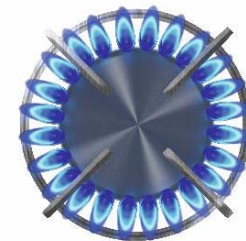
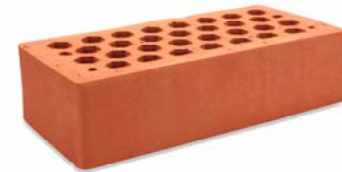




CAPITAL MARKETS DAY

22 September 2016



Introduction



KEY MESSAGES OF THE DAY



Business organised for growth



Attractive markets and differentiated proposition

Strong operating platform and customer relationships



Investing in talent, technology and innovation



Agenda

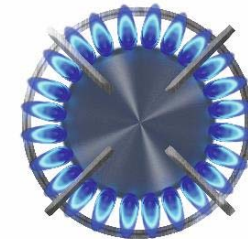
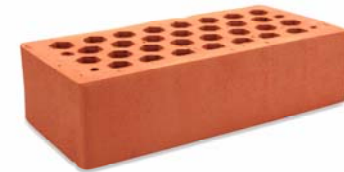


CAPITAL MARKETS DAY		
11:45	Overview and Strategic Update	Adrian Colman Chief Executive Officer
	Financial and Commercial Overview	Tim Lawlor Chief Financial Officer
	Retail & Consumer	Liam McElroy Managing Director, Retail & Consumer
	Question and Answers	Open session
12.45	Lunch	
	Screwfix and Site Tour	Paul Durkin Director, Home & DIY
	Industrial & Transport	Chris Fenton Managing Director, Industrial & Transport
	Questions and Answers	Open session
	Review of day	Adrian Colman Chief Executive Officer
15:30	Finish and depart for station	



OVERVIEW AND STRATEGIC UPDATE

ADRIAN COLMAN
CHIEF EXECUTIVE OFFICER



EXECUTIVE MANAGEMENT TEAM



ADRIAN COLMAN
Chief Executive Officer



TIM LAWLOR
Chief Financial Officer



JANE DAVIES
Group Human Resources
Director



LIAM MCELROY
Managing Director
Retail & Consumer



CHRIS FENTON
Managing Director
Industrial & Transport



NICK EADES
Chief Marketing
Officer

Wincanton Market and Opportunity



The biggest British logistics company serving retail and manufacturing customers across the UK & Ireland



