



# 2019 ANNUAL GENERAL MEETING

APRIL 2019



# INCOME STATEMENT

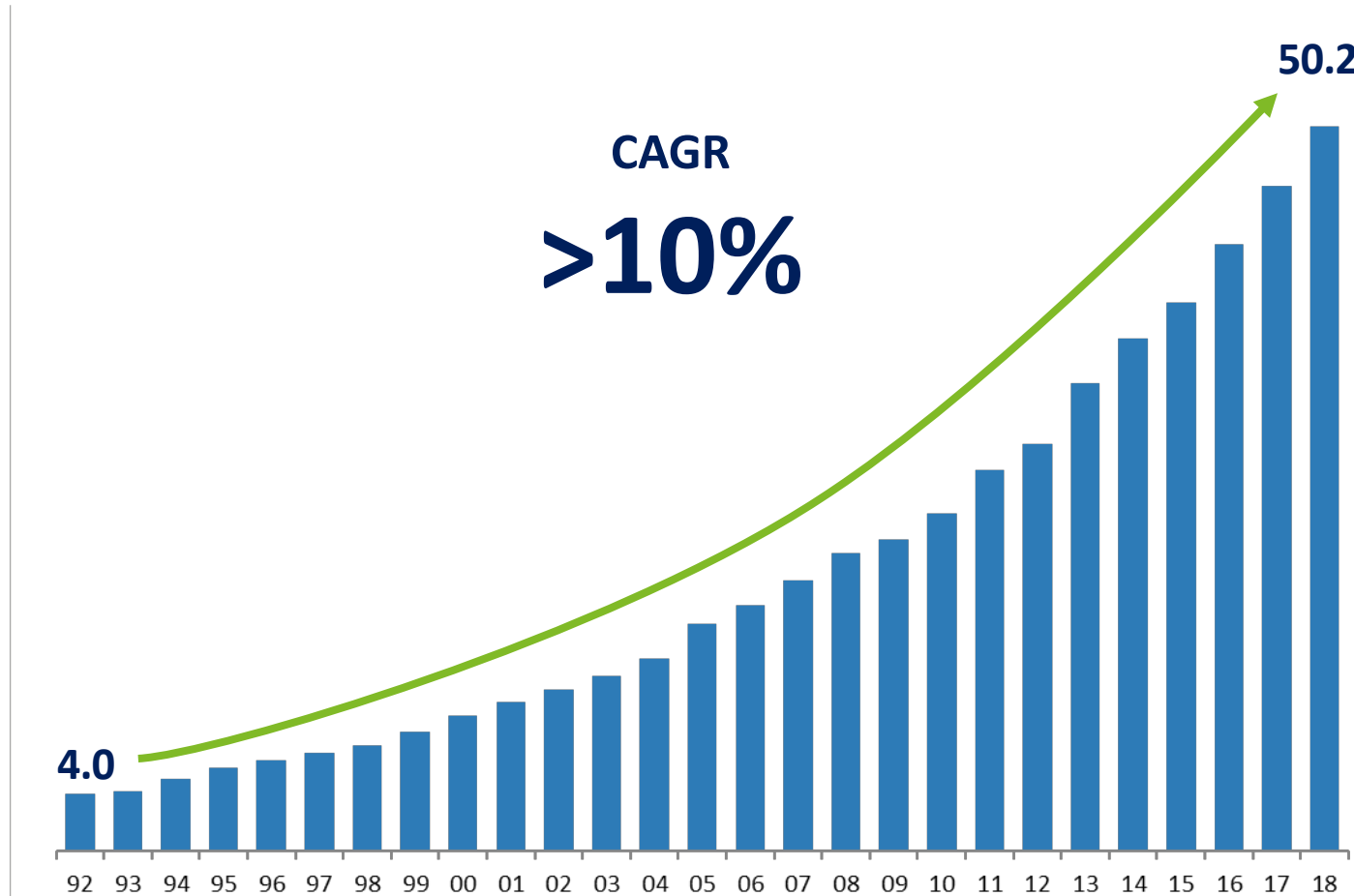
£m	2018	2017	GROWTH	
			REPORTED	CONSTANT EXCHANGE
Revenue	<b>9,079.4</b>	8,580.9	6%	9%
Adjusted operating profit*	<b>614.0</b>	589.3	4%	7%
Operating margin*	<b>6.8%</b>	6.9%		
Net finance expense	<b><u>(55.0)</u></b>	<u>(46.7)</u>		
Adjusted profit before income tax*	<b>559.0</b>	542.6	3%	6%
Adjusted earnings per share*	<b>129.6p</b>	119.4p	9%	12%
Dividend per share	<b>50.2p</b>	46.0p	9%	

