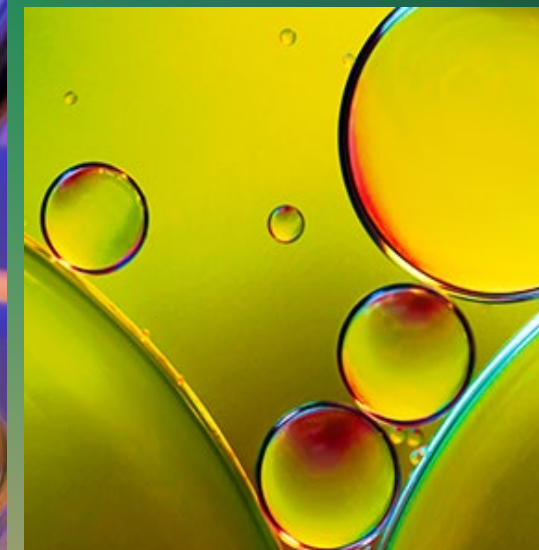


Croda International Plc

Full year 2023 results Analyst presentation

27 February 2024



Disclaimer

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.

Alternative Performance Measures (APMs)

We use a number of APMs to assist in presenting information in this statement in an easily analysable and comparable form.

We use such measures consistently at the half year and full year, and reconcile them as appropriate. Whilst the Board believes the APMs used provide a meaningful basis upon which to analyse the Group's financial performance and position, which is helpful to the reader, it notes that APMs have certain limitations, including the exclusion of significant recurring items, and may not be directly comparable with similarly titled measures presented by other companies. The measures used in this presentation are defined in Croda's results statement for the year ended 31 December 2023.

Market information

Market information is company compiled informed by a range of third party sources.

Agenda

01. Executive summary
02. Five-year sales performance
03. 2023 performance
04. Financial performance
05. Future performance drivers
06. Outlook and conclusion
07. Questions



Croda International Plc

01 Executive summary

Steve Foots

Chief Executive Officer



A challenging year; well positioned for macro-recovery

Significant headwinds in 2023

- Follows 2 record years post pandemic
- Sales down 19%:
 - Unprecedented destocking and demand weakness in Beauty, Crop and Industrial markets
 - Divestment of PTIC – £191m of sales in 2022
 - Covid-19 normalisation – c.\$60m of lipid sales in 2023 vs c.\$120m in 2022
- Operating gearing reduced margin

Highlights

- F&F, Pharma (ex-CV19) and Seed all growing
- Actives and Home Care broadly flat
- Continued strong demand for innovation and sustainable ingredients
- Excellent cash generation
- Strong balance sheet supporting ongoing investment
- Simpler operating model implemented

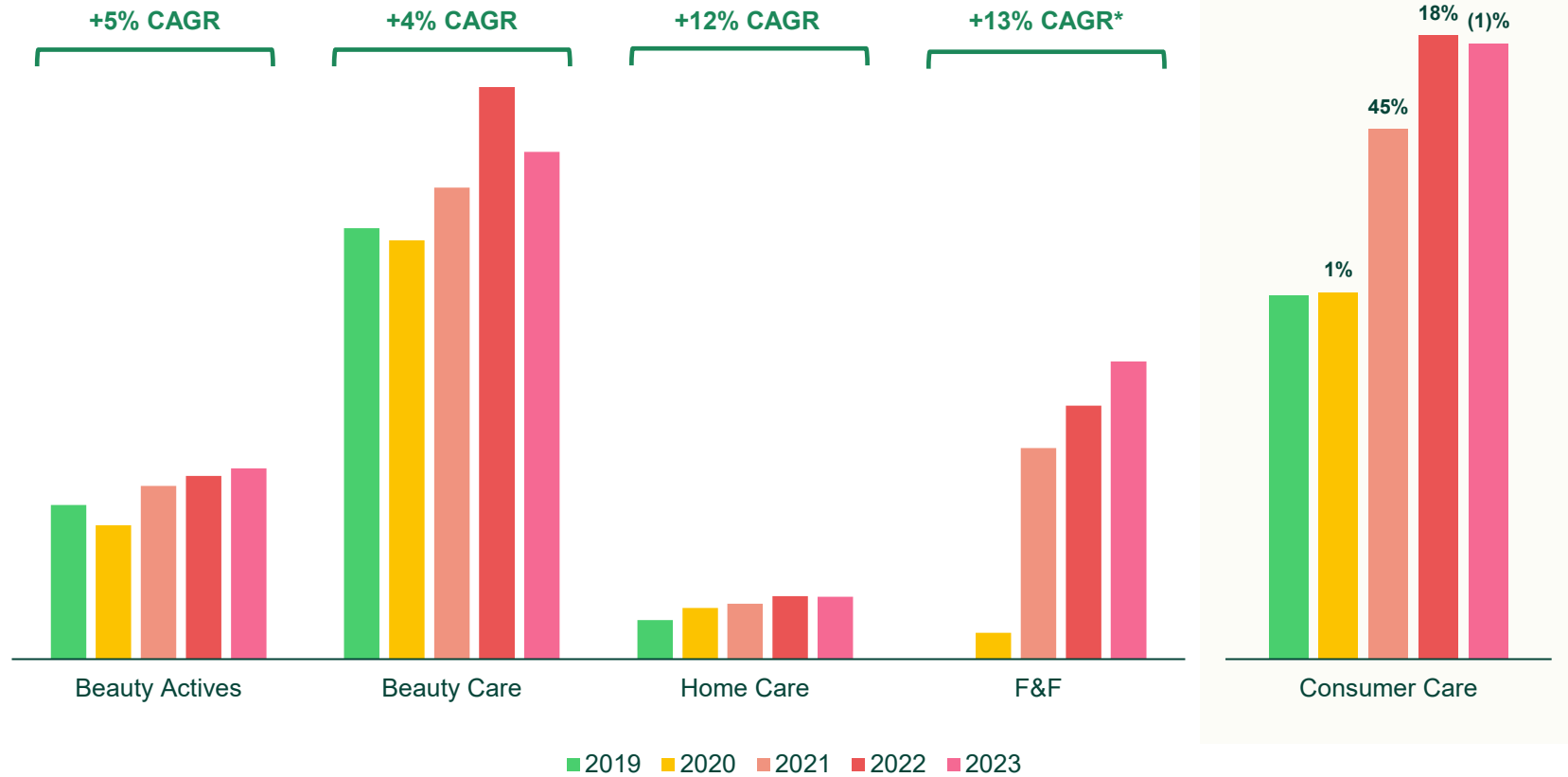
Continued dividend progression indicating future confidence

Croda International Plc

02 **Five-year sales performance**

Consumer Care

Reported sales (£m)

