



NWF Group Results Presentation

Final results to 31 May 2024

A refreshed leadership team with significant experience



Chris Belsham
Chief Executive Officer

Skills and experience

- Joined the Group in April 2017 as CFO
- Considerable strategic and leadership experience at both NWF Group plc and as Head of Corporate Finance and Equity Partner at Irwin Mitchell LLP
- Extensive M&A, valuation and financing expertise across a range of sectors following 14 years as a corporate finance advisor with KPMG with a focus on listed clients
- Qualified Chartered Accountant and Fellow of the Institute of Chartered Accountants for England and Wales, having qualified with PwC in 1999



Katie Shortland
Chief Financial Officer

Skills and experience

- Joined the Group in October 2023
- Extensive senior leadership experience at M6toll, Meggitt and Rolls-Royce
- A strong finance and business leader with experience working in infrastructure, engineering and manufacturing, delivering change and driving profitable growth
- Qualified Chartered Accountant with the Chartered Institute of Management Accountants. Qualified with Rolls-Royce in 2001

NWF Group is a specialist distributor across the UK

Connecting essential suppliers with their customers

Fuels

- **Third largest bulk liquid fuel distributor in the UK**
- 659 million litres delivered in 2024
- Road diesel, gas oil, heating oil and petrol
- 27 depots across the UK
- 156 tankers delivering fuel
- 107,000 customers, SME commercial and domestic

Food

- **Leading ambient grocery consolidator**
- Complex operations to deliver high service level
- 1.4 million ft² of modern warehousing providing 187,000 pallet spaces
- 154 trucks and 391 trailers
- 125 customers, grocery manufacturers and importers

Feeds

- **Second largest ruminant feed distributor in the UK**
- 499,000 tonnes sold in 2024
- Nutritional advice led service
- Feed mills in Cumbria, Cheshire and Devon, 48 trucks
- Over 4,400 farming customers - primarily dairy, also beef and sheep

Strategic Enablers

People & Culture

Being Our Best

Change Management

Data & Technology

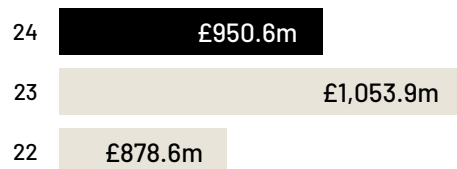
Results summary

A solid financial performance, in line with market expectations

Revenue

£950.6m

-9.8%



Headline operating profit¹

£14.2m

-32.4%



Headline profit before tax¹

£12.5m

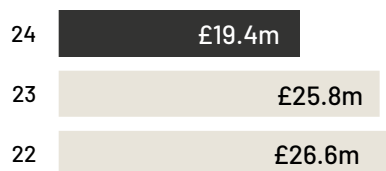
-36.2%



Headline EBITDA¹

£19.4m

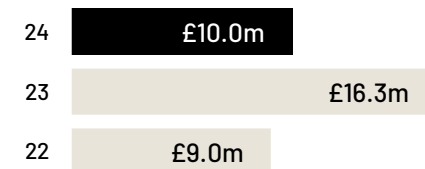
-24.8%



Net cash/(debt)

£10.0m

-£6.3m



Dividend per share

8.1p

+3.8%



¹ Headline operating profit is stated before exceptional items, amortisation of acquired intangibles. Headline profit before taxation excludes exceptional items, amortisation of acquired intangibles and the net finance cost of the Group's defined benefit pension scheme. Headline EBITDA refers to reported operating profit after adding back exceptional items, depreciation on property, plant and equipment and amortisation of acquired intangibles. The headline EBITDA calculation excludes the impact of IFRS 16 depreciation.

Challenging market conditions

Fuels



- Stable supply and low volatility in the oil price – expected normalisation of market pricing
- Second consecutive mild winter – reduced demand for heating oil and increased competition for commercial customers
- Overall growth achieved by targeting additional commercial activity
- Active management of cost base to optimise sales team and size of tanker fleet
- Brent Crude averaged \$83 per barrel (2023: \$90) with a range of \$75 to \$92 per barrel (2023: \$124 to \$74)
- Acquisition of the trade and assets of Geoff Boorman Fuels LLP (Kent) in July 2023; M&A pipeline quiet across the winter but significantly busier in last two months

Revenue

£677.8m

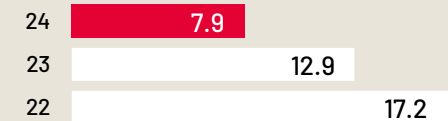
-10.5%



Operating profit

£7.9m

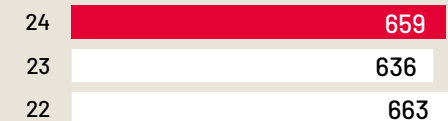
-38.8%



Volume (litres)

659m

+3.6%



Investing for growth

Food

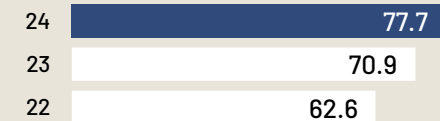


- Strong performance supported by increased storage and throughput
- New business wins required utilisation of overflow warehousing through the year – high efficiency and service levels were maintained
- Investment in new warehouse at Lymedale in January 2024. Fit-out successfully concluded and site will be fully operational by early autumn 2024 in line with business plan
- Lymedale increases capacity by 52,000 pallets to 187,000 to meet customer demand. Since Crewe warehouse was opened in 2020, capacity has increased by 87,000 pallets
- B-Corp accreditation achieved in the year
- Customer pipeline remains strong

Revenue

£77.7m

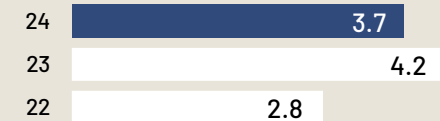
+9.6%



Operating profit

£3.7m

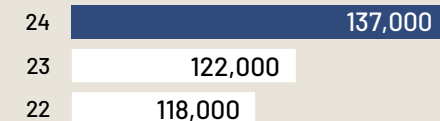
-11.9%



Pallets stored

137,000

+12.3%



Strong operational performance

Feeds

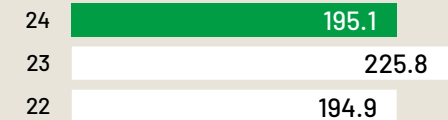


- Lower demand through most of the year following ideal grass growing conditions in summer and autumn, some benefit from wet spring
- Normalised market after volatility of FY23:
 - Stable commodity prices - volatility range of 15% vs 29% in FY23
 - Milk price: average of 38.0p per litre and a peak of 39.2p vs 46.9p and 51.6p respectively in FY23
- Significantly increased electricity cost as previous supply contract ended
- Effective management of gross margin and operational cost base
- Investment continued in NWF Academy training future nutritionists

Revenue

£195.1m

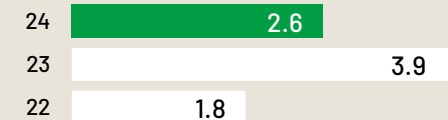
-13.6%



Operating profit

£2.6m

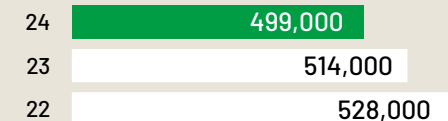
-33.3%



Volume (tonnes)

