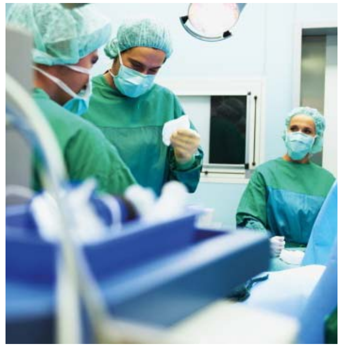
2015 Half Year Results

August 2015



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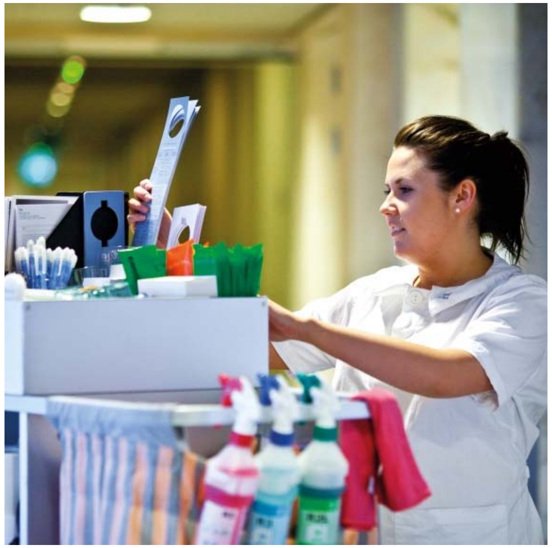

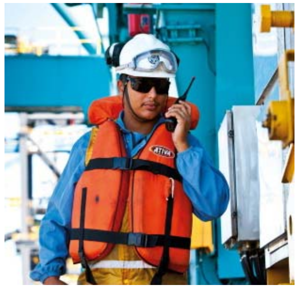

Agenda

1	Philip Rogerson, Chairman: Welcome
2	Brian May, FD: Financial Results
3	Michael Roney, CEO: Business Review
4	Q&A

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Highlights

Good set of results

Consistent and proven strategy

£241m spent ytd on 14 acquisitions

Adjusted earnings per share* up 6%†

Dividend up 7%

* Before intangible amortisation and acquisition related costs
† At constant exchange rates

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Financial results

Brian May, FD

Income statement

£m	Jun 15	Jun 14	Growth % Reported	Growth % Constant Exchange
Revenue	**3,135.2**	2,938.7	7	5
Adjusted operating profit*	**208.4**	197.2	6	5
Net finance cost	**(21.4)**	(20.6)		
Adjusted profit before tax*	**187.0**	176.6	6	6
Operating margin*	**6.6%**	6.7%		
Effective tax rate	**27.5%**	28.0%		
Adjusted earnings per share*	**41.4p**	39.0p	6	6
Dividend per share	**11.75p**	11.00p	7	

** Before intangible amortisation and acquisition related costs – see Appendix 2*

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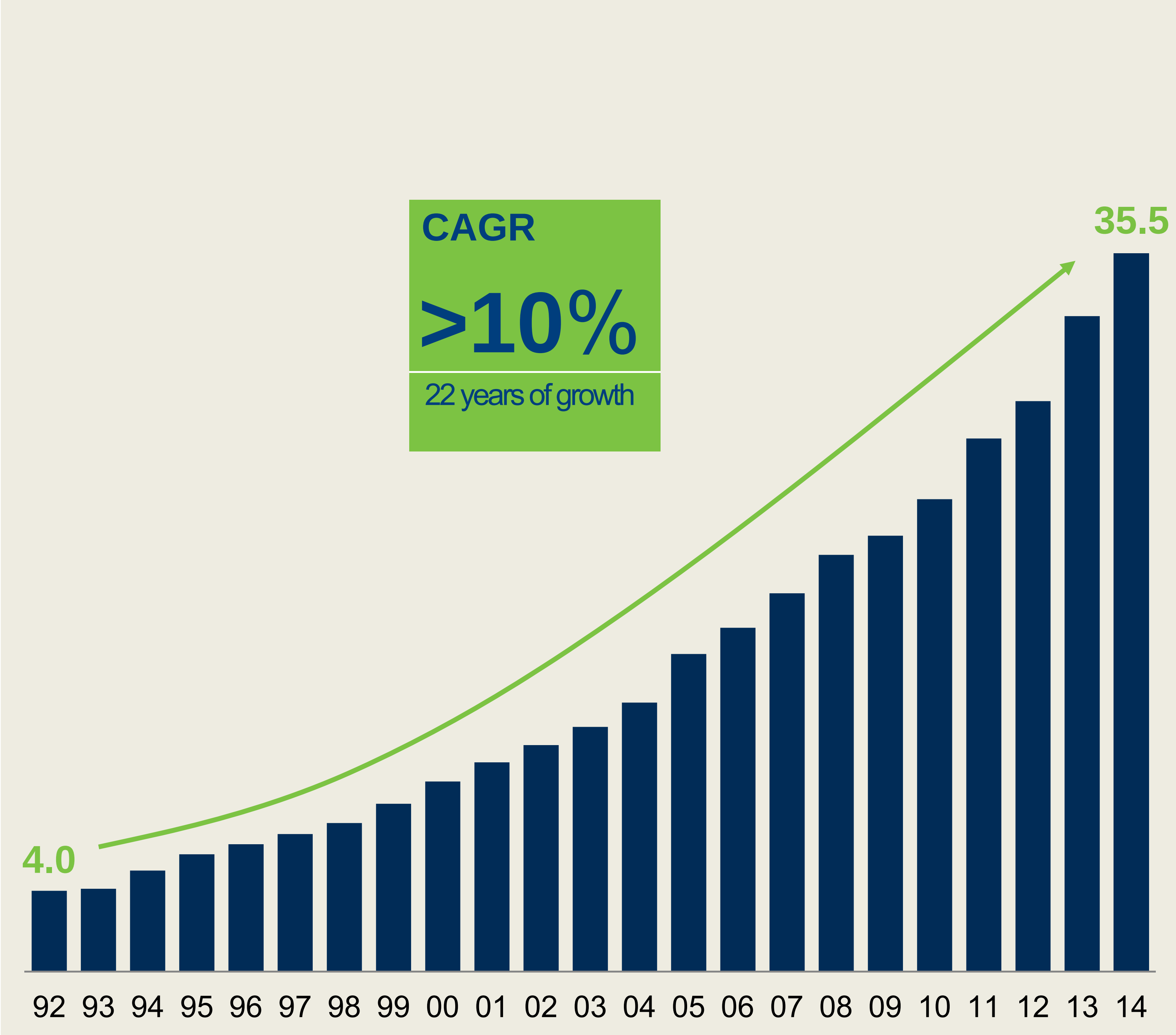
Dividend per share (p)

