

# Introduction to GB Oils Ltd



**GB Oils**



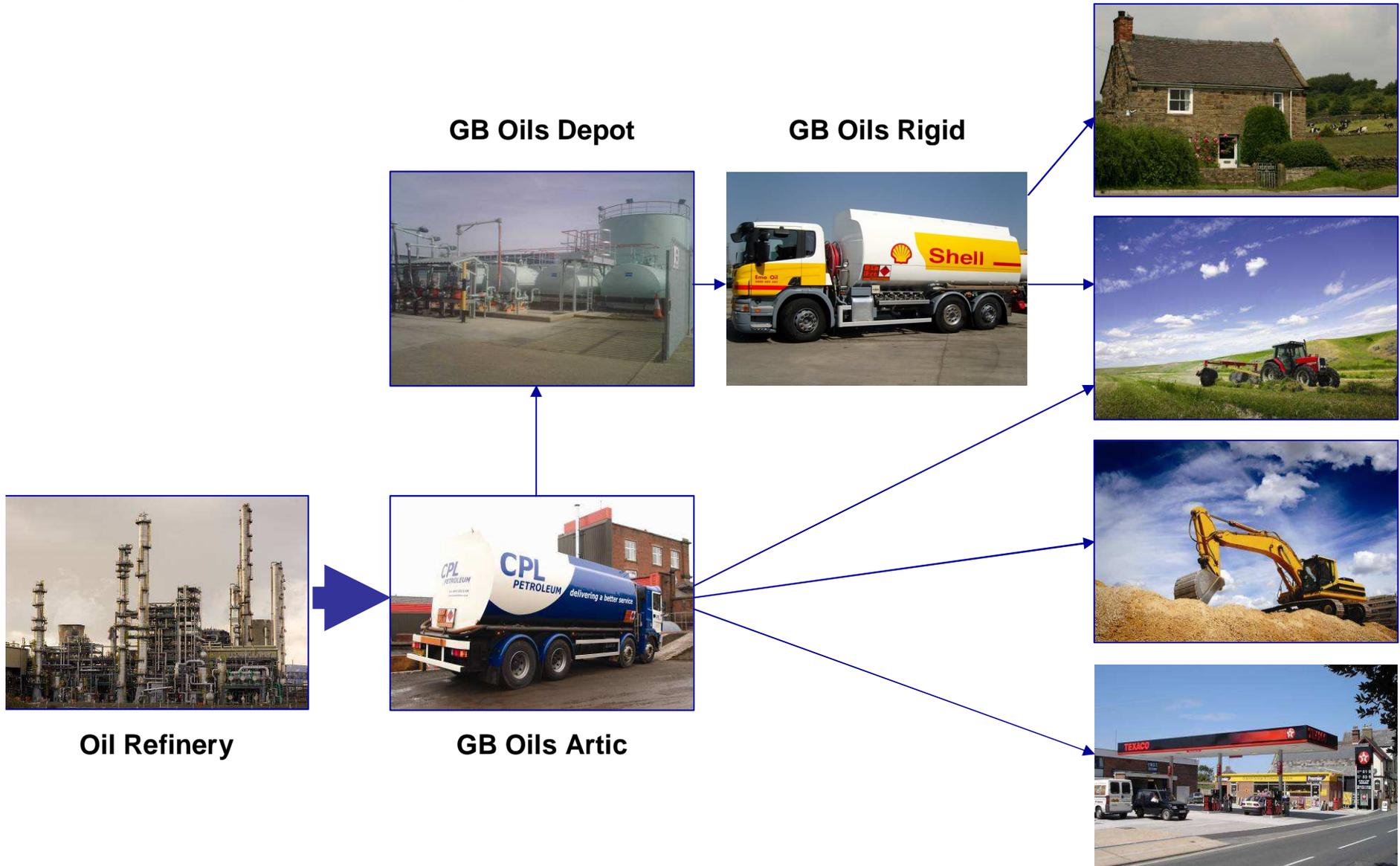
# Introduction

- We are the largest independent distributor of fuels and lubricants in the UK
- Key products : Gasoil, Kerosene, Diesel, Petrol, Lubricants and heating services
- Key markets : commercial, industrial, agricultural, retail forecourts and domestic
- Coverage throughout Britain
- Currently trading under 32 fuel brands



