WINCANTON PLC

RESULTS FOR THE YEAR ENDED 31 MARCH 2020

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

Executive Summary

– James Wroath - CEO

Financial and Performance Review

– Tim Lawlor - CFO

Strategy Update and Outlook

– James Wroath - CEO

EXECUTIVE SUMMARY

James Wroath, Chief Executive Officer

EXCELLENT FOUNDATIONS

Unlocking the potential for growth

- Strong year for revenue growth, margins maintained
- Notable growth in Retail Grocery and General Merchandise
- New business wins and successful contract retention
- FY19/20 largely unaffected by COVID-19
- Review of strategy complete, organisation structure aligned to growth focus

COVID-19 UPDATE

Business remains commercially robust and resilient, reflecting diversity of customer base

Business Unit	COVID	Trend & Approach
Retail Grocery	↑	• Volumes at normal levels • New opportunities emerging e.g. Morrisons
Retail General Merchandise	↓	• Volumes returning to normal • Focus on eCommerce demand shift arising from COVID-19
Consumer Products	↑	• Volumes at normal levels • Opportunities from supply chain reviews
Construction	↓	• Volumes showing early signs of recovery • Close monitoring of fixed and variable resources
Transport Services	↓	• Some uncertainty remains depending on market served • Development of digital marketplace for growth
Other Services	→	• Defence growth offsetting short-term reduced Fuels • Future UK infrastructure investment opportunities

