Disclaimer

Cautionary statement
This review is intended to focus on matters which are relevant to the interests of shareholders in the Company. The purpose of the review is to assist shareholders in assessing the strategies adopted and performance delivered by the Company and the potential for those strategies to succeed. It should not be relied upon by any other party or for any other purpose. Forward looking statements are made in good faith, based on a number of assumptions concerning future events and information available to the Directors at the time of their approval of this report. These forward looking statements should be treated with caution due to the inherent uncertainties underlying such forward looking information. The user of this review should not rely unduly on these forward looking statements, which are not a guarantee of performance and which are subject to a number of uncertainties and other facts, many of which are outside the Company’s control and could cause actual events to differ materially from those in these statements. No guarantee can be given of future results, levels of activity, performance or achievements.

Alternative Performance Measures (APMs)
We use a number of APMs to assist in presenting information in this statement in an easily analysable and comparable form. 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 presentation are defined in Croda’s H1 results statement for the period ended 30 June 2023.

Market information
Market sizes and growth rates are company estimates informed by a range of third party sources.

Pro forma estimates
Pro forma H122 estimated results have been adjusted for the divestment of the majority of Performance Technologies and Industrial Specialities (PTIC) on 30 June 2022.
Agenda

01. CEO overview
02. Finance review
03. Strategic progress
04. Questions
Overview

Steve Foots
Chief Executive Officer
Performance in line with revised expectations

Headlines
- Destocking across consumer, crop and industrial markets
- Lower volume impacting margin; temporary cost measures to protect profitability
- Flat sales in Consumer Care; sequential volume improvement
- 8% sales growth in Life Sciences excluding $62m prior period Covid-19 lipids
- Improved free cash flow
- Interim dividend maintained at 47p reflecting confidence in future performance

Continued investment
- R&D investment; Asia focus
- Scaling Pharma capacity
- Completed Solus Biotech acquisition
- ‘Doing the basics brilliantly’ programme continuing to drive efficiencies
Resilient sales in Consumer Care and Life Sciences

**Consumer Care**

- **Market context**
  - Rapid post Covid-19 stocking and destocking unprecedented in speed and scale. Customers reducing ingredient inventories in most regions.

- **Sector performance**
  - Flat sales supported by price/mix and FX
  - H123 volume improved versus H222
  - 20% sales growth in F&F; driving synergies and Croda-enabled growth
  - Continued shift to sustainable ingredients

**Life Sciences**

- **Market context**
  - Rapid crop customer destocking in Q2; some improvement likely in Q4 season. Limited impact to date on Croda from pharma funding squeeze and destocking.

- **Sector performance**
  - Good sales growth in Seed Enhancement and Pharma, ex prior period CV-19 lipids
  - Destocking in Crop Protection in Q2 following good Q1 & outstanding 2022
  - Supporting >50% nucleic acid drugs
  - Covid-19 lipid sales due in Q4

**Industrial Specialties**

- **Market context**
  - More pronounced destocking than crop. Weak industrial demand globally.

- **Sector performance**
  - Majority of industrials business divested
  - Sales down 20% after adjusting for the divestment
  - Profit reduction compounded by negative operating leverage

% of nucleic acid drugs in clinical programmes that specify a lipid delivery system. Industrial Specialties is not a priority for capital allocation and strategic growth.
CEO overview

Consumer Care improving despite prolonged destocking

Significant inventory correction
Customer 31 Dec 22 inventories higher than before Covid-19 (stock days)*

Sequential improvement in Consumer Care
Consumer Care volumes (3-month moving average)

40% new and protected products as % of total Consumer Care sales (H122: 40%) – continued demand for innovative ingredients

Investing in strategic priorities for near and medium-term growth

Proactive M&A – Solus Biotech

Near-term growth:
• Ceramides for Beauty Actives
• Phospholipids for Pharma

Medium-term growth:
• Bio-based retinol for Beauty Actives
• GMP manufacturing for Pharma

Fast grow Asia

Near-term growth:
• R&D and sales expansion in Shanghai
• Protein / Small Molecules lab in India

Medium-term growth:
• New Indian production site; F&F / Actives production in China
• Nucleic Acid Delivery lab in Singapore

Doing the basics brilliantly

Improving customer experience
• New online order portal
• Self-serve ingredient data

Improving employee productivity
• Simplifying operating processes
• 3% increase in employee satisfaction

Scale biotechnology

Near-term growth
• Biotech actives and surfactants
• Partnerships for sustainable adjuvants

