

NWF Group plc

Interim results to 30 November 2012

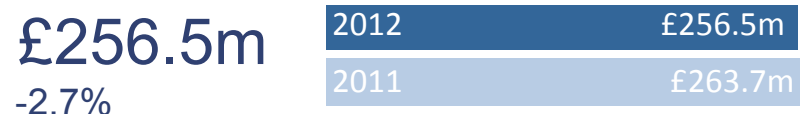


Group overview

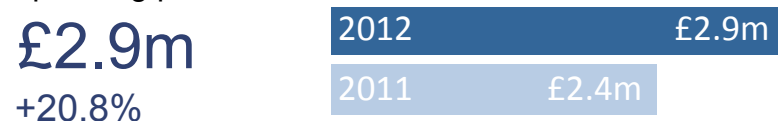
Key highlights

- ◉ Robust performance in line with expectations
- ◉ Strong performance from Feeds, managing volatility
- ◉ Food slightly behind expectations, driving efficiencies
- ◉ Solid performance from Fuels, good recovery
- ◉ Effective cash management, debt better than anticipated at £13.7 million
- ◉ Maintained interim dividend

Revenue



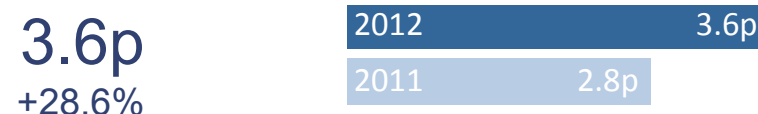
Operating profit



Profit before taxation



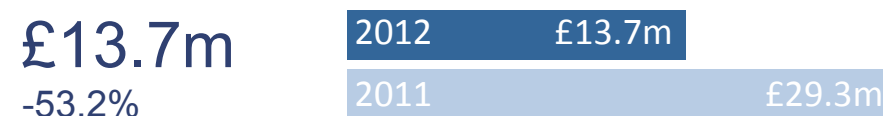
Earnings per share



Dividends per share



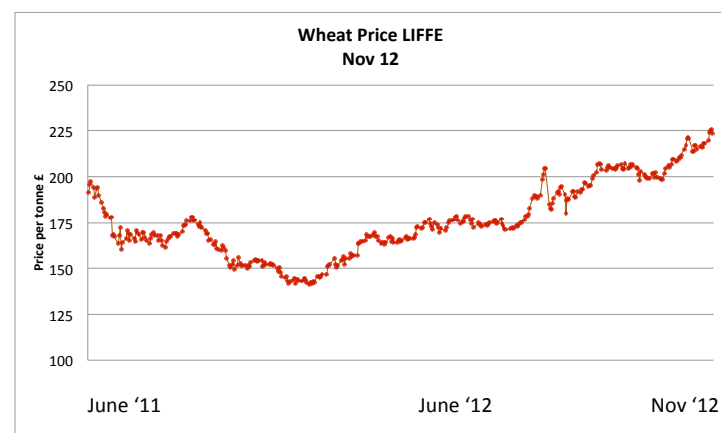
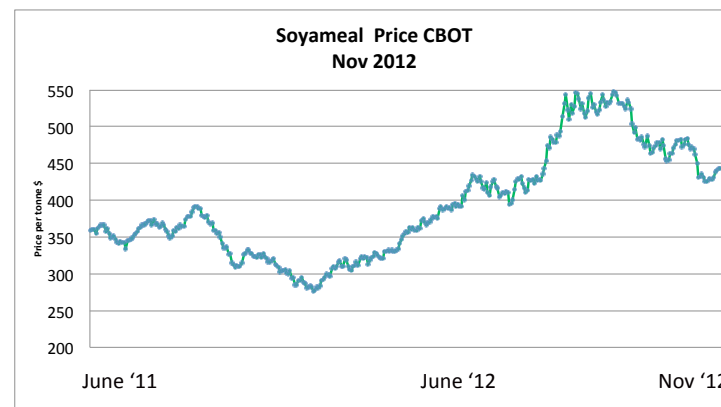
Net debt



