Croda International Plc
2015 Half Year Results

21 July 2015

Innovation you can build on™

CRODA

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 growth is presented at constant currency and excludes the impact of acquisitions.

Our performance

Innovation you can build on™

CRODA

Consistent top and bottom line growth

Strengthening sales growth

+5.2%

Sales growth YOY*

Accelerating innovation

25.8%

+21%

NPP sales % Group
NPP sales growth YOY

Robust EPS Growth

+11%

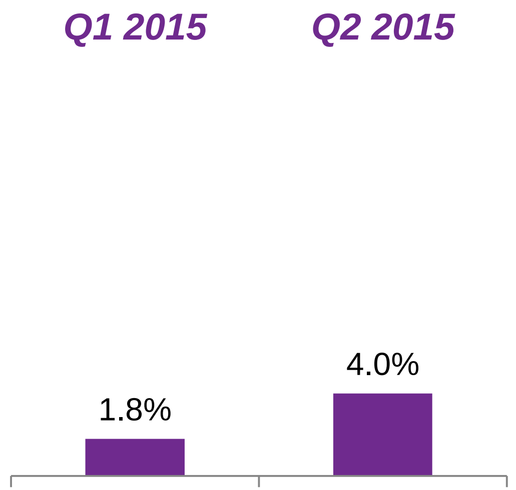
Growth rate YOY

*Constant currency
NPP = New & Protected Products

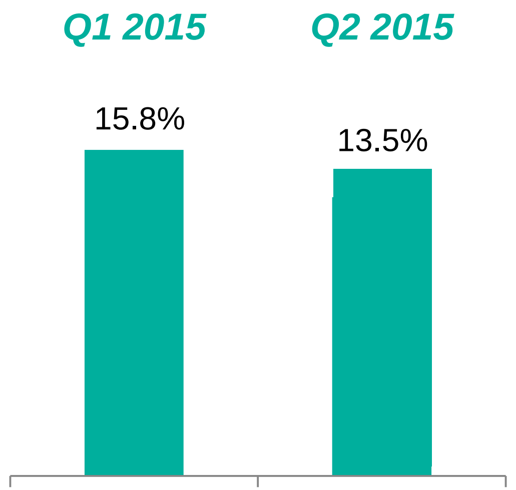
Strong sales growth across all sectors

New market led structure continuing to deliver

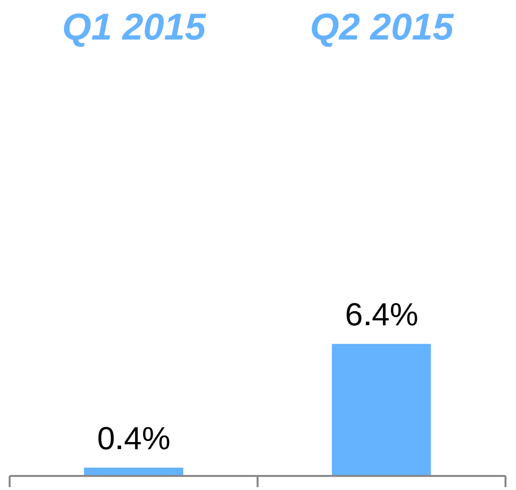
Continued momentum in Personal Care



Excellent sales growth in Life Sciences



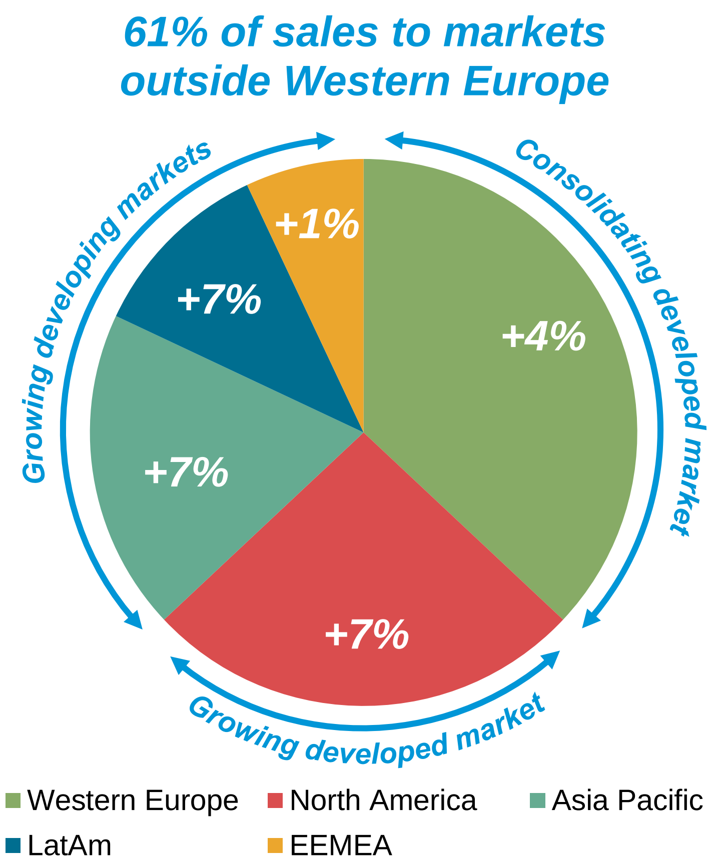
Recovering sales in Performance Technologies



