

NWF Group plc

Preliminary results year to 31 May 2012

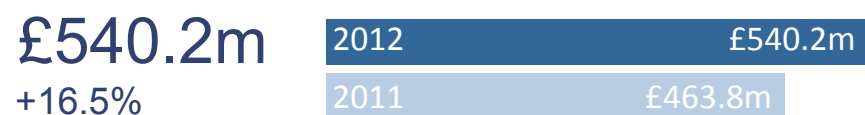


Group overview

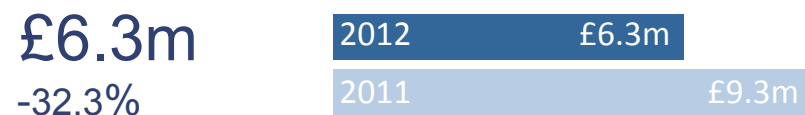
Key highlights from the financial year

- ◉ Performance in line with expectations, tough market conditions
- ◉ Solid performances from Feeds and Food
- ◉ Fuels disappointing, extremely warm winter, record prices, tough economic environment
- ◉ Successful acquisition & integration of Swan Petroleum
- ◉ Strong cash management, debt better than anticipated at £15.5 million
- ◉ Maintained dividend reflecting the Board's confidence in the Group's resilience

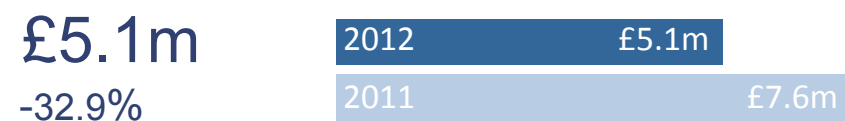
Revenue



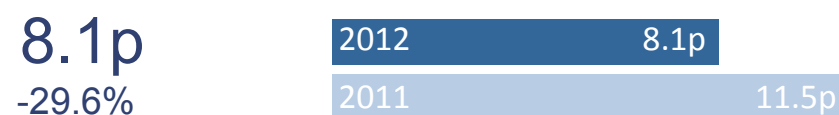
Operating profit



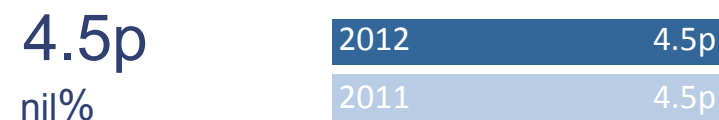
Profit before taxation



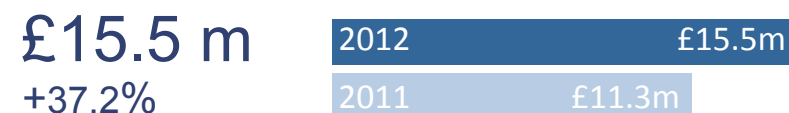
Earnings per share



Dividends per share



Net debt



Operational highlights

Fuels

- ◉ Challenging market conditions
 - ◉ Extremely warm winter
 - ◉ Record high oil prices
 - ◉ Tough economic backdrop for customers
- ◉ Successful acquisition & integration of Swan Petroleum
- ◉ Resource in place to capitalise on a cold winter
- ◉ Business now streamlined to an effective, low cost depot operating model



Revenue

£363.9m +18.5%

2012 £363.9m

2011 £307.0m

Operating profit

£0.6m -81.8%

2012 £0.6m

2011 £3.3m

Litres

414 m +10.4%

2012 414m

2011 375m

Operational highlights

Food

- ◉ Good performance supported by efficiency gains
- ◉ More effective overflow stock management in the busy autumn period
- ◉ New systems and processes implemented across the business
- ◉ Exit of AB World Foods Feb '12
- ◉ Reductions in cost base aligned to business levels
- ◉ Focus moved to new business development in both storage and repacking



