



FINAL RESULTS

For the Year Ended 30 September 2023

Daemmon Reeve Chief Executive Officer & **Ryan Govender** Chief Financial Officer

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2023: RETURN TO GROWTH

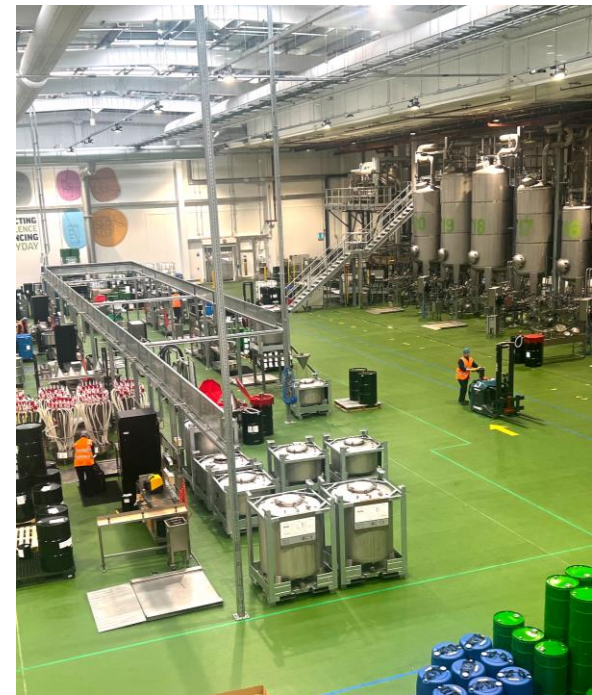
REVENUE growth of 5%

PROFIT growth of 14%

CHINA & COFFEE progression in new markets

RESILIENT performance in challenging macro conditions

RECORD cash generation





FINANCIAL REVIEW 2023

Return To Growth

2023 FINANCIAL REVIEW

Year Ended 30 September	2023 £'m	2022 £'m	Change
Revenue	147.4	140.2	5.1%
Gross profit	44.8	39.1	14.7%
Gross profit margin	30.4%	27.9%	
Administrative expenses ⁽¹⁾	(26.5)	(23.3)	(13.7%)
Adjusted Operating profit ⁽¹⁾	18.3	15.8	16.2%
Adjusted Operating profit margin ⁽¹⁾	12.4%	11.3%	
Net finance costs	(1.0)	(0.5)	
Adjusted profit before tax ⁽¹⁾	17.3	15.3	13.7%
Exceptional items	(3.8)	0.9	
Profit before taxation	13.5	16.2	(16.3%)
Taxation	(2.6)	(2.9)	
Profit for the year	10.9	13.3	(17.8%)
Adjusted profit for the year ⁽¹⁾	13.9	12.0	16.5%
Adjusted EBITDA ⁽¹⁾	23.0	18.5	24.3%
Adjusted earnings per share ⁽¹⁾	22.94p	19.80p	

KEY POINTS

REVENUE growth encouraging despite destocking in H2, 3% ahead on constant currency basis

GROSS MARGIN improvement reflects minimal impact of FX (improved controls), operational efficiencies and price increase

ADJUSTED EBITDA grows 25%

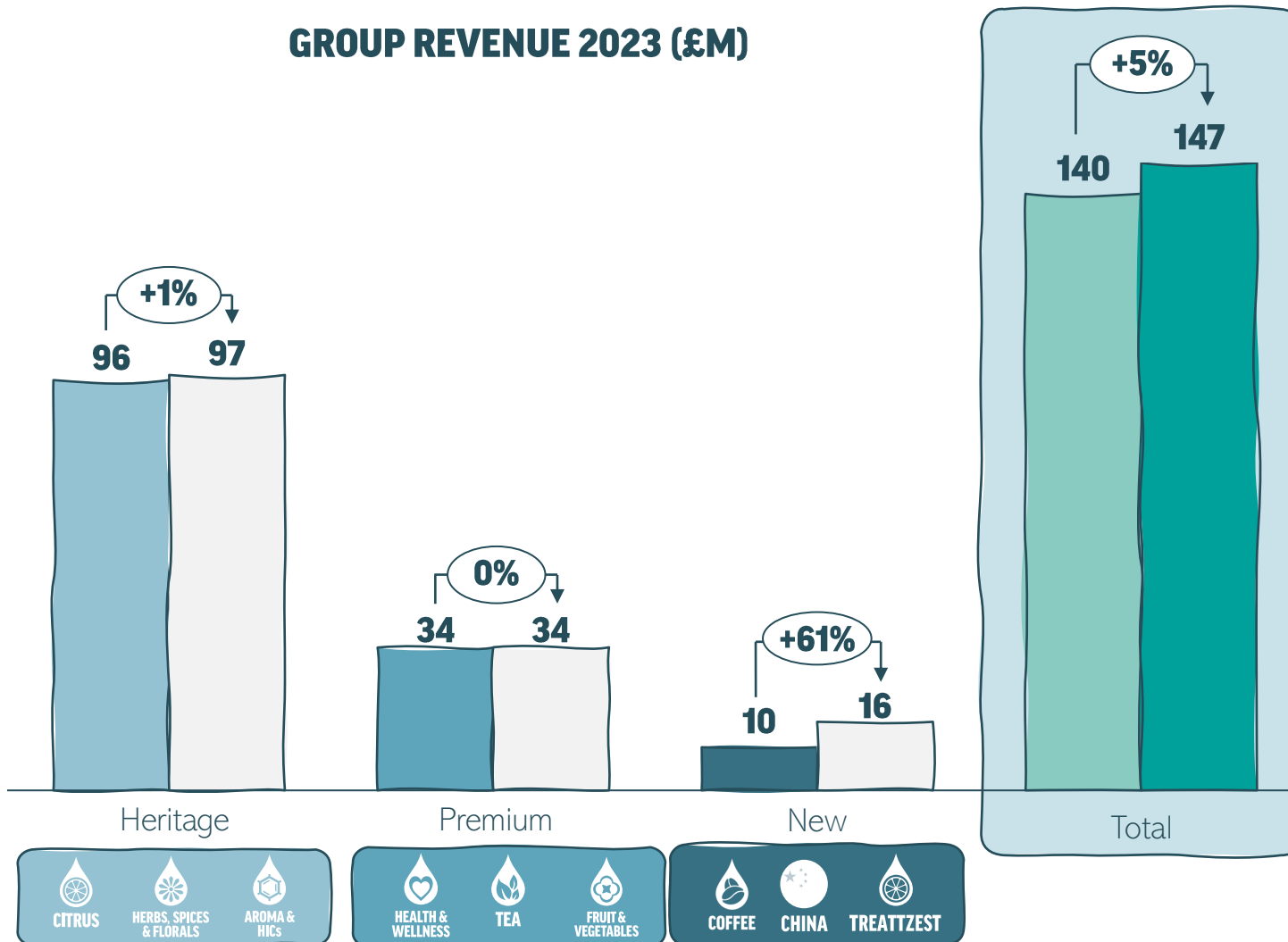
EXCEPTIONAL ITEMS reflect closure costs of old UK site and restructuring. Prior year includes £3.3m proceeds from the sale of the site

