



NWF Group plc
Preliminary results to 31 May 2013

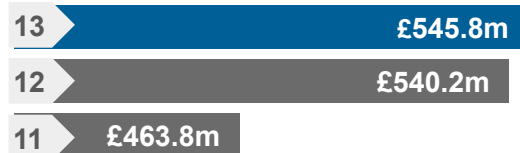
Group overview

Key highlights from the financial year

- Record year for the Group
- Food facing continuing difficult market conditions
 - Further restructuring planned
- Very strong Feeds & Fuels performance
 - Volatile commodity costs & strong demand
- Effective cash management
 - Debt below 1 x EBITDA
- Dividend increased to 4.8p
 - Increased by 7%

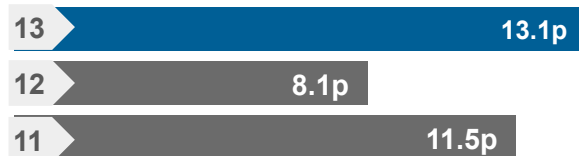
Revenue

£545.8m + 1.0%



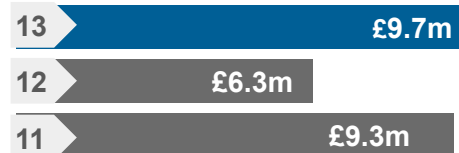
Earnings per share

13.1p + 61.7%



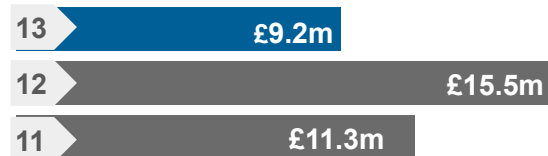
Operating profit

£9.7m + 54.0%



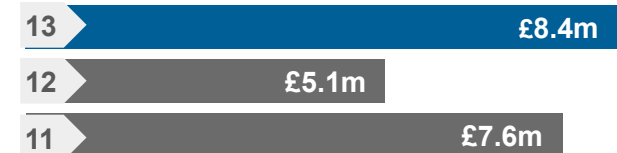
Net debt

£9.2m - 40.6%



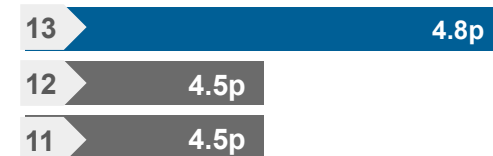
Profit before tax

£8.4m + 64.7%



Dividend per share

4.8p + 6.7%



Operational highlights

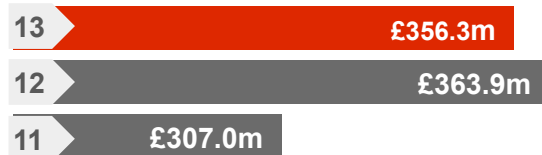
Fuels

- ▶ Very strong turnaround
 - ▶ Reduced fleet and personnel in 2012
- ▶ Significant increase in heating oil demand
- ▶ Long extended winter period
 - ▶ Depot based model allows premium service
 - ▶ Business well positioned to take advantage
- ▶ Oil prices down an average of 4% on prior year
- ▶ Evesons and Swan fully integrated and performing well



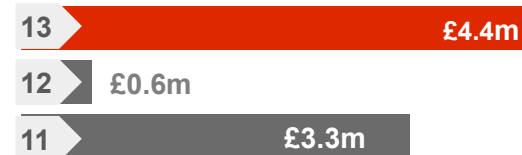
Revenue

£356.3m – 2.1%



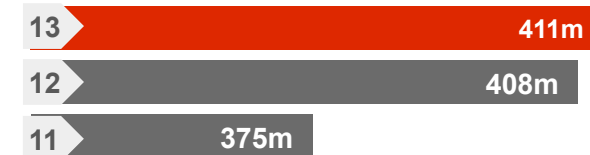
Operating profit

£4.4m + 633.3%



Litres

411m + 0.7%



Operational highlights

Food

- Continued difficult market conditions
- Maintained business activity at a stable level through the year
- Strong service performance at 99.7%
- Good operating efficiencies from improved systems across the business
- Rationalisation of warehouse space
 - Focus on Wardle consolidation
 - Deeside occupation under review



