2018
HALF YEAR RESULTS

AUGUST 2018

INTRODUCTION:
FRANK VAN ZANTEN
CHIEF EXECUTIVE

HIGHLIGHTS

BUNZL

ADJUSTED EARNINGS PER SHARE* UP 14%◊

DIVIDEND PER SHARE UP 9%

FURTHER INCREASE IN ORGANIC GROWTH TO 5.2%

ACQUISITION SPEND OF £132m

* Before adjusting items (customer relationships amortisation and acquisition related items), disposal of businesses and associated tax - see Appendix 2 and Appendix 3

◊ At constant exchange rates

BUNZL

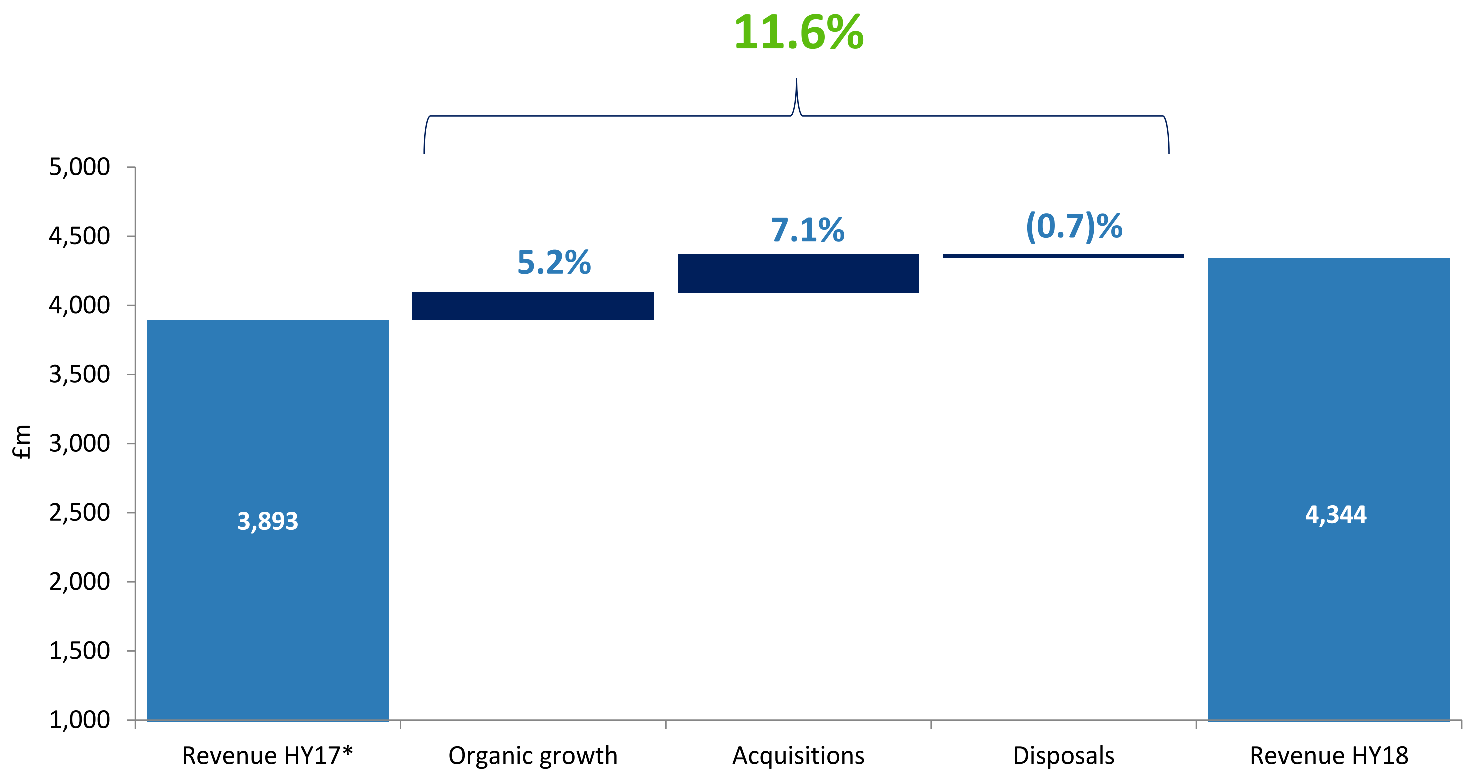
FINANCIAL RESULTS:
BRIAN MAY
FINANCE DIRECTOR

REVENUE GROWTH

Organic growth

5.2%

Strong growth across all business areas



* At constant exchange rates

INCOME STATEMENT

£m	JUNE 18	JUNE 17	GROWTH REPORTED	GROWTH CONSTANT EXCHANGE
Revenue	**4,343.7**	4,119.2	5%	12%
Adjusted operating profit*	**285.0**	272.6	5%	10%
Operating margin*	**6.6%**	6.6%		
Adjusting items◊	**(74.2)**	(66.4)		
Operating profit	**210.8**	206.2		
Net finance expense	**(27.1)**	(24.3)		
Disposal of businesses	**13.6**	-		
Profit before income tax	**197.3**	181.9		
Adjusted profit before income tax**	**257.9**	248.3	4%	10%

* Before adjusting items (customer relationships amortisation and acquisition related items) – see Appendix 2 and Appendix 3
** Before adjusting items (customer relationships amortisation and acquisition related items) and disposal of businesses – see Appendix 2 and Appendix 3
◊ See Appendix 3

INCOME STATEMENT (CONTINUED)

