



INVESTING IN FUTURE GROWTH

HALF YEAR RESULTS
TO 30 NOVEMBER 2017



GROUP OVERVIEW

Results summary: Diversified business model delivered growth

Revenue

£295.8m +15.6%

2017	£295.8m
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2016	£255.9m
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Headline operating profit*

£2.4m +9.1%

2017	£2.4m
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2016	£2.2m
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Headline profit before tax*

£2.2m +10.0%

2017	£2.2m
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2016	£2.0m
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Headline earnings per share*

3.6p +9.1%

2017	3.6p
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2016	3.3p
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Net debt

£16.3m (14.7%)

2017	£16.3m
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2016	£19.1m
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Interim dividend per share

1.0p

2017	1.0p
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2016	1.0p
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* Stated before exceptional items and the net finance cost of the Group's defined benefit pension scheme and the tax effect thereon where relevant

GROUP OVERVIEW

Key highlights – development continued as planned

- » Revenue growth in Feeds and Fuels
 - » Feeds: commodity price increases and increased traded product sales
 - » Fuels: volume growth and higher oil prices
- » Strategic investment in Feeds delivering expected returns - lower operating costs and a strong operational platform
- » New customers won in Food including Arla UHT business – ensuring a fully utilised Wardle in 2018
- » Fuels organic growth expansion continues
- » Net debt 1.2 x EBITDA
- » Interim dividend maintained at 1.0p in line with normal practice



FEEDS - OPERATING HIGHLIGHTS

Investment delivering returns

- » Market conditions positive
 - » Milk prices increased, up 25.6% to 31.9ppl
 - » Milk production up 6.5%
 - » Ruminant feed market volumes up 11.2%
 - » Spot commodities up 12% in half year
- » Volume as expected – concentrating on delivery within our optimum range
- » Increased sales of traded products to farming customers
- » Longtown and Wardle mill expansions delivering planned efficiencies – platform for further development
- » Pricing aligned to commodity prices



Revenue

£77.8m +19.5%

2017 £77.8m

2016 £65.1m

Operating profit

£0.4m

2017 £0.4m

(£0.3m) 2016

Tonnes

265,000 (1.1%)

2017 265,000

2016 268,000

FOOD - OPERATING HIGHLIGHTS

Focus on business development

- » Lower storage levels as anticipated
- » Over 15,000 pallet spaces of new business won in the first half including Arla UHT three year contract
 - » Ensures continued full utilisation of Wardle
 - » More diverse customer base
- » Increased customer stock turn – outloads robust
- » Service levels at 99.5%
- » Palletline distribution service – continued development
- » Mercedes fleet transformation complete with improved fuel efficiency



Revenue

£19.5m (3.0%)

2017	£19.5m
2016	£20.1m

Operating Profit

£0.9m (43.7%)

2017	£0.9m
2016	£1.6m

Pallets stored

89,000 (13.6%)

2017	89,000
2016	103,000

FUELS - OPERATING HIGHLIGHTS

Growth across the depot network

- » Record first half volume
- » Additional business development resources increased commercial sales at key depots with growth in road diesel and gas oil
- » Home Counties delivered to plan – over 15 million litres in first half
- » Brent crude in the range \$44 - \$64 per barrel, but reaching \$70 per barrel in Jan '18
- » Heating oil demand stable; warm November followed by a cold December



Revenue

£198.5m +16.3%

2017	£198.5m
2016	£170.7m

Operating Profit

£1.1m +22.2%

2017	£1.1m
2016	£0.9m

Volume

269m litres +7.6%

2017	269m
2016	250m

FINANCIAL REVIEW

Income statement summary

	Nov 2017 £m	Nov 2016 £m	May 2017 £m
Revenue			
Feeds	77.8	65.1	158.2
Food	19.5	20.1	39.0
Fuels	198.5	170.7	358.6
Total revenue	295.8	255.9	555.8
Operating profit			
Feeds	0.4	(0.3)	1.5
Food	0.9	1.6	3.0
Fuels	1.1	0.9	4.5
Headline operating profit*	2.4	2.2	9.0
Exceptional items	-	(0.4)	(1.2)
Operating profit as reported	2.4	1.8	7.8
Finance costs	(0.5)	(0.5)	(1.1)
Headline profit before taxation*	2.2	2.0	8.5
Exceptional items	-	(0.4)	(1.2)
Net finance costs - DB scheme	(0.3)	(0.3)	(0.6)
Profit before taxation	1.9	1.3	6.7
Tax	(0.4)	(0.3)	(1.2)
Profit after taxation	1.5	1.0	5.5
Headline EPS (pence)*	3.6	3.3	14.0
DPS (pence)	1.0	1.0	6.0
Dividend cover	3.6	3.3	2.3
Interest cover (excl pension finance)	12.0	11.0	18.0

- » Revenue increased by 15.6% – increased commodity prices in Feeds and Fuels and volume growth in Fuels
- » Headline operating profit* of £2.4 million up 9.1% on prior year – profit improvement in Feeds offsetting Food, growth in Fuels
- » Headline PBT* increased 10.0% to £2.2 million
- » Headline EPS* increased 9.1% to 3.6p
- » Interim dividend maintained at 1p

* Stated before exceptional items and the net finance cost of the Group's defined benefit pension scheme, and the tax effect thereon where relevant

