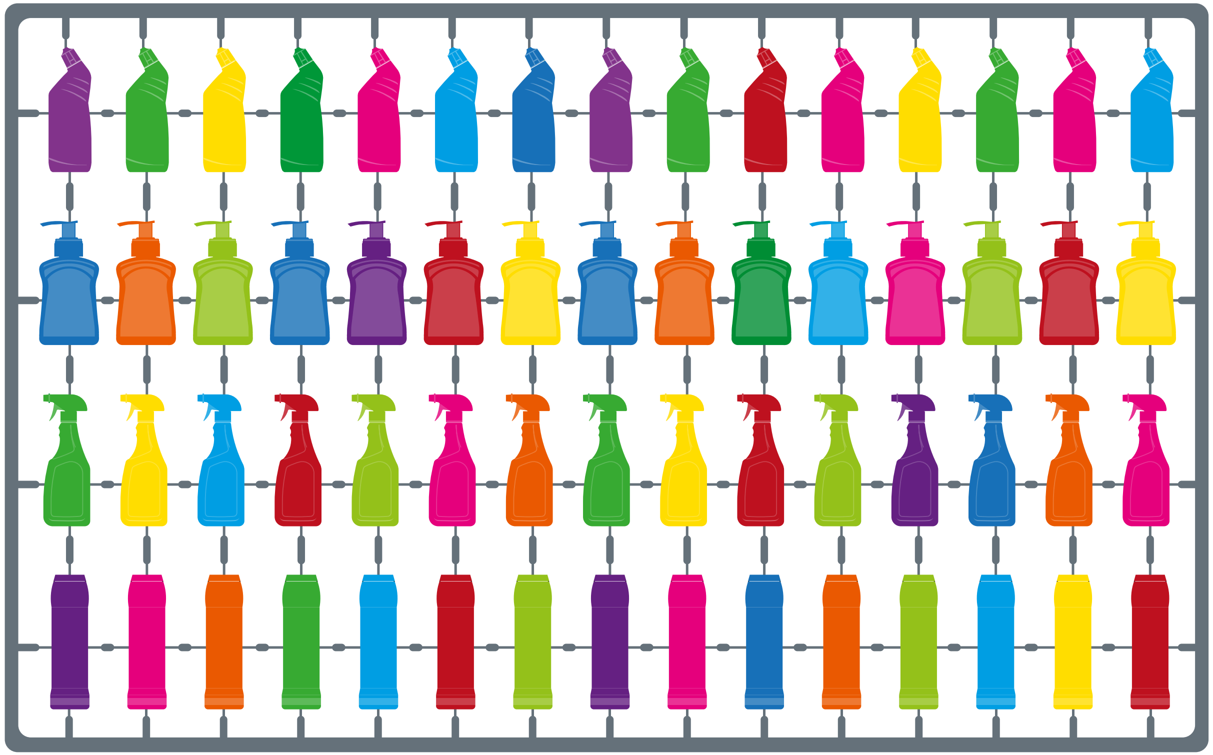
McBride
Manufacturing our future

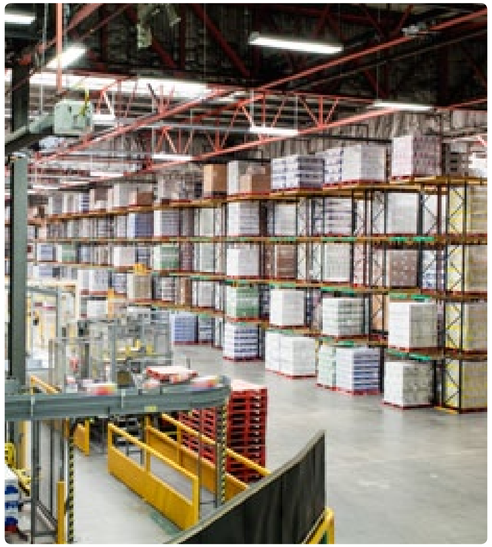


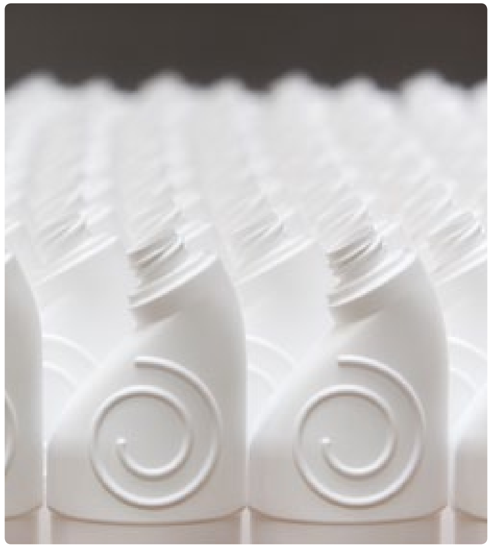
Preparing for growth

McBride plc Results and strategy presentation: September 2016

Agenda

1. Welcome
2. Headlines & strategic progress
3. Financial results
4. Market developments
   & the way forward
5. UK Referendum and McBride
6. Conclusion
7. Appendices

