

Bunzl hikes profitability outlook as half-year profits rise

Distribution and outsourcing group Bunzl has upped its profitability outlook as it posted a jump in its half-year earnings thanks in part to price hikes to offset soaring costs.

The FTSE 100 company – which supplies businesses around the world with a variety of products, including coffee cups and food labels to department stores and hospitals – said inflation became “more widespread” across the business over the first half of 2022.


But it said this had been more than offset by moves to increase the prices it charges customers globally, as well as efforts to make savings across the business.

It posted a 12.4% rise in underlying pre-tax profits to £380.5 million for the six months to June 30 as revenues rose 16.1% to £5.7 billion.

On a reported basis, pre-tax profits rose 7.6% to £296.6 million.

Read More

- [Walford to bid final farewell to EastEnders legend Dot Cotton](#)
- [Gardai mark 100 years of protecting Ireland from 'sustained threats'](#)
- [Netflix to chart highs and lows of Robbie Williams' career in documentary series](#)

-  [BRANDPOST | PAID CONTENT](#) [How Uber drivers are sparking the electric car revolution](#)

The group raised its expectations for group operating margin thanks to the first half performance.

It said: “We now expect the group operating margin in 2022 to be higher than historical levels and only slightly lower than that achieved in 2021.”

Frank van Zanten, chief executive of Bunzl, said: “Our teams have been agile in navigating substantial inflation and supply chain disruption, while supporting recovery in the base business and continuing to provide our customers with essential products and services that are crucial to their operations.”

The group said it “continues to expect very good revenue growth in 2022, driven by good organic revenue growth and the positive contribution of acquisitions announced in the last 12 months”.

In a cautious note on the global economy, the group added: “Although the economic outlook is increasingly uncertain, Bunzl’s business model has proven to be inherently resilient historically.”

It has so far been sheltered by the impact of the economic downturn, because it supplies essential products to businesses and is less likely to be affected by people cutting back on non-essential purchases to save money.

Bunzl’s results showed that in the UK & [Ireland](#), revenue increased by 18.8% to £687.1 million, with underlying growth of 14.1% as it increased prices and also saw a continued recovery in markets, such as hospitality.

Growth in the wider business was also buoyed by a raft of

acquisitions, with the firm having announced six deals costing £220 million already in 2022.

Last year, the firm spent £508 million on 14 acquisitions.