2016 Half Year Results

August 2016



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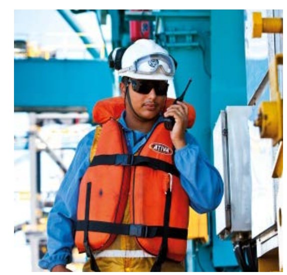


Agenda

1. Philip Rogerson, Chairman: Introduction
2. Brian May, FD: Financial Results
3. Frank van Zanten, CEO: Business Review
4. Q&A

Introduction

Philip Rogerson

Chairman

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Financial results

Brian May

Finance Director

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Income statement

£m	Jun 16	Jun 15	Growth Reported	Growth Constant Exchange
Revenue	**3,446.8**	3,135.2	10%	6%
Adjusted operating profit*	**235.1**	208.4	13%	9%
Operating margin*	**6.8%**	6.6%		
Customer relationship amortisation and acquisition costs	**(55.0)**	(39.9)		
Operating profit	**180.1**	168.5		
Net finance cost	**(24.5)**	(21.4)		
Adjusted profit before tax*	**210.6**	187.0	13%	9%
Profit before income tax	**155.6**	147.1		

** Before customer relationship amortisation and acquisition related costs – see Appendix 2*

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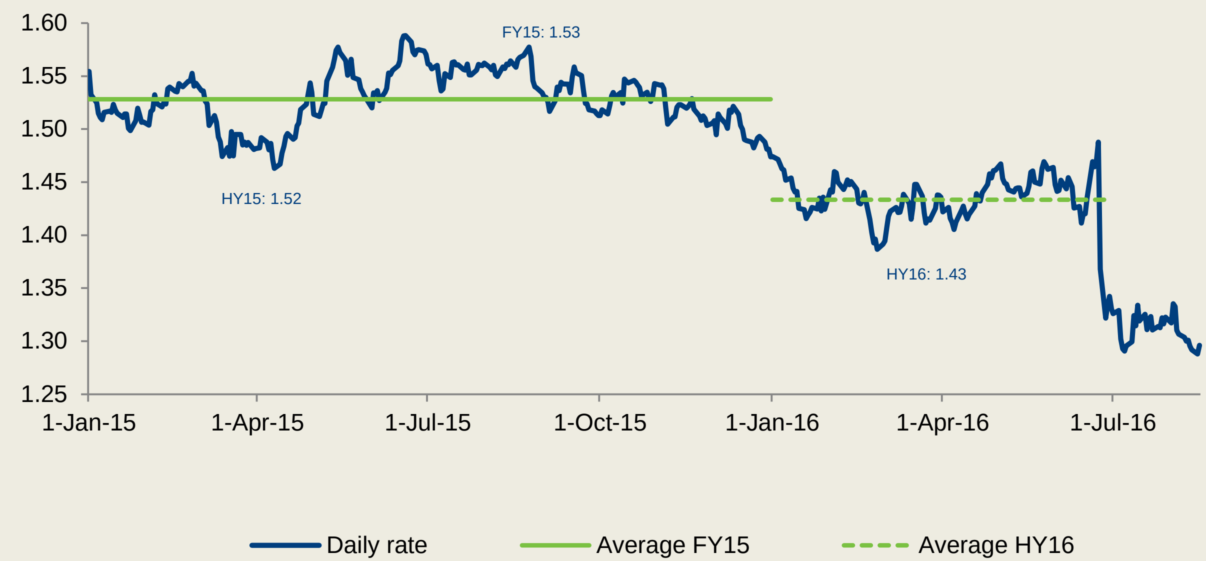
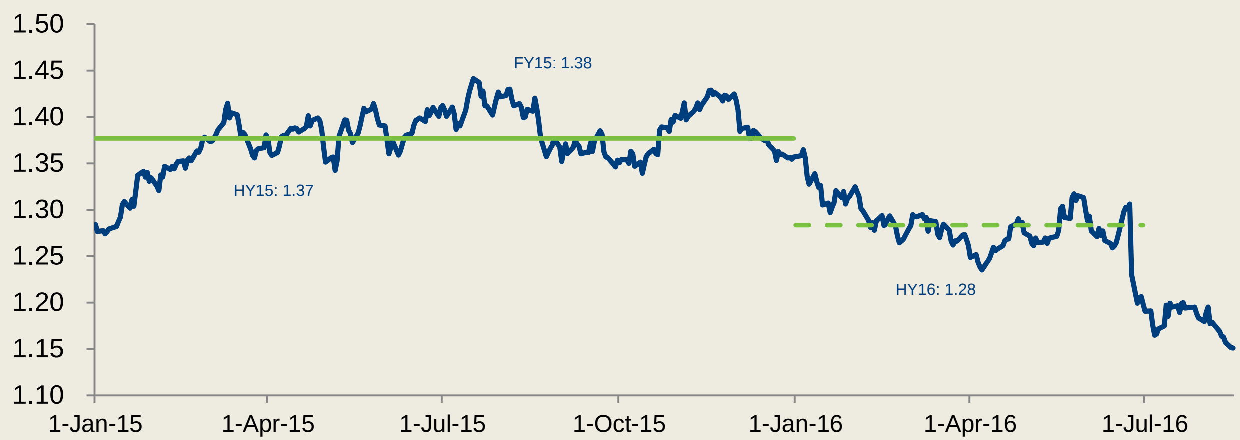
Foreign exchange impact

H1 2016 translation impact +4%

US$: £



€ : £



Significant positive translation impact for the year if rates remain at current levels

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Income statement (continued)

Dividend per share

▲ 11%

£m	Jun 16	Jun 15	Growth: Reported	Growth: Constant Exchange
Effective tax rate	**27.7%**	27.5%		
Adjusted profit for the period*	**152.3**	135.6	12%	9%
Adjusted earnings per share*	**46.2p**	41.4p	12%	8%
Dividend per share	**13.0p**	11.75p	11%	
Reported tax rate	**28.4%**	28.6%		
Profit for the period	**111.4**	105.1		
Basic earnings per share	**33.8**	32.1		

