News Release

03 March 2025

ANNUAL RESULTS ANNOUNCEMENT
Record acquisition spend, three year capital allocation commitment and 2025 guidance unchanged

Bunzl plc, the specialist international distribution and services Group, today publishes its annual results for the year ended 31 December 2024.

Financial results	2024	2023	Growth as reported	Growth at constant exchange*
Revenue	**£11,776.4m**	£11,797.1m	(0.2)%	3.1%
Adjusted operating profit*	**£976.1m**	£944.2m	3.4%	7.2%
Adjusted profit before income tax*	**£872.9m**	£853.7m	2.2%	6.2%
Adjusted earnings per share* †	**194.3p**	191.1p	1.7%	5.5%
Dividend for the year∆	**73.9p**	68.3p	8.2%	

Statutory results			
Operating profit	**£799.3m**	£789.1m	1.3%
Profit before income tax	**£673.6m**	£698.6m	(3.6)%
Basic earnings per share†	**149.6p**	157.1p	(4.8)%

Highlights include:

- Revenue increased by 3.1% at constant exchange rates*; with underlying trends improving in the second half driven by slight volume growth and a small easing of deflation
- Adjusted operating profit* increased by 7.2% at constant exchange rates*, reported operating profit increased by 1.3%
- Further expansion of operating margin* from 8.0% to 8.3%
- Adjusted earnings per share* increased by 5.5% at constant exchange rates*, reported basic earnings per share declined by 4.8%, largely due to the currency translation driven loss related to the disposal of our business in Argentina
- Continued strong free cash flow* driven by highly cash generative model; cash conversion of 93%
- 32nd year of consecutive annual dividend growth; total dividend per share increase of 8.2%. Dividend cover expected to normalise further in 2025
- 13 acquisitions announced in 2024 with record annual committed spend of £883 million; pipeline active; continued optimisation of our portfolio with the disposal of two small businesses in 2024 and an additional disposal announced today
- 2025 outlook: maintaining guidance for robust Group revenue growth≠ and operating margin* in-line with 2024
- Announced commitment to allocate c.£700 million per annum primarily towards value-accretive acquisitions and, if required, returns of capital, in each of the three years ending 31 December 2027
- Completion of initial £250 million share buyback in 2024; further £200 million share buyback for 2025 underway

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

"2024 has been a year of significant strategic progress for Bunzl in which our dedicated and entrepreneurial teams delivered strong adjusted operating profit growth, supported by further expansion in our operating margin. 2024 was a record year for acquisitions with committed spend of £883 million, in addition to the completion of an initial £250 million share buyback which reflects the strength of Bunzl's financial position. We have substantial headroom for continuing to self-fund value-accretive acquisitions alongside additional returns of capital to shareholders, and our acquisition pipeline remains active.

Bunzl has delivered significant shareholder value over an extended period, with 9% compound annual growth of adjusted earnings per share since 2004. In 2024 we extended our track record of annual dividend growth to 32 consecutive years, reflecting our resilient business model. Our strategy remains consistent, and I am very confident that Bunzl will continue to create resilient, sustainable, long-term value for all stakeholders."

* Alternative performance measure (see Note 2)
† After excluding £0.6 million of profit for the year attributable to a non-controlling interest within our Nisbets business
∆ The Board is recommending a 2024 final dividend of 53.8p per share. Including the 2024 interim dividend per share of 20.1p the total dividend per share of 73.9p represents an 8.2% increase compared to the 2023 total dividend per share.
≠ At constant exchange rates

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Strategic progress:

- Further expansion of operating margin, supported by the impact of higher margin acquisitions and good margin management; own brand revenue penetration of c.28% compared to c.25% in 2023
- 13 acquisitions announced during 2024, across multiple sectors and geographies, including our first entry into Finland; record annual committed spend of £883 million
- Driving operating efficiencies with 19 warehouse consolidations and relocations, along with accelerating investments into digital solutions and automation
- Processed 75%≠ of orders digitally compared to 72% in 2023, further enhancing customer stickiness and increasing low touch customer ordering
- 71% Trust Index score, a measurement achieved as part of the Great Place to Work survey; a strong and pleasing result, given employee satisfaction supports our continual focus on delivering a high level of customer service

Business area highlights:

	Revenue (£m)		Growth at constant exchange*	Underlying revenue growth*	Operating profit* (£m)		Growth at constant exchange*	Operating margin*	
	2024	2023			**2024**	2023		**2024**	2023
North America	**6,568.1**	6,973.5	(2.6)%	(3.4)%	**515.6**	528.0	1.0%	**7.9%**	7.6%
Continental Europe	**2,377.1**	2,354.9	4.1%	(1.7)%	**210.8**	224.7	(3.1)%	**8.9%**	9.5%
UK & Ireland	**1,625.8**	1,365.5	19.3%	(4.2)%	**135.1**	103.4	31.0%	**8.3%**	7.6%
Rest of the World	**1,205.4**	1,103.2	17.1%	5.5%	**146.2**	119.6	32.3%	**12.1%**	10.8%

- **North America:** Slight operating profit growth at constant exchange, despite underlying revenue decline driven by deflation; volume reductions in our US foodservice redistribution business, as we increased our own brand penetration; and due to the expected impact from transitioning ownership of customer specific inventory in our US retail business in the first half. Overall, business area volumes in the second half grew, although deflation persisted longer than expected. Strong operating margin increase supported by good margin management, including meaningful expansion of own brand penetration
- **Continental Europe:** Moderate revenue growth at constant exchange rates was driven by the contributions from acquisitions, with underlying revenue impacted by deflation. Adjusted operating profit and operating margin declines reflective of underlying revenue trends, alongside operating cost inflation and a relatively high cost to serve operating model; the second half was particularly impacted. These dynamics were a particular headwind for France, certain businesses in the Netherlands and for Denmark, while Spain delivered very strong revenue growth, supported by both acquisitions and underlying revenue growth. Active focus on cost initiatives heading into 2025
- **UK & Ireland:** Very strong revenue growth driven by acquisitions, with a decline in underlying revenue driven mainly by deflation and soft volumes. Strong operating margin increase was driven by the continued focus on good margin management, with operating margin expansion of our largest cleaning & hygiene business particularly supportive. The integration of Nisbets, a scale business with strong own brand portfolio and excellent digital capabilities, is progressing well. While Nisbets was impacted by market softness and meaningful one-off supply chain challenges earlier in 2024, the business ended the year with positive momentum and with synergies identified for 2025
- **Rest of the World:** Very strong revenue growth driven by acquisitions and good underlying revenue growth, driven by strong volume growth in Latin America, predominantly in safety, and both volume growth and inflation in Asia Pacific, predominantly in healthcare. Very strong operating margin increase was driven by the positive contribution from acquisitions and supported by good margin management

Outlook

We reiterate our guidance for 2025:

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

* Alternative performance measure (see Note 2)
≠ Excluding acquisitions made in 2024

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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.

CHAIRMAN'S STATEMENT

2024 saw Bunzl achieve another year of excellent progress and delivery against its compounding growth strategy, with the Group committing a record amount of spend to acquisitions in the year. Furthermore, the Group extended its track record of consecutive annual dividend growth to 32 years, and aligned to its recently launched capital allocation commitment, completed a £250 million share buyback.

At constant exchange rates, Bunzl has seen adjusted earnings per share increase by 54% over the last five years, supported by the Group's growth strategy delivering revenue growth of 30% over this period and operating margin expansion from 6.9% to 8.3% at constant exchange rates. Over these five years, Bunzl has committed £2.6 billion to acquisitions, while return on invested capital has increased from 13.6% to 14.8%, and earnings growth has remained resilient, highlighting the Group's discipline in successfully executing its strategy to generate returns for its shareholders. Alongside this we have returned £1.2 billion to shareholders over this period through dividends and a share buyback in 2024.

Bunzl's consistently strong performances over recent years has resulted in the Group's leverage falling and remaining below its adjusted net debt to EBITDA target of 2.0 to 2.5 times. As a result, in 2024 the Board took the decision to commit to steadily returning adjusted net debt to EBITDA to within the target range of 2.0 to 2.5 times by the end of 2027. The Group has 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. In addition, the Board announced a £250 million share buyback that was executed in the second half of 2024 and a further £200 million share buyback to be completed during 2025, which was announced on 17 December 2024 and is currently underway with £50 million of shares purchased to date.

I have great confidence that the entrepreneurialism and agility of our people, supported by the diversification of our portfolio, and the overall resilient nature of the Group, will continue to deliver long term growth and shareholder value.

People and culture

Bunzl's most valuable asset is its people whose entrepreneurial spirit, agility, and dedication ensure the delivery of exceptional service to our customers as well as fuelling the innovation and operational excellence that underpin the Group's ongoing success. Following Bunzl's global pilot of the external 'Great Place to Work' survey in 2023, the Group again sought accreditation in 2024 but this time across all businesses, with half of those surveyed doing so for the first time. Following this, around 76% of operating companies achieved the certification in 2024. Demonstrating that our people continue to find Bunzl a fulfilling place to work and trust the company and its leadership, the Group results saw a 2% increase in its Trust Index score to 71%. Strong employee engagement is key to our proposition, as it supports our delivery of a high level of customer service. We also continued to accelerate our diversity and inclusion agenda to ensure that we have a working environment which supports individual well-being, growth and career progression. In 2024, the percentage of women within our senior leadership team of c.530 (defined as those receiving long term incentives) was 25%. This compares to 22% in 2023 and 20% in 2022.

Sustainability

I am pleased with the progress Bunzl has made with its sustainability ambitions over 2024. In 2023 we followed the Science Based Target initiative ('SBTi') Net Zero Standard to develop our transition plan and are pleased that this was formally approved by the SBTi in 2024. Bunzl's consolidated delivery model and strategic focus on operational efficiency continues to support the reduction of Bunzl's direct carbon emissions, which include scope 1 and scope 2 emissions. However, with c.99% of our carbon emissions being scope 3, the success of our transition plan is therefore reliant on successful engagement and collaboration with our suppliers, which we made significant progress on in 2024. Furthermore, we continue to innovate on product offerings that support our customers to move to products better suited to the circular economy. This included a c.30% increase in our emerging exclusive sustainable own brand SKUs, under the EcoSystems, Verive, Sustain and Revive brands.

Dividend

The Board is recommending a final dividend of 53.8p, 7.4% higher than the prior year, resulting in a full year dividend of 73.9p. This represents an 8.2% increase in the total dividend compared to 2023 and is Bunzl's 32nd consecutive year of annual dividend growth. The Group's dividend cover reduced to just over 2.6 times, with further normalisation of dividend cover expected in 2025. The Group remains committed to ensuring sustainable dividend growth.

Governance

It was announced on 12 December that Lloyd Pitchford, who joined the Board in March 2017 and is currently the Chair of the Audit Committee, will be stepping down from his position at the conclusion of the Company's Annual General Meeting ('AGM') on 23 April 2025. Lloyd's independent advice and wise counsel have been greatly appreciated, and he leaves the Board with the Company's gratitude and best wishes.

On 16 December 2024 Daniela Barone Soares OBE and Julia Wilson were appointed as non-executive directors of the Group. Daniela's Environmental, Social and Governance ('ESG') credentials and in-depth knowledge of the role technology can play in driving change will be a valuable addition to the Board and will further enhance our ESG capabilities. Furthermore, Daniela brings considerable international experience, having also previously worked in the USA, Brazil and Europe. As the Company continues to expand and develop, Julia's extensive audit and UK regulatory expertise and significant executive-level strategic and financial leadership experience will be of great value. Julia will succeed Lloyd as Audit Committee Chair. The proportion of female directors on the Board is 50%, while female representation on our Executive Committee remains at 40%.

CHIEF EXECUTIVE OFFICER'S REVIEW

Overview

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

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

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

Operating performance

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

Revenue

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

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

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

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

Profit and earnings

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

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

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

Cash and returns

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

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

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

Strategy: organic growth and operational efficiency

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

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

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

Strategy: acquisitions and disposals

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

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

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

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

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

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. In the 21 years from 2004 to 2024, inclusive, Bunzl has committed £6.1 billion in acquisitions to support a growth strategy that has delivered an annual adjusted earnings per share CAGR between 2004 and 2024 of c.9%, and has returned £2.7 billion to shareholders through dividends and the 2024 share buyback.

The strength of Bunzl's performance and high cash generation 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 was despite a step change in the level of value-accretive acquisition spend in recent years. As a result, in August 2024 the Group committed 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 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 executed a £250 million share buyback during the second half of 2024. A further share buyback of £200 million is underway, with £50 million of shares purchased to date, and the remainder to be executed during 2025. Alongside the buyback, Bunzl committed £883 million to value-accretive acquisitions and as at 31 December 2024 had an adjusted net debt to EBITDA of 1.8 times.

BUSINESS AREA REVIEW

North America

56% of revenue and 51% of adjusted operating profit†*

	2024 £m	2023 £m	Growth at constant exchange*	Underlying growth*
Revenue	**6,568.1**	**6,973.5**	(2.6)%	(3.4)%
Adjusted operating profit*	**515.6**	**528.0**	1.0%	
Operating margin*	**7.9%**	**7.6%**		

* Alternative performance measure (see Note 2)

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

In North America, revenue declined by 2.6% to £6,568.1 million, with underlying revenue declining by 3.4%, driven by deflation which impacted our foodservice and grocery businesses in particular. Volumes were impacted by reductions in our foodservice redistribution and US retail businesses but grew overall in the second half of the year supported by a business win. Despite the revenue decline, adjusted operating profit improved slightly, to £515.6 million with operating margin increasing to 7.9%, up from 7.6% in the prior year. Margin was supported by ongoing margin management initiatives and continued strong growth in own brands, particularly in our grocery and foodservice segments.

