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NWF Group plc

NWF Group plc: half year results for the six months ended 30 November 2024

NWF Group plc ('NWF' or 'the Group'), a specialist distributor, today announces its half year results for the six months ended 30 November 2024.

	H1 2024	H1 2023	%
Financial highlights			
Revenue	£454.3m	£472.9m	(3.9)
Headline operating profit ¹	£5.0m	£4.0m	25.0
Headline profit before taxation ¹	£3.6m	£3.4m	5.9
Diluted headline earnings per share ¹	5.5p	5.1p	7.8
Interim dividend per share	1.0p	1.0p	-
Net cash ²	£11.4m	£13.3m	(14.3)
Statutory results			
Operating profit	£3.6m	£4.6m	(21.7)
Profit before taxation	£2.1m	£3.8m	(44.7)
Diluted earnings per share	3.2p	5.5p	(41.8)
Net debt (including IFRS 16 lease liabilities)	£39.1m	£14.3m	>100

1 Headline operating profit excludes exceptional items (see note 4) and amortisation of acquired intangibles. Headline profit before taxation excludes exceptional items, amortisation of acquired intangibles and the net finance cost in respect of the Group's defined benefit pension scheme. Diluted headline earnings per share also takes into account the taxation effect thereon.

2 Net cash excluding IFRS 16 lease liabilities.

Group highlights

- Strong first half performance in line with the Board's expectations.
- Year-on-year growth in headline operating profit and headline profit before tax reflecting good performances in Fuels and Feeds, which offsets a slower first half performance in Food.
- Positive cash generation resulting in a robust cash position, totalling £11.4 million at the half year end; this underpins the well progressed pipeline of acquisition opportunities in Fuels.
- The Board's full year trading expectations remain unchanged ahead of the seasonally more significant second half.

Business highlights

Fuels Headline operating profit of £1.7 million (H1 2023: £0.7 million). Volumes were consistent with the prior year, but performance benefitted from improved margins and a lower cost base reflecting strong cost management action taken early in the period.

Food Headline operating profit of £2.5 million (H1 2023: £2.9 million). Stock levels increased as the Lymedale warehouse became fully operational and transitioned to optimal capacity. Performance lagged the prior year reflecting the start-up costs of Lymedale.

Feeds Headline operating profit of £0.8 million (H1 2023: £0.4 million). Volumes ahead of the prior year and the overall market. The milk price has steadily increased since September supporting continued feed usage whilst raw material prices have been stable.

Chris Belsham, Chief Executive Officer, NWF Group plc, commented:

"The Group has delivered a positive first half and we are trading in line with our expectations for the year as a whole. We are pleased with the improved performance in both Fuels and Feeds which has offset the short-term weaker performance in Food as we continued the stock build in the Lymedale warehouse.

"Our pipeline of target acquisitions in Fuels is strong as we continue to consolidate the fragmented fuels distribution market. We have also continued to progress our key performance initiatives, aimed at enhancing our commercial approach and operational efficiency across the Group.

"Supported by our strong financial position, our outlook is unchanged and we remain confident in NWF's growth potential and prospects."

A virtual meeting is being held today for analysts starting at 9.30am. For login details please contact NWF@mhpgroup.com.

Information for investors, including analyst consensus forecasts, can be found on the Group's website at www.nwf.co.uk.

Chris Belsham, Chief Executive
Officer
Katie Shortland, Chief Financial
Officer
NWF Group plc
Tel: 01829 260 260

Reg Hoare
Veronica Farah
MHP Communications
Tel: 07711 191 518

Mike Bell
Ed Allsopp
Peel Hunt LLP (Nominated advisor and
broker)
Tel: 020 7418 8900

Chair's statement

The first half of the year delivered encouraging year-on-year growth in overall profitability, with the Group trading in line with Board expectations. In Fuels, volumes were flat, but margins improved and the business benefitted from a reduction in its cost base following strong cost management decisions taken early in the period. In Food, the start-up costs of Lymedale meant the headline operating profit contribution was lower than the prior year. Feeds volumes increased ahead of growth in the overall market with an improving milk price encouraging customers to increase production. Raw material prices continued to be very stable which supported effective margin management.

Results

Revenue for the half year ended 30 November 2024 was 3.9% lower at £454.3 million (H1 2023: £472.9 million), primarily as a result of the lower oil price in Fuels. Headline operating profit^[1] was higher at £5.0 million (H1 2023: £4.0 million), with margin improvement driven by the performance in Fuels and Feeds. Headline profit before taxation^[1] was up 5.9% to £3.6 million (H1 2023: £3.4 million) adjusting for exceptional costs of £1.1 million in the period.