Operational highlights

Feeds

- Strong performance
- Significant commodity price increases and volatility
- Focus on direct business with farmers
- Overall volumes stable
- 27% increase in protected proteins sales
- Overall market growth from poor grazing & silage
- Milk output falling and milk price rises anticipated



Revenue

£66.2m +10.1%

2012 £66.2m

2011 £60.1m

Operating profit

£1.6m +166.7%

2012 £1.6m

2011 £0.6m

Tonnes

214,000 +0.5%

2012 214,000

2011 213,000

Operational highlights

Food

- ◉ Take-on of new customers slower than anticipated
- ◉ Market conditions challenging and competitive
- ◉ Improved operating efficiencies:
 - ◉ Restructured business - reduced workforce by 16%
 - ◉ New systems delivering improved efficiencies
- ◉ Focus moved to new business development in both storage and repacking



Revenue

£18.9m -17.5%

2012	£18.9m
2011	£22.9m

Operating profit

£0.8m -55.6%

2012	£0.8m
2011	£1.8m

Pallet spaces

95,000 -12.8%

2012	95,000
2011	109,000

Operational highlights

Fuels

- ◉ Recovery from prior year
 - ◉ Improved margins
 - ◉ Lower overheads and smaller tanker fleet
- ◉ Increased demand for heating oil compared to prior year
 - ◉ Kerosene volumes up over 25%
- ◉ Improved working capital management
- ◉ Business streamlined to be an effective, low cost depot operating model



Revenue

£171.4m -5.1%

2012	£171.4m
2011	£180.7m

Operating profit

£0.5m

2012	£0.5m
2011	£0.0m

Litres

192m Nil %

2012	192m
2011	192m

Financial review

Financial review - income statement summary

	Nov 2012 £m	Nov 2011 £m	Growth %	May 2012 £m
Revenue				
Food	18.9	22.9	-17.5%	42.4
Feeds	66.2	60.1	10.1%	133.9
Fuels	171.4	180.7	-5.1%	363.9
Total revenue	256.5	263.7	-2.7%	540.2
Operating profit				
Food	0.8	1.8	-55.6%	3.0
Feeds	1.6	0.6	166.7%	2.7
Fuels	0.5	-	-	0.6
Total operating profit	2.9	2.4	20.8%	6.3
Finance costs	(0.6)	(0.6)	-	(1.2)
Profit before tax	2.3	1.8	27.8%	5.1
Tax	(0.6)	(0.5)	-20.0%	(1.3)
Profit after tax	1.7	1.3	30.8%	3.8
EPS (basic)	3.6	2.8	28.6%	8.1
DPS	1.0	1.0	-	4.5
Dividend cover	3.6	2.8	28.6%	1.8
Interest cover (excluding IAS 19 finance costs)	7.0	4.8	45.8%	7.0

Financial review

Financial review - balance sheet summary

	Nov 2012 £m	Nov 2011 £m	May 2012 £m
Fixed assets	49.6	51.2	50.5
Net Working Capital	10.1	20.8	9.5
Assets Employed	59.7	72.0	60.0
Pension deficit	(16.9)	(15.1)	(17.3)
Tax provisions	(1.8)	(2.0)	(1.5)
Net Debt	(13.7)	(29.3)	(15.5)
Net Assets	27.3	25.6	25.7
Net Debt : EBITDA	1.4	2.3	1.6