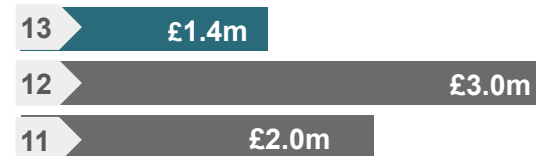
Revenue

£36.4m - 14.2%



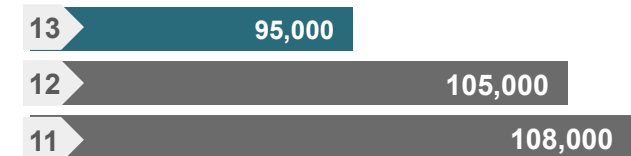
Operating profit

£1.4m – 53.3%



Pallet spaces

95,000 – 9.5%



Operational highlights

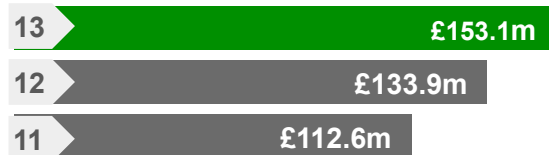
Feeds

- Very strong result
- Growing focus on nutritional advice
 - Increased technical sales capability
- Focus on direct sales to farmers
- Strong relationships with farmers, key advisors
- Good market demand levels for feed
 - Poor silage and late spring
- Significant commodity price increases
- Staged price increases softened the impact for our farming customers



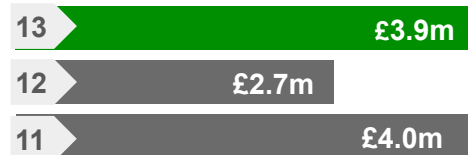
Revenue

£153.1m + 14.3%



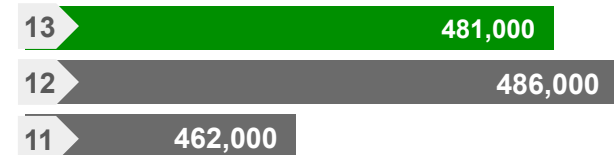
Operating profit

£3.9m + 44.4%



Tonnes

481,000 – 1.0%



Financial Review

Financial review – income statement summary

	May 2013 £m	May 2012 £m	Growth %
Revenue			
Food	36.4	42.4	(14.2%)
Feeds	153.1	133.9	14.3%
Fuels	356.3	363.9	(2.1%)
Total revenue	545.8	540.2	1.0%
Operating profit			
Food	1.4	3.0	(53.3%)
Feeds	3.9	2.7	44.4%
Fuels	4.4	0.6	633.3%
Total operating profit	9.7	6.3	54.0%
Finance costs	(1.3)	(1.2)	(8.3%)
Profit before tax	8.4	5.1	64.7%
Tax	(2.2)	(1.3)	(69.2%)
Profit after tax	6.2	3.8	63.2%
EPS (basic)	13.1	8.1	61.7%
DPS	4.8	4.5	6.7%
Dividend cover	2.7	1.8	0.9
Interest cover (excluding IAS 19 finance costs)	10.8	7.0	3.8

Financial Review

Financial review – balance sheet summary

	May 2013 £m	May 2012 £m
Fixed assets	48.8	50.5
Net working capital	9.2	9.5
Assets employed	58.0	60.0
Pension deficit	(18.8)	(17.3)
Net debt	(9.2)	(15.5)
Tax provisions	(1.8)	(1.5)
Net assets	28.2	25.7
Net debt : EBITDA	0.7	1.6

