



Preliminary Results Presentation

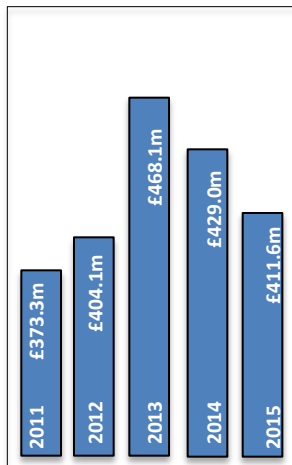
November 2015

1	Results Overview	Neil Austin, Group FD
2	Financial Review	
3	Group Strategic Vision	Tim Davies, CEO
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- Revenue decreased 4.1% to £411.6m (2014: £429.0m)
- EBITDA increased 6.0% to £21.6m (2014: £20.4m)
- Pre-tax profit increased 5.5% to £17.5m (2014: £16.6m)
- Adjusted EPS** increased 3.8% to 13.6p (2014: 13.1p*)
- Final proposed DPS increased 8.8% to 1.85p (2014: 1.7p*)
- Total dividend for the year increased 8.8% to 3.7p (2014: 3.4p*)
- £24.4m net debt (2014: £24.6m)

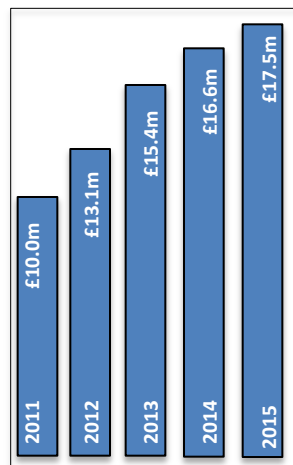
*Restated for 10:1 share split

** Adjusted EPS is after adding back amortisation of intangibles and non recurring items, e.g. acquisition related costs



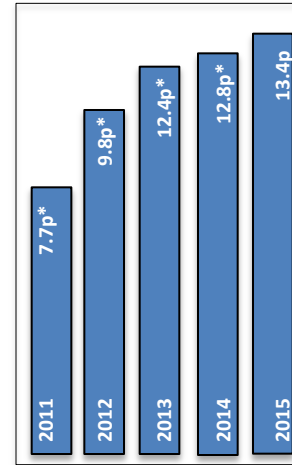
REVENUE

£411.6m



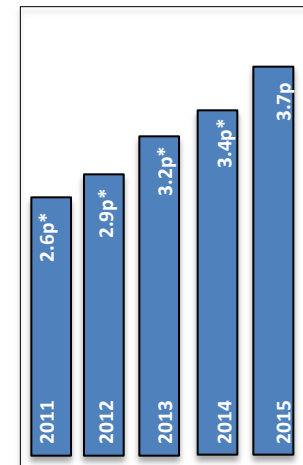
PROFIT BEFORE TAX

£17.5m



EARNINGS PER SHARE

13.4p



DIVIDEND PER SHARE

3.7p

	2015 (£m)	2014 (£m)	% Change
Segmental Revenue			
Agriculture	297.7	314.9	-5.5
Food	80.3	87.1	-7.8
Engineering	33.5	26.9	+24.8
Other	0.1	0.1	-
Total Revenue	411.6	429.0	- 4.1
Segmental Operating Profit			
Agriculture	11.2	10.4	+8.2
Food	3.1	3.1	+1.8
Engineering	3.3	3.8	-14.3
Other	(1.2)	(1.9)	-31.5
Total Operating Profit	16.4	15.4	+6.1
Net finance costs	(1.2)	(1.3)	-10.7
Share of associate	1.5	1.6	-5.0
Share of JVs	0.8	0.9	-11.0
Profit before tax	17.5	16.6	+5.5
EBITDA	21.6	20.4	+6.0
EPS (p) – basic*	13.4	12.8	+4.7
EPS (p) – adjusted*	13.6	13.1	+3.8
Interest cover	15.4 x	13.2 x	

*Restated for the effect of the share split 10:1 in January 2015

	2015 £m	2014 £m	% change
Fixed assets	83.9	79.9	+5.0%
Net working capital	41.5	36.6	+13.4%
Assets employed	125.4	116.5	+7.6%
Pension surplus	1.8	2.1	
Net debt	(24.4)	(24.6)	-0.8%
Tax provisions	(3.8)	(4.2)	
Net assets	99.0	89.8	+10.2%
Net debt:EBITDA	1.1 x	1.2 x	

