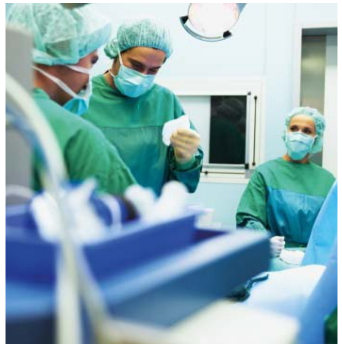
2014 Annual Results

February 2015





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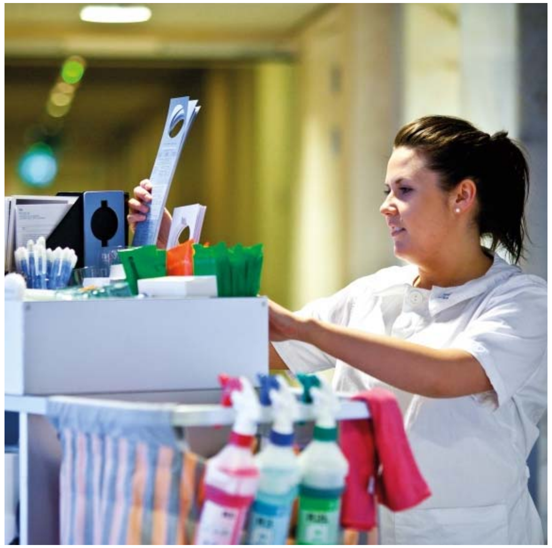

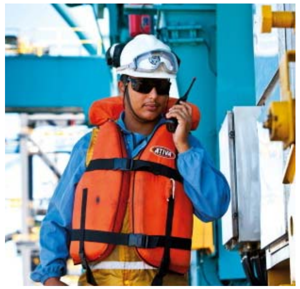


Agenda

1	Philip Rogerson, Chairman: Welcome
2	Brian May, FD: Financial Results
3	Michael Roney, CEO: Business Review
4	Q&A

Highlights

Excellent set of results

Consistent and proven strategy

£211m spent on 17 acquisitions

Adjusted earnings per share* up 11%†

Dividend up 10%

* *Before intangible amortisation and acquisition related costs*
† *At constant exchange rates*

Financial results

Brian May, FD

Income statement

£m	2014	2013	Growth % Reported	Growth % Constant Exchange
Revenue	**6,156.5**	6,097.7	1	7
Adjusted operating profit*	**429.8**	414.4	4	10
Net finance cost	**(42.0)**	(42.2)		
Adjusted profit before tax*	**387.8**	372.2	4	11
Operating margin*	**7.0%**	6.8%		
Effective tax rate	**27.4%**	27.9%		
Adjusted earnings per share*	**86.2p**	82.4p	5	11
Dividend per share	**35.5p**	32.4p	10	

** Before intangible amortisation and acquisition related costs – see Appendix 2*

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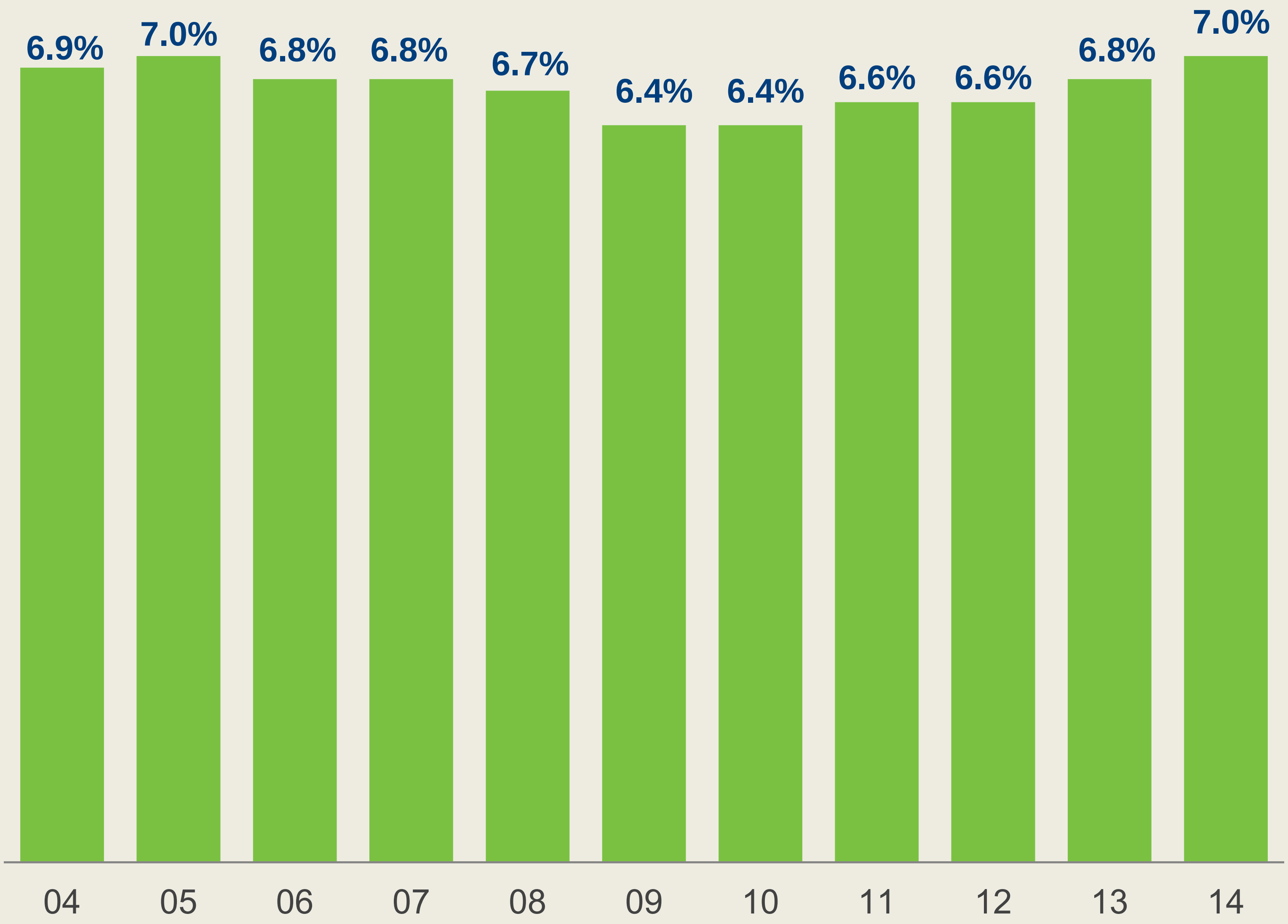
Operating margin*

Stable operating margin*



** Before intangible amortisation and acquisition related costs*
04-05 continuing operations only

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** Before intangible amortisation and acquisition related costs – see Appendix 2*