Revenue

£42.4m -4.1%

2012	£42.4m
2011	£44.2m

Operating profit

£3.0m +50.0%

2012	£3.0m
2011	£2.0m

Pallet spaces

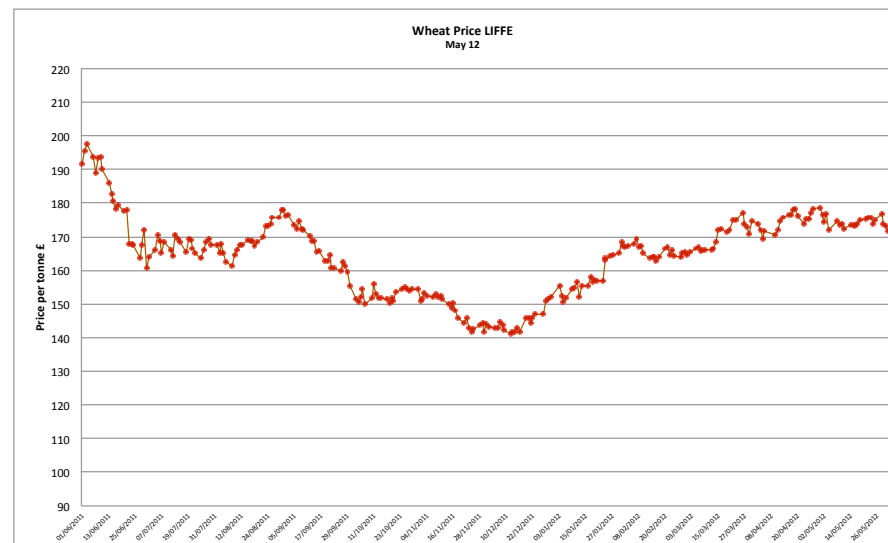
105,000 -2.8%

2012	105,000
2011	108,000

Operational highlights

Feeds

- ◉ Solid performance despite volatile commodity costs
- ◉ 5.2% volume growth against a static market
- ◉ Particular successes in blend sales, up 30%
- ◉ Further progress with additional products including protected proteins & fertiliser
- ◉ New telemarketing team supporting new business activity
- ◉ Tough conditions for farmers



Revenue

£133.9m +18.9%

2012 £133.9m

2011 £112.6m

Operating profit

£2.7m -32.5%

2012 £2.7m

2011 £4.0m

Tonnes

486,000 +5.2%

2012 486,000

2011 462,000

Financial review

Financial review - income statement summary

	May 2012 £m	May 2011 £m	Growth %
Revenue			
Food	42.4	44.2	-4.1%
Feeds	133.9	112.6	18.9%
Fuels	363.9	307.0	18.5%
Total revenue	540.2	463.8	16.5%
Operating profit			
Food	3.0	2.0	50.0%
Feeds	2.7	4.0	-32.5%
Fuels	0.6	3.3	-81.8%
Total operating profit	6.3	9.3	-32.3%
Finance costs	(1.2)	(1.7)	29.4%
Profit before tax	5.1	7.6	-32.9%
Tax	(1.3)	(2.2)	40.9%
Profit after tax	3.8	5.4	-29.6%
EPS (basic)	8.1	11.5	-29.6%
DPS	4.5	4.5	0.0%
Dividend cover	1.8	2.6	-30.8%
Interest cover (excluding IAS 19 finance costs)	7.0	7.8	-10.3%

Financial review

Financial review - balance sheet summary

	May 2012 £m	May 2011 £m
Fixed assets (including intangibles)	50.5	46.9
Net working capital	9.5	8.5
Assets employed	60.0	55.4
Pension deficit	(17.3)	(11.3)
Tax provisions	(1.5)	(3.8)
Net debt	(15.5)	(11.3)
Net Assets	25.7	29.0
Net Debt : EBITDA	1.6	0.9

