



# 2016 ANNUAL RESULTS

FEBRUARY 2017





# INTRODUCTION: FRANK VAN ZANTEN CHIEF EXECUTIVE



# HIGHLIGHTS



**CONSISTENT AND PROVEN  
STRATEGY**

**GOOD SET OF RESULTS**

**£184m COMMITTED ACQUISITION  
SPEND ON 14 ACQUISITIONS**

**ADJUSTED EARNINGS PER SHARE\*  
UP 6%†**

**CASH CONVERSION 99%\*\***

**DIVIDEND PER SHARE UP 11%  
24 YEARS CONSECUTIVE  
GROWTH**

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

† At constant exchange rates

\*\* Operating cash flow before acquisition related costs to adjusted operating profit - see Appendix 2 and Appendix 5



# FINANCIAL RESULTS: BRIAN MAY FINANCE DIRECTOR



Welcome Buns  
PLEASE CONTACT  
\$1.50  
ALMOND CROISSANT  
\$1.50  
IF YOU HAVE A SPECIFIC ALLERGY OR DIETARY REQUIREMENT, PLEASE LET US KNOW

# INCOME STATEMENT

| £m                          | 2016    | 2015    | GROWTH   |                   |
|-----------------------------|---------|---------|----------|-------------------|
|                             |         |         | REPORTED | CONSTANT EXCHANGE |
| Revenue                     | 7,429.1 | 6,489.7 | 14%      | 4%                |
| Adjusted operating profit*  | 525.0   | 455.0   | 15%      | 5%                |
| Operating margin*           | 7.1%    | 7.0%    |          |                   |
| Adjusting items†            | (115.3) | (88.5)  |          |                   |
| Operating profit            | 409.7   | 366.5   |          |                   |
| Net finance expense         | (46.8)  | (43.8)  |          |                   |
| Adjusted profit before tax* | 478.2   | 411.2   | 16%      | 6%                |
| Profit before income tax    | 362.9   | 322.7   |          |                   |

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

† See Appendix 3

# FOREIGN EXCHANGE IMPACT

2016 translation impact

**+c. 10%**



# INCOME STATEMENT (CONTINUED)

| £m                            | 2016          | 2015  | GROWTH   |                   |
|-------------------------------|---------------|-------|----------|-------------------|
|                               |               |       | REPORTED | CONSTANT EXCHANGE |
| Effective tax rate            | <b>26.9%</b>  | 27.5% |          |                   |
| Adjusted profit for the year* | <b>349.6</b>  | 298.1 | 17%      | 7%                |
| Adjusted earnings per share*  | <b>106.1p</b> | 91.0p | 17%      | 6%                |
| Dividend per share            | <b>42.0p</b>  | 38.0p | 11%      |                   |
| Reported tax rate             | <b>26.7%</b>  | 27.9% |          |                   |
| Profit for the period         | <b>265.9</b>  | 232.7 |          |                   |
| Basic earnings per share      | <b>80.7p</b>  | 71.0p |          |                   |

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

**55.9%**

**▲ 40 bp**

| £m                                     | DEC 16                  | DEC 15†          |
|--|-------------------------|------------------|
| Intangibles                            | <b>1,947.6</b>          | 1,646.1          |
| Tangibles                              | <b>123.3</b>            | 112.6            |
| Working capital                        | <b>819.0</b>            | 655.0            |
| Other liabilities                      | <b><u>(264.7)</u></b>   | <u>(250.2)</u>   |
|  | <b>2,625.2</b>          | 2,163.5          |
| Pension deficit                        | <b>(84.1)</b>           | (40.0)           |
| Net debt*                              | <b><u>(1,228.6)</u></b> | <u>(1,107.2)</u> |
| Equity                                 | <b>1,312.5</b>          | 1,016.3          |
| Net debt / EBITDA                      | <b>2.0x</b>             | 2.1x             |
| Return on average<br>operating capital | <b>55.9%</b>            | 55.5%            |

\* See Appendix 4

† Revised to reflect a reclassification of software assets from Tangibles to Intangibles

## INTANGIBLES

Increase from exchange impact of £249.9m and acquisitions of £131.3m partly offset by amortisation

## WORKING CAPITAL

Increase primarily from exchange rate movements and acquisitions

## PENSION DEFICIT

Deficit increased by £44.1m primarily due to a net actuarial loss from a reduction in discount rates

## NET DEBT

Increase mainly from exchange translation of £137.4m, partly offset by a net cash inflow of £16.0m

# CASH FLOW

Free cash flow

 **15%**

| £m                                   | 2016           | 2015           |
|--------------------------------------|----------------|----------------|
| Operating cash flow*                 | 521.9          | 442.6          |
| Interest                             | (43.2)         | (39.9)         |
| Tax                                  | <u>(123.2)</u> | <u>(92.5)</u>  |
| Free cash flow                       | 355.5          | 310.2          |
| Dividends                            | (125.4)        | (116.1)        |
| Acquisitions                         | (176.6)        | (371.2)        |
| Employee share schemes               | <u>(37.5)</u>  | <u>(29.5)</u>  |
| <b>Net cash flow</b>                 | <b>16.0</b>    | <b>(206.6)</b> |
| <b>Cash conversion %<sup>†</sup></b> | <b>99%</b>     | <b>97%</b>     |