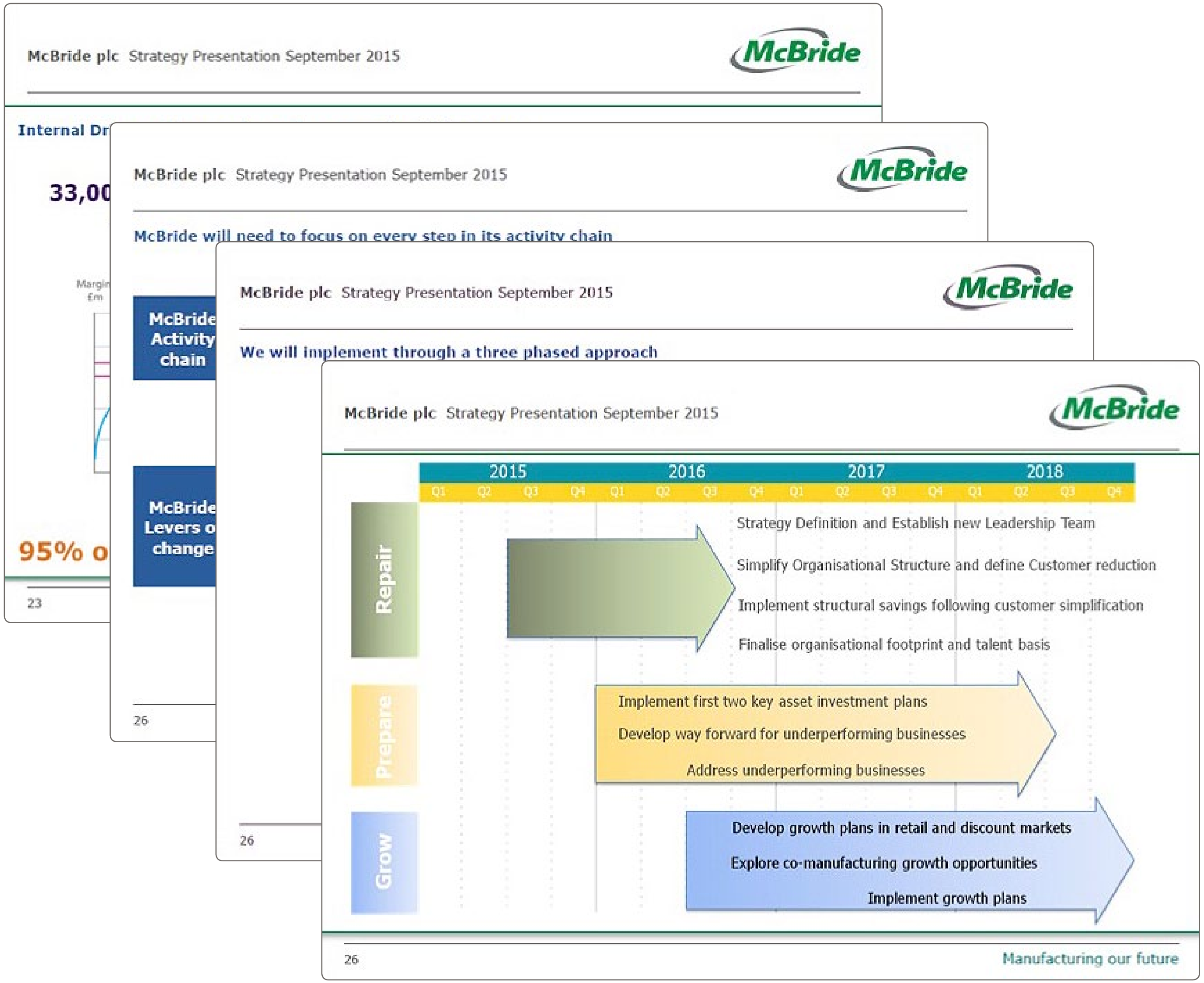




Headlines

- Significant progress on **Repair phase** of our strategy
- **New segmentation:** Household and Personal Care & Aerosols
- Project to focus on the **top 25%** of our customers completed
- Underperforming business, **good traction in Asia** and **new dedicated team** for PCA Europe
- Strategic purchasing initiatives launched, **over £5m benefit** realised in year
- **Savings programmes** executed in line with plans
- Asset improvement plan launched with **structural investment initiatives in UK, Poland** and **Belgium**
- UK **Defined Benefit Pension Plan** closed
- **Operating margin up to 5.3%** (2015: 4.0%) with adjusted operating profit 27% higher
- Strong **cash generation** with underlying net cash inflow of £13.9m
- Net debt cover ratio **improved to 1.7x from 1.9x** in 2015

Looking back a year...