Financial review

Net debt summary

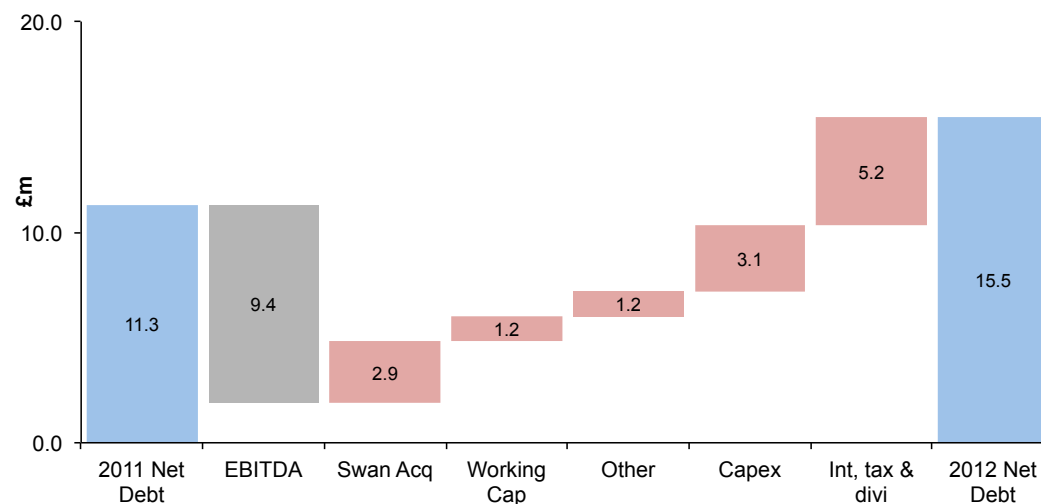
Debt summary

- Committed facilities of £55.0m with RBS until Oct 2015.
In addition £7m of HP finance is available

Facility	Facility	Drawn
Invoice discounting	£44.0m	£14.5m
Revolving Credit Facility	£10.0m	£0.0m
Overdraft / (cash)	£1.0m	£(0.2)m
Bank facilities	£55.0m	£14.3m
Hire Purchase	£7.0m	£1.2m
Total Debt	£62.0m	£15.5m

- Majority of debt in the form of Invoice Discounting at a cost of Base +1.75%
- Borrowing covenants – Net debt: EBITDA and EBIT: Interest cost

Movement in net debt



Financial review

Financial review - cash flow summary

	May 2012 £m	May 2011 £m
Cashflows from operating activities		
Operating profit	6.3	9.3
Depreciation and amortisation	3.1	3.8
Working capital movements	(1.2)	3.8
Other	(1.2)	0.1
Operating cash flow	7.0	17.0
Interest paid	(1.0)	(1.2)
Tax paid	(2.1)	(2.5)
Net cash from operating activities	3.9	13.3
Cash flows from investing activities		
Capital additions (net)	(3.1)	(4.7)
Acquisition of subsidiary, net of cash acquired	(2.7)	(3.7)
Other	(0.2)	(0.3)
	(2.1)	4.6
Dividends paid	(2.1)	(2.0)
Movement in Net Debt	(4.2)	2.6

Development outlook

Fuels

- ◉ Third largest fuel distributor in the UK
- ◉ Low cost depot operating model for competitive advantage
- ◉ Network built by acquisition with good record of integration
- ◉ Good track record
- ◉ Low ROS high ROCE >20%

Development strategy

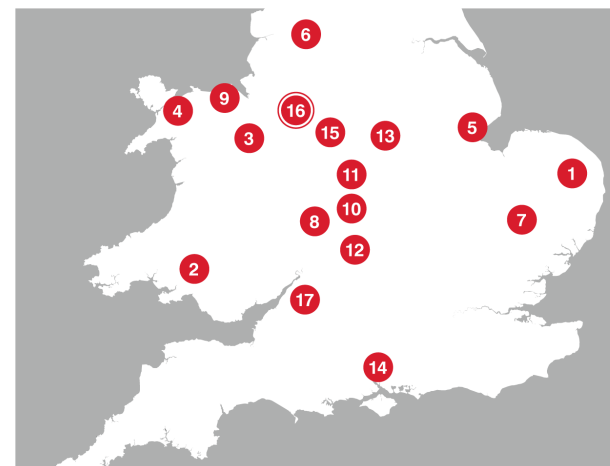
- ◉ *Develop organic growth from existing network*
- ◉ *Bolt on acquisitions across the UK*
 - ◉ *Synergy with existing depots*
 - ◉ *Geographic expansion*

Our locations

NWF depots

1	Acle	10	Kenilworth
2	Ammanford	11	Kingsbury
3	Babbinswood	12	Long Marston
4	Bangor	13	Nottingham
5	Boston	14	Southampton
6	Burnley	15	Stoke
7	Burwell	16	Wardle*
8	Droitwich	17	Yate
9	Dyserth		

* Group head office and main operating site



Development outlook

Food

- ⊙ Market for ambient groceries remains robust
- ⊙ Competitive market working with large food manufacturers and supermarkets
- ⊙ Key value delivered to customers
 - ⊙ High levels of service
 - ⊙ Low cost
- ⊙ Boughey has a significant market share in North West
- ⊙ Significant investment in upgrading systems to improve efficiency and increase customer service



Development strategy

- ⊙ *Full utilisation of storage capacity*
- ⊙ *Increase efficiency to continue success*
- ⊙ *Innovate to meet customer needs*
- ⊙ *Optimise customer mix*





