



Treatt PLC - TET
Disposal
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TREATT PLC **("Treatt" or "the Group")**

Sale of Earhoil Plantations Limited ("Earhoil Plantations")

Treatt, the manufacturer and supplier of innovative ingredient solutions for the flavour, fragrance, beverage and consumer product industries, is pleased to announce the conditional sale of Earhoil Plantations, a wholly owned subsidiary of Treatt, which specialises in the supply of pure, organic, fair trade essential and cold pressed vegetable seed oils for the personal care and cosmetic industries, to Univar Limited (the "Buyer") (the "Sale"). Subject to the satisfaction of certain conditions, the Sale is expected to complete on 31 May 2018 ("Completion").

The consideration of £11m (subject to an adjustment based on Earhoil Plantations' actual trading performance in April and May 2018), is receivable in cash in two stages; 90% on Completion and a deferred payment of 10% twelve months after Completion.

The Group launched its updated five-year strategic plan in 2017. The new strategic plan, to drive the business through to 2022, is clearly focused on the Group's key product categories of citrus, sugar reduction and tea. Given that strategy, the Board considered personal care ingredients as non-core and this sale is the result of a process undertaken to realise value for the Group.

The Sale does not include the Kenyan subsidiaries which will continue to supply Earhoil Plantations under a three-year supply agreement. Transitional services arrangements with Earhoil Plantations have also been agreed for an initial limited period of up to six months from completion.

The Group intends to use the proceeds from the Sale to strengthen its balance sheet, and thereby increasing debt capacity for future growth and investment in the Group's key product categories. The Sale is expected to be slightly earnings dilutive for the current financial year ending 30 September 2018.

The audited financial results of Earhoil Plantations for the year ended 30 September 2017 showed revenues of £7.7m (2016: £7.9m) and pre-tax profit of £1.18m (2016: £1.05m). The gross assets of Earhoil Plantations were £7.0m as at 31 March 2018.

Commenting on the Sale, Group CEO, Daemmon Reeve, said:

"As Treatt continues to grow and we embark on our revised 2022 strategy, Earhoil Plantations has become non-core to the Group. This sale will allow us to focus our efforts and resources on developing our business in the global supply of innovative ingredient solutions to the flavour, fragrance, beverage and consumer product industries.

May I take this opportunity to thank everyone at Earhoil Plantations for the contribution they have made to Treatt over the past ten years. I am proud to have seen the business develop under Treatt's ownership and wish the company and its employees a bright future under new ownership."

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.

For further information about the Group, visit www.treatt.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.