
2013 Interim Results

For the six months ended 30 June 2013

Agenda

- Overview
- Financial highlights
- Growth Strategy
 - Key Accounts
 - Insites™
 - Product range extension
 - Market segmentation
- Current trading and outlook

Overview

- Group revenue down 0.8% to £328.4 million with an improving trend through the first half
- Gross margin up 100 basis points to 30.7%
- Increased interim dividend up 13.3%
- Inventory levels reduced by £13.7 million, a 14% reduction
- Profit before tax down 9.5% to £15.2 million
- Strong operating cash generation of £13.1 million
- Additional long term funding obtained with a \$100 million total facility
- £28.5 million validated customer cost savings in H1 2013
- Continued successful execution of organic growth strategy yielding continued market share gains in recovering markets

Improving trends in H1 are encouraging

Growth rates are improving in most key segments

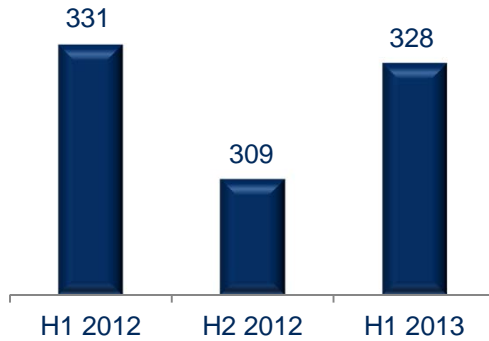
- Group SPWD decline is 1.6ppt improved in Q2
- Bearing sales decline bottoming out in Q2, 6.2ppts improved
- Non-bearing sales grew 4.1% in Q2
- T&GM grew 8.6% in Q2
- Key Accounts growth accelerated to 11.3% in Q2

Business area at 2013 constant currency rates (€1.25 : £1)				
	Quarter One 2013	Quarter Two 2013	Half Year 2013	Revenue H1 2013
	Growth rates (%)			£m
SPWD				
Total group	-2.5	-0.9	-1.7	318.7
Revenue				
Bearings	-14.0	-7.8	-11.1	74.6
Non-bearings	-2.4	4.1	0.8	244.1
Tools & General Maintenance	1.4	8.6	5.0	83.1
Key Accounts	1.9	11.3	6.8	169.3
Base business	-12.7	-8.9	-10.9	149.4

FINANCIAL HIGHLIGHTS

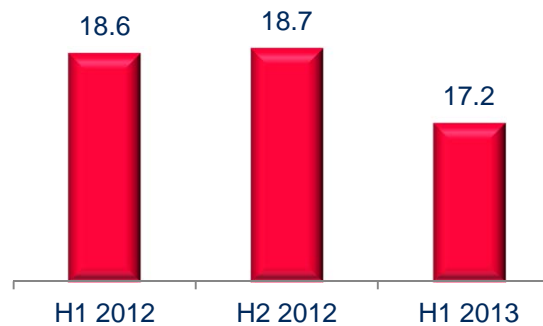
Highlights

Total sales



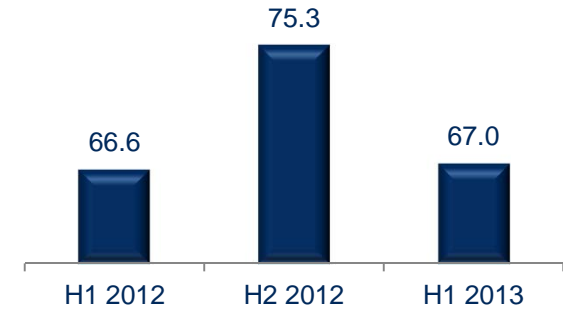
Statutory	-0.8%
Constant currency	-2.3%
FX	+1.5%

Operating profit



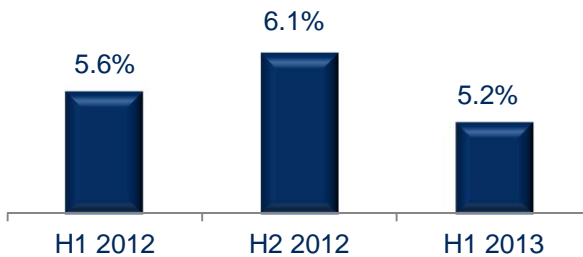
Statutory	-7.5%
Constant currency	-9.2%
FX	1.7%

Working capital days

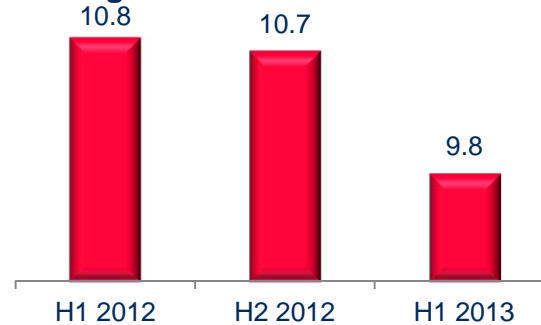


	2012	H1 2013
Receivables	52.9	51.7
Inventories	83.0	71.0
Payables	(60.6)	(59.3)
Total	75.3	67.0

Operating margin

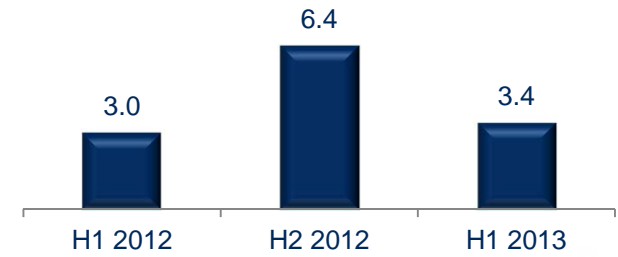


Earnings



EPS -9.3%

Dividend



DPS +13.3%

Note: Results are stated before amortisation of acquired intangibles and exceptional items. Prior periods' results are restated to reflect retrospective application of IAS19R- Revised

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Profit & Loss

	H1 2013	H1 2012	2012FX	IAS 19R Restatement	H1 2012 Reported	Change
Turnover	328.4	336.4	5.3	-	331.1	-0.8%
Gross margin	100.8	100.2	1.9	-	98.3	
Gross %	30.7%	29.8%			29.7%	
Sales, Distribution and Administrative Costs	(83.6)	(81.3)	(1.6)	0.1	(79.8)	
Underlying operating profit	17.2	18.9	0.3	0.1	18.5	-7.0%
%	5.2%	5.6%			5.6%	
Interest	(2.0)	(1.8)	-	(0.4)	(1.4)	
Underlying profit after interest	15.2	17.1	0.3	(0.3)	17.1	-11.1%

£m

Ratios

	H1 2013	H1 2012	2012FX	IAS 19R Restatement	H1 2012 Reported	Change
Turnover	328.4	336.4	5.3	-	331.1	-0.8%
Underlying operating profit	17.2	18.9	0.3	0.1	18.5	-7.0%
Return on Sales	5.2%	5.6%			5.6%	
Closing operating capital[^]	222.0	209.8	7.0	-	202.8	
Return on operating capital employed^{**}	28.9%	34.8%			35.2%	
Return on investment^{***}	15.5%	18.0%			18.2%	

