



2018 FULL YEAR RESULTS

FEBRUARY 2019





INTRODUCTION: FRANK VAN ZANTEN CHIEF EXECUTIVE



HIGHLIGHTS



**STRONG ORGANIC GROWTH
AT 4.3%**

ACQUISITION SPEND OF £183m

**ADJUSTED EARNINGS PER SHARE*
UP 12%[◇]**

**DIVIDEND PER SHARE UP 9%
26 YEARS CONSECUTIVE
GROWTH**

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

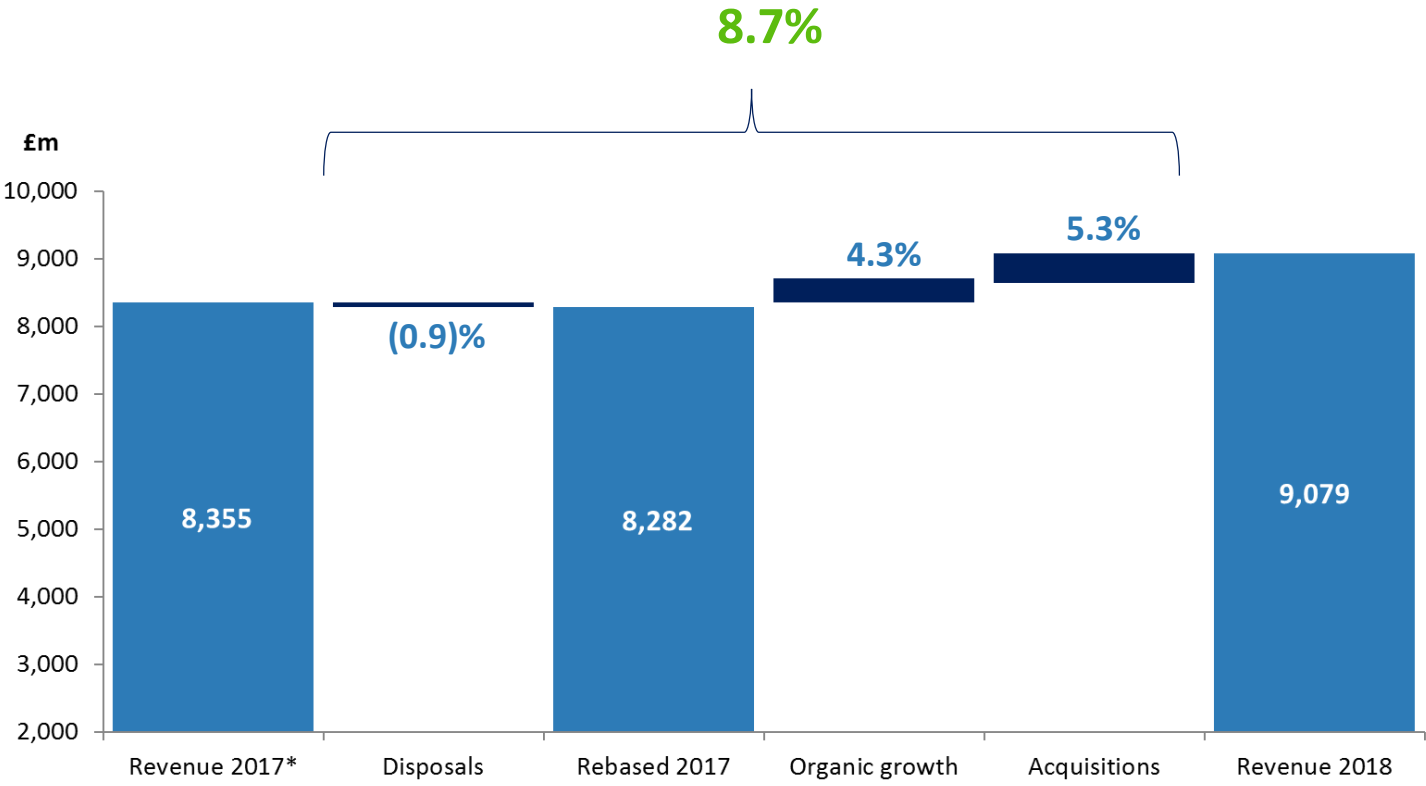


FINANCIAL RESULTS: BRIAN MAY FINANCE DIRECTOR



REVENUE GROWTH

Organic growth
4.3%
 with all business
 areas at 4% or more



* At constant exchange rates

INCOME STATEMENT

£m	2018	2017	GROWTH	
			REPORTED	CONSTANT EXCHANGE
Revenue	9,079.4	8,580.9	6%	9%
Adjusted operating profit*	614.0	589.3	4%	7%
Operating margin*	6.8%	6.9%		
Adjusting items	(147.8)	(133.3)		
Operating profit	466.2	456.0		
Net finance expense	(55.0)	(46.7)		
Disposal of businesses	13.6	—		
Profit before income tax	424.8	409.3		
Adjusted profit before income tax*	559.0	542.6	3%	6%

* Alternative performance measure – see Appendix 2

INCOME STATEMENT (CONTINUED)

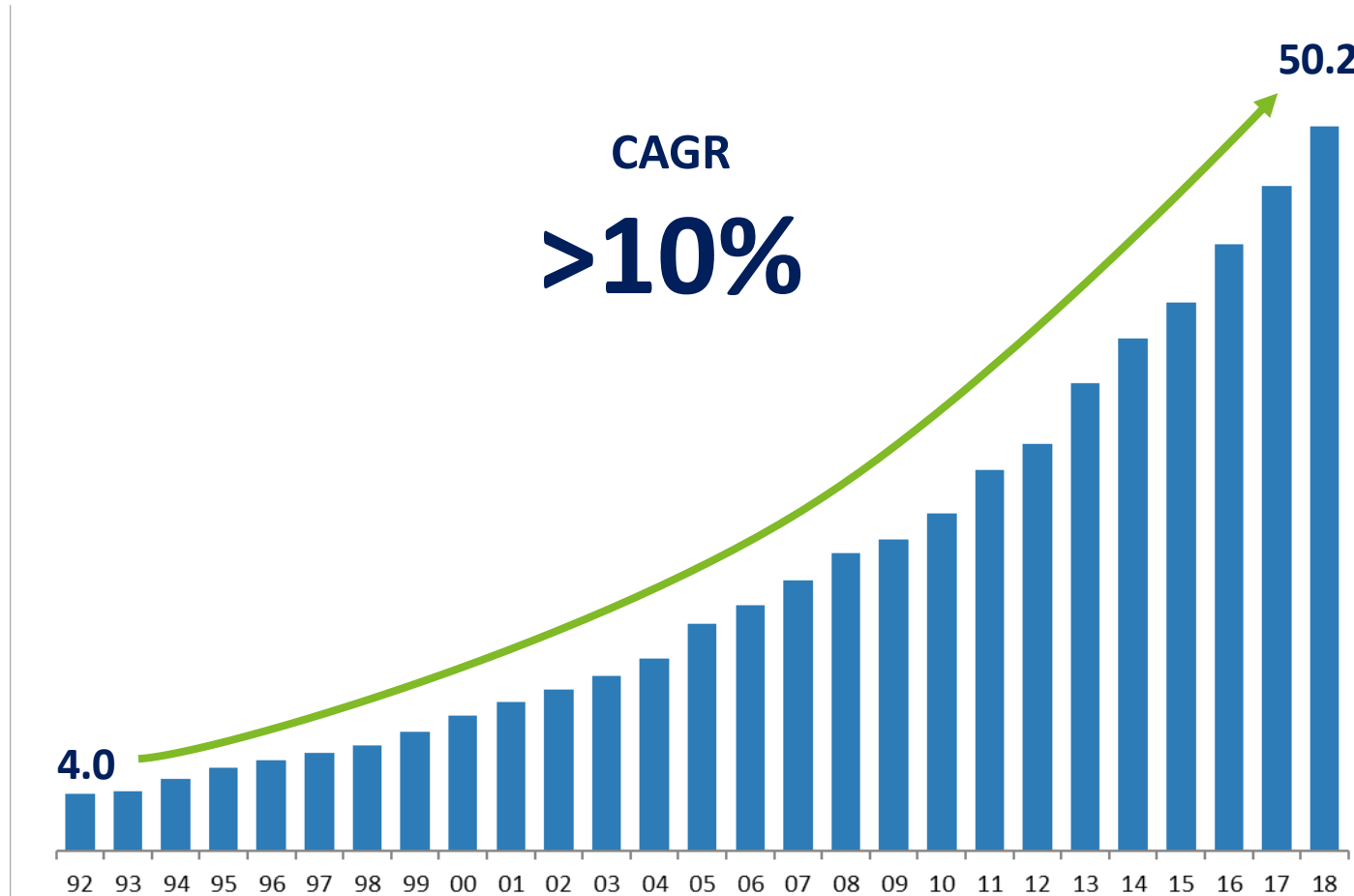
£m	2018	2017	GROWTH	
			REPORTED	CONSTANT EXCHANGE
Effective tax rate	23.1%	27.5%		
Adjusted profit for the year*	429.9	393.4	9%	13%
Adjusted earnings per share*	129.6p	119.4p	9%	12%
Dividend per share	50.2p	46.0p	9%	
Reported tax rate	23.1%	24.1%		
Profit for the year	326.5	310.5		
Basic earnings per share	98.4p	94.2p		

