

McBride plc
Preliminary Results
Presentation

3 September 2013



Passionate about Private Label

Summary

Chris Bull – Chief Executive Officer

Introduction



- A challenging year with a revenue decline in contract manufacturing as expected and intensified branded competition
- Product launch programme successfully executed with Private Label revenue returning to growth in the second half
- Adjusted operating profit⁽¹⁾ down 19%
- Net debt of 1.7 x adjusted EBITDA⁽¹⁾
- Dividend maintained
- Executive responsibilities re-focused to drive the growth and cost-competitiveness agendas

(1) Certain of these KPIs reflect adjustments to amounts determined in accordance with IFRSs. Adjustment is made for specific items that are considered to hinder comparison of the trading performance of the Group's businesses either year-on-year or with other businesses. During the periods under review, adjustment was made for the amortisation of intangible assets recognised in business combinations, changes in the estimate of contingent consideration arising in business combinations and the related interest expense, and exceptional items.

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Financial review

Richard Armitage - Chief Finance Officer

Financial headlines



	2012-13	2011-12	Y/Y	Constant Currency	
				2011-12	Y/Y
Revenue (£m)	761.4	813.9	-6%	803.0	-5%
EBITA (£m)	24.0	29.5	-19%		
EBITA margin	3.2%	3.6%	-0.4 pts		
Profit before tax (£m)	18.4	23.7	-22%		
Diluted earnings per share (p)	7.5	9.7	-23%		
Payments to shareholders per share (p)	5.0	5.0	+0%		
Cash generated from operations (£m)	39.3	39.5	-1%		
Net debt (£m)	86.8	81.2	+7%		
Financial KPIs					
ROCE	12.4%	14.7%			
EBITA margin	3.2%	3.6%			
Asset turnover	3.7	4.1			

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Income statement



	2012-13 £m	2011-12 £m	Y/Y
Revenue	761.4	813.9	-6%
Gross profit	247.1	255.6	-3%
Gross margin	32.5%	31.4%	1.1pts
Distribution costs	(51.4)	(52.4)	-2%
Administrative costs	(171.7)	(173.7)	-1%
EBIT	24.0	29.5	-19%
Net financing costs	(5.6)	(5.8)	-3%
Profit before taxation	18.4	23.7	-22%

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Regional performance – Revenue (1)



	2012-13	2011-12	Y/Y	Constant Currency	
	£m	Re-presented £m		2011-12	Y/Y
UK	286.3	309.0	-7%	309.0	-7%
Western Europe	409.9	448.7	-9%	438.0	-6%
Rest of the World	65.2	56.2	+16%	56.0	+16%
Total	761.4	813.9	-6%	803.0	-5%

(1) Revenue is by geographic origin

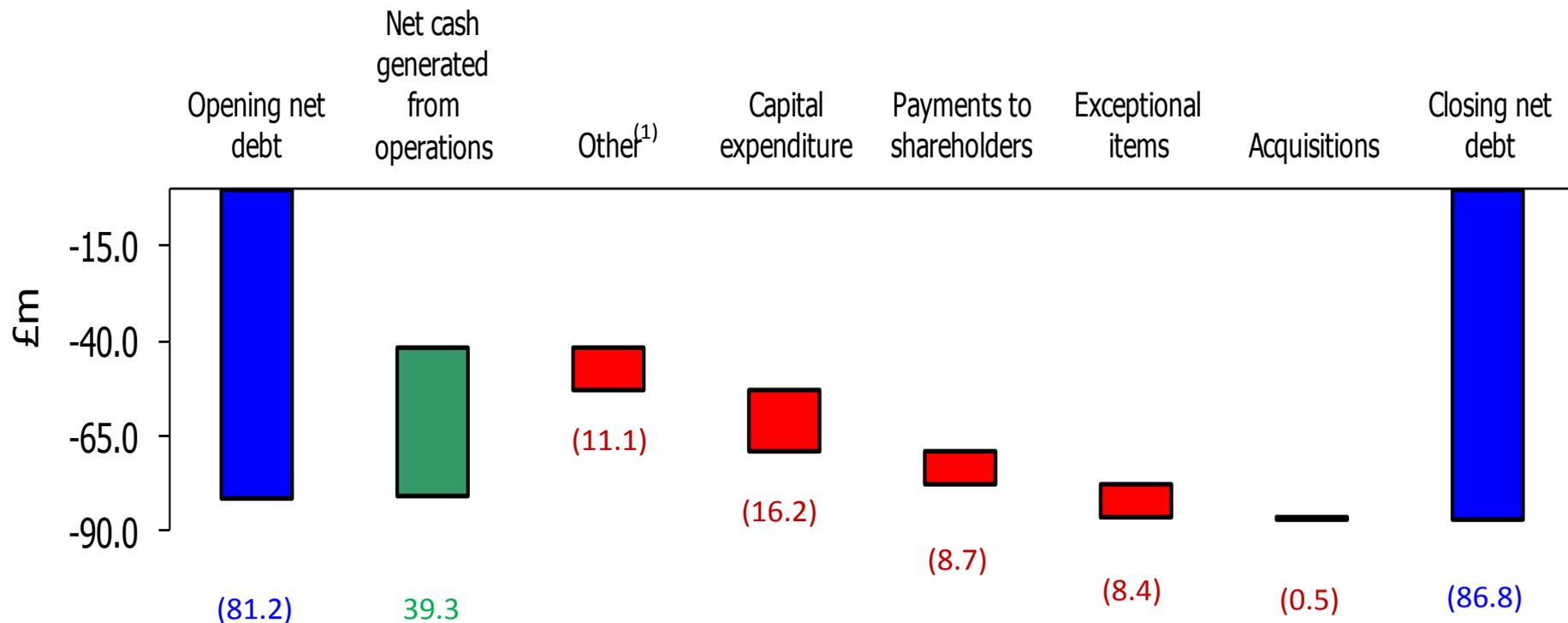
Regional performance – Operating profit



	£m	£m	
UK	14.9	20.1	-26%
Western Europe	14.3	16.5	-13%
Rest of the World	2.0	0.3	+567%
Total segments	31.2	36.9	-15%
Corporate	(7.2)	(7.4)	+3%
Total	24.0	29.5	-19%