Development outlook

Feeds

- ⊙ Agriculture is an attractive market for the Group
 - Population growth & food security gives stable, growing markets
- ⊙ Represents the heritage of NWF and a good base has been established to date
- ⊙ NWF now No. 2 ruminant feed producer in the UK and a national player
- ⊙ Strong sales team, advising over 4,000 farmers
- ⊙ Track record of winning new business, dairy specialists
- ⊙ Short term focus on building direct customer base

Development strategy

- ⊙ *Develop and bolt on complementary agri businesses*
- ⊙ *Diversify the agri offering from a focused ruminant feed base*
- ⊙ *Drive industry consolidation for synergy and scale economies*





Group overview

Summary & outlook

- ◉ Performance in line with expectations, lower debt than anticipated
- ◉ Solid performances from Feeds and Food; Fuels disappointing, exceptionally tough market
- ◉ Successful acquisition & integration of Swan Petroleum
- ◉ Experienced operational management teams across the Group
- ◉ Group has resilient properties, cash generative capabilities and a progressive dividend policy
- ◉ Long term debt funding in place, with Board targets on utilisation
- ◉ Continued tough economic backdrop expected throughout 2012/13
- ◉ Development opportunities with a focus on agriculture



Group overview

Additional information on NWF Group plc

- ◉ Business backgrounds
- ◉ Locations
- ◉ Organisation
- ◉ Main site photo
- ◉ Five year financial performance
- ◉ Ten year divisional track record
- ◉ Additional market data

Business background

Fuels

Fuels

Supply of fuels and fuel cards to commercial, domestic and retail customers across the UK

Our business

- ◉ Third largest distributor in the UK
- ◉ 38,000 customers
- ◉ 189 people
- ◉ 17 depots across the UK
- ◉ 82 tankers
- ◉ Supply 76 retail petrol stations
- ◉ Fuel card marketing
- ◉ 414 million litres per annum

Fuel



Business background

Food

Food

Consolidation of ambient grocery products to UK supermarkets

Our business

- ◉ 115,000 pallet spaces
- ◉ 900,000ft² of warehousing in Wardle and Deeside (North West)
- ◉ Market leader in the North West
- ◉ 515 people
- ◉ 114 trucks, 240 trailers
- ◉ 99.6% service level
- ◉ 200 customers including Princes & Typhoo
- ◉ Packing room for added value work

Food



Business background

Feeds

Feeds

Supply of feed to ruminants in the UK – principally dairy

Our business

- ◉ National player – feed one in seven dairy cows in the UK, number two in the market
- ◉ 486,000 tonnes produced
- ◉ Feed dairy, beef and sheep
- ◉ Sell added value products including minerals, supplements and fertiliser
- ◉ 4,000 customers
- ◉ 166 people
- ◉ 28 trucks, 13 trailers
- ◉ Compound mills in Cheshire and Devon
- ◉ Blend plants in Ayrshire, Cumbria, Cheshire and Devon

