

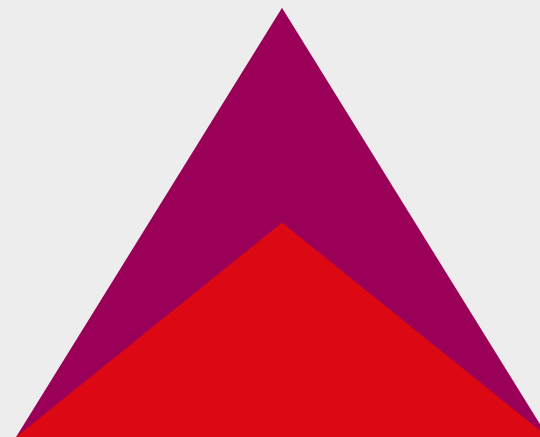


ESSENTRA

ESSENTRA STRATEGY REVIEW

Interims presentation

28 JULY 2017



SUMMARY

- Detailed 6 month review supports the initial view of strategic strength and self-inflicted wounds.
- We are making good progress in driving widespread increased stability, albeit much remains to be done, especially in Packaging. IT will require limited additional investment.
- Clear growth strategies exist - with bolt on acquisitions in Components, and possibly elsewhere later, available.
- The creation of Specialist Components will ensure greater focus across the portfolio.
- Margins appear broadly sustainable in 3 of the Divisions (limited volatility possible in Filters) and can return to industry norms in Packaging over the medium term.
- There is an increased focus on cash and earnings quality, underpinned by incentive schemes.
- The role of the Group in driving value has been clearly identified. Two important roles are to drive sustained culture change and embed critical groupwide processes.

TODAY'S CONTENT

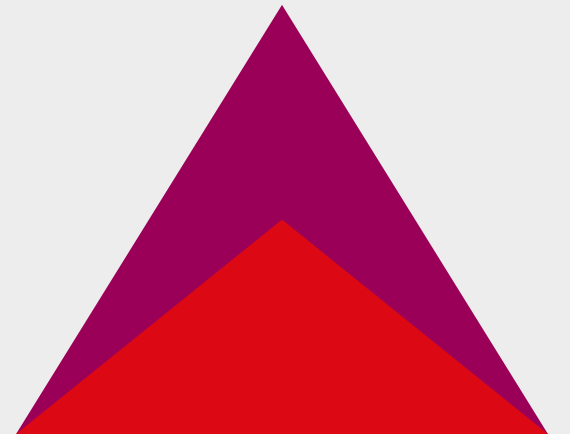
- Background and introduction
- Strategy for each major Division
- Overview and opportunities for the smaller business units
- How the group will add value
- Financial overview and priorities
- Summary



ESSENTRA

BACKGROUND AND INTRODUCTION

28 JULY 2017



WHAT WAS SAID IN FEBRUARY

Initial View of a good set of strategic positions:

- Leadership or #2 positions in virtually all
- Sustainable growth in many, but not all
- Often strong entry barriers
- Margins appear sustainable or, with Packaging, improvable
- Blue chip customer base + loyalty
- Potential organic and inorganic growth routes

WHAT WAS SAID IN FEBRUARY

5 key self-inflicted wounds:

- Matrix structure
- Poor IT
- Lack of strategy
- Poorly executed Packaging integration
- Poor morale + 'Brain Drain'

Plus a conspicuous absence of rigorous, consistent process

WE ASKED OURSELVES 5 BASIC, BUT HITHERTO UNANSWERED, QUESTIONS.

- What is our strategy corporately and by Division?
- What skill and investment gaps do we need to fill i.e. commercial, operational, IT, governance?
- What are the financial implications?
- How should we organise ourselves?
- How do we create the right culture?

AND UNDERTOOK 8 WORKSTREAMS

- Phoenix 1: Strategy Development
- Phoenix 2: Commercial Capability
- Phoenix 3: Operational Capability
- Phoenix 4: Financial Potential
- Phoenix 5: Organisation
- Phoenix 6: Employee Engagement
- Phoenix 7: Group valuation and stock market assessment
- Phoenix 8: Review IT systems, capabilities & strategy

WE HAVE AN AGREED THREE PART CORPORATE CHANGE PROGRAMME.

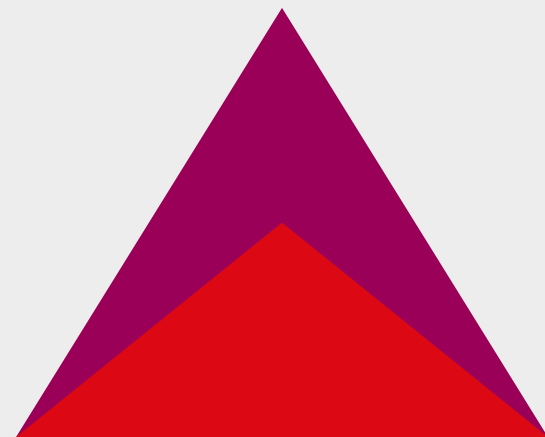




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STRATEGY FOR EACH MAJOR DIVISION

28 JULY 2017



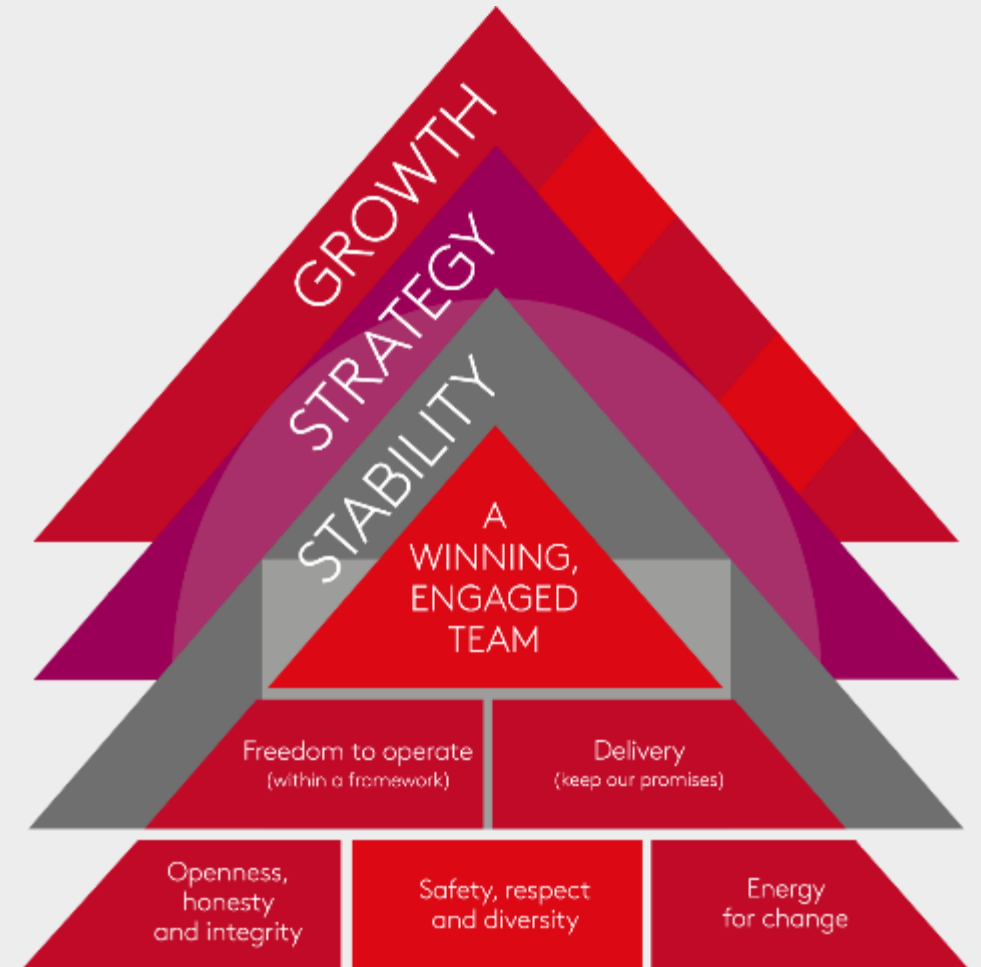


ESSENTRA

COMPONENTS

(Largest Business Unit within Component Solutions)

28 JULY 2017



BUILDING ESSENTRA
TOGETHER

COMPONENTS SUMMARY

Current Position

- Selling diverse range of “low cost/high potential hassle” items on the BOM
- High transaction/low unit cost sales model
- Fragmented £7.8bn market growing at IP
- Unique position as both manufacturer and distributor across multiple categories
- High cost of mould development a key barrier to entry
- Focus on NA/EU with some presence in Asia, c3% global share currently
- Has had a lack of offer focus and thus has “fuzzy” propositions
- Performing quite well against most customer needs though some OTIF challenges in certain markets
- Margins are good and likely to be sustainable

Optimised ‘As – Is’

- Refocus the business on clear proposition delivering the “brilliant basics”:
 - Reliable, timely delivery
 - Quality products at a fair price
 - “No hassle”; easy to deal with customer experience
- Reorient marketing, digital and sales efforts to drive new customer acquisition
- Build cross-sales capability
- Reinforce strengths in “hero ranges” and deliver “one stop shop” ranges excellently
- Expand in existing and move into new geographies
- Refine internal global supply chain to improve OTIF and increase asset utilisation
- Benefits of management focus on single business

Expansion – organic / inorganic

- Create an M&A “roll up” programme becoming the consolidator in a fragmented industry
- Move much more significantly into China/rest of Asia/LatAm
- Move into new adjacent categories e.g. medical devices and aerospace
- Exploit digital technologies to extend reach and deepen customer relationships
- Consider moves into value added services in the future

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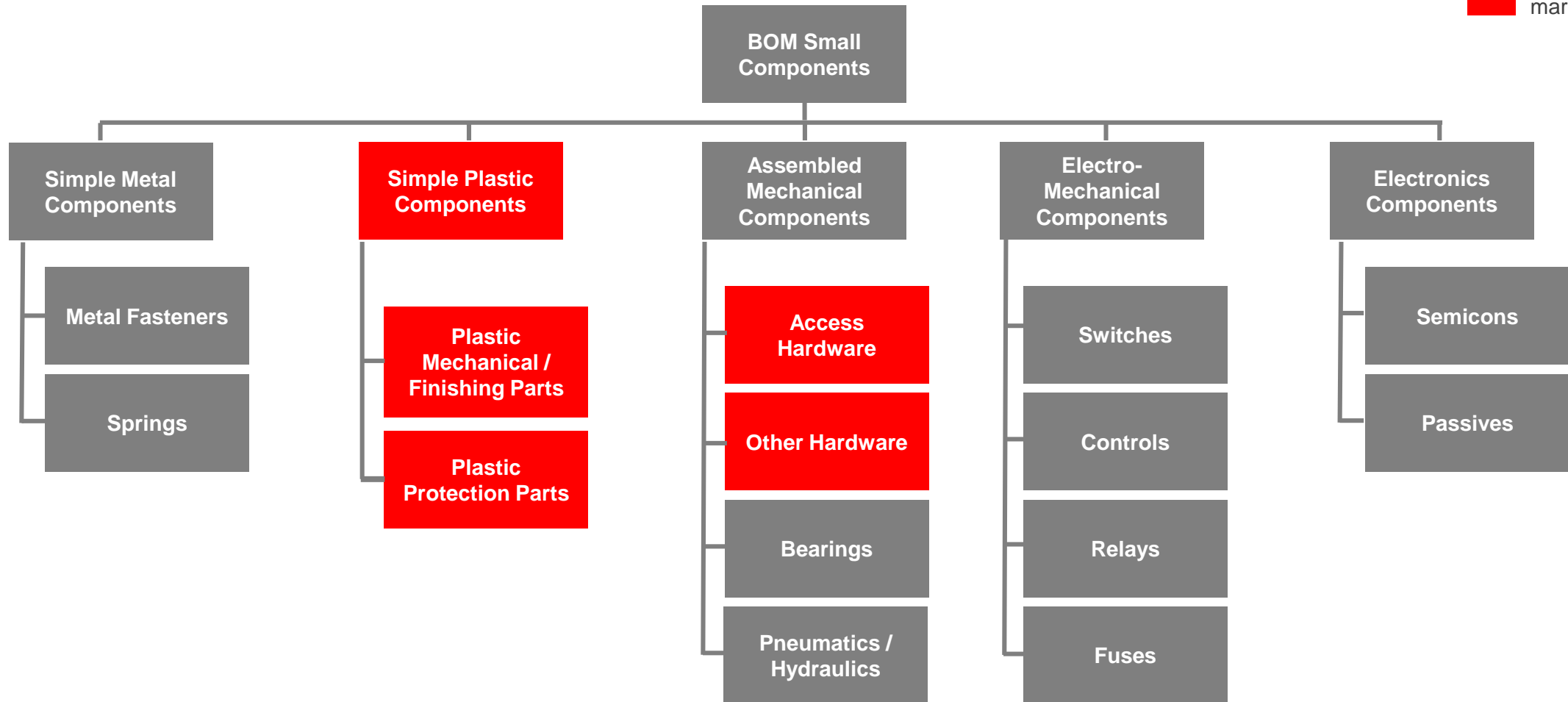
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WE OPERATE IN A SUB-SET OF A BROADER BOM (BILL OF MATERIALS) “SMALL COMPONENTS” MARKET



ESSENTRA IS AN EXPERT MANUFACTURER AND DISTRIBUTOR OF A WIDE RANGE OF LOW COST COMPONENTS



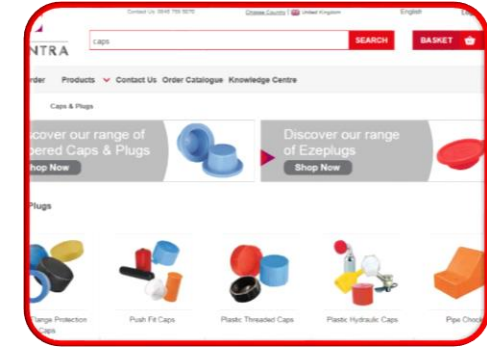
Expert Manufacturer

- Low cost but essential components
- Across 5 broad product categories
- Expert in multiple manufacturing processes
- 8 Manufacturing facilities globally employing c1500 people



High Service Distributor






- >30,000 standard parts available from stock
- 22 logistics centres globally
- Standard delivery service 2 – 3 days
- Serving over 100,000 customers



Hassle Free Customer Experience

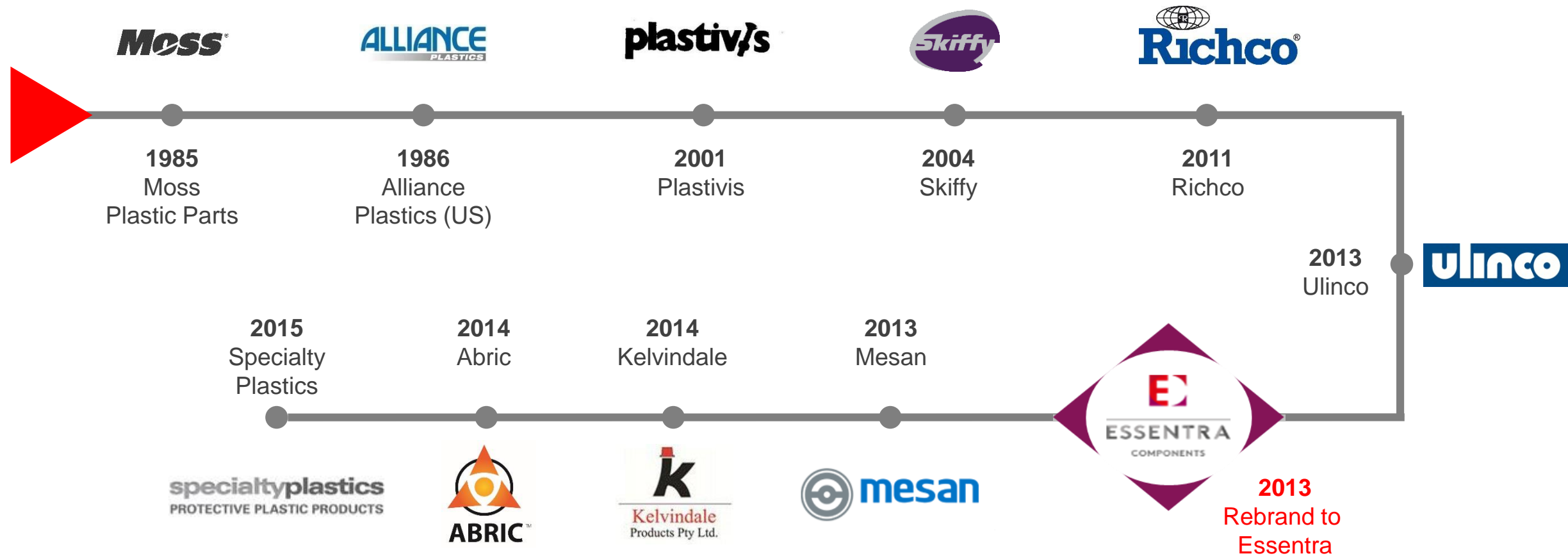
- Multichannel sales & service >400 people managing c600,000 orders p.a.
- Find the right product via on and offline catalogues
- Proto-type support - >100,000 samples despatched p.a.

