Wincanton plc

Results for the Half Year to
30 September 2014

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

- Revenue increased by 1.6% to £550.9m
- Underlying operating profit increased by 2.9% to £24.9m
- Operating margin remained constant at 4.5%
- Underlying EPS growth of 26.2% to 10.6p driven by significantly lower financing charges
- Solid performance on new business wins and renewals across all sectors with customers including Howdens, General Dynamics, Halo Foods, Waitrose wines and spirits and Britvic
- Refinancing completed significantly extending debt maturity profile
- Net debt consistent with year end position at £66.9m and £20.3m below H1 in prior year

Financial review

Adrian Colman

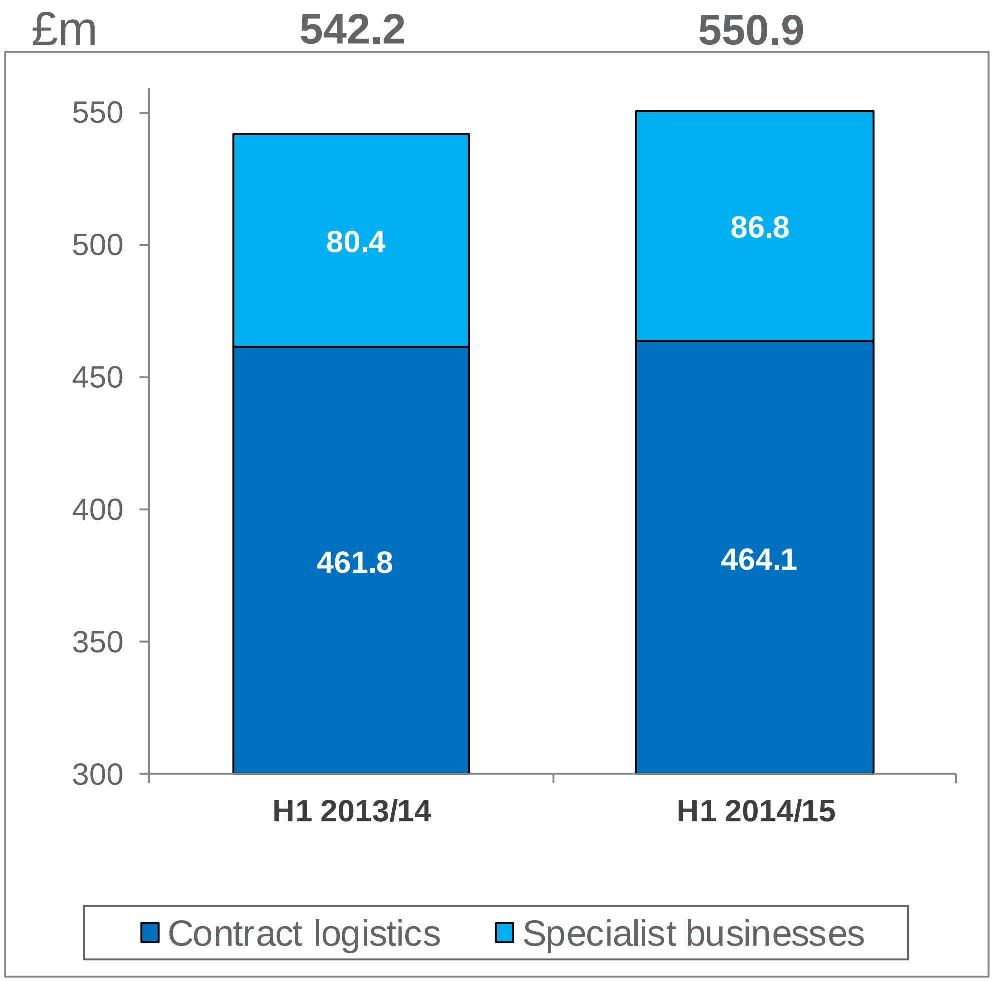
Group Finance Director

Financial summary

	H1 2014/15 £m	H1 2013/14 £m	Change %
Revenue	**550.9**	542.2	1.6%
Underlying operating profit*	**24.9**	24.2	2.9%
Underlying operating profit margin(%)*	**4.5**	4.5	
Underlying profit before tax*	**15.9**	12.9	23.3%
Underlying EPS (pence)*	**10.6**	8.4	26.2%
Basic EPS (pence)	**8.3**	6.4	29.7%
Net debt	**(66.9)**	(87.2)	23.3%

