



# 2017 ANNUAL GENERAL MEETING

April 2017



# INCOME STATEMENT

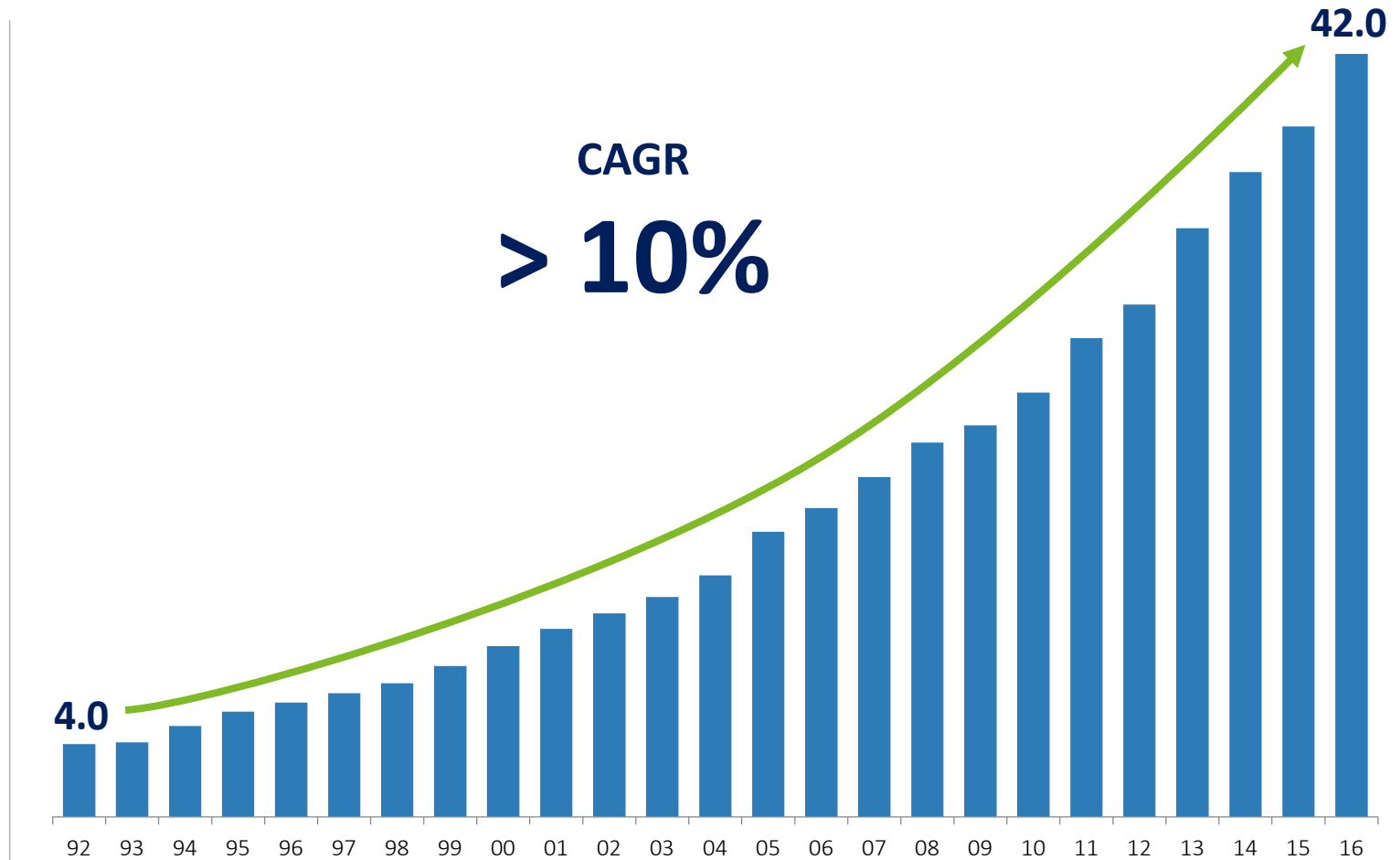
£m	2016	2015	GROWTH	
			REPORTED	CONSTANT EXCHANGE
Revenue	<b>7,429.1</b>	6,489.7	14%	4%
Adjusted operating profit*	<b>525.0</b>	455.0	15%	5%
Operating margin*	<b>7.1%</b>	7.0%		
Net finance expense	<b>(46.8)</b>	(43.8)		
Adjusted profit before tax*	<b>478.2</b>	411.2	16%	6%
Adjusted earnings per share*	<b>106.1p</b>	91.0p	17%	6%
Dividend per share	<b>42.0p</b>	38.0p	11%	