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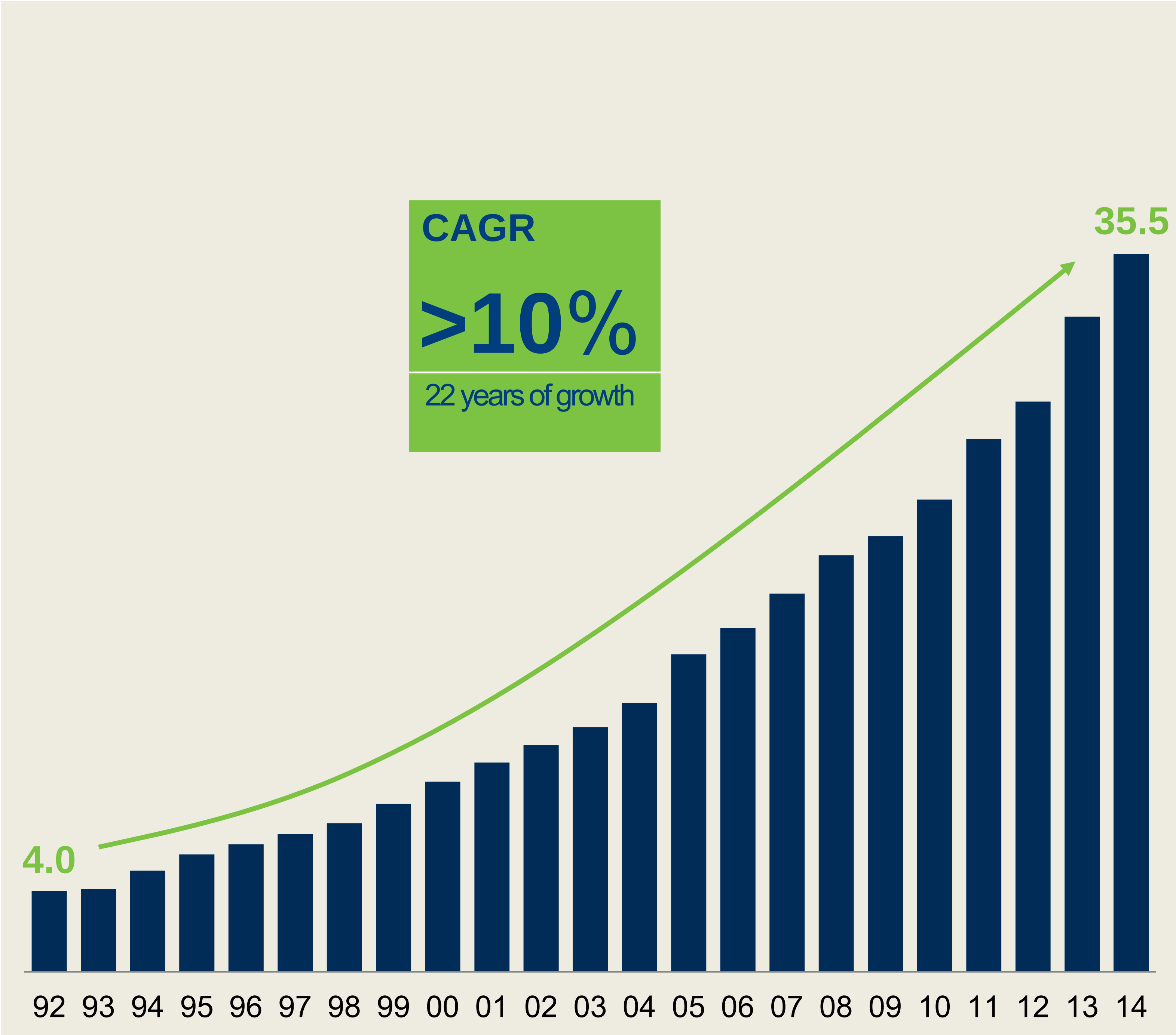
Dividend per share (p)

Consistently strong dividend growth



Balance sheet

Return on average operating capital 57.7%, up 80bp from Dec 13

£m	Dec 14	Dec 13
Intangibles	**1,478.8**	1,456.9
Tangibles	**119.2**	118.8
Working capital	**557.4**	520.3
Other liabilities	**(223.8)**	(261.6)
	1,931.6	1,834.4
Pension deficit	**(70.3)**	(45.0)
Net debt*	**(877.4)**	(849.5)
Equity	**983.9**	939.9
Net debt/EBITDA	**1.9x**	1.8x
Return on average operating capital	**57.7%**	56.9%

* See Appendix 3

Intangibles

- Additions of £112.2m from acquisitions partially offset by amortisation and foreign exchange

Working capital

- Increases from acquisitions
- Average underlying working capital lower than prior year, despite revenue growth

Pensions deficit

- Deficit increased by £25.3m
- Lower discount rates partially offset by strong returns on scheme assets

Net debt to EBITDA

- Despite acquisition cash outflow of c.£450m in the last two years, net debt to EBITDA broadly unchanged

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Cash flow

Cash conversion over target threshold of 90% at

95%

£m	2014	2013
Operating cash flow*	**407.7**	421.1
Interest	**(41.4)**	(39.0)
Tax	**(89.8)**	(80.3)
Free cash flow	**276.5**	301.8
Dividends	**(105.6)**	(91.8)
Acquisitions	**(168.1)**	(279.9)
Employee share schemes	**(21.8)**	(43.3)
Net cash flow	**(19.0)**	(113.2)
Operating cash flow* to adjusted operating profit†	**95%**	**102%**

* *See Appendix 4*

† *Before intangible amortisation and acquisition related costs*

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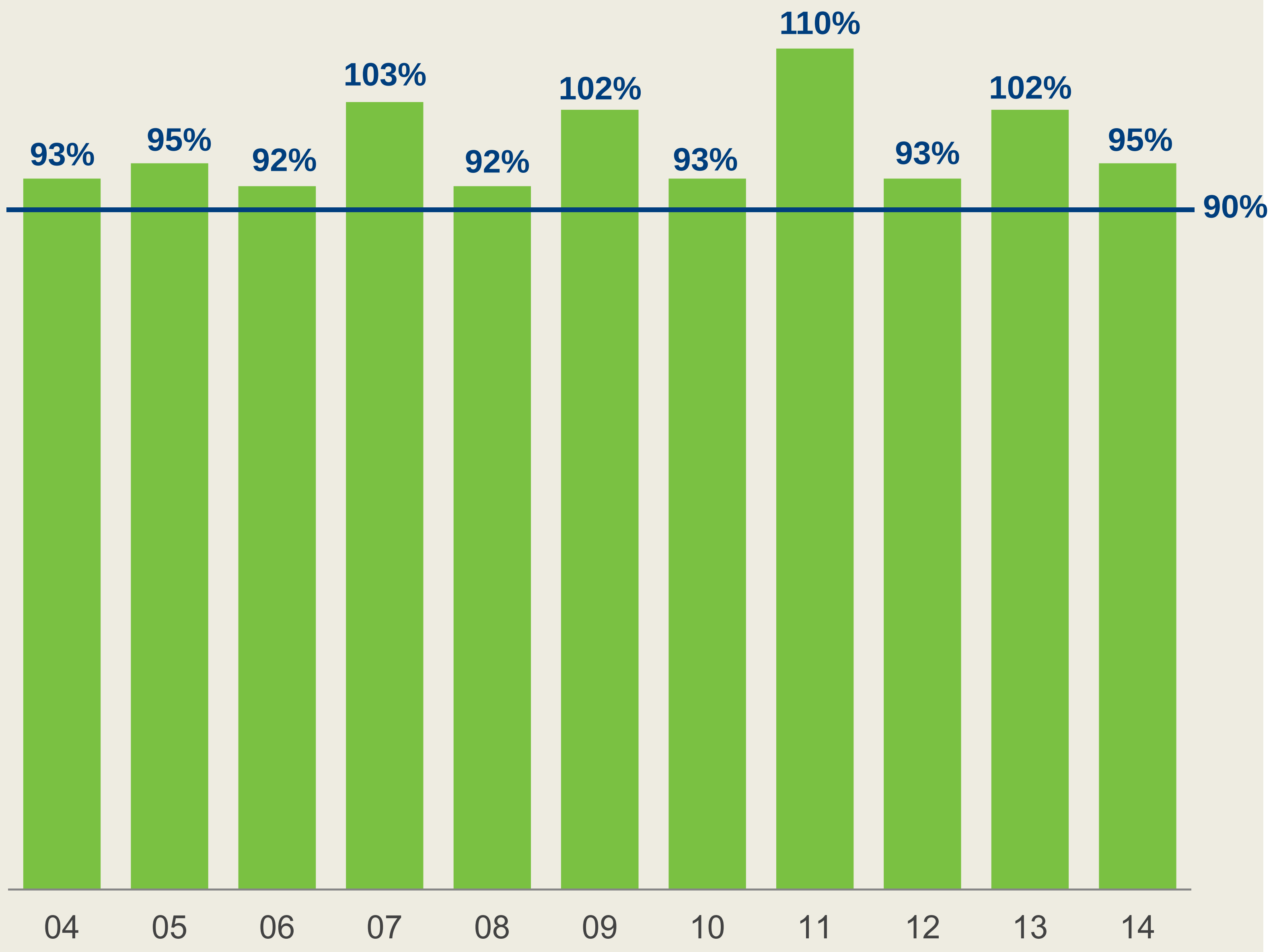
Cash conversion*

