



# HALF YEAR RESULTS 2012



## 1. Philip Rogerson, Chairman: Welcome

2. Brian May, FD: Financial Results

3. Michael Roney, CEO: Business Review

4. Q&A

Strong set of  
results

Proven  
strategy

Six  
acquisitions  
announced

Adjusted  
earnings per  
share up 10%\*

Dividend up  
9%

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# Income Statement

£m	June 12	June 11	Growth %	
			Reported	Constant Exchange
Revenue	<b>2,612.2</b>	2,442.0	7	7
Operating profit*	<b>165.1</b>	152.2	8	9
Margin*	<b>6.3%</b>	6.2%		

\*Before intangible amortisation and acquisition related costs



# Income Statement

£m	June 12	June 11	Growth %	
			Reported	Constant Exchange
Operating profit*	165.1	152.2	8	9
Net finance cost	<u>(13.4)</u>	<u>(13.4)</u>		
Profit before tax†	151.7	138.8	9	10
Interest cover (x)	12.3	11.4		
Effective tax rate (%)	27.7	27.7		
Adjusted earnings per share† (p)	33.7	31.0	9	10
Dividend per share (p)	8.80	8.05	9	

\*Before intangible amortisation and acquisition related costs

†Before intangible amortisation, acquisition related costs and disposal of business



## Balance Sheet

£m	June 12	Dec 11	June 11
Intangibles	1,252.3	1,256.8	1,291.7
Tangibles	112.5	109.0	120.6
Working capital	464.0	403.3	445.6
Other liabilities	<u>(301.5)</u>	<u>(235.2)</u>	<u>(262.2)</u>
	1,527.3	1,533.9	1,595.7
Pension deficit	(66.0)	(74.3)	(52.1)
Net debt*	<u>(685.3)</u>	<u>(652.9)</u>	<u>(726.5)</u>
Equity	776.0	806.7	817.1
Net debt/EBITDA (x)	1.8	1.7	2.0
Return on operating capital (%)	58.4	57.4	54.8

\*See Appendix 1



## Cash Flow

£m	June 12	June 11
Operating cash flow*	122.3	130.6
Interest	(15.3)	(14.1)
Tax	<u>(29.8)</u>	<u>(29.1)</u>
Free cash flow	77.2	87.4
Dividends	(26.1)	(16.6)
Acquisitions	(77.2)	(56.0)
Employee share schemes	<u>(15.5)</u>	<u>(24.4)</u>
Net cash flow	(41.6)	(9.6)

\*See Appendix 2





# Financial Summary

## Revenue and Profit

- Revenue growth 7%<sup>†</sup>, organic growth 4%<sup>†</sup>
- Operating profit\* up 9%<sup>†</sup>
- Operating margin\* up 10bp

## Capital management

- Return on average operating capital up 360bp to 58.4%
- Net debt to EBITDA ratio 1.8x with £77m cash outflow on acquisitions
- Facilities' headroom in excess of £600m

## EPS and Dividend

- Adjusted EPS\*\* growth 10%<sup>†</sup>
- Dividend increase 9%

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

\*Before intangible amortisation and acquisition related costs

\*\*Before intangible amortisation, acquisition related costs and disposal of business