Diluted headline earnings per share^[1] was 5.5p (H1 2023: 5.1p).

Net cash generated from operations for the period amounted to £10.8 million (H1 2023: £9.0 million). Cash generation was higher due to customer mix and timing of supplier payments. Net capital expenditure in the period was £3.0 million (H1 2023: £1.6 million), the increase relating to completion of Lymedale and product growth in Feeds.

Net cash at the period end, excluding the impact of IFRS 16, was strong at £11.4 million (H1 2023: £13.3 million; FY 2023: £10.0 million).

The Group's banking facilities of £61.0 million were extended in the period and are now committed to May 2028. NWF continues to operate with substantial headroom. Net debt including IFRS 16 lease liabilities was £39.1 million (H1 2023: £14.3 million), reflecting the addition of the Lymedale warehouse lease as well as the increased fleet size.

Net assets at 30 November 2024 increased to £86.4 million (30 November 2023: £79.6 million). The IAS 19R defined benefits pension scheme valuation deficit has decreased from £4.5 million as at 31 May 2024 to £3.7 million at the half year, as a result of higher asset values offsetting the slight decrease in the discount rate assumption.

The Board has approved an unchanged interim dividend per share of 1.0p (H1 2023: 1.0p), consistent with its policy. This will be paid on 1 May 2025 to shareholders on the register as at 21 March 2025. The shares will trade ex-dividend on 20 March 2025. The Group has increased the annual dividend by approximately 4% in each of the last 12 years, reflecting the Group's strong underlying financial performance and position.

Operations

Fuels

Revenue decreased by 9.3% to £312.8 million (H1 2023: £344.8 million) as a result of the lower oil price offsetting an increase in volumes. Headline operating profit was £1.7 million (H1 2023: £0.7 million).

Volumes increased slightly by 0.9% to 331 million litres (H1 2023: 328 million litres). Domestic heating oil volumes were 2% higher. In the first half Brent Crude averaged \$78 per barrel (H1 2023: \$84 per barrel) and ended the reporting period at \$73 per barrel. The low volatility in the oil price was matched by stable supply conditions.

Margins improved over the prior year. Early in the period, the business undertook strong cost management action to right size the cost base appropriate to current volumes and margins. As highlighted in the full year results for the year ended 31 May 2024 the Group is undertaking initiatives to improve both its commercial and domestic sales models and to optimise fleet

efficiency. These initiatives have progressed well during the period, and we expect to start to accrue the benefits in the next financial year, commencing 1 June 2025.

The UK fuels distribution market remains highly fragmented, and the Board believes the opportunity for NWF to expand its depot network, broadening the customer base and leveraging scale efficiencies, remains significant. Our pipeline of acquisition opportunities has strengthened in the period. The Group has a strong and established acquisition and integration track record, and we remain focused on our aim to consolidate this market.

Food

Revenue increased by 11.1% to £43.9 million (H1 2023: £39.5 million), reflecting increased capacity with the opening of the Lymedale warehouse. Headline operating profit was £2.5 million (H1 2023: £2.9 million).

Storage volumes averaged 157,000 spaces (H1 2023: 135,000) and peaked at just over 167,000 pallet spaces (H1 2023: 141,000). Capacity at the Wardle, Crewe and Lymedale sites totals 183,000 pallet spaces, meaning Food continues to grow its pipeline of business to support optimal storage facilities across the three sites and expects to achieve this by the end of the second half of our financial year.

Headline Food operating profit in the period was lower than the prior year as a result of the Lymedale start-up costs. It has also been impacted by: a mix of higher mobilisation costs associated with optimising customer storage across the three sites (as a result of Lymedale); customer pipeline progression; and slower throughput experienced on specific customers.

In its first full financial year of operational activity, the year ending 31 May 2026, Lymedale is expected to deliver additional annualised operating profits of approximately £2.8 million. As a result of IFRS 16 interest in respect of the warehouse lease and associated additional leased vehicles, this will result in incremental annualised headline PBT of approximately £1.2 million in the financial year ending 31 May 2026, increasing to £2.5 million in the financial year ending 31 May 2035 as the IFRS 16 lease liability reduces.

Feeds

Revenue increased by 10.2% to £97.6 million (H1 2023: £88.6 million) as higher volumes offset lower commodity and therefore selling prices in the period. Headline operating profit was £0.8 million (H1 2023: £0.4 million) with the business continuing to effectively manage margins and its cost base.

