2020

FULL YEAR RESULTS

MARCH 2021

INTRODUCTION

FRANK VAN ZANTEN
CEO

THANK YOU TO OUR COLLEAGUES

Our people have been instrumental during the pandemic, delivering essential products to frontline heroes

Our sourcing teams continue to go above and beyond to supply quality products that our customers need

Our colleagues' dedication and hard work has been the key driver of Bunzl's 2020 performance

Thank you to all our outstanding teams across the globe

HIGHLIGHTS

Strong and resilient performance over a challenging period

Milestone revenue of £10bn

Adjusted operating profit* +21%◊, with mix supportive to margins (+70bps)

Strong final dividend growth of 7%

Responsible actions taken

Repaid government assistance and increased charitable donations

Materiality assessment conducted to prioritise sustainability ambitions

Second most acquisitive year in Bunzl's history

£445m committed spend, with eight announced acquisitions

Three further acquisitions announced today

Significant headroom supportive of future growth

FY20 net debt / EBITDA 1.5x
(debt covenant basis)

Active acquisition pipeline

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

FINANCIAL RESULTS
RICHARD HOWES
CFO

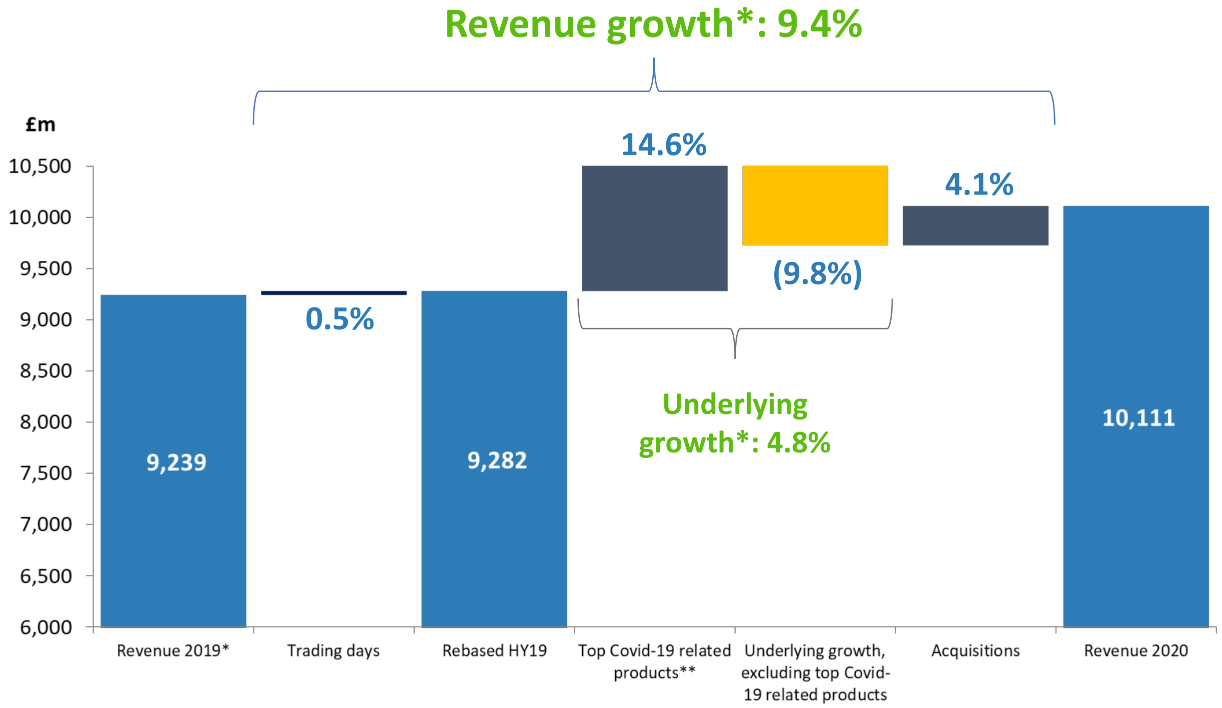
REVENUE GROWTH

Revenue growth*

9.4%

Underlying growth*

4.8%



* At 2020 constant exchange rates

** Top 8 Covid-19 related products are masks, sanitisers, gloves, disinfectants, coveralls, disposable wipes, face shields and eye protection. The total revenue from these products grew from c.£830m in FY 19 to c.£2,180m in FY 20, excluding the impact of acquisitions and adjusted for trading days

INCOME STATEMENT

Adjusted operating profit* growth◊

20.9%

Increase in operating margin

+70bps

£m	2020	2019	REPORTED	CONSTANT EXCHANGE
Revenue	**10,111.1**	9,326.7	8.4%	9.4%
Adjusted operating profit*	**778.4**	653.3	19.1%	20.9%
Operating margin*	**7.7%**	7.0%		
Adjusting items**	**(159.9)**	(124.9)		
Operating profit	**618.5**	528.4		
Net finance expense	**(62.8)**	(75.1)		
Profit before income tax	**555.7**	453.3		
Adjusted profit before income tax*	**715.6**	578.2	23.8%	25.6%

* Alternative performance measure – see Appendix 2
** See Appendix 3
◊ At constant exchange

INCOME STATEMENT (CONTINUED)

Adjusted earnings per share* growth◊

26.6%

2020 dividend growth of **5.5%** with final dividend growth of **7.0%**

£m	2020	2019	REPORTED	CONSTANT EXCHANGE
Effective tax rate*	**23.1%**	23.8%		
Adjusted profit for the period*	**550.5**	440.6	24.9%	26.8%
Weighted average number of shares (m)	**333.8**	333.3		
Adjusted earnings per share*	**164.9p**	132.2p	24.7%	26.6%
Dividend per share**	**54.1p**	51.3p	5.5%	
Reported tax rate	**22.6%**	23.0%		
Profit for the period	**430.0**	349.2		
Basic earnings per share	**128.8p**	104.8p		

* Alternative performance measure – see Appendix 2
** During 2020, the Board reinstated the previously cancelled 2019 final dividend of 35.8p per share as an additional 2019 interim dividend which was paid in November 2020.
◊ At constant exchange rates

