



News Release

15 June 2023

BUNZL PRE-CLOSE STATEMENT

Bunzl plc, the specialist international distribution and services Group, is updating the market today prior to entering its closed period for the six months ending 30 June 2023.

The Group is expected to deliver another resilient performance, with Group revenue in the first half expected to increase year-on-year by 4% to 5% at actual exchange rates, and to grow by up to 1% at constant exchange rates. Growth at constant exchange rates is expected to be driven by acquisitions, although partially offset by the impact of the UK healthcare disposal, and with underlying revenue growth expected to be broadly flat¹. Group adjusted operating margin for the first half is expected to be around the level achieved in the first half of 2022.

Underlying revenue in North America is expected to decline moderately, driven by volume weakness in our foodservice sector, some of which is anticipated to be temporary, and with reducing benefit from inflation over the period. Inflation is expected to drive good underlying revenue growth in Continental Europe and strong growth in UK & Ireland. Underlying revenue growth in Rest of the World is expected to be impacted by a decline in Covid-19 related sales.

At constant exchange rates the Group continues to expect revenue in 2023 to be slightly higher than in 2022, driven by both organic growth and announced acquisitions, and partially offset by a small impact from the UK healthcare disposal. Given performance year-to-date, the Group is increasing its 2023 operating margin guidance to be slightly lower than that achieved over 2022.

The Group also announces today that it has entered into an agreement to acquire EHM, a distributor of a wide range of PPE products in the UK, which is complementary to our existing safety business. The business generated revenue in 2022 of £18 million.

Commenting on today's announcement, Frank van Zanten, Chief Executive Officer of Bunzl, said:

"Bunzl continues to demonstrate resilience, with our operating margin over the first six months of the year expected to remain well ahead of historical levels and driving an upgrade to our full year expectations. Our acquisition momentum remains strong, with the acquisition of EHM, announced today, enhancing our safety offering in the UK. Year-to-date we have announced six acquisitions, including Bunzl's 200th since 2004, with our pipeline remaining active and supported by a strong balance sheet.

Insight event:

On 29 June 2023, Bunzl will be holding a North America insight event for investors. The virtual event will be hosted by Jim McCool, our CEO of North America, and he will be joined by the Managing Directors leading our safety, food processor and agriculture businesses in the region. The event will be live from 3pm – 4.15pm BST. Registration details are available on www.bunzl.com.

Note:

1. The number of trading days will not have an impact on growth over the first half period overall.

Enquiries:

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