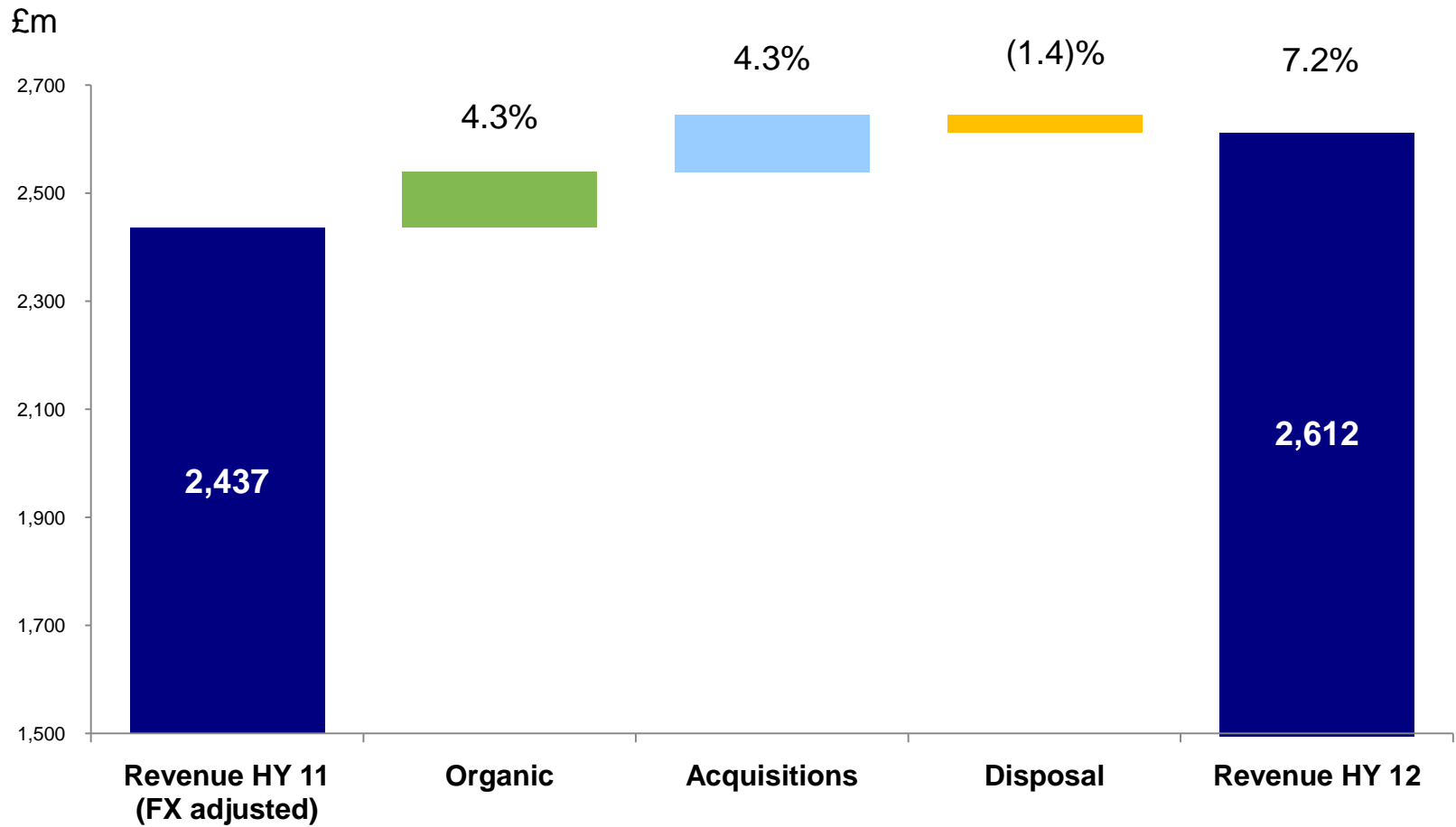
1. Philip Rogerson, Chairman: Welcome
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4. Q&A

