



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
- 26 depots across the UK
- 165 tankers delivering fuel
- 118,000 customers, both commercial and domestic
- Six acquisitions since FY2019 in a fragmented market (latest acquisition Dec 2022)

Food

The leading North West ambient grocery consolidator

- Boughey Distribution is a leading consolidator of ambient grocery products
- Over 1 million ft² of modern, racked warehousing in Cheshire
- 122,000 pallet spaces stored
- 139 trucks and 313 trailers
- 200 contracted ambient grocery customers

Feeds

Delivering nutritional advice and feed to ruminant farmers across the UK

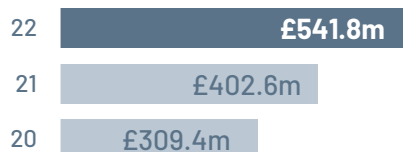
- Second largest national ruminant feed supplier – feeds one in six dairy cows
- Feed mills in Cumbria, Cheshire and Devon
- 528,000 tonnes sold in 2022
- 4,325 farming customers
- 45 trucks and 17 trailers
- Principally dairy, also beef and sheep

Strong performance from all divisions; record first half

Revenue

£541.8m

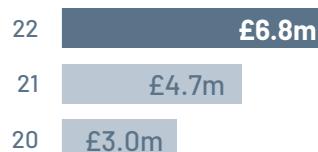
+34.6%



Headline operating profit¹

£6.8m

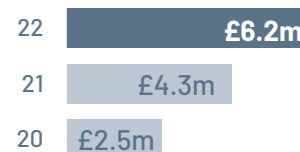
+44.7%



Headline profit before tax¹

£6.2m

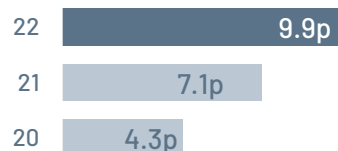
+44.2%



Diluted headline earnings per share

9.9p

+39.4%



Net cash/(debt)

£1.2m

+£8.6m



Interim dividend per share

1.0p



¹ 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.

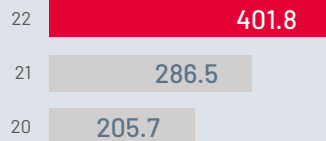
Marginal gains

- Solid performance with improved margins offsetting lower volumes
 - Prior year included one-off gains from forecourt shortages
- Softer demand for heating oil (20% lower) as result of a warm autumn, higher oil prices and concerns about the cost of living
- Increased diesel volumes as a consequence of a changes to red diesel qualification from April '22
- Managed volatile and falling oil costs (Brent Crude traded between \$124 per barrel and \$83 per barrel)
- Significant supply challenges across the country moving into winter
 - Additional haulage
 - Utilising national supply agreements to service customers
- Acquisition of Sweetfuels in December 2022, £10m acquisition in line with strategic growth plan

Revenue

£401.8m

+40.2%



Operating profit

£2.6m

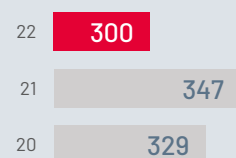
-27.8%



Volume (litres)

300m

-13.6%



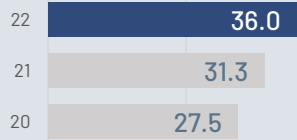
Increasing distribution

- Strong performance improvement and building momentum
- Higher level of outbound activity and additional backhaul work, adding value
- Good warehouse utilisation with improving efficiencies
- Stock levels more stable reflecting improvements in customers' supply chains and the availability of labour
- Effective management of inflationary cost increases
- Full complement of warehouse staff and drivers
 - Focus on safety, environment and wellbeing
- Crewe warehouse expansion outperforming its investment case
- Good pipeline of new customers and growth opportunities

Revenue

£36.0m

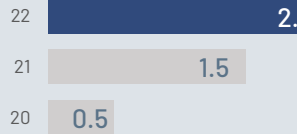
+15.0%



Operating profit

£2.1m

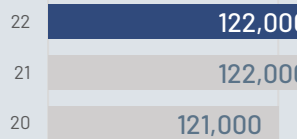
+40.0%



Pallets stored

122,000

No change



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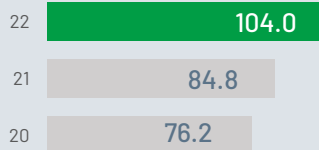
Strong recovery

- Record milk price focusing farmers on nutritional advice to optimise yields
- Effective management of commodity price movements and passing through inflationary cost increases
- Commodity prices remain volatile with proteins increasing and grains falling significantly:
 - News flow from Ukraine
 - Global economic outlook
 - Reduced demand from poultry owing to disease
- Fourth year of NWF Academy: Investment continuing in training future nutritionists
- Market conditions:
 - Record milk prices at over 50p per litre (up 16p compared to prior year)
 - Milk production 0.6% higher
 - Ruminant feed market volumes down 2.4%

