



NWF Group Results Presentation

Half year results to 30 November 2024

A growth focused leadership team



Chris Belsham
Chief Executive Officer

Skills and experience

- Joined the Group in April 2017 as CFO, appointed CEO March 2024
- 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

Growth drivers:

- Optimisation of commercial approach
- Improvement in operational efficiency
- Organic growth in customer base supported by capital investment
- Strategic M&A in existing and adjacent markets

Delivering:

- Sustainable and increasing profitability
- Strong return on capital employed
- Consistent cash conversion
- Robust balance sheet
- Increasing dividend

Fuels

- **Third largest bulk liquid fuel distributor in the UK**
- 667 million litres delivered in last 12 months
- Road diesel, gas oil, heating oil and petrol
- 27 depots across the UK
- 153 tankers delivering fuel
- 107,000 customers, SME commercial and domestic

Food t/a Boughey

- **Leading ambient grocery consolidator**
- Complex operations to deliver high service level
- 1.4 million ft² of modern warehousing providing 187,000 pallet spaces
- 170 trucks and 373 trailers
- 125 customers, grocery manufacturers and importers

Feeds

- **Second largest ruminant feed distributor in the UK**
- 520,000 tonnes sold in last 12 months
- Nutritional advice led service
- Feed mills in Cumbria, Cheshire and Devon, 39 trucks
- Over 4,400 farming customers - primarily dairy, also beef and sheep

A strong first half performance, in line with the Board's expectations

Revenue

£454.3m

-3.9%



Headline operating profit¹

£5.0m

+25.0%



Headline profit before tax¹

£3.6m

+5.9%



Headline EBITDA¹

£7.9m

+14.5%



Net cash/(debt)

£11.4m

-£1.9m



Dividend per share

1.0p

No change



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, depreciation on property, plant and equipment and amortisation of acquired intangibles. The headline EBITDA calculation excludes the impact of IFRS 16 depreciation.

Solid start to the year

Fuels



- Volumes slightly ahead of prior year with strong domestic heating oil demand in early autumn
- Stable supply and low volatility in the oil price
- Brent Crude averaged \$78 per barrel (H1 2023: \$84) with a range of \$69 to \$87 per barrel (H1 2023: \$97 to \$72)
- Margins improved over the prior year
- Cost management action early in the period – right-sized cost base appropriate to current volumes and margins
- Good progress on key performance initiatives – enhancing commercial approach and improving fleet efficiency
- M&A pipeline well progressed with opportunities well advanced

Revenue

£312.8m

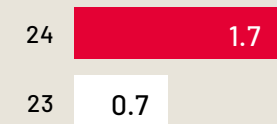
-9.3%



Operating profit

£1.7m

+142.9%



Volume (litres)

331m

+0.9%



Investing for growth

Food

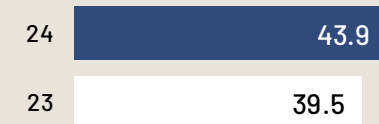


- Revenue growth of 11.1% reflecting increased capacity with the opening of Lymedale
- Storage volumes averaged 157,000 spaces (H1 2023: 135,000), peaked at 167,000 spaces (H1 2023: 141,000)
- Operating profit behind prior year reflecting start-up costs of Lymedale
- Higher mobilisation costs associated with optimising customer storage across all three sites
- Throughput rate lower than the prior year reflecting commercial activities of specific customers
- Customer pipeline remains strong, but conversion a little slower

Revenue

£43.9m

+11.1%



Operating profit

£2.5m

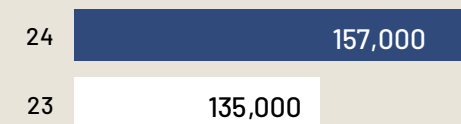
-13.8%



Pallets stored

157,000

+16.3%



Good first half

Feeds



- Volumes 9.3% higher, outperforming market growth of 4.2%
- Consistent margins and management of cost base
- Stable commodity prices - volatility range of 11% vs 10% in the comparative period.
- Milk price: average of 42.7p per litre and a peak of 46.6p vs 37.4p and 38.2p respectively in the comparative period. Encourages customers to feed to maximise production
- Extension of the product range with the investment in moist feed production – attractive to both existing and new customers

Revenue

£97.6m

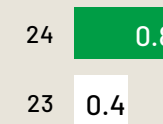
+10.2%



Operating profit

£0.8m

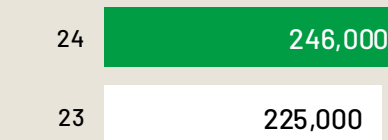
+100.0%



Volume (tonnes)

246,000

+9.3%





Financial review

nwf
PROTECTED
FEED PLANT

M1
RAPE
MEAL

Income statement summary

	Nov 2024 £m	Nov 2023 £m	May 2024 £m
Revenue			
Fuels	312.8	344.8	677.8
Food	43.9	39.5	77.7
Feeds	97.6	88.6	195.1
Total revenue	454.3	472.9	950.6
Operating profit			
Fuels	1.7	0.7	7.9
Food	2.5	2.9	3.7
Feeds	0.8	0.4	2.6
Headline operating profit*	5.0	4.0	14.2
Net Exceptional items	(1.1)	0.9	0.8
Amortisation of acquired intangibles	(0.3)	(0.3)	(0.7)
Operating profit	3.6	4.6	14.3

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

Fuels	Nov 2023	Nov 2024
Litres (million)	328	331
Profit (pence per litre)	0.2p	0.5p

Feeds	Nov 2023	Nov 2024
Volume ('000 tonnes)	225	246
Profit (£ per tonne)	£1.78	£3.25

- Revenue decreased by £18.6 million (3.9%):
 - £44.3 million decrease from lower commodity prices and product mix movements
 - £25.7 million increase from higher volumes
- Operating profit is £5 million in the period (H1 2024: £4 million) driven by:
 - **Fuels** profits reflect a favourable product mix with ppl in the period at c.0.5ppl
 - **Food** reflects start-up costs of Lymedale not in the prior period and a slower growth in pipeline
 - **Feeds** profit per tonne of £3.25 reflects cost management, customer mix and a strong milk price driving demand
- Headline operating profit of £5.0 million
- Net exceptional items of (£1.1) million
 - £0.1 million ERP
 - £0.4 million Fuels restructuring
 - £0.6 million conflict of interest investigation

