

# Croda International Plc (LSE:CRDA)

*The invisible supplier to health, beauty, and agriculture*

## Investment Thesis

- **Essential, not flashy.** Specialty ingredients embedded in supply chains.
- **Under-earning today.** Destocking weighing on results.
- **Quality at entry point.** High-ROIC compounder at discount.
- **Structural tailwind.** Life Sciences tilt boosts margins.

## Catalysts

- **Health & Pharma.** RNA lipid demand.
- **Clean Beauty.** Natural ingredient push.
- **Agri-science.** Food security & climate demand.
- **Cost savings.** £100m targeted by 2027.

## Why Now?

- **Cyclical trough.** Shares -26% YTD; destocking easing.
- **Structural shift.** Strategic move to Life Sciences & premium Care.
- **Execution tailwinds.** £100m savings + easing capex → stronger FCF.

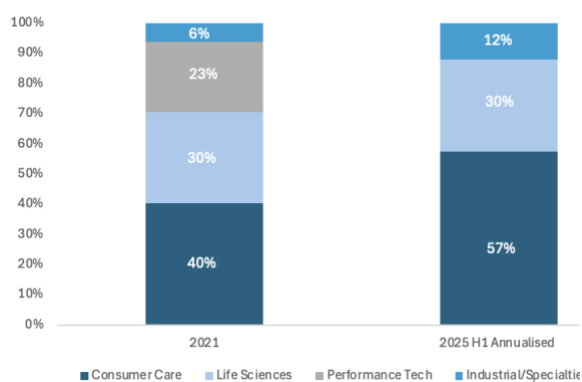
## Valuation Snapshot

**Share Price:** £24.81  
**P/E Ratio:** 16.1  
**Dividend Yield:** 4.4%  
**Market Cap:** £3.44bn  
**ROIC:** 6% (core >20%)  
**Consensus Target:** £36.00

## Risks & Mitigants

Risk	Mitigant
Cyclical demand	Diversified sticky products
Input-cost pressure	Cost pass-through track record
Weak sentiment	Balance sheet + savings

Croda Sales Mix Shift (2021 vs 2025)



**Structural Tilt:** Consumer Care + Life Sciences now ~88% of sales vs ~70% in 2021.

Croda won't make headlines, but it enables the companies that do. That makes it a resilient cash-generative business.