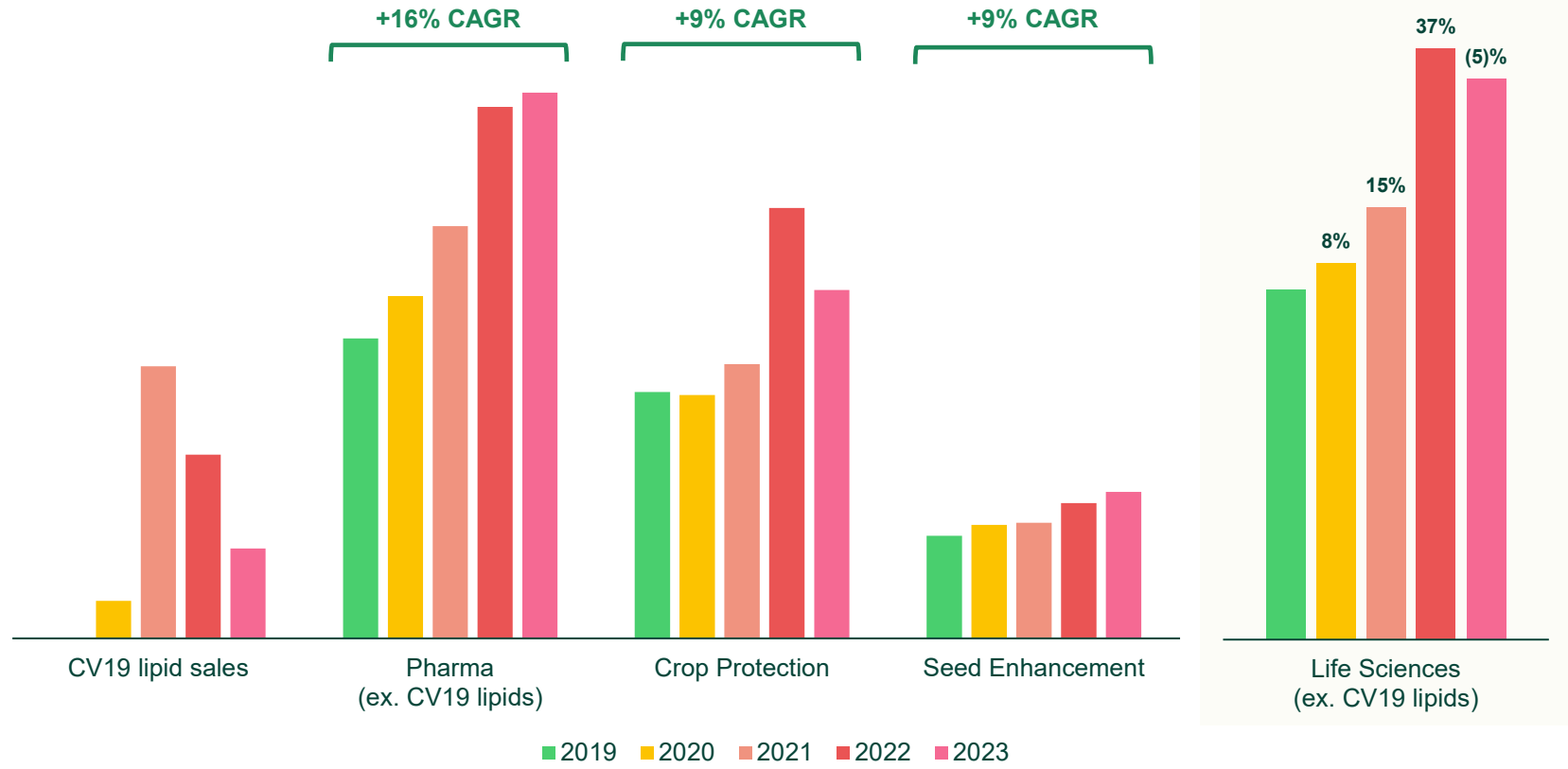


Reported sales. Consumer Care chart to different scale. *F&F CAGR includes full year sales in 2019 and 2020 before Croda ownership

5-year sales performance

Life Sciences

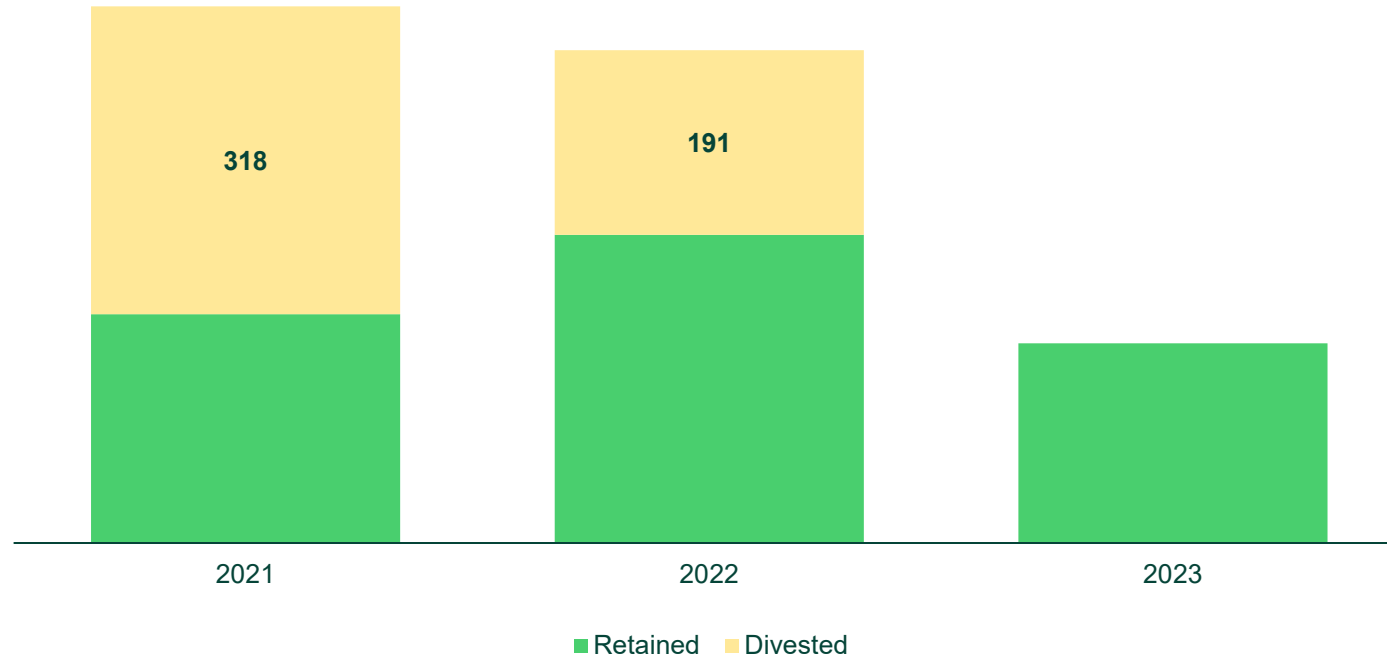
Reported sales (£m)



Reported sales. Life Sciences chart to different scale

Industrial Specialties

Reported sales (£m)



Industrial Specialties – playing an important role in our manufacturing model:

- Contributing sales volumes to enhance asset utilisation at core multi-purpose sites
- Monetising co-streams to maximise value of all products
- Operating supply agreement with new owner of the divested business

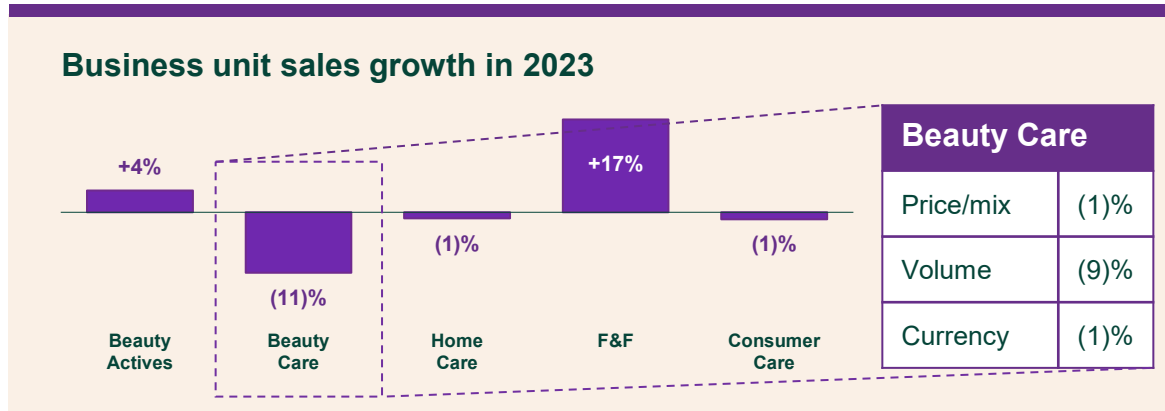
*Reported sales. Industrial Specialties comprises the businesses retained by Croda following the sale of Performance Technologies and Industrial Chemicals to Cargill on 30 June 2022. Divested sales estimates the impact on reported sales had the divestment occurred at the start of the accounting period

Croda International Plc

03 2023 performance

Consumer Care – ongoing demand for sustainable ingredients

2023 sales performance



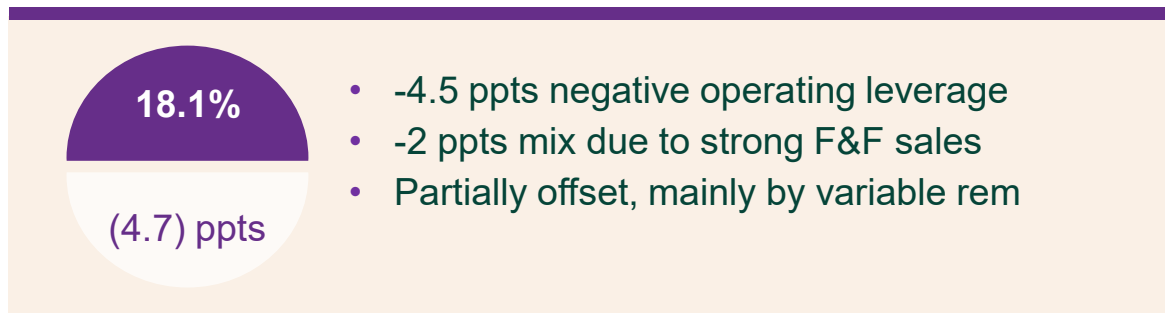
Highlights

20%+

Sales growth of ECO surfactants

- New & Protected Product sales up to 42% (2022: 41%)
- Continued sustainability-related demand
- First ceramide sales in Beauty Actives
- +12% sales growth in China and India