Revenue

£104.0m

+22.6%



Operating profit

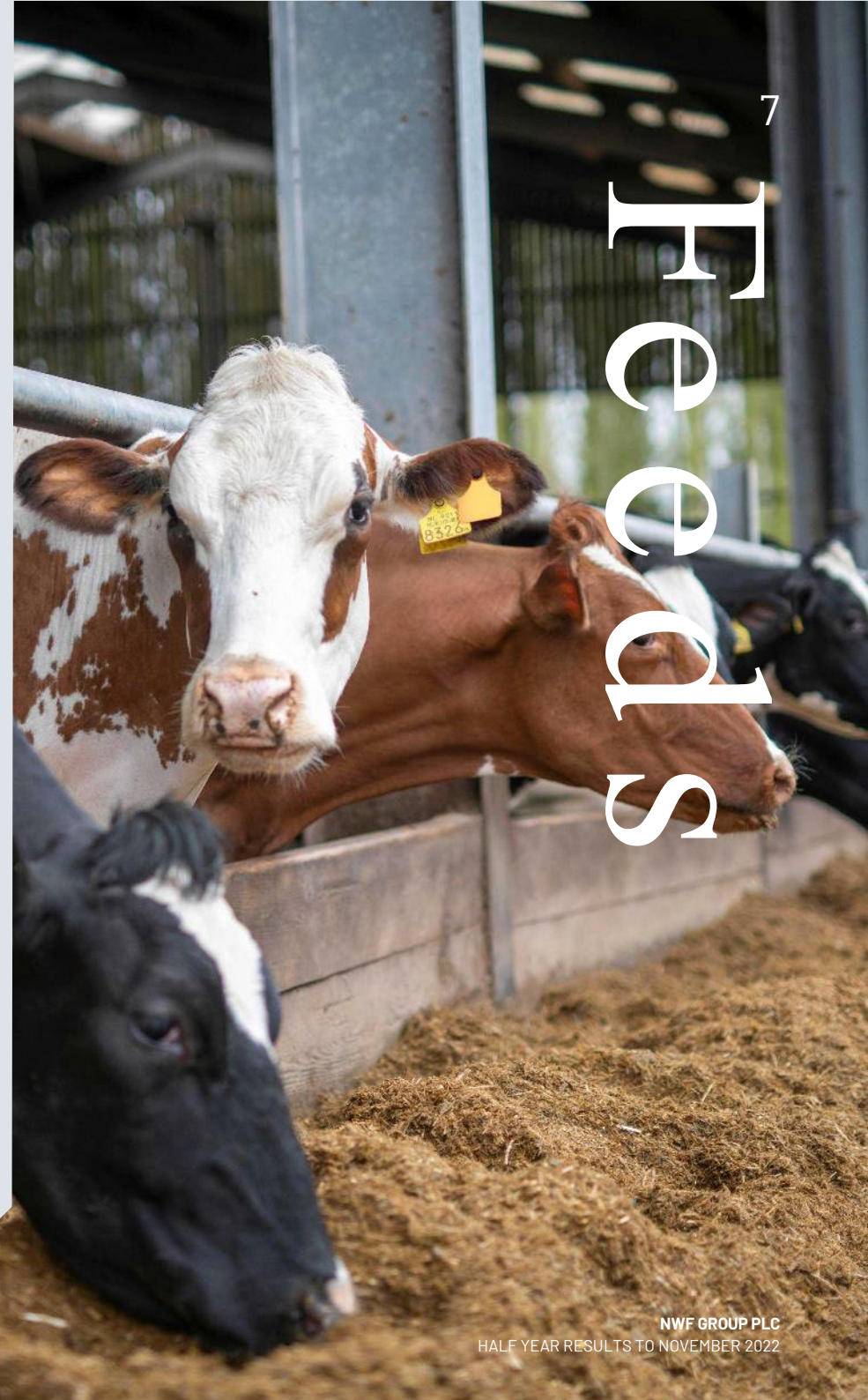
£2.1m



Volumes (tonnes)

238,000

-1.7%



Financial review



	Nov 2022 £m	Nov 2021 £m	May 2022 £m
Revenue			
Fuels	401.8	286.5	621.1
Food	36.0	31.3	62.6
Feeds	104.0	84.8	194.9
Total revenue	541.8	402.6	878.6
Operating profit			
Fuels	2.6	3.6	17.2
Food	2.1	1.5	2.8
Feeds	2.1	(0.4)	1.8
Headline operating profit*	6.8	4.7	21.8
Exceptional items	-	(8.4)	(8.3)
Amortisation of acquired intangibles	(0.1)	(0.1)	(0.3)
Operating profit	6.7	(3.8)	13.2

Fuels	2019 H1	2020 FY	2020 H1	2021 FY	2021 H1	2022 FY	2022 H1
Litres (million)	314	665	329	695	347	663	300
Profit (pence per litre)	0.4p	1.6p	0.6p	1.4p	1.0p	2.6p	0.9p
Litres per depot (million)	12.6	26.6	13.2	27.8	13.9	26.5	12.0
Revenue per litre	£0.78	£0.71	£0.63	£0.64	£0.82	£0.94	£1.34

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

- Revenue increased by £139.2 million (34.6%):
 - £122.4 million from higher commodity prices
 - £56.7 million from increased selling price and product mix
 - Partially offset by a reduction of £38.2 million from lower volumes, mainly in Fuels
- Headline operating profit of £6.8 million (H1 2021: £4.7 million) driven by:
 - Pence per litre profit in Fuels of 0.9 pence, below prior year (H1 2021: 1.0 pence) but above historical norm
 - Efficient operation in Food
 - Effective margin management in Feeds

	Nov 2022 £m	Nov 2021 £m	May 2022 £m
Operating profit	6.7	(3.8)	13.2
Finance costs	(0.8)	(0.6)	(1.2)
Headline profit before tax*	6.2	4.3	20.9
Exceptional items	-	(8.4)	(8.3)
Amortisation of acquired intangibles	(0.1)	(0.1)	(0.3)
Net finance costs - DB scheme	(0.2)	(0.2)	(0.3)
Profit before tax	5.9	(4.4)	12.0
Tax	(1.3)	(0.8)	(3.6)
Profit after tax	4.6	(5.2)	8.4
Diluted headline EPS (pence)*	9.9	7.1	34.8
DPS (pence)	1.0	1.0	7.5
Dividend cover	9.9	7.1	4.6
Interest cover (excluding pension finance)	22.7	23.5	54.5

- Headline PBT of £6.2 million (H1 2021: £4.3 million)
- Finance costs increased to £0.8 million
 - Bank interest increased to £0.3 million (H1 2021: £0.2 million) – higher interest rate offsetting lower average net debt
 - IFRS 16 interest of £0.3 million (H1 2021: £0.2 million)
 - Pension scheme interest of £0.2 million (H1 2021: £0.2 million)
- Effective tax rate of 21.9% (H1 2021: 21%)
- 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.

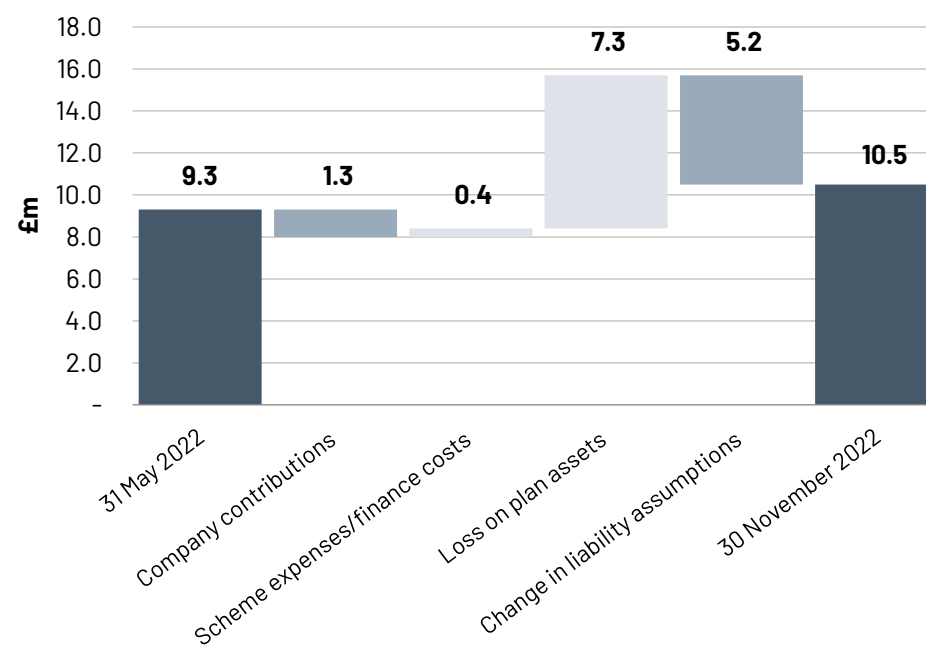
	Nov 2022 £m	Nov 2021 £m	May 2022 £m
Fixed assets	66.6	68.8	68.1
Right of use assets	30.5	28.7	27.5
Net working capital	17.7	8.9	5.4
Reimbursement assets	2.7	3.9	2.8
Derivative financial instruments	0.2	0.1	0.2
Assets employed	117.7	110.4	104.0
Pension deficit	(10.5)	(14.5)	(9.3)
Net cash/(debt)	1.2	(7.4)	9.0
Tax provisions	(3.5)	(1.8)	(3.6)
Provision for liabilities	(3.5)	(3.9)	(3.8)
Lease liabilities	(31.2)	(29.0)	(28.2)
Net assets	70.2	53.8	68.1
Net debt/(cash): EBITDA	(0.04)	0.4	(0.3)
Total assets	227.6	201.3	213.9
ROCE:			
Fuels	72.0%	65.5%	96.1%
Food	11.8%	10.5%	9.9%
Feeds	13.5%	1.9%	6.9%
Total ROCE	28.8%	18.9%	30.3%

