BUNZL

2024 ANNUAL GENERAL MEETING

INCOME STATEMENT

Strong adjusted operating profit growth and operating margin

FY 23 operating margin[1]

8.0%

Supported by good margin management initiatives, higher margin acquisitions, operational efficiencies and some one-off benefits in the second half of the year

FY 23 adjusted operating profit[1] growth

7.6%[2]

Excluding the disposal of the UK healthcare business

FY 23 revenue change vs 2022[1]

(0.4)%[2,3]

Q1 24 revenue change

(2.4)%[2]

£m	2023	2022	REPORTED GROWTH	CONSTANT EXCHANGE[1]	CONSTANT EXCHANGE[1] EXCLUDING DISPOSAL[3]
Revenue	**11,797.1**	**12,039.5**	(2.0)%	(1.9)%	(0.4)%
Adjusted operating profit[1]	**944.2**	**885.9**	6.6%	6.2%	7.6%
Operating margin[1]	**8.0%**	**7.4%**			
Adjusted profit before income tax[1,4]	**853.7**	**818.0**	4.4%	3.4%	
Effective tax rate[1]	**25.0%**	**24.6%**			
Adjusted profit for the year[1]	**640.3**	**616.8**	3.8%	2.8%	
Adjusted earnings per share[1,5]	**191.1p**	**184.3p**	3.7%	2.7%	
Total dividend per share	**68.3p**	**62.7p**	8.9%		
Statutory					
Operating profit	**789.1**	**701.6**	12.5%		
Profit before income tax[4]	**698.6**	**634.6**	10.1%		
Basic earnings per share[5]	**157.1p**	**141.7p**	10.9%		

Notes

1. Alternative performance measure – see Appendix 1
2. At constant exchange rates
3. Excluding the impact from the disposal of our UK healthcare business in December 2022
4. Net finance expense in 2023 of £90.5 million and £67.9 million in 2022. In 2023 net finance costs included a non-cash hyperinflation-related charge of £7.2 million (2022: £10.7 million)
5. Weighted average number of shares of 335.0 million in 2023 and 334.7 million in 2022

HIGHLY CASH GENERATIVE MODEL

Strong cash generation

Average cash conversion[1] since 2004
98%

Net debt : EBITDA[1,2, 3]
1.1x

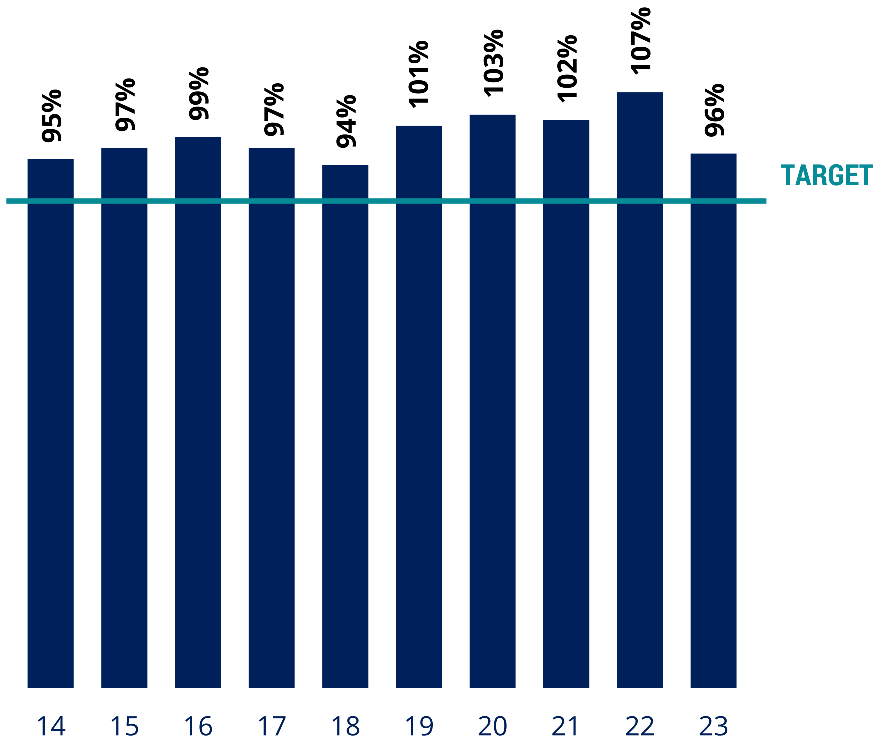
Due to strong cash generation; substantial capacity for self-funded acquisitions

