

RNS Number : 2931C
 Treatt PLC
 29 April 2026

TREATT PLC
HALF YEAR RESULTS
SIX MONTHS ENDED 31 MARCH 2026

Treatt PLC ("Treatt" or the "Group"), the manufacturer and supplier of a diverse and sustainable portfolio of natural extracts and ingredients for the beverage, flavour and fragrance industries, announces its unaudited half year results for the six months ended 31 March 2026 (the "Period").

FINANCIAL HIGHLIGHTS:

	Unaudited Half year ended	Restated¹ Unaudited Half year ended	Change
	31 March 2026	31 March 2025	
Revenue	£59.9m	£64.0m	(6.5)%
Gross profit margin	24.9%	25.1%	(20)bps
Adjusted ² EBITDA	£5.4m	£6.5m	(18.1)%
Operating profit before exceptional items	£2.8m	£3.9m	(28.0)%
Adjusted ² operating profit margin	4.7%	6.0%	(130)bps
Profit before tax and exceptional items	£2.5m	£3.7m	(33.4)%
Profit before tax	£2.0m	£2.9m	(30.6)%
Adjusted ² basic earnings per share	3.04p	4.56p	(33.3)%
Basic earnings per share	2.48p	3.63p	(31.7)%
Net (debt)/cash	£(4.4)m	£0.9m	£(5.3)m

1 As explained further in note 12 of these financial statements, revenue, cost of sales and all profit-related metrics for the six months ended 31 March 2025 have been restated.

2 Adjusted measures exclude exceptional items, details of which are given in note 7.

HIGHLIGHTS:

- Revenue of £59.9m (H1 2025: £64.0m), reflecting lower Heritage and Premium volumes, in line with expectations, and a slow recovery in citrus, as anticipated.
- Adjusted EBITDA of £5.4m (H1 2025: £6.5m) reflecting lower volumes in Heritage and Premium.
- Profit before tax and exceptionals ("PBTE") of £2.5m (H1 2025: £3.7m).

- Net debt position of £4.4m (Year end 2025: net debt £5.9m) reflecting robust cash generation since year end.
- Strategic progress during the Period included:
 - o encouraging volume growth in health & wellness;
 - o new product launches such as powdered citrus; and
 - o exciting growth in China following the launch of our Shanghai Commercial & Innovation Centre
- As announced earlier today, the Board have recommended a cash offer from Döhler Finance Management B.V of 305p per share together with the right for shareholders to retain the previously declared final dividend of 3.0p per share in respect of the financial year to 30 September 2025.

Commenting on the results, Interim Group Managing Director & Chief Financial Officer, Manprit Randhawa, said:

"We are pleased to have delivered a first-half performance in line with expectations, as we continued to execute our strategy and respond to global trends in a challenging environment.

In Heritage, we leveraged our expertise to support customers, developing price-stable citrus solutions, including powdered citrus extracts, which launched as planned during the Period.

In Premium, we delivered strong health & wellness growth, driven by momentum in sugar reduction, while in New Markets, the Shanghai Commercial & Innovation Centre supported exciting progress in China through closer customer collaboration"

In accordance with DTR 6.3.5 please find below the unedited full text of the half year results.

A copy of the half year results will be submitted to the National Storage Mechanism and will shortly be available for inspection at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>. It will also be available on the Treatt website at www.treatt.com/investor-relations.

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About the Group

Treatt is a global, independent manufacturer and supplier of a diverse and sustainable portfolio of natural extracts and ingredients 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 around 360 staff in Europe, North America and Asia and has manufacturing facilities in the UK and US. Its international footprint enables the Group to deliver powerful and integrated solutions for the food, beverage and fragrance industries across the globe.

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

HALF YEAR RESULTS STATEMENT

Introduction

H1 trading was in-line with expectations, as a quiet first quarter, consistent with prior years, was followed by increasing momentum in the second quarter. The Group continues to operate against a backdrop of external industry, macroeconomic and increased geopolitical pressures, however, Treatt remains focused on the disciplined execution of its strategy, strengthening customer relationships and positioning the business for sustainable growth over the medium term.

As anticipated, first half revenue declined by 6.5% (4.1% in constant currency), and PBTE declined to £2.5m (H1 2025: £3.7m). This was in line with expectations as we forecasted for citrus recovery to take some time, given the recent volatility. The reduction in profit was mainly due to lower sales, led by lower citrus sales and challenging market conditions in North America.

