



BUNZL

2023 ANNUAL

GENERAL MEETING

April 2023



INCOME STATEMENT



Very strong adjusted operating profit growth and improved margin

FY 22 revenue growth²

9.8%

FY 22 adjusted operating profit¹ growth²

11.1%

Q1 23 revenue growth²

1.2%

£m	2022	2021	REPORTED GROWTH	CONSTANT EXCHANGE
Revenue	12,039.5	10,285.1	17.1%	9.8%
Adjusted operating profit ¹	885.9	752.8	17.7%	11.1%
Operating margin ¹	7.4%	7.3%		
Adjusted profit before income tax ^{1,3}	818.0	698.2	17.2%	10.5%
Effective tax rate ¹	24.6%	22.3%		
Adjusted profit for the year ¹	616.8	542.5	13.7%	7.3%
Adjusted earnings per share ^{1,4}	184.3p	162.5p	13.4%	7.0%
Total dividend per share	62.7p	57.0p	10.0%	
Statutory				
Operating profit	701.6	623.3		
Profit before income tax ³	634.6	568.7		
Basic earnings per share ⁴	141.7p	132.7p		

Notes

1. Alternative performance measure – see Appendix 1

2. At constant exchange rates

3. Net finance cost in 2022 was £67.9 million and £54.6 million in 2021. In 2022 net finance costs included a non-cash hyperinflation-related charge of £10.7 million

4. Weighted average number of shares of 334.7 million in 2022 and 333.8 million in 2021

HIGHLY CASH GENERATIVE MODEL



Strong cash generation, supported by working capital improvement and disposal

Average cash conversion¹
since 2004

98%

Net debt : EBITDA^{1,2}

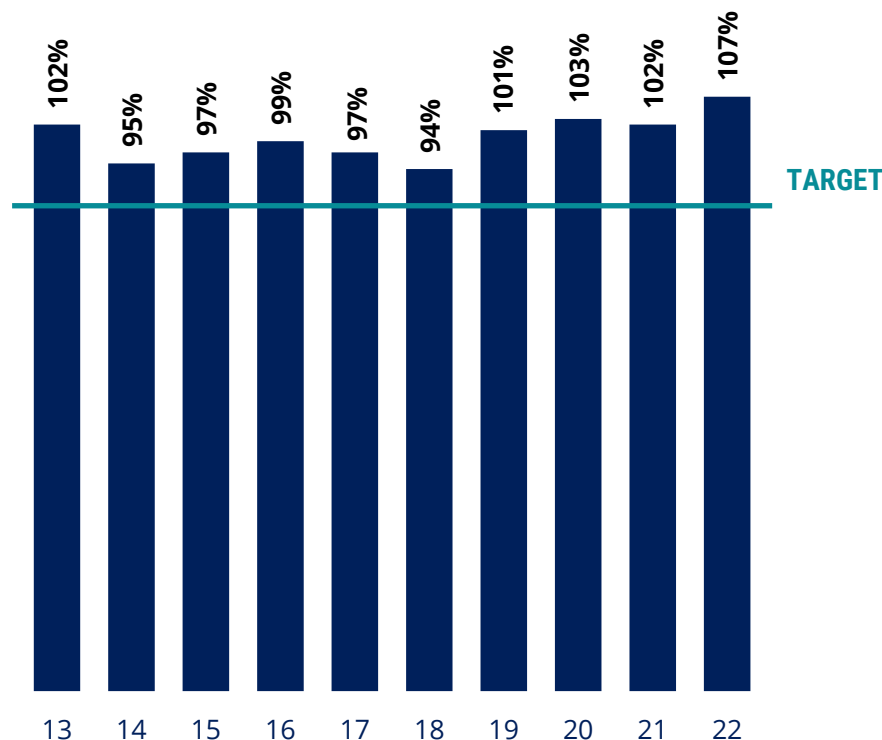
1.2x

Due to strong cash generation and benefit from disposal proceeds; substantial capacity for self-funded acquisitions