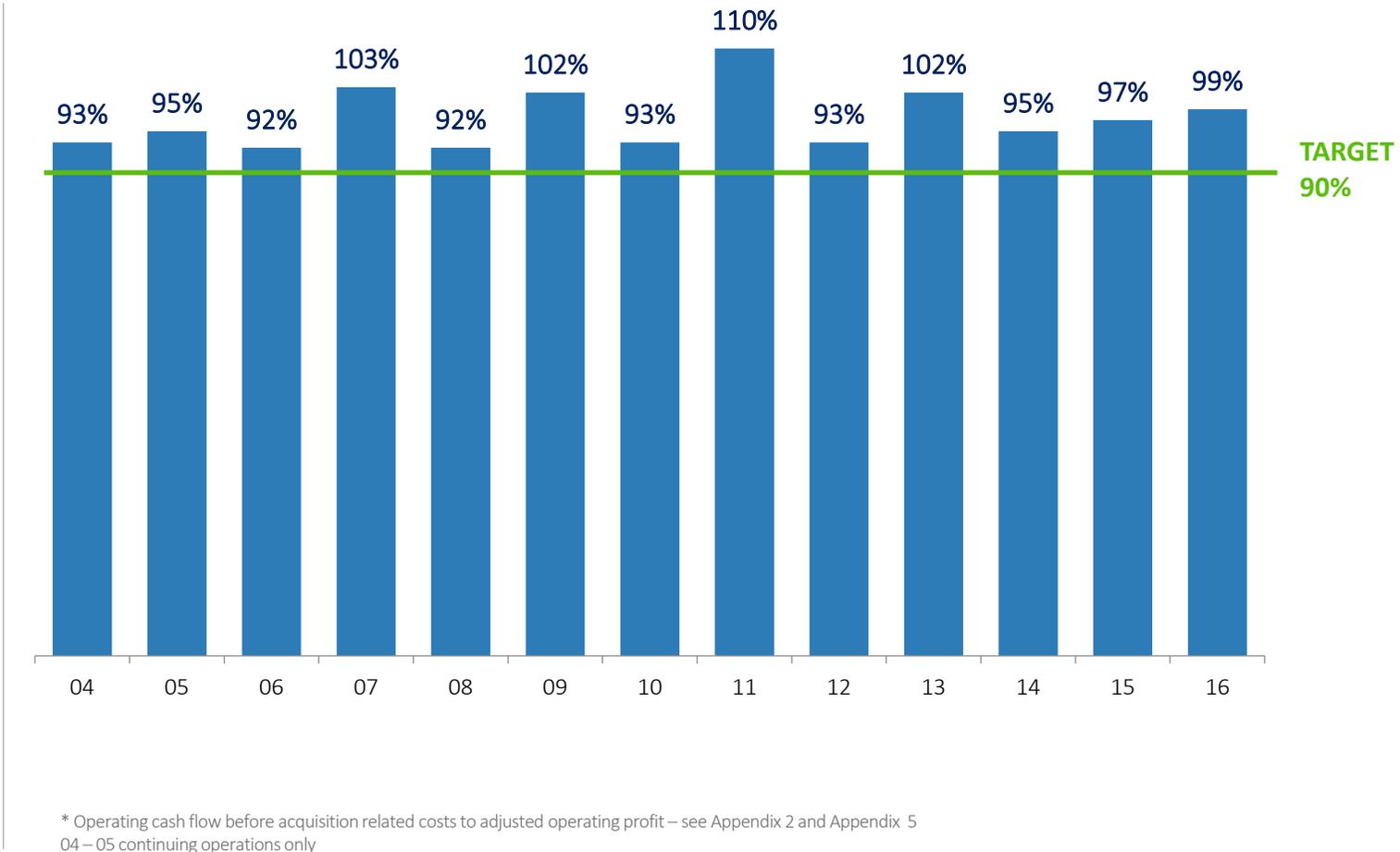
\* Before acquisition related costs - see Appendix 5

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

# CASH CONVERSION

Average cash conversion\*

**97%**



# USES OF FREE CASH FLOW 2004 - 2016

Consistently strong free cash flow supports long term growth

## DIVIDENDS

£1.0bn

DIVIDEND PER SHARE CAGR >10%

STABLE DIVIDEND COVER c. 2.5x<sup>†</sup>

## ACQUISITIONS

£2.4bn

136\* ACQUISITIONS SINCE 2004

SELF FUNDED

\* Includes two committed acquisitions in 2016 which completed in January 2017

† Based on adjusted earnings per share

# FINANCIAL SUMMARY



<sup>†</sup> At constant exchange rates

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

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



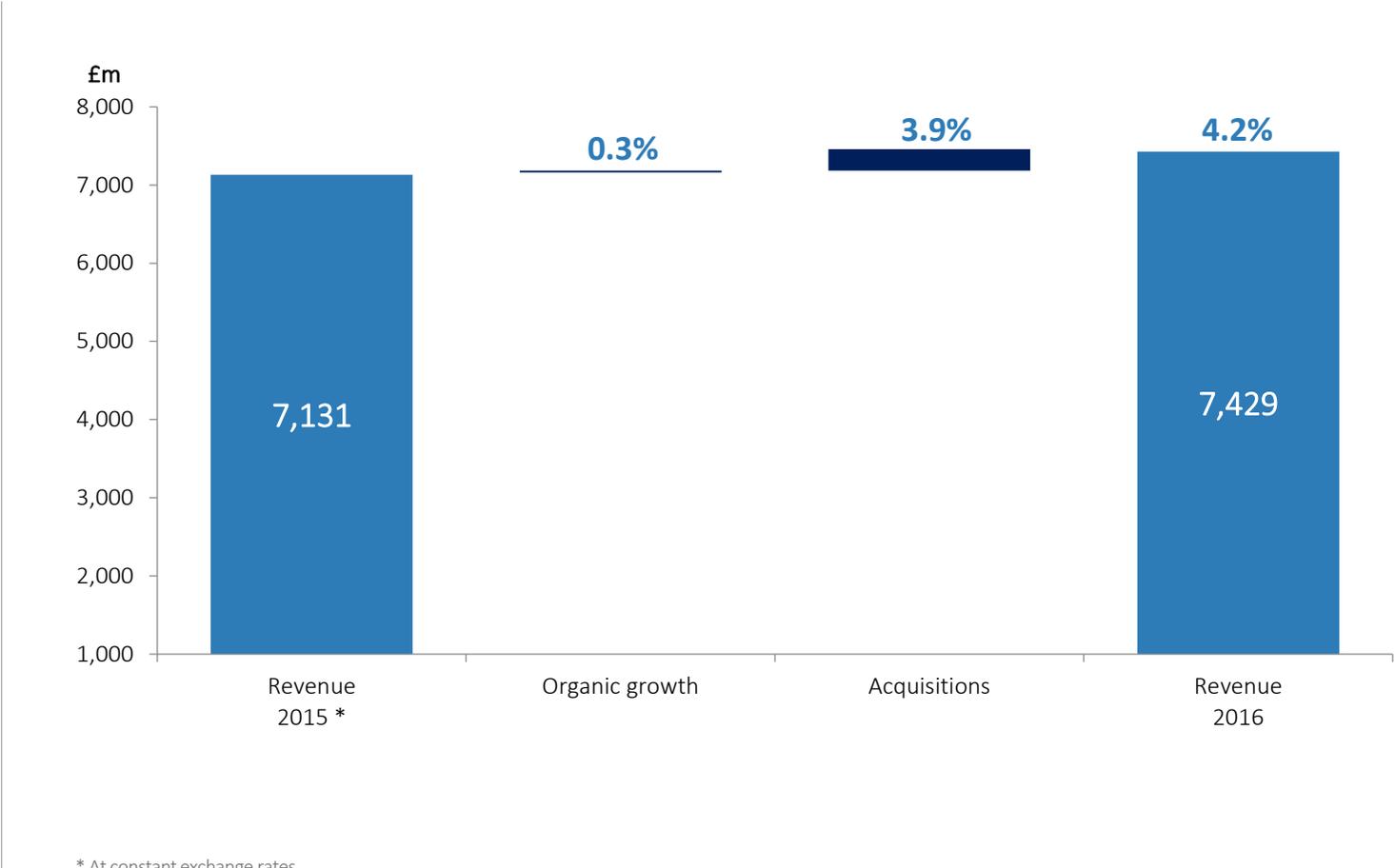
# BUSINESS REVIEW: FRANK VAN ZANTEN CHIEF EXECUTIVE

