



News Release

14 October 2020

BUNZL Q3 TRADING STATEMENT

Bunzl plc, the specialist international distribution and services Group, today announces its trading statement for the period since 30 June 2020.

Bunzl's diversified and resilient business model has delivered strong overall growth over a challenging period, with Group revenue for the third quarter up 4.0% at actual exchange rates and 8.8% at constant exchange rates. Underlying revenue increased strongly by 8.0% at constant exchange rates reflecting the continued growth in the sale of Covid-19 related products, such as masks, sanitisers, gloves and disinfectants. Of the total growth at constant exchange rates, acquisitions contributed 4.0%, including the impact of MCR Safety which was completed at the beginning of September. The third quarter had fewer trading days than the comparable period in 2019 which reduced revenue growth at constant exchange rates by 3.2%.

Within the underlying revenue growth of 8.0%, sales of the top 8 Covid-19 related products, which are primarily own brand, contributed 17.5% of growth. This growth more than offset a 9.5% decline in revenue from other product sales. Larger orders of the top 8 Covid-19 related products, although lower than in the second quarter, were in line with expectations, with smaller orders also lower but remaining strong. The 9.5% decline in revenue from other product sales was less than the second quarter reflecting the easing of pandemic-related restrictions across the Company's markets.

The 2020 performance year to date has been driven by strong sales of Covid-19 related products, from a combination of smaller orders and the more exceptional larger orders. This has more than offset the impact of weak economic activity on the Group's business. Looking forward, the outlook remains uncertain, particularly considering current pandemic trends and the increasing restrictions which are now being reintroduced in some markets that may limit the continued underlying recovery. In addition, larger Covid-19 related orders are expected to be more limited. However, given the performance year to date and the impact of recently announced acquisitions, the Company currently expects revenue in the second half of 2020 to grow strongly at constant exchange rates and anticipates a slightly higher second half operating profit margin compared to the prior year.

Further to the announcement issued on 24 August 2020, the Company has recently completed the acquisition of Abco Kovex, a distributor of flexible packaging based in Ireland with revenue of €23 million. Growth through acquisitions continues to be an important part of the strategy of the Group and the acquisition pipeline remains promising with a number of discussions ongoing.

This announcement contains inside information.

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Conference call:

There will be a live analyst and investor conference call and Q&A session from 08:00am (BST) today. To join the conference call refer to the dial-in details below (please allow time for registration).

- Dial-in number: +44 33 0606 1122
- Room number: 710652

The conference call replay will be available on demand later in the day via Bunzl's Investors section on the corporate website (<https://www.bunzl.com/investors/presentations.aspx>).