



HALF YEAR RESULTS

For the Six Months ended 31 March 2024

RYAN GOVENDER

Interim Chief Executive Officer

ALISON SLEIGHT

Interim Chief Financial Officer

2024 SUMMARY OF THE HALF YEAR

REVENUE Q1 impacted by destocking, Q2 growth of 5%

SALES TEAM strengthening with greater industry experience

PROFIT growth of 4%, with good cost disciplines

VISION 2027 strategy delivering tangible results

OUTLOOK Q2 exit rate strong with healthy order book



FINANCIAL HIGHLIGHTS

REVENUE

£72.1m

-5.1%

GROSS MARGIN

27.8%

-40BPS

PROFIT BEFORE TAX & EXCEPTIONALS

£7.6m

+4.5%

NET OPERATING MARGIN

11.3%

+120BPS

DIVIDEND

2.60p

+2.0%



VISION 2027 - OUR WINNING STRATEGY

PROTECT OUR HERITAGE



Single digit growth



CITRUS



HERBS, SPICES
& FLORALS



SYNTHETIC
AROMA

ACCELERATE PREMIUM CATEGORIES



High single digit growth



HEALTH &
WELLNESS



TEA



FRUIT &
VEGETABLES

GROW IN NEW MARKETS



Double digit growth



TREATTZEST™



CHINA



COFFEE

WINNING WITH THE 7Cs

CONSUMER

CITRUS

COFFEE

CULTURE

CHINA

CAPACITY

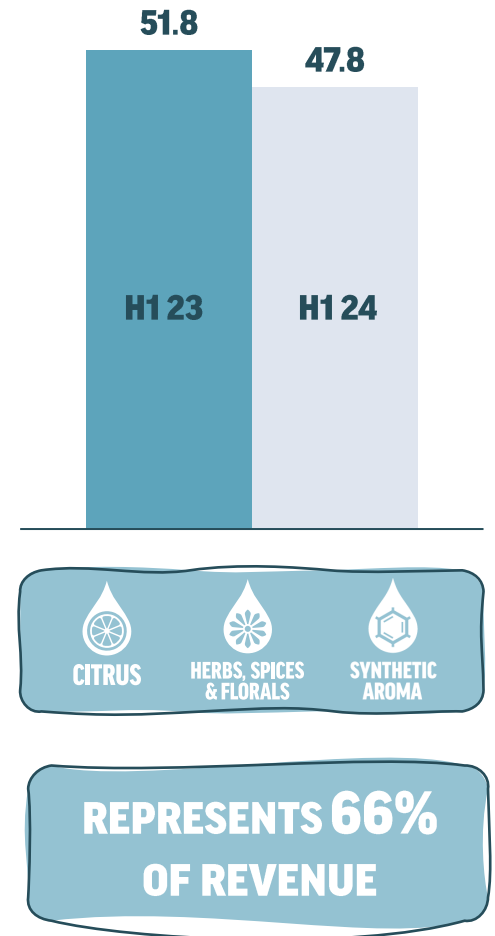
COST BASE



PROTECT HERITAGE

- Q1 impacted by destocking, Q2 growth of 5%
- Natural citrus substitutes launched in response to high raw material prices
- Destocking softening most prevalent in synthetic aromas
- Deeper technical presence at industry trade events
- Continued focus on strategic sourcing and improved operational utilisation

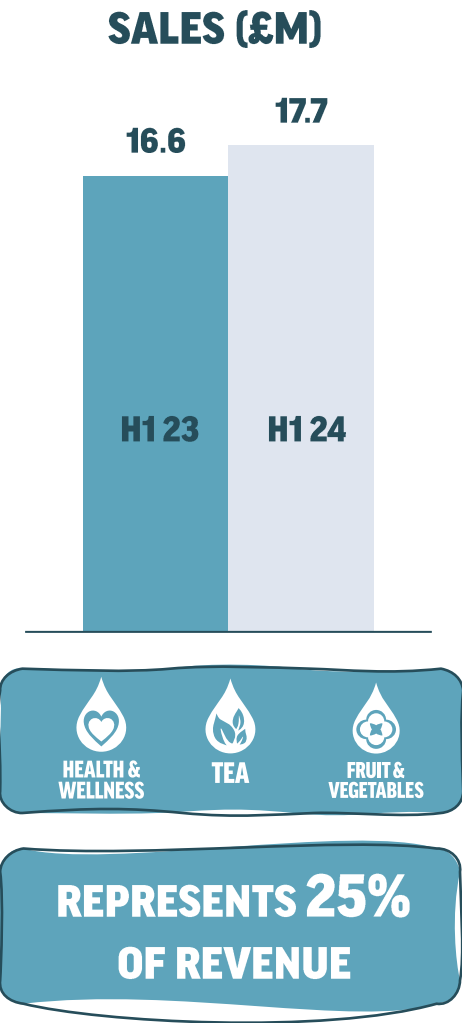
SALES (£M)