Consistently strong dividend growth



Balance sheet

£m	Jun 15	Dec 14
Intangibles	**1,546.8**	1,478.8
Tangibles	**122.8**	119.2
Working capital	**621.6**	557.4
Other liabilities	**(301.2)**	(223.8)
	1,990.0	1,931.6
Pension deficit	**(59.8)**	(70.3)
Net Debt*	**(1,067.3)**	(877.4)
Equity	**862.9**	983.9
Net Debt/EBITDA	**2.1x**	1.9x
Return on average operating capital	**56.9%**	57.7%

Intangibles

- Additions of £176.5m from acquisitions partially offset by amortisation and foreign exchange translation

Working capital

- Increases primarily from acquisitions, partially offset by exchange rate movements

Pensions deficit

- Deficit decreased by £10.5m mainly due to higher discount rates

Return on average operating capital

- Underlying return increased by 20bp, offset by the impact of acquisitions

* *See Appendix 3*

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Cash flow

96%

cash conversion over target threshold of 90%

£m	Jun 15	Jun 14
Operating cash flow*	**199.7**	200.2
Interest	**(20.0)**	(19.7)
Tax	**(45.5)**	(47.1)
Free cash flow	**134.2**	133.4
Dividends	**(36.0)**	(32.6)
Acquisitions	**(263.1)**	(118.7)
Employee share schemes	**(45.0)**	(34.7)
Net cash flow	**(209.9)**	(52.6)
Operating cash flow* to adjusted operating profit†	**96%**	102%

** See Appendix 4*
† Before intangible amortisation and acquisition related costs

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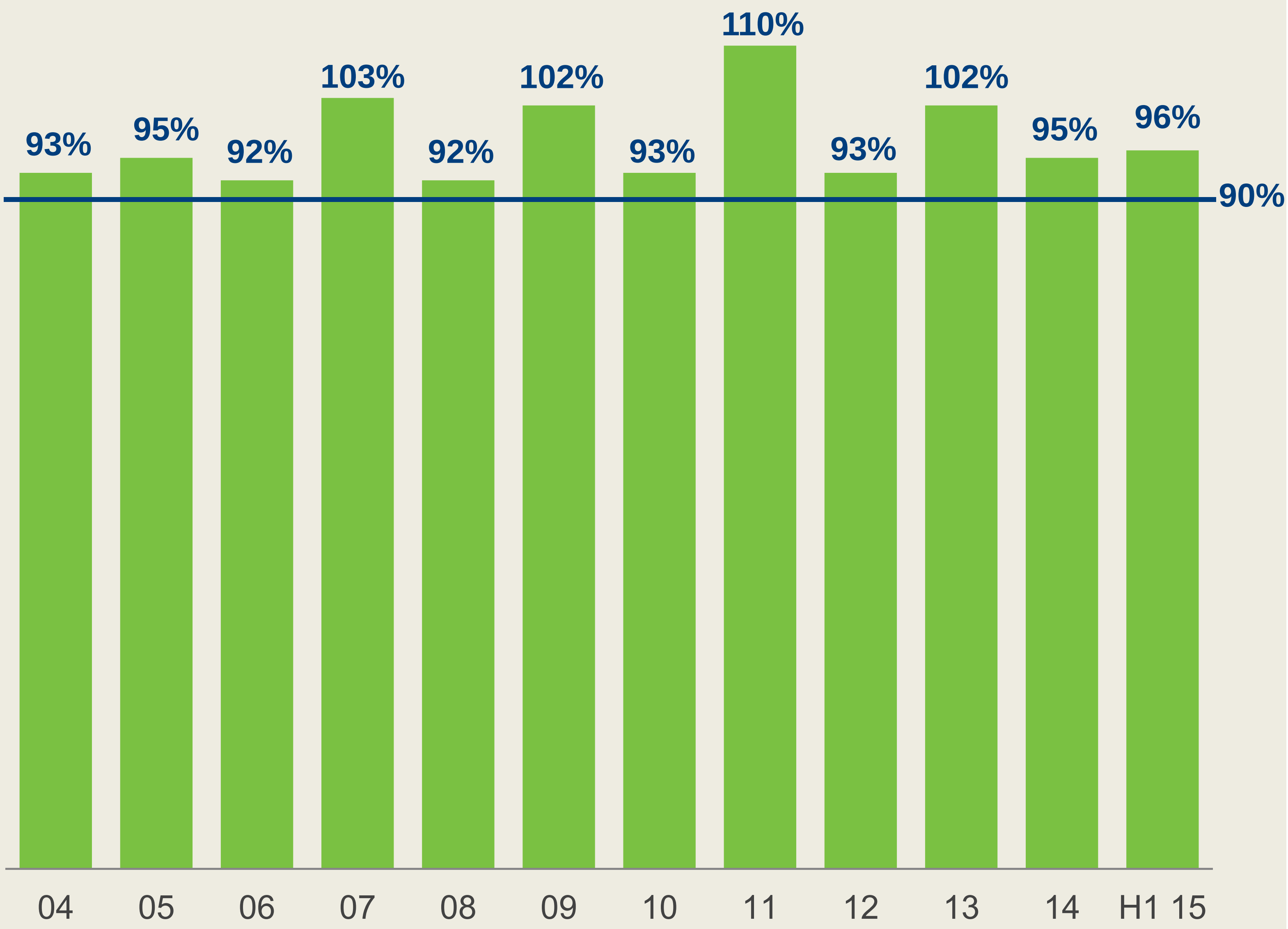
Cash conversion



