News Release

27 August 2024

FINANCIAL REPORT FOR SIX MONTHS ENDED 30 JUNE 2024
Full year profit upgrade, record year for acquisitions and three-year capital allocation commitment with an initial £250 million share buyback

Bunzl plc, the specialist international distribution and services Group, today publishes its financial report for the six months ended 30 June 2024.

Financial results	H1 24	H1 23	Growth as reported	Growth at constant exchange*
Revenue	**£5,711.5m**	£5,906.8m	(3.3)%	(0.4)%
Adjusted operating profit*	**£455.5m**	£438.3m	3.9%	7.4%
Adjusted profit before income tax*	**£408.7m**	£395.6m	3.3%	6.7%
Adjusted earnings per share*	**90.8p**	88.3p	2.8%	6.2%
Interim dividend	**20.1p**	18.2p	10.4%	
Statutory results				
Operating profit	**£349.6m**	£359.8m	(2.8)%	
Profit before income tax	**£279.4m**	£317.1m	(11.9)%	
Basic earnings per share	**59.2p**	70.8p	(16.4)%	

Highlights include:

- Revenue declined by 0.4% at constant exchange rates*; with underlying revenue trends improving in the second quarter, with further improvement in July and August
- Adjusted operating profit* increased by 7.4% at constant exchange rates, reported operating profit declined by 2.8%
- Strong increase in operating margin* from 7.4% to 8.0%
- Adjusted earnings per share* increased by 6.2% at constant exchange rates, reported basic earnings per share declined by 16.4%, largely due to the currency translation driven loss related to the disposal of our business in Argentina
- Continued strong free cash flow* driven by excellent cash conversion of 100%
- Interim dividend per share grew by 10.4%, extending 31 consecutive years of annual dividend growth. Expected dividend cover in 2024 of 2.65 times, with further normalisation in 2025
- Seven acquisitions announced August year-to-date, including PowerVac announced today; annual committed acquisition spend so far this year is already over £650 million
- 2024 outlook: adjusted operating profit guidance upgraded, driven by improved margin performance and acquisitions
- Commitment to allocate c.£700 million per annum primarily towards value-accretive acquisitions and, if required, return of capital, in each of the three years ending 31 December 2027
- Recognising the Group's strong balance sheet, the Board has today announced an initial £250 million share buyback that will commence with immediate effect, to be completed no later than 3 March 2025. The Board expects to announce a further share buyback at its 2024 preliminary results of c.£200 million

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

"I am very pleased with the performance of the Group during the first half of 2024, with strong growth in adjusted operating profit for the period. We have significantly increased the Group's operating margin in recent years to 8%, driven by good margin management, including increased own brand penetration, and the impact of recently acquired businesses. In 2024 our committed acquisition spend is already at a record high of over £650 million. Consistent strong performance means Bunzl has generated around £2.9bn of free cash flow between 2019 and 2023, significantly strengthening our balance sheet. Despite a material increase in the amount of capital we have allocated towards self-funding value-accretive acquisitions, our consistently strong cash generation means that leverage has remained below our target range for some time. Our acquisition pipeline remains active and our runway of opportunity is substantial. Today the Group is in an excellent position to pursue our pipeline of value-accretive acquisitions within the very large and fragmented global markets that we operate in, and also return excess cash to shareholders. We are committing to steadily return leverage to our target range by the end of 2027, and therefore announce a substantial share buyback that will commence with immediate effect.

I remain confident that the resilience of our business model, the diversification of our portfolio across sectors and regions, and the consistent focus on our strategic priorities will continue to support the Group's performance and maintain our strong track record of value creation."

* Alternative performance measure (see Note 2).

Strategic progress:

- Strong increase in first half operating margin, supported by good margin management, including increasing penetration of own brands and the impact of higher margin acquisitions
- Seven acquisitions announced August year-to-date, across multiple sectors and geographies, including our first entry into Finland. Annual committed spend so far this year is already over £650 million, highlighting the breadth of Bunzl's opportunity
- Continued optimisation of our portfolio through the disposal of two small businesses; a safety business in Argentina in March and a business which supplies incontinence products in Germany in July
- Driving operating efficiencies with 13 warehouse relocations and consolidations in the first half of the year, along with further investments into digital solutions and automation
- Processed 73% of orders digitally compared to 71% in the first half of 2023, supporting customer retention and enhancing operational efficiency

Business area highlights:

	Revenue (£m)		Growth at constant exchange*	Underlying revenue growth*	Operating profit* (£m)		Growth at constant exchange*	Operating margin*	
	H1 24	H1 23			**H1 24**	H1 23		**H1 24**	H1 23
North America	**3,234.8**	3,514.4	(5.1)%	(6.4)%	**239.1**	245.6	0.3%	**7.4%**	7.0%
Continental Europe	**1,186.9**	1,179.1	3.8%	(3.4)%	**106.7**	106.8	3.0%	**9.0%**	9.1%
UK & Ireland	**689.1**	663.8	4.1%	(5.6)%	**52.6**	44.7	18.2%	**7.6%**	6.7%
Rest of the World	**600.7**	549.5	15.1%	2.2%	**73.0**	57.1	35.9%	**12.2%**	10.4%

- **North America:** underlying revenue decline driven by deflation; volume reductions in our US foodservice redistribution business as we increased our own brand penetration; and the expected impact from transitioning ownership of customer specific inventory in our US retail business. Strong operating margin increase supported by good margin management, including meaningful expansion of own brands
- **Continental Europe:** revenue growth at constant exchange rates was driven by the contributions from acquisitions. Underlying revenue was impacted by deflation, which is expected to be temporary
- **UK & Ireland:** underlying revenue decline was mainly driven by deflation, which is expected to be temporary, and soft volumes particularly in the grocery and foodservice sectors. Strong operating margin increase driven by the continued focus on good margin management
- **Rest of the World:** underlying revenue increased moderately, mainly driven by volume growth in Latin America across most businesses, and some inflation benefits and volume growth in Asia Pacific. Very strong operating margin increase driven by the positive contribution from acquisitions and good margin management

Outlook

Given our performance year to date, we are upgrading our 2024 adjusted operating profit guidance, as a result of further operating margin growth:

- We expect adjusted operating profit in 2024 to show a strong increase in comparison with 2023, at constant exchange rates, mainly driven by an increase in the Group operating margin due to good margin management (including increased own brand penetration) and positive contributions from acquisitions
- Group operating margin is now expected to be moderately above the level reported for 2023
- We continue to expect to deliver robust revenue growth in 2024, at constant exchange rates, driven by acquisitions already completed in 2024; with a small decline in underlying revenue
- Other aspects of our full year 2024 guidance, which exclude the impact of the share buyback announced today, are: (1) the full year effective tax rate is now expected to be around 25.5% in 2024; (2) the Group now expects net finance expenses in 2024 to be around £100 million; (3) expected dividend cover in 2024 of 2.65 times; and (4) weighted average number of shares are expected to be around 335.5m

* Alternative performance measure (see Note 2).

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Note: A live webcast of today's presentation to analysts will be available on www.bunzl.com, commencing at 9.30 am.

2024 HALF YEAR RESULTS

Overview

Bunzl has performed very well in this period. We have once again achieved strong adjusted operating profit growth, driven by a significant expansion in our operating margin compared to the first half of last year and maintaining the record operating margin level we achieved for the full year 2023. This was the result of our team's dedication to driving margin management initiatives, such as increasing the penetration of our own brand products, which is now at 27%, and achieving operational efficiencies. At the same time, our operating margin has benefitted from the contributions of acquisitions with higher margins than the Group average over recent years.

Bunzl's operating companies have consistently focused on expanding their value-added services to customers, supporting organic growth, customer retention, and margin opportunities. 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. We continue to collaborate with our strategic third-party branded supplier partners to provide unparalleled choice for our customers.

Our strategy remains focused on organic growth and operational improvements as we simultaneously develop the business through acquisitions. The Group has announced seven acquisitions August year-to-date, including PowerVac announced today, with committed spend so far this year already over £650 million, exceeding the previous high of £616 million achieved in 2017. Overall, the range of acquisitions announced, across seven countries and five sector verticals, demonstrates the depth of opportunity that Bunzl has for further acquisition growth. The continued consolidation of its fragmented end markets is a key driver of future growth for the Group.

Bunzl is focused on disciplined portfolio management, and the Group has optimised its portfolio by disposing of two small businesses so far this year with annualised revenue of only 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.

Operating performance

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

Revenue

Revenue declined by 0.4% to £5,711.5 million. Acquisition related revenue growth of 3.7% and a 0.8% benefit from an additional trading day in the period were offset by an underlying revenue decline of 4.9%. Organic revenue decline, which is not adjusted for the impact of the number of trading days during the period, was 4.1%. The decline in revenue was mainly driven by deflation across North America, Continental Europe and the UK & Ireland; volume softness in our US foodservice redistribution business as we made strategic changes to increase our own brand penetration; and the expected impact from transitioning ownership of customer specific inventory in our US retail business. There was no material revenue impact from the disposal of our business in Argentina.

As expected, there was an improvement in volumes throughout the period and the Group saw further revenue improvement trends in July and August.

The sector performance is outlined below:

Safety, cleaning & hygiene and healthcare - total organic revenue in the safety, cleaning & hygiene and healthcare businesses saw a 0.8% decline over the period. Our safety businesses have seen a small impact from deflation. Increased infrastructure spend in North America is a potential medium term support for our safety businesses. The cleaning & hygiene sector saw some volume growth throughout the period, however, deflation more than offset this leading to a small organic revenue decline. Organic revenue in our healthcare businesses was broadly flat with volume growth offset by deflation.

Grocery and other sectors - total organic revenue in the grocery and other sectors declined by 2.9%, mainly driven by deflation and volume softness with some of our larger customers.

Foodservice and retail - the foodservice and retail businesses combined saw organic revenue decline by 7.6% compared to the prior year period. Deflationary pressures contributed a large part of the decline. In addition, there was volume softness in our US foodservice redistribution business as we made strategic changes to increase our own brand penetration. As expected, there was some improvement in volumes throughout the period. The retail sector saw a decline in revenues as expected, mainly in North America, primarily from transitioning ownership of customer specific inventory to certain customers.

Profit and earnings

Adjusted operating profit was £455.5 million, an increase of 7.4%. Operating margin increased to 8.0% compared to 7.4% in the first half of 2023, supported by good margin management, including increasing penetration of own brands, the benefit of higher margin acquisitions, and pursuing operational efficiencies. Reported operating profit was £349.6 million, an increase of 0.4%.

The effective tax rate of 25.5% was higher than the 25.2% in the prior period, reflecting the increase in the UK statutory tax rate from 23.5% for calendar year 2023 to 25.0% for 2024.

Adjusted earnings per share were 90.8p, an increase of 6.2%, and basic earnings per share were 59.2p, a decrease of 13.6%, largely due to the currency translation loss related to the disposal of our business in Argentina.

Cash and returns

The Group's cash generation continues to be strong, with 100% cash conversion (operating cash flow as a percentage of lease adjusted operating profit) ahead of our 90% target.

Compared to the first half of 2023, free cash flow increased by 8.4% at actual exchange rates, to £310.4 million, with a very strong increase in operating cash flow partially offset by a higher cash outflow relating to income tax and interest paid. 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.

Returns remained strong with return on average operating capital of 45.3% (46.1% at 31 December 2023), while return on invested capital was 15.3% (15.5% at 31 December 2023).

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. Our colleagues have continued to provide our customers with innovative products and services, with a particular focus on our sustainability offering. We have also focused on 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.27%, compared to c.25% in full year 2023.

We have further increased the proportion of digital sales, which accounted for 73% of orders over the period compared to 71% in the first half of 2023. To improve efficiency of our processes we have continued to implement new technologies and automation.

Pursuing operating efficiencies remains an important part of our strategy to reduce the impact of operating cost inflation. Operating costs were impacted by inflation in North America, Continental Europe and UK & Ireland, mainly driven by lease renewals which remained high. However, we have been able to partially offset the increase through further optimisation of our warehouse footprint with the consolidation of nine warehouses and the relocation of an additional four. Wage inflation increased in all business areas in comparison with the prior year period, but was manageable.

Acquisitions

During the first half of the year, Bunzl announced six acquisitions and completed one additional acquisition, with one further acquisition announced today, PowerVac, bringing total committed spend to over £650 million. The seven acquisitions announced August year-to-date are across seven countries and five sector verticals, including our first entry into Finland, which further extends our business in the Nordics where we already have a strong presence.

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 omnichannel distributor of catering equipment and consumables based in the UK • 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)

*In addition to the above acquisitions, one small acquisition was completed in the first half of 2024 with a revenue of £12 million for the year ending April 2024.

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 period. 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.

Capital allocation and shareholder returns

Our capital allocation priorities remain unchanged and focused on the following: (1) to invest in the business to support organic growth and operational efficiencies; (2) to pay a progressive dividend; (3) to self-fund value-accretive acquisitions; and (4) to distribute excess cash. Between 2004 and 30 June 2024, Bunzl has returned £2.3 billion to shareholders through dividends and has committed £5.8 billion in acquisitions to support a growth strategy that has delivered an annual adjusted earnings per share CAGR between 2004 and 2023 of c.10%.

Reinvesting cash into the business to support organic growth and operational efficiencies remains our key priority. The Group also remains committed to ensuring sustainable dividend growth. The Board is recommending an interim dividend of 20.1p, 10.4% higher than the prior year period, following on from the Group's 31st consecutive year of annual dividend growth in 2023. Dividend cover in 2024 is expected to reduce to around 2.65 times, with further normalisation of dividend cover in 2025 to between 2.5 and 2.6 times in order to enhance returns for shareholders.

The strength of Bunzl's performance in recent years has resulted in low leverage compared to an adjusted net debt to EBITDA target of 2.0 to 2.5 times. This is despite a step change in the level of value-accretive acquisition spend in recent years, and the record committed spend already achieved in 2024. At 30 June 2024, the Group had an adjusted net debt balance of c.£1.7 billion, which excludes lease liabilities and includes total deferred and contingent consideration, with an adjusted net debt to EBITDA ratio of 1.5 times. The Group is today committing to measures which are intended to steadily return it to its target leverage range by the end of 2027.

As a highly cash-generative business, Bunzl is expected to have significant capacity to continue its proven strategy of completing value-accretive acquisitions, and its acquisition pipeline remains active within the very large and fragmented global markets that it operates in. Aligned to Bunzl's disciplined capital allocation policy, and supported by strong free cash flow generation, Bunzl has today committed to allocate c.£700 million per annum, primarily to invest in value-accretive acquisitions and, if required, returns of capital, in each of the three years ending 31 December 2027. If at the end of each year, the total committed spend on value-accretive acquisitions is below £700 million, the Group will return the remainder to shareholders through a capital return in the following year.

In addition, and recognising the Group's strong balance sheet, the Board has today announced an initial £250 million share buyback that will commence with immediate effect, to be completed no later than 3 March 2025, coinciding with the date of Bunzl's preliminary results for the year ended 31 December 2024. The Board expects to announce a further share buyback at its 2024 preliminary results of c.£200 million.

