 'A' ordinary shares purchased at a total cost of €102 million by year end. The Board plans to announce a further share buyback in 2024, the details of which will be announced post completion of the existing €300m programme.

Good progress was made in the year against Kerry's *Beyond the Horizon* sustainability strategy and commitments, including increasing Kerry's nutritional reach to 1.25 billion consumers globally. The Group achieved a 48% reduction in Scope 1 & 2 carbon emissions[2], while strong progress was made in reducing food waste in Kerry's operations by 39%[2].

Strategic Portfolio Developments

In the year, the Group continued to further develop its portfolio including a number of complementary strategic acquisitions which enhanced Kerry's strong local emerging markets footprint, and also the divestment of its Sweet Ingredients Portfolio[3].

In May, the acquisition of Proexcar[3] was completed, which strengthened Kerry's capabilities and leading position within the Latin American meat market, while also providing a platform for further strategic growth within the ANDEAN region. Located in Colombia with c. 120 employees, the company produces clean-label functional ingredients.

The acquisition of Greatang[3] in July strongly complemented Kerry's leading authentic taste position in China. Headquartered in Shanghai with c.120 employees, Greatang's range of innovative taste solutions expands Kerry's strategic positioning and capability into new foodservice channels and with local and international customers in the meals and snacks markets.

In December, the Group announced it had entered into a definitive agreement to acquire part of the global lactase enzyme business of Chr. Hansen and Novozymes on a carve-out basis[3]. This 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.

[2] Progress vs 2017 baseline

[3] In March, Kerry completed the sale of the trade and assets of its Sweet Ingredients Portfolio for a final consideration of €475.5m, comprising of an initial cash consideration of €350.5m (following routine closing adjustments) plus a €125.0m interest bearing vendor loan note

In May, Kerry acquired 100% of the share capital of Proexcar S.A.S. ('Proexcar') for an initial consideration of US$44.0m (€40.4m net of working capital adjustments and subject to routine closing adjustments) and a potential additional payment of up to US$18.0m (€16.8m) payable in 2025 based on achieving earn-out conditions. The provisional fair value of the expected contingent consideration is US$7.6m (€7.1m)

In July, Kerry acquired 100% of the share capital of Shanghai Greatang Orchard Food Co., Ltd. ('Greatang') for an initial consideration of RMB720.0m (€91.1m) subject to routine closing adjustments, with potential additional payments of up to RMB780.0m (€98.7m) payable based on contractual arrangements over the period 2025 to 2027 based on achieving earn-out conditions. The expected fair value of the contingent consideration is €75.2m

Entered into a definitive agreement to acquire part of the global lactase enzyme business of Chr. Hansen Holding A/S ('Chr. Hansen') and Novozymes A/S ('Novozymes') (together the 'Lactase Enzymes Business') on a carve out basis. The 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. Total consideration is €150.0m subject to routine closing adjustments, with the acquisition expected to close by end of April 2024

Business Performance

Taste & Nutrition

Volume growth driven by strong foodservice performance

	2023	Performance
Revenue	€6,975m	+1.1%[4]
EBITDA margin	17.0%	+50bps

[4] volume performance

- Volume growth of 1.1% given strong comparatives and challenging market conditions (Q4: +0.1%)
- Growth led by Food EUM across Dairy, Snacks and Meat
- Pricing +1.1% with inflation in H1 turning to deflation in H2
- EBITDA of €1,186m with margin +50bps due to cost efficiency initiatives and portfolio developments

Taste & Nutrition reported revenue of €6,975m reflected volume growth of 1.1% and positive pricing of 1.1%, more than offset by unfavourable translation currency of 3.4% and the effect of disposals net of acquisitions of 4.8%.

The segment achieved solid overall volume growth given the backdrop of industry destocking and pricing dynamics. Foodservice achieved strong volume growth of 9.3% supported by innovation with quick service restaurants, fast casuals and coffee chains in particular, while the retail channel volume reduction of 2.2% reflected customer inventory management and softer market dynamics.

From an End Use Market perspective, Food achieved good growth led by Dairy, Snacks and Meat. This was supported by strong performances in savoury and culinary taste solutions, as well as Tastesense™ salt and sugar-reduction technologies. Business volumes in emerging markets increased by 4.1% with strong growth in the Middle East.

Within the global Pharma EUM, volume growth was led by good performances in cell nutrition and in Kerry's clinically backed branded botanical extracts, partially offset by excipients.

Americas Region

- Overall volumes -1.8% (Q4: -1.9%)
- Retail channel saw softer market conditions while foodservice performed well
- Within the Food EUM, good volume growth was achieved in Snacks and Dairy
- LATAM delivered overall growth despite softer H2 market conditions

Reported revenue in the Americas region was €3,772m reflecting volume and pricing reductions of 1.8% and 0.1% respectively, unfavourable translation currency of 2.6% and the effect from disposals net of acquisitions of 4.9%.

Performance in the region reflected strong comparatives, customer inventory reductions and softer than expected market conditions, which continued to be a feature through to the end of the year. Performance in the retail channel was particularly impacted within the Beverage, Bakery and Meat markets, while growth in foodservice was supported by continued menu enhancement and back-of-house efficiency solutions. In North America, Snacks and Dairy achieved good growth driven by authentic taste-led innovations with global leaders, emerging brands and private label, while performance in Meat included a number of successful new launches incorporating Kerry's clean-label preservation systems.

LATAM achieved overall volume growth led by Mexico with good performances in the Snacks and Meat markets, while Brazil experienced softer market conditions in the second half of the year.

Europe Region

- Volumes +2.9% (Q4: +0.8%)
- Dairy, Snacks and Meals performed very well
- Foodservice delivered strong growth

Reported revenue in the Europe region of €1,517m reflected volume growth of 2.9% and positive pricing of 6.4%, more than offset by an unfavourable translation currency of 1.4% and the effect from disposals of 10.0%.

Growth within the region was led by strong performances in the UK and Ireland. Dairy achieved good growth led by performances in dairy applications for the foodservice channel. Snacks delivered strong growth through savoury taste and Tastesense™ salt reduction technologies, while Meals performance was supported by nutritional enhancements and authentic taste solutions in stocks and broths. Beverage also performed well, with good business development in the low and no alcohol category with our citrus range, sugar reduction technologies and botanicals portfolio.

The region achieved very strong growth in the foodservice channel driven by menu enhancement activity, seasonal products and ongoing nutritional profile improvements. As expected, performance in the retail channel softened through the year, reflecting constrained market demand given recent inflation in the region.

APMEA Region

- Volumes +6.2% (Q4: +3.1%)
- Growth led by Bakery, Meat and Meals
- Foodservice delivered very strong growth

Reported revenue in the APMEA region of €1,647m reflected volume growth of 6.2%, lower pricing of 1.0%, favourable transaction currency of 0.1%, unfavourable translation currency of 6.6% and the effect from disposals net of acquisitions of 0.2%.

Overall growth in the region was led by a strong performance in the Middle East across the year. China delivered good growth considering local market dynamics, while performance in Southeast Asia was impacted by challenging market conditions through the second half of the year.

Strong growth was achieved in the foodservice channel through the year. This was led by Bakery with a number of new taste and texture innovations. Meat achieved strong growth driven by local authentic taste launches with global and regional leaders, while Meals performed well through culinary taste systems and Tastesense™ salt reduction technologies. Growth in the retail channel was supported by strong local authentic taste and probiotic innovations across the Food end use markets.

During the year, good progress was made in enhancing the Group’s presence within the region. This included the expansion of Kerry’s footprint in East Africa and the opening of its new authentic taste facility in Karawang, Indonesia to further support customers in key end use markets across Southeast Asia.

Dairy Ireland
Performance reflected significant change in Dairy Market prices

	2023	Performance
Revenue	€1,283m	-6.5%[5]
EBITDA margin	4.2%	-40bps

[5] volume performance

- Volumes -6.5% reflected challenging market environment and constrained supply conditions (Q4: -7.5%)
- Pricing -9.3% with reduced pricing reflective of dairy markets
- EBITDA of €53m with margin reduction driven by the significant impact of changes in dairy market prices (2022: €71m)

Reported revenue and overall EBITDA in Dairy Ireland was lower in the year due to constrained supply conditions as well as elevated input costs impacting market demand dynamics.

Within Dairy Ingredients, performance was impacted by the sharp fall in dairy market sales prices particularly across the middle part of the year. Dairy Consumer Products performed well given the market context, supported by good growth in branded cheese.

