Delivering growth

Interim Results Presentation: February 2019

Agenda

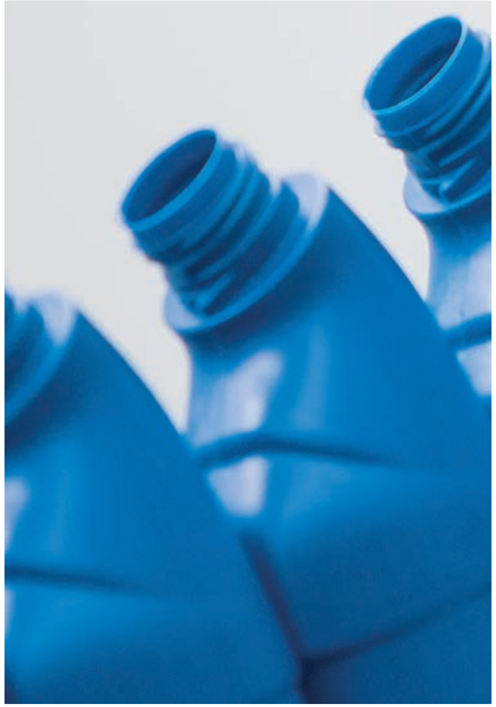
1. Headlines
2. Commercial update
3. Financial results
4. Prepared for growth delivery
5. Outlook

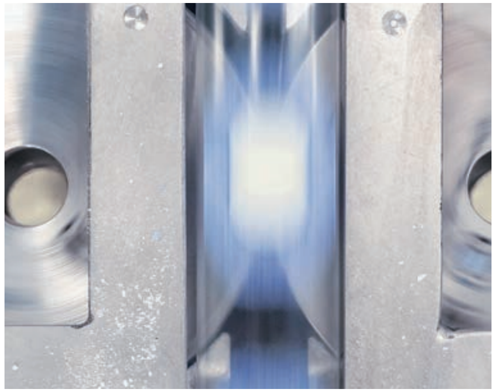
Headlines

- Growth in underlying revenues +6%
- Double digit growth in key categories
- Commissioning of new triple capsule line and new auto dishwash line completed, products in market
- Integration of Danlind successful
- Asia expansion plan launched
- Sale of PC Liquids in Europe for £12.5m completed successfully
- Aerosols reorganisation on track
- Contribution from business wins offset by high-cost environment
- Profits/earnings flat vs same period last year
- Strong operating cash flow in period
- Proceeds from disposals received in period
- Working capital improvement during strong growth period
- Net debt down to £98.0m (1.8x)
- Dividend held at 1.5p (2017: 1.5p)

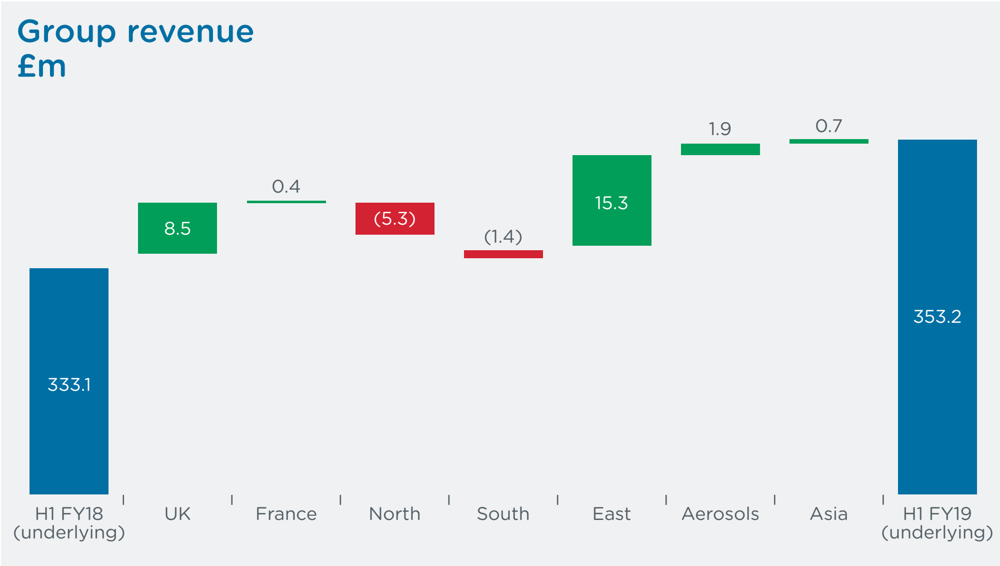
Commercial update

Rik De Vos





H1 FY19 saw growth in our 3 biggest markets of the UK, France and Germany and continued progress in key categories



- Auto dishwash +26.5%
- Capsules +12.1%
- Fabric conditioner +47.0%

Market update – UK

Overall market 3.2%(1), McBride growth 10.5%

- Aldi & Lidl best ever Xmas
  - Premium lines driven
  - McBride increasing share through leading categories
- Morrisons & Tesco seen as share winners
  - ‘Competitive’ offering
  - Tesco relaunch of PL early 2019, Jack’s autumn 2018
  - Tesco/Booker merger
- Sainsbury’s, M&S & Asda mixed performance
  - relationship/transactional
  - Sainsbury’s/Asda merger – CMA review
- Poundstores flat
- E-commerce growth rate slowing
- Price increases achieved partly compensating for cost increases
- Retailers reviewing EU supply positions for Brexit

(1) Source: McBride estimate

Tesco Private Label relaunch

Morrisons launch of ADW tab-in-tab from new capacity in Barrow

Market update – Germany
Overall market -1.3%[(1)], McBride growth 32.2%

- Significant growth 32.2% in Germany
  - several successes in consumer tests – STIWA
  - increased penetration in Aldi and Lidl in key categories
  - supplier base struggling
- Supermarkets ahead of discounters and drug stores
  - store modernisation, freshness and shopping attractiveness, competing with growing e-commerce
  - strong capsule introduction and growth following push by branders
- Price wars driving cost and margin pressure
- Aldi purchasing collaboration
- Aldi taking share from Lidl in Germany in 2018
- Price recovery initiatives landed successfully

(1) Source: McBride estimate

Rossmann 2018 new product launch

Edeka all-in-1 dishwash 2018 launch

Lidl Classic dishwash 2018 launch

Market update – France

Overall market -3.5%[1], McBride growth 1.0%

- McBride growth in France after 3 years of decline despite 'gilets jaunes' impact
- McBride showing 1.6% growth driven by category upgrade and product repositioning with independent retailers and discounters

- Listed retailers (Carrefour, Casino) seeing share slip, renewed PL focus at Carrefour and others more evident
- Leading supply positions with the growing independent/franchise retailers, Intermarché, Lidl and System U