Financial review

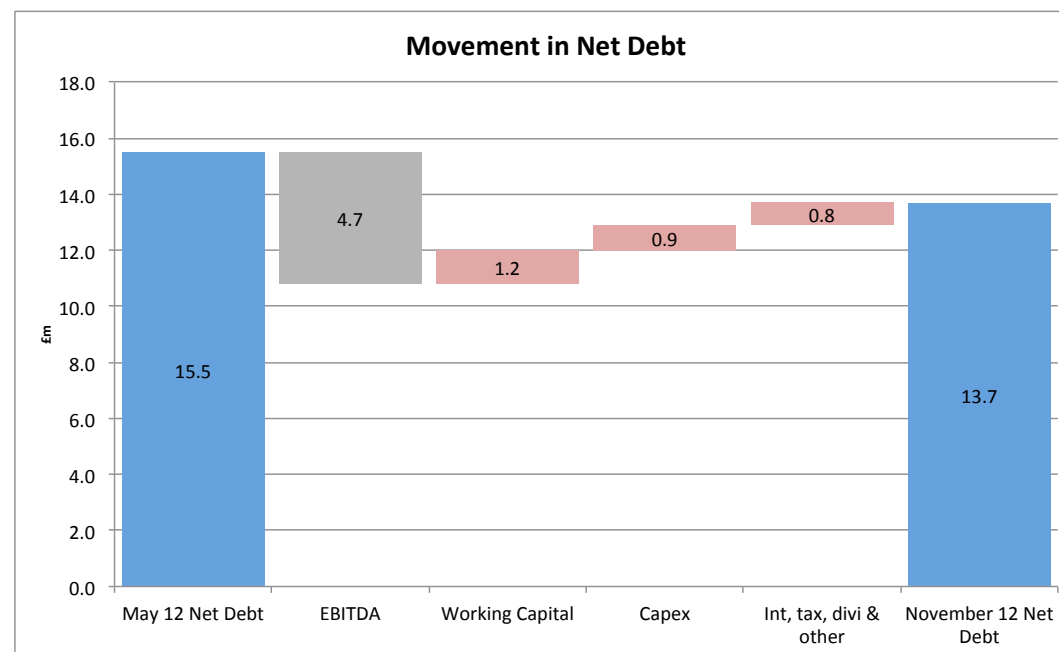
Net debt summary

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	£13.1m
Revolving Credit Facility	£10.0m	£0.0m
Overdraft/(Cash)	£1.0m	(£0.1m)
Bank facilities	£55.0m	£13.0m
Hire Purchase	£7.0m	£0.7m
Total Debt	£62.0m	£13.7m

- 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

	Nov 2012 £m	Nov 2011 £m
Cashflows from operating activities		
Operating profit	2.9	2.4
Depreciation and amortisation	1.8	1.9
Working capital	(0.6)	(12.3)
Other	(0.6)	(0.5)
Operating cash flow	3.5	(8.5)
Interest paid	(0.4)	(0.5)
Tax paid	(0.3)	(1.5)
Net cash from operating activities	2.8	(10.5)
Cash flows from investing activities		
Capital additions	(0.9)	(2.9)
Acquisition of subsidiary	-	(2.7)
	1.9	(16.1)
Dividends paid	-	(1.7)
Changes in net debt resulting from cash flows	1.9	(17.8)
Other: non cash movements	(0.1)	(0.2)
Movement in Net Debt	1.8	(18.0)

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

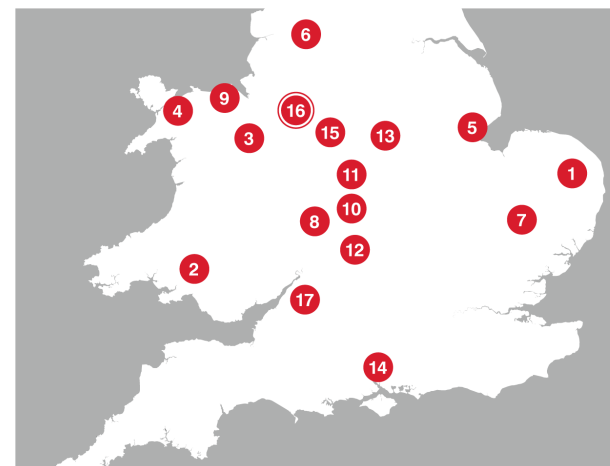
- ◉ *Develop organic growth from existing network*
- ◉ *Bolt on acquisitions across the UK*
 - ◉ *Synergy with existing depots*
 - ◉ *Geographic expansion*