Financial Review

	% change	2023 €'m	2022 €'m
Revenue	(8.6%)	**8,020.3**	8,771.9
EBITDA	(4.2%)	**1,165.1**	1,216.1
EBITDA margin		***14.5%***	*13.9%*
Depreciation (net)		**(219.6)**	(221.6)
Computer software amortisation		**(27.2)**	(31.8)
Finance costs (net)		**(50.3)**	(66.2)
Share of joint ventures' results after taxation		**(1.9)**	(0.4)
Adjusted earnings before taxation		**866.1**	896.1
Income taxes (excluding non-trading items)		**(103.1)**	(114.5)
Adjusted earnings after taxation		**763.0**	781.6
Brand related intangible asset amortisation		**(52.3)**	(50.9)
Non-trading items (net of related tax)		**17.4**	(124.2)
Profit after taxation		**728.1**	606.5
		EPS cent	EPS cent
Basic EPS	20.0%	**410.4**	341.9
Brand related intangible asset amortisation		**29.5**	28.7
Non-trading items (net of related tax)		**(9.8)**	70.0
Adjusted* EPS	(2.4%)	**430.1**	440.6
Impact of exchange rate translation	3.6%		
Adjusted* EPS growth in constant currency	**1.2%**		

* Before brand related intangible asset amortisation and non-trading items (net of related tax).
See Financial Definitions section for definitions, calculations and reconciliations of Alternative Performance Measures.

Revenue

Reported revenue of **€8,020.3m** (2022: €8,771.9m) was 8.6% lower than the previous year mainly driven by the unfavourable impact of the disposals and foreign currency in the year.

The table below presents the revenue performance components for the Group and reporting segments.

2023	Volume	Price	Currency[6]	Acquisitions	Disposals	Reported Revenue Performance
Taste & Nutrition	**1.1%**	**1.1%**	**(3.4%)**	**1.2%**	**(6.0%)**	**(6.0%)**
Dairy Ireland	**(6.5%)**	**(9.3%)**	**(0.8%)**	**–**	**–**	**(16.6%)**
Group	**(0.9%)**	**(0.7%)**	**(2.9%)**	**1.0%**	**(5.1%)**	**(8.6%)**

[6] This includes the impact of transaction and translation currency

EBITDA & Margin %

Reported EBIDTA of **€1,165.1m** (2022: €1,216.1m) reflects organic growth more than offset by the unfavourable impact of currency translation and disposals in the year. Reported EBITDA margin of **14.5%** (2022: 13.9%) representing an increase of **60bps** primarily reflecting benefits from Accelerate Operational Excellence cost efficiency initiatives and portfolio developments.

Computer Software Amortisation

Computer software amortisation decreased by **€4.6m** to **€27.2m** (2022: €31.8m) reflecting the timing of spend.

Brand Related Intangible Asset Amortisation

Brand related intangible asset amortisation increased to **€52.3m** (2022: €50.9m) which is reflective of recent acquisition activity.

Finance Costs

Net finance costs for the year decreased by **€15.9m** to **€50.3m** (2022: €66.2m) primarily due to deposit interest earned on cash generated and reflecting the interest receivable on the third-party vendor loan note arising on the divestment of the Sweet Ingredients Portfolio. The Group's average cost of finance for the year was **2.4%** (2022: 2.3%).

Taxation

The tax charge for the year before non-trading items was **€103.1m** (2022: €114.5m) representing an effective tax rate of **12.7%** (2022: 13.5%) and the timing of in-year recognition of deferred tax assets.

Non-Trading Items

During the year, the Group incurred an overall non-trading credit of **€17.4m** (2022: €124.2m charge) net of tax. This was made up of a charge of **€61.7m** net of tax, and offset by a credit of **€79.1m** net of tax. The charge primarily relates to investments in the previously announced Accelerate Operational Excellence transformation programme, which predominantly reflects costs of streamlining operations, project management costs, and consultancy fees, while we work to enhance our continuous improvement in manufacturing processes and deliver step-change manufacturing and supply chain excellence across the organisation. The credit of €79.1m in the year relates to the profit on sale of the business/assets mainly related to the Sweet Ingredients Portfolio divestment net of transaction costs.

The charge in the prior year, is primarily related to the divestment of the Group's Russia and Belarus entities and the first year of the Accelerate Operational Excellence transformation programme.

Foreign Exchange

Group results are impacted by year-on-year fluctuations in exchange rates versus the euro. The primary rates driving the currency impact in the figures above were USD and GBP which had average rates of **1.09** (2022: 1.05) and **0.87** (2022: 0.85) respectively.

Cash & Returns

Free Cash Flow

In 2023, the Group achieved free cash flow of **€701.3m** (2022: €640.4m) reflecting 92% cash conversion in the year.

Free Cash Flow	**2023 €'m**	2022 €'m
EBITDA	**1,165.1**	1,216.1
Movement in average working capital	**38.4**	(201.4)
Pension contributions paid less pension expense	**(13.5)**	(15.7)
Finance costs paid (net)	**(65.8)**	(62.0)
Income taxes paid	**(119.5)**	(80.0)
Purchase of non-current assets	**(315.0)**	(254.7)
Sales proceeds on disposal of non-current assets	**11.6**	38.1
Free cash flow	**701.3**	640.4
Cash conversion[7]	**92%**	82%

[7] Cash conversion is free cash flow expressed as a percentage of adjusted earnings after taxation

The main driver of the strong cash conversion is the improvement in average working capital. The decrease in working capital levels is attributable to the positive effects of our Accelerate Operational Excellence supply chain programme on overall inventory management, the efficient management of receivables enabled by our Global Business Services centres and the easing of the inflationary environment through the year. The Group's capital investment aligned to our strategic priorities and tax payments have increased year-on-year. Capital expenditure was lower in the prior year due to timing of projects.

Returns

	2023 €'m	2022 €'m
Adjusted profit	**813.5**	847.7
Average capital employed	**8,172.8**	8,236.5
Return on Average Capital Employed (ROACE)	**10.0%**	10.3%

Further detail is set out within the Financial Definitions section for definitions, calculations and reconciliations of Alternative Performance Measures.

The movement in ROACE is primarily due to the translation impact on underlying assets and timing of M&A activity.

Share Buyback

In October, the Board approved a share buyback programme which will return up to €300 million in cash to shareholders. The buyback programme commenced on 1 November and is expected to be completed by the end of April 2024. The buyback programme is underpinned by the Group's strong balance sheet and cash flow and is aligned to the Company's Capital Allocation Framework.

In the period from 1 November 2023 to 31 December 2023 the Company purchased 1,373,261 shares returning a total of €101.7m to shareholders. Since the year end, and up to 31 January 2024, the Company has purchased an additional 749,081 shares returning an additional €58.9m to shareholders.

Net Debt

Net debt at the end of the year was **€1,604.1m** (2022: €2,217.4m). The decrease during the year reflects strong business cash generation and divestments proceeds, offset by acquisition spend and the share buyback programme.

Key Financial Ratios

Our credit metrics are strong with a net debt to EBITDA ratio of 1.5 times and we have a strong balance sheet which will continue to support the further strategic development of our business.

	2023 Times	2022 Times
Net debt:EBITDA	**1.5**	1.8
EBITDA:Net interest	**21.8**	18.1

Financing

Undrawn committed facilities at the end of the year were **€1,500m** (2022: €1,100m) while undrawn standby facilities were **€335.0m** (2022: €343.0m).

Share Price and Market Capitalisation

The share price on 31 December 2023 was **€78.66** (2022: €84.24) giving a market capitalisation of **€13.8bn** (2022: €14.9bn). Total shareholder return was **-5.3%** (2022: -24.7%) as share prices and valuations across the sector were adversely impacted by increases in interest rates and macroeconomic developments in the year.

Dividend and Annual General Meeting

During the year, the Group paid an interim dividend of 34.6 cent per A ordinary share, which was an increase of 10.2%. The Board has proposed a final dividend of 80.8 cent per A ordinary share, payable on 10 May 2024 to shareholders registered on the record date of 12 April 2024. When combined with the interim dividend, the total dividend for the year amounts to 115.4 cent per share (2022: 104.8 cent per share), which is an increase of 10.1% over last year's dividend. The Group's aim is to have double digit dividend growth each year. Over 35 years as a listed company, the Group has grown its dividend at a compound rate of 16%.

Kerry's Annual General Meeting is scheduled to take place on 2 May 2024.

Outlook

In 2023, recognising the challenging market conditions and strong comparatives, Kerry delivered a solid business performance with Taste & Nutrition volume growth ahead of the market, good margin expansion, strong cash generation and continued progress against the Group's *Beyond the Horizon* sustainability commitments.

At the outset of 2024, Kerry has a good innovation pipeline and remains strongly positioned for market volume outperformance and good margin expansion, however consumer market volumes remain relatively muted. Given this context, in 2024 the Group expects to achieve 5% to 8% adjusted earnings per share growth in constant currency.

