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Croda International PLC
28 July 2026

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Results for the six months ended 30 June 2026

Delivering transformation and innovation-led growth

FY26 outlook unchanged

Croda International Plc ("Croda" or the "Group") the company that uses smart science to create high-performance ingredients and solutions that improve lives, announces its results for the six months ended 30 June 2026.

Highlights

	Statutory results (IFRS)			Adjusted results			
Half year ended 30 June	**H126**	H125	Change	**H126**	H125	Organic change	Change
Sales (£m)	**880.5**	855.8	2.9%	**880.5**	855.8	4.6%	2.9%
EBITDA (£m)				**207.9**	198.5	5.5%	4.7%
EBITDA as a % of sales				**23.6%**	23.2%	-	0.4ppts
Operating profit (£m)	**115.5**	94.4	22.4%	**155.8**	146.9	6.7%	6.1%
Operating profit as a % of sales				**17.7%**	17.2%	-	0.5ppts
Profit before tax (£m)	**107.4**	85.5	25.6%	**147.7**	138.0	7.6%	7.0%
Basic earnings per share (p)	**56.5**	43.8	29.0%	**78.6**	72.2	-	8.9%
Interim dividend per share (p)	**48.0**	48.0	0%				
Free cash flow (£m)				**38.3**	28.0*	-	36.8%
Net debt (£m)				**577.9**	580.1	-	(0.4)%

** Restated to include cash costs of exceptional items in free cash flow,* *see page 4*

Steve Foots, Chief Executive Officer, commented:

"We have delivered a good first half performance in line with our expectations with strong growth in Consumer Care. Group profits continue to grow ahead of sales, reflecting both increased customer demand for innovation and the benefits of our transformation programme. We are rigorously executing our plan to grow earnings and returns, successfully reinvigorating Beauty and seeing the early benefits of rebalancing Pharma. Despite the ongoing macro uncertainty, our outlook for full year 2026 is unchanged and we remain on track to deliver our financial framework for full year 2028."

Delivering innovation-led growth

- **4.6% Group organic sales growth (osg) in H126 driven by Consumer Care comprising:**
  - Consumer Care +8%:
    - Beauty Actives +19%, Beauty Care +4%, Home Care +9%, Fragrances & Flavours (F&F) +8%
  - Life Sciences flat:
    - Pharma +1%, Crop (2)%, Seed +4%
  - Industrial Specialties (2)%
  - Strong Q2 sales performance at +9%
    - Limited impact from situation in the Middle East

- **Increased customer demand for innovation**
  - 6.9% organic sales increase in New & Protected Products, growing faster than total sales
  - Positive volume and price/mix, reflecting growing demand for innovation-led solutions

- **6.7% organic increase in adjusted operating profit to £155.8m (H125: £146.9m) reflecting innovation-led growth and transformation benefits**
  - Adjusted operating margin 17.7% (H125: 17.2%)
    - Expect further expansion in H2 supported by growth and additional transformation efficiencies
  - IFRS operating profit of £115.5m (H125: £94.4m)

- **36.8% increase in free cashflow to £38.3m (H125: £28.0m restated*) supported by lower capex**
  - Leverage ratio 1.4x (H125: 1.5x)
  - Interim dividend held flat at 48.0p as we restore earnings cover

Executing our three-year plan to grow earnings and returns

- **Driving consistent sales growth**
  - Reinvigorating Beauty - growing share in "affordable beauty", customers' premium categories doing well
  - Rebalancing Pharma
    - Sales +7% in Ingredients (which represents >70% total Pharma sales), reflecting our actions to rebalance resources
    - Sales (17)% in Solutions, adversely impacted by project phasing; project revenues expected to improve in H2

- Maximising returns from investments - ceramide sales +44% following a slow start post-acquisition; completed Asia expansion opening 2 new production sites in India and China
- **Delivering transformation to enhance both growth and efficiency**
  - On track to deliver ~£100m efficiency benefits and ~£50m working capital improvements for FY28
  - Delivered £18m of incremental savings in H126 in addition to the £10m benefits realised in the H125 comparator and the £18m delivered in H225
- **On track to achieve framework to Full Year 2028 with progress across all key financial metrics**

FY26 outlook unchanged

There is no change to our outlook for full year 2026 despite the ongoing geopolitical and macro-economic uncertainty. We continue to expect:

- Group organic sales growth within our 3-6% range
- A further increase in Group adjusted operating margin driven by improving profitability in Consumer Care and Life Sciences and the benefits of our transformation programme

Our expectations for Group full year 2026 adjusted operating profit are unchanged.

We will provide an update on third quarter sales performance on Thursday 5 November 2026.

Technical foreign exchange guidance

The guidance for Group performance in 2026 and financial framework to 2028 are provided on a constant currency basis. Constant currency expectations are based on the Group's average exchange rates through 2025 which were US 1.32 and €1.17. The US Dollar and the Euro together represent approximately 65% of the Group's currency translation exposure. We estimate that the average annual currency translation impact on adjusted operating profit is £1m per Dollar cent movement per annum and £1m per Euro cent movement per annum. The impact from movements in remaining smaller currencies is broadly aligned with the impact from movements in the US Dollar. Foreign currency translation adversely impacted adjusted operating profit by £1.0m in H126. If foreign exchange rates in the period from July 2026 to December 2026 were to reflect the same levels as June 2026 closing rates, it is anticipated that there would be a negative impact of approximately £4m on reported FY26 operating profit inclusive of the anticipated impact from hyperinflation accounting.

Further information:

An investor presentation will be available via webcast at 0900 BST on 28 July 2026 at www.croda.com/investors.

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Financial summary

Sales

H126 Group sales performance

Sales	H126 £m	Price/mix	Volume	Organic change	Currency	H125 £m	Change
Consumer Care	**523.7**	3.8%	4.5%	8.3%	(1.8)%	491.8	6.5%
Life Sciences	**257.3**	0.5%	(0.3)%	0.2%	(1.6)%	261.0	(1.4)%
Industrial Specialties*	**99.5**	1.7%	(3.6)%	(1.9)%	(1.5)%	103.0	(3.4)%
Group*	**880.5**	3.4%	1.2%	4.6%	(1.7)%	855.8	2.9%

*% movements exclude Industrial Specialties by-product and co-stream sales

Quarterly sales performance by business

	Q226			Q126		
Sales	**Q226**	Q225	Organic change	**Q126**	Q125	Organic change
Consumer Care	**268.7**	236.7	13.5%	**255.0**	255.1	3.6%
Life Sciences	**131.1**	126.5	4.1%	**126.2**	134.5	(3.4)%
Industrial Specialties	**49.5**	50.3	(1.6)%	**50.0**	52.7	(2.2)%
Group	**449.3**	413.5	8.8%	**431.2**	442.3	0.8%

H126 and quarterly sales performance by region

% organic change in sales versus the prior year	H126	Q226	Q126
EMEA	**3%**	4%	2%
Asia	**10%**	17%	2%
North America	**(1)%**	7%	(7)%
Latin America	**11%**	11%	11%

Group	**4.6%**	8.8%	0.8%

Profit

Adjusted profit	H126 £m	Organic change	Currency Impact	H125 £m	Change
Consumer Care	**98.1**	14.3%	0.2%	85.7	14.5%
Life Sciences	**53.7**	(2.4)%	(1.9)%	56.1	(4.3)%
Industrial Specialties	**4.0**	(19.8)%	(1.5%)	5.1	(21.3)%
Operating profit	**155.8**	6.7%	(0.6%)	146.9	6.1%
Net interest	**(8.1)**			(8.9)	
Profit before tax	**147.7**	7.6%	(0.6%)	138.0	7.0%

Notes

Alternative Performance Measures (APMs): We use a number of APMs to assist in presenting information in this statement. We use such measures consistently at the half year and full year, and reconcile them as appropriate. Whilst the Board believes the APMs used provide a meaningful basis upon which to analyse the Group's financial performance and position, which is helpful to the reader, it notes that APMs have certain limitations, including the exclusion of significant recurring items, and may not be directly comparable with similarly titled measures presented by other companies. The measures used in this statement include:

- Organic results: these reflect current year performance for existing business translated at the prior year's average exchange rates, adjusted to exclude the impact of acquisitions or disposals in the first year of impact. Organic results are the primary measure used by management to monitor the performance of overseas business units, since they remove the impact of currency translation into Sterling, the Group's reporting currency, over which those overseas units have no control. Organic results are similarly useful to shareholders in understanding the performance of the Group excluding the impact of movements in currency translation over which the Group has no control. These are reconciled to reported results in the review of financial performance below. The APMs are calculated as follows:
  a. For organic profit, translation is performed using the entity reporting currency before the application of IAS 29 hyperinflation and any associated one-off foreign exchange gains or losses;
  b. For organic sales, local currency sales are translated into the most relevant functional currency of the destination country of sale (for example, sales in Latin America are primarily made in US Dollars, which is therefore used as the functional currency). Sales in functional currency are then translated into Sterling using the prior year's average rates for the corresponding period;
- Adjusted results: these are stated before exceptional items (as disclosed in the review of financial performance below) and amortisation of intangible assets arising on acquisition, and tax thereon. The Board believes that the adjusted presentation (and the columnar format adopted for the Group income statement) assists shareholders by providing a meaningful basis upon which to analyse business performance and make year-on-year comparisons. The same measures are used by management for planning, budgeting and reporting purposes and for the internal assessment of operating performance across the Group. The adjusted presentation is adopted on a consistent basis for each half year and full year results;
- EBITDA: this represents Earnings Before Interest, Tax, Depreciation and Amortisation, calculated as adjusted operating profit plus depreciation and amortisation. It is used by management and shareholders to assess the Group's cash operating profit performance. EBITDA is a widely used APM, commonly used by our peers, and is a helpful measure for shareholders that allows for an easier comparison of the operational performance between companies by excluding non-cash items and financing effects;
- Adjusted operating margin: this is adjusted operating profit divided by sales, at reported currency. Management uses the measure to assess the profitability of each sector and the Group, as part of its drive to grow profit by more than sales value, in turn by more than sales volume as set out in the Group performance section below;
- Net debt: comprises cash and cash equivalents (including bank overdrafts), current and non-current borrowings and lease liabilities. Management uses this measure to monitor debt funding levels and compliance with the Group's funding covenants which also use this measure. It believes that net debt is a helpful additional measure for shareholders in assessing the risk to equity holders and the capacity to invest more capital in the business;
- Leverage ratio: this is the ratio of net debt to adjusted EBITDA adjusted to include EBITDA from acquisitions or disposals in the last 12 month period. Calculations and reconciliations are provided in the five-year record of the Group's Annual Report. The Board monitors the leverage ratio against the Group's debt funding covenants and overall appetite for funding risk, in approving capital expenditure and acquisitions. It believes that the APM is a helpful additional measure for shareholders in assessing the risk to equity holders and the capacity to invest more capital in the business;
- Free cash flow: comprises net cash generated from operating activities, less the cash effect of exceptional items, net capital expenditure and payment of lease liabilities, plus interest received. The definition of free cash flow was revised in the prior year to deduct exceptional items as part of free cash flow to demonstrate the level of cash available to shareholders and better align this APM with the Group's peers. Comparative information has been restated to reflect the new definition, resulting in restated free cash flow of £28.0m for H125 (previously £34.2m). Calculations and reconciliations are provided in the five-year record of the Group's Annual Report. The Board uses free cash flow to monitor the Group's overall cash generation capability, to assess the ability of the Company to pay dividends and to finance future expansion, and, as such, it believes this is useful to shareholders in their assessment of the Group's performance;
- Free cash flow-to-sales ratio: this is free cash flow divided by sales. This has been included as the Board considers this metric to assess the level of cash conversion and to evaluate the quality of sales growth. The Board believes it is useful to shareholders in assessing the financial performance of the Group;
- Return on invested capital (ROIC): this is adjusted operating profit net of tax divided by the average adjusted invested capital. Adjusted invested capital represents net assets adjusted for net debt and net retirement benefit assets/(liabilities) and is the average of the opening and closing balances. Calculations and reconciliations are provided in the five-year record of the Group's Annual Report. The Board believes that ROIC is a key measure of efficient capital allocation and that it is useful to shareholders in assessing the returns delivered by the Group and the impact of deploying more capital to grow future returns faster; and,
- New and Protected Products (NPP): these are products which are protected by virtue of being either newly launched ('new'), protected by intellectual property ('patented') or by unique quality characteristics ('protected'). NPP is used by management to measure and assess the level of innovation across the Group.

Croda International Plc

CEO Review

We use a number of APMs to assist in presenting information in this statement which are defined on page 4. All comparisons are with H125 unless otherwise stated. % change in sales is organic sales growth (ie at constant currency) unless otherwise stated.

Group H126 results - delivering innovation-led growth

The Group's first half year performance was in line with our expectations as we continued to execute our plan to grow earnings and returns. We delivered 4.6% organic sales growth ("osg") driven by strong growth in Consumer Care. Group sales volumes and price/mix were both positive.

Adjusted operating profit was £155.8m (H125: £146.9m), an organic increase of 6.7%, delivering our objective to grow profits more strongly than sales and reflecting both our increased focus on innovation-led growth and the benefit of transformation efficiencies. Adjusted operating margin was 17.7%, up from 17.2% in H125. Free cash flow (post exceptionals) increased by 36.8% to £38.3m (H125: £28.0m restated), benefitting from our more disciplined approach to capital expenditure.

Consumer Care sales were up 8% reflecting our actions to reinvigorate Beauty with demand for innovation continuing to improve particularly from global beauty brands. Sales were flat in Life Sciences, with Crop Protection sales down 2% against a tough comparator following a period of significant customer restocking in H125. Pharma sales were up 1% with Pharma Ingredient sales up 7% reflecting our actions to rebalance resources, but sales were 17% lower in Pharma Solutions, a smaller, more project-driven portfolio, adversely impacted by phasing of sales into the second half year.

Strong Q2 sales performance

Organic sales growth improved to 9% in Q2, with growth in Q1 muted by a strong Q125 comparator. Consumer Care sales were up 14% in Q2 with growth in Beauty Actives particularly strong (up 27%). Q2 organic sales growth increased to 4% in Life Sciences with Pharma sales up 3%. Our order book means we expect project revenues in Pharma Solutions to improve in H2 alongside continued steady progress in Pharma Ingredients supporting a further improvement in Pharma sales in the second half year.

The overall impact of the situation in the Middle East was limited with price increases to recover input cost inflation (where necessary) and some limited pre-buying from customers (mainly in Consumer Care) broadly offset by lower Fragrances & Flavours (F&F) sales in the region.

Executing our three-year plan to grow earnings and returns

We are executing the plan outlined in February 2026 and are on track to achieve the financial framework to full year 2028:

- More consistent sales growth - through higher volumes and improved mix
- Enhanced profitability - benefitting from transformation efficiencies as well as sales growth
- Sustainable growing cashflows - aided by lower capex and working capital, and
- Improving returns on capital

Driving consistent growth

We are delivering more consistent growth by refocusing innovation, leveraging our proximity to customers, and maximising returns following a period of peak investment as well as successfully reinvigorating Beauty and seeing the early benefits of rebalancing Pharma. Our business is already well invested so we are not having to ramp up investment to deliver consistent growth.

Refocusing innovation

After a period where customers prioritised supply and demand challenges ahead of innovation, customer spending on innovation is increasing, particularly at global consumer brands. Faced with intense competition from smaller challenger brands, which have been innovating quickly, our largest customers are prioritising science-backed efficacy, evidence, and faster innovation to protect and retake market share.

This trend underpins our enhanced focus on innovation-led growth which is sales mix and margin accretive and will therefore make an important contribution to our financial performance over the next three years. We are seeing the benefits of reallocating our R&D resources to meet changing customer needs through a framework that puts greater emphasis on customer co-creation and creating new markets for existing ingredients, as well as the development of new ingredients. For example, in Beauty, we have repositioned a plumping ingredient to help consumers combat "drooping face" associated with rapid weight loss from GLP1 drugs, and in Pharma, we have seen a significant increase in co-creation projects for topical applications, a number of which draw on our skin care expertise in Beauty.

Overall, there was a 6.9% organic increase in sales of New and Protected Products (NPP), growing faster than total sales, and led by both Beauty Actives and Pharma Ingredients.

We are also continuing to drive innovation by leveraging both chemistry and biotechnology to deliver further benefits to customers. We have commissioned a new Group-wide biotech centre of excellence in the UK with expertise in biocatalysis and synthetic biology, expanding on our existing biotech capabilities in plant stem cells (in France and

Italy), marine micro-organisms (in Canada) and fermentation (in Korea and the UK).

Improving customer experience

Our direct-to-customer sales model, together with the close alignment of sales and R&D, is a significant competitive advantage. We have segmented customers more clearly to optimise sales resource and enable the introduction of differentiated service packages for global brands, regional "giants" and local customers. This is helping to enable growth across all customer types, with global brands growing equally as strongly as local and regional customers in Consumer Care in H1, the first time for a number of years their growth has not been behind their smaller competitors. Our current Group customer Net Promoter Score (NPS) is +43, with the latest survey recently launched.

Maximising returns from investments

Having significantly transitioned our portfolio over the last five years, we are now focused on maximising returns from the investments we have made to ensure they deliver incremental sales and profit growth.

Acquisitions during this period of portfolio transition focused on enhancing our capabilities and accelerating growth in Consumer Care and Pharma, with the last significant acquisition completed in 2023 adding biotech-derived ingredients including ceramides. After commercialisation of ceramides initially took longer than expected, sales grew 44% in H1 with ceramides now sold globally supported by upgraded data packages to verify performance claims.

Capex has focused on expanding manufacturing in Asia and Pharma capabilities in the UK and USA. We opened the two final Asian production sites built under our recent investment programme which provide capabilities for multiple business units and support our objective of moving manufacturing closer to our fastest-growing customers in Asia. To help us meet the strategic growth opportunity in India, we have opened a new greenfield facility at Dahej in Gujarat with lower carbon emissions and a lower cost per unit than our existing Indian manufacturing facility. We have also commissioned a combined Fragrances and Beauty Actives facility in Guangzhou in China, a province which has a significant concentration of local and regional customers which have been growing strongly. With the business now well invested, future capital expenditure will be highly selective.

Driving growth in key markets

As outlined in the Business Reviews, we are successfully reinvigorating Beauty - to take advantage of the full range of opportunities globally, and seeing the early benefits of rebalancing Pharma - to put a greater emphasis on our core Pharma Ingredients that account for the majority of sales. Both Beauty and Pharma have margins above the Croda average, so driving consistent growth in these businesses enhances Group profitability.

We are reinvigorating Beauty by internationalising our Actives capabilities beyond our centre in Paris. Our Actives have traditionally been used in premium brands, with customers' high-end categories currently doing well, but we are now targeting more affordable beauty categories as well, where the margins that we make are similar and we are growing market share even though lower-income consumers are under financial pressure. We are also commercialising our advanced biotech pipeline, for example, by bringing a new class of hair bond-building ingredients to market in Beauty Care that repair keratin bonds damaged by styling and colouring.

To improve customer experience, we have organised our Pharma business into two portfolio-led focus areas. These are: Pharma Ingredients - which leverages our regional model and provides excipients for drug delivery and ingredients for consumer health that account for over 70% of Pharma sales, and Pharma Solutions - a smaller, more specialised business which provides vaccine adjuvants and lipid technologies principally for new drugs in development. We have seen the early benefits of reallocating resources to Pharma Ingredients where sales growth is steadily improving. This has included relaunching our "flagship" ingredients for topical applications and in animal health that were not our priority during the CV19 pandemic. In Pharma Solutions, we are targeting new originator and generic markets including in Asia, an increasingly important region where we are well placed.

