

Compass strategy

Investor Presentation:
September 2020



Agenda

- ❓ Why are we changing?
- 🕒 Strategic aim
- 🏗️ Organise to deliver
- 🔍 First view of the divisions
- ⚙️ Benefits of central services
- 🕒 Timetable and next steps
- ☰ Closing message
- 🗣️ Q&A



Introduction

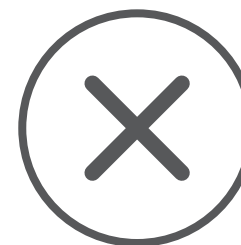
Our update today is on the outcome of our strategy review so far...

What this presentation will cover



- Why we are changing
- Headline aims and vision
- Outline of the Group split by division
- Divisional overviews & market updates
- Timeline and next steps

What this presentation will not cover



- A detailed diagnostic about the past
- Full historic financials by division
 - Detailed financial forecasts
 - Final divisional strategies
- Milestone plan for each division



Why are we changing?



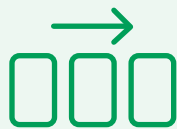
Business performance in recent years has not met our ambitions

We have made good progress

- ✓ Business simplification
- ✓ Plant investments
- ✓ Market share gains
- ✓ Financial performance vs. peers

- ⚠ Revenue growth
- ⚠ Margins
- ⚠ Cost efficiency
- ⚠ Supply performance
- ⚠ Responsiveness
- ⚠ Organisational development

Where we need to improve



Static top line



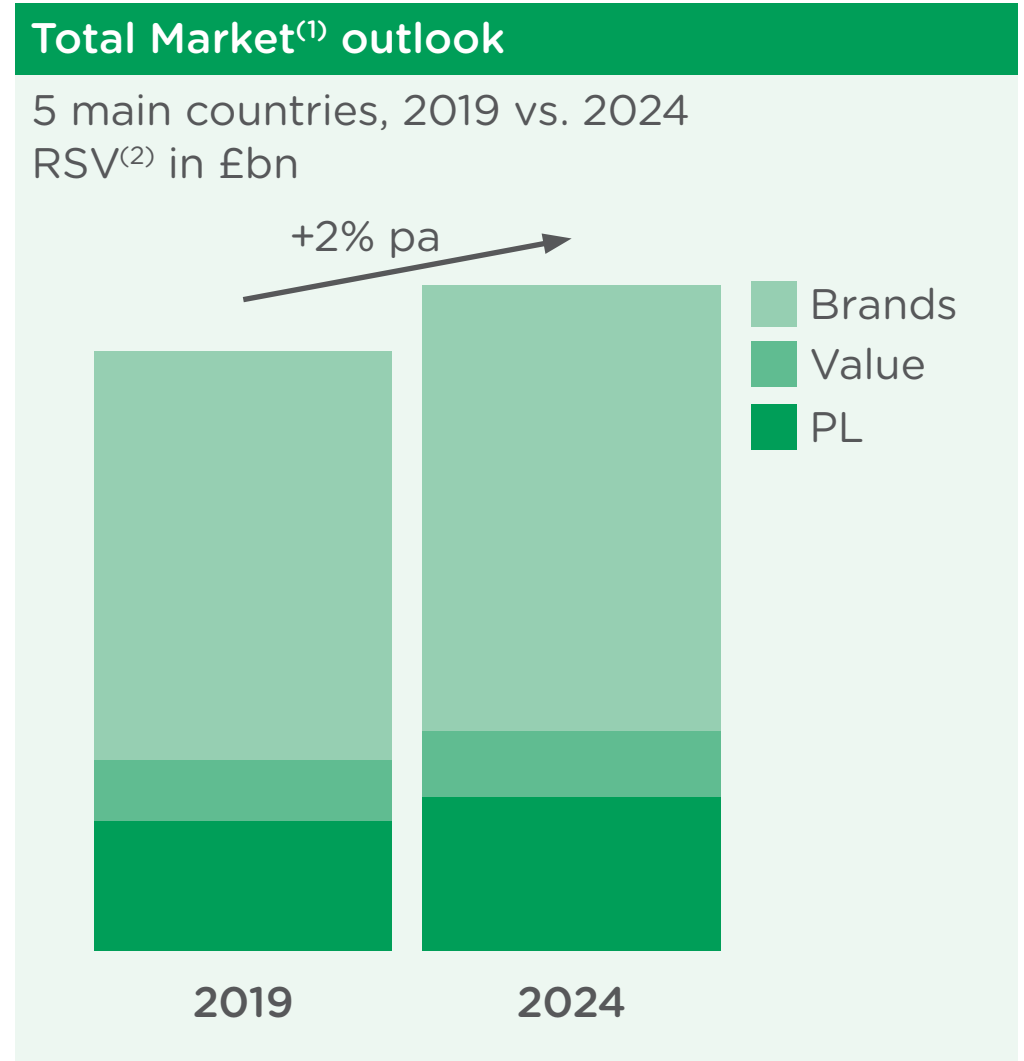
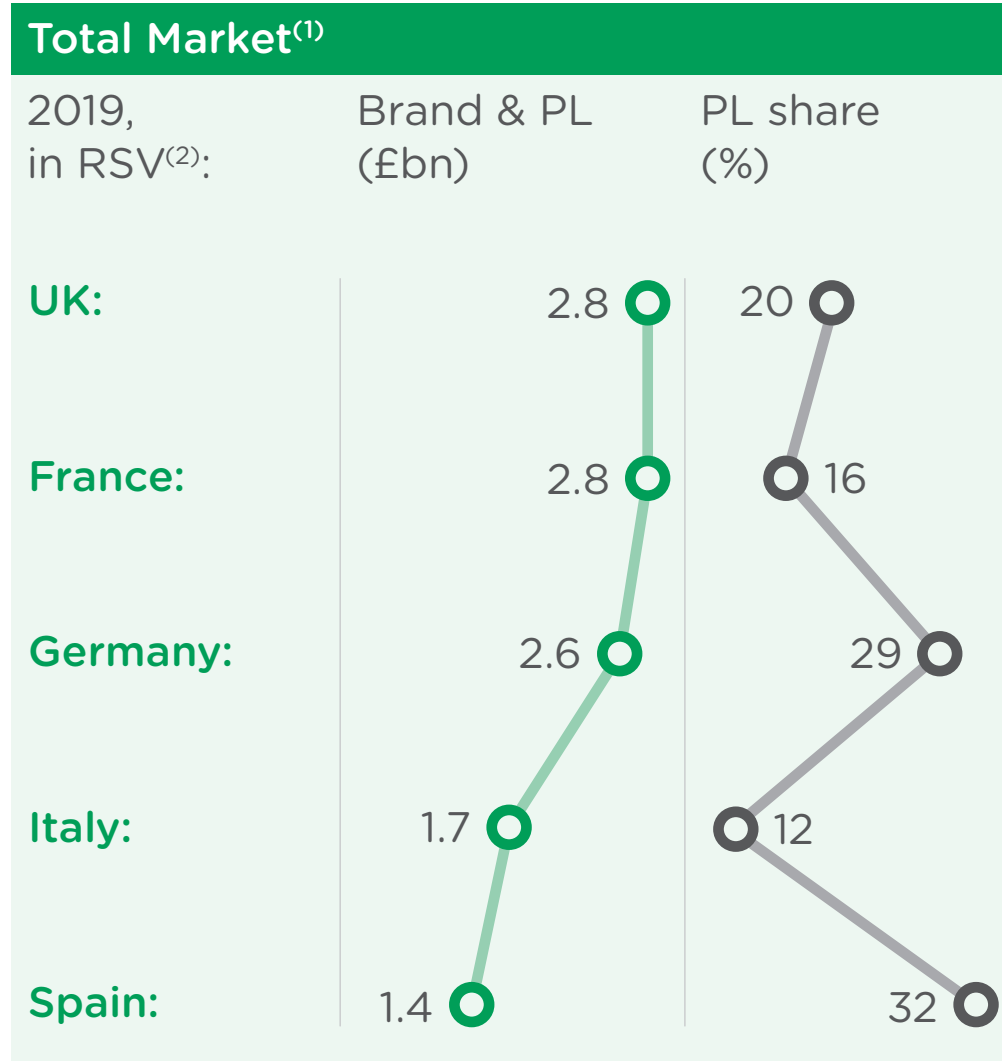
Weak profitability



