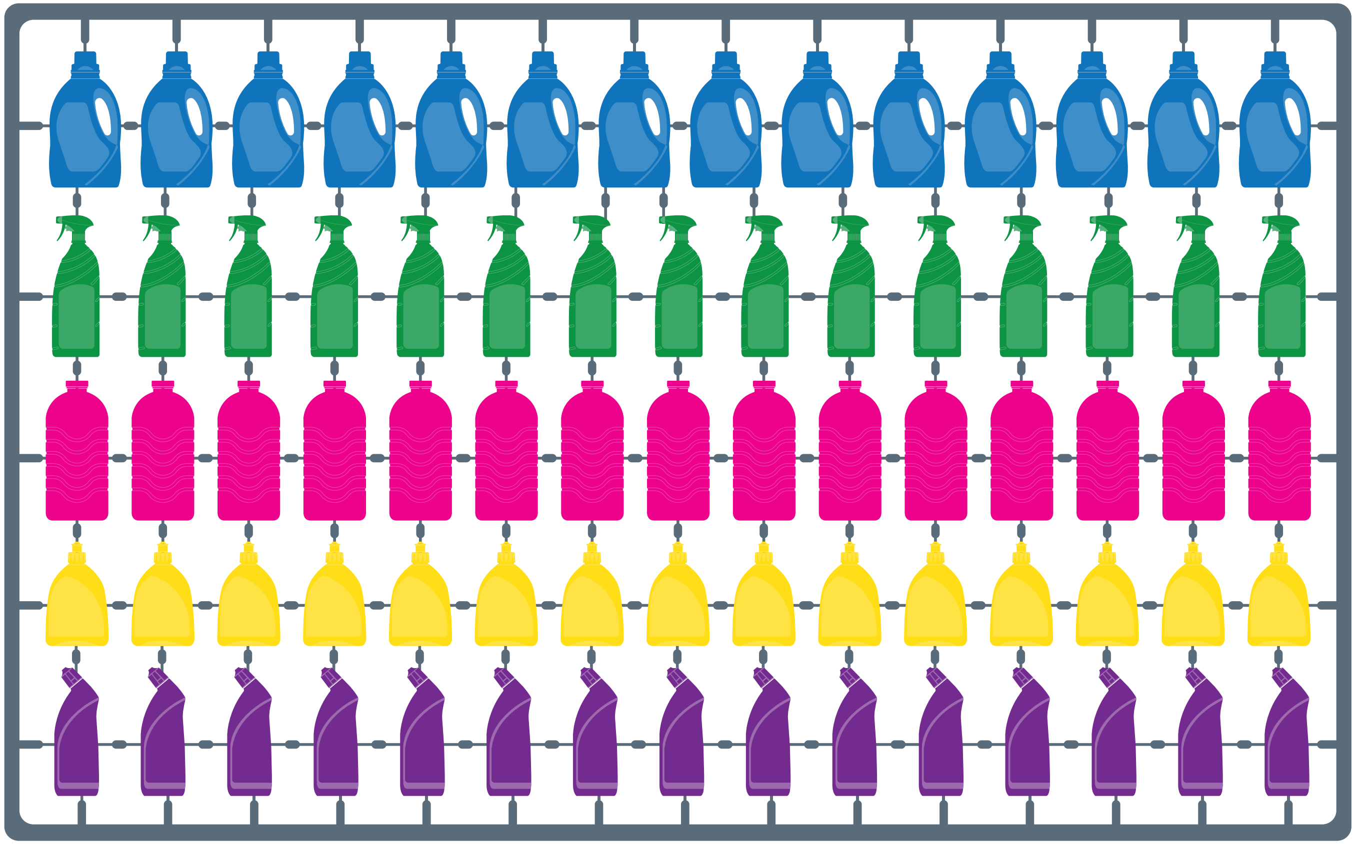


McBride plc

Interim Results Presentation: 22 February 2018

Success in securing significant business wins validates our strategic direction

Agenda

1. Headlines
2. Commercial update
3. Financial results
4. Strategy actions
5. Outlook

Headlines

- Revenues 2.2% higher at £368.4m
  - Household +4.8%, including Danlind
  - PCA Europe: lower by 9.6%, half from management actions
- Adjusted operating profits £15.8m and ROS of 4.3% (2017: £22.9m, 6.4%)
  - Household profits lower, ROS 7.4% (2017: 9.3%)
  - PCA into losses -£2.3m (2017: £0.9m)
  - inflationary pressures ahead of second half growth in Household
- Good progress in key strategic categories, Laundry and Dishwash

- Disruptive industry dynamics:
  - rising costs in materials and labour
  - destabilising the supplier base, especially Germany
- Household entering second half with strong growth momentum – rate of growth significant, ahead of original plan
  - certain efficiency projects 'on-hold' as HH volume growth consolidated
- Danlind integration on track
  - adding £15.2m revenues for the second quarter, year-on-year growth +20%
- PCA actions
  - accelerated recovery plan close to launch
  - first step – sale of Czech skincare business completed

Commercial update

Rik De Vos

Market development – Household

UK

- Retail sales growth: food inflation
- PL taking market share over brands
- HH categories in growth, driven mainly by PL
  - retail shift to higher end PL offer
  - strong growth of LADs in UK market
- McBride additional opportunity from HH PL
  - improving presence with growing LADs
  - retail customer base responding well to our value proposition
- **McBride H1 growth +1.2%**

Germany

- Favourable consumer sentiment, driving PL market share gains in general
- HH total market seeing price deflation
- HH PL estimated flat; result of growing LAD share (>5%) offset by price deflation
- Branders losing share in HH
- Overall shift towards smaller shop formats continues
- **McBride HH sales +5% (excluding major contract loss – now recovered)**

France

- Slight retail growth, food inflation
- HH categories lower by 1%, with PL losing further 6%
- Impact evident across all key accounts
- Ongoing intense brander promotions
- HH categories shifting towards high end (Eco, Bio,...) range, bulk lower end falling
- Some evidence of retail shift to favour PL; opportunity for new cooperation
- **McBride HH PL H1 lower by 6.4%; aligned with market development**

