

Results Presentation

For the year ended 31 March 2017
16 May 2017



Disclaimer

This presentation does not constitute an invitation to underwrite, subscribe for or otherwise acquire or dispose of any shares or other securities of DCC plc ("DCC").

This presentation contains some forward-looking statements that represent DCC's expectations for its business, based on current expectations about future events, which by their nature involve risk and uncertainty. DCC believes that its expectations and assumptions with respect to these forward-looking statements are reasonable; however because they involve risk and uncertainty as to future circumstance, which are in many cases beyond DCC's control, actual results or performance may differ materially from those expressed or implied by such forward-looking statements. DCC undertakes no duty to and will not necessarily update any such statements in light of new information or future events, except to the extent required by any applicable law or regulation. Recipients of this presentation are therefore cautioned that a number of important factors could cause actual results or outcomes to differ materially from those expressed in or implied by any forward-looking statements.

Any statement in this presentation which infers that transactions may be earnings accretive does not constitute a profit forecast and should not be interpreted to mean that DCC's earnings or net assets in the first full financial year following the transactions, nor in any subsequent period, would necessarily match or be greater than those for the relevant preceding financial year.

Your attention is drawn to the risk factors referred to in the Principal Risks and Uncertainties section of DCC's Annual Report. These risks and uncertainties do not necessarily comprise all the risk factors associated with DCC and/or any recently acquired businesses. There may be other risks which may have an adverse effect on the business, financial condition, results or future prospects of DCC. In particular, it should be borne in mind that past performance is no guide to future performance. Persons needing advice should contact an independent financial advisor.

Agenda

- **Introduction and highlights**
- **Business review**
- **Financial review**
- **Summary and Q&A**

Highlights

For the year ending 31 March 2017

- **Year of strong growth and development in DCC**
- **Group operating profit on continuing basis up 20.9% (12.8% ccy) to £345.0 million - all divisions recording strong growth**
- **Adj. EPS on continuing basis up 18.1% (10.3% ccy) to 286.6p**
- **Final dividend increase of 16.3% results in 15% increase for the year - 23rd consecutive year of dividend growth since DCC listed in 1994**
- **Excellent cash flow performance, with free cash flow conversion of 114% and a return on total capital employed of 20.3%**

Highlights

For the year ending 31 March 2017

- **Very active period for acquisition activity with over £550m committed**
 - Esso Retail Norway
 - Shell Hong Kong & Macau
 - Further activity across Energy, Healthcare and Technology
 - Including Gaz Européen, Hammer and Medisource
- **Agreed disposal of Environmental division for £219m brings increased strategic focus to the Group**

Financial summary

For the year ending 31 March 2017

£'m	2017	2016	% change
Revenue – continuing ¹	12,270	10,448	+17.4%
Operating profit² – continuing¹	345.0	285.3	+20.9%
Group operating profit ²	363.6	300.5	+21.0%
Adjusted EPS² – continuing¹	286.6 pence	242.8 pence	+18.1%
Total adjusted EPS ²	303.7 pence	257.1 pence	+18.1%
Free cash flow³	415.5	291.1	+42.7%
Net debt	121.9	54.5	
Dividend per share	111.80 pence	97.22 pence	+15.0%
ROCE - continuing¹	20.3%	21.9%	

¹ Excluding DCC Environmental, the agreed disposal of which was announced on 5 April 2017

² Excluding net exceptionals and amortisation of intangible assets

³ After net capital expenditure and before net exceptionals, interest and tax payments

Acquisitions and capital expenditure

For the year ending 31 March 2017

£'m	Acquisitions	Capex	Total
DCC Energy	461.3	79.9	541.2
DCC Healthcare	28.4	8.0	36.4
DCC Technology	64.2	36.9	101.1
Continuing operations	553.9	124.8	678.7
DCC Environmental	-	6.6	6.6
Total	553.9	131.4	685.3