499,000

-2.9%



Financial review

Income statement summary

	May 2024 £m	May 2023 £m
Revenue		
Fuels	677.8	757.2
Food	77.7	70.9
Feeds	195.1	225.8
Total revenue	950.6	1,053.9
Operating profit		
Fuels	7.9	12.9
Food	3.7	4.2
Feeds	2.6	3.9
Headline operating profit*	14.2	21.0
Net Exceptional items	0.8	—
Amortisation of acquired intangibles	(0.7)	(0.4)
Operating profit	14.3	20.6

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

Fuels	2018	2019	2020	2021	2022	2023	2024
Litres (million)	543	552	665	695	663	636	659
Profit (pence per litre)	1.3p	1.0p	1.6p	1.4p	2.6p	2.0p	1.2p
Feeds	2018	2019	2020	2021	2022	2023	2024
Volume ('000 tonnes)	589	591	625	575	528	514	499
Profit (£ per tonne)	£5.09	£4.74	£3.04	£2.96	£3.41	£7.59	£5.21

- Revenue decreased by £103.3 million (9.8%):
 - £126.1 million from lower commodity prices and product mix movements
 - Partly offset by £9.2 million derived from acquisitions and
 - £17.3 million from higher volumes
- Profit per litre reflects normalisation of margins at c.1.2p per litre
- Lymedale start up cost of £1.4 million
- Feeds profit per tonne of £5.21 reflects cost management and customer mix
- Headline operating profit of £14.2 million
- Net exceptional items of £0.8 million

Income statement summary

	May 2024 £m	May 2023 £m
Operating profit	14.3	20.6
Finance costs	(2.1)	(1.7)
Headline profit before tax*	12.5	19.6
Net exceptional items	0.8	–
Amortisation of acquired intangibles	(0.7)	(0.4)
Net finance costs – DB scheme	(0.4)	(0.3)
Profit before tax	12.2	18.9
Tax	(3.1)	(4.0)
Profit after tax	9.1	14.9
Diluted headline EPS (pence)*	19.2	31.3
DPS (pence)	8.1	7.8
Dividend cover	2.4	4.0
Interest cover (excluding pension finance)	35.5	26.3

- Headline PBT of £12.5 million
- Bank interest decreased to £0.4 million (2023: £0.8 million) due to lower average debt levels offsetting higher interest rates
- IFRS 16 interest of £1.3 million (2023: £0.6 million) due to the acquisition of the Lymedale warehouse and fleet renewal
- Expect IFRS 16 interest for FY25 to be c.£3.5 million
- Pension scheme interest of £0.4 million (2023: £0.3 million)
- Effective tax rate of 25.4% (2023: 21.2%). The underlying tax rate was 25.0% (2023: 20.0%)
- Recommended final dividend of 7.1p, total of 8.1p for the year, an increase of 3.8%

* 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.

Balance sheet summary

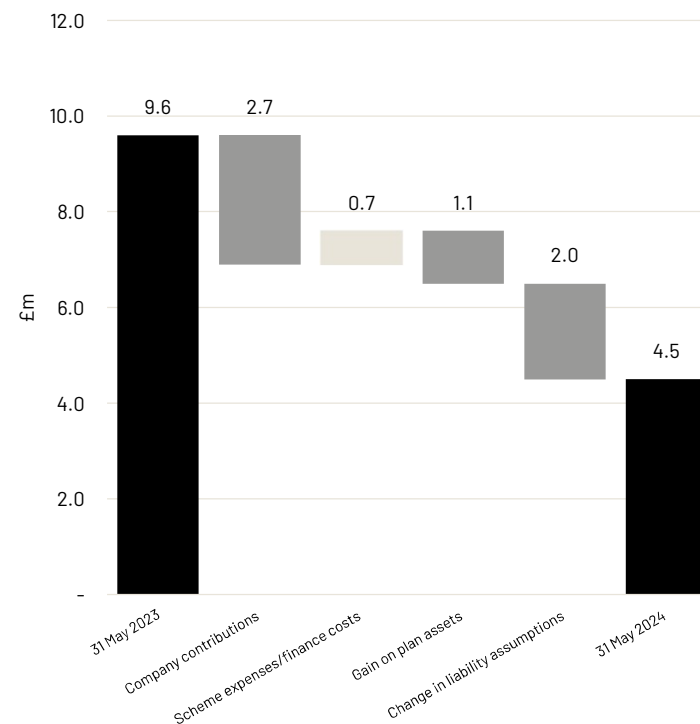
	May 2024 £m	May 2023 £m
Fixed assets	82.3	75.5
Right of use assets	45.9	29.1
Net working capital	5.7	2.3
Current income tax assets	0.6	–
Reimbursement assets	1.8	1.7
Derivative financial instruments	0.3	0.1
Assets employed	136.6	108.7
Pension deficit	(4.5)	(9.6)
Net cash	10.0	16.3
Provision for liabilities	(3.3)	(2.7)
Tax provisions	(7.1)	(5.0)
Lease liabilities	(46.3)	(29.8)
Net assets	85.4	77.9
Net debt:EBITDA	(0.5)	(0.6)
Total assets	237.7	217.6
ROCE		
Fuels	28.2%	54.0%
Food	11.5%	15.7%
Feeds	10.2%	15.3%
Total ROCE	16.5%	27.6%

- Fixed assets increased with the acquisition of the trade and assets of Geoff Boorman Fuels LLP and the fit-out of Lymedale
- Net working capital change due to short-term timing differences
- Net cash decreased by £6.3 million, reflecting investment of operational cash into capex and acquisition
- Net debt including IFRS 16 lease liabilities of £36.3 million (2023: £13.5 million)
- Strong asset underpin – total assets of £237.7 million
- Group ROCE of 16.5%

Pension summary

	May 2024 £m	May 2023 £m
Assets	32.9	29.6
Liabilities	(37.4)	(39.2)
Deficit	(4.5)	(9.6)
Related deferred tax asset	1.2	2.4
Net pension liability	(3.3)	(7.2)
Discount rate	5.25%	5.35%
Inflation rate (RPI)	3.35%	3.15%

- Single defined benefit pension scheme
- Closed to new members in 2002 and future accrual in 2016
- Deficit has reduced by £5.1 million, driven by Company contribution and continuation of investment strategy
- Deficit improvement has driven a corresponding change of £1.2 million in the deferred tax asset
- Triennial valuation of a deficit of £7.6 million as at 31 December 2022:
 - Recovery plan contributions now £2.1 million per annum
 - Recovery payments to increase in line with dividend growth
- No constraint on Group development



Cash flow summary

	May 2024 £m	May 2023 £m
Operating profit	14.3	20.6
Depreciation and amortisation	17.1	15.3
Working capital movements	(3.0)	4.1
Share-based payment expense	(0.1)	0.5
Contributions to pension scheme not recognised in income statement	(2.5)	(2.2)
Other	(0.5)	(1.3)
Operating cash flow	25.3	37.0
Interest paid	(1.7)	(1.4)
Tax paid	(2.7)	(3.1)
Net cash from operating activities	20.9	32.5
Net capital additions	(3.9)	(2.2)
Development spend	(8.4)	(9.5)
Capitalised element of leases	(9.9)	(9.9)
Capitalised legal costs associated with leases	(1.1)	–
Net cash (used in)/from investing activities	(2.4)	10.9
Dividends paid	(3.9)	(3.7)
Movement in net debt	(6.3)	7.2