Our business which supports the US grocery sector saw volume growth, driven by net business wins. Favourable margin management and strong growth in own brands drove modest improvement in operating margin. Our convenience store sector was impacted meaningfully by volume loss in certain product categories.

Moderately lower volumes in our foodservice redistribution business were driven by the impact of strategic changes in the business to drive more own brand penetration, alongside increased price competition resulting from the deflationary environment. Volumes stabilised during the second half of the year. Increased own brand penetration supported margin growth, offsetting some of the impact of the revenue decline.

Our other sub-sectors within foodservice, food processor and agriculture, delivered slight volume growth combined, with our agriculture sector recovering from weather driven weakness in the first half of 2023. Margins in our food processor business benefitted from good margin management.

Revenue from the distribution of cleaning & hygiene products declined modestly, as price deflation was offset in part by growth in own brand product categories.

Revenue in our retail supplies business declined due to the annualised impact of transitioning ownership of customer specific inventory to certain customers in the first half, as well as a customer loss. However, adjusted operating profit grew strongly, driven by a favourable mix shift towards higher margin packaging, sourcing initiatives and well-controlled operating costs.

Overall, volumes across our safety businesses were stable, with good growth in our PPE business offset by category losses with certain customers in our asset management business. Inclusive of a small deflation impact, revenue was slightly lower, although operating margin expanded due to strong margin management.

Finally, our business in Canada experienced moderate revenue growth, driven by acquisitions. Underlying revenue declined modestly, driven by price deflation and legislative-driven impacts in certain categories, and underlying operating profit grew modestly, primarily as a result of good margin management.

Continental Europe

20% of revenue and 21% of adjusted operating profit†*

	2024 £m	2023 £m	Growth at constant exchange*	Underlying growth*
Revenue	**2,377.1**	**2,354.9**	4.1%	(1.7)%
Adjusted operating profit*	**210.8**	**224.7**	(3.1)%	
Operating margin*	**8.9%**	**9.5%**		

* Alternative performance measure (see Note 2)

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

Revenue in Continental Europe grew by 4.1% to £2,377.1 million, driven by acquisitions. Underlying revenue declined by 1.7%, driven by price deflation which particularly impacted our cleaning & hygiene, grocery and retail businesses in our largest markets. Adjusted operating profit decreased by 3.1% to £210.8 million, with a decline in operating margin from 9.5% to 8.9% reflective of the impact of selling price deflation, as well as operating cost inflation against a relatively high cost to serve operating model. Operating cost inflation was driven by higher than typical wage inflation throughout the year, renewal-linked property inflation and fuel and freight inflation. The second half of the year was particularly impacted. These dynamics were a particular headwind for operating profit performance in France, certain businesses in the Netherlands and in Denmark, although these were partially offset by increased profit from Spain driven by very strong revenue growth. We have an active focus on cost initiatives heading into 2025.

In France, volumes in our cleaning & hygiene businesses delivered some growth with public sector and foodservice customers. Our safety business revenue declined as some growth with larger customers was not sufficient to offset weaker demand from smaller accounts. Revenue declined in our foodservice business as lower revenues from specific domestic and export customers combined with flat revenue from public sector customers. Overall, moderate revenue decline alongside operating cost growth significantly impacted the operating margin across France in 2024. Optimising operating costs is a key focus for the country, with a new Warehouse Management System introduced in our cleaning & hygiene businesses and with one of our safety warehouses consolidated into another. During 2025 we will be carrying out a large consolidation of our cleaning & hygiene logistics footprint, including the implementation of a new National Distribution Centre.

Revenue in Spain grew very strongly, driven by acquisitions as well as strong underlying growth, with strong volume growth in our cleaning & hygiene and packaging businesses. Growth was driven by new customers and new product ranges in the packaging business. Our safety businesses saw some growth, but revenue in our online healthcare businesses was impacted by weaker demand.

In the Netherlands, our healthcare business was stable, whilst volumes in our grocery and retail businesses were impacted by changing consumer needs. Revenue in our foodservice business declined moderately, and our safety businesses declined slightly as a result of a slowdown in construction and industry sectors. Overall, revenue across the Netherlands benefited from recent acquisitions.

In Belgium, our cleaning & hygiene businesses achieved some volume growth in healthcare and public sector channels. In Germany, our foodservice business delivered good volume growth from new customers, and the back office functions were merged with our smaller cleaning & hygiene business. Our online cleaning & hygiene business grew strongly.

In Denmark, revenue in our foodservice business declined meaningfully, driven by deflation. Revenue in our safety business grew strongly due to increased activity from customers in the shipping and pharmaceutical sectors. Overall revenue in the country decreased and profit performance was impacted by strong operating cost inflation.

In Turkey, volumes declined as we continue to focus on business that can be profitable in a hyperinflationary environment, while our businesses in Switzerland delivered good volume growth, supported by good performance with healthcare customers, although deflation more than offset this.

UK & Ireland

14% of revenue and 13% of adjusted operating profit†*

	2024 £m	2023 £m	Growth at constant exchange*	Underlying growth*
Revenue	**1,625.8**	**1,365.5**	19.3%	(4.2)%
Adjusted operating profit*	**135.1**	**103.4**	31.0%	
Operating margin*	**8.3%**	**7.6%**		

* Alternative performance measure (see Note 2)

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

In UK & Ireland, revenue increased by 19.3% to £1,625.8 million due to the impact of acquisitions. This was mainly due to the additional sales from Nisbets, acquired in late May 2024, which more than offset a decline of 4.2% in underlying revenue. The underlying business revenue decline reflects both price deflation, which impacted our cleaning & hygiene, foodservice and grocery businesses in particular, and softer volumes, particularly in the safety, retail and foodservice sectors. Despite the challenging sales environment, the businesses within UK & Ireland generated a significant increase in operating margin which improved from 7.6% to 8.3%, with adjusted operating profit increasing by 31.0% to £135.1 million. Operating profit growth was driven by acquisitions, alongside an improvement in underlying operating profit, supported by a continued focus on good margin management.

Our cleaning & hygiene and care businesses saw moderate volume growth overall, supported by additional customer wins and the acquisition of Arrow County Supplies in October. Our strong sustainability led value proposition to customers continues to be attractive to both existing and prospective customers and contributed to significant growth in operating margins in the year.

The safety businesses experienced a slight increase in revenues in 2024, due to the full year impact of the 2023 acquisition of EHM and was further supported by some new contract wins through the course of the year, in the context of a very challenging year for construction. The business has continued to invest in new operationally efficient locations to deliver outstanding levels of service to customers and is well placed to take advantage of opportunities within housebuilding and other infrastructure projects in 2025.

Volumes in our grocery business were stable, but volumes in our non-food retail businesses saw a moderate decline due to our customers experiencing softer demand from consumers. Our non-food packaging business aimed primarily at the luxury end of fashion and jewellery has been negatively impacted by reduced demand from consumers in both Asia and in Europe. We continue to work with Group companies around the world to provide local fulfilment services in-house which enhances our added value offer to international customers and provides growth opportunities. Despite challenging market conditions our businesses were able to benefit from several product sourcing initiatives.

Our foodservice businesses saw a slight decline in underlying volumes given a tough trading environment for customers, but the businesses delivered year-on-year operating profit growth as a result of strong margin management. Total foodservice revenues benefited from acquisitions, particularly the acquisition of Nisbets. Over the year, some key customer contract renewals have continued to demonstrate our strong sustainability offering, including our ability to provide sustainable and innovative product alternatives. Nisbets was impacted by market softness and meaningful one-off supply chain challenges earlier in 2024, but ended the year with positive momentum and with synergy projects to benefit in 2025.

Revenue in our businesses in Ireland was slightly down, with volume growth, despite some weakness in the foodservice sector, more than offset by deflation. The continued investments in our operations, including the enhancements made to our warehouse management systems, led to significant warehouse productivity benefits and transport savings. Some notable recent retail sector wins provide opportunities for growth in 2025.

Rest of the World

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

	2024 £m	2023 £m	Growth at constant exchange*	Underlying growth*
Revenue	**1,205.4**	**1,103.2**	17.1%	5.5%
Adjusted operating profit*	**146.2**	**119.6**	32.3%	
Operating margin*	**12.1%**	**10.8%**		

* 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 17.1% to £1,205.4 million, mainly driven by acquisitions, with underlying revenue increasing by 5.5% driven by strong volume growth in Latin America, and both volume and inflation support in Asia Pacific. Adjusted operating profit grew by 32.3% to £146.2 million with operating margin increasing from 10.8% to 12.1%, driven by positive contributions from acquisitions and supported by good margin management.

In Brazil, our safety businesses delivered very strong sales growth, with strong underlying revenue growth complemented by the benefit from acquisitions, although operating margins were lower driven by sharp currency devaluation. Our healthcare businesses delivered strong underlying growth, with revenue overall substantially higher driven by the acquisition of CT Group in December 2023 and RCL in July 2024, and with a significantly higher margin reflective of the inclusion of these businesses, as well as improvements in both third party brand and own brand segments. Our cleaning & hygiene businesses had a very strong year as integration of Groupo Lanlimp, acquired in November 2023, yielded both sales growth and much higher operating margins. Finally, our foodservice business showed very strong underlying growth in both sales and operating profit as it benefitted from new customer wins and gaining share with existing customers.

In Chile, our safety businesses also showed good sales growth, but competition impacted operating margin. Our foodservice business delivered strong sales and operating profit growth, as operational improvements implemented at the start of the year supported good performance. Our Safety business in Mexico delivered good volume growth, supported by high growth in e-commerce sales, and benefitted from strong margin management.

Bunzl Australia and New Zealand, our largest business in Asia Pacific, saw strong revenue and adjusted profit growth, with the benefit of acquisitions supported by moderate underlying growth, and strong operating margin expansion driven by margin management. Growth continued to be driven by the healthcare sector across both aged care and hospitals, with food processor also performing well, offset somewhat by lower sales in facilities management and hospitality.

Our MedTech business and specialist healthcare operations in Australia and New Zealand continued to deliver good sales growth, and further benefitted from the acquisitions of Cubro Group and DBM Medical Group in September 2024, with operating margin expansion.

Our Australian safety business had good growth with strong sales growth in its direct to end user division outpacing slightly weaker demand in the redistribution business, which sells to distributors.

The emergency services business saw very strong growth, fulfilling several large government orders across the year. The business also focused on developing its service offering in both government and the resource sector to ensure ongoing sales revenue.

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.

Currency translation

Currency translation has had an adverse impact on the Group's reported profits, decreasing the reported profit growth rates by between 3% and 4%. This adverse exchange impact to profit is primarily due to the strengthening of sterling against the US dollar, euro, Canadian dollar, Brazilian real and Australian dollar.

Average exchange rates	2024	2023
US$	**1.28**	1.24
Euro	**1.18**	1.15
Canadian$	**1.75**	1.68
Brazilian real	**6.89**	6.21
Australian$	**1.94**	1.87

Closing exchange rates	2024	2023
US$	**1.25**	1.27
Euro	**1.21**	1.15
Canadian$	**1.80**	1.68
Brazilian real	**7.74**	6.19
Australian$	**2.02**	1.87

Revenue

Revenue decreased to £11,776.4 million (2023: £11,797.1 million), a decrease of 0.2% at actual exchange rates. At constant exchange rates revenue increased 3.1% driven by acquisitions net of disposals adding 5.1%, and the additional trading day in 2024 compared to 2023 adding 0.4%, partly offset by an underlying decline of 2.4%. The decline in underlying revenue was mainly driven by deflation across North America, Continental Europe and UK & Ireland; strategic changes in our US foodservice redistribution business to increase our own brand penetration, which alongside price competition, resulting from the deflationary environment, led to volume softness; and the expected impact from transitioning ownership of customer specific inventory to our customers in our US retail business in the first half of the year. Underlying revenue in the second half was flat, driven by Group volumes returning to slight growth and a small easing of deflation driven by Continental Europe and UK & Ireland, although deflation persisted in North America longer than expected. Net deflation is expected to remain a headwind to Group revenue heading into 2025.

Movement in revenue	£m
2023 revenue	11,797.1
Currency translation	(376.4)
Trading day	44.9
Underlying decline	(271.1)
Excess growth in hyperinflationary economies	1.1
Acquisitions net of disposals	580.8
2024 revenue	**11,776.4**

Operating profit

Adjusted operating profit was £976.1 million (2023: £944.2 million), an increase of 7.2% at constant exchange rates and 3.4% at actual exchange rates. At both constant and actual exchange rates operating margin increased to 8.3% from 8.0% in 2023. The operating margin of 8.3% was supported by both higher margin acquisitions and an underlying margin improvement.

Movement in adjusted operating profit	£m
2023 adjusted operating profit	944.2
Currency translation	(34.0)
Increase in hyperinflation accounting adjustments	(4.2)
2024 growth	70.1
2024 adjusted operating profit	**976.1**

Operating profit was £799.3 million (2023: £789.1 million), an increase of 5.0% at constant exchange rates and 1.3% at actual exchange rates.

Movement in operating profit	£m
2023 operating profit	789.1
Currency translation	(28.2)
Increase in hyperinflation accounting adjustments	(4.1)
Growth in adjusted operating profit	70.1
Non-recurring pension scheme credit	3.2
Increase in amortisation (excluding software) and acquisition related items	(30.8)
2024 operating profit	**799.3**

Amortisation excluding software, which includes amortisation on customer and supplier relationships, brands and technology, acquisition related items and the non-recurring pension scheme credit 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 assess the performance of the Group.

