



# Interim Results

## 6 Months ended 31 March 2013

May 2013



**Daemmon Reeve**

Group CEO

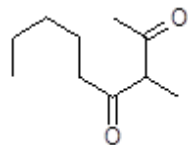
**Richard Hope**

Group Finance Director

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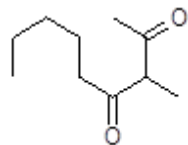
# Half Year Review

## Summary - Six months to 31 March 2013



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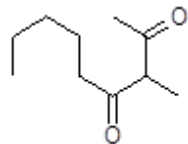
- ⊕ EBITDA up 25% to £3.0m (£2.4m)
- ⊕ PBT up 29% to £2.0m (£1.6m)
- ⊕ EPS up 40% to 14.1p (10.1p)
- ⊕ Revenue of £33.6m (£36.0m)
- ⊕ Interim dividend up 8% to 5.5p
- ⊕ Margins up reflecting shift away from “traded” to “added-value” products



# Group Overview



- Ingredient solution provider for the flavour, fragrance & consumer goods industries
- Focus on global multi-national customers
- Heritage - Founded in London in 1886
- Product innovation and market knowledge
- Compete aggressively on quality and service whilst growing margins



# Treatt in 2012/13



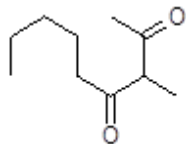
## ⊕ Managed change at the company

- New Chairman, Tim Jones
- Strengthened board
- US CEO Daemmon Reeve steps up to Group CEO
- Senior management changes/additions

## ⊕ New strategy developed autumn 2012

## ⊕ Early indicators of the impact of new strategy are positive

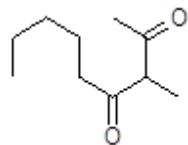
## ⊕ Renewed focus on driving value for shareholders



# Strengths



- ⊕ Independent
- ⊕ Innovative ingredient solutions
  - Natural but consistent
  - Tea, coffee, citrus
  - Alcoholic & non-alcoholic beverages
- ⊕ Global – focus on established and emerging markets
- ⊕ Worldwide sourcing & product knowledge
- ⊕ Focused product range
- ⊕ Experienced risk management – raw material prices, FX
- ⊕ Traceability
- ⊕ Sustainability

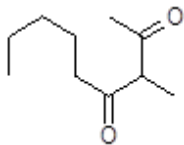


# Group Strategy



To grow group profitability in the flavour, fragrance and consumer goods markets through:

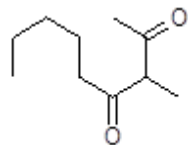
- ⊕ Focussed sales approach to large multinationals in key growth markets
- ⊕ Market-driven new product development
- ⊕ Concentrated product range
- ⊕ Increasing group margins – added-value manufacturing
- ⊕ Cost control – driving efficiency improvements
- ⊕ Excellent quality and service – meeting customer expectations
- ⊕ Well motivated and experienced workforce – positive ‘can do’ culture



# Progress Overview



- Global sales structure
- Re-alignment of resources
- Cost control culture
- Focus on core manufactured products – value-added ingredients
- Increased investment and focus on R&D
- Targeting rapidly growing flavoured beverage markets



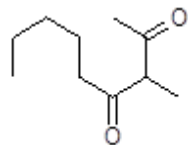


# 2013 Half Year Review

## Cash



- Total of £22m bank facilities with HSBC, Lloyds and Bank of America
- Portion of all three facilities on three year renewal
- Renewals staggered
- Headroom of £6m
- Cash outflow in 1<sup>st</sup> 6 months of £3.4m
- Significant cash inflow projected for H2



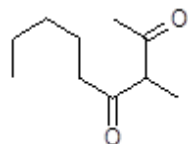
# 2013 Half Year Review

Six months to 31 March 2013



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	2013	2012	
Revenue	£33.57m	£36.00m	-7%
EBITDA	£3.02m	£2.42m	+25%
Profit before tax	£2.01m	£1.56m	+29%
Earnings per share	14.1p	10.1p	+40%
Dividends per share	5.5p	5.1p	+8%
Net Assets per share	250p	225p	+11%