BUSINESS AREA REVIEW

North America

57% of revenue and 51% of adjusted operating profit†*

	H1 24 £m	H1 23 £m	Growth at constant exchange*	Underlying growth*
Revenue	**3,234.8**	**3,514.4**	(5.1)%	(6.4)%
Adjusted operating profit*	**239.1**	**245.6**	0.3%	
Operating margin*	**7.4%**	**7.0%**		

* Alternative performance measure (see Note 2)

†Based on adjusted operating profit and before corporate costs (see Note 3)

In North America, revenue declined 5.1% to £3,234.8 million with underlying revenue declining by 6.4%. The decline in underlying revenue is driven by deflation; volume reductions in our foodservice redistribution business as explained previously; and the expected impact from transitioning ownership of customer specific inventory in our retail business to certain customers in early 2023. As expected, there was an improvement in volumes throughout the period. Despite the revenue decline, adjusted operating profit increased by 0.3%, to £239.1 million with operating margin at 7.4%, up from 7.0% in the prior year period. This was driven by strong margin growth in our grocery segment, largely driven by continued own brand expansion as well as margin enhancement initiatives in our safety segment, which more than offset operating cost inflation.

Our business which supports the US grocery sector declined moderately, primarily due to price deflation. Volumes declined slightly, although were supported by a significant new business win commencing late in the period, the benefit of which will accelerate through the remainder of the year. Good margin management, as well as continued strong growth in own brands, drove overall improvement in operating margin and profits. Our convenience store sector revenues declined, though delivered good growth in both operating margins and profits.

Our foodservice redistribution business declined, with deflationary pressures contributing a large part of the decline. Deflationary pressure also increased price competition, which alongside strategic changes in the business to drive more own brand penetration, resulted in lower volumes. As expected, there was some improvement in volumes throughout the period.

Our food processor sector revenues declined, primarily as a result of price deflation, though operating margins were slightly higher, keeping profit steady. Our businesses serving the agriculture sector saw some revenue and operating profit declines, mainly driven by product cost deflation.

In the cleaning & hygiene sector, revenues declined moderately, as price deflation was offset in part by growth in own brand product categories.

Revenue in our retail supplies business declined primarily from transitioning ownership of customer specific inventory to certain customers in early 2023. However, adjusted operating profit improved significantly as a result of a continued favourable mix shift toward higher margin packaging and value-added services, increased own brands and well-controlled operating costs.

Revenue in our safety business declined moderately, primarily caused by price deflation, as well as increased competitive pressure in some categories. Operating margins and operating profit improved as a result of strong margin management.

Finally, our business in Canada grew slightly, driven by acquisitions. Underlying revenues declined, primarily due to price deflation and some volume loss in packaging categories. As we have seen across our businesses, strong margin management and increased own brand penetration improved operating profit and margins, further supported by acquisition growth.

Continental Europe

21% of revenue and 23% of adjusted operating profit†*

	H1 24 £m	H1 23 £m	Growth at constant exchange*	Underlying growth*
Revenue	**1,186.9**	**1,179.1**	3.8%	(3.4)%
Adjusted operating profit*	**106.7**	**106.8**	3.0%	
Operating margin*	**9.0%**	**9.1%**		

* Alternative performance measure (see Note 2)

†Based on adjusted operating profit and before corporate costs (see Note 3)

Revenue in Continental Europe grew by 3.8% to £1,186.9 million, driven by the benefit of acquisitions. Underlying revenue was impacted by deflation, which is expected to be temporary, and declined by 3.4%. Adjusted operating profit increased by 3.0% to £106.7 million, with a slight decrease in operating margin from 9.1% to 9.0%, as good margin management was broadly offset by the combined impact of selling price deflation and operating cost inflation. Overall revenue and adjusted operating profit growth were driven by the positive contributions from acquisitions made in 2023 and in the first half of 2024.

In France, revenues in our cleaning & hygiene businesses declined as some volume growth was more than offset by price deflation. We have continued to invest in developing our operations with the introduction of a new Warehouse Management System in one of the branches and will roll this out to other branches in the second half of the year, to further increase productivity. Our safety business grew revenue through achieving strong growth with their larger customers and one of the warehouses was consolidated to drive operating efficiency. Revenue declined in our foodservice specific businesses with domestic customers, although this was partly offset by growth with export customers.

Sales in Spain grew, driven by strong volumes in our cleaning & hygiene and packaging businesses. Growth was driven by new customers and new product ranges in the packaging business. The 2023 acquisitions of Dimasa and La Cartuja have been successfully merged into the cleaning & hygiene business. Our safety redistribution business acquired in 2023 is performing well, but revenue in our online healthcare businesses decreased with deflation more than offsetting volume growth.

In the Netherlands, revenue in our foodservice business declined moderately, but the business has managed its margins well. We saw some growth in one of our packaging businesses despite deflation taking effect. Our grocery and retail businesses have been particularly impacted by deflation. We have made good progress with a number of digital tools to support the businesses both from a customer facing and internal efficiencies perspective.

In Belgium, our cleaning & hygiene businesses have achieved some revenue growth, through volume growth in healthcare and public sector channels. In Germany, our foodservice business has grown sales with good volume growth from new customers. We have also merged the back office and administrative support of our smaller cleaning & hygiene business into the foodservice business to drive operational benefits. Our online cleaning & hygiene business has grown strongly whilst also improving productivity and increasing product margins.

In Denmark, revenue in our safety business has grown due to increased activities from customers in the shipping and pharmaceutical sectors whilst the other business sectors experienced product cost deflation and therefore reduced sales.

In Turkey, volumes have declined as we continue to focus on business that can be profitable in a hyperinflationary environment, while our small businesses in Israel have seen a slight reduction in sales.

We have continued to increase our digital capabilities and once again increased the percentage of digital orders from customers with new platforms to support an improved customer experience, whilst also enhancing the efficiency of our business with demand and product management tools.

UK & Ireland

12% of revenue and 11% of adjusted operating profit[*†]*

	H1 24 £m	H1 23 £m	Growth at constant exchange*	Underlying growth*
Revenue	**689.1**	**663.8**	4.1%	(5.6)%
Adjusted operating profit*	**52.6**	**44.7**	18.2%	
Operating margin*	**7.6%**	**6.7%**		

* Alternative performance measure (see Note 2)

† Based on adjusted operating profit and before corporate costs (see Note 3)

In UK & Ireland, revenue increased by 4.1% to £689.1 million due to the impact of acquisitions, most notably the additional sales from Nisbets which was acquired in late May, which more than offset a decline of 5.6% in our underlying businesses. The reduction in underlying sales reflects price deflation, mainly in the second quarter, and softer volumes particularly in the grocery and foodservice sectors. Despite the challenging sales environment, the businesses generated a significant increase in operating margin which improved from 6.7% to 7.6%, with adjusted operating profit increasing by 18.2% to £52.6 million. This was driven by the acquisition of Nisbets, and continued focus on good margin management.

Our cleaning & hygiene and care businesses saw deflation across some key product categories but were able to partly mitigate the impact on revenue through additional customer wins and the delivery of new categories into existing accounts. Our strong value proposition to customers based on carbon forecasting tools, new environmentally friendly products and labour-saving cleaning technologies continues to be attractive to both existing and prospective customers, and contributed to significant growth in operating margins in the period.

The safety businesses experienced a slight decline in revenues in the first half. However, our businesses have been successful in winning several new contracts, the benefit of which will come through in the second half of the year. Work continues in developing a strong sustainable range of own brand products as demand in this area grows. The business has continued to invest in new operationally efficient locations to deliver outstanding levels of service to customers.

Our grocery and non-food retail businesses saw a reduction in revenues due to our customers experiencing softer demand from consumers in addition to product price deflation. However, contract renewals with some significant grocery customers position us well to benefit from an upturn in this market. Our work with sister companies abroad to provide pick and pack services in-house enhances the levels of service we can offer to international customers and provides growth opportunities. We secured some new customer wins in both our national online and regional packaging businesses and benefited from several product sourcing initiatives.

Our foodservice businesses saw a year-on-year decline in sales due to deflation across most product categories. Despite the challenging environment, our businesses delivered year-on-year operating profit growth as a result of strong margin management and control of costs. Some key customer contract renewals demonstrated our strong sustainability offering, including our ability to provide sustainable and innovative product alternatives. Our catering solutions business delivered good operating profit growth on the back of new remote asset monitoring services and the benefits of investing in an engineering training academy.

Our businesses in Ireland experienced difficult trading conditions, particularly in the foodservice and retail segments, which combined with price deflation in key products led to a decline in revenue in the first half versus 2023. We continue to use our data insights to offer innovative solutions such as predictive ordering to forge stronger relationships with our customers. Continued investments in our operations, including the enhancements made to our warehouse management systems, led to significant productivity benefits in the warehouse and transport savings.

Rest of the World

10% of revenue and 15% of adjusted operating profit†*

	H1 24 £m	H1 23 £m	Growth at constant exchange*	Underlying growth*
Revenue	**600.7**	**549.5**	15.1%	2.2%
Adjusted operating profit*	**73.0**	**57.1**	35.9%	
Operating margin*	**12.2%**	**10.4%**		

* Alternative performance measure (see Note 2)

†Based on adjusted operating profit and before corporate costs (see Note 3)

In Rest of the World, revenue increased 15.1% to £600.7 million, mainly driven by acquisitions, with underlying revenue growth increasing by 2.2% driven by volume growth in Latin America across most businesses, and some inflation benefits and volume growth in Asia Pacific. Overall, the Rest of World's adjusted operating profit grew by 35.9% to £73.0 million with operating margin increasing from 10.4% to 12.2%, driven by positive contributions from acquisitions and good margin management.

In Brazil, our safety businesses showed good growth mainly due to new contract wins and increasing volumes with existing customers. Our healthcare businesses grew sales and margins as improvement measures taken on our private label import business began to take effect. Our hygiene businesses had a strong first half, mainly due to the positive contribution from an acquisition which also benefitted margins. Finally, our foodservice business also had a strong half as the business benefitted from new customer wins and gaining wallet share with existing customers, which yielded sales growth and had a positive impact on margins.

In Chile, our safety businesses saw flat sales and pressured margins due to product cost deflation. However, our foodservice business managed good organic growth following operational improvement measures implemented at the start of the year.

Bunzl Australia and New Zealand, our largest business in Asia Pacific, performed well. We have also experienced a return to sales growth in our key market segment of healthcare as both government and private sectors recommenced purchasing after utilising excess inventory in the previous year. Our continued focus on inventory and margin management has resulted in strong margins and strong profit growth.

Our med-tech business and specialist healthcare operations in Australia and New Zealand have benefited from an increase in operations in hospitals and aged care facilities.

Our Australian safety business delivered strong sales growth in its direct to end user division across the resource sector and government customers. The redistribution business has been impacted by customers being more conservative with their inventory levels and increased competition for a share of these lower stock levels.

Our emergency services business has benefited from converting several large government opportunities in the early months of this year. The business has been highly successful in delivering sales as well as increasing current and future service opportunities.

FINANCIAL REVIEW

As in previous years this review refers to a number of alternative performance measures which management uses to assess the performance of the Group. Details of the Group's alternative performance measures are set out in Note 2 to the interim financial statements.

Currency translation

Currency translation had a negative impact on the Group's reported results, decreasing revenue, profits and earnings by between c3% and c4%. The negative exchange rate impact was principally due to the effect on average exchange rates of the strengthening of sterling against the US dollar, Euro, Canadian dollar, Brazilian real and Australian dollar.

Average exchange rates	Six months to 30.6.24	Six months to 30.6.23
US$	**1.27**	1.23
Euro	**1.17**	1.14
Canadian$	**1.72**	1.66
Brazilian real	**6.43**	6.25
Australian$	**1.92**	1.83

Closing exchange rates	30.6.24	30.6.23
US$	**1.26**	1.27
Euro	**1.18**	1.17
Canadian$	**1.73**	1.68
Brazilian real	**7.02**	6.13
Australian$	**1.89**	1.91

Revenue

Revenue declined to £5,711.5 million (2023 H1: £5,906.8 million), a decrease of 0.4% at constant exchange rates (down 3.3% at actual exchange rates), due to an underlying decline of 4.9% partly offset by acquisitions net of disposals adding 3.7%. The additional trading day in the first half of 2024 compared to 2023 and excess growth in hyperinflationary economies added 0.8%. The decline in underlying revenue in the first half of the year was mainly driven by deflation across North America, Continental Europe and the UK & Ireland; volume softness in our US foodservice redistribution business as we made strategic changes to increase our own brand penetration; and the expected impact from transitioning ownership of customer specific inventory in our US retail business.

Movement in revenue	£m
2023 H1 revenue	5,906.8
Currency translation	(170.4)
Impact of additional trading day	45.1
Excess growth in hyperinflationary economies	6.9
Underlying decline	(284.5)
Acquisitions net of disposals	207.6
2024 H1 revenue	**5,711.5**

Operating profit

Adjusted operating profit grew to £455.5 million (2023 H1: £438.3 million), an increase of 7.4% at constant exchange rates and 3.9% at actual exchange rates. At both constant and actual exchange rates the operating margin increased to 8.0% from 7.4%.

During the six months to 30 June 2024, the Group has seen a net utilisation of approximately £10 million in slow moving inventory and trade receivables provisions, with usage of these provisions exceeding net charges to increase the provisions.

Movement in adjusted operating profit	£m
2023 H1 adjusted operating profit	438.3
Currency translation	(14.0)
Increase in hyperinflation accounting adjustments	(2.3)
Growth in the period	33.5
2024 H1 adjusted operating profit	**455.5**

Operating profit was £349.6 million (2023 H1: £359.8 million), an increase of 0.4% at constant exchange rates (down 2.8% at actual exchange rates).

Movement in operating profit	£m
2023 H1 operating profit	359.8
Currency translation	(11.6)
Increase in hyperinflation accounting adjustments	(2.3)
Growth in adjusted operating profit	33.5
Non-recurring pension scheme gain	3.2
Increase in customer relationships, brands and technology amortisation and acquisition related items through operating profit	(33.0)
2024 H1 operating profit	**349.6**

Customer relationships, brands and technology amortisation, acquisition related items through operating profit and the non-recurring pension scheme gain are excluded from the calculation of adjusted operating profit as they do not relate to the trading performance of the business. Accordingly, these items are not taken into account by management when assessing the results of the business and are removed in calculating adjusted operating profit and other alternative performance measures by which management assesses the performance of the Group.

Net finance expense

The net finance expense of £47.1 million increased by £5.8 million at constant exchange rates (up £4.4 million at actual exchange rates), mainly due to increases in lease interest expense and interest rates on floating debt, partially offset by lower average debt during the period.

Disposal of business

The loss on disposal of business of £23.1 million relates to the disposal of the Group's business in Argentina, which completed on 14 March 2024. The loss on disposal reflects the cash consideration received of £1.0 million offset by the net book value of assets disposed of £4.8 million and recycling of historical foreign exchange losses of £19.3 million held in the translation reserve within equity, which have been impacted by the devaluation of the Argentinian Peso due to hyperinflation. There was no material impact from the disposal of our Argentina business on the Group's trading performance.

Profit before income tax

Adjusted profit before income tax was £408.7 million (2023 H1: £395.6 million), up 6.7% at constant exchange rates (up 3.3% at actual exchange rates) due to the increase in adjusted operating profit partly offset by the increase in adjusted net finance expense. Profit before income tax declined to £279.4 million (2023 H1: £317.1 million), a decrease of 9.0% at constant exchange rates (down 11.9% at actual exchange rates) mainly due to the loss on disposal of business and increase in net finance expense.