Market value evolution; sources: Kantar, Nielsen, GfK

Market development – Personal Care & Aerosols

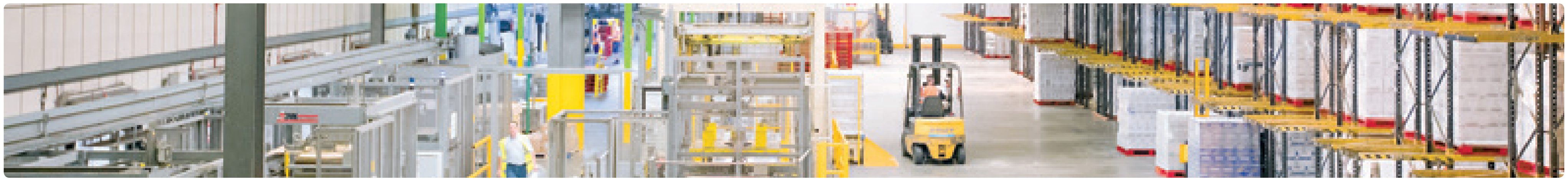
UK

- Overall growth with PL taking market share from branders
- Price deflation still present driving volume growth over value
- Growth mixed by category: positive in Personal Wash and Hair Liquids; negative in Mouthwash and Shave
- Aerosols: negative growth from price and weaker demand for the format
- Aerosols: significant margin pressure also from raw materials
- McBride liquid sales showing growth, aerosols in decline

France

- Market under severe pressure across most categories:
  - Shave -6.2%, Deodorant -5.5% – price ahead of volume
- Brands recovering market share versus PL, further intensified by retailer competition
- Overall trend for "reduced consumption" combined with increasing chemophobia
- Growth of Eco and Bio alternatives and homemade options
- McBride sales lower especially in aerosols, flat in liquids

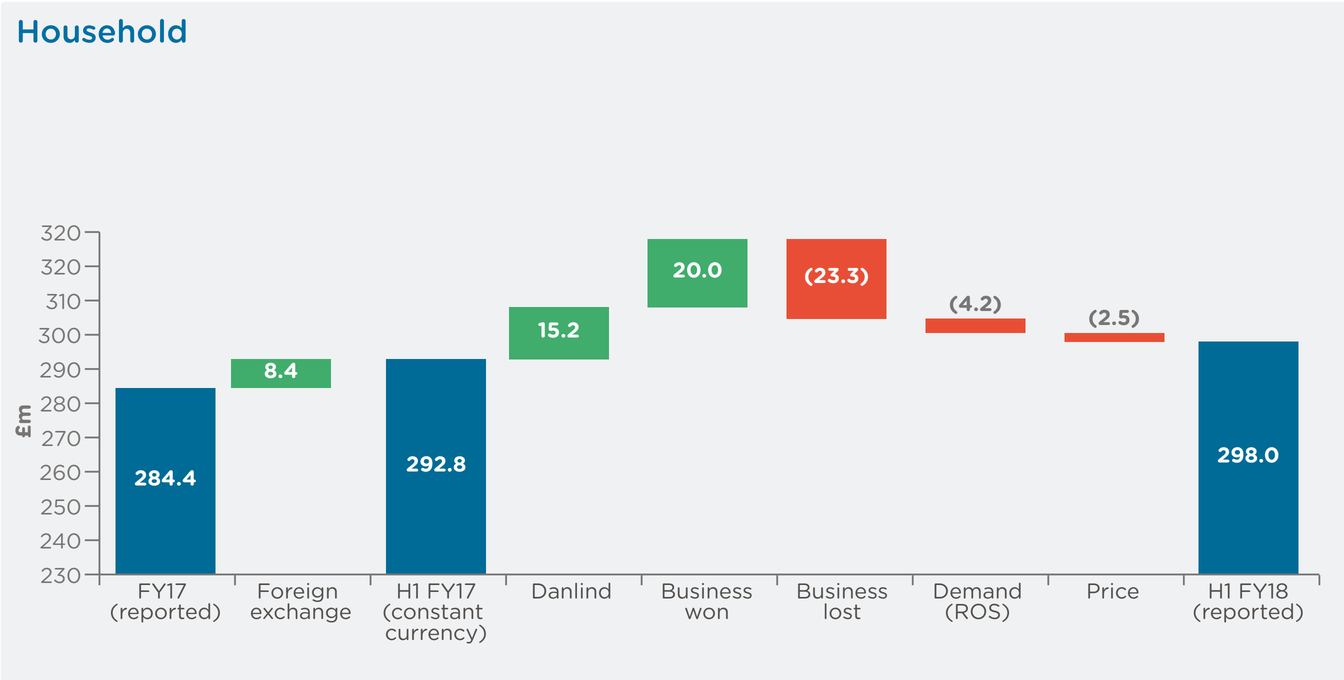
Source: Kantar Worldpanel



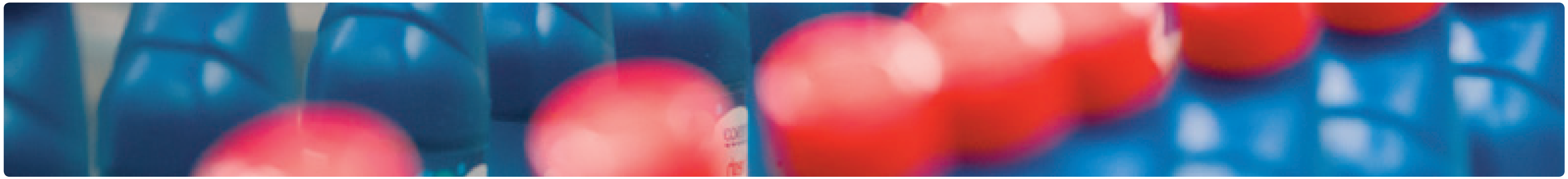
Competitive environment

- Sales price deflation still evident but signs of flattening out
- Increasing cost pressures, leading to reduced customer offer:
  - service levels
  - quality of product performance
  - reduced advisory capability
  - stepping away from certain categories or product ranges
- Some competitors struggling with cost/price environment
- Germany in particular has seen financial distress in HH suppliers