2023 operating margin



F&F growing more strongly than peers

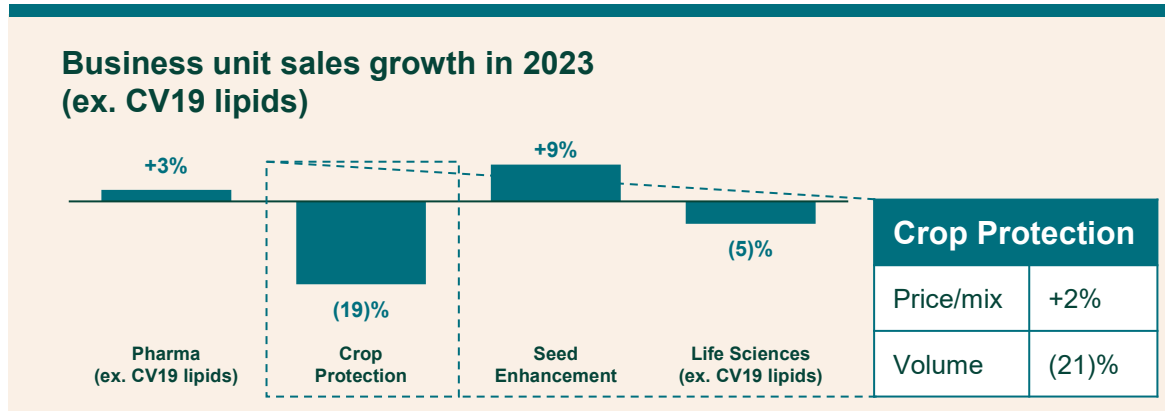
17%

Sales growth

- Distinctive positioning in fast-growth markets and agile model
- Sales up in all categories and regions
- Sales growth in line with acquisition plan

Life Sciences – resilient performance in challenging markets

2023 sales performance



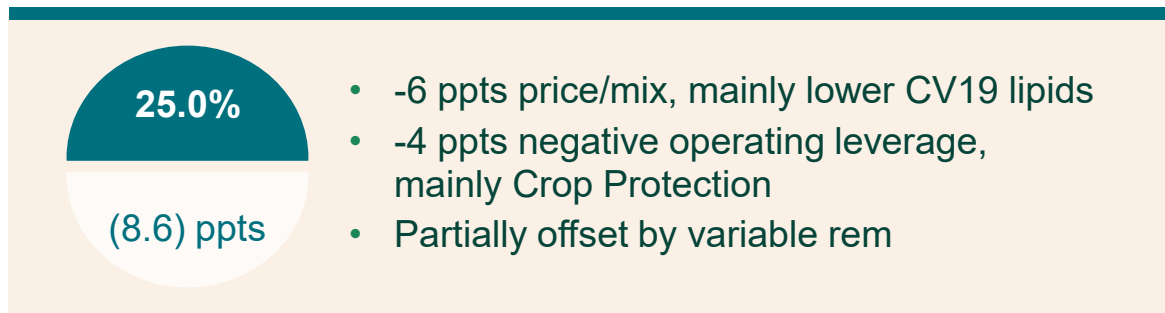
Highlights

+9%

Sales growth in Seed Enhancement

- Life Sciences sales 5% lower excluding CV19 lipid sales
- Core Pharma sales up 3% on same basis
- Ongoing destocking in Crop Protection
- Seed Enhancement winning market share

2023 operating margin



Resilient performance from core Pharma business

Consumer Health
Adjuvants Systems
CV19 lipids



Small Molecules
Proteins
Nucleic Acids



- Challenging market conditions but...
- Broad and diverse portfolio
- Industry-leader in drug delivery

Continued improvement in non-financial performance

Improving on our leading customer NPS

+34

2022: +23

- 92% customers rate our product quality highly
- “You are becoming easier to do business with” – 6% improvement

Demonstrating our commitment to sustainability

22.8m

Lives sustainably improved by Croda Foundation

- Big impact from Croda Foundation
- Emissions reduction on track

Putting employees first

4,500+

Hours of safety training delivered to leaders

- Embedding safety as a value
- 39% women in leadership roles
- 71% employees would recommend Croda as a great place to work

Recognised for sustainability leadership

Straight A_s

from CDP and MSCI

- New A- rating for all key CDP metrics - Climate, Forest and Water
- Longstanding triple A rating from MSCI

Well positioned for market recovery – near-term priorities

1



Beauty Care

Capitalising on recovery in Beauty Care

2



Crop Protection

Focusing on innovation in Crop Protection despite ongoing destocking

3



Pharma

Accelerating conversion of Pharma pipeline

4



Operational improvements

All with strong operational improvements

Croda International Plc

04 Financial performance

Louisa Burdett
Chief Financial Officer



Group performance in line with updated expectations

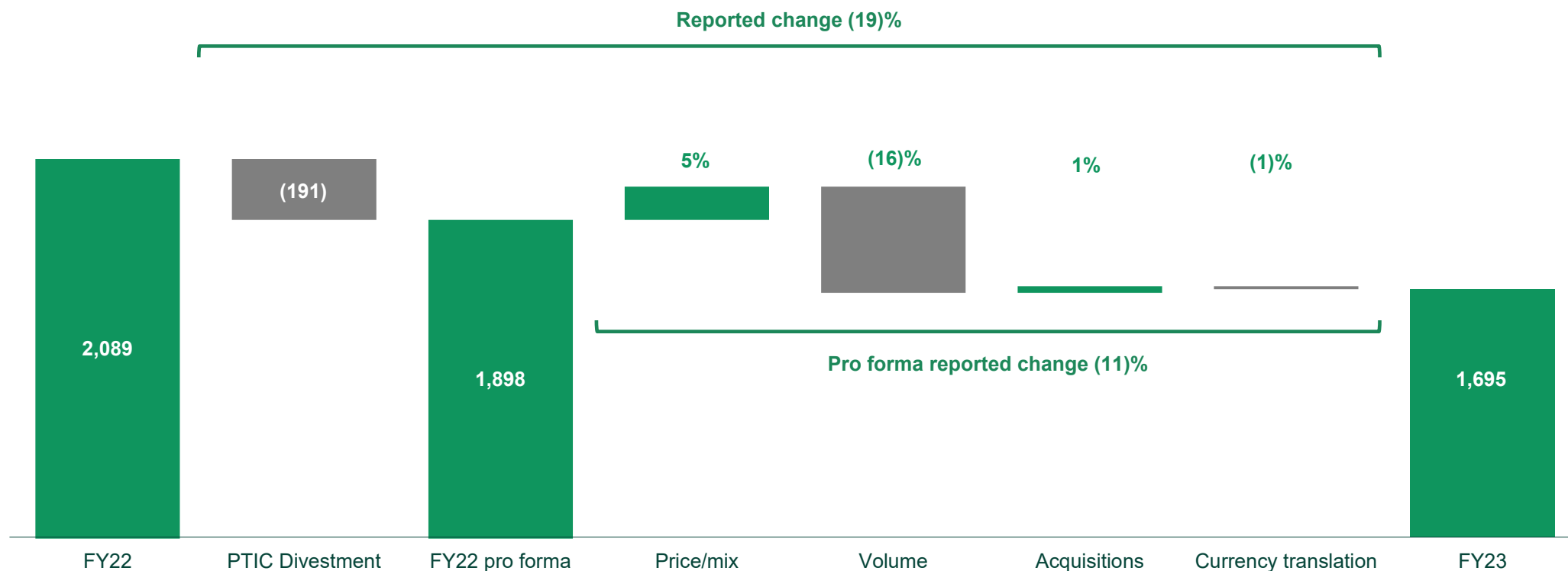
Adjusted results, £m	Adjusted results			Pro forma estimates	
	FY23	FY22	% change	FY22 (pro forma)	% change (pro forma)
Sales	1,694.5	2,089.3	(18.9)%	1,898	(11)%
Operating profit	320.0	515.1	(37.9)%	476	(33)%
Operating margin	18.9%	24.7%	(5.8)ppts	25%	(6)ppts
Profit before tax	308.8	496.1	(37.8)%	463	(33)%
Basic earnings per share	167.6p	272.0p	(38.4)%	–	–
Ordinary dividend per share	109.0p	108.0p	0.9%	–	–
Free cash flow	165.5	157.4	5.1%	–	–

Reconciliation to IFRS, £m	FY23	FY22
Adjusted PBT	308.8	496.1
Exceptional items	(35.8)	(37.8)
Amortisation of intangibles	(36.7)	(34.3)
Gain on disposal	–	356.0
Reported PBT	236.3	780.0

Reported basis unless stated. Pro forma FY22 estimated results have been adjusted for the divestment of the majority of Performance Technologies and Industrial Specialities (PTIC) on 30 June 2022. FY22 free cash flow has been restated to reflect a change of definition; see APMs for detail

