

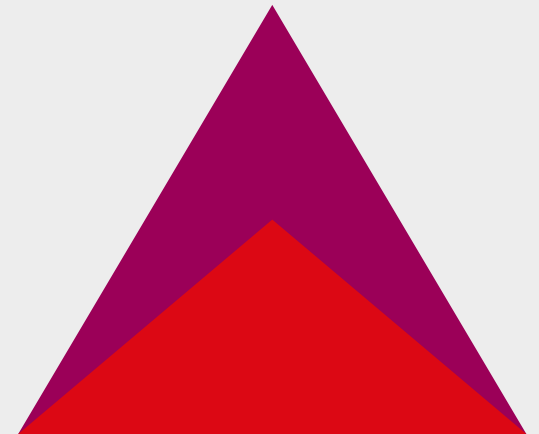


ESSENTRA

INVESTOR PRESENTATION

Specialist Components Strategy Review

03 AUGUST 2018



AGENDA

1. Recap / context
2. Our Specialist Components Businesses
3. Summary
4. Q&A

RECAP / CONTEXT

Paul Forman
Chief Executive

RATIONALE FOR SEPARATE DIVISION

WHAT WE SAID IN JULY 2017



- We decided to create a fourth separately managed division, “Specialist Components” for five reasons:
 1. Very limited synergy with previous host divisions
 2. Management teams of three larger global divisions can focus entirely on delivering their respective strategies
 3. Greater senior focus on these six businesses will enable better strategic development and execution
 4. New structure will facilitate faster, nimbler, more entrepreneurial management
 5. Separate management and reporting will give greater investor visibility on the larger entities
- A divisional President – Tim Wilson – was appointed wef 1 January 2018

WHAT IS SPECIALIST COMPONENTS?

SIX SMALLER BUSINESSES WITH STRONG POSITIONS IN NICHE MARKETS



Business unit	2017 revenue (c. £m)	Product	Customers	Geography
Pipe Protection Technologies	29	Pipe protection	Oil Country Tubular Goods ("OCTG")	Americas (mainly US)
Extrusion	32	Extruded profiles	Point of Purchase ("POP"), Furniture, Waste water treatment etc.	Europe
Tear Tapes	45	Tear tapes incl. Supastrip, Rippatape and Re-close	Tobacco, Food & drink, Paper & board	Europe, Asia Americas
Speciality Tapes	31	Specialist tapes incl. transfer tape, thin tape and foam tape	POP / retail, Appliances, Industrial, Paper & board	North America
Card Solutions	9	ID cards, printers and accessories	Financial institutions, Education, Event mgmt.	UK
Industrial Supply	18	Branded industrial supplies, mainly Maintenance, Repair & Overhaul ("MRO") and some Bill of Materials	Industrial manufacturing	US

2017 revenue = c. £164m, collectively mid to high-single digit OM

OUR SPECIALIST COMPONENTS BUSINESSES

Tim Wilson
President – Specialist Components

PIPE PROTECTION TECHNOLOGIES (“PPT”)

WHO WE ARE & WHAT WE DO



Heavy duty



Extra heavy duty



Light duty



Accessories



Overview

We specialise in the manufacture of high performance innovative thermoplastics and polymer alloys, and serve customers around the world

Products

- The most extensive line of pipe and thread protection products in the OCTG market
 - “One-stop shop” range of engineered products / accessories
 - Extensive customised product capability
 - Significant engineering expertise

Served markets

Long-standing and strong relationships with all key customers, including the major and independent oil producers, major OCTG pipe mills, pipe processors and threaders

Est. market size / growth / position

- c. £85m (US), c. £175m (global)
- Highly cyclical
- Leading position in North America