Repair: five key objectives were defined

Repair

McBride will substantially simplify its activities, covering customers, products, processes and organisation. We will launch a broad range of purchasing driven saving initiatives, in further support of the simplification and rightsize the overhead base to reflect better the new way of working.

Complexity	• 75% of customers exited • SKU reduction over 20% and ongoing	• Additional value opportunities	CSL* +2% to 98.8%
Overhead	• UK restructuring project completed • Reorganisation overhead savings delivered	• Simplification cost reductions ongoing	19.0% labour/ revenue
Purchasing	• Investment in purchasing capability finalised • Numerous early wins	• Strategic supplier relationships	35% reduction in item #
Underperforming units	• Dedicated management team appointed • New plan driving profitability and strategic focus • First actions improving performance	• Asia improvement plan delivered • Asia growth plan under development	Asia 35% H2 growth
Additional actions	• UK Defined Benefit Pension Plan closed	• New segmental reporting format	3 UK plans down to 1

*Customer service levels

Divisional overview

Household (HH) division

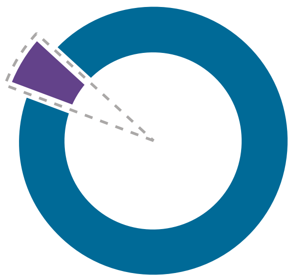
- 79% Group revenues in 2016
- Four regional teams
- Focusing on private label and contract manufacturing
  - high volumes, low complexity

Revenue by segment

Household
-UK £164.9
-North £179.0m
-South £69.2m
-East £121.9m

PCA
£145.9m

Adjusted operating profit before corporate costs



Household £42.7m
PCA £2.7m

Corporate £(9.2)m

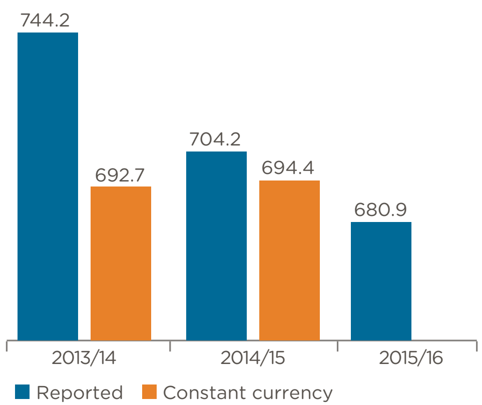
Personal Care & Aerosols (PCA) division

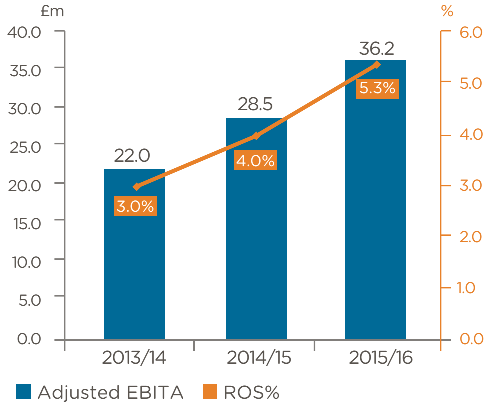
- 21% Group revenues in 2016
- Comprises European and Asian operations
- European management team installed Jan 2016
- Focusing on balanced approach to private label, contract manufacturing and brand opportunities
  - small volumes, medium complexity