- New French law limiting promotions
  - accepted in grocery generally, not yet in HH
  - HH Q4 promotional activity up 44% vs 37% in past years

(1) Source: McBride estimate

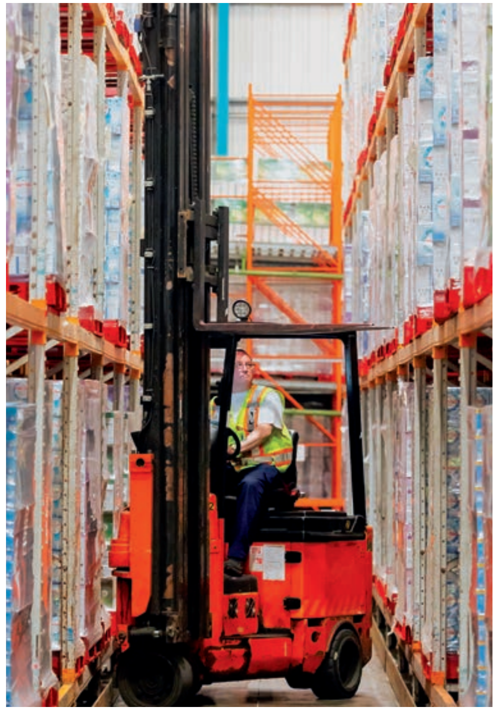
Ecolabel Sun – new product launch

Aldi relaunch of ADW with shrink film

2018 launch of Auchan international range

Financial results

Chris Smith



Financial headlines

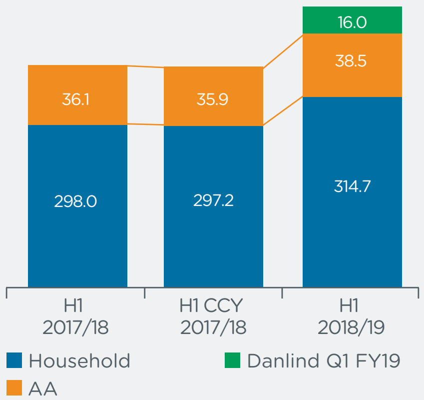
- Revenues at constant currency 10.8% higher at £369.2m, underlying revenues 6.0% higher
- Household underlying revenues up 5.9%; good growth in key laundry and auto dishwash categories
- Growth in both Asia and aerosols

- Adjusted operating profit of £16.8m in line with prior half year, contribution from sales growth offset by higher materials and distribution costs
- Adjusted profits before tax from continuing operations of £14.5m in line with prior half year (2017: £14.6m)
- Adjusted, diluted EPS from continuing operations of 5.6p (2017: 5.6p)

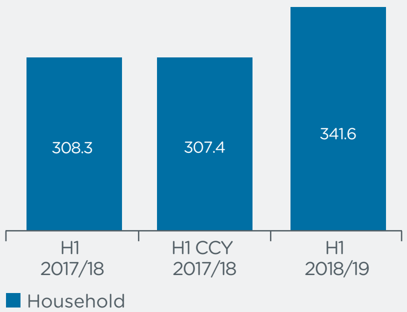
- Interim payment to shareholders 1.5p (2017: 1.5p)
- Strong operating cash flows £23.2m (2017: £12.0m)
- Working capital efficiency improvement
- Proceeds from disposals £13.1m
- Net debt at £98.0m (30 June 2018: £114.3m)

Revenue development

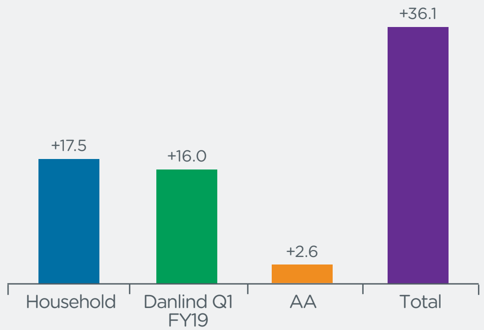
Continuing revenues £m



Continuing revenue excluding aerosols £m



Change in continuing revenues for H1 (at CCY) £m



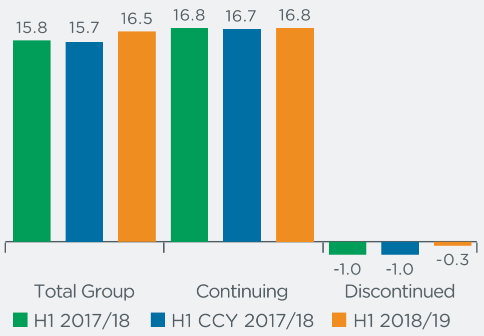
- Price increases

- Asia +6.9%
- Aerosols in growth

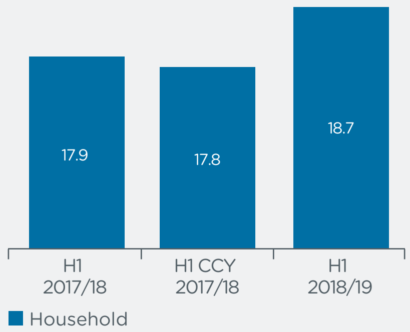
- Underlying growth:
  - Household +5.9%
  - impact Danlind Q1 +4.8%

EBITA development

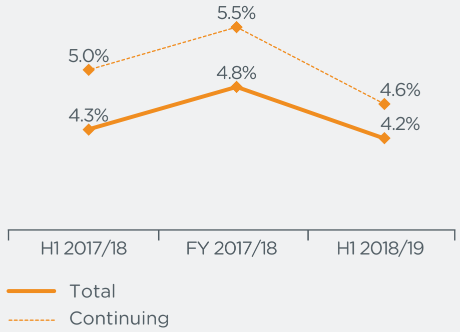
Group EBITA
£m



Continuing EBITA excluding aerosols
£m



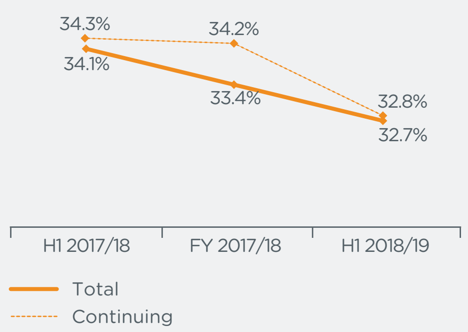
ROS
%



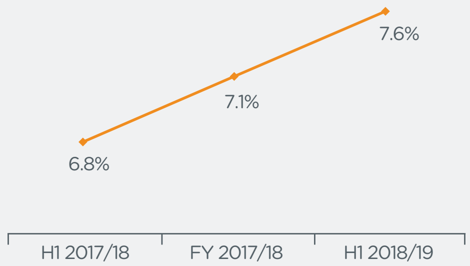
- Discontinued impact
- Household and Asia improvement
- PC Liquids dilution effect