** Before customer relationship amortisation, acquisition related costs and the associated taxation – see Appendix 2*

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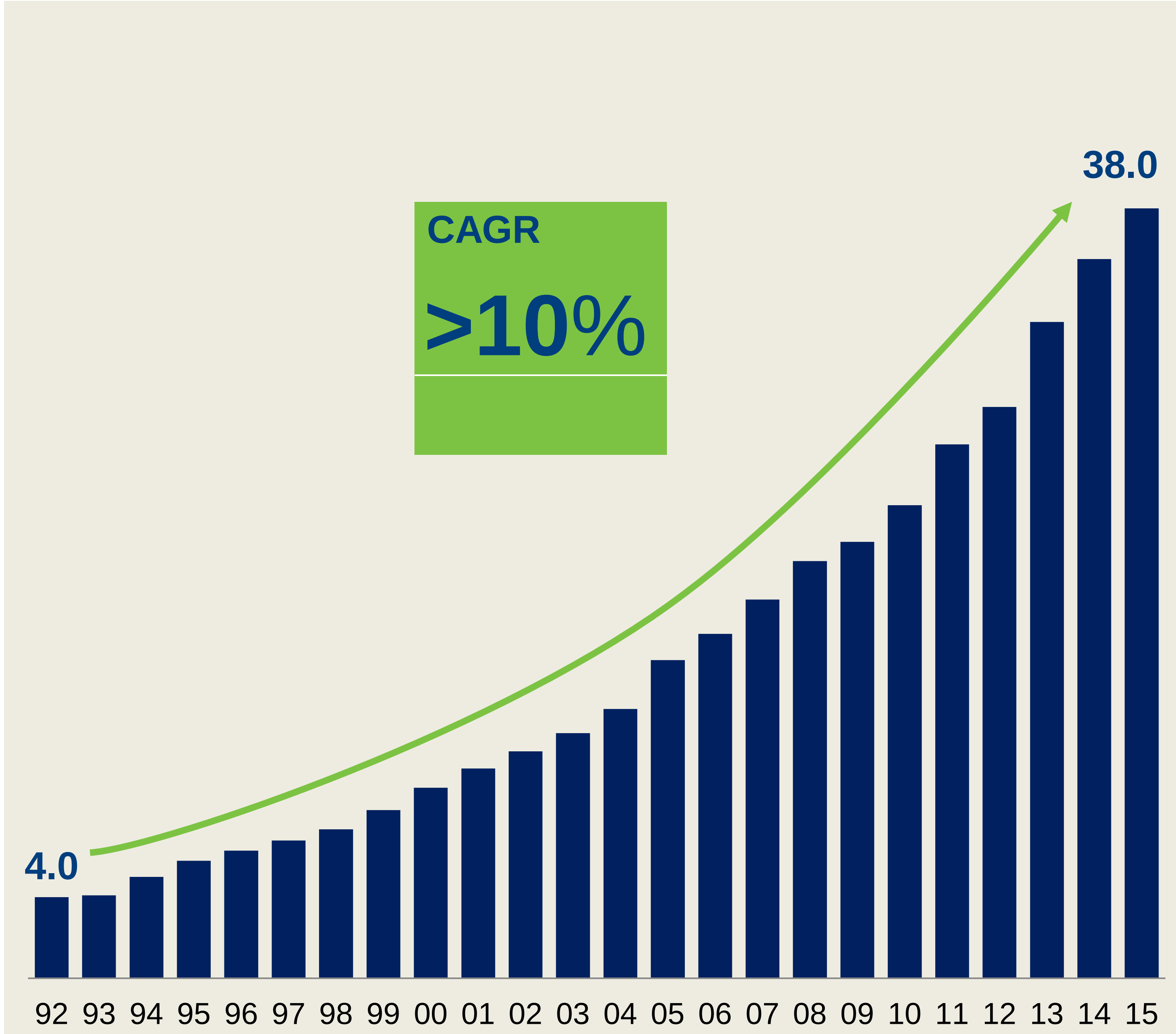
Dividend per share (p)

23 years

of consecutive dividend increases



Balance sheet

Return on average operating capital

55.4%

£m	Jun 16	Dec 15
Intangibles	**1,861.4**	1,647.8
Tangibles	**117.1**	110.9
Working capital	**766.3**	655.0
Other liabilities	**(337.3)**	(250.2)
	2,407.5	2,163.5
Pension deficit	**(69.8)**	(40.0)
Net Debt*	**(1,168.8)**	(1,107.2)
Equity	**1,168.9**	1,016.3
Net Debt/EBITDA	**2.1x**	2.1x
Return on average operating capital	**55.4%**	55.5%

* See Appendix 3

Intangibles

- Increase from exchange impact of £181.8m and acquisitions of £67.1m, partially offset by amortisation

Working capital

- Increase primarily from exchange rate movements

Pension deficit

- Deficit increased by £29.8m primarily due to a net actuarial loss from a reduction in discount rates

Net debt

- Increase mainly from exchange translation of £86.2 million, partly offset by a net cash inflow of £24.6m

Cash flow

Free cash flow

▲ 14%

£m	Jun 16	Jun 15
Operating cash flow*	**226.9**	199.7
Interest	**(20.8)**	(20.0)
Tax	**(53.2)**	(45.5)
Free cash flow	**152.9**	134.2
Dividends	**(38.6)**	(36.0)
Acquisitions	**(98.3)**	(263.1)
Employee share schemes	**8.6**	(45.0)
Net cash flow	**24.6**	(209.9)
Operating cash flow* to adjusted operating profit†	**97%**	96%

** Before acquisition related costs - See Appendix 4*
† Before customer relationship amortisation and acquisition related costs – See Appendix 2