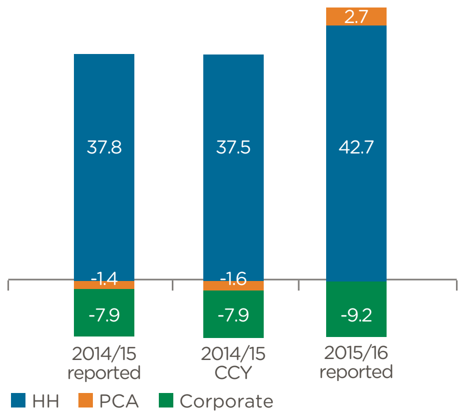
Financial headlines

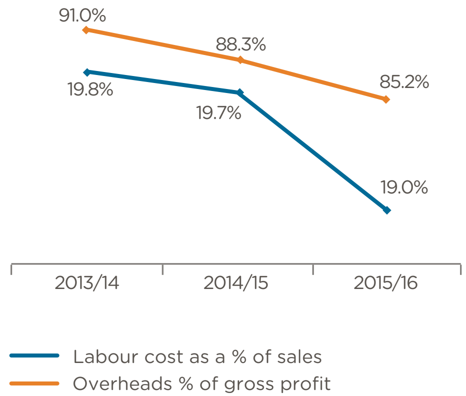
- Revenues lower by 1.9% at constant currency
- Adjusted EBITA 27% higher, 29% at constant currency
- Operating margin up to 5.3% from 4.0% last year
- Adjusted diluted EPS up 33.7% to 11.1p
- Exceptional items £2.4m (2015: £17.8m)
- Cash generated from operations before exceptional items £52.5m (2015: £44.2m)
- Underlying net cash inflow of £13.9m, offset by adverse FX impact in last week of June
- Net debt £90.9m (2015: £92.4m)
- Debt cover ratio 1.7x (2015: 1.9x)
- Full year payment to shareholders 3.6p per share – unchanged on last year
- UK Defined Benefit Pension Plan closed

Income statement





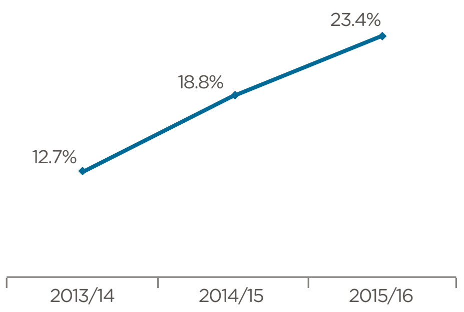




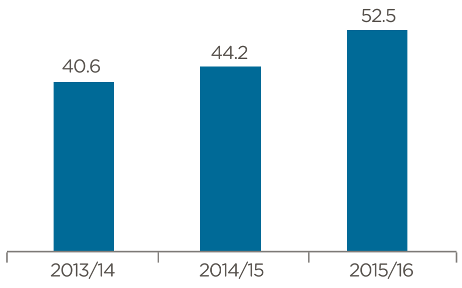
- Impact of reduced customer numbers
- Price/volume drivers
- Raw materials
- Cost reduction
- Segment profits
- EPS development

Balance sheet and cash flow

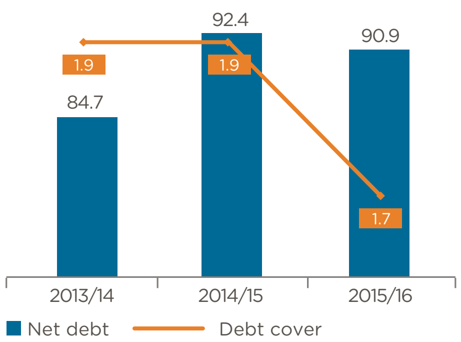
ROCE %



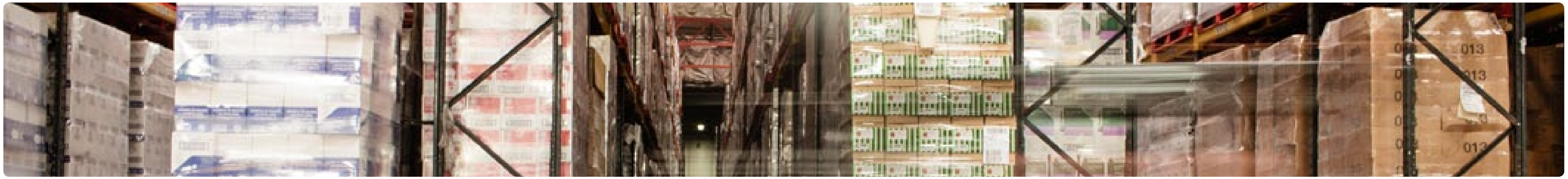
Cash flow from operations £m



Net debt £m/ debt cover x

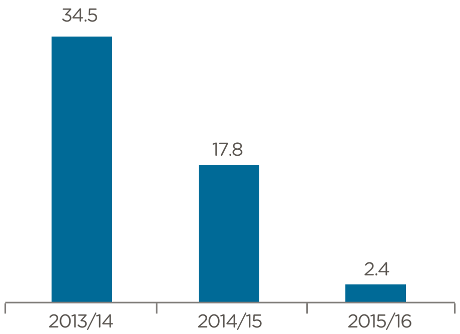


- Net assets
- FX impact on headline borrowings
- Debt cover and covenants
- Capital expenditure