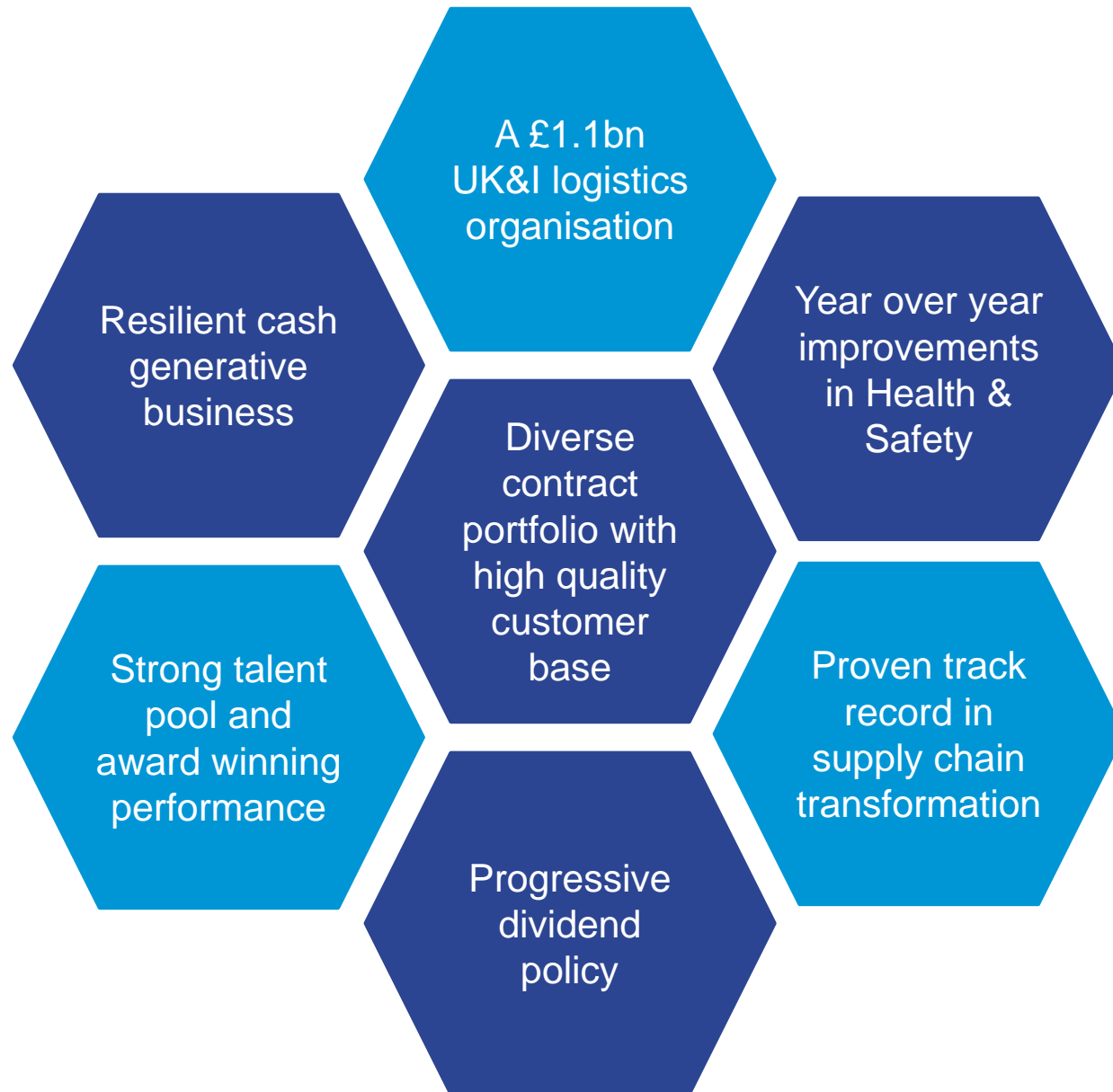
Contract Logistics Market

- Addressable market >£30bn
- Growth linked to GDP (ex services)
- circa 50% outsourced
- Primary competitors – DHL, XPO, Stobart, K&N

Primary Growth Opportunity Areas

- Unlocking efficiency in logistics infrastructure through collaboration
 - Retail Grocery – over capacity
 - Other sectors of Retail and Consumer – under capacity
- Address changing consumer habits – growth in eCommerce and multichannel retail
- Construction – increase penetration of currently fragmented logistics operations

Wincanton Today



Why Outsource to Wincanton?



Why Outsource Logistics?

- Resilience of service
- Benchmarking of performance
- Non-core operation
- Labour management strategy
- Access
 - Talent
 - Technology
 - Innovation
 - Capital

Why Choose Wincanton?

- Consistently reducing through-life cost to serve
- Excellent operating credentials and service levels
- Industry leading Health & Safety performance
- Leader in warehouse technology deployment
- Capital to invest
- Superior colleague engagement and industrial relations expertise
- Flat structure enables quick decisions
- Market leading delivery of complex change programmes
- Bench strength of talented colleagues
 - Management and operational expertise
 - Driver resourcing
 - Continuous improvement experts
 - Award winning talent programmes

Growth Strategy and Investment Opportunities



Resilient, cash generative business with attractive growth prospects



Our Growth Opportunities

- Collaboration initiatives to drive value for customers and Wincanton
- Broaden our eCommerce capabilities to access greater wallet share
- Construction – increase share of fragmented logistics operations
- Leverage transport scale

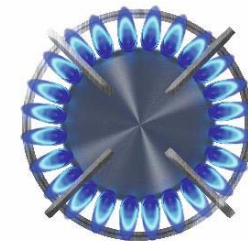
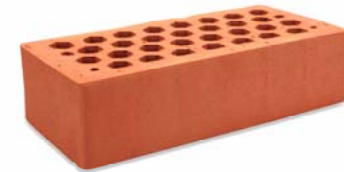
Investment Opportunity

- Business model linked to basic UK & Ireland consumption
- Management strength and experience
- Sustained growth of earnings and cash generation
- Dividend
 - Final dividend reintroduced
 - Strong earnings and cash cover
 - Progressive dividend policy expected



