

Bunzl - Business Case 2024



**WE DELIVER
ADDED
VALUE**

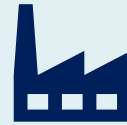
BUNZL

THE BUNZL WORLD

A specialist business with scale



Presence in
32 countries



Utilising **>10,000**
supplier
relationships
globally



c.25% Group
revenue generated
through own brand
sales



With **c.150**
operating
companies



c.24,500 employees,
c.6,500 are
customer service
specialists
and sales experts



Across **6** core
market sectors



Providing a
tailored service
for individual
customer needs

A PROVEN MODEL WHICH HAS DRIVEN STRONG AND CONSISTENT RESULTS



Competitive advantages of our business model

- **SCALE OPERATOR** in fragmented markets
- Providing customers with **ESSENTIAL PRODUCTS AND VALUE-ADDED SOLUTIONS**
- Strong **GLOBAL SUPPLY CHAIN**, with both branded and own brand portfolio
- **LOCALLY-LED** decentralised organisation benefiting from **GROUP SCALE**
- Culture of continuous improvement and **INNOVATION**
- **STRONG SUSTAINABILITY OFFERING**, including ethical supply chain assurance
- Growing majority of customer orders placed digitally, supporting **EFFICIENCY AND RETENTION**
- **ENTREPRENEURIAL AND AGILE**, founder-driven mindset

Consistent compounding strategy

Profitable organic growth

Use competitive advantage to support the growth of our customers and to increase our market share

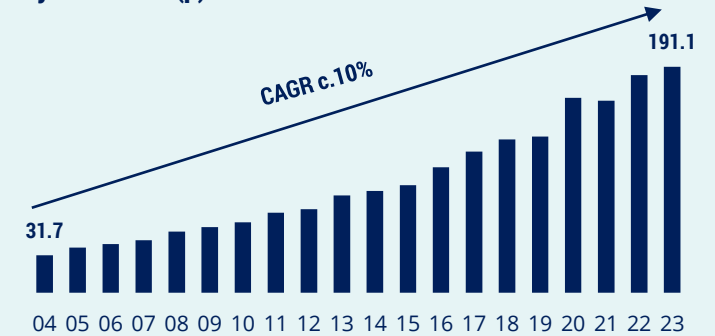
Operating model improvements

Daily focus on making our business more efficient

Acquisition growth

Use strong balance sheet and excellent cash flow to consolidate our markets further

Adjusted EPS¹ (p)



Dividend per Share (p)



Note

1. Alternative performance measure – see Appendix 1



BUSINESS MODEL

BUSINESS MODEL OVERVIEW

Customers can trust Bunzl for essential products and solutions



- Sourcing, consolidating and delivering the **essential goods-not-for-resale** our customers need
- A one-stop-shop with **on-time and in-full** deliveries
- Products are **low-cost, but critical** items, typically accounting for a very small proportion of our customers' spend but are key to their operations
- **Bunzl provides the expertise** around these products, in addition to providing cost savings and working capital benefits to customers
- **Service focused**; product agnostic
- **Value-added offering** – Bunzl delivers solutions to customer challenges
- **Long-standing customer relationships**; high retention
- **Diversified** customer and supplier base

Diverse range of essential products

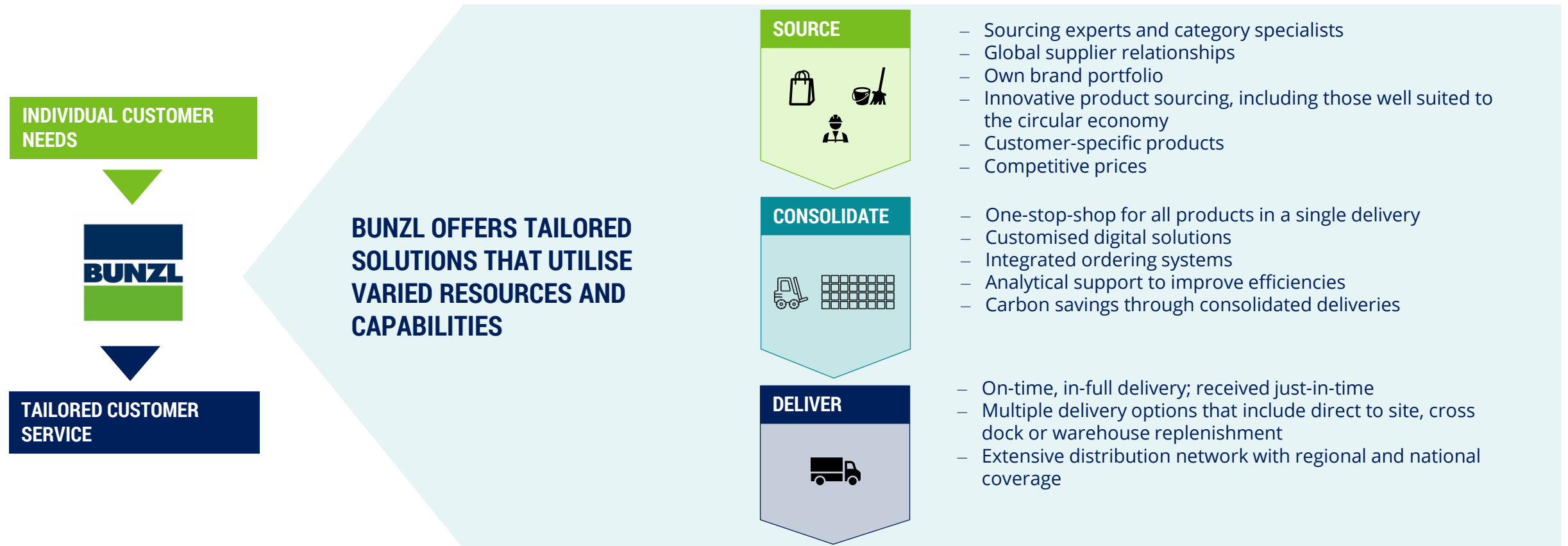


[Click here or scan the QR code to watch a video to find out more](#)

PROVIDING A TAILORED SERVICE TO CUSTOMERS



Utilising our breadth of capabilities to provide bespoke customer solutions

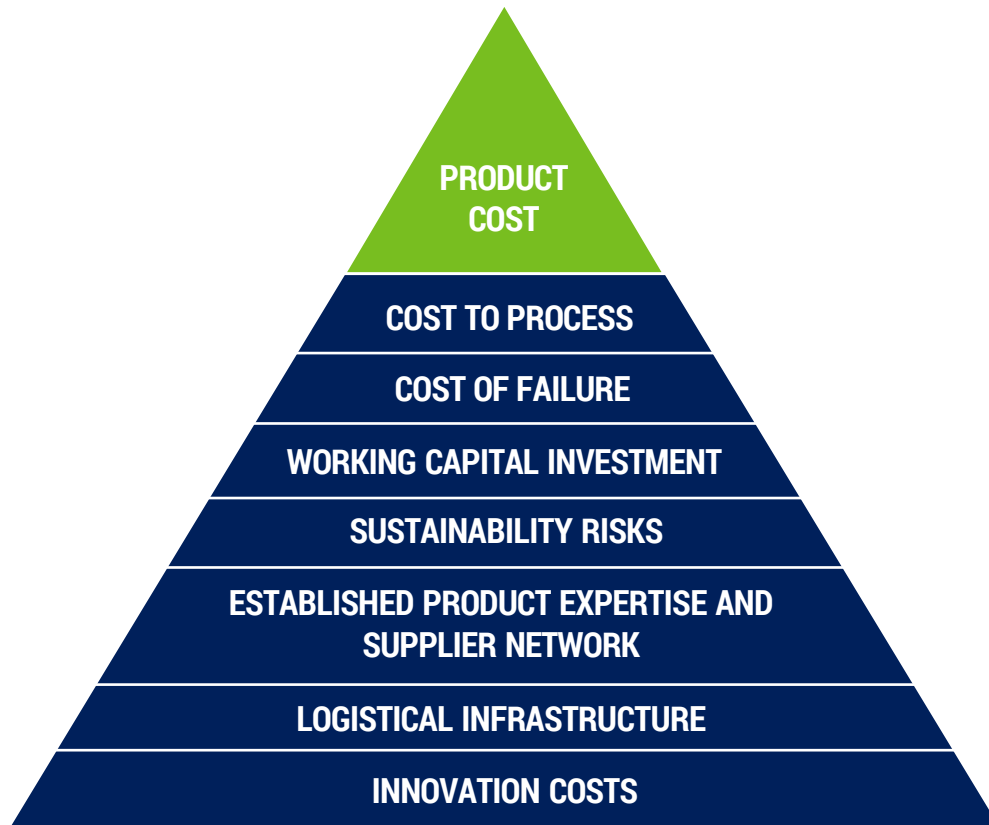


OUR BUSINESS IS TO ENHANCE OUR CUSTOMERS' BUSINESSES



Providing customers with more than just competitively priced products

Saving our customers product cost is just the tip of the iceberg



Bunzl provides a customised service that offers:

- **CATEGORY EXPERTISE** and advice from **c.6,500 CUSTOMER SERVICE SPECIALISTS AND SALES EXPERTS**
- **SUSTAINABLE SOLUTIONS** that support customer objectives
- **DIGITAL INTEGRATION** supports efficiency and customer retention
- **INNOVATIVE** products and solutions
- **SCALE** that drives competitive prices
- A strong and **ETHICAL SUPPLY CHAIN**
- **RELIABILITY** and availability
- Working capital **EFFICIENCIES**
- **ROBUST LOGISTICAL SUPPORT**

SUPPORTING A DIVERSE RANGE OF CUSTOMERS



A diversified portfolio which has continually demonstrated resilience

Safety

Personal protection and safety equipment, including gloves, boots, hard hats, ear and eye protection and other workwear, as well as cleaning & hygiene supplies and asset protection products to industrial, construction and e-commerce sectors