Taxation

The Group's tax strategy is to comply with tax laws in all countries in which it operates and to balance its responsibilities for controlling the tax costs with its responsibilities to pay the appropriate level of tax where it does business. No companies are established in tax havens or other countries for tax purposes where the Group does not have an operational presence and the Group's de-centralised operational structure means that the level of intragroup trading transactions is very low. The group does not use intragroup transfer prices to shift profit into low tax jurisdictions. The

Group's tax strategy has been approved by the Board and tax risks are reviewed by the Audit Committee. In accordance with UK legislation, the strategy is published on the Bunzl plc website within the Investors section.

The effective tax rate (being the tax rate on adjusted profit before income tax) for the period was 25.5% (2023 H1: 25.2%) and the reported tax rate on statutory profit was 28.9% (2023 H1: 25.2%). The increase in effective tax rate for the Group reflects the increase in UK statutory tax rate from 23.5% for calendar year 2023 to 25.0% for year 2024. The effective tax rate for the full year is likely to be similar to the half year.

The Group is subject to the global minimum tax regime known as Pillar 2 and any additional taxes from this are included within the income tax expense. No significant tax liabilities, however, are expected from Pillar 2 taxes.

Earnings per share

Adjusted profit after tax was £304.5 million (2023 H1: £295.9 million), up 6.3% and an increase of £18.0 million at constant exchange rates (up 2.9% at actual exchange rates), due to a £25.7 million increase in adjusted profit before income tax and a £7.7 million increase in the tax on adjusted profit before income tax at constant exchange rates. Adjusted profit after tax for the year bears a £5.9 million adverse impact from hyperinflation accounting adjustments (2023 H1: £5.0 million adverse impact), comprising a £6.0 million adverse impact to adjusted profit before tax (2023 H1: £4.7 million adverse impact) and a £0.1 million decrease in the tax charge (2023 H1: £0.3 million increase).

Profit after tax decreased to £198.7 million (2023 H1: £237.2 million), down 13.5% and a decrease of £30.9 million at constant exchange rates (down 16.2% at actual exchange rates), due to a £27.5 million decrease in profit before income tax and a £3.4 million increase in the tax charge at constant exchange rates. Profit after tax for the year bears a £23.1 million loss on disposal of business (2023 H1: nil) and a £6.0 million adverse impact from hyperinflation accounting adjustments (2023 H1: £5.1 million adverse impact).

The weighted average number of shares in issue increased from 335.1 million in the period ended 30 June 2023 to 335.4 million due to employee share option exercises partly offset by share purchases into the employee benefit trust.

Adjusted earnings per share were 90.8p (2023 H1: 88.3p), an increase of 6.2% at constant exchange rates (up 2.8% at actual exchange rates). Basic earnings per share were 59.2p (2023 H1: 70.8p), down 13.6% at constant exchange rates (down 16.4% at actual exchange rates).

Movement in adjusted earnings per share	**Pence**
2023 H1 adjusted earnings per share	88.3
Currency translation	(2.8)
Increase in adjusted profit before income tax excluding hyperinflation accounting adjustments	6.3
Increase in hyperinflation accounting adjustments	(0.7)
Increase in effective tax rate	(0.2)
Increase in weighted average number of shares	(0.1)
2024 H1 adjusted earnings per share	**90.8**

Movement in basic earnings per share	**Pence**
2023 H1 basic earnings per share	70.8
Currency translation	(2.3)
Increase in adjusted profit before income tax excluding hyperinflation accounting adjustments	6.3
Increase in adjusting items	(13.5)
Increase in hyperinflation accounting adjustments	(0.7)
Increase in reported tax rate	(1.2)
Increase in weighted average number of shares	(0.2)
2024 H1 basic earnings per share	**59.2**

Dividends

The Company's practice in recent years has been to pay a progressive dividend, delivering year-on-year increases. The Board is proposing a 2024 interim dividend of 20.1p, an increase of 10.4% on the amount paid in relation to the 2023 interim dividend.

Before approving any dividends, the Board considers the level of borrowings of the Group by reference to the ratio of net debt to EBITDA, the ability of the Group to continue to generate cash and the amount required to invest in the business, in particular into future acquisitions. The Group's long-term track record of strong cash generation provides the Company with the financial flexibility to fund a growing dividend.

Acquisitions

The Group completed six acquisitions during the period ended 30 June 2024 with a total committed spend of £585.6 million. Including the acquisition of RCL Implantes in Brazil, which was agreed in the first half of 2024 but completed on 3 July 2024, total committed spend on acquisitions agreed during the period was £651.3 million. The estimated annualised revenue and adjusted operating profit of the acquisitions agreed during the period were £624 million and £61 million respectively.

A summary of the effect of acquisitions completed in the period is as follows:

	£m
Fair value of net assets acquired	327.9
Provisional goodwill	214.9
Consideration	542.8
Satisfied by:	
cash consideration	443.6
deferred consideration	99.2
	542.8
Contingent payments relating to the retention of former owners	52.4
Interest on unwinding of discounting deferred consideration	15.1
Net cash acquired	(41.3)
Transaction costs and expenses	16.6
Total committed spend in respect of acquisitions completed in the current period	**585.6**
Spend on acquisitions committed but not completed at the period end	65.7
Total committed spend in respect of acquisitions agreed in the current period	**651.3**

The net cash outflow in the period in respect of acquisitions comprised:

	£m
Cash consideration	443.6
Net cash acquired	(41.3)
Deferred consideration payments	11.7
Net cash outflow in respect of acquisitions	414.0
Acquisition related items*	25.2
Total cash outflow in respect of acquisitions	**439.2**

*Acquisition related items comprised £11.7 million of transaction costs and expenses paid and £13.5 million of payments relating to the retention of former owners.

Cash flow

A summary of the cash flow for the period is shown below:

	Six months to 30.6.24 £m	Six months to 30.6.23 £m
Cash generated from operations†	**564.2**	514.6
Payment of lease liabilities	**(103.2)**	(91.9)
Net capital expenditure	**(18.2)**	(25.4)
Operating cash flow†	**442.8**	397.3
Net interest paid excluding interest on lease liabilities	**(33.9)**	(29.7)
Income tax paid	**(98.5)**	(81.3)
Free cash flow	**310.4**	286.3
Dividends paid	**(61.0)**	(57.9)
Net payments relating to employee share schemes	**(53.6)**	(48.8)
Net cash inflow before acquisitions	**195.8**	179.6
Acquisitions◊ net of disposals	**(438.6)**	(95.7)
Net cash inflow on net debt excluding lease liabilities	**(242.8)**	83.9

† Before acquisition related items.
◊ Including acquisition related items.

The Group's free cash flow of £310.4 million was £24.1 million higher than in the comparable period, driven primarily by an increase in operating cash flow. The Group's free cash flow was used to finance dividend payments of £61.0 million in respect of 2023 dividends (2023 H1: £57.9 million in respect of 2022 dividends) and net payments of £53.6 million (2023 H1: £48.8 million) relating to employee share schemes and partially finance an acquisition cash outflow net of disposal proceeds of £438.6 million (2023 H1: £95.7 million). Cash conversion (being the ratio of operating cash flow to lease adjusted operating profit) for the six months to 30 June 2024 was 100% (2023 H1: 93%, 2023 YE: 96%).

	Six months to 30.6.24 £m	Six months to 30.6.23 £m
Operating cash flow	**442.8**	397.3
Adjusted operating profit	**455.5**	438.3
Add back depreciation of right-of-use assets	**89.1**	80.7
Deduct payment of lease liabilities	**(103.2)**	(91.9)
Lease adjusted operating profit	**441.4**	427.1
Cash conversion*	**100%**	93%

* Operating cash flow as a percentage of lease adjusted operating profit.

Net debt

	30.6.24 £m	30.6.23 £m	31.12.23 £m
Net debt excluding lease liabilities	**(1,332.2)**	(1,020.4)	(1,085.5)
Total deferred and contingent consideration – on and off balance sheet	**(395.2)**	(224.1)	(258.8)
Adjusted net debt	**(1,727.4)**	(1,244.5)	(1,344.3)
Lease liabilities	**(768.2)**	(617.7)	(664.5)
Adjusted net debt including lease liabilities	**(2,495.6)**	(1,862.2)	(2,008.8)
Adjusted net debt to EBITDA	**1.5x**	1.3x	1.2x
Adjusted net debt including lease liabilities to EBITDA	**1.9x**	1.6x	1.6x

Net debt excluding lease liabilities increased by £246.7 million during the period to £1,332.2 million (31 December 2023: £1,085.5 million), due to a net cash outflow of £242.8 million and external debt recognised on acquisition of £5.6 million partly offset by a £1.6 million decrease due to non-cash movements in debt and a £0.1 million decrease due to currency translation.

Balance sheet

Summary balance sheet	**30.6.24 £m**	30.6.23 £m	31.12.23 £m
Intangible assets	**3,579.9**	3,011.6	3,242.1
Right-of-use assets	**716.2**	574.9	616.3
Property, plant and equipment	**209.4**	141.1	159.4
Working capital	**1,187.8**	1,088.8	1,158.1
Assets held for sale	**4.3**	-	-
Deferred consideration	**(264.0)**	(140.2)	(175.6)
Other net liabilities	**(546.4)**	(455.0)	(333.4)
Net pensions asset	**45.4**	47.0	49.4
Net debt excluding lease liabilities	**(1,332.2)**	(1,020.4)	(1,085.5)
Lease liabilities	**(768.2)**	(617.7)	(664.5)
Equity	**2,832.2**	2,630.1	2,966.3
Return on average operating capital	**45.3%**	43.2%	46.1%
Return on invested capital	**15.3%**	14.9%	15.5%

Return on average operating capital decreased to 45.3% from 46.1% at 31 December 2023 due to higher average capital employed in the underlying businesses. Return on invested capital decreased slightly to 15.3% from 15.5% at 31 December 2023 due to the impact of higher average invested capital from acquisitions.

Intangible assets increased by £337.8 million from 31 December 2023 to £3,579.9 million mainly due to intangible assets acquired through acquisitions in the period of £477.2 million partly offset by currency translation of £65.7 million and an amortisation charge of £75.2 million.

Right-of-use assets increased by £99.9 million from 31 December 2023 to £716.2 million due to new leases during the period of £96.5 million, an increase from acquisitions of £62.9 million, an increase from remeasurement adjustments of £36.3 million partly offset by a depreciation charge of £89.1 million, a decrease from currency translation of £6.3 million and assets transferred to held for sale of £0.4 million.

Working capital increased by £29.7 million from 31 December 2023 to £1,187.8 million mainly due to an underlying increase of £16.8 million as shown in the cash flow statement and £42.3 million from acquisitions partly offset by a decrease from currency translation of £32.5 million.

Deferred consideration increased by £88.4 million from 31 December 2023 to £264.0 million due to £99.2m of deferred consideration recognised on acquisitions and a net charge of £17.9 million relating to adjustments to previously estimated earn outs and the retention of former owners partly offset by deferred consideration and retention payments of £21.2 million, and a decrease from currency translation of £7.5 million. Including expected future payments which are contingent on the continued retention of former owners of businesses acquired of £131.2m, total deferred and contingent consideration as at 30 June 2024 was £395.2m.

The Group’s net pension asset of £45.4 million at 30 June 2024 was £4.0 million lower than at 31 December 2023, largely due to actuarial losses of £8.3 million.

Shareholders’ equity decreased by £134.1 million from £2,966.3 million at 31 December 2023 to £2,832.2 million.

Movement in shareholders’ equity	**£m**
Shareholders’ equity at 31 December 2023	2,966.3
Profit for the period	198.7
Dividends	(228.6)
Currency (net of tax)	(63.5)
Hyperinflation accounting adjustment	10.7
Actuarial loss on pension schemes (net of tax)	(6.9)
Share based payments (net of tax)	6.8
Employee share schemes (net of tax)	(51.3)
Shareholders’ equity at 30 June 2024	**2,832.2**

Capital management

The Group’s policy is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain future development of the business. The Group funds its operations through a mixture of shareholders’ equity and bank and capital market borrowings. The Group’s funding strategy is to maintain an investment grade credit rating. The Company's current credit ratings with Standard & Poor’s are BBB+ (long-term) and A-2 (short-term). All borrowings are managed by a central treasury function and funds raised are lent onward to operating subsidiaries as required. The overall objective is to manage the funding to ensure the borrowings have a range of maturities, are competitively priced and meet the demands of the business over time. There were no changes to the Group’s approach to capital management during the period and the Group is not subject to any externally imposed capital requirements.

Treasury policies and controls

The Group has a centralised treasury department to control external borrowings and manage liquidity, interest rate, foreign currency and credit risks. Treasury policies have been approved by the Board and cover the nature of the exposure to be hedged, the types of financial instruments that may be employed and the criteria for investing and borrowing cash. The Group uses derivatives to manage its foreign currency and interest rate risks arising from underlying business activities. No transactions of a speculative nature are undertaken. The treasury department is subject to periodic independent review by the internal audit department. Underlying policy assumptions and activities are periodically reviewed by the executive directors and the Board. Controls over exposure changes and transaction authenticity are in place.

The Group continually monitors net debt and forecast cash flows to ensure that sufficient facilities are in place to meet the Group’s requirements in the short, medium and long term and, in order to do so, arranges borrowings from a variety of sources. Additionally, compliance with the Group’s biannual debt covenants is monitored on a monthly basis and formally tested at 30 June and 31 December. The principal covenant limits are net debt, calculated at average exchange rates, to EBITDA of no more than 3.5 times and interest cover of no less than 3.0 times. Covenant net debt to EBITDA was 1.3 times (31 December 2023: 1.1 times).

Sensitivity analyses using various scenarios are applied to forecasts to assess their impact on covenants and net debt. During the six months ended 30 June 2024 all covenants were complied with and based on current forecasts it is expected that such covenants will continue to be complied with for the foreseeable future. Debt covenants are based on historical accounting standards. The US private placement notes (USPPs) issued in March 2022 contain a clause whereby upon maturity of the previously issued USPPs, the latest maturity being in 2028, the principal financial covenants referred to above will no longer apply.

The Group has substantial funding available comprising multi-currency credit facilities from the Group’s banks, USPPs and senior bonds. At 30 June 2024 the nominal value of USPPs outstanding was £793.0 million (31 December 2023: £917.5 million) with maturities ranging from 2025 to 2032. The £700 million senior bonds mature in 2025 and 2030. The

Group's committed bank facilities mature between 2024 and 2029. At 30 June 2024 the available committed bank facilities totalled £989.2 million (31 December 2023: £852.6 million), of which £145.0 million was drawn down (31 December 2023: none drawn down), providing headroom of £844.2 million (31 December 2023: £852.6 million). During the period, £214.8 million of existing bank facilities with maturities between 2024 and 2026 were refinanced by £353.9 million of new or amended bank facilities with maturities between 2026 and 2029. The Group expects to make repayments in the 18 month period from the date of these interim financial statements to the end of 31 December 2025 of approximately £172 million relating to maturing USPPs. In addition, the current intention is that the £300 million senior bond maturing in 2025 will be refinanced in the capital markets before maturity. In July 2024, the Group established a €1 billion euro-commercial paper programme, under which it can issue short-term notes.

