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Treatt PLC
13 May 2025

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TREATT PLC
HALF YEAR RESULTS
SIX MONTHS ENDED 31 MARCH 2025

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 half year results for the six months ended 31 March 2025 (the "Period").

FINANCIAL HIGHLIGHTS:

	Half year ended 31 March 2025	Half year ended 31 March 2024	Change
Revenue	**£64.2m**	£72.1m	-11.0%
Gross profit margin	**24.9%**	27.8%	-290bps
Adjusted[1] EBITDA	**£6.5m**	£10.6m	-38.9%
Adjusted[1] Operating profit	**£3.8m**	£8.2m	-53.1%
Adjusted[1] Operating profit margin	**6.0%**	11.3%	-530bps
Profit before tax and exceptional items	**£3.6m**	£7.6m	-52.1%
Profit before tax	**£2.9m**	£7.1m	-59.6%
Adjusted basic earnings per share	**4.49p**	9.35p	-52.0%
Basic earnings per share	**3.56p**	8.72p	-59.2%
Dividend per share	**2.60p**	2.60p	+0.0%

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

HIGHLIGHTS:

- Revenue of £64.2m (H1 2024: £72.1m), reflecting lower Heritage and Premium volumes.
- Meaningful strategic progression during the Period, including further broadening of sales into Premium categories
- Adjusted EBITDA of £6.5m (H1 2024: £10.6m)
- Profit before tax and exceptionals ("PBTE") of £3.6m (H1 2024: £7.6m)
- Net cash position of £0.9m (FY 2024: Net debt £0.7m) reflecting robust cash generation
- Reflecting the Board's ongoing confidence in Treatt's medium-term outlook and the Group's strong cash performance, the £5m share buyback programme announced on 10 April 2025 continues, and today announces a dividend per share of 2.60p (as per prior year)

OUTLOOK

As announced on 10 April 2025, the Group expects full year revenue of between £146m and £153m, and PBTE between £16m and £18m for the full year to 30 September 2025.

This revised outlook was driven by the following key factors:

- Lower demand in Heritage due to sustained high citrus prices affecting buying patterns, has led to customer reformulation, resulting in a decline in value-added citrus volumes, a trend we expect to continue for the remainder of the year. However, we continue to leverage our deep knowledge and product capabilities to provide alternative solutions to our customers, against a challenging market backdrop.

- Consumer confidence in the US has softened impacting the overall beverage market in North America. Macro pressures, including recent geopolitical uncertainty in the US, have and are expected to continue to impact on our sales demand with a softening in the beverage market.

Notwithstanding these trading challenges, we remain confident in delivering our revised full year expectations, underpinned by the following factors:

In terms of sales, H2 is already 50% covered, and in line with historic trends and current indicators we expect 35% to be delivered through repeat customer business. The remaining 15% (a similar level to this time last year) is expected to be delivered through existing pipeline opportunities.

In order to mitigate inflationary cost pressures and invest in growth areas, we have implemented several self-help measures in H1, with focus on simplification and efficiency gains. We do not anticipate any significant increase in administrative expenses in FY25 compared to FY24.

We are encouraged by some exciting wins in Premium, including securing a large new customer in North America, capitalising on the low and no sugar trend. Additionally in New Markets, we have a healthy pipeline of opportunities for H2 and are progressing distribution arrangements to expand our reach. These wins and healthy pipeline provide confidence in our medium-term strategy of differentially growing our Premium category and New Markets while continuing to serve customers with our well established Heritage products for which Treatt is well renowned.

The situation around US trade tariffs remains fluid, and we are following developments closely to better understand the extent to which Treatt will be affected, both directly and indirectly. However, Treatt's diverse supply chain, including our significant manufacturing presence in the US and UK, gives us the flexibility to support our customers in diverse ways in different markets and, depending on the outcome of various tariff negotiations internationally, could result in revenue growth opportunities arising from our dual manufacturing capabilities

Commenting on the results, Group CEO, David Shannon, said:

"This has been a disappointing first half with revenue and profitability impacted by predominantly short-term trading challenges, but there are encouraging signs for the future.