Feed



Group overview

Locations

Feeds

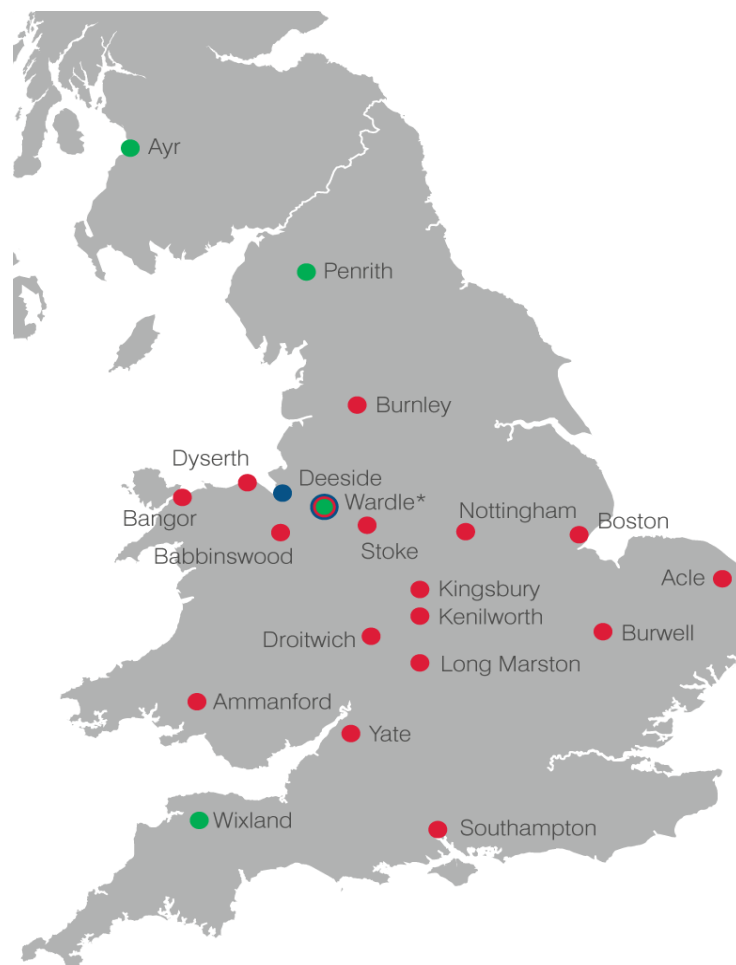
Ayr
Penrith
Wardle*
Wixland

Food

Deeside
Wardle*

Fuels

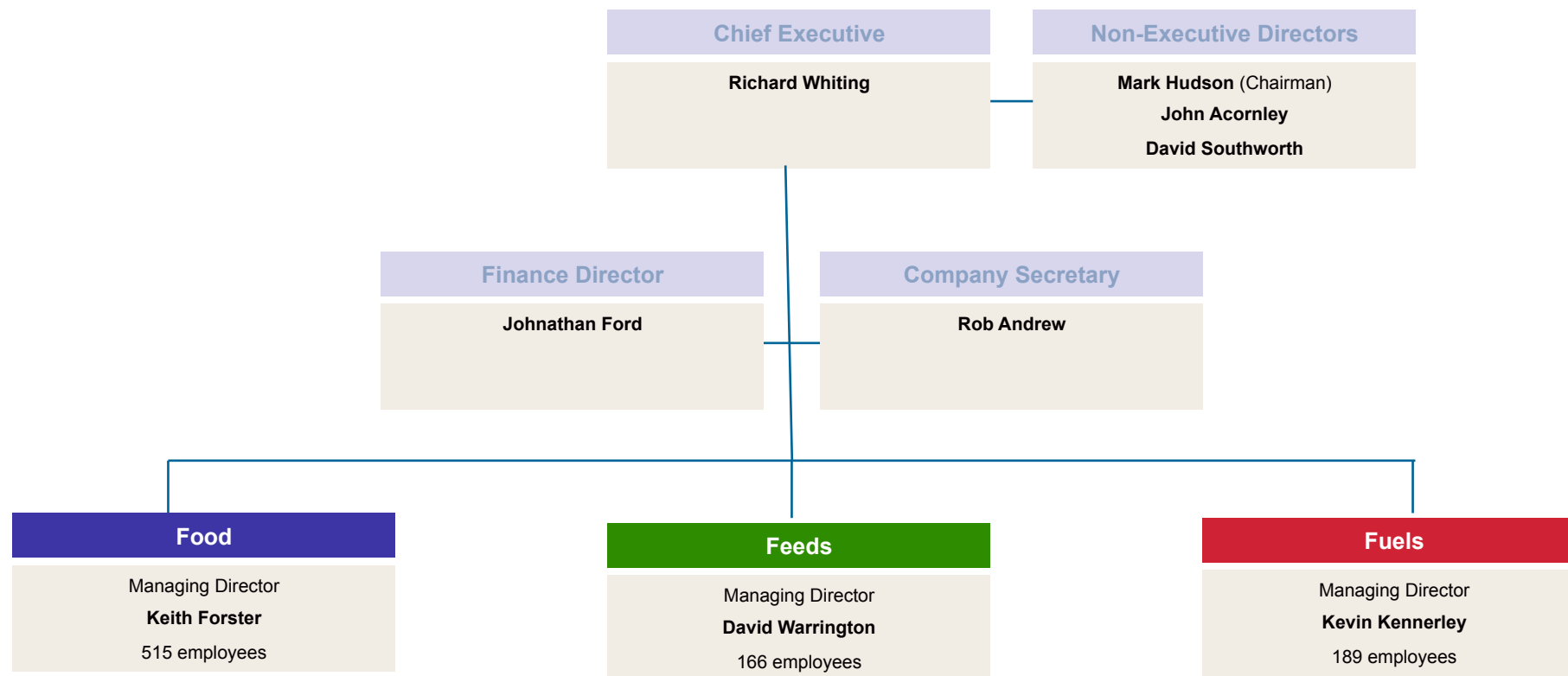
Acle
Ammanford
Babbinswood
Bangor
Boston
Burnley
Burwell
Droitwich
Dyserth
Kenilworth
Kingsbury
Long Marston
Nottingham
Southampton
Stoke
Wardle*
Yate



* Group head office and main operating site.

