Wincanton plc

Results for the Half Year to 30 September 2013

Unlocking potential

Wincanton

Certain statements in this presentation are forward-looking statements.

Such statements are based on current expectations and by their nature are subject to a number of risks and uncertainties that could cause actual results and performance to differ materially from any expected future results or performance expressed or implied by the forward-looking statement.

The information does not assume any responsibility or obligation to update publicly or revise any of the forward-looking statements contained herein.

Agenda

- Introduction
  - Eric Born, Chief Executive
- Financial review
  - Adrian Colman, Group Finance Director
- Operations, strategic update and outlook
  - Eric Born, Chief Executive

Introduction

Eric Born

Chief Executive

Overview – continued progress

- Underlying operating profit increased by 2.1% to £24.2m
- Operating margin increased from 4.3% to 4.5%
- Underlying EPS growth of 20% to 8.4p
- Market place remains competitive
- Solid performance on new business wins and renewals across all sectors with customers including Morrisons, Valero and Tilda Rice
- Net debt reduced since year end by £20.4m to £87.2m (30 Sept 2012: £123.0m)
- Consultation process commenced over proposal to close defined benefit pension scheme to future accrual

Financial review

Adrian Colman

Group Finance Director

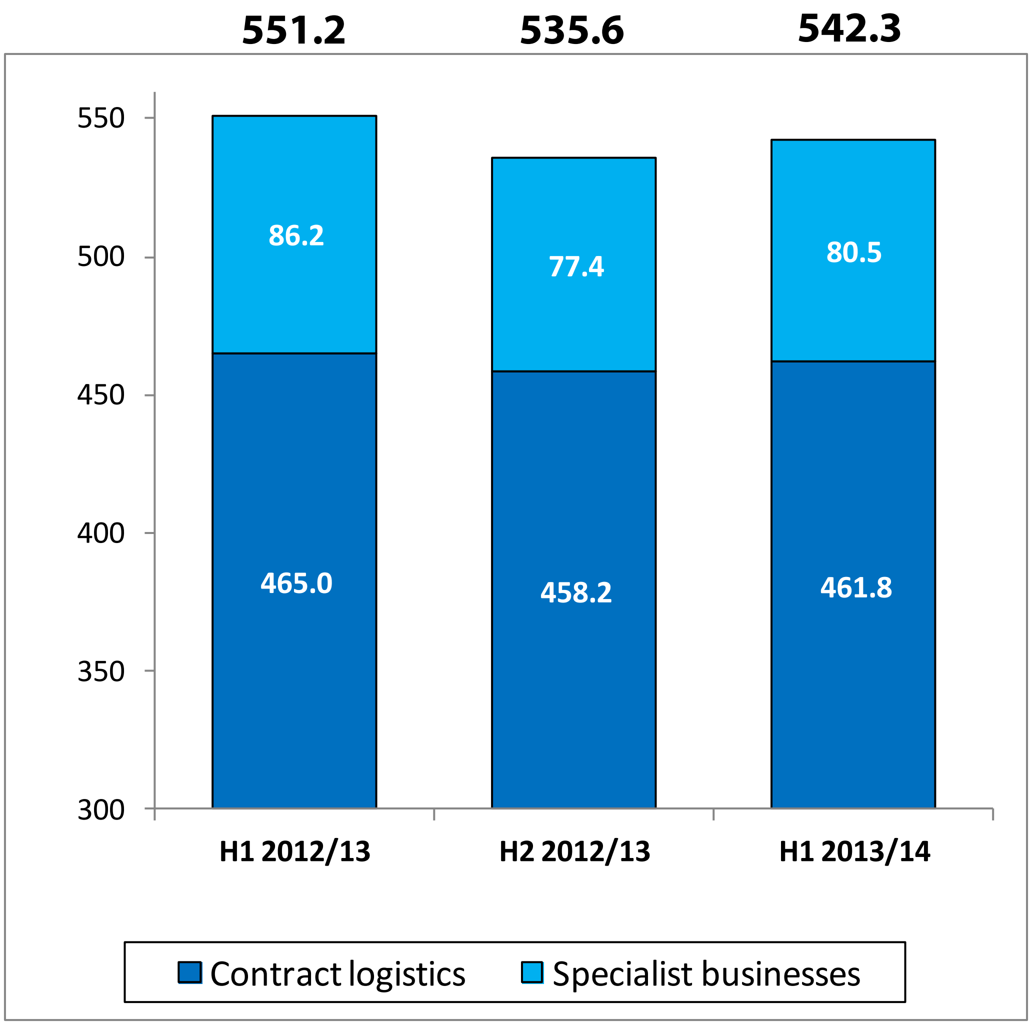
Financial summary

	H1 2013/14 £m	H1 2012/13 Restated[1] £m	Change %
Revenue	**542.3**	551.2	(1.6)%
Underlying operating profit*	**24.2**	23.7	2.1%
Underlying operating profit margin(%)*	**4.5**	4.3	20 BPS
Underlying profit before tax*	**12.9**	11.7	10.3%
Underlying EPS (pence)*	**8.4**	7.0	20.0%
Basic EPS (pence)	**6.4**	4.4	45.5%
Net debt	**(87.2)**	(123.0)	(29.1)%

*before amortisation of intangibles

[1] Restated for changes to IAS 19

Revenue by sector - £m



Stable revenues

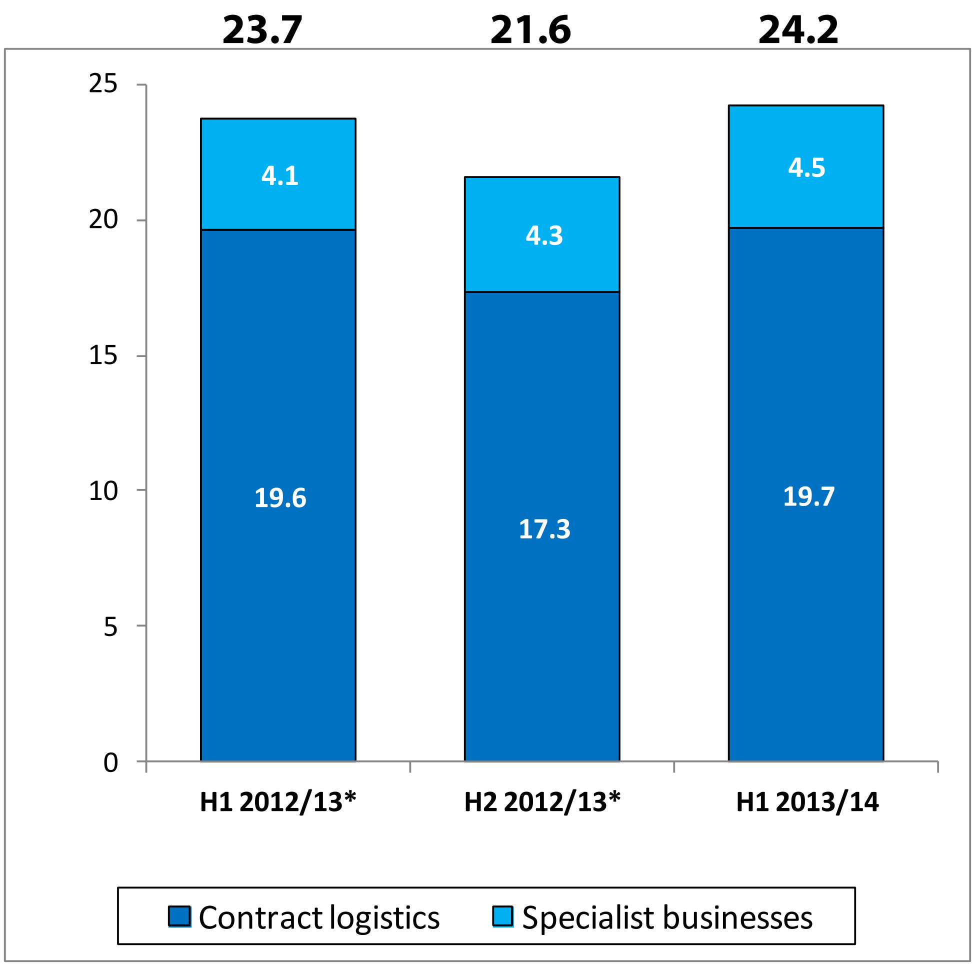
Contract logistics

- Construction showing signs of recovery over prior year
- Tankers & Bulk impacted by contract loss in 2012/13

Specialist businesses

- WRM - solid growth
- Containers revenues down 8.5% vs prior year

Underlying operating profit - £m



- Delivered profit growth of 2.1% in 2013/14 to £24.2m
- Strong focus on costs and asset efficiency to mitigate continuing price pressure on renewals
- Margin improved from 4.3% to 4.5% in 2013/14

