



2017 CAPITAL MARKETS EVENT

SEPTEMBER 2017





INTRODUCTION:

FRANK VAN ZANTEN

CHIEF EXECUTIVE



AGENDA

INTRODUCTION: FRANK VAN ZANTEN

UK & IRELAND: ANDREW TEDBURY

CONTINENTAL EUROPE: PAUL BUDGE

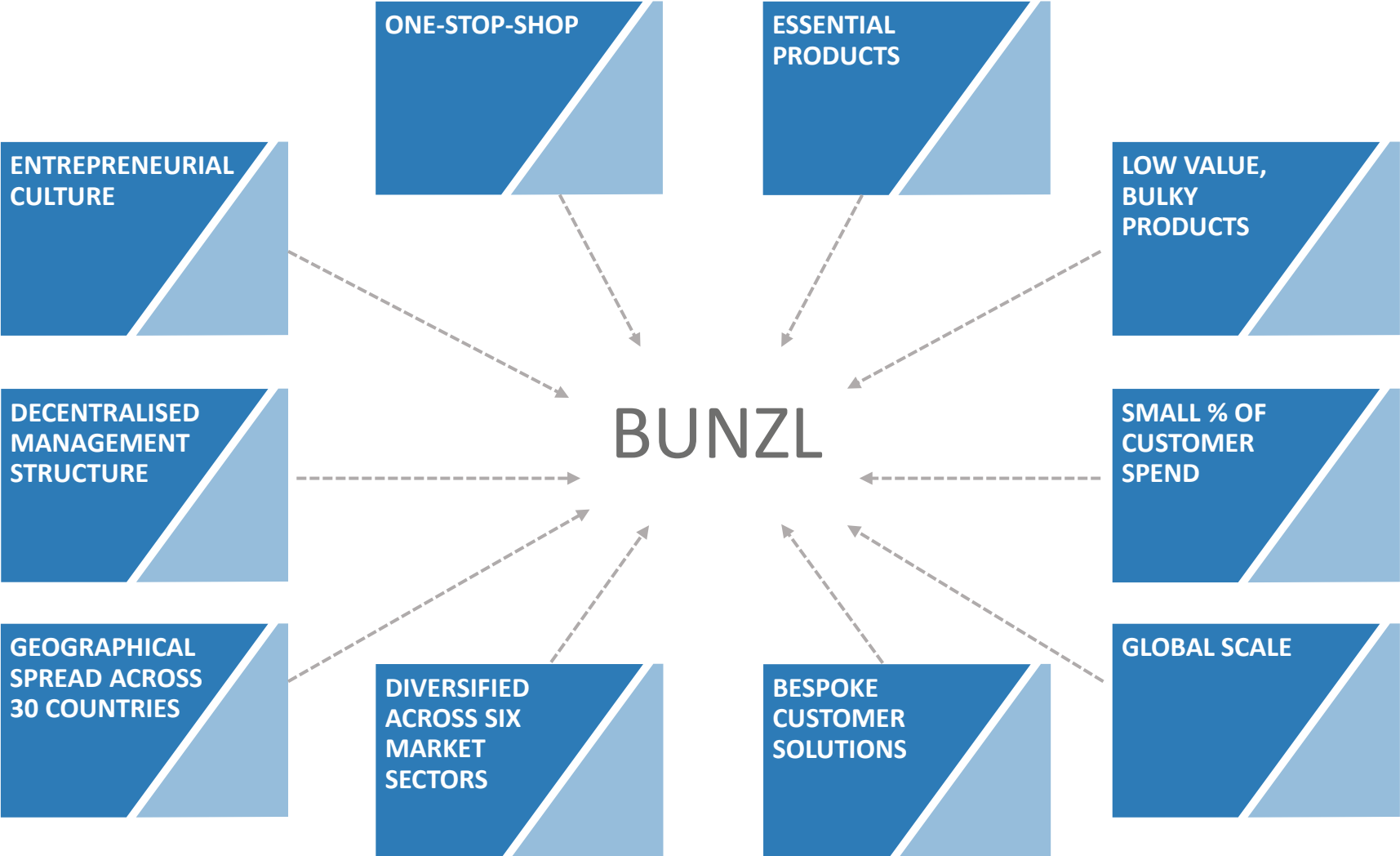
BREAK

LATIN AMERICA: JONATHAN TAYLOR

NORTH AMERICA: PAT LARMON

CLOSE: FRANK VAN ZANTEN

WHAT MAKES BUNZL UNIQUE?



VALUE PROPOSITION

Outsourcing
adds value for
our customers



- In-house procurement and self-distribution is costly
- Bunzl applies its resources and expertise to reduce or eliminate many of the "hidden" costs of in-house procurement and self-distribution
- The benefits to customers are a lower cost of doing business and reduced working capital and carbon emissions



UK & IRELAND:

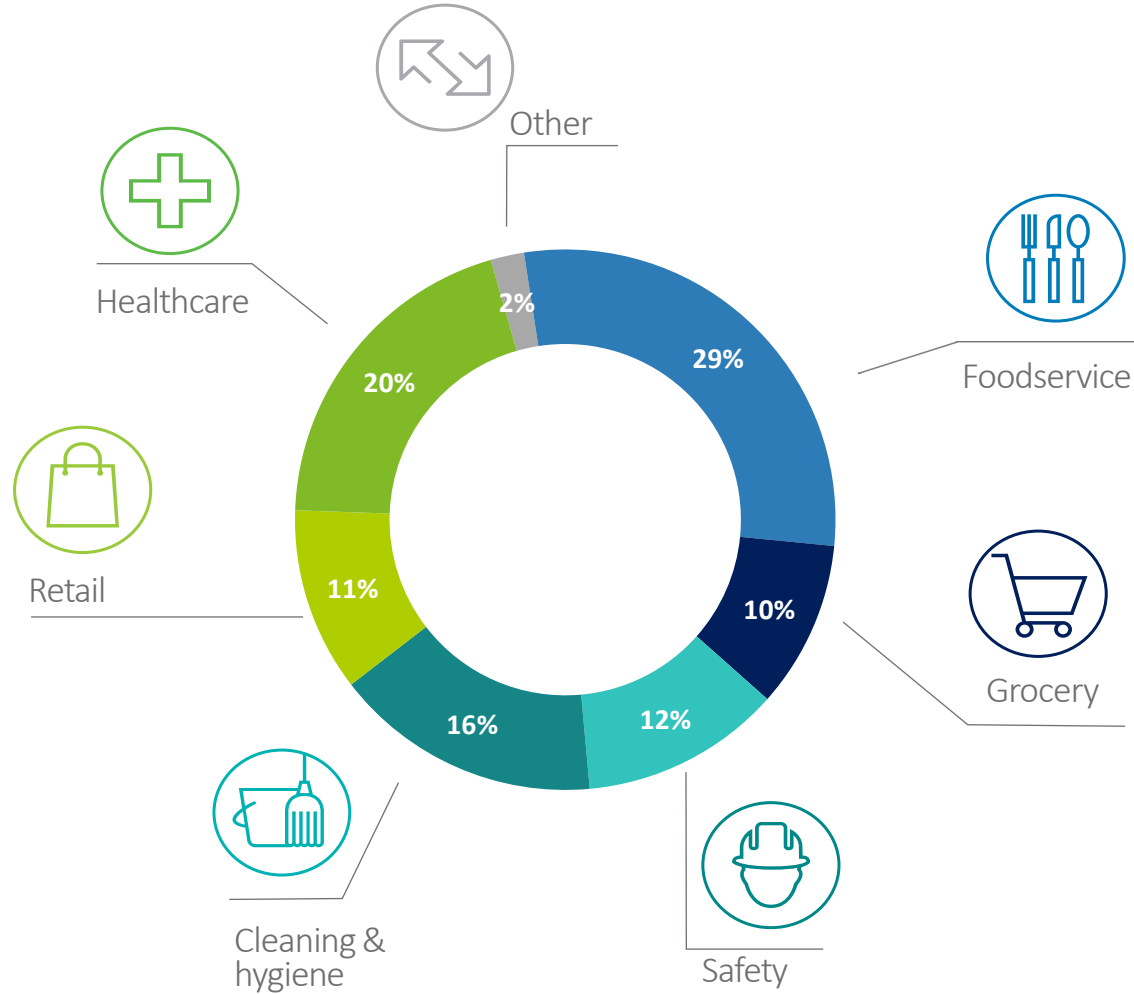
ANDREW TEDBURY
THE BUNZL SERVICE
OFFERING TO
SKANSKA AND
COMPASS



UK & IRELAND OVERVIEW

Sector focused

15% of 2016
Group revenue



SERVICE OFFERING



INSIGHT



Helping our customers to manage their businesses more efficiently

DEDICATED FIELD SALES FORCE	Quality people Market knowledge Expert advice
OWN BRAND AND MANUFACTURER BRAND	Simplification Rationalisation Correct choice
CUSTOMISED MANAGEMENT INFORMATION	Use of data Consumption Compliance





