FRANK VAN ZANTEN
Chief Executive Officer

3.1%
revenue growth[2]

1.8x
adjusted net debt to EBITDA[1]

8.3%
operating margin[1]

£634m
free cash flow[1]

7.2%
adjusted operating profit[1,2] growth

£883m
record committed spend on acquisitions

DELIVERING HIGHLY RESILIENT COMPOUNDING GROWTH

Overview

Bunzl has delivered another year of strong adjusted operating profit growth, building on its track record of consistent annual earnings growth, and highlighting the resilience of Bunzl's business model and the success of its compounding growth strategy, underpinned by the ingenuity and dedication of its people. Over 2024, our operating margin continued to expand, and we saw a recovery from a period of organic revenue decline as revenue trends improved in the second half of the year. Operating margin remains sustainably higher than the levels achieved historically, having expanded from 6.9% in 2019 to 8.3% at constant exchange rates. This margin expansion has been supported by both higher margin acquisitions and good margin management initiatives, including the development of own brand, as well as our continual focus on operational efficiency and increasing value-added services to customers.

1. Alternative performance measure (see Note 3 to the consolidated financial statements on page 151 in our Annual Report).
2. At constant exchange rates.

Bunzl has had a record year of allocating capital to acquisitions, with 13 announced in 2024. Over the year, acquisitions included our first geographic expansion into Finland and Bunzl's acquisition of Nisbets, a leading, high quality distributor of catering equipment and consumables with a strong own brand portfolio and excellent digital capabilities. Bunzl continues to focus on disciplined portfolio management, regularly reviewing its portfolio of companies, and disposed of two small businesses in 2024 and another in January 2025.

Alongside our sustainability and digital capabilities, the development of innovative own brand ranges continues to strengthen Bunzl's competitive advantage, as we create products that drive value and meet specific customer needs, at compelling prices. Approximately 28% of our revenue in 2024 was delivered through the sale of own brand products, with our largest business in North America achieving a particularly strong increase in own brand penetration over the year. Importantly, and across the Group, we continue to collaborate with our strategic third party branded supplier partners to provide unparalleled choice for our customers.

ACQUISITIONS SUPPORT BUNZL'S STRATEGIC DEVELOPMENT

Strengthening our capabilities and further consolidating fragmented markets

MARKET EXPANSION

- **Share gains** in existing markets
- Expansion into **new sectors within existing countries**
- **Platform acquisitions** – for example, recent entries into **Poland** and **Finland**, and acquisition in **Germany** which materially increased Bunzl's presence

SECTOR DEVELOPMENT

- Focus towards **higher value-added** distribution sectors
- **c.70%** of announced acquisitions have been in the Healthcare, C&H and Safety sectors over last five years
- These three sectors have good **structural drivers** and support GDP plus organic growth opportunity

BUILDING CAPABILITIES AND SCALE

- Enhanced **digital capabilities** across the Group
- **Talent** growth; **c.8,000** more employees over last five years
- Supportive to **own brand penetration**; significant increase to **c.28%** of revenue in 2024
- Scale provides purchasing benefits; revenue **30%**[1] higher than in 2019

ENHANCING GROUP MARGIN

- Group margin **supported by strategy to increase level of value added distribution services**, which has driven the acquisitions in Healthcare, C&H and Safety
- **c.50%** Bunzl's operating margin[2] expansion since 2019 is attributable to higher margin acquisitions

1. At constant exchange rates.
2. Alternative performance measure (see Note 3 to the consolidated financial statements on page 151 in our Annual Report).
3. EcoSystems, Verive, Sustain and Revive own brands.
4. Excluding acquisitions made in 2024.

Operating performance

The commentary below is stated at constant exchange rates unless otherwise highlighted.

