

Investor Presentation

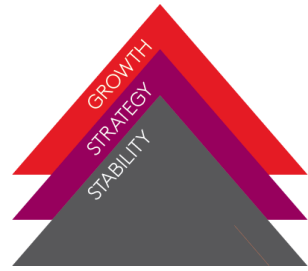
# FY 2019 RESULTS

28<sup>th</sup> FEBRUARY 2020

# FY 2019 SUMMARY & PERFORMANCE REVIEW

**Paul Forman – Chief Executive**

# FY 2019: SUMMARY



**Group materially simplified, with all three global divisions well set for growth and robust performance in line with expectations**

- Successful conclusion to “chapter 2” with 4 disposals and creation of 3 global divisions
- All divisions on track versus strategic milestones
- Components core held revenue and margins steady despite market declines; all 3 acquisitions on track
- Filters well set for medium and long term growth given success of “game changers”, margins stable
- Best overall performance in Packaging since 2015 and Nekicesa doing well
- Stability agenda continued on all metrics and across the group
- BPR project progressing well – G&A cost effectiveness review to commence
- Robust performance in line with expectations and underlying profit growth
- Further progress expected in 2020, strategically, financially and operationally

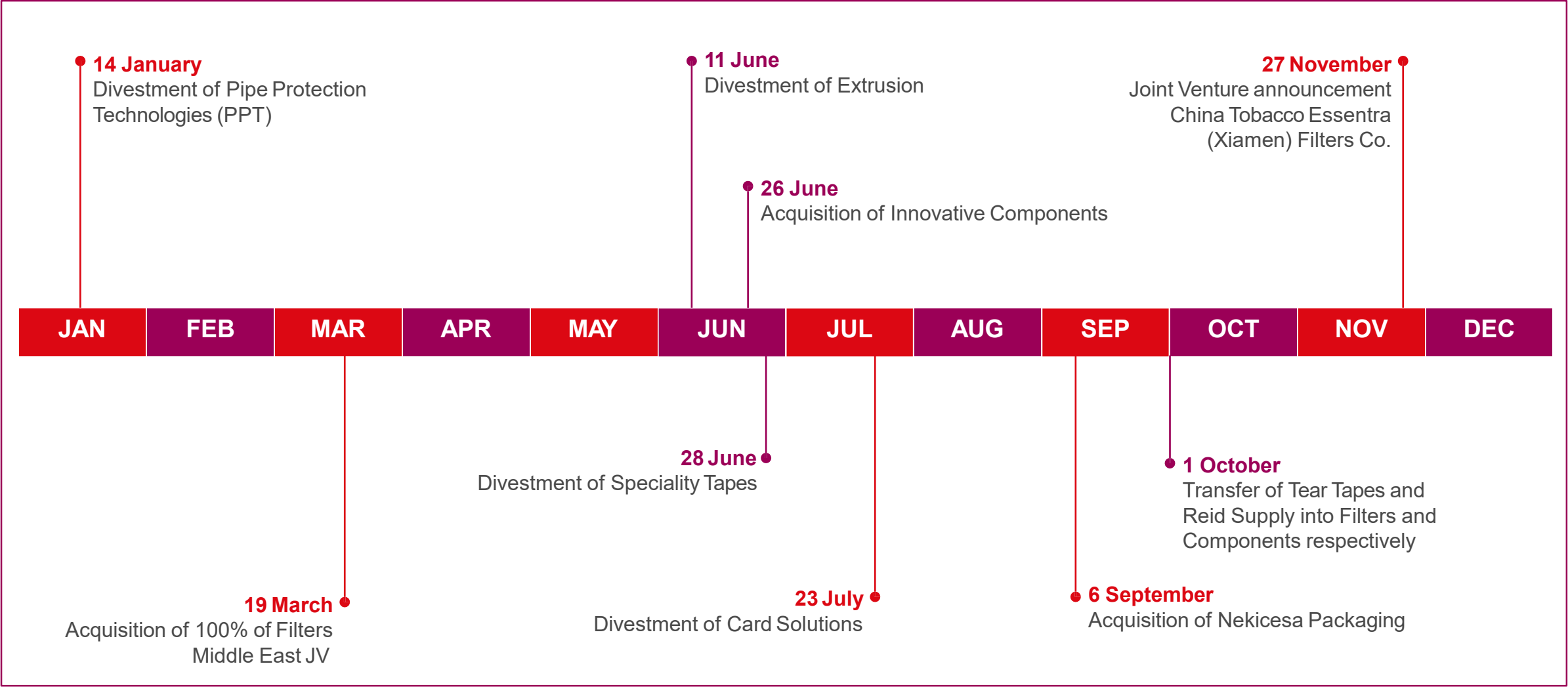
**We are continuing to deliver our short term commitments as well as build solid growth platforms for each of our three global divisions**

# FY 2019: SUMMARY

**Group materially simplified, with all three global divisions well set for growth and robust performance in line with expectations**

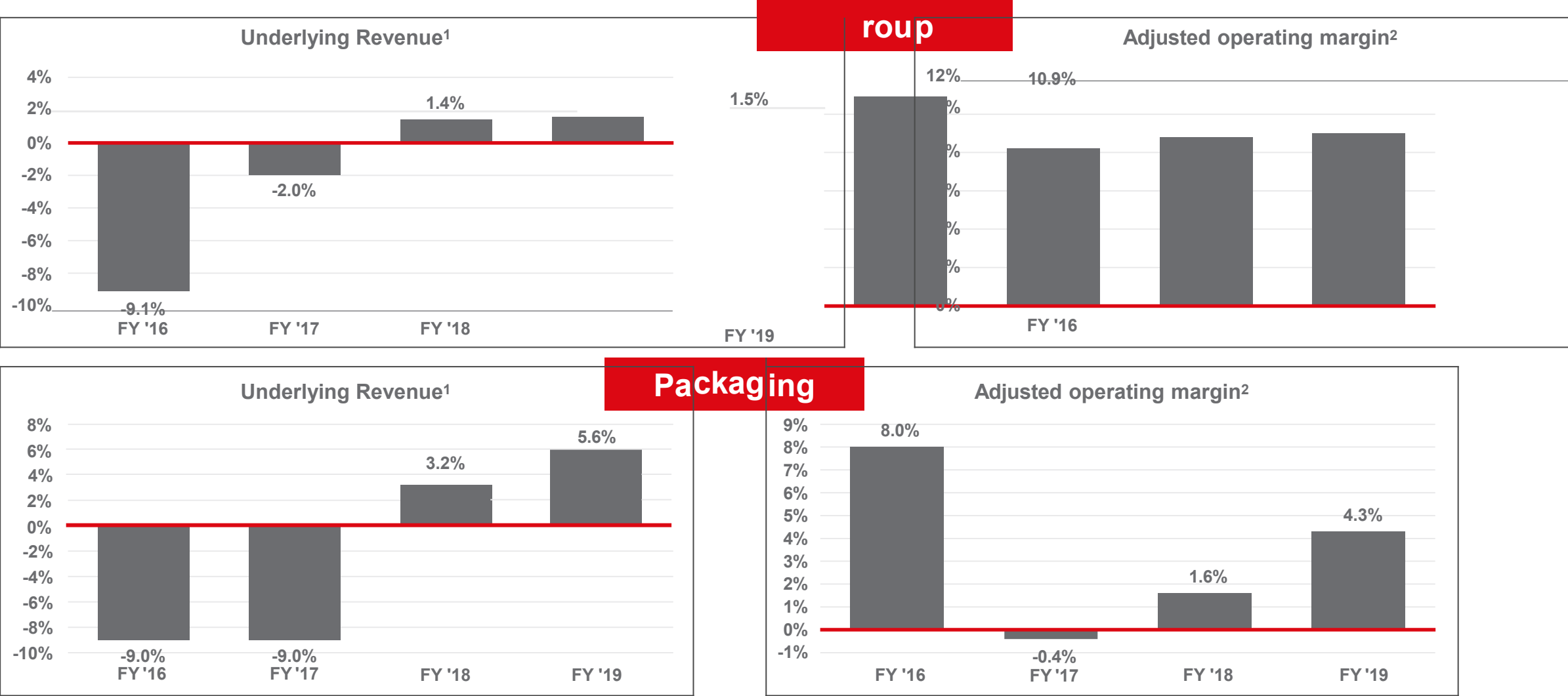
- FY 2019 results build on positive underlying momentum seen since inflection point of H2 2018
  - Like-for-like revenue decline of 0.7%
    - +1.5% on an underlying basis
  - Adjusted operating profit down 5.4% (at constant FX) to £87.5m notwithstanding portfolio simplification successfully completed during the year; adjusted operating margin +10bps to 9.0% (at constant FX)
    - Adjusted OP +2.0%, on an underlying basis
  - Reported operating profit of £80.0m versus £47.2m in 2018
  - Adjusted basic EPS lower by 9.7% (at constant FX) at 21.3p
  - Reported basic EPS of 14.7p compares to 9.3p in 2018
- Net debt lower at £284.4m, with net debt / EBITDA to 2.0x (after applying IFRS 16)
  - Net debt of £233.7m and net debt / EBITDA of 1.9x before applying IFRS 16
- Full year dividend maintained at 20.7p share