INSIGHT ENHANCES OUR CUSTOMER OFFERING:

CUSTOMER VIDEO



Dale Turner: **SKANSKA**

Procurement Director

Ian Murphy:  **COMPASS GROUP**

Category Development Director



IMPLEMENTATION

Helping our customers to focus on their core activities

**ONE ORDER
ONE DELIVERY
ONE INVOICE**

Ease of business
Multiple products

**ON-TIME
IN-FULL
DELIVERY**

Dedicated teams
Complex mobilisations

**RANGE OF DELIVERY
OPTIONS
INCLUDING OWN
FLEET**

Local & national
Flexible solutions





IMPLEMENTING NEW CUSTOMER CONTRACTS:

CUSTOMER VIDEO



Dale Turner: **SKANSKA**

Procurement Director

Ian Murphy:  **COMPASS GROUP**

Category Development Director



INNOVATION

Helping our customers to benefit from the very latest service and product innovation

EXPERT KNOWLEDGE AND ADVICE
Brand enhancing
Innovation centres

OWN BRAND
Bespoke products
Global sourcing

CUSTOMISED DIGITAL SOLUTIONS
Flexible approach
Web & app





BRINGING INNOVATION
TO CUSTOMERS:

CUSTOMER VIDEO



Dale Turner: **SKANSKA**

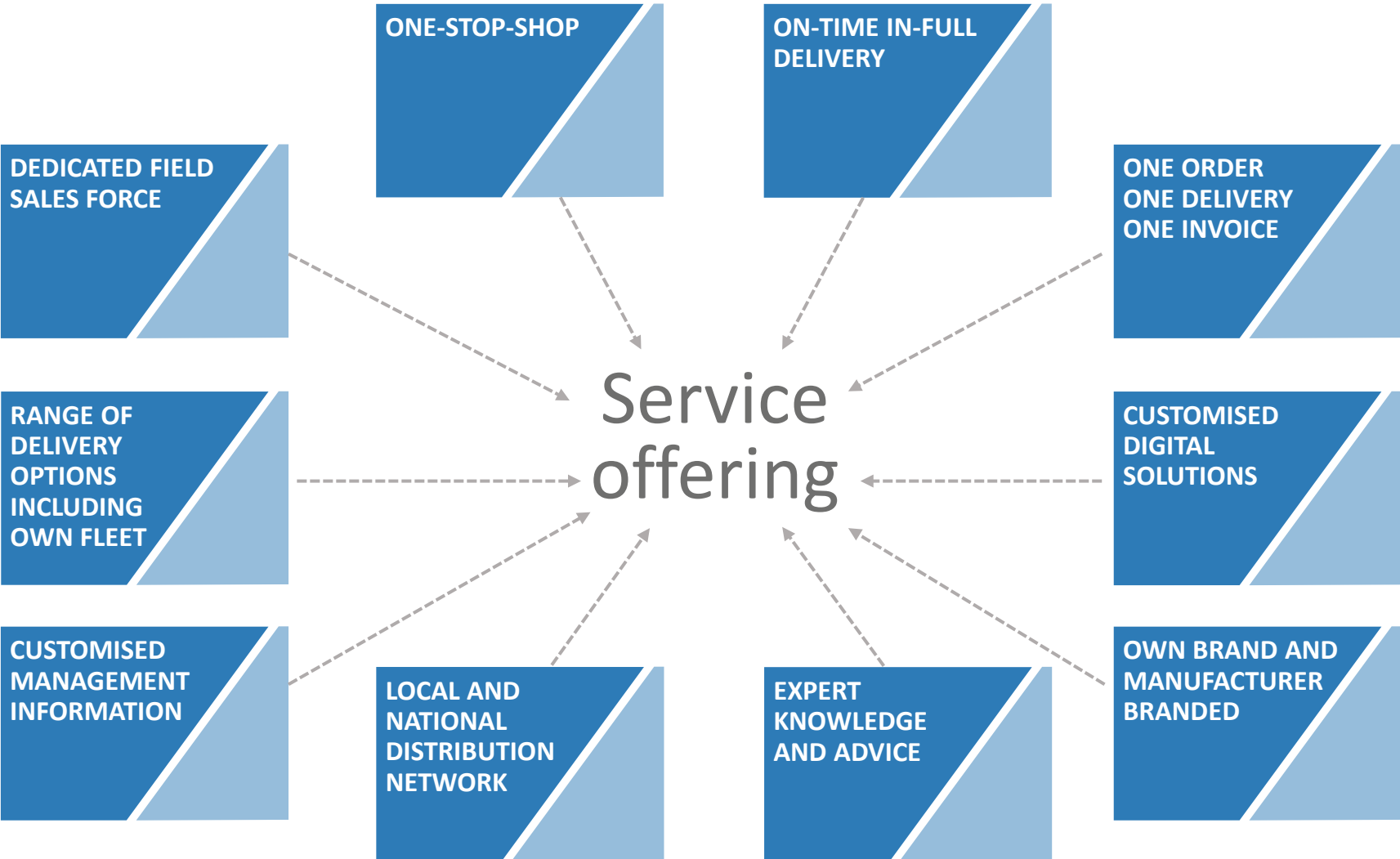
Procurement Director

Ian Murphy:  **COMPASS
GROUP**

Category Development
Director



SERVICE OFFERING





UK & IRELAND: QUESTIONS





CONTINENTAL EUROPE:

PAUL BUDGE

INNOVATION OF THE
BUNZL OFFERING TO
THE HEALTHCARE
MARKET IN THE
NETHERLANDS



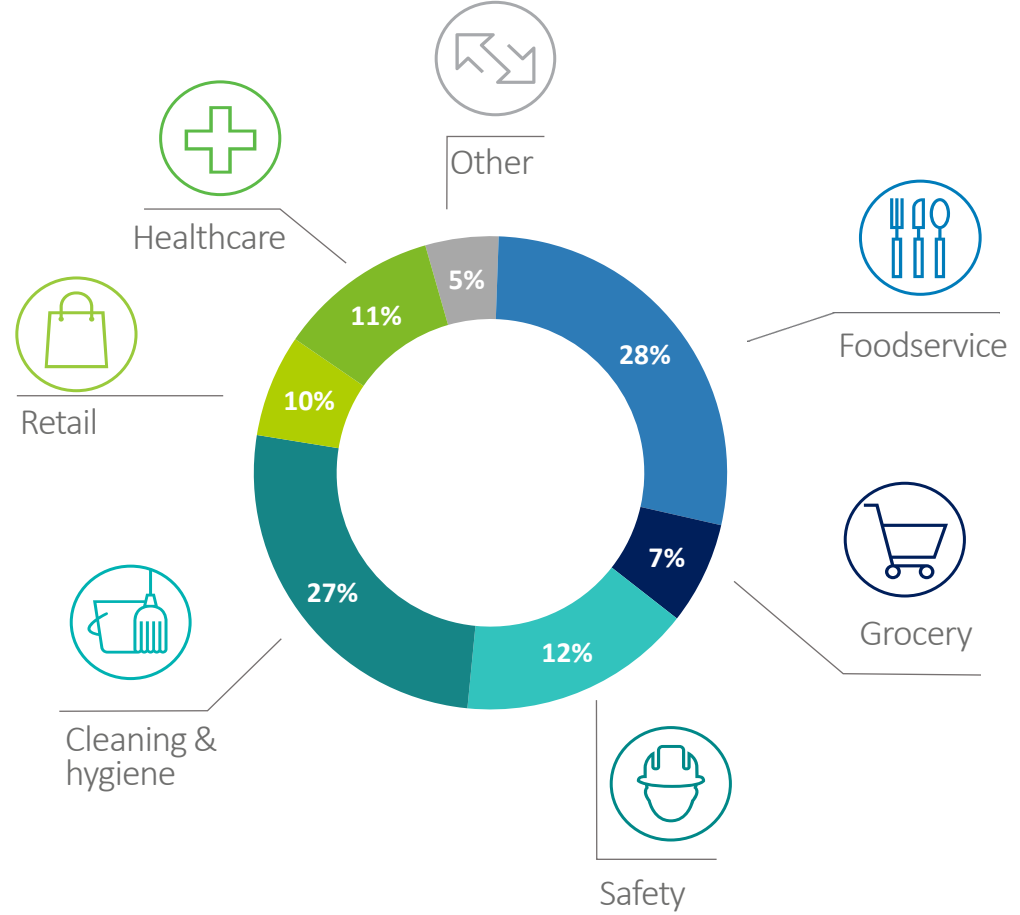
CONTINENTAL EUROPE OVERVIEW

48 sector focused businesses

15 countries

18% of 2016 Group revenue

 France
 Netherlands
 Germany
 Spain
 Belgium
 Denmark
 Switzerland
 Austria
 Italy
 Czech Republic
 Hungary
 Romania
 Slovakia
 Israel
 Turkey