\* Before adjusting items (customer relationships amortisation and acquisition related costs) and associated tax, where relevant – see Appendix 2 and Appendix 3

# DIVIDEND PER SHARE (p)

## 24 years

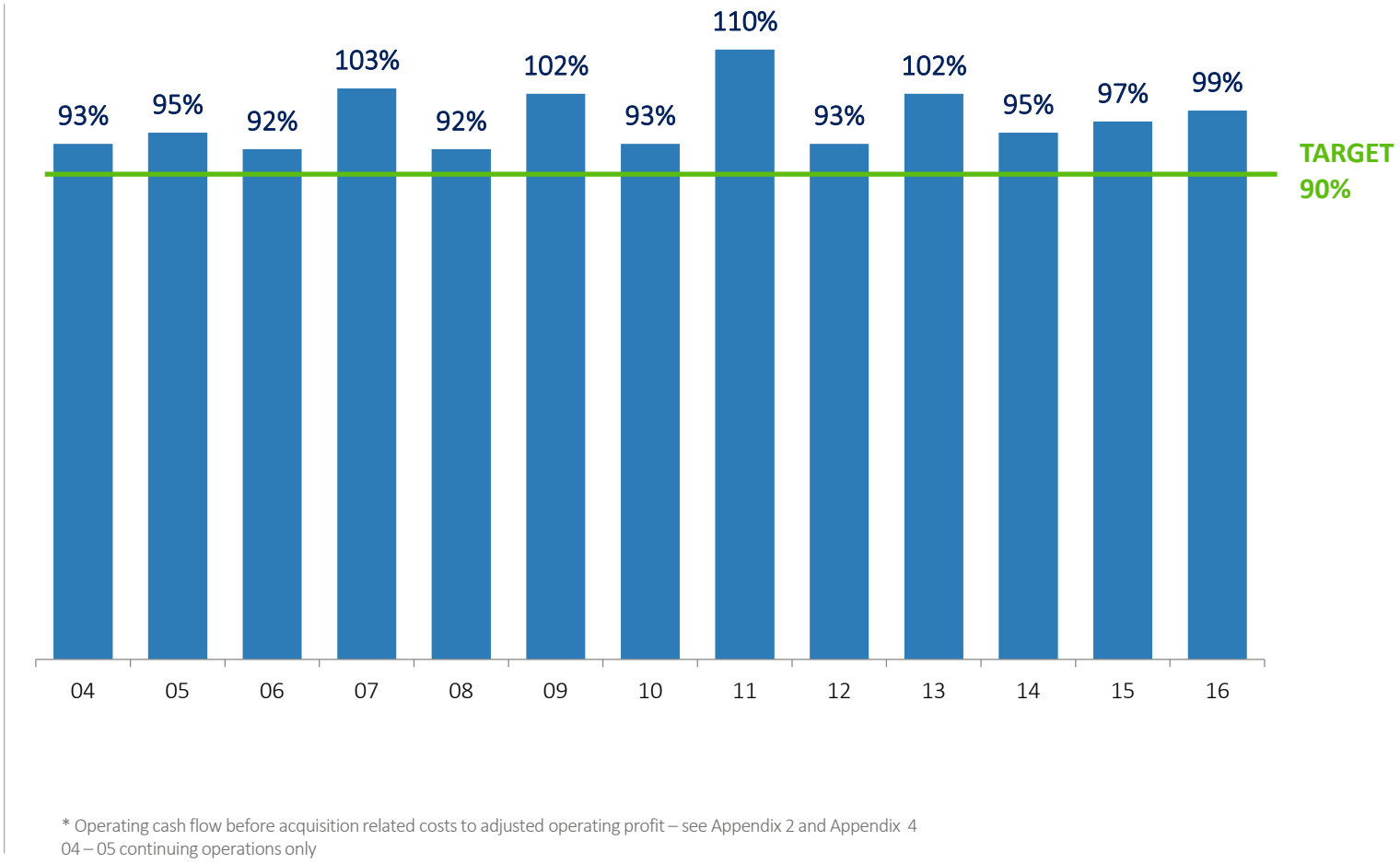
of consecutive  
dividend increases



# CASH CONVERSION

Average cash conversion\*

**97%**



# USES OF FREE CASH FLOW 2004 - 2016

Consistently strong  
free cash flow  
supports long term  
growth

## DIVIDENDS

£1.0bn

DIVIDEND PER SHARE CAGR >10%

STABLE DIVIDEND COVER c. 2.5x<sup>†</sup>