- Operations review
- Prospects
- Strategy



# REVENUE GROWTH

Improvement in organic growth in Q4 2016 to c. 1.5%

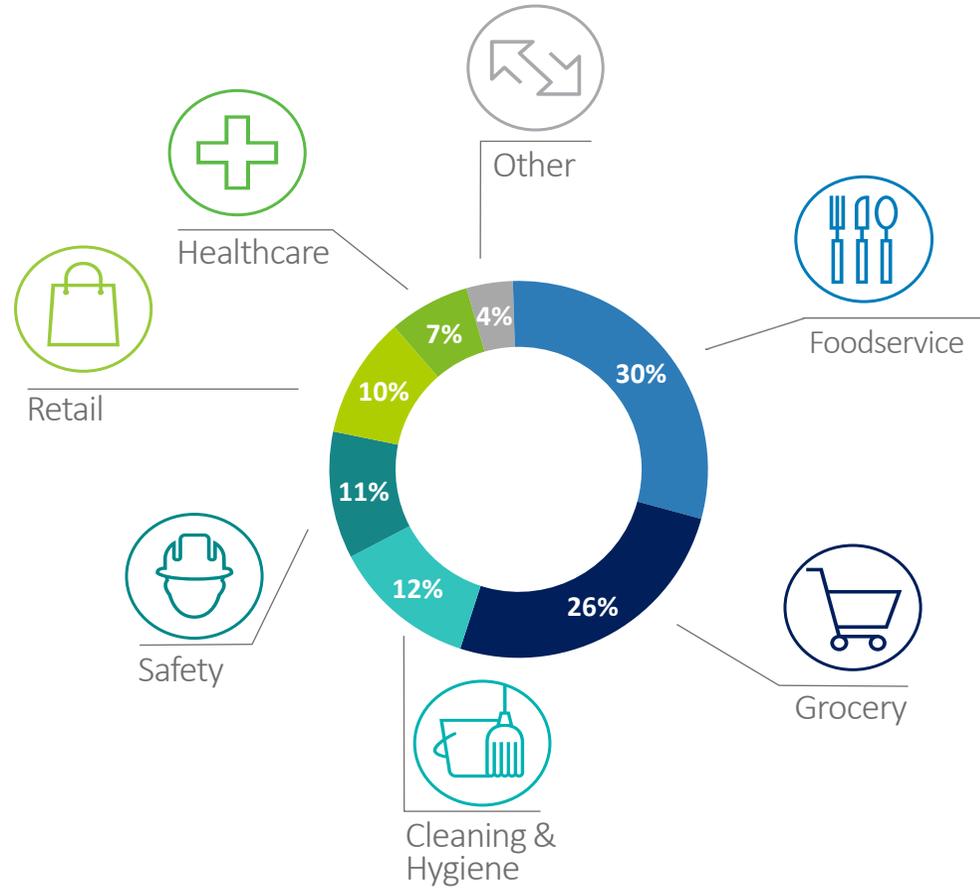


\* At constant exchange rates

# REVENUE BY CUSTOMER MARKETS

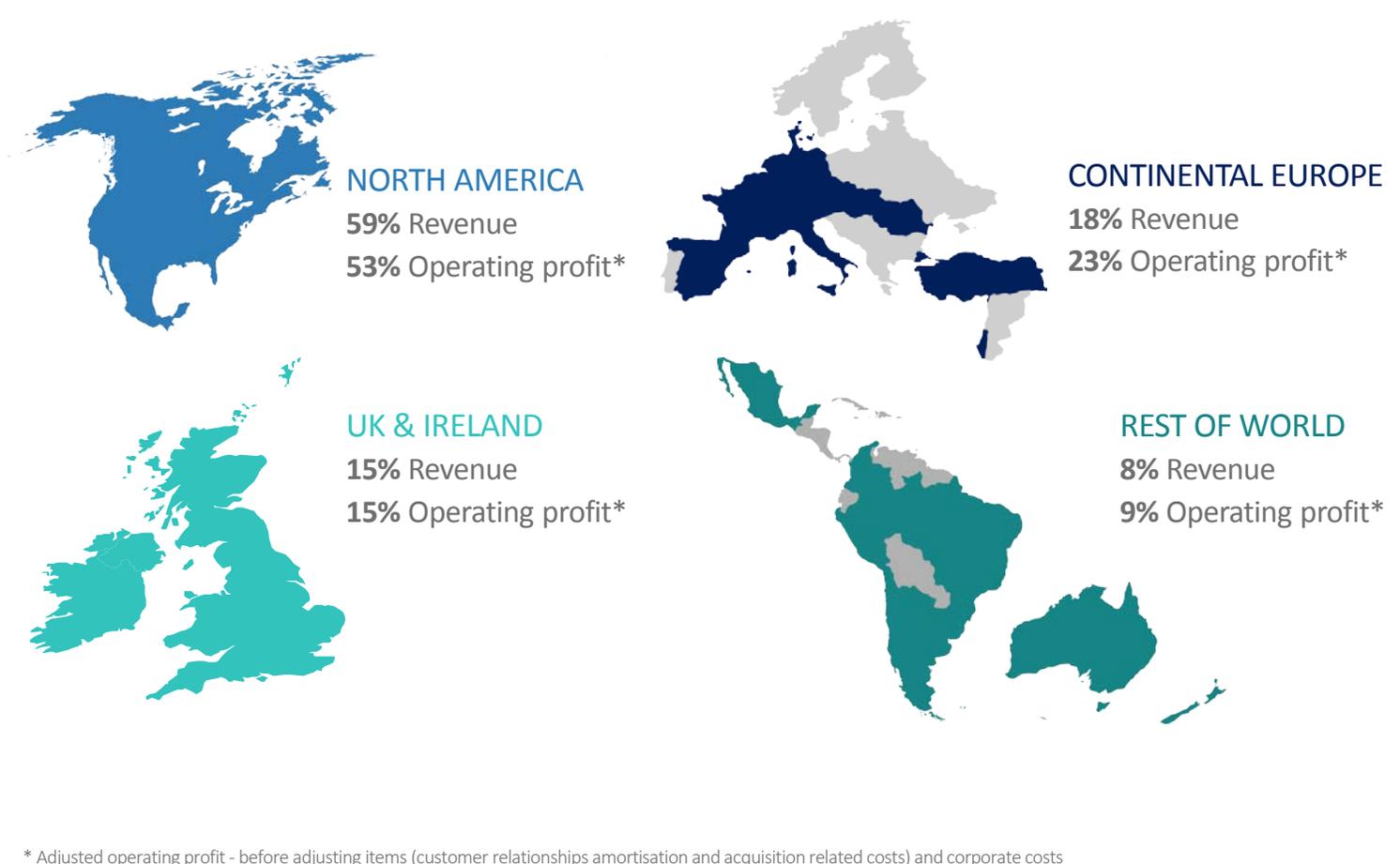
**75%**

resilient  
 Foodservice  
 Grocery  
 Cleaning & hygiene  
 Healthcare



# BUSINESS AREA ANALYSIS

Well diversified  
by geography  
and sector



# 2016 OVERVIEW

Good overall performance

**North America** - improved organic growth as year progressed from additional business won and abatement of price declines on plastic products