* 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	DEC 18	DEC 17
Intangibles	2,382.5	2,351.7
Tangibles	122.4	125.2
Working capital	948.3	871.9
Other net liabilities	(333.7)	(325.6)
	3,119.5	3,023.2
Net pension deficit	(38.5)	(51.0)
Net debt*	(1,386.5)	(1,523.6)
Equity	1,694.5	1,448.6
Net debt : EBITDA	2.0x	2.3x
Return on average operating capital [◇]	50.7%	53.1%

* See Appendix 6

◇ Alternative performance measure – see Appendix 2

INTANGIBLES

Increase from acquisitions of £131m and exchange, partly offset by amortisation and business disposals

WORKING CAPITAL

Increase from acquisitions, exchange and underlying revenue growth, partly offset by disposals

NET DEBT

Decrease of £137m due to a net cash inflow of £185m, partly offset by exchange translation

LEASE ACCOUNTING (IFRS 16)

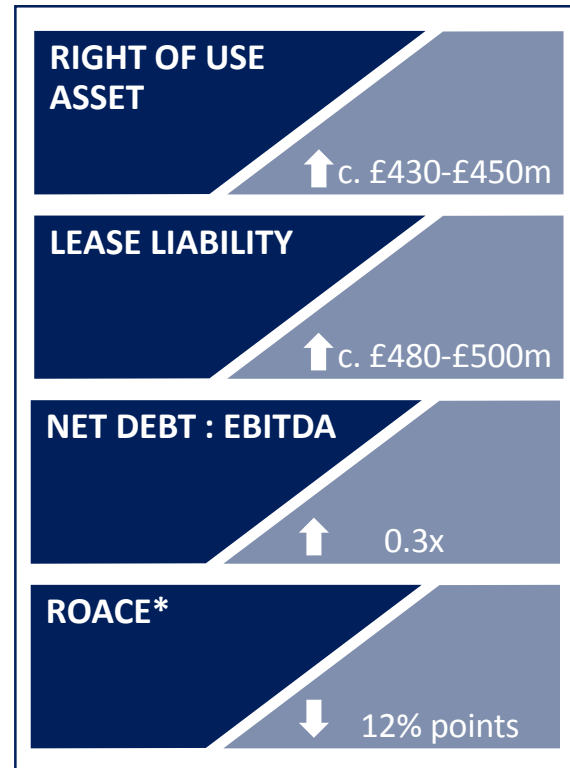
No change in economic effect of how we finance fixed assets

No impact on cashflow

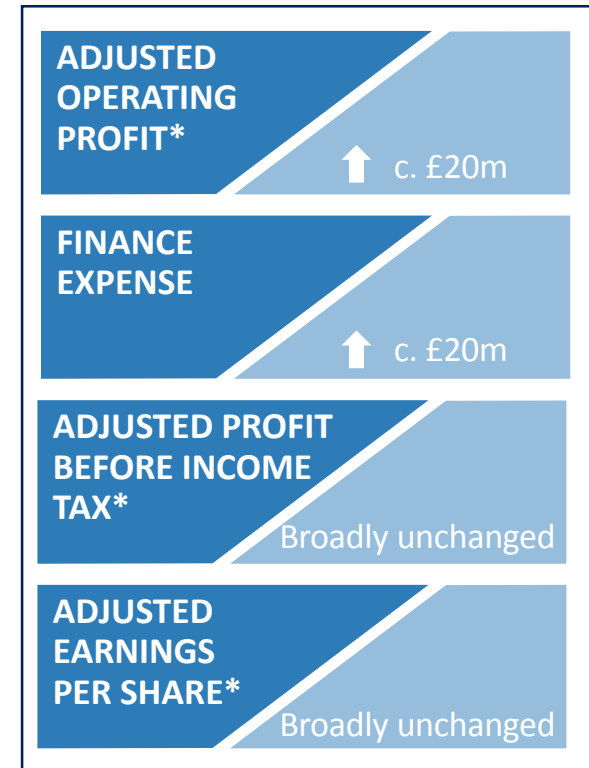
No impact on existing banking covenants

No impact on financing headroom

BALANCE SHEET Impact at 1 January 2019



INCOME STATEMENT Impact on 2019



* Alternative performance measure – see Appendix 2

CASH FLOW

Cash conversion*

94%

£m	2018	2017
Operating cash flow*	578.5	569.7
Net interest	(49.1)	(44.5)
Tax	(113.2)	(113.1)
Free cash flow	416.2	412.1
Dividends	(152.2)	(138.2)
Acquisitions [◊]	(184.2)	(588.5)
Disposal of businesses	55.1	-
Employee share schemes	50.0	(19.4)
Net cash inflow/(outflow)	184.9	(334.0)
Cash conversion* %	94%	97%