FINAL DIVIDEND DECLARED of 5.46p, 2% growth

¹ excluding exceptional items

SALES PERFORMANCE RESILIENT

GROUP REVENUE 2023 (£M)



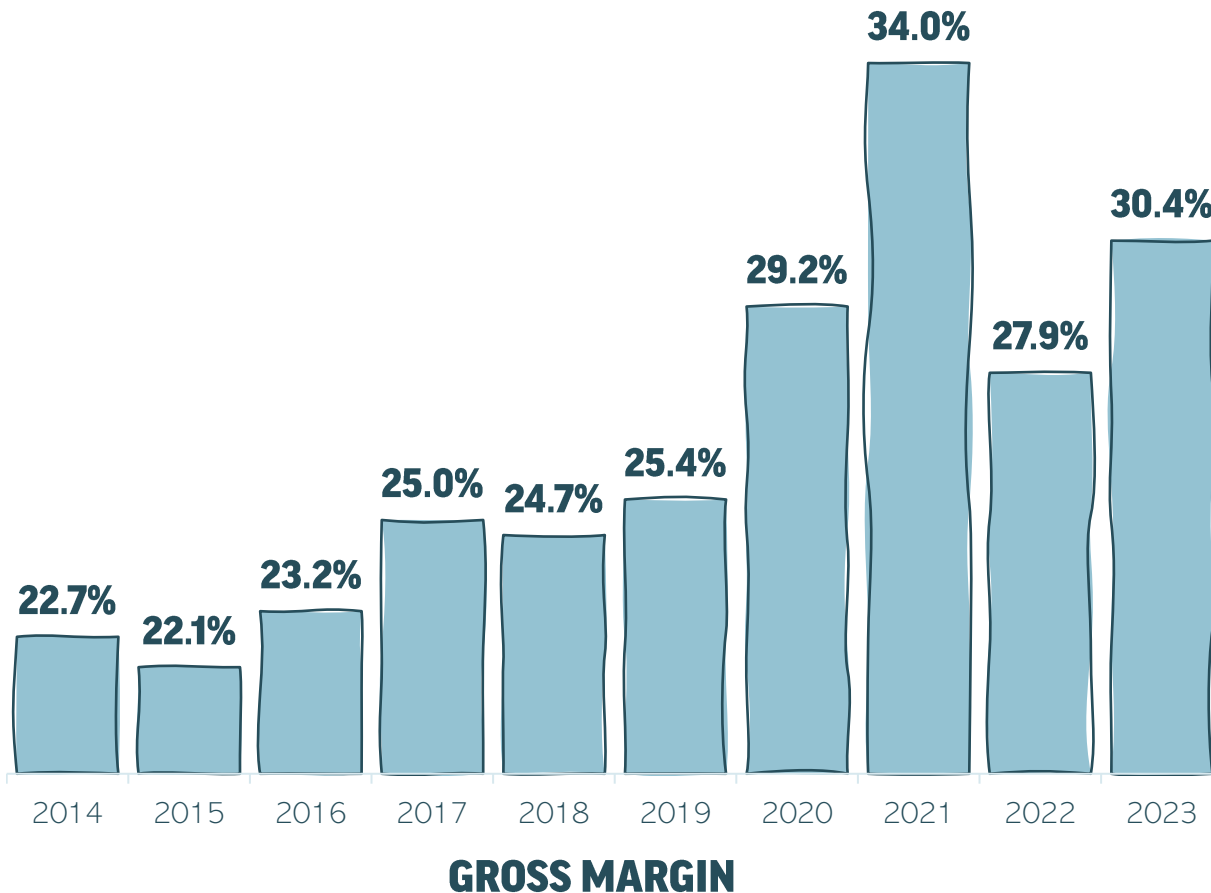
KEY POINTS

HERITAGE MARKETS are 1% up with Citrus price increases offsetting destocking, particularly in Synthetic Aroma

PREMIUM MARKETS volume decline offset by price increase

NEW MARKETS growth driven by Coffee and higher sales to national beverage customers in China

GROSS MARGIN IMPROVEMENT



2023 INCREASE IN MARGIN DRIVEN BY:

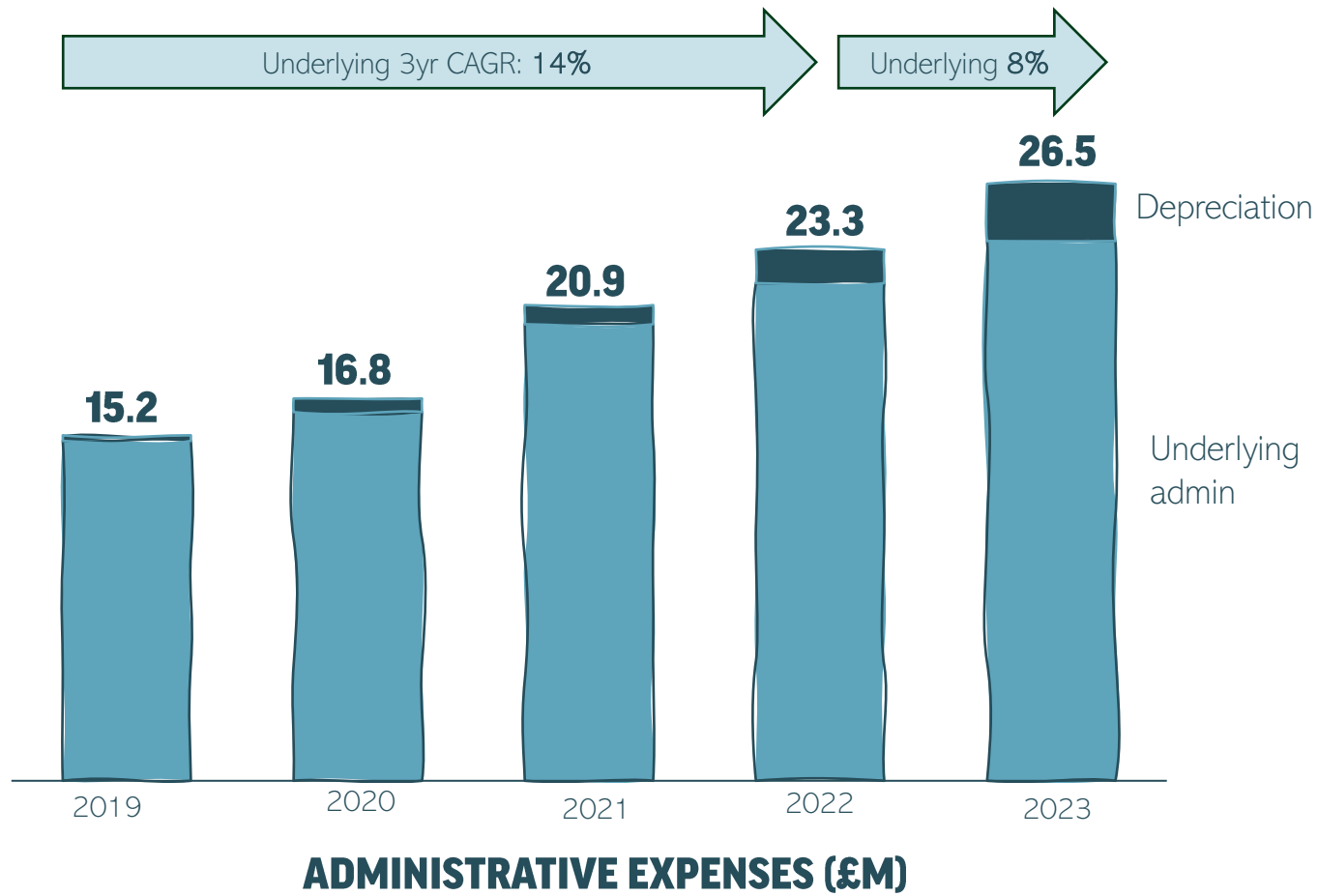
MINIMAL IMPACT OF FX with improved controls