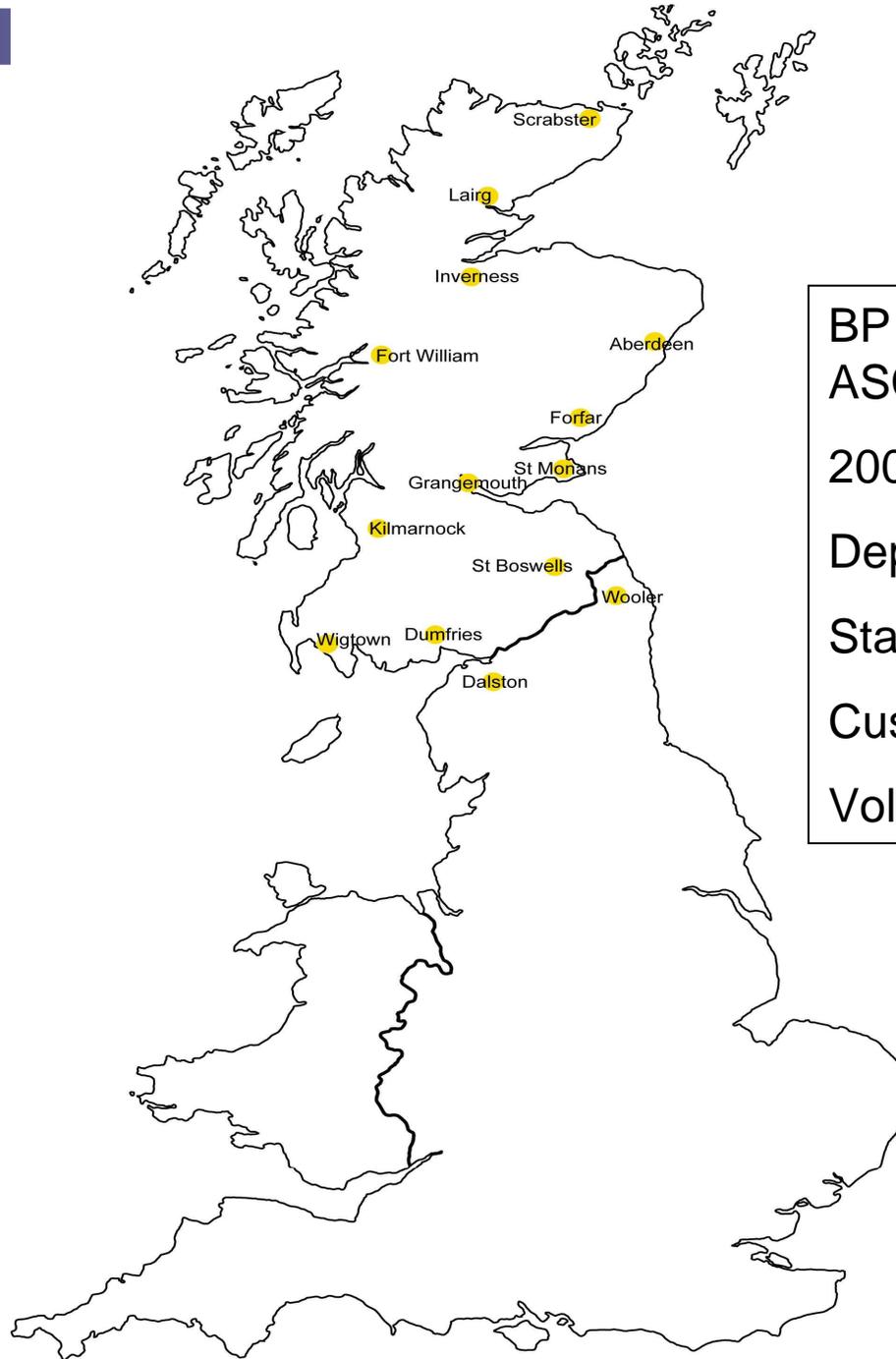
# The Supply Chain

## Customers



# How did GB Oils Develop?

**GB Oils**



BP (Scottish Fuels),  
ASCO