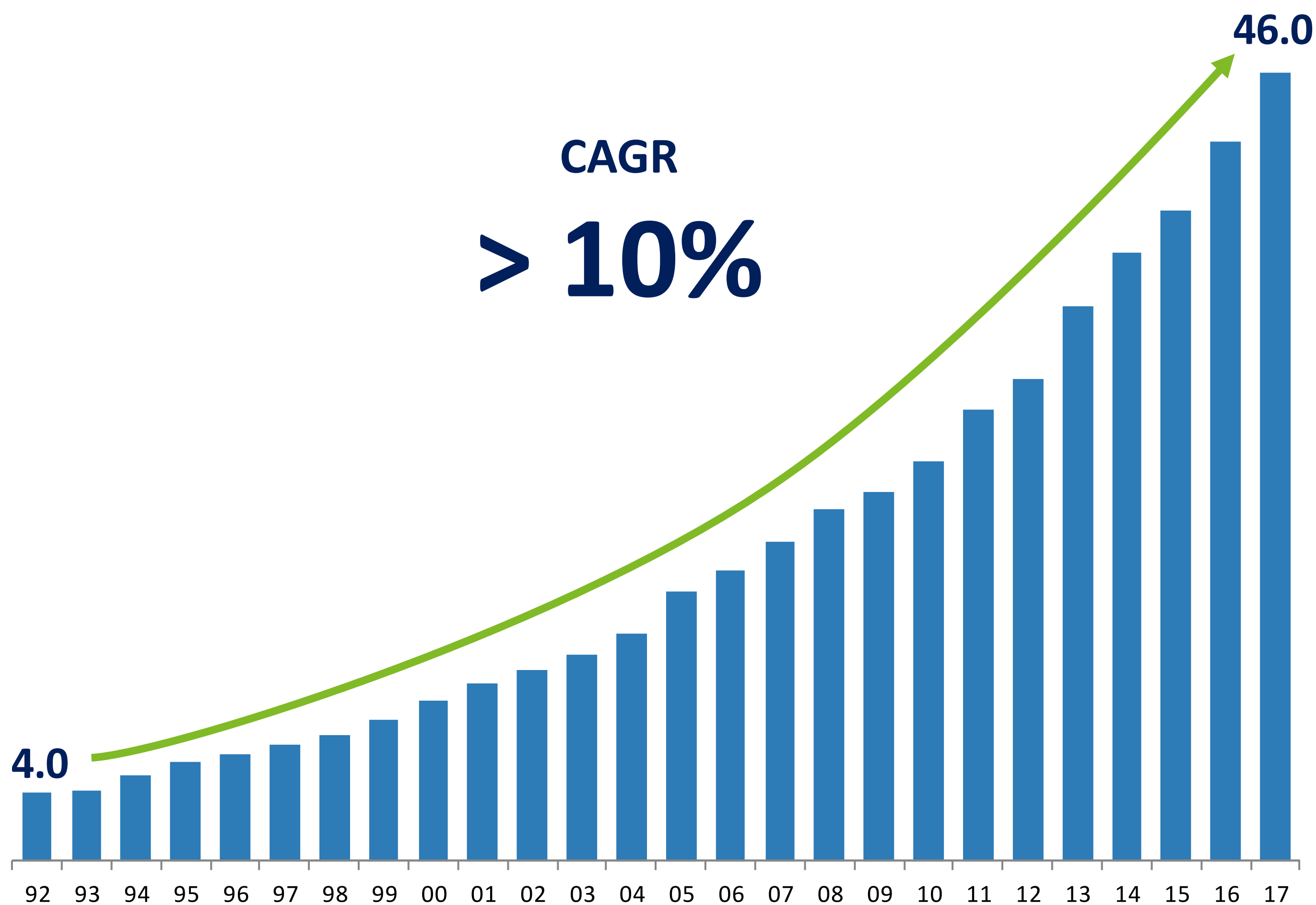
£m	JUNE 18	JUNE 17	GROWTH REPORTED	GROWTH CONSTANT EXCHANGE
Effective tax rate	**23.8%**	26.9%		
Adjusted profit for the period*	**196.4**	181.5	8%	14%
Adjusted earnings per share*	**59.4p**	55.1p	8%	14%
Dividend per share	**15.2p**	14.0p	9%	
Reported tax rate	**24.4%**	27.6%		
Profit for the period	**149.2**	131.7		
Basic earnings per share	**45.1p**	40.0p		

* Before adjusting items (customer relationships amortisation and acquisition related items), disposal of businesses and associated tax - see Appendix 2 and Appendix 3

DIVIDEND PER SHARE (p)

25 years

of consecutive dividend increases



BALANCE SHEET

Return on average operating capital

52.0%

£m	JUNE 18	DEC 17
Intangibles	**2,365.5**	2,351.7
Tangibles	**119.8**	125.2
Working capital	**914.4**	871.9
Other net liabilities	**(424.1)**	(325.6)
	2,975.6	3,023.2
Net pension deficit	**(26.9)**	(51.0)
Net debt*	**(1,477.7)**	(1,523.6)
Equity	**1,471.0**	1,448.6
Net debt : EBITDA	**2.2x**	**2.3x**
Return on average operating capital	**52.0%**	**53.1%**

* See Appendix 4

INTANGIBLES

Increase from acquisitions of £101m largely offset by amortisation, disposals and exchange

WORKING CAPITAL

Increase from acquisitions and small underlying increase, partly offset by disposals and exchange

NET DEBT

Decrease of £46m due to a net cash inflow of £60m, partly offset by losses from exchange translation of £14m

CASH FLOW

Cash conversion◊

94%

£m	JUNE 18	JUNE 17
Operating cash flow*	267.0	262.2
Net interest	(24.9)	(21.7)
Tax	(60.5)	(53.1)
Free cash flow	181.6	187.4
Dividends	(46.2)	(42.8)
Acquisitions**	(150.7)	(312.0)
Disposal of businesses	55.3	-
Employee share schemes	20.0	(30.2)
Net cash inflow / (outflow)	60.0	(197.6)
Cash conversion◊ %	94%	96%