Delivering transformation

We are implementing transformation to enhance both growth and efficiency, enabling us to take out costs to enhance profitability, alongside delivering structural change that will make Croda a better business for the long term. We are executing action plans for each workstream and continue to expect to deliver total annualised efficiency benefits of ~£100m, as well as a ~£50m reduction in working capital, both for full year 2028. Implementation is on track delivering incremental savings of £18m in H126 in addition to the £10m benefits realised in the H125 comparator and the £18m delivered in H225. Further additional benefits are expected to be realised in H226 and in 2027, meaning that a significant proportion of our future margin improvement is supported by actions that are under our control.

Optimising product portfolio

We are simplifying and optimising our customer and product portfolios to sharpen our commercial focus. To optimise customers 'at the tail', we have introduced minimum order values globally, and accelerated the adoption of 'CrodaOn,' a low cost-to-serve online portal for lower value orders which is now used by ~18% of our customer base, up from ~10% at the end of 2025. To rationalise our product portfolio, we are targeting a reduction in SKUs in 2026, with ~30% of our global product portfolio reviewed and optimised so far.

Optimising supply chain

We are optimising procurement, production and distribution to enhance customer service. We are globalising procurement, with delivery of efficiencies in packaging, freight and our most significant raw materials underway, alongside renegotiation of payment terms. Optimisation of production capacity and rationalisation of manufacturing processes is progressing well, focused on our 11 shared manufacturing sites, with headcount falling in every region (ex F&F) since the beginning of the programme. The commissioning of the two new production facilities in Asia in H1 contributes to the rebalancing of our manufacturing footprint to higher-growth countries and away from more mature regions, with UK alkoxylation production transferred to other sites.

Simplifying our organisation

We are simplifying our organisation to realign our cost base by streamlining enabling functions, indirect costs, headcount and management layers. Outside of F&F, where we have invested in additional capacity and people to deliver continued volume-led growth, our actions have reduced headcount across the Group. We are professionalising and streamlining structures in enabling functions, with shared service centres being implemented for Finance, and a greater use of outsourcing.

Digitalising the business

These workstreams are underpinned by actions to enhance our high-performance culture, and to leverage AI, data and digitalisation to support decision-making and enhance our competitive position. Across the Group we are embedding AI and digitalisation guided by a coordinated roadmap. We are generating incremental revenue by incorporating AI, for example in our Seed business where the use of AI to optimise and control all steps of tomato seed enhancement, leveraging more than 20 years of data, has significantly reduced treatment times.

FY26 outlook unchanged

There is no change to our outlook for full year 2026 despite the ongoing geopolitical and macro-economic uncertainty. We continue to expect:

- Group organic sales growth within our 3-6% range
- A further increase in Group adjusted operating margin driven by improving profitability in Consumer Care and Life Sciences and the benefits of our transformation programme

Our expectations for Group full year 2026 adjusted operating profit are unchanged.

Technical foreign exchange guidance

The guidance for Group performance in 2026 and financial framework to 2028 are provided on a constant currency basis. Constant currency expectations are based on the Group's average exchange rates through 2025 which were US 1.32 and €1.17. The US Dollar and the Euro together represent approximately 65% of the Group's currency translation exposure. We estimate that the average annual currency translation impact on adjusted operating profit is £1m per Dollar cent movement per annum and £1m per Euro cent movement per annum. Foreign currency translation adversely impacted adjusted operating profit by £1.0m in H126. If foreign exchange rates in the period from July 2026 to December 2026 were to reflect the same levels as June 2026 closing rates, it is anticipated that there would be a negative impact of approximately £4m on reported FY26 operating profit inclusive of the anticipated impact from hyperinflation accounting.

Financial Review

Sales

H126 Group sales performance

Sales	H126 £m	Price/mix	Volume	Organic change	Currency	H125 £m	Change
Consumer Care	**523.7**	3.8%	4.5%	8.3%	(1.8)%	491.8	6.5%
Life Sciences	**257.3**	0.5%	(0.3)%	0.2%	(1.6)%	261.0	(1.4)%
Industrial Specialties*	**99.5**	1.7%	(3.6)%	(1.9)%	(1.5)%	103.0	(3.4)%
Group*	**880.5**	3.4%	1.2%	4.6%	(1.7)%	855.8	2.9%

* % movements exclude Industrial Specialties by-product and co-stream sales

Group sales were £880.5m (H125: £855.8m), an organic increase of 4.6%, driven by 8.3% organic sales growth (osg) in Consumer Care. Group price/mix was up 3.4%, with both price and mix positive, supported by increased customer demand for innovation particularly in Consumer Care. Sales volumes increased by 1.2%, improving in every business unit in Consumer Care as well as in Pharma Ingredients.

Quarterly sales performance by business

Sales	Q226			Q126		
	Q226	Q225	Organic change	**Q126**	Q125	Organic change
Consumer Care	**268.7**	236.7	13.5%	**255.0**	255.1	3.6%
Life Sciences	**131.1**	126.5	4.1%	**126.2**	134.5	(3.4)%
Industrial Specialties	**49.5**	50.3	(1.6)%	**50.0**	52.7	(2.2)%
Group	**449.3**	413.5	8.8%	**431.2**	442.3	0.8%

Second quarter sales strengthened sequentially in Consumer Care and Life Sciences compared with Q1, with every business contributing to the improvement except F&F, which experienced some Iran-related interruptions to demand, and Crop Protection, as farmer incomes were adversely impacted by higher input costs. Organic sales growth also benefitted from a lower prior year comparator period.

H126 and quarterly sales performance by region

% organic change in sales versus the prior year	H126	Q226	Q126
EMEA	**3%**	4%	2%
Asia	**10%**	17%	2%
North America	**(1)%**	7%	(7)%
Latin America	**11%**	11%	11%
Group	**4.6%**	8.8%	0.8%

Consumer Care growth was widespread across all regions with Beauty Actives sales particularly strong in North America. Life Sciences sales were adversely affected by phasing in Pharma Solutions, particularly in North America, and the strong prior year comparator in Crop Protection which benefitted from restocking from multinational customers primarily in EMEA and North America. Asia saw the biggest improvement in Q226 versus Q1, driven by Consumer Care and Industrial Specialties, with organic sales growth also benefitting from a lower Q225 comparator period that included some tariff impacts.

Profit and margin

	H126			H125		
	IFRS £m	**Adjustments £m**	**Adjusted £m**	IFRS £m	Adjustments £m	Adjusted £m
Sales	**880.5**	**-**	**880.5**	855.8	-	855.8
Cost of sales	**(487.3)**	**-**	**(487.3)**	(470.2)	-	(470.2)
Gross profit	**393.2**	**-**	**393.2**	385.6	-	385.6
Operating costs	**(277.7)**	**(40.3)**	**(237.4)**	(291.2)	(52.5)	(238.7)
Operating profit	**115.5**	**(40.3)**	**155.8**	94.4	(52.5)	146.9
Net interest charge	**(8.1)**	**-**	**(8.1)**	(8.9)	-	(8.9)
Profit before tax	**107.4**	**(40.3)**	**147.7**	85.5	(52.5)	138.0
Tax	**(27.8)**	**9.5**	**(37.3)**	(22.6)	12.9	(35.5)
Profit after tax	**79.6**	**(30.8)**	**110.4**	62.9	(39.6)	102.5

Operating profit	H126			H125		
	IFRS £m	**Adjustments £m**	**Adjusted £m**	IFRS £m	Adjustments £m	Adjusted £m
Consumer Care	**73.4**	**(24.7)**	**98.1**	55.4	(30.3)	85.7
Life Sciences	**39.8**	**(13.9)**	**53.7**	38.1	(18.0)	56.1
Industrial Specialties	**2.3**	**(1.7)**	**4.0**	0.9	(4.2)	5.1
Group	**115.5**	**(40.3)**	**155.8**	94.4	(52.5)	146.9

Adjustments	H126 £m	H125 £m
Restructuring and transformation costs	**(17.5)**	(7.4)
Impairment charges	**(5.1)**	(27.3)
Exceptional items	**(22.6)**	(34.7)
Amortisation of intangible assets arising on acquisition	**(17.7)**	(17.8)
Total adjustments	**(40.3)**	(52.5)

Adjusted profit	H126 £m	Organic change	Currency Impact	H125 £m	Change
Consumer Care	**98.1**	14.3%	0.2%	85.7	14.5%
Life Sciences	**53.7**	(2.4)%	(1.9)%	56.1	(4.3)%
Industrial Specialties	**4.0**	(19.8)%	(1.5%)	5.1	(21.3)%
Operating profit	**155.8**	6.7%	(0.6%)	146.9	6.1%
Net interest	**(8.1)**			(8.9)	
Profit before tax	**147.7**	7.6%	(0.6%)	138.0	7.0%

IFRS operating profit was £115.5m (H125: £94.4m). IFRS operating profit included a charge for adjusting items of £40.3m (H125: £52.5m) including ongoing costs associated with business transformation of £17.5m (H125: £7.4m), impairment charges of £5.1m (H125: £27.3m) and a charge for amortisation of acquired intangibles of £17.7m (H125: £17.8m).

Group adjusted EBITDA was £207.9m (H125: £198.5m), up 5.5% on an organic basis, at an adjusted EBITDA margin of 23.6% (H125: 23.2%.) Group adjusted operating profit was £155.8m (H125: £146.9m), up 6.7% on an organic basis, with adjusted operating margin improving to 17.7% (H125: 17.2%) driven by sales growth. We expect the adjusted operating margin to increase sequentially in H226 supported by growth and further additional transformation benefits.

Our principal costs are raw materials (~34% of 2025 sales), people (~22% of sales), and freight and energy (~5% of sales combined). Whilst we experienced some cost inflation associated with the situation in the Middle East, significant cost spikes were limited to ~10% of our raw materials which have begun to normalise. As previously communicated, we acted quickly and responsibly to increase prices in Q2 to recover Middle East-driven input cost inflation whilst enhancing our trusted long-term relationships with customers.

