



2017 HALF YEAR RESULTS

AUGUST 2017





INTRODUCTION: FRANK VAN ZANTEN CHIEF EXECUTIVE



HIGHLIGHTS

**STRONG PICK UP IN ORGANIC
GROWTH TO 3.7%**

**RECORD COMMITTED
ACQUISITION SPEND
OF £546m**

**ADJUSTED EARNINGS PER SHARE*
UP 7%[◇]**

DIVIDEND PER SHARE UP 8%

* Before adjusting items (customer relationships amortisation and acquisition related items) and associated taxation - see Appendix 2 and Appendix 3
◇ At constant exchange rates



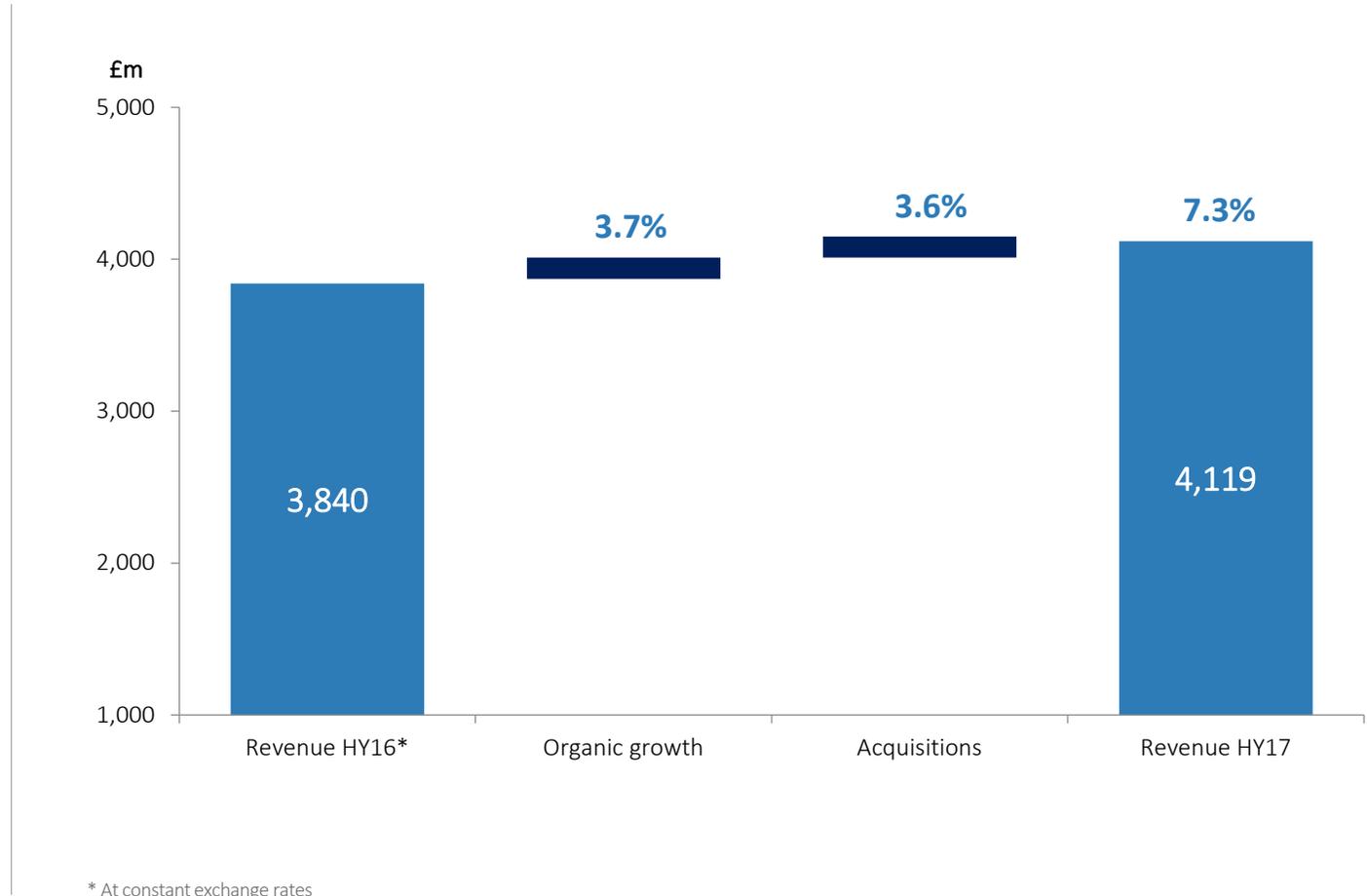
FINANCIAL RESULTS: BRIAN MAY FINANCE DIRECTOR



REVENUE GROWTH

Organic growth

3.7%



* At constant exchange rates

INCOME STATEMENT

£m	JUNE 17	JUNE 16	GROWTH	
			REPORTED	CONSTANT EXCHANGE
Revenue	4,119.2	3,446.8	20%	7%
Adjusted operating profit*	272.6	235.1	16%	4%
Operating margin*	6.6%	6.8%		
Adjusting items [◇]	(66.4)	(55.0)		
Operating profit	206.2	180.1		
Net finance expense	(24.3)	(24.5)		
Adjusted profit before income tax*	248.3	210.6	18%	5%
Profit before income tax	181.9	155.6		

