



**The
difference
is ESSENTIAL**

Capital Markets Day
11th October 2021

The difference is ESSENTIAL



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%



FN66 OZD

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.20,000 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 dark blue icon of a vintage cinema camera with two reels on top and a lens on the front.

Intro film

AGENDA



Part 1

VALUE-ADDED
business model

with

Tailored
SOLUTIONS
for a better world



Part 2

Compounding
GROWTH
strategy



TODAY'S PRESENTING TEAM



Frank van Zanten
Chief Executive Officer



Richard Howes
Chief Financial Officer



Diana Breeze
Director of Group HR



Andrew Mooney
Director of Corporate
Development



James Pitcher
Group Head of
Sustainability



Jim McCool
Business Area Head
North America



Alberto Grau
Business Area Head
Continental Europe



Andrew Tedbury
Business Area Head
UK & Ireland



Helen Cockerham
Divisional Managing Director
UK & Ireland,
Food Retail, Non-Food Retail
and Healthcare

A woman with long brown hair, wearing a high-visibility yellow safety vest over a dark jacket and a blue safety harness, is operating a handheld scanner. She is standing in a large warehouse aisle with high wooden shelving units filled with boxes on the left. A red scale is hanging from the ceiling above her. The text "VALUE-ADDED business model" is overlaid on the image in a green box.

VALUE-ADDED
business model

OUR VALUE-ADDED PROPOSITION HAS DRIVEN STRONG AND CONSISTENT RESULTS



Customer-focused business model

- Tailored offerings and service-led model that provides customers with value-added solutions
- Strong locally-led business model leveraging the benefits of global scale
- Customer-focused mindset drives continual improvement and innovation

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

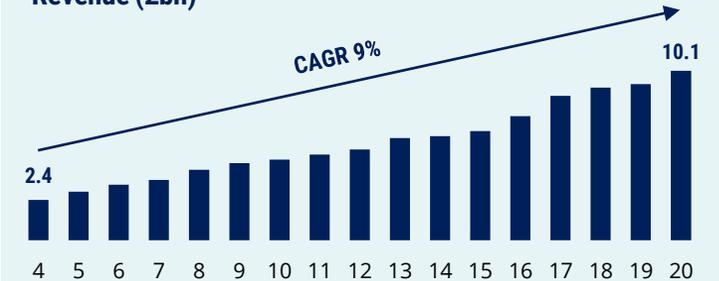
Daily focus on making our business more efficient

Acquisition growth

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

Proven track record

Revenue (£bn)



Adjusted Operating Profit¹ (£m)



Note: 1. Alternative performance measure and on an IAS 17 basis

TAILORED SERVICE-LED PROPOSITION

Our business is to enhance our customers' businesses



LOCAL EXPERTISE COMBINED WITH BENEFITS OF SCALE



Unique offering drives a strong customer proposition



LOCAL

- **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**

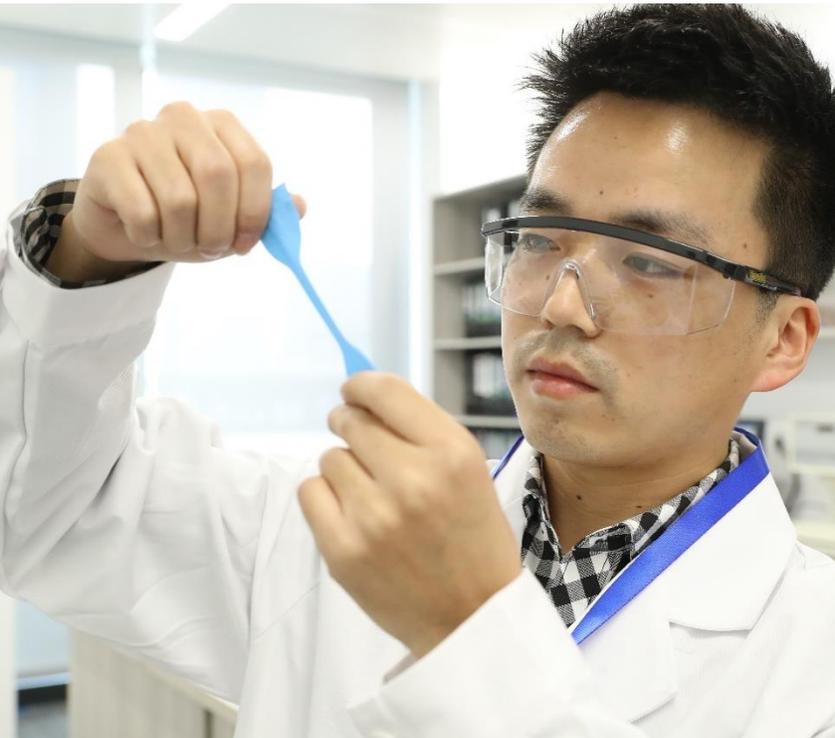


GLOBAL

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

CUSTOMER-CENTRIC FOCUS EVIDENCED DURING PANDEMIC

The strength of the Bunzl model highlighted



- **CRITICAL SUPPLIER STATUS** granted, business remaining open throughout the pandemic
- Strong **GLOBAL SUPPLY CHAINS** allowed Bunzl to continue to source essential products despite the challenging conditions
- Bunzl's Global Supply Chain Solutions operation ensured products were **ETHICALLY** produced and of the right **QUALITY**
- **OWN BRAND AND IMPORTED** products were heavily relied upon to fulfil demand for Covid-19 related products
- **FINANCIAL STRENGTH** provided reassurance to customers with prepayments often required for larger purchases
- Bunzl's decentralised organisation enabled local **AGILITY** and **RESPONSIVENESS**
- **GLOBAL COLLABORATION** supported actions, with fast and proactive responses



Covid-19 related products sales in 2020 compared to 2019:

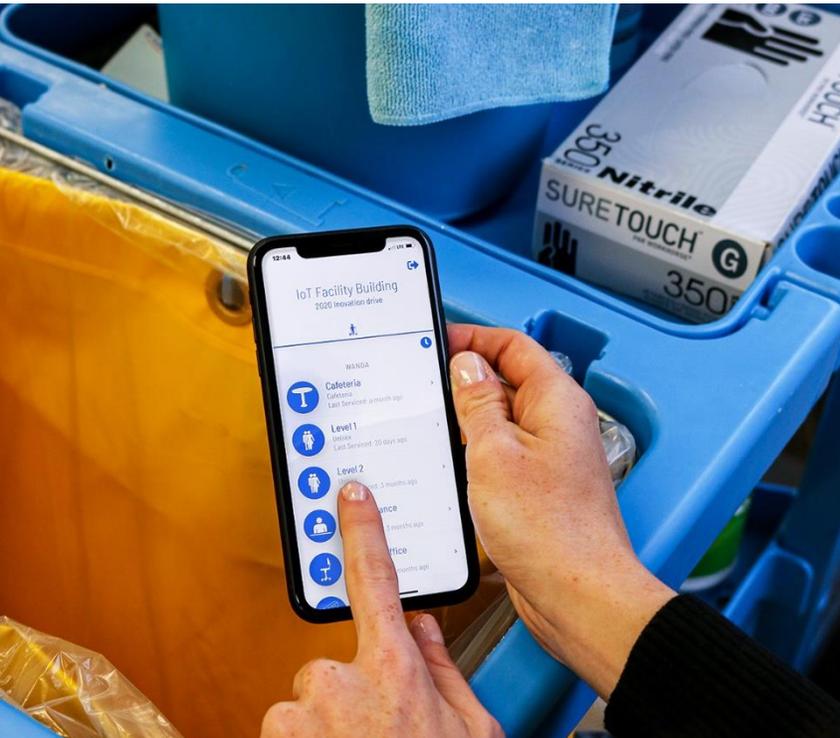
2.6x



Pandemic example

ENHANCING OUR VALUE-ADDED PROPOSITION

Capabilities that support growth



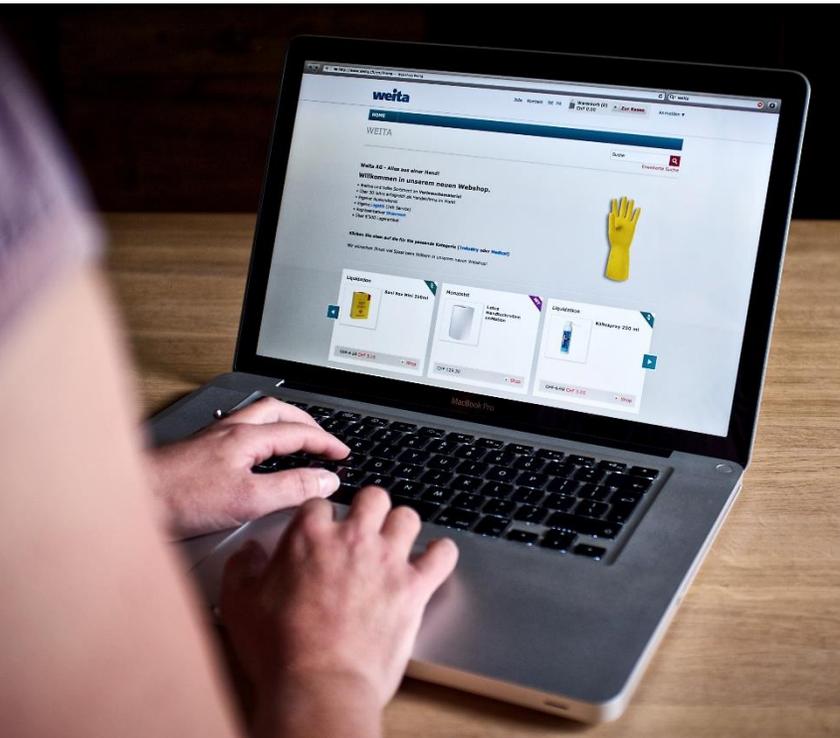
Key strategic focus areas

- **DIGITAL SOLUTIONS** that enhance customer experience and retention
- Continual **INNOVATION** that goes beyond the physical product
- A focus on **SUSTAINABILITY** to support the differing needs of our customers, from alternative products to reduced carbon emissions and assured ethical sourcing



DIGITAL SOLUTIONS WHICH ENGAGE OUR CUSTOMERS

Solutions that support our customers



- Complex customer journeys often necessitate tailored processes
- By digitising ordering through bespoke solutions, we simplify ordering for our customers and enhance retention
- In addition, we provide tools that go beyond ordering

EXAMPLES

- **Product selector** – guidance to the right products for the specific need
- **Dynamic dashboards** that are customised to provide real-time full visibility around key management information (e.g. spend per site and efficiency opportunities)
- **Budget controls** to limit spend per site
- **Recommended replenishment** being developed with AI and historical information to suggest optimal ordering patterns



Group orders placed digitally in H1 2021:

67%

PRODUCT INNOVATION THAT MEETS A NEED



Working with our customers to customise products for their needs

Rotisserie chicken packaging innovation



INNOVATIVE SOLUTIONS THAT GO BEYOND THE PRODUCT



Continually innovating to support our customers

WandaNEXT

- Bunzl Canada has implemented ConfidentClean, a cleaning protocol system to ensure high cleaning standards
- The system includes the use of WandaNEXT, a digital cleaning and management system
 - Bunzl is the exclusive distributor
 - Provides real-time data and analytics on cleaning activities, consumption patterns and compliance with specific cleaning protocols
 - Allows our customers to optimise their cleaning programmes, improve the user experience and reduce cost and waste
- Now being trialled by customers in Belgium and Australia
- WandaNEXT is an example of what can be bundled for customers as part of our value-added service



