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7 November 2014

Croda International Plc

Interim Management Statement

IMPROVING ORGANIC SALES GROWTH

Croda International Plc (“Croda”) today announces its Interim Management Statement for the period since 1 July 2014.

Trading

Although market conditions remain challenging in many parts of the world, underlying sales trends improved during the third quarter with growth in both core market sectors. The organisational changes introduced earlier in the year are driving better market focus and customer alignment which are helping to deliver improved top line growth.

On a constant currency basis, Group sales increased 4.0%, including 0.6% from acquisitions, reflecting positive momentum in both Consumer Care and Performance Technologies. We saw accelerated underlying growth in New and Protected Products (NPP) during the quarter. Adverse currency translation of 7.3% impacted sales by £19.2m so that reported turnover declined 3.3% to £259.0m (2013: £267.9m) despite the improving underlying trends.

Operating profit was down 6.4% to £58.1m (2013: £62.1m) impacted both by adverse currency translation of £3.5m and an estimated £2.0m currency transaction cost in the quarter.

Pre-tax profit was broadly flat on a constant currency basis but declined to £55.1m (2013: £58.7m) on a reported basis.

Consumer Care constant currency sales were up 4.2%. This was driven by Health Care, where the strong growth in excipients continued, and was boosted by the first meaningful sales of pharmaceutical grade Omega-3. Personal Care continued to improve and returned to underlying sales growth during the quarter. Crop Care also grew in the quarter despite difficult market conditions in Latin America. NPP growth accelerated as we continued to focus the business closer to our customers through new technologies, R&D centres and customer academies. Return on sales fell slightly to 30.0% (2013: 31.4%) due to currency and mix effects.

Performance Technologies performed very strongly in the quarter with constant currency sales growth of 8.2% and all business areas exceeding 4% underlying sales growth. The performance was driven by particularly strong growth in Asia as our strategy to invest in faster growing emerging markets continued to deliver benefits. Return on sales increased to 17.1% (2013: 15.6%).

Industrial Chemicals sales and profits were significantly down in the quarter as weak commodity prices and adverse currency transaction effects reduced margins on our by-product sales in addition to low levels of toll processing business. As a result reported sales were down 14.5% and profits reduced to £0.5m (2013: £2.4m).

Financial Position

Underlying cash generation was again strong. After paying the interim dividend in the quarter amounting to £41.8m and investing £15.6m in capital projects, net debt rose by only £18.0m to £219.7m.

Commenting on the outlook, Martin Flower, Chairman of Croda said:

“This is an encouraging performance given the improved underlying sales trends across our eight core markets. We continue to benefit from the global organisational changes introduced earlier this year, which together with our ongoing focus on R&D and innovation, are improving both our market alignment and customer contact. Whilst market conditions are challenging and the fourth quarter is always the smallest in terms of sales, we remain confident that Croda will continue to make further progress.”

For further information please contact:

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The company will host a conference call at 8.00am today.

Please dial +44 (0) 203 427 0662 and quote “Croda International” to gain access to the call.

Additional Information

£m	3 months to 30 September 2014	3 Months to 30 September 2013	% Change Reported	% Change Constant Currency
Consumer Care	140.7	145.4	-3.2%	+4.2%
Performance Technologies	90.1	89.5	+0.7%	+8.2%
Industrial Chemicals	28.2	33.0	-14.5%	-8.7%
Revenues	259.0	267.9	-3.3%	+4.0%
Consumer Care	42.2	45.7	-7.7%	-1.5%
Performance Technologies	15.4	14.0	+10.0%	+14.3%
Industrial Chemicals	0.5	2.4	-79.2%	-75.0%
Adjusted operating profit¹	58.1	62.1	-6.4%	-0.8%
Operating margin	22.4%	23.2%		
Interest	(3.0)	(3.4)		
Adjusted profit before tax¹	55.1	58.7	-6.1%	-0.2%

Q3 sales trends

	Underlying	Acquisitions	Constant currency	Currency translation	Total
Consumer Care	+4.2%	+0.0%	+4.2%	-7.4%	-3.2%
Performance Technologies	+7.9%	+0.3%	+8.2%	-7.5%	+0.7%
Industrial Chemicals	-12.0%	+3.6%	-8.4%	-6.1%	-14.5%
Total	+3.4%	+0.6%	+4.0%	-7.3%	-3.3%

£m	9 months to 30 September 2014	9 Months to 30 September 2013	% Change Reported	% Change Constant Currency
Consumer Care	432.5	458.2	-5.6%	+1.6%
Performance Technologies	272.4	274.8	-0.9%	+5.7%
Industrial Chemicals	91.5	97.6	-6.3%	+0.1%
Revenues	796.4	830.6	-4.1%	+2.8%
Consumer Care	137.4	144.8	-5.1%	+1.0%
Performance Technologies	49.8	48.2	+3.3%	+7.1%
Industrial Chemicals	3.2	8.3	-61.4%	-54.2%
Adjusted operating profit¹	190.4	201.3	-5.4%	+0.2%
Operating margin	23.9%	24.2%		
Interest	(10.0)	(9.4)		
Adjusted profit before tax¹	180.4	191.9	-6.0%	-0.1%

9 month sales trends

	Underlying	Acquisitions	Constant currency	Currency translation	Total
Consumer Care	+1.3%	+0.3%	+1.6%	-7.2%	-5.6%
Performance Technologies	+4.5%	+1.2%	+5.7%	-6.8%	-0.9%
Industrial Chemicals	-5.7%	+5.8%	+0.1%	-6.4%	-6.3%
Total	+1.6%	+1.2%	+2.8%	-6.9%	-4.1%

¹ Continuing operations before exceptional items, acquisition costs and amortisation/write off of intangible assets arising on acquisition