1. Operations Review
2. Strategy
3. Acquisitions
4. Prospects

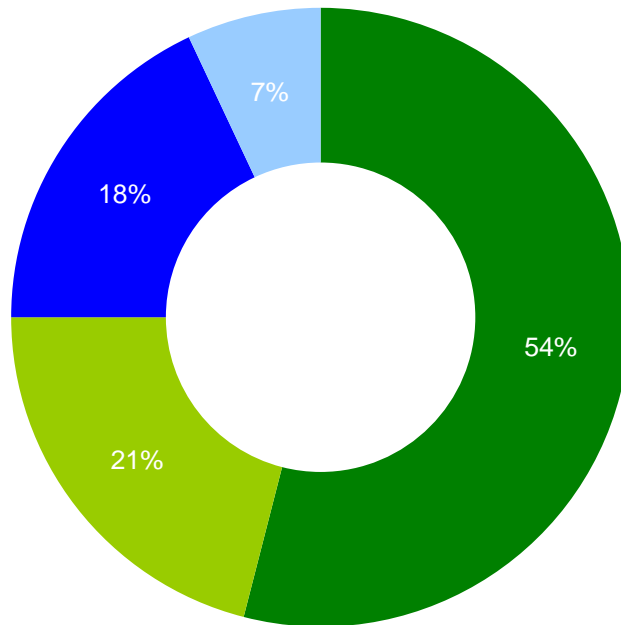




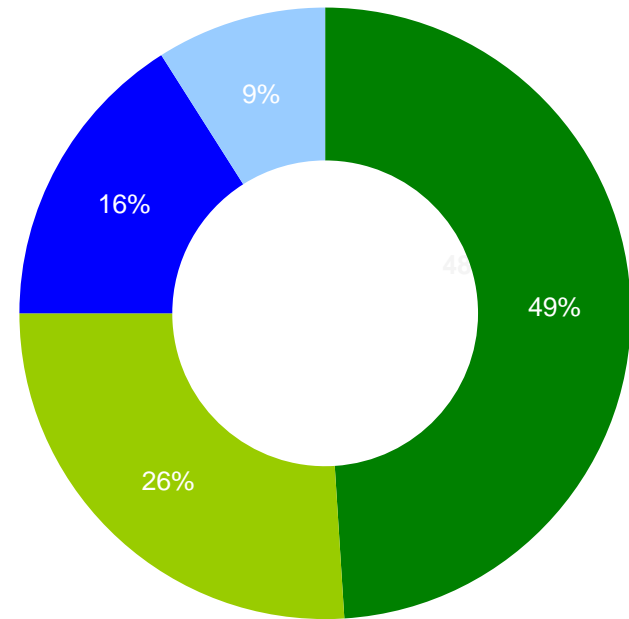
# Revenue Growth Bridge



## Revenue



## Operating profit\*



- Continued strong results
  - Strong organic revenue growth in North America and ROW
  - Acquisition-led growth in Continental Europe
  - Improved performance in UK & Ireland
  - Improvement in Group operating margin
- Resilient business model
- Annualised revenue from 2012 acquisitions of £157m



# North America

£m	June 12	June 11	Growth %	
			Reported	Constant Exchange
Revenue	1,403.4	1,286.7	9	7
Operating profit*	85.8	78.2	10	7
Margin*	6.1%	6.1%		
Return on operating capital	67.1%	62.4%		

- **Strong organic revenue growth**
- **Strong growth in Grocery, our largest sector**
- **Expansion in imports and private label products and programmes**
- **Food Processor business delivered excellent sales gains**
- **Cool Pak and Netpak together give us a strong market position**
- **Three acquisitions in 2012 strengthen our business**



# Continental Europe

£m	June 12	June 11	Growth %	
			Reported	Constant Exchange
Revenue	545.6	526.1	4	10
Operating profit*	45.6	44.8	2	8
Margin*	8.4%	8.5%		
Return on operating capital	46.2%	47.3%		

- **Revenue growth bolstered by acquisitions**
- **France**
  - **Pressure in the cleaning and hygiene sector**
  - **Good sales and profit growth in our PPE business**
- **Benelux**
  - **Continued good growth**
  - **Majestic integrated well**
- **Spain**
  - **Slowdown in industrial and construction has affected PPE**
  - **Improved profitability in cleaning and hygiene**

\*Before intangible amortisation and acquisition related costs



£m	June 12	June 11	Growth %	
			Reported	Constant Exchange
Revenue	479.4	485.6	(1)	(1)
Operating profit*	27.4	25.8	6	6
Margin*	5.7%	5.3%		
Return on operating capital	77.3%	58.2%		