FURTHER DIFFERENTIATING OURSELVES WITH SUSTAINABILITY



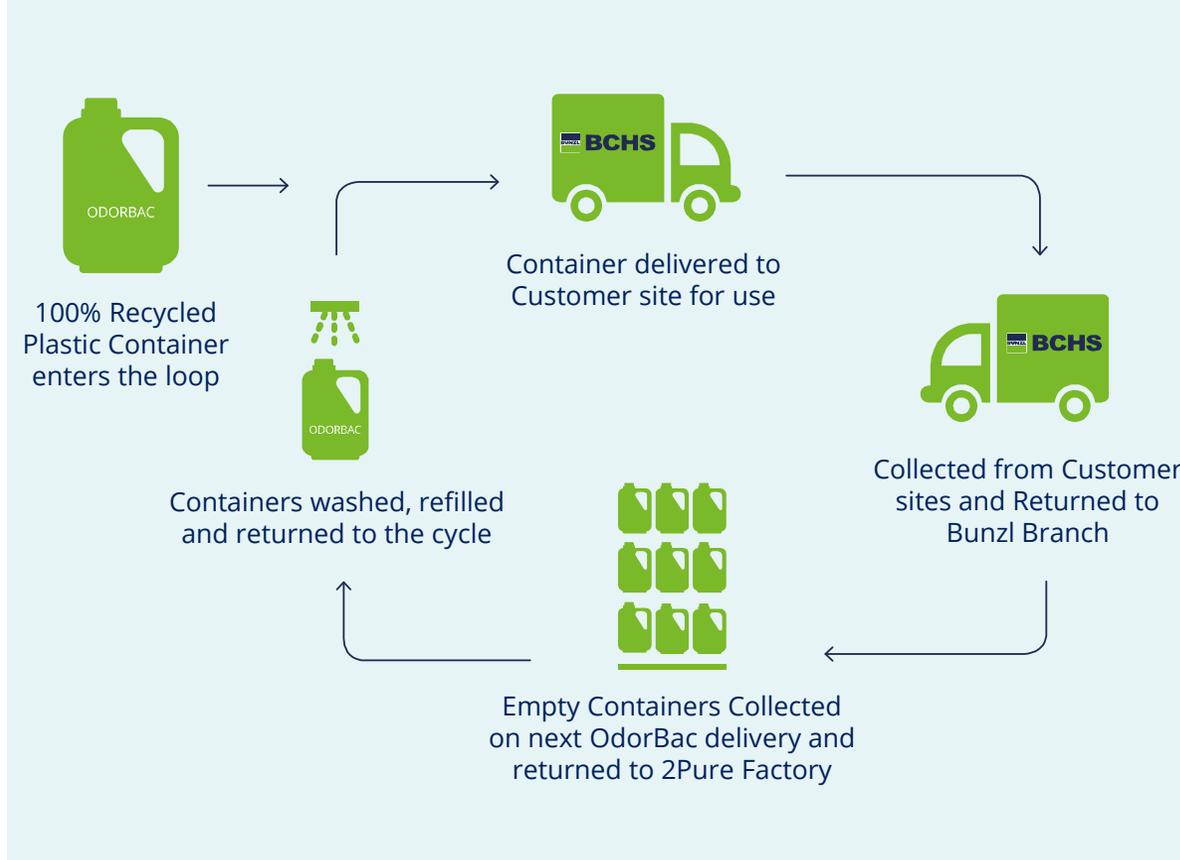
Business win example:



Bunzl's value-added capabilities supported Andron contract win in the UK

	Prior distributor	Bunzl
Footprint	<ul style="list-style-type: none"> - One central warehouse 	<ul style="list-style-type: none"> - Nationwide warehouse footprint - Enhanced reliability and responsiveness
Delivery	<ul style="list-style-type: none"> - Courier network 	<ul style="list-style-type: none"> - Bunzl own fleet and drivers - Personalised drop-off support at each of Andron's c.1,000 sites (e.g. to the cupboard where required)
Showcasing Innovation	✗	<ul style="list-style-type: none"> ✓ Quarterly showcasing of latest industry developments and innovation ✓ Site trials, evaluations and assistance
Carbon optimisation	✗	<ul style="list-style-type: none"> ✓ Carbon optimisation plan agreed ✓ Improved ordering patterns identified and a plan for the remainder to be offset
Sustainable solutions	✗	<ul style="list-style-type: none"> ✓ Closed loop recycling ✓ Insights and recommendations to switch to more suitable products
Digital Solutions	✗	<ul style="list-style-type: none"> ✓ Market leading online platform ✓ Enriched product data ✓ Online product safety info

Closed loop solution provided for 5lt containers



SUMMARY: COMPETITIVE ADVANTAGE ENHANCED



- Bunzl track record supported by value-added business model with tailored local service supported by the benefits of Bunzl's global scale
- Customer proposition is strengthened by continual innovation in services, expertise and product lines
- Focused on delivering engaging digital platforms, innovative solutions and an unrivalled sustainability proposition

VALUE-ADDED
business model

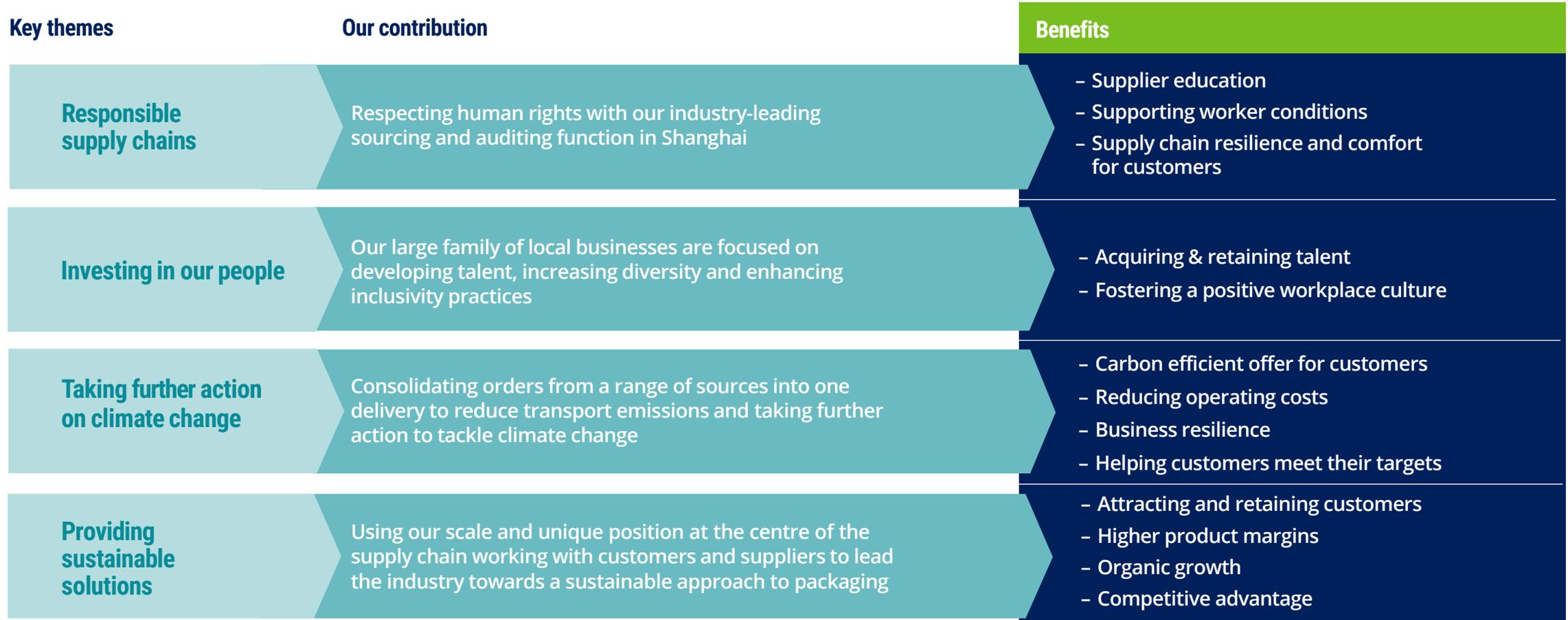
Tailored **SOLUTIONS** for a better world



SUSTAINABILITY IS CORE TO BUNZL'S STRATEGY



Making responsible decisions across our operations



FURTHER DRIVING OUR EXISTING TRACK RECORD

Accelerating our investment in sustainable solutions



A feature of Bunzl's recent history:

Ethical auditing across our Asia supply base since 2008

Carbon efficiency improved by more than 50% since 2010

Own brand Sustain and Revive packaging range launched in 2014

Track record of providing innovative new sustainable solutions that benefit people everyday

With more progress made since the start of 2020:

Ensuring that sustainability is embedded at the heart of our strategy

Our first materiality assessment with 37 global customers interviewed

Launch of another own brand, Verive

14 sustainability leaders and 49 sustainability ambassadors working closely with regional and local customers to help them achieve their targets





Tailored Solutions for a Better World

TAILORED SOLUTIONS FOR A BETTER WORLD



Better packaging **SOLUTIONS**

LEADING THE SHIFT TO ALTERNATIVE MATERIALS



The transition of packaging to alternative materials will be net positive to Bunzl



- Very limited exposure to the single-use plastic consumable products where volume reduction can be expected
- 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

Tailored
SOLUTIONS
for a better world

AN UNRIVALLED RANGE OF ESSENTIAL PRODUCTS



Majority of Group revenue is generated outside of packaging categories

£6.0bn (64%) Non-packaging products ¹



Note

1. Packaging refers to packaging and other products within the foodservice, grocery and retail sectors which are facing legislation or consumer pressure

HELPING CUSTOMERS WITH BETTER PACKAGING SOLUTIONS

Being experts in products, legislation and customer requirements is essential



Role in supporting a more circular economy

- **Supporting smart material choices**
 - Developing new packaging strategies for customers
 - Providing alternative products that meet customer targets and product requirements
- **Designing for circularity not waste**
 - Supporting customers to adapt to new legislation and transition products
- **Promoting responsible packaging usage and reusable options**
 - Working with customers to rationalise the products they use
- **Partnering to support closed-loop solutions**
 - Supporting our customers' circular initiatives and recycling practices

Bunzl's competitive advantage



Proprietary data and tools



Expert independent advice



Own-brand ranges

PACKAGING IN ITS VARIOUS FORMS

Different choices and customer requirements create a complex environment

Packaging categories

1. Consumable products facing regulation



2. Consumable products likely to transition to alternative materials



3. Packaging with an important purpose



4. Packaging and products made from alternative materials



Description

Single-use plastic products facing restriction in some markets where we might see some volume decline as customers transition to alternatives

Single-use plastic products where usage is regulated in some markets or being voluntarily regulated by some organisations

