



McBride plc Capital Markets Day

Winning in a
growing market

13 March 2024



Today's agenda

11:00	Welcome	CEO
11:05	McBride and its markets	CEO
11:20	Focus on divisions: Liquids Unit Dosing Powders Aerosols Asia Pacific	MDs
12:00	Q&A #1: Focus on divisions	
12:30	Transformation agenda	CTO
12:40	Financial outcomes	CFO
12:50	Summary	CEO
12:55	Q&A #2	All



Our speakers today



Chris Smith

Chief Executive Officer



Mark Strickland

Chief Financial Officer



Chris Ward

Chief Transformation Officer



Peter Ingelse

Managing Director
Liquids



Lennard Markestein

Managing Director
Unit Dosing



Marielle Claudon

Managing Director
Powders, Aerosols &
Asia Pacific



McBride overview

Chris Smith
Chief Executive Officer



What you will hear today

- Reminder* McBride plc – the industry leader
- Reflection* Emerging stronger post inflation
- Update* Our growing markets
- Update* The strengthened business resulting from our Compass strategy
- Highlight* Value creation beyond core plan
- Reiterate* Latest financials and targets

McBride – leading the industry

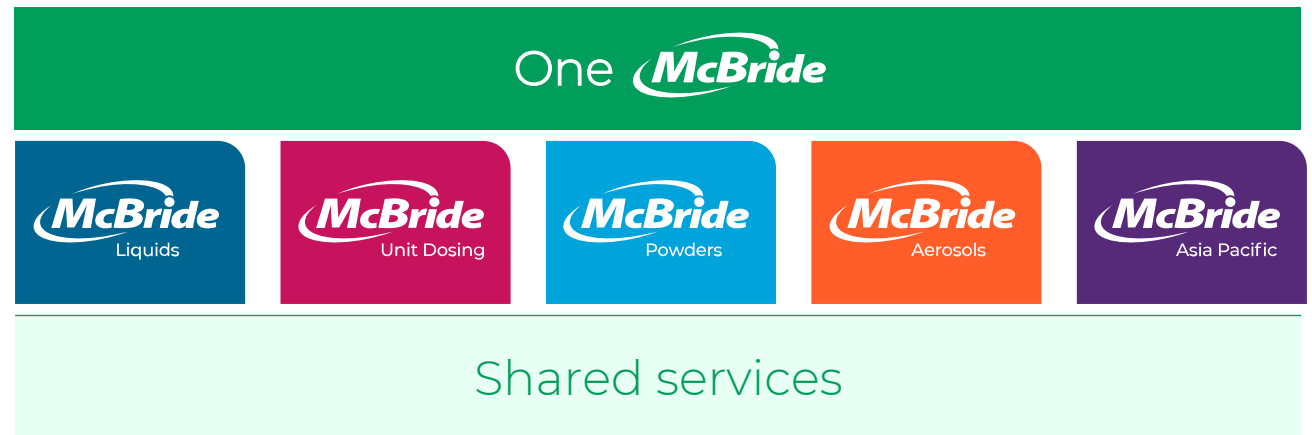
Everyday value cleaning products so every home can be clean and hygienic

- The #1 European private label producer of everyday household cleaning products
- Pan-European: significant presence in all key markets
- Partnered with >90% of Europe's top retailers
- Broadest portfolio of products in the industry
- Strong focus on sustainability and innovation
- Specialist, expert and passionate teams, embedded in the sector

McBride operating model

Revised Compass operating model delivering divisional focus and specialism supported by scale shared services

- Divisional strategies and Group strategy
- Building on initial three-year phase
- Focus and accountability
- Responsiveness
- Scale benefits from shared services
- People empowered and engaged
- Customer interface



Reflections on inflationary period of past two years

McBride has emerged stronger from the crisis

Symptoms

- Size and frequency of input cost rises
- Customer responses to requests for mitigation
- Price rise lag vs input cost rises
- Follow on inflation

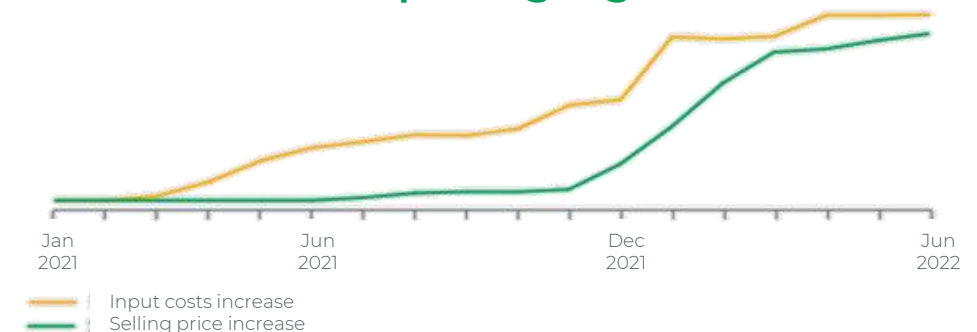
What we changed and learned

- Internal processes
- Negotiation options
- Customer pricing approach
- Input cost hedging