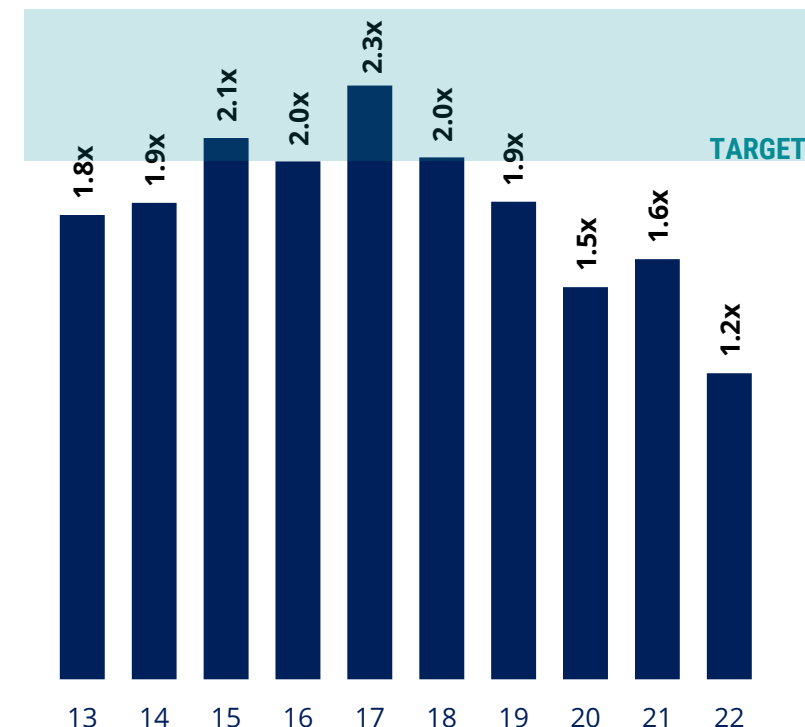
ROIC¹

15.0%

Cash conversion over the last 10 years



Net debt : EBITDA^{1,2} over the last 10 years



Notes

1. Alternative performance measure – see Appendix 1
2. On a covenant basis - at average exchange rates and based on historical accounting standards, in accordance with Group's external debt covenants

THREE DECADES OF CONSECUTIVE DIVIDEND GROWTH



Maintained dividend growth through periods of uncertainty

10.0%

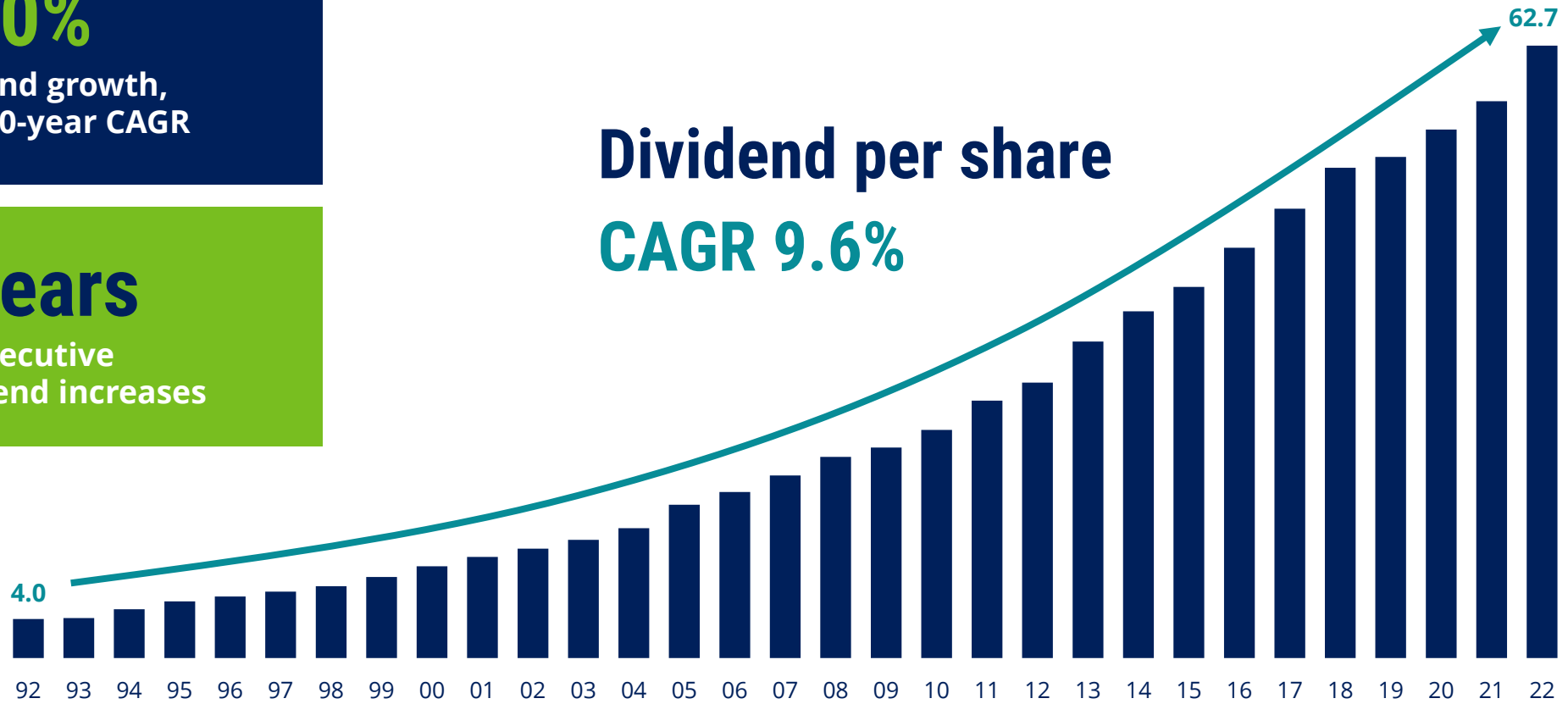
y-o-y dividend growth,
in line with 30-year CAGR