Medium-term growth
• Biotech fragrance ingredients
• Delivery systems for biopesticides

Purpose and Sustainability Commitment KPI rose 3% to 63% in recent all-employee survey.
Louisa Burdett
Chief Financial Officer
Finance review

Group performance in line with revised expectations

<table>
<thead>
<tr>
<th>£m</th>
<th>H123</th>
<th>H122</th>
<th>% change</th>
<th>H122 (pro forma)</th>
<th>% change (pro forma)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>880.9</td>
<td>1,127.3</td>
<td>(21.9)%</td>
<td>936</td>
<td>(6)%</td>
</tr>
<tr>
<td>Operating profit</td>
<td>175.8</td>
<td>300.4</td>
<td>(41.5)%</td>
<td>261</td>
<td>(33)%</td>
</tr>
<tr>
<td>Operating margin</td>
<td>20.0%</td>
<td>26.6%</td>
<td>(6.6)ppts</td>
<td>28%</td>
<td>(8)ppts</td>
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<tr>
<td>Profit before tax</td>
<td>174.3</td>
<td>288.8</td>
<td>(39.6)%</td>
<td>256</td>
<td>(32)%</td>
</tr>
<tr>
<td>Basic earnings per share</td>
<td>92.9p</td>
<td>155.2p</td>
<td>(40.1)%</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Ordinary dividend per share</td>
<td>47.0p</td>
<td>47.0p</td>
<td>0.0%</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>76.4</td>
<td>21.1</td>
<td>262.1%</td>
<td>–</td>
<td>–</td>
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</table>

Reconciliation to IFRS, £m

<table>
<thead>
<tr>
<th></th>
<th>H123</th>
<th>H122</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted PBT</td>
<td>174.3</td>
<td>288.8</td>
</tr>
<tr>
<td>Exceptional items</td>
<td>(28.5)</td>
<td>4.4</td>
</tr>
<tr>
<td>Amortisation of intangibles</td>
<td>(17.1)</td>
<td>(17.3)</td>
</tr>
<tr>
<td>Gain on disposal</td>
<td>–</td>
<td>360.6</td>
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<tr>
<td>Reported PBT</td>
<td>128.7</td>
<td>636.5</td>
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</table>

Reported currency unless stated. Pro forma H122 estimated results have been adjusted for the divestment of the majority of Performance Technologies and Industrial Specialities (PTIC) on 30 June 2022.
Finance review

Sales supported by positive price/mix and FX

Sales, £m

Pro forma H122 estimated results have been adjusted for the divestment of the majority of PTIC on 30 June 2022.
Finance review

Profit impacted by lower volume and phasing of CV-19 lipid sales

Adjusted operating profit, £m

Pro forma H122 estimated results have been adjusted for the divestment of the majority of PTIC on 30 June 2022.
Resilient sales in Consumer Care and Life Sciences

<table>
<thead>
<tr>
<th></th>
<th>Consumer Care</th>
<th>Life Sciences*</th>
<th>Industrial Specialties</th>
<th>Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in sales (%)</td>
<td>+0%</td>
<td>+8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in operating profit (%)</td>
<td>(21)%</td>
<td>(8)%</td>
<td>(23)%</td>
<td>(6)%</td>
</tr>
<tr>
<td>Operating margin (%)</td>
<td>20.9%</td>
<td>23.8%</td>
<td>6.8%</td>
<td>20.0%</td>
</tr>
</tbody>
</table>

Reported currency and adjusted results. IS and Group performance is on a pro forma basis.
*Ex-CV19 is growth excluding $62m prior year CV19 lipid sales.
Finance review

Resilient sales in Consumer Care

Sales, £m

- Resilient sales performance despite continued destocking
- Positive mix (+4%) and annualisation of prior year price increases (+6%) supporting price/mix
- Volume down 14% versus H122 – of which 10 ppts estimated to be market-driven
- Volume up 8% versus H222

Reported change +0%

Constant currency change (4)%

<table>
<thead>
<tr>
<th>H122</th>
<th>Price/mix</th>
<th>Volume</th>
<th>Currency translation</th>
<th>H123</th>
</tr>
</thead>
<tbody>
<tr>
<td>455</td>
<td></td>
<td>-14%</td>
<td>+4%</td>
<td>456</td>
</tr>
</tbody>
</table>

Business unit sales growth (%)

- Beauty Actives
- Beauty Care
- Home Care
- F&F
- Consumer Care

Reported currency.
Finance review

Life Sciences sales lower due to phasing of CV-19 lipids

Sales, £m

- Prior period included $62m of CV-19 lipid sales
- Sales up 8% excluding CV-19 lipid sales
- Rapid destocking in Crop Protection in Q2

Reported currency.