Volumes were 9.3% higher at 246,000 tonnes (H1 2023: 225,000 tonnes), outperforming the market, noting that DEFRA data indicated the ruminant feed market was 4.2% higher.

Commodity prices were stable over the period with no supply concerns. The average milk price over the period was 14.0% higher than the comparative period and was 46.6p per litre at the end of November (H1 2023: 38.2p per litre). Milk production was 1.1% higher for the period year-on-year. The improving milk price has encouraged our farmers to maintain feed usage to optimise herd performance and increase production.

NWF's operational platform, with key mills close to customers in the northern, central and southern regions, continues to provide an effective base for future development. Investment has been made into extending the product range with the development of a complimentary moist feed product line.

Conflict of interest investigation in the Food business

During the period, the Group uncovered a conflict of interest in relation to a commercial arrangement, which has since been terminated, for the provision of transport services including drivers. The individuals linked to the commercial arrangement are no longer employed by the business. There is also additional complexity as to the payroll (IR35) tax treatment in relation to those services. The Board appointed an independent accountancy firm to investigate this matter, with the costs of the work to date being reported within exceptional costs incurred in the period. The investigation is ongoing and we will update shareholders further in our full year results in August 2025, but at this stage we do not expect this to have a material impact on our headline performance in the year.

Outlook and future prospects

Following the positive start to the financial year, the Group has continued to perform as planned since the period end. In Fuels, demand has been variable with no major increase in demand for heating oil. In Food, the business continues to bring in additional stock from new and existing customers whilst optimising its performance. In Feeds, the improving milk price has continued to support volumes.

With the winter months ongoing, which are typically more material to the Group's performance, the Board's expectations for the full year are unchanged. The Group's financial position is strong and we continue to focus on development opportunities, both organic and through targeted, acquisition opportunities. This underpins our continued confidence in NWF's growth potential and future prospects.

I look forward to updating shareholders later this year.

Amanda Burton
Chair

4 February 2025

Condensed consolidated income statement
for the half year ended 30 November 2024 (unaudited)

		Half year ended 30 November 2024 £m	Half year ended 30 November 2023 £m	Year ended 31 May 2024 £m
	Note			
Revenue	3	454.3	472.9	950.6
Cost of sales and administrative expenses		(450.7)	(469.6)	(937.6)
Other income	4	-	1.3	1.3
Headline operating profit¹		5.0	4.0	14.2
Exceptional income	4	-	1.3	1.3
Exceptional expenses	4	(1.1)	(0.4)	(0.5)
Amortisation of acquired intangibles		(0.3)	(0.3)	(0.7)
Operating profit	3	3.6	4.6	14.3
Finance costs	5	(1.5)	(0.8)	(2.1)
Headline profit before taxation¹		3.6	3.4	12.5
Exceptional income	4	-	1.3	1.3
Exceptional expenses	4	(1.1)	(0.4)	(0.5)
Amortisation of acquired intangibles		(0.3)	(0.3)	(0.7)
Net finance cost in respect of the defined benefit pension scheme		(0.1)	(0.2)	(0.4)
Profit before taxation		2.1	3.8	12.2
Income taxation expense	6	(0.5)	(1.1)	(3.1)
Profit for the period attributable to equity shareholders		1.6	2.7	9.1
Earnings per share (pence)				
Basic	7	3.2	5.5	18.4
Diluted	7	3.2	5.5	18.4
Headline earnings per share (pence)¹				
Basic	7	5.5	5.1	19.2
Diluted	7	5.5	5.1	19.2

1 Headline operating profit is statutory operating profit of £3.6 million (H1 2023: £4.6 million profit) before exceptional income of £Nil (H1 2023: £1.3 million), exceptional expenses of £1.1 million (H1 2023: £0.4 million) and amortisation of acquired intangibles of £0.3 million (H1 2023: £0.3 million). Headline profit before taxation is statutory profit before taxation of £2.1 million (H1 2023: £3.8 million profit), after adding back the net finance cost in respect of the Group's defined benefit pension scheme of £0.1 million (H1 2023: £0.2 million), the exceptional items and the amortisation of acquired intangibles. Headline earnings per share also takes into account the taxation effect thereon.

The notes form an integral part of this condensed consolidated Half Year Report.

Condensed consolidated statement of comprehensive income
for the half year ended 30 November 2024 (unaudited)

	Half year ended 30 November 2024 £m	Half year ended 30 November 2023 £m	Year ended 31 May 2024 £m
Profit for the period attributable to equity shareholders	1.6	2.7	9.1
Items that will not be reclassified to income statement:			
Re-measurement (loss)/gain on the defined benefit pension scheme	(0.4)	(0.2)	3.1
Tax on items that will not be reclassified to income statement	(0.2)	(0.8)	(0.7)
Total comprehensive income for the period	1.0	1.7	11.5

The notes form an integral part of this condensed consolidated Half Year Report.

