



# Business Review **2021**

13th April 2022

# Consolidated Profit and Loss Account

for the year ended 1 January 2022

	NOTES	2021 €'000	2020 €'000
<b>Turnover</b>	2	1,312,129	1,094,410
Cost of sales		(1,159,480)	(960,286)
<b>Gross profit</b>		152,649	134,124
Distribution costs and administrative expenses		(124,435)	(108,032)
<b>Group operating profit</b>		28,214	26,092
Income from financial assets	5	8	-
Other interest receivable and similar income	6	17	1
Interest payable and similar charges	7	(2,935)	(3,123)
Net revaluation gain on financial assets and share of associate profit	12	465	234
Gain on sale of financial asset		-	1,010
Enhanced pension asset transfer	22	1,441	-
<b>Profit on ordinary activities before taxation</b>		27,210	24,214
Tax on profit on ordinary activities	8	(5,932)	(4,160)
<b>Profit for the year</b>		21,278	20,054

# Statement of Other Comprehensive Income

for the year ended 1 January 2022

	NOTES	2021 €'000	2020 €'000
<b>Profit for the year</b>		21,278	20,054
Foreign exchange differences on translation of foreign operations		(221)	(5,089)
Changes in fair value of cash flow hedges		(6,015)	(705)
Cash flow hedges recycled to profit or loss		705	4,070
Foreign exchange movement on investment in associate	12	147	(152)
Remeasurement of the net defined benefit liability	22	7,897	(9,129)
Deferred tax on net defined benefit liability remeasurement		90	1,537
<b>Other comprehensive income for the year, net of income tax</b>		23,881	10,586

## Group Revenues

**€1.3bn**

up by €217.7m  
(+20%) on the  
prior year  
figure of €1.1bn



## Operating Profit

**€28.2m**

Up by  
€2.1m (+8%)



**2bn** (up by +5%)

litres of milk supplied by

**3,200**

dairy farms



## EBITDA

**€55.4m**

Up by €4.9m  
(+9.7%)



# Consolidated Balance Sheet

as at 1 January 2022

	NOTES	2021 €'000	2020 €'000
<b>Fixed assets</b>			
Goodwill and intangible assets	10	39,342	35,898
Tangible assets	11	183,855	181,816
Financial fixed assets:			
Other investments	12	280	246
Investment in associate undertaking		2,116	1,712
		225,593	219,672
<b>Current assets</b>			
Stocks	13	139,614	101,311
Debtors	14	217,264	186,977
Cash at bank and in hand	15	65	84
		356,943	288,372
<b>Creditors: amounts falling due within one year</b>	16	(282,725)	(218,353)
<b>Net current assets</b>		74,218	70,019
<b>Total assets less current liabilities</b>		299,811	289,691
<b>Creditors: amounts falling due after one year</b>	17	(27,210)	(32,315)
<b>Provisions for liabilities</b>			
Retirement benefit obligations	22	(23,777)	(33,242)
Deferred tax liability	19	(9,769)	(7,689)
Other provisions	20	-	(78)
Capital grants	21	(8,138)	(8,623)
<b>Net assets</b>		230,917	207,744
<b>Capital and reserves</b>			
Ordinary share capital	24	19,274	19,295
Cash flow hedge reserve		(6,015)	(705)
Capital reserve		52,803	52,803
Profit and loss account		164,855	136,351
<b>Shareholders' funds</b>		230,917	207,744

## Revenues by Division

Shareholders'  
Funds  
**€230.9m**



### Food Ingredients

 **€831.5m**

### Foodservice

 **€223.9m**

### Consumer Foods

 **€170.2m**

### Agribusiness (Lakeland Agri)

 **€86.5m**

# Together, We're Stronger

## Business Summary 2021

**Lakeland Dairies' mission is to achieve long term sustainability, success and prosperity for our dairy producers. We are accomplishing this by identifying and meeting the needs of our customers, competitively and cost efficiently, with wholesome, natural produce of the highest attainable quality, provided by our 3,200 farm families.**

We have a strategic focus on the creation of value and are intent on delivering this through the performance of our business, underpinned by research, innovation and an unparalleled commitment to quality, flexibility and reliability across all operations.

In tandem with this, throughout our organisation and our operations, and across all of the practices and processes that we deploy, we will have maximum respect for the protection and sustainability of our environment.

In 2021, the business of Lakeland Dairies made further significant progress, underpinned by the scale, efficiency and market opportunity that we have created in recent years and in spite of the considerable domestic and global disruption created by the pandemic.

We channelled over 2bn litres of high-quality milk, produced by the farm families who we serve, into value-added product categories and market segments yielding the best available returns from the markets.

The proficiency of our people, combined with our major processing assets and the advanced technologies that we have deployed, drove further productivity, operational competitiveness, performance and growth.

**Lakeland Dairies' Group Revenues** increased by 20% to €1.3bn across its four operating divisions of Food Ingredients, Foodservice, Consumer Foods and Agribusiness, resulting in an operating profit of €28.2m, EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation) of €55.4m and a year-end balance sheet including Shareholders' Funds of €230.9m.

**Food Ingredient Division Revenues** increased by 20% to €831.5m, based on consistently strong demand for the co-operative's functional and enriched powders, proteins and dairy fats throughout the year. Lakeland Dairies produced over 280,000 tonnes of milk powders and butter in 2021, representing a 12% increase in volume shipments.

**Foodservice Division Revenues** increased by 23% to €223.9m, which was robust considering that global foodservice markets continued to suffer from volatility and disruption due to the pandemic throughout 2021.

**Consumer Foods Division Revenues** of €170.2m, represent an increase of €24.3m on the prior year, including organic growth and increased uptake of dairy by consumers in the retail grocery sector in 2021.

**Agribusiness Division (Lakeland Agri) Revenues** increased by 14% to €86.5m for the year, based on a strong performance, with feed sales volumes of 218,000 tonnes and fertiliser sales increasing by 19% over the previous year.

These results reflect prudent management in the context of an intensely competitive and increasingly volatile trading environment, where the achievement and maintenance of strength, sustainability and resilience have never been more important for globally focused businesses. This enabled Lakeland to pay a competitive milk price, also reflective of overall market conditions, throughout the year.

The world needs high quality food and dairy is an essential element of this. We are concentrating on our long-term global contribution and value-growth through the strength of our market presence and the robust quality of our supply chain.

We are focused on a sustainable future. We will continue to innovate in everything we do to ensure the future sustainability and success of our business in the interests of the milk producers and customers who we serve.

We expect relatively stable dairy market conditions during 2022 albeit there are significant challenges in our operating environment, including inflationary pressure on all costs, as economic uncertainty in light of the pandemic and geopolitical issues persist.

Lakeland Dairies expresses strong appreciation to everyone who has supported the co-operative throughout 2021.

**Michael G. Hanley**  
*Group Chief Executive*