Revenue

Revenue increased by 3.1% to £11,776.4 million. Acquisition related revenue growth, net of disposals, of 5.1% and a 0.4% benefit from an additional trading day in the year were partially offset by an underlying revenue decline of 2.4%. Organic revenue decline, which is not adjusted for the impact of the number of trading days in the year, was 2.0%. The decline in underlying revenue was mainly driven by deflation across North America, Continental Europe and UK & Ireland; strategic changes in our US foodservice redistribution business to increase our own brand penetration, which alongside price competition resulting from the deflationary environment, led to volume softness; and the expected impact from transitioning ownership of customer specific inventory to our customers in our US retail business in the first half of the year. Underlying revenue in the second half was flat, driven by Group volumes returning to slight growth and a small easing of deflation driven by Continental Europe and UK & Ireland, although deflation persisted in North America longer than expected. Net deflation is expected to remain a headwind to Group revenue heading into 2025.

Safety, cleaning & hygiene and healthcare – total organic revenue in the safety, cleaning & hygiene and healthcare businesses saw a 0.4% increase over the year. Moderate growth in our safety sector was driven by strong growth in Rest of the World, supported by inflation as well as volume growth, but partially offset by more mixed trading elsewhere. The cleaning & hygiene sector saw some volume growth, however, deflation more than offset this leading to a moderate organic revenue decline. Organic revenue in our healthcare businesses saw good growth, driven by Rest of the World.

KEY TAKEAWAYS

Continued acquisition success, with

13 acquisitions

announced in 2024, including acquisition of Nisbets and first acquisition in Finland

c.28%

own brand penetration vs c.25% in 2023

c.45%

increase in our emerging exclusive sustainable own brand[3] SKUs vs 2023

Increased digital order percentage to

75%[4]

vs. 72% in 2023; further enhancing customer stickiness and increasing low touch customer ordering

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warehouse relocations and consolidations, further driving operating efficiency

// CHIEF EXECUTIVE'S STATEMENT *continued*

Grocery and other sectors – total organic revenue in the grocery and other sectors declined by 1.8%, with volume growth, driven by net business wins in North America, more than offset by deflation.

Foodservice and retail – total organic revenue in foodservice and retail combined declined by 4.2%. Deflationary pressures contributed a large part of the decline, in addition to the volume impact of strategic actions taken in our US foodservice redistribution business and US retail business, as well as a retail customer loss in the US. Volumes in our US foodservice redistribution business stabilised during the second half of the year and actions taken in North America's retail business drove growth in adjusted operating profit for the sector over the year, alongside a strong increase in return on average capital employed.

Profit and earnings

Adjusted operating profit for the year was £976.1 million, an increase of 7.2%. Operating margin increased to 8.3% compared to 8.0% in 2023, supported by both higher margin acquisitions and an underlying margin improvement. Group gross margin expanded strongly, supported by acquisitions and own brand development, but was partly offset by a higher operating costs to sales ratio. Operating cost inflation was moderate, with wage inflation remaining higher than typical levels in UK & Ireland and Continental Europe, although wage inflation was at more typical levels in North America. Wage inflation in Continental Europe and UK & Ireland is expected to normalise in 2025, although the UK is expected to be impacted by increased National Insurance and National Living Wage costs. Property cost inflation remains high linked to lease renewals, but fuel and freight inflation was well managed over the year, supported by contract retendering in North America. Continental Europe was particularly impacted by its relatively high cost to serve operating model, and the business area has an active focus on cost initiatives heading into 2025. Operating cost efficiency programmes, including warehouse consolidations and relocations, were a partial offset to inflation. Reported operating profit was £799.3 million, an increase of 5.0% (up 1.3% at actual exchange rates).

The effective tax rate of 25.5% was higher than the 25.0% in the prior year, reflecting the increase in the UK statutory tax rate from 23.5% for calendar year 2023 to 25.0% for 2024. The effective tax rate in 2025 is expected to be around 26.0%.

Adjusted profit for the year was £650.5 million, an increase of 5.5%. Adjusted earnings per share were 194.3p, an increase of 5.5%, and basic earnings per share were 149.6p, a decrease of 0.9% (down 4.8% at actual exchange rates), largely due to the currency translation loss related to the disposal of our business in Argentina. The impact of the 2024 share buyback on weighted average shares was limited given the timing of execution was towards the end of the year. The number of ordinary shares in issue, less the shares held in trust, on 31 December 2024 was 329.3 million, with the £200 million share buyback announced for 2025 commencing at the start of January 2025.