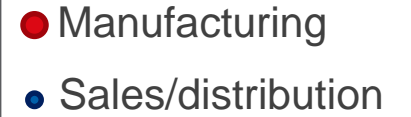
WE SELL A DIVERSE SET OF PRODUCTS WHICH WE HAVE GROUPED INTO 5 BROAD CATEGORIES

Broad Category		2016 Sales %	Subcategories	% Manufactured
	Caps and Plugs	35%	Caps & Plugs Pneumatics & Hydraulics Flange Protection	60%
	Cable Management, Fasteners	44%	Fibre, Wire and Cable Mgt PCB & Electronics Hardware Fasteners	55%
	Access Hardware	9%	Access Hardware	63%
	Other Hardware	10%	Feet, Castors & Glides Knobs, Handles & Grips Clamps & Workholding Bearings & Power Trim Tooling & Positioning Material Handling Other (Small)	16%
	Tapes	2%	Adhesive Tapes	14%

Overall 30,000 standard SKU's ca. 55% manufactured

TODAY'S BUSINESS HAS BEEN BUILT THROUGH 10 ACQUISITIONS SINCE 1985

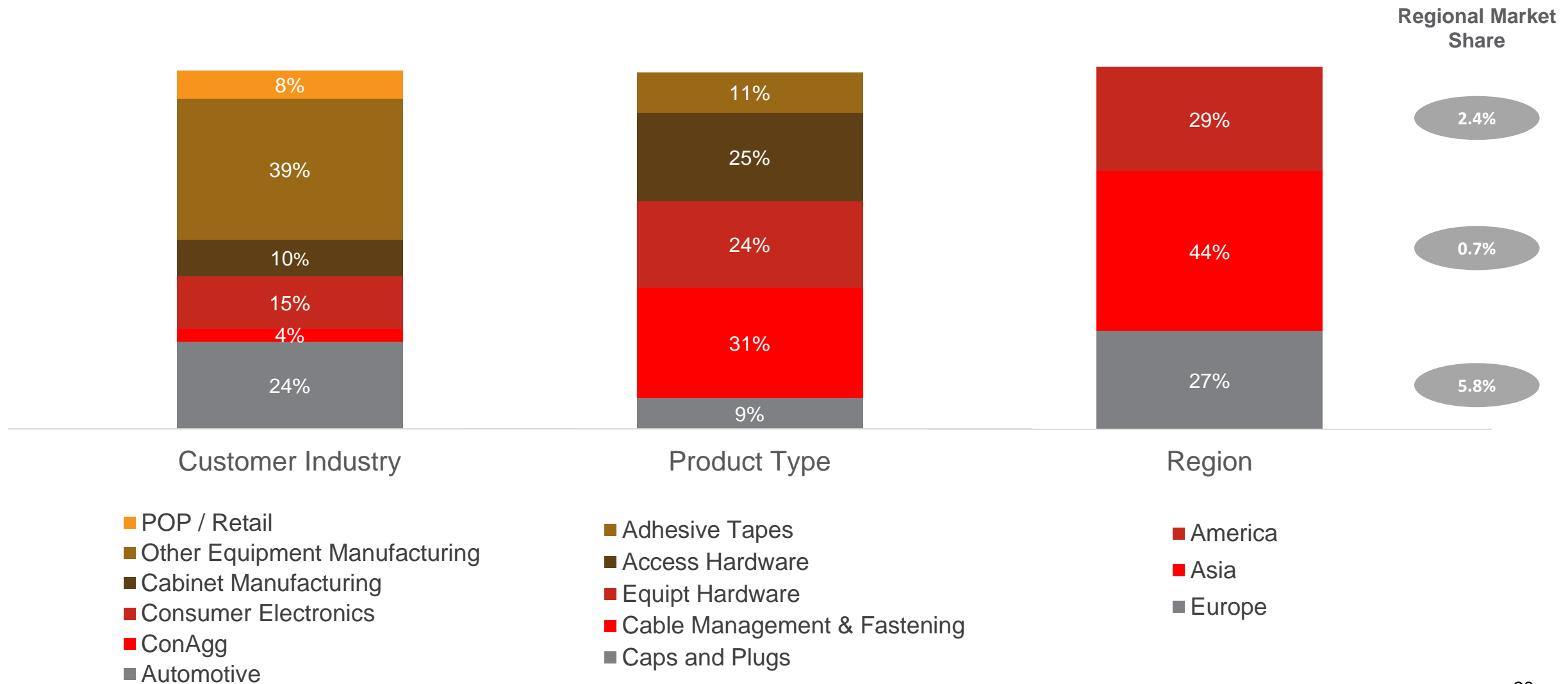




OUR £8bn MARKET SERVES A VARIETY OF CUSTOMER INDUSTRIES - OUR “GLOBAL SHARE” IS APPROX. 3%



TOTAL = £7.8bn



THERE ARE A NUMBER OF FACTORS THAT MAKE THIS AN ATTRACTIVE MARKET FOR US

Market dynamics:

- Market is large and growing in line with industrial production
- Good margins generally available
- Fragmented market, customers and competitors range from small local players to large multinationals
- Competitors, of which there are hundreds, are either distributors or niche manufacturers, we have the advantages of doing both:
 - The expertise and credibility of a manufacturer
 - The service orientation of a distributor
- Difficult for new entrants to establish themselves as manufacturers due to high cost to produce moulds for standard parts across a very broad range of SKUs
- Asia market is large, growing and relatively underdeveloped
- Review of possible medium term impact of 3D printing indicates no material risk

We do not see any major changes in market dynamics or customer needs occurring in the market in the immediate future

OUR GOOD MARGINS ARE UNDERPINNED BY A NUMBER OF INTERNAL AND EXTERNAL FACTORS

Market driven

- Low cost, “low interest” components are “low on the customer radar”
- Customer inertia as a “hassle” to switch components
- Price comparisons are not easy

Essentra driven, we:

- Act as our own distributor
- Focus on standardisation, reducing costs
- Use margin analysis to sustain the right product portfolio
- Are known for certain products with a good brand reputation
- Have scale economies compared to many players

ESSENTRA IS PERFORMING QUITE WELL AGAINST MOST CUSTOMER NEEDS BUT HAS ROOM FOR FURTHER IMPROVEMENT



Feedback from our customers

- We have carried out qualitative and detailed quantitative research into our customers' needs and how we are performing against them
- We have this information by a number of dimensions including geography, customer industry and customer size
- The two most important stated needs are fair price and good quality, we do well on quality and acceptably on price
- After this come a number of service factors including speed of delivery, sampling, helpful customer service etc.
- These needs are core to our USP of being "no hassle, easy to deal with". Meeting these needs enables us to differentiate ourselves from our competition.
- We are currently performing well against all of these needs though we have opportunities for improvement e.g. technical support

Net Promoter Score (NPS)

- We are using the Net Promoter Score (NPS) metric to track how well we are performing in aggregate by market
- We have this by geography, industry and customer size
- Our average score in 2017 is 25 compared to an industry typical range of 20 to 30
- This varies by geography, for instance:
 - USA 40
 - UK 14
 - Germany 16
 - Spain 35
 - Czech Republic 51
- Although UK and Germany for instance are lower, they are on an upward trajectory, the NPS there having been reduced previously by our own reorganization activity and the resultant disruption to customer service

WE HAVE MANY STRENGTHS AND ALSO SOME IMPROVEMENT OPPORTUNITIES

Strengths

- Breadth of business: customer diversity & breadth/depth of product offer
- Global footprint
- Product expertise, strong reputation for “hero ranges”
- Digital skills
- Good margins
- We are performing well for most customers in their important areas such as product quality and customer service
- We have a unique positioning as both a manufacturer (deep expertise) and distributor (service culture)

Improvement opportunities:

- Our proposition has not been clear and consistent
- Where we have reorganised our customer service has not been as good as it should have
- Cross-selling across categories
- Improve rate of new customer acquisition

EVOLUTION FROM A STRONG AND RELATIVELY UNIQUE PROPOSITION

- Refocus the business on a core proposition focused on the “brilliant basics”
 - Reliable, timely delivery
 - Quality products at a fair price
 - “No hassle”, easy to deal with customer experience
- Focus on our heritage: broad/fragmented industrial equipment production customers
- Refocus our marketing, digital and sales efforts to drive new customer acquisition
- Build our cross-sales capability through commercial effectiveness
- Reinforce our strengths in “hero ranges” and deliver “one stop shop” ranges excellently
- Expand in existing and move into new geographies
- Grow both organically and through acquisition of further niche players

THERE ARE A NUMBER OF OPERATIONAL IMPROVEMENTS WE CAN MAKE

- We need to ensure we have a consistent proposition, it varies a lot today from market to market for no obvious reason
- Ensure we always deliver on the “brilliant basics” and are very easy to deal with
- We will develop our supply chain to maintain costs whilst delivering improved service
- Our IT infrastructure will also need addressing to support the proposed changes
- Whilst we have made a good start in our digital marketing and eCommerce we see many opportunities for further development

WE CAN DEVELOP OUR SUPPLY CHAIN TO IMPROVE ITS PERFORMANCE

- Our current approach delivers a variable service offer across geography and product range
- We have modelled changes to our network, focusing on “Hub” warehouses to deliver within a consistent timeframe which can improve inventory depth available across the geographies served.
- Under this emerging model, our net inventory will reduce with significantly improved OTIF % from today whilst maintaining our operating costs
- New “Hub” warehouses would aim to be developed from existing sites but would require significant capex investment
- We will develop our supply chain processes and process consistency to support this approach

THERE IS STILL SIGNIFICANT OPPORTUNITY TO GROW ORGANICALLY IN EU AND AMERICAS AND EXPAND TO ASIAN GROWING GEOGRAPHIES

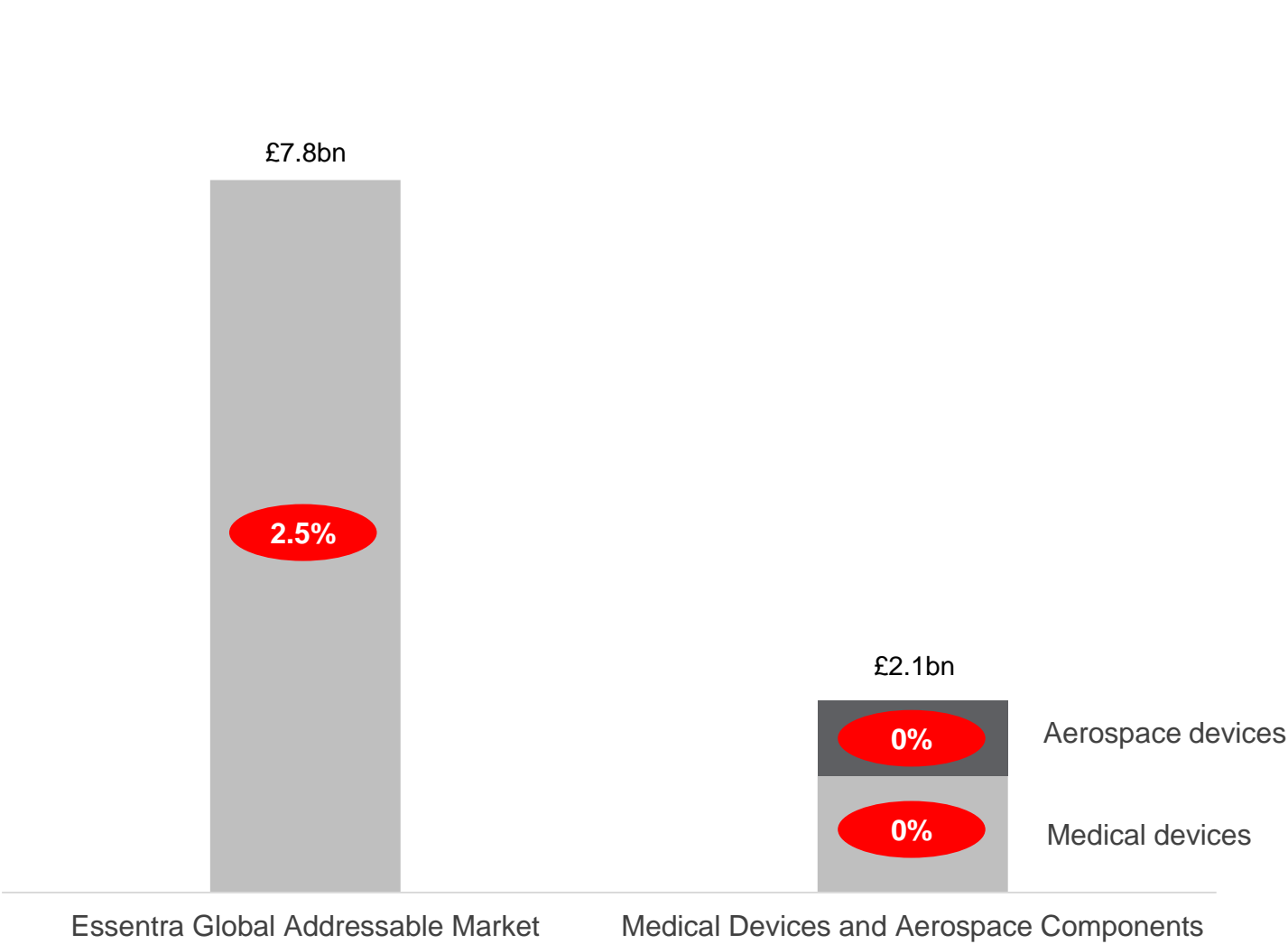


Addressable market size by region
Total = £7.8bn



THERE ARE STILL LARGE ADJACENT MARKETS WHERE WE COULD GROW UTILISING SOME PRODUCTION SYNERGIES E.G. MEDICAL DEVICES

Addressable markets size estimate



Aerospace devices

Casters for
inflight trolleys



Cable
management



Access
hardware



Medical devices

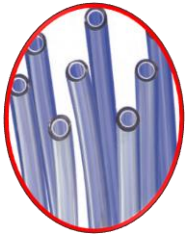
Connectors & plugs



Clamps & Clips



Stopcocks



Tubing and
extension lines

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Expansion – organic / inorganic

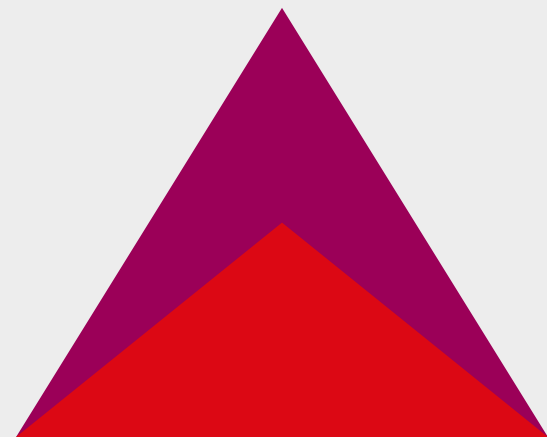
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ESSENTRA

PACKAGING

28 JULY 2017



PACKAGING SUMMARY

Current Proposition

- One of two multi-continental suppliers of a full secondary packaging range to Health and Personal Care markets
- Underlying markets are stable and growing; 3-5% p.a.
- A very 'Blue Chip' customer base and representing high barrier to entry
- Clear pattern of one stop shop purchasing
- End market trends support continuing growth and scope for value added
- We have lost much market share – and trust – through self inflicted wounds, but customers continue to desire us to succeed

Short term stability 2017-2018

- Matrix structure removed
- Tapes split from larger Packaging Division
- Smaller specialist businesses to be managed separately
- No further integrations planned
- Focus on basic KPI's of H&S, service and quality
- Structured weekly performance review process led by CEO
- Operational stability has short term priority over financials – and major turnaround resource being used
- Much enhanced dialogue with customers, led by CEO
- Complete orderly closure of Newport cartons if proposal is confirmed

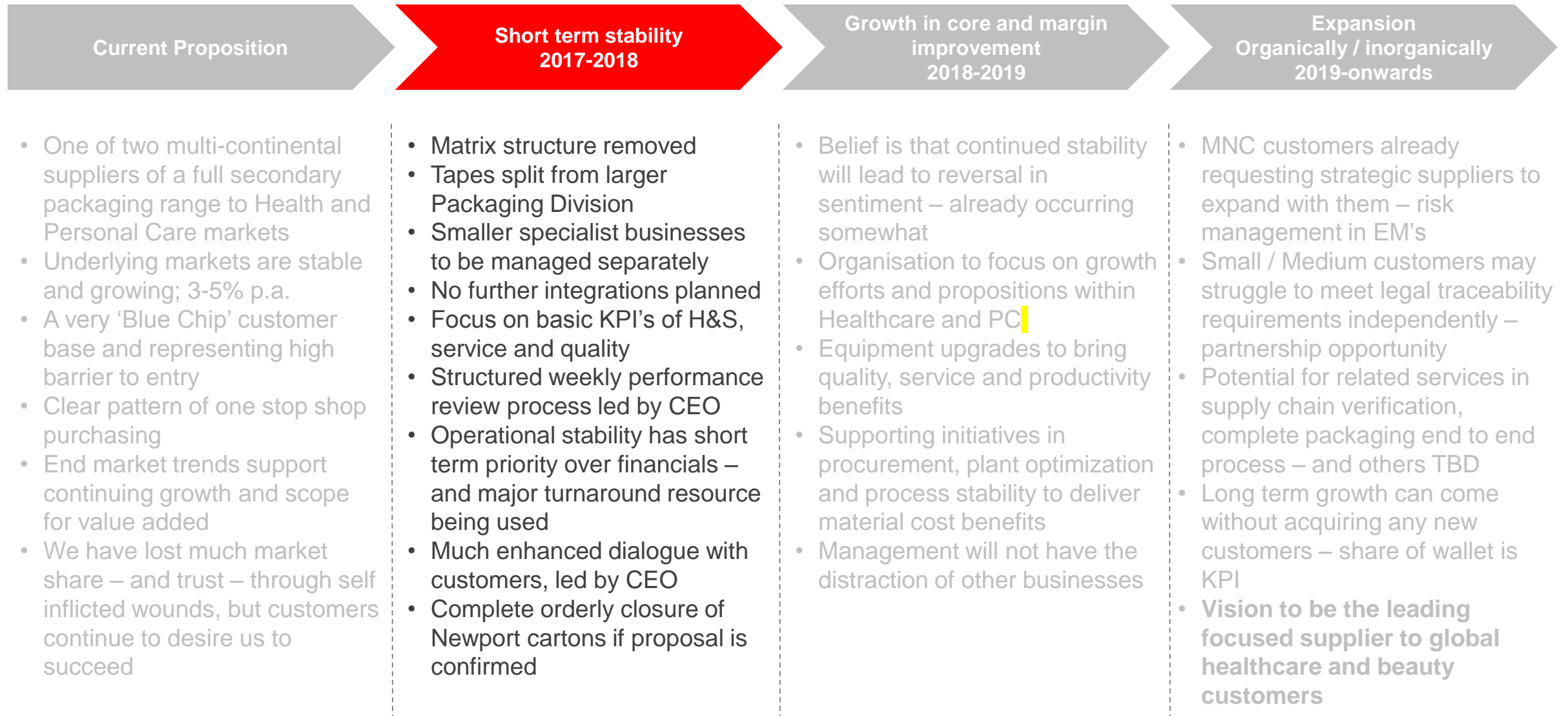
Growth in core and margin improvement 2018-2019

