



NEW HORIZONS FOR GROWTH

AGRICULTURE / FOOD / ENGINEERING

Preliminary results presentation
November 2013



Agenda

1. Results Overview
2. Group Strategic Vision
3. Trading Overview
4. Divisional Review
5. Financial Review
6. The Future
7. Questions

Tim Davies, CEO

Neil Austin, Group FD

Tim Davies, CEO



Results Overview

- Revenue increased 15.8% to £468.1m (2012: £404.1m)
- Pre-tax profit increased 21.5% to £15.9m (2012: £13.1m)
- EBITDA increased 20.3% to £22.2m (2012: £18.4m)
- Adjusted EPS increased 26.8% to 128.7p (2012: 101.5p)
- Final DPS declared increased 13.8% to 16.5p (2012: 14.5p)
- £22.1m net debt (2012: £2.5m)
- NAV per share £8.78 (2012: £7.65)



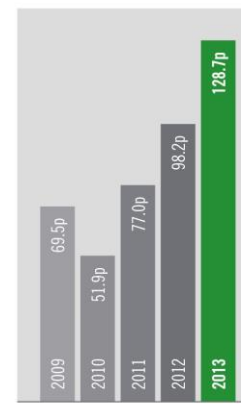
REVENUE

£468.1m



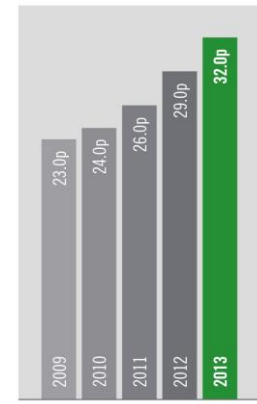
PROFIT BEFORE TAX

£15.9m



EARNINGS PER SHARE

128.7p



DIVIDEND PER SHARE

32.0p



Group Strategic Vision

Recognised as a truly international business at the forefront of technology and innovation

