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ESSENTRA

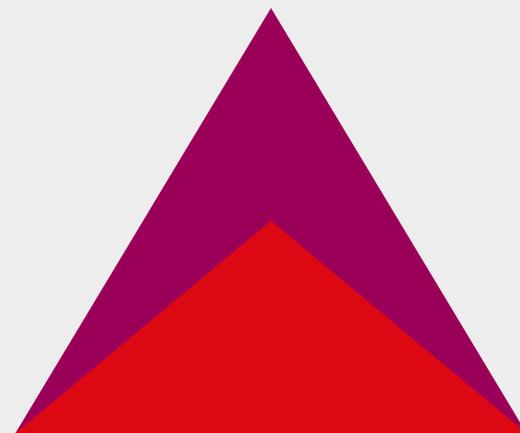


# HEALTH & PERSONAL CARE PACKAGING

Malcolm Waugh - Managing Director

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20 NOVEMBER 2014



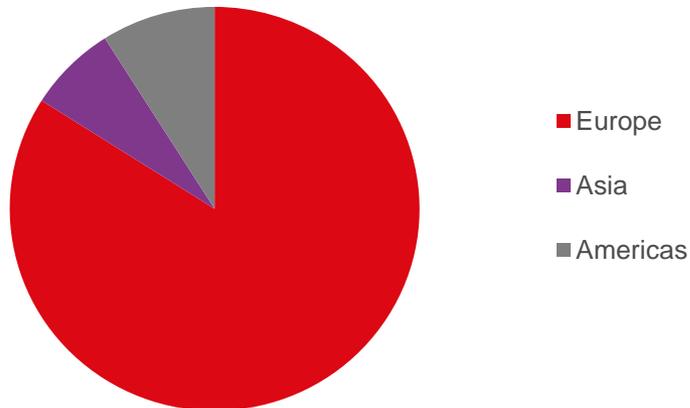
# H&PC PACKAGING AT A GLANCE - 2013



## WHAT WE DO



## WHERE WE OPERATE



## KEY STATISTICS

- FY 2013 revenue = £135m
  - 17% Group total
  - Health & Personal Care = c. 50%
- Presence in 10 countries
  - 16 manufacturing facilities
- Customers in > 100 countries

**Good capabilities, but too European focused**

# H&PC PACKAGING CAPABILITIES TODAY



## Products

## Example

## Description

### Cartons



- 1.5 billion cartons produced annually

### Leaflets



- 2.5 billion patient information leaflets produced annually

### Labels



- 750 million pharmaceutical self adhesive labels produced annually
- Facilitates anti-counterfeiting, government regulation and end user compliance

### Blister Pack Foil



- 560 tonnes of aluminium printed foil for sealing of blister packs, manufactured in clean room environment