\* Alternative performance measure – see Appendix 1

# DIVIDEND PER SHARE (p)

## 26 years

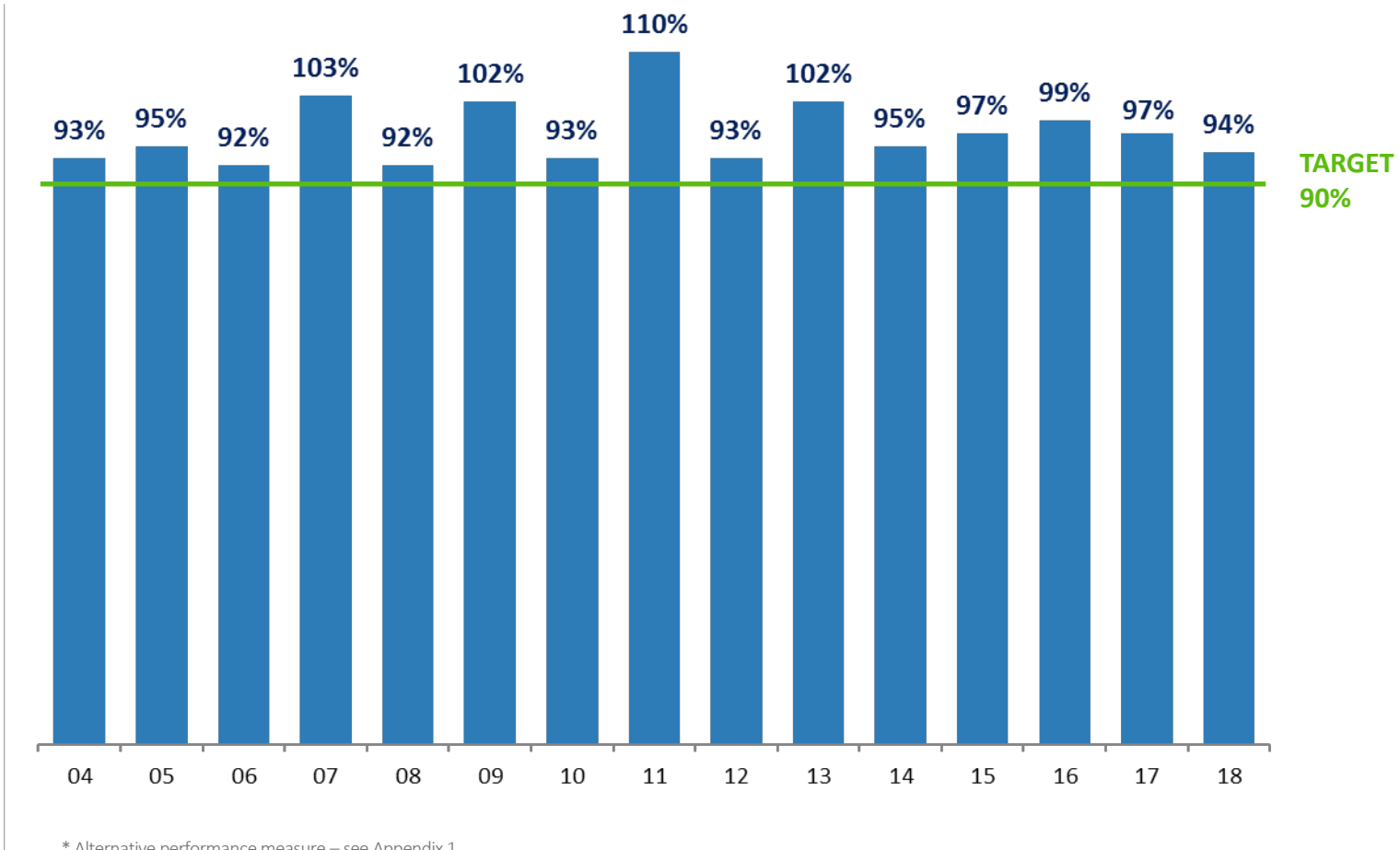
of consecutive  
dividend increases



# CASH CONVERSION

Average cash conversion\*

**97%**



\* Alternative performance measure – see Appendix 1

# USES OF FREE CASH FLOW 2004 – 2018

Consistently strong free cash flow supports long term growth

## DIVIDENDS

£1.3bn

DIVIDEND PER SHARE CAGR >10%

STABLE DIVIDEND COVER c. 2.5x<sup>◇</sup>

## ACQUISITIONS

£3.2bn

157\* ACQUISITIONS SINCE 2004

SELF-FUNDED

<sup>◇</sup> Based on adjusted earnings per share

\* Includes the acquisition of Volk do Brasil which was committed to in 2018, but completed in January 2019 for which there was no cash outflow in 2018