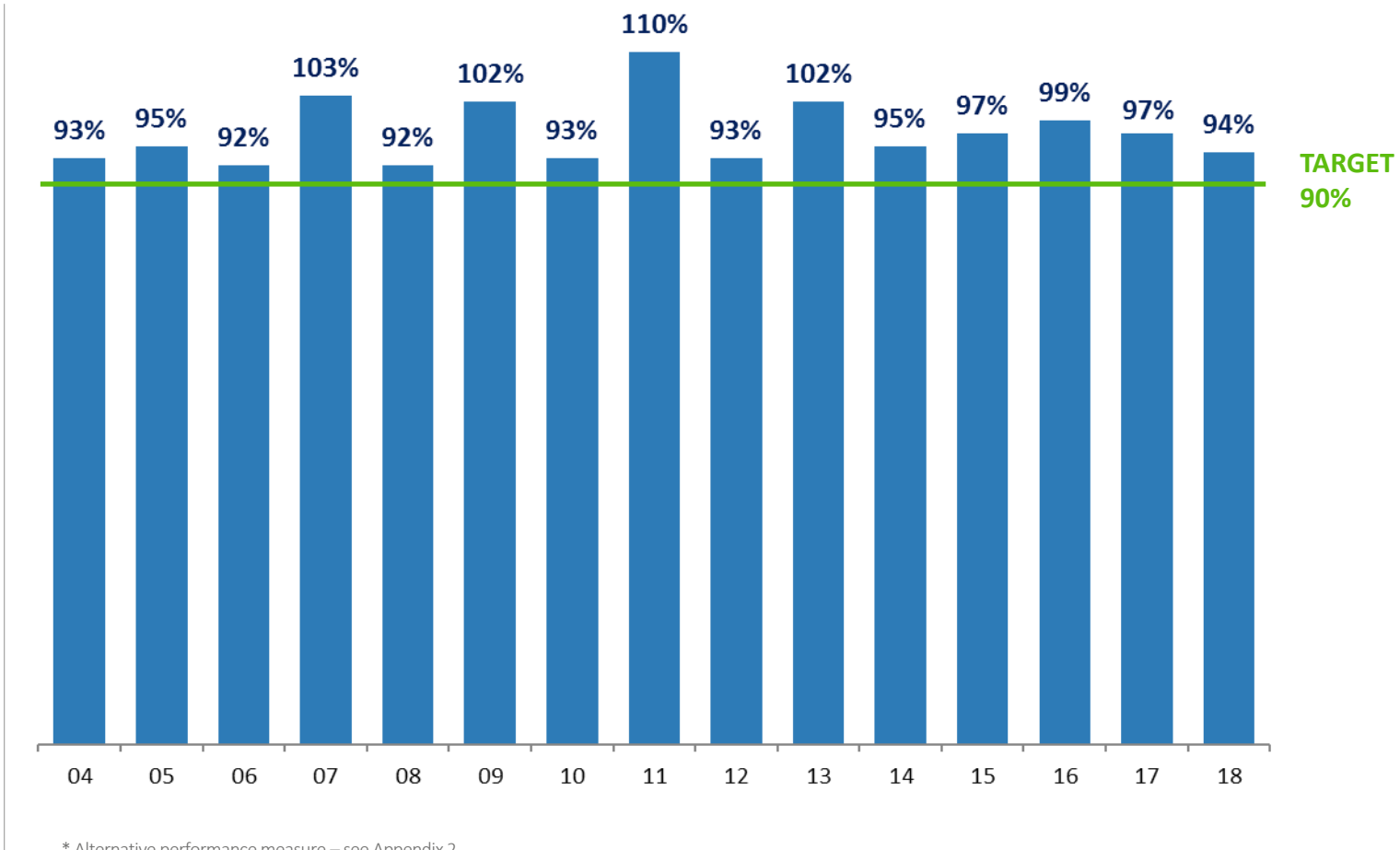
* Alternative performance measure – see Appendix 2

◊ Including acquisition related items

CASH CONVERSION

Average cash conversion*

97%



* Alternative performance measure – see Appendix 2

USES OF FREE CASH FLOW 2004 – 2018

Consistently strong free cash flow supports long term growth

DIVIDENDS

£1.3bn

DIVIDEND PER SHARE CAGR >10%

STABLE DIVIDEND COVER c. 2.5x[◊]

ACQUISITIONS

£3.2bn

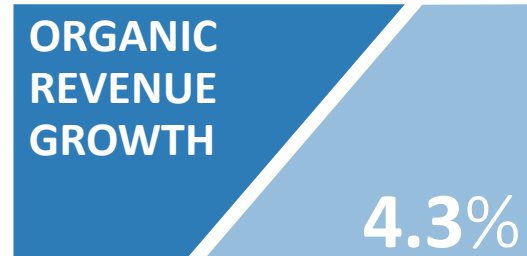
157* ACQUISITIONS SINCE 2004

SELF-FUNDED

[◊] Based on adjusted earnings per share

* Includes the acquisition of Volk do Brasil which was committed to in 2018, but completed in January 2019 for which there was no cash outflow in 2018

