BUNZL

2019
HALF YEAR RESULTS

AUGUST 2019

INTRODUCTION:
FRANK VAN ZANTEN
CHIEF EXECUTIVE

HIGHLIGHTS

SLOWING MACROECONOMIC AND MARKET CONDITIONS

UNDERLYING REVENUE GROWTH 0.8%

RESILIENT PERFORMANCE

OPERATING MARGIN* DOWN 6 BASIS POINTS◊

CONTINUED STRONG CASH CONVERSION* 96%

ACQUISITION SPEND OF £98m WITH ACTIVE PIPELINE

* Alternative performance measure – see Appendix 2
◊ At constant exchange rates

FINANCIAL RESULTS:
BRIAN MAY
FINANCE DIRECTOR

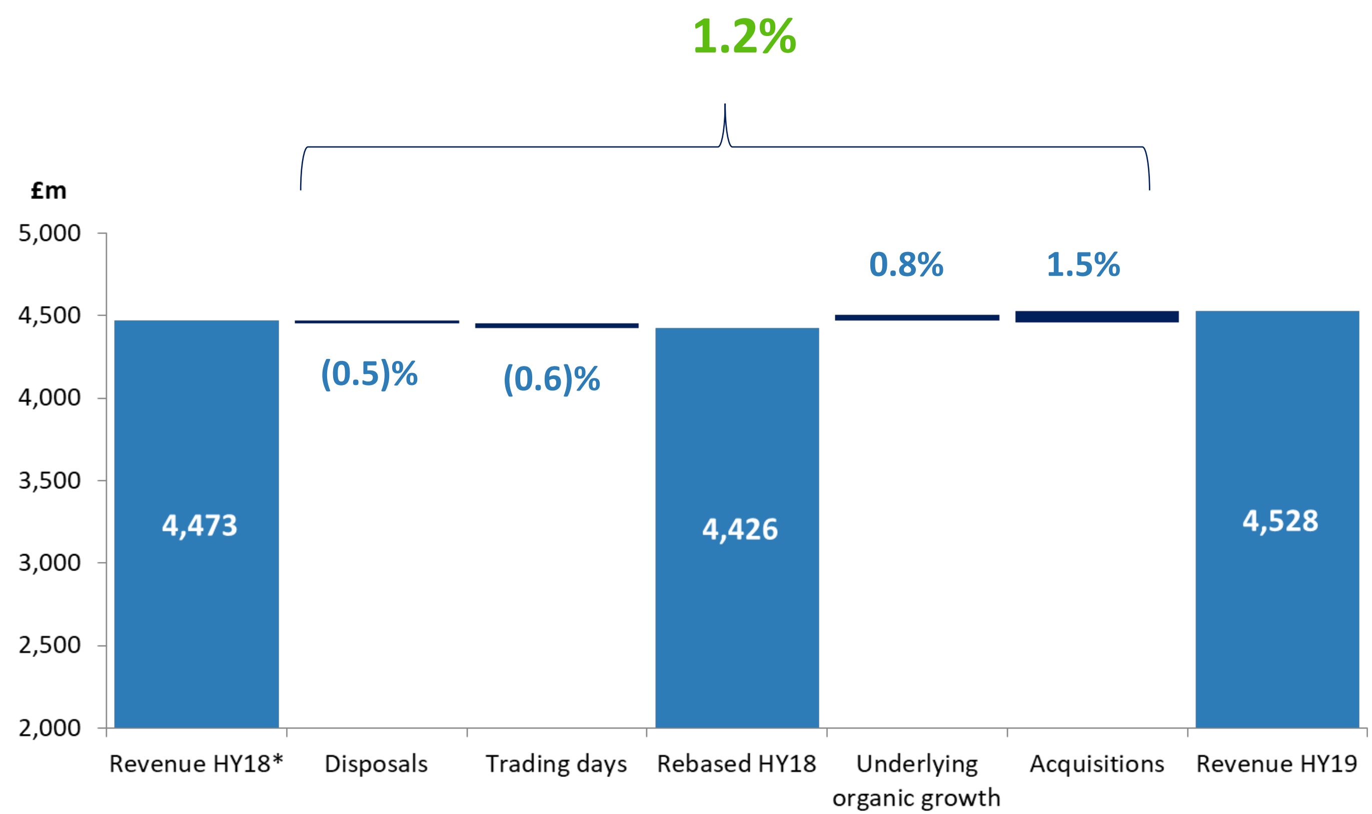
REVENUE GROWTH

Revenue growth *

1.2%

Underlying organic growth

0.8%



* At constant exchange rates

LEASE ACCOUNTING (IFRS 16)

No change in approach to lease or buy decision

No impact on cash flow

No impact on existing debt covenants

No impact on financing headroom

INCOME STATEMENT
HY 2019

ADJUSTED OPERATING PROFIT*	⬆	£10.9m
NET FINANCE EXPENSE	⬆	£11.6m
ADJUSTED PROFIT BEFORE INCOME TAX*	⬇	£0.7m
ADJUSTED EARNINGS PER SHARE*	⬇	0.2p

BALANCE SHEET
As at 30 June 2019

RIGHT-OF-USE ASSETS	⬆	£456.9m
LEASE LIABILITIES	⬆	£504.4m

Return on average operating capital ('RAOC')* cannot be calculated under IFRS 16 until 12 months have elapsed under the new standard. 2019 RAOC is expected to be c.12% lower under IFRS 16 than under IAS 17

* Alternative performance measure – see Appendix 2

INCOME STATEMENT

£m	JUNE 19 IFRS 16	JUNE 19 IAS 17◊	JUNE 18 IAS 17	IAS 17 GROWTH◊ REPORTED	IAS 17 GROWTH◊ CONSTANT EXCHANGE
Revenue	**4,528.4**	**4,528.4**	4,343.7	4.3%	1.2%
Adjusted operating profit*	**302.7**	**291.8**	285.0	2.4%	0.3%
Operating margin*	**6.7%**	**6.4%**	6.6%		
Adjusting items**	**(63.7)**	**(63.7)**	(74.2)		
Operating profit	**239.0**	**228.1**	210.8		
Net finance expense	**(38.5)**	**(26.9)**	(27.1)		
Profit on disposal of businesses	**-**	**-**	13.6		
Profit before income tax	**200.5**	**201.2**	197.3		
Adjusted profit before income tax*	**264.2**	**264.9**	257.9	2.7%	0.8%

◊ Following the adoption of IFRS 16 'Leases' with effect from 1 January 2019, the results for the six months ended 30 June 2019 are not directly comparable with those reported under IAS 17 'Leases' in the comparable period for the prior year. As a result, in order to provide meaningful comparatives, the Company has also presented the results for the six months ended 30 June 2019 under IAS 17. The growth rates shown are stated on an IAS 17 basis.