Gross profit margin, whilst stabilising, was 20 bps lower in the Period (24.9% vs 25.1% in H1 2025), and adjusted net operating margin declined by 130 bps to 4.7% (H1 2025: 6.0%). The gross margin decline was driven by a combination of product mix, with lower North America premium sales and citrus margin recovery taking time as expected. The Group continues to exhibit strong cost control discipline through ongoing self-help measures, with administrative expenses in line with the prior half year.

Supported by a combination of ongoing market recovery within citrus, continued customer engagement and a robust order pipeline, the Board expects to deliver a full year performance in line with management expectations with a greater weighting to the second half for FY26 than in FY25, as we continue to navigate macroeconomic pressures.

Sales performance

Heritage

In Heritage, overall revenues declined by 8.8% in the Period, led by citrus. The citrus market headwinds experienced in FY25 have begun to show initial signs of easing, providing confidence that volumes will gain some positive momentum in H2, although we continue to expect that a full recovery will take some time to come through in line with market recovery. Citrus revenue overall declined by 11.1% year-on-year, with prices reducing in line with market prices in orange oil.

During the half, Treatt has made full use of its technical expertise and product capabilities to support customers and protect relationships by developing new, price-stable solutions, including the launch of powdered citrus extracts.

Herbs, spices and florals revenue increased by 8.4% led by an uplift in volume from one of our top five customers.

Within synthetic aroma, volumes have increased by 9.9%, which is pleasing to see, despite overall revenue decreasing due to market pricing declines. We have focused on growing volumes and maintaining margin in this area.

Premium

Overall, Premium revenue declined by 8.3%, pleasingly, gross profit increased 3% year-on-year, representing a positive inflection following prior periods of decline. This improvement reflects a continued strategic focus on higher-value categories, disciplined portfolio management and a product mix improvement across the business.

Health & wellness was a particular highlight, with revenue increasing robustly by 29.0% year-on-year, driven by strong momentum in sugar reduction and low-and-no beverage applications. This remains one of our highest-margin Premium categories and continues to benefit from powerful long-term consumer trends around healthier lifestyles, calorie reduction and functional nutrition, particularly in the US market. Our technologies and applications are increasingly relevant in this evolving landscape, with a growing pipeline of opportunities across beverage, wellness and sports nutrition platforms.

Within fruit & vegetables and tea, year-on-year sales were lower following the exit of certain lower-value business as customers undertook cost engineering and reformulation activity. These categories performed broadly in line with expectations. Importantly the year-on-year impact is expected to moderate in the second half. We remain confident in the long-term fundamentals of these categories and continue to align innovation and customer partnerships closely with evolving consumer trends and premiumisation opportunities.

New Markets

Revenue in our New Markets pillar increased by 16.7%, led by growth in China.

Treatt has continued to see encouraging progress in New Markets, particularly in China, with strong year-on-year revenue growth. The new Shanghai Commercial & Innovation Centre is fully operational, and we are already benefiting from closer collaboration with customers. In Asia more generally, we continue to be excited by the distribution partnership with IMCD, and the rollout is on track.

Coffee, whilst still a nascent area for Treatt, grew slightly in revenue year-on-year, and Treatt's revenues were in line with the prior half.

Geographical sales

The US, our largest region, accounted for 36.1% of Group revenue in the Period (H1 2025: 40.8%), declining slightly because of ongoing slower end-consumer demand due to macroeconomic conditions. Europe, including UK, represented 29.9% of Group revenue (H1 2025: 28.5%), increasing overall with the success in herbs, spices & florals.

Encouragingly, China sales grew by 20.8%, with revenues now making up 8.9% of Group revenue (H1 2025: 6.9%). We expect China to accelerate further in H2. Rest of World sales also grew in the half and now make up 25.1% of Group sales (H1 2025: 23.8%), reflecting our focus on expanding our reach.

Environmental, social and corporate governance (ESG)

Sustainability is a driving force behind our purpose-making the world taste better, for good. This commitment is reflected in the development of our For Good programme, our evolving sustainability strategy. This ensures we remain focused on the areas that matter most across people, planet, and performance and keep us future ready.

Our ESG governance framework continues to drive accountability and measurable progress across the business. In the first half of 2026, approximately 79% of our sales and over 83% of our purchases were derived from natural products, all sourced in line with our Responsible and Sustainable Sourcing Policy to promote transparency and support shared stakeholder objectives.