BALANCE SHEET

Net debt : EBITDA**

1.5x

Substantial capacity for self-funded acquisitions

Acquisition spend

£445m

ROIC ◊

16.2%

up from 13.6%

£m	DECEMBER 2020	DECEMBER 2019
Intangibles	**2,441.9**	2,290.9
Right-of-use assets	**453.4**	432.9
Property, plant and equipment	**122.7**	118.3
Working capital	**1,021.4**	943.4
Other net liabilities	**(323.0)**	(278.2)
	3,716.4	3,507.3
Net pension deficit	**(44.8)**	(36.0)
Net debt excluding lease liabilities*	**(1,255.0)**	(1,247.0)
Lease liabilities	**(497.5)**	(480.0)
Equity	**1,919.1**	1,744.3

Net debt : EBITDA	**1.8x**	2.1x
Net debt : EBITDA on a debt covenant basis**	**1.5x**	1.9x
Return on invested capital◊	**16.2%**	13.6%
Return on average operating capital◊	**45.4%**	36.9%

* See Appendix 6

** At average exchange rates and based on historical accounting standards, in accordance with Group's external debt covenants

◊ Alternative performance measure (see Appendix 2)

CASH FLOW

Cash conversion*†

103%

Cash conversion excluding net upfront payments*†

99%

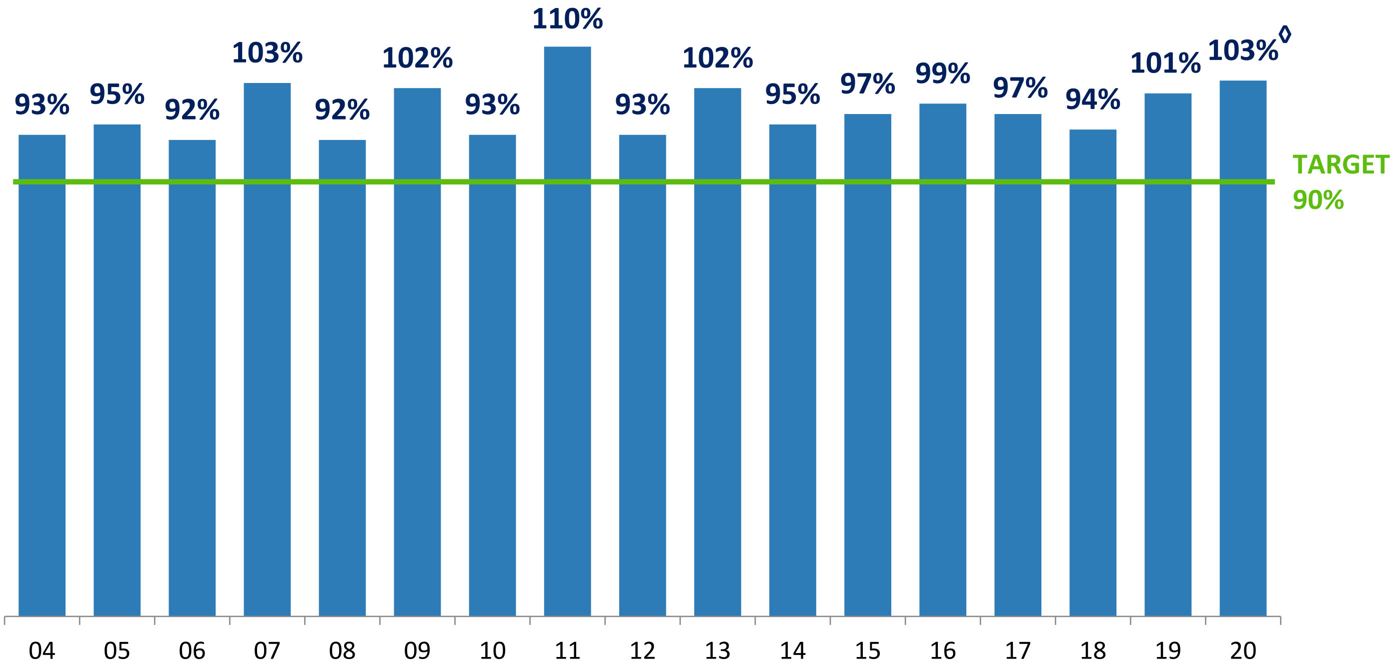
£m	2020	2019
Operating cash flow*	**776.8**	633.7
Net interest excluding interest on lease liabilities	**(41.5)**	(51.2)
Income tax paid	**(153.8)**	(125.6)
Free cash flow	**581.5**	456.9
Dividends paid	**(171.5)**	(167.3)
Acquisitions◊	**(387.5)**	(162.8)
Net payments relating to employee share schemes	**(8.4)**	(27.7)
Net cash inflow	**14.1**	99.1
Cash conversion*	**103%**	101%

* Alternative performance measure – see Appendix 2
† Cash conversion for the year was 103% benefiting from advance payments from customers net of upfront payments to suppliers of £34m. Excluding these net advanced payments, cash conversion was 99%
◊ Including acquisition related items