Treatt made meaningful strategic progression in the first half of the year. We focussed on expanding our reach with customers and I am particularly pleased that our Shanghai innovation centre, which will be instrumental in accelerating growth in China, is on track to open later this year. Our new French sample laboratory opened in April 2025 which will provide faster more efficient customer collaboration. Efforts to expand reach in Asia are progressing well. We are winning with our technologies in line with global trends, including sugar reduction to broaden into high value categories. Our new website also launched last week to support enhanced customer centricity.

We are encouraged by our robust order book and sales pipeline, and expect to realise the benefit of self-help measures in the second half. Our existing sales coverage, expected repeat business, and a robust order book and sales pipeline, together with the benefits of self-help measures implemented in the first half, give us confidence in delivering in line with our revised guidance."

Analyst and investor conference call

An in-person presentation for analysts and investors will be held at 9.30 a.m. today, 13 May 2025. For details and to confirm attendance, or for webcast information, please contact MHP at treatt@mhpgroup.com. A recording will be made available after the event.

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 was a challenging start to the year. Q1 is always our quietest quarter and, although Q2 picked up and there are some signs of encouraging momentum, Q2 was lower than expectations as we already announced in April 2025.

Overall, first half revenues declined by 11.0% (10.3% in constant currency), and PBTE declined to £3.6m (H1 2024: £7.6m). The decline in profit was largely led by the sales decline, as well as some investment in our new regional structure. The sales decline was predominantly led by two key factors, firstly, sustained high citrus prices affecting buying patterns, and secondly, lower North America consumer confidence arising from macro geopolitical uncertainties affecting demand.

Gross profit margin was 290 bps lower in the Period (24.9% vs 27.8% in H1 2024), and adjusted net operating margin declined by 530 bps to 6.0% (H1 2024: 11.3%). The gross margin decline was driven by a combination of product mix with lower North America premium sales and also sustained high citrus prices affecting customers' buying patterns. Whilst the Group continues to have strong cost control discipline and ongoing self-help measures, we did see an overall increase in administrative expenses in H1 as we invested in the new structure. Expenses are being managed carefully and we do not anticipate that they will be significantly higher for FY25 as a whole compared to FY24.

Following the H1 performance, the Group issued revised guidance on 10 April 2025, projecting full-year revenues between £146m-£153m, and full-year PBTE ranging from £16m-£18m.

Strategic focus

Treatt made meaningful strategic progression in the first half of the year. We focussed on expanding our reach adding 27 new customers. Efforts to expand reach in Asia are progressing well. We are winning with our technologies in line with global trends, including sugar reduction to broaden into high value categories technologies in line with global trends, including sugar reduction to broaden into high value categories.

With focus on expanding our reach, we have made good progress with our Shanghai innovation centre which is on track to open later this year. Our new customer focussed website has recently launched to significantly improve the customer experience and better communicate the value we deliver.

With the aim to broaden into high value categories, we have been focussed on building our Premium pipeline. We're doubling down on sugar reduction- an area where Treatt has already delivered strong results for leading beverage brands. With growing demand for healthier, great-tasting drinks, our flavour-first, clean-label solutions are now being adopted more widely across categories like flavoured waters, energy drinks, and functional beverages. This strategic focus positions us to capture greater share, deepen customer relationships, and drive long-term profitable growth as evidenced by an important new customer win in America with our sugar reduction solution and the growth of Treattzest.

The differentiated service model focusses on localised innovation, we have launched three new products this half, with seven more in the plan for H2. Our new French sample laboratory opened in April which will provide faster more efficient customer collaboration. Our new regional structure is in place and focussed on making fast decisions closer to customers.

Sales performance

Heritage

Heritage sales, which includes citrus (excluding Treattzest), herbs, spices & florals, and synthetic aroma, declined by 10% in constant currency, mainly as a result of lower volumes of value-added citrus, driven by sustained high citrus prices affecting buying patterns. We are encouraged by the performance of synthetic aroma and herbs, spices & florals, where volumes have increased year-on-year.

Citrus, representing 46.8% of Group revenue in the Period (H1 2024: 47.3%), declined by 11.8%, reflecting the impact of sustained higher prices, in particular orange oil. Customers remain cautious about inventory levels in a higher price market, which continues to impact volumes, with some electing for cheaper alternatives to maintain a lower cost-in-use. The diversity in our citrus product range has been instrumental in supporting our customers with this required agility.