Cleaning & Hygiene

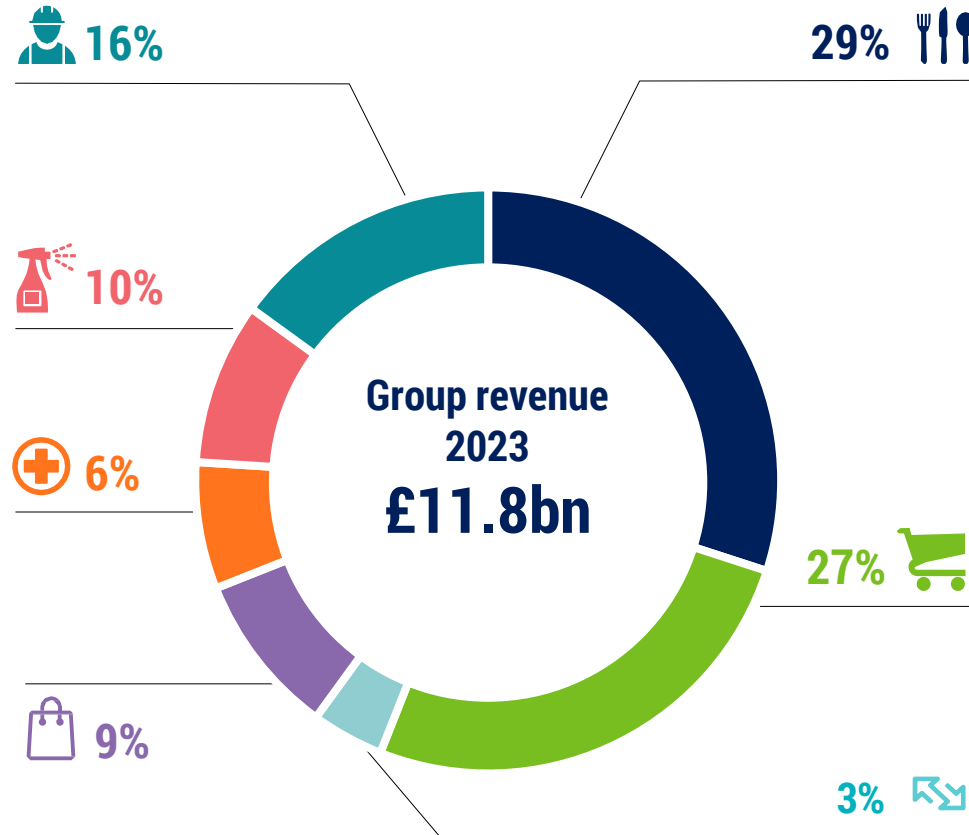
Cleaning & hygiene materials, including chemicals and hygiene paper, to cleaning and facilities management companies and industrial and public sector customers

Healthcare

Healthcare consumables, including gloves, masks, swabs, gowns, bandages and other healthcare related equipment, as well as cleaning & hygiene products and healthcare devices to hospitals, care homes and other facilities serving the healthcare sector

Retail

Goods-not-for-resale, including packaging and other store supplies and a full range of cleaning & hygiene products, to retail chains, boutiques, department stores, home improvement chains, office supply companies and related e-commerce sales channels



Foodservice

Non-food consumables, including food packaging, disposable tableware, guest amenities, catering equipment, agricultural supplies, cleaning & hygiene products and safety items, to hotels, restaurants, contract caterers, food processors, commercial growers and the leisure sector

Grocery

Goods-not-for-resale, including food packaging, films, labels, cleaning & hygiene supplies and personal protection equipment to grocery stores, supermarkets and convenience stores

Other

A variety of product ranges to other end user markets

A STRONG AND RESILIENT GLOBAL SUPPLY CHAIN



Strong branded supplier relationships complemented by own brand offering

Own brand solutions

Growing our strong exclusive own brand portfolio supports our value proposition and improves customer stickiness. We offer a variety of different own brand solutions to meet specific customer needs:

- Innovative exclusive own brands that meet the highest quality standards
- Commodity and unbranded products – cost-effective alternatives that meet a tailored need

Example own brands:

c.25%
Group revenue



Global branded products

The breadth and depth of our global supplier relationships allows us to offer

- Wide variety of products within goods-not-for-resale
- Product offering driven by customer needs
- Flexible supplier relationships enable optimal customer solutions

Example suppliers:



SUPPLIER RESILIENCE AND BREADTH

>10,000
suppliers globally

LOW SUPPLIER CONCENTRATION

c.35%
of total purchases made through our top 40 suppliers

HIGH LEVEL OF DOMESTIC SOURCING

c.80%
of total purchases are products sourced domestically

TAILORED SERVICE THAT GOES BEYOND THE PHYSICAL PRODUCT



We help our customers to select and use the best products for the task

No 'one size fits all' approach of working with customers; services offered include:

- Product training
- Management information
- Auditing of processes to drive improvements
- Technical Engineers
- Knowledge sharing around industry developments
- Innovation centres to showcase product opportunities
- Technological support
- Sustainability advice and support
- Digital solutions

Service proposition supports retention and broadening of offering



>20 years

average length of partnerships with top 40 North America customers

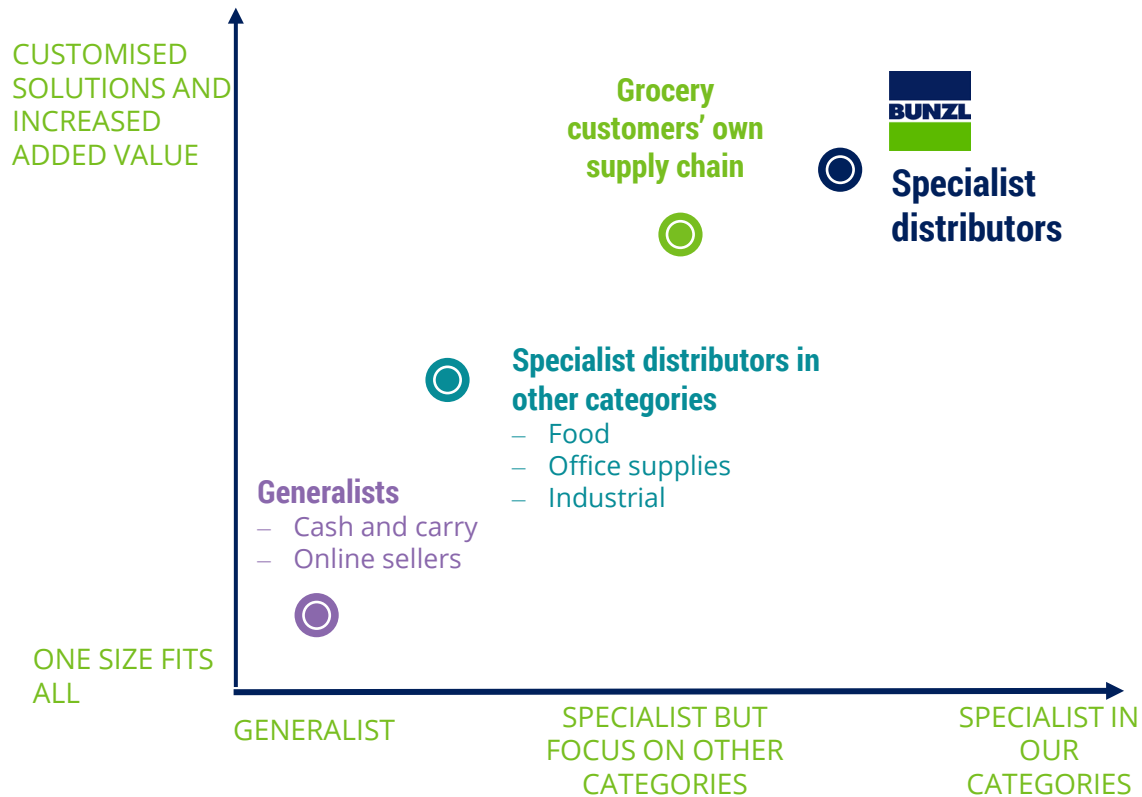
c.30%

of employees have customer facing roles

OPERATING AS A SPECIALIST DISTRIBUTOR



We offer local market expertise to our customers, complemented by our scale



- Positioned as a specialist with fully customised solutions
- We offer local market expertise supported by Group scale
- Competitors are mainly locally focused specialist distributors

