



Interim Results

for 6 months ended 31 March 2015

Daemmon Reeve Chief Executive Officer / **Richard Hope** Finance Director

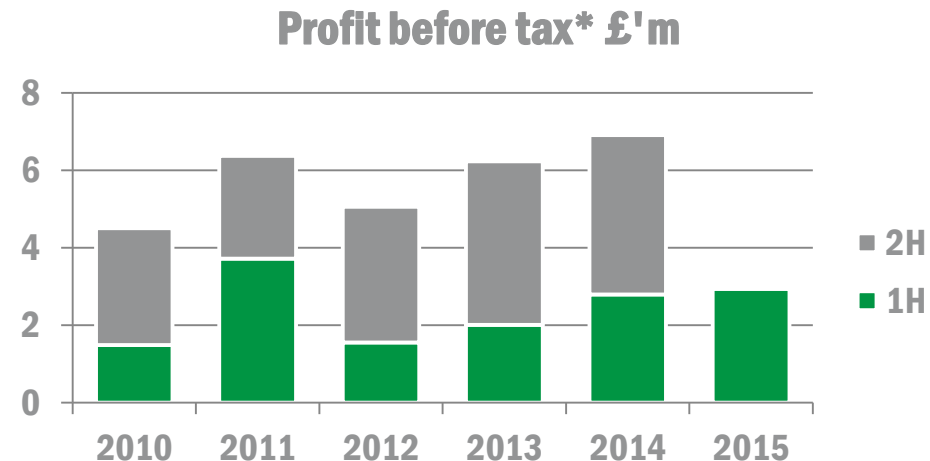
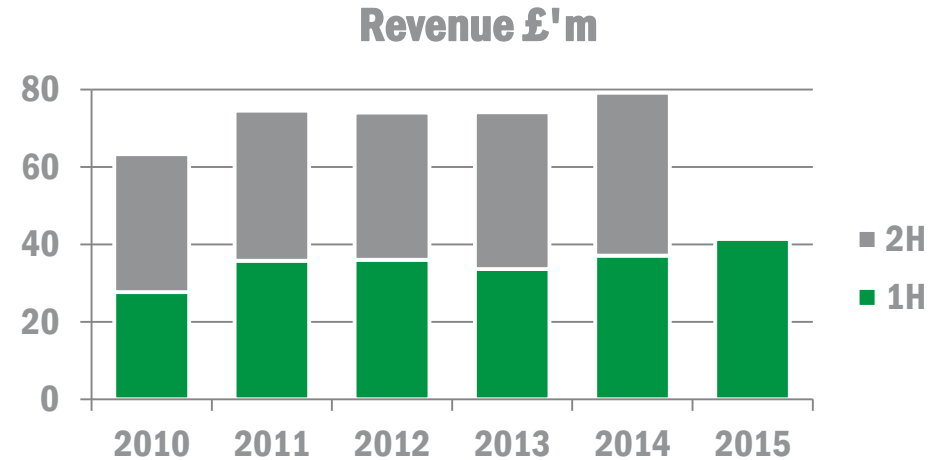
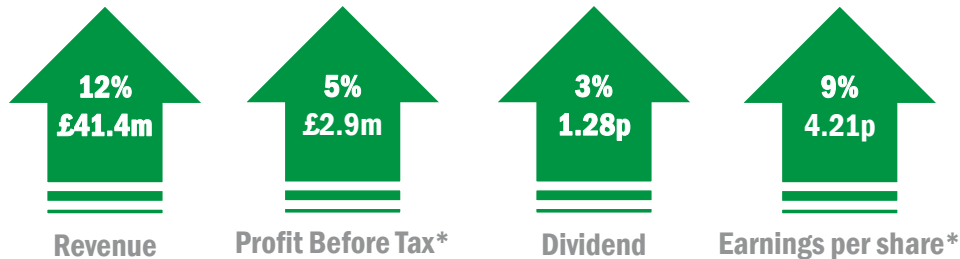
Agenda

- **Results at a glance**
- **Executive Summary**
- **Financial Review**
- **Commercial Review**
- **Future Developments**
- **Current Trading & Outlook**

Results at a Glance

6 mths ended 31 March	2015	2014
Revenue	£41.4m	£37.1m
EBITDA*	£4.0m	£3.8m
Profit before tax*	£2.9m	£2.8m
Earnings per share*	4.21p	3.87p
Dividends per share	1.28p	1.24p
Net Assets per share	55.0p	53.8p