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

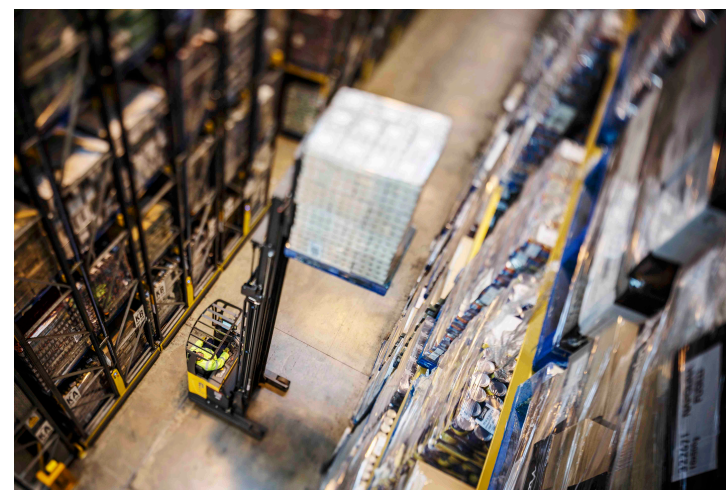
Food

- ◉ Market for ambient groceries remains stable
- ◉ 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

- ⊙ *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*

Customer locations 2012



NWF Ultra Pro-R...
**...when you want to
reduce soya costs but
not performance**

For high quality by-pass protein without the soya price tag NWF Ultra Pro-R will deliver optimum performance.



Group overview

Summary & outlook

- ◉ Performance in line with expectations, lower debt than anticipated
- ◉ Strong performances from Feeds and Fuels
- ◉ Experienced operational management teams across the Group
- ◉ Group has defensive characteristics, is cash generative and has a recognised dividend policy
- ◉ Long term debt funding in place, with Board targets on utilisation
- ◉ Continued tough economic backdrop expected throughout 2013
- ◉ 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

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
- ◉ 163 people
- ◉ 28 trucks, 13 trailers
- ◉ Compound mills in Cheshire and Devon
- ◉ Blend plants in Ayrshire, Cumbria, Cheshire and Devon

Feed



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
- ◉ 494 people
- ◉ 114 trucks, 240 trailers
- ◉ 99.6% service level
- ◉ 200 customers including Princes & Typhoo
- ◉ Packing room for added value work

Food



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
- ◉ 191 people
- ◉ 17 depots across the UK
- ◉ 82 tankers
- ◉ Supply 76 retail petrol stations
- ◉ Fuel card marketing
- ◉ 414 million litres per annum

