



FINAL RESULTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

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Richard Hope – Chief Financial Officer



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RECORD PERFORMANCE ON ALL KEY METRICS



£124.3m

Revenue¹

+14.0%

34.0%

Gross Margin

+480bps

£20.9m

Profit Before Tax^{1,2}

+41.3%

27.05p

Earnings Per Share^{1,2}

+37.2%

7.50p

Full Year Dividend

+25.0%

20.9%

**Return on Average
Capital Employed^{1,2}**

+240bps

¹ From continuing activities

² Excluding exceptional items and in the case of earnings per share the related tax effect

REMARKABLE PERFORMANCE

- **Strong performance** driven by growth in addressable markets
- Profit before tax^{1,2} **materially exceeding** initial expectations
- **No material impact** from global supply chain issues
- **Margin growth** led by healthier living categories
- **Navigating** COVID-19 including operational challenges and channel shift
- **Continued investment** to build platform for future growth
- **Embedding sustainability** across the business

¹ From continuing activities

² Excluding exceptional items and in the case of earnings per share the related tax effect

GROWTH – INNOVATION AND CONSUMER TRENDS



Diversifying across growing addressable markets

- **RTD Cocktails** continue to win market share – partnering with many of the world's leading brands
- Continuing demand for **natural**, better-for-you products
- Promising opportunities from **new coffee platform**



Strong growth in 'healthier living' categories

- **Very strong growth** in tea, health & wellness and fruit & vegetables categories
- **Innovation** to meet demand from customers
- Global efforts to **fight** obesity driving volume growth in technically complex sugar reduction products
- **Launched** new range of Brewed Tea Extracts



Improving margins in core citrus category

- Solid platform in **natural** extracts and ingredients
- **Developed differentiators** to support beverage growth
- Improving mix of **value-added** products



Investing for future growth

- **New UK facility** with gradual migration of people and operations underway
- **Focus on investing** in operations and people
- New Chief People Officer and Chief Innovation Officer – **strengthening executive team**

ESG – IT'S IN OUR DNA

STRATEGY:

- **Further embed** sustainability – the lens through which we view our business
- To **explore opportunities** and **mitigate risks** in line with our business strategy

IMPLEMENTATION OF SUSTAINABILITY STRATEGY:

- Continuing to work with consultants to assist us with the **implementation** of our strategy
- **Mapped** UN Sustainability Development Goals (SDGs) around four material issues where we can make a difference
- New UK facility built to **high Eco¹** standard

PROGRESSING OUR PRIORITIES:

- **Mapping** our sustainable supply chain strategy
- **Review** purpose, values and behaviours to support sustainability ambitions
- **Reporting** on Scope 3 Emissions from FY2022
- **Assess** climate change risk using TCFD²