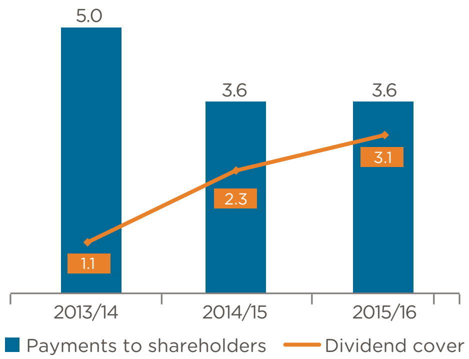


Other financials

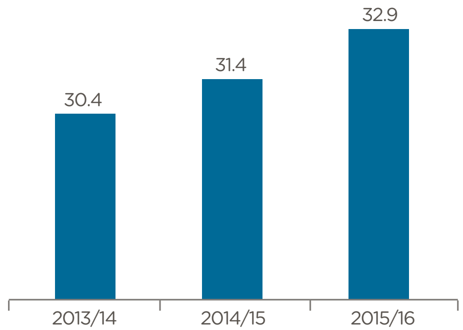
Exceptional items £m



Payments to shareholders p /dividend cover x



Group pension liability £m



- Exceptional items, limited impact
- Payments to shareholders held at 2015 level
- UK Defined Benefit Pension Plan closed
- Tax rate

We are leaving the Repair phase behind

Prepare

McBride will invest into its manufacturing assets and optimise its warehousing and distribution network. We will align the new organisational set-up aiming to institutionalise our new way of working with our people. We will provide a clear way forward for identified sub-optimal customer/categories and products.

Strategy

- Translating RPG Strategy into a five-year growth plan
- Identify, quantify and select the priority segments, markets and products

Assets

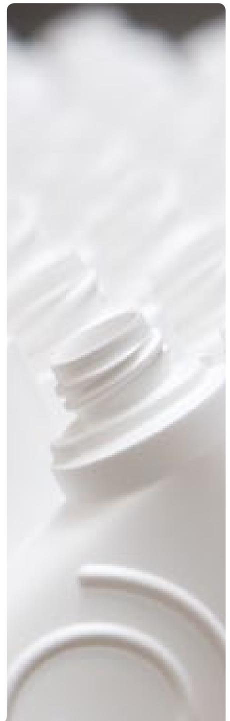
- Invest over £100 million in the next four years focusing on our five key strategic sites
- Invest across the Group to further optimise plant efficiencies
- Further drive service levels through improved warehousing and distribution footprint

Organisation

- Further reinforce our organisation to deliver upon the growth and operational excellence ambition
- Ensure new ways of working are institutionalised into Company culture

PCA

- PCA strategy being finalised
- Dedicated organisation to deliver upon the opportunity
- Complete actions to have dedicated HH/PCA platforms



Looking forward: market developments

- Channel dynamics
- Promotional pressure reduced, especially in the UK, EDLP strategies
- Branders divesting and/or outsourcing minor & regional brands
- Expectation of inflation towards end of 2016, accelerated by UK Referendum

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Preparing for Growth

Grow

McBride will drive a sustainable and profitable growth path based upon a greatly improved cost position and more efficient manufacturing and distribution. This will focus on fewer markets, categories and customers. McBride will develop customer specific value propositions depending on their individual requirements and the channel in which they are active.

Retail

- Gaining market share through appropriate customer experience
- Supply chain integration and differentiated innovation

Discount

- Drive appropriate value proposition
- Scale advantages allowing for simplification and quality

Contract manufacturing

- Create dedicated team presenting clear value proposition to branders
- Early success, prudent approach maintained

M&A

- Capture tactical opportunities as capacity leaves the market
- Identify strategic opportunities to expand in new categories and geographies

Investing over £100 million in operational excellence

- UK Middleton new line – completed
- Poland phase 1 underway
- Key category Laundry investment about to launch
- Group-wide capital planning and optimisation well underway
- Distribution and logistics review complete – change planning in early phase
- Waste and efficiency improvement initiatives underway at many sites

Time horizon – by calendar year

2016				2017				2018				2019			
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4

Repair

- Key projects delivered or in final stage
  - customer and SKU simplification
  - overhead alignment programmes
  - underperforming businesses identified, progress already in Asia
- Embed culture shift towards Manufacturing and Operational Excellence

Prepare

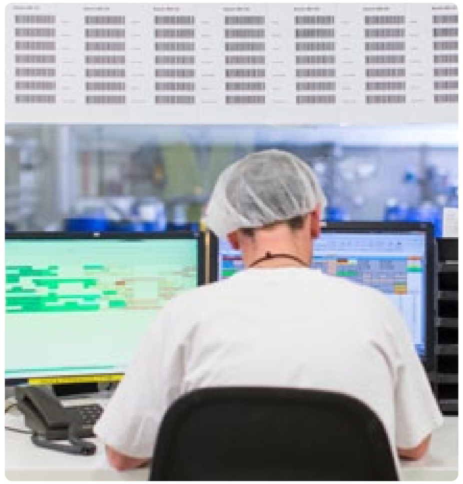
- Clarify and implement PCA improvements
- Define and launch the five-year growth plan
- Define and launch the supporting asset development programme
- Upgrade organisational skills and capabilities, emphasis on commercial acumen