* Alternative performance measure – see Appendix 2

** See Appendix 3

INCOME STATEMENT (CONTINUED)

£m	JUNE 19 IFRS 16	JUNE 19 IAS 17◊	JUNE 18 IAS 17	IAS 17 GROWTH◊ REPORTED	IAS 17 GROWTH◊ CONSTANT EXCHANGE
Effective tax rate*	**23.8%**	**23.8%**	23.8%		
Adjusted profit for the period*	**201.3**	**201.9**	196.4	2.8%	0.8%
Weighted average number of shares (m)	**333.3**	**333.3**	330.5		
Adjusted earnings per share*	**60.4p**	**60.6p**	59.4p	2.0%	0.0%
Dividend per share	**15.5p**	**15.5p**	15.2p	2.0%	
Reported tax rate	**22.6%**	**22.6%**	24.4%		
Profit for the period	**155.1**	**155.7**	149.2		
Basic earnings per share	**46.5p**	**46.7p**	45.1p		

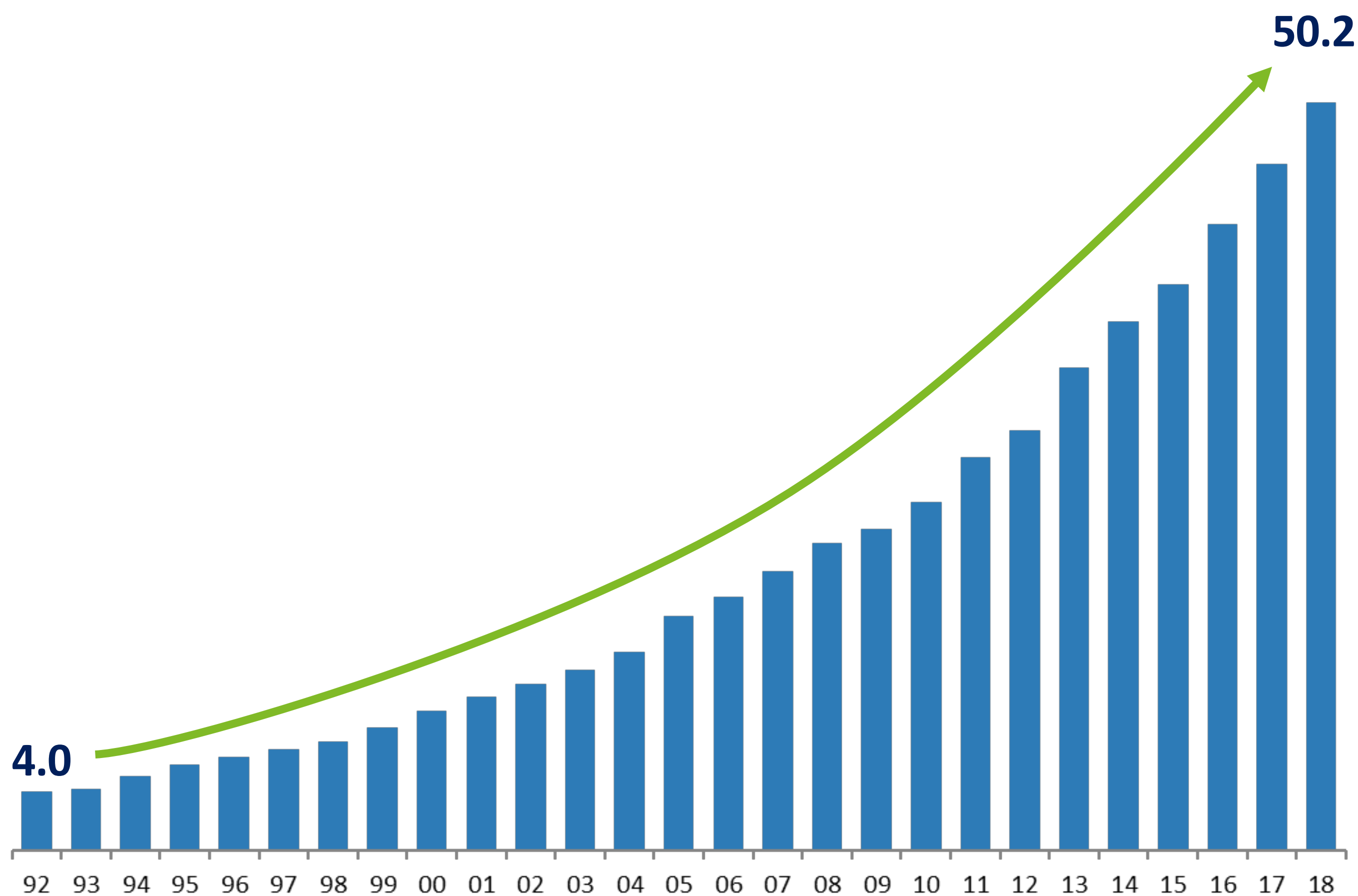
◊ Following the adoption of IFRS 16 'Leases' with effect from 1 January 2019, the results for the six months ended 30 June 2019 are not directly comparable with those reported under IAS 17 'Leases' in the comparable period for the prior year. As a result, in order to provide meaningful comparatives, the Company has also presented the results for the six months ended 30 June 2019 under IAS 17. The growth rates shown are stated on an IAS 17 basis.

* Alternative performance measure – see Appendix 2

DIVIDEND PER SHARE (p)

26 years

of consecutive dividend increases



BALANCE SHEET

Net debt : EBITDA at low end of target range provides substantial funding capacity

£m	JUNE 19 IFRS 16	DEC 18 IAS 17
Intangibles	**2,427.2**	2,382.5
Right-of-use assets	**456.9**	-
Tangibles	**122.5**	122.4
Working capital	**1,021.0**	948.3
Other net liabilities	**(418.9)**	(333.7)
	3,608.7	3,119.5
Net pension deficit	**(40.6)**	(38.5)
Net debt excluding lease liabilities*	**(1,422.8)**	(1,386.5)
Lease liabilities	**(504.4)**	-
Equity	**1,640.9**	1,694.5
Net debt : EBITDA**	**2.1x**	2.0x
Return on average operating capital (IAS 17)◊	**48.8%**	50.7%

* See Appendix 6

** Unaffected by adoption of IFRS 16, on Group's external debt covenants basis

◊ Alternative performance measure (see Appendix 2) and on an IAS 17 basis

INTANGIBLES

Increase from acquisitions, partly offset by amortisation

WORKING CAPITAL

Increase from acquisitions, the impact of adopting IFRS 16 and a small underlying increase

NET DEBT EXCLUDING LEASE LIABILITIES

Increase principally due to a net cash outflow of £38.0m

LEASES

As a result of the adoption of IFRS 16, the balance sheet now includes right-of-use assets of £456.9m and lease liabilities of £504.4m