FINANCIAL AND COMMERCIAL OVERVIEW

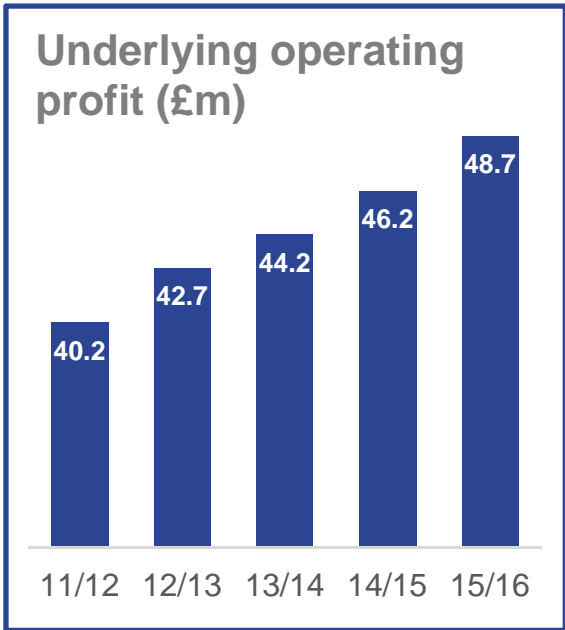
TIM LAWLOR
CHIEF FINANCIAL OFFICER



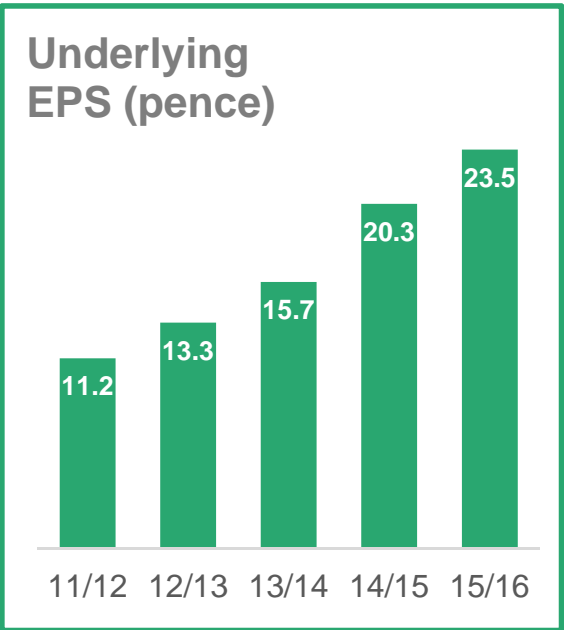
Strong Earnings Growth and Cash Generation