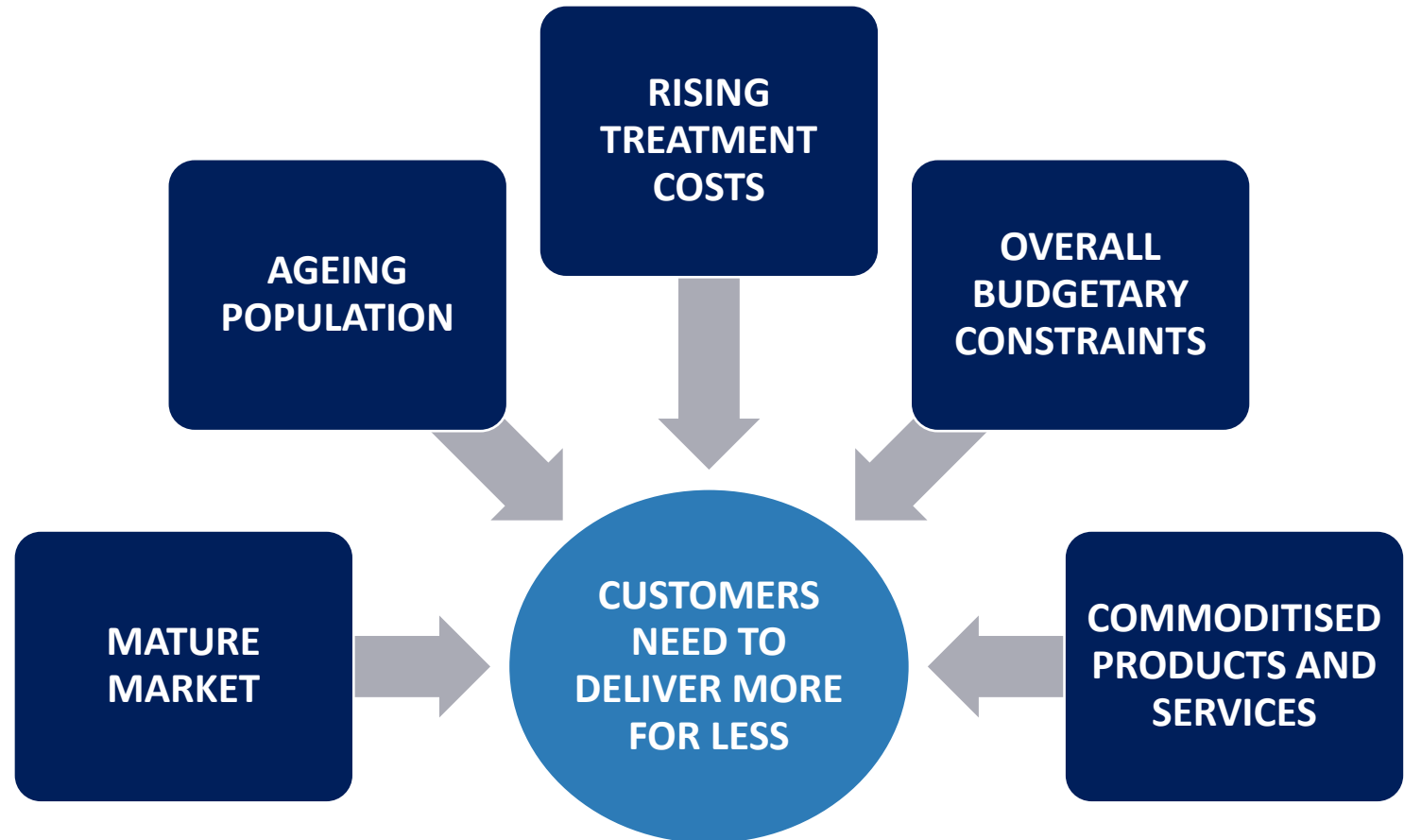
C6 – AN INNOVATION OF THE BUNZL OFFERING TO THE HEALTHCARE MARKET IN THE NETHERLANDS



INNOVATING IN THE HEALTHCARE MARKET



Helping our customers save money



TYPICAL HEALTHCARE FACILITY INEFFICIENCIES



C6 – WINNING THE CUSTOMER



BALANCING THE NEED TO SAVE COSTS WITH QUALITY

C6 – TYPICAL OUTCOMES

The background of the slide features an iceberg in a blue ocean. The tip of the iceberg is visible above the water, while the much larger submerged part is visible below. Six dark blue rectangular boxes with white text are arranged in two rows of three, representing the 'typical outcomes' mentioned in the title. Each box has a diagonal cutout on its right side.

**OUTSOURCE
PROCUREMENT OF
CONSUMABLES**

**RATIONALISATION OF
SUPPLIER BASE**

**USE TRACK AND TRACE
TO MANAGE PRODUCT
DATA**

**TAKE OWNERSHIP OF
& MANAGE
WAREHOUSING
INCLUDING STERILE
PRODUCTS**

**JIT DELIVERIES DIRECT TO
WARD AND STORAGE
CUPBOARDS**

**ORDER VIA SCANNING
OR WEBSHOP -
AUTOMATIC
INTERFACE WITH
CUSTOMER'S ERP**

C6 AND E-COMMERCE

Using our state of the art e-commerce solution to ensure seamless integration for each customer

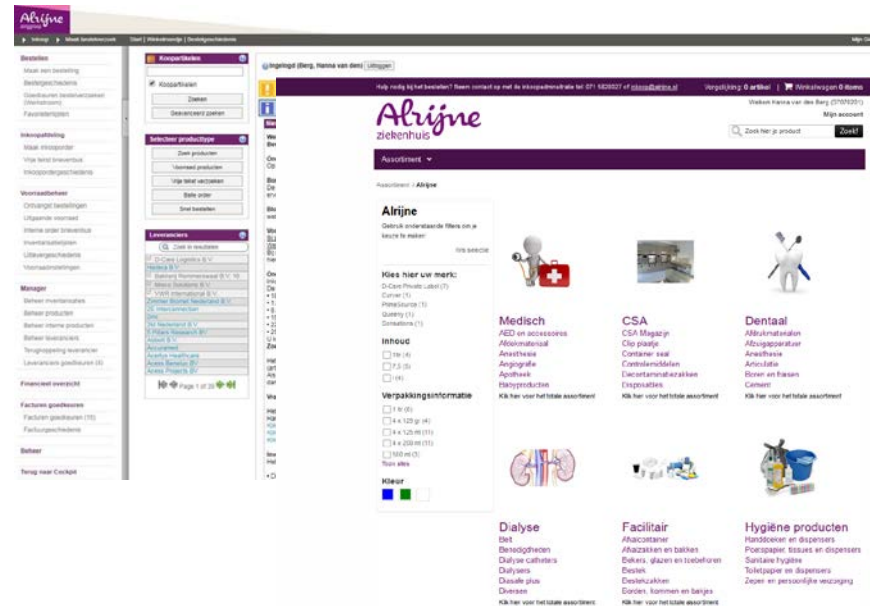
PROCUREMENT PLATFORM LINKS TO BUNZL WEBSHOP

SHOPPING CART APPROVAL IN ALRIJNE PROCUREMENT PLATFORM

ORDER AUTOMATICALLY PLACED IN BUNZL SYSTEM

BENEFITS :

- EASE OF USE**
- CONTROL OF SPEND VIA AUTHORISATION PROCESS AND CONTROL**
- USE OF DEFINED AND AGREED PRODUCT CATALOGUE**



BUNZL NETHERLANDS C6 IMPLEMENTATION WITH HOSPITAL GROUP RIVAS:

CUSTOMER TESTIMONIAL



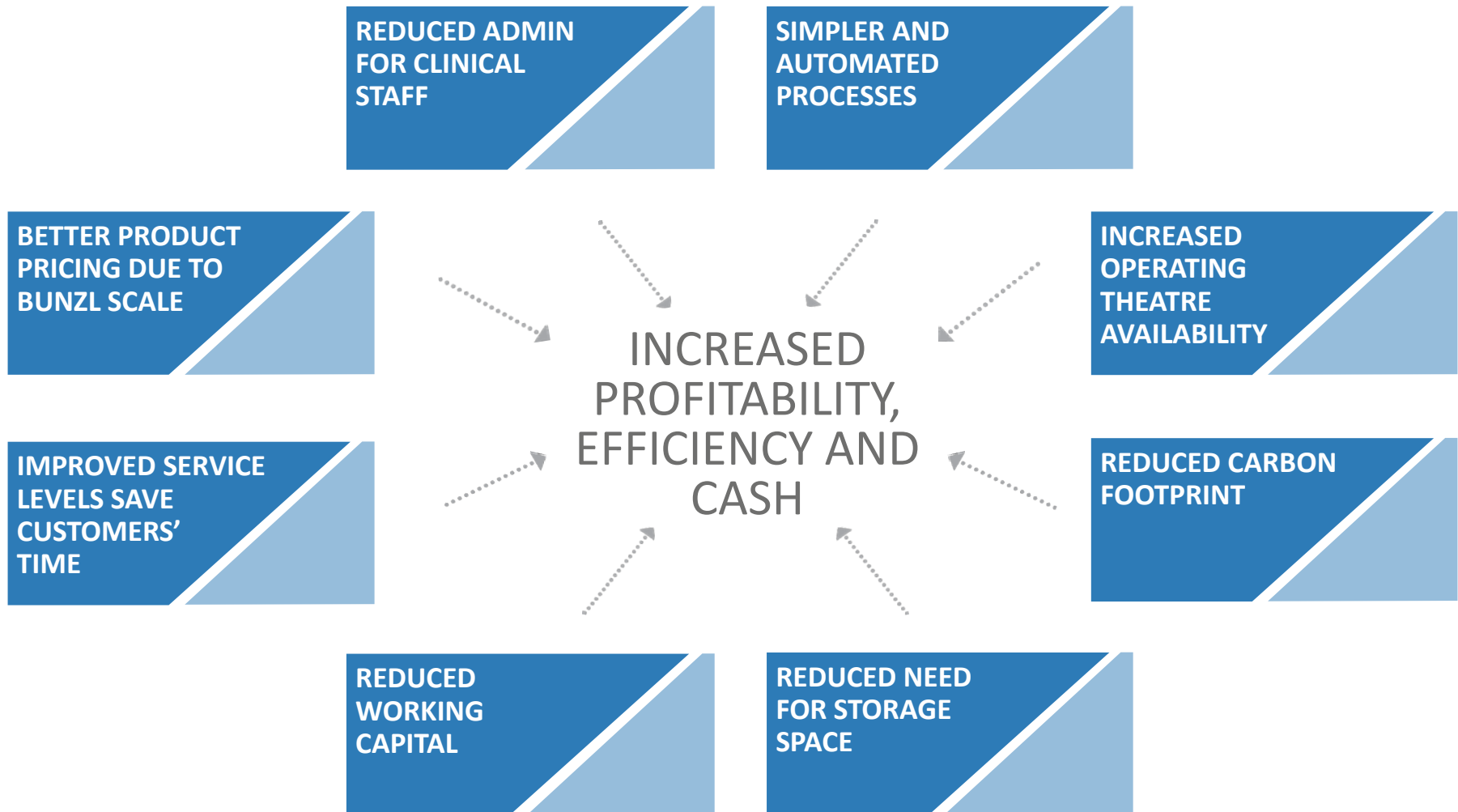


BUNZL NETHERLANDS C6 IMPLEMENTATION WITH HOSPITAL GROUP RIVAS:

CUSTOMER VIDEO



BENEFITS OF C6 TO CUSTOMERS





CONTINENTAL EUROPE: QUESTIONS





2017 CAPITAL MARKETS EVENT

BREAK



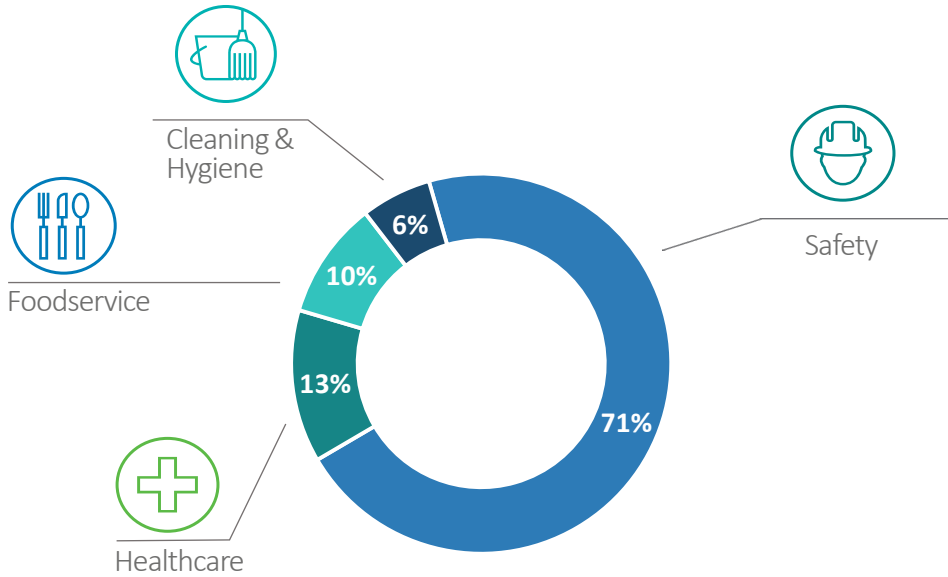


LATIN AMERICA: JONATHAN TAYLOR DEVELOPMENT OF A BUSINESS AREA



BUNZL LATIN AMERICA

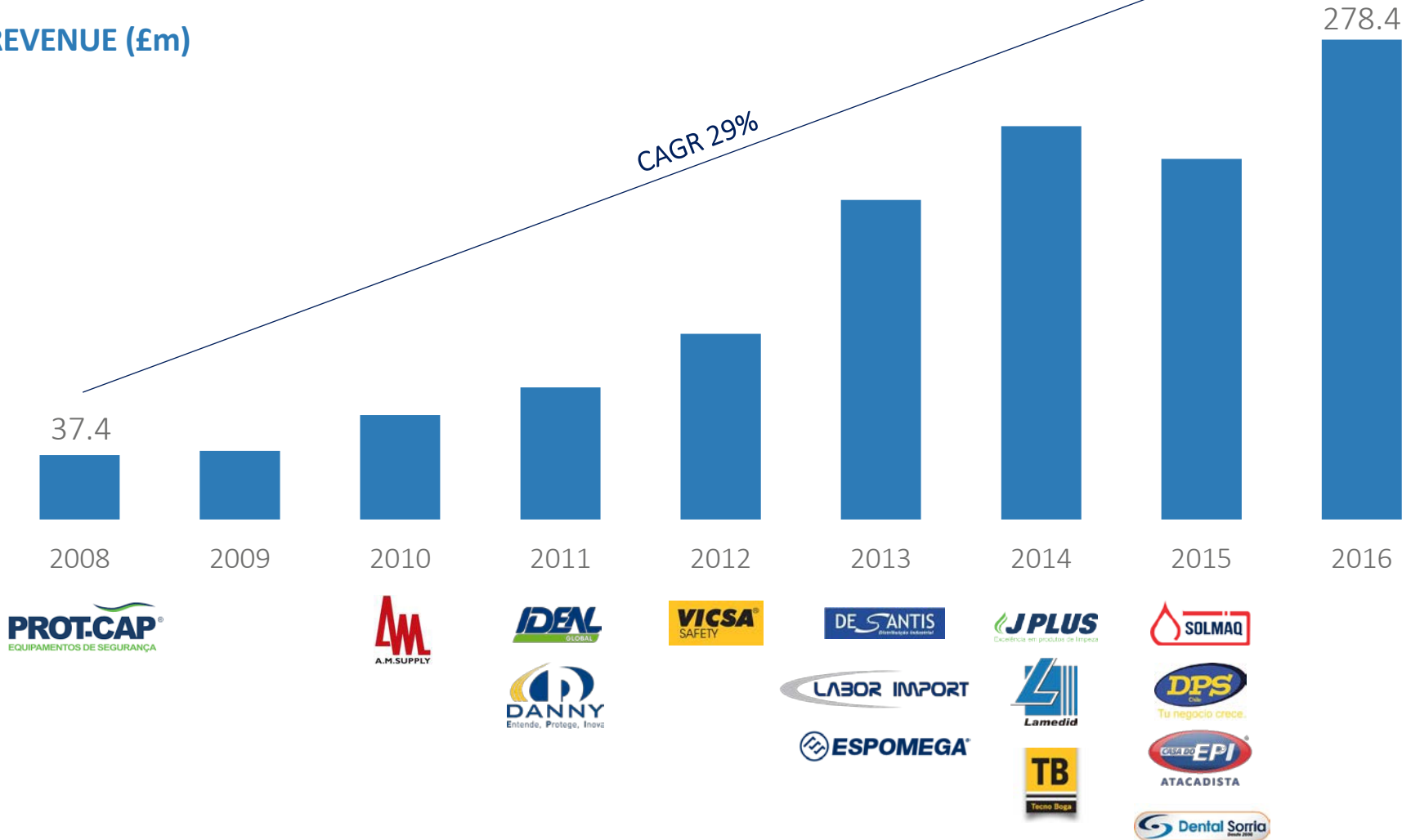
MARKET ENTRY IN 2008
15 ACQUISITIONS
7 COUNTRIES
>2,000 EMPLOYEES