Income statement summary

	Nov 2024 £m	Nov 2023 £m	May 2024 £m
Operating profit	3.6	4.6	14.3
Finance costs	(1.5)	(0.8)	(2.1)
Headline profit before tax*	3.6	3.4	12.5
Net exceptional items	(1.1)	0.9	0.8
Amortisation of acquired intangibles	(0.3)	(0.3)	(0.7)
Net finance costs - DB scheme	(0.1)	(0.2)	(0.4)
Profit before tax	2.1	3.8	12.2
Tax	(0.5)	(1.1)	(3.1)
Profit after tax	1.6	2.7	9.1
Diluted headline EPS (pence)*	5.5	5.1	19.2
DPS (pence)	1.0	1.0	8.1
Dividend cover	5.5	5.1	2.4
Interest cover (excluding pension finance)	25.0	20.0	35.5

- Headline PBT of £3.6 million
- Bank interest of £0.2 million (H1 2023: £0.2 million) due to lower average debt levels offsetting higher interest rates
- IFRS 16 interest of £1.2 million (H1 2023: £0.4 million) due to the acquisition of the Lymedale warehouse and fleet renewals predominantly in Fuels
- Expect IFRS 16 interest for FY25 to be c. £3.5 million
- Pension scheme interest of £0.1 million (H1 2023: £0.2 million)
- Effective tax rate 25%
- Interim dividend maintained at 1.0 pence per share

* 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

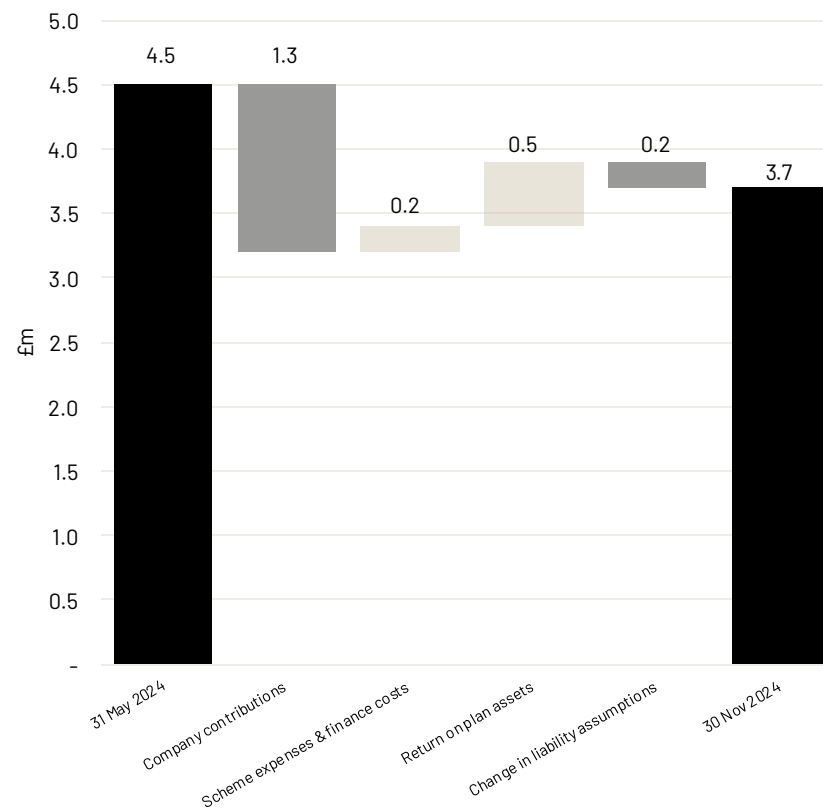
	Nov 2024 £m	Nov 2023 £m	May 2024 £m
Fixed assets	82.2	76.9	82.3
Right of use assets	48.7	26.7	45.9
Net working capital	6.3	4.4	5.7
Current income tax assets	0.5	–	0.6
Reimbursement assets	2.2	1.4	1.8
Derivative financial instruments	0.3	0.1	0.3
Assets employed	140.2	109.5	136.6
Pension deficit	(3.7)	(8.8)	(4.5)
Net cash	11.4	13.3	10.0
Provision for liabilities	(3.7)	(1.9)	(3.3)
Tax provisions	(7.3)	(4.9)	(7.1)
Lease liabilities	(50.5)	(27.6)	(46.3)
Net assets	86.4	79.6	85.4
Net debt:EBITDA	(1.4)	(0.6)	(0.5)
Total assets	251.1	227.9	237.7
ROCE			
Fuels	41.6%	48.9%	28.2%
Food	9.7%	18.5%	11.5%
Feeds	9.9%	7.2%	10.2%
Total ROCE	17.8%	22.7%	16.5%

- Fixed assets increased with the fit-out of Lymedale
- Net working capital change due to customer mix and timing of supplier payments
- Net cash decreased by £1.9 million, reflecting investment of operational cash into capex
- Net debt including IFRS 16 lease liabilities of £39.1 million (H1 2023: £14.3 million) driven predominantly by the Lymedale lease
- Strong asset underpin – total assets of £251.1 million
- Group ROCE of 17.8%

Pension summary

	Nov 2024 £m	Nov 2023 £m	May 2024 £m
Assets	33.4	31.2	32.9
Liabilities	(37.1)	(40.0)	(37.4)
Deficit	(3.7)	(8.8)	(4.5)
Related deferred tax asset	1.0	1.6	1.2
Net pension liability	(2.7)	(7.2)	(3.3)
Discount rate	5.20%	5.25%	5.25%
Inflation rate (RPI)	3.15%	3.15%	3.35%

- 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 £0.6 million in the deferred tax asset
- Triennial valuation of 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

