

Bunzl - Business Case
2023

The difference is ESSENTIAL



Running on a renewable fuel that reduces greenhouse gas emissions by up to 90%

www.bunzlcatering.co.uk

SUSTAINABLE FUTURE
Making hospitality happen for a sustainable future



Running on a renewable fuel that reduces greenhouse gas emissions by up to 90%

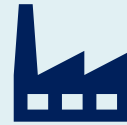


THE BUNZL WORLD

A specialist business with scale



Presence in
31 countries



Utilising **>10,000**
supplier
relationships
globally



Supporting
c.800,000
customers with
multiple locations



With **c.150**
operating
companies



c.22,500 employees,
c.6,000 are
customer service
specialists
and sales experts



Across **6** core
market sectors



Providing a
tailored service
for individual
customer needs

A PROVEN MODEL WHICH HAS DRIVEN STRONG AND CONSISTENT RESULTS



Competitive advantages of our business model

- **SCALE OPERATOR** in fragmented markets
- Providing customers with **ESSENTIAL PRODUCTS AND VALUE-ADDED SOLUTIONS**
- Strong **GLOBAL SUPPLY CHAIN**, with both branded and own brand portfolio
- **LOCALLY-LED** decentralised organisation benefiting from **GROUP SCALE**
- Culture of continual improvement and **INNOVATION**
- **STRONG SUSTAINABILITY OFFERING**, including ethical supply chain assurance
- Growing majority of customer orders placed digitally, supporting **EFFICIENCY AND RETENTION**
- **ENTREPRENEURIAL AND AGILE**, founder-driven mindset

Consistent compounding strategy

Profitable organic growth

Use competitive advantage to support the growth of our customers and to increase our market share

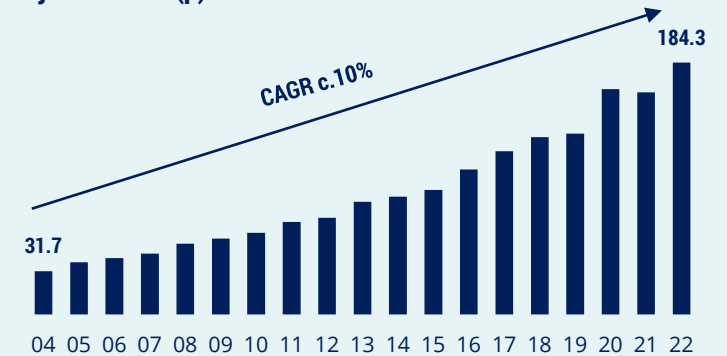
Operating model improvements

Daily focus on making our business more efficient

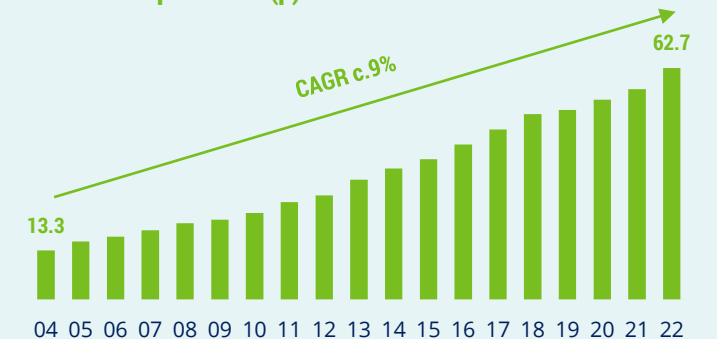
Acquisition growth

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

Adjusted EPS¹ (p)



Dividend per Share (p)



Note: 1. Alternative performance measure

A large, bright green rectangular box with the words "BUSINESS MODEL" in white, bold, sans-serif capital letters centered within it. The box is overlaid on the front entrance of a modern industrial building.

BUSINESS MODEL OVERVIEW

Customers can trust Bunzl for essential products and solutions



- Sourcing, consolidating and delivering the **essential goods-not-for-resale** our customers need
- A one-stop-shop with **on-time and in-full** deliveries
- Products are **low-cost, but critical** items, typically accounting for a very small proportion of our customers' spend but are key to their operations
- **Bunzl provides the expertise** around these products, in addition to providing cost savings and working capital benefits to customers
- **Service focused**; product agnostic
- **Value-added offering** - Bunzl delivers solutions to customer challenges
- **Long-standing customer relationships**; high retention
- **Diversified** customer and supplier base

Diverse range of essential products

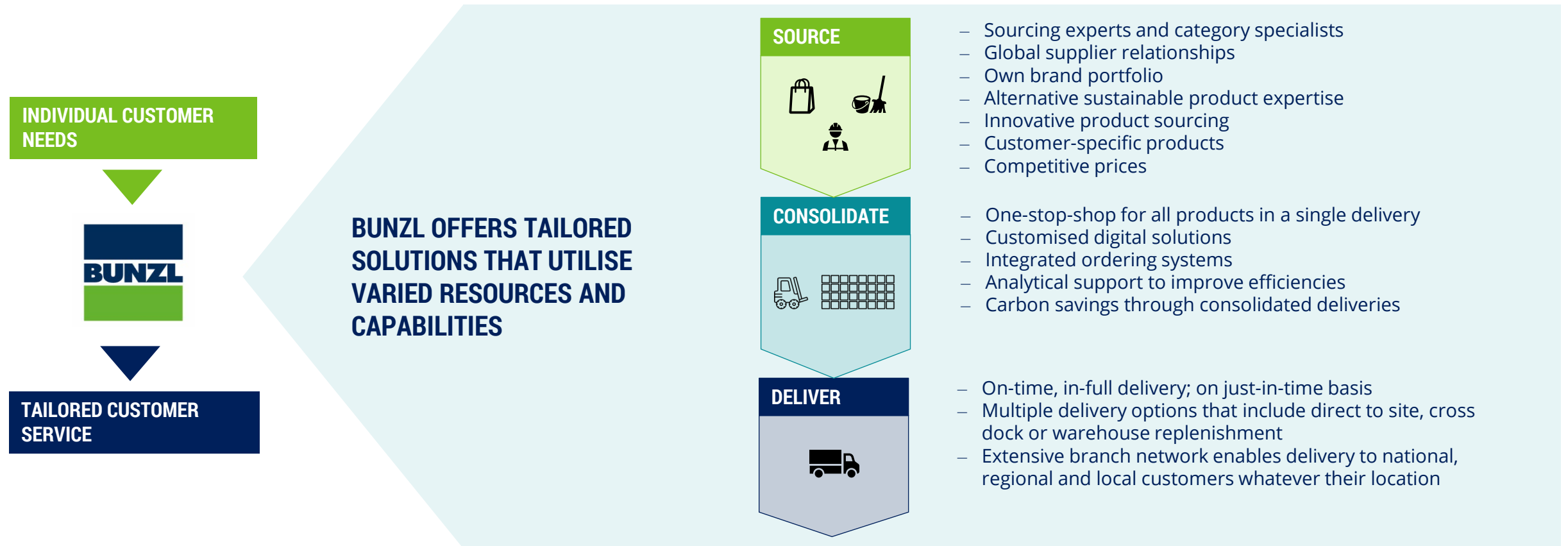


[Click here or scan the QR code to watch a video to find out more](#)

PROVIDING A TAILORED SERVICE TO CUSTOMERS



Utilising our breadth of capabilities to provide bespoke customer solutions

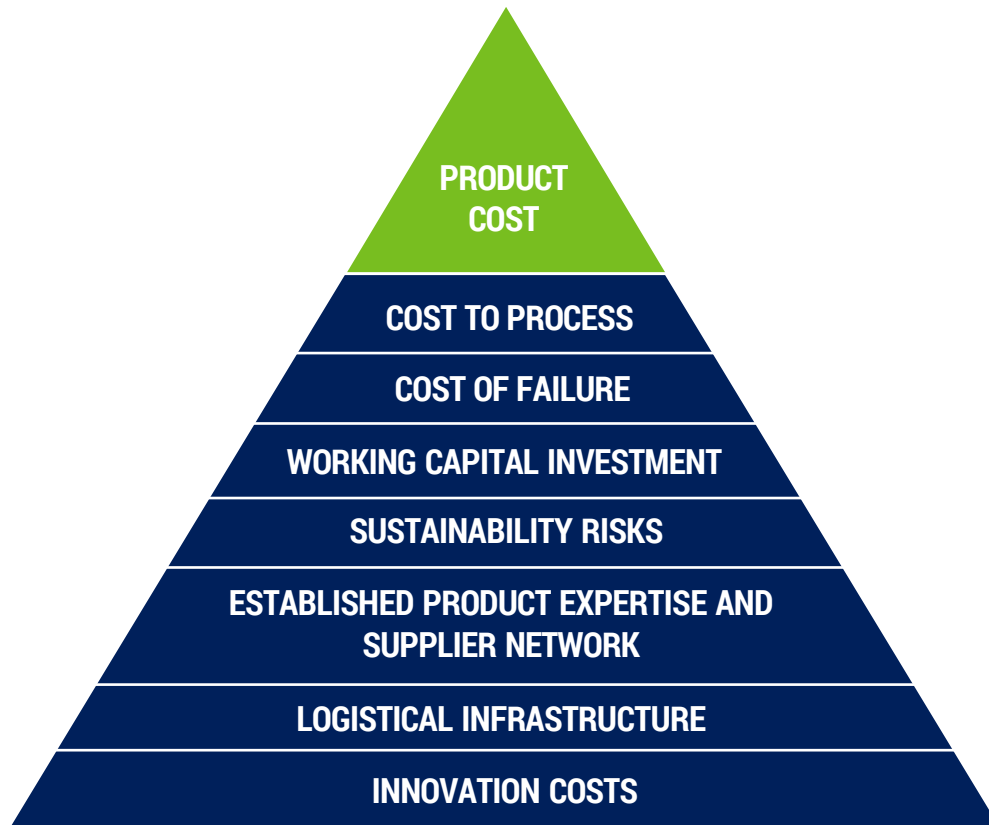


OUR BUSINESS IS TO ENHANCE OUR CUSTOMERS' BUSINESSES



Providing customers with more than just competitively priced products

Saving our customers more than just the cost of products



Bunzl provides a customised service that offers:

- **CATEGORY EXPERTISE** and advice from **c.6,000 CUSTOMER SERVICE SPECIALISTS AND SALES EXPERTS**
- **SUSTAINABLE SOLUTIONS** that support customer objectives
- **DIGITAL INTEGRATION** supports efficiency and customer retention
- **INNOVATIVE** products and solutions
- **SCALE** that drives competitive prices
- A strong and **ETHICAL SUPPLY CHAIN**
- **RELIABILITY** and availability
- Working capital **EFFICIENCIES**
- **ROBUST LOGISTICAL SUPPORT**

SUPPORTING A DIVERSE RANGE OF CUSTOMERS



A diversified portfolio which has continually demonstrated resilience

Safety

Personal protection and safety equipment, including gloves, boots, hard hats, ear and eye protection and other workwear, as well as cleaning and hygiene supplies and asset protection products to industrial, construction and ecommerce sectors

Cleaning & hygiene

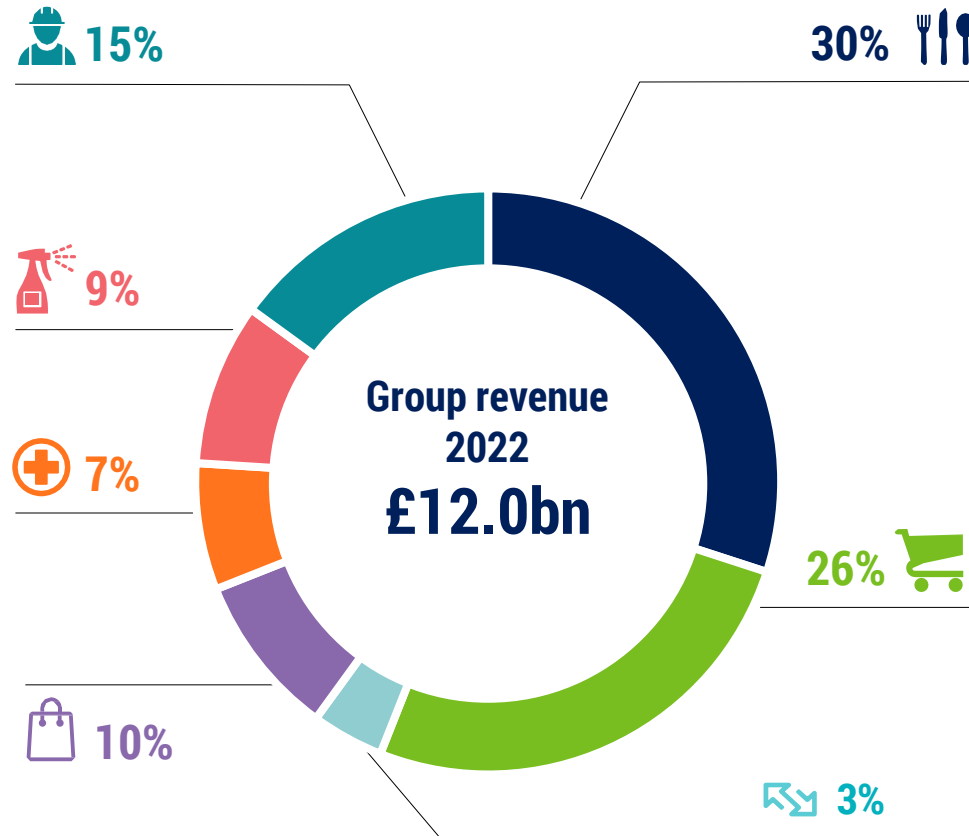
Cleaning and hygiene materials, including chemicals and hygiene paper, to cleaning and facilities management companies and industrial and public sector customers

Healthcare

Healthcare consumables, including gloves, masks, swabs, gowns, bandages and other healthcare related equipment, as well as cleaning and hygiene products and healthcare devices to hospitals, care homes and other facilities serving the healthcare sector

Retail

Goods-not-for-resale, including packaging and other store supplies and a full range of cleaning and hygiene products, to retail chains, boutiques, department stores, home improvement chains, office supply companies and related e-commerce sales channels



Foodservice

Non-food consumables, including food packaging, disposable tableware, guest amenities, catering equipment, agricultural supplies, cleaning and hygiene products and safety items, to hotels, restaurants, contract caterers, food processors, commercial growers and the leisure sector

Grocery

Goods-not-for-resale, including food packaging, films, labels, cleaning and hygiene supplies and personal protection equipment to grocery stores, supermarkets and convenience stores

Other

A variety of product ranges to other end user markets

A STRONG AND RESILIENT GLOBAL SUPPLY CHAIN



Strong branded supplier relationships complemented by own brand solution

Global branded products

- Wide variety of products within goods-not-for-resale
- Product offering driven by customer needs
- Flexible supplier relationships enable optimal customer solutions

Own brand solutions

- Developed own brand portfolio supports total customer proposition and retention
- Own brands represent c.25% of purchases
- Provide both low-cost commodity items and innovative product lines

SUPPLIER RESILIENCE AND BREADTH

>10,000

Suppliers globally

LOW SUPPLIER CONCENTRATION

c.35%

of total purchases made through our top 40 suppliers

HIGH LEVEL OF DOMESTIC SOURCING

c.75%

of total purchases are products sourced domestically

Example suppliers:



Example own brands:



TAILORED SERVICE THAT GOES BEYOND THE PHYSICAL PRODUCT



We help our customers to select and use the best products for the task

No one size fits all approach of working with customers; services offered include:

- Product training
- Management information
- Auditing of processes to drive improvements
- Technical Engineers
- Knowledge sharing around industry developments
- Innovation centres to showcase product opportunities
- Technological support
- Sustainability advice and support
- Digital solutions

Service proposition supports retention and broadening of offering



>20 years

average length of partnerships with top 40 North America customers

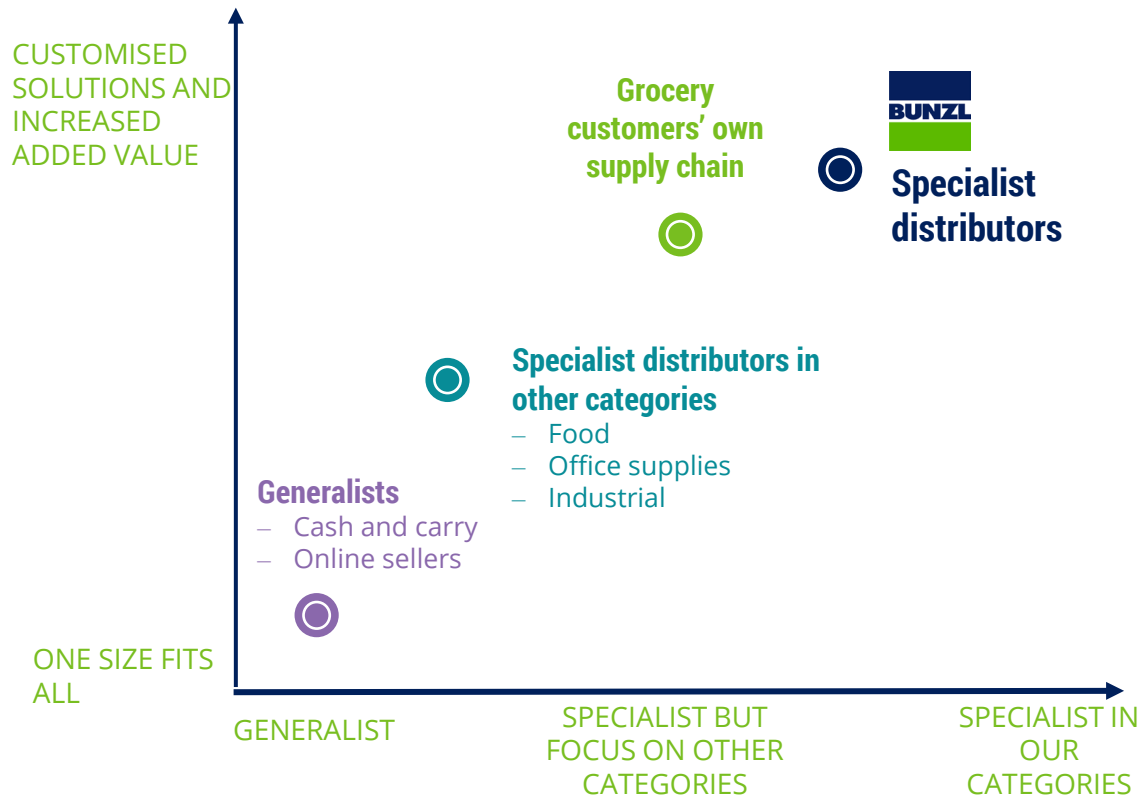
c.30%

of employees have customer facing roles

OPERATING AS A SPECIALIST DISTRIBUTOR



We offer local market expertise to our customers, complemented by our scale



- Positioned as a specialist with fully customised solutions
- We offer local market expertise supported by Group scale
- Competitors are mainly locally focused specialist distributors