* Before acquisition related items - see Appendix 5

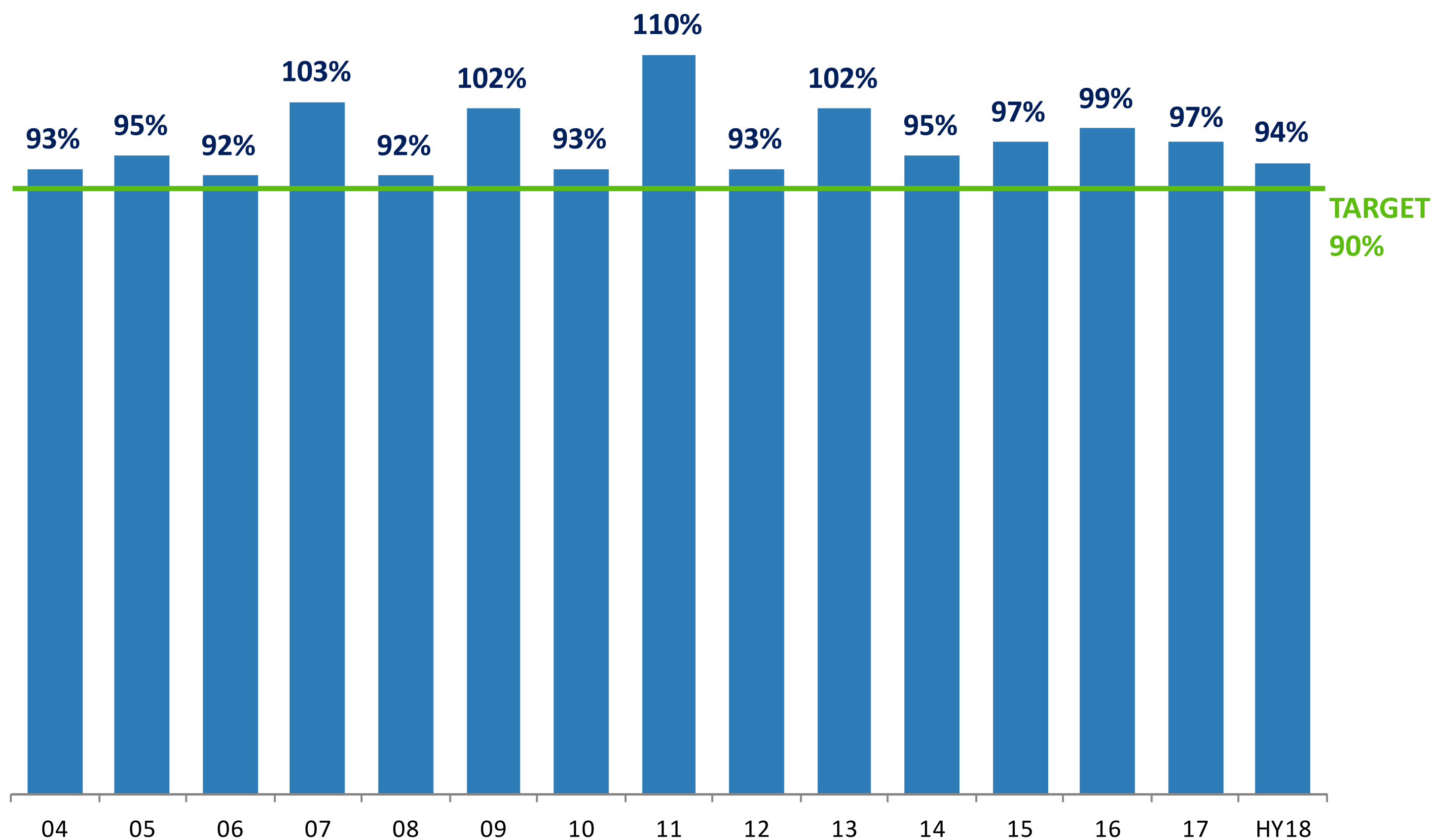
** Including acquisition related items

◊ Operating cash flow before acquisition related items to adjusted operating profit - see Appendix 2 and Appendix 5

CASH CONVERSION

Average cash conversion*

97%



* Operating cash flow before acquisition related items to adjusted operating profit – see Appendix 2 and Appendix 5
04 – 05 continuing operations only

USES OF FREE CASH FLOW 2004 – HY18

Consistently strong free cash flow supports self-funded long term growth

DIVIDENDS **£1.2bn**	**DIVIDEND PER SHARE CAGR >10%** **STABLE DIVIDEND COVER c. 2.5x◊**
ACQUISITIONS **£3.2bn**	**155* ACQUISITIONS SINCE 2004** **SELF-FUNDED**

◊ Based on adjusted earnings per share
* Includes the acquisition of Enor in July 2018

FINANCIAL SUMMARY

BUNZL

REVENUE	▲ 12%◊
ORGANIC REVENUE GROWTH	5.2%
ADJUSTED OPERATING PROFIT*	▲ 10%◊
CASH CONVERSION**	94%
YTD COMMITTED ACQUISITION SPEND	£132m
ROACE	52.0%
ADJUSTED EPS*	▲ 14%◊
DIVIDEND PER SHARE	▲ 9%

◊ At constant exchange rates
* Before adjusting items (customer relationships amortisation and acquisition related items), disposal of businesses and associated tax where relevant - see Appendix 2 and Appendix 3
** Operating cash flow before acquisition related items to adjusted operating profit – see Appendix 2 and Appendix 5

BUSINESS REVIEW:
FRANK VAN ZANTEN
CHIEF EXECUTIVE

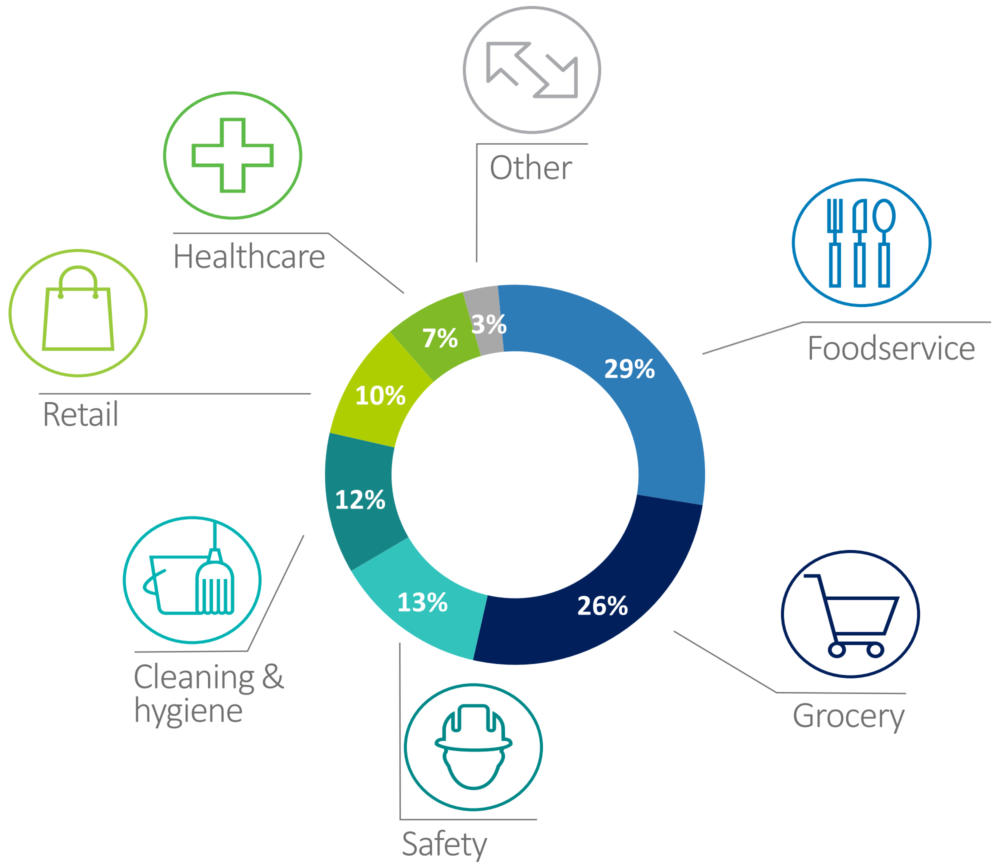
- Operations review
- Strategy
- Prospects

REVENUE BY CUSTOMER MARKETS

74%

resilient

Foodservice
Grocery
Cleaning & hygiene
Healthcare



BUSINESS AREA ANALYSIS

Well diversified by geography and sector

NORTH AMERICA

57% Revenue

47% Operating profit*

CONTINENTAL EUROPE

21% Revenue

30% Operating profit*

UK & IRELAND

14% Revenue

13% Operating profit*

REST OF WORLD

8% Revenue

10% Operating profit*

* Adjusted operating profit - before adjusting items (customer relationships amortisation and acquisition related items) and corporate costs

NORTH AMERICA

			GROWTH	
£m	**JUNE 18**	**JUNE 17**	**REPORTED**	**CONSTANT EXCHANGE**
Revenue	**2,459.6**	2,432.6	1%	10%
Adjusted operating profit*	**140.1**	148.0	(5)%	3%
Operating margin*	**5.7%**	6.1%		
Return on operating capital	**50.2%**	55.5%		

- Revenue growth driven by strong organic growth and impact of acquisitions
- Reduction in margin from significant business previously won in grocery and operating cost pressures
- More focused and streamlined organisation structure being implemented in grocery and redistribution to enhance customer proposition and improve operational efficiency
- Integration of DDS continuing with synergies on track
- Growth in agriculture supported by acquisition of Monte Package Company
- Good progress in safety from improving market conditions, boosted by acquisition of Revco