- Belief is that continued stability will lead to reversal in sentiment – already occurring somewhat
- Organisation to focus on growth efforts and propositions within Healthcare and PC
- Equipment upgrades to bring quality, service and productivity benefits
- Supporting initiatives in procurement, plant optimization and process stability to deliver material cost benefits
- Management will not have the distraction of other businesses

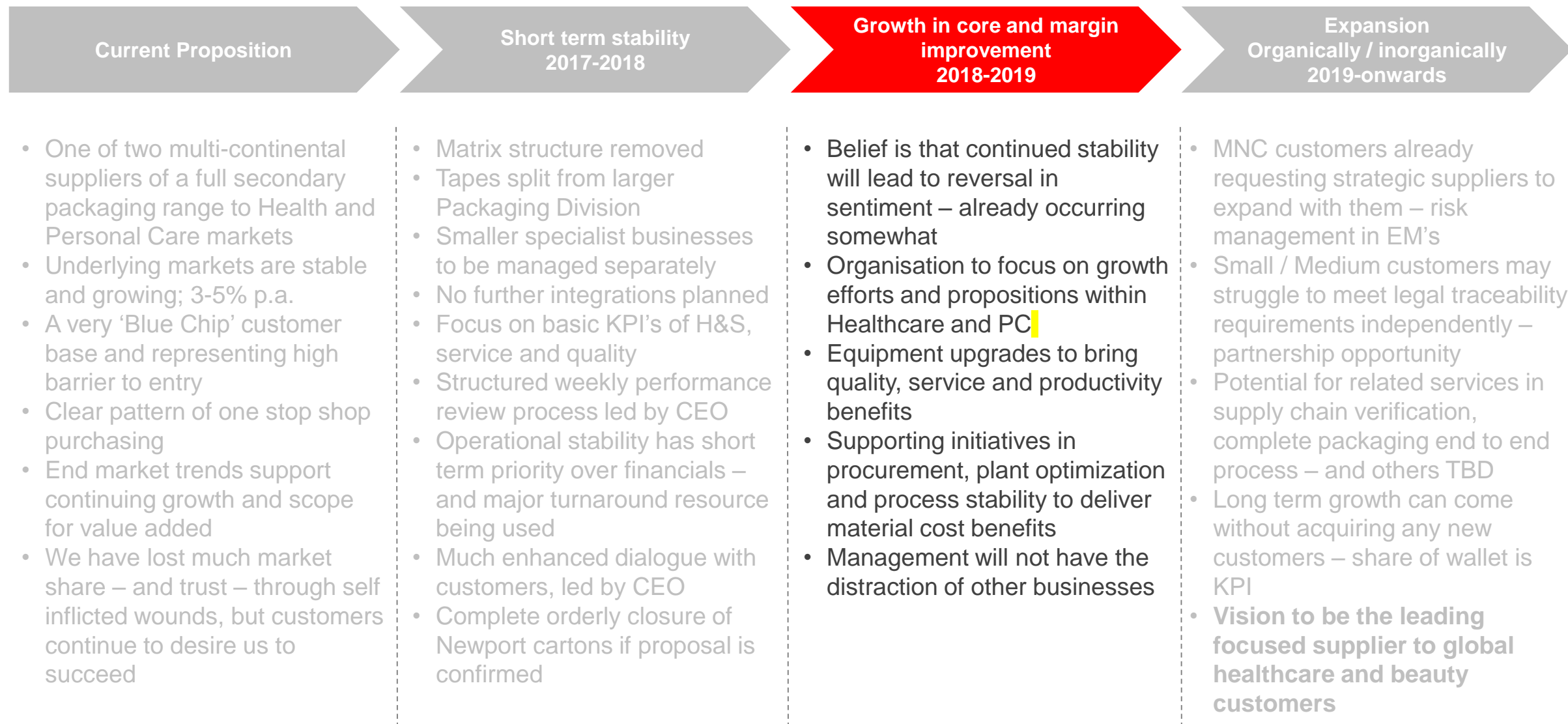
Expansion Organically / inorganically 2019-onwards

- MNC customers already requesting strategic suppliers to expand with them – risk management in EM's
- Small / Medium customers may struggle to meet legal traceability requirements independently – partnership opportunity
- Potential for related services in supply chain verification, complete packaging end to end process – and others TBD
- Long term growth can come without acquiring any new customers – share of wallet is KPI
- **Vision to be the leading focused supplier to global healthcare and beauty customers**

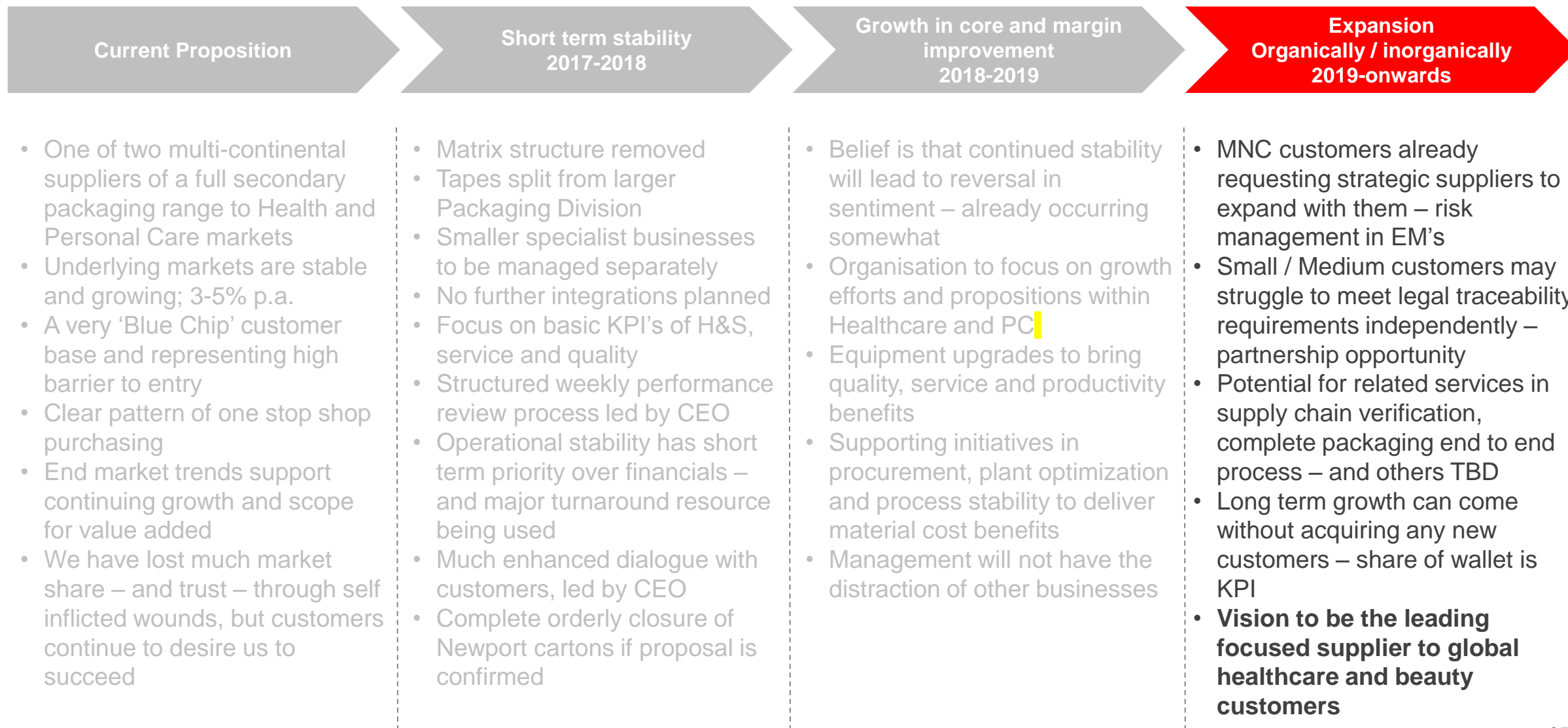
PACKAGING SUMMARY



PACKAGING SUMMARY



PACKAGING SUMMARY



WHAT WE DO : SPECIALIST SECONDARY PACKAGING

Product Range

Cartons



Literature



Labels



Foil



Consumer & Commercial Print



Other



Customer Base

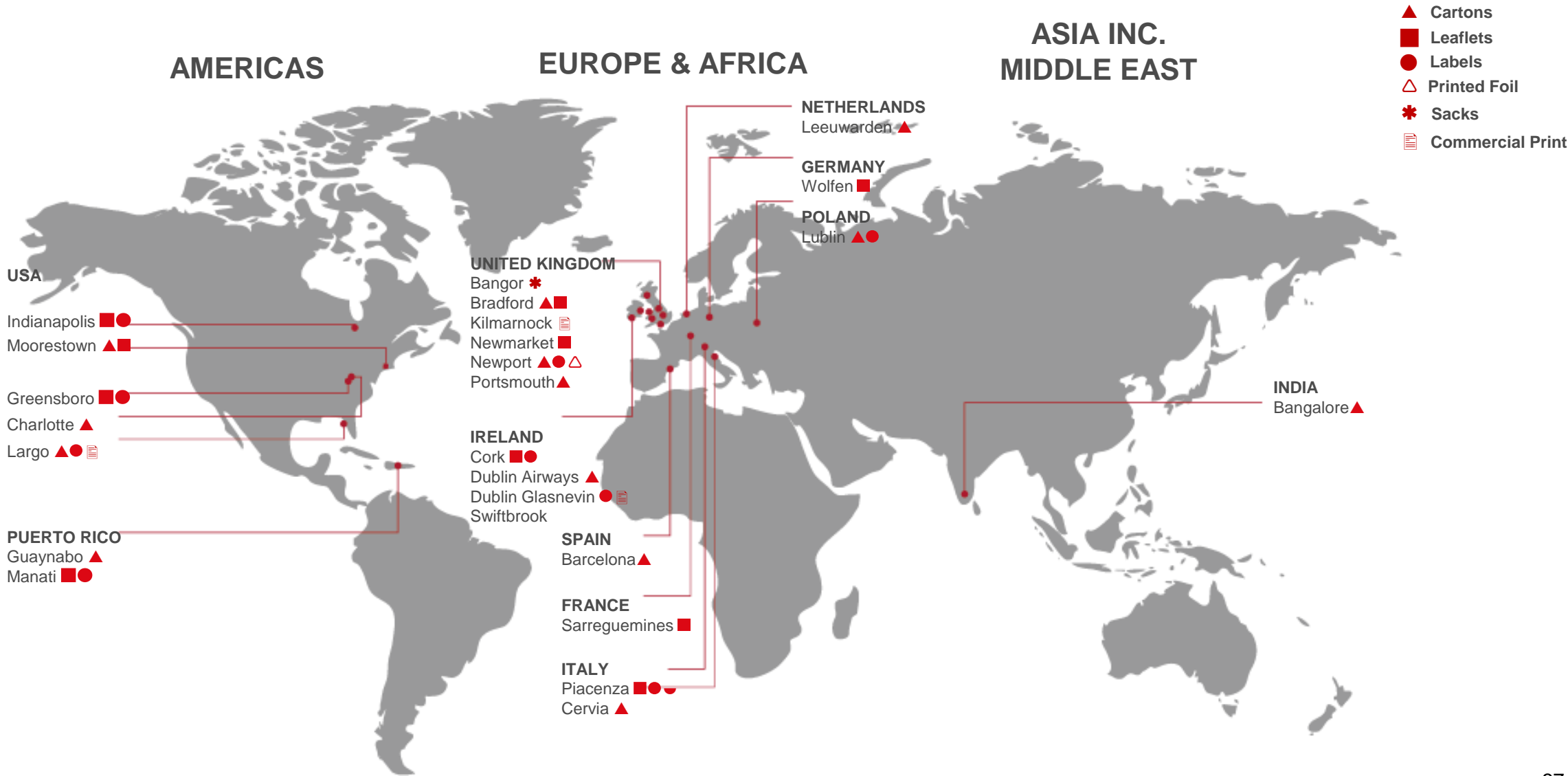
Healthcare

Supplier to 18 of the top 20 Global Pharma Companies and many other leading healthcare companies

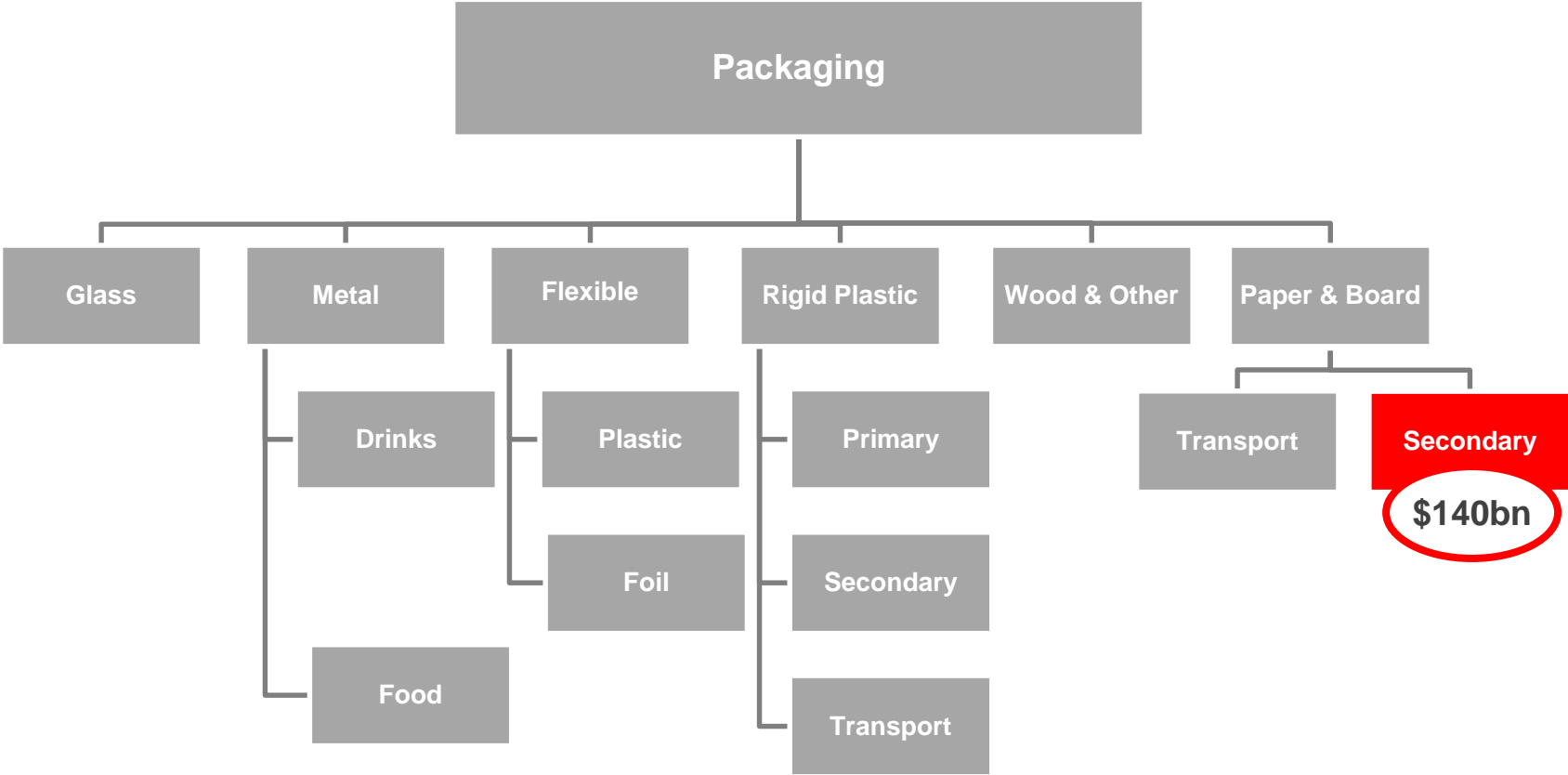
Personal Care

Supplier to 5 of the top 20 Global Beauty Companies

WHERE DO WE OPERATE?