FINANCIAL REVIEW

Balance sheet summary

	Nov 2017 £m	Nov 2016 £m	May 2017 £m
Fixed assets	68.6	68.3	69.4
Net working capital	8.0	9.1	3.3
Assets employed	76.6	77.4	72.7
Pension deficit	(19.0)	(21.9)	(19.9)
Net debt	(16.3)	(19.1)	(13.0)
Deferred consideration	(0.9)	(1.4)	(1.4)
Tax provisions	(0.7)	(0.3)	(0.6)
Provisions/other	(0.1)	(0.2)	(0.1)
Net assets	39.6	34.5	37.7
Net debt : EBITDA	1.2	1.6	1.0
Total assets	145.8	139.2	139.6
ROCE:			
Feeds	5.9%	3.9%	4.2%
Food	8.6%	10.2%	11.3%
Fuels	38.8%	35.2%	45.5%
Total ROCE	12.0%	10.5%	12.4%

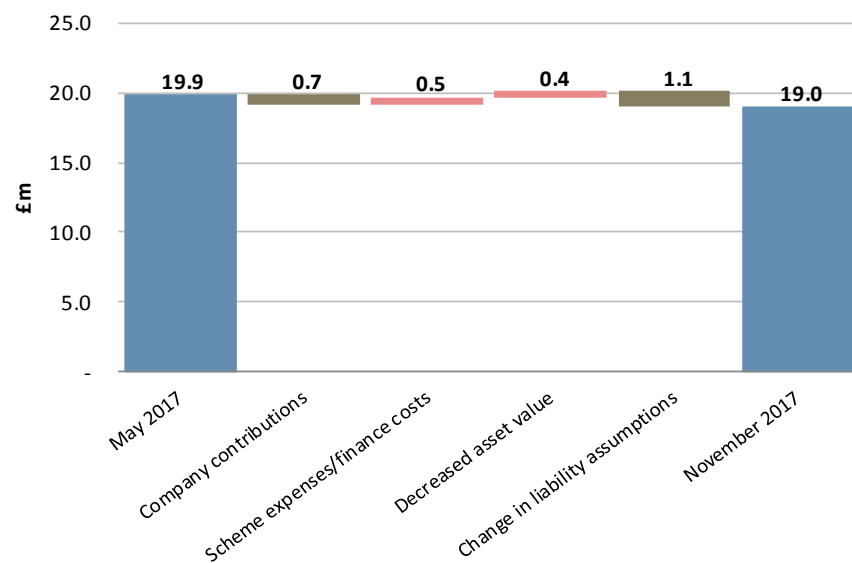
- » Fixed assets increased to £68.6 million as a result of replacement capex spend
- » Working capital decreased by £1.1 million versus November 2016
- » Total asset underpin increases to £145.8 million
- » Net debt decreased by £2.8 million
- » Net Debt : EBITDA 1.2x (2016: 1.6x)
- » Group ROCE increased to 12.0% – impact of Feeds improvement and storage levels in Food

FINANCIAL REVIEW

Pension summary

Movement in pension scheme deficit

	Nov 2017 £m	May 2017 £m
Assets	37.9	39.5
Liabilities	(56.9)	(59.4)
Deficit	(19.0)	(19.9)
Related deferred tax asset	3.2	3.4
Net pension liability	(15.8)	(16.5)
Discount rate	2.70%	2.60%
Inflation rate (RPI)	3.15%	3.15%



- » Single defined benefit pension scheme
- » Closed to new members in 2002 and future accrual in 2016
- » Pension scheme deficit decrease of £0.9 million (on an accounting basis) since May 2017 – impact of discount rate
- » Triennial valuation for 31 December 2016 completed:
 - » Deficit of £19.1 million
 - » New fixed payments of £1.8 million per year (increase from effective £1.3 million)
- » Not constraining investment in Group development

FINANCIAL REVIEW

Cash flow summary

	Nov 2017 £m	Nov 2016 £m	May 2017 £m
Cash flows from operating activities			
Operating profit	2.4	1.8	7.8
Depreciation and amortisation	2.3	2.1	4.2
Working capital	(4.7)	(5.6)	0.2
Utilisation of provision	-	-	(0.2)
Cash contributions to pension scheme	(0.7)	(0.7)	(1.3)
Other	0.1	0.1	0.1
Operating cash flow	(0.6)	(2.3)	10.8
Interest paid	(0.2)	(0.2)	(0.5)
Tax paid	(0.4)	(0.6)	(1.4)
Net cash from operating activities	(1.2)	(3.1)	8.9
Cash flows from investing activities			
Capital additions (net of receipts from disposals)	(1.6)	(6.1)	(9.2)
Payment of contingent consideration	(0.5)	-	-
	(3.3)	(9.2)	(0.3)
Dividends paid	-	-	(2.8)
Movement in net debt	(3.3)	(9.2)	(3.1)

- » EBITDA £4.7 million (2016: £3.9 million)
- » Seasonal working capital outflow lower than November 2016
- » Cash contributions to the pension scheme of £0.7 million (2016: £0.7 million)
- » Low operating cash absorption of £0.6 million
- » Net replacement capital expenditure of £1.6 million