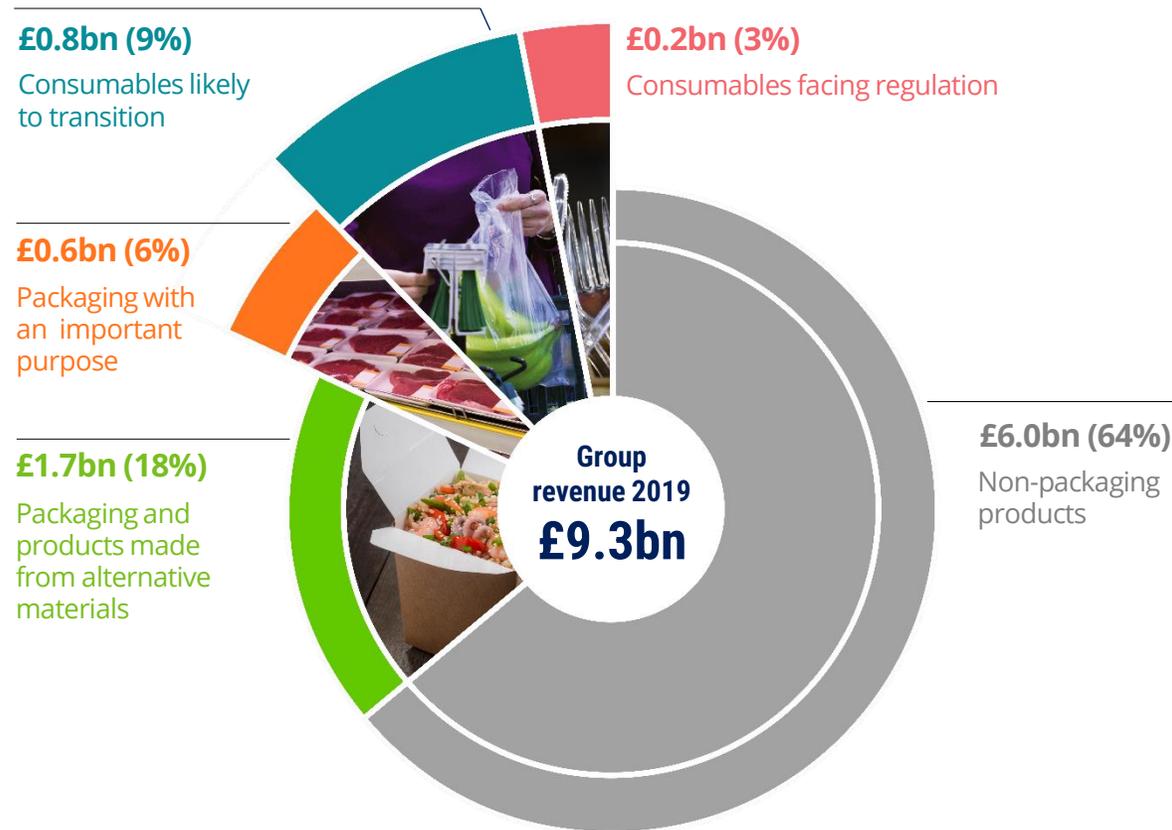
Single-use plastic products that have an important purpose, where transition is less likely in the immediate future

Recyclable or compostable single-use products, reusable products and products made from renewable materials

STRONG TRACK RECORD OF TRANSITIONING CUSTOMERS



Within packaging, majority is recyclable, compostable, renewable or reusable



- Only 3% of revenue in “consumables facing regulation”
- 9% of revenue in “consumables likely to transition”
- Further 6% of revenue in “packaging with an important purpose”
- Strong track record of Bunzl transitioning customers to alternatives successfully; Bunzl is well positioned to benefit from further transition
 - 51% of total packaging (18% of Group revenue) already made from alternative materials

Notes

- 2019 revenue taken as the base reference year given 2020 data materially disrupted by pandemic
- Packaging refers to packaging and other products within the foodservice, grocery and retail sectors which are facing legislation or consumer pressure
- We have exercised our judgement to allocate the sales in 2019 to the four packaging categories shown

PACKAGING CATEGORIES



Proactively leading the transition to products made from alternative materials



Packaging Category	Consumable products facing regulation	Consumable products likely to transition
2019 revenue (proportion of total)	£0.2bn (3%)	£0.8bn (9%)
Products	Plastic straws, stirrers, cutlery, plates, bowls	Carrier and fresh produce bags, coffee cups
Transition made out of this category to date	<ul style="list-style-type: none"> - 63% of sales of all products sold across UK&I and Continental Europe already transitioned to products made from alternative materials 	<ul style="list-style-type: none"> - 21% of all bags sold across the Bunzl Group were paper - 67% carrier bag sales across UK&I were products made from alternative materials

How we engage customers

- Every consumable product has an alternative that is recyclable, compostable, reusable or made from renewable sources
- New own-brand ranges launched
- Tools used to support understanding of regulatory changes, manage packaging data and track progress against targets
- Dedicated product catalogues for innovative alternative materials
- Increasing digital strength with new webshops

CONSUMABLE PRODUCTS FACING REGULATION

Our historic success in leading the transition



Paper

Bamboo

Birch Wood

Palm Leaf

Bagasse

Transition of Single-Use Plastics

Continental Europe - 2019 vs. 2018

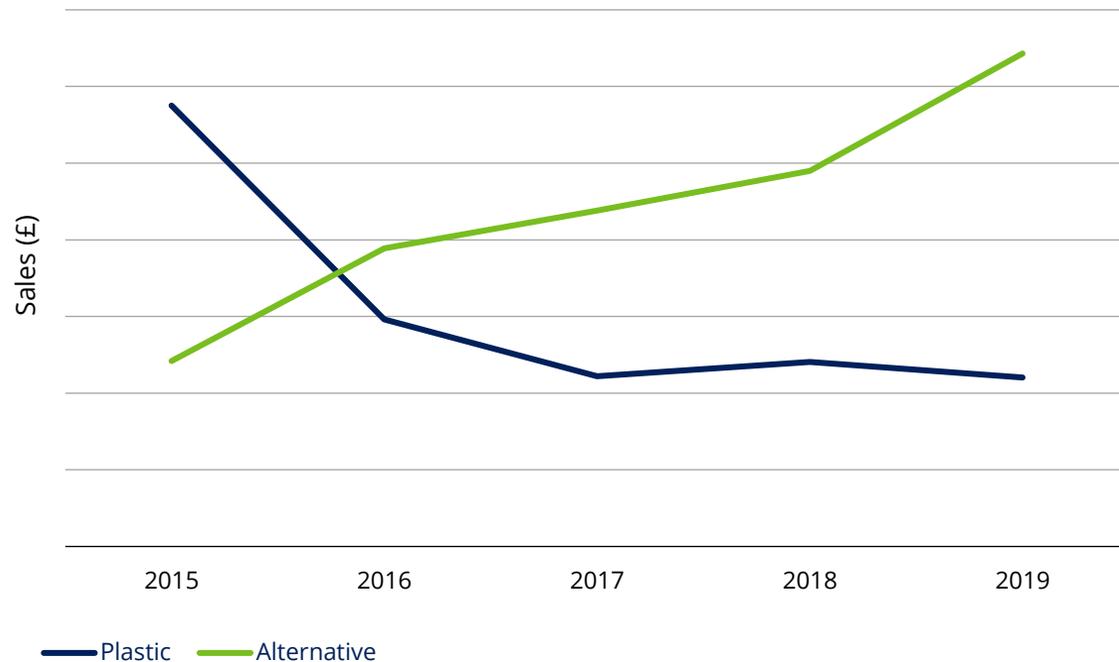
- We are well placed to provide customers with trusted and objective advice on alternative products
- **Total sales increased by 2%**
 - Sales of the single-use plastic products in scope of the legislation fell by 13%
 - Sales of alternative materials (paper, wood, bamboo, palm leaf, bagasse) increased by 31%
- **Profit margin increased slightly**, supported by transitioning customers to Bunzl own-brand solutions

CONSUMABLE PRODUCTS LIKELY TO TRANSITION



Our historic success when transitioning customers away from plastic bags

Continental Europe and UK & Ireland carrier bag sales 2015-19



Impact of the EU Plastic Bags Directive (adopted in 2015)

Between 2015 and 2019:

- Directive required member states to apply measures to reduce the number of lightweight carrier bags
- **Total sales increased by 2%**
 - Sales of the single-use plastic bags in scope of the regulations fell by 30%
 - Sales of bags made from alternative materials (paper, compostable, reusable bags) increased by 48%
 - Transitioned from 58% plastic, 42% alternative in 2015, to 40% plastic and 60% alternative in 2019
- **Profit margin increased**

PACKAGING CATEGORIES

Providing innovative packaging that meets customers' needs



Packaging Category	Packaging with an important purpose	Packaging and products made from alternative materials
2019 revenue (proportion of total)	£0.6bn (6%)	£1.7bn (18%)
Example packaging products:	Fresh meat, fruit, vegetable trays, films, takeaway boxes	Recyclable, compostable, renewable, reusable products
Transition made out of this category to date	<ul style="list-style-type: none"> – 51% of all packets and wrappers (e.g. hot deli bags and parchment paper) sold across the group were made from alternative materials 	<ul style="list-style-type: none"> – 51% of all packaging and consumable products sold across the group made from alternative materials

How we engage customers

- ✔ An industry leading range of alternative material options
- ✔ Proactive engagement to rationalise and reduce customers' use of certain products
- ✔ Developing alternative materials with the correct properties for the intended use to help customers meet their targets
- ✔ Transitioning customers to materials that support a more circular economy
- ✔ Assessing full lifecycle impact to ensure transitioning does not cause unintended environmental consequences

PACKAGING WITH AN IMPORTANT PURPOSE

Our experts help customers to navigate the trade-offs in important categories

Example options for food packaging:

Recycled Polyethylene Terephthalate (rPET)



Expanded Polystyrene (EPS)



Bagasse



Cardboard



Trade-offs:

- Heat and cold properties
- Food safety
- Cost
- Recyclable/ compostable
- Renewable and recyclable content

Pallet wrap customer example:

Working with customers to rationalise their use of plastic

- Pallet wrap protects goods in transit and prevents waste and costs incurred from damage
- Supported a large logistics and supply chain business
- Our internal experts performed tests to help one of our customers identify opportunities to reduce wrap used
- This achieved pallet wrap material savings of 70% and reduced plastic use by 7.5 tonnes



PACKAGING AND PRODUCTS MADE FROM ALTERNATIVE MATERIALS



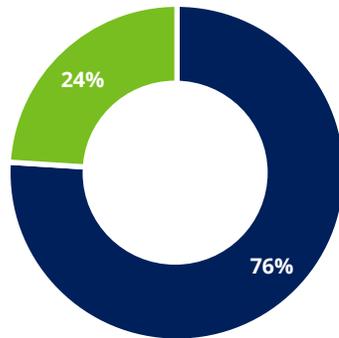
Bunzl ensures selected alternative products have the correct properties

Example: Food containers

- Food containers are the largest packaging category (c.54% of total packaging sales)

North America

- c.76% of food containers across North America are products made from alternative materials, with three quarters of these widely recyclable plastics



Alternative Materials Non-recyclable and non-compostable plastic materials

Example: Independent advice when transitioning from one material to another

- Leading Belgian Retailer which we have worked with for >30 years
- 39 million EPS trays transitioned to rPET (widely recyclable in Belgium) after review of alternatives
- Plastic still utilised in alternative products as food contact material is heavily regulated for safety
- Excellent availability and manufacturing speed, important for retail
- **Total sales increased by 40%**



DRIVING CHANGE WITH OUR INVESTMENTS AND CAPABILITIES



Enabling faster transition to responsible options with Bunzl own-brand



Leveraging our scale

- Leveraged the strength of our supply chain to launch exclusive renewable, compostable and recycled content product ranges in Australasia
- 39 million products sold in 2020, replacing 31 million single-use plastic items
- Australasia expect unit sales of the Sustain and Revive ranges will double over the next five years



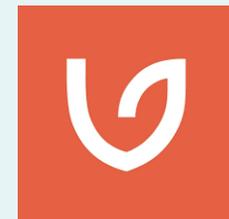
Providing customers with choice

- One of our Netherlands businesses developed two different solutions to thin plastic food bags:
 1. A nylon drawstring reusable bag
 2. A bag made from c.90% sugar cane
- Between 2018 and 2020:
 - Transitioned a key retailer to these bags
 - Removed 14.4m single-use plastic bags over the three years with customer
 - Turnover increased by 87%



Providing more than just products

- In 2021 we launched a new pan-European own brand, under the banner of Verive
- Extensive range of product options that meet the EU plastics directive
- Digital platform that provides leading independent advice
- New digital webshop designed to attract smaller customers



EXPERT ADVICE AND PROPRIETARY DATA AND TOOLS



Using expert advice and data to support customers meet their targets



Expert independent advice

Supporting customers to meet industry-leading circular economy targets with expert advice