Going concern

The directors, having reassessed the principal risks and uncertainties, consider it appropriate to adopt the going concern basis of accounting in the preparation of the interim financial statements. In reaching this conclusion, the directors noted the Group's cash performance in the period, the substantial funding available to the Group as described above and the resilience of the Group to a severe but plausible downside scenario. Further details are set out in Note 1 to the interim financial statements.

Risks and uncertainties

The principal risks and uncertainties affecting the business activities of the Group for the remaining six months of the financial year are unchanged from those detailed in the section entitled 'Principal risks and uncertainties' on pages 70 to 76 of the Annual Report for the year ended 31 December 2023, with the exception of currency translation which is no longer considered to be a principal risk. The principal risks and uncertainties are the risks of competitive pressures in the countries and markets in which the Group operates, financial collapse of either a large customer and/or a significant number of small customers, product cost deflation, cost inflation, the ability of the Group to complete and successfully integrate acquisitions, the risk of sustainability driven market changes, the risk of cyber-attacks on the Group's operations, the financial risks associated with the availability of funding and risk of business disruption caused by climate change. A copy of the 2023 Annual Report is available on the Company's website at www.bunzl.com.

Condensed consolidated income statement

for the period ended 30 June 2024

	Notes	**Six months to 30.6.24 £m**	Six months to 30.6.23 £m	Year to 31.12.23 £m
Revenue	3	**5,711.5**	5,906.8	11,797.1
Operating profit	3	**349.6**	359.8	789.1
Finance income	4	**31.6**	23.8	60.4
Finance expense	4	**(78.7)**	(66.5)	(150.9)
Disposal of business	9	**(23.1)**	-	-
Profit before income tax		**279.4**	317.1	698.6
Income tax	5	**(80.7)**	(79.9)	(172.4)
Profit for the period attributable to the Company's equity holders		**198.7**	237.2	526.2
Earnings per share attributable to the Company's equity holders				
Basic	7	**59.2p**	70.8p	157.1p
Diluted	7	**58.8p**	70.2p	156.0p
Dividend per share	6	**20.1p**	18.2p	68.3p

Alternative performance measures*				
Operating profit	3	**349.6**	359.8	789.1
Adjusted for:				
Customer relationships, brands and technology amortisation	3	**69.9**	65.6	135.6
Acquisition related items through operating profit	3	**39.2**	12.9	19.5
Non-recurring pension scheme credit	3	**(3.2)**	-	-
Adjusted operating profit	3	**455.5**	438.3	944.2
Finance income	4	**31.6**	23.8	60.4
Adjusted finance expense	4	**(78.4)**	(66.5)	(150.9)
Adjusted profit before income tax		**408.7**	395.6	853.7
Tax on adjusted profit	5	**(104.2)**	(99.7)	(213.4)
Adjusted profit for the period		**304.5**	295.9	640.3
Adjusted earnings per share	7	**90.8p**	88.3p	191.1p

* See Note 2 for further details of the alternative performance measures.

Condensed consolidated statement of comprehensive income
for the period ended 30 June 2024

	Six months to 30.6.24 £m	Six months to 30.6.23 £m	Year to 31.12.23 £m
Profit for the period	**198.7**	237.2	526.2
Other comprehensive income/(expense)			
Items that will not be reclassified to profit or loss:			
Actuarial (loss)/gain on defined benefit pension schemes	**(8.3)**	0.6	2.9
Tax on items that will not be reclassified to profit or loss	**1.4**	(0.2)	(0.1)
Total items that will not be reclassified to profit or loss	**(6.9)**	0.4	2.8
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences on foreign operations	**(95.0)**	(129.8)	(126.9)
Reclassification from translation reserve to income statement on disposal of foreign operation (Note 9)	**19.3**	-	-
Gain/(loss) recognised in cash flow hedge reserve*	**2.6**	(0.5)	(2.3)
Gain taken to equity as a result of effective net investment hedges	**10.3**	37.0	31.4
Tax on items that may be reclassified to profit or loss	**(0.8)**	(0.2)	0.1
Total items that may be reclassified subsequently to profit or loss	**(63.6)**	(93.5)	(97.7)
Other comprehensive expense for the period	**(70.5)**	(93.1)	(94.9)
Total comprehensive income attributable to the Company's equity holders	**128.2**	144.1	431.3

* The Group has restated comparatives for the six months to 30 June 2023 and year to 31 December 2023 in the Condensed consolidated statement of comprehensive income to recognise fair value movements on cash flow hedges, and the related deferred tax balances that were previously classified as 'Items that will not subsequently be reclassified to profit or loss', within 'Items that may subsequently be reclassified to profit or loss'. This is to reflect the fact that, whilst considered unlikely, there are some potential future scenarios that may lead to these items being reclassified to profit or loss. This restatement is a presentational change. There is no impact from this change on the Group's Other comprehensive expense for the period or Total comprehensive income for the period. There is no impact from this change on the net assets or shareholders' equity, nor any impact on the Condensed consolidated income statement, Condensed consolidated statement of changes in equity or the Condensed consolidated cash flow statement.

Condensed consolidated balance sheet

at 30 June 2024

	Notes	**30.6.24 £m**	30.6.23 £m	31.12.23 £m
Assets				
Property, plant and equipment		**209.4**	141.1	159.4
Right-of-use assets	10	**716.2**	574.9	616.3
Intangible assets	11	**3,579.9**	3,011.6	3,242.1
Defined benefit pension assets		**64.0**	65.0	69.0
Derivative financial assets	13	**0.1**	-	0.1
Deferred tax assets		**15.0**	5.5	14.2
Total non-current assets		**4,584.6**	3,798.1	4,101.1
Inventories		**1,633.3**	1,519.9	1,621.1
Trade and other receivables		**1,662.4**	1,605.3	1,578.5
Income tax receivable		**15.4**	6.7	8.7
Derivative financial assets	13	**13.9**	31.9	11.7
Cash and cash equivalents	15	**1,381.4**	1,481.1	1,426.1
Assets classified as held for sale		**4.3**	-	-
Total current assets		**4,710.7**	4,644.9	4,646.1
Total assets		**9,295.3**	8,443.0	8,747.2
Equity				
Share capital		**108.7**	108.6	108.6
Share premium		**209.6**	203.8	205.2
Translation reserve		**(235.7)**	(167.3)	(170.2)
Other reserves		**18.7**	18.5	16.7
Retained earnings		**2,730.9**	2,466.5	2,806.0
Total equity attributable to the Company’s equity holders		**2,832.2**	2,630.1	2,966.3
Liabilities				
Interest bearing loans and borrowings	15	**1,090.7**	1,386.6	1,417.1
Defined benefit pension liabilities		**18.6**	18.0	19.6
Other payables		**255.0**	125.9	176.1
Income tax payable		**0.5**	1.1	0.5
Provisions		**96.5**	57.4	75.8
Lease liabilities	14	**589.1**	470.0	512.4
Derivative financial liabilities	13	**87.0**	112.6	78.7
Deferred tax liabilities		**241.8**	189.5	190.1
Total non-current liabilities		**2,379.2**	2,361.1	2,470.3
Bank overdrafts	15	**1,062.3**	887.5	874.2
Interest bearing loans and borrowings	15	**475.4**	131.8	130.0
Trade and other payables		**2,303.6**	2,217.0	2,071.6
Income tax payable		**44.3**	40.4	47.0
Provisions		**7.4**	15.2	10.0
Lease liabilities	14	**179.1**	147.7	152.1
Derivative financial liabilities	13	**11.8**	12.2	25.7
Total current liabilities		**4,083.9**	3,451.8	3,310.6
Total liabilities		**6,463.1**	5,812.9	5,780.9
Total equity and liabilities		**9,295.3**	8,443.0	8,747.2

Condensed consolidated statement of changes in equity
for the period ended 30 June 2024

	Share capital £m	Share premium £m	Translation reserve £m	Other reserves◊ £m	Retained earnings† £m	Total equity £m
At 1 January 2024	**108.6**	**205.2**	**(170.2)**	**16.7**	**2,806.0**	**2,966.3**
Profit for the period					**198.7**	**198.7**
Actuarial loss on defined benefit pension schemes					**(8.3)**	**(8.3)**
Foreign currency translation differences on foreign operations			**(95.0)**			**(95.0)**
Reclassification from translation reserve to income statement on disposal of foreign operation			**19.3**			**19.3**
Gain taken to equity as a result of effective net investment hedges			**10.3**			**10.3**
Gain recognised in cash flow hedge reserve				**2.6**		**2.6**
Income tax (charge)/credit on other comprehensive income			**(0.1)**	**(0.7)**	**1.4**	**0.6**
Total comprehensive income			**(65.5)**	**1.9**	**191.8**	**128.2**
2023 interim dividend					**(61.0)**	**(61.0)**
2023 final dividend					**(167.6)**	**(167.6)**
Movement from cash flow hedge reserve to inventory				**0.1**		**0.1**
Hyperinflation accounting adjustment[1]					**10.7**	**10.7**
Issue of share capital	**0.1**	**4.4**				**4.5**
Employee trust shares					**(55.8)**	**(55.8)**
Share based payments					**6.8**	**6.8**
At 30 June 2024	**108.7**	**209.6**	**(235.7)**	**18.7**	**2,730.9**	**2,832.2**

	Share capital £m	Share premium £m	Translation reserve £m	Other reserves◊ £m	Retained earnings† £m	Total equity £m
At 31 January 2023	108.5	199.4	(74.2)	17.7	2,469.5	2,720.9
Profit for the period					237.2	237.2
Actuarial gain on defined benefit pension schemes					0.6	0.6
Foreign currency translation differences on foreign operations			(129.8)			(129.8)
Gain taken to equity as a result of effective net investment hedges			37.0			37.0
Loss recognised in cash flow hedge reserve				(0.5)		(0.5)
Income tax (charge)/credit on other comprehensive income			(0.3)	0.1	(0.2)	(0.4)
Total comprehensive income			(93.1)	(0.4)	237.6	144.1
2022 interim dividend					(57.9)	(57.9)
2022 final dividend					(151.8)	(151.8)
Movement from cash flow hedge reserve to inventory				1.2		1.2
Hyperinflation accounting adjustment[1]					8.6	8.6
Issue of share capital	0.1	4.4				4.5
Employee trust shares					(51.1)	(51.1)
Share based payments					11.6	11.6
At 30 June 2023	108.6	203.8	(167.3)	18.5	2,466.5	2,630.1

Condensed consolidated statement of changes in equity (continued)
for the period ended 30 June 2024

	Share capital £m	Share premium £m	Translation reserve £m	Other reserves◊ £m	Retained earnings† £m	Total equity £m
At 1 January 2023	108.5	199.4	(74.2)	17.7	2,469.5	2,720.9
Profit for the year					526.2	526.2
Actuarial gain on defined benefit pension schemes					2.9	2.9
Foreign currency translation differences on foreign operations			(126.9)			(126.9)
Gain taken to equity as a result of effective net investment hedges			31.4			31.4
Loss recognised in cash flow hedge reserve				(2.3)		(2.3)
Income tax (charge)/credit on other comprehensive income			(0.5)	0.6	(0.1)	-
Total comprehensive income			(96.0)	(1.7)	529.0	431.3
2022 interim dividend					(57.9)	(57.9)
2022 final dividend					(151.8)	(151.8)
Movement from cash flow hedge reserve to inventory				0.7		0.7
Hyperinflation accounting adjustments[1]					21.6	21.6
Issue of share capital	0.1	5.8				5.9
Employee trust shares					(25.2)	(25.2)
Share based payments					20.8	20.8
At 31 December 2023	108.6	205.2	(170.2)	16.7	2,806.0	2,966.3

[1] IAS 29 'Financial Reporting in Hyperinflationary Economies' remains applicable for the Group's businesses with a functional currency of the Turkish Lira and was applicable for the Group's business with a functional currency of the Argentinian Peso up to the date of disposal (Note 9). The results of the Group's businesses in Turkey and Argentina have been adjusted for the effects of inflation in accordance with IAS 29. See Note 1 for further details.

◊ Other reserves comprise merger reserve of £2.5m (30 June 2023: £2.5m; 31 December 2023: £2.5m), capital redemption reserve of £16.1m (30 June 2023: £16.1m; 31 December 2023: £16.1m) and a positive cash flow hedge reserve of £0.1m (30 June 2023: negative £0.1m; 31 December 2023: negative £1.9m).

† Retained earnings comprise earnings of £2,838.9m (30 June 2023: £2,566.0m; 31 December 2023: £2,876.9m), offset by own shares of £108.0m (30 June 2023: £99.5m; 31 December 2023: £70.9m).

Condensed consolidated cash flow statement
for the period ended 30 June 2024

	Notes	**Six months to 30.6.24 £m**	Six months to 30.6.23 £m	Year to 31.12.23 £m
Cash flow from operating activities				
Profit before income tax		**279.4**	317.1	698.6
Adjusted for:				
net finance expense	4	**47.1**	42.7	90.5
customer relationships, brands and technology amortisation	11	**69.9**	65.6	135.6
acquisition related items	3	**39.2**	12.9	19.5
non-recurring pension scheme credit		**(3.2)**	–	–
disposal of business		**23.1**	–	–
Adjusted operating profit		**455.5**	438.3	944.2
Adjustments:				
depreciation and software amortisation	17	**112.1**	100.5	207.2
other non-cash items	17	**13.4**	3.2	6.5
working capital movement	17	**(16.8)**	(27.4)	(28.4)
Cash generated from operations before acquisition related items		**564.2**	514.6	1,129.5
Cash outflow from acquisition related items	8	**(25.2)**	(23.5)	(36.9)
Income tax paid		**(98.5)**	(81.3)	(188.6)
Cash inflow from operating activities		**440.5**	409.8	904.0
Cash flow from investing activities				
Interest received		**29.6**	21.7	54.4
Purchase of property, plant and equipment and software		**(24.8)**	(25.7)	(58.3)
Proceeds from sale of property, plant and equipment		**6.6**	0.3	2.1
Purchase of businesses net of cash acquired	8	**(414.0)**	(72.2)	(337.7)
Disposal of business net of cash disposed		**0.6**	–	–
Cash outflow from investing activities		**(402.0)**	(75.9)	(339.5)
Cash flow from financing activities				
Interest paid excluding interest on lease liabilities		**(63.5)**	(51.4)	(107.6)
Dividends paid	6	**(61.0)**	(57.9)	(209.7)
Increase in borrowings		**148.1**	5.2	–
Repayment of borrowings		**(130.9)**	(159.1)	(159.5)
Receipts on settlement of foreign exchange contracts		**8.6**	12.0	21.6
Payment of lease liabilities - principal	14	**(85.2)**	(78.8)	(159.4)
Payment of lease liabilities - interest	14	**(18.0)**	(13.1)	(28.6)
Proceeds from issue of ordinary shares to settle share options		**4.5**	4.5	5.9
Proceeds from exercise of market purchase share options		**17.1**	23.1	46.8
Purchase of employee trust shares		**(75.2)**	(76.4)	(76.4)
Cash outflow from financing activities		**(255.5)**	(391.9)	(666.9)
Decrease in cash, cash equivalents and overdrafts		**(217.0)**	(58.0)	(102.4)
Cash, cash equivalents and overdrafts at start of the period		**551.9**	678.1	678.1
Decrease in cash, cash equivalents and overdrafts		**(217.0)**	(58.0)	(102.4)
Currency translation		**(15.8)**	(26.5)	(23.8)
Cash, cash equivalents and overdrafts at end of the period	15	**319.1**	593.6	551.9

Condensed consolidated cash flow statement (continued)
for the period ended 30 June 2024

Alternative performance measures*	Notes	**Six months to 30.6.24 £m**	Six months to 30.6.23 £m	Year to 31.12.23 £m
Cash generated from operations before acquisition related items		**564.2**	514.6	1,129.5
Purchase of property, plant and equipment and software		**(24.8)**	(25.7)	(58.3)
Proceeds from sale of property, plant and equipment		**6.6**	0.3	2.1
Payment of lease liabilities	14	**(103.2)**	(91.9)	(188.0)
Operating cash flow		**442.8**	397.3	885.3
Adjusted operating profit		**455.5**	438.3	944.2
Add back depreciation of right-of-use assets	10	**89.1**	80.7	166.1
Deduct payment of lease liabilities	14	**(103.2)**	(91.9)	(188.0)
Lease adjusted operating profit		**441.4**	427.1	922.3
Cash conversion (operating cash flow as a percentage of lease adjusted operating profit)		**100%**	93%	96%
Operating cash flow		**442.8**	397.3	885.3
Net interest paid excluding interest on lease liabilities		**(33.9)**	(29.7)	(53.2)
Income tax paid		**(98.5)**	(81.3)	(188.6)
Free cash flow		**310.4**	286.3	643.5

* See Note 2 for further details of the alternative performance measures.