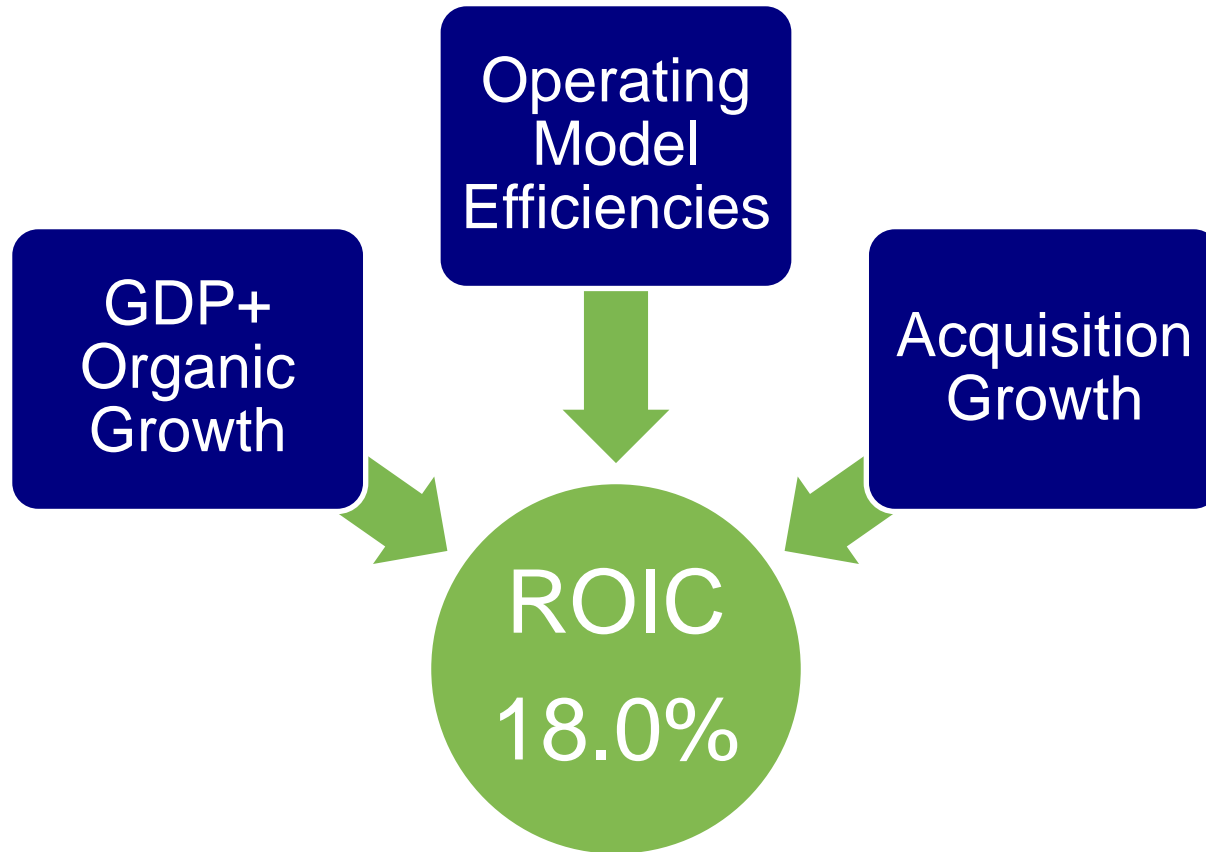
- **Improved organic growth and overall performance**
- **Continued focus on costs and improvement in operating margin**
- **Demand for safety products has been weak**
- **Good growth in cleaning and hygiene**
- **Catering and hospitality businesses show good growth**
- **Improved performance in healthcare**



## Rest of the World

£m	June 12	June 11	Growth %	
			Reported	Constant Exchange
Revenue	183.8	143.6	28	29
Operating profit*	15.3	12.2	25	29
Margin*	8.3%	8.5%		
Return on operating capital	59.0%	61.1%		

- **Excellent organic growth**
- **Australasia**
  - **Strong performance in largest business**
  - **First entry into the redistribution sector through Star Services**
- **Brazil**
  - **Substantial growth in revenue and operating profit**
  - **Danny and Ideal integrating well**



**Consistent and proven strategy**



## Acquisition Growth

Business	Acquired	Country	Sector	Revenue*
CDW Merchants	Feb 2012	USA	Non-food retail	£10m
Star Services	April 2012	Australia	Foodservice	£8m
Zahav	April 2012	Israel	Foodservice	£12m
Foodhandler	April 2012	USA	Foodservice	£68m
Service Paper	June 2012	USA	Grocery / Foodservice	£39m
Distrimondo	June 2012	Switzerland	Foodservice / C&H	£12m

**Strong period for acquisitions**

*\*Annualised and converted at average exchange rates*



# Acquisition Track Record

	2004	2005	2006	2007	2008	2009	2010	2011	2012 ytd
Number of Acquisitions	7	7	9	8	7	2	9	10	6
Acquisition Spend (£m)	302	129	162	197	123	6	126	185	77
Annualised Acquisition Revenue (£m)	430	270	386	225	151	27	154	204	157