* Before adjusting items (customer relationships amortisation and acquisition related items)

CONTINENTAL EUROPE

£m	JUNE 18	JUNE 17	GROWTH REPORTED	GROWTH CONSTANT EXCHANGE
Revenue	**890.2**	769.0	16%	15%
Adjusted operating profit*	**88.6**	73.1	21%	22%
Operating margin*	**10.0%**	9.5%		
Return on operating capital	**59.1%**	59.1%		

- Substantial increases in revenue and profit with improved operating margin
- Significant overall growth in France due to integration of Hedis and strong performances in safety and foodservice, partly offset by weaker performance in cleaning & hygiene and disposal of OPM
- Good growth in the Netherlands from new customer wins and acquisition of QS
- Continued strong performance in Spain
- Strong performance in Turkey with good progress in Italy

* Before adjusting items (customer relationships amortisation and acquisition related items)

UK & IRELAND

£m	JUNE 18	JUNE 17	GROWTH REPORTED	GROWTH CONSTANT EXCHANGE
Revenue	**625.9**	566.1	11%	11%
Adjusted operating profit*	**39.7**	37.9	5%	5%
Operating margin*	**6.3%**	6.7%		
Return on operating capital	**91.1%**	94.7%		

- Strong organic revenue growth with operating margin impacted by challenging market
- Trading in safety affected by variable market conditions
- Good revenue growth in cleaning & hygiene
- Strong growth in grocery and retail from new customer wins
- Sale of non-core marketing services business
- Growth in hospitality from existing customers and the acquisition of Aggora

* Before adjusting items (customer relationships amortisation and acquisition related items)

REST OF THE WORLD

£m	JUNE 18	JUNE 17	GROWTH REPORTED	GROWTH CONSTANT EXCHANGE
Revenue	**368.0**	351.5	5%	14%
Adjusted operating profit*	**28.2**	25.1	12%	23%
Operating margin*	**7.7%**	7.1%		
Return on operating capital	**33.5%**	30.9%		

- Substantial improvement in operating margin
- Overall strong results in Latin America
- Significant improvement in performance in Australasia

* Before adjusting items (customer relationships amortisation and acquisition related items)

CONSISTENT AND PROVEN COMPOUNDING STRATEGY

High ROIC despite significant acquisition spend

PROFITABLE ORGANIC GROWTH

Use competitive advantage to grow market share in a profitable way

OPERATING MODEL IMPROVEMENTS

Daily focus on making our business more efficient

ACQUISITION GROWTH

Use strong balance sheet and excellent cash flow to consolidate our markets further

ROIC 15.4%

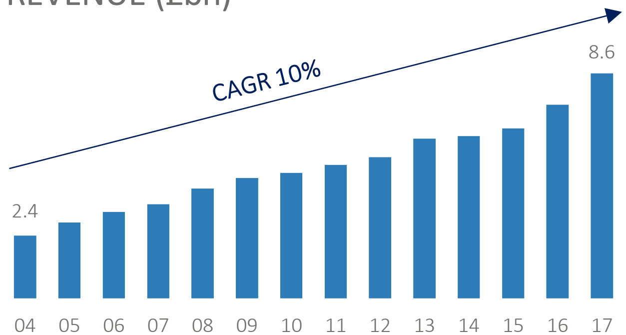
FINANCIAL TRACK RECORD 2004-2017

Proven compounding growth strategy

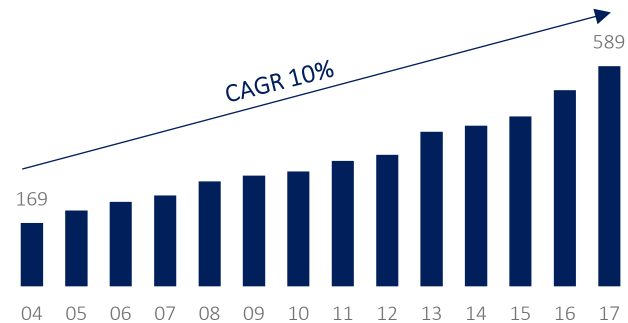
CAGR

c. 10%

REVENUE (£bn)

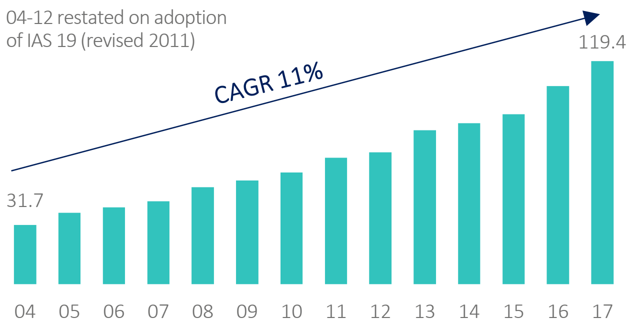


ADJUSTED OPERATING PROFIT* (£m)

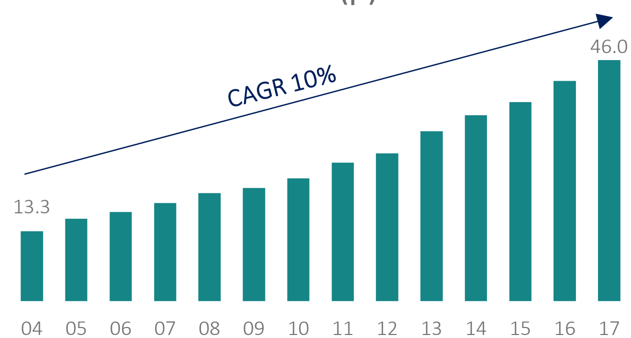


ADJUSTED EPS* (p)

04-12 restated on adoption
of IAS 19 (revised 2011)



DIVIDEND PER SHARE (p)



* Before adjusting items (customer relationships amortisation and acquisition related items), disposal of businesses and associated tax, where relevant - see Appendix 2 and Appendix 3
04-05 continuing operations only

ACQUISITION GROWTH

155 acquisitions 2004 – ytd 2018; total spend of £3.3bn

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018 ytd
Number of acquisitions	7	7	9	8	7	2	9	10	13	11	17	22	14	15	**4**
Committed acquisition spend (£m)	302	129	162	197	123	6	126	185	277	295	211	327	184	616	**132**
Annualised acquisition revenue (£m)	430	270	386	225	151	27	154	204	518	281	223	324	201	621	**101**

04-05 continuing operations only

SIGNIFICANT OPPORTUNITIES TO GROW IN EXISTING COUNTRIES

COUNTRY	FOODSERVICE	GROCERY	C&H	SAFETY	RETAIL	HEALTHCARE
USA						●
Canada						●
Mexico			●		●	●
UK						
Ireland						
Germany		●			●	
France		●			●	
Italy	●	●	●			●
Spain		●				
Netherlands						
Belgium				●		
Denmark					●	●
Norway		●	●	●	●	●
Switzerland						
Austria		●	●	●	●	●
Czech Republic	●		●		●	●