*Restated for reclassification of pension administration costs under IAS 19 Amendment

Financing costs and Taxation

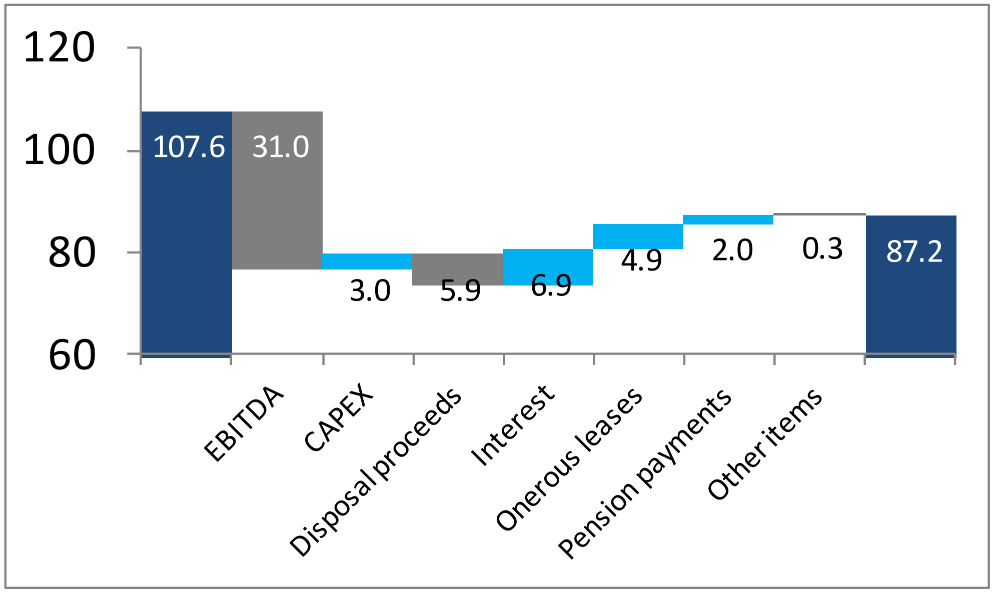
	H1 2013/14 £m	H1 2012/13 £m Restated[1]
Net bank interest payable	**(6.8)**	(8.0)
Provisions discounts unwinding	**(1.2)**	(1.3)
Pension financing items	**(3.3)**	(2.7)
	(11.3)	(12.0)

	H1 2013/14	H1 2012/13
Effective tax rate	24.5%	30.5%

[1] Restated for changes to IAS 19

- **Financing costs**
  - Lower average net debt levels drive lower interest charge
  - Pension charge now reflects IAS 19 adjustment to reflect
    - Admin costs reclassification
    - Harmonised discount rate and return on assets
- **Tax**
  - Trends down with lower UK corporation tax rate

Cash flows and net debt



- Net debt reduced by £20.4m to £87.2m from £107.6m at 31 March 2013
- Average net debt reduced by £26m to £175m (2012/13 full year: £201m)
- Capex profile weighted to H2
- Under-utilised freehold property disposed of in period for £4.8m
- Pension deficit recovery payments to be paid in H2 (£14.0m total)
- Net debt : EBITDA 1.9x at 30 Sept 2013 (Sept 2012: 2.5x)

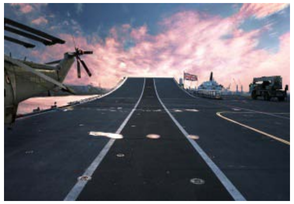
Pension

	30/9/13 £m	31/3/13 £m	30/9/12 £m
Assets	**745.4**	743.9	672.4
Liabilities	**(887.4)**	(892.6)	(787.1)
	(142.0)	(148.7)	(114.7)
Deferred tax	**28.4**	34.2	26.4
Net deficit	**(113.6)**	(114.5)	(88.3)

- Interest rate movement drives liability movement, Sept 13 - 4.6%, Mar 13 - 4.50%, Sept 12 - 5.0%
- Group announced proposal to close scheme to future accrual from April 2014
- Consultation with colleagues due to commence mid November 2013
- Next triennial valuation due at 31 March 2014