ACCELERATE PREMIUM

- Exciting growth of 7%
- Premium beverage market resilient with natural, better-for-you positioning increasingly important
- Innovation customer collaboration driving new Tea wins
- US R&D plant investment to triple premium trials
- Premium is typically H2 weighted in North America, with tangible pipeline targets





CHINA

PROGRESS IN NEW MARKETS

CHINA

- Local sales +28%, with four national brand wins
- Operational capabilities enhanced with local partnerships

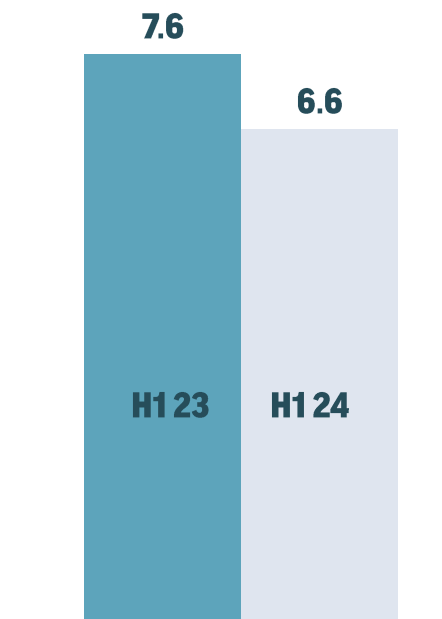
COFFEE

- Decline in coffee sales offset with margin improvement
- Strong focus on customer diversification in coffee pipeline

TREATTZEST

- Launch of new product range with global marketing campaign
- Scale up of manufacturing capacity

SALES (£M)



**REPRESENTS 9%
OF REVENUE**



TREATTZEST™

HIGHLY CONCENTRATED

INTENSE IMPACT

PROVEN PERFORMANCE





FINANCIAL REVIEW



INCOME STATEMENT

Period Ended 31 March	2024 H1 £'000	2023 H1 £'000	Change
Revenue	72.1	76.0	(5.1%)
Gross profit	20.0	21.4	(6.4%)
Gross profit margin	27.8%	28.2%	(40 BPS)
Administrative expenses ⁽¹⁾	(11.9)	(13.7)	(13.3%)
Adjusted Operating profit ⁽¹⁾	8.1	7.7	5.9%
Adjusted Operating profit margin ⁽¹⁾	11.3%	10.1%	120 BPS
Net finance costs	(0.5)	(0.4)	(25.0%)
Adjusted profit before tax ⁽¹⁾	7.6	7.3	4.5%
Exceptional items	(0.5)	(0.7)	28.6%
Profit before taxation	7.1	6.6	7.9%
Taxation	(1.8)	(1.7)	5.8%
Profit for the period	5.3	4.9	8.1%
Adjusted earnings per share ⁽¹⁾	9.35p	9.04p	3.4%