DECENTRALISED OPERATIONS SUPPORT LOCALLY-LED SERVICE



Bunzl is made up of c.150 operating companies

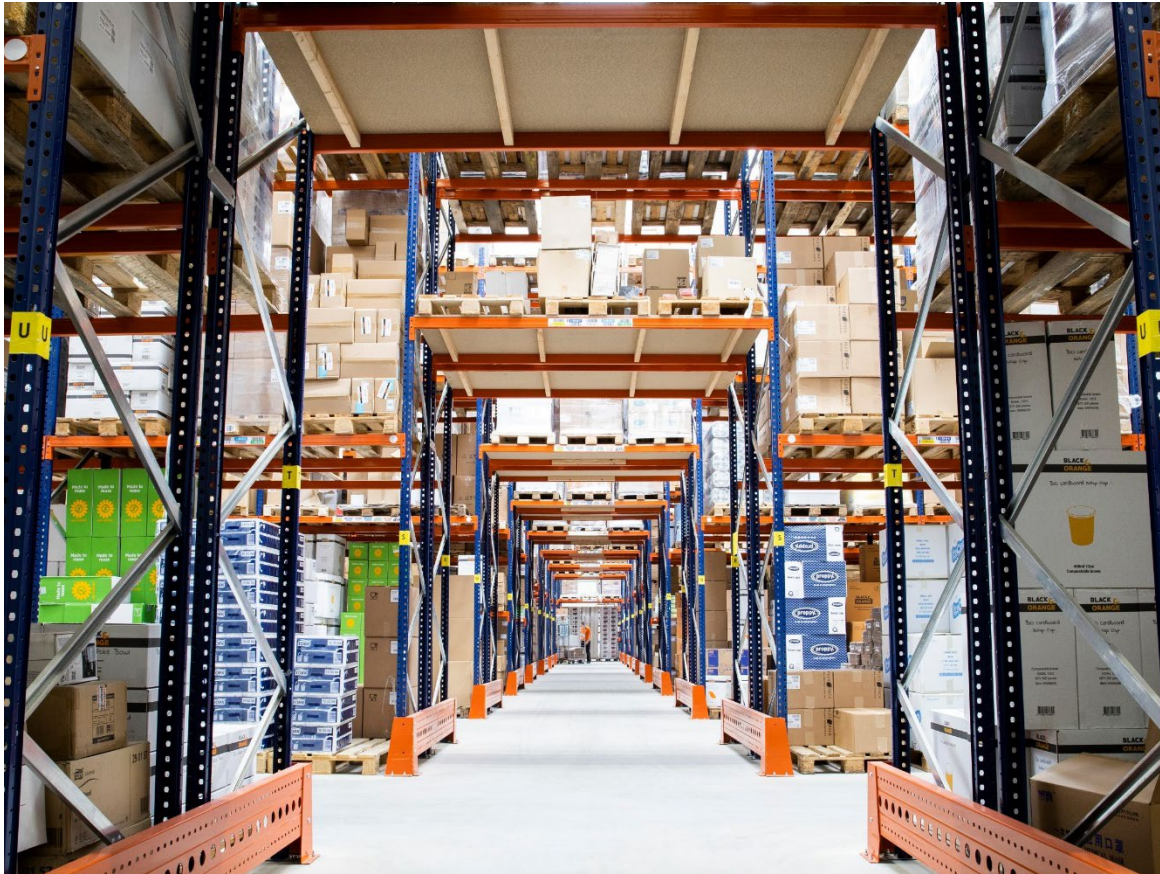
Our Continental European operating companies:



- **LOCAL** relationships and expertise crucial in distribution
- **INDIVIDUAL NEEDS AND COMPLEXITIES** of customers vary significantly
- Bunzl's **c.150 OPERATING COMPANIES** ensure a locally-led service
- Bunzl delivers **BESPOKE SOLUTIONS** for customers
- Decentralisation and founders' mentality drives **AGILE** response
- Locally-led operations ensure a strong focus on our people, improving **RETENTION** and **TALENT DEVELOPMENT**

SCALE PROVIDES BENEFITS ACROSS THE GROUP

Benefit of strong supplier relationships, leveraged investments and experience



- **GLOBAL SCALE** is a strong advantage
- Strength of **SUPPLIER RELATIONSHIPS** enhanced
- Enables **INVESTMENTS, EXPERTISE** and **COLLABORATION** to be leveraged across the Group
 - Investing in digitalisation: **72%** of orders placed digitally in 2023, up from 50% in 2017
- Proven expertise in transitioning customers to **SUSTAINABLE SOLUTIONS**
- **ETHICAL SOURCING ASSURANCE** provided by Global Supply Chain Solutions

LED BY AN EXPERIENCED LEADERSHIP TEAM



Established management team with broad experience and significant market and sector expertise



Frank van Zanten
Chief Executive Officer



Richard Howes
Chief Financial Officer



Diana Breeze
Director of Group
Human Resources



Andrew Mooney
Director of Corporate
Development



Suzanne Jefferies
General Counsel and
Company Secretary



Jim McCool
Chief Executive Officer,
North America



Alberto Grau
Managing Director,
Continental Europe



Andrew Tedbury
Managing Director,
UK & Ireland



Jonathan Taylor
Managing Director,
Latin America



Scott Mayne
Managing Director,
Asia Pacific



Mark Jordan
Group Chief
Information Officer



[Click here or scan the QR code to watch a video on our sustainability commitments](#)



SUSTAINABILITY

LEADING THE SHIFT TO ALTERNATIVE MATERIALS



The transition of packaging to alternative materials is an opportunity for Bunzl



- Very limited exposure to the single-use plastic consumable products where volume reduction is possible
- The transition to packaging and products made from alternative materials is a significant opportunity for the business and we have made good progress to date
- Our approach is supportive to working successfully and profitably with customers who are increasingly interested in working with sustainable supply chain partners

Bunzl's competitive advantage that is successfully supporting customers to transition



Proprietary data and tools



Expert independent advice



Own-brand ranges

STRONG TRACK RECORD OF TRANSITIONING CUSTOMERS



Packaging transition provides an opportunity to enhance our value-added offering

Transition of products to alternative materials supports Bunzl's growth

Packaging¹ categories

£0.2bn (2%)

Consumables facing regulation

£1.2bn (10%)

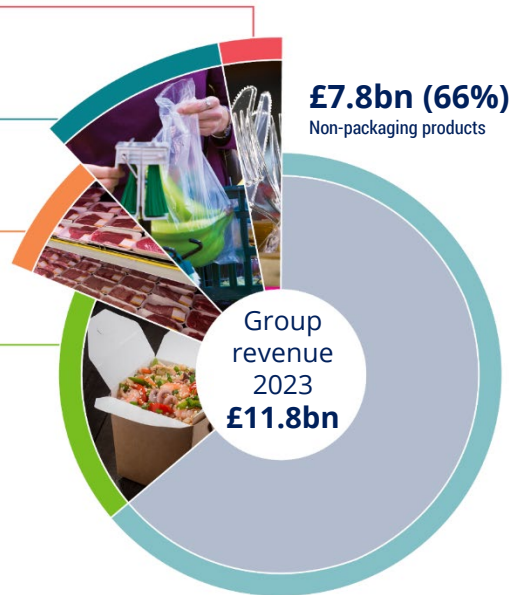
Consumables likely to transition

£0.4bn (3%)

Packaging with an important purpose

£2.2bn (19%)

Packaging and products made from alternative materials



2%

of revenue generated by consumables facing regulation

85%

of Group revenue attributable to non-packaging products or packaging products better suited to a circular economy

55%

of packaging made from alternative materials in 2023

Our packaging commitments:

TODAY

We will support our customers to remove, replace and reduce single use plastics

TOMORROW

We will significantly increase the amount of recyclable, compostable or reusable packaging supplied to our customers to help them meet their targets

BEYOND

Every single packaging product and disposable in our range will be offered with an alternative that is recyclable, reusable, compostable or renewable

Notes

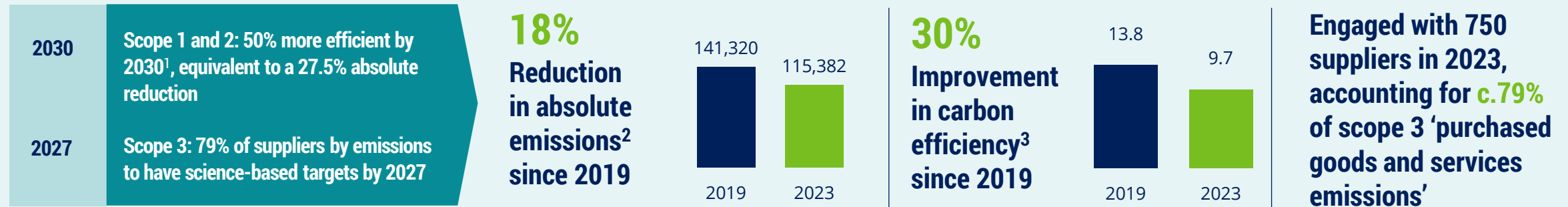
1. Packaging refers to packaging and other products within the foodservice, grocery and retail sectors which are facing legislation or consumer pressure. We continue to exercise judgement to allocate the sales in 2023 to non-packaging products and the four packaging categories shown, which are taken at a point in time in the context of rapidly changing legislation and changes in product composition across a vast range of products. As a consequence, category adjustments are likely, and we have recognised one category adjustment this year that increases "consumables likely to transition" by £0.2bn, with a corresponding reduction in "packaging with an important purpose."

TAKING ACTION ON CLIMATE CHANGE



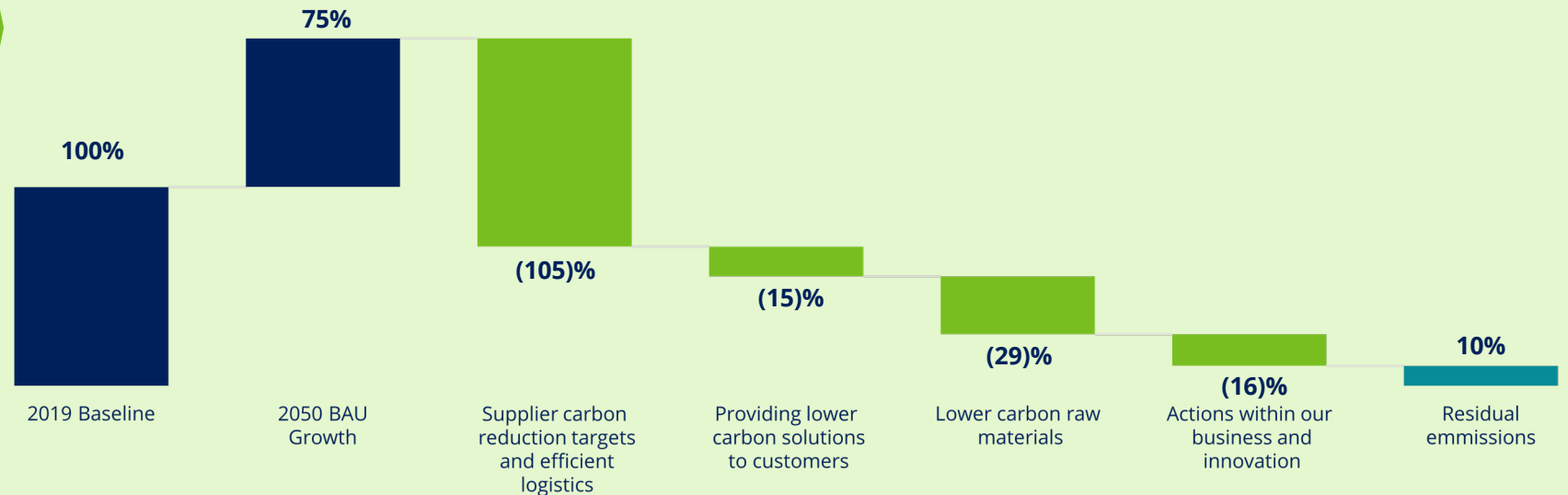
Making good progress on our scope 1 and 2 carbon reduction targets