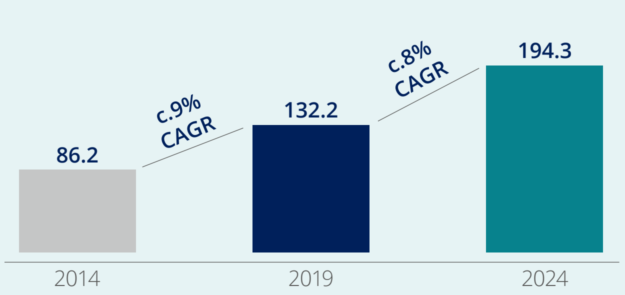
STRONG AND RESILIENT GROWTH COMPOUNDER

A business model and strategy that delivers strong growth, high returns and resilience

Consistent long-term growth

- Group revenue CAGR ('14–'24): c.7%, alongside broadly stable leverage[1]
- Significant shareholder value creation since '04

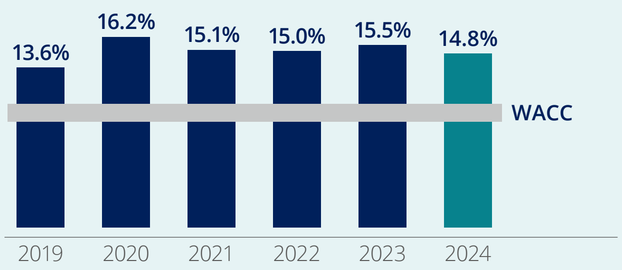
Adjusted EPS[2,3]



High return on invested capital[2]

- High return on invested capital[2] including significant acquisition spend (£2.6bn committed spend over the last five years)
- Consistently well ahead of Group WACC

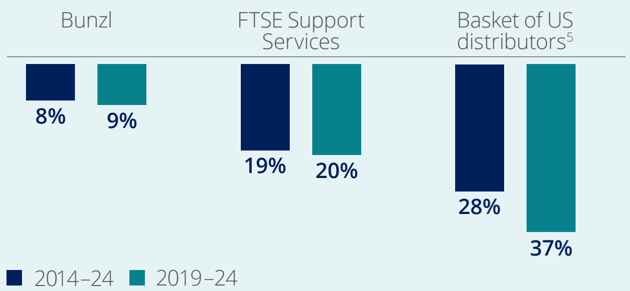
Return on invested capital[2]



Highly resilient EPS growth

- Low volatility of growth
- Resilient model (position in supply chain, diversification) and consistent growth strategy (ongoing consolidation)

EPS growth volatility[4]



1. Leverage is adjusted net debt to EBITDA[2] which was 1.8x at the end of 2024 compared to 1.9x at the end of 2014.
2. Alternative performance measure (see Note 3 to the consolidated financial statements on page 151 in our Annual Report).
3. At actual exchange rates.
4. Standard deviation of annual EPS growth.
5. Median standard deviation over time periods across: Amphenol, Builders FirstSource, Danaher, Fastenal, Genuine Parts Company, Henry Shein, IDEX, Pool, Sherwin-Williams, Sysco, W.W. Grainger, Xylem.

// CHIEF EXECUTIVE'S STATEMENT *continued*

KEY TAKEAWAYS

Return on invested capital[1]

14.8%

Return on average operating capital[1]

43.2%

Cash and returns

The Group's cash generation continues to be strong, with 93% cash conversion (operating cash flow as a percentage of lease adjusted operating profit) ahead of our 90% target.

Compared to 2023, free cash flow decreased by 1.5% at actual exchange rates, to £633.8 million, due to a decrease in operating cash flow and an increase in net interest paid excluding interest on lease liabilities, partly offset by a lower cash outflow relating to tax. The strength of our underlying free cash flow generation continues to enable our investment in the business, progressive dividends, self-funded value-accretive acquisitions and other capital allocation options. Adjusted net debt to EBITDA, which excludes lease liabilities and includes total deferred and contingent consideration, at 31 December 2024 was 1.8 times and compares to 1.2 times at 31 December 2023.