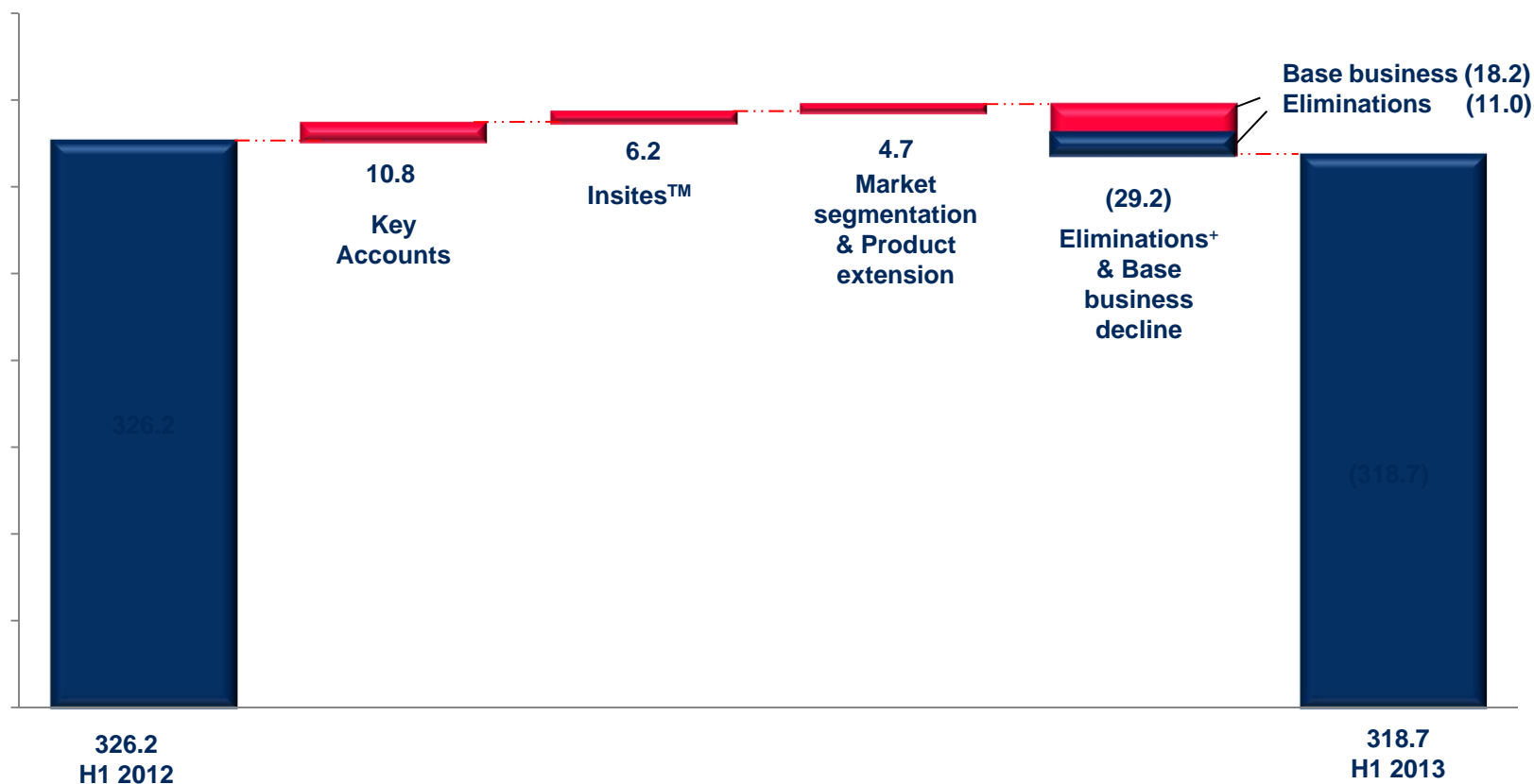
[^]Segmental assets including goodwill less liabilities, before current and deferred tax, dividends, cash, loans, deferred consideration & pension liability at constant currency

^{**}Underlying operating profit as a percentage of operating capital as defined in [^] but excluding goodwill and acquired intangibles

^{***}Underlying operating profit as a percentage of operating capital as defined in [^]