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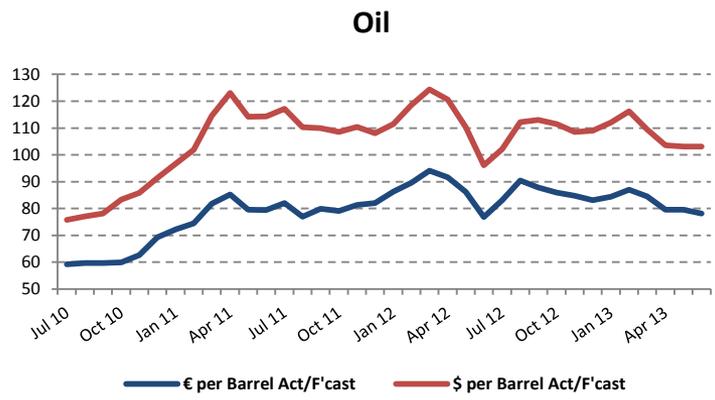
Movement in net debt June 2012 to June 2013



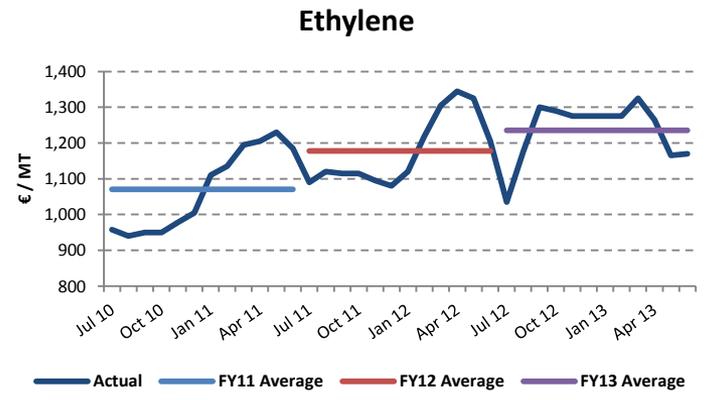
(1) Other includes finance costs, foreign exchange, proceeds from the sale of non-current assets and net receipts from issue of share capital

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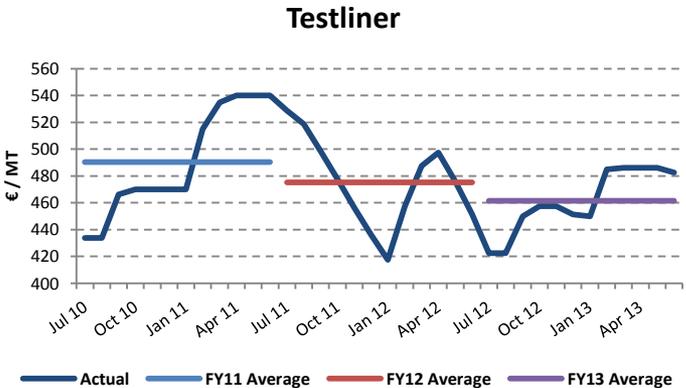
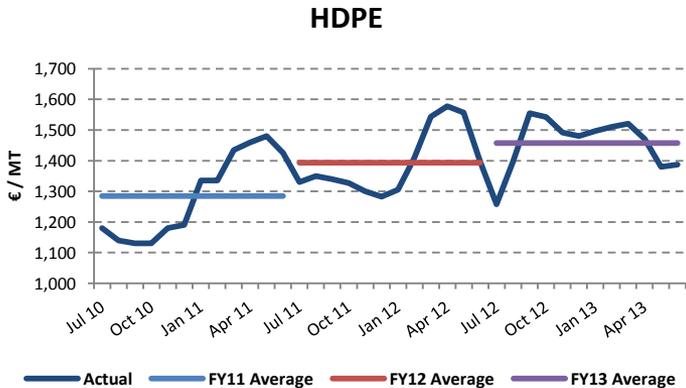
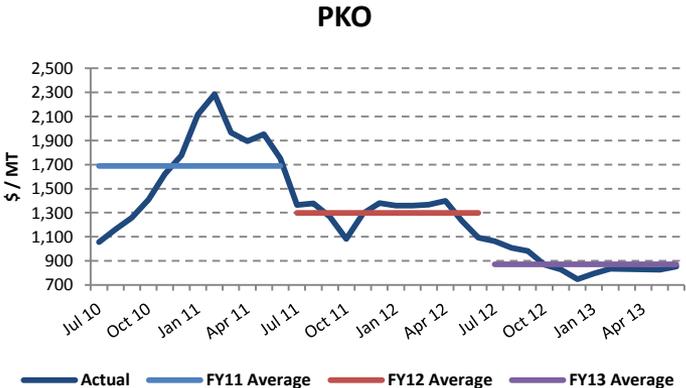
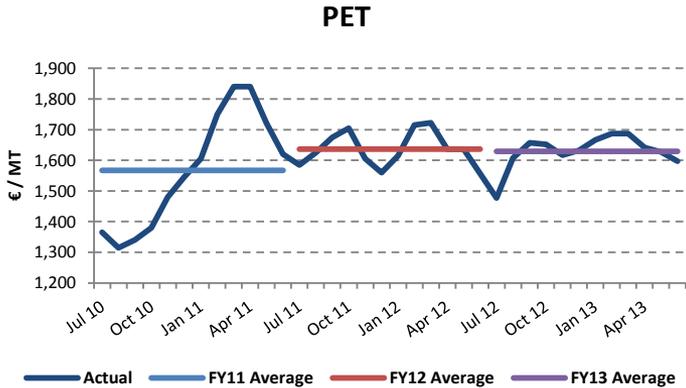


Oil in €/barrel has dipped slightly through the year as a consequence of a declining US\$ oil price and stronger Euro



... Ethylene has followed in recent months but remains around the average for the last two years

Key feed-stocks



Sustained Ethylene and plastics prices are offsetting modest reductions in natural oil and paper to leave material costs stable year-on-year

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Cost management to accelerate



- A wide range of projects will underpin the delivery of 2013/14 results:
 - Optimisation of the Supply Chain for Western Continental Europe
 - The first phase of a programme to reduce Group distribution costs
 - Significant savings from the consolidation of Group functions carried out in 2012/13
 - Year three savings from our Operational Excellence programme
- New Group structure will allow us to realise substantial synergies:
 - Growth in Central and Eastern Europe creates the imperative to build capacity and support growth in those markets
 - Availability of resource in mature Western European markets that can be re-focused to meet those needs
- We will achieve the lowest imaginable cost in:
 - Manufacturing
 - Distribution
 - Back-office processes