Unprecedented increase in long term RMPI



Illustration of the pricing lag

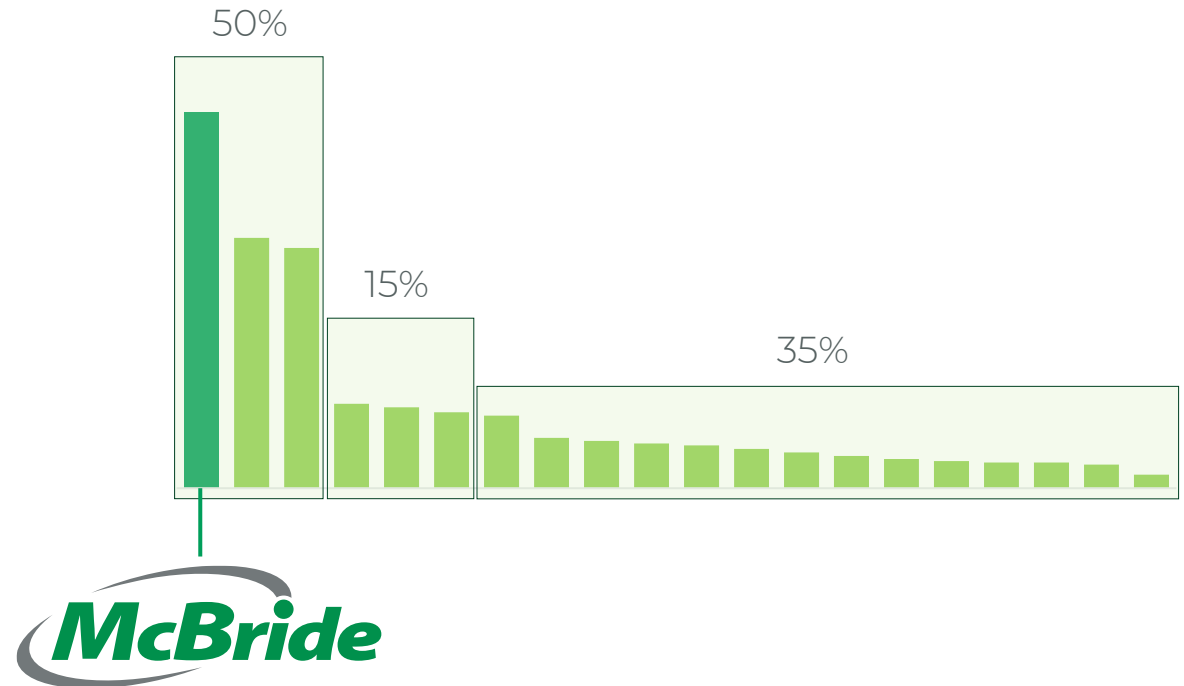


Competitive landscape

How McBride compares with other European players

- Top six nearly two thirds of the market
- Long tail of smaller producers
- Spain: producer / retailer dynamic
- Germany: local supply reduction
- Predominantly family ownerships
- Typically narrow customer base

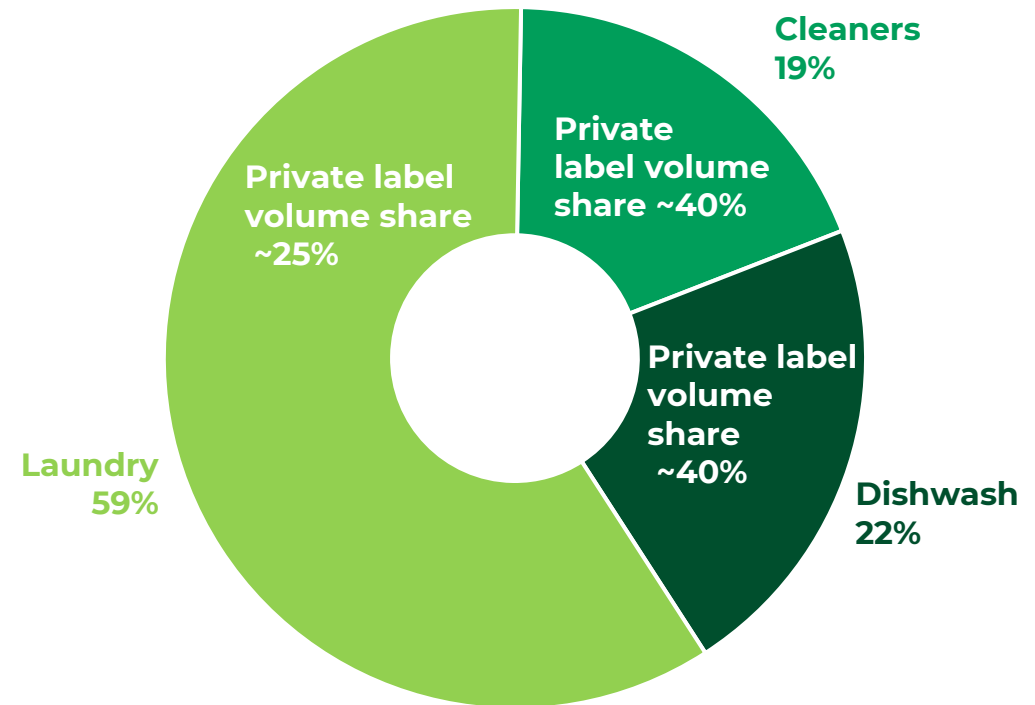
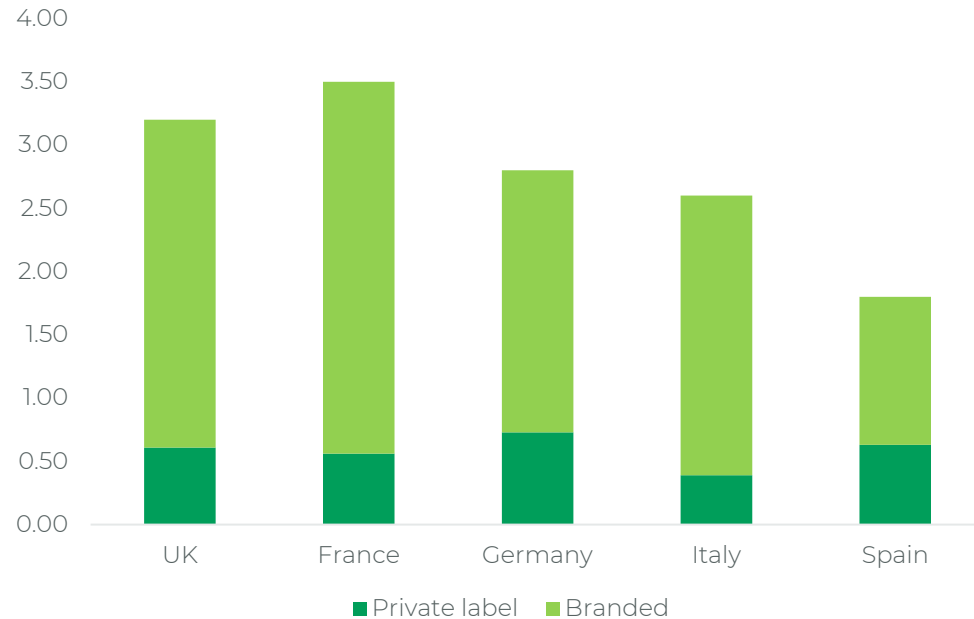
European Household private label producers by revenue



