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.

Unless otherwise stated, all profit, margin and EPS data refer to ‘adjusted’ results, which can be found on the face of the Group Income Statement in the first column. The definition of adjusted profit is as follows: IFRS result excluding exceptional items, acquisition costs and amortisation of intangible assets arising on acquisition, and tax thereon where applicable. The Board believes that the adjusted result gives a clearer presentation of the underlying performance of the Group.

Underlying sales are presented at constant currency and exclude the impact of acquisitions.
Our Performance

Steve Foots – Group Chief Executive
2015: Innovation driving continued growth

- Strong performance in a difficult environment
- Record reported sales and pre-tax profit – sales growth in all sectors and regions
- Performance driven by innovation
- Continued progress in Personal Care and excellent growth in Life Sciences
- Acquired Incotec Group BV
- Strong cash generation – funded almost £200m organic and inorganic investment
- Full year dividend increased by 5.3%, in addition to 100p/share (£136m) special dividend
Consistent top and bottom line growth

- **Continued sales growth**: +3.7%
  - Sales growth YOY*

- **Strong margin management**: 24.4% +70 bps
  - Return on sales/growth

- **Robust pre-tax profit growth**: +8.5%
  - Profit growth YOY*

*Underlying growth
Broad based growth across all sectors...

Healthy sales growth

- Life Sciences: 10.5%
- Performance Technologies: 3.4%
- Industrial Chemicals: 3.7%
- Personal Care: 1.8%
- Group: 3.1%

‘Classic’ Croda mix

- Sales volume: 3.1%
- Sales value: 3.7%
- Profit*: 8.5%

Underlying growth
*Profit before tax

Innovation you can build on™
...and all regions

60% of sales to markets outside Europe

Regional performance:
- Strong growth continues in Asia – now 20% of Group
- Robust performance in North America
- Return to growth in Western Europe
- Latin America – slowdown in Brazil
Strong performance driven by innovation

- NPP sales up 15%
- NPP sales growing at 4x underlying sales
- Growth across all sectors
- Bigger and better innovation being delivered each year

NPP sales as % of Group sales

- 20.5% in 2012
- 21.4% in 2013
- 23.4% in 2014
- 26.1% in 2015

NPP = New and Protected Products
API = Active Pharmaceutical Ingredients

Omega 3 API platform
Growth in Skin Actives ‘IRB by Sederma’
Personal Care: Steady sales growth, strong profit improvement

**Profitable sales growth**

- **Sales**
  - 1.8%
- **Profit**
  - 7.5%

**Strong margin improvement**

- Return on sales/growth: 33.0%, +120 bps

**Improved customer proximity**

- Asia and Europe strong performance
- Headwinds remain in Brazil
- Stronger growth with regional and small customers
- ‘Digitalisation’ playing to Croda’s strengths

*Underlying growth*
Life Sciences: Excellent performance driven by high purity technologies

- Profitable sales growth*
  - Sales: 10.5%
  - Profit: 16.8%

- Strong margin improvement
  - Return on sales/growth: 32.9% (+130 bps)

- Exceptional result in Health; Crop outperforming market
  - High purity excipients - broad based growth
  - High purity APIs - platform established
  - Strong NPP led growth
  - Strong collaboration with Ag MNCs
  - Incotec acquisition - new growth leg

*Underlying growth
Performance Technologies: Geo Tech and investment outside Europe impact profit

**Broad-based sales growth***

| Sales | 1.6% |

| Profit | -11.0% |

**Margin reduction**

Return on sales/growth

16.0% -200 bps

**Making progress**

- Sales growth in all markets except Geo Technologies
- Geo Tech - 85% of sector profit fall; remains attractive
- Investing to grow ex-Europe
- NPP growth strong & stable
- Improving performance from SIPO
Good sales growth and strong margin management driving profit