# SIGNIFICANT PORTFOLIO ACTIVITY IN FY 2019



# CONTINUED REVENUE GROWTH

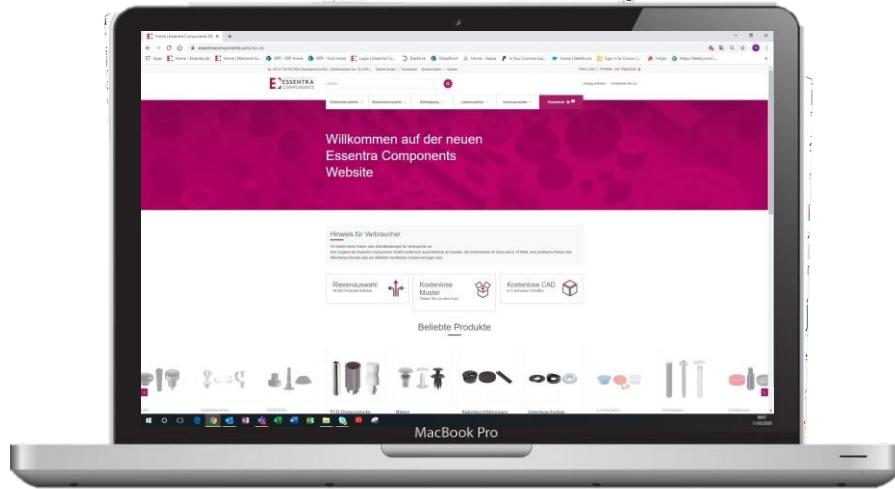
Sustained revenue growth despite challenging trading environment



<sup>1</sup> Like-for-like, adjusted for site closures  
<sup>2</sup> Adjusted to exclude intangible amortization and exceptional operating items

# COMPONENTS

**FY 2019 revenue: £283.3m, LFL -0.6%. OM\* -40bps**



Launch of new EssentraComponents.com website



Investment in enhanced logistics capability in the US and Germany



Strong performance across access hardware product ranges

- Core Components (excluding transfer of Reid) saw marginally positive revenue on a LFL basis with operating margin broadly maintained
- Throughout a year of macroeconomic uncertainty, the business continued to deliver “hassle-free” service provision, with a record NPS of 41
- Performance strong across access hardware product ranges but challenges with automotive end market (significantly impacting our Reid business in particular)
- Continued investment in digital capabilities, new website platform now deployed in 10 countries (covering c70% of revenue) improving customers’ ability to search and find the right products
- Development of new warehouses in the US and Germany (operational from Q3 2020), to enable even better customer service
- OTIF improved by 190bps to 94.3%
- All 3 recent acquisitions progressing well including the integration and synergy delivery for Innovative Components.
- Continued pipeline development to support future inorganic growth opportunities
- First year milestones of the BPR programme delivered to plan

\* At constant FX

# INNOVATIVE COMPONENTS

**An acquisition that strengthened our core product range and added further manufacturing capacity in the Americas**



- Headquartered in Chicago, USA, Innovative Components is a leading manufacturer and distributor of knobs, pins and handles in North America for a broad range of end-markets
- The acquisition builds on Components' product offering in the US, providing range opportunities in EMEA and adds manufacturing capability in Costa Rica
- The Innovative Components product range combined with our customer base provides an excellent opportunity for commercial growth through cross selling
- Integration in line with expectations

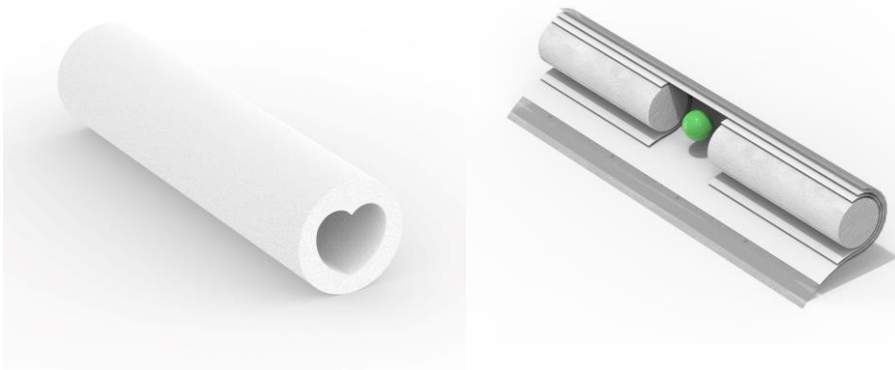


# FILTERS

**FY 2019 revenue: £303.6m, LFL -1.1%. OM\* +0bps**



Scientific Services expansion into Indonesia



Further new product development to meet trend for innovative special filters in both combustibles and NGP

- Core Filters division (excluding transfer of Tear Tapes business) revenue declined by 0.7% due to:
  - Impact on trade in China, driven by our lack of local manufacturing presence—which further underlies the importance of the creation of the JV in China
  - Challenging trading conditions in certain markets supplied out of the Middle East – in response to the sanction compliance failings, revenue was impacted, with orders being delayed and certain relationships being terminated
  - Revenue growth in both the European and Americas regions
- The business outperformed the broader tobacco market and is well positioned for medium to long term growth
- Integration of the Tear Tapes business into the division, improved operational performance; further penetrating end-markets such as food & beverage and consumer
- Strong delivery in each of the 3 strategic game changers:
  - China JV agreement signed
  - Outsourcing award in Q4, with additional award 2/20
  - Four patent applications filed for next generation product applications
- Progress in key functions providing a strong foundation:
  - Operational KPIs continue to improve to ensure world class service
  - Deeper understanding of customer needs through implementation of KAM
  - Refocus of Filters innovations teams to provide greater category focus and roll out of structured pipeline processes

\* At constant FX

# CHINA JOINT VENTURE

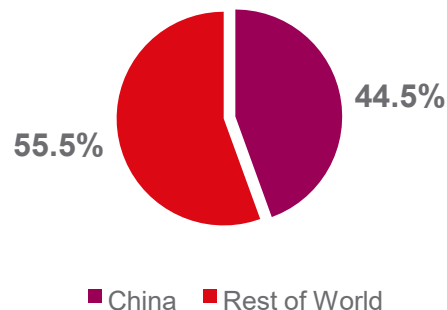
## Materially increases Essentra's global addressable market



Plaque unveiling ceremony held in Xiamen in January 2020

### 2018 Global Cigarette Volumes (% Share)

Total World: 5,328 bn sticks



- In November we announced the signing of an agreement to establish a new joint venture company in China, China Tobacco Essentra (Xiamen) Filters Co., Ltd
- Essentra will hold a 49% shareholding in the JV with a number of Chinese Industrial Companies
- China is the world's largest tobacco market and this JV positions us well to take advantage of the sizeable opportunities available
- The JV will produce specialist and next generation filters, servicing a rapidly expanding segment of the Chinese tobacco industry for which market penetration remains significantly lower than levels seen in the rest of the global tobacco industry (c4% in China, c16% rest of world)
- The filters will be manufactured locally in a new facility in Xiamen which will incorporate a state-of-the-art development and testing centre