Average cash conversion* of

97%

funds growing dividend and acquisitions



** Operating cash flow before acquisition related costs to adjusted operating profit*
04 - 05 continuing operations only

Uses of free cash 2004 to 2014

Dividends

£762m

- Dividend per share CAGR >10%
- Stable dividend cover – c.2.5 x

Acquisition spend

£1.9bn

- 100 acquisitions since 2004
- Self funded

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Financial summary

Capital management and Cash flow

ROACE	Cash conversion**	Acquisition spend
▲80bp	95%	£211m
Dec 14 v Dec 13		

Revenue and Operating profit

Revenue	Adjusted operating profit*	Operating margin*
▲7%†	▲10%†	▲20bp

EPS and Dividend

Adjusted EPS*	Dividend per share
▲11%†	▲10%

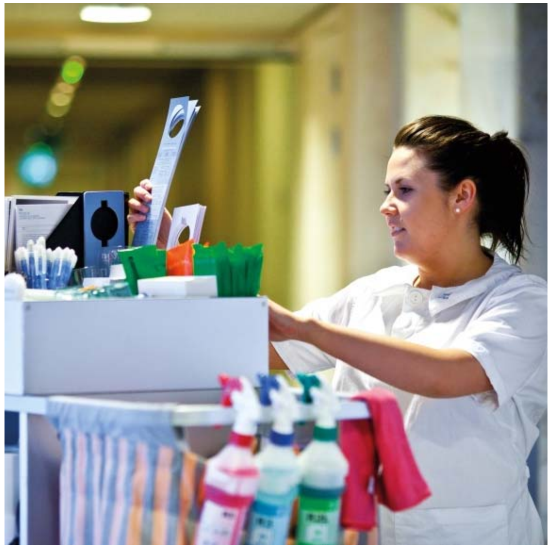
† At constant exchange rates

* Before intangible amortisation and acquisition related costs

** Operating cash flow before acquisition related costs to adjusted operating profit

Business review

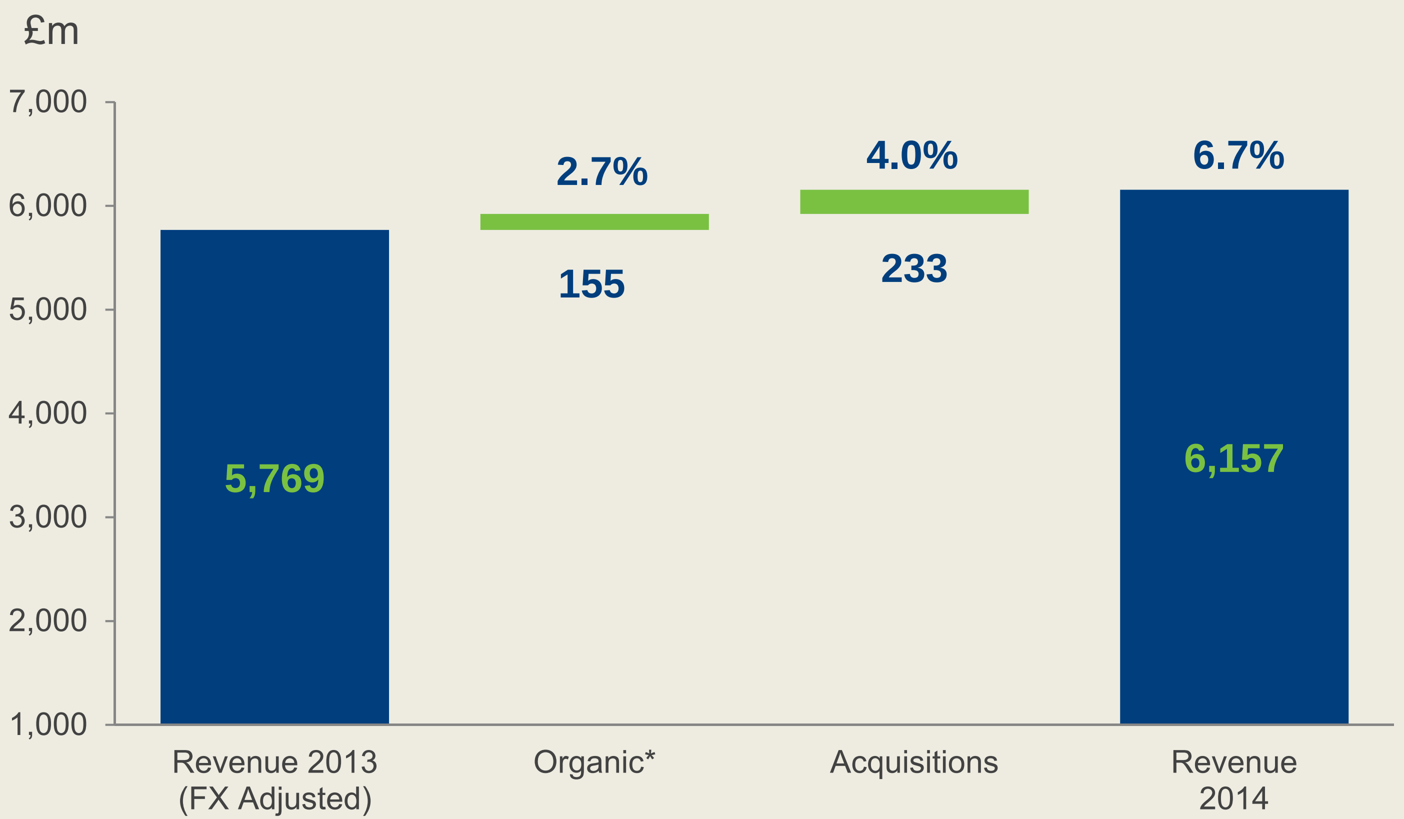
Michael Roney, CEO



Business review

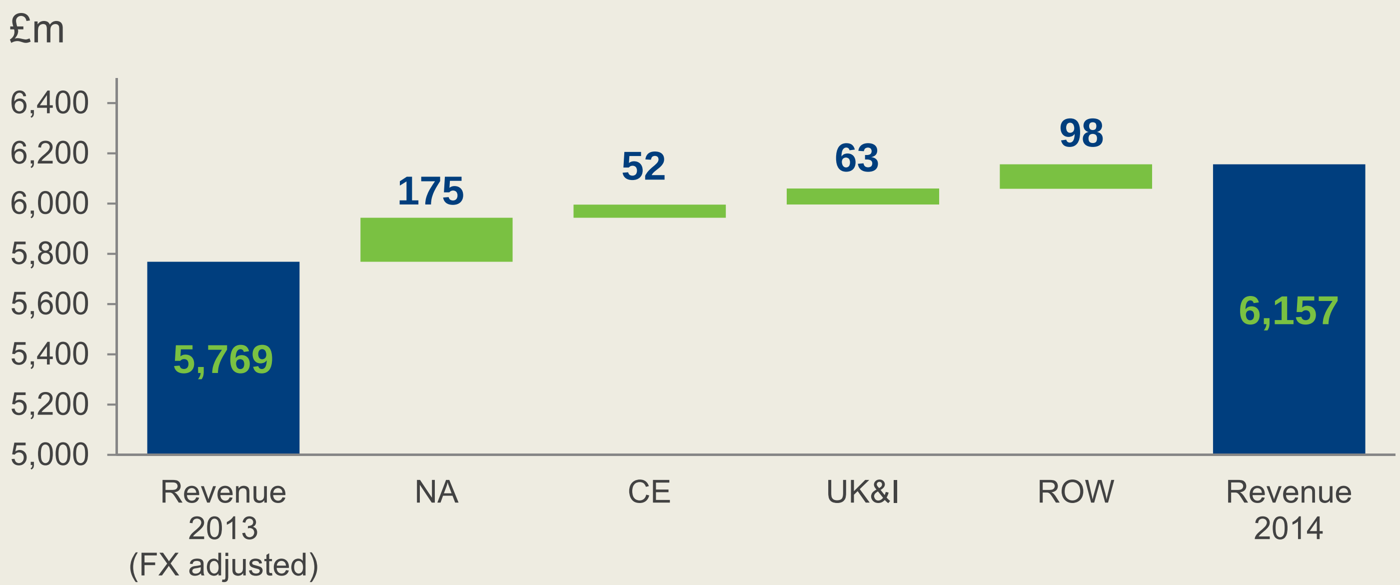
1. Operations review
2. Strategy
3. Acquisitions
4. Prospects

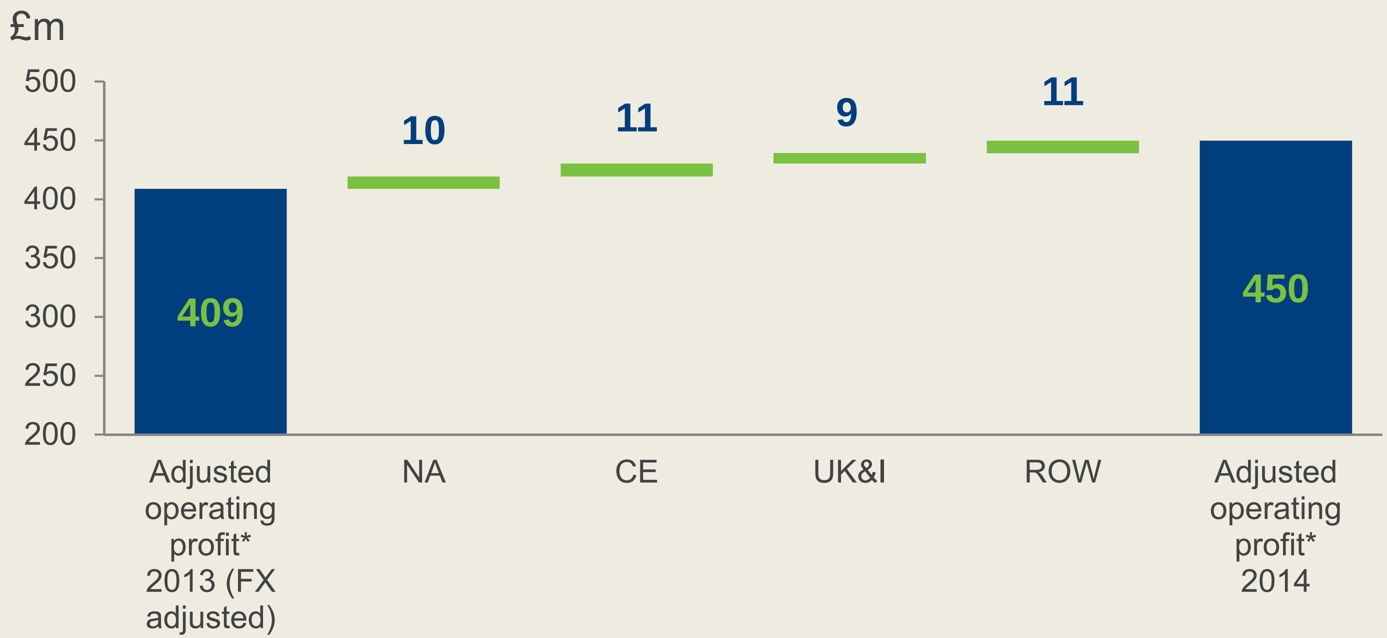
Revenue growth



* Adjusting for Q1 adverse weather in North America, underlying organic revenue growth c.2.9%