## ACQUISITIONS

£2.4bn

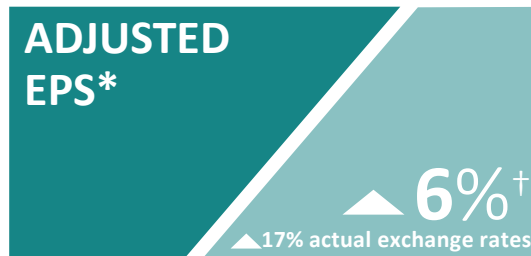
136\* ACQUISITIONS SINCE 2004

SELF FUNDED

\* Includes two committed acquisitions in 2016 which completed in January 2017

† Based on adjusted earnings per share

# FINANCIAL SUMMARY



<sup>†</sup> At constant exchange rates

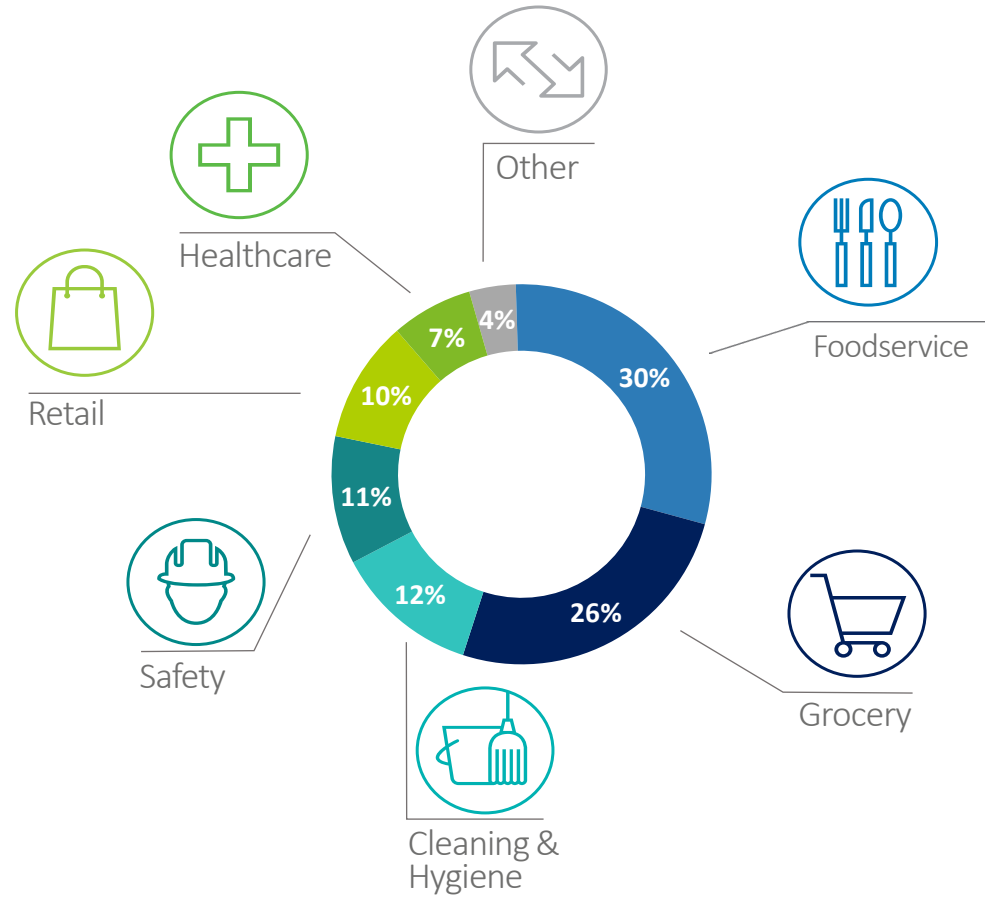
\* Before adjusting items (customer relationships amortisation and acquisition related costs) and the associated taxation where relevant – see – Appendix 2 and Appendix 3

