Wincanton plc

Results for the Half Year to 30 September 2015

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
  - Adrian Colman, Chief Executive
- Financial review
  - Tim Lawlor, Chief Financial Officer
- Operational update and outlook
  - Adrian Colman, Chief Executive

Introduction

Adrian Colman

Chief Executive

Overview

- Revenue increased by 5.8% to £583m primarily driven by strong activity levels in open book contracts
- New business wins include a five year contract to manage B&Q's distribution centres and a three year agreement for transport logistics with Halfords
- Successful renewals concluded with long standing customers including HJ Heinz and Dairy Crest
- Underlying operating profit decrease of 5.6% to £23.5m primarily attributable to losses in the Home shopping division on contracts ending this year
- Basic EPS rises 6.0% to 8.8p
- Records Management disposal announced, valuing business at £60m
- Net debt £62.2m, average net debt down £17m to £124m from £141m

Records Management disposal

- Realises material value for Group at EV of £60m
- Valuation > 11 x EBITDA
- Transaction expected to close in early December 2015
- Group now fully focused on its core logistics operations
- Proceeds to be used to reduce debt and contribute to pension scheme

Financial review

Tim Lawlor

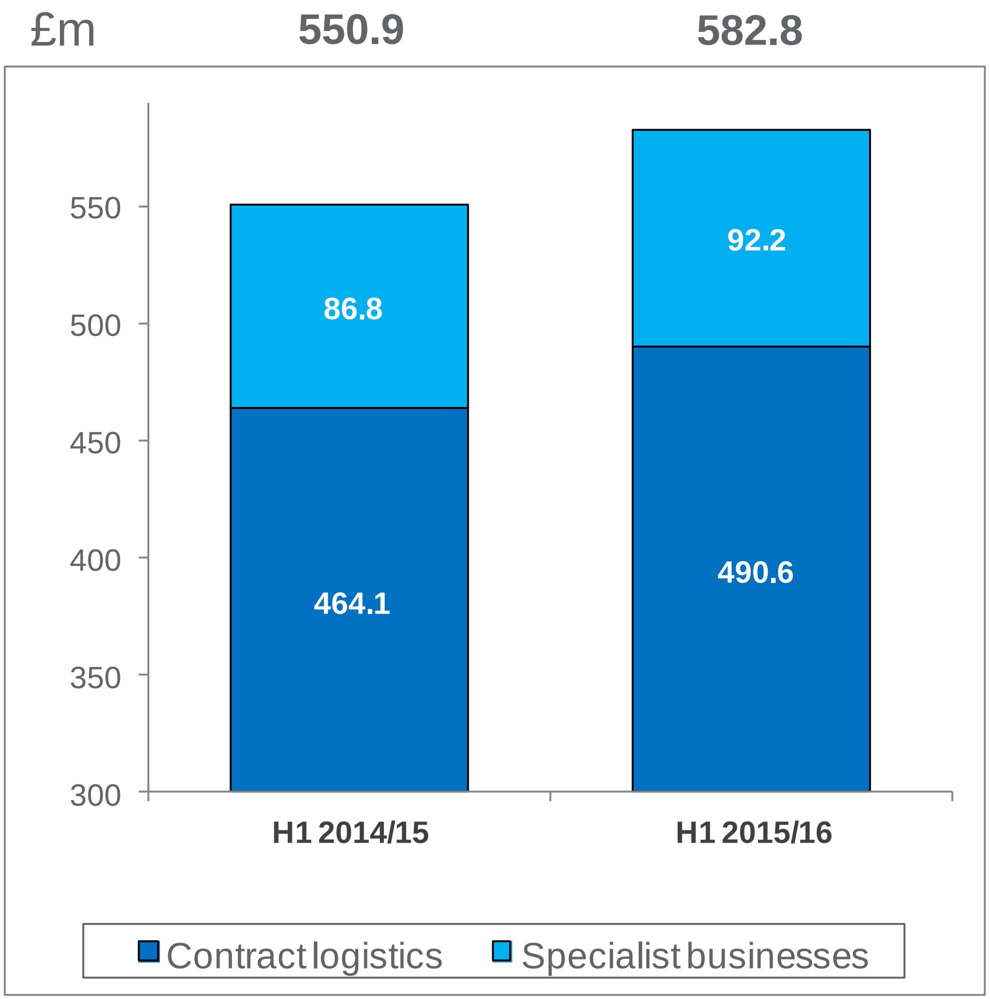
Chief Financial Officer

Financial summary