High cash conversion funds growing dividend and acquisitions

Average cash conversion*

97%

** Operating cash flow before acquisition related costs to adjusted operating profit*
04 - 05 continuing operations only

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Uses of cash since 2004

Dividends

£798m

- Dividend per share CAGR >10% (2004 - 2014)
- Stable dividend cover – c.2.5x

Acquisitions

£2.1bn

- 110 acquisitions since 2004 (to 30 June 2015)
- Self funded

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Financial summary

Capital management and Cash flow

ROACE
56.9%
▲20bp underlying†♦

Cash conversion**
96%

Acquisition spend ytd
£241m

Revenue and Operating profit

Revenue
▲5%†

Adjusted operating profit*
▲5%†

Operating margin*
6.6%
In line with 2014†

EPS and Dividend

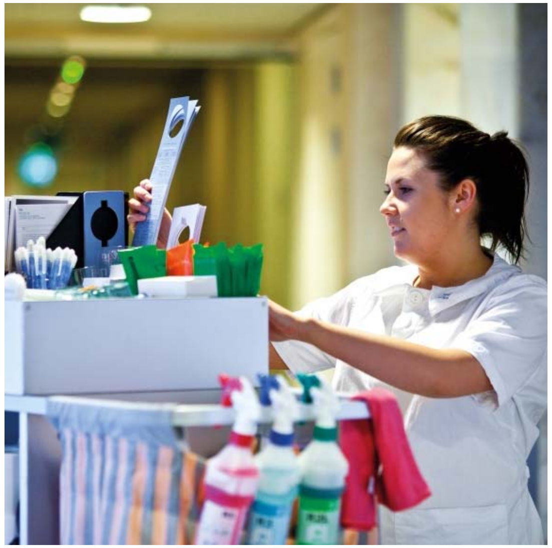
Adjusted EPS*
▲6%†

Dividend per share
▲7%

† *At constant exchange rates*
♦ *Excluding the impact of acquisitions*
* *Before intangible amortisation and acquisition related costs*
** *Operating cash flow before acquisition related costs to adjusted operating profit*