BUSINESS OPERATES WITHIN PAPER&BOARD SECONDARY PACKAGING MARKET



OUR POSITION IN OUR TARGET GROWTH MARKETS





Global Paper/Board Secondary Packaging Market



Growth in Healthcare and PC estimated to be 2-3% in US/Europe and 5%+ in Asia

OUR MARKETS : SPECIALIST REQUIREMENTS PRESENT BARRIERS TO ENTRY

Category	Healthcare	Personal Care
		
Customer Requirements	<ul style="list-style-type: none">• Plants tailored to pharma specific regulation (PS9000)• Strong GMP (Good Manufacturing Practice) culture• Small batch capability• Deep expertise in sector	<ul style="list-style-type: none">• Extensive range of finished and features• Strong GMP culture - colour matching paramount• Agility to support new product launches• Deep expertise in sector
Growth	<ul style="list-style-type: none">• GDP+	<ul style="list-style-type: none">• GDP

FRAGMENTED COMPETITIVE SET

Estimated
Market Share



Multinational Competitors



20%



Regional Competitors



25%

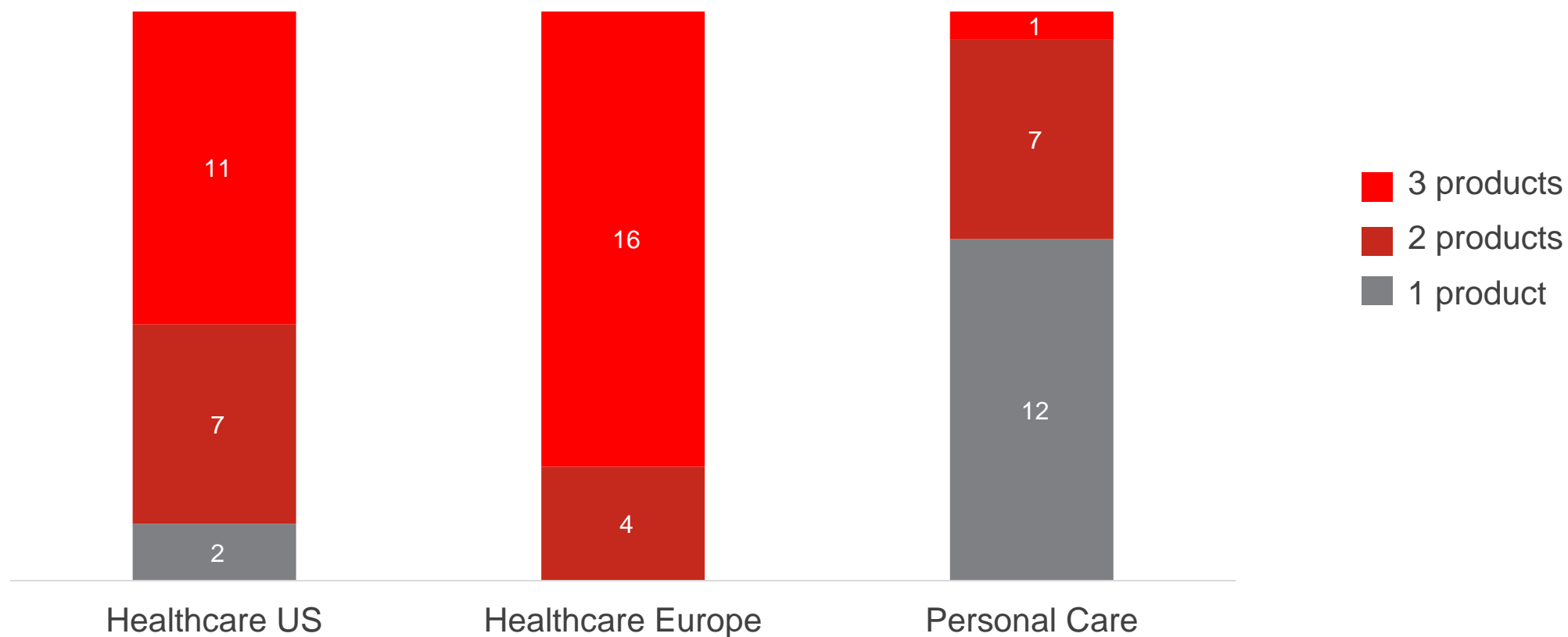


Small Specialist Competitors








55%

WITHIN HEALTHCARE CUSTOMERS ARE BUYING INTO FULL RANGE

Cross-buying amongst TOP20 Customers in each category



TRENDS IN HEALTHCARE

Trends	Changing Customer Requirements	Trend Favourability to Essentra
Serialisation & tamper evidence	<ul style="list-style-type: none"> Product/sourcing solutions 	
Patient Adherence	<ul style="list-style-type: none"> Product/sourcing solutions 	
Consolidation & Contract Manufacture	<ul style="list-style-type: none"> Supplier consolidation 	
Biopharma	<ul style="list-style-type: none"> More small batch manufacturing 	
Switch from Branded to Generics & OTC	<ul style="list-style-type: none"> More small batch manufacturing New geographies 	
Print Digitalization	<ul style="list-style-type: none"> New technology 	
Corporate Social Responsibility	<ul style="list-style-type: none"> Strong supplier CSR programme 	

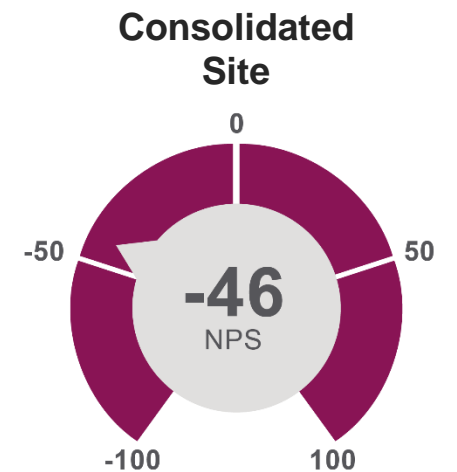
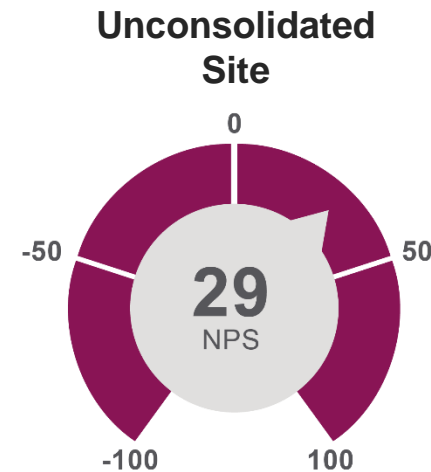
IMMEDIATE PRIORITY HAS BEEN TO ADDRESS LEGACY CUSTOMER ISSUES

Legacy of Clondalkin acquisition

- Mistakes were made in the integration of Clondalkin
 - Too many sites consolidated
 - Lacking strategic logic
 - Poorly planned, too fast
- Customer service impacted at consolidated sites
- Focus of major improvement initiative since Jan 2017

2016 Customer Survey Results

How likely is it that you would recommend Essentra to a friend or colleague?

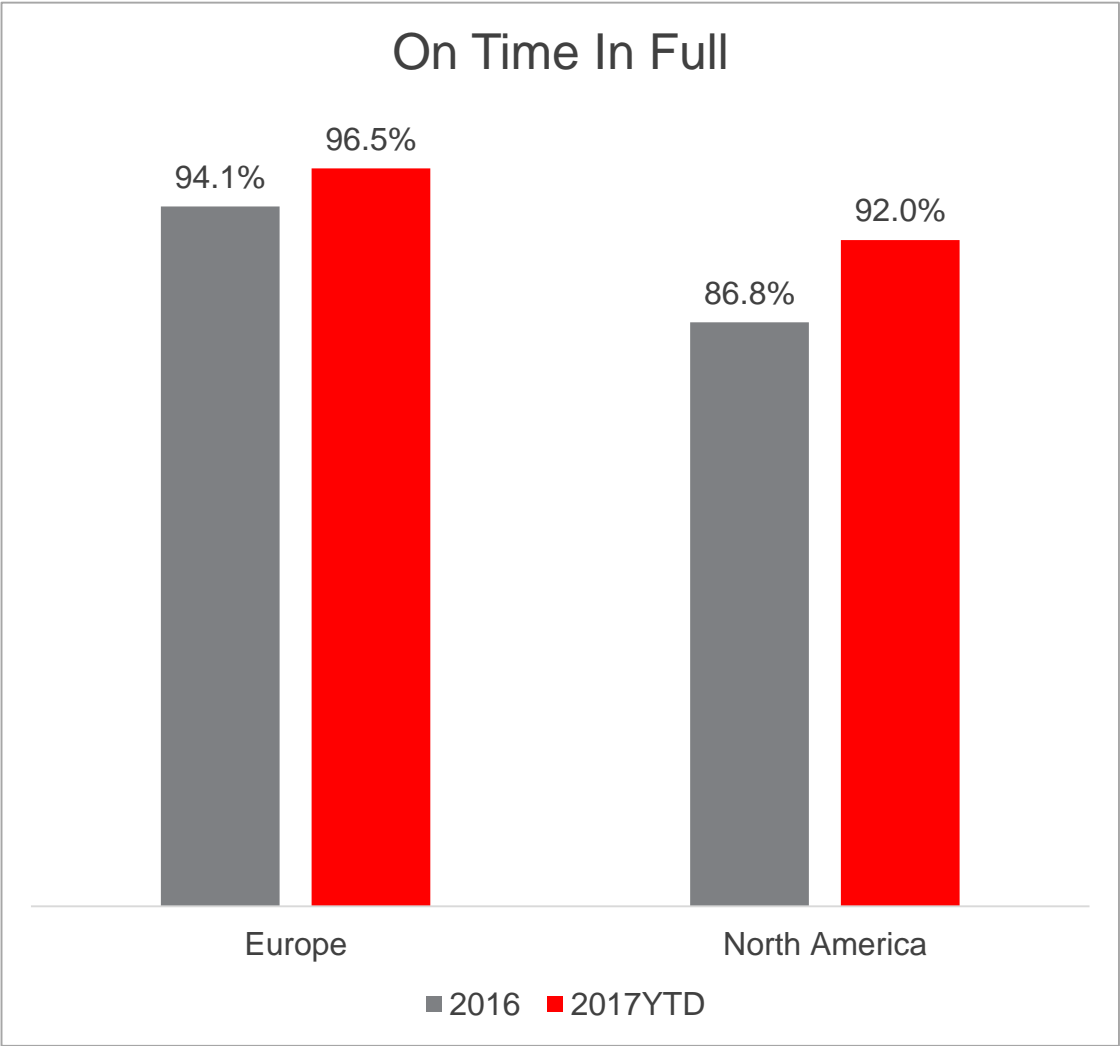
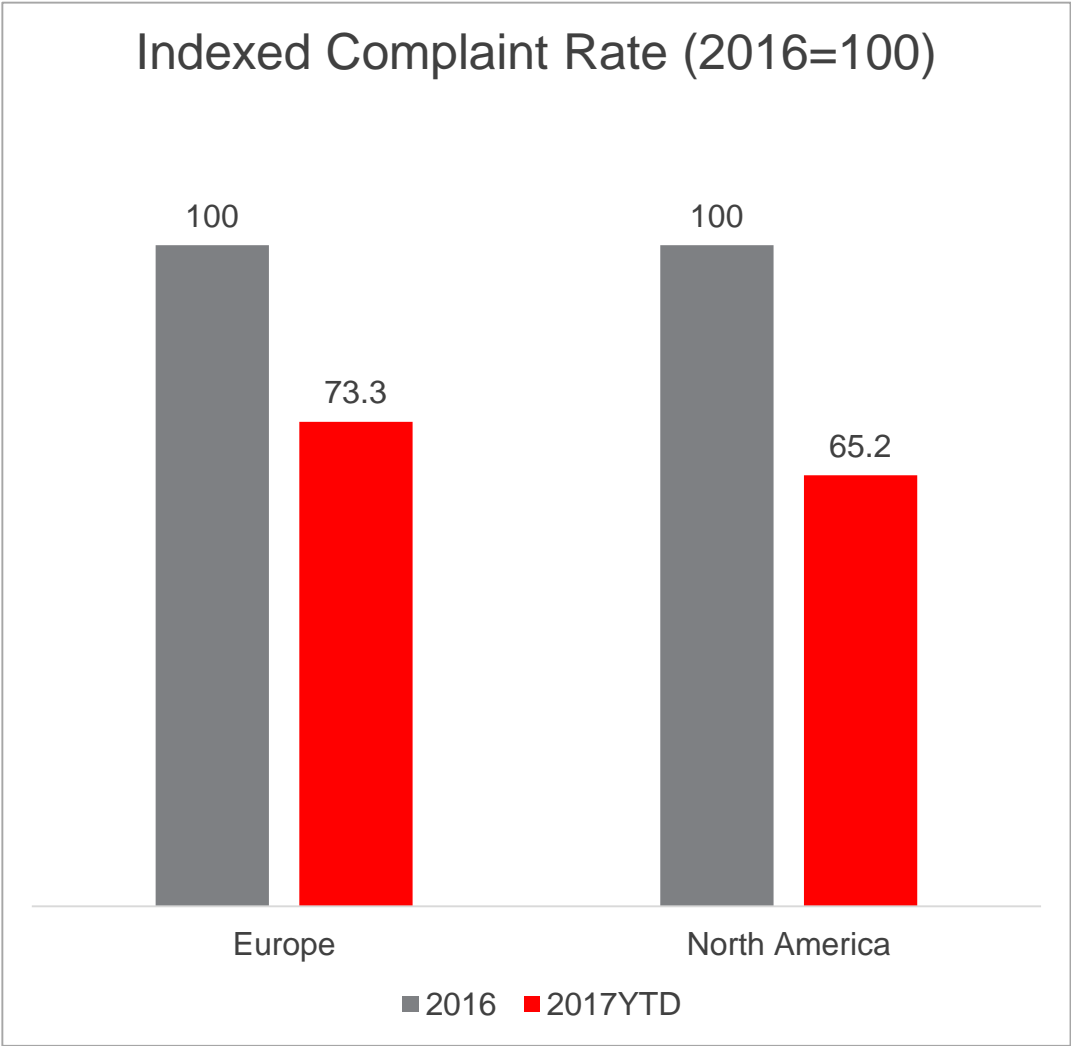


Despite challenges, customers remain strongly supportive of need for a second strong scale player

MANAGEMENT DECISIONS / ACTIONS

- Removal of the organizational matrix structure
- No further site integrations
- CEO acting as Divisional lead
- Weekly review meetings led by CEO
- Operational stability emphasised over financial performance in the short term
- Focus placed on increased regular communication with customers

OPERATIONAL KPI'S IMPROVING



Creating organizational clarity

- **Existing H&PC Division currently includes several smaller businesses**
 - Tear tape, Specialty tape
- **Together these businesses have little synergy, but have been managed as a single entity leading to complexity and confusion**
- **The operations are now being separated and will be run as standalone P&L's**

Proposed Closure of Newport Cartons

- **Newport Carton operation - a strategic and financial challenge**
 - Division created by consolidating several different businesses on to a new site without a clear customer focus
 - Majority of site revenue currently made up of low complexity consumer applications
 - Difficult ramp-up leading to customer service issues
 - Currently losing £500k per month
- **If proposal is confirmed, production of folding cartons will cease by the end of 2017**
 - Will remove losses of £5m+ in 2018
 - Key production equipment to be re-deployed

PHASE 2 : SHORT TERM MARGIN RECOVERY LEVERS

Margin Lever	Commentary
Newport Cartons Closure (if proposal is confirmed)	H1 losses of £3.4m
Market growth	Holding share enables sales growth of ~£10m
Accelerated capital investment	Modern equipment can make 20% cost difference
Non-recurring quality costs	Annual impact of current continuous improvement efforts
Supply chain network optimization	Significant bottlenecks at individual sites
Site best practice sharing	Untapped opportunity to drive lean agenda
Procurement savings	Establishing category teams for £250m procurement spend
Data driven approach to margin management	Significant low margin tail of business

PHASE 2 : GROWING THE CORE

Elements of the Customer Proposition



Toolbox of Cost Levers

- e.g. order pattern optimization, low cost sourcing



Geographic & Product Breadth

- e.g. Multi-regional production coverage, Full product offer



Sub-segment focused Centres of Excellence

- e.g. Clinical trials



Corporate Social Responsibility



“The Design Hub”

- e.g. Design for manufacture



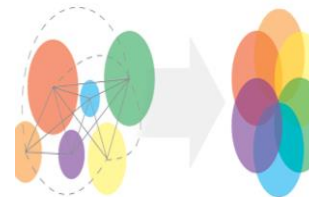
New Process Technologies

- e.g. Digital printing



Category Trend Leadership

- e.g. Serialisation, Patient adherence



Consistent Group-wide Customer Processes

- e.g. Onboarding, Contract management

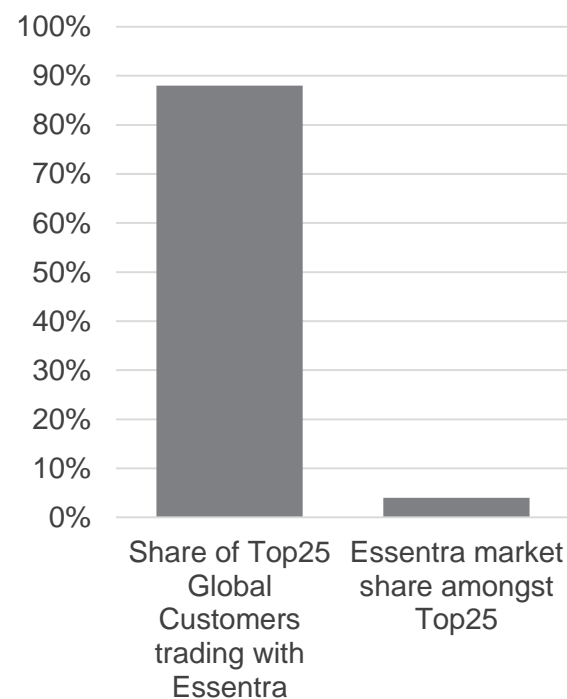
PHASE 3 : EXPANSION

Core initiatives

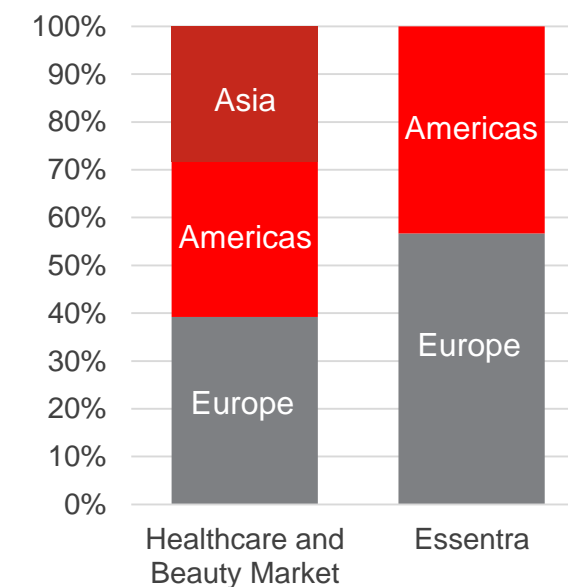
- Acquisition within existing markets
- Geographic expansion with existing customers, especially Asia
- Additional programmes to increase share of wallet materially
- Develop service proposition