DECENTRALISED OPERATIONS SUPPORT LOCALLY-LED SERVICE



Bunzl is made up of c.150 operating companies

Our Continental European operating companies:



- **LOCAL** relationships and expertise crucial in distribution
- **INDIVIDUAL NEEDS AND COMPLEXITIES** of customers vary significantly
- Bunzl's **c.150 OPERATING COMPANIES** ensure a locally-led service
- Bunzl delivers **BESPOKE SOLUTIONS** for customers
- Decentralisation and founders' mentality drives **AGILE** response
- Locally-led operations ensure a strong focus on our people, improving **RETENTION** and **TALENT DEVELOPMENT**

SCALE PROVIDES BENEFITS ACROSS THE GROUP

Benefit of strong supplier relationships, leveraged investments and experience



- **GLOBAL SCALE** is a strong advantage
- Strength of **SUPPLIER RELATIONSHIPS** enhanced
- Enables **INVESTMENTS, EXPERTISE** and **COLLABORATION** to be leveraged across the Group
 - **69%** of orders placed digitally in 2022
- Proven expertise in transitioning customers to **SUSTAINABLE SOLUTIONS**
- **ETHICAL SOURCING ASSURANCE** provided by Global Supply Chain Solutions

LED BY AN EXPERIENCED LEADERSHIP TEAM



Established management team with broad experience and significant market and sector expertise



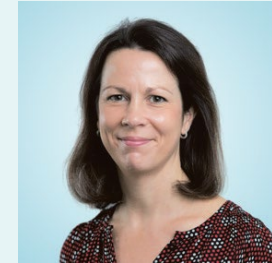
Frank van Zanten
Chief Executive Officer



Diana Breeze
Director of Group
Human Resources



Richard Howes
Chief Financial Officer



Suzanne Jefferies
General Counsel &
Company Secretary



Andrew Mooney
Director of Corporate
Development



Jim McCool
CEO
North America



Andrew Tedbury
Managing Director
UK & Ireland



Alberto Grau
Managing Director
Continental Europe



Jonathan Taylor
Managing Director
Latin America



Scott Mayne
Managing Director Asia
Pacific



Mark Jordan
Group Chief
Information Officer



[Click here or scan the QR code to watch a video on our sustainability commitments](#)



SUSTAINABILITY

LEADING THE SHIFT TO ALTERNATIVE MATERIALS



The transition of packaging to alternative materials is an opportunity for Bunzl



- Very limited exposure to the single-use plastic consumable products where volume reduction is possible
- The transition to packaging and products made from alternative materials will be net positive for the business and we have made good progress to date
- Our approach is supportive to working successfully and profitably with customers who are increasingly interested in working with sustainable supply chain partners

Bunzl's competitive advantage that is successfully supporting customers to transition



Proprietary data and tools



Expert independent advice



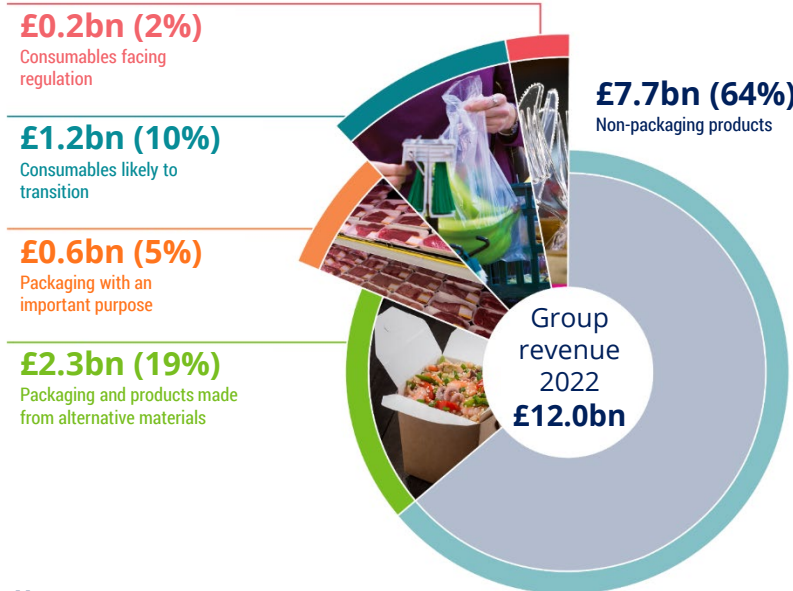
Own-brand ranges

STRONG TRACK RECORD OF TRANSITIONING CUSTOMERS



Packaging transition provides an opportunity to enhance our value-added offering

Transition of products to alternative materials supports Bunzl's growth



Note

Packaging refers to packaging and other products within the foodservice, grocery and retail sectors which are facing legislation or consumer pressure. We continue to exercise judgement to allocate the sales in 2022 to non-packaging products and the four packaging categories shown, which are taken at a point in time in the context of rapidly changing legislation and changes in product composition across a vast range of products. See Bunzl Capital Markets Day 2021 presentation for further detail

2%
of revenue generated by consumables facing regulation

83%
of Group revenue attributable to non-packaging products or packaging products better suited to a circular economy

53%
of packaging made from alternative materials in 2022

Our new packaging commitments:

TODAY

We will support our customers to remove, replace and reduce single use plastics

TOMORROW

We will significantly increase the amount of recyclable, compostable or reusable packaging supplied to our customers to help them meet their targets

BEYOND

Every single packaging product and disposable in our range will be offered with an alternative that is recyclable, reusable, compostable or renewable

CLIMATE CHANGE AMBITIONS INCREASED

Committing to ambitious climate action and working towards net zero



Our climate change commitments:

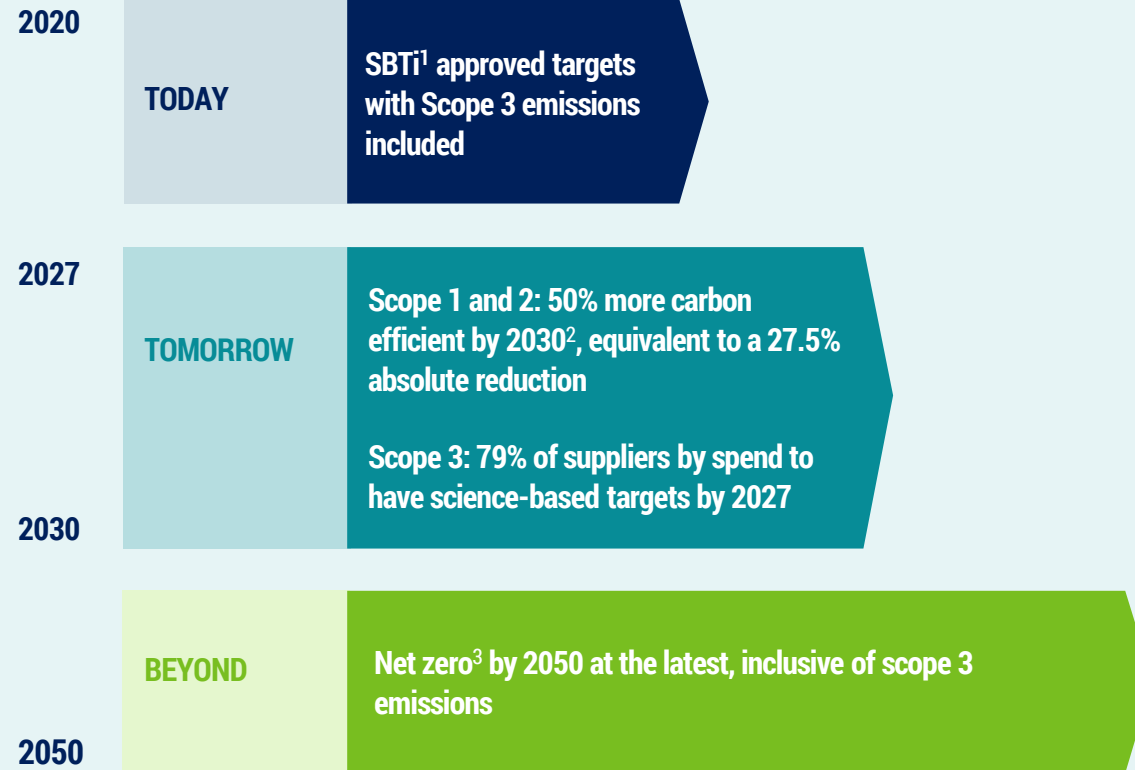
Emissions targets approved by SBTi in 2022

