



Northern Way, Bury St Edmunds, Suffolk, IP32 6NL, United Kingdom

**2 October 2017**

## **TREATT PLC**

### **Trading update for year ended 30 September 2017**

Treatt Plc ('Treatt' or the 'Group'), the manufacturer and supplier of innovative ingredient solutions for the flavour, fragrance, beverage and consumer product industries today publishes a trading update for the year ended 30 September 2017.

The Board is pleased to confirm that the Group has continued to perform strongly in the second half of the financial year and consequently the Board expects to report profit before tax and exceptional items for the year ended 30 September 2017 comfortably in line with its expectations which were revised upward during the course of the year.

The business has performed exceptionally well throughout the financial year and the relatively stronger USD against GBP has also had a positive impact on the Group's results. Revenue for the year is expected to be approximately 24% up on last year (approximately 19% in constant currency). The Group's focus on key growth drivers in the beverage sector including innovative citrus, tea and sugar reduction solutions, as well as important markets such as China and North America, is showing clear signs of success.

With strong growth over the year, the continuing strength of the order book, and the impact of higher prices for certain key raw materials, inventory levels across the Group have increased by approximately £14m. This increase in inventory, together with almost £5m of one-off outflows relating to a change to the dividend timetable and the new UK site, has resulted in the net debt position of the Group at year end of approximately £11-£13m.

Plans for the relocation of the Group's UK site are progressing well. Outline planning permission for the new ten acre site at the Suffolk Business Park, Bury St. Edmunds, has been granted, the land acquired and the detailed planning application submitted. The site will be a purpose built science-led facility designed to drive growth with domestic and international fast moving consumer goods companies as well as creating a scalable business for the long term.

Additionally, work on the Group's US site expansion, which is required to meet the growing demand for the Group's products, as well as enhancing the Company's technical capabilities and facilities, has commenced.

As previously stated the Group will therefore have met its 2020 strategic objectives three years early. Looking ahead, the Board has approved a strategic plan to drive the business through to 2022 which seeks to build on the success of the last five years. With relentless focus being applied to our key product categories of citrus, tea and sugar reduction, whilst continuing to grow our wider product portfolio, the Board looks forward to the next twelve months and beyond with confidence.

Treatt Plc's results for the year ended 30 September 2017 will be announced on 28 November 2017.

*The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.*

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## About the Group

Treatt is a global, independent supplier of innovative ingredient solutions for the flavour, fragrance and multinational consumer product industries, particularly in the beverage sector. Renowned for its technical expertise and knowledge of ingredients, their origins and market conditions, Treatt is recognised as a leader in its field.

The Group employs over 300 staff in Europe, North America, Africa and Asia and has manufacturing facilities in the UK, USA and Kenya. Its international foot print enables the Group to deliver powerful and integrated solutions for the food, beverage and fragrance industries across the globe.

Earthoil is the personal care ingredients division of Treatt, which specialises in pure and organic fair trade essential and cold pressed vegetable seed oils, offering a broad spectrum of natural raw materials for cosmetic applications.

For further information about the Group, visit [www.treatt.com](http://www.treatt.com) and [www.earthoil.com](http://www.earthoil.com).

## **CAUTIONARY STATEMENT ABOUT FORWARD-LOOKING STATEMENTS**

*This announcement contains forward-looking statements that are subject to risk factors associated with, among other things, the economic and business circumstances occurring from time to time in the countries, sectors and markets in which the Group operates. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a wide range of variables which could cause actual results to differ materially from those currently anticipated. No assurances can be given that the forward-looking statements in this announcement will be realised. The forward-looking statements reflect the knowledge and information available at the date of preparation of this announcement and the Group undertakes no obligation to update these forward-looking statements. Nothing in this announcement should be construed as a profit forecast.*