**Continental Europe** - strong revenue and profit growth with operating margin up 20bp to 9.3%

**UK & Ireland** – operating margin maintained at 7.7% despite previously announced account loss and subdued market conditions

**Rest of the World** - adjusted operating profit up 4%<sup>†</sup> as a result of acquisitions although margins remained under pressure due to market conditions

<sup>†</sup> At constant exchange rates

# NORTH AMERICA

| £m                          | 2016           | 2015†   | GROWTH   |                   |
|-----------------------------|----------------|---------|----------|-------------------|
|                             |                |         | REPORTED | CONSTANT EXCHANGE |
| Revenue                     | <b>4,362.1</b> | 3,784.2 | 15%      | 3%                |
| Adjusted operating profit*  | <b>289.6</b>   | 249.0   | 16%      | 4%                |
| Operating margin*           | <b>6.6%</b>    | 6.6%    |          |                   |
| Return on operating capital | <b>57.8%</b>   | 57.5%   |          |                   |

- Revenue increase from acquisitions and improved organic growth
- Growth in grocery from contract wins and expansion of business with existing customers
- Redistribution growth from category management programmes
- Safety impacted by downturn in oil and gas sector
- Strong growth in businesses serving food processor, convenience stores and agricultural sectors
- Further expansion of national distribution platform in Canada

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

† Restated to reflect the internal transfer of a business from Continental Europe

# CONTINENTAL EUROPE

| £m                          | 2016           | 2015†   | GROWTH   |                   |
|-----------------------------|----------------|---------|----------|-------------------|
|                             |                |         | REPORTED | CONSTANT EXCHANGE |
| Revenue                     | <b>1,355.1</b> | 1,088.6 | 24%      | 10%               |
| Adjusted operating profit*  | <b>126.6</b>   | 99.5    | 27%      | 13%               |
| Operating margin*           | <b>9.3%</b>    | 9.1%    |          |                   |
| Return on operating capital | <b>58.8%</b>   | 55.9%   |          |                   |

- Significant increase in revenue and profit, principally driven by acquisitions with operating margin up 20 bp
- Return to growth in cleaning & hygiene in France
- Performance in the Netherlands mixed
- Strong growth in Germany and expansion in healthcare through acquisition
- Increased sales and profit in Denmark
- Strong performance in Spain and central Europe with increased levels of profitability

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

† Restated to reflect the internal transfer of a business to North America

# UK & IRELAND

| £m                          | 2016           | 2015    | GROWTH   |                   |
|-----------------------------|----------------|---------|----------|-------------------|
|                             |                |         | REPORTED | CONSTANT EXCHANGE |
| Revenue                     | <b>1,087.8</b> | 1,102.4 | (1)%     | (2)%              |
| Adjusted operating profit*  | <b>83.7</b>    | 84.9    | (1)%     | (2)%              |
| Operating margin*           | <b>7.7%</b>    | 7.7%    |          |                   |
| Return on operating capital | <b>104.9%</b>  | 99.8%   |          |                   |

- Margin maintained despite lower revenue
- Improved profitability in safety in sluggish markets and good performance in cleaning & hygiene
- Food retail restructured following previously announced account loss; non-food retail performing well
- Hospitality impacted by lower investment by customers but should improve with recent contract win
- Solid growth in healthcare
- Excellent performance in Ireland across all sectors

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

# REST OF THE WORLD

| £m                          | 2016         | 2015  | GROWTH   |                   |
|-----------------------------|--------------|-------|----------|-------------------|
|                             |              |       | REPORTED | CONSTANT EXCHANGE |
| Revenue                     | <b>624.1</b> | 514.5 | 21%      | 11%               |
| Adjusted operating profit*  | <b>46.6</b>  | 42.1  | 11%      | 4%                |
| Operating margin*           | <b>7.5%</b>  | 8.2%  |          |                   |
| Return on operating capital | <b>30.2%</b> | 31.3% |          |                   |

- Margins remained under pressure due to macroeconomic conditions and currency weakness
- Significant benefit from 2015 acquisitions, particularly in Latin America
- Latin America
  - Underlying profit maintained in Brazil as market conditions show signs of stability
  - Elsewhere overall business trading in line our expectations
- Australasia
  - Market conditions remain challenging

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

# PROSPECTS

**Group** – continued growth due to strong competitive position, diversified and resilient businesses and ability to consolidate fragmented markets

If exchange rates remain at current levels there will be a positive effect on reported results in 2017, particularly in the first half

**North America** – improvement in organic growth in Q4 2016 expected to continue due to additional business won and abatement of plastic price declines

**Continental Europe** – good performance due to benefit of acquisitions and organic growth

**UK & Ireland** – progress due to acquisition impact and recent account win with focus on mitigating transactional effects of exchange

**Rest of the World** – more stable trading performance due to less volatile macroeconomic factors

**Acquisition pipeline** promising - expect to complete further transactions in 2017

# CONSISTENT AND PROVEN COMPOUNDING STRATEGY



High ROIC  
despite  
significant  
acquisition  
spend



**ROIC  
16.7%**

# ORGANIC GROWTH



# OPERATING MODEL IMPROVEMENTS

Small improvements every day everywhere lead to significant progress over time

## CONSOLIDATING WAREHOUSES

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

## ERP IMPLEMENTATIONS

- Warehouse management systems
- Vehicle routing systems
- CRM systems

## DIGITAL CAPABILITIES

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

## SHARING BEST PRACTICE

- Make use of collective resources, experience and expertise
- Global collaboration