Our markets

Private label household has plenty of scope to grow

Total market (€'bn 2023)



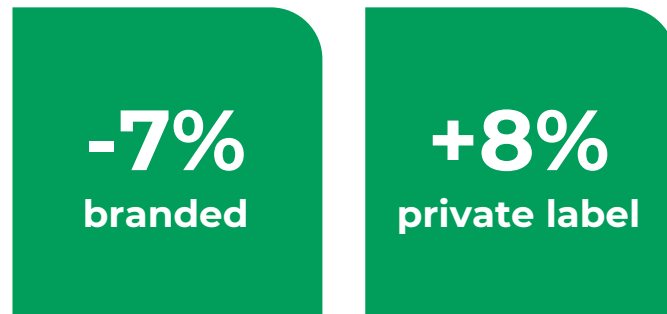
*“Switching to a cheaper alternative is a top reason used by consumers to help with reducing grocery spend”
- Alix Partners: The critical consumer 2024*

* McBride / Kantar data – December 2023

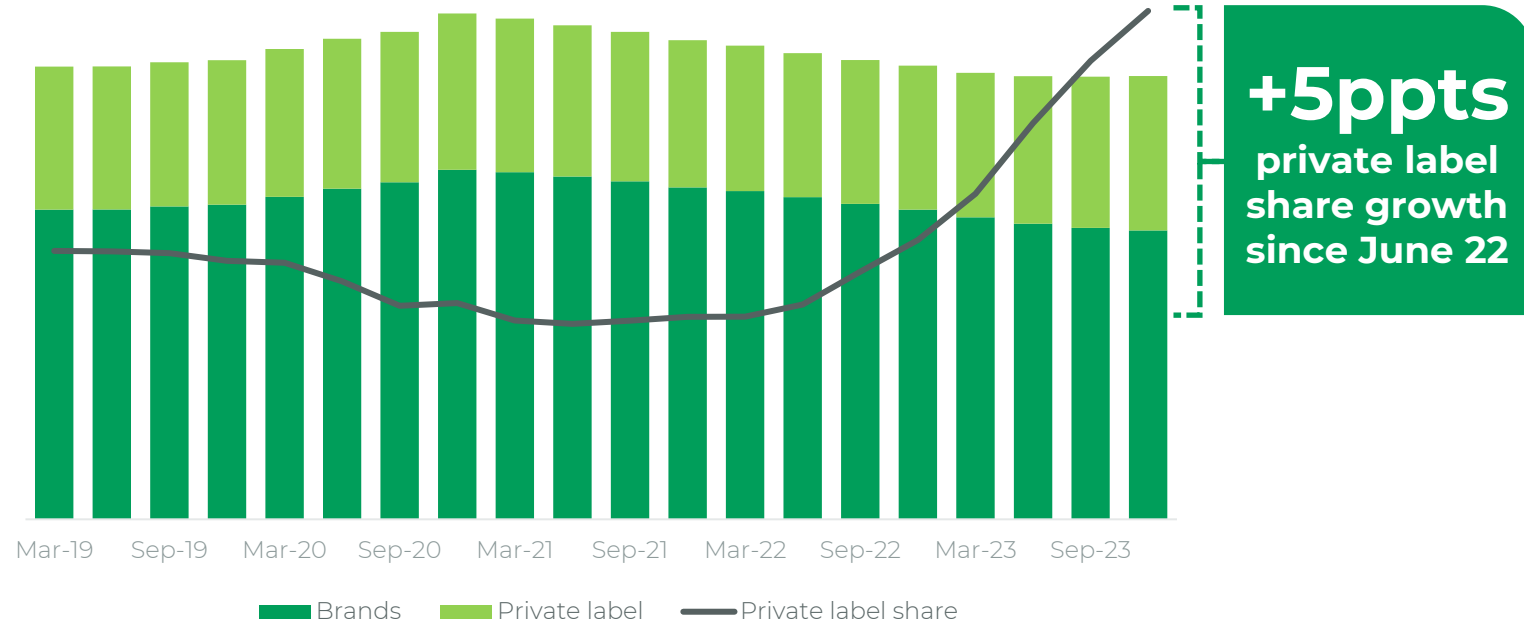
Our markets

Consumers seeking value are continuing to switch to private label

Market volume growth since 2019



Private label share (volume)


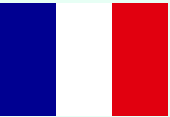





* McBride / Kantar data

McBride's market position

Taking share in a growing private label market

	Private label volume	McBride volume
Household	+7%	+11%
Laundry	+8%	+14%
Cleaners	+3%	+6%
Dishwash	+11%	+17%

		Private label volume	McBride volume
GB		+3%	+8%
France		+15%	+15%
Germany		+7%	+15%
Italy		+8%	+5%
Spain		+5%	+20%

* Kantar data – December 2023 vs. December 2022

We have clear sight on future growth

Where we see the opportunities and priorities

Categories: Laundry

- Private label share of total market
- McBride under indexes

Geography

- #1 in three of top five European markets – extend to other two

Channels

- Lead with the leading retailers
- McBride under indexes with discounters

Contract manufacturing

- Grow share of Group revenues
- Long term structural contracts



Only major
private label
player signed up
to
SBTi

Deep
experience and
presence in all
geographies and
categories

Value creation

Further value opportunities beyond the core plan

- Step change current platforms
- Buy & build, strategic consolidation



McBride – consolidating and expanding our leadership

Everyday value cleaning products so every home can be clean and hygienic

- Expand our position as the #1 European private label producer of everyday household cleaning products
- Capitalise on the consumer shift to private label
- As the preferred supply partner, we will grow share through joint value creation, leading the category with market insight and superior supply and quality reliability
- Leading in sustainability and innovation
- The most competitive product portfolio in the industry
- Specialist, expert and passionate teams, embedded in their sectors

**Revenue
growth
+2%
per annum**

**EBITDA
>10%
of sales**

**ROCE
>25%**

**Net debt
below
<1.5x
EBITDA**



Cost Leadership

Building customer
partnerships to grow

Peter Ingelse
MD Liquids



Overview

Europe's largest supplier of private label liquids

Our market

- All categories supplied in liquids form
- Regional business
- Innovation focus driven by sustainability
- Private label share gain, cost of living challenge