	H1 2015/16 £m	H1 2014/15 £m	Change %
Revenue	**582.8**	550.9	5.8%
Underlying operating profit*	**23.5**	24.9	-5.6%
Underlying operating profit margin(%)*	**4.0**	4.5	(50 bps)
Underlying profit before tax*	**15.2**	15.9	-4.4%
Underlying EPS (pence)*	**10.3**	10.6	-2.8%
Basic EPS (pence)	**8.8**	8.3	6.0%
Average net debt	**(124.0)**	(141.0)	-12.1%
Closing net debt	**(62.2)**	(66.9)	-7.0%

*before amortisation of acquired intangibles

Revenue by sector - £m



- Revenue growth of 5.8% over H1 2014/15
- Contract logistics
  - Strong volumes in open book contracts and new business wins in the general merchandise and construction sectors
  - Good volume performance in the FMCG sector
  - Grocery volumes steady but Morrisons volumes have ceased
- Specialist businesses
  - Growth in Pullman Home shopping volumes

Underlying operating profit by sector - £m

£m	H1 2015/16	H1 2014/15
Contract logistics	24.4	20.9
Specialist businesses	(0.9)	4.0
Underlying Operating Profit	23.5	24.9
Underlying Operating Margin	4.0%	4.5%

- Profit reduced by 5.6% over H1 2014/15
- Contract logistics profits increased 16.7%
  - Strong operational KPI performance
  - Good level of project performance continued in H1
  - Cost efficiencies
- Specialist businesses profit impacted by
  - Losses in close out of home shopping contracts
  - Containers business affected by volatile volumes and driver costs