Memberships and commitments

- Committed to the Business Ambition for 1.5° campaign
- Race to Zero membership
- Net zero target is inclusive of Scope 3

Initiatives to 2025

- Transitioning applicable fleet to low and zero carbon solutions
- Trialling alternative fuels in our larger vehicles
- Energy efficiency measures in warehouses
- Renewable energy procurement and generation



Notes

1. SBTi = Science Based Targets initiative
2. Against a 2019 base line
3. Scope 1 and 2 emissions
4. Scope 1, 2 and 3 emissions

24%

more carbon efficient³ since 2019, with a 15% reduction in absolute emissions³



ENSURING ETHICAL SUPPLY AND PROVIDING QUALITY ASSURANCE



Established function is a strong asset and we are expanding further



- Our auditing process ensures products adhere to our rigorous quality and high ethical standards
- All products supplied directly from Asia are through suppliers that are verified by our office
- Our audits cover c.98% of Bunzl spend across 13 Asian countries every 2 years
- We work with suppliers to improve their operations but will walk away if issues can't be resolved
- The sourcing function also helps Bunzl businesses to find solutions for their customers and to proactively find better alternatives to existing product lines
- **During 2023 we will be expanding our programme to start assessing suppliers of high-risk commodities who are based in lower risk sourcing countries.**

Our responsible sourcing commitments:

TODAY

Our supply chain is currently covered by direct auditing and assurance practices with 930 audits completed in 2022. In total, c.96% of our purchasing spend today is either in low-risk regions, with assessed or compliant suppliers in high-risk regions, or on other non-product related costs

TOMORROW

Expanding our programme to ensure 90% of our spend on products from all high-risk regions are sourced from assessed and compliant suppliers by 2025, and that c.99% of our total spend is from low-risk regions or assessed and compliant suppliers in high-risk regions, or on other non-product related costs

BEYOND

Continuing to take a proactive, risk-based approach to responsible sourcing, identifying common issues in our supply chain and working closely with suppliers to reduce the future incidences of these



Global Supply Chain Solutions
Ethically Sourced • Sustainable • Quality Assured



[Click here or scan the QR code to watch a video on our responsible sourcing](#)

INVESTING IN OUR PEOPLE TO DRIVE CONTINUED SUCCESS

A focus on engagement and leadership succession is integral to Bunzl's DNA



85%

Sustainable engagement score among our colleagues

+5%

Increase year-on-year

- Our people feel valued, with **STRONG EMPLOYEE ENGAGEMENT AND RETENTION**
- **HEALTH AND SAFETY** of employees is a key focus, with clear group-wide governance
- **MULTIPLE LEADERSHIP PROGRAMMES** established across the Group to support internal development and succession planning
- **"WE BELIEVE"** employment brand articulates our culture and beliefs to our people and potential recruits
- Top-down focus on **IMPROVING DIVERSITY**
 - >40% female Board and Executive committee membership
 - Doubled percentage of women in senior leadership roles since 2016 to 21%¹
 - Female networking groups expanding across the Group
 - Accelerating focus on ethnic diversity

Note

1. Senior leadership defined as the 470 employees who receive share options as part of their remuneration

Our focus to drive diversity in Bunzl forward

- Encouraging more women into **LEADERSHIP ROLES** through focused and targeted activities
- Focusing on building a truly inclusive culture by:
 - Achieving **PARITY OF ENGAGEMENT SCORES** across ethnic groups in parts of the Group where data collection is possible
 - **PROVIDING A VOICE** for under-represented colleagues, and acting on their feedback to address any real or perceived barriers to engagement
- Identifying the next generation of **LEADERS FROM A MORE DIVERSE POOL OF TALENT**, balancing broader capabilities whilst retaining entrepreneurial skills
- Capitalising on our **COMPELLING EMPLOYMENT BRAND**
- Using technology to create a **NETWORKED, COLLABORATIVE ORGANISATION** that attracts more diverse talent

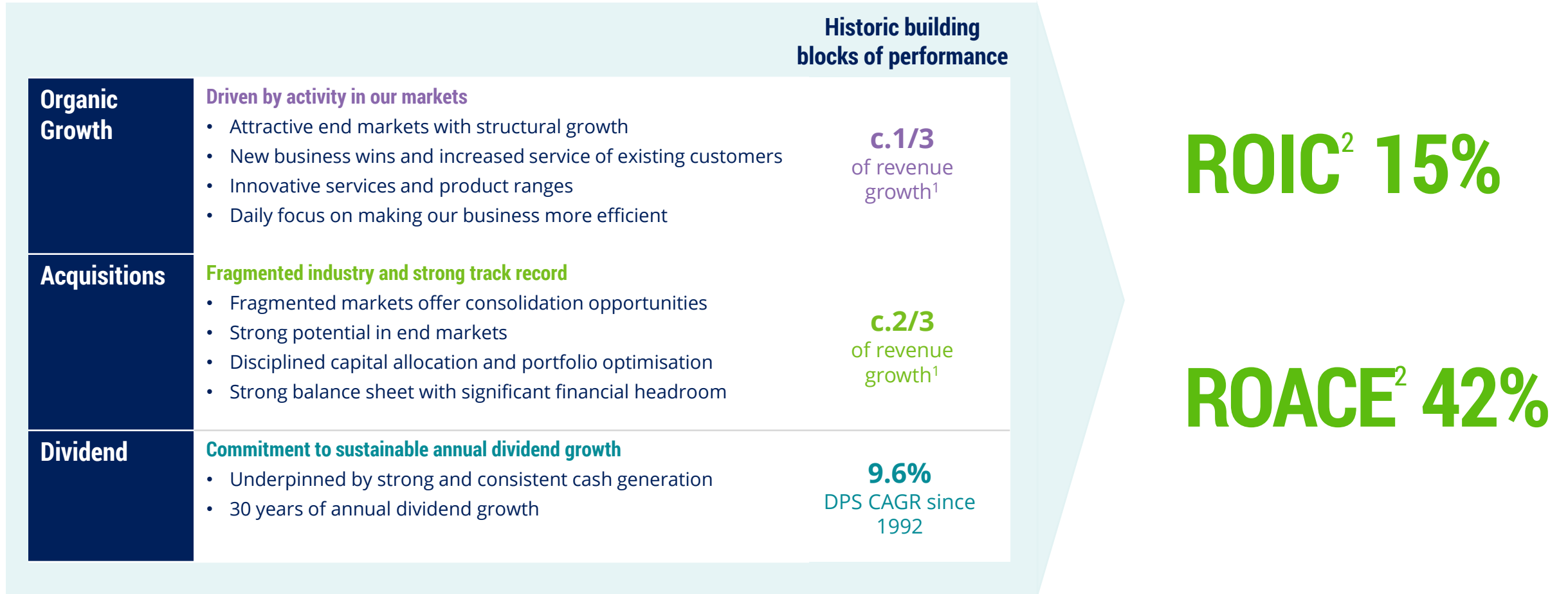


OUR STRATEGY

CONSISTENT AND PROVEN COMPOUNDING STRATEGY



High ROIC despite significant acquisition spend



Notes

1. Contribution to revenue growth over the last 10 years, at constant exchange rates
2. Alternative performance measure; 15% is the average ROIC over 2019-2022 and 42% is the average ROACE over 2019-2022.

A STRONG FOCUS ON PROFITABLE ORGANIC GROWTH



Growing organically by expanding and developing with existing customers and gaining new business with additional customers

VOLUME

Sell more to existing customers

Expand product ranges

Win new customers

Market leading customers

Growing sectors

Trend to outsourcing

PRICE

Inflation

Market dynamics

FX impact

MIX

Own brand / imports

Manufactured brands













Geographies and sectors

Sustainability

DRIVERS OF OUR END MARKETS



Our core market sectors create a diversified customer exposure

	 Safety	 Cleaning & Hygiene	 Healthcare	 Grocery	 Foodservice	 Retail
Trends	<ul style="list-style-type: none"> – Growth supported by increasing safety standards, regulation and awareness – Potential medium-term infrastructure spend support – Supply chain disruption and labour shortages easing 	<ul style="list-style-type: none"> – Enhanced cleaning habits – Technology to improve operational efficiency – Impacted by work from home trends, although this was easing towards the end of 2022 	<ul style="list-style-type: none"> – Growth of care at home – Increased focus on preventative healthcare – Aging population – Growing backlog of elective surgeries 	<ul style="list-style-type: none"> – Willingness to outsource non-food essentials – Sustainable packaging growth with transition to alternative products – Omnichannel strategy supports broadening of product range 	<ul style="list-style-type: none"> – Eating outside of home – Home delivery – Sustainable packaging growth with transition to alternative products 	<ul style="list-style-type: none"> – Omnichannel strategy – Sustainable packaging growth with transition to alternative products
Revenue opportunity in the medium-term						