LATIN AMERICA EVOLUTION

REVENUE (£m)

CAGR 29%



BUILDING A BUSINESS AREA

3 stages:

From a group of independent companies to a business area

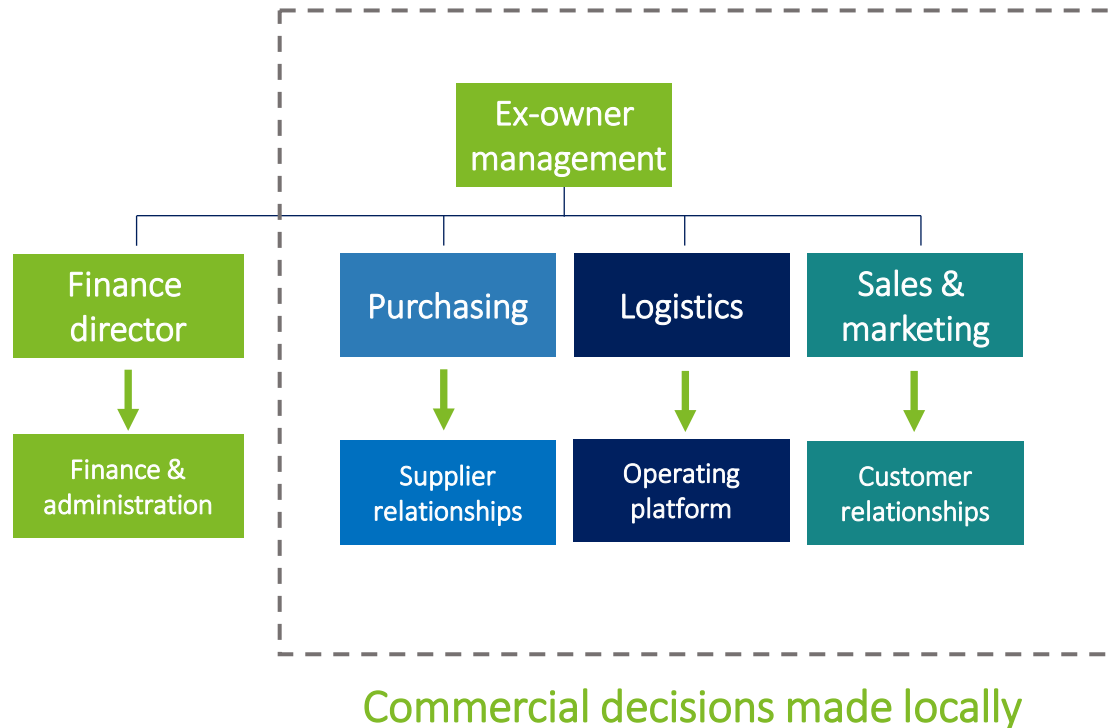


DECENTRALISED MANAGEMENT

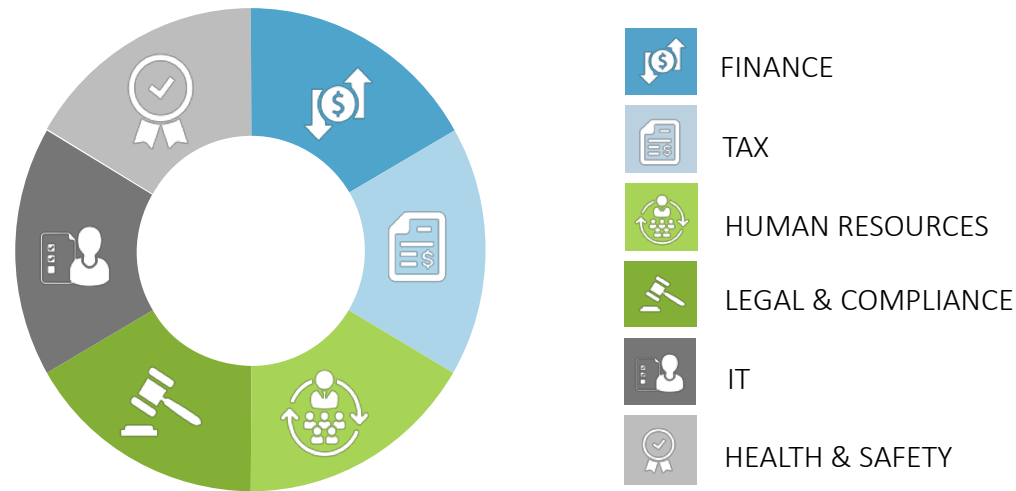
Commercial and operational decisions stay with local management

Ex-owners given freedom and autonomy to continue to run their businesses

This principle is key to retaining ex-owner management teams



1 – COORDINATING COMMON FUNCTIONS



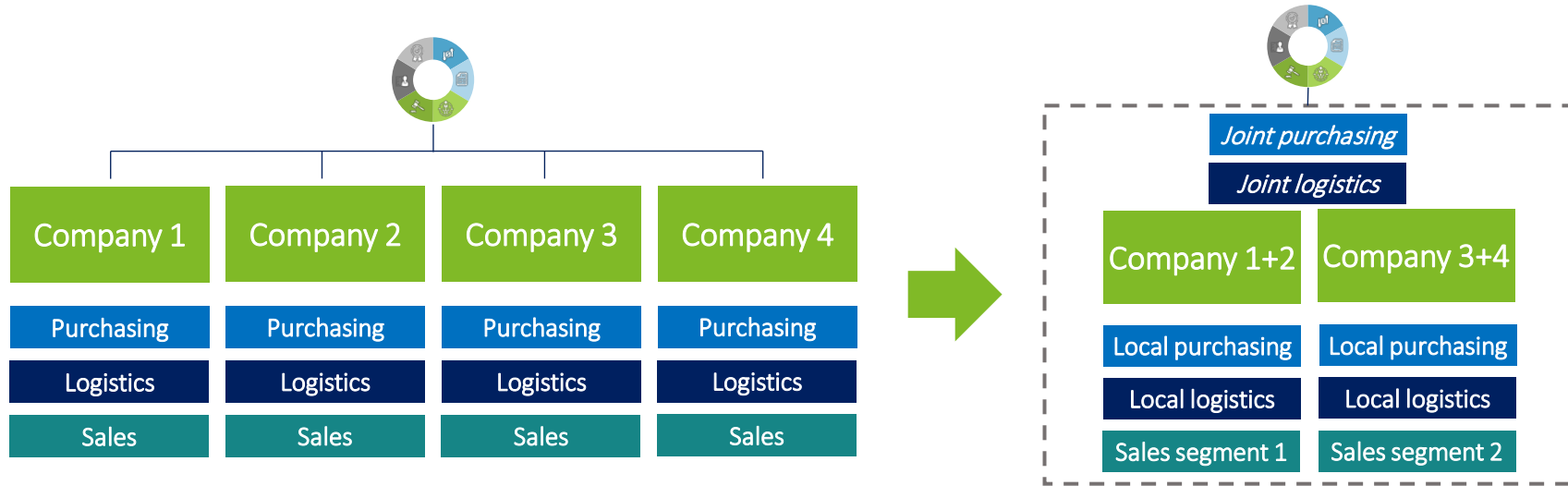
Control & compliance – immediate implementation