Key items within Constant Currency Adjusted Earnings Per Share (EPS) Guidance[8]	
Volume growth	Low-single digit
EBITDA margin	Good Margin Expansion
Tax rate	Towards 15%
Average shares in issue	~174.1m
Constant Currency Adjusted Earnings Per Share (EPS) Guidance	**5% to 8% growth**

[8] Guidance includes contribution from all acquisitions including the recently announced Lactase Enzymes Business which is expected to close by end of April 2024
Guidance does not include any potential impact from any share buybacks beyond the current announced programme
Foreign currency translation is currently expected to be relatively neutral in the full year

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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Consolidated Income Statement
for the financial year ended 31 December 2023

	Notes	**Before Non-Trading Items 2023 €'m**	**Non-Trading Items 2023 €'m**	**Total 2023 €'m**	Before Non-Trading Items 2022 €'m	Non-Trading Items 2022 €'m	Total 2022 €'m
Continuing operations							
Revenue	2	**8,020.3**	**-**	**8,020.3**	8,771.9	-	8,771.9
Earnings before interest, tax, depreciation and amortisation	1/2	**1,165.1**	**-**	**1,165.1**	1,216.1	-	1,216.1
Depreciation (net) and intangible asset amortisation		**(299.1)**	**-**	**(299.1)**	(304.3)	-	(304.3)
Non-trading items	3	**-**	**8.8**	**8.8**	-	(146.2)	(146.2)
Operating profit		**866.0**	**8.8**	**874.8**	911.8	(146.2)	765.6
Finance income		**21.8**	**-**	**21.8**	6.6	-	6.6
Finance costs		**(72.1)**	**-**	**(72.1)**	(72.8)	-	(72.8)
Share of joint ventures' results after taxation		**(1.9)**	**-**	**(1.9)**	(0.4)	-	(0.4)
Profit before taxation		**813.8**	**8.8**	**822.6**	845.2	(146.2)	699.0
Income taxes		**(103.1)**	**8.6**	**(94.5)**	(114.5)	22.0	(92.5)
Profit after taxation		**710.7**	**17.4**	**728.1**	730.7	(124.2)	606.5
Attributable to:							
Equity holders of the parent				**728.3**			606.4
Non-controlling interests				**(0.2)**			0.1
				728.1			606.5
Earnings per A ordinary share				**Cent**			Cent
- basic	4			**410.4**			341.9
- diluted	4			**409.7**			341.3

Consolidated Statement of Comprehensive Income

for the financial year ended 31 December 2023

	Note	**2023 €'m**	2022 €'m
Profit after taxation		**728.1**	606.5
Other comprehensive income:			
Items that are or may be reclassified subsequently to profit or loss:			
Fair value movements on cash flow hedges		**(1.6)**	5.9
Cash flow hedges - reclassified to profit or loss from equity		**1.3**	(2.8)
Net change in cost of hedging		**0.1**	0.8
Deferred tax effect of fair value movements on cash flow hedges		**(0.4)**	(0.2)
Exchange difference on translation of foreign operations		**(129.0)**	152.2
Cumulative exchange difference on translation recycled on disposal	3	**(1.5)**	14.9
Items that will not be reclassified subsequently to profit or loss:			
Re-measurement on retirement benefits obligation		**(33.5)**	(13.4)
Deferred tax effect of re-measurement on retirement benefits obligation		**7.1**	7.6
Net (expense)/income recognised directly in total other comprehensive income		**(157.5)**	165.0
Total comprehensive income		**570.6**	771.5
Attributable to:			
Equity holders of the parent		**570.8**	771.4
Non-controlling interests		**(0.2)**	0.1
		570.6	771.5

Consolidated Balance Sheet
as at 31 December 2023

	Note	**31 December 2023 €'m**	31 December 2022 €'m
Non-current assets			
Property, plant and equipment		**2,133.0**	2,099.3
Intangible assets		**5,826.3**	5,720.0
Financial asset investments		**52.0**	58.9
Investments in joint ventures		**39.8**	41.7
Other non-current financial instruments		**125.0**	0.3
Retirement benefits asset		**98.0**	95.6
Deferred tax assets		**80.2**	71.9
		8,354.3	8,087.7
Current assets			
Inventories		**1,100.2**	1,354.4
Trade and other receivables		**1,279.0**	1,423.8
Cash at bank and in hand		**943.7**	970.0
Other current financial instruments		**13.7**	59.5
Assets classified as held for sale	6	**1.5**	388.0
		3,338.1	4,195.7
Total assets		**11,692.4**	12,283.4
Current liabilities			
Trade and other payables		**1,773.1**	1,966.5
Borrowings and overdrafts		**37.1**	701.1
Other current financial instruments		**7.5**	18.4
Tax liabilities		**173.0**	190.9
Provisions		**18.3**	15.3
Deferred income		**4.5**	3.4
Total liabilities directly associated with assets classified as held for sale	6	**-**	19.7
		2,013.5	2,915.3
Non-current liabilities			
Borrowings		**2,432.6**	2,432.6
Other non-current financial instruments		**9.7**	20.3
Retirement benefits obligation		**49.7**	30.2
Other non-current liabilities		**207.5**	142.6
Deferred tax liabilities		**395.6**	452.3
Provisions		**46.4**	50.5
Deferred income		**14.6**	16.0
		3,156.1	3,144.5
Total liabilities		**5,169.6**	6,059.8
Net assets		**6,522.8**	6,223.6
Equity			
Share capital		**21.9**	22.1
Share premium		**398.7**	398.7
Other reserves		**(44.6)**	64.3
Retained earnings		**6,145.3**	5,736.8
Equity attributable to equity holders of the parent		**6,521.3**	6,221.9
Non-controlling interests		**1.5**	1.7
Total equity		**6,522.8**	6,223.6

Consolidated Statement of Changes in Equity
for the financial year ended 31 December 2023

		Attributable to equity holders of the parent						
	Note	Share Capital €'m	Share Premium €'m	Other Reserves €'m	Retained Earnings €'m	Total €'m	Non-controlling interests €'m	Total equity €'m
Group:								
At 1 January 2022		22.1	398.7	(129.6)	5,310.0	5,601.2	-	5,601.2
Profit after taxation		-	-	-	606.4	606.4	0.1	606.5
Other comprehensive income/(expense)		-	-	171.0	(6.0)	165.0	-	165.0
Total comprehensive income		-	-	171.0	600.4	771.4	0.1	771.5
Shares issued during the financial year		-	-	-	-	-	-	-
Dividends paid	5	-	-	-	(173.6)	(173.6)	-	(173.6)
Share-based payment expense		-	-	22.9	-	22.9	-	22.9
Non-controlling interests arising on acquisition		-	-	-	-	-	1.6	1.6
At 31 December 2022		22.1	398.7	64.3	5,736.8	6,221.9	1.7	6,223.6
Profit after taxation		**-**	**-**	**-**	**728.3**	**728.3**	**(0.2)**	**728.1**
Other comprehensive expense		**-**	**-**	**(130.7)**	**(26.8)**	**(157.5)**	**-**	**(157.5)**
Total comprehensive (expense)/income		**-**	**-**	**(130.7)**	**701.5**	**570.8**	**(0.2)**	**570.6**
Shares issued during the financial year		**-**	**-**	**-**	**-**	**-**	**-**	**-**
Shares (purchased)/cancelled during the financial year		**(0.2)**	**-**	**0.2**	**(101.7)**	**(101.7)**	**-**	**(101.7)**
Dividends paid	5	**-**	**-**	**-**	**(191.3)**	**(191.3)**	**-**	**(191.3)**
Share-based payment expense		**-**	**-**	**21.6**	**-**	**21.6**	**-**	**21.6**
At 31 December 2023		**21.9**	**398.7**	**(44.6)**	**6,145.3**	**6,521.3**	**1.5**	**6,522.8**

Other Reserves comprise the following:

	Capital Redemption Reserve €'m	Other Undenominated Capital €'m	Share-Based Payment Reserve €'m	Translation Reserve €'m	Hedging Reserve €'m	Cost of Hedging Reserve €'m	Total €'m
At 1 January 2022	1.7	0.3	107.4	(238.1)	1.4	(2.3)	(129.6)
Other comprehensive income	-	-	-	167.1	3.1	0.8	171.0
Share-based payment expense	-	-	22.9	-	-	-	22.9
At 31 December 2022	1.7	0.3	130.3	(71.0)	4.5	(1.5)	64.3
Other comprehensive (expense)/income	**-**	**-**	**-**	**(130.5)**	**(0.3)**	**0.1**	**(130.7)**
Shares cancelled during the financial year	**0.2**	**-**	**-**	**-**	**-**	**-**	**0.2**
Share-based payment expense	**-**	**-**	**21.6**	**-**	**-**	**-**	**21.6**
At 31 December 2023	**1.9**	**0.3**	**151.9**	**(201.5)**	**4.2**	**(1.4)**	**(44.6)**

