



**Together,  
we are NWF**



# An experienced and capable team



Richard Whiting  
Chief Executive

## Key skills

- Strategy and leadership
- Sales and marketing
- Operations
- Finance
- Mergers and acquisitions

## Experience

Joined in 2007. Previously group finance director of Heywood Williams Group plc, after joining as business development director from Brand-Rex Ltd, where he was managing director of the datacom division.



Chris Belsham  
Group Finance Director

## Key skills

- Finance
- Mergers and acquisitions
- Strategy

## Experience

Joined as Finance Director in 2017. Previously an equity partner and head of corporate finance at Irwin Mitchell LLP having joined the business in 2014 from KPMG Corporate Finance. Qualified as a Chartered Accountant with PwC in 1999.

# NWF is a specialist distributor of fuel, food and feed across the UK

## Summary

- Strong track record of delivering increased shareholder returns
- Group operates in large stable markets
- Strongly cash generative with dividend growth
- Clear growth strategy

## Fuels

Supplying fuel to commercial and domestic customers across the UK

- Third largest oil distributor in the UK
- 663 million litres delivered in 2022
- Road diesel, gas oil, heating oil and petrol
- 25 depots across the UK
- 156 tankers delivering fuel
- 109,000 customers, both commercial and domestic
- Five acquisitions since 2019 in a fragmented market

## Food

The leading North West ambient grocery consolidator

- Boughey distribution is a leading consolidator of ambient grocery products
- Over 1 million ft<sup>2</sup> of modern, racked warehousing in Cheshire
- 118,000 pallet spaces
- 127 trucks and 264 trailers
- 200 contracted ambient grocery customers

## Feeds

Delivering nutritional advice and feed to ruminant farmers across the UK

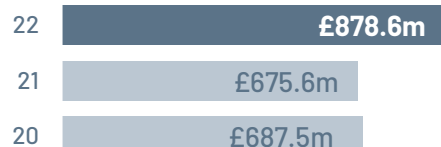
- Second largest national ruminant feed supplier – feeds one in six dairy cows
- Feed mills in Cumbria, Cheshire and Devon
- 528,000 tonnes sold in 2022
- 4,325 farming customers
- 45 trucks and 17 trailers
- Principally dairy, also beef and sheep

# Record results, significantly ahead of initial expectations\*

## Revenue

**£878.6m**

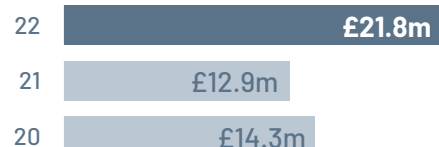
+30.0%



## Headline operating profit<sup>1</sup>

**£21.8m**

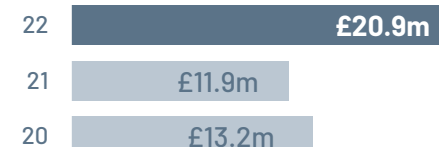
+69.0%



## Headline profit before tax<sup>1</sup>

**£20.9m**

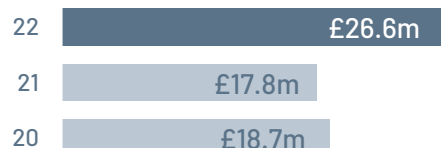
+75.6%



## Headline EBITDA<sup>1</sup>

**£26.6m**

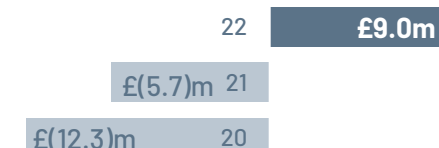
+49.4%



## Net cash/(debt)

**£9.0m**

+£14.7m



## Dividend per share

**7.5p**

+4.2%



\* Initial analyst consensus expectations headline profit before tax : £11.2 million.

<sup>1</sup> Stated before exceptional items, amortisation of acquired intangibles and the net finance cost of the Group's defined benefit pension scheme and the tax effect thereon where relevant.



# Significant outperformance

- Significant outperformance from trading in very volatile markets with supply constraints:
  - One-off gains highlighted by 2.6p per litre net profit (2021: 1.4p per litre)
- Oil supply issues from September with forecourt shortages and as a result of the Ukraine conflict
- Mild winter weather reduced demand for heating oil; also less business with online brokers
- Managed very volatile and increasing oil costs over the period (Brent Crude moving from \$72 per barrel to a peak of \$137 a barrel in March 2022)
- Continued the development of Priority Club with an App for tank monitoring and auto top-up
- Continued focus on acquisition opportunities; strong pipeline building

## Revenue

**£621.1m**

+38.7%



## Operating profit

**£17.2m**

+84.9%



## Volume (litres)

**663m**

-4.6%





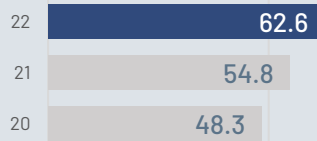
# Solid performance improvement

- Performance delivered through increased efficiency
- Good warehouse utilisation:
  - Pressure on customers' stock levels at Christmas
- Effective management of inflationary cost increases
- Continued to increase complementary services:
  - E-fulfilment, Palletline and packing room operations
- Strong levels of driver and warehouse staff retention:
  - Focus on people and environment
- Crewe warehouse expansion outperforming its investment case
- Successful MD transition:
  - Angela Carus leading the business

## Revenue

**£62.6m**

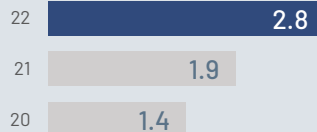
+14.2%



## Operating profit

**£2.8m**

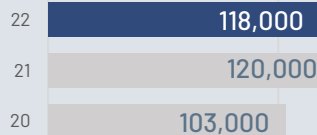
+47.4%



## Pallets stored

**118,000**

-1.7%





# Strong second half recovery

- Strong H2 after disappointing first half
- Lower volumes driven by the market, retail in the North and merchant acquired in the South
- Unprecedented increase in commodity prices, significant impact of Ukraine conflict:
  - 35% increase in feed commodity prices in March
- Performance improvement in H2 through effective management of pricing in an inflationary environment
- Investment continued in NWF Academy training future nutritionists
- Market conditions:
  - Milk prices improved to over 40p per litre (up 10p compared to prior year)
  - Milk production 2.4% lower
  - Ruminant feed market volumes down 3.5%

## Revenue

**£194.9m**

+12.7%



## Operating profit

**£1.8m**

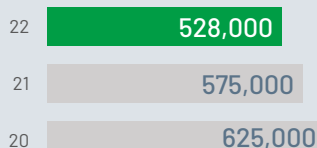
+5.9%



## Volumes (tonnes)

**528,000**

-8.2%



7  
Feeds





# Financial review



	May 2022 £m	May 2021 £m
<b>Revenue</b>		
Fuels	<b>621.1</b>	447.8
Food	<b>62.6</b>	54.8
Feeds	<b>194.9</b>	173.0
<b>Total revenue</b>	<b>878.6</b>	675.6
<b>Operating profit</b>		
Fuels	<b>17.2</b>	9.3
Food	<b>2.8</b>	1.9
Feeds	<b>1.8</b>	1.7
<b>Headline operating profit*</b>	<b>21.8</b>	12.9
Exceptional items	<b>(8.3)</b>	(0.5)
Amortisation of acquired intangibles	<b>(0.3)</b>	(0.3)
<b>Operating profit</b>	<b>13.2</b>	12.1

<b>Fuels</b>	2016	2017	2018	2019	2020	2021	<b>2022</b>
Litres (million)	474	513	543	552	665	695	<b>663</b>
Profit (pence per litre)	0.8p	0.9p	1.3p	1.0p	1.6p	1.4p	<b>2.6p</b>
Litres per depot (million)	24.9	27.0	28.6	29.0	26.6	27.8	<b>26.5</b>
Revenue per litre	£0.62	£0.70	£0.74	£0.80	£0.71	£0.64	<b>£0.94</b>

\* Stated before exceptional items and the net finance cost of the Group's defined benefit pension scheme.