Our business

- Leading position in UK, France, Germany and Italy
- Factories distributed across Europe
- Broad range of products



Private label
market share
from 31% to
35%*

Private label
market
+8%
volume YoY

H1 FY24
revenue
£266m
EBITA
£23m

* Kantar data - Volume 2023 vs 2022

Compass progress

We set four strategic priorities

1. Simplified portfolio, increasing competitiveness
2. Lower cost
3. Enhanced customer proposition
4. Focused growth



~30%
reduction in
formulations
and
packaging

~5%
capacity
increase
through Lean

+12%*
McBride
private label
volume YoY

* McBride data FY21 - 23

Compass next phase

Continuous improvement and driving innovation

- Product sustainability to drive value growth in Liquids
- Generate value at competitive price
- Build valuable customer relationships
- Focused growth



10%
of revenue
from contract
manufacturing

1st
to market
with laundry
in cartons

+5%
capacity
increase
through Lean

Summary

Our winning formula

- Superior local market expertise
- Innovative and sustainable products
- Reliable and trustworthy
- Competitive on price, strong on value





Product leadership
Sustainable innovation
for our customers

Lennard Markestein
MD – Unit Dosing



Overview

Leading private label supplier in top three European economies

Our market

- Convenient and sustainable format
- European business
- High pace of innovation

Our business

- Well-invested asset base
- Portfolio strength in private label
- Long established, expert team

* Kantar data – Dec 2023 vs Dec 2022



Private label
volume share
from 27% to
30%*

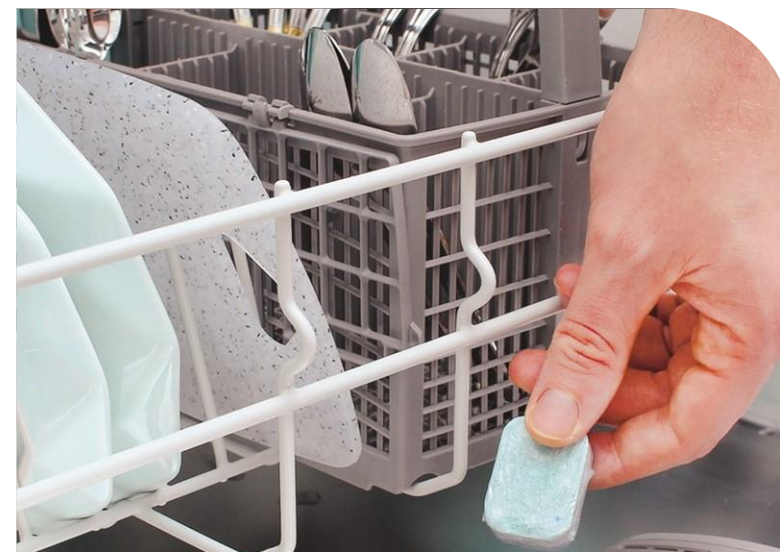
85%
private label
15%
contract
manufacturing

H1-FY24
revenue
£117m
EBITA
£8m

Compass progress

We set five strategic priorities

1. Become specialist supplier
2. Be embedded in the industry
3. Accelerate efficient innovation
4. Invest behind right asset base
5. Be more cost competitive



30+%
of SKUs
less than
1 year old*

Private label
doses sold up
17%**

Private label
share gain in
3 of 5
top
economies***

* McBride data - H1-FY24
** McBride data - H1-FY24 vs. H1-FY21
*** Kantar data - December 2023 vs 2022

Compass progress next phase

Introduce the concept of 'FleXellence'

- Lead as the specialist supplier
- Be ever closer to customers and suppliers
- High pace innovation – sustainable and compact
- Refine our asset base
- 'FleXellence'



Private label
soft dishwash
market
+62%
in 2023*

Over **70%**
packaged in
carton**

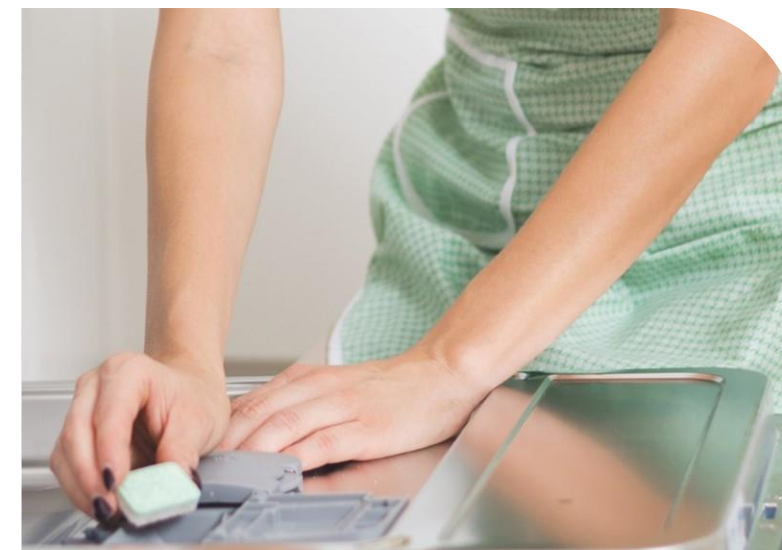
Top 20
customers
87%
of revenue***

* Kantar data
** H1 FY24, consumer units
*** McBride data FY23

Summary

Our winning formula

- Widest supply position in Europe
- Partnering with suppliers and customers
- Leading innovation and sustainability
- Fast portfolio evolution
- ‘FleXellence’, leading through agility



3-4%*

**Volume CAGR
FY23-27**

8-11%

**Return on sales
FY27**

* In doses



Cost leadership

Becoming the 'go-to'
Powder specialist

Marielle Claudon
MD – Powders



Overview

Emerging as the 'go-to' powder specialist

Our market

- Declining market overall in Europe
- Private label gaining share over brands
- Germany and UK still heavy powder users
- Surplus industry capacity

Our business

- Balanced between private label, contract manufacturing and professional (I&I)
- Unique 'two technology' production methods
- Significant capacity platform