0.2x

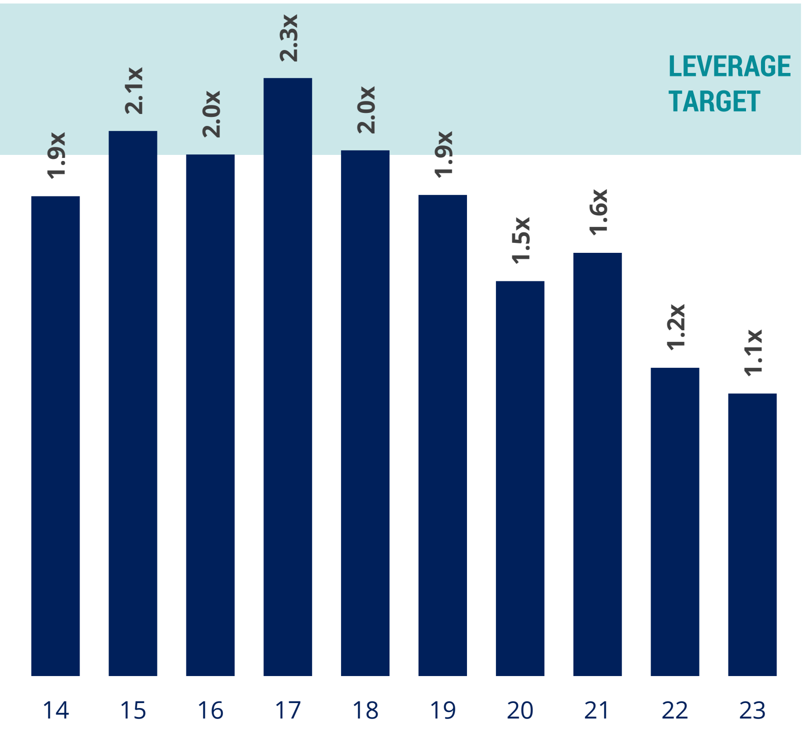
Additional leverage on deferred consideration expected to be paid

Return on invested capital (ROIC)[1]
15.5%
vs. 13.6% in 2019

Cash conversion over the last 10 years



Net debt : EBITDA[1,2,3]