Financial Review

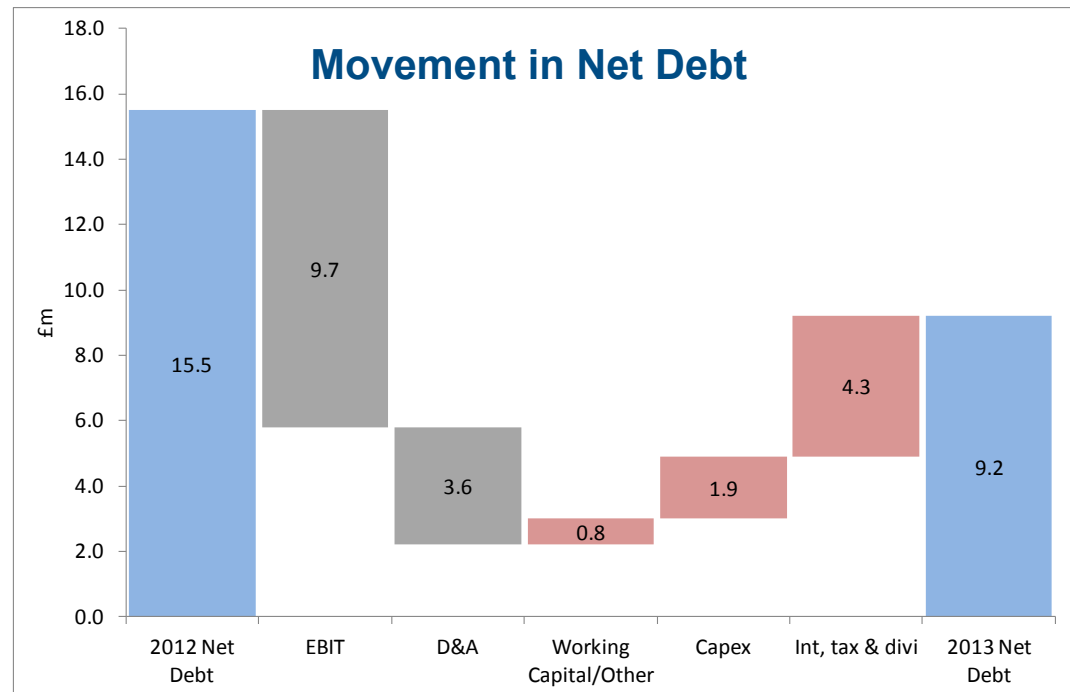
Net debt summary

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	£9.1m
Revolving Credit Facility	£10.0m	£0.0m
Overdraft/(Cash)	£1.0m	(£0.1m)
Bank facilities	£55.0m	£9.0m
Hire Purchase	£7.0m	£0.2m
Total Debt	£62.0m	£9.2m

- 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



Financial Review

Financial review – cash flow summary

	May 2013 £m	May 2012 £m
Cashflows from operating activities		
Operating profit	9.7	6.3
Depreciation and amortisation	3.6	3.1
Working capital	0.3	(1.2)
Other	(1.0)	(1.2)
Operating cash flow	12.6	7.0
Interest paid	(0.8)	(1.0)
Tax paid	(1.4)	(2.1)
Net cash from operating activities	10.4	3.9
Cash flows from investing activities		
Capital additions	(1.9)	(3.1)
Acquisition of subsidiary	-	(2.7)
Other	(0.1)	(0.2)
	8.4	(2.1)
Dividends paid	(2.1)	(2.1)
Movement in Net debt	6.3	(4.2)

Development strategy

Fuels

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

- *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 strategy

Food

- Market for ambient groceries remains stable
 - Competitive environment 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
 - Upgraded systems have improved efficiency and are supporting high levels of customer service
-
- *Rationalise consolidating customers to Wardle*
 - *Utilise Deeside for slow moving / overflow for 12 months*
 - *Maintain high service and improve efficiencies*
 - *Optimise customer mix*



