

Interim Results Presentation

Six months to 31 December 2015

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24 February 2016

1 Headlines

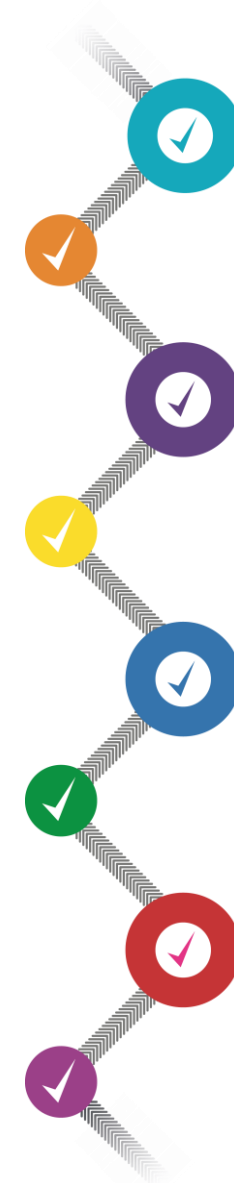
2 Financials

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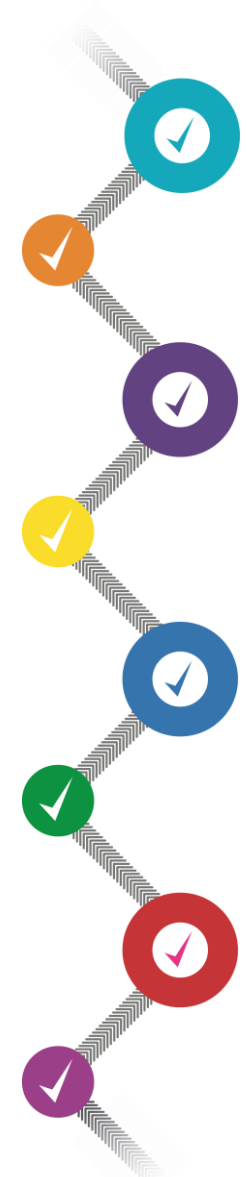
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Financial Headlines

- ▶ 0.4% revenue growth on a constant currency basis, despite challenging market conditions.
 - ▶ On a reported basis 5.6% lower due to impact of weaker Euro.
- ▶ Group adjusted operating profit £17.6m, 57.1% higher at constant currency.
 - ▶ On reported basis, an increase of 40.8%.
 - ▶ H1 2016 Adjusted operating margin ¹ improved to 5.1% from 3.4% in first half of last financial year.
- ▶ Adjusted profit before income tax up by 56.3% to £13.6 million (2014: £8.7m).
- ▶ Interim payment to shareholders of 1.2 pence, in line with policy outlined in September 2015.
- ▶ Net debt at £86.3m representing 1.6x annualised adjusted EBITDA.

(1) Adjustments were made for the amortisation of intangible assets and exceptional items.