Notes

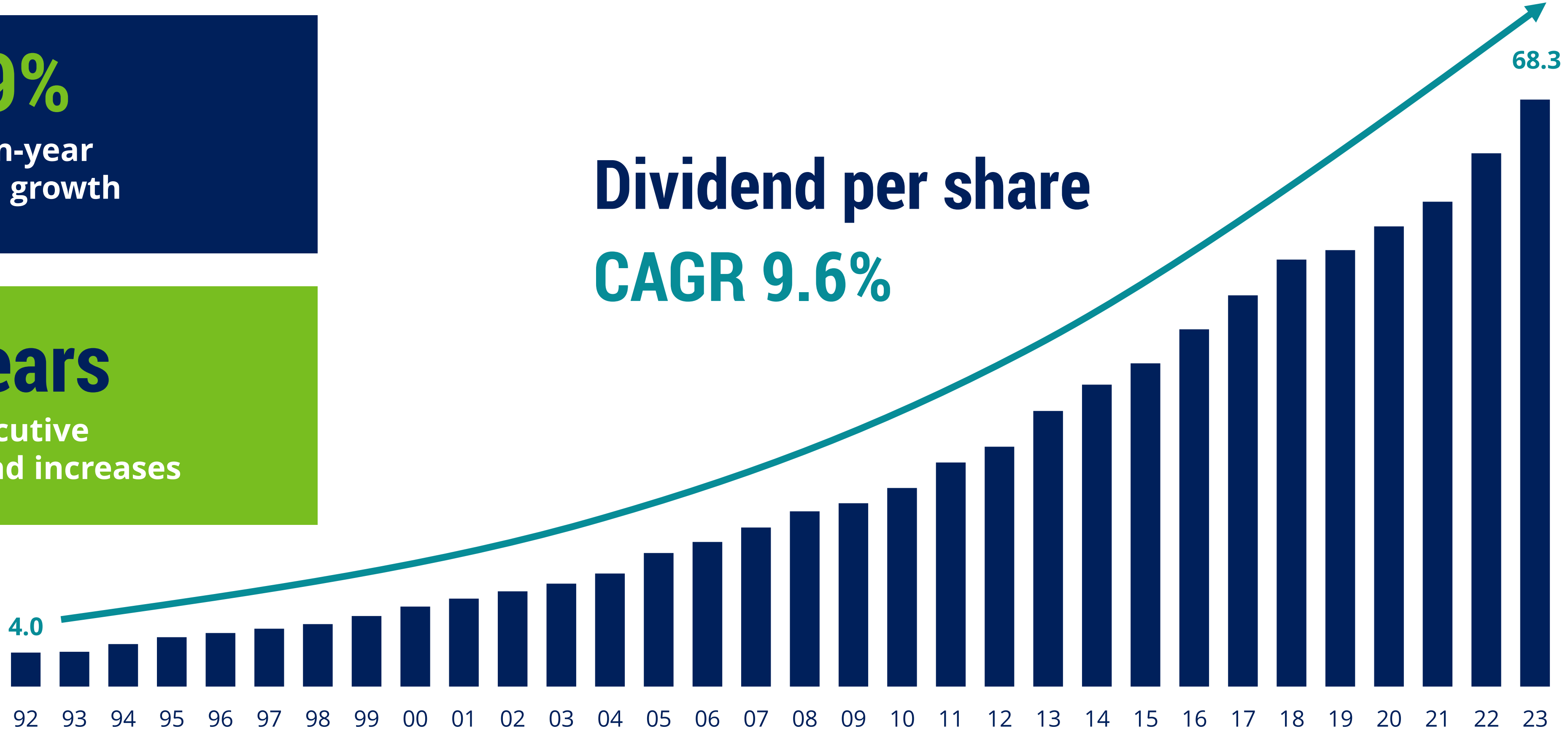
1. Alternative performance measure - see Appendix 1
2. On a covenant basis - at average exchange rates and based on historical accounting standards, in accordance with the Group's external debt covenants
3. Recent acquisition structures result in deferred consideration to be paid, subject to future earnings achieved by the businesses. This liability is not included within net debt

OVER THREE DECADES OF CONSECUTIVE DIVIDEND GROWTH

Strong dividend growth; further dividend cover normalisation post-pandemic

8.9%
year-on-year dividend growth

31 years
of consecutive annual dividend increases



DISCIPLINED APPROACH TO CAPITAL ALLOCATION

Highly cash generative model continues to drive stakeholder value

Capital allocation priorities

1. Invest in the business (low capex requirements)

2. Pay a progressive dividend

3. Value accretive acquisitions

4. Distribution of excess cash

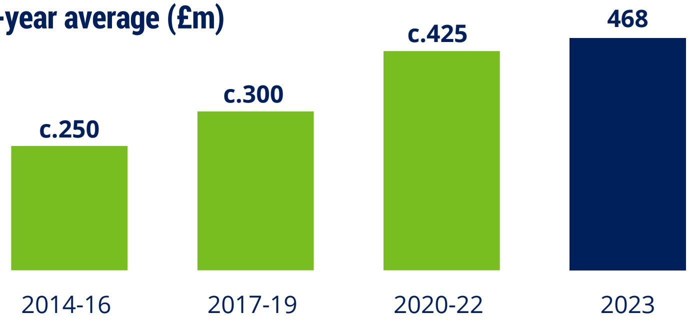
Progressive dividend

- £2.2bn of dividend payments since 2004
- Sustainable annual dividend growth

Value accretive acquisitions

- £5.2bn of committed spend between 2004 and 2023
- Increased level of acquisition spend in recent years
- Active pipeline

2023 committed spend compared with historic 3-year average (£m)



ROIC[1]
15.5%

- **Acquisition pipeline remains active**, with significant opportunities across our markets and sectors
- With a net debt to EBITDA[1,2,3] level of 1.1x (0.2x additional leverage on deferred consideration expected to be paid) we maintain **substantial headroom to allocate significant capital** to value accretive acquisition opportunities
- The **Board is committed to an efficient balance sheet** which supports investment into the business and in value accretive acquisitions, and continually assesses the appropriateness of the return of excess capital to shareholders