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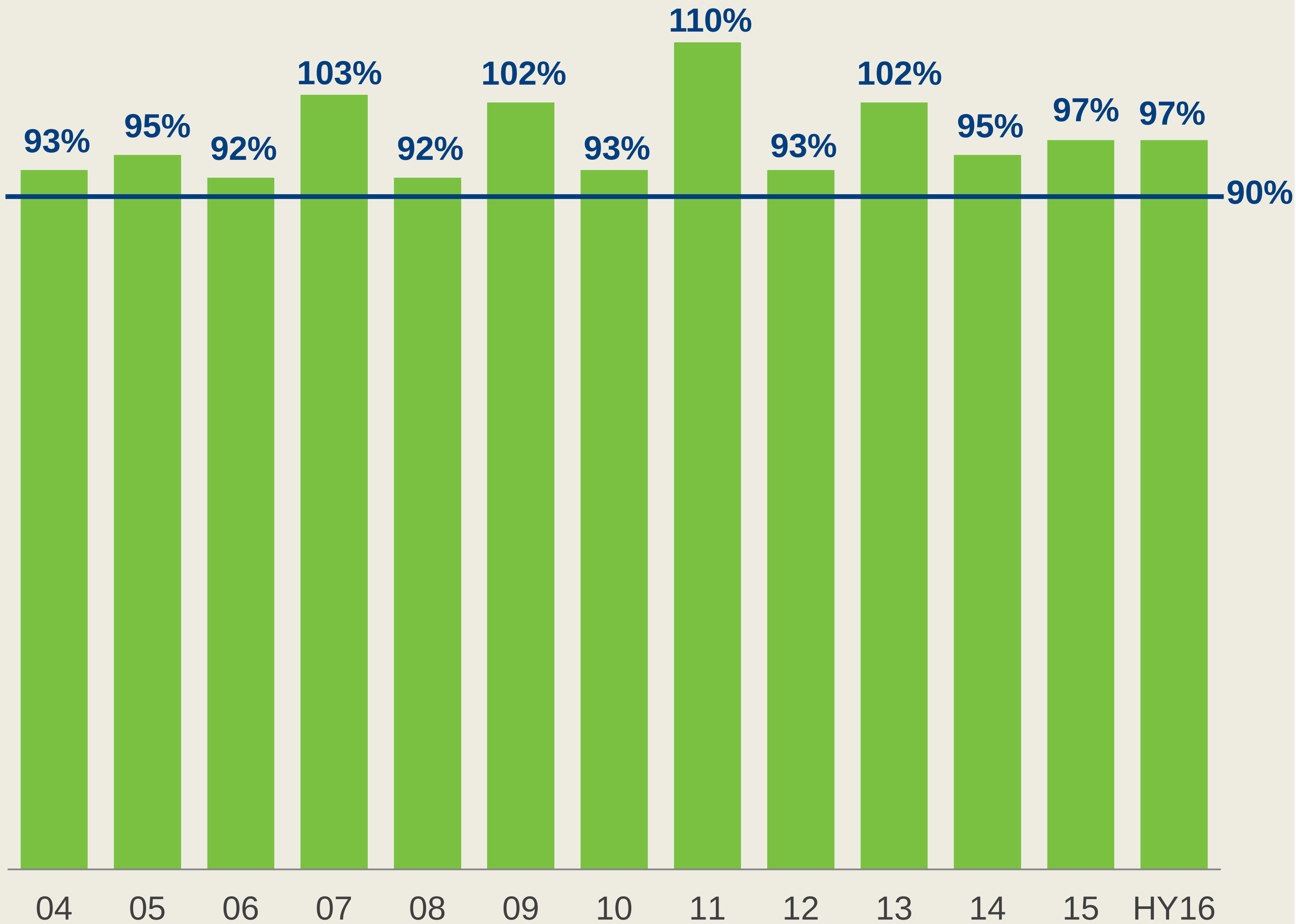
Cash conversion



Average cash conversion*

97%

** Operating cash flow before acquisition related costs to adjusted operating profit – See Appendix 2 and 4*
04 - 05 continuing operations only

Uses of free cash since 2004

Dividends

£917m

- Dividend per share CAGR >10% (2004 – 2015)
- Stable dividend cover – c.2.5x

Acquisitions

£2.4bn

- 130 acquisitions since 2004
- Self-funded

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Financial summary

Revenue and Operating profit	Revenue ▲6%†	Adjusted operating profit* ▲9%†	Operating profit margin* ▲20bp†
Cash flow and Capital management	Free cash flow ▲14%	Cash conversion** 97%	ROACE 55.4%
EPS and Dividend	Adjusted EPS* ▲8%† ▲ 12% at actual exchange rates	Dividend per share ▲11% 23 years of growth	

† At constant exchange rates
* Before customer relationship amortisation, acquisition related costs and the associated taxation – See Appendix 2
** Operating cash flow before acquisition related costs to adjusted operating profit – See Appendix 2 and 4