- Revenue increased by £203.0 million (30%):
  - £227.0 million from higher commodity prices and product mix movements
 Offset by:
  - £24.0 million from lower volumes (Fuels and Feeds)
- Fuel volumes decreased by 4.6%
- Pence per litre profit significantly above normal levels
- Headline operating profit of £21.8 million
- Exceptional items:
  - £8.4 million impairment of fixed and intangible assets as reported in H1, offset by:
  - £0.1 million cyber insurance reclaim

	May 2022 £m	May 2021 £m
<b>Operating profit</b>	<b>13.2</b>	12.1
Finance costs	<b>(1.2)</b>	(1.3)
<b>Headline profit before tax*</b>	<b>20.9</b>	11.9
Exceptional items	<b>(8.3)</b>	(0.5)
Amortisation of acquired intangibles	<b>(0.3)</b>	(0.3)
Net finance costs – DB scheme	<b>(0.3)</b>	(0.3)
<b>Profit before tax</b>	<b>12.0</b>	10.8
Tax	<b>(3.6)</b>	(3.0)
<b>Profit after tax</b>	<b>8.4</b>	7.8
<b>Diluted headline EPS (pence)*</b>	<b>34.8</b>	20.4
<b>DPS (pence)</b>	<b>7.5</b>	7.2
<b>Dividend cover</b>	<b>4.6</b>	2.8
<b>Interest cover (excluding pension finance)</b>	<b>54.5</b>	25.8

- Headline PBT of £20.9 million
- Bank interest reduced to £0.4 million
- IFRS 16 interest of £0.5 million (2021: £0.5 million)
- Pension scheme interest of £0.3 million (2021: £0.3 million)
- Effective tax rate of 30.0% (2021: 27.8%) as a result of tax disallowable impairment charges. Underlying tax rate was 19.4% (2021: 19.4%)
- Full year proposed dividend increased by 4.2% to 7.5p

\* Stated before exceptional items and the net finance cost of the Group's defined benefit pension scheme. Diluted headline EPS also takes into account the taxation effect thereon.

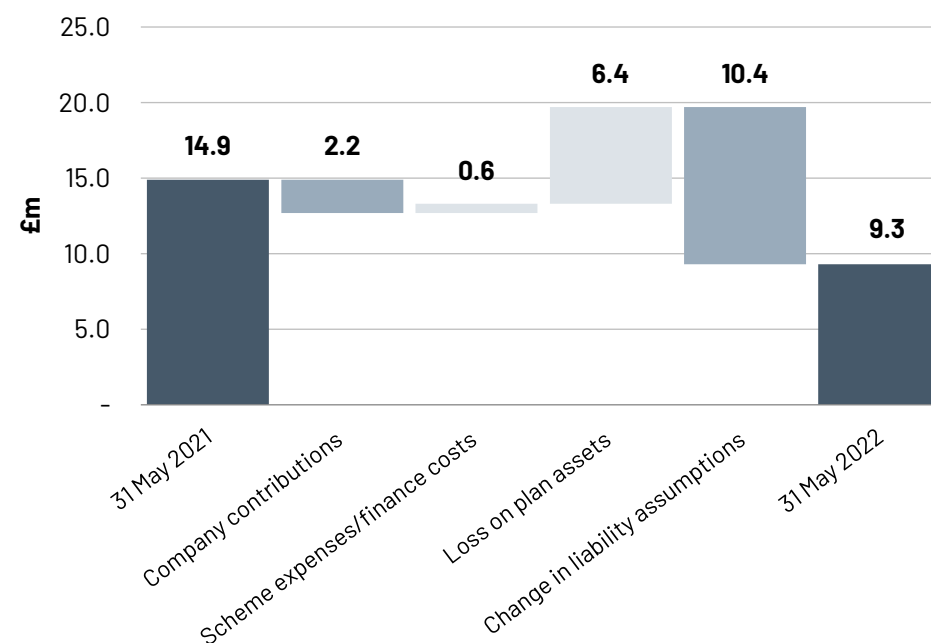


	May 2022 £m	May 2021 £m
Fixed assets	<b>68.1</b>	78.2
Right of use assets	<b>27.5</b>	25.4
Net working capital	<b>4.4</b>	3.5
Derivative financial instruments	<b>0.2</b>	0.1
<b>Assets employed</b>	<b>100.2</b>	107.2
Pension deficit	<b>(9.3)</b>	(14.9)
Net cash/(debt)	<b>9.0</b>	(5.7)
Tax provisions	<b>(3.6)</b>	(1.5)
Lease liabilities	<b>(28.2)</b>	(25.6)
<b>Net assets</b>	<b>68.1</b>	59.5
<b>Net debt:EBITDA</b>	<b>(0.3)</b>	0.3
<b>Total assets</b>	<b>213.9</b>	189.9
<b>ROCE:</b>		
Fuels	<b>96.1%</b>	54.4%
Food	<b>9.9%</b>	6.7%
Feeds	<b>6.9%</b>	4.7%
<b>Total ROCE</b>	<b>30.3%</b>	15.8%

- Fixed assets decreased as a result of the impairment of goodwill and fixed assets in Feeds
- Higher net working capital as higher commodity costs required additional working capital in Feeds
- Net debt decreased by £14.7 million, reflecting the strong trading, working capital inflow and lower capex
- Net debt including IFRS 16 lease liabilities £19.2 million (2021: £31.3 million)
- Strong asset underpin – total assets of £213.9 million
- Group ROCE of 30.3%

	May 2022 £m	May 2021 £m
Assets	<b>39.7</b>	45.1
Liabilities	<b>(49.0)</b>	(60.0)
<b>Deficit</b>	<b>(9.3)</b>	(14.9)
Related deferred tax asset	<b>2.3</b>	3.7
<b>Net pension liability</b>	<b>(7.0)</b>	(11.2)
<b>Discount rate</b>	<b>3.45%</b>	2.00%
<b>Inflation rate (RPI)</b>	<b>3.40%</b>	3.30%

- Single defined benefit pension scheme
- Closed to new members in 2002 and future accrual in 2016
- Decrease in deficit since May 2021 – contributions and changes in liability assumption
- Triennial valuation as at 31 December 2019:
  - Recovery plan contributions now £2.3 million per annum
  - Recovery payments to increase in line with dividend growth
- No constraint on Group development





	May 2022 £m	May 2021 £m
Operating profit	13.2	12.1
Depreciation and amortisation	14.0	12.9
Impairment of assets	8.4	–
Working capital movements	(0.7)	2.4
Share-based payment expense	0.8	0.4
Contributions to pension scheme not recognised in income statement	(1.8)	(2.4)
Other	(0.1)	(0.6)
<b>Operating cash flow</b>	<b>33.8</b>	<b>24.8</b>
Interest paid	(0.9)	(1.0)
Tax paid	(2.7)	(2.8)
<b>Net cash from operating activities</b>	<b>30.2</b>	<b>21.0</b>
Net capital additions	(3.2)	(3.0)
Acquisition of subsidiaries (net of cash)	–	(1.1)
Capitalised element of leases	(8.8)	(7.0)
	<b>18.2</b>	<b>10.0</b>
Dividends paid	(3.5)	(3.4)
<b>Movement in net debt</b>	<b>14.7</b>	<b>6.6</b>