30 years

of consecutive
annual dividend increases

Dividend per share

CAGR 9.6%



DISCIPLINED APPROACH TO CAPITAL ALLOCATION



Highly cash generative model continues to drive stakeholder value

Capital allocation priorities

1. Invest in the business

2. Paying a progressive dividend

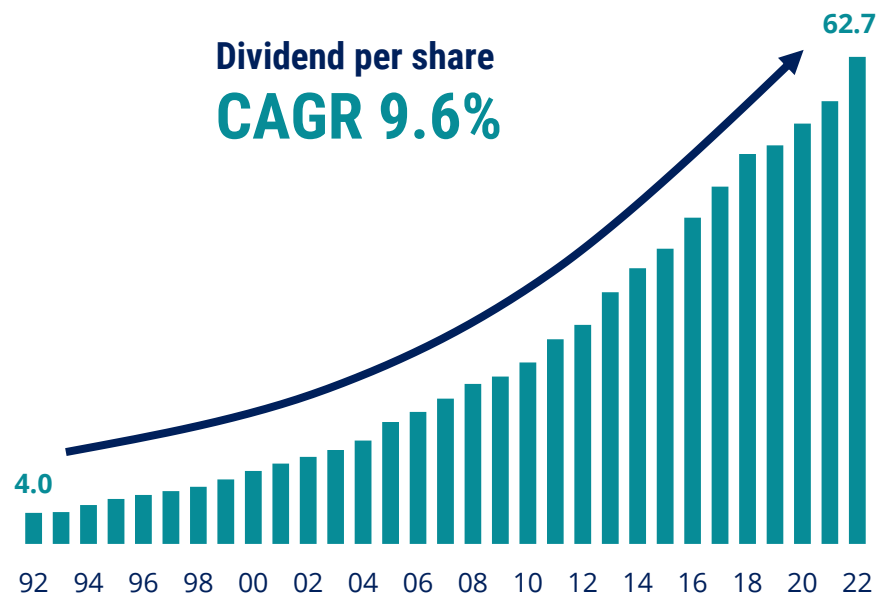
3. Value accretive acquisitions

4. Distribution of excess cash

Progressive dividend

£2.0bn of dividend payments since 2004

Sustainable annual dividend growth



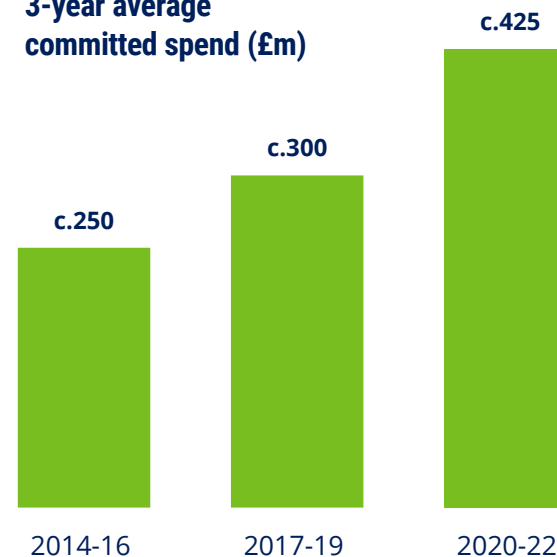
Value accretive acquisitions

£4.7bn of committed spend since 2004

Increased level of acquisition spend in recent years

Active pipeline

3-year average committed spend (£m)



2022 return on invested capital¹
15.0%

Note

1. Alternative performance measure – see Appendix 1

PROGRESS AGAINST OUR SUSTAINABILITY COMMITMENTS



Tailored solutions for a better world

Better packaging solutions	Responsible supply chain	Investing in our people	Focus on Climate Change
<p>In 2022:</p> <ul style="list-style-type: none"> • 2% of Group revenues relate to consumables facing regulation • 83% of Group revenue attributable to non-packaging products or packaging¹ products made from alternative materials 	<p>In 2022:</p> <ul style="list-style-type: none"> • 930 audits completed • 78% spend on products from high-risk regions² sourced from assessed and compliant suppliers (AACS) in 2022 • This means that c.96% of our purchasing spend today is either in low-risk regions, with AACS in high-risk regions, or on