Development strategy

Feeds

- Agriculture is an attractive market for the Group
 - Population growth & food security underpins 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 technical 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

- *Increase the focus on nutritional advice and technical support*
- *Identify 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

- Record year for the Group
- Debt at an historical low
- Strong dividend
- Experienced operational management across the Group
- Capability to capitalise on market conditions
- Appointment of two new non-executive Directors
- Strong platform for development
 - Funding in place
 - Resilient Group earnings and cash generation
- Strategic growth focused around Agri development opportunities

Group overview

Additional information

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

Business background

Feeds

Supply of feed to ruminants in the UK – principally dairy

- National player – feed one in seven dairy cows in the UK, number two in the market
- 481,000 tonnes produced
- Feed dairy, beef and sheep
- Sell added value products including minerals, supplements and fertiliser
- 4,000 customers
- 165 people
- 28 trucks, 13 trailers
- Compound mills in Cheshire and Devon
- Blend plants in Ayrshire, Cumbria, Cheshire and Devon



Business background

Food

Consolidation of ambient grocery products to UK supermarkets

- 115,000 pallet spaces
- 900,000ft² of warehousing in Wardle and Deeside (North West)
- Market leader in the North West
- 494 people
- 106 trucks, 216 trailers
- 99.7% service level
- 200 customers including Princes & Typhoo
- Packing room for added value work