OPERATIONAL EFFICIENCIES to drive lower cost base

SELLING PRICE INCREASES to mitigate raw material inflation

SHEDDING of low margin citrus

ADMINISTRATIVE EXPENSES PROGRESSION



KEY POINTS

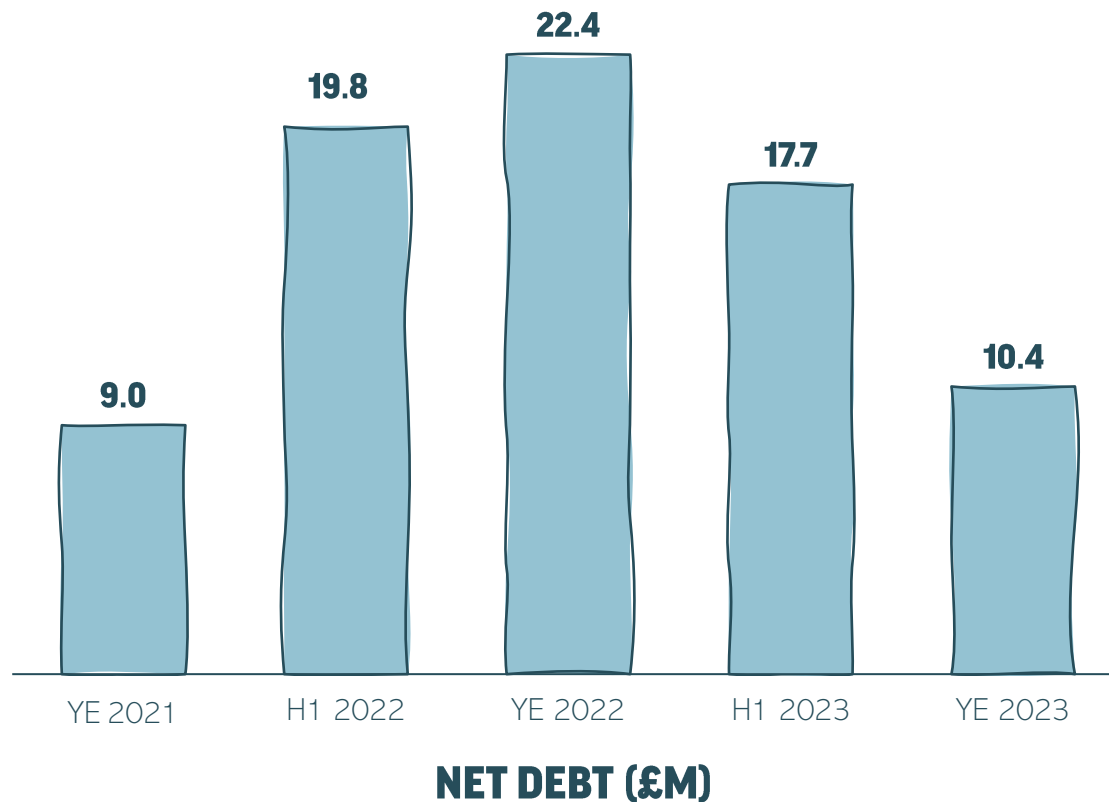
INNOVATION spend increases to £2.3m

INFLATION at 8% relating to salaries and overheads

INVESTMENT in new UK site drives higher depreciation

SALES AND INNOVATION further investment in FY24

NET DEBT REDUCING WITH RECORD CASH GENERATION



KEY POINTS

FOCUS ON REDUCING NET DEBT is strong from the peak of £30.5m in July 2022

WORKING CAPITAL DISCIPLINE results in reduction in inventory volume

CAPEX NORMALISES in the year

BANK LOANS refinanced

NET DEBT TO EBITDA : 0.5x



GROUP STRATEGY

Protect. Accelerate. Grow

GLOBAL CONSUMER MINDSETS DRIVING GROWTH



**NATURAL,
AUTHENTIC
INGREDIENTS**



**PREMIUM
DRINKING
EXPERIENCES**



**WAYS TO
MINIMISE IMPACT
ON THE PLANET**

OUR WINNING STRATEGY

PROTECT OUR HERITAGE



Single digit growth



CITRUS



HERBS, SPICES
& FLORALS



AROMA &
HICs

ACCELERATE PREMIUM CATEGORIES



High single digit growth



HEALTH &
WELLNESS



TEA



FRUIT &
VEGETABLES

GROW IN NEW MARKETS



Double digit growth



COFFEE



CHINA



TREATTTEST

WINNING WITH THE 7Cs

CONSUMER

Maintaining
relevance to
growing trends
through innovation

CITRUS

Launching
innovative and
cost-effective
natural extracts

COFFEE

Expanding
capacity and
growing portfolio

CULTURE

Investing in our
world class
people

CHINA

Driving growth
with national
beverage brands

CAPACITY

Driving volume
growth to
fill capacity and
de-bottleneck

COST BASE

Scaling with
appropriate grip
on costs

STRATEGY IN ACTION: CONSUMER INNOVATION

Transformational

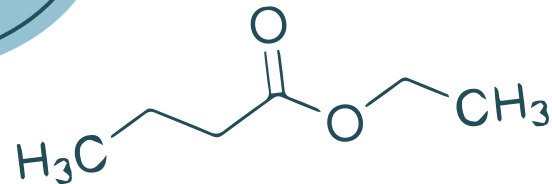
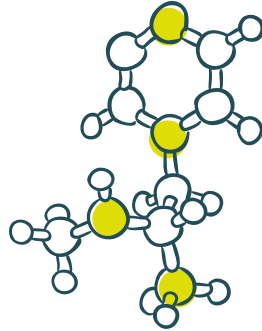
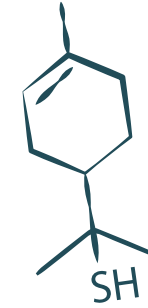
Launching new
value-added
TreattZest &
Coffee extracts

