

NWF Group plc: Trading Update and Renewed Banking facilities

NWF Group plc ('NWF' the 'Company' or the 'Group'), the specialist distributor of fuel, food and feed across the UK, today provides a trading update for the year ended 31 May 2023 ("FY23"), together with details of its renewed banking facilities.

Trading update

As set out in the trading update of 9 March 2023, the Group delivered strong performances from all businesses in the first half. Pleasingly, this positive momentum has been sustained through the second half and consequently, FY23 headline profit before tax is now anticipated to be ahead of the current market expectation¹ and in excess of £19.0 million².

Net cash at the year-end is also higher than previous expectations as a result of the stronger trading result, ongoing disciplined cash management across the Group and some positive working capital movements.

Fuels:

- Volumes recovered in the second half as the team focused on increasing commercial business
- The Sweetfuels acquisition has been successfully integrated and is performing strongly
- The Board continues appraising earnings accretive acquisition opportunities in line with NWF's strategy of consolidating a fragmented UK Fuels market

Food:

- Demand has continued to be robust with storage close to capacity and increased outloads supported by improved operating efficiency

Feeds

- Solid demand for ruminant feed and ancillary products across the year supported by a strong milk price with the business effectively managing commodity cost volatility and inflationary cost increases

Renewed Banking facilities

The Group has completed the renewal of its banking facilities with NatWest Group for a three year term on competitive rates, with an option to extend by two years. The facilities of £61 million comprise an invoice discounting facility of £50 million, a revolving credit facility of £10 million and an overdraft of £1 million, with a further £20 million accordion available to support the development strategy of the Group.

Richard Whiting, Chief Executive of NWF said:

"We have delivered a very strong result for the Group and it's great to report that all three divisions have performed ahead of expectations in spite of the inflationary and cost of living challenges. The Group is well positioned with a net cash position and new banking facilities to further develop and grow."

1. Company compiled consensus headline PBT of £17.5 million; information for investors including analyst consensus forecasts, can be found on the Group's website at www.nwf.co.uk
2. Stated before amortisation of acquired intangibles and the net finance cost of the Group's defined benefit scheme

Certain information contained in this announcement would have constituted inside information (as defined by Article 7 of Regulation (EU) No 596/2014), as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR") prior to its release as part of this announcement and is disclosed in accordance with the Company's obligations under Article 17 of those Regulations.

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