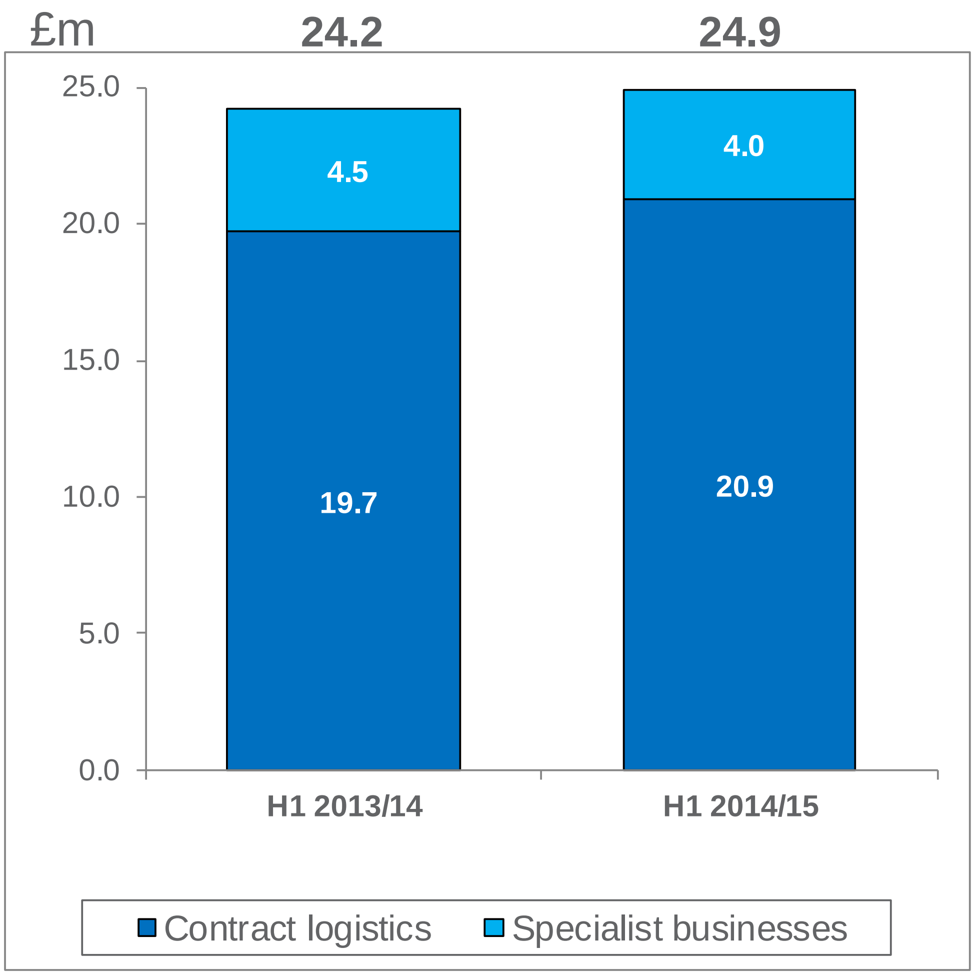
*before amortisation of acquired intangibles

Revenue by sector - £m



- Revenue growth of 1.6% over H1 2013/14
- Contract logistics
  - Volume growth in construction and FMCG
  - Retail growth in grocery convenience and home / DIY offset by customer site closures due to network changes
- Specialist businesses
  - All businesses grew revenue

Underlying operating profit by sector - £m



- Profit growth of 2.9% over H1 2013/14
- Contract logistics profits increased 6.1% due to better margin mix in non retail business
- Specialist business profit impacted by
  - Increased investment supporting future growth in Pullman and WRM
  - Mix of work across sector
- Margin remained constant at 4.5%