Financial reporting – common international standards

Management systems – business performance and strategy

Administrative processes – pooling support functions

2 – INTEGRATION & SYNERGIES



Coordination – grouping similar businesses creates synergies

Purchasing – additional volume benefits

Logistics – rationalisation of distribution facilities

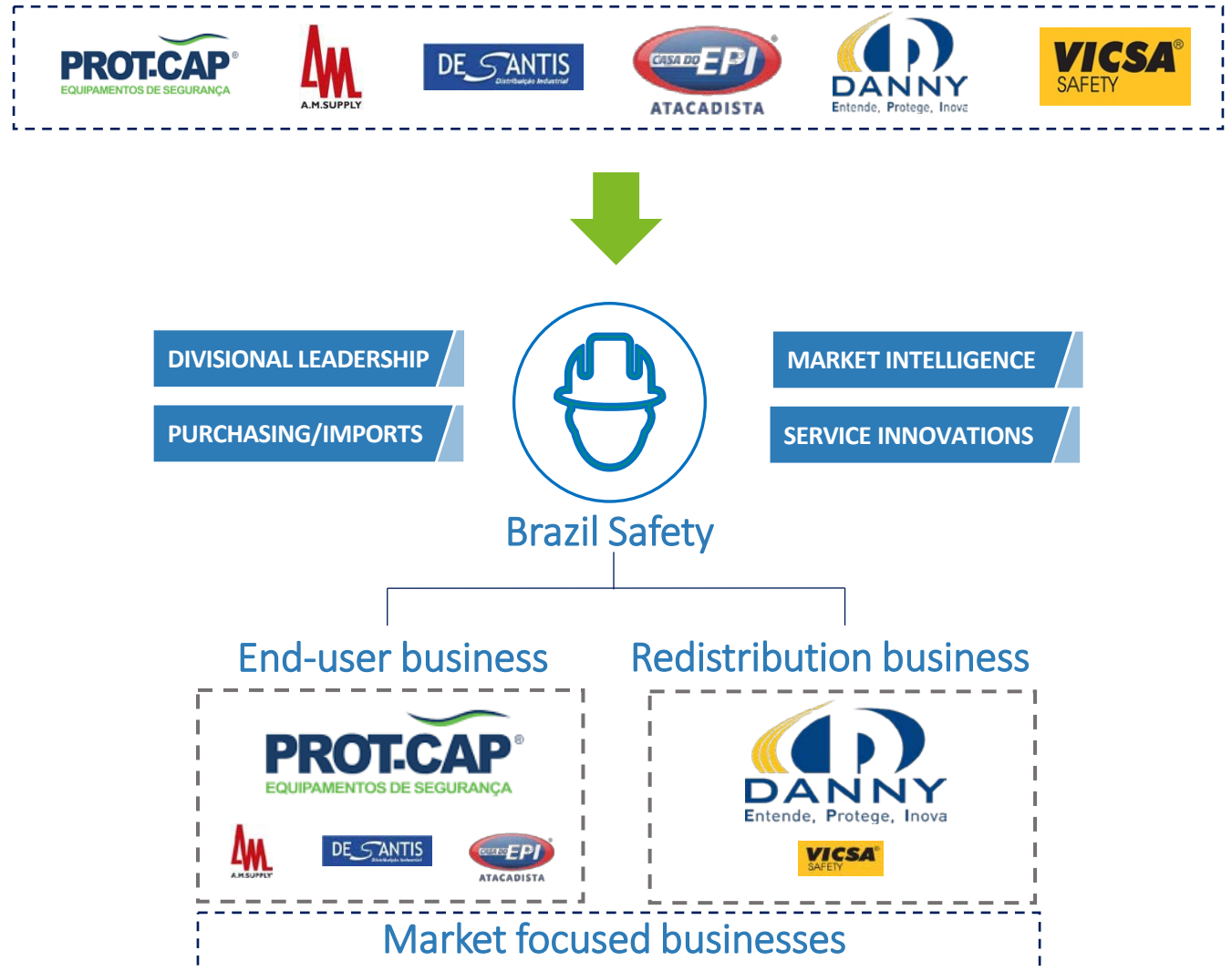
Management model – ex-owner divisional leadership

BRAZIL SAFETY

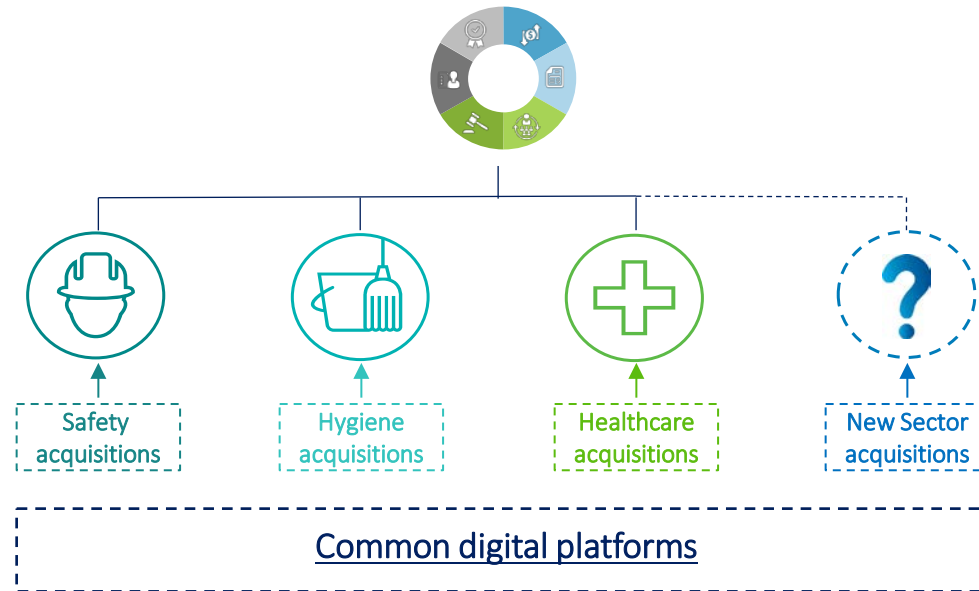
6 safety acquisitions completed

8 distribution centres merged

Safety division created



3 – PLATFORM FOR GROWTH IN BRAZIL



New acquisitions – easily incorporated into structure

Common platforms – benefit from increasing scale








Digital solutions – innovations shared across sectors

GROWTH OPPORTUNITIES LATAM

Significant growth opportunities in existing markets and sectors

New sector opportunities in existing countries

Further potential for new countries

COUNTRY	FOODSERVICE	GROCERY	C&H	SAFETY	RETAIL	HEALTHCARE
 Brazil	•	•			•	
 Chile		•	•		•	•
 Colombia	•	•	•		•	•
 Argentina	•	•	•		•	•
 Peru	•	•	•		•	•
 Uruguay	•	•	•		•	•
 Mexico			•		•	•
Other Latin America	•	•	•	•	•	•

• No existing presence

30 – new sector opportunities in countries with existing presence

13 – potential new country opportunities (excluding Caribbean)

CONCLUSIONS

- Rapid acquisition growth brought both scale and organisational complexity
- Latin America organisational structure created to:
 - manage and control complexity
 - preserve decentralised decision-making
 - capitalise on synergies
 - benefit from increasing scale
 - enable further high growth
- Latin America presents huge growth potential and we are structured to take advantage



LATIN AMERICA: QUESTIONS





NORTH AMERICA

PATRICK LARMON, CEO
Deepening our customer relationships





WHO WE ARE

- 170 locations – in every major metropolitan market in North America
- 25,000 products that are part of your every day life
- Leader in distribution in the markets we serve

- Thousands of orders transmitted daily for immediate delivery on time, in full 98%+ of the time
- We utilize our top 100 private fleet in North America with over 600 vehicles to support our business
- A trusted seamless extension of our customers' operations




MARKETS SERVED




GROCERY



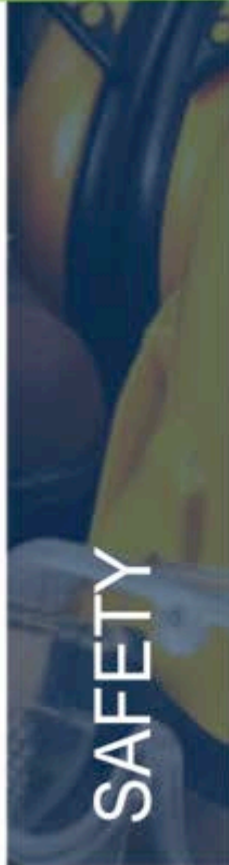
RETAIL



FOODSERVICE



JAN SAN



SAFETY



C-STORE



FOOD
PROCESSOR



AGRICULTURE





1,000+

Sales professionals in every metropolitan market



Customized, focused &
**RESULTS
DRIVEN**

DATA
Insight driven by data,
business knowledge,
& experience



WHAT MAKES BUNZL SALES FORCE UNIQUE?