Our climate change commitments:



2050
Net zero⁴ by 2050 at the latest, inclusive of scope 3 emissions

Decarbonisation impact by lever (2050)



- Notes**
1. Against a 2019 base line
 2. Tonnes CO₂e
 3. Tonnes CO₂e/£m revenue
 4. Scope 1, 2 and 3 emissions

ENSURING ETHICAL SUPPLY AND PROVIDING QUALITY ASSURANCE



Established function is a strong asset and we are expanding further



- Our auditing process ensures products adhere to our rigorous quality and high ethical standards
- All products supplied directly from Asia are through suppliers that are verified by our office
- We work with suppliers to improve their operations but will walk away if issues can't be resolved
- The sourcing function also helps Bunzl businesses to find solutions for their customers and to proactively find better alternatives to existing product lines
- Over the last two years we have expanded our programme to assess suppliers in high risk countries outside of Asia and now also assess suppliers of high risk commodities based in lower risk sourcing countries.

Our responsible sourcing commitments:

TODAY

Our supply chain is currently covered by direct auditing and assurance practices with 1,022 audits completed in 2023. In total, c.96% of our purchasing spend today is either in low risk regions, with assessed or compliant suppliers in high risk regions, or on other non-product related costs

TOMORROW

Expanding our programme to ensure 90% of our spend on products from all high risk regions are sourced from assessed and compliant suppliers by 2025, and that c.99% of our total spend is in low risk regions or with assessed and compliant suppliers in high-risk regions, or on other non-product related costs

BEYOND

Continuing to take a proactive, risk-based approach to responsible sourcing, identifying common issues in our supply chain and working closely with suppliers to reduce the future incidences of these



Global Supply Chain Solutions
Ethically Sourced • Sustainable • Quality Assured



[Click here or scan the QR code to watch a video on our responsible sourcing](#)

INVESTING IN OUR PEOPLE TO DRIVE CONTINUED SUCCESS

A focus on engagement and leadership succession is integral to Bunzl's DNA



90%¹

Feel that people at Bunzl are treated fairly regardless of their race

88%¹

Feel that people at Bunzl are treated fairly regardless of their gender

- Our people feel valued, with **STRONG EMPLOYEE ENGAGEMENT AND RETENTION**
- **HEALTH AND SAFETY** of employees is a key focus, with clear group-wide governance
- **MULTIPLE LEADERSHIP PROGRAMMES** established across the Group to support internal development and succession planning
- **"WE BELIEVE"** employment brand articulates our culture and beliefs to our people and potential recruits
- Top-down focus on **IMPROVING DIVERSITY**
 - >40% of combined Board and Executive Committee members are female
 - Doubled percentage of women in senior leadership roles since 2016 to 22%²
 - Female networking groups expanding across the Group
 - Accelerating focus on ethnic diversity

Note

1. Responses from 10,300 of our people, representing approximately 45% of our global population, surveyed during our 2023 Great Place to Work survey
2. Senior leadership defined as the 506 leaders who receive share awards as part of their remuneration

Our focus to drive diversity in Bunzl forward

- Encouraging more women into **LEADERSHIP ROLES** through focused and targeted activities
- Focusing on building a truly inclusive culture by:
 - Achieving **PARITY OF ENGAGEMENT SCORES** across ethnic groups in parts of the Group where data collection is possible
 - **PROVIDING A VOICE** for under-represented colleagues, and acting on their feedback to address any real or perceived barriers to engagement
- Identifying the next generation of **LEADERS FROM A MORE DIVERSE POOL OF TALENT**, balancing broader capabilities whilst retaining entrepreneurial skills
- Capitalising on our **COMPELLING EMPLOYMENT BRAND**
- Using technology to create a **NETWORKED, COLLABORATIVE ORGANISATION** that attracts more diverse talent

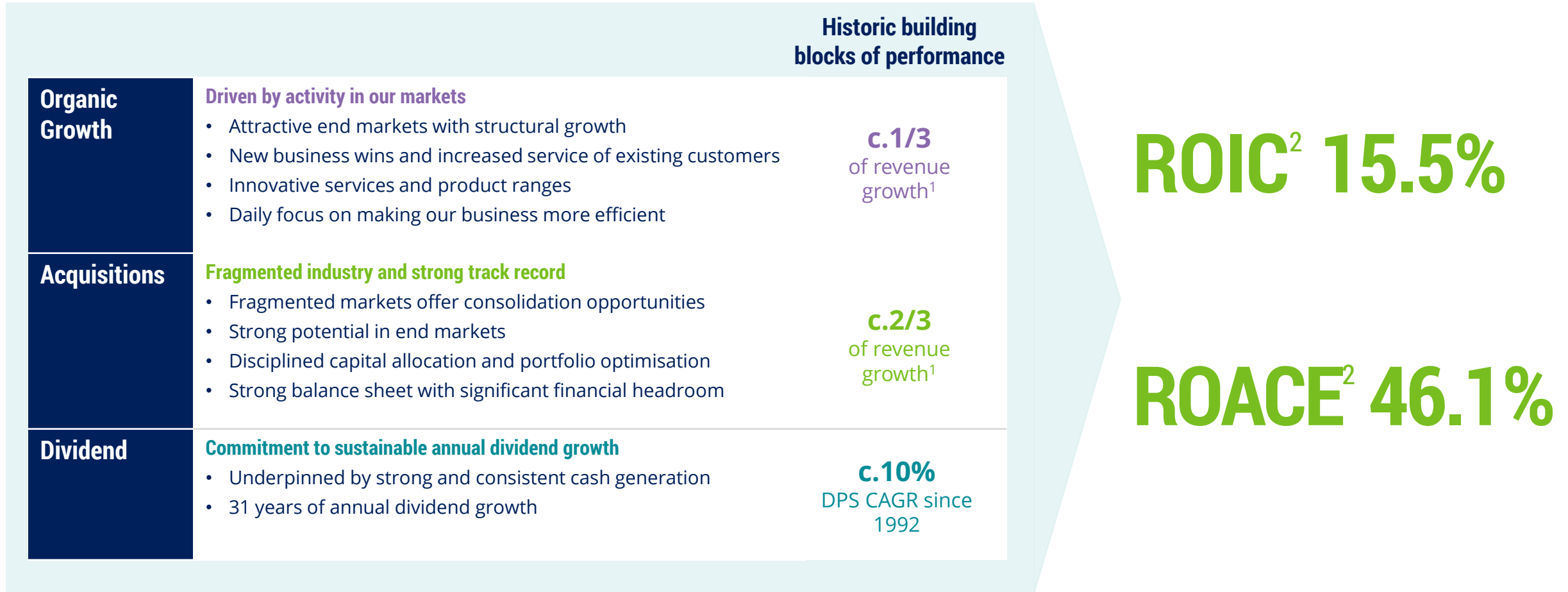


OUR STRATEGY

CONSISTENT AND PROVEN COMPOUNDING STRATEGY



High ROIC maintained alongside significant acquisition spend



Notes

1. Based on a long term 10-year average growth rate, at constant exchange rates
2. Alternative performance measure – see Appendix 1

A STRONG FOCUS ON PROFITABLE ORGANIC GROWTH



Growing organically by expanding and developing with existing customers and gaining new business with additional customers

VOLUME

Sell more to existing customers

Expand product ranges

Win new customers

Market leading customers

Growing sectors

Trend to outsourcing

PRICE

Inflation

Market dynamics

FX impact

MIX

Own brand / imports

Manufactured brands

Geographies and sectors

Sustainability

DRIVERS OF OUR END MARKETS

Our core market sectors create a diversified customer exposure

	 Safety	 Cleaning & Hygiene	 Healthcare	 Grocery	 Foodservice	 Retail
Trends	<ul style="list-style-type: none"> – Increasing levels of safety standards and compliance – Greater employee well-being focus – Potential medium-term infrastructure spend support 	<ul style="list-style-type: none"> – Enhanced cleaning protocols – Technology to improve cleaning efficiency – Increasing return to office working – Opportunity to support customers with innovative sustainable solutions 	<ul style="list-style-type: none"> – Growth of care at home and aging population – Increased focus on preventative healthcare 	<ul style="list-style-type: none"> – Willingness to outsource non-food essentials – Sustainable packaging growth with transition to alternative products – Omnichannel strategy supports broadening of product range 	<ul style="list-style-type: none"> – Eating outside of home – Home delivery – Sustainable packaging growth with transition to alternative products 	<ul style="list-style-type: none"> – Bricks and mortar retail under pressure – Omnichannel strategy offsets this; online retail is a growth area – Sustainable packaging growth with transition to alternative products
Revenue opportunity in the medium-term						

CONTINUOUSLY MAKING OPERATING MODEL IMPROVEMENTS

Constant incremental improvements compound significantly over time



98 warehouses consolidated
in the last six years

c.490 total warehouses in 2023

Warehousing

- Consolidation of warehouse footprint
- Continually evaluate and upgrade facilities including with automation and sustainability features