Condensed consolidated balance sheet
as at 30 November 2024 (unaudited)

	Note	30 November 2024 £m	30 November 2023 £m	31 May 2024 £m
Non-current assets				
Property, plant and equipment		49.3	43.3	49.0
Right of use assets		48.7	26.7	45.9
Intangible assets		32.9	33.6	33.3
		130.9	103.6	128.2
Current assets				
Inventories		8.7	7.8	8.1
Trade and other receivables	8	97.1	101.2	88.7
Reimbursement assets		2.2	1.4	1.8
Current taxation assets		0.5	0.4	0.6
Cash and cash equivalents	8	11.4	13.3	10.0
Derivative financial instruments	8	0.3	0.2	0.3
		120.2	124.3	109.5
Total assets		251.1	227.9	237.7
Current liabilities				
Trade and other payables	8	(99.5)	(104.6)	(91.1)
Current taxation liabilities		-	-	-
Lease liabilities	8	(9.6)	(9.5)	(8.0)
Provision for liabilities		(2.2)	(1.7)	(1.9)
Derivative financial instruments	8	-	(0.1)	-
		(111.3)	(115.9)	(101.0)
Non-current liabilities				
Lease liabilities	8	(40.9)	(18.1)	(38.3)
Provision for liabilities		(1.5)	(0.2)	(1.4)
Deferred taxation liabilities		(7.3)	(5.3)	(7.1)
Retirement benefit obligations		(3.7)	(8.8)	(4.5)
		(53.4)	(32.4)	(51.3)
Total liabilities		(164.7)	(148.3)	(152.3)
Net assets		86.4	79.6	85.4
Equity				
Share capital	9	12.4	12.4	12.4
Share premium		0.9	0.9	0.9
Retained earnings		73.1	66.3	72.1
Total shareholders' funds		86.4	79.6	85.4

The notes form an integral part of this condensed consolidated Half Year Report.

Condensed consolidated statement of changes in equity
for the half year ended 30 November 2024 (unaudited)

	Share capital £m	Share premium £m	Retained earnings £m	Total shareholders' funds £m
Balance at 1 June 2023	12.4	0.9	64.6	77.9
Profit for the period attributable to equity shareholders	-	-	2.7	2.7
Items that will not be reclassified to income statement:				
Re-measurement loss on the defined benefit pension scheme	-	-	(0.2)	(0.2)
Tax on items that will not be reclassified to income statement	-	-	(0.8)	(0.8)
Total other comprehensive income for the period	-	-	1.7	1.7
Balance at 30 November 2023	12.4	0.9	66.3	79.6
Profit for the period attributable to equity shareholders	-	-	6.4	6.4
Items that will not be reclassified to income statement:				
Re-measurement gain on the defined benefit pension scheme	-	-	3.3	3.3
Tax on items that will not be reclassified to income statement	-	-	0.1	0.1
Total other comprehensive income	-	-	9.8	9.8
Transactions with owners:				
Dividends paid	-	-	(2.0)	(2.0)

Debit to equity for equity-settled share-based payments	-	-	(0.1)	(0.1)
Total transactions with owners	-	-	(4.0)	(4.0)
Balance at 31 May 2024	12.4	0.9	72.1	85.4
Profit for the period attributable to equity shareholders	-	-	1.6	1.6
Items that will not be reclassified to income statement:				
Re-measurement loss on the defined benefit pension scheme	-	-	(0.4)	(0.4)
Tax on items that will not be reclassified to income statement	-	-	(0.2)	(0.2)
Total other comprehensive income for the period	-	-	1.0	1.0
Transactions with owners:				
Dividends paid	-	-	-	-
Credit to equity for equity-settled share-based payments	-	-	-	-
Total transactions with owners	-	-	73.1	86.4
Balance at 30 November 2024	12.4	0.9	73.1	86.4

The notes form an integral part of this condensed consolidated Half Year Report.