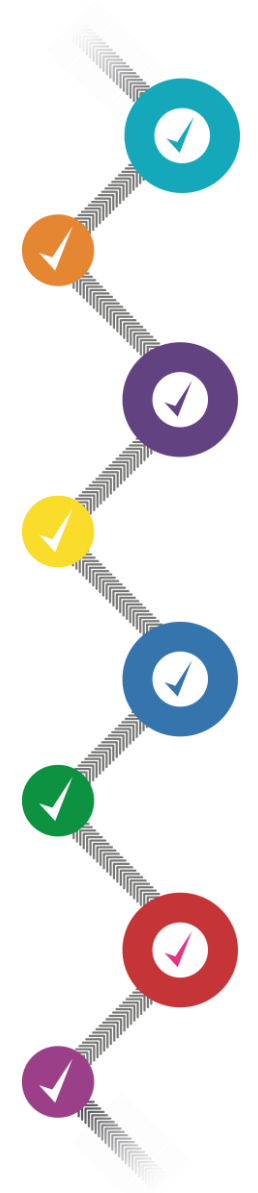
Strategy Headlines

- ▶ UK restructuring project on track to deliver annualised savings of £12.0m by 30 June 2016.
- ▶ Actions from the “Repair” phase of the Group’s new strategy are well underway.
 - ▶ Lower complexity on track, focus on 25% of customer portfolio, 75% of customers exited by June 2016.
 - ▶ Further cost reduction projects underway.
 - ▶ New purchasing initiatives have started to deliver benefits.
- ▶ Group’s activities to be split into Household and Personal Care/Aerosols (“PCA”).
 - ▶ New segmental analysis.
 - ▶ Household Sales 0.9% higher overall with growth across most regions except in the UK (8.2% decline).
 - ▶ PCA 1.5% sales decline, a weak UK offset by good gains in Eastern Europe and strong growth in Asia.

Board Change

- ▶ Iain Napier, Chairman, intending to retire at the end of June 2016 following nine years of service.

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	H1 2015/16	H1 2014/15 ⁽²⁾	Change Y/Y	Constant Currency	
				H1 2014/15	Change Y/Y
Revenue (£m)	344.1	364.7	(5.6%)	342.7	+0.4%
EBITA (£m) ⁽¹⁾	17.6	12.5	+40.8%	11.2	+57.1%
EBITA margin ⁽¹⁾	5.1%	3.4%	+1.7ppts	3.3%	+1.8ppts
Operating profit (£m)	17.1	11.1	+54.1%	9.9	+72.7%
Adjusted profit before taxation (£m) ⁽¹⁾	13.6	8.7	+56.3%	7.4	+83.8%
Profit before taxation (£m)	13.0	7.3	+78.1%	6.0	+116.7%
Diluted earnings per share (p)	4.9	2.8	+75.0%	2.2	+122.7%
Adjusted diluted earnings per share (p) ⁽¹⁾	5.2	3.4	+52.9%	2.9	+79.3%
Interim payment to shareholders per ordinary share (p)	1.2	1.7	(29.4%)		
Cash generated from operations before exceptional items (£m)	26.2	30.7	(14.7%)		
Cash flow before financing activities (£m)	13.9	8.2	+69.5%		
Net debt (£m) ⁽²⁾	86.3	92.4	(6.6%)		
Return on capital employed ^{(2) (3)}	23.6%	16.4%	+7.2ppts		

(1) These KPIs reflect adjustments to amounts determined in accordance with IFRSs. 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 exceptional provisions and any related tax.

(2) Net debt comparative is at 30 June 2015, all other comparatives refer to the six months ended on 31 December 2014 unless otherwise stated.

(3) Annualised adjusted operating profit for the six months ended on 31 December 2015 and 31 December 2014 as a percentage of average period end net assets excluding net debt.

	H1 2015/16 £m	H1 2014/15 £m	Change Y/Y	Constant Currency	
				H1 2014/15 £m	Change Y/Y
Revenue	344.1	364.7	(5.6%)	342.7	+0.4%
Gross profit	122.2	121.9	+0.2%	114.5	+6.7%
Gross margin	35.5%	33.4%	+2.1ppts	33.4%	+2.1ppts
Distribution costs	(24.1)	(24.8)	(2.8)%	(23.1)	+4.3%
Administration costs	(80.5)	(84.6)	(4.8)%	(80.2)	+0.4%
EBITA ⁽¹⁾	17.6	12.5	+40.8%	11.2	+57.1%
Net financing costs:					
- Borrowings	(3.4)	(3.2)	+6.3%	(3.2)	+6.3%
- Pension	(0.6)	(0.6)	-	(0.6)	-
Adjusted profit before taxation ⁽¹⁾	13.6	8.7	+56.3%	7.4	+83.8%
Taxation ⁽²⁾	(4.1)	(2.5)	+64.0%	(2.2)	+86.4%
Adjusted profit after taxation ⁽¹⁾	9.5	6.2	+53.2%	5.2	+82.7%
Adjusted diluted earnings per share (p) ⁽¹⁾	5.2	3.4	+52.9%		
Amortisation	0.5	0.6	(16.7%)		
Exceptional items	-	0.8	(100.0%)		

(1) These KPIs reflect adjustments to amounts determined in accordance with IFRSs. 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 exceptional provisions and any related tax.