Operations, strategic update and outlook
Eric Born

Contract logistics - update



Defence

Construction

Retail

FMCG

Energy

Milk, Bulk foods

	H1 2013/14 £m	H1 2012/13 £m
Revenue	**461.8**	465.0
Underlying operating profit	**19.7**	19.6
Operating margin	**4.3%**	4.2%

- Solid performance in renewing and winning contracts
  - Morrisons 2nd convenience distribution centre new business
  - Valero 5 year renewal
  - Pernod Ricard renewal
  - Tilda Rice new business
- Growth in operating margin and underlying operating profit in the half

Specialist businesses - update

Records Management

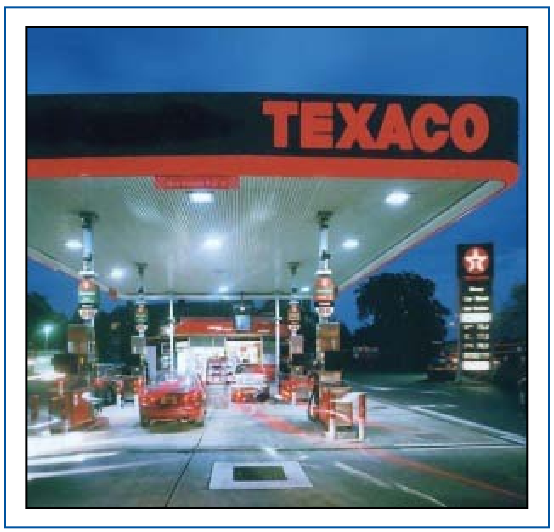
Containers

Pullman Fleet Services

	H1 2013/14 £m	H1 2012/13 £m
Revenue	**80.5**	86.2
Underlying operating profit	**4.5**	4.1
Operating margin	**5.6%**	4.8%

- Growth in Records Management business
- Container volumes lower versus H1 2012/13
- Pullman revenues lower due to contract loss in 2012/13 but strong position in Home Delivery fleet management reinforced by ASDA win
- Strong focus on cost control continues which drives improved margin

Valero extends and expands its 20 year partnership with Wincanton



- Five year contract awarded to take over the scheduling and planning of its deliveries, including receiving and managing customer orders
- Working out of Valero's network of UK terminals, Wincanton will transport more than two billion litres of fuel a year for the business
- Wincanton will operate a 24/7 service, taking up to 600 customer orders a day before scheduling and planning delivery to more than 1,000 UK locations

ASDA chooses Pullman Fleet Services

- ASDA awarded Pullman contract to deliver comprehensive fleet management solution for around half of its growing home shopping fleet of 1,800 vehicles
- Builds on existing contract that provides a nation-wide defect management programme for ASDA's UK fleet of HGVs
- Cements leadership in fleet management for UK home grocery fleets with responsibility for over 60% of total UK market
- Contract from August 2013

Strategic focus remains unchanged

- Continue to deliver improvements for our customers in our existing operations and to retain existing contracts
- Improve ‘share of wallet’ with our existing customers and focus on cross-selling our services
- Acquire new customers through improved prospecting process and service propositions
- Further enhance our supply chain solution offering and win more higher margin technology supported contracts
- Continue to improve our operating cost structure
- On-going focus on margin growth and cash flow generation

Outlook

- The Group remains on track in the current year
- Good momentum in renewals and contract wins
- On-going price pressure on renewals to be compensated by ongoing efficiency improvements across the Group
- Economic outlook from our perspective is broadly flat with positive signs in construction logistics


Questions

Appendices

- Income statement summary
- Balance sheet summary
- Cash flow summary
- IAS 19 Bridge
- Revenue analysis charts

Income statement summary

	H1 2013/14 £m	H1 2012/13 Restated[1] £m
Revenue	**542.3**	551.2
Underlying operating profit	**24.2**	23.7
Amortisation of intangibles	**(3.2)**	(4.1)
Operating profit	**21.0**	19.6
Net financing costs	**(11.3)**	(12.0)
Profit before tax	**9.7**	7.6
Income tax expense	**(2.3)**	(2.5)
Profit for the period	**7.4**	5.1
EPS – Basic (pence)	**6.4p**	4.4p
EPS – Diluted (pence)	**6.0p**	4.4p