- Fixed assets decreased as depreciation exceeded capex and continued move to leased vehicles
- Higher net working capital:
 - Higher commodity costs in Feeds
 - Short term supply constraints in Fuels
- Net cash of £1.2 million (H1 2021: Net debt of £7.4 million)
- Net debt including IFRS 16 lease liabilities £29.9 million (H1 2021: £36.4 million)
- Strong asset underpin – total assets of £227.6 million
- Group ROCE of 28.8%

	Nov 2022 £m	May 2022 £m
Assets	33.3	39.7
Liabilities	(43.8)	(49.0)
Deficit	(10.5)	(9.3)
Related deferred tax asset	2.2	2.3
Net pension liability	(8.3)	(7.0)
Discount rate	4.35%	3.45%
Inflation rate (RPI)	3.05%	3.40%

- Single defined benefit pension scheme
- Closed to new members in 2002 and future accrual in 2016
- Small increase in deficit since May 2022 – reduction in asset value largely offset by the reduction in liabilities reflecting hedging
- No additional contributions were required following the Autumn 2022 Mini Budget
- 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

Movement in pension deficit



	Nov 2022 £m	Nov 2021 £m	May 2022 £m
Operating profit/(loss)	6.7	(3.8)	13.2
Depreciation and amortisation	7.5	6.9	14.0
Impairment of assets	-	8.4	8.4
Profit on disposal of fixed assets	(0.4)	(0.1)	-
Working capital movements	(12.6)	(5.4)	(0.7)
Share-based payment expense	-	-	0.8
Contributions to pension scheme not recognised in income statement	(1.1)	(0.8)	(1.8)
Other	(0.6)	(0.1)	(0.1)
Operating cash flow	(0.5)	5.1	33.8
Interest paid	(0.6)	(0.4)	(0.9)
Tax paid	(1.2)	(0.7)	(2.7)
Net cash from operating activities	(2.3)	4.0	30.2
Net capital additions	(1.3)	(1.4)	(3.2)
Proceeds on sale of assets	0.6	-	-
Capitalised element of leases	(4.9)	(4.3)	(8.8)
	(7.9)	(1.7)	18.2
Dividends paid	-	-	(3.5)
Movement in net debt	(7.9)	(1.7)	14.7

- Headline EBITDA* of £9.4 million (H1 2021: £7.2 million)
- Working capital increase:
 - commodity prices in Feeds
 - c.£4.0 million short-term investment in Fuels to maintain supply
- Net capital expenditure of £1.3 million
- Net cash generated from operations activities was an outflow of £2.3 million (H1 2021: £4.0 million inflow)
- No acquisition outflow during the period; during December 2022 a net cash consideration of £10.0 million paid for Sweetfuels Limited

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

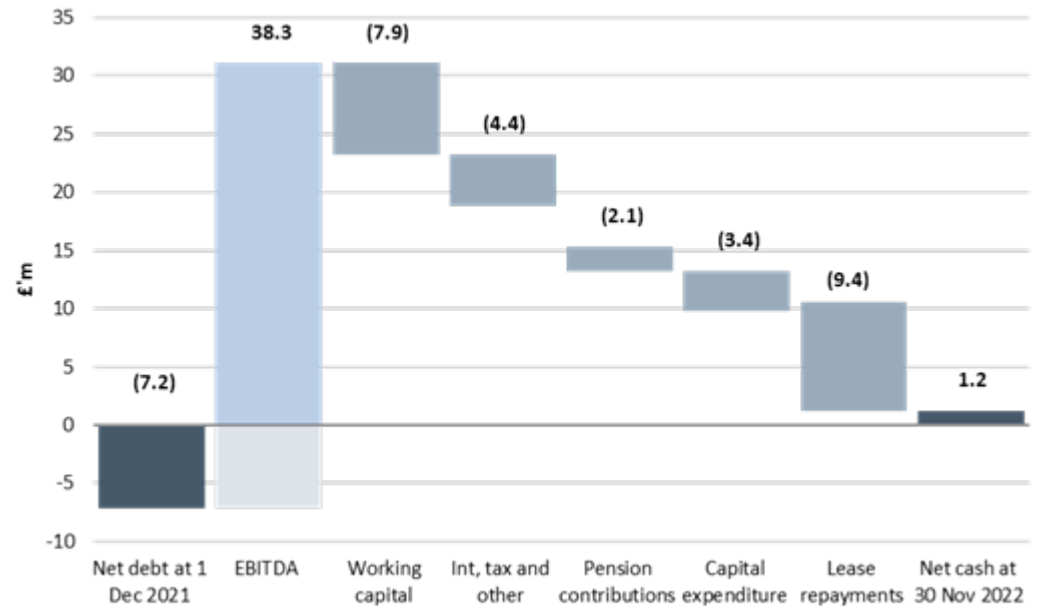
Net debt summary

- Facilities of £65 million with NatWest until October 2023
- Refinancing process is progressing to plan
- Net cash of £1.1 million at November 2022 with substantial facility and covenant headroom

	Facility £m	Drawn £m
Facility		
Invoice discounting	50.0	13.7
RCF/guarantees	14.0	–
Overdraft/(cash)	1.0	(14.9)
Hire purchase obligations	–	–
Total	65.0	(1.2)