# FINANCIAL SUMMARY



<sup>◇</sup> At constant exchange rates

\* Alternative performance measure – see Appendix 1

# CONSISTENT AND PROVEN COMPOUNDING STRATEGY

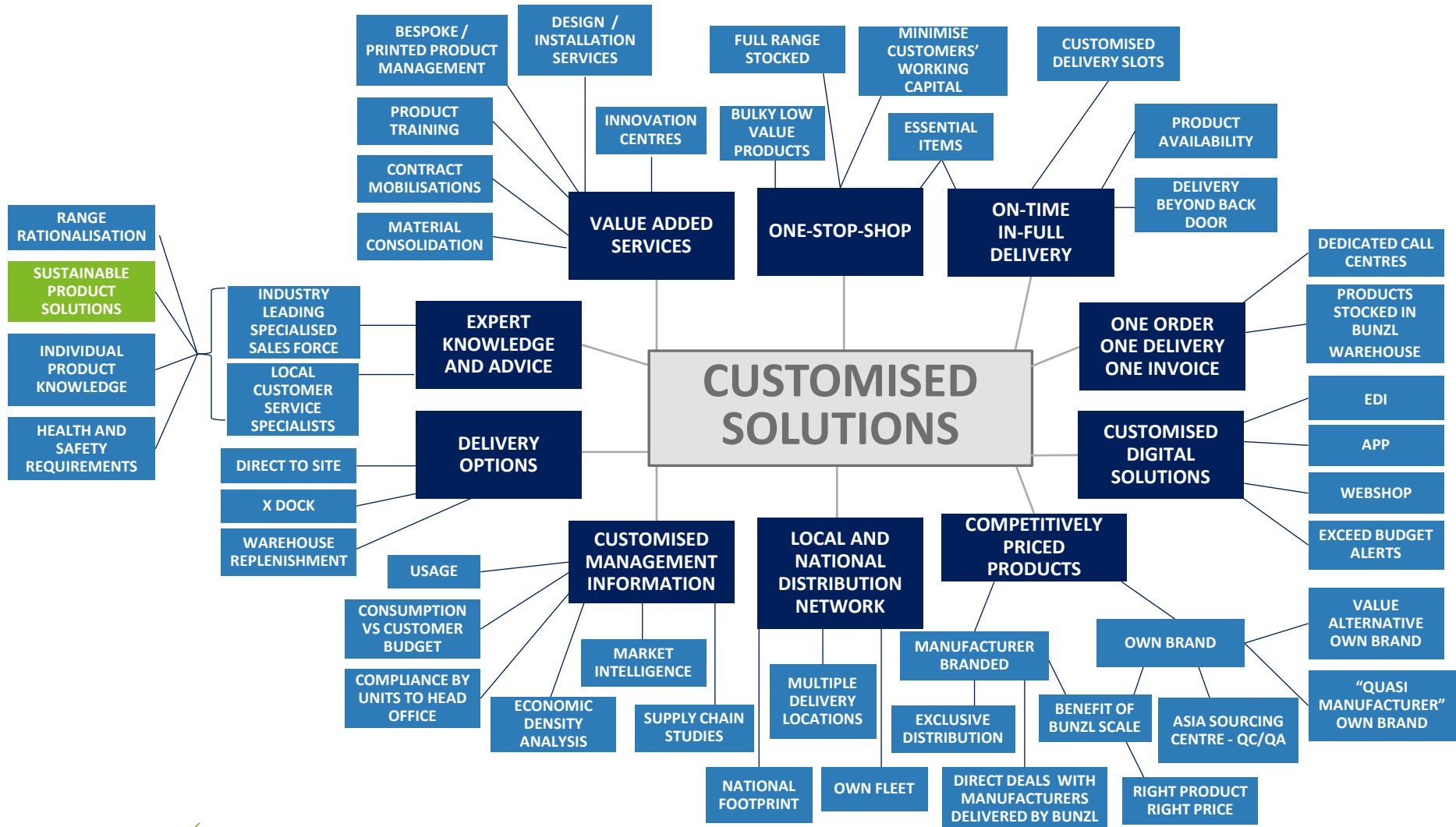


High ROIC  
despite  
significant  
acquisition  
spend



**ROIC  
15.0%**

# BUNZL UNIQUE SERVICE OFFERING





# SUSTAINABLE PRODUCT SOLUTIONS

Proactively working with customers, suppliers and other stakeholders to promote and support a sustainable approach to single use plastics