Our transformation programme targets ~£100m of total annualised pre-tax benefits by the end of 2027 which annualise in full year 2028 versus a 2024 baseline and at a total cash cost of £80m which we are taking as exceptional charges. We delivered £18m of incremental savings in H126 in addition to the £10m benefits realised in the H125 comparator and the £18m delivered in H225. With the rate at which we are realising efficiency savings continuing to build, and further incremental cost savings expected in the second half year and in 2027, we remain on track to deliver the expected transformation benefits for full year 2028.

Net finance costs were £8.1m (H125: £8.9m), ~£3m lower than anticipated driven equally by lower underlying interest and a positive IAS19 pension adjustment. Profit before tax (on an IFRS basis) was £107.4m (H125: £85.5m) and adjusted profit before tax increased to £147.7m (H125: £138.0m), up 7.6% on an organic basis. The effective tax rate on adjusted profit was 25.3% (H125: 25.7%) and the effective tax rate on IFRS profit was 25.9% (H125: 26.4%). We continue to expect an effective tax rate on adjusted profit of 26% in future years depending on the geographic mix of profits. IFRS basic earnings per share (EPS) were 56.5p (H125: 43.8p) and adjusted basic EPS were 78.6p (H125: 72.2p).

Currency impact

Sterling was stronger against the US Dollar, at US 1.344 (H125: US 1.298) but weaker against the Euro, at €1.152 (H125: €1.187). Currency translation reduced sales by £15.0m and adjusted operating profit by £1.0m, including the effect of the application of IAS 29 ('Financial Reporting in Hyperinflationary Economies') to reporting in Argentina and Turkey. We estimate that the average annual currency translation impact on adjusted operating profit is £1m per Dollar cent movement per annum and £1m per Euro cent movement per annum. The US Dollar and the Euro together represent approximately 65% of the Group's currency translation exposure and the impact from movements in smaller currencies is broadly aligned with the impact from movements in the US Dollar.

Retirement benefits

The post-tax asset on retirement benefit plans at 30 June 2026, measured on an accounting valuation basis under IAS19, was £75.4m (30 June 2025: £75.4m). Cash funding of the various plans is driven by the schemes' ongoing actuarial valuations. The triennial actuarial valuation of the largest pension plan, the UK Croda Pension Scheme, was performed as at 30 September 2023 and indicated that the funding position of the scheme had significantly improved with the cash cost of providing benefits having fallen, and no deficit recovery plan required. We expect to undertake the next triennial valuation in H226.

Cash flow and balance sheet

	Six months ended 30 June	
		Restated
Cash flow	**H126 £m**	H125* £m
Adjusted operating profit	**155.8**	146.9
Depreciation and amortisation	**52.1**	51.6
Adjusted EBITDA	**207.9**	198.5
Working capital	**(67.8)**	(60.7)
Interest & tax paid	**(39.9)**	(39.1)
Non-cash pension expense	**2.5**	2.2
Share-based payments	**4.6**	3.0
Business transformation costs	**(17.5)**	(6.4)
Other movements	**0.5**	(1.0)
Net cash generated from operating activities	**90.3**	96.5
Net capital expenditure	**(42.8)**	(59.5)
Interest received	**0.7**	0.6

Payment of lease liabilities	**(9.4)**	(9.0)
Other non-operating cash movements	**(0.5)**	(0.6)
Free cash flow	**38.3**	28.0
Dividends	**(87.8)**	(87.9)
Other cash movements	**-**	(1.2)
Net cash flow	**(49.5)**	(61.1)
Net movement in borrowings	**44.5**	68.7
Net movement in cash and cash equivalents	**(5.0)**	7.6

**H125 restated to include cash costs of exceptional items in free cash flow, see page 4*

Free cash flow improved to £38.3m (H125: £28.0m restated) with a working capital outflow of £(67.8)m (H125: £(60.7)m) supporting good growth which accelerated in Q2 impacting the period end position. As part of transformation, we are targeting structural improvements to reduce working capital by ~£50m for full year 2028 across receivables, payables and inventory. Capital expenditure fell to £42.8m (H125: £59.5m), 4.9% of Group sales, benefitting from our more disciplined approach. Following the recent period of heightened investment, we continue to expect future capital expenditure to be ~6% of sales.

Closing net debt was £577.9m (30 June 2025: £580.1m), with a leverage ratio of 1.4x EBITDA (30 June 2025: 1.5x), within our 1-2x target range. Ahead of the June 2026 maturity of the Group's 2016 Euro and Sterling fixed-rate notes, we successfully accessed the US Private Placement market, issuing £50m and €100m of new fixed-rate notes. As at 30 June 2026, the Group had committed funding in place of £1,075.0m, with undrawn long-term committed facilities of £362.9m and £205.3m in cash.

Our capital allocation framework is unchanged, but we are applying it with greater rigour to improve discipline over:

1. Organic investment to support growth
2. Ordinary dividends to shareholders representing 40-50% of adjusted earnings through the cycle
3. Small, selective technology acquisitions from the medium term as we focus on maximising returns from recent investments in the short term
4. Maintaining leverage in the 1-2x EBITDA range, providing opportunities for the return of excess capital to shareholders as we generate free cash flow

The Board is proposing to hold the interim dividend flat at 48.0p (H125: 48.0p) in line with its commitment to at least maintain the ordinary dividend as we restore earnings cover and reduce the payout ratio from the current level.

On track to achieve financial framework to Full Year 2028

We are fully focused on executing our plan and are seeing encouraging evidence that our actions are driving more consistent sales growth, improving profitability and stronger cash generation, keeping us on track to achieve our FY28 framework. Our ambitions go beyond these targets, but they provide a roadmap for the next three years.

Financial KPIs

We are targeting:

- *Consistent sales growth* from our strengthened portfolio, targeting an organic increase in sales of 3-6% CAGR 2026 to 2028 driven by both higher sales volumes and positive price/mix, achieving 4.6% Group organic sales growth in H126
- *Enhanced profitability* driven by growth and transformation, targeting a Group adjusted operating margin over 20% for full year 2028, with adjusted operating margin increasing by 0.5 percentage points in the first half year
- *Sustainable and growing cashflows*, targeting a free cash flow-to-sales ratio (post exceptionals) of over 12% for full year 2028, driven by improved profitability, low capital expenditure and structural improvements to working capital, achieving a 36.8% increase in free cash flow in H126
- *Improving returns on capital*, targeting a Return on Invested Capital (ROIC) of at least 10% for full year 2028 with ROIC improving to 8.4% (H125: 8.1%)

Non-financial KPIs

Our non-financial KPIs are:

- *Safe workplace.* Our total Recordable Injury Rate was 0.78 (H125: 0.45; FY25 0.61) versus a target of 0.3 by end of 2026. Fortunately, the associated injuries were of low severity with limited lost time, but we are disappointed with the step back in performance and are actively working on improvements to reduce the number of incidents
- *Innovation-led.* Sales of New and Protected Products increased by 6.9% on an organic basis in line with our remuneration metric that requires NPP sales to grow at least as quickly as total organic sales growth (4.6%)
- *Sustainability leadership.* Progress against our GHG emissions and water use targets are subject to limited assurance and will be reported at year end. We continue to be recognised as a sustainability leader in external rankings and were recently awarded a 'Gold' rating by Ecovadis with a score of 85/100 that puts us in the top 2% of organisations assessed in the last 12 months
- *Satisfied customers.* Our latest customer Net Promoter Score (NPS) is +43, with the 2026 survey recently launched, where we are targeting a further increase in NPS for a subset of our larger customers where the data is most robust
- *Engaged employees.* Our employee Net Promoter Score reached +23 in H126, versus +11 in March 2025 when the metric was introduced using a new tool, with a target of +24 by 2028

Business review - Consumer Care

Consumer Care comprises four business units:

- Beauty Actives provides peptides - the most effective ingredient for preventing skin ageing, ceramides - for rapid skin moisturisation, biotech-derived ingredients, and botanical actives extracted from plants
- Beauty Care comprises 'effect' ingredients - such as bond-builders for hair and mineral sunscreens, and 'formulation' ingredients such as emulsifiers and emollients which make up the structural chassis of customer formulations, many of which are differentiated by their performance claims and sustainability profile
- Fragrances and Flavours (F&F) goes to market as Iberchem with its wide range of fragrances and niche positioning with L&R customers, Parfex for fine, premium skin care and natural fragrances, and Scentium for Flavours
- Home Care is focused on two technology platforms which provide improved efficacy and sustainability - fabric care, with proteins that increase the lifetime of clothes; and household care, with sustainable surfactants

Performance in H126

% change in sales is organic sales growth (ie at constant currency) unless otherwise stated.

% organic change in sales versus the prior year	H126	Q226	Q126
Beauty Actives	**19%**	27%	12%
Beauty Care	**4%**	13%	(4)%
F&F	**8%**	7%	10%
Home Care	**9%**	12%	6%
Consumer Care	**8.3%**	13.5%	3.6%

Consumer Care delivered a better first half performance than we had anticipated at the beginning of the year due to:

- Ongoing strength in premium categories as consumer consumption continues to be driven by more affluent households
- The actions that we are taking to grow market share in more affordable categories where consumers' disposable incomes are under financial pressure
- Stronger demand for innovation from global beauty brands as they look to compete with local and regional companies
- A concentration of customer product launches that benefitted Beauty Actives sales in Q2

Sales were £523.7m (H125: £491.8m), up 8.3%, with price/mix and volume both positive and growth widespread across all regions. Beauty Actives was the standout performer, with sales up 19%, supported by demand for innovation and in premium categories. Beauty Care sales were 4% higher, with sales strengthening sequentially in Q2 in both our Beauty businesses compared with Q1. F&F sales were up 8% despite interruptions to demand in the Middle East (where it generates over 20% of its sales). Home Care sales were 9% higher with growth in all regions. Overall, year-on-year organic sales growth for Consumer Care improved from 3.6% in Q1 to 13.5% in Q2 against a lower Q225 comparator period.

Adjusted operating profit increased to £98.1m (H125: £85.7m), an organic increase of 14.3%. Adjusted operating margin improved to 18.7% (H125: 17.4%) due to the favourable mix and aided by our transformation actions. IFRS operating profit was £73.4m (H125: £55.4m).