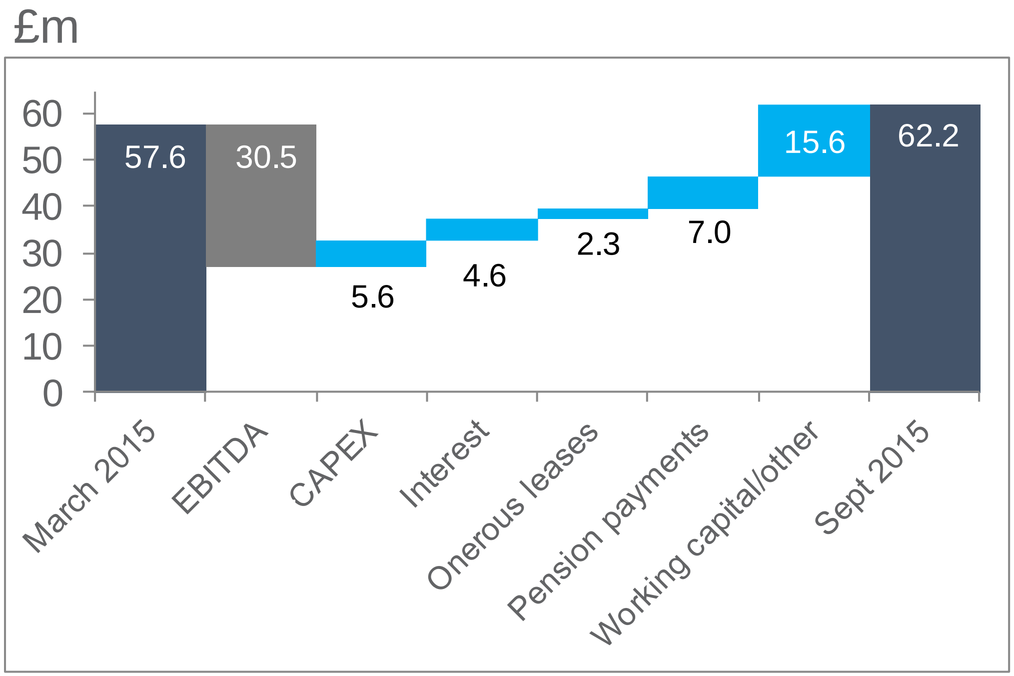
Financing costs and taxation

	H1 2015/16 £m	H1 2014/15 £m
Net bank interest payable	**(5.0)**	(5.4)
Provisions discounts unwinding	**(1.0)**	(1.1)
Pension financing items	**(2.3)**	(2.5)
	(8.3)	(9.0)

	H1 2015/16	H1 2014/15
Effective tax rate	19.5%	23.0%

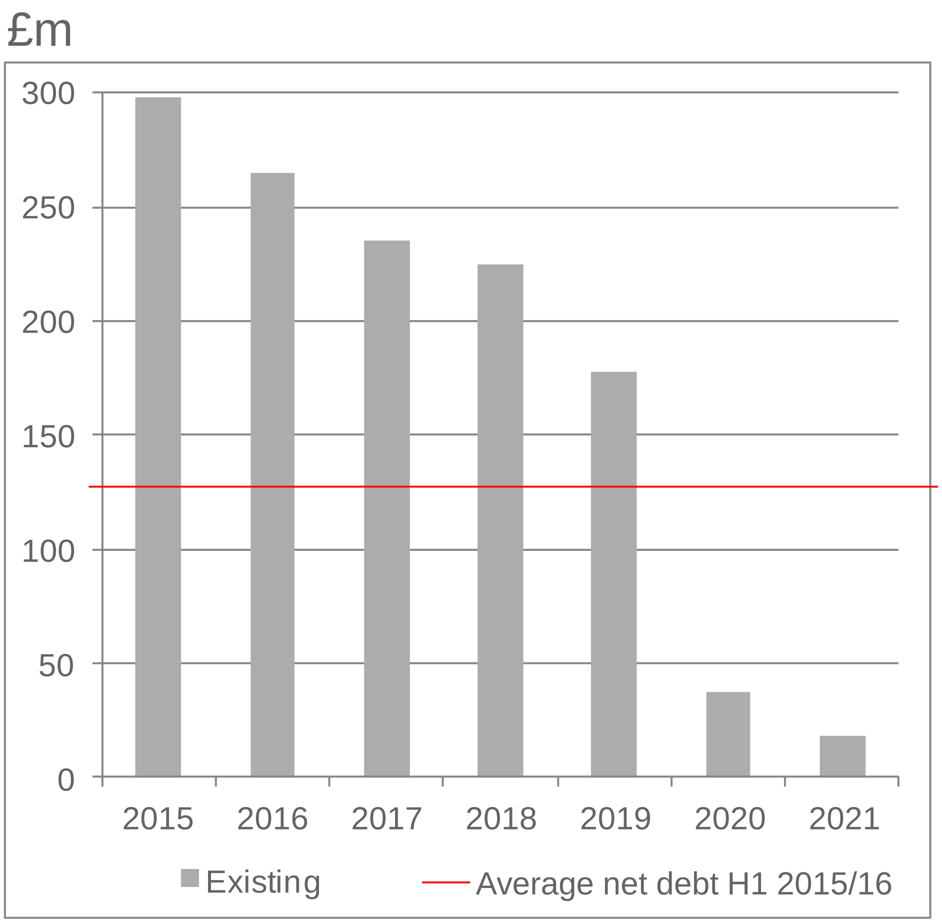
- Financing costs
  - Net bank interest reduction reflects lower average debt
- Tax
  - Effective tax rate trends down with lower UK corporation tax rate

Cash flows and net debt - £m



- Net debt reduced by £4.7m to £62.2m vs £66.9m at 30 Sept 2014
- Onerous lease payments expected to be H2 weighted
- Pension deficit recovery payments will be £14.7m for 2015/16
- Average net debt : EBITDA 1.98x for the period ended 30 Sept 2015 (30 Sept 2014: 2.19x)