Broad based growth

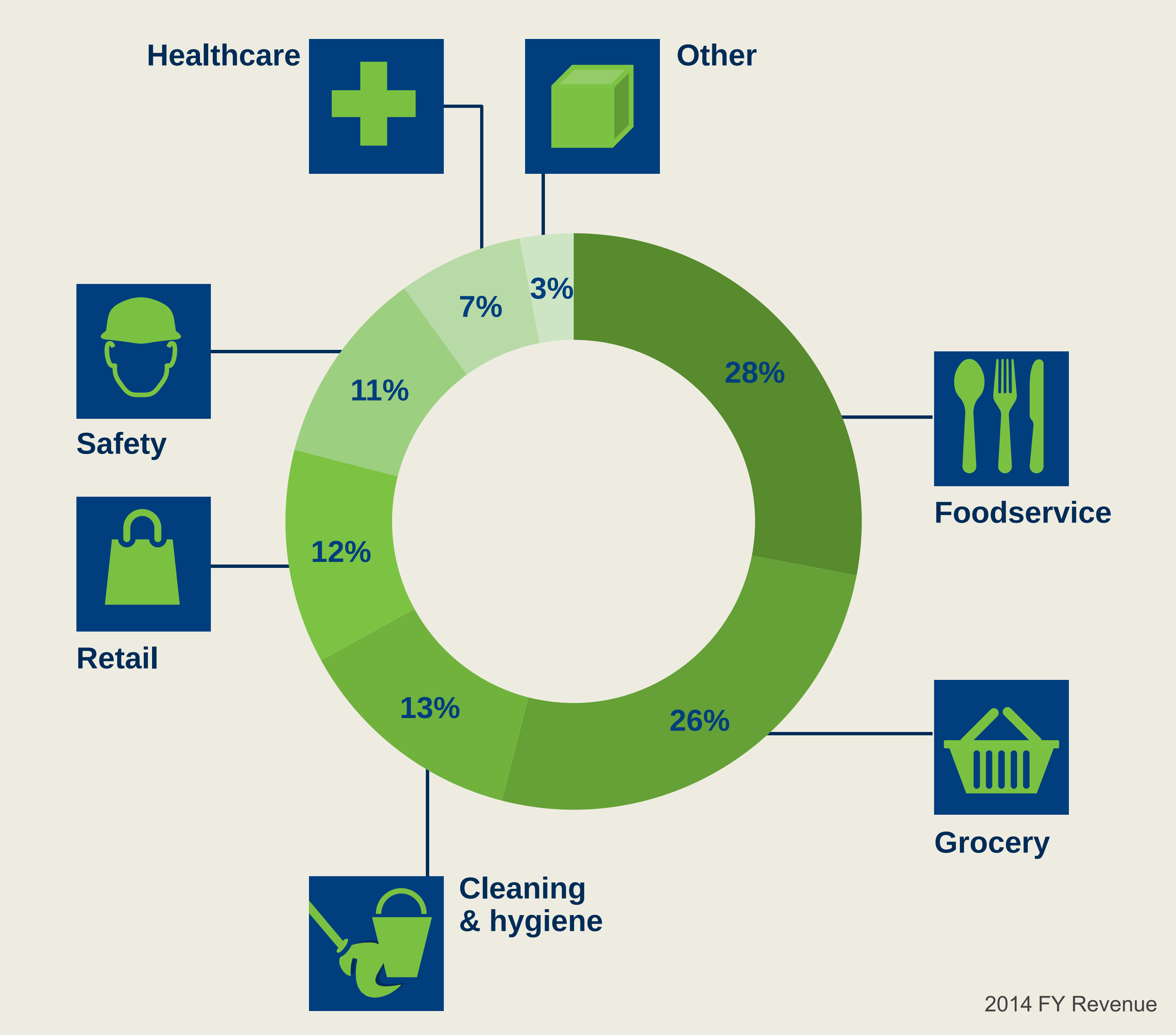




** Before intangible amortisation, acquisition related costs and corporate costs*

Revenue by customer markets

c.75% resilient
Grocery
Foodservice
Cleaning & hygiene
Healthcare



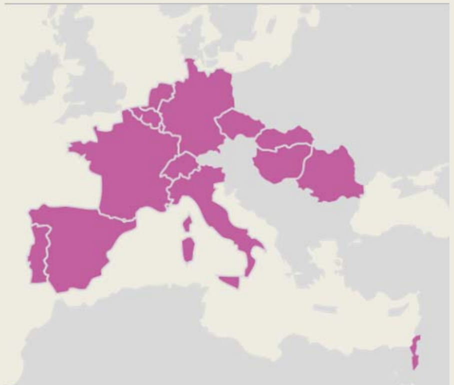
Business area analysis

Well diversified by geography and sector

NORTH AMERICA

55% Revenue

47% Adjusted operating profit*



CONTINENTAL EUROPE

19% Revenue

23% Adjusted operating profit*

UK & IRELAND

17% Revenue

18% Adjusted operating Profit*

REST OF WORLD

9% Revenue

12% Adjusted operating profit*

* *Before intangible amortisation, acquisition related costs and corporate costs*

Overview

Strong overall performance

- North America – good growth* from existing and new customers, as well as acquisitions made in 2013 and 2014
- Continental Europe – excellent increase in operating margin, up 60bp to 9.0%
- UK & Ireland – organic revenue growth* at highest level since 2007 with strong operating margin improvement, up 40bp to 7.4%
- Rest of the World – 24%* growth in adjusted operating profit

* *At constant exchange rates*

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North America

£m	2014	2013	Growth % Reported	Growth % Constant Exchange
Revenue	**3,372.1**	3,401.7	(1)	5
Adjusted operating profit*	**211.1**	213.6	(1)	5
Operating margin*	**6.3%**	6.3%		
Return on operating capital	**59.6%**	61.2%		

- Recent acquisitions extend product and service offering
- Existing and new customers drive growth in grocery
- Strong organic growth in retail
- Growth despite competitive market in redistribution
- Good growth in food processor, agriculture and convenience store sectors

** Before intangible amortisation and acquisition related costs*

Continental Europe

£m	2014	2013	Growth % Reported	Growth % Constant Exchange
Revenue	**1,146.3**	1,151.5	0	5
Adjusted operating profit*	**103.2**	97.0	6	12
Operating margin*	**9.0%**	8.4%		
Return on operating capital	**52.3%**	47.5%		

- Excellent increase in operating margin, up 60bp
- France
  - Significant increased profit in cleaning & hygiene due to improved margins and cost management
  - Strong profit growth in safety business
- Substantial profit growth in the Netherlands, particularly in safety
- Healthy sales and profit growth in Germany led by acquisitions
- Significant profit growth in Spain safety business

Before intangible amortisation and acquisition related costs

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UK & Ireland

£m	2014	2013	Growth % Reported	Growth % Constant Exchange
Revenue	**1,078.5**	1,018.5	6	6
Adjusted operating profit*	**80.1**	71.6	12	12
Operating margin*	**7.4%**	7.0%		
Return on operating capital	**111.7%**	98.8%		

- Organic revenue growth at highest level since 2007 with operating margin up 40bp
- Safety and cleaning & hygiene benefited from recovery in construction sector and acquisitions
- Grocery sales and profitability maintained despite challenging market sector
- Strong growth in hospitality as markets recovered and substantially improved results in healthcare and Ireland

Before intangible amortisation and acquisition related costs

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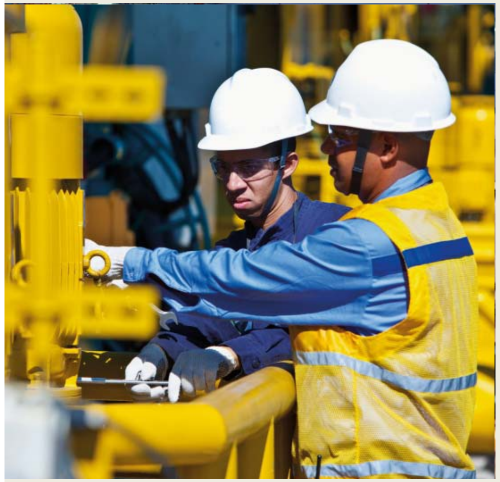
Rest of the World

			Growth %	
£m	**2014**	**2013**	**Reported**	**Constant Exchange**
Revenue	**559.6**	526.0	6	21
Adjusted operating profit*	**55.5**	51.2	8	24
Operating margin*	**9.9%**	9.7%		
Return on operating capital	**41.8%**	47.1%		



- Overall strong growth with substantial acquisition impact despite exchange rate volatility
- Latin America
  - Good performance despite weaker economies
  - Significant impact from acquisitions
- Australasia
  - Industrial and safety adversely impacted by mining and resources slowdown
  - Growth in Outsourcing Services and food processor businesses

* *Before intangible amortisation and acquisition related costs*

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Consistent and proven strategy

High ROIC despite significant acquisition spend

Organic growth

By outsourcing to Bunzl the purchase, consolidation and delivery of a broad range of products our customers achieve efficiencies and savings

Acquisition growth

Since 2004 we have announced 100 acquisitions with total spend of £1.9bn

Operating model efficiencies

We constantly strive to make our business more efficient and environmentally friendly

ROIC

17.6%

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Acquisition growth 2014

2014 acquisition spend

£211m

Business	Acquired	Country	Sector	Revenue*
Bäumer	January	Germany	Cleaning & hygiene	£10m
Oskar Plast	February	Czech Rep.	Grocery	£12m
Lamedid	March	Brazil	Healthcare	£13m
Nelson Packaging	March	NZ	Cleaning & hygiene	£3m
Plast Techs	March	USA	Cleaning & hygiene	£14m
Tecno Boga	March	Chile	Safety	£23m
Allshoes	May	Netherlands	Safety	£18m
JPLUS	May	Brazil	Cleaning & hygiene	£12m
365 Healthcare	June	UK	Healthcare	£12m
Premiere Products	July	UK	Cleaning & hygiene	£4m
Lee Brothers	July	UK	Safety	£11m
Guardsman	July	UK	Safety	£9m
De Ridder	September	Netherlands	Cleaning & hygiene	£6m
Victoria Healthcare	November	Australia	Healthcare	£2m
Acme Supplies	December	Canada	Cleaning & hygiene	£9m
POS Direct	December	UK	Retail	£4m
Tillman**	December	USA	Safety	£61m

*   *Annualised and converted at average exchange rates*

** *Committed on 30 December 2014 and completed 2 January 2015*

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Annualised acquisition revenue

Acquisitions across all business areas

£m	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
North America	115	198	103	15	-	-	35	7	410	89	**84**
Continental Europe	301	61	7	100	52	-	115	96	23	5	**46**
UK & Ireland	-	2	267	110	39	27	-	39	16	32	**40**
Rest of the World	14	9	9	-	60	-	4	62	69	155	**53**
Group	430	270	386	225	151	27	154	204	518	281	**223**