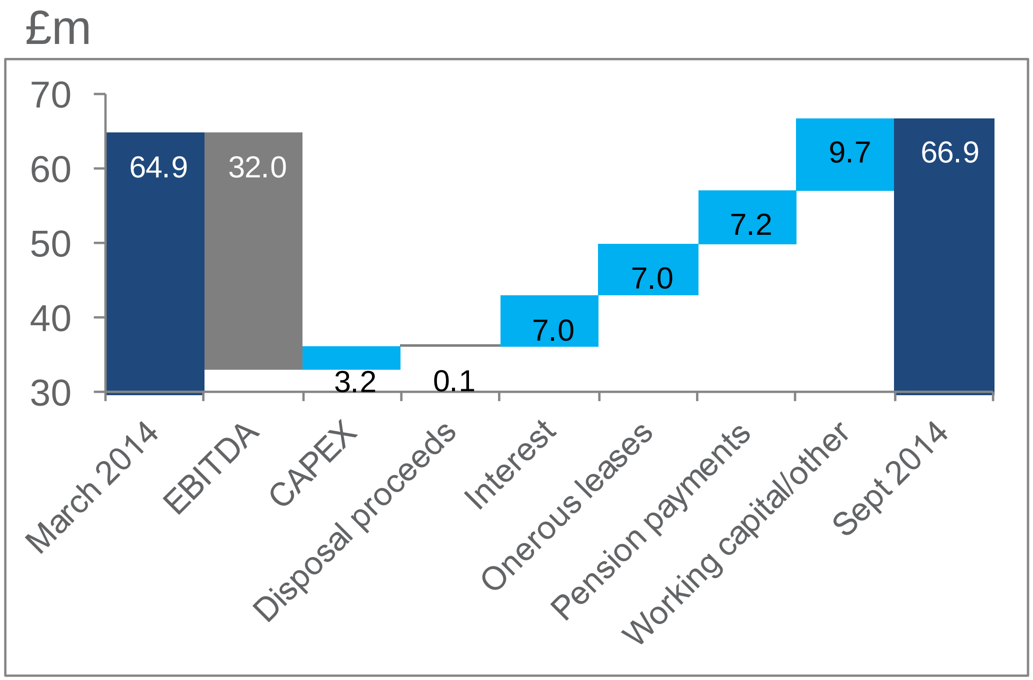
Financing costs and taxation

	H1 2014/15 £m	H1 2013/14 £m
Net bank interest payable	**(5.4)**	(6.8)
Provisions discounts unwinding	**(1.1)**	(1.2)
Pension financing items	**(2.5)**	(3.3)
	(9.0)	(11.3)