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
  - H2 2014/15 - £131m
  - H1 2015/16 - £124m
- Group committed facilities of £299m
- Facilities comprise
  - USPP - £34m to Dec 2015
  - Shelf facility - £20m to Nov 2016
  - Bank facility - £170m to Jun 2019 (reducing)
  - M&G facility - £75m to Jan 2022 (reducing)

Pensions

	30/9/15	31/3/15	30/9/14
	£m	£m	£m
Assets	**860**	925	824
Liabilities	**(985)**	(1,069)	(967)
	(125)	(144)	(143)
Deferred tax	**25**	28	28
Net deficit	**(100)**	(116)	(115)

- Discount rate movement drives liability movement,
  - Sept 2014 - 3.95%
  - Mar 2015 - 3.25%
  - Sept 2015 - 3.8%
- Triennial valuation at 31 March 2014 agreed with Trustees and Pension Regulator
- Annual contributions set at £14.7m plus RPI for 9 years
- Target asset portfolio allocations,
  - Growth 51% (Mar 2015 – 51%)
  - Defensive 49% (Mar 2015 – 49%)

Records Management disposal - 1

Proceeds	£m
EV	60.0
Working cap retained by Wincanton	(2.4)
Tax liability transferred to Restore	(1.9)
Cash proceeds from Restore	55.7
Transaction costs and tax liability retained by Wincanton	(8.7)
Mandatory debt repayments	(11.0)
Additional deficit reduction contribution	(7.0)
Other debt reduction	(29.0)
Cash proceeds	55.7

- WRM P&L 2014/15
  - Revenue £22.4m
  - EBITDA £5.4m
  - Operating Profit £3.5m
  - Profit After Tax £1.3m
- Transaction expected to close December 2015
- 2015/16 impact of sale
  - Four month impact on 2015/16 results
  - Exceptional gain recorded on sale

Records Management disposal - 2

Debt and facilities proforma impact

	Average	Commit-ment	Headroom
	£m	£m	£m
Average net debt 30/9/15	124	299	175
Debt reduction	(40)	(40)	-
Other commitment reduction	-	(19)	(19)
Proforma impact of transaction	84	240	156
USPP maturity (Dec 15)	-	(34)	(34)
Proforma net debt post USPP maturity	84	206	122
EBITDA (LTM)	62.6		
Proforma average net debt: EBITDA	1.34		

Operational update

Adrian Colman

Chief Executive

Contract logistics – update

	H1 2015/16 £m	H1 2014/15 £m
Revenue	**490.6**	464.1
Underlying operating profit	**24.4**	20.9
Operating margin	**5.0%**	4.5%

- Strong open book volumes across sector
- Good new business wins with B&Q and Halfords
- Grocery stable but Morrisons convenience will cease
- Construction market outlook softening
- Insourcing pressure in tankers
- Operating profit performance strong in the period

Specialist businesses – update

	H1 2015/16 £m	H1 2014/15 £m
Revenue	**92.2**	86.8
Underlying operating profit	**(0.9)**	4.0
Operating margin	**(1.0)%**	4.6%

- Revenue growth primarily due to Home shopping volume growth in Pullman
- Pullman performance impacted by
  - higher home shopping losses as contracts are closed out
  - challenging general workshop performance
- Recovery plan in place with two loss making contracts to finish during current financial year
- Containers volumes volatility and driver cost pressures impacting margin

