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**NWF Group plc**

NWF Group plc: Trading Update

NWF Group plc ('NWF' the 'Company' or the 'Group'), the specialist distributor today provides a trading update for the half year ended 30 November 2023 (the "Period").

**Trading update**

The Board reports that Group's overall profitability for the first half was, as expected, behind the prior year as conditions in the Fuels and Feeds markets continue to normalise, following an extended period of volatile underlying commodity prices which had contributed to elevated returns. The Food business, in part offsetting the less supportive market conditions in Feeds and Fuels, delivered a strong performance in the Period, with trading ahead of the prior year and continued growth momentum providing opportunity for further expansion.

**Fuels:**

Volumes in the Period were ahead of the prior year, but margins reflect the expected normalisation from the abnormally elevated level experienced in the prior year. This performance is aligned to the stable supply conditions, competitive pricing of diesel and gas oil, and lower demand for heating oil reflecting the mild autumn weather.

The price of Brent crude oil started the Period at \$74 per barrel, peaked at \$97 per barrel and finished the Period at \$82 per barrel as the business enters its busier winter months. Having acquired Geoff Boorman Fuels in the Period, which expanded the divisions coverage and customer base in the South-East, the Board continues to consider acquisition opportunities for Fuels in line with the stated strategy and supported by a robust financial position.

**Food:**

The business traded strongly in the Period and ahead of the prior year. Storage volumes reached a peak of just over 141,000 pallet spaces (capacity 135,000 pallet spaces) which required the business to continue utilising overflow storage facilities efficiently, as planned. Outload and associated backhaul activity were higher than the prior year reflecting the high storage levels.

To support the continued high level of customer demand for its services and drive further growth in the division, the Group is well advanced with plans to establish a new warehouse, aimed at replicating the success of its Crewe warehouse which was opened in 2020.

**Feeds:**

Volumes were behind the prior year, reflecting a reduction in the overall market with high levels of forage available to farmers following warm and wet weather throughout the summer and autumn. A lower milk price than the prior year and reduced volatility in raw material prices has resulted in the expected normalisation of margins following the significant outperformance in the prior year.

**Outlook**

The results for the first half are anticipated to be in line with the Board's expectations. With the winter months to come, which are typically more material to the Group's performance, the Board's expectations<sup>1</sup> for the full year are unchanged, with a more significant second half weighting than last year.

NWF expects to announce its results for the half year ended 30 November 2023 in late January.

**Chris Belsham, Chief Executive Designate of NWF Group said:**

"It has been a more challenging first half than in recent years as market pricing normalised following a lengthy period of beneficial volatile conditions for Fuels and Feeds. In contrast, the strong performance of Food is encouraging us to advance our plans for a third warehouse to meet the growing customer demand for our first class services and drive further growth in the division.

"With the winter months to come, which are more material to the Group's performance, our expectations<sup>1</sup> for the full year are unchanged."

Information for investors, including analyst consensus forecasts, can be found on the Group's website at [www.nwf.co.uk](http://www.nwf.co.uk).

<sup>1</sup>Company compiled analyst consensus is for Headline profit before tax of £14.4m (FY 2023: £19.6m).

Richard Whiting, Chief Executive  
Chris Belsham, Chief Executive  
Designate  
Katie Shortland, Chief Financial  
Officer

Reg Hoare / Catherine  
Chapman

Mike Bell / Ed Allsopp

**NWF Group plc**

**MHP**

**Peel Hunt LLP**

(Nominated Adviser and  
broker)

Tel: 01829 260 260

Tel: 020 3128 8100

Tel: 020 7418 8900

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