COUNTRY	FOODSERVICE	GROCERY	C&H	SAFETY	RETAIL	HEALTHCARE
Hungary					●	●
Romania	●				●	●
Slovakia			●	●	●	●
Israel		●	●	●	●	●
Turkey		●	●		●	●
Brazil		●			●	
Chile		●	●		●	●
Colombia	●	●	●		●	●
Argentina	●	●	●		●	●
Peru	●	●	●		●	●
Uruguay	●	●	●		●	●
Australia						
New Zealand					●	
China / Hong Kong	●	●	●			●
Singapore	●	●	●		●	●

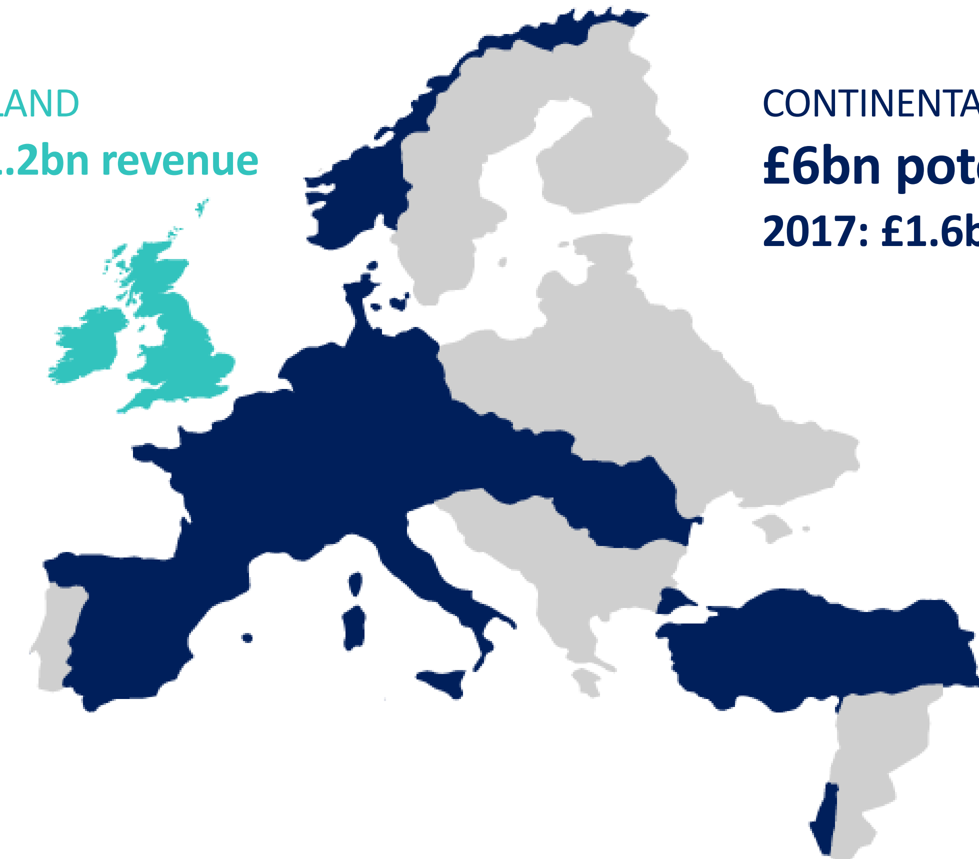
● No existing presence

GROWTH OPPORTUNITIES – EXAMPLE

Significant scope for future growth

UK & IRELAND

2017: £1.2bn revenue



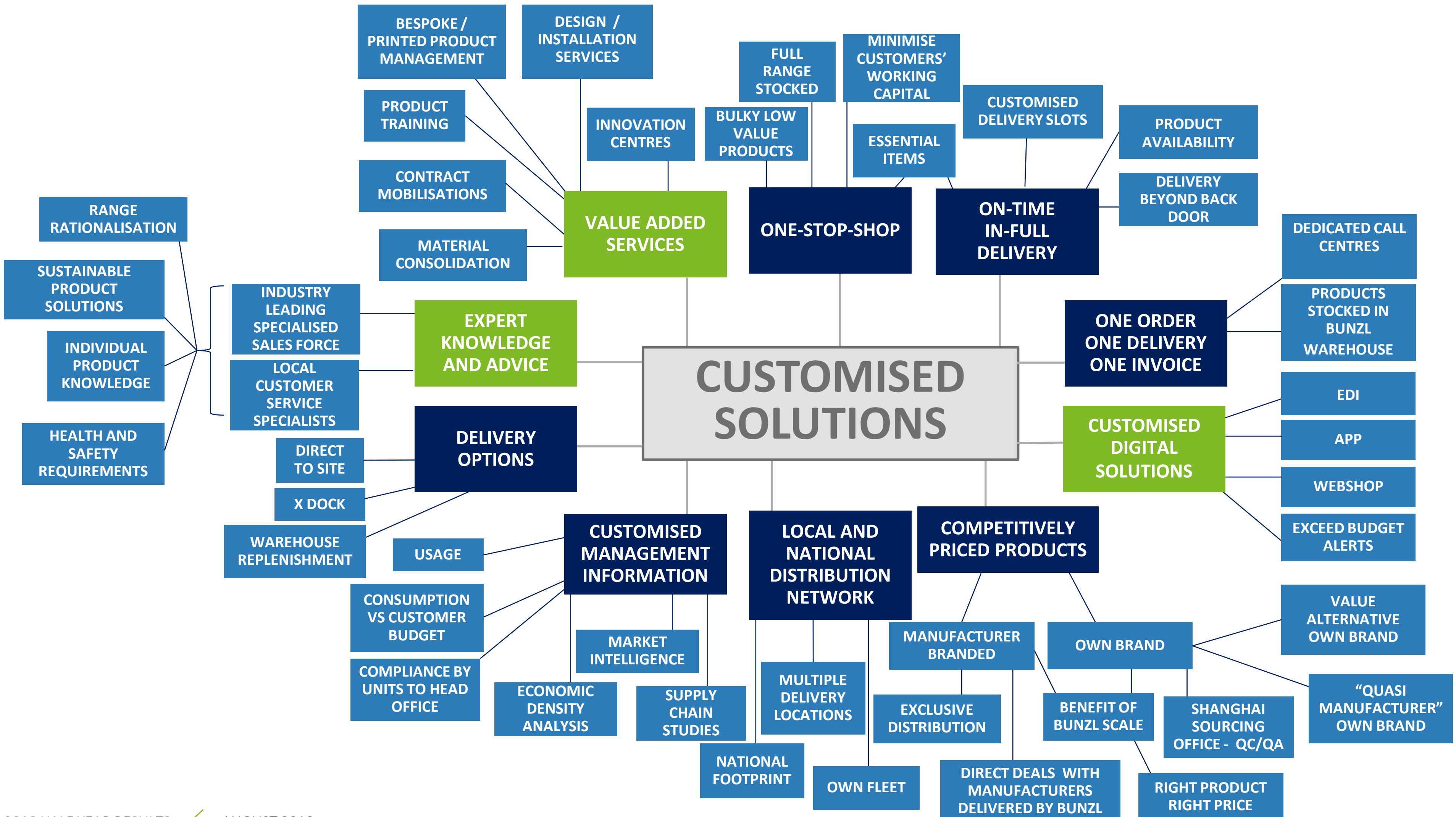
CONTINENTAL EUROPE

£6bn potential*

2017: £1.6bn revenue

***Potential revenue** - UK & Ireland 2017 revenue as percentage of GDP scaled relative to GDP of the countries of Continental Europe in which Bunzl operates today