	2015 £m	2014 £m	% change
EBITDA	21.6	20.4	+6.0%
Working capital changes	(3.8)	(1.6)	
Net interest	(1.2)	(1.4)	
Taxation	(4.0)	(3.2)	
Other	(2.6)	(1.7)	
Cash flow from operations	10.0	12.5	-20.2%
Maintenance capex	(2.4)	(1.4)	
Free cash flow	7.6	11.1	-31.2%
Expansionary capex	(3.2)	(5.0)	
Acquisitions	(1.7)	(3.6)	
Dividends	(3.1)	(2.9)	
Other	0.6	(2.1)	
Decrease/(increase) in net debt	0.2	(2.5)	

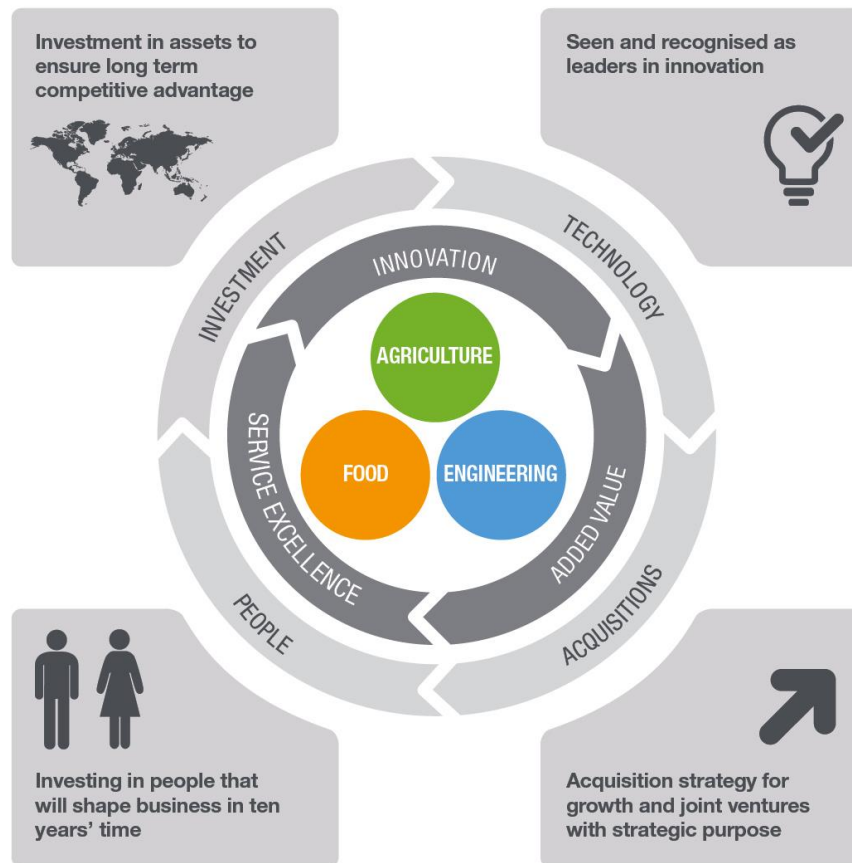
	Expiry	Facility £m	Utilised 2015 £m
Working capital facilities (UK)	12 month rolling/2019	40.5	10.0
Working capital facilities (US)	12 month rolling	1.0	0.2
Working capital facilities (EU)	12 month rolling	3.0	-
Term loans	2019	5.7	5.7
Revolving credit facility	2019	19.5	15.0
Other loans		0.5	0.5
Cash			(16.5)
		70.2	14.9
Finance leases			9.5
Net debt			24.4

Key points:

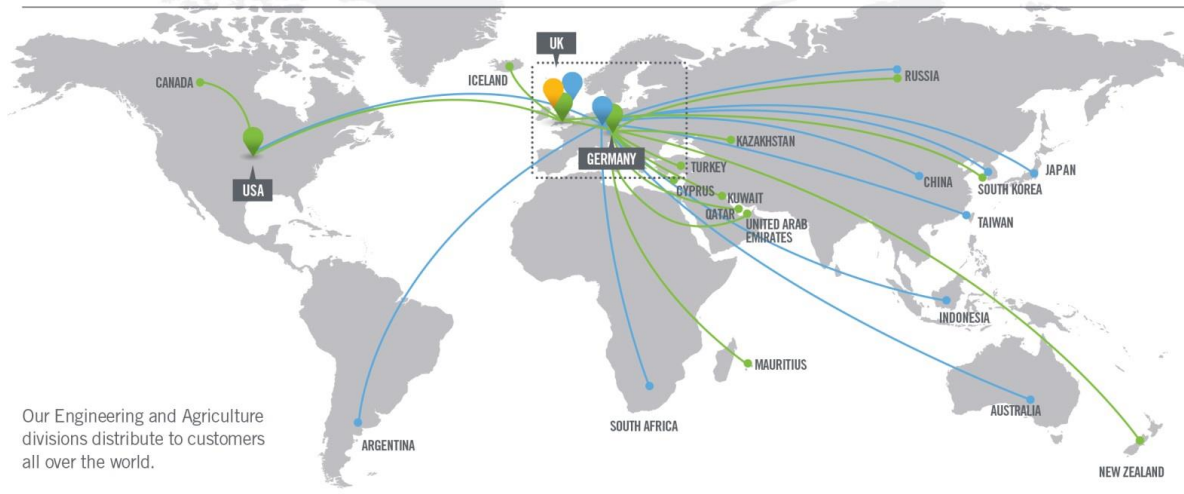
- Working capital increased reflecting strategic purchasing of key product lines in UK Agriculture
- Capex behind forecast due to phasing of projects therefore some projects roll into 2016
- Banking facilities extended post year end by £5m
- Borrowing headroom available for future growth

Vision

To be recognised as a truly international business at the forefront of technology and innovation

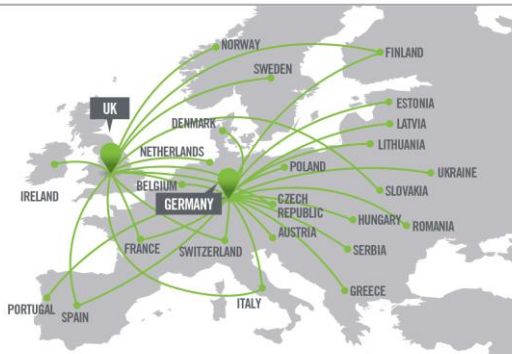


INTERNATIONAL DISTRIBUTION

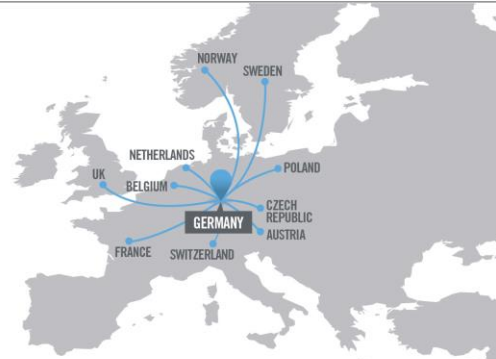


Our Engineering and Agriculture divisions distribute to customers all over the world.

AGRICULTURE EUROPEAN DISTRIBUTION



ENGINEERING EUROPEAN DISTRIBUTION



UK LOCATIONS



● HEAD OFFICE ● FOOD
● AGRICULTURE ● ENGINEERING

Performance

- Feed volumes: 4.1% increase in tonnes sold
- Fuel volumes: 4.4% increase in litres sold despite the mild winter
- Retail: 8.6% increase in sales (5.3% increase in like for like sales)

Investment

- Retail store development
 - £3.2m investment over last 2½ years
 - This year: New store at Rothbury, redeveloped stores in Selkirk and Appleby: £0.2m
- Acquisitions
 - WM Nicholls and Company (Crickhowell): £1.0m
 - Reid and Robertson Ltd: £0.9m
 - Green Agriculture (Co): £0.3m (acquired post year end)
 - Acquisition of land in Morpeth adjacent to our machinery branch: £0.3m

Strategy

- Lead in dairy nutrition
- Strengthen current geographical position
- Expand into areas where current offer would be aligned

Outlook

- Challenging background – UK milk price collapse, falling agricultural commodity prices
 - Pressure on farm incomes and cash flow
 - Low grain prices
 - Competition from extra feed capacity
- Diverse and strong agriculture business