Facilities

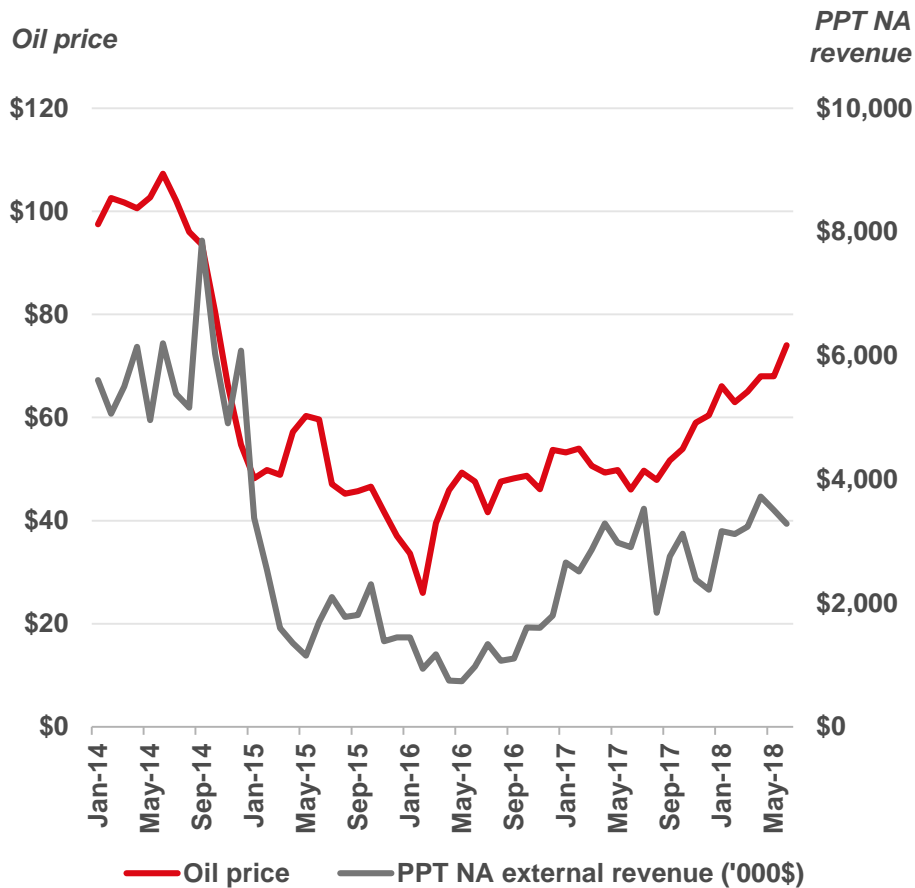
- Four global locations to service customers locally
- Broad NA footprint, with a low cost manufacturing base in Mexico
- Extensive manufacturing and technical capabilities, inc. well-invested state-of-the-art 158,000 sq. ft. production in Houston, US