Business background

Fuels

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

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



Group overview

Locations

Feeds

Ayr
Penrith
Wardle*
Wixland

Food

Deeside
Wardle*

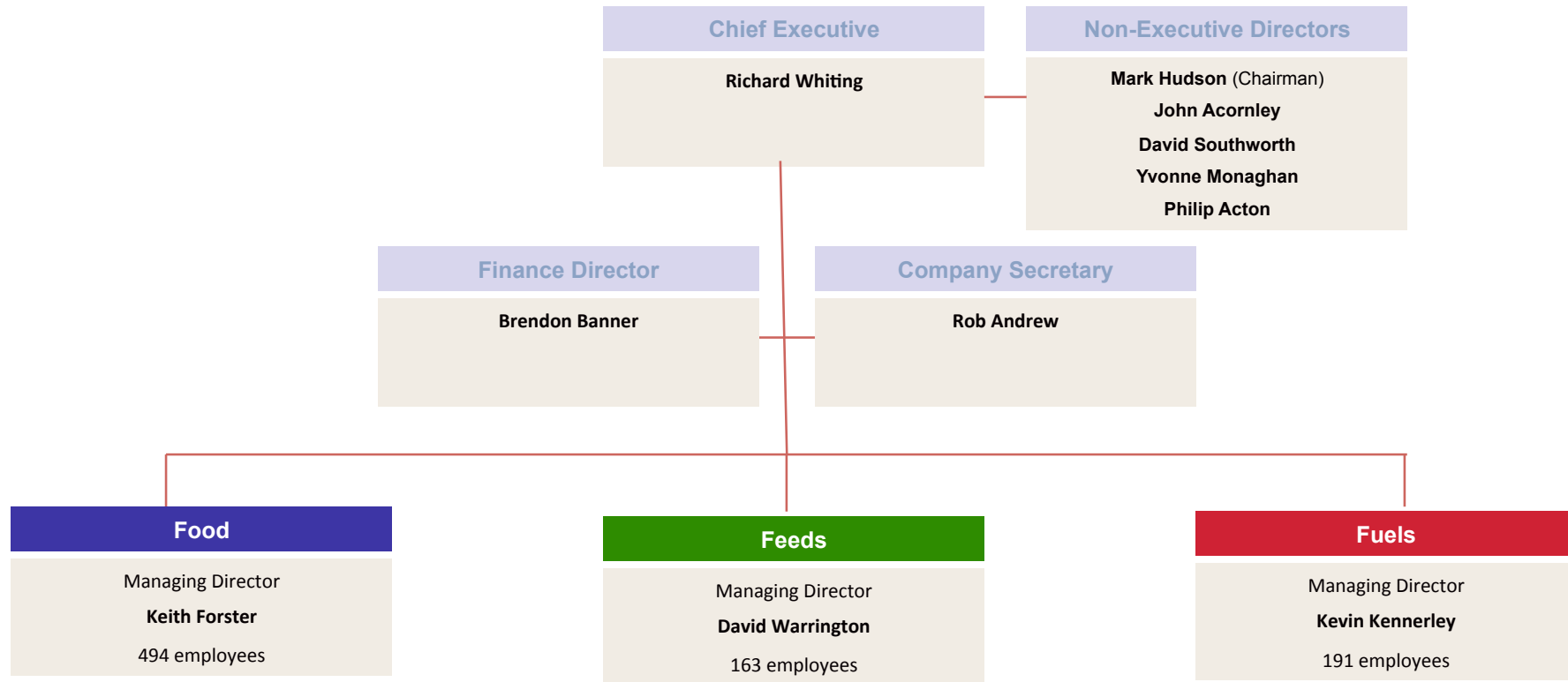
Fuels

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



Group overview

Additional information



Group overview

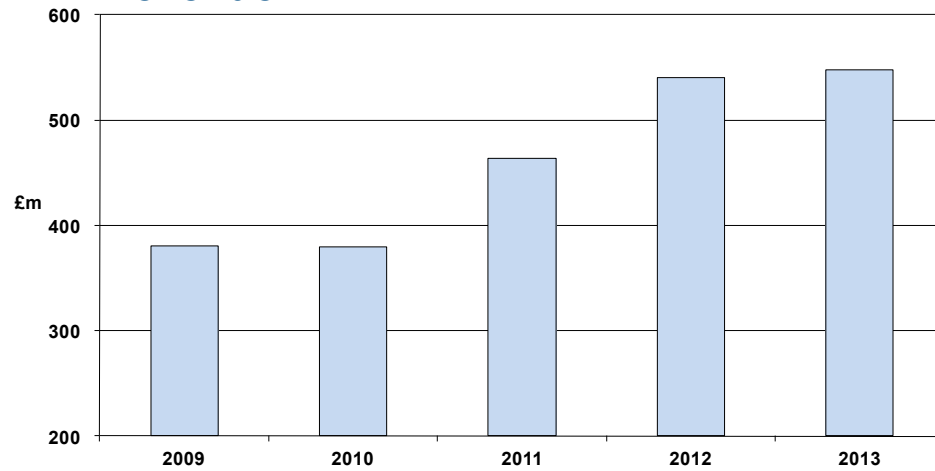
Wardle: Group head office and main operating site



