Underlying progress accelerates in Q3

- Constant currency turnover up 4.0%
  - Consumer Care +4.2%
  - Performance Technologies +8.2%
- Pharma grade Omega 3 sales to PAR commence
- Strong underlying growth in New and Protected Products (NPP)
- Growth in all major geographies apart from Latin America
- Significant headwinds on exchange rates reduces EBIT by £5.5m
  - Translation £3.5m, transaction £2.0m
Strategic Priorities

- Consistent top and bottom line growth
- Increase the proportion of total sales that are patented
- Constant innovation and relentless investment
Consistent top and bottom line growth

- **Consumer Care**
  - 4.2% growth \(^1\)
  - Strong Health Care performance
  - Improving trend in Personal Care
  - Crop Care stable

- **Performance Technologies**
  - 8.2% growth \(^1\)
  - Growth in all markets ahead of target
  - Strong performance in Lubricants
  - Healthy growth in emerging markets

\(^1\) Constant currency sales growth in Q3
Increasing the proportion of sales that are patented

- New and Protected Products (NPP) underlying growth 12% for the group
- Helping our customers create valuable brands that meet unmet needs
- IRB, Acrylic Polymers, Arizona Chemicals all growing healthily
Constant innovation and relentless investment

- New “Customer Training Center” and Sales Office
- Expanded R&D Center
- New applications lab and sales office in Shanghai
- Expanded R&D with New “Claims Testing Hub” and Sales Office

Key
- Manufacturing & Innovation Centre
- Regional Applications Laboratories
Investing in new technology – Pharma active ingredient

- Ultra high purity Pharma grade Omega-3
- FDA clearance to supply from GMP compliant facility in UK
- Access to generic Omacor/Lovaza® market
- Indicated for the treatment of elevated blood triglycerides (hypertriglyceridemia)

Croda announce active ingredient partnership with PAR Pharmaceutical
New global customer facing organisation

Creation of 3 global business groups

- **Personal Care**
- **Health Care & Crop Care**
- **Performance Technologies & Industrial Chemicals (PTIC)**

- Combining Sales, Marketing and Research by sector in dedicated global teams
- Full Executive Committee accountability with responsibility for top and bottom line financial performance
- Very strong regional strength and local focus

Organisational change effective from 1st May 2014
Executive Committee Responsibility

Responsibilities

Key benefits of change

- Fully aligned with our customers’ needs
- Separating Personal Care from Health and Crop will provide sharper, tailored management and strategic focus
- Smarter resource allocation and optimisation
- Accelerating and capturing sales growth
- Increased customer intimacy
- Sharper innovation and more focussed R&D
2014 Q3 results

- Basis of preparation
  - Unless otherwise stated, all profit and earnings numbers are stated before acquisition costs and goodwill amortisation
Q3 sales by segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>2014</th>
<th>2013</th>
<th>Reported growth</th>
<th>Constant currency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer Care</td>
<td>140.7</td>
<td>145.4</td>
<td>-3.2%</td>
<td>+4.2%</td>
</tr>
<tr>
<td>Performance Technologies</td>
<td>90.1</td>
<td>89.5</td>
<td>+0.7%</td>
<td>+8.2%</td>
</tr>
<tr>
<td>Industrial Chemicals</td>
<td>28.2</td>
<td>33.0</td>
<td>-14.5%</td>
<td>-8.7%</td>
</tr>
<tr>
<td><strong>Total turnover</strong></td>
<td><strong>259.0</strong></td>
<td><strong>267.9</strong></td>
<td><strong>-3.3%</strong></td>
<td><strong>+4.0%</strong></td>
</tr>
</tbody>
</table>

- In Q3, both CC and PT saw strong underlying growth despite absence of inflation
  - All eight business areas saw underlying growth and good momentum
- 7.3% adverse currency translation impact
- Industrial Chemicals: significant declines in by-product sales due to weak commodity markets and low levels of toll processing
### Sales trends – positive momentum

<table>
<thead>
<tr>
<th></th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer Care</td>
<td>-0.6%</td>
<td>+0.6%</td>
<td>+4.2%</td>
<td>+1.3%</td>
</tr>
<tr>
<td>Performance Technologies</td>
<td>+3.7%</td>
<td>+2.7%</td>
<td>+7.9%</td>
<td>+4.5%</td>
</tr>
<tr>
<td>Industrial Chemicals</td>
<td>+2.7%</td>
<td>-5.7%</td>
<td>-12.3%</td>
<td>-5.7%</td>
</tr>
<tr>
<td><strong>Underlying sales</strong></td>
<td>+1.3%</td>
<td>+0.5%</td>
<td>+3.4%</td>
<td>+1.6%</td>
</tr>
<tr>
<td>Acquisitions</td>
<td>+1.6%</td>
<td>+1.3%</td>
<td>+0.6%</td>
<td>+1.2%</td>
</tr>
<tr>
<td><strong>Constant currency</strong></td>
<td>+2.9%</td>
<td>+1.8%</td>
<td>+4.0%</td>
<td>+2.8%</td>
</tr>
<tr>
<td>Currency translation</td>
<td>-6.1%</td>
<td>-7.6%</td>
<td>-7.3%</td>
<td>-6.9%</td>
</tr>
<tr>
<td><strong>Continuing sales</strong></td>
<td>-3.2%</td>
<td>-5.8%</td>
<td>-3.3%</td>
<td>-4.1%</td>
</tr>
</tbody>
</table>