* Excludes exceptional items



Executive Summary

- ⊕ Good revenue growth across all product sectors
- ⊕ Particularly strong performance in US
- ⊕ Improved free cash flow – up by £3.1m
- ⊕ Margins affected by long term, fixed price contracts
- ⊕ 6 new breweries sold to in last 6 months
- ⊕ Negative FX impact of £0.4m unwinding in H2

2015 Half Year Review

Income Statement



6 months ended 31 March	2015	Change	2014
	£'000	%	£'000
Revenue	41,408	¹ 11.6%	37,106
Gross Profit	9,142	8.6%	8,415
<i>Gross Profit %</i>	<i>22.1%</i>	²	<i>22.7%</i>
Administrative expenses	(5,837)	(10.8%)	(5,268)
Operating Profit	3,305	5.0%	3,147
<i>Operating Profit %</i>	<i>8.0%</i>		<i>8.5%</i>
Net Finance costs	(368)	(4.8%)	(351)
Profit before taxation & exceptionals	2,937	5.0%	2,796
Exceptional items	(98)	³ 58.5%	(236)
Profit before taxation	2,839	10.9%	2,560
Taxation	(769)	⁴ 4.9%	(809)
Profit for the period	2,070	18.2%	1,751
<i>Profit for the period %</i>	<i>5.0%</i>		<i>4.7%</i>

Key Points

1. Underlying sales growth of 6%
2. Margins slightly down due to long-term contracts
3. Exceptional costs relate to legal and professional fees for the continuing Earthoil Earnout dispute
4. Effective tax rate estimated at 26% v 29% (H1 2014)

2015 Half Year Review

Cash Flow

6 months ended 31st March	2015	2014
	£'000	£'000
Net cash from operating activities	1,277	(1,798)
Cash flow from investing activities		
Purchase of property, plant and equipment	(376)	(385)
Purchase of intangible assets	(49)	(28)
Other	1	1
	(424)	(412)
Free cash flow	852	(2,210)
Cash flow from financing activities		
Interest payable	(369)	(352)
Dividends paid	(638)	(565)
Net sales of own shares by Share Trust	33	-
	(974)	(917)
Net increase/(decrease) in net debt	(121)	(3,127)
Effect of foreign exchange rates	(209)	56
Movement in net debt	(330)	(3,071)

Key Points

- Free cash flow: +£0.9m (2014: -£2.2m)
- £1.1m paid in relation to agency termination
- Improved inventory turn

2015 Half Year Review

Balance Sheet

All figures £m	31 March 2015	30 Sept 2014	31 March 2014
Goodwill	£1.1m	£1.1m	£1.1m
Fixed Assets	£11.9m	£11.7m	£11.9m
Inventories	£26.4m ^①	£28.0m	£27.1m
Debtors	£18.8m ^②	£14.5m	£16.2m
Creditors	(£12.5m)	(£12.1m)	(£13.0m)
Working Capital	£32.7m ^③	£30.4m	£30.3m
Taxation	(£1.1m)	(£0.9m)	(£1.5m)
Net Debt	(£9.9m)	(£9.6m)	(£11.4m)
Other net liabilities	(£5.8m)	(£3.9m)	(£2.2m)
Shareholders' Funds	£28.9m	£28.8m	£28.2m