**Average spend £154m p.a. - promising pipeline**



# Key Acquisition Parameters

B2B

Goods not for resale

Consolidated product offering  
("one stop shop")

Sectors with growth

Fragmented customer base

Further market consolidation and synergies

Small % of total customer spend

Opportunity for "own label" products

Attractive financial returns  
(ROIC, ROACE)



**Strong competitive position**


## Europe

-  Austria
-  Baltic States
-  Croatia
-  Finland
-  Norway
-  Poland
-  Slovenia
-  Sweden

## South America

-  Chile
-  Colombia
-  Peru

## Asia/ROW

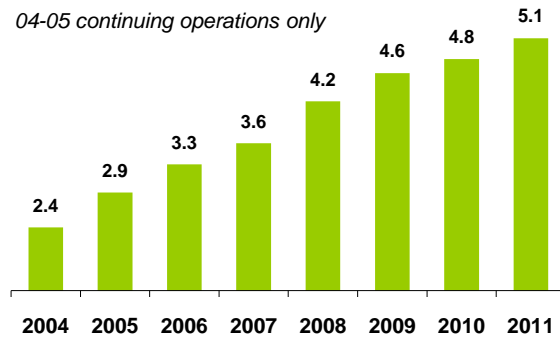
-  Singapore
-  Turkey



“.... because Bunzl is the leader in the market with consistent growth, stable operating margins, a very high return on operating capital and it turns on average more than 90% of the operating profit into cash which can be reinvested at a rate in excess of the cost of capital.”

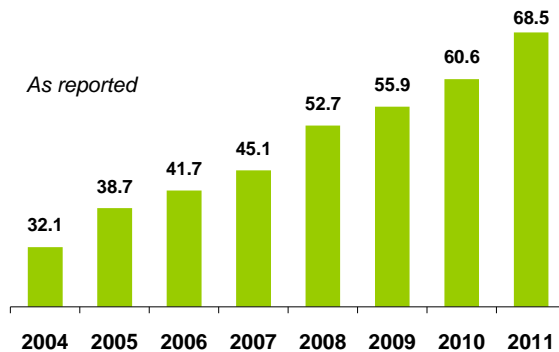
## Revenue (£bn)

04-05 continuing operations only



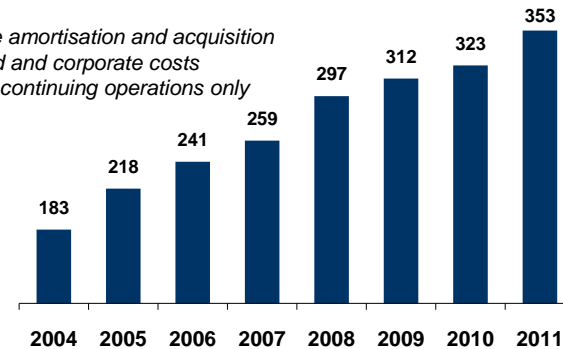
## Adjusted eps (p)

As reported



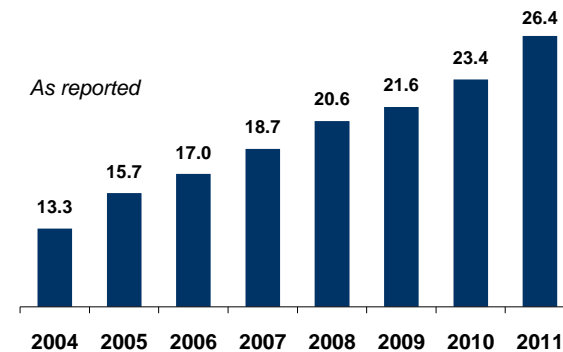
## Operating profit (£m)

Before amortisation and acquisition related and corporate costs  
04-05 continuing operations only



## Dividend per share (p)

As reported



**All CAGRs 10% or more**

## North America

- Continued good growth
- Stable operating margin

## Continental Europe

- Difficult market conditions, expect revenue growth driven principally by impact from acquisitions

## UK & Ireland

- Improved performance despite sluggish economy

## Rest of the World

- Continued strong results

## Group

- Promising pipeline for acquisitions

**Continued good growth**



# HALF YEAR RESULTS 2012



£m	<b>Six months to June 12</b>	Year to Dec 11
Opening net debt	<b>(652.9)</b>	(716.8)
Net cash (outflow)/inflow	<b>(41.6)</b>	63.0
Currency	<b><u>9.2</u></b>	<u>0.9</u>
Closing net debt	<b>(685.3)</b>	(652.9)