Brix Boosters
that improve
sweetness
perception

Value Creation

Cost
competitive
Citrus solutions

USA pilot plant
investment to
TRIPLE
Premium trials



STRATEGY IN ACTION: COFFEE

- What:* Position us as sourcing and extraction experts, unlocking further customer opportunities
- Why:* Strong continued volume growth for a range of ready to drink applications across North America, the UK, and Europe
- How:* Continue to innovate diverse product range, enhance capacity that will allow us to grow at scale, and motivated commercial teams

We're experts in extraction, which puts us in a really strong position in coffee.



Rebekah Kettrick
Category and Sourcing Manager

“Your coffee extract is the perfect fit.”

Customer feedback
North America, Nov 2023



STRATEGY IN ACTION: CHINA

- What:* Expanding beyond flavour houses into national beverage brand owners
- Why:* Considerable volume opportunity as growing middle class drive appetite for natural, better-for-you, cost effective beverages
- How:* Adding value as Citrus experts, investing in laboratories to accelerate sales cycle, and enhance local clear citrus partnerships

“Your citrus products are truly different.”

We now sell to **3** out of **4** of China's largest national beverage brands.



Steve Fan
Country Manager, China

Top national beverage brand, Nov 2023



STRATEGY IN ACTION: CITRUS TREATTZEST

What: The next generation of authentic, true to fruit, value-added Citrus extracts

Why: Gap in premium citrus beverage market, with growing demand in the UK, Europe, North America, China, and Japan

How: Innovation across extraction processes, with a wider relaunch that is aligned closely with customer specifications

**“There is
nothing else like
this in the
market.”**

Customer feedback
Japan Nov 2023

Customers want to be
one step ahead. Our
approach to TreattZest
innovation is really
valued in our markets.

Simon Chivers
Senior Business Development Manager





LOOKING AHEAD 2024

Drive Growth Momentum

2024 GUIDANCE: DRIVE GROWTH MOMENTUM

GUIDANCE



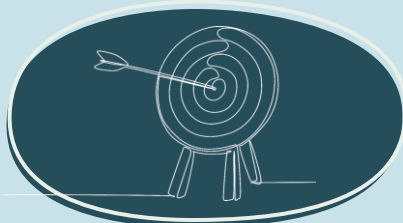
SALES

Growth driven by volume

Gain wallet share of existing customers and win in new

Innovation driving new product launches

SALES GROWTH
5 – 7%



GROSS MARGIN

Operational efficiencies

Costs focus maintained

Margin discipline and control

GROSS MARGIN
28 - 30%



ADMIN & OTHER EXPENSES

Full year effect for depreciation for UK site

Maintaining other admin costs, outside of inflation

Investment in sales team and innovation

NET OPERATING MARGIN
12-13%



BALANCE SHEET

Normalised capex spend, rapid returning capex

Improve inventory turn
Target 1.5x to 1.8x

Focus on lower net debt.
Net Debt/EBITDA <0.5x

CAPEX SPEND
£6-7M

SUMMARY

FY23

We have returned to growth, our assets are fully invested with available capacity, and have implemented a winning strategy

FY24

Profit growth driven by sales volume, with investment in sales and innovation to drive growth, new group strategy launched

MEDIUM TERM

Commercial and innovation led strategy

Driven by our world class people and culture





THANK YOU

Any Questions?