Income statement

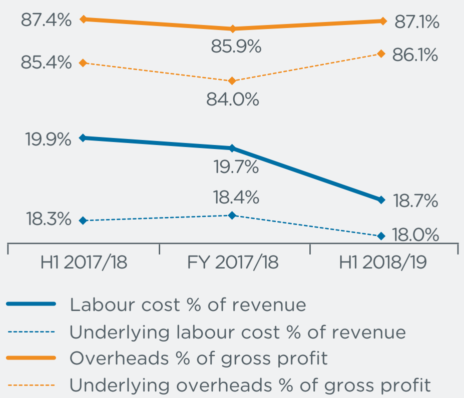
Gross margin %



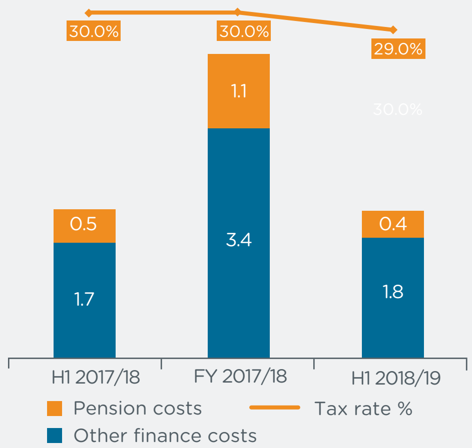
Distribution costs % of sales



Labour costs % of sales and overhead % of gross profit



Underlying interest cost £m and tax rate %

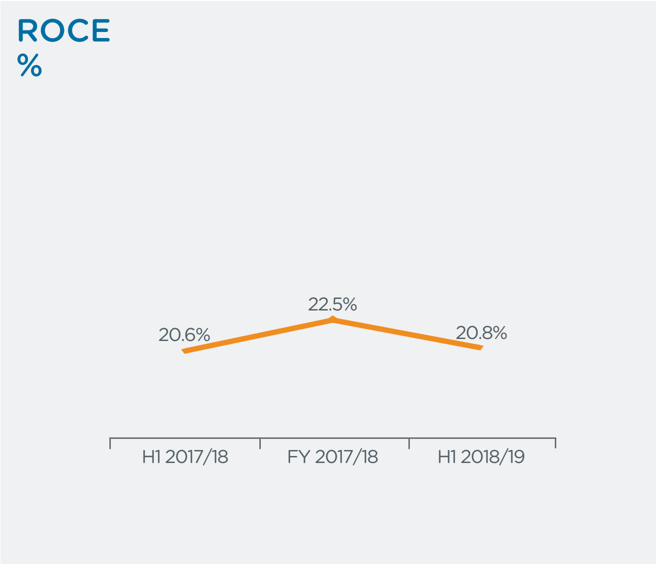


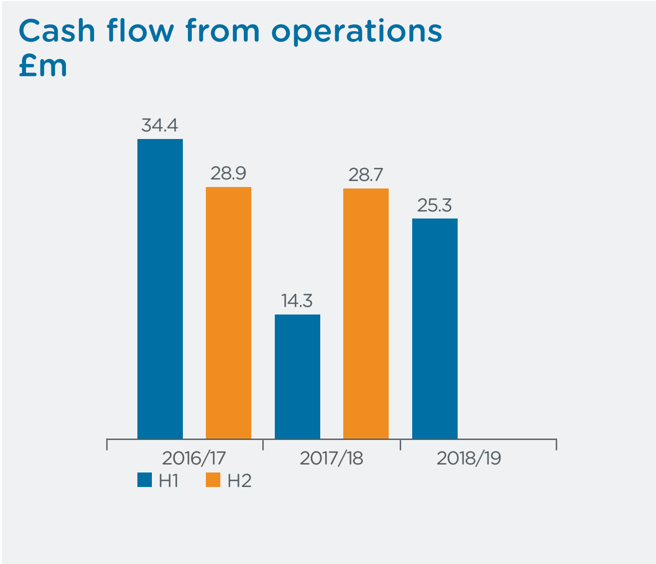
- Gross margin challenge
- Raw material impact H1

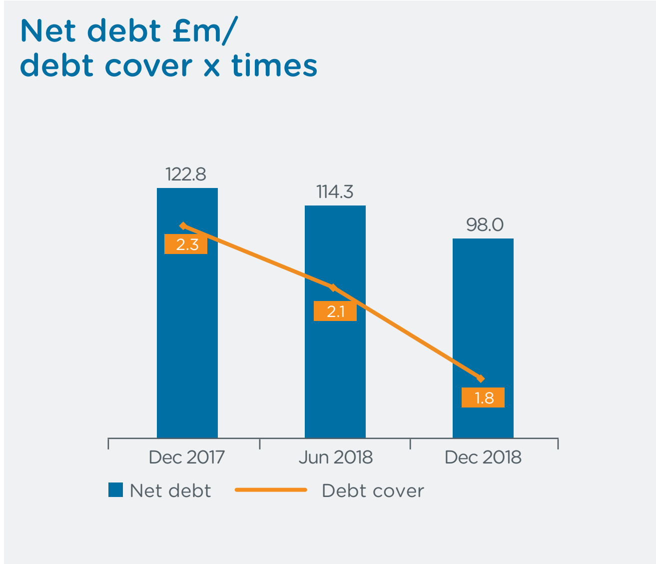
- Distribution cost inflation
  - internal factors
  - external factors

- Stranded cost impact
- Overhead control

Balance sheet and cash flow







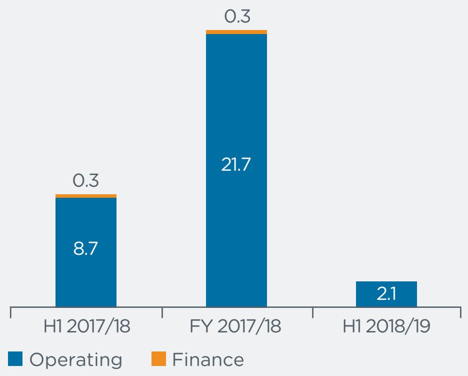
- Impact of PC Liquids disposal

- Strong cash conversion
- Working capital ratio 10.4%

- Capex levels; full year £20m
- Leverage reduction

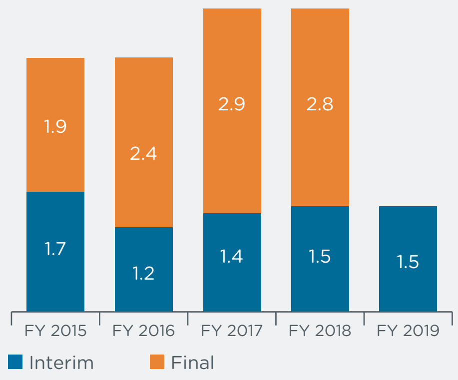
Other financials

Exceptional items £m



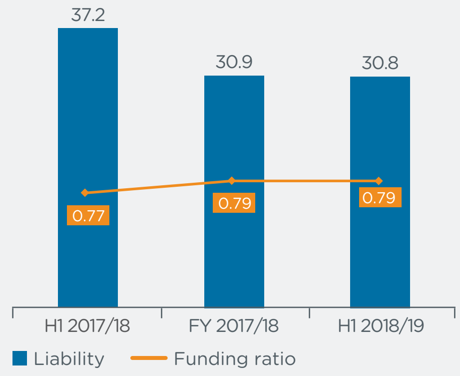
- PC Liquids sale
- Stranded cost project