ERP implementations

- Warehouse management systems
- Vehicle routing and safety systems
- CRM systems

Digital capabilities

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

Sharing best practice

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

Global purchasing

- Substantial purchasing synergies with suppliers
- Benefit from Bunzl Global Supply Chain Solutions based in Shanghai (sourcing, QA and QC)

SIGNIFICANT ACQUISITION TRACK RECORD

>210 acquisitions since 2004



	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20	21	22	23 ¹
Number of acquisitions	7	7	9	8	7	2	9	10	13	11	17	22	14	15	6	3	9	14	12	19
Committed acquisition spend (£m)	302	129	162	197	123	6	126	185	277	295	211	327	184	616	183	124	445	508	322	468
Annualised acquisition revenue (£m)	430	270	386	225	151	27	154	204	518	281	223	324	201	621	148	97	602	322	299	325

214

Announced acquisitions¹

£1.7bn

Total committed spend over 2020-2023

£5.2bn

Total committed spend between 2004 and 2023

Note

1. At December 2023

ESTABLISHED APPROACH TO ACQUISITIONS

Consistent model continues to drive our acquisition focus



Key acquisition parameters

Strong discipline selecting the right businesses for Bunzl



Growth through acquisitions

- **ANCHOR** acquisitions into new geographies and sectors
- **BOLT-ON** acquisitions into existing geographies and sectors; enables extension of product range and market consolidation
- Bunzl operates in a **HIGHLY FRAGMENTED INDUSTRY**, largely comprised of **FAMILY RUN BUSINESSES**
- Strong **GLOBAL FOOTPRINT** supports bolt-on capability and enhances opportunities for anchor acquisitions
- Growth through acquisitions is an **EFFECTIVE WAY TO ENTER** new sub-markets and service new customer segments
- **SELF-FUNDED** through strong cash generation

Value extracted through:

- Purchasing synergies
- Back office integration
- Warehouse & distribution efficiencies
- Product range extension
- Sharing best practice
- Investment infrastructure, IT & e-commerce
- Sourcing and own brands
- Digital tools



[Click here or scan the QR code to watch a video on our acquisitions](#)

GROWTH MODEL HAS DRIVEN GEOGRAPHIC EXPANSION



Continue to see significant scope for future geographic expansion

1997¹

7 countries

2003¹

12 countries

2005¹

18 countries

2012

27 countries

2023

32 countries

Adjusted operating profit²

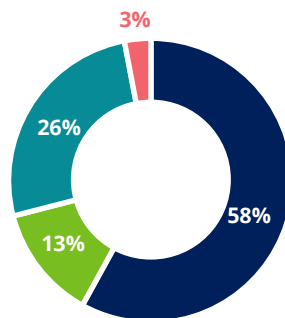
North America

Continental Europe

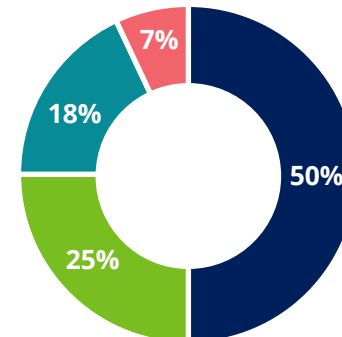
UK & Ireland

Rest of World

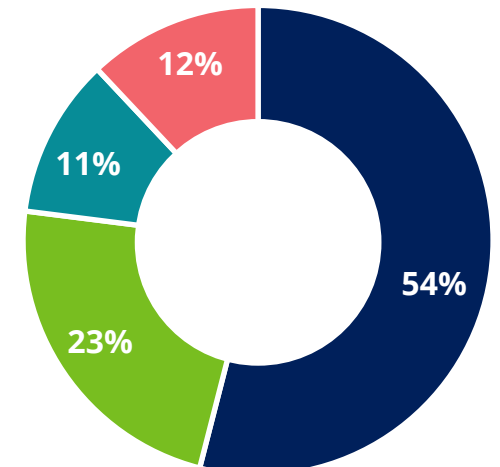
2004¹



2010



2023



Note

1. Continuing operations only
2. Based on adjusted operating profit and before corporate costs

M&A OPPORTUNITY



Focus on higher margin sectors in recent years; significant opportunities remain to expand

COUNTRY	FOODSERVICE	GROCERY	C&H	SAFETY	RETAIL	HEALTHCARE
USA	●	●	●	●	●	
Canada	●	●	●	●	●	
Mexico	●	●		●		
Puerto Rico	●	●			●	
UK	●	●	●	●	●	●
Ireland	●	●	●	●	●	●
Germany	●		●	●		●
France	●		●	●		●
Italy				●	●	
Spain	●		●	●	●	●
Netherlands ¹	●	●	●	●	●	●
Belgium	●	●	●		●	●
Denmark	●	●	●	●		
Norway	●					
Finland	●		●	●		●
Switzerland	●	●	●	●	●	●

COUNTRY	FOODSERVICE	GROCERY	C&H	SAFETY	RETAIL	HEALTHCARE
Austria	●					
Czech Republic		●		●		
Hungary	●	●	●	●		
Romania		●	●	●		
Poland				●		
Israel	●					
Turkey	●			●		
Brazil	●		●	●		●
Chile	●			●		
Colombia				●		
Peru				●		
Uruguay				●		
Australia	●	●	●	●	●	●
New Zealand	●		●	●		●
China				●	●	
Singapore				●		●

Note

1. EcoTools.nl was an acquisition in the 'other' category and is not reflected in the above table

- Bunzl has an existing presence
- Completed at least one acquisition in sector since 2018
- New country expansion since 2018

DISCIPLINED APPROACH TO CAPITAL ALLOCATION



Highly cash generative model continues to drive stakeholder value

Capital allocation priorities

1. Invest in the business (low capex requirements)

2. Pay a progressive dividend

3. Value accretive acquisitions

4. Distribution of excess cash

Progressive dividend

🏠 £2.2bn of dividend payments since 2004

📈 Sustainable annual dividend growth

Value accretive acquisitions

🏠 £5.2bn of committed spend between 2004 and 2023

📊 Increased level of acquisition spend in recent years

📁 Active pipeline

2023 committed spend compared with historic 3-year average (£m)



ROIC¹
15.5%

Notes

1. Alternative performance measure – see Appendix 1

2. On a covenant basis - at average exchange rates and based on historical accounting standards, in accordance with the Group's external debt covenants

3. Recent acquisition structures result in deferred consideration to be paid, subject to future earnings achieved by the businesses. This liability is not included within net debt

– **Acquisition pipeline remains active**, with significant opportunities across our markets and sectors

– With a net debt to EBITDA^{1,2,3} level of 1.1x (0.2x additional leverage on deferred consideration expected to be paid) at the end of 2023, we maintain **substantial headroom to allocate significant capital** to value accretive acquisition opportunities

– The **Board is committed to an efficient balance sheet** which supports investment into the business and in value accretive acquisitions, and continually assesses the appropriateness of the return of excess capital to shareholders

A photograph of a warehouse interior. In the center, a worker wearing a blue beanie, a high-visibility yellow vest, and a dark jacket is operating a red forklift. The forklift is carrying a wooden pallet with several boxes. One worker in an orange high-visibility vest is standing to the left of the forklift, looking towards the operator. The warehouse is filled with tall, dark metal shelving units (pallet racks) that stretch into the distance. The racks are filled with cardboard boxes. Some racks have red and white striped safety tape on them. The floor is a light-colored concrete. The lighting is bright and even.

FINANCIAL TRACK RECORD

2023 INCOME STATEMENT



Strong adjusted operating profit growth and operating margin

Operating margin¹

8.0%

Supported by good margin management initiatives, higher margin acquisitions, operational efficiencies and some one-off benefits in the second half of the year

Adjusted operating profit¹ growth

7.6%³

Excluding the disposal of the UK healthcare business

Effective tax rate¹

25.0%

2024 guidance: c.26%

£m	2023	2022	REPORTED GROWTH	CONSTANT EXCHANGE ¹	CONSTANT EXCHANGE ¹ EXCLUDING DISPOSAL ²
Revenue	11,797.1	12,039.5	(2.0)%	(1.9)%	(0.4)%
Adjusted operating profit ¹	944.2	885.9	6.6%	6.2%	7.6%
Operating margin ¹	8.0%	7.4%			
Adjusted profit before income tax ^{1,4}	853.7	818.0	4.4%	3.4%	
Effective tax rate ¹	25.0%	24.6%			
Adjusted profit for the year ¹	640.3	616.8	3.8%	2.8%	
Adjusted earnings per share ^{1,5}	191.1p	184.3p	3.7%	2.7%	
Total dividend per share	68.3p	62.7p	8.9%		
Statutory					
Operating profit	789.1	701.6	12.5%		
Profit before income tax ⁴	698.6	634.6	10.1%		
Basic earnings per share ⁵	157.1p	141.7p	10.9%		

Notes

1. Alternative performance measure – see Appendix 1
2. Excluding the impact from the disposal of our UK healthcare business in December 2022
3. At constant exchange rates
4. Net finance expense in 2023 of £90.5 million and £67.9 million in 2022. In 2023 net finance costs included a non-cash hyperinflation-related charge of £7.2 million (2022: £10.7 million)
5. Weighted average number of shares of 335.0 million in 2023 and 334.7 million in 2022

2023 CASH FLOW



Strong cash generation and cash conversion are key elements of Bunzl's model

Free cash flow¹

£644m

Consistent strong annual cash generation and cash conversion

Average cash conversion¹ since 2004

98%

£m	2023	2022
Operating cash flow ^{1,2}	885.3	925.0
Net interest paid (excluding lease liabilities)	(53.2)	(45.7)
Income tax paid	(188.6)	(173.6)
Free cash flow¹	643.5	705.7
Dividends paid	(209.7)	(190.5)
Net payments relating to employee share schemes	(23.7)	(31.9)
Net cash inflow before acquisitions and disposal	410.1	483.3
Acquisitions ³	(374.6)	(264.2)
Disposal	-	49.9
Net cash inflow on net debt excluding lease liabilities	35.5	269.0
Cash conversion¹	96%	107%