Strategic priorities and progress

Reinvigorating Beauty

In line with Group priorities, we are refocusing innovation, improving customer experience and maximising returns from investments:

- We have *refocused innovation* to place greater emphasis on co-creation with customers and finding new markets for existing ingredients, as well as developing new ingredients
  - *Existing product development*: We have repositioned Volufiline, a skin-plumping ingredient, to address consumer concerns about facial hollowing, often associated with GLP1 use. Deciem has adopted Volufiline as its trade name for a product from The Ordinary brand, formulating our ingredient at up to 92% inclusion levels
  - *New product development*: Launches included Matrixyl Neolide, a patented, encapsulated slow-release version of our market-leading peptide that delivers benefits for up to 15 days once applied to the skin, further enhancing the competitive differentiation of our range
- We innovate to create *new sustainable ingredients* supported by verification data to prove our claims. We received the "sustainability initiative of the year" award from Cosmetics Business for our extensive portfolio testing programme and continued development of new screening methodologies. Through our "Beauty of Zero" campaign, we also reiterated our commitment to achieving zero negative impact

We are successfully reinvigorating Beauty by internationalising Actives, expanding into more affordable beauty categories, driving conversion of our biotech pipeline and positioning Care ingredients as delivery systems for Actives:

- We are *internationalising our Actives capabilities* beyond the traditional centre in Paris, transferring technology (for example, to the new site in China) and extending claims substantiation capabilities to more sites (for example, in Korea) to enable greater tailoring to specific country needs
- In addition to developing ingredients for premium products, we are moving into *more affordable* beauty categories with higher penetration in masstige brands at our Beauty MNC partners
- We are scaling up and *commercialising our biotech pipeline*, enhanced by the opening of a new biotech centre of excellence in the UK. Hair care is a particular focus area with market category growth accelerating to 6% and growing faster than skin care in Europe and North America according to leading consumer insight providers. We recently launched Kerabio, a bond-builder for hair and the first of a number of ingredients we are developing from our recombinant protein platform. Kerabio has already received initial orders from customers including prestige brands

- and professional salon specialists
- We are also *showcasing Beauty Care as delivery systems for Actives*, leveraging our formulation expertise to develop tailor-made solutions for customers comprising multiple ingredients that deliver efficacy and/or sensory benefits

Enabling continued fast growth in F&F

To enable continued fast growth in F&F, we are leveraging core strengths which include our agile model for higher-growth L&R customers and strong focus on fast-growth emerging markets. This agility has enabled us to respond rapidly to events in the Middle East, where the business generates more than 20% of sales but where we have no local manufacturing sites. Actions included using air rather than sea freight to distribute ingredients and driving growth in other regions (notably Western Europe, Africa and Latin America) as an offset to lower sales in the Middle East.

To deliver sustained growth over the medium term, we are selectively investing in production capacity, R&D, and AI:

- To expand manufacturing capacity and geographic footprint, we have opened:
  - A new fragrances facility at the new site in China, which supersedes a previous F&F site in Guangzhou established in 2002, more than tripling production capacity in one of the top three growth markets globally
  - Expanded innovation and production facilities for fine fragrances in Grasse, France
- R&D investment is focused on micro-encapsulation and water-based fragrances
- With our speed already a differentiator compared with tier-one F&F peers, we are adopting AI combined with more than 40 years of formulation knowledge to accelerate development cycles and further improve response times

Business review - Life Sciences

Life Sciences focuses on providing delivery systems for active pharmaceutical and agricultural products. It comprises three business units:

- Pharma provides ingredients and solutions for a wide range of different drugs and vaccines leveraging our expertise in synthesis, purification, formulation and application technology know-how. These include speciality excipients, vaccine adjuvants and lipids for drug delivery, as well as ingredients used in consumer health products
- Crop Protection offers adjuvants and formulation aids that improve performance and delivery of crop protection products
- Seed Enhancement provides seed coating systems and enhancement technologies to improve germination, stimulate development of seeds and increase crop yields

Performance in H126

% change in sales is organic sales growth (ie at constant currency) unless otherwise stated.

% organic change in sales versus the prior year	**H126**	Q226	Q126
Pharma	**1%**	3%	(2)%
Crop Protection	**(2)%**	5%	(8)%
Seed Enhancement	**4%**	6%	2%
Life Sciences	**0.2%**	4.1%	(3.4)%

First half year sales of £257.3m (H125: £261.0m) were flat on an organic basis. By business unit, sales were up 1% in Pharma, up 4% in Seed Enhancement and down 2% in Crop Protection against a tough comparator following a period of significant customer restocking in H125. Organic sales growth improved in the second quarter to 3% in Pharma, 5% in Crop and 6% in Seed, with Pharma and Seed also stronger sequentially versus Q1.

Overall, first half year sales were slightly behind what we had anticipated at the beginning of the year, but we are confident of delivering a stronger performance in H226:

- Pharma performance in H1 comprised a 7% increase in Pharma Ingredient sales reflecting our actions to rebalance resources, but sales in the more lumpy, project-driven Pharma Solutions portfolio were 17% lower impacted by project phasing. For H2, our order book means we expect project revenues to improve in Pharma Solutions alongside continued steady progress in Pharma Ingredients
- Whilst farmer incomes have come under pressure due to Iran-related input cost inflation, the rebalancing of stock by multi-national customers that we had seen in Q1 is coming to an end giving confidence in more stability in demand for our Crop Protection ingredients. We also expect our Seed Enhancement, with its mainly services business model, to continue to deliver consistent sales growth

Adjusted operating profit was £53.7m (H125: £56.1m), down 2% on an organic basis due to adverse mix, at an adjusted operating margin of 20.9% (H125: 21.5%). IFRS operating profit was £39.8m (H125: £38.1m).

Strategic priorities and progress

To take full advantage of opportunities in key Life Sciences markets, we are rebalancing Pharma and driving differentiation in our Agriculture businesses. We are targeting an organic increase in sales in Life Sciences of 4-7% CAGR 2026-28, excluding any breakout growth opportunities in Pharma.

Rebalancing Pharma

We are seeing the early benefits of rebalancing Pharma to put greater emphasis on core Pharma Ingredients that account for the majority of sales. With margins across Pharma above Group average, growth will also help enhance profitability.

- Pharma Ingredients provides consumer health ingredients and advanced excipients that account for over 70% of total Pharma sales, principally for established drugs. It is organised on a regional basis to leverage Croda's regional model. We are driving an improving performance in *Pharma Ingredients* by:
  - *Relaunching our core "flagship" ingredients*, for topical applications and animal health, which were not our priorities during the CV19 pandemic, which has resulted in a step up in customer co-creation projects for topical applications where we combine our Pharma expertise in effective delivery with our Beauty expertise in patient-friendly application
  - *Scaling innovation for advanced ingredients* particularly for injectables and bioprocessing applications, such as the recent launch of high-purity amino acids, and continued progress of Virodex, our first range of bioprocessing ingredients. Virodex has multiple joint projects with leading multinational pharma companies, with early evidence of commercial potential demonstrated by a more significant follow-on order
- Pharma Solutions provides lipid technologies and vaccine adjuvants, and is organised as a specialised global business working closely with customers and partners principally on new drugs in development. In *Pharma Solutions*, we are:
  - *Expanding our range of more than 2,000 lipids and applications across originator and generics markets,* for example, through a new partnership with NovoArc that provides customers with access to lipids that potentially enable oral delivery for complex therapeutics that normally require injectable delivery
  - *Partnering to accelerate sustainable adjuvant development,* for example for biotech-derived squalene adjuvants as shark-derived alternatives face tighter trade controls following a change to the Washington Convention
- We innovate to create new sustainable ingredients, recently receiving the Sustainability Impact Award at the CPHI trade show in Shanghai, further enhancing brand visibility in the high-growth China market

Driving differentiation in our Agriculture businesses

To deliver more consistent growth, we are driving differentiation in our Agriculture businesses: Crop Protection and Seed Enhancement:

- As regulations tighten and product complexity increases, Agriculture customers have significant development needs providing us with opportunities to refocus innovation on projects that drive greater differentiation of our portfolio.
  - In Crop Protection we are developing next-generation adjuvant technologies, recently launching a new product developed in Asia to meet Chinese demand for drone delivery of crop protection products
  - In Seed Enhancement, by combining AI with extensive data, we have significantly reduced treatment times contributing to incremental revenue. As our AI model leverages data collected over more than 20 years, this AI-enabled innovation is enhancing our position as a market leader
  - Innovation in Seed Enhancement is also focused on adding to our range of seed coatings that are free from microplastics, strengthening our position ahead of the European ban on microplastics in seeds in 2028 and with demand building globally notably in Latin America

Business review - Industrial Specialties

Industrial Specialties (IS) contributes to the efficiency of our manufacturing model with sales from our shared manufacturing sites leveraging available capacity and core chemistries into target markets. We target an organic increase in sales in Industrial Specialties of (3)-3% CAGR 2026-28, which is expected to include an increase in core sales as we target selective growth opportunities in coatings, electrification and thermal management technologies, offset by a continued reduction in sales under supply agreements.

Sales of £99.5m (H125: £103.0m) were 1.9% lower on an organic basis. Continued growth in core sales, particularly of phase change materials for thermal management, was offset by a reduction in supply agreement sales, positively impacting price/mix but adversely affecting volumes.

Adjusted operating profit was £4.0m (H125: £5.1m), adjusted operating margin was 4.1% (H125: 5.0%) and IFRS profit was £2.3m (H125: £0.9m).

Principal risks

Our risk management processes, policies and the principal risks and uncertainties facing the Group were set out in the Group's Annual Report and Accounts for the year ended 31 December 2025.

The Group's principal risks, as reported in the financial statements for the year ended 31 December 2025, were revenue generation and profit conversion; product and technology innovation and protection; digital technology innovation; delivering sustainable solutions - Climate, Nature, and People Positive; management of business change; our people - culture, wellbeing, talent development and retention; product quality; loss of a significant manufacturing site; ethics and compliance; and security of business information and networks.