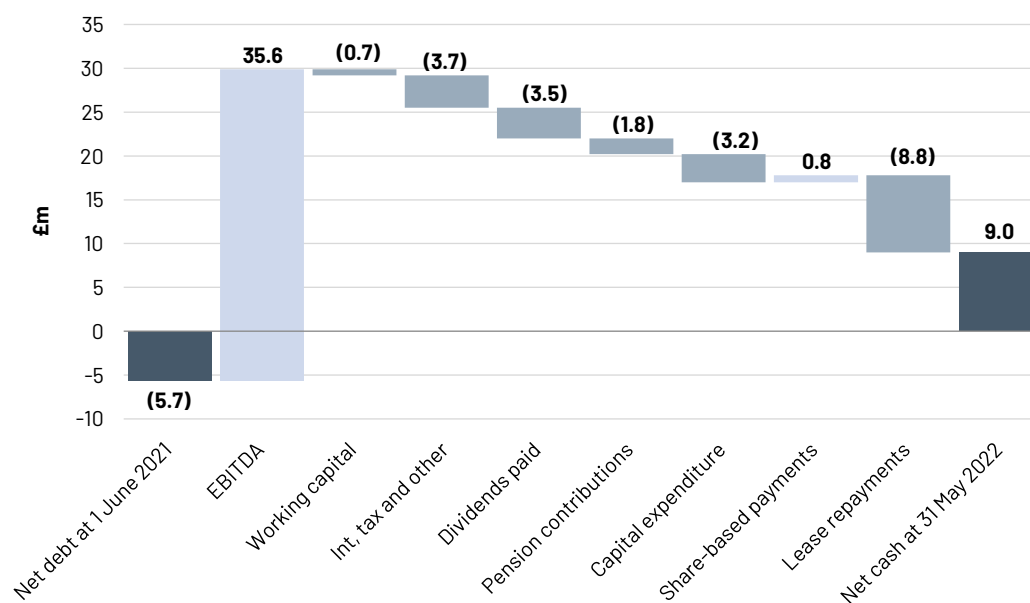
- Headline EBITDA\* of £26.6 million (2021: £17.8 million)
- Working capital movement as a result of increased costs of commodities in Feeds
- Net capital expenditure of £3.2 million
- Net cash generated from operations after lease payments of £21.3 million (2021: £13.9 million):
  - Cash conversion of 97.7% (2021: 107.8%)
- No acquisition outflow in the year; strong pipeline coming into FY23

\* Stated before exceptional items and the net finance cost of the Group's defined benefit pension scheme and excluding IFRS 16 depreciation.

- Facilities of £65 million with NatWest until October 2023
- Net cash of £9.0 million at May 2022 with substantial facility and covenant headroom

	Facility £m	Drawn £m
<b>Facility</b>		
Invoice discounting	<b>50.0</b>	—
RCF/guarantees	<b>14.0</b>	—
Overdraft/(cash)	<b>1.0</b>	<b>(9.1)</b>
Hire purchase obligations	—	<b>0.1</b>
<b>Total</b>	<b>65.0</b>	<b>(9.0)</b>

- Facility primarily in the form of invoice discounting at a rate of Base + 1.25%
- Borrowing covenants:
  - Net debt: EBITDA
  - EBIT: interest cost



- £14.7 million cash generated
- £0.9 million short-term working capital outflow at the year end



# A clear development strategy – significant opportunities

## Summary

- Diversified source of earnings
- Cash-generative businesses
- Experienced, capable Board
- Group operates in large stable markets
- Focus on total shareholder return
- Strong track record

## Fuels

- Consolidate a highly fragmented market
- Expand existing geographical area
- Increase business density in existing territories
- Active acquisition pipeline

## Food

- Optimise the customer mix
- Optimise storage and distribution solutions on the Wardle site
- Value added niche businesses:
  - E-fulfilment
  - Palletline
- Targeting step-change expansion backed by customer and retailer contracts

## Feeds

- Utilise national operations platform
- Continue to develop feed volumes across the country
- Increase range offering to over 4,325 farmers across the UK:
  - Expand nutritional range

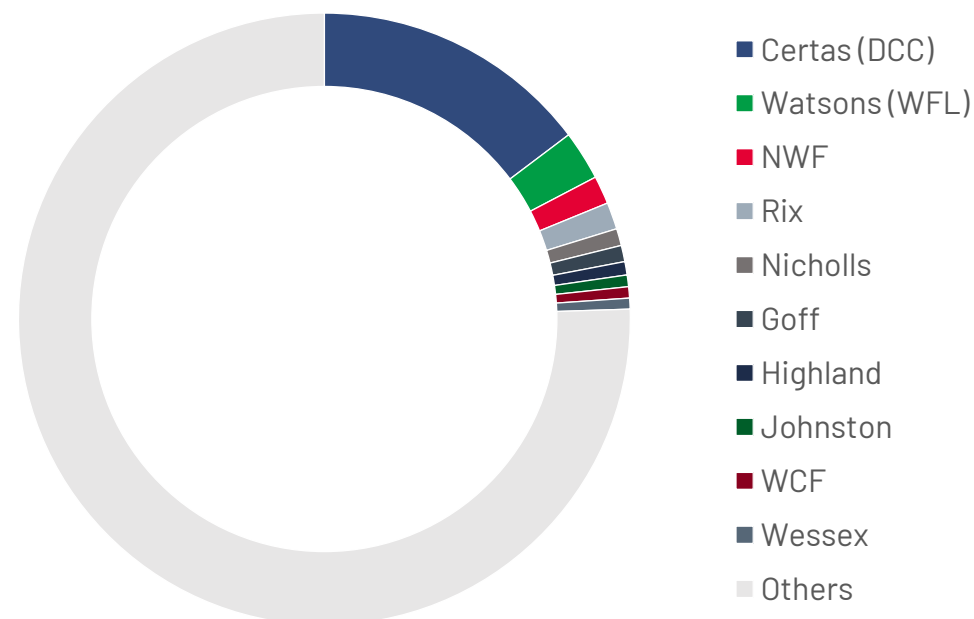
# UK Fuel market

- Fragmented market for oil distribution:
  - Top 10 players only 25%, over 150 small players
  - NWF No. 3 with 2% market share
  - Fuels market stable
  - Consolidation opportunities
- NWF Fuel demand resilient:
  - Over 30% utilised in heating applications
  - 12% used in agriculture
  - Less than 5% delivered to retail garages
  - HGV and LGV dominant users of diesel
- Key market heating oil 1.4 million homes NWF > 90,000 domestic customers
- Customers purchase fuel from local depots; expanding the depot network is key to growth

## Managing energy transition

- Supporting rural communities energy requirements
- Significant UK testing of domestic heating with HVO100
- Continuing trials of HVO and HVO30 (diesel containing 30% hydrotreated vegetable oil), plan to utilise in Wardle operations.

## UK Fuel Market (35 billion litres)

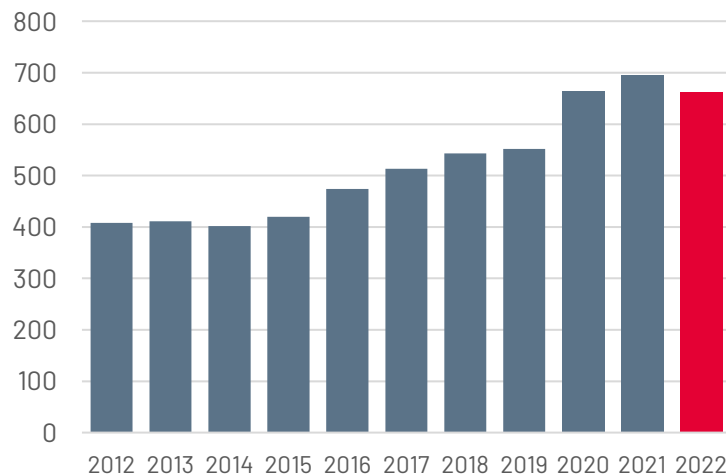


Source: Company estimates.