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Business review

Frank van Zanten

Chief Executive

Business review

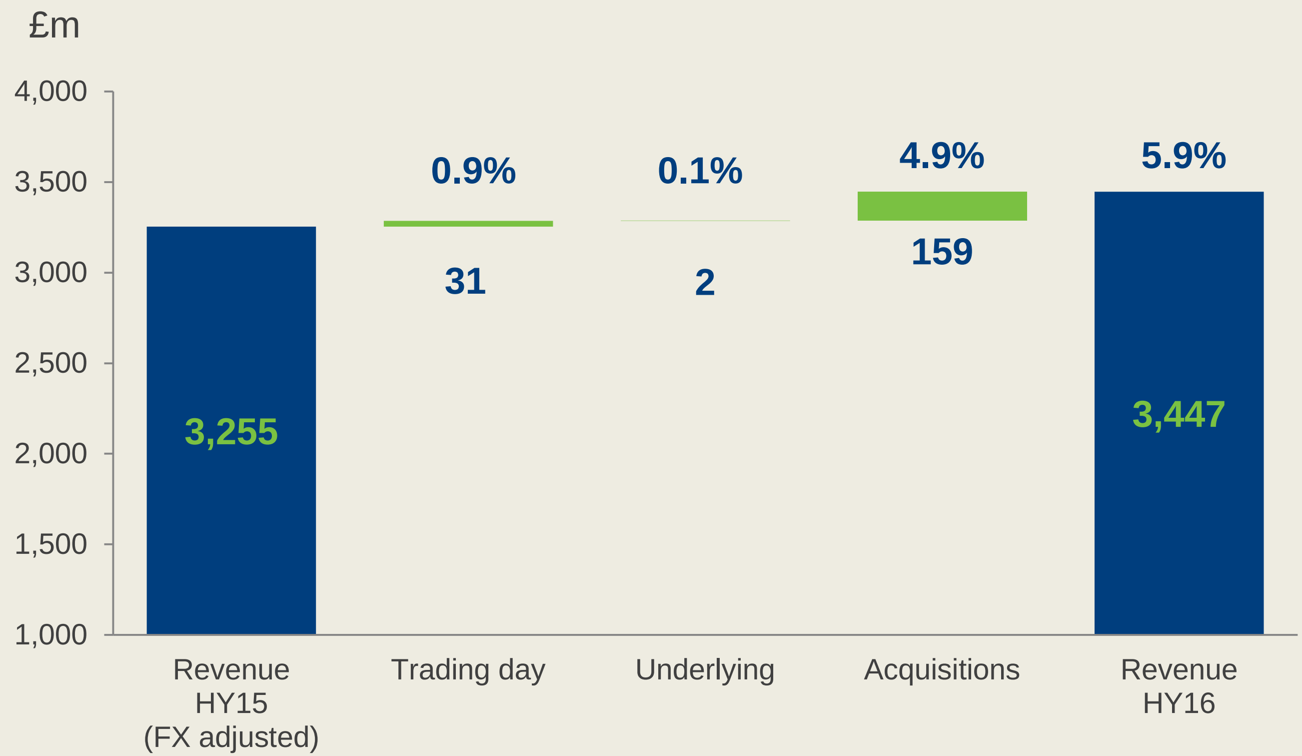
1 Operations review

2 Prospects

3 Initial observations

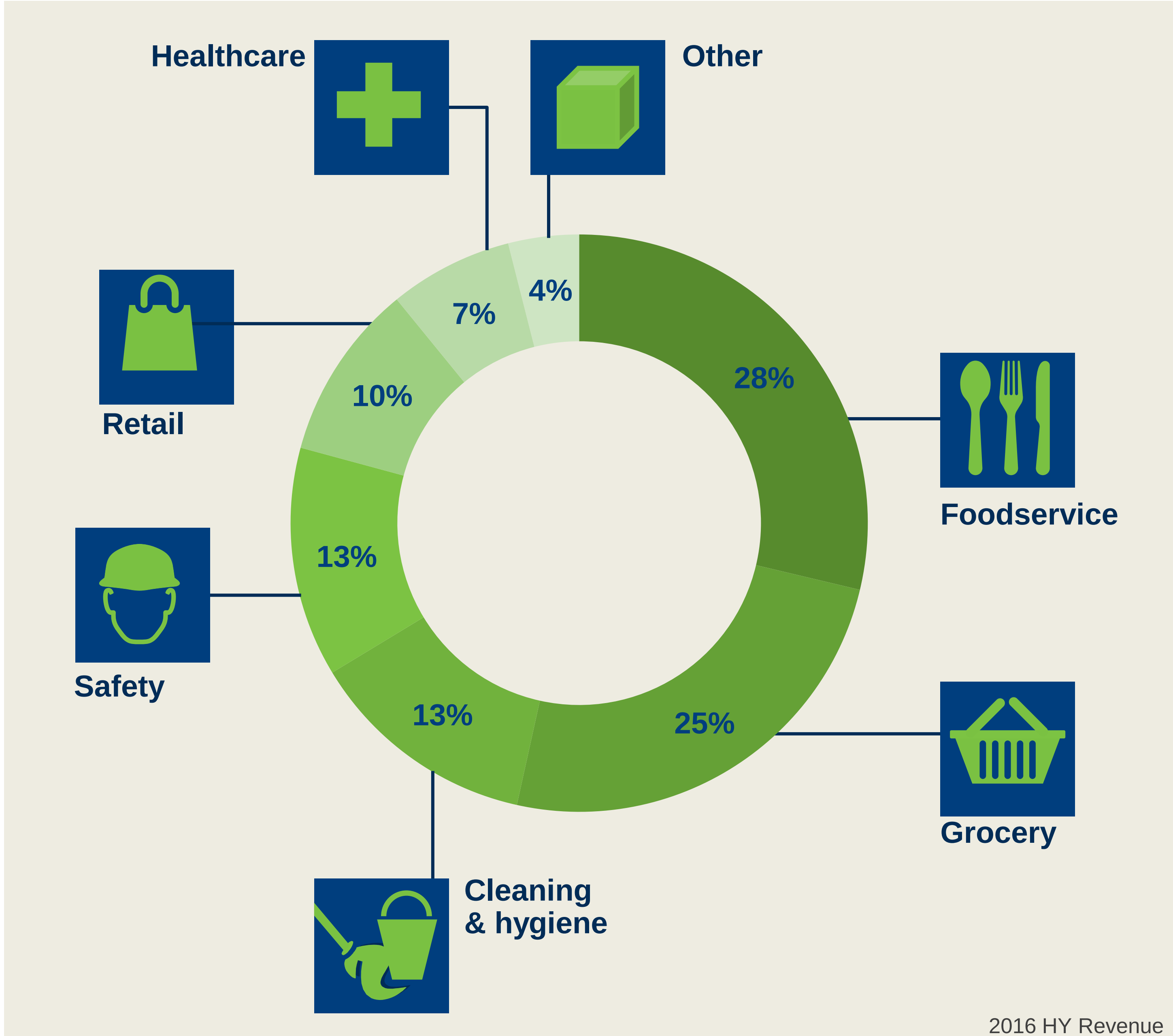
4 Strategy

Revenue growth



Revenue by customer markets

c. 73% resilient
Foodservice
Grocery
Cleaning & hygiene
Healthcare



Business area analysis

Well diversified by geography and sector

Over 85% of Group revenue and profit generated outside the UK

NORTH AMERICA

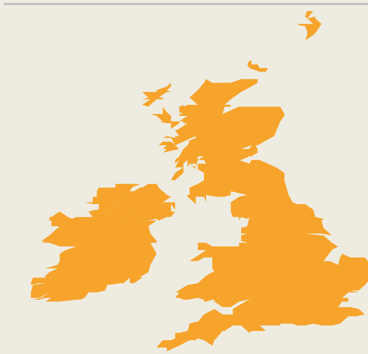
58% Revenue

52% Adjusted operating profit*

CONTINENTAL EUROPE

19% Revenue

25% Adjusted operating profit*



UK & IRELAND

15% Revenue

15% Adjusted operating profit*

REST OF WORLD

8% Revenue

8% Adjusted operating profit*

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

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North America

£m	June 16	June 15†	Growth Reported	Growth Constant Exchange
Revenue	**1,997.8**	1,807.5	11%	5%
Adjusted operating profit*	**128.1**	111.3	15%	10%
Operating margin*	**6.4%**	6.2%		
Return on operating capital	**57.5%**	58.3%		

- Revenue increase from recent acquisitions and improved underlying growth with operating margin* up 30bp at constant exchange rates
- Grocery remains stable despite deflationary pressures
- Redistribution growth from category management programmes
- Safety impacted by downturn in the oil and gas sector
- Strong growth in businesses serving food processor, convenience store and agriculture sectors
- Continue to leverage our national distribution platform in Canada

* *Before customer relationship amortisation and acquisition related costs*
† *Restated to reflect the internal transfer of a business from Continental Europe*

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Continental Europe

			Growth	
£m	**June 16**	June 15†	Reported	Constant Exchange
Revenue	**638.6**	530.7	20%	13%
Adjusted operating profit*	**60.5**	48.0	26%	18%
Operating margin*	**9.5%**	9.0%		
Return on operating capital	**57.8%**	54.7%		

- Significant revenue and profit growth, principally driven by acquisitions, with operating margin* up 50bp at constant exchange rates
- Increased sales in cleaning & hygiene and safety with reductions in operating costs improved profits in France
- Growth in the Netherlands with increased margins
- Strong growth in Germany and expansion in healthcare through acquisition
- Further improvement in Spain and central Europe
- Good growth and expansion in Turkey

* *Before customer relationship amortisation and acquisition related costs*
† *Restated to reflect the internal transfer of a business to North America*

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UK & Ireland

£m	June 16	June 15	Growth Reported	Growth Constant Exchange