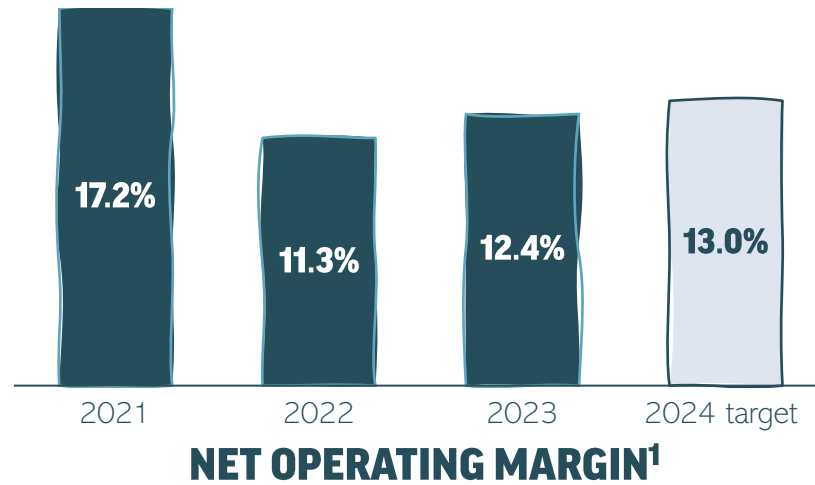


TREATT



APPENDICES

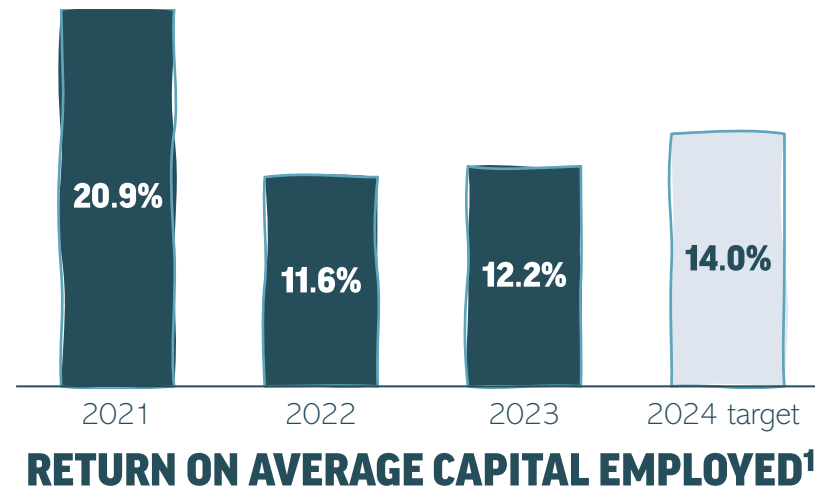
MEDIUM TERM FINANCIAL METRICS



NET OPERATING MARGIN

Growth driven by sales increase, margin focus and cost discipline

Medium term target: 15%



RETURN ON AVERAGE CAPITAL EMPLOYED

Capital base fully invested, growth to follow

Medium term range: 15-20%

¹ From continuing activities

2023 SUSTAINABILITY IMPACT



PEOPLE

58% of Business Leadership Team are women

69% of permanent group employees are shareholders

GLOBAL ED&I programme driving positive change



PLANET

SBTi ALIGNED NET ZERO TARGET 42% reduction in scope 1 & 2 by 2030

89% waste reduced, recycled, or recovered

Enhanced **WATER CONSUMPTION** monitoring

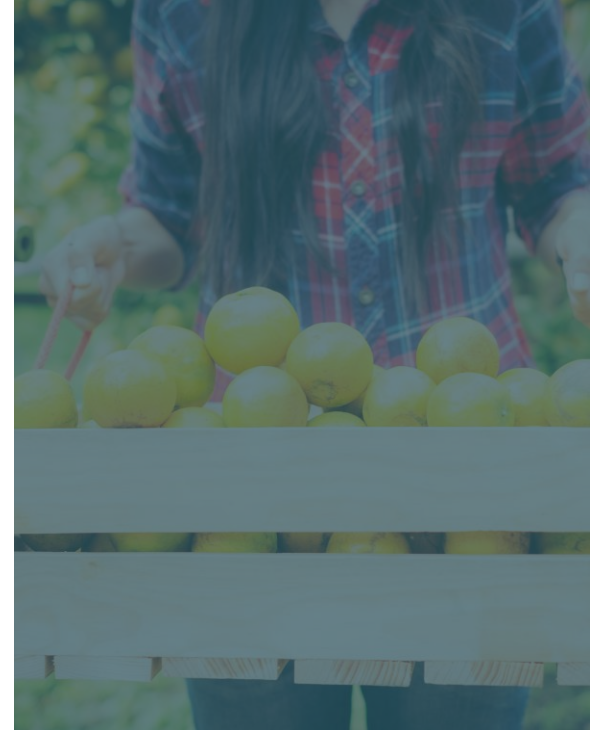


PERFORMANCE

AT LEAST 20% Executive Director and management team bonus scheme subject to ESG related non-financial objectives

100% rollout of Responsible and Sustainable Sourcing Policy

NEW ESG Board Advisory Panel driving ongoing strategy execution



FINANCIAL HIGHLIGHTS

£147.4m

Revenue

+5.1%

30.4%

Gross Margin

+250BPS

£17.3m

Profit Before Tax ¹

+13.7%

21.94p

Earnings Per Share¹

+11.8%

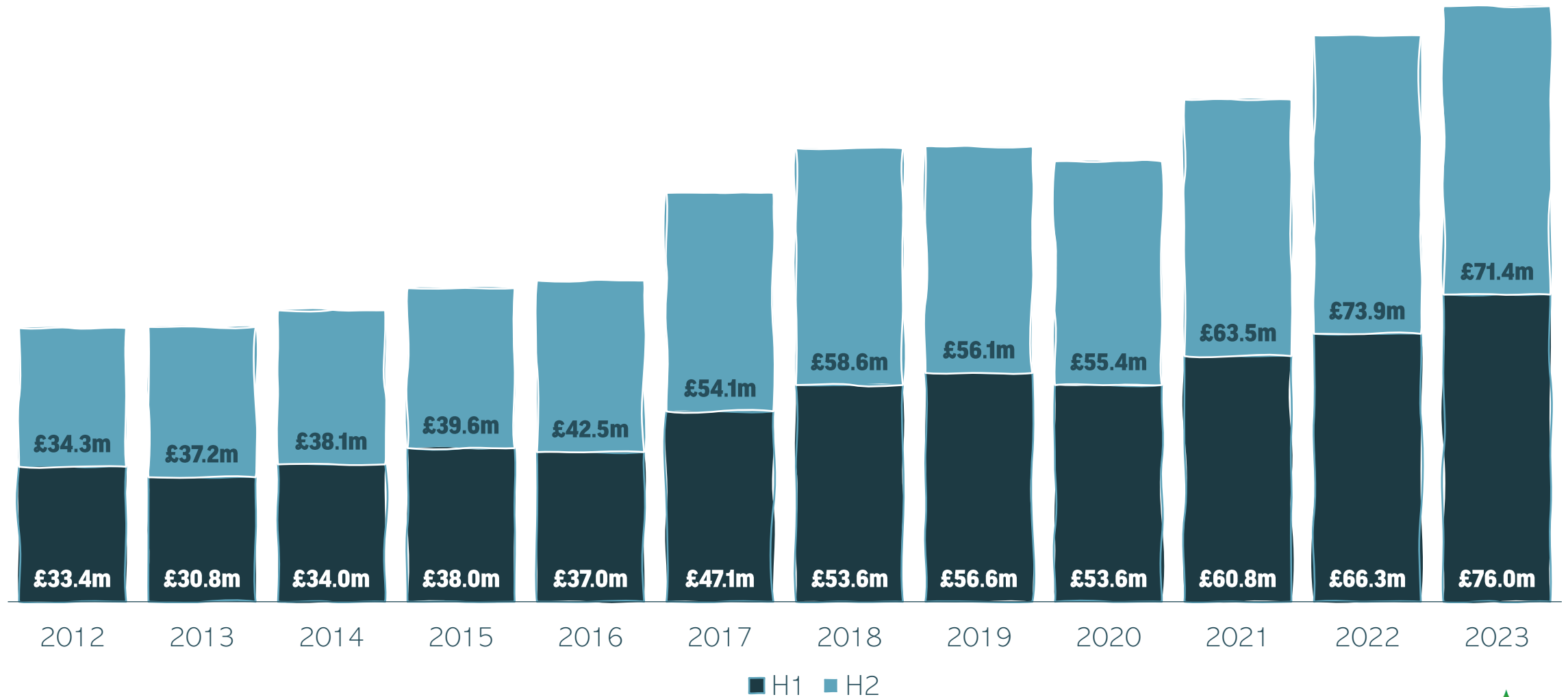
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Dividend