Condensed consolidated cash flow statement
for the half year ended 30 November 2024 (unaudited)

	Half year ended 30 November 2024 £m	Half year ended 30 November 2023 £m	Year ended 31 May 2024 £m
Cash flows from operating activities			
Operating profit	3.6	4.6	14.3
Adjustments for:			
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
Profit on disposal of fixed assets	(0.3)	(0.1)	(0.3)
Fair value profit on financial derivative	-	-	(0.2)
Share-based payment expense	-	-	(0.1)
Contributions to pension scheme not recognised in income statement	(1.3)	(1.2)	(2.5)
Operating cash flows before movements in working capital	11.4	11.4	28.3
Movements in working capital:			
Increase in inventories	(0.6)	(0.4)	(0.7)
Increase in receivables	(8.4)	(12.2)	(0.9)
Increase/(decrease) in payables	8.4	10.2	(1.4)
Net cash generated from operations	10.8	9.0	25.3
Net interest paid - borrowings and overdrafts	(0.2)	(0.2)	(0.4)
Interest paid - lease liabilities	(0.6)	(0.4)	(1.3)
Income taxation paid	(0.4)	(2.0)	(2.7)
Net cash generated from operating activities	9.6	6.4	20.9
Cash flows from investing activities			
Purchase of property, plant and equipment	(3.4)	(2.0)	(10.3)
Capitalised costs associated with leases	-	-	(1.1)
Acquisition of subsidiaries - cash paid (net of cash acquired)	-	(2.6)	(2.6)
Proceeds on sale of property, plant and equipment	0.4	0.4	0.6
Net cash absorbed by investing activities	(3.0)	(4.2)	(13.4)
Cash flows from financing activities			
Capital element of leases	(5.2)	(5.2)	(9.9)
Dividends paid	-	-	(3.9)
Net cash absorbed by financing activities	(5.2)	(5.2)	(13.8)
Net movement in cash and cash equivalents	1.4	(3.0)	(6.3)
Cash and cash equivalents at beginning of period	10.0	16.3	16.3
Cash and cash equivalents at end of period	11.4	13.3	10.0

The notes form an integral part of this condensed consolidated Half Year Report.

Notes to the condensed consolidated Half Year Report
for the half year ended 30 November 2024 (unaudited)

1. General information

NWF Group plc ('the Company') is a public limited company incorporated and domiciled in England, United Kingdom, under the Companies Act 2006. The principal activities of NWF Group plc and its subsidiaries (together 'the Group') are the sale and distribution of fuel oils, the warehousing and distribution of ambient groceries and the manufacture and sale of animal feeds. The address of its registered office is NWF Group plc, Wardle, Nantwich, Cheshire CW5 6BP.

The Company has its primary listing on AIM, part of the London Stock Exchange.

These condensed consolidated interim financial statements ('interim financial statements') were approved by the Board for issue on 4 February 2025.

These interim financial statements do not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. The interim financial statements for the half years ended 30 November 2024 and 30 November 2023 are neither audited nor reviewed by the Company's auditors. Statutory accounts for the year ended 31 May 2024 were approved by the Board of Directors on 30 July 2024 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under Section 498 of the Companies Act 2006.

2. Basis of preparation and accounting policies

Except as described below, these interim financial statements have been prepared in accordance with the principal accounting policies used in the Group's consolidated financial statements for the year ended 31 May 2024. These interim financial statements should be read in conjunction with those consolidated financial statements, which have been prepared in accordance with the international accounting standards in conformity with the requirements of the Companies Act 2006 and the UK-adopted International Accounting Standards ('IFRS').

These interim financial statements do not fully comply with IAS 34 'Interim Financial Reporting', as is currently permissible under the rules of AIM.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

The triennial actuarial valuation of the Group's defined benefit pension scheme was completed in the year ended 31 May 2024, with a deficit of £7.6 million at the valuation date of 31 December 2022. The present value of the defined benefit obligation and the related current service cost were measured using the Projected Unit Credit Method. In these interim financial statements, this liability has been updated in order to derive the IAS 19R valuation as of 30 November 2024. The triennial valuation resulted in Group contributions of £2.1 million per annum. In addition, a continued percentage increase based on total dividend growth over £3.1 million will be paid.

The Directors consider that headline EBITDA, headline operating profit, headline profit before taxation and headline earnings per share, referred to in these interim financial statements, provide useful information for shareholders on underlying trends and performance, these metrics constitute the Group's Alternative Performance Measures ('APMs').

Headline operating profit is reported operating profit after adding back exceptional items and amortisation of acquired intangibles. Headline profit before taxation is reported profit before taxation, after adding back the net finance cost in respect of the Group's defined benefit pension scheme, amortisation of acquired intangibles, exceptional items and the taxation effect thereon where relevant. Headline EBITDA refers to reported operating profit after adding back exceptional items and amortisation of acquired intangibles. The headline EBITDA calculation excludes the impact of IFRS 16 depreciation.