Revenue	**523.4**	535.1	(2)%	(3)%
Adjusted operating profit*	**36.0**	37.3	(3)%	(4)%
Operating margin*	**6.9%**	7.0%		
Return on operating capital	**100.4%**	106.8%		

- Weaker performance
- Improved profitability in safety
- Resilient performance from cleaning & hygiene
- Food retail rebased following previously announced account loss; non-food retail performing well
- Hospitality impacted by reduced activity and investment by its customers
- Solid growth in healthcare despite increased customer focus on cost savings
- Excellent performance in Ireland, particularly in hospitality

* *Before customer relationship amortisation and acquisition related costs*

Rest of the World

£m	June 16	June 15	Growth: Reported	Growth: Constant Exchange
Revenue	**287.0**	261.9	10%	15%
Adjusted operating profit*	**21.0**	22.0	(5)%	5%
Operating margin*	**7.3%**	8.4%		
Return on operating capital	**29.1%**	37.6%		

- Margins remain under pressure due to macroeconomic conditions and currency weakness
- Significant benefit from acquisitions, particularly in Latin America
- Latin America
  - Weaker performance in Brazil
  - Other businesses generally trading ahead of expectations
- Australasia
  - Market conditions remain challenging

** Before customer relationship amortisation and acquisition related costs*

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Prospects

- Group – continued growth due to strong competitive position and opportunities to consolidate markets further
- The recent weakening of sterling will have a significant positive effect on reported results at current exchange rates
- North America – good performance from recent acquisitions and improved organic growth
- Continental Europe – strong performance due to the benefit of acquisitions and continued organic growth
- UK & Ireland – progress held back principally due to ongoing pressure in grocery sector and subdued macroeconomic conditions in the UK
- Rest of World – benefit from recent acquisitions and more stable local currencies
- Strong balance sheet and active acquisition pipeline - expect to complete more transactions during the rest of the year

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Initial observations as Chief Executive

Good potential to grow both organically and by acquisition

Excellent business model	Experienced management team	Proven strategy
Strong balance sheet and cash flow	Continue to invest in IT and digital	Collaboration and best practice

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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

Business improvement

Daily focus on making our business better and more efficient

Acquisition growth

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

ROIC

17.0%

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What makes Bunzl different and unique?