Strategic Objectives

Investing in people that will shape business in ten years time

Seen and recognised as leaders in innovation

Acquisition strategy for growth and JVs with strategic purpose

Investment in assets to ensure long term competitive advantage

AGRICULTURE

ENGINEERING

FOOD

RESEARCH

INNOVATION

ADDED VALUE

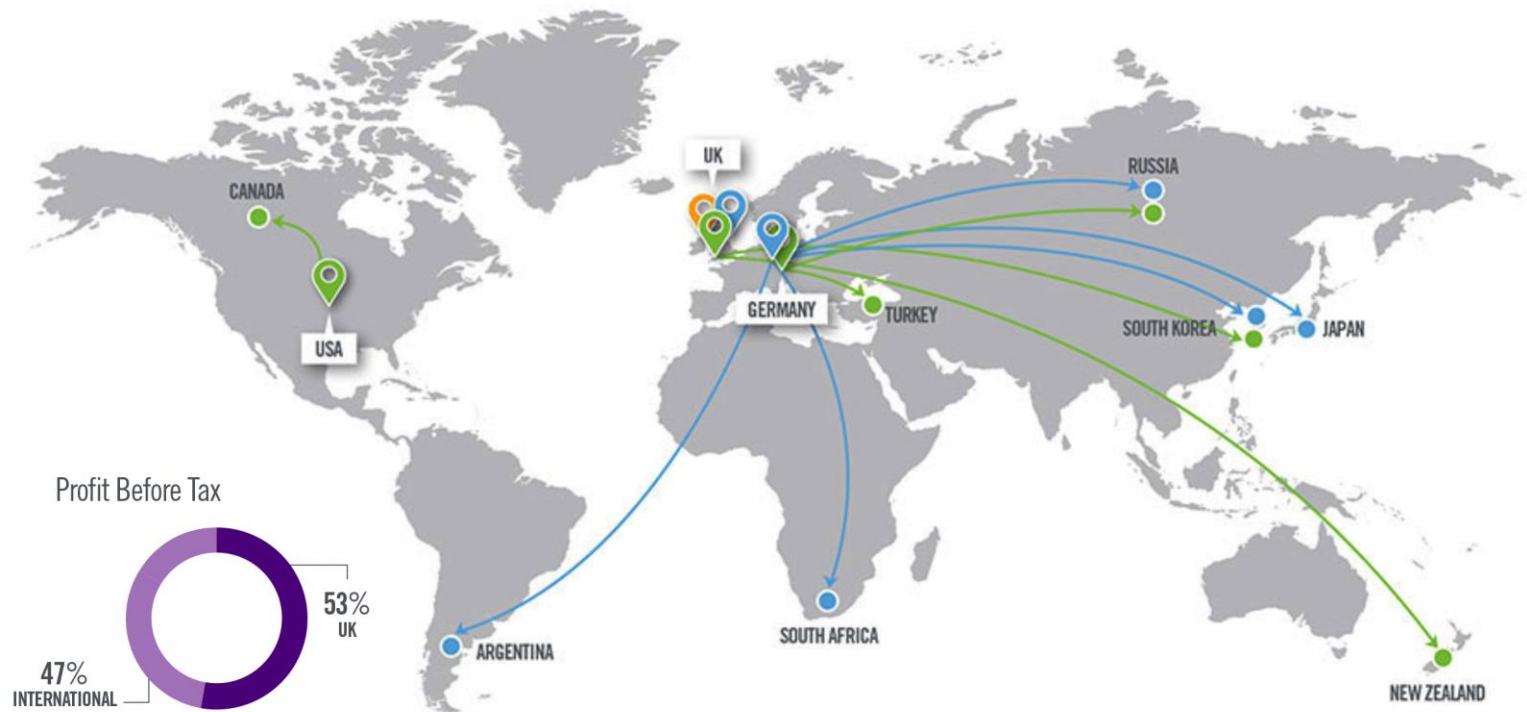
Research capability

People

Partners



Truly International



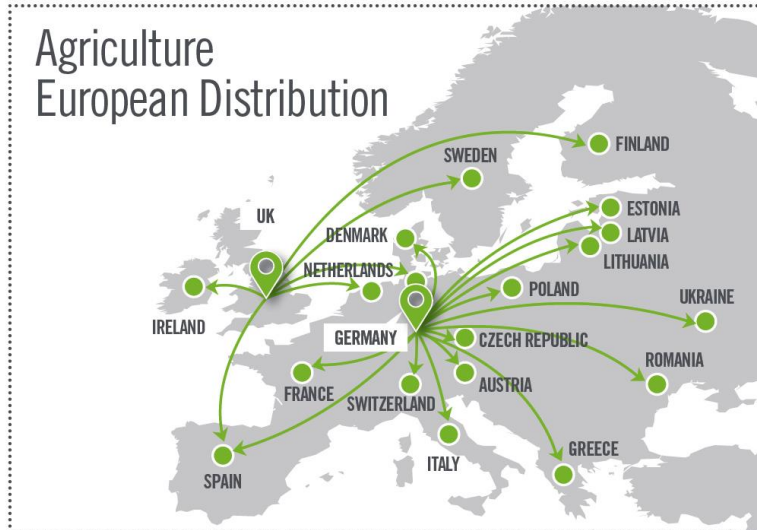
Growth internationally through the hard work of innovative people

Carr's is a truly international company with almost half its profit before tax being achieved outside the UK and distributing to over 30 countries worldwide.

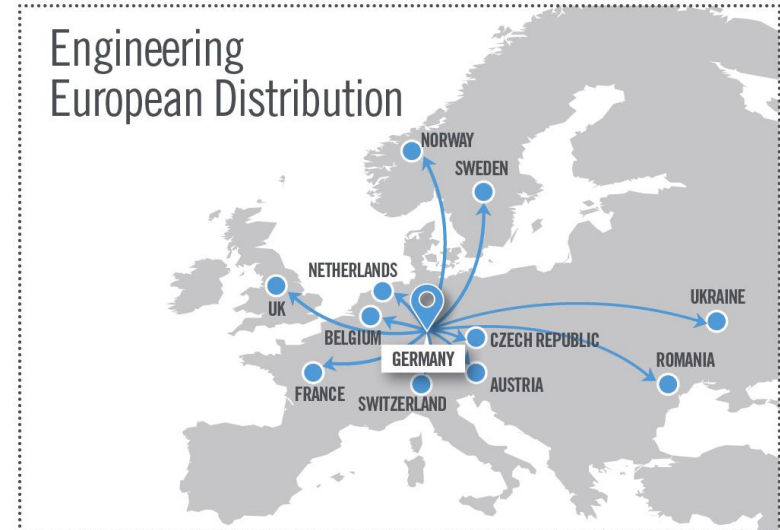


Truly International

Agriculture
European Distribution



Engineering
European Distribution



Growth internationally through
the hard work of innovative people

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Trading Overview

Agriculture

- Weather benefit
- Underlying growth
 - Research
 - Brands
 - Investments in assets
- Developments
 - Silver Springs, Nevada, USA
 - Sioux City, USA
 - AminoMax®, Lancaster, UK
 - AminoMax®, Watertown, USA

Food

- Operating result improvement
- New Mill investment
- Port facility project
- Flour market changes

Engineering

- High levels of demand continue in most of the business
- Wälischmiller
 - Investment in facilities nearing completion
 - Product development
- MSM
 - Life of plant contract delivering benefits
- Bendalls
 - Bechtel resolution





Animal Feed

Feed blocks

- Research based branded products growth
Crystalyx®, Horslyx®, Smartlic®, Feed in a Drum®, Megalix®
- Sales growth across all markets – 9% increase
- JV performance
 - Crystalyx GmbH, Germany – strong performance
 - Gold Bar, USA - profitable
- Investment
 - Silver Springs, Nevada, USA – £0.8m investment
 - Sioux City, Iowa, USA – £0.7m investment – link with CHS a world leading agricultural business
- Future international growth
 - New Zealand
 - Asia
 - South America





Animal Feed

- AminoMax®, patented bypass protein
 - Lancaster, UK - plant commissioned
 - Watertown, New York, USA - expansion
- Sales growth compound feed UK – 15% increase
 - Benefit in associate – CBAL Operations
- Weather impact of extended winter – £1.9m
- Outstanding customer service during severe weather