Notes

1. Alternative performance measure – see Appendix 1
2. On a covenant basis - at average exchange rates and based on historical accounting standards, in accordance with the Group's external debt covenants
3. Recent acquisition structures result in deferred consideration to be paid, subject to future earnings achieved by the businesses. This liability is not included within net debt

BUNZL'S MODEL DRIVES BOTH GROWTH AND RESILIENCE

Achieving growth through periods of disruption highlights resilience

CONSISTENT COMPOUNDING GROWTH MODEL

Organic Growth	– Driven by activity in our markets	**c.1/3** of revenue growth[1]
Acquisitions	– Fragmented industry and strong track record	**c.2/3** of revenue growth[1]
Dividend	– Commitment to sustainable annual dividend growth	**c.10%** Dividend per share CAGR since '92

RESILIENT BUSINESS MODEL AND PORTFOLIO

Operational resilience
- Agile decentralised model
- Global scale and depth of supply chain
- Strong culture of operational efficiency

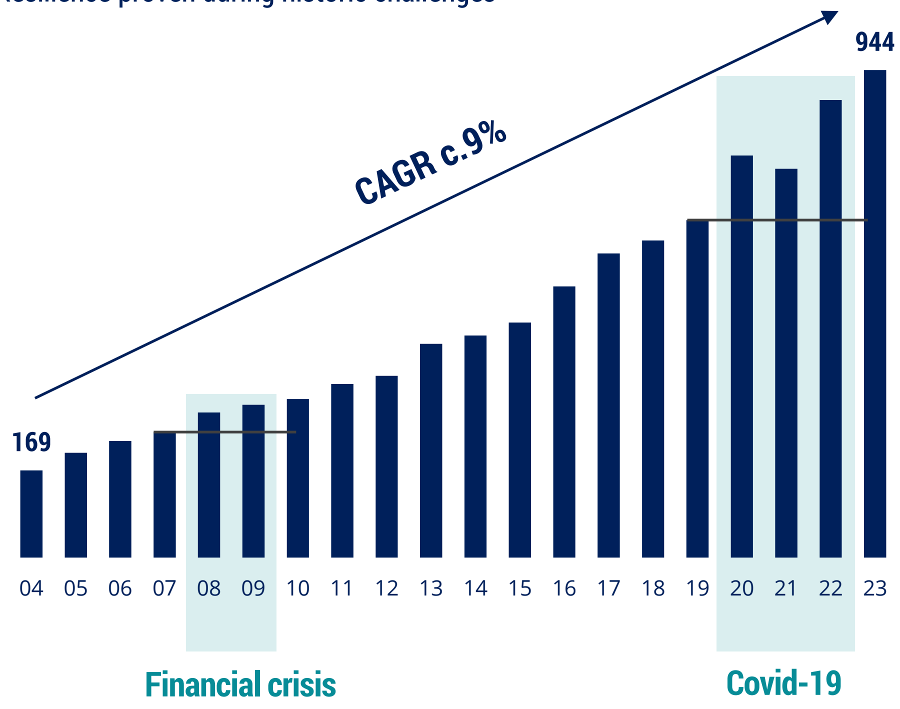
Portfolio resilience
- Diversified portfolio (geographies and sectors)
- c.75% of revenue through more resilient sectors

Compounding growth resilience
- Resilience leads to new business opportunities
- Advantages of joining Bunzl Group become more apparent during difficult times

Financial resilience
- Strong operating margin in 2023
- Consistently high cash generation
- Strong balance sheet

ADJUSTED OPERATING PROFIT[2,3] (£m)

Resilience proven during historic challenges



Notes
1. Based on a long term 10-year average growth rate, at constant exchange rates
2. Alternative performance measure - see Appendix 1
3. At actual exchange rates

Appendices

APPENDIX 1

Alternative performance measures

This presentation includes various performance measures defined under International Financial Reporting Standards ('IFRS') as well as a number of alternative performance measures. The principal alternative performance measures used in this presentation are:

Underlying revenue growth - Revenue excluding the incremental impact of acquisitions and disposals compared to revenue in prior years at constant exchange, adjusted for differences in trading days between years and adjusted to exclude growth in excess of 26% per annum in hyperinflationary economies