FINANCIAL AND PERFORMANCE REVIEW

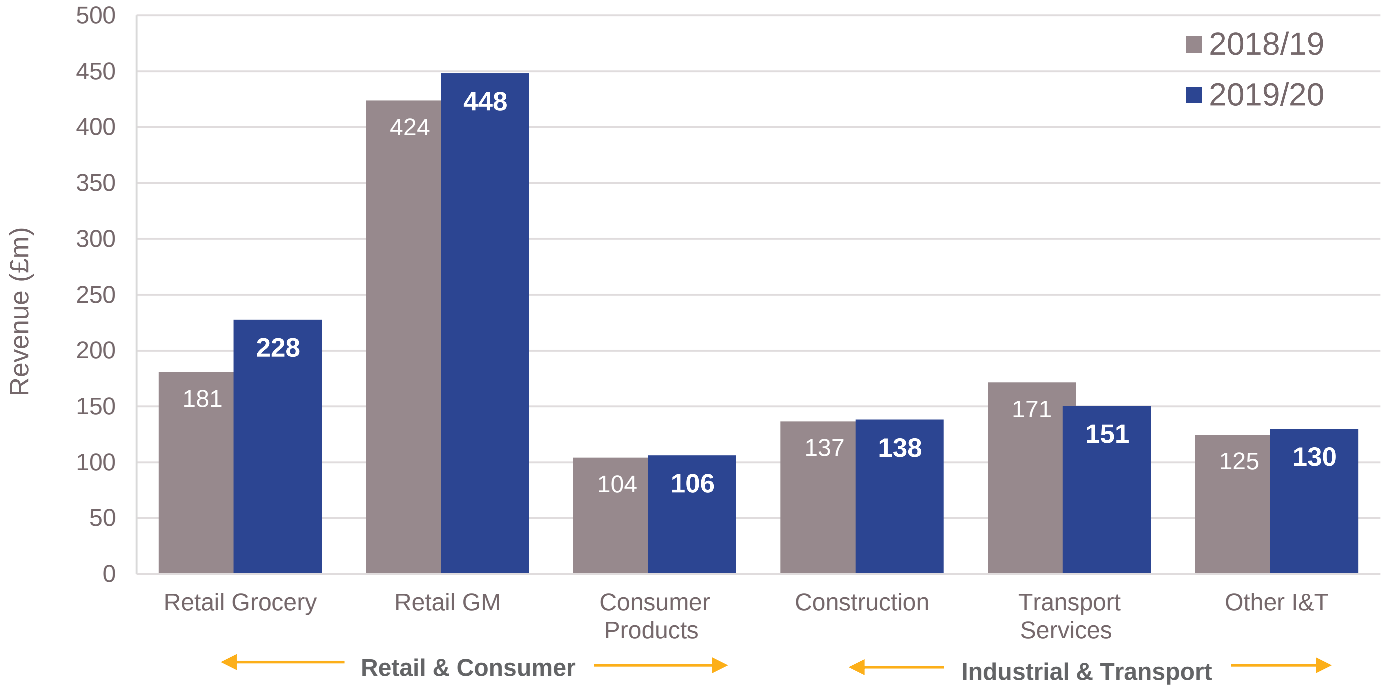
Tim Lawlor, Chief Financial Officer

FINANCIAL SUMMARY

	2019/20 IFRS 16[1] £m	2019/20 IAS 17[1] £m	2018/19 IAS 17 £m	Change vs IAS 17
Revenue	1,201.2	1,201.2	1,141.5	5.2%
Underlying EBITDA[2]	104.1	68.9	66.7	3.3%
Underlying operating profit[2]	61.0	57.3	55.3	3.6%
Underlying profit before tax[2]	52.8	52.9	49.3	7.3%
Underlying EPS (pence) [2]	36.1p	35.8p	33.5p	6.9%
Free cash flow	40.8	40.8	57.0	
Net debt	10.1	10.1	19.3	

[1] IFRS 16 was adopted on 1 April 2019 using the modified retrospective approach and accordingly prior period figures are not restated. The discussion of results is based on a comparable IAS 17 basis, unless otherwise stated throughout the presentation
[2] Before non-underlying items

REVENUE ANALYSIS



- Strong year on year revenue growth of 5.2% to £1,201.2m
- Significant growth in Grocery and Retail General Merchandise from new business and volumes
- Transport Services impacted by Brexit uncertainty and contract exits
- Open book contracts 64%, closed book contracts 36% (2018/19: O/B 60%, C/B 40%)

RETAIL & CONSUMER PERFORMANCE

GENERAL MERCHANDISE | HOME | GROCERY | CONSUMER PRODUCTS

	2019/20 IFRS 16 £m	2019/20 IAS 17 £m	2018/19 IAS 17 £m	Change vs IAS 17
Revenue	**782.3**	**782.3**	708.9	10.4%
Underlying operating profit	**39.0**	**36.4**	31.2	16.7%
Operating margin	**5.0%**	**4.7%**	4.4%	30bps

- Revenue growth of 10.4% driven by:
  - Strong growth in Grocery (26.0%) – Morrisons, Co-Op and Sainsbury's
  - Continued growth in General Merchandise (5.8%)
    - New wins in market-leading 2 person home delivery service – Sofa Club, Stuffstr, Wickes (Kitchen, Bathroom and Bedrooms), Dwell
    - Organic growth in core customer base
- Renewals with Sainsbury's, Waitrose, Williams-Sonoma Inc., and Neal's Yard Remedies
- Profit margins increased by 30bps – operational efficiency and increased economies of scale

INDUSTRIAL & TRANSPORT PERFORMANCE

TRANSPORT SERVICES | CONSTRUCTION | OTHER SERVICES

	2019/20 IFRS 16 £m	2019/20 IAS 17 £m	2018/19 IAS 17 £m	Change vs IAS 17
Revenue	**418.9**	**418.9**	432.6	(3.2%)
Underlying operating profit	**22.0**	**20.9**	24.1	(13.3%)
Operating margin	**5.3%**	**5.0%**	5.6%	(60bps)

- Revenue impacted by contract exits and Brexit related uncertainty slowdown
  - New business revenue from wins and start-ups of Aggregate Industries, Hapag-Lloyd, HMRC and Weetabix
  - Contract exits in Transport Services
  - Volume pressure in construction, containers and Pullman
- All major contract renewals successful in year, including Lucozade Ribena Suntory, Müller Milk, Ibstock, Monier and adidas
- Profit margins contracted by 60bps, driven by adverse mix of volume changes and Pullman competitive pressures