Our net zero model inclusive of our UK solar project, continue to keep us on track to meet our SBTi-validated target of reducing Scope 1 and 2 emissions by 42% by 2030.

Financial review

Group revenue declined by 6.5% to £59.9m (H1 2025: £64.0m), and PBTE decreased to £2.5m (H1 2025: £3.7m). In constant currency terms, revenue declined by 4.1%. Gross profit margin was 20 bps lower in the Period (24.9% vs 25.1% in H1 2025).

Pre-exceptional operating costs decreased by 0.4% to £12.1m (H1 2025: £12.2m). Having successfully embedded and maintained cost disciplines aimed at increasing profitability, and self-funding investment, we do not anticipate any significant increase in administrative expenses in FY26 compared to FY25.

Foreign exchange impacts continue to be successfully managed through our hedging and currency management strategy, with a net loss of £0.1m in the Period (H1 2025: £0.1m loss) despite exchange rate fluctuations, most notably the US Dollar. Exceptional costs in the Period totalled £0.4m (H1 2025: £0.8m), the majority related to one-off expenses which are explained in more detail in note 7.

Adjusted net operating margin decreased 130 bps to 4.7% (H1 2025: 6.0%), this is driven from the reduction in gross profit flowing through whilst the cost base remains in control.

Reported profit for the Period was £1.5m (H1 2025: £2.2m) with basic adjusted earnings per share decreasing to 3.04p (H1 2025: 4.56p), and basic earnings per share decreasing to 2.48p (H1 2025: 3.63p).

Cash flow

The Group generated a cash inflow of £1.5m in the Period (H1 2025: £1.8m inflow) ending the half year with net debt of £4.4m (H1 2025: net cash £0.7m, year end 2025: net debt £5.9m).

Net cash generated by operations was £2.8m (H1 2025: 8.3m), a reduction from the previous half year resulting from a £0.9m reduction in profit before tax, and by an adverse working capital movement of £2.3m (H1 2025: £2.1m favourable). Whilst working capital shows an unfavourable movement, driven by a £3.6m swing in payables and receivables, this is in line with expectation due to the phasing of the halves. Inventories have fallen by £1.2m which shows progress in our inventory management.

Capital expenditure in the period was £1.0m (H1 2025: £2.1m) as we continue to invest in the business. Capital expenditure is expected to pick up in H2 and bring the total spend in line with the previous year.

We continue to expect further cash generation in H2.

Balance sheet

The Group remains well invested, with a strong balance sheet and significant manufacturing and innovation facilities.

Capital expenditure continues at more normalised levels, representing a balance of maintenance spend and targeting strategic investments across UK and US and China. The Shanghai Commercial & Innovation Centre formally opened at the end of the prior year, and we have made investments in enhanced manufacturing capabilities in the UK which we expect to complete in H2.

Inventories remain the most significant current asset on the balance sheet at £61.3m (H1 2025: £57.2m, FY25: £62.5m). We have effective inventory management in place to ensure the position is the right balance of strategic stock, raw material positions where appropriate, WIP to ensure lead times are appropriate, and finished products.

The Group maintains a \$25m facility with Bank of America and a £25m facility with HSBC, providing our UK and US entities with significant headroom to support future investment and absorb any variability in cash flows. Both facilities have been recently extended by a further year, and are now due for renewal in H2 2027. Cash outlook remains positive, with minimal net debt at the half year, and an expectation to return to net cash by the year end.

The UK defined benefit pension scheme, which has been closed to future accruals since October 2001, has been successfully de-risked through a full-scheme buy-in. The Trustees signed an agreement with Just Group PLC on 5 December 2025, effectively buying an insurance policy to cover all scheme liabilities, with the insurance premium having been paid out of surplus scheme assets. Largely, as a result of paying of the insurance premium to secure the contract, the overall IAS 19 pension surplus has reduced to £2.4m compared to £4.1m at the previous year end date.

Dividend

In light of the offer from Döhler Finance Management B.V, announced separately today, the Board has decided not to declare an interim dividend for the Period.