\*\* Operating cash flow before acquisition related costs to adjusted operating profit – see Appendix 2 and Appendix 4

# REVENUE BY CUSTOMER MARKETS

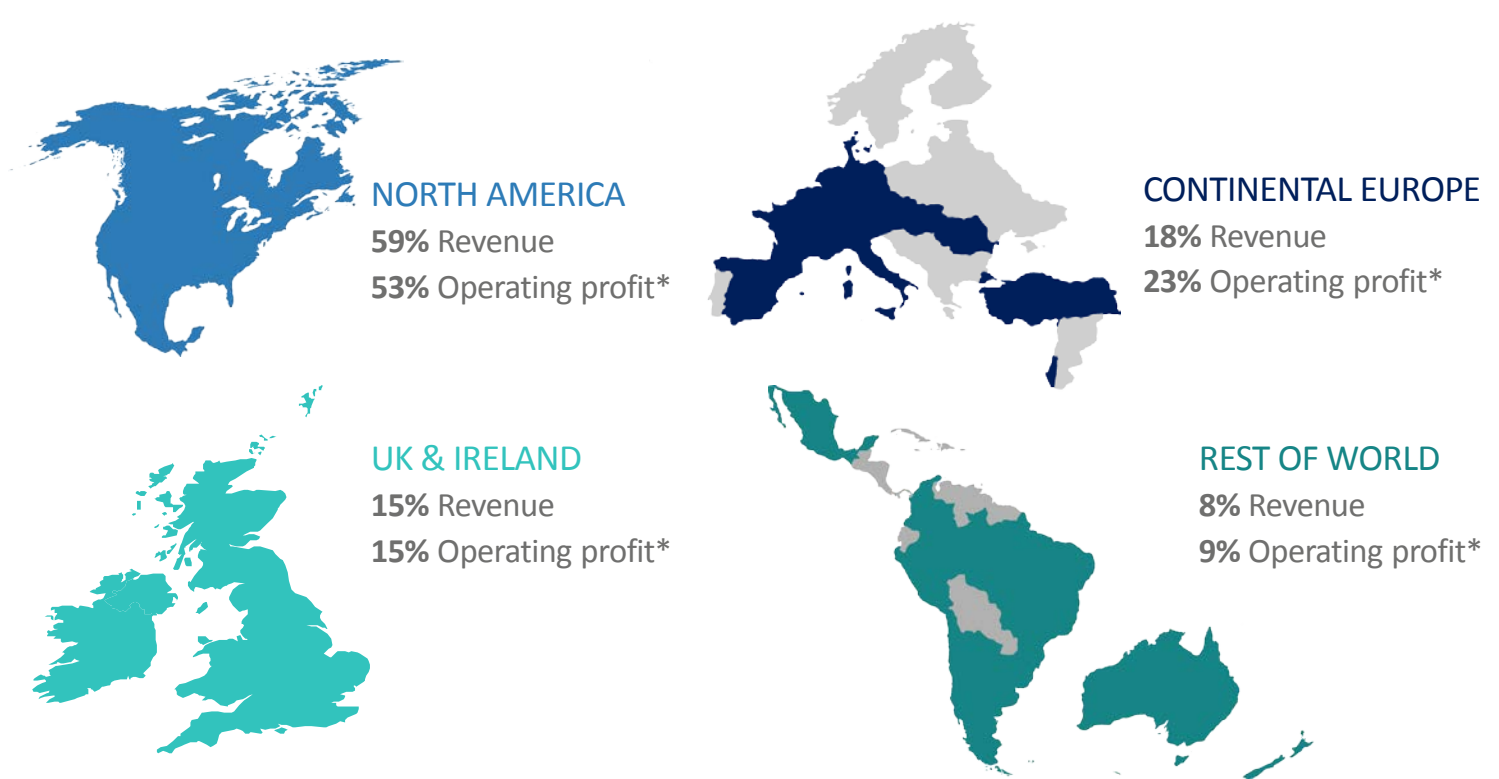
## 75%

resilient  
Foodservice  
Grocery  
Cleaning & hygiene  
Healthcare



# BUSINESS AREA ANALYSIS

Well diversified  
by geography  
and sector



\* Adjusted operating profit - before adjusting items (customer relationships amortisation and acquisition related costs) and corporate costs



# CONSISTENT AND PROVEN COMPOUNDING STRATEGY



High ROIC  
despite  
significant  
acquisition  
spend



**ROIC  
16.7%**

# ORGANIC GROWTH



# OPERATING MODEL IMPROVEMENTS

Small improvements every day everywhere lead to significant progress over time