Consolidated Statement of Cash Flows
for the financial year ended 31 December 2023

	Notes	**2023 €'m**	2022 €'m
Cash flows from operating activities			
Profit before taxation		**822.6**	699.0
Adjustments for:			
Depreciation (net)		**219.6**	221.6
Intangible asset amortisation		**79.5**	82.7
Share of joint ventures' results after taxation		**1.9**	0.4
Non-trading items income statement charge	3	**(8.8)**	146.2
Finance costs (net)		**50.3**	66.2
Change in working capital		**185.5**	(224.0)
Pension contributions paid less pension expense		**(13.5)**	(15.7)
Payments on non-trading items		**(99.8)**	(85.4)
Exchange translation adjustment		**(14.2)**	(27.2)
Cash generated from operations		**1,223.1**	863.8
Income taxes paid		**(119.5)**	(80.0)
Finance income received		**13.9**	5.4
Finance costs paid		**(79.7)**	(67.4)
Net cash from operating activities		**1,037.8**	721.8
Investing activities			
Purchase of assets		**(281.9)**	(221.0)
Proceeds from the sale of assets (net of disposal expenses)		**11.6**	38.1
Capital grants received		**3.3**	1.4
Purchase of businesses (net of cash acquired)	8	**(131.1)**	(353.8)
Payments relating to previous acquisitions		**(9.7)**	(1.8)
Purchase of investments		**(3.0)**	(10.4)
Purchase of share in joint ventures		**-**	(20.4)
Disposal of businesses (net of disposal expenses)	3	**316.4**	(15.2)
Net cash used in investing activities		**(94.4)**	(583.1)
Financing activities			
Dividends paid	5	**(191.3)**	(173.6)
Purchase of own shares		**(101.7)**	-
Payment of lease liabilities		**(36.4)**	(35.1)
Issue of share capital		**-**	-
Repayment of borrowings		**(695.9)**	(3.0)
Cash inflow from interest rate swaps on repayment of borrowings		**34.4**	-
Proceeds from borrowings		**4.1**	2.0
Net cash movement due to financing activities		**(986.8)**	(209.7)
Net decrease in cash and cash equivalents		**(43.4)**	(71.0)
Cash and cash equivalents at beginning of the financial year		969.8	1,033.8
Exchange translation adjustment on cash and cash equivalents		**(17.4)**	7.0
Cash and cash equivalents at end of the financial year		**909.0**	969.8

Reconciliation of Net Cash Flow to Movement in Net Debt			
Net decrease in cash and cash equivalents		**(43.4)**	(71.0)
Cash flow from debt financing		**657.4**	1.0
Changes in net debt resulting from cash flows		**614.0**	(70.0)
Fair value movement on interest rate swaps (net of adjustment to borrowings)		**1.0**	1.4
Exchange translation adjustment on net debt		**(2.3)**	(29.7)
Movement in net debt in the financial year		**612.7**	(98.3)
Net debt at beginning of the financial year - pre lease liabilities		(2,148.2)	(2,049.9)
Net debt at end of the financial year - pre lease liabilities		**(1,535.5)**	(2,148.2)
Lease liabilities		**(68.6)**	(69.2)
Net debt at end of the financial year		**(1,604.1)**	(2,217.4)

Notes to the Financial Statements
for the financial year ended 31 December 2023

1. Accounting policies

The financial information included within this statement has been extracted from the audited financial statements of Kerry Group plc for the financial year ended 31 December 2023. The financial information set out in this document does not constitute full statutory financial statements for the financial years ended 31 December 2023 or 2022 but is derived from same. The consolidated financial statements of Kerry Group plc have been prepared in accordance with International Financial Reporting Standards as issued by the IASB ('IFRS Accounting Standards'), International Financial Reporting Interpretations Committee ('IFRIC') interpretations and those parts of the Companies Act, 2014 applicable to companies reporting under IFRS Accounting Standards. The financial statements comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows, and the notes to the financial statements. The Group's financial statements have also been prepared in accordance with International Financial Reporting Standards ('IFRS') adopted by the European Union ('EU') which comprise standards and interpretations approved by the International Accounting Standards Board ('IASB'). The Group financial statements comply with Article 4 of the EU IAS Regulation. IFRS adopted by the EU differs in certain respects from IFRS Accounting Standards issued by the IASB. References to IFRS hereafter refer to IFRS adopted by the EU.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities (including derivative financial instruments) and financial asset investments which are held at fair value. Assets and liabilities classified as held for sale are stated at the lower of carrying value and fair value less costs to sell. The investments in joint ventures are accounted for using the equity method.

Certain income statement headings and other financial measures included in the consolidated financial statements are not defined by IFRS such as earnings before interest, tax, depreciation and amortisation ('EBITDA'), non-trading items and net debt. The Group makes this distinction to enhance the understanding of the financial performance of the business as outlined in the Financial Definitions.

The consolidated financial statements have been prepared on the going concern basis of accounting. The Directors have considered the Group's business activities and how it generates value, together with the main trends and factors likely to affect future development, business performance and position of the Group including liquidity and access to financing and the potential impacts of climate, geopolitical and macroeconomic environment related risks on profitability. The going concern of the Group was also assessed by considering the potential impact of climate related risks on profitability and liquidity, continuing inflationary cost pressures, customer inventory management and rising interest rates during the period. There are no material uncertainties that cast significant doubt on the Group's ability to continue as a going concern over a period of at least 12 months from the date of approval of these financial statements.

The Group's accounting policies will be included in the 2023 Annual Report & Accounts, which will be published in March, and are consistent with those described in the 2022 Annual Report & Accounts.

Critical accounting estimates and judgements
The preparation of the Group consolidated financial statements requires management to make certain estimations, assumptions and judgements that affect the reported profits, assets and liabilities.

Estimates and underlying assumptions are reviewed on an ongoing basis. Changes in accounting estimates may be necessary if there are changes in the circumstances on which the estimate was based or as a result of new information or more experience. Such changes are recognised in the period in which the estimate is revised.

In particular, information about significant areas of estimation and judgement that have the most significant effect on the amounts recognised in the consolidated financial statements are described below and in the respective notes to the consolidated financial statements.

Notes to the Financial Statements

for the financial year ended 31 December 2023

1. Accounting policies (continued)

New standards and interpretations

Certain new and revised accounting standards and new International Financial Reporting Interpretations Committee ('IFRIC') interpretations have been issued. The Group intends to adopt the relevant new and revised standards when they become effective and endorsed by the EU. The Group's assessment of the impact of these standards and interpretations is set out below.

The following Standards and Interpretations are effective for the Group in 2023 but do not have a material effect on the results or financial position of the Group:		***Effective Date***
- IAS 1 (Amendments)	Presentation of Financial Statements	1 January 2023
- IAS 8 (Amendments)	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
- IAS 12 (Amendments)	Income Taxes	1 January 2023

The following Standards and Interpretations are not yet effective for the Group and are not expected to have a material effect on the results or financial position of the Group:		***Effective Date***
- IAS 1 (Amendments)	Presentation of Financial Statements	1 January 2024
- IFRS 16 (Amendments)	Leases	1 January 2024
- IAS 7 & IFRS 7 (Amendments)	Supplier Finance Arrangements	1 January 2024
- IAS 21 (Amendments)	The Effects of Changes in Foreign Exchange Rates	1 January 2025

2. Analysis of results

The Group has determined it has two operating segments: Taste & Nutrition and Dairy Ireland. The Taste & Nutrition segment is a world leading provider of taste and nutrition solutions for the food, beverage and pharmaceutical markets. Utilising a broad range of ingredient solutions to innovate with our customers to create great tasting products, with improved nutrition and functionality, while ensuring a better impact for the planet. Kerry is driven to be our customers' most valued partner, creating a world of sustainable nutrition through solving our customers' most complex challenges with differentiated solutions. The Taste & Nutrition segment supplies industries across Europe, Americas and APMEA (Asia Pacific, Middle East and Africa). The Dairy Ireland segment is a leading Irish provider of value-add dairy ingredients and consumer products. Our dairy ingredients product portfolio includes functional proteins while our dairy consumer brands can be found predominantly in chilled cabinets in retailers across Ireland and the UK.