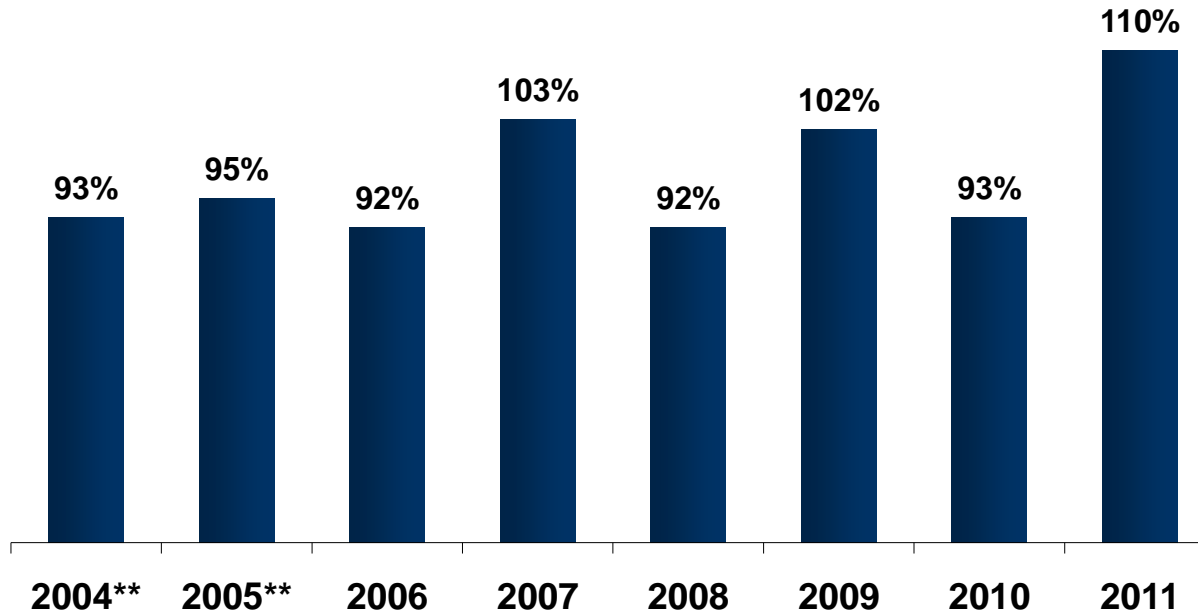
## Appendix 2 – Cash Flow

£m	June 12	Dec 11	June 11
Operating profit*	<b>165.1</b>	335.7	152.2
Depreciation	<b>11.4</b>	25.4	13.2
Working capital movement	<b>(41.7)</b>	31.4	(19.6)
Other	<b><u>(1.4)</u></b>	<u>(2.4)</u>	<u>(4.2)</u>
Cash flow from operations	<b>133.4</b>	390.1	141.6
Net capital expenditure	<b><u>(11.1)</u></b>	<u>(20.9)</u>	<u>(11.0)</u>
Operating cash flow	<b>122.3</b>	369.2	130.6
Operating cash flow to operating profit*	<b>74%</b>	110%	86%



## Appendix 3 – Historical Cash Flow

Average Cash Conversion\* 98%



\* Operating cash flow after capex to operating profit before intangible amortisation and acquisition related costs