- Supported the first US-based produce company to sign Ellen MacArthur New Plastics Economy Global Commitment
- Transitioned berry packaging to alternative products
 - Started the transition 9 years ago
 - c.300 million clamshells supplied annually, all between 70-100% recycled content
 - Excellent protection for fragile produce with short shelf life
 - Our dedicated in-house printing department provides proprietary washable labels certified recyclable by Association of Plastics Recycling

Proprietary data and tools

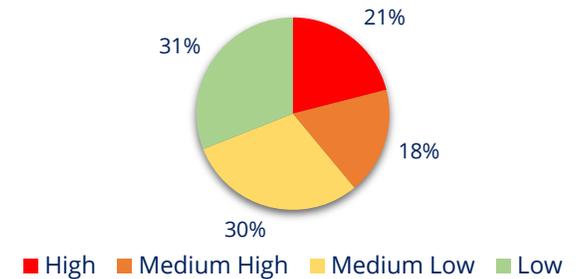
Using our footprint tools to support customers making the right choices

- We are providing our customers with the data they need to understand their position against packaging commitments
- Allows customers to measure their progress accurately and to make decisions around transitioning
- Allows customers to assess the impact of legislation and track actions to mitigate
- Incorporates supplier portals to ensure accurate real-time reporting even as products supplied change

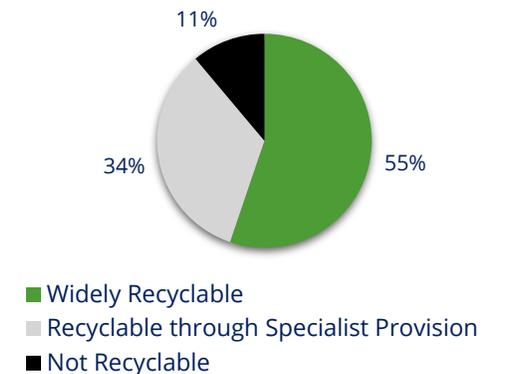


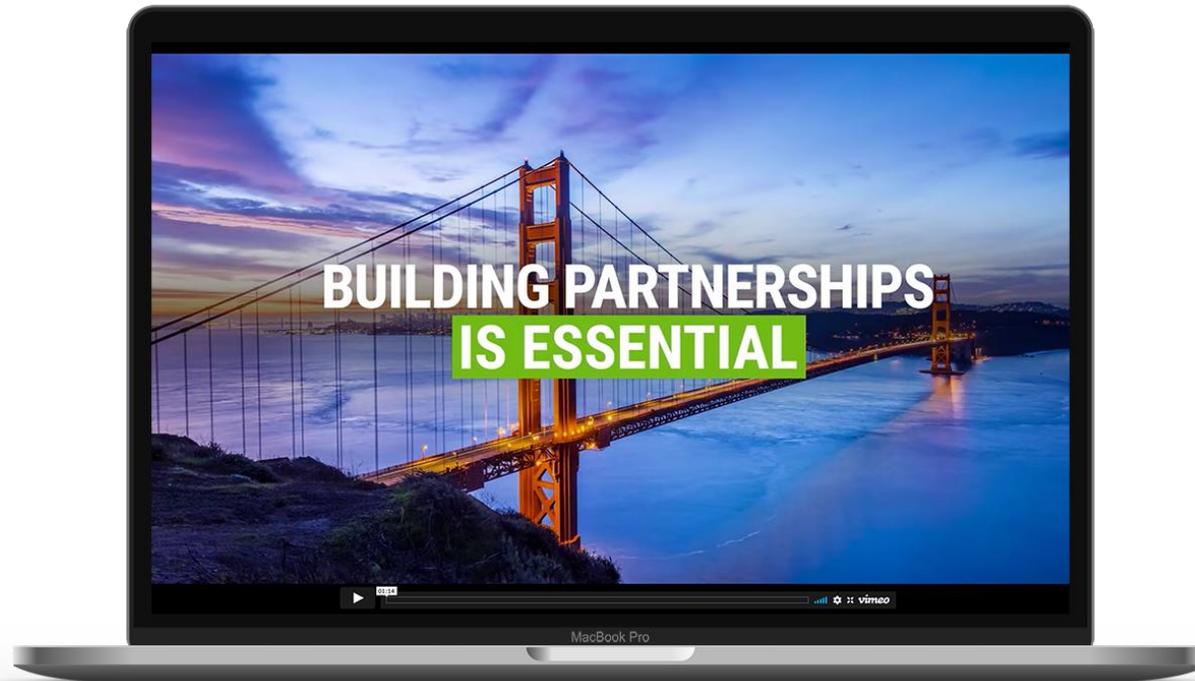
EXAMPLE OUTPUT

RISK STATUS 2020



RECYCLABILITY 2020





Customer Testimonial

TAKING FURTHER ACTION ON PACKAGING TRANSITION



We will continue to drive the transition to better solutions

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

TAILORED SOLUTIONS FOR A BETTER WORLD



Responsible SUPPLY CHAIN

GLOBAL SUPPLY CHAIN SOLUTIONS

Supporting ethical supply and quality assurance



Global Supply Chain Solutions
Ethically Sourced • Sustainable • Quality Assured

- Our auditing process is our **FIRST LINE OF DEFENCE** to prevent defective products being shipped and to ensure products comply with our ethical standards
- All products supplied directly from Asia are through suppliers that are verified by our office
- Our **IN-PERSON 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 cannot be resolved
- The sourcing function also supports Bunzl businesses to find solutions for their customers and to proactively find better alternatives to existing product lines
- The team provide **REASSURANCE** that products ordered are of the desired specification and quality prior to shipment



2020 STATISTICS

AUDITS CONDUCTED: **680**

SUPPLIERS IDENTIFIED AS NEEDING TO IMPROVE PRACTICES: **61**

TERMINATED SUPPLIERS: **15**

A HUGE ASSET DURING THE PANDEMIC

A key enabler to our businesses being able to support customers



- Sourced an unprecedented amount of Covid-19 related products
- Provided innovative product solutions needed for new social distance measures and enhanced hygiene
- Provided customers with reassurance to place large orders with Bunzl
- At a time of great disruption provided the assurance that the right quality of these essential items were being shipped and had been ethically produced
- **The team went above and beyond to support customers**



EXAMPLE PRODUCTS



TAKING FURTHER ACTION ON OUR SUPPLY CHAIN



Expanding our programming to give even more assurance over our supply chain

Our responsible sourcing commitments:

TODAY

Our supply chain in Asia is currently covered by direct auditing and assurance practices with 680 audits completed in 2020

TOMORROW

Expanding our programme to ensure products from all high-risk regions are sourced from assessed and compliant suppliers by 2025

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

TAILORED SOLUTIONS FOR A BETTER WORLD



INVESTING
in our people

INVESTING IN OUR PEOPLE

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



- Our people feel valued, with **STRONG EMPLOYEE ENGAGEMENT**
- **HEALTH AND SAFETY** of employees is a key focus, with clear group-wide governance
- Planning for **SUCCESSION** is integral to Bunzl's business model with multiple leadership programmes established across the Group to support internal development
- **"WE BELIEVE"** employment brand articulates our culture and beliefs to our people and potential recruits
- A focus on **ENHANCING DIVERSITY** driven from the top
 - c.40% female Board and Executive committee membership
 - Female networking groups expanding across the Group
 - Accelerating focus on ethnic diversity



Employee "pulse survey" highlights (November 2020)

92% feel personally driven to help Bunzl succeed

88% are proud of the service we give to customers

89% feel we are adapting and following procedures to keep us safe at work

A LOCALLY-DRIVEN APPROACH TO SUPPORTING COLLEAGUES

The pandemic example



- Our voluntary **EMPLOYEE TURNOVER** has been relatively stable over 2020/21 and remains low for our industry
- **"PULSE SURVEY"** in November 2020 conducted to understand how our employees were feeling
- Our people have told us that they appreciated the increased frequency and more personal tone of **COMMUNICATIONS** produced both globally and locally
- At the height of the crisis, it was the **LOCAL LEADERS** who created "followership" from their people
- We did not rely on government support schemes to ensure that impacted people were **FINANCIALLY SECURE**
- Local **REWARDS** were implemented for front-line colleagues, both monetary and non-financial





Diversity, Equity and Inclusion

TAKING FURTHER ACTION FOR OUR PEOPLE

Expanding our diversity programme



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 our North American business, and other 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**
- Building on the **TECHNOLOGY-ENABLED HYBRID WORKING** to create a networked, collaborative organisation that attracts more diverse talent

TAILORED SOLUTIONS FOR A BETTER WORLD



Focus on
CLIMATE CHANGE

CONSOLIDATION MODEL REDUCES CARBON SIGNIFICANTLY

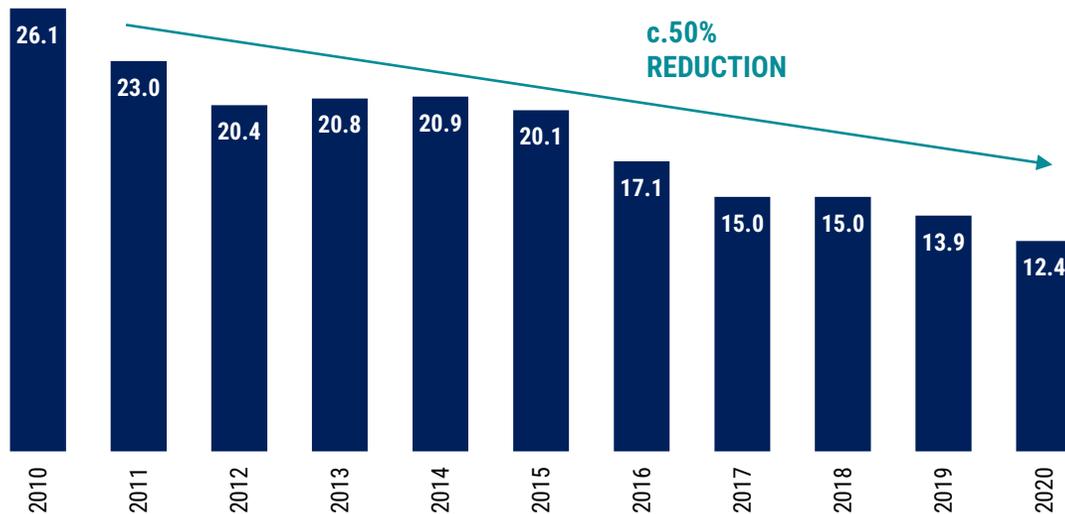


Carbon efficiency is inherent in our business model

A long-established focus on carbon intensity

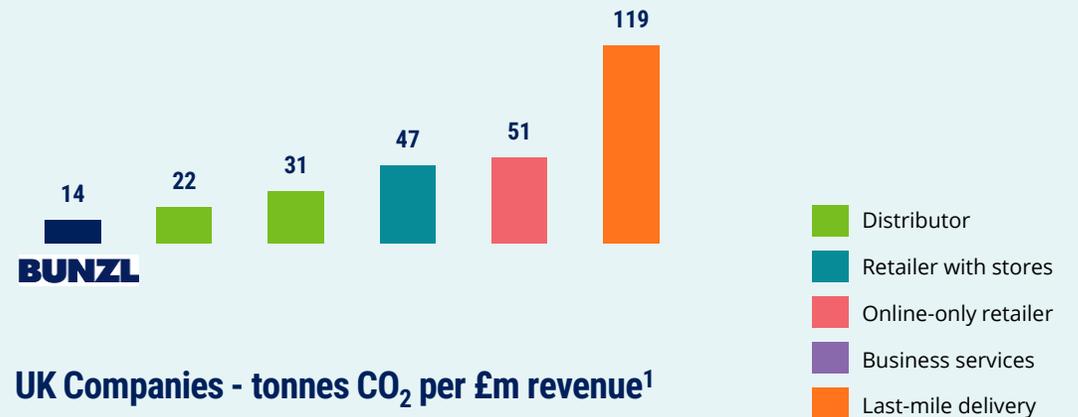
- Consolidating products into one drop is significantly more efficient
- Bunzl reduced its carbon footprint relative to revenue generated by c.50% between 2010-2020