KEY POINTS

REVENUE

mid single digit decline as expected driven by heritage and coffee decline in H1

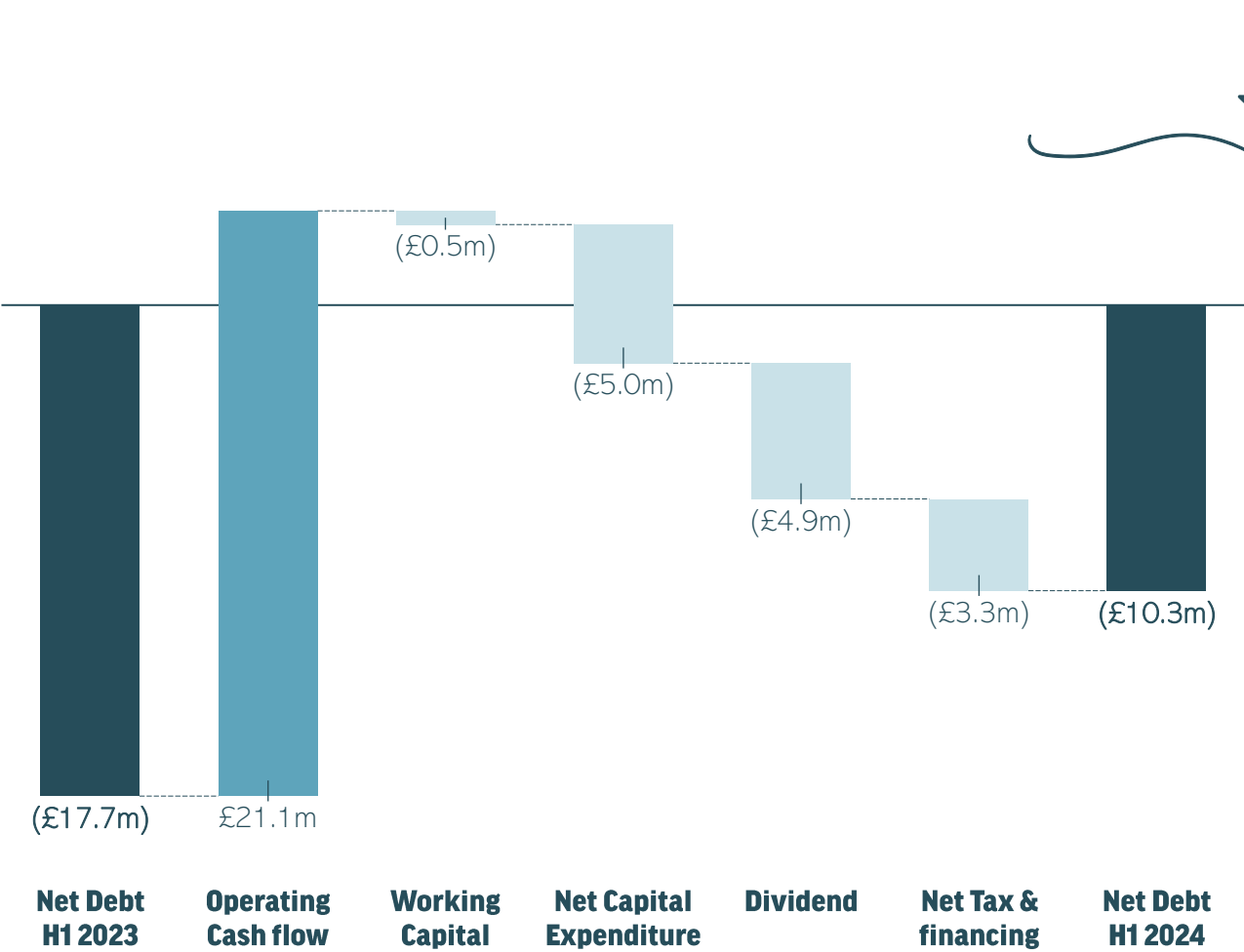
GROSS MARGIN

broadly in line, expected to increase in H2 due to product mix

NET OPERATING MARGIN PROGRESSION

focus on cost disciplines

CASH FLOW



KEY POINTS

STRONG CASH GENERATION

over the last twelve months

WORKING CAPITAL WELL MANAGED

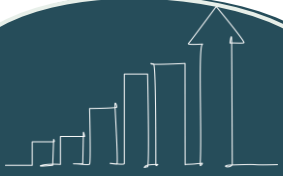
despite high raw material prices

CONTINUED CAPITAL INVESTMENT

at normalised levels to ensure operational capacity meets future demand

FY24 GUIDANCE

GUIDANCE



SALES

- Gain of wallet share with existing customers
- Pipeline conversion - customer focussed innovation, particularly in premium & new

SALES GROWTH
3 – 5%



GROSS MARGIN

- Margin improvement, through operational efficiencies
- Strategic sourcing supporting margin resilience

GROSS MARGIN
28 – 30%



OPERATING MARGIN

- Maintaining cost discipline appropriately scaled for growth
- Investment in sales team and commercial activity to drive top line growth

NET OPERATING MARGIN
12 – 13%



BALANCE SHEET

- Normalised capex spend - targeting operational efficiencies and investment for growth
- Reduction in net debt - net debt/EBITDA <0.5x

NET DEBT
£3 – 5M

2024 OUTLOOK

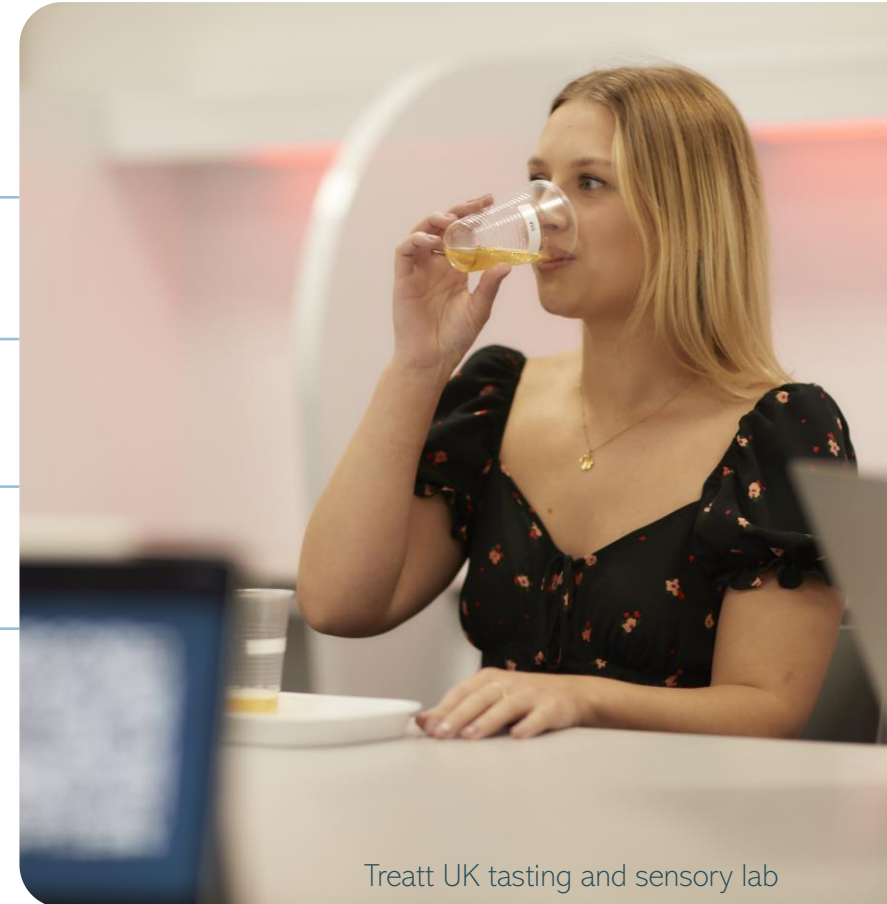
BEVERAGE MARKET RESILIENT as destocking softens

