



News Release

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BUNZL Q3 TRADING STATEMENT

Bunzl plc, the specialist international distribution and services Group, today announces its trading statement for the period since 30 June 2021.

Bunzl's diversified and resilient business model has delivered strong overall growth against a background of continuing pandemic-related challenges. Group revenue for the third quarter was 7.8% higher year-on-year at actual exchange rates, an increase of 13.0% at constant exchange rates. Acquisitions contributed revenue growth of 4.3% at constant exchange rates, while a greater number of trading days than the comparable period in 2020 further benefited revenue growth by 6.2% although this will unwind in the fourth quarter. Underlying revenue growth at constant exchange rates was 2.5%. Group adjusted operating margin was, as expected, impacted by ongoing deflation in certain Covid-19 related products.

Within underlying revenue growth of 2.5%, the strong recovery in the base business contributed underlying sales growth of 12.0%, with broad strength across business areas and continued support of product inflation particularly in North America. This growth was largely offset by a 9.4% impact on underlying growth from a decline in sales of top 8 Covid-19 related products, which are primarily own brand. Underlying revenue for the third quarter was approximately 10% higher than the comparable 2019 period.

With good revenue performance year to date the Group now expects slight underlying revenue growth in 2021 compared to 2020 at constant exchange rates. Given the strength of performance in 2020 revenue is expected to demonstrate good underlying growth compared to 2019, highlighting the quality and resilience of the Bunzl business model. Margin expectations for the year are unchanged, with adjusted operating margin expected to be only slightly ahead of historical levels. With 2021 continuing to reflect pandemic-related dynamics, we continue to expect to see a further normalisation of Group operating margin in 2022 to more historical levels, as the mix of sector and product sales returns to more typical levels for the Group.

The Group also announces today that at the end of September it completed the acquisition of Intergro LLC ("Intergro"), a distributor of agricultural supplies to commercial growers in the Eastern US with a strong own brand portfolio. Intergro generated revenue of £17 million in 2020 and is complementary to our existing agriculture business in North America. The Group also completed the previously announced acquisition of McCue Corporation during October following competition clearance.

Frank van Zanten, Chief Executive Officer of Bunzl, commented:

"At our recent Capital Markets Day, as well as providing insights into the opportunity that sustainability presents to Bunzl, we highlighted the strength of our compounding strategy which has delivered strong shareholder returns for many years. This track record of success continues with another good trading performance in Q3 and the acquisition of Intergro, which is our 11th acquisition year to date. Intergro is complementary to our existing agricultural business and broadens the Group's product offering to customers. Our acquisition pipeline remains active, supported by the strength of our balance sheet."

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