FINANCIAL REVIEW

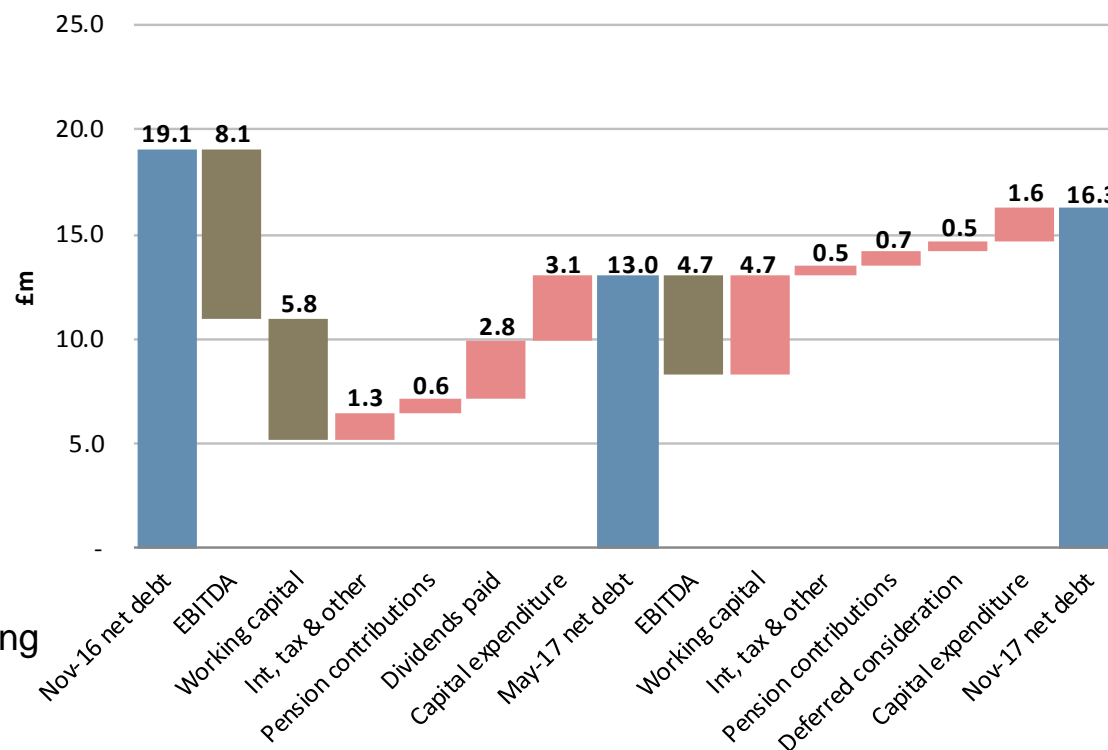
Net debt summary

- » Facilities of £65.0 million with RBS until October 2019
- » November 2017 net debt £16.3 million, substantial facility and covenant headroom

Facility	Facility	Drawn
Invoice Discounting	£50.0m	£12.8m
RCF/Guarantees	£14.0m	£4.0m
Overdraft/(Cash)	£1.0m	(£0.6m)
Bank facilities	£65.0m	£16.2m
Hire Purchase		£0.1m
		£16.3m

- » Majority of debt in the form of invoice discounting at a rate of Base +1.25%
- » Borrowing covenants: Net debt : EBITDA
EBIT : Interest cost

Movement in net debt



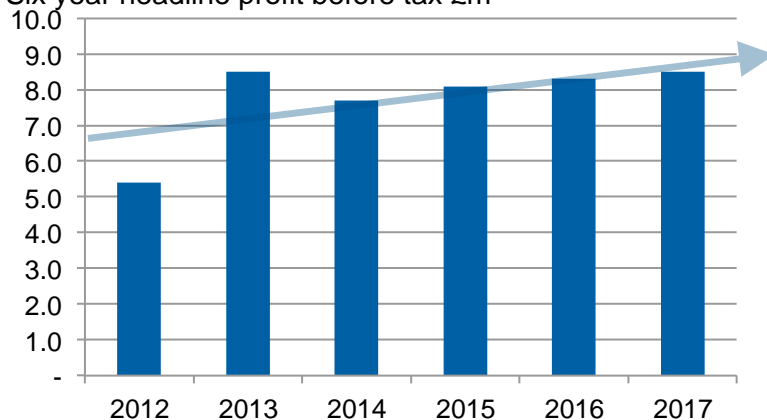
GROUP DEVELOPMENT STRATEGY

Solid platform for growth – good track record

- » Diversified source of earnings delivers resilient growth
- » Solid cash generative businesses in large stable markets
- » Feeds development: improve efficiency, consolidate the market and broaden offer
- » Food development: customer gains and targeted expansion
- » Fuels development: new start-ups and acquisitions
- » Good track record and a focused, experienced Board
- » Focus on total shareholder return – progressive dividend policy

Track record

Six year headline profit before tax £m



FEEDS - DEVELOPMENT STRATEGY

Investing in development

- » Operational platform completed
- » Market prospects underpinned by good milk prices
- » Agriculture an attractive market for the Group
- » National player with a strong track record

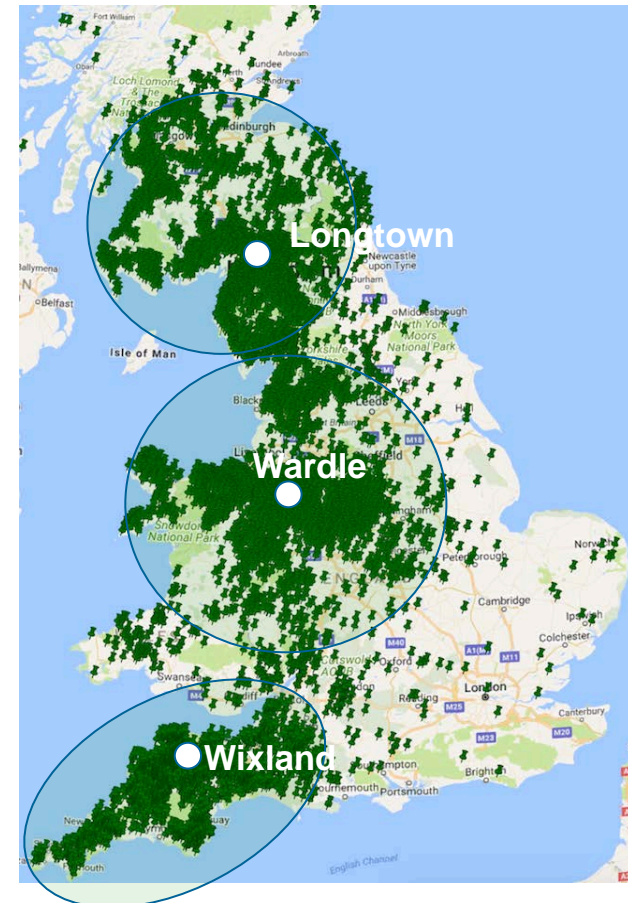
Development Strategy

- » Improve operational efficiency
- » Further market consolidation opportunities – driving market efficiency through lower cost to serve
- » Focus on increasing breadth of offering through organic development and acquisitions