CASH FLOW

Cash conversion*

96%

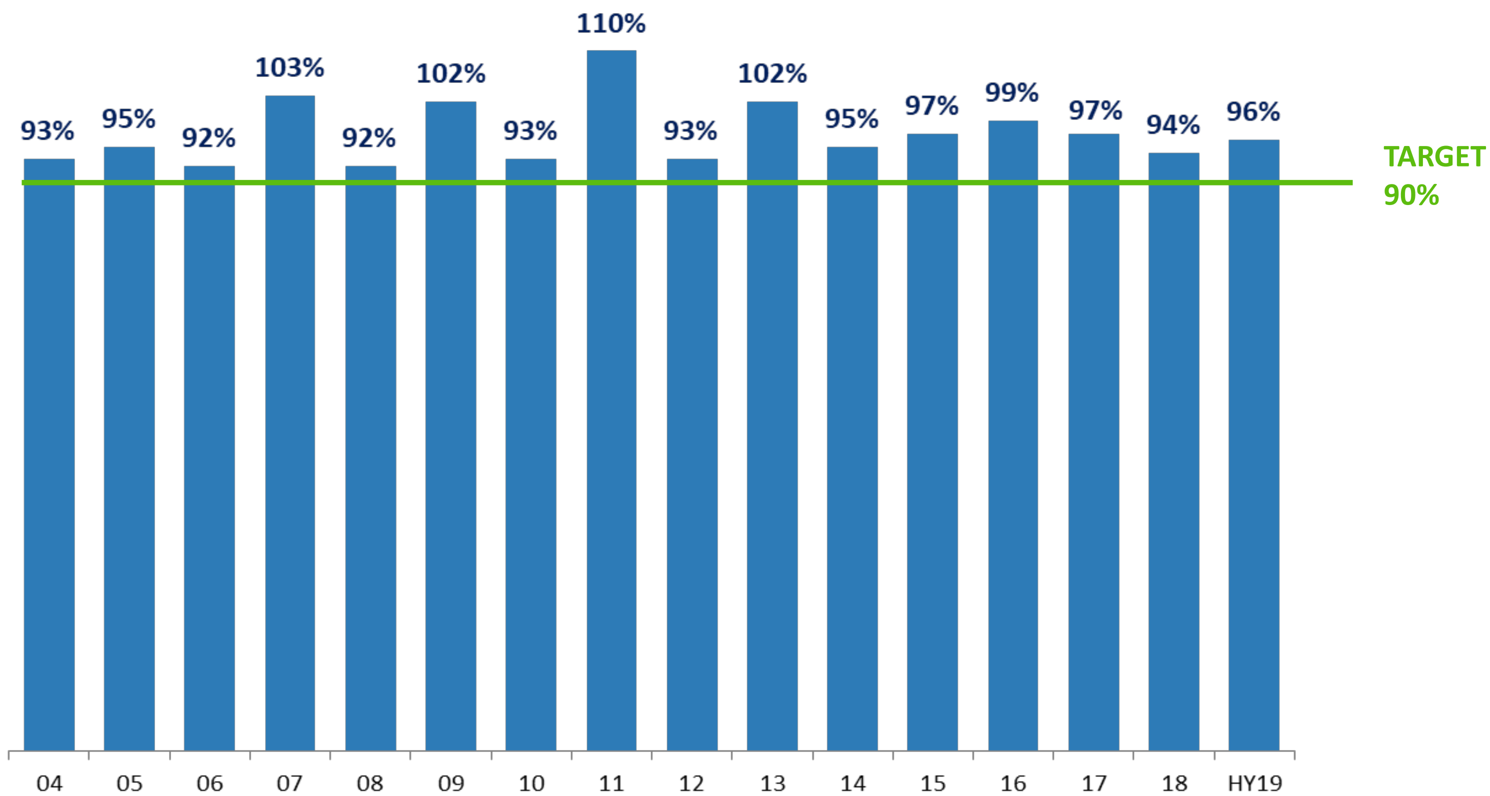
£m	JUNE 19 IFRS 16	JUNE 18 IAS 17
Operating cash flow*	**278.4**	267.0
Net interest excluding interest on lease liabilities	**(30.8)**	(24.9)
Tax	**(60.8)**	(60.5)
Free cash flow	**186.8**	181.6
Dividends	**(50.7)**	(46.2)
Acquisitions◊	**(144.8)**	(150.7)
Disposal of businesses	**-**	55.3
Employee share schemes	**(29.3)**	20.0
Net cash (outflow)/inflow	**(38.0)**	60.0
Cash conversion* (operating cash flow as a % of lease adjusted operating profit)	**96%**	94%

* Alternative performance measure – see Appendix 2
◊ Including acquisition related items

CASH CONVERSION

Average cash conversion*

97%



* Alternative performance measure – see Appendix 2

USES OF FREE CASH FLOW 2004 – 2019 HY

Consistently strong free cash flow supports long term growth

DIVIDENDS **£1.3bn**	**STRONG LONG TERM GROWTH IN DIVIDENDS** **STABLE DIVIDEND COVER c. 2.5x***
ACQUISITIONS **£3.3bn**	**159 ACQUISITIONS SINCE 2004** **SELF-FUNDED**

* Based on adjusted earnings per share

FINANCIAL SUMMARY

- Resilient performance despite lower than normal underlying organic revenue growth and the impact of disposals made in 2018
- Continued strong cash conversion in line with historical average
- Acquisition activity continues with an active pipeline
- Good funding headroom gives capacity for further growth

ADJUSTED PROFIT BEFORE INCOME TAX*
£265m
▲ 1%◊

CASH CONVERSION*
96%

COMMITTED ACQUISITION SPEND
£98m

NET DEBT : EBITDA*
2.1x
At low end of target range

* Alternative performance measure and, where applicable, on an IAS 17 basis– see Appendix 2
◊ At constant exchange rates

BUSINESS REVIEW:
FRANK VAN ZANTEN
CHIEF EXECUTIVE

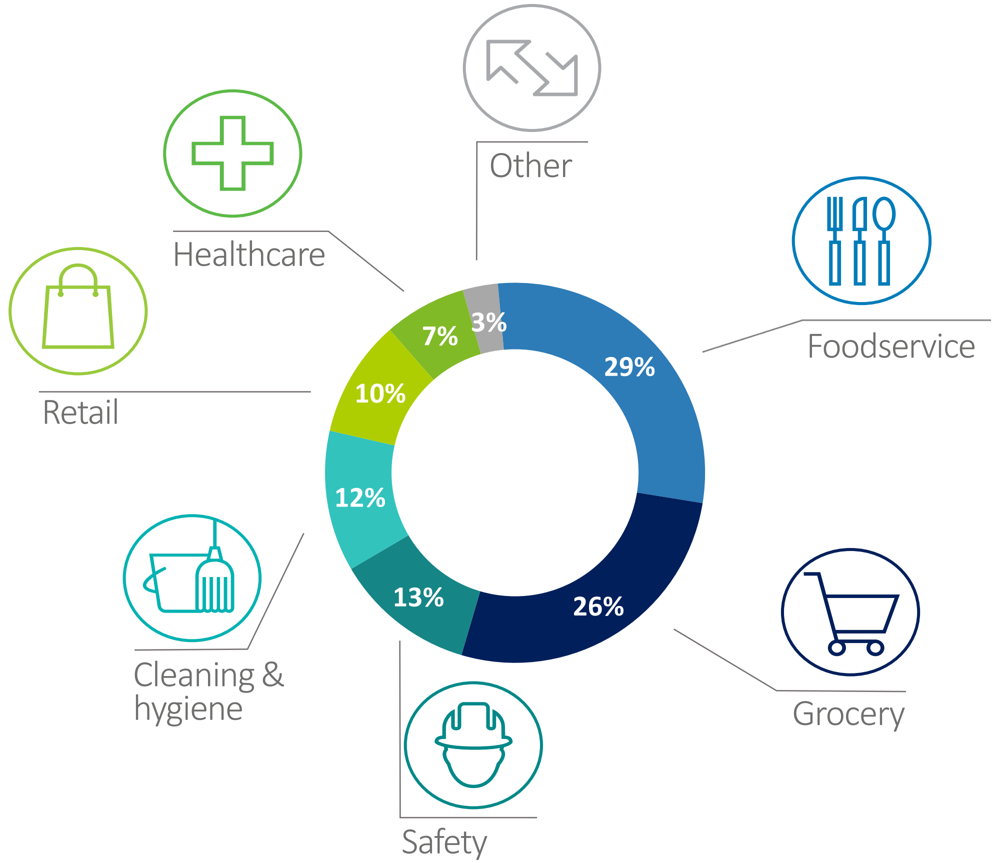
- Operations review
- Prospects
- Strategy

REVENUE BY CUSTOMER MARKETS

74%

resilient

Foodservice
Grocery
Cleaning & hygiene
Healthcare



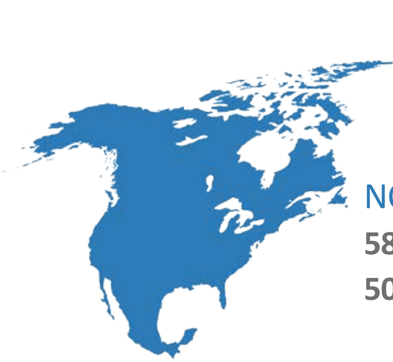
BUSINESS AREA ANALYSIS

Well diversified across:

31 Countries

6 Sectors

87% of revenue generated outside UK & Ireland



NORTH AMERICA

58% Revenue

50% Operating profit*

CONTINENTAL EUROPE

20% Revenue

29% Operating profit*

UK & IRELAND

13% Revenue

12% Operating profit*

REST OF WORLD

9% Revenue

9% Operating profit*

* Adjusted operating profit (alternative performance measure, see Appendix 2) on an IAS 17 basis before corporate costs