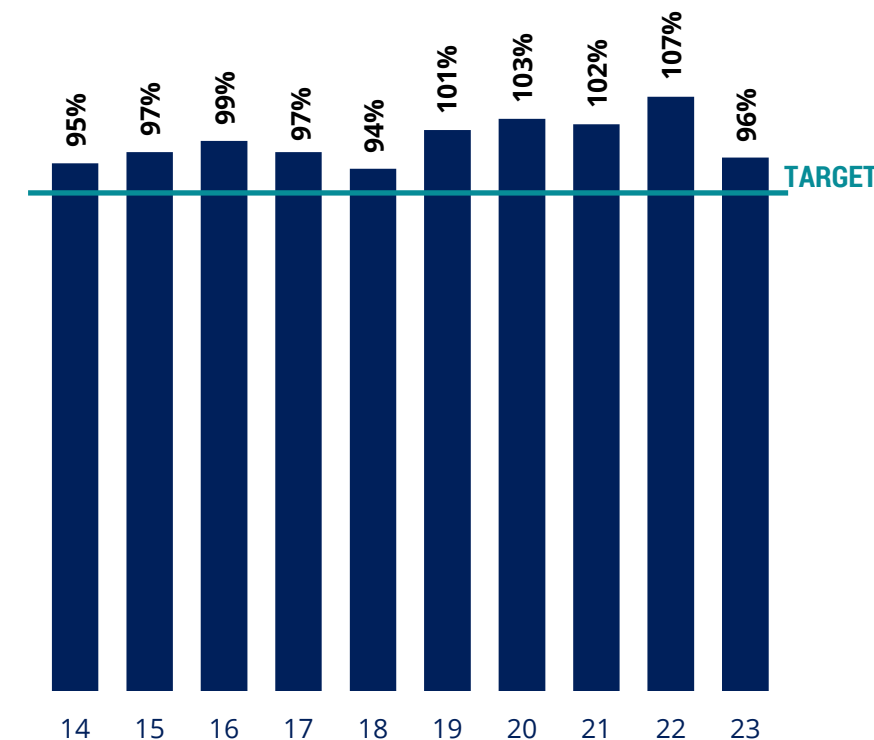
Notes

1. Alternative performance measure – see Appendix 1

2. Before acquisition related items

3. Including acquisition related items

Cash conversion over the last 10 years



2023 BALANCE SHEET



Substantial capacity for acquisitions and other capital allocation options

Net debt : EBITDA^{1,2,3}

1.1x

Substantial capacity for self-funded acquisitions and other capital allocation options

0.2x

Additional leverage on deferred consideration expected to be paid

Return on invested capital (ROIC)¹

15.5%

vs. 13.6% in 2019

Return on average operating capital¹

46.1%

vs. 36.9% in 2019

£m	DECEMBER 2023	DECEMBER 2022
Intangible assets	3,242.1	3,093.9
Right-of-use assets	616.3	529.6
Property, plant and equipment	159.4	137.2
Working capital ¹	1,158.1	1,096.6
Deferred acquisition consideration ⁴	(175.6)	(139.9)
Other net liabilities	(333.4)	(306.4)
	4,666.9	4,411.0
Net pension surplus	49.4	39.9
Net debt excluding lease liabilities ¹	(1,085.5)	(1,160.1)
Lease liabilities	(664.5)	(569.9)
Equity	2,966.3	2,720.9

Net debt : EBITDA ^{1,3,5}	1.5x	1.5x
Net debt : EBITDA ^{1,3} (covenant basis ²)	1.1x	1.2x
Return on invested capital ¹	15.5%	15.0%
Return on average operating capital ¹	46.1%	43.0%

Notes

1. Alternative performance measure – see Appendix 1

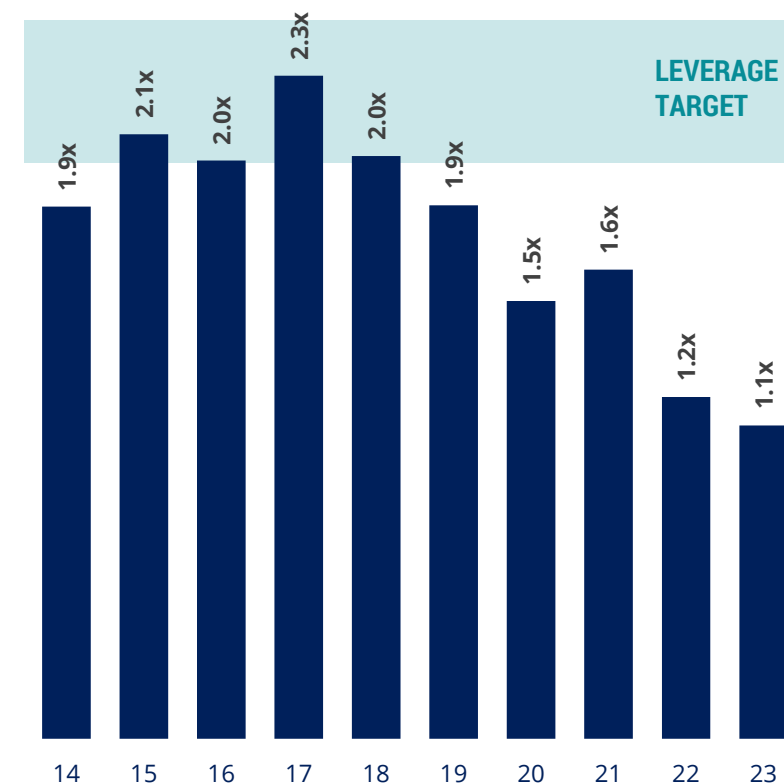
2. On a covenant basis - at average exchange rates and based on historical accounting standards, in accordance with the Group's external debt covenants

3. Recent acquisition structures result in deferred consideration to be paid, subject to future earnings achieved by the businesses. This liability is not included within net debt

4. The total amount of deferred and contingent consideration relating to acquisitions was £258.8 million at the end of 2023 compared to £216.2 million at the end of 2022

5. At average exchange rates

Net debt : EBITDA^{1,2,3}



OVER THREE DECADES OF CONSECUTIVE DIVIDEND GROWTH

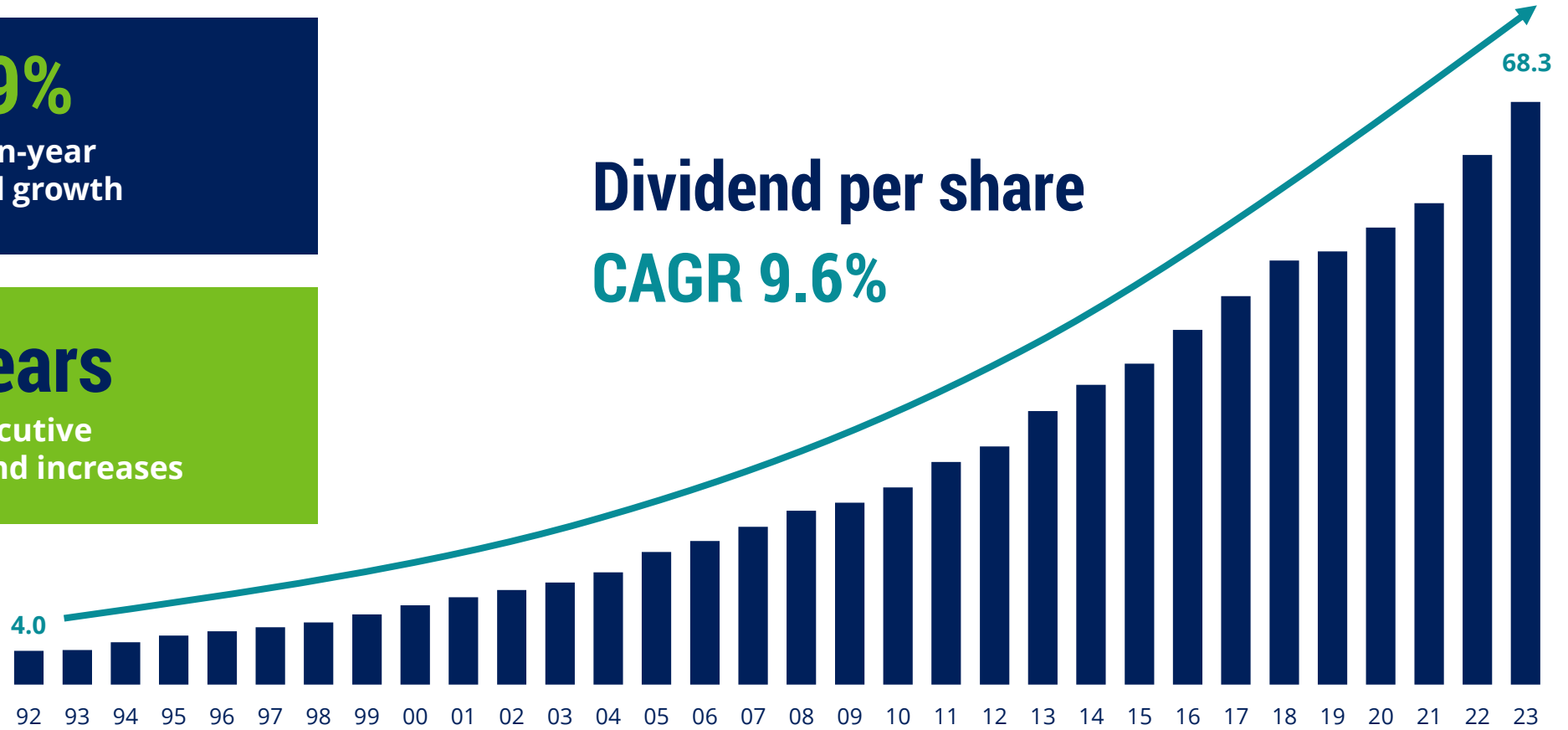


Strong dividend growth; further dividend cover normalisation post-pandemic

8.9%
year-on-year
dividend growth

31 years
of consecutive
annual dividend increases

Dividend per share
CAGR 9.6%



BUNZL'S AGILITY IS A KEY ASSET AND DIFFERENTIATOR



Achieving growth through periods of disruption highlights resilience

RESILIENT BUSINESS MODEL AND PORTFOLIO

Operational resilience

- Agile decentralised model
- Global scale and depth of supply chain
- Strong culture of operational efficiency