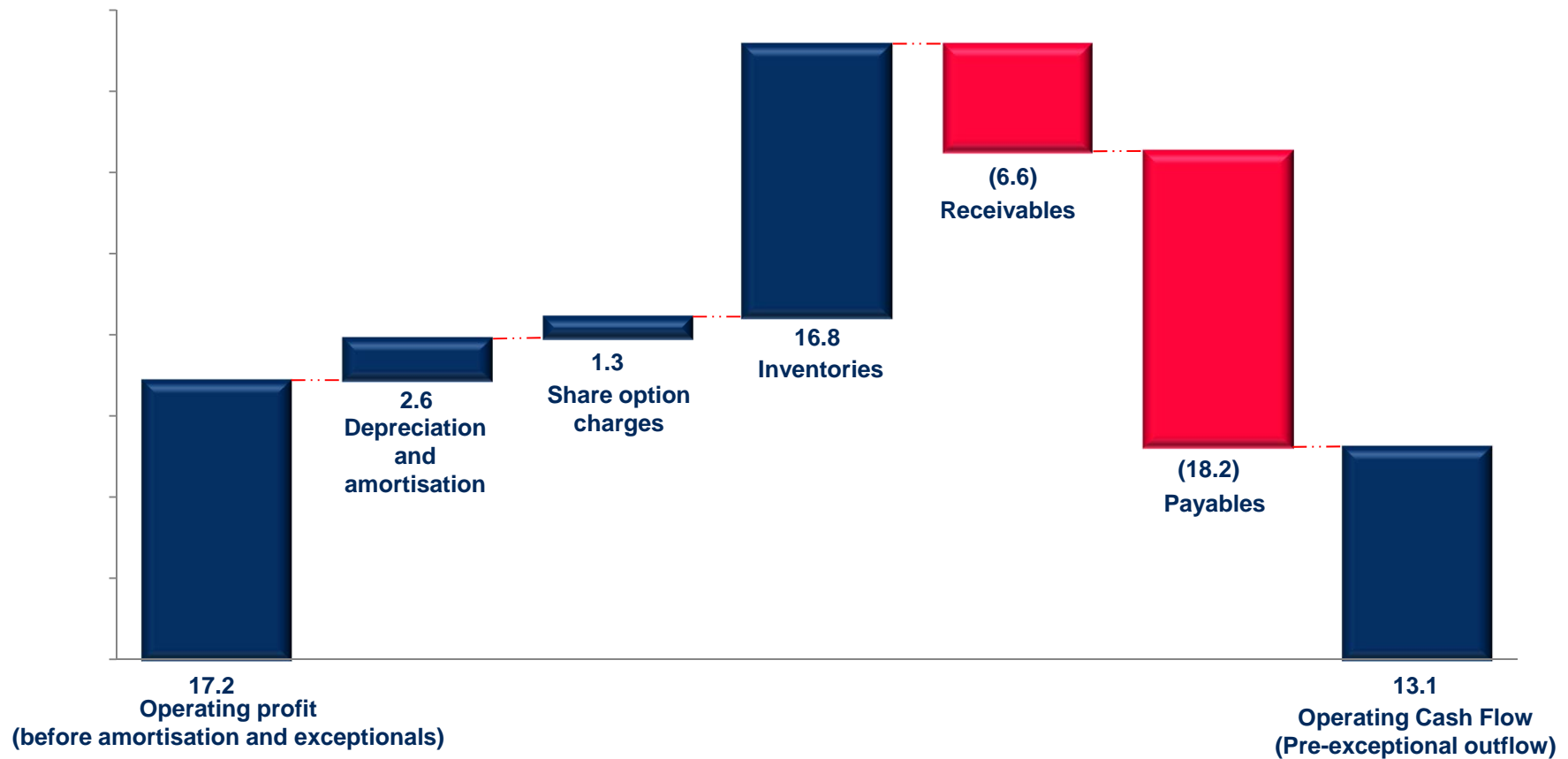


Sales* contribution by growth driver



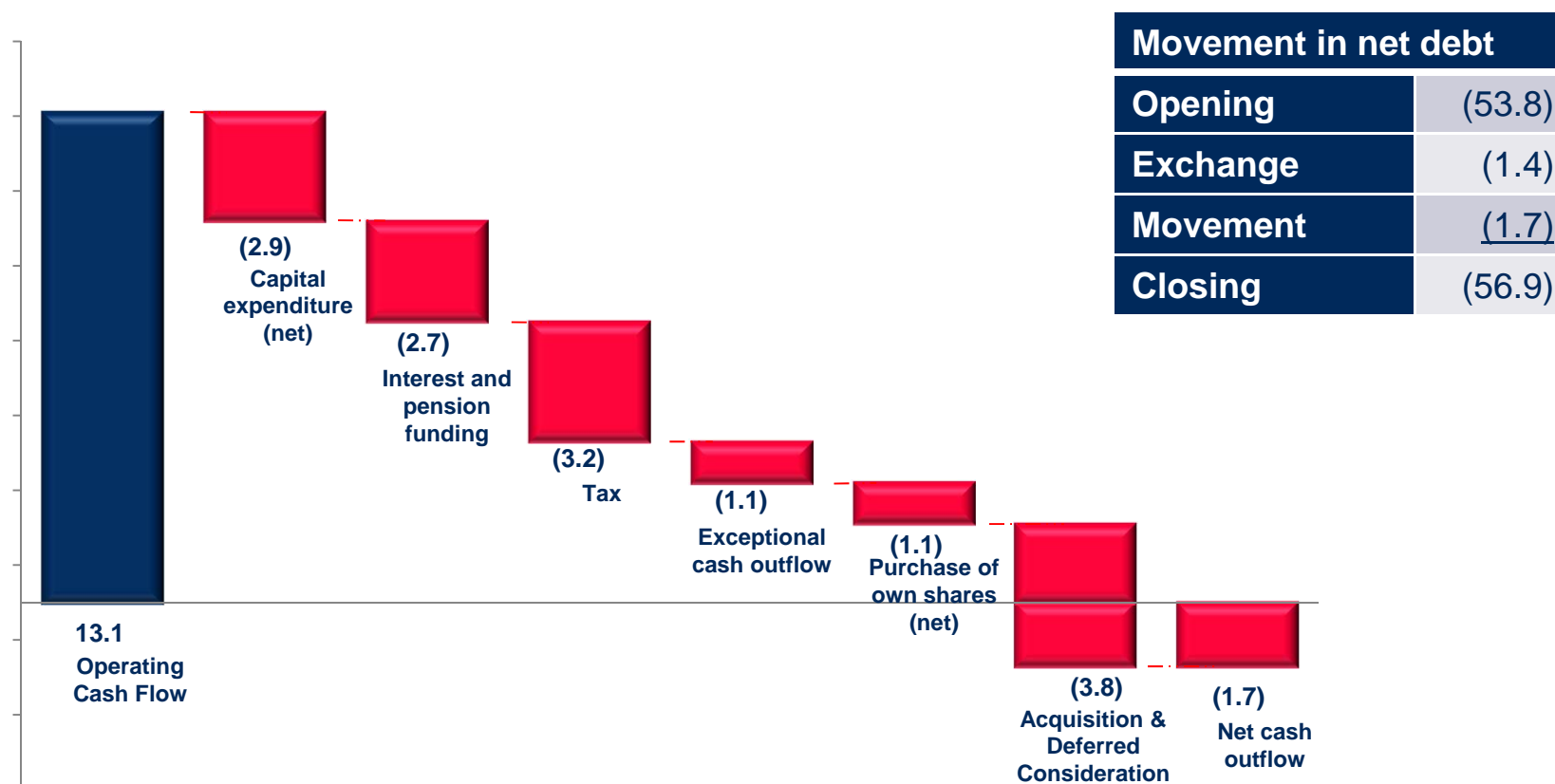
*At constant currency – management rates €1.25: £1
 *Eliminating Key Account sales also included within other categories