Payments to shareholders pence



- Payments to shareholders maintained

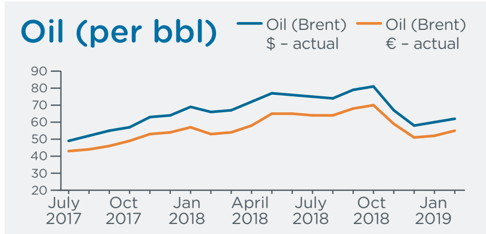
Group pension liability £m

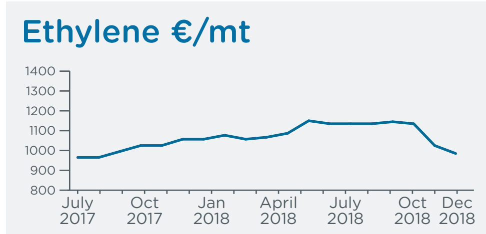


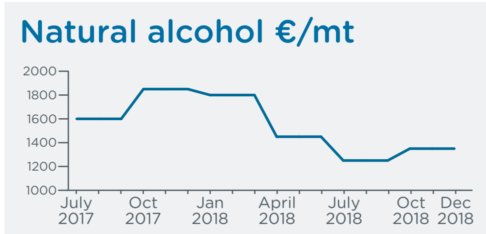
- Funding review almost complete
- Scheme de-risking
- Contributions

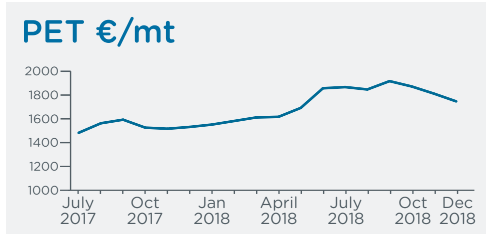
Inflationary pressures

- Raw materials
  - internal purchasing index – highest level in 5 years
  - feedstock trends
  - specific material issues
- Distribution and freight
  - market trends +8%
  - internal service challenges





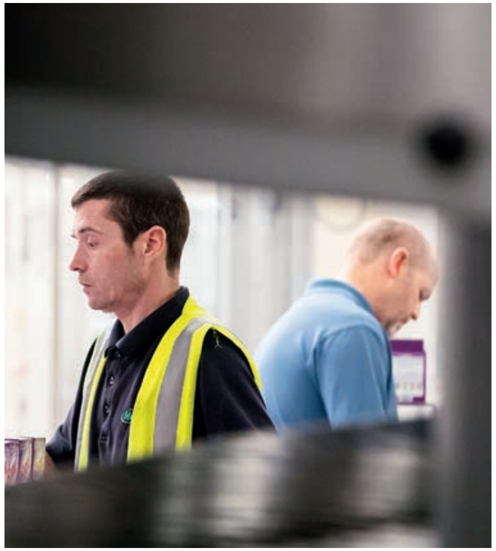




Prepared for growth delivery

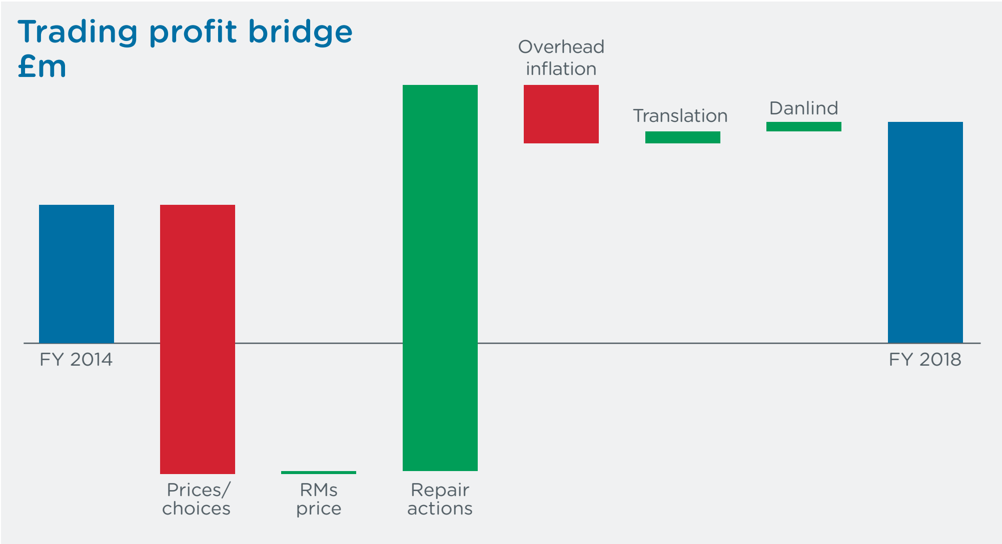
Rik De Vos/Chris Smith

- Fixing problems
- Platform preparedness
- Growth



The story of the past 4 years

- Significant retail price deflation
- Efficiencies and cost savings delivering improved profits
- Raw materials broadly neutral



- Additionally, adjusted PBT more than doubled

Taking action to fix under-performing segments

Asia

- Break even and little growth in 2015
- 3 factories reduced to 2
- Now operating at 8% and growing 5-10% p.a.