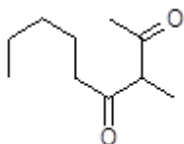
# 2013 Half Year Review

## Summary Balance Sheet



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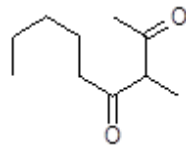
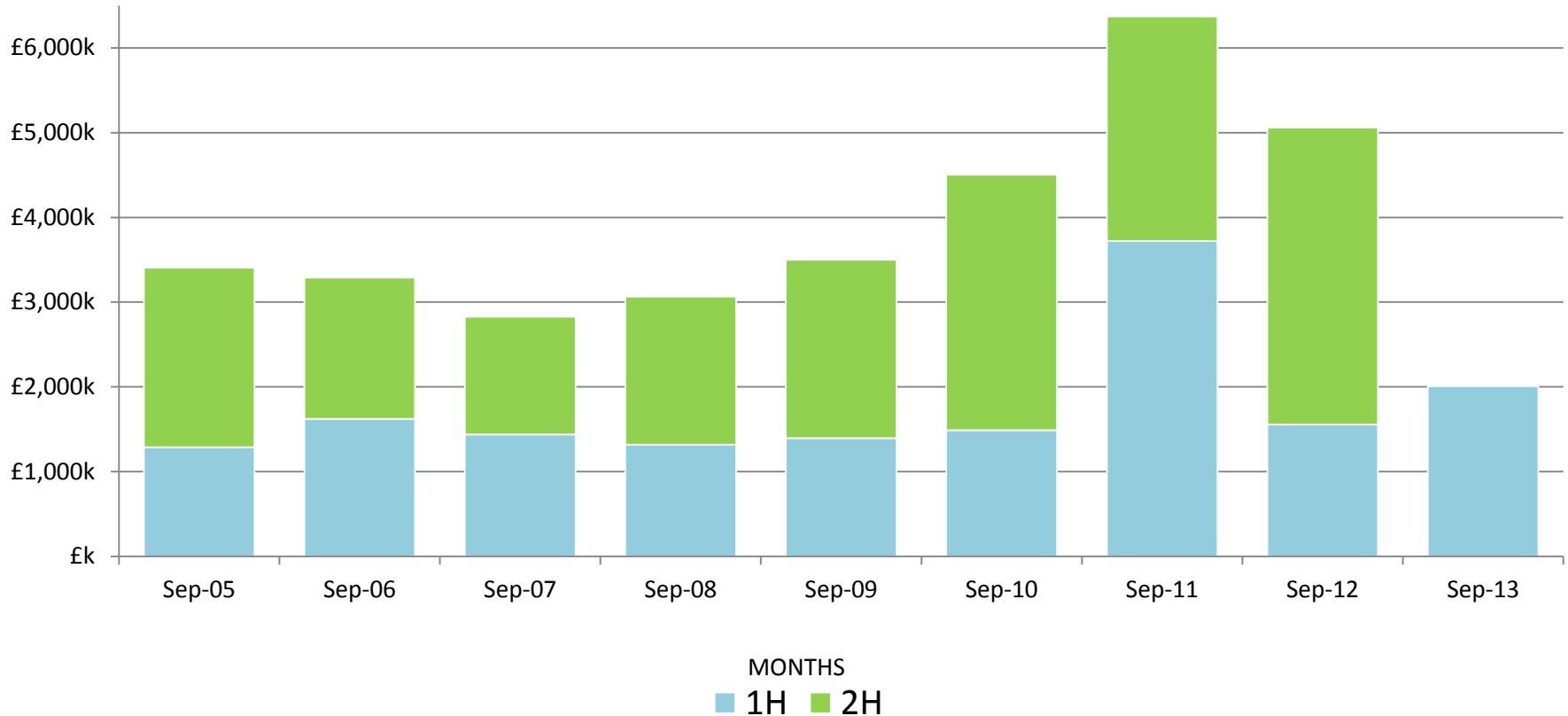
<u>All figures £m</u>	<u>March 2013</u>	<u>March 2012</u>
Goodwill	£1.1m	£1.2m
Fixed Assets	£12.8m	£12.0m
Inventories	£24.9m	£20.0m
Debtors	£14.0m	£14.2m
Creditors	<u>(£7.2m)</u>	<u>(£9.4m)</u>
Working Capital	£31.7m	£24.8m
Taxation	£0.2m	(£0.1m)
Net Debt	(£16.3m)	(£11.3m)
Other net liabilities	<u>(£3.0m)</u>	<u>(£3.0m)</u>
Shareholders' Funds	<u>£26.1m</u>	<u>£23.6m</u>