Grow

- Deliver the Discount and Retail Channel growth
- Identify and develop the Contract Manufacturing business
- Monitor tactical and/or strategic M&A opportunities

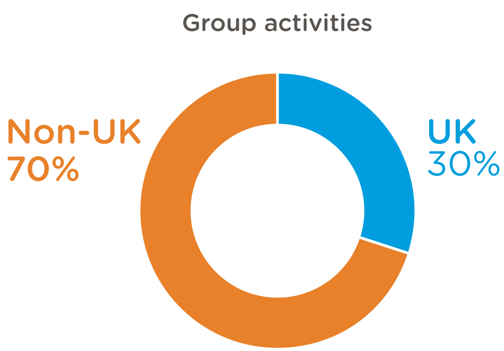
Forward view – financials

- Early months of new financial year
- Raw material input costs
- Currency rates, hedging
- Gross margins
- Overhead costs
- Financing costs
- Capital expenditure
- Payments to shareholders



UK Referendum and McBride

- Foreign exchange
  - UK raw materials
  - translation of overseas profits and assets to GBP
  - European-based exporters to UK retail – competitiveness
  - USD-denominated debt, hedged
- Interest rates – borrowings, pension valuation
- Import/export tariffs and border controls
  - mostly a raw material concern
  - limited UK/EU cross border trading of finished goods
- Free movement of people



Conclusion

- Significant progress on the Repair phase of our strategy, one year after the launch
- Encouraging financial results for last year
- New divisional structure provides organisational focus on growth opportunities and underperforming units
- Operational Excellence culture being institutionalised in the organisation
- Concluding Repair phase; Prepare phase underway
- Growth ambition, related action plans and supporting investments in development
- Board remains confident on strategy delivery to reach 7.5% EBITA, 25–30% ROCE

Questions

Appendices

1. Chairman introduction
2. Income statement
   Segmental reporting
   Exceptional items
   Balance sheet
   Cash flow
   Use of cash
   Funding headroom
3. B Share scheme

Appendix 1: Chairman introduction

"I am delighted to have joined the Board of McBride, in part because it feels a little like coming home. I started my career in Procter and Gamble and clearly remember training in various factories understanding how household cleaning products were made and distributed. I am sure that my experience, garnered over the years, will be useful to Rik and his team."

John brings considerable experience holding office as a Non-Executive Director in various companies across multiple market sectors, including retail and construction. He was Senior Independent Director whilst at Travis Perkins between 2005 and 2014 and was Chairman of Aga Rangemaster Group plc between 2008 and 2015.

John has also had significant executive experience in the retail sector, having been CEO of House of Fraser and CEO of Texas Homecare, a part of Ladbrokes plc. Prior to this he was a member of the senior management team at the Burton Group, holding managing director roles for a number of its fashion chains.

John Coleman
Chairman

Appendix 2: income statement

	2015/16 £m	2014/15 £m	Y/Y	Constant currency[1] 2014/15 £m	Constant currency[1] Y/Y
Revenue	**680.9**	704.2	**(3.3%)**	694.4	**(1.9%)**
Gross profit	**243.8**	243.7	**–**	240.5	**+1.4%**
Gross margin	**35.8%**	34.6%	**+1.2ppts**	34.6%	**+1.2ppts**
Distribution costs	**(46.5)**	(48.0)	**(3.1%)**	(47.3)	**(1.7%)**
Administration costs	**(161.1)**	(167.2)	**(3.6%)**	(165.2)	**(2.5%)**
EBITA[2]	**36.2**	28.5	**+27.0%**	28.0	**+29.3%**
Net financing costs:					
– borrowings	**(5.7)**	(5.5)	**+3.6%**	(5.5)	**+3.6%**
– pension	**(1.1)**	(1.3)	**(15.4%)**	(1.2)	**(8.3%)**
Adjusted profit before taxation[3]	**29.4**	21.7	**+35.5%**	21.3	**+38.0%**
Taxation	**(9.2)**	(6.5)	**+41.5%**	(6.4)	**+43.8%**
Adjusted profit after taxation[3]	**20.2**	15.2	**+32.9%**	14.9	**+35.6%**
Adjusted diluted earnings per share (p)[3]	**11.1**	8.3	**+33.7%**		
Amortisation	**0.9**	1.0	**(0.1)**		
Exceptional items	**2.4**	17.8	**(15.4)**		
Taxation – effective rate	**31%**	30%	**+1.0ppts**		

(1) Comparatives translated at 2016 exchange rates.
(2) Adjustments were made for the amortisation of intangible assets and exceptional items.
(3) Adjustments were made for the amortisation of intangible assets, exceptional items, non-cash financing costs from unwind of discount on initial recognition of contingent consideration; unwind of discount on provisions and any related tax.