Net finance expense

The adjusted net finance expense for the year was £103.2 million, an increase of £15.1 million at constant exchange rates (up £12.7 million at actual exchange rates), mainly due to increases in lease interest expense, higher interest rates and a higher average debt during the year. Net finance expense for the year was £105.4 million including £2.2 million of interest on unwinding of discounting deferred consideration on acquisitions.

Disposal of businesses

The loss on disposal of businesses of £20.3 million relates to the disposal of the Group's business in Argentina and a healthcare business in Germany, which completed on 14 March 2024 and 12 July 2024 respectively. The loss on disposal reflects the cash consideration received of £4.4 million offset by the net book value of assets disposed of £6.0 million and recycling of historical foreign exchange losses of £18.7 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 these businesses on the Group's trading performance.

Profit before income tax

Adjusted profit before income tax was £872.9 million (2023: £853.7 million), up 6.2% at constant exchange rates (up 2.2% at actual exchange rates), due to the growth in adjusted operating profit partly offset by the increase in adjusted net finance expense. Profit before income tax was £673.6 million (2023: £698.6 million), an increase of 0.1% at constant exchange rates (down 3.6% at actual exchange rates) with growth in operating profit offset by the loss on disposal of businesses 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 Corporate governance section.

The effective tax rate (being the tax rate on adjusted profit before income tax) for the year was 25.5% (2023: 25.0%) and the reported tax rate on statutory profit was 25.6% (2023: 24.7%). The effective tax rate for 2024 is higher than for 2023 primarily due to the increase in the UK statutory tax rate from 23.5% for calendar year 2023 to 25.0% for year 2024 and profit mix moving to higher tax rate countries. The Group's effective tax rate is expected to increase to be around 26% in 2025 as certain one-off benefits in 2024 are not repeated. Although the Group is subject to the global minimum tax regime known as Pillar 2 from 2024, this is not expected to cause any significant increase in the Group's tax liabilities.

Earnings per share

Adjusted profit after tax attributable to the Company's equity holders was £649.9 million (2023: £640.3 million), up 5.4% and an increase of £33.3 million at constant exchange rates (up 1.5% at actual exchange rates), due to a £50.8 million increase in adjusted profit before income tax, partly offset by a £16.9 million increase in the tax on adjusted profit before income tax at constant exchange rates, and excluding £0.6m profit attributable to non-controlling interests. Adjusted profit after tax for the year bears a £9.8 million adverse impact from hyperinflation accounting adjustments (2023: £11.0 million adverse impact).

Profit after tax attributable to the Company's equity holders decreased to £500.4 million (2023: £526.2 million), down 1.1% and an decrease of £5.6 million at constant exchange rates (down 4.9% at actual exchange rates), due to a £5.8 million increase in the tax charge at constant exchange rates, partly offset by a £0.8 million increase in profit before income tax, and excluding £0.6m profit attributable to non-controlling interests. Profit after tax for the year bears an £10.9 million adverse impact from hyperinflation accounting adjustments (2023: £11.0 million adverse impact).

The weighted average number of shares in issue decreased to 334.4 million from 335.0 million in 2023 due to shares cancelled under the share buyback programme and share purchases into the employee benefit trust partly offset by employee share option exercises.

Adjusted earnings per share attributable to the Company's equity holders were 194.3p (2023: 191.1p), an increase of 5.5% at constant exchange rates (up 1.7% at actual exchange rates). Basic earnings per share attributable to the Company's equity holders were 149.6p (2023: 157.1p), down 0.9% at constant exchange rates (down 4.8% at actual exchange rates).

Movement in adjusted earnings per share	**Pence**
2023 adjusted earnings per share	191.1
Currency translation	(7.0)
Increase in adjusted profit before income tax	11.5
Movement in hyperinflation accounting adjustments	-
Increase in effective tax rate	(1.6)
Decrease in weighted average number of shares	0.3
2024 adjusted earnings per share	**194.3**

Movement in basic earnings per share	Pence
2023 basic earnings per share	157.1
Currency translation	(6.1)
Increase in adjusted profit before income tax	11.6
Increase in adjusting items	(6.5)
Loss on disposal of businesses	(6.1)
Increase in hyperinflation accounting adjustments	(0.1)
Increase in reported tax rate	(0.5)
Decrease in weighted average number of shares	0.2
2024 basic earnings per share	**149.6**

Dividends

An analysis of dividends per share for the years to which they relate is shown below:

	2024	2023	Growth
Interim dividend (p)	**20.1**	18.2	10.4%
Final dividend (p)	**53.8**	50.1	7.4%
Total dividend (p)	**73.9**	68.3	8.2%
Dividend cover (times)	**2.6**	2.8	

The Company's practice is to pay a progressive dividend, delivering year-on-year increases. The Board is proposing a 2024 final dividend of 53.8p, an increase of 7.4% on the amount paid in relation to the 2023 final dividend. The 2024 total dividend of 73.9p is 8.2% higher than the 2023 total 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, coupled with the Group's substantial borrowing facilities, provides the Company with the financial flexibility to fund a growing dividend. After the further growth in 2024, Bunzl has sustained 32 years of consecutive annual dividend growth to shareholders.

The risks and constraints to maintaining a growing dividend are principally those linked to the Group's trading performance and liquidity, as described in Note 18 (Principal risks and uncertainties). The Group has substantial distributable reserves within Bunzl plc and there is a robust process of distributing profits generated by subsidiary undertakings up through the Group to Bunzl plc. At 31 December 2024 Bunzl plc had sufficient distributable reserves to cover more than six years of dividends at the levels of those delivered in 2024, which is expected to be approximately £250 million.

Acquisitions

The Group completed 15 acquisitions during the year ended 31 December 2024, of which 13 were announced, with a total committed spend of £882.5 million. The estimated annualised revenue and adjusted operating profit of the acquisitions completed during the year were £744 million and £72 million, respectively.

A summary of the effect of acquisitions is as follows:

	£m
Fair value of net assets acquired	451.3
Less: non-controlling interests	(2.7)
Goodwill	357.8
Consideration	806.4
Satisfied by:	
cash consideration	675.2
deferred consideration	131.2
	806.4
Contingent payments relating to retention of former owners	92.8
Interest relating to discounting of deferred consideration	17.3
Net cash acquired	(59.9)
Transaction costs and expenses	25.9
Total committed spend in respect of acquisitions completed in the current year	**882.5**

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

	£m
Cash consideration	675.2
Net cash acquired	(59.9)
Deferred consideration payments	20.9
Net cash outflow on purchase of businesses	636.2
Cash outflow from acquisition related items*	42.0
Total cash outflow in respect of acquisitions	**678.2**

* Acquisition related items comprise £25.6 million of transaction costs and expenses paid and £16.4 million of payments relating to retention of former owners.

Cash flow

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

	2024 £m	2023 £m
Cash generated from operations†	**1,133.4**	1,129.5
Payment of lease liabilities	**(216.7)**	(188.0)
Net capital expenditure	**(37.2)**	(56.2)
Operating cash flow†	**879.5**	885.3
Net interest paid excluding interest on lease liabilities	**(65.2)**	(53.2)
Income tax paid	**(180.5)**	(188.6)
Free cash flow	**633.8**	643.5
Dividends paid	**(228.6)**	(209.7)
Net payments relating to employee share schemes	**(14.3)**	(23.7)
Net cash inflow before acquisitions, disposals and purchase of own shares	**390.9**	410.1
Purchase of own shares	**(247.9)**	-
Acquisitions◊	**(678.2)**	(374.6)
Disposals	**2.9**	-
Net cash (outflow)/inflow on net debt excluding lease liabilities	**(532.3)**	35.5

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

The Group's free cash flow of £633.8 million was £9.7 million lower than in 2023, due to a decrease in operating cash flow of £5.8 million and an increase in net interest paid excluding interest on lease liabilities of £12.0 million, partly offset by a £8.1 million lower cash outflow relating to tax. The Group's free cash flow was used to finance dividend payments of £228.6 million in respect of 2023 (2023: £209.7 million in respect of 2022), purchase of own shares of £247.9 million (2023: £nil) and net payments of £14.3 million (2023: net payments of £23.7 million) relating to employee share schemes, and partially finance an acquisition cash outflow of £678.2 million (2023: £374.6 million). Purchase of own shares of £247.9 million comprises the £250 million share buy back as announced in August 2024, stamp duty of £1.0 million and transaction costs of £0.2 million less outstanding payments as at 31 December 2024 of £3.3 million. Cash conversion (being the ratio of operating cash flow as a percentage of lease adjusted operating profit) was 93% (2023: 96%).

	2024 £m	2023 £m
Operating cash flow	**879.5**	885.3
Adjusted operating profit	**976.1**	944.2
Add back depreciation of right-of-use assets	**186.1**	166.1
Deduct payment of lease liabilities	**(216.7)**	(188.0)
Lease adjusted operating profit	**945.5**	922.3
Cash conversion	**93%**	96%

Net debt

	2024 £m	2023 £m
Net debt excluding lease liabilities	**(1,611.4)**	(1,085.5)
Total deferred and contingent consideration – on and off balance sheet	**(375.4)**	(258.8)
Adjusted net debt	**(1,986.8)**	(1,344.3)
Lease liabilities	**(754.1)**	(664.5)
Adjusted net debt including lease liabilities	**(2,740.9)**	(2,008.8)
Adjusted net debt to EBITDA	**1.8x**	1.2x
Adjusted net debt including lease liabilities to EBITDA	**2.1x**	1.6x

Net debt excluding lease liabilities increased by £525.9 million during the year to £1,611.4 million (2023: £1,085.5 million), due to a net cash outflow of £532.3 million and external debt recognised on acquisition of £6.3 million, partly offset by a £10.4 million decrease due to currency translation and a non-cash decrease in debt of £2.3 million.

Adjusted net debt increased by £642.5 million during the year to £1,986.8 million (2023: £1,344.3 million) due to the £525.9 million increase in net debt excluding lease liabilities and a £116.6 million increase in total deferred and contingent consideration.

Balance sheet

Summary balance sheet at 31 December:

	2024 £m	2023 £m
Intangible assets	**3,683.8**	3,242.1
Right-of-use assets	**697.6**	616.3
Property, plant and equipment	**213.3**	159.4
Working capital	**1,210.2**	1,158.1
Net assets held for sale	**10.0**	-
Deferred consideration	**(258.2)**	(175.6)
Other net liabilities	**(420.3)**	(333.4)
Net pension surplus	**19.8**	49.4
Net debt excluding lease liabilities	**(1,611.4)**	(1,085.5)
Lease liabilities	**(754.1)**	(664.5)
Equity	**2,790.7**	2,966.3
Return on average operating capital	**43.2%**	46.1%
Return on invested capital	**14.8%**	15.5%

Return on average operating capital decreased to 43.2% from 46.1% in 2023 due to higher average capital employed in the underlying businesses. Return on invested capital decreased to 14.8% compared to 15.5% in 2023 due to the impact of higher average invested capital from acquisitions.

Intangible assets increased by £441.7 million to £3,683.8 million due to intangible assets arising on acquisitions in the year of £729.9 million, a net increase from hyperinflation adjustments of £7.7 million and software additions of £14.1 million, partly offset by an amortisation charge of £160.2 million, an impairment charge of £2.3 million, net decrease from disposal of businesses of £7.5 million, assets transferred to held for sale of £1.7 million and a decrease from currency translation of £138.3 million.

Right-of-use assets increased by £81.3 million to £697.6 million due to additional right-of-use assets from new leases during the year of £161.3 million, an increase from remeasurement adjustments of £49.8 million and an increase from acquisitions of £73.0 million, partly offset by a depreciation charge of £186.1 million, assets transferred to held for sale of £1.5 million, disposal of businesses of £0.4 million and a decrease from currency translation of £14.8 million.

Working capital increased from the prior year end by £52.1 million to £1,210.2 million driven by an increase of £80.5 million from acquisitions and an underlying increase of £97.1 million as shown in the cash flow statement, partly offset by £53.3 million accrued for commitments under the share buyback programme, a decrease of £8.3 million from net assets transferred to held for sale and a decrease from currency translation of £64.3 million.

Net assets held for sale comprises assets and liabilities related to a safety business in North America which was sold in January 2025.

Deferred consideration increased by £82.6 million to £258.2 million due to £131.2 million of deferred consideration recognised on current year acquisitions and interest on unwinding of discounting of £2.2 million, partly offset by deferred consideration and retention payments of £33.3 million, a credit from adjustments to previously estimated earn outs net of charges relating to the retention of former owners of £1.3 million and a decrease from currency translation of £16.2 million. Including expected future payments which are contingent on the continued retention of former owners of businesses acquired of £117.2 million, total deferred and contingent consideration at 31 December 2024 was £375.4 million (2023: £258.8 million).

The Group’s net pension surplus of £19.8 million at 31 December 2024 has decreased by £29.6 million from the net pension surplus of £49.4 million at 31 December 2023, largely due to actuarial losses of £35.1 million driven by the bulk annuity buy-in of the UK scheme completed in December 2024.

Shareholders’ equity decreased by £175.6 million during the year to £2,790.7 million. Own shares purchased for cancellation includes the £250 million share buyback announced in August 2024, which was completed before 31 December 2024, the £50 million first tranche of the 2025 share buyback programme which was committed to pre-year end, £1.0 million of stamp duty and £0.2 million of transaction costs.