Poor valuation

Outcome of our market review

Overall European Market⁽¹⁾ of £14bn, the small total Private Label ('PL') share is expected to grow



(1) Market = Household products for laundry, dish, cleaners.


(2) RSV = retail sales value.

Source: OC&C, McBride 2020.

Outcome of our market review

Clarity on growth options and targets

Where we can win...

 Product categories

 Share gain

 Channel options

 Geography

...and how we benchmark our industry

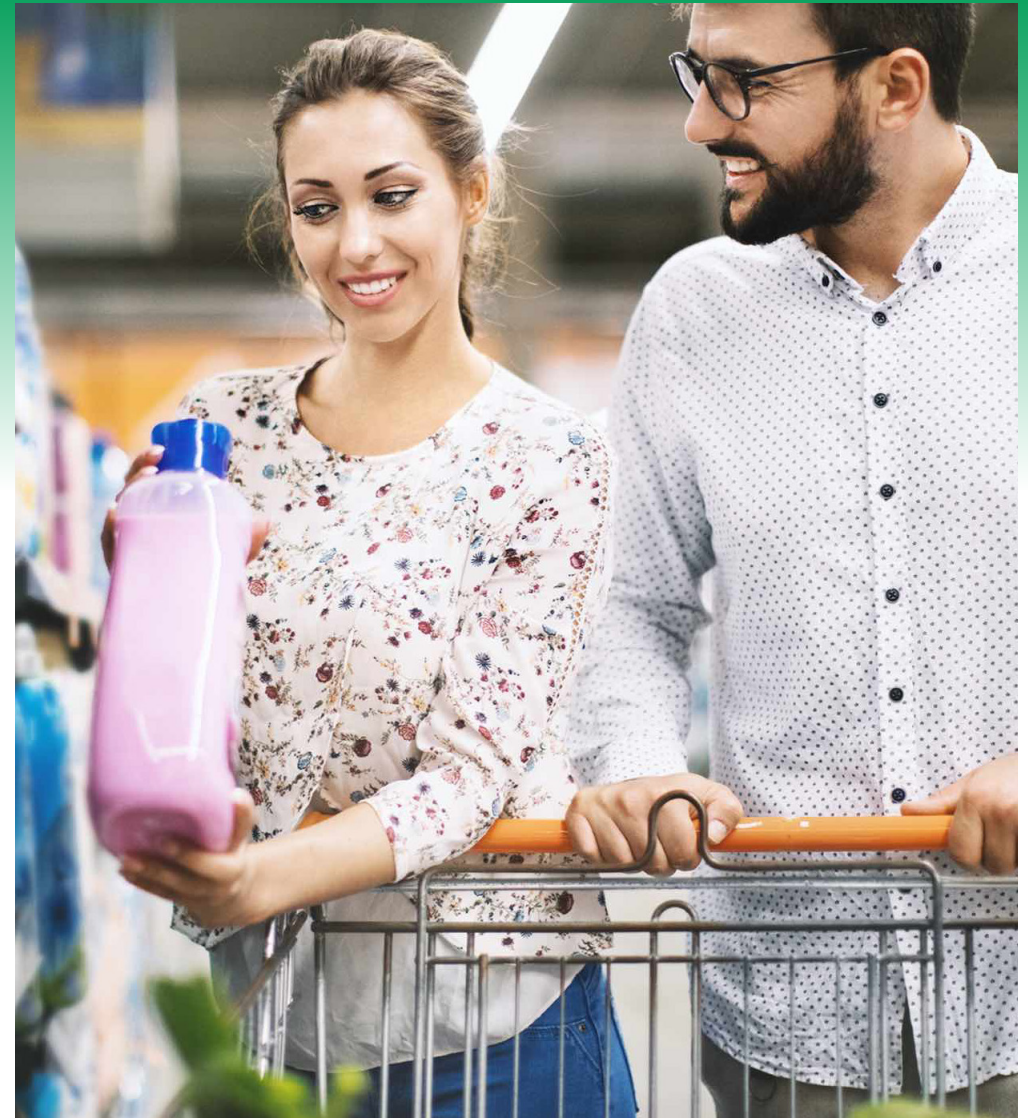
 Market shares

 Margins

 Cost efficiency

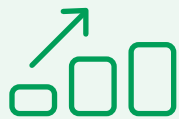


Strategic aim



Our 5 year aim and vision

Grow revenues to €1 billion
in the next 5 years through
focused divisional strategies



Overall top line growth



Profitability increase



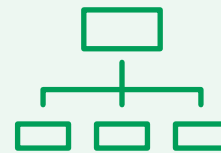
Shareholder value

Compass strategy

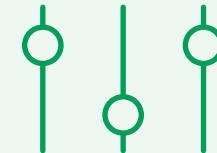
Objectives of our change programme...