Appendix 2: segmental reporting

	2015/16 £m	2014/15 £m	Y/Y	Constant currency 2014/15 £m	Constant currency Y/Y
Revenue					
UK	164.9	180.5	(8.6%)	180.5	(8.6%)
North	179.0	183.9	(2.7%)	180.7	(0.9%)
South	69.2	68.7	0.7%	67.6	2.4%
East	121.9	119.3	2.2%	116.5	4.6%
Household	**535.0**	**552.4**	**(3.1%)**	**545.3**	**(1.9%)**
PCA	**145.9**	**151.8**	**(3.9%)**	**149.1**	**(2.1%)**
Group	**680.9**	**704.2**	**(3.3%)**	**694.4**	**(1.9%)**
Trading profit					
Household	**42.7**	**37.8**	**13.0%**	**37.5**	**13.9%**
PCA	**2.7**	**(1.4)**	**292.9%**	**(1.6)**	**268.8%**
Corporate	**(9.2)**	**(7.9)**	**16.5%**	**(7.9)**	**16.5%**
Group	**36.2**	**28.5**	**27.0%**	**28.0**	**29.3%**
ROS					
Household	**8.0%**	**6.8%**	**1.2ppt**	**6.9%**	**1.1ppt**
PCA	**1.9%**	**(0.9%)**	**2.8ppt**	**(1.1%)**	**3.0ppt**
Corporate	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**
Group	**5.3%**	**4.0%**	**1.3ppt**	**4.0%**	**1.3ppt**

Appendix 2: exceptional items

	2015/16 Total £m	2014/15 Total £m
Functional reorganisation	–	(0.4)
UK restructuring costs	0.3	(0.8)
Group reorganisation	0.7	(3.1)
CLP	–	(3.7)
Customer choices	(2.2)	–
Legal case	(1.2)	–
French and Chinese Aircare PP&E impairment	–	(4.2)
Italian goodwill impairment	–	(5.6)
Czech business write back	1.7	–
Contingent consideration	(1.7)	–
Total	**(2.4)**	(17.8)

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Appendix 2: balance sheet

	2015/16 £m	2014/15 £m	Y/Y
Goodwill and other intangible assets	**20.0**	19.7	**+1.5%**
Property, plant and equipment	**136.2**	129.8	**+4.9%**
Other non-current assets	**22.5**	21.5	**+4.7%**
Working capital	**29.7**	26.7	**+11.2%**
Net other debtors/(creditors)	**(0.3)**	(2.7)	**(88.9%)**
Provisions	**(6.4)**	(8.0)	**(20.0%)**
Pension	**(32.9)**	(31.4)	**+4.8%**
Non-current liabilities	**(8.8)**	(5.7)	**+54.4%**
Net debt	**(90.9)**	(92.4)	**(1.6%)**
Net assets	**69.1**	57.5	**+20.2%**
Average capital employed	**155.0**	151.6	**+2.2%**
ROCE	**23.4%**	18.8%	**+4.6ppts**
Working capital % of sales	**4.4%**	3.8%	**0.6ppts**