Growth opportunities

Low share of customer wallet



Minimal presence in Asia

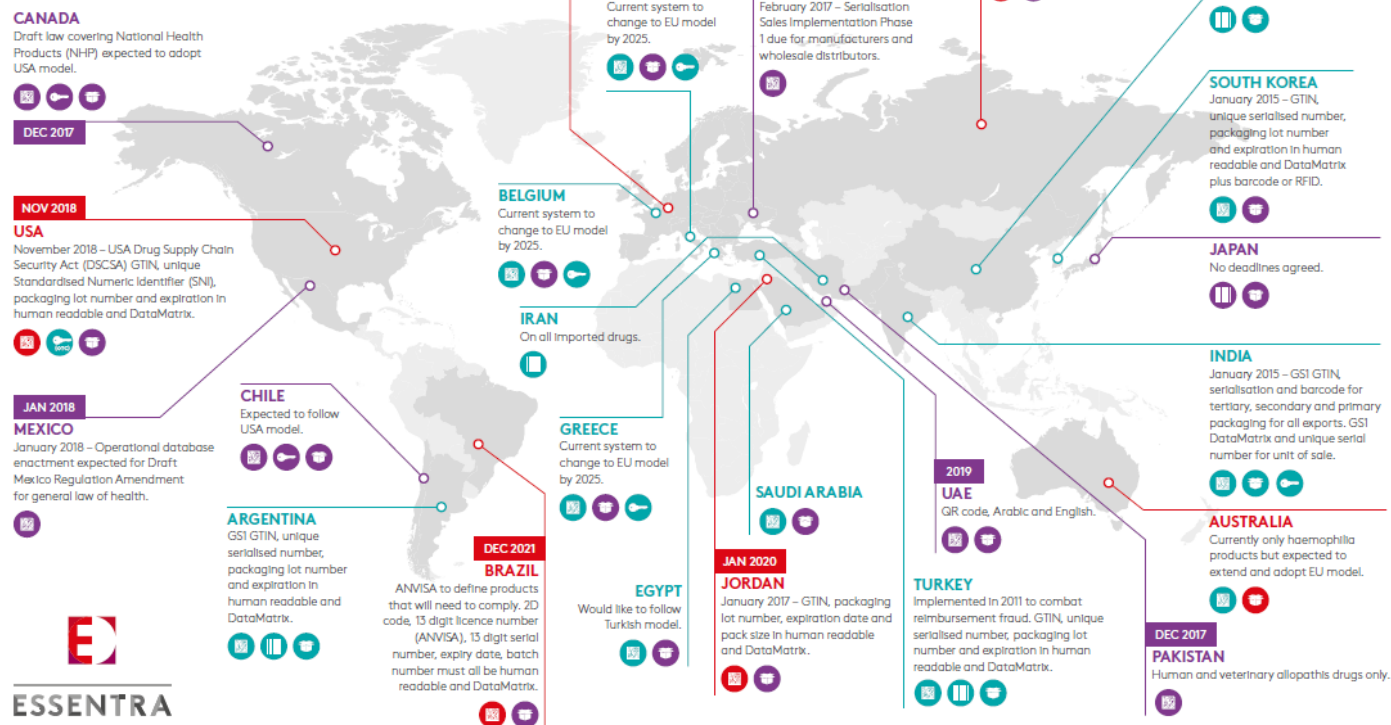


ANTI-COUNTERFEITING DRIVES INDUSTRY CHANGE

THE WORLD OF COUNTERFEITING

HOW ARE COUNTRIES RESPONDING TO ADDRESS THE THREAT OF COUNTERFEITERS?

The World Health Organization estimates that up to 15% of all pharmaceutical drugs globally are counterfeited. While this translates to around 1% of drugs in Europe and the USA, this issue is particularly severe in the developing world. As the supply chains for pharmaceuticals are now global and increasingly complex, the opportunity for illegal activity will continue to grow.



SERIALISED CARTONS



SERIALISED LABELS



TAMPER VERIFICATION – VOID-RELEASE LABELS



TAMPER VERIFICATION – GLUED CARTONS



TAMPER VERIFICATION – FIBRE-TEAR LABELS

OTHER LEGISLATIVE DEVELOPMENTS

- New guidance concerning off-label promotion
- Standardisation of medicinal product information
- Changes to drug pricing programmes and increasing demand for transparency across the pharma chain
- Quality compliance to focus increasingly on data driven predictive metrics
- Updated regulations that change market conditions for product launches

Potentially significant opportunity for value added products and services to help the industry meet changing legislative requirements

PACKAGING SUMMARY

Current Proposition

- One of two multi-continental suppliers of a full secondary packaging range to Health and Personal Care markets
- Underlying markets are stable and growing; 3-5% p.a.
- A very 'Blue Chip' customer base and representing high barrier to entry
- Clear pattern of one stop shop purchasing
- End market trends support continuing growth and scope for value added
- We have lost much market share – and trust – through self inflicted wounds, but customers continue to desire us to succeed

Short term stability 2017-2018

- Matrix structure removed
- Tapes split from larger Packaging Division
- Smaller specialist businesses to be managed separately
- No further integrations planned
- Focus on basic KPI's of H&S, service and quality
- Structured weekly performance review process led by CEO
- Operational stability has short term priority over financials – and major turnaround resource being used
- Much enhanced dialogue with customers, led by CEO
- Complete orderly closure of Newport cartons if proposal is confirmed

Growth in core and margin improvement 2018-2019

- Belief is that continued stability will lead to reversal in sentiment – already occurring somewhat
- Organisation to focus on growth efforts and propositions within Healthcare and PC
- Equipment upgrades to bring quality, service and productivity benefits
- Supporting initiatives in procurement, plant optimization and process stability to deliver material cost benefits
- Management will not have the distraction of other businesses

Expansion Organically / inorganically 2019-onwards

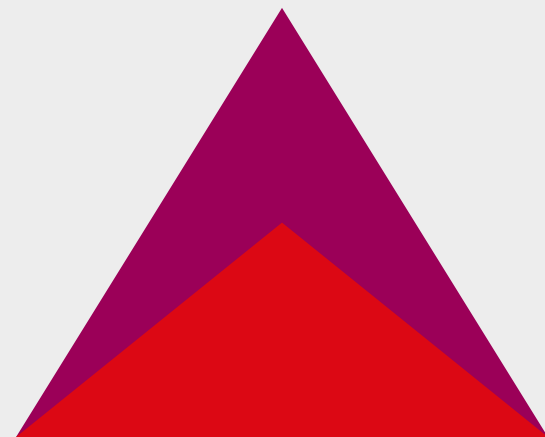
- MNC customers already requesting strategic suppliers to expand with them – risk management in EM's
- Small / Medium customers may struggle to meet legal traceability requirements independently – partnership opportunity
- Potential for related services in supply chain verification, complete packaging end to end process – and others TBD
- Long term growth can come without acquiring any new customers – share of wallet is KPI
- **Vision to be the leading focused supplier to global healthcare and beauty customers**



ESSENTRA

FILTERS

28 JULY 2017



FILTERS SUMMARY

Current Proposition

- The filter is a key value added component
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- Commercially led, but maintaining operational excellence
- Potential to achieve sales growth sustainably

Possible 'Game – Changers'

- 3 possible medium to long term value creation levers: clarify potential over next 12 months
- China (40% of world) – currently a £20m+ export market. Explore scope for structural move
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 1. Asset utilization
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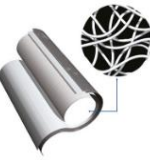







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WHAT WE DO : CIGARETTE FILTER SOLUTIONS

Filter Ranges	Unique Points		Filter Ranges	Unique Points	
Sensory Range	<ul style="list-style-type: none"> Designed to appeal to one or all of cigarette customers' senses Design capability and breadth of offering, including capsules, truly world class 		Performance Range	<ul style="list-style-type: none"> Tar, carbon monoxide and vapour reduction filter solutions that meet different legislative demands while still providing the desired consumer taste experience 	
Icon Range	<ul style="list-style-type: none"> To make cigarette brands look different so customers will view that brand differently Proprietary technologies such as CPS and Tubes to make brands stand out 		Traditional Range	<ul style="list-style-type: none"> Includes current classics to differentiate your brand and provide cigarette consumers with an in-vogue smoking experience 	
Advantage Range	<ul style="list-style-type: none"> Intelligent, balanced cigarette design to provide better overall value, without compromising taste or brand quality 		Alternative Material Range	<ul style="list-style-type: none"> Essentra investigates new and exciting materials that can be combined with our filter range to provide customers with an even greater choice 	
Super Slim Range	<ul style="list-style-type: none"> The benefits of standard size special filters in an elegant Super Slim configuration Includes all proprietary technologies – tube, CPS, capsules etc. 		Roll-Your-Own Range	<ul style="list-style-type: none"> Essentra offers an extensive range of filter tips Full packaging solutions available 	
Earth Tones Range	<ul style="list-style-type: none"> Designed with the environment in mind, embodying Essentra's commitment to degradable and sustainable products 		New Generation Products	<ul style="list-style-type: none"> E-cigarettes: Rechargeable & Disposable Cartridges that can take a variety of nicotine levels, flavours and PG/VG ratios Finished, packaged product offering Component supply for HnB technology 	

Multinationals

**Supplier to all major
tobacco multinationals**

Independent and Monopoly Tobacco Manufacturers

**Supplier to 200+
independent and state
monopoly tobacco
manufacturers**

WHY CUSTOMERS CHOOSE TO OUTSOURCE

Innovation capability

- To access market leading filter design and development experience

Industrialisation capability

- To eliminate internal complexity of new product launches

Production technology

- To access rare or proprietary production technologies

Top-up capacity

- To address short fall in in-house capacity

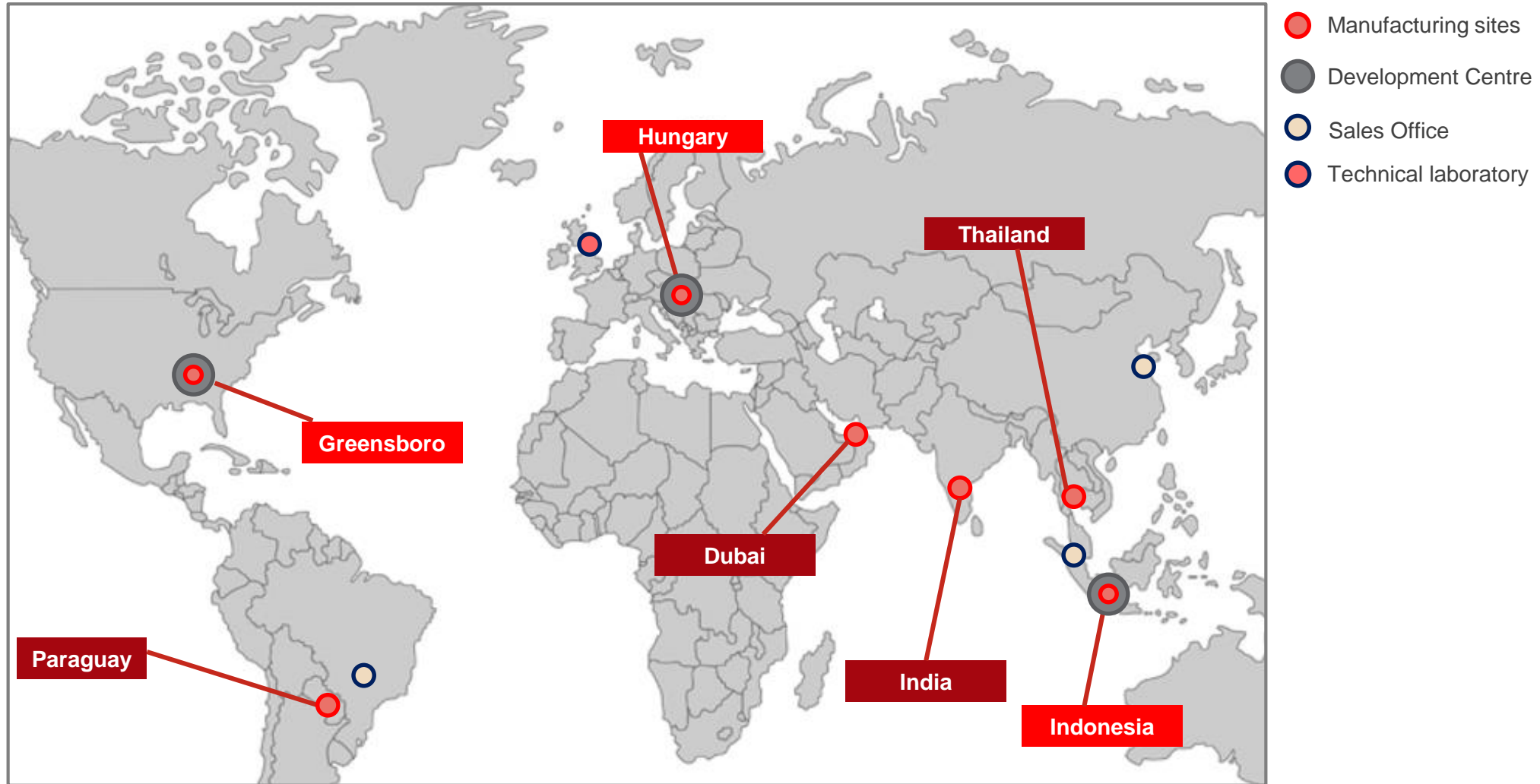
High complexity manufacturing

- To eliminate internal complexity of small batch or high complexity production

Low cost manufacturing

- To access greater scale-efficient plants in low-cost locations

WHERE WE OPERATE



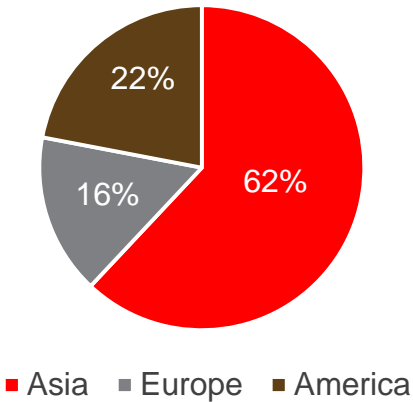
- Only global independent filter provider.
- Supplies ~45% of outsourced market for cigarette filters

OVERVIEW OF FILTER MARKET AND ESSENTRA

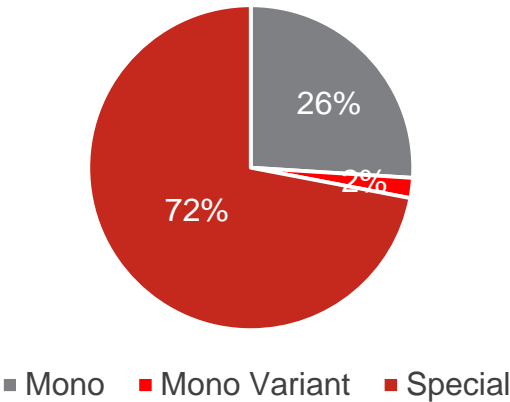


Essentra Sales

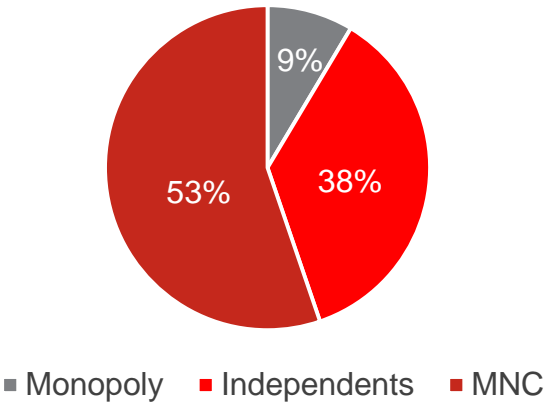
Revenue Split
by Location



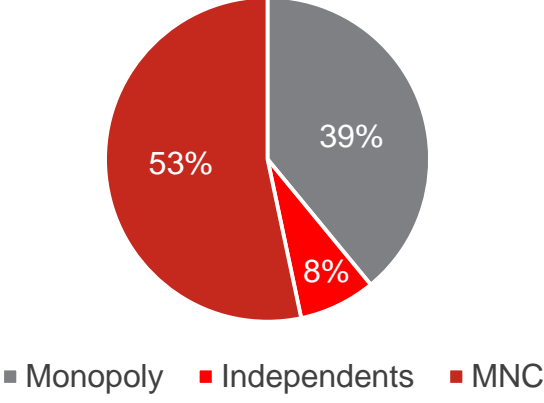
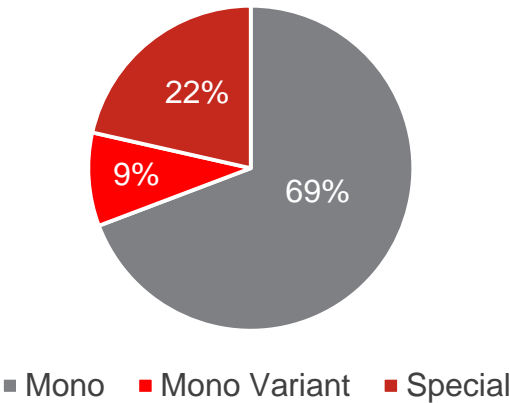
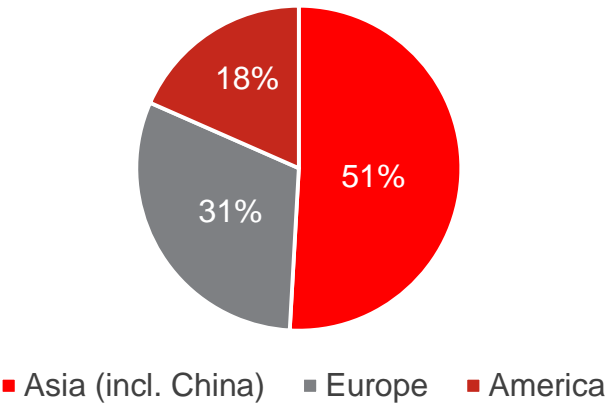
Revenue Split
by Product Type