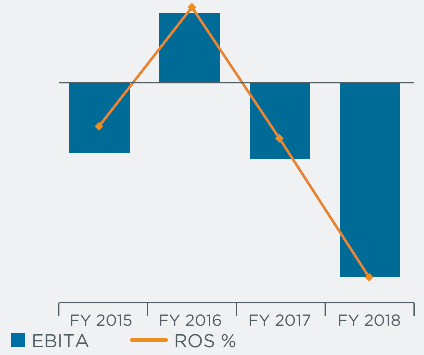
PC Liquids in Europe

- Strategic review identified segment non-core
  - 2 loss-making factories
  - Alignment to HH customers limited
  - Over capacity, poor economics
  - Business sold for £12.5m in July 2018, completing in October 2018

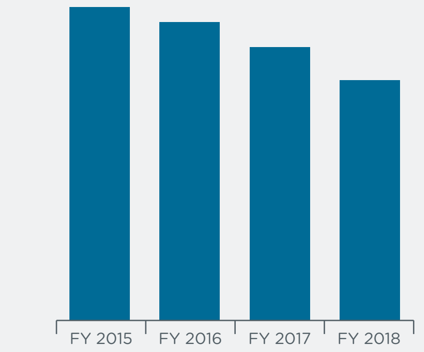
Aerosols

- 2 loss-making factories
- Over capacity, high cost base
- Limited alignment to HH for customers, materials, technology
- Aborted sale process in 2017
- Announcement of Hull closure in 2018, completion in spring 2019 – project on track
- Stand-alone Aerosols unit being formed at French location
- Expected to trade at break even in FY 2020

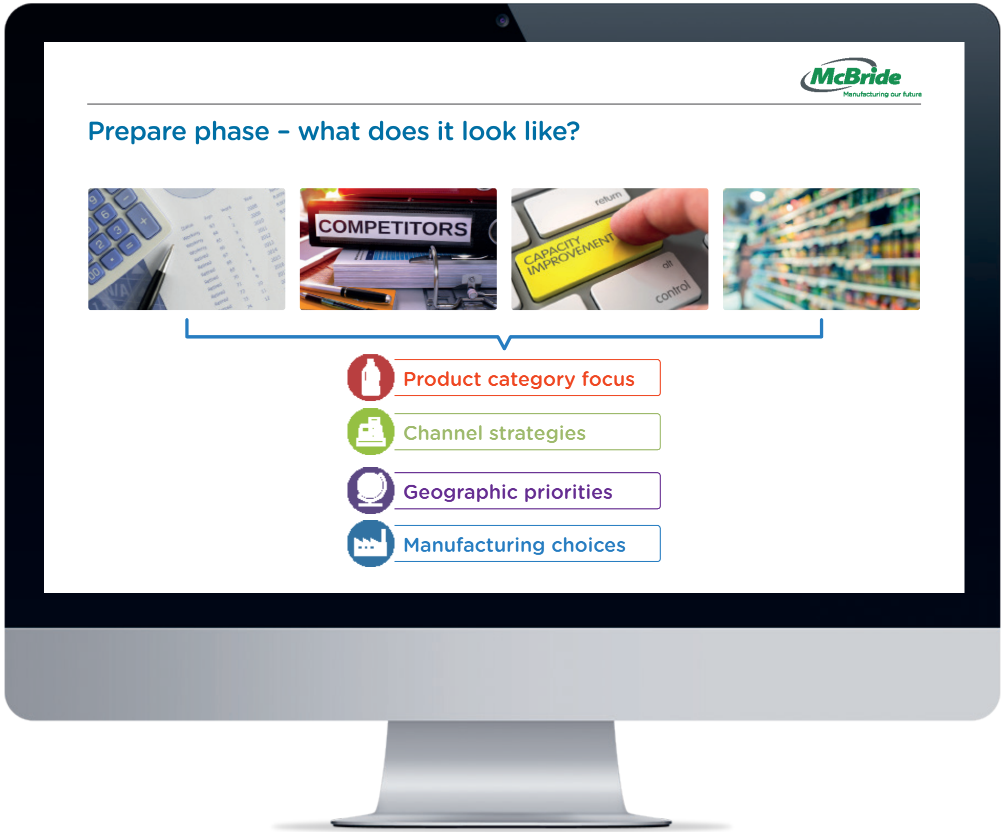
PCA Europe profit £m and ROS % trend at cfx



PCA Europe revenue trend at cfx £m



Our 'Prepare' actions to support growth were multi-streamed



Capacity increase delivery

Aligned capex strategy

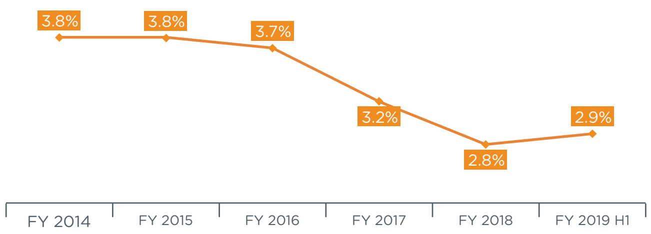
Factory performance drive

Geography/channel ambitions

Efficiency, capacity improvements and savings to deliver growth and mitigate external cost factors

Productivity improvements

- Improved throughputs per hour(1)
  - bottles **+12%**
  - tablets **+29%**
  - capsules **+9%**
  - anchor sites **+12%**
- Lines used in production reduced 13%(1)
- Waste levels



(1) Today vs FY15

Capacity investment

- Volumes up in all formats except laundry powder
  - capsules **+49%**
  - auto dishwash **+14%**
  - bottles **+2%**
- Extra volumes satisfied from efficiency and capital

Costs and headcount

- Overheads lower across the business (lfl basis) since 2015
  - factory overheads **-12%**
  - other overheads **-17%**
- Group headcount reduced over 25% since December 2014

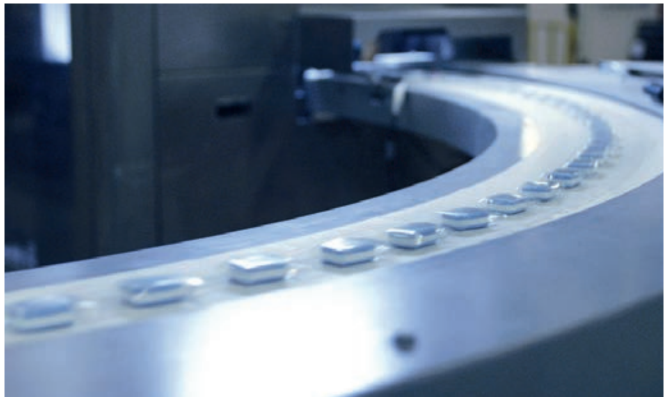
Delivering leadership: technology, costs, capacity, scale

Focused acquisition strategy; Danlind integration almost completed

- Danlind acquired October 2017
- Key category of auto dishwash, primary driver
  - growth over 20% since acquisition
- Loss-making business at acquisition, now generating profits, more to come

- Early actions post acquisition
  - small liquids production closed and transferred to McBride sites
  - organisation change effected, driving synergies
  - McBride IT systems introduced, 1 year ahead of TSA deadline