Global market leadership position

Organic growth

Market growth drivers

- Exposed to growing sectors including:
  - Foodservice – away from home activity
  - Cleaning & hygiene – away from home activity
  - Healthcare – ageing population
  - Safety – increased regulation and compliance
- Trend to outsourcing (particularly grocery and retail)

Growing market share

- Sell more products to existing customers (‘filling the gap’)
- Expand product range
- Win new customers
- Leveraging our competitive advantage
- Market leading customers

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Operating model efficiencies

Small improvements every day everywhere lead to significant progress over time

Consolidating warehouses

- Close smaller & less efficient facilities
- Continually evaluate & upgrade warehousing

ERP implementations

- Warehouse management systems
- Vehicle routing systems
- CRM systems

Digital

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

Sharing best practice

- Make use of collective resources, experience & expertise
- Collaborate between different businesses

Global purchasing

- Substantial purchasing synergies with suppliers
- Benefit from Bunzl Shanghai sourcing facility

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

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Acquisition growth

Since 2004 130 acquisitions and total committed spend of £2.4bn

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016 ytd
Number of acquisitions	7	7	9	8	7	2	9	10	13	11	17	22	8
Committed acquisition spend (£m)	302	129	162	197	123	6	126	185	277	295	211	327	101
Annualised acquisition revenue (£m)	430	270	386	225	151	27	154	204	518	281	223	324	104

04-05 continuing operations only

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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					●	●
Switzerland						
Austria		●	●	●	●	●
Czech Republic	●		●	●	●	●
Romania	●				●	●
Hungary					●	●
Slovakia			●	●	●	●
Israel		●	●	●	●	●
Turkey		●	●		●	●
Brazil	●	●			●	
Chile		●	●		●	●
Colombia	●	●	●		●	●
Argentina	●	●	●		●	●
Peru	●	●	●		●	●
Uruguay	●	●	●		●	●
Australia						
New Zealand					●	
Hong Kong	●	●	●	●		●

● No existing presence

Geographic expansion

Significant scope for future geographic expansion

1997*	2003*	2005*	2012	2016
7 countries	**12** countries	**18** countries	**27** countries	**29** countries

Some potential new country opportunities

China

Sweden

Singapore

Finland

Poland

Norway

* Continuing operations only

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Acquisition growth 2016

£101m

committed spend ytd with active pipeline

Business	Acquired	Country	Sector	Revenue*
Earthwise Bag	February	USA	Grocery	£13m
Bursa Pazari	March	Turkey	Foodservice	£32m
Inkozell & Mo Ha Ge	May	Germany	Healthcare	£18m
Classic Bag	May	UK	Retail	£8m
Polaris Chemicals	May	Belgium	Cleaning & hygiene	£3m
Plus II	July	Canada	Cleaning & hygiene	£17m
Apex	July	Canada	Cleaning & hygiene	£6m
Silwell	July†	Hungary	Foodservice	£7m

Expect to complete further transactions during remainder of 2016

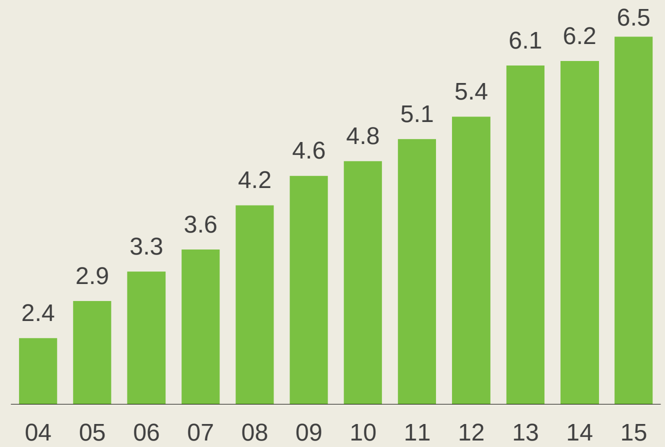
* *Annualised and converted at average June ytd exchange rates*
† *Acquisition agreement entered into in July 2016 with completion expected at the end of September 2016*

Financial track record 2004 - 2015

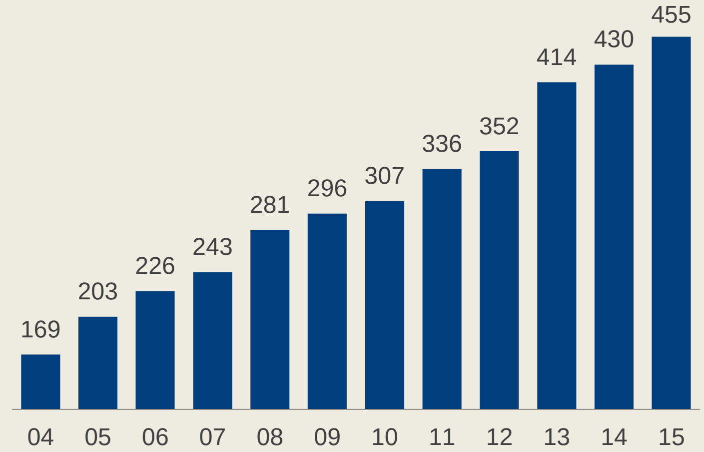
9%-10%

CAGR

Revenue (£bn)

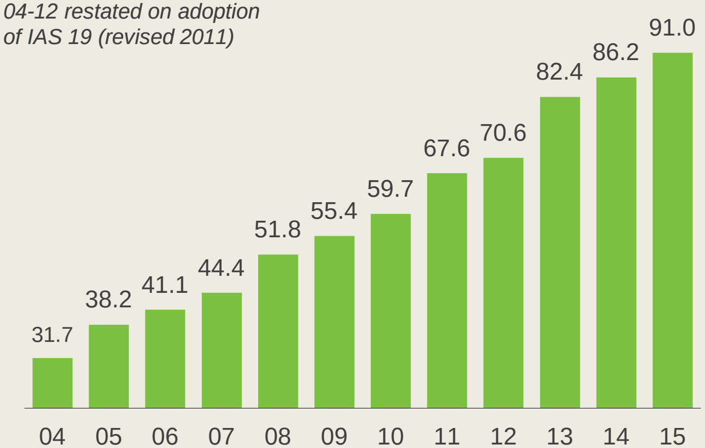


Adjusted operating profit* (£m)