## GLOBAL PURCHASING

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



# ACQUISITION GROWTH

136\* acquisitions  
2004 - 2016;  
total committed  
spend of £2.5bn

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

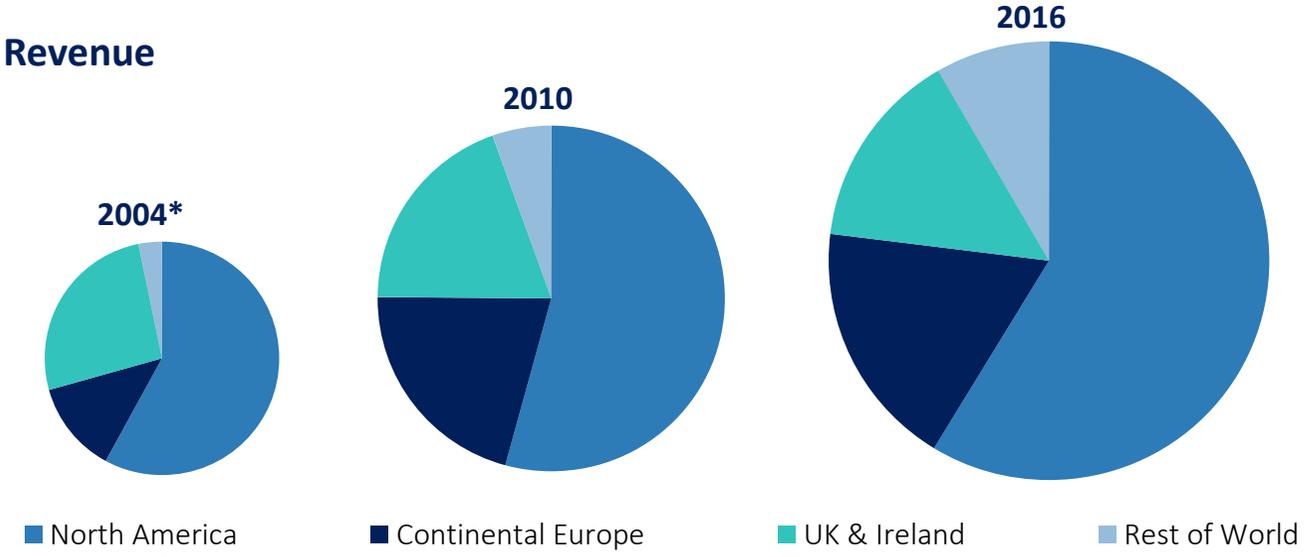
\* Includes two committed acquisitions in 2016 which completed in January 2017  
04-05 continuing operations only

# GEOGRAPHIC EXPANSION

Significant scope for future geographic expansion



## Revenue



\* Continuing operations only

# 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 |
|-------------|-------------|---------|-----|--------|--------|------------|
| Romania     | •           |         |     |        | •      | •          |
| Hungary     |             |         |     |        | •      | •          |
| Slovakia    |             |         | •   | •      | •      | •          |
| Israel      |             | •       | •   | •      | •      | •          |
| Turkey      |             | •       | •   |        | •      | •          |
| Brazil      | •           | •       |     |        | •      |            |
| Chile       |             | •       | •   |        | •      | •          |
| Colombia    | •           | •       | •   |        | •      | •          |
| Argentina   | •           | •       | •   |        | •      | •          |
| Peru        | •           | •       | •   |        | •      | •          |
| Uruguay     | •           | •       | •   |        | •      | •          |
| Australia   |             |         |     |        |        |            |
| New Zealand |             |         |     |        | •      |            |
| Hong Kong   | •           | •       | •   | •      |        | •          |
| Singapore   | •           | •       | •   |        | •      | •          |

• No existing presence

# GEOGRAPHIC EXPANSION

Significant scope for future geographic expansion

| EXISTING MARKET EXAMPLES   |               |                       | POTENTIAL MARKET EXAMPLES   |                      |
|--|---------------|-----------------------|---|----------------------|
| Country  | 2016 revenues | GDP scaled revenues * | Country   | GDP scaled revenues* |
| France<br>  | £420m         | £1,000m               | Poland<br>         | £175m                |
| Germany<br> | £90m          | £1,300m               | Sweden<br>         | £180m                |
| Brazil<br> | £145m         | £425m                 | Coastal China<br> | £?m                  |

**\*Basis of preparation:** GDP scaled revenues are based on the UK & Ireland footprint scaled by 2015 nominal GDP. A 50% discount has been applied to Brazil

# GEOGRAPHIC AND SECTOR EXPANSION

Expansion into new sectors and markets



## *E-commerce sector*

Woodway, acquired in December 2016, specialises in packaging for the retail e-commerce sector

The e-commerce sector is a rapidly growing part of the overall UK retail packaging market. C. 20% of all retail sales in the UK are now made online

With its strong service proposition and focus on online retail, the acquisition represents a good strategic fit for Bunzl

## *Expansion in Asia*

First acquisition in Asia - LSH completed in January 2017

LSH is a well-established distributor of safety products, primarily to end users

Singapore is a regional hub to southeast Asia. Represents first move in developing safety across the region



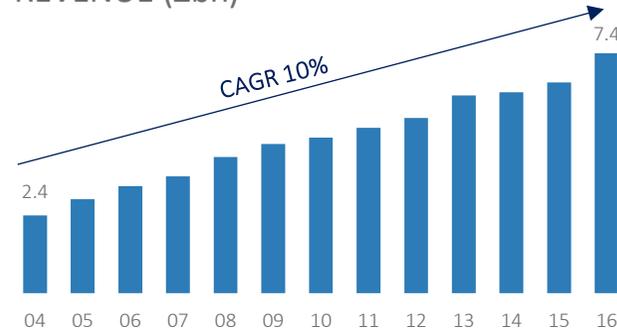
# FINANCIAL TRACK RECORD 2004-2016



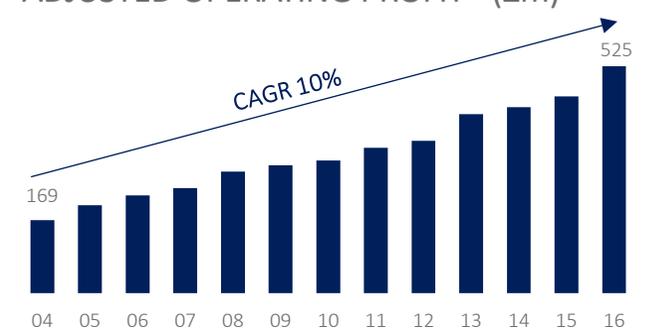
Proven compounding strategy

CAGR  
**10%-11%**

REVENUE (£bn)

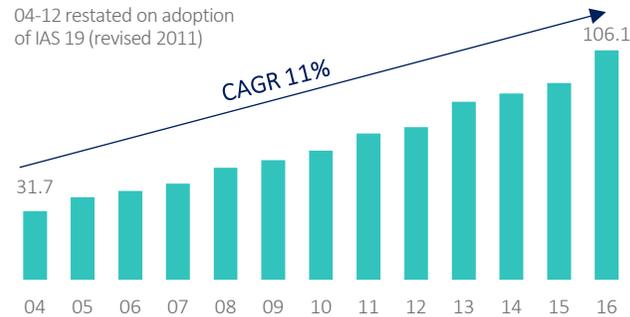


ADJUSTED OPERATING PROFIT\* (£m)