NORTH AMERICA

£m	JUNE 19 IFRS 16	JUNE 19 IAS 17	JUNE 18 IAS 17	IAS 17 GROWTH REPORTED	IAS 17 GROWTH CONSTANT EXCHANGE
Revenue	**2,634.5**	**2,634.5**	2,459.6	7.1%	0.7%
Adjusted operating profit*	**157.1**	**151.1**	140.1	7.9%	1.4%
Operating margin*	**6.0%**	**5.7%**	5.7%		
Return on operating capital*		**46.8%**	50.2%		

- Slowing underlying organic revenue growth principally due to grocery
- Operating margin unchanged at 5.7%
- Improved gross margins and cost savings largely offset operating cost increases
- More focused and streamlined organisation structure in grocery and redistribution operating well
- Strong overall growth in safety, convenience store, processor and agriculture
- Acquisition of Liberty Glove & Safety in February

* Alternative performance measure – see Appendix 2

CONTINENTAL EUROPE

£m	JUNE 19 IFRS 16	JUNE 19 IAS 17	JUNE 18 IAS 17	IAS 17 GROWTH REPORTED	IAS 17 GROWTH CONSTANT EXCHANGE
Revenue	**906.4**	**906.4**	890.2	1.8%	3.7%
Adjusted operating profit*	**91.1**	**89.4**	88.6	0.9%	3.2%
Operating margin*	**10.1%**	**9.9%**	10.0%		
Return on operating capital*		**59.6%**	59.1%		

- Good underlying organic revenue growth
- Operating margin unchanged at constant exchange rates at 9.9%
- Revenue growth in France (excluding OPM disposal) from cleaning & hygiene
- Good sales growth in Netherlands, Denmark, Spain and Turkey
- Recent acquisitions integrating well and trading ahead of expectations

* Alternative performance measure – see Appendix 2

UK & IRELAND

£m	JUNE 19 IFRS 16	JUNE 19 IAS 17	JUNE 18 IAS 17	IAS 17 GROWTH REPORTED	IAS 17 GROWTH CONSTANT EXCHANGE
Revenue	**602.5**	**602.5**	625.9	(3.7)%	(3.7)%
Adjusted operating profit*	**37.4**	**35.6**	39.7	(10.3)%	(10.3)%
Operating margin*	**6.2%**	**5.9%**	6.3%		
Return on operating capital*		**84.6%**	91.1%		

- Significant impact of disposal in 2018 (£2.2m reduction in adjusted operating profit)
- Strong growth in cleaning & hygiene
- Weaker performance in safety due to continued slowdown in industrial and construction sectors
- Difficult trading conditions in hospitality and healthcare
- Supermarket account regained, effective in H2
- Continued growth and expansion in Ireland

* Alternative performance measure – see Appendix 2

REST OF THE WORLD

£m	JUNE 19 IFRS 16	JUNE 19 IAS 17	JUNE 18 IAS 17	IAS 17 GROWTH REPORTED	IAS 17 GROWTH CONSTANT EXCHANGE
Revenue	**385.0**	**385.0**	368.0	4.6%	8.2%
Adjusted operating profit*	**28.7**	**27.4**	28.2	(2.8)%	0.7%
Operating margin*	**7.5%**	**7.1%**	7.7%		
Return on operating capital*		**29.7%**	33.5%		

- Good underlying organic revenue growth
- Position in Brazil safety strengthened through purchase of Volk do Brasil
- Operating margin down 50 basis points at constant exchange rates to 7.1%
  - Latin America – weaker performances particularly in Brazil healthcare and Mexico safety
  - Asia Pacific – lower margin from impact of weaker Australian dollar on product prices

* Alternative performance measure – see Appendix 2

PROSPECTS

Overall – expectations for 2019 remain unchanged

North America – expect underlying revenue to reduce slightly; benefit from improved sourcing and ongoing cost savings

Continental Europe – combination of organic growth and acquisitions expected to lead to overall growth

UK & Ireland – performance impacted by continued challenging trading environment which affected businesses in H1

Rest of the World – performance seen in H1 to continue in H2

Group – despite slowing macroeconomic and market conditions, including uncertainties concerning global trade, overall continued progress expected from strong competitive position, diversified and resilient businesses and ability to consolidate our fragmented markets further

CONSISTENT AND PROVEN COMPOUNDING STRATEGY

High ROIC despite significant acquisition spend

PROFITABLE ORGANIC GROWTH

Use competitive advantage to grow market share in a profitable way

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

ROIC 14.7%*

* Alternative performance measure and on an IAS 17 basis– see Appendix 2

ORGANIC GROWTH

Organic revenue growth typically real GDP+ (11 of last 15 years)

VOLUME	PRICE	MIX
SELL MORE TO EXISTING CUSTOMERS	INFLATION / DEFLATION	OWN BRAND AND IMPORTS
EXPAND PRODUCT RANGE	MARKET DYNAMICS	MANUFACTURER BRANDS
WIN NEW CUSTOMERS	FX IMPACT	GEOGRAPHIES AND SECTORS
MARKET LEADING CUSTOMERS		
GROWING SECTORS		
TREND TO OUTSOURCING		

ACQUISITION GROWTH

BUNZL

159

acquisitions
2004 – 2019 HY

£300m+

per annum
average spend
since 2015

	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	HY 19
Number of acquisitions	7	7	9	8	7	2	9	10	13	11	17	22	14	15	6	**2**
Committed acquisition spend (£m)	302	129	162	197	123	6	126	185	277	295	211	327	184	616	183	**98**
Annualised acquisition revenue (£m)	430	270	386	225	151	27	154	204	518	281	223	324	201	621	148	**76**

GROWTH OPPORTUNITIES – EXAMPLE

Significant scope for future growth

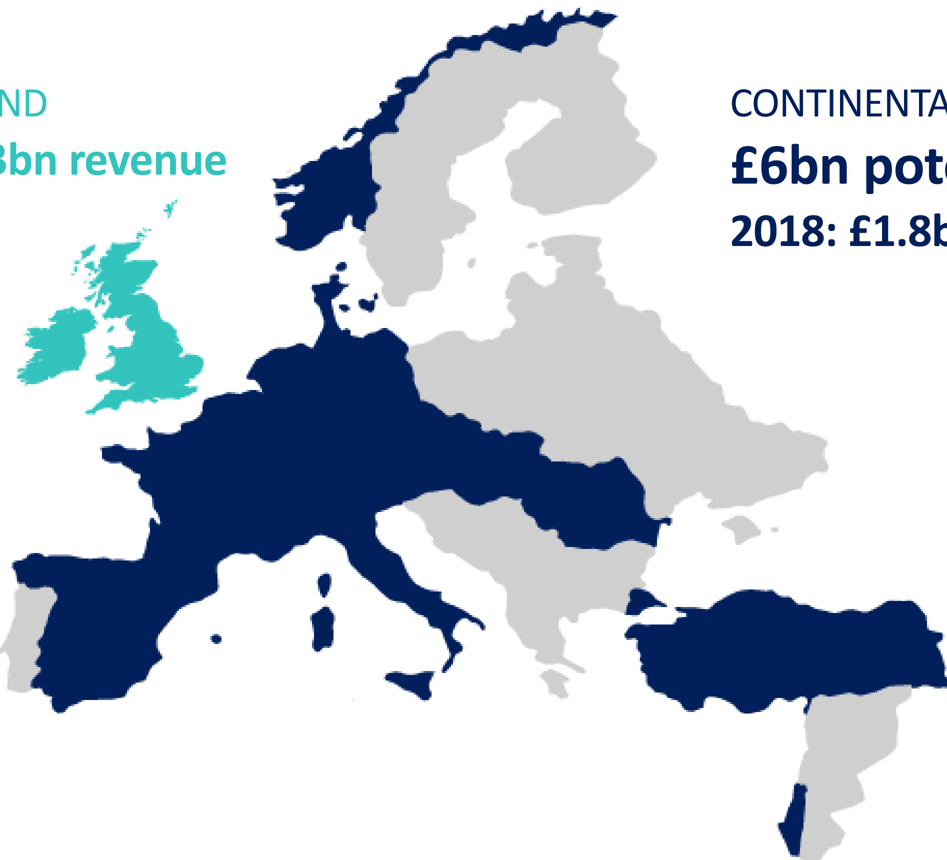
UK & IRELAND

2018: £1.3bn revenue

CONTINENTAL EUROPE

£6bn potential revenue*

2018: £1.8bn revenue



***Potential revenue** - UK & Ireland 2018 revenue as percentage of GDP scaled relative to GDP of the countries of Continental Europe in which Bunzl operates today