Cash generation



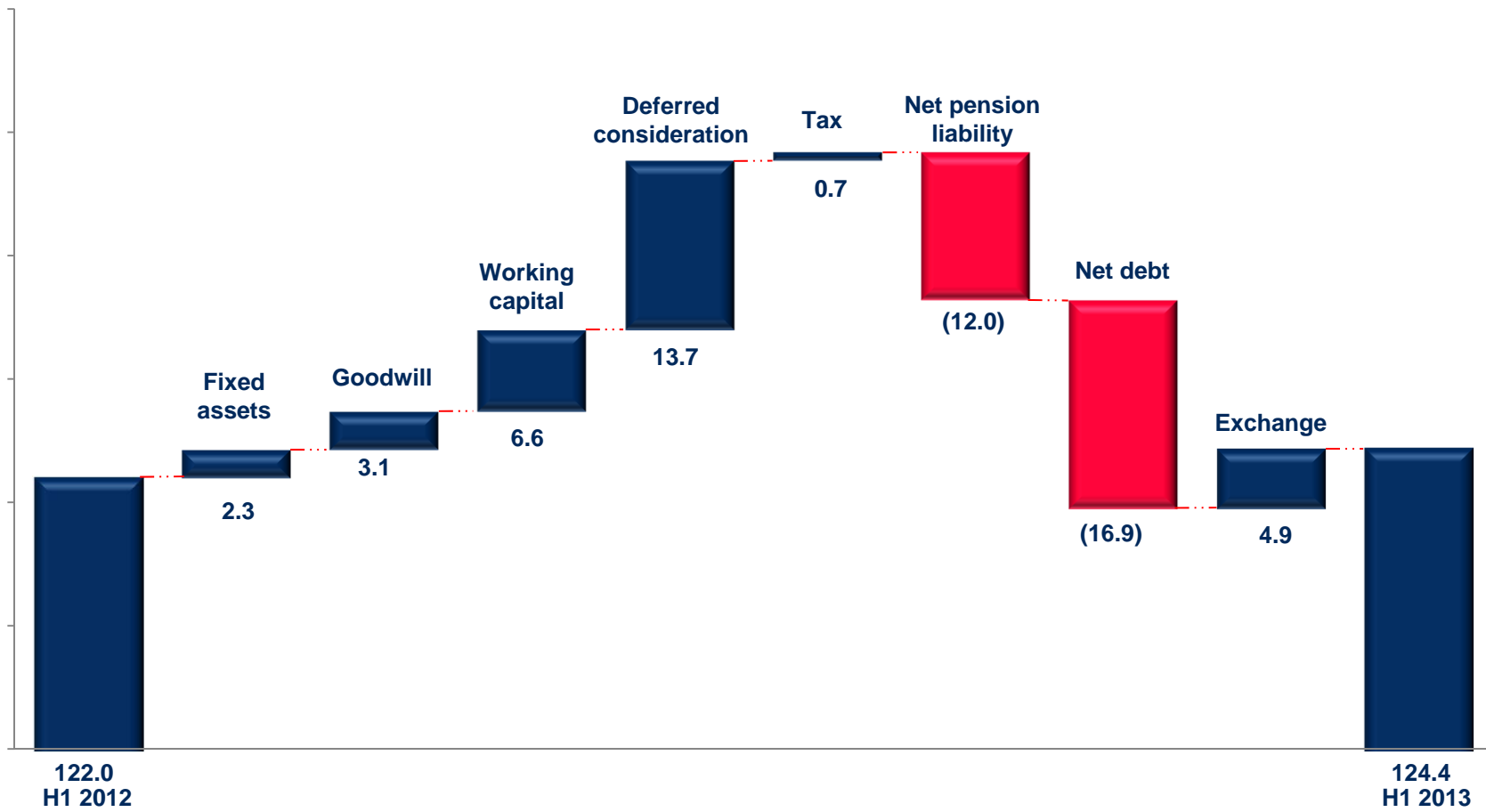
£m

Movement in net debt



£m

Net assets



GROWTH STRATEGY

Brammer – Growth Strategy

Growth	Capability	Costs	Synergies
Geographical development			
Key Accounts development	Business Skills Development	European Buying	Systems Integration
Insites™ expansion	Distributed Learning Programme Development	IT and Other Cost Reductions	Brand Development
Product range extension	Internal Communications and Involvement	Capital Employed Management	Supplier Relationship Management
Country organic growth	People Development	Supplier Rationalisation	Business Best Practice

Bearings
12% share of
€2bn market

MPT
3% share of
€5 bn market

Fluid Power
1% share of
€10 bn market

Tools & General
Maintenance
1% share of
€25 bn market



Key Accounts

Update

- Key Accounts SPWD grew by 7.3%
- Now represents 53% of group sales
- SPWD* growth rates accelerating from 2.0% in January to 10.3% in June
- 4 new pan-European contracts won
- Strong growth in defensive segments – Food & Drink up 12.0%
- Pipeline is at record levels
- Well positioned for double digit growth in the second half

Case study

- Master Framework agreement for EU operations
- Roll-out of successful Outsourced Storeroom Management solutions in Iceland & Norway which delivered record savings in 2012 (> €900k)
- Accelerated implementation across Europe driven by dedicated account team
- 65 staff deployed across 22 EU production sites
- H1 sales growth €3.4m (46.1%)

Key Accounts

Key Account Sales Performance				
Multi-site	Status	Scope	Sales	Growth
Tier 1	EU contract	Part EU Group	€57.3m	12.5%
			€64.5m	
Tier 2	National contract	Part EU Group	€77.5m	3.7%
			€80.4m	
Tier 3	No contract	Part EU Group	€20.9m	12.5%
			€23.5m	
Tier 4	National contract	National Group	€42.5m	2.0%
			€43.3m	
			€198.2m	6.8%
			€211.7m	