	Nov 2024 £m	Nov 2023 £m	May 2024 £m
Operating profit	3.6	4.6	14.3
Depreciation – property, plant and equipment	2.8	2.5	5.0
Depreciation – right of use assets	6.2	5.3	11.2
Amortisation of other intangible assets	0.4	0.3	0.9
Working capital movements	(0.6)	(2.4)	(3.0)
Share-based payment expense	–	(0.1)	(0.1)
Contributions to pension scheme not recognised in income statement	(1.3)	(1.2)	(2.5)
Other	(0.3)	–	(0.5)
Operating cash flow	10.8	9.0	25.3
Interest paid – borrowings and overdrafts	(0.2)	(0.2)	(0.4)
Interest paid – lease liabilities	(0.6)	(0.4)	(1.3)
Tax paid	(0.4)	(2.1)	(2.7)
Net cash from operating activities	9.6	6.4	20.9
Net capital additions	(1.3)	(1.6)	(3.9)
Development spend	(1.7)	(2.6)	(8.4)
Capitalised element of leases	(5.2)	(5.2)	(9.9)
Capitalised legal costs associated with leases	–	–	(1.1)
Net cash (used in)/from investing activities	1.4	(3.0)	(2.4)
Dividends paid	–	–	(3.9)
Movement in net debt	1.4	(3.0)	(6.3)

- Headline EBITDA* of £7.9 million (H1 2023: £6.9 million)
- Working capital movement driven by customer mix and short-term timing differences on supplier payments
- Net capital expenditure of £3.0 million which includes Lymedale spend in the financial year
- Net cash generated from operations after lease payments of £4.4 million (H1 2023: £1.2 million) reflecting a strong performance in the period
- Cash conversion of 70.9% (H1 2023: 55.1%)

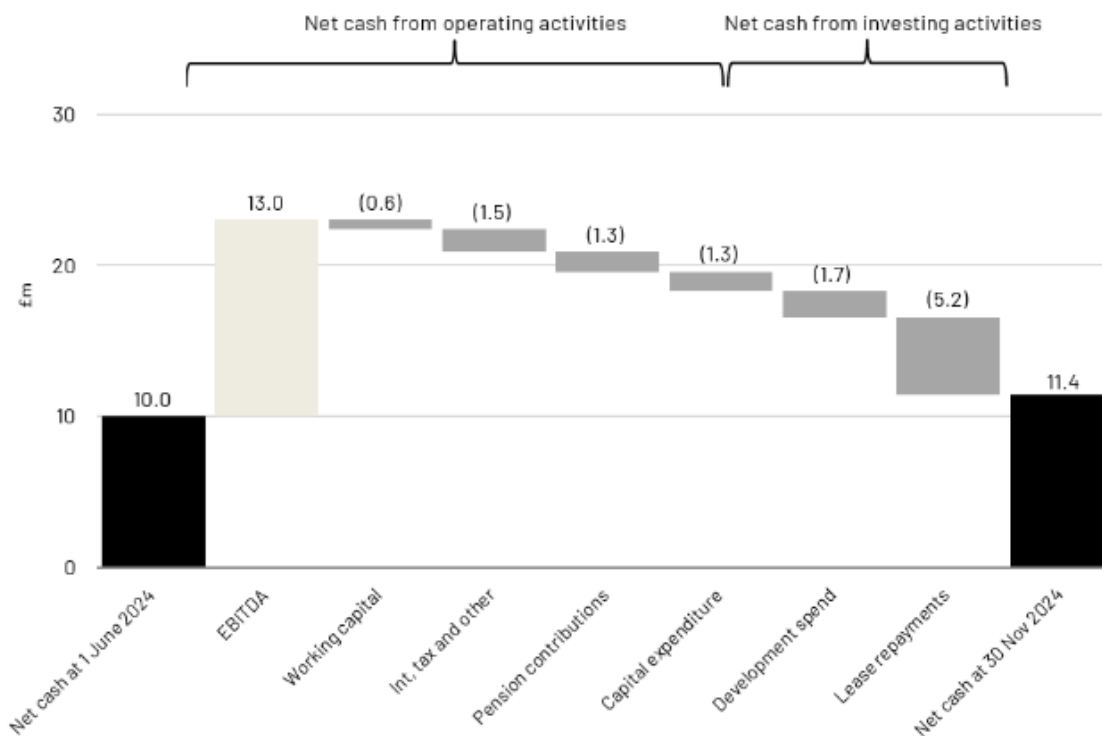
* Stated before exceptional items and the net finance cost of the Group's defined benefit pension scheme and excluding IFRS 16 depreciation.

Funding summary

- Existing facilities of £61 million with additional accordion facilities of £20 million now extended with NatWest until May 2028
- Net cash of £11.4 million at Nov 2024 with substantial facility and covenant headroom

Facility	Facility £m	Drawn £m
Invoice discounting	50.0	0.6
Invoice discounting(accordion)	10.0	–
Revolving credit facility	10.0	–
Revolving credit facility(accordion)	10.0	–
Overdraft/(cash)	1.0	(12.0)
Total	81.0	(11.4)

- 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



- Cash generated before capital expenditure and development spend of £4.4m
- Lease repayments reflects upfront rent free period on Lymedale

Our strategy



NWF Group's Growth Strategy – Multiple Opportunities

Innovators in Specialist Distribution

Growth drivers:

- Optimisation of commercial approach
- Improvement in operational efficiency
- Organic growth in customer base supported by capital investment
- Strategic M&A in existing and adjacent markets

Delivering:

- Sustainable and increasing profitability
- Strong return on capital employed
- Consistent cash conversion
- Robust balance sheet
- Increasing dividend

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 t/a Boughey

- **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

Fuels 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

- Government consultation on 'RFTO for home heating' – delayed by election and no guidance on timing
- HVO available as drop-in diesel replacement – still limited demand as 15-20% price differential
- UK sustainable aviation fuel ('SAF') will increase SAF production (similar to HVO)