During our periodic risk reviews, we confirmed that all principal risks reported remain relevant and no new principal risks were identified. Four principal risks continue to intensify:

- Increased geopolitical tensions and interruptions to international trade have made the global economic outlook more uncertain, increasing our principal risk of revenue generation and profit conversion
- Security of business information and networks risk also heightened in likelihood because of evolving technologies

- Security of business information and networks risk also heightened in likelihood because of evolving technologies and increasingly sophisticated malicious activities worldwide
- As we accelerate our transformation programme, our management of business change risk can increase if not properly managed
- Our people principal risk can also increase as we accelerate our transformation programme if not properly managed

Statement of Directors' Responsibilities

The Directors confirm that this condensed interim financial information has been prepared in accordance with IAS 34 as adopted for use in the UK and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related party transactions in the first six months and any material changes in the related party transactions described in the last Annual Report.

The Directors of Croda International Plc at 30 June 2026 were as follows (a list of current Directors is maintained on the Croda website: www.croda.com):

Danuta Gray (Chair)
Steve Foots (Group Chief Executive)
Stephen Oxley (Chief Financial Officer)
Jill Anderson
Ian Bull
Roberto Cirillo
Jacqui Ferguson
Chris Good
Keith Layden
Nawal Ouzren
By order of the Board

Steve Foots
Group Chief Executive

Independent Review Report to Croda International Plc

Conclusion

We have been engaged by Croda International PLC ("the Company") to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2026 which comprises the Group Condensed Interim Income Statement, Group Condensed Interim Statement of Comprehensive Income, Group Condensed Interim Balance Sheet, Group Condensed Interim Statement of Changes in Equity, Group Condensed Interim Statement of Cash Flows and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2026 is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting as adopted for use in the UK and the Disclosure Guidance and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA").

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity ("ISRE (UK) 2410") issued for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention that causes us to believe that the Directors have inappropriately adopted the going concern basis of accounting, or that the Directors have identified material uncertainties relating to going concern that have not been appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the Group to cease to continue as a going concern, and the above conclusions are not a guarantee that the Group will continue in operation.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

The annual financial statements of the Group are prepared in accordance with UK-adopted international accounting standards.

The Directors are responsible for preparing the condensed set of financial statements included in the half-yearly financial report in accordance with IAS 34 as adopted for use in the UK.

In preparing the condensed set of financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review. Our conclusion, including our conclusions relating to going concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion section of this report.

The purpose of our review work and to whom we owe our responsibilities

This report is made solely to the Company in accordance with the terms of our engagement to assist the Company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have reached.

Lourens de Villiers
for and on behalf of KPMG LLP
Chartered Accountants
15 Canada Square
London E14 5GL

27 July 2026

Croda International Plc

Interim announcement of trading results for the six months ended 30 June 2026

Group Condensed Interim Income Statement

		First half 2026			First half 2025			Full year 2025		
	Note	**Adjusted £m**	**Adjustments £m**	**Reported Total £m**	Adjusted £m	Adjustments £m	Reported Total £m	Adjusted £m	Adjustments £m	Reported Total £m
Revenue	2	**880.5**	**-**	**880.5**	855.8	-	855.8	1,699.4	-	1,699.4
Cost of sales		**(487.3)**	**-**	**(487.3)**	(470.2)	-	(470.2)	(953.7)	-	(953.7)
Gross profit		**393.2**	**-**	**393.2**	385.6	-	385.6	745.7	-	745.7
Operating costs		**(237.4)**	**(40.3)**	**(277.7)**	(238.7)	(52.5)	(291.2)	(450.4)	(185.2)	(635.6)
Operating										

profit	2	**155.8**	**(40.3)**	**115.5**	146.9	(52.5)	94.4	295.3	(185.2)	110.1
Financial costs	3	**(12.3)**	**-**	**(12.3)**	(12.6)	-	(12.6)	(28.3)	-	(28.3)
Financial income	3	**4.2**	**-**	**4.2**	3.7	-	3.7	9.2	-	9.2
Profit before tax		**147.7**	**(40.3)**	**107.4**	138.0	(52.5)	85.5	276.2	(185.2)	91.0
Tax		**(37.3)**	**9.5**	**(27.8)**	(35.5)	12.9	(22.6)	(69.5)	43.2	(26.3)
Profit after tax for the period		**110.4**	**(30.8)**	**79.6**	102.5	(39.6)	62.9	206.7	(142.0)	64.7
Attributable to:										
Non-controlling interests		**0.9**	**-**	**0.9**	1.7	-	1.7	2.7	-	2.7
Owners of the parent		**109.5**	**(30.8)**	**78.7**	100.8	(39.6)	61.2	204.0	(142.0)	62.0
		110.4	**(30.8)**	**79.6**	102.5	(39.6)	62.9	206.7	(142.0)	64.7

Adjustments relate to exceptional items, amortisation of intangible assets arising on acquisition and the tax thereon. Details are disclosed in note 2.

		Pence Adjusted	**Pence Reported Total**	Pence Adjusted	Pence Reported Total	Pence Adjusted	Pence Reported Total
Earnings per 10.61p ordinary share							
Basic		**78.6**	**56.5**	72.2	43.8	146.2	44.4
Diluted		**78.4**	**56.3**	72.2	43.8	146.1	44.4
Ordinary dividends paid in the period							
Interim	4		**-**		-		48.0
Final	4		**63.0**		63.0		63.0

Group Condensed Interim Statement of Comprehensive Income

	2026 First half £m	2025 First half £m	2025 Full year £m
Profit after tax for the period	**79.6**	62.9	64.7
Other comprehensive (expense)/income:			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurements of post-retirement benefit obligations	**(14.3)**	(4.6)	2.5
Tax on items that will not be reclassified	**3.6**	1.1	(0.5)
	(10.7)	(3.5)	2.0
Items that have been or may be reclassified subsequently to profit or loss:			
Currency translation	**2.4**	(39.2)	(2.8)
	2.4	(39.2)	(2.8)
Other comprehensive expense for the period	**(8.3)**	(42.7)	(0.8)
Total comprehensive income for the period	**71.3**	20.2	63.9
Attributable to:			
Non-controlling interests	**1.4**	0.6	2.2
Owners of the parent	**69.9**	19.6	61.7
	71.3	20.2	63.9
Arising from:			
Continuing operations	**71.3**	20.2	63.9

Group Condensed Interim Balance Sheet

	Note	**At 30 June 2026 £m**	At 31 December 2025 £m
Assets			
Non-current assets			
Intangible assets	5	**1,251.2**	1,284.2

	Note		
Property, plant and equipment	6	**986.1**	985.8
Right of use assets		**65.0**	63.3
Investments		**1.9**	1.9
Deferred tax assets		**44.0**	31.0
Retirement benefit assets	8	**124.2**	137.7
		2,472.4	2,503.9
Current assets			
Inventories		**413.6**	370.5
Trade and other receivables		**437.9**	363.8
Cash and cash equivalents		**205.3**	172.8
		1,056.8	907.1
Liabilities			
Current liabilities			
Trade and other payables		**(318.0)**	(280.5)
Borrowings and other financial liabilities		**(54.8)**	(148.1)
Lease liabilities		**(14.4)**	(14.5)
Provisions		**(6.4)**	(6.8)
Current tax liabilities		**(17.8)**	(6.7)
		(411.4)	(456.6)
Net current assets		**645.4**	450.5
Non-current liabilities			
Borrowings and other financial liabilities		**(649.0)**	(470.3)
Lease liabilities		**(65.0)**	(63.7)
Other payables		**(1.0)**	(1.0)
Retirement benefit liabilities	8	**(23.3)**	(23.4)
Provisions		**(29.9)**	(29.4)
Deferred tax liabilities		**(161.1)**	(164.5)
		(929.3)	(752.3)
Net assets		**2,188.5**	2,202.1
Equity attributable to owners of the parent		**2,172.1**	2,187.1
Non-controlling interests in equity		**16.4**	15.0
Total equity		**2,188.5**	2,202.1

Group Condensed Interim Statement of Changes in Equity

	Note	Share capital £m	Share premium account £m	Other reserves £m	Retained earnings £m	Non-controlling interests £m	Total equity £m
At 1 January 2025		15.1	707.7	(100.4)	1,660.1	14.4	2,296.9
Profit after tax for the period		-	-	-	61.2	1.7	62.9
Other comprehensive expense for the period		-	-	(38.1)	(3.5)	(1.1)	(42.7)
Total comprehensive (expense)/income for the period		-	-	(38.1)	57.7	0.6	20.2
Transactions with owners:							
Dividends on equity shares	4	-	-	-	(87.9)	-	(87.9)
Share-based payments		-	-	-	3.2	-	3.2
Transactions in own shares		-	-	-	(1.2)	-	(1.2)
Total transactions with owners		-	-	-	(85.9)	-	(85.9)
Total equity at 30 June 2025		15.1	707.7	(138.5)	1,631.9	15.0	2,231.2
At 1 January 2026		15.1	707.7	(102.7)	1,567.0	15.0	2,202.1
Profit after tax for the period		-	-	-	78.7	0.9	79.6
Other comprehensive income/(expense) for the period		-	-	1.9	(10.7)	0.5	(8.3)
Total comprehensive income for the period		-	-	1.9	68.0	1.4	71.3
Transactions with owners:							
Dividends on equity shares	4	-	-	-	(87.8)	-	(87.8)
Share-based payments		-	-	-	2.9	-	2.9
Transactions in own shares		-	-	-	-	-	-
Total transactions with owners		-	-	-	(84.9)	-	(84.9)
Total equity at 30 June 2026		**15.1**	**707.7**	**(100.8)**	**1,550.1**	**16.4**	**2,188.5**

Other reserves include the Capital Redemption Reserve of £0.9m (30 June 2025: £0.9m) and the Translation Reserve of £(101.7)m (30 June 2025: £(139.4)m).