HEALTHY ORDER BOOK and sales pipeline giving confidence

INNOVATION driving new business wins

VISION 2027 continued focus on delivery of growth plans

TRADING in line with board expectation





Q&A

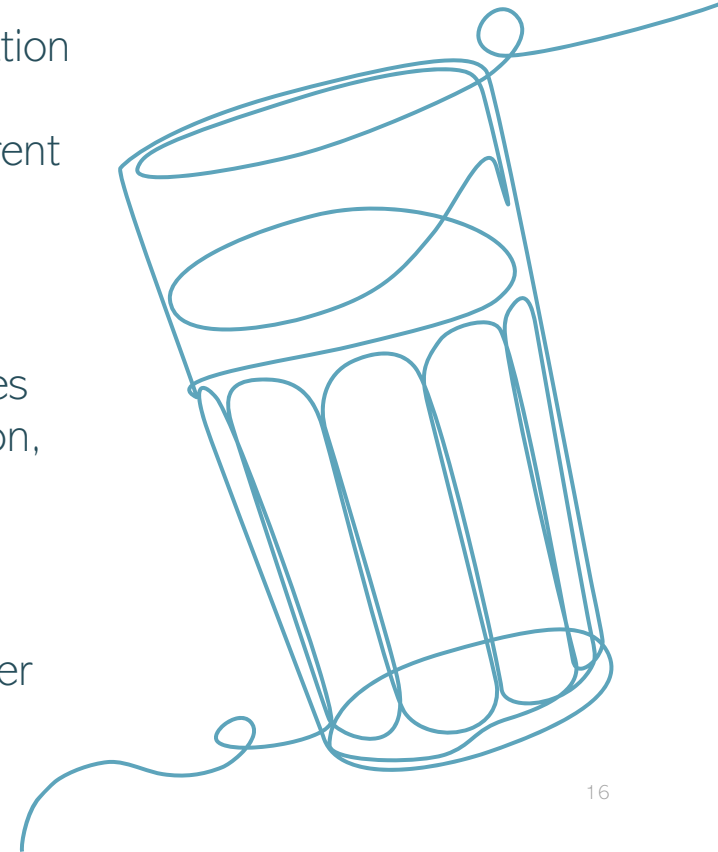
DISCLAIMER

THIS PRESENTATION HAS BEEN PREPARED FOR INFORMATION PURPOSES ONLY AND DOES NOT CONSTITUTE AN OFFER OF SECURITIES OR OTHERWISE CONSTITUTE AND INVITATION OR INDUCEMENT TO ANY PERSON TO UNDERWRITE, SUBSCRIBE FOR OR OTHERWISE ACQUIRE SECURITIES IN TREATT PLC OR ANY OF ITS SUBSIDIARIES.

This presentation contains forward looking statements which are made based on the information available at the time of its publication. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by risks and uncertainties that are inherent in any forward-looking statement which could cause actual results and performance to differ materially from those currently anticipated.

Neither Treatt plc, nor any of its advisers, representatives, officers, agents or employees makes any representation, warranty or undertaking, express or implied, in respect of this presentation, and no responsibility or liability is accepted by any of them as to the accuracy, completeness and or reasonableness of any of the information in this presentation.