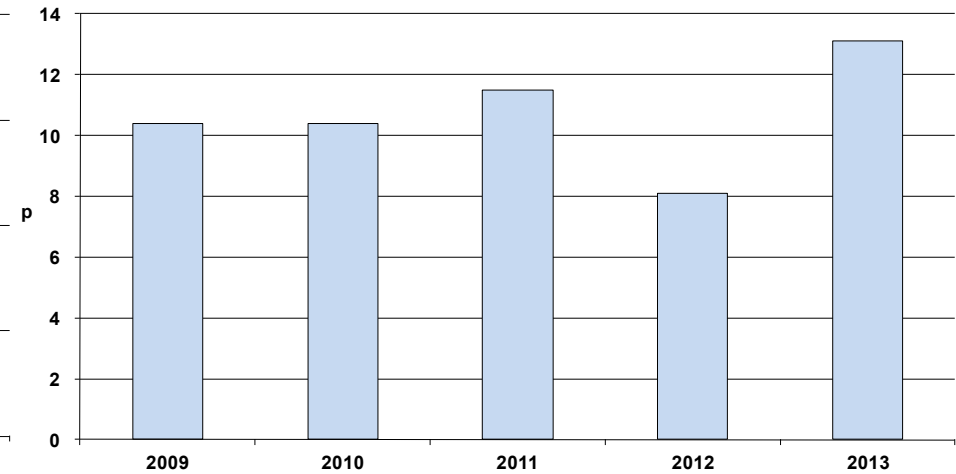
Group Overview

Five year financial performance

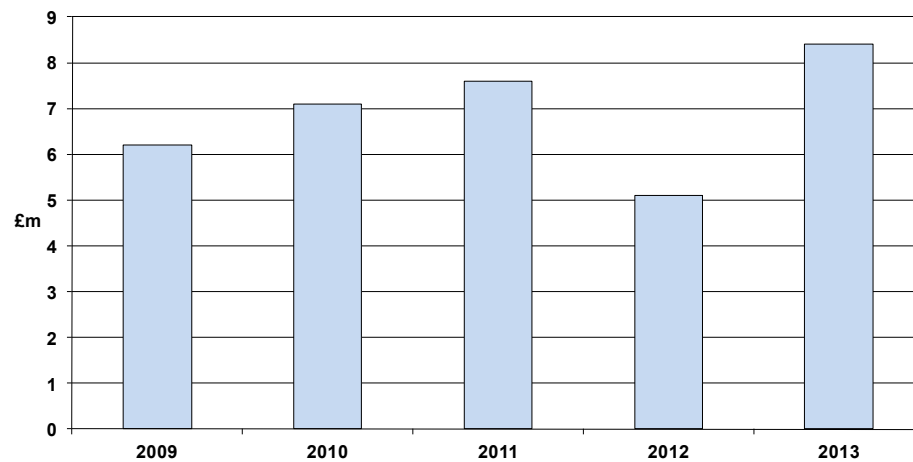
Revenue



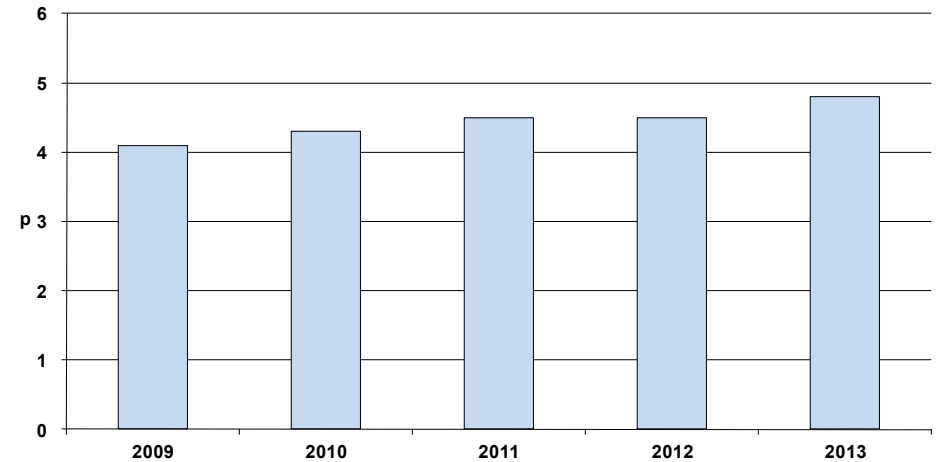