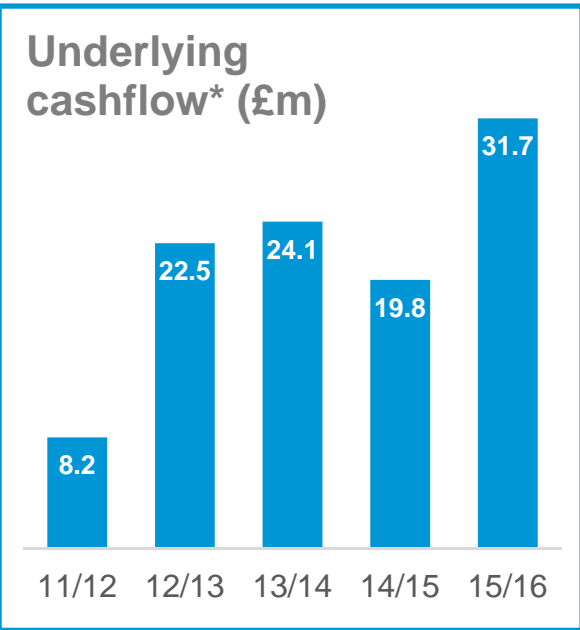
Sustained Operating Profit Growth



EPS CAGR of 20%

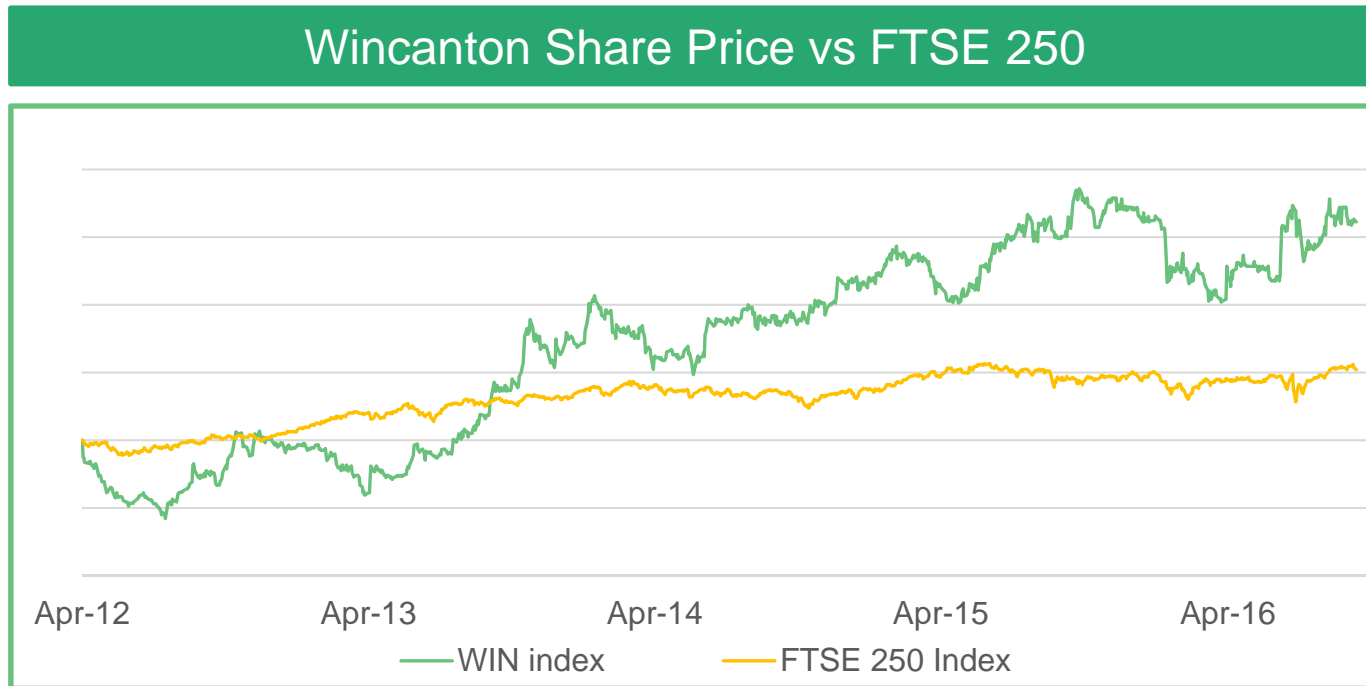


Cash Generation



* EBITDA less gross capex, onerous lease payments, financing costs and taxes

Strong Equity Performance



- Share price CAGR of 23% since April 2012
- Dividends reinstated after five year break in June 2016
 - Strong cash cover for dividend
 - Implied dividend cover circa 2.9
 - Final dividend for 2015/16 of 5.5 pence per share

Debt and Pension Obligations Tightly Managed



Debt

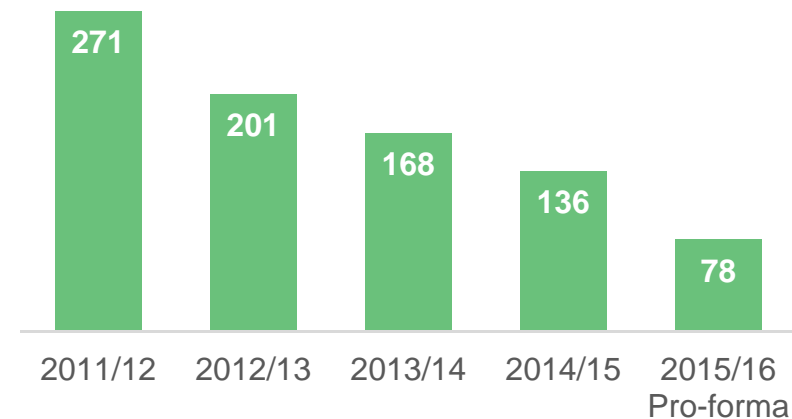
- Net debt reduced to below £40m
- Closing net debt: EBITDA <1.0x
- Facilities of £215m at year end, >£150m to June 2019
- Facility and fixed debt repayment options under review