Powder
private label
share
39%*

Laundry
72%
powder
market
volume*

H1 FY24
revenue
£47m
EBITA
£3m

* Kantar data – Dec 2023 vs 2022

Compass progress

We set four strategic priorities

1. Low cost
2. Asset utilisation
3. Technical capability upgrade
4. Targeted market opportunities



13%
revenue CAGR
FY21–23

+13%
efficiency
improvement
FY21–23

11
product
awards in two
years

Compass progress next phase

Greater ambition as we become the 'go-to' powder specialist

- Be the clear low-cost leader
- Improved asset utilisation for cost and capacity
- Continued technical capability upgrade, sustainability-led
- Targeted geography and channel opportunities



25%
formulation
rationalisation

46 tonnes
plastic saving
target through
cardboard for auto
dishwasher powder

3
priority
countries

Summary

Our winning formula

- Efficient powder specialist
- Broad scope: from low-cost to premium winners
- Two complementary manufacturing platforms
- Core part of McBride laundry offer
- Strong insight into contact manufacturing and private label needs



0%
volume CAGR
FY23–27

4-7%
Return on
sales FY27



Product leadership

Fast, Agile, Reliable

Marc Marot
MD - Aerosols



Overview

Growing niche player

Our market

- A growing market
- Strong manufacturers in key markets
- Sustainability is a top priority

Our business

- Establishing position as product leader in personal care and household
- Fostering innovation
- Targeting niche markets
- Shifting portfolio to higher-margin opportunities

* French Aerosol Association



3%
Market growth
CAGR*

53%
Personal Care
22%
Household
products

H1 FY24
revenue
£25m
EBITA
£1m

Compass progress

We set three strategic priorities

1. Expand horizons beyond France
2. Build on operational excellence
3. Capitalise on innovation and eco credentials



#1
in France

>98.5%
Customer
Satisfaction
Score

12%
Private label
CAGR volume
FY21-23

Compass next phase

Leverage niche role and expertise in the market

- Innovation remains key
- Collaborate with customers to grow market reach
- Expand into new territories
- Invest in additional capacity and capabilities



FY27
Germany to
equal France

50%
Plastic
reduction air
freshener caps

**Six
months**
new product
turnaround

Summary

Our winning formula

- Proven track record: Fast, Agile, Reliable
- Positive market dynamics
- Well-positioned as strategic partners
- Leading on innovation
- Drive further growth



>10%

**Volume CAGR
FY23-27**

7-10%

**Return on
sales FY27**



Cost & Value Leadership

Deliver to grow

Teong Dee Ong
MD – Asia Pacific



Overview

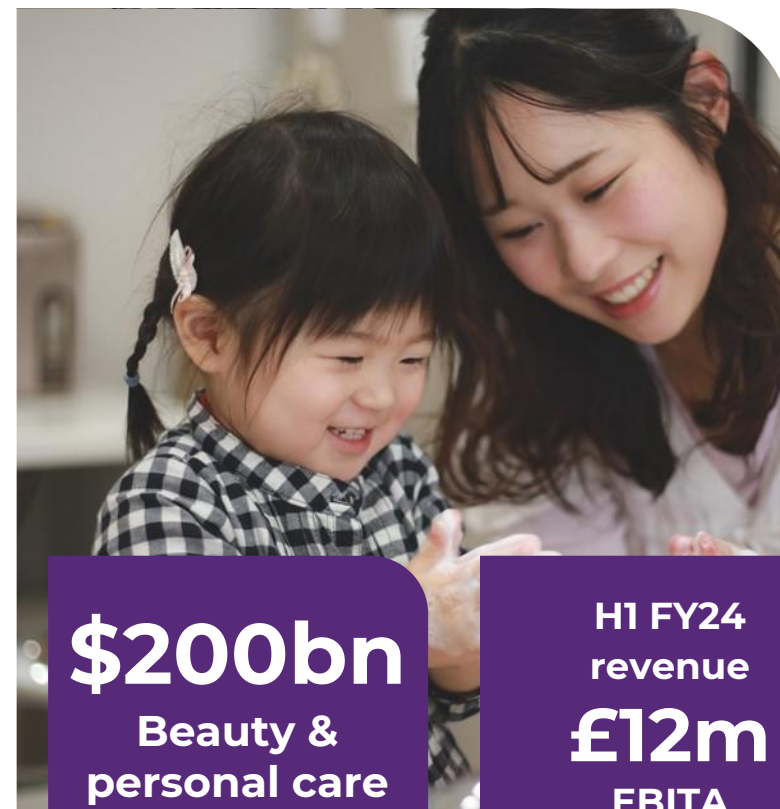
Building a new platform for growth

Our market

- Asia Pacific: the fastest growing economy worldwide
- Growing middle class prioritising health & wellness
- Increasing awareness of environmental issues
- Fragmented, localised supply base

Our business

- Focus in ASEAN and Australia/ New Zealand
- Strong private label supply position for personal care
- Track record of business growth
- Leveraging Group expertise in region
- Blue chip credentials



4.6bn
Population

\$200bn
Beauty &
personal care
market*

H1 FY24
revenue
£12m
EBITA
£1m

* Deloitte and McBride 2023 report

Compass progress

We set five strategic priorities

1. Invest in flexible manufacturing capacity
2. Develop household and regional format capability
3. R&D drive behind sustainability
4. Wider relationships for new growth
5. Keen cost focus



>150%

increase in
capacity in
Malaysia

3x

capacity with
additional
equipment

>60

new business
wins
since FY21

Compass next phase

Leverage our extended manufacturing footprint

- Leveraging capacity
- Developing relationships for Contract Manufacturing
- Lead through innovation and superior service
- Target further cost efficiencies
- Extend regional reach for Private Label