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

Twelve month movement in net debt



- £8.4 million cash generated before development expenditure
- £4.0 million of working capital outflow has reversed since 30 November 2022
- £10.0 million net consideration paid for Sweetfuels post period 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

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

Feeds

- **Leverage our national operations platform**
- Continue to develop feed volumes across the country
- Invest in the NWF academy
- Increase range offering to farmers across the UK:
 - Expand nutritional range

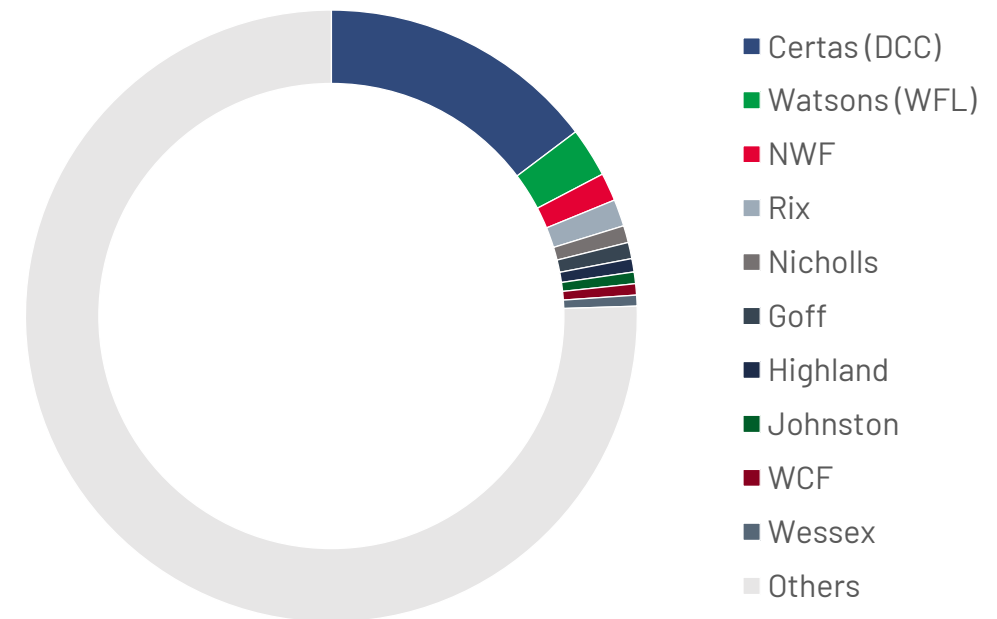
UK Fuel market

- Fragmented market for oil distribution:
 - Top 10 players only 25%, over 150 small players
 - NWF No. 3 with 2% market share
 - 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), now utilising in Wardle operations and Broadland Fuels

UK Fuel Market (35 billion litres)



Source: Company estimates.

Proven Acquisition process

- Targeting UK oil distribution businesses
- Clear valuation and pricing strategy
- Effective transaction process
- Model of retaining brands and customer-facing elements whilst centralising finance, IT and credit control
- Active pipeline of acquisitions – NWF seen as an attractive buyer



- Sweetfuels acquired for £10.0m in Dec 22
- Strong domestic base in the Cotswolds
- 20 million litres, 9 tankers
- Immediately earnings enhancing
- Implementing proven post acquisition integration process



Delivering our ESG framework

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

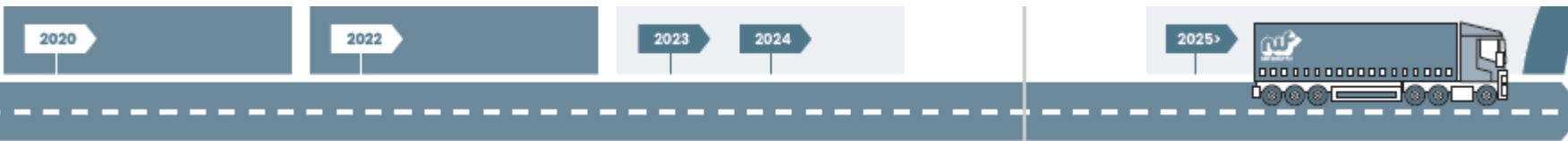
Collaborate and innovate with our customers and suppliers to deliver sustainable solutions.

Respect the environment

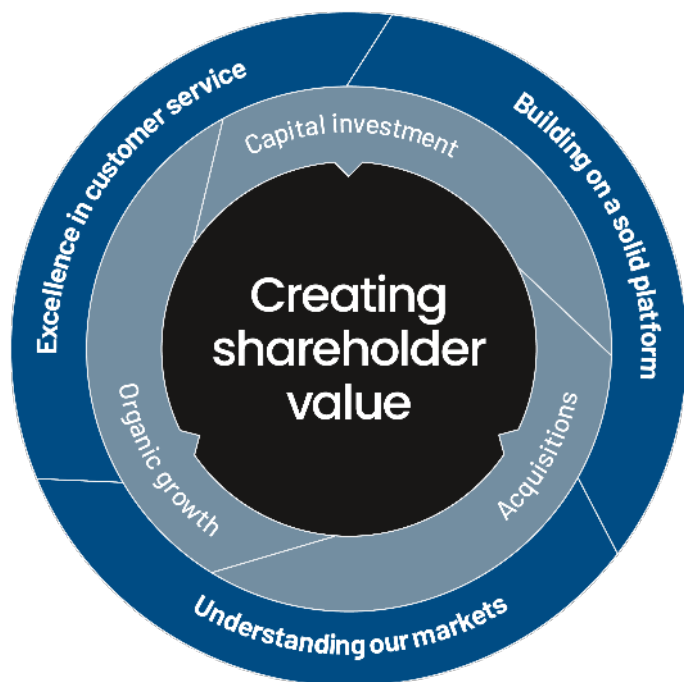
Reduce carbon, emissions and waste across our value chain.

Key activities during FY23:

- ESG measures and reporting now embedded in monthly reporting and reviews
- ESG Steering Committee meets monthly, comprising Executive Directors and members of the Senior Management Team
- Food division applying for B Corp certification
- Preparations for our first full UK-CFD disclosure, which will be reported in the year ending 31 May 2023



The NWF proposition and investment case



Strong management team Solid track record with ambition 6 completed Fuels acquisitions since FY2019	Growth opportunities Consolidate and optimise 1 clear strategy	Asset backing Strong balance sheet £227.6m total assets
Focus on return on capital Well ahead of our cost of capital 28.8% Group ROCE	Strong cash generation £6.9 million of cash generated before development expenditure 104.4% cash conversion	Growing dividend Increased dividend for ten consecutive years 7.5p total dividend per share in 2022

Strong result & delivering strategy

Strong result in first half - ahead of expectations and prior year

- Strong performance from all divisions
- Significantly ahead of prior year
- NWF again demonstrated great resilience
- Acquisition delivered in line with strategic growth plan

Good momentum sustained and the Board is confident in meeting its full year expectations

- Fuels pipeline of acquisitions for further growth
- Food targeting expansion with customer contracts
- Feeds managing farmers' nutrition during key winter 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	2023	2024	2025
Revenue	£878.6m	£1,006.9m	£989.2m	£1,009.2m
Headline operating profit	£21.8m	£13.5m	£14.5m	£14.8m
Headline profit before tax	£20.9m	£12.1m	£12.9m	£13.3m
Headline earnings per share	35.0p	19.1p	20.0p	20.5p
Dividend per share	7.5p	7.8p	8.0p	8.3p
Net cash	£9.0m	£2.6m	£5.7m	£9.9m

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

* Corporate broker.