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

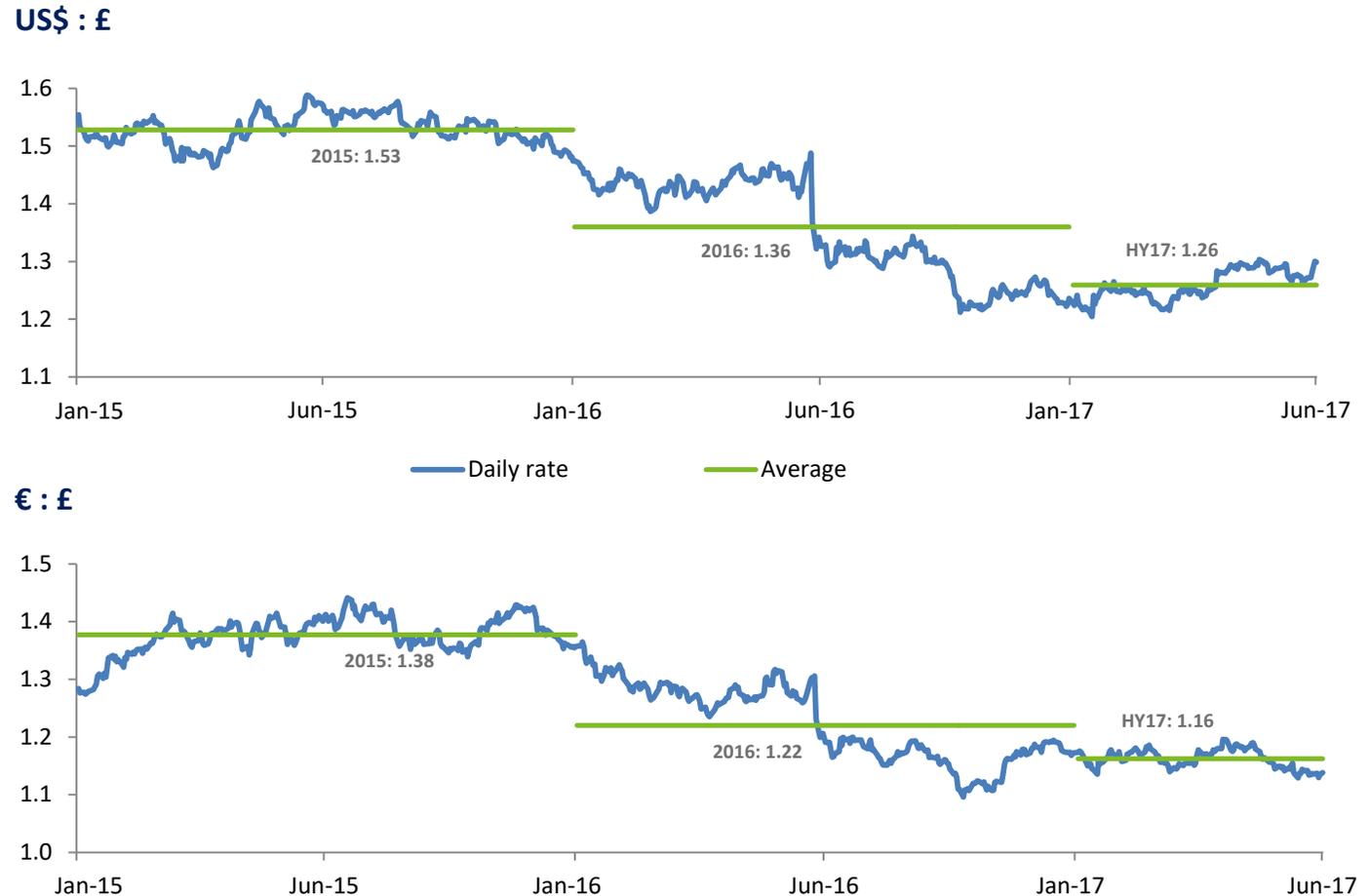
◇ See Appendix 3

FOREIGN EXCHANGE IMPACT

H1 2017 translation impact

+c. 12%

Transaction impact largely offset



INCOME STATEMENT (CONTINUED)

£m	JUNE 17	JUNE 16	GROWTH	
			REPORTED	CONSTANT EXCHANGE
Effective tax rate	26.9%	27.7%		
Adjusted profit for the period*	181.5	152.3	19%	7%
Adjusted earnings per share*	55.1p	46.2p	19%	7%
Dividend per share	14.0p	13.0p	8%	
Reported tax rate	27.6%	28.4%		
Profit for the period	131.7	111.4		
Basic earnings per share	40.0p	33.8p		

* Before adjusting items (customer relationships amortisation and acquisition related items) and the associated taxation - see Appendix 2 and Appendix 3

DIVIDEND PER SHARE (p)

24 years

of consecutive
dividend increases



BALANCE SHEET

Return on average operating capital

54.3%

£m	JUNE 17	DEC 16
Intangibles	2,140.6	1,947.6
Tangibles	122.6	123.3
Working capital	888.7	819.0
Other liabilities	<u>(394.3)</u>	<u>(264.7)</u>
	2,757.6	2,625.2
Pension deficit	(78.7)	(84.1)
Net debt*	<u>(1,402.5)</u>	<u>(1,228.6)</u>
Equity	1,276.4	1,312.5
Net debt / EBITDA	2.2x	2.0x
Return on average operating capital	54.3%	55.9%

* See Appendix 4

INTANGIBLES

Increase from acquisitions of £258m partly offset by exchange and amortisation

WORKING CAPITAL

Increase primarily from acquisitions, with small underlying increase

NET DEBT

Increase of £174m due to a net cash outflow of £198m, partly offset by gains from exchange translation of £24m

