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Treatt PLC - TET  
Trading Update  
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## **TREATT PLC** **("Treatt" or "the Group")**

### **Trading Update for the half year ended 31 March 2019**

Treatt, the manufacturer and supplier of innovative ingredient solutions for the flavour, fragrance, beverage and consumer product industries today publishes a trading update for the half year ended 31 March 2019 (the "Period").

The Board is pleased to confirm that following six consecutive years of growth, the business has continued to perform well in the current financial year with revenue for the Period up by approximately 7% compared with the same period in the prior year (5% in constant currency). The growth in the Period was particularly pleasing against a market backdrop of price weakness in some key raw materials for our largest product category, citrus, which we expect to continue into the second half of the current financial year.

Whilst citrus continues to dominate our category mix, the fruit and vegetables, tea and sugar reduction categories are also driving revenues, representing 69% of the year-on-year growth for the Period. The vast majority of Treatt's portfolio is targeted at the growing demand from consumers for more natural and clean-label products which is feeding both into our results for the Period as well as our encouraging opportunity pipeline.

A key element of the Group's current five-year strategy through to 2022 is to invest in the Group's capacity and scientific capabilities in order to deliver long term growth and value for shareholders. We are, therefore, pleased to confirm that the \$14m expansion of our US facility was completed in March 2019 and will become fully operational in June this year. This project has been managed whilst continuing to deliver the excellent product quality and service our global client base has come to expect, without disruption. In the UK, construction of our £35m relocation project is expected to commence this summer, and occupancy to begin in summer 2020.

Whilst the Group has in place a hedging strategy to try to ensure that the impact of exchange rate movements is broadly neutral to the income statement over the course of a financial year, as has been experienced previously, there can be material effects over shorter periods of time. During the Period there was a weakening in the USD/GBP exchange rate and, as a result, the Board anticipates a net negative FX impact on the results for the Period of approximately £0.6m.

#### **Outlook**

We are encouraged by our order book which is comfortably up compared with the same time in the prior year, notwithstanding the weakness in some key citrus raw material input prices. This reflects the success of our continued strategic focus on key product categories and geographical markets and the Board, therefore, continues to believe that profit before tax and exceptional items will be in line with its expectations for the financial year ending 30 September 2019.

The Board expects to announce Treatt's half year results for the six months ended 31 March 2019 on 7 May 2019.

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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](http://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.*