H1 2012

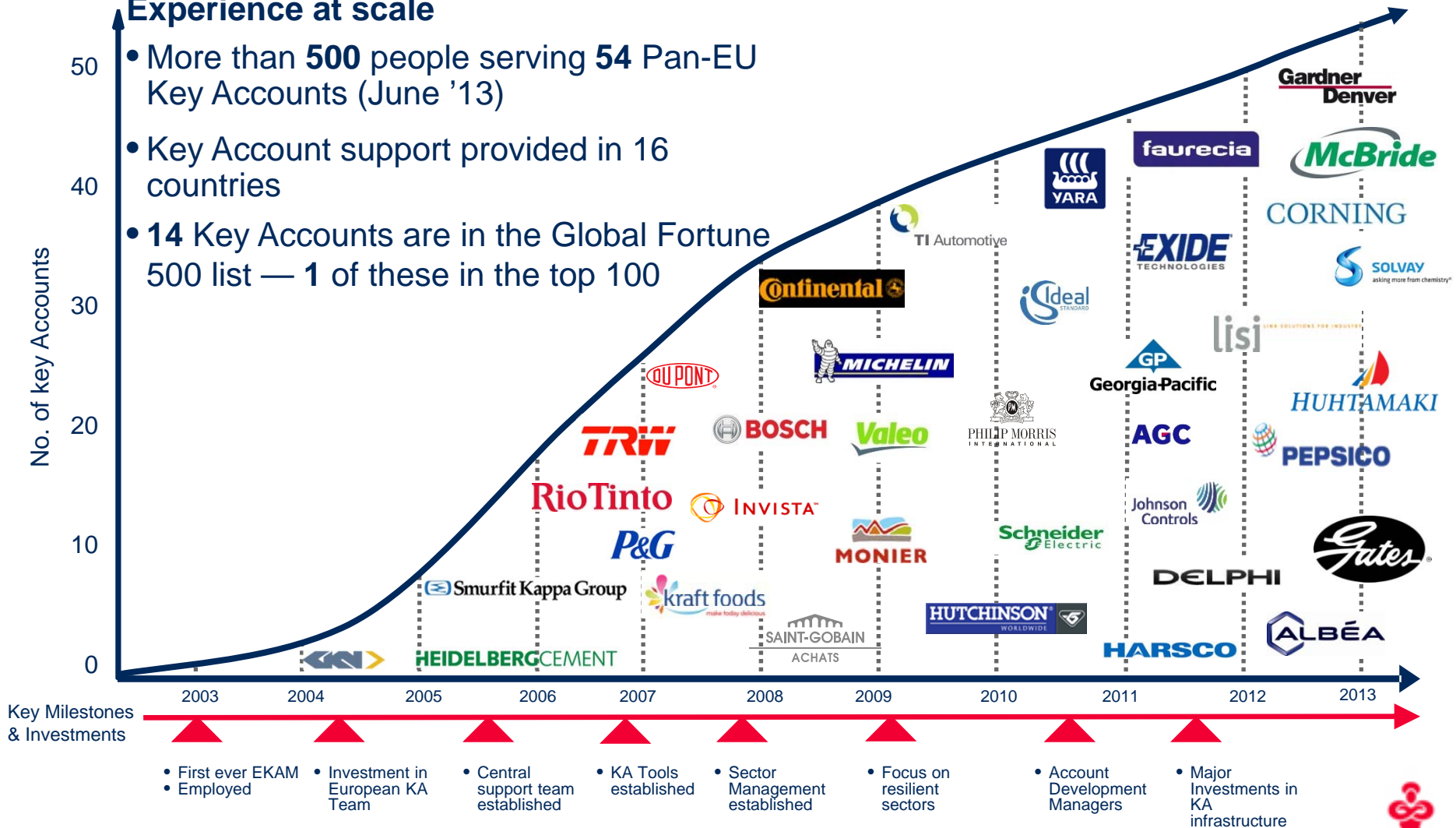
H1 2013



Pan-European Supply Agreements

Experience at scale

- More than **500** people serving **54** Pan-EU Key Accounts (June '13)
- Key Account support provided in 16 countries
- **14** Key Accounts are in the Global Fortune 500 list — **1** of these in the top 100



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Insites™

Update

- H1 Total 372 Insite™
 - 133 full time; 239 part time
 - 26 new full time; 41 new part time
- Increased by 45*
- Continued strong sales growth of 8.6%
- H1 sales share Insite™ as 46% of total KA business
- EU Insite™ pipeline identifies 259
- Currently in direct negotiation with 65 customer locations

Case study – Soft drinks

- Master Supply Agreement for EU operations for global soft drinks manufacturer
- Insite™ from contract inception to accelerate revenue transfer
- Strategic direction and KPI's driven by dedicated teams
- Staff deployed across 11 EU production sites
 - 7 full time; 4 part time
- H1 sales growth €1.5m (448%)
- H1 cost savings €192k

*Net, including Buck & Hickman

Product Extension

Update

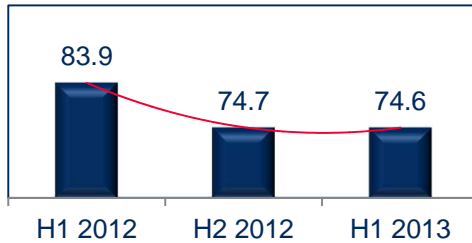
- Bearing SPWD declined 10.3% reflecting market conditions
- Key bearing suppliers report bottoming out of market
- Non-bearing SPWD up 1.3% driven by product range extension through Europe
- Further market share gains secured
- Growth rates improving throughout H1

Case study - Catalogues

- New T&GM catalogue generated >£2.5m to date
- Annualised catalogue sales now >£6m
- Centralised in-house team of 7 dedicated catalogue specialists
- Further sales growth expected from:
 - EU rollout of Roebuck brand and related product catalogue
 - EU-wide distribution of new MRO catalogue, now expanded to reflect full non-T&GM product portfolio

Product Extension

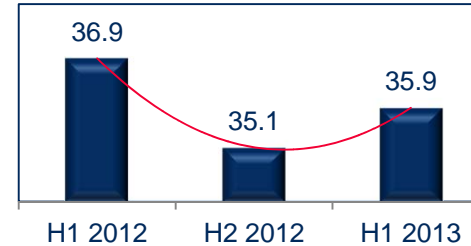
Bearings -11.1%
(SPWD -10.3%)



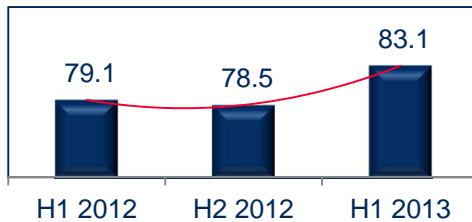
Non-Bearings +0.8%
(SPWD +1.3%)



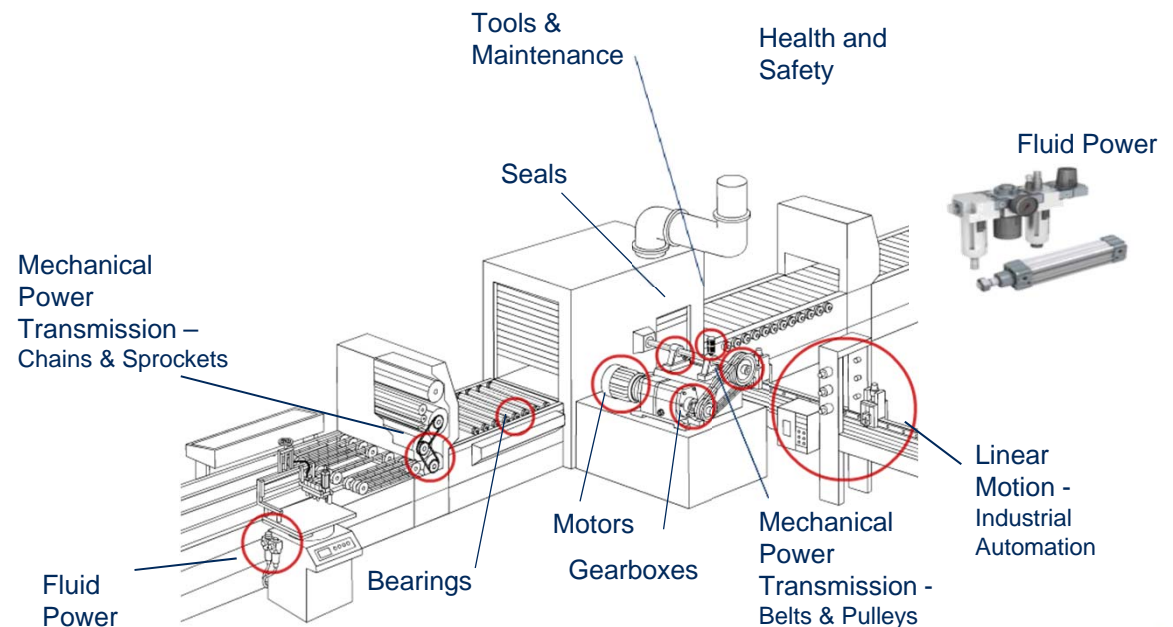
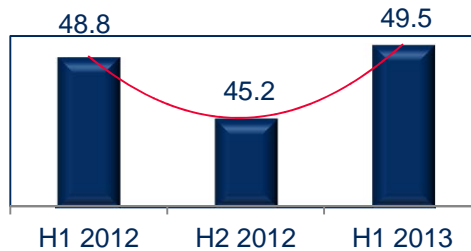
Mechanical Power Transmission -2.7%



Tools & Maintenance +5.0%



Fluid Power +1.4%



£m at constant currency



European Product Division

Update

- Turnover grew 5.0% overall and 24.5% on the continent
- Growth rate accelerating throughout the first half
- Successful rollout of European catalogue to over 30,500 customers
- Continued investment in European Product Division, now comprising 24 professionals

Case study

- Tools & General Maintenance sales to pan European Tier 1 accounts up 34%
- Successful range extension at major European Accounts
- Tools & General Maintenance sales up 9 times for global soft drinks manufacturer