UNDERLYING PROFIT

	2019/20 IFRS 16[1] £m	2019/20 IAS 17[1] £m	2018/19 IAS 17 £m	Change vs IAS 17
Underlying EBITDA	**104.1**	**68.9**	66.7	3.3%
EBITDA margin	***8.7%***	***5.7%***	*5.8%*	*-10bps*
Depreciation	**(43.1)**	**(11.6)**	(11.4)	
Underlying operating profit	**61.0**	**57.3**	55.3	3.6%
Underlying operating profit margin	***5.1%***	***4.8%***	*4.8%*	-
Financing costs	**(8.2)**	**(4.4)**	(6.0)	
Underlying profit before tax	**52.8**	**52.9**	49.3	7.3%
Underlying profit before tax margin	***4.4%***	***4.4%***	*4.3%*	*+10 bps*

- Operating profit increase primarily driven by revenue growth
  - Group operating profit margins constant but change in mix between sectors
- Underlying PBT margin also benefits from balance sheet strengthening
  - Move into pension surplus eliminates pension finance costs
- Underlying tax of £8.6m (2019: £7.8m), effective tax rate of 16.3% (2019: 15.9%)

NON-UNDERLYING ITEMS

	2019/20 IFRS 16 £m	2019/20 IAS 17 £m	2018/19 IAS 17 £m
COVID-19 related impairments	**(9.3)**	**(9.3)**	-
Professional fees – M&A activities	**(2.0)**	**(2.0)**	-
Net profit on disposal of freehold property	**2.3**	**2.3**	6.0
Pension scheme – GMP	**-**	**-**	(8.2)
Provision reduction in respect of legacy onerous property leases	**-**	**-**	1.5
Net non-underlying items	**(9.0)**	**(9.0)**	(0.7)

- Impairments due to forecast downturn in construction, containers and Pullman businesses
  - Fixed assets c.£4m, right of use assets c.£4m, inventories c.£1m.
- Professional fees primarily related to review of acquisition of Eddie Stobart
- Gain on sale of warehouse and VMU in Bathgate, Scotland in H1