- Ex-Danlind senior management part of Group Exec
- R&D co-operation securing business, driving innovation and cost saving
- Eco-technology platform driving additional growth



Our contract manufacturing ambitions are being re-aligned as branders' requirements are shifting

- Original ambition: to grow equally CoMan and PL revenues
- Branders continue to outsource limited volume formats
- These CoMan activities expected to continue with pipeline of profitable opportunities

- Branders' key objectives for CoMan shifted over the past 18 months
  - local-for-local restricting single manufacturing site use
  - end-to-end costing impact
  - format proliferation increasing complexity
  - high-speed innovation demand, especially in Eco platforms

McBride well positioned for both approaches

Our focus on key growth categories and response to channel dynamics is delivering retailer growth ahead of expectations

- Key categories providing accelerated growth
- Capsules growth: geographical and format enhancements
- Auto dishwash demand increasing: McBride technology and cost leadership
- Danlind Eco platform: a key differentiator
- Consumer habits changing: agility and format flexibility required

- Asia providing strong growth building upon our European category position:
  - key target markets in Korea, India, Australia and Japan
  - factory expansion tripling floor space allowing for local-for-local Household manufacturing

- E-commerce launch of subscription based homecare products accelerating
  - strong growth of SMOL capsules, now extending to Europe
  - launch of new SMOL auto dishwash tablets

Innovation agenda driven by social/environmental themes

Earlier reported trends confirmed and accelerating

Branders invest in eco-friendly brands and sustainable packaging, through outsourcing and acquisition

Retailers developing PL-dedicated Eco product platforms

PL manufacturing platform suited to agility and complexity requirement

McBride achievements and recognitions

1. **Plastics:** increasing levels of recycled plastics towards market average of 50%, 100% switch limited to availability
2. **Compaction:**
   - laundry liquids: 25% volume reduction
   - auto dishwash reduced chemical usage, lower weight
   - tablet alternatives for liquid: consumer response awaited
3. **Recyclability:** first to launch auto dishwash 100% recyclable doypack

McBride has won the 2019 HH Tesco Sustainability Award

Outlook

Rik De Vos

Current outlook

Observations

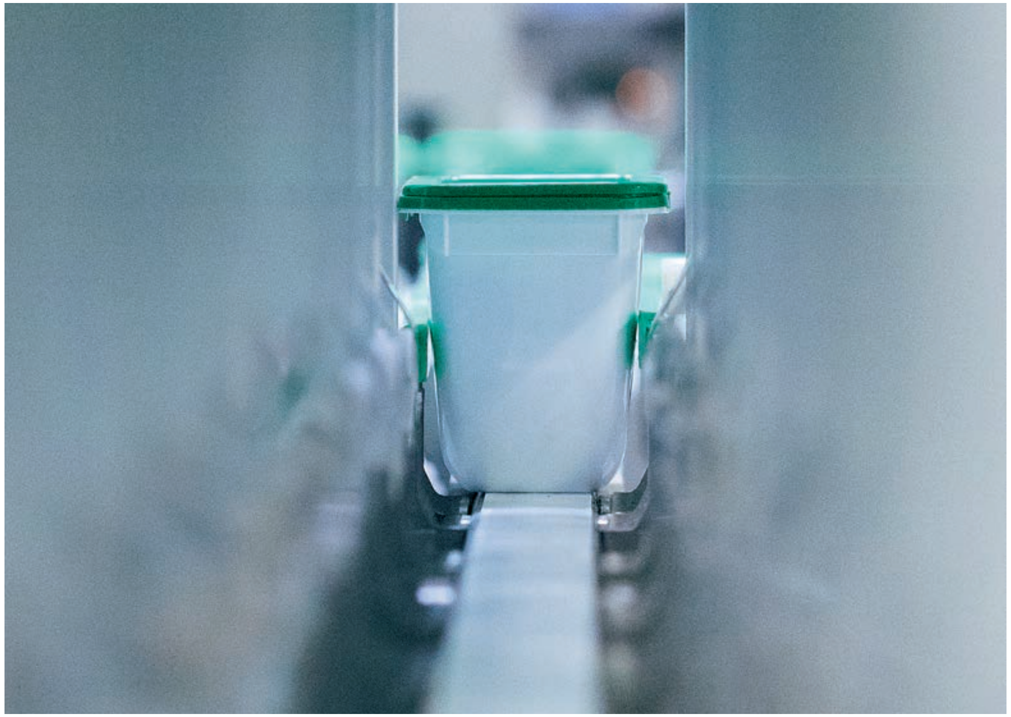
- Growth expectations confirmed with additional opportunities in the pipeline
- Profitability 10-15% lower due to:
  - raw material pricing (outlook shows moderate improvement)
  - distribution and logistics challenges
  - growth in part leading to capacity constraints at some sites; sub-optimal service levels and consequent cost

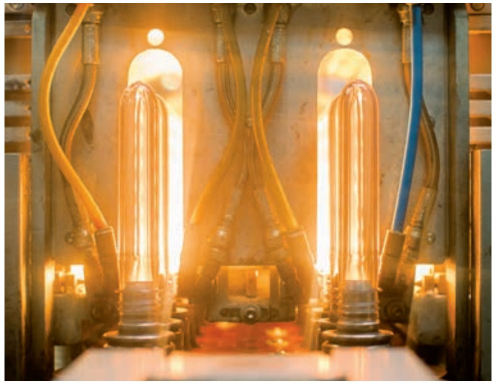
Actions

- Prioritise growth maximising profitability
- Price increase strategy under review
- Further investment in capacity and efficiency to address service shortfalls

Appendices

1. Income statement
2. Segmental reporting
3. Group revenue bridge
4. Exceptional items
5. Balance sheet
6. Cash flow
7. Use of cash
8. Funding headroom





Appendix 1: income statement

Continuing operations	H1 2018/19 £m	H1 2017/18 £m	Y/Y	Constant currency[1] H1 2017/18 £m	Constant currency[1] Y/Y
Revenue	**369.2**	334.1	**10.5%**	333.1	**10.8%**
Gross profit	**121.0**	114.7	**5.5%**	114.4	**5.8%**
Gross margin	**32.8%**	34.3%	**(1.5 ppt)**	34.3%	**(1.5 ppt)**
Distribution costs	**(28.0)**	(22.6)	**23.9%**	(22.5)	**24.4%**
Administrative expenses	**(76.2)**	(75.3)	**1.2%**	(75.2)	**1.3%**
EBITA[2]	**16.8**	16.8	**—**	16.7	**0.6%**
Net finance costs					
– borrowings	**(1.9)**	(1.7)	**11.8%**	(1.7)	**11.8%**
– pension	**(0.4)**	(0.5)	**(20.0%)**	(0.5)	**(20.0%)**
Adjusted profit before taxation[3]	**14.5**	14.6	**(0.7%)**	14.5	**—**
Taxation	**(4.2)**	(4.4)	**(4.5%)**	(4.4)	**(4.5%)**
Adjusted profit after taxation[3]	**10.3**	10.2	**1.0%**	10.1	**2.0%**
Adjusted loss from the year from discontinued operations	**(0.2)**	(0.7)	**(71.4%)**	(0.7)	**(71.4%)**
Adjusted profit for the year	**10.1**	9.5	**6.3%**	9.4	**7.4%**
Adjusted diluted earnings per share (p)[3]	**5.5**	5.2	**5.8%**		
Amortisation	**0.9**	0.4	**0.5**		
Exceptional items	**2.1**	9.0	**(6.9)**		
Unwind of discount on provisions	**—**	0.2	**(0.2)**		
Taxation – effective rate	**29%**	30%	**(1 ppt)**		