Acquisition criteria

- » Synergy with existing business
- » Development capability
- » Proven management team

Principal feed mills



FOOD - DEVELOPMENT STRATEGY

Delivering service and efficiency

- » Market for ambient groceries challenging but stable
- » Working under contracts with blue chip brands and retailers
- » Delivering products across the UK
- » Warehousing remains in short supply

Development Strategy

- » Maintain service and improve efficiencies
- » Fully utilise the Wardle facility in 2018
- » Continue development of Palletline, exploring geographical expansion
- » Optimise customer mix and maintain diversity



FUELS - DEVELOPMENT STRATEGY

Adding depots to a successful network

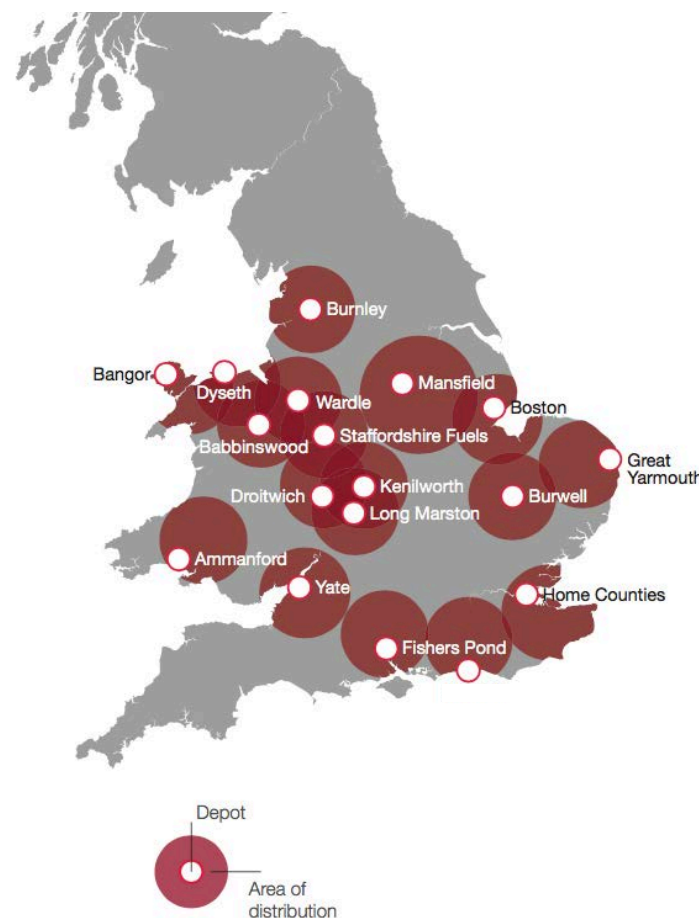
- » Third largest oil distributor in the UK
- » 2% market share, over 150 smaller players
- » Network built predominantly by acquisition
- » Strong track record
- » Low ROS, high ROCE > 20%

Development Strategy

- » Targeting better business balance at depots
- » Targeting acquisitions and cold starts

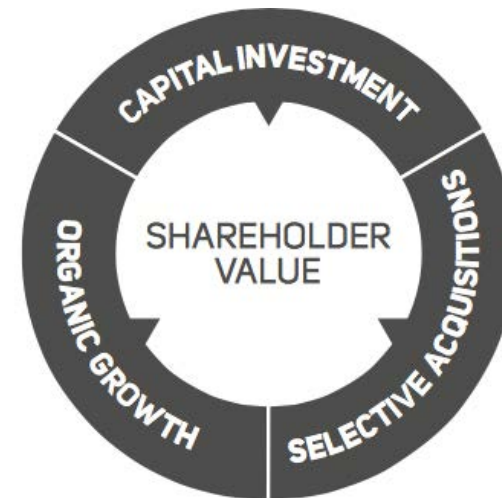
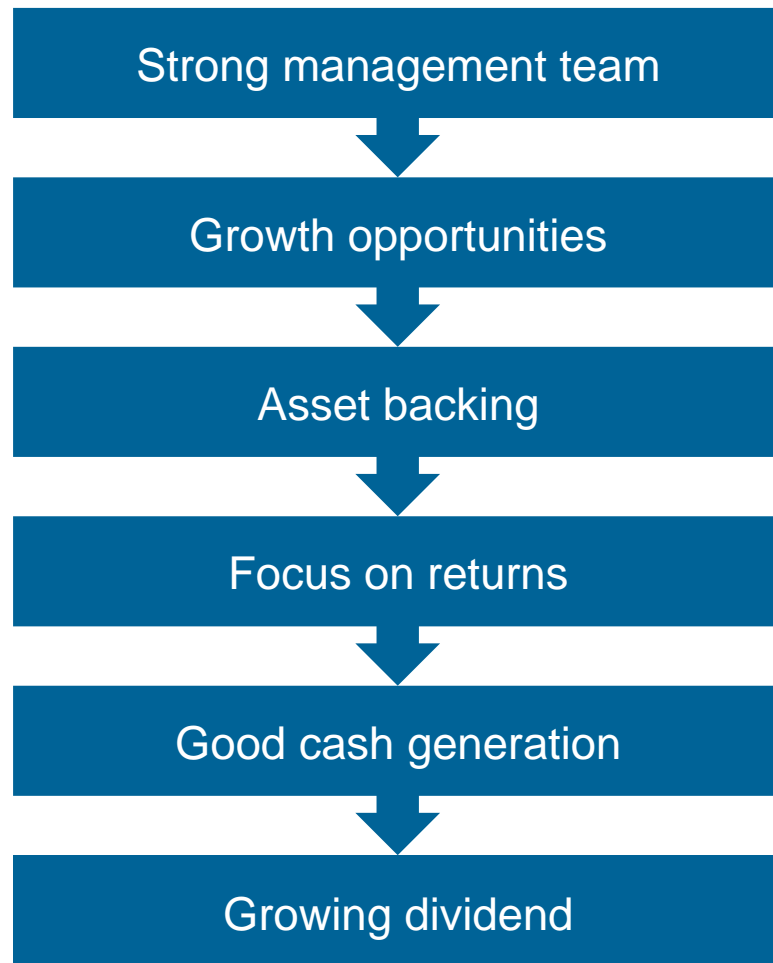
Acquisition criteria