Summary

Chris Bull – Chief Executive Officer

What we have achieved so far

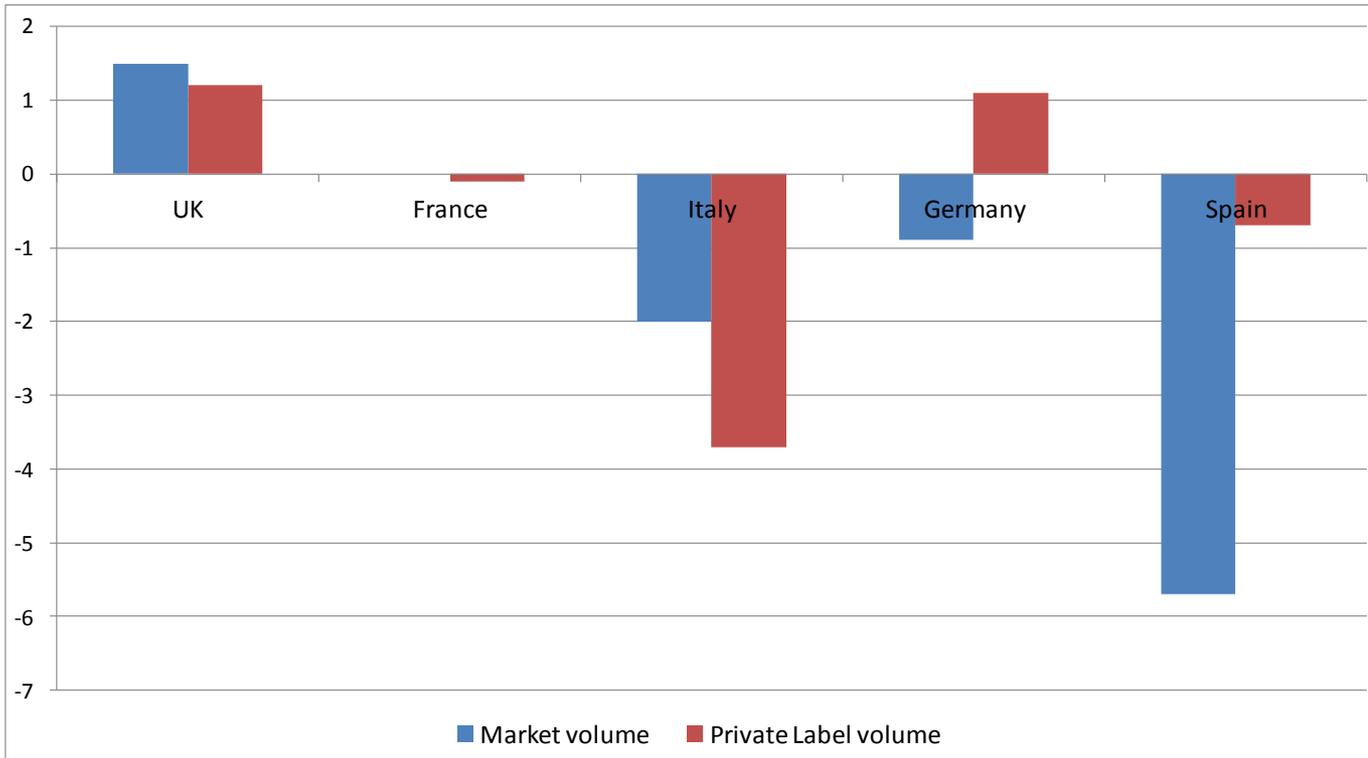


- Successful delivery of our product launch programme;
Core and Future Growth categories up to 49% of Private Label sales (2012:47%)
- Strong growth in Germany and Poland;
- Year two Operational Excellence savings achieved and restructuring savings targets delivered;
- Reorganisation completed and working well;
Establishment of a Group-led R&D function
- Strengthened our capability in our Asia Pacific business ;
Developing & Emerging markets up from 9% to 11% of Group revenues
- Substantial new contracts won in Germany in the pipeline.

Tough trading conditions across Europe in the Household sector



% change vs prior year



UK, France, Italy, Germany, data 52 weeks to June 2013

Spain 52 weeks to Dec 2012

Sources: Kantar Worldpanel (UK), Symphony IRI, GfK

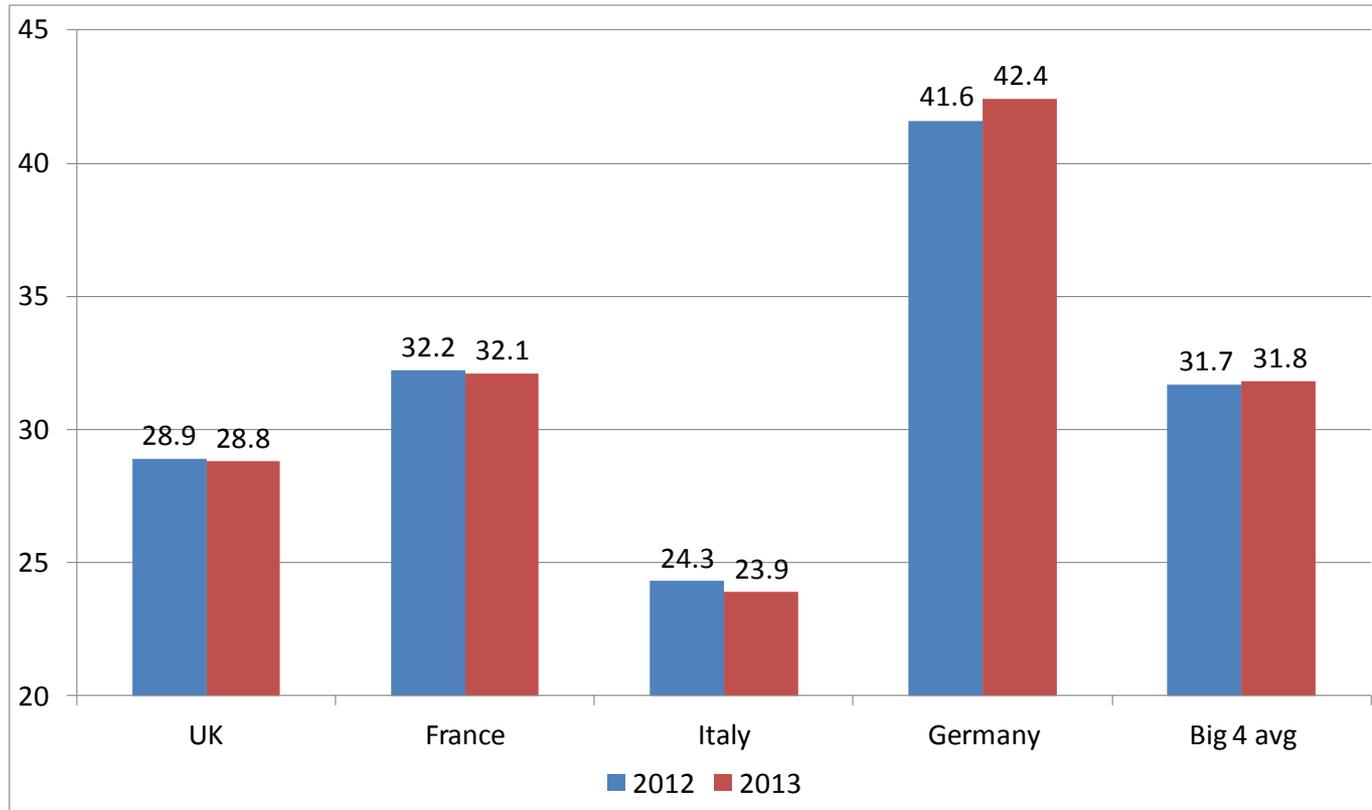
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Private Label Household volume shares 2013 vs 2012