(2) H1 2015/16 effective rate of tax 30% (FY 2014/15: 30%).

	H1 2015/16 £m	H1 2014/15 £m	Change Y/Y	Constant Currency	
				H1 2014/15 £m	Change Y/Y
Household:					
UK	86.5	94.2	(8.2%)	94.2	(8.2%)
North ⁽¹⁾	91.5	95.7	(4.4%)	87.0	+5.2%
South ⁽²⁾	33.6	36.3	(7.4%)	33.0	+1.8%
East ⁽³⁾	61.5	62.2	(1.1%)	56.4	+9.0%
Total Household	273.1	288.4	(5.3%)	270.6	+0.9%
Personal Care and Aerosols ⁽⁴⁾	71.0	76.3	(6.9%)	72.1	(1.5%)
Total revenue	344.1	364.7	(5.6%)	342.7	+0.4%

(1) France, Belgium, Holland and Scandinavia.

(2) Italy and Spain.

(3) Germany, Poland, Luxembourg and other Eastern Europe.

(4) Includes Asia.

	H1 2015/16 £m	H1 2014/15 £m	FY 2014/15 £m
Opening net debt	(92.4)	(84.7)	(84.7)
Cash generated from operations before exceptional items	26.2	30.7	44.2
Exceptional items	(3.5)	(5.8)	(10.7)
Cash generated from operations	22.7	24.9	33.5
Net capital expenditure	(5.6)	(9.8)	(21.7)
Net interest paid	(2.7)	(3.0)	(5.7)
Net taxation paid ⁽¹⁾	(0.2)	(4.1)	(6.9)
Settlement of derivatives	(0.3)	0.2	3.1
Free cash flow	13.9	8.2	2.3
Payment to shareholders (B Shares)	(3.7)	(5.6)	(8.7)
Currency translation differences/other non cash movements	(4.1)	(3.9)	(1.3)
Closing net debt	(86.3)	(86.0)	(92.4)

(1) Net of tax receipts of £1.6m.

	Facility £m	December 2015 £m	Committed headroom £m
Committed facilities:			
- US Private Placements (November 2020 and April 2022)	60.7	(60.7)	—
- Revolving facilities (April 2019)	102.8	(22.0)	80.8
- Invoice discounting facilities	47.0	(25.5)	21.5
- Other loans	2.2	(2.2)	—
	212.7	(110.4)	102.3
Uncommitted facilities	47.7	(3.6)	
Total facilities	260.4	(114.0)	
Cash and cash equivalents		27.7	
Net debt		(86.3)	

	H1 2015/16 £m	FY 2014/15 £m	Y/Y
Goodwill and other intangible assets	19.7	19.7	-
Property, plant and equipment	126.9	129.8	(2.2%)
Other non-current assets	21.6	21.5	+0.5%
Working capital	27.7	26.7	+3.7%
Net other creditors ⁽¹⁾	(3.9)	(2.7)	+44.4%
Provisions	(4.7)	(8.0)	(41.3%)
Pension	(32.3)	(31.4)	+2.9%
Non-current liabilities ⁽²⁾	(6.3)	(5.7)	+10.5%
Net debt	(86.3)	(92.4)	+6.6%
Net assets	62.4	57.5	+8.5%
Return on capital employed	23.6%	18.8%	+4.8ppts
Gearing ⁽⁴⁾	57.8%	60.9%	(3.1ppts)
Working capital % of annualised revenue ⁽⁵⁾	4.0%	3.8%	+0.2ppts

(1) Derivative financial instruments, assets held for sale and current tax liabilities.