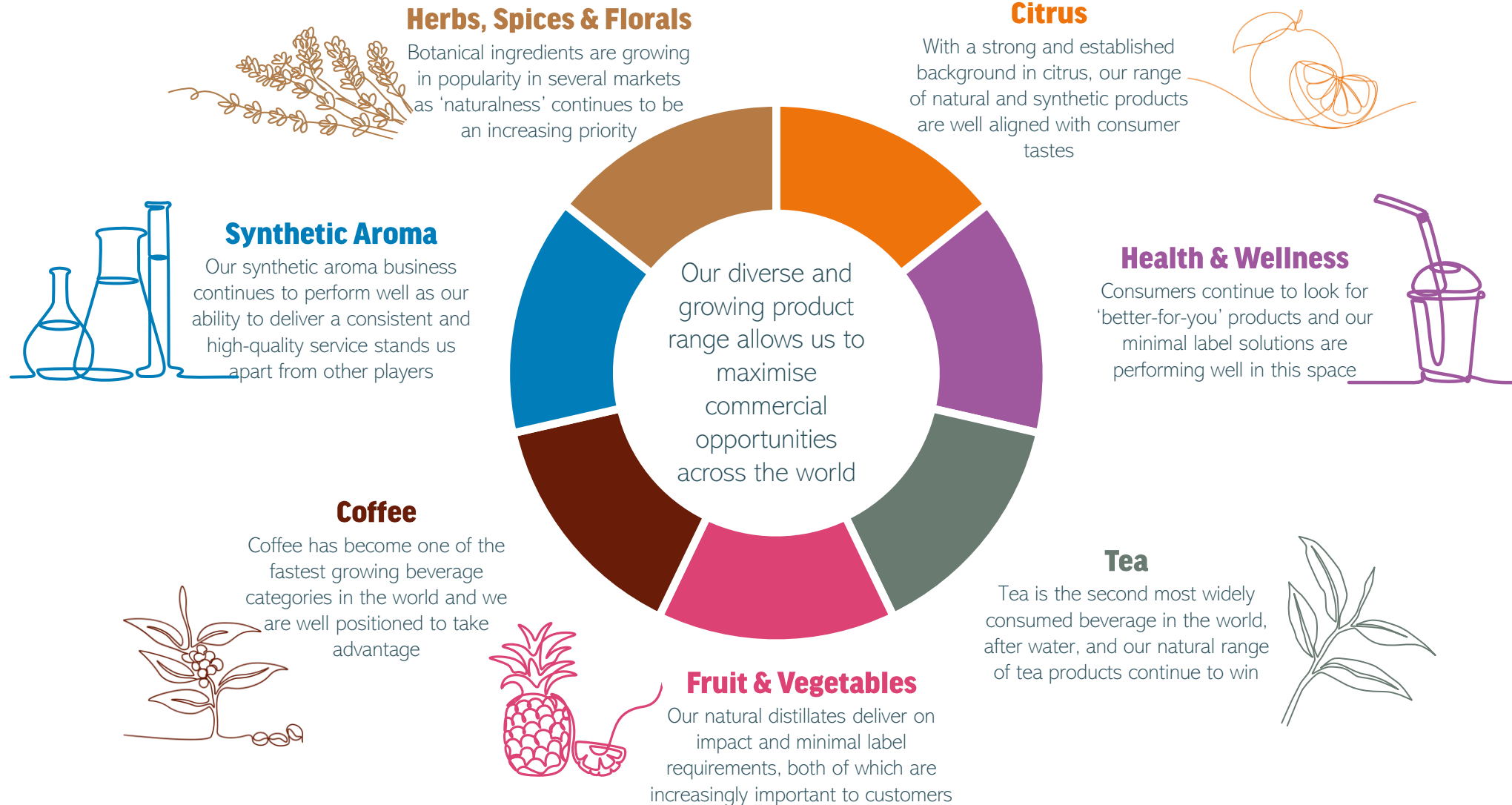
Where information is provided regarding past share price, past dividends and past earnings per share, past performance cannot be relied upon as a guide to future performance.