	H1 2014/15	H1 2013/14
Effective tax rate	23.0%	24.5%

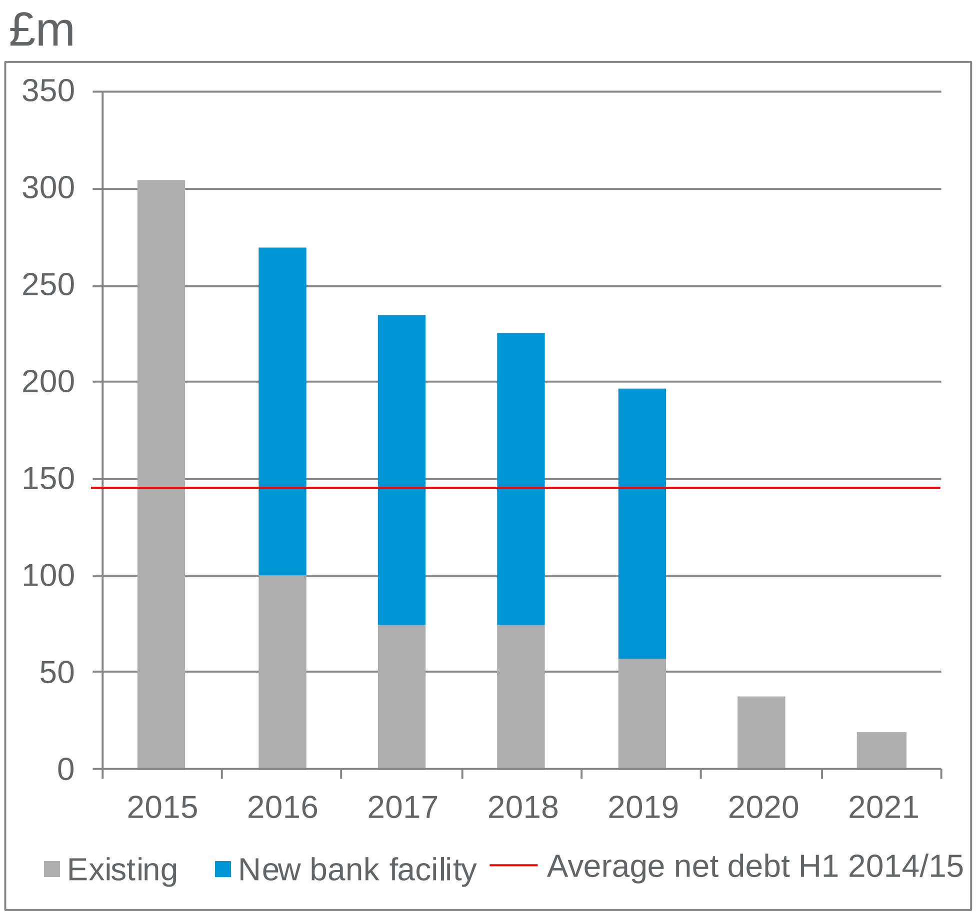
- Financing costs
  - Lower average net debt levels drive lower interest charge
  - Fees reduced following bank refinancing
  - Pension finance charges reduced
- Tax
  - Effective tax rate trends down with lower UK corporation tax rate

Cash flows and net debt - £m



- Net debt reduced by £20.3m to £66.9m vs £87.2m at 30 Sept 2013
- Capex profile expected to be H2 weighted
- Cash interest includes new facility arrangement fees
- Onerous lease payments expected to reduce from 2015/16
- Pension deficit recovery payments will be £14.5m for 2014/15
- Closing net debt : EBITDA 1.5x at 30 Sept 2014 (30 Sept 2013: 1.9x)

Net debt – facilities and maturity - £m



- Positive trend on reducing average net debt continues
  - H1 2013/14 - £175m
  - H2 2013/14 - £161m
  - H1 2014/15 - £141m
- New facility in place
  - Better pricing
  - 5 year maturity
  - Covenants unchanged
- Group committed facilities of £299m
- Facilities comprise
  - USPP - £34m to Dec 2015
  - Shelf facility - £20m to Nov 2016
  - Bank facility - £170m to Jun 2019
  - M&G facility - £75m to Nov 2021

Pension

	30/9/14	31/3/14	30/9/13
	£m	£m	£m
Assets	**823.5**	778.3	745.4
Liabilities	**(967.1)**	(889.2)	(887.4)
	(143.6)	(110.9)	(142.0)
Deferred tax	**28.8**	22.2	28.4
Net deficit	**(114.8)**	(88.7)	(113.6)

- Discount rate movement drives liability movement,
  - Sept 2013 - 4.60%
  - Sept 2014 - 3.95%
  - Mar 2014 - 4.50%
- Next triennial valuation due at 31 March 2014 – underway with Trustees
- Target asset portfolio allocations,
  - Growth 54% (Mar 2014 - 60%)
  - Defensive 46% (Mar 2014 - 40%)
- Liability hedging at c. 35% (Mar 2014 - 30%)

Operations strategic update and outlook

Eric Born

Chief Executive

Contract logistics – update

	H1 2014/15 £m	H1 2013/14 £m
Revenue	**464.1**	461.8
Underlying operating profit	**20.9**	19.7
Operating margin	**4.5%**	4.3%

