



News Release

15 December 2021

BUNZL PRE-CLOSE STATEMENT

Bunzl plc, the specialist international distribution and services Group, is updating the market today prior to entering its closed period for the year ending 31 December 2021.

The Group's resilient business model is expected to deliver another strong performance in 2021, with underlying revenue expected to demonstrate high single digit growth against 2019. Furthermore, we have continued to benefit from acquisitions completed over the last two years, with 2020 and 2021 representing two of the most acquisitive years in Bunzl's history in terms of committed spend.

Group revenue in 2021 is expected to increase year-on-year by approximately 2% at actual exchange rates and by approximately 7% at constant exchange rates, with the impact of acquisitions being similar to underlying revenue growth, and a small negative impact from fewer trading days. At constant exchange rates, underlying revenue growth is expected to reflect a strong recovery in the base business, supported by inflation, partially offset by the anticipated decline in Covid-19 related orders with deflation on certain Covid-19 related products. Group adjusted operating margin is expected to be only slightly ahead of historical levels.

Looking ahead, whilst we see continued uncertainties relating to the extent of inflation and the effect of new Covid-19 variants, at constant exchange rates the Group expects revenue in 2022 to be slightly higher than in 2021, driven by the impact of acquisitions completed this year. Continued recovery of the base business is expected to be offset by the further normalisation of sales of Covid-19 related products, albeit these are expected to remain ahead of 2019 levels. Similarly, we expect the continued normalisation of Group operating margins in 2022 to more historical levels, as the mix of sector and product sales returns to more typical levels for the Group.

Commenting on today's announcement, Frank van Zanten, Chief Executive Officer of Bunzl, said:

"The Group has once again demonstrated the strength and resilience of the Bunzl business model, and the power of our global supply chains and entrepreneurial people who continue to reliably support customers despite supply chain disruptions. Not only has the Group delivered strong underlying growth over the pandemic to date, we have also invested approximately £900m into acquisitions over the last two years, funded by the Group's strong cash flow. Our acquisition pipeline remains active, supported by the strength of our balance sheet. Whilst we expect some continued normalisation of revenue mix in 2022, the performance since the start of the pandemic has only reinforced my confidence in our strategic focus and compounding growth model."

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