6%

APAC private
label as % of
total FMCG
sales*

460m

population of
IDN, THA, PHP

45% of

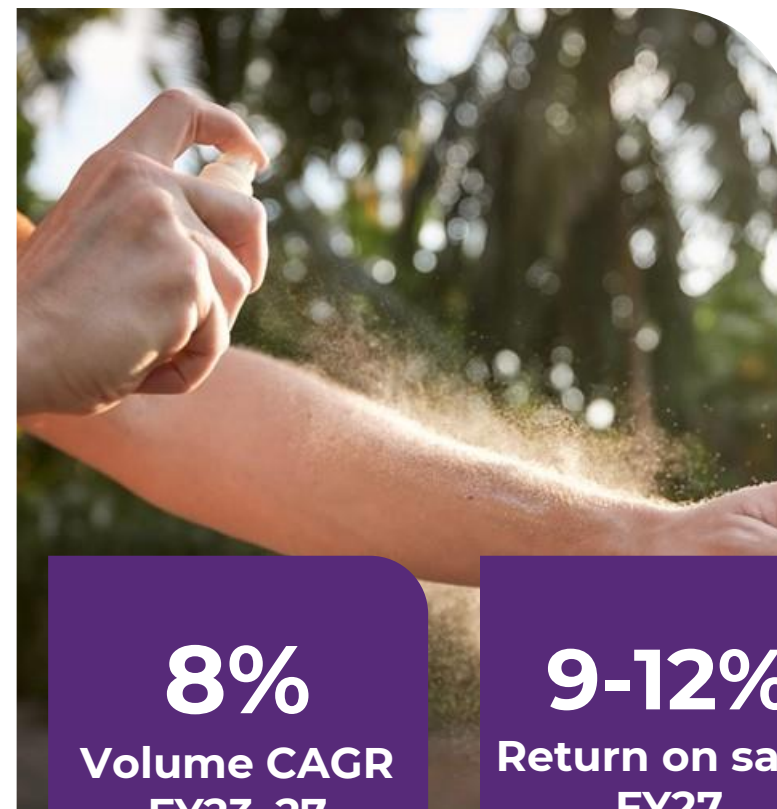
sales revenue
exported from
Malaysia
facility

* Nielsen IQ data

Summary

Our winning formula

- Exploit capacity platform to support regional growth
- Value proposition backed by blue chip credentials
- Local end-to-end capability, backed by group expertise
- Private Label expertise in a growing region
- Cost competitive ranges



8%
Volume CAGR
FY23-27

9-12%
Return on sales
FY27



Q&A #1

Focus on divisions



Welcome back

Transformation agenda

Chris Ward
Chief Transformation Officer



Our transformation journey

Building centres of excellence and best in class processes

Context

- Need for change consistent vs original hypothesis
- CTO joined in October 2022
- Line of sight to £50m of net benefits, annualising at £17m EBITA in year 5 (FY28)

Transformation design principles

- Partnering with world class organisations to 'do it properly'
- Internal resources deployed to the programmes and 100% backfilled
- Full traceability of benefits aligned to divisional and functional targets

Investment:
£13m opex
£15m capex

Margin: Costs
40:60

Breakeven
Jan 25

Transformation scope

Gold programmes

Implement a core operating model across Europe

- Deployment of SAP S/4 HANA Enterprise Resource Planning platform
- First deployment in spring 2025 (UK) and completed by autumn 2027

Build a sales and marketing centre of excellence

- Specialist training and development
- Commercial processes
- New tools and insight

Develop a 'Service Excellence' programme

- Improved, consistent and transparent service
- Demand planning, supply chain planning and inventory optimisation
- Physical logistics network evolution

The NTT DATA logo consists of the words "NTT DATA" in a bold, blue, sans-serif font.The SIMON KUCHER logo features the name "SIMON KUCHER" in a bold, black, sans-serif font. To the right of "SIMON" are two red diamonds. Below the name is the tagline "Unlocking better growth" in a smaller, red, sans-serif font.The KAIZEN INSTITUTE logo features a stylized graphic on the left consisting of a red triangle pointing up and a blue triangle pointing down, meeting at a diagonal line. To the right of the graphic is the text "KAIZEN™" in a bold, blue, sans-serif font, with "INSTITUTE" in a smaller, blue, sans-serif font below it.

Transformation scope

Silver programmes

Digital transformation in Human Resources Management

- Core HR platform modernisation programme
- Digitisation of payroll operations
- Modernise employee time and attendance solutions

Build out contract manufacturing strategic partnerships

- Thought leadership in packaging and product innovation
- Moving from 'fast follower' to innovation leader

Develop a culture of operations and overheads excellence

- Production process re-engineering
- Aligning overheads to volume growth



Gold programme example

Implementing a world class ERP platform across Europe



Speeding up our processes

Accelerating our internal processes optimising efficiency and enhancing productivity



Finance

The current process between Financial and controlling activities is a highly manual process.

Reconciliation is automated and in real time



Go to market ability

The current process is highly manual and involves up to 20 people to execute.

The process will become a linear automated digital workflow

This will speed up our 'go to market' ability by weeks



Reduced manual intervention

Automation capabilities will significantly reduce manual intervention, streamlining operations and refocusing our attention



Quality Management

Increased traceability of raw materials and packaging and reduced manual work to follow-up batch codes



Asset Management

Reduce asset maintenance cost by up to 1.5%



Manufacturing

Reduce un-planned downtime or outages by up to 2.5%



Improved data quality and insight

Enhancing data quality and gaining deeper insights through real time analytics, enabling informed decision making



"In S/4HANA, Post Code and VAT/Tax number fields for customers and vendors have an automatic legal check, improving data accuracy and compliance and reducing the risk of error and manual re-work"



"Foreign Currency Valuation will be standardised across the Group using new S4/HANA functionality, this will produce instantaneous valuation, reducing manual workarounds, and will ensure consistency across all sites"

Financial outcomes

Delivering shareholder value

Mark Strickland
Chief Financial Officer



Five divisions plus Corporate

Tailored strategies in place to optimise the performance of each division

FY23 Full Year	Liquids	Unit Dosing	Powders	Aerosols	Asia Pacific	Corporate	Total Group
Revenue (£m)	497.9	234.2	85.9	46.2	24.8	n/a	889.0
Adjusted Operating Profit/(Loss) (£m)	10.5	10.0	(0.7)	0.3	1.1	(7.7)	13.5
Adjusted Operating Profit/(Loss) %	2.1%	4.3%	(0.8)%	0.6%	4.4%	n/a	1.5%
ROCE	9.1%	16.0%	2.4%	2.7%	11.6%	n/a	6.4%