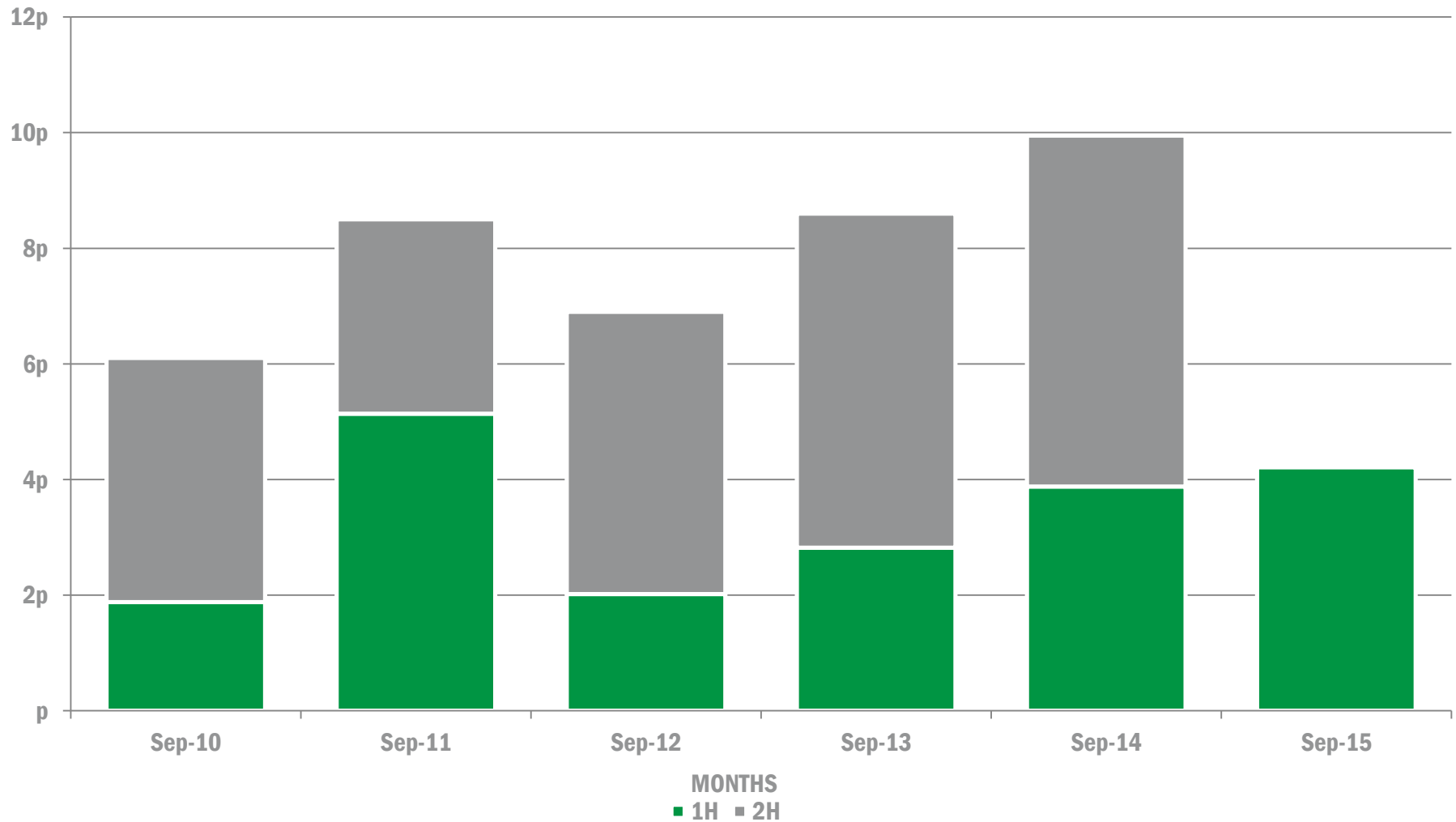
Key Points

1. Inventory levels reduced due to improved stock turn efficiencies
2. Debtors higher due to strong sales in Feb/March
3. Overall working capital increased as net trade debtor/creditor receivable up by £4.7m

 Group headroom of £11.6m (Sept 2014: £11m)