Business review

Tommy Breen
Chief Executive

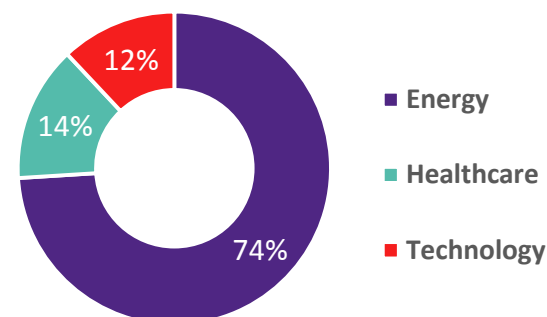


Divisional results

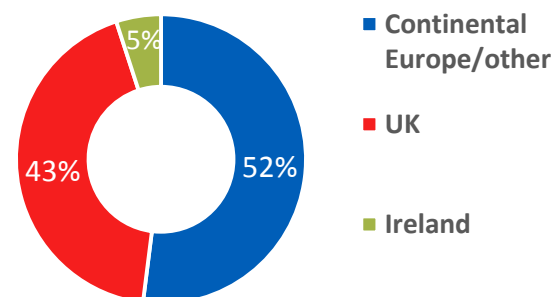
For the year ending 31 March 2017

£'m	2017	2016	% change	% ccy change
Operating profit¹				
DCC Energy	254.9	205.2	+24.3%	+13.9%
DCC Healthcare	49.0	45.0	+8.7%	+8.0%
DCC Technology	41.1	35.1	+17.1%	+12.5%
Continuing operations²	345.0	285.3	+20.9%	+12.8%
Discontinued (Environmental)	18.6	15.2	+22.2%	+22.3%
Group operating profit¹	363.6	300.5	+21.0%	+13.3%

By Division²



By Geography²

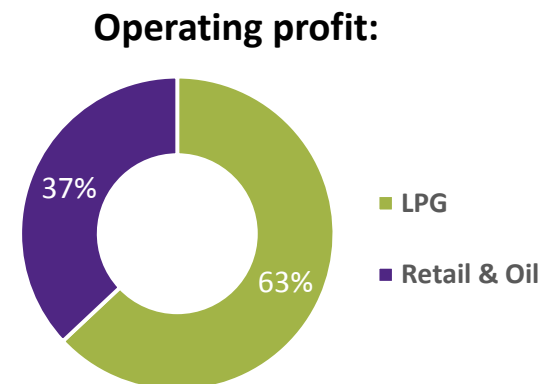


¹ Excluding net exceptionals and amortisation of intangible assets

² Excluding DCC Environmental, the agreed disposal of which was announced on 5 April 2017

DCC Energy

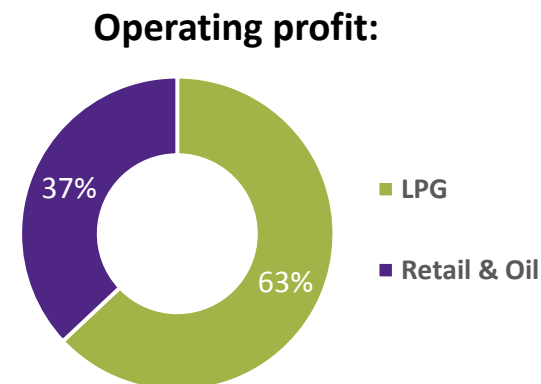
	2017	2016	% change
Volume (bn litres)	14.649	13.021	+12.5%
Operating profit (£'m)	254.9	205.2	+24.3%
Operating profit / litre	1.74p	1.58p	
ROCE	21.6%	24.4%	



- **Excellent year of growth and development with operating profits up 24.3% (13.9% ccy)**
- **LPG business had an excellent year, with operating profit growth of 37.4% (23.6% ccy)**
 - Organic volume growth of 6.1% broadly based, reflecting strong performance with commercial and industrial customers in particular
 - Benefited from full year of Butagaz and from acquisition of Gaz Européen in January 2017
 - Good margin performance, particularly in light of higher product price environment
 - Natural gas development and investment in France to leverage the Butagaz brand
 - Agreed acquisition of Shell Hong Kong & Macau provides strong market position and development platform in Asia over the medium term

DCC Energy

	2017	2016	% change
Volume (bn litres)	14.649	13.021	+12.5%
Operating profit (£'m)	254.9	205.2	+24.3%
Operating profit / litre	1.74p	1.58p	
ROCE	21.6%	24.4%	

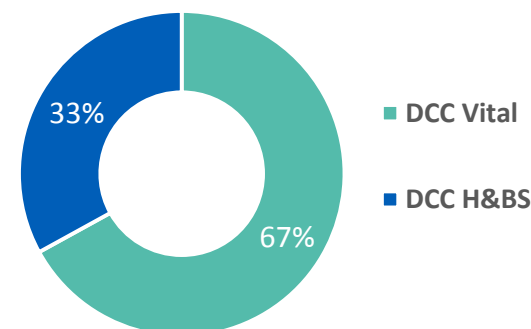


- **Retail & Oil business had a good year, operating profits up 6.9% (1.2% ccy)**
 - Volume growth of 7.9% driven by full year contribution of Esso Retail France and acquisition of Dansk Fuels in November 2016. Organic volumes in line with the prior year
 - The Retail business performed well, with good growth in France, Sweden and Fuelcards
 - Oil performance more difficult in the UK and Ireland, but good progress in developing adjacencies, such as aviation and lubricants
 - Restructuring and integration of Dansk Fuels in Denmark progressing in line with expectations
 - Acquisition of Esso Retail Norway another significant step in building leading European petrol retailing network