TREATT PLC

HALF YEAR FINANCIAL STATEMENTS

CONDENSED GROUP INCOME STATEMENT

for the six months ended 31 March 2026

		Six months to 31 March 2026 (unaudited)			Restated ¹ Six months to 31 March 2025 (unaudited)		
		Before exceptional items	Exceptional items	Total	Before exceptional items	Exceptional items	Total
	Notes	£'000	£'000	£'000	£'000	£'000	£'000
Revenue	6	59,862	-	59,862	64,048	-	64,048

Cost of sales		(44,942)	-	(44,942)	(47,996)	-	(47,996)
			-			-	
Gross profit		14,920	-	14,920	16,052	-	16,052
Administrative expenses		(12,136)	(559)	(12,695)	(12,183)	(758)	(12,941)
Acquisition expenses ²		-	134	134	-	-	-
			-			-	
Operating profit/(loss)		2,784	(425)	2,359	3,869	(758)	3,111
Finance income		101	-	101	104	-	104
Finance costs		(428)	-	(428)	(286)	-	(286)
Profit/(loss) before taxation		2,457	(425)	2,032	3,687	(758)	2,929
Taxation	8	(650)	93	(557)	(899)	190	(709)
Profit/(loss) for the period attributable to owners of the Parent Company		1,807	(332)	1,475	2,788	(568)	2,220
Earnings per share attributable to equity holders of the Parent Company							
		Adjusted³		Statutory	Adjusted³		Statutory
Basic	10	3.04p		2.48p	4.56p		3.63p
Diluted	10	3.03p		2.48p	4.55p		3.62p

1 Revenue and cost of sales, and therefore the profit attributable to owners of the Parent Company, have been restated for the six months ended 31 March 2025, further details are given in note 12.

2 Acquisition expenses relate to costs incurred as a result of the proposed acquisition of Treatt PLC by Natara Global Limited which lapsed on 3 November 2025, details of which are given in note 7.

3 Adjusted earnings per share measures exclude exceptional items and the related tax effect, details of which are given in note 7.

Notes 1 - 13 form part of these condensed half year financial statements.

CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 31 March 2026

	Six months to 31 March 2026 (unaudited) £'000	Restated ¹ Six months to 31 March 2025 (unaudited) £'000
Profit for the period attributable to owners of the Parent Company	1,475	2,220
Items that may be reclassified subsequently to profit or loss:		
Currency translation differences on foreign currency net investments	1,092	2,489
Current tax on foreign currency translation differences	50	118
Deferred taxation on foreign currency translation differences	(29)	(326)
Fair value movement on cash flow hedges	(8)	(83)
Deferred tax on fair value movement	2	21
	1,107	2,219
Items that will not be reclassified subsequently to profit or loss:		
Actuarial loss on defined benefit pension scheme	(1,475)	-
	(1,475)	-

Other comprehensive (expense)/income for the period	(368)	2,219
Total comprehensive income for the period attributable to owners of the Parent Company	1,107	4,439

1 Revenue and cost of sales, and therefore the profit attributable to owners of the Parent Company, have been restated for the six months ended 31 March 2025, further details are given in note 12.

Notes 1 - 13 form part of these condensed half year financial statements.

CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY
for the six months ended 31 March 2025 (unaudited)

	Share capital	Share premium account	Treasury shares	Own shares in trusts	Hedging reserve	Foreign exchange reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
1 October 2024	1,225	23,484	-	(2)	104	1,050	116,153	142,014
Prior year adjustment ¹	-	-	-	-	-	-	(954)	(954)
1 October 2024 (restated)	1,225	23,484	-	(2)	104	1,050	115,199	141,060
Profit for the period (restated)	-	-	-	-	-	-	2,220	2,220

Exchange differences	-	-	-	-	-	2,489	-	2,489
Fair value movement on cash flow hedges	-	-	-	-	(83)	-	-	(83)
Actuarial loss on defined benefit pension scheme	-	-	-	-	-	-	-	-
Taxation relating to items above	-	-	-	-	21	(208)	-	(187)
Total comprehensive expense	-	-	-	-	(62)	2,281	2,220	4,439
Transactions with owners:								
Dividends	-	-	-	-	-	-	(3,555)	(3,555)
Share-based payments	-	-	-	-	-	-	206	206
Movement in own shares in share trusts	-	-	-	76	-	-	-	76
Total transactions with owners	-	-	-	76	-	-	(3,349)	(3,273)
As at 31 March 2025	1,225	23,484	-	74	42	3,331	114,070	142,226

1 Opening retained earnings as at 1 October 2024 and profit for the six months ended 31 March 2025 are shown restated, further details are given in note 12.

