



FINAL RESULTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

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2022

SUMMARY OF THE YEAR

STRONG revenue growth +12.8%

GROWTH in 6 out of 7 categories

MARGIN decrease due to Hard Tea, FX and direct inflation

COMPLETED 95% of UK site relocation

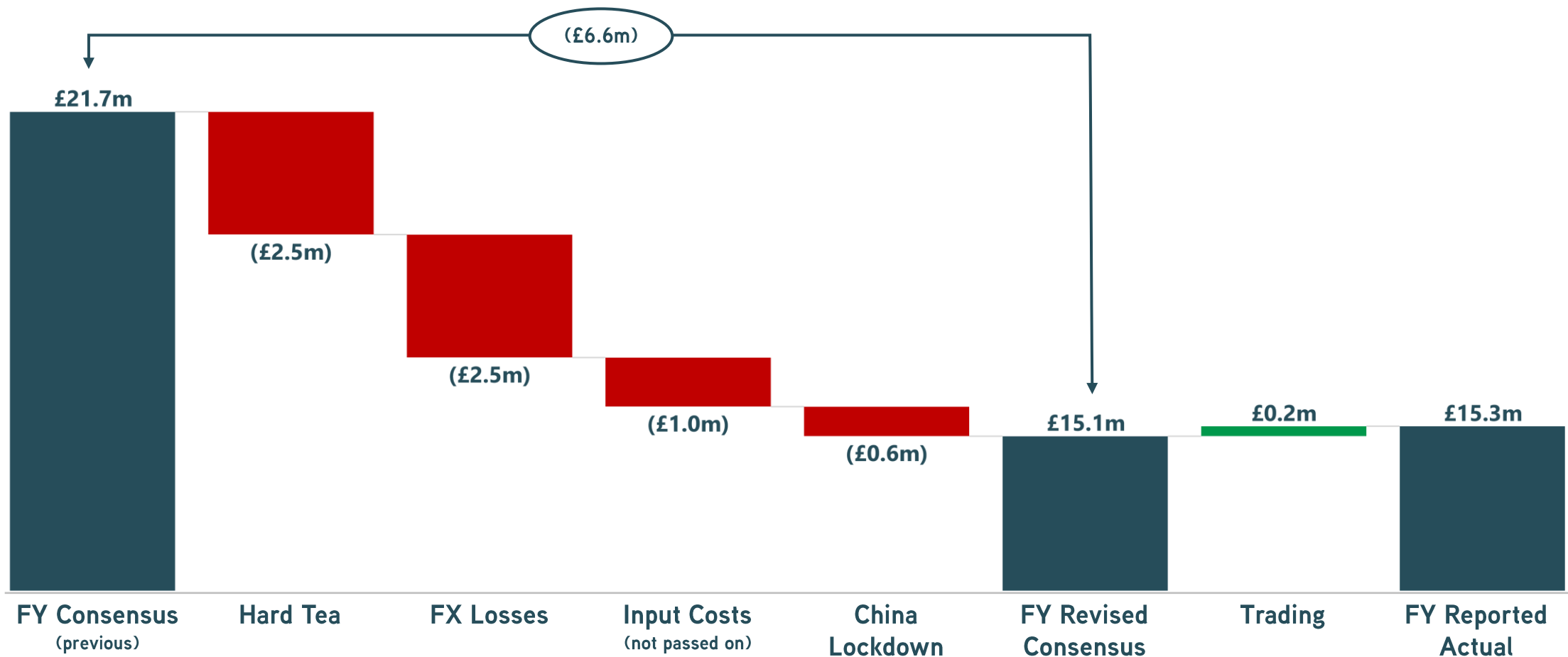
POSITIVE progress in our sustainability agenda



AUGUST UPDATE

REASONS FOR THE DOWNGRADE

ADJUSTED PROFIT BEFORE TAX¹ FY22 (£M)



¹ Excluding exceptional items

AUGUST UPDATE

KEY LEARNINGS & ACTIONS

INCREASED rigor in sales pricing to support margin discipline

ENHANCED business performance & forecasting information

SUSTAINABLE supply chain performance

IMPROVE FX controls





2022

**RE-ESTABLISH
GROWTH PLATFORM**

2023

**RETURN
TO GROWTH**

2024

**DRIVE GROWTH
MOMENTUM**



FINANCIAL REVIEW 2022



2022 FINANCIAL REVIEW

INCOME STATEMENT

Year Ended 30 September	2022 £'000	2021 £'000	Change %
Revenue	140,185	124,326	12.8%
Gross profit	39,084	42,223	(7.4%)
Gross profit margin	27.9%	34.0%	(610bps)
Administrative expenses	(23,311)	(20,877)	(11.7%)
Operating profit	15,773	21,346	(26.1%)
Operating profit margin	11.3%	17.2%	(590bps)
Net finance costs	(517)	(427)	(17.8%)
Adjusted profit before tax ⁽¹⁾	15,256	20,919	(27.1%)
Exceptional items			
Gain on property sale	3,324	-	-
Exceptional costs	(2,401)	(1,302)	(84.4%)
Profit before taxation	16,179	19,617	(17.5%)
Taxation	(2,864)	(4,469)	(35.9%)
Profit for the year	13,315	15,148	(12.1%)
Adjusted earnings per share ⁽¹⁾	19.80p	27.05p	(26.8%)

¹ Excluding exceptional items

Key Points:

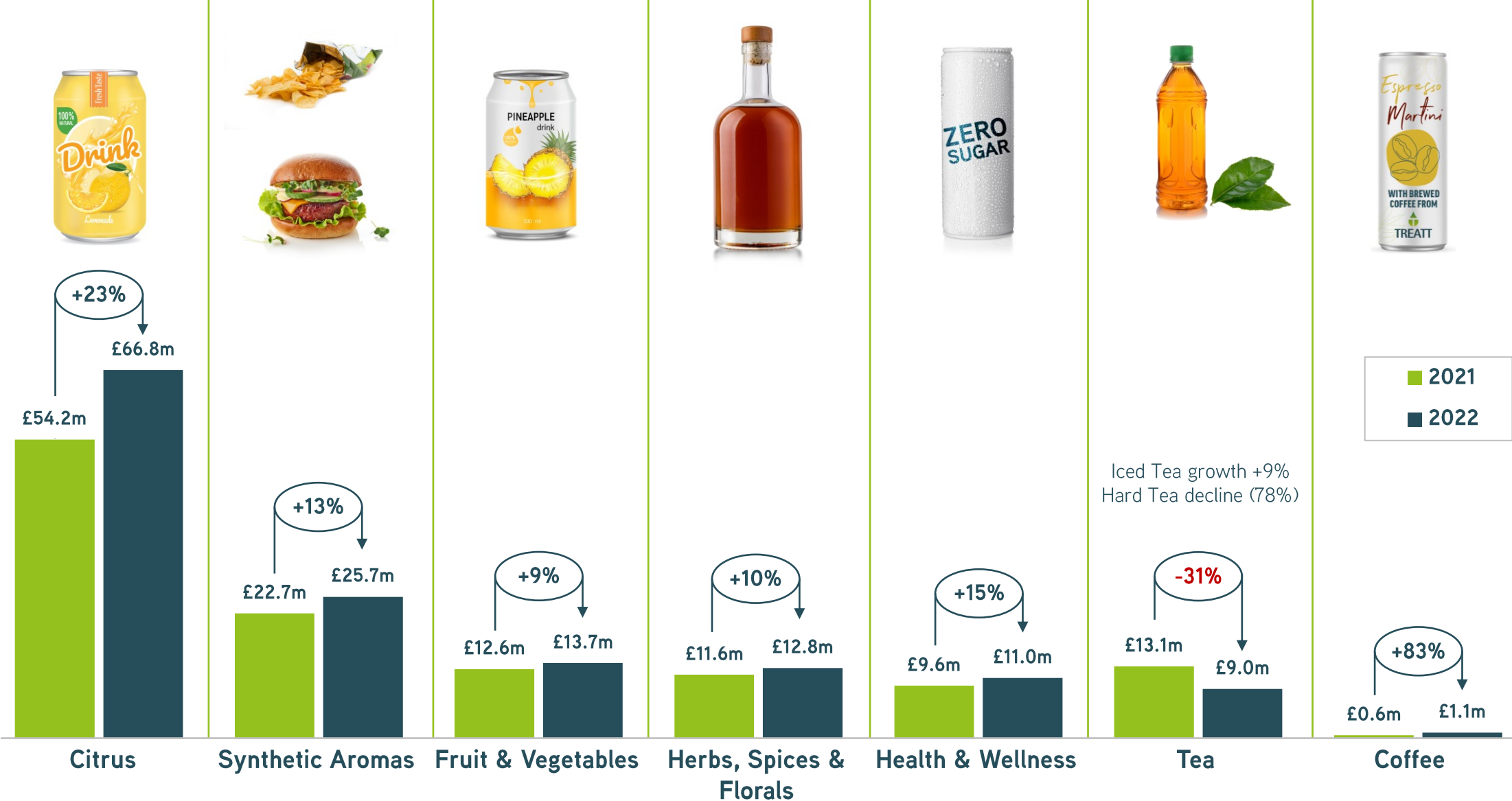
REVENUE growth encouraging in all categories (except hard tea). Ahead 9% on constant currency basis

GROSS MARGIN reverts to more normalised levels

ADMINISTRATION EXPENSES reflects investment in future growth and higher inflation

SALES PERFORMANCE

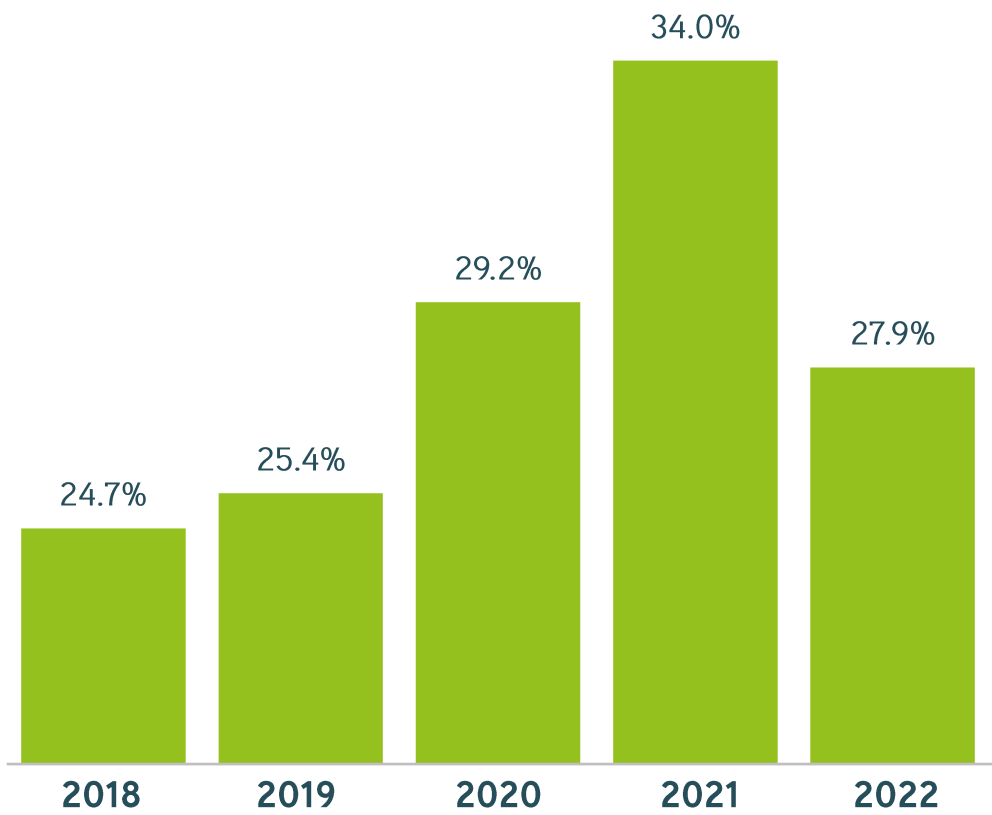
REVENUE GROWTH IN ALL CATEGORIES (EXCEPT HARD TEA)