Pensions

- £106m IAS19 deficit at 2016 year end
- circa £15m annual payments in 2016/17 and 2017/18
- Triennial valuation March 2016
- Further liability management options under review

Sustained Debt Reduction

Average net debt (£m)



Contracting for the long term



'Win – Win'
contracts ensure
longevity of
relationships



General Contracting Principles

- Minimise 'uncontrollable' risk:
 - Fuel price escalator
 - Pass through volume risk in open book
- Seek 'value sharing' partnership models with customers: KPIs, gain share
- Low credit risk exposure due to high quality customer base and working capital terms
- TUPE arrangements at contract start / end

Average contract length is 3-5 years
Average relationship length of top 20 customers is 18 years

Multiple Contracting Models



Open Book (59% of revenue)

More prevalent in Retail & Consumer

- All costs recovered
- Management fee (fixed or volume-related)
- KPI incentives / penalties
- Gain share to drive alignment with customer

Closed Book (41% of revenue)

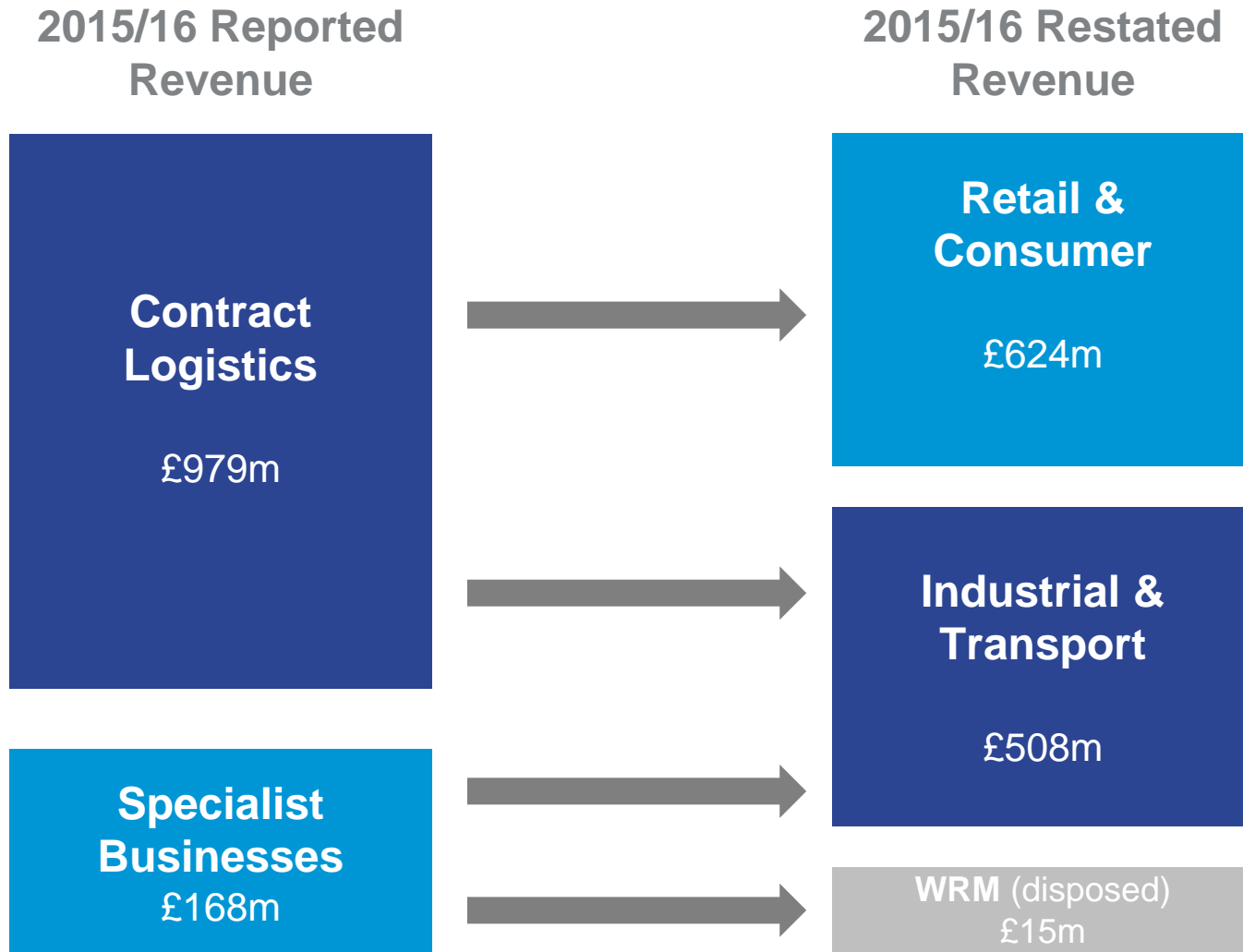
More prevalent in Industrial & Transport