# PACKAGING

**FY 2019 revenue: £352.7m, Underlying +5.6%. OM\* +280bps**



Product pipeline development



Investment in capacity build

- 2019 was Packaging's best financial and operational performance since 2015
  - Underlying revenue +5.6% (ex-Kilmarnock / Largo)
  - Delivered target of mid single digit revenue growth (well above industry growth rates) and 200bps margin expansion
  - On target to deliver 8-10% margin by end of 2021
- Encouraging business wins and continued improvement in customer dialogue, underpinned by ongoing stability and key service metrics and organisational improvements
- Delivery of pricing benefit
- Ongoing product pipeline development, to meet industry trends and customer needs
- Continued investment targeted at capacity build and efficiency improvement

\* At constant FX

# COMMERCIAL DEVELOPMENTS IN PACKAGING

## Building a global commercial function to enhance our customer engagement



- Whilst traditionally managed locally, global customers are increasingly looking to coordinate their global secondary packaging spend to drive greater value from suppliers
- In response, Essentra Packaging is building capability to transform how the organisation engages with customers
- Roll-out of Global Key Account teams utilising proven methodologies
- Expansion of the Design Hub in both the UK and US, and dedicated customer project management to support development projects
- Development of customer focused service and delivery dashboards to create cross-business visibility
- Systematic use of software to manage and focus the business development agenda

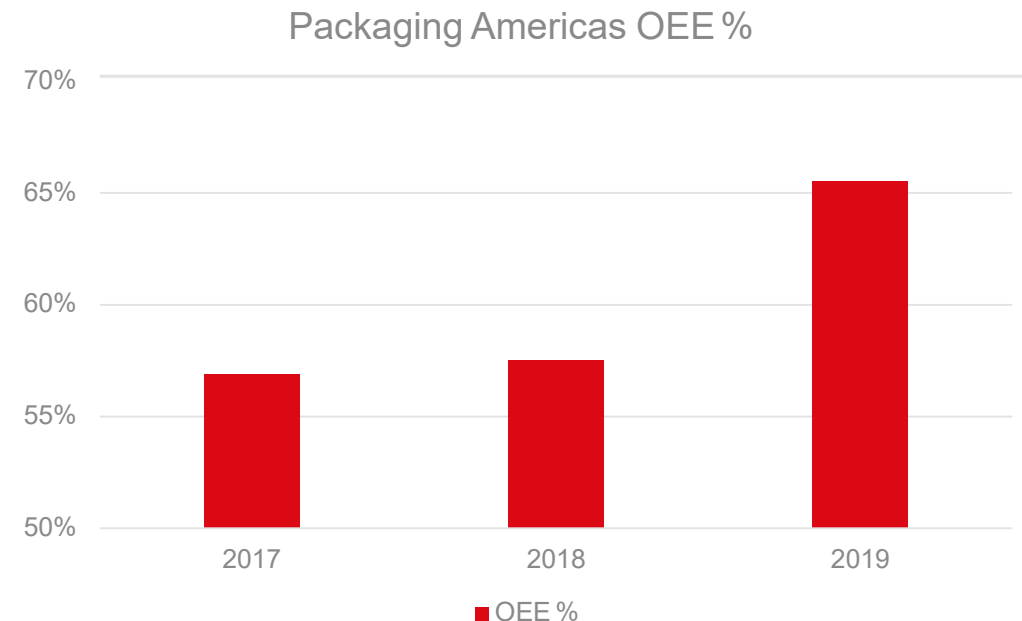




# OPERATIONAL DEVELOPMENTS IN PACKAGING

## Driving towards operational excellence

- “Passion for the patient” within the business ensures focus and that quality matters, this is evidenced by trend in incident rate reducing further during 2019 and continuing downward trend seen since 2016
- Agility and service – responsiveness to our customers needs as demonstrated through support of more than 500 product launches during 2019
- Focus on efficiency – significant improvements have been made in the utilisation of our assets (OEE) through planning, continuous improvement and a right-first-time ethos. As evidenced by improvement trend seen in the Americas region
- Business is investing in capability of workforce to drive further positive change with c600 employees receiving ‘lean’ training in 2019

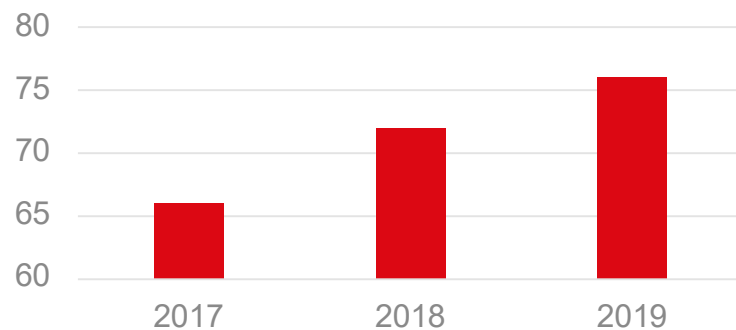


# PACKAGING PEOPLE FOCUS

## Building a motivated and engaged team



Packaging Engagement  
score



- Team capability significantly enhanced in last 3 years (over 50% new hires in Regional and Divisional management team)
- Capability build focussed across enabling functions and Commercial and Operations (supply chain, quality, continuous improvement, procurement) teams
- Control environment enhanced whilst maintaining freedom to operate
- Health and Safety remain key focus with reduced LTIs for the last 3 years
- Employee engagement score at highest level since 2016 and now back to industry norms

# NEKICESA PACKAGING



- Nekicesa has more than 50 years' experience developing secondary packaging solutions for the international pharmaceutical industry
- With two well-invested facilities in Madrid, they are one of the leading converters of folding cartons in the Spanish market
- The acquisition has added manufacturing capacity and service capability to Essentra Packaging's existing footprint in Barcelona, giving us a presence in both pharmaceutical hubs in Spain and helping to establish us as a leading player in this attractive packaging market
- Integration on track with plan
- The transaction would not have been possible without the tremendous efforts of the whole Packaging team over the last 18 months, stabilising the business in terms of service, quality and safety and restoring revenue and profit growth

# FY 2019 FINANCIAL REVIEW

**Lily Liu – Chief Financial Officer**



# FINANCIAL HIGHLIGHTS

## **Robust profit delivery supported by a strong balance sheet**

- Underlying revenue growth of 1.5%<sup>1</sup> with adjusted operating margin +20bps to 9.0%
- Strong operating cash conversion of 82%
- Net debt at 2.0x (after applying IFRS 16)
- Refinancing put in place in February 2020 for \$80m USPP
- Full year dividend maintained at 20.7p per share
- Steady improvement on ROIC

<sup>1</sup> LFL adjusting for the closure of the Kilmarnock and Largo consumer packaging sites and the cessation of Speciality Tapes in Nottingham at the end of 2018

# INCOME STATEMENT<sup>1</sup>

Underlying revenue grew 1.5%; 20bps margin expansion

	FY 2019	FY 2018	Growth	
	£m	£m	Actual FX	Constant FX
Revenue	974.1	1,025.6	-5.0%	-6.5%
Operating profit <sup>2</sup>	87.5	90.7	-3.5%	-5.4%
<i>Operating margin<sup>2</sup></i>	<i>9.0%</i>	<i>8.8%</i>	<i>+20bps</i>	<i>+10bps</i>
Profit before tax <sup>2</sup>	73.0	79.8	-8.5%	-10.5%
Earnings <sup>2</sup>	55.7	60.4	-7.8%	-9.7%
Earnings per share <sup>2</sup>	21.3p	23.1p	-7.8%	-9.7%

<sup>1</sup> Continuing operations

<sup>2</sup> Adjusted to exclude intangible amortisation and exceptional operating items

## REVENUE BY DIVISION

	FY 2019	FY growth
	£m	Constant FX
<b>Components</b>	<b>283.3</b>	<b>+0.7%</b>
<i>Components like-for-like<sup>1</sup></i>		<i>-0.6%</i>
<b>Packaging</b>	<b>352.7</b>	<b>+1.7%</b>
<i>Packaging ex-Kilmarnock, Largo &amp; Nekicesa</i>		<i>+5.6%</i>
<b>Filters (Incl TT)</b>	<b>303.6</b>	<b>-1.1%</b>
<b>Specialist Components</b>	<b>35.2</b>	<b>-67.8%</b>
Eliminations	(0.7)	
<b>Group</b>	<b>974.1</b>	<b>-6.5%</b>
<i>Group – like-for-like<sup>2</sup></i>		<i>-0.7%</i>
<i>Group – underlying<sup>3</sup></i>		<i>+1.5%</i>