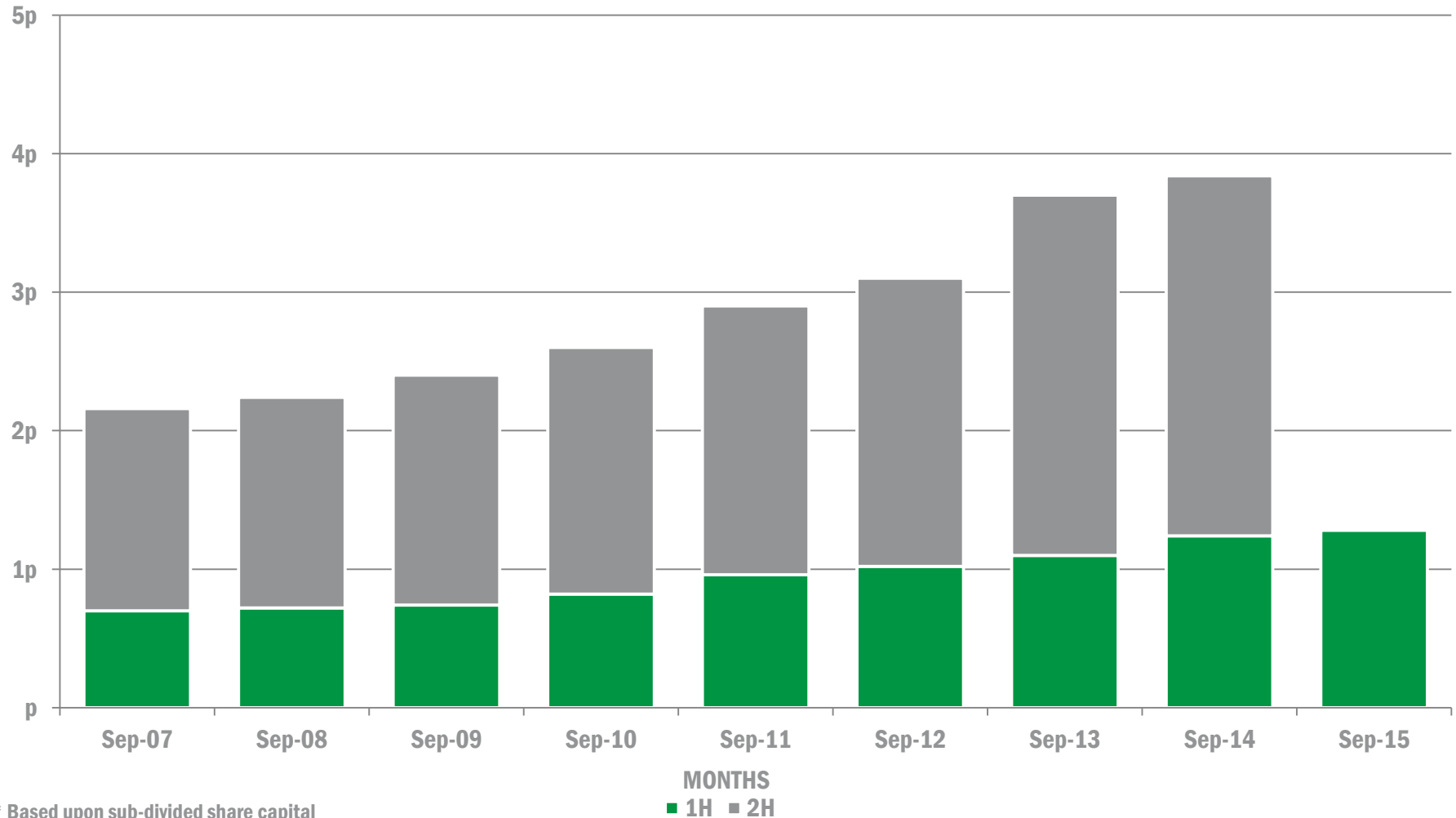
 Multi bank facilities totalling £21.5m

Interim/Final Earnings per Share 2010-2015



Interim / Final Dividends

2007-2015

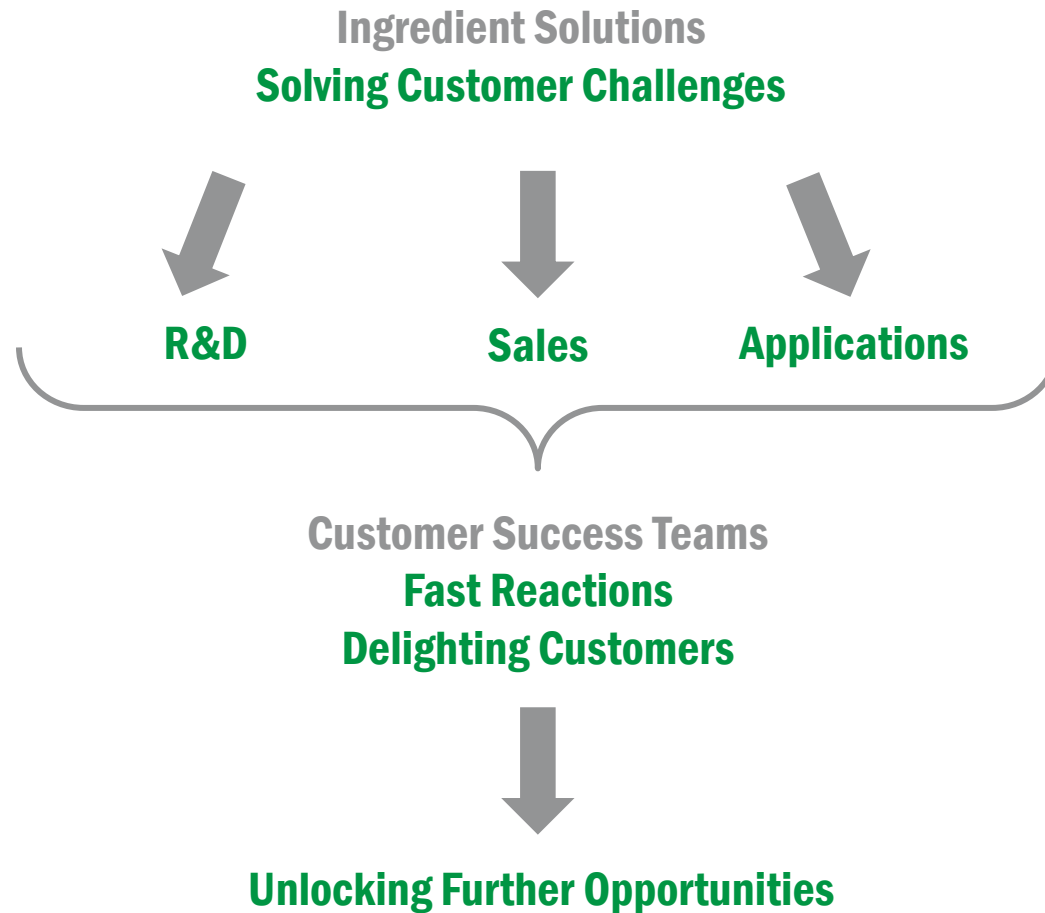


* Based upon sub-divided share capital

Commercial Review

- **New Applications & Sensory lab**
- **Significant innovation in beverage market = opportunities**
- **Efficiency improvements in core products**
- **Driving cultural change**
- **New Top 10 US brewery customer win**

Growth Map



Our Products



Essential Oils

Derived from a variety of origins. Using our advanced technical expertise, we can ensure there is a product available to match our customers' specific requirements.



Citrus

We have always been known for the quality of our citrus products such as orange, lemon, lime and grapefruit, which impart a natural, zesty flavour and aroma to a number of food, drink and personal care products.



Treattarome®

Our Treattarome® products 100% natural specialties produced from fruits and vegetables. Their true-to-character profile makes them ideal for use in soft drinks, alcoholic drinks and juices.



Beverage Specialties

Developed specifically for use in beverage applications offering enhanced flavour and improved solubility and cost, amongst other benefits, compared with standard essential oils.



Fragrance Ingredients

Provides solutions to many allergen, cost and stability issues associated with natural ingredients in fragrance applications such as fabric and personal care.



Wellness