## SINGLE USE PLASTICS

- Essential food and beverage packaging for practical, safe and hygienic transit
- Actively promoting sustainable alternatives
- Unique position at the centre of the supply chain
- As a distributor (not a manufacturer) agile in adapting product offering
- Working with customers, suppliers and other stakeholders
- Opportunity for growth



- ① Reusable cups made from coffee husks
- ② Food containers made from polylactic acid (PLA), a compostable and renewable plastic
- ③ Cups made from recycled PET
- ④ Compostable coffee cups
- ⑤ Paper based food packaging

# SUSTAINABLE PRODUCT SOLUTIONS – CASE STUDIES



## PRODUCT SUBSTITUTION

- Rapid change in customer demand for drinking straws in UK:
  - Volume of plastic straws fell significantly
  - Volume of paper straws increased

**BUT** total revenue from straws increased 25%



## TRUSTED PARTNER

- Contract catering customer of Bunzl
- Customer's client site serving 2,500+ meals per day, using 500+ Bunzl products
- Bunzl has supported client in delivering their sustainability objectives:
  - Initially
    - Introduced compostable, recyclable and recycled items
    - Consolidated products for greater ability for composting and recycling
  - More recently
    - Introduced alternative plastic free products and reusable items
    - Worked with our suppliers to design new 'fit for purpose' take out containers

# FINANCIAL TRACK RECORD 2004 - 2018

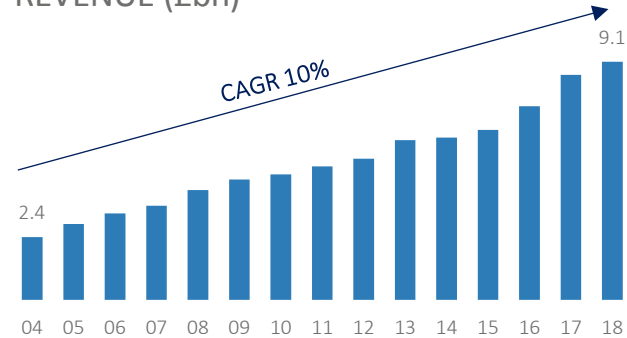


Proven compounding growth strategy

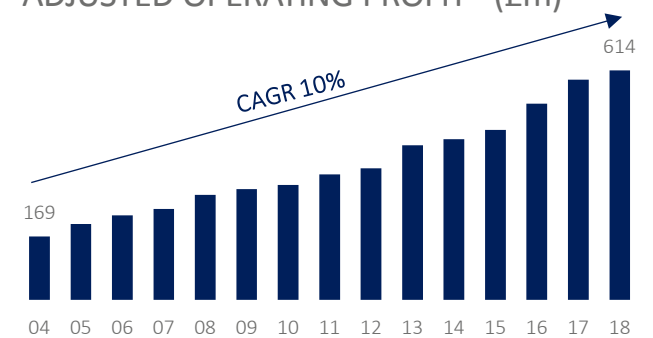
CAGR

**c. 10%**

REVENUE (£bn)

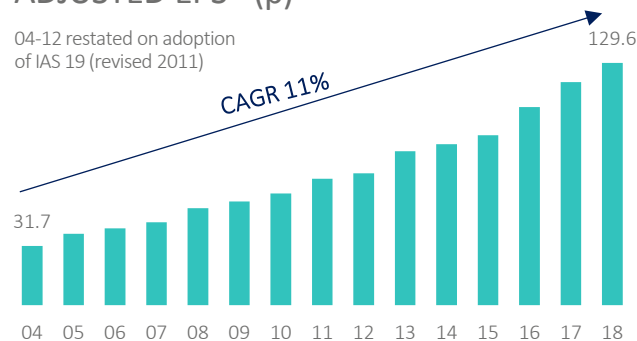


ADJUSTED OPERATING PROFIT\* (£m)

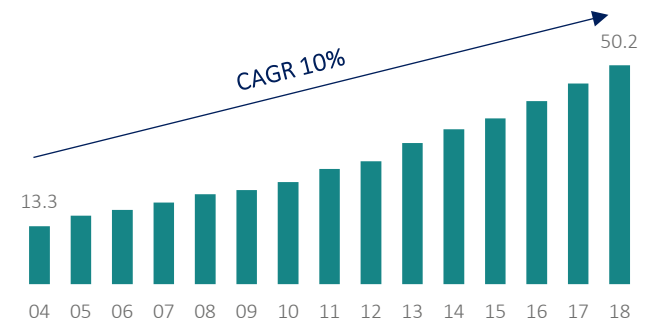


ADJUSTED EPS\* (p)