The calculation of headline earnings includes any exceptional impact of remeasuring deferred taxation balances. The calculations of basic and diluted headline earnings per share are shown in note 7 of these interim financial statements.

The Group's income statement separately identifies exceptional items. Such items are those that, in the Directors' judgement, are one-off in nature or non-operating and need to be disclosed separately by virtue of their size or incidence and may include, but are not limited to, restructuring costs, acquisition-related costs, costs of implementing new systems, asset impairment and income from legal and insurance settlements. In determining whether an item should be disclosed as an exceptional item, the Directors consider qualitative as well as quantitative factors such as the frequency, predictability of occurrence and significance. This is consistent with the way financial performance is measured by management and reported to the Board. Disclosing exceptional items separately provides additional understanding of the performance of the Group.

The Group tests annually for impairment or if there is any indication that an asset may be impaired. This involves using key judgements including estimates of future business performance and cash generation, discount rates and long-term growth rates.

Certain statements in these interim financial statements are forward looking. The terms 'expect', 'anticipate', 'should be', 'will be' and similar expressions identify forward-looking statements. Although the Board of Directors believes that the expectations reflected in these forward-looking statements are reasonable, such statements are subject to a number of risks and uncertainties and actual results and events could differ materially from those expressed or implied by these forward-looking statements.

Based on financial performance to date and forecasts along with the available banking facilities, there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis of accounting in preparing the annual financial statements.

The Board has prepared cash flow forecasts for the period to 31 May 2026. Under this base case scenario, the Group is expected to continue to have significant headroom relative to the funding available to it and to comply with its banking covenants.

The Board has also considered a severe downside scenario based on a significant and sustained reduction in Fuels' profitability alongside underperformance in Food and Feeds. This downside scenario excludes any mitigating actions that the Board would be able to take to reduce costs. Under this scenario, the Group would still expect to have sufficient headroom in its financing facilities.

Accordingly, the Directors, having made suitable enquiries, and based on financial performance to date and forecasts along with the available banking facilities, have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis of accounting in preparing the annual financial statements.

3. Segment information

The chief operating decision-maker has been identified as the Board of Directors ('the Board'). The Board reviews the Group's internal reporting in order to assess performance and allocate resources. The Board has determined that the operating segments, based on these reports, are Fuels, Food and Feeds.

The Board considers the business from a product/services perspective. In the Board's opinion, all of the Group's operations are carried out in the same geographical segment, namely the UK.

The nature of the products/services provided by the operating segments are summarised below:

- Fuels** - sale and distribution of domestic heating and industrial and road fuels
- Food** - warehousing and distribution of clients' ambient groceries and other products to supermarket and other retail distribution centres
- Feeds** - manufacture and sale of animal feeds and other agricultural products

Segment information about the above businesses is presented below.

The Board assesses the performance of the operating segments based on a measure of headline operating profit. Finance income and costs are not included in the segment result that is assessed by the Board. Other information provided to the Board is measured in a manner consistent with that in the financial statements.

Inter-segment transactions are entered into under the normal commercial terms and conditions that would also be available to unrelated third parties.

Segment assets exclude current taxation assets and cash and cash equivalents. Segment liabilities exclude deferred taxation liabilities, borrowings and retirement benefit obligations. Excluded items are part of the reconciliation to consolidated total assets and liabilities.

Half year ended 30 November 2024 (unaudited)		Note	Fuels £m	Food £m	Feeds £m	Group £m
Revenue						
Total revenue			316.5	44.0	97.6	458.1
Inter-segment revenue			(3.7)	(0.1)	-	(3.8)
Revenue			312.8	43.9	97.6	454.3
Result						
Headline operating profit			1.7	2.5	0.8	5.0
Exceptional expenses			-	-	-	(1.1)
Amortisation of acquired intangibles			(0.3)	-	-	(0.3)
Operating profit as reported						3.6
Finance costs	5					(1.5)
Profit before taxation						2.1
Income taxation expense	6					(0.5)
Profit for the period						1.6
Other information						
Depreciation and amortisation			2.8	4.9	1.7	9.4
Property, plant and equipment additions			0.6	2.0	0.8	3.4

As at 30 November 2024		Fuels £m	Food £m	Feeds £m	Group £m
Balance sheet					
Assets					
Segment assets		101.9	81.5	55.8	239.2
Cash and cash equivalents					11.4
Current taxation receivable					0.5
Consolidated total assets					251.1
Liabilities					
Segment liabilities		(80.5)	(47.6)	(25.6)	(153.7)
Deferred taxation liabilities					(7.3)
Retirement benefit obligations					(3.7)
Consolidated total liabilities					(164.7)