### Tapes & Security

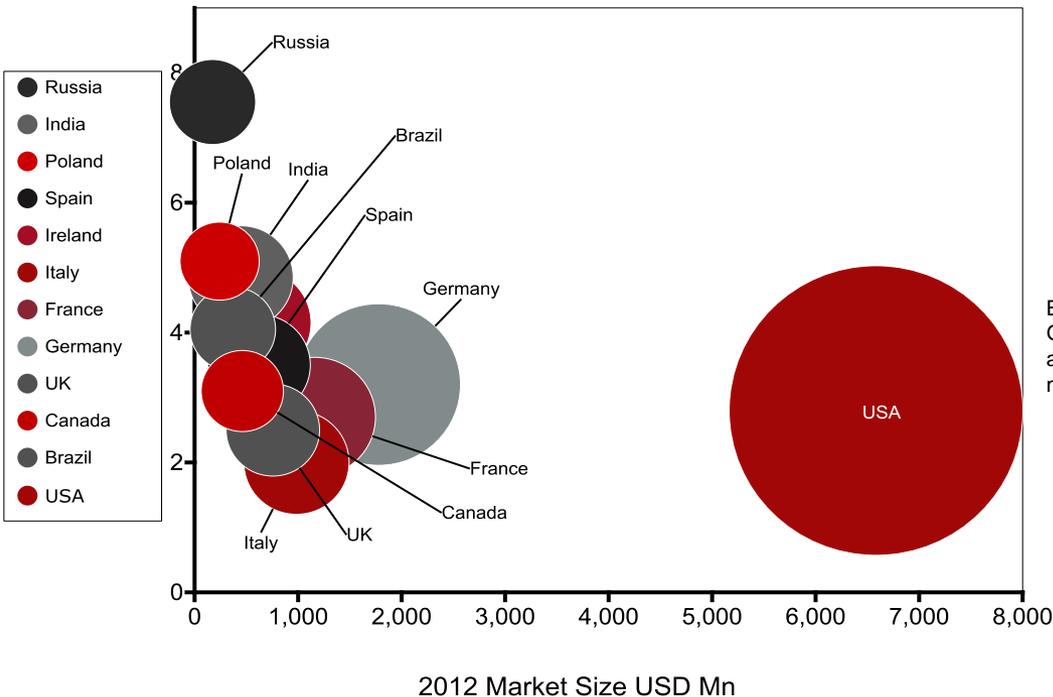


- 31 million km of tape produced annually
- 1.5 trillion products protected annually by Essentra technology

# MARKET DRIVERS – GLOBAL PHARMACEUTICAL PACKAGING



Market Growth Rate CAGR 2012-2017



Bubble size=  
Growth of  
addressed  
markets

## Key growth drivers

### North America

- Population growth and age profile
- Increased public consciousness of health and well-being
- Heightened regulations → higher industry standards

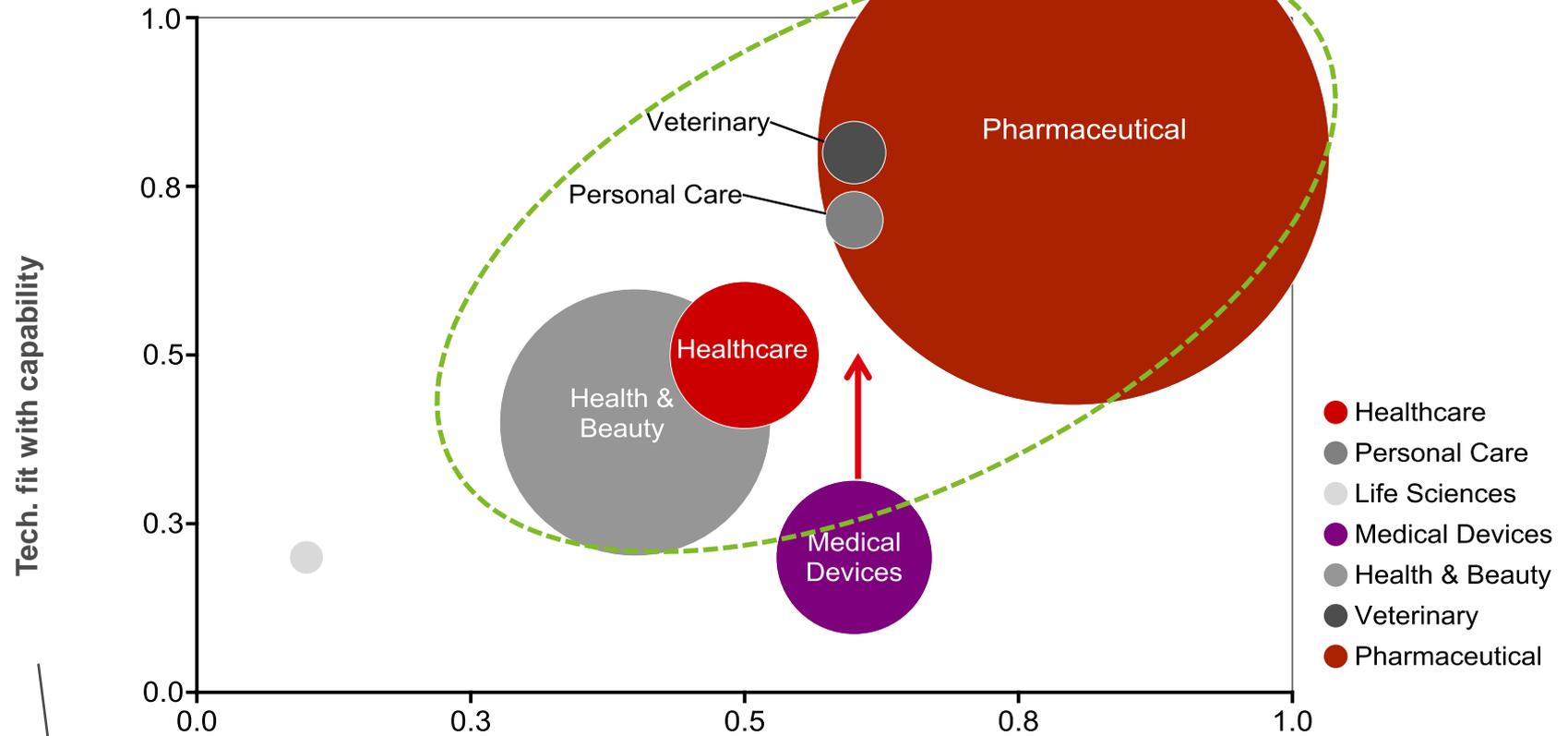
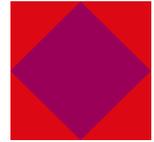
### Western Europe