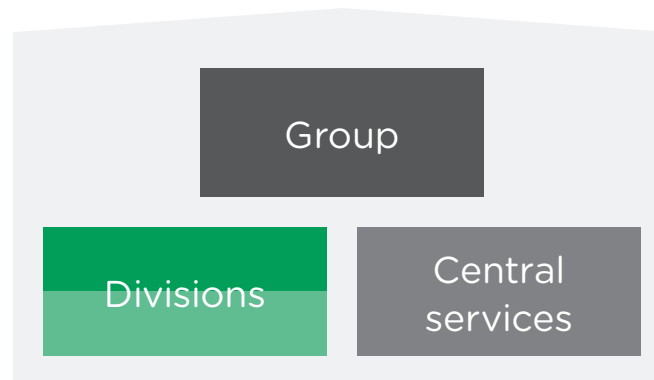
**Clarify our purpose,
vision & values**



**Re-structure our
organisation**



**Develop divisional
strategies**



Our new strategy direction

Focused growth, backed by more effective execution and our strong identity



Divisional structure

Our new organisational benefits...





Organise to deliver



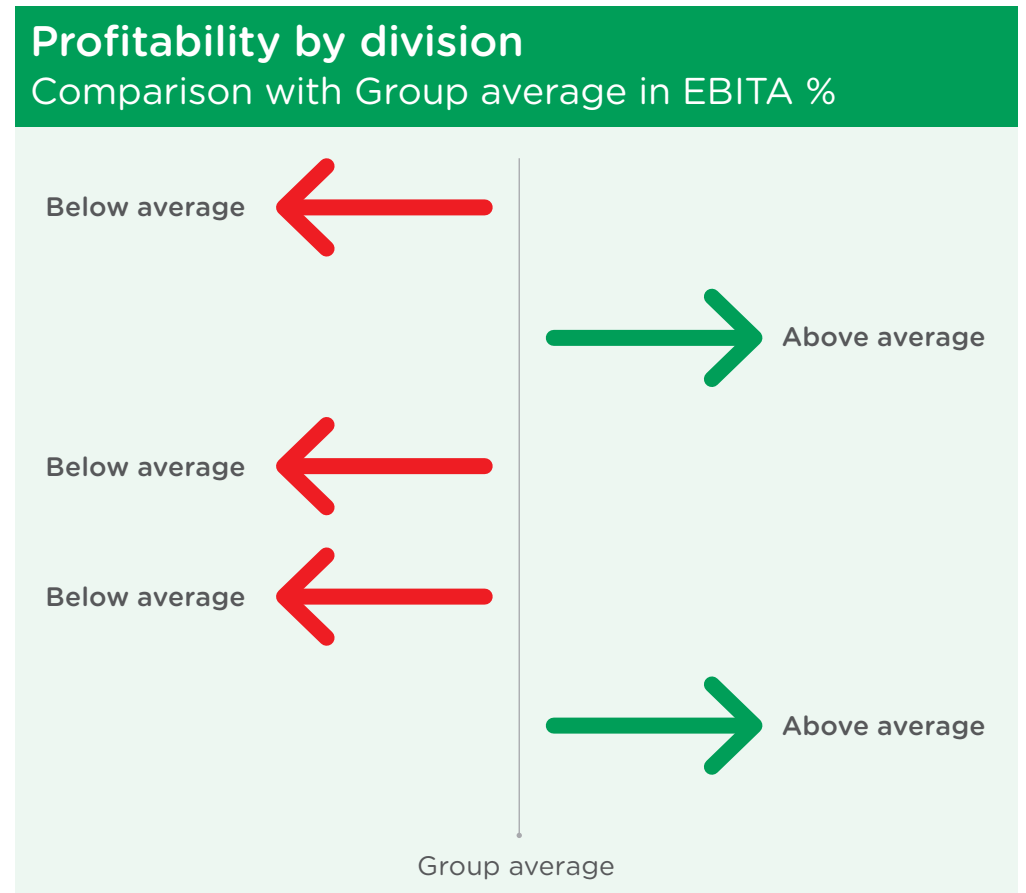
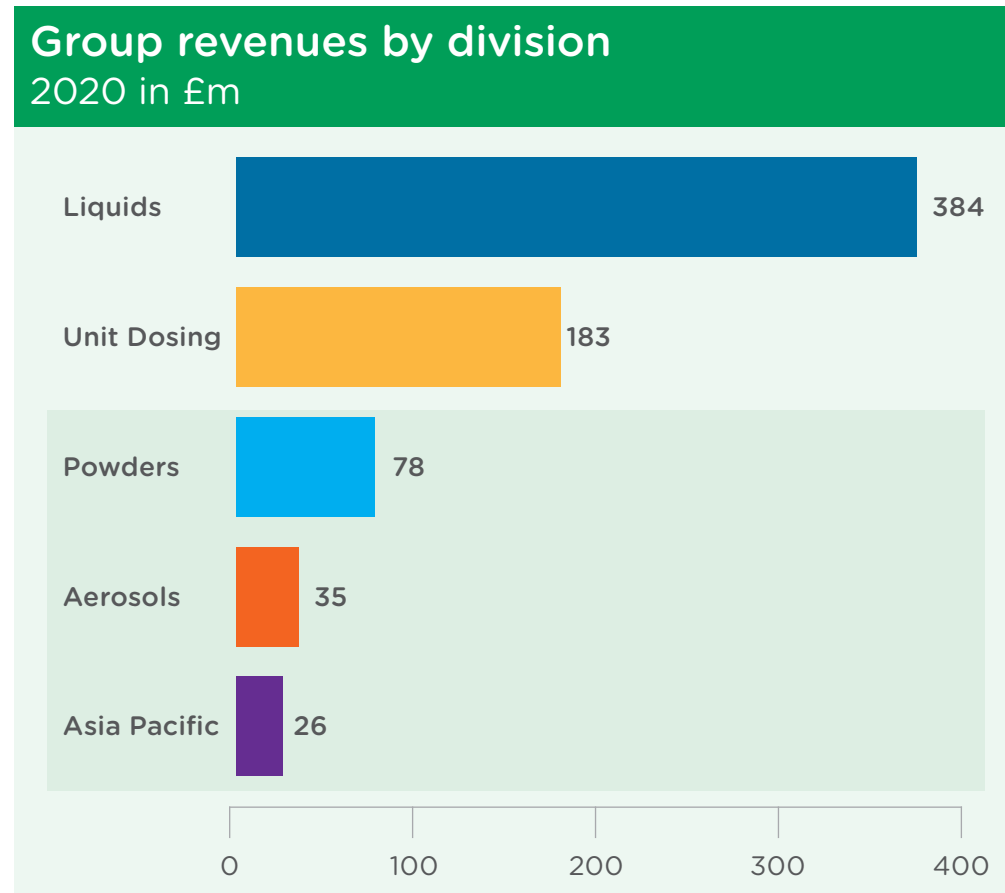
Overview of the divisions