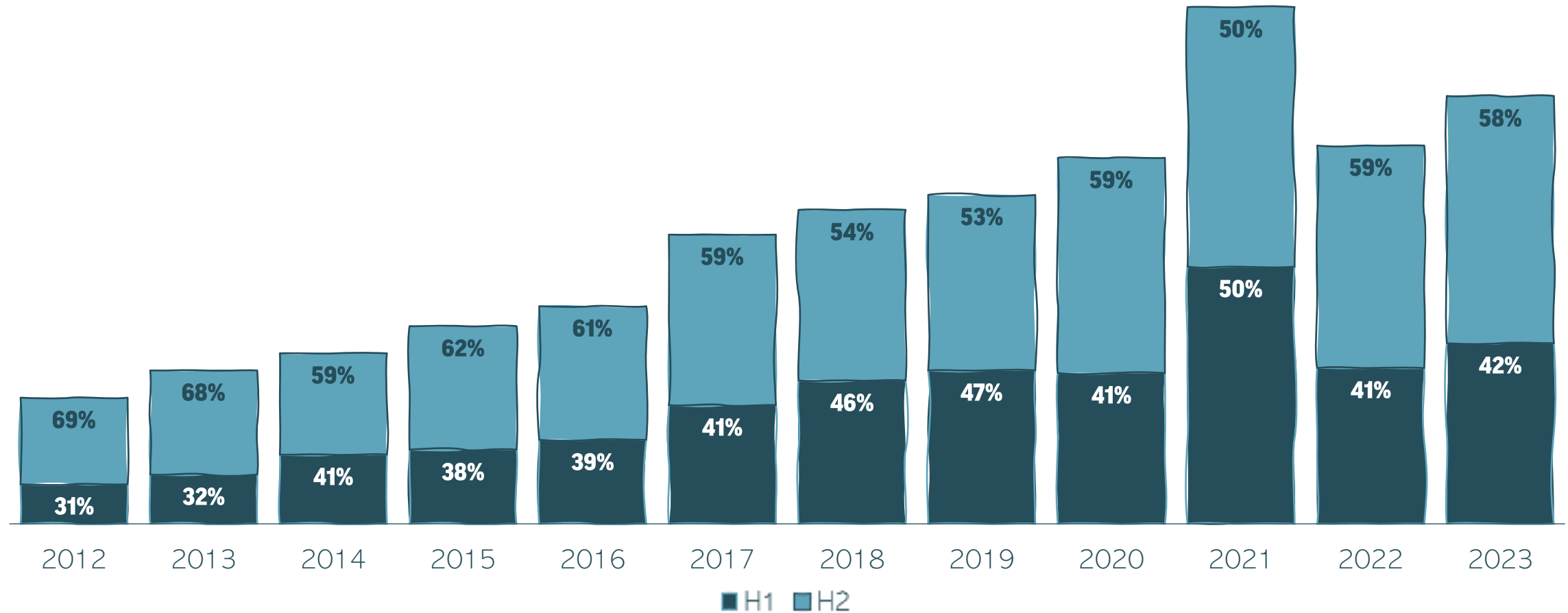
+2%

¹ Excluding exceptional items and in the case of earnings per share the related tax effect