Sales reduction due to PTIC disposal and lower volumes

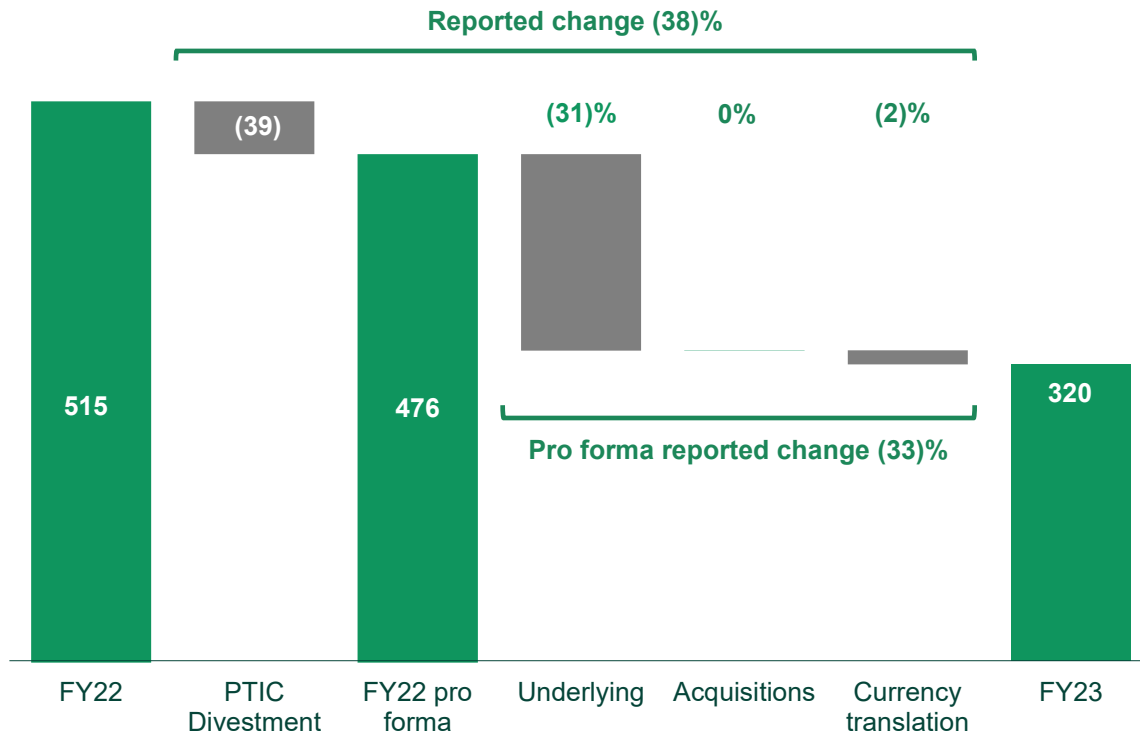
Sales, £m



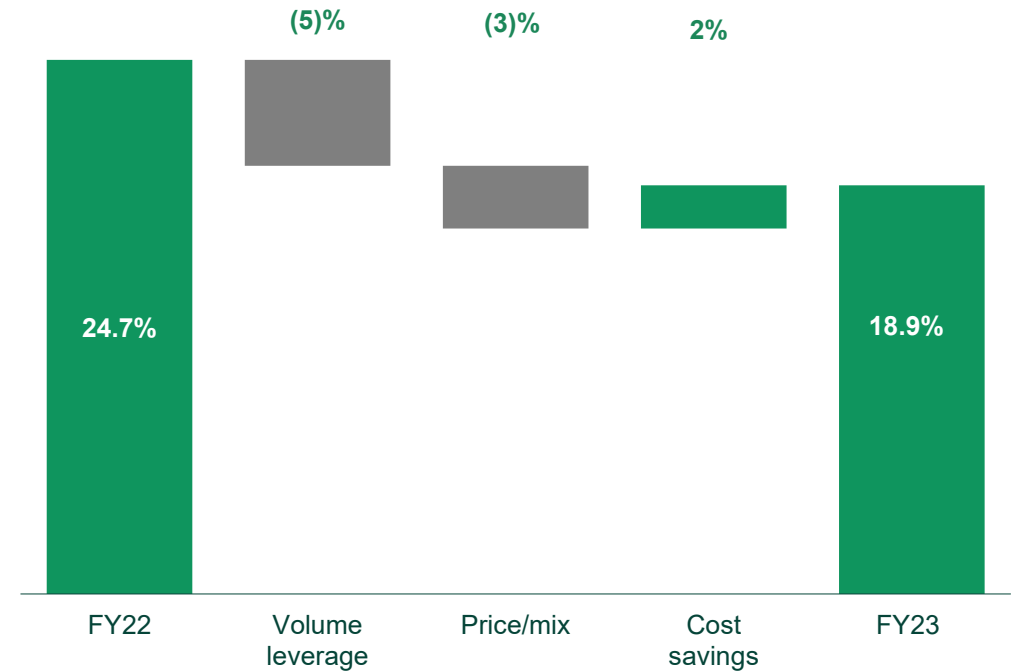
Pro forma FY22 estimated results have been adjusted for the divestment of the majority of PTIC on 30 June 2022

Operating margin impacted by volume leverage and price/mix

Adjusted operating profit, £m



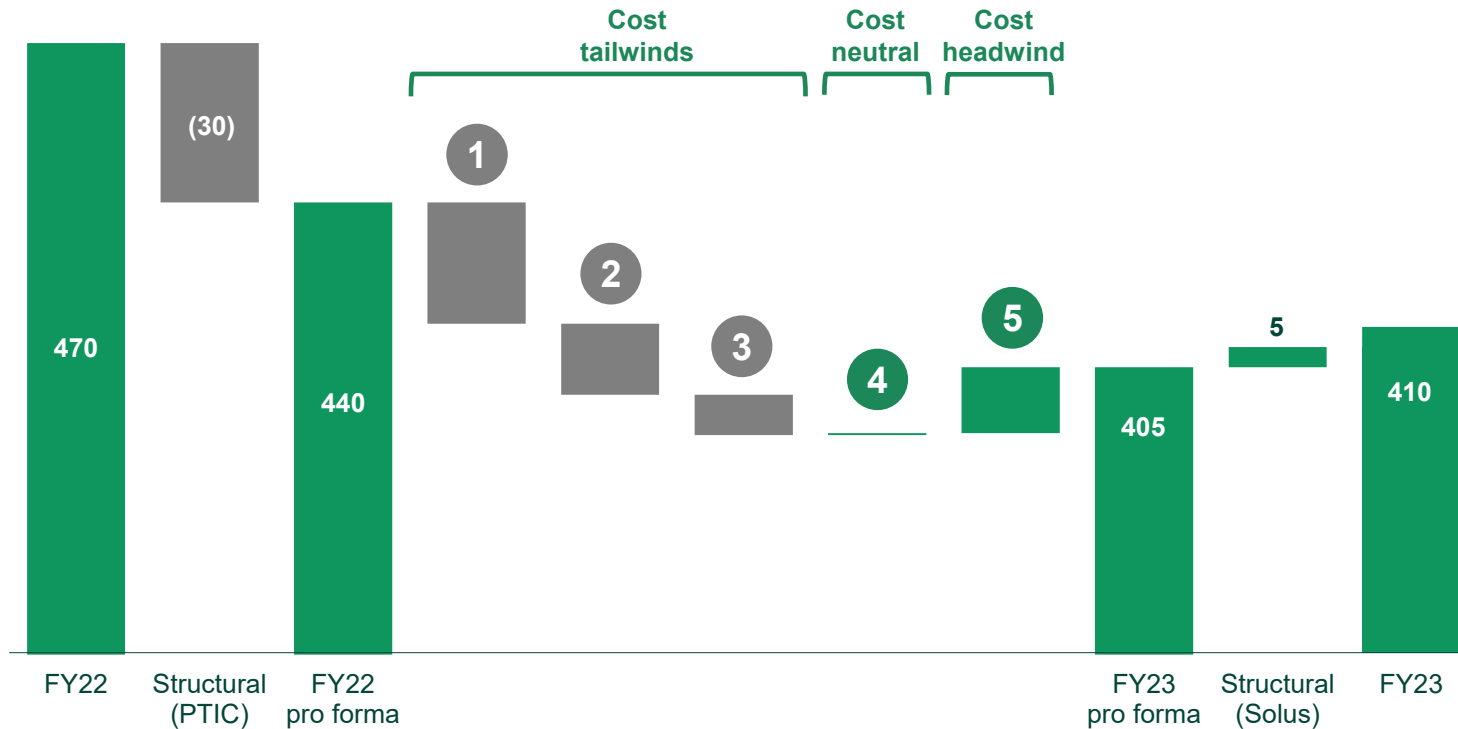
Adjusted operating margin, %



Pro forma FY22 estimated results have been adjusted for the divestment of the majority of PTIC on 30 June 2022

Cost movements in 2023

Operating cost movements, £m



Cost tailwinds

- 1 Variable remuneration: c.£25m
- 2 Factory and freight: c.£15m
- 3 Other discretionary (e.g. travel): c.£5m