% volume share



UK, France, Italy, Germany, data 52 weeks to June 2013
Sources: Kantar Worldpanel (UK), Symphony IRI, GfK

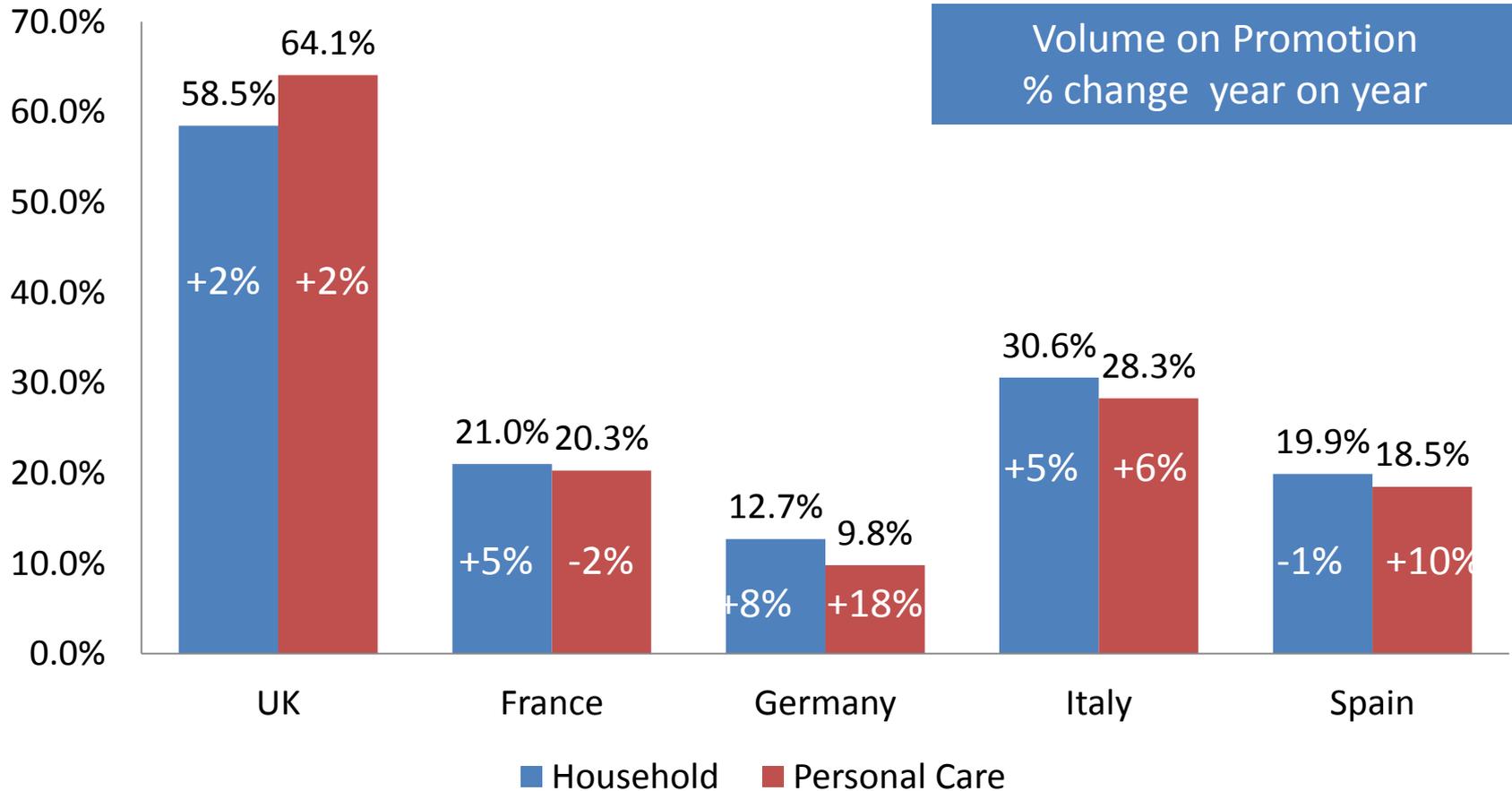
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Household and Personal Care products on promotion to end March 2013