**CONSULTATIVE
SELLERS**

More than a box sale



**SEGMENT
EXPERTISE**

All markets served



SOLUTIONS

Custom solutions based on
business requirements



CUSTOMER CHALLENGES



CLUTTERED
WAREHOUSE



CLUTTERED
DOCKS



CLUTTERED
DESK

HIGH CUBE, LOW DOLLAR



EXPOSING THE HIDDEN COSTS

ACQUIRING AND
CONSUMING SUPPLIES

**COST
TO
ACQUIRE**

**COST
TO
PROCESS**

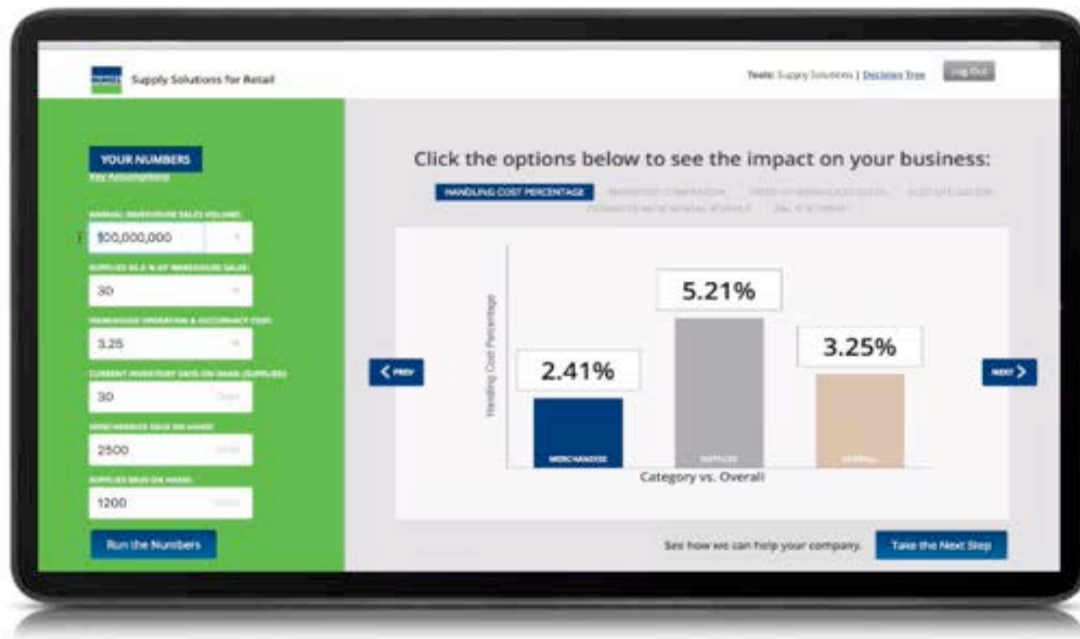
**PRODUCT
COST**

Inventory investment
Cash flow
Direct labor & overtime
Inventory finance cost
Expedited orders
Inbound freight
Purchase order administration
Inventory damage & shrinkage
Accounts payable
Storage space
Capital employed



Business Building Tools

Economic Density Analytics™ 



PALLET OF MERCHANDISE
\$3,900



PALLET OF SUPPLIES
\$292

BIG, BULKY, CHEAP PACKAGING
& SUPPLIES
COST MORE
TO HANDLE THAN MERCHANDISE

PACKAGING & SUPPLIES ARE A
**DRAIN ON PRODUCTIVITY
& OPERATING RESULTS**

BUNZL
INDUSTRY
LEADING
HIGH VALUE SOLUTIONS

CASE STUDIES

GROCERY

FOODSERVICE

VALUE
ADDED
SERVICES





GROCERY INDUSTRY



CASE STUDY

Large Grocery account

5,000
LOCATIONS

2,000

ITEMS

Delivered with

99%

ORDER ACCURACY

Every

2-5 DAYS

SEAMLESS & EFFECTIVE

Regular product change and rotation

HIGH LEVEL SUPPLY CHAIN VISIBILITY

Standardized EDI platform

UNINTERRUPTED SERVICES

Dependability during natural disasters

DELIVERED ON BUNZL TRUCKS

Reliability





FOODSERVICE INDUSTRY



CASE STUDY

Top 10 Foodservice broadline distributor

14 DISTRIBUTION
CENTERS

17 STATES

SELF DISTRIBUTING

- MANAGING 100'S OF VENDORS
- THOUSANDS OF NON-FOOD DISPOSABLE ITEMS

R3 TOTAL CATEGORY MANAGEMENT

- Started at 1,000 SKUs
- Increased to 5,000 while minimizing operating costs and working capital

SALES & MARKETING PROGRAMS

- Targeted at 500 distributor sales reps
- Focused field sales support
- +22% sales increase over 4 years



TOTAL CATEGORY MANAGEMENT

- R3's legacy operational consultative review with an industry tested category management process
- Customized analysis
- Focused on your business strategy
- Utilize R3's 5 TCM levers



Cost of Goods
MANAGEMENT

Earned
Income
GROWTH



Lower Operating
COSTS



Sales & Marketing
SUPPORT



Working Capital
REDUCTION



CUSTOMER
TESTIMONIAL

DEAN HOGAN
VP, CATEGORY MANAGEMENT
FOODSERVICE CUSTOMER





VALUE
ADDED SERVICE



CASE STUDY

Top level, global account with large North American presence

PROBLEM

- Customer with thousands of locations requiring regular re-models
- On-going requirement to expand with new stores
- 100's of vendors, disparate level of materials tiny to very large all need to converge on a single location over and over again

SOLUTION

- Bunzl Material Consolidation
- Centralized consolidation capability that manages the complexity of store re-models and new store/location openings.
- Manages 100's of vendors to a central point with proprietary technology and solutions.
- Stream lined efficiencies impacting cycle time, operating costs and working capital





MATERIAL CONSOLIDATION

HOW IT WORKS

Bunzl takes over management of all components with the process, centralizes, schedules based on customer call outs, delivers and reports on progress, bottlenecks etc..

REAL TIME





INDUSTRY LEADING OPERATIONAL EFFICIENCIES



BUILD CAPABILITY

- Continuous improvement program implemented
- Full leadership training curriculum
- World class Safety business practice & results

MARGIN PIPELINE

- Efficiency drives lower cost
- Refined cost to serve and optimization modeling
- Evaluating customer supply chain

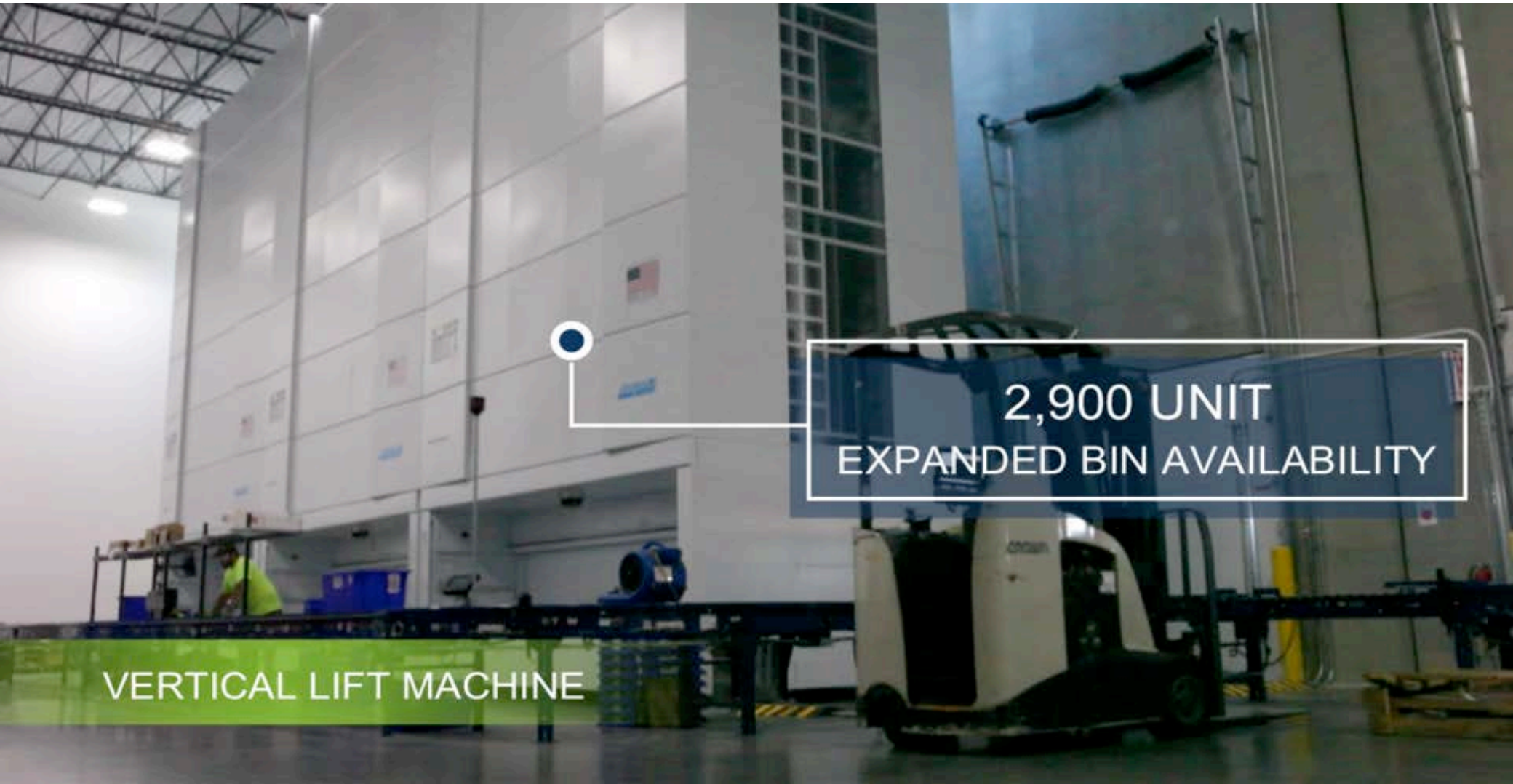
ANALYTICS & TOOLS

- Dedicated business intelligence team
- Supply chain dashboards & suite of tools
- Upgraded best practice sharing

