5 November 2015

Croda International Plc
Trading Update for the third quarter of 2015

Continued sales growth and improved margin, driven by robust performance in consumer markets and strong innovation

Croda International Plc ("Croda" or the "Group"), a world leader in speciality chemical ingredients, today updates on its trading during the third quarter of 2015 ("Q3", "the quarter" or the "period"), ended 30 September 2015. All sales are at constant currency translation unless otherwise stated.

- **Group sales up 2.3% in Q3 with continued growth in consumer sectors**

Q3 sales increased by 2.3%, with year-to-date growth to the end of the third quarter ("YTD") of 4.3%. As anticipated at the time of the Group's interim results in July, sales growth slowed in Q3, reflecting a stronger comparative period. Nevertheless, growth in our consumer-facing Personal Care and Life Sciences sectors continued. Industrial markets were more challenging during Q3, which impacted our Performance Technologies sector. Q3 Group operating margin increased over the prior year period.

Q3 reported sales rose by 1.4% to £262.5 million (2014: £259.0m). YTD reported sales rose 3.9% to £827.1 million (2014: £796.4m). Currency translation reduced Q3 reported sales by 0.9% and profit by 1.8%, due to the impact of the weak Euro more than offsetting a stronger US dollar.

Our focus on innovation continues to support improved sales, with growth of new and protected products ("NPP") well ahead of overall sales. Regionally, Q3 sales in Europe remained slightly positive year-on-year, with North America and Asia delivering another strong performance. Latin America was noticeably weaker in Q3, due to difficult macroeconomic conditions and the impact of local currency devaluation.

- **Continued growth in Personal Care, supported by regional investment**

Personal Care has delivered steady growth over the last five quarters. Q3 sales were up 2.0% (1.6% in reported currency) over the same quarter of 2014. YTD sales were up 2.5% (3.5% in reported currency), with NPP sales growing at more than twice overall sales.

We saw good growth in skin actives, with Q3 plant-based sales from 'IRB by Sederma' up over 30% year-on-year on a reported basis. Personal Care sales to our regional dynamo customers continued to be very encouraging, reflecting our increased focus and investment in local sales, marketing and technical resource. This was especially evident in Europe and Asia, with China reported sales up by 30% in Q3. Sales in Latin America slowed markedly as consumer spending was impacted by economic conditions. As expected, Q3 sector profit margin improved over a weaker comparative period, primarily driven by successful innovation and increased skin active sales.

- **Strong sales growth in Life Sciences, driven by double digit growth in Health Care**

Q3 sales in Life Sciences grew by 7.3% (8.1% in reported currency), with YTD sales 12.4% higher (12.9% in reported currency). This reflected continued double digit growth in Health Care, with good global sales of high purity excipients and our pharma-grade Omega 3 API in the US. We continue to invest in innovation and capacity to leverage our market leading position in high purity excipients, achieving a record level of NPP sales during the period.

We are encouraged by progress on development projects to broaden our API technology into a niche platform for pharma-grade Omega 3. YTD sales of our existing US API product have benefitted from significant supply chain stocking and we expect future sales to normalise at previously forecast rates, now that the launch phase is complete and the anniversary of the launch has passed.

Crop Care had a challenging Q3 due to weak crop prices and overstocking in the AgChem market. Only Latin America saw positive sales growth; elsewhere some customers deferred orders. We expect the Crop Care sector to remain subdued in the short term. However, we are making good progress in our efforts to increase NPP in this sector and improve access to key customers' development projects, and the long term outlook for the Crop business remains encouraging.

- **Weaker sales in Performance Technologies but good progress in emerging markets and NPP development**

Q3 sales in Performance Technologies declined by 1.1% (down 2.8% in reported currency), with YTD sales 1.9% higher (0.3% in reported currency). This reflected a weak but stable Q3 sales performance for Geo Technologies, compared to a strong comparative period in 2014, and lower demand in Coatings & Polymers, which was also impacted by production upgrades which will benefit our market development in future periods.

Market uncertainty increased during the quarter, particularly in Europe, but demand in our key Lubricants and Polymer Additives businesses continued to be good, supported by a strong NPP pipeline. Sales of Incroslip SL™, our polymer film slip additive launched earlier, are growing well. Sipo, our joint venture plant in China, is expanding its value added product range. We are making excellent progress developing new market positions in Asia and Latin America.

- **Continued improvement in Industrial Chemicals**

Q3 sales in Industrial Chemicals rose 5.3% (1.8% in reported currency) with YTD sales 3.4% higher (0.2% in reported currency). Improved pricing is benefitting operating margin, with the future outlook positive as we look to add more value to products through niche innovation activity.

- **Robust financial position**

Net debt at the end of the third quarter rose slightly from the half year, reflecting payment of the interim dividend and increased capital expenditure. Building of our new North American plant for the non-ionic bio-surfactant market is progressing to plan and is due to commission in the summer of 2017. We continue to develop exciting products for this new market opportunity. Free cash generation remains strong and continues to support organic growth investment.

- **Outlook confirmed**

Despite cautionary signs in some markets, we are encouraged by continued progress in consumer-facing markets and our successful NPP programmes. These, alongside investment in capacity and regional expansion, are expected to drive future performance. Based on current rates, currency translation is now likely to have a small negative impact on 2015 sales and profit. In constant currency terms, we remain confident of delivering our expectations for the full year.

Constant currency sales growth data

Underlying sales growth	First half %	Third quarter %	Year to date %
Personal Care	2.8	2.0	2.5
Life Sciences	14.7	7.3	12.4
Performance Technologies	3.3	(1.1)	1.9
	5.6	1.9	4.4
Industrial Chemicals	2.5	5.3	3.4
Group	5.2	2.3	4.3

Further information

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A conference call for investors and analysts will be held at 0800 (GMT) on 5 November 2015. Please dial +44 20 3426 2888 to gain access to the call.

Definitions:

Operating margin is adjusted operating profit divided by sales, at constant currency
Net debt is borrowings and other financial liabilities less cash and cash equivalents