<sup>1</sup> At constant exchange rates, adjusted for the acquisitions of Hertila and Innovative Components

<sup>2</sup> At constant exchange rates, adjusted for the acquisitions of Hertila, Innovative Components and Nekicesa along with the disposals of Pipe Protection Technologies, Extrusion, Speciality Tapes and Card Solutions

<sup>3</sup> As <sup>2</sup> adjusted for the divestment of Swiftbrook trade and assets, the closure of Kilmarnock and Largo consumer packaging sites and cessation of Speciality Tapes in Nottingham

## OPERATING PROFIT<sup>1</sup> BY DIVISION

	FY 2019	Growth	Margin
	£m	Constant FX	FY 2019
Components	60.3	-1.1%	21.3%
Packaging	15.1	+185.6%	4.3%
Filters	36.2	-1.3%	11.9%
Specialist Components	4.8	-57.5%	13.6%
Central Services	(28.9)		
<b>Group</b>	<b>87.5</b>	<b>-5.4%</b>	<b>9.0%</b>
Group – underlying <sup>2</sup>		+2.0%	

<sup>1</sup> Adjusted to exclude intangible amortization on acquired assets and exceptional operating items

<sup>2</sup> Adjusted for the acquisitions of Hertila, Innovative Components and Nekicesa, the divestment of Swiftbrook trade and assets and the disposals of Pipe Protection Technologies, Extrusion, Speciality Tapes and Card Solutions businesses, the closure of Kilmarnock and Largo consumer packaging sites and cessation of Speciality Tapes in Nottingham

## INCOME STATEMENT (CONT.)

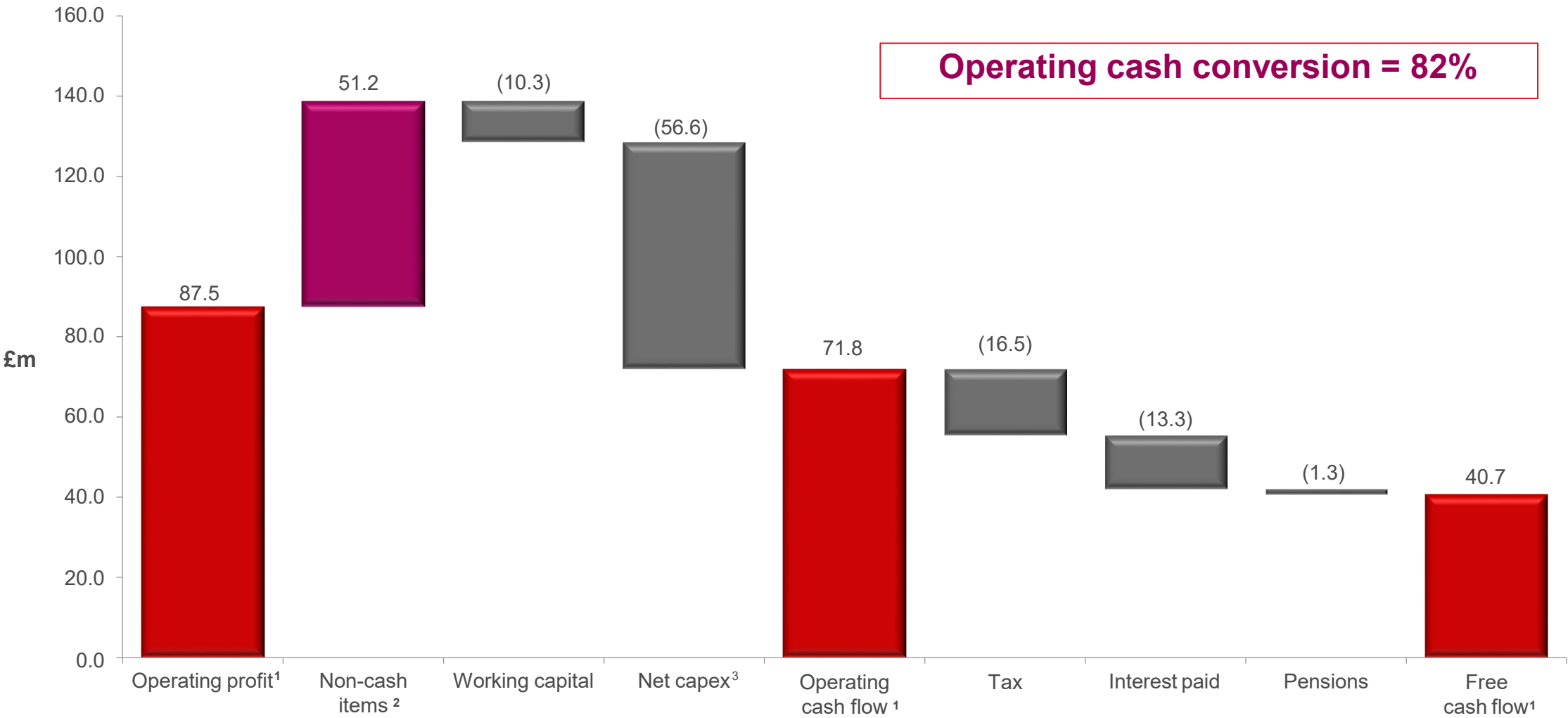
	FY 2019	Growth	
	£m	Actual FX	Constant FX
Operating profit <sup>1</sup>	87.5	-3.5%	-5.4%
Net finance charge	(14.5)		
<b>Profit before tax<sup>1</sup></b>	<b>73.0</b>	<b>-8.5%</b>	<b>-10.5%</b>
Taxation	(14.5)		
<i>Underlying tax rate</i>	19.9%		
<b>Net income<sup>1</sup></b>	<b>58.5</b>	<b>-8.9%</b>	<b>-10.9%</b>
Minority interests	(2.8)		
Earnings <sup>1</sup>	55.7	-7.8%	-9.7%
EPS <sup>1</sup>	21.3p	-7.8%	-9.7%
EPS – diluted <sup>1</sup>	21.0p	-7.9%	-10.1%

<sup>1</sup> Adjusted to exclude intangible amortisation of £22.9m and an exceptional pre-tax credit of £15.4m

## EXCEPTIONAL & OTHER ADJUSTING ITEMS

	£m
Gains / (losses) and transaction costs from business acquisitions and disposals	15.9
Estimated financial penalties	(2.3)
External advisers	(3.6)
Impairment losses of assets	(1.6)
Credits relating to the release of provisions with regard to certain site closures	9.1
Acquisition integration and restructuring costs	(0.7)
Non acquisition related restructuring costs	(1.4)
<b>Total exceptional gain</b>	<b>15.4</b>

# CASH FLOW



<sup>1</sup> Adjusted to exclude intangible amortisation and exceptional and other adjusting items  
<sup>2</sup> Being depreciation of £36.4m, right-of-use asset depreciation of £11.3m and Share Option Expense / Other Movements of £3.5m  
<sup>3</sup> Excludes £0.3m of exceptional property, plant and equipment (“PPE”) disposal proceeds realised during site closures

# NET DEBT RECONCILIATION

**Net debt / EBITDA ratio reduced to 2.0x (1.9x pre-IFRS 16)**

	£m
As at 1 January 2019 (before applying IFRS 16)	240.1
IFRS 16 adjustment	59.4
FX	(6.6)
As at 31 December 2019	284.4
<i>As at 31 December 2019 (before applying IFRS 16)</i>	<i>233.7</i>
<b>Change in net debt after FX (after applying IFRS 16)</b>	<b>(8.5)</b>
Of which:	
Dividends	55.0
Free cash flow	(40.7)
Exceptional & other adjusting items (net of exceptional PPE disposal proceeds)	33.9
Acquisitions & disposals	(62.2)
Lease liability movements	5.1
Other	0.4
	<b>(8.5)</b>

NOTE:  
Negative numbers denote a cash inflow, positive numbers a cash outflow



# RETURN ON INVESTED CAPITAL

## Steady improvement in ROIC



1 Proforma 2018 and 2019 are adjusted to remove impact of businesses disposed during 2019 (PPT, Extrusion, Speciality Tapes and Card Solutions) with a further adjustment made in 2019 to gross up trading for Packaging acquisition to 6 months to align with value of capital employed included in the ROIC calculation