- Headline EBITDA* of £19.4 million (2023: £25.8 million)
- Working capital movement driven by customer mix and short-term timing differences
- Net capital expenditure of £3.9 million
- Fuels acquisition spend of £2.6 million included within development spend
- Net cash generated from operations after lease payments of £11.0 million (2023: £22.6 million)
- Cash conversion of 77.5% (2023: 107.6%)

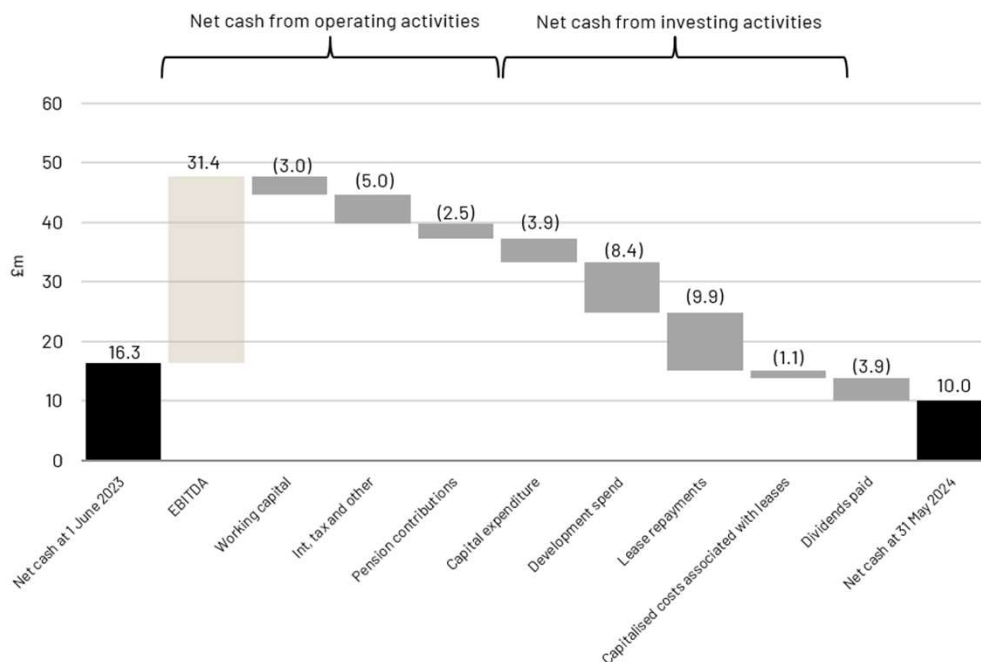
* Stated before exceptional items and the net finance cost of the Group's defined benefit pension scheme and excluding IFRS 16 depreciation.

Net debt summary

- Continued facilities of £61 million with NatWest until May 2026 with additional accordion facilities of £20 million
- Net cash of £10.0 million at May 2024 with substantial facility and covenant headroom

	Facility £m	Drawn £m
Facility		
Invoice discounting	50.0	6.4
Invoice discounting (accordion)	10.0	—
Revolving credit facility	10.0	—
Revolving credit facility (accordion)	10.0	—
Overdraft/(cash)	1.0	(16.4)
Total	81.0	(10.0)

- Facility primarily in the form of invoice discounting at a rate of base + 1.25%
- Borrowing covenants:
 - Net debt: EBITDA
 - EBIT: interest cost
- Robust financial position supports strategic focus on acquisitions, Lymedale and the new fleet



- £6.0 million cash generated before development expenditure
- Short-term timing differences in working capital



Our strategy

Our purpose, vision and values

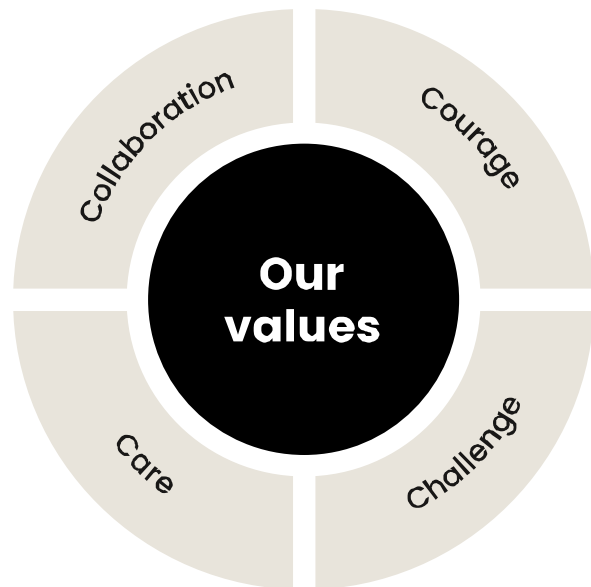
Our purpose, vision and values

Purpose

Connecting essential suppliers with their customers.

Why we exist

All three current Group businesses operate, and have core competencies, in specialist distribution markets. Our reason to exist is to add value to supply chains by applying our expertise to connecting suppliers and their customers who otherwise would struggle to connect or would connect in a sub-optimal manner.



Vision

What we want to achieve



Innovators in



Specialist distribution, delivering



Value







Sustainably



Delivering value sustainably

Our sustainability framework consists of four strategic objectives that reflect our values and are designed to ensure we take a proactive and responsible approach to the way we operate. Together with our stakeholders and across our three businesses, we are working to deliver long-term sustainable value – progress in the year included:

- Food business successfully achieved B Corp accreditation
- Voice of customer helping to understand customer needs in Fuels and Feeds
- TCFD disclosure aligned to Companies Act 2006 reported in 2024 Annual Report and Accounts

 <p>Create a culture of safety</p>	 <p>Invest in our people</p>	 <p>Build strong partnerships</p>	 <p>Respect the environment</p>
<p>Priority objectives Create a culture of safety to protect our employees and the wider community.</p>	<p>Priority objectives Build a workforce for the future where our people are healthy, happy and can fulfil their potential.</p>	<p>Priority objectives Collaborate and innovate with our customers and suppliers to deliver sustainable solutions.</p>	<p>Priority objectives Reduce carbon emissions and waste across our value chain and champion environmental stewardship.</p>
<p>Our ambitions</p> <ul style="list-style-type: none">• Champion road safety• Implement a safety-first approach	<p>Our ambitions</p> <ul style="list-style-type: none">• Promote personal and professional development• Empower future generations• Improve employee wellbeing	<p>Our ambitions</p> <ul style="list-style-type: none">• Understand our customers' needs• Work together with our suppliers• Collaborate and innovate for more sustainable products	<p>Our ambitions</p> <ul style="list-style-type: none">• Invest in clean fleet• Mitigate our carbon emissions• Drive efficiencies across our operations• Responsible use and protection of the natural environment

Our strategy – platform for growth

Connecting essential suppliers with their customers

Fuels

- **M&A – continued consolidation through bolt-on and larger transactions**
- Optimising our sales model for commercial and domestic markets
- Development of national accounts
- Optimising efficiency and lower cost to serve through fleet management
- Energy transition, e.g. HVO

Food

- **Continued growth and development of customer pipeline**
- Further warehouse expansion supported by customer demand
- Targeted M&A to deliver national operational footprint and associated efficiency

Feeds

- **Utilise national operations platform**
- Increase market share through continued investment in the NWF Academy
- Increase product range offering to existing customer base
- Optimising our sales model for direct-to-farm and wholesale customers