ACQUISITION DISCIPLINE

Successful track record of acquisition growth through disciplined approach

SAY "NO" MANY TIMES MORE THAN "YES"

VERY SELECTIVE ABOUT COUNTRIES AND SECTORS

THOROUGH DUE DILIGENCE

RETENTION OF MANAGEMENT AND CUSTOMERS IS KEY

REVIEW PERFORMANCE VS INVESTMENT CASE WITH BOARD

TARGETS ARE IDENTIFIED BY BUSINESS AREA MANAGEMENT, IN-HOUSE CORPORATE DEVELOPMENT TEAM, EX-OWNERS AND EXTERNAL PARTIES

SUSTAINABILITY

Unique position to lead the industry towards a sustainable approach to single-use plastics

SUSTAINABLE PRODUCT SOLUTIONS

Bring more sustainable alternatives to market

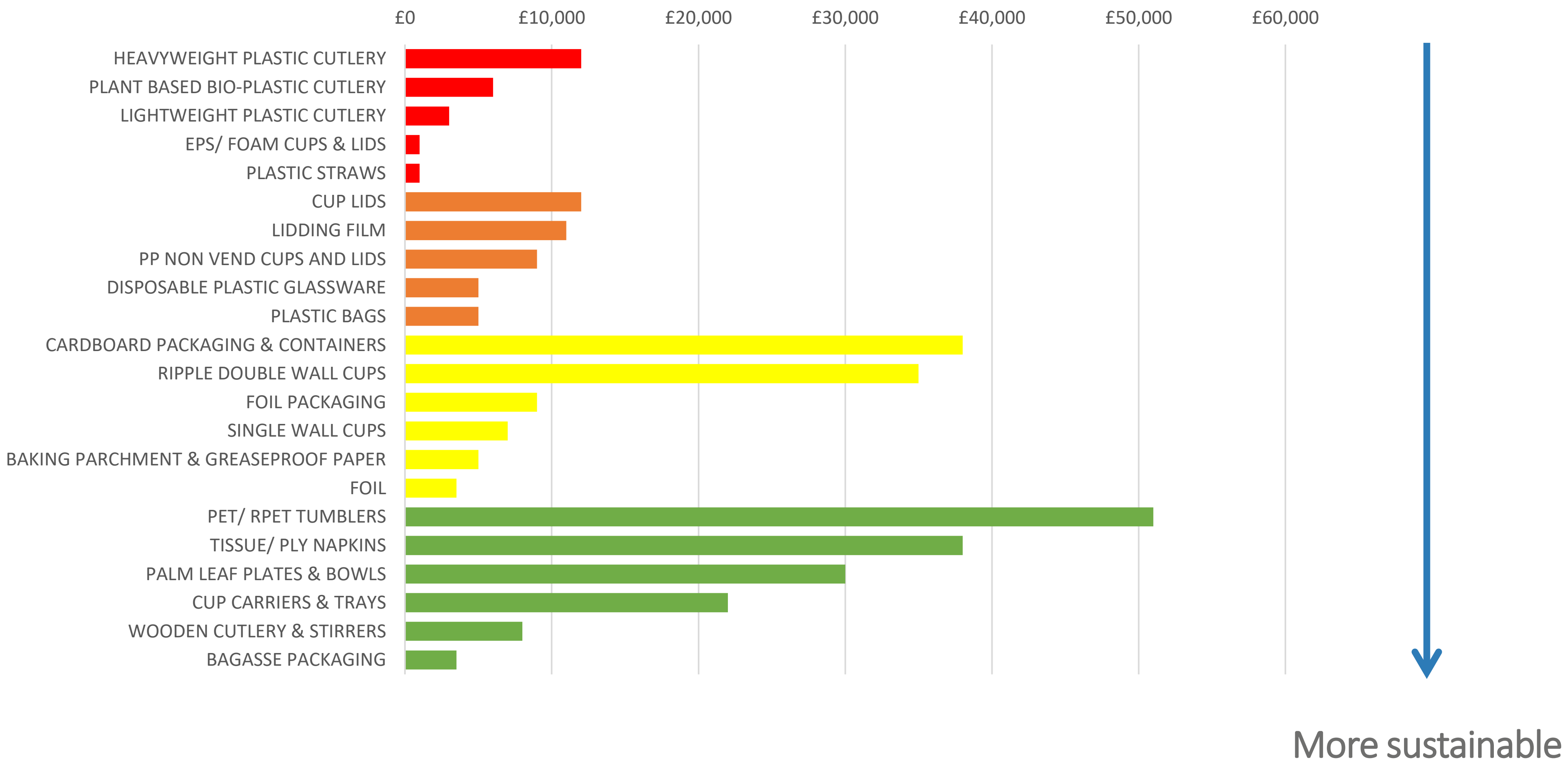
EXPERT ADVICE AND INSIGHT

Provide customers with trusted practical advice and analysis

PARTNERSHIPS TO CLOSE THE LOOP

Helping to strengthen recycling and reuse systems

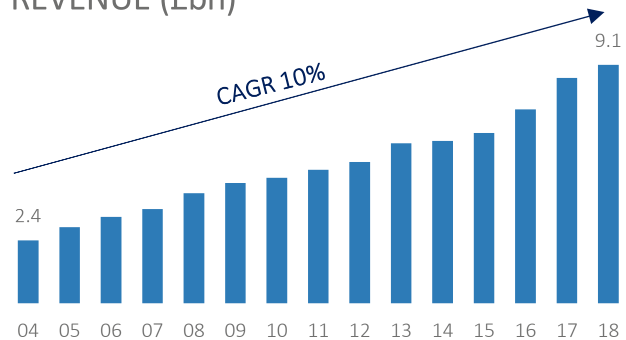
MATERIAL FOOTPRINT TOOL



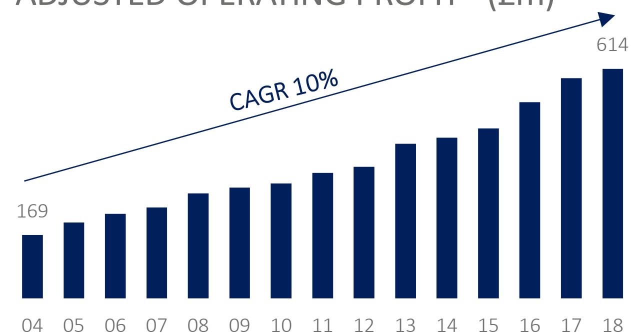
FINANCIAL TRACK RECORD 2004 - 2018

Proven long term compounding growth strategy

REVENUE (£bn)

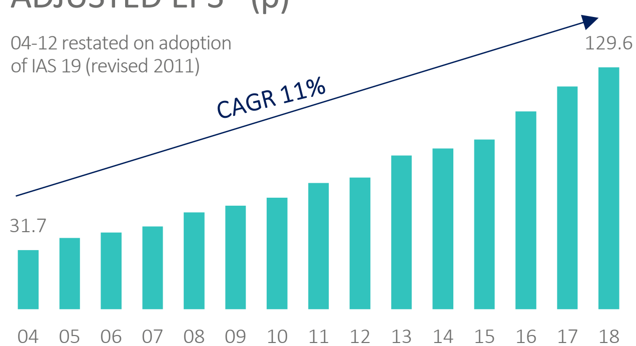


ADJUSTED OPERATING PROFIT* (£m)