# Proven Acquisition process

- Targeting oil distribution businesses in the UK
- Clear valuation and pricing strategy
- Effective transaction process
- A range of ways to deliver value:
  - Integrate into existing depot infrastructure to realise cost synergies
  - Expand geography and enhance performance
  - Geography and/or capability expansion
- Model of retaining brands and customer-facing elements whilst centralising finance, IT and credit control
- Active UK pipeline of acquisitions – NWF seen as an attractive buyer

Fuels Volume  
(million litres)





# Delivering our ESG framework

During FY22, the Group has further developed its commitment to delivering long-term sustainable value by defining our 2040 ambitions, including a net zero carbon emissions target.



## Create a culture of safety

Create a culture of safety to protect our employees and the wider community.



## Invest in our people

Build a workforce for the future where our people are healthy, happy and can fulfil their potential.



## Build strong partnerships

Collaborate and innovate with our customers and suppliers to deliver sustainable solutions.



## Respect the environment

Reduce carbon, emissions and waste across our value chain.

### Key activities during FY22:

- Development of our ESG roadmap, reflecting on progress to date and mapping out work for the next two years and in the longer term.
- ESG reporting metrics have been established and initiatives identified.
- Establishment of an ESG Steering Committee, comprising Executive Directors and members of the Senior Management Team.
- Preparations for our first full TCFD disclosure, which will be reported in the year ending 31 May 2023.

2020

2022

2023

2024

2025



# The NWF proposition and investment case



## Strong management team

Solid track record with ambition

**5**

completed Fuels acquisitions

## Growth opportunities

Consolidate and optimise

**1**

clear strategy

## Asset backing

Strong balance sheet

**£213.9m**

total assets

## Focus on return on capital

Return on capital employed is a key metric

**30.3%**

Group ROCE

## Good cash generation

£21.3 million of cash generated before development expenditure

**97.7%**

cash conversion

## Growing dividend

Increased dividend for ten consecutive years

**7.5p**

total dividend per share

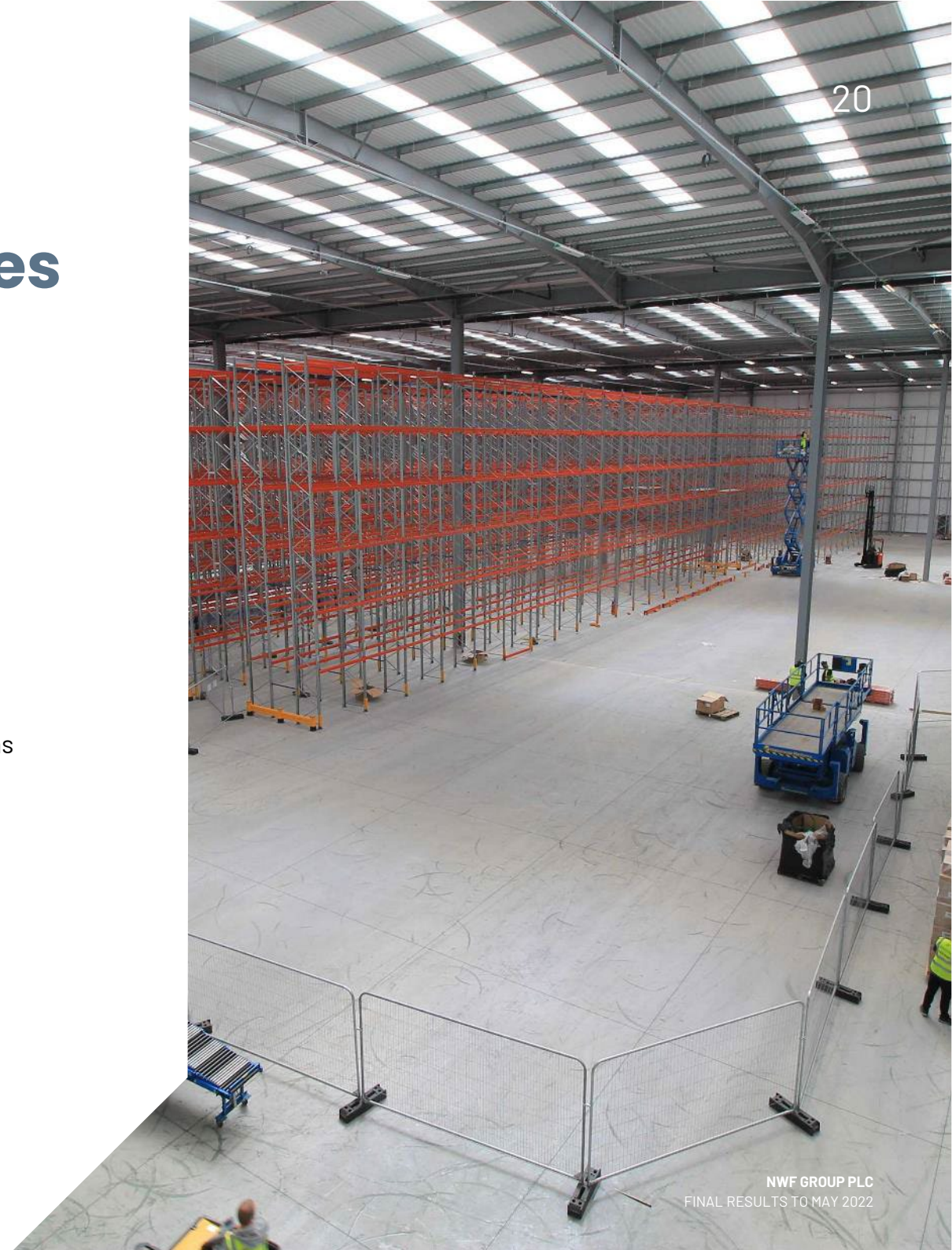
# Record results and increasing opportunities

## Record 2022

- Trading capability delivered outperformance in Fuels
- Food demonstrating strong return on investment
- Feeds recovery in second half
- NWF again demonstrated great resilience

## Currently trading in line with the Board's expectations

- Fuels pipeline of acquisitions for further growth
- Food targeting expansion with customer contacts
- Feeds managing farmers' nutrition during quieter summer months
- Confidence in the future development opportunities and outlook for the Group





# Q&A



Richard Whiting  
Chief Executive



Chris Belsham  
Group Finance Director

# Additional information

- Analyst coverage and consensus forecasts
- Business overview
- Locations
- Organisation
- Main site photo
- Group financial performance
- Divisional track record
- Additional market data

	Actual	Consensus forecasts		
	2022	2022	2023	2024
Revenue	£878.6m	£889.0m	£893.1m	£927.5m
Headline operating profit	£21.8m	£21.4m	£12.9m	£13.1m
Headline profit before tax	£20.9m	£20.3m	£11.9m	£12.1m
Headline earnings per share	35.0p	33.1p	18.3p	18.4p
Dividend per share	7.5p	7.5p	7.7p	8.0p
Net cash	£9.0m	£8.0m	£9.9m	£13.1m

Analysts	
Peel Hunt*	Charles Hall
Panmure Gordon	Adrian Kearsey
Shore Capital	Akhil Patel

\* Corporate broker.

The consensus is an arithmetic calculation of the forecasts made by contributing investment analysts as at 16 June 2022 and is not, in any way, based on the internal budgets of NWF Group plc. The underlying forecasts are the responsibility, and constitute the judgement, of each individual contributing analyst alone. In distributing this analysis, NWF Group plc does not imply its endorsement of, or concurrence with, such information, conclusions or recommendations.

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# Key figures

NWF Fuels is a leading distributor of fuel oil and fuel cards delivering over 660 million litres across the UK to 109,000 customers. It is one of the largest authorised distributors of Texaco and is a major customer of other fuel suppliers including Shell and Jet.

**663m**

litres per annum

**25**

depots

**338**

people

**156**

tankers





# Key figures

Boughey Distribution is a leading consolidator of ambient grocery products to UK supermarkets with over 1,000,000ft<sup>2</sup> of warehousing and significant distribution assets. It works with over 200 customers including Arla and Typhoo.