Group Condensed Interim Statement of Cash Flows

	Note	**2026 First half £m**	2025 First half £m	2025 Full year £m
Cash generated by operations				
Operating profit		**115.5**	94.4	110.1
Adjustments for:				
Depreciation and amortisation		**69.8**	69.4	137.0
Impairments of intangible assets and property, plant and equipment		**5.1**	27.3	107.3
Profit on disposal and write-offs of intangible assets and property, plant and equipment		**-**	(0.1)	-
Net provisions charged		**3.4**	2.7	24.6
Share-based payments		**4.6**	3.0	5.0
Non-cash pension expense		**2.5**	2.2	(1.0)
Net-monetary adjustment		**0.6**	0.5	1.5
Cash paid against operating provisions		**(3.5)**	(3.1)	(9.2)
Movement in inventories		**(37.8)**	(35.0)	(7.3)
Movement in receivables		**(70.2)**	(30.7)	(16.6)
Movement in payables		**40.2**	5.0	16.2
Cash generated by operations		**130.2**	135.6	367.6
Interest paid		**(10.6)**	(11.3)	(25.3)
Tax paid		**(29.3)**	(27.8)	(55.8)
Net cash generated from operating activities		**90.3**	96.5	286.5
Cash flows from investing activities				
Purchase of property, plant and equipment		**(41.8)**	(63.9)	(117.7)
Receipt of government grant		**-**	5.3	11.4
Purchase of other intangible assets		**(1.2)**	(1.1)	(2.2)
Proceeds from sale of property, plant and equipment		**0.2**	0.2	0.3
Cash paid against non-operating provisions		**(0.5)**	(0.6)	(1.6)
Interest received		**0.7**	0.6	3.0
Net cash used in investing activities		**(42.6)**	(59.5)	(106.8)
Cash flows from financing activities				
New borrowings		**252.8**	103.2	181.8
Repayment of borrowings		**(208.3)**	(34.5)	(152.5)
Payment of lease liabilities		**(9.4)**	(9.0)	(18.1)
Net transactions in own shares		**-**	(1.2)	(7.3)
Dividends paid to equity shareholders	4	**(87.8)**	(87.9)	(154.9)
Dividends paid to non-controlling interests		**-**	-	(1.6)
Net cash used in financing activities		**(52.7)**	(29.4)	(152.6)
Net movement in cash and cash equivalents		**(5.0)**	7.6	27.1
Cash and cash equivalents brought forward		**168.6**	141.7	141.7
Exchange differences		**(0.6)**	(2.0)	(0.2)
Cash and cash equivalents carried forward		**163.0**	147.3	168.6
Cash and cash equivalents carried forward comprise:				
Cash at bank and in hand		**205.3**	157.8	172.8
Bank overdrafts		**(42.3)**	(10.5)	(4.2)
		163.0	147.3	168.6

A reconciliation of the cash flows above to the movements in net debt is shown in note 7.

Notes to the Interim Financial Statements

1. a. General information

The Company is a public limited company (Plc) incorporated and domiciled in the UK. The address of its registered office is Cowick Hall, Snaith, Goole, East Yorkshire, DN14 9AA. The Company is listed on the London Stock Exchange. This consolidated interim report was approved for issue on 27 July 2026. The financial information included in this interim financial report for the six months ended 30 June 2026 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006 and is unaudited. The comparative information for the six months ended 30 June 2025 is also unaudited. The comparative figures for the year ended 31 December 2025 have been extracted from the Group's financial statements, as filed with the Registrar of Companies, on which the auditors gave an unqualified opinion, did not contain an emphasis of matter paragraph and did not make a statement under section 498 of the Companies Act 2006. These Group condensed interim financial statements have been reviewed, not audited.

b. Basis of preparation

This consolidated interim financial report for the six months ended 30 June 2026 has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted for use in the UK.

Tax charged within the six months ended 30 June 2026 has been calculated by applying the effective rate of tax

Tax charged within the six months ended 30 June 2026 has been calculated by applying the effective rate of tax which is expected to apply, on a jurisdiction-by-jurisdiction basis, to the Group for the year ending 31 December 2026 using rates substantively enacted by 30 June 2026 as required by IAS 34 'Interim Financial Reporting'.

The annual financial statements of the Group for the year ended 31 December 2026 will be prepared in accordance with UK-adopted international accounting standards. As required by the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority, the condensed set of financial statements has been prepared applying the accounting policies and presentation that were applied in the preparation of the Company's published consolidated financial statements for the year ended 31 December 2025, which were prepared in accordance with the requirements of the Companies Act 2006 ("Adopted IFRSs") and prepared in accordance with international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

Going concern basis

The condensed consolidated financial statements have been prepared on a going concern basis which the Directors believe to be appropriate for the following reasons:

At 30 June 2026 the Group had £1,075.0m of committed debt facilities available from its banking group, USPP bondholders and lease providers, with principal maturities between 2027 and 2033, of which £362.9m (30 June 2025: £354.1m) was undrawn, together with cash balances of £205.3m (30 June 2025: £157.8m). The Group's debt facilities have funding covenant requirements, principally the leverage covenant with a maximum level of 3.5x net debt to covenant EBITDA, and interest cover. USPP debt of £108.1m is due to mature in June 2027 which has been assumed to be renewed as part of the Group's going concern assessment, however sufficient headroom exists within the revolving credit facility throughout the forecast period were this debt not to be refinanced.

The Directors have reviewed the liquidity and covenant forecasts for the Group's going concern assessment period covering at least 12 months from the date of approval of the condensed consolidated financial statements. Given the time horizon of these forecasts, the risk of climate change is not expected to have a material impact on these forecasts. Based on these forecasts, the Group continues to have significant liquidity headroom and strong financial covenant headroom under its debt facilities

A reverse stress testing scenario has been performed which assesses that adjusted operating profit would need to fall by over 95% to trigger an event of default prior to 31 December 2027. This scenario includes some mitigating actions to conserve cash including reducing dividends and capital expenditure. Throughout this scenario, the Group continues to have significant liquidity headroom. The Directors are therefore satisfied that the Group has sufficient resources to continue in operation for a period of not less than 12 months from the date of approval of the condensed consolidated financial statements. Accordingly, the condensed consolidated financial statements have been prepared on a going concern basis.

c. Accounting policies

The accounting policies applied in these interim financial statements are the same as those applied in the Group's financial statements for the year ended 31 December 2025.

Two amendments to accounting standards are effective from 1 January 2026 but do not have a material effect on the Group's financial statements.

2. Segmental information

The Group's sales, marketing and research activities are organised into three global market sectors, being Consumer Care, Life Sciences and Industrial Specialties. These are the segments for which summary management information is presented to the Group's Executive Committee, which is deemed to be the Group's Chief Operating Decision Maker.

There is no material trade between segments. Segmental results include items directly attributable to a specific segment as well as those that can be allocated on a reasonable basis. There are no significant seasonal variations which impact the split of revenue between the first and second half of the financial year.

	2026 First half £m	2025 First half £m	2025 Full year £m
Income statement			
Revenue			
Consumer Care	**523.7**	491.8	972.7
Life Sciences	**257.3**	261.0	532.2
Industrial Specialties	**99.5**	103.0	194.5
Total Group revenue	**880.5**	855.8	1,699.4
Adjusted operating profit			
Consumer Care	**98.1**	85.7	169.8

Life Sciences	**53.7**	56.1	116.5
Industrial Specialties	**4.0**	5.1	9.0
Total Group operating profit (before exceptional items and amortisation of intangible assets arising on acquisition)	**155.8**	146.9	295.3
Exceptional items and amortisation of intangible assets arising on acquisition	**(40.3)**	(52.5)	(185.2)
Total Group operating profit	**115.5**	94.4	110.1

In the following table, revenue has been disaggregated by sector and destination.

	Europe, Middle East & Africa £m	North America £m	Latin America £m	Asia £m	Reported Total £m
Revenue					
First half 2026					
Consumer Care	**235.8**	**102.1**	**53.7**	**132.1**	**523.7**
Life Sciences	**96.3**	**72.2**	**39.3**	**49.5**	**257.3**
Industrial Specialties	**35.2**	**19.6**	**3.3**	**41.4**	**99.5**
Total Group revenue	**367.3**	**193.9**	**96.3**	**223.0**	**880.5**
Revenue					
First half 2025					
Consumer Care	216.7	97.5	49.8	127.8	491.8
Life Sciences	96.7	82.2	36.2	45.9	261.0
Industrial Specialties	38.9	22.2	3.6	38.3	103.0
Total Group revenue	352.3	201.9	89.6	212.0	855.8

Adjustments

	2026 First half £m	2025 First half £m	2025 Full year £m
Exceptional items - operating profit			
Business transformation costs	**(17.5)**	(7.4)	(26.3)
Onerous contract provision	**-**	-	(15.9)
Intangible asset impairment	**-**	(3.4)	(10.9)
Property, plant and equipment impairment	**(5.1)**	(7.3)	(78.9)
Right of use asset impairment	**-**	(16.6)	(17.5)
Exceptional items	**(22.6)**	(34.7)	(149.5)
Amortisation of intangible assets arising on acquisition	**(17.7)**	(17.8)	(35.7)
Total adjustments	**(40.3)**	(52.5)	(185.2)

The exceptional items in the current year relate to:

- business transformation costs as part of the Group-wide transformation programme which commenced in 2024. The programme is expected to continue until 2027 and involves right-sizing and optimising the organisation. The costs of £17.5m include £3.4m redundancy alongside other costs such as legal and professional and project management costs;
- Property, plant and equipment impairment of £5.1m. Further detail on this impairment is included in note 6.

The exceptional items in the prior half year related to business transformation costs and impairment to property, plant and equipment, right of use and intangible assets.

The exceptional items in the prior full year included business transformation costs, the recognition of an onerous contract provision and impairment to property, plant and equipment, right of use and intangible assets.

The adjustments to operating profit relate to our segments as follows: Consumer Care £24.7m (30 June 2025: £30.3m), Life Sciences £13.9m (30 June 2025: £18.0m) and Industrial Specialties £1.7m (30 June 2025: £4.2m).