Our separately managed divisions will mainly follow product technologies



The McBride Group viewed by division

Focused divisional strategies to improve individual and portfolio performance





First view of the divisions

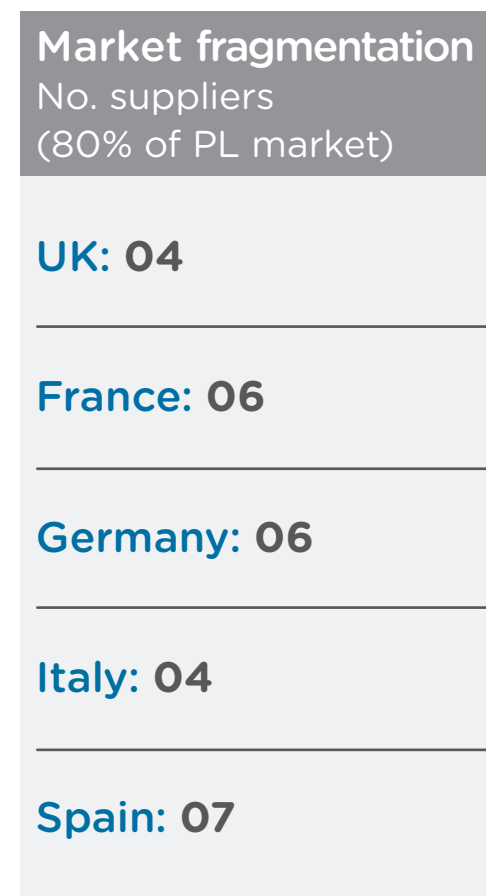
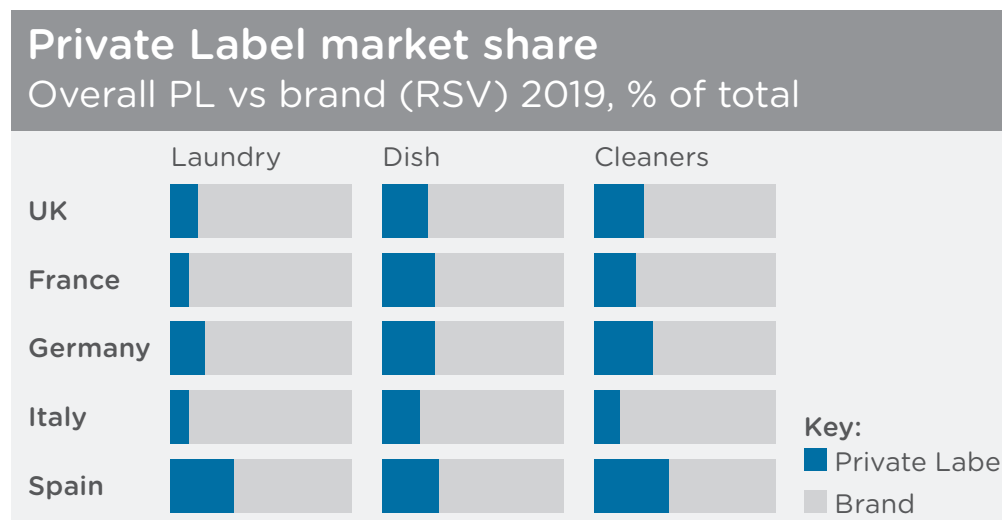
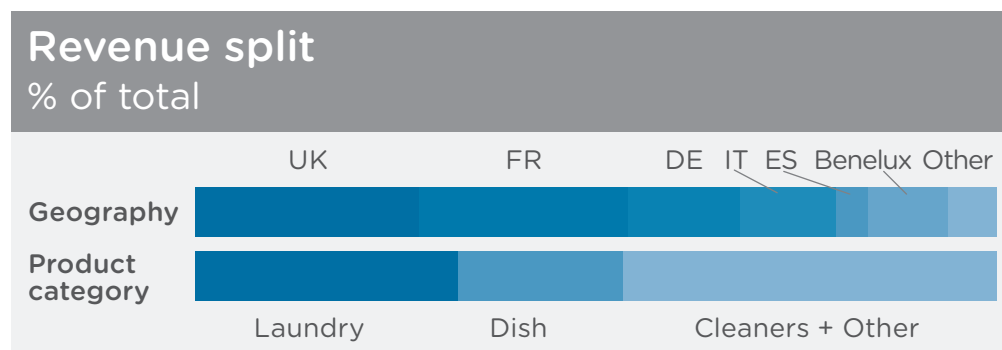


Liquids division at a glance

Liquids generates £384m revenue p.a. in a total European market, including branded, of £10bn⁽¹⁾

(1) RSV.

Source: OC&C, McBride 2020.



