

## Press Release

23 April 2020

### COVID-19 update

*Croda International Plc (“Croda” or the “Group”), the speciality chemical company that creates high performance ingredients and technologies relied upon by industries and consumers globally, provides the following update in light of the ongoing COVID-19 pandemic and ahead of its Annual General Meeting today.*

### COVID-19 update

The Group's ongoing priority is the health and safety of our employees. We have implemented appropriate working practices across the Group, including colleagues working from home where possible and the adoption of flexible and separated working arrangements in manufacturing sites and warehouses. We are adhering to government advice across all the different countries where we have operations. Currently, all of our 19 principal manufacturing sites are operating, reflecting our critical supplier position to a number of industries during the COVID-19 crisis (including health care, crop care, cleaning and sanitisers), although our India and Singapore sites are operating with some restrictions. Raw material supply chains also remain broadly secure, with limitations on the availability of a small number of materials. Our business continuity plans have been fully mobilised and are operating well. We currently have no plans to furlough or reduce pay for employees.

### Current trading and prospects

We continue to maintain high service levels to support our customers. Demand has remained solid, with customers primarily focused on securing their own supply chains through us at this time. Core Business sales and Group profitability in the first quarter ended 31 March 2020 ('the quarter' or 'Q1') were broadly in line with the Board's expectations and the prior year. Q1 was expected to be the strongest comparator period from 2019.

Asia was adversely impacted by the earlier shutdown in China but, encouragingly, North Asia delivered broadly flat sales across the quarter. North America returned to sales growth in the quarter whilst Latin America was below a strong comparator. Europe saw some demand weakness in Personal Care and Performance Technologies but good growth in Life Sciences.

As the second quarter commences, whilst conditions in some markets are more variable than usual, the value of our customer order book remains solid and in line with normal circumstances. However, visibility is limited and there is uncertainty as to how the COVID-19 crisis will affect future sales.

Whilst we continue to invest in organic opportunities to grow the business for the future through our ongoing capital expenditure programme, we are implementing discretionary operating cost savings and have the capacity to adjust further to meet changing circumstances.

### Financial position

The liquidity and business profile of the Group is strong. We have undertaken extensive scenario testing, factoring in a variety of potential outcomes, which indicate that the Group has sufficient liquidity to absorb an extended period of uncertainty. The Group has a strong balance sheet, having completed its debt refinancing in 2019, with no material debt maturities falling due before 2023. As at 31 March 2020, the Group had committed funding in place of £1,076m, with undrawn committed facilities of £457m, £91m in cash and a leverage ratio of 1.4 times net debt to EBITDA (compared to a covenant maximum of 3.5x, measured semi-annually).

Croda has operated for many years with a prudent leverage and dividend distribution policy. After careful consideration of the position of all stakeholders and treating all groups consistently and fairly, the Board has decided to pay the final 2019 ordinary dividend of 50.5 pence per share (£65.0m), announced in the Group's annual results in February 2020, subject to approval by shareholders at today's Annual General Meeting.

### Further information:

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*The Core Business comprises Personal Care, Life Sciences and Performance Technologies*