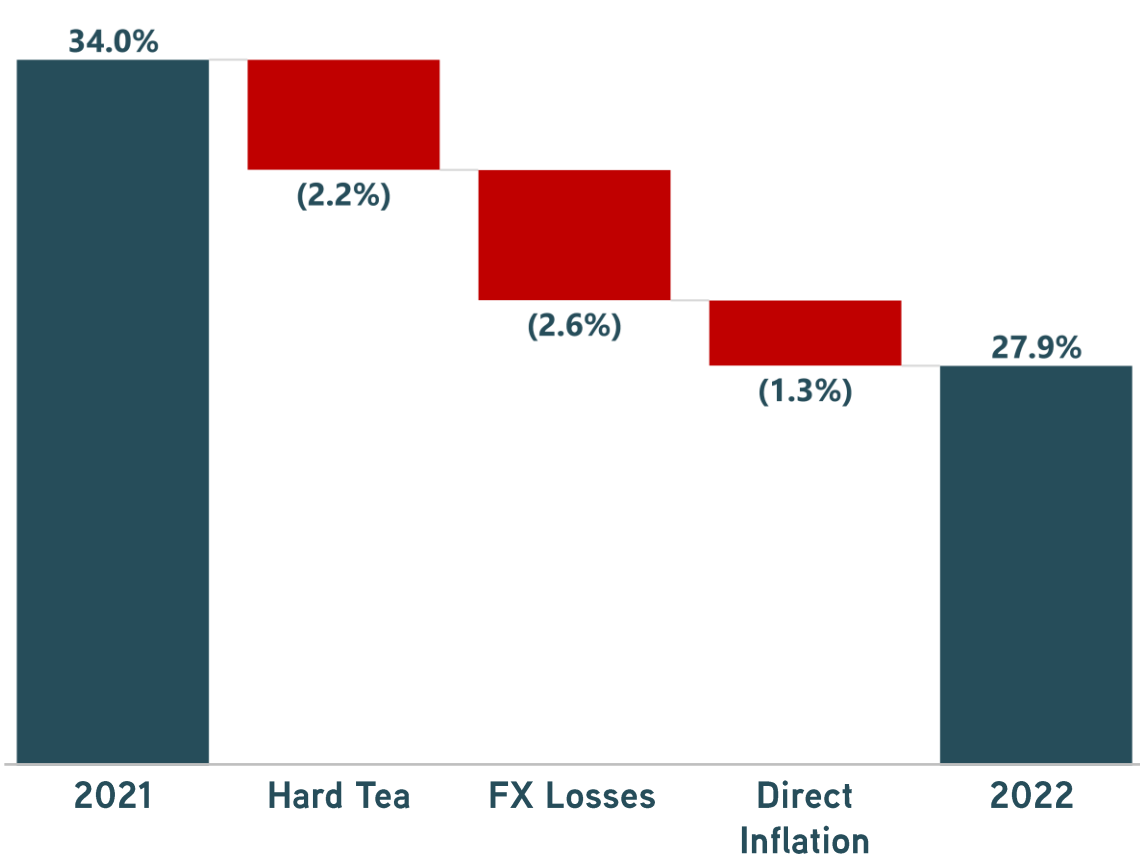
GROSS MARGIN

REVERTS TO MORE NORMALISED LEVELS

Gross Margin 2018 - 2022



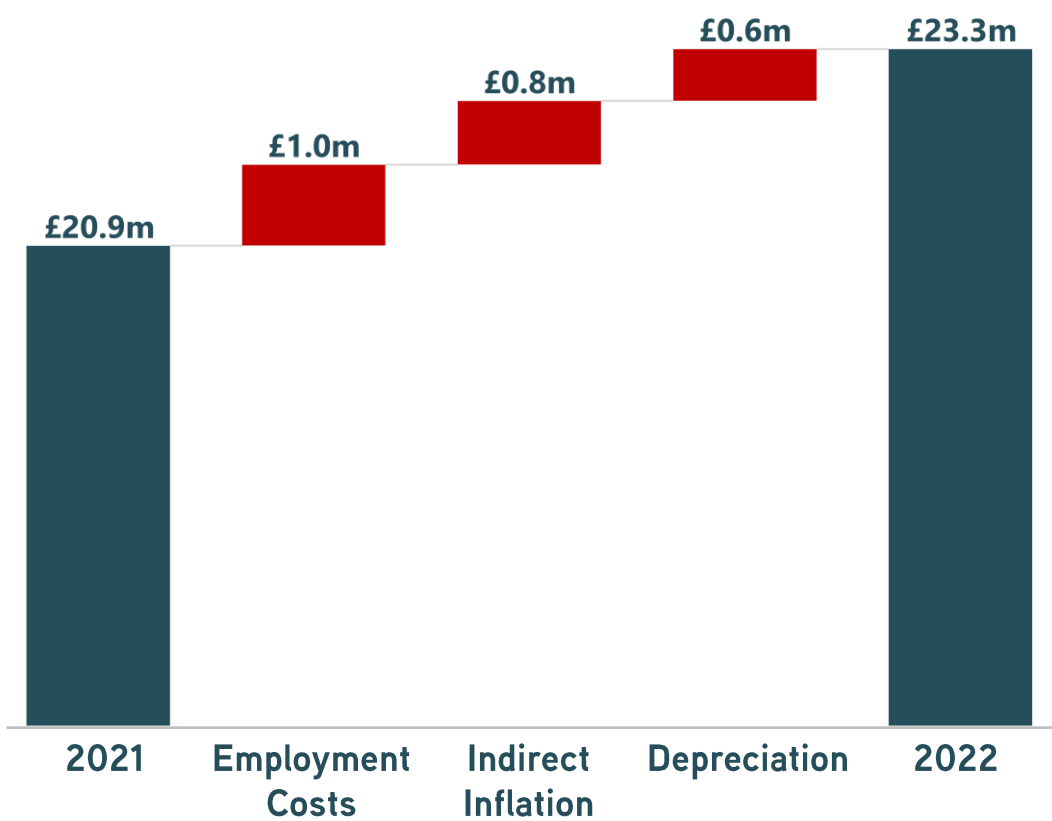
2022 Gross Margin Analysis



ADMINISTRATIVE EXPENSES

INVESTMENT IN FUTURE GROWTH

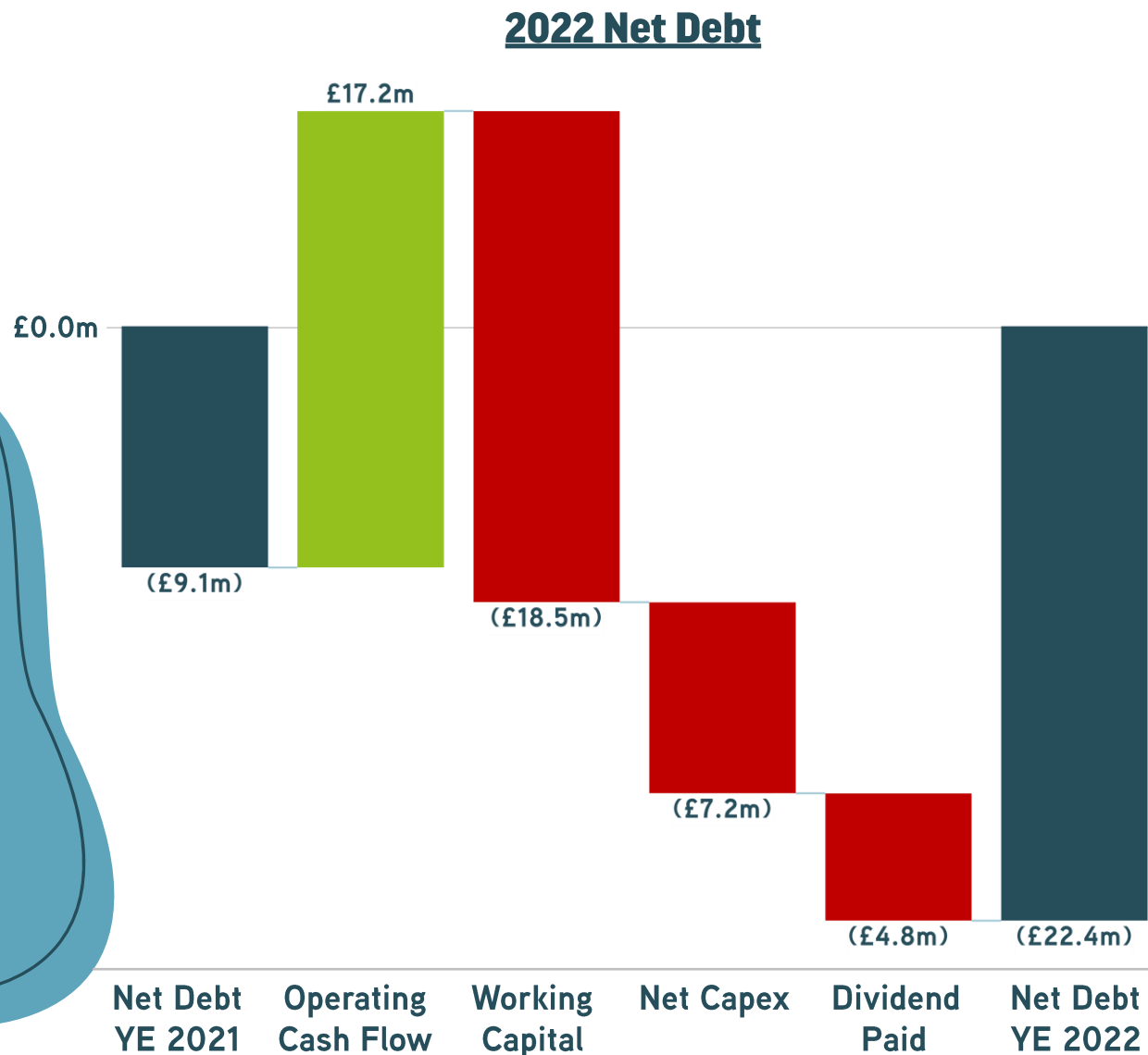
2022 Admin Expenses



- EMPLOYMENT COSTS** increases with +10% headcount in 2022
- INFLATION** relating to salaries and overheads
- DEPRECIATION** higher following investment in innovation and capacity
- OUTLOOK** we do not anticipate significant increases in Admin costs other than full year effect of depreciation for UK site and inflation

CASH FLOW

INVESTMENT IN CAPEX AND INVENTORY



WORKING CAPITAL increase in inventory to strategically manage longer lead-times and inflationary pressures

NET CAPEX includes relocation project and disposal of old UK site