Movement in shareholders’ equity	**£m**
Shareholders’ equity at 31 December 2023	2,966.3
Currency (net of tax)	(149.1)
Profit for the year	501.0
Dividends	(228.6)
Own shares purchased for cancellation	(301.2)
Non-controlling interest on acquisition	2.7
Hyperinflation accounting adjustments	17.1
Actuarial loss on pension schemes (net of tax)	(26.9)
Share based payments (net of tax)	19.0
Employee share schemes (net of tax)	(9.6)
Shareholders’ equity at 31 December 2024	**2,790.7**

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 year 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 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 financial 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, based on historical accounting standards. Sensitivity analyses using various scenarios are applied to forecasts to assess their impact on covenants and net debt. During the year ended 31 December 2024 all covenants were complied with, with Covenant net debt to EBITDA of 1.5 times as at 31 December 2024 (31 December 2023: 1.1 times), and based on current forecasts it is expected that such covenants will continue to be complied with for the foreseeable future. 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. During 2024, the Group issued a €500 million bond which matures in 2032 under the terms of its Euro Medium Term Note (EMTN) programme. The bond issued extends the maturity profile of the Group's debt portfolio. At 31 December 2024 the nominal value of senior bonds outstanding was £1,113.2 million (2023: £700.0 million) with maturities ranging from 2025 to 2032. At 31 December 2024 the nominal value of USPPs outstanding was £798.6 million (2023: £917.5 million) with maturities ranging from 2025 to 2032. At 31 December 2024 the available committed bank facilities totalled £933.5 million (2023: £852.6 million) of which none (2023: none) was drawn down. During 2024, £264.8 million of existing bank facilities with maturities between 2024 and 2026 were refinanced by £350.6 million of new or amended bank facilities with maturities between 2026 to 2029.

In July 2024, the Group established a €1 billion euro-commercial paper programme, under which it can issue short term notes. At 31 December 2024, the nominal value of commercial paper in issue was £144.6 million (2023: none) with maturities of up to three months.

The Group expects to make repayments in the 18 month period from the date of these financial statements to 30 June 2026 of approximately £242.6 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.

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 financial statements. In reaching this conclusion, the directors noted the Group's strong cash performance in the year, the substantial funding available to the Group as described above and the resilience of the Group to a range of severe but plausible downside scenarios. Further details are set out in Note 1.

Consolidated income statement
for the year ended 31 December 2024

	Notes	**2024 £m**	2023 £m
Revenue	3	**11,776.4**	11,797.1
Operating profit	3	**799.3**	789.1
Finance income	4	**72.6**	60.4
Finance expense	4	**(178.0)**	(150.9)
Disposal of businesses	9	**(20.3)**	-
Profit before income tax		**673.6**	698.6
Income tax	5	**(172.6)**	(172.4)
Profit for the year		**501.0**	526.2
Profit is attributable to:			
Company's equity holders		**500.4**	526.2
Non-controlling interests		**0.6**	-
Profit for the year		**501.0**	526.2
Earnings per share attributable to the Company's equity holders			
Basic	7	**149.6p**	157.1p
Diluted	7	**148.7p**	156.0p
Dividend per share	6	**73.9p**	68.3p

Alternative performance measures†			
Operating profit	3	**799.3**	789.1
Adjusted for:			
Amortisation excluding software	3	**148.3**	135.6
Acquisition related items through operating profit		**31.7**	19.5
Non-recurring pension scheme credit	3	**(3.2)**	-
Adjusted operating profit		**976.1**	944.2
Finance income	4	**72.6**	60.4
Adjusted finance expense	4	**(175.8)**	(150.9)
Adjusted profit before income tax		**872.9**	853.7
Tax on adjusted profit	5	**(222.4)**	(213.4)
Adjusted profit for the year		**650.5**	640.3
Adjusted profit is attributable to:			
Company's equity holders		**649.9**	640.3
Non-controlling interests		**0.6**	-
Adjusted profit for the year		**650.5**	640.3
Adjusted earnings per share attributable to the Company's equity holders	7	**194.3p**	191.1p

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

Consolidated statement of comprehensive income
for the year ended 31 December 2024

	2024 £m	2023 £m
Profit for the year	**501.0**	526.2
Other comprehensive income/(expense)		
Items that will not be reclassified to profit or loss:		
Actuarial (loss)/gain on defined benefit pension schemes	**(35.1)**	2.9
Tax on items that will not be reclassified to profit or loss*	**8.2**	(0.1)
Total items that will not be reclassified to profit or loss	**(26.9)**	2.8
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation differences on foreign operations	**(193.3)**	(126.9)
Reclassification from translation reserve to income statement on disposal of foreign operations	**18.7**	-
Gain/(loss) recognised in cash flow hedge reserve*	**6.3**	(2.3)
Gain taken to equity as a result of effective net investment hedges	**20.3**	31.4
Tax on items that may be reclassified to profit or loss*	**(1.7)**	0.1
Total items that may be reclassified subsequently to profit or loss	**(149.7)**	(97.7)
Other comprehensive expense for the year	**(176.6)**	(94.9)
Total comprehensive income	**324.4**	431.3
Total comprehensive income is attributable to:		
Company's equity holders	**323.8**	431.3
Non-controlling interests	**0.6**	-
Total comprehensive income	**324.4**	431.3

* The Group has restated comparatives for the year to 31 December 2023 in the 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, while 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 year or Total comprehensive income for the year. There is no impact from this change on the Group's net assets or shareholders' equity, nor any impact on the Consolidated income statement, Consolidated statement of changes in equity or the Consolidated cash flow statement.

Consolidated balance sheet
at 31 December 2024

	Notes	**2024 £m**	2023 £m
Assets			
Property, plant and equipment		**213.3**	159.4
Right-of-use assets	10	**697.6**	616.3
Intangible assets	11	**3,683.8**	3,242.1
Defined benefit pension assets		**35.8**	69.0
Derivative financial assets		**-**	0.1
Deferred tax assets		**14.1**	14.2
Total non-current assets		**4,644.6**	4,101.1
Inventories		**1,760.9**	1,621.1
Trade and other receivables		**1,634.1**	1,578.5
Income tax receivable		**13.0**	8.7
Derivative financial assets		**28.0**	11.7
Cash and cash equivalents	14	**1,432.9**	1,426.1
Assets classified as held for sale		**15.7**	-
Total current assets		**4,884.6**	4,646.1
Total assets		**9,529.2**	8,747.2
Equity			
Share capital		**106.4**	108.6
Share premium		**212.1**	205.2
Translation reserve		**(324.6)**	(170.2)
Other reserves		**24.3**	16.7
Retained earnings		**2,769.2**	2,806.0
Total equity attributable to the Company's equity holders		**2,787.4**	2,966.3
Non-controlling interests		**3.3**	-
Total equity		**2,790.7**	2,966.3
Liabilities			
Interest bearing loans and borrowings	14	**1,361.7**	1,417.1
Defined benefit pension liabilities		**16.0**	19.6
Other payables		**255.4**	176.1
Income tax payable		**-**	0.5
Provisions		**49.7**	75.8
Lease liabilities	13	**573.7**	512.4
Derivative financial liabilities		**82.8**	78.7
Deferred tax liabilities		**263.3**	190.1
Total non-current liabilities		**2,602.6**	2,470.3
Bank overdrafts	14	**987.9**	874.2
Interest bearing loans and borrowings	14	**619.2**	130.0
Trade and other payables		**2,206.1**	2,071.6
Income tax payable		**63.7**	47.0
Provisions		**57.1**	10.0
Lease liabilities	13	**180.4**	152.1
Derivative financial liabilities		**15.8**	25.7
Liabilities relating to assets classified as held for sale		**5.7**	-
Total current liabilities		**4,135.9**	3,310.6
Total liabilities		**6,738.5**	5,780.9
Total equity and liabilities		**9,529.2**	8,747.2

Consolidated statement of changes in equity
for the year ended 31 December 2024

	Share capital £m	Share premium £m	Translation reserve £m	Other reserves £m	Retained earnings† £m	Total attributable to the Company's equity holders £m	Non-Controlling Interest £m	Total equity £m
At 1 January 2024	**108.6**	**205.2**	**(170.2)**	**16.7**	**2,806.0**	**2,966.3**	**-**	**2,966.3**
Profit for the year					**500.4**	**500.4**	**0.6**	**501.0**
Actuarial losses on defined benefit pension schemes					**(35.1)**	**(35.1)**	**-**	**(35.1)**
Foreign currency translation differences on foreign operations			**(193.3)**			**(193.3)**	**-**	**(193.3)**
Reclassification from translation reserve to income statement on disposal of foreign operations			**18.7**			**18.7**	**-**	**18.7**
Gain taken to equity as a result of effective net investment hedges			**20.3**			**20.3**	**-**	**20.3**
Gain recognised in cash flow hedge reserve				**6.3**		**6.3**	**-**	**6.3**
Income tax (charge)/credit on other comprehensive income			**(0.1)**	**(1.6)**	**8.2**	**6.5**	**-**	**6.5**
Total comprehensive income			**(154.4)**	**4.7**	**473.5**	**323.8**	**0.6**	**324.4**
2023 interim dividend					**(61.0)**	**(61.0)**	**-**	**(61.0)**
2023 final dividend					**(167.6)**	**(167.6)**	**-**	**(167.6)**
Movement from cash flow hedge reserve to inventory (net of tax)				**0.6**		**0.6**	**-**	**0.6**
Hyperinflation accounting adjustments[1]					**17.1**	**17.1**	**-**	**17.1**
Non-controlling interest acquired						**-**	**2.7**	**2.7**
Issue of share capital	**0.1**	**6.9**				**7.0**	**-**	**7.0**
Own shares purchased for cancellation					**(301.2)**	**(301.2)**	**-**	**(301.2)**
Own shares cancelled	**(2.3)**			**2.3**		**-**	**-**	**-**
Employee trust shares					**(16.6)**	**(16.6)**	**-**	**(16.6)**
Share based payments (net of tax)					**19.0**	**19.0**	**-**	**19.0**
At 31 December 2024	**106.4**	**212.1**	**(324.6)**	**24.3**	**2,769.2**	**2,787.4**	**3.3**	**2,790.7**

	Share capital £m	Share premium £m	Translation reserve £m	Other reserves◊ £m	Retained earnings† £m	Total attributable to the Company's equity holders £m	Non-Controlling Interest £m	Total equity £m
At 1 January 2023	108.5	199.4	(74.2)	17.7	2,469.5	2,720.9	-	2,720.9
Profit for the year					526.2	526.2	-	526.2
Actuarial gain on defined benefit pension schemes					2.9	2.9	-	2.9
Foreign currency translation differences on foreign operations			(126.9)			(126.9)	-	(126.9)
Gain taken to equity as a result of effective net investment hedges			31.4			31.4	-	31.4
Loss recognised in cash flow hedge reserve				(2.3)		(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	-	431.3
2022 interim dividend					(57.9)	(57.9)	-	(57.9)
2022 final dividend					(151.8)	(151.8)	-	(151.8)
Movement from cash flow hedge reserve to inventory (net of tax)				0.7		0.7	-	0.7
Hyperinflation accounting adjustments[1]					21.6	21.6	-	21.6
Issue of share capital	0.1	5.8				5.9	-	5.9
Employee trust shares					(25.2)	(25.2)	-	(25.2)
Share based payments (net of tax)					20.8	20.8	-	20.8
At 31 December 2023	108.6	205.2	(170.2)	16.7	2,806.0	2,966.3	-	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 (2023: £2.5m), capital redemption reserve of £18.4m (2023: £16.1m) and a positive cash flow hedge reserve of £3.4m (2023: negative £1.9m).

† Retained earnings comprise earnings of £2,832.5m (2023: £2,876.9m), offset by own shares of £63.3m (2023: £70.9m).