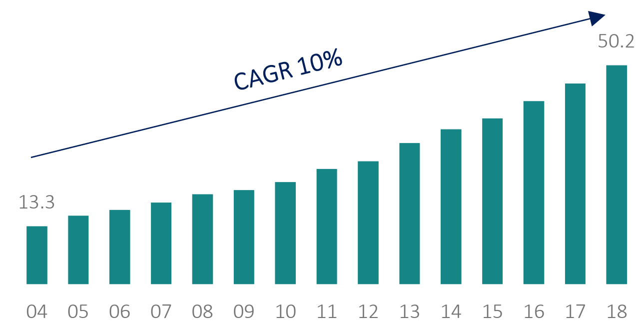


ADJUSTED EPS* (p)

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



DIVIDEND PER SHARE (p)



* Alternative performance measure – see Appendix 2

APPENDICES

APPENDIX 1
EXCHANGE RATES

	JUNE 19	JUNE 18
Average rate		
US$	**1.29**	1.38
Euro	**1.15**	1.14
Canadian$	**1.73**	1.76
Brazilian real	**4.97**	4.71
Australian$	**1.83**	1.78
Closing rate		
US$	**1.27**	1.32
Euro	**1.12**	1.13
Canadian$	**1.66**	1.74
Brazilian real	**4.87**	5.08
Australian$	**1.81**	1.79

APPENDIX 2
ALTERNATIVE PERFORMANCE MEASURES

This presentation includes various performance measures defined under International Financial Reporting Standards ('IFRS') as well as a number of alternative performance measures. The principal alternative performance measures used in this presentation are:

- **Adjusted operating profit** - Operating profit before customer relationships amortisation, acquisition related items, the GMP equalisation charge and profit or loss on disposal of businesses (reconciled in Appendix 3)
- **Operating margin** - Adjusted operating profit as a percentage of revenue
- **Adjusted profit before income tax** - Profit before income tax, customer relationships amortisation, acquisition related items, the GMP equalisation charge and profit or loss on disposal of businesses (reconciled in Appendix 4)
- **Adjusted profit for the period** - Profit for the period before customer relationships amortisation, acquisition related items, the GMP equalisation charge, profit or loss on disposal of businesses and the associated tax where relevant (reconciled in Appendix 5)
- **Effective tax rate** - Tax on adjusted profit before income tax as a percentage of adjusted profit before income tax
- **Adjusted earnings per share** - Adjusted profit for the period divided by the weighted average number of ordinary shares in issue
- **Operating cash flow** [◊] - Cash generated from operations before acquisition related items after deducting purchases of property, plant and equipment and software and adding back the proceeds from the sale of property, plant and equipment and software and deducting the payment of lease liabilities
- **Cash conversion** [◊] - Operating cash flow as a percentage of lease adjusted operating profit, being adjusted operating profit after adding back the depreciation of right-of-use assets and deducting the payment of lease liabilities
- **Return on average operating capital *** - Rolling 12 month adjusted operating profit as a percentage of the rolling 12 month average of month end operating capital employed (being property, plant and equipment, software, inventories and trade and other receivables less trade and other payables)
- **Return on invested capital *** - Rolling 12 month adjusted operating profit as a percentage of the rolling 12 month average of month end invested capital (being equity after adding back net debt, net defined benefit pension scheme liabilities, cumulative customer relationships amortisation, acquisition related items and amounts written off goodwill, net of the associated tax)
- **EBITDA** - Adjusted operating profit on a historical GAAP basis, before depreciation of property, plant and equipment and software amortisation and after adjustments as permitted by the Group's debt covenants, principally to exclude share option charges and to annualise for the effect of acquisitions and disposals of businesses
- **Constant exchange rates**- Growth rates at constant exchange rates are calculated by retranslating the results for the period ended 30 June 2018 at the average rates for the period ended 30 June 2019 so that they can be compared without the distorting impact of changes caused by foreign exchange translation. The principal exchange rates used for 2019 and 2018 can be found in Appendix 1

◊ Following the adoption of IFRS 16 on a modified retrospective basis on 1 January 2019 the definitions of these alternative performance measures have been updated

* Return on average operating capital % and return on invested capital % are calculated based on rolling 12 month averages of the Group's operating capital and invested capital. As a result of the adoption of IFRS 16 'Leases' on 1 January 2019, for the six months ended 30 June 2019 it is not possible to derive meaningful 12 month averages for operating capital and invested capital calculated on a consistent basis under IFRS 16 'Leases' including right-of-use assets. These ratios are therefore presented as at 30 June 2019 on an IAS 17 basis.

APPENDIX 3

ADJUSTED OPERATING PROFIT ALTERNATIVE PERFORMANCE MEASURES

£m	JUNE 19 IFRS 16	JUNE 19 IAS 17	JUNE 18 IAS 17
Operating profit	**239.0**	**228.1**	210.8
Adjusted for:			
Customer relationships amortisation	**54.4**	**54.4**	55.6
Acquisition related items	**9.3**	**9.3**	18.6
Total adjusting items	**63.7**	**63.7**	74.2
Adjusted operating profit	**302.7**	**291.8**	285.0
Operating margin	**6.7%**	**6.4%**	6.6%

APPENDIX 4

ADJUSTED PROFIT BEFORE INCOME TAX ALTERNATIVE PERFORMANCE MEASURES

£m	JUNE 19 IFRS 16	JUNE 19 IAS 17	JUNE 18 IAS 17
Profit before income tax	**200.5**	**201.2**	197.3
Adjusted for:			
Customer relationships amortisation	**54.4**	**54.4**	55.6
Acquisition related items	**9.3**	**9.3**	18.6
Profit on disposal of businesses	**-**	**-**	(13.6)
Adjusted profit before income tax	**264.2**	**264.9**	257.9

APPENDIX 5

ADJUSTED PROFIT FOR THE PERIOD ALTERNATIVE PERFORMANCE MEASURES

£m	JUNE 19 IFRS 16	JUNE 19 IAS 17	JUNE 18 IAS 17
Profit for the period	**155.1**	**155.7**	149.2
Adjusted for:			
Customer relationships amortisation	**54.4**	**54.4**	55.6
Acquisition related items	**9.3**	**9.3**	18.6
Profit on disposal of businesses	**-**	**-**	(13.6)
Tax on adjusting items	**(17.5)**	**(17.5)**	(13.4)
Adjusted profit for the period	**201.3**	**201.9**	196.4
Adjusted earnings per share	**60.4p**	**60.6p**	59.4p

APPENDIX 6
NET DEBT

£m	SIX MONTHS TO JUNE 19	YEAR TO DEC 18	SIX MONTHS TO JUNE 18
Opening net debt	**(1,386.5)**	(1,523.6)	(1,523.6)
Net cash (outflow)/inflow	**(38.0)**	184.9	60.0
Exchange	**1.7**	(47.8)	(14.1)
Closing net debt excluding lease liabilities	**(1,422.8)**	(1,386.5)	(1,477.7)
Lease liabilities	**(504.4)**	-	-
Closing net debt including lease liabilities	**(1,927.2)**	(1,386.5)	(1,477.7)

APPENDIX 7

CASH FLOW AND CASH CONVERSION

£m	JUNE 19	JUNE 18
Adjusted operating profit *	**302.7**	285.0
Adjusted for:		
Non-cash items**	**80.6**	18.5
Working capital movement	**(15.4)**	(23.8)
Cash flow from operations◊	**367.9**	279.7
Net capital expenditure	**(14.4)**	(12.7)
Payment of lease liabilities	**(75.1)**	-
Operating cash flow*◊	**278.4**	267.0
Adjusted operating profit *	**302.7**	285.0
Add back depreciation of right-of-use assets	**62.9**	-
Deduct payment of lease liabilities	**(75.1)**	-
Lease adjusted operating profit	**290.5**	285.0
Cash conversion* (operating cash flow as a % of lease adjusted operating profit)	**96%**	94%