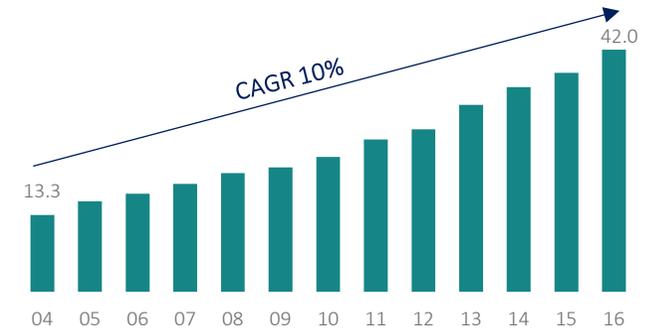


ADJUSTED EPS\* (p)

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



DIVIDEND PER SHARE (p)



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



# APPENDICES



# APPENDIX 1

## EXCHANGE RATES

|                     | 2016        | 2015 |
|---------------------|-------------|------|
| <u>Average rate</u> |             |      |
| US\$                | <b>1.36</b> | 1.53 |
| Euro                | <b>1.22</b> | 1.38 |
| Canadian\$          | <b>1.80</b> | 1.95 |
| Brazilian real      | <b>4.74</b> | 5.10 |
| Australian\$        | <b>1.82</b> | 2.03 |
|                     |             |      |
| <u>Closing rate</u> |             |      |
| US\$                | <b>1.24</b> | 1.47 |
| Euro                | <b>1.17</b> | 1.36 |
| Canadian\$          | <b>1.66</b> | 2.05 |
| Brazilian real      | <b>4.01</b> | 5.90 |
| Australian\$        | <b>1.71</b> | 2.03 |

# APPENDIX 2

## INCOME STATEMENT

### ALTERNATIVE PERFORMANCE MEASURES



| <b>£m</b>                         | <b>2016</b>    | <b>2015</b> |
|-----------------------------------|----------------|-------------|
| Operating profit                  | <b>409.7</b>   | 366.5       |
| Adjusting items*                  | <b>115.3</b>   | 88.5        |
| <b>Adjusted operating profit</b>  | <b>525.0</b>   | 455.0       |
| Operating margin                  | <b>7.1%</b>    | 7.0%        |
| Net finance cost                  | <b>(46.8)</b>  | (43.8)      |
| Adjusted profit before income tax | <b>478.2</b>   | 411.2       |
| Tax on adjusted profit            | <b>(128.6)</b> | (113.1)     |
| Adjusted profit for the period    | <b>349.6</b>   | 298.1       |
| Adjusted earnings per share       | <b>106.1p</b>  | 91.0p       |

\* See Appendix 3

# APPENDIX 3

## ADJUSTING ITEMS

| <b>£m</b>                           | <b>2016</b>       | <b>2015</b> |
|-------------------------------------|-------------------|-------------|
| Customer relationships amortisation | <b>(81.3)</b>     | (66.8)      |
| Deferred consideration payments     | <b>(29.6)</b>     | (24.3)      |
| Transaction costs and expense       | <b>(6.8)</b>      | (7.9)       |
| Earn-out adjustments                | <b><u>2.4</u></b> | <u>10.5</u> |
| <b>Total adjusting items</b>        | <b>(115.3)</b>    | (88.5)      |

# APPENDIX 4

## NET DEBT



| £m                          | 2016             | 2015          |
|-----------------------------|------------------|---------------|
| Opening net debt            | (1,107.2)        | (877.4)       |
| Net cash inflow / (outflow) | 16.0             | (206.6)       |
| Exchange                    | <u>(137.4)</u>   | <u>(23.2)</u> |
| Closing net debt            | <b>(1,228.6)</b> | (1,107.2)     |

# APPENDIX 5

## CASH FLOW AND CASH CONVERSION

| <b>£m</b>                         | <b>2016</b>          | <b>2015</b>   |
|-----------------------------------|----------------------|---------------|
| Operating profit                  | <b>409.7</b>         | 366.5         |
| Adjusting items                   | <b>115.3</b>         | 88.5          |
| <b>Adjusted operating profit*</b> | <b>525.0</b>         | 455.0         |
| Adjusted for non-cash items       | <b>28.0</b>          | 19.8          |
| Working capital movement          | <b><u>(6.3)</u></b>  | <u>(9.8)</u>  |
| <b>Cash flow from operations†</b> | <b>546.7</b>         | 465.0         |
| Net capital expenditure           | <b><u>(24.8)</u></b> | <u>(22.4)</u> |
| <b>Operating cash flow</b>        | <b>521.9</b>         | 442.6         |
| <b>Cash conversion**</b>          | <b>99%</b>           | 97%           |

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

† Cash generated from operations before adjusting items – see Appendix 3

\*\* Operating cash flow before acquisition related costs – see Appendix 2

# APPENDIX 6

## ACQUISITION GROWTH 2016



# £184m

committed spend  
with promising  
pipeline

| BUSINESS                    | ACQUIRED     | COUNTRY        | SECTOR             | REVENUE* |
|-----------------------------|--------------|----------------|--------------------|----------|
| Earthwise Bag               | February     | USA            | Grocery            | £13.2m   |
| Bursa Pazari                | March        | Turkey         | Foodservice        | £32.3m   |
| Inkozell & Mo Ha Ge         | May          | Germany        | Healthcare         | £19.3m   |
| Classic Bag                 | May          | United Kingdom | Retail             | £7.4m    |
| Polaris Chemicals           | May          | Belgium        | Cleaning & hygiene | £2.9m    |
| Plus II                     | July         | Canada         | Cleaning & hygiene | £17.8m   |
| Apex                        | July         | Canada         | Cleaning & hygiene | £6.6m    |
| Blyth                       | August       | Czech Republic | Safety             | £5.7m    |
| Kingsbury Packaging         | September    | United Kingdom | Foodservice        | £5.4m    |
| Silwell                     | September    | Hungary        | Foodservice        | £7.9m    |
| Tri-Star Packaging          | September    | United Kingdom | Foodservice        | £27.8m   |
| Woodway                     | December     | United Kingdom | Retail             | £36.0m   |
| Saebe Compagniet†           | January 2017 | Denmark        | Foodservice        | £12.4m   |
| Prorisk & GM<br>Equipement† | January 2017 | France         | Safety             | £6.4m    |