Meeting the driver resourcing challenge

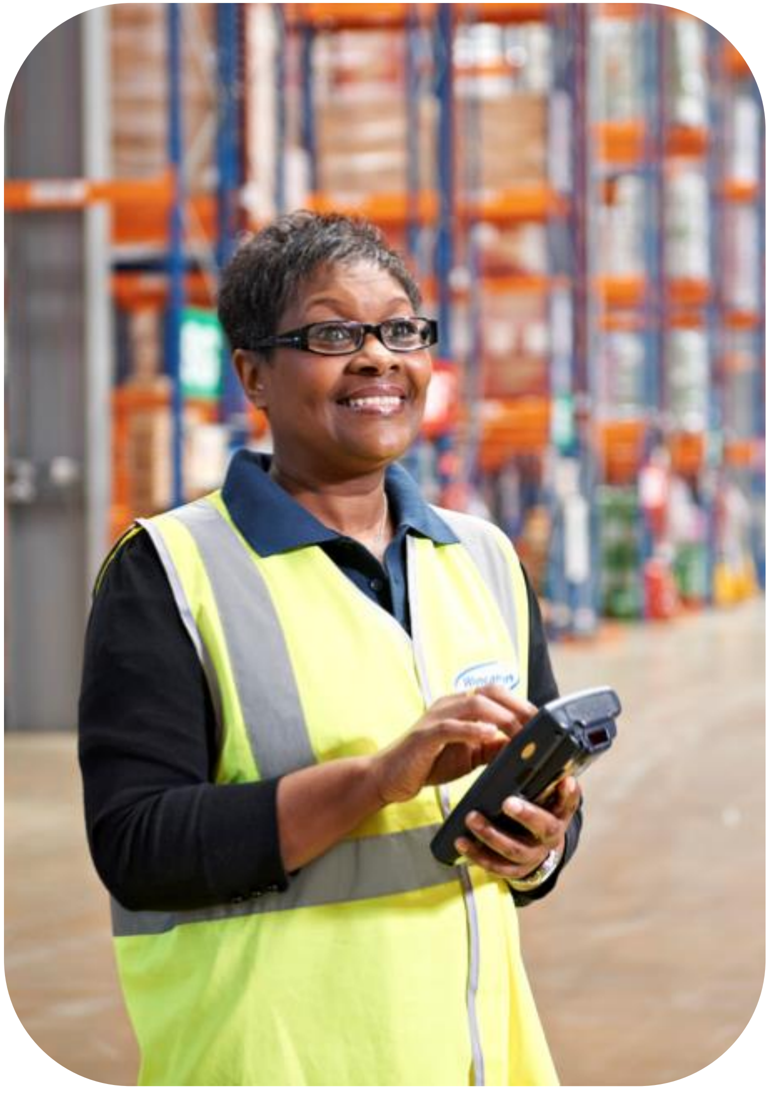
- Estimated 55,000+ driver shortage in the UK (Road Haulage Association)

- Wincanton view
  - Strength of >3,000 driving colleagues
  - Own fleet and drivers improves service consistency and resiliency
  - We are focused on our drivers

- Wincanton approach
  - Proactive driver recruitment
    - Wide sourcing of
    - Training programmes for new drivers
  - Recognition of excellence
    - Driver of the Year competition
    - Engagement survey action plans
  - Increased focus on retention
    - Ongoing training programmes
    - Reward / pay

Outlook

- Contract logistics performance strong
- Continued good momentum in contract wins and renewals
- Price pressure on renewals
- Pullman home shopping contract position contained in current financial year
- Records Management disposal realising significant value and cash with limited earnings dilution
- Cash generation improving as legacy onerous leases and ongoing interest costs reduce
- Group firmly focused on core logistics operations



Questions

Appendices

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

Income statement summary

	H1 2015/16 £m	H1 2014/15 £m
Revenue	**582.8**	550.9
Underlying operating profit	**23.5**	24.9
Amortisation of acquired intangibles	**(2.3)**	(3.2)
Operating profit	**21.2**	21.7
Net financing costs	**(8.3)**	(9.0)
Profit before tax	**12.9**	12.7
Income tax expense	**(2.5)**	(3.0)
Profit for the period	**10.4**	9.7
EPS – Basic (pence)	**8.8p**	8.3p
EPS – Diluted (pence)	**8.2p**	7.5p