Fuel



Group overview

Locations

Feeds

Ayr
Penrith
Wardle*
Wixland

Food

Deeside
Wardle*

Fuels

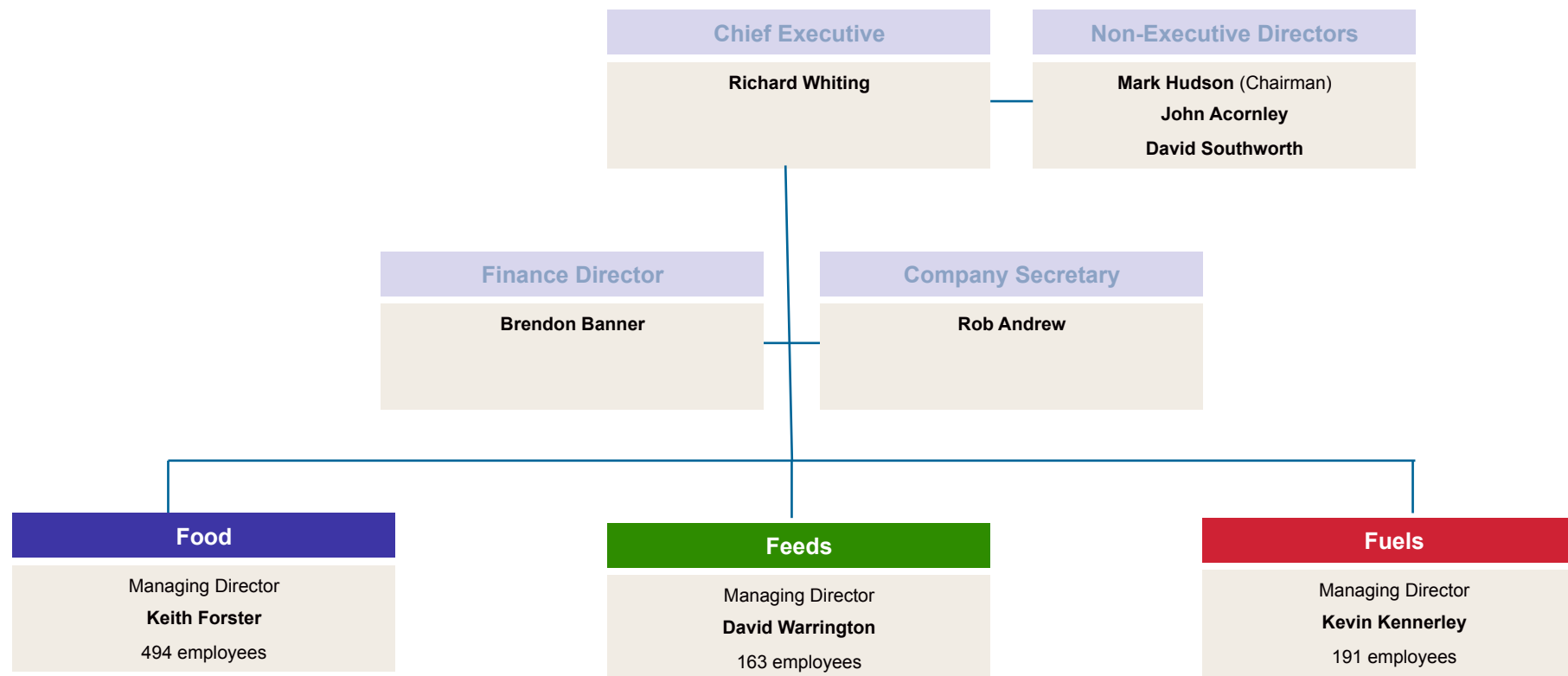
Acle
Ammanford
Babbinswood
Bangor
Boston
Burnley
Burwell
Droitwich
Dyserth
Kenilworth
Kingsbury
Long Marston
Nottingham
Southampton
Stoke
Wardle*
Yate



* Group head office and main operating site.

Group overview

Group organisation



Group overview

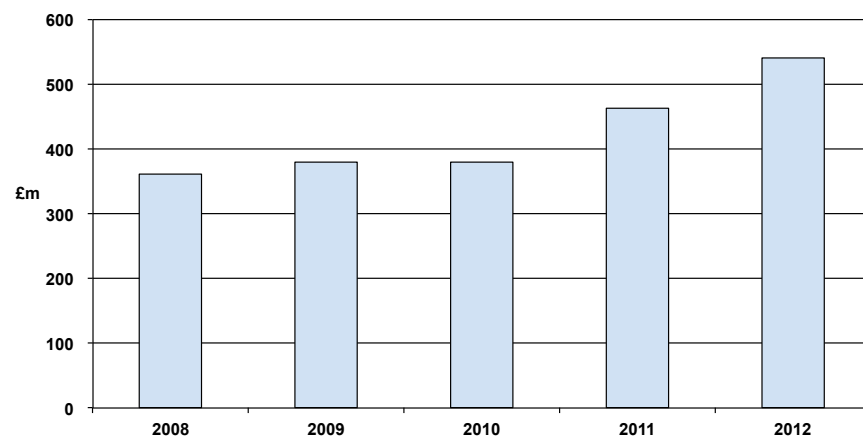
Wardle: Group head office and main operating site