## CONSOLIDATING WAREHOUSES

- Close smaller and less efficient facilities
- Continually evaluate and upgrade warehousing

## ERP IMPLEMENTATIONS

- Warehouse management systems
- Vehicle routing systems
- CRM systems

## DIGITAL CAPABILITIES

- Investment in e-commerce capabilities
- Focus on digital marketing
- Opportunity for efficiency gains

## SHARING BEST PRACTICE

- Make use of collective resources, experience and expertise
- Global collaboration

## GLOBAL PURCHASING

- Substantial purchasing synergies with suppliers
- Benefit from Bunzl Shanghai sourcing facility



# ACQUISITION GROWTH

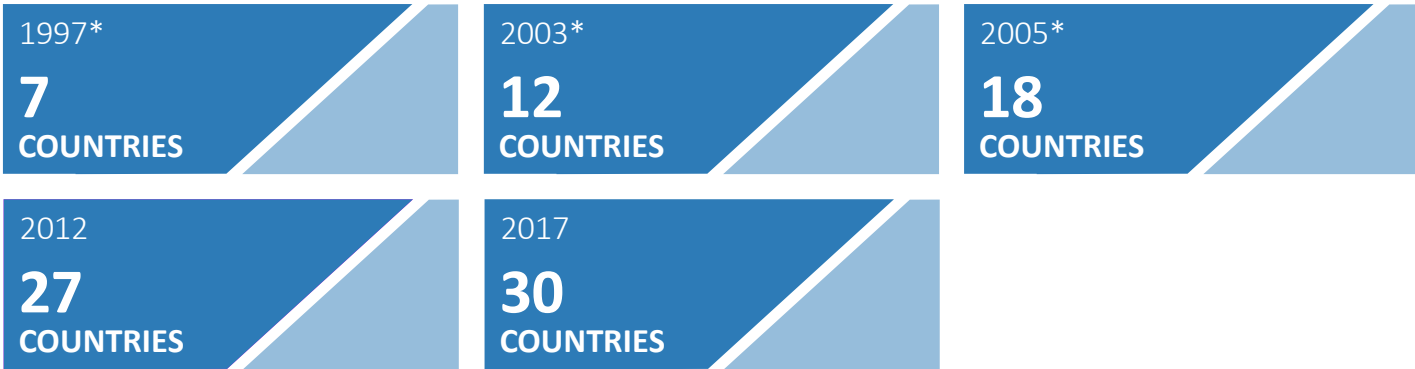
136\* acquisitions  
2004 - 2016;  
total committed  
spend of £2.5bn