CRODA Smart science to improve lives™
Finance review

Operating margin impacted by lower volume and mix

Consumer Care, operating margin (%)

- H122: 26.6%
- Volume leverage
- Price/mix: 3ppts
- H123: 20.9%

Life Sciences, operating margin (%)

- H122: 36.0%
- Volume leverage
- Price/mix: (8)ppts
- H123: 23.8%

- Volume recovery should support improved margin
- Positive impact from mix particularly in Beauty Actives

- Weaker volumes driven by Crop destocking
- Price/mix impact due to no CV-19 lipid sales in H123
## Improved free cash flow

<table>
<thead>
<tr>
<th>Cash flow, £m</th>
<th>H123</th>
<th>H122</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>219.2</td>
<td>343.9</td>
</tr>
<tr>
<td>Working capital</td>
<td>(9.7)</td>
<td>(183.8)</td>
</tr>
<tr>
<td>Net capital expenditure</td>
<td>(76.1)</td>
<td>(61.8)</td>
</tr>
<tr>
<td>Interest &amp; tax</td>
<td>(47.3)</td>
<td>(73.4)</td>
</tr>
<tr>
<td>Other operating items</td>
<td>(9.7)</td>
<td>(3.8)</td>
</tr>
<tr>
<td><strong>Free cash flow</strong></td>
<td><strong>76.4</strong></td>
<td><strong>21.1</strong></td>
</tr>
<tr>
<td>Dividends</td>
<td>(85.1)</td>
<td>(78.8)</td>
</tr>
<tr>
<td>Acquisitions</td>
<td>(11.2)</td>
<td>(14.2)</td>
</tr>
<tr>
<td>Business disposal</td>
<td>(4.4)</td>
<td>613.4</td>
</tr>
<tr>
<td>Other cash movements</td>
<td>(42.4)</td>
<td>(22.1)</td>
</tr>
<tr>
<td><strong>Net cash flow</strong></td>
<td><strong>(66.7)</strong></td>
<td><strong>519.4</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>H123</th>
<th>FY22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net debt</td>
<td>349.3</td>
<td>295.2</td>
</tr>
<tr>
<td>Net debt/EBITDA</td>
<td>0.7x</td>
<td>0.5x</td>
</tr>
</tbody>
</table>

- Improved free cash flow
- Lower working capital outflow more than offset lower profit and higher capex
- Pharma investment progressing
- Net debt 0.7x at period end; 1.1x accounting for completion of Solus Biotech post period end

**First half capital expenditure**

- **£76.1m**

Pharma refers to 2021-24 Pharma investment programme of £175m.
## FY23 outlook

### Adjusted profit before tax

- £370 – £400m
- Assumes no improvement on H1 run rate

### Capital expenditure

- £170 – £180m in FY23
- Heightened capex supporting multi-year Pharma investment programme

### Currency assumptions

- PBT guidance based on prevailing FX rates:
  - US$: 1.2316
  - €: 1.1485

### Working capital

- Anticipate full year outflow
- Reflects phasing of sales with increase in year-end receivables position

### Cost initiatives

- Temporary cost measures to protect profitability
- Will review if current market conditions persist for longer

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For further information on currency exposure see Additional Financial Information section below.
03 Relentless execution of strategy; well placed for recovery

Steve Foots
Chief Executive Officer
Portfolio realigned with exciting megatrends

Megatrends
- Health & wellbeing
- Feeding the planet
- Living sustainably

Technology trends
- Sustainable ingredients
- Move to biologics
- Biosector

Portfolio change
- Strengthen Consumer Care
- Expand Life Sciences
- Refine Performance Technologies
- Industrial Specialities established

Moving to pure play Consumer Care and Life Sciences ingredients business
Creating bigger niches and higher growth

7 dynamic businesses

- Beauty Actives
- Beauty Care
- F&F
- Home Care
- Pharma
- Crop Protection
- Seed Enhancement

Bigger niches

<table>
<thead>
<tr>
<th>Industry niche</th>
<th>CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anti-ageing</td>
<td>9%</td>
</tr>
<tr>
<td>Salon hair care</td>
<td>4%</td>
</tr>
<tr>
<td>Sun care</td>
<td>4%</td>
</tr>
<tr>
<td>Niche fabric care</td>
<td>6%</td>
</tr>
<tr>
<td>Fine fragrance</td>
<td>6%</td>
</tr>
</tbody>
</table>

Well balanced portfolio

- Pharma
- Crop
- Seed
- Beauty Actives
- Beauty Care
- F&F
- Home Care

and well balanced geographic footprint

- Europe
- N America
- Latam
- Asia

Bigger niches, bigger opportunities, higher sales growth

CAGRs (compound annual growth rates) cover different time periods. Portfolio breakdown excludes Industrial Specialties.