- Fixed price (e.g. warehouse service) or rates (transportation)
- Greater deployment of resources across contracts
- Potentially increased barriers to change

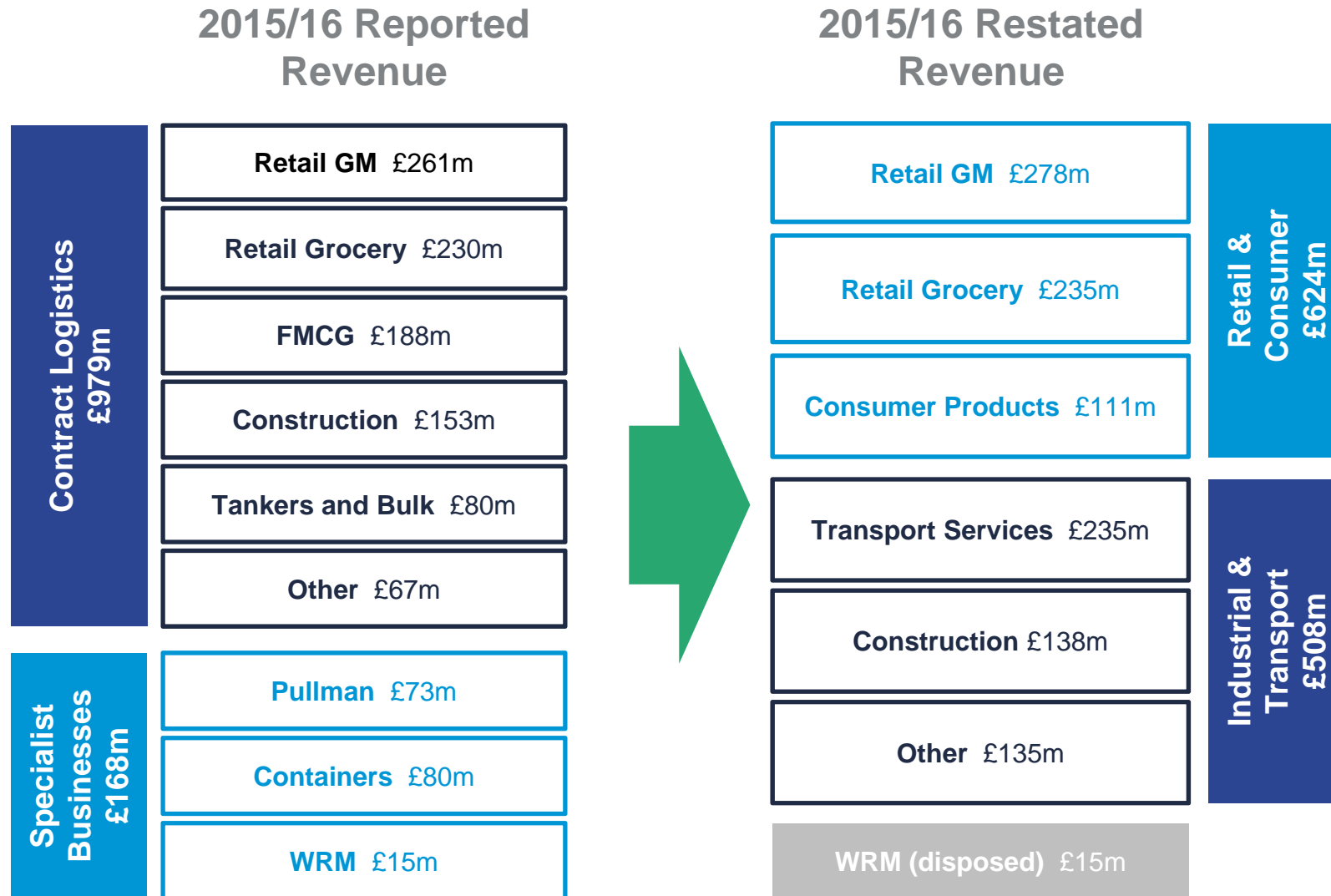
New Operating Segments



Total Group Revenue 2015/16 £1,147m



Revenues By Business Area



Summary



Strong cash generation and well-covered dividend



Strengthened financials bolster commercial proposition

Innovative contracting models supporting growth



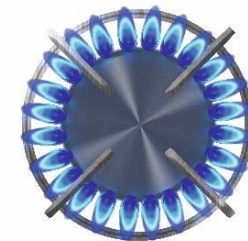
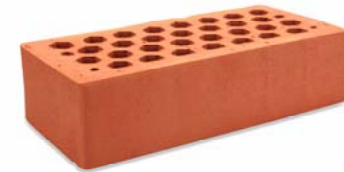
Maintaining appropriate risk appetite





RETAIL & CONSUMER

LIAM McELROY
MANAGING DIRECTOR



Retail & Consumer - £0.6bn Revenue



Retail General Merchandise

Focus on cost to serve, eCommerce growth, customer experience and customer transformation projects



Revenue £278m

Retail Grocery

Focus on cost to serve, labour engagement, productivity and collaboration to maximise asset utilisation



Revenue £235m

Consumer

Focus on cost to serve, eCommerce growth, collaboration to maximise asset utilisation, post production specialisation and co-packing



Revenue £111m

Retail & Consumer - Growth



Taking the lead in a rapidly changing marketplace

Challenges for our Customers

- Logistics asset imbalances in UK
 - Property, drivers, fleet
- Changing shopping habits
 - Rise of discounters
 - eCommerce growth
 - Returns handling
 - New peaks – Black Friday
 - Direct to Consumer (D2C) from manufacturer
- Sterling depreciation post-Brexit will squeeze margins

Our Response

- Focus on bringing collaboration initiatives to unlock value
- Continue to develop and extend our multichannel capabilities
- Optimise operations to drive down cost base
 - Continuous improvement capabilities
 - Automation and technology implementation
 - Peak planning co-ordination and asset deployment