Scope 1 & 2 (Tonnes of CO₂ per £m revenue)

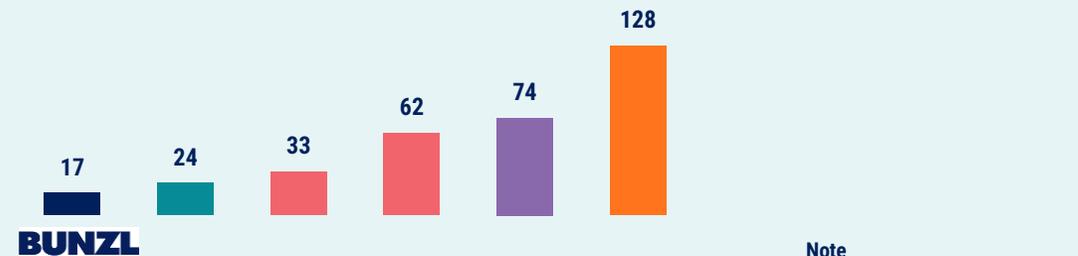


Comparing Bunzl to other companies with logistics networks

Global Companies - tonnes CO₂ per £m revenue¹



UK Companies - tonnes CO₂ per £m revenue¹



Note
1. 2019 data for Scopes 1 and 2

JOINING THE LARGEST GLOBAL ALLIANCE ON CLIMATE CHANGE



Committing to ambitious climate action and working towards net zero



New memberships and commitments

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

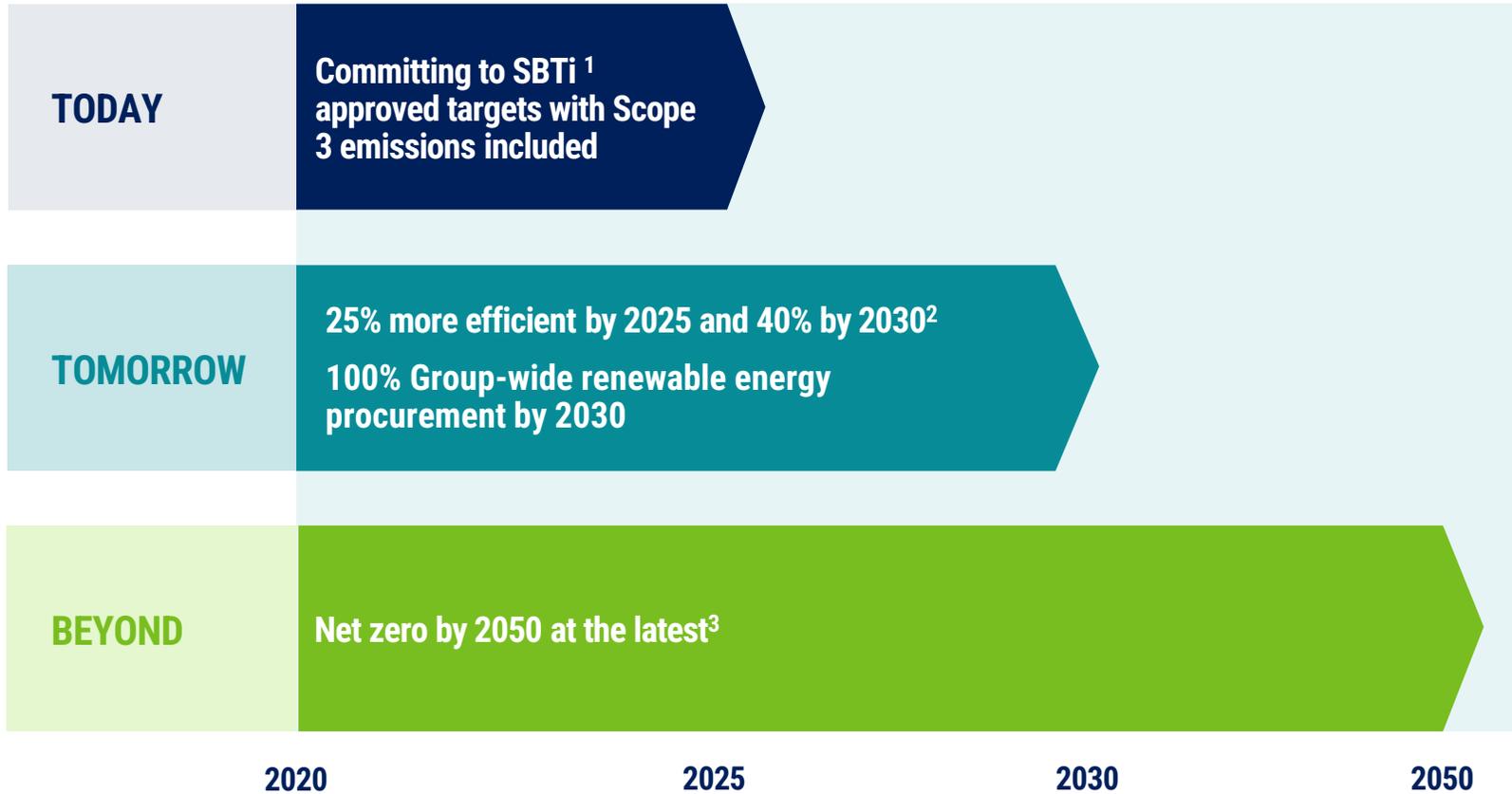
Initiatives to 2025

- 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



TAKING FURTHER ACTION ON CLIMATE CHANGE

Our carbon roadmap and new targets



Notes:

1. SBTi = Science Based Targets initiative
2. Scope 1 and 2 emissions
3. Scope 1, 2 and 3 emissions

SUMMARY: SUSTAINABLE SOLUTIONS HAVE BECOME ESSENTIAL FOR CUSTOMERS



Note: Image shows reusable tableware

- Bunzl is successfully transitioning customers to products made from alternative materials
- Our consolidation model is carbon efficient and we commit to being net zero by 2050
- Our supply chain is supported by our unique in-house ethical Asia auditing capabilities, with these capabilities being expanded beyond Asia
- We are developing our people, supported by our locally-focused DNA
- **Bunzl is committed to further accelerating its focus on sustainability for tomorrow and beyond**

Tailored
SOLUTIONS
for a better world

**The
difference
is ESSENTIAL**

Break – 15 minutes

A woman with her hair in a bun, wearing glasses and an orange jacket, is seen from the side in a grocery store. She is holding a white plastic bag and appears to be selecting items. The background is filled with various grocery items, including flowers and produce, which are slightly out of focus.

Compounding **GROWTH** strategy

OUR VALUE-ADDED PROPOSITION HAS DRIVEN STRONG AND CONSISTENT RESULTS



Customer-focused business model

- Tailored offerings and service-led model that provides customers with value-added solutions
- Strong locally-led business model leveraging the benefits of global scale
- Customer-focused mindset drives continual improvement and innovation

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

Proven track record

Revenue (£bn)



Adjusted Operating Profit¹ (£m)



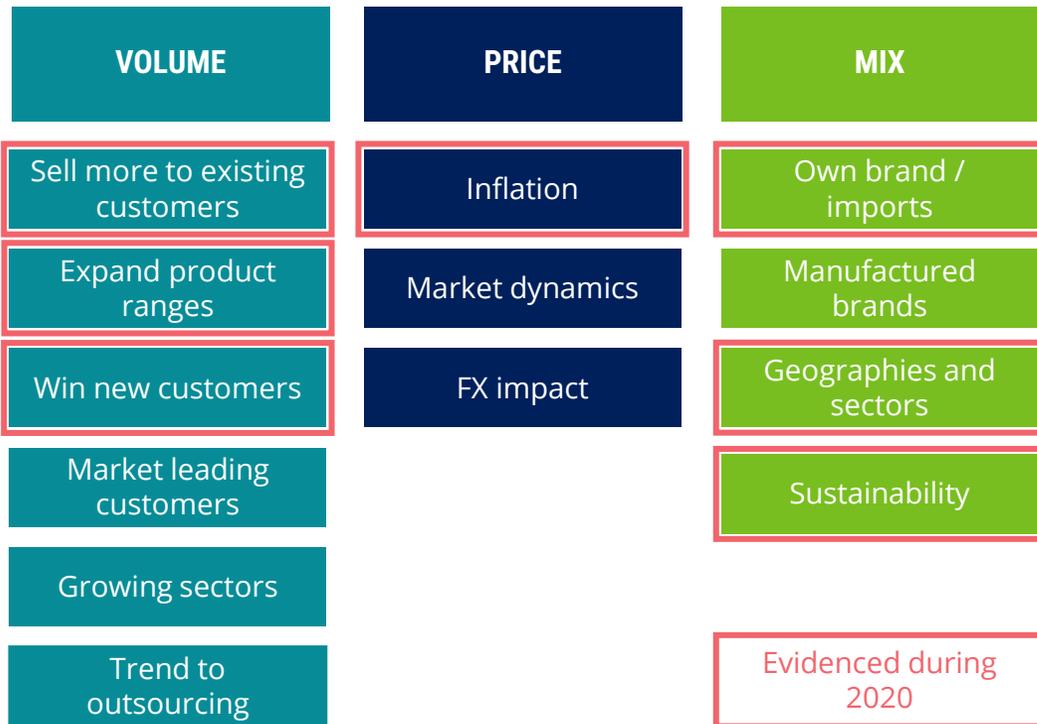
Note: 1. Alternative performance measure and on an IAS 17 basis



OUR ORGANIC GROWTH MODEL

How our model drove success during pandemic

Our organic growth drivers



Covid-19 example (2020)

- c.£1.6 billion of smaller Covid-19 related orders, generally made to existing customers across sectors
- Fulfilled c.£550 million of larger Covid-19 related orders, predominately placed by governments and healthcare organisations
- Supported customers with products that suited new needs, such as screens and social distance signage
- Growth supported by inflation on certain items
- Able to fulfil demand despite supply issues through own brand product ranges
- At a time of great disruption, provided reassurance around ethical sourcing

+4.8%
underlying
revenue
growth in
2020

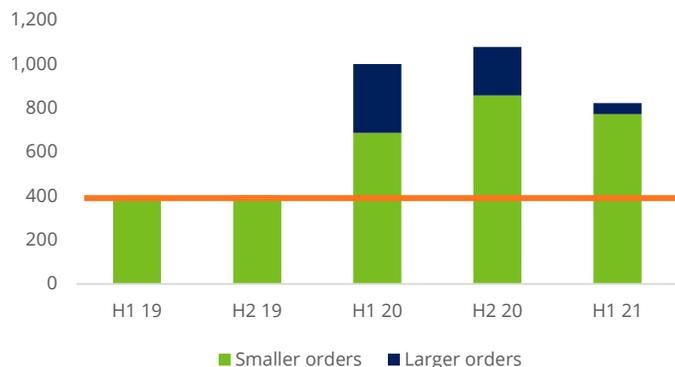




TRANSITION TO NORMALISATION

Expect normalisation in the near-term

Absolute top 8 Covid-19 related revenue¹ (£m)

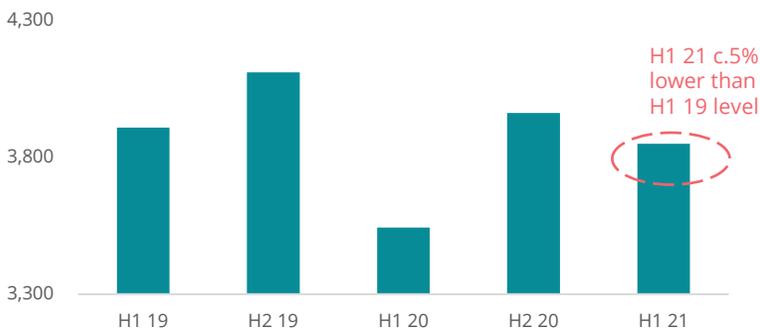


- Expect sales of Covid-19 related products to remain higher than 2019 levels from 2022 onwards