EPS



PBT



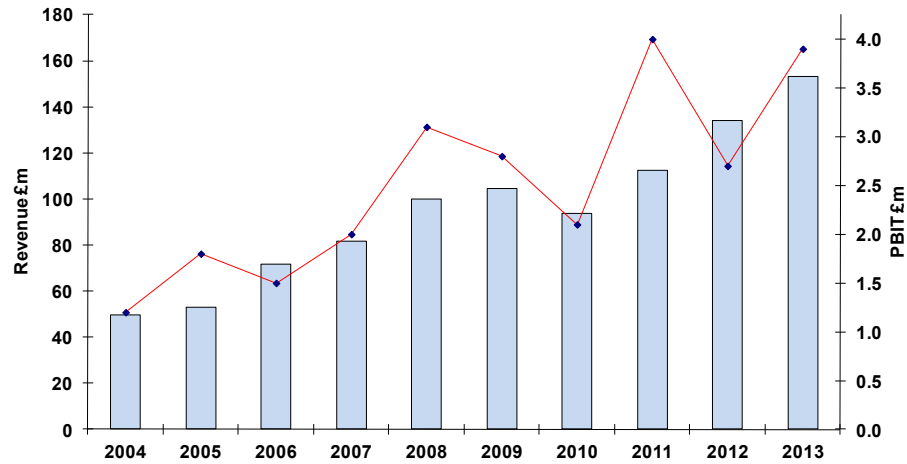
DPS



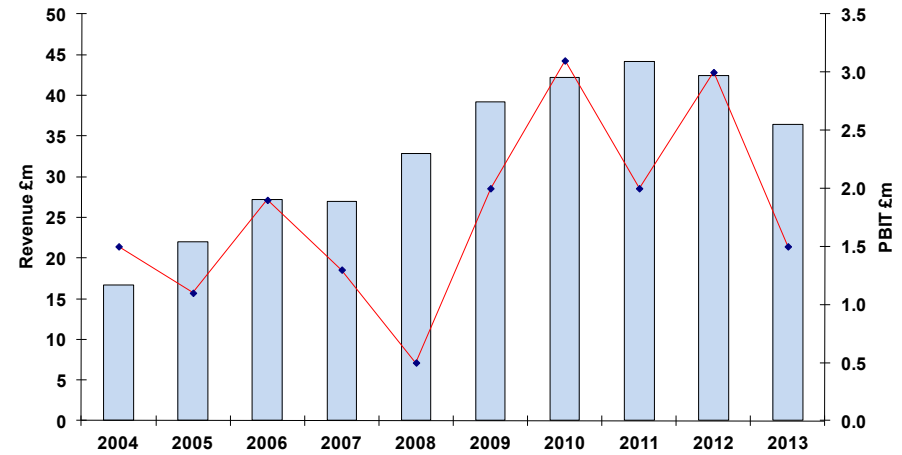
Group Overview

Divisional track record

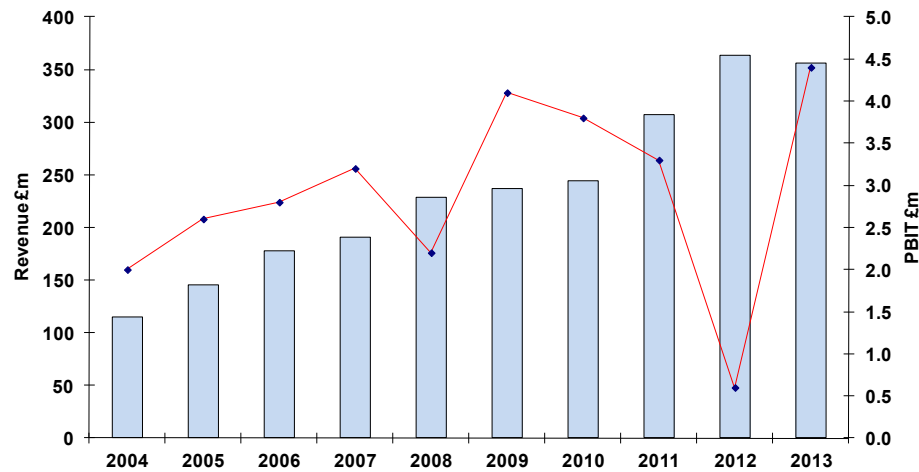