[1] Restated for changes to IAS 19

Balance sheet summary

	30/9/2013 £m	30/9/2012 £m
Non-current assets	**201.1**	216.1
Net current liabilities (excluding net debt)	**(196.3)**	(174.9)
Non-current liabilities (excluding net debt & pensions)	**(50.7)**	(63.1)
Net debt	**(87.2)**	(123.0)
Pensions deficit (gross)	**(142.0)**	(114.7)
Net liabilities	**(275.1)**	(259.6)

Cash flow summary

	H1 2013/14 £m	H1 2012/13 Restated[1] £m
Underlying operating profit	**24.2**	23.7
Depreciation	**6.8**	7.5
Underlying EBITDA	**31.0**	31.2
Net capital expenditure	**2.9**	2.8
Net financing costs	**(6.9)**	(8.8)
Working capital movements	**(1.0)**	(23.7)
Pension deficit payment	**(2.0)**	(1.3)
Provisions outflows	**(4.9)**	(9.6)
Other	**1.3**	0.9
Total	**20.4**	(8.5)

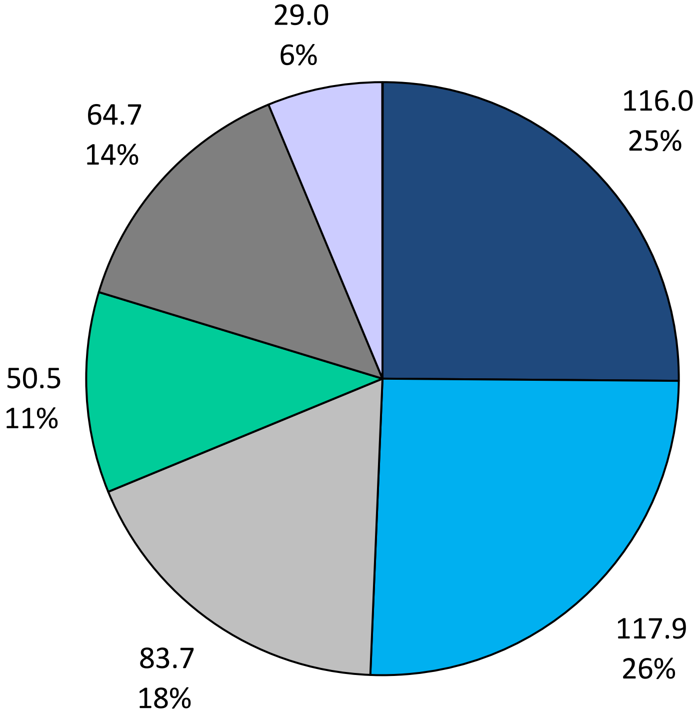
[1] Restated for changes to IAS 19

IAS 19 bridge

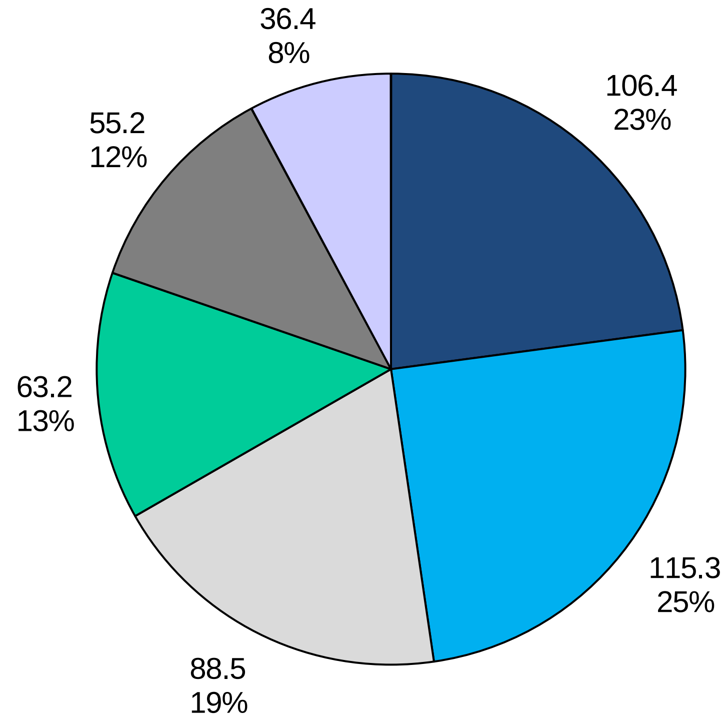
	2013/14 £m	2012/13 Restated £m	IAS 19 adjustment £m	2012/13 as reported £m
Underlying operating profit	24.2	23.7	(0.6)	24.3
Financing income	0.2	0.3	(2.1)	2.4
Financing costs	(11.5)	(12.3)	(2.7)	(9.6)
Net financing costs	(11.3)	(12.0)	(4.8)	(7.2)
Income tax expense	(2.3)	(2.5)	1.3	(3.8)