Cross selling

Case study – Mobile Centre of Excellence



- Taking our Centre of Excellence concept to the customer's doorstep
- Demonstrating the product range to the key people, on their premises
- Over 300 customer visits meeting over 6,000 customer contacts
- c.4,000 sales leads to date
- Targeting existing customers, creating cross selling opportunities
- 28% growth from existing customers this year

Market Segmentation

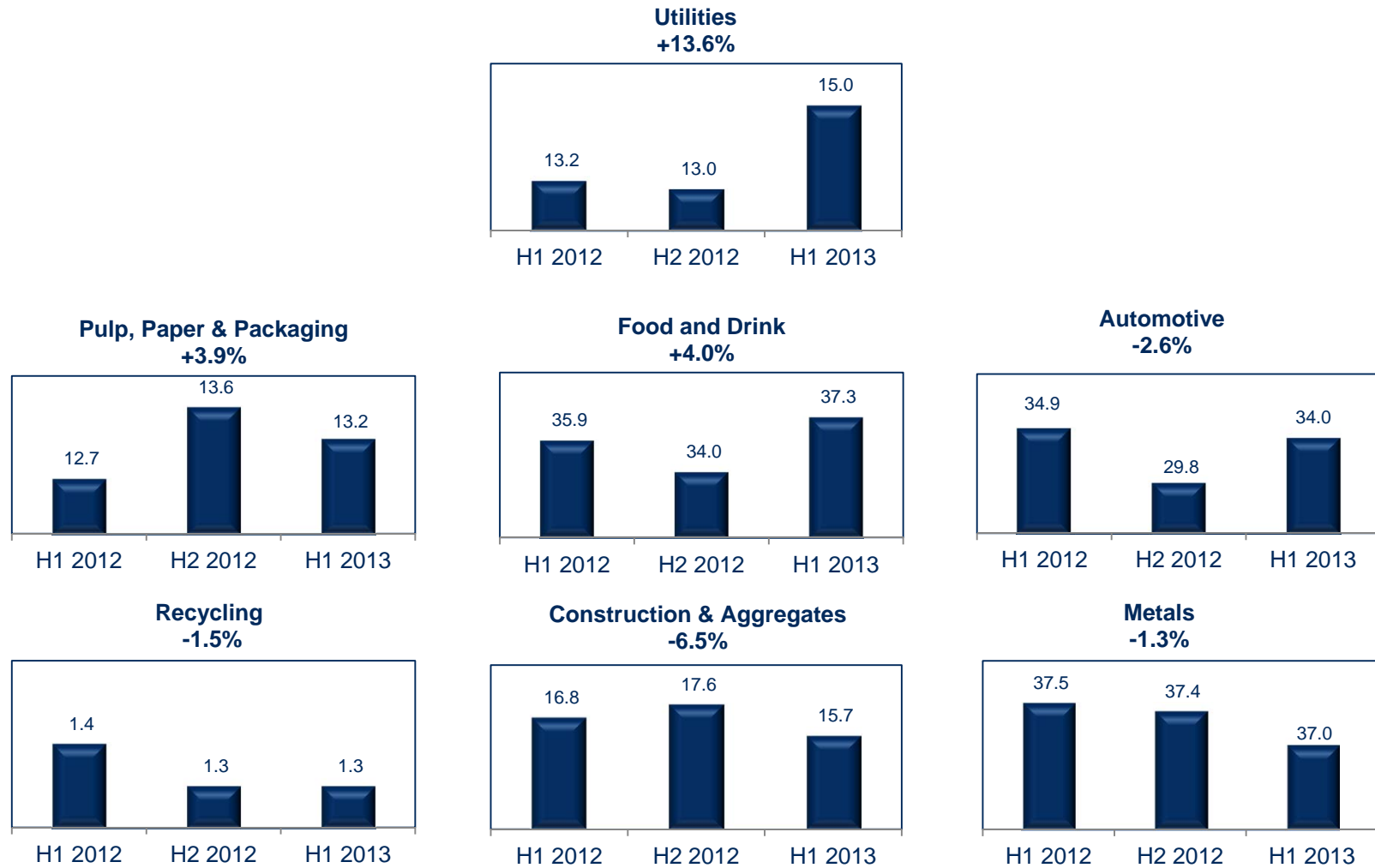
Update

- Focus on defensive segments continues
- Utilities up 13.6% and Food & Drink up 4.0%
- Growth in other sectors, with Consumer Goods up 43%
- Market focus is increasing resilience and market share
- Expanded range of segment specific material

Case study – Food & Drink

- Good growth in a difficult market
- Segment specific marketing material adds value to win sales
 - Soft drinks
 - Baking
 - Brewing
 - Confectionary
- Segmentation approach co-ordinated with Key Account strategy
- 56% revenue growth with customers with >60% market share of the EU soft drinks sector