other non-product related costs³ 	<p>In 2022:</p> <ul style="list-style-type: none"> • Women comprise 21% of our senior leadership group⁴ compared to 19% in the prior year • Encouraging retention levels despite labour market tightness 	<p>In 2022:</p> <ul style="list-style-type: none"> • Gained SBTi approval for our scope 1, 2 and 3 emissions targets <p>Since 2019:</p> <ul style="list-style-type: none"> • 24% more carbon efficient⁵ with a 15% reduction in absolute emissions⁵

- Notes**
1. Packaging refers to packaging and other products within the foodservice, grocery and retail sectors which are facing legislation or consumer pressure.
 2. Asia is the most significant market by spend within regions that are classified as high-risk
 3. Includes freight, duties and FX related costs
 4. Comprising 470 people who receive share options as part of their remuneration
 5. Scope 1 and 2 emissions

BUNZL'S AGILITY IS A KEY ASSET AND DIFFERENTIATOR



Achieving growth through periods of disruption demonstrates resilience

Operational resilience

Agile decentralised model
Global scale and depth of supply chain
Strong culture of operational efficiency

Portfolio resilience

Diversified portfolio of essential products and solutions
c.75% of revenue through more resilient sectors: cleaning & hygiene, grocery, foodservice and healthcare

Compounding growth resilience

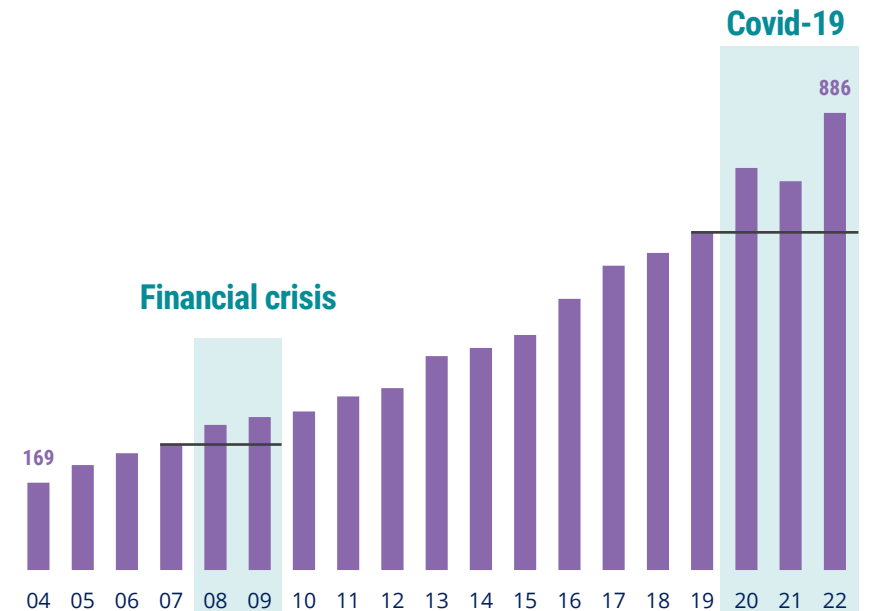
Resilience leads to new business opportunities
Advantages of joining Bunzl Group become more apparent during difficult times