<table>
<thead>
<tr>
<th>£m</th>
<th>2015</th>
<th>2015 constant currency</th>
<th>2014</th>
<th>Constant currency change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>1,081.7</td>
<td>1,090.1</td>
<td>1,046.6</td>
<td>+4.2</td>
</tr>
<tr>
<td>Operating profit</td>
<td>264.2</td>
<td>265.3</td>
<td>248.4</td>
<td>+6.8</td>
</tr>
<tr>
<td>Net interest</td>
<td>(9.5)</td>
<td>(9.2)</td>
<td>(13.0)</td>
<td>+29.2</td>
</tr>
<tr>
<td>Pre-tax profit</td>
<td>254.7</td>
<td>256.1</td>
<td>235.4</td>
<td>+8.8</td>
</tr>
<tr>
<td>Tax rate</td>
<td>28.0%</td>
<td>28.0%</td>
<td>28.0%</td>
<td></td>
</tr>
<tr>
<td>EPS</td>
<td>135.0p</td>
<td>125.2p</td>
<td>7.8%</td>
<td></td>
</tr>
<tr>
<td>Declared dividend</td>
<td>69.0p</td>
<td>65.5p</td>
<td>5.3%</td>
<td></td>
</tr>
<tr>
<td>Special dividend</td>
<td>100.0p</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Positive variance indicates favourable impact
Consistent top line growth

- Underlying sales +3.7%: volume +3.1%, price +0.6%
- Constant currency sales +4.2% - includes Incotec acquisition
- Net currency impact -0.8%

<table>
<thead>
<tr>
<th>£m</th>
<th>2014 reported</th>
<th>Underlying growth</th>
<th>Acquisitions</th>
<th>2015 constant currency</th>
<th>Currency translation</th>
<th>2015 reported</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,046.6</td>
<td>38.3</td>
<td>5.2</td>
<td>1,090.1</td>
<td>(8.4)</td>
<td>1,081.7</td>
</tr>
</tbody>
</table>
Strong bottom line growth

- Underlying growth driven by NPP, cost efficiency and margin management
- One month benefit from Incotec acquisition
- Lower interest cost

Acquisitions = +£0.7m adjusted operating profit and -£0.1m interest
Consumer businesses driving profitable growth

- Strong profitability in consumer facing businesses
  - Personal Care – NPP, skin actives & sun care
  - Life Sciences – broad based: excipients and API platform
- Investing in Performance Technologies
  - Encouraging growth outside of GeoTech
  - Additional costs and selective demarketing should drive future growth
- Industrial Chemicals – stronger mix and initial NPP

Shows operating profit growth for sectors and pre-tax profit growth for Group, all at constant currency.
Strong cash generation continues, funding organic and acquisition investment

<table>
<thead>
<tr>
<th>£m</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>302.3</td>
<td>285.1</td>
</tr>
<tr>
<td>Working capital</td>
<td>(1.4)</td>
<td>(12.3)</td>
</tr>
<tr>
<td>Net capital investment</td>
<td>(91.1)</td>
<td>(64.5)</td>
</tr>
<tr>
<td>Additional pension contributions</td>
<td>(18.5)</td>
<td>(30.2)</td>
</tr>
<tr>
<td>Interest and tax</td>
<td>(73.8)</td>
<td>(57.9)</td>
</tr>
<tr>
<td><strong>Free cash flow</strong></td>
<td><strong>117.5</strong></td>
<td><strong>120.2</strong></td>
</tr>
<tr>
<td>Dividends</td>
<td>(90.9)</td>
<td>(88.1)</td>
</tr>
<tr>
<td>M&amp;A</td>
<td>(104.0)</td>
<td>(1.9)</td>
</tr>
<tr>
<td>Other</td>
<td>(1.7)</td>
<td>(8.2)</td>
</tr>
<tr>
<td>Movement in net debt</td>
<td>(79.1)</td>
<td>22.0</td>
</tr>
<tr>
<td>Net debt</td>
<td>(259.3)</td>
<td>(180.2)</td>
</tr>
<tr>
<td>Leverage</td>
<td>0.8x</td>
<td>0.6x</td>
</tr>
</tbody>
</table>

Leverage is calculated on a bank covenant basis, including adjustment for acquired EBITDA
We are investing in organic growth and innovation

- £91m net capital spend in 2015 includes c£30m for non-ionic biosurfactant plant
- Spend on this project should peak in 2016 and complete in 2017
- ‘Typical’ spend comprises asset replacement and growth investment
- Expect to return to ‘typical’ spend level in 2018

Typical spend and forecast spends are management estimates
Excess capital is being returned

- **Capital Policy**
  - Reinvest to grow
  - 2x typical spend

- **Regular dividend**
  - 40-50% EPS pay-out over cycle

- **Disciplined approach to acquisitions**
  - Incotec acquired

- **Excess capital returned**
  - 1-1.5x net debt:EBITDA

*Year-end leverage 0.8x
Return of capital to mid-point of range - £136m to be returned by special dividend*
Delivering our Strategy