04-05 continuing operations only

Leading spend in year

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Acquisition growth

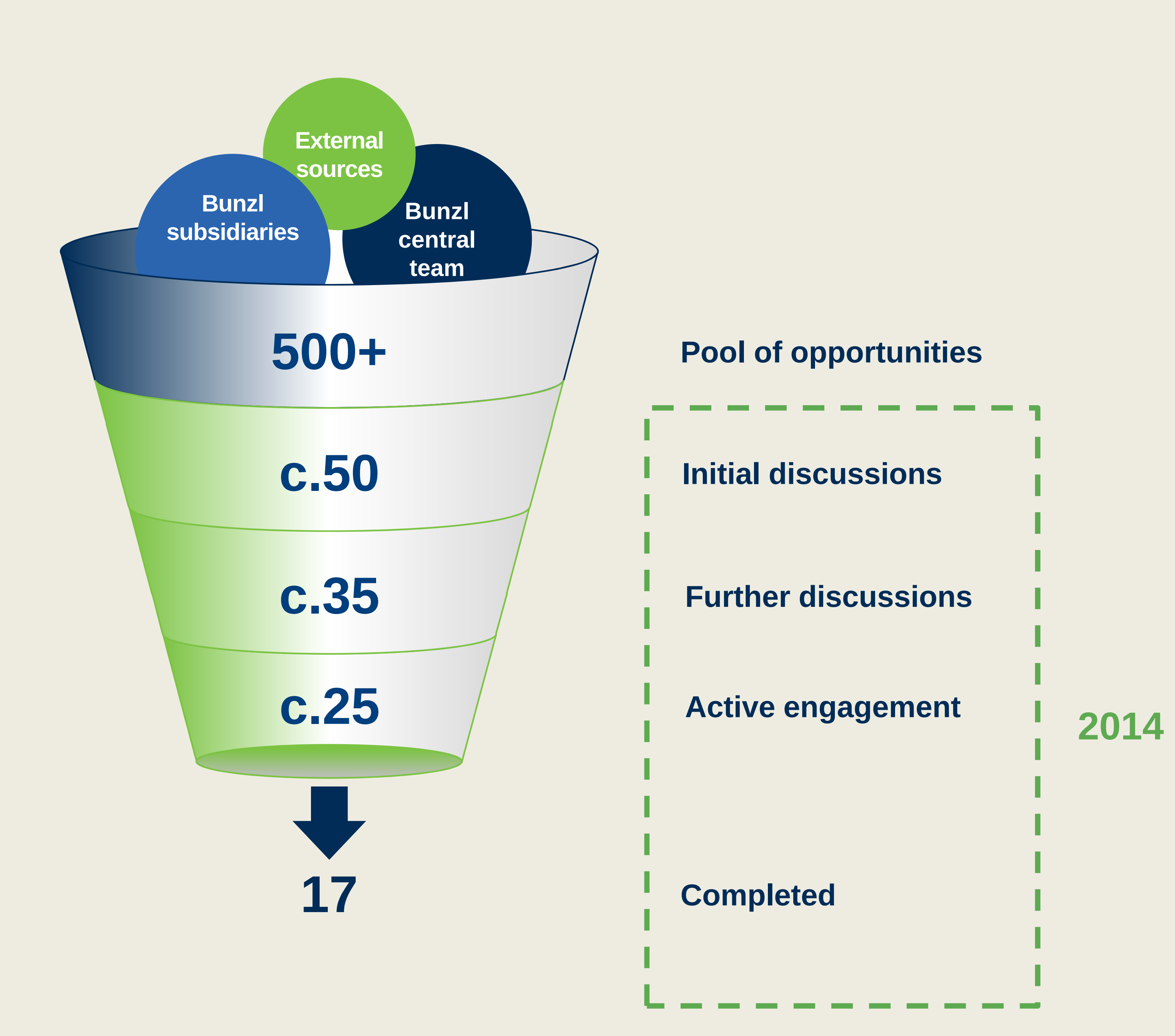
Average annual acquisition spend over the last 3 years

£261m

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Number of acquisitions	7	7	9	8	7	2	9	10	13	11	**17**
Committed acquisition spend (£m)	302	129	162	197	123	6	126	185	277	295	**211**
Annualised acquisition revenue (£m)	430	270	386	225	151	27	154	204	518	281	**223**

04-05 continuing operations only

Acquisition activity



Acquisition growth potential

Significant scope for future acquisition growth

Existing market examples

Country	2014 revenues	GDP scaled revenues*
France	£410m	**£1,050m**
Germany	£75m	**£1,400m**
Brazil	£150m	**£420m**
Mexico	£75m	**£230m**

Potential market examples

Country	GDP scaled revenues*
Poland	**£200m**
Sweden	**£220m**
Turkey	**£150m**
Coastal China	**£?m**

***Basis of preparation**: GDP scaled revenues are based on the UK & Ireland footprint scaled by 2013 nominal GDP. A 50% discount has been applied to non-European markets.

Acquisition discipline

100
acquisitions since 2004

Say "no" many more times than "yes"

Very selective about countries and sectors

Thorough due diligence

Review performance vs investment case with Board

Retention of management and customers is key

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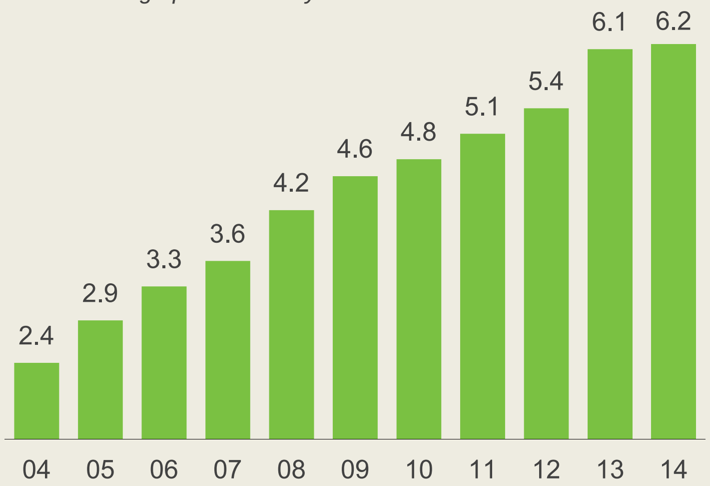
Financial track record 2004 - 2014

All CAGRs greater than

10%

Revenue (£bn)

04-05 continuing operations only

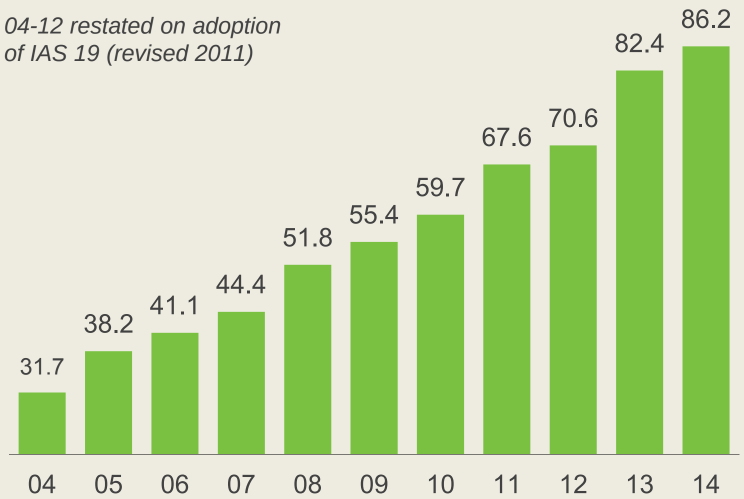


Adjusted operating profit (£m)