CONTINUOUSLY MAKING OPERATING MODEL IMPROVEMENTS

Constant incremental improvements compound significantly over time



**85 warehouses consolidated
in the last six years**

c.480 total warehouses in 2022

**c.11% average global warehouse
size increase vs 2018**

Warehousing

- Consolidation of warehouse footprint
- Continually evaluate and upgrade facilities including with automation and sustainability features

ERP implementations

- Warehouse management systems
- Vehicle routing and safety systems
- CRM systems

Digital capabilities

- Investment in e-commerce capabilities
- Focus on digital marketing
- Opportunity for efficiency gains

Sharing best practice

- Make use of collective resources, experience and expertise
- Global collaboration

Global purchasing

- Substantial purchasing synergies with suppliers
- Benefit from Bunzl Global Supply Chain Solutions based in Shanghai (sourcing, QA and QC)

SIGNIFICANT ACQUISITION TRACK RECORD

c.200 acquisitions since 2004



195
announced
acquisitions¹

£366m
Average annual
spend since
2017

	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20	21	22
Number of acquisitions	7	7	9	8	7	2	9	10	13	11	17	22	14	15	6	3	9	14	12
Committed acquisition spend (£m)	302	129	162	197	123	6	126	185	277	295	211	327	184	616	183	124	445	508	322
Annualised acquisition revenue (£m)	430	270	386	225	151	27	154	204	518	281	223	324	201	621	148	97	602	322	299

Note

1. At December 2022

ESTABLISHED APPROACH TO ACQUISITIONS

Consistent model continues to drive our acquisition focus



Key acquisition parameters

Strong discipline selecting the right businesses for Bunzl



Growth through acquisitions

- **ANCHOR** acquisitions into new geographies and sectors
- **BOLT-ON** acquisitions into existing geographies and sectors; enables extension of product range and market consolidation
- Bunzl operates in a **HIGHLY FRAGMENTED INDUSTRY**, largely comprised of **FAMILY RUN BUSINESSES**
- Strong **GLOBAL FOOTPRINT** supports bolt-on capability and ability for anchor acquisitions
- Growth through acquisitions an **EFFECTIVE WAY TO ENTER** new sub-markets and service new customer segments
- **SELF-FUNDED** through Group's strong cash generation

Value extracted through:

- Purchasing synergies
- Back office integration
- Warehouse & distribution efficiencies
- Product range extension
- Sharing best practice
- Investment infrastructure, IT & e-commerce
- Sourcing and own brands
- Digital tools



[Click here or scan the QR code to watch a video on our acquisitions](#)

GROWTH MODEL HAS DRIVEN GEOGRAPHIC EXPANSION



Continue to see significant scope for future geographic expansion

1997¹

7 countries

2003¹

12 countries

2005¹

18 countries

2012

27 countries

2022

31 countries

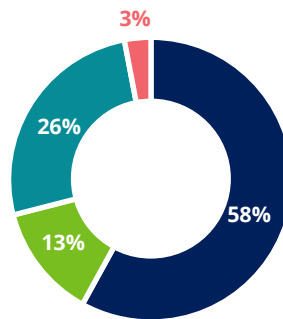
North America

Continental Europe

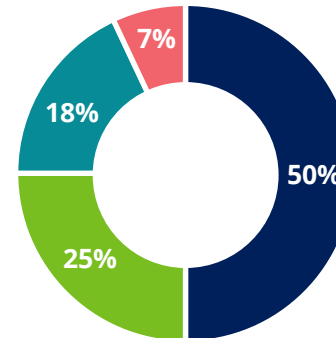
UK & Ireland

Rest of World

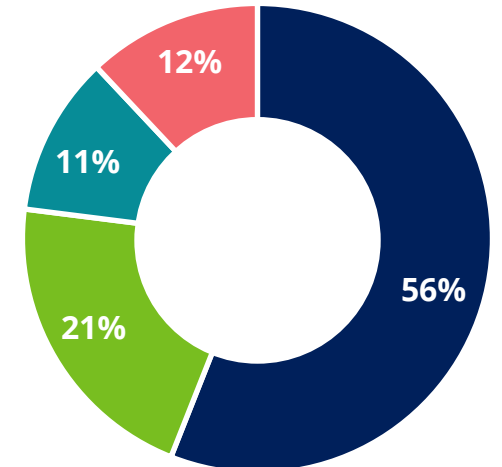
2004¹



2010



2022



Note

1. Continuing operations only

SIGNIFICANT OPPORTUNITIES IN EXISTING COUNTRIES



Even where we have a sector presence, we have a significant opportunity

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				●	●	
Singapore				●		●

● Bunzl has an existing presence

DISCIPLINED APPROACH TO CAPITAL ALLOCATION



Highly cash generative model continues to drive stakeholder value

Capital allocation priorities

1. Invest in the business

2. Paying a progressive dividend

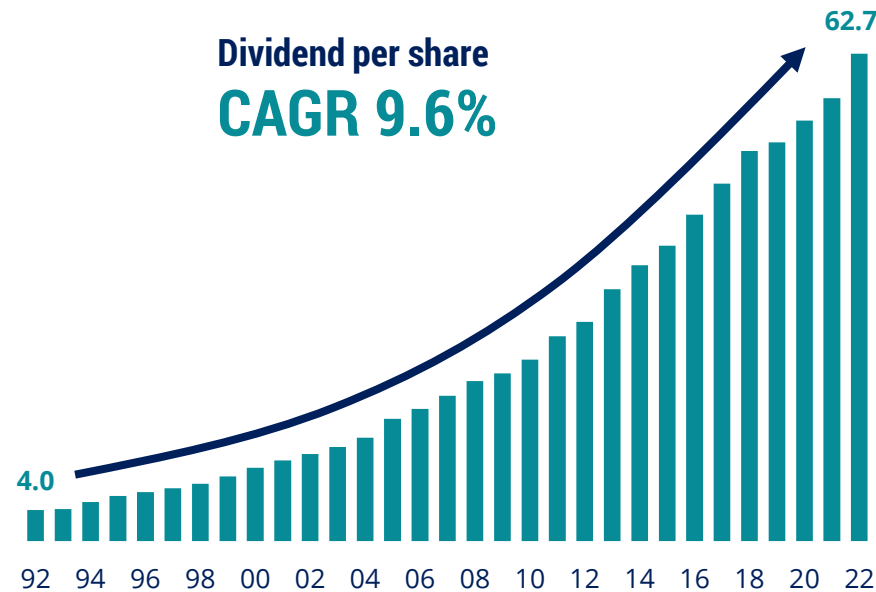
3. Value accretive acquisitions

4. Distribution of excess cash

Progressive dividend

£2.0bn of dividend payments since 2004

Sustainable annual dividend growth



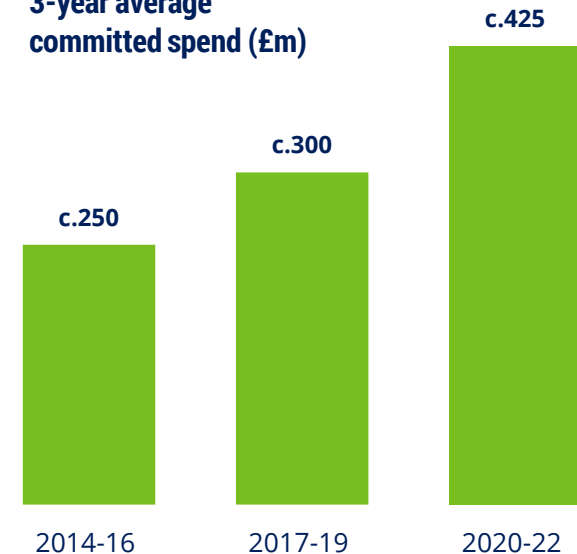
Value accretive acquisitions

£4.7bn of committed spend since 2004

Increased level of acquisition spend in recent years

Active pipeline

3-year average
committed spend (£m)



2022 return
on invested
capital¹
15.0%

Note

1. Alternative performance measure

The background of the page is a photograph of a warehouse aisle. A worker in a high-visibility vest and beanie is operating a forklift that carries a pallet of boxes. Another worker in a high-visibility vest stands nearby. The aisle is lined with tall metal shelving units filled with boxes. A large green banner with white text is overlaid at the bottom of the image.