Notes

1. Basis of preparation and accounting policies

The condensed consolidated interim financial statements (the 'interim financial statements') of Bunzl plc ('the Company') for the six months ended 30 June 2024, with comparative figures for the six months ended 30 June 2023, are unaudited and do not constitute statutory accounts. However the external auditors have carried out a review of the interim financial statements and their report in respect of the six months ended 30 June 2024 is set out in the Independent review report. The comparative figures for the year ended 31 December 2023 do not constitute the Company's statutory accounts for the year. Those accounts have been reported on by the Company's auditors and delivered to the Registrar of Companies. The report of the auditors was unqualified, did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and did not contain statements under Section 498(2)(3) of the Companies Act 2006.

The interim financial statements for the six month period ended 30 June 2024 have been prepared in accordance with UK-adopted International Accounting Standard 34, 'Interim Financial Reporting' (IAS 34), and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. The interim financial statements also comply with IAS 34 as issued by the International Accounting Standards Board. The interim report does not include all of the notes of the type normally included in the Annual Report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 31 December 2023, which was prepared in accordance with UK-adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006 and the applicable legal requirements of the Companies Act 2006.

The accounting policies adopted are consistent with those of the corresponding interim reporting period and also the previous financial year except for the estimation of income tax (see Note 5). The Group has adopted all relevant amendments to existing standards issued by the IASB and UK Endorsement Board that are effective from 1 January 2024 with no material impact on its consolidated results or financial position.

Going concern
The directors, having reassessed the Group's principal risks and uncertainties, consider it appropriate to adopt the going concern basis of accounting in the preparation of the interim financial statements.

In reaching this conclusion, the directors noted the Group's operating cash flow performance in the first half of the year and the substantial funding available to the Group as described in the Financial Review. The directors also considered a range of different forecast scenarios for the 18 month period from the date of these financial statements to the end of December 2025 starting with a base case projection derived from the Group's 2024 forecasts excluding any non-committed acquisition spend or changes in funding. The resilience of the Group to a severe but plausible downside scenario was factored into the directors' considerations. The severe but plausible downside scenario included a 15% reduction in adjusted operating profit from the potential for adverse impacts from the crystallisation of the principal strategic and operational risks to the Group's organic growth and a 10% increase in working capital.

In addition, the Group has carried out a reverse stress test against the base case to determine the level of performance that would result in a breach of financial covenants. The Group could experience a total reduction in EBITDA of over 50% compared to the base case without breaching financial covenants.

In the severe but plausible downside scenario it was found that the Group was resilient and in particular it remained in compliance with the relevant financial covenants. The conditions required to create the reverse stress test scenario were so severe that they were considered to be implausible. The directors are therefore satisfied that the Group's forecasts, and the severe but plausible downside scenario applied to them, show that there are no material uncertainties over going concern, including no anticipated breach of covenants, and therefore the going concern basis of preparation continues to be appropriate.

1. Basis of preparation and accounting policies (continued)

Impact of Hyperinflation on the financial statements at 30 June 2024

The Group's interim financial statements include the results and financial position of its Turkish operations restated to the measuring unit current at the end of the period, and results of its Argentinian operation restated to the measuring unit current for the period up until disposal (Note 9), with hyperinflationary gains and losses in respect of monetary items being reported in finance expense. Comparative amounts presented in the interim financial statements have not been restated. The inflation rates used by the Group are the official rates published by the Turkish Statistical Institute and the Argentine Federation of Professional Councils of Economic Sciences. The movement in the publicly available official price index for the six months to 30 June 2024 was an increase of 25% (six months to 30 June 2023: increase of 20%, year ended 31 December 2023: increase of 65%) in Turkey and was an increase of 37% for the period up until disposal (six months to 30 June 2023: increase of 56%, year ended 31 December 2023: increase of 210%) in Argentina.

IAS 29 requires that the income statement is adjusted for inflation in the period and translated at the period-end foreign exchange rates and that non-monetary assets and liabilities on the balance sheet are inflated to reflect the change in purchasing power caused by inflation from the date of initial recognition. For the period ended 30 June 2024, this resulted in an increase in goodwill of £4.8m (six months to 30 June 2023: £3.5m, year ended 31 December: £8.4m) and a net increase in other intangibles of £0.2m (six months to 30 June 2023: £0.3m, year ended 31 December: £0.4m). The impacts on other non-monetary assets and liabilities were immaterial. The impact to retained earnings during the period was a gain of £10.7m (six months to 30 June 2023: gain of £8.6m, year ended 31 December: £21.6m). The total impact to the Condensed consolidated income statement during the period was a charge of £6.0m (six months to 30 June 2023: £5.1m, year ended 31 December: £11.0m) to profit after tax from hyperinflation accounting adjustments, comprising a £6.0m adverse impact (six months to 30 June 2023: £4.7m adverse impact, year ended 31 December: £9.5m adverse impact) on adjusted profit before tax, increased customer relationships amortisation of £0.1m (six months to 30 June 2023: £0.1m, year ended 31 December: £0.2m) and a £0.1m decrease in the tax charge (six months to 30 June 2023: £0.3m increase, year ended 31 December: £1.3m increase).

When applying IAS 29 on an ongoing basis, comparatives in a stable currency are not restated with the translation effect presented within other comprehensive income during the period, and the effect of inflating opening balances to the measuring unit current at the end of the reporting period presented as a change in equity.

2. Alternative performance measures

In addition to the various performance measures defined under IFRS, the Group reports a number of other measures that are designed to assist with the understanding of the underlying performance of the Group and its businesses. These measures are not defined under IFRS and, as a result, do not comply with Generally Accepted Accounting Practice ('GAAP') and are therefore known as 'alternative performance measures'. Accordingly, these measures, which are not designed to be a substitute for any of the IFRS measures of performance, may not be directly comparable with other companies' alternative performance measures. The principal alternative performance measures used within the interim financial statements and the location of the reconciliation to equivalent IFRS measures are shown and defined in the table below:

Organic revenue growth	Revenue excluding the incremental impact of acquisitions and disposals compared to revenue in prior years at constant exchange
Underlying revenue growth	Revenue excluding the incremental impact of acquisitions and disposals compared to revenue in prior years at constant exchange, adjusted for differences in trading days between years and adjusted to exclude growth in excess of 26% per annum in hyperinflationary economies (reconciled in the Financial review)
Adjusted operating profit	Operating profit before customer relationships, brands and technology amortisation, acquisition related items, non-recurring pension scheme charges/credits and profit or loss on disposal of businesses (reconciled in the following tables and in the Condensed consolidated income statement)
Operating margin	Adjusted operating profit as a percentage of revenue
Adjusted finance expense	Finance expense before interest on unwinding of discounting deferred consideration
Adjusted profit before income tax	Profit before income tax, customer relationships, brands and technology amortisation, acquisition related items, non-recurring pension scheme charges/credits and profit or loss on disposal of businesses (reconciled in the following tables)
Adjusted profit for the period	Profit for the period before customer relationships, brands and technology amortisation, acquisition related items, non-recurring pension scheme charges/credits, profit or loss on disposal of businesses and the associated tax (reconciled in the following tables)
Effective tax rate	Tax on adjusted profit before income tax as a percentage of adjusted profit before income tax (reconciled in Note 5)
Adjusted earnings per share	Adjusted profit for the period divided by the weighted average number of ordinary shares in issue (reconciled in the following tables and in Note 7)
Adjusted diluted earnings per share	Adjusted profit for the period divided by the diluted weighted average number of ordinary shares (reconciled in Note 7)
Operating cash flow	Cash generated from operations before acquisition related items 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 (as shown in the Condensed consolidated cash flow statement)
Free cash flow	Operating cash flow after deducting payments for income tax and net interest excluding interest on lease liabilities (as shown in the Condensed consolidated cash flow statement)
Lease adjusted operating profit	Adjusted operating profit after adding back the depreciation of right-of-use assets and deducting the payment of lease liabilities (as shown in the Condensed consolidated cash flow statement)
Cash conversion	Operating cash flow as a percentage of lease adjusted operating profit (as shown in the Condensed consolidated cash flow statement)
Working capital	Inventories and trade and other receivables less trade and other payables, excluding non-operating related receivables, non-operating related payables (including those relating to acquisition payments) and dividends payable (reconciled in Note 12)
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 assets, cumulative customer relationships, brands and technology amortisation, acquisition related items and amounts written off goodwill, net of the associated tax)
Dividend cover	The ratio of adjusted earnings per share to the total dividend per share
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 and disposal of businesses
Net debt excluding lease liabilities	Net debt excluding the carrying value of lease liabilities (reconciled in Note 15)

2. Alternative performance measures (continued)

Covenant net debt to EBITDA	Net debt excluding lease liabilities calculated at average exchange rates divided by EBITDA
Adjusted net debt	Net debt excluding lease liabilities and including total deferred and contingent consideration (as reconciled in the financial review)
Adjusted net debt including lease liabilities	Net debt including lease liabilities and total deferred and contingent consideration (as reconciled in the financial review)
Adjusted net debt to EBITDA	Adjusted net debt calculated at average exchange rates divided by EBITDA adjusted for contractually agreed earnings targets
Adjusted net debt including lease liabilities to EBITDA	Adjusted net debt including lease liabilities calculated at average exchange rates divided by adjusted operating profit, before depreciation of property, plant and equipment and right of use assets and software amortisation and after adjustments to exclude share option charges and to annualise for the effect of acquisitions and disposal of businesses adjusted for contractually agreed earnings targets
Constant exchange rates	Growth rates at constant exchange rates are calculated by retranslating the results for the prior periods at the average exchange rates for the period ended 30 June 2024 so that they can be compared without the distorting impact of changes caused by foreign exchange translation. The exchange rates used for 2024 and 2023 can be found in the Financial review

The definitions of ‘Organic revenue growth’, ‘Adjusted finance expense’, ‘Covenant net debt to EBITDA’, ‘Adjusted net Debt’, ‘Adjusted net debt including lease liabilities’, ‘Adjusted net debt to EBITDA’ and ‘Adjusted net debt including lease liabilities to EBITDA’ have been added to the list of alternative performance measures in the period. All other alternative performance measures have been calculated consistently with the methods applied in the consolidated financial statements for the year ended 31 December 2023. The amendments to the list of alternative performance measures, and an assessment of the relevance of the existing alternative performance measures, were agreed with the Audit Committee.

A number of the alternative performance measures listed above exclude the charge for customer relationships, brands and technology amortisation, acquisition related items, non-recurring pension scheme charges/credits, profit or loss on disposal of businesses and any associated tax, where relevant.

Acquisition related items through operating profit comprises deferred consideration payments relating to the retention of former owners of businesses acquired, transaction costs and expenses, adjustments to previously estimated earn outs, customer relationships asset impairment charges, goodwill impairment charges and interest on acquisition related income tax. Total acquisition related items also includes interest on unwinding of discounting deferred consideration, which is included in net finance expense. Customer relationships, brands and technology amortisation, acquisition related items and any associated tax are considered by management to form part of the total spend on acquisitions or are non-cash items resulting from acquisitions.

The non-recurring pension scheme charges/credits relate to non-recurring charges or credits arising from the Group’s participation in a number of defined benefit pension schemes. In the period ended 30 June 2024 the non-recurring pension scheme credit relates to a gain on curtailment of the UK defined benefit pension scheme following the scheme’s closure to further accrual in May 2024. In the period ended 30 June 2023 and year end 31 December 2023 there were no non-recurring pensions scheme charges/credits. Disposal of business relates to the loss on disposal of the Group’s business in Argentina on 14 March 2024. None of these items relate to the trading performance of the business. Accordingly, these items are not taken into account by management when assessing the results of the business and are removed in calculating the profitability measures by which management assesses the performance of the Group. However, it should be noted that they do exclude income and charges that nevertheless do impact the Group’s cash flow and GAAP financial performance.

2. Alternative performance measures (continued)

Reconciliation of alternative performance measures to statutory measures

The principal profit related alternative performance measures, these being adjusted operating profit, adjusted profit before income tax, adjusted profit for the period and adjusted earnings per share are reconciled to the most directly reconcilable statutory measures in the tables below.

Six months ended 30 June 2024

		Adjusting items					
	Alternative performance measures £m	**Customer relationships, brands and technology amortisation £m**	**Acquisition related items £m**	**Non-recurring pension scheme credit £m**	**Disposal of business £m**	**Statutory measures £m**	
Adjusted operating profit	**455.5**	**(69.9)**	**(39.2)**	**3.2**		**349.6**	**Operating profit**
Finance income	**31.6**					**31.6**	Finance income
Adjusted finance expense	**(78.4)**		**(0.3)**			**(78.7)**	Finance expense
Disposal of business					**(23.1)**	**(23.1)**	Disposal of business
Adjusted profit before income tax	**408.7**	**(69.9)**	**(39.5)**	**3.2**	**(23.1)**	**279.4**	**Profit before income tax**
Tax on adjusted profit	**(104.2)**	**19.1**	**5.3**	**(0.8)**	**(0.1)**	**(80.7)**	Income tax
Adjusted profit for the period	**304.5**	**(50.8)**	**(34.2)**	**2.4**	**(23.2)**	**198.7**	**Profit for the period**
Adjusted earnings per share	**90.8p**	**(15.2)p**	**(10.1)p**	**0.6p**	**(6.9)p**	**59.2p**	**Basic earnings per share**

Six months ended 30 June 2023

		Adjusting items					
	Alternative performance measures £m	Customer relationships, brands and technology amortisation £m	Acquisition related items £m	Non-recurring pension scheme credit £m	Disposal of business £m	Statutory measures £m	
Adjusted operating profit	438.3	(65.6)	(12.9)	-		359.8	Operating profit
Finance income	23.8					23.8	Finance income
Adjusted finance expense	(66.5)		-			(66.5)	Finance expense
Adjusted profit before income tax	395.6	(65.6)	(12.9)	-	-	317.1	Profit before income tax
Tax on adjusted profit	(99.7)	17.3	2.5	-	-	(79.9)	Income tax
Adjusted profit for the period	295.9	(48.3)	(10.4)	-	-	237.2	Profit for the period
Adjusted earnings per share	88.3p	(14.4)p	(3.1)p	-	-	70.8p	Basic earnings per share

Year ended 31 December 2023

		Adjusting items					
	Alternative performance measures £m	Customer relationships, brands and technology amortisation £m	Acquisition related items £m	Non-recurring pension scheme credit £m	Disposal of business £m	Statutory measures £m	
Adjusted operating profit	944.2	(135.6)	(19.5)	-		789.1	Operating profit
Finance income	60.4					60.4	Finance income
Adjusted finance expense	(150.9)		-			(150.9)	Finance expense
Adjusted profit before income tax	853.7	(135.6)	(19.5)	-	-	698.6	Profit before income tax
Tax on adjusted profit	(213.4)	36.7	4.3	-	-	(172.4)	Income tax
Adjusted profit for the year	640.3	(98.9)	(15.2)	-	-	526.2	Profit for the year
Adjusted earnings per share	191.1p	(29.5)p	(4.5)p	-	-	157.1p	Basic earnings per share

3. Segment analysis

The Group results are reported as four business areas based on geographical regions which are reviewed regularly by the Company's chief operating decision maker, the Board of directors. Across the Group, the vast majority of revenue is generated from the delivery of goods to customers representing a single performance obligation which is satisfied upon delivery of the relevant goods. The Group's revenue and financial results have not historically been subject to significant seasonal trends. The principal results reviewed for each business area are revenue and adjusted operating profit.