Financial resilience

Consistently strong cash generation
Strong balance sheet

ADJUSTED OPERATING PROFIT^{1,2} (£m)

Resilience proven during historic challenges



Notes

1. Alternative performance measure - see Appendix 1
2. At reported currency

A woman with dark hair, wearing a black hoodie and a bright yellow high-visibility safety vest, is operating a black pallet jack in a warehouse. She is looking towards the camera with a neutral expression. The pallet jack has a digital display screen and a steering wheel. In the background, there are orange metal shelving units and wire mesh cages. Another person in a yellow safety vest is partially visible on the right side of the frame.

Appendices

APPENDIX 1



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:

Underlying revenue growth - Revenue excluding the incremental impact of acquisitions and disposals compared to revenue in prior years at constant exchange, adjusted for differences in trading days between years and adjusted to exclude growth in excess of 26% per annum in hyperinflationary economies

Adjusted operating profit - Operating profit before customer relationships, brands and technology amortisation, acquisition related items, non-recurring pension scheme charges and profit or loss on disposal of businesses

Operating margin - Adjusted operating profit as a percentage of revenue

Adjusted profit before income tax - Profit before income tax, customer relationships, brands and technology amortisation, acquisition related items, non-recurring pension scheme charges and profit or loss on disposal of businesses

Adjusted profit for the year - Profit for the year before customer relationships, brands and technology amortisation, acquisition related items, non-recurring pension scheme charges, profit or loss on disposal of businesses and the associated tax

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

Adjusted diluted earnings per share - Adjusted profit for the year divided by the diluted weighted average number of ordinary shares

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

Free cash flow - Operating cash flow after deducting payments for income tax and net interest excluding interest on lease liabilities

Lease adjusted operating profit - Adjusted operating profit after adding back the depreciation of right-of-use assets and deducting the payment of lease liabilities

Cash conversion - Operating cash flow as a percentage of lease adjusted operating profit

Working capital - Inventories and trade and other receivables less trade and other payables, excluding non-operating related receivables, non-operating related payables (including those relating to acquisition payments) and dividends payable

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, right-of-use assets, 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, lease liabilities, net defined benefit pension scheme liabilities, cumulative customer relationships, brands and technology 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 disposal of businesses

Net debt excluding lease liabilities - Net debt excluding the carrying value of lease liabilities

Constant exchange rates - Growth rates at constant exchange rates are calculated by retranslating the results for the prior year at the average exchange rates for the year ended 31 December 2022 so that they can be compared without the distorting impact of changes caused by foreign exchange translation

APPENDIX 2

Statutory P&L



£m	2022	2021
Revenue	12,039.5	10,285.1
Adjusted operating profit ¹	885.9	752.8
Operating margin ¹	7.4%	7.3%
Adjusting items	(184.3)	(129.5)
Operating profit	701.6	623.3
Net finance expense	(67.9)	(54.6)
Disposal of business	0.9	-
Profit before income tax	634.6	568.7
Reported tax rate	25.2%	22.1%
Profit for the year	474.4	442.8
Basic earnings per share	141.7p	132.7p