DCC Healthcare

	2017	2016	% change
Revenue (£'m)	506.5	490.7	+3.2%
Operating profit (£'m)	49.0	45.0	+8.7%
Operating margin	9.7%	9.2%	
ROCE	17.5%	17.1%	

Revenue by business:

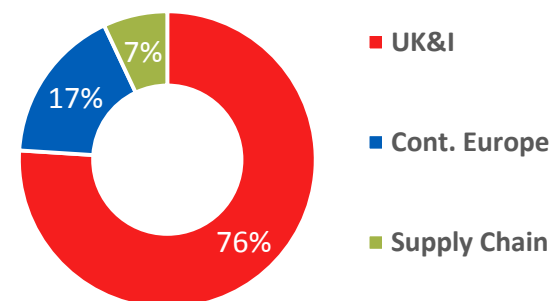


- **DCC Healthcare achieved strong profit growth of 8.7% (8.0% ccy) and further improved its operating margin and ROCE**
- **DCC Vital:**
 - Strong growth in supply of products and services to GP's and also recorded good growth in medical devices
 - Pharma margins in Britain impacted by weaker sterling
 - Medisource, acquired in January 2017, has strengthened pharma offering in Ireland and has performed well since acquisition
- **DCC Health & Beauty:**
 - Good growth across both nutrition and beauty sectors
 - Nutrition growth broadly based, across all product formats
 - Beauty benefited from strong growth in premium skincare sector and growth in the US market, as well as cross-selling of sachet capability

DCC Technology

	2017	2016	% change
Revenue (£'m)	2,689	2,442	+10.1%
Operating profit (£'m)	41.1	35.1	+17.1%
Operating margin	1.5%	1.4%	
ROCE	17.1%	17.8%	

Revenue by business:



- **Strong profit growth of 17.1% (12.5% ccy), reflecting strong organic growth in the UK&I and acquisition of CUC and Hammer**
- **UK** delivered strong growth in audio visual, print and office supplies, smart tech, security and enterprise solutions – mobile and computing market remains flat
- New UK NDC operational and transition from existing sites to be completed over next 12 months
- Strong organic growth in Ireland and Middle East, good progress in retail and mobile offering
- **Continental Europe** saw good performance from CUC and further progress in Nordics, French retail focused business more difficult
- **Supply Chain** achieved good organic growth due to new contract wins

Financial review

Fergal O'Dwyer
Chief Financial Officer



Financial summary

For the year ending 31 March 2017

£'m	Revenue	% change	Gross Margin	ppl / % of sales change	Operating costs	ppl / % of sales change
DCC Energy	9,074	+20.7%	6.40ppl	+0.87ppl	682	-0.70ppl
Group ex-Energy	3,196	+9.0%	10.2%	+0.30%	236	-0.20%
Total – continuing¹	12,270		1,263		918	

- Revenue ex-DCC Energy up 9.0% (5.0% ccy), driven by acquisition activity in DCC Technology
- DCC Energy gross margin increasing to 6.40ppl, 5.87ppl on a ccy basis (2016: 5.53ppl), ccy increase reflecting full year impact of Butagaz
- Gross margin excluding DCC Energy of 10.2% (2016: 9.9%)
- Operating costs +£193m (acq's +£122m, organic +£4m, currency +£67m); organic +0.5%
- DCC Energy operating costs of 4.66ppl, 4.28ppl on a ccy basis (2016: 3.96ppl) reflects full year impact of higher cost to serve in Butagaz
- Excluding DCC Energy, operating costs as a % of revenue of 7.4% (2016: 7.2%)

¹ Excluding DCC Environmental, the agreed disposal of which was announced on 5 April 2017

Financial summary

For the year ending 31 March 2017

	2017	2016	% change
Operating profit ² – continuing ¹ (£'m)	345.0	285.3	+20.9%
Group operating profit ² (£'m)	363.6	300.5	+21.0%
Finance costs (£'m)	(32.1)	(29.0)	
Effective tax rate	17.5%	16.0%	
Adjusted EPS ² – continuing ¹	286.6 pence	242.8 pence	+18.1%
Total adjusted EPS ²	303.7 pence	257.1 pence	+18.1%

- **Operating profit growth of 20.9% (12.8% ccy); approx. one third of ccy growth was organic**
- **Finance costs increase driven by non-cash charge on liabilities acquired at NPV in Butagaz**
- **Effective tax rate increase to 17.5% reflects larger proportion of Continental European profits**
- **Adjusted EPS growth of 18.1% (10.3% ccy) reflects operating profit growth and higher tax rate**

¹ Excluding DCC Environmental, the agreed disposal of which was announced on 5 April 2017