Driving Account Retention and Growth



- Customer for 21 years
- Grocery / convenience operations
- Services include:
 - Warehousing
 - Picking (for convenience)
 - Store deliveries
- Renewed for four years because:
 - Strength of relationship
 - Track record of delivering value and excellent service
- Opportunities
 - Argos integration and support

- Customer for 26 years
- Grocery / convenience operations
- Services include
 - Store deliveries
- Renewed for five years because:
 - Deep understanding of customer's business
 - Value proposition
- Opportunities
 - Warehouse and transport collaboration

Delivering Collaboration



We facilitate and deliver successful collaboration

Identifying Opportunities

The key assets within the supply chain are people, space, fleet and systems. Using our scale and visibility we identify opportunities across our customer portfolio

Facilitating Collaboration

We are uniquely placed to design and lead solutions for collaboration between customers

Delivering and Sharing Success

We work our solutions into a commercial structure delivering value to our customers as well as a return and retention for Wincanton

Building a Collaborative eCommerce Network



YOUR M&S



- Customer for 13 years
- Furniture home delivery customer for >10 years
- Services include
 - Call centre
 - Custom technology platform
 - Two man home delivery and installation
 - Returns handling
 - Repair service
- Model flexed to on-board collaboration with other retailers

Multichannel Growth Opportunity



Over 10 years multichannel experience of:

- Pick, pack and despatch
- Customer call centre management
- Warehouse automation (design, build, operate)
- Last Mile delivery optimisation
- Direct from supplier
- Information Systems provision
- Returns handling