\*\* 04-05 continuing operations only



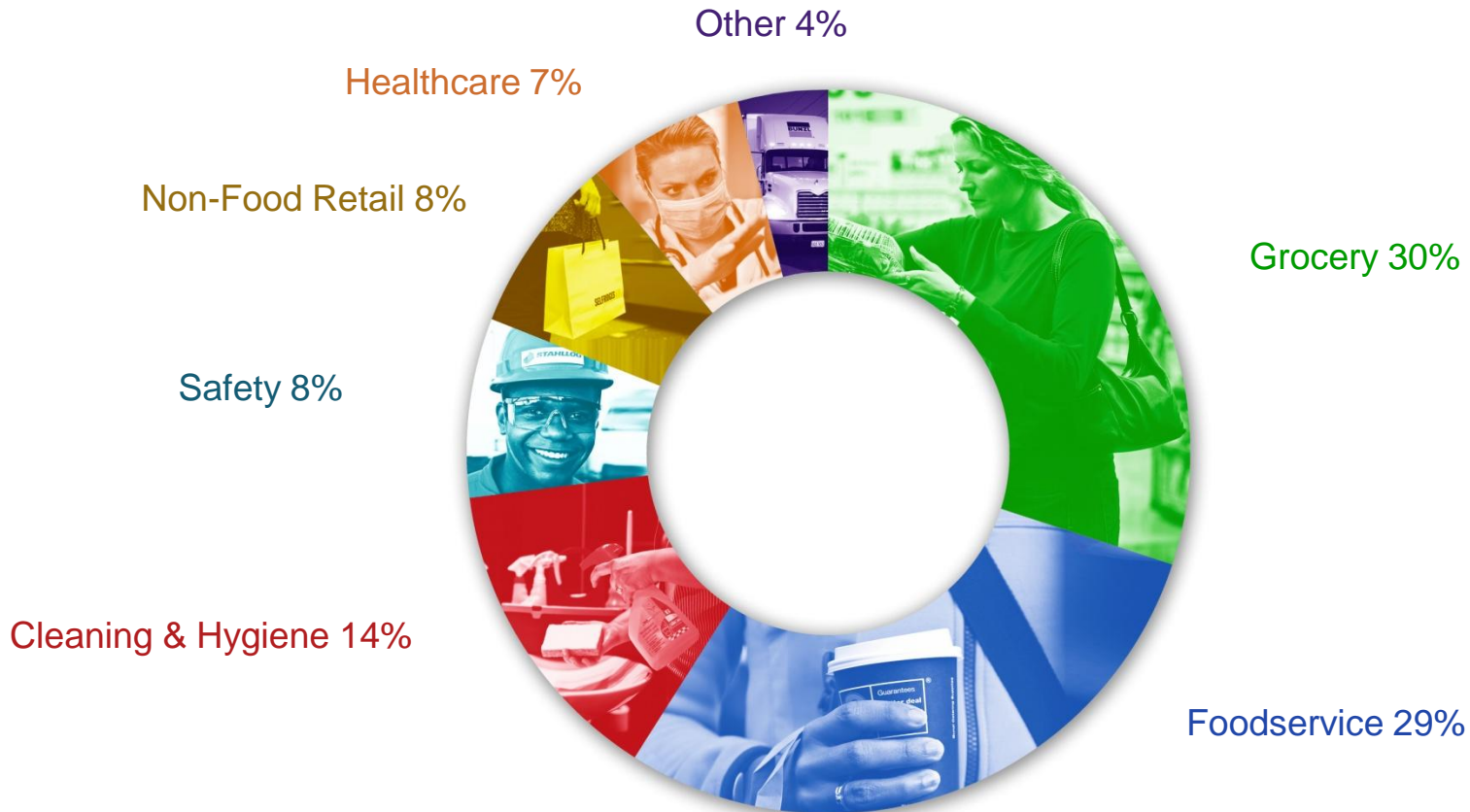
## Appendix 4 - Exchange Rates

	<b>June 2012</b>	December 2011	June 2011
<u>Average rate</u>			
US\$	<b>1.58</b>	1.60	1.62
€	<b>1.22</b>	1.15	1.15
 <u>Closing rate</u>			
US\$	<b>1.57</b>	1.55	1.61
€	<b>1.24</b>	1.20	1.11





## Appendix 5 - 2011 Markets We Serve



**Diversified by customer markets – 80% resilient**



## Appendix 6 - Historical Data

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Revenue (£m)</b>	1,783	2,129	2,231	2,276	2,439	2,924	3,333	3,582	4,177	4,649	4,830	5,109
<b>Operating profit* (£m)</b>	117	147	152	158	169	203	226	243	281	296	307	336
<b>Margin* (%)</b>	6.6	6.9	6.8	6.9	6.9	7.0	6.8	6.8	6.7	6.4	6.4	6.6

*\*Before intangible amortisation and acquisition related costs  
00-03 UK GAAP; 04 onwards IFRS  
00-05 continuing operations only*

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