Synthetic aroma, which relates primarily to food ingredients, represented 14.2% of Group revenue in the Period (H1 2024: 13.8%), whilst reporting 8.3% revenue decline in the Period, volumes grew by 12.0%. This represents a falling market from a price perspective, however, we remain competitive and our focus on maintaining cash contribution has been effective. This category was notably impacted by a decline in volume last financial year, due to customer destocking, and we remain encouraged by the build in volumes over the course of H1. Herbs, spices and florals, while a smaller part of Heritage, also saw encouraging volume growth in H1.

Premium

Higher margin Premium sales declined by 13.9%, with softer consumer demand across key premium categories in North America due to lower consumer confidence arising from macro and geopolitical uncertainties.

Premium includes tea, health & wellness, and fruit & vegetables. This represents 24.1% of revenue at £15.5m (H1 2024: £18m). Slower US consumer demand has impacted all of these categories in H1, however, with some exciting wins including a significant win in health & wellness, we are encouraged by the H2 outlook for Premium.

New Markets

Whilst New Markets, which encompass our geographical sales territory of China and our expanding portfolio for Treattzest and coffee, declined by 6.5% in the Period driven by coffee, to £6.1m revenue (H1 2024: £6.6m), we remain committed to further harnessing the growth potential within this strategic category and we are excited by our pipeline of tangible targets.

Treattzest is our authentic, premium range of highly soluble citrus extracts. Whilst still small, revenues grew by 43.9% year-on-year, as a result of our product launch and scale up of manufacturing last year. We are excited by Treattzest growth and foresee this continuing into H2.

Our sales into China as a territory reported modest growth of 1.9% in the Period, and it has an encouraging outlook for H2. China remains a key strategic growth opportunity and we are excited to open our Shanghai

Innovation Centre later this year to further enhance this growth. We are also excited by a number of new customers and a growing pipeline in China following investment in the local sales team.

Geographical sales

Whilst still our largest region, the US accounted for 41.4% of Group revenue in the Period (H1 2024: 39.7%), although declined by 7.1% mainly as a result of slower end consumer demand. Europe, including UK, represented 26.2% of Group revenue (H1 2024: 26.9%), declined 13.5% in the Period mainly due to lower citrus sales.

Encouragingly, China sales grew by 1.9%, with revenues now making up 7.9% of Group revenue (H1 2024: 6.9%), we expect China to accelerate further in H2. Rest of World sales grew by 25.8% now making up 19.7% of Group sales (H1 2024: 13.9%), with our focus on expanding our reach.

Environmental, social and corporate governance (ESG)

Sustainability remains a core driver of our long-term strategy and growth. In H1 2025, approximately 60% of our sales and over 70% of our purchases were derived from natural products, all sourced in alignment with our Responsible and Sustainable Sourcing Policy to ensure transparency and support shared ESG goals. Strengthened ESG governance continues to drive measurable progress across People, Planet, and Performance, as reflected in our elevated EcoVadis Silver rating this year. Our UK solar project is now fully operational and contributes directly to our SBTi-validated target of reducing Scope 1 and 2 emissions by 42% by 2030

Financial review

Group revenue declined by 11.0% to £64.2m (H1 2024: £72.1m), and, PBTE decreased by 52.1% to £3.6m (H1 2024: £7.6m). In constant currency terms, revenue declined by 10.3%. Gross margin decreased by 290 bps to 24.9% during the Period as a result of adverse product mix due to lower Premium sales and sustained higher citrus pricing affecting buying patterns.

Pre-exceptional operating costs increased by 2.7% to £12.2m (H1 2024: £11.9m). This was led by investment in our new regional structure to expand both experience and reach to underpin our growth strategy. 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 FY25 compared to FY24.

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 2024: £0.1m gain) despite exchange rate fluctuations most notably the US Dollar. Exceptional costs in the Period totalled £0.8m (H1 2024: £0.5m), mainly related to one-off expenses in respect of restructuring costs.

Adjusted net operating margin decreased 530 bps to 6.0% (H1 2024: 11.3%), with the decline in gross margin also further impacted by the upfront investment in cost. Self-help measures implemented in H1 will see financial impact in H2 and we expect to improve this margin for the full year.