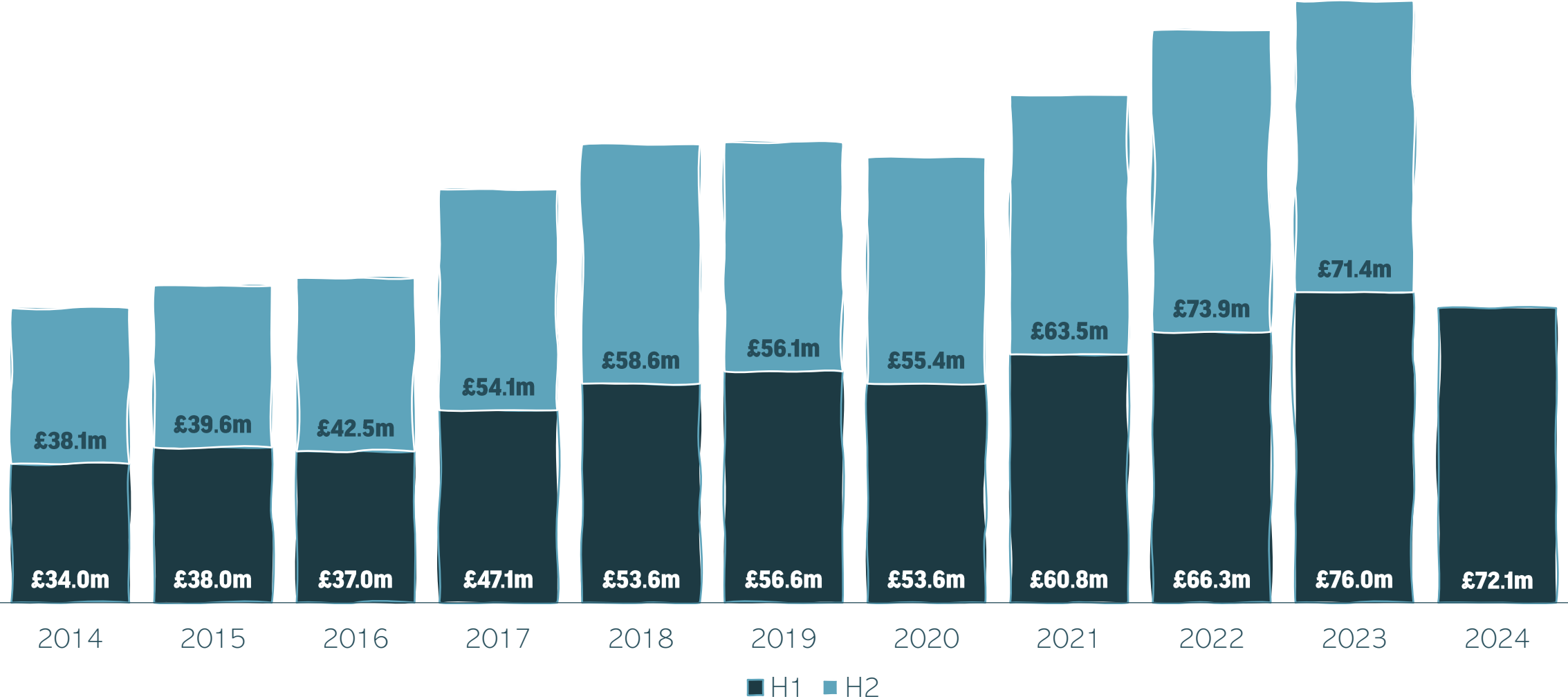
A photograph of three people (two men and one woman) sitting around a small white table in a modern office setting, engaged in a meeting. The woman is in the center, smiling, with a laptop open in front of her. The two men are on either side of her, also smiling and looking at the laptop. The background features a blue wall with three framed posters: 'CITRUS' (orange), 'TEA' (green), and 'FRUIT & VEGETABLE' (pink). A large potted plant is visible on the right side of the frame. The word 'APPENDIX' is overlaid in large white letters across the center of the image.