Adjusted operating profit - Operating profit before customer relationships, brands and technology amortisation, acquisition related items, non-recurring pension scheme charges and profit or loss on disposal of businesses

Operating margin - Adjusted operating profit as a percentage of revenue

Adjusted profit before income tax - Profit before income tax, customer relationships, brands and technology amortisation, acquisition related items, non-recurring pension scheme charges and profit or loss on disposal of businesses

Adjusted profit for the year - Profit for the year before customer relationships, brands and technology amortisation, acquisition related items, non-recurring pension scheme charges, profit or loss on disposal of businesses and the associated tax

Effective tax rate - Tax on adjusted profit before income tax as a percentage of adjusted profit before income tax

Adjusted earnings per share - Adjusted profit for the year divided by the weighted average number of ordinary shares in issue

Adjusted diluted earnings per share - Adjusted profit for the year divided by the diluted weighted average number of ordinary shares

Operating cash flow - Cash generated from operations before acquisition related items after deducting purchases of property, plant and equipment and software and adding back the proceeds from the sale of property, plant and equipment and software and deducting the payment of lease liabilities

Free cash flow - Operating cash flow after deducting payments for income tax and net interest excluding interest on lease liabilities

Lease adjusted operating profit - Adjusted operating profit after adding back the depreciation of right-of-use assets and deducting the payment of lease liabilities

Cash conversion - Operating cash flow as a percentage of lease adjusted operating profit

Working capital - Inventories and trade and other receivables less trade and other payables, excluding non-operating related receivables, non-operating related payables (including those relating to acquisition payments) and dividends payable

Return on average operating capital - The ratio of adjusted operating profit to the average of the month end operating capital employed (being property, plant and equipment, right-of-use assets, software, inventories and trade and other receivables less trade and other payables)

Return on invested capital - The ratio of adjusted operating profit to the average of the month end invested capital (being equity after adding back net debt, lease liabilities, net defined benefit pension scheme liabilities, cumulative customer relationships, brands and technology amortisation, acquisition related items and amounts written off goodwill, net of the associated tax)

EBITDA - Adjusted operating profit on a historical GAAP basis, before depreciation of property, plant and equipment and software amortisation and after adjustments as permitted by the Group's debt covenants, principally to exclude share option charges and to annualise for the effect of acquisitions and disposal of businesses

Net debt excluding lease liabilities - Net debt excluding the carrying value of lease liabilities

Constant exchange rates - Growth rates at constant exchange rates are calculated by retranslating the results for prior years at the average exchange rates for the year ended 31 December 2023 so that they can be compared without the distorting impact of changes caused by foreign exchange translation

Dividend cover – The ratio of adjusted earnings per share to the total dividend per share

APPENDIX 2

Statutory P&L

£m	2023	2022
Revenue	**11,797.1**	12,039.5
Adjusted operating profit[1]	**944.2**	885.9
Operating margin[1]	**8.0%**	7.4%
Adjusting items	**(155.1)**	(184.3)
Operating profit	**789.1**	701.6
Net finance expense	**(90.5)**	(67.9)
Disposal of business	**-**	0.9
Profit before income tax	**698.6**	634.6
Reported tax rate	**24.7%**	25.2%
Profit for the year	**526.2**	474.4
Basic earnings per share	**157.1p**	141.7p