CASH CONVERSION

Average cash conversion*

98%



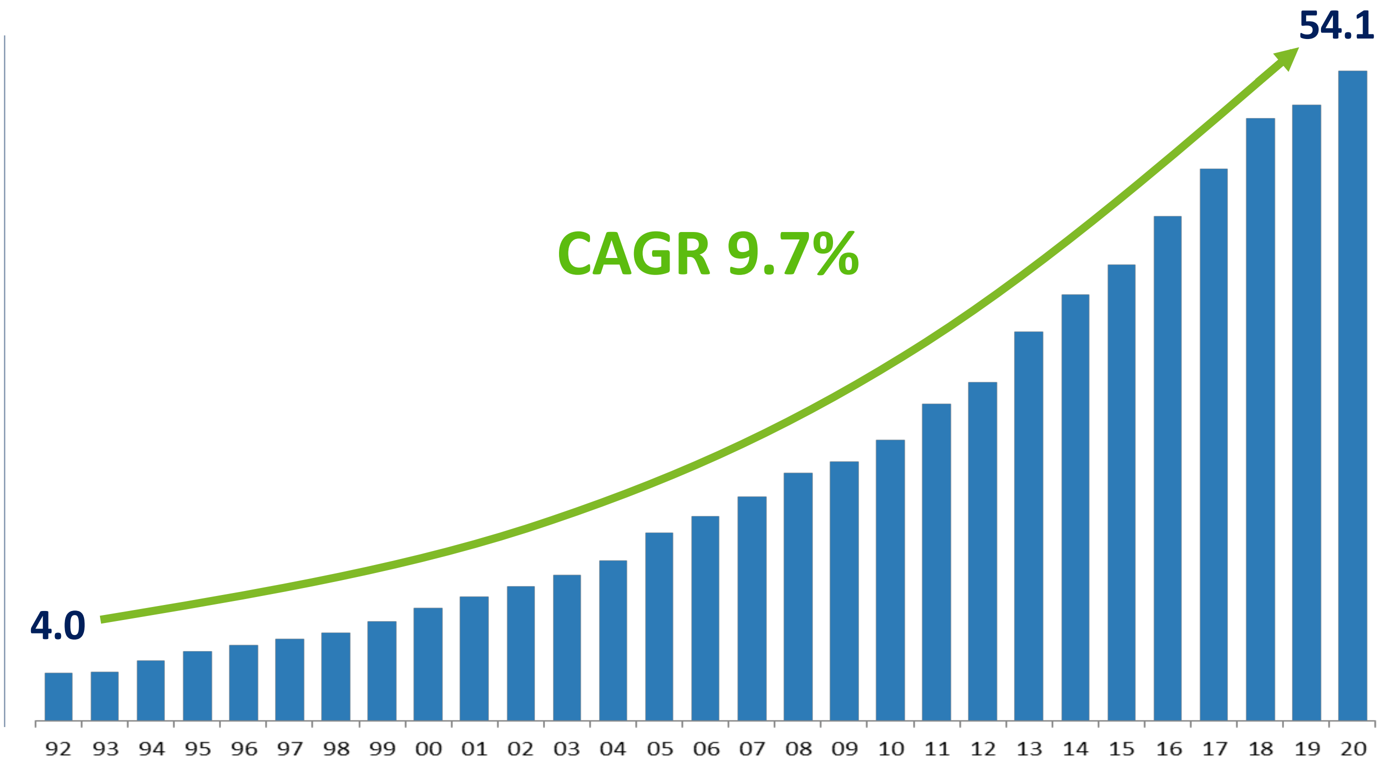
* Alternative performance measure – see Appendix 2

◊ Cash conversion for the year was 103% benefiting from advance payments from customers net of upfront payments to suppliers of £34m. Excluding these net advanced payments, cash conversion was 99%

DIVIDEND PER SHARE

28 years

of consecutive dividend growth



FINANCIAL SUMMARY

Strong performance driven by demand for Covid-19 related products, sector diversification and the Group's agility and execution

Adjusted earnings per share * growth◊

+26.6%

Strong cash conversion

Cash conversion*

103%

Proposed 2020 final dividend growth of +7.0%

FY total dividend

54.1p

+5.5% growth

Funding headroom provides substantial capacity for self-funded acquisitions

Net debt: EBITDA*
on debt covenant basis

1.5x

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

BUSINESS REVIEW
FRANK VAN ZANTEN
CEO

- Operations review
- Navigating Covid-19
- Prospects
- Strategic developments

TRUSTED PROVIDER OF COVID-19 RELATED PRODUCTS

Bunzl is a key provider of own-brand imported Covid-19 related products

Top 8 Covid-19 related products* generated 22% of 2020 revenue

Covid-19 related products*

£2.2bn of revenue in 2020

- 2.6x prior year**
- Sold across all sectors
- c.40% of this y-o-y growth attributable to large orders

* Top 8 Covid-19 related products are masks, sanitisers, gloves, disinfectants, coveralls, disposable wipes, face shields and eye protection. The total revenue from these products grew from c.£830m in FY 19 to c.£2,180m in FY 20, excluding the impact of acquisitions and adjusted for trading days

** Adjusted for trading days

DIVERSIFICATION BENEFITS BUNZL

Significant shift towards higher margin healthcare, safety and cleaning & hygiene market sectors

Regional performance reflective of sector exposure

	Constant exchange growth over 2019	2020 Revenue as % of Group total	Regional commentary
Healthcare, Safety, Cleaning & Hygiene	⬆⬆ £m: +31% y-o-y	⬆ Increase from 32% to 37%	• Rest of the World benefited (c.70% of mix) • Continental Europe and UK & Ireland saw highest value of larger Covid-related orders • North America exposure relatively lower
Grocery, Other	⬆ £m: +8% y-o-y	➡ Stable at 28%	• Grocery exposure higher for North America (c.40% of North America mix) • Lower exposure elsewhere • Growth supported by acquisition of Joshen
Foodservice, Retail	⬇ £m: (6%) y-o-y	⬇ Decrease from 40% to 35%	• Larger exposures materially impacted UK & Ireland over 2020 and North America in H1 • Improved performance in H2 driven by North America foodservice stabilisation and retail e-commerce packaging growth

BUSINESS AREA ANALYSIS

31

countries

6

sectors

<10%

of profit through UK & Ireland

NORTH AMERICA
58% Revenue
49% Operating profit*

CONTINENTAL EUROPE
21% Revenue
29% Operating profit*

UK & IRELAND
13% Revenue
9% Operating profit*

REST OF WORLD
8% Revenue
13% Operating profit*

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

NORTH AMERICA

£m	2020	2019	GROWTH REPORTED	GROWTH CONSTANT EXCHANGE
Revenue	**5,843.8**	5,473.2	6.8%	7.2%
Adjusted operating profit*	**395.7**	343.6	15.2%	15.7%
Operating margin*	**6.8%**	6.3%		
Return on average operating capital*	**41.3%**	36.1%		