- » Expand existing geographical area
- » Increase business density in an existing territory
- » Well established customer mix



GROUP OVERVIEW

NWF Investment summary



GROUP OVERVIEW

Summary and outlook

- » Continuing to perform as planned since period end, trading in line with the Board's expectations
- » **Feeds** customers optimise performance with higher milk prices, albeit recent falls
 - » Continued focus on nutritional advice, feed price increases implemented
- » **Food** focused on new customer intake including Arla
- » **Fuels** strong December performance focusing on service
- » Significant financing headroom for investment in growth initiatives
- » Completed Board changes: David Downie joins as Non-Executive Director
- » Brexit:
 - » No changes to the fundamentals of our markets to date
 - » Contingency planning on key risks
- » Successful first half, positive outlook, focused on growth initiatives



GROUP OVERVIEW

Additional information

- » Business overview
- » Locations
- » Organisation
- » Main site photo
- » Group financial performance
- » Divisional track record
- » Additional market data

BUSINESS OVERVIEW

Feeds

Supply of feed to ruminants in the UK – principally dairy

- » National player – feeds one in six dairy cows in the UK, N°2 in the market
- » 589,000 tonnes per annum
- » Feed for dairy, beef and sheep
- » Sell added value products including minerals, supplements and fertiliser
- » 4,750 customers
- » 198 people
- » 40 trucks, 21 trailers
- » Compound mills in Cumbria, Cheshire and Devon
- » Blend plants in Cumbria, Cheshire and Devon



BUSINESS OVERVIEW

Food

Consolidation of ambient grocery products to UK Supermarkets

- » 100,000 pallet spaces
- » 800,000ft² of warehousing in Wardle
- » Market leader in the North West
- » 464 people
- » 106 trucks, 229 trailers
- » 99.5% service level
- » 200 customers including Arla & Typhoo
- » Packing room for added value work
- » Palletline member and operation in Cheshire



BUSINESS OVERVIEW

Fuels

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

- » Third largest oil distributor in the UK
- » 58,000 customers
- » 209 people
- » 19 depots across the UK
- » Supply 30 retail petrol stations
- » 93 tankers
- » Fuel card marketing
- » 513 million litres per annum



GROUP OVERVIEW

Business Locations

Feeds

Aspatia
Longtown
Wardle*
Wixland

Food

Wardle*

Fuels

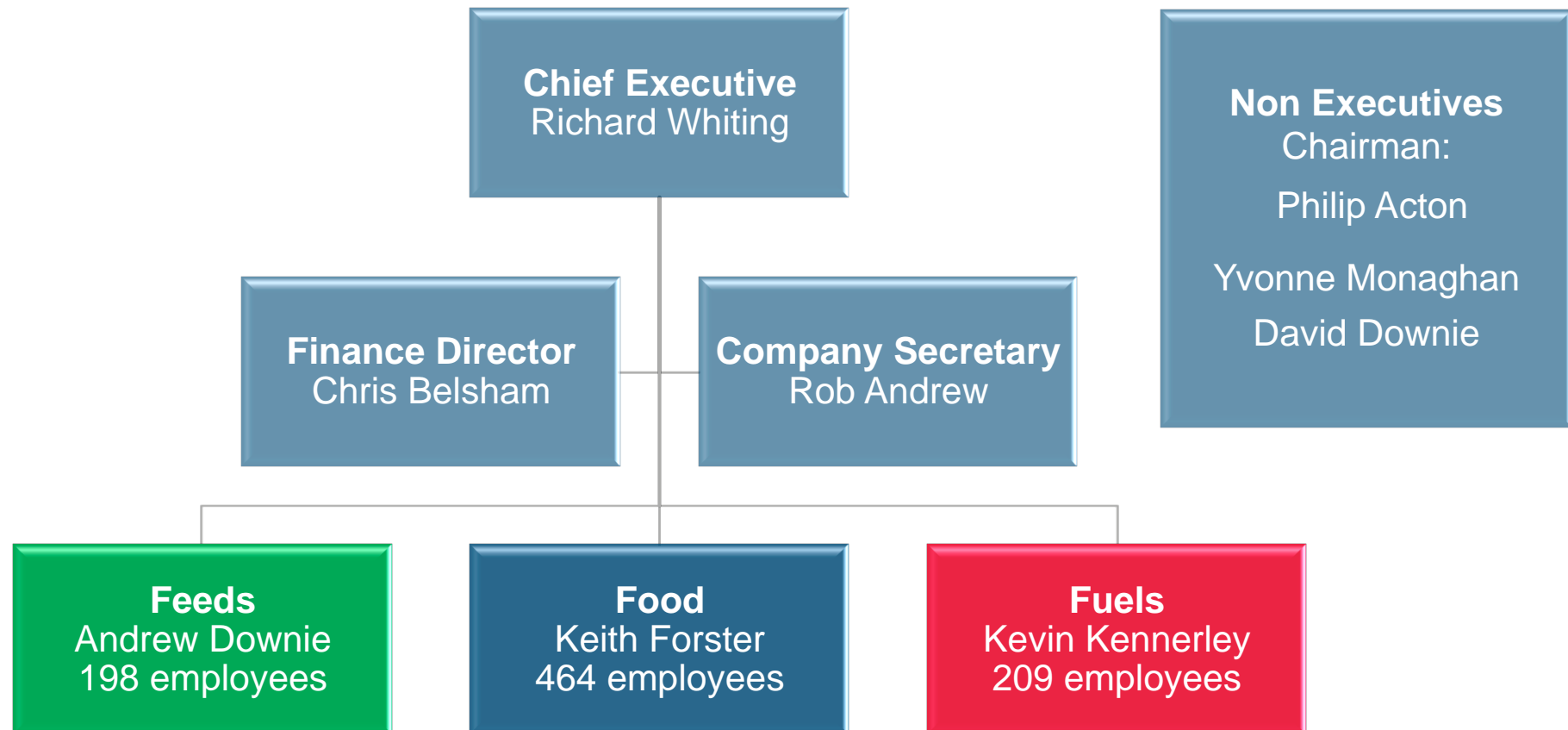
Ammanford
Babbinswood
Bangor
Boston
Burnley
Burwell
Droitwich
Dyserth
Fishers Pond
Great Yarmouth
Home Counties
Kenilworth
Long Marston
Mansfield
Martlet
Staffordshire Fuels
Stoke
Wardle*
Yate