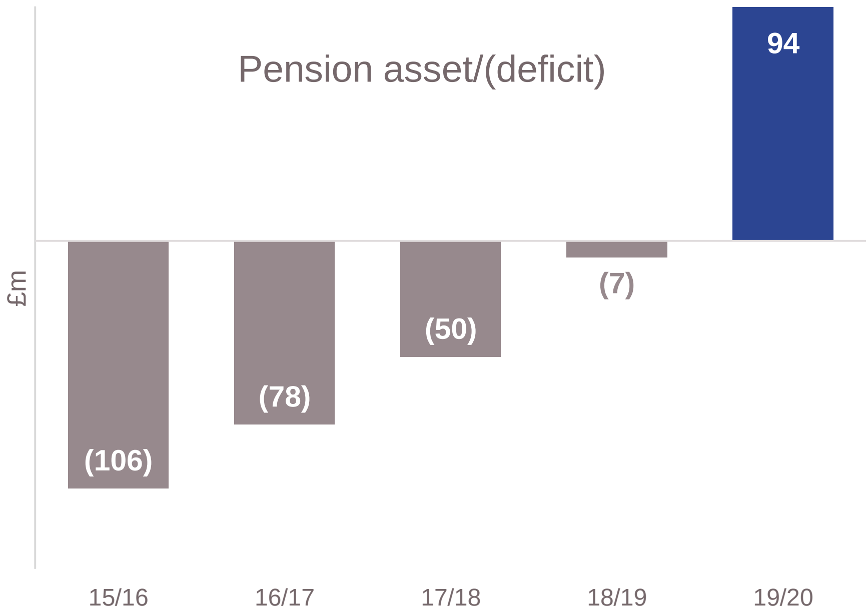
FREE CASH FLOW

	2019/20 IFRS 16 £m	2019/20 IAS 17 £m	2018/19 IAS 17 £m
Underlying EBITDA	**104.1**	**68.9**	66.7
Working capital	**(4.2)**	**(8.3)**	0.8
Tax	**(7.0)**	**(7.0)**	(1.5)
Net interest	**(7.6)**	**(4.0)**	(4.2)
Other items	**(5.0)**	**(5.0)**	(8.9)
Free cash flow before capex	**80.3**	**44.6**	52.9
Repayment of obligations under leases	**(35.7)**	**-**	-
Capital expenditure	**(9.3)**	**(9.3)**	(9.7)
Net proceeds from disposals	**5.5**	**5.5**	13.8
Free cash flow	**40.8**	**40.8**	57.0
Pension payments	**(17.8)**	**(17.8)**	(32.3)
Dividends	**(13.8)**	**(13.8)**	(12.7)
Own shares acquired	**-**	**-**	(1.8)
Reduction in net debt	**9.2**	**9.2**	10.2
Closing net debt	**(10.1)**	**(10.1)**	(19.3)

- Working capital outflow due to new business start-up and timing of year-end payment runs
- Cash tax increase due to changes in HMRC rules regarding payments on account
- Reduction in Other items due to lower cash restructuring costs
- Capex primarily on IT systems, including transport management system

PENSIONS

IAS 19 valuation	31/03/20 £m	31/03/19 £m
Assets	**1,162.7**	1,146.6
Liabilities	**(1,068.3)**	(1,153.7)
Asset/(Deficit)	**94.4**	(7.1)



- Move into surplus due to:
  - Gross cash contributions of £18.5m in year
  - Short-term lag in reduction of asset valuation – surplus expected to reduce in early FY20/21 as market corrects
- Cash contributions of £12.1m expected in FY20/21, £6.1m deferred into FY21/22
- Triennial valuation for March 2020 in progress
  - Targeting conclusion before end of FY20/21

Note – pension asset / (deficit) figures above exclude deferred tax.

COVID-19 FINANCIAL IMPACTS

Extensive mitigating actions taken:

- VAT and lease payments deferred
- Peak ‘furlough’ of c2,500 employees (15% of workforce)
- Deferral and reduction of management compensation
- Pension contributions amended
- Dividend suspended

Finance facilities extended:

- Committed: £141m Revolving Credit Facility + £40m extension to May 2021
- Uncommitted: £7.5m overdraft

FY20/21 YTD performance improving:

- YTD revenues down c10% on last year but May revenue up 7% from April
- Disproportionate impact on profit due to Closed Book contracts affected
- Uncertainty over rate of recovery remains
- Net debt at end of May £20m vs £70m in prior year, mainly due to mitigating actions which will unwind later in the year

STRATEGY UPDATE AND OUTLOOK

James Wroath, Chief Executive Officer

OUR STRATEGY

'Great people delivering sustainable supply chain value'

Our markets

Deliberately chosen markets for investment that offer potential for organic and inorganic growth, leveraging our capabilities and expertise

Our products and services

Customer propositions that deliver sustainable value and innovation throughout the supply chain, meeting changing market demands and harnessing the best technologies

Our people

An inclusive culture supporting performance and growth for our colleagues, developing the best teams that attract and retain the most talented people in the industry

Our operating model

A disciplined and efficient operating model that is agile and easy for our customers and our people to engage with; and enables economies of scale