- Organic revenue growth of 1.0% driven by a strong increase in demand for Covid-19 related products offset by a decline in other product sales, particularly in the retail and foodservice sectors. Organic growth significantly improved in the second half as activity increased
- Operating margin* of 6.8% up from 6.3%, principally due to mix benefits from Covid-19 related products
- Grocery impacted by reduced demand for freshly prepared food packaging, largely offset by the sale of Covid-19 related products
- Good growth in redistribution, with the negative impact on the foodservice sector more than offset by cleaning & hygiene sector growth
- Strong safety growth supported by high demand for Covid-19 related products
- Continued streamlining of retail and grocery warehouse footprint to enhance operational efficiencies
- Joshen Paper and Packaging, MCR Safety and Snelling acquired in January, September and December respectively

* Alternative performance measure – see Appendix 2

CONTINENTAL EUROPE

£m	2020	2019	GROWTH REPORTED	GROWTH CONSTANT EXCHANGE
Revenue	**2,127.3**	1,829.8	16.3%	15.6%
Adjusted operating profit*	**238.1**	182.1	30.8%	30.8%
Operating margin*	**11.2%**	10.0%		
Return on average operating capital*	**59.6%**	45.0%		

- Very strong organic revenue growth of 15.1% due to larger Covid-19 related orders
- Operating margin* of 11.2% up from 10.0%, principally driven by a change in sales mix to higher margin sectors and own brand imported products in addition to price inflation and strong operating leverage on larger orders
- Revenue in France excluding larger Covid-19 related orders grew strongly given a higher weighting to cleaning & hygiene and safety sectors
- Netherlands benefited from strong growth in healthcare, cleaning & hygiene and e-commerce fulfilment
- Turkey benefited significantly from increased sales of personal protection equipment
- Acquisition of ICM completed in October

* Alternative performance measure – see Appendix 2

UK & IRELAND

£m	2020	2019	GROWTH REPORTED	GROWTH CONSTANT EXCHANGE
Revenue	**1,287.7**	1,242.1	3.7%	3.5%
Adjusted operating profit*	**68.6**	87.1	(21.2)%	(21.2)%
Operating margin*	**5.3%**	7.0%		
Return on average operating capital*	**41.4%**	45.3%		

- Organic revenue growth of 2.6% driven by growth in Covid-19 related products which offset significant decline in other product sales
- Operating margin* decline from 7.0% to 5.3% reflects the impact of Covid-19 related shutdowns in foodservice and non-food retail and additional provisions for increased customer credit exposure
- Strong performances in safety, cleaning & hygiene and healthcare driven by demand for Covid-19 related products
- Ireland performance significantly impacted by exposure to foodservice
- Successful completion of planned warehouse consolidations, including non-food retail and catering warehouses
- Bodyguard Workwear and Abco Kovex acquisitions completed in February and September respectively

* Alternative performance measure – see Appendix 2

REST OF THE WORLD

£m	2020	2019	GROWTH REPORTED	GROWTH CONSTANT EXCHANGE
Revenue	**852.3**	781.6	9.0%	21.6%
Adjusted operating profit*	**104.2**	61.6	69.2%	94.0%
Operating margin*	**12.2%**	7.9%		
Return on average operating capital*	**50.9%**	26.8%		

- Very strong organic revenue growth of 17.6% and operating margin* increase from 7.9% to 12.2% with a substantial increase in adjusted operating profit* in both Latin America and Asia Pacific
- Asia Pacific performance supported by a strong weighting to safety and healthcare sectors
- Price inflation in key Latin America markets driven by the safety sector, where demand significantly outweighed supply, and currency devaluation
- Restructuring of operations in China involving the closure of the domestic business to focus on the sourcing and export activities
- Acquisition of Medcorp and SP Equipamentos in Brazil completed in January and November respectively

* Alternative performance measure – see Appendix 2

NAVIGATING COVID-19

RESILIENT MODEL

- Diversified sector portfolio across geographies and sectors
- Critical supplier status granted
- Strong global supply chains a key asset, including Asia sourcing and auditing operation
- Financial strength provided reassurance to customers

RESPONSIVE ACTIONS

- Local agility and responsiveness driven by decentralised organization and entrepreneurial DNA
- Dedicated and hardworking colleagues that delivered outstanding customer service
- Global collaboration, followed by fast and proactive responses
- Digital infrastructure investments enabled an online shift, with 66% of orders made digitally over 2020

RESPONSIBLE BUSINESS

- We focused on keeping our people safe
- We monitored wellbeing of colleagues globally through local and group-wide surveys
- Our front line heroes recognised with appropriate rewards and ‘thank you’ gifts
- Global employees 5% higher than prior year
- Employee-related government support repaid and charity contributions substantially increased
- Salary and fee reductions of senior management and Board donated to charity
- Progressive dividend retained
- Sustainability materiality assessment conducted to focus priorities

2021 OUTLOOK AND LONGER-TERM PROSPECTS

BUNZL

OUR 2021 OUTLOOK IS UNCHANGED

Expect robust revenue growth in 2021 over the prior year, after excluding larger Covid-19 related orders which strongly supported performance in 2020 and which are not expected to repeat*

- Recovery in sales of other products to be broadly offset by a decline in smaller Covid-19 related orders, while recent acquisitions will contribute to the Group's performance†
- Given growth trends in 2020, after excluding larger Covid-19 related orders we expect good organic revenue growth in the first half followed by a moderate decline in the second half
- Expect foodservice and retail sectors, which were more heavily impacted by pandemic-related restrictions in 2020, to demonstrate recovery in the second half of 2021 but will remain below 2019 levels for the year
- North America – robust revenue growth driven by the continued benefit from acquisitions
- Continental Europe, UK & Ireland and Rest of the World – revenue decline driven by reduced Covid-19 related sales compared to their strong support to 2020

2021 group operating margin expected to return to a more historical level*

BUNZL MODEL REINFORCED

Bunzl long-term attractive prospects

- Resilient and consistent business model reinforced
- Customer proposition and strength of supply chain proven over a challenging period
- Potential structural benefits resulting from pandemic, in particular hygiene trends
- Sustainability a growing competitive advantage
- Strong cash generation and continued dividend track record
- Substantial headroom provides firepower for self-funded acquisitions; active pipeline
- Proven compounding strategy