Solutions for lower calorie and health-conscious products, as formulators seek to reduce the sugar content in their products, whilst maintaining mouthfeel and sweetness.



Natural & Aroma Chemicals

Our range of aroma, natural and high impact specialty chemicals work well in a number of flavour and fragrance applications and offer manufacturers a way of delivering authentic, aromatic profiles.



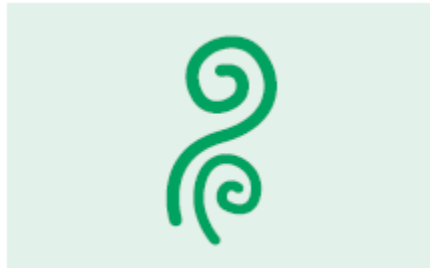
Organic Oils

Our diverse product range includes 100% organically-certified ingredients for the flavour, fragrance and personal care industries.

Our Markets



Beverage



Flavour & Fragrance



Cosmetics



Soft Drinks



Alcoholic



Craft Beer

Future Developments

 **UK site relocation**

 **Enhanced technical applications environment**

 **Increased R&D driving future growth**

 **Commissioning of new capacity in Kenya for Earthoil**

UK Site Relocation

New potential site identified

- estimated £15-£20m net of disposal proceeds
- existing freehold site to be sold/redeveloped once move complete
- working with property & planning consultants and local authorities to build precise plans, specifications and costings

Existing site – sub optimal

- significant medium term spend required to meet regulatory requirements

Funding requirements and options determined once site availability timescales and working capital position confirmed

Project build assumed to start in 2016/2017

Current Trading & Outlook

- **On course to meet expectations for y/e 30 September 2015**
- **Greater H2 weighting due to timing of major contracts**
- **Strong order book – 11% higher than last year**
- **Margin outlook robust**