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016*
Number of acquisitions	7	7	9	8	7	2	9	10	13	11	17	22	<b>14</b>
Committed acquisition spend (£m)	302	129	162	197	123	6	126	185	277	295	211	327	<b>184</b>
Annualised acquisition revenue (£m)	430	270	386	225	151	27	154	204	518	281	223	324	<b>201</b>

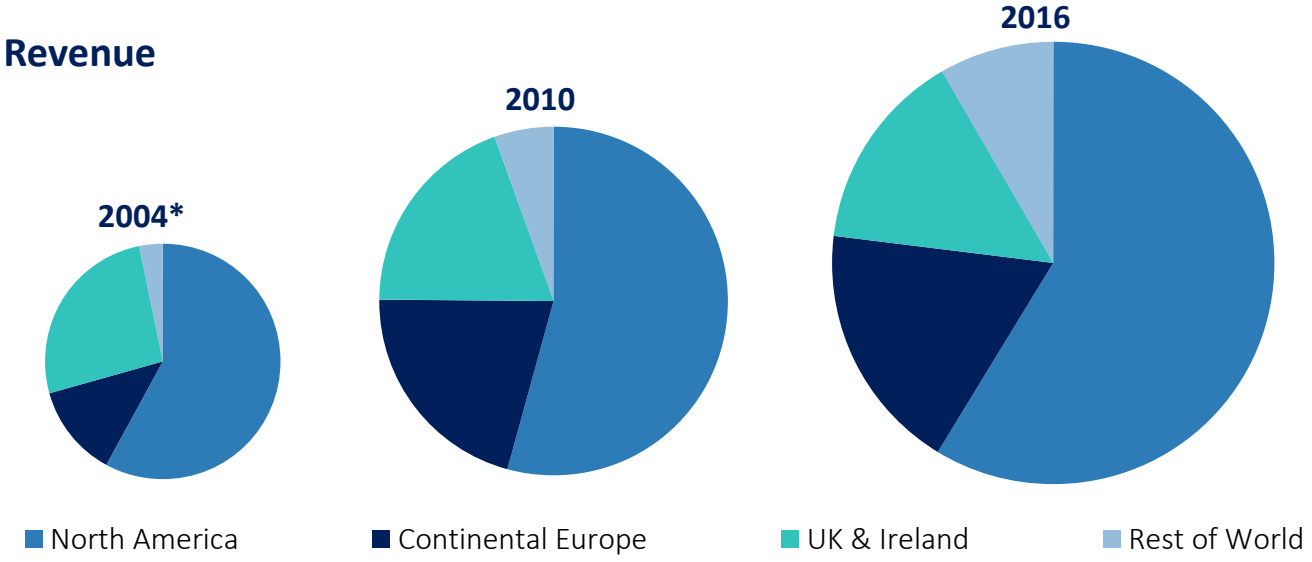
\* Includes two committed acquisitions in 2016 which completed in January 2017  
04-05 continuing operations only