Feeds



Foods

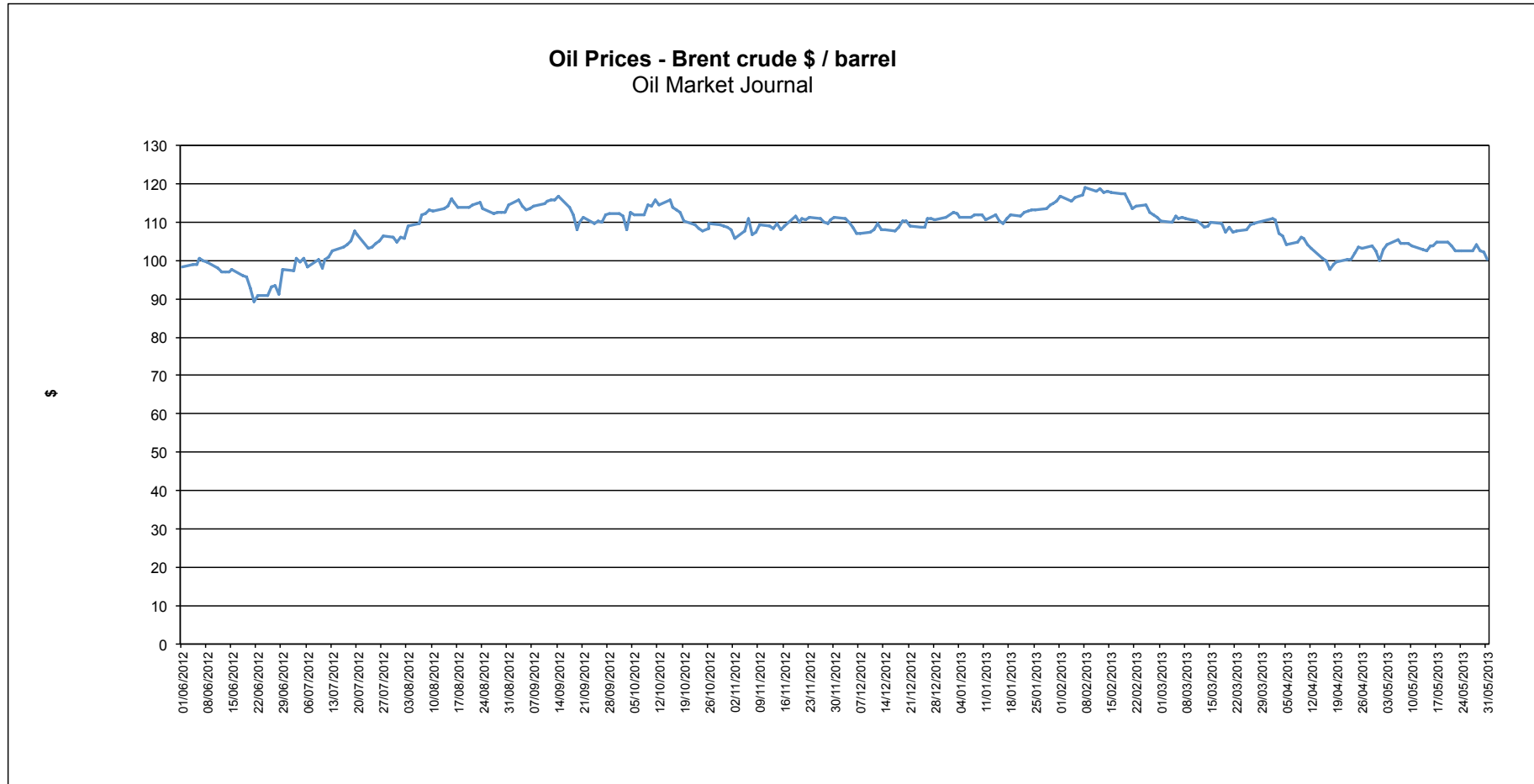


Fuels



Group overview

Fuels additional market data



Group overview

Feeds additional market data