* Wardle = Head office



GROUP OVERVIEW

Organisation



GROUP OVERVIEW

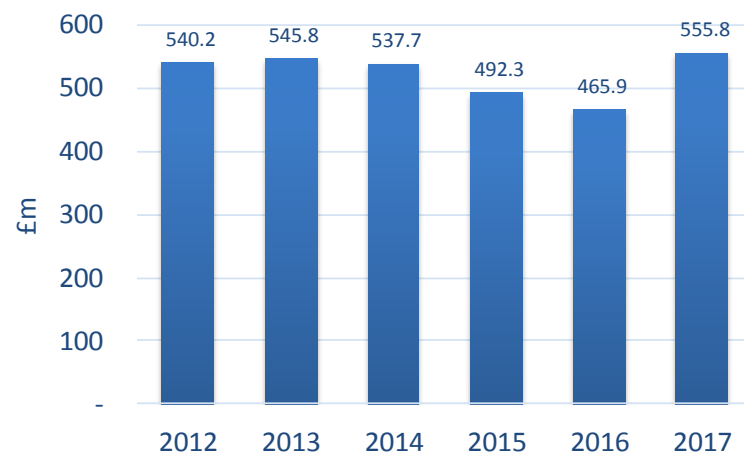
Wardle – Main operating site



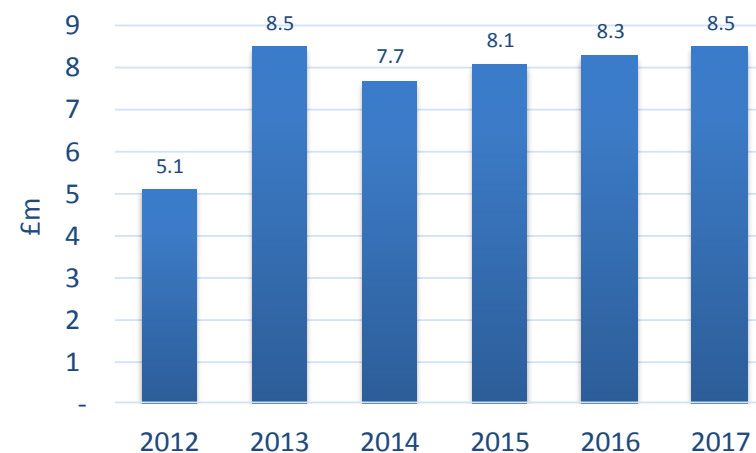
GROUP OVERVIEW

Track record

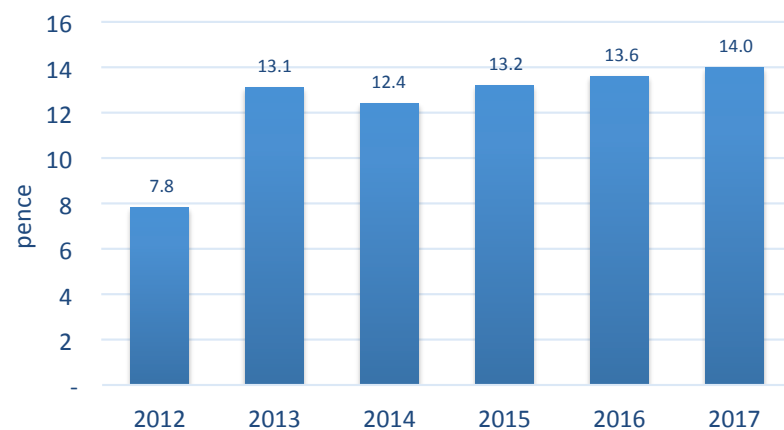
Revenue



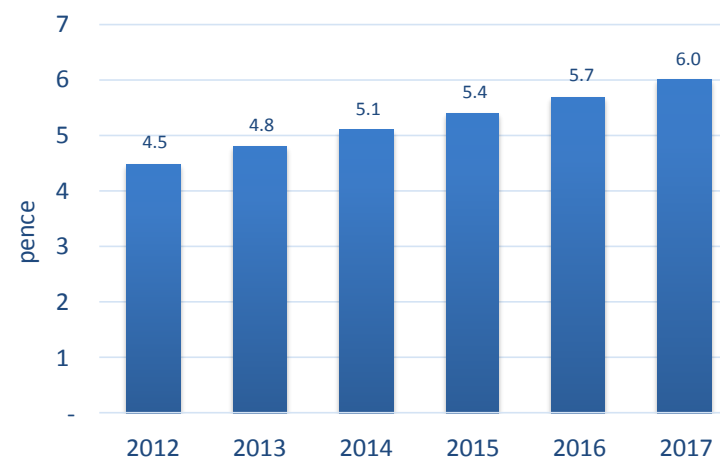
Headline PBT



Headline EPS



Dividend