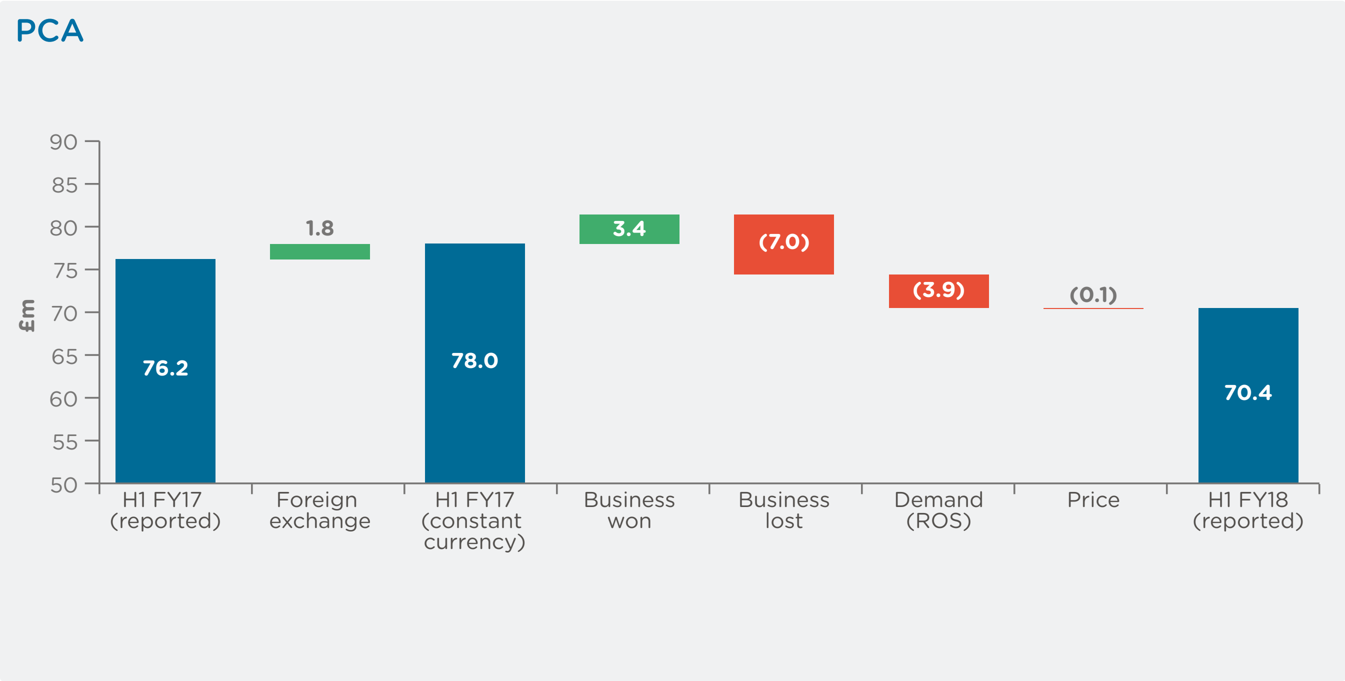
Performance – Household H1 revenues



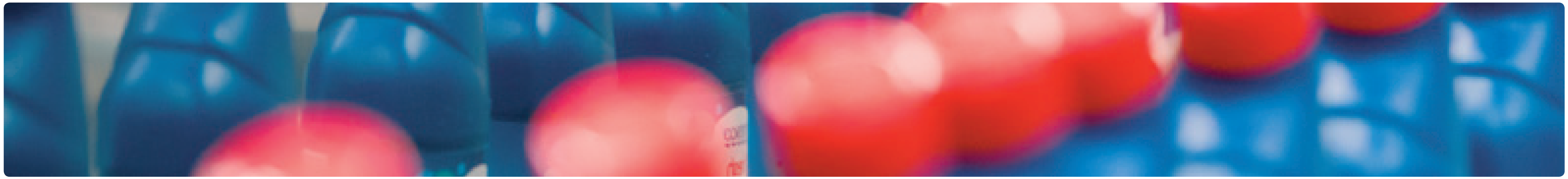
- Household +1.8%, -3.4% excluding Danlind
- Stronger Q2 – only one region not in growth
- Rate of sales weak in France and Poland
- Contract Manufacturing +25%
- Some limited increases but net pricing still negative



Performance – PCA H1 revenues

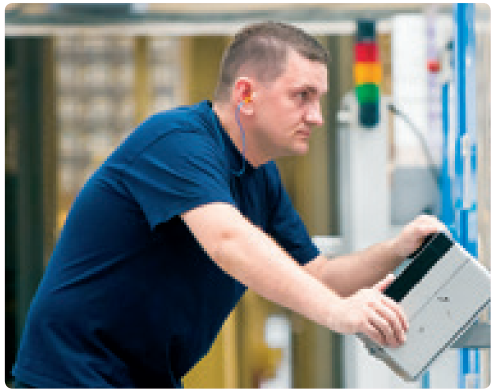


- European PCA 12.1% lower, mostly volumes
- Includes 6% reduction from deliberate ‘repair’ actions
- Aerosols lower 17%, Liquids +5%
- Asia revenues +7.3%, mostly Australia



Financial results

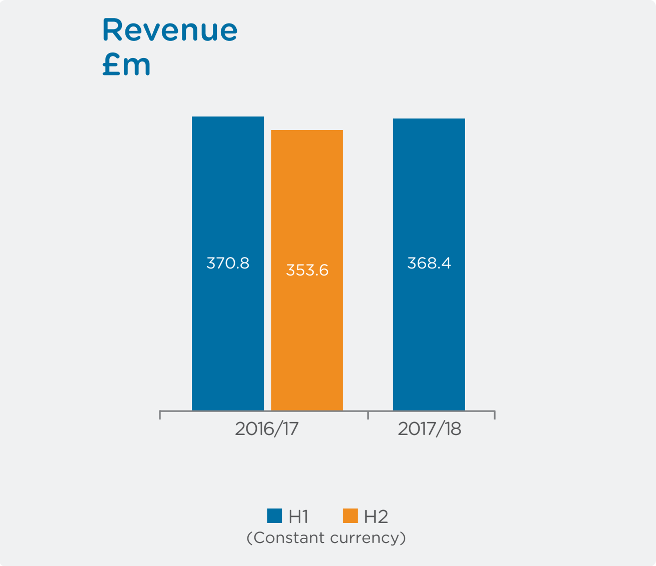
Chris Smith

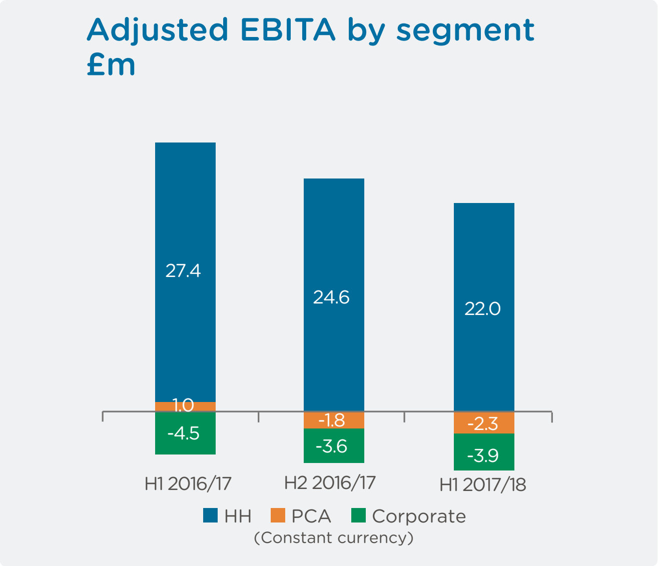


Financial headlines

- Revenues 2.2% higher at £368.4m
- First half adjusted EBITA £15.8m, 31% lower than the strong first half of last financial year, ROS lower by 2.0%
- Gross margins lower by 2.7%, mostly cost pressures
- ROCE 20.6% (2017: 28.0%)
- 35% reduction in underlying interest costs, impact of Group refinancing
- Adjusted tax rate down to 30.2% (2017: 30.8%)
- Payment to shareholders increase of 7% to 1.5p (2017: 1.4p)
- Exceptional items of £9.0m, mostly PCA
  - sale of Czech skincare business, net book loss £1.1m
  - PCA asset impairments £6.2m
- Danlind goodwill £5.8m
- Capital expenditure £10.6m (2017: £6.8m)
- Working capital ratio up to 12.7% (2017: 10.7%), Danlind impact
- Net debt at £122.8m (30 June 2017: £75.7m)
  - Danlind acquisition £35.7m