\* Annualised and converted at average exchange rates

† Acquisitions were committed to during 2016 and completed in January 2017

# APPENDIX 7

## HISTORICAL DATA



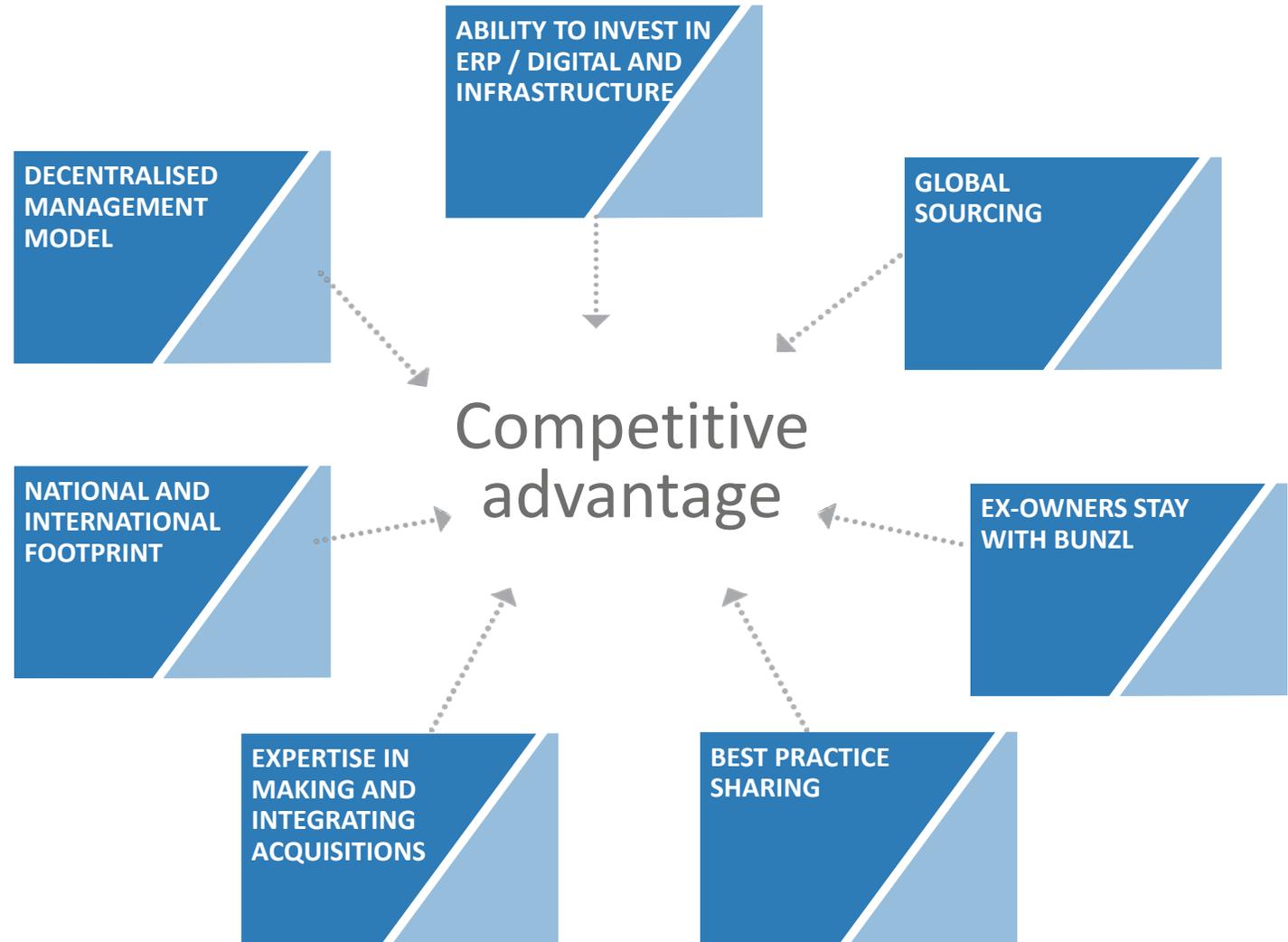
| £m                         | 2004  | 2005  | 2006  | 2007  | 2008  | 2009  | 2010  | 2011  | 2012  | 2013  | 2014  | 2015  | 2016         |
|----------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------------|
| Revenue                    | 2,439 | 2,924 | 3,333 | 3,582 | 4,177 | 4,649 | 4,830 | 5,109 | 5,359 | 6,098 | 6,157 | 6,490 | <b>7,429</b> |
| Adjusted operating profit* | 169   | 203   | 226   | 243   | 281   | 296   | 307   | 336   | 352   | 414   | 430   | 455   | <b>525</b>   |
| 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   | <b>7.1</b>   |