- Population demographics and policies
- Preventive medicine trends

### Emerging markets

- Economic growth → extension of healthcare
- Regulatory reforms and developing drug distribution
- Developing domestic drug production

# HEALTH & PERSONAL CARE: STRATEGIC PRIORITY

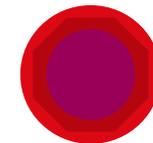


Assessment based on: Ability to proceed forward today – technical know-how, production equipment/capacity, known gaps and complexity to address, level of expertise as it relates to the market

Market attractiveness

C&E Matrix based analysis scored on metrics: Market Size, Market Growth Rate, Time to Market, Structure of Competition, Channel Access, Barriers to Entry, and Strategic Fit.

# INDUSTRY DRIVERS AND VALUE PROPOSITION



## Customer

- Pressure on cost
- Changing share of markets - generics
- Globalisation of supply
- Consolidation
- Legislation & authentication requirements

## Consumer

- Aging profile
- Systemic disease
- Growing income in developing markets
- Self diagnosis
- Increased information available
- Growing demand for veterinary
- Consistent market growth in personal care

Primary needs	Requirements	Differentiators
Full service offering		x
Packaging design		x
Technology development	x	
Commercial agility	x	
Reassurance & experience		x
Customer management & service	x	x
Quality assurance	x	x
Market knowledge		x
Global presence / reach		x
Launch expertise		x

# ACQUISITION OF CLONDALKIN SPD

**Versus our scorecard ...**

**... Clondalkin SPD delivers**

## **PLACE:**

- Establishes Essentra as a strong global leading player in pharma secondary packaging market
  - Market entry in the US
  - Expansion into Poland and Spain
- Opportunity to leverage combined skills into emerging markets and extend footprint

## **PRODUCT & MARKETS:**

- Complementary packaging solutions capabilities
- Transforms presence in attractive growth categories
- Enhances position in adjacent personal care packaging segment

## **PEOPLE:**

- Experienced management team
- Depth of expertise in the specific requirements of the sector

## **RATIONALE:**

- Immediately EPS enhancing
- ROIC > WACC expected by at least year 3
- Cross-selling revenue opportunities
- Significant cost and other efficiency savings
  - c. US\$16m in year 2