Net debt to EBITDA = 1.2x (covenant <2.5x)

Interest cover = 30.5x (covenant <4.0x)


INVENTORY turn = 1.3x


2023 GUIDANCE


RETURN TO GROWTH

GUIDANCE


SALES
Continued focus on higher margin value-add categories
Sales price increase to manage raw material inflation
Opportunities in Coffee and China
SALES GROWTH 6 – 8%

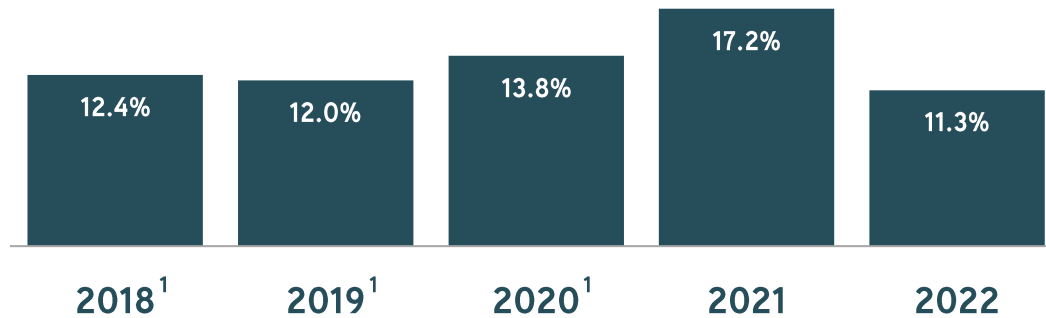

GROSS MARGIN
Higher minimum order value
Margin discipline and control
S&OP and Operational Excellence
GROSS MARGIN 28 - 30%


ADMIN & OTHER EXPENSES
Full year effect for depreciation for UK site
Maintaining other admin costs, outside of inflation
Higher interest rates
NET OPERATING MARGIN 11 - 12%

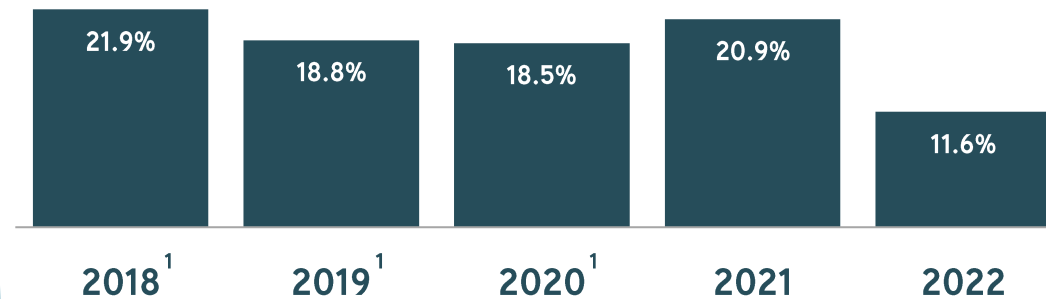

BALANCE SHEET
Normalised capex spend
Improve inventory turn Target 1.5x to 2.0x
Reduction in net debt
NET DEBT TO EBITDA <0.8X