First view of the Liquids division

Strategically located and well invested plants,
deep technology skills, #1 or #2 in main markets

Market characteristics	Operational characteristics	McBride characteristics
Low to no growth	Barriers to entry generally low	Materials cost; scale advantage
Cost & quality, key differentiators	Logistics vs labour cost	Logistics network advantage
Fragmented competition, regional perspective	Sustainability agenda	Factory locations, scale operations for Co-Man
Private Label share steady	Limited differentiation from formulation	Range complexity
Limited innovation	Customers and national suppliers	Infrastructure cost disadvantage

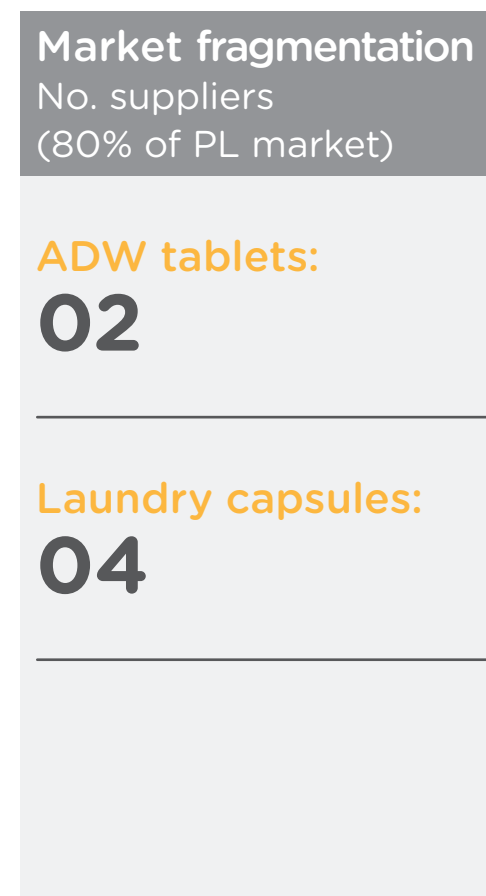
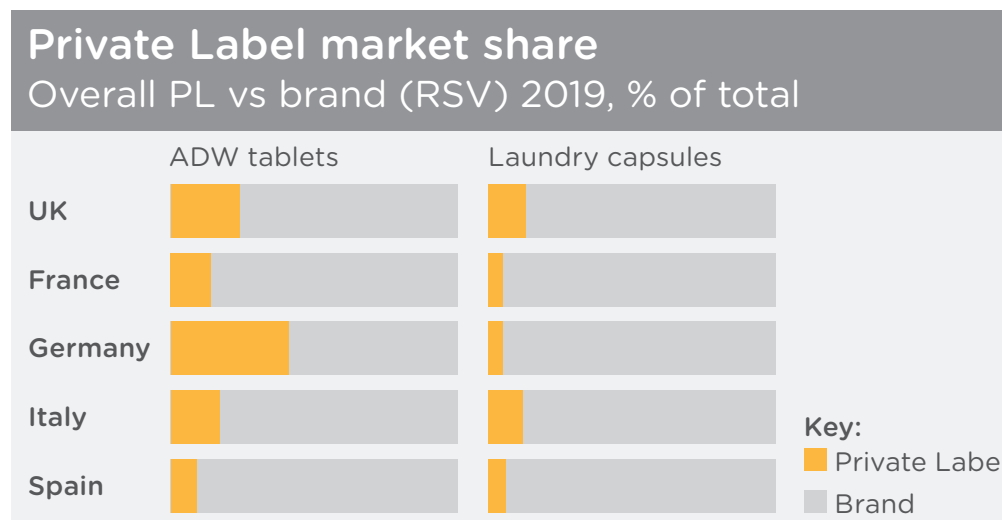
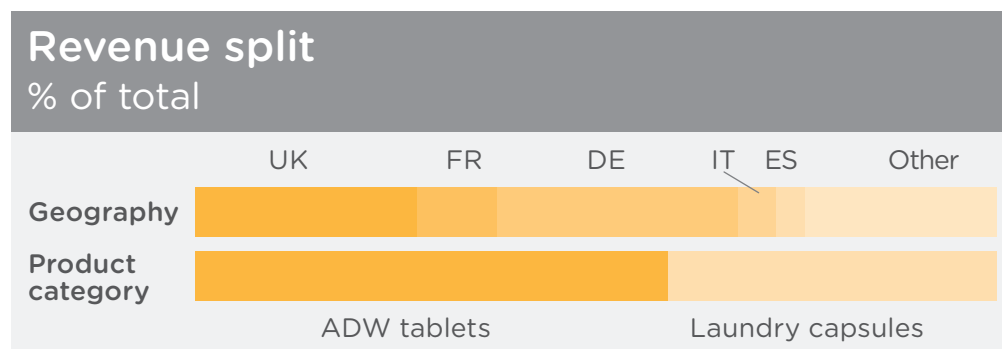
...regionally adapted cost leadership, "complexity vs cost" managed through clear segmentation

Unit Dosing division at a glance

Unit Dosing generates £183m revenue p.a. in a total European market, including branded, of over £2bn⁽¹⁾

(1) RSV.

Source: OC&C, McBride 2020.



First view of the Unit Dosing division

A dynamic, high growth market, where McBride has established a strong position through well invested factories and leading technical skills

Market characteristics	Operational characteristics	McBride characteristics
Growth potential, regional variations	Capital costs	Strong market share, emerging competition
Brands highly active, evolving formats	Complex production assets	Manufacturing platform costs
Low PL share for laundry caps	Format limitations, packaging flexibility	Overhead levels
Limited competitor set	Transport costs low vs product value	Product ranges
Technically demanding	Barriers to entry	Product development & technical skills