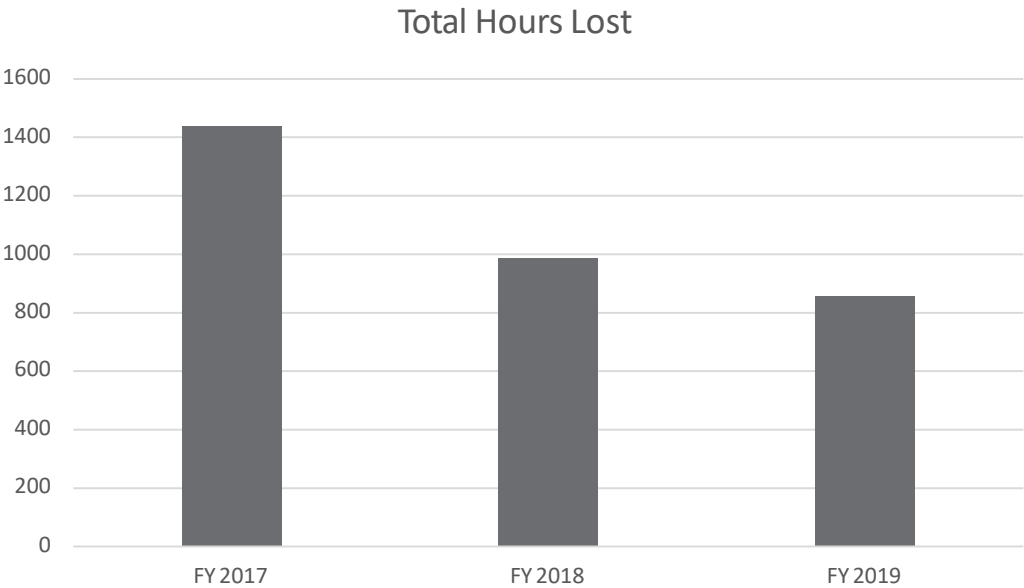
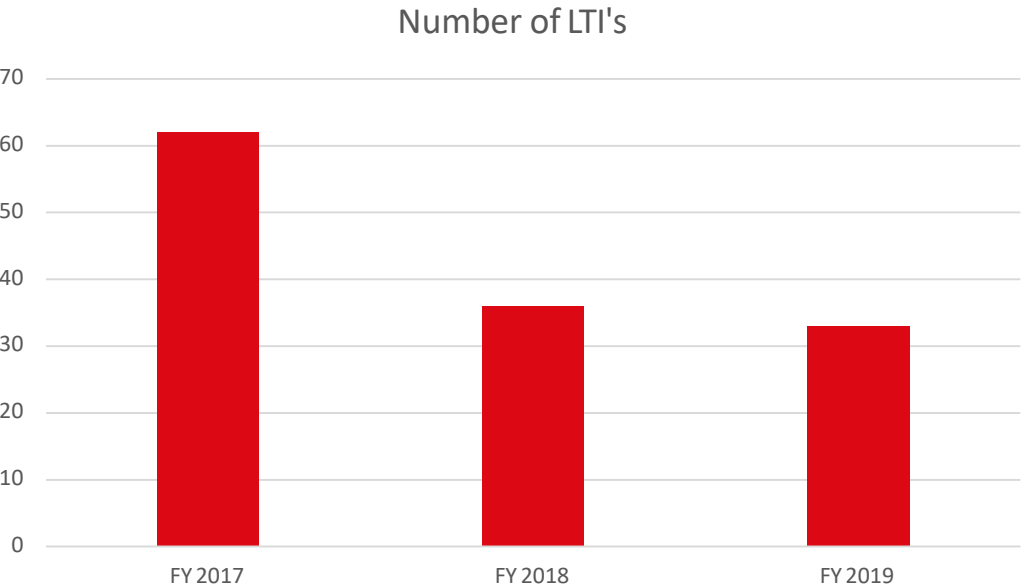
\* After applying IFRS 16

## ENABLERS FOR GROWTH

**Paul Forman – Chief Executive**

# CONTINUED GROWTH FROM STABILITY

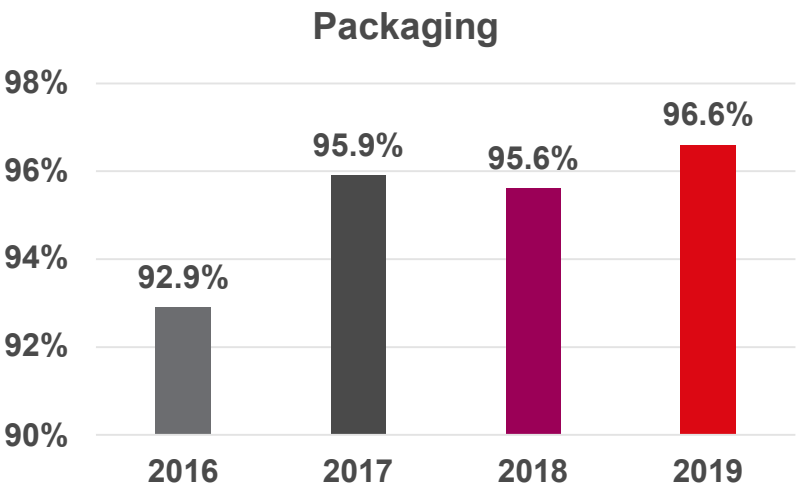
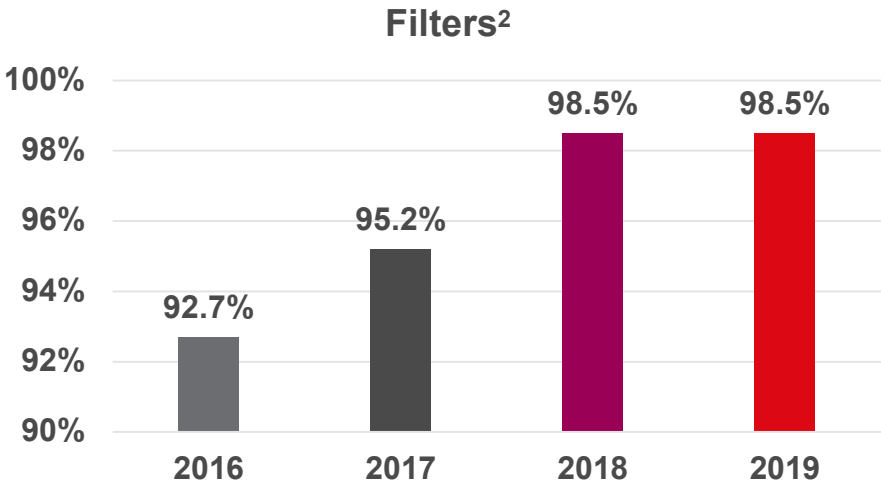
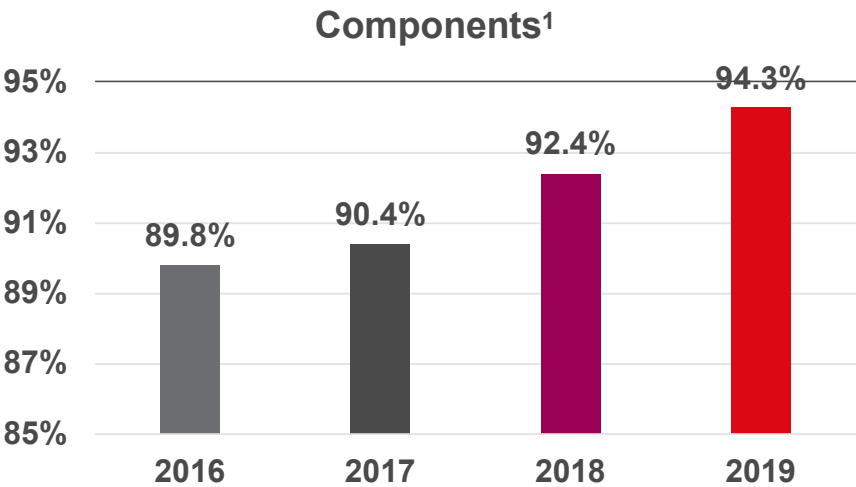
## Our HSE (Lost Time Incidents and Total Hours Lost)



NOTE:  
Data covers sites owned by Essentra as at 31 December 2019 (2017 and 2018 figures restated accordingly). Two LTIs in recently acquired sites not included above