Nearly 40 years' experience servicing the energy industry

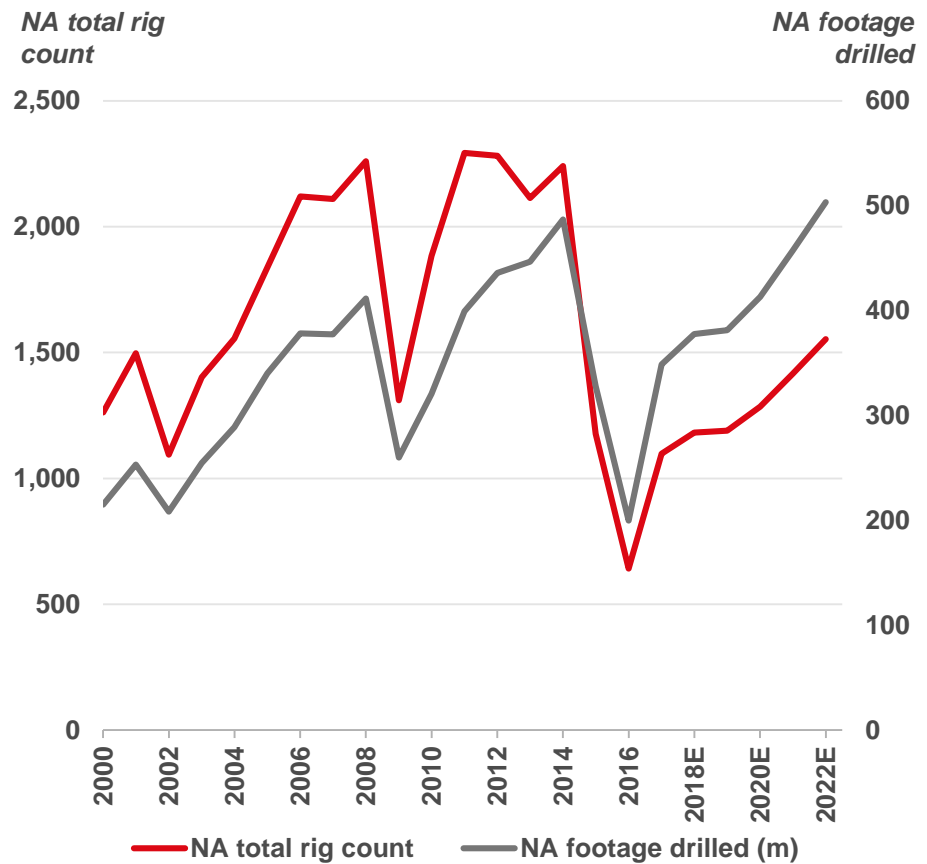
MARKET BACKDROP & TRENDS



Oil price vs. PPT NA external revenue
(January 2014 – June 2018)



North America rig count vs footage drilled



Ultimately, it's about the price of oil and drilling activity ...

PATH TO FURTHER VALUE CREATION



Strategy & opportunities

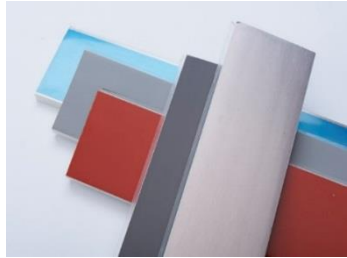
- Benefit from strong industry fundamentals and gain market share
 - More linear feet of piping needed to extract the same amount of oil
 - Benefit from strong customer relationships, extensive product capabilities and skilled, experienced employees
- Continue to drive operational excellence and product development
 - Further automation of key processes
 - Optimise usage of materials
 - Improved mould designs
 - Blending
 - Use of reprocessed materials
 - New resin and engineered product development
- Evaluate potential strategic partnerships
 - New geographical markets outside North America

Considerations

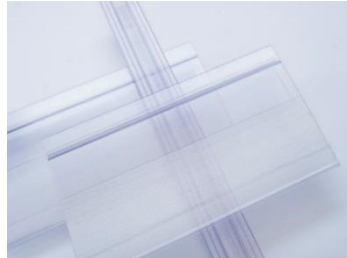
- Historically volatile end-market exposure and niche / limited addressable market

EXTRUSION

WHO WE ARE & WHAT WE DO



Kitchen plinths



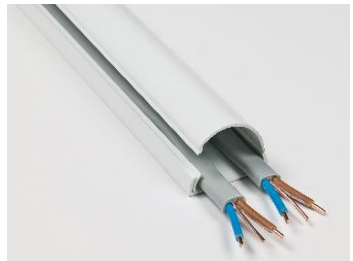
Ticket rails



Skydomes



Water treatment



Cable management



Furniture

Overview	We are one of Europe's most advanced suppliers of technical co-extrusion and tri-extrusion to all branches of industry
Products	<ul style="list-style-type: none"> • A complete design, production and technical support service: <ul style="list-style-type: none"> - Engineered vs commodity profiles - Rapid response tooling - Wide variety of raw materials - Added-value, integrated secondary operations (eg, adhesive tape, punching, ink jet)
Served markets	<ul style="list-style-type: none"> • Broad base of end-markets and applications • European focused
Est. market size / growth / position	<ul style="list-style-type: none"> • c. £500m • Broadly industrial growth • European top 10 player
Facilities	<ul style="list-style-type: none"> • Well-invested facility in the Netherlands, with capacity and space to grow • >5,000 custom profiles developed • >2,000 active tools

Over 80 years' experience in extruding technical profiles

MARKET BACKDROP & TRENDS



End-market	Building & construction	Conservatories	Waste water bio treatment	Point of Purchase	Furniture	Ventilation & climate
Geography	Europe	Predominantly UK	US & Europe	Europe	Europe	Europe
Market growth characteristics ⁽¹⁾	✓✓	✓✓	✓✓✓	✓	✓✓	✓✓

Broad exposure to a range of industrial end-markets

Note: (1) ✓✓✓ = high; ✓✓ = medium; ✓ = neutral / decline

PATH TO FURTHER VALUE CREATION



Strategy & opportunities

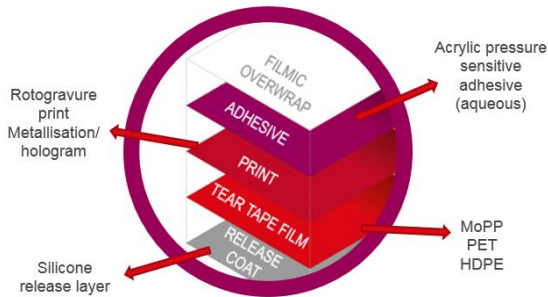
- Continue to drive operational excellence, eg:
 - Tooling lead times / cost
 - Scrap
 - Set-up time
 - Raw material savings / substitution
- Gain share through new market entry / innovation, eg:
 - Engineering plastics, lighting (LED), reinforced plastics
 - Thermal bridges
 - Glass spacer market

