Opportunities for Irish Dairy

An Industry Perspective
Content

1. Who we are and what we do
2. Kerry’s approach to value creation
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Kerry Group: An Overview

- 135 production locations
- €18bn enterprise value
- 24,000 employees
- 2 Global Technology & Innovation Centres
- 6 Regional Technology & Application Centres
- 64 RD&A Locations & Commercial Hubs

Locations:
- Naas
- Beloit
- Shanghai
- Singapore
- Bangalore
- Durban
- San Juan del Rio
- Campinas
- Bangalore
- Shanghai
- Singapore
- Beloit
- Durban
- Paas
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- Campinas
- Bangalore
- Shanghai
- Singapore
40+ Years of Strategic Evolution

**Dairy**

- 1972: Beginning - Dairy co-op before forming in 1972

**Savoury/Sweet/Flavours/Beverage/FI&A/Pharma**

- 1986: Expansion - Entered ingredients business and expanded capabilities across Ingredients/Savoury/Sweet/Flavours/Beverage/FI&A/Pharma

- 1988: Evolution to 1 Kerry - Combined technology, processing expertise and positioned to deliver against evolving consumer needs for taste & nutrition

- 1993: 1 Kerry


**Taste & Nutrition**

- 2015 INVESTMENTS: Enhance Taste & Nutrition Capabilities:
  - Kraft Food Ingredients
  - Insight Beverages
  - Wellmune
  - Island Oasis
  - Red Arrow

- 2017 & Beyond: Kerry is focused on continuing our growth and evolution, specifically within foodservice. We will continue to bring winning solutions that satisfy a fundamental need
Taste & Nutrition

The industry’s leading, globally-connected
Taste and Nutrition company, operating with a local, proactive entrepreneurial mindset

Leading to Better
1972 – Established as Dairy Co-Op
20% of Irish Supply
Vertically Integrated
Over 1 billion+ litres of milk

Our heritage in dairy
Kerry Group has a broad dairy portfolio
What Makes Kerry Different?

A unique set of dairy capabilities

Taste
- Fermentation
- Encapsulation
- Compounding
- Reaction
- Extraction

Nutritional Benefit
- Lower fat and saturated fat
- Protein enhancement
- Salt reduction

Processing & Forming
- Spray drying
- Dry blending
- Pasteurisation/UHT
- Natural cheese manufacturing
- Wet processing
- String cheese
What Makes Kerry Different?

In-market expertise

Development of a Global Technology and Innovation Centre Infrastructure
Model for Growth
Discover Kerry
The Taste & Nutrition Company
We bring value-add dairy ingredients to many categories...
Our Ingredient Technology & Application Capability Underpins the Business

- Cheese Powder
- Other Dairy Powders
- Processed Cheese
- UHT Bases
Our Innovation Model
Responding to Opportunities:

*Recent market innovations*
Dairy Market Context:

*New consumers, new tastes*

Demand growth strongest in emerging markets

Dairy Demand Growth 2016-2025

- Fresh dairy products
- Skim milk powder
- Whole milk powder
- Butter
- Cheese

Source: OECD FAO Agricultural Outlook
Combining trends in cold-brew coffee, with strong demand for dairy flavours, suiting local market tastes in Indonesia.
Up to 40% Fat Reduction & 20% Calorie Reduction

Dairy Source
Hyfoma™

Hydrolysates of dairy and plant proteins, which can be used to fully replace egg white and gelatine in confectionery applications.
Ultranor™

A dairy protein product range designed to enhance the textural attributes of nutritional bars and provide longer shelf life stability
Kerry’s Grass-fed Dairy
Protein
Improved Nutritional Value of Grass Fed Dairy*


Consumer have become more invested in the origin or “backstory” of their foods.

Between 2014-2016, the number of global products launched described as ‘grass fed’ or ‘pasture fed,’ increased by 245%.

“Grass-fed” has seen 215% growth on menus over the past 4 years.
Sustainability and Quality Assurance is Key
Kerry:

Creating opportunities for Irish milk