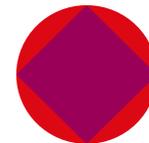
# STRATEGIC DIRECTION



- Market positions
  - Strengthen the value proposition to meet the needs of the Global Health and Personal Care customer base.
  - Leverage the product capabilities in our prioritised segments and grow our complementary market positions
    - Esp. cosmetics / personal care
  - Use Key Account Management discipline to join up the organisation and generate greater share of the global customer base
  - Integration of the North American and European organisations and acceleration of product cross-selling
  - Increased innovative activity across all aspects of the customer interface to accelerate project conversion rates
- Geographic and manufacturing footprint
  - Maximise the complementary geographic locations across mainland Europe
  - Supply chain optimisation to maximise efficiency and support customer needs
  - Use the existing Essentra expertise in emerging markets to build a market position

**To be a leader in the supply of high volume, essential added-value packaging components & solutions to chosen market categories worldwide**

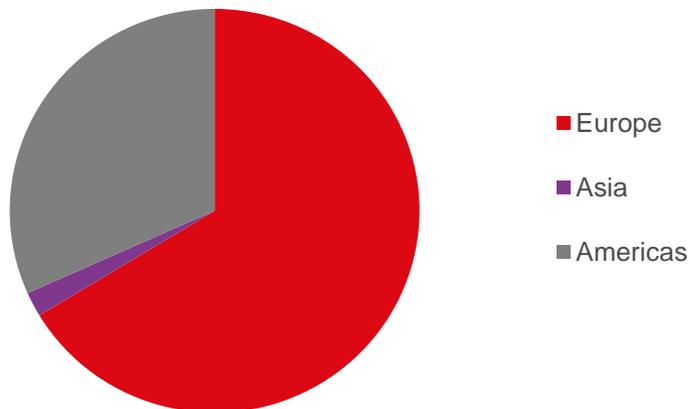
# H&PC PACKAGING AT A GLANCE – 2014 PF\*