Considerations

- Ability to scale against a competitive backdrop

TEAR TAPES

WHO WE ARE & WHAT WE DO



Overview

We are a global business manufacturing and marketing narrow width pressure sensitive adhesive coated tapes, which allow the easy opening of a product's packaging

Products

- Comprehensive range of high quality, filmic-based narrow tapes, designed to meet specific customer requirements
 - Eg, tensile strength, narrow width, very long length, high correctness coat and print)
- Additional relevant capabilities include regulatory expertise, tamper evidence and authentication

Served markets

A unique combination of manufacturing, coating and printing capabilities with global service, directly serves key multinational and regional customers in the tobacco, food & drink and paper & board industries

Est. market size / growth / position

- c. £120m
- From modest decline to low / mid single-digit growth, depending on end-market served
- Global market leader

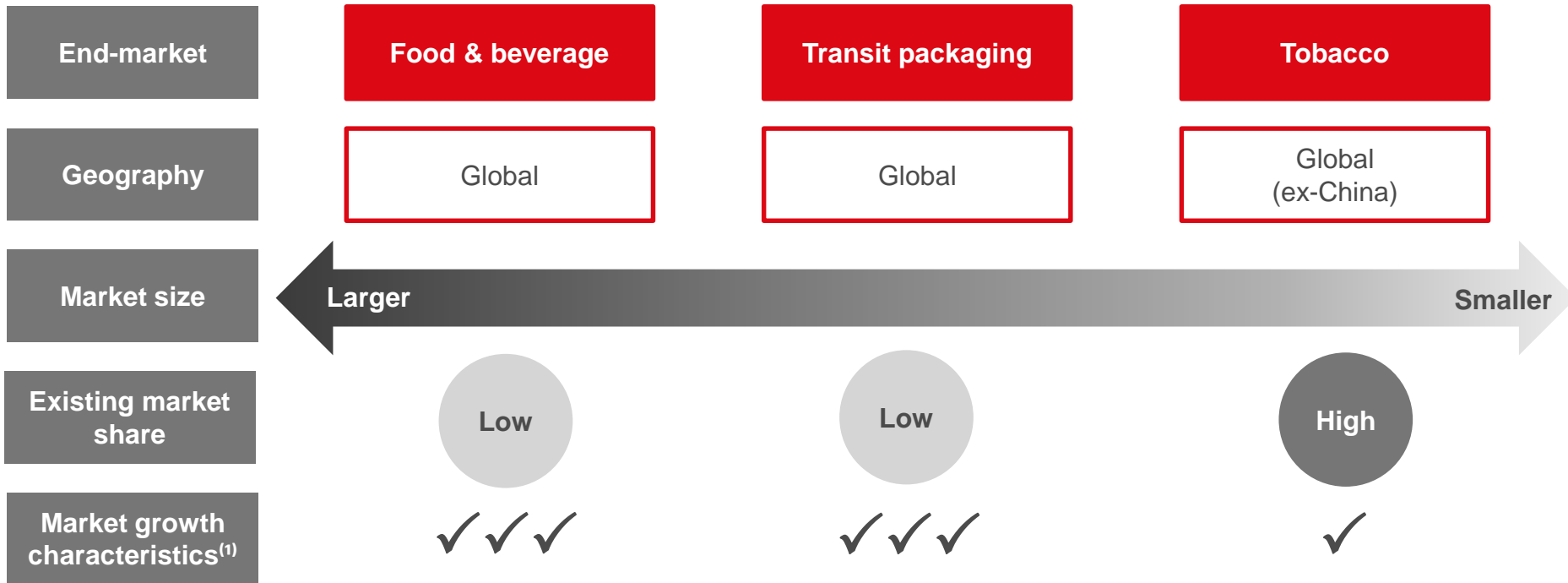
Facilities

- Flagship site in Nottingham, UK, with manufacturing also in Asia, North and South America