Performance

- Sales growth: 10.7% increase in tonnes sold (excluding JVs)
- Strength of brands, eg Crystalyx®, SmartLic®, Feed in a Drum® and Horslyx®
- Development of new brands Megastart®, Piglyx® and Flaxlic®
- Record US sales driven by restocking and favourable weather conditions: volumes up by 19.9% (excluding JVs)
- UK sales affected by excellent livestock condition ahead of last winter
- European sales growth of 3.6% despite dairy industry conditions

Investment

- Silver Springs, Nevada, USA investment (\$2.3m) to produce the branded Smartlic® product by November 2015

Research

- 14 research projects ongoing

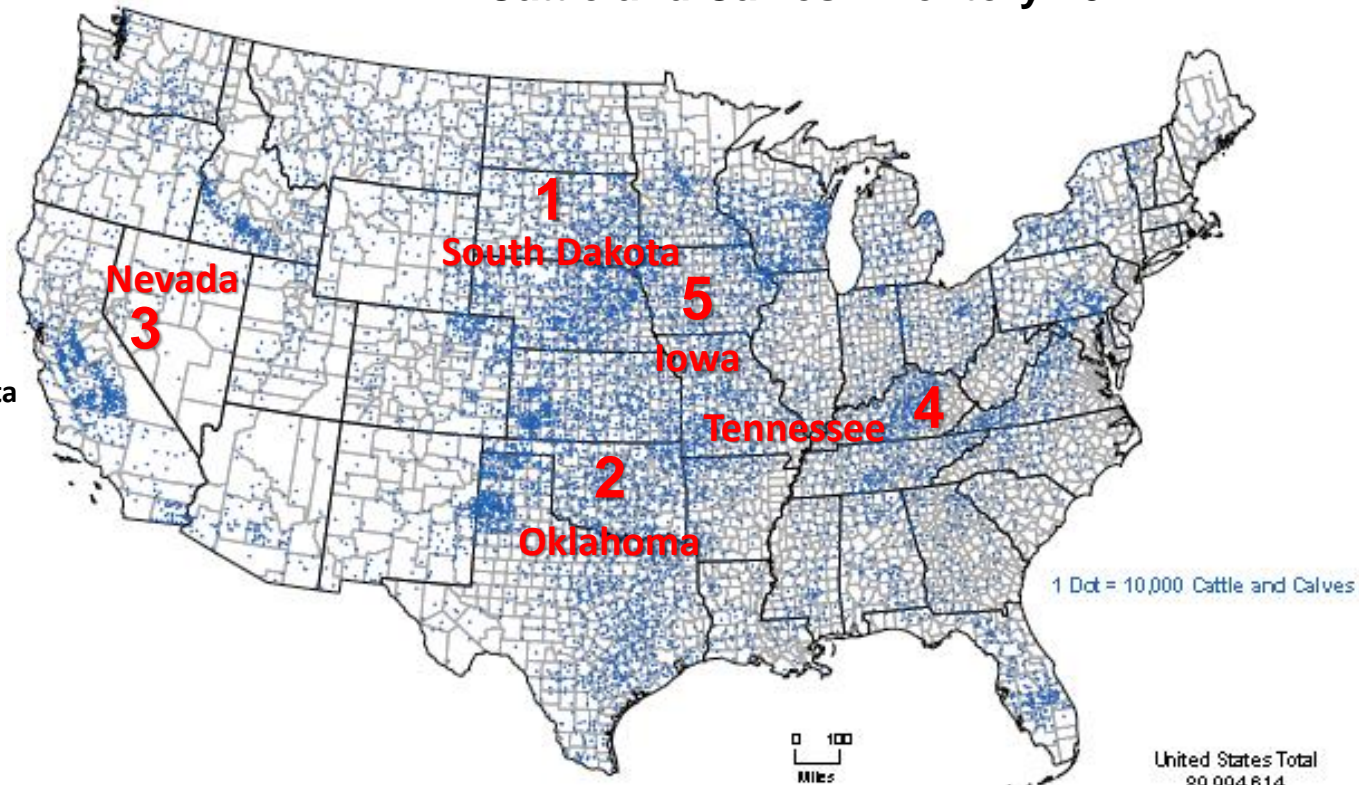
International Growth

- Europe +3.6%
- USA +19.9% (excluding JVs)
- New Zealand – planning ongoing
- South America – trials commenced



- Strategic location of feed block plants near beef populations
- New feed block plants, Nevada **3**, Iowa **5** and Tennessee **4** all located near significant cattle populations