REVENUE PROGRESSION



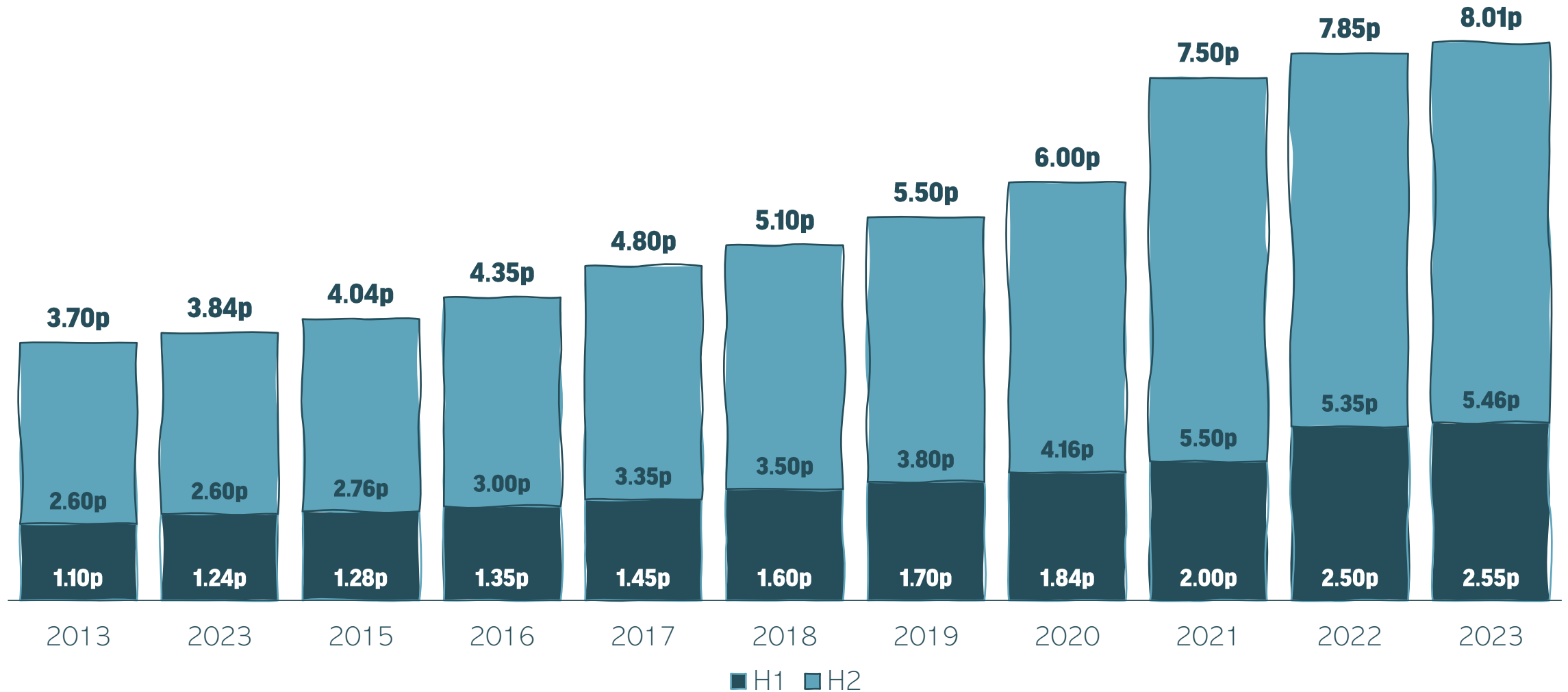
PROFIT BEFORE TAX⁽¹⁾ PROGRESSION



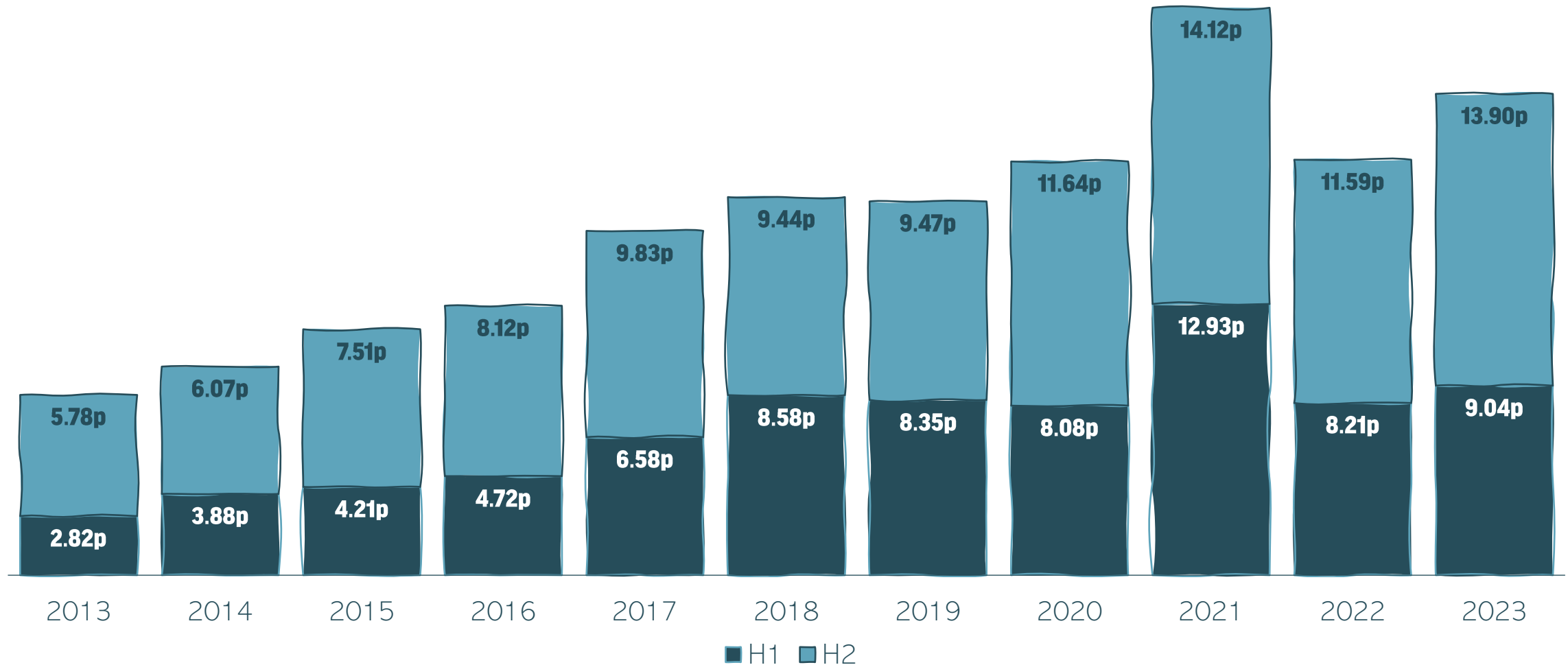
¹ Excluding exceptional items

² Treatt compiled consensus of four analyst forecasts for FY22 profit before tax and exceptional items

DIVIDEND PER SHARE 2023: +2%



ADJUSTED EARNINGS PER SHARE⁽¹⁾



¹ 2018 – 2020 EPS is shown from continuing activities

2023 BALANCE SHEET

	As at 30 September 2023	As at 30 September 2022
Fixed assets	£74.8m	£77.9m
Inventories	£62.4m	£68.4m
Receivables	£33.0m	£37.1m
Payables	(£20.7m)	(£22.9m)
Working capital	£74.7m	£82.6m
Taxation	(£5.3m)	(£4.9m)
Net debt	(£10.4m)	(£22.4m)
Pension asset	£3.7m	£1.8m
Other net liabilities	(£0.3m)	(£1.1m)
Shareholder funds	£137.2m	£133.9m

KEY POINTS

WORKING CAPITAL reduces by £7.9m driven by strong disciplines across receivables and stock management

NET DEBT reduced to £10.4m with record cash generation in the year

SHAREHOLDER FUNDS grew in the year by £3.4m, with net assets per share increasing by 2%

2023 CASH FLOW

Year ended 30 September	2023 £'m	2022 £'m
Operating cash flow	20.2	16.7
Decrease/(Increase) in inventories	2.5	(14.4)
Decrease/(Increase) in receivables	3.0	(8.5)
(Decrease)/Increase in payables	(2.0)	4.4
Cash generated from/ (used in) operations	23.7	(1.8)
Taxation (paid)/received	(2.2)	0.4
Net cash generated from / (used in) operating activities	21.5	(1.4)
Purchase of property, plant & equipment	(5.5)	(11.8)
Purchase of intangible assets	(0.2)	(0.9)
Proceeds of disposals	1.6	5.6
Free cash inflow/(outflow)	17.4	(8.5)
Dividends paid	(4.8)	(4.8)
Issue of share capital	-	-
Other financing activities	(0.9)	0.7
FX	0.3	(0.7)
Movement in net debt	12.0	(13.3)
Net debt at start of period	(22.4)	(9.1)
Net debt at end of period	(10.4)	(22.4)

KEY POINTS

WORKING CAPITAL inflow driven by inventory management; reduction in receivables due to a return to more normalised sales phasing

CAPEX £5.5m – including £1.3m of new UK site capex. Returning to normal levels of investment

NET TAX returning to normal as prior year overpayments have unwound

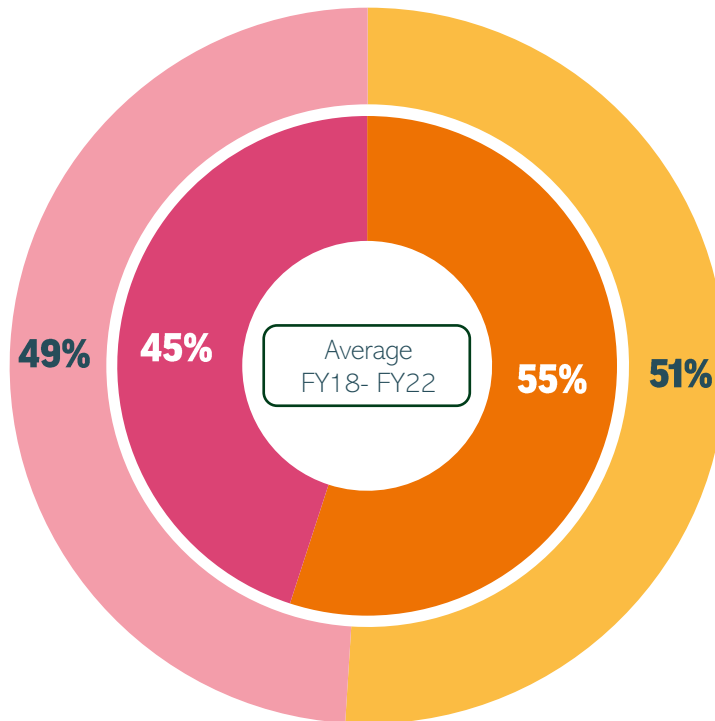
NET DEBT is inclusive of lease liabilities of £0.5m (2022: £0.4m)