Returns remained strong with return on average operating capital of 43.2% (46.1% at 31 December 2023, 36.9% at 31 December 2019), while return on invested capital was 14.8% (15.5% at 31 December 2023, 13.6% at 31 December 2019).

1. Alternative performance measure (see Note 3 to the consolidated financial statements on page 151).

Strategy: organic growth and operational efficiency

We remain committed to delivering growth through our consistent compounding strategy which focuses on organic growth, operational efficiency and acquisitions. Key to this is our continual focus on innovative solutions to support our customers' businesses. Over the year we have continued increasing the percentage of own brand products sold to our customers, as these products enhance our value-added proposition with specifications designed to meet our customers' needs, and they are offered at compelling prices. Our own brand penetration is currently c.28%, compared to c.25% in 2023, with this increase driven by our initiatives in our largest business in North America. Furthermore, we continue to utilise own brands to support our customers' sustainability ambitions, with a c.30% increase since 2023 in our emerging exclusive sustainable own brand SKUs, under the EcoSystems, Verive, Sustain and Revive brands. The product ranges of these brands are better suited to the circular economy. Overall, these brands saw a c.45% increase in revenue over the year, albeit from a small base. The growth of these own brands has highlighted the strategic importance of being able to provide cost-effective sustainable solutions that meet legislative and market needs. Overall, the proportion of Group revenue, excluding revenue from acquisitions made in 2024, attributable to non-packaging products or packaging made from alternative materials, both own brand and third party, remained high at 86%.

We have increased the proportion of digital sales, which accounted for 75% of orders over the year, excluding acquisitions made in 2024, compared to 72% in 2023.

Pursuing operating efficiencies remains an important part of our strategy to reduce the impact of operating cost inflation. In 2024, we have been able to partially offset operating cost inflation through further optimisation of our warehouse footprint with the consolidation of 14 warehouses and the relocation of an additional 5. Furthermore, the business continues to look for opportunities to utilise technology to drive efficiency, such as through investments in warehouse automation. The Group has an ongoing focus on operating cost efficiencies going into 2025.

Strategy: acquisitions and disposals

2024 was a record year for annual committed acquisition spend, with £883 million committed, surpassing the previous record level of £616 million in 2017. Bunzl's average annual committed spend over the last four years of c.£550 million compares to an average of c.£340 million for the four year period ended 31 December 2020 and c.£250 million for the four year period ended 31 December 2016, highlighting the step change in the level of acquisition spend Bunzl has committed in recent years.

During 2024, Bunzl announced 13 acquisitions across nine countries and five market sectors, including our first entry into Finland, which further extends our business in the Nordics where we already have a strong presence. We also acquired Nisbets, a leading, high quality distributor of catering equipment and consumables in the UK & Ireland, Northern Europe and Australasia, with a strong own brand portfolio and excellent digital capabilities. The integration of Nisbets is progressing well, although market softness and meaningful one-off supply chain challenges earlier in 2024 have impacted financial results, despite improved trading towards the end of the year. With Nisbets strongly complementing our existing businesses, various synergy projects will bring financial benefit to a number of our operating companies in 2025.

Bunzl regularly reviews its portfolio of companies, and in 2024 completed the disposal of two businesses with annualised revenue of c.£17 million. In March, our business in Argentina was sold to its management team, and in July, the Group sold a German business which supplies incontinence products. Furthermore, in January 2025 we sold our US R3 Safety business, Bunzl's only pure wholesale safety business in the US, which generated revenue of c.£50 million in 2024. This decision reflects Bunzl's commitment to ensuring optimal capital allocation across the Group. Since 2022, Bunzl has disposed of four businesses with a combined annual revenue in their final year before disposal of c.£250 million and combined operating margin of low to mid single digit, well below the Group average.

The strength of the Group's cash conversion and balance sheet continues to enable the Group to self-fund further acquisitions, largely through cash generated in the year. Our pipeline remains active, and we see significant opportunities for continued acquisition growth in our existing markets, as well as potential to expand into new markets.