for the six months ended 31 March 2026 (unaudited)

Share capital	Share premium account	Treasury shares	Own shares in share trusts	Hedging reserve	Foreign exchange reserve	Retained earnings	Total equity
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	£'00	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	0							
	1,22		(39)					134,73
1 October 2025	6	23,484		-	22	752	109,294	9
Profit for the period	-	-	-	-	-	-	1,475	1,475
Exchange differences	-	-	-	-	-	1,092	-	1,092
Fair value movement on cash flow hedges	-	-	-	-	(8)	-	-	(8)
Actuarial loss on defined benefit pension scheme	-	-	-	-	-	-	(1,475)	(1,475)
Taxation relating to items above	-	-	-	-	2	21	-	23
Total comprehensive income	-	-	-	-	(6)	1,113	-	1,107
Transactions with owners:								
Dividends	-	-	-	-	-	-	-	-
Share-based payments	-	-	-	-	-	-	124	124
Movement in own shares in share trusts	-	-	-	-	-	-	45	45
Total transactions with owners	-	-	-	-	-	-	169	169
As at 31 March 2026	1,226	23,484	(39)	-	16	1,865	109,463	136,015

CONDENSED GROUP BALANCE SHEET

as at 31 March 2026

As at 31 March As at 30
September

	2026 (unaudited)	2025
	£'000	(audited) £'000
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ASSETS		
Non-current assets		
Intangible assets	1,949	2,231
Property, plant and equipment	69,150	69,989
Right-of-use assets	844	884
Post-employment benefits	2,434	4,060
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	74,377	77,164
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Current assets		
Inventories	61,291	62,524
Trade and other receivables	30,634	26,826
Current tax assets	450	254
Derivative financial instruments	-	81
Cash and bank balances	1,914	1,745
	<hr/>	
	94,289	91,430
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Total assets	168,666	168,594
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LIABILITIES		
Current liabilities		
Borrowings	(5,446)	(6,718)
Provisions	(170)	(169)
Trade and other payables	(21,559)	(21,815)
Lease liabilities	(205)	(205)
Current tax liabilities	(301)	-
Derivative financial instruments	(122)	(63)
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	(27,803)	(28,970)
Net current assets	66,486	62,460
Non-current liabilities		
Lease liabilities	(657)	(721)
Deferred tax liabilities	(4,191)	(4,164)
	(4,848)	(4,885)
Total liabilities	(32,651)	(33,855)
Net assets	136,015	134,739

CONDENSED GROUP BALANCE SHEET (continued)

as at 31 March 2026

	As at 31 March 2026 (unaudited) £'000	As at 30 September 2025 (audited) £'000
EQUITY		
Share capital	1,226	1,226
Share premium account	23,484	23,484
Treasury shares	(39)	(39)
Own shares in share trusts	-	-

Hedging reserve	16	22
Foreign exchange reserve	1,865	752
Retained earnings	109,463	109,294
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Total equity attributable to owners of the Parent Company	136,015	134,739
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Notes 1 - 13 form part of these condensed half year financial statements.

CONDENSED GROUP STATEMENT OF CASH FLOWS

for the six months ended 31 March 2026

	Six months to 31 March 2026 (unaudited) £'000	Restated ¹ Six months to 31 March 2025 (unaudited) £'000
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Cash flow from operating activities		
Profit before taxation including discontinued operations	2,032	2,929
Adjusted for:		
Depreciation of property, plant and equipment	2,350	2,440
Amortisation of intangible assets	231	224
Loss on disposal of intangible assets	-	41
Net finance costs excluding post-employment benefit expense	427	282
Share-based payments	120	200
Decrease/(increase) in fair value of derivatives	131	306
Defined benefit pension scheme expenses	258	-
Post-employment benefit income	(106)	(100)

Operating cash flow before movements in working capital	5,443	6,322
Movements in working capital:		
Decrease/(increase) in inventories	1,228	(1,121)
(Increase)/decrease in receivables	(2,810)	1,649
(Decrease)/increase in payables	(740)	1,599
Cash generated from operations	3,121	8,449
Taxation paid	(289)	(160)
Net cash from operating activities	2,832	8,289
Cash flow from investing activities		
Purchase of property, plant and equipment	(977)	(1,925)
Purchase of intangible assets	(37)	(170)
Interest received	1	5
Net cash used in investing activities	(1,013)	(2,090)