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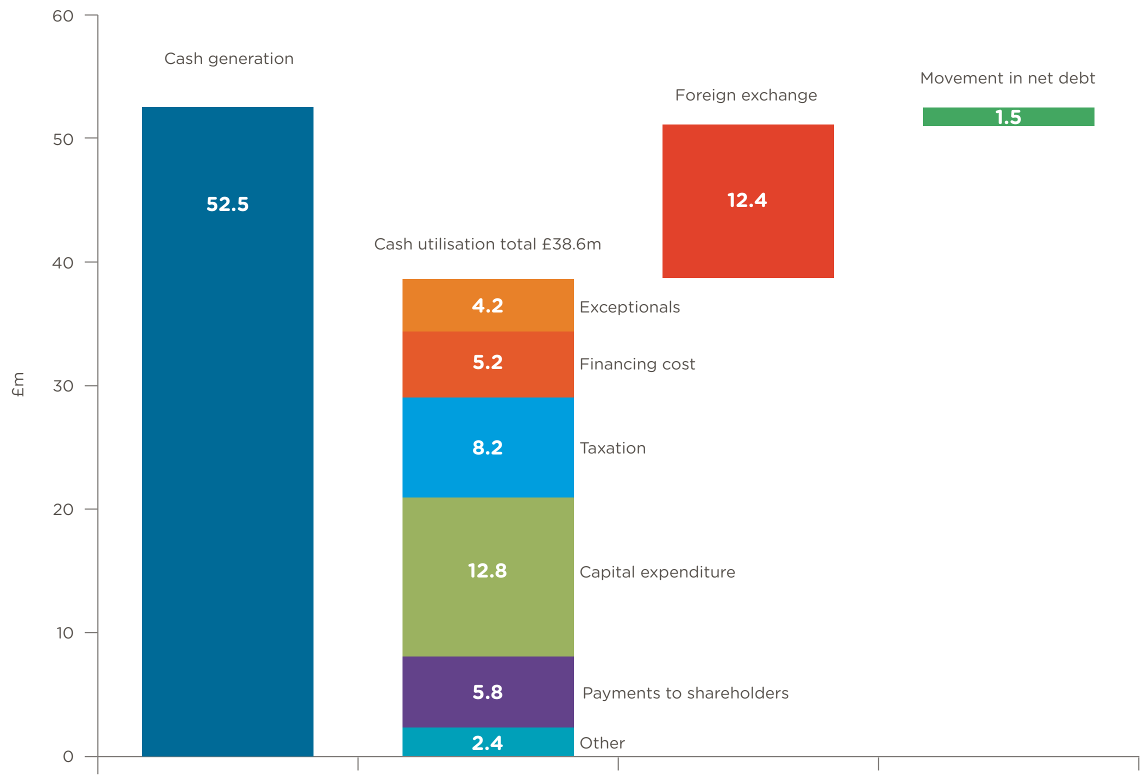
Appendix 2: cash flow

	2015/16 £m	2014/15 £m	Y/Y £m
Adjusted operating profit	**36.2**	28.5	**7.7**
Depreciation	**18.2**	19.6	**(1.4)**
Share-based payments	**1.8**	—	**1.8**
Additional cash funding of pension scheme	**(3.1)**	(2.6)	**(0.5)**
Operating cash flow before movements in working capital	**53.1**	45.5	**7.6**
Movement in working capital	**(0.6)**	(1.3)	**0.7**
Cash generated from operations	**52.5**	44.2	**8.3**
Capital expenditure	**(12.8)**	(21.9)	**9.1**
Operating cash flow	**39.7**	22.3	**17.4**
Exceptional cash flow	**(4.2)**	(10.7)	**6.5**
Interest paid	**(5.2)**	(5.7)	**0.5**
Redemption of B shares	**(5.8)**	(8.7)	**2.9**
Taxation paid	**(8.2)**	(6.9)	**(1.3)**
Other items	**(2.4)**	2.9	**(5.3)**
Net cash flow	**13.9**	(6.8)	**20.7**
Net debt at beginning of year	**(92.4)**	(84.7)	**(7.7)**
Currency translation differences	**(12.4)**	(0.9)	**(11.5)**
Net debt at end of year	**(90.9)**	(92.4)	**1.5**

Appendix 2: use of cash



Appendix 2: funding headroom

	Facility £m	30 June 2016 £m	Committed headroom £m
Committed facilities:			
– US Private Placements (November 2020 and April 2022)	67.0	**(67.0)**	—
– revolving facilities (April 2019)	115.7	**(16.5)**	99.2
– invoice discounting facilities	49.8	**(21.5)**	28.3
– other loans	2.4	**(2.4)**	—
	234.9	**(107.4)**	127.5
Uncommitted facilities	48.2	**(8.3)**	
Total facilities	283.1	**(115.7)**	
Cash and cash equivalents		**24.8**	
Net debt		**(90.9)**	

Appendix 3: B Share scheme

- McBride, similar to some other companies, has a B Share scheme to accelerate the recovery of the Group's unrealised surplus Advance Corporate Tax (ACT), which will significantly improve future cash flows, to the benefit of all shareholders
- The B Shares issued to shareholders will have a value equal to the cash dividend that would have been recommended under dividend arrangements
- Shareholder impact
  - Treated as a capital receipt. Majority of shareholders may prefer a capital payment or be tax neutral to receiving B shares as opposed to receiving an income payment following a cash dividend
  - Receipt of B shares should not itself trigger a charge to UK taxation
  - Redemption of B shares treated as a capital receipt rather than income
  - UK Taxpaying individual shareholders may prefer B shares due to annual allowance and lower Capital Gains Tax rate
- Approved by shareholders in March 2011, estimated 7-10 years before returning to paying dividends in cash
- Further B Share information available at **www.mcbride.co.uk/investors**