Steve Foots – Group Chief Executive
Delivering consistency by relentless innovation and constant investment

Strategic priorities unchanged

- Delivering consistent top and bottom line growth
- Accelerating innovation and increasing proportion of protected sales
- Investing in sustainability

Clear investment focus

- Bigger and better innovation
- Getting closer to our customers
- Disciplined and well targeted acquisitions
Winning with bigger and better innovation

Investing in fast growth technologies

- Skin actives and plant stem cells
- High purity excipients
- Sun care actives
- New pharma Omega 3 partnerships

NPP sales value

- 2012: 
- 2015: +31%

Investing in more new products

- Majestem™: Skin lifting
- Kerestore™: Hair repair
- CrodaTherm™: Phase change

Bigger innovation

- +35% 2015 vs 2013
- ~£200m

NPP pipeline

More “open” innovation: 5x 2011

- 20 in 2011
- 101 in 2015

Number of projects with collaborative partners

NPP pipeline = risk adjusted annual sales value of active pipeline
Winning by getting closer to customers

**Investing in customer collaboration**
- Customer projects
- Greater formulation support

**Investing in new customers**
- Asia customers
- +25% growth
- Singapore - Fusionopolis

**Investing in direct selling**
- 7 Distributors → 800 Customers
- Exit distribution in Asia, Latam and EMEA

**Investing in Indonesia**
- Transforming from industrial to consumer markets
- Cikarang development
Winning by disciplined and well targeted acquisitions

**About Incotec**
- Entrepreneurial
- Global business - €71m sales
- Fast growth: 15% CAGR 2007-15
- Capital light and cash generative

**Seed enhancement**
- Fastest growing, high value Crop niche
- Regulation driving innovation ‘below ground’
- Small inclusions, big performance

**Why Incotec?**
- Ticks all our strategic boxes
- R&D led
- Know-how - clever agronomists & biologists
- Powerful combination with Croda

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**Leading position in Crop market**

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Innovation you can build on™
Key take aways

2015 – a year of strong strategic progress
- Increased innovation
- Enhanced customer intimacy
- Almost £200m of targeted investment to drive future growth
- Strong returns to shareholders: increased dividend and capital return

Outlook
- Market conditions remain challenging
- Innovation pipeline strong
- Benefits of customer-led investment in capacity
- Confident of delivering continued progress in 2016
# Full year revenue analysis

<table>
<thead>
<tr>
<th></th>
<th>FY 2015 Reported</th>
<th>FY 2015 Constant currency</th>
<th>FY 2014 Reported</th>
<th>% Constant versus 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Personal Care</strong></td>
<td>377.3</td>
<td>375.8</td>
<td>369.1</td>
<td>1.8</td>
</tr>
<tr>
<td><strong>Life Sciences</strong></td>
<td>231.3</td>
<td>231.4</td>
<td>204.5</td>
<td>13.2</td>
</tr>
<tr>
<td><strong>Performance</strong></td>
<td>354.8</td>
<td>361.0</td>
<td>355.2</td>
<td>1.6</td>
</tr>
<tr>
<td><strong>Technologies</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Industrial Chemicals</strong></td>
<td>118.3</td>
<td>121.9</td>
<td>117.8</td>
<td>3.4</td>
</tr>
<tr>
<td><strong>Group</strong></td>
<td>1,081.7</td>
<td>1,090.1</td>
<td>1,046.6</td>
<td>4.2</td>
</tr>
</tbody>
</table>
### Underlying sales growth

<table>
<thead>
<tr>
<th>%</th>
<th>H1 2015</th>
<th>H2 2015</th>
<th>FY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Care</td>
<td>2.8</td>
<td>0.8</td>
<td>1.8</td>
</tr>
<tr>
<td>Life Sciences</td>
<td>14.7</td>
<td>6.4</td>
<td>10.5</td>
</tr>
<tr>
<td>Performance Technologies</td>
<td>3.3</td>
<td>(0.2)</td>
<td>1.6</td>
</tr>
<tr>
<td>Industrial Chemicals</td>
<td>2.5</td>
<td>4.6</td>
<td>3.4</td>
</tr>
<tr>
<td><strong>Group</strong></td>
<td><strong>5.2</strong></td>
<td><strong>2.0</strong></td>
<td><strong>3.7</strong></td>
</tr>
</tbody>
</table>
### Underlying sales growth