**Ethical
Trading
Initiative**



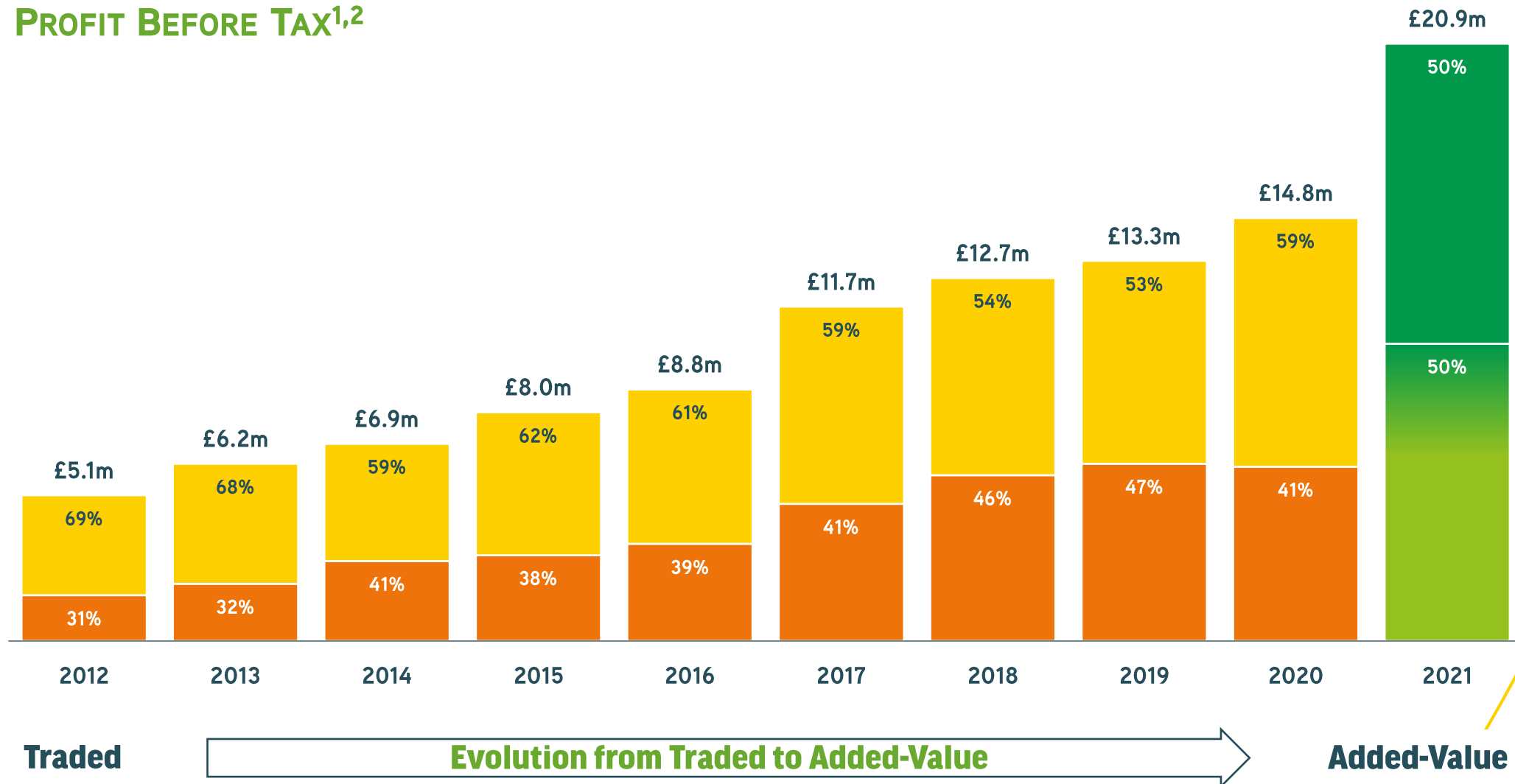


FINANCIAL REVIEW



TRACK RECORD OF PBT GROWTH – 2021: +41.3%

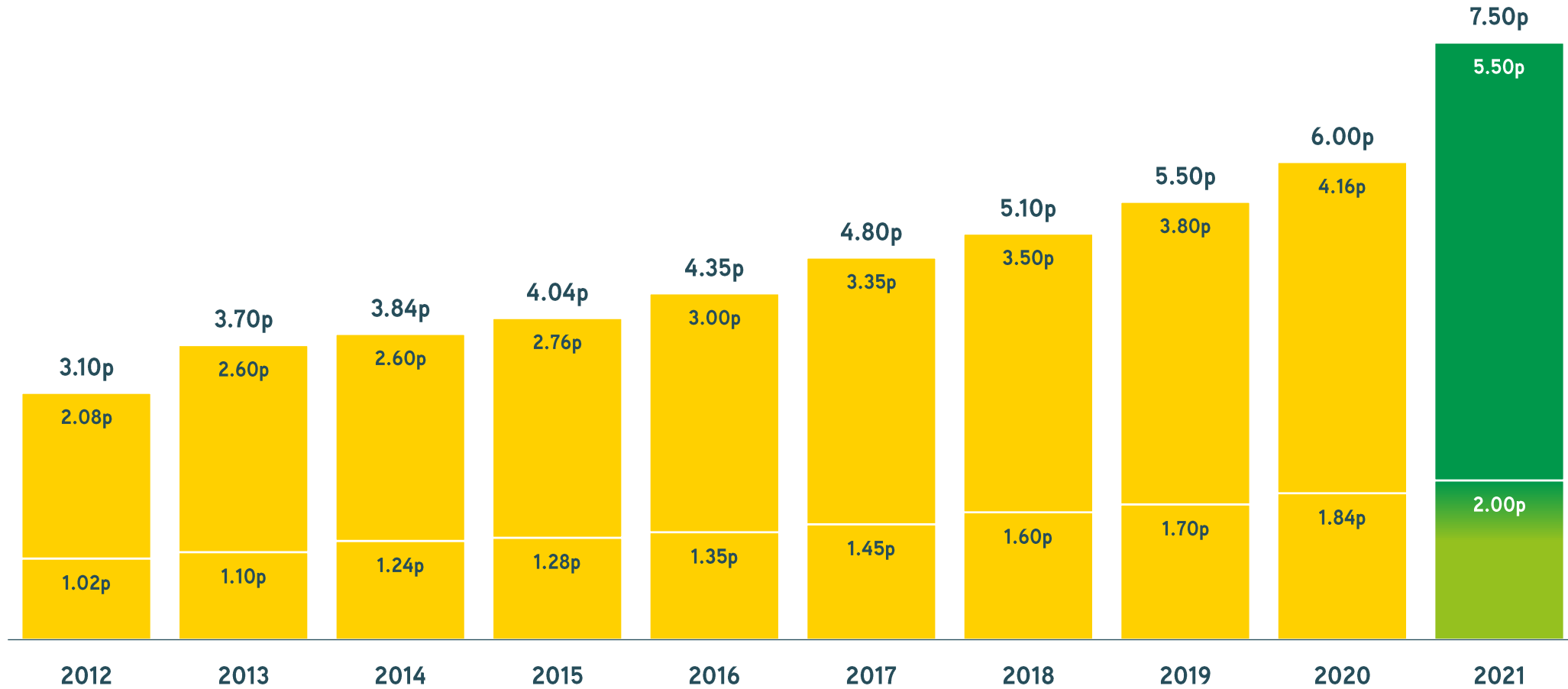
PROFIT BEFORE TAX^{1,2}



¹From continuing activities

²Excluding exceptional items

DIVIDEND PER SHARE – 2021: +25.0%



2021 FINANCIAL REVIEW



INCOME STATEMENT

Year Ended 30 September		2021 £'000	2020 £'000	Change %
Continuing Operations	Revenue	124,326	109,016	14.0%
	Gross profit	42,223	31,876	32.5%
	Gross profit margin	34.0%	29.2%	480bps
	Administrative expenses	(20,877)	(16,784)	(24.4%)
	Operating profit	21,346	15,092	41.4%
	Operating profit margin	17.2%	13.8%	340bps
	Other gains	-	45	(100.0%)
	Net finance costs	(427)	(336)	(27.1%)
	Adjusted profit before tax	20,919	14,801	41.3%
	Exceptional items	(1,302)	(1,060)	(22.8%)