* Alternative performance measure - see Appendix 2

** Non-cash items include depreciation of right-of-use assets (June 2019: £62.9m; June 2018: £nil)

◊ Before acquisition related items

APPENDIX 8

ANNUALISED ACQUISITION REVENUE

£m	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019 HY
North America	115	198	103	15	-	-	35	7	410	89	84	153	38	283	72	**73**
Continental Europe	301	61	7	100	52	-	115	96	23	5	46	98	87	219	34	**3**
UK & Ireland	-	2	267	110	39	27	-	39	16	32	40	-	76	49	-	-
Rest of the World	14	9	9	-	60	-	4	62	69	155	53	73	-	70	42	-
Group	430	270	386	225	151	27	154	204	518	281	223	324	201	621	148	**76**

Leading revenue in year

APPENDIX 9

ACQUISITION GROWTH 2019 YTD

£98m

YTD committed spend

BUSINESS	ACQUIRED	COUNTRY	SECTOR	REVENUE*
Liberty Glove & Safety	February	USA	Safety	£73m
Coolpack	April	Netherlands	Foodservice	£3m

* Annualised and translated at June 2019 average exchange rates

APPENDIX 10
HISTORICAL DATA

£m	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenue	2,439	2,924	3,333	3,582	4,177	4,649	4,830	5,109	5,359	6,098	6,157	6,490	7,429	8,581	**9,079**
Adjusted operating profit*	169	203	226	243	281	296	307	336	352	414	430	455	525	589	**614**
Operating margin* (%)	6.9	7.0	6.8	6.8	6.7	6.4	6.4	6.6	6.6	6.8	7.0	7.0	7.1	6.9	**6.8**

* Alternative performance measure – see Appendix 2

BUSINESS MODEL

One-stop-shop for non-food consumables

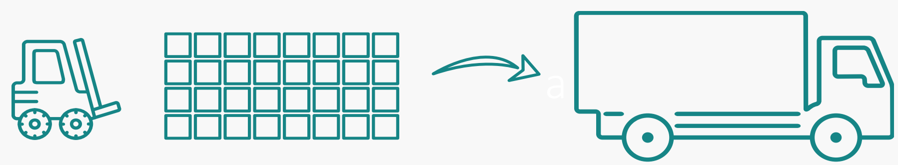
SOURCE

- Global suppliers
- Low cost sources
- Commodities
- Own brands

INDIVIDUAL RANGES

TO

CONSOLIDATE



- Direct to site
- Cross dock
- Warehouse replenishment

CONSOLIDATED OFFER

TO

DELIVER

Foodservice | Grocery | Cleaning & hygiene | Safety | Retail | Healthcare

APPENDIX 12
VALUE PROPOSITION

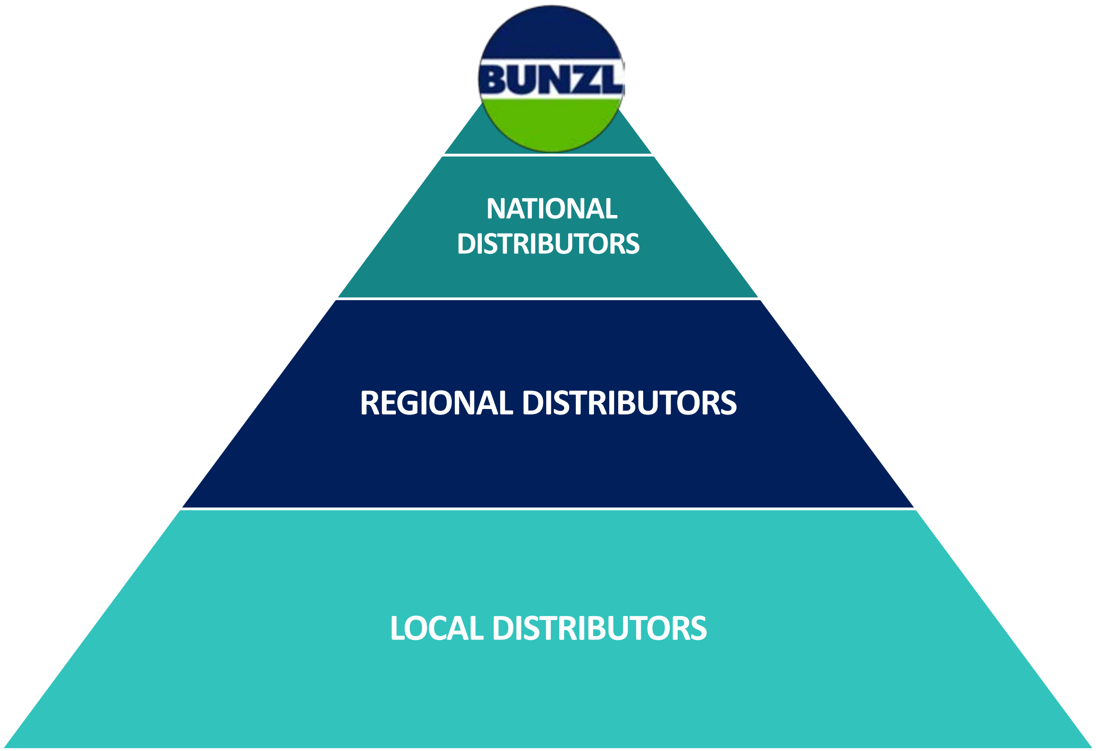
Outsourcing adds value for our customers