**118,000**

pallet spaces

**127**

trucks

**724**

people

**264**

trailers





# Key figures

NWF Agriculture has grown to be a leading national supplier of ruminant animal feed to 4,325 customers in the UK, feeding 1 in 6 dairy cows in Britain. It operates from sites in Cumbria, Lancashire, Cheshire and Devon.

**528,000**

tonnes

**45**

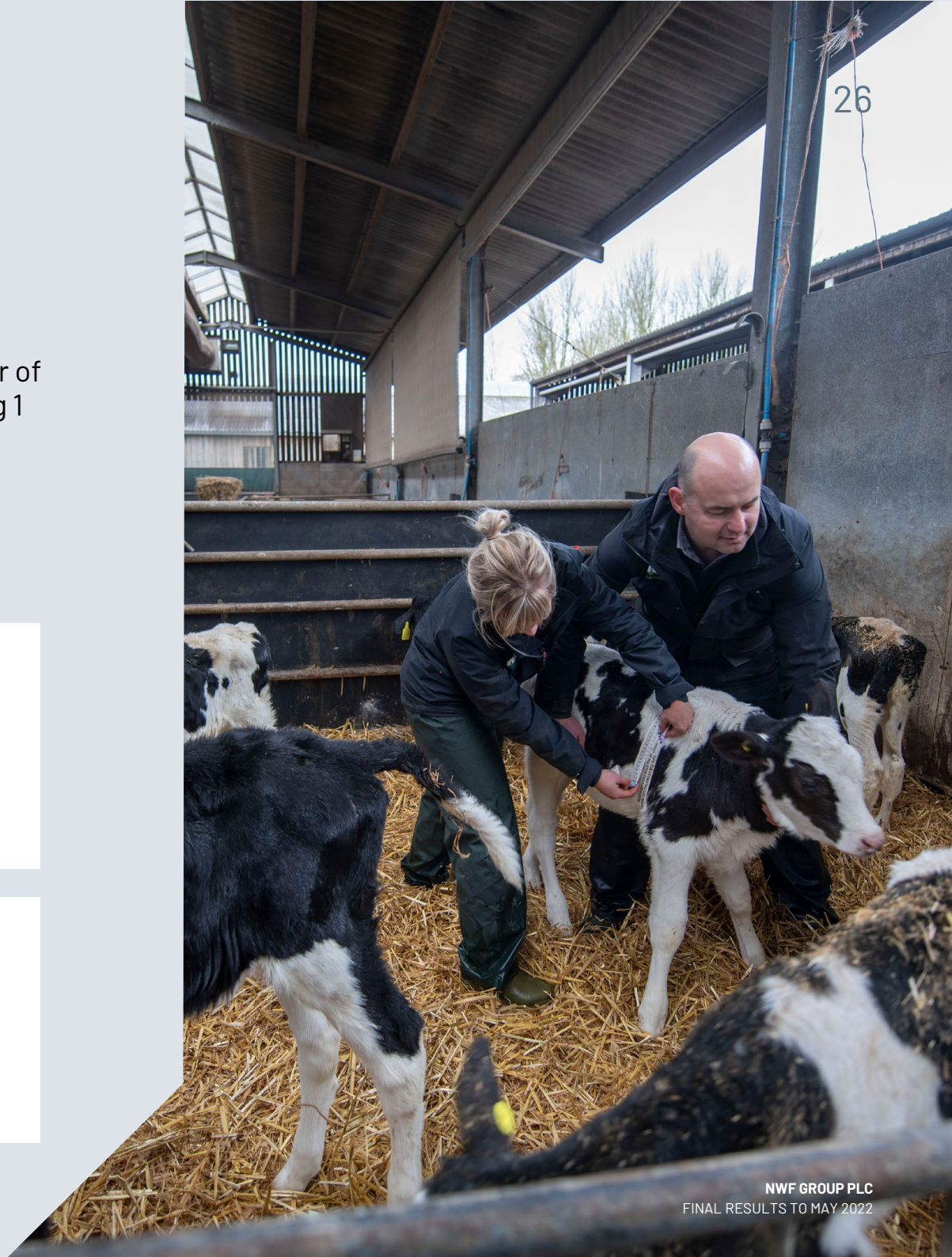
trucks

**224**

people

**17**

trailers



**Group overview**  
**Business locations**

**Feeds**

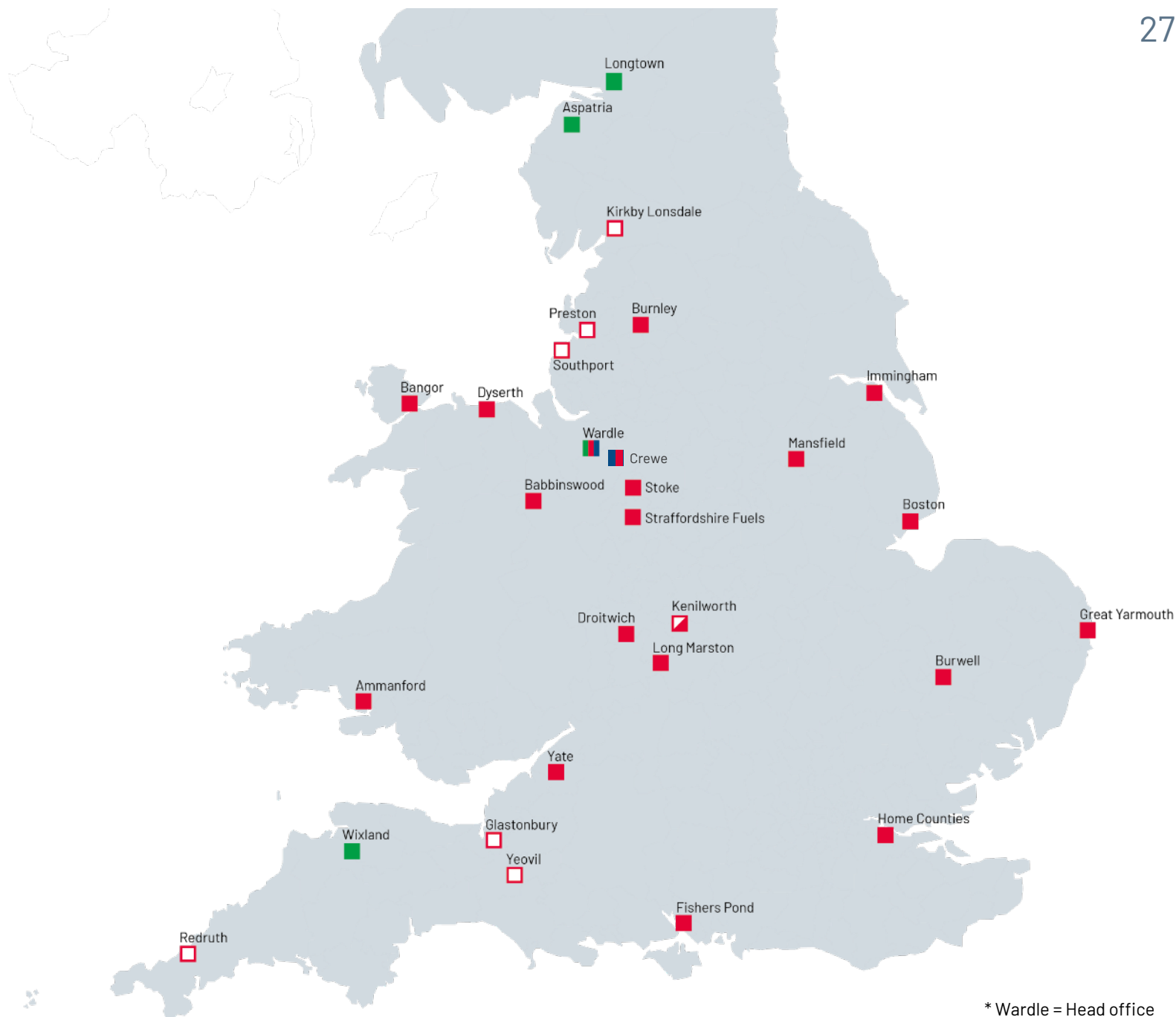
Aspatria  
 Longtown  
 Wardle\*  
 Wixland