	Profit before taxation	19,617	13,741	42.8%
	Taxation	(4,469)	(2,896)	(54.3%)
	Profit for the year	15,148	10,845	39.7%
	Loss from discontinued operations	-	(1,080)	(100.0%)
Profit for the year		15,148	9,765	55.1%
Adjusted earnings per share ^{1,2}		27.05p	19.72p	37.2%

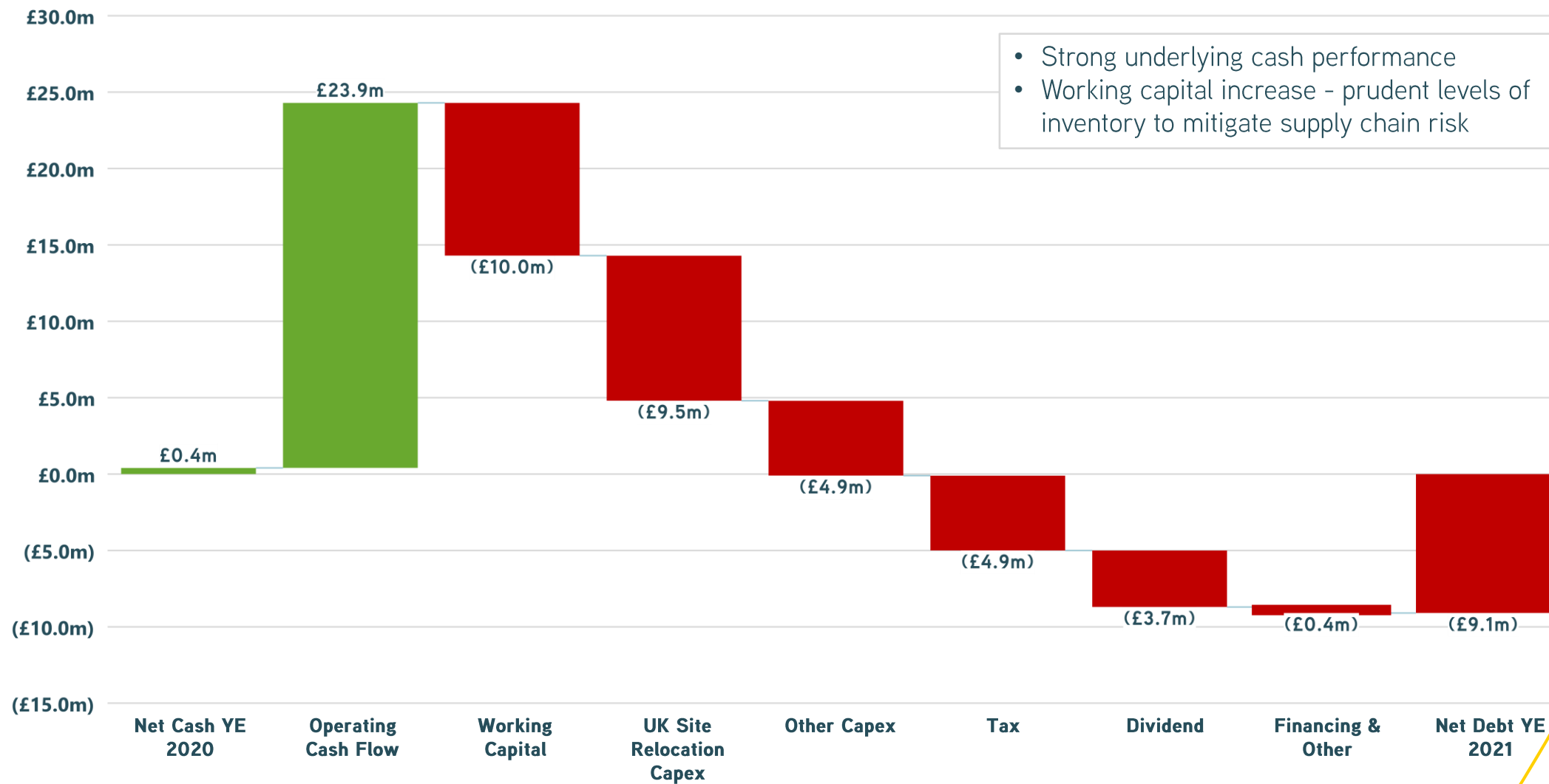
Key Points

- Constant currency revenue up 18% - significant growth in healthier living categories
- Gross profit margin driven by double digit revenue growth in higher margin categories
- Administration expenses up 24% to reflect increased demand and investment in future growth - Group employee numbers up 15%
- Finance costs increase caused by move to net debt position following capex investment
- Exceptional items – UK relocation expenses/running costs of facilities not in use