Strategic Enablers

People & Culture

Being Our Best

Change Management

Data & Technology

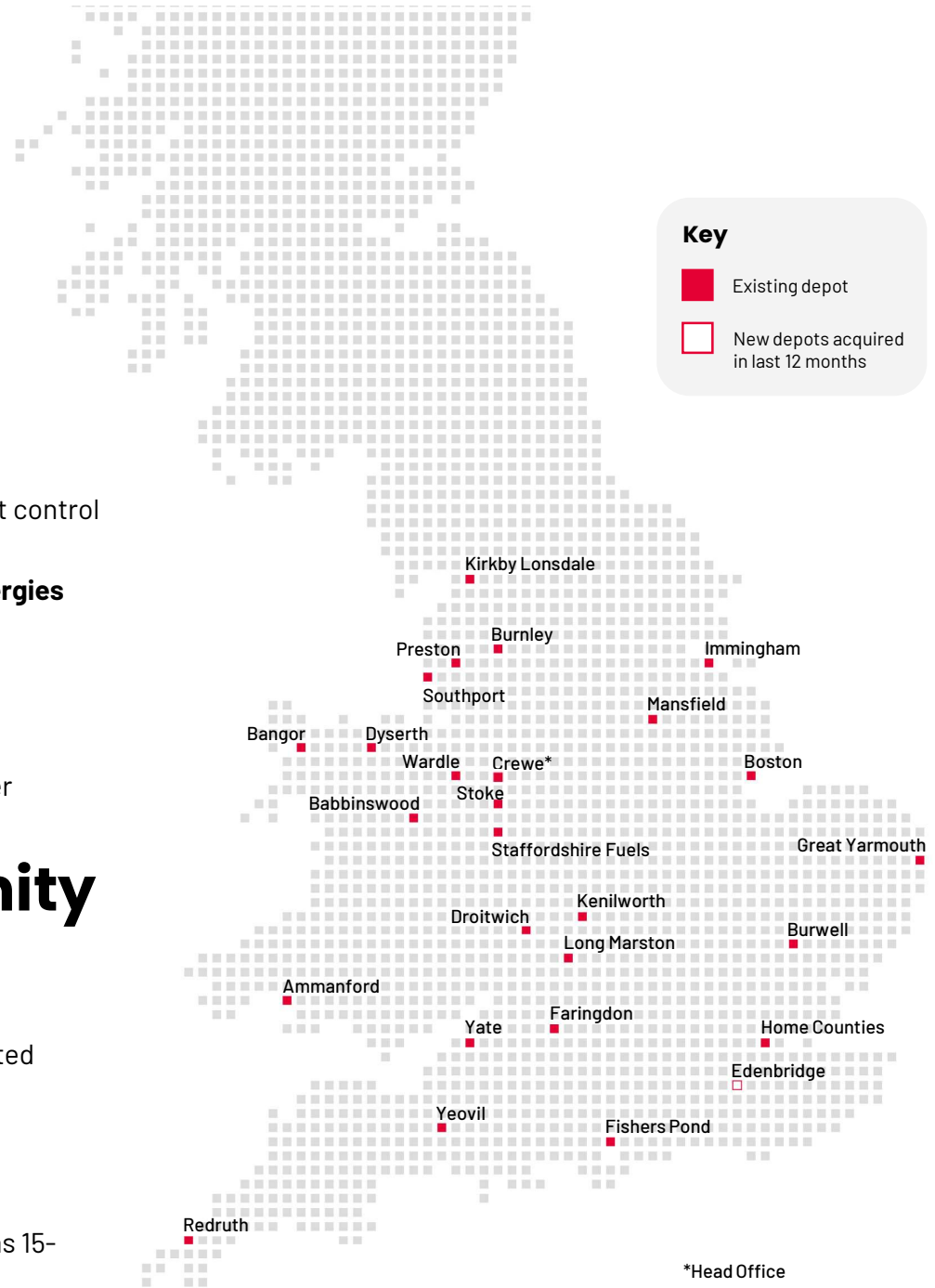
Development strategy

Consolidation opportunity

- Fragmented oil distribution market in the UK:
 - NWF number 3, with less than 5% market share
 - Clear proven acquisition process, 7 since 2019 deploying £26.0 million in total
- Established integration model for centralising finance, IT and credit control
- **Levers to deliver value:**
 - **Integrate into existing depot infrastructure to realise cost synergies**
 - **Use increased depot density to deliver operational efficiencies through greater fleet utilisation**
 - **Deploy NWF Fuels sales model**
 - **Expand geography and enhance performance**
- Active UK pipeline of acquisitions – NWF seen as an attractive buyer

Energy transition opportunity

- Supporting rural communities’ energy requirements
- Significant UK testing of domestic heating with HVO100 (hydrotreated vegetable oil):
 - 90% lower CO₂ emissions
- Government consultation on ‘RFTO for home heating’ – cross-party support, but delayed by election
- HVO available as drop-in diesel replacement – still limited demand as 15-20% price differential



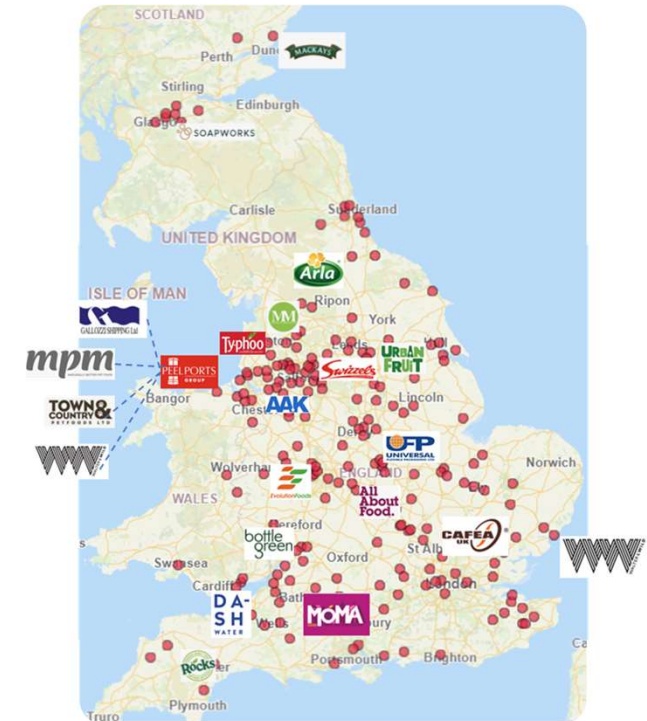
Warehouse expansion opportunity

- Successful history of warehouse expansion to meet customer needs over last 60 years
- Step change in 2020 with Crewe warehouse adding 240,000 ft², 35,000 pallet spaces, exceeding planned returns
- Further step change with Lymedale warehouse announced January 2024:
 - Located in Newcastle-under-Lyme, close to the M6
 - Added 332,000 ft² and 52,000 pallet spaces
 - Increase in capacity of 39%
- Fit out successfully concluded by end of June 2024 in line with plan
- Currently at c.70% capacity and expected to be operating at optimal capacity by early autumn 2024
- Expansion underpinned by level of demand from existing and new customers
- Continued active pipeline of customers looking to work with the business, providing opportunity for further warehouse expansion or targeted M&A to provide an operating base outside the NW