# GEOGRAPHIC EXPANSION

Significant scope for future geographic expansion



## Revenue



\* Continuing operations only

# SIGNIFICANT OPPORTUNITIES TO GROW IN EXISTING COUNTRIES



COUNTRY	FOODSERVICE	GROCERY	C&H	SAFETY	RETAIL	HEALTHCARE
USA						•
Canada						•
Mexico			•		•	•
UK						
Ireland						
Germany		•			•	
France		•			•	
Italy	•	•	•			•
Spain		•			•	
Netherlands						
Belgium				•		
Denmark					•	•
Switzerland						
Austria		•	•	•	•	•
Czech Republic	•		•		•	•

COUNTRY	FOODSERVICE	GROCERY	C&H	SAFETY	RETAIL	HEALTHCARE
Romania	•				•	•
Hungary					•	•
Slovakia			•	•	•	•
Israel		•	•	•	•	•
Turkey		•	•		•	•
Brazil	•	•			•	
Chile		•	•		•	•
Colombia	•	•	•		•	•
Argentina	•	•	•		•	•
Peru	•	•	•		•	•
Uruguay	•	•	•		•	•
Australia						
New Zealand					•	
Hong Kong	•	•	•	•		•
Singapore	•	•	•		•	•

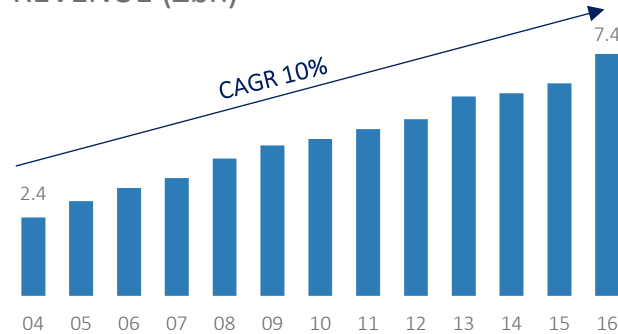
• No existing presence

# FINANCIAL TRACK RECORD 2004-2016

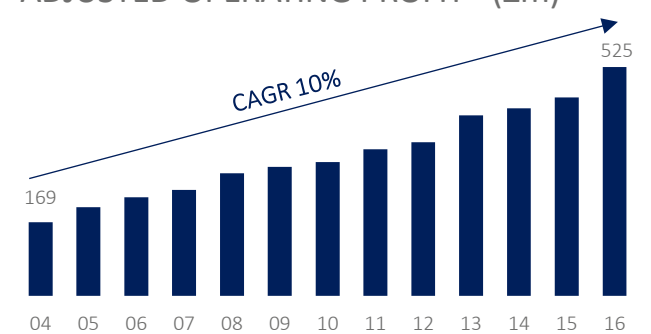
Proven compounding strategy

CAGR  
**10%-11%**

REVENUE (£bn)

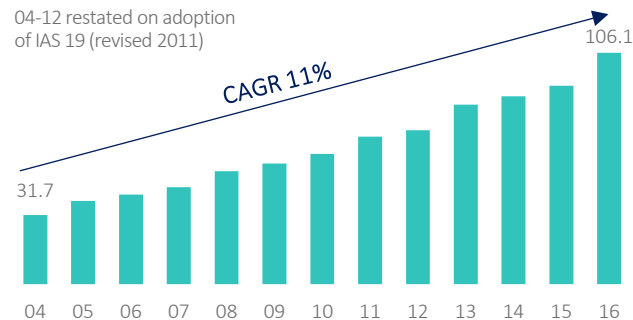


ADJUSTED OPERATING PROFIT\* (£m)