Smart science to improve lives™
Why we are successful – significant sources of growth

**Strengthen to grow**

**Beauty Actives**
- Enhanced portfolio
- Biotech-enabled
- Unrivalled claims substantiation

**Beauty Care**
- Sustainability leader
- Go-to-market partner
- Fast-growth in Asia

**F&F**
- Focused on high-growth markets
- Delivering synergies
- Moving to sustainable fragrances

**Expand to grow**

**Pharma**
- Research / drug delivery focus
- High potential innovation pipeline & new partnerships
- Operational scale-up to support breakout growth

**Crop Care**
- Global innovation partner for delivery systems
- Meeting sustainability challenges & enabling move to biologics
- Microplastic-free seed coatings
Enhanced Beauty Actives portfolio with new claims

Enhanced portfolio for faster growth

- >15,000 customer/product combinations
- Moving to biotech and lower carbon
- Filing c10 biotech patents each year
- Commercialising knowledge
  - In-house innovation
  - Small technology acquisitions
  - Bolt-on acquisitions (eg Solus Biotech)

Unrivalled science-based performance claims

- **Volume**
- **Wrinkles and skin relief**
- **Hair**
- **Colour disorders and skin radiance**
- **Moisturisation**

- Peptides
- Botanicals
- Biotech (plant cell cultures)
- Biotech (fermentation)

CAGR 2022-2027; future growth rates are management estimates
Beauty Actives

**Increasingly biotech-derived**

### Peptides for anti-ageing

**PEPTICOLOGY™ NEW IN H1**

No7’s exclusive world first peptide blend supports the skin’s natural self-repair.

Peptide – powering Boots No 7 Future Renew

### New peptide applications

**NEW IN H1**

BB-Biont – powering Deciem anti-acne solution

### Plant cell culture for UV damage

**NEW IN H1**

Me(o)stem – fades age spots caused by the sun

T0 +2 months

### Marine biotech for skin

**NEW IN H2**

Counteracts hypoxy-ageing induced by air pollution

### Marine biotech for hair

**EXCLUSIVE**

Anti-dandruff active; ‘skinification’ of hair care

T0 +7 days +14 days

### Bio-based ceramides from Solus

**NEW IN H2**

Rapid moisturisation; ‘plug and play’ into portfolio

Enhanced by delivery technologies / vectorisation

#1 in peptides & PCC ... and now fermentation

CRODA Smart science to improve lives™
#1 in sustainable surfactants

- Renewable ECO gathering pace
- Rapid growth of carbon-neutral sulfate-free range
- New biotech-derived surfactants

Biodegradable hair care

- Bio-based and low aqua-toxicity conditioning agents
- Proprietary PEG & PPG-free emollient for hair shine

Vegan-friendly hair conditioning

- New fast-growing platform of vegan-friendly biopolymers
- Delivering healthy hair

All-mineral sunscreen range

- Extending leadership position
- Reef-safe, inorganic UV filters
- Superior SPF performance
- Appear clear on the skin

Enabled by product carbon footprint data including decarbonisation to 2030
**Rapid development in Fragrances**

**Great growth in all main regions**

- Excellent growth across all categories and established regions
- Strong momentum in Middle East and Asia

**Synergies building**

- Croda-enabled growth accelerating
- Number and size of projects increasing
- New multinational and regional customers

**R&D expansion**

- New China R&D and production facility
- New creative centre in Indonesia
- New creative centre for natural fragrances in Grasse, France
- New neuroscience lab in Spain

**Moving to sustainable fragrances**

- Portfolio shift to sustainable footprint
- Product pipeline expanding in biotechnology and biodegradability
- New Neutrafresh launch – developed by F&F, sold by Home Care
Investing for faster Consumer Care growth in Asia

New manufacturing
New sales
New R&D
Existing

New production site, Dahej, India
Expanding Singapore
F&F/Actives production, Guangzhou, China
F&F creative centre, Indonesia

Smart science to improve lives™
Investing in Pharma to balance near and long-term growth