² Excluding net exceptionals and amortisation of intangible assets

Strong free cash flow continues

Cash Flow	£m	Conversion %
Operating profit	363.6	
Decrease in working capital	84.0	
Depreciation and other	99.3	
Operating cash flow	546.9	150%
Capex	(131.4)	
Free cash flow	415.5	114%
Interest and tax	(91.2)	
Free cash flow after interest and tax	324.3	
Acquisitions	(262.4)	
Exceptional items	(31.5)	
Dividends	(95.3)	
Share issues	2.6	
Translation and other	(5.1)	
Net cash outflow	(67.4)	
Opening net debt	(54.5)	
Closing net debt	(121.9)	

- Decrease in working capital driven by increase in oil price and seasonal reduction in businesses acquired in H2
- Working capital days up slightly to (3.3) days, from (3.9) days as acquired businesses have modestly higher working capital requirement
- Capex exceeded depreciation by £39.4 million reflecting greater development spend in Energy and NDC in Technology
- Free cash flow conversion an excellent 114%
- Acquisition cash spend of £262.4m
- Net debt / EBITDA of c. 0.3x. Allowing for committed acquisitions of Esso Retail Norway and Shell HK&M and disposal of DCC Environmental pro-forma of c. 0.6x

Summary and Q&A

Tommy Breen
Chief Executive



Summary and Q&A

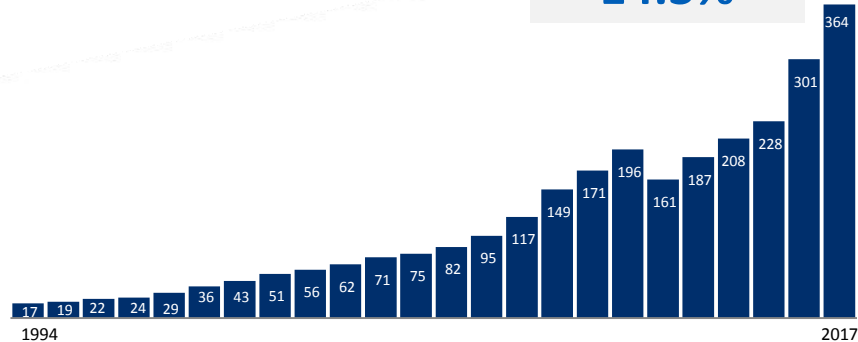
- Year of strong growth and development for DCC
- Good growth in each division, excellent cash flow performance and redeploying capital in acquisition activity
- Disposal of Environmental division sharpens strategic focus
- Balance sheet remains in strong position to facilitate further development

The Group expects that the year ending 31 March 2018 will be another year of profit growth and development

Strategy continues to deliver

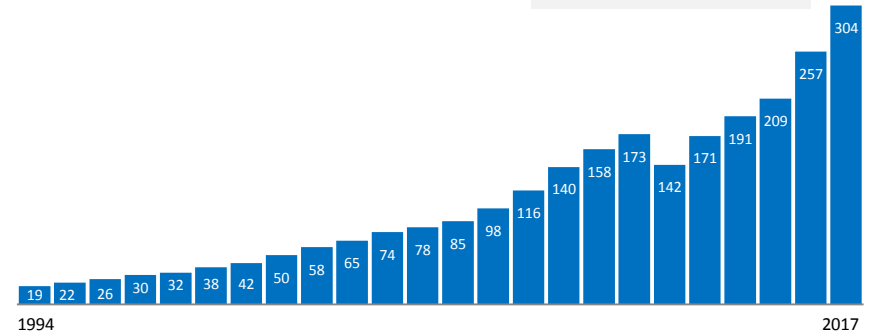
Operating profit (£m)

23 year CAGR
14.3%



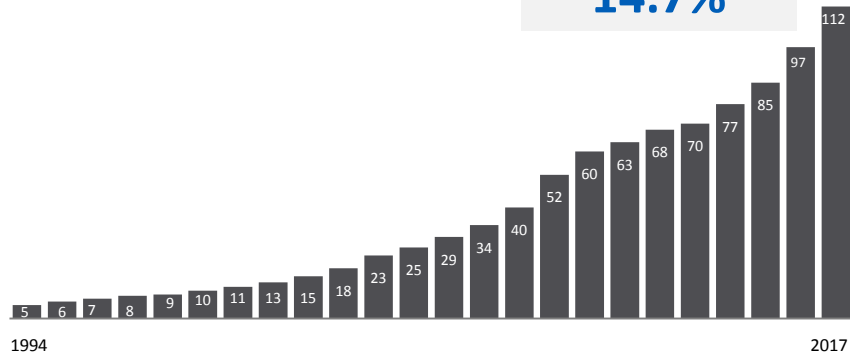
EPS (pence)

23 year CAGR
12.9%



Dividend (pence)

23 year CAGR
14.7%



Free cash flow conversion (%)

23 year conversion
104%