60 years' experience of manufacturing tapes

MARKET BACKDROP & TRENDS



Global leader (ex-China) in tobacco & well-positioned to capitalise on growth in adjacent sectors

Note: (1) ✓✓✓ = high; ✓✓ = medium; ✓ = neutral / decline

PATH TO FURTHER VALUE CREATION



Strategy & opportunities

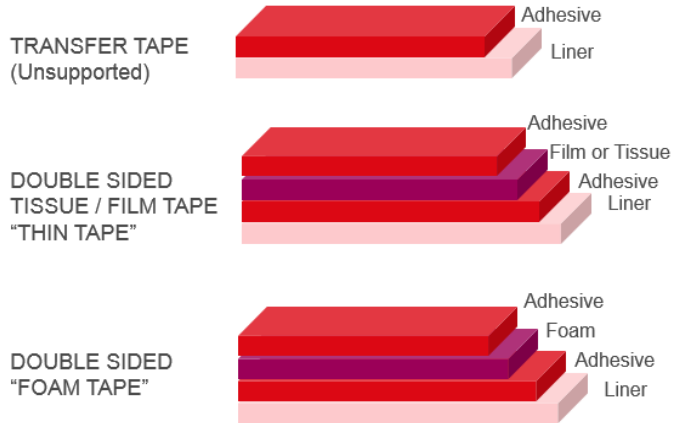
- Improve business mix
 - Develop innovative new reclose product offerings based on existing technology
 - New applications and sustainable solutions
 - Maximise regulatory-driven opportunities for authentication solutions in Tobacco
 - Expand current product offerings into the growing Food & beverage and Transit packaging markets
- Increase commercial effectiveness and focus
- Continue to drive operational excellence
 - Optimise coater capacity utilisation
 - Upgrade certain older slitting / coating equipment
 - Reduce downstream waste reduction

Considerations

- Niche market, with growth opportunities outside our traditional tobacco focus

SPECIALITY TAPES

WHO WE ARE & WHAT WE DO



Remo Two®



Duraco® acrylic finger lift tape



Dubl Kote®

Overview

We are an industry leading manufacturer and distributor of engineered, double-sided speciality tapes and adhesive coated products

Products

A wide range of premium quality adhesive products, including double-sided foam tapes, finger lift tapes, high bond tapes and adhesive backed hook & loop

Served markets

With all products in stock and ready for immediate shipment, serves customers in the POP, Paper & board, Appliance and Industrial segments

Est. market size / growth / position

- c. £700m
- From modest decline to low / mid single-digit growth, depending on the end-market served
- Leading position in the US POP segment

Facilities

- Vertically-integrated manufacturing site in Chicago, US, with over 8 distribution centres across the country
- In-house produced adhesive systems applied using high-speed laminating equipment

Combining > 65 years' manufacturing experience with rapid distribution capability

MARKET BACKDROP & TRENDS



End market	Industrial	Appliance	Transit packaging	Point of Purchase display
Geography	North America	North America	Global	North America
Market size				
Existing market share	Low	Low	Low	High
Market growth characteristics ⁽¹⁾	✓✓	✓✓	✓✓✓	✓

Enhancing our engineering capabilities to give us access to a more diverse end-market and target growth opportunities

Note: (1) ✓✓✓ = high; ✓✓ = medium; ✓ = neutral/decline

PATH TO FURTHER VALUE CREATION



Strategy & opportunities

- Drive commercial excellence
 - Diversify tape technology into sizeable and growing Appliance and Industrial sectors, where current market share is low
 - Penetrate and win new customers / grow existing accounts
 - Enhance capabilities in smaller regional territories, to improve account coverage
 - Upskill technical sales, marketing and applications engineering functions
- Gain share through further penetration of higher growth segments, through expanding current product offerings, eg:
 - Apply existing technology to general Industrial, Construction and Signage markets
 - Extend range in Transit packaging
 - Leverage Components' range to penetrate growing verticals
- Continue to drive operational excellence

Considerations

- POP segment under pressure from online shopping

CARD SOLUTIONS

WHO WE ARE & WHAT WE DO



Printers



Consumables



Cards



Accessories



Overview

We are a specialised ID solutions distributor focused on the UK market, addressing the growing need for security and identification