The consensus is an arithmetic calculation of the forecasts made by contributing investment analysts as at 1 January 2023 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

26

depots

347

people

165

tankers



Key figures

Boughey Distribution is a leading consolidator of ambient grocery products to UK supermarkets with over 1,000,000ft² of warehousing and significant distribution assets. It works with over 200 customers including Arla and Typhoo.

122,000

pallet spaces

139

trucks

775

people

313

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

229

people

17

trailers



Group overview
Business locations

Feeds

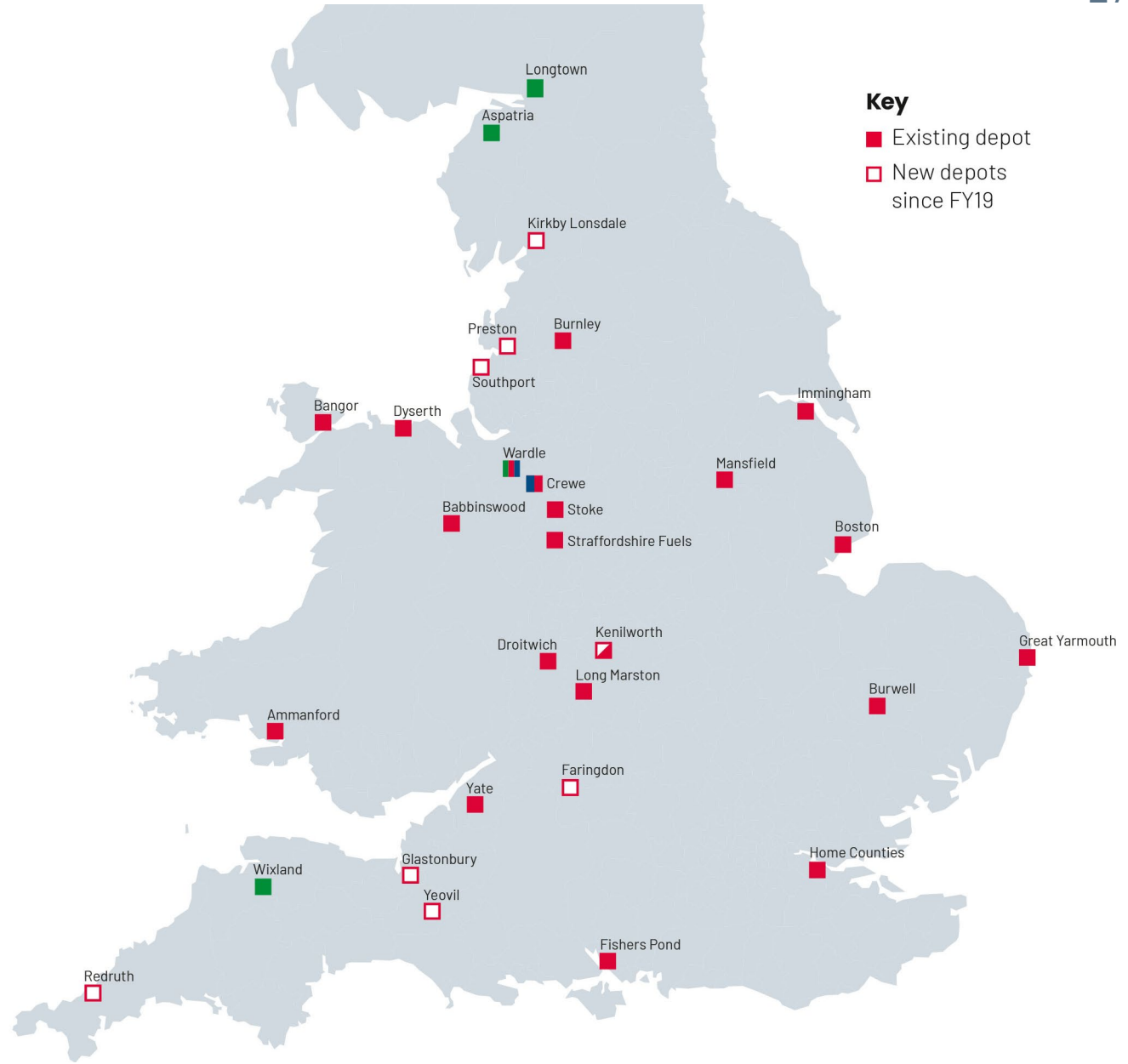
- Aspatria
- Longtown
- Wardle*
- Wixland