CASH FLOW

Free cash flow

 **23%**

£m	JUNE 17	JUNE 16
Operating cash flow*	262.2	226.9
Net interest	(21.7)	(20.8)
Tax	(53.1)	(53.2)
Free cash flow	187.4	152.9
Dividends	(42.8)	(38.6)
Acquisitions	(312.0)	(98.3)
Employee share schemes	(30.2)	8.6
Net cash flow	(197.6)	24.6
Cash conversion[◇] %	96%	97%

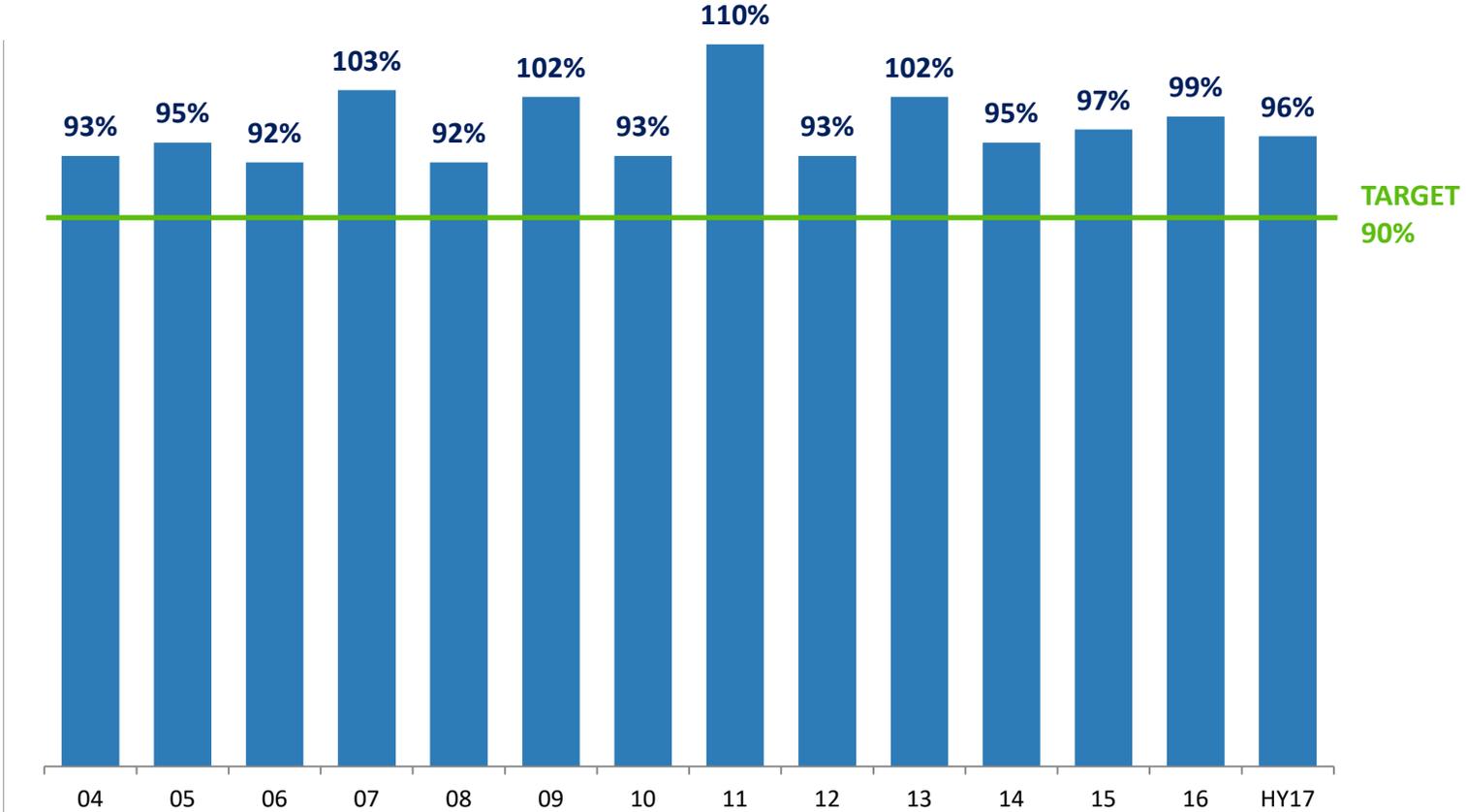
* Before acquisition related items - see Appendix 5

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

CASH CONVERSION

Average cash conversion*

97%



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

USES OF FREE CASH FLOW 2004 – HY17

Consistently strong free cash flow supports long term growth

DIVIDENDS

£1.0bn

DIVIDEND PER SHARE CAGR >10%

STABLE DIVIDEND COVER c. 2.5x[◇]

ACQUISITIONS

£2.7bn

147* ACQUISITIONS SINCE 2004

SELF-FUNDED

* Includes the acquisition of HSEF in August 2017 and the proposed acquisition of Hedis group (subject to competition clearance) for which there has yet to be a cash outflow
◇ Based on adjusted earnings per share

FINANCIAL SUMMARY



[◇] At constant exchange rates

* Before adjusting items (customer relationships amortisation and acquisition related items) and the associated taxation where relevant - see Appendix 2 and Appendix 3