FINANCIAL SUMMARY



[◇] At constant exchange rates

* Alternative performance measure – see Appendix 2



BUSINESS REVIEW: FRANK VAN ZANTEN CHIEF EXECUTIVE

- Operations review
- Prospects
- Strategy

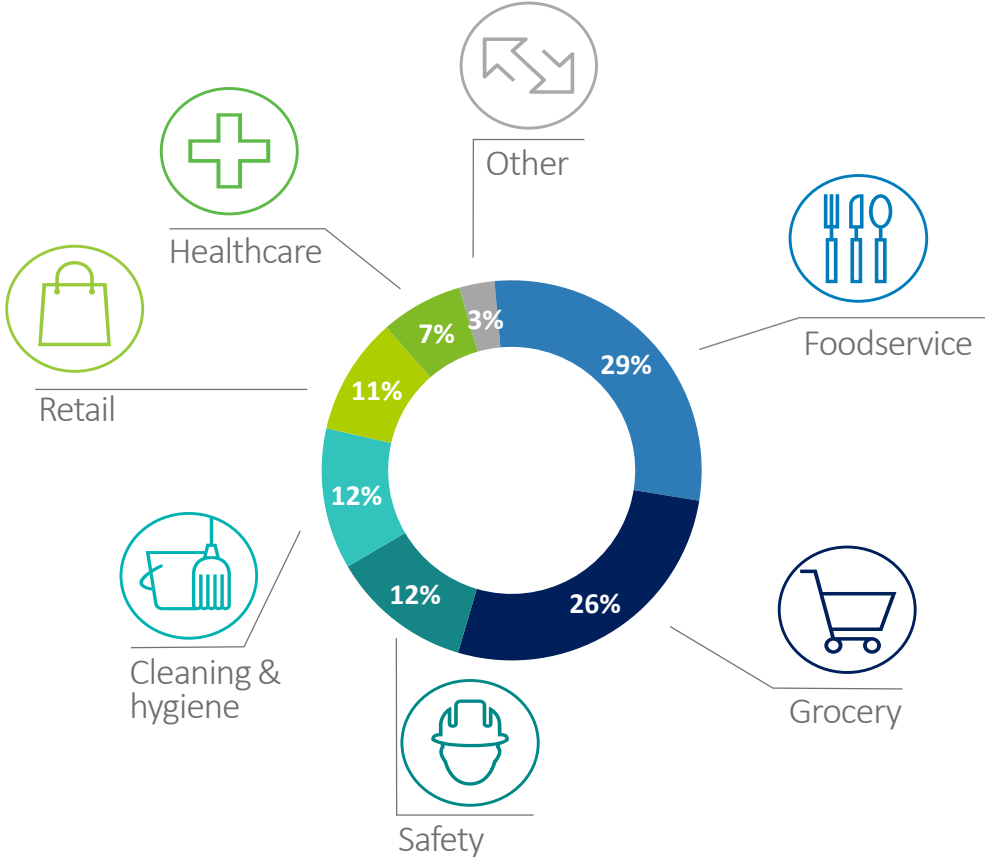


REVENUE BY CUSTOMER MARKETS

74%

resilient

- Foodservice
- Grocery
- Cleaning & hygiene
- Healthcare



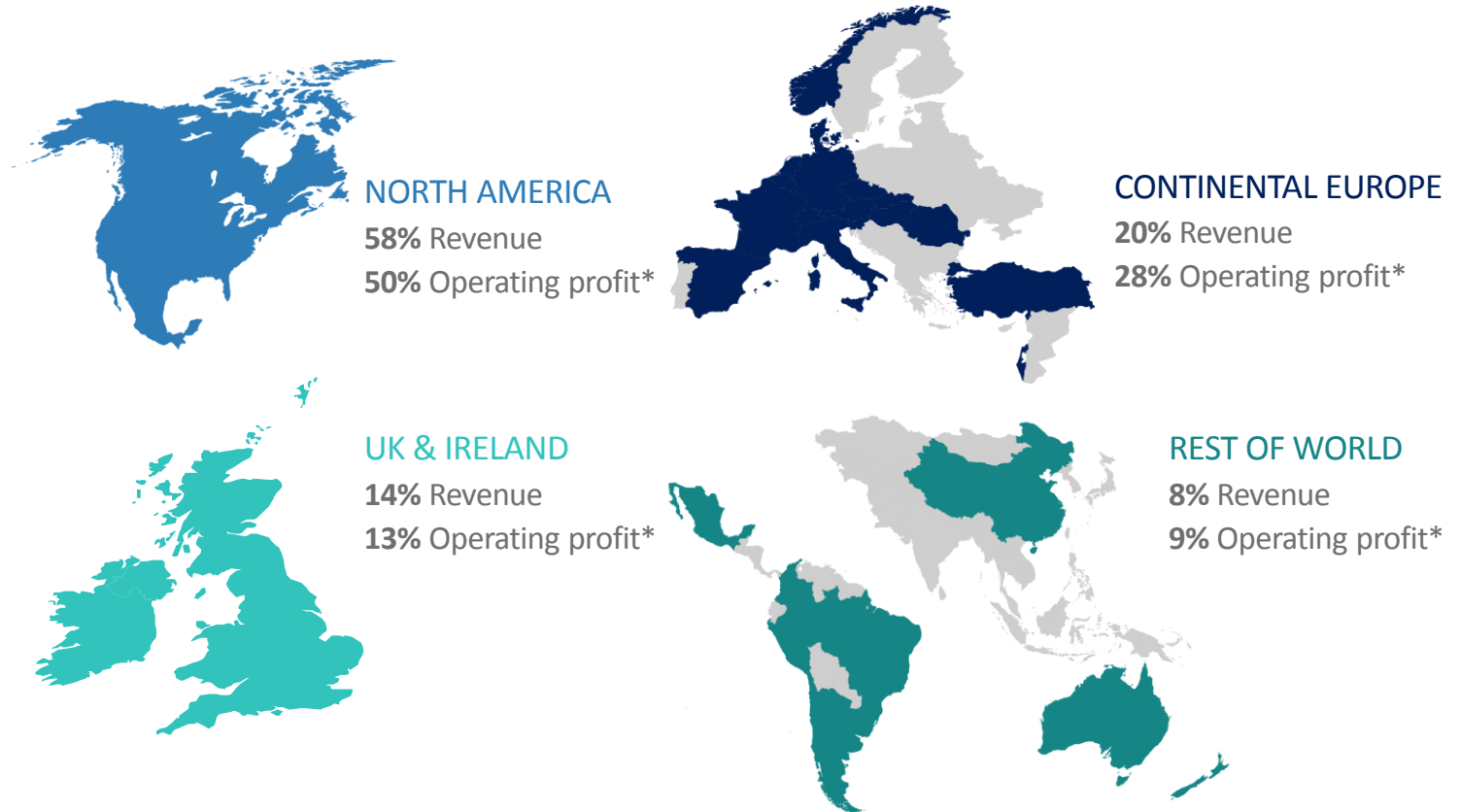
BUSINESS AREA ANALYSIS

Well diversified across:

31 Countries

6 Sectors

>85% of revenue generated outside the UK



* Adjusted operating profit (alternative performance measure, see Appendix 2) before corporate costs

NORTH AMERICA

£m	2018	2017	GROWTH	
			REPORTED	CONSTANT EXCHANGE
Revenue	5,277.8	5,061.1	4%	8%
Adjusted operating profit*	317.1	318.3	0%	3%
Operating margin*	6.0%	6.3%		
Return on operating capital*	48.4%	53.6%		

- Revenue increase driven by strong organic growth and impact of acquisitions
- Reduction in margin from significant business previously won in grocery and operating cost pressures
- More focused and streamlined organisation structure implemented in grocery and redistribution
- DDS successfully integrated with synergies achieved
- Strong growth in safety from improving market conditions, boosted by acquisition of Revco
- Growth in agriculture supported by acquisition of Monte Package Company

* Alternative performance measure – see Appendix 2

CONTINENTAL EUROPE

£m	2018	2017	GROWTH	
			REPORTED	CONSTANT EXCHANGE
Revenue	1,797.5	1,610.4	12%	12%
Adjusted operating profit*	176.8	151.1	17%	18%
Operating margin*	9.8%	9.4%		
Return on operating capital*	60.4%	57.5%		

- Substantial increases in revenue and profit with operating margin up
- Significant growth in France due to integration of Hedis and strong performances in safety and foodservice, partly offset by weaker performance in cleaning & hygiene and disposal of OPM
- Good performance in the Netherlands from new customer wins and acquisition of QS
- Expansion in Scandinavia with entry into Norway through acquisition of Enor and purchase of CM Supply in Denmark
- Strong performances in Turkey and Spain with increased levels of profitability

* Alternative performance measure – see Appendix 2

UK & IRELAND

£m	2018	2017	GROWTH	
			REPORTED	CONSTANT EXCHANGE
Revenue	1,263.6	1,190.8	6%	6%
Adjusted operating profit*	86.8	88.5	(2)%	(2)%
Operating margin*	6.9%	7.4%		
Return on operating capital*	87.8%	90.0%		

- Strong revenue growth but operating margin impacted by challenging market conditions
- Trading in safety affected by difficult market but good performance in cleaning & hygiene
- Strong revenue growth in grocery and retail across all businesses, partly offset by sale of non-core marketing services business
- Growth in hospitality from existing customers and the acquisition of Aggora
- Growth in healthcare despite changing market in NHS acute sector
- Strong growth in Ireland

* Alternative performance measure – see Appendix 2

REST OF THE WORLD

£m	2018	2017	GROWTH	
			REPORTED	CONSTANT EXCHANGE
Revenue	740.5	718.6	3%	12%
Adjusted operating profit*	56.4	53.9	5%	15%
Operating margin*	7.6%	7.5%		
Return on operating capital*	31.9%	32.4%		

- Strong overall sales and profit growth with operating margin up
- Strong performance in Latin America
- Position in safety in Brazil further strengthened through recent purchase of Volk do Brasil
- Improvement in performance in Australasia

* Alternative performance measure – see Appendix 2

PROSPECTS

Group – against a backdrop of mixed macroeconomic and market conditions, continued growth expected from strong competitive position, diversified and resilient businesses and ability to consolidate fragmented markets further

North America – revenue should increase from the combination of organic revenue growth and impact of acquisitions. Continued inflationary pressures on operating costs, mitigated by recently implemented, more focused and streamlined organisation structure

Continental Europe – expect to develop further due to the benefit of organic growth and acquisitions

UK & Ireland – growth impacted by the disposal of marketing services business in June 2018 and by unclear future economic conditions in the UK

Rest of the World – continued growth expected

Acquisitions – active pipeline and ongoing discussions; expect to complete further transactions during 2019