# CONTINUED GROWTH FROM STABILITY

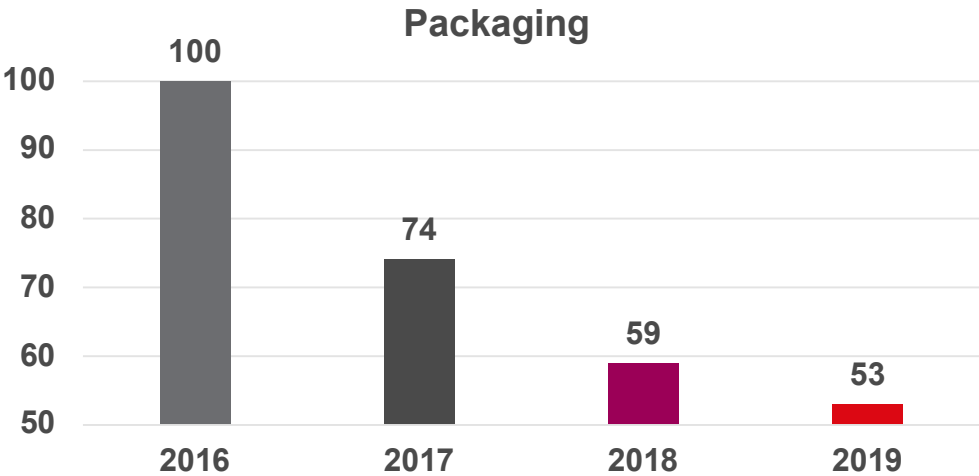
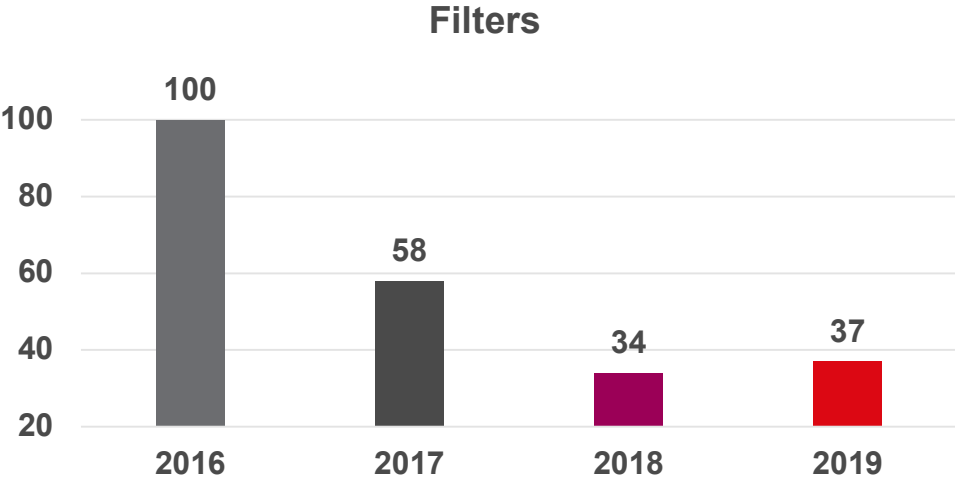
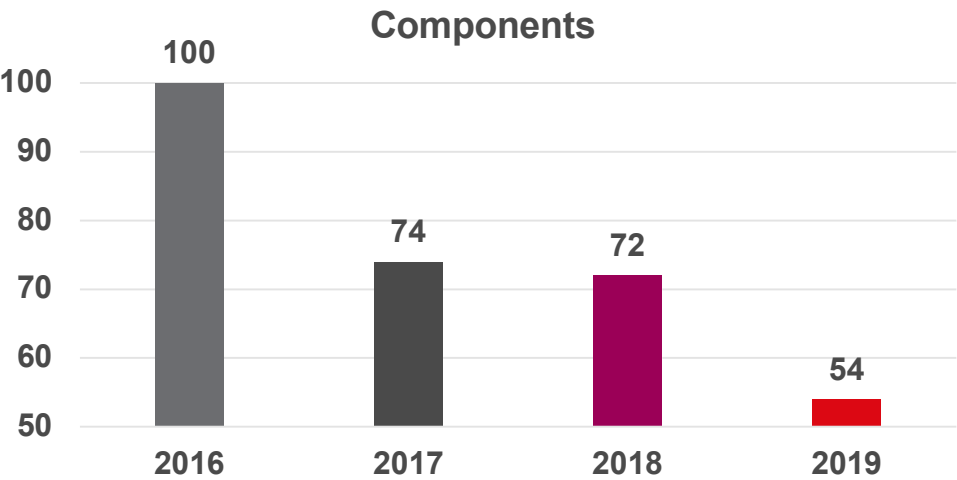
## Our delivery (On Time In Full)



NOTES:  
1 – Components excludes Reid business, OTIF for this business in 2019 was 91.9%  
2 – Filters excludes Tear Tapes, OTIF for this business in 2019 was 98.5%

# CONTINUED GROWTH FROM STABILITY

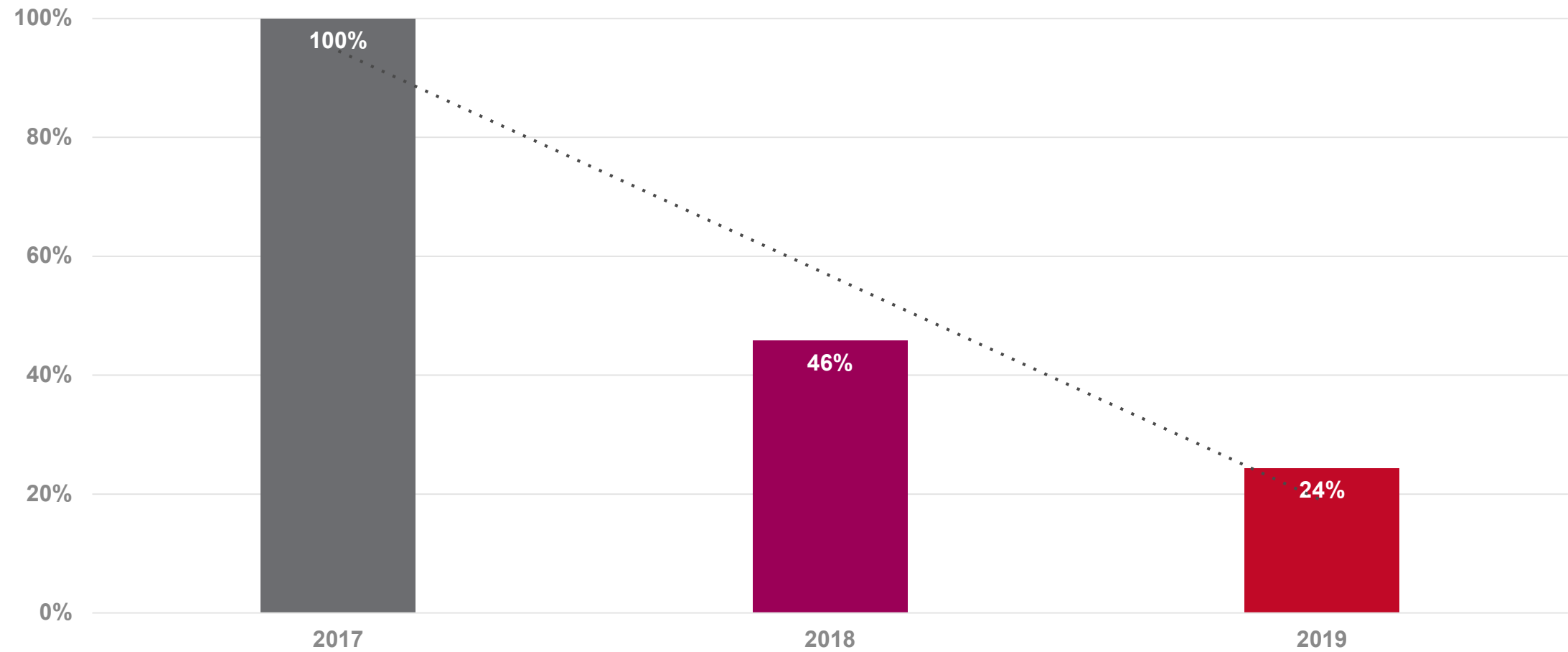
## Our quality (incident rate)