¹From continuing activities

²Excluding exceptional items

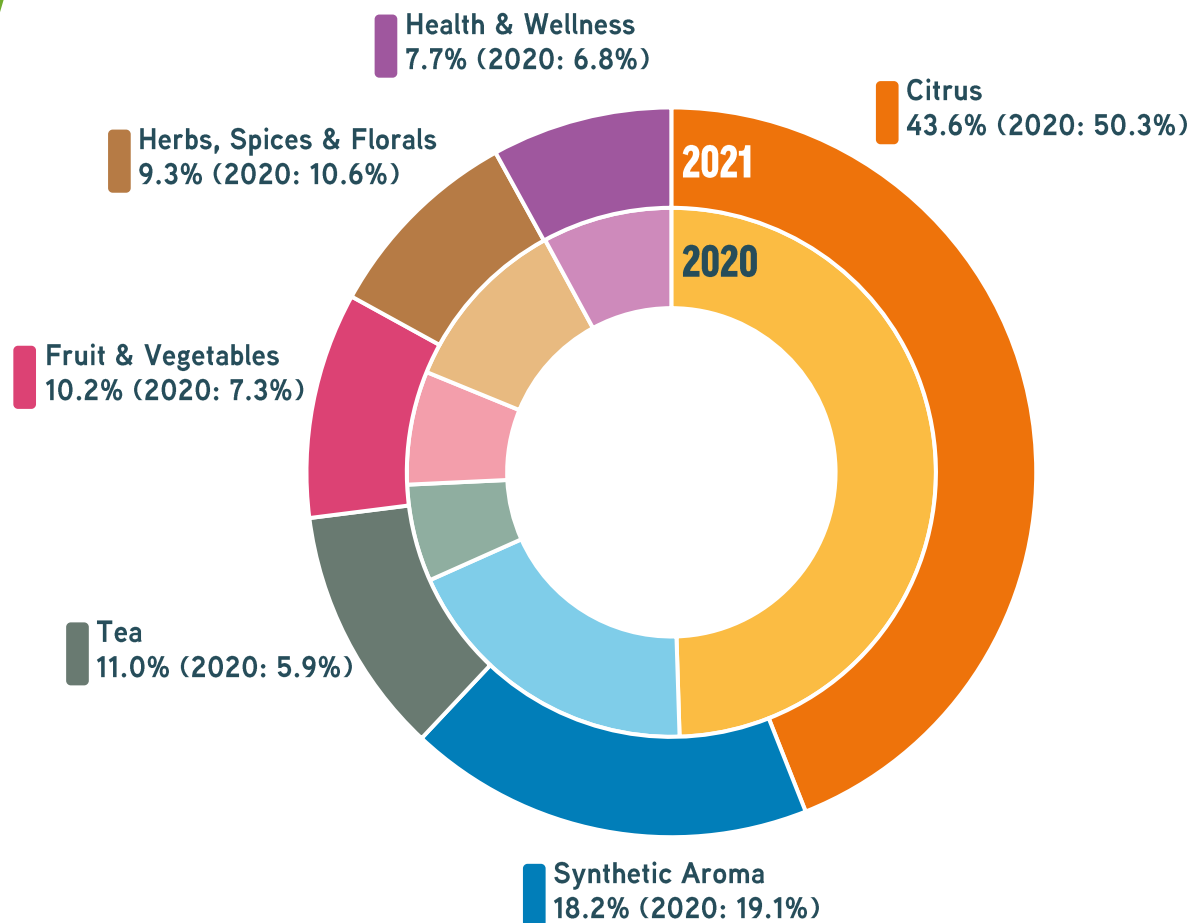
CASH FLOW



STRONG GROWTH IN HIGHER MARGIN CATEGORIES



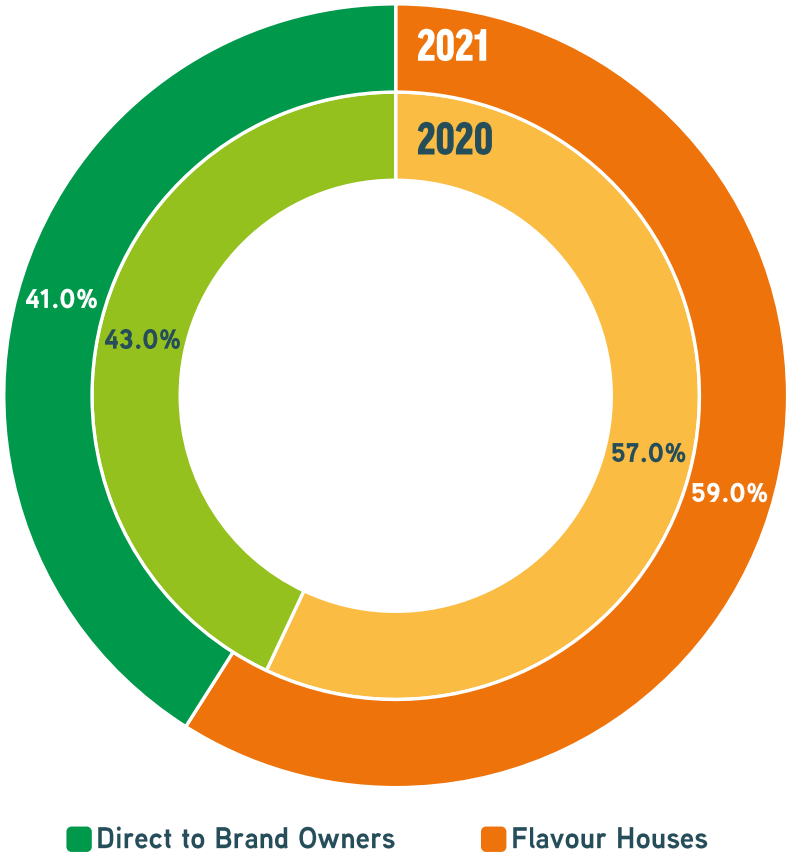
% OF REVENUE 2021



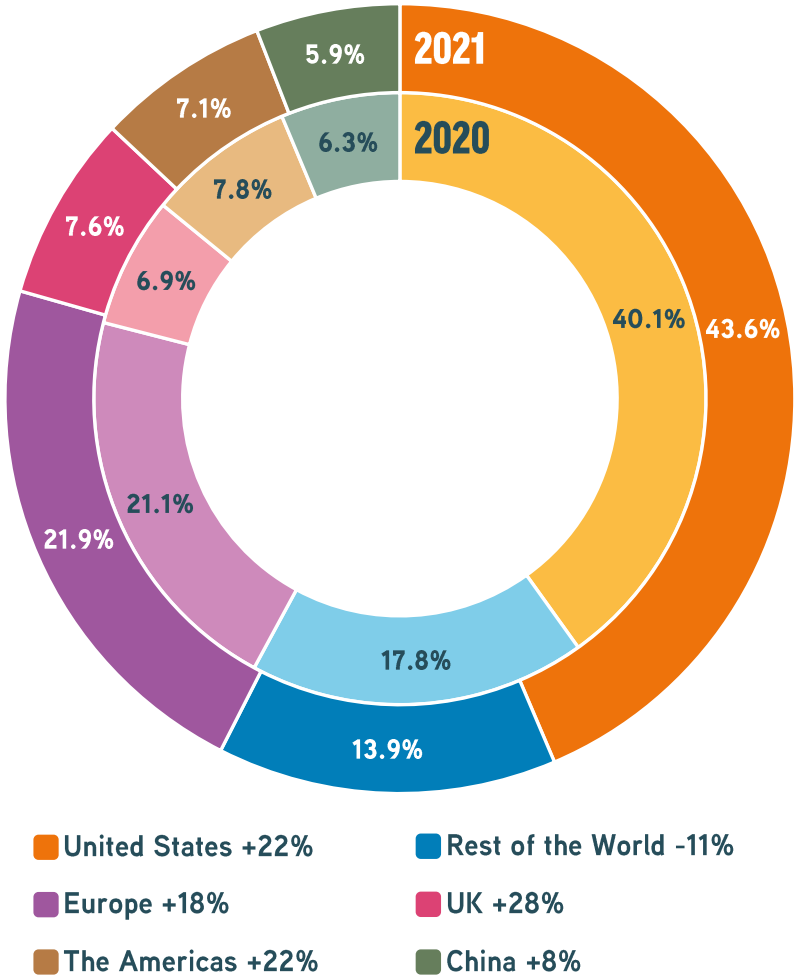
Category	2021	2020	% Growth in Sales	% of Revenue
Citrus	£54.2m	£54.9m	(1.2%)	43.6%
Synthetic Aroma	£22.7m	£20.8m	8.9%	18.2%
Tea	£13.7m	£6.4m	113.1%	11.0%
Fruit & Vegetables	£12.6m	£7.9m	59.6%	10.2%
Herbs, Spices & Florals	£11.6m	£11.5m	0.5%	9.3%
Health & Wellness	£9.6m	£7.4m	28.7%	7.7%