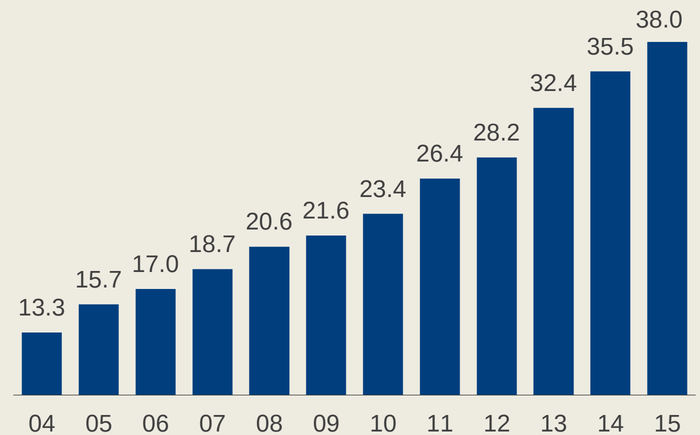


Adjusted eps* (p)

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



Dividend per share (p)



04-05 continuing operations only

** Before customer relationship amortisation, acquisition related costs and associated taxation – see Appendix 2*

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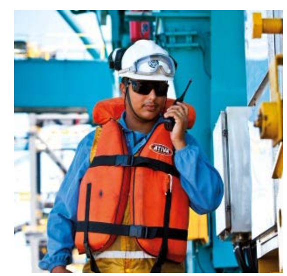
Appendices



Appendix 1

Exchange rates

	June 16	June 15
Average rate		
US $	**1.43**	1.52
Euro	**1.28**	1.37
Canadian $	**1.91**	1.88
Brazilian real	**5.30**	4.52
Australian $	**1.95**	1.95
Closing rate		
US $	**1.34**	1.57
Euro	**1.20**	1.41
Canadian $	**1.74**	1.96
Brazilian real	**4.28**	4.89
Australian $	**1.80**	2.05

Appendix 2

Reconciliation between GAAP and alternative performance measures

£m	June 16	June 15
Operating profit	**180.1**	168.5
Adjusted for:		
Customer relationship amortisation	**38.2**	32.7
Acquisition related costs	**16.8**	7.2
Adjusted operating profit	**235.1**	208.4
Operating margin	**6.8%**	6.6%
Net finance cost	**(24.5)**	(21.4)
Adjusted profit before income tax	**210.6**	187.0
Tax on adjusted profit	**(58.3)**	(51.4)
Adjusted profit for the period	**152.3**	135.6
Adjusted earnings per share	**46.2p**	41.4p

See Appendix 12 for further details

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Appendix 3

Net debt

£m	Six months to June 16	Year to Dec 15	Six months to June 15
Opening net debt	**(1,107.2)**	(877.4)	(877.4)
Net cash inflow / (outflow)	**24.6**	(206.6)	(209.9)
Currency translation	**(86.2)**	(23.2)	20.0
Closing net debt	**(1,168.8)**	(1,107.2)	(1,067.3)

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Appendix 4

Cash flow

£m	June 16	June 15
Operating profit	**180.1**	168.5
Customer relationship amortisation	**38.2**	32.7
Acquisition related costs	**16.8**	7.2
Adjusted operating profit*	**235.1**	208.4
Depreciation and software amortisation	**12.9**	12.2
Working capital movement	**(14.0)**	(11.3)
Other	**3.6**	1.4
Cash flow from operations	**237.6**	210.7
Net capital expenditure	**(10.7)**	(11.0)
Operating cash flow	**226.9**	199.7
Operating cash flow to adjusted operating profit*	**97%**	96%

Before customer relationship amortisation and acquisition related costs

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Appendix 5

Historical data

£m	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
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
Adjusted operating profit*	169	203	226	243	281	296	307	336	352	414	430	455
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

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

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Appendix 6

Business model

One-stop-shop for non-food consumables

Appendix 7

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

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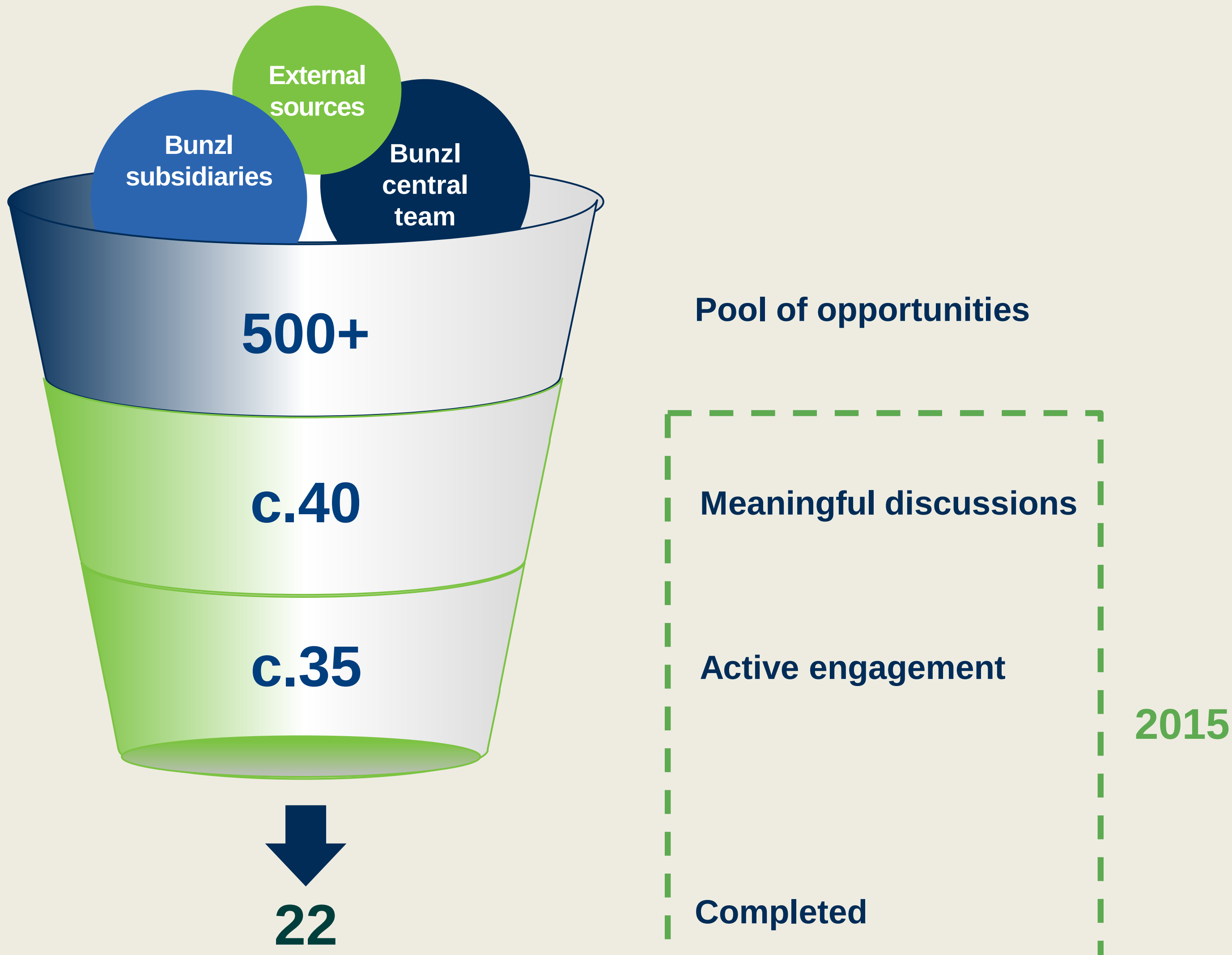
Appendix 8