Income statement



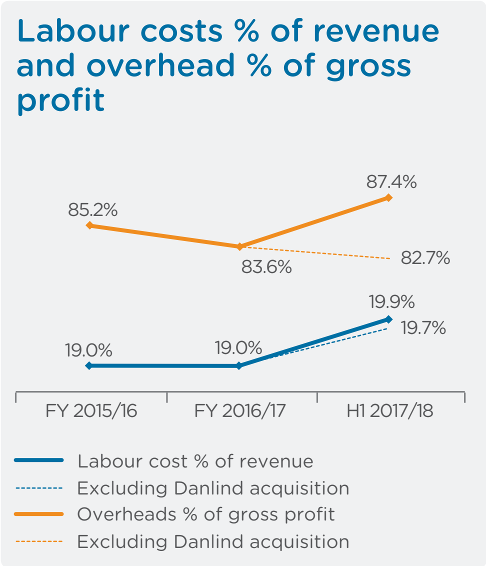


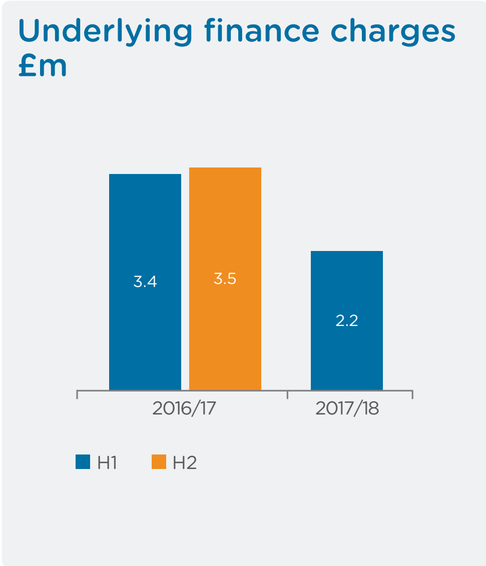
- Headline revenues +2.2%, underlying -4.7%
- Danlind included from Q2

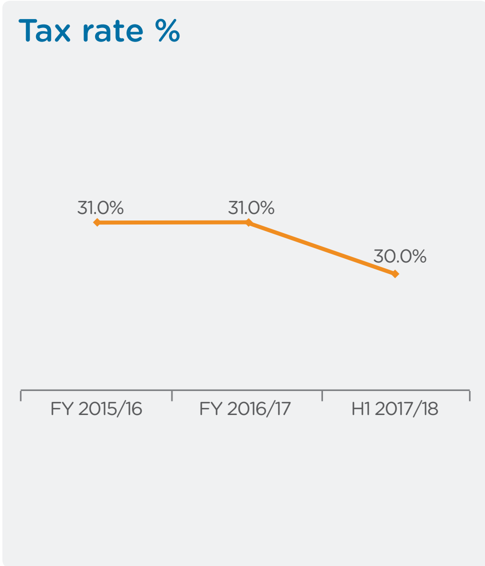
- PCA European revenues -12.1%
- Aerosols down, liquids flat
- Asia +7.3%

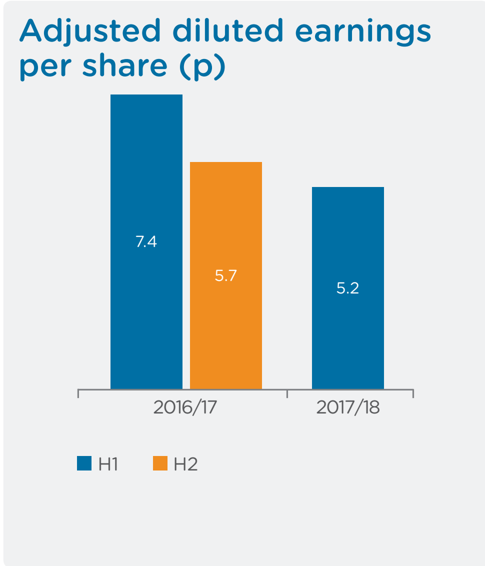
- Raw materials impact 4%
- Danlind dilution

Income statement







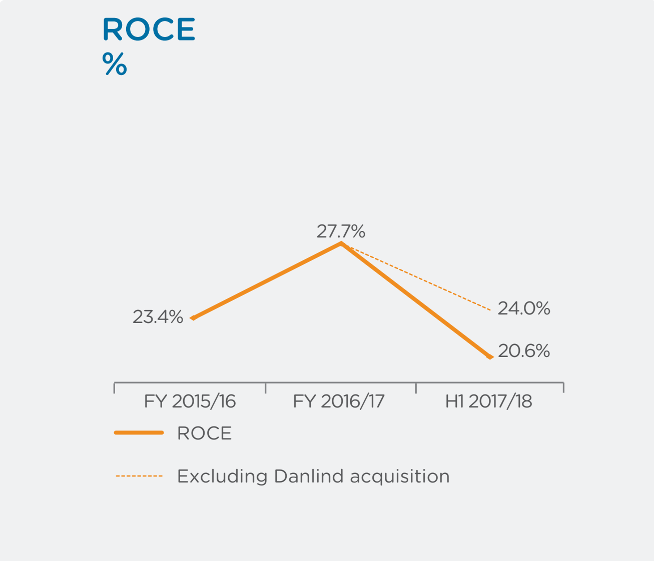


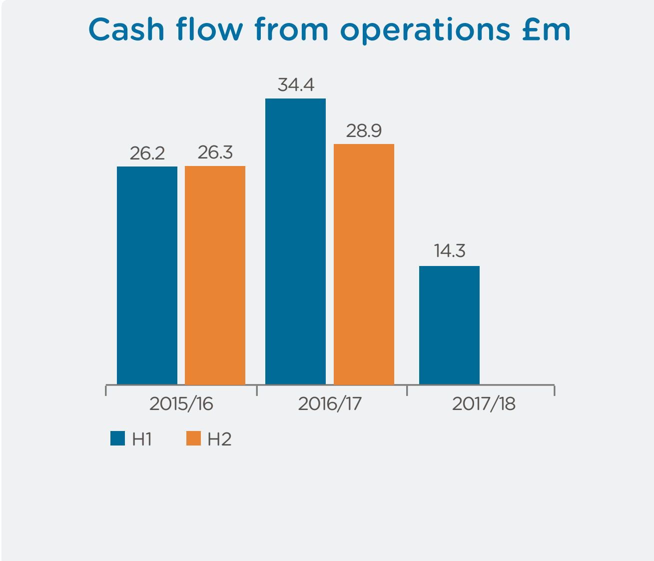
- Postponed efficiency measures
- Labour inflation vs flat sales prices