Consolidated cash flow statement
for the year ended 31 December 2024

	Notes	**2024 £m**	2023 £m
Cash flow from operating activities			
Profit before income tax		**673.6**	698.6
Adjusted for:			
net finance expense	4	**105.4**	90.5
amortisation excluding software		**148.3**	135.6
acquisition related items through operating profit	3	**31.7**	19.5
non-recurring pension scheme charges		**(3.2)**	-
disposal of businesses	9	**20.3**	-
Adjusted operating profit		**976.1**	944.2
Adjustments:			
depreciation and software amortisation	16	**235.8**	207.2
other non-cash items	16	**18.6**	6.5
working capital movement	16	**(97.1)**	(28.4)
Cash generated from operations before acquisition related items		**1,133.4**	1,129.5
Cash outflow from acquisition related items	8	**(42.0)**	(36.9)
Income tax paid		**(180.5)**	(188.6)
Cash inflow from operating activities		**910.9**	904.0
Cash flow from investing activities			
Interest received		**61.4**	54.4
Purchase of property, plant and equipment and software		**(54.4)**	(58.3)
Sale of property, plant and equipment and software		**17.2**	2.1
Purchase of businesses net of cash acquired	8	**(636.2)**	(337.7)
Disposal of businesses net of cash disposed	9	**2.9**	-
Cash outflow from investing activities		**(609.1)**	(339.5)
Cash flow from financing activities			
Interest paid excluding interest on lease liabilities		**(126.6)**	(107.6)
Dividends paid		**(228.6)**	(209.7)
Increase in borrowings		**561.7**	-
Repayment of borrowings		**(132.9)**	(159.5)
Receipts on settlement of foreign exchange contracts		**24.2**	21.6
Payment of lease liabilities – principal	13	**(178.2)**	(159.4)
Payment of lease liabilities – interest	13	**(38.5)**	(28.6)
Proceeds from issue of ordinary shares to settle share options		**7.0**	5.9
Proceeds from exercise of market purchase share options		**53.7**	46.8
Purchase of own shares		**(247.9)**	-
Purchase of employee trust shares		**(75.0)**	(76.4)
Cash outflow from financing activities		**(381.1)**	(666.9)
Decrease in cash, cash equivalents and overdrafts		**(79.3)**	(102.4)
Cash, cash equivalents and overdrafts at start of year		**551.9**	678.1
Decrease in cash, cash equivalents and overdrafts		**(79.3)**	(102.4)
Currency translation		**(27.6)**	(23.8)
Cash, cash equivalents and overdrafts at end of year	14	**445.0**	551.9

Consolidated cash flow statement (continued)
for the year ended 31 December 2024

Alternative performance measures†	Notes	2024 £m	2023 £m
Cash generated from operations before acquisition related items		**1,133.4**	1,129.5
Purchase of property, plant and equipment and software		**(54.4)**	(58.3)
Sale of property, plant and equipment and software		**17.2**	2.1
Payments of lease liabilities	13	**(216.7)**	(188.0)
Operating cash flow		**879.5**	885.3
Adjusted operating profit		**976.1**	944.2
Add back depreciation of right-of-use assets	10	**186.1**	166.1
Deduct payment of lease liabilities	13	**(216.7)**	(188.0)
Lease adjusted operating profit		**945.5**	922.3
Cash conversion (operating cash flow as a percentage of lease adjusted operating profit)		**93%**	96%
Operating cash flow		**879.5**	885.3
Net interest paid excluding interest on lease liabilities		**(65.2)**	(53.2)
Income tax paid		**(180.5)**	(188.6)
Free cash flow		**633.8**	643.5

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

Notes

1. Basis of preparation and accounting policies

a) Basis of accounting

The Group's condensed consolidated financial statements for the year ended 31 December 2024 have been approved by the Board of directors of Bunzl plc, and derived from the audited Group consolidated financial statements for the year ended 31 December 2024, prepared in accordance with UK-adopted International Accounting Standards ('IASs') in conformity with the requirements of the Companies Act 2006 and the applicable legal requirements of the Companies Act 2006. The audited Group consolidated financial statements also comply fully with International Financial Reporting Standards ('IFRSs') as issued by the International Accounting Standards Board ('IASB'). They are prepared under the historical cost convention with the exception of certain items which are measured at fair value.

Bunzl plc's 2024 Annual Report will be published in March 2025. The financial information set out herein does not constitute the Company's statutory accounts for the year ended 31 December 2024 but is derived from those accounts and the accompanying directors' report. Statutory accounts for 2024 will be delivered to the Registrar of Companies following the Company's Annual General Meeting which will be held on 24 April 2025. The auditors have reported on those accounts; their report was unqualified and did not contain statements under section 498 sections (2) and (3) of the Companies Act 2006.

The comparative figures for the year ended 31 December 2023 are not the Company's statutory accounts for the financial year but are derived from those accounts which have been reported on by the Company's auditors and delivered to the Registrar of Companies. The report of the auditors was unqualified and did not contain statements under section 498 sections (2) and (3) of the Companies Act 2006.

(i) 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 financial statements.

In reaching this conclusion, the directors noted the Group's strong operating cash flow performance in the year and the substantial funding held by 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 June 2026 starting with a base case projection derived from the Group's 2025 Budget excluding any non-committed spending 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 risks to the Group's organic growth and a reduction in the Group cash conversion to 90% (cash conversion in 2024 was 93% and 2023 was 96%).

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. In order for a breach of covenants to occur during the 18 month period to the end of June 2026 the Group would need to experience a reduction in EBITDA of over 55% compared with the base case.

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.

(ii) Impact of Hyperinflation on the financial statements at 31 December 2024

The Group's financial statements include the results and financial position of its Turkish operations restated to the measuring unit current at the end of the year, and the 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 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 year ended 31 December 2024 was an increase of 44% (2023: increase of 65%) in Turkey and an increase of 37% for the period up until disposal (2023: increase of 210%) in Argentina.

IAS 29 requires that the income statement is adjusted for inflation in the year and translated at the year 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 year ended 31 December 2024, this resulted in an increase in goodwill of £7.5m (2023: £8.4m) and a net increase in other intangibles of £0.2m (2023: £0.4m). The impacts on other non-monetary assets and liabilities were immaterial. The impact to retained earnings during the year was a gain of £17.1m (2023: gain of £21.6m).

1. Basis of preparation and accounting policies (continued)

The total impact to the Consolidated income statement during the year was a charge of £9.8m (2023: £11.0m) to profit after tax from hyperinflation accounting adjustments, comprising a £9.9m adverse impact (2023: £9.5m adverse impact) on adjusted profit before tax, increased customer relationships amortisation of £nil (2023: £0.2m) and a decreased tax charge of £0.1m (2023: £1.3m increased tax charge).

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 year, 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.

b) Newly adopted accounting policies

There are no new standards or amendments to existing standards that are effective that have had a material impact on the Group. Based on the Group's ongoing assessment, the Group does not anticipate any new or revised standards and interpretations that are effective from 1 January 2025 and beyond to have a material impact on its consolidated results or financial position.

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 consolidated financial statements and the location of the reconciliation to equivalent IFRS measures are shown and defined in the table below where applicable:

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 amortisation excluding software, acquisition related items through operating profit and non-recurring pension scheme charges/credits (reconciled in the following tables and in the Consolidated income statement)
Operating margin	Adjusted operating profit as a percentage of revenue
Adjusted finance expense	Finance expense before interest on unwinding of discounting on deferred consideration
Adjusted profit before income tax	Profit before income tax, amortisation excluding software, 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 year	Profit for the year before amortisation excluding software, 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
Adjusted earnings per share	Adjusted profit for the year attributable to the Company's equity holders 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 year attributable to the Company's equity holders 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 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 Consolidated cash flow statement)

2. Alternative performance measures (continued)

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 Consolidated cash flow statement)
Cash conversion	Operating cash flow as a percentage of lease adjusted operating profit (as shown in the Consolidated cash flow statement)
Working capital	Inventories and trade and other receivables less trade and other payables, excluding non-trading related receivables, non-trading 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/liabilities, cumulative amortisation excluding software, 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 14)
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 prior years at the average rates for the year ended 31 December 2024 so that they can be compared without the distorting impact of changes caused by foreign exchange translation. The principal 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 year. 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 amortisation excluding software, 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. Amortisation excluding software comprises amortisation of customer and supplier relationships, brands and technology intangible assets. Acquisition related items, amortisation (excluding software) 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/credit relate to non-recurring charges arising from the Group's participation in a number of defined benefit pension schemes. In the year ended 31

2. Alternative performance measures (continued)

December 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 year ended 31 December 2023 there were no non-recurring pension scheme charges. Disposal of businesses relates to the loss on disposal of the Group's business in Argentina on 14 March 2024 and a healthcare business in Germany on 12 July 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 charges that nevertheless do impact the Group's cash flow and GAAP financial performance.

Reconciliation of alternative performance measures to IFRS measures

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

Year ended 31 December 2024

		Adjusting items					
	Alternative performance measures £m	**Amortisation excluding software £m**	**Acquisition related items £m**	**Non-recurring pension scheme credit £m**	**Disposal of businesses £m**	**Statutory measures £m**	
Adjusted operating profit	**976.1**	**(148.3)**	**(31.7)**	**3.2**		**799.3**	**Operating profit**
Finance income	**72.6**					**72.6**	Finance income
Adjusted finance expense	**(175.8)**		**(2.2)**			**(178.0)**	Finance expense
Disposal of businesses	**-**				**(20.3)**	**(20.3)**	Disposal of businesses
Adjusted profit before income tax	**872.9**	**(148.3)**	**(33.9)**	**3.2**	**(20.3)**	**673.6**	**Profit before income tax**
Tax on adjusted profit	**(222.4)**	**42.8**	**7.8**	**(0.8)**	**-**	**(172.6)**	Income tax
Adjusted profit for the year	**650.5**	**(105.5)**	**(26.1)**	**2.4**	**(20.3)**	**501.0**	**Profit for the year**
Adjusted earnings per share attributable to the Company's equity holders	**194.3p**	**(31.5)p**	**(7.8)p**	**0.7p**	**(6.1)p**	**149.6p**	**Basic earnings per share attributable to the Company's equity holders**

Year ended 31 December 2023

		Adjusting items					
	Alternative performance measures £m	Amortisation excluding software £m	Acquisition related items £m	Non-recurring pension scheme credit £m	Disposal of businesses £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 attributable to the Company's equity holders	191.1p	(29.5)p	(4.5)p	-	-	**157.1p**	Basic earnings per share attributable to the Company's equity holders

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. The principal results reviewed for each business area are revenue and adjusted operating profit.

Year ended 31 December 2024

	North America £m	Continental Europe £m	UK & Ireland £m	Rest of the World £m	Corporate £m	Total £m
Revenue	**6,568.1**	**2,377.1**	**1,625.8**	**1,205.4**		**11,776.4**
Adjusted operating profit/(loss)	**515.6**	**210.8**	**135.1**	**146.2**	**(31.6)**	**976.1**
Amortisation excluding software	**(55.9)**	**(42.7)**	**(20.7)**	**(29.0)**		**(148.3)**
Acquisition related items through operating profit	**(0.8)**	**(10.4)**	**5.1**	**(25.6)**		**(31.7)**
Non-recurring pension scheme credit	**-**	**-**	**-**	**-**	**3.2**	**3.2**
Operating profit/(loss)	**458.9**	**157.7**	**119.5**	**91.6**	**(28.4)**	**799.3**
Finance income						**72.6**
Finance expense						**(178.0)**
Disposal of businesses						**(20.3)**
Profit before income tax						**673.6**
Adjusted profit before income tax						**872.9**
Income tax						**(172.6)**
Profit for the year						**501.0**
Operating margin	**7.9%**	**8.9%**	**8.3%**	**12.1%**		**8.3%**
Return on average operating capital	**47.5%**	**40.8%**	**45.4%**	**38.9%**		**43.2%**
Purchase of property, plant and equipment	**14.2**	**12.6**	**7.4**	**6.1**	**-**	**40.3**
Depreciation of property, plant and equipment	**11.3**	**11.0**	**9.2**	**6.2**	**0.1**	**37.8**
Additions to right-of-use assets	**66.4**	**36.5**	**38.1**	**20.3**	**-**	**161.3**
Depreciation of right-of-use assets	**87.7**	**42.8**	**35.3**	**19.7**	**0.6**	**186.1**
Purchase of software	**2.7**	**6.6**	**3.4**	**1.2**	**0.2**	**14.1**
Software amortisation	**4.2**	**4.1**	**2.3**	**0.9**	**0.4**	**11.9**

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
Amortisation excluding software	(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%
Purchase of property, plant and equipment	12.3	13.5	8.7	8.1	0.2	42.8
Depreciation of property, plant and equipment	12.0	10.3	4.7	4.6	0.1	31.7
Additions to right-of-use assets	34.0	41.5	42.4	18.8	-	136.7
Depreciation of right-of-use assets	83.4	38.9	24.3	18.8	0.7	166.1
Purchase of software	3.1	8.7	2.4	1.0	0.3	15.5
Software amortisation	3.4	2.7	2.1	0.9	0.3	9.4

3. Segment analysis (continued)

Acquisition related items	2024 £m	2023 £m
Deferred consideration relating to the retention of former owners of businesses acquired	**45.5**	37.3
Transaction costs and expenses	**25.9**	18.1
Adjustments to previously estimated earn outs and minority options	**(42.0)**	(35.9)
	29.4	19.5
Customer relationships impairment charges (Note 11)	**2.3**	-
	31.7	19.5

4. Finance income/(expense)

	2024 £m	2023 £m
Interest on cash and cash equivalents	**46.7**	40.3
Interest income from foreign exchange contracts	**19.9**	16.0
Net interest income on defined benefit pension schemes in surplus	**3.1**	3.2
Interest related to income tax	**1.8**	-
Other finance income	**1.1**	0.9
Finance income	**72.6**	60.4
Interest on loans and overdrafts	**(122.4)**	(106.7)
Lease interest expense	**(38.5)**	(28.6)
Interest expense from foreign exchange contracts	**(6.1)**	(1.5)
Net interest expense on defined benefit pension schemes in deficit	**(0.7)**	(1.0)
Fair value gain/(loss) on US private placement notes and senior bond in a hedge relationship	**3.9**	(24.4)
Fair value (loss)/gain on interest rate swaps in a hedge relationship	**(4.1)**	21.8
Foreign exchange loss on intercompany funding	**(35.5)**	(41.1)
Foreign exchange gain on external debt and foreign exchange forward contracts	**34.8**	40.5
Interest related to income tax	**(1.4)**	(0.1)
Monetary loss from hyperinflation accounting[1]	**(3.6)**	(7.2)
Other finance expense	**(2.2)**	(2.6)
Adjusted finance expense	**(175.8)**	(150.9)
Interest on unwinding of discounting on deferred consideration	**(2.2)**	-
Finance expense	**(178.0)**	(150.9)
Net finance expense	**(105.4)**	(90.5)

[1]See Note 1 for further details.

The foreign exchange loss on intercompany funding 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 income statement.