- Solid performance in construction and household/DIY sectors has continued from last year
- Open book business portfolio stable overall
- Solid performance in renewing and winning contracts
  - Howdens – new business
  - Halo Foods – new business
  - Britvic – relationship length 21 years
  - Waitrose wines and spirits – relationship length 20 years
  - General Dynamics – relationship length 8 years
- Growth in revenue and operating profit in the half

Specialist businesses – update

	H1 2014/15 £m	H1 2013/14 £m
Revenue	**86.8**	80.4
Underlying operating profit	**4.0**	4.5
Operating margin	**4.6%**	5.6%

- Revenue growth in all three businesses in period
- New business pipeline and conversion remains strong
- Pullman won remaining half of Asda Home Shopping following initial win in 2013
- Driver shortage in UK and mix of work impacting Containers margin
- Investment in the period in both Pullman and Records Management to deal with growth

Multichannel

Supporting changes in our customers' supply chain

- Online sales currently represent 14.5% of total retail market, growing to 17.8% by 2019*
- Multichannel shift puts pressure on cost to serve, IT system capabilities and brand experience
- Wincanton well positioned to support customers
- Currently manage multichannel operations for more than 10 customers including Screwfix and Williams-Sonoma Inc
- System solutions are often an integral part of our service offer
- The majority of multichannel operations are still managed in-house**

* Source: eretail in the UK, Verdict Channel Report (August 2014)
** Source: Transport Intelligence

Managing complex change

Example of delivering value through managing change for a key customer

- Global SAP implementation for major FMCG customer required significant changes to logistics systems
- During implementation customer announced sale of significant part of its business
- As a consequence, the scope of the project significantly changed
- Requirement to set up logistics and systems solution for the divested business in addition to initial scope within the same timeframe
- A development and operations team of 30 specialists successfully delivered on time and on budget during the peak trading period of both customers

Pullman

Leading UK independent in commercial vehicle repair and maintenance

- Continued growth in home delivery provides opportunity for Pullman
- Leader in fleet maintenance for grocery home delivery vehicles - 68% market share
- Key strength of Pullman is providing industry leading vehicle on-road availability and first time MOT pass rate
- Scale and depth of Pullman’s service offering provides compelling customer proposition

Delivering on our strategy

- 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
- Drive further improvements in our operating cost structure
- On-going focus on operating profit growth and cash flow generation

Outlook

- We remain on track to meet expectations in the current year
- Continued good contract wins and renewals
- Efficiencies across Group mitigate pricing pressure on renewals
- Cash generation expected to improve from 2015/16 as legacy onerous leases reduce

Questions

Unlocking potential

Wincanton

Appendices

- Income statement summary
- Balance sheet summary
- Cash flow summary
- Revenue analysis charts

Income statement summary

	H1 2014/15 £m	H1 2013/14 £m
Revenue	**550.9**	542.2
Underlying operating profit	**24.9**	24.2
Amortisation of acquired intangibles	**(3.2)**	(3.2)
Operating profit	**21.7**	21.0
Net financing costs	**(9.0)**	(11.3)
Profit before tax	**12.7**	9.7
Income tax expense	**(3.0)**	(2.3)
Profit for the period	**9.7**	7.4
EPS – Basic (pence)	**8.3p**	6.4p
EPS – Diluted (pence)	**7.5p**	6.0p