CONSISTENT AND PROVEN COMPOUNDING STRATEGY

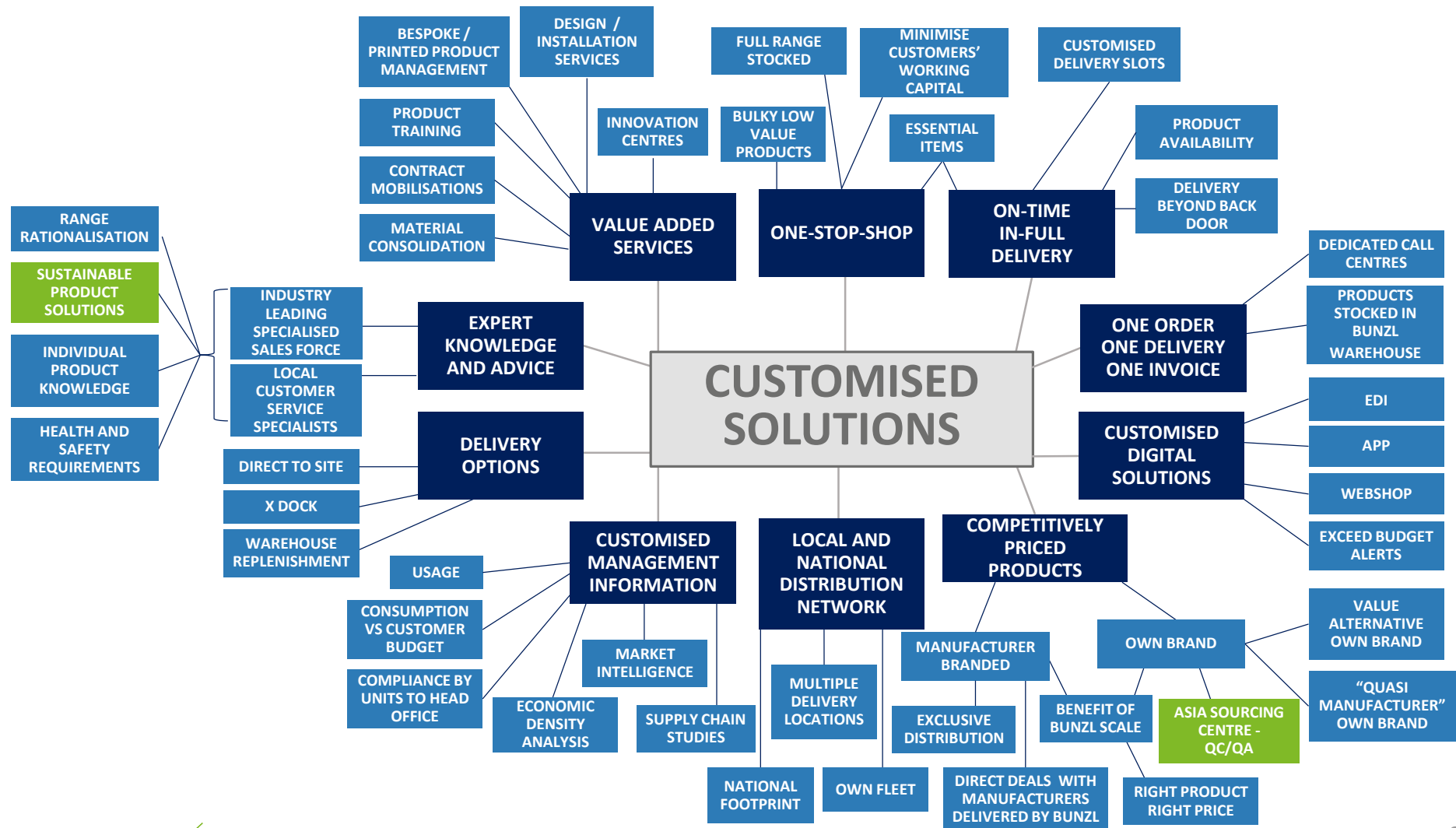


High ROIC
despite
significant
acquisition
spend



**ROIC
15.0%**

BUNZL UNIQUE SERVICE OFFERING



SUSTAINABLE PRODUCT SOLUTIONS

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



- ① Reusable cups made from coffee husks
- ② Food containers made from polylactic acid (PLA), a compostable and renewable plastic
- ③ Cups made from recycled PET
- ④ Compostable coffee cups
- ⑤ Paper based food packaging

SUSTAINABLE PRODUCT SOLUTIONS – CASE STUDIES



PRODUCT SUBSTITUTION

- Rapid change in customer demand for drinking straws in UK:
 - Volume of plastic straws fell significantly
 - Volume of paper straws increased

BUT total revenue from straws increased 25%



TRUSTED PARTNER

- Contract catering customer of Bunzl
- Customer's client site serving 2,500+ meals per day, using 500+ Bunzl products
- Bunzl has supported client in delivering their sustainability objectives:
 - Initially
 - Introduced compostable, recyclable and recycled items
 - Consolidated products for greater ability for composting and recycling
 - More recently
 - Introduced alternative plastic free products and reusable items
 - Worked with our suppliers to design new 'fit for purpose' take out containers

ASIA SOURCING

Competitive advantage through Asia Sourcing and QA/QC Centre

ASIA SOURCING CENTRE

- Benefit of Bunzl scale
- Manage suppliers across 14 countries
- Responsibly sourced products from accredited suppliers
- Purchasing benefits
- QA/QC and audit functions



COLLABORATION

- Forum for all Bunzl safety businesses held in Shanghai:
 - Best practice sharing
 - Tendering and supplier rationalisation to achieve cost savings
 - Asian supplier convention: 46 suppliers from 7 countries
 - Businesses benefit from face to face supplier meetings

ACQUISITION GROWTH

157* acquisitions
2004 - 2018

Total spend of
£3.3bn

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018*
Number of acquisitions	7	7	9	8	7	2	9	10	13	11	17	22	14	15	6
Committed acquisition spend (£m)	302	129	162	197	123	6	126	185	277	295	211	327	184	616	183
Annualised acquisition revenue (£m)	430	270	386	225	151	27	154	204	518	281	223	324	201	621	148

* Includes the acquisition of Volk do Brasil committed to in 2018 which completed in January 2019

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					•	•
Norway		•	•	•	•	•
Switzerland						
Austria		•	•	•	•	•
Czech Republic	•		•		•	•

COUNTRY	FOODSERVICE	GROCERY	C&H	SAFETY	RETAIL	HEALTHCARE
Hungary					•	•
Romania	•				•	•
Slovakia			•	•	•	•
Israel		•	•	•	•	•
Turkey		•	•		•	•
Brazil		•			•	
Chile		•	•		•	•
Colombia	•	•	•		•	•
Argentina	•	•	•		•	•
Peru	•	•	•		•	•
Uruguay	•	•	•		•	•
Australia						
New Zealand					•	
China / Hong Kong	•	•	•			•
Singapore	•	•	•		•	•