Constant currency

CRODA

Broad based growth across all regions



Regional performance:

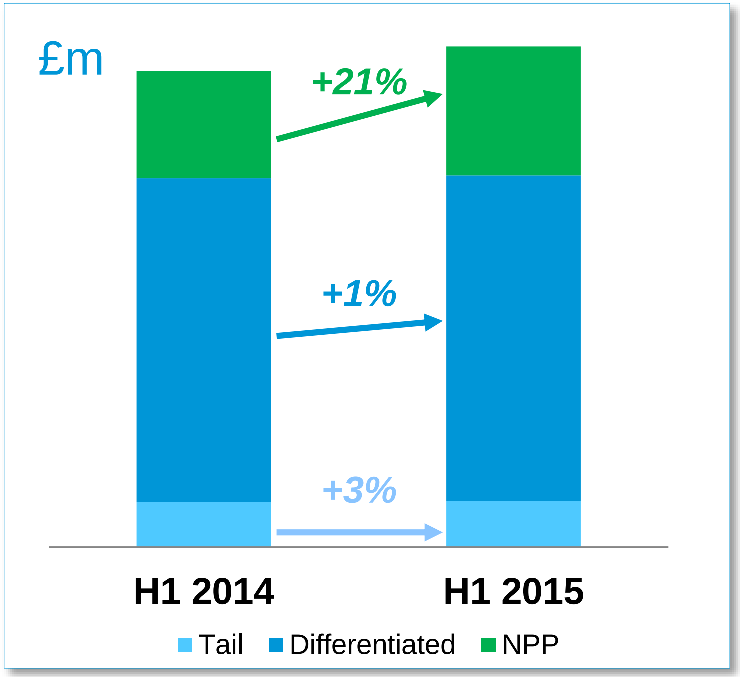
- All regions growing
- Strong growth in USA, Asia and LatAm
- Encouraging return to modest growth in Western Europe

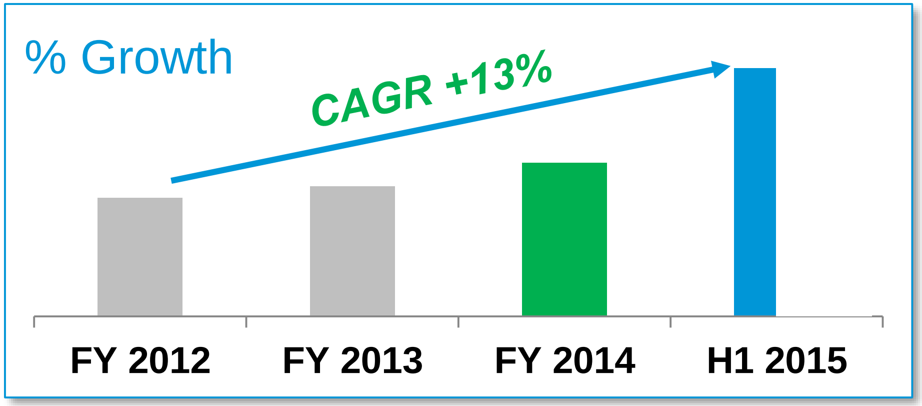
Constant currency

CRODA

Innovation at record levels

Strong and sustainable NPP growth





2015

- NPP growing across all sectors
- Modest growth in differentiated
- Tail growing as activity levels increase
- Investing consistently across sectors