Key

- Existing depot
- New depots acquired in last 12 months



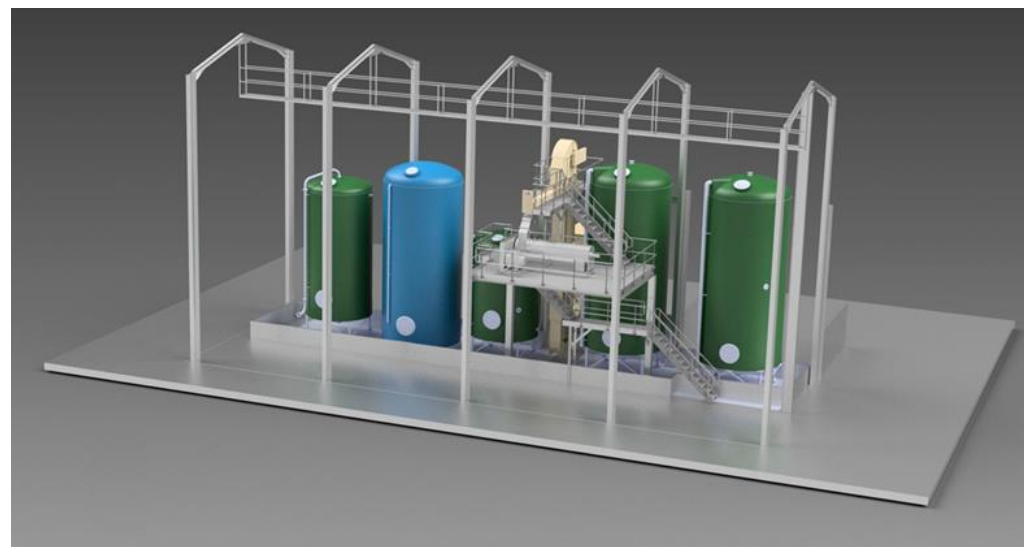
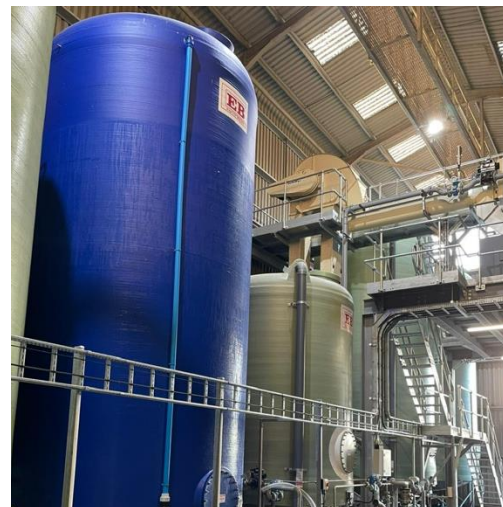
The Lymedale investment is now fully operational

- January 2024 a 15-year lease was signed with a 12-year break clause
- First deliveries commenced April 2024 with warehouse fully operational in Autumn 2024
- Capital investment completed below plan of £8.5 million
- A total of 13 customers now occupy Lymedale with approximately 45 deliveries a day
- Higher start-up costs impacted current year
- Expected to deliver annualised operating profits of approximately £2.8 million from FY26
- Overall business case still expected to generate an IRR of approximately 20%



Feeds investment in product development

- A £750,000 investment has been made in a facility at our site in Cumbria, enhancing innovation and operational efficiency.
- Strategic expansion with the launch of a new complementary product range, into the UK's 'Moist Feed' sector, a market exceeding 1 million tonnes in annual sales
- Officially launched in January 2025, providing high-quality feed solutions to farmers across the North-West of England and South-West of Scotland
- Capacity at the existing blends site has been tripled, now capable of producing 45,000 tonnes annually, across Blends and Moist Feed products
- Strong initial interest from customers, with current demand in excess of plan
- Sales and marketing strategy is in place, utilising national and regional campaigns, media collaborations, and targeted outreach to accelerate growth and embed our brand for this product within the market
- We anticipate the IRR to be in excess of 20%



Positive first half and continued focus on growth

Strong first half performance

- Year-on-year growth in headline operating profit and headline profit before tax
- Good performances in Fuels and Feeds offsetting slower first half performance in Food
- Positive cash generation resulting in robust cash position, totalling £11.4 million at the half year end

New Board in place

- Amanda Burton took over as Chair in September 2024

Currently trading consistent with the Board's expectations

- The Board's full year trading expectations remain unchanged ahead of the seasonally more significant second half
- 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
- Our purpose, vision and values
- ESG framework
- Business overview
- Locations
- Organisation
- Main site photo
- Group financial performance
- Divisional track record
- Additional market data



Analyst coverage and consensus forecasts

	Actual	Consensus forecasts		
	2024	2025	2026	2027
Revenue	£950.6m	£1,005.9m	£1,048.7m	£1,101.5m
Headline operating profit	£14.2m	£15.9m	£18.0m	£18.4m
Headline profit before tax	£12.5m	£11.7m	£13.7m	£14.1m
Headline earnings per share	19.2p	17.7p	20.8p	21.4p
Dividend per share	8.1p	8.4p	8.9p	9.2p
Net cash	£10.0m	£10.4m	£15.7m	£21.4m

Analysts	
Peel Hunt*	Charles Hall
Panmure Liberum	Adrian Kearsley
Shore Capital	Akhil Patel

* Corporate broker.

The consensus is an arithmetic calculation of the forecasts made by contributing investment analysts 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,

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¹ Analyst consensus expectation at beginning of FY24.



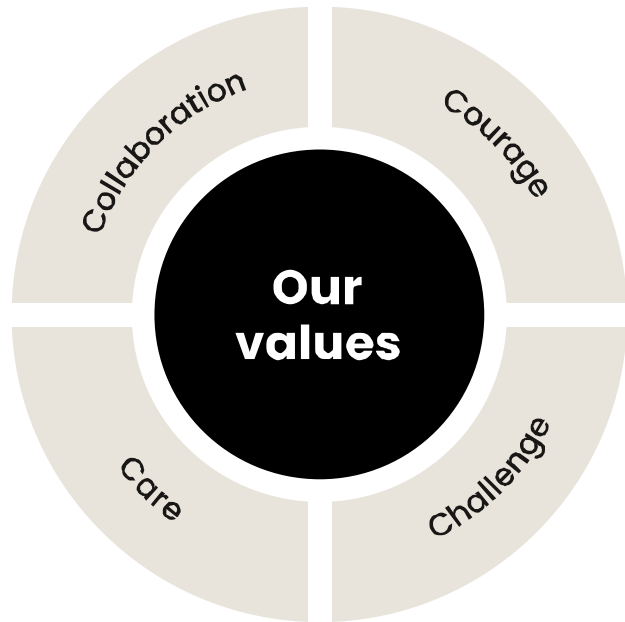
Our purpose, vision and values

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.

 <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

Key figures

NWF Fuels is a leading distributor of fuel oil and fuel cards delivering over 667 million litres across the UK to nearly 107,000 customers.