Six months ended 30 June 2024	**North America £m**	**Continental Europe £m**	**UK & Ireland £m**	**Rest of the World £m**	**Corporate £m**	**Total £m**
Revenue	**3,234.8**	**1,186.9**	**689.1**	**600.7**		**5,711.5**
Adjusted operating profit/(loss)	**239.1**	**106.7**	**52.6**	**73.0**	**(15.9)**	**455.5**
Customer relationships, brands and technology amortisation	**(28.5)**	**(21.1)**	**(6.8)**	**(13.5)**		**(69.9)**
Acquisition related items through operating profit	**(3.5)**	**(12.0)**	**(13.6)**	**(10.1)**		**(39.2)**
Non-recurring pension scheme credit	**-**	**-**	**-**	**-**	**3.2**	**3.2**
Operating profit/(loss)	**207.1**	**73.6**	**32.2**	**49.4**	**(12.7)**	**349.6**
Finance income						**31.6**
Finance expense						**(78.7)**
Disposal of business						**(23.1)**
Profit before income tax						**279.4**
Adjusted profit before income tax						**408.7**
Income tax						**(80.7)**
Profit for the period						**198.7**
Operating margin	**7.4%**	**9.0%**	**7.6%**	**12.2%**		**8.0%**
Return on average operating capital	**48.6%**	**45.0%**	**56.4%**	**37.7%**		**45.3%**

Six months ended 30 June 2023	North America £m	Continental Europe £m	UK & Ireland £m	Rest of the World £m	Corporate £m	Total £m
Revenue	3,514.4	1,179.1	663.8	549.5		5,906.8
Adjusted operating profit/(loss)	245.6	106.8	44.7	57.1	(15.9)	438.3
Customer relationships, brands and technology amortisation	(28.6)	(21.1)	(5.5)	(10.4)		(65.6)
Acquisition related items through operating profit	(2.3)	(4.3)	2.1	(8.4)		(12.9)
Operating profit/(loss)	214.7	81.4	41.3	38.3	(15.9)	359.8
Finance income						23.8
Finance expense						(66.5)
Profit before income tax						317.1
Adjusted profit before income tax						395.6
Income tax						(79.9)
Profit for the period						237.2
Operating margin	7.0%	9.1%	6.7%	10.4%		7.4%
Return on average operating capital	46.4%	42.1%	57.7%	34.9%		43.2%

3. Segment analysis (continued)

Year ended 31 December 2023	North America £m	Continental Europe £m	UK & Ireland £m	Rest of the World £m	Corporate £m	Total £m
Revenue	6,973.5	2,354.9	1,365.5	1,103.2		11,797.1
Adjusted operating profit/(loss)	528.0	224.7	103.4	119.6	(31.5)	944.2
Customer relationships, brands and technology amortisation	(57.1)	(43.7)	(11.1)	(23.7)		(135.6)
Acquisition related items through operating profit	(5.5)	(0.3)	(3.1)	(10.6)		(19.5)
Operating profit/(loss)	465.4	180.7	89.2	85.3	(31.5)	789.1
Finance income						60.4
Finance expense						(150.9)
Profit before income tax						698.6
Adjusted profit before income tax						853.7
Income tax						(172.4)
Profit for the year						526.2
Operating margin	7.6%	9.5%	7.6%	10.8%		8.0%
Return on average operating capital	49.6%	45.4%	65.5%	35.5%		46.1%

Acquisition related items through operating profit	**Six months to 30.6.24 £m**	Six months to 30.6.23 £m	Year to 31.12.23 £m
Deferred consideration payments relating to the retention of former owners of businesses acquired	**20.1**	17.6	37.3
Transaction costs and expenses	**16.6**	12.0	18.1
Adjustments to previously estimated earn outs	**0.2**	(16.7)	(35.9)
	36.9	12.9	19.5
Customer relationship impairment charges (Note 11)	**2.3**	-	-
	39.2	12.9	19.5

4. Finance income/(expense)

	Six months to 30.6.24 £m	Six months to 30.6.23 £m	Year to 31.12.23 £m
Interest on cash and cash equivalents	**22.1**	15.2	40.3
Interest income from foreign exchange contracts	**7.7**	6.6	16.0
Net interest income on defined benefit pension schemes in surplus	**1.6**	1.6	3.2
Other finance income	**0.2**	0.4	0.9
Finance income	**31.6**	23.8	60.4
Interest on loans and overdrafts	**(55.8)**	(47.2)	(106.7)
Lease interest expense	**(18.0)**	(13.1)	(28.6)
Interest expense from foreign exchange contracts	**(0.5)**	(0.6)	(1.5)
Net interest expense on defined benefit pension schemes in deficit	**(0.3)**	(0.4)	(1.0)
Fair value gain/(loss) on US private placement notes and senior bond in a hedge relationship	**8.3**	10.5	(24.4)
Fair value (loss)/gain on interest rate swaps in a hedge relationship	**(8.4)**	(12.1)	21.8
Foreign exchange loss on intercompany funding	**(12.4)**	(58.3)	(41.1)
Foreign exchange gain on external debt and foreign exchange forward contracts	**11.6**	58.0	40.5
Interest related to income tax	**-**	-	(0.1)
Monetary loss from hyperinflation accounting[1]	**(2.0)**	(2.5)	(7.2)
Other finance expense	**(0.9)**	(0.8)	(2.6)
Adjusted finance expense	**(78.4)**	(66.5)	(150.9)
Interest on unwinding of discounting on deferred consideration	**(0.3)**	-	-
Finance expense	**(78.7)**	(66.5)	(150.9)
Net finance expense	**(47.1)**	(42.7)	(90.5)

[1]See Note 1 for further details.

4. Finance income/(expense) (continued)

The foreign exchange loss on intercompany funding in the six month period to 30 June 2024 arises as a result of the retranslation of foreign currency intercompany loans. This loss on intercompany funding is substantially matched by the foreign exchange gain on external debt and foreign exchange forward contracts not in a hedge relationship, which minimises the foreign currency exposure in the Condensed consolidated income statement.

5. Income tax

The tax charge for the interim financial statements is determined by applying the weighted average statutory tax rate based on full year forecast profits to the actual profits for the first half of the year, and then adjusting for non-taxable or deductible items that affect the profits of the first half of the year. Where tax balances are revised due to changes in tax rates or estimates of tax liabilities for prior periods, the full effect on the income statement is included in the tax charge for the first half of the year.

The adjustments to the tax charge at the weighted average rate to determine the income tax on profit for the period are as follows:

	Six months to 30.6.24 £m	Six months to 30.6.23 £m	Year to 31.12.23 £m
Profit before income tax	**279.4**	317.1	698.6
Weighted average rate	**25.5%**	25.5%	25.2%
Tax charge at weighted average rate	**71.2**	81.0	176.0
Effects of:			
non-deductible expenditure	**12.0**	0.9	0.5
impact of intercompany finance	**(0.4)**	0.1	1.2
change in tax rates	**0.2**	-	(0.7)
hyperinflation accounting adjustments	**0.3**	1.1	3.8
prior year adjustments	**(2.7)**	(3.1)	(7.0)
other current year items	**0.1**	(0.1)	(1.4)
Income tax on profit	**80.7**	79.9	172.4

In assessing the underlying performance of the Group, management uses adjusted profit before income tax. The tax effect of the adjusting items (see Note 2) is excluded in monitoring the effective tax rate (being the tax rate on adjusted profit before income tax) which is shown in the table below:

	Six months to 30.6.24 £m	Six months to 30.6.23 £m	Year to 31.12.23 £m
Income tax on profit	**80.7**	79.9	172.4
Tax associated with adjusting items	**23.5**	19.8	41.0
Tax on adjusted profit	**104.2**	99.7	213.4
Profit before income tax	**279.4**	317.1	698.6
Adjusting items	**129.3**	78.5	155.1
Adjusted profit before income tax	**408.7**	395.6	853.7
Reported tax rate	**28.9%**	25.2%	24.7%
Effective tax rate	**25.5%**	25.2%	25.0%

The Group is subject to the global minimum tax regime known as Pillar 2 and any additional taxes from this are included within the income tax expense. No significant tax liabilities, however, are expected from Pillar 2 taxes.

6. Dividends

Total dividends for the periods in which they are recognised are:

	Six months to 30.6.24 £m	Six months to 30.6.23 £m	Year to 31.12.23 £m
2022 interim		57.9	57.9
2022 final		151.8	151.8
2023 interim	**61.0**		
2023 final	**167.6**		
Total	**228.6**	209.7	209.7

Total dividends per share for the periods to which they relate are:

			Per share
	Six months to 30.6.24	Six months to 30.6.23	Year to 31.12.23
2023 interim		18.2p	18.2p
2023 final			50.1p
2024 interim	**20.1p**		
Total	**20.1p**	18.2p	68.3p

The 2024 interim dividend of 20.1p per share will be paid on 3 January 2025 to shareholders on the register at the close of business on 15 November 2024. The 2024 interim dividend will comprise approximately £67m of cash.

7. Earnings per share

	Six months to 30.6.24 £m	Six months to 30.6.23 £m	Year to 31.12.23 £m
Profit for the period	**198.7**	237.2	526.2
Adjusted for:			
customer relationships, brands and technology amortisation	**69.9**	65.6	135.6
acquisition related items	**39.5**	12.9	19.5
loss on disposal of business	**23.1**	-	-
non-recurring pension scheme credit	**(3.2)**	-	-
tax credit on adjusting items	**(23.5)**	(19.8)	(41.0)
Adjusted profit for the period	**304.5**	295.9	640.3

	Six months to 30.6.24	Six months to 30.6.23	Year to 31.12.23
Basic weighted average number of ordinary shares in issue (million)	**335.4**	335.1	335.0
Dilutive effect of employee share plans (million)	**2.1**	2.8	2.2
Diluted weighted average number of ordinary shares (million)	**337.5**	337.9	337.2
Basic earnings per share	**59.2p**	70.8p	157.1p
Adjustment	**31.6p**	17.5p	34.0p
Adjusted earnings per share	**90.8p**	88.3p	191.1p
Diluted basic earnings per share	**58.8p**	70.2p	156.0p
Adjustment	**31.4p**	17.4p	33.9p
Adjusted diluted earnings per share	**90.2p**	87.6p	189.9p

8. Acquisitions

Acquisitions involving the purchase of the acquiree's share capital or, as the case may be, the relevant assets of the businesses acquired, have been accounted for under the acquisition method of accounting. A key part of the Group's strategy is to grow through acquisition. The Group has developed a process to assist with the identification of the fair values of the assets acquired and liabilities assumed, including the separate identification of intangible assets in accordance with IFRS 3 'Business Combinations' as revised. This formal process is applied to each acquisition and involves an assessment of the assets acquired and liabilities assumed with assistance provided by external valuation specialists where appropriate. Until this assessment is complete, the allocation period remains open up to a maximum of 12 months from the relevant acquisition date. At 30 June 2024 the allocation period for all acquisitions completed since 1 July 2023 remained open and accordingly the fair values presented are provisional.

Adjustments are made to the assets acquired and liabilities assumed during the allocation period to the extent that further information and knowledge come to light that more accurately reflect conditions at the acquisition date. Adjustments are made to the value of assets acquired to reflect more accurately the estimated realisable or settlement value. Similarly, adjustments are made to acquired liabilities to record onerous commitments or other commitments existing at the acquisition date but not recognised by the acquiree. Adjustments are also made to reflect the associated tax effects. During the six months to 30 June 2024 adjustments have been recognised to the fair value of assets and liabilities acquired related to acquisitions made in the prior year, resulting in a net increase to intangible assets of £3.0m. Given the immaterial amounts involved, the fair value of assets and liabilities acquired as reported in the prior year have not been restated.

The consideration in respect of acquisitions comprises amounts paid on completion and deferred consideration. The consideration has been allocated against the identified net assets, with the balance recorded as goodwill. Any payments that are contingent on future employment, including payments which are contingent on the retention of former owners of businesses acquired, are charged to the income statement. Transaction costs and expenses such as professional fees are charged to operating profit in the income statement. Given the structure of acquisitions and the quantum of deferred consideration in the period, the Group has recognised interest on unwinding of discounting deferred consideration, where applicable, which is charged to finance expense in the income statement.

For each of the businesses acquired and announced during the period, the name of the business, the market sector served, its location and date of acquisition, as well as the estimated annualised revenue are separately disclosed. The remaining disclosures required by IFRS 3 are provided separately for those individual acquisitions that are considered to be material and in aggregate for individually immaterial acquisitions. An acquisition would generally be considered individually material if the impact on the Group's revenue or profit measures (on an annualised basis) or the relevant amounts on the balance sheet is greater than 5%. Management also applies judgement in considering whether there are any material qualitative differences from other acquisitions made.