Cost neutral

- 4 Employee costs: Salary increase offset by lower underlying headcount

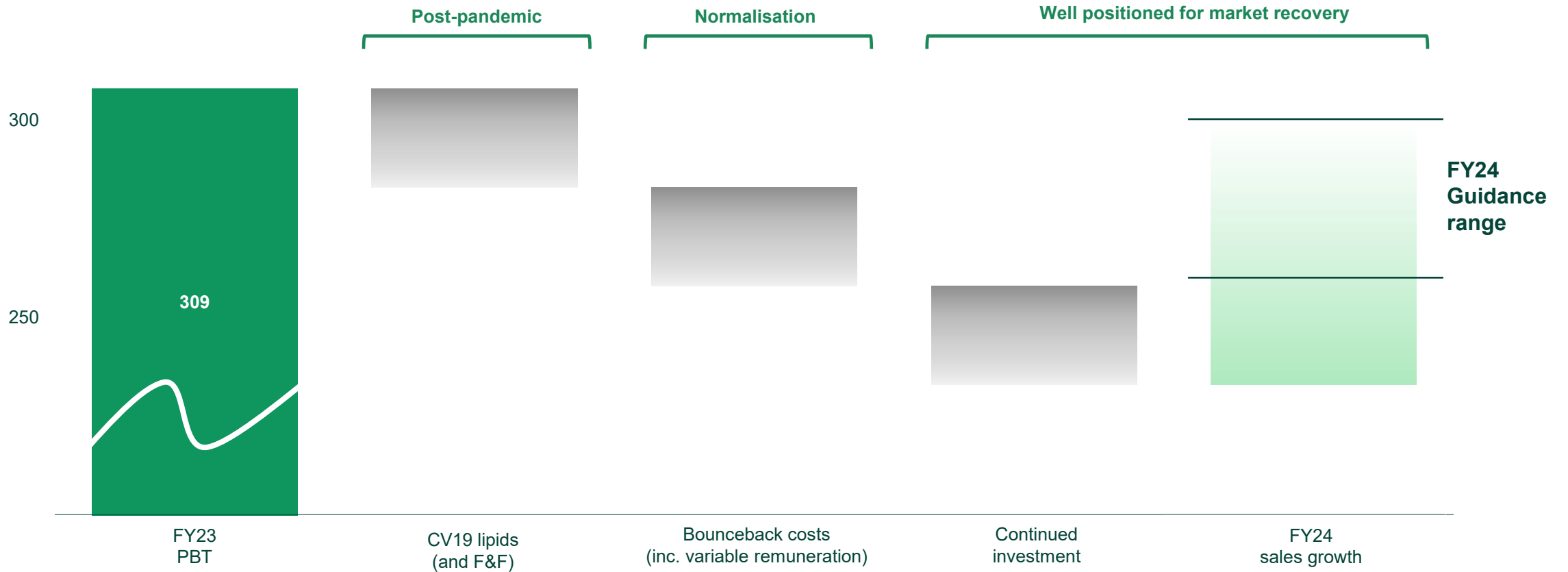
Cost headwind

- 5 FX and IAS 29 accounting: c.£10m

Operating cost movements rounded to the nearest £5m

Building blocks for 2024 profit performance

Indicative PBT movements, £m



Movements are indicative only (bars are not to scale).

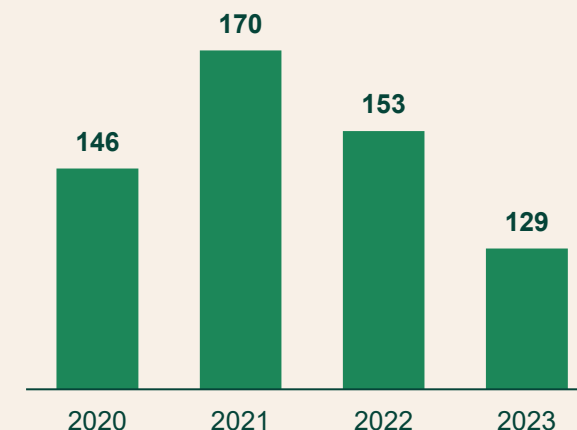
Free cash flow – supported by strong working capital management

Cash flow, £m	FY23	FY22
EBITDA	409.5	601.5
Working capital	29.1	(133.8)
Interest & tax	(93.5)	(154.0)
Other cash movements	(7.6)	(5.5)
Net cash from operating activities	337.5	308.2
Net capital expenditure	(170.1)	(138.5)
Interest received	8.3	5.1
Payment of lease liabilities	(17.0)	(17.4)
Exceptional items	6.8	–
Free cash flow	165.5	157.4
Dividends	(150.7)	(144.4)
Acquisitions	(241.8)	(21.2)
Business disposal	(4.6)	579.0
Other cash movements	(18.2)	(8.5)
Net cash flow	(249.8)	562.3
	FY23	H123
Net debt	537.6	349.3
Net debt/EBITDA	1.3x	0.7x

Strong working capital management

- Inventory reduced by c.£120m

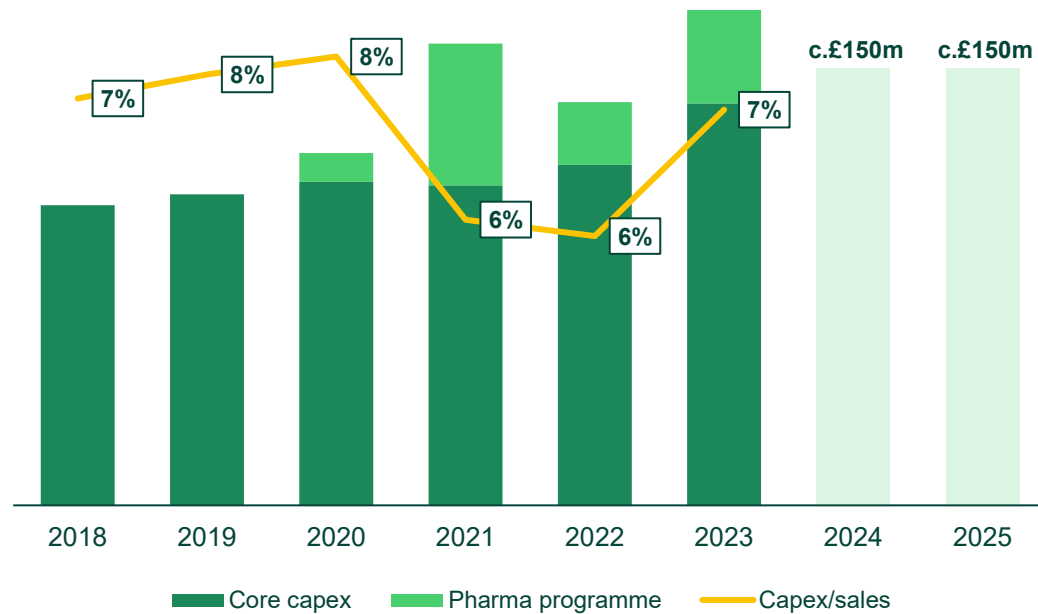
Inventory days (2020-2023)