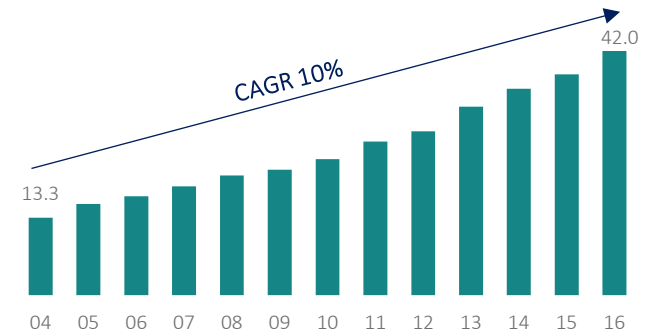


ADJUSTED EPS\* (p)

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



DIVIDEND PER SHARE (p)



\* Before adjusting items (customer relationships amortisation and acquisition related costs) and the associated taxation, where relevant - see Appendix 2 and Appendix 3  
04-05 continuing operations only

# 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 (known as non-GAAP measures). The principal alternative performance measures used in this presentation are:

- adjusted operating profit;
- adjusted profit before income tax;
- adjusted profit for the period;
- adjusted earnings per share.

These measures exclude the charge for customer relationships amortisation, acquisition related costs and any associated tax, where relevant. These items are not taken into account by management when assessing the results of the business as they do not relate to the underlying operating performance and distort comparability between businesses and between reporting periods. Accordingly, these items are removed in calculating the profitability measures by which management assess the performance of the Group. Growth rates at constant exchange rates are calculated by retranslating the results for the year ended 31 December 2015 at the average rates for the year ended 31 December 2016 so that they can be compared without the distorting impact of changes caused by foreign exchange translation.

Other non-GAAP measures, such as cash conversion, are based on or derived from the non-GAAP measures noted above.

All alternative performance measures in this presentation have been calculated consistently with the methods applied and disclosed in the 2016 Annual Report.



# APPENDIX 2

## INCOME STATEMENT

### ALTERNATIVE PERFORMANCE MEASURES



<b>£m</b>	<b>2016</b>	<b>2015</b>
Operating profit	<b>409.7</b>	366.5
Adjusting items*	<b>115.3</b>	88.5
<b>Adjusted operating profit</b>	<b>525.0</b>	455.0
Operating margin	<b>7.1%</b>	7.0%
Net finance cost	<b>(46.8)</b>	(43.8)
Adjusted profit before income tax	<b>478.2</b>	411.2
Tax on adjusted profit	<b>(128.6)</b>	(113.1)
Adjusted profit for the period	<b>349.6</b>	298.1
Adjusted earnings per share	<b>106.1p</b>	91.0p

\* See Appendix 3

# APPENDIX 3

## ADJUSTING ITEMS

<b>£m</b>	<b>2016</b>	<b>2015</b>
Customer relationships amortisation	<b>(81.3)</b>	(66.8)
Deferred consideration payments	<b>(29.6)</b>	(24.3)
Transaction costs and expense	<b>(6.8)</b>	(7.9)
Earn-out adjustments	<b><u>2.4</u></b>	<u>10.5</u>
<b>Total adjusting items</b>	<b>(115.3)</b>	(88.5)

# APPENDIX 4

## CASH FLOW AND CASH CONVERSION

<b>£m</b>	<b>2016</b>	<b>2015</b>
Operating profit	<b>409.7</b>	366.5
Adjusting items	<b>115.3</b>	88.5
<b>Adjusted operating profit*</b>	<b>525.0</b>	455.0
Adjusted for non-cash items	<b>28.0</b>	19.8
Working capital movement	<b><u>(6.3)</u></b>	<u>(9.8)</u>
<b>Cash flow from operations†</b>	<b>546.7</b>	465.0
Net capital expenditure	<b><u>(24.8)</u></b>	<u>(22.4)</u>
<b>Operating cash flow</b>	<b>521.9</b>	442.6
<b>Cash conversion**</b>	<b>99%</b>	97%

\* Before adjusting items (customer relationships amortisation and acquisition related costs) – see Appendix 2 and Appendix 3

† Cash generated from operations before adjusting items – see Appendix 3

\*\* Operating cash flow before acquisition related costs – see Appendix 2

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