Retail & Distribution

- Strategy for growth
 - Upgraded and refurbished Country Stores: Carlisle, Perth, Berwick, Skipton and Settle
 - Next 12 months Malton, Annan, Bakewell and Selkirk
- Retail sales growth
 - 23% increase
 - New retail branch at Kendal and expansion of branch at Carlisle integrated well
 - Delayed Annan branch investment now started, completion H1 2014
 - Laycocks business making excellent contribution
- Fuel
 - 11% increase in sales driven by investments at our 8 fuel depot sites
- Machinery
 - 16% decrease in sales
 - National tractor sales declined 16%
 - Parts and service growth 6%
- Fertiliser
 - Fertiliser sales down in line with market





Engineering

Wälischmiller, Germany

- Research, investment and technology – driving force of the business
- Factory and office development – £4.5m investment complete December 2013
- Development
 - Telbot - Shell
 - V1000 (Robbie) – Japanese IROS (International Robotics Fair)
- Strong performance 2013
- Outlook
 - Short term outlook – contract completion and factory move disruption
 - Medium term outlook positive





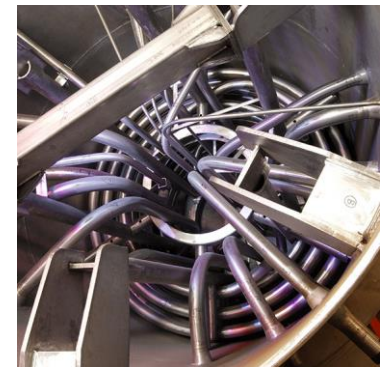
MSM, UK

- Excellent sales performance 2013
- Life of plant contract benefits in 2013
- Outlook – two year Sellafield ordering cycle will impact 2014



Bendalls, UK

- Market – nuclear orders slow. Reliance on Oil and Gas market
- Bechtel – issue resolved £0.5m impact 2013
- Outlook – short term flat
- Medium term more positive as nuclear contracts granted





- New Mill investment completion – £17.0m investment complete
- Performance – PBT 26.5% increase
- Port location project – Previous £0.8m investment significant current and future impact
- Market dynamics – market changing Northern England and Scotland
- Service excellence – partnerships with customers vital for future business stability





Segmental Analysis

	2013		2012	
	Revenue £m	PBT £m	Revenue £m	PBT £m
Agriculture	340.4	8.8	293.8	8.1
Food	94.2	0.6	80.5	0.4
Engineering	33.4	4.2	29.7	4.7
Other	0.1	(0.4)	0.1	(1.0)
	468.1	13.2	404.1	12.2
Retirement Benefit		(0.2)		(0.5)
Associate & JVs (post tax)		2.9		1.4
		15.9		13.1
EPS (p) – basic		128.7p		98.2p
EPS (p) - adjusted		128.7p		101.5p



Balance Sheet

	2013 £m	2012 £m
Non-current assets	72.0	54.7
Current assets (excluding cash)	100.1	86.7
Cash	22.9	23.3
Total assets	195.0	164.7
Loans and borrowings	(45.0)	(25.8)
Trade & other payables	(63.3)	(60.3)
Tax & deferred tax	(5.4)	(5.3)
Retirement benefit obligation	(3.3)	(5.4)
Total liabilities	(117.0)	(96.8)
Net assets	78.0	67.9
Gearing	28.3%	3.6%



Cash Flow

	Year to 31 August 2013 £m	Year to 1 September 2012 £m
Profit before tax	15.9	13.1
Share of post-tax profit from associate and JV's	(2.9)	(1.4)
Depreciation and amortisation	5.5	4.7
Non-cash adjustments	0.1	0.3
Pension contributions	(2.9)	(3.8)
Working capital	(9.0)	(2.0)
Tax paid	(2.7)	(2.7)
Cash generated from operations	4.0	8.2
Investing activities	(11.0)	(11.6)
Financing activities	6.8	(6.2)
Decrease in cash in the period	(0.2)	(9.6)



Banking & Net Debt

	Expiry	Facility £m	2013 £m
Working capital facilities (UK)	12 month rolling	(32.0)	(17.4)
Working capital facilities (US)	12 month rolling	(0.6)	(0.4)
Working capital facilities (Eu)	12 month rolling	(3.4)	-
Term loans	September 2015	(7.3)	(5.7)
Revolving credit facility	November 2014	(15.0)	(15.0)
Other loans		(1.2)	(1.2)
Cash		-	29.0
		(59.5)	(10.7)
Finance leases			(11.4)
Net debt			(22.1)



The Future

Group Strategic delivery

- Research
- Innovation – IP
- Technology
- Investment
- People
- Acquisition

Agriculture

- Lead in dairy nutrition
- Investment in research
- New markets
- Consolidate UK position

Food

- Deliver benefits of new mill
- Capitalise on market changes
- Service excellence
- Logistics optimisation
- Exploit new areas of market growth

Engineering

- Product research innovation and development
- Investment in new products
- Exploit growing market sectors
- Acquisitions





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ADDED VALUE

Research capability

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