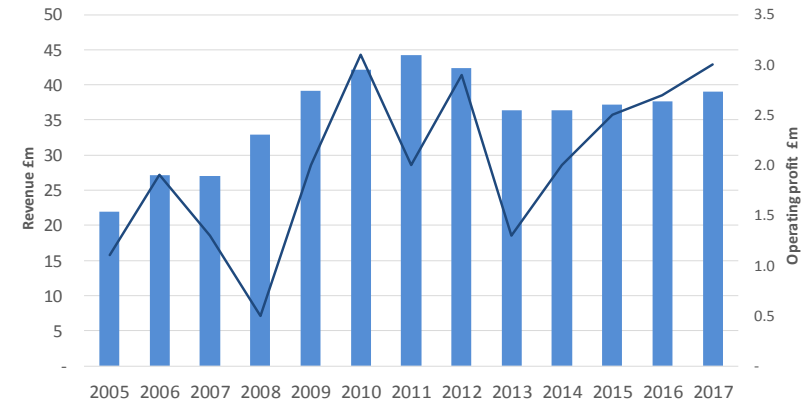
GROUP OVERVIEW

Divisional track record

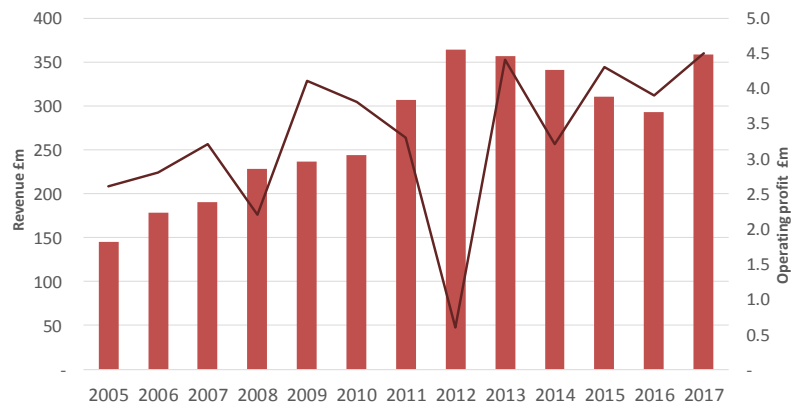
Feeds



Food



Fuels

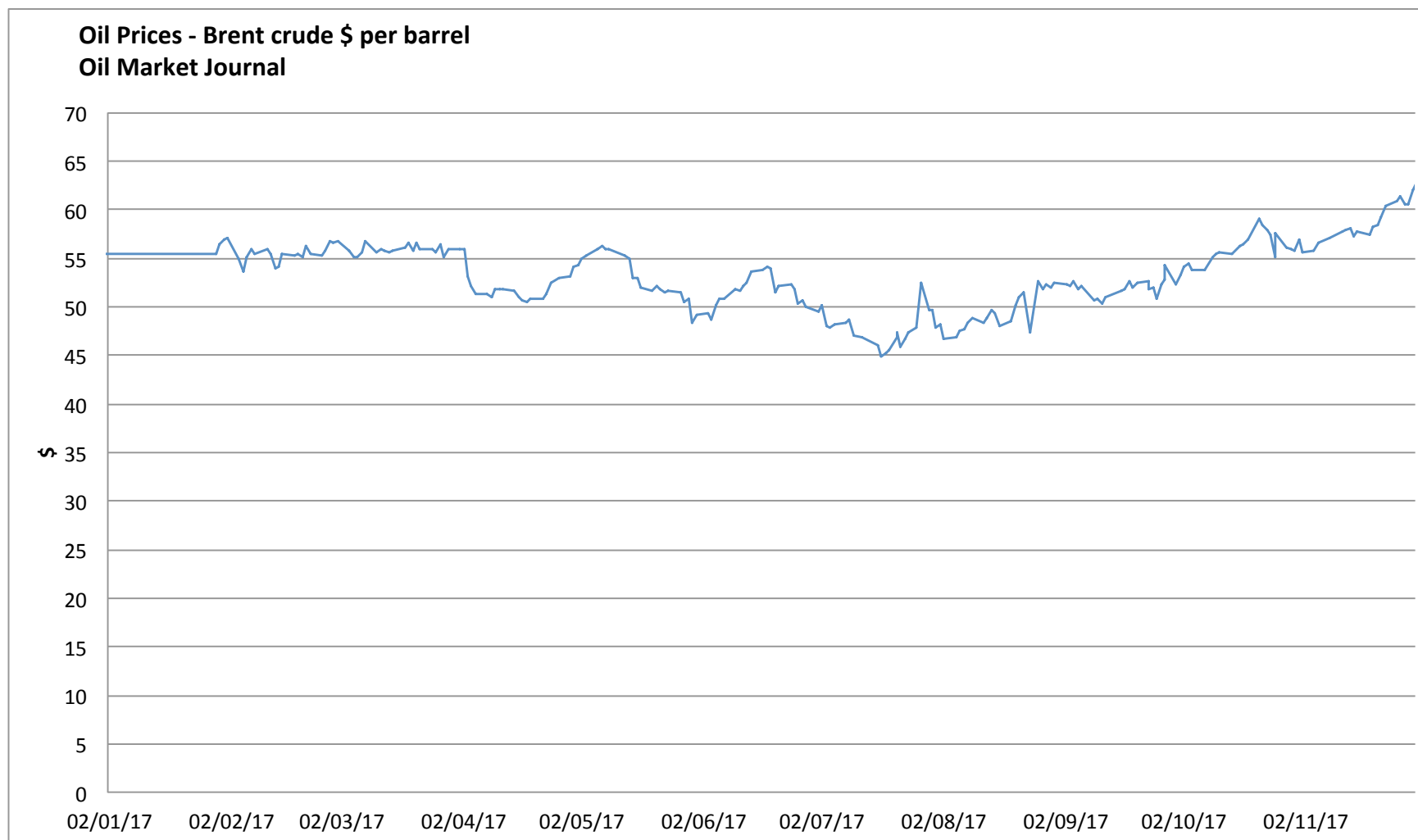


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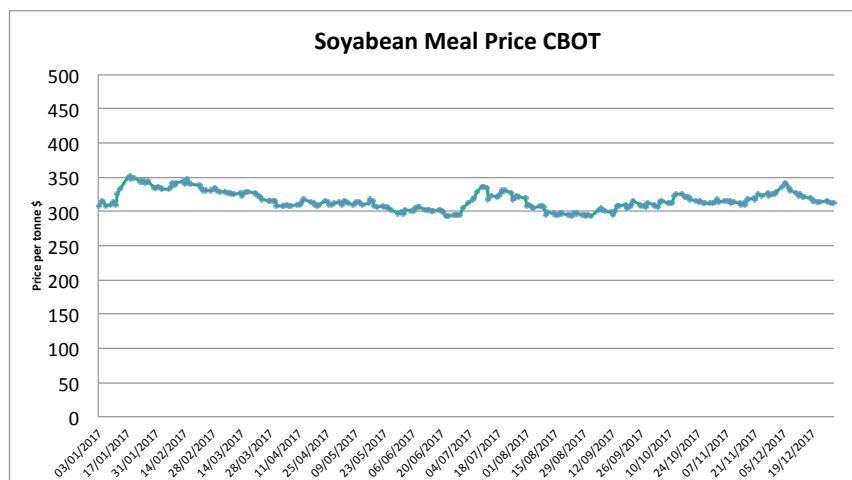
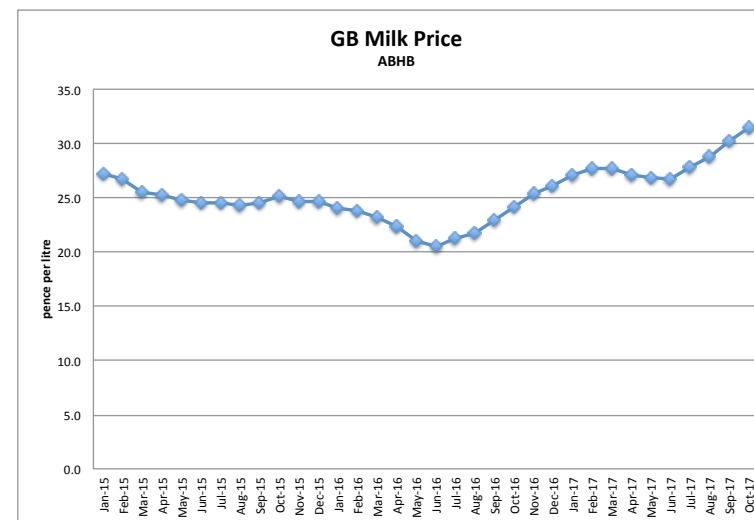
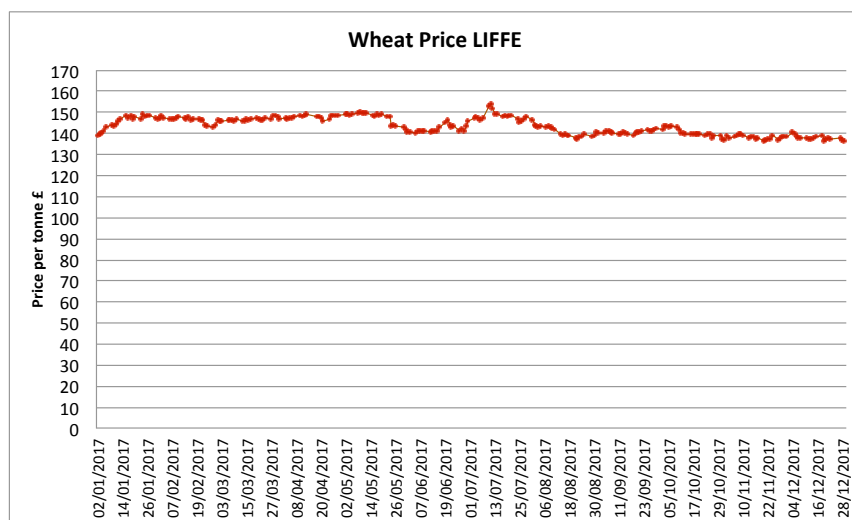
GROUP OVERVIEW

Fuels additional market data



GROUP OVERVIEW

Feeds additional market data



GB Market	2013	2014	2015	2016	2017
Milk (Litres)	11.0bn	11.6bn	12.2bn	12.4bn	11.8bn
UK Dairy Herd	1.8m	1.8m	1.9m	1.9m	-
Ruminant Feed Market (tonnes)	5.2m	4.9m	4.8m	4.7m	4.8m
NWF (tonnes)	481k	543k	567k	580k	589k
Market share	9%	11%	12%	12%	12%