

## Previewing Bunzl: A Family Company in Disguise

*This article is authored by MOI Global instructor Henrik Andersson, Partner and Fund Manager at Didner & Gerge. The article previews Henrik's in-depth idea presentation on Bunzl (London: BNZL) at Wide-Moat Investing Summit 2018.*

I first met the company in 2003. It has to me set a high bar in how a corporation slowly but steadily, with the highest ethical standards, year in and year out keeps expanding its business one well-served customer at a time. It is a grand example of what is today known as a compounding machine.

At the face of it, Bunzl is a distributor of goods typically not for resale; to food stores, restaurants, large corporations, health care operations...The list goes on. It is the brooms to clean the stores, the kitchen disposables, the napkins in conference rooms, the first aid kits in offices and the protection gloves in factories. But as with all great business models, Bunzl provides something more in its daily operations.

Look up "solving client problems" in a dictionary and a picture of Bunzl emerges. By managing customers working capital, solving complex logistics with a 98% fulfillment rate, being just-in-time, providing consultancy around procurement and providing push-through cost savings, Bunzl is one of these businesses that provides essential services that aids an entire operation but at a very small cost.

It is to me like an iceberg - what you see above the water (i.e. Bunzl's fee/margin) is a fraction of its true impact.

It is furthermore governed by outstanding people, in a strong corporate culture with lots of responsibility and decentralization. Words such as modest, hard-working, long-term, steadfast come to mind. We hope to be part-owners of Bunzl for many years to come.