Litres per annum

667m

+0.5%

Depots

27

No change

People

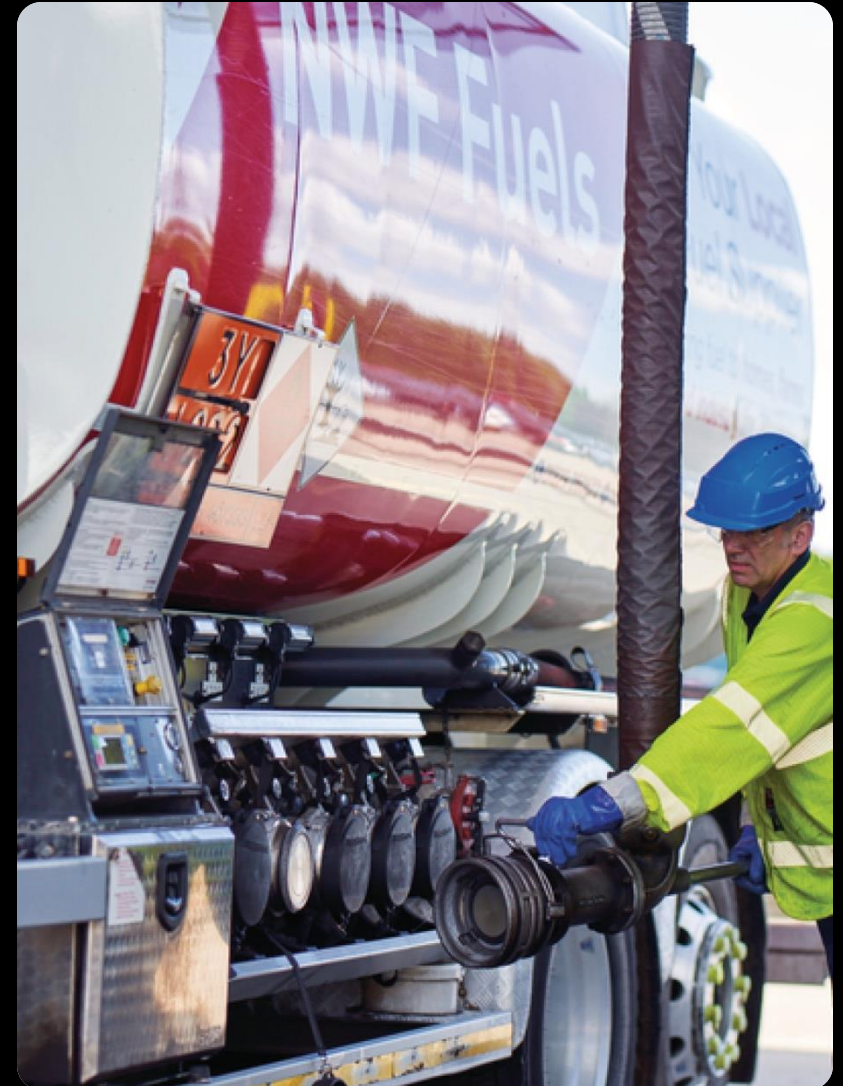
302

-13.2%

Tankers

153

-5.0%



Key figures

Boughey 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

157,000

+16.3%

Trucks

170

+18.1%

People

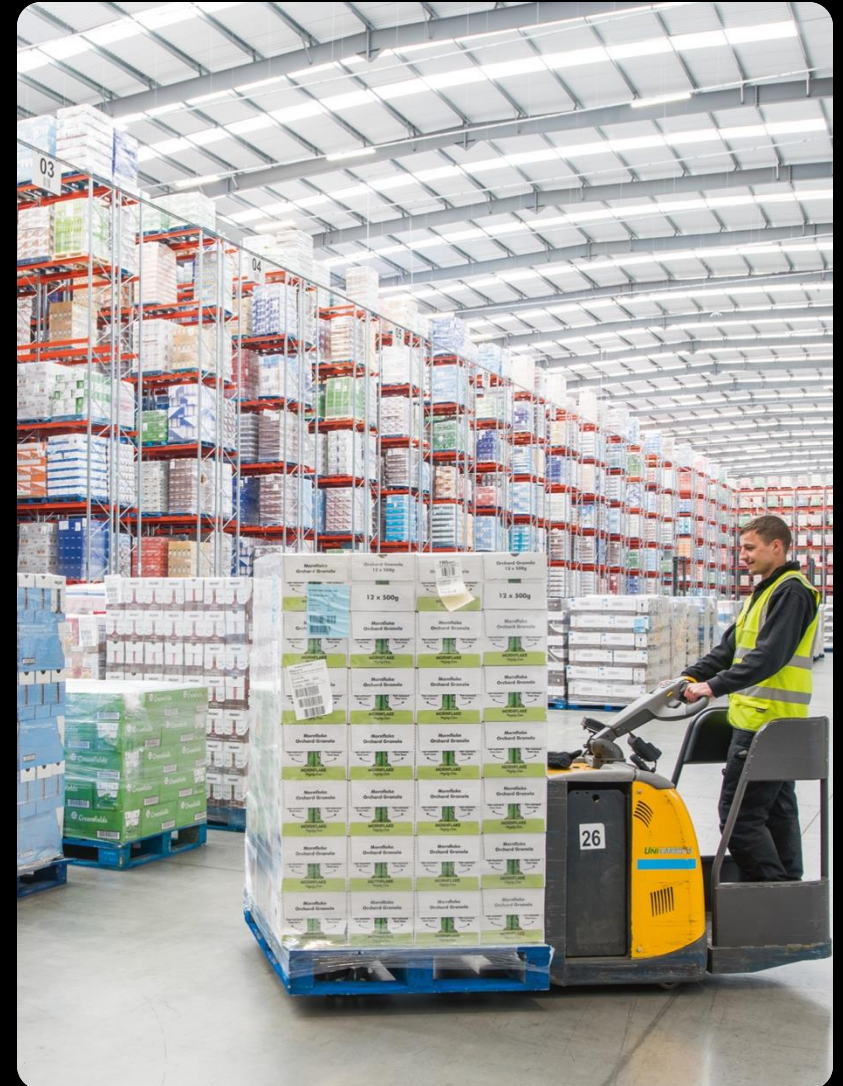
923

+15.4%

Trailers

373

+16.6%