Market Segmentation



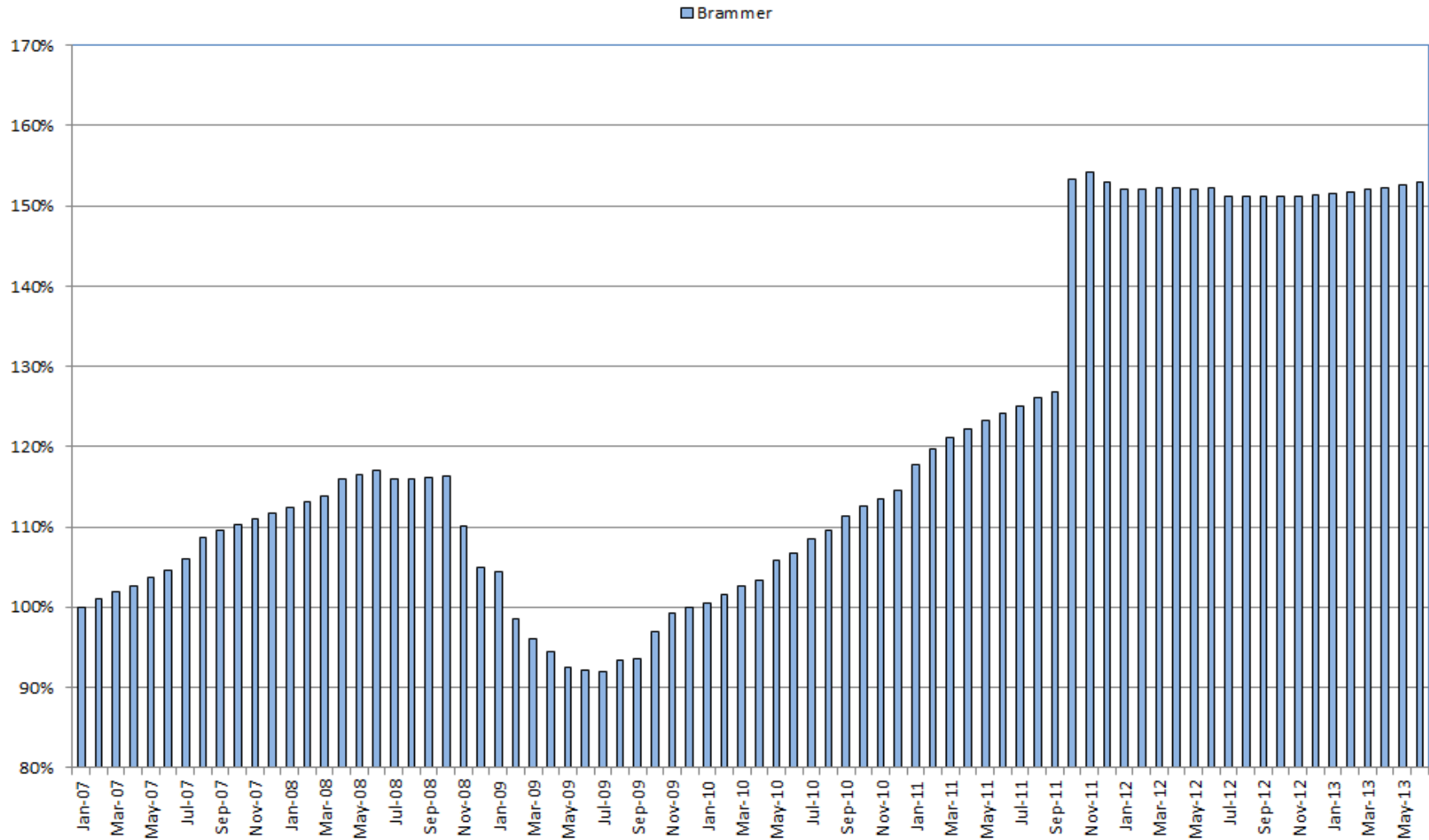
Continued investment in growth drivers

- Total sales, distribution and administrative costs increased by 2.3%
- Underlying operating costs are flat year on year, remaining tightly controlled
- Investment in excess of £1.8 million on growth driver projects
 - Tools and General Maintenance
 - Key Alcoa contract implementation
 - Vending
- Project teams co-ordinated centrally to maximise synergies and share expertise

CURRENT TRADING & OUTLOOK

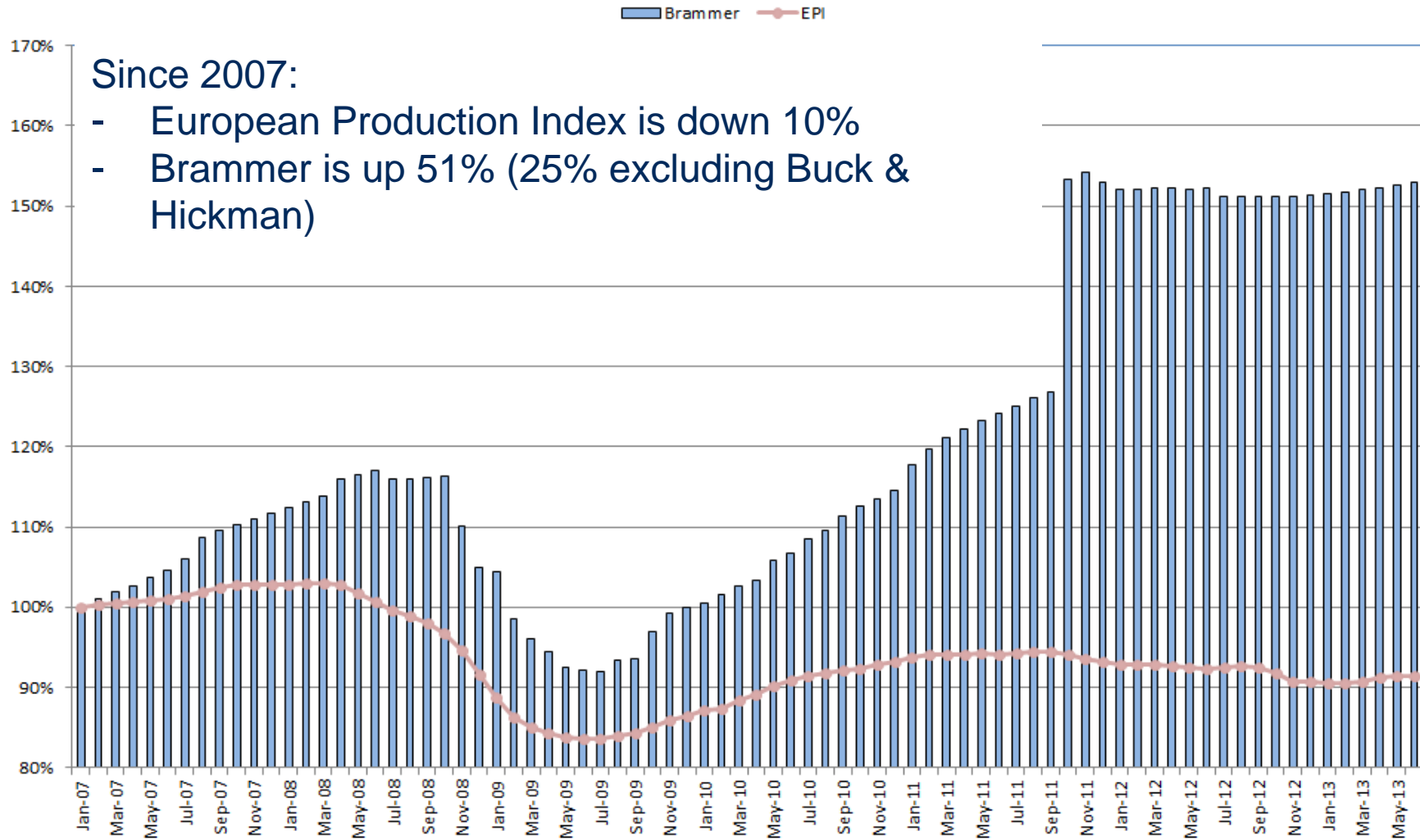
Sales per working day - Overview

Deseasonalized Brammer SPWD Index vs Seasonally Adjusted European Production Index (EU27 - 3 month moving average)



Sales per working day - Europe

Deseasonalized Brammer SPWD Index vs Seasonally Adjusted European Production Index (EU27 - 3 month moving average)



Sales per working day - Growth

	2008	2009	2010	2011	Q1-12	Q2-12	Q3-12	Q4-12	2012	Q1-13	Q2-13
UK*	8.3%	(0.4)%	8.0%	16.8%	15.6%	9.8%	1.7%	4.0%	7.6%	0.9%	2.3%
Germany	8.1%	(30.8)%	13.6%	16.1%	6.4%	-0.7%	3.1%	0.8%	0.6%	-7.1%	-0.7%
France	9.4%	(14.6)%	11.1%	14.2%	8.9%	3.6%	2.3%	1.3%	3.5%	-1.4%	-2.5%
Spain	8.3%	(22.3)%	9.5%	12.3%	2.7%	1.0%	-1.0%	-4.0%	-0.3%	-1.9%	-1.5%
Netherlands	11.4%	(16.6)%	10.3%	17.2%	9.3%	11.6%	8.6%	2.8%	8.5%	4.2%	-3.5%
Poland	-	-	18.6%	24.1%	11.9%	5.3%	6.1%	-7.6%	3.0%	-11.6%	5.1%
Total	12.0%	(16.1)%	11.6%	21.8%	29.0%	23.0%	20.8%	-0.7%	17.1%	-2.5%	-0.9%
Organic*	8.5%	(16.1)%	11.6%	15.9%	9.4%	3.9%	0.5%	-0.7%	2.9%	-2.5%	-0.9%