Before intangible amortisation and acquisition related costs
04-05 continuing operations only

Adjusted eps (p)

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

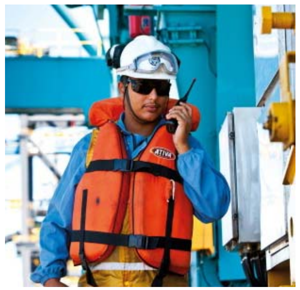


Dividend per share (p)

Prospects

- Group – further growth at constant exchange rates due to strong market position and acquisition impact
- North America – good growth from organic revenue and recent acquisitions
- Continental Europe – continued growth despite challenging economic outlook
- UK & Ireland – further organic growth and impact of 2014 acquisitions
- ROW – growth despite more difficult trading conditions
- Promising acquisition pipeline and expect to complete further transactions as the year progresses
- Board is confident that Bunzl is well positioned and prospects are positive

Appendices



Appendix 1

Exchange rates

	2014	2013
Average rate		
US $	**1.65**	1.56
Euro	**1.24**	1.18
Canadian $	**1.82**	1.61
Brazilian Real	**3.87**	3.38
Australian $	**1.83**	1.62
Closing rate		
US $	**1.56**	1.66
Euro	**1.29**	1.20
Canadian $	**1.81**	1.76
Brazilian Real	**4.14**	3.91
Australian $	**1.91**	1.85

Appendix 2

Adjusted profit measures

£m	2014	2013
Operating profit	**341.8**	332.1
Adjusted for:		
Intangible amortisation	**61.9**	58.3
Acquisition related costs	**26.1**	24.0
Adjusted operating profit	**429.8**	414.4
Operating margin	**7.0%**	6.8%
Net finance cost	**(42.0)**	(42.2)
Adjusted profit before income tax	**387.8**	372.2
Tax on adjusted profit	**(106.2)**	(103.8)
Adjusted profit for the year	**281.6**	268.4
Adjusted earnings per share	**86.2p**	82.4p

Appendix 3

Net debt

£m	2014	2013
Opening net debt	**(849.5)**	(738.1)
Net cash outflow	**(19.0)**	(113.2)
Currency (outflow)/inflow	**(8.9)**	1.8
Closing net debt	**(877.4)**	(849.5)

Appendix 4

Cash flow

£m	2014	2013
Adjusted operating profit*	**429.8**	414.4
Depreciation	**24.4**	25.9
Working capital movement	**(15.6)**	16.8
Other	**(7.0)**	(10.7)
Cash flow from operations	**431.6**	446.4
Net capital expenditure	**(23.9)**	(25.3)
Operating cash flow†	**407.7**	421.1
Operating cash flow to adjusted operating profit	**95%**	102%

** Before intangible amortisation and acquisition related costs*
† Before acquisition related costs

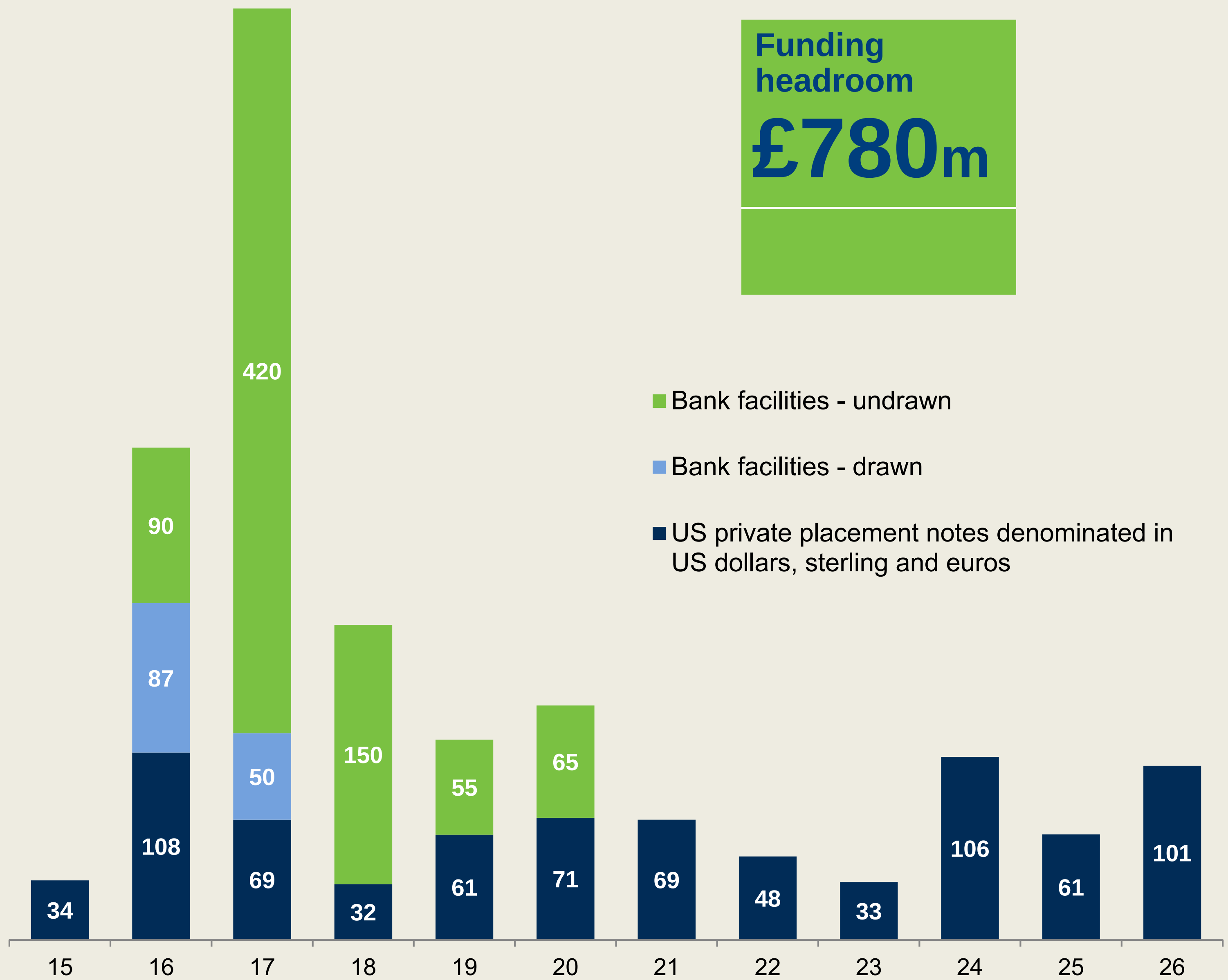
Appendix 5

Funding

Committed facilities maturity profile (£m)