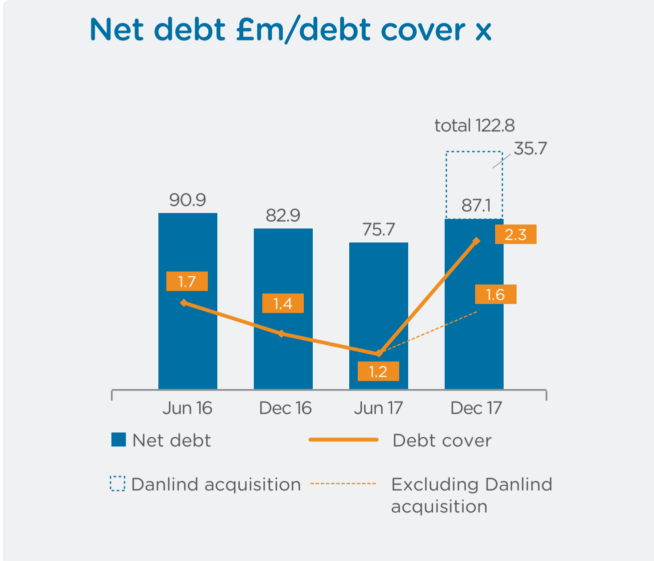
- Interest benefit from June 2017 refinancing
- Strategic tax review completed

- EPS benefit from lower tax and interest
- Interim payment to shareholders 1.5 pence

Balance sheet and cash flow





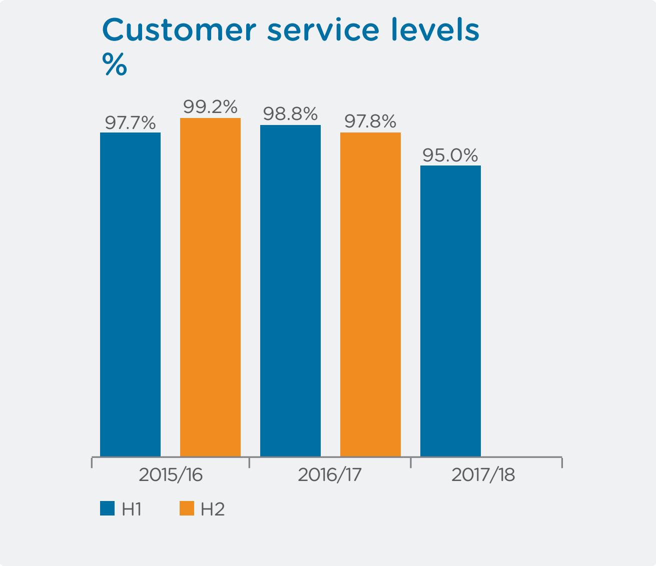


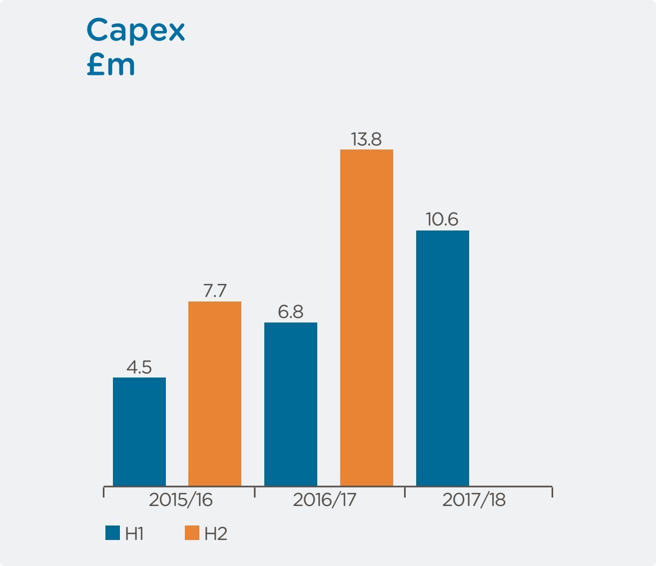
- Danlind dilution
- Trailing twelve months

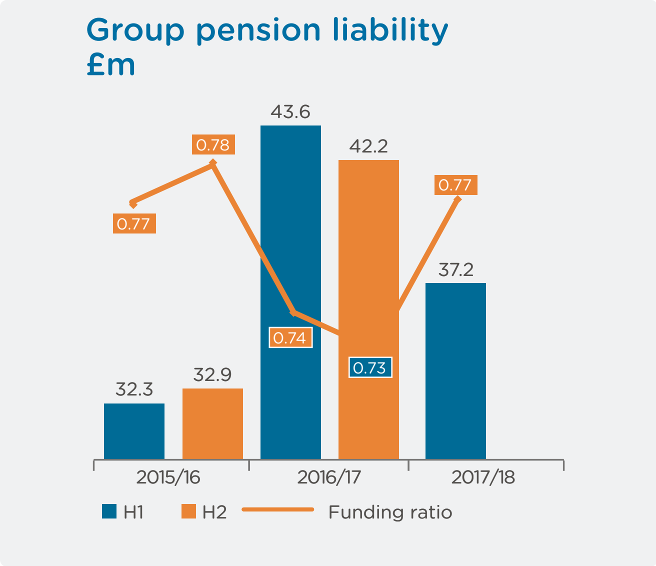
- One off H1 payments
- Trading working capital

- Covenants – ample headroom

Other financials







- Industry wide haulage delays
- Poland/Czech labour shortages

- Capsule investments

- Asset performance
- Triennial March 2018

Danlind a/s – post acquisition update

- Positive market and customer reaction
- Broader product and technical impacts
- Performance since acquisition on track, volumes better
- Synergy expectations confirmed
- Integration planning well advanced
- Acquisition balance sheet
  – goodwill £5.8m