* At constant exchange rates
† Including the three acquisitions announced today

SUPPORTIVE FUTURE TRENDS

Enhanced hygiene requirements

Greater focus on cleaning and hygiene likely to benefit most of our regions

Continuing focus on responsible sourcing

Bunzl is a proactive leader in sustainable solutions, with our sustainable credentials a growing competitive advantage

Good acquisition momentum

Acquisition opportunities strengthened by the pandemic, with the benefits of joining Bunzl reinforced

SUPPORTIVE TO COMPOUNDING GROWTH STRATEGY

CONSISTENT STRATEGIC FOCUS

Successful implementation of consistent strategy

Trusted partner in global sourcing

Acquisition pipeline active

Increased investment in sustainability and digital

Remain focused on developing Bunzl's unique business model for the future

PROFITABLE ORGANIC GROWTH

Use competitive advantage to grow market share in a profitable way

OPERATING MODEL IMPROVEMENTS

Daily focus on making our business more efficient

ACQUISITION GROWTH

Use strong balance sheet and excellent cash flow to consolidate our markets further

SUPPORTED BY

- INVESTMENT IN OUR PEOPLE
- A UNIQUE, CUSTOMER FOCUSED BUSINESS MODEL
- A BALANCED BUSINESS PORTFOLIO
- COMMITMENT TO SUSTAINABLE SOLUTIONS
- INVESTMENT IN DIGITAL CAPABILITIES
- GLOBAL SOURCING
- STRONG FINANCIAL DISCIPLINE

ACCELERATING BUNZL'S SUSTAINABLE PRIORITIES

Continued focus on climate change

- Carbon benefits from product consolidation
- Bunzl has meaningfully improved efficiency over the last 10 years: c.50% reduction in scope 1&2 CO_2e / £m revenue

Next: Long-term carbon reduction target

Providing sustainable solutions

- Play a proactive role in the supply chain as an advisor to customers on the shift to sustainable solutions
- Supported by own brand sustainable ranges

Next: Setting new commitments to accelerate our provision of alternative products

A responsible supply chain

- Asia sourcing and auditing operation since 2008
- Industry leading function with c.700 in-person audits per annum covering c.95% of spend in Asia

Next: Continue to focus on enhancing our leading practices relating to supply chain oversight

Investing in a diverse workforce and thriving communities

- Decentralised business model that supports a focus on colleagues
- Diversity & Inclusion Director appointed in North America

Next: Focus on expanding diversity and inclusion programmes

SUSTAINABLE PRODUCTS AND SOLUTIONS

Bunzl is a proactive leader in the transition to a more sustainable future

Bunzl's teams globally are working regularly with customers to help them proactively transition to alternative products

A few of the many 2020 examples

MAKING AN IMPACT ON THE ENVIRONMENT

Australia & NZ packaging

Sustain is a Bunzl own-brand foodservice product range made from paper and plant-based products produced using only renewable materials

In 2020, Bunzl Australia and New Zealand sold over 39 million Sustain products

As a result, 31 million single-use plastic items were avoided

WINNING AND RETAINING CUSTOMERS WITH OFFERING

Contract renewal in Europe

Renewed multi-year contract

Supplier of 1,000 products, from 600 previously

Extension won on sustainable solutions offered and customer service. Example solutions:

- Air reduction on packaging to improve carbon efficiency
- Thinner products for reduced waste

HELPING CUSTOMERS ACHIEVE THEIR SUSTAINABILITY TARGETS

UK & Ireland customer

Helped customer to transition its single use plastics to alternative products in 2020

Utilised proprietary technology to assess existing products sourced

Suggested and provided alternatives

Recommendations on waste procedures also provided to ensure a fully circular solution

ACQUISITION MOMENTUM IN 2020

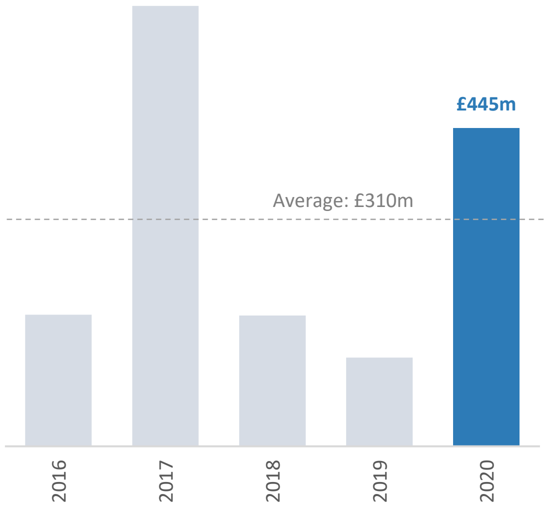
Second highest level of committed spend in Bunzl history - £445m

Eight transactions announced covering all our business areas and expanding core Bunzl sectors

All acquisitions are delivering to plan

Eight announced acquisitions

Committed acquisition spend (£m)



TWO SIZEABLE DEALS IN NORTH AMERICA

35 acquisitions in North America since 2010

Acquisitions have supported doubling of revenue and profit in North America since 2010 and resulted in increased diversification

Meaningful opportunity remains

JOSHEN PAPER AND PACKAGING

- Completed in early January 2020
- Based in Cleveland, USA with annualised revenue of c.£250m
- Supplies a wide range of packaging and goods not for resale into the North American grocery, foodservice and cleaning & hygiene sectors
- Integration progressing to plan, with purchasing synergies being leveraged and further efficiency improvement opportunities planned
- Good improvement in operating margin; on track to deliver an attractive return on invested capital

MCR Safety

- Completion in early September 2020
- Based in Memphis Tennessee with annualised revenue of c.£200m
- Predominantly a North America business
- Sells into distributors operating in a number of end markets
- Well established company with strong own-brands
- Strong strategic fit with existing safety business
- Integration progressing to plan

2021 YTD ACQUISITION SNAPSHOT

BUNZL

Acquisitions since 2004

172

Self-funded committed acquisition spend since 2004

£3.9bn

Deliver Net

DeliverNet.co.uk Here to help you care

- Healthcare distributor to care homes in UK
- Closely aligned with our existing care home business in the UK; anticipate being able to develop the business through the introduction of additional product offerings
- 2020 revenue of £20m and completed in January 2021

Disposable Discounter

Disposable Discounter

- Online distributor of foodservice disposables to a highly fragmented customer base in the Netherlands
- Attractive growth potential and supports Bunzl's continued development of ecommerce capabilities
- 2020 revenue of £18m and completed in February 2021

Pinnacle

PINNACLE DISTRIBUTION INC.