Funding headroom

£780m



Appendix 6

Historical data

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

** Before intangible amortisation and acquisition related costs*
04 - 05 continuing operations only

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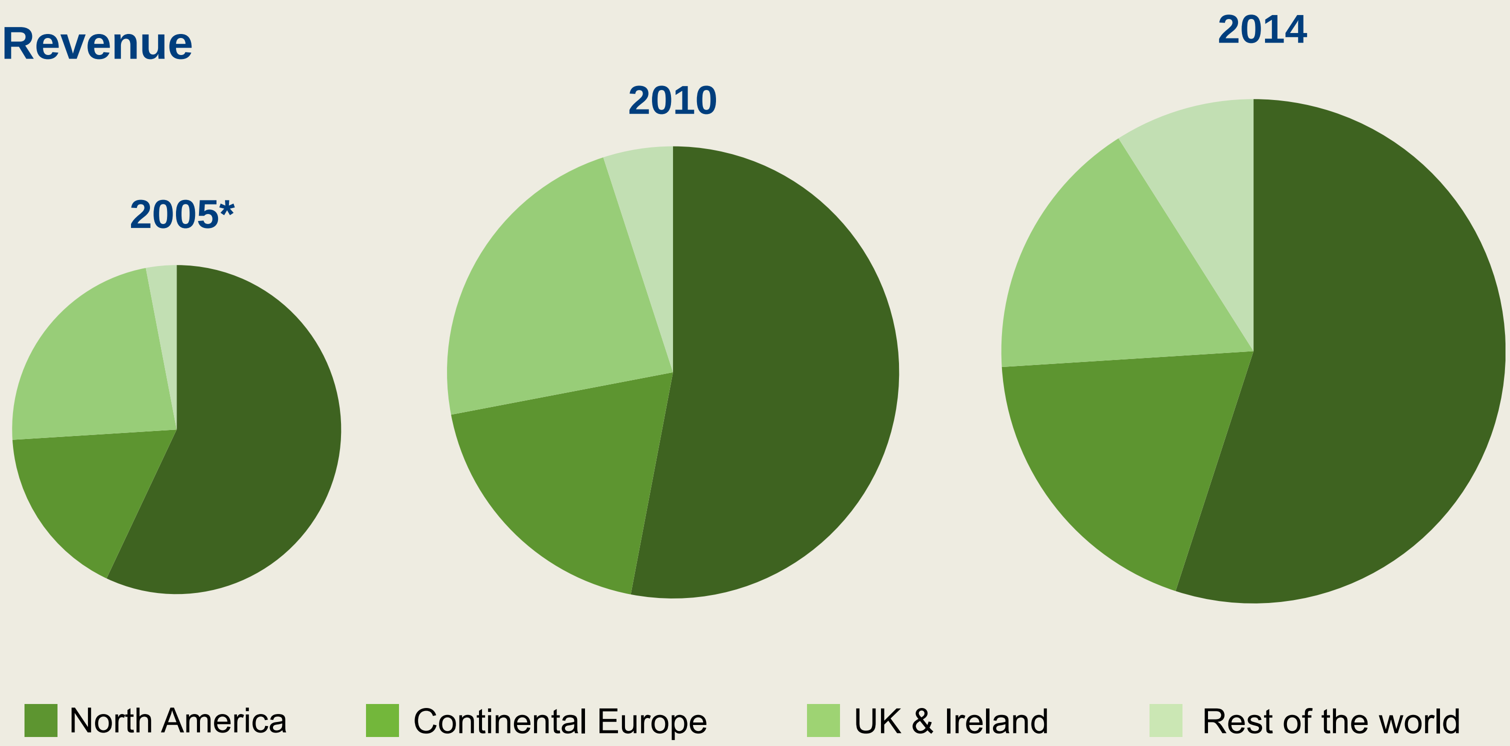
Appendix 7

Geographic expansion timeline

1997*	2003*	2005*	2008	2012
7 countries	**12 countries**	**18 countries**	**23 countries**	**27 countries**

Revenue



* *Continuing operations only*

Appendix 8

Business model

One-stop-shop for non-food consumables

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Appendix 9

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 10

Key acquisition parameters

B2B	Goods not-for resale	Consolidated product offering (‘one-stop-shop’)
Sectors with growth	Fragmented customer base	Further market consolidation and synergies
Small % of total customer spend	Opportunity for ‘own label’ products	Attractive financial returns (ROIC, ROACE)

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Appendix 11

Key competitive advantages

Choice of customer sectors

Decentralised management model

Expertise in making acquisitions

Alignment of management incentives

Ex-owners stay with Bunzl

Global sourcing

Appendix 12

Why invest in Bunzl?

"…. because Bunzl is the leader in the market with consistently good growth, stable operating margins, a very high return on operating capital and it turns on average more than 90% of the operating profit into cash which can be reinvested at a rate well in excess of the cost of capital"

Appendix 13

Development of a business area

First entry into Latin America by anchor acquisition in Brazil safety sector in 2008

2008 to 2010 – Brazil market entry

- Protcap – Entry into safety sector
- AM Supply – Expansion in safety sector

2011 – Expansion in Brazil

- Ideal – Entry into cleaning & hygiene sector
- Danny – Expansion in safety sector

Appendix 13

Development of a business area

12

anchor and bolt-on acquisitions since 2008

2012 – Expansion outside Brazil

- Vicsa – Entry into safety sector in Chile, Colombia, Peru, Argentina and Mexico and expansion in Brazil

2013 – Consolidation

- Labor – Entry into healthcare sector in Brazil
- Espomega – Major expansion in safety sector in Mexico
- De Santis – Expansion in safety sector in Brazil

2014 – Platform for future growth

- Tecno Boga – Safety shoes in Chile
- JPLUS – Cleaning & hygiene in Brazil
- Lamedid – Laboratory supplies in Brazil

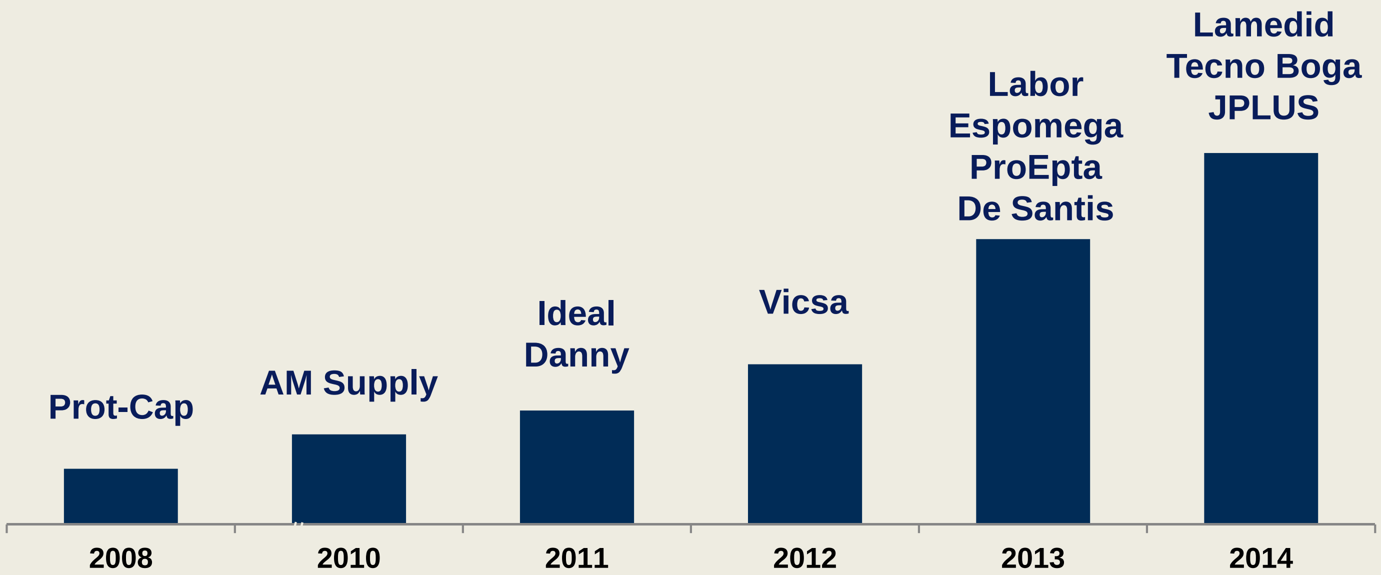
Appendix 13

Development of a business area

Latin America annualised revenue now £234m with CAGR of

30%

Revenue



	2008	2010	2011	2012	2013	2014
Safety	✓	✓	✓	✓	✓	✓
Cleaning & hygiene			✓	✓	✓	✓
Foodservice					✓	✓
Healthcare					✓	✓
Retail						

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