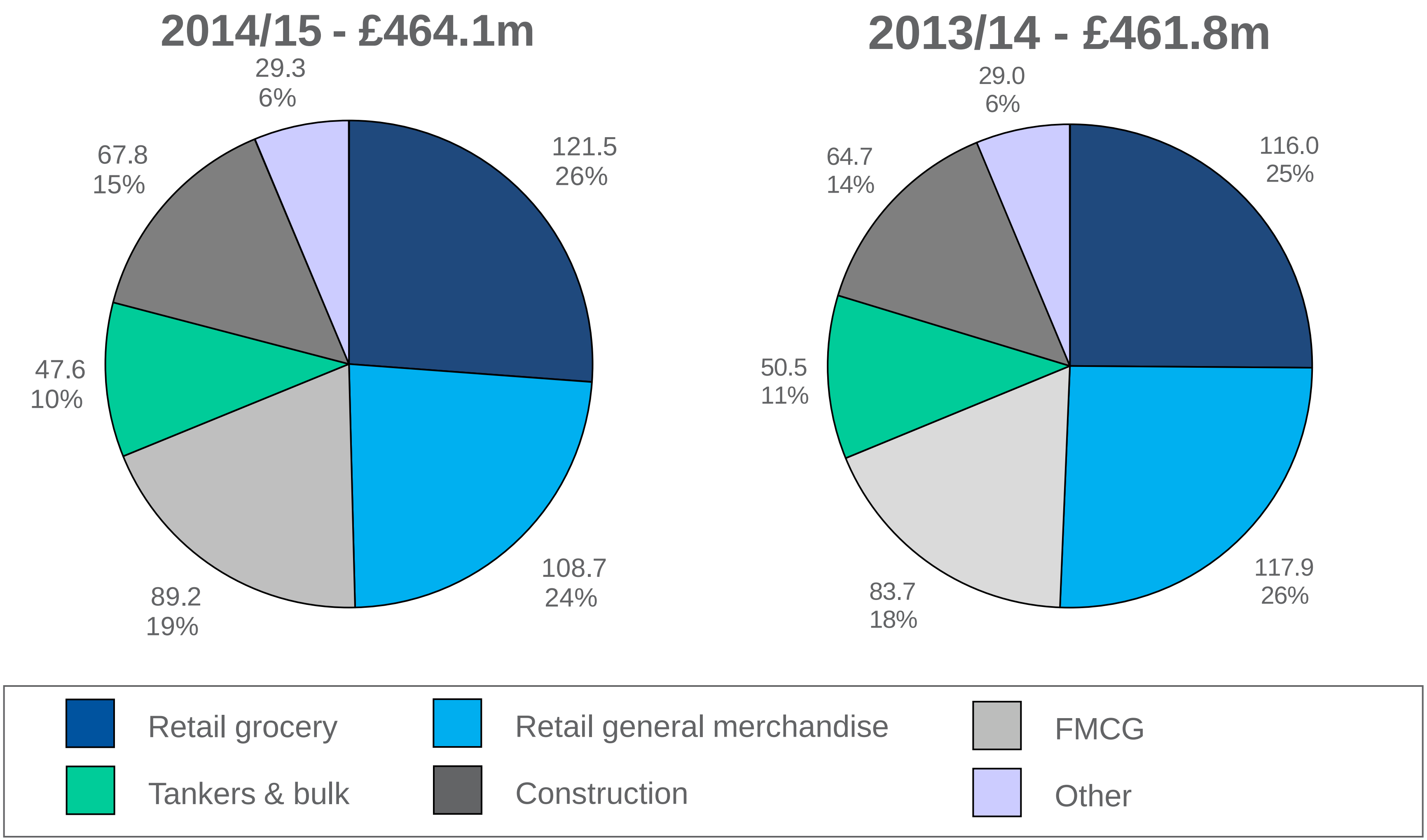
Balance sheet summary

	30/9/2014 £m	30/9/2013 £m
Non-current assets	**190.5**	201.2
Net current liabilities (excluding net debt)	**(199.7)**	(196.4)
Non-current liabilities (excluding net debt & pensions)	**(48.2)**	(50.7)
Net debt	**(66.9)**	(87.2)
Pensions deficit (gross)	**(143.6)**	(142.0)
Net liabilities	**(267.9)**	(275.1)