We continue to improve the quality of the business

Constant currency

CRODA

Financial performance

Innovation you can build on™

CRODA

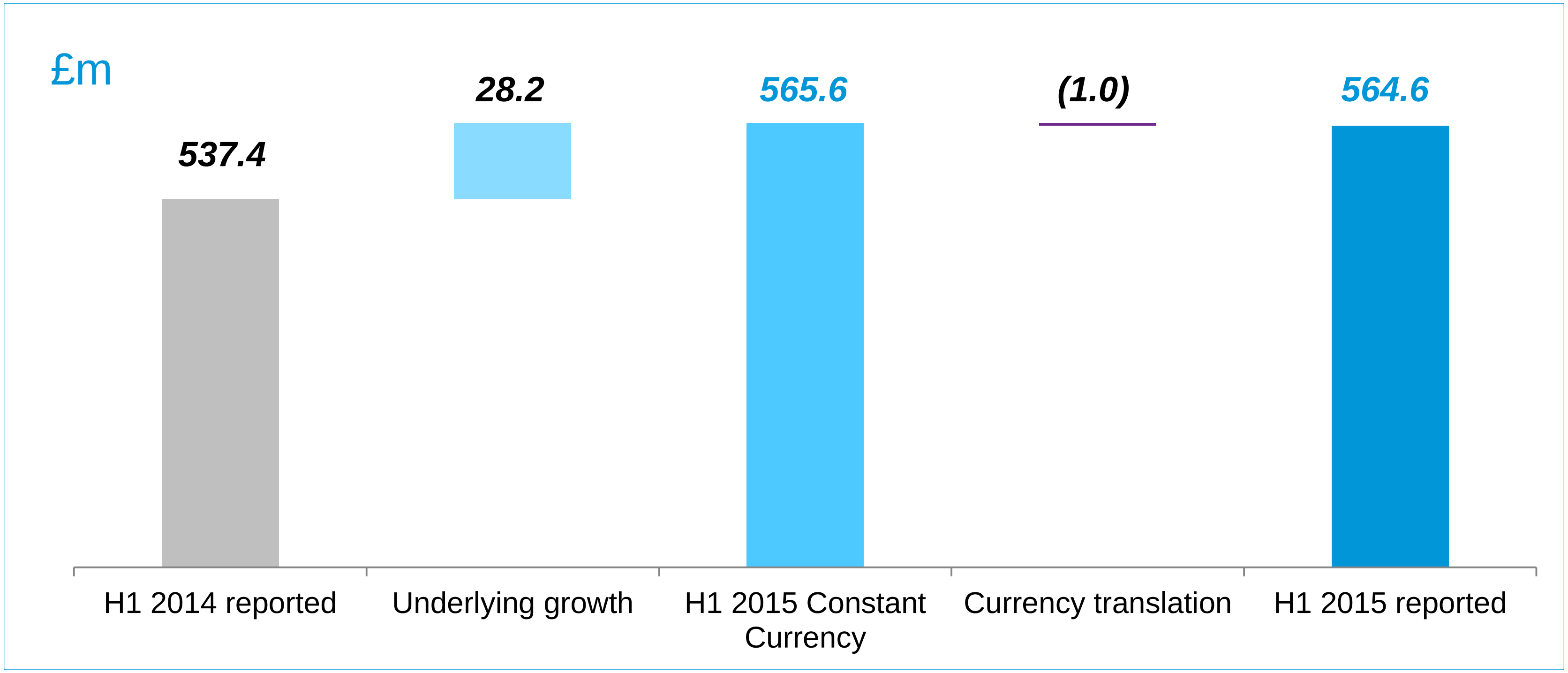
Good progress in Personal Care and Life Sciences

	Group	Personal Care	Life Sciences	Performance Technologies
Revenue	+5.2%	+2.8%	+14.7%	+3.3%
Operating margin	24.6%	33.2%	+2.0% pts	-2.4% pts

Constant currency
Operating margin is adjusted operating profit divided by sales, at constant currency

CRODA

Revenue up 5.2%*



- Revenue growth through NPP innovation and across all sectors and regions

* At constant currency

CRODA

Q2 sales growth ahead of Q1

	H1 2015	Q2 2015	Q1 2015
Personal Care	2.8%	4.0%	1.8%
Life Sciences	14.7%	13.5%	15.8%
Performance Technologies	3.3%	6.4%	0.4%
	5.6%	7.0%	4.3%
Industrial Chemicals	2.5%	3.1%	2.0%
Group	5.2%	6.5%	4.0%