Biosector vaccine adjuvants
ACQUIRED 2018

Solus Biotech
ACQUIRED 2023

Key – Croda technology platforms
- Protein and Small Molecule Delivery
- Adjuvants Systems
- Nucleic Acid Delivery

Executing our strategy – to be global leader in biologics drug delivery
Exciting proprietary bioprocessing aids and phospholipids for protein and small molecule delivery

**Croda's new bioprocessing aids**

**Market need** - sustainable alternative to current bioprocessing aid, now banned in Europe.

**Croda solution** - Virodex™ launched in June.
- Safe and effective alternative
- Superior performance
- Industry-leading testing
- Many projects initiated

**Phospholipids from Solus Biotech**

**Market need** - Pharma-grade phospholipids for drug delivery and intravenous nutrition

**Croda solution** - New phospholipids
- ‘Plug and play’ into Croda portfolio
- Naturally-derived
- GMP manufacturing facility in South Korea
- Future potential manufacturing for Avanti lipids

**Near and long-term growth**
Pharma – Adjuvant Systems

…with new adjuvant systems launched through partnerships and innovation

Only independent supplier with full portfolio of adjuvants required for new prophylactic and therapeutic vaccines

Heritage adjuvants

Heritage portfolio
- Aluminium
  - Market leaders in “gold standard” grades
- Saponin
  - Pioneer in saponin as source for next generation adjuvants

New adjuvants

Exclusive partnership
Botanical Solution
Develops a sustainable, scalable route to saponin-based adjuvant systems for new vaccines.
Eliminates need for harvesting trees.

Exclusive licensing agreement
Amyris
Accesses fermentation-derived cGMP adjuvants for current flu vaccine and future vaccines.
Sustainable replacement for shark-derived material

Croda innovation pipeline
PHAD
Lipid-based adjuvant system developed in-house.
70 active projects across breadth of diseases

Protecting biodiversity
Leveraging Avanti expertise

Near and long-term growth
...with a nucleic acid delivery platform growing rapidly

**World-class Avanti research**

- 70 new products this year
- 4,800 academic citations per annum; doubled in last decade

**mRNA vaccines for infectious diseases**

Example: Influenza

**mRNA therapeutic vaccines for cancers**

Example: Cancer Immunotherapy

**Gene editing therapeutics**

Example: Genetic Heart Disease

**Growth in total pharma industry projects (research to clinical trials)**

- >6x increase in projects
- >7x increase in projects
- 1.5x increase in projects

- May 23
- Aug 22

**Research sales CAGR**

>20% 2020-22

**Commercialisation expected**

- From 2025
- To 2027

**Croda supporting >50% clinical trials that specify a lipid delivery system**
...all supported by global investment to scale the business

Investment delivering portfolio breadth for near & long-term success

Pharma

Lamar, US

Leek, UK

Cowick Hall, UK

Danmark

Iksan, South Korea

Princeton/Atlas Point, US

Alabaster, US

Campinas, Brazil

Campinas, Brazil

Shanghai, China

Hyderabad, India
Key takeaways

• Continued strategic progress despite challenging environment
• Ongoing investment for future growth
• Consumer Care improving; exciting progress in Life Sciences
• Actions to protect profitability
• Well positioned when environment normalises
• Confidence in strategy and future outlook undiminished
Additional financial information
Currency exposure

Currency translation

Favourable profit impact in H123 as Sterling remained weaker against the US$ and Euro despite strengthening through the period.

H123 average rates:
- US$1.234 (H122: US$1.301)
- €1.141 (H122: €1.189)

Average annual impact:
- £1m per $cent pa
- £1m per €cent pa

US$ and € represent approximately 65% of currency translation exposure.
## IAS 19 retirement benefits

<table>
<thead>
<tr>
<th></th>
<th>£m</th>
<th>30 Jun 2023</th>
<th>31 Dec 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market value of assets</td>
<td></td>
<td>933.1</td>
<td>969.3</td>
</tr>
<tr>
<td>Value of liabilities</td>
<td></td>
<td>(839.1)</td>
<td>(869.2)</td>
</tr>
<tr>
<td>Surplus pre tax</td>
<td></td>
<td>94.0</td>
<td>100.1</td>
</tr>
<tr>
<td>Deferred tax</td>
<td></td>
<td>(22.0)</td>
<td>(24.8)</td>
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<tr>
<td>Surplus post tax</td>
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<td>72.0</td>
<td>75.3</td>
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Reported currency except where stated.