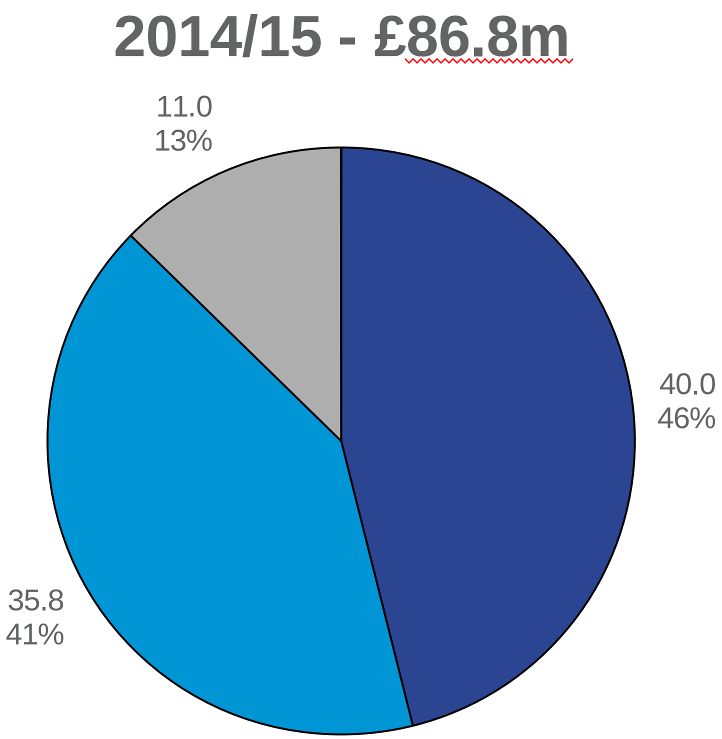
Cash flow summary

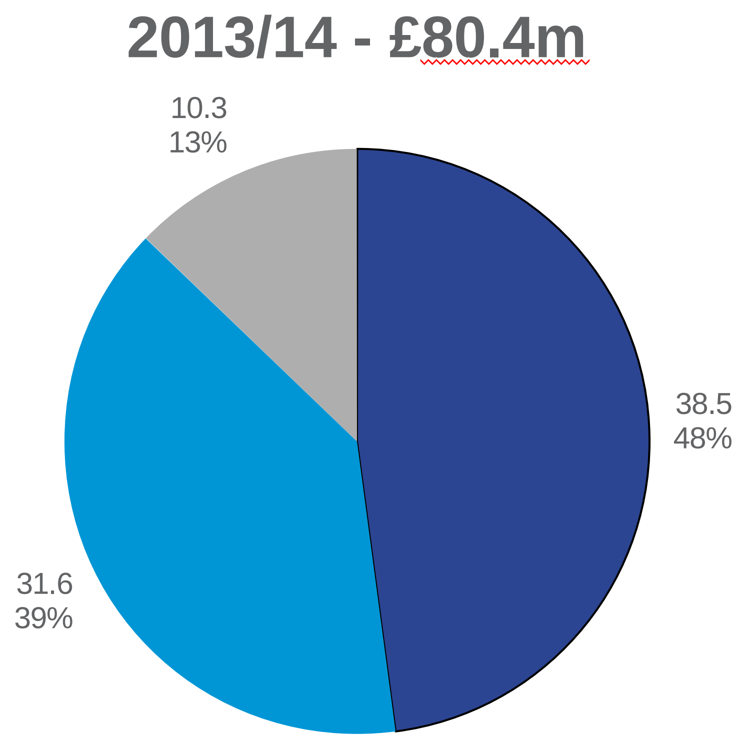
	H1 2014/15 £m	H1 2013/14 £m
Underlying operating profit	**24.9**	24.2
Depreciation	**7.1**	6.8
Underlying EBITDA	**32.0**	31.0
Net capital expenditure	**(3.1)**	2.9
Net financing costs	**(7.0)**	(6.9)
Working capital movements	**(7.9)**	(1.0)
Pension deficit payment	**(7.2)**	(2.0)
Provisions outflows	**(8.4)**	(4.9)
Income tax paid	**(1.8)**	(0.1)
Other	**1.4**	1.4
Total	**(2.0)**	20.4

Revenue analysis
Contract logistics



Revenue analysis
Specialist businesses





Containers | Pullman Fleet Services | Records Management

Revenue analysis
Open and closed book

2014/15 - £550.9m

2013/14 - £542.2m