The Wincanton Way

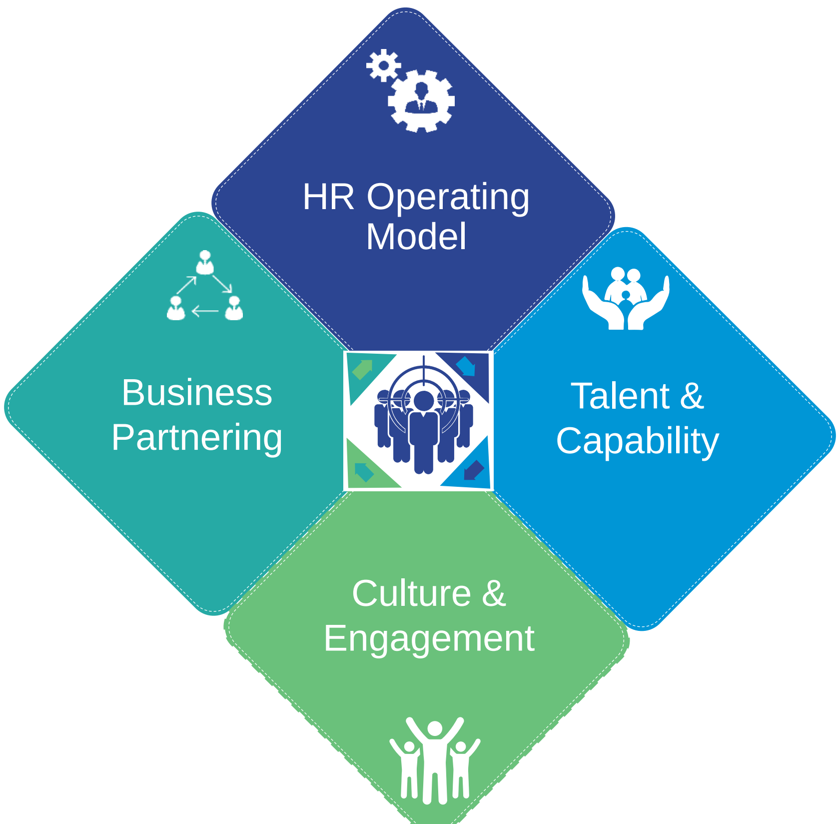
Our commitment to how we work and live our values, connecting and delivering with our colleagues, customers, communities and suppliers

OUR STRATEGY

‘Great people delivering sustainable supply chain value’

OUR PEOPLE

An inclusive culture supporting performance and growth for our colleagues; developing the best teams that attract and retain the most talented people in the industry



OUR OPERATING MODEL

A disciplined and efficient operating model that is agile and easy for our customers and our people to engage with; and enables economies of scale

Efficient

- ✓ Economies of scale
- ✓ Upgraded systems
- ✓ One Wincanton wherever possible

Agile

- ✓ Local Hero with accessible leadership
- ✓ Empowered people
- ✓ Innovative

Engaging

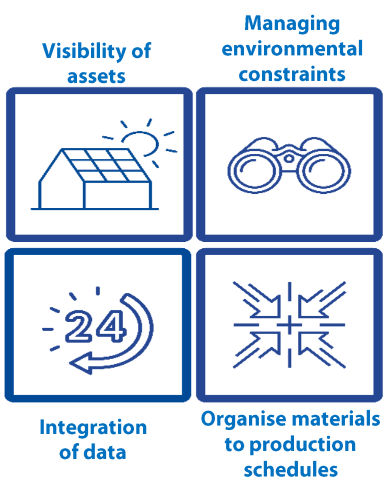
- ✓ Customers & colleagues
- ✓ Differentiator
- ✓ Technology enabled

OUR MARKETS AND OUR PRODUCTS & SERVICES

Aligning our chosen markets to products & services that harness our capabilities and innovative approach, using the best technologies available

Infrastructure

- Projects typically consume >£10m pa of direct logistics, plus inbound construction materials delivered to site
- Leverage our general construction logistics expertise and Hinkley Point reference case



Retail

- Major player in 'big retail' logistics and two-person home delivery with outstanding levels of service
- Expand into eCommerce for smaller retailers - omni and pure play
- Develop micro-fulfilment centres and 'dark' stores

Digital Marketplaces

- Take oneVAST to the next level following successful implementation of warehouse network online tool
- Transport module to connect shippers with vehicle capacity

WINCANTON – THE INVESTMENT CASE

‘Great people delivering sustainable supply chain value’

Differentiated, market-leading offering

- **High quality earnings** and visibility underpinned by multi year, open book contracts and diversified customer portfolio
- Continued focus on **operational excellence** delivering contract and organic growth while driving margin improvement
- **Market leading position** as a trusted partner with enduring customer relationships
- **Innovation** at the heart of the service proposition; continually evolving the offering to stay agile versus competition