FY24 H1	Liquids	Unit Dosing	Powders	Aerosols	Asia Pacific	Corporate	Total Group
Revenue (£m)	266.4	116.5	47.2	25.4	12.5	n/a	468.0
Adjusted Operating Profit/(Loss) (£m)	22.8	7.9	3.2	0.5	0.7	(4.6)	30.5
Adjusted Operating Profit/(Loss) %	8.6%	6.8%	6.8%	2.0%	5.6%	n/a	6.5%
ROCE	28.3%	28.9%	12.6%	9.4%	9.1%	n/a	22.8%

* Group ROCE calculated as per McBride statutory accounts definition / divisional ROCE calculated on a simplified basis

Concentration on cost and margin enhancement

Transformation FY24 to FY28 is at the forefront of our plans

Transformation agenda delivers net £50m benefit

- Six well-defined programmes
- Clear accountability
- Experienced and well-resourced teams
- Tracking and regular progress reviews
- Matures at c. £17m p.a. (€20m)

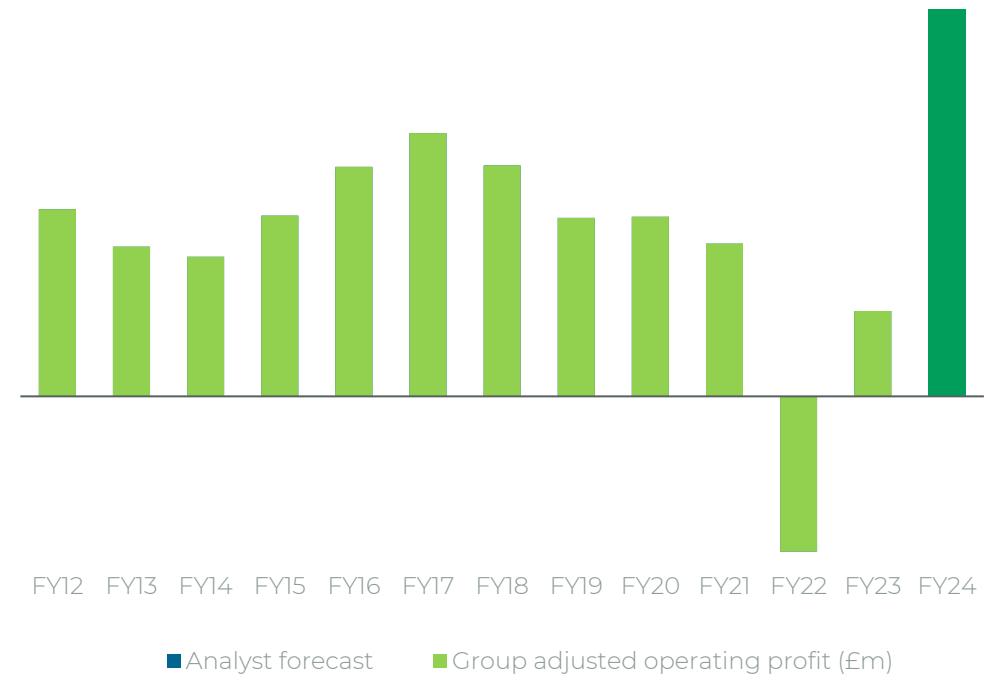
Historically stable financial performance

Recovery following exceptional inflation in FY22

Resilience – business always recovers

Strategy delivers improved outcomes

- Purchase contract layering
- Hedging for purchases
- New customer pricing approach



Exceptional costs and pensions

Focus on stability

Exceptional costs

- No significant cash costs currently envisaged
- Forwards costs will predominantly arise from transformation activities

Pensions

- Move to “Enplan”
 - Enhanced professional management of scheme
- Triennial valuation as at 31 March 2024
- Base cash contribution of £4m p.a.
- Additional, profit-related cash contributions from 1 October 2024

Capital expenditure and depreciation

Future plans do not require excessive capital

Average Capex per annum

- FY17 – FY21
 - Average £21.2m
- FY22 to FY23
 - Average £13.7m
 - Cash conservation through tough trading period
- FY24 to FY27
 - Average +/- £25m
 - More available for earnings enhancement

Key points

- Co-investing for capacity
- Utilising low-cost Asian suppliers
- Delivering more for less
- Selective refresh programme targeted to biggest growth areas

Supporting key strategic projects

- SAP S/4 Hana
- Liquids expansion
- Unit Dosing innovation

Cash and net debt

Ability to deliver shareholder value enabled by strong cash generation

Strong cash inflows

- H1 FY24 free cash flow £48.6m
- H1 FY24 cash conversion strong at 119%

Significant debt reduction

- H1 FY24 £20.8m
- More to come

Trade working capital c.10% of sales

Main underlying cash outflows:

- Capital expenditure
- Interest
- Pensions
- Tax

Capital allocation

Investing in sustainable profitable growth is key

Priority is investment which drives further profitable growth

Debt reduction - mid-term target for net debt to adjusted EBITDA of 1.5x

- Below 2x - flexible dividend policy at Board's discretion

Deviation from above only for exceptional value enhancing initiatives

- Footprint expansion / increased capacity / exceptional growth
- M&A

Dividend policy

Flexible model delivers pay-outs when appropriate and affordable

Refinancing required to remove dividend block

Then:

- At Board's discretion
- Only considered if net debt to EBITDA leverage ratio is 2x or less
- Dividends paid annually

Leverage

1.5x to 2x	Base dividend	Cash
1.0x to 1.49x	Additional distribution considered	Cash / share buy-back / retain at Board's discretion
Below 1.0x	Special distribution considered	At Board's discretion

