

Ornua
THE HOME OF IRISH DAIRY



Challenges & Opportunities in the Global Market

31 October 2024

Ornua is a co-operative of co-operatives

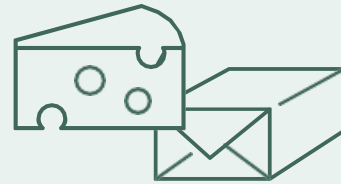


**Co-operative
ethos is at the
heart of how we
do business**

Ornua today

2,900

strong
global
team



Ireland's
**LARGEST
EXPORTER**
of dairy
products



OUR PURPOSE

Create value for Irish farming families



€1 BILLION

Proud owner of Kerrygold,
Ireland's only €1 billion food brand



ROUTES TO MARKET

Builds sustainable value-added routes
to market for Irish dairy products



€3.4 BILLION

Annual sales of over €3.4 billion

Kerrygold: 60 years of market & brand investment

Positioned as best tasting sustainably produced dairy globally

Ireland's only
€1bn food
brand - the
jewel in the
crown of Irish
dairy



1. Kerrygold created the **'grass fed category'** on supermarket shelves
2. Achieving **success didn't happen overnight**
3. Direct result of **60 years of investment**
 - **11 million packets** of Kerrygold sold globally each week
 - **No. 2 butter brand** in the US
4. Returns value via **premium** and the **Ornua Value Payment**

Outlook

SUPPLY

- **2015-22 growth +5%** driven by **cow numbers & yield**
- **Supply down 4%** in 2023 & forecast down again in 2024
- **Period of uncertainty** – nitrates, weather & costs
- Looking ahead, **expect stabilisation**. Growth likely to be closer to +1% per year (genetics, efficiencies, herd management)
- Highest returning products will **attract the tightening supply** (butter and cheese) & milk suppliers require improved returns to cover cost

DEMAND

- Growing demand for **high quality & nutritious dairy**
- Global consumption **to grow by +1.1%** per year for next 10 years
- Demand for **branded butter & cheese** places growing focus on **Continental Europe, the US & MENA**
- UK will continue to be a **key cheddar market** but Ireland is less reliant
- Focus is on **maximising value from every litre of milk**

A flat-to-contracting milk supply pool increases the importance of the role Ornuia plays as a value creator for the industry

Challenges



Maintaining our **Grass-Fed** advantage is critical



Meeting sustainability expectations & market demands



Challenging & changing negative perceptions around dairy



Building consumer confidence & positive sentiment

Opportunities



Dairy is a **nutrient-rich & carbon efficient** food that provides energy and **high-quality** protein



Strong **consumer demand** for our core value proposition



Innovation is key to unlocking the opportunity

The Power of Irish Dairy



Kourtney Kardashian Penelope Kardashian
211M followers 5M followers

Courteney Cox
12M followers

Businessweek | Feature

Irish Butter Kerrygold Has Conquered America's Kitchens

The salty, uber-yellow spread has seen double-digit growth almost every year for the past decade.

An artist made a coffee table that looks exactly like a slab of Kerrygold butter – and it's actually very chic

Food
Stanley Tucci in Dublin: 'We love Kerrygold – we have vats of it in our house'

- STUDIO HAYAT | floral design**
 I need that bag & all the butter immediately !!!
 8-11 Reply
- Cera Rainey**
 Spectacular I'll take 14 of em rn
 8-9 Reply
- Bo**
 Fashion is obsessed with food in 2024 🍞
 8-9 Reply

Looking ahead

- A **period of change** – but confident looking ahead and **optimistic about the future**
- What remains unchanged is **Ornua's** everyday mission – **create value for Irish farming families**
- **Protecting Irish dairy's grass-fed system** is critical – Kerrygold's success depends on it
- Where slowing supply meets growing demand - **innovation gateway to the opportunity**



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Thank you

www.ornua.com