BUNZL UNIQUE SERVICE OFFERING



EXPERT KNOWLEDGE AND ADVICE

Our industry leading salesforce

3,000 expert sales staff supported by 2,600 locally based customer service specialists supporting customers with:

- product knowledge
- range rationalisation
- industry trends
- health and safety compliance
- sustainable product solutions
- innovation

Innovation case study

CUSTOMISED DIGITAL SOLUTIONS

- Enhancing customer intimacy and ease of order processing
  - personalised experience through customer specific web platforms and punch-out
  - data analytics – usage & compliance, contract mobilisations
  - budgetary controls / spending limits
  - multi-tier approval levels
  - contract pricing
- Digital tools to transact
  - Bunzl webshops & EDI
  - dedicated / branded home pages
- Operational technologies
  - sensor technologies for washroom management
  - asset tagging

VALUE ADDED SERVICES - CASE STUDY

AGGORA

- Design, supply, installation and maintenance of catering equipment
- Asset tagging
- Reactive repairs
- Planned maintenance
- Repair or replace analysis
- Safety certificates
- Cross-selling opportunities with UK hospitality business

PROSPECTS

Group – prospects positive with continued growth from strong competitive position, diversified and resilient businesses and ability to consolidate fragmented markets further

North America – good overall growth from the combination of organic revenue growth and impact of acquisitions

Continental Europe – strong performance due to continued organic growth and acquisitions

UK & Ireland – further development despite challenging market

Rest of the World – strong growth for the year

Acquisitions – active pipeline; expect to complete further transactions as year progresses

APPENDICES

APPENDIX 1
EXCHANGE RATES

	JUNE 18	JUNE 17
Average rate		
US$	**1.38**	1.26
Euro	**1.14**	1.16
Canadian$	**1.76**	1.68
Australian$	**1.78**	1.67
Brazilian real	**4.71**	4.00
Closing rate		
US$	**1.32**	1.30
Euro	**1.13**	1.14
Canadian$	**1.74**	1.69
Australian$	**1.79**	1.69
Brazilian real	**5.08**	4.30

APPENDIX 2

INCOME STATEMENT ALTERNATIVE PERFORMANCE MEASURES

£m	JUNE 2018	JUNE 2017
Operating profit	**210.8**	206.2
Adjusting items*	**74.2**	66.4
Adjusted operating profit◊	**285.0**	272.6
Operating margin	**6.6%**	6.6%
Net finance expense	**(27.1)**	(24.3)
Adjusted profit before income tax◊	**257.9**	248.3
Tax on adjusted profit	**(61.5)**	(66.8)
Adjusted profit for the period◊	**196.4**	181.5
Adjusted earnings per share◊	**59.4p**	55.1p

* See Appendix 3

◊ Does not include the profit on disposal of businesses and associated tax where relevant

APPENDIX 3

ADJUSTING ITEMS

£m	JUNE 2018	JUNE 2017
Customer relationships amortisation	**(55.6)**	(47.4)
Deferred consideration payments	**(10.0)**	(13.8)
Transaction costs and expenses	**(3.1)**	(8.1)
Earn out adjustments	**(5.3)**	2.9
Interest on acquisition related income tax	**(0.2)**	-
Total adjusting items	**(74.2)**	(66.4)

APPENDIX 4

NET DEBT

£m	SIX MONTHS TO JUNE 2018	YEAR TO DEC 17	SIX MONTHS TO JUNE 2017
Opening net debt	**(1,523.6)**	(1,228.6)	(1,228.6)
Net cash inflow / (outflow)	**60.0**	(334.0)	(197.6)
Exchange	**(14.1)**	39.0	23.7
Closing net debt	**(1,477.7)**	(1,523.6)	(1,402.5)

APPENDIX 5

CASH FLOW AND CASH CONVERSION

£m	JUNE 2018	JUNE 2017
Operating profit	**210.8**	206.2
Adjusting items	**74.2**	66.4
Adjusted operating profit*	**285.0**	272.6
Adjusted for:		
Non-cash items	**18.5**	19.6
Working capital movement	**(23.8)**	(16.1)
Cash flow from operations◊	**279.7**	276.1
Net capital expenditure	**(12.7)**	(13.9)
Operating cash flow◊	**267.0**	262.2
Cash conversion**	**94%**	96%

* Before adjusting items (customer relationships amortisation and acquisition related items) – see Appendix 2 and Appendix 3

◊ Before acquisition related items

** The ratio of operating cash flow before acquisition related items to adjusted operating profit

APPENDIX 6

ANNUALISED ACQUISITION REVENUE

£m	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018 ytd
North America	115	198	103	15	-	-	35	7	410	89	84	153	38	283	**69**
Continental Europe	301	61	7	100	52	-	115	96	23	5	46	98	87	219	**32**
UK & Ireland	-	2	267	110	39	27	-	39	16	32	40	-	76	49	**-**
Rest of the World	14	9	9	-	60	-	4	62	69	155	53	73	-	70	**-**
Group	430	270	386	225	151	27	154	204	518	281	223	324	201	621	**101**

Leading revenue in year
04-05 continuing operations only

APPENDIX 7

ACQUISITION GROWTH 2018 YTD

£101m
revenue acquired

BUSINESS	ACQUIRED	COUNTRY	SECTOR	REVENUE*
Revco	January	USA	Safety	£27.5m
QS	March	Netherlands	Cleaning & hygiene	£4.9m
Monte Package Company	March	USA	Foodservice	£41.8m
Enor	July	Norway	Foodservice	£27.0m