Revenue Split
by Customer Type



Estimated Global Market Sales

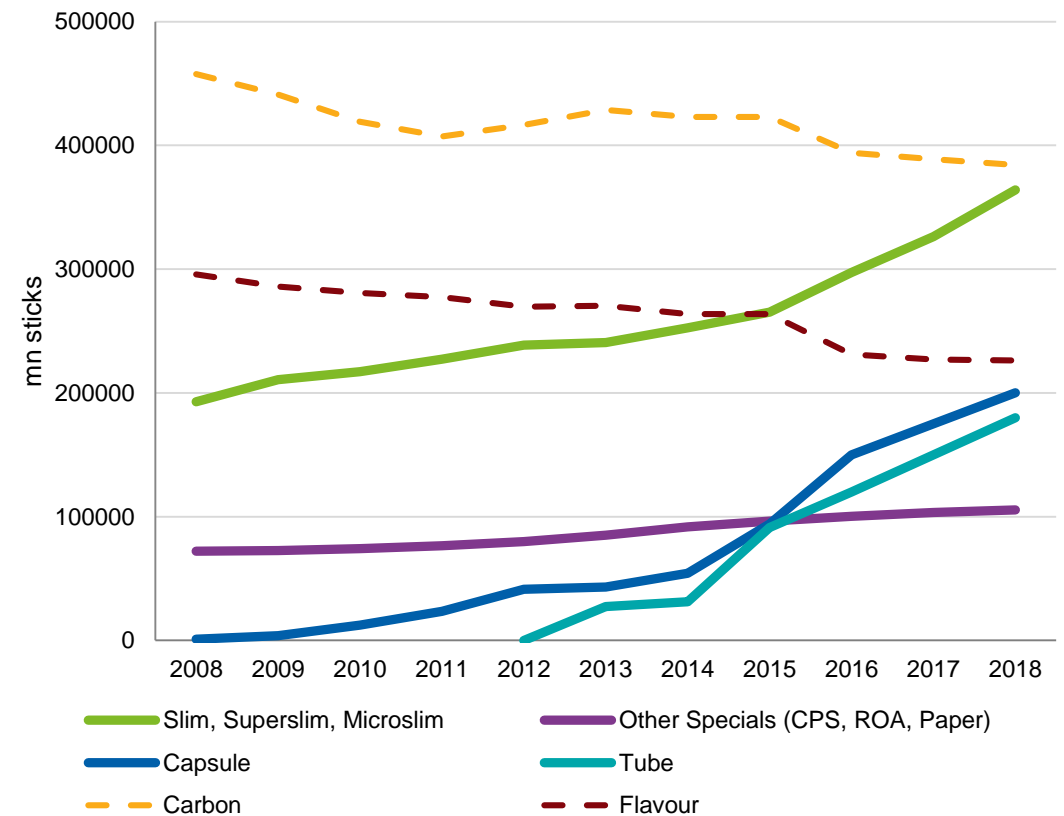


MARKET UNDERGOING CONSIDERABLE EVOLUTION

Key Trends

- **Special filters** gaining share within declining overall cigarette market
- **Product innovation** increasingly important to brand differentiation given legislative constraints to customer communications
- MNC's moving innovation spend to focus on **New Generation Products** (NGPs)
- Major MNC customers continuing to **consolidate** and rationalise manufacturing footprints

Growth of Special Filters



Optimising the “As-Is”

Expand share of wallet within **Multinationals**

Drive share amongst **Independents**

Three Potential Game-changers











China Entry

Grow market for Outsourcing

Next Generation Product Growth

WE WILL FOCUS ON 2 DISTINCT CUSTOMER PROPOSITIONS

Different target segments			
MNC Proposition			
	MNCs	Monopolies	Independents
	Specials		
	Mono+		
	Mono		
Independent Proposition			

Different propositions		
	MNC Proposition	Independent/ Monopoly Proposition
Design/Innovation		
Industrialisation		
Top-Up Capacity		
High complexity manufacturing		
Low cost manufacturing		

EXPAND SHARE OF WALLET WITHIN MULTINATIONALS

Expand share of wallet within **Multinationals**

- Rebuild **global key account management** impacted by imposition of matrix structure
 - Strengthen cross-regional and cross-functional communication
 - Service team located close to key customer sites to deepen relationship
- Increase **share** outside of lead MNC customer
 - Expansion of commercial capability
 - Greater customer intimacy and product innovation
- Offer solutions in **new geographic markets** now demanding Special filters
 - South East Asia, MENA

EXPAND SHARE OF WALLET WITHIN MULTINATIONALS

Drive share amongst **Independents**

- Develop **tailored proposition**
 - Provide global view of product innovation to support local market optimisation
 - Offer extensive menu of complex filters to facilitate premiumisation
- **Rebuild European** Independents business
 - Rebuild European Independent commercial capability
 - Tailor standard range to local requirements
- **Configure factories** to reflect different demands of MNCs / Independents
 - Low variety facilities focused on driving down cost of standard filters
 - High variety facilities focused on achieving supply flexible on complex filters

CORE STRATEGY AIMED AT REDUCING HISTORICAL VOLATILITY

- Business comprises 4 different revenue streams
 - **Regular repeating business** (50% rev) : Re-occurring volume, but largely uncontracted
 - **Project business** (15% rev) : Project based, usually for a finite period
 - **Spot business** (30% rev) : Temporary 'top-up' volume to address a customer's internal supply shortfall
 - **Tender business** (5% rev) : Business won in open tenders
- Historically this has led to revenue volatility of up to +/- 15% year-on-year
- Strategy is targeted at reducing this volatility
 - Increased partnerships based on innovation
 - Expanded exposure to all MNC's more equally
 - Enhanced key account mgmt. and solutions workshops
 - Enhanced customer sensing

CHINA GROWTH

Background

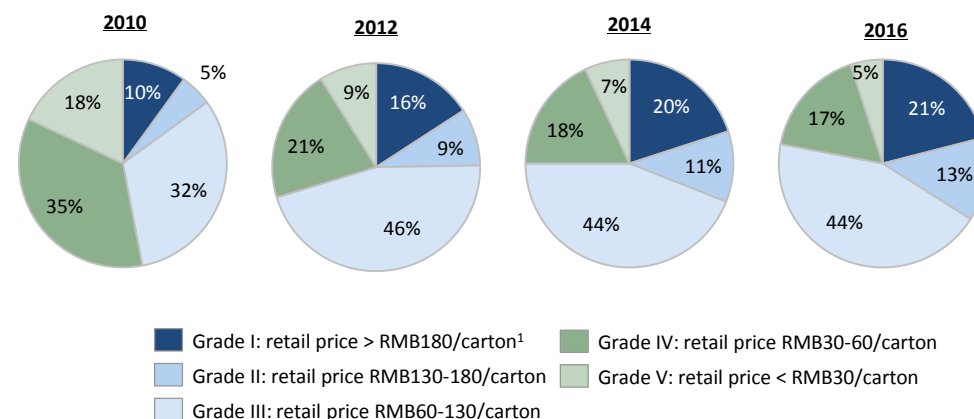
- China is the world's largest cigarette market accounting for 44% of the global volume
- Essentra has a long history of innovation and engagement with the Chinese market since first introducing charcoal filters in 1985 with Shanghai Tobacco
- To date operations have relied on imports from Essentra's Asian manufacturing plants
- After a period of plant consolidation, the STMA (regulator) is increasingly focused on driving premiumisation and internationalism to develop the market

Opportunity

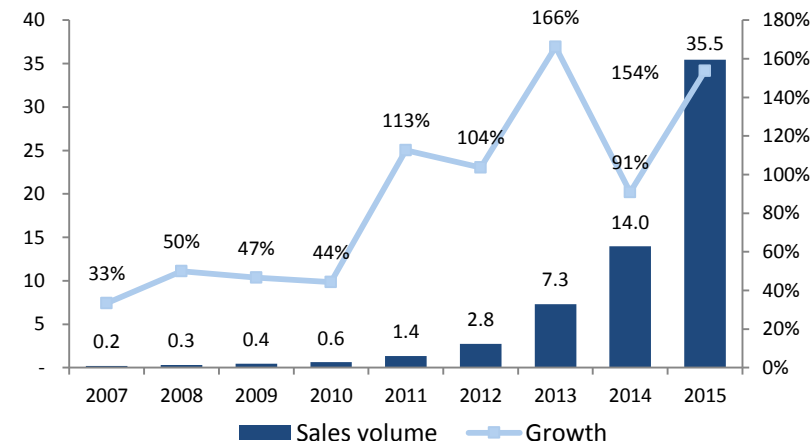
- Exploring scope for structural move within China

Increasing premiumisation

Chinese Cigarette Market Volume by Grade



Chinese Slims Market Volume Growth



GROWING THE MARKET FOR OUTSOURCING

Background

- MNCs continually pursuing opportunities to rationalize their manufacturing footprint and focus on core skills/improve asset utilisation
- MNCs planning to create future production capacity for NGPs
- MNC's internal investment in innovation increasingly focused on NGP opportunities

Opportunity

- Exploring opportunities to simplify MNC supply chain by outsourcing greater proportion of filter production

Share of Filter Production



"Each 1% increase in outsourced share represents £50m market increase"

NEXT GENERATION PRODUCTS (NGP)

Background

- MNCs backing both platforms (E-cigarettes/Vaping and Heat Not Burn)
- Dynamic market - consumer needs and legislative environment developing
- MNCs under pressure to innovate in key markets of the future
- Essentra has strong position in combustibles, expanding presence in ENDS and HNB

Opportunity

- Explore future potential within HNB
- Expand current minimal activities in vaping, possibly via partnership

Product Examples

Heat not burn



E-cigarettes



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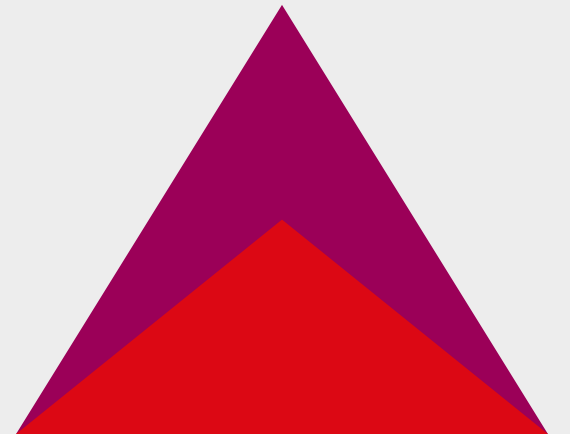
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ESSENTRA

OVERVIEW AND OPPORTUNITIES FOR THE SPECIALIST COMPONENTS BUSINESS UNITS

28 JULY 2017



THE SPECIALIST COMPONENTS BUSINESSES HAVE TOTAL 2016 REVENUES OF £173M

Business unit	2016 Turnover (£m)	OP	Product	Customers	Geography
Extrusion	32	Low Double Digit OP Margin... ..but with high variability	Extruded profiles	POS, Furniture, Waste water treatment etc.	North West Europe
Card Solutions	23		ID card printers, consumables, gift cards and commercial print	Various	Europe, US
Pipe protection technologies (PPT)	13		Pipe protection	Oil Country Tubular Goods	US (mainly)
MRO Industrial Supplies (Reid)	20		Branded industrial supplies MRO + BOM	Various	US
Global Tear Tapes	46		Tear Tapes incl. supastrip, rippatape and reclose	Food & Drinks, Paper & Board, Tobacco	Europe, Asia Americas
Specialty Tapes	38		Specialty Tapes incl. transfer tape, thin tape and foam tape	POP / Retail, Appliances, Paper & Board	North America
TOTAL	173				

EXTRUSION

What we do:

Products



**Custom Technical Plastic
Extrusions**

**Tool design and
production for Extrusion**

USP: Technical capability for extrusion solutions

USP: All processes (from tooling to production) under one roof

Essentra Market:

- £32m ~ European Market Share c. 8%
- Industries served:
 - POP / Retail
 - Furniture
 - Wastewater treatment

Market Growth:

- GDP – most end markets served are linked to consumer demand

Market Trends:

- Retail shelf-space declining due to increased home e-shopping
- Wastewater treatment marking increasing due to Cruise Ship market
- Increased competition from low cost economies

Key actions to focus current development:

- Recover GM impact from raw material price increase through sales price action
- Develop lead time reduction programme to better meet market need
- Increased sales impetus to build order book

CARD SOLUTIONS

What we do:

Products



ID Card Printers

**Printed Cards,
ID Printer Consumables
and Accessories**

USP: Only UK Distributor of all major brands

USP: Products, service and support all available from trusted partner

Essentra Market:

- £23m ~ Global Market Share c. 0.05%
- Industries served:
 - Banks
 - Healthcare
 - Universities
 - Sports Events
 - Hotels & Theme Parks

Market Growth:

- Due to increasing use of biometrics and electronics device access control, market growth is slowing compared to GDP

Market Trends:

- Biometric access control is increasing
- Increased security fears driving increase in controlled premises

Key actions to focus current development:

- Implement greater margin discipline via detailed analysis
- Focus sales effort on higher margin end user customer base
- Improve key supplier relationships to regain market leading status

PIPE PROTECTION

What we do:

Products



Standard and Custom Oil & Gas Pipe Protection

USP: Broad range of solutions from a product expert

USP: Significant production capacity to meet market demands

Essentra Market:

- £13m ~ Global Market Share c. 15%
- Industries served:
 - Oil and Gas Producer of Tubular Goods

Market Growth:

- Volatile market linked to capital investment projects in Oil and Gas Industry

Market Trends:

- Shale Oil/Gas expansion is beneficial as also requires pipes

Key actions to focus current development:

- Continue to seek to match market demand with capacity
- Manage key customer relationships through period of excess demand
- Develop plan for the future of Mexico facility given significant under investments and very old equipment
- Delivery of automation projects in Houston

MRO (MAINTENANCE, REPAIR AND OPERATIONS) INDUSTRIAL SUPPLIES

What we do:

Products



Over 50,000 catalogue parts across 15 ranges including:

- **Abrasives & Grinding**
- **Tooling and Positioning**
- **Components**
- **Hardware**

USP: High service stockist of a wide range of branded hardware components for MRO needs

Essentra Market:

- £20m ~ US Market Share ca. 1% (based in Muskegon County, Michigan, >70% sales in Mid West)
- Industries served:
 - Broad base of industrial manufacturing customers

Market Growth:

- Broad customer base of industrial production facilities suggests the market will grow in line with industrial production

Market Trends:

- Increased use of e-commerce for this segment of purchasing within the market driving customer behavior change

Key actions to focus current development:

- Continue to separate from the core components business (all functions) to allow correct focus/flexibility
- Build a recovery programme for the small customer base through marketing and tele-sales
- Build product and supplier knowledge within team following a period of high turnover

TEAR TAPES

What we do:

Products



Supastrip

Rippatape

USP: High precision printing and slitting

Essentra Market:

- £46m
- Industries served (Estimated market share):
 - Tobacco (60%)
 - Food&Drink (30%)
 - Paper&Board (10%)

Market Growth:

- Declining tobacco market in EMEA /N.America
- Fast growing paper&board segment

Market Trends:

- Tobacco: Changing regulatory environment
- Food&drink: ageing population requiring easy to open solutions
- Paper& Board: e-shopping driving demand for packaging

Key actions to focus current development:

- Grow volume and share in Paper & Board and Food & Drink
- Optimise production assets

ESSENTRA USP: MANUFACTURING CAPABILITY

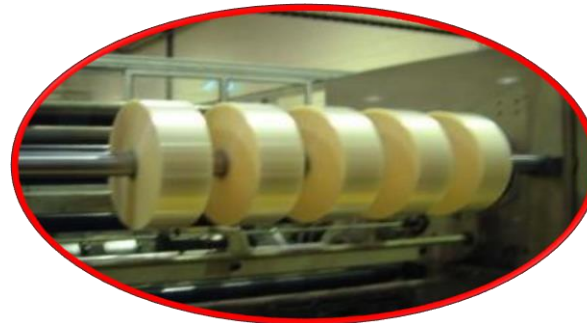


Printing

Coating

Primary
Slitting

Secondary
Slitting



SPECIALTY TAPES

What we do:

Products



Foam Tape

**Tissue / Film / Transfer
Taps**

USP: Brand position, Quality, Availability (POP)

USP: Quality, Availability, Multi-product range (Appliances)

Essentra Market:

- £38m
- Principle industries served (Estimated market share):
 - POP / Retail (20%+)
 - Appliances (4%)

Market Growth:

- Moderate market growth ~2% pa

Market Trends:

- Supplier consolidation at key Appliance accounts

Key actions to focus current development:

- Grow with market in POP
- Outgrow market in Appliances
- Optimise production

RATIONALE FOR SEPARATE DIVISION - “SPECIALIST COMPONENTS”

- We have decided to create a separately managed entity, “Specialist Components” for 5 reasons:
 1. Very limited synergy with current host Divisions
 2. Management teams of original 3 Divisions can focus entirely on delivering the strategies shown
 3. Greater senior focus on these 6 will enable more detailed strategic development
 4. New structure will facilitate faster, nimbler management
 5. Separate management and reporting will give greater investor visibility on the larger entities
- The new role, for which we have started an external search, will report into the CEO

SPECIALIST COMPONENTS – DIVISION SUMMARY

- These 6 businesses are strategically unrelated to each other and, to a very large degree, to the larger 3 also.
- In their chosen niches most have strong, and all have at least reasonable, positions: all have scope for organic growth.
- In aggregate they have a decent low double digit margin and over 15% of Group revenue. Margins vary, but all are expected to be profitable in 2017.
- There is a clear set of reasons for managing them separately; this will happen by year end.
- In addition to the short term tactical opportunities identified, the new Divisional head will be tasked with identifying a full range of longer term strategies.