Balancing investment and capital discipline

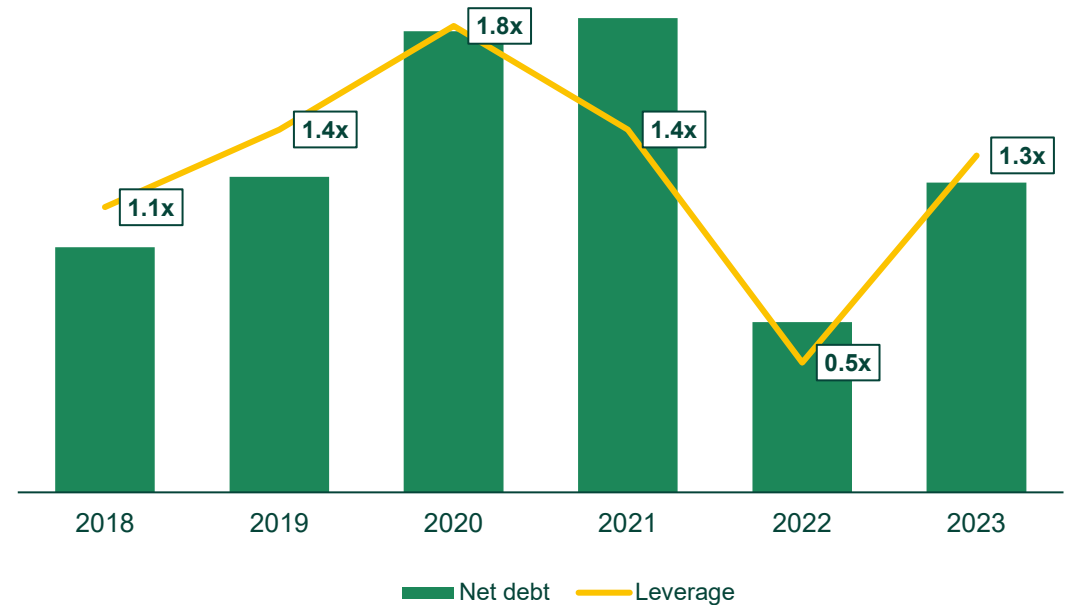
Continuing to invest in future growth

Net capital expenditure*



Capital discipline to maintain balance sheet strength

Net debt and leverage^

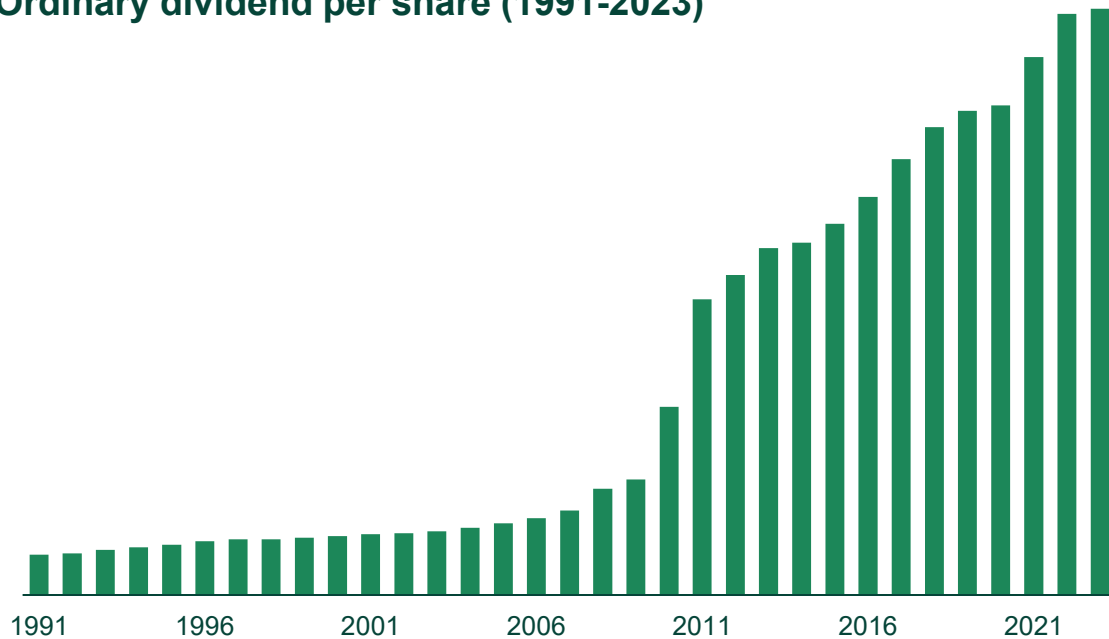


*Capex/sales is core capex divided by reported sales. ^Leverage is net debt/EBITDA

Committed to regular and progressive shareholder returns

Consistent dividend progression

Ordinary dividend per share (1991-2023)



Capital allocation policy

- 1 Reinvest for organic growth
- 2 Provide regular returns to shareholders
- 3 Acquire complementary technologies / adjacencies
- 4 Maintain appropriate balance sheet/return excess capital

2024 technical factors

Input costs

Raw materials:

- Raw material costs expected to fall c.2% in Q124 with cost deflation moderating in Q2

Remuneration costs:

- Expect reversal of c.£25m benefit from variable remuneration and salary costs to be impacted by inflation

Depreciation

~£95-100m

total depreciation including leases*



Net finance costs



£15-20m

Effective tax rate



~26%

dependent on geographic mix of profit

Working capital



Unwind of CV19 receivables and disciplined management could drive modest inflow

Capital expenditure



~£150m

net of grants received

*Excludes amortisation

Croda International Plc

05 Future performance drivers

Steve Foots

Chief Executive Officer



Well positioned for market recovery

Technology trends intact



Sustainable ingredients



Move to biologics

Continued investment in downturn

Driving fast growth in Asia

- Solus Biotech acquisition
- Shanghai claims lab
- Guangzhou production
- New Indian manufacturing

Strengthen Consumer Care



Scaling Pharma

- Hyderabad small molecule lab
- Singapore nucleic acid lab
- Capital projects in USA and UK on track

Expand Life Sciences



Customer responsiveness

- AI and data analytics
- Operational excellence
- Multi-year SAP upgrade

Doing the basics brilliantly



Near-term priorities

- Capitalising on recovery in Beauty Care

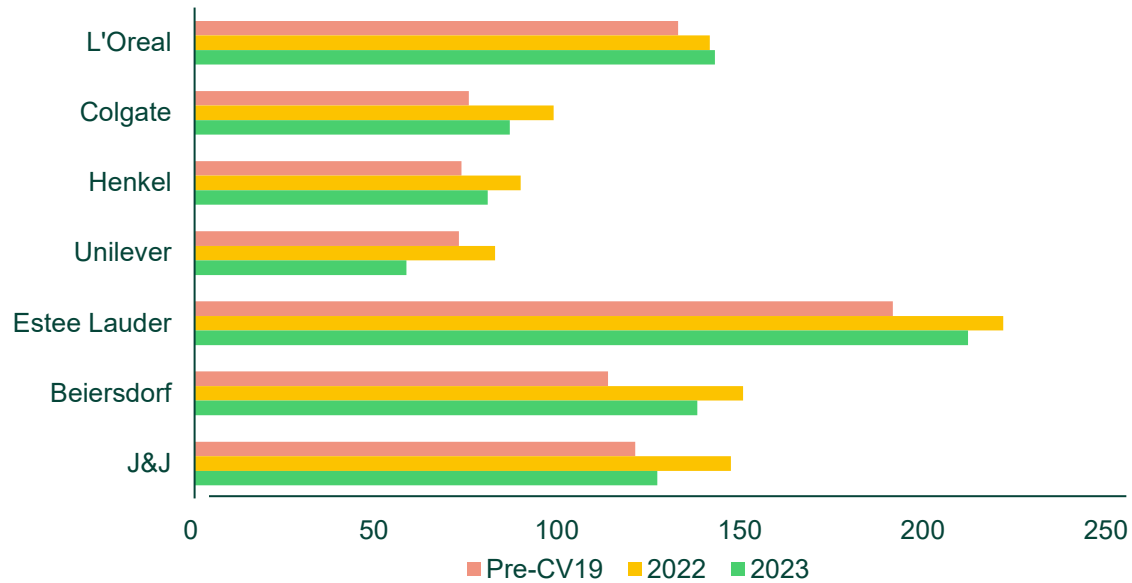
- Focused on innovation in Crop Protection
- Accelerating conversion of Pharma pipeline

- All with strong operational improvements

Capitalising on recovery in Consumer Care

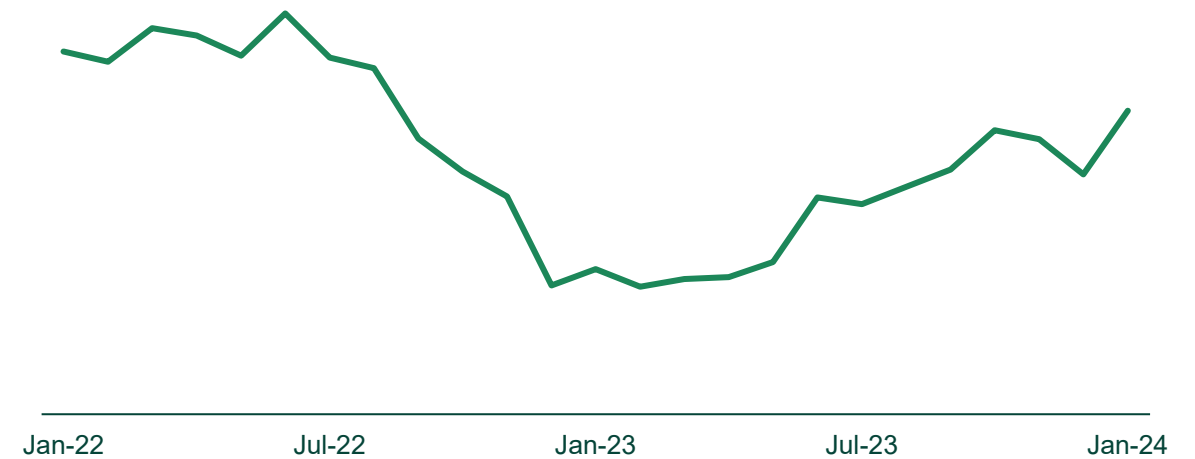
Customer inventory levels are falling

Stock days



Sequential improvement in Consumer Care

Consumer Care volumes (6-month moving average)

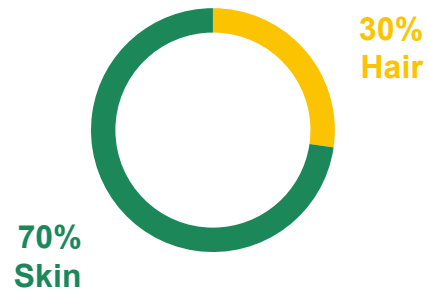


42% new and protected products as % of total Consumer Care sales (2022: 41%) – continued demand for innovative ingredients

*Customer inventory data compiled by Croda from public company reports using 12-month rolling Cost Of Goods Sold. Estee Lauder stock days exclude promotional merchandise. Pre Covid-19 is average 2017 to 2019

...informed by enhanced insights in Beauty Care ...