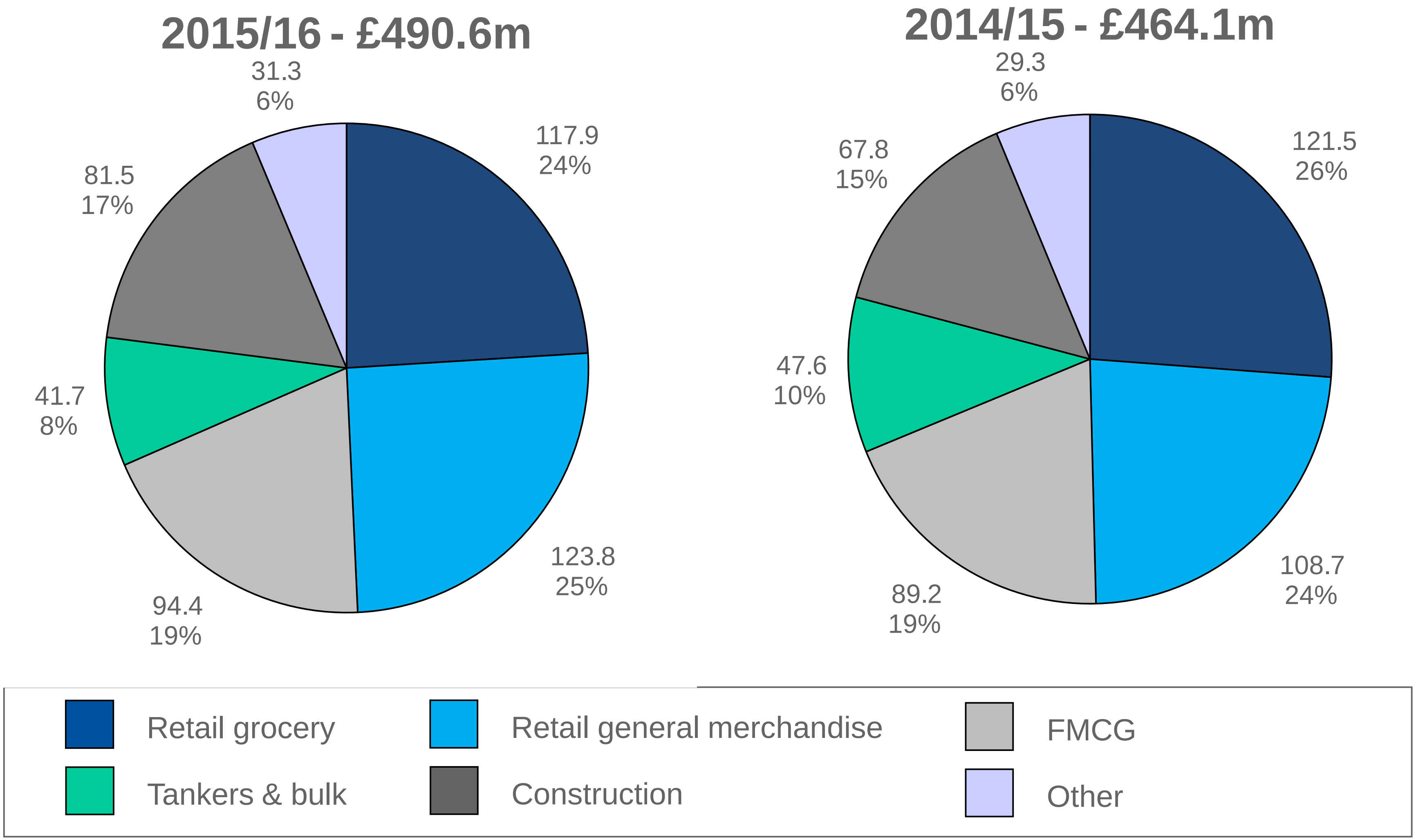
Balance sheet summary

	30/9/2015 £m	30/9/2014 £m
Non-current assets	**179.9**	190.5
Net current liabilities (excluding net debt)	**(196.1)**	(199.7)
Non-current liabilities (excluding net debt & pensions)	**(35.2)**	(48.2)
Net debt	**(62.2)**	(66.9)
Pensions deficit (gross)	**(125.1)**	(143.6)
Net liabilities	**(238.7)**	(267.9)