MEDIUM TERM FINANCIAL METRICS

NET OPERATING MARGIN¹



RETURN ON AVERAGE CAPITAL EMPLOYED¹



Net Operating Margin

2022 impacted by lower gross margins

Medium term target range: 15% - 20%

Return On Average Capital Employed

2022 return impacted by decline in profits

Investment in UK site relocation and manufacturing capabilities

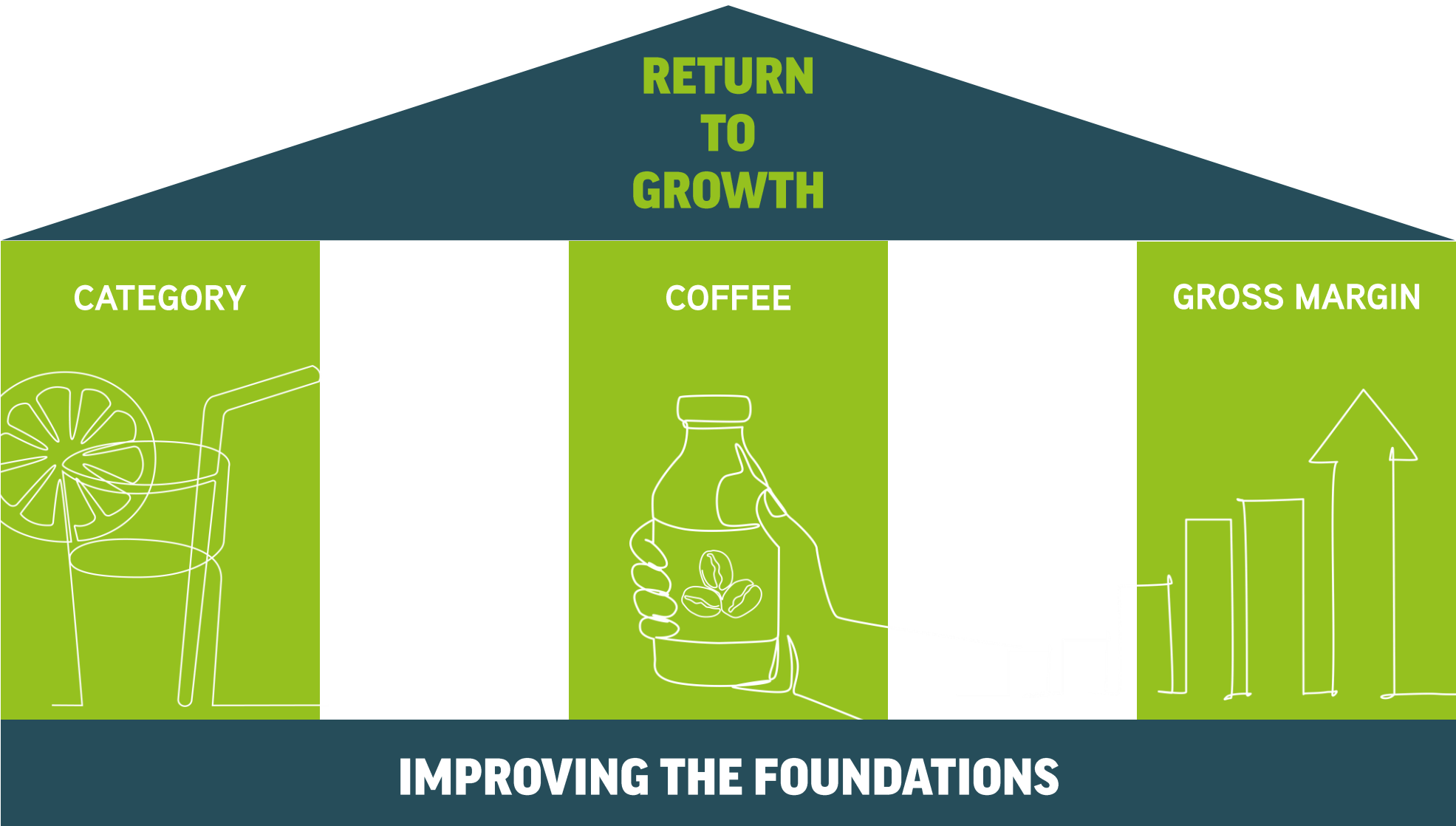
Medium term target range: 20 - 25%



RETURN TO GROWTH



2023
OUR AMBITION



MARKET INSIGHT

DRIVERS OF GROWTH

NATURAL Expanding to incorporate positive sustainability credentials

PREMIUM 'Buying better' where value is added through increased functionality or other perceived benefits

BETTER FOR YOU Sugar/calorie avoidance, positive nutrition, functional benefits, and holistic health all key drivers

**ALL RELEVANT MACRO TREND DRIVERS IN
NORTH AMERICA, THE UK, EUROPE AND CHINA**



COFFEE

INVESTMENT IN TEAM OVER THE LAST YEAR

Chief Technical &
Scientific
Officer

Innovation
Director

Coffee Innovation
Manager

Coffee Category
Manager

Coffee Process
Engineer x2

Coffee
Buyer

UNDERPINNED with internal coffee programme of excellence

STRENGTHENING quality of premium product and sourcing

CREATING elevated coffee experience

Good. Better. Best



COFFEE

COLD BREW AISLE AT PUBLIX SUPERMARKET - LAKELAND, FL



US COLD BREW coffee in-store category alongside soft drinks, iced tea and energy drinks

EXPECTED TO GROW over the next 5 years



2023 OUTLOOK

CONTINUED growth in higher margin categories

SIZEABLE opportunities in Coffee

LEVERAGING effects of UK site relocation

DISCIPLINED investments to drive cost efficiencies

Encouraging start to the year



THANK YOU

ANY QUESTIONS?