Cattle and Calves Inventory 2012



- 1** AFS, Belle Fourche, South Dakota
- 2** AFS, Poteau, Oklahoma
- 3** AFS, Silver Springs, Nevada
- 4** Gold-Bar Feed Supplements, Shelbyville, Tennessee (JV)
- 5** ACC, Sioux City, Iowa (JV)

Performance

- Sales flat globally as affected by global dairy prices
- Continued market recognition

Future

- Research and development into complementary products
- Potential second line at Watertown and licencing options



Performance

- Further improvement in financial performance: 6.3% increase in PBT
- Operational efficiencies continue to be delivered by new mill at Kirkcaldy
- Investment at other mills

Market

- Low wheat prices
- Variable quality 2014
- Record, excellent quality harvest 2015

Outlook

- Market in bakery under pressure from retailers
- Margins under pressure as a result of turmoil in retail market
- Further efficiency programme underway across the division
- Maldon focussed on niche ethnic flours
- Further operational efficiencies to be delivered at Kirkcaldy



Bendalls – specialist design and engineering

- BP Shah Deniz contract delivered successfully
- Nuclear order book building
- New design business securing orders
- Positive outlook for UK nuclear contracts

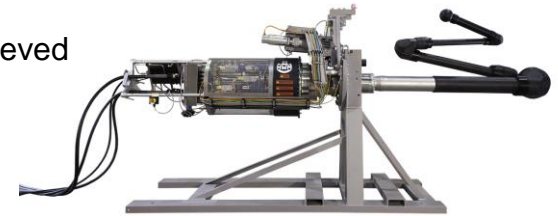
Chirton – precision engineering

- Performance currently affected by oil industry downturn
- Move to new factory led to exceptional move costs and disruption
- Continued oil industry issues will affect short term performance
- Closely integrated into our UK manufacturing business and accelerated transition to deliver on nuclear contracts to diversify from oil and gas



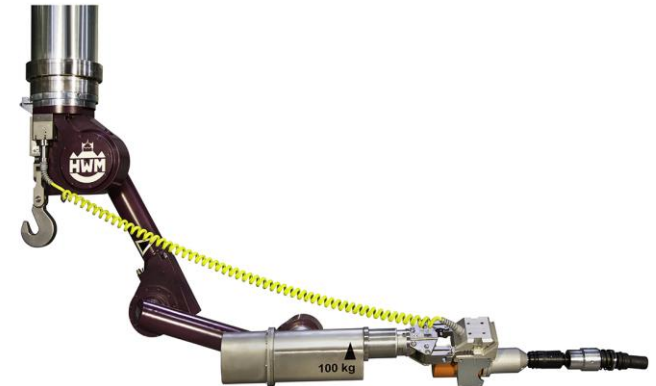
Wälischmiller, Germany – powered and robotic manipulators

- Performance in line with our expectations
- Successful site acceptance test for Demo 2000 – another milestone achieved
- Russian and Japanese markets still difficult
- Continued focus on USA market
- Contract wins for ITER, Dounreay and Sellafield
- Outlook
 - Short term – lower order book in FY16
 - Medium term pipeline strong 2017-2020



MSM – manual manipulators

- Excellent performance in 2015
- Sellafield life of contract benefits continue to be delivered
- Additional contracts to be delivered in FY16
- Outlook positive