FINANCIAL TRACK RECORD

2022 INCOME STATEMENT



Very strong adjusted operating profit growth and improved margin

Adjusted operating profit¹ growth

11.1%²

with operating margin¹ increasing from 7.3% to 7.4%, supported by inflation and acquisitions

Net finance cost³

£67.9m

2023 guidance: **£90m-£95m**

Effective tax rate

24.6%

2023 guidance: **25.0%-25.5%**

£m	2022	2021	REPORTED GROWTH	CONSTANT EXCHANGE
Revenue	12,039.5	10,285.1	17.1%	9.8%
Adjusted operating profit ¹	885.9	752.8	17.7%	11.1%
Operating margin ¹	7.4%	7.3%		
Adjusted profit before income tax ^{1,3}	818.0	698.2	17.2%	10.5%
Effective tax rate ¹	24.6%	22.3%		
Adjusted profit for the year ¹	616.8	542.5	13.7%	7.3%
Adjusted earnings per share ^{1,4}	184.3p	162.5p	13.4%	7.0%
Total dividend per share	62.7p	57.0p	10.0%	
Statutory				
Operating profit	701.6	623.3		
Profit before income tax ³	634.6	568.7		
Basic earnings per share ⁴	141.7p	132.7p		

Notes

1. Alternative performance measure

2. At constant exchange rates

3. Net finance cost in 2022 was £67.9 million and £54.6 million in 2021. In 2022 net finance costs included a non-cash hyperinflation-related charge of £10.7 million

4. Weighted average number of shares of 334.7 million in 2022 and 333.8 million in 2021

2022 CASH FLOW

Strong cash generation key element of Bunzl's model



Free cash flow¹

£705.7m

Consistently high annual cash generation, enhanced in H2 2022 by working capital improvement

Average cash conversion¹ since 2004

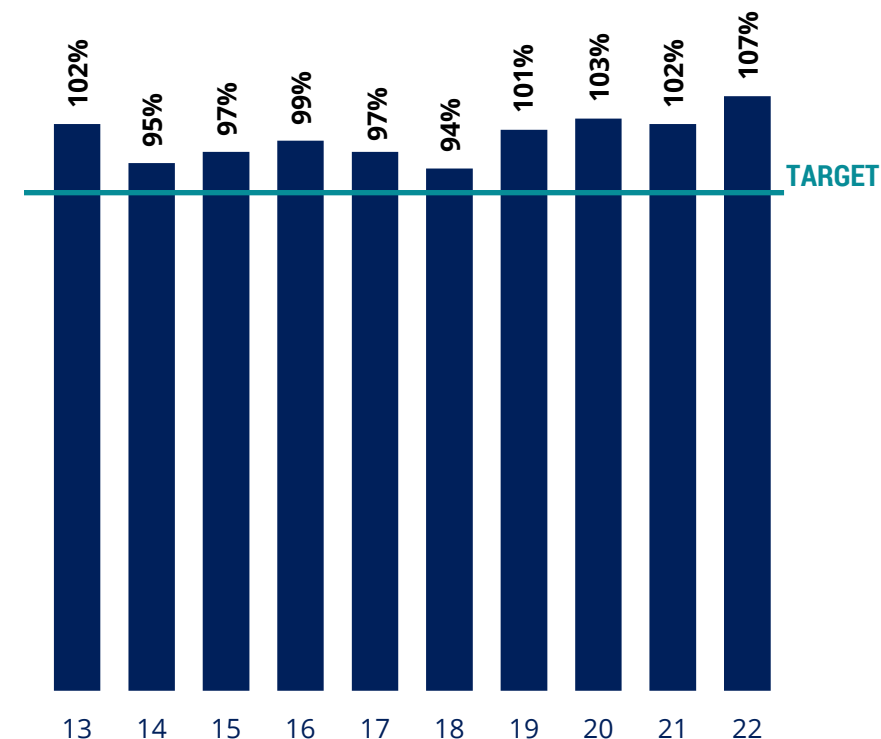
98%

£m	2022	2021
Operating cash flow ^{1,2}	925.0	741.6
Net interest (excluding lease liabilities)	(45.7)	(34.8)
Income tax paid	(173.6)	(181.4)
Free cash flow¹	705.7	525.4
Dividends paid	(190.5)	(180.4)
Net (payments)/receipts relating to employee share schemes	(31.9)	19.5
Net cash inflow before acquisitions and disposal	483.3	364.5
Acquisitions ³	(264.2)	(452.7)
Disposal	49.9	-
Net cash inflow/(outflow)	269.0	(88.2)
Cash conversion¹	107%	102%

Notes

1. Alternative performance measure
2. Before acquisition related items
3. Including acquisition related items

Cash conversion over the last 10 years



2022 BALANCE SHEET



Substantial capacity for continued self-funded acquisitions

Net debt : EBITDA^{1,2,3}

1.2x

Substantial capacity for self-funded acquisitions with 2.0x-2.5x target leverage

ROIC¹

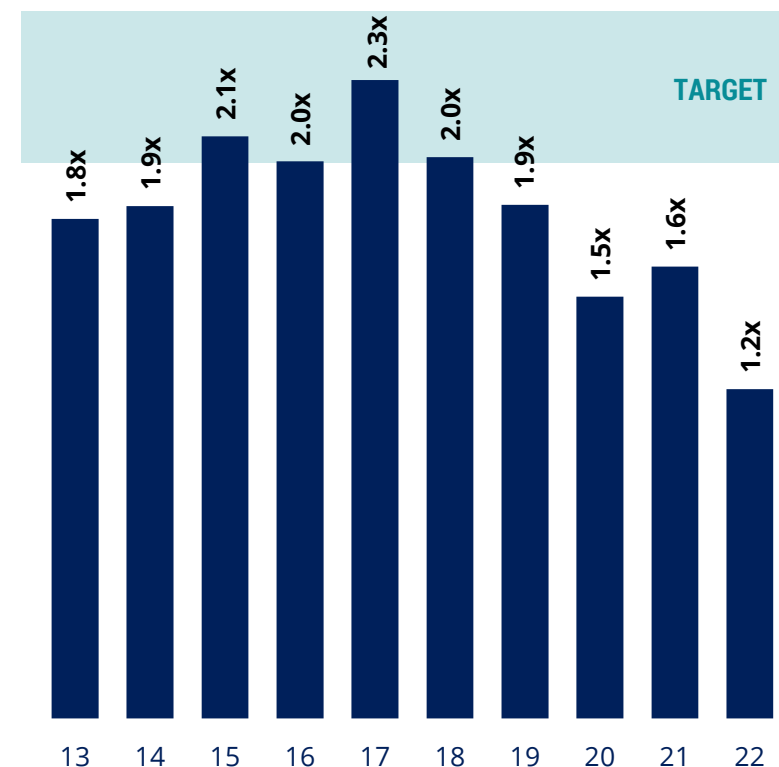
15.0%

£m	DECEMBER 2022	DECEMBER 2021
Intangibles	3,093.9	2,766.8
Right-of-use assets	529.6	448.3
Property, plant and equipment	137.2	120.9
Working capital ¹	1,096.6	1,027.6
Deferred acquisition consideration ³	(139.9)	(107.8)
Other net liabilities	(306.4)	(257.0)
	4,411.0	3,998.8
Net pension surplus	39.9	31.2
Net debt excluding lease liabilities ¹	(1,160.1)	(1,337.4)
Lease liabilities	(569.9)	(488.7)
Equity	2,720.9	2,203.9
Net debt : EBITDA ^{1,4}	1.5x	1.9x
Net debt : EBITDA ¹ (covenant basis ²)	1.2x	1.6x
Return on invested capital ¹	15.0%	15.1%
Return on average operating capital ¹	43.0%	43.3%

Notes

1. Alternative performance measure
2. On a covenant basis - at average exchange rates and based on historical accounting standards, in accordance with 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
4. At average exchange rates