## WHAT WE DO



## WHERE WE OPERATE

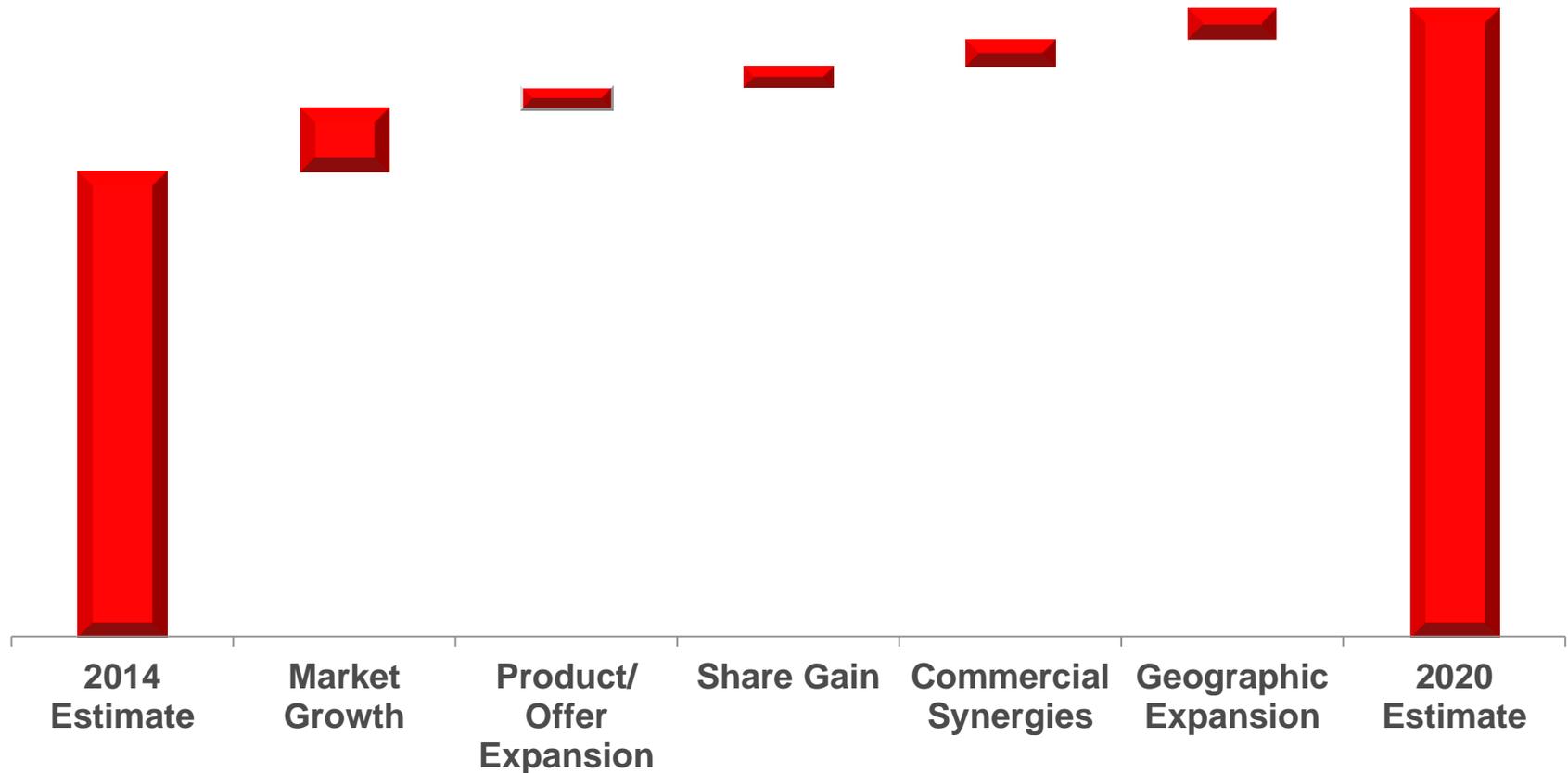


## KEY STATISTICS

- 2014 PF\* revenue = £462m
  - 40% Group total
  - Health & Personal Care = c. 70%
- Presence in 14 countries
  - 40 manufacturing facilities
- c. 3,700 employees

**A strong global leading player in the H&PC packaging market**

# DRIVE FOR 2020 – THE DIRECTION OF TRAVEL – H&PC PACKAGING SBU



**Above market growth to at least mid single digit**

NOTE:

Chart for illustrative purposes only, does not represent a financial forecast  
2014PF based on latest consensus estimates plus 2014E revenue for Clondalkin SPD and Abric

# HEALTH & PERSONAL CARE PACKAGING

## “DRIVE FOR 2020”

Operate a global, integrated Essentra group generating synergy across all regions, functions and business activities



**“One Essentra” recognised and measured as market leaders in Health & Personal Care category**

Increase relevance to customers and market penetration



**“One Essentra” is the customer’s first choice because we deliver to their needs and service their business for mutual value and growth**

Excellence in customer and category management

Actively manage and upgrade the portfolio



**The Essentra products are market led and managed through a proactive lifecycle, for maximum value to the customer base and to us**

Speed, scale, price and promotion

Driving operational excellence



**The voice of the market, communicated clearly to enable operational excellence**

Optimised location, cost profile, product mix and capability

Building a high performing, diverse and global talent base



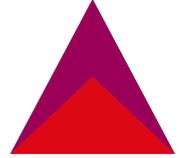
**Health & Personal Care high performance global teams**

Effectiveness and efficiency to meet the customer / market needs

**Building a leading global provider of essential packaging components and solutions**

# Q&A

# APPENDIX



## **Malcolm Waugh – Group Commercial Director / Managing Director, H&PC Packaging**

Malcolm joined Essentra in 2007 as Managing Director of Payne Tear Tape, and was appointed to his current role in January 2012. Prior to joining Essentra, Malcolm was Commercial Director at Tetra Pak UK and Ireland, holding a variety of business development and commercial positions during his 18-year career there.



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**ESSENTRA**



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