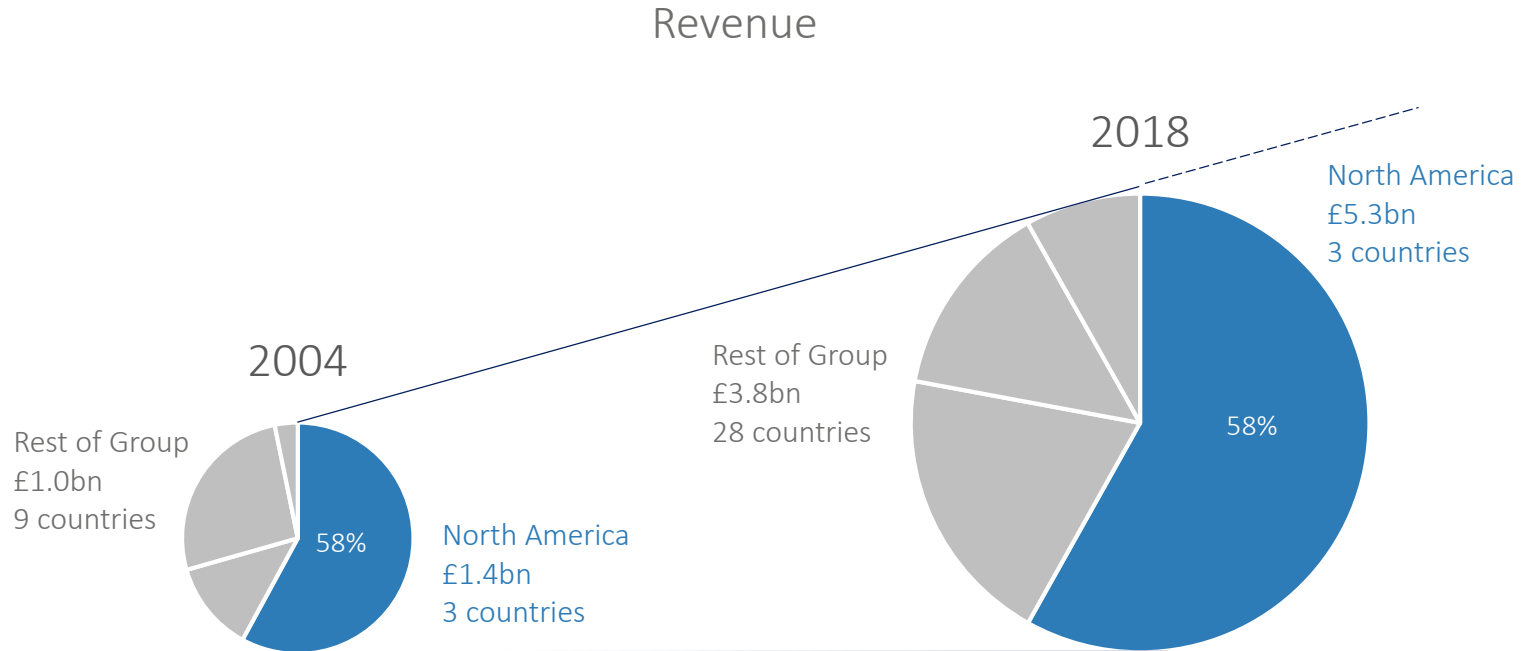
• No existing presence

NORTH AMERICA EXPANSION 2004 - 2018

Significant growth in our largest and most mature market

>3 % average annual organic growth

42 acquisitions



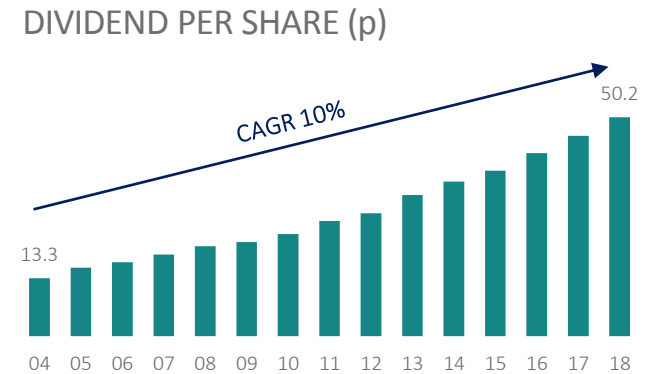
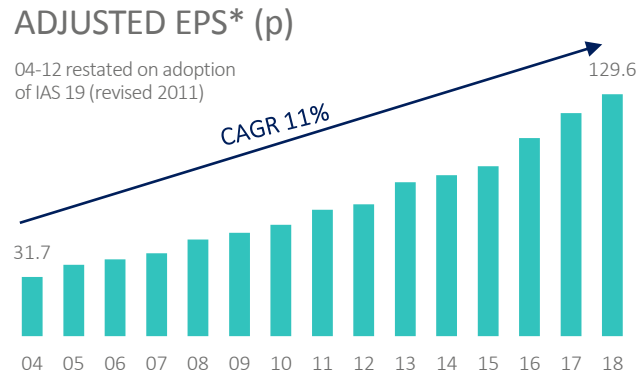
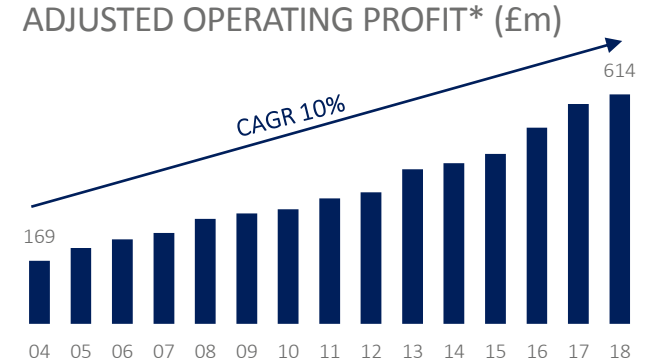
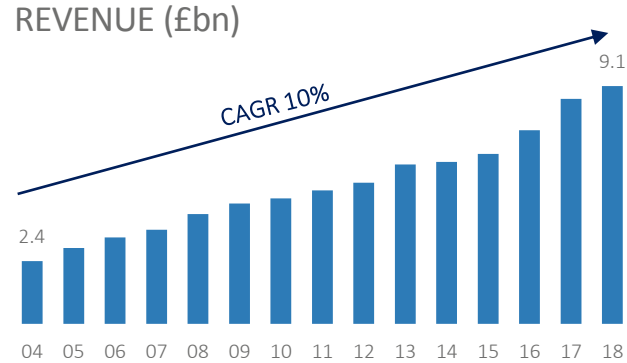
FINANCIAL TRACK RECORD 2004 - 2018



Proven compounding growth strategy

CAGR

c. 10%



* Alternative performance measure – see Appendix 2



APPENDICES



APPENDIX 1

EXCHANGE RATES



	2018	2017
<u>Average rate</u>		
US\$	1.33	1.29
Euro	1.13	1.14
Canadian\$	1.73	1.67
Brazilian real	4.87	4.11
Australian\$	1.79	1.68
<u>Closing rate</u>		
US\$	1.27	1.35
Euro	1.11	1.13
Canadian\$	1.74	1.69
Brazilian real	4.94	4.49
Australian\$	1.81	1.73

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 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 disposal of businesses (reconciled in Appendix 4)
- **Adjusted profit for the year** - Profit for the year before customer relationships amortisation, acquisition related items, the GMP equalisation charge and disposal of businesses and the associated tax (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 year 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 adding back the proceeds from the sale of property, plant and equipment
- **Cash conversion %** - Operating cash flow as a percentage of adjusted operating profit
- **Return on average operating capital %** - The ratio of adjusted operating profit to the average of the 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 %** - The ratio of adjusted operating profit to the average of the 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 before depreciation of property, plant and equipment, software amortisation and after adjustments as permitted by the Group's banking covenants, principally, share option charges and annualising for the effect of acquisitions and disposals
- **Constant exchange rates**- Growth rates at constant exchange rates are calculated by retranslating the results for the year ended 31 December 2017 at the average rates for the year ended 31 December 2018 so that they can be compared without the distorting impact of changes caused by foreign exchange translation. The principal exchange rates used for 2018 and 2017 can be found in Appendix 1.

