



23 February 2017

TREATT PLC

Trading Update for year ending 30 September 2017

Treatt Plc (the 'Group'), the manufacturer and supplier of innovative ingredient solutions for the flavour, fragrance, beverage and consumer product industries today publishes a trading update for its financial year ending 30 September 2017.

Following the AGM trading update published on 27 January 2017, the Board is pleased to confirm that momentum has gathered pace, with the results for the six months ending 31 March 2017 ('Half Year') now expected to show substantial progress compared with the prior year. This has resulted from a combination of strong growth to revenues (currently estimated to be up in excess of 20% over the comparable period last year) driven by both new business wins and growth with existing customers, combined with improved product margins as we continue to add value by moving up the value chain.

All of our key product categories have delivered strong revenue growth since the start of the financial year, with citrus and sugar reduction solutions producing particularly strong performances. Earthoil, the Group's personal care ingredients division, also continues to perform well as recent investments begin to deliver returns. As we enter the seasonally busiest time of the financial year, it is encouraging to see order books for the remainder of the current financial year, and into next year, across the Group materially up on a year ago.

The Group's strategy to manage foreign exchange risk is designed to prevent currency from having a material impact on the net results. During the period, the GB Pound/US Dollar exchange rate has been relatively stable and, therefore, the expected reversal of last year's FX loss of £0.5m should positively impact on the results for the Half Year. This includes the retranslation benefits from the Group's US subsidiary Treatt USA.

The strength of the Group's order book and the impact of higher raw material prices, has resulted in an expected increase to net debt which is expected to be approximately £10m-£12m at the Half Year compared with £8.4m at the same time last year. Nonetheless, with confidence for the usual pattern of strong cash inflow in the second half of the year, it is expected that overall net debt will fall significantly by our financial year end.

Plans for the relocation of the Group's UK site continue to progress well. As previously announced, contracts were exchanged in December 2016 (subject to outline planning consent) on a 10 acre plot of land on the new Suffolk Business Park in Bury St. Edmunds.



Outlook

With the continuing momentum being delivered by our 2020 Strategic Plan, strong revenue growth, and the beneficial impact from higher product margins, the Board now believes that profit before tax for the financial year ending 30 September 2017 will substantially exceed its previous expectations.

Treatt's Half Year results will be announced on 9 May 2017.

The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

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About the Group

Treatt is a global, independent supplier of innovative ingredient solutions for the flavour, fragrance and multinational consumer product industries, particularly in the beverage sector. Renowned for its technical expertise and knowledge of ingredients, their origins and market conditions, Treatt is recognised as a leader in its field.

The Group employs over 300 staff in Europe, North America, Africa and Asia and has manufacturing facilities in the UK, USA and Kenya. Its international foot print enables the Group to deliver powerful and integrated solutions for the food, beverage and fragrance industries across the globe.

Earthoil is the personal care ingredients division of Treatt, which specialises in pure and organic fair trade essential and cold pressed vegetable seed oils, offering a broad spectrum of natural raw materials for cosmetic applications.

For further information about the Group, visit www.treatt.com and www.earthoil.com.

CAUTIONARY STATEMENT ABOUT FORWARD-LOOKING STATEMENTS

This announcement contains forward-looking statements that are subject to risk factors associated with, among other things, the economic and business circumstances occurring from time to time in the countries, sectors and markets in which the Group operates. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a wide range of variables which could cause actual results to differ materially from those currently anticipated. No assurances can be given that the forward-looking statements in this announcement will be realised. The forward-looking statements reflect the knowledge and information available at the date of preparation of this announcement and the Group undertakes no obligation to update these forward-looking statements. Nothing in this announcement should be construed as a profit forecast.