Lymedale facility

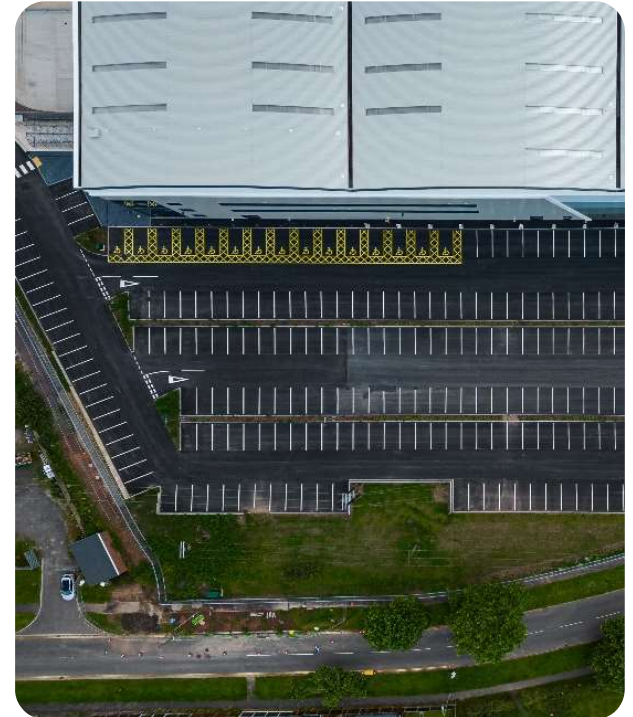


Customer locations 2024



The Lymedale investment is expected to generate strong financial returns

- 15-year lease with 12-year break clause
- Total investment of £8.5 million phased over FY24 and FY25
- Expected to deliver annualised operating profits of approximately £2.8 million
- Impact of IFRS 16:
 - £27.2 million additional right-of-use asset and £25.4 million associated lease liability
 - Increased interest costs will see site PBT grow from £1.2 million to £2.5 million at the end of the term
- Expected to contribute £1.5 million operating profit, but to be PBT neutral in FY25
- Planned to generate an IRR of approximately 20%



The NWF investment case

Focus on return on capital

Return on capital employed is a key metric

16.5%

Group ROCE

Acquisition opportunities

Solid track record with ambition

7

completed Fuels acquisitions since 2019

Management and operational capability

Growing to service customer demand

3

new warehouses since 2020

Asset backing

Strong balance sheet

£237.7m

total assets

Strong business investment

Cash invested in development

£8.4m

Growing dividend

Increased dividend for 13 consecutive years

8.1p

total dividend per share

Robust results and a clear strategy

Solid financial performance in 2024

- Fuels responded to normalising market conditions
- Food delivered strong performance and the investment in Lymedale
- Resilient margin and operational management in Feeds
- Cash positive, investment made in future development and continued long-term funding provide flexibility for the future development of the Group

Board succession planning completed

- Amanda Burton and Tim Cooper joined the Board from July 2024

Currently trading consistent with the Board's expectations

- **Fuels** improving efficiency and pursuing renewed pipeline of acquisitions for further growth
- **Food** building Lymedale to full operation
- **Feeds** managing the wet summer conditions
- Confidence in the future development opportunities and outlook for the Group





Chris Belsham
Chief Executive Officer



Katie Shortland
Chief Financial Officer



Additional information

Additional information

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



Analyst coverage and consensus forecasts

	Forecast ¹	Actual	Consensus forecasts		
	2024	2024	2024	2025	2026
Revenue	£957.4m	£950.6m	£963.2m	£1,013.7m	£1,077.7m
Headline operating profit	£14.5m	£14.2m	£14.3m	£15.9m	£17.9m
Headline profit before tax	£12.7m	£12.5m	£12.6m	£11.7m	£13.7m
Headline earnings per share	19.4p	19.2p	19.2p	17.7p	20.8p
Dividend per share	8.1p	8.1p	8.1p	8.4p	8.9p
Net cash	£11.9m	£10.0m	£10.0m	£10.5m	£17.8m

¹ Analyst consensus expectation at beginning of FY24.

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

* Corporate broker.

The consensus is an arithmetic calculation of the forecasts made by contributing investment analysts as at 29 July 2019 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.

This information does not constitute or form part of any offer for sale or solicitation of any offer to buy or subscribe for any securities nor shall they or any part of them form the basis of or be relied on in connection with, or act as any inducement to enter into, any contract or commitment whatsoever. No reliance may be placed for any purpose whatsoever on the information or opinions contained in these figures or on their completeness, accuracy or fairness.

Key figures

NWF Fuels is a leading distributor of fuel oil and fuel cards delivering over 659 million litres across the UK to nearly 107,000 customers.

Litres per annum

659m

+3.6%

Depots

27

No change

People

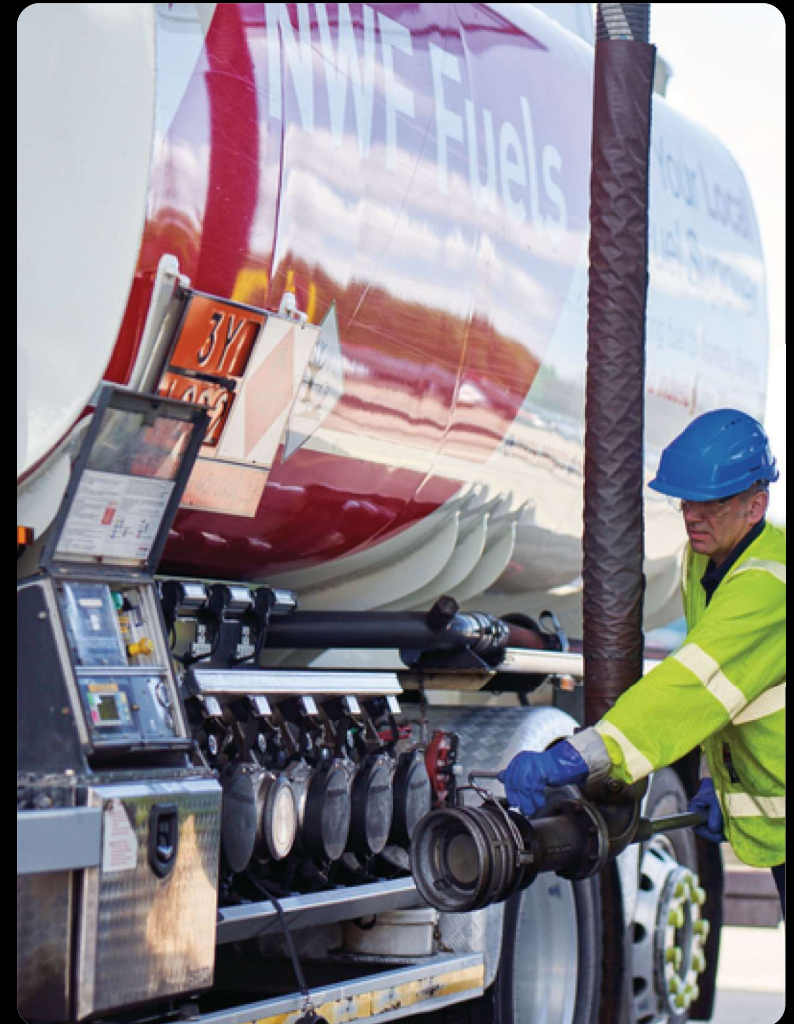
319

-3.0%

Tankers

156

+0.6%



Key figures

Bougey Distribution is a leading consolidator of ambient grocery products to UK supermarkets with over 1,400,000ft² of warehousing and significant distribution assets. It works with over 120 customers on a National footprint.