Business review

Michael Roney, CEO



Business review

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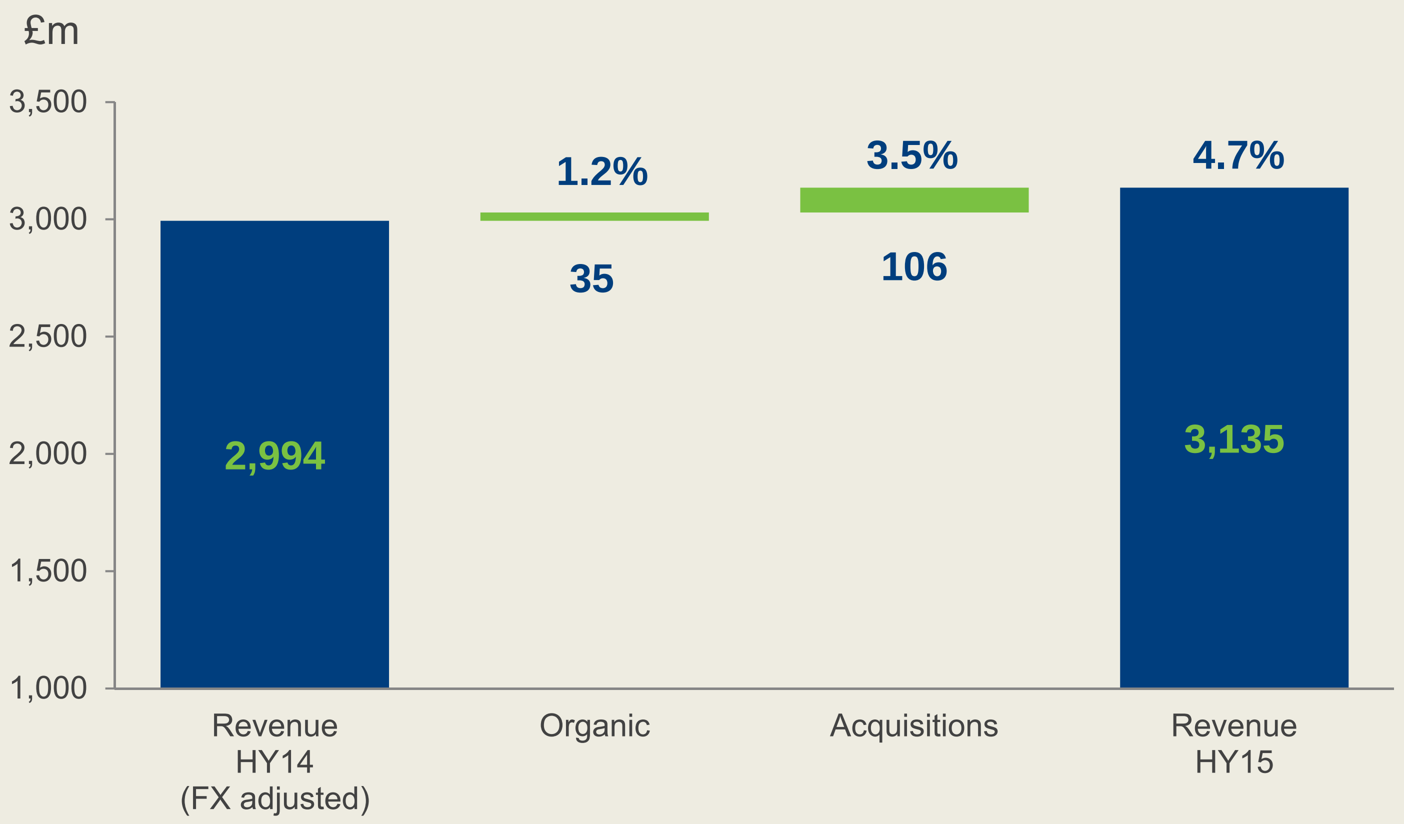
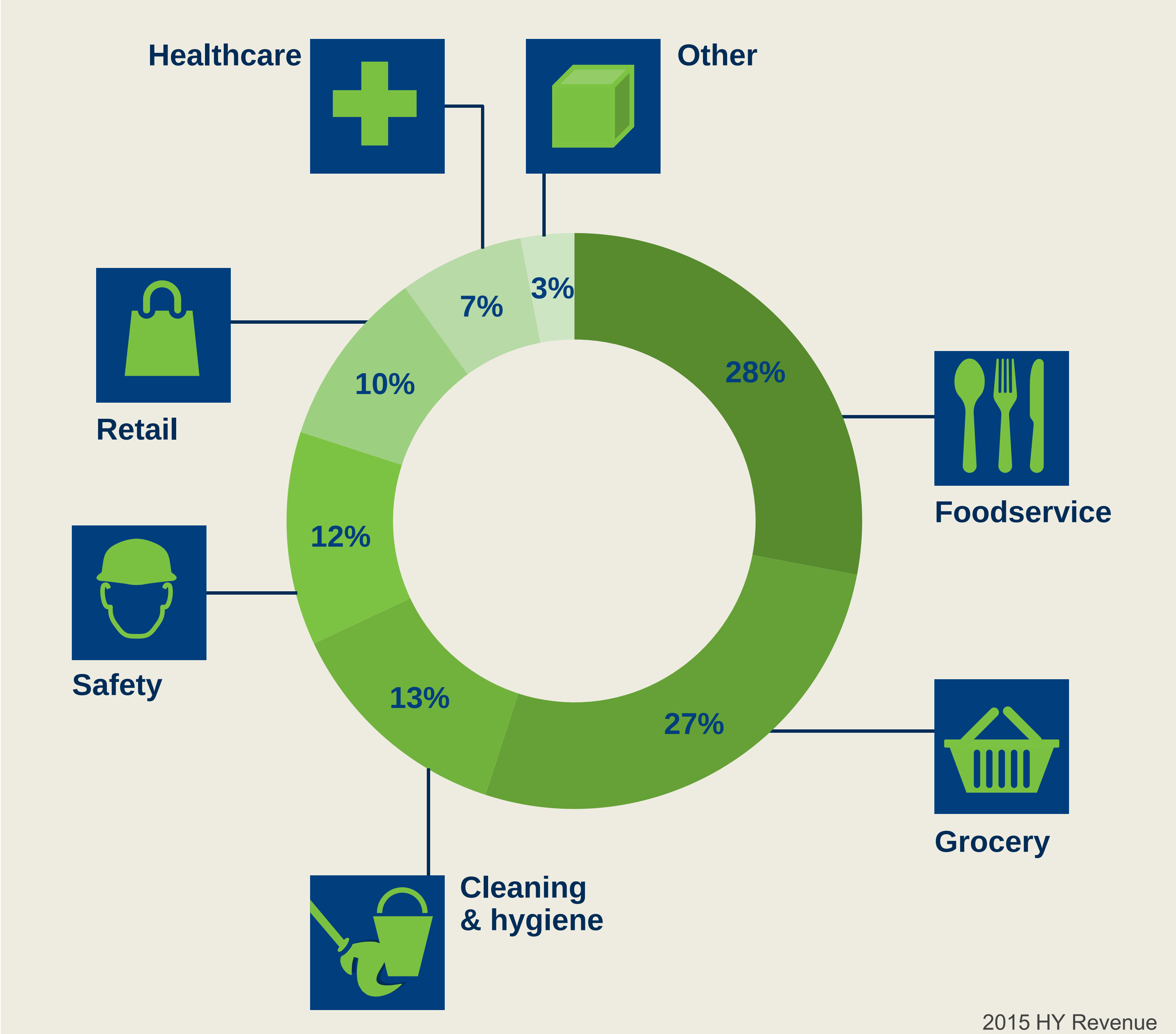
Revenue growth