Food

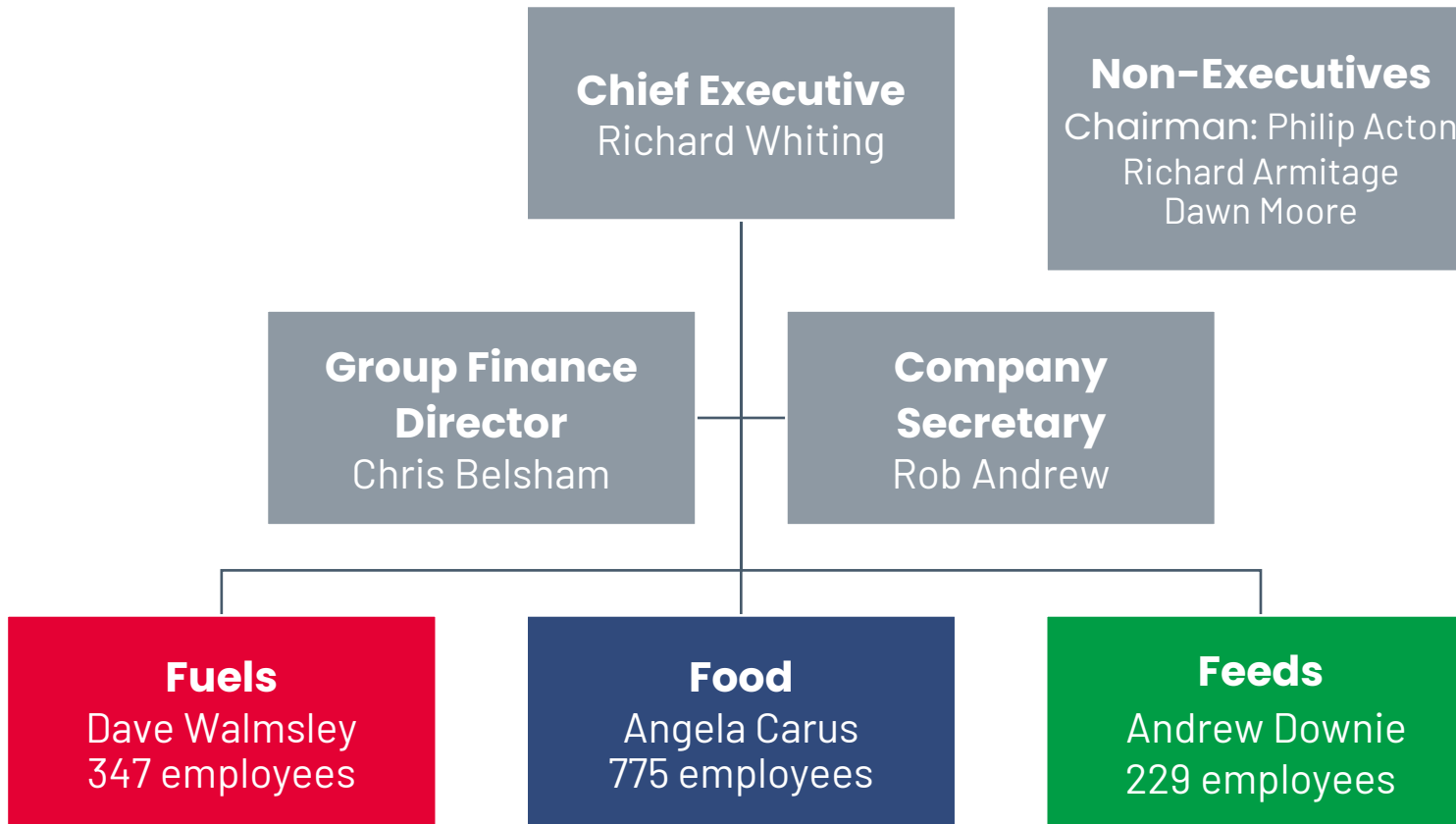
- Wardle*

Fuels

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



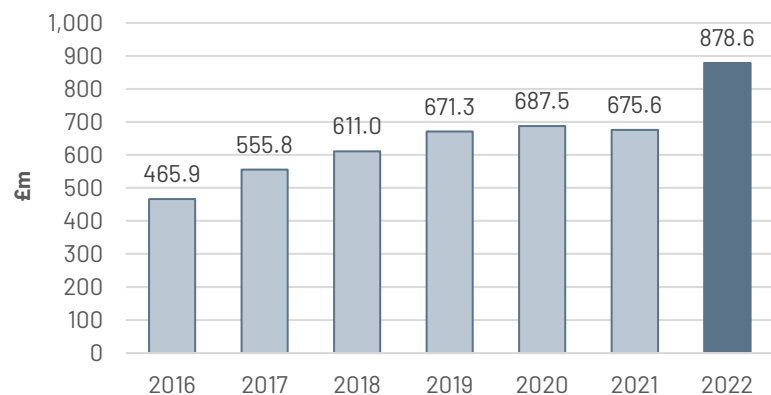
* Wardle = Head office



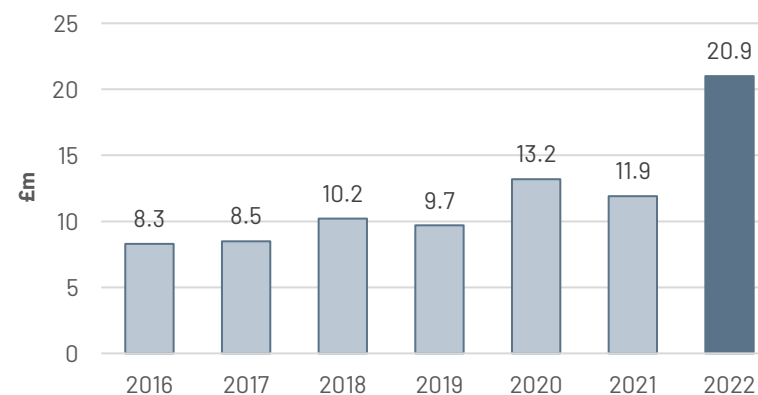
Wardle – main operating site



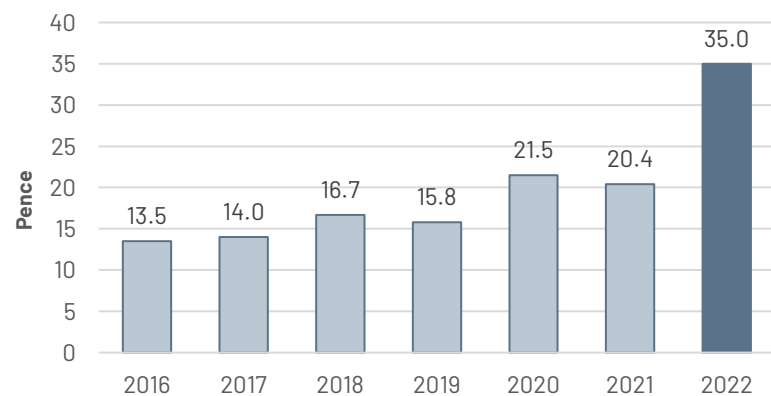
Revenue



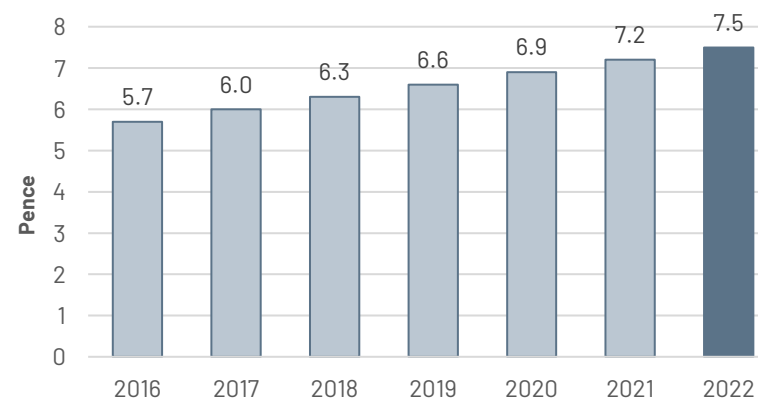
Headline PBT



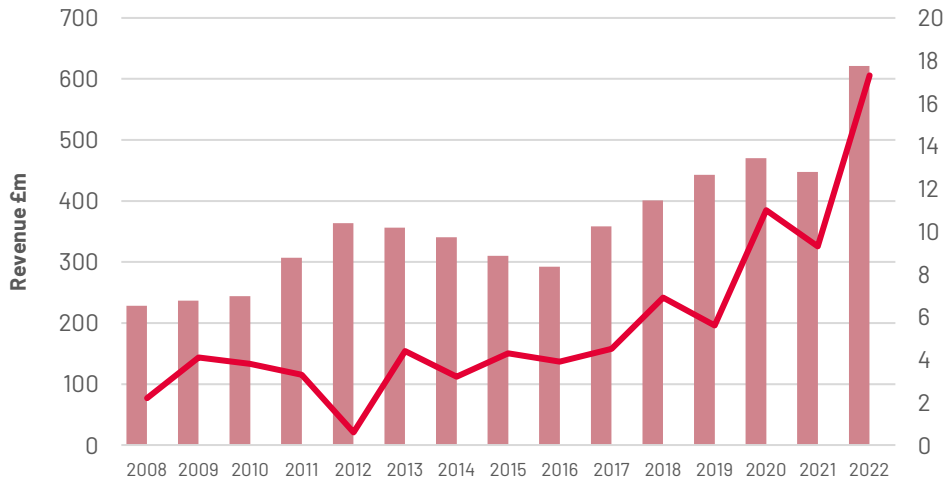