Products

- A comprehensive range of smart cards, ID card printers, ID accessories and printer consumables, available for next day delivery
- ID cards are compatible with the majority of security systems, and can be specified to incorporate magstripes, barcodes and contactless chips
- Extensive partnerships with global vendors

Served markets

- A broad and long-standing blue-chip customer base in sectors such as universities, banks and event management
- Resellers / distributors

Est. market size / growth / position

- c. £45m
- Stable market growth
- Leading position in the UK

Facilities

- Located at Essentra's Components manufacturing facility in Kidlington, UK, providing meaningful logistics and distribution benefits

25 years' experience in managing all ID solutions, with two routes to market

MARKET BACKDROP & TRENDS



Education

Smartcards, student ID, staff ID, visitor management

Stable market, largest vertical, annual enrolment peaks between Jul-Sept

Banking & finance

Secure staff ID, access control, visitor management

Mature market, Essentra growing market share – uncertainty due to Brexit

Events

Events passes, accreditation cards, VIP passes. Large format cards

Strong growth in stadium accreditation passes, specifically Premier League
Supplier of ID solutions to Wimbledon and other flagship sporting events

Healthcare

NHS smartcards for IT access, staff & visitor ID management

Mature market, growth in market share, accessories & cards
National Health Service preferred supplier

Corporate

Access control cards, staff & visitor ID

Increased focus on staff and building security, stimulating demand for smart card technology

Retail

Staff ID, loyalty & gift cards, price tag labels

Food labelling deli cards, creating new market opportunities in butchers, bakers and ultimately supermarkets

Government

Staff ID, transport cards, access control cards, visitor ID

Established market, new technologies driving growth and demand

Broad range of addressable end-markets

PATH TO FURTHER VALUE CREATION



Strategy & opportunities

- Gain market share
 - Continued expansion in events management and price tag segments
 - Grow accessories market through range expansion
 - Evaluate new product opportunities
 - Eg, “eco” cards (100% biodegradable)
 - Geographical expansion outside the UK
 - Potential to leverage Essentra’s international footprint with regard to warehousing / distribution and Group procurement capability
- Improve commercial effectiveness
 - Upgrade website / digital presence
 - Expand and upskill commercial team

Considerations

- Technological advances (eg, biometrics)