	Taste & Nutrition 2023 €'m	**Dairy Ireland 2023 €'m**	**Group Eliminations and Unallocated 2023 €'m**	**Total 2023 €'m**	Taste & Nutrition 2022 €'m	Dairy Ireland 2022 €'m	Group Eliminations and Unallocated 2022 €'m	Total 2022 €'m
External revenue	**6,936.7**	**1,083.6**	**-**	**8,020.3**	7,387.0	1,384.9	-	8,771.9
Inter-segment revenue	**38.2**	**199.8**	**(238.0)**	**-**	29.6	154.0	(183.6)	-
Revenue	**6,974.9**	**1,283.4**	**(238.0)**	**8,020.3**	7,416.6	1,538.9	(183.6)	8,771.9
EBITDA*	**1,185.9**	**53.4**	**(74.2)**	**1,165.1**	1,220.1	70.7	(74.7)	1,216.1
Depreciation (net)				**(219.6)**				(221.6)
Intangible asset amortisation				**(79.5)**				(82.7)
Non-trading items				**8.8**				(146.2)
Operating profit				**874.8**				765.6
Finance income				**21.8**				6.6
Finance costs				**(72.1)**				(72.8)
Share of joint ventures' results after taxation				**(1.9)**				(0.4)
Profit before taxation				**822.6**				699.0
Income taxes				**(94.5)**				(92.5)
Profit after taxation				**728.1**				606.5
Attributable to:								
Equity holders of the parent				**728.3**				606.4
Non-controlling interests				**(0.2)**				0.1
				728.1				606.5

*EBITDA represents profit before finance income and costs, income taxes, depreciation (net of capital grant amortisation), intangible asset amortisation, non-trading items and share of joint ventures' results after taxation.

	Taste & Nutrition 2023 €'m	**Dairy Ireland 2023 €'m**	**Group Eliminations and Unallocated 2023 €'m**	**Total 2023 €'m**	Taste & Nutrition 2022 €'m	Dairy Ireland 2022 €'m	Group Eliminations and Unallocated 2022 €'m	Total 2022 €'m
Segment assets and liabilities								
Assets	**8,165.4**	**683.4**	**2,843.6**	**11,692.4**	8,583.1	766.2	2,934.1	12,283.4
Liabilities	**(1,734.1)**	**(247.7)**	**(3,187.8)**	**(5,169.6)**	(1,897.0)	(289.4)	(3,873.4)	(6,059.8)
Net assets	**6,431.3**	**435.7**	**(344.2)**	**6,522.8**	6,686.1	476.8	(939.3)	6,223.6
Other segmental information								
Property, plant and equipment additions	**271.0**	**37.6**	**0.9**	**309.5**	238.9	17.6	0.3	256.8
Depreciation (net)	**197.7**	**21.4**	**0.5**	**219.6**	200.1	20.5	1.0	221.6
Intangible asset additions	**1.6**	**-**	**14.3**	**15.9**	0.4	0.1	11.7	12.2
Intangible asset amortisation	**39.0**	**0.2**	**40.3**	**79.5**	43.0	0.2	39.5	82.7
Share of joint ventures' results after taxation	**1.9**	**-**	**-**	**1.9**	0.4	-	-	0.4

Revenue analysis

Disaggregation of revenue from external customers is analysed by End Use Market (EUM), which is the primary market in which Kerry's products are consumed and primary geographic market. An EUM is defined as the market in which the end consumer or customer of Kerry's product operates. The economic factors within the EUMs of Food, Beverage and Pharma & other and within the primary geographic markets which affect the nature, amount, timing and uncertainty of revenue and cash flows are similar.

2. Analysis of results (continued)

Analysis by EUM

	Taste & Nutrition 2023 €'m	**Dairy Ireland 2023 €'m**	**Total 2023 €'m**	Taste & Nutrition 2022 €'m	Dairy Ireland 2022 €'m	Total 2022 €'m
Food	**4,637.3**	**1,051.9**	**5,689.2**	4,925.2	1,286.2	6,211.4
Beverage	**1,798.6**	**31.7**	**1,830.3**	1,959.1	98.7	2,057.8
Pharma & other	**500.8**	**-**	**500.8**	502.7	-	502.7
External revenue	**6,936.7**	**1,083.6**	**8,020.3**	7,387.0	1,384.9	8,771.9

Analysis by primary geographic market

Disaggregation of revenue from external customers is analysed by geographical split:

	Taste & Nutrition 2023 €'m	**Dairy Ireland 2023 €'m**	**Total 2023 €'m**	Taste & Nutrition 2022 €'m	Dairy Ireland 2022 €'m	Total 2022 €'m
Republic of Ireland	**134.7**	**405.3**	**540.0**	82.2	458.2	540.4
Rest of Europe	**1,382.5**	**600.3**	**1,982.8**	1,459.8	768.8	2,228.6
Americas	**3,772.5**	**32.5**	**3,805.0**	4,172.2	84.0	4,256.2
APMEA	**1,647.0**	**45.5**	**1,692.5**	1,672.8	73.9	1,746.7
External revenue	**6,936.7**	**1,083.6**	**8,020.3**	7,387.0	1,384.9	8,771.9

Information about geographical areas

	Europe 2023 €'m	**Americas 2023 €'m**	**APMEA 2023 €'m**	**Total 2023 €'m**	Europe 2022 €'m	Americas 2022 €'m	APMEA 2022 €'m	Total 2022 €'m
Assets by location	**5,177.2**	**4,941.4**	**1,573.8**	**11,692.4**	5,357.9	5,486.3	1,439.2	12,283.4
Property, plant and equipment additions	**92.1**	**161.9**	**55.5**	**309.5**	55.8	147.4	53.6	256.8
Intangible asset additions	**14.3**	**1.6**	**-**	**15.9**	12.1	0.1	-	12.2

The revenue and non-current assets (as defined in IFRS 8 'Operating Segments') attributable to the country of domicile and all foreign countries of operation, for which revenue exceeds 10% of total external Group revenue, are set out below.

Kerry Group plc is domiciled in the Republic of Ireland and the revenues from external customers in the Republic of Ireland were **€540.0m** (2022: €540.4m). The non-current assets located in the Republic of Ireland are **€1,285.7m** (2022: €1,503.6m).

Revenues from external customers include **€939.9m** (2022: €958.9m) in the UK and **€2,972.1m** (2022: €3,399.8m) in the USA. The non-current assets in the UK are **€352.1m** (2022: €353.3m) and in the USA are **€3,112.1m** (2022: €3,267.1m). For clarity the UK is included within Europe in the tables above.

Taste & Nutrition external revenues consists of **€2,186.4m** (2022: €2,218.5m) in emerging markets and **€4,750.3m** (2022: €5,168.6m) in developed markets. Third party revenues in Taste & Nutrition in the foodservice channel was **€2,138.0m** (2022: €2,055.6m) and **€4,798.7m** (2022: €5,331.5m) in the non-foodservice channels.

There are no material dependencies or concentrations on individual customers which would warrant disclosure under IFRS 8 'Operating Segments'. The accounting policies of the operating segments are the same as the Group's accounting policies as outlined in the Statement of Accounting Policies. Under IFRS 15 'Revenue from Contracts with Customers' revenue is primarily recognised at a point in time. Revenue recorded over time during the year was not material to the Group.

3. Non-trading items

	Notes	2023 €'m	2022 €'m
Global Business Services expansion	(ii)	**(4.1)**	(13.6)
Acquisition integration costs	(iii)	**(16.5)**	(20.3)
Accelerate Operational Excellence	(iv)	**(53.5)**	(49.2)
		(74.1)	(83.1)
Profit/(loss) on disposal of businesses and assets	(i)	**82.9**	(63.1)
Non-trading items (before tax)		**8.8**	(146.2)
Tax on above		**8.6**	22.0
Non-trading items (net of related tax)		**17.4**	(124.2)

(i) Profit/(loss) on disposal of businesses and assets

	Note	Businesses 2023 €'m	*Assets 2023 €'m	Total 2023 €'m
Property, plant and equipment - disposed		**(1.7)**	**(11.3)**	**(13.0)**
Goodwill		**(0.7)**	**-**	**(0.7)**
Brand related intangible assets		**(0.5)**	**-**	**(0.5)**
Inventories		**(1.6)**	**-**	**(1.6)**
Assets classified as held for sale - disposed		**(349.8)**	**(3.9)**	**(353.7)**
Assets classified as held for sale - impaired	6	**-**	**(15.3)**	**(15.3)**
Trade and other receivables		**(0.4)**	**-**	**(0.4)**
Deferred tax liabilities		**26.7**	**-**	**26.7**
Trade and other payables		**0.7**	**-**	**0.7**
		(327.3)	**(30.5)**	**(357.8)**
Consideration				
Cash received		**356.8**	**13.9**	**370.7**
Vendor loan note		**125.0**	**-**	**125.0**
		481.8	**13.9**	**495.7**
Disposal related costs		**(43.0)**	**(13.5)**	**(56.5)**
		438.8	**0.4**	**439.2**
Cumulative exchange difference on translation recycled on disposal		**1.5**	**-**	**1.5**
Profit/(loss) on disposal of businesses and assets		**113.0**	**(30.1)**	**82.9**

Net cash inflow on disposal:	Businesses 2023 €'m	*Assets 2023 €'m	Total 2023 €'m
Consideration	**481.8**	**13.9**	**495.7**
Less: cash disposed	**-**	**-**	**-**
Less: disposal related costs paid	**(40.4)**	**(2.3)**	**(42.7)**
Less: vendor loan note	**(125.0)**	**-**	**(125.0)**
	316.4	**11.6**	**328.0**

*Assets represent non-current assets and assets classified as held for sale.