% Volume on deal latest year



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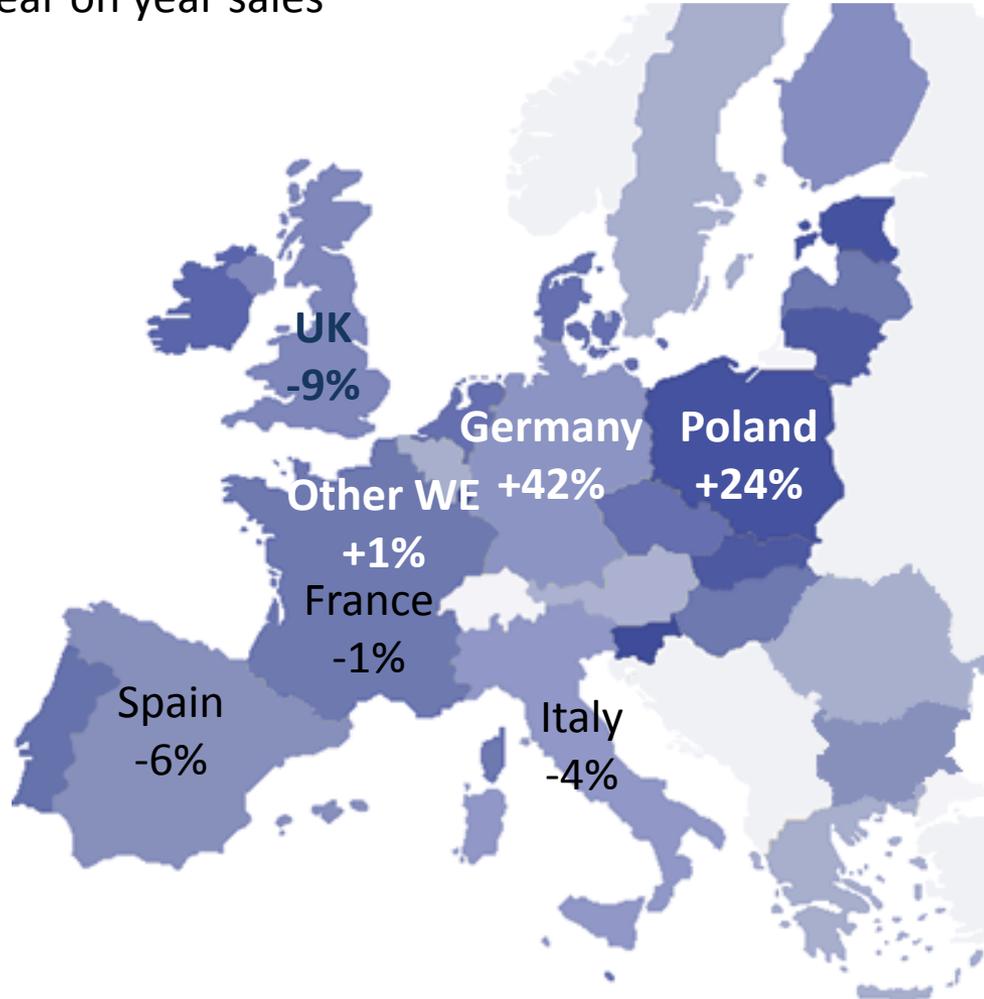
Source: IRI July 2013 Special report: Pricing and Promotion in Europe - Data to March 2013

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Where we are achieving growth



Private Label year on year sales



Total D&E +16%

of which:

Australia +58%

Asia Pacific D&E +11%

Poland +24%

Other D&E + 6%

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Growth through NPD

- Extensive product launches
- All Categories
- All key markets



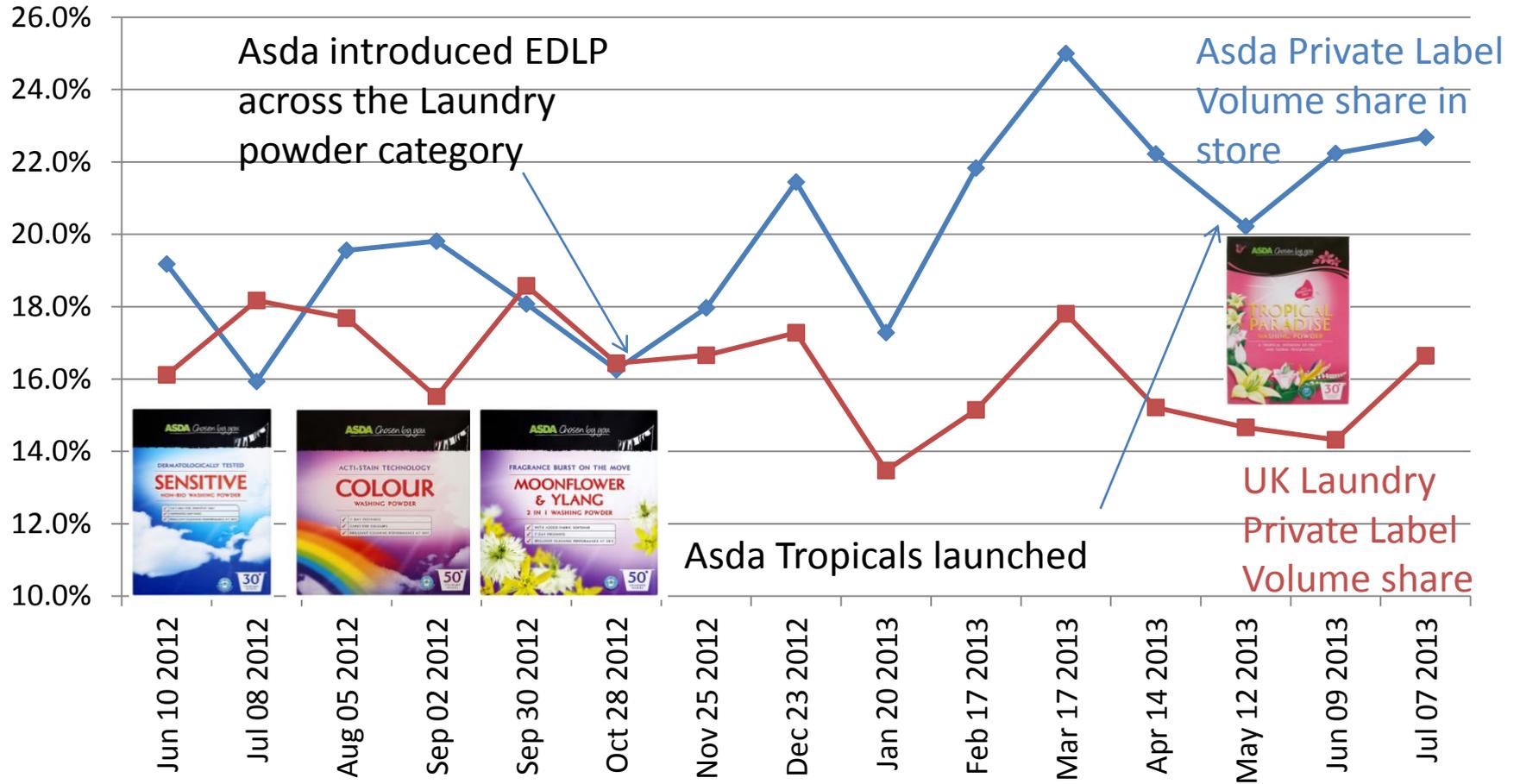
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Driving EDLP In Asda Laundry powders