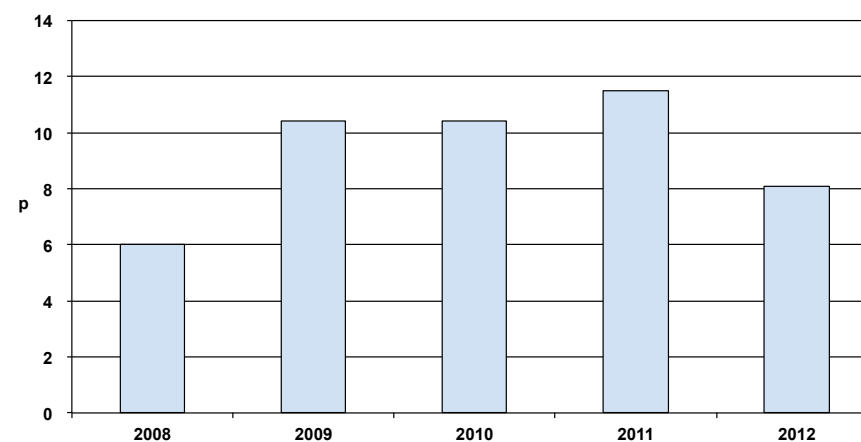
Group overview

Five year financial performance

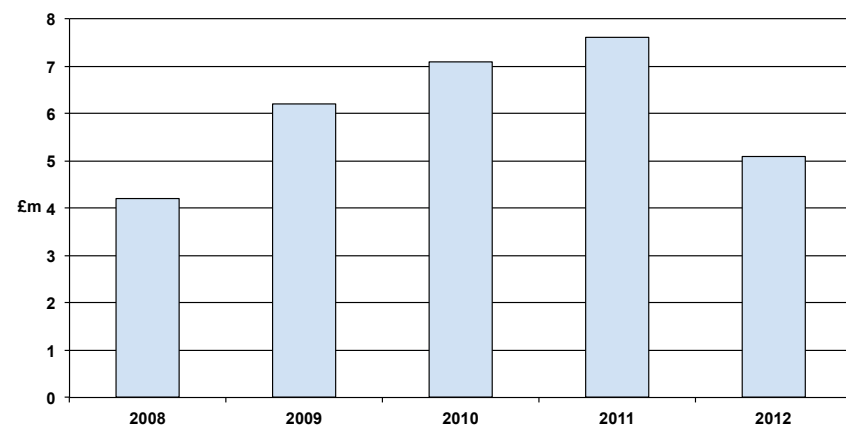
Revenue



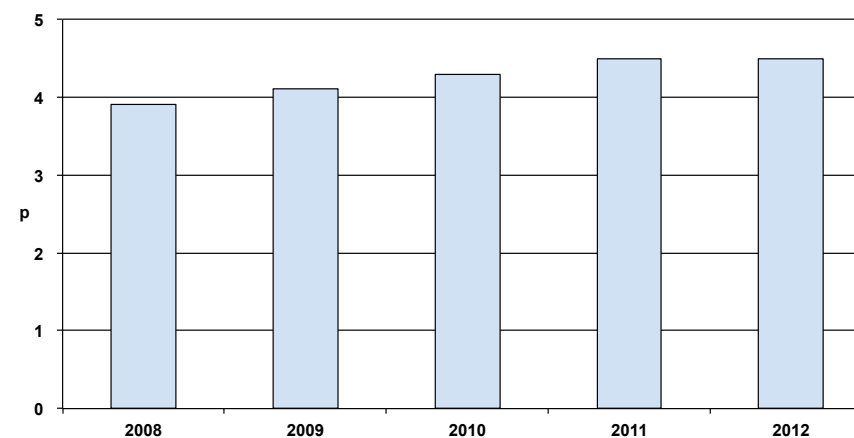