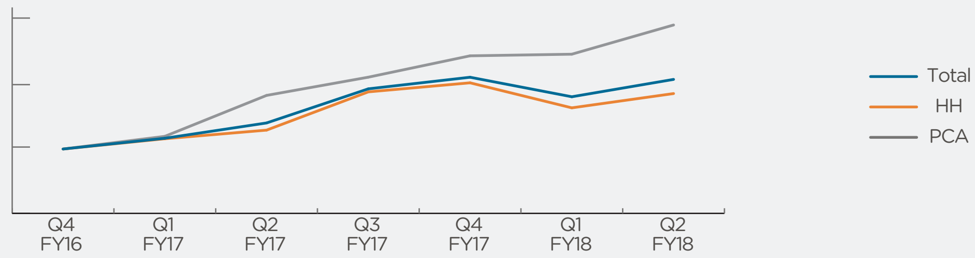
Q2 growth **+20%**
– tablet volume **+26%**

danlind
A McBride Company

Inflationary pressures

- Raw materials
  - feedstock trends
  - chemicals vs packaging
  - UK and FX post Brexit
  - PCA vs HH
- Labour inflation and shortage
- Distribution and freight

RM Index

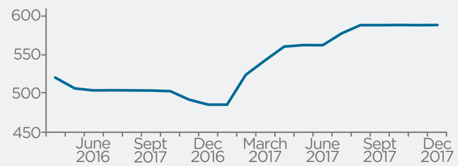


Oil – Brent $

Tin plate €/mt

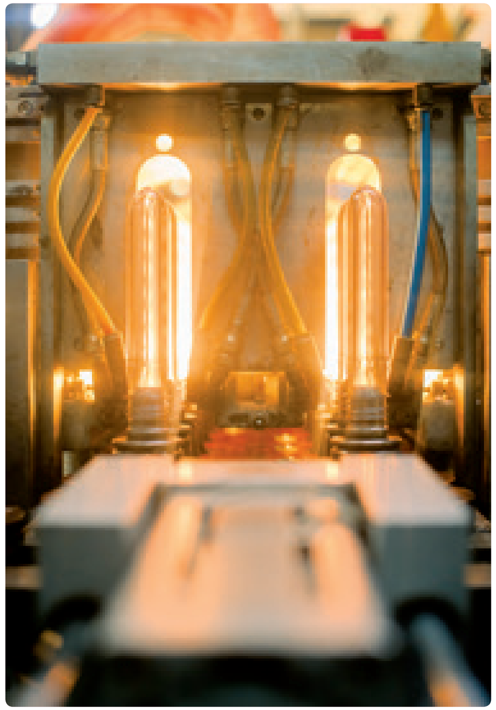
PP ICIS low $

Test liner WCE €/mt



Strategy actions

Rik De Vos



Reminder – Repair, Prepare, Grow

Time horizon by calendar year

- Strategy and objectives unchanged
- Repair phase concluded
- Prepare phase in progress
- Accelerated Growth phase

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

Repair

Prepare

- 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
- Clarify and implement PCA improvements

Grow

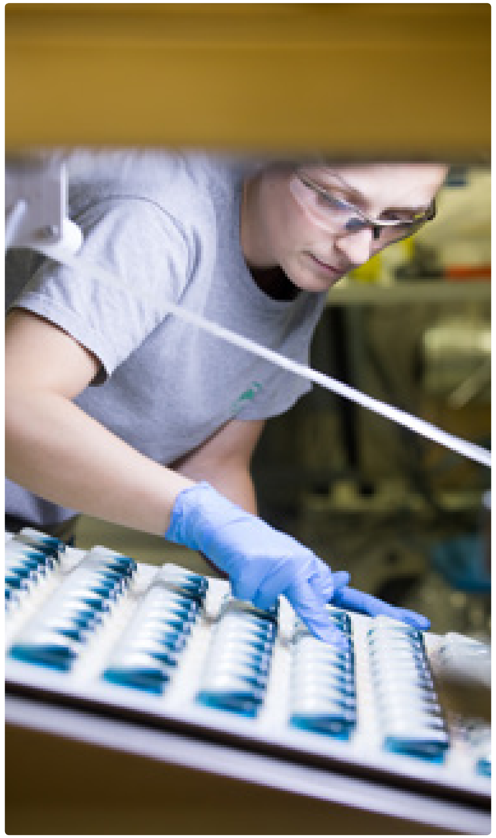
- Deliver the discount and retail channel growth
- Identify and develop the Contract Manufacturing business
- Monitor tactical and/or strategic M&A opportunities

Prepare phase… challenges

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.



1
Household and CoMan growth

2
Category development

3
Profitability: margin management

4
Underperforming businesses
PCA Europe

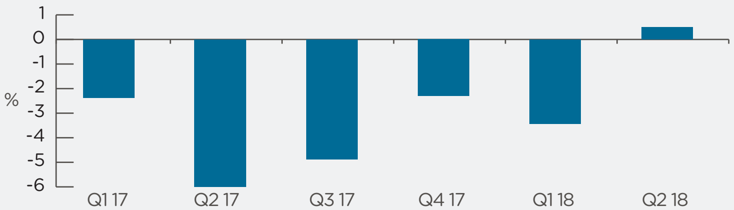
Prepare phase – actions

1
Household and CoMan growth

Household

- Growth evident from Q2, all but one region in growth
- Competitive weakness resulting in structural growth in key categories, especially Tablets, Laundry Liquids and Capsules
- Danlind providing immediate growth access through geographic and product synergies
- Delivery of annualised growth prioritised over continuous improvement and structural change projects

Household growth by quarter – underlying



Contract Manufacturing

- Good traction on growing the CoMan business (H1 HH +25%)
  - three new contracts/customers established in H1
  - increased interest in our key categories of Auto Dishwash and Capsules
  - cross selling of McBride capability from contracts for key categories
  - upgraded ranges such as Fabric Conditioner
- Branders appointing senior directors solely responsible for outsourcing activity

Prepare phase – actions

2
Category development

Key categories
- Auto Dishwash tablets
- Laundry Capsules
- Fabric Conditioner

Laundry Capsules
- Volumes +20%
- Production consolidation completed
- New line installed
- Additional line ordered
- New asset footprint to provide 1/2/3 chamber options

Auto Dishwash
- Q2 +5%, H2 anticipated 23%
- Danlind impact positive
- New line installation UK
- Performance improvements
- Leading German consumer testing

Fabric Conditioner
- Volumes +16%
- Consumer experience
- Focus on simplification
- Packaging

Prepare phase – actions

Prepare phase – actions

3
Profitability:
margin management

- PCA business challenged by unequal cost pressures
- Household margins: double impact of inflation and some price deflation
- Four initiatives
  - cost efficiency projects, further simplification and production efficiency
  - structural improvements in warehouse and distribution
  - technical development of more cost competitive solutions matching performance
  - further purchasing actions
- First three actions on hold in support of the growth wave arriving in H2
- Pricing initiatives in preparation, market realising inflation is coming, mixed reactions