Reported profit for the Period was £2.2m (H1 2024: £5.3m) with basic adjusted earnings per share decreasing to 4.49p (H1 2024: 9.35p), and basic earnings per share decreasing to 3.56p (H1 2024: 8.72p)

Cash flow

The Group generated a cash inflow of £2.3m in the Period (H1 2024: £0.1m outflow) despite the reduction in profit before tax, ending the half year with net cash of £0.9m (H1 2024: net debt £0.7m). Inclusive in this net cash figure is a £0.8m ten-year lease liability for a new and improved headquarters for our Chinese operations in Shanghai which was signed in December 2024.

Net cash generated by operations was £8.4m (H1 2024: 6.9m) with the improvement over the previous half year driven by a continued focus on working capital management, which generated a £2.2m cash inflow in the Period. This was achieved through strong cash collection of customer receivables, and strict management of inventory levels, only increasing by £1.1m over the Period, despite sustained higher commodity prices.

Capital expenditure in the Period was £2.1m (H1 2024: £1.9m) as we continue to invest in the business. We expect further cash generation in H2.

Balance sheet

Capital expenditure has returned to normalised levels, at c.£7.0m per annum, targeting innovative and fast-returning investment for growth. The Shanghai Innovation Centre lease has commenced and is on track to open later this calendar year. Having secured our operational foundation, we will now seek to optimise our expanded global capacity to strengthen the platform from which to deliver Treatt's ambitious growth strategy.

The Group maintains a25m facility with Bank of America and a £25m facility with HSBC, providing our UK and US entities with headroom to support future investment. The UK HSBC facility term has been extended by one year into H2 2027, the US facility is due for renewal in H2 2026.

In line with our capital allocation framework, and reflecting Treatt's strong cash performance and the Board's confidence in Treatt's strategy and medium-term outlook, the Board announced a £5m share buyback programme on 10 April 2025 which continues.

The UK defined benefit pension scheme has been closed to both new entrants and future accruals since October 2001. Under accounting standard IAS 19, the scheme's funding position is currently showing a net surplus of £5.7m. The Group agreed with the Trustees to cease deficit reduction contributions (£0.5m p.a.) on 26 July 2024 following the results of the 1 January 2024 triennial valuation which revealed a surplus of £2.4m, and funding level of 112% on a valuation basis. The Group has now taken advantage of this improved funding position by fully hedging the scheme's investment portfolio against interest rate and inflationary movements.

Dividend

The Board has declared a maintained interim dividend of 2.60p per share. This reflects a balance of the Board's assessment of the performance and anticipated cash generation of the business and its future prospects, coupled with the importance of dividend payments to shareholders. The interim dividend will be payable on 14 August 2025 to shareholders on the register at close of business on 4 July 2025.

TREATT PLC
HALF YEAR FINANCIAL STATEMENTS
CONDENSED GROUP INCOME STATEMENT

for the six months ended 31 March 2025

		Six months to 31 March 2025 (unaudited)			Six months to 31 March 2024 (unaudited)		
	Notes	Before exceptional items £'000	Exceptional items £'000	Total £'000	Before exceptional items £'000	Exceptional items £'000	Total £'000
Revenue	6	64,191	-	64,191	72,100	-	72,100
Cost of sales		(48,182)	-	(48,182)	(52,074)	-	(52,074)
			-			-	
Gross profit		16,009	-	16,009	20,026	-	20,026
Administrative expenses		(12,183)	(758)	(12,941)	(11,867)	(285)	(12,152)
Relocation expenses	7	-	-	-	-	(180)	(180)
			-			-	
Operating profit/(loss)[1]		3,826	(758)	3,068	8,159	(465)	7,694
Finance income		104	-	104	2	-	2
Finance costs		(286)	-	(286)	(547)	-	(547)
Profit/(loss) before taxation		3,644	(758)	2,886	7,614	(465)	7,149
Taxation	8	(899)	190	(709)	(1,912)	81	(1,831)
Profit/(loss) for the period attributable to owners of the Parent Company		2,745	(568)	2,177	5,702	(384)	5,318

Earnings per share attributable to equity holders of the Parent Company		Adjusted[2]		Statutory	Adjusted[2]		Statutory
Basic	10	4.49p		3.56p	9.35p		8.72p
Diluted	10	4.48p		3.55p	9.32p		8.69p

[1] Operating profit is calculated as profit before net finance costs and taxation.