- 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 13

MARKET LEADING SPECIALIST DISTRIBUTOR

SPECIALIST COMPETITORS IN OUR FIELD



OTHER COMPETITORS

SPECIALISTS IN OTHER CATEGORIES

- FOOD DISTRIBUTORS
- OFFICE SUPPLIES DISTRIBUTORS
- INDUSTRIAL DISTRIBUTORS

GROCERY CUSTOMERS

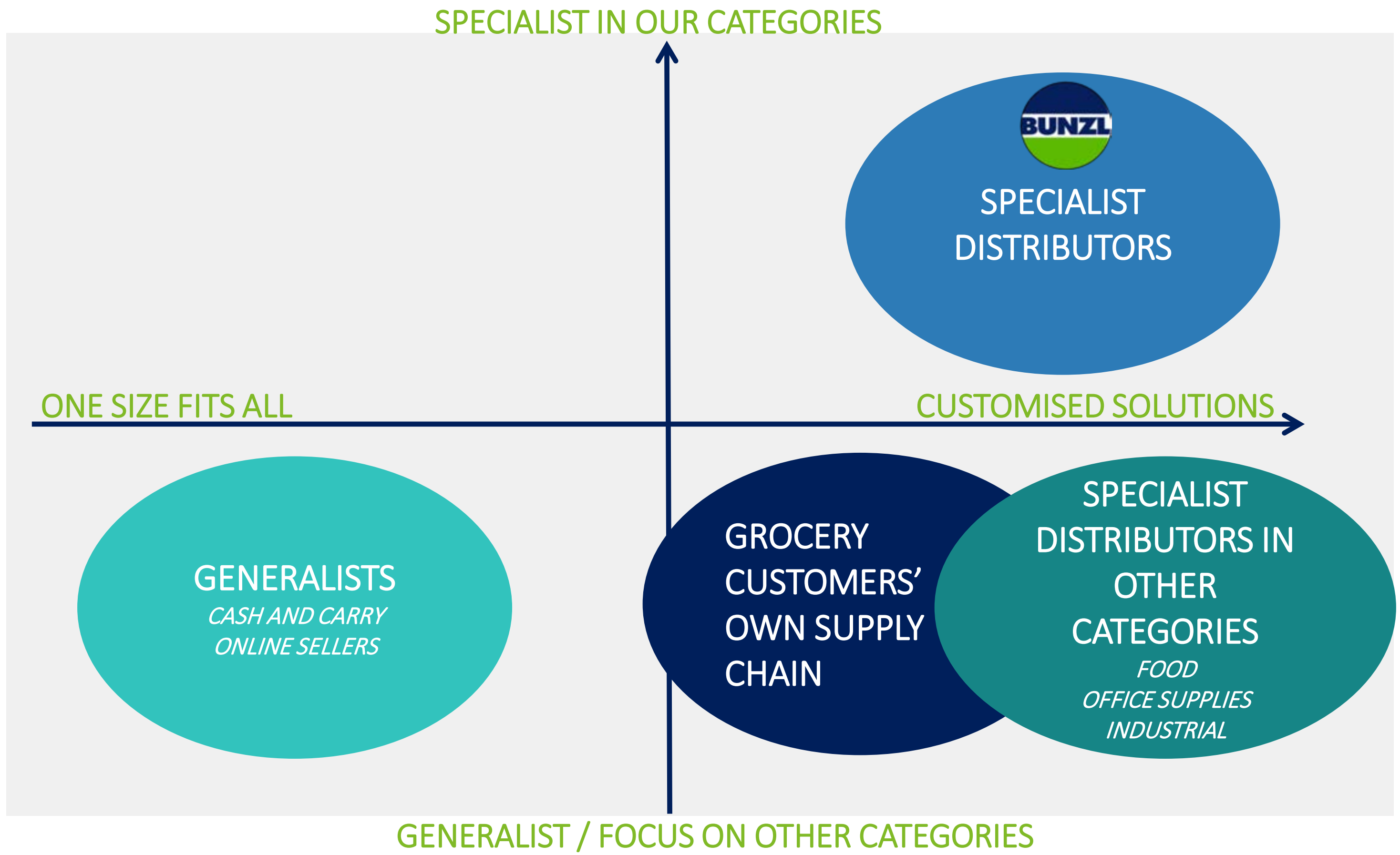
- GROCERY CUSTOMERS' OWN SUPPLY CHAIN

GENERALISTS

- CASH AND CARRY
- ONLINE SELLERS

APPENDIX 14
COMPETITIVE POSITIONING

Bunzl offers customised high service solutions across focused market sectors



APPENDIX 15

BUNZL CUSTOMERS

95%*

of revenue generated by larger, service intensive customers with average annual spend of

£180,000

5%*

of revenue generated from customers spending < £10,000 per annum

Typical customers

- Larger, representing 95%* of revenue
- B2B
- Often multi-site

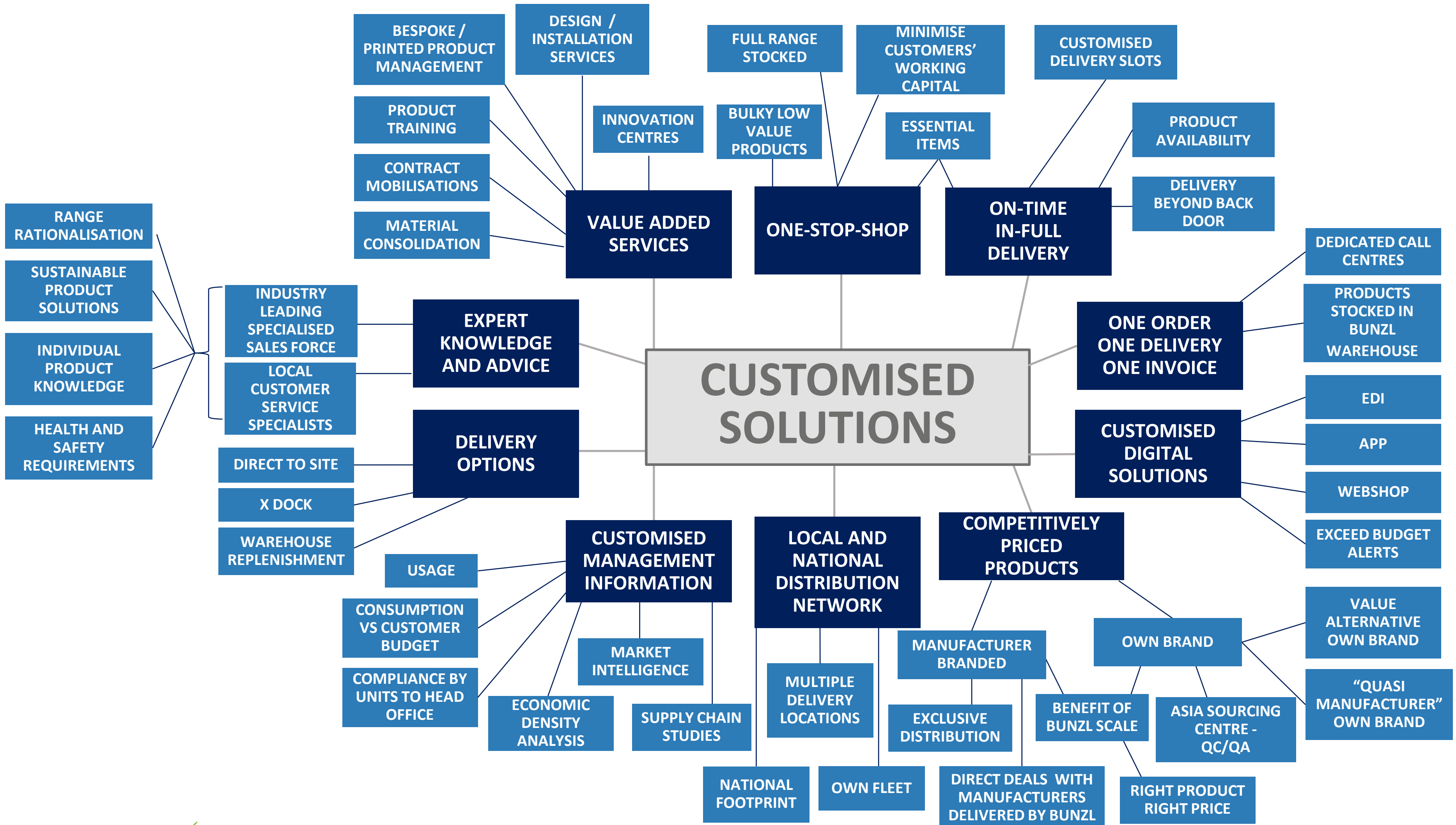
Typical customer requirements

- Innovative, customised solutions
- One-stop-shop: broad range of items essential to their operations
- On-time and in-full service
- Ease of doing business via digital solutions
- Support from 3,000 sales specialists and 2,600 locally based customer service specialists and own drivers
- Competitive prices
- Manufacturer branded and own brand products (with QA / QC)

* Based on 2017 data

APPENDIX 16

BUNZL UNIQUE SERVICE OFFERING



APPENDIX 17

SUSTAINABLE PRODUCT SOLUTIONS

BUNZL

Proactively working with customers, suppliers and other stakeholders to promote and support a sustainable approach to single use plastics

SINGLE USE PLASTICS

- Essential food and beverage packaging for practical, safe and hygienic transit
- Actively promoting sustainable alternatives
- Unique position at the centre of the supply chain
- As a distributor (not a manufacturer) agile in adapting product offering
- Working with customers, suppliers and other stakeholders
- Opportunity for growth

APPENDIX 18

ACQUISITION PARAMETERS

Disciplined approach to acquisitions

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

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

- Extracting Value
  - Purchasing synergies
  - Warehouse & distribution efficiencies
  - Back office integration
  - Product range extension
  - Sharing best practice
  - Investment in infrastructure, IT & e-commerce

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