**Food**

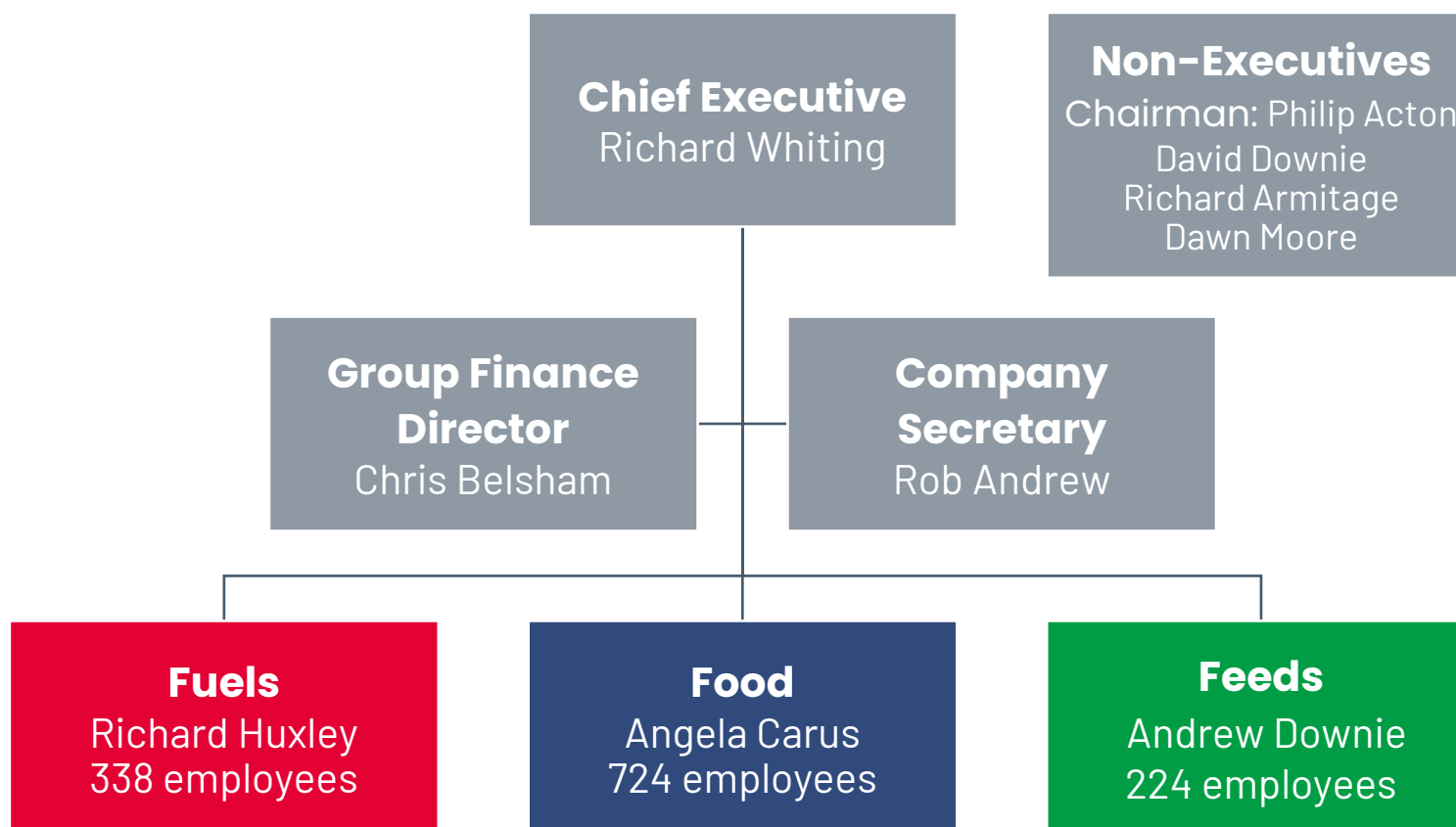
Wardle\*

**Fuels**

Ammanford  
 Babbinswood  
 Bangor  
 Boston  
 Burnley  
 Burwell  
 Droitwich  
 Dyserth  
 Fishers Pond  
 Great Yarmouth  
 Home Counties  
 Kenilworth  
 Kirkby Lonsdale  
 Long Marston  
 Mansfield  
 Preston  
 Redruth  
 Southport  
 Staffordshire Fuels  
 Stoke  
 Wardle\*  
 Yate