APPENDIX 3

ADJUSTED OPERATING PROFIT ALTERNATIVE PERFORMANCE MEASURES



£m	2018	2017
Operating profit	466.2	456.0
<u>Adjusted for:</u>		
Customer relationships amortisation	111.1	96.6
Acquisition related items	33.4	36.7
GMP equalisation charge	3.3	-
Adjusted operating profit	614.0	589.3
Operating margin	6.8%	6.9%

APPENDIX 4

ADJUSTED PROFIT BEFORE INCOME TAX ALTERNATIVE PERFORMANCE MEASURES



£m	2018	2017
Profit before income tax	424.8	409.3
<u>Adjusted for:</u>		
Customer relationships amortisation	111.1	96.6
Acquisition related items	33.4	36.7
GMP equalisation charge	3.3	-
Disposal of businesses	(13.6)	-
Adjusted profit before income tax	559.0	542.6

APPENDIX 5

ADJUSTED PROFIT FOR THE YEAR ALTERNATIVE PERFORMANCE MEASURES



£m	2018	2017
Profit for the year	326.5	310.5
<u>Adjusted for:</u>		
Customer relationships amortisation	111.1	96.6
Acquisition related items	33.4	36.7
GMP equalisation charge	3.3	-
Disposal of businesses	(13.6)	-
Tax on adjusting items	(30.8)	(50.4)
Adjusted profit for the year	429.9	393.4
Adjusted earnings per share	129.6p	119.4p

APPENDIX 6

NET DEBT



£m	2018	2017
Opening net debt	(1,523.6)	(1,228.6)
Net cash inflow/(outflow)	184.9	(334.0)
Exchange	<u>(47.8)</u>	<u>39.0</u>
Closing net debt	(1,386.5)	(1,523.6)

APPENDIX 7

CASH FLOW AND CASH CONVERSION



£m	2018	2017
Adjusted operating profit *	614.0	589.3
<u>Adjusted for:</u>		
Non-cash items	31.8	28.9
Working capital movement	<u>(38.7)</u>	<u>(15.6)</u>
Cash flow from operations[◇]	607.1	602.6
Net capital expenditure	<u>(28.6)</u>	<u>(32.9)</u>
Operating cash flow[◇]	578.5	569.7
Cash conversion*	94%	97%

* Alternative performance measure - see Appendix 2


◇ 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*
North America	115	198	103	15	-	-	35	7	410	89	84	153	38	283	72
Continental Europe	301	61	7	100	52	-	115	96	23	5	46	98	87	219	34
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

 Leading revenue in year

* Includes the acquisition of Volk do Brasil committed to in 2018 which completed in January 2019

APPENDIX 9

ACQUISITION GROWTH 2018



£148m

revenue acquired

BUSINESS	ACQUIRED	COUNTRY	SECTOR	REVENUE*
Revco	January	USA	Safety	£28.6m
QS	March	Netherlands	Cleaning & hygiene	£4.9m
Monte Package Company	March	USA	Foodservice	£43.4m
Enor	July	Norway	Foodservice	£25.7m
CM Supply	December	Denmark	Foodservice	£4.0m
Volk do Brasil**	January	Brazil	Safety	£41.5m

* Annualised and translated at December 2018 average exchange rates

** Completed in January 2019

APPENDIX 10 HISTORICAL DATA



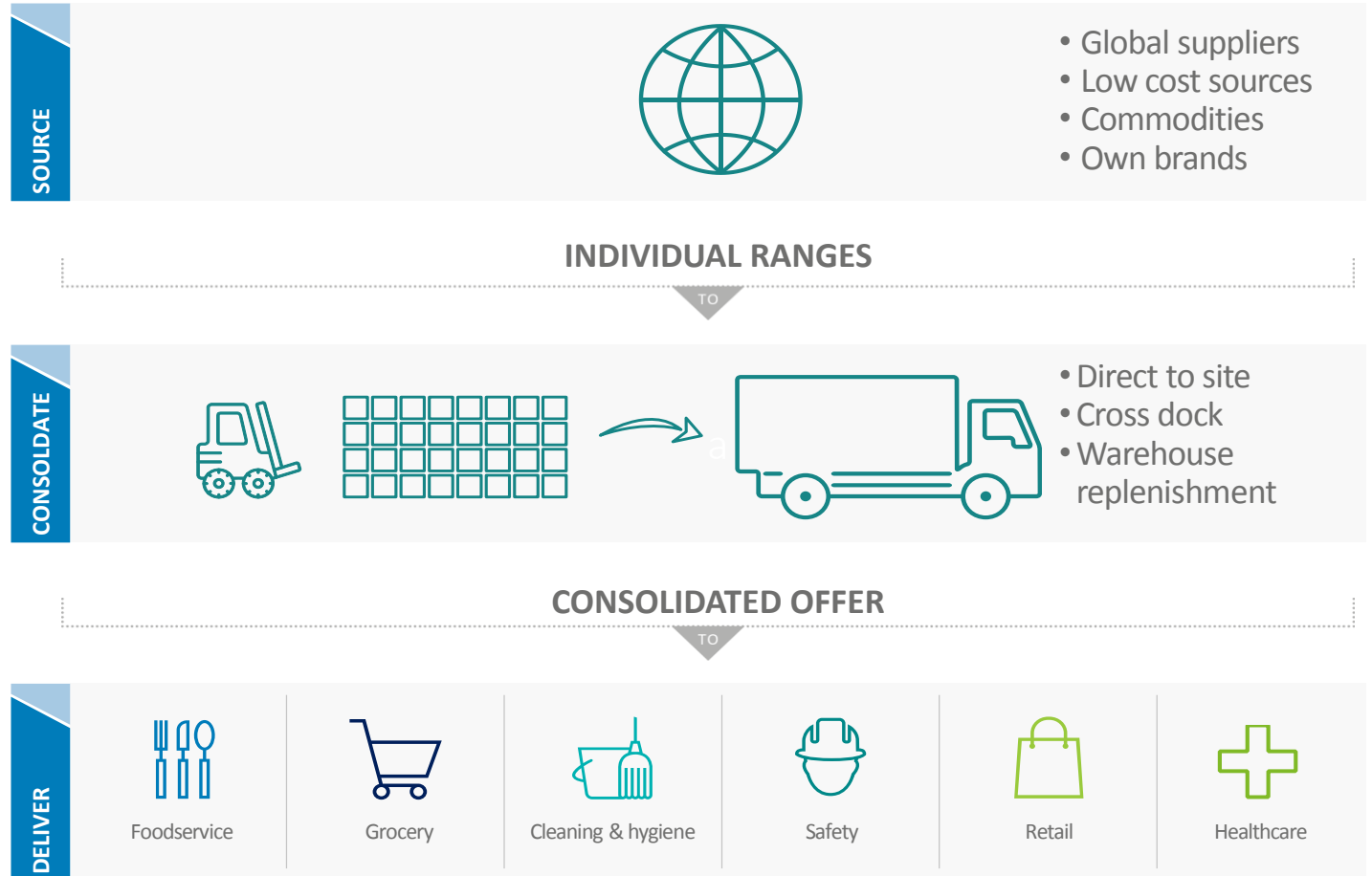
£m	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenue	2,439	2,924	3,333	3,582	4,177	4,649	4,830	5,109	5,359	6,098	6,157	6,490	7,429	8,581	9,079
Adjusted operating profit*	169	203	226	243	281	296	307	336	352	414	430	455	525	589	614
Operating margin* (%)	6.9	7.0	6.8	6.8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