2015 acquisition pipeline conversion



Appendix 9

Acquisition discipline

130
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

Appendix 10

Annualised acquisition revenue

Acquisitions across all business areas

£m	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016 ytd
North America	115	198	103	15	-	-	35	7	410	89	84	153	**36**
Continental Europe	301	61	7	100	52	-	115	96	23	5	46	98	**60**
UK & Ireland	-	2	267	110	39	27	-	39	16	32	40	-	**8**
Rest of the World	14	9	9	-	60	-	4	62	69	155	53	73	**-**
Group	430	270	386	225	151	27	154	204	518	281	223	324	**104**

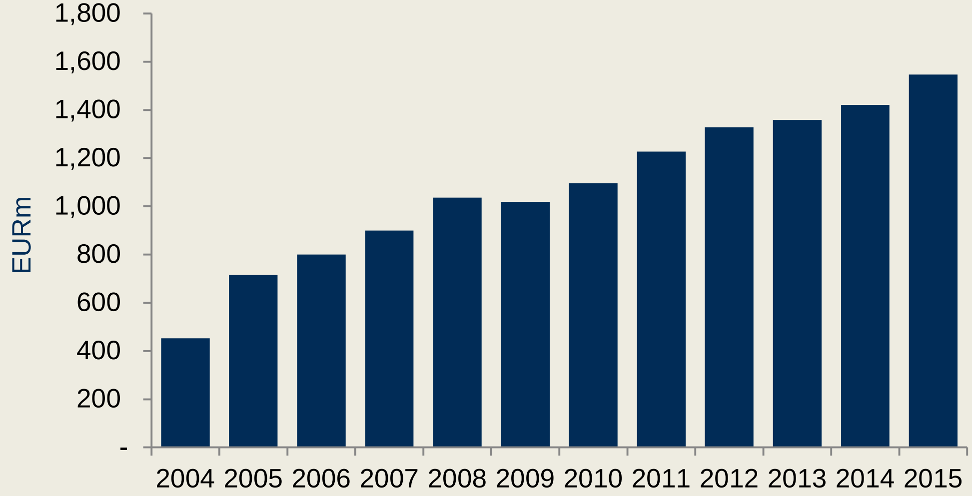
04-05 continuing operations only

Leading spend in year

Appendix 11

Continental Europe development

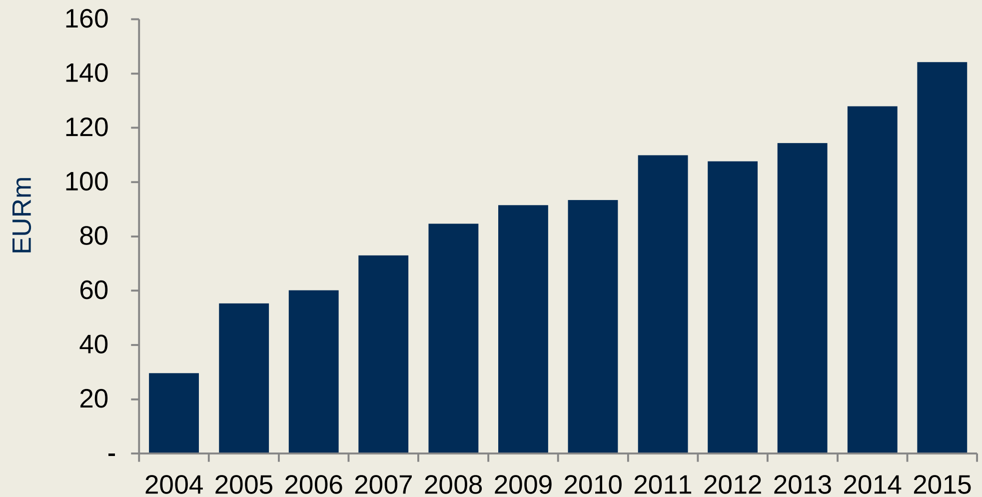
Revenue



CAGR

12%

Adjusted operating profit



CAGR

15%

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Appendix 12

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;
- adjusted earnings per share.

These measures exclude the charge for customer relationship amortisation, acquisition related costs and any associated tax, where relevant. 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 between reporting periods. Accordingly, these items are removed in calculating the profitability measures by which management assess the performance of the Group.

All alternative performance measures in this presentation have been calculated consistently with the methods applied and disclosed in the 2015 Annual Report. Further information and reconciliations to equivalent IFRS measures are also included in the half yearly financial report for the six months ended 30 June 2016.

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