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



BUSINESS REVIEW: FRANK VAN ZANTEN CHIEF EXECUTIVE

- Operations review
- Prospects
- Strategy

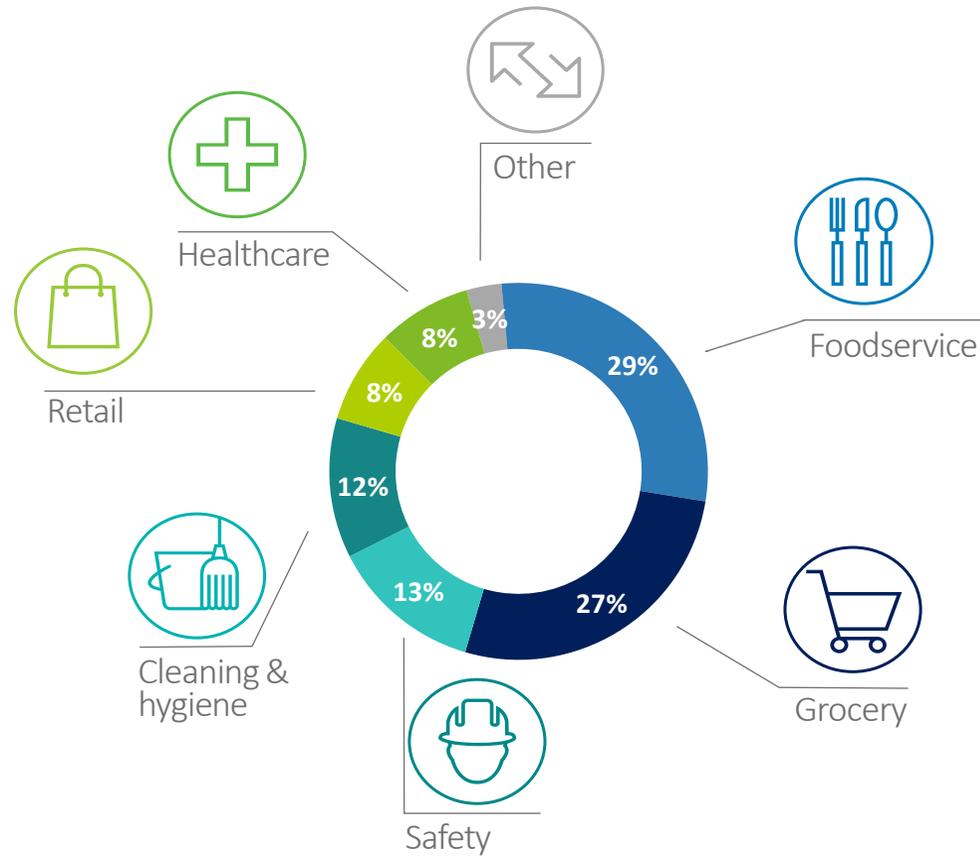


REVENUE BY CUSTOMER MARKETS

76%

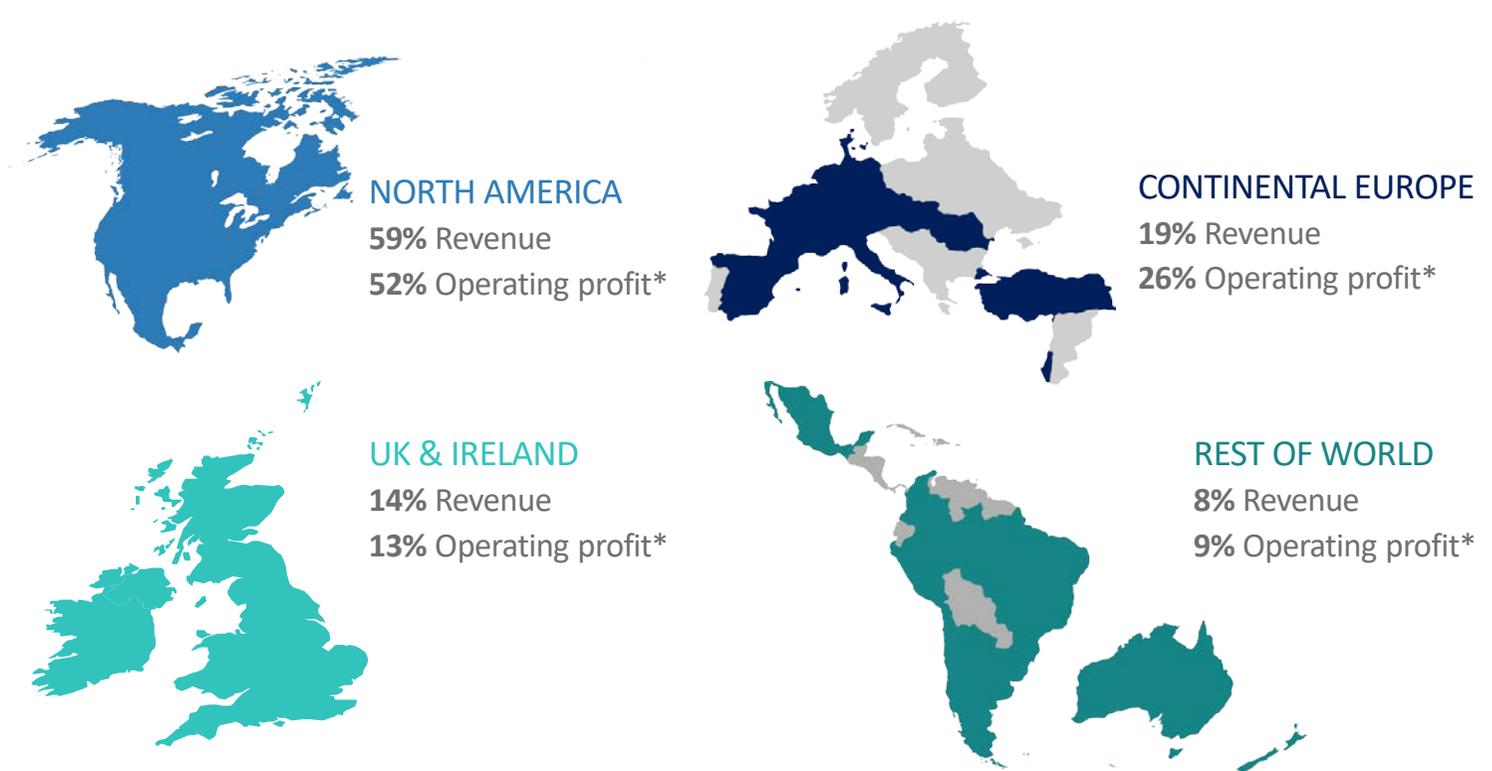
resilient

Foodservice
Grocery
Cleaning & hygiene
Healthcare



BUSINESS AREA ANALYSIS

Well diversified
by geography
and sector



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

NORTH AMERICA



£m	JUNE 17	JUNE 16	GROWTH	
			REPORTED	CONSTANT EXCHANGE
Revenue	2,432.6	1,997.8	22%	7%
Adjusted operating profit*	148.0	128.1	16%	2%
Operating margin*	6.1%	6.4%		
Return on operating capital	55.5%	57.5%		

- Revenue increase driven by strong improvement in organic growth
- Growth in grocery from substantial increase in business with existing customer, albeit at lower margins
- Significant expansion in retail supplies through acquisition of DDS
- Redistribution growth from category management programmes
- Safety boosted by purchase of Kishigo
- Further expansion and development in Canada

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

CONTINENTAL EUROPE

£m	JUNE 17	JUNE 16	GROWTH	
			REPORTED	CONSTANT EXCHANGE
Revenue	769.0	638.6	20%	9%
Adjusted operating profit*	73.1	60.5	21%	10%
Operating margin*	9.5%	9.5%		
Return on operating capital	59.1%	57.8%		

- Strong increases in revenue and profit with stable operating margin (+10bp at constant exchange rates)
- Marginal sales decline in cleaning & hygiene in France
- Significant growth in Spain
- Expansion into safety in Italy through purchase of Neri
- Substantial proposed acquisition of Hedis group in France

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

UK & IRELAND

£m	JUNE 17	JUNE 16	GROWTH	
			REPORTED	CONSTANT EXCHANGE
Revenue	566.1	523.4	8%	7%
Adjusted operating profit*	37.9	36.0	5%	4%
Operating margin*	6.7%	6.9%		
Return on operating capital	94.7%	100.4%		

- Trading in safety affected by subdued marketplace
- Revenue and profit increase in cleaning & hygiene
- Food retail recovering following account loss in 2016; non-food retail boosted by acquisition of Woodway
- Growth in hospitality from contract wins and expansion of business with existing customers
- Healthcare held back by difficult market conditions
- Good growth in Ireland across all sectors

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