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

# WHAT MAKES BUNZL DIFFERENT AND UNIQUE?



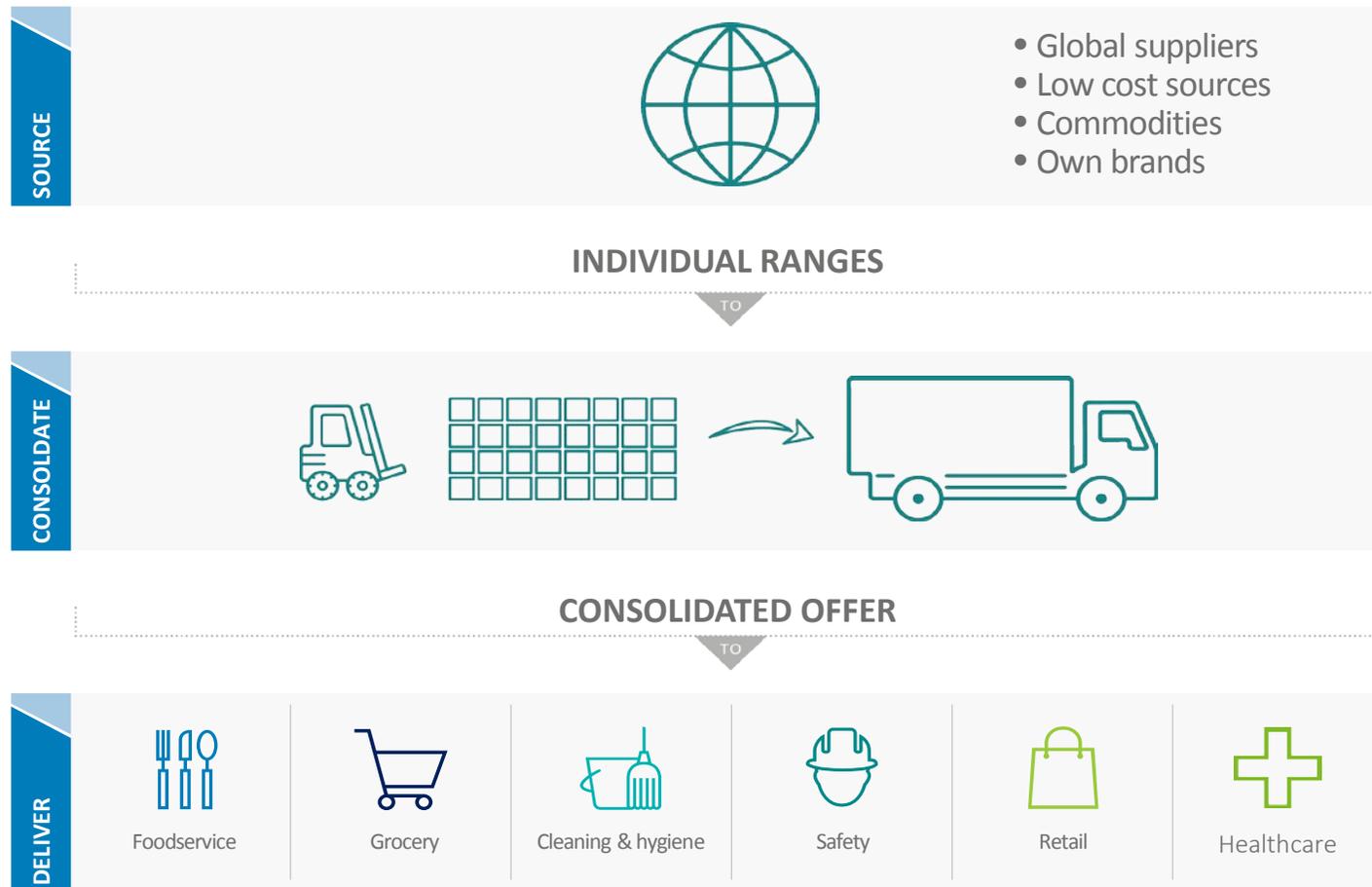
Global market leadership position



# APPENDIX 9 BUSINESS MODEL



One-stop-shop  
for non-food  
consumables



# APPENDIX 10 VALUE PROPOSITION

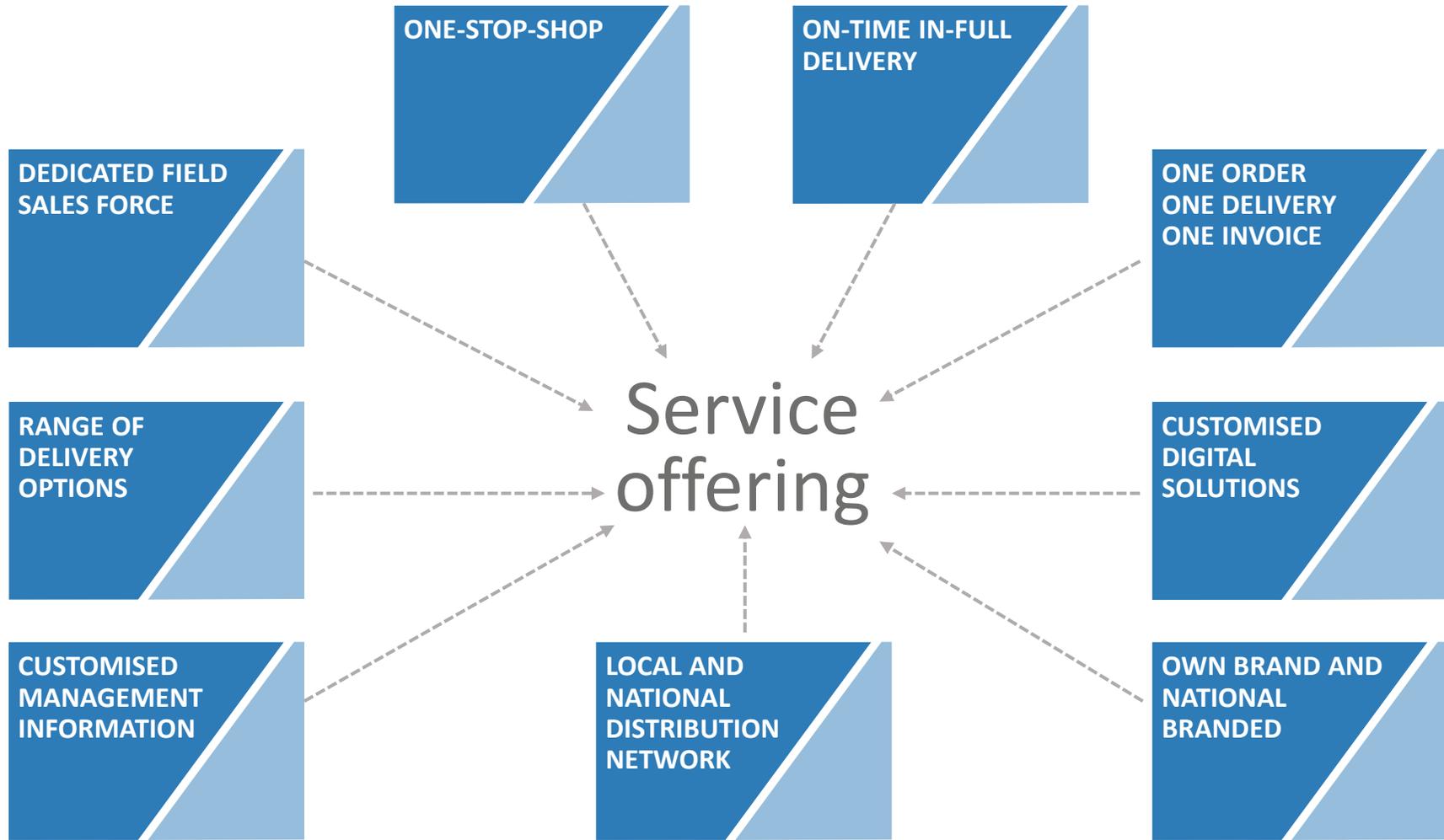


Outsourcing  
adds value for  
our customers



- 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

|  |   |  |
|--|---|--|
| <b>B2B</b>                             | <b>GOODS NOT-FOR-RESALE</b>                 | <b>CONSOLIDATED PRODUCT OFFERING ('ONE-STOP-SHOP')</b> |
| <b>RESILIENT AND GROWING MARKETS</b>   | <b>FRAGMENTED CUSTOMER BASE</b>             | <b>FURTHER MARKET CONSOLIDATION AND SYNERGIES</b>      |
| <b>SMALL % OF TOTAL CUSTOMER SPEND</b> | <b>OPPORTUNITY FOR 'OWN LABEL' PRODUCTS</b> | <b>ATTRACTIVE FINANCIAL RETURNS (ROIC, ROACE)</b>      |

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

# APPENDIX 13

## ACQUISITION DISCIPLINE



136\*  
acquisitions  
2004 - 2016



\* Includes two committed acquisitions which completed in January 2017

# APPENDIX 14

## ANNUALISED ACQUISITION REVENUE



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

○ Leading spend in year  
04-05 continuing operations only

\* Includes two committed acquisitions which completed in January 2017

## APPENDIX 15

# 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.

These measures exclude the charge for customer relationships 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. Growth rates at constant exchange rates are calculated by retranslating the results for the year ended 31 December 2015 at the average rates for the year ended 31 December 2016 so that they can be compared without the distorting impact of changes caused by foreign exchange translation.

Other non-GAAP measures, such as cash conversion, 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 2015 Annual Report.

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