3. Non-trading items (continued)

(i) Profit/(loss) on disposal of businesses and assets *(continued)*

Profit/(loss) on disposal of businesses

As previously announced, the Group completed the sale of the trade and assets of its Sweet Ingredients Portfolio during the year for a final consideration of €475.5m comprising of a cash consideration of **€350.5m** (following routine closing adjustments) plus a **€125.0m** interest bearing vendor loan note. The operational footprint disposed consisted of four manufacturing facilities in the US (in Illinois, Kansas, Missouri, and California), and six facilities across the UK, the Netherlands, Germany and France. These businesses were not deemed to be discontinued operations and goodwill was allocated to these disposed businesses using an appropriate allocation methodology aligned with IAS 36 'Impairment of Assets'. As part of the ongoing portfolio review during the year the Group also disposed of small operations in South Africa, UK and South Korea for a consideration of **€6.3m**. The profit on disposal of these businesses was **€113.0m**, with the related tax charge of **€9.8m**. The profit on disposal of these businesses includes the associated costs in relation to these divestments.

In 2022 the Group divested of its subsidaries in Russia and Belarus and sold a small cereal operation in North America. These businesses were not deemed to be discontinued operations and goodwill was allocated to these disposed businesses using an appropriate allocation methodology aligned with IAS 36 'Impairment of Assets'. The loss on disposal of these businesses for the year end 31 December 2022 was €63.0m and the related tax credit was €4.3m.

(Loss)/profit on disposal of assets

The Group disposed of property, plant and equipment primarily in North America and Europe for a consideration of **€13.9m** resulting in a profit of **€2.6m**. This profit on disposal of property, plant and equipment was offset by an impairment charge of **€15.3m** in the US and a **€13.5m** charge with respect to related disposal costs. In addition to these charges, a number of additional assets were disposed across the group and a **€3.9m** loss on disposal was recognised. A tax credit of **€6.0m** arose on the disposal of assets for the period.

During 2022, the Group disposed of property, plant and equipment primarily in North America and APMEA for a combined consideration of €51.7m resulting in a gain of €6.2m. A tax charge of €1.9m arose on the disposal of assets. In 2022, certain assets classified as held for sale based in the USA and APMEA were impaired to their fair value less costs to sell by €5.6m, consisting of €1.2m of property, plant and equipment impairment, €2.7m of goodwill impairment, €1.7m of brand related intangibles impairment and €nil of estimated costs to sell including marketing, legal, site rectification, environmental and other related expenses necessary to complete the disposals in 2023. The related tax credit was €0.5m. In addition, in 2022 there was a specific impairment charge of €0.3m and €0.4m in relation to goodwill and brand related intangibles respectively recorded in intangible assets.

(ii) Global Business Services expansion

In 2020, the Group commenced a programme to evolve, migrate and expand its Global Business Services model to better enable the business and support further growth. The Group incurred costs of **€4.1m** (2022: €13.6m), to conclude the three year programme, reflecting relocation of resources, advisory fees, redundancies and the streamlining of operations. The associated tax credit was **€0.5m** (2022: €3.0m).

(iii) Acquisition integration costs

These costs of **€16.5m** (2022: €20.3m) reflect the relocation of resources, the restructuring of operations in order to integrate the acquired businesses into the existing Kerry operating model and external costs associated with deal preparation, integration planning and due diligence. A tax credit of **€2.8m** (2022: €4.5m) arose due to tax deductions available on acquisition related costs.

(iv) Accelerate Operational Excellence

These costs of **€53.5m** (2022: €49.2m) predominantly reflect cost of streamlining operations, project management costs and consultancy fees incurred in the year relating to our Accelerate Operational Excellence transformation programme, which will run until 2024. This material transformation project deploying next generation manufacturing processes, including advanced process controls, is combined with building capabilities within the Group to enhance continuous improvement in manufacturing processes which will deliver step change manufacturing excellence across the organisation. This project will also focus on supply chain excellence, optimising the Group's warehousing and distribution network. A tax credit of **€9.1m** (2022: €11.6m) arose due to tax deductions available on accelerated operational excellence costs.

4. Earnings per A ordinary share

	EPS cent	**2023 €'m**	EPS cent	2022 €'m
Basic earnings per share				
Profit after taxation attributable to equity holders of the parent	**410.4**	**728.3**	341.9	606.4
Diluted earnings per share				
Profit after taxation attributable to equity holders of the parent	**409.7**	**728.3**	341.3	606.4

Number of Shares	Note	**2023 m's**	2022 m's
Basic weighted average number of shares		**177.4**	177.4
Impact of share options outstanding		**0.3**	0.3
Diluted weighted average number of shares		**177.7**	177.7
Actual number of shares in issue as at 31 December	7	**175.8**	177.0

5. Dividends

	2023 €'m	2022 €'m
Group and Company:		
Amounts recognised as distributions to equity shareholders in the financial year		
Final 2022 dividend of **73.40 cent** per A ordinary share paid 12 May 2023 (Final 2021 dividend of 66.70 cent per A ordinary share paid 6 May 2022)	**130.0**	118.0
Interim 2023 dividend of **34.60 cent** per A ordinary share paid 10 November 2023 (Interim 2022 dividend of 31.40 cent per A ordinary share paid 11 November 2022)	**61.3**	55.6
	191.3	173.6

Since the financial year end the Board has proposed a final 2023 dividend of **80.80 cent** per A ordinary share which amounts to €142.0m based on ordinary shares in issue at 31 December 2023. The payment date for the final dividend will be 10 May 2024 to shareholders registered on the record date as at 12 April 2024. The consolidated financial statements do not reflect this dividend.

6. Assets and liabilities classified as held for sale

	2023 €'m	2022 €'m
Assets classified as held for sale		
Property, plant and equipment	**1.5**	100.8
Goodwill	**-**	191.1
Brand related intangible assets	**-**	42.3
Inventories	**-**	53.1
Trade and other receivables	**-**	0.7
Total assets classified as held for sale	**1.5**	388.0
Trade and other payables	**-**	(19.7)
Total liabilities directly associated with assets classified as held for sale	**-**	(19.7)
Net assets classified as held for sale	**1.5**	368.3

Non-current assets are transferred to assets and liabilities classified as held for sale when it is expected that their carrying amounts will be recovered principally through disposal and a sale is considered highly probable. They are held at the lower of carrying amount and fair value less costs to sell.

During the year, the Group held certain property, plant and equipment classified as held for sale in the Taste & Nutrition segment in North America. These assets have been impaired by **€15.3m** representing their fair value less costs to sell (note 3).

At 31 December 2022, the Group had net assets classified as held for sale of €368.3m. In March 2023, the Group disposed of its Sweet Ingredients Portfolio from the Taste & Nutrition segment, for a final consideration of €475.5m comprising of a cash consideration of €350.5m (following routine closing adjustments, see note 3) plus a €125.0m interest bearing vendor loan note. These businesses were not deemed to be discontinued operations and goodwill was allocated to these disposed businesses using an appropriate allocation methodology aligned with IAS 36 'Impairment of Assets'.

In 2022, the Group also reached agreement to sell a non-core business and its related assets in the APMEA Taste & Nutrition segment. The assets of these businesses have been impaired to their fair value less costs to sell by €2.7m of goodwill impairment and by €1.7m of brand related intangibles impairment following their transfer to assets held for sale. The fair value less costs to sell of these assets are based on offers received for this business.

7. Share capital

	2023 €'m	2022 €'m
Group and Company:		
Authorised		
280,000,000 A ordinary shares of 12.50 cent each	**35.0**	35.0
Allotted, called-up and fully paid (A ordinary shares of 12.50 cent each)		
At beginning of the financial year	22.1	22.1
Shares issued during the financial year	**-**	-
Shares cancelled during the financial year	**(0.2)**	-
At end of the financial year	**21.9**	22.1

The Company has one class of ordinary share which carries no right to fixed income. The total number of shares in issue at 31 December 2023 was **175,792,661** (2022: 176,986,481).