REVENUE: +14.0%

PROGRESS IN BOTH ROUTES TO MARKET



STRONG GROWTH IN MAJOR TERRITORIES¹



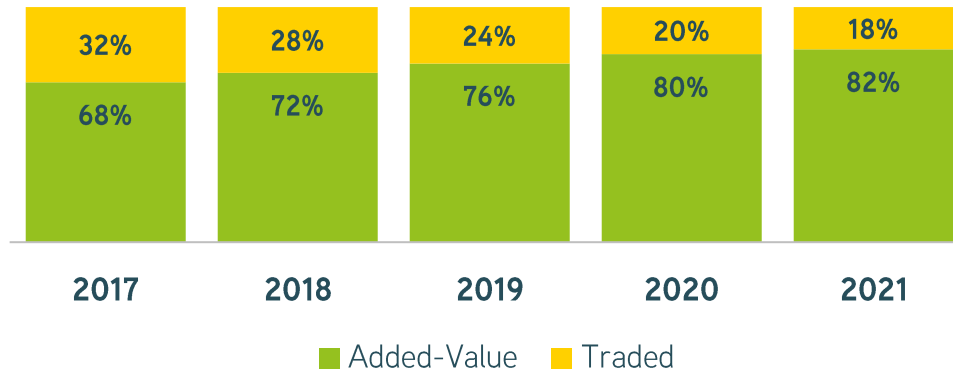
¹From continuing activities

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

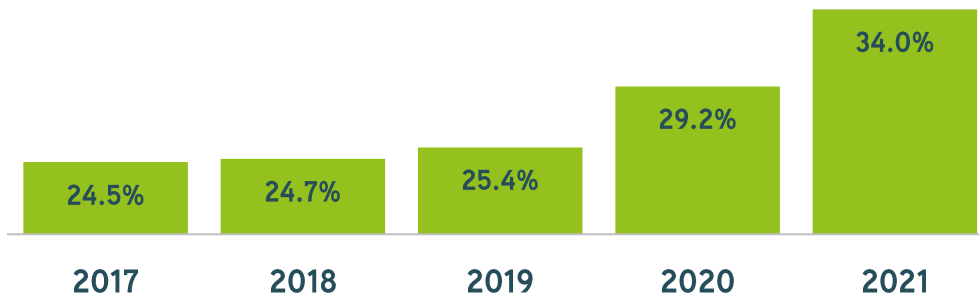
STRATEGIC EVOLUTION

MOVING UP THE VALUE CHAIN

Sales: Added-Value v Traded



Strong Gross Margin Growth



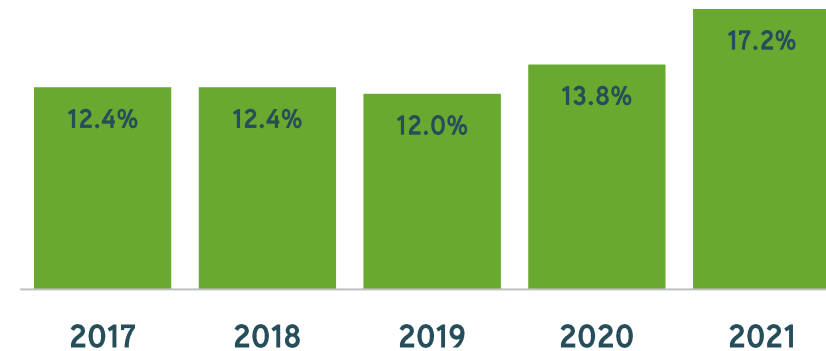
- Continued progress in shift away from traded activities
- Citrus becoming a more added-value category - reduced dependency on traded and minimally-processed citrus
- Science and manufacturing technologies and IP delivering added-value products and solutions
- Further margin improvement anticipated over medium-term driven by US capacity expansion and new optimised UK Headquarters
- Collaboration with customers at new and expanded facilities

FINANCIAL METRICS

Net Operating Margin

- Increased from 12.4% to 17.2% over the last 5 years
- Target range: 15% - 20%

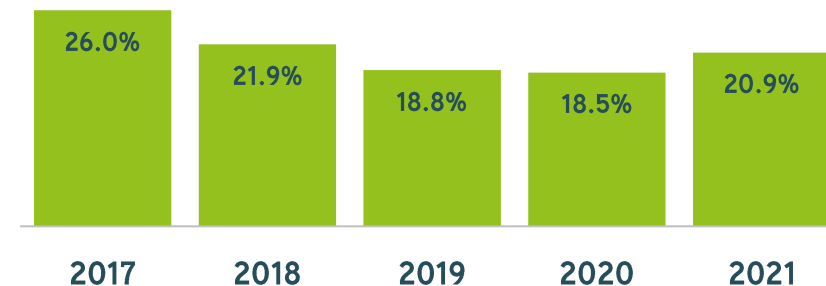
NET OPERATING MARGIN¹



Return On Average Capital Employed (ROACE)

- 2017: 10% Placing to fund investment
- 2021: Investment in US now yielding results
- ROACE for FY 2021 – 21.0%
- Target range: 20 - 25%

RETURN ON AVERAGE CAPITAL EMPLOYED^{1,2}



¹ From continuing activities

² 10% Placing in December 2017



MARKET OVERVIEW & STRATEGIC PRIORITIES





HEALTHIER LIFESTYLES



FUNCTIONAL +

- Evolution from energy drinks to '**natural**' functional
- Segment witnessing **exponential growth**
- **Driven** by consumers' concern with holistic health
- **Primary source** of value creation in non-alcoholic beverages

TRUST THROUGH TRANSPARENCY

- Pandemic accelerating trend
- Ingredient **transparency** paramount
- **Clean label** ingredient market forecast to grow at a CAGR of 6.7% (2020-2026) to reach \$75.2 billion



85% of consumers globally say that the information on what is in their food and beverage is of major importance to them

WHERE WE ADD VALUE...