- Inflation trends supportive to base business recovery

- Hygiene products expected to be supportive across sectors, with 20% of Group sales in hygiene products in H1 21

Absolute base business² revenue (£m)



Note:
 1. Covid-19 related revenue refers to the revenue generated from the top 8 Covid-19 related products, being masks, sanitisers, gloves, disinfectants, coveralls, disposable wipes, face shields and eye protection
 2. Base business defined as underlying revenue excluding the top 8 Covid-19 related products

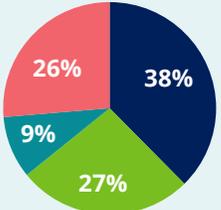
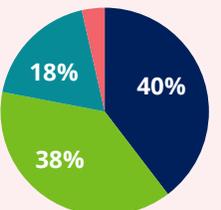
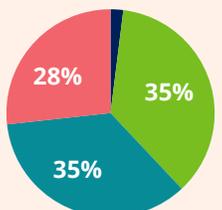
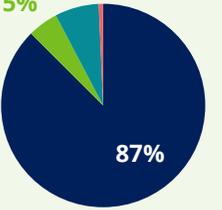
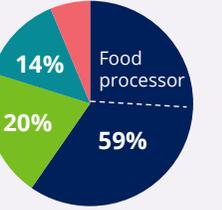
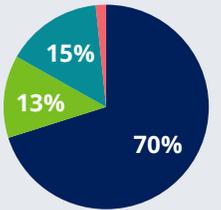
Base business road to normalisation – varying speeds expected

Safety	Cleaning & Hygiene	Healthcare	Grocery	Foodservice	Retail
<p>Wide array of end markets – slower short-term recovery impacted by inflation in raw materials and labour shortages</p>	<p>Facilities management – cautious on speed of recovery given footfall in offices</p> <p>Ongoing benefit from deep cleaning</p>	<p>Healthcare institutions – expect strong recovery in elective surgeries given backlog</p>	<p>Grocery chains – momentum maintained with support from inflation</p> <p>Convenience stores – recovery will follow improved travel trends</p>	<p>Restaurants – recovering well as markets open</p> <p>Catering – cautious on recovery speed given return to work exposure</p> <p>Hotels – full recovery dependent on international travel</p> <p>North America food processor – strong growth</p>	<p>Big box and mall-based retail – improved footfall will support but expected lasting shift to e-commerce</p> <p>E-commerce retail – strong growth providing some offset</p>



BEYOND THE PANDEMIC BASE MARKET TRENDS

Organic growth is driven by activity in our markets

	 Safety	 Cleaning & Hygiene	 Healthcare	 Grocery	 Foodservice	 Retail
Trends	<ul style="list-style-type: none"> – Growth supported by increasing safety standards, regulation and awareness – Infrastructure spend 	<ul style="list-style-type: none"> – Enhanced cleaning habits – Technology to improve operational efficiency 	<ul style="list-style-type: none"> – Growth of care at home – Increased focus on preventative healthcare 	<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 and geographic mix - 2019¹	<p>£1.2bn</p>  <p> ■ BNA ■ BCE ■ UK&I ■ RoW </p>	<p>£1.1bn</p> 	<p>£0.6bn</p> 	<p>£2.4bn</p> 	<p>£2.7bn</p> 	<p>£1.0bn</p> 
Revenue opportunity in the medium-term						

Note: 1. "Other" market sector not shown here but contributed £0.3bn in 2019.



E-COMMERCE SHIFT - GROCERY

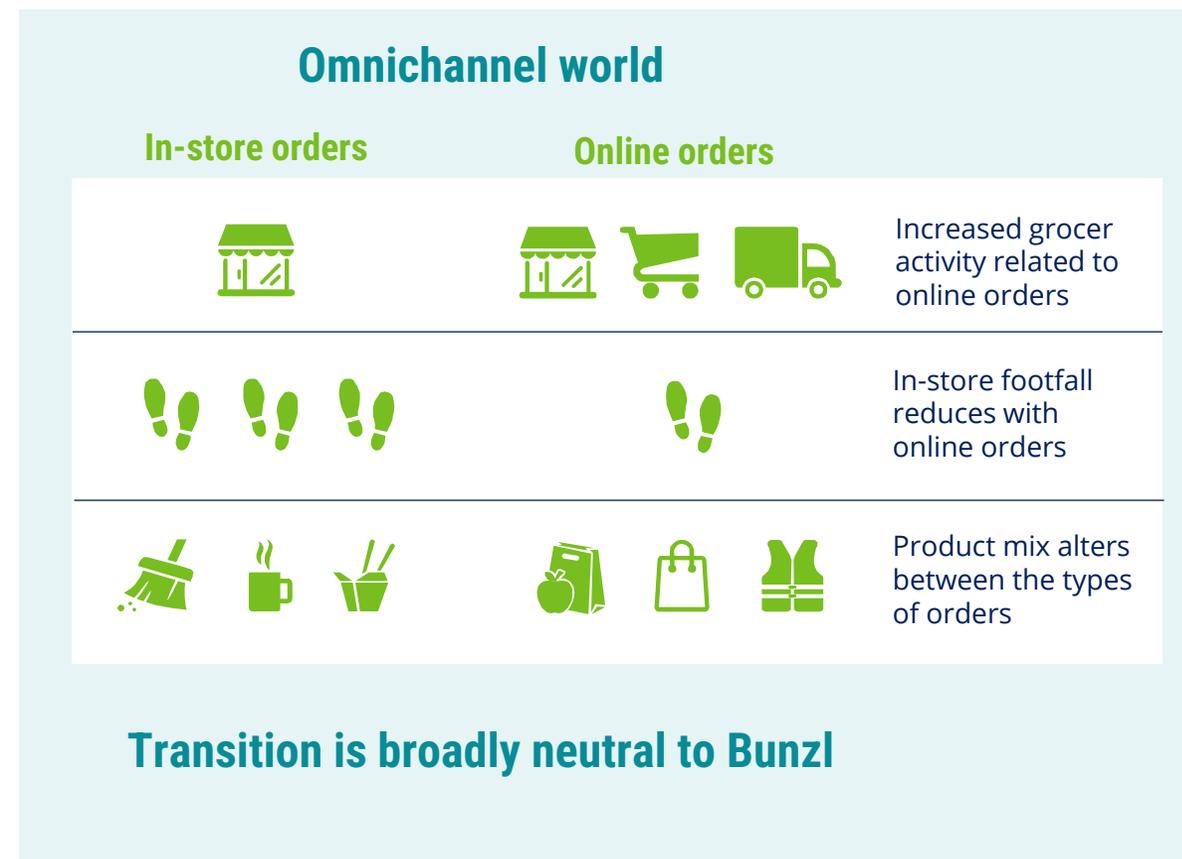
Supporting our customers' omnichannel strategies

Online orders

- Online orders are largely picked in-store
 - Store footfall reduced given a single picker can pick multiple orders for customers
 - Impact to some areas, such as cafes, hygiene and cleaning areas
 - This reduced demand for in-store products is offset by increased demand for products to support online delivery to customer's home
 - Multi pick trolleys, packaging for delivery segmentation, delivery crates, labels, driver uniforms and vehicle cleaning and sanitation
- **Shift from in-store orders to e-commerce orders is broadly neutral to Bunzl**

In-store orders

- Expected to remain very important; 80-90% of grocery sales today
- Footfall drivers to store include fresh food, hot food and deli counters



DIGITAL ORDERING IN FOODSERVICE AND NON-FOOD RETAIL

Packaging plays a vital role

Foodservice

- Bunzl supports traditional restaurants but also newer delivery platforms
- Packaging is a vital consideration for these newer delivery platforms and the restaurants that are utilising them
 - From branded products through to the need for packaging with specific technical properties that enhance the takeaway experience
- Expect channel to grow independently of restaurant visits
- A new growth channel for Bunzl



Retail

- Bunzl supplies packaging for use in-store and to support fulfillment of e-commerce orders
- E-commerce packaging is vital to protect products during transit, ensure it delivers the customer brand experience and is simple to reuse for returns
- Bunzl works with customers to develop sustainable packaging alternatives and also conducts audits of packaging ranges to ensure the size and consistency of packaging is optimised and to identify any productivity improvements
- The range and sales of packaging used for online orders is typically higher than those for in-store packaging



ESSENTIAL PRODUCTS FOR E-COMMERCE BUSINESSES

bol.com 



Bunzl is a reliable partner

Length of partnership

14 years

Types of products supplied

Wide range of e-commerce packaging products

With an unrivalled value-added offering

Level of account manager interaction:

Daily interaction, with monthly KPI meetings and quarterly strategic meetings focused on innovation, performance and market dynamics
Monthly visits to operations

Tailored delivery:

On average one daily delivery to each customer warehouse
Flexibility to service customers at short notice with high product availability

Product innovations:

Bunzl provides an “endless cardboard” solution - a computer scans the products to be packed and from zigzag cardboard prepares a precisely fitting box for the order. This reduces waste and time, and with well packed boxes, reduces carbon emissions

Sustainability requirements:

Working with bol.com to achieve carbon neutral packaging by the end of 2024, inclusive of Scope 3 emissions
Strong focus on sustainable products, with 100% of plastic products supplied made from recycled content and widely recyclable



OPERATING MODEL IMPROVEMENTS

Continually and proactively targeting internal improvements

Operating cost efficiencies continually assessed

- Consolidating warehouses
 - 71 warehouses consolidated in the last 5 years
- Implementing IT systems and solutions
- Delivery and routing efficiencies
- Staff productivity improvements
- Energy savings

Digital a key enabler to driving efficiencies

Supply chain efficiencies

- Stock Management
- Demand Planning
- Rapid Product Sourcing
- Data Driven Decision Making

Optimising our operations

- Analytics based operating model
- Optimising Fleet & Delivery Processes
- Leading Warehouse Management Systems

UK grocery and non-food retail efficiencies over the last 5 years



Warehouse consolidations: 6 small warehouses into one efficient warehouse



Investment in **workforce management systems** to increase labour productively, efficient pick runs and safe systems of work



Use of **energy efficient lighting** reducing energy usage by 70%



Investment in **Transport Management Software** supporting fuel economy, reducing accidents and optimised vehicle route planning



A STRONG TRACK RECORD OF ACQUISITION GROWTH

Focused and disciplined approach

Success of acquisition strategy

- 179 acquisitions since 2004
- £4.3bn committed acquisition spend since 2004
 - Average spend over last 5 years c.£350 million per annum ¹
 - Self funded
- Stronger, more diversified business
- Group average ROIC over 5 years: 16%
 - vs. WACC of 6-8%

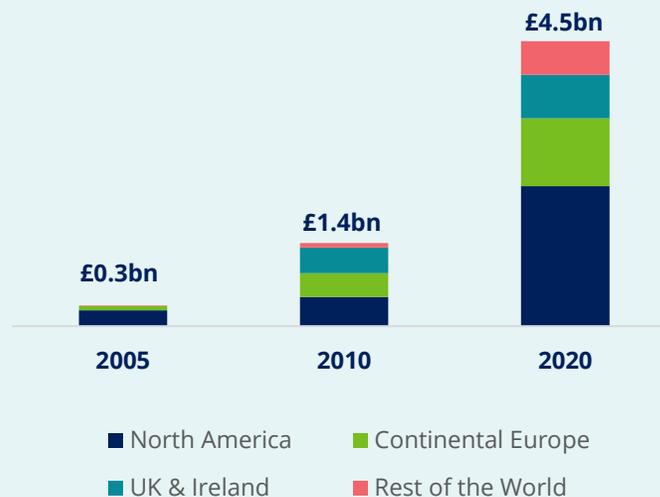
Note:

1. Average over 2017-2021 YTD

Transformation of Bunzl's scale

- Three quarters of revenue growth driven by acquisitions over recent years

Cumulative year 1 acquisition revenue since 2005



Disciplined formula supported success during pandemic

- c.£835 million of committed spend over 2020 and 2021 YTD
- Acquisitions completed in 2020 were largely those in motion prior to the pandemic; all 2021 acquisitions originated and completed during the pandemic
- Strength of balance sheet and cash generation supported capability
- Able to transact despite travel restrictions given strong local expertise and central team knowledge
- Significant financial headroom

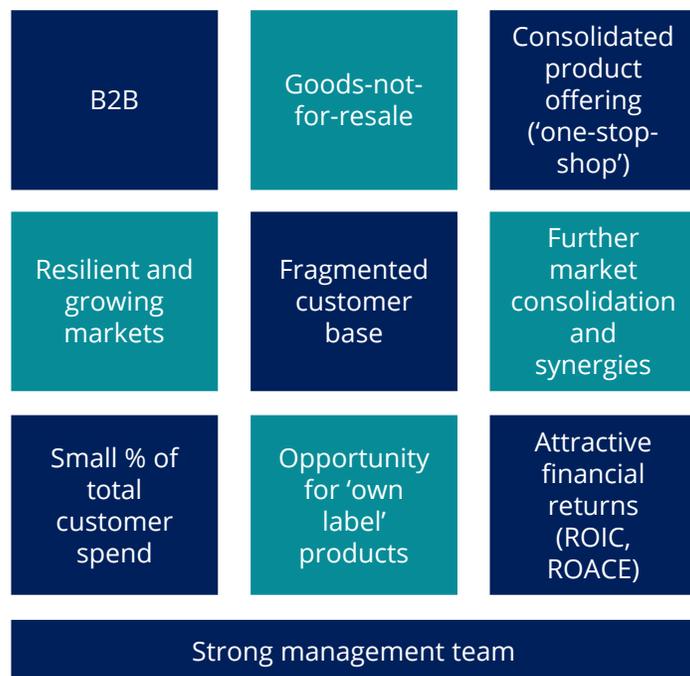


OUR APPROACH TO ACQUISITIONS

Well established and consistent model

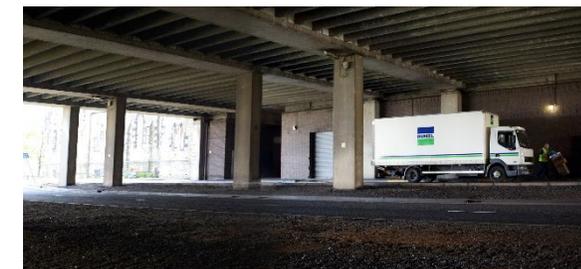
Key acquisition parameters

Strong discipline selecting the right businesses for Bunzl



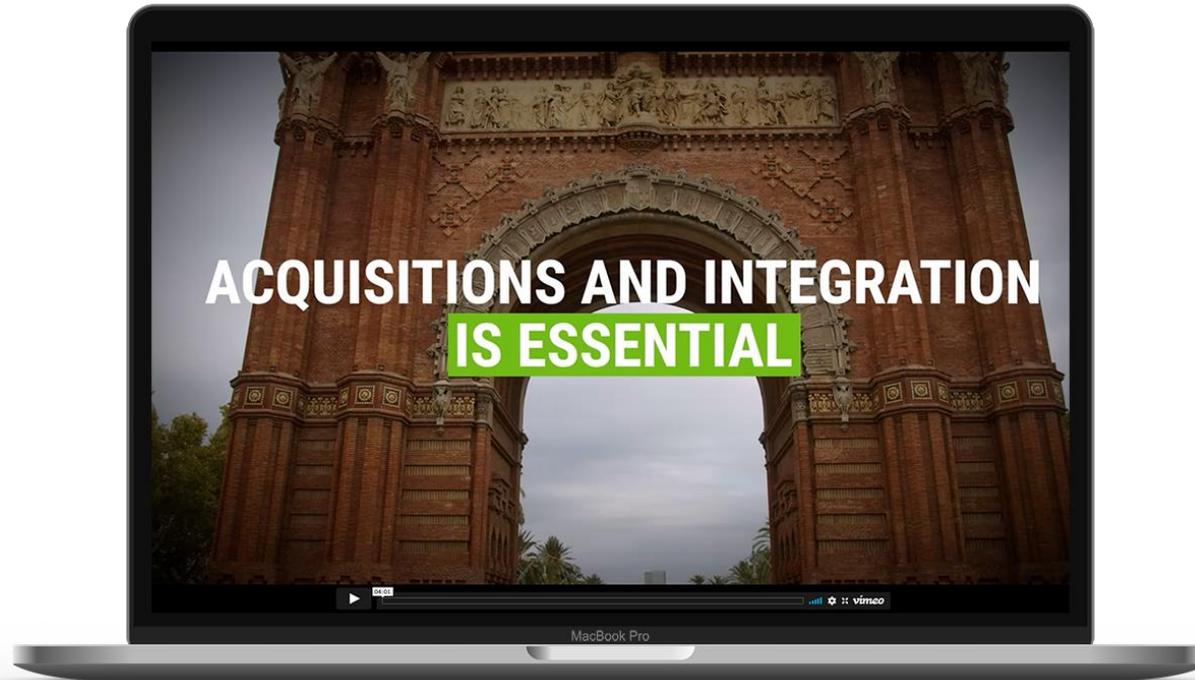
Growth through acquisitions

- **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

A dark blue icon of a video camera, showing the lens, viewfinder, and side handle.

Acquisitions and Integration



A STRONG PROCESS SUPPORTS OUR SUCCESS

Organisation and valuation discipline key to performance

Organisation and process

- Local origination; relationships built locally
- Central corporate development team responsible for execution, in addition to seeking new opportunities
 - Current central corporate development team has completed c.120 acquisitions
- Strong history of new businesses joining Bunzl without impacting commercial operations
 - Business areas responsible for onboarding and integration
 - Early focus on synergy delivery, cash management, financial reporting and health & safety with minimal impact to commercial operations
 - Year 2 and beyond the focus turns to leveraging Bunzl's scale through opportunities such as sourcing, own brand introduction, digital investments and efficiency projects

Returns and multiples

- A strong focus on ROIC, with strong discipline around multiples paid
 - Majority of EV/EBITA multiples 6-8x pre-synergies
 - Willingness to pay multiples above range for larger higher margin and fast growing businesses, subject to returns hurdles
- Acquisition strategy has significant focus on bolt on deals, with the average transaction size c.£30m over the last 5 years
 - Little private equity interest at this level

Average EV/EBITA multiples paid¹



Note:

1. Based on historic profit and pre-synergies and tax benefits

GROWING THE SAFETY VERTICAL

Strong success in diversifying into this attractive sector

Expansion of the safety sector

- 49 safety acquisitions since 2000
- Attractive sector, with focus on product development and innovation
 - Bunzl historically focused to PPE
 - In some markets we sell to redistributors and in others we sell to end customers
 - Diverse end markets (e.g. construction, manufacturing, energy and mining)
- c.£1.6 billion of committed spend in the sector since 2005, accounting for c.40% of Bunzl's acquisition investment

Example: MCR Acquisition (September 2020)

- MCR is a North America PPE business with a strong own brand portfolio
- Non-competitive acquisition process, with Bunzl maintaining a >10 year relationship with the company prior to acquisition
- 7% revenue growth in first 12 months, ahead of acquisition case
- Synergies achieved through back-office savings such as insurance and freight savings; currently working to deliver future synergies



ADJACENT SAFETY MARKETS

Plenty of opportunity for Bunzl to continue to grow



FRSA (acquired November 2019)

- Safety and emergency response supplies business in Australia specialising in emergency response equipment
- **+11% REVENUE GROWTH** over the last 12 months
- **GREENFIELD EXPANSION** into New Zealand post acquisition aided by Bunzl's supplier relationships and utilising Bunzl's existing infrastructure in the market
- Mutual customer benefit of **EXPANDED PRODUCT EXPERTISE** with FRSA's respirators and Bunzl's PPE and cleaning & hygiene consumables
- Future growth supported by a new ERP system and strengthened HR and finance capabilities

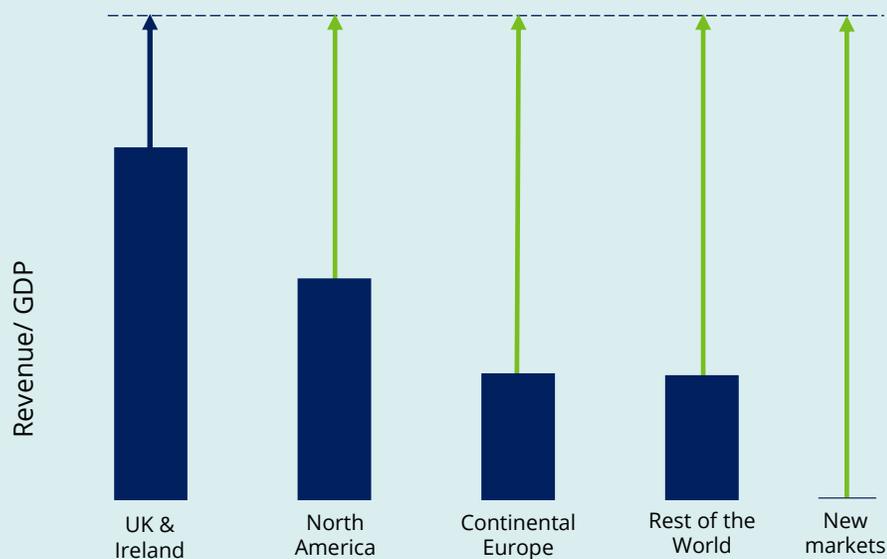
McCue Corporation (signed September 2021)

- Safety and asset protection solutions, such as safety barriers, floor railings and bumpers, for use in warehouses and high footfall environments
- **>20% HISTORIC SALES CAGR** (2018-2021F)
- **STRONG MARGINS**; above typical Group safety margins
- **EXCITING GROWTH OPPORTUNITY:**
 - Growth of e-commerce based distribution activities
 - Importance of health and safety measures in operating environments
 - Increasing prevalence of higher value warehouse equipment
 - International growth

SIZEABLE GROWTH OPPORTUNITIES REMAIN

Strong runway for growth in existing sectors and geographies

Based on UK & Ireland penetration we have the opportunity to increase our presence across our countries meaningfully, as well as growing beyond this and entering new countries and verticals



Implied revenue growth opportunity based on UK & Ireland penetration

	Germany	17x today
	Italy	16x today
	Mexico	4x today
	Spain	3x today
	Norway	9x today
	Colombia	6x today
	Poland (potential market)	>£200m opportunity
	Sweden (potential market)	>£200m opportunity