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

520,000

+3.8%

Trucks

39

No change

People

257

+3.6%

Mills

3

No change





Business locations

Feeds

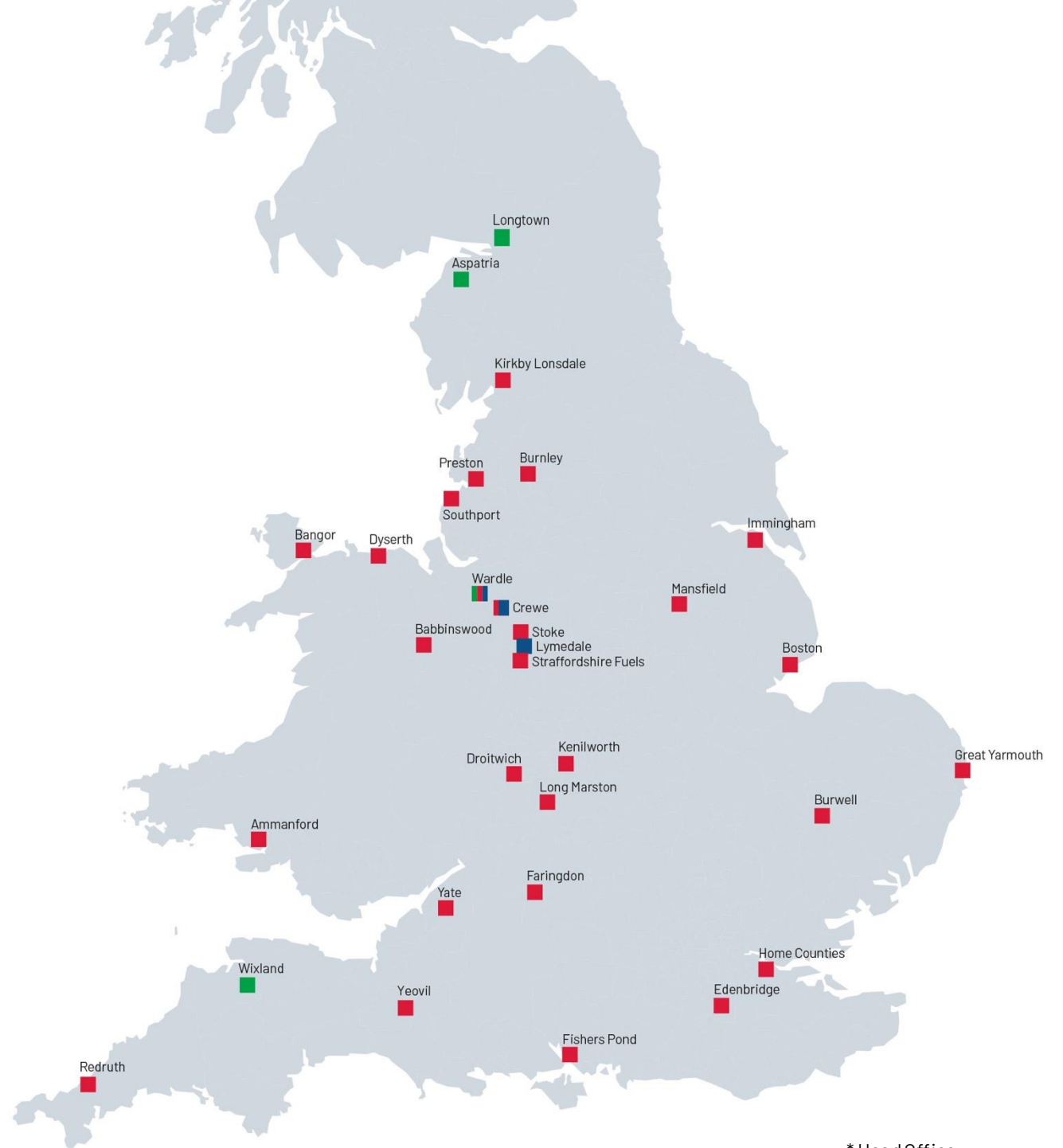
Aspatia
Longtown
Wardle*
Wixland

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

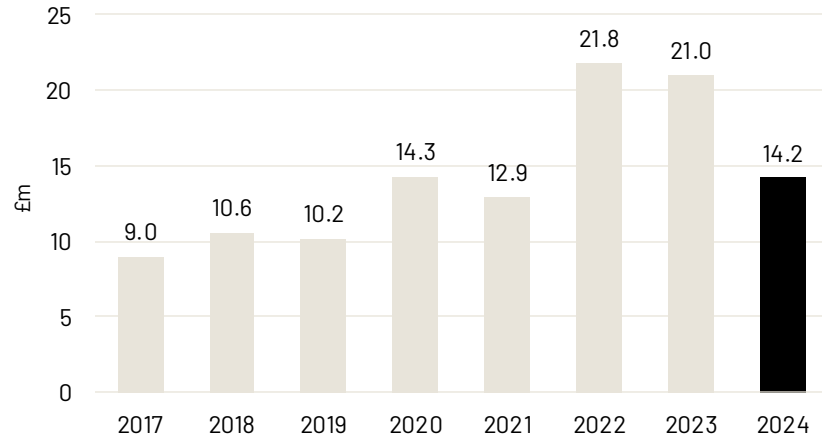


* Head Office.