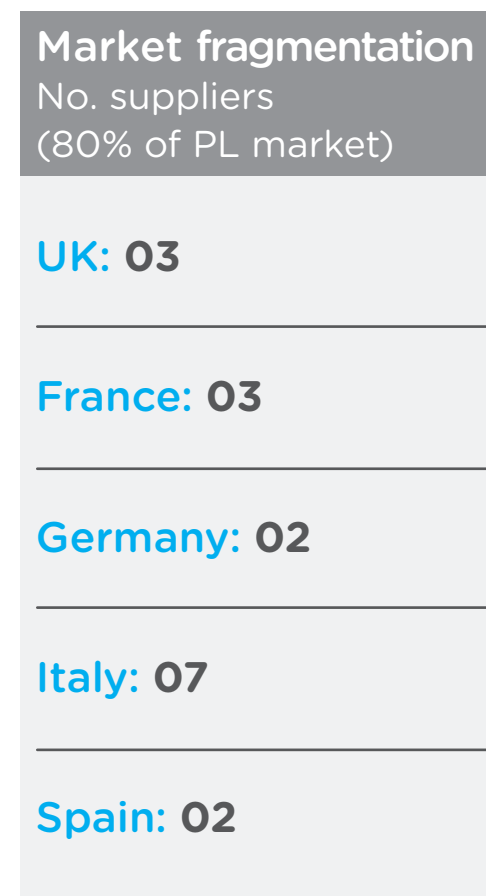
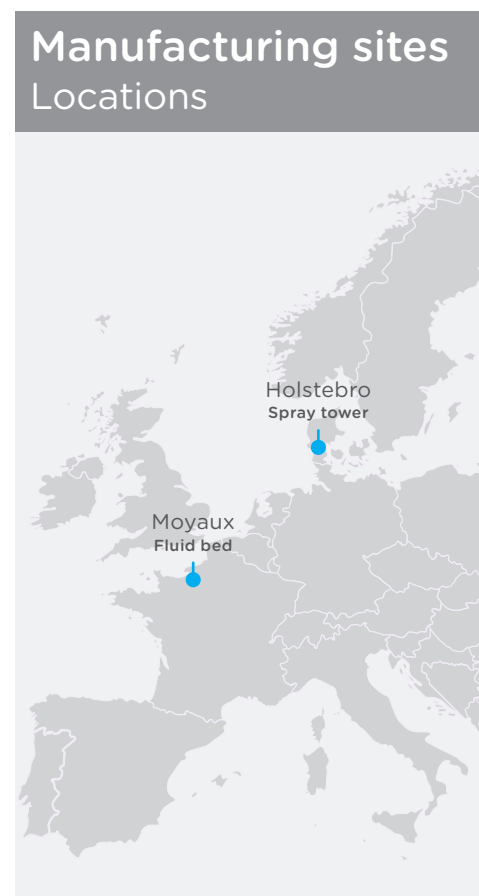
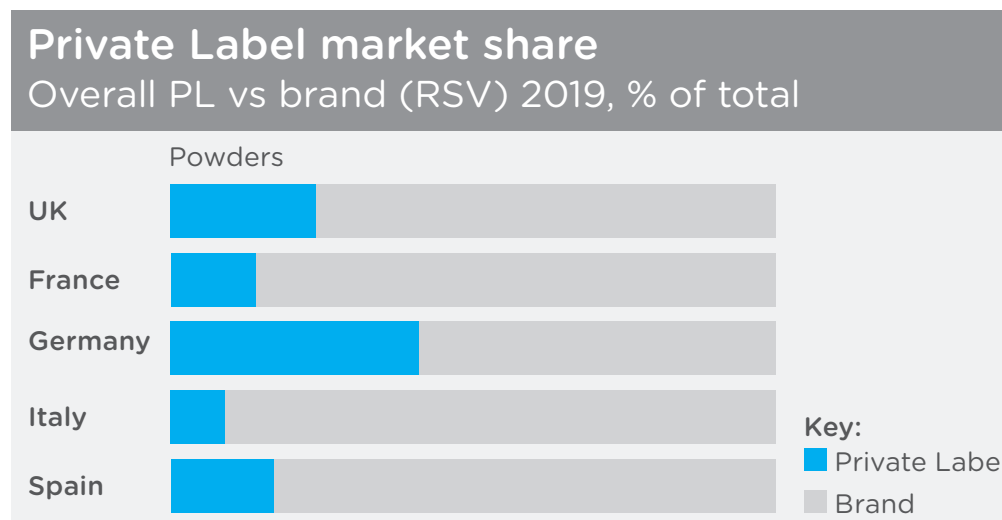
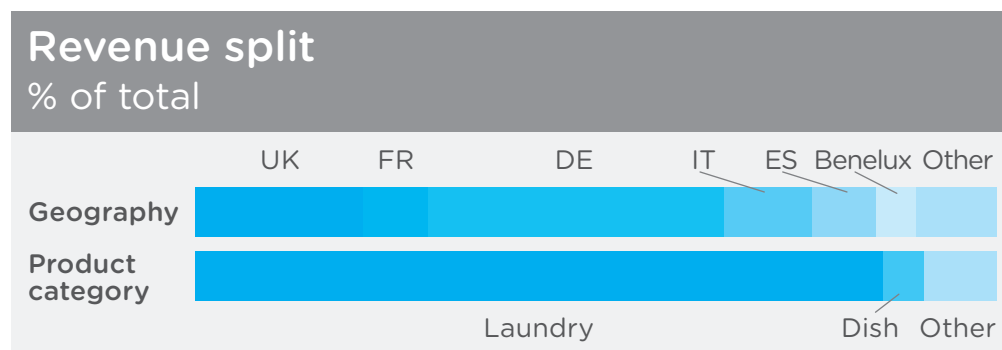
...product leadership, unrivalled product expertise, differentiated customer proposition

Powders division at a glance

Powders generates £78m revenue p.a. in a total European market, including branded, of £1bn⁽¹⁾

(1) RSV.

Source: OC&C, McBride 2020.



First view of the Powders division

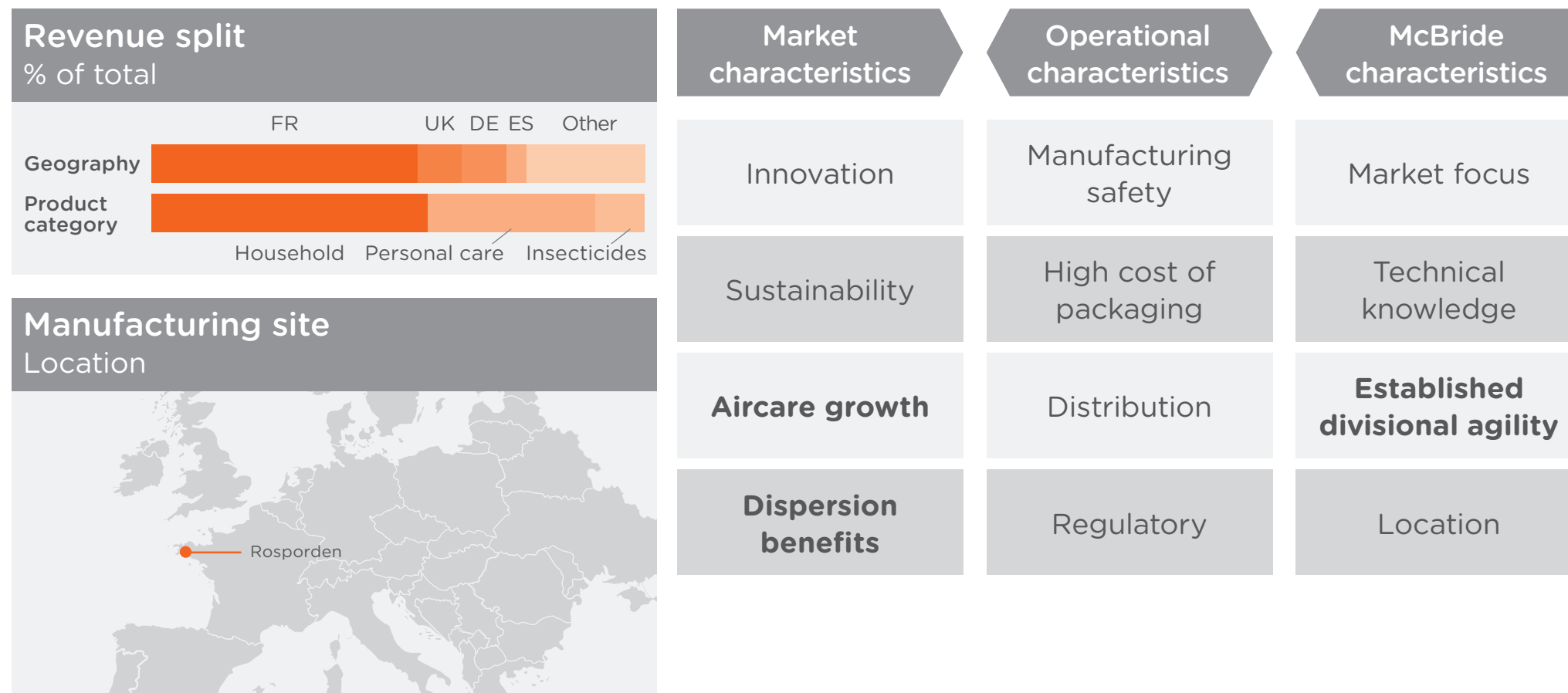
Strong heritage, operations now in two locations, mix of retail and contract customers