Measuring progress and success

Key milestone metrics over the next five years



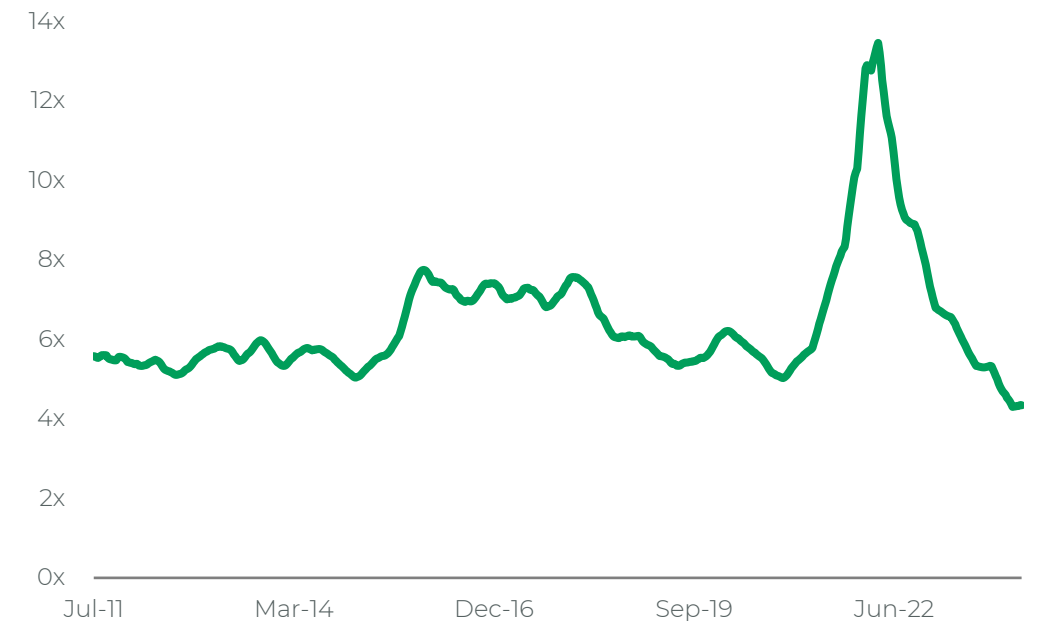
Additional shareholder value could be created

Opportunities to upscale

Opportunities / options exist to further enhance returns



McBride's share price is trading at less than its five-year and 10-year average EV/EBITDA



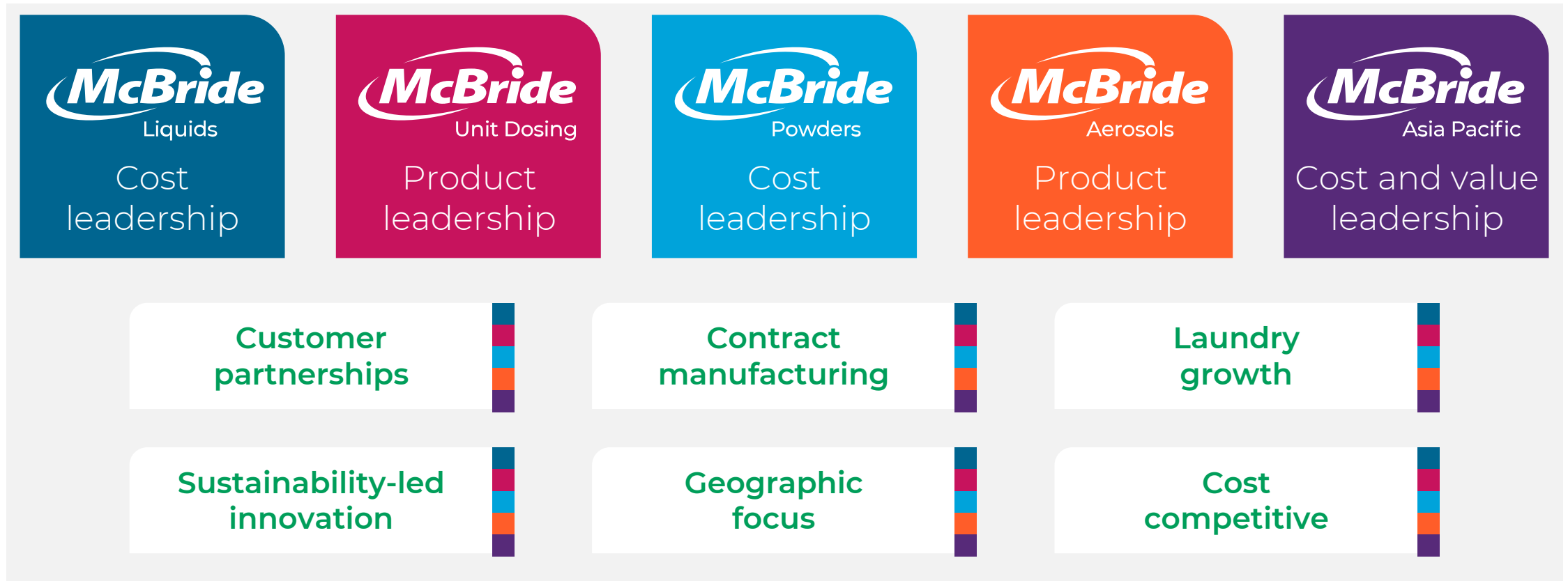
Summary

Chris Smith
Chief Executive Officer



The divisional strategies have consistent themes

Our platforms to deliver sustainable, profitable growth



Why we'll continue to win

Strong momentum – consolidating and strengthening our leading position

- Customer and consumer at the centre of everything we do
- The leading experts and specialists in the sector with pan-European presence
- Economies of scale: the best value and cost proposition
- Strong and leading capability in ESG, blue chip credentials
- Transformation programme: laying the platform for the future
- Experienced, passionate and committed teams

Our strategy and targets are clear

Key takeaways

- Markets shifting to private label. McBride gaining share
- McBride the clear leader: delivering the expertise, specialism and focus to win
- Earnings resilience actions
- Core plan delivering attractive financial returns
 - Growth opportunities: laundry, Germany, Spain
 - Transformation programmes underpinning excellence in core activities
- Additional value opportunities beyond the core plan

Revenue
growth
+2%
per annum

EBITDA
>10%
of sales

ROCE
>25%

Net debt
<1.5x
EBITDA



Q&A #2

Appendix



Return on capital employed

Group adjusted ROCE is defined as adjusted operating profit divided by the average of the current and prior period-end capital employed.

Capital employed is defined as the sum of: goodwill and other intangible assets; property, plant and equipment; right-of-use assets; inventories; trade and other receivables; less trade and other payables.

The actual ROCE delivered is shown below:

FY24 H1	FY23	FY22	FY21	FY20
22.8%	6.4%	(11.4)%	11.5%	12.8%