NATURAL

TRANSPARENT

CLEAN
LABEL

AUTHENTIC

LOW SUGAR

ACCESSING MARKET GROWTH OPPORTUNITIES

INNOVATION IN READY TO DRINK AND FUNCTIONAL BEVERAGE MARKETS



RTD COFFEE

Global market value forecast to grow to \$18.9bn by 2026 - 14.2% increase from 2020

Cold brew driving growth and premiumisation

Hybrid beverage trends

New drinking occasions, flavours and formats



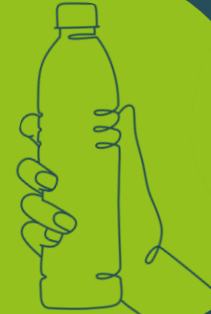
RTD ALCOHOL

RTD alcoholic beverages growing faster than beer, wine & spirits - \$14bn by 2028

Primary driver of volume growth in RTD

15% CAGR across top RTD markets (2023–25)

Evolution and innovation focus on flavour and premiumisation



FUNCTIONAL DRINKS

Global market value to grow from \$125bn 2020 to \$216bn 2028
CAGR 7.08%

Significant growth opportunities as consumers look for 'better-for-you' products in every beverage pillar

US largest market share – Europe & APAC to witness strong growth

BENEFITS OF THE NEW UK SITE

CAPACITY, EFFICIENCY, INNOVATION AND COLLABORATION

- Transfer complete by mid-2023
- **Capacity** – materially higher volumes possible
- **Efficiency** – optimal site logistics; moving from analogue to digital
- **Innovation** – significantly expanded R&D labs
- **Client collaboration** – crucial to building long-term partnerships



CURRENT TRADING & OUTLOOK

- **Continued** strong growth in revenue expected
- **Material opportunities**, including coffee
- **Momentum** building in China
- Manufacturing underway at new UK facility from mid 2022
 - **Capital Markets Day – Friday 21st January 2022**
- **Strengthening executive team** to support growth:
 - Chief People Officer – Jonathan Whitworth
 - Chief Innovation Officer – Wolfgang Tosch
- Reversion to historic H1/H2 split
- **Confident** in the outlook



THANK YOU

ANY QUESTIONS?










































































APPENDICES





PARTNERSHIP MODEL

BUILDING LONG-TERM RELATIONSHIPS FOR ORGANIC GROWTH WITH CUSTOMERS

Top 10 Customers	Ranking by Revenue FY21	Type of Products	No. Years as a Customer	Categories	Ranking by Revenue FY16
	1	 	>25	     	3
	2		>25	     	1
	3		>10	    	17
	4	 	>25	     	4
	5	 	>25	     	14
	6		>10	  	2
	7		>25	     	5
	8	 	>15	    	25
	9		>20	    	11
	10	 	>25	     	10

KEY

Type of Products:



Flavour



Fragrance



Alcoholic Beverage



Non-Alcoholic Beverage



Consumer Goods



Distributor

Categories:



Citrus



Tea



Health & Wellness



Fruit & Vegetables



Herbs, Spices & Florals



Synthetic Aromas

2021 CASH FLOW

Year Ended 30 September	2021 £'000	2020 £'000
Operating cash flow	23,940	15,902
Increase in inventories	(11,851)	(458)
Increase in receivables	(2,680)	(1,278)
Increase in payables	4,483	1,511
Cash generated from operations	13,892	15,677
Contributions to pension scheme	(450)	(300)
Taxation paid	(4,874)	(2,191)
Net cash from operating activities	8,568	13,186
Purchase of property, plant & equipment	(13,195)	(23,909)
Purchase of intangible assets	(1,178)	(905)
Free cash outflow	(5,805)	(11,628)
Disposal of subsidiaries	-	(136)
Dividends paid	(3,704)	(3,378)
Issue of share capital	3	2
Other financing activities	(44)	(303)
FX	9	(88)
Movement in net (debt)/cash	(9,541)	(15,531)
Net cash at start of year	427	15,958
Net (debt)/cash at end of year	(9,114)	427

Key Points

- Working capital – significant increase in inventories at year end due to strong order book and supply chain caution
- £14.4m capex – including £9.5m of new UK site capex. New site partially occupied and transition underway
- Free cash inflow of £5.0m excluding new site capex and exceptionals
- Including IFRS 16 lease liabilities of £1.1m (2020: £0.7m)