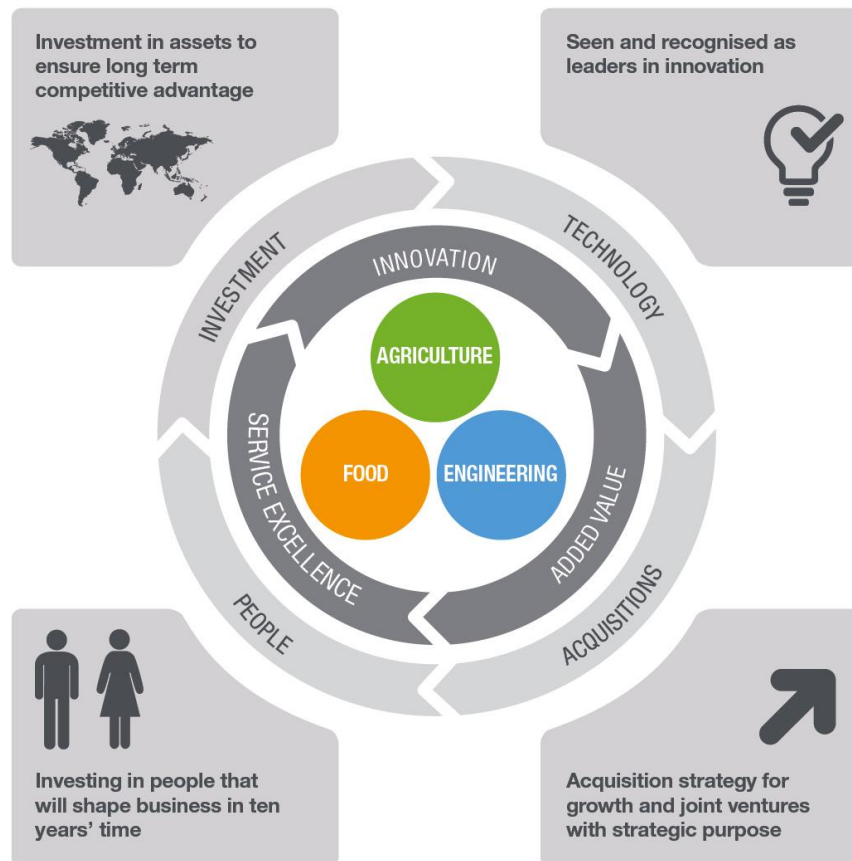


Group Strategic Objectives	Divisional Plans	Delivery
<ul style="list-style-type: none"> • Innovation 	<p>Agriculture</p> <ul style="list-style-type: none"> • Lead in dairy nutrition • Investment in targeted research • New markets • Consolidate UK position • Acquisitions 	<p>Agriculture</p> <ul style="list-style-type: none"> • AminoMax® – new products • Research – 14 trials ongoing • New plants – Silver Springs • New products – Megastart®, Piglyx® and Flaxlic® • New markets – New Zealand and Brazil • Retail development and growth • Enhanced technical sales department
<ul style="list-style-type: none"> • Investment • People 	<p>Food</p> <ul style="list-style-type: none"> • Deliver benefits of new mill • Capitalise on market changes • Service excellence • Logistics optimisation • Exploit new areas of market growth 	<p>Food</p> <ul style="list-style-type: none"> • Step change in financial performance • Continued operational improvement • Ethnic flour focus • New contract wins • Logistics improvements and optimisation
<ul style="list-style-type: none"> • Acquisitions 	<p>Engineering</p> <ul style="list-style-type: none"> • Product research, innovation and development • Investment in new products • Exploit growing market sectors • Acquisitions 	<p>Engineering</p> <ul style="list-style-type: none"> • Remote handling <ul style="list-style-type: none"> ➢ Demo 2000 project ➢ Showroom ➢ New product development – e.g. Japanese market • UK manufacturing <ul style="list-style-type: none"> ➢ Closer integration and marketing of combined offerings ➢ New design department at Bendalls

- Record PBT performance against a challenging market backdrop
- Outstanding performance in the US feedblock business
- Strong performance in UK retail driven by investment
- Further growth in the Food division delivered
- Continuing evidence of recovery in the UK nuclear industry

Vision

To be recognised as a truly international business at the forefront of technology and innovation



Questions & Answers

A

The Group: An overview

International business focused on three sectors: agriculture, food and engineering

Agriculture

- Manufacture of molasses-based branded feedblocks for farm animals in the UK, Germany and USA e.g. Crystalyx®, Megalix® and SmartLic®
- Own and operate 30 rural retail outlets across the north of England and southern Scotland, including seven machinery branches
- Circa 500,000 tonnes of animal feed production at three plants in the UK
- Service country dwellers and farmers with heating oil and machine fuel in the UK

Food

- Supplies flour to bakeries, food manufacturers and multiples across the UK
- Three strategically-located UK mills at Kirkcaldy in Scotland, Silloth in Cumbria and Maldon in Essex
- Produce a range of flours for use in bread and biscuits to speciality flour e.g chapatti

Engineering

- A remote handling business designing and manufacturing bespoke manipulators and robotics, based in Swindon, UK and Markdorf, Germany
- A UK manufacturing business producing specialist fabrications and precision engineering, based in Carlisle and Newcastle upon Tyne
- Products are used across the nuclear research, nuclear, oil and gas, petrochemical and pharmaceutical industries

Innovation, technology and research is at the heart of our DNA and provides the common thread linking this diverse group of businesses