REST OF THE WORLD

£m	JUNE 17	JUNE 16	GROWTH	
			REPORTED	CONSTANT EXCHANGE
Revenue	351.5	287.0	22%	2%
Adjusted operating profit*	25.1	21.0	20%	(1)%
Operating margin*	7.1%	7.3%		
Return on operating capital	30.9%	29.1%		

- Latin America
 - Some recovery in Brazil with mixed performance elsewhere
- Australasia
 - Continued improvement in market conditions
- Asia
 - Expansion in Asia through acquisitions in Singapore and China

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

PROSPECTS

Group – further growth from strong market position, improved levels of organic growth and ongoing benefit from acquisitions

North America – combination of recent acquisitions and improved organic growth should result in a good performance for the year

Continental Europe – strong performance expected due to the benefit of acquisitions and continued organic growth

UK & Ireland – good progress despite ongoing uncertainty in some markets due to impact of acquisitions and benefit of previously announced account win

Rest of the World – although market conditions will remain variable, further progress expected

CONSISTENT AND PROVEN COMPOUNDING STRATEGY



High ROIC
despite
significant
acquisition
spend



**ROIC
16.4%**

ACQUISITION GROWTH

Record level of
committed
acquisition spend

£546m

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017 ytd*
Number of acquisitions	7	7	9	8	7	2	9	10	13	11	17	22	14	11
Committed acquisition spend (£m)	302	129	162	197	123	6	126	185	277	295	211	327	184	546
Annualised acquisition revenue (£m)	430	270	386	225	151	27	154	204	518	281	223	324	201	543

* Includes a binding offer made for Hedis group, the acquisition of which is subject to competition clearance
04-05 continuing operations only

ACQUISITION GROWTH 2017 YTD

£543m

revenue acquired

EXISTING MARKETS

Business	Country	Sector	Revenue	Acquired
Packaging Film Sales	 USA	Foodservice	£5m	January
Kishigo	 USA	Safety	£26m	March
DDS	 USA	Retail	£248m	May
AMFAS	 Canada	Safety	£6m	May
Western Safety	 Canada	Safety	£4m	May
Tecnopacking	 Spain	Foodservice; Retail; Other	£37m	May
Pixel Inspiration	 UK	Retail	£7m	June
Hedis Group*	 France	Cleaning & hygiene; Foodservice	£138m	TBC

NEW MARKETS

Business	Country	Sector	Revenue	Acquired
LSH	 Singapore	Safety	£5m	January
Neri	 Italy	Safety	£41m	March
HSESF	 China	Safety	£26m	August