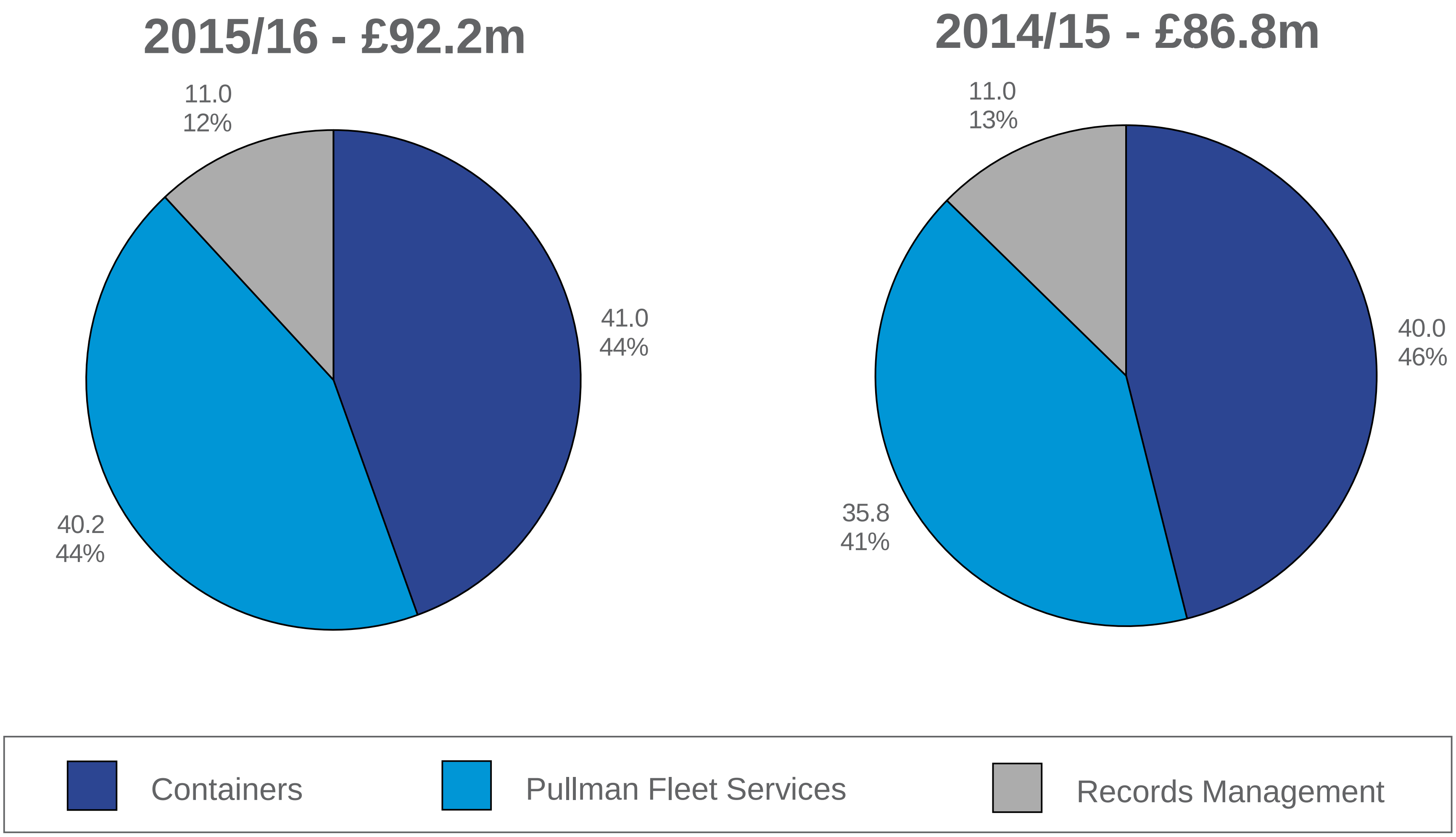
Cash flow summary

	H1 2015/16 £m	H1 2014/15 £m
Underlying operating profit	**23.5**	24.9
Depreciation / amortisation	**7.0**	7.1
Underlying EBITDA	**30.5**	32.0
Net capital expenditure	**(5.6)**	(3.1)
Net financing costs	**(4.6)**	(7.0)
Pension deficit payment	**(7.0)**	(7.2)
Onerous leases	**(2.3)**	(7.0)