ESSENTRA

HOW THE GROUP WILL ADD VALUE

28 JULY 2017



HOW THE GROUP WILL ADD VALUE

- Finances – already happening
- Improving and managing our people resource
- Managing our IT assets
- Driving process and skill upgrades, and sharing best practice – commercial and operational
- Upgrading and embedding our governance
- Strategy development – corporate and business specific, and managing the M&A process

MANAGING OUR PEOPLE RESOURCE

- Defining and driving an excellent H&S programme
- Driving employee engagement from lower quartile levels to upper quartile (see next page)
- Managing our learning and development programmes more proactively
- Monthly review of all people issues as a standing agenda item by executive committee
- Improving internal communications by greater CEO involvement and dedicated resources
- Developing, communicating and embodying a set of 6 principles that will form our culture

SUMMARY OF OUR RECENT PULSE SURVEY



2016
2017



In our latest “pulse” employee engagement survey, overall we improved in each area compared to 2016.

HOW MUCH DID WE IMPROVE BY?

What you said about the July 2016 survey results:

- 23% GOOD FEEDBACK
- 21% MANAGEMENT TOOK ACTION
- 17% FELT ABLE TO TALK ABOUT IT

WHAT HAVE WE SAID?

We improved by...

- 8% GOOD COMMUNICATION
- 8% AWARE OF OUR GOALS
- 8% AWARE OF OUR PERFORMANCE

THE CHALLENGES IN IT

- Lack of integrated IT strategy to coordinate activities due to lack of business strategy and low emphasis.
- Leaving systems untouched after acquisitions have led to 21 ERP systems and 53 separate installations supporting 95 sites.
- Aging software coming to the end of vendor support.
- No global infrastructure or cloud services strategy.
- Limited WAN and internet bandwidth.
- Skills and number of resource inadequate for the complex environment.
- Lack of standards – hardware setup, software configuration, business process definition, implementation.
- BUT the IT team is energized for change.

TECHNICAL SOLUTIONS

- Move increasingly to cloud services.
- Increase network bandwidth to provide more capacity and reliability.
- Continue investment in cyber security.
- Create global service teams to ensure consistency.
- Clarify roles and responsibilities.
- Repopulate multi-skilled resources at key sites.
- Optimise previous investments through focus and consistency.

FUNCTIONAL SOLUTIONS

- Core system standardisation – target 1 ERP and 1 finance systems per business.
- Deploy agreed processes consistently.
- Lock down on data with standards agreement.
- Integration and end-to-end automation.

WE HAVE IDENTIFIED A NUMBER OF OPERATIONAL CAPABILITY GAPS

Process

- Low level of sophistication in Sales & Operations Planning (S&OP)
- Lack consistent, structured procurement approach, including supplier management
- Unstructured approach to CI, within & across Divisions
- Inconsistent approach to preventative maintenance

Skills/Capabilities

- Depleted quality, HSE & CI skillsets
- Separation in understanding of supply and demand
- Missing key procurement category management capabilities
- General skills gaps e.g. project management

Other

- General lack of investment in equipment, people & skills
- S&OP process limitations make new product introduction challenging
- In some cases, operational basics missing – e.g. operating procedures
- Aging systems/data integrity make day-to-day operations more challenging

WE ARE TAKING ACTION IN A NUMBER OF AREAS

Process

- Rolling out basic, but robust S&OP processes
- Driving value through improved procurement strategy & approach
- Sharing “good practice” within and between Divisions
- Improved maintenance approaches & business continuity plans

Skills/Capabilities

- Selected hires to round out senior Operations capabilities
- Hiring to rebuild HSE, Quality & CI capabilities in each Division
- Developing key procurement category management capabilities
- Identifying additional shared resource requirements across Divisions

To do

Priorities:

1. **Complete basic S&OP roll-out – then move into further upgrading**
2. **Implement lean/CI tools & capabilities across the business**
3. **Ensure that all operational basics are in place**

Other:

- Review ERP systems requirements
- Improve sophistication & robustness of maintenance approaches

WE HAVE IDENTIFIED A NUMBER OF COMMERCIAL CAPABILITY GAPS

Process

- Customer/competitor understanding ad hoc
- Lack of structured sales process
- Account management not managed systematically
- Lack of documented processes
- IT and systems issues
- Limited MI/profitability reporting

Skills/Capabilities

- Patchy product profitability understanding
- Sales skills
- Talent depletion
- Skills gaps across the board e.g. project management
- NPD / Product Management discipline weak

Other

- Lack of “customer first” decision-making in the last few years
- Brand propositions not sharp plus recent brand damage
- Marketing efforts focused on driving sales rather than awareness/interest

WE ARE TAKING ACTION IN A NUMBER OF AREAS

Process

- Market research/voice of customer surveys in place
- Salesforce.com (SFDC) being used
- Recent reorganisation has clarified things
- Recent “what can we do better” customer engagement

Skills/Capabilities

- A lot of material in the filters “development bank”
- Good product/customer knowledge, some good technologies
- Digital “start” made in components driving sales activity
- Goodwill towards Essentra

To do

Priorities

1. **Deepen relationships with customers**
2. **Confirm and communicate new customer propositions**
3. **Develop more structured sales management processes**

Other

- Create pricing programme
- Explore opportunities to exploit digital
- Systematise the management of market information
- Roll out NPS and SFDC

THE AGENDA FOR BEST PRACTICE GOVERNANCE

Externally benchmarked and supported route to upper quartile FTSE 250 performance by 2020

Cultural change

- Engaged and committed tone from the top established
- Strengthened and diversified Board and Executive Management team
- Revised ethics code and whistleblowing protocols launched
- Accountability and responsibility defined

Process improvements

- Redefined annual calendar and agenda priorities – HSE, risk, compliance activities, audit actions
- Reset risk management approach – new framework and facilitated workshops
- Filling the gaps
 - Business continuity management protocols
 - Contracting processes
 - GDPR compliance programme
- Getting assurance
 - Revise internal audit approach - to add value and drive change
- Reporting information not data – development of consistent and relevant KPIs and KRIs

COMMERCIAL DEVELOPMENT – CENTRAL ACTIVITIES

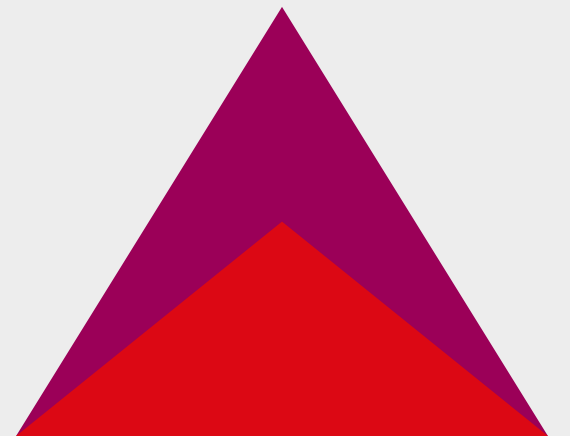
- Designing and overseeing the programme to fill all commercial skill / process gaps.
- Develop and monitor a structured 'growth pipeline'.
- Drive, with CEO and Board, corporate strategy.
- Facilitate and challenge the next stage of divisional strategies.
- Oversee M&A and design a consistent post-merger integration process.
- Identify any commercial synergies between businesses.



ESSENTRA

FINANCIAL OVERVIEW AND PRIORITIES

28 JULY 2017



HOW DOES FINANCE FIT INTO THE “SSG” PROCESS

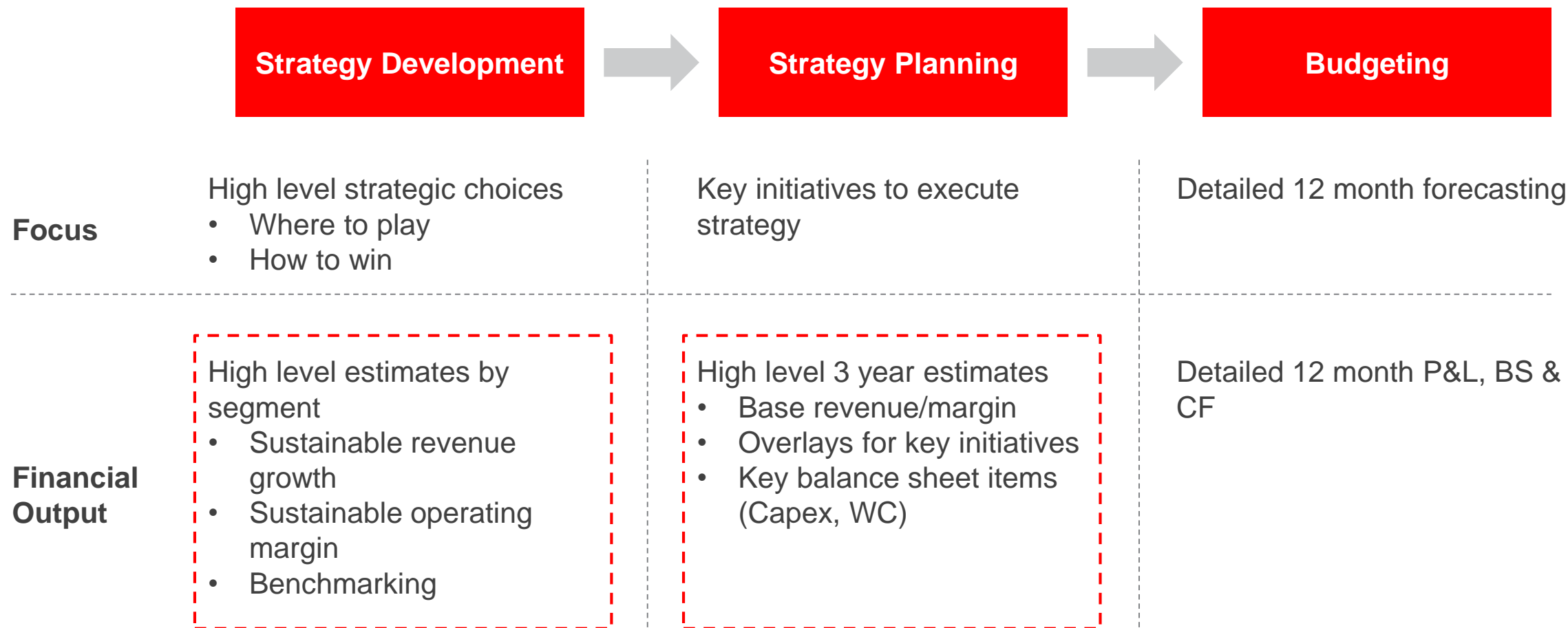


Finance to contribute to stability agenda (control, discipline, balance sheet) and to provide support to deliver the strategy (capital allocation, business partnership, talent, data availability)

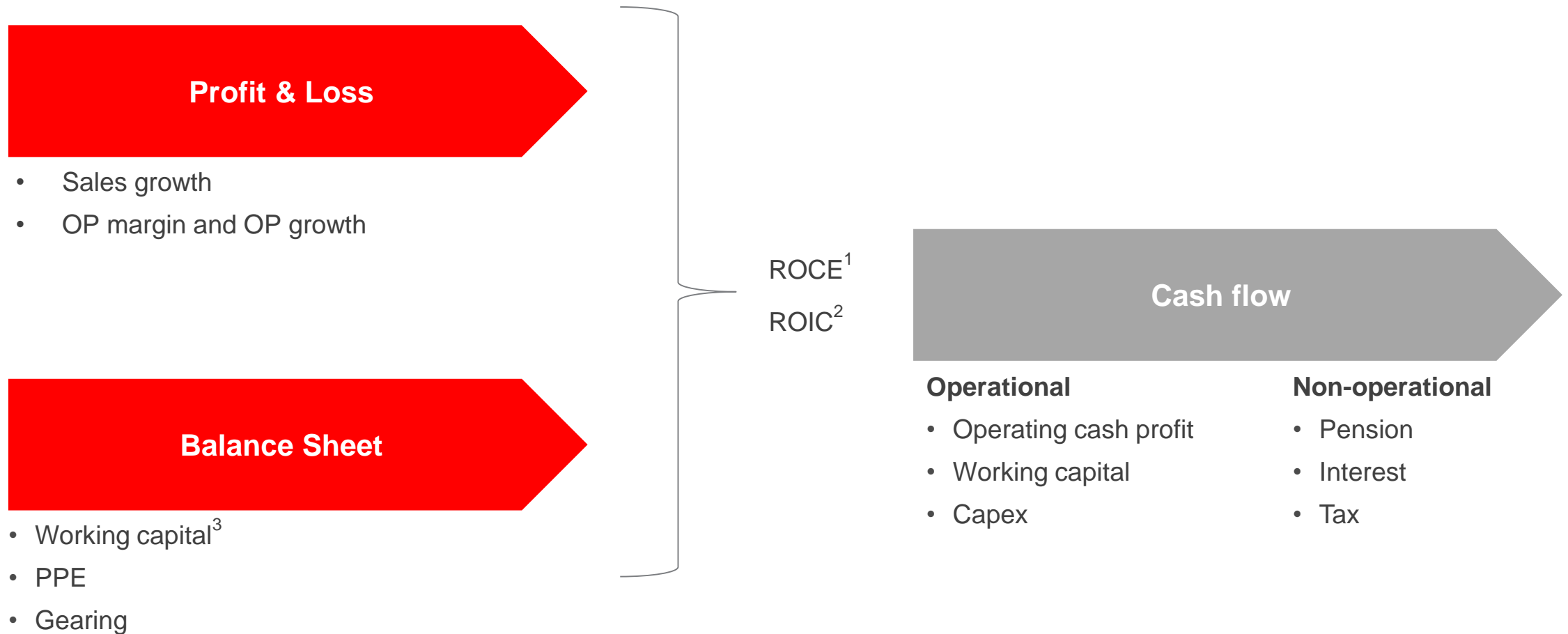
ESSENTRA'S STRATEGY PROCESS - FINANCIALS

- Finance workstream an integral part of the overall process
- A detailed bottom up flexible financial model was built as part of the process based on:
 - Status quo
 - Benchmarking
 - Strategy development process (sustainable revenue growth and operating margins)
 - Strategy planning process (key strategic initiatives)
- Financial model addresses 3 key objectives
 - Capture the financial consequences of the strategy
 - Quantify Essentra's financial potential
 - Inform group decision making, including capital allocation and portfolio management