Prepare phase – diagnostic: PCA Europe

4
Underperforming businesses PCA Europe

- Market development not supportive
  - flat to negative growth with some pockets of opportunity
  - increasing legal and environmental requirements
  - strong concentration of sales in UK and France
  - price deflation driven both by retail and branders pressure
- McBride only active in PL and CoMan; no portfolio benefits of B/C brands
- Raw material pressures more intense in PCA due to
  - specific product needs
  - high proportion of UK in total PCA business – currency effects
- Apart from UK, sentiment towards PL in PCA is declining in favour of brands

Prepare phase – actions

4
Underperforming businesses PCA Europe

1. PCA "Repair phase"

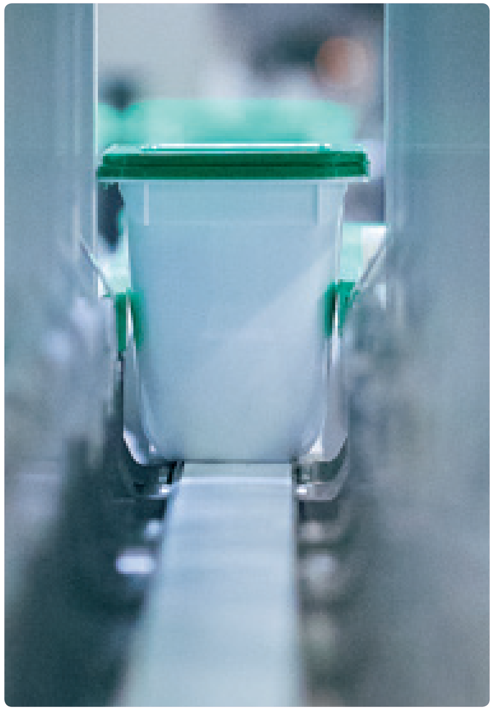
- In line with Household RPG strategy, parallel programme was initiated in PCA
- Substantial reduction in customer, category and SKU complexity completed, sales loss of 6%
- Compensating cost measures delivered with an overall improvement in P&L
- Supporting investments resulted into better plant efficiency and product costing

2. PCA structural transformation plan

- Since the Repair programme, now evident that the size to scale opportunity is not as great as in HH
  - requiring a more fundamental approach
- Disposal of skincare activities in Czech (Brno)
- Expect to now establish two standalone business units PC and A: few synergies
- Define and implement for PC and A a structural and sustainable business and asset configuration

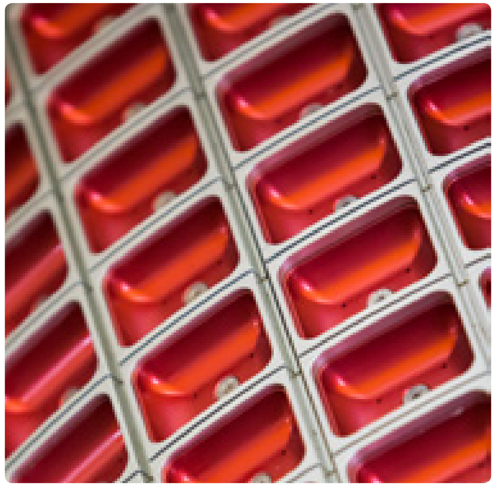
Outlook

Rik De Vos

Outlook

1. Second half focus on Household growth and PCA recovery
2. PCA Europe performance
3. PCA Europe – accelerated recovery plan
4. Danlind integration progressing well
5. Cost and margin pressures into H2
6. Investment programme on track
7. Medium-term financial target unchanged



Appendices

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

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Appendix 1: income statement

	H1 2017/18 £m	H1 2016/17 £m	Y/Y	Constant currency[1] H1 2016/17 £m	Constant currency[1] Y/Y
Revenue	**368.4**	360.6	**2.2%**	370.8	**(0.6%)**
Gross profit	**125.7**	132.7	**(5.3%)**	136.5	**(7.9%)**
Gross margin	**34.1%**	36.8%	**(2.7 ppts)**	36.8%	**(2.7 ppts)**
Distribution costs	**(24.3)**	(23.8)	**2.1%**	(24.6)	**(1.2%)**
Administration costs	**(85.6)**	(86.0)	**(0.5%)**	(88.0)	**(2.7%)**
EBITA[2]	**15.8**	22.9	**(31.0%)**	23.9	**(33.9%)**
Net financing costs:					
– borrowings	**(1.7)**	(2.9)	**(41.4%)**	(3.0)	**(43.3%)**
– pension	**(0.5)**	(0.5)	**—**	(0.5)	**—**
Adjusted profit before taxation[3]	**13.6**	19.5	**(30.3%)**	20.4	**(33.3%)**
Taxation	**(4.1)**	(6.0)	**(31.7%)**	(6.3)	**(34.9%)**
Adjusted profit after taxation[3]	**9.5**	13.5	**(29.6%)**	14.1	**(32.6%)**
Adjusted diluted earnings per share (p)[3]	**5.2**	7.4	**(29.7%)**		
Amortisation	**0.4**	0.4	**—**		
Exceptional items	**9.0**	—	**9.0**		
Unwind of discount on contingent consideration	**—**	0.1	**(0.1)**		
Unwind of discount on provisions	**0.2**	0.2	**—**		
Taxation – effective rate	**30%**	31%	**(1 ppts)**		

(1) Comparatives translated at 31 December 2017 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

	H1 2017/18 £m	H1 2016/17 £m	Y/Y	Constant currency H1 2016/17 £m	Constant currency Y/Y
Revenue					
UK	**80.6**	79.7	**1.1%**	79.7	**1.1%**
North	**96.7**	96.0	**0.7%**	99.9	**(3.2%)**
South	**40.8**	39.2	**4.1%**	40.7	**0.2%**
East	**64.7**	69.5	**(6.9%)**	72.5	**(10.8%)**
Danlind	**15.2**	—	**n/a**	—	**n/a**
Household	**298.0**	284.4	**4.8%**	292.8	**1.8%**
PCA	**70.4**	76.2	**(7.6%)**	78.0	**(9.7%)**
Group	**368.4**	360.6	**2.2%**	370.8	**(0.6%)**
Trading profit					
Household	**22.0**	26.5	**(17.0%)**	27.4	**(19.7%)**
PCA	**(2.3)**	0.9	**(355.6%)**	1.0	**(330.0%)**
Corporate	**(3.9)**	(4.5)	**(13.3%)**	(4.5)	**(13.3%)**
Group	**15.8**	22.9	**(31.0%)**	23.9	**(33.9%)**
ROS					
Household	**7.4%**	9.3%	**(1.9ppts)**	9.4%	**(2.0ppts)**
PCA	**(3.3%)**	1.2%	**(4.5ppts)**	1.3%	**(4.6ppts)**
Corporate	**n/a**	n/a	**n/a**	n/a	**n/a**
Group	**4.3%**	6.4%	**(2.1ppts)**	6.4%	**(2.1ppts)**