Category strength

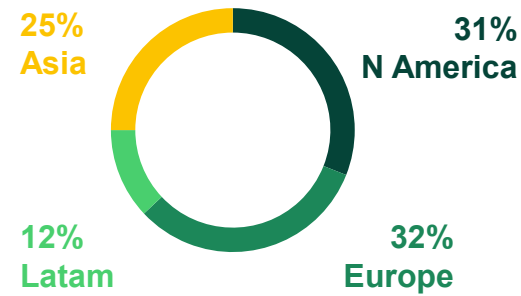


Broad-based exposure to Beauty markets

2023 Performance

Inventory correction indiscriminate of category

Balanced geography

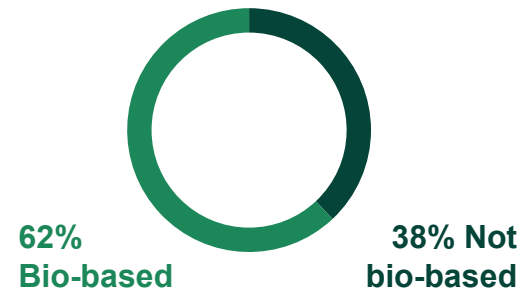


Above-market historic 5-year CAGR in 4 out of 5 biggest countries for Beauty; USA the exception

2023 Performance

75% of Beauty Care sales reduction in USA

Sustainability leadership



Bio-based origin significantly ahead of peers; additional biodegradable and lower-carbon claims

2023 Performance

Sales of sustainable ingredients stronger than the portfolio as a whole

Differentiation



Differentiated ingredients deliver superior price and profit margin, plus lower customer churn

2023 Performance

Prioritised sales volumes across Beauty Care to enhance asset utilisation

USA the key to Beauty Care recovery

...and driven by a refreshed Beauty Care business plan

Category strength

Innovate in Skin

- Low-carbon delivery
- Inclusive beauty
- UV protection

Innovate in Hair

- Hair repair
- Scalp wellness
- Low water use/aqua-toxicity

Balanced geography

Fast-grow Asia

- R&D investment
- Local advanced manufacturing

Drive USA recovery

- Management change
- Winning back business
- Increased innovation focus

Sustainability leadership

Enhance leading position

- Lower carbon processes
- Transition to biotech
- Tools and data to facilitate customer choice

Differentiation

Accelerate differentiation

- Embedded R&D and sustainability resource

Manage less differentiated sales

- Manage sales volumes
- Flexible pricing
- New KPI

19%

Consumer Care sales growth in India

New surfactants plant, Dahej, India

- Key element of fast-grow India plan
- Supports global transition to bio-based, low carbon surfactants



New Product Carbon footprint data

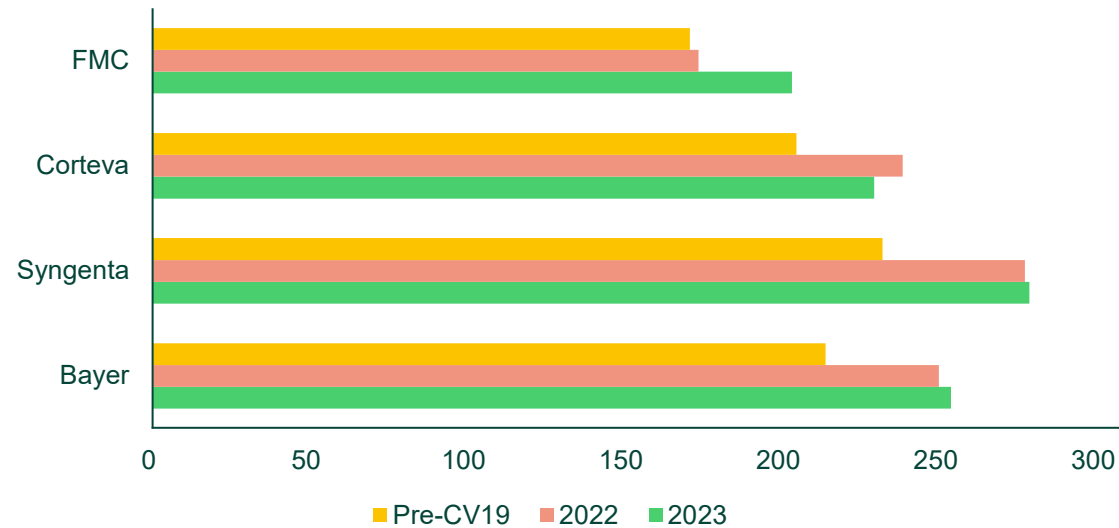
- For c.1,300 ingredients
- Enables customers to see associated emissions savings

3/4

of Beauty Care portfolio with product carbon footprint data

Focusing on innovation in Crop Protection despite ongoing destocking

Customer inventory levels remained heightened Stock days



Customer inventory data compiled by Croda from public company reports using 12-month rolling Cost Of Goods Sold. Pre Covid-19 is average 2017 to 2019

Innovating for biopesticides and Precision Ag

Crop Protection strategy			
Sustainability	Biopesticides	Nutrition	Precision Agriculture



- First delivery system specifically for biopesticides
- Sales across 3 regions since launch in August



- China drone use x2 since 2019
- Designed in Asia
- 10x reduction in spray drift
- Sales within 2 months of launch

Accelerating conversion of Pharma pipeline – Protein Delivery

Proteins/mAbs market



Croda commercial pipeline

+64%

Increase in number of projects

Ultra-refined solution for cell health

Market need – components that support cell growth

Croda solution – unique refining and purification technology

Progress – new process on-stream in 2024

Incremental sales – from 2025

Peak sales – c.£20m pa

Sustainable alternative for bioprocessing

Market need – sustainable alternative to current bioprocessing aid, now banned in Europe

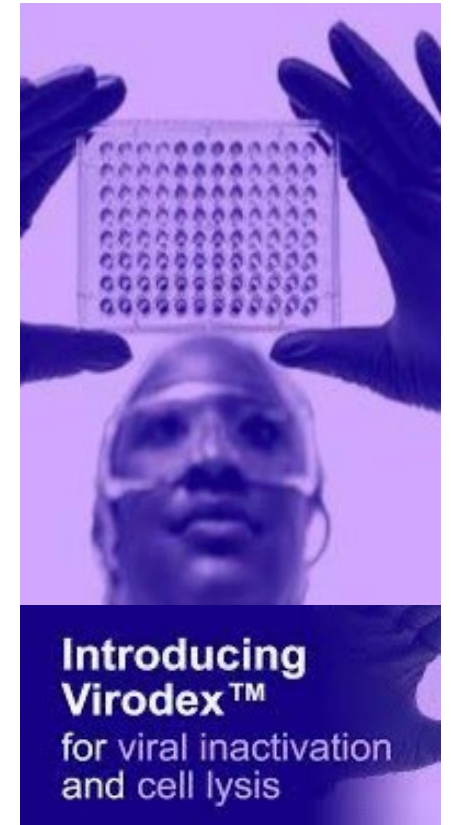
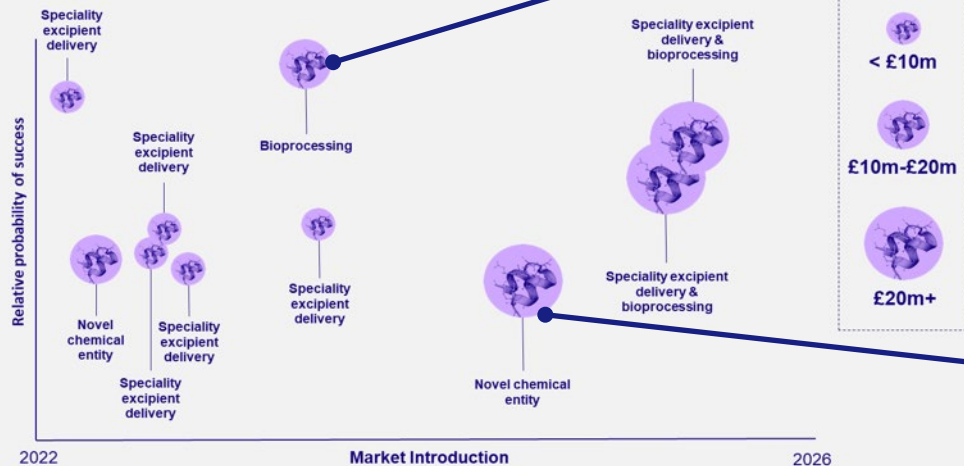
Croda solution – Virodex™ launched in June