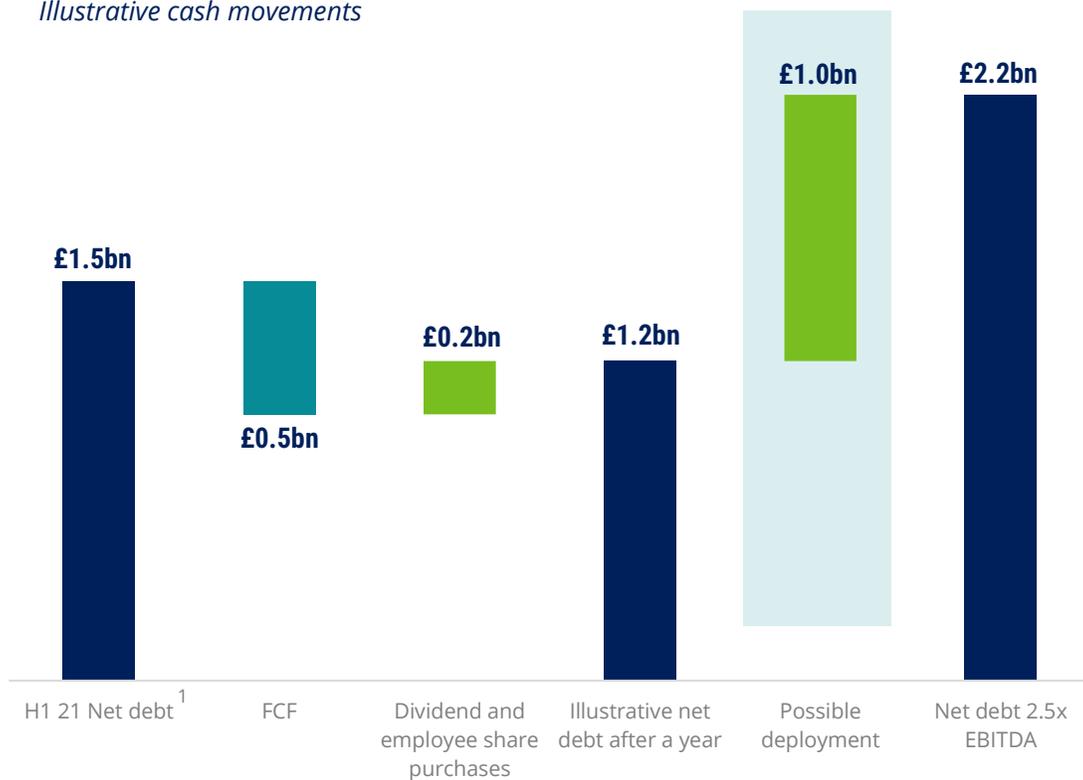
We have a presence across all sectors in only 5 of our 31 countries

In most of our markets we have the opportunity to at least double in size through our core six market sectors

DISCIPLINED CAPITAL ALLOCATION

Potential to increase annual spend on acquisitions

Illustrative cash movements



Note:

1. Net debt on covenant basis; H1 21 net debt adjusted for committed spend on acquisitions announced since the half year

- Group delivers **STRONG AND RESILIENT CASH FLOW** annually
 - Bunzl generates c.£500m of free cash flow per annum, driving c.£300m of cash post dividend and employee share purchases
 - Strength of cash flow has driven historic success with self-funded acquisitions
- Current balance sheet further supported by pandemic-driven performance
- **OPPORTUNITY TO LEVERAGE** to 2.5x Net debt/ EBITDA
 - Would allow for c.£1.0bn capital deployment
 - Current acquisition spend for 2021 totals c.£390m
- Strength of balance sheet **SUPPORTS ACTIVE PIPELINE** and M&A opportunities
- **DISCIPLINED APPROACH** to capital allocation

OUR VALUE-ADDED PROPOSITION HAS DRIVEN STRONG AND CONSISTENT RESULTS



Customer-focused business model

- Tailored offerings and service-led model that provides customers with value-added solutions
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Proven track record

Revenue (£bn)



Adjusted Operating Profit¹ (£m)

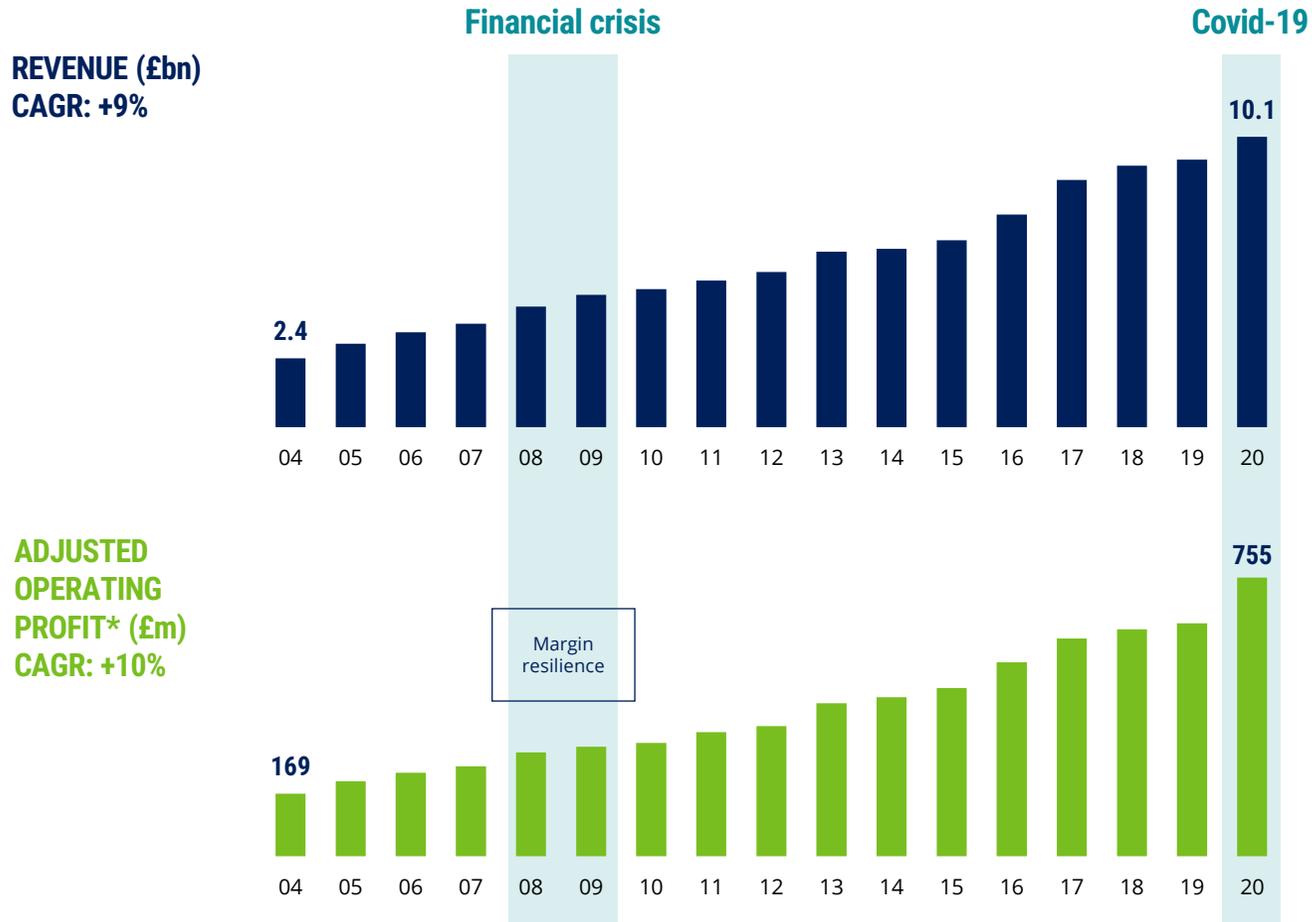


Note: 1. Alternative performance measure and on an IAS 17 basis

BUNZL'S RESILIENCE IS A KEY ASSET



Resilience in the two greatest dislocations of modern times



Resilient business model demonstrated again through 2020



- Strength of sector and geographic diversification
- Agile response through decentralised model to changing and challenging circumstances to deliver what customers needed
- Good acquisition growth even during pandemic
- Strength of supply chain evidenced
- Emerging well positioned out of Covid-19
- Consistently strong cash generation; 28 year history of consecutive dividend growth

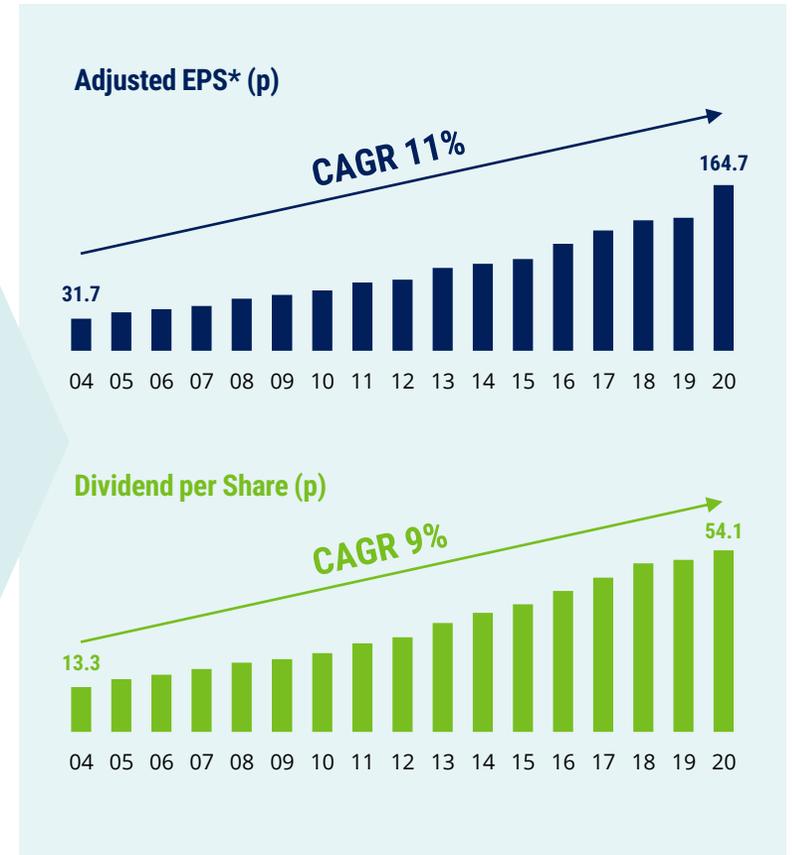
CONSISTENT AND PROVEN COMPOUNDING STRATEGY

Strong total shareholder returns



Proven track record

Organic growth	<ul style="list-style-type: none"> - Driven by economic activity - Bunzl's drivers include exposure to growing sectors, winning new customers, own brand mix and sustainable products 	<ul style="list-style-type: none"> - +9% revenue CAGR since 2004
Operational efficiencies	<ul style="list-style-type: none"> - Proactive operational efficiency initiatives - Includes, warehouse consolidation, IT systems, delivery route efficiencies 	<ul style="list-style-type: none"> - c.2% organic revenue growth (average 2004-2020) - 98% average cash conversion since 2004
Strong returns and cash generation	Acquisitions <ul style="list-style-type: none"> - 179 acquisitions in 17 years - Attractive pipeline for acquisitions with long runway for growth 	<ul style="list-style-type: none"> - £4.3bn invested in new acquisitions since 2004 - 28 years of annual dividend growth
	Dividend <ul style="list-style-type: none"> - Commitment to sustainable annual dividend growth 	<ul style="list-style-type: none"> - ROIC well ahead of WACC



SUMMARY: STRONG GROWTH OPPORTUNITY



- Good organic growth opportunity driven by recovery in markets and supportive medium-term trends
- Significant M&A opportunity remains and Bunzl's strength as a consolidator has been reinforced
- Financial headroom provides opportunity to accelerate M&A investments

Compounding
GROWTH strategy



Concluding remarks

CONCLUSION



- Continual improvement in value-added solutions is enhancing Bunzl's customer proposition and competitive advantage
- Sustainability offering is essential for customers
 - We are transitioning products to more sustainable solutions with expert advice, data, innovation and supply chain investments
 - We believe this is a growth avenue and is deepening our customer relationships
- Bunzl is emerging from the pandemic with a strong growth opportunity

VALUE-ADDED
business model

Tailored
SOLUTIONS
for a better world

Compounding
GROWTH strategy

**The
difference
is ESSENTIAL**

Q&A