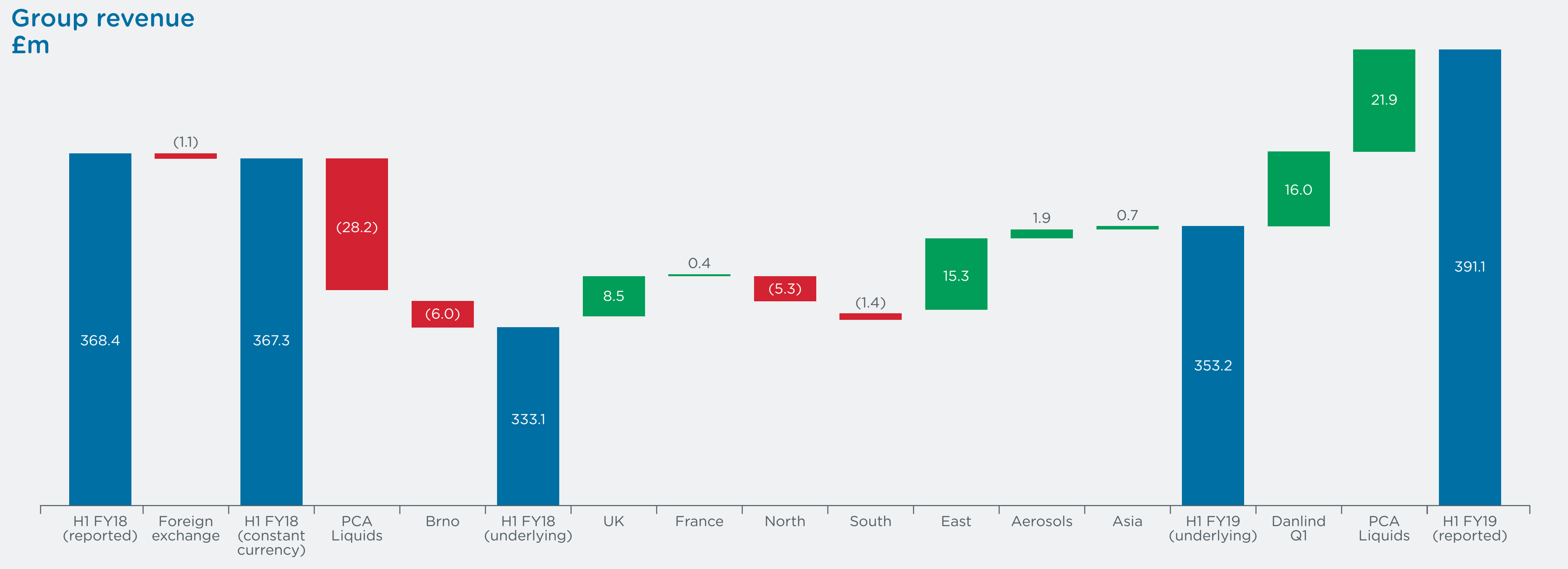
(1) Comparatives translated at 31 December 2018 exchange rates.
(2) Adjustments were made for the amortisation of intangible assets and exceptional items.
(3) Adjustments were made for the amortisation of intangible assets, exceptional items, non-cash financing costs from unwind of discount on initial recognition of contingent consideration; unwind of discount on provisions.

Appendix 2: segmental reporting

	H1 2018/19 £m	H1 2017/18 £m	Y/Y	Constant currency H1 2017/18 £m	Constant currency Y/Y
Continuing revenue					
UK	**89.4**	80.9	**10.5%**	80.9	**10.5%**
France	**64.3**	63.5	**1.3%**	63.3	**1.6%**
North	**55.3**	46.8	**18.2%**	46.7	**18.4%**
South	**39.5**	41.0	**(3.7%)**	40.9	**(3.4%)**
East	**82.2**	65.8	**24.9%**	65.4	**25.7%**
Household	**330.7**	298.0	**11.0%**	297.2	**11.3%**
AA	**38.5**	36.1	**6.6%**	35.9	**7.2%**
Group	**369.2**	334.1	**10.5%**	333.1	**10.8%**
Discontinued revenue	**21.9**	34.3	**(36.2%)**	34.2	**(36.0%)**
Group total	**391.1**	368.4	**6.2%**	367.3	**6.5%**

	H1 2018/19 £m	H1 2017/18 £m	Y/Y	Constant currency H1 2017/18 £m	Constant currency Y/Y
Continuing trading profit					
Household	**21.8**	21.2	**2.8%**	21.1	**3.3%**
AA	**(1.2)**	(0.5)	**140.0%**	(0.5)	**140.0%**
Corporate	**(3.8)**	(3.9)	**(2.6%)**	(3.9)	**(2.6%)**
	16.8	16.8	**—**	16.7	**0.6%**
Discontinued trading profit	**(0.3)**	(1.0)	**(70.0%)**	(1.0)	**(70.0%)**
Group total	**16.5**	15.8	**4.4%**	15.7	**5.1%**

Appendix 3: Group revenue bridge



Appendix 4: exceptional items

Exceptional items	H1 2018/19 £m	H1 2017/18 £m
Danlind acquisition and integration	**0.2**	0.5
GMP equalisation	**0.2**	—
Gain on sale of Solaro	**(0.1)**	—
Continuing operations	**0.3**	0.5
Loss on disposal of European Personal Care Liquids	**0.6**	—
PCA strategic review	**1.2**	7.1
Sale of Brno	**—**	1.1
Discontinued operations	**1.8**	8.2
Total charges to operating profit	**2.1**	8.7
Danlind finance charge incurred on acquisition	**—**	0.3
Total	**2.1**	9.0