Pallets stored (average)

137,000

+12.3%

Trucks

154

+6.9%

People

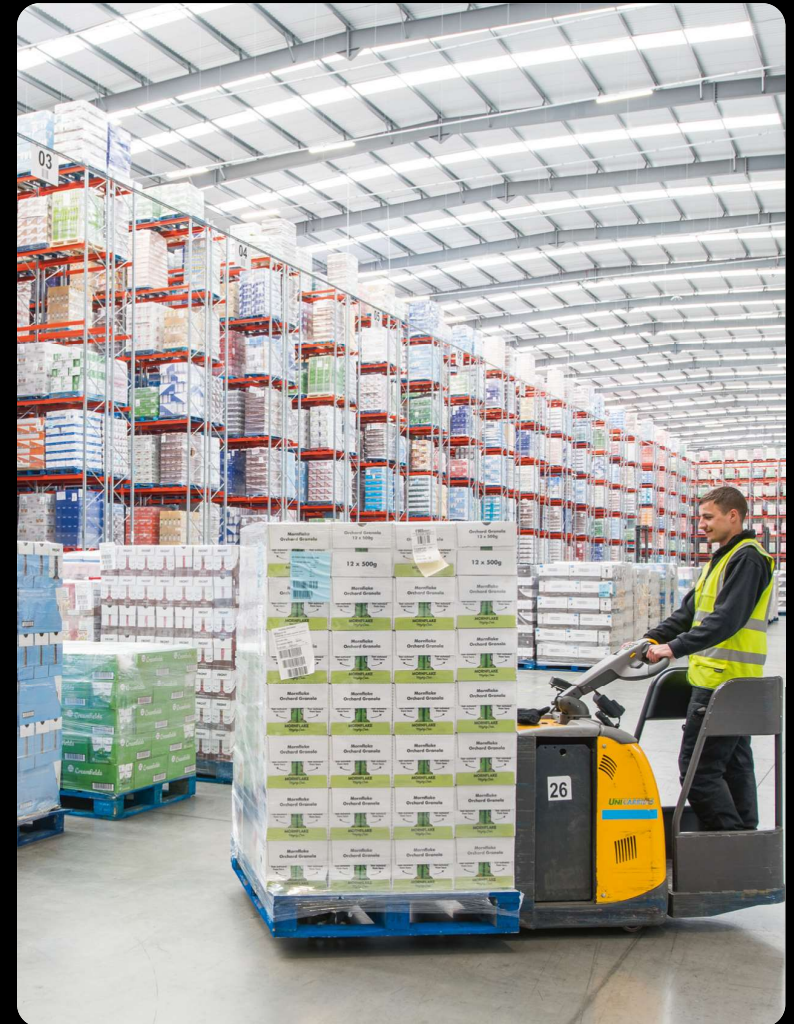
826

+5.2%

Trailers

391

+22.2%



Key figures

NWF Agriculture has grown to be a leading national supplier of ruminant animal feed to over 4,400 customers in the UK. It operates from sites in Cumbria, Cheshire and Devon.

Tonnes

499,000

-2.9%

Trucks

48

+23.1%

People

252

+11.5%

Mills

3

No change



Group overview

Business locations

Feeds

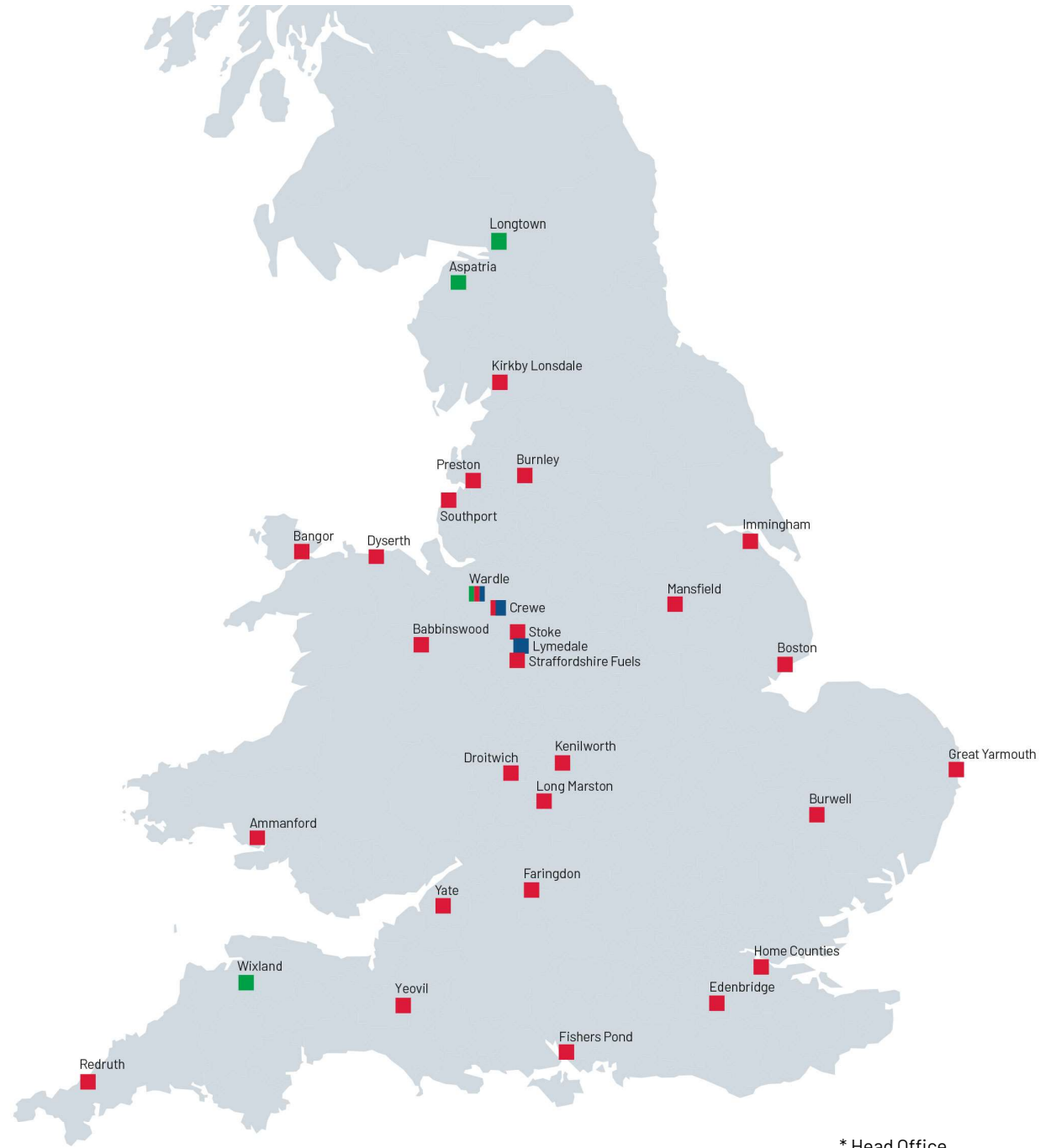
- Aspatria
- Longtown
- Wardle*
- Wixland

Food

- Crewe
- Wardle*
- Lymedale

Fuels

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



* Head Office.