Appendix 3: exceptional items

	H1 2017/18 £m	H1 2016/17 £m
PCA strategic review	7.1	—
Danlind acquisition costs	0.5	—
Czech Republic based skincare business at Brno	1.1	—
Total charged to operating profit	**8.7**	—
Danlind banking refinancing	0.3	—
Total charged to consolidated income statement	**9.0**	—

Appendix 4: balance sheet

	31 Dec 2017 £m	31 Dec 2016 £m	Y/Y
Goodwill and other intangible assets	27.7	20.3	36.5%
Property, plant and equipment	151.6	136.4	11.1%
Other non-current assets	13.0	26.2	(50.4%)
Working capital	50.1	26.2	91.2%
Net other debtors/(creditors)	(4.9)	(4.8)	2.1%
Provisions	(4.3)	(5.6)	(23.2%)
Pension	(37.2)	(43.6)	(14.7%)
Non-current liabilities	(9.1)	(7.4)	23.0%
Net debt	(122.8)	(82.9)	48.1%
Net assets	64.1	64.8	1.1%
Average capital employed	167.3	148.2	12.9%
ROCE	20.6%	28.0%	(7.4ppts)
Working capital % of sales	6.9%	3.8%	3.1ppts

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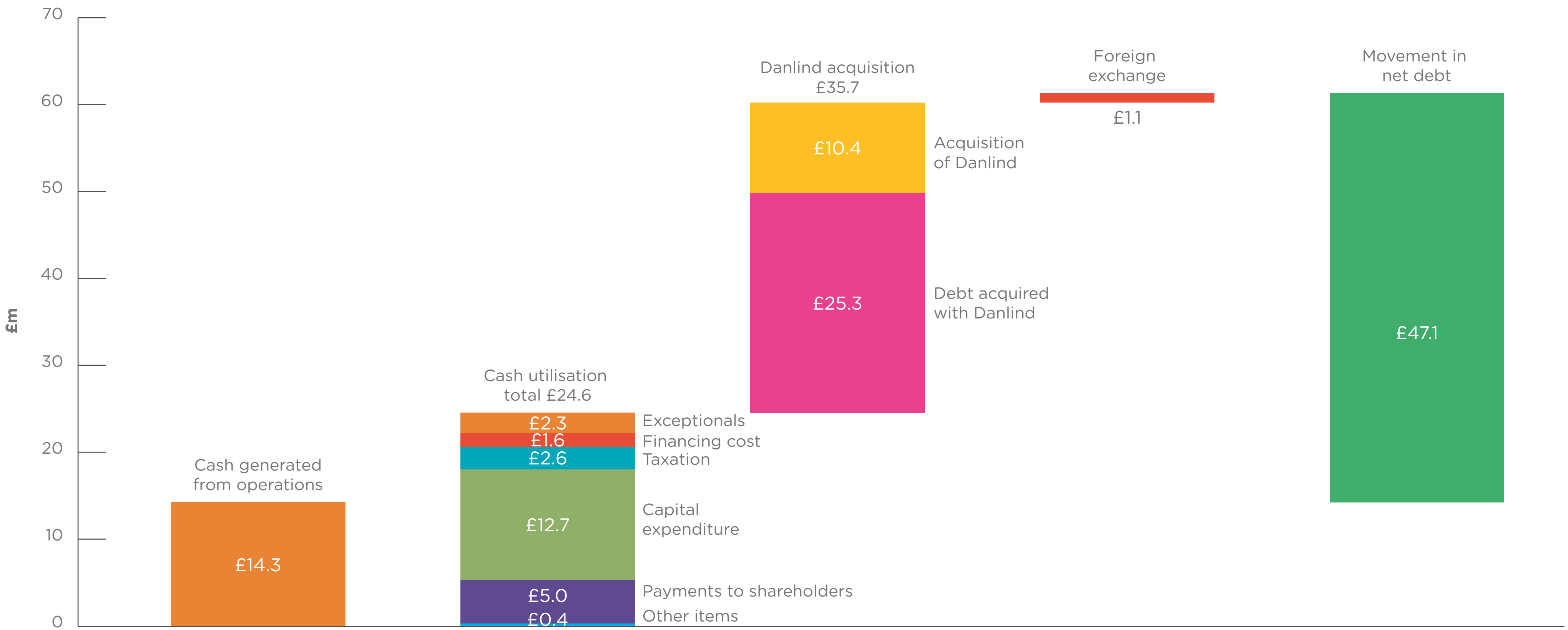
Appendix 5: cash flow

	H1 2017/18 £m	H1 2016/17 £m	Y/Y £m
Adjusted operating profit	**15.8**	22.9	**(7.1)**
Depreciation	**9.7**	9.7	**—**
Share-based payments	**0.7**	1.2	**(0.5)**
Additional cash funding of pension scheme	**(1.5)**	(1.5)	**—**
Operating cash flow before movements in working capital	**24.7**	32.3	**(7.6)**
Movement in working capital	**(10.4)**	2.1	**(12.5)**
Cash generated from operations	**14.3**	34.4	**(20.1)**
Capital expenditure	**(12.7)**	(7.4)	**(5.3)**
Operating cash flow	**1.6**	27.0	**(25.4)**
Exceptional cash flow	**(2.3)**	(1.5)	**(0.8)**
Interest paid	**(1.6)**	(2.8)	**1.2**
Redemption of B shares	**(5.0)**	(4.2)	**(0.8)**
Taxation paid	**(2.6)**	(2.6)	**—**
Debt acquired with Danlind	**(25.3)**	—	**(25.3)**
Acquisition of Danlind	**(10.4)**	—	**(10.4)**
Other items	**(0.4)**	(1.1)	**0.7**
Net cash flow	**(46.0)**	14.8	**(60.8)**
Net debt at beginning of year	**(75.7)**	(90.9)	**15.2**
Currency translation differences	**(1.1)**	(6.8)	**5.7**
Net debt at end of period	**(122.8)**	(82.9)	**(39.9)**

Appendix 6: use of cash



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Manufacturing our future

Appendix 7: funding headroom

	Facility £m	31 Dec 2017 £m	Committed headroom £m
Committed facilities:			
– revolving facilities (June 2022)	155.3	**(101.5)**	53.8
– invoice discounting facilities	47.2	**(34.9)**	12.3
– other loans	1.7	**(1.7)**	—
	204.2	**(138.1)**	66.1
Uncommitted facilities	70.8	**(15.2)**	(15.2)
Total facilities	275.0	**(153.3)**	50.9
Cash and cash equivalents		**29.6**	29.6
Other		**0.9**	
Net debt		**(122.8)**	80.5