Retail & Consumer – Our Focus



Efficient and effective operations



Continue to develop eCommerce and multichannel growth capabilities

Collaboration

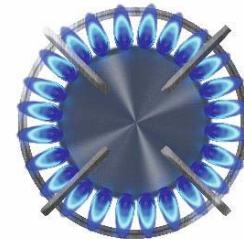


Invest in talent, technology and innovation





QUESTIONS AND ANSWERS

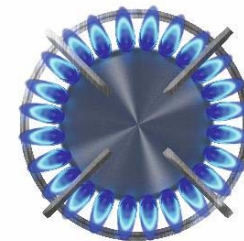




TOUR OF SCREWFIX TRENTHAM

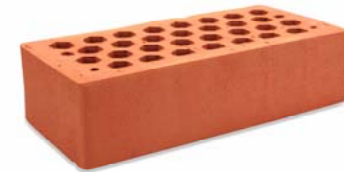


PAUL DURKIN
DIRECTOR

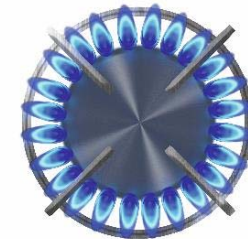




INDUSTRIAL & TRANSPORT



CHRIS FENTON
MANAGING DIRECTOR



Industrial & Transport – £0.5bn Revenue



Transport Services

Integrated transport offering covering inbound container logistics, secondary distribution and fleet maintenance services



Revenue £235m

Construction

Distribution of construction related materials into building sites, merchants and other sales channels



Revenue £138m

Other

Specialist logistics services to industries including defence, energy and food



Revenue £135m

Industrial & Transport – Growth



A national carrier, working across the value chain

Challenges for our Customers

- Cost efficiency
- Resilience of service
 - Fleet availability
 - Driver shortages
- Visibility of inventory
- Unsatisfactory 'end customer' service
- Fragmented haulage market

Our Response

- Deeper integration of Wincanton's transport operations drives greater efficiency
 - Inbound / outbound network integration
 - Leverage cross customer / industry counter cyclical / seasonal flows
 - Reduce business complexity
- Deploy technology to enable visibility and enhance customer service and data analytics
- Deliver consistently high service and resilience from:
 - Scale of operations
 - Talent development, focus and success
 - Driver resourcing
 - Award winning talent programmes
- Invest in areas of high stress in market

Flexible and Cost Effective Transport Model



- Customer for three years
- Construction building materials
- Services include
 - Inbound containers
 - Transport to Howdens depots
- Contract won due to
 - Scale and credentials
 - Industry leading Health & Safety
 - Partnership approach

Deploying Technology to Improve Service



- Access to live data
- Speeds up invoice to cash cycle
- Tracks customer service
- Quick and easy to deploy using smartphones

Demonstration

Building Additional Strength in Construction Sector Logistics



Market Insight

- Fundamentals of market remain strong
- Fragmented logistics supply creates opportunity
- High level of M&A in sector

Opportunities

- Bulk cement
- Bagged cement
- Readymix
- Construction materials
- Infrastructure projects



Investing in Changing Energy Market



Market Insight

- Divestment of forecourts by majors
- Growth of independents
- Evolution of supply model

EnergyLink

Investment in unique shared user offer:

- Collaborative fuel transport
- Unbranded
- Providing flexibility in a changing marketplace

Opportunities

- Aviation fuel supply
- Gases
- Independent forecourts
- New refiners



Industrial & Transport – Our Focus



Consolidation of disrupted and fragmented supply base



Deliver best in class efficiency from deeper transport integration

Selective investment to drive growth



Invest in technology and innovation



KEY MESSAGES OF THE DAY



Business organised for growth



Attractive markets and differentiated proposition

Strong operating platform and customer relationships



Investing in talent, technology and innovation





Certain statements in this presentation are forward-looking statements.

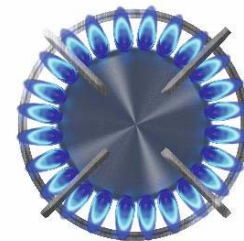
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The information does not assume any responsibility or obligation to update publicly or revise any of the forward-looking statements contained herein.



CAPITAL MARKETS DAY

Appendix



2015/16 Revenue: Restatement of Business Areas



Reported Business Area	Primary Mapping*	Restated Business Area
Retail GM £261m	Retail GM	Retail GM £278m
Retail Grocery £230m	Retail Grocery	Retail Grocery £235m
FMCG £188m	Warehousing to Consumer Products, transport to Transport Services	Consumer Products £111m
Construction £153m	Construction	Retail & Consumer £624m
Tankers and Bulk £80m	Other	Transport Services £235m
Other £67m	Other	Construction £138m
Contract Logistics £979m		Other £135m
Pullman £73m	Transport Services	Industrial & Transport £508m
Containers £80m	Transport Services	Disposed Business £15m
WRM £15m	Disposed Business	
Specialist Businesses £168m		
Group total £1,147m		Group total £1,147m

* Number of smaller contracts also reclassified between business areas