* Binding offer made; subject to competition clearance

ACQUISITION SNAPSHOT

Two larger acquisitions in existing markets with synergies



DDS

- Completed in May 2017
- Based in Minneapolis, USA with revenue of £248m
- Supplies a wide range of packaging, consumables and operating store supplies to the retail sector, primarily in North America
- Complements existing retail business by providing additional merchandising and delivery capabilities to multi-channel retailers

HEDIS GROUP

- Binding offer July 2017, subject to competition clearance with completion anticipated by the end of 2017
- Based in France with revenue of £138m
- Strengthens position in cleaning & hygiene sector
- Entry into the catering equipment sector



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	•		•		•	•

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

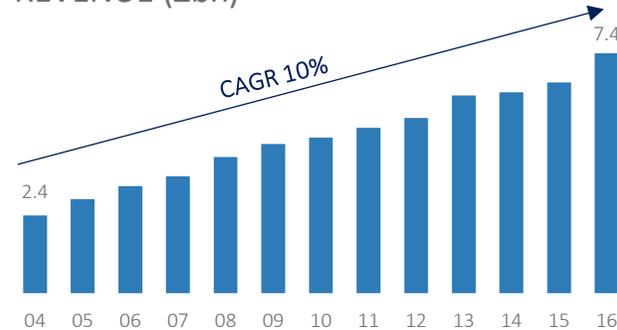
• No existing presence

FINANCIAL TRACK RECORD 2004-2016

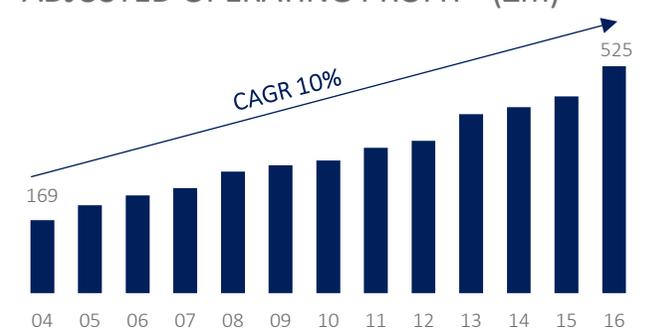
Proven compounding growth strategy

CAGR
10%-11%

REVENUE (£bn)

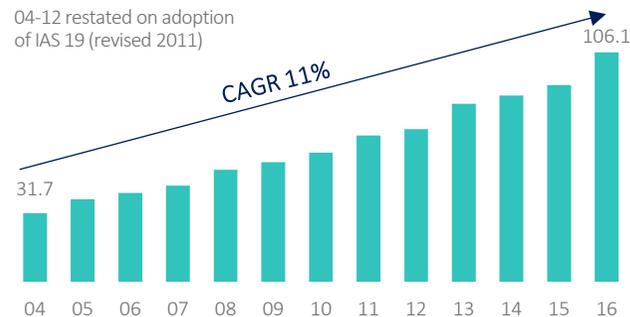


ADJUSTED OPERATING PROFIT* (£m)

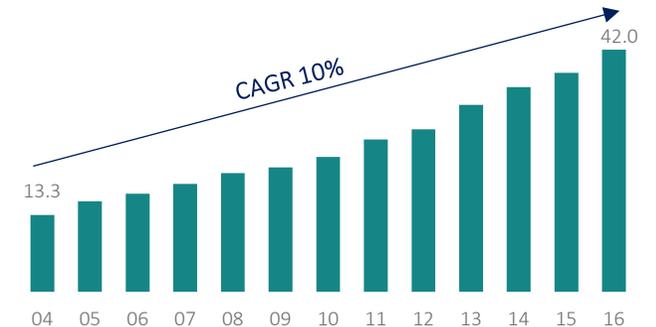


ADJUSTED EPS* (p)

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



DIVIDEND PER SHARE (p)



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



APPENDICES



APPENDIX 1

EXCHANGE RATES

	JUNE 17	JUNE 16
<u>Average rate</u>		
US\$	1.26	1.43
Euro	1.16	1.28
Canadian\$	1.68	1.91
Brazilian real	4.00	5.30
Australian\$	1.67	1.95
<u>Closing rate</u>		
US\$	1.30	1.34
Euro	1.14	1.20
Canadian\$	1.69	1.74
Brazilian real	4.30	4.28
Australian\$	1.69	1.80

APPENDIX 2

INCOME STATEMENT

ALTERNATIVE PERFORMANCE MEASURES



£m	JUNE 17	JUNE 16
Operating profit	206.2	180.1
Adjusting items*	66.4	55.0
Adjusted operating profit	272.6	235.1
Operating margin	6.6%	6.8%
Net finance cost	<u>(24.3)</u>	<u>(24.5)</u>
Adjusted profit before income tax	248.3	210.6
Tax on adjusted profit	<u>(66.8)</u>	<u>(58.3)</u>
Adjusted profit for the period	181.5	152.3
Adjusted earnings per share	55.1p	46.2p

* See Appendix 3

APPENDIX 3

ADJUSTING ITEMS



£m	JUNE 17	JUNE 16
Customer relationships amortisation	(47.4)	(38.2)
Deferred consideration payments	(13.8)	(14.1)
Transaction costs and expenses	(8.1)	(2.9)
Earn-out adjustments	<u>2.9</u>	<u>0.2</u>
Total adjusting items	(66.4)	(55.0)