- Tougher comparator from H2 2014

Constant currency

CRODA

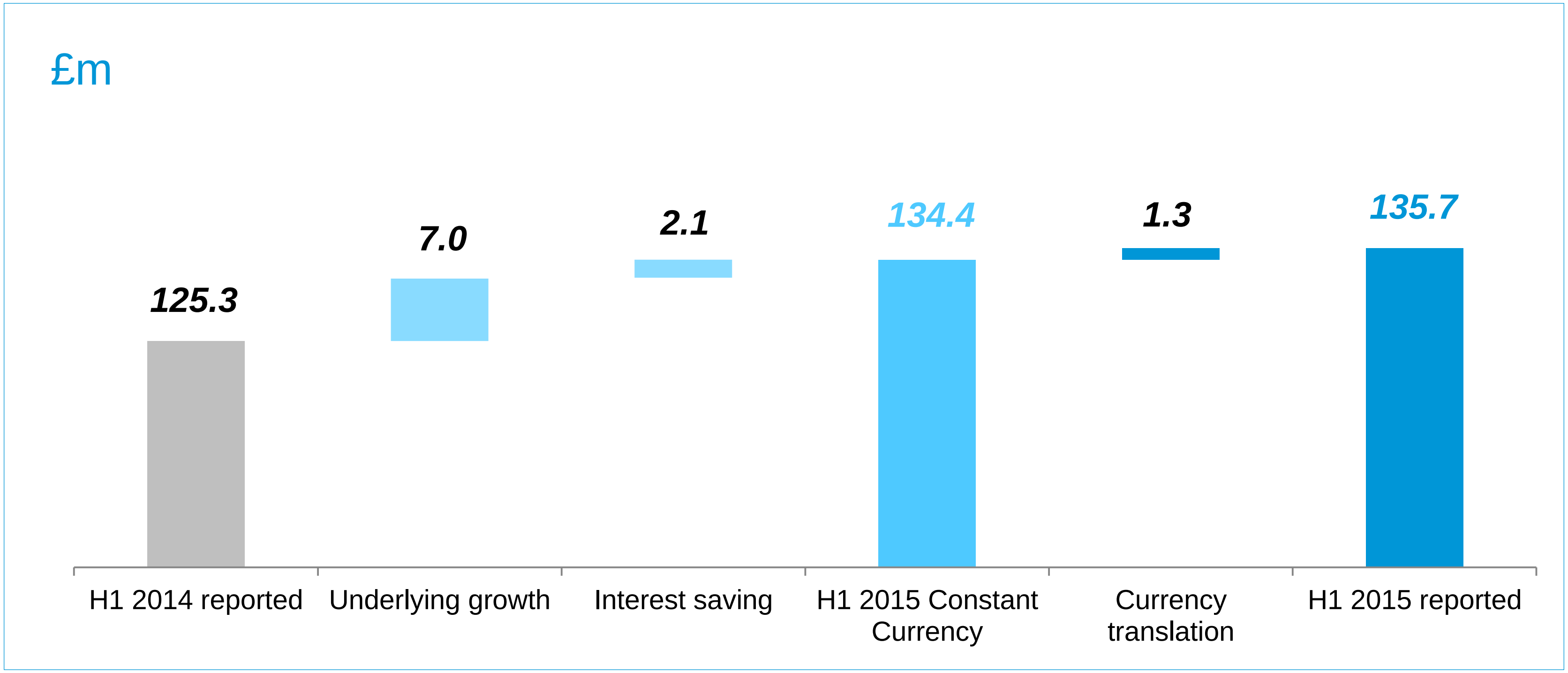
Operating profit up 5.3%*

£m	H1 2015 Reported	H1 2015 Constant currency	H1 2014 Reported	Constant currency change %
Revenue	564.6	565.6	537.4	5.2%
Operating profit	140.8	139.3	132.3	5.3%
Net interest	(5.1)	(4.9)	(7.0)	30.0%
Pre-tax profit	135.7	134.4	125.3	7.3%
IFRS pre-tax profit	135.6		125.1	
Tax rate	28.2%		30.2%	
EPS	71.8p		64.6p	
Declared dividend	31.0p		29.5p	

*At constant currency

CRODA

Profit before tax up 7.3%*



- Underlying profit growth across consumer businesses from strong volumes and innovation