Group overview

Group organisation



Group overview

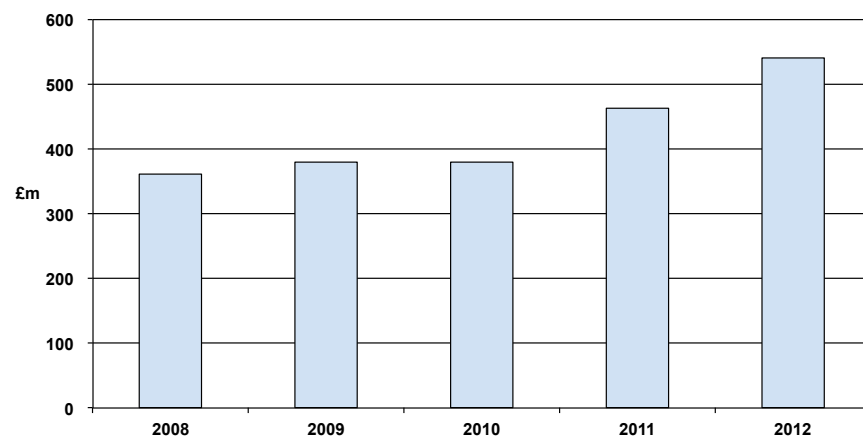
Wardle: Group head office and main operating site