CONDENSED GROUP STATEMENT OF CASH FLOWS (continued)

for the six months ended 31 March 2026

	Restated ¹
Six months to	Six months to
31 March	31 March
2026	2025
(unaudited)	(unaudited)

	£'000	£'000
Cash flow from financing activities		
Proceeds from bank loans	-	228
Repayment of bank loans	(1,281)	(1,877)
Interest paid	(409)	(274)
Repayment of lease liabilities	(124)	(109)
Dividends paid	-	(3,555)
Sale of own shares by share trusts	44	76
Net cash used in financing activities	(1,770)	(5,511)
Net increase in cash and cash equivalents	49	688
Effect of foreign exchange rates	120	99
Movement in cash and cash equivalents in the period	169	787
Cash and cash equivalents at beginning of period	1,745	1,786
Cash and cash equivalents at end of period	1,914	2,573
Cash and cash equivalents comprise:		
Cash and bank balances	1,914	2,573
	1,914	2,573

1 Profit before taxation and the movement in receivables has been restated for the six months ended 31 March 2025, further details are given in note 12.

Notes 1 - 13 form part of these condensed half year financial statements.

CONDENSED GROUP RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET (DEBT)/CASH

for the six months ended 31 March 2026

	Six months to 31 March 2026 (unaudited) £'000	Six months to 31 March 2025 (unaudited) £'000
Movement in cash and cash equivalents in the period	169	787
Repayment of bank loans	1,281	1,877
Proceeds from bank borrowings	-	(228)
Decrease/(increase) in lease liabilities	64	(653)
Cash inflow from changes in net cash in the period	1,514	1,783
Effect of foreign exchange rates	(9)	(95)
Movement in net debt in the period	1,505	1,688
Net debt at beginning of period	(5,899)	(739)
Net (debt)/cash at end of period	(4,394)	949

Notes 1 - 13 form part of these condensed half year financial statements.

Responsibility statement

We confirm that to the best of our knowledge:

(a) the condensed set of financial statements for the six months ended 31 March 2026 has been prepared in accordance with IAS 34

(b) the half year report and condensed financial statements includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year)

(c) the half year report and condensed financial statements includes a fair review of the information required by DTR 4.2.8R (disclosure of related party transactions and changes therein).

By order of the Board

Manprit Randhawa

Group Chief Financial Officer and Interim Group Managing Director

29 April 2026

NOTES TO THE UNAUDITED CONDENSED HALF YEAR FINANCIAL STATEMENTS

1. Basis of preparation

The Group has prepared its condensed half year financial statements in accordance with the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority and the reporting requirements of IAS 34, 'Interim Financial Reporting'.

The information relating to the six months ended 31 March 2026 and 31 March 2025 is unaudited and does not constitute statutory accounts. The statutory accounts for the year ended 30 September 2025 have been reported on by the Group's auditors and delivered to the Registrar of Companies. The report of the auditors was unqualified, did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and did not contain a statement under section 498 of the Companies Act 2006. These condensed half year financial statements for the six months ended 31 March 2026 have neither been audited nor formally reviewed by the Group's auditors.

2. Accounting policies

These condensed half year financial statements have been prepared on the basis of the same accounting policies and methods of computation as set out in the Group's 30 September 2025 annual report.

There were no new standards, or amendments to standards, which are mandatory and relevant to the Group for the first time for the financial year ending 30 September 2026 which have had a material effect on these condensed half year financial statements.

3. Accounting estimates

The preparation of the condensed half year financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. In preparing these condensed half year financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the audited consolidated financial statements as at, and for the year ended, 30 September 2025.

4. Going concern

As at the date of this report, the Directors have a reasonable expectation that the Group has adequate resources to continue in business for the foreseeable future. Accordingly, the condensed half year financial statements have been prepared on the going concern basis.

5. Risks and uncertainties

The Group's operations involve a series of risks and uncertainties across a range of strategic, commercial, operational and financial areas and a process is in place to identify and assess their potential impact on the Group's business, which is regularly updated. The principal risks and uncertainties for the remainder of the financial year are not expected to change materially from those included on pages 58 - 63 of the 2025 Annual Report and Financial Statements.