5. Income tax

The Group operates in many countries and is subject to different rates of income tax in those countries. The expected tax rate is calculated as a weighted average of the tax rates in the tax jurisdictions in which the Group operates, most of which are equal to or higher than the UK statutory rate for the year of 25.0% (2023: 23.5%). Although the Group is subject to the global minimum tax regime known as Pillar 2 from 2024, this is not expected to cause any significant increase in the Group's tax liabilities. The adjustments to the tax charge at the weighted average rate to determine the income tax on profit are as follows:

	2024 £m	2023 £m
Profit before income tax	**673.6**	698.6
Weighted average rate	**25.1%**	25.2%
Tax charge at weighted average rate	**168.9**	176.0
Effects of:		
non-deductible expenditure	**9.7**	0.5
impact of intercompany finance	**1.4**	1.2
change in tax rates	**(0.4)**	(0.7)
Inflation: tax and accounting impacts	**1.3**	3.8
prior year adjustments	**(7.9)**	(7.0)
other current year items	**(0.4)**	(1.4)
Income tax on profit	**172.6**	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.

	2024 £m	2023 £m
Income tax on profit	**172.6**	172.4
Tax associated with adjusting items	**49.8**	41.0
Tax on adjusted profit	**222.4**	213.4
Profit before income tax	**673.6**	698.6
Adjusting items (Note 2)	**199.3**	155.1
Adjusted profit before income tax	**872.9**	853.7
Reported tax rate	**25.6%**	24.7%
Effective tax rate	**25.5%**	25.0%

6. Dividends

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

	2024 £m	2023 £m
2022 interim		57.9
2022 final		151.8
2023 interim	**61.0**	
2023 final	**167.6**	
Total	**228.6**	209.7

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

	Per share	
	2024	2023
Interim	**20.1p**	18.2p
Final	**53.8p**	50.1p
Total	**73.9p**	68.3p

The 2024 interim dividend of 20.1p per share was paid on 3 January 2025 and comprised £66.7m of cash. The 2024 final dividend of 53.8p per share will be paid on 2 July 2025 to shareholders on the register at the close of business on 23 May 2025. The 2024 final dividend will comprise approximately £177m of cash.

7. Earnings per share

	2024 £m	2023 £m
Profit for the year attributable to the Company's equity holders	**500.4**	526.2
Adjusted for:		
amortisation excluding software	**148.3**	135.6
acquisition related items	**33.9**	19.5
profit on disposal of businesses	**20.3**	-
non-recurring pension scheme credit	**(3.2)**	-
tax credit on adjusting items	**(49.8)**	(41.0)
Adjusted profit for the year attributable to the Company's equity holders	**649.9**	640.3

	2024	2023
Basic weighted average number of ordinary shares in issue (million)	**334.4**	335.0
Dilutive effect of employee share plans (million)	**2.1**	2.2
Diluted weighted average number of ordinary shares (million)	**336.5**	337.2

Basic earnings per share attributable to the Company's equity holders	**149.6p**	157.1p
Adjustment	**44.7p**	34.0p
Adjusted earnings per share attributable to the Company's equity holders	**194.3p**	191.1p
Diluted basic earnings per share attributable to the Company's equity holders	**148.7p**	156.0p
Adjustment	**44.4p**	33.9p
Adjusted diluted earnings per share attributable to the Company's equity holders	**193.1p**	189.9p

8. Acquisitions

2024

Summary details of the businesses acquired during the year ended 31 December 2024 are shown in the table below:

Business	Sector	Country	Acquisition date 2024	Percentage of share capital acquired	Annualised revenue £m
Pamark	Foodservice, Healthcare, Cleaning & Hygiene and Safety	Finland	29 February	**100%**	**53.3**
Nisbets	Foodservice	United Kingdom	23 May	**80%**	**474.9**
Clean Spot	Cleaning & Hygiene	Canada	18 June	**100%**	**4.3**
Sistemas De Embalaje Anper	Other	Spain	28 June	**100%**	**24.9**
Holland Packaging	Retail	Netherlands	29 June	**75%**	**15.0**
RCL Implantes	Healthcare	Brazil	03 July	**100%**	**15.6**
Powervac	Cleaning & Hygiene	Australia	31 July	**100%**	**4.5**
Cermerón	Foodservice	Spain	30 August	**100%**	**10.3**
Cubro Group	Healthcare	New Zealand	30 September	**72%**	**45.7**
DBM Medical Group	Healthcare	New Zealand	30 September	**75%**	**8.7**
Arrow County Holdings Limited	Cleaning & Hygiene	United Kingdom	22 October	**100%**	**27.1**
C&C Group	Foodservice	United Kingdom	29 October	**100% / 80%**	**26.7**
Comodis	Cleaning & Hygiene	France	01 December	**100%**	**20.7**
Others*					**12.5**
Acquisitions agreed and completed in the current year					**744.2**

*Others includes two acquisitions agreed in 2024.

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. No acquisitions in 2023 were considered to be individually significant. A summary of the effect of acquisitions in 2024 and 2023 is shown below:

	Nisbets £m	Other £m	Total 31.12.24 £m	Total 31.12.23 £m
Customer and supplier relationships	**124.6**	**160.0**	**284.6**	229.5
Brands	**78.3**	**5.0**	**83.3**	10.6
Property, plant and equipment and software	**62.5**	**9.2**	**71.7**	16.6
Right-of-use asset	**55.7**	**17.3**	**73.0**	16.2
Inventories	**77.0**	**34.7**	**111.7**	44.7
Trade and other receivables	**59.6**	**71.9**	**131.5**	57.0
Trade and other payables	**(103.0)**	**(37.4)**	**(140.4)**	(40.5)
Net cash	**43.4**	**16.5**	**59.9**	19.8
External debt	**(5.6)**	**(0.7)**	**(6.3)**	-
Provisions	**(10.5)**	**(22.3)**	**(32.8)**	(26.2)
Lease liabilities	**(55.7)**	**(18.0)**	**(73.7)**	(16.2)
Income tax payable and deferred tax liabilities	**(45.8)**	**(65.4)**	**(111.2)**	(29.6)
Fair value of net assets acquired	**280.5**	**170.8**	**451.3**	281.9
Less non-controlling interests	**(2.7)**	**-**	**(2.7)**	**-**
Goodwill	**187.5**	**170.3**	**357.8**	130.6
Consideration	**465.3**	**341.1**	**806.4**	412.5
Satisfied by:				
cash consideration	**377.6**	**297.6**	**675.2**	343.0
deferred consideration	**87.7**	**43.5**	**131.2**	69.5
	465.3	**341.1**	**806.4**	412.5
Contingent payments relating to the retention of former owners	**42.1**	**50.7**	**92.8**	59.5
Interest relating to discounting of deferred consideration	**15.1**	**2.2**	**17.3**	-
Net cash acquired	**(43.4)**	**(16.5)**	**(59.9)**	(19.8)
Transaction costs and expenses	**12.4**	**13.5**	**25.9**	18.1
Total committed spend in respect of acquisitions completed in the current period	**491.5**	**391.0**	**882.5**	470.3
Spend on acquisitions committed at the prior period end but completed in the current period	**–**	**–**	**–**	(2.8)
Total committed spend in respect of acquisitions agreed in the current period	**491.5**	**391.0**	**882.5**	**467.5**

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

	Nisbets £m	Other £m	Total 31.12.24 £m	Total 31.12.23 £m
Cash consideration	**377.6**	**297.6**	**675.2**	343.0
Net cash acquired	**(43.4)**	**(16.5)**	**(59.9)**	(19.8)
Deferred consideration payments	**–**	**20.9**	**20.9**	14.5
Net cash outflow on purchase of businesses	**334.2**	**302.0**	**636.2**	337.7
Transaction costs and expenses paid	**11.0**	**14.6**	**25.6**	18.1
Payments relating to retention of former owners	**–**	**16.4**	**16.4**	18.8
Cash outflow from acquisition related items	**11.0**	**31.0**	**42.0**	36.9
Total cash outflow in respect of acquisitions	**345.2**	**333.0**	**678.2**	374.6

Acquisitions completed in the year ended 31 December 2024 contributed £398.3m (2023: £120.5m) to the Group's revenue, £34.8m (2023: £16.1m) to the Group's adjusted operating profit and £20.1m (2023: £8.7m) to the Group's operating profit for the year ended 31 December 2024.

The estimated contributions from acquisitions completed and agreed during the year to the results of the Group for the year if such acquisitions had been made at the beginning of the year, are as follows:

	2024 £m	2023 £m
Revenue	**744.2**	325.1
Adjusted operating profit	**72.0**	51.4

8. Acquisitions (continued)

Deferred consideration

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

	2024 £m	2023* £m
Minority options - acquisition of non-controlling interests	**158.4**	86.5
Earn outs	**33.7**	36.9
Deferred consideration held at fair value	**192.1**	123.4
Minority options - retention payments of former owners	**50.3**	38.2
Other	**15.8**	14.0
Total deferred consideration	**258.2**	175.6
Current	**43.6**	32.3
Non-current	**214.6**	143.3
Total deferred consideration	**258.2**	175.6
Expected future payments which are contingent on the continued retention of former owners of businesses acquired not yet recognised on balance sheet	**117.2**	83.2
Total deferred and contingent consideration – on and off balance sheet	**375.4**	258.8

* The Group has restated comparatives for the 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.

	2024 £m	2023 £m
Within one year	**44.2**	33.6
After one year but within two years	**19.3**	31.2
After two years but within five years	**301.3**	178.0
After five years	**10.6**	16.0
	375.4	258.8

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 businesses

The Group completed the disposal of Vicsa Argentina on 14 March 2024 and a healthcare business in Germany on 12 July 2024. As a result, the net assets of the Group decreased by £20.3m representing the loss on disposal of £20.3m. The loss on disposal reflects the cash consideration received of £4.4m offset by the net book value of assets disposed of £6.0m and recycling of historical foreign exchange losses of £18.7m from amounts held in the translation reserve within equity. There were no disposals completed in the year ended 31 December 2023.

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

Cash flow from disposal of businesses	**2024 £m**
Cash considered received	**4.4**
cash and cash equivalents disposed	**(1.5)**
Net cash proceeds	**2.9**

10. Right-of-use assets

2024	**Property £m**	**Motor Vehicles £m**	**Equipment £m**	**Total £m**
Net book value at beginning of year	**520.0**	**68.8**	**27.5**	**616.3**
Acquisitions (Note 8)	**69.8**	**2.9**	**0.3**	**73.0**
Disposal of businesses	**(0.2)**	**(0.1)**	**(0.1)**	**(0.4)**
Transferred to assets held for sale	**(1.5)**	**-**	**-**	**(1.5)**
Additions	**97.9**	**44.4**	**19.0**	**161.3**
Depreciation charge in the year	**(142.8)**	**(31.6)**	**(11.7)**	**(186.1)**
Remeasurement adjustments	**47.8**	**0.8**	**1.2**	**49.8**
Currency translation	**(13.3)**	**(1.3)**	**(0.2)**	**(14.8)**
Net book value as at 31 December 2024	**577.7**	**83.9**	**36.0**	**697.6**

2023	Property £m	Motor Vehicles £m	Equipment £m	Total £m
Net book value at 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)
Net book value as at 31 December 2023	**520.0**	**68.8**	**27.5**	**616.3**

11. Intangible assets

2024

	Goodwill £m	**Customer and supplier relationships £m**	**Brands £m**	**Technology £m**	**Software £m**	**Total £m**
Cost						
Beginning of year	**2,020.7**	**2,494.5**	**48.5**	**9.3**	**116.8**	**4,689.8**
Acquisitions (Note 8)	**357.8**	**284.6**	**83.3**	**-**	**4.2**	**729.9**
Disposal of businesses	**(3.3)**	**(15.4)**	**-**	**-**	**(0.3)**	**(19.0)**
Adjustment for hyperinflation accounting[1]	**7.5**	**0.9**	**-**	**-**	**-**	**8.4**
Additions					**14.1**	**14.1**
Disposals					**(2.1)**	**(2.1)**
Transferred to assets held for sale	**(1.7)**	**-**	**-**	**-**	**-**	**(1.7)**
Currency translation	**(83.2)**	**(111.1)**	**(1.2)**	**(0.5)**	**(2.6)**	**(198.6)**
End of year	**2,297.8**	**2,653.5**	**130.6**	**8.8**	**130.1**	**5,220.8**
Accumulated amortisation and impairment						
Beginning of year	**11.8**	**1,343.7**	**7.4**	**1.8**	**83.0**	**1,447.7**
Amortisation charge in year		**139.4**	**7.1**	**1.8**	**11.9**	**160.2**
Impairment charge in year		**2.3**				**2.3**
Disposal of businesses		**(11.2)**			**(0.3)**	**(11.5)**
Adjustment for hyperinflation accounting[1]		**0.7**				**0.7**
Disposals					**(2.1)**	**(2.1)**
Currency translation	**(0.1)**	**(57.2)**	**(0.3)**	**(0.1)**	**(2.6)**	**(60.3)**
End of year	**11.7**	**1,417.7**	**14.2**	**3.5**	**89.9**	**1,537.0**
Net book value at 31 December 2024	**2,286.1**	**1,235.8**	**116.4**	**5.3**	**40.2**	**3,683.8**

2023

	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 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 year	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 year are set out in Note 8.