Market characteristics	Operational characteristics	McBride characteristics
Declining market, Private Label less than brands	Few new entrants	Location costs
Industry over-capacity	Environmental impact	Both key technology options
Branders capsule & liquids focus	Formats limited	Technology competence, Eco expertise
Emerging scale Co-Man	Opportunities beyond retail	Mix of business

...strong cost focus, targeting big volume opportunities, exploring technology platforms

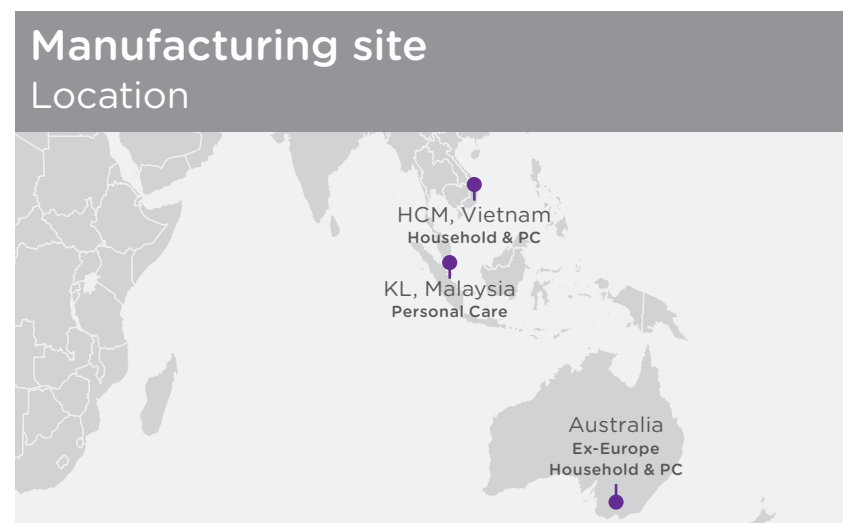
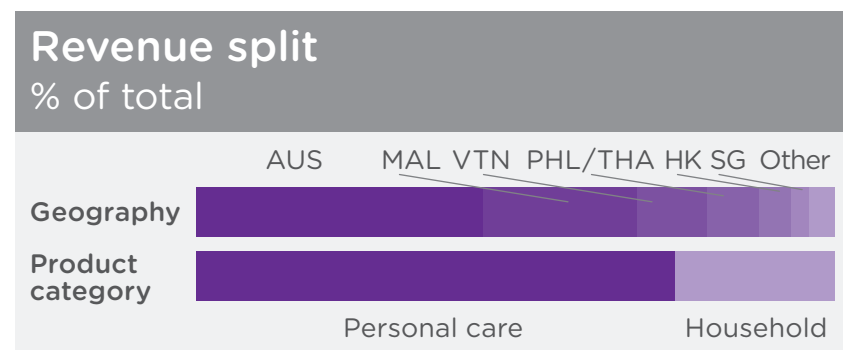
Aerosols division at a glance

Aerosols generates £35m revenue p.a. with its current focus on the French market and new use ideas