- A leading distributor of cleaning & hygiene products in Saskatchewan, Canada, with a wide range of customers in the education, facilities management and care home sectors
- Highly complementary to our existing cleaning & hygiene business in Canada
- 2020 revenue of £11m and completed February 2021

SIGNIFICANT OPPORTUNITIES TO GROW IN EXISTING COUNTRIES

BUNZL

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	●	●	●			●
Singapore	●	●	●		●	●

● No existing presence

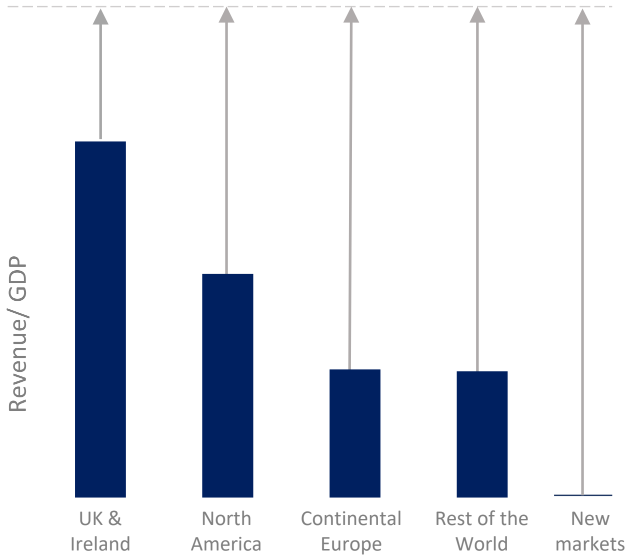
SIZEABLE GROWTH OPPORTUNITIES REMAIN

Large opportunity for growth remains

Organic growth and acquisitions will support future growth

Disciplined acquisition approach with Group ROIC◊ currently at 16.2%

Based on UK & Ireland penetration we have the opportunity to increase our presence across our countries meaningfully, as well as growing beyond this and entering new countries and verticals



Implied revenue growth opportunity based on UK & Ireland penetration

Germany	17x today
Italy	16x today
Mexico	4x today
Spain	3x today
Norway	9x today
Colombia	6x today
Poland (potential market)	£200m opportunity
Sweden (potential market)	£200m opportunity

◊ Alternative performance measure (see Appendix 2)

CONSISTENT AND PROVEN COMPOUNDING STRATEGY

Consistent strategy and delivery

Proven resilience through economic recessions and Covid-19 pandemic

PROFITABLE ORGANIC GROWTH

Use competitive advantage to grow market share in a profitable way

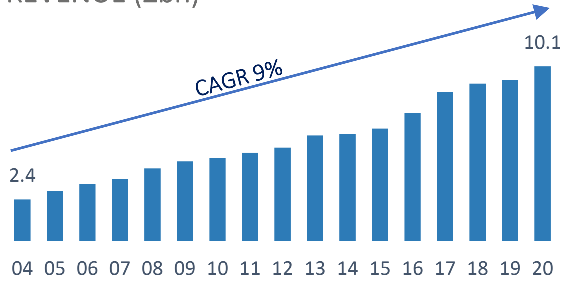
OPERATING MODEL IMPROVEMENTS

Daily focus on making our business more efficient

ACQUISITION GROWTH

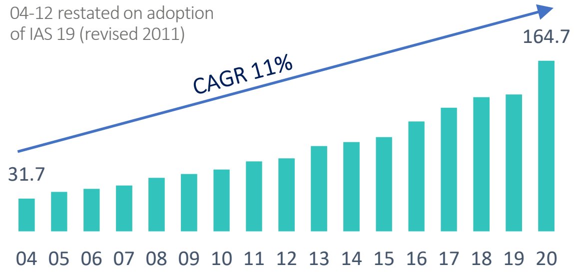
Use strong balance sheet and excellent cash flow to consolidate our markets further

REVENUE (£bn)



ADJUSTED EPS* (p)

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



* Alternative performance measure and on a IAS 17 basis – see Appendix 2

SUMMARY

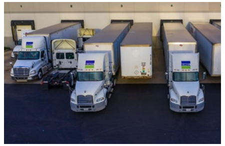
STRENGTHS REINFORCED

- Strong 2020 performance with adjusted EPS growth* of 26.6%
- Strength of Bunzl model and resilience demonstrated
- Consistent and proven compounding strategy

ENHANCED LONG TERM GROWTH OPPORTUNITY

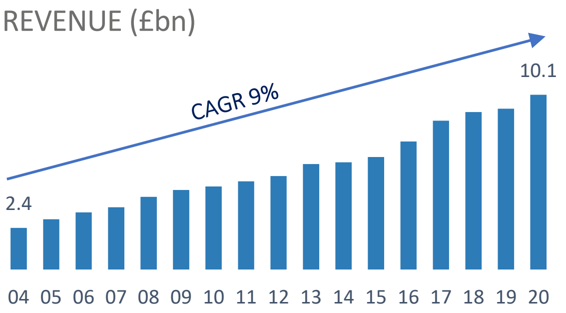
Growth supported by:

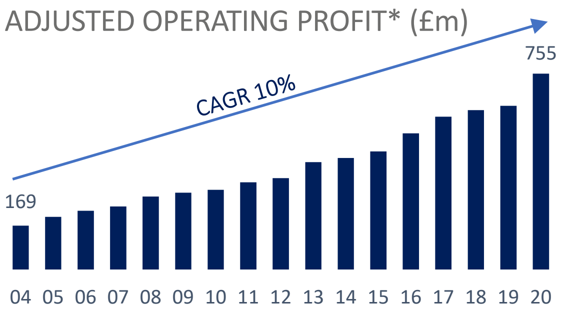
- Recovery of the underlying business
- Continuing focus on responsible sourcing
- Enhanced hygiene requirements
- Good acquisition momentum

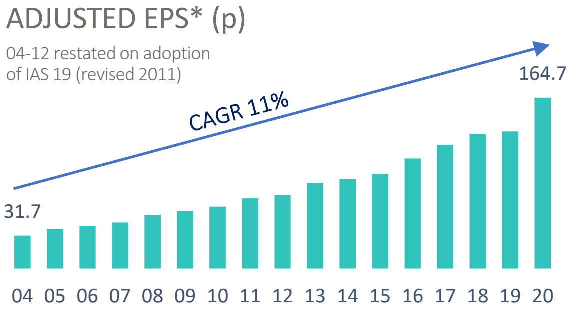


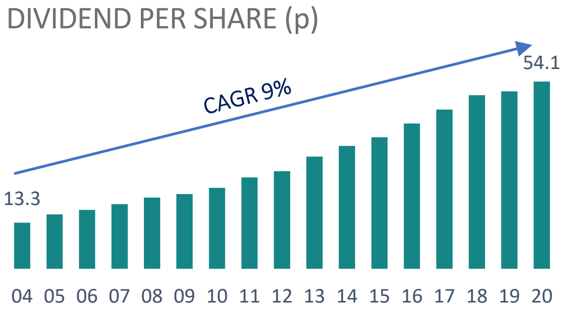
* At constant exchange rates

Q&A









* Alternative performance measure and on a IAS 17 basis – see Appendix 2

APPENDICES

APPENDIX 1

EXCHANGE RATES

	2020	2019
Average rate		
US$	**1.28**	1.28
Euro	**1.12**	1.14
Canadian$	**1.72**	1.69
Brazilian real	**6.61**	5.04
Australian$	**1.86**	1.84
Closing rate		
US$	**1.37**	1.32
Euro	**1.12**	1.18
Canadian$	**1.74**	1.72
Brazilian real	**7.08**	5.33
Australian$	**1.77**	1.88

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 and brands amortisation, acquisition related items and non-recurring pension scheme charges (reconciled in Appendix 3)
- **Lease adjusted operating profit -** Adjusted operating profit after adding back the depreciation of right-of-use assets and deducting the payment of lease liabilities (**reconciled in Appendix 7**)
- **Operating margin** - Adjusted operating profit as a percentage of revenue
- **Adjusted profit before income tax** - Profit before income tax, customer relationships **and brands** amortisation, acquisition related items and non-recurring pension scheme charges (reconciled in Appendix 4)
- **Adjusted profit for the period** - Profit for the period before customer relationships **and brands** amortisation, acquisition related items, non-recurring pension scheme charges 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 period divided by the weighted average number of ordinary shares in issue
- **Operating cash flow** - Cash generated from operations before acquisition related items and non-recurring pension scheme charges, and 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 tax and net interest excluding interest on lease liabilities
- **Cash conversion** - Operating cash flow as a percentage of lease adjusted operating profit
- **Net debt excluding lease liabilities** - Net debt excluding the carrying value of lease liabilities (**reconciled in Appendix 6**)
- **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 and brands amortisation, acquisition related items, non recurring pension scheme charges 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 of businesses
- **Constant exchange rates** - Growth rates at constant exchange rates are calculated by retranslating the results for the period ended 31st December 2019 at the average rates for the period ended 31st December 2020 so that they can be compared without the distorting impact of changes caused by foreign exchange translation. The principal exchange rates used for 2020 and 2019 can be found in Appendix 1

APPENDIX 3

ADJUSTED OPERATING PROFIT ALTERNATIVE PERFORMANCE MEASURES

£m	2020	2019
Operating profit	**618.5**	528.4
Adjusted for:		
Customer relationships and brands amortisation	**100.4**	107.3
Acquisition related items	**42.7**	17.6
Non-recurring pension scheme charges	**16.8**	
Total adjusting items	**159.9**	124.9
Adjusted operating profit	**778.4**	653.3
Operating margin	**7.7%**	7.0%

APPENDIX 4

ADJUSTED PROFIT BEFORE INCOME TAX ALTERNATIVE PERFORMANCE MEASURES

£m	2020	2019
Profit before income tax	**555.7**	453.3
Adjusted for:		
Customer relationships and brands amortisation	**100.4**	107.3
Acquisition related items	**42.7**	17.6
Non-recurring pension scheme charges	**16.8**	
Adjusted profit before income tax	**715.6**	578.2

APPENDIX 5

ADJUSTED PROFIT FOR THE PERIOD ALTERNATIVE PERFORMANCE MEASURES

£m	2020	2019
Profit for the period	**430.0**	349.2
Adjusted for:		
Customer relationships and brands amortisation	**100.4**	107.3
Acquisition related items	**42.7**	17.6
Non-recurring pension scheme charges	**16.8**	
Tax on adjusting items	**(39.4)**	(33.5)
Adjusted profit for the period	**550.5**	440.6
Adjusted earnings per share	**164.9p**	132.2p

APPENDIX 6

NET DEBT

£m	2020	2019
Opening net debt	**(1,247.0)**	(1,386.5)
Net cash inflow	**14.1**	99.1
Exchange	**(22.1)**	40.4
Closing net debt excluding lease liabilities	**(1,255.0)**	(1,247.0)
Lease liabilities	**(497.5)**	(480.0)
Closing net debt including lease liabilities	**(1,752.5)**	(1,727.0)