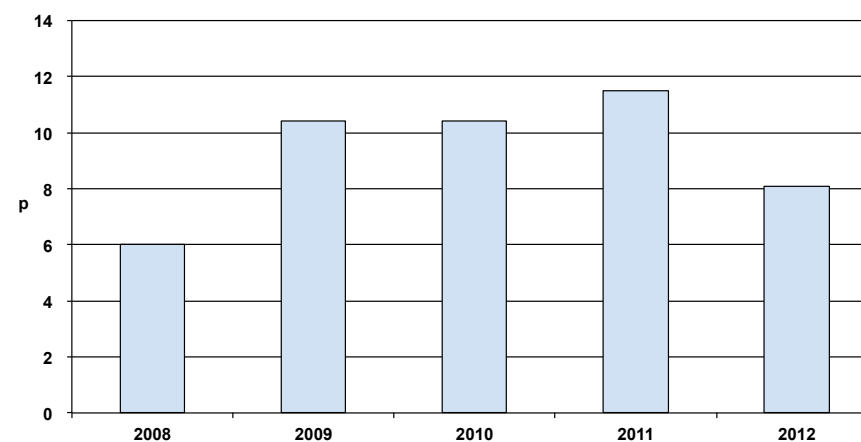
Group overview

Five year financial performance

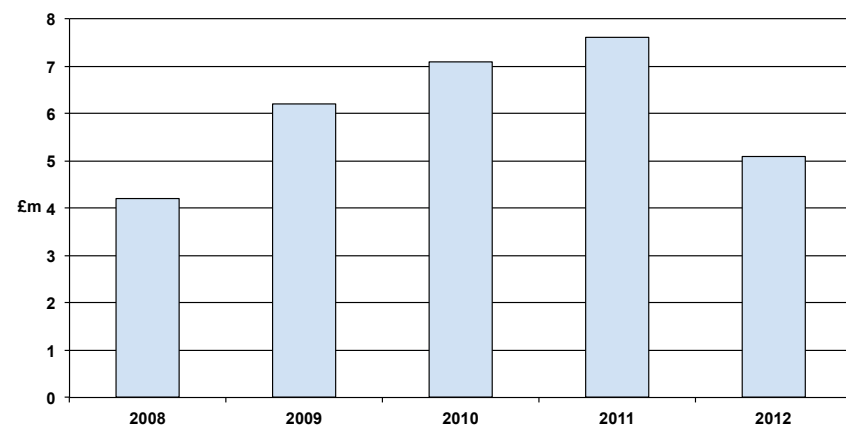
Revenue



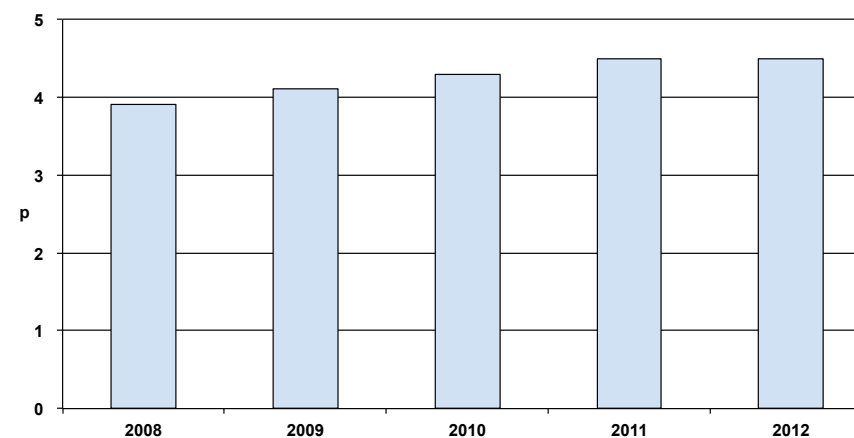
Headline EPS



PBT



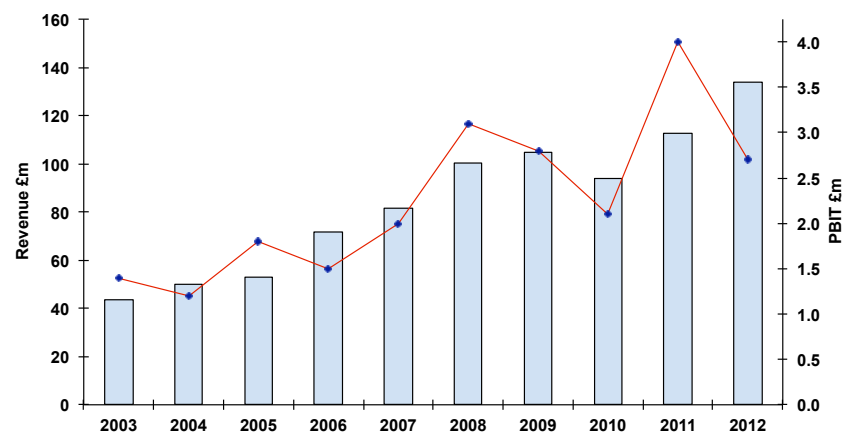
DPS