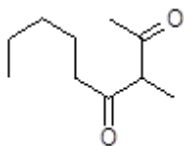
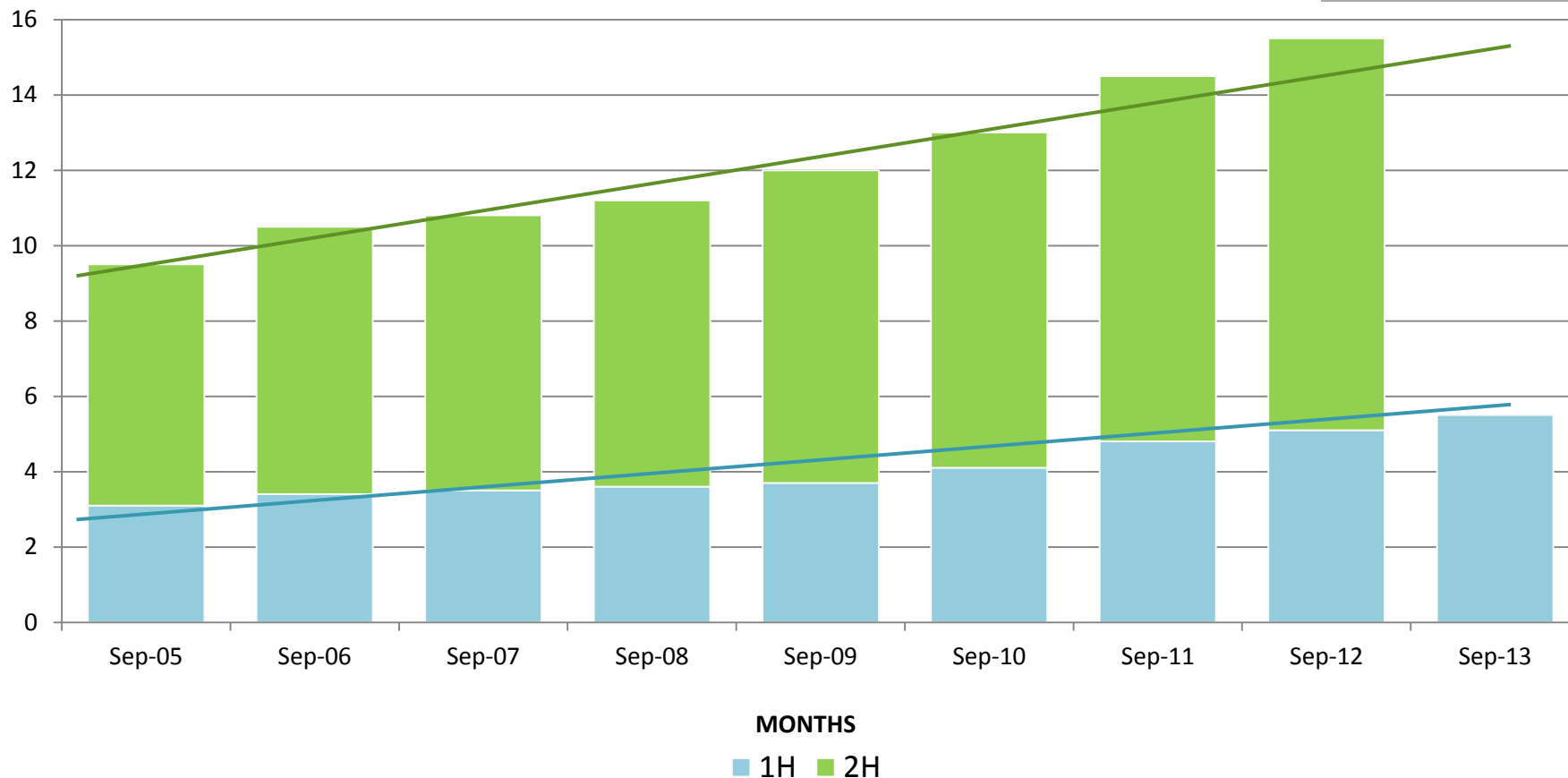
# Interim / Final Profit Before Tax 2005-2013



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# Interim / Final Dividends 2005-2013



# Prospects for H2



- Q3 momentum
- New business wins
- Increased margins
- New strategy continues to drive success