APPENDIX 4

NET DEBT



£m	SIX MONTHS TO JUNE 17	YEAR TO DEC 16	SIX MONTHS TO JUNE 16
Opening net debt	(1,228.6)	(1,107.2)	(1,107.2)
Net cash (outflow) / inflow	(197.6)	16.0	24.6
Exchange	<u>23.7</u>	<u>(137.4)</u>	<u>(86.2)</u>
Closing net debt	(1,402.5)	(1,228.6)	(1,168.8)

APPENDIX 5

CASH FLOW AND CASH CONVERSION

£m	JUNE 17	JUNE 16
Operating profit	206.2	180.1
Adjusting items	66.4	55.0
Adjusted operating profit*	272.6	235.1
<u>Adjusted for:</u>		
Non-cash items	19.6	16.5
Working capital movement	<u>(16.1)</u>	<u>(14.0)</u>
Cash flow from operations[◇]	276.1	237.6
Net capital expenditure	<u>(13.9)</u>	<u>(10.7)</u>
Operating cash flow[◇]	262.2	226.9
Cash conversion**	96%	97%

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

◇ Before acquisition related items

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

APPENDIX 6

ANNUALISED ACQUISITION REVENUE



£m	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017 ytd*
North America	115	198	103	15	-	-	35	7	410	89	84	153	38	289
Continental Europe	301	61	7	100	52	-	115	96	23	5	46	98	87	216
UK & Ireland	-	2	267	110	39	27	-	39	16	32	40	-	76	7
Rest of the World	14	9	9	-	60	-	4	62	69	155	53	73	-	31
Group	430	270	386	225	151	27	154	204	518	281	223	324	201	543



Leading revenue in year

04-05 continuing operations only

* Includes a binding offer made for Hedis group, the acquisition of which is subject to competition clearance

APPENDIX 7

HISTORICAL DATA



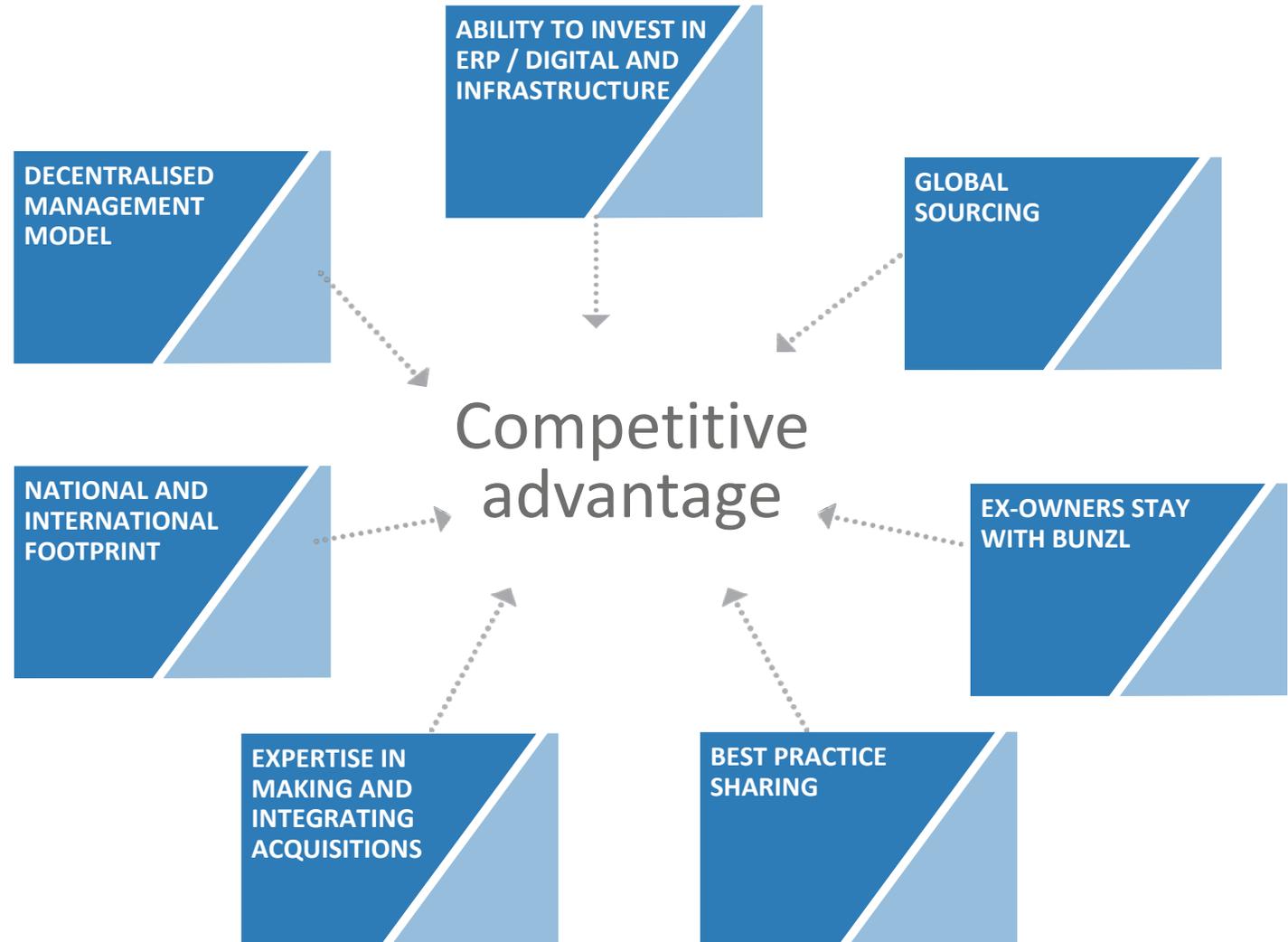
£m	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenue	2,439	2,924	3,333	3,582	4,177	4,649	4,830	5,109	5,359	6,098	6,157	6,490	7,429
Adjusted operating profit*	169	203	226	243	281	296	307	336	352	414	430	455	525
Operating margin* (%)	6.9	7.0	6.8	6.8	6.7	6.4	6.4	6.6	6.6	6.8	7.0	7.0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

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

WHAT MAKES BUNZL DIFFERENT AND UNIQUE?