Compounding growth resilience

- Resilience leads to new business opportunities
- Advantages of joining Bunzl Group become more apparent during difficult times

Portfolio resilience

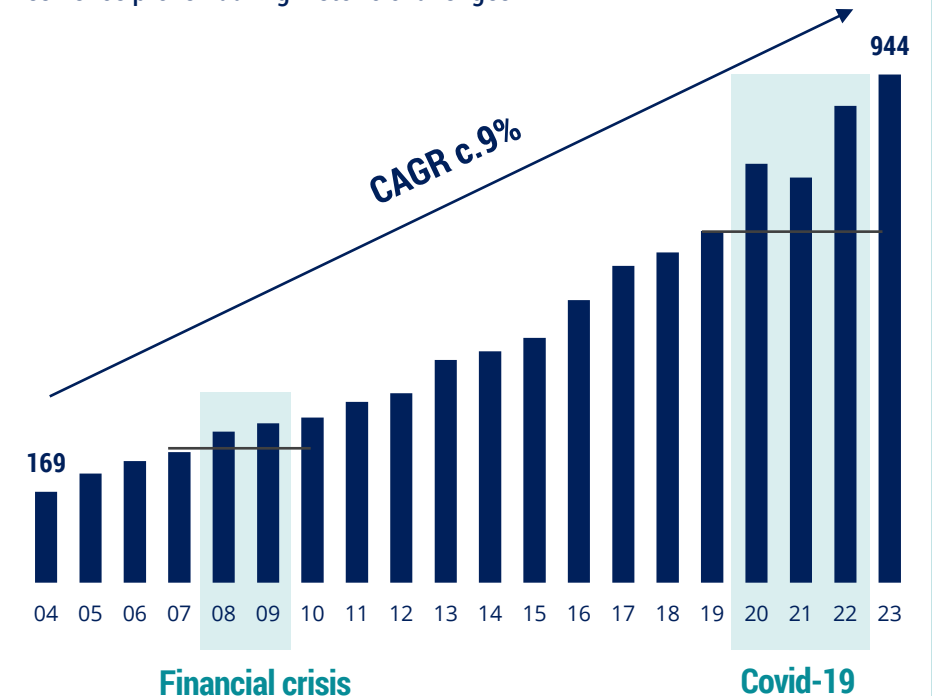
- Diversified portfolio (geographies and sectors)
- c.75% of revenue through more resilient sectors

Financial resilience

- Strong operating margin in 2023
- Consistently high cash generation
- Strong balance sheet

ADJUSTED OPERATING PROFIT^{1,2} (£m)

Resilience proven during historic challenges



Notes

1. Alternative performance measure – see Appendix 1

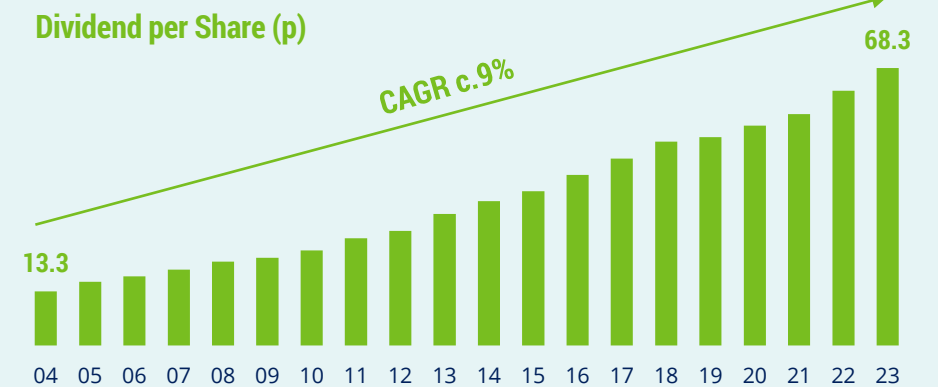
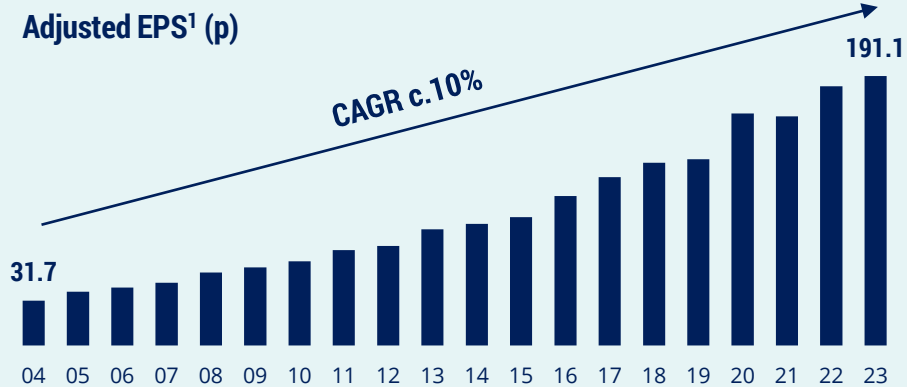
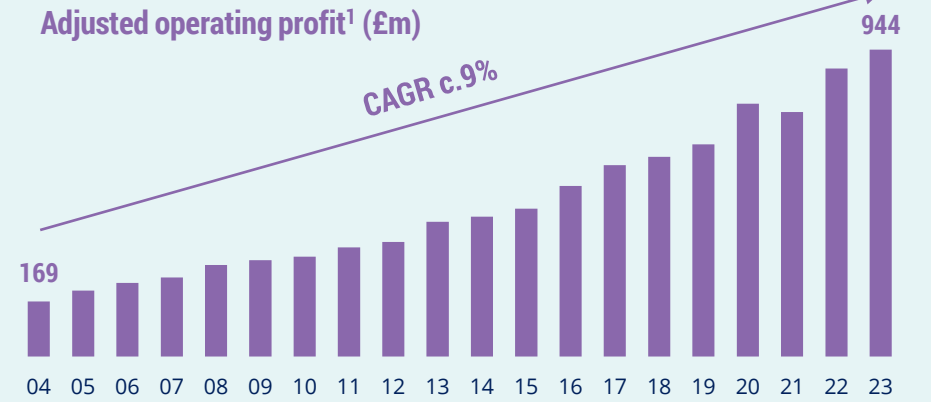
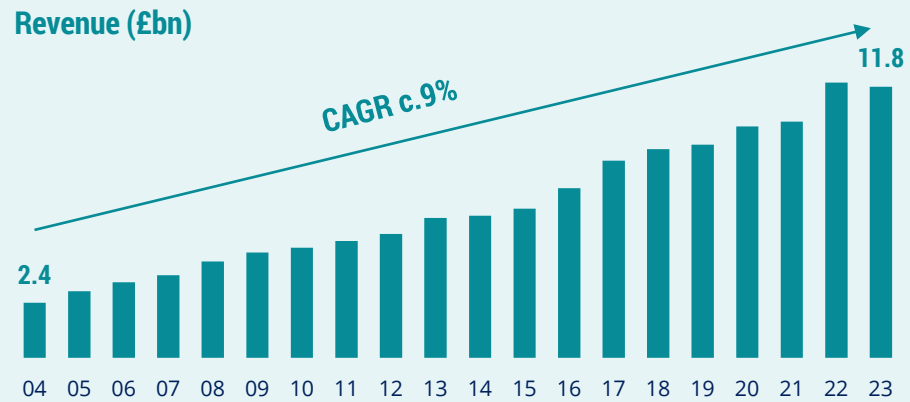
2. At reported currency

FINANCIAL TRACK RECORD 2004 – 2023



Proven
compounding
growth strategy

CAGR
c.9-10%



Note

1. Alternative performance measure – see Appendix 1



CASE STUDIES

CASE STUDY: ORGANIC GROWTH SUPPORTED BY VALUE PROPOSITION

Case study: successful retender of key facilities management customer in Spain

7-year partnership

Contract retained following 2023 retender, with expanded relationship reflecting growth of the customer

Retender success highlights value of Bunzl's proposition and investments that drive 'stickiness'

Our value proposition drivers of the successful retender:

NETWORK CAPABILITIES & RELIABILITY

- **Our strong national network** supports an average of >200 deliveries across the customer's sites each working day
- Bunzl acquisitions in 2023 further **enhance our regional strength**
- Strong inventory management and supply chain underpin our **reliable fulfilment**

OWN BRANDS AND DIGITAL CAPABILITIES

- Strong representation of Bunzl **own brands** within the portfolio of products delivered
- Our ability to host a **customised digital platform**
- Investment into digitalised processes **drives efficiency**

CARBON REDUCTION TOOLS AND FOCUS

- Bunzl's proprietary **carbon footprint tool** is supporting carbon reduction through more efficient ordering patterns
- **Tailored delivery options** further support reduced last mile carbon emissions
- Our ability to support **carbon reporting**

SUSTAINABLE PRODUCTS AND CAPABILITIES

- Ongoing projects and product developments are supporting the transition to solutions **better suited to a circular economy**
- Bunzl's **credentials and commitments** to sustainability, including Bunzl's diversity policy