Revenue analysis
Contract logistics

2013/14 - £461.8m

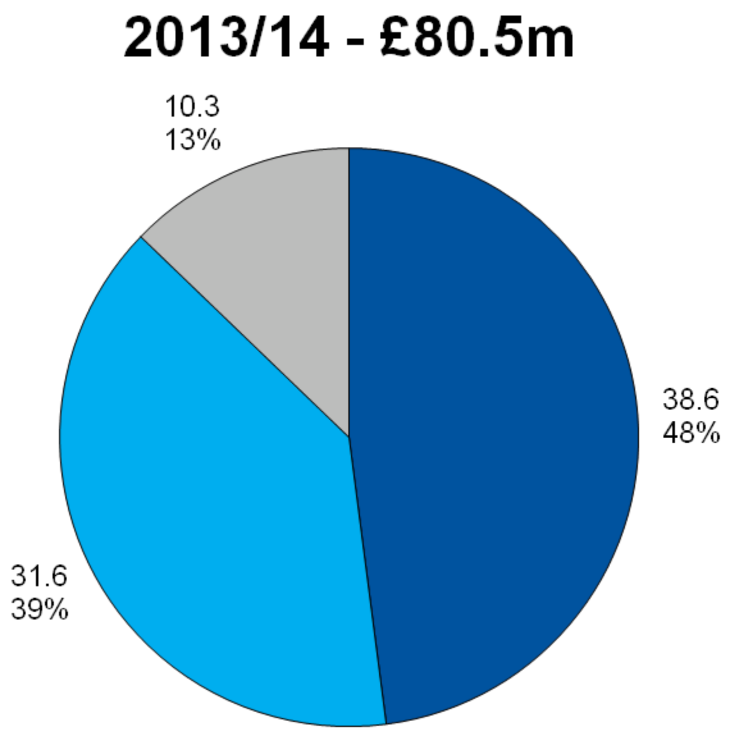


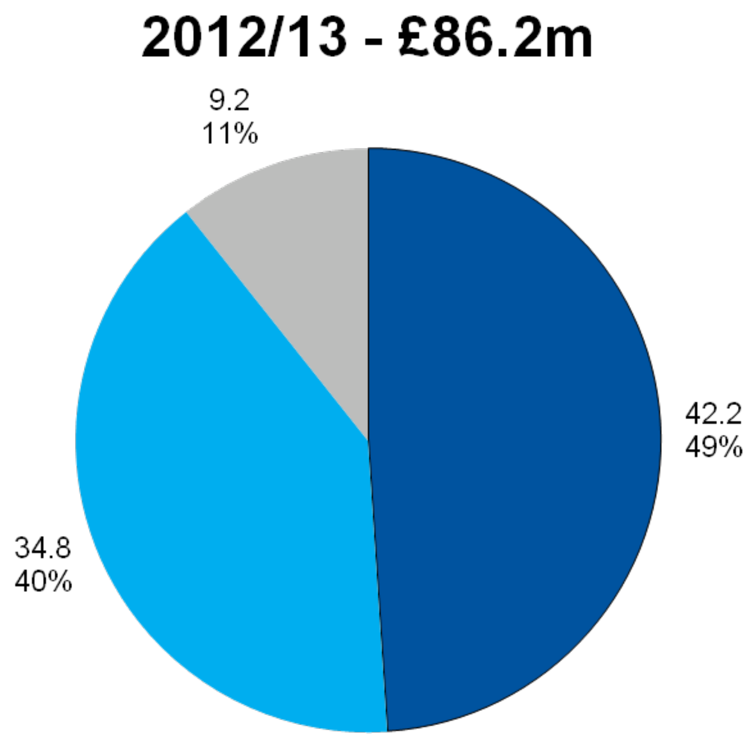
2012/13 - £465.0m



Retail grocery
Retail general merchandise
FMCG
Tankers & bulk
Construction
Other

Revenue analysis
Specialist businesses





Containers
Pullman Fleet Services
Records Management

Revenue analysis
Open and closed book