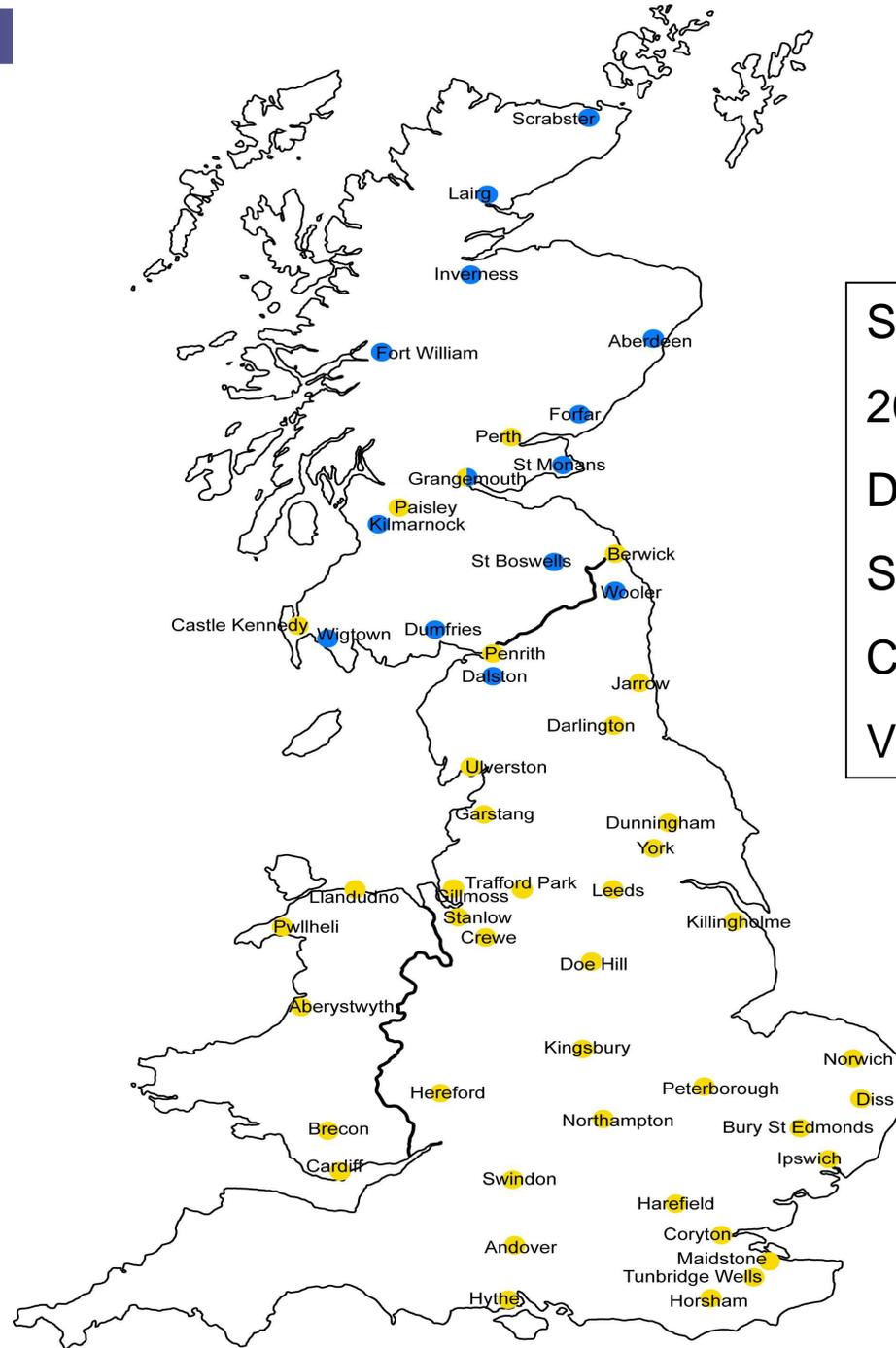
2001 & 2003

Depots : 14

Staff : 220

Customers : 37,000

Volume : 440m Litres



## Shell Direct (Emo)

2004

Depots : 36

Staff : 500