6. Segmental information

Business segments

IFRS 8 requires operating segments to be identified on the basis of internal financial information reported to the Chief Operating Decision Maker (CODM). The Group's CODM has been identified as the Board of Directors who are primarily responsible for the allocation of resources to the segments and for assessing their performance. The disclosure in the Group accounts of segmental information is consistent with the information used by the CODM in order to assess profit performance from the Group's operations. The Group operates one global business segment engaging in the manufacture and supply of innovative ingredient solutions for the beverage, flavour, fragrance and consumer product industries with manufacturing sites in the UK and the US.

NOTES TO THE UNAUDITED HALF YEAR FINANCIAL STATEMENTS (continued)

Geographical segments

The following table provides an analysis of the Group's revenue by geographical market for continuing operations.

	Six months to 31 March 2026 (unaudited) £'000	Restated ¹	
		Six months to 31 March 2025 (unaudited) £'000	Year-on-year growth (unaudited) %
Revenue by destination			
United Kingdom	3,715	3,122	19.0%
Rest of Europe			
- Germany	3,179	3,463	(8.2)%
- Ireland	4,116	3,659	12.5%
- Other	7,657	8,005	(4.3)%
The Americas			
- USA	21,593	26,143	(17.4)%

	- Other	4,004	3,115	28.5%
Rest of the World	- China	5,328	4,412	20.8%
	- Japan	3,031	3,232	(6.2)%
	- Other	7,239	8,897	(18.6)%
		59,862	64,048	(6.5)%

1 Revenue, and therefore the analysis by geographical market has been restated for the six months ended 31 March 2025, further details are given in note 12.

NOTES TO THE UNAUDITED HALF YEAR FINANCIAL STATEMENTS (continued)

7. Exceptional items

The exceptional items referred to in the income statement can be categorised as follows:

	Six months to 31 March 2026 (unaudited) £'000	Six months to 31 March 2025 (unaudited) £'000
Restructuring and other expenses	(559)	(758)
Acquisition expenses	134	-
Less: tax effect of expenses	93	190
	(332)	(568)

The exceptional items all relate to non-recurring costs which are considered material in aggregate and discrete in nature; therefore, the Group considers them exceptional in order to provide a more meaningful view of the Group's underlying business performance.

Restructuring and other expenses

Pension scheme de-risking (31 March 2026)

Pension scheme buy-in costs relate to the expenses incurred to date in respect of de-risking the R.C. Treatt & Company Pension Scheme via a full-scheme buy-in. This process was completed on 5th December 2025 and has been classified as exceptional due to its expected financial impact over the duration of the project and its non-recurring nature. Total expenses incurred in the six months to 31 March 2026 are £186,000.

Payments for loss of office (31 March 2026)

David Shannon (former Chief Executive Officer) stepped down from the Board on 31 December 2025, and payments for loss of office of £373,000 have been incurred in line with the terms set out within the Directors' Remuneration Report on page 90 of the audited 2025 Annual Report and Financial Statements.

Restructuring (31 March 2025)

Restructuring costs mainly comprised contractual employment and termination payments in respect of changes to a regional operating and leadership structure, which became effective 1 January 2025. Amounts contractually due under employees' existing terms and conditions were considered to be fully allowable for tax purposes. This process was completed in FY25, and no further expense has been incurred during the six months to 31 March 2026.

Acquisition expenses (31 March 2026)

Acquisition expenses related to legal, financial, advisory and other direct costs incurred solely in relation to the recommended offer first announced on 8 September 2025, via a scheme of arrangement from Natara Global Limited, to acquire the entire issued and to-be-issued share capital of Treatt PLC. On 3 November 2025, the scheme of arrangement failed to reach the 75% approval threshold and did not pass. As a result, the acquisition lapsed and Treatt exited the offer period under the UK takeover code. The credit to the income statement in the six months to 31 March 2026 represents the release of an over accrual for unbilled advisory work at 30 September 2025.

NOTES TO THE UNAUDITED HALF YEAR FINANCIAL STATEMENTS (continued)

8. Taxation

The effective tax rate for the six months ended 31 March 2026 has been estimated at 25.0% (H1 2025: 25.0%).

9. Dividends

Equity dividends on ordinary shares

A final dividend of 3.00p (2024: 5.81p) per ordinary share was recommended and approved at the Annual General Meeting on 26 March 2026, and will be accounted for in the second half of the financial year ending 30 September 2026.