Half year ended 30 November 2023	Note	Fuels £m	Food £m	Feeds £m	Group £m
Revenue					
Total revenue		348.3	39.5	88.6	476.4
Inter-segment revenue		(3.5)	-	-	(3.5)
Revenue		344.8	39.5	88.6	472.9
Result					
Headline operating profit		0.7	2.9	0.4	4.0
Exceptional income		-	-	-	1.3
Exceptional expenses					(0.4)
Amortisation of acquired intangibles		(0.3)	-	-	(0.3)
Operating profit as reported					4.6
Finance costs	5				(0.8)
Profit before taxation					3.8
Income taxation expense	6				(1.1)
Profit for the period					2.7
Other information					
Depreciation and amortisation		3.2	3.3	1.6	8.1
Property, plant and equipment additions		0.7	0.4	0.9	2.0

As at 30 November 2023		Fuels £m	Food £m	Feeds £m	Group £m
Balance sheet					
Assets					
Segment assets		113.4	51.5	49.3	214.2
Cash and cash equivalents					13.3
Current taxation receivable					0.4
Consolidated total assets					227.9
Liabilities					
Segment liabilities		(90.9)	(24.5)	(18.8)	(134.2)
Deferred taxation liabilities					(5.3)
Retirement benefit obligations					(8.8)
Consolidated total liabilities					148.3

Year ended 31 May 2024	Note	Fuels £m	Food £m	Feeds £m	Group £m
Revenue					
Total revenue		684.9	77.8	195.1	957.8
Inter-segment revenue		(7.1)	(0.1)	-	(7.2)
Revenue		677.8	77.7	195.1	950.6
Result					
Headline operating profit		7.9	3.7	2.6	14.2
Amortisation of acquired intangibles		(0.7)	-	-	(0.7)
Exceptional income					1.3
Exceptional expenses					(0.5)
Operating profit as reported					14.3
Finance costs	5				(2.1)
Profit before taxation					12.2
Income taxation expense	6				(3.1)
Profit for the year					9.1
Other information					
Depreciation and amortisation		6.4	7.5	3.2	17.1
Property, plant and equipment additions		1.7	6.9	1.7	10.3

As at 31 May 2024		Fuels £m	Food £m	Feeds £m	Group £m
Balance sheet					
Assets					
Segment assets		99.6	76.8	51.3	227.7
Cash and cash equivalents					10.0
Consolidated total assets					237.7
Liabilities					
Segment liabilities		(71.6)	(44.4)	(24.7)	(140.7)
Deferred taxation liabilities					(7.1)
Retirement benefit obligations					(4.5)
Consolidated total liabilities					(152.3)

4. Profit before taxation - exceptional items

	Half year ended 30	Half year ended 30	Year ended 31 May 2024 £m
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	November 2024 £m	November 2023 £m	
Legal claim settlement ¹	-	1.3	1.3
ERP implementation costs ²	(0.1)	(0.4)	(0.5)
Restructure costs ³	(0.4)	-	-
Investigation costs ⁴	(0.6)	-	-
Exceptional costs	(1.1)	0.9	0.8

- 1 Following a decision by the European Commission sanctioning a cartel during the period 1997 to 2011, NWF participated in a group action to recover damages arising from certain supplier expenses relating to that period. The parties are no longer in dispute regarding this matter. Settlement monies of £1.3 million were received.
- 2 ERP implementation costs comprise initial preliminary appraisals relating to future ERP implementation within the Group.
- 3 Restructure costs relate to optimising the commercial and operational business model within the Fuels business.
- 4 Following a report of a conflict of interest in a commercial arrangement within the Food business, costs have been incurred to investigate the issue.

5. Finance costs

	Half year ended 30 November 2024 £m	Half year ended 30 November 2023 £m	Year ended 31 May 2024 £m
Interest on bank loans and overdrafts	0.2	0.2	0.4
Finance costs on lease liabilities relating to IFRS 16	1.2	0.4	1.3
Interest on the net defined benefit liability	0.1	0.2	0.4
Total finance costs	1.5	0.8	2.1

6. Income taxation expense

The income taxation expense for the half year ended 30 November 2024 is based upon management's best estimate of the weighted average annual tax rate expected for the full financial year ending 31 May 2025 of 25.0% (2024: 27%).