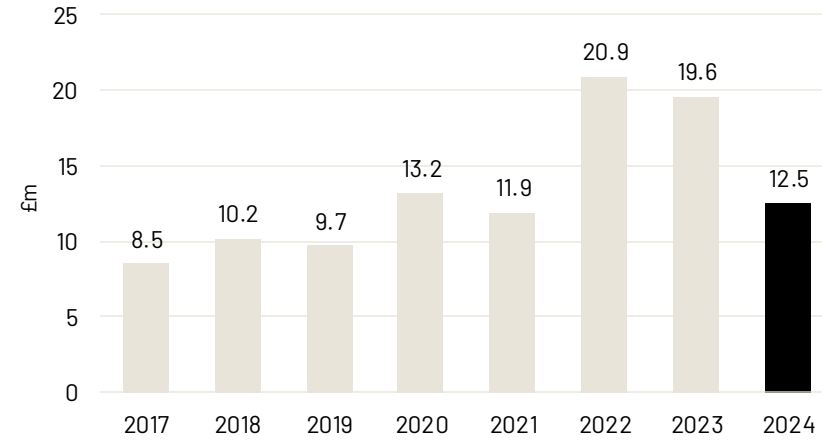


Track record

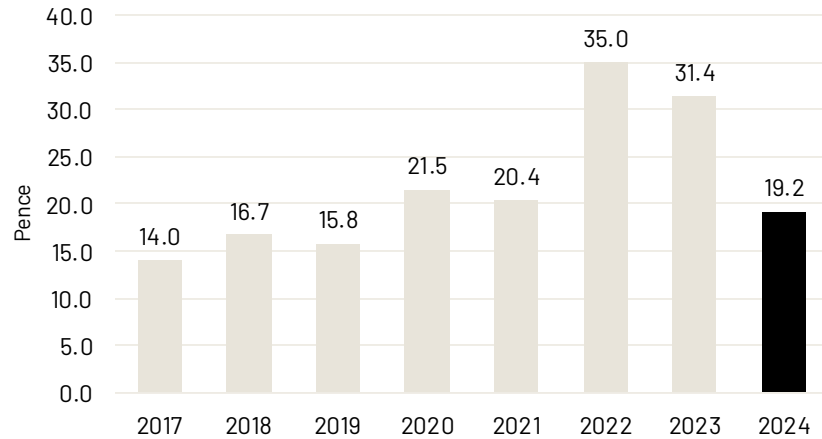
Headline Operating Profit



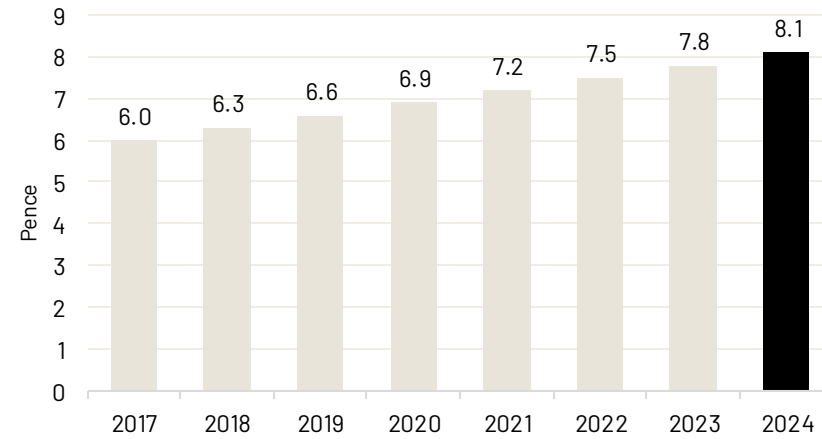
Headline PBT



Headline EPS



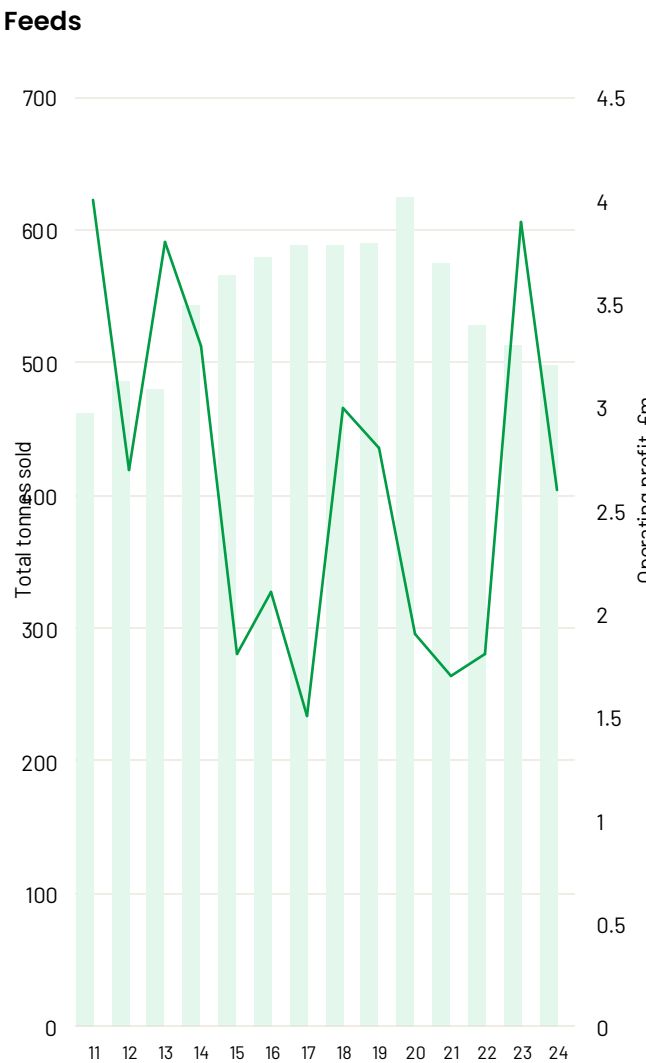
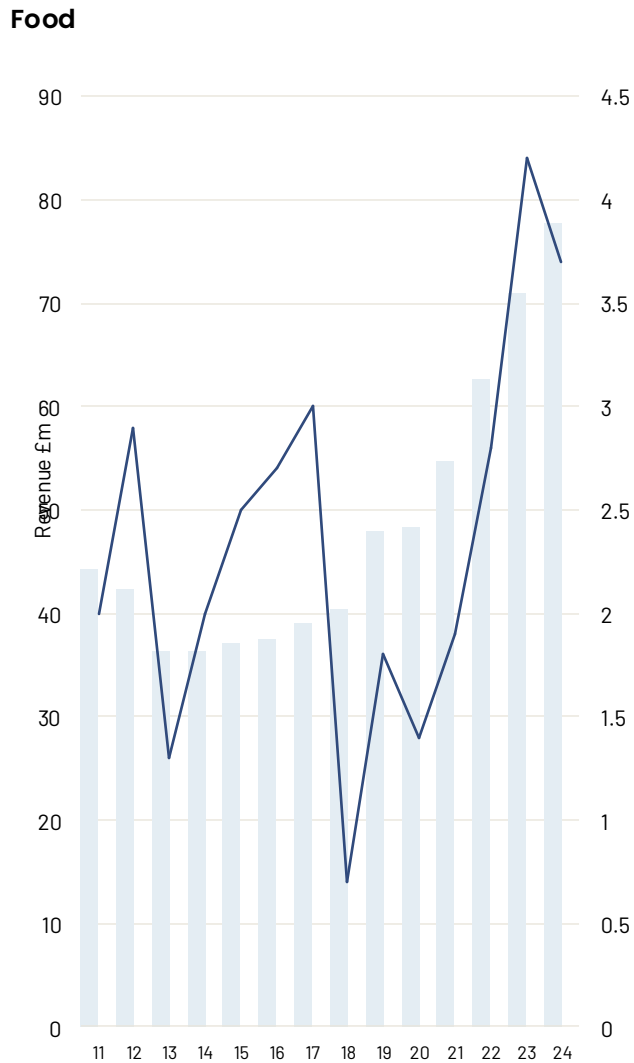
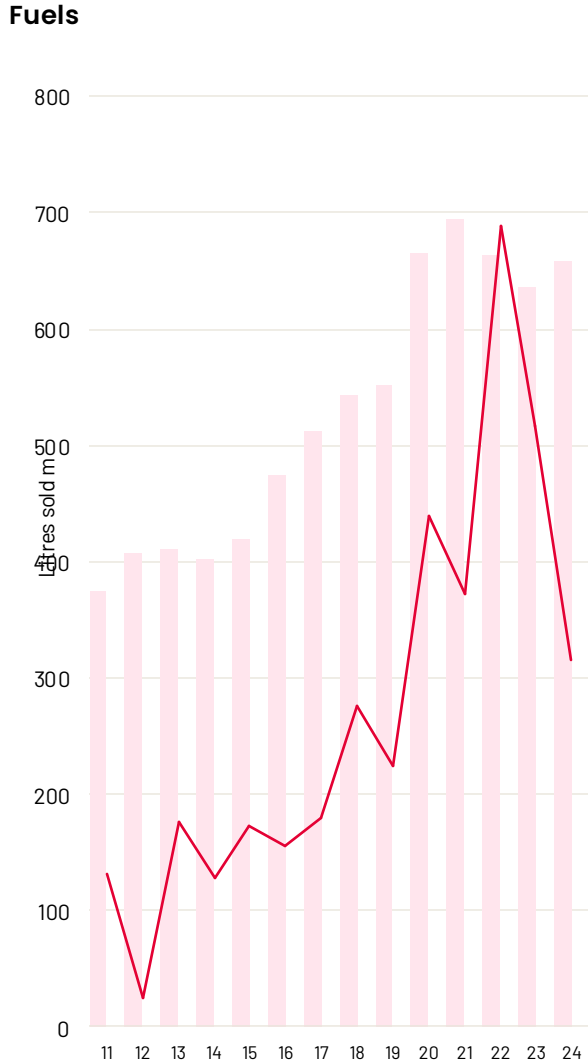
Dividend