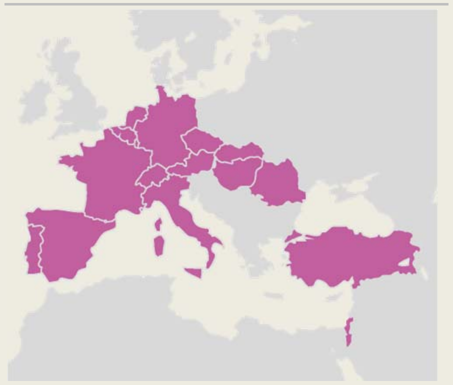
Revenue by customer markets



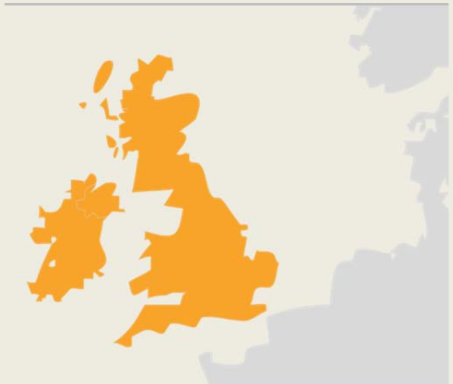
Business area analysis

Well diversified by geography and sector

NORTH AMERICA
57% Revenue
50% Adjusted operating profit*



CONTINENTAL EUROPE
18% Revenue
23% Adjusted operating profit*



UK & IRELAND
17% Revenue
17% Adjusted operating profit*

REST OF WORLD
8% Revenue
10% Adjusted operating profit*

Before intangible amortisation and acquisition related costs and corporate costs

2015 HY

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Overview

Good overall performance

- Significant acquisition spend year to date of £241m on 14 businesses with entry into two new countries
- North America – Revenue increase from recent acquisitions and organic growth, partially offset by some lost business and price declines in plastic products
- Continental Europe – Strong profit growth† with operating margin up 50bp to 9.2%
- UK & Ireland – 11% growth in adjusted operating profit*, with operating margin up 40bp to 7.0%
- Rest of the World – Adjusted operating profit* down 7%† due to challenging macroeconomic conditions and negative exchange transaction impact

† *At constant exchange rates*
* *Before intangible amortisation and acquisition related costs*

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North America

£m	June 15	June 14	Growth % Reported	Growth % Constant Exchange
Revenue	**1,792.6**	1,590.1	13	4
Adjusted operating profit*	**109.1**	97.4	12	3
Operating margin*	**6.1%**	6.1%		
Return on operating capital	**58.9%**	61.2%		

- Revenue increase from recent acquisitions and organic growth with operating margin* stable at 6.1%
- Grocery and redistribution businesses impacted by some lost business and price declines in plastic products
- Revenue and profit growth in businesses serving other sectors
- Three safety acquisitions (Tillman, Cordova and Steiner) significantly enhance growing portfolio of own brand products
- Recent acquisition activity in Canada creates national distribution platform in cleaning & hygiene

* *Before intangible amortisation and acquisition related costs*

Continental Europe

			Growth %	
£m	June 15	June 14	Reported	Constant Exchange
Revenue	**545.6**	573.3	(5)	5
Adjusted operating profit*	**50.2**	50.1	0	10
Operating margin*	**9.2%**	8.7%		
Return on operating capital	**53.7%**	49.6%		

- Strong constant exchange profit growth with operating margin* up 50bp to 9.2%
- Impact of lower sales in France offset by continued cost reduction measures
- Good growth in the Netherlands driven by acquisitions and progress in the safety, healthcare, retail and food processor sectors
- Significant profit growth in Denmark
- Further improvement in Spain and Central Europe
- Entry into two new countries, Turkey and Austria

* *Before intangible amortisation and acquisition related costs*

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UK & Ireland

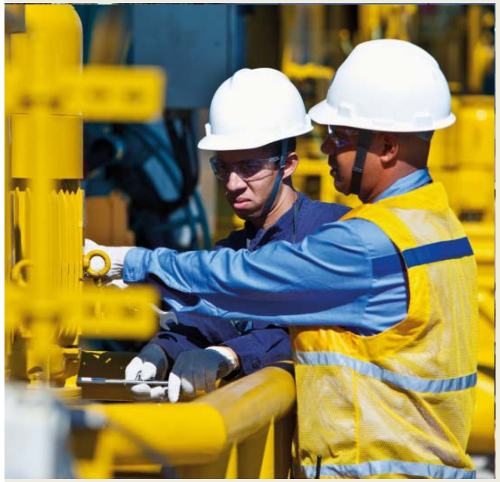
			Growth %	
£m	June 15	June 14	Reported	Constant Exchange
Revenue	**535.1**	507.8	5	6
Adjusted operating profit*	**37.3**	33.7	11	11
Operating margin*	**7.0%**	6.6%		
Return on operating capital	**106.8%**	107.5%		

- Strong profit growth with operating margin* up 40bp to 7.0%
- Significant profit increase in safety led by acquisitions and expanded own label product ranges
- Well positioned to support customers in challenging grocery and retail sectors
- Hospitality continues to grow well and further development of own label products ranges
- Good growth in healthcare despite increased customer focus on cost reductions
- Ireland continues to improve with the economic recovery, notably in hospitality

Before intangible amortisation and acquisition related costs

Rest of the World

£m	June 15	June 14	Growth % Reported	Growth % Constant Exchange
Revenue	**261.9**	267.5	(2)	7
Adjusted operating profit*	**22.0**	26.1	(16)	(7)
Operating margin*	**8.4%**	9.8%		
Return on operating capital	**37.6%**	45.5%		