Headline EPS



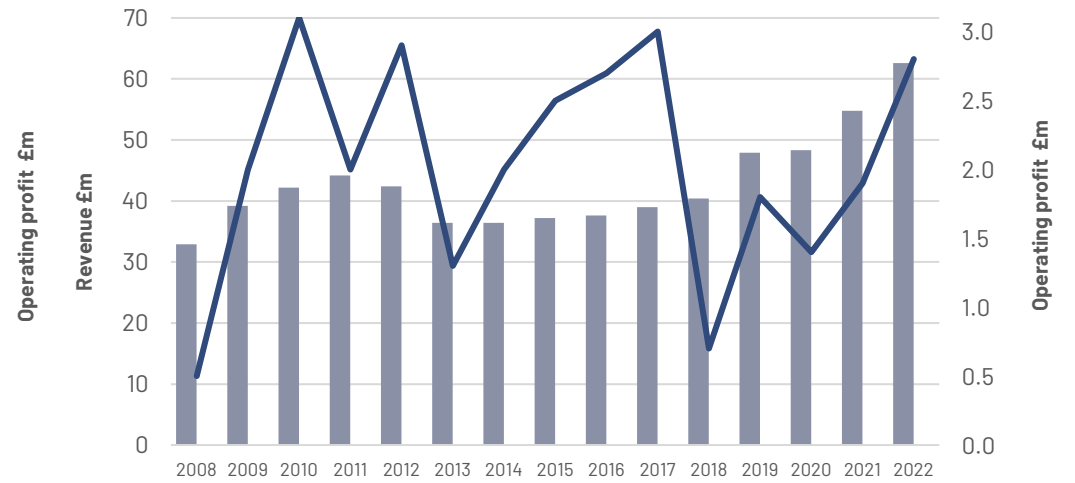
Dividend



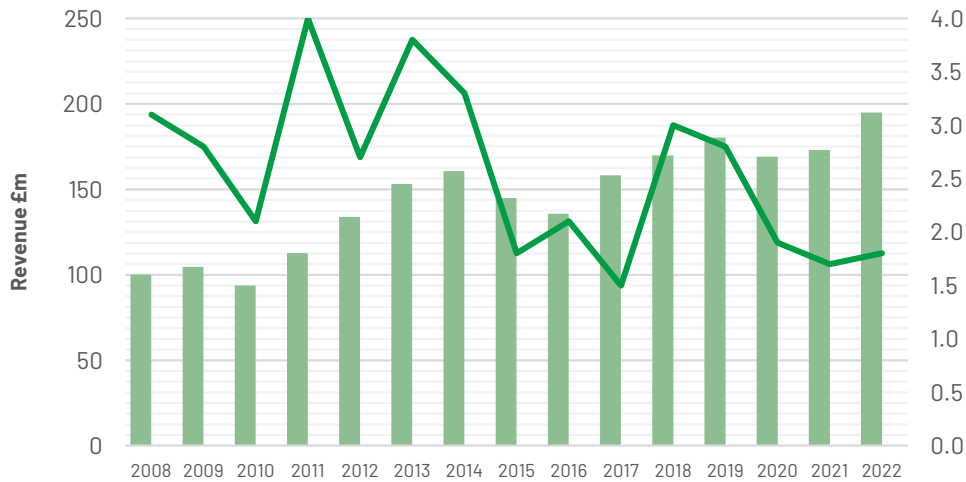
Fuels



Food



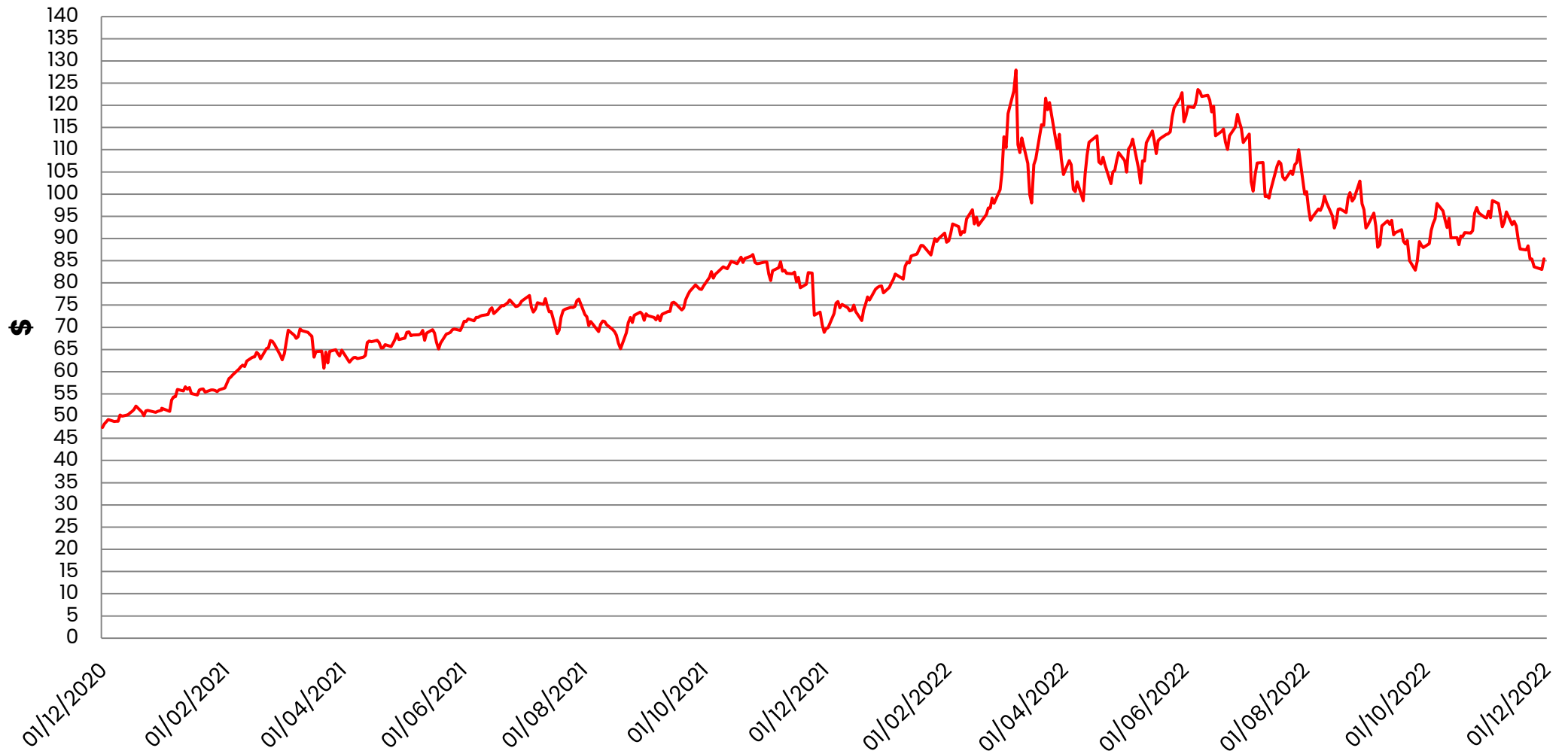
Feeds



Key:
 Revenue
 Operating profit

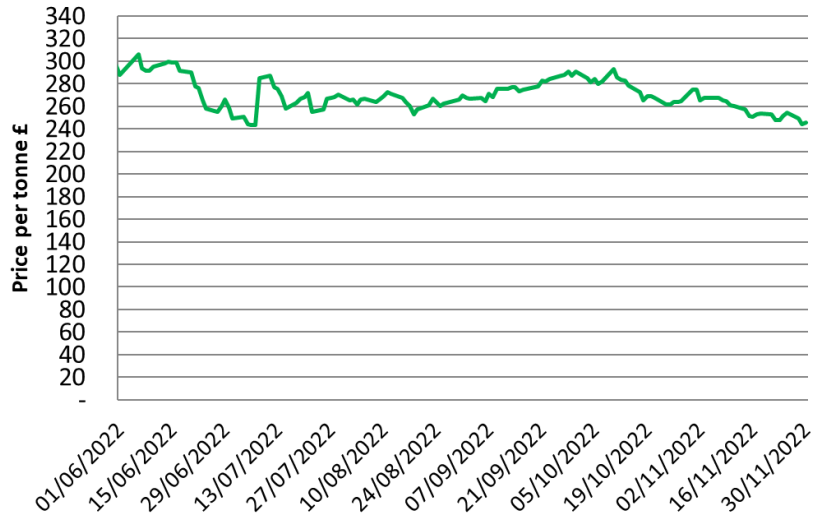
Fuels additional market data

Oil prices – Brent crude (\$ per barrel) Oil Market Journal

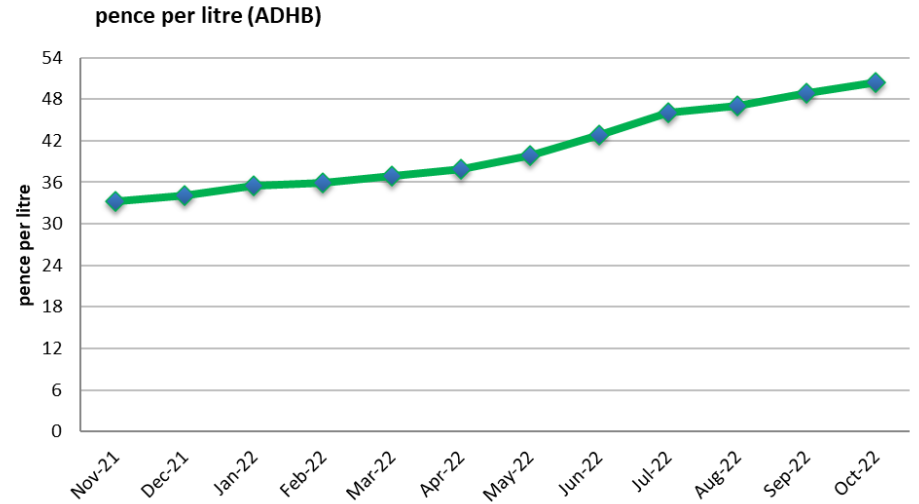