* Annualised and converted at June 2018 average exchange rates

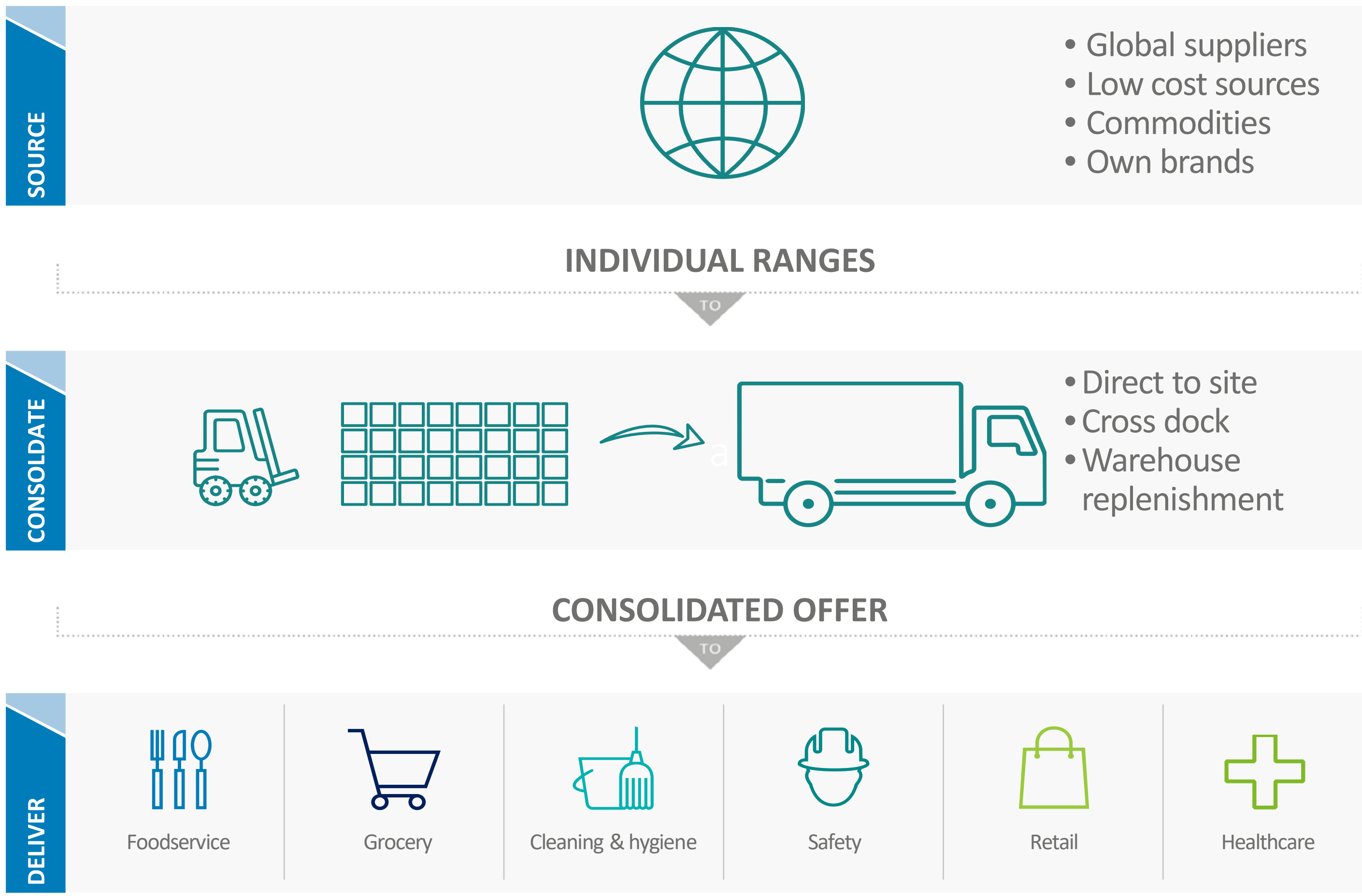
APPENDIX 8
HISTORICAL DATA

£m	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenue	2,439	2,924	3,333	3,582	4,177	4,649	4,830	5,109	5,359	6,098	6,157	6,490	7,429	**8,581**
Adjusted operating profit*	169	203	226	243	281	296	307	336	352	414	430	455	525	**589**
Operating margin* (%)	6.9	7.0	6.8	6.8	6.7	6.4	6.4	6.6	6.6	6.8	7.0	7.0	7.1	**6.9**

* Before adjusting items (customer relationships amortisation and acquisition related items)

APPENDIX 9
BUSINESS MODEL

One-stop-shop for non-food consumables



APPENDIX 10
VALUE PROPOSITION

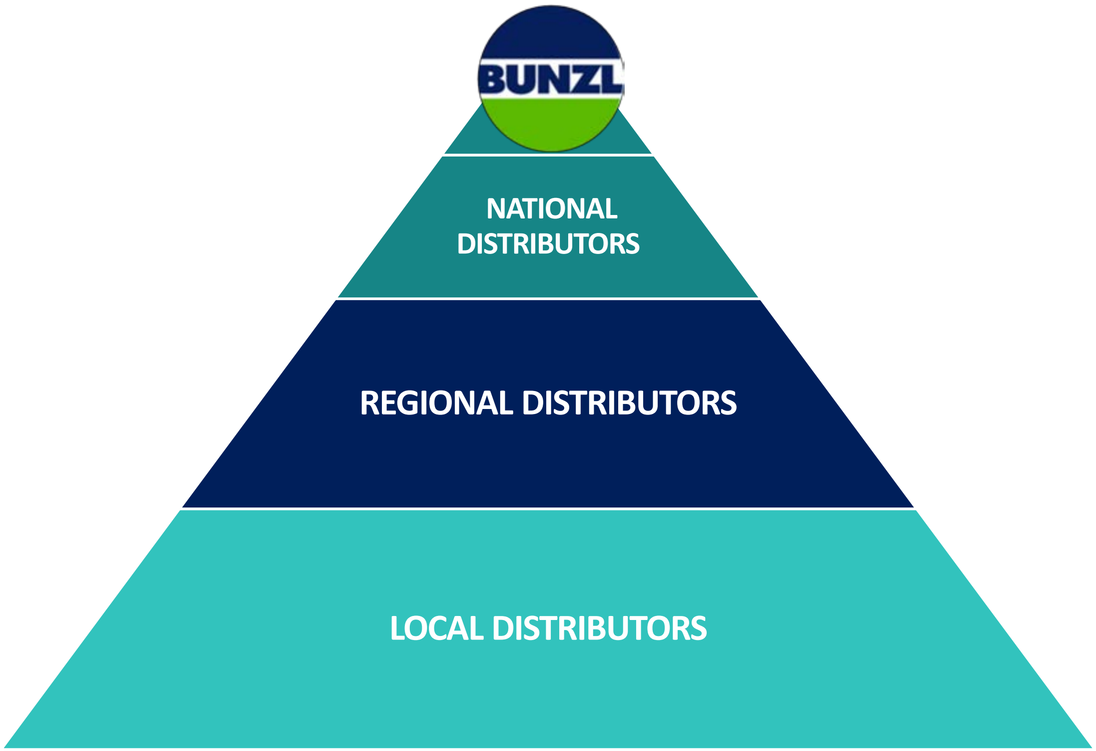
Outsourcing adds value for our customers

- In-house procurement and self-distribution is costly
- Bunzl applies its resources and expertise to reduce or eliminate many of the "hidden" costs of in-house procurement and self-distribution
- The benefits to customers are a lower cost of doing business and reduced working capital and carbon emissions