Net debt : EBITDA^{1,2}



THREE DECADES OF CONSECUTIVE DIVIDEND GROWTH

Maintained dividend growth through periods of uncertainty



10.0%

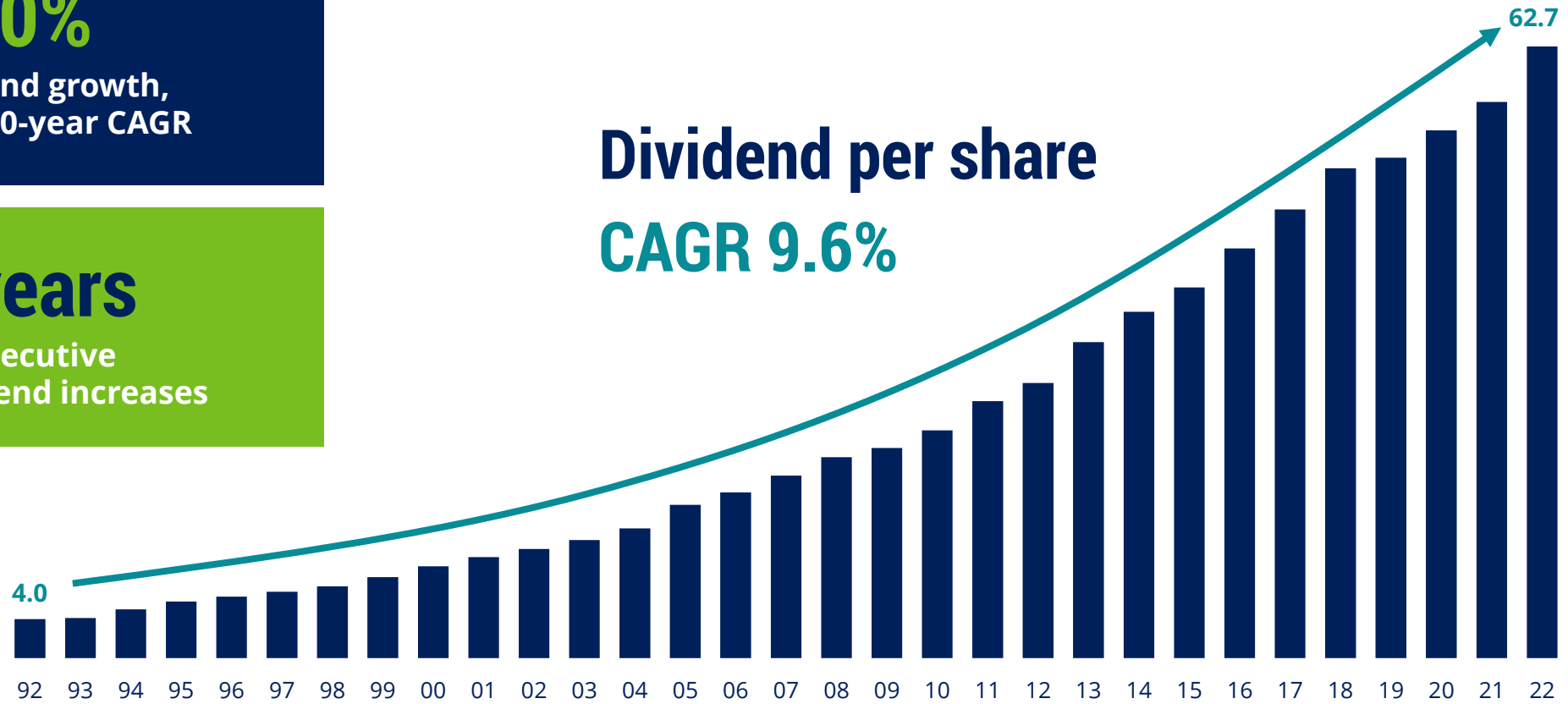
y-o-y dividend growth,
in line with 30-year CAGR

30 years

of consecutive
annual dividend increases

Dividend per share

CAGR 9.6%



BUNZL'S AGILITY IS A KEY ASSET AND DIFFERENTIATOR



Achieving growth through periods of disruption demonstrates resilience

Operational resilience

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

Portfolio resilience

Diversified portfolio of essential products and solutions
c.75% of revenue through more resilient sectors: cleaning & hygiene, grocery, foodservice and healthcare

Compounding growth resilience

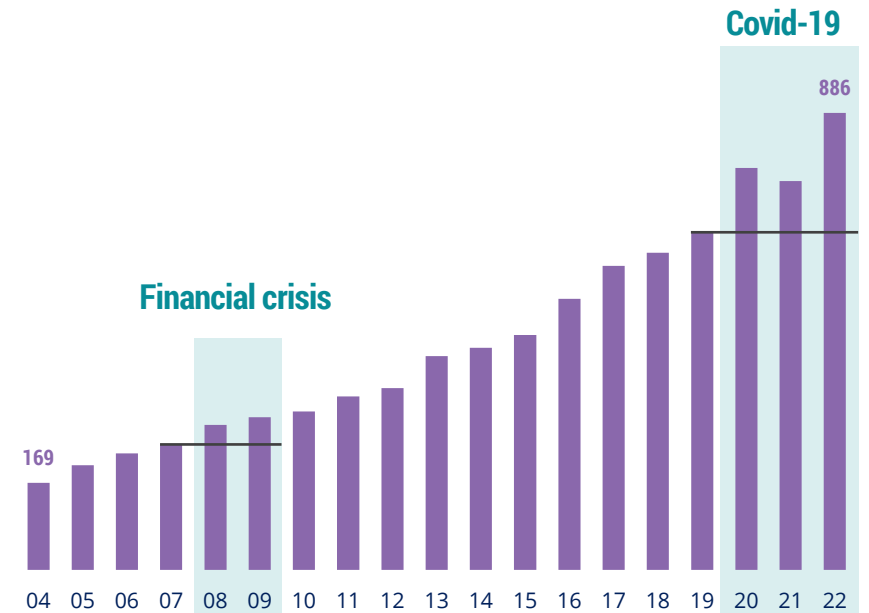
Resilience leads to new business opportunities
Advantages of joining Bunzl Group become more apparent during difficult times

Financial resilience

Consistently strong cash generation
Strong balance sheet

ADJUSTED OPERATING PROFIT^{1,2} (£m)

Resilience proven during historic challenges



Notes

1. Alternative performance measure
2. At reported currency

FINANCIAL TRACK RECORD 2004 – 2022

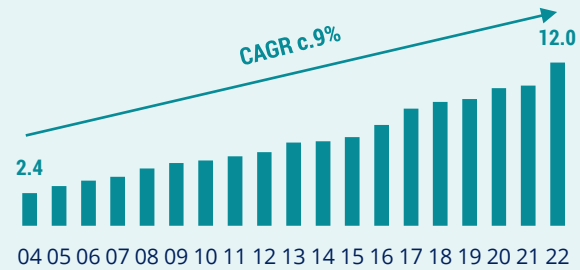


Proven
compounding
growth strategy

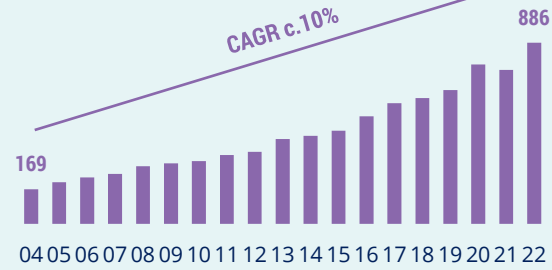
CAGR

c.9-10%

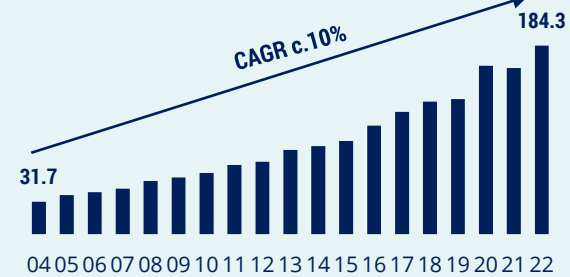
Revenue (£bn)



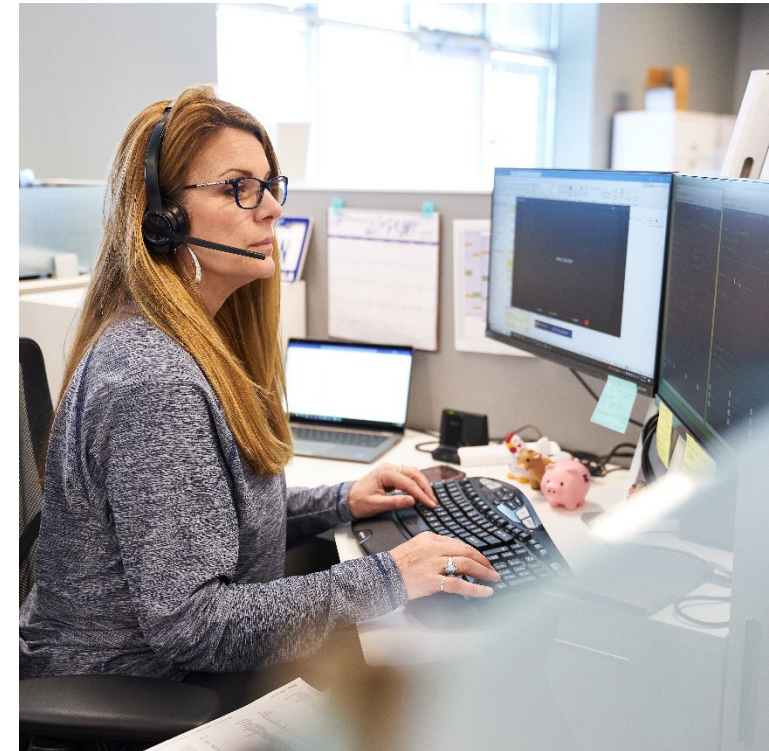
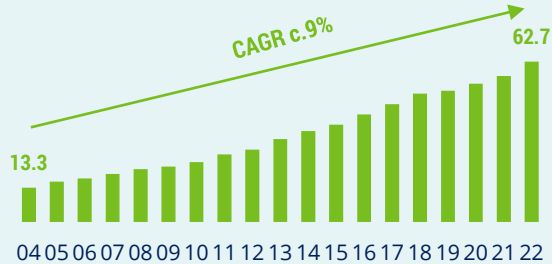
Adjusted operating profit¹ (£m)



Adjusted EPS¹ (p)



Dividend per Share (p)



Note

1. Alternative performance measure



CASE STUDIES

CASE STUDY: DRIVING ORGANIC GROWTH – NEW BUSINESS WIN



Winning new business with our strong customer proposition

We were able to win the Sprouts business in North America through the strength of our national infrastructure, our data and analytical insights, and our ability to support a fast-growing and sustainability-focused grocer