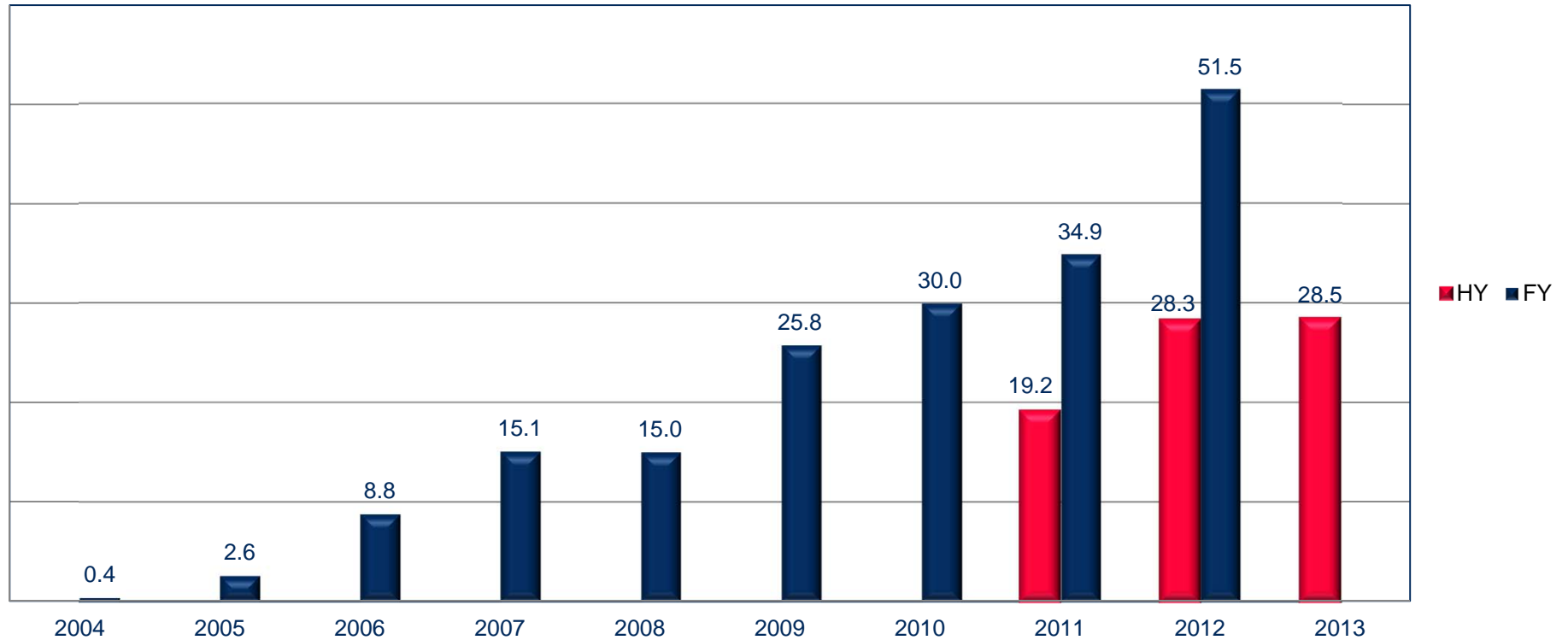
Growth Track Record

	2004	2005	2006	2007	2008	2009	2010	2011	2012	H1 2013	Total
Revenue	270.8	287.4	314.3	379.6	478.4	426.1	468.4	571.5	639.6	328.4	
GP %	30.1%	30.9%	30.5%	30.4%	30.0%	30.1%	30.1%	30.3%	30.5%	30.7%	
Operating profit	9.8	12.5	15.1	19.9	26.2	18.4	23.0	31.8	37.2	17.2	211.1
TP %	3.6%	4.4%	4.8%	5.2%	5.5%	4.3%	4.9%	5.6%	5.8%	5.2%	
Operating cash flow	18.7	15.7	11.9	16.7	29.2	33.3	27.5	28.9	28.6	13.1	223.6
Net Debt (€ equiv)	80.7	73.7	80.4	80.9	86.8	44.9	42.8	42.1	66.3	66.4	
Total Customer Signed off Cost Savings	0.4	2.6	8.8	15.1	15.0	25.8	30.0	34.9	51.5	28.5	

£m



Customer validated cost savings



Over 2,950 separate cost savings provided to our customers so far in 2013



Outlook

- Focus on growth drivers continues to gain market share
- Growth rates improving through H1 into H2
- Key Accounts pipeline at record levels
- Investment in growth projects expecting to drive revenue and profit growth
- Continued successful execution of organic growth strategy

APPENDICES

Brammer footprint

- Europe's leading distributor of industrial maintenance, repair and overhaul products ("MRO")
 - Bearings
 - Mechanical Power Transmission
 - Fluid Power
 - Tools & General Maintenance
 - Added value service
- A fragmented €40 billion + market
- Over 300 locations across 16 countries
- 4.8 million product lines
- More than 100,000 customers
- Robust fundamental growth drivers



Segments*

For the 6 months to 30 June 2013

	UK	Germany	France	Spain	Benelux	Eastern Europe & Other	Total
Turnover	145.9	60.6	43.6	22.2	26.4	29.7	328.4
Sales per working day growth (Like for like)	1.6%	-4.4%	-1.9%	-1.5%	-3.7%	-4.3%	-1.7%
Underlying operating profit	8.5	3.1	1.5	1.9	1.2	1.0	17.2
Return on sales	5.8%	5.1%	3.4%	8.6%	4.5%	3.4%	5.2%
Return on sales H1 2012	5.4%	6.6%	4.2%	9.1%	5.3%	4.6%	5.6%
Operating capital employed*	35.1	21.7	11.5	6.3	11.6	33.0	119.2
Return on operating capital employed	48.5%	28.3%	25.8%	60.8%	20.0%	6.6%	28.9%
Return on operating capital employed H1 2012	46.9%	43.5%	41.7%	79.1%	26.5%	10.9%	35.6%

£m

* Changes in reportable segments have been reflected in all periods presented – explained further in note 2 in the interim report

** Segmental assets excluding goodwill and acquired intangibles less liabilities, before current & deferred tax, dividends, cash, loans, deferred consideration & pension liability



Exchange rates

For the 6 months to 30 June 2013

	June 2013	December 12	June 2012
Average	€1.181	€1.230	€1.214
Closing	€1.167	€1.233	€1.236