Headline EPS



PBT



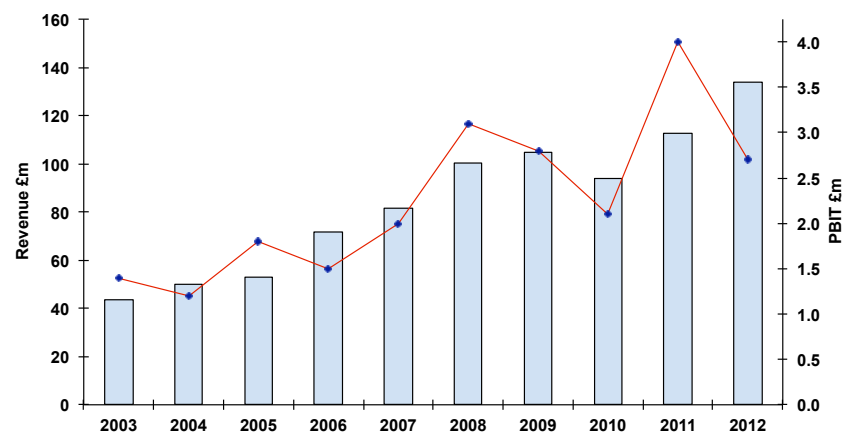
DPS



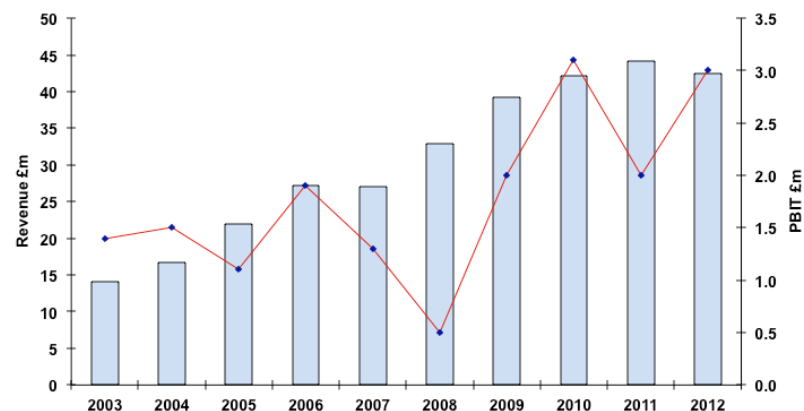
Group overview

Divisional track records

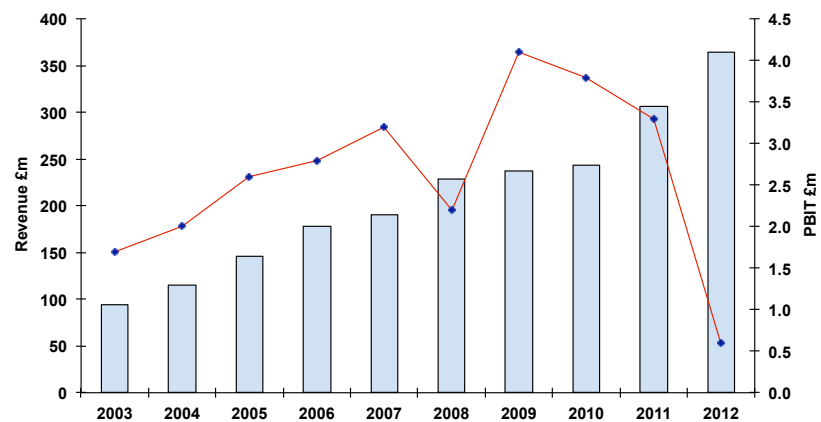