REVENUE ANALYSIS

ROUTES TO MARKET

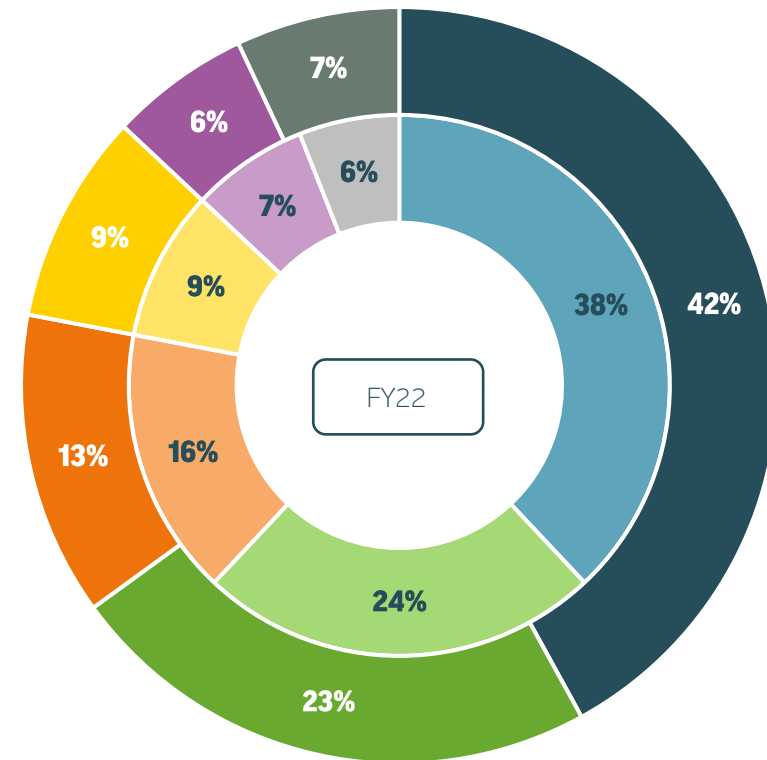
Direct to
Brand Owners

Flavour
Houses



FY 23

MAJOR TERRITORIES¹



FY 23



¹ From continuing activities

The Americas (excluding the US) (17 countries) / Rest of the World (35 countries)

OUR PRODUCT CATEGORIES

Herbs, Spices & Florals

Botanical ingredients are growing in popularity in several markets as 'naturalness' continues to be an increasing priority



Citrus

With a strong and established background in citrus, our range of natural and synthetic products are well aligned with consumer tastes



Synthetic Aroma

Our synthetic aroma business continues to perform well as our ability to deliver a consistent and high-quality service stands us apart from other players



Health & Wellness

Consumers continue to look for 'better-for-you' products and our minimal label solutions are performing well in this space



Our diverse and growing product range allows us to maximise commercial opportunities across the world

Coffee

Coffee has become one of the fastest growing beverage categories in the world and we are well positioned to take advantage



Tea

Tea is the second most widely consumed beverage in the world, after water, and our natural range of tea products continue to win



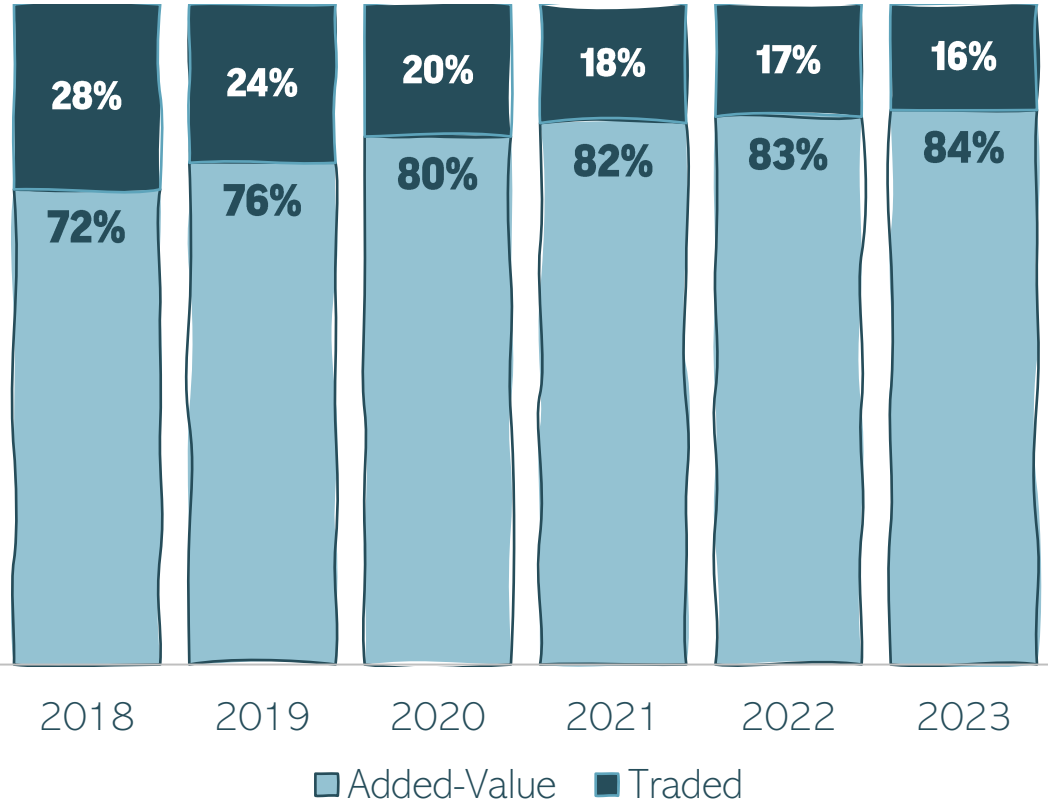
Fruit & Vegetables

Our natural distillates deliver on impact and minimal label requirements, both of which are increasingly important to customers



STRATEGIC EVOLUTION - MOVING UP THE VALUE CHAIN

SALES: ADDED-VALUE V TRADED



EVOLUTION CONTINUING FROM TRADED TO ADDED-VALUE

SALES: ADDED-VALUE V TRADED

CONTINUED progress in shift away from traded activities

REDUCTION on dependency of traded and minimally-processed citrus continues

DELIVERING added-value products and solutions through Science & manufacturing technologies and IP

INVESTMENT in capacity expansion and equipment in the US, and new optimised UK Headquarters provide new manufacturing opportunities

COLLABORATION with customers at new and expanded site