

## TRADING UPDATE

### TREATT PLC

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Treatt PLC

24 July 2025

#### TREATT PLC

("Treatt" or "the Group")

#### Trading Update

Treatt, the manufacturer and supplier of a diverse and sustainable portfolio of natural extracts and ingredients for the beverage, flavour and fragrance industries, provides an update on trading for the financial year ending 30 September 2025 ("FY 2025").

Treatt has continued to face trading headwinds since the announcement of the interim results on 13 May 2025 which will affect the performance for the full year. As a result, we now expect revenue of between £130m and £135m and profit before tax and exceptionals (PBTE) of between £9m and £11m, lower than previous guidance<sup>1</sup>.

This revised outlook has been principally driven by the following incremental factors:

- A reduction in second half sales, with revenue now expected to be £66m, compared with previous guidance of £82m. While we have successfully converted several pipeline opportunities, including encouraging wins with new customers in Premium, this conversion has been slower than anticipated.
- Lower repeat customer volumes, driven by competitive pressures and North American consumer confidence.
- The weaker US dollar exchange rate has resulted in a c£0.5m profit headwind as a result of translation of USD profits.

In the interim results, we drew attention to ongoing market dynamics affecting the outlook for the year, both of which have continued:

- Lower demand in Heritage from sustained high citrus oil prices affecting buying patterns, and leading to reformulation. Although citrus oil prices have started to reduce more recently, this has continued to impact both short-term buying patterns in value added citrus products and citrus margins. We expect a reduction of this adverse impact as citrus oil pricing normalises.
- Consumer confidence in the US, combined with geopolitical and tariff uncertainty in the US was impacting the overall beverage market in North America. This has persisted, reflected in extended softening of demand.

To mitigate inflationary cost pressures and maintain our investment in growth areas, we implemented several self-help measures in the first half which are continuing, with a focus on simplification and efficiency gains. We do not anticipate any significant increase in administrative expenses in FY 2025 compared to FY 2024.

The £5m share buyback was completed in May 2025. The balance sheet remains strong, and we now expect to report a low net debt position at the year-end as a result of the expected lower level of profitability for the period (compared to previous guidance of £1-3m of net cash).

Trealt continues to execute its strategy, and we remain committed to driving revenue growth through customer centricity, reach expansion and innovation, as demonstrated by the planned opening of our Shanghai innovation centre later this year. We have also strengthened our senior teams to add new skillsets and a focus on new markets and growth opportunities across the Group.

The sales pipeline has strengthened during the year, and we continue to be focused on revenue opportunities and better margins in FY 2026 and beyond.

(Note 1 - Previous guidance at 10 April 2025 was £146-£153m revenue and £16m-£18m PBTE.)

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*This announcement contains inside information within the meaning of the Market Abuse Regulation. The person responsible for arranging release of this announcement on behalf of Trealt is Nick Hartigan, General Counsel & Company Secretary.*

#### **About the Group**

Trealt 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, Trealt is recognised as a leader in its field. The Group employs approximately 350 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.trealt.com](http://www.trealt.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.*