Progress – sales within three months of launch

Incremental sales – multi-million pounds in 2024

Peak sales – c.£20m pa / 10% market share

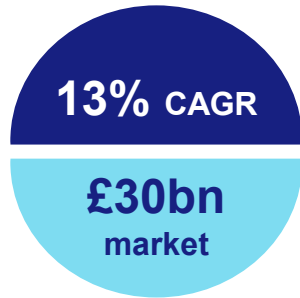
Innovation pipeline delivering



Croda commercial pipeline is number of qualified commercial opportunities

Accelerating conversion of Pharma pipeline – Adjuvant Systems

Vaccine market

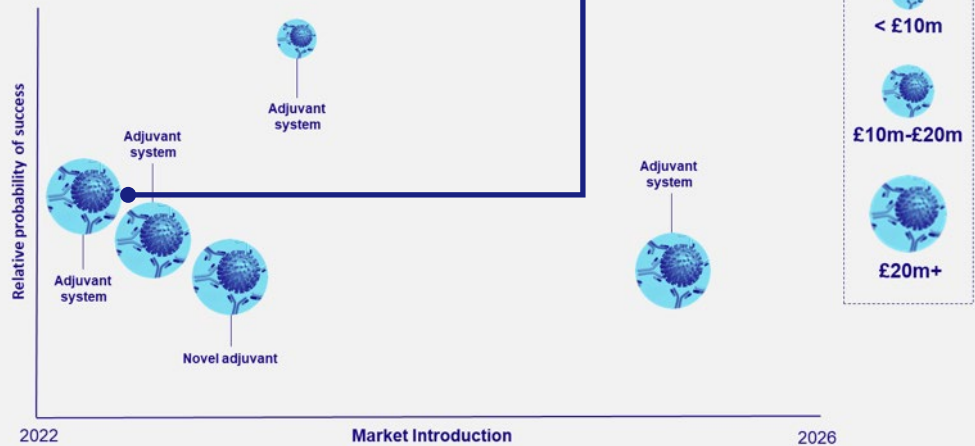


Croda commercial pipeline

+24%

Increase in number of projects

Innovation pipeline delivering



PHAD

Market need – improve immune response to antigens
Croda solution – novel lipid-based adjuvant
Progress – sampled into >20 candidate vaccines
Incremental sales – multi-million pounds in 2024
Peak sales – £20m+ pa

NEW PARTNERSHIP
NOT PREVIOUSLY IN PIPELINE

Squalene

Market need – sustainable squalene
Croda solution – fermentation-derived; shark-free
Progress – being qualified by 3 vaccine companies
Incremental sales – multi-million pounds in 2024
Peak sales – £10-20m pa

PHAD Portfolio



WORLDVACCINE
CONGRESS EUROPE

Sustainably sourced Squalene

Non-shark derived, engineered by synthetic biology

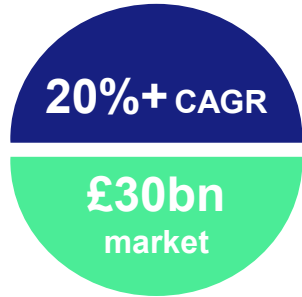
Superior quality ≥99% pure

Smart science to improve lives™ Avanti CRODA

Croda commercial pipeline is number of qualified commercial opportunities. CAGR is for vaccine adjuvants; merchant vaccine market CAGR estimates range from 5 to 10%

Accelerating conversion of Pharma pipeline – Nucleic Acid Delivery

Nucleic acid market



Croda commercial pipeline

+28%

Increase in number of projects

Leading solution supplier for mRNA vaccine development

Big Pharma 'A'

Flu, RSV, Acne, Chlamydia

Big Pharma 'B'

Flu, Shingles, Covid

Big Pharma 'C'

Covid, Flu

Powering the world's first approved gene editing therapy nature biotechnology

•NEWS

•21 November 2023

"The go-ahead for Vertex's gene editing therapy in sickle cell disease and β -thalassemia is a historic milestone"



Customer projects approaching commercialisation



From 2025

Commercialisation expected

From 2027

Croda supporting >50% clinical trials that specify a lipid delivery system

Croda commercial pipeline is number of qualified commercial opportunities

All with strong operational improvements

Leveraging AI and data analytics

95%

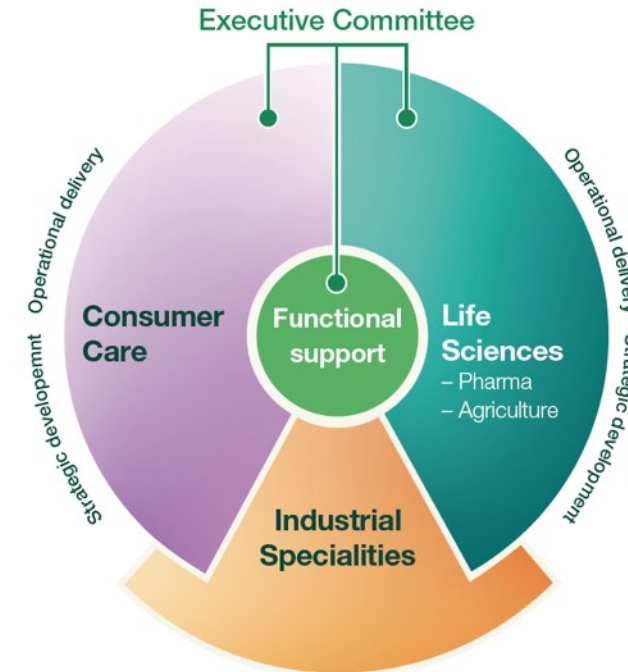
AI model delivers 10ppt improvement to tomato seed germination

- Ensures successful germination of high-value seeds
- Identifies effective formulations
- Improves speed and accuracy of product carbon footprints

Example – refreshed operational performance dashboard



Simplifying our structure



- Consumer Care and Life Sciences fully accountable for strategy and performance
- Faster and more effective for customers

Croda International Plc

06 Outlook

2024 Outlook

2024 sales

- Given uncertainty, recovery trajectory for each business difficult to predict; possible outcomes wider than usual
- Expect mid-to-high single digit % sales growth in 2024, excluding the c.\$60m of Covid-19 lipid sales in 2023
- Higher sales volumes more than offsetting lower price/mix
- Cautiously optimistic about the improving demand trend in Consumer Care
- In Life Sciences, expect non-Covid Pharma business growth; ongoing destocking in Crop Protection
- Industrial Specialties demand expected to remain weak

2024 Group operating margin

Expected to be 2-3 ppts lower than 2023 due to:

- Business mix – no Covid-19 lipid contribution; continued strong growth in F&F
- Lower than normal overhead recovery due to continued low sales volumes in Crop Protection and Industrial Specialties
- Cost base to normalise from low point in 2023 including likely unwind of c.£25m benefit from variable remuneration charge, offset by modest cost savings
- Continued investment to support long-term strategy

Using these assumptions and at current exchange rates, Group adjusted profit before tax expected to be £260-300m in FY24.

Croda will report sales performance quarterly in 2024, providing an update on first quarter trading at the AGM on 24 April 2024.

Conclusion

Strategic delivery in a challenging environment

- 2023 a challenging year
- No structural changes with technology trends intact
- Strong balance sheet supports continued strategic investment
- Focused on a clear set of priorities
- Well positioned for market recovery

Croda International Plc

07 Questions

Croda International Plc

Additional financial information

Quarterly sales breakdown

2023 quarterly sales by sector (£m)

Sector	Q123	Q223	Q323	Q423
Consumer Care	236.8	218.8	218.2	212.2
Life Sciences	170.8	132.4	125.0	174.1
Industrial Specialties	69.1	53.0	43.8	40.3
Group	476.7	404.2	387.0	426.6

Currency exposure

Currency translation

The US Dollar and the Euro together represent approximately 65% of the Group's currency translation exposure. Sterling was broadly flat against the US Dollar and weakened slightly against the Euro.

2023 average rates:

- US\$1.243 (2022: US\$1.237)
- €1.149 (2022: €1.174)

Average annual impact:

- £1m per \$cent pa
- £1m per €cent pa

The impact of changes in exchange rates for other smaller currencies, which represent 35% of exposure, was more significant. Overall, the negative impact from currency translation was £9.1m on sales and £10.3m on adjusted operating profit. The disproportionate impact on adjusted operating profit reflected a £6m adverse effect from the application of IAS 29 ('Financial Reporting in Hyperinflationary Economies') to reporting in Argentina and Turkey, and a £2m foreign exchange loss from the devaluation of the Argentine peso, with the balance from the net effect of other currency movements.