APPENDIX 11

MARKET LEADING SPECIALIST DISTRIBUTOR

SPECIALIST COMPETITORS IN OUR FIELD



OTHER COMPETITORS

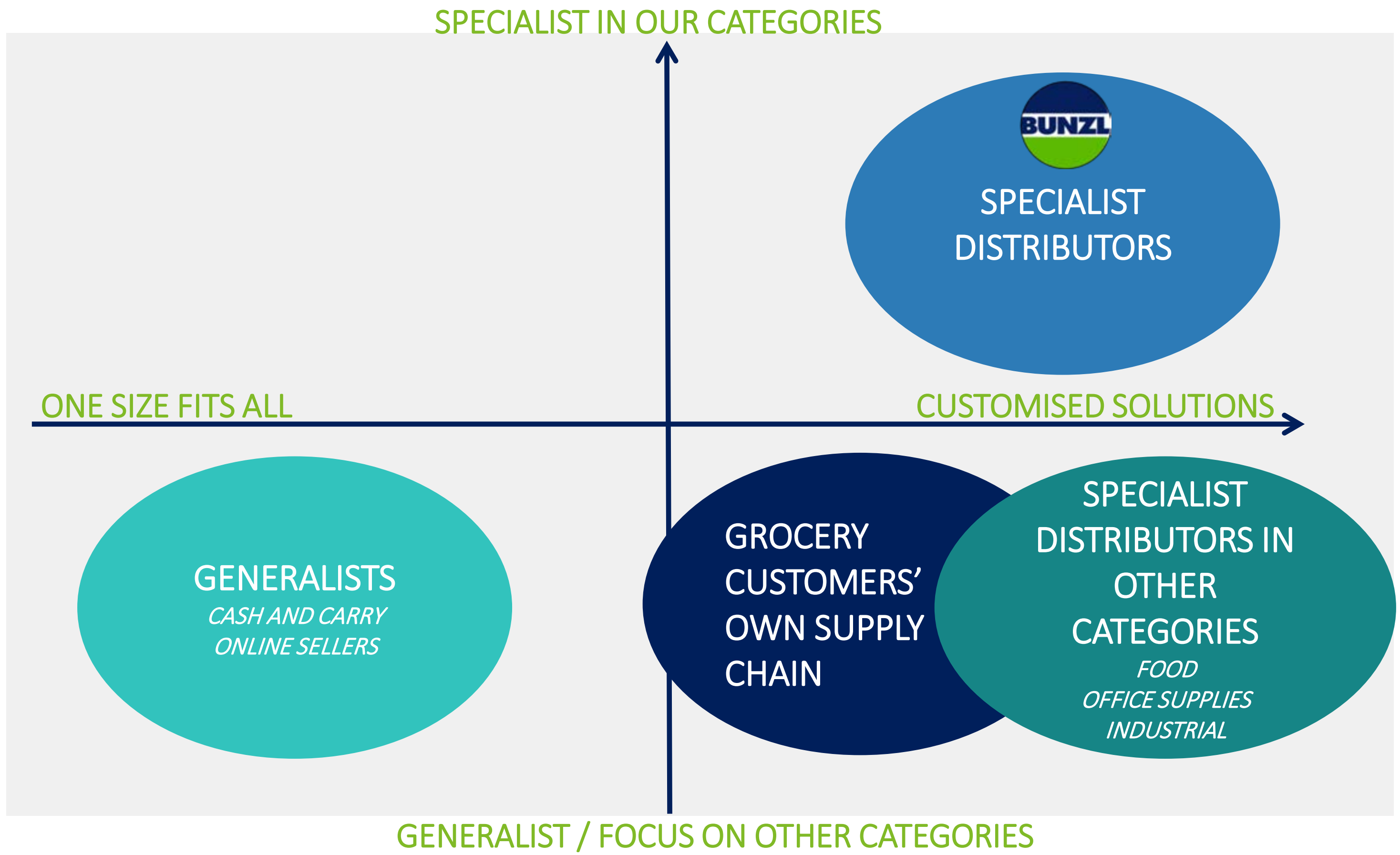
SPECIALISTS IN OTHER CATEGORIES
- FOOD DISTRIBUTORS
- OFFICE SUPPLIES DISTRIBUTORS
- INDUSTRIAL DISTRIBUTORS

GROCERY CUSTOMERS
- GROCERY CUSTOMERS' OWN SUPPLY CHAIN

GENERALISTS
- CASH AND CARRY
- ONLINE SELLERS

APPENDIX 12
COMPETITIVE POSITIONING

Bunzl offers customised high service solutions across focused market sectors



APPENDIX 13

BUNZL CUSTOMERS

95%

of revenue generated by larger, service intensive customers with average annual spend of

£180,000

5%

of revenue generated from customers spending < £10,000 per annum

Typical customers

- Larger, representing 95% of revenue
- B2B
- Often multi-site

Typical customer requirements

- Innovative, customised solutions
- One-stop-shop: broad range of items essential to their operations
- On-time and in-full service
- Ease of doing business via digital solutions
- Support from 3,000 sales specialists and 2,600 locally based customer service specialists and own drivers
- Competitive prices
- Manufacturer branded and own brand products (with QA / QC)

APPENDIX 14

ACQUISITION PARAMETERS

Disciplined approach to acquisitions

B2B	GOODS NOT FOR RESALE	CONSOLIDATED PRODUCT OFFERING (ONE-STOP-SHOP)
RESILIENT AND GROWING MARKETS	FRAGMENTED CUSTOMER BASE	FURTHER MARKET CONSOLIDATION AND SYNERGIES
SMALL % OF TOTAL CUSTOMER SPEND	OPPORTUNITY FOR OWN LABEL PRODUCTS	ATTRACTIVE FINANCIAL RETURNS (ROIC, ROACE)

- Anchor
  - New geographies
  - New sectors
- Bolt-on
  - Existing geographies or sectors
  - Extending product range
  - Consolidating markets

APPENDIX 15
ACQUISITION DISCIPLINE

155 acquisitions
2004 – ytd 2018

SAY "NO" MANY TIMES MORE THAN "YES"

VERY SELECTIVE ABOUT COUNTRIES AND SECTORS

THOROUGH DUE DILIGENCE

RETENTION OF MANAGEMENT AND CUSTOMERS IS KEY

REVIEW PERFORMANCE VS INVESTMENT CASE WITH BOARD

TARGETS ARE IDENTIFIED BY BUSINESS AREA MANAGEMENT, IN-HOUSE CORPORATE DEVELOPMENT TEAM, EX-OWNERS AND EXTERNAL PARTIES

APPENDIX 16
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:

- adjusted operating profit;
- adjusted profit before income tax;
- adjusted profit for the period;
- effective tax rate
- adjusted earnings per share;
- cash conversion %;
- return on average operating capital %; and
- return on invested capital %

These measures exclude the charge for customer relationships amortisation, acquisition related items, disposal of businesses and any associated tax, where relevant. Acquisition related items comprise deferred consideration payments relating to the retention of former owners of businesses acquired, transaction costs and expenses, adjustments to previously estimated earn outs and interest on acquisition related income taxes. Customer relationships amortisation, acquisition related items and any associated tax are considered by management to form part of the total spend on acquisitions or are non-cash items resulting from acquisitions. Disposal of businesses represents the profit or loss on disposal of non-core businesses. Accordingly, these items are not taken into account by management when assessing the results of the business as they do not relate to the underlying operating performance and distort comparability between businesses and reporting periods and are removed in calculating the profitability measures by which management assess the performance of the Group.

Other alternative performance measures are based on or derived from the alternative performance measures noted above. With the exception of the modifications made as a result of the disposal of businesses and the agenda decision of the IFRS IC relating to interest on income taxes, all alternative performance measures in this half yearly financial report have been calculated consistently with the methods applied in the 2017 Annual Report.

DISCLAIMER

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