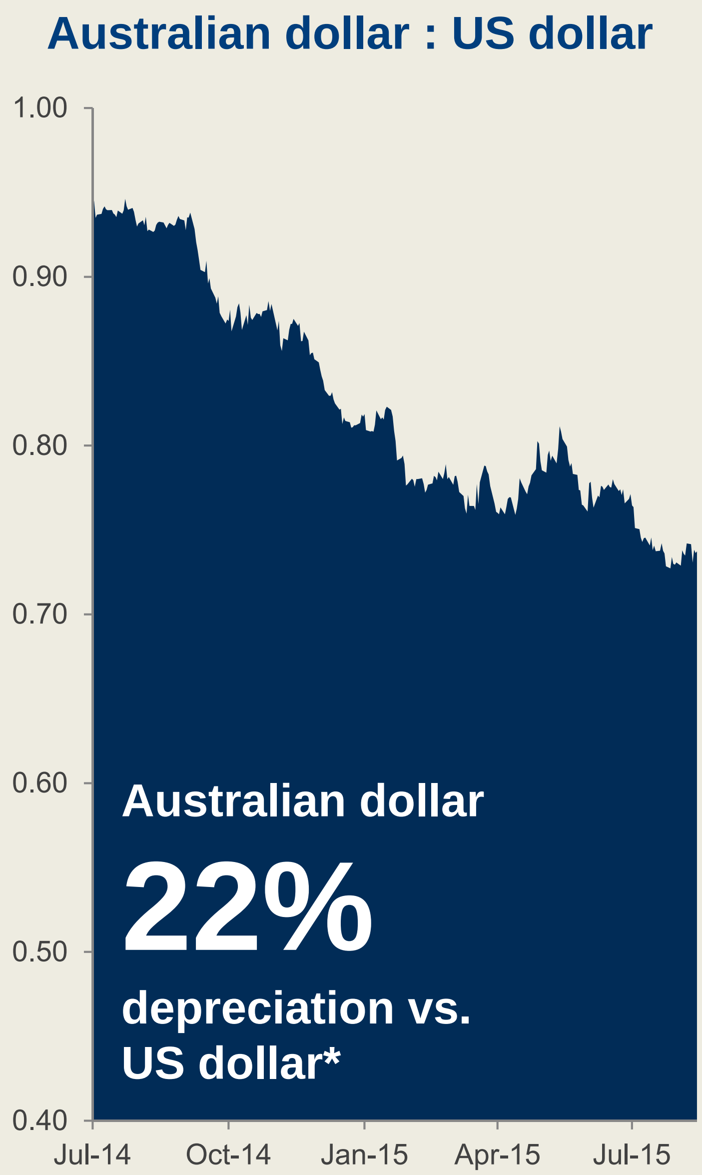
- Margins under pressure due to challenging macroeconomic conditions and currency weakness affecting product purchase prices
- Latin America
  - Weaker performance at Brazil safety and cleaning & hygiene
  - Other businesses trading broadly in line with expectations
- Australasia
  - Industrial and safety adversely impacted by slowdown in resources sector
  - Market position further consolidated in consumables

* *Before intangible amortisation and acquisition related costs*

Rest of the World currency depreciation

50%+

Rest of the World purchases are imported



* *1 Jul-14 to 13 Aug-15*

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Consistent and proven strategy

High ROIC despite significant acquisition spend

GDP+ organic growth

Organic revenue growth has exceeded relevant GDP growth in 9 of the last 10 years

Acquisition growth

Since 2004 we have announced 114 acquisitions with total spend of £2.1bn

Operating model efficiencies

We constantly strive to make our business more efficient and environmentally friendly

ROIC

17.3%

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Acquisition growth 2015 ytd

14 acquisitions so far this year

Business	Acquired	Country	Sector	Revenue*
Quirumed	January	Spain	Healthcare	£15m
Jan-Mar	January	Canada	Cleaning & hygiene	£6m
Janssen	March	Holland	Retail	£7m
Prescott	March	Canada	Cleaning & hygiene	£9m
Maska	March	Canada	Cleaning & hygiene	£17m
Istanbul Ticaret	May	Turkey	Safety	£24m
Ligne T	May	France	Safety	£4m
GF	June	Canada	Retail	£43m
Solmaq	June	Colombia	Safety	£15m
Cordova	June	USA	Safety	£55m
Steiner	July	USA	Safety	£12m
Bidvest Hospitality	July	Australia	Foodservice	£5m
Delta	July	Australia	Foodservice	£5m
Meier Verpackungen	July	Austria	Foodservice	£29m

* *Annualised and converted at average ytd exchange rates*

Acquisition growth

Average annual acquisition spend since 2012

£279m

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015 ytd
Number of acquisitions	7	7	9	8	7	2	9	10	13	11	17	**14**
Committed acquisition spend (£m)	302	129	162	197	123	6	126	185	277	295	211	**241**
Annualised acquisition revenue (£m)	430	270	386	225	151	27	154	204	518	281	223	**246**

04 - 05 continuing operations only

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Geographic expansion timeline

Continued geographic expansion as Bunzl enters two promising new countries

1997*	2003*	2005*	2012	2015
7 countries	12 countries	18 countries	27 countries	29 countries

* *Continuing operations only*

Entry into Turkey and Austria

28

- Safety distributor to end users and distributors located in Istanbul
- G20 country with a population of 78m, 40% of which are under 25
- 7th largest economy in Europe
- Average GDP growth 2010-2014 of 5%+

29

- Well-established packaging solutions distributor
- Strong entry point into the Austrian market and sizeable base to expand via future bolt-on acquisitions
- Excellent geographical and product fit with neighbouring countries
- Brings a wealth of product know-how and innovation to the Group

Continental Europe - development of a business area

2004 revenue

€0.5bn

Country	Foodservice	Retail	C&H	Healthcare	Safety	Grocery
Germany	■					
France	■		■	■	■	
Netherlands	■					
Denmark	■		■		■	■

Continental Europe - development of a business area

2010 revenue

€1.1bn

Country	Foodservice	Retail	C&H	Healthcare	Safety	Grocery
Germany	■					
France	■		■	■	■	
Netherlands	■	■	■	■		■
Denmark	■		■			■
Belgium	■	■	■	■		■
Spain	■		■		■	
Czech	■					■
Romania			■		■	■
Hungary	■		■		■	■
Slovakia	■					■
Switzerland	■	■	■	■	■	■
Israel	■					

Continental Europe - development of a business area

2015 revenue*

€1.5bn

Country	Foodservice	Retail	C&H	Healthcare	Safety	Grocery
Germany	■		■		■	
France	■		■	■	■	
Netherlands	■	■	■	■	■	■
Denmark	■		■		■	■
Belgium	■	■	■	■		■
Spain	■		■	■	■	
Czech	■					■
Romania			■		■	■
Hungary	■		■		■	■
Slovakia	■					■
Switzerland	■	■	■	■	■	■
Israel	■					
Turkey					■	
Austria	■					