Requirements:	Bunzl's proposition:
Support for c.370 stores	– Our national infrastructure replaces the use of four independently owned distributors
Coordination to improve buying	– We have become the single distributor for all goods-not-for-resale – The number of SKUs sourced is targeted to reduce by 50%; partially offsetting product cost inflation
Improved reliability	– Our own driver infrastructure ensures high reliability of successful fulfilment
Greater visibility	– Implementation of analytical tools enables Sprouts to assess inventory and store usage, driving improved decision-making
Meaningful store base expansion	– We can support Sprouts' growth with our scale and depth of capabilities
Sustainability requirements and ambitions	– Our product data mapping supports sustainability analysis , reporting and transition to alternatives – A tailored offering ensures each store only orders products compliant with regulation – Sprouts aims to be a leader in innovative packaging solutions, and we are committed to supporting them to achieve their targets



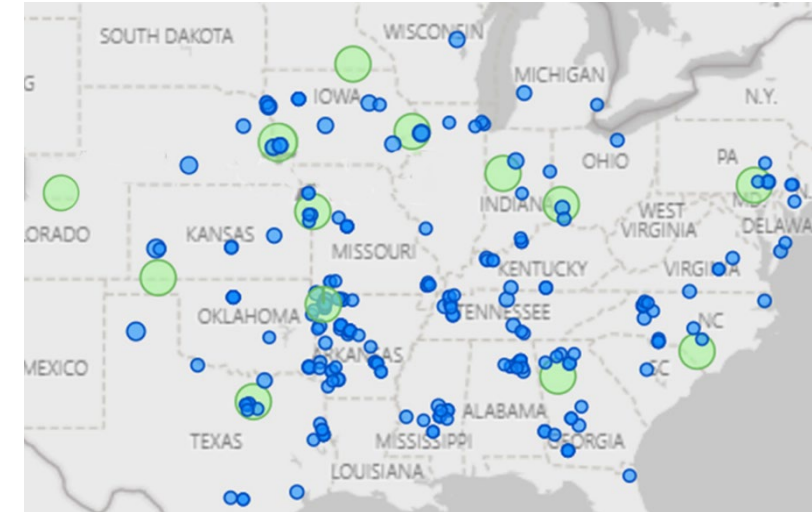
CASE STUDY: DRIVING ORGANIC GROWTH – CONTRACT EXPANSION



Supply chain management a critical factor in key food processor contract expansion

Bunzl’s value-added services and ability to serve as a true strategic partner to a complex and growing organisation has allowed us to materially expand our contract with Tyson Foods.

Bunzl’s offering	Scale, resources and national footprint	Operational and financial resilience	Product innovation and own brand ranges	Operational efficiency and cost saving
Tyson chose us for our:	<p>Tailored customer service to each of their 123 major US food processing plants</p> <p>Flexibility to support their growth and new processing plants</p>	<p>Demonstrable track record of supporting other customers through supply chain disruption</p>	<p>10,000+ SKUs of specialist products</p> <p>Market-leading own brand ranges</p> <p>Innovation Centre, allowing us to co-develop products with customers</p>	<p>Dedication to and expertise in cost reduction</p> <p>Rationalisation of SKUs and consolidation of deliveries</p> <p>Cost savings provided through our own brand solutions</p>



● Bunzl Processor Division warehouses ● Tyson Foods: major US processing plants

Average distance between Tyson Foods facilities and Bunzl warehouses

c.130 miles

CASE STUDY: SUPPORTING OUR ACQUISITIONS TO GROW



Multiline: doubled our presence in Denmark; established a foodservice platform

ACQUISITION

- Foodservice distributor in Denmark
- Acquired in 2003
- Sold by founder's widow

RATIONALE

- Significantly strengthens Bunzl's position in Denmark
- Become number one foodservice distributor
- Generate purchasing synergies
- Provide a strong platform to further consolidate the foodservice market

SUCCESS

- Leveraged Group scale to invest in sustainability and digital technologies
- Leveraged Bunzl Shanghai to expand its own brand range
- Provided platform for development of our business in Denmark with five subsequent bolt-on acquisitions

c.10%

**Adjusted operating profit¹
CAGR since 2003**



Note

1. Alternative performance measure

CASE STUDY: ENHANCING THE OFFERING OF OUR ACQUISITIONS



Allshoes: acquisition of a fast-growing safety shoe business in 2014

ACQUISITION

- Number one safety footwear distributor in the Netherlands
- Acquired in 2014
- Sold due to no family succession

RATIONALE

- Enhance our leading position in PPE distribution in the Netherlands
- Brand strength (both high-end and own brand)
- High profitability with good potential to grow in the Benelux region

SUCCESS

- Transformed from a traditional distributor into a data driven and customer-oriented business
- Developed Asian sourcing, leveraging Bunzl's Shanghai sourcing operation
- Founded Circular Footwear Alliance to collect and recycle safety shoes
- 99% of orders placed digitally

c.11%

**Adjusted operating profit¹
CAGR since 2015**



Note

1. Alternative performance measure

CASE STUDY: CEVA - CUSTOMER TESTIMONIAL




Helping our customers grow to fuel our own organic growth



A fast-growing business, with over 100 warehouses in the Benelux, requiring essential packaging products



[Click here or scan the QR code to watch the CEVA customer testimonial video](#)

PRIOR SOLUTION	BUNZL SOLUTION	
<p>>400 suppliers</p> <p>Each of CEVA's warehouses sourced independently</p>	<p>Sole distributor of goods-not-for-resale, supplying >1,000 products</p>	 <p>30% reduction of air in shipped packaging</p>
<p>On time and in full < 90%</p>	<p>On time and in full 99% +</p> <p>Improved logistics, more reliable supply chain</p>	<p>15% cost saving</p>
<p>High packaging costs</p>	<p>Reduced costs</p> <p>Warehouse and packaging innovation, including new machinery</p>	<p>10% improved availability of products</p>
<p>No value-added services through partnership</p>	<p>Joint revenue venture to provide CEVA's larger customers with packaging – upside opportunity</p>	<p>12 year partnership, expanded significantly in 2017</p>

CASE STUDY: HYGI.DE

Supporting expansion in a high potential market



HYGI.DE – ACQUIRED JULY 2022

- **Market leading** online distributor of cleaning and hygiene products in Germany
- Established in 2004
- **Fast growing** business
- 2021 revenue of **c.£92 million**
- Provides Bunzl with:
 - A significantly increased position in Germany
 - A stronger platform for continued expansion in Germany
 - Enhanced digital capabilities

ACQUISITION PROCESS

- Annual meetings with local Bunzl leadership since 2012 – **10 years in the making**
- Sold to Bunzl to release value for family members and to **enable further expansion**
- Bunzl selected for:
 - Ability to support hygi.de growth ambitions
 - Evidence of historic acquisitions remaining part of the Bunzl Group
 - Decentralised structure and ability to maintain commercial autonomy
 - Sustainability credentials and expertise

CASE STUDY: PACKAGING TRANSITION IN ACTION



Helping navigate a complex legislative environment in Australia and New Zealand

The challenge in the market	Bunzl's solution
<ul style="list-style-type: none"> Complex patchwork of constantly shifting single-use plastic legislation Multi-jurisdictional customers operating across different tiers of regulation (federal, state, local) 	<ul style="list-style-type: none"> In depth understanding of changing regulatory environment Own brand alternatives Customer facing analytics tools Marketing and customer engagement

Supporting our customers and the environment

CASE STUDY: Compass Foodbuy Australia

Worked with 120 of their sites to meet bans impacting foodservice products

c.9.5m
products replaced by
alternative products
over 12 months

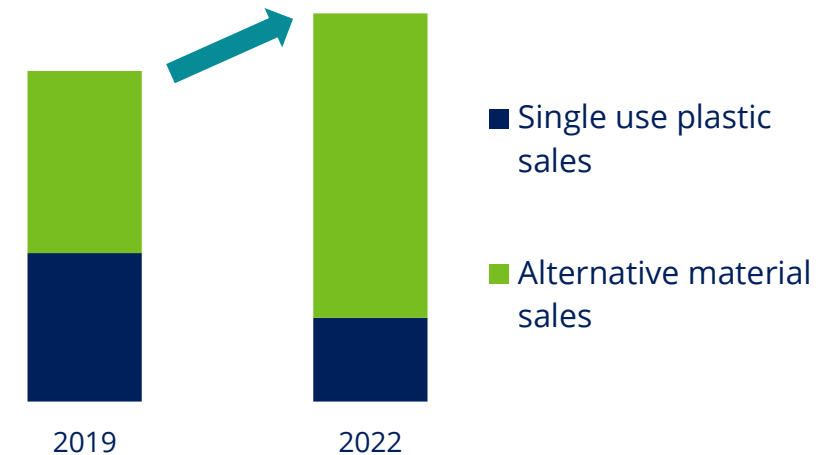
c.30
tonnes of
plastic
removed

Enhancing Bunzl's competitive advantage

EXAMPLE: Bunzl Australia and New Zealand¹

Total revenue from food containers and cups
(c.50% of this operating company's packaging revenue)

Revenue,
AUD (m)



Note

1. Our largest operating company in Australia and New Zealand

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