Feeds



Food

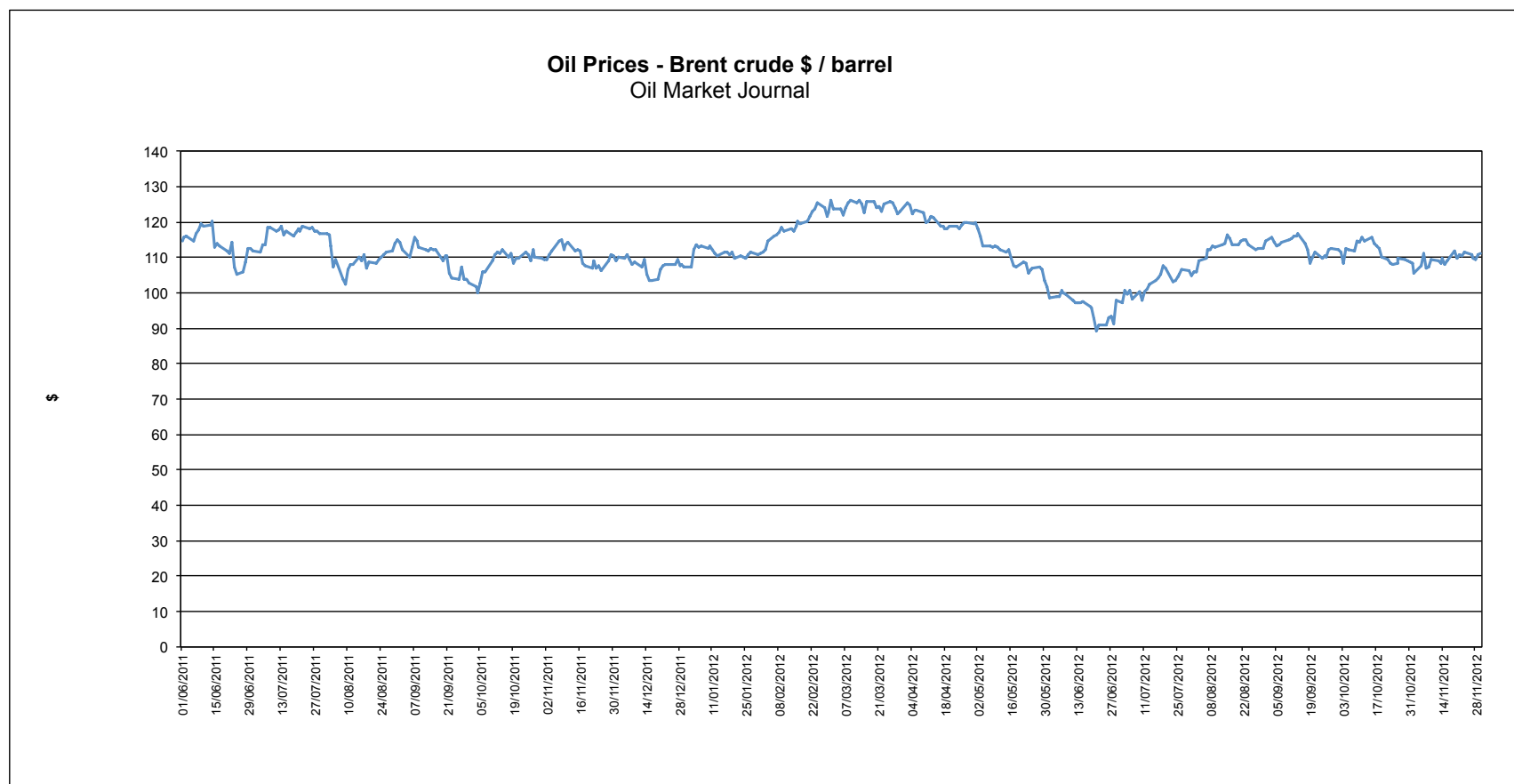


Fuels



Group overview

Fuels: additional market data



Group overview

Feeds: additional market data