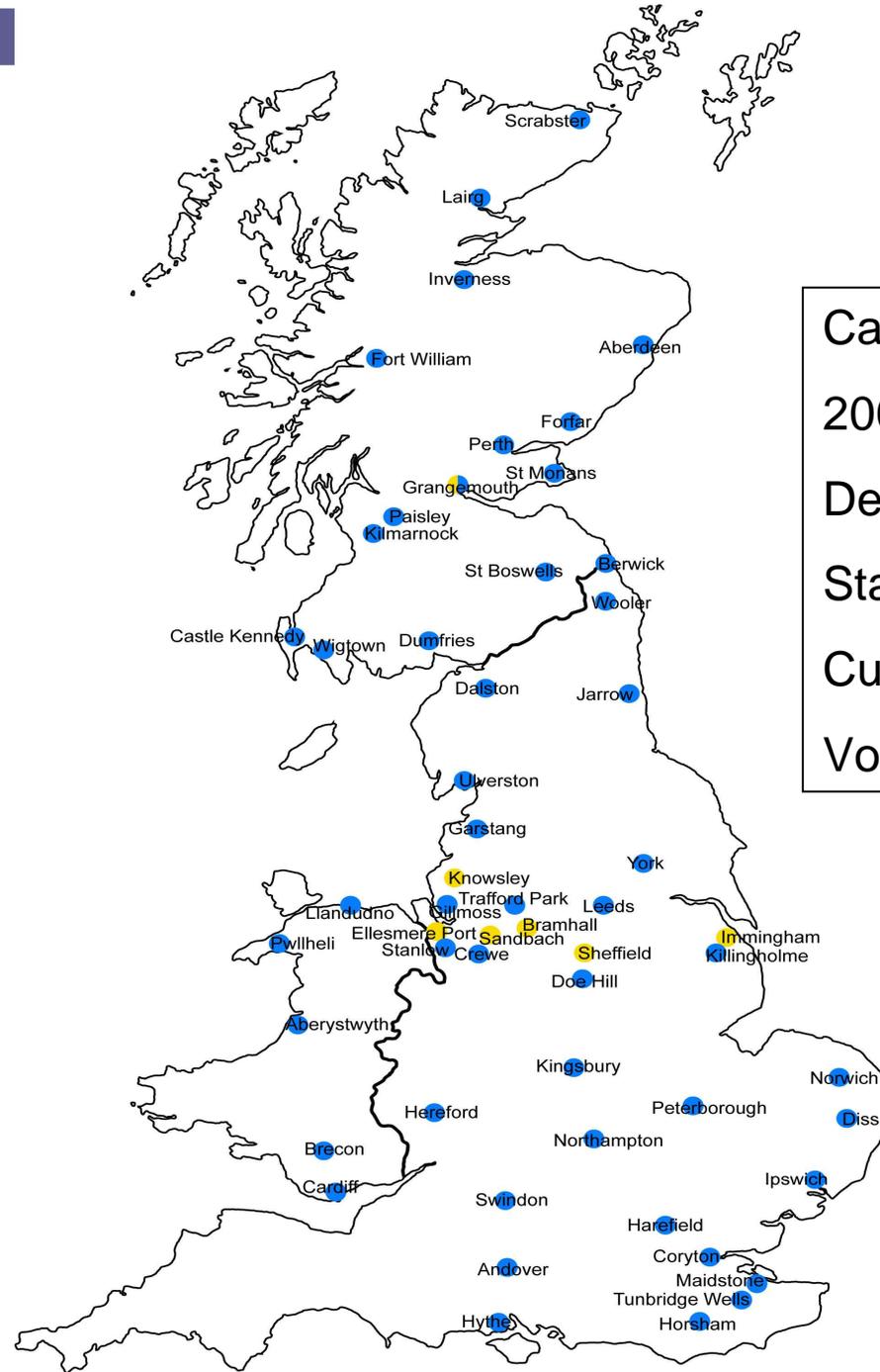
Customers : 47,000

Volume : 600m Litres

### Key

● : New facilities

● : Existing facilities



## Carlton Fuels