Significant & sustainable organic growth prospects

- **Disciplined growth** through analytical and selective targeting of new business
- Positioned to take share in **growing higher margin markets** through increasing exposure to multichannel / eFulfilment / consumer and construction
- **Flexibility** of cost base makes Wincanton well placed in a competitive environment and rapidly changing market dynamics
- **Visibility** over customers' supply chains providing insight and ability to offer innovative solutions, e.g. oneVAST

Robust financial profile generating shareholder value

- **Strong cash generation** and clear capital allocation policy to continually invest in growth and maintain shareholder dividends
- **Experienced management team** with a track record of delivering growth and long term value for shareholders
- **Consistent EPS** growth supports **progressive dividend policy**, offering an attractive and secure yield
- Strong financial profile facilitates **complementary, earnings accretive acquisitions**

SUMMARY AND OUTLOOK

'Excellent financial foundations set to unlock potential for growth'

- COVID-19 highlights continued demand for Wincanton's diversified services – logistics are crucial for our customers and the country
- High-quality earnings and visibility; well-placed to benefit as the market normalises
- Resilient, disciplined approach
- Uncertainty regarding levels of demand and business interruption in some parts of the business for the remainder of the year
- Dividend remains under review; reinstatement when greater visibility of long-term impact of COVID-19
- Growth focused with new opportunities emerging from the crisis:
  - Outsourcing; e-fulfilment; infrastructure
- Confident in ongoing demand and positive about future growth prospects

QUESTIONS

APPENDICES

INCOME STATEMENT SUMMARY

	2019/20 IFRS 16 £m	**2019/20 IAS 17 £m**	2018/19 IAS 17 £m
Revenue	1,201.2	**1,201.2**	1,141.5
Underlying operating profit	61.0	**57.3**	55.3
Non-underlying items	(9.0)	**(9.0)**	(0.7)
Operating profit	52.0	**48.3**	54.6
Net financing costs	(8.2)	**(4.4)**	(6.0)
Profit before tax	43.8	**43.9**	48.6
Income tax expense	(5.3)	**(5.8)**	(5.8)
Profit after tax	38.5	**38.1**	42.8
EPS – basic	31.1p	**30.8p**	34.5p
EPS – diluted	30.8p	**30.5p**	34.2p

BALANCE SHEET SUMMARY

	31/03/20 IFRS 16 £m	**31/03/20 IAS 17 £m**	31/03/19 IAS 17 £m
Non-current assets	226.6	**113.8**	122.9
Net current liabilities (excl. net debt)	(162.3)	**(129.6)**	(133.2)
Non-current liabilities (excl. net debt/pension deficit)	(133.9)	**(43.0)**	(30.4)
Net debt	(10.1)	**(10.1)**	(19.3)
Pension asset/(deficit) (gross of deferred tax)	94.4	**94.4**	(7.1)
Net assets/(liabilities)	14.7	**25.5**	(67.1)

IFRS 16 ADOPTION

- IFRS 16 leases was issued by the IASB in January 2016 and became effective for the Group for the year ended 31 March 2020
- IFRS 16 sets out the principles for the recognition, measurement, preparation and disclosure of leases for both lessees and lessors
- The Group applied IFRS 16 on 1 April 2019 using the modified retrospective approach; the cumulative effect of initial adoption being recognised as an adjustment to the opening balance of retained earnings as at 1 April 2019 with no restatement of comparative information
- The Group recognised right-of-use assets of £117.6m and lease liabilities of £137.4m on 1 April 2019, together with a deferred tax asset of £2.0m
- There is no cash impact of adopting IFRS 16

LEVERAGING OUR INNOVATION PLATFORM

Developing propositions by making innovation integral

Digital Guide

W^2 labs

W^2 LABS

W^2 Partners

W^2 Ideas Accelerator

supply chain excellence awards 2019

KraftHeinz

Propositions

vast

Virtual Access to Storage and Transport

A continuous cycle of developing our Products and Services to deliver innovations and sustainable value throughout the supply chain