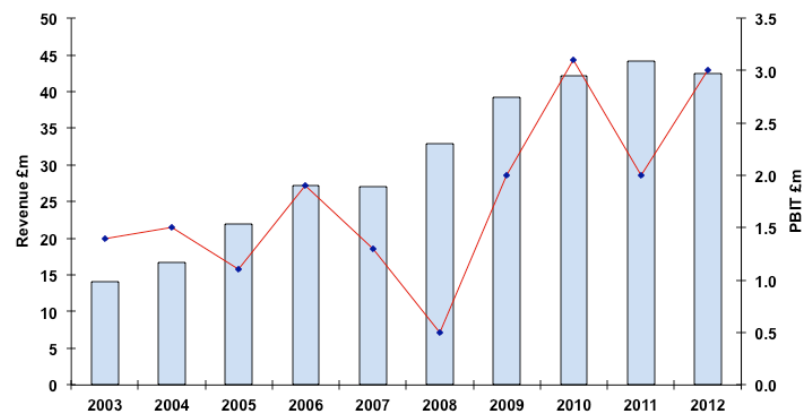
Group overview

Divisional track records

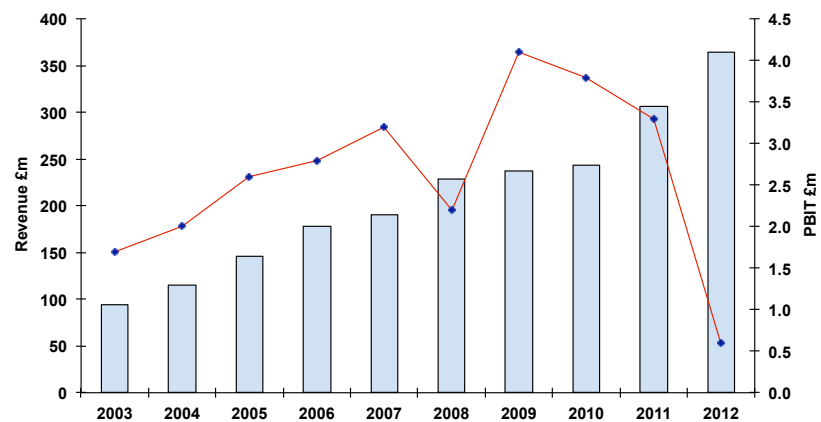
Feeds



Food

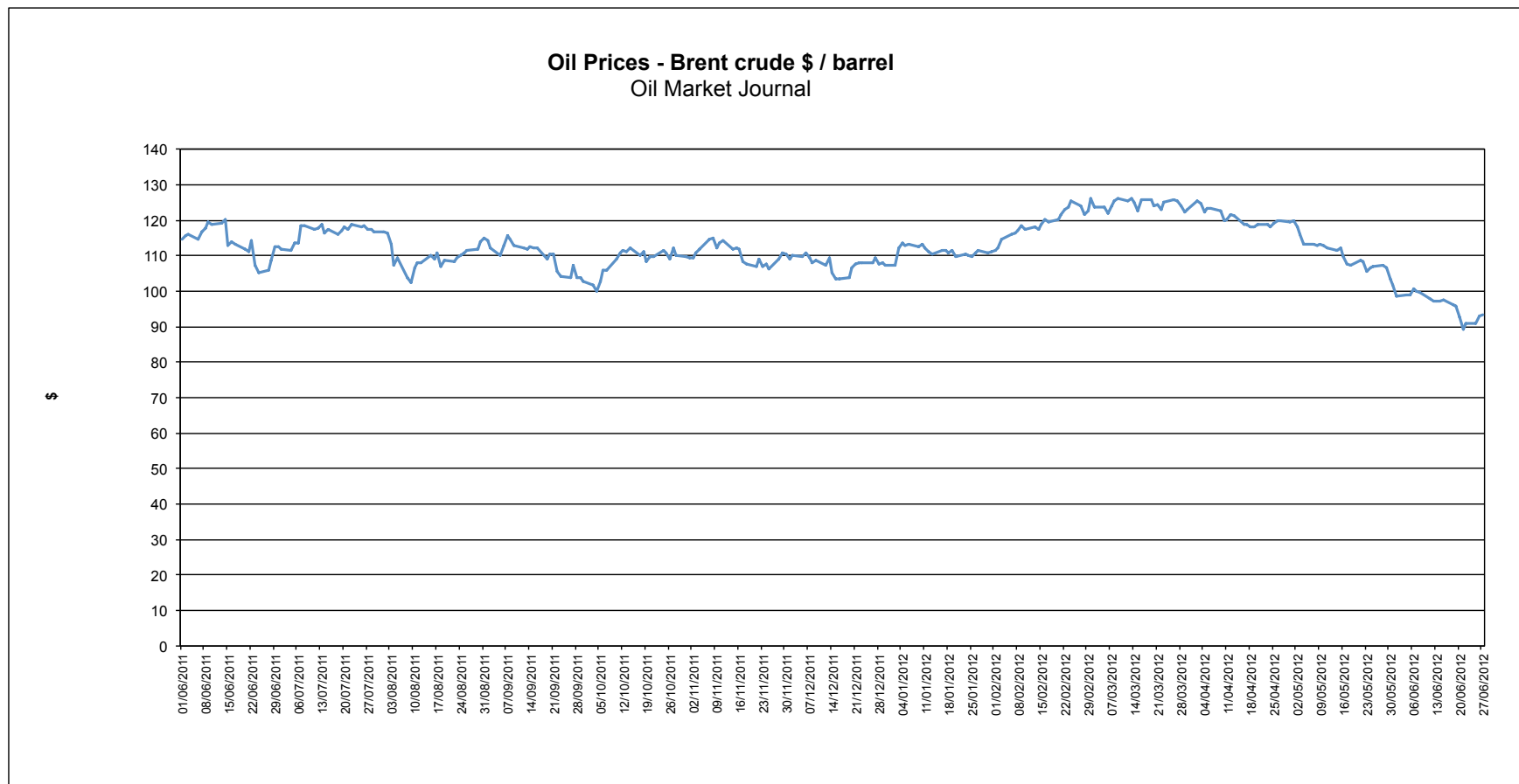


Fuels



Group overview

Fuels: additional market data



Group overview

Feeds: additional market data