* *Annualised proforma revenue based on H1 2015 revenue*

Continental Europe - development of a business area

€100m+

Business in Spain developed since 2007

Spain

Cleaning & hygiene

- 2007: Iberlim
- 2008: Hicosa
- 2008: Sudecol

Safety

- 2008: Marca
- 2010: Juba

Foodservice

- 2011: King

Healthcare

- 2015: Quirumed

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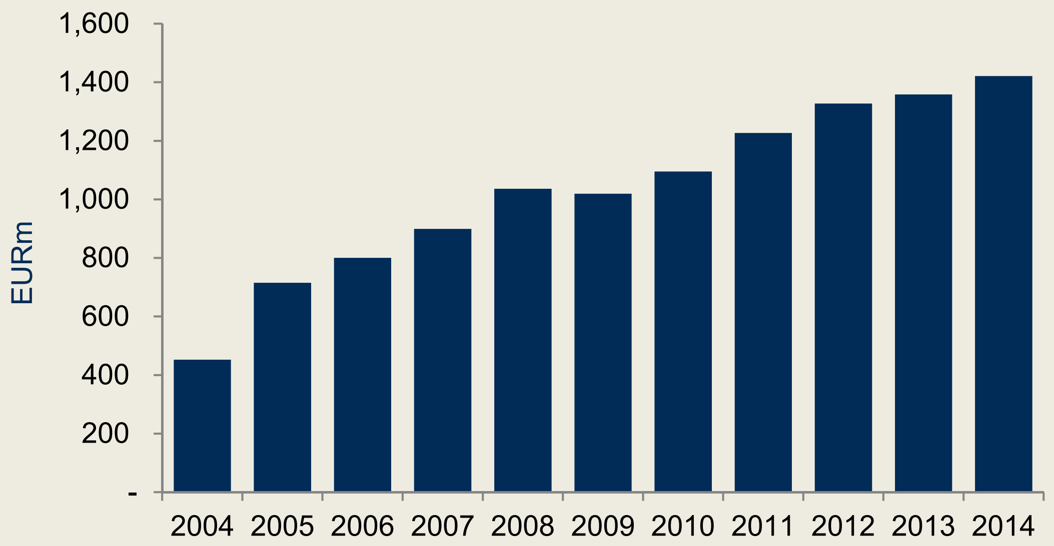
Continental Europe - development of a business area

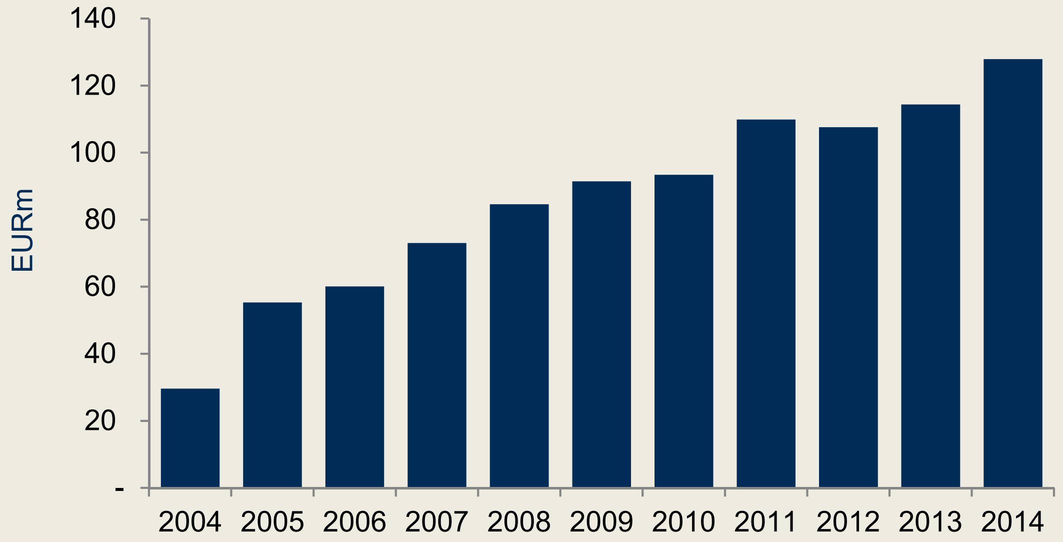
Revenue



CAGR

12%

Adjusted operating profit



CAGR

16%

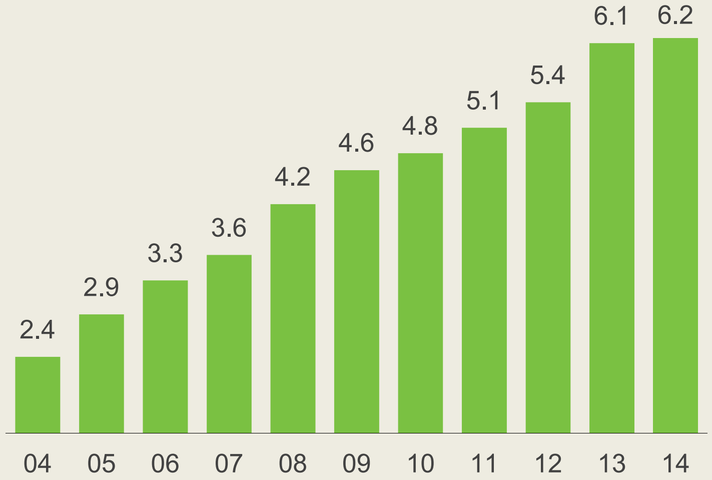
Financial track record

All CAGRs greater than

10%

Revenue (£bn)