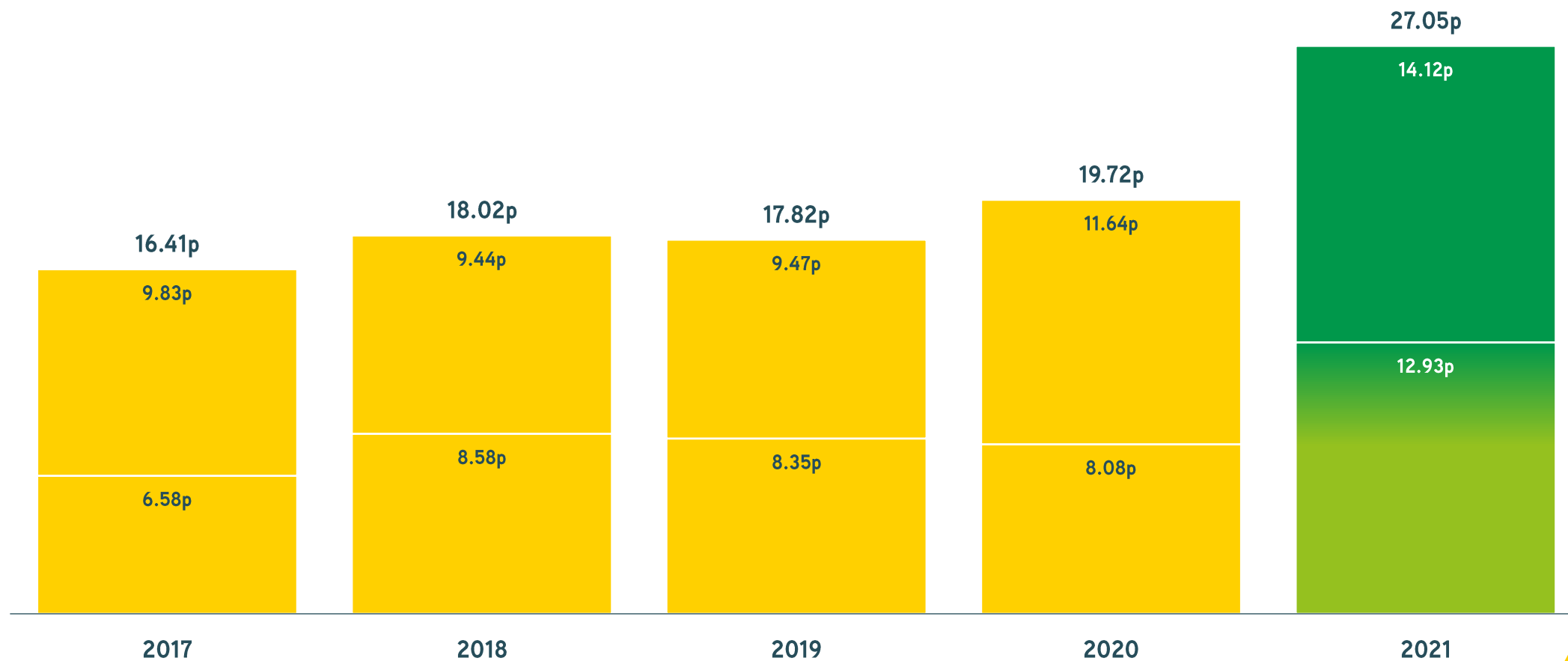
2021 BALANCE SHEET

Year Ended 30 September	2021	2020
Fixed assets	£65.0m	£52.7m
Inventories	£47.3m	£36.1m
Receivables	£26.4m	£24.2m
Payables	(£17.0m)	(£12.4m)
Working capital	£56.7m	£47.9m
Taxation	£1.3m	£0.1m
Net (debt)/cash	(£9.1m)	£0.4m
Pension deficit	(£6.8m)	(£10.1m)
Other net (liabilities)/assets	(£0.8m)	£0.1m
Shareholder funds	£106.3m	£91.1m

Key Points

- Fixed asset spend on capital investment programme nears completion with operations at the new UK facility commencing 2022
- The Group is in a net debt position due to capital spend in the year – relating to the capital investment programme. Remaining headroom on facilities of £17.2m
- IAS 19 pension deficit decreased largely due to higher investment returns. Contributions remain at £450k p.a. until completion of the latest actuarial valuation

EARNINGS PER SHARE¹



¹ From continuing activities

INVESTMENT INFRASTRUCTURE PHASE TIMELINE



TREATT USA INC.

R C TREATT & Co. LTD

Initiated £48m Capital Investment Programme

- Equity fund raise £20m

2017

UK build complete (fit-out underway)

2020

Operations to commence at new site

- Improved margins over medium term due to operational efficiencies and investment in new technologies
- Potential to treble capacity in UK subject to product mix

2022

US \$15m Expansion Complete

- Doubles our capacity for Health & Wellness, Fruit & Vegetables and Tea – currently 29% of Group revenue

2019

Colleagues begin transition to new site

2021

UK site fully operational

2023