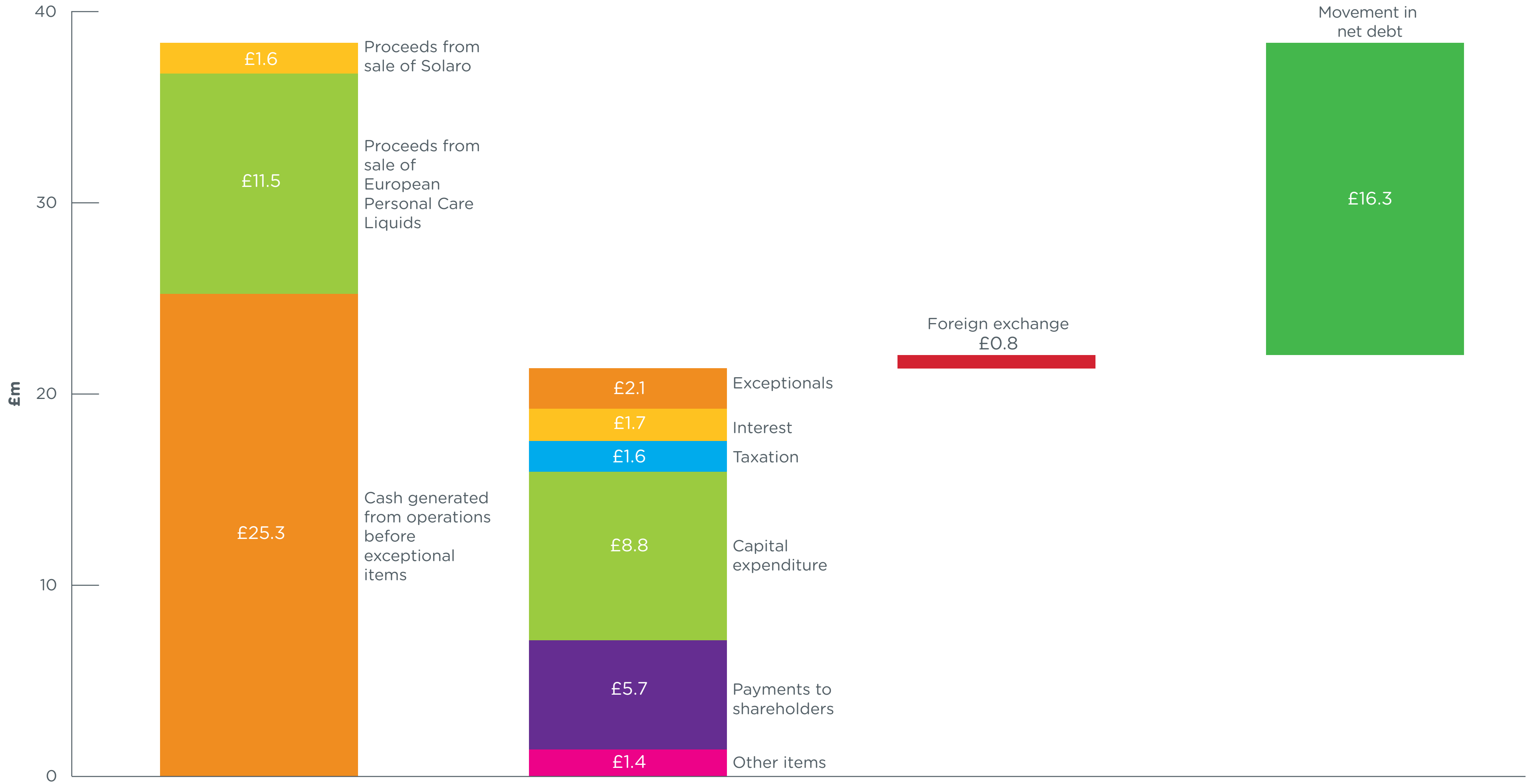
Appendix 5: balance sheet

	31 Dec 2018 £m	31 Dec 2017 £m	Y/Y
Goodwill and other intangible assets	30.0	27.7	8.3%
Property, plant and equipment	134.9	151.6	(11.0%)
Other non current assets	12.9	13.0	(0.8%)
Working capital	42.0	50.1	(16.2%)
Net other debtors/(creditors)	(7.3)	(6.2)	(17.7%)
Provisions	(7.7)	(4.3)	79.1%
Pensions	(30.8)	(37.2)	(17.2%)
Non-current liabilities	(5.4)	(9.1)	(40.7%)
Assets held for sale	—	1.3	(100.0%)
Net debt	(98.0)	(122.8)	(20.2%)
Net assets	70.6	64.1	10.1%
Average capital employed	177.8	167.3	6.3%
ROCE	20.8%	20.6%	0.2 ppt
Working capital % of sales	5.4%	6.9%	(1.5 ppt)

Appendix 6: cash flow

	H1 2018/19 £m	H1 2017/18 £m	Y/Y £m
Adjusted operating profit	16.5	15.8	0.7
Depreciation	9.0	9.7	(0.7)
Share based payments	0.3	0.7	(0.4)
Additional cash funding on pension scheme	(1.5)	(1.5)	—
Operating cash flow before movement in working capital	24.3	24.7	(0.4)
Movement in working capital	1.0	(10.4)	11.4
Cash generated from operations	25.3	14.3	11.0
Capital expenditure	(8.8)	(12.7)	3.9
Operating cash flow	16.5	1.6	14.9
Exceptionals cash flow	(2.1)	(2.3)	0.2
Interest paid	(1.7)	(1.6)	(0.1)
Redemption of B shares	(5.7)	(5.0)	(0.7)
Taxation paid	(1.6)	(2.6)	1.0
Purchase of Danlind, net of cash acquired	—	(35.7)	35.7
Proceeds from sale of Solaro	1.6	—	1.6
Proceeds from sale of European Personal Care Liquids	11.5	—	11.5
Other items	(1.4)	(0.4)	(1.0)
Net cash flow	17.1	(46.0)	63.1
Net debt at beginning of the year	(114.3)	(75.7)	(38.6)
Currency translation differences	(0.8)	(1.1)	0.3
Net debt at end of period	(98.0)	(122.8)	24.8

Appendix 7: use of cash



Appendix 8: funding headroom

	Facility £m	31 Dec 2018 £m	Committed headroom £m
Committed facilities:			
– Revolving facilities (June 2022)	156.5	(73.7)	82.8
– Invoice discounting facility	37.8	(37.8)	—
– Other loans	1.4	(1.4)	—
Total committed facilities	**195.7**	**(112.9)**	**82.8**
Uncommitted facilities	62.4	(1.2)	(1.2)
Total facilities	**258.1**	**(114.1)**	**81.6**
Cash and cash equivalents		15.3	15.3
Other		0.8	
Net debt		**(98.0)**	**96.9**