Note

1. Alternative performance measure – see Appendix 1

APPENDIX 3

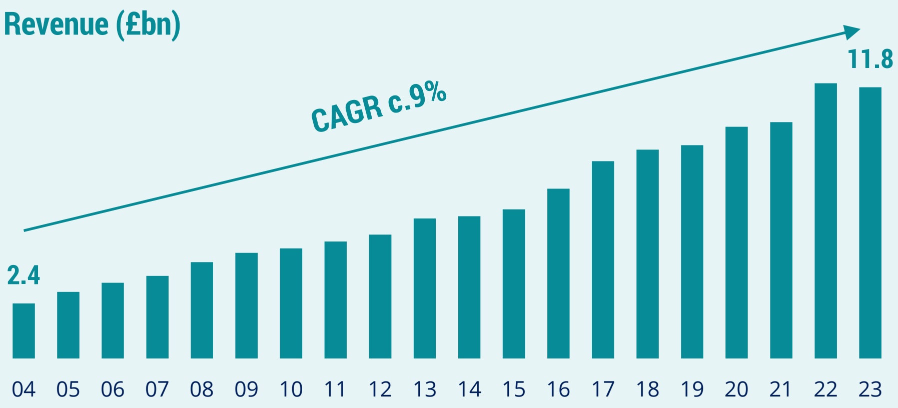
Financial track record 2004 – 2023

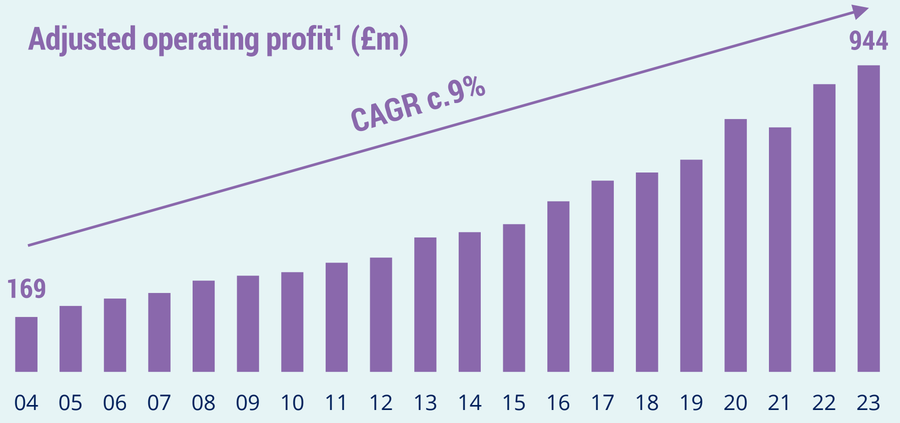
BUNZL

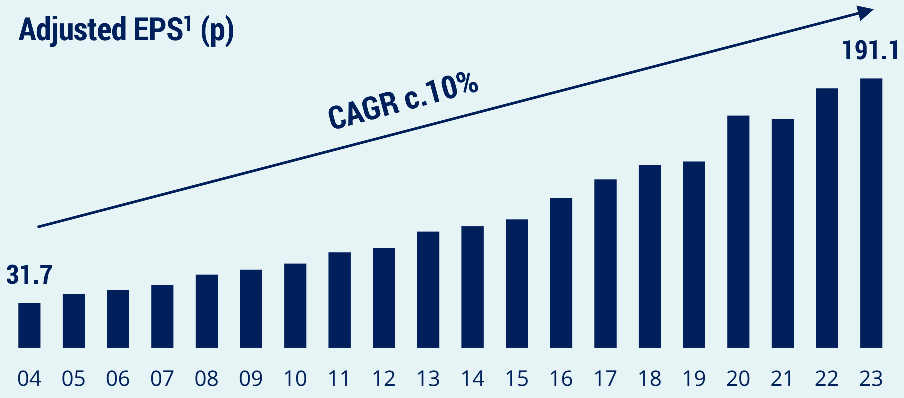
Proven compounding growth strategy

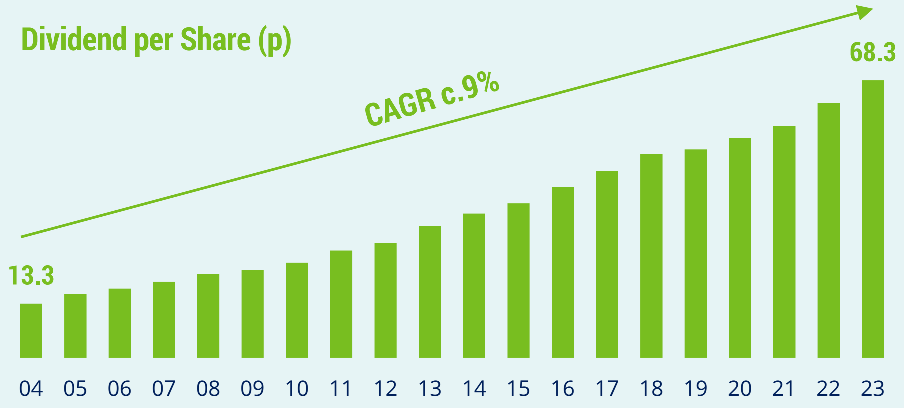
CAGR

c.9-10%









Note

1. Alternative performance measure - see Appendix 1

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