	Six months to 31 March 2026 (unaudited) £'000	Six months to 31 March 2025 (unaudited) £'000
Final dividend for the year ended 30 September 2025 of 3.00p per share	-	-
Final dividend for the year ended 30 September 2024 of 5.81p per share	-	3,555

NOTES TO THE UNAUDITED HALF YEAR FINANCIAL STATEMENTS (continued)

10. Earnings per share

Basic earnings per share

Basic earnings per share is based on the weighted average number of ordinary shares in issue and ranking for dividend during the year. The weighted average number of shares excludes shares held by the Treatt Employee Benefit Trust (EBT), together with treasury shares and shares held in respect of the Treatt Share Incentive Plan (SIP) which do not rank for dividend.

	Six months to 31 March 2026 (unaudited)	Restated ¹ Six months to 31 March 2025 (unaudited)
Profit after taxation attributable to owners of the Parent Company (£'000)	1,475	2,220
Weighted average number of ordinary shares in issue (No: '000)	59,370	61,154

Basic earnings per share (pence)	2.48p	3.63p
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Diluted earnings per share

Diluted earnings per share is based on the weighted average number of ordinary shares in issue and ranking for dividend during the year, adjusted for the effect of all dilutive potential ordinary shares. The number of shares used to calculate earnings per share (EPS) have been derived as follows:

	Six months to 31 March 2026 (unaudited) No ('000)	Restated ¹ Six months to 31 March 2025 (unaudited) No ('000)
Weighted average number of shares	61,287	61,274
Weighted average number of shares held in treasury	(1,900)	-
Weighted average number of shares held in the EBT and SIP	(17)	(120)
Weighted average number of shares for calculating basic EPS	59,370	61,154
Executive share option schemes	175	111
All-employee share options	31	11
Weighted average number of shares for calculating diluted EPS	59,576	61,276
Diluted earnings per share (pence)	2.48p	3.62p

NOTES TO THE UNAUDITED HALF YEAR FINANCIAL STATEMENTS (continued)

10. Earnings per share (continued)

Adjusted earnings per share

Adjusted earnings per share measures are calculated based on profits for the year attributable to owners of the Parent Company before exceptional items as follows:

	Six months to 31 March 2026 (unaudited) £'000	Restated ¹ Six months to 31 March 2025 (unaudited) £'000
Profit after taxation attributable to owners of the Parent Company	1,475	2,220
Adjusted for exceptional items (see note 7):		
- Restructuring and other expenses	709	559
- Acquisition expenses	(134)	758
- Taxation thereon	(93)	-
		(190)
Adjusted earnings from continuing operations	1,807	2,788
Adjusted basic earnings per share (pence)	3.04p	4.56p
Adjusted diluted earnings per share (pence)	3.03p	4.55p

1 Profit before tax, and therefore all earnings per share metrics have been restated for the six months ended 31 March 2025, further details are given in note 12.

11. Capital commitments

The Group has entered into committed capital projects totaling £1,988,000 (H1 2025: £488,000), all of which were unprovided for at the Period end.

NOTES TO THE UNAUDITED HALF YEAR FINANCIAL STATEMENTS (continued)

12. Prior year adjustment

As per our stated revenue recognition policy, revenue is recognised when control over goods is transferred to the customer. Depending on the terms agreed with the customer, control may pass as early in the delivery process as commencement of transport to the export port or as late as unloading at the customer destination.

Following a comprehensive review of shipment terms as part of 30 September 2025 revenue cut-off procedures, we deemed it appropriate to revisit revenue cut-off data as at the end of FY24 and FY23. In doing so, we identified errors whereby revenue was recognised pre, rather than post year end in both periods, that have been corrected by restatement.

The impacts of these restatements on the income statement for half year ended 31 March 2025 are shown below:

Restated Group income statement for the six months ended 31 March 2025

	Previously reported	Adjustment	As restated ¹
	£'000	£'000	£'000
Revenue	64,191	(143)	64,048
Cost of sales	(48,182)	186	(47,996)
Gross profit ¹	16,009	43	16,052
Profit before taxation ¹	3,644	43	3,687
Basic earnings per share (pence)	3.56p	0.07p	3.63p
Diluted earnings per share (pence)	3.55p	0.07p	3.62p
Adjusted basic earnings per share (pence)	4.49p	0.07p	4.56p
Adjusted diluted earnings per share (pence)	4.48p	0.07p	4.55p

¹ Profit figures are stated before exceptional items.

13. Post balance sheet event

As announced earlier today, the Board have recommended a cash offer from Döhler Finance Management B.V of 305p per share.

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.

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