04 - 05 continuing operations only

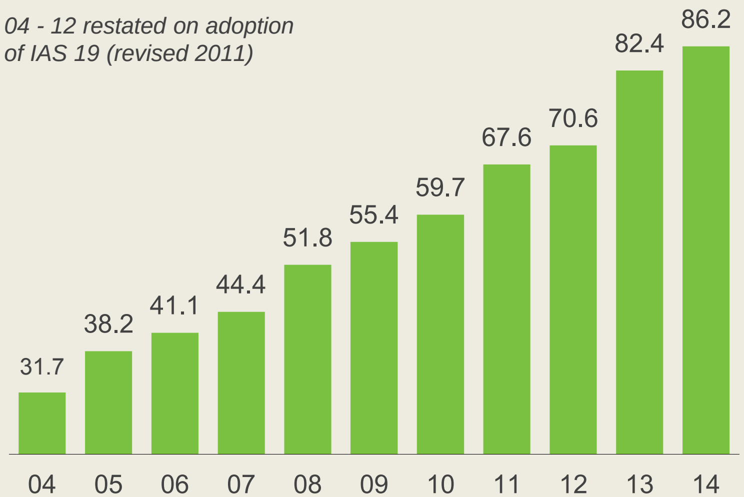


Adjusted operating profit (£m)

Before intangible amortisation and acquisition related costs
04 - 05 continuing operations only

Adjusted eps (p)

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



Dividend per share (p)

2014 Full Year Results

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Prospects

- Group – continued growth at constant exchange rates
- North America – very strong performance led by acquisitions despite net impact of some lost business and resin price declines
- Continental Europe – further strong performance principally due to the benefit of acquisitions
- UK & Ireland – continued development mainly as a result of organic growth
- ROW – continued challenging macroeconomic conditions and currency weakness resulting in ongoing margin pressures
- Promising acquisition pipeline with additional acquisitions expected to be completed
- Board is confident that the Group's business will develop further and continue to build value for shareholders

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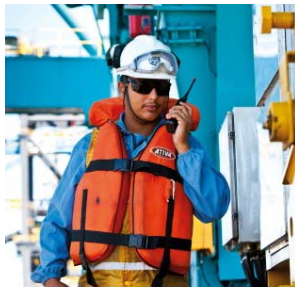
Appendices



Appendix 1

Exchange rates

	Jun 15	Jun 14
Average rate		
US $	**1.52**	1.67
Euro	**1.37**	1.22
Canadian $	**1.88**	1.83
Brazilian real	**4.52**	3.83
Australian $	**1.95**	1.82
Closing rate		
US $	**1.57**	1.71
Euro	**1.41**	1.25
Canadian $	**1.96**	1.82
Brazilian real	**4.89**	3.77
Australian $	**2.05**	1.81

Appendix 2

Adjusted profit measures

£m	Jun 15	Jun 14
Operating profit	**168.5**	152.9
Adjusted for:		
Intangible amortisation	**32.7**	30.1
Acquisition related costs	**7.2**	14.2
Adjusted operating profit	**208.4**	197.2
Operating margin	**6.6%**	6.7%
Net finance cost	**(21.4)**	(20.6)
Adjusted profit before income tax	**187.0**	176.6
Tax on adjusted profit	**(51.4)**	(49.4)
Adjusted profit for the year	**135.6**	127.2
Adjusted earnings per share	**41.4p**	39.0p

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Appendix 3

Net debt

£m	**Six months to Jun 15**	Year to Dec 14	Six months to June 14
Opening net debt	**(877.4)**	(849.5)	(849.5)
Net cash outflow	**(209.9)**	(19.0)	(52.6)
Currency translation	**20.0**	(8.9)	22.0
Closing net debt	**(1,067.3)**	(877.4)	(880.1)

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Appendix 4

Cash flow

£m	Jun 15	Jun 14
Adjusted operating profit*	**208.4**	197.2
Depreciation	**12.2**	11.7
Working capital movement	**(11.3)**	5.5
Other	**1.4**	(2.9)
Cash flow from operations	**210.7**	211.5
Net capital expenditure	**(11.0)**	(11.3)
Operating cash flow**	**199.7**	200.2
Operating cash flow** to adjusted operating profit*	**96%**	102%

* *Before intangible amortisation and acquisition related costs*
** *Before acquisition related costs*

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Appendix 5

Historical data

£m	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenue	2,439	2,924	3,333	3,582	4,177	4,649	4,830	5,109	5,359	6,098	6,157
Adjusted operating profit*	169	203	226	243	281	296	307	336	352	414	430
Operating Margin* (%)	6.9	7.0	6.8	6.8	6.7	6.4	6.4	6.6	6.6	6.8	7.0

Before intangible amortisation and acquisition related costs
04 - 05 continuing operations only

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Appendix 6

Business model

One-stop-shop for non-food consumables

Appendix 7

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 8

Key acquisition parameters

B2B	Goods not for resale	Consolidated product offering (‘one-stop-shop’)
Sectors with growth	Fragmented customer base	Further market consolidation and synergies
Small % of total customer spend	Opportunity for “own label” products	Attractive financial returns (ROIC, ROACE)

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Appendix 9

Annualised acquisition revenue

Acquisitions across all business areas

£m	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015 ytd
North America	115	198	103	15	-	-	35	7	410	89	84	**142**
Continental Europe	301	61	7	100	52	-	115	96	23	5	46	**79**
UK & Ireland	-	2	267	110	39	27	-	39	16	32	40	**-**
Rest of the World	14	9	9	-	60	-	4	62	69	155	53	**25**
Group	430	270	386	225	151	27	154	204	518	281	223	**246**

04 - 05 continuing operations only

Leading spend in year

Appendix 10

Acquisition discipline

114

acquisitions announced since 2004

Say "no" many more times than "yes"

Very selective about countries and sectors

Thorough due diligence

Review performance vs investment case with Board

Retention of management and customers is key

Appendix 11

Key competitive advantages

Choice of customer sectors

Decentralised management model

Expertise in making acquisitions

Alignment of management incentives

Ex-owners stay with Bunzl

Global sourcing

Appendix 12

Why invest in Bunzl?

"…. because Bunzl is the leader in the market with consistently good growth, stable operating margins, a very high return on operating capital and it turns on average more than 90% of the operating profit into cash which can be reinvested at a rate well in excess of the cost of capital"

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