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



DIVIDEND PER SHARE (p)



\* Alternative performance measure – see Appendix 1



# 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:

- **Adjusted operating profit** - Operating profit before customer relationships amortisation, acquisition related items, the GMP equalisation charge and disposal of businesses (reconciled in Appendix 2)
- **Operating margin %** - Adjusted operating profit as a percentage of revenue
- **Adjusted profit before income tax** - Profit before income tax, customer relationships amortisation, acquisition related items, the GMP equalisation charge and disposal of businesses (reconciled in Appendix 3)
- **Adjusted profit for the year** - Profit for the year before customer relationships amortisation, acquisition related items, the GMP equalisation charge and disposal of businesses and the associated tax (reconciled in Appendix 4)
- **Adjusted earnings per share** - Adjusted profit for the year divided by the weighted average number of ordinary shares in issue
- **Operating cash flow** - Cash generated from operations before acquisition related items after deducting purchases of property, plant and equipment and adding back the proceeds from the sale of property, plant and equipment
- **Cash conversion %** - Operating cash flow as a percentage of adjusted operating profit
- **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, 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, net defined benefit pension scheme liabilities, cumulative customer relationships amortisation, acquisition related items and amounts written off goodwill, net of the associated tax)
- **EBITDA** - Adjusted operating profit before depreciation of property, plant and equipment, software amortisation and after adjustments as permitted by the Group's banking covenants, principally, share option charges and annualising for the effect of acquisitions and disposals
- **Constant exchange rates** - Growth rates at constant exchange rates are calculated by retranslating the results for the year ended 31 December 2017 at the average rates for the year ended 31 December 2018 so that they can be compared without the distorting impact of changes caused by foreign exchange translation.

## APPENDIX 2

# ADJUSTED OPERATING PROFIT ALTERNATIVE PERFORMANCE MEASURES



<b>£m</b>	<b>2018</b>	<b>2017</b>
Operating profit	<b>466.2</b>	456.0
<u>Adjusted for:</u>		
Customer relationships amortisation	<b>111.1</b>	96.6
Acquisition related items	<b>33.4</b>	36.7
GMP equalisation charge	<b>3.3</b>	-
<b>Adjusted operating profit</b>	<b>614.0</b>	589.3
Operating margin	<b>6.8%</b>	6.9%

## APPENDIX 3

# ADJUSTED PROFIT BEFORE INCOME TAX ALTERNATIVE PERFORMANCE MEASURES



<b>£m</b>	<b>2018</b>	<b>2017</b>
Profit before income tax	<b>424.8</b>	409.3
<u>Adjusted for:</u>		
Customer relationships amortisation	<b>111.1</b>	96.6
Acquisition related items	<b>33.4</b>	36.7
GMP equalisation charge	<b>3.3</b>	-
Disposal of businesses	<b>(13.6)</b>	-
<b>Adjusted profit before income tax</b>	<b>559.0</b>	542.6

## APPENDIX 4

# ADJUSTED PROFIT FOR THE YEAR ALTERNATIVE PERFORMANCE MEASURES



<b>£m</b>	<b>2018</b>	<b>2017</b>
Profit for the year	<b>326.5</b>	310.5
<u>Adjusted for:</u>		
Customer relationships amortisation	<b>111.1</b>	96.6
Acquisition related items	<b>33.4</b>	36.7
GMP equalisation charge	<b>3.3</b>	-
Disposal of businesses	<b>(13.6)</b>	-
Tax on adjusting items	<b>(30.8)</b>	(50.4)
<b>Adjusted profit for the year</b>	<b>429.9</b>	393.4
<b>Adjusted earnings per share</b>	<b>129.6p</b>	119.4p



# APPENDIX 5

## CASH FLOW AND CASH CONVERSION

<b>£m</b>	<b>2018</b>	<b>2017</b>
Adjusted operating profit *	<b>614.0</b>	589.3
<u>Adjusted for:</u>		
Non-cash items	<b>31.8</b>	28.9
Working capital movement	<b><u>(38.7)</u></b>	<u>(15.6)</u>
<b>Cash flow from operations<sup>◊</sup></b>	<b>607.1</b>	602.6
Net capital expenditure	<b><u>(28.6)</u></b>	<u>(32.9)</u>
<b>Operating cash flow<sup>◊</sup></b>	<b>578.5</b>	569.7
<b>Cash conversion*</b>	<b>94%</b>	97%

\* Alternative performance measure - see Appendix 1

◊ Before acquisition related items

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