Six months ended 30 June 2024

Summary details of the businesses acquired or agreed to be acquired during the period ended 30 June 2024 are shown in the table below:

Business	**Sector**	**Country**	**Acquisition date 2024**	**Percentage of share capital acquired**	**Annualised revenue £m**
Pamark Group	Foodservice, Healthcare, Cleaning & Hygiene and Safety	Finland	29 February	**100%**	**55.6**
Nisbets	Foodservice	UK	23 May	**80%**	**493.5**
Clean Spot	Cleaning & Hygiene	Canada	18 June	**100%**	**4.3**
Sistemas De Embalaje Anper	Retail	Spain	28 June	**100%**	**25.6**
Holland Packaging	Retail	Netherlands	29 June	**75%**	**15.3**
Other				**100%**	**11.8**
Acquisition completed in the current period					**606.1**
RCL Implantes	Healthcare	Brazil	3 July	**100%**	**17.9**
Acquisitions agreed in the current period					**624.0**

8. Acquisitions (continued)

The acquisition of Nisbets is considered to be individually significant due to its impact on intangible assets. The acquisition is therefore separately disclosed in the table below. The intangible assets recognised for Nisbets are preliminary and recognised based on historical experience as at 30 June 2024. The external valuation is ongoing and is expected to be substantially completed in the second half of the year. No acquisitions in 2023 were considered to be individually significant. A summary of the effect of acquisitions in the six months ended 30 June 2024 and 30 June 2023 and for the year ended 31 December 2023 is shown below:

	Nisbets £m	**Other £m**	**Total 30.6.24 £m**	Total 30.6.23 £m	Total 31.12.23 £m
Customer relationships	**244.9**	**13.6**	**258.5**	61.4	229.5
Brands	**–**	**–**	–	–	10.6
Property, plant and equipment and software	**60.6**	**1.6**	**62.2**	4.9	16.6
Right-of-use assets	**55.4**	**7.5**	**62.9**	14.7	16.2
Inventories	**77.7**	**7.6**	**85.3**	9.7	44.7
Trade and other receivables	**42.2**	**39.5**	**81.7**	15.1	57.0
Trade and other payables	**(94.1)**	**(13.8)**	**(107.9)**	(17.7)	(40.5)
Net cash/(overdrafts)	**43.4**	**(2.1)**	**41.3**	10.4	19.8
External debt	**(5.6)**	**–**	**(5.6)**	–	–
Provisions	**(7.7)**	**(16.7)**	**(24.4)**	(5.7)	(26.2)
Lease liabilities	**(55.4)**	**(7.5)**	**(62.9)**	(14.7)	(16.2)
Income tax payable and deferred tax liabilities	**(49.4)**	**(13.8)**	**(63.2)**	(16.7)	(29.6)
Fair value of net assets acquired	**312.0**	**15.9**	**327.9**	61.4	281.9
Provisional goodwill	**153.2**	**61.7**	**214.9**	37.8	130.6
Consideration	**465.2**	**77.6**	**542.8**	99.2	412.5
Satisfied by:					
cash consideration	**377.5**	**66.1**	**443.6**	76.5	343.0
deferred consideration	**87.7**	**11.5**	**99.2**	22.7	69.5
	465.2	**77.6**	**542.8**	99.2	412.5
Contingent payments relating to the retention of former owners	**42.1**	**10.3**	**52.4**	26.5	59.5
Interest on unwinding of discounting	**15.1**	**–**	**15.1**	–	–
Net (cash)/overdrafts acquired	**(43.4)**	**2.1**	**(41.3)**	(10.4)	(19.8)
Transaction costs and expenses	**11.9**	**4.7**	**16.6**	12.0	18.1
Total committed spend in respect of acquisitions completed in the current period	**490.9**	**94.7**	**585.6**	127.3	470.3
Spend on acquisitions committed but not completed at the period end	**–**	**65.7**	**65.7**	87.1	–
Spend on acquisitions committed at the prior period end but completed in the current period	**–**	**–**	**–**	(2.9)	(2.8)
Total committed spend in respect of acquisitions agreed in the current period	**490.9**	**160.4**	**651.3**	211.5	467.5

The net cash outflow in respect of acquisitions comprised:

	Nisbets £m	**Other £m**	**Total 30.6.24 £m**	Total 30.6.23 £m	Total 31.12.23 £m
Cash consideration	**377.5**	**66.1**	**443.6**	76.5	343.0
Net (cash)/overdrafts acquired	**(43.4)**	**2.1**	**(41.3)**	(10.4)	(19.8)
Deferred consideration payments	**–**	**11.7**	**11.7**	6.1	14.5
Purchase of businesses	**334.1**	**79.9**	**414.0**	72.2	337.7
Transaction costs and expenses paid	**6.9**	**4.8**	**11.7**	11.8	18.1
Payments relating to retention of former owners	**–**	**13.5**	**13.5**	11.7	18.8
Cash outflow from acquisition related items	**6.9**	**18.3**	**25.2**	23.5	36.9
Total cash outflow in respect of acquisitions	**341.0**	**98.2**	**439.2**	95.7	374.6

Acquisitions completed in the six months ended 30 June 2024 contributed £68.6m (six months ended 30 June 2023: £21.4m; year ended 31 December 2023: £120.5m) to the Group's revenue, £5.1m (six months ended 30 June 2023: £2.3m; year ended 31 December 2023: £16.1m) to the Group's adjusted operating profit and £3.4m (six months ended 30 June 2023: £1.3m; year ended 31 December 2023: £8.7m) to the Group's operating profit for the six months ended 30 June 2024.

8. Acquisitions (continued)

The estimated contributions from acquisitions completed in the period to the results of the Group if such acquisitions had been made at the beginning of the respective periods, are as follows:

	Six months to 30.6.24 £m	Six months to 30.6.23 £m	Year to 31.12.23 £m
Revenue	**289.7**	49.6	325.1
Adjusted operating profit	**21.6**	5.4	51.4

Deferred consideration

The table below gives further details of the Group's deferred consideration liabilities.

	30.6.24 £m	30.6.23 £m	31.12.23 £m
Minority options – acquisition of non-controlling interest*	**160.4**	77.8	86.5
Earnouts	**51.2**	17.4	36.9
Deferred consideration held at fair value	**211.6**	95.2	123.4
Minority options – retention payments of former owners*	**42.4**	36.2	38.2
Other	**10.0**	8.8	14.0
Total deferred consideration	**264.0**	140.2	175.6
Current	**51.8**	33.4	32.3
Non-current	**212.2**	106.8	143.3
Total deferred consideration	**264.0**	140.2	175.6
Expected future payments which are contingent on the continued retention of former owners of businesses acquired not yet recognised on balance sheet	**131.2**	83.9	83.2
Total deferred and contingent consideration – on and off balance sheet	**395.2**	224.1	258.8

* The Group has restated comparatives for the six months to 30 June 2023 and year to 31 December 2023 to remove minority options – retention payments of former owners from 'Deferred consideration held at fair value' as these are accounted for in line with IAS19 'Employee benefits'.

The maturity profile of total deferred and contingent consideration is set out in the table below.

	30.6.24 £m	30.6.23 £m	31.12.23 £m
Within one year	**57.5**	38.3	33.6
After one year but within two years	**28.7**	36.6	31.2
After two years but within five years	**298.5**	149.2	178.0
After five years	**10.5**	-	16.0
	395.2	224.1	258.8

8. Acquisitions (continued)

Year ended 31 December 2023

Summary details of the businesses acquired or agreed to be acquired during the year ended 31 December 2023 are shown in the table below:

Business	Sector	Country	Acquisition date 2023	Percentage of share capital acquired	Annualised revenue £m
GRC	Healthcare	Australia	1 January	100%	4.4
Capital Paper	Foodservice	Canada	31 January	100%	16.0
Arbeitsschutz-Express	Safety	Germany	3 April	66%	33.1
Dimasa	Cleaning & Hygiene	Spain	28 April	100%	3.1
Irudek	Safety	Spain	28 April	75%	16.7
EHM	Safety	UK	5 June	100%	19.5
La Cartuja Complementos Hostelería	Foodservice	Spain	30 June	100%	4.4
EcoTools.nl	Other	Netherlands	31 July	100%	17.8
Leal Equipamentos de Proteção	Safety	Brazil	1 August	100%	33.1
Packpro	Foodservice	Canada	10 August	85%	20.1
Groveko	Cleaning & Hygiene	Netherlands	11 August	93.75%	21.0
Pittman Traffic & Safety Equipment*	Safety	Ireland	28 August	100%	6.2
Flexpost	Safety	USA	31 October	100%	3.0
Grupo Lanlimp	Cleaning & Hygiene	Brazil	1 November	70%	37.8
Melbourne Cleaning Supplies	Cleaning & Hygiene	Australia	6 November	100%	9.7
Safety First	Safety	Poland	30 November	65%	24.9
Miracle Sanitation Supply	Cleaning & Hygiene	Canada	1 December	100%	7.6
CT Group	Healthcare	Brazil	1 December	100%	47.8
Others**				100%	3.3
Acquisitions completed in the current year					329.5
GRC	Healthcare	Australia	1 January	100%	(4.4)
Acquisitions agreed in the current year					325.1

*The acquisition supports the expansion of our North America based McCue business and is therefore reported as part of the North America business area.
**Others includes two small acquisitions agreed in 2023.

9. Disposal of business

The Group completed the disposal of Vicsa Argentina on 14 March 2024. As a result, the net assets of the Group decreased by £23.1m representing the loss on disposal of £23.1m. The loss on disposal reflects the cash consideration received of £1.0m offset by the net book value of assets disposed of £4.8m and recycling of historical foreign exchange losses of £19.3m from amounts held in the translation reserve within equity. There were no disposals completed in the six months ended 30 June 2023 or year ended 31 December 2023.

The net cash inflow in the year in respect of disposal of business comprised:

Cash flow from disposal of business	**Six months ended 30.6.24 £m**
Cash consideration received	**1.0**
Cash and cash equivalents disposed	**(0.4)**
Net cash inflow	**0.6**

10. Right-of-use assets

Six months ended 30 June 2024

Net book value	**Property £m**	**Motor Vehicles £m**	**Equipment £m**	**Total £m**
Beginning of period	**520.0**	**68.8**	**27.5**	**616.3**
Acquisitions (Note 8)	**57.6**	**4.7**	**0.6**	**62.9**
Additions	**62.0**	**23.9**	**10.6**	**96.5**
Depreciation charge in the period	**(68.4)**	**(15.0)**	**(5.7)**	**(89.1)**
Remeasurement adjustments	**36.4**	**(0.6)**	**0.5**	**36.3**
Transferred to assets held for sale	**(0.2)**	**(0.2)**	**-**	**(0.4)**
Currency translation	**(5.6)**	**(0.6)**	**(0.1)**	**(6.3)**
As at 30 June 2024	**601.8**	**81.0**	**33.4**	**716.2**

Six months ended 30 June 2023

Net book value	Property £m	Motor Vehicles £m	Equipment £m	Total £m
Beginning of period	439.6	63.3	26.7	529.6
Acquisitions (Note 8)	14.6	0.1	-	14.7
Additions	25.9	20.0	6.3	52.2
Depreciation charge in the period	(60.2)	(14.6)	(5.9)	(80.7)
Remeasurement adjustments	84.4	(0.8)	-	83.6
Currency translation	(20.2)	(2.9)	(1.4)	(24.5)
As at 30 June 2023	484.1	65.1	25.7	574.9

Year ended 31 December 2023

Net book value	Property £m	Motor Vehicles £m	Equipment £m	Total £m
Beginning of year	439.6	63.3	26.7	529.6
Acquisitions (Note 8)	15.9	0.3	-	16.2
Additions	87.5	37.1	12.1	136.7
Depreciation charge in the year	(125.1)	(30.0)	(11.0)	(166.1)
Remeasurement adjustments	118.6	0.4	0.8	119.8
Currency translation	(16.5)	(2.3)	(1.1)	(19.9)
As at 31 December 2023	520.0	68.8	27.5	616.3

11. Intangible assets

Six months ended 30 June 2024

	Goodwill £m	Customer relationships £m	Brands £m	Technology £m	Software £m	Total £m
Cost						
Beginning of period	**2,020.7**	**2,494.5**	**48.5**	**9.3**	**116.8**	**4,689.8**
Acquisitions (Note 8)	**214.9**	**258.5**	**-**	**-**	**3.8**	**477.2**
Disposal of business (Note 9)	**(2.8)**	**(3.2)**	**-**	**-**	**(0.1)**	**(6.1)**
Adjustment for hyperinflation accounting[1]	**4.8**	**0.9**	**-**	**-**	**-**	**5.7**
Additions					**6.5**	**6.5**
Disposals					**(0.5)**	**(0.5)**
Transferred to assets held for sale	**(0.5)**	**(12.2)**	**-**	**-**	**(0.3)**	**(13.0)**
Currency translation	**(38.8)**	**(52.1)**	**(0.5)**	**(0.2)**	**(2.2)**	**(93.8)**
End of period	**2,198.3**	**2,686.4**	**48.0**	**9.1**	**124.0**	**5,065.8**
Accumulated amortisation and impairment						
Beginning of period	**11.8**	**1,343.7**	**7.4**	**1.8**	**83.0**	**1,447.7**
Amortisation charge in the period		**67.5**	**1.6**	**0.8**	**5.3**	**75.2**
Impairment charge in the period	**-**	**2.3**	**-**	**-**	**-**	**2.3**
Disposal of business (Note 9)	**-**	**(2.6)**	**-**	**-**	**(0.1)**	**(2.7)**
Adjustment for hyperinflation accounting[1]		**0.7**	**-**	**-**	**-**	**0.7**
Disposals					**(0.5)**	**(0.5)**
Transferred to assets held for sale	**-**	**(8.5)**	**-**	**-**	**(0.2)**	**(8.7)**
Currency translation	**(0.1)**	**(27.0)**	**-**	**(0.1)**	**(0.9)**	**(28.1)**
End of period	**11.7**	**1,376.1**	**9.0**	**2.5**	**86.6**	**1,485.9**
Net book value at 30 June 2024	**2,186.6**	**1,310.3**	**39.0**	**6.6**	**37.4**	**3,579.9**

Six months ended 30 June 2023

	Goodwill £m	Customer relationships £m	Brands £m	Technology £m	Software £m	Total £m
Cost						
Beginning of period	1,944.4	2,349.0	39.7	9.5	107.4	4,450.0
Acquisitions (Note 8)	37.8	61.4	-	-	0.7	99.9
Adjustment for hyperinflation accounting[1]	3.5	1.2	-	-	-	4.7
Additions					6.4	6.4
Disposals					(0.5)	(0.5)
Currency translation	(74.3)	(100.3)	(1.9)	(0.4)	(4.5)	(181.4)
End of period	1,911.4	2,311.3	37.8	9.1	109.5	4,379.1
Accumulated amortisation and impairment						
Beginning of period	12.8	1,258.1	4.8	0.4	80.0	1,356.1
Amortisation charge in the period		62.5	1.7	1.4	4.7	70.3
Adjustment for hyperinflation accounting[1]	-	0.9	-	-	-	0.9
Disposals					(0.5)	(0.5)
Currency translation	(1.2)	(54.8)	(0.2)	-	(3.1)	(59.3)
End of period	11.6	1,266.7	6.3	1.8	81.1	1,367.5
Net book value at 30 June 2023	1,899.8	1,044.6	31.5	7.3	28.4	3,011.6

11. Intangible assets (continued)

	Goodwill £m	Customer relationships £m	Brands £m	Technology £m	Software £m	Total £m
Cost						
Beginning of year	1,944.4	2,349.0	39.7	9.5	107.4	4,450.0
Acquisitions (Note 8)	130.6	229.5	10.6	-	1.3	372.0
Adjustment for hyperinflation accounting[1]	8.4	1.6	-	-	-	10.0
Additions					15.5	15.5
Disposals					(4.6)	(4.6)
Currency translation	(62.7)	(85.6)	(1.8)	(0.2)	(2.8)	(153.1)
End of year	2,020.7	2,494.5	48.5	9.3	116.8	4,689.8
Accumulated amortisation and impairment						
Beginning of year	12.8	1,258.1	4.8	0.4	80.0	1,356.1
Amortisation charge in the year		130.2	4.0	1.4	9.4	145.0
Adjustment for hyperinflation accounting[1]	-	1.2	-	-	-	1.2
Disposals				-	(4.6)	(4.6)
Currency translation	(1.0)	(45.8)	(1.4)	-	(1.8)	(50.0)
End of period	11.8	1,343.7	7.4	1.8	83.0	1,447.7
Net book value at 31 December 2023	2,008.9	1,150.8	41.1	7.5	33.8	3,242.1

[1]See Note 1 for further details.