CASE STUDY: DRIVING ORGANIC GROWTH – OWN BRANDS



Own brand focus to enhance our customer proposition and drive organic growth

Cleanline is Bunzl's own brand range of highly specialised workplace and industrial cleaning solutions sold throughout the UK & Ireland

- Prior to 2019, Cleanline was viewed as a cost-effective alternative to third-party branded suppliers
- Over the last five years, a focus on product innovation has positioned Cleanline to compete more effectively across the entire value spectrum
- We have upgraded the performance and specifications of our products significantly, which resulted in increased market penetration
- Development of innovative and sustainable solutions such as soluble sachets and super concentrate ranges which reduce waste from packaging, transport, and storage of products, also enhances our overall customer proposition



Innovative SKUs developed since 2019

48

Cleanline revenue growth since 2019

>100%

Group own brand revenue penetration

c.25%



CASE STUDY: OPERATIONAL EFFICIENCY



Example of a technology solution improving our operational efficiency

Investing in technology to improve operational efficiency:

Automated supplier stock re-ordering

- Rolling out advanced demand planning tools to better service customer demand, manage supplier relationships and improve working capital
- Benefits from implementing these solutions include:
 - Improved service levels and customer stickiness
 - Ability to reduce held inventory
 - Ability to further optimise warehouse space, offsetting property cost inflation
 - Greater efficiency with more accurate inventory ordering

CASE STUDY: Results achieved in a Bunzl Ireland warehouse

 Reduction in inventory days

5%

 Improved product availability



CASE STUDY: OPERATIONAL EFFICIENCY

Focus on delivery efficiency to reduce costs and carbon footprint



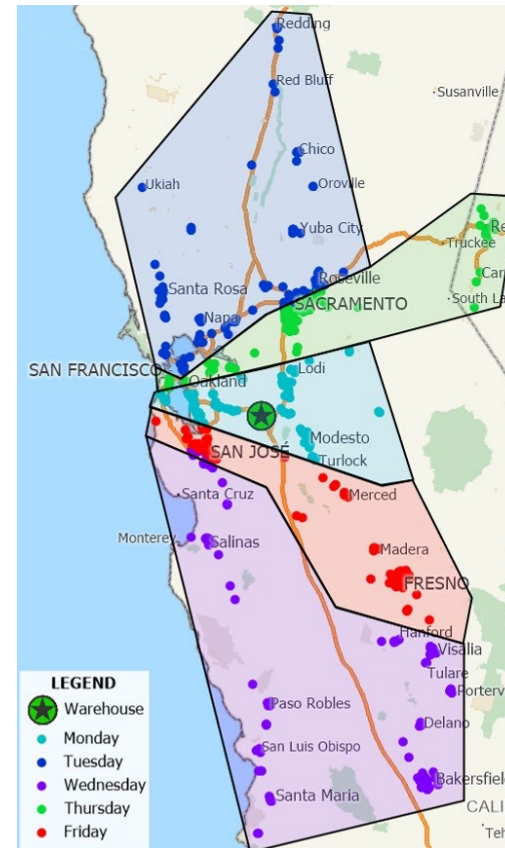
Continually investing in technology to improve operational efficiency

Supported by ongoing programme of warehouse footprint optimisation; Group-wide warehouse relocations and consolidations in 2023:

24

CASE STUDY: Route optimisation software in North America

- Implemented **improved route mapping software** across our North American Distribution Division in 2023
- Platform fully automates daily routing to eliminate delivery miles, maximise product delivered per truck, optimising the number of fleet trucks needed per day, **resulting in cost savings and a reduction in our carbon footprint**
- Highlighted opportunities in some locations to further optimise deliveries on a weekly basis, with the aim of increasing cubic volume on Bunzl trucks, and **saving on outbound third-party freight costs (also reducing carbon emissions)**
- Further implementation ongoing in collaboration with customers



Results achieved since implementation

Average increase in cubic volume per route

6%

Average decrease in delivery cost as a % of sales in this area

0.4%

CASE STUDY: NISBETS ACQUISITION



Successful start to 2024 with the acquisition of Nisbets

Business overview	Key strengths of Nisbets	Alignment with Bunzl
<ul style="list-style-type: none"> • A leading omnichannel distributor of catering equipment and consumables based in the UK • Operations in UK & Ireland, Northern Europe and Australasia • Revenue in 2023 of £498 million¹ • Profit before interest, tax and amortisation in 2023 of £40 million¹ on a pro-forma basis • Acquisition agreed in February 2024 and completed in May 2024 	<ul style="list-style-type: none"> • A high quality business • Well established company with strong own brand portfolio of market leading products • Excellent digital marketing and sales capabilities • Experienced and well-established management team • Long term track record of growth • Experience in warehouse automation 	<ul style="list-style-type: none"> • Operates in one of our core sectors and in geographies in which we are present • Good cultural fit between Bunzl and Nisbets • Complements our existing business • Focus on own brand products <p>Leverage</p> <ul style="list-style-type: none"> • When including the acquisition of Nisbets, our net debt to EBITDA^{2,3,4} level of 1.1x increases by an additional 0.3x

Notes

1. Based on unaudited management accounts
2. On a covenant basis - at average exchange rates and based on historical accounting standards, in accordance with the Group's external debt covenants
3. Alternative performance measure – see Appendix 1
4. Recent acquisition structures result in deferred consideration to be paid, subject to future earnings achieved by the businesses. This liability is not included within net debt



CASE STUDY: SUSTAINABILITY A KEY COMPETITIVE ADVANTAGE




How we are helping our customers achieve their sustainability targets

CASE STUDY: Reducing carbon footprint for Aramark in Spain

- Partnered with Aramark in Spain to reduce their delivery carbon footprint
- Using our proprietary Carbon Footprint calculator¹ to analyse routes in detail to calculate the carbon footprint of deliveries
- The data identified opportunities to change ordering patterns and reduce the volume of small orders by 34%
- Innovative last mile solutions to ensure zero emission deliveries to Aramark centres in Barcelona

Results achieved in the last two years:

 **Reduction in Tonnes CO₂e from small orders**
>30%

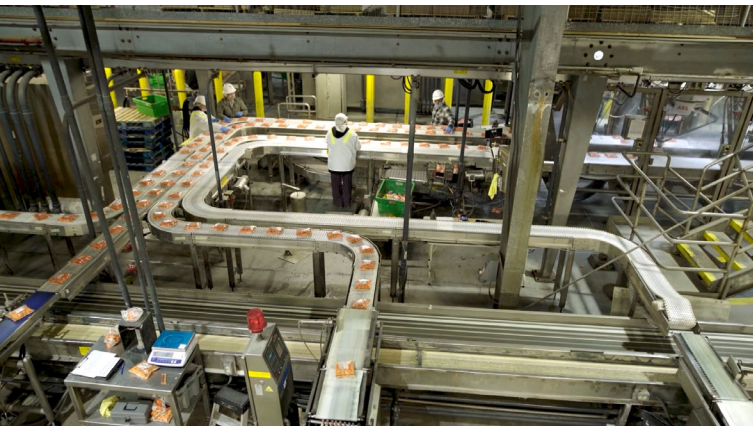
 **Tonnes CO₂e reduction equivalent to planting**
>1,000 trees

Notes:

1. Certified by AENOR based on the Greenhouse Gas Protocol
2. Tonnes CO₂e
3. Tonnes CO₂e/£m revenue



CASE STUDY: BOLTHOUSE FARMS – CUSTOMER TESTIMONIAL



DELIVERING VALUE FOR OUR CUSTOMERS

Supplying flexible packaging and product labels to North America's leading carrot producer

Length of partnership with Bunzl

15 years

Share of North America carrot market

>40%

“To be able to have Bunzl to call on to solve the other parts of the business, not only does it help you sleep at night but it allows you to free up time to really work on stuff that can add more value to the business.”



[Click here or scan the QR code to watch the Bolthouse Farms customer testimonial video](#)

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APPENDIX

APPENDIX 1



Alternative performance measures

This presentation includes various performance measures defined under International Financial Reporting Standards ('IFRS') as well as a number of alternative performance measures. The principal alternative performance measures used in this presentation are:

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

Adjusted operating profit - Operating profit before customer relationships, brands and technology amortisation, acquisition related items, non-recurring pension scheme charges and profit or loss on disposal of businesses

Operating margin - Adjusted operating profit as a percentage of revenue

Adjusted profit before income tax - Profit before income tax, customer relationships, brands and technology amortisation, acquisition related items, non-recurring pension scheme charges and profit or loss on disposal of businesses

Adjusted profit for the year - Profit for the year before customer relationships, brands and technology amortisation, acquisition related items, non-recurring pension scheme charges, profit or loss on disposal of businesses and the associated tax

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 divided by the weighted average number of ordinary shares in issue

Adjusted diluted earnings per share - Adjusted profit for the year divided by the diluted weighted average number of ordinary shares

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

Free cash flow - Operating cash flow after deducting payments for income tax and net interest excluding interest on lease liabilities

Lease adjusted operating profit - Adjusted operating profit after adding back the depreciation of right-of-use assets and deducting the payment of lease liabilities

Cash conversion - Operating cash flow as a percentage of lease adjusted operating profit

Working capital - Inventories and trade and other receivables less trade and other payables, excluding non-operating related receivables, non-operating related payables (including those relating to acquisition payments) and dividends payable

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 liabilities, cumulative customer relationships, brands and technology amortisation, acquisition related items and amounts written off goodwill, net of the associated tax)

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

Constant exchange rates - Growth rates at constant exchange rates are calculated by retranslating the results for prior years at the average exchange rates for the year ended 31 December 2023 so that they can be compared without the distorting impact of changes caused by foreign exchange translation

Dividend cover - The ratio of adjusted earnings per share to the total dividend per share

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