APPENDICES



FINANCIAL HIGHLIGHTS

£140.2m

Revenue

+12.8%

27.9%

Gross Margin

-610bps

£15.3m

Profit Before Tax¹

-27.1%

19.80p

Earnings Per Share¹

-26.8%

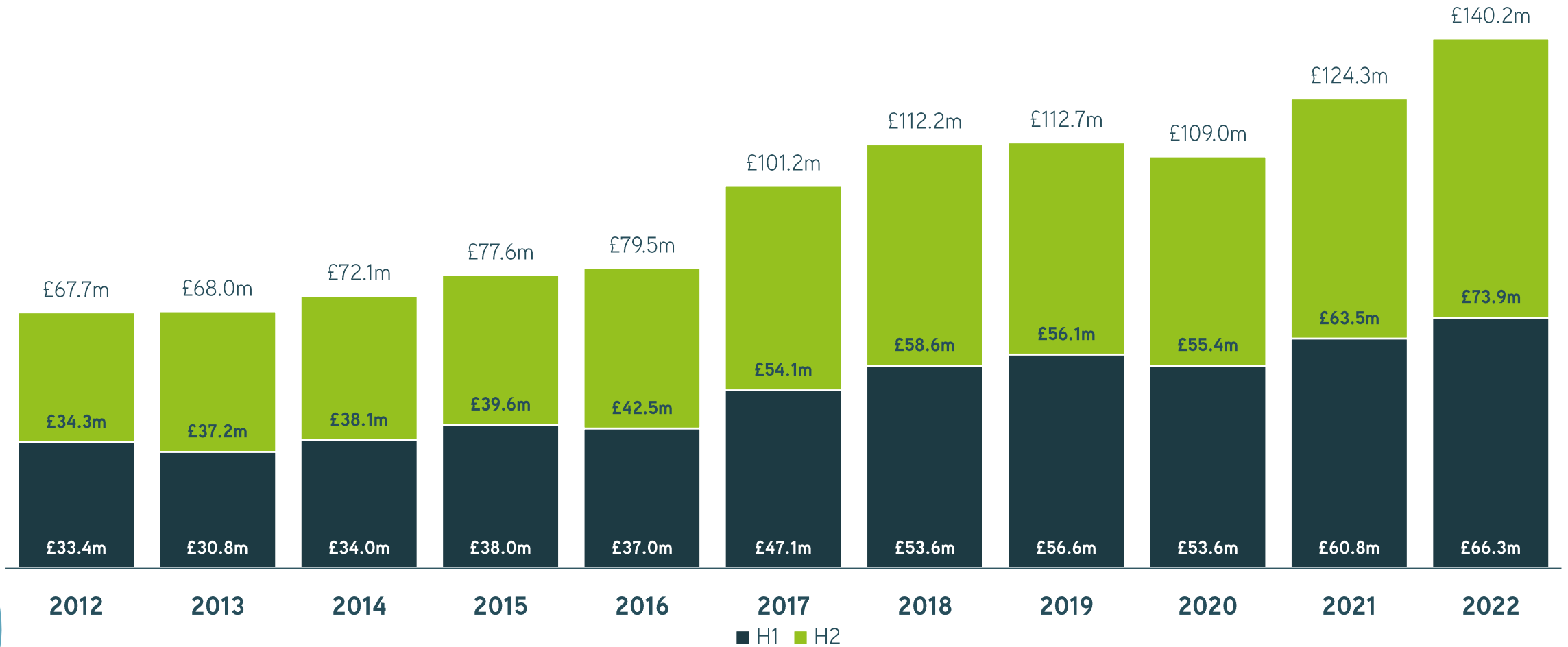
7.85p

Dividend

+4.7%

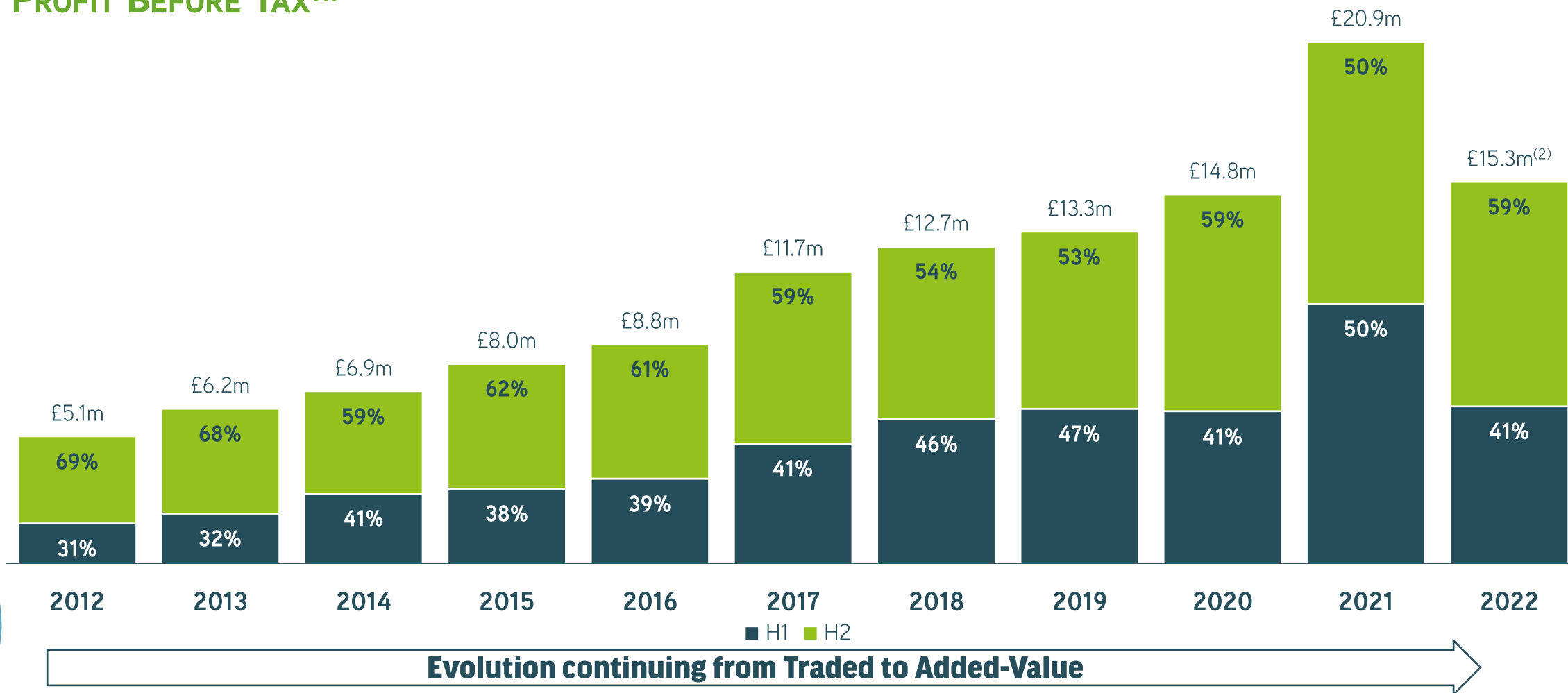
¹ Excluding exceptional items and in the case of earnings per share the related tax effect