Our Executive Leadership Team

Non-Executives

Philip Acton (Chair until September 2024)
Amanda Burton* (Chair from September 2024)
Richard Armitage
Tim Cooper*

Chief Executive Officer
Chris Belsham

Chief Financial Officer
Katie Shortland

Fuels
Dave Walmsley
319 employees

Food
Angela Carus
826 employees

Feeds
Andrew Downie
252 employees

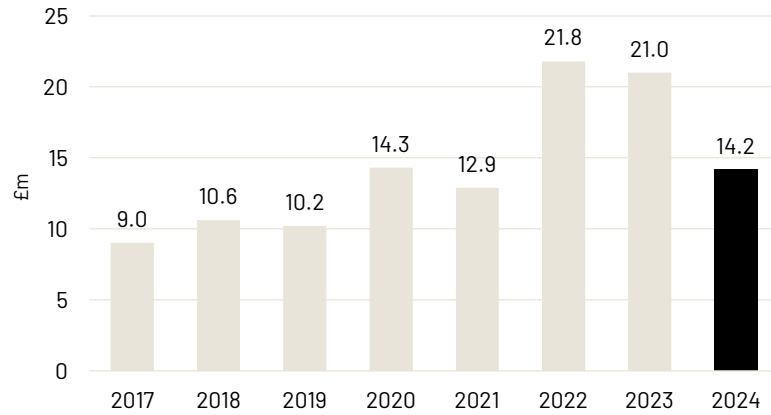
*Joined the Board in July 2024.