% PL volume share



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Investment Plans



Product
£7.0m

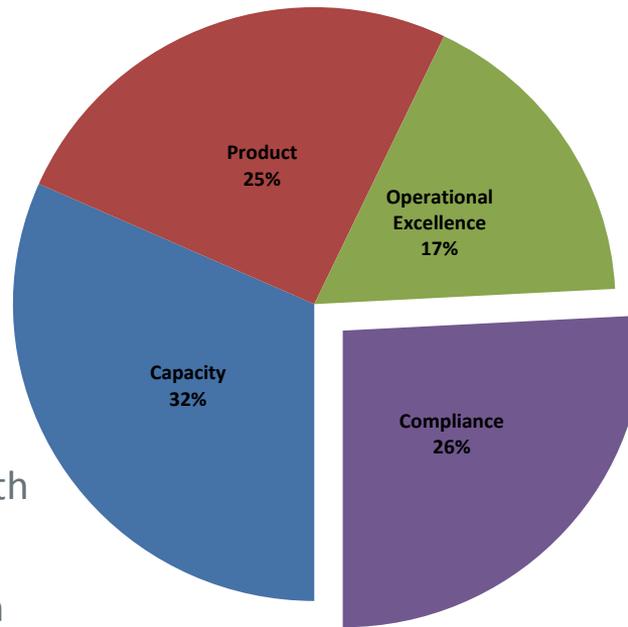
- New packaging formats
- Product launch pipeline
- Safety enhancements

**Profit
generating
£20.4m**

Capacity £8.7m

- Machine dishwashing growth
- Laundry liquids growth
- Eastern European expansion

**Total FY14 spend
£27.5m**



Operational Excellence
£4.7m

- End of line packing
- Waste recycling
- Automation
- Materials handling
- Machine efficiency

**Maintenance and
Compliance
£7.1m**

Key Priorities for 2014



- Drive Group revenue by building our new product launch pipeline
- Leverage our unique capabilities to grow substantially in the mass markets of Central and Eastern Europe; and build for the future in Asia Pacific
- Restore profitability in UK and Western Europe through selective category growth and re-shaping of the cost base
- Drive the substantial Supply Synergies made possible through the Group reorganisation
- Utilise our well-developed competences in operational excellence, back-office processes and logistics management to drive ongoing and challenging cost reduction programmes

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Q&A

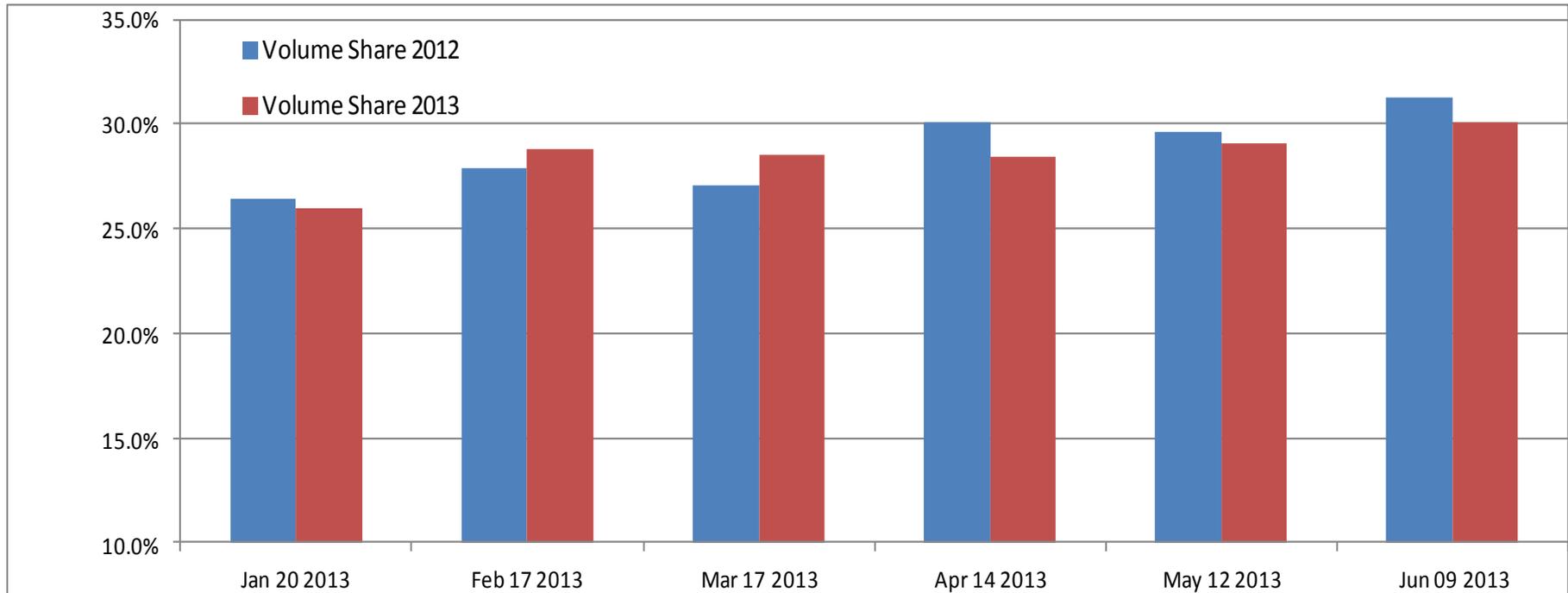
Appendix

UK Household Private label Value and Volume share Jan – June 2013



Private label momentum regained in Q4
following flat Q3 impacted by branded 'Spring clean' promotional activity

% Private Label



Source: Kantar Worldpanel

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Our planned business

Growth markets with scope for market share gain

Robust business model with strong product offerings and expertise

Strong balance sheet enabling acquisitions and geographic expansion

Plus:

A rationalised and enhanced operating platform

Increased customer responsiveness and flexibility

Solid architecture for product and geographic expansion

Business model



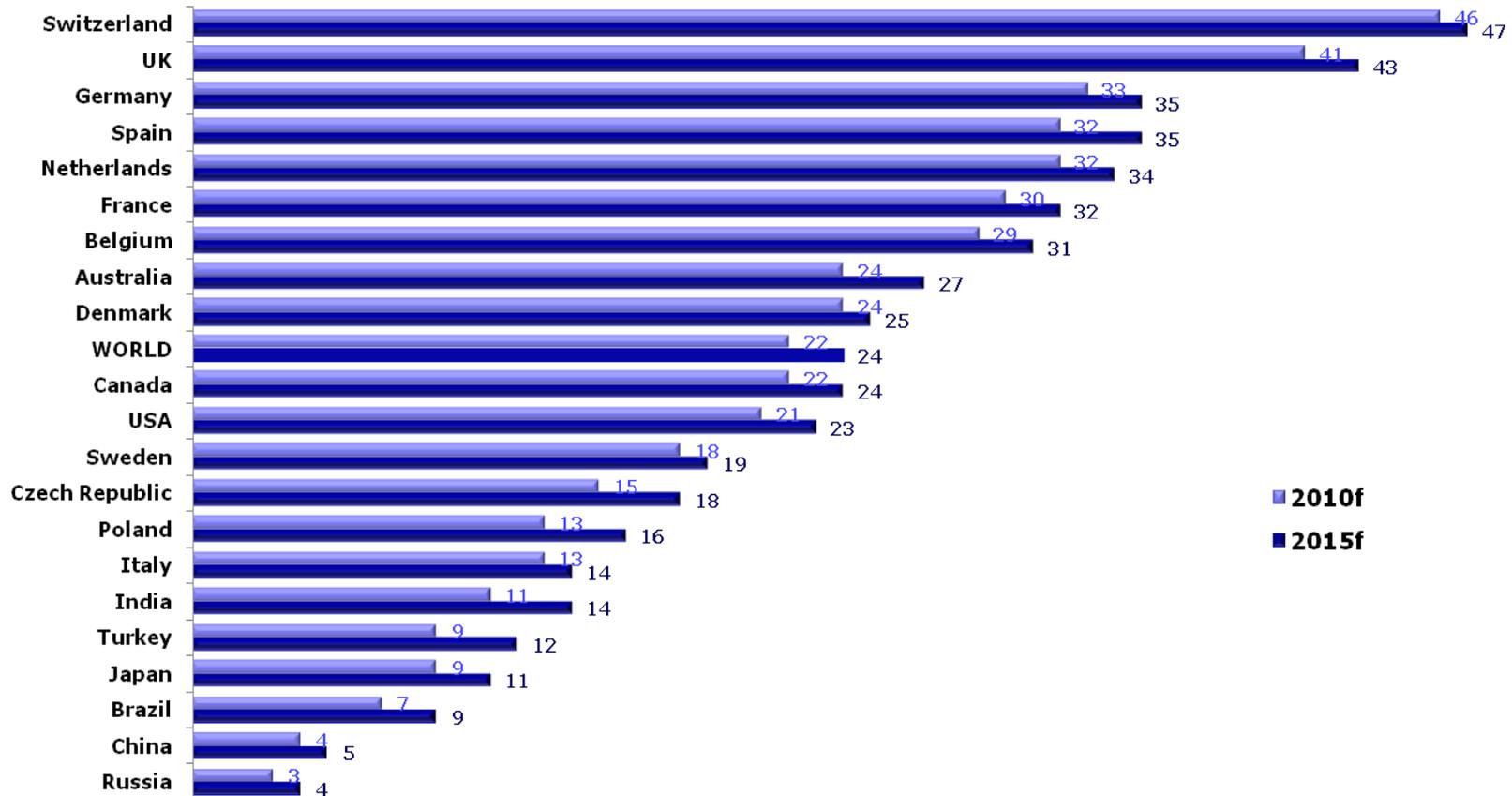
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Private Label forecast to grow in all markets



Global: Private Label Penetration by Value, 2010-2015 (%)



Note: Based on selected mature and emerging markets; f - forecast. Estimated shares of MGD sales; may exclude fresh produce.

Source: Planet Retail Ltd, www.planetretil.net; partly based on Nielsen and GfK

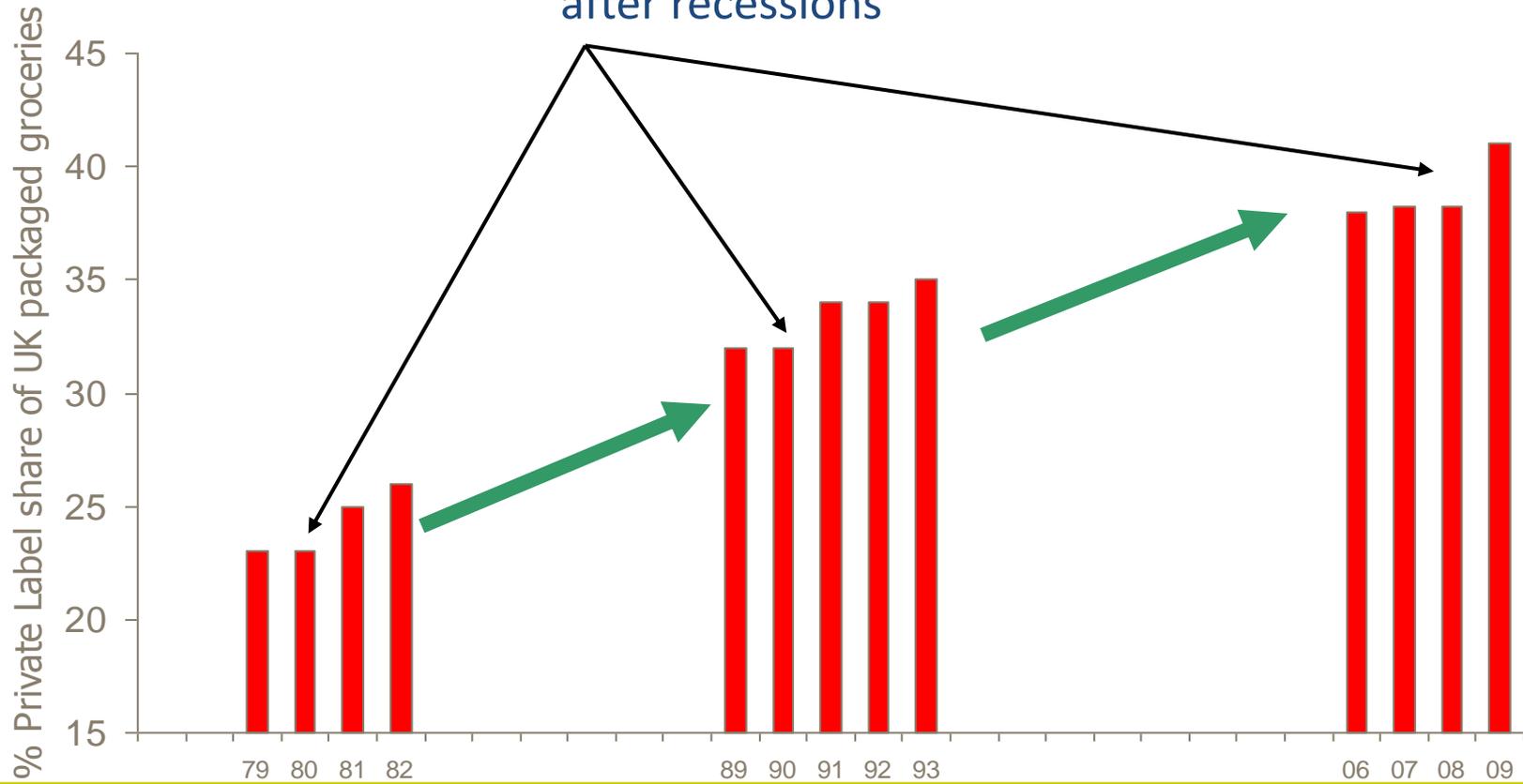
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Private Labels benefit in times of recession