- Consumer Care growth driven by Health Care but Personal Care and Crop Care also saw underlying growth in Q3
- Performance Technologies achieving minimum growth targets after strong Q3
- Industrial Chemicals down in Q3 - weak commodity markets and reduced levels of toll processing
Consumer Care

<table>
<thead>
<tr>
<th>£m Q3</th>
<th>2014</th>
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<th>Growth</th>
<th>CC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover</td>
<td>140.7</td>
<td>145.4</td>
<td>-3.2%</td>
<td>+4.2%</td>
</tr>
<tr>
<td>Operating profit</td>
<td>42.2</td>
<td>45.7</td>
<td>-7.7%</td>
<td>-1.5%</td>
</tr>
<tr>
<td>ROS</td>
<td>30.0%</td>
<td>31.4%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- 4.2% underlying sales growth
  - Strong underlying growth in Health Care driven by PAR
  - Crop saw modest underlying growth in a difficult market
  - Personal Care returns to underlying growth
- Even stronger underlying NPP sales in all areas
- Return on Sales remains robust at 30% despite
  - Currency transaction costs
  - Fixed overhead costs
Performance Technologies

<table>
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<th>Growth</th>
<th>CC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover</td>
<td>90.1</td>
<td>89.5</td>
<td>+0.7%</td>
<td>+8.2%</td>
</tr>
<tr>
<td>Operating profit</td>
<td>15.4</td>
<td>14.0</td>
<td>+10.0%</td>
<td>+14.3%</td>
</tr>
<tr>
<td>ROS</td>
<td>17.1%</td>
<td>15.6%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Very strong performance despite being overweight
  - US/Europe and lack of inflation
- Asia sales particularly strong
- All five business areas ahead of growth targets
- ROS increases offsetting Sipo dilution and currency transaction pain

CC = constant currency
Industrial Chemicals

<table>
<thead>
<tr>
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<th>Growth</th>
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<td>28.2</td>
<td>33.0</td>
<td>-14.5%</td>
<td>-8.7%</td>
</tr>
<tr>
<td>Operating profit</td>
<td>0.5</td>
<td>2.4</td>
<td>-79.2%</td>
<td>--75.0%</td>
</tr>
<tr>
<td>ROS</td>
<td>1.8%</td>
<td>7.3%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Weak commodity markets and currency headwinds put pressure on margins for by-products
- Reduced levels of toll processing
- Sipo at break-even profitability ahead of Croda product launches

CC = constant currency
Q3 Pre-tax profit

<table>
<thead>
<tr>
<th>£m</th>
<th>2014</th>
<th>2013</th>
<th>Growth</th>
<th>CC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total EBIT</td>
<td>58.1</td>
<td>62.1</td>
<td>-6.4%</td>
<td>-0.8%</td>
</tr>
<tr>
<td>ROS</td>
<td>22.4%</td>
<td>23.2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financing</td>
<td>(3.0)</td>
<td>(3.4)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pre-tax profit</td>
<td>55.1</td>
<td>58.7</td>
<td>-6.1%</td>
<td>-0.2%</td>
</tr>
</tbody>
</table>

- Reported EBIT reduced by £5.5m due to currency effects
  - Translation £3.5m and transaction £2.0m
    - only translation effects included in constant currency comparatives
Cash flow and net debt

- Strong cash generation in Q3
  - Net debt increases by only £18m despite paying £42m in dividends and £16m capex

- Net debt stands at £220m

* As per loan covenant calculations, rolling 12 months
Summary and outlook

- Visibility limited and market trends remain difficult to predict
- Q4 always our lowest sales quarter
  - Christmas shutdowns at many customers
- Encouraged by underlying momentum building in Q3
  - 6 out of 8 core markets in target sales growth range in Q3
  - All 8 core markets saw underlying sales growth
- Strong underlying growth in NPP
- New growth initiatives in Health and Skin Actives coming on stream
- Organisational change is driving sharper commercial focus and customer alignment
- Robust cash generation to drive continued investment in R&D, technology and capacity