 Wardle – Main operating site

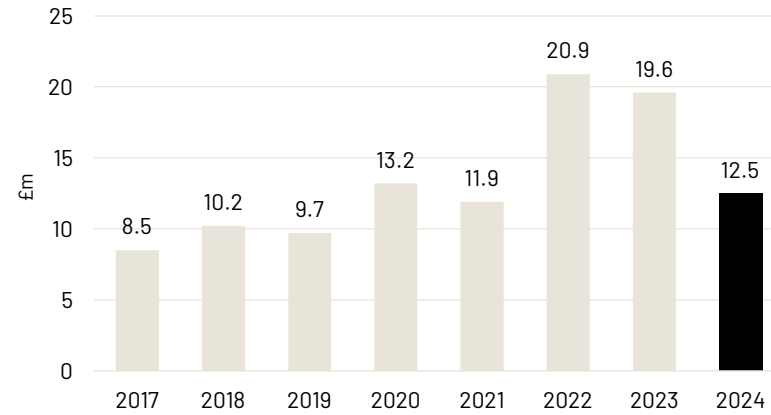


Track record

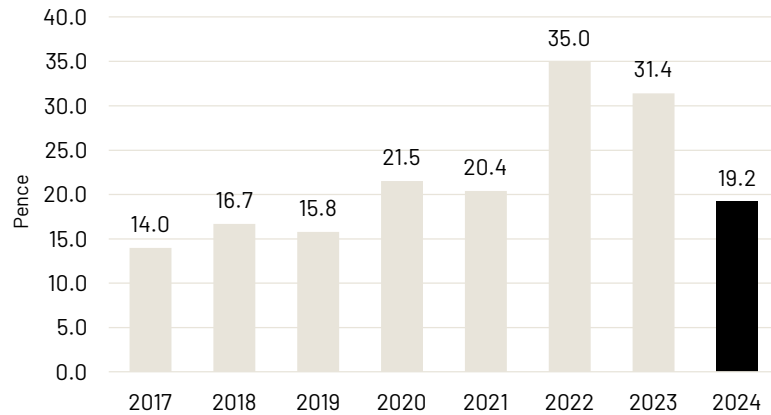
Headline Operating Profit



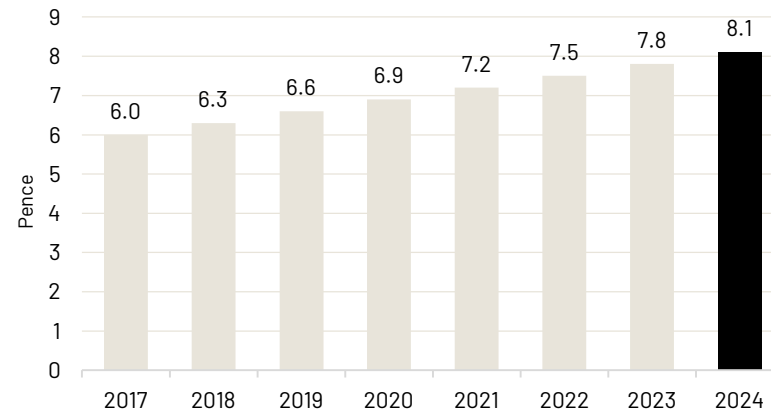
Headline PBT



Headline EPS



Dividend

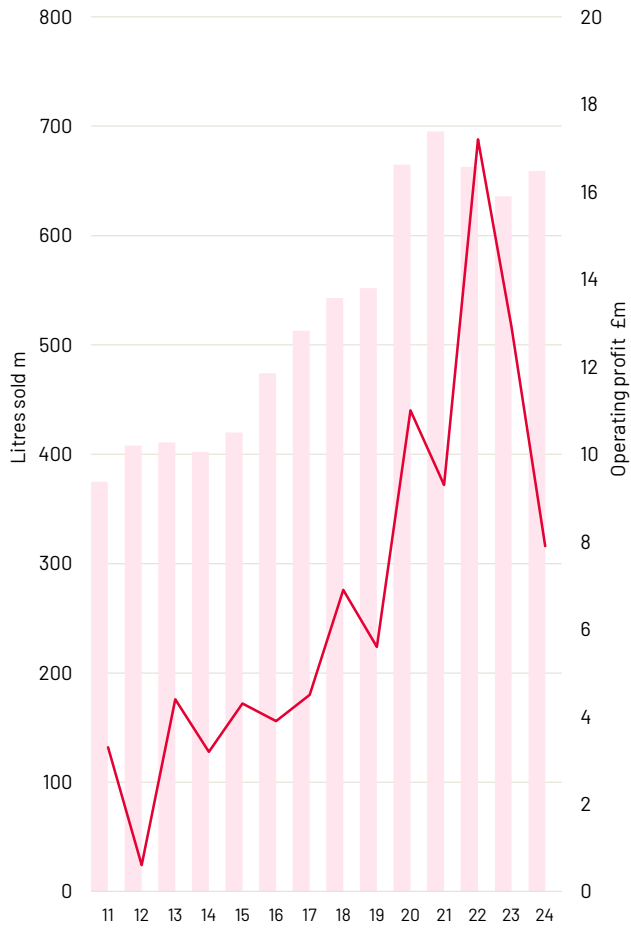


Business track record

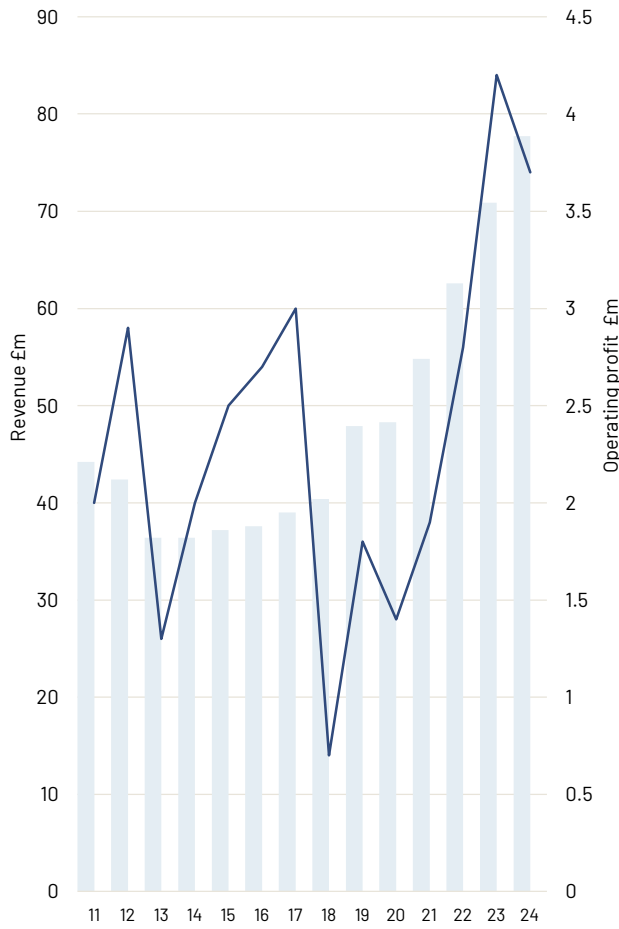
Key

— Operating profit

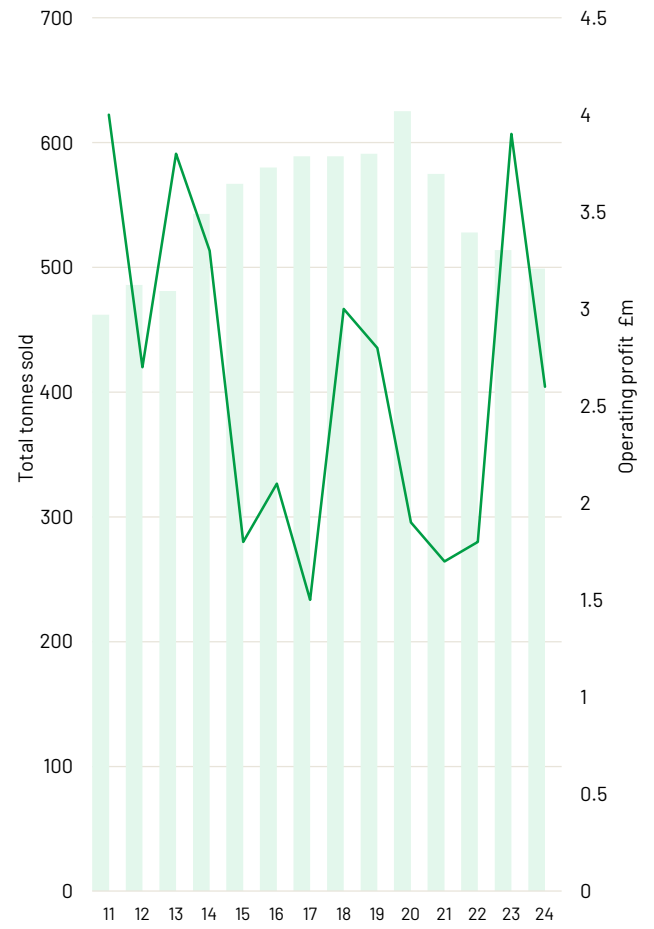
Fuels



Food



Feeds



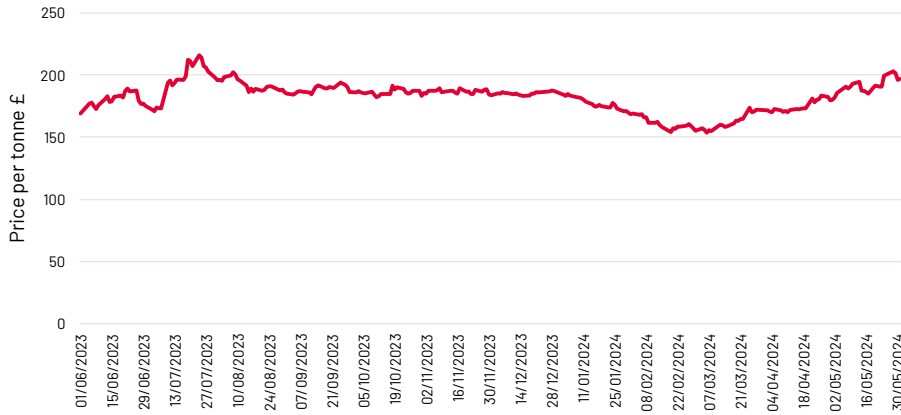
Oil price

Oil prices - Brent Crude \$ per barrel
Oil Market Journal

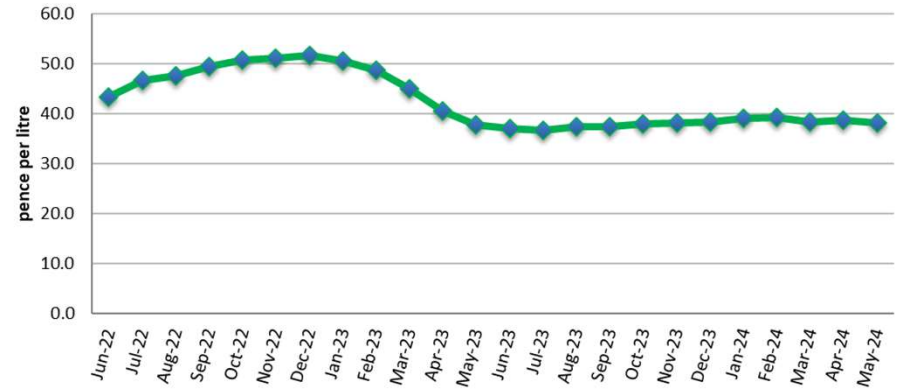


Feeds additional market data

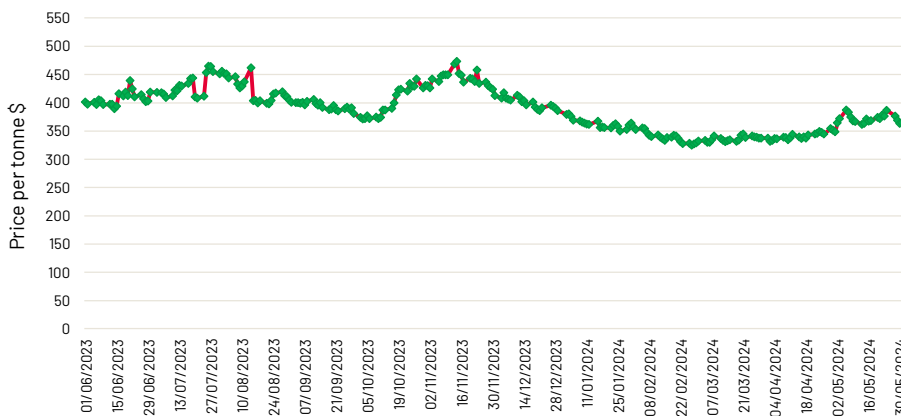
Wheat price LIFFE 12-month period



Farm gate milk price UK (pence per litre – ADHB)



Soya bean meal price CBOT 12-month period



GB market	FY19	FY20	FY21	FY22	FY23	FY24
Milk (litres)	12.6bn	12.5bn	12.6bn	12.5bn	12.4bn	12.3bn
UK dairy herd	1.9m	1.9m	1.9m	1.9m	1.9m	1.9m
Ruminant feed market (tonnes)	5.1m	4.8m	5.0m	4.8m	4.7m	4.8m
NWF (tonnes)	591k	625k	575k	528k	514k	499k
Market share	12%	13%	12%	11%	11%	10%



Thank you