Private Labels gain and continue to grow share during and after recessions



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Source Kantar, Datamonitor

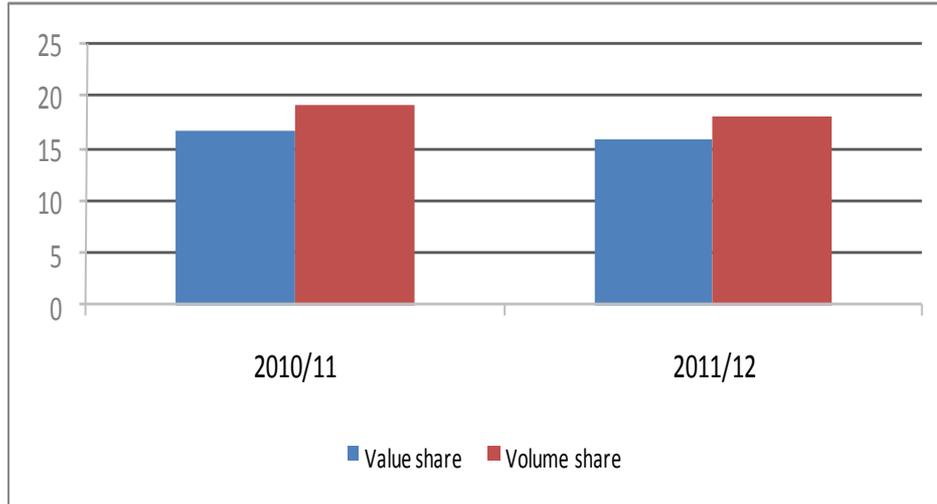
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Personal care Private Label share



UK

% Private Label share

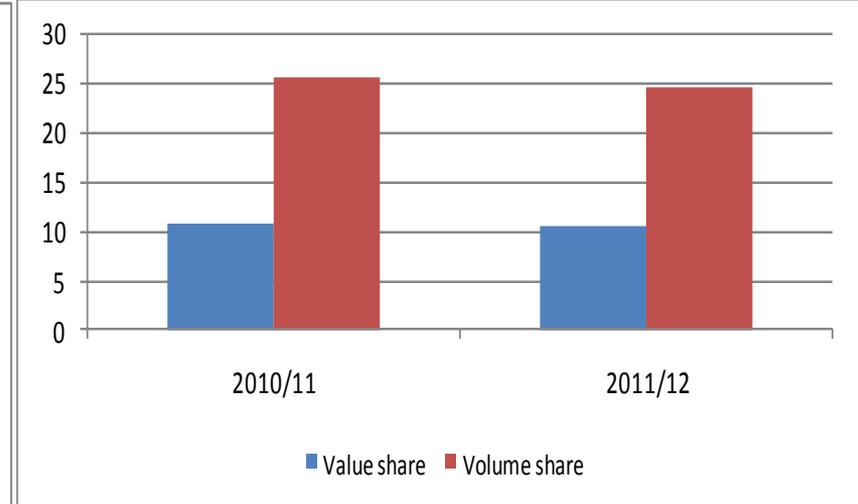


- Total UK Personal Care market grew 1.8% in volume terms with Private Labels down 3.5% due to high levels of promotions.
- Private Label skincare demand remained strong with a 33% volume share of the category.
- Mens shaving products gained share to reach 28%
- The Mouthwash market was flat overall with Private Label volume share of 20%

Source: UK Kantar Worldpanel, France IRI

France

% Private Label share



- Total France Private Label Personal Care market was flat in volume terms with Private Labels down 3.9%.
- Private Label skincare products performed well with body care at 13%, hand care products at 25% and Private Label facial care holding a 31% volume share
- Total demand for mens shaving products fell with Private label holding a 27% volume share.
- Private Label liquid soap in France remains strong with over 50% share in volume terms

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The Private Label opportunity

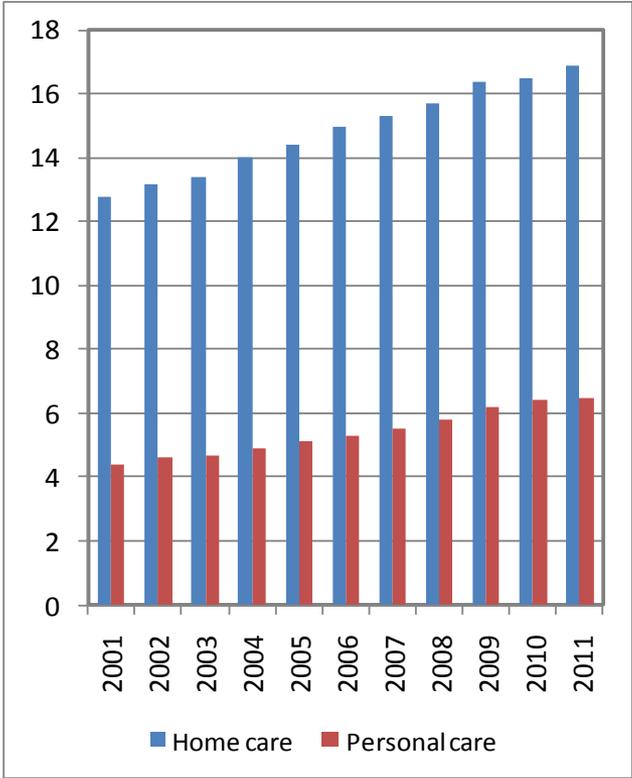
Private Label Growth Drivers



Private Label share

Western European markets

% Value Share



Source: Euromonitor International

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