APPENDIX 7

CASH FLOW AND CASH CONVERSION

£m	2020	2019
Adjusted operating profit*	**778.4**	653.3
Adjusted for:		
Non-cash items**	**184.9**	156.5
Working capital movement	**5.0**	4.3
Cash flow from operations◊	**968.3**	814.1
Net capital expenditure	**(31.9)**	(28.8)
Payment of lease liabilities	**(159.6)**	(151.6)
Operating cash flow*◊	**776.8**	633.7
Adjusted operating profit*	**778.4**	653.3
Add back depreciation of right-of-use assets	**134.8**	128.1
Deduct payment of lease liabilities	**(159.6)**	(151.6)
Lease adjusted operating profit	**753.6**	629.8
Cash conversion* (operating cash flow as a % of lease adjusted operating profit)	**103%**	101%

* Alternative performance measure - see Appendix 2
** Non-cash items include depreciation of right-of-use assets (2020: £134.8m; 2019: £128.1m)
◊ Before acquisition related items

APPENDIX 8

ACQUISITION GROWTH

172

acquisitions*

£310m

average spend in last 5 years

	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20	21 YTD
Number of acquisitions	7	7	9	8	7	2	9	10	13	11	17	22	14	15	6	3	**9**	**3**
Committed acquisition spend (£m)	302	129	162	197	123	6	126	185	277	295	211	327	184	616	183	124	**445**	
Annualised acquisition revenue (£m)	430	270	386	225	151	27	154	204	518	281	223	324	201	621	148	97	**602**	

* Includes 3 acquisitions in 2021 YTD

APPENDIX 9

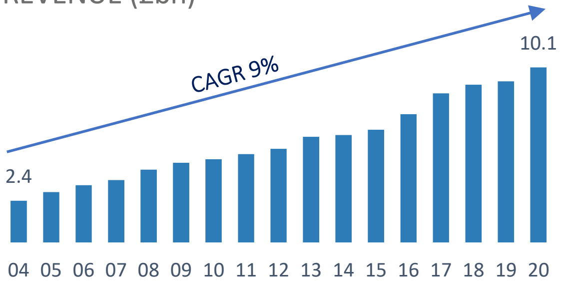
FINANCIAL TRACK RECORD 2004 - 2020

Proven long term compounding growth strategy

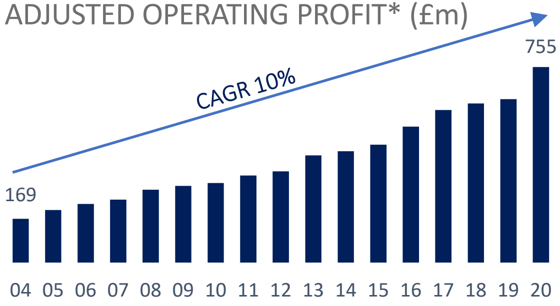
CAGR

c. 9 - 11%

REVENUE (£bn)

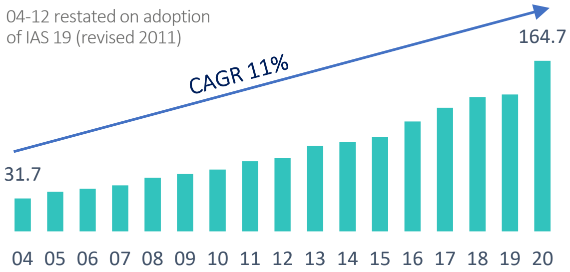


ADJUSTED OPERATING PROFIT* (£m)

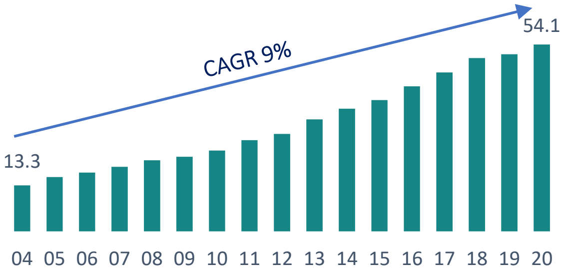


ADJUSTED EPS* (p)

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



DIVIDEND PER SHARE (p)

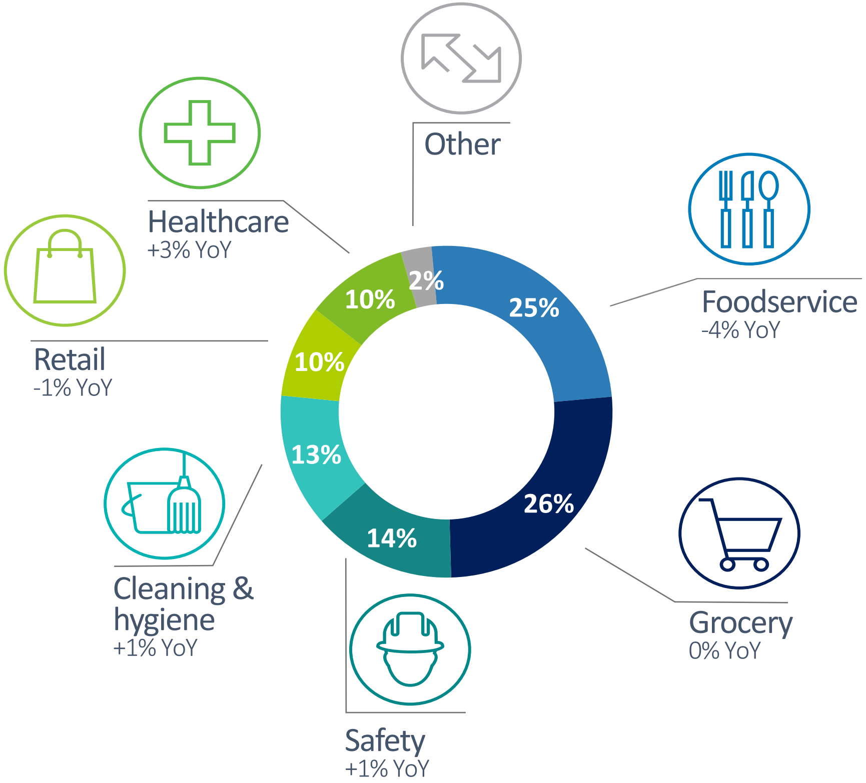


* Alternative performance measure and on a IAS 17 basis – see Appendix 2

APPENDIX 10

REVENUE BY CUSTOMER MARKETS

Diversified customer exposure



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