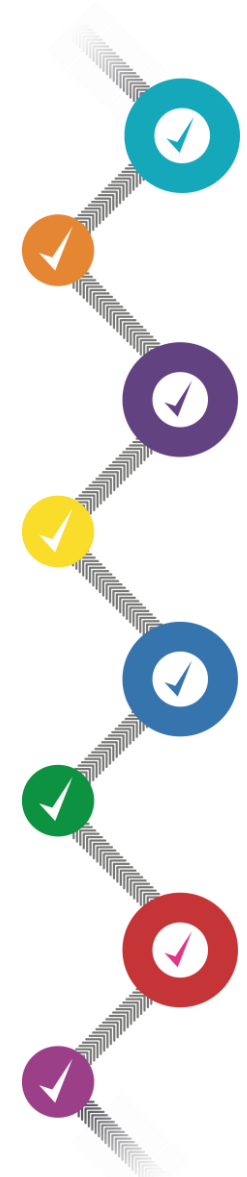
(2) Contingent consideration, derivative financial instruments and deferred tax liabilities.

(3) H1 2015/16 adjusted operating profit annualised and FY 2014/15 adjusted operating profit.

(4) Net debt/average capital employed.

(5) H1 2015/16 revenue annualised and FY 2014/15 revenue.

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Market & Categories

- ▶ Overall market flat to slightly positive, driven mainly by grocery categories.
- ▶ PL Household and Personal Care categories flat to slightly negative growth across Europe with branders' promotional activities extending beyond their familiar markets of UK and Italy.

Channels & Pricing

- ▶ Discounters growing in UK, Italy and Poland, while their share is more stable elsewhere.
- ▶ Continued growth challenges at retail accounts in areas where discounters are successful.
- ▶ On-line growth accelerating, benefits to the distribution channels yet to define.

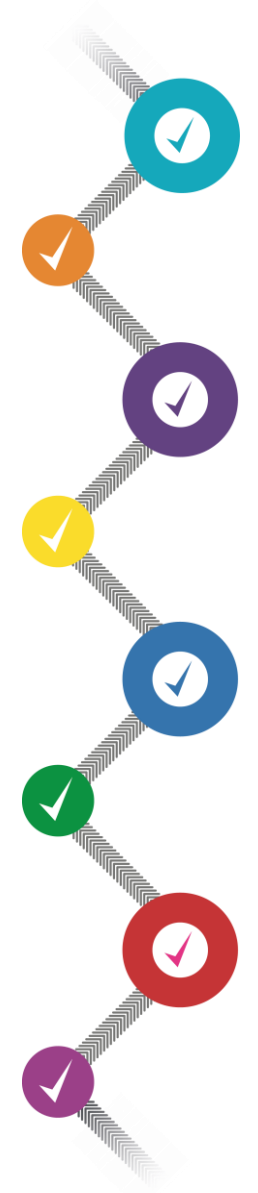
- ▶ Traditional retail internalising efforts with a focus on efficiency and cost with subsequent price deflation.
- ▶ EDLP in key categories having mixed success.

Raw Materials & Competition

- ▶ Oil related RM advantages in H1 limited due to higher plastics pricing.
- ▶ Other RM's stable to increasing (paper, caustic, phosphoric acid...).

- ▶ Challenging market conditions further exposing weaker suppliers' competitive positioning.
- ▶ Exchange rate adversely affecting Euro producers selling in the UK.