Business track record

Key — Operating profit



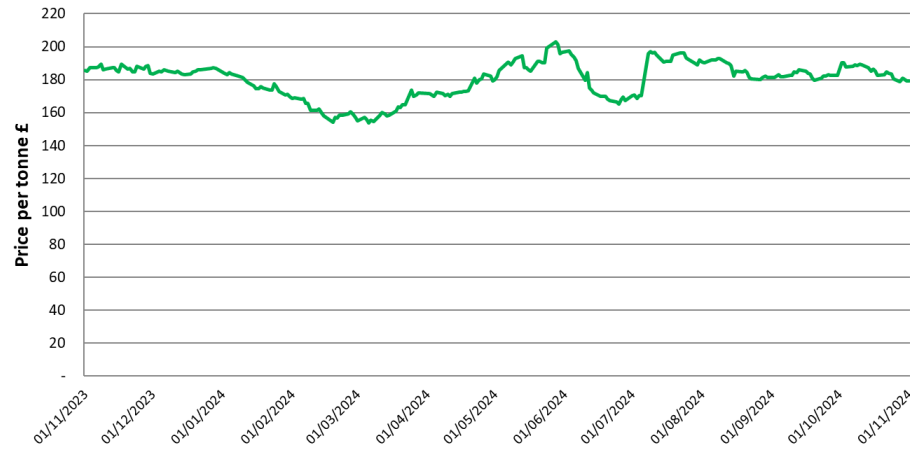
Oil price

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

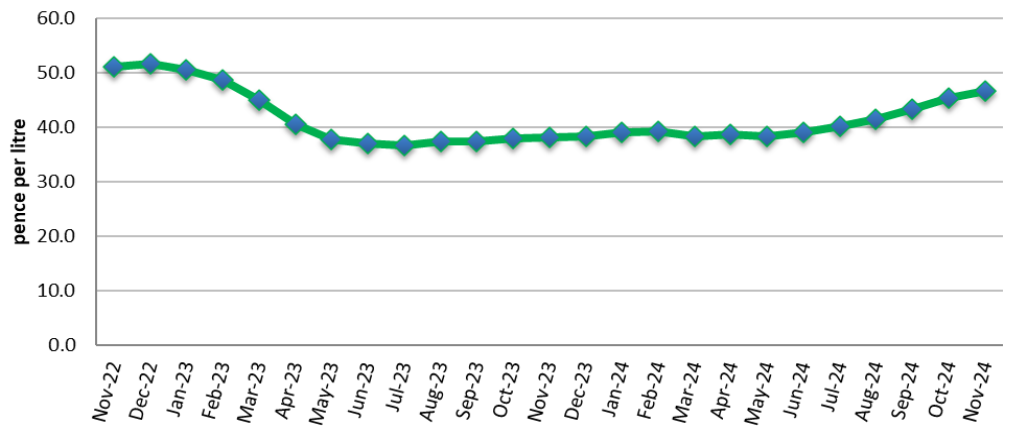


Feeds additional market data

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%

The image features a black background with a large, multi-colored arc resembling a rainbow, composed of concentric lines in red, dark blue, green, and blue. Centered within this arc is the NWF Group logo, which consists of the lowercase letters 'nwf' in a bold, rounded font, followed by the word 'group' in a smaller, lowercase sans-serif font. Below the logo, the words 'Thank you' are written in a bold, white, sans-serif font.

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Thank you