* Constant currency

CRODA

Consumer-facing businesses driving profit

£m	H1 2015 Reported	H1 2015 Constant currency	H1 2014 Reported	Constant currency change %
Personal Care	64.4	64.4	62.6	2.9%
Life Sciences	40.5	39.7	32.6	21.8%
Performance Technologies	31.6	31.1	34.4	(9.6%)
	136.5	135.2	129.6	4.3%
Industrial Chemicals	4.3	4.1	2.7	51.9%
Group	140.8	139.3	132.3	5.3%

- Sustained / strengthening margins in consumer-facing markets
- Performance Technologies impacted by growth investment and Geo Technologies downturn
- Improved performance in Industrial Chemicals

2014 restated for new market sectors

CRODA

Encouraging H1 performance particularly in consumer markets

	£m	H1 2015 Reported	H1 2015 Constant currency	H1 2014
Personal Care	Revenue	197.1	194.0	188.7
	Operating profit	64.4	64.4	62.6
	Return on sales	32.7%	33.2%	33.2%
Life Sciences	Revenue	118.8	118.3	103.1
	Operating profit	40.5	39.7	32.6
	Return on sales	34.1%	33.6%	31.6%
Performance Technologies	Revenue	185.7	188.4	182.3
	Operating profit	31.6	31.1	34.4
	Return on sales	17.0%	16.5%	18.9%

- Continued sales recovery in all markets
- Sustained operating margin through NPP
- Increased demand from regional dynamos

- Strong growth in Health Care excipients
- Above forecast sales of pharma Omega-3, partly stock build
- Improved performance in Crop adjuvants
- Excellent margin and NPP development

- Recovering sales after weak Q1
- Good NPP driving new product sales
- Margin impacted by targeted investment, oil downturn and Sipo growth

CRODA

Cash flow funding organic growth investment

£m	H1 2015	H1 2014
EBITDA	159.7	149.7
Working capital	(23.2)	(26.6)
Net capital investment	(38.2)	(23.9)
	98.3	99.2
Additional pension contributions	(19.4)	(22.0)
Interest and tax	(32.2)	(29.9)
Free cash flow	**46.7**	**47.3**
Dividends	(48.9)	(48.1)
M&A	-	(0.6)
Currency translation	8.3	6.0
Other	(5.1)	(4.4)
Movement in net debt	1.0	0.2
Net debt	(179.2)	(202.0)

CRODA

Closing financial thoughts

- H2 will see strong comparators, particularly in pharma Omega-3
- Currency translation adverse at end June rates
- Pensions deficit plan completed in UK
- Capital allocation policy in place
  - Reinvesting for growth
  - Increasing dividend in line with policy
  - Considering acquisition opportunities
  - Periodic excess capital return
- Completing review of acquisition and capital return opportunities in H2

CRODA

Our Strategy – Being different

Innovation you can build on™

CRODA

Our strategic priorities

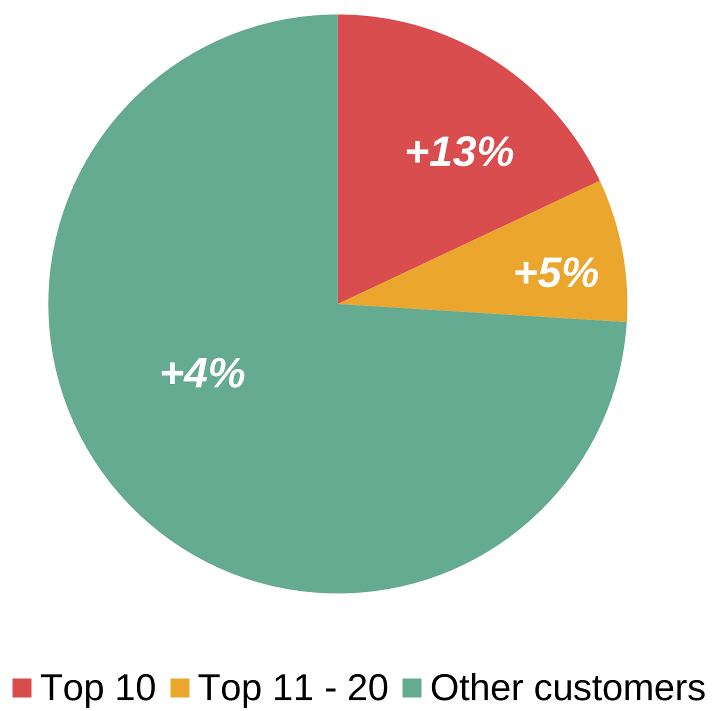
Delivering consistent top and bottom line growth