Frank van Zanten
Chief Executive Officer
3 March 2025

OUTLOOK FOR 2025

WE REITERATE OUR GUIDANCE FOR 2025:

- Despite significant uncertainties relating to the wider economic and geopolitical landscape, the Group expects robust revenue growth in 2025, at constant exchange rates, driven by announced acquisitions and slight underlying revenue growth
- Group operating margin[1] is expected to be maintained in-line with 2024 and to remain substantially higher compared to pre-pandemic levels, driven by higher margin acquisitions, as well as a good underlying margin increase
- Other aspects of our full year 2025 guidance, are: (1) the full year effective tax rate is expected to be around 26.0%; (2) the Group expects net finance expenses to be around £115 million

// CHIEF EXECUTIVE'S STATEMENT *continued*

2024 ACQUISITIONS

Acquisition	Completion	Description
Pamark Group	February 2024	• A leading distributor of cleaning & hygiene, healthcare, foodservice and safety products to a broad range of customers in Finland • Bunzl's anchor acquisition into Finland • Revenue of EUR 56 million in 2023 (c.£49 million)
Nisbets	May 2024	• A leading high quality distributor of catering equipment and consumables in the UK & Ireland, Northern Europe and Australasia, with a strong own brand portfolio and excellent digital capabilities • Revenue of £498 million in 2023
Clean Spot	June 2024	• A distributor of cleaning & hygiene products and equipment in Canada • Revenue of CAD 7 million in 2023 (c.£4 million)
Sistemas De Embalaje Anper	June 2024	• A distributor of industrial packaging to end-users in Spain • Revenue of EUR 28 million in 2023 (c.£24 million)
Holland Packaging	June 2024	• A distributor of bespoke and customised packaging products and supplies to e-commerce focused companies based in the Netherlands • Revenue of EUR 16 million in 2023 (c.£14 million)
RCL Implantes	July 2024	• A distributor specialising in surgical and medical devices in Brazil • Revenue of BRL 112 million in 2023 (c.£18 million)
PowerVac	July 2024	• A distributor of commercial and industrial cleaning equipment in Western Australia • Revenue of AUD 10 million in 2023 (c.£5 million)
Cermerón	August 2024	• Regional distributor of cleaning & hygiene products to foodservice and hospitality customers in Southern Spain • Revenue of EUR 13 million in 2023 (c.£11 million)
Cubro Group	September 2024	• The leading distributor of mobility aids and clinical furniture to the aged care, community care, and hospital markets in New Zealand • Revenue of NZD 92 million (c.£44 million) in the year to March 2024
DBM Medical Group	September 2024	• A specialist distributor of orthopaedic surgery products in New Zealand • Revenue of NZD 16 million (c.£7 million) in the year to June 2024
Arrow County Supplies	October 2024	• Distributor of cleaning and hygiene products in the UK, with a strong own brand portfolio • Revenue of £24 million in 2023
C&C Group	October 2024	• A specialist foodservice business that complements our existing commercial catering businesses in the UK • Revenue of £26 million in the year to April 2024
Comodis	December 2024	• A leading distributor of cleaning and hygiene products in the Rhône-Alpes region of France, strengthening our presence in this region • Revenue of EUR 23 million (c.£20 million) in the year to March 2024

// CHIEF EXECUTIVE'S STATEMENT *continued*

OUR LEADERSHIP TEAM

Leaders from across the Group meet regularly to review performance, discuss trends affecting our businesses and seek further opportunities for growth and competitive advantage.

Members of the Executive Committee

Frank van Zanten
Chief Executive Officer

Richard Howes
Chief Financial Officer

Diana Breeze
Director of Group Human Resources

Andrew Mooney
Director of Corporate Development

Suzanne Jefferies
General Counsel and Company Secretary

Board of Directors pages 86 and 87

Jim McCool
Chief Executive Officer, North America

Alberto Grau
Managing Director, Continental Europe

Dale Stokes
Managing Director, UK & Ireland

Jonathan Taylor
Managing Director, Latin America

Scott Mayne
Managing Director, Asia Pacific

Mark Jordan
Group Chief Information Officer