

22 April 2015

Croda International Plc Trading Update for the first quarter of 2015

Continuing sales growth supported by increased innovation and investment

Croda International Plc (“Croda”, “the Group” or “the Company”) today updates on its trading during the first quarter of 2015, ended 31 March 2015. All sales are at constant currency translation unless otherwise stated.

- **Group sales up 4.0% year-on-year with growth from all three core sectors**

2015 has started in line with our expectations. Sales increased by 4.0% over the same quarter in 2014, with growth across all three core sectors. Group profit margin increased slightly over the prior year period.

Reported sales also rose by 4.0% to £284.9 million (Q1 2014: £274.0m). Currency translation had no material overall sales impact, with the benefit of a stronger US dollar offset by weakening of the Euro against Sterling.

As anticipated at the time of our 2014 full year results announcement in February, regional growth trends have remained noticeably different. We achieved sales increases in our high growth markets of North America, Asia and Latin America, while sales in Western Europe have stabilised year-on-year.

- **Continued growth in Personal Care**

Personal Care growth continued, with sales up 1.8% (3.4% in reported currency) over the same quarter of 2014. Our increased proximity to customers helped us secure a record number of collaboration agreements with global accounts, providing a firm foundation on which to grow our business. Sales of New and Protected Products (‘NPP’) continue to increase, including the launch of Majestem™, a novel skincare active using our sustainable plant stem cell technology and which provides skin tensioning benefits for the face and neck. Sales of sustainable palm oil derivatives continue to grow and the customer response to our announced investment in 100% renewable surfactants for 2017 has been very encouraging.

Growth in both Asia and Latin America was strong, supported by good progress with our regional dynamo customers. Sales in Western Europe were unchanged, an improvement on the previous trend.

- **Strong sales growth in Life Sciences, driven by high purity chemistry**

Sales in Life Sciences grew by 15.8% (16.3% in reported currency) over the same quarter in 2014. This reflected very strong growth in Health Care, driven by above forecast sales of pharmaceutical grade Omega-3 and NPP sales in high purity excipients. The pipeline of new opportunities is encouraging, with several projects progressing towards commercialisation, leveraging our high purity technology. Omega-3 pharmaceutical sales benefited from pipeline filling and market share gains by generic products.

Crop Care sales were broadly unchanged, performing in line with the market. Latin America returned to growth, driven by good sales in Brazil. We also saw growth in adjuvants with regional customers in Asia. We have a strengthening NPP programme, including forthcoming launches in plant nutrition, adjuvants and biopesticides. The market in Western Europe improved. Fungicide sales in North America remained weak due to reduced corn prices.

- **Moderating sales in Performance Technologies in Europe, but growth in new markets and a strong pipeline of innovation**

Growth in Performance Technologies slowed to 0.4% (-0.7% in reported currency) over the same quarter of 2014, due to lower demand for lubricants in Europe, particularly some specific destocking in marine, and headwinds in Geo Technologies, reflecting reduced activity in the oil sector. By contrast, sales of Polymer Additives were strong, with the first quarter seeing the launch of Incroslip SL™, a unique, patent protected slip agent for polymer films. We saw growth in all our other regional markets as we leveraged our strong European capability.

The outlook for the sector remains encouraging, with continued growth outside of Europe and positive trends in the global automotive market. We also have a strong pipeline of innovation opportunities, including an exciting lubricant additive now in final customer testing and new automotive refinishing products. These opportunities will supplement current capacity expansion projects and growth from Sipo in China.

- **Improved performance from Industrial Chemicals**

Sales in Industrial Chemicals increased by 2.0% (-0.9% in reported currency) over the same quarter in 2014, benefitting from increased demand generally.

- **Robust financial position**

Net debt at the end of the first quarter reduced from the year end with good free cash generation. We funded increased capital expenditure, with new capacity in Singapore commissioning in the second quarter to meet growing Asian demand across our core sectors. We also paid the final contribution of £22 million to the UK pension scheme under the deficit recovery plan.

Commenting on Croda's performance, the Chairman, Martin Flower, said:

"We have made an encouraging start to the year, with sales growing across all our core sectors. This has been supported by increased innovation and investment. We expect to continue to deliver profitable growth through 2015."

Notes

The three core sectors are Personal Care, Life Sciences and Performance Technologies. The core sectors exclude Industrial Chemicals, which primarily sells co-streams from other Croda businesses.

Further information

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The Company will hold a conference call for investors and analysts at 0800 on 22 April 2015. Please dial + 44 20 3139 4830 and quote "Croda International" to gain access to the call.