3. Net financial costs

	2026 First half £m	2025 First half £m	2025 Full year £m
Financial costs			
Interest payable on borrowings	**10.2**	10.9	24.0
Interest on lease liabilities	**1.5**	1.5	2.8
Other bank loans and overdrafts	**0.6**	0.2	1.4
Preference share dividend	**-**	-	0.1
	12.3	12.6	28.3
Financial income			
Bank interest receivable and similar income	**(0.8)**	(0.6)	(3.0)
Net interest on post-retirement benefits	**(3.4)**	(3.1)	(6.2)
	(4.2)	(3.7)	(9.2)
Net financial costs	**8.1**	8.9	19.1

Net financial costs	8.1	8.9	19.1

4. Dividends

	Pence per share	2026 First half £m	2025 First half £m	2025 Full year £m
Ordinary				
2024 final, paid May 2025	**63.0**	**-**	87.9	87.9
2025 interim, paid October 2025	**48.0**	**-**	-	67.0
2025 final, paid May 2026	**63.0**	**87.8**	-	-
		87.8	87.9	154.9

An interim dividend in respect of 2026 of 48.0p per share, amounting to a total dividend of £67.0m, was declared by the Directors at their meeting on 27 July 2026. This interim report does not reflect the 2026 interim dividend payable. The dividend will be paid on 6 October 2026 to shareholders registered on 28 August 2026.

5. Intangible assets

	2026 First half £m	2025 First half £m	2025 Full year £m
Opening net book amount	**1,284.2**	1,310.6	1,310.6
Exchange differences	**(13.6)**	7.9	22.6
Additions	**1.2**	1.3	2.2
Disposals and write offs	**(0.1)**	-	-
Reclassifications from property, plant and equipment	**-**	0.9	1.2
Amortisation charge for the period	**(20.5)**	(20.6)	(41.5)
Impairments	**-**	(3.4)	(10.9)
Closing net book amount	**1,251.2**	1,296.7	1,284.2

6. Property, plant and equipment

	2026 First half £m	2025 First half £m	2025 Full year £m
Opening net book amount	**985.8**	1,082.9	1,082.9
Exchange differences	**10.5**	(47.2)	(33.1)
Additions	**37.0**	44.6	98.0
Disposals and write offs	**(0.2)**	(0.3)	(0.5)
Reclassifications to intangible assets and right of use assets	**-**	(0.9)	(1.2)
Depreciation charge for the period	**(41.9)**	(40.8)	(81.4)
Impairments	**(5.1)**	(7.3)	(78.9)
Closing net book amount	**986.1**	1,031.0	985.8

An impairment of £5.1m has been recognised during the period due to the decision to shut down certain manufacturing assets at the Group's Singapore site due to the cessation of supply of a specific raw material required in the production process. As these assets will no longer be utilised by the Group they have been impaired as they have been deemed to have no value in use. The fair value less costs to sell is also considered to be £nil.

Under the Group's business transformation programme, various other capacity optimisation projects are being considered where decisions could be made in the future that may indicate a change in the planned use of certain assets to optimise our manufacturing footprint. Management will continue to assess this position on an ongoing basis but have concluded that indicators of impairment do not currently exist in relation to these assets.

During the period the Group received government grant funding of £nil (FY 2025: £9.7m) relating to the US cGMP scale up project and UK Pharma production capacity expansion project. Grant income is deducted from the cost of the associated asset within the additions line above.

7. Reconciliation to net debt

	2026 First half £m	2025 First half £m	2025 Full year £m
Net movement in cash and cash equivalents	**(5.0)**	7.6	27.1
Net movement in borrowings and other financial liabilities	**(35.1)**	(59.7)	(11.2)
Change in net debt from cash flows	**(40.1)**	(52.1)	15.9
Non-cash movement in lease liabilities	**(9.7)**	(6.3)	(14.1)
Exchange differences	**(4.3)**	10.6	6.7
	(54.1)	(47.8)	8.5
Net debt brought forward	**(523.8)**	(532.3)	(532.3)
Net debt carried forward	**(577.9)**	(580.1)	(523.8)

8. Significant accounting judgements and estimates

8. Significant accounting judgements and estimates

The Group's significant accounting policies under UK-adopted international accounting standards have been set by management with the approval of the Audit Committee. The application of these policies requires estimates and assumptions to be made concerning the future and judgements to be made on the applicability of policies to particular situations. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Under UK-adopted international accounting standards an estimate or judgement may be considered significant if it has a significant effect on the amounts recognised in the financial statements or if the estimates have a risk of material adjustment to assets and liabilities within the next financial year.

There were no significant accounting judgements required when preparing the Group's accounts.

The significant accounting estimates required when preparing the Group's accounts are as follows:

Post-retirement benefits

Post-retirement benefits - the Group's principal retirement benefit schemes are of the defined benefit type. Recognition of the liabilities under these schemes require a number of significant assumptions to be made. These assumptions are made by the Group in conjunction with the schemes' actuaries and the Directors are of the view that any estimation should be appropriate and in line with consensus opinion.

The critical accounting estimate specifically relates to the Group's UK scheme, given the size of the liabilities and their sensitivity to underlying assumptions. Small changes in these assumptions could result in a material adjustment to carrying values in the next financial year.

	2026 First half £m	2025 Full year £m
Opening net retirement benefit surplus	**114.3**	104.3
Current service cost	**(4.0)**	(8.4)
Past service cost	**-**	3.9
Termination charge	**(0.4)**	-
Net interest income	**3.4**	6.2
Employer contributions	**1.6**	5.1
Benefits paid	**0.3**	0.4
Remeasurements	**(14.3)**	2.5
Exchange difference on overseas schemes	**-**	0.3
Closing net retirement benefit surplus	**100.9**	114.3
Total market value of assets	**877.7**	888.0
Present value of scheme liabilities	**(738.0)**	(763.0)
Net pension plan asset before asset ceiling restriction	**139.7**	125.0
Irrecoverable surplus (effect of asset ceiling restriction)	**(28.1)**	-
Net pension plan asset	**111.6**	125.0
Post-employment medical benefits	**(10.7)**	(10.7)
Net retirement benefit surplus	**100.9**	114.3
Analysed in the balance sheet as:		
Retirement benefit assets	**124.2**	137.7
Retirement benefit liabilities	**(23.3)**	(23.4)
Net retirement benefit surplus	**100.9**	114.3

At 30 June 2026, the UK scheme was in surplus by £145.5m on an IAS 19 basis. However, the Company has determined that the maximum economic benefit available to the Company from this surplus was £117.4m. Therefore, the asset recognised has been restricted to £117.4m in accordance with the IAS 19 asset ceiling requirements.

The Group's accounts include other areas of estimation. Whilst these do not meet the definition of significant accounting estimates, the recognition and measurement of certain material assets and liabilities are based on assumptions. The other areas of accounting estimates are:

Goodwill impairment

Management are required to undertake an annual test for impairment of indefinite lived assets such as goodwill, or more frequently if impairment indicators are identified. This review is performed in the second half of the year. However, the Group is also required to assess for any impairment triggers at each reporting date. At 30 June 2026, management have performed an assessment for potential impairment triggers across the Group's CGUs and Operating Segments including consideration of current performance and future expectations, and no material impairment indicators were identified.

9. Financial instruments

9. Financial instruments

Financial risk factors

The Group's activities expose it to a variety of financial risks; currency risk, interest rate risk, liquidity risk, and credit risk. The Group's overall risk management strategy is approved by the Board and implemented and reviewed by the Risk Management Committee. Detailed financial risk management is then delegated to the Group Finance department which has a specific policy manual that sets out guidelines to manage financial risk. Regular reports are received from all businesses and regional operating units to enable prompt identification of financial risks so that appropriate action may be taken. In the management definition of capital the Group includes ordinary and preference share capital and net debt.

The condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Group's financial statements for the year ended 31 December 2025. There have been no changes in the Group's risk management processes or policies since the year end.

Financial instruments measured at fair value use the following hierarchy;

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2)
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

All of the Group's financial instruments are classed as level 2 with the exception of other investments, which are classed as level 3.

Fair values

For financial instruments with a remaining life of greater than one-year, fair values are based on cash flows discounted at prevailing interest rates. Accordingly, the fair value of cash deposits and short-term borrowings approximates to the book value due to the short maturity of these instruments. The same applies to trade and other receivables and payables. Where there are no readily available market values to determine fair values, cash flows relating to the various instruments have been discounted at prevailing interest and exchange rates to give an estimate of fair value.

During June 2026, the Group completed the refinancing of maturing US Private Placement (USPP) notes totalling £70m and €70m. Replacement funding was secured through the issuance of new USPP notes of £50m with a five-year maturity and €100m with a seven-year maturity.

The table below details a comparison of the Group's financial assets and liabilities where book values and fair values differ.

	Book value First half 2026 £m	**Fair value First half 2026 £m**	Book value Full year 2025 £m	Fair value Full year 2025 £m
US 100m 3.75% fixed rate 10 year note	**(75.8)**	**(70.4)**	(74.2)	(70.8)
€70m 1.43% fixed rate 10 year note	**-**	**-**	(61.0)	(60.6)
£70m 2.80% fixed rate 10 year note	**-**	**-**	(70.0)	(69.3)
€50m 1.18% fixed rate 8 year note	**(43.1)**	**(42.2)**	(43.6)	(42.5)
£65m 2.46% fixed rate 8 year note	**(65.0)**	**(63.1)**	(65.0)	(62.6)
US 60m 3.70% fixed rate 10 year note	**(45.5)**	**(43.3)**	(44.5)	(42.9)
£50m 5.47% fixed rate 5 year note	**(50.0)**	**(50.4)**	-	-
€100m 4.00% fixed rate 7 year note	**(86.2)**	**(87.2)**	-	-

10. Related party transactions

The Group has no related party transactions in the first six months of the year, with the exception of remuneration paid to key management and Directors.

END

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