2 All adjusted measures exclude exceptional items and the related tax effect, details of which are given in note 7.

Notes 1 - 11 form part of these condensed half year financial statements.

CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 31 March 2025

	Six months to 31 March 2025 (unaudited) £'000	Six months to 31 March 2024 (unaudited) £'000
Profit for the period attributable to owners of the Parent Company	**2,177**	5,318
Items that may be reclassified subsequently to profit or loss:		
Currency translation differences on foreign currency net investments	**2,489**	(2,409)
Current tax on foreign currency translation differences	**118**	(50)
Deferred taxation on foreign currency translation differences	**(326)**	109
Fair value movement on cash flow hedges	**(83)**	140
Deferred tax on fair value movement	**21**	(35)
	2,219	(2,245)
Items that will not be reclassified subsequently to profit or loss:		
Actuarial gain on defined benefit pension scheme	**-**	261
	-	261
Other comprehensive income/(expense) for the period	**2,219**	(1,984)
Total comprehensive income for the period attributable to owners of the Parent Company	**4,396**	3,334

Notes 1 - 11 form part of these condensed half year financial statements.

CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY

for the six months ended 31 March 2024 (unaudited)

	Share capital £'000	Share premium account £'000	Own shares in share trusts £'000	Hedging reserve £'000	Foreign exchange reserve £'000	Retained earnings £'000	**Total equity £'000**
1 October 2023	1,223	23,484	(2)	(42)	7,463	105,120	137,246
Profit for the period	-	-	-	-	-	5,318	5,318
Exchange differences	-	-	-	-	(2,409)	-	(2,409)
Fair value movement on cash flow hedges	-	-	-	140	-	-	140
Actuarial loss on defined benefit pension scheme	-	-	-	-	-	348	348
Taxation relating to items above	-	-	-	(35)	59	(87)	(63)
Total comprehensive expense	-	-	-	105	(2,350)	5,579	3,334
Transactions with owners:							
Dividends	-	-	-	-	-	(3,335)	(3,335)
Share-based payments	-	-	-	-	-	293	293
Issue of new shares	1	-	(1)	-	-	-	-
Movement in own shares in share trusts	-	-	2	-	-	-	2
Gain on release of shares in share trusts	-	-	-	-	-	107	107
Total transactions with owners	1	-	1	-	-	(2,935)	(2,933)
As at 31 March 2024	1,224	23,484	(1)	63	5,113	107,764	137,647

for the six months ended 31 March 2025 (unaudited)

	Share	Share premium	Own shares in share	Hedging	Foreign exchange	Retained	**Total**

	capital £'000	account £'000	trusts £'000	reserve £'000	reserve £'000	earnings £'000	equity £'000
1 October 2024	1,225	23,484	(2)	104	1,050	116,153	**142,014**
Profit for the period	-	-	-	-	-	2,177	**2,177**
Exchange differences	-	-	-	-	2,489	-	**2,489**
Fair value movement on cash flow hedges	-	-	-	(83)	-	-	**(83)**
Actuarial gain on defined benefit pension scheme	-	-	-	-	-	-	**-**
Taxation relating to items above	-	-	-	21	(208)	-	**(187)**
Total comprehensive income	-	-	-	**(62)**	**2,281**	**2,177**	**4,396**
Transactions with owners:							
Dividends	-	-	-	-	-	(3,555)	**(3,555)**
Share-based payments	-	-	-	-	-	206	**206**
Issue of new shares	-	-	-	-	-	-	**-**
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**	**114,981**	**143,137**

Notes 1 - 11 form part of these condensed half year financial statements.

CONDENSED GROUP BALANCE SHEET

as at 31 March 2025

	As at 31 March 2025 (unaudited) £'000	As at 30 September 2024 (audited) £'000
ASSETS		
Non-current assets		
Intangible assets	**2,452**	2,534
Property, plant and equipment	**70,504**	69,808
Right-of-use assets	**1,028**	379
Post-employment benefits	**5,678**	5,578
	79,662	78,299
Current assets		
Inventories	**54,109**	51,878
Trade and other receivables	**35,970**	37,078
Current tax assets	**44**	430
Derivative financial instruments	-	380
Cash and bank balances	**2,573**	1,786
	92,696	91,552
Total assets	**172,358**	169,851
LIABILITIES		
Current liabilities		
Borrowings	**(580)**	(2,134)
Provisions	**(596)**	(245)
Trade and other payables	**(20,198)**	(18,695)
Lease liabilities	**(211)**	(172)
Current tax liabilities	**(2,162)**	(1,324)
Derivative financial instruments	**(9)**	-
	(23,756)	(22,570)
Net current assets	**68,940**	68,982
Non-current liabilities		
Lease liabilities	**(833)**	(219)
Deferred tax liabilities	**(4,632)**	(5,048)
	(5,465)	(5,267)
Total liabilities	**(29,221)**	(27,837)
Net assets	**143,137**	142,014