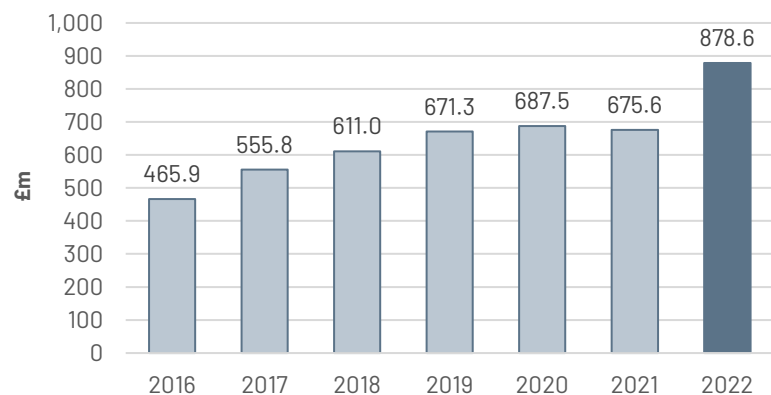
\* Wardle = Head office



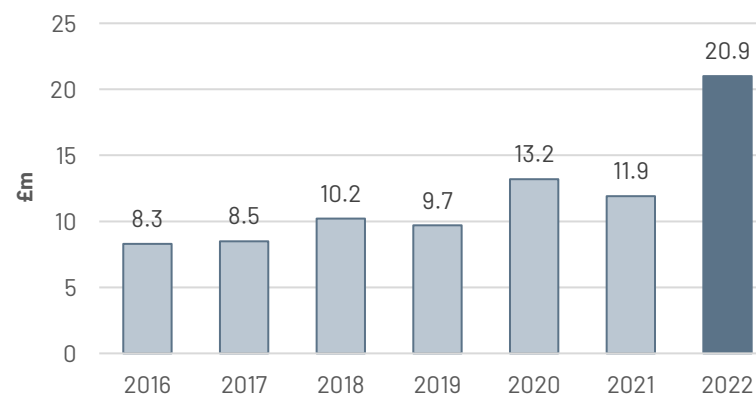




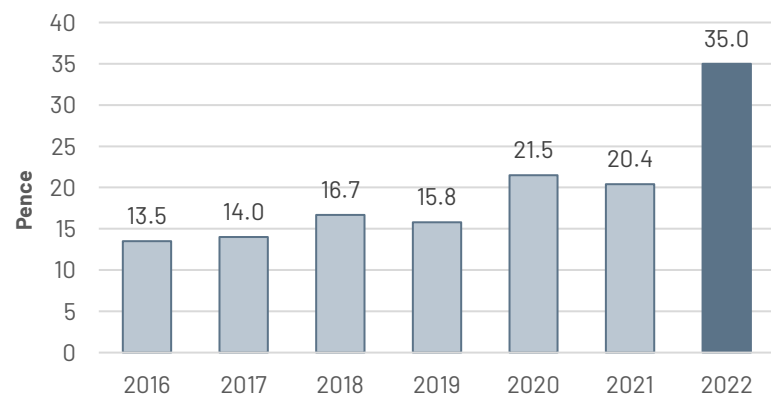
## Revenue



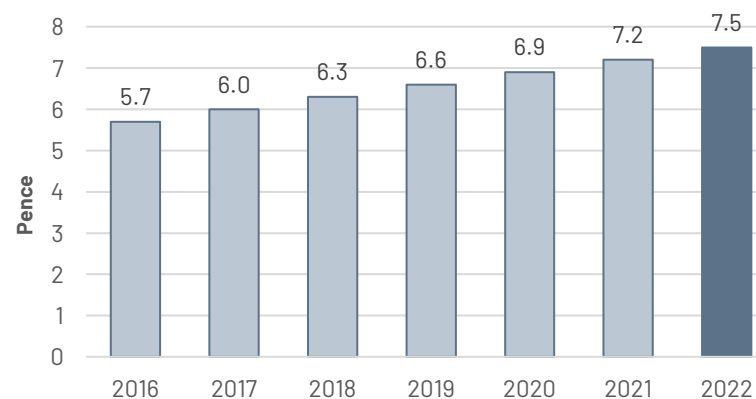
## Headline PBT



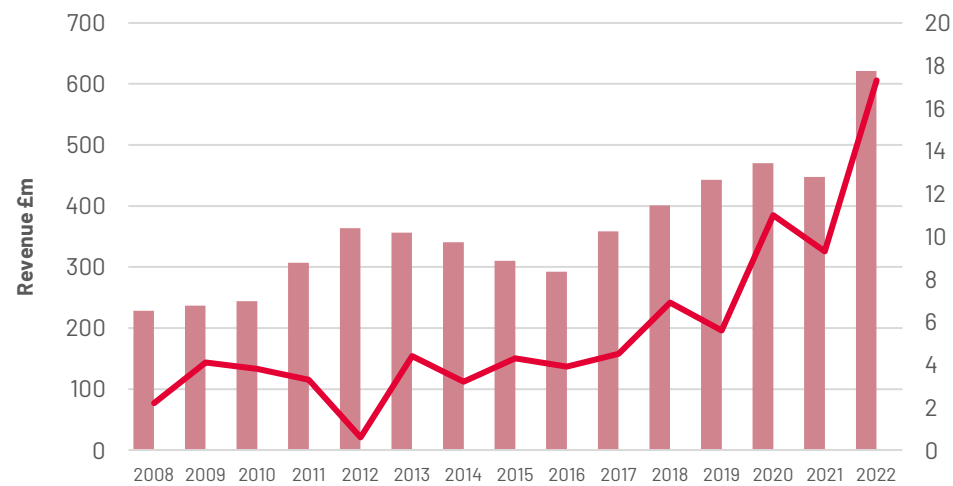
## Headline EPS



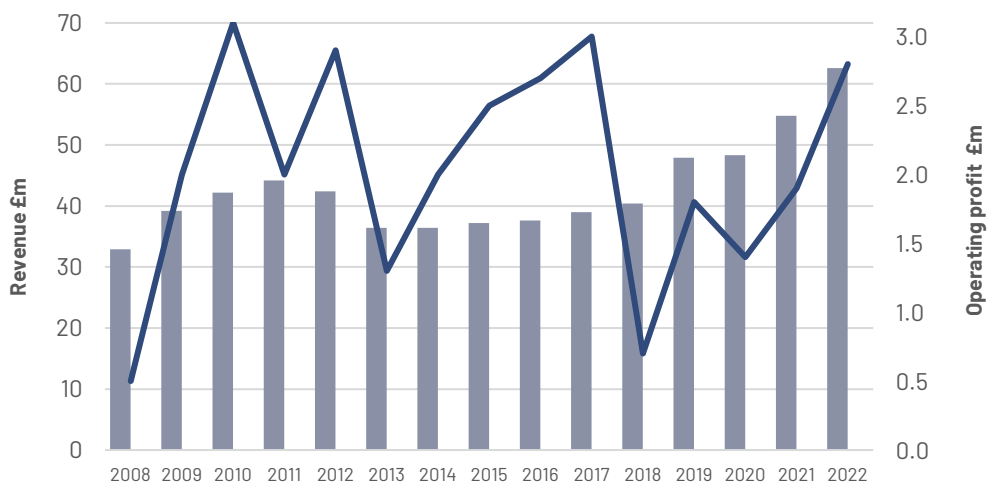
## Dividend



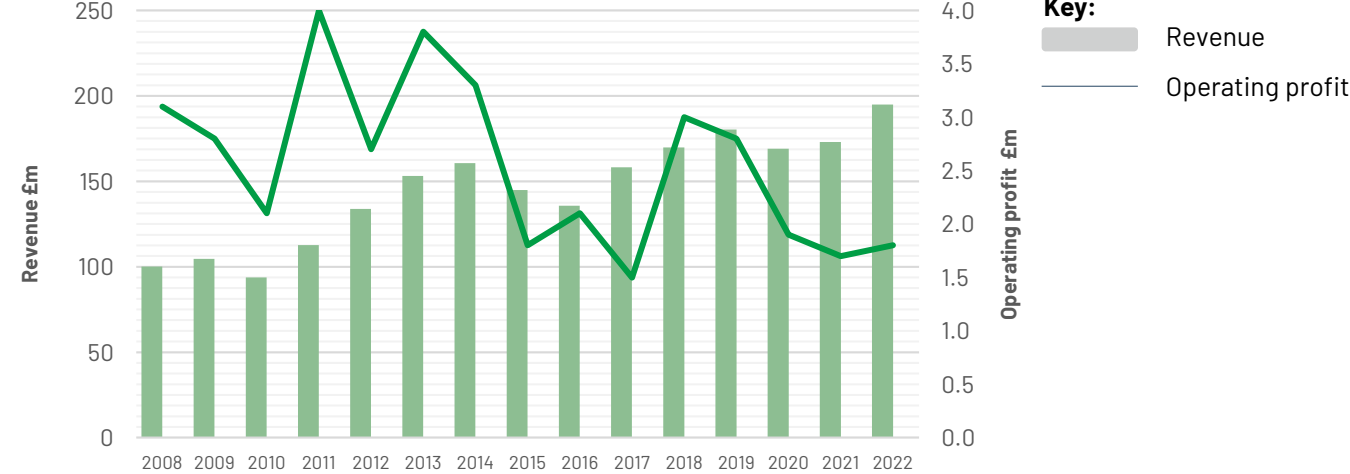
Fuels



Food



Feeds



Key:

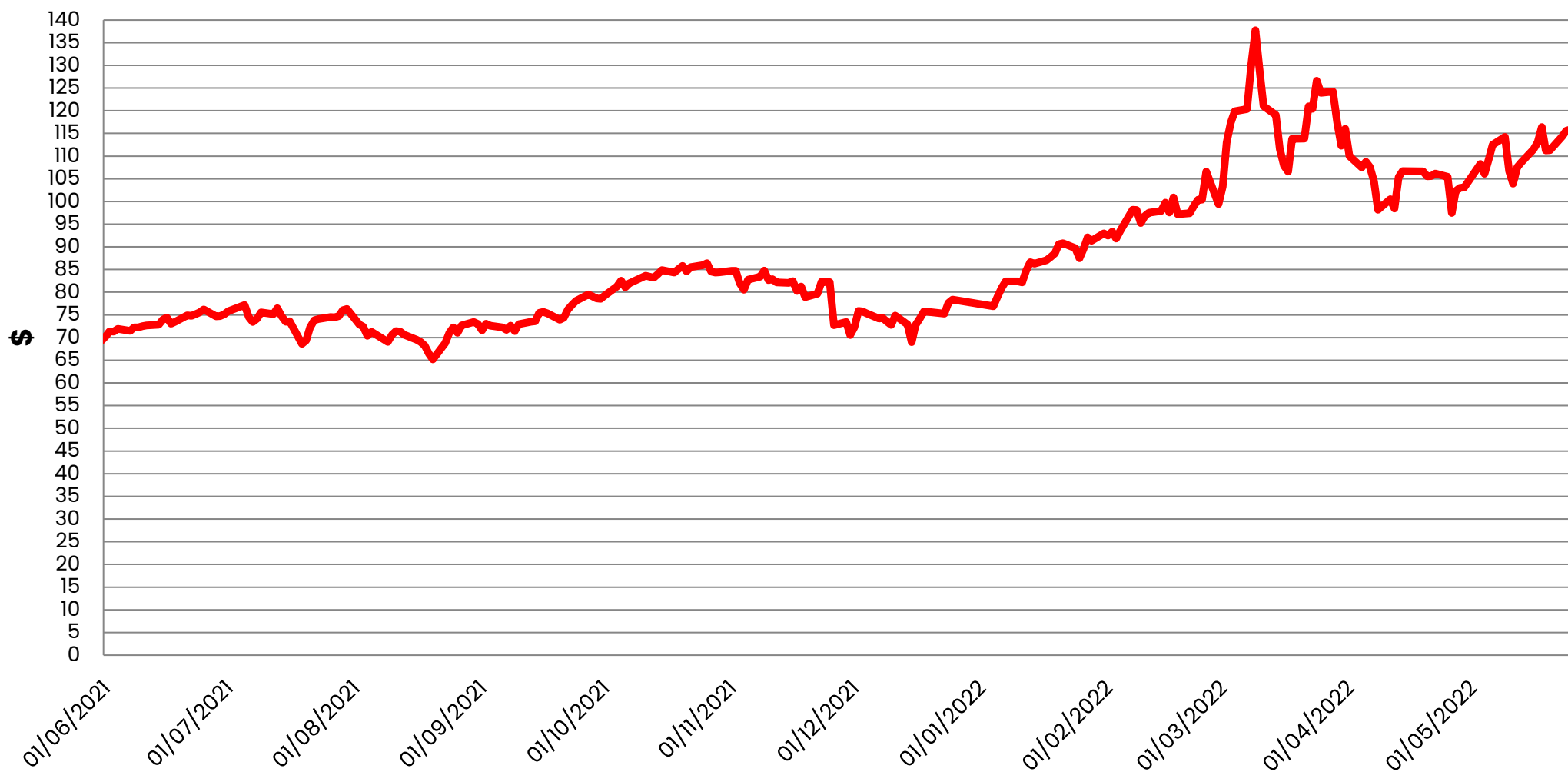
Revenue

Operating profit

# Fuels additional market data

Oil prices – Brent crude (\$ per barrel)

Oil Market Journal



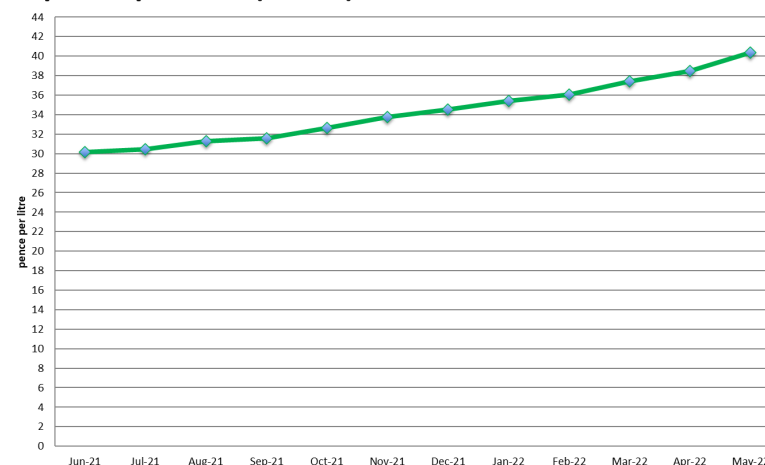


# Feeds additional market data

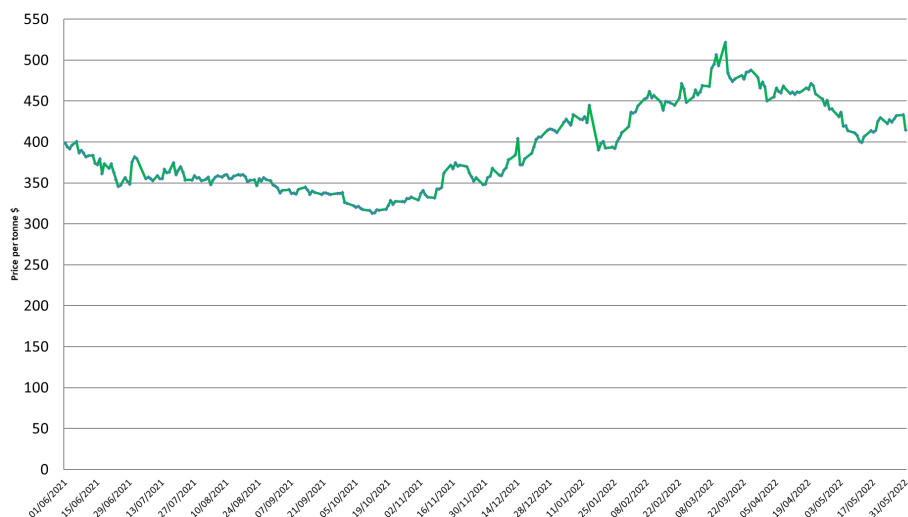
Wheat Price LIFFE 12 month period



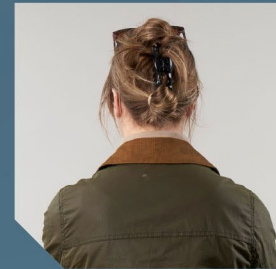
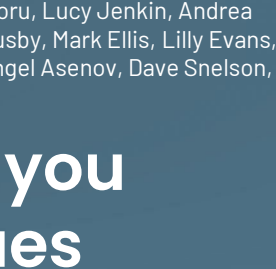
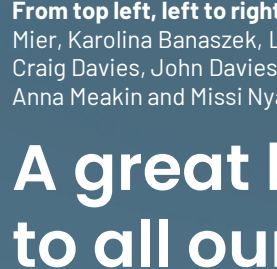
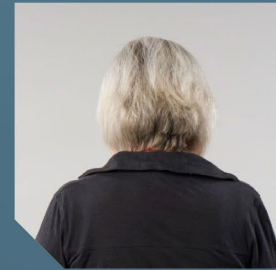
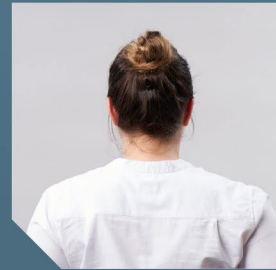
Farm Gate Milk Price UK  
pence per litre (ADHB)



Soyabean Meal Price CBOT 12 month period



GB market	2017	2018	2019	2020	2021	2022
Milk (litres)	11.8bn	12.4bn	12.6bn	12.5bn	12.6bn	12.5bn
UK dairy herd	1.9m	1.9m	1.9m	1.9m	1.9m	1.9m
Ruminant feed market (tonnes)	4.8m	5.1m	5.1m	4.8m	5.0m	4.8m
NWF (tonnes)	589k	589k	591k	625k	575k	528k
Market share	12%	12%	12%	13%	12%	11%



**From top left, left to right:** Dawn Davies, Andreea Vinatoru, Lucy Jenkin, Andrea Mier, Karolina Banaszek, Liz Barratt, Adam Lysik, Dan Busby, Mark Ellis, Lilly Evans, Craig Davies, John Davies, Sam Bradley, Katie Welsh, Angel Asenov, Dave Snelson, Anna Meakin and Missi Nyarko.

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