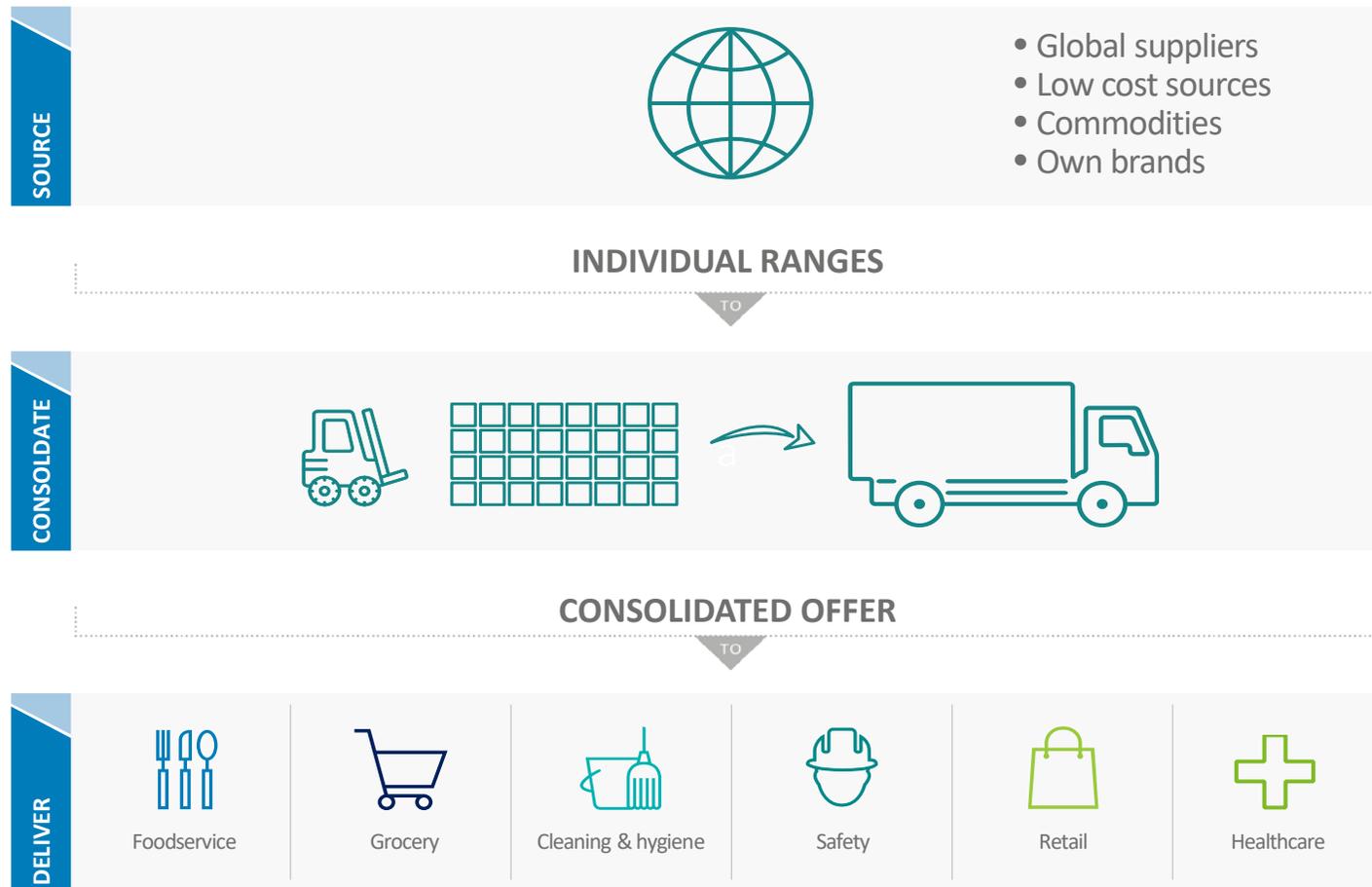
Global market leadership position



APPENDIX 9 BUSINESS MODEL



One-stop-shop
for non-food
consumables



APPENDIX 10 VALUE PROPOSITION



Outsourcing
adds value for
our customers



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

APPENDIX 11 SERVICE OFFERING



APPENDIX 12

ACQUISITION PARAMETERS



Disciplined approach to acquisitions



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

APPENDIX 13 ACQUISITION DISCIPLINE



147*
acquisitions
2004 – YTD 2017



* Includes a binding offer made for Hedis group, the acquisition of which is subject to competition clearance

APPENDIX 14

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 (known as non-GAAP 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;
- cash conversion %;
- return on average operating capital %; and
- return on invested capital %

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

Other non-GAAP measures are based on or derived from the non-GAAP measures noted above. All alternative performance measures in this presentation have been calculated consistently with the methods applied and disclosed in the 2016 Annual Report.

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