Note

1. Alternative performance measure – see Appendix 1

APPENDIX 3

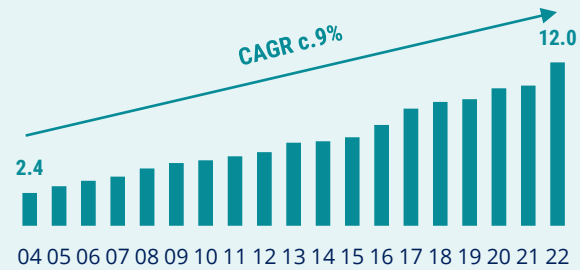
Financial track record 2004 – 2022



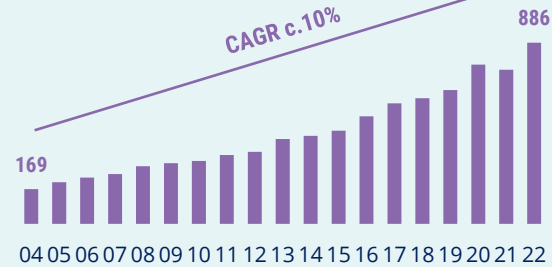
Proven
compounding
growth strategy
CAGR

c.9-10%

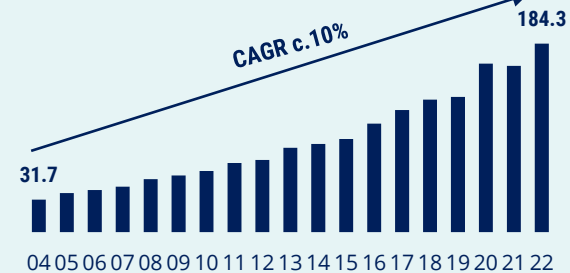
Revenue (£bn)



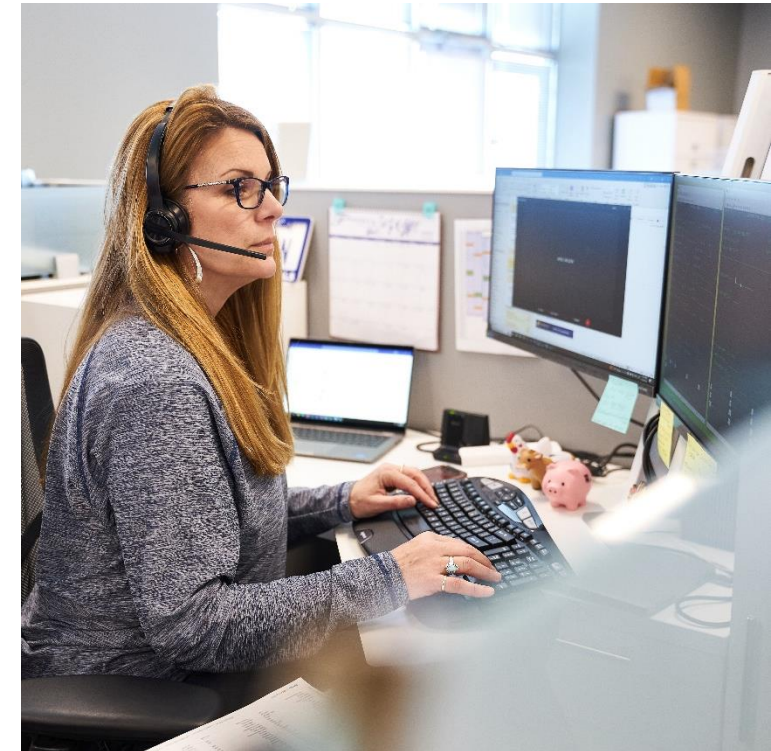
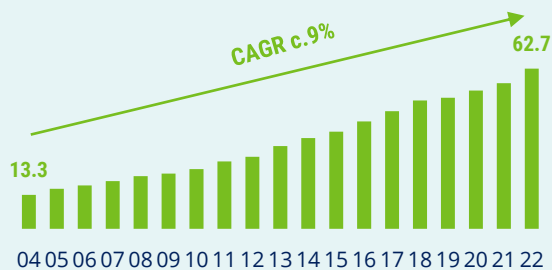
Adjusted operating profit¹ (£m)



Adjusted EPS¹ (p)



Dividend per Share (p)



Note

1. Alternative performance measure – see Appendix 1

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