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

	2024 £m	2023 £m
Inventories	**1,760.9**	1,621.1
Trade and other receivables	**1,634.1**	1,578.5
Trade and other payables – current	**(2,206.1)**	(2,071.6)
Add back net non-trading related receivables and payables	**21.3**	30.1
	1,210.2	1,158.1

See Note 16 for the cash flow impact of movements in working capital which exclude the impact from foreign exchange movements, acquisitions and the disposal of businesses.

13. 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. Details of the Group's right-of-use assets recognised under these lease agreements are shown in note 10.

Movement in lease liabilities	2024 £m	2023 £m
Beginning of year	**664.5**	569.9
Acquisitions (Note 8)	**73.7**	16.2
Disposal of businesses (Note 9)	**(0.4)**	-
Transferred to liabilities held for sale	**(1.6)**	-
New leases	**161.3**	136.7
Interest charge in the year	**38.5**	28.6
Payment of lease liabilities	**(216.7)**	(188.0)
Remeasurement adjustments	**50.4**	122.1
Currency translation	**(15.6)**	(21.0)
End of year	**754.1**	664.5
Ageing of lease liabilities:		
Current lease liabilities	**180.4**	152.1
Non-current lease liabilities	**573.7**	512.4
End of year	**754.1**	664.5

14. Cash, cash equivalents and overdrafts and net debt

	2024 £m	2023 £m
Cash at bank and in hand	**1,369.1**	1,377.1
Money market funds	**63.8**	49.0
Cash and cash equivalents	**1,432.9**	1,426.1
Bank overdrafts	**(987.9)**	(874.2)
Cash, cash equivalents and overdrafts	**445.0**	551.9
Interest bearing loans and borrowings - current liabilities	**(619.2)**	(130.0)
Interest bearing loans and borrowings - non-current liabilities	**(1,361.7)**	(1,417.1)
Derivatives managing the interest rate risk and currency profile of the debt	**(75.5)**	(90.3)
Net debt excluding lease liabilities	**(1,611.4)**	(1,085.5)
Lease liabilities (Note 13)	**(754.1)**	(664.5)
Net debt including lease liabilities	**(2,365.5)**	(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:

	2024 £m	2023 £m
Cash at bank and in hand net of amounts in the cash pool	**406.9**	520.8
Money market funds	**63.8**	49.0
Bank overdrafts net of amounts in the cash pool	**(25.7)**	(17.9)
Cash, cash equivalents and overdrafts	**445.0**	551.9

15. Movement in net debt

2024	**Cash, cash equivalents and overdrafts £m**	**Interest bearing loans and borrowings £m**	**Derivatives £m**	**Net debt £m**
Beginning of year excluding lease liabilities	**551.9**	**(1,547.1)**	**(90.3)**	**(1,085.5)**
Cash flow excluding movements in other components of net debt	**(405.7)**	-	-	**(405.7)**
Interest paid excluding interest on lease liabilities	**(126.6)**	-	-	**(126.6)**
Increase in borrowings	**561.7**	**(561.7)**	-	**-**
Repayment of borrowings	**(132.9)**	**132.9**	-	**-**
Receipts on settlement of foreign exchange contracts	**24.2**	-	**(24.2)**	**-**
Net cash outflow	**(79.3)**	**(428.8)**	**(24.2)**	**(532.3)**
Non-cash movement in debt	-	**6.5**	**(4.2)**	**2.3**
Loans and borrowings recognised on acquisition	-	**(6.3)**	-	**(6.3)**
Realised gains on foreign exchange contracts	-	-	**24.2**	**24.2**
Currency translation	**(27.6)**	**(5.2)**	**19.0**	**(13.8)**
End of year excluding lease liabilities	**445.0**	**(1,980.9)**	**(75.5)**	**(1,611.4)**
Lease liabilities	-	**(754.1)**	-	**(754.1)**
End of year including lease liabilities	**445.0**	**(2,735.0)**	**(75.5)**	**(2,365.5)**

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 inflow/(outflow)	(102.4)	159.5	(21.6)	35.5
Non-cash movement in debt	-	(20.8)	21.5	0.7
Realised gains 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)

16. 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 Consolidated cash flow statement.

Depreciation and software amortisation	2024 £m	2023 £m
Depreciation of right-of-use assets	**186.1**	166.1
Other depreciation and software amortisation	**49.7**	41.1
	235.8	207.2

Other non-cash items	2024 £m	2023 £m
Share based payments	**17.2**	15.4
Provisions	**0.6**	(13.1)
Retirement benefit obligations	**1.1**	(3.5)
Hyperinflation accounting adjustments	**6.0**	2.1
Other	**(6.3)**	5.6
	18.6	6.5

Working capital movement	2024 £m	2023 £m
(Increase)/decrease in inventories	**(94.3)**	108.1
Decrease/(increase) in trade and other receivables	**0.7**	(9.9)
Decrease in trade and other payables	**(3.5)**	(126.6)
	(97.1)	(28.4)

17. Related party disclosures

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 transactions with those related parties during the year ended 31 December 2024 that have materially affected the financial position or performance of the Group during this period. All transactions with subsidiaries are eliminated on consolidation.

18. Principal risks and uncertainties

The Group operates in six core market sectors in 32 countries which exposes it to risks and uncertainties, many of which are not fully within the Group's control. The risks summarised below represent the principal risks and uncertainties faced by the Group, being those which are material to the development, performance, position or future prospects of the Group, and the steps taken to mitigate such risks. However, these risks do not comprise all of the risks that the Group may face and accordingly this summary is not intended to be exhaustive.

In addition, the Group's financial performance is partially dependent on general global economic conditions, the deterioration of which could have an adverse effect on the Group's business and results of operations. Although this is not considered by the Board to be a specific principal risk in its own right, many of the risks referred to below could themselves be impacted by the economic environment prevailing in the Group's markets from time to time.

The risks are presented by category of risk (Strategic, Operational and Financial) and are not presented in order of probability or impact. The relevant component of the Group's strategy that each risk impacts is also noted:

A Organic growth
B Acquisition growth
C Operating model improvements
D Sustainability

Following the half-year risk assessment by the Board, Currency Translation is no longer considered to be a principal risk. The Group's borrowings are denominated in US dollars, sterling and euros in similar proportions to the relative contribution of each of these currencies to the Group's EBITDA. Therefore, although the majority of the Group's revenue and profits are earned in currencies other than sterling, volatility of the net debt to EBITDA ratio from foreign exchange movements is reduced. In addition, net debt for the purposes of covenant calculations in the Group's financing documents is calculated using average rather than closing exchange rates. Consequently, any significant movement in exchange rates towards the end of an accounting period should not materially affect the ratio of net debt to EBITDA. Both these factors minimise the risk that financial covenants will be breached as a result of foreign currency fluctuations and hence it was appropriate to no longer treat Currency Translation as a principal risk.

Monitoring risks
The Board reviews each risk and assesses the gross impact, applying the hypothetical assumption that there are no mitigating controls in place, the net impact after mitigating controls and the probability to set the Group's mitigation priorities. The register of principal risks and uncertainties was updated following review by the Executive Committee and approval by the Board.

Emerging risks
The Board closely monitors all emerging risks that have the potential to increase in significance and affect the performance of the Group and its ability to meet its strategic objectives. This knowledge-sharing and horizon-scanning seeks to identify potential risks and emerging trends, looking through various risk lenses and over a future time horizon. In addition to the principal risks faced by the Group, there are risks which are more uncertain in nature and difficult to assess or that have the potential to develop and increase in severity over time.

One such risk is geopolitical instability: with operations in 32 countries, the increasing complexity of international relations and economics necessitates that Bunzl regularly reviews and updates its strategy to mitigate potential impact and uncertainty from geopolitical developments. The effects of global conflicts; shifting political ideologies, possibly leading to changes in legislation and regulation; and relations between China and the West are all monitored through Bunzl's emerging risk process and are considered during principal risk assessments to drive any coordinated responses that may be required. Failure to supply and deliver the required volumes could adversely impact revenue, profit, and customer relationships. The Board will continue to monitor this risk and the impact on operations and any other uncertainties that may impact Bunzl's operations.

The directors confirm that they have carried out a robust assessment of the principal and emerging risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity.

18. Principal risks and uncertainties (continued)

Principal risks facing the Group	Description of risk and how it might affect the Group's prospects	How the risk is managed or mitigated	Developments in 2024
Strategic risks			
1. Competitive pressures Revenue and profits are reduced as the Group loses a customer or lowers prices due to competitive pressures **Risk owner:** CEO and Business Area Heads **Change to risk level:** No change **Included in viability statement:** Yes A	• The Group operates in highly competitive markets and faces price competition from international, national, regional and local companies in the countries and markets in which it operates. • Unforeseen changes in the competitive landscape could also occur, such as an existing competitor or new market entrant introducing disruptive technologies or changes in routes to market. • Customers, especially large or growing customers, could exert pressure on the Group's selling prices, thereby reducing its margins, switch to a competitor or ultimately choose to deal directly with suppliers. • Any of these competitive pressures could lead to a loss of market share and a reduction in the Group's revenue and profits.	• The Group's geographic and market sector diversification allow it to withstand shifts in demand, while this global scale across many markets also enables the Group to provide the broadest possible range of customer specific solutions to suit their exacting needs. • The Group maintains high service levels and close contact with its customers to ensure that their needs are being met satisfactorily. This includes continuing to invest in e-commerce and digital platforms to further enhance its service offering to customers. • The Group maintains strong relationships with a variety of different suppliers, thereby enabling the Group to offer a broad range of products to its customers, including own brand products, in a consolidated one-stop-shop offering at competitive prices.	• The Group's large sales force connected with customers to help them understand the range of products available to meet their needs. • The Group enhanced its own brand offering, particularly in the US, driving a higher penetration of own brand sales across the Group. • The Group continued to invest in technology to streamline customers' experience. • The Group continued to develop its sustainable product assortment, supported by own brand ranges, and tools to assist customers in meeting their sustainability goals.
2. Financial collapse of either a large customer and/or a significant number of small customers Revenue and profits are reduced as the Group loses customers **Risk owner:** CEO and Business Area Heads **Change to risk level:** No change **Included in viability statement:** Yes A	• An unexpected insolvency of either a large customer or a significant number of small customers could lead to a sudden reduction in revenue and profits, including the cost of impairing any irrecoverable receivables balances, as well as operating margin erosion due to under-used capacity. • The Group's revenue and profits may be affected as well as receivables and inventory (if customer specific inventory is held).	• The Group monitors significant developments in relationships with key customers, including credit checks and limits set for each customer. • Delegation of authority limits mean that there is oversight of all material customer contracts at business area and local level.	• In 2024, the Group did not encounter material insolvencies of either a large customer or a significant number of smaller customers. However, this remains a significant risk given the potential for global economic downturn. • In 2024, provisions relating to the Group's credit exposure from customers remained broadly unchanged.

18. Principal risks and uncertainties (continued)

Principal risks facing the Group	Description of risk and how it might affect the Group's prospects	How the risk is managed or mitigated	Developments in 2024
Strategic risks (cont.)			
3. Product cost deflation Revenue and profits are reduced due to the Group's need to pass on cost price reductions **Risk owner:** CEO and Business Area Heads **Change to risk level:** No change **Included in viability statement:** Yes A, C	• In the event of a reduction in the cost of products bought by the Group, due to suppliers passing on lower commodity prices (such as plastic or paper) or other price reductions, lower trade tariffs and/or foreign currency fluctuations, coupled with actions of competitors or customers, indexed or cost plus contracts may require the Group to pass on such cost reductions to customers, resulting in a reduction in the Group's revenue and profits. • Operating profits may also be lower due to the above factors if operating costs are not reduced commensurate with the reduction in revenue.	• The Group uses its considerable experience in sourcing and selling products to manage prices during periods of deflation in order to minimise the impact on profits. • Focus on the Group's own brand products, together with the reinforcement of the Group's service and product offering to customers, helps to minimise the impact of price deflation. • The Group continually looks at ways to improve productivity and implement other efficiency measures to manage and, where possible, reduce its operating costs.	• In 2024, the Group experienced deflation across North America, Continental Europe and UK & Ireland. There was a small easing of deflation in the second half of the year, driven by Continental Europe and UK & Ireland, although deflation persisted in North America longer than expected. Operating margin in Continental Europe was particularly impacted by product cost deflation, alongside operating cost inflation against a relatively high cost to serve operating model.

18. Principal risks and uncertainties (continued)

Principal risks facing the Group	Description of risk and how it might affect the Group's prospects	How the risk is managed or mitigated	Developments in 2024
Strategic risks (cont.)			
4. Cost inflation Profits are reduced due to the Group's inability to pass on product or operating cost increases **Risk owner:** CEO and Business Area Heads **Change to risk level:** No change **Included in viability statement:** Yes A, C	• Significant or unexpected cost increases by suppliers, due to the pass through of higher commodity prices (such as plastic or paper) or other price increases, higher trade tariffs and/or foreign currency fluctuations, could adversely impact profits if the Group is unable to pass on such product cost increases to customers. • Operating profits may also be lower due to the above factors if selling prices are not increased commensurate with the increases in operating costs.	• The Group sources its products from a number of different suppliers based in different countries so that it is not dependent on any one source of supply for any particular product, or overly exposed to a particular country changing trade tariffs, and can purchase products at the most competitive prices. • The majority of the Group's transactions are carried out in the functional currencies of the Group's operations, but for foreign currency transactions some forward purchasing of foreign currencies is used to reduce the impact of short term currency volatility. • The Group will, where possible, pass on price increases from its suppliers to its customers. • The Group continually looks at ways to improve productivity and implement other efficiency measures to manage and, where possible, reduce its operating costs.	• The Group experienced significant product cost inflation in recent years. Selling prices to customers were continually evaluated and updated to ensure that profitability levels were at least maintained. Overall, the Group was very successful in passing on product cost inflation. • The Group's ongoing focus on own brand product development is an important tool for discussions with customers about price increases. • Operating cost inflation was moderate, with wage inflation remaining higher than typical levels in UK & Ireland and Continental Europe, although wage inflation was at more typical levels in North America. Wage inflation in Continental Europe and UK & Ireland is expected to normalise in 2025, although the UK is expected to be impacted by increased National Insurance and National Living Wage costs. • Property cost inflation remains high linked to lease renewals, but fuel and freight inflation was well managed over the year, supported by contract retendering in North America. • Continental Europe was particularly impacted by its relatively high cost to serve operating model, and the business area has an active focus on cost initiatives heading into 2025. • Operating cost efficiency programmes, including warehouse consolidations and relocations, were a partial offset to inflation.