CONDENSED GROUP BALANCE SHEET (continued)

as at 31 March 2025

	As at 31 March 2025 (unaudited) £'000	As at 30 September 2024 (audited) £'000
EQUITY		
Share capital	1,225	1,225
Share premium account	23,484	23,484
Own shares in share trusts	74	(2)
Hedging reserve	42	104
Foreign exchange reserve	3,331	1,050
Retained earnings	114,981	116,153
Total equity attributable to owners of the Parent Company	143,137	142,014

Notes 1 - 11 form part of these condensed half year financial statements.

CONDENSED GROUP STATEMENT OF CASH FLOWS

for the six months ended 31 March 2025

	Six months to 31 March 2025 (unaudited) £'000	Six months to 31 March 2024 (unaudited) £'000
Cash flow from operating activities		
Profit before taxation including discontinued operations	2,886	7,149
Adjusted for:		
Depreciation of property, plant and equipment	2,440	2,278
Amortisation of intangible assets	224	212
Loss on disposal of property, plant and equipment	-	11
Loss on disposal of intangible assets	41	-
Net finance costs excluding post employment benefit expense	282	545
Share-based payments	200	304
Decrease/(Increase) in fair value of derivatives	306	(1)
Post-employment benefit income	(100)	-
Employer contributions to defined benefit pension scheme	-	(225)
Operating cash flow before movements in working capital	6,279	10,273
Movements in working capital:		
(Increase)/decrease in inventories	(1,121)	206
Decrease/(increase) in receivables	1,692	(4,882)
Increase in payables	1,599	1,308
Cash generated from operations	8,449	6,905
Taxation paid	(160)	(1,117)
Net cash from operating activities	8,289	5,788
Cash flow from investing activities		
Proceeds on disposal of property, plant and equipment	-	4
Purchase of property, plant and equipment	(1,925)	(1,804)
Purchase of intangible assets	(170)	(134)
Interest received	5	2
Net cash used in investing activities	(2,090)	(1,932)

CONDENSED GROUP STATEMENT OF CASH FLOWS (continued)
for the six months ended 31 March 2025

	Six months to 31 March 2025 (unaudited) £'000	Six months to 31 March 2024 (unaudited) £'000
Cash flow from financing activities		
Proceeds from bank borrowings	**228**	1,078
Repayment of bank borrowings	**(1,877)**	-
Interest paid	**(274)**	(539)
Repayment of lease liabilities	**(109)**	(114)
Dividends paid	**(3,555)**	(3,335)
Proceeds on issue of shares	**-**	2
Sale of own shares by share trusts	**76**	107
Net cash used in financing activities	**(5,511)**	(2,801)
Net increase in cash and cash equivalents	**688**	1,055
Effect of foreign exchange rates	**99**	(64)
Movement in cash and cash equivalents in the period	**787**	991
Cash and cash equivalents at beginning of period	**1,786**	809
Cash and cash equivalents at end of period	**2,573**	1,800
Cash and cash equivalents comprise:		
Cash and bank balances	**2,573**	1,800
	2,573	1,800

Notes 1 - 11 form part of these condensed half year financial statements.

CONDENSED GROUP RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET CASH/DEBT
for the six months ended 31 March 2025

	Six months to 31 March 2025 (unaudited) £'000	Six months to 31 March 2024 (unaudited) £'000
Movement in cash and cash equivalents in the period	**787**	991
Repayment of bank borrowings	**1,877**	-
Proceeds from bank borrowings	**(228)**	(1,078)
(Increase)/decrease in lease liabilities	**(653)**	107
Cash inflow from changes in net cash in the period	**1,783**	20
Effect of foreign exchange rates	**(95)**	17
Movement in net cash in the period	**1,688**	37
Net debt at beginning of period	**(739)**	(10,382)
Net cash/(debt) at end of period	**949**	(10,345)

Notes 1 - 11 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 2025 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

DAVID SHANNON
Chief Executive Officer
13 May 2025

RYAN GOVENDER
Chief Financial Officer
13 May 2025

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 2025 and 31 March 2024 is unaudited and does not constitute statutory accounts. The statutory accounts for the year ended 30 September 2024 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 2025 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 2024 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 2025 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 2024.