Feeds additional market data

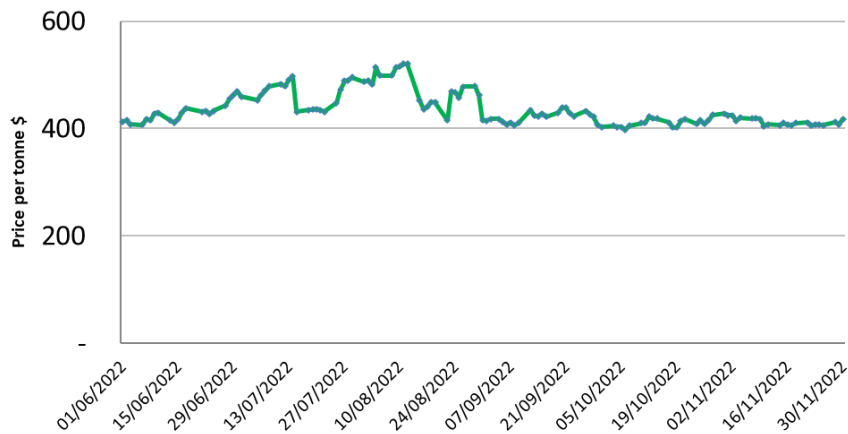
Wheat Price LIFFE 6 month period



Farm Gate Milk Price UK



Soyabean Meal Price CBOT 6 month period



GB market	2017	2018	2019	2020	2021	2022
Milk (litres)	11.8bn	12.4bn	12.6bn	12.5bn	12.6bn	12.3bn
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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