**NOTE:**  
Indexed complaint rate – 2016 = 100 for Components, Packaging and Filters  
Filters data does not include Tear Tapes data, due to different measurement approaches and small scale of Tear Tapes vs. Filters

# CONTINUED GROWTH FROM STABILITY

Our systems (major incident rate)

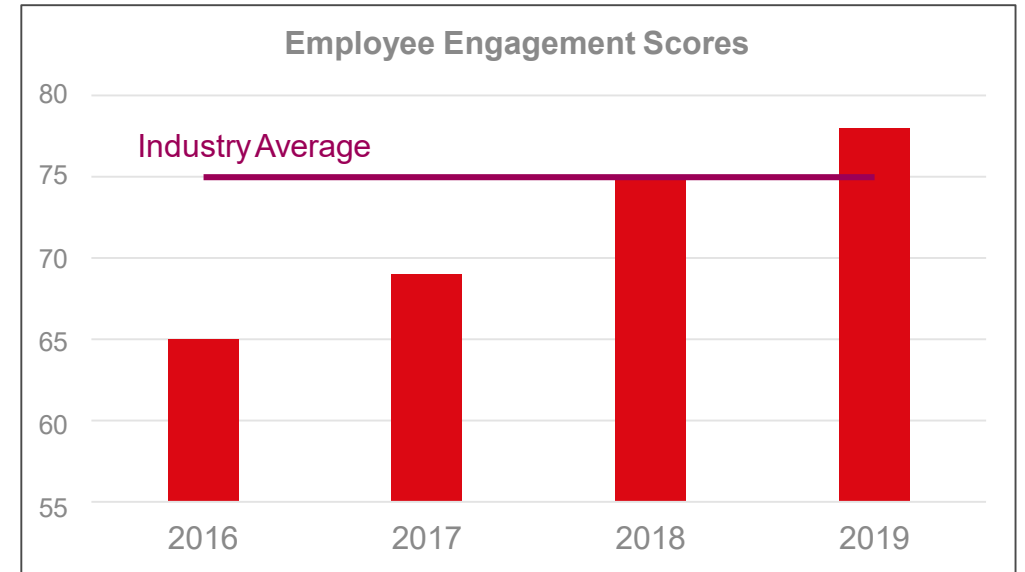


Investment in IT infrastructure is having the desired impact

# ENABLERS FOR GROWTH

## Our employee engagement

- Key areas worked on in 2019
  - Focus on diversity and inclusion
  - Clarification of strategy and direction throughout our organisation
- New People strategy in place
  - Focus on employee lifecycle
  - Established HR centres of excellence, delivering a range of enhanced employee activities across our global footprint
  - 2020 will see a focus on collaboration and communication
- Mary Reilly appointed as Board Employee Champion
- Further development of sustainability strategy



# ENABLERS FOR GROWTH

## Governance of Sustainability at Essentra

- Board Sustainability Committee
  - meets quarterly
  - chaired by Ralf Wunderlich
  - responsible for advising and reviewing strategy, risk, opportunity management and performance of sustainability related topics





# ENABLERS FOR GROWTH

## Reporting and further strategy alignment to UN Sustainable Development Goals (SDGs)

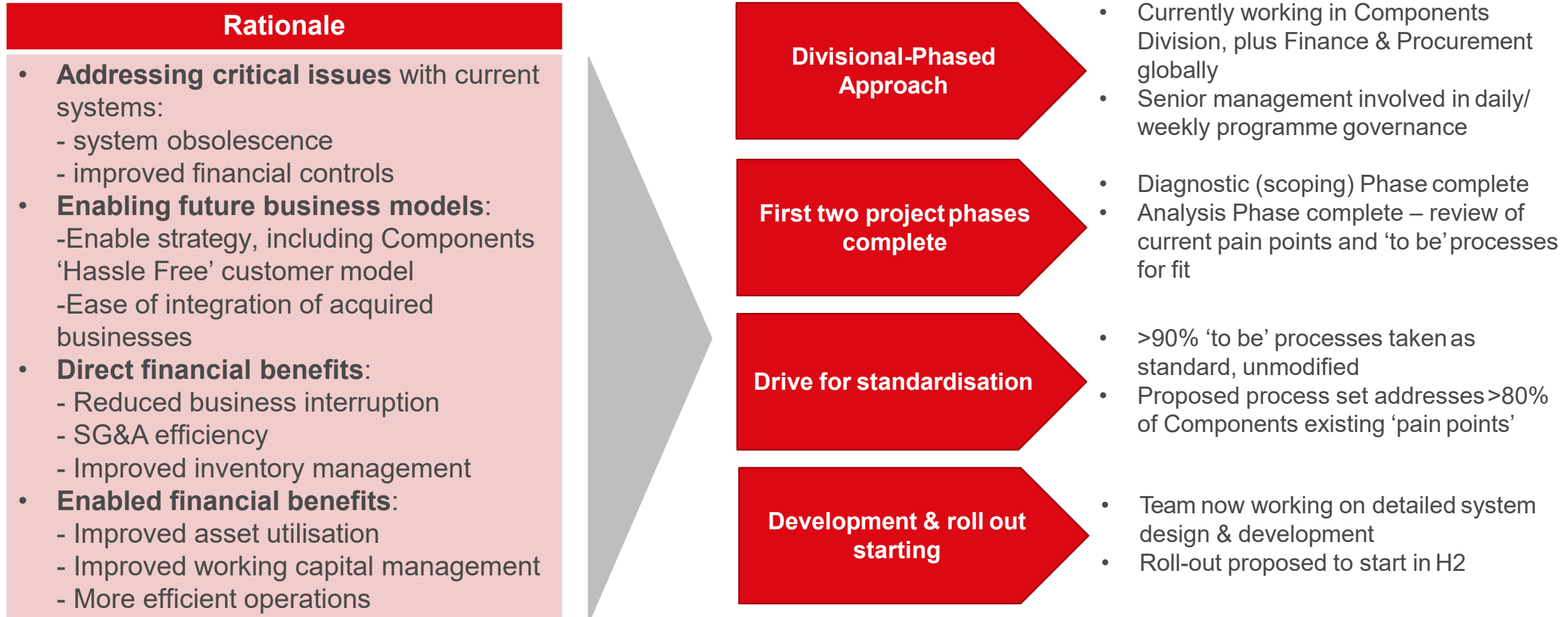
- Commitment to continuously improving environmental reporting by gaining external verification of 2019 environmental data giving a more accurate and reliable baseline and further assurance to external parties
- We have started our journey, and improved our CDP score from D to C, with much more to do
- Continued alignment to UN SDGs with updated activities



# ENABLERS FOR GROWTH

## BPR Programme underway in Components, Finance & Procurement

### Process Transformation to Create New Capabilities & Benefits



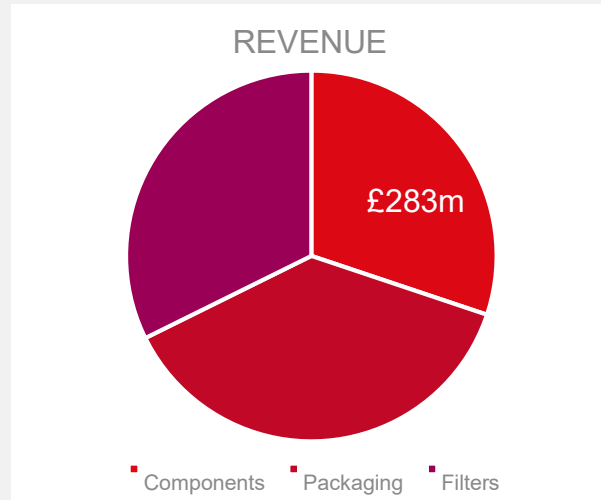
## LONGER TERM POTENTIAL AND OUTLOOK

**Paul Forman – Chief Executive**

# COMPONENTS

## COMPONENTS

A global market-leading manufacturer and distributor of a comprehensive range of components, used in diverse industrial applications and end-markets



OPERATING PROFIT: £60M

OPERATING MARGIN: 21.3%

## 2019 key milestones

Digital platform roll-out	★
Continue to drive “hassle-free” proposition	★
Improved pricing discipline	★
Increased cross-selling	★
Continue to drive growth in China	★
Further enhance acquisition pipeline	★