INVESTING IN FUTURE

- Top 100 fleet – advanced routing and delivery software
- World class supply chain partnerships
- Right innovation for custom distribution





2,900 UNIT
EXPANDED BIN AVAILABILITY

VERTICAL LIFT MACHINE





CAROUSEL

EASILY SCALABLE
FOR GROWTH

EXPANDS OUR REACH INTO ADDITIONAL SEGMENTS





- 10% REDUCTION
IN FLOOR SPACE & INCREASED CAPACITY

PICK N PACK



BUNZL LOGISTIC OPTIONS



**WAREHOUSE
REPLENISHMENT**



CROSS DOCK

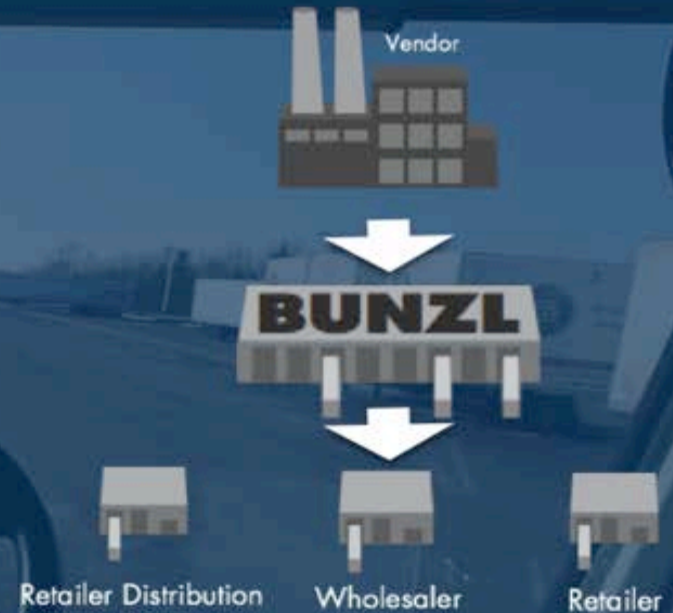


DIRECT DELIVERY



WAREHOUSE REPLENISHMENT

- ✓ Customer maintains low threshold of inventory based on velocities
- ✓ Customer replenishes inventory weekly based on movement
- ✓ Net lower capital investment and operating handling costs



CROSS DOCK

- ✓ No inventory held by customer
- ✓ Orders are placed, orders picked and organized based on customer requirements
- ✓ Pallets delivered to shipping center that “cross-docked” to an out-bound truck

Inbound (Supplies)

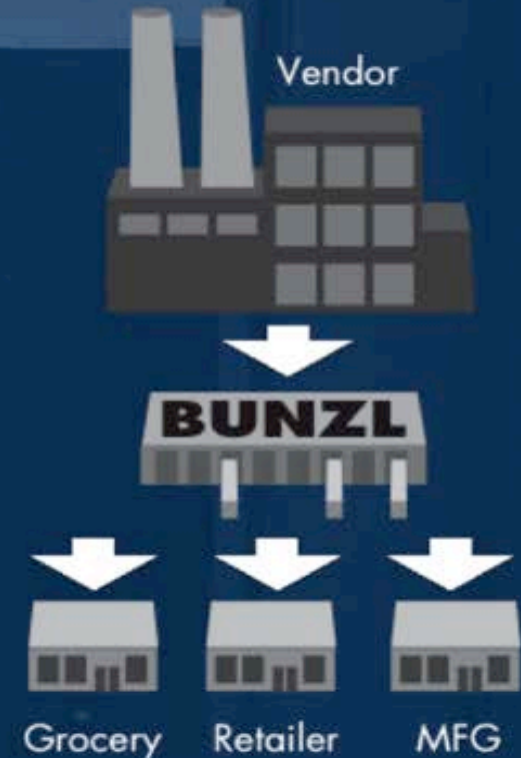


Outbound (Customers)



DIRECT DELIVERY

- ✓ No inventory held by customer
- ✓ Orders are placed, orders picked and organized based on customer requirements
- ✓ Orders to schedule for delivery to direct to stores



SUPPLY CHAIN IMPACT

Upstream consolidation reduces costs & inventory

**LESS
INVENTORY =
HIGHER
Return
ON ASSETS**

**LOWER
COSTS =
HIGHER
Return
ON SALES**



BUNZL DELIVERS

DELIVERING TO
7,000
TOWNS AND
CITIES DAILY

98%+
FILL RATE



NORTH AMERICA



THANK YOU QUESTIONS?





CLOSE:

FRANK VAN ZANTEN
CHIEF EXECUTIVE



SUMMARY

UK & Ireland - Differentiating our service proposition

Continental Europe - Delivering outsourcing solutions through process innovation

Latin America - Building a platform for future growth

North America - Deepening our customer relationships

CONSISTENT AND PROVEN COMPOUNDING STRATEGY



High ROIC
despite
significant
acquisition
spend

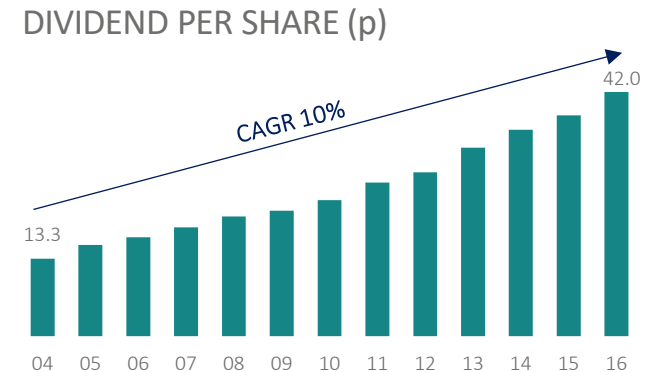
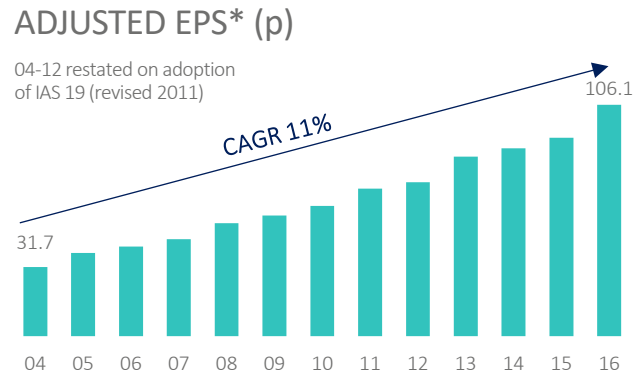
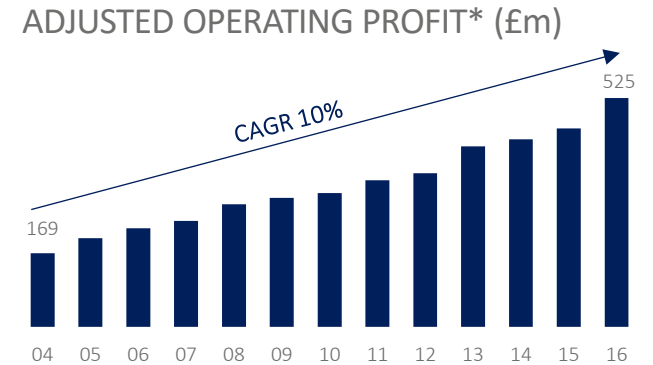
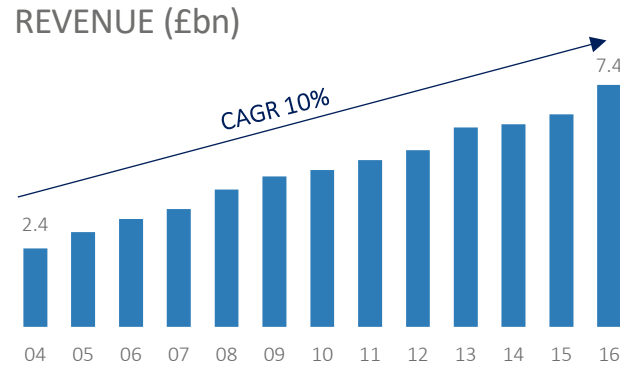


**ROIC
16.4%**

FINANCIAL TRACK RECORD 2004-2016

Proven compounding growth strategy

CAGR
10%-11%



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

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