Asia Pacific division at a glance

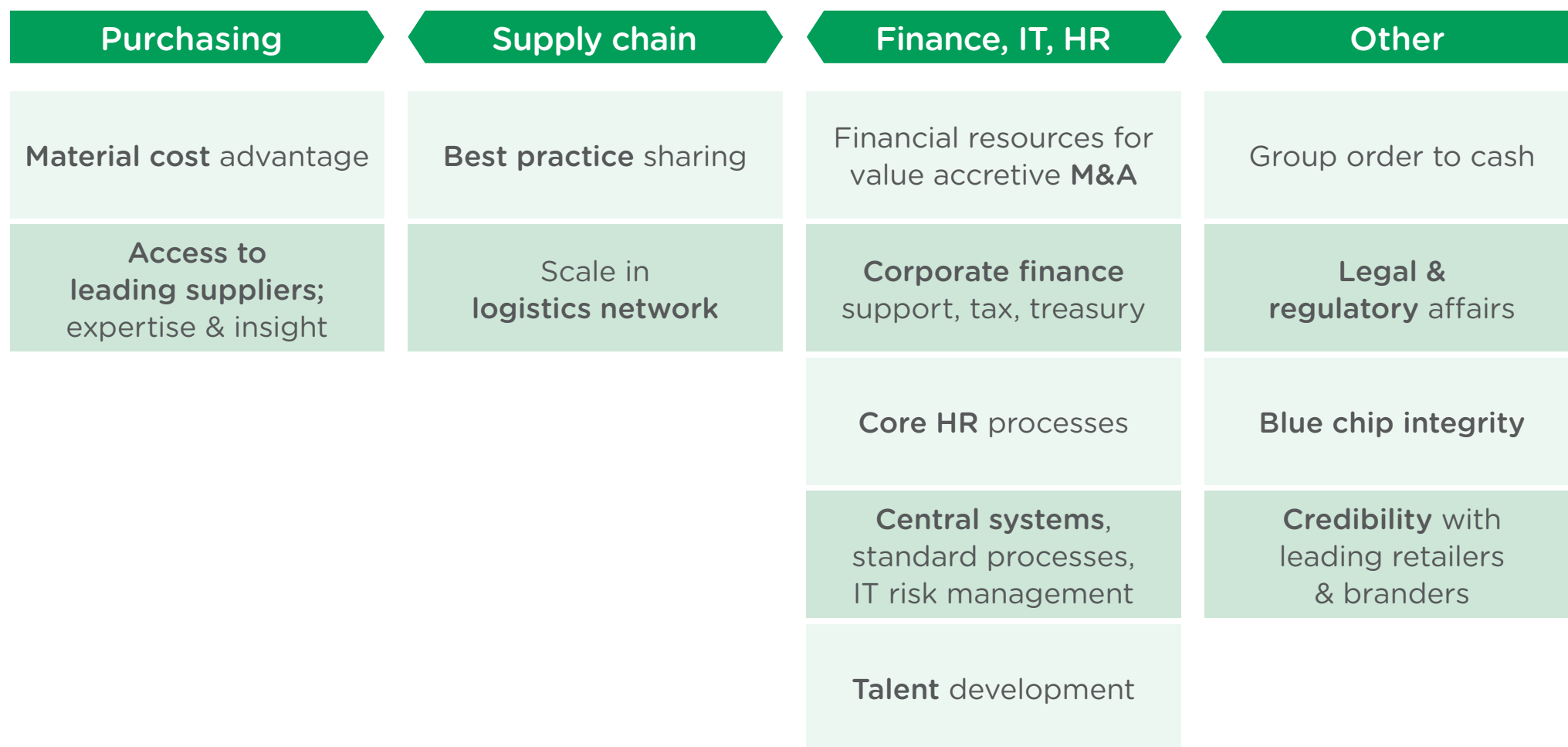
Asia Pacific generates £26m revenue p.a. and is a high growth region for personal care and household



Market characteristics	Operational characteristics	McBride characteristics
Fragmented competition	Low cost manufacturing	Blue chip integrity
Traditional formats	Raw material availability	Technical support from Europe
Private Label; PC vs HH	Legislative variations	Quality & reliability
International vs local brand	Complexity	Limited HH exposure in SE Asia

Certain functions will remain at Group level

How does McBride add value to the divisions?



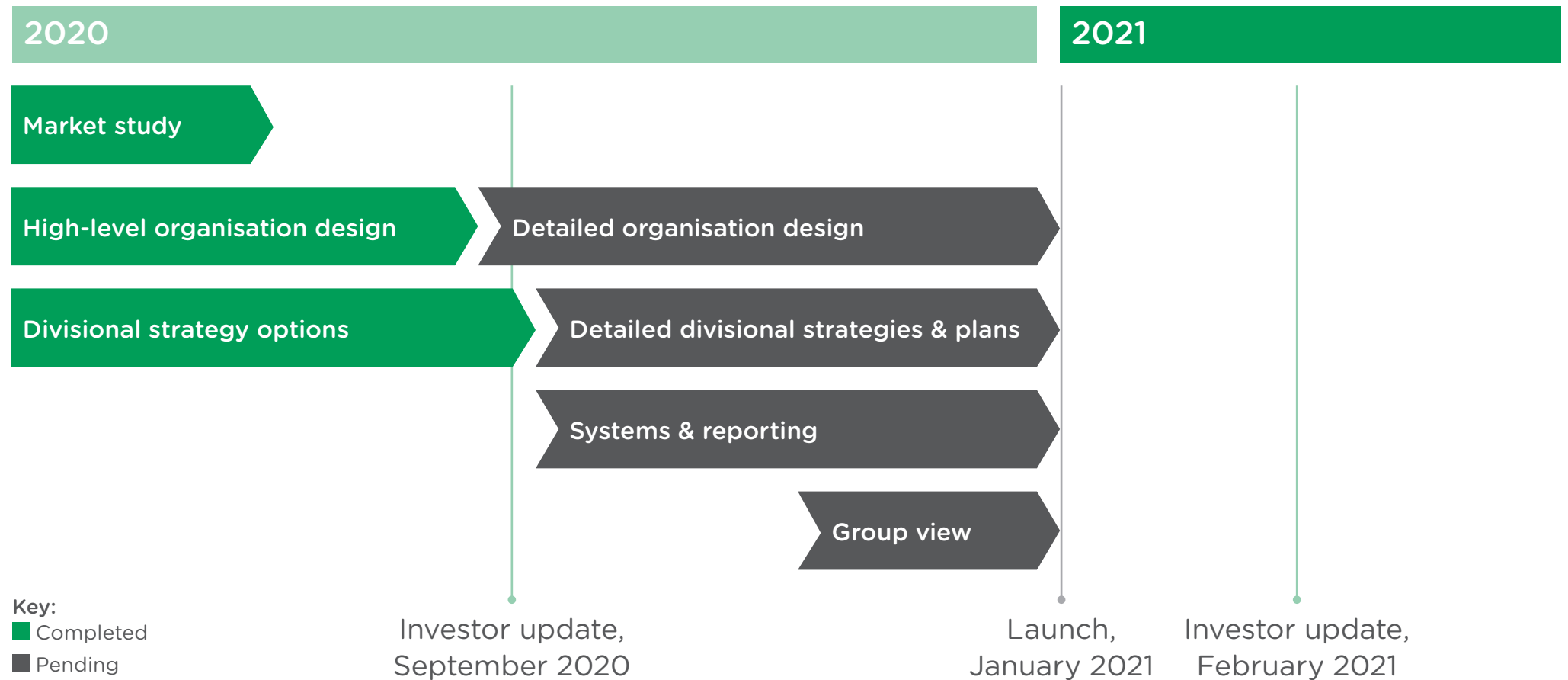


Wrap up



Timetable & next steps

We intend to launch the new structures on January 1st, 2021



Closing message

The key messages in summary

Clear ambition based on latest market intelligence

Phase 1: divisional strategy options, externally validated

New divisional structure for accountability, focus & specialism

Journey well advanced, go live January 2021

Investor Day - meet the teams, February 2021

Profitably grow revenues to €1 billion in the next 5 years





Q&A