Increasing sales of New and Protected Products

Investing in a sustainable future

Getting closer to our customers

Diversified customer base



H1 performance:

- All customer types delivering growth
- Rapid growth with Regional Dynamos
- Limited exposure to MNCs
- More than 1,000 new customers added in H1 2015

Constant currency
MNC – Multi-National Customers

CRODA

Building growth through innovation

Strong Sederma sales growth

Exciting pharma Omega-3 development

Strong drug delivery growth

Existing and new technology platforms driving growth

CRODA

Bigger and better innovation

Bigger innovation	High return from innovation	More "Open Innovation"
Average project size		*Number of projects with collaborative partners*
+35%	11x	20 in 2011 / 76 in 2015 YTD
2015 vs 2013	*NPP sales / R&D spend*	*Innovation partnerships* ***> trebled*** *in 4 years*

CRODA

New products launched this year

Personal Care

Apiscalp™
Scalp purity

- Scalp care - cross over trend from Asia
- Natural active obtained by sustainable extraction
- Provides comfort and beauty by controlling scalp microflora

Life Sciences

Atlox™
Optimised nutrients

- Increased shelf-life stability for end-user formulations
- Compatible with primary crop actives
- Identified and developed as a customer need in Latin America
- Allows high solid incorporation

Performance Technologies

Crodastat™
Surface modifier

- Ideal additive for hard surface dust prevention
- Expertly repels and prevents dust deposition to ensure dust free surfaces
- Wide range of compatibility on both surfaces and formulations

CRODA

Investment in R&D delivering in fast growth markets

Moving closer to our customers

- Customer engagement increased 20%
- Many new niches identified
- Rapid trust formed with customers
- R&D success is supporting 7% sales growth in USA, Asia and LatAm

CRODA

Industry leadership in Sustainability

Leadership in Personal Care Ingredients

Commitment to naturally derived raw materials from sustainable sources

Pioneering investment in non-ionic bio-surfactants

Investment on plan - first for our industry

Committed to sustainable manufacturing

Saving 500 million litres of ground water per year

Our leading position in natural and sustainable ingredients continues to differentiate

CRODA

Summary and outlook

H1 Performance

- Strategy driving sales growth in all sectors
- All regions positive; return to modest growth in Europe
- Record innovation driving improved profit
- Continued investment in innovation and fast growth markets

H2 Outlook

- Continue to deliver profitable sales growth – stronger comparators
- Conditions uncertain in Europe but encouraged by recent growth
- On track to deliver our expectations

Appendix

We have a clear capital allocation policy

Continued strong return on capital

Reinvest to grow	***Regular dividend***	***Disciplined approach to acquisitions***	***Excess capital return within gearing target***
2x recent spend	***c40-50% EPS***		***1-1.5x gearing****

*excluding retirement benefit deficit

CRODA

Quarterly sales growth

	Q2 2015	Q1 2015	Q4 2014	Q3 2014
Personal Care	4.0%	1.8%	2.6%	1.2%
Life Sciences	13.5%	15.8%	11.3%	10.4%
Performance Technologies	6.4%	0.4%	5.3%	7.9%
	7.0%	4.3%	5.5%	5.6%
Industrial Chemicals	3.1%	2.0%	(12.9%)	(12.3%)
Group	6.5%	4.0%	3.2%	3.4%

Constant currency

CRODA

Profit before tax history

£m	H1 2015 Reported	H2 2014 Reported	H1 2014 Reported
Revenue	564.6	509.2	537.4
Operating profit	140.8	116.1	132.3
Net interest	(5.1)	(6.0)	(7.0)
Pre-tax profit	135.7	110.1	125.3
Return on sales	24.9%	22.8%	24.6%

CRODA

IAS19 pension deficit

£m	30 June 2015	31 December 2014
Market value of assets	951.5	946.5
Value of liabilities	(1,065.9)	(1,073.2)
Deficit pre-tax	**(114.4)**	**(126.7)**
Deferred tax	28.1	31.3
Deficit post-tax	**(86.3)**	**(95.4)**

- Pre-tax deficit reduced by £12.3m
- £19.4m funding in excess of service cost
- Post-tax deficit £86.3m
- UK scheme now fully funded for actuarial purposes – next valuation due 30 Sept 2017

CRODA