KEY FINANCIAL OUTPUT OF STRATEGY DEVELOPMENT AND STRATEGIC PLANNING PROCESS

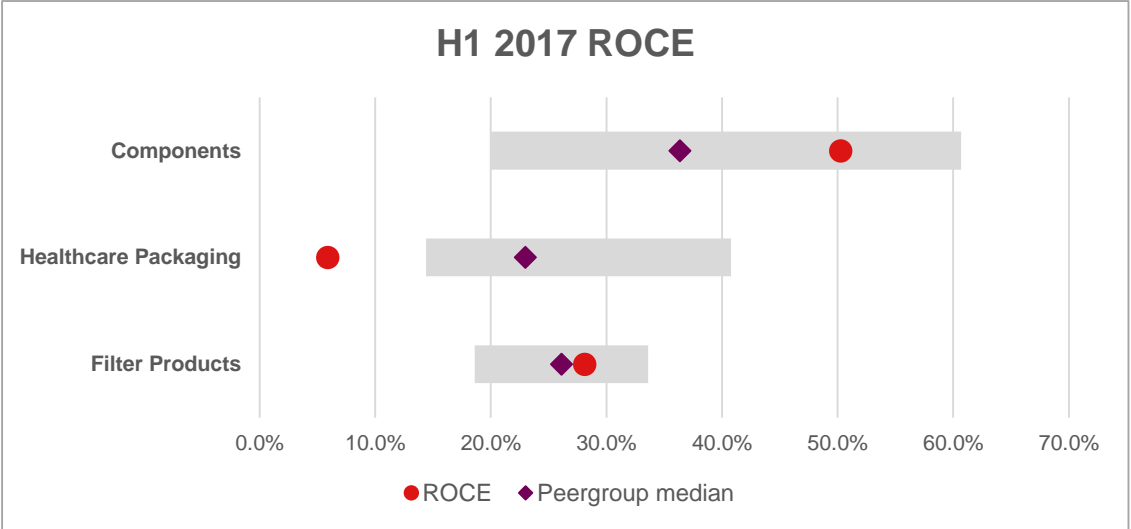
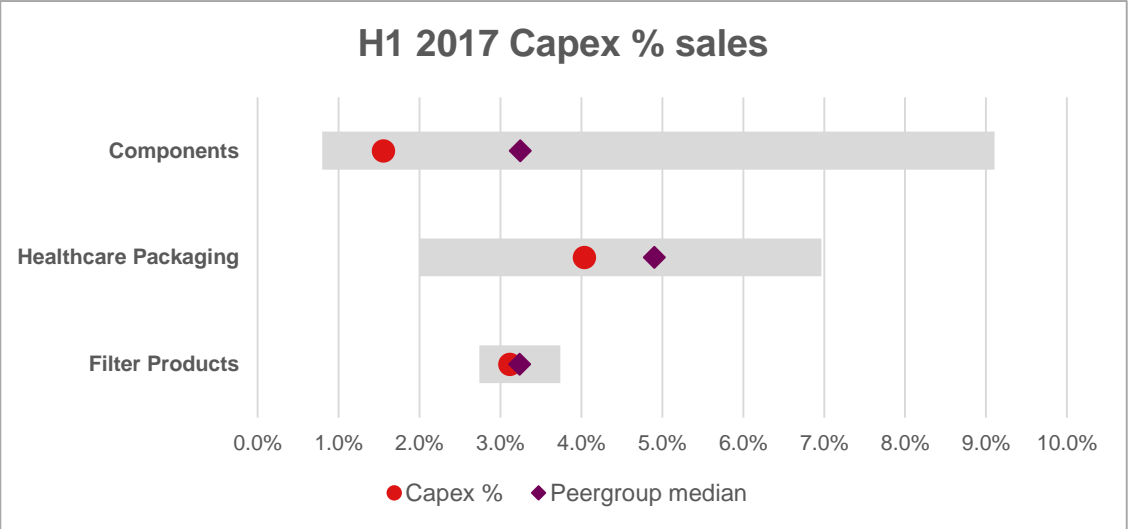
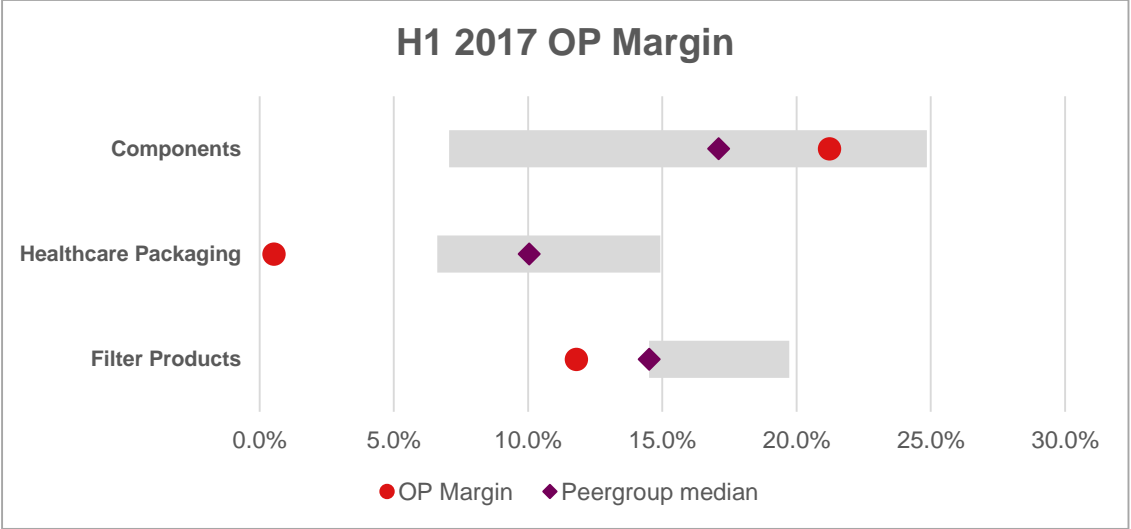
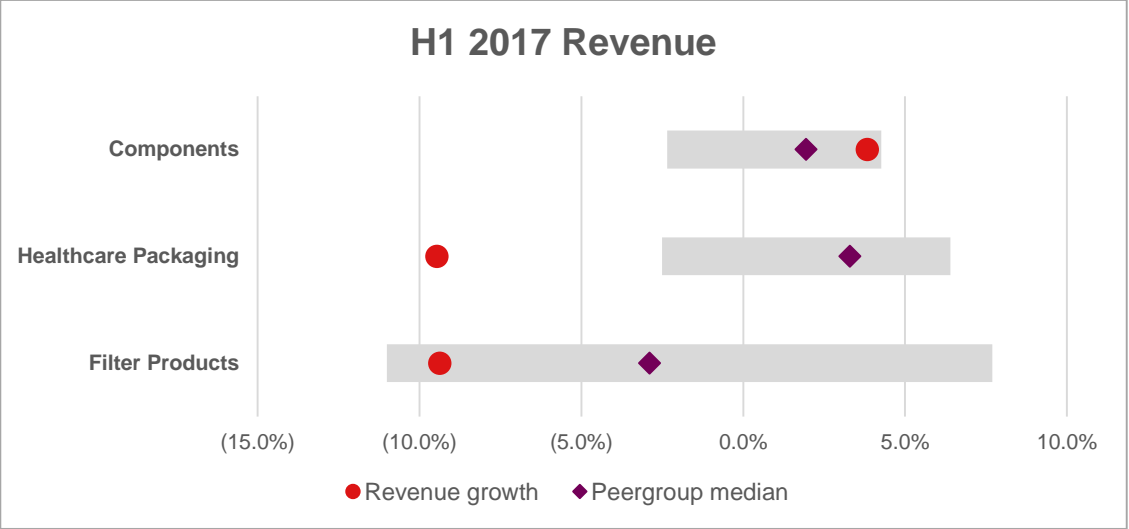


FINANCIAL KPIS WILL FOCUS ON ALL VALUE DRIVERS WITH EMPHASIS ON CASH CONVERSION



1. ROCE = operating profit divided by (PPE + working capital)
2. ROIC = operating profit after tax / Invested Capital
3. Working capital measured as average working capital per month as % of sales

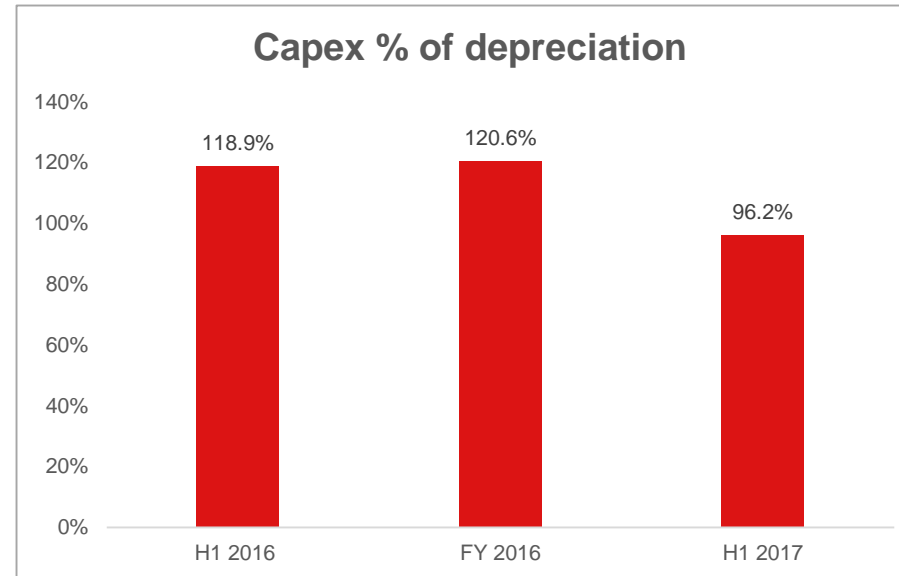
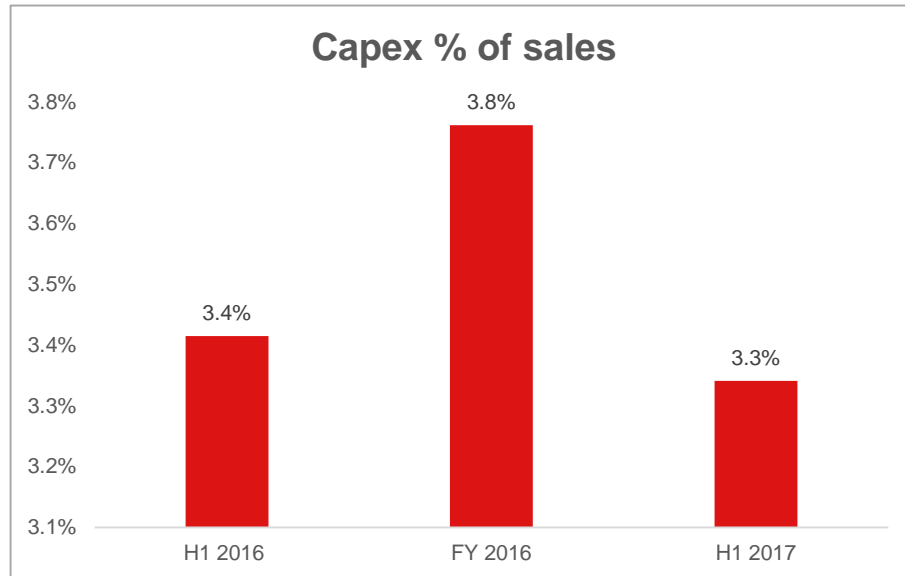
BENCHMARKING – KEY METRICS BY BUSINESS



BENCHMARKING OBSERVATIONS FOR 3 LARGER DIVISIONS

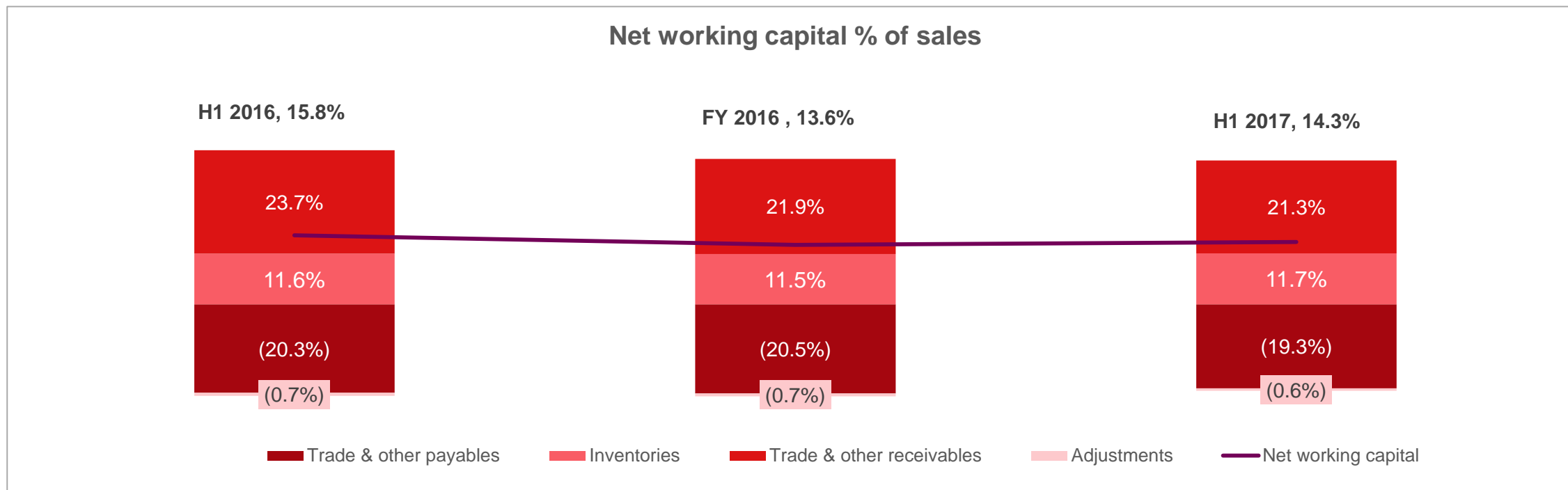
- Components is a financially attractive business generating industry leading margins and returns:
 - Sales growth of low to mid single digit
 - Operating profit margin of > 20% and ROCE of 50% at the high end of the peer group
 - Working capital is relative high (23% of sales) given business model but in line with the peer group
- HPC Packaging is significantly underperforming its peer group which represents upside potential
 - High single digit sales decline compared to lower single digit sales growth for the peer group
 - OP margin of 1% in H1 2017 compared to high single / low double digit OP margins for the peers
 - ROCE of 6% in H1 2017 significantly below peer group
- Filter Products performing broadly in line with its peer group
 - Revenue decline in H1 2017 of 9% disproportionately high given prior year comp and raw material pricing
 - Operating profit margin of 12% in line with other suppliers to the tobacco industry
 - ROCE of 28% in line with other suppliers to the tobacco industry

COMPLEMENT HISTORICAL CAPITAL EXPENDITURE LEVELS WITH A FOCUSED £ 30M CAPEX PROGRAMME OVER 3 YEARS



- Ongoing commitment to organic growth and cost improvements via capital expenditure
- Business overall not underinvested invested, however...
- Business requires some additional investment in key areas to support stability and future growth, i.e.
 - Approx £10m of incremental IT related investment over 3 years
 - Approx £20m of incremental capex over 3 years to drive H&PC equipment upgrade programme

NET WORKING CAPITAL – DRIVE SUSTAINABLE IMPROVEMENT



- Accounts Receivable: KPI driven cash collection process
- Accounts Payable: Structured approach to payment terms
- Inventory: Sales & Operations Planning (S&OP), Lead times
- Components Solutions: Inventory Model, payment methodology
- H&PC: Stability will provide more opportunity (inventory buffer)
- Filter Products: S&OP, overdue reduction

GROWTH AND PROFITABILITY OUTLOOK BY LARGER BUSINESS

Strategic initiatives will help accelerate and expand growth, and impact on margins accordingly

	Revenue growth	OP Margin
Components	<ul style="list-style-type: none"> • Outperform Industrial Production growth • Further upside driven by key strategic initiatives and potentially possible game changers 	<ul style="list-style-type: none"> • OP margins resilient and likely to be sustainable • Reinvest into the business to drive further growth
H&PC Packaging	<ul style="list-style-type: none"> • Market growth driven by solid fundamental drivers • Return to growth in core through stability, investment and building of skill set • Scope to outperform market growth rate through strategic focus and geographic expansion 	<ul style="list-style-type: none"> • Drive commercial and operational stability agenda in short term and investment programme over time • Gradually return to peer group levels
Filters	<ul style="list-style-type: none"> • Sales can be stable in overall declining volume market, albeit volatility risk • Positive sales growth possible from enhanced commercial and innovation capability • Incremental growth will depend on success in regards to 3 potential game changers 	<ul style="list-style-type: none"> • Outlook is stable • Upside will be driven by 2 core strategies and in the long run possibly by the 3 potential game changers

CLEAR FINANCIAL AND CAPITAL ALLOCATION POLICIES

- Strong balance sheet with net debt / EBITDA within 1.0 – 2.0x range
 - Focus on cash generation
 - Allows financial flexibility to pursue acquisitions
- Dividend policy
 - Recognize importance of dividend while driving stability and growth
 - Increase dividend cover over time
- Acquisitions based on disciplined financial approach
 - ROIC > WACC in year 3
 - EPS accretive
- Capital expenditure need to meet internal return threshold
 - IRR > 20% for growth investments
 - IRR > 25% for productivity / cost driven investments

...AND ALIGNED INCENTIVES BASED ON THE RIGHT PERFORMANCE MEASURES

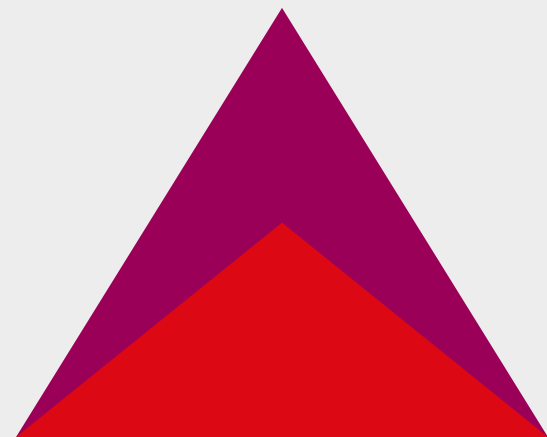
- Previous LTIP performance measures: 50/50% TSR and EPS: nothing on cash
- Long term incentive plan performance measures reflect cash flow focus:
 - Absolute cumulative operating cash flow generated over performance measurement period (20-40%)
 - 3 year EPS (20-40%)
 - TSR (20-40%)
- Annual incentive compensation
 - Operating profit (50%)
 - Net working capital (average of each monthly working capital / full year sales) (30%)
 - SMART Personal objectives aligned with Chief Executive objectives(20%)



ESSENTRA

SUMMARY AND NEXT STEPS

28 JULY 2017



SUMMARY

- Detailed 6 month review supports the initial view of strategic strength and self-inflicted wounds.
- We are making good progress in driving widespread increased stability, albeit much remains to be done, especially in Packaging. IT will require limited additional investment.
- Clear growth strategies exist - with bolt on acquisitions in Components, and possibly elsewhere later, available.
- The creation of Specialist Components will ensure greater focus across the portfolio.
- Margins appear broadly sustainable in 3 of the Divisions (limited volatility possible in Filters) and can return to industry norms in Packaging over the medium term.
- There is an increased focus on cash and earnings quality, underpinned by incentive schemes.
- The role of the Group in driving value has been clearly identified. Two important roles are to drive sustained culture change and embed critical groupwide processes.

NEXT STEPS

- Refine and announce new organisation in September/October, including recruitment of Specialist Components MD.
- Continue implementation of Stability agenda, with particular focus on Packaging and groupwide safety/employee engagement.
- Detailed planning and implementation of Divisional strategies.
- M&A pipeline development in Components.
- Assess three Filters medium term opportunities.
- Embed selected Groupwide standard processes.
- Full year results will cover progress against all the above.