## Key initiatives/challenges for 2020

- Cross selling
- Continued market share gain
- Enabled by further roll-out of new Website
- BPR

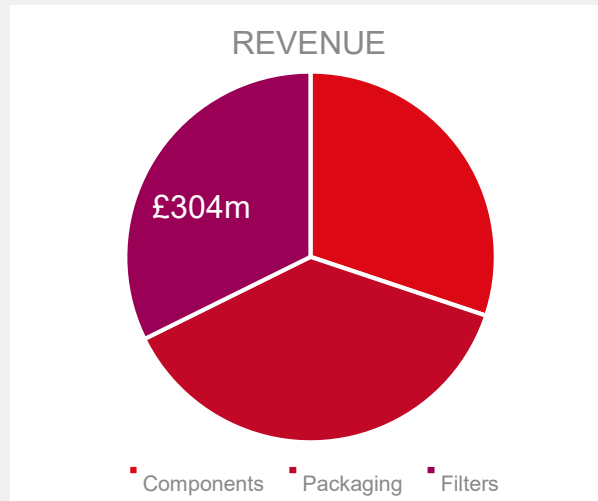
## Market position and growth opportunities

- Leader with 4% market share globally, multiple opportunities for “roll up” strategy
- Strong M&A pipeline
- Diverse spread of customers and products
- World class manufacturing and distribution capabilities enable a uniquely quick yet flexible “hassle free” offering

# FILTERS

## FILTERS

The only global independent provider of filters and related solutions to the tobacco industry



OPERATING PROFIT: £36M

OPERATING MARGIN: 11.9%

## 2019 key milestones

Continued progress of three game changers	★
Leverage scientific know-how to add value for customers	★
Enhance value proposition	★
Drive additional operational excellence initiatives	★
Continue to leverage Key Account Management structure	★

## Key initiatives/challenges for 2020

- Deliver China JV, materially increasing our addressable market
- Continue to identify and secure new outsourcing opportunities
- Further develop NGP product offering (alternative to vaping)

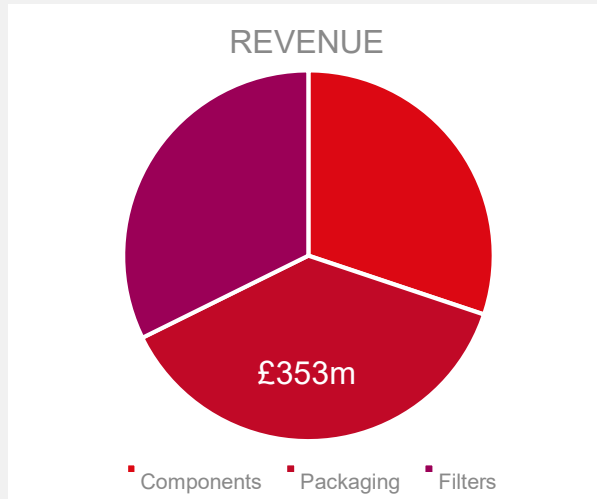
## Market position and growth opportunities

- Only global independent Filter producer with an estimated 50% share of the global outsourced filters market
- Game changers – China JV, outsourcing and NGP
- Environmental friendly product development opportunity
- Tapes growth in both consumer and tobacco markets

# PACKAGING

## PACKAGING

Multi-continental supplier of a full range of secondary packaging to the pharmaceutical, personal care and beauty sectors



OPERATING PROFIT: £15M

OPERATING MARGIN: 4.3%

## 2019 key milestones

Drive revenue growth and regain market share



Further improve operational efficiency



Leverage scale to improve procurement benefits



Improve quality management



Drive profitability through volume gearing and investment



## Key initiatives/challenges for 2020

- Retain and enhance operational agility to support customers' international requirements
- Continue to leverage key account management structure and design hub capabilities to drive revenue growth

## Market position and growth opportunities

- Global #2, with 4% market share, huge opportunities for "roll up" strategy
- Strong M&A pipeline
- Defensive nature of revenue
- Value-enhancing services to improve beyond industry average margin
- Potential for further supply chain optimisation

# 2020 CONSIDERATIONS / OUTLOOK

## Well placed for growth in FY 2020

Foundations increasingly strong...

- Leading market positions
- Deepened customer franchise
- Class leading operational performance
- Increased employee engagement
- M&A pipeline enhanced

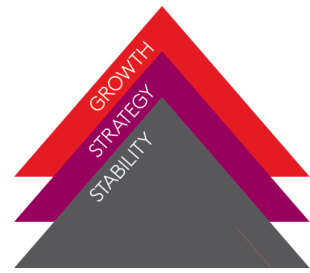
... but uncertain macro environment remains, exacerbated by COVID-19

- Components is more exposed to industrial segments, with a certain degree of cyclicity ...
- ... but Filters and Packaging remain non-cyclical

Further progress expected in 2020, strategically, financially and operationally

- Value levers are primarily in Essentra's control

# FY 2019: REPRISE



**Group materially simplified, with all three global divisions well set for growth and robust performance in line with expectations**

- Successful conclusion to “chapter 2” with 4 disposals and creation of 3 global divisions
- All divisions on track versus strategic milestones
- Components core held revenue and margins steady despite market declines; all 3 acquisitions on track
- Filters well set for medium and long term growth given success of “game changers”, margins stable
- Best overall performance in Packaging since 2015 and Nekicesa doing well
- Stability agenda continued on all metrics and across the group
- BPR project progressing well – G&A cost effectiveness review to commence
- Robust performance in line with expectations and underlying profit growth
- Further progress expected in 2020, strategically, financially and operationally

**We are continuing to deliver our short term commitments as well as build solid growth platforms for each of our three global divisions**



Q&A

# APPENDICES

# PORTFOLIO SIMPLIFICATION

**Significant capital reallocation, with firepower for further potential acquisitions**

<b>Rounded figures*</b>	<b>Disposals</b>	<b>Filters JV</b>	<b>Acquisitions</b>
Gross proceeds / (outlay)	£115m	£(12)m	£(43)m**
Revenue	£(105)m	-	£29m
Trading profit	£(15)m	-	£4m
EPS	(4)p	1p	1p

\*Rounded figures are based on FY 2018, other than gross proceeds / (outlay)

\*\*Outlay includes consideration paid, transaction costs and debt acquired

# INCOME STATEMENT

## Reported basis

	FY 2019	Growth	
	£m	Actual FX	Constant FX
Adjusted operating profit	87.5	-3.5%	-5.4%
Intangible amortisation	(22.9)		
Exceptional operating items	15.4		
<b>Reported operating profit</b>	<b>80.0</b>	<b>+69.5%</b>	<b>+66.2%</b>
Net finance charge	(14.5)		
<b>Profit before tax</b>	<b>65.5</b>	<b>+80.4%</b>	<b>+76.1%</b>
Taxation	(24.3)		
<i>Underlying tax rate</i>	19.9%		
<b>Net income</b>	<b>41.2</b>	<b>+46.6%</b>	<b>+45.6%</b>
EPS	14.7p	+58.1%	+57.7%
EPS - diluted	14.5p	+57.6%	+57.2%

# EXCHANGE RATES

<b>Year ended 31 December 2019</b>	<b>Average</b>	<b>Closing</b>
US\$/£	1.28	1.32
Euro €/£	1.14	1.18
<b>Impact of a one cent reduction in rate</b>		<b>Op. profit (£m)</b>
US\$/£		0.3
Euro €/£		0.4
<b>Year ended 31 December 2018</b>	<b>Average</b>	<b>Closing</b>
US\$/£	1.33	1.28
Euro €/£	1.13	1.12

## IMPACT OF APPLYING IFRS 16 – FY 2019

	Metric	Impact
<b>Profit &amp; Loss Account</b>	Adjusted EBITDA	+£13.6m
	Adjusted operating profit	+£2.3m
	Net finance cost	+£2.1m
	Profit before tax / net income / EPS	+£0.2m
<b>Balance sheet</b>	Net debt*	+£50.7m
	Total assets*	+£44.2m
	Total liabilities*	-£48.6m
	Net equity*	-£4.4m
<b>Cash flow</b>	Operating cash flow	+£14.2m
	Free cash flow	+£12.1m

\* As at 31 December 2019

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Investor Presentation

# FY 2019 RESULTS

28<sup>th</sup> FEBUARY 2020