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 52 - 57 of the 2024 Annual Report and Financial Statements.

NOTES TO THE UNAUDITED HALF YEAR FINANCIAL STATEMENTS (continued)

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.

Geographical segments

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

Revenue by destination		Six months to 31 March 2025 (unaudited) £'000	Six months to 31 March 2024 (unaudited) £'000	Year-on-year growth (unaudited) %	Year-on-year growth - constant currency (unaudited) %
United Kingdom		3,402	3,938	-13.6%	-13.6%
Rest of Europe	- Germany	3,567	2,316	54.0%	54.0%
	- Ireland	2,121	6,738	-68.5%	-68.5%
	- Other	7,711	6,425	20.0%	20.2%
The Americas	- USA	26,575	28,604	-7.1%	-5.8%
	- Other	3,114	9,063	-65.6%	-65.4%
Rest of the World	- China	5,060	4,970	1.8%	2.3%
	- Other	12,641	10,046	25.8%	26.1%
		64,191	72,100	-11.0%	-10.3%

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 2025 (unaudited) £'000	Six months to 31 March 2024 (unaudited) £'000
Restructuring and other expenses	(758)	(285)
Relocation expenses	-	(180)
Less: tax effect of expenses	190	81
	(568)	(384)

The exceptional items all relate to non-recurring items.

Restructuring costs mainly comprise 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 are considered to be fully allowable for tax purposes.

Relocation expenses relate to one-off costs incurred in connection with the relocation of the Group's UK operations that do not fall to be capitalised. These costs were associated with the final stages of the manufacturing fit-out of the Skyliner Way premises.

8. Taxation

The effective tax rate for the six months ended 31 March 2025 has been estimated at 25.0% (H1 2024: 25.0%).

9. Dividends

Equity dividends on ordinary shares

	Six months to 31 March 2025 (unaudited) £'000	Six months to 31 March 2024 (unaudited) £'000
Final dividend for the year ended 30 September 2024 of 5.81p per share (2023: 5.46p per share)	**3,555**	3,335

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 shares held in respect of the Treatt Share Incentive Plan (SIP) which do not rank for dividend.

	Six months to 31 March 2025 (unaudited)	Six months to 31 March 2024 (unaudited)
Profit after taxation attributable to owners of the Parent Company (£'000)	**2,177**	5,318
Weighted average number of ordinary shares in issue (No: '000)	**61,154**	60,987
Basic earnings per share (pence)	**3.56p**	8.72p

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 2025 (unaudited) No ('000)	Six months to 31 March 2024 (unaudited) No ('000)
Weighted average number of shares	**61,274**	61,210
Weighted average number of shares held in the EBT and SIP	**(120)**	(223)
Weighted average number of shares for calculating basic EPS	**61,154**	60,987
Executive share option schemes	**111**	173
All-employee share options	**11**	8
Weighted average number of shares for calculating diluted EPS	**61,276**	61,168
Diluted earnings per share (pence)	**3.55p**	8.69p

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 2025 (unaudited) £'000
Profit after taxation attributable to owners of the Parent Company		2,177
Adjusted for exceptional items (see note 7):		
- Restructuring expenses	709	758
- Relocation expenses		-
- Taxation thereon		(190)
Adjusted earnings from continuing operations		2,745
Adjusted basic earnings per share (pence)		4.49p
Adjusted diluted earnings per share (pence)		4.48p

NOTES TO THE UNAUDITED HALF YEAR FINANCIAL STATEMENTS (continued)

11. Capital commitments

The Group has entered into material contracts in connection with the UK relocation project totaling £488,000 (H1 2024: £1,650,000), with a further £234,000 (H1 2024: £225,000) and £364,000 (H1 2024: £594,000) committed to capital projects in the UK and US respectively, all of which were unprovided for at the period end.

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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