Goodwill, customer relationships, brands and technology intangible assets have been acquired as part of business combinations. Further details of acquisitions made in the period are set out in Note 8.

The Group has completed an impairment assessment in relation to the carrying value of goodwill as at 30 June 2024. Based on this assessment, no impairment was identified and there were no reasonably possible changes in key assumptions that would result in a material change to the carrying amounts of goodwill in the next 12 months. The Group also considered whether there were any indicators that individual customer relationships, brands and technology intangible assets were impaired. As a result, triggers were identified and impairment tests were performed in relation to a small number of customer relationship intangible assets. Based on our impairment testing, the Group has recognised an impairment charge of £2.3m relating to the customer relationships intangible asset of a foodservice business within the Benelux and Germany cash generating unit.

12. Working Capital

	30.6.24 £m	30.6.23 £m	31.12.23 £m
Inventories	**1,633.3**	1,519.9	1,621.1
Trade and other receivables	**1,662.4**	1,605.3	1,578.5
Trade and other payables - current	**(2,303.6)**	(2,217.0)	(2,071.6)
Add back net non-trading related receivables and payables	**28.1**	28.8	30.1
Add back dividends payable	**167.6**	151.8	-
	1,187.8	1,088.8	1,158.1

See Note 17 for the cash flow impact of movements in working capital which exclude the impact from foreign exchange movements and acquisitions.

13. Financial instruments

The following financial assets and liabilities are held at fair value:

Financial assets	30.6.24 £m	30.6.23 £m	31.12.23 £m
Foreign exchange derivatives in cash flow hedges	**1.1**	1.3	0.3
Foreign exchange derivatives in net investment hedges	**5.9**	14.7	9.8
Other foreign exchange and interest rate derivatives	**7.0**	15.9	1.7
Total derivative financial assets	**14.0**	31.9	11.8
Money market funds	**-**	-	49.0
Total financial assets held at fair value	**14.0**	31.9	60.8
Current derivative financial assets	**13.9**	31.9	11.7
Non-current derivative financial assets	**0.1**	-	0.1
Total derivative financial assets	**14.0**	31.9	11.8

Financial liabilities	30.6.24 £m	30.6.23 £m	31.12.23 £m
Interest rate derivatives in fair value hedges	**(87.0)**	(112.6)	(78.7)
Foreign exchange derivatives in cash flow hedges	**(0.9)**	(1.5)	(2.8)
Foreign exchange derivatives in net investment hedges	**(9.8)**	(6.8)	(16.6)
Other foreign exchange derivatives	**(1.1)**	(3.9)	(6.3)
Total derivative financial liabilities	**(98.8)**	(124.8)	(104.4)
Other payables*	**(211.6)**	(95.2)	(123.4)
Total financial liabilities held at fair value	**(310.4)**	(220.0)	(227.8)
Current derivative financial liabilities	**(11.8)**	(12.2)	(25.7)
Non-current derivative financial liabilities	**(87.0)**	(112.6)	(78.7)
Total derivative financial liabilities	**(98.8)**	(124.8)	(104.4)

* The Group has restated comparatives for the six months to 30 June 2023 and year to 31 December 2023 to remove minority options – retention payments of former owners of £36.2m and £38.2m respectively, from Other payables held at fair value as these are accounted for in line with IAS19 ‘Employee benefits’.

Financial assets and liabilities stated as being measured at fair value in the tables above (including all derivative financial instruments), with the exception of other payables, have carrying amounts where the fair value is, and has been throughout the period, a level two fair value measurement. Level two fair value measurements use inputs other than quoted prices that are observable for the relevant asset or liability, either directly or indirectly. The fair values of financial assets and liabilities stated at level two fair value have been determined by discounting expected future cash flows, translated at the appropriate balance sheet date exchange rates and adjusted for counterparty or own credit risk as applicable. Other payables measured at fair value relate to earn outs and options on businesses acquired. This is a level three fair value which is initially measured based on the expected future profitability of the businesses acquired at the acquisition date and subsequently reassessed at each reporting date based on the most recent data available on the expected profitability of the businesses acquired. These balances are sensitive to a change in the expected profitability of the businesses acquired. A 1% increase in the expected profitability of the relevant businesses acquired would result in an increase to other payables of £6.3m and 1% decrease in the expected profitability would result in a decrease of £6.3m.

There were no transfers between levels for recurring fair value measurements during the period.

The fair values of all financial instruments approximate to their book values, with the exception of the US private placement notes and the senior bonds which are held at amortised cost. The fair value of all US private placement notes which are held at amortised cost, using market prices at 30 June 2024, was £749.6m (30 June 2023: £859.6m; 31 December 2023: £875.9m), compared to a carrying value of £797.3m (30 June 2023: £925.5m; 31 December 2023: £925.1m). The fair value of the senior bonds which are held at amortised cost, using market prices at 30 June 2024, was £615.5m (30 June 2023: £567.5m, 31 December 2023: £615.8m) compared to a carrying value of £615.2m (30 June 2023: £588.4m, 31 December 2023: £621.9m).

14. Lease liabilities

The Group leases certain property, plant, equipment and vehicles under non-cancellable operating lease agreements. These leases have varying terms and renewal rights.

Movement in lease liabilities	**Six months to 30.6.24 £m**	Six months to 30.6.23 £m	Year to 31.12.23 £m
Beginning of period	**664.5**	569.9	569.9
Acquisitions (Note 8)	**62.9**	14.7	16.2
New leases	**96.5**	52.2	136.7
Interest charge in the period	**18.0**	13.1	28.6
Payment of lease liabilities	**(103.2)**	(91.9)	(188.0)
Remeasurement adjustments	**36.3**	84.9	122.1
Transfer to asset held for sale	**(0.4)**	-	-
Currency translation	**(6.4)**	(25.2)	(21.0)
End of period	**768.2**	617.7	664.5
Ageing of lease liabilities:			
Current lease liabilities	**179.1**	147.7	152.1
Non-current lease liabilities	**589.1**	470.0	512.4
End of period	**768.2**	617.7	664.5

15. Cash, cash equivalents and overdrafts and net debt

	30.6.24 £m	30.6.23 £m	31.12.23 £m
Cash at bank and in hand	**1,381.4**	1,481.1	1,377.1
Money market funds	**-**	-	49.0
Cash and cash equivalents	**1,381.4**	1,481.1	1,426.1
Bank overdrafts	**(1,062.3)**	(887.5)	(874.2)
Cash, cash equivalents and overdrafts	**319.1**	593.6	551.9
Interest bearing loans and borrowings - current liabilities	**(475.4)**	(131.8)	(130.0)
Interest bearing loans and borrowings - non-current liabilities	**(1,090.7)**	(1,386.6)	(1,417.1)
Derivatives managing interest rate risk and currency profile of the debt	**(85.2)**	(95.6)	(90.3)
Net debt excluding lease liabilities	**(1,332.2)**	(1,020.4)	(1,085.5)
Lease liabilities	**(768.2)**	(617.7)	(664.5)
Total net debt including lease liabilities	**(2,100.4)**	(1,638.1)	(1,750.0)

The cash at bank and in hand and bank overdrafts amounts included in the table above include the amounts associated with the Group's cash pool. The cash pool enables the Group to access cash in its subsidiaries to pay down the Group's borrowings. The Group has the legal right of set-off of balances within the cash pool which is an enforceable right. The cash at bank and in hand and bank overdrafts figures net of the amounts in the cash pool are disclosed below for reference:

	30.6.24 £m	30.6.23 £m	31.12.23 £m
Cash at bank and in hand net of amounts in the cash pool	**354.7**	621.0	520.8
Money market funds	**-**	-	49.0
Bank overdrafts net of amounts in the cash pool	**(35.6)**	(27.4)	(17.9)
Cash, cash equivalents and overdrafts	**319.1**	593.6	551.9

16. Movement in net debt

Six months ended 30 June 2024	**Cash, cash equivalents and overdrafts £m**	**Interest bearing loans and borrowings £m**	**Derivatives £m**	**Net debt £m**
Beginning of period excluding lease liabilities	**551.9**	**(1,547.1)**	**(90.3)**	**(1,085.5)**
Cash flow excluding movements in other components of net debt	**(179.3)**	**-**	**-**	**(179.3)**
Interest paid excluding interest on lease liabilities	**(63.5)**	**-**	**-**	**(63.5)**
Increase in borrowings	**148.1**	**(148.1)**	**-**	**-**
Repayment of borrowings	**(130.9)**	**130.9**	**-**	**-**
Receipts on settlement of foreign exchange contracts	**8.6**	**-**	**(8.6)**	**-**
Net cash outflow	**(217.0)**	**(17.2)**	**(8.6)**	**(242.8)**
Non-cash movement in debt	**-**	**10.1**	**(8.5)**	**1.6**
Loans and borrowings recognised on acquisition	**-**	**(5.6)**	**-**	**(5.6)**
Realised gain on foreign exchange contracts	**-**	**-**	**8.6**	**8.6**
Currency translation	**(15.8)**	**(6.3)**	**13.6**	**(8.5)**
End of period excluding lease liabilities	**319.1**	**(1,566.1)**	**(85.2)**	**(1,332.2)**
Lease liabilities	**-**	**(768.2)**	**-**	**(768.2)**
End of period including lease liabilities	**319.1**	**(2,334.3)**	**(85.2)**	**(2,100.4)**

Six months ended 30 June 2023	Cash, cash equivalents and overdrafts £m	Interest bearing loans and borrowings £m	Derivatives £m	Net debt £m
Beginning of period excluding lease liabilities	678.1	(1,735.0)	(103.2)	(1,160.1)
Cash flow excluding movements in other components of net debt	135.3	-	-	135.3
Interest paid excluding interest on lease liabilities	(51.4)	-	-	(51.4)
Increase in borrowings	5.2	(5.2)	-	-
Repayment of borrowings	(159.1)	159.1	-	-
Receipts on settlement of foreign exchange contracts	12.0	-	(12.0)	-
Net cash (outflow)/inflow	(58.0)	153.9	(12.0)	83.9
Non-cash movement in debt	-	12.3	(12.7)	(0.4)
Realised gain on foreign exchange contracts	-	-	12.0	12.0
Currency translation	(26.5)	50.4	20.3	44.2
End of period excluding lease liabilities	593.6	(1,518.4)	(95.6)	(1,020.4)
Lease liabilities	-	(617.7)	-	(617.7)
End of period including lease liabilities	593.6	(2,136.1)	(95.6)	(1,638.1)

Year ended 31 December 2023	Cash, cash equivalents and overdrafts £m	Interest bearing loans and borrowings £m	Derivatives £m	Net debt £m
Beginning of year excluding lease liabilities	678.1	(1,735.0)	(103.2)	(1,160.1)
Cash flow excluding movements in other components of net debt	143.1	-	-	143.1
Interest paid excluding interest on lease liabilities	(107.6)	-	-	(107.6)
Repayment of borrowings	(159.5)	159.5	-	-
Receipts on settlement of foreign exchange contracts	21.6	-	(21.6)	-
Net cash (outflow)/inflow	(102.4)	159.5	(21.6)	35.5
Non-cash movement in debt	-	(20.8)	21.5	0.7
Realised gain on foreign exchange contracts	-	-	21.6	21.6
Currency translation	(23.8)	49.2	(8.6)	16.8
End of year excluding lease liabilities	551.9	(1,547.1)	(90.3)	(1,085.5)
Lease liabilities	-	(664.5)	-	(664.5)
End of year including lease liabilities	551.9	(2,211.6)	(90.3)	(1,750.0)

17. Cash flow from operating activities

The tables below give further details on the adjustments for depreciation and software amortisation, other non-cash items and the working capital movement shown in the Condensed consolidated cash flow statement:

Depreciation and software amortisation	Six months to 30.6.24 £m	Six months to 30.6.23 £m	Year to 31.12.23 £m
Depreciation of right-of-use assets	**89.1**	80.7	166.1
Other depreciation and software amortisation	**23.0**	19.8	41.1
	112.1	100.5	207.2

Other non-cash items	Six months to 30.6.24 £m	Six months to 30.6.23 £m	Year to 31.12.23 £m
Share based payments	**8.5**	7.6	15.4
Provisions	**(1.4)**	(5.7)	(13.1)
Retirement benefit obligations	**1.0**	(4.4)	(3.5)
Hyperinflation accounting adjustments	**4.0**	2.2	2.1
Other	**1.3**	3.5	5.6
	13.4	3.2	6.5

Working capital movement	Six months to 30.6.24 £m	Six months to 30.6.23 £m	Year to 31.12.23 £m
Decrease in inventories	**45.4**	173.2	108.1
Increase in trade and other receivables	**(38.9)**	(87.5)	(9.9)
Decrease in trade and other payables	**(23.3)**	(113.1)	(126.6)
	(16.8)	(27.4)	(28.4)

18. Related party disclosures

As disclosed in the Annual Report for the year ended 31 December 2023, the Group has identified the directors of the Company, their close family members, the Group's defined benefit pension schemes and its key management as related parties for the purpose of IAS 24 'Related Party Disclosures'. There have been no material transactions with those related parties during the six months ended 30 June 2024. Details of the relevant relationships with those related parties will be disclosed in the Annual Report for the year ending 31 December 2024. All transactions with subsidiaries are eliminated on consolidation.

Responsibility statement of the directors in respect of the financial report for the six months ended 30 June 2024

The directors confirm to the best of their knowledge that these condensed interim financial statements have been prepared in accordance with IAS 34 ‘Interim Financial Reporting’ as issued by the International Accounting Standards Board (‘IASB’), UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom’s Financial Conduct Authority and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and

- material related-party transactions in the first six months and any material changes in the related-party transactions described in the last annual report.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company’s website. Legislation in the UK governing the preparation and dissemination of a condensed set of financial statements may differ from legislation in other jurisdictions.

For and on behalf of the Board

Frank van Zanten
Chief Executive Officer
27 August 2024

Richard Howes
Chief Financial Officer

Independent review report to Bunzl plc
Report on the condensed consolidated interim financial statements

Our conclusion
We have reviewed Bunzl plc's condensed consolidated interim financial statements (the "interim financial statements") in the financial report of Bunzl plc for the 6 month period ended 30 June 2024 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as issued by the IASB, UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim financial statements comprise:

- the Condensed consolidated balance sheet as at 30 June 2024;
- the Condensed consolidated income statement and the Condensed consolidated statement of comprehensive income for the period then ended;
- the Condensed consolidated cash flow statement for the period then ended;
- the Condensed consolidated statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the financial report of Bunzl plc have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as issued by the IASB, UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Basis for conclusion
We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the United Kingdom ("ISRE (UK) 2410"). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

Conclusions relating to going concern
Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed. This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the Group to cease to continue as a going concern.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors
The financial report, including the interim financial statements, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the financial report in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. In preparing the financial report, including the interim financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements in the financial report based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report. This report, including the conclusion, has been prepared for and only for the Company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP
Chartered Accountants
London
27 August 2024