<table>
<thead>
<tr>
<th>%</th>
<th>Q3 2015</th>
<th>Q4 2015</th>
<th>H2 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Care</td>
<td>2.0</td>
<td>(0.4)</td>
<td>0.8</td>
</tr>
<tr>
<td>Life Sciences</td>
<td>7.3</td>
<td>5.5</td>
<td>6.4</td>
</tr>
<tr>
<td>Performance Technologies</td>
<td>(1.1)</td>
<td>0.7</td>
<td>(0.2)</td>
</tr>
<tr>
<td>Industrial Chemicals</td>
<td>5.3</td>
<td>3.5</td>
<td>4.6</td>
</tr>
<tr>
<td><strong>Group</strong></td>
<td>2.3</td>
<td>1.7</td>
<td>2.0</td>
</tr>
</tbody>
</table>
## H1/H2 sales analysis

<table>
<thead>
<tr>
<th></th>
<th>H1 2015</th>
<th>H2 2015</th>
<th>FY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Care</td>
<td>197.1</td>
<td>180.2</td>
<td>377.3</td>
</tr>
<tr>
<td>Life Sciences</td>
<td>118.8</td>
<td>112.5</td>
<td>231.3</td>
</tr>
<tr>
<td>Performance</td>
<td>185.7</td>
<td>169.1</td>
<td>354.8</td>
</tr>
<tr>
<td>Technologies</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Industrial</td>
<td>63.0</td>
<td>55.3</td>
<td>118.3</td>
</tr>
<tr>
<td>Chemicals</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>Group</strong></td>
<td>564.6</td>
<td>517.1</td>
<td>1,081.7</td>
</tr>
</tbody>
</table>

Reported currency
## H1/H2 operating profit analysis

<table>
<thead>
<tr>
<th></th>
<th>H1 2015</th>
<th>H2 2015</th>
<th>FY 2015</th>
<th>FY 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating profit (£m):</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal Care</td>
<td>64.4</td>
<td>60.1</td>
<td>124.5</td>
<td>117.3</td>
</tr>
<tr>
<td>Life Sciences</td>
<td>40.5</td>
<td>35.7</td>
<td>76.2</td>
<td>64.7</td>
</tr>
<tr>
<td>Performance Technologies</td>
<td>31.6</td>
<td>25.2</td>
<td>56.8</td>
<td>63.8</td>
</tr>
<tr>
<td>Industrial Chemicals</td>
<td>4.3</td>
<td>2.4</td>
<td>6.7</td>
<td>2.6</td>
</tr>
<tr>
<td><strong>Group</strong></td>
<td>140.8</td>
<td>123.4</td>
<td>264.2</td>
<td>248.4</td>
</tr>
<tr>
<td><strong>Return on sales (%):</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal Care</td>
<td>32.7</td>
<td>33.4</td>
<td>33.0</td>
<td>31.8</td>
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<tr>
<td>Life Sciences</td>
<td>34.1</td>
<td>31.7</td>
<td>32.9</td>
<td>31.6</td>
</tr>
<tr>
<td>Performance Technologies</td>
<td>17.0</td>
<td>14.9</td>
<td>16.0</td>
<td>18.0</td>
</tr>
<tr>
<td>Industrial Chemicals</td>
<td>6.8</td>
<td>4.3</td>
<td>5.7</td>
<td>2.2</td>
</tr>
<tr>
<td><strong>Group</strong></td>
<td>24.9</td>
<td>23.9</td>
<td>24.4</td>
<td>23.7</td>
</tr>
</tbody>
</table>
## Retirement benefit deficit (IAS19 basis)

<table>
<thead>
<tr>
<th>£m at 31 December</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market value of assets</td>
<td>969.6</td>
<td>946.5</td>
</tr>
<tr>
<td>Value of liabilities</td>
<td>(1,048.4)</td>
<td>(1,073.2)</td>
</tr>
<tr>
<td><strong>Deficit pre tax</strong></td>
<td>(78.8)</td>
<td>(126.7)</td>
</tr>
<tr>
<td>Deferred tax</td>
<td>22.9</td>
<td>31.3</td>
</tr>
<tr>
<td><strong>Deficit post tax</strong></td>
<td>(55.9)</td>
<td>(95.4)</td>
</tr>
</tbody>
</table>