APPENDIX 11 BUSINESS MODEL



One-stop-shop
for non-food
consumables



APPENDIX 12

VALUE PROPOSITION



Outsourcing
adds value for
our customers

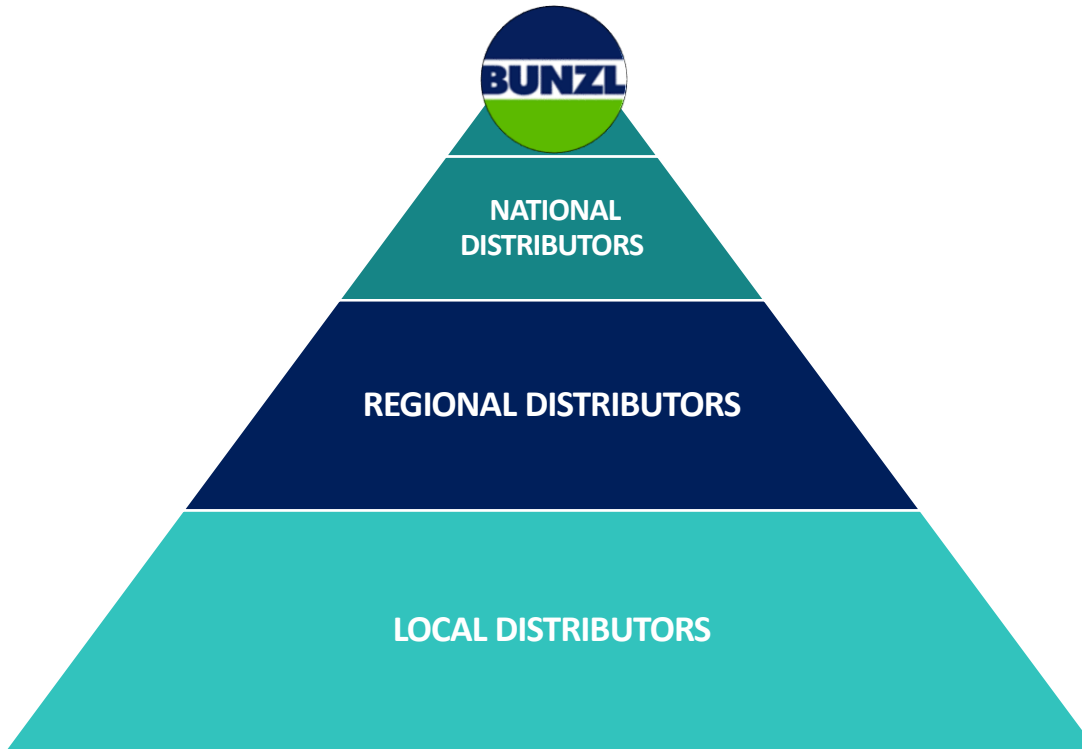


- In-house procurement and self-distribution is costly
- Bunzl applies its resources and expertise to reduce or eliminate many of the "hidden" costs of in-house procurement and self-distribution
- The benefits to customers are a lower cost of doing business and reduced working capital and carbon emissions

MARKET LEADING SPECIALIST DISTRIBUTOR



SPECIALIST COMPETITORS IN OUR FIELD



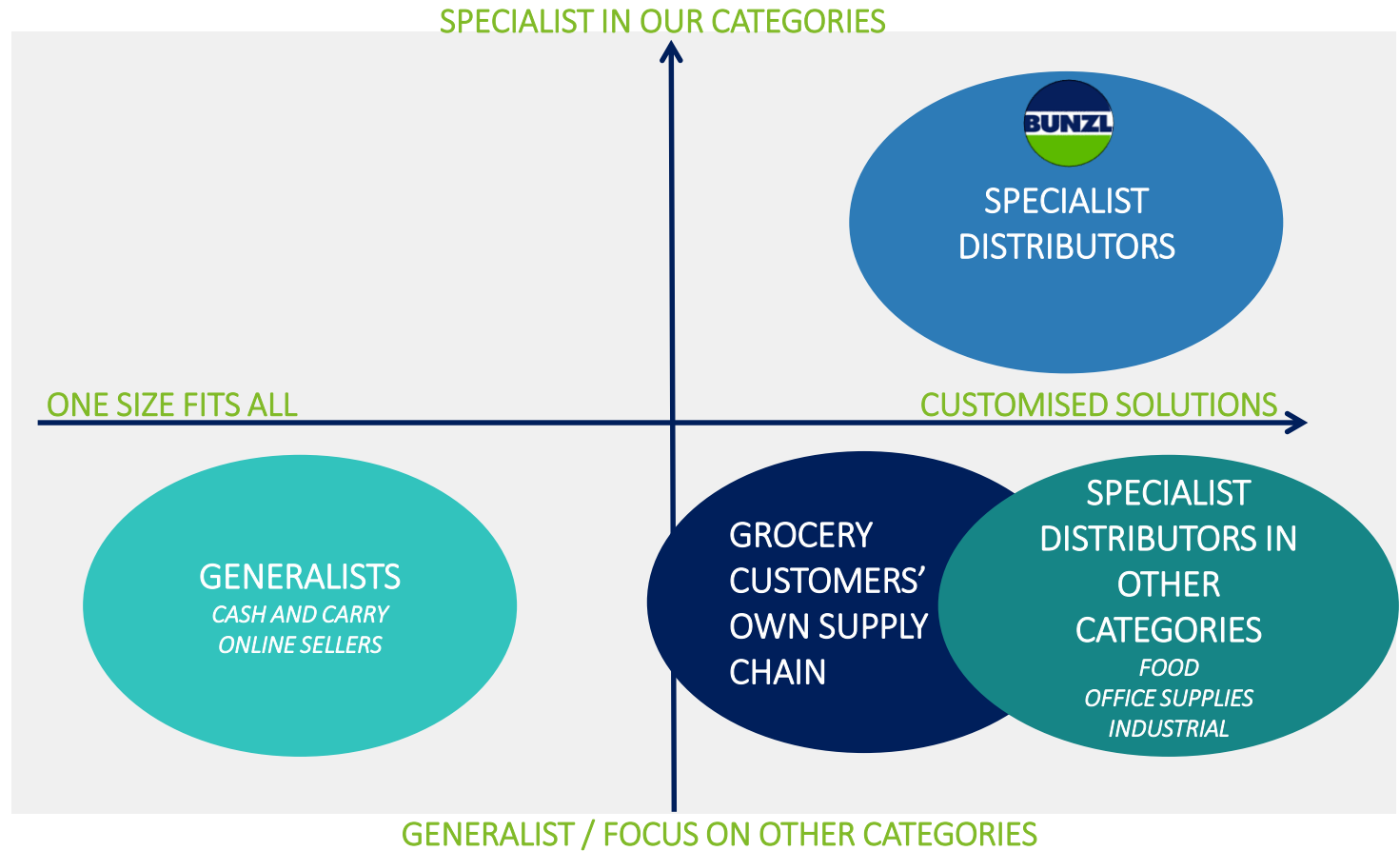
OTHER COMPETITORS



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

ACQUISITION PARAMETERS



Disciplined approach to acquisitions



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

APPENDIX 17

ACQUISITION DISCIPLINE



157*
acquisitions
2004 – 2018



* Includes the acquisition of Volk do Brasil committed to in 2018 which completed in January 2019

DISCLAIMER

This document has been prepared by Bunzl plc (the ‘Company’) solely for use at the presentation of the Company’s results announcement in respect of the year ended 31 December 2018. For the purposes of this disclaimer, “Presentation” shall mean this document, the oral presentation of the slides by the Company and related question-and-answer session and any materials distributed at, or in connection with, that presentation.

The Presentation does not constitute or form part of and should not be construed as, an offer to sell or issue, or the solicitation of an offer to buy or acquire, securities of the Company in any jurisdiction or an inducement to enter into investment activity. No part of this Presentation, nor the fact of its distribution, should form the basis of, or be relied on or in connection with, any contract or commitment or investment decision whatsoever.

The Presentation contains forward-looking statements. They are subject to risks and uncertainties that might cause actual results and outcomes to differ materially from the expectations expressed in them. You are cautioned not to place undue reliance on such forward-looking statements which speak only as of the date hereof. The Company undertakes no obligation to revise or update any such forward-looking statements.

The information and opinions contained in this Presentation do not purport to be comprehensive, are provided as at the date of the Presentation and are subject to change without notice. The Company is not under any obligation to update or keep current the information contained herein.