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McBride's future opportunity lies in maximising the benefits of scale through internal efficiency

Our market has structural challenges and offers limited growth

We have a broader and deeper asset and skill set than our competitors but to deliver the appropriate service to customers and returns to shareholders we need to upgrade these skills and streamline the whole operation

By optimising every step of our activity cycle McBride will be able to maximise its scale effect and drive value growth

23 Manufacturing our future

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McBride will need to focus on every step in its activity chain

McBride Activity chain

Raw Material Sourcing

Formulation Skills

Mixing & Filling

Packaging & Labelling

Logistics & Customer Service

Sales

McBride Levers of change

Scale, relationship and buying "more of less"

Technical skills supported by legislative insights
RM efficiency

Scale, efficiency, investments, geographic reach

Design skills combined with legislative insights

Efficiency, streamlining, complexity reduction, reach

Discount channel: cost and breadth
 Retail channel: Relationship and Innovation
 Outsourcer channel: cost & efficiency

...the new direction will be about our core strength – our manufacturing excellence

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We will implement through a three phased approach

Repair

Prepare

Grow

26 Manufacturing our future

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Value improvement

Effective implementation of this new model and the transformation of the Company to the new way of working is set to deliver sustainable returns permitting reinvestment to continue our market leadership as well as provide shareholders with earnings growth.

Our 3-5 year ambition

- adjusted operating profit margin (EBITA%) 7.5%
- ROCE 25% -30%.

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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 right size the overhead base to reflect better the new way of working.

Customers

- Exiting 75%
- Subsequent SKU reduction
- Positive net profit impact
- Platform set

CSL
+1% to
97.7%

Overhead

- Simplification, ways of working
- Local management teams
- Faster decision making
- Overhead savings
- PMO office

19.0%
labour/
revenue

Purchasing

- Investment in capability
- Tactical early wins
- Early signals

20%
reduction
in item #

Under-performing units

- PCA business
- Dedicated management team
- PCA improvement plan
- Asia improvement
- Closure of China operations

Asia
16% H1
growth

Additional actions

- Asset & Capex assessments
- UK Defined Benefit Pension
- HR processes

3 UK
plans
down
to 1

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.

Organisation

- Flatter organisation structure
- Regional and PCA teams
- New co-manufacturing team

- Leadership development
- Operational excellence
- Talent programme

Assets

- Manufacturing capabilities planning stage
- Poland progress

- Distribution & Warehousing optimisation
- Strategic supplier alliances

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 based on their requirements and the channel in which they are active.

Co-manufacturing

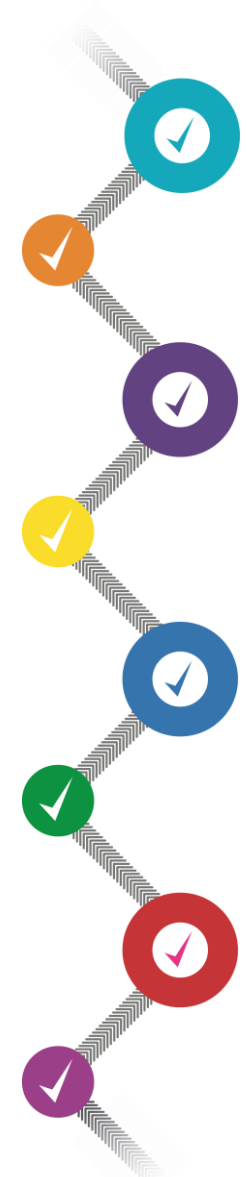
- Developing market opportunity
- Prudent approach

Sales Growth

- Strategic Marketing Team
- Customer segmentation drives value offer

- Sales skills

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- ▶ For the second half year, current expectations are for constant currency underlying revenues to be slightly lower year-on-year, in line with market conditions.
- ▶ The start of the impact from the customer choices project, planned during our first half year, is expected to reduce second half revenues by an additional £6.0 million.
- ▶ Ongoing actions of “Repair” phase activities to provide further progress in profitability, despite the backdrop of lower revenues.
- ▶ Full year results expected to be modestly ahead of Board’s previous expectations.
- ▶ New segmental reporting to be included in full year results, separating performance of PCA division from Household activities.
- ▶ Board remain confident on the delivery of the new strategy, a transformation plan with a three to five year ambition for adjusted operating profit margin (EBITA %) of 7.5% and ROCE targeted at 25-30%.

Thanks for listening
Questions ?