RECORD REVENUE



REVERSION TO HISTORIC H1/H2 SPLIT

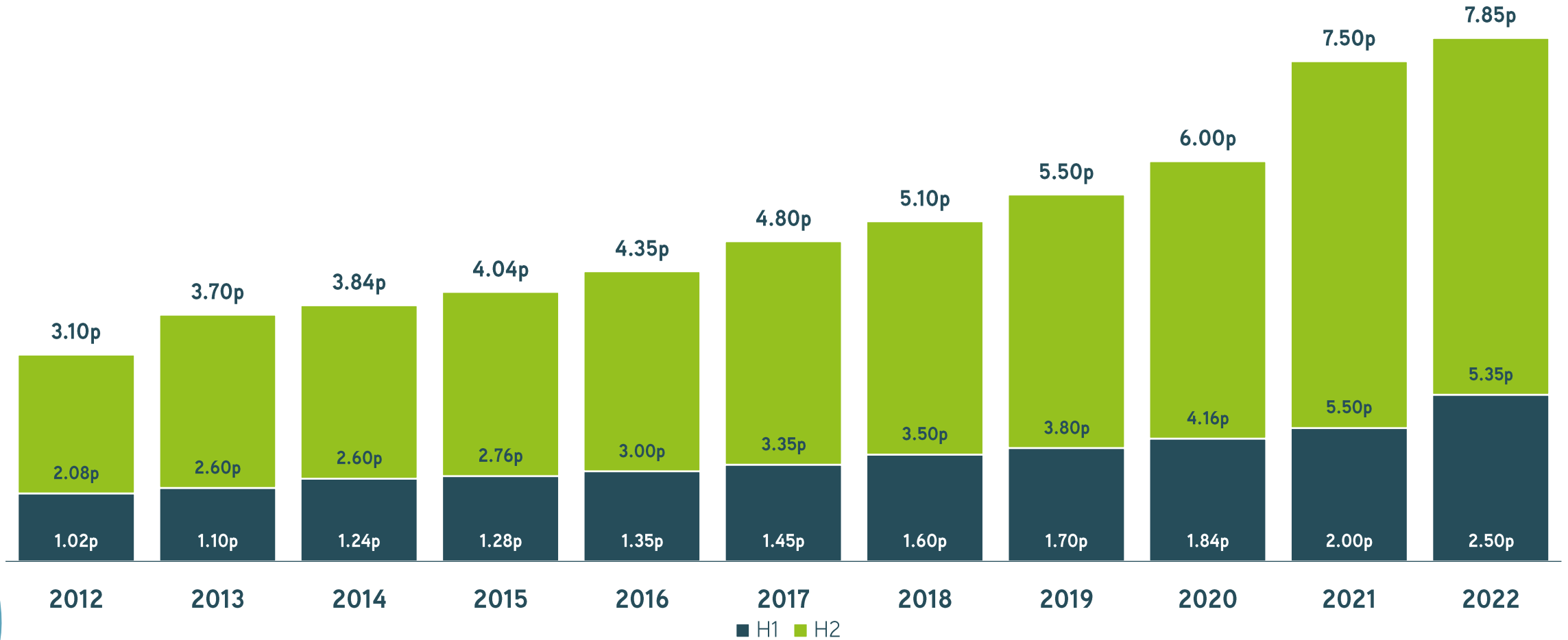
PROFIT BEFORE TAX⁽¹⁾



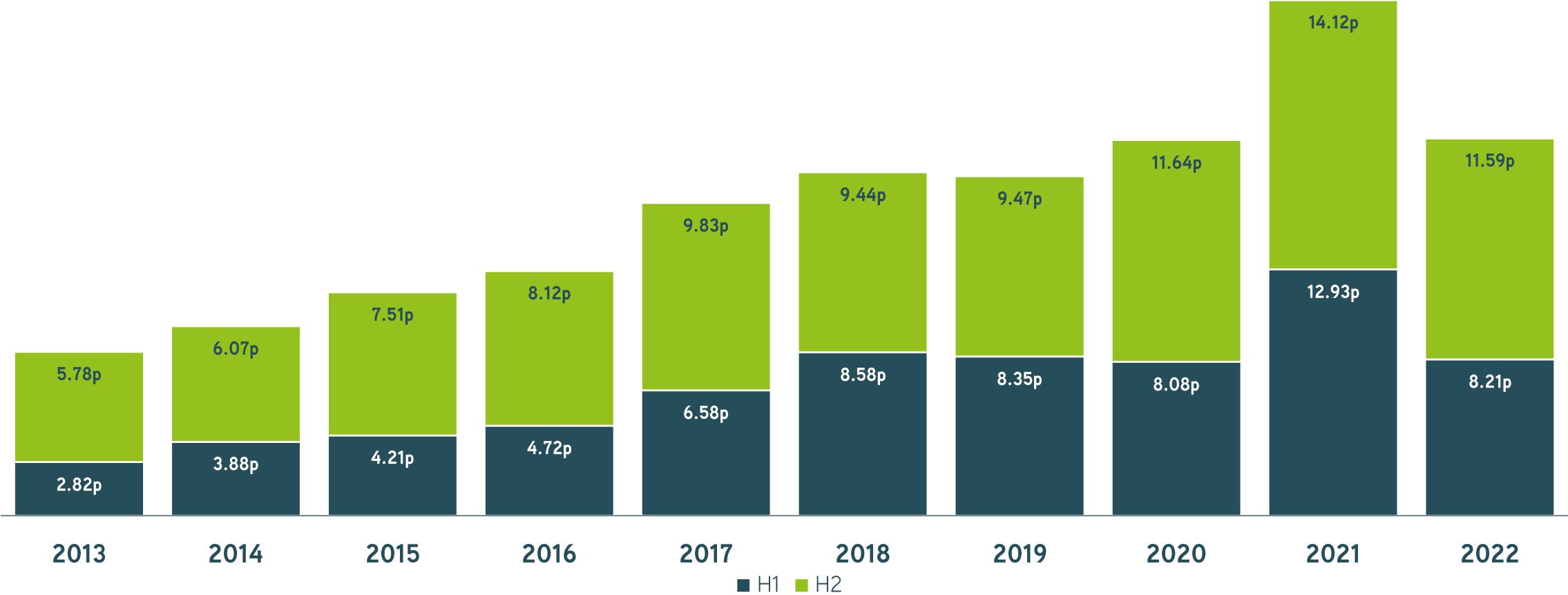
¹ Excluding exceptional items

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

DIVIDEND PER SHARE 2022: +4.70%



EARNINGS PER SHARE⁽¹⁾



¹ 2018 – 2020 EPS is shown from continuing activities

2022 CASH FLOW

Year ended 30 September	2022 £'000	2021 £'000
Operating cash flow	17,163	23,940
Increase in inventories	(14,396)	(11,851)
Increase in receivables	(8,502)	(2,680)
Increase in payables	4,355	4,483
Cash used in/(generated from) operations	(1,380)	13,892
Contributions to pension scheme	(450)	(450)
Taxation received/(paid)	443	(4,874)
Net cash from operating activities	(1,387)	8,568
Purchase of property, plant & equipment	(11,849)	(13,195)
Purchase of intangible assets	(925)	(1,178)
Proceeds of property sales	5,597	-
Free cash outflow	(8,564)	(5,805)
Dividends paid	(4,834)	(3,704)
Issue of share capital	9	3
Other financing activities	816	(44)
FX	(732)	9
Movement in net (debt)/cash	(13,305)	(9,541)
Net (debt)/cash at start of period	(9,114)	427
Net (debt)/cash at end of period	(22,419)	(9,114)

Key Points

WORKING CAPITAL – outflow driven by investment in inventory; higher year-end receivables with later sales phasing

CAPEX £12.8m – including £5.0m of new UK site capex

DISPOSAL of Northern Way premises with proceeds of £5.6m

NET TAX refunds in year due to capital-related tax incentives and increasing R&D reducing current liabilities

NET DEBT is inclusive of lease liabilities of £0.6m (2021: £1.1m)

2022 BALANCE SHEET

	As at 30 September 2022	As at 30 September 2021
Fixed assets	£77.9m	£65.0m
Inventories	£68.4m	£47.3m
Receivables	£37.1m	£26.4m
Payables	(£22.9m)	(£17.0m)
Working capital	£82.6m	£56.6m
Taxation	(£4.9m)	£1.3m
Net (debt)/cash	(£22.4m)	(£9.1m)
Pension asset/(deficit)	£1.8m	(£6.8m)
Other net (liabilities)/assets	(£1.1m)	(£0.7m)
Shareholder funds	£133.9m	£106.3m

Key Points

TAX LIABILITY increase with higher deferred tax as a result of tax incentives on capital spend and movement in the net pension scheme asset/(liability)

- Current tax liability is £0.6m

IAS 19 PENSION DEFICIT been eliminated mainly due to changes of the discount rate assumption (UK government bond yields) prevailing at the period end date. Contributions of £450k p.a. will continue to be paid

SHAREHOLDER FUNDS grew in the year by £27.6m, with net assets per share increasing by 24.9%



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



PRODUCT CATEGORIES

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



Fruit & Vegetables

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








































































Tea

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



COLLABORATION MODEL

BUILDING LONG-TERM RELATIONSHIPS FOR ORGANIC GROWTH WITH CUSTOMERS

Top 10 Customers	Ranking by Revenue FY22	Type of Products	No. Years as a Customer	Categories	Ranking by Revenue FY17
	1		>25	     	1
	2	 	>25	     	3
	3	 	>25	     	18
	4		>10	    	19
	5	 	>25	     	5
	6		>20	   	7
	7		>25	     	6
	8		>10	  	2
	9	 	>15	     	21
	10	 	>25	     	8

KEY

Type of Products:



Flavour



Fragrance



Alcoholic Beverage



Non-Alcoholic Beverage



Consumer Goods



Distributor

Categories:



Citrus



Tea



Health & Wellness



Fruit & Vegetables



Herbs, Spices & Florals



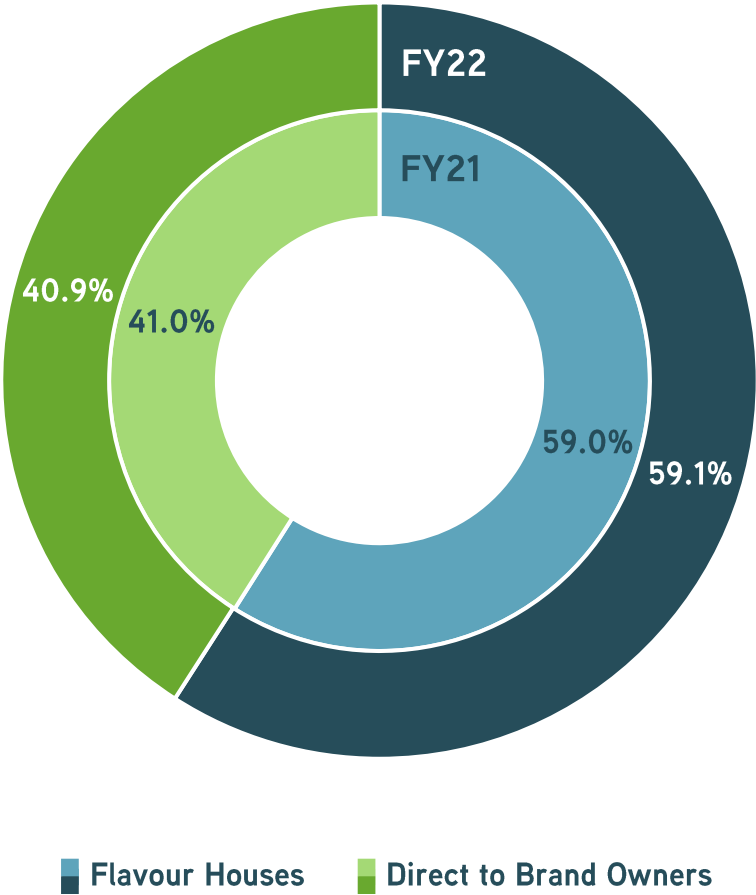
Synthetic Aromas



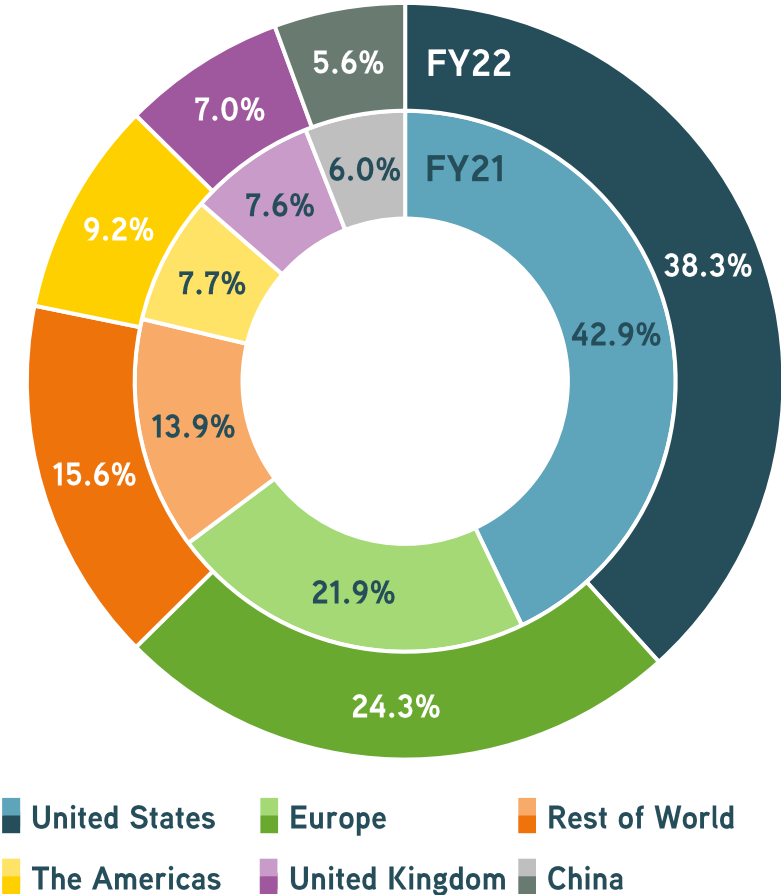
Coffee

REVENUE ANALYSIS

ROUTES TO MARKET



MAJOR TERRITORIES¹



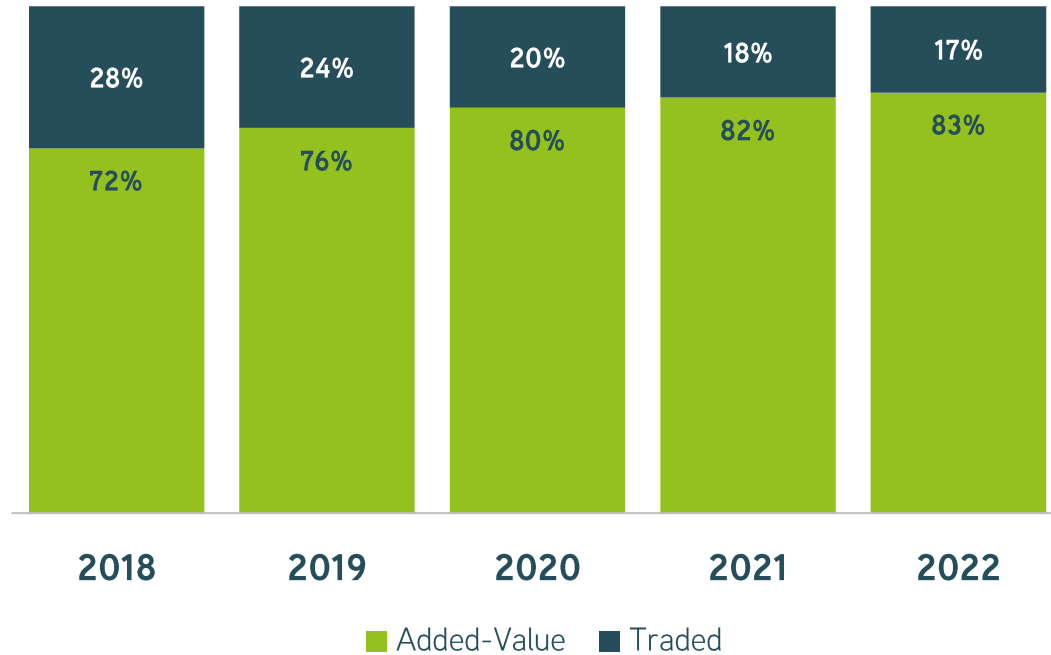
¹ From continuing activities

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



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

Further 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



INVESTMENT INFRASTRUCTURE PHASE TIMELINE



Initiated £48m Capital Investment Programme

- Equity fund raise £20m

2017

UK build complete (fit-out underway)

2020

UK Operations commence

- 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

2019

UK Colleagues begin transition to new site

2021

UK site fully operational

- Improved margins over medium term due to operational efficiencies and investment in new technologies

2023

SUSTAINABILITY AGENDA – POSITIVE PROGRESS

ESG STRATEGY AND ASSOCIATED KPIS APPROVED BY THE BOARD



INTRODUCTION of Labour & Human Rights policy
APPOINTED Worldwide Wildlife Fund as global charity
COLLABORATED for Great Big Green Week
SUPPORTED wages for cost of living



COMPLETED US and UK energy audits
INCORPORATED climate change impacts into strategy and risk
COLLATED Scope 3 emissions - providing greater visibility of carbon footprint
IMPROVED waste management measurement



NEW RESPONSIBLE SOURCING POLICY 46% of suppliers SEDEX registered (2021: 35%)
INCREASED sustainable shipments to 79% (2021: 61%)
RETAINED silver sustainability rating with EcoVadis – Top 25% of companies assessed