INDUSTRIAL SUPPLY

WHO WE ARE & WHAT WE DO



Bearings & power transmissions



Clamps & workholding



Cutting & machining



Fasteners



Feet, casters & glides



Knobs, handles & grips

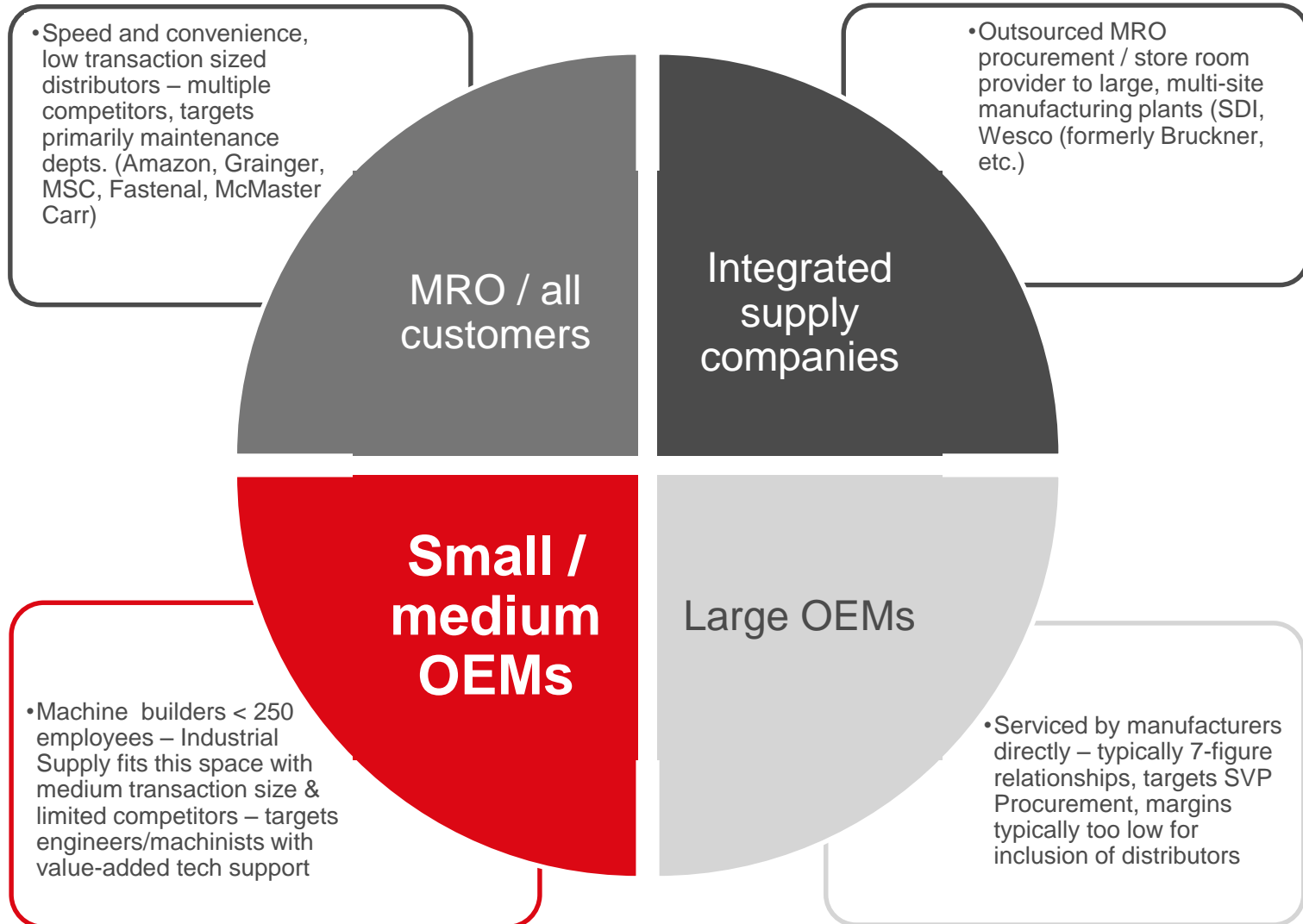


Tooling & positioning components

Overview	We are a distributor of branded manufactured components to the small and medium OEM markets
Products	<ul style="list-style-type: none"> • Extensive range of clamping & work holding products, knobs, handles, tooling components and cutting tools • 73,000 SKUs, c. 650 suppliers • Average order size c. £180
Served markets	Machine shops, Tier 1 automotive suppliers, fixture builders and regional / national re-sellers in the US only
Est. market size / growth / position	<ul style="list-style-type: none"> • US\$2.75bn served US market potential <ul style="list-style-type: none"> - US\$1.2bn in the US Mid-West • Broadly industrial production growth • <1% market share
Facilities	<ul style="list-style-type: none"> • Well-located facility in the US Mid-West, with a 70+ year brand legacy under the Reid name

“Others may be bigger, but nobody will service the customer better!”

MARKET BACKDROP & TRENDS



Niche segment, differentiated through customer service

PATH TO FURTHER VALUE CREATION



Strategy & opportunities

- Improve customer experience
 - Launch new digital platform
 - Re-brand the business back to Reid
 - Upgrade data analytics capabilities
- Gain market share
 - Launch new products to leverage distribution infrastructure
 - Expand beyond US Mid-West heartland
- Improve operational effectiveness
- Evaluate potential roll-up M&A opportunities

Considerations

- Potential threat from Amazon in the MRO markets

SUMMARY

Paul Forman
Chief Executive

OUR SPECIALIST COMPONENTS BUSINESSES



- Six standalone niche industrial businesses
- All are profitable market leaders in their industries
- They were split off from the larger global Components and Packaging divisions because:
 - Not complementary to their strategies
 - Will achieve greater success in an independent entrepreneurial environment
 - Will be able to receive greater management support
- The division is run as a portfolio of businesses
 - Lean, decentralised organisation, with the advantage of having shared support services and financial backing
- Our macro strategy is to provide support within an entrepreneurial environment, to allow these businesses to reach their full potential

STRATEGIC SUMMARY



Business unit	Mkt. position	Mkt. growth (3 year CAGR)	Current profitability	ST margin improvement (2018 – 2020)	LT growth potential	3 rd party synergy potential
PPT						
Extrusion						
Tear Tapes						
Speciality Tapes						
Card Solutions						
Industrial Supply						

An attractive but diverse portfolio of businesses, with different dynamics



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