18. Principal risks and uncertainties (continued)

Principal risks facing the Group	Description of risk and how it might affect the Group's prospects	How the risk is managed or mitigated	Developments in 2024
Strategic risks (cont.)			
5. Inability to make further acquisitions Profit growth is reduced from the Group's inability to acquire new companies **Risk owner:** CEO and Business Area Heads **Change to risk level:** No change **Included in viability statement:** Yes B	• Acquisitions are a key component of the Group's growth strategy and one of the key sources of the Group's competitive advantage, having completed 229 acquisitions since 2004. • Insufficient acquisition opportunities, through a lack of availability of suitable companies to acquire or an unwillingness of business owners to sell their companies to Bunzl, could adversely impact future profit growth.	• The Group maintains a large acquisition database which continues to grow with targets identified by managers of current Bunzl businesses, research undertaken by the Group's dedicated and experienced in-house corporate development team and information received from banking and corporate finance contacts. • The Group has a strong track record of successfully making acquisitions. At the same time, the Group maintains a decentralised management structure which facilitates a strong entrepreneurial culture and encourages former owners to remain within the Group after acquisition, which in turn encourages other companies to consider selling to Bunzl.	• The acquisition pipeline is closely monitored with continued research of any available opportunities for investment. • During 2024, the Group's committed acquisition spend was £883 million and the pipeline remains active. • In August 2024 the Group 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 is below £700 million, the Group will return the remainder to shareholders through a capital return in the following year.
6. Unsuccessful acquisition Profits are reduced, including by an impairment charge, due to an unsuccessful acquisition or acquisition integration **Risk owner:** CEO and Business Area Heads **Change to risk level:** No change **Included in viability statement:** Yes A, B	• Inadequate pre-acquisition due diligence related to a target company and its market, or an economic decline shortly after an acquisition, could lead to the Group paying more for a company than its fair value. • Furthermore, the loss of key people or customers, exaggerated by inadequate post-acquisition integration of the business, could in turn result in underperformance of the acquired company compared to pre-acquisition expectations which could lead to lower profits as well as a need to record an impairment charge against any associated intangible assets.	• The Group has established processes and procedures for detailed pre-acquisition due diligence related to acquisition targets and the post-acquisition integration thereof. • The Group's acquisition strategy is to focus on those businesses which operate in sectors where it has or can develop competitive advantage and which have good growth opportunities. • The Group endeavours to maximise the performance of its acquisitions through the recruitment and retention of high quality and appropriately incentivised management combined with effective strategic planning, investment in resources and infrastructure and regular reviews of performance by both business area and Group management.	• The acquisition pipeline is reviewed by Executive Committee, and for any new significant acquisitions that are proposed, the Board reviews the potential acquisition in detail. • The CEO and CFO review the performance of all acquisitions with business area management teams on a quarterly basis. • Internal Audit reviews acquisitions on average within 18 months of the sale. • The Board reviews performance of recent acquisitions annually. In 2024, the Board reviewed the principal acquisitions made in 2022 and noted that in aggregate they outperformed acquisition case expectations.

18. Principal risks and uncertainties (continued)

Principal risks facing the Group	Description of risk and how it might affect the Group's prospects	How the risk is managed or mitigated	Developments in 2024
Strategic risks (cont.)			
7. Sustainability driven market changes Revenue and profits are reduced due to the Group's inability to offer sustainable products in response to changes in legislation, consumer preferences or the competitive environment **Risk owner:** CEO and Business Area Heads **Change to risk level:** No change **Included in viability statement:** Yes A, D	• New legislation introduced outside Europe and the UK in countries where Bunzl operates mirrors (and in some cases goes further than) the legislation previously introduced in Europe and the UK. The scope of new legislation tends to cover a wider range of products than that previously introduced. Legislation related to packaging still remains extremely fragmented across different regions. • The introduction of Extended Producer Responsibility 'EPR' is a new consideration for the Group and our customers. EPR is being introduced in the UK, EU, Australia, Canada and some US States. EPR is legislation that aims to make all organisations in a value chain responsible for the cost of the collection, management, and recycling of packaging. It applies modulation fees based on packaging recyclability where non-recyclable materials will incur extremely high compliance costs. • Some legislation seeking to restrict the use of plastics has been challenged and overturned in court. However, it can be expected that the legislation will be reintroduced in some form and as such it is not anticipated that there will be a widespread removal of the legislative measures already in place across the Group. • Consumer sentiment and customer targets are likely to lead to a reduction in demand for single-use plastic-based products that the Group sells, while simultaneously increasing demand for renewable, recyclable, or reusable alternatives. • The Group's revenue and profits could be reduced if it is unable to offer packaging and products made from alternative materials that will replace products that cannot be sold due to legislation, or products where demand is lower due to changes in consumer preferences, for example a move to more reusable packaging.	• Bunzl is well positioned to support its customers with the legislative complexity due to its material agnostic position and network strength allowing it to deliver the right products across large multi-site customer operations. • Bunzl's scale and unique position at the centre of the supply chain, supported by expert sustainability managers, gives the Group an opportunity to provide customers with advice about alternative products which are recyclable, compostable, biodegradable or reusable. • EPR will incentivise customers to specify more recyclable products to avoid high modulation fees. This should further drive transition to alternative products that are well suited to the circular economy. • The Group has access to an extensive supply chain of product and packaging manufacturers who are innovating the range of products they produce to satisfy the increased focus on sustainability. This means the Group can offer the broadest possible range of products whether in response to legislative changes, consumer preference driven changes or a desire to offer market-leading products to the Group's customers. • The Group has access to the proprietary data on the packaging and products our customers need. That coupled with the Group's detailed product knowledge and data on customer product usage, ensures that the Group is well-positioned to be able to support its customers in shaping and achieving their sustainability strategies.	• The majority of the Group's businesses in the retail, foodservice and grocery sectors now employ material footprint tools that explain how legislation will impact the products and packaging a customer uses, while promoting the alternatives we have in our ranges. • There has been a degree of price sensitivity in our customer sectors driven by inflation, and in some cases packaging target dates (e.g. the US Plastics Pact) have been delayed due to the lack of consistent legislation and waste management infrastructure. These trends have the potential to slow transition, but the introduction of new legislation with high compliance costs (e.g. EPR) will likely cause organisations to accelerate their replacement of non-recyclable / less recyclable products. • The Group has continued to strengthen its expert sustainability teams who train customers on incoming legislation, hold customer forums where they showcase the latest products and support customers to report effectively against their goals and participation in industry-leading external schemes such as the New Plastics Economy and B-Corp certification. • The Group continued to expand and introduce new ranges of own brand products made from alternative materials.

18. Principal risks and uncertainties (continued)

Principal risks facing the Group	Description of risk and how it might affect the Group's prospects	How the risk is managed or mitigated	Developments in 2024
Operational risks			
8. Cyber security failure Revenue and profits are reduced as the Group is unable to operate and serve its customers' needs due to being impacted by a cyber-attack **Risk owner:** CIO **Change to risk level:** No change **Included in viability statement:** Yes A, C	• The frequency, sophistication and impact of cyber-attacks on businesses are rising at the same time as Bunzl is increasing its connectivity with third parties and its digital footprint through acquisition and investment in e-commerce platforms and efficiency enhancing IT systems. • Weak cyber defences, both now and in the future, through a failure to keep up with increasing cyber risks and insufficient IT disaster recovery planning and testing, could increase the likelihood and severity of a cyber-attack leading to business disruption, reputational damage and loss of customers and/or a fine under applicable data protection legislation.	• Concurrent with the Group's IT investments, the Group is continuing to improve information security policies and controls to improve its ability to monitor, prevent, detect and respond to cyber threats. • Cyber security awareness campaigns have been deployed across all regions to enhance the knowledge of Bunzl personnel and their resilience to phishing attacks. • IT disaster recovery and incident management plans, which would be implemented in the event of any such failure, are in place and periodically tested. The Group Chief Information Officer and Chief Information Security Officer coordinate activity in this area.	• The Group continued to improve cyber security and data privacy governance, architecture, and controls, along with increasing awareness of both cyber security and data privacy across the Group. • We continue to invest in modern cyber security technologies that address current and emerging threats while improving operational processes and procedures. • The Group focused on improving cyber security controls, acquisition due diligence, and enhancing the security posture of recently acquired companies.
Financial risks			
9. Availability of funding Insufficient liquidity in financial markets leading to insolvency **Risk owner:** CFO **Change to risk level:** No change **Included in viability statement:** Yes A, C, B	• Insufficient liquidity in financial markets could lead to banks and institutions being unwilling to lend to the Group, resulting in the Group being unable to obtain necessary funds when required to repay maturing borrowings, thereby reducing the cash available to meet its trading obligations, make acquisitions and pay dividends.	• The Group arranges a mixture of borrowings from different sources and continually monitors net debt and forecast cash flows to ensure that it will be able to meet its financial obligations as they fall due and that sufficient facilities are in place to meet the Group's requirements in the short, medium and long term.	• The availability of the funding to the Group remains strong. This supports our commitment to return to our target leverage range of 2.0-2.5x by 2027. • During 2024, c.£350 million of bank facilities were refinanced with maturities between 2026 to 2029, and the Group launched a euro-commercial paper programme which provides an additional source of short term liquidity. In addition, the Group issued a debut EUR500 million Eurobond in the capital markets, diversifying its long term funding sources. Further finance will be raised in 2025 to refinance c.£470 million of debt maturing during 2025.

18. Principal risks and uncertainties (continued)

Principal risks facing the Group	Description of risk and how it might affect the Group's prospects	How the risk is managed or mitigated	Developments in 2024
Financial risks (cont.)			
10. Climate change risk Change in temperature and climate conditions that causes business disruption and economic loss for the Group **Risk owner:** CEO and Business Area Heads **Change to risk level:** No change **Included in viability statement:** Yes A, B, C	• Certain markets and regions are increasingly affected by extreme weather (e.g. suppliers and customers in areas impacted by wildfires and flooding) which could impact our commercial strategy. • Failing to align with our customers' sustainability ambitions could lead to reputational damage and loss of sales. • The Group may face increased indirect costs from carbon intensive products where carbon prices increase and no suitable substitute materials exist.	• Bunzl's supply chain flexibility and lack of fixed manufacturing assets provide operational resilience to the physical impacts of climate change. Our established business continuity planning has helped to ensure continued service to customers in case of weather-related disruptions, such as hurricanes in North America and the Australian wildfires. • Setting emissions reduction targets to decarbonise our operations and those of the supply chain helps to ensure our activities meet or exceed customer expectations. • The ability to pass through any increased costs of products in our supply chain (for example, due to carbon pricing mechanisms) to our customers. • Bunzl assesses and monitors the impact of climate change on GDP at the global level, including the impact of carbon pricing on total supply chain carbon dioxide emissions, and the trajectory of the reduction of carbon emissions over time based on data from the Network for Greening the Financial System 'NGFS'.	• In 2024, we undertook a comprehensive review and enhancement of our climate risk assessment, encompassing both our operations and supply chain. After a thorough analysis of climate models from the NGFS, IEA, and IPCC, we have again selected the NGFS model for its versatility in evaluating both transition and physical risks. We have adopted three distinct scenarios (Orderly (net zero by 2050), Disorderly (delayed transition), and Hot House World (current policies)) to represent a range of potential climate trajectories and their respective impacts on Bunzl. Additionally, we have updated our financial impact assessment, which has led us to the conclusion that there has been no material change to our risk level.

19. Forward-looking statements

This announcement contains certain statements about the future outlook for the Group. Although the Company believes that the expectations are based on reasonable assumptions, any statements about future outlook may be influenced by factors that could cause actual outcomes and results to be materially different.

20. Responsibility statements

This responsibilities statement has been prepared in connection with the Group's consolidated financial statements, extracts of which are included within this announcement.

The Annual Report, which includes the financial statements, complies with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority in respect of the requirement to produce an annual financial report.

Each of the directors, whose names and functions are set out in the 2024 Annual Report, confirm that, to the best of their knowledge:

- the Group financial statements, which have been prepared in accordance with UK-adopted International Accounting Standards and International Financial Reporting Standards issued by the IASB, give a true and fair view of the assets, liabilities, financial position and profit of the Group;

- the Company financial statements, which have been prepared in accordance with United Kingdom Accounting Standards, comprising FRS 101, 'Reduced Disclosure Framework', give a true and fair view of the assets, liabilities, financial position and profit of the Company; and

- the Annual Report includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that they face.

On behalf of the Board

Frank van Zanten	**Richard Howes**
Chief Executive Officer	Chief Financial Officer
3 March 2025	