Working capital movement / tax / other	**(15.6)**	(9.7)
Total	**(4.6)**	(2.0)

Revenue analysis
Contract logistics

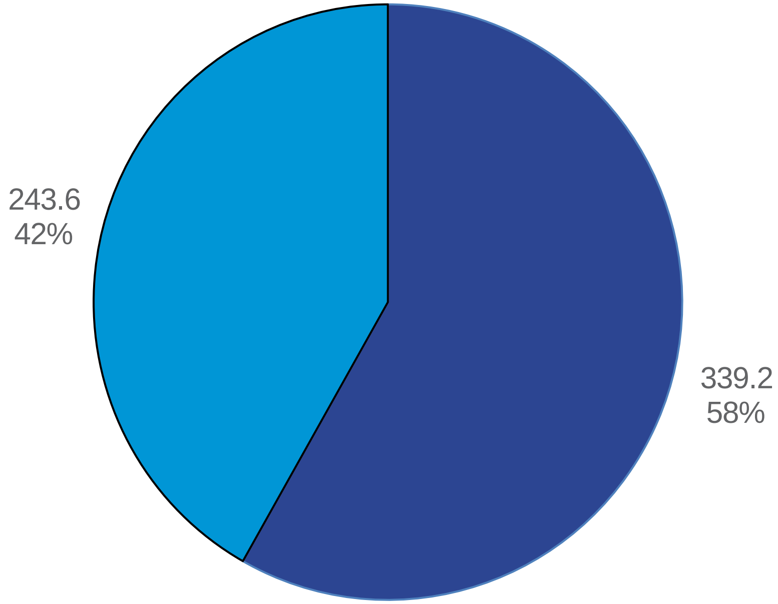


Revenue analysis
Specialist businesses

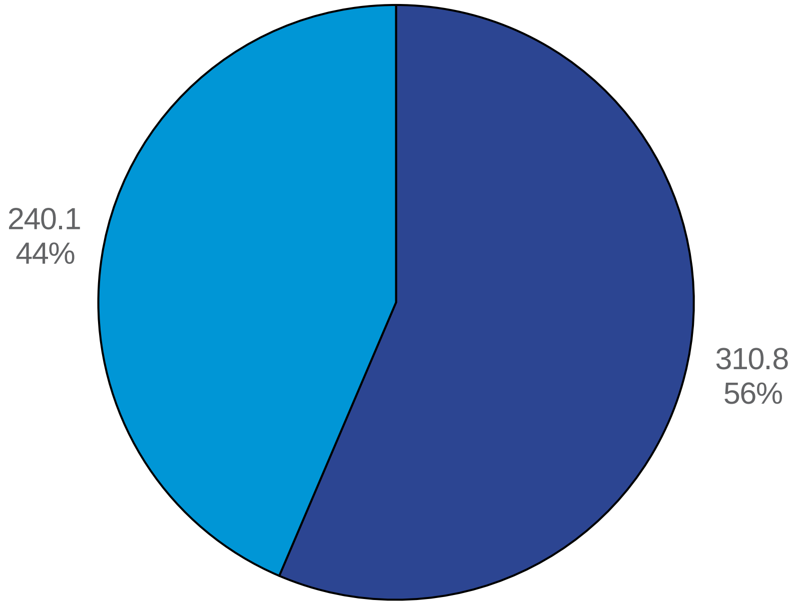


Revenue analysis
Open and closed book

2015/16 - £582.8m



2014/15 - £550.9m



Open book   Closed book