Shares issued
During 2023 a total of **179,441** (2022: 138,030) A ordinary shares, each with a nominal value of 12.50 cent, were issued at nominal value per share under the Long-Term and Short-Term Incentive Plans.

Share buyback programme
At the 2023 Annual General Meeting, shareholders passed a resolution authorising the Company to purchase up to 10% of its own issued share capital. In 2022, no shares were purchased under this programme.

On 1 November 2023, the Company commenced a share buyback programme of up to €300.0m. The purpose of the buyback programme is to reduce the share capital of the Company and as such, the Company will cancel any shares repurchased. The buyback programme is carried out within certain pre-set parameters and within the limitations of the share buyback authority granted at Kerry's Annual General Meeting on 27 April 2023 and any renewal of that authority.

During 2023 the total number of shares acquired was **1,373,261** at a cost of **€101.7m**. All shares acquired were A ordinary shares with a nominal value of 12.50 cent. The shares acquired were cancelled immediately following their repurchase. At 31 December 2023 there was no financial liability recorded in relation to the share buyback programme as all shares acquired were paid for in cash during 2023.

The buyback programme is conducted in accordance with the relevant provisions of the Market Abuse Regulation 596/2014/EU ('MAR' and including MAR as in force in the UK and as amended by the Market Abuse (Amendment) (EU Exit) Regulations 2019) and the Commission Delegated Regulation (EU) 2016/1052 (including as in force in the UK and as amended by the FCA's Technical Standards (Market Abuse Regulation) (EU Exit) Instrument 2019) as well as the rules of the Central Bank of Ireland.

8. Business combinations

The following acquisitions were completed by the Group during 2023:

Acquisition	Type	Completion date	Percentage acquired	Segment	Principal activity	Strategic rationale
Proexcar S.A.S.	Equity	May 2023	100% share acquisition	Taste & Nutrition	A producer of leading natural functional systems technologies, which can deliver clean label solutions into protein applications based in Colombia.	Strengthens Kerry's capabilities and leading position within the Latin American meat market, while also providing a platform for further strategic growth within the ANDEAN Region.
Shanghai Greatang Orchard Food Co., Ltd.	Equity	July 2023	100% share acquisition	Taste & Nutrition	A leading producer of local authentic and innovative taste solutions for local foodservice chains and the meals and snacks market in China.	Strongly complements Kerry's leading authentic taste position in China, broadening and deepening its capability and portfolio of local taste solutions in the region, most notably in the significant foodservice hotpot market.

The table below provides details of the identifiable net assets, including adjustments to provisional fair values, in respect of the acquisitions completed during the year ended 31 December 2023:

	Total 2023 €'m
Recognised amounts of identifiable assets acquired and liabilities assumed:	
Non-current assets	
Property, plant and equipment	**9.7**
Brand related intangibles	**41.6**
Current assets	
Cash at bank and in hand	**0.8**
Inventories	**4.8**
Trade and other receivables	**8.6**
Current liabilities	
Trade and other payables	**(14.5)**
Other current liabilities	**(4.3)**
Non-current liabilities	
Deferred tax liabilities	**(8.6)**
Other non-current liabilities	**(4.9)**
Total identifiable assets	**33.2**
Goodwill	**176.9**
Total consideration	**210.1**
Satisfied by:	
Cash	**127.8**
Contingent consideration*	**82.3**
	210.1

*The contingent consideration consists of a potential additional payment of up to €16.8m (US$18m) payable in 2025 based on achieving earn-out conditions for the Proexcar S.A.S. acquisition, and potential additional payments of up to €98.7m** (RMB 780m) payable based on contractual arrangements over the period 2025 to 2027 based on achieving earn-out conditions for the Shanghai Greatang Orchard Food Co., Ltd. acquisition. The €82.3m represents the fair value of the expected contingent consideration.
**Exchange rate of RMB 7.90:€1

Net cash outflow on acquisition:

	Total 2023 €'m
Cash	**127.8**
Less: cash and cash equivalents acquired	**(0.8)**
Plus: debt acquired (included in other current liabilities)	**4.1**
	131.1

8. Business combinations (continued)

The acquisition method has been used to account for businesses acquired in the Group's financial statements. Given that the valuation of the fair value of assets and liabilities recently acquired is still in progress, some of the above values are determined provisionally, primarily values relating to property, plant and equipment and liabilities (as not all information is available at this point in time). The valuation of the fair value of assets and liabilities will be completed within the measurement period. The contingent consideration is measured at fair value at the date control is achieved and subsequent changes in fair value are adjusted against the cost of acquisition where they qualify as measurement period adjustments. For the acquisitions completed in 2022, there have been no material revisions of the provisional fair value adjustments since the initial values were established. The Group performs quantitative and qualitative assessments of each acquisition in order to determine whether it is material for the purposes of separate disclosure under IFRS 3 'Business Combinations'. None of the acquisitions completed during the period were considered material to warrant separate disclosure.

The goodwill is attributable to the expected profitability, revenue growth, future market development and assembled workforce of the acquired businesses and the synergies expected to arise within the Group after the acquisition. None of the goodwill recognised is expected to be deductible for income tax purposes.

Transaction expenses related to these acquisitions of **€1.6m** were charged in the Group's Consolidated Income Statement during the financial year. The fair value of the financial assets acquired includes trade and other receivables with a fair value of **€8.6m** and a gross contractual value of **€8.8m**.

The revenue and profit after taxation attributable to equity holders of the parent to the Group contributed from date of acquisition for all business combinations effected during the financial year is as follows:

	Total 2023 €'m
Revenue	**29.6**
Profit after taxation attributable to equity holders of the parent	**1.0**

The revenue and profit after taxation attributable to equity holders of the parent to the Group determined in accordance with IFRS as though the acquisition date for all business combinations effected during the financial year had been the beginning of that financial year would be as follows:

	2023 acquisitions €'m	Kerry Group excluding 2023 acquisitions €'m	Consolidated Group including acquisitions €'m
Revenue	**56.5**	**7,990.7**	**8,047.2**
Profit after taxation attributable to equity holders of the parent	**1.3**	**727.3**	**728.6**

9. Events after the balance sheet date

Since the financial year end, the Group has:

- entered into a definitive agreement to acquire part of the global lactase enzyme business of Chr. Hansen Holding A/S (‘Chr. Hansen’) and Novozymes A/S (‘Novozymes’) (together the ‘Lactase Enzymes Business’) on a carve out basis. The 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. Total consideration is €150.0m subject to routine closing adjustments, with the acquisition expected to close by end of April 2024;
- subsequent to year end, the Company repurchased 749,081 shares at a cost of €58.9m up to 31 January 2024. The Company’s intention is to continue to repurchase shares up to the announced amount of €300.0m and will end no later than 30 April 2024 (note 7); and
- proposed a final dividend of **80.80 cent** per A ordinary share (note 5).

There have been no other significant events, outside the ordinary course of business, affecting the Group since 31 December 2023.

10. General information

The statutory financial statements of Kerry Group plc for the financial year ended 31 December 2023 were approved by the Board of Directors and authorised for issue on 14 February 2024 and will be filed with the Registrar of Companies following the annual general meeting. The statutory financial statements of Kerry Group plc for the financial year ended 31 December 2022, to which an unqualified audit opinion was received, were annexed to the annual return and filed with the Registrar of Companies.

FINANCIAL DEFINITIONS

Kerry uses a number of financial and non-financial key performance indicators (KPIs) to measure performance across its business. These KPIs help inform decision making, assist effective goal setting and track progress in achieving the Group's strategic objectives. Kerry believes that long-term sustainable success will be achieved by generating value for all stakeholders, while developing and monitoring strategy, managing the risks that face the organisation and embedding the Group's purpose and values. Principal financial definitions used by the Group, together with reconciliations where the non-IFRS measures are not readily identifiable from the financial statements, are as follows:

1. Revenue

Volume performance

This represents the sales performance year-on-year, excluding pass-through pricing on input costs, currency impacts, acquisitions, disposals and rationalisation volumes.

Volume performance is an important metric as it is seen as the key driver of organic top-line business improvement. Pricing therefore impacts revenue performance positively or negatively depending on whether input costs move up or down. A full reconciliation to reported revenue performance is detailed in the revenue reconciliation below.