APPENDIX

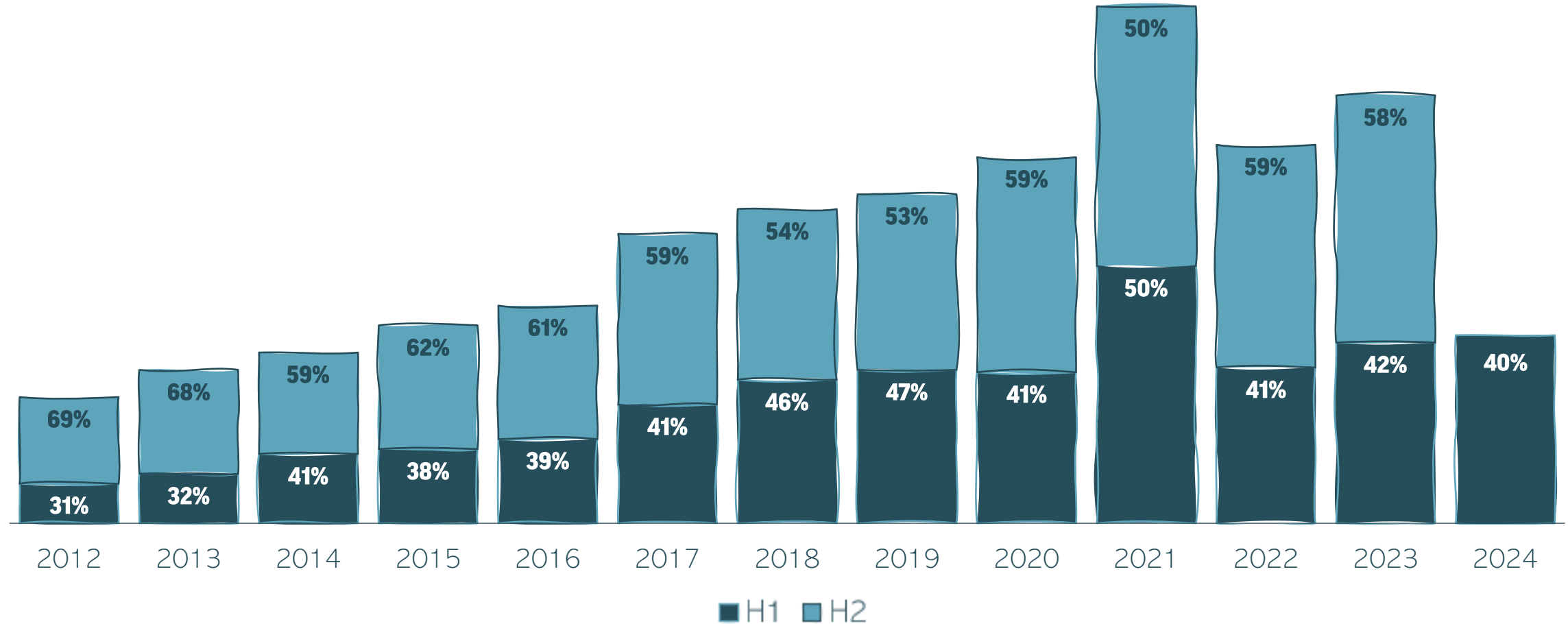
OUR PRODUCT CATEGORIES



REVENUE



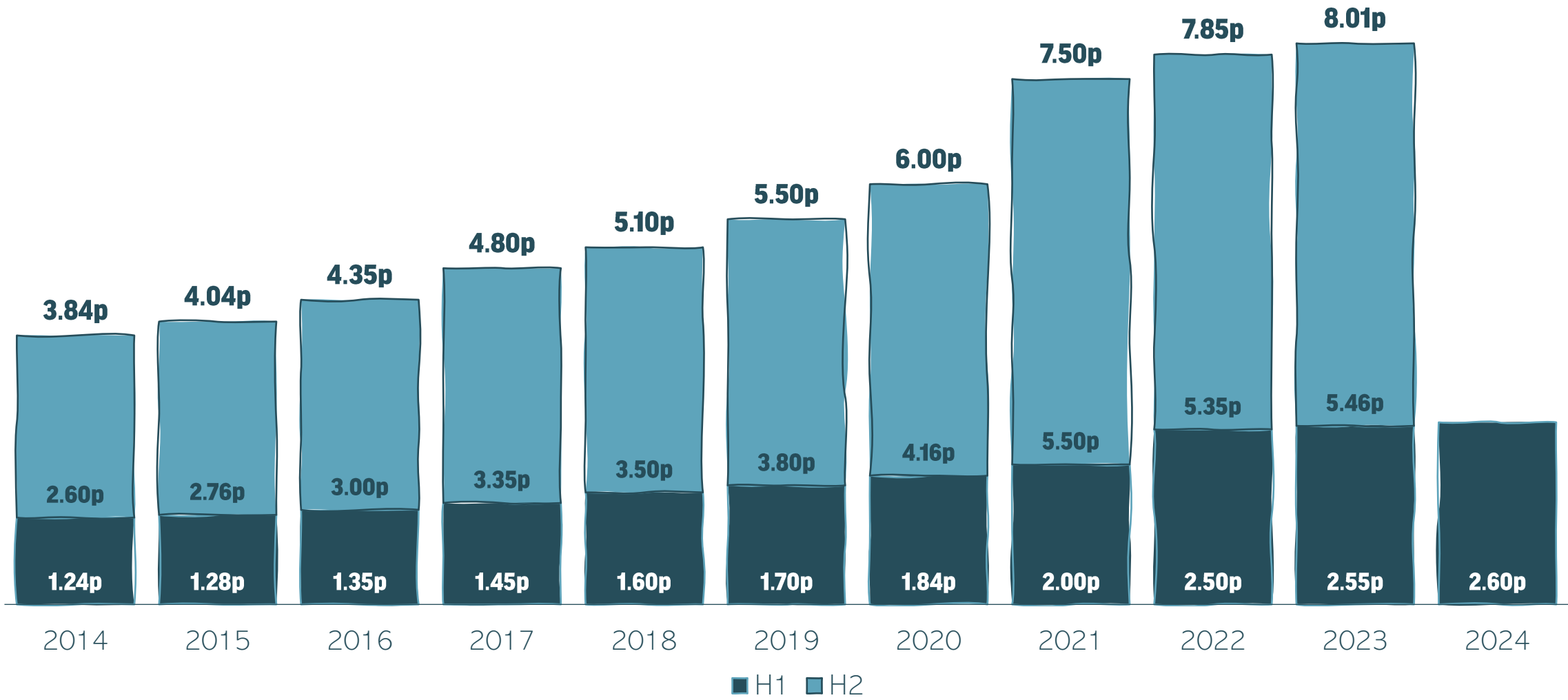
PROFIT BEFORE TAX⁽¹⁾



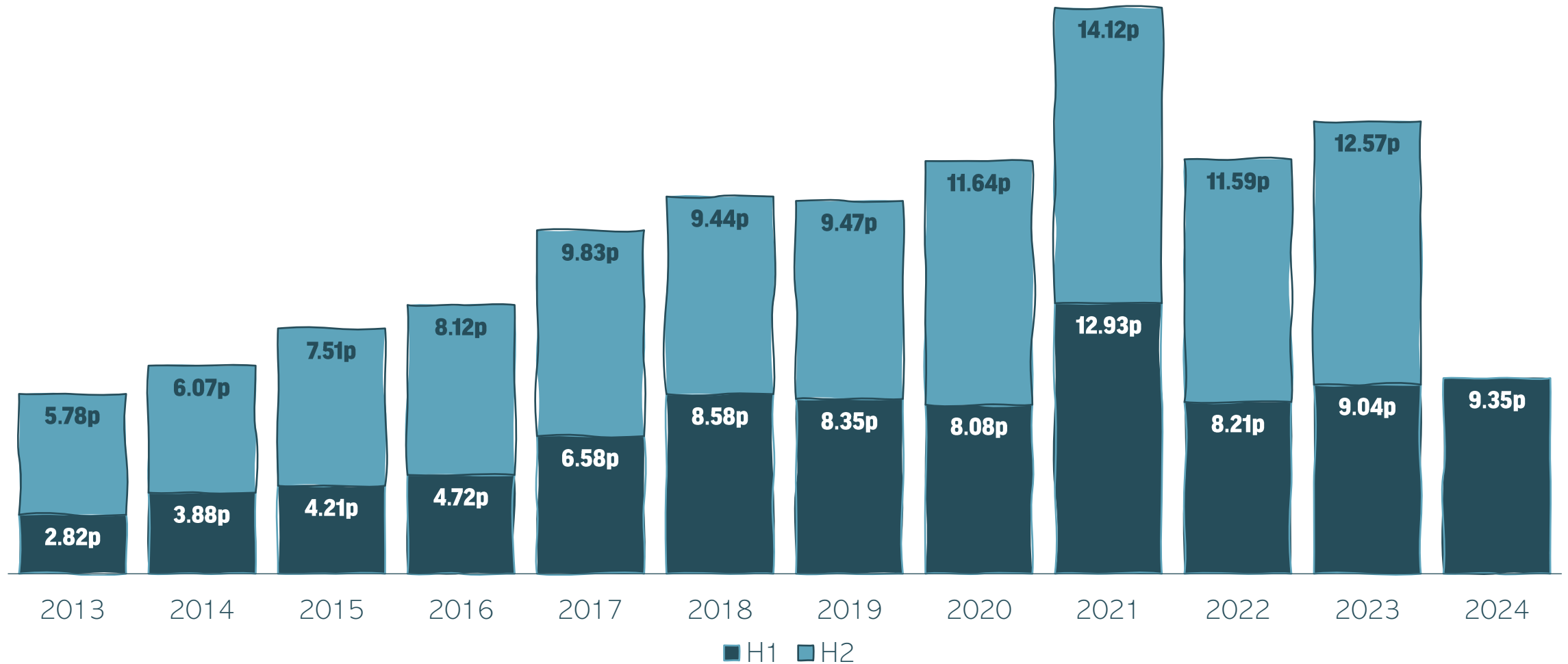
1 excluding exceptional items



DIVIDEND PER SHARE 2024: +2.0%



EARNINGS PER SHARE⁽¹⁾



¹ 2018 – 2020 EPS is shown from continuing activities

2024 BALANCE SHEET

	As at 31 March 2024	As at 30 September 2023
Fixed assets	£73.7m	£74.8m
Inventories	£60.9m	£62.4m
Receivables	£37.4m	£33.0m
Payables	(£22.1m)	(£20.7m)
Working capital	£76.2m	£74.7
Taxation	(£6.1m)	(£5.3m)
Net (debt)/cash	(£10.3m)	(£10.4m)
Pension asset	£4.3m	£3.7m
Other net (liabilities)/assets	£(0.2)m	(£0.3m)
Shareholder funds	£137.6m	£137.2m

KEY POINTS

NET DEBT IN LINE WITH YEAR END

But expected to reduce in H2, the cash generative half

INVENTORY

Volumes have declined but prices led to increase in value

WORKING CAPITAL

Focus remains

2024 CASH FLOW

Period Ended 31 March	2024 H1 £'000	2023 H1 £'000
Operating cash flow	10.5	9.6
Decrease in inventories	0.2	3.7
(Increase)/Decrease in receivables	(4.9)	2.4
Increase /(decrease) in payables	1.3	(5.4)
Cash generated from operations	7.1	10.3
Contributions to pension scheme	(0.2)	(0.2)
Taxation paid	(1.1)	(0.7)
Net cash from operating activities	5.8	9.4
Purchase of property, plant & equipment	(1.8)	(2.3)
Purchase of intangible assets	(0.1)	(0.1)
Proceeds on disposal of property, plant & equipment	-	1.1
Free cash inflow	3.9	8.1
Dividends paid	(3.3)	(3.3)
Other financing activities	(0.5)	(0.3)
FX	-	0.2
Movement in net (debt)/cash	0.1	4.7
Net debt at beginning of period	(10.4)	(22.4)
Net debt at the end of the period	(10.3)	(17.7)

KEY POINTS

DEBTORS HIGHER due to record sales in March

CONTINUED CAPITAL INVESTMENT at normalised levels to ensure operational capacity meets future demand