7. Earnings per share

The calculation of basic and diluted earnings per share is based on the following data:

	Half year ended 30 November 2024 £m	Half year ended 30 November 2023 £m	Year ended 31 May 2024 £m
Earnings			
Earnings for the purposes of basic and diluted earnings per share, being profit for the period attributable to equity shareholders	1.6	2.7	9.1

	Half year ended 30 November 2024 '000	Half year ended 30 November 2023 '000	Year ended 31 May 2024 '000
Number of shares			
Weighted average number of shares for the purposes of basic earnings per share	49,444	49,411	49,426
Weighted average dilutive effect of conditional share awards (note 9)	6	21	13
Weighted average number of shares for the purposes of diluted earnings per share	49,450	49,432	49,439

The calculation of basic and diluted headline earnings per share is based on the following data:

	Half year ended 30 November 2024 £m	Half year ended 30 November 2023 £m	Year ended 31 May 2024 £m
Profit for the period attributable to equity shareholders	1.6	2.7	9.1
Add back/(deduct):			
Interest on the net defined benefit liability	0.1	0.2	0.4
Net exceptional items	1.1	(0.9)	(0.8)
Amortisation of acquired intangibles	0.2	0.2	0.7

Tax effect of the above	(0.4)	0.2	0.1
Headline earnings	2.7	2.5	9.5

8. Financial instruments

The Group's financial instruments comprise cash, bank overdrafts, invoice discounting advances, rolling credit facilities, lease liabilities, commodity derivatives and various items such as receivables and payables which arise from its operations. All financial instruments in 2024 and 2023 were denominated in Sterling. There is no material foreign exchange risk in respect of these instruments.

The carrying amounts of all of the Group's financial instruments are measured at amortised cost in the financial statements, with the exception of derivative financial instruments. Derivative financial instruments are measured at fair value subsequent to initial recognition.

IFRS 13 (amended) 'Financial Instruments: Disclosures' requires disclosure of financial instruments measured at fair value, grouped into Levels 1 to 3 below, based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs, other than quoted prices included within Level 1 above, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

All of the Group's derivative financial instruments were classified as Level 2 in the current and prior periods. There were no transfers between levels in both the current and prior periods.

The book, fair value and interest rate profile of the Group's financial assets are as follows:

	30 November 2024 £m	30 November 2023 £m	31 May 2024 £m
Total book and fair value			
Trade and other receivables ¹	87.3	92.6	83.3
Financial assets carried at amortised cost: cash and cash equivalents	11.4	13.3	10.0
Financial assets carried at fair value: derivatives	0.3	0.2	0.3
Financial assets	99.0	106.1	93.6

1 Excludes prepayments.

The book and fair values of financial liabilities are as follows:

	30 November 2024 £m	30 November 2023 £m	31 May 2024 £m
Total book and fair value			
Financial liabilities carried at amortised cost:			
Trade and other payables ¹	97.9	103.2	89.6
Lease liabilities repayable within one year	9.6	9.5	8.0
Financial liabilities carried at fair value: derivatives	-	0.1	-
	107.5	112.8	97.6
Lease liabilities repayable after one year	40.9	18.1	38.3
Financial liabilities	148.4	130.9	135.9

1 Excludes social security and other taxes.

9. Share capital

	Number of shares '000	Total £m
Allotted and fully paid: ordinary shares of 25p each		
Balance at 1 June 2023	49,408	12.4
Issue of shares (see below)	24	-
Balance at 30 November 2023	49,432	12.4
Issue of shares	7	-
Balance at 31 May 2024	49,439	12.4
Issue of shares (see below)	11	-
Balance at 30 November 2024	49,450	12.4

During the half year ended 30 November 2024, 10,969 shares (H1 2023: 23,564) with an aggregate nominal value of £2,742 (H1 2023: £5,890) were issued under the Company's conditional Performance Share Plan.

The maximum total number of ordinary shares that may vest in the future in respect of conditional Performance Share Plan awards outstanding at 30 November 2024 amounted to 1,531,660 (H1

2023: 1,291,025) shares. These shares will only be issued subject to satisfying certain performance criteria.

2025 financial calendar

Interim dividend paid	1 May 2025
Financial year end	31 May 2025
Full year results announcement	29 July 2025
Publication of Annual Report and Accounts	Late August 2025
Annual General Meeting	16 September 2025
Final dividend paid	Early December 2025

^[1] Headline operating profit excludes exceptional items (see note 4) and amortisation of acquired intangibles. Headline profit before taxation excludes exceptional items, amortisation of acquired intangibles and the net finance cost in respect of the Group's defined benefit pension scheme. Diluted headline earnings per share also takes into account the taxation effect thereon.

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