Revenue Reconciliation

2023	**Volume performance**	**Price**	**Transaction currency**	**Acquisitions**	**Disposals**	**Translation currency**	**Reported revenue performance**
Taste & Nutrition	**1.1%**	**1.1%**	**-**	**1.2%**	**(6.0%)**	**(3.4%)**	**(6.0%)**
Dairy Ireland	**(6.5%)**	**(9.3%)**	**(0.1%)**	-	**-**	**(0.7%)**	**(16.6%)**
Group	**(0.9%)**	**(0.7%)**	**-**	**1.0%**	**(5.1%)**	**(2.9%)**	**(8.6%)**
2022							
Taste & Nutrition	7.8%	8.7%	0.2%	5.6%	(1.1%)	8.2%	29.4%
Dairy Ireland	0.1%	22.8%	0.1%	-	(37.6%)	1.2%	(13.4%)
Group	6.1%	11.7%	0.2%	4.3%	(9.8%)	6.8%	19.3%

2. EBITDA

EBITDA represents operating profit after taxation before finance income and costs, income taxes, depreciation (net of capital grant amortisation), intangible asset amortisation, non-trading items and share of joint ventures' results after taxation. EBITDA is reflective of underlying trading performance and allows comparison of the trading performance of the Group's businesses, either year-on-year or with other businesses.

	2023 €'m	2022 €'m
Profit after taxation	**728.1**	606.5
Share of joint ventures' results after taxation	**1.9**	0.4
Finance income	**(21.8)**	(6.6)
Finance costs	**72.1**	72.8
Income taxes	**94.5**	92.5
Non-trading items	**(8.8)**	146.2
Intangible asset amortisation	**79.5**	82.7
Depreciation (net)	**219.6**	221.6
EBITDA	**1,165.1**	1,216.1

FINANCIAL DEFINITIONS (continued)

3. EBITDA Margin
EBITDA margin represents EBITDA expressed as a percentage of revenue.

	2023 €'m	2022 €'m
EBITDA	**1,165.1**	1,216.1
Revenue	**8,020.3**	8,771.9
EBITDA margin	**14.5%**	13.9%

4. Operating Profit
Operating profit is profit before income taxes, finance income, finance costs and share of joint ventures' results after taxation.

	2023 €'m	2022 €'m
Profit before taxation	**822.6**	699.0
Finance income	**(21.8)**	(6.6)
Finance costs	**72.1**	72.8
Share of joint ventures' results after taxation	**1.9**	0.4
Operating profit	**874.8**	765.6

5. Adjusted Earnings Per Share and Performance in Adjusted Earnings Per Share on a Constant Currency Basis
The performance in adjusted earnings per share on a constant currency basis is provided as it is considered more reflective of the Group's underlying trading performance. Adjusted earnings is profit after taxation attributable to equity holders of the parent before brand related intangible asset amortisation and non-trading items (net of related tax). These items are excluded in order to assist in the understanding of underlying earnings. A full reconciliation of adjusted earnings per share to basic earnings is provided below. Constant currency eliminates the translational effect that arises from changes in foreign currency year-on-year. The performance in adjusted earnings per share on a constant currency basis is calculated by comparing current year adjusted earnings per share to the prior year adjusted earnings per share retranslated at current year average exchange rates.

	2023 EPS cent	**Performance %**	2022 EPS cent	Performance %
Basic earnings per share	**410.4**	**20.0%**	341.9	(20.6%)
Brand related intangible asset amortisation	**29.5**	**-**	28.7	-
Non-trading items (net of related tax)	**(9.8)**	**-**	70.0	-
Adjusted earnings per share	**430.1**	**(2.4%)**	440.6	15.7%
Impact of retranslating prior year adjusted earnings per share at current year average rates*		**3.6%**		(8.4%)
Growth in adjusted earnings per share on a constant currency basis		**1.2%**		7.3%

*Impact of 2023 translation was (16.0)/440.6 cent = 3.6% (2022: (8.4%)).

FINANCIAL DEFINITIONS (continued)

6. Free Cash Flow

Free cash flow is EBITDA plus movement in average working capital, capital expenditure net (purchase of assets, payment of lease liabilities, proceeds from the sale of assets (net of disposal expenses) and capital grants received), pensions contributions paid less pension expense, finance costs paid (net) and income taxes paid.

Free cash flow is seen as an important indicator of the strength and quality of the business and of the availability to the Group of funds for reinvestment or for return to shareholders. Movement in average working capital is used when calculating free cash flow as management believes this provides a more accurate measure of the increase or decrease in working capital needed to support the business over the course of the year rather than at two distinct points in time and more accurately reflects fluctuations caused by seasonality and other timing factors. Average working capital is the sum of each month's working capital over 12 months. Below is a reconciliation of free cash flow to the nearest IFRS measure, which is 'Net cash from operating activities'.

	2023 €'m	2022 €'m
Net cash from operating activities	**1,037.8**	721.8
Difference between movement in monthly average working capital and movement in the financial year end working capital	**(147.1)**	22.6
Payments on non-trading items	**99.8**	85.4
Purchase of assets	**(281.9)**	(221.0)
Payment of lease liabilities	**(36.4)**	(35.1)
Proceeds from the sale of property, plant and equipment	**11.6**	38.1
Capital grants received	**3.3**	1.4
Exchange translation adjustment	**14.2**	27.2
Free cash flow	**701.3**	640.4

7. Cash Conversion

Cash conversion is defined as free cash flow, expressed as a percentage of adjusted earnings after taxation. Cash conversion is an important metric as it measures how much of the Group's adjusted earnings is converted into cash.

	2023 €'m	2022 €'m
Free cash flow	**701.3**	640.4
Profit after taxation attributable to equity holders of the parent	**728.3**	606.4
Brand related intangible asset amortisation	**52.3**	50.9
Non-trading items (net of related tax)	**(17.4)**	124.2
Adjusted earnings after taxation	**763.2**	781.5
Cash Conversion	**92%**	82%

8. Liquidity Analysis

The Net debt:EBITDA and EBITDA:Net interest ratios disclosed are calculated using an adjusted EBITDA, adjusted finance costs (net of finance income) and an adjusted net debt value to adjust for the impact of non-trading items, acquisitions net of disposals and deferred payments in relation to acquisitions.

	2023 Times	2022 Times
Net debt:EBITDA	**1.5**	1.8
EBITDA:Net interest	**21.8**	18.1

9. Average Capital Employed

Average capital employed is calculated by taking an average of the shareholders' equity less vendor loan note and net debt over the last three reported balance sheets.

	2023 €'m	H1 2023 €'m	2022 €'m	H1 2022 €'m	2021 €'m
Equity attributable to equity holders of the parent	**6,521.3**	6,356.5	6,221.9	6,088.7	5,601.2
Vendor loan note	**(124.3)**	(125.0)	-	-	-
Net debt	**1,604.1**	1,846.5	2,217.4	2,456.3	2,124.1
Total capital employed	**8,001.1**	8,078.0	8,439.3	8,545.0	7,725.3
Average capital employed	**8,172.8**		8,236.5		

10. Return on Average Capital Employed (ROACE)

This measure is defined as profit after taxation attributable to equity holders of the parent before non-trading items (net of related tax), brand related intangible asset amortisation and finance income and costs expressed as a percentage of average capital employed. ROACE is a key measure of the return the Group achieves on its investment in capital expenditure projects, acquisitions and other strategic investments.

	2023 €'m	2022 €'m
Profit after taxation attributable to equity holders of the parent	**728.3**	606.4
Non-trading items (net of related tax)	**(17.4)**	124.2
Brand related intangible asset amortisation	**52.3**	50.9
Net finance costs	**50.3**	66.2
Adjusted profit	**813.5**	847.7
Average capital employed	**8,172.8**	8,236.5
Return on average capital employed	**10.0%**	10.3%

11. Total Shareholder Return

Total shareholder return represents the change in the capital value of Kerry Group plc shares plus dividends in the financial year.

	2023	2022
Share price (1 January)	€84.24	€113.25
Interim dividend (cent)	**34.6**	31.4
Dividend paid (cent)	**73.4**	66.7
Share price (31 December)	**€78.66**	€84.24
Total shareholder return	**(5.3%)**	(24.7%)

12. Market Capitalisation

Market capitalisation is calculated as the share price times the number of shares issued.

	2023	2022
Share price (31 December)	**€78.66**	€84.24
Shares in issue ('000)	**175,792.7**	176,986.5
Market capitalisation (€'m)	**13,827.9**	14,909.3

13. Enterprise Value

Enterprise value is calculated as per external market sources. It is market capitalisation plus reported borrowings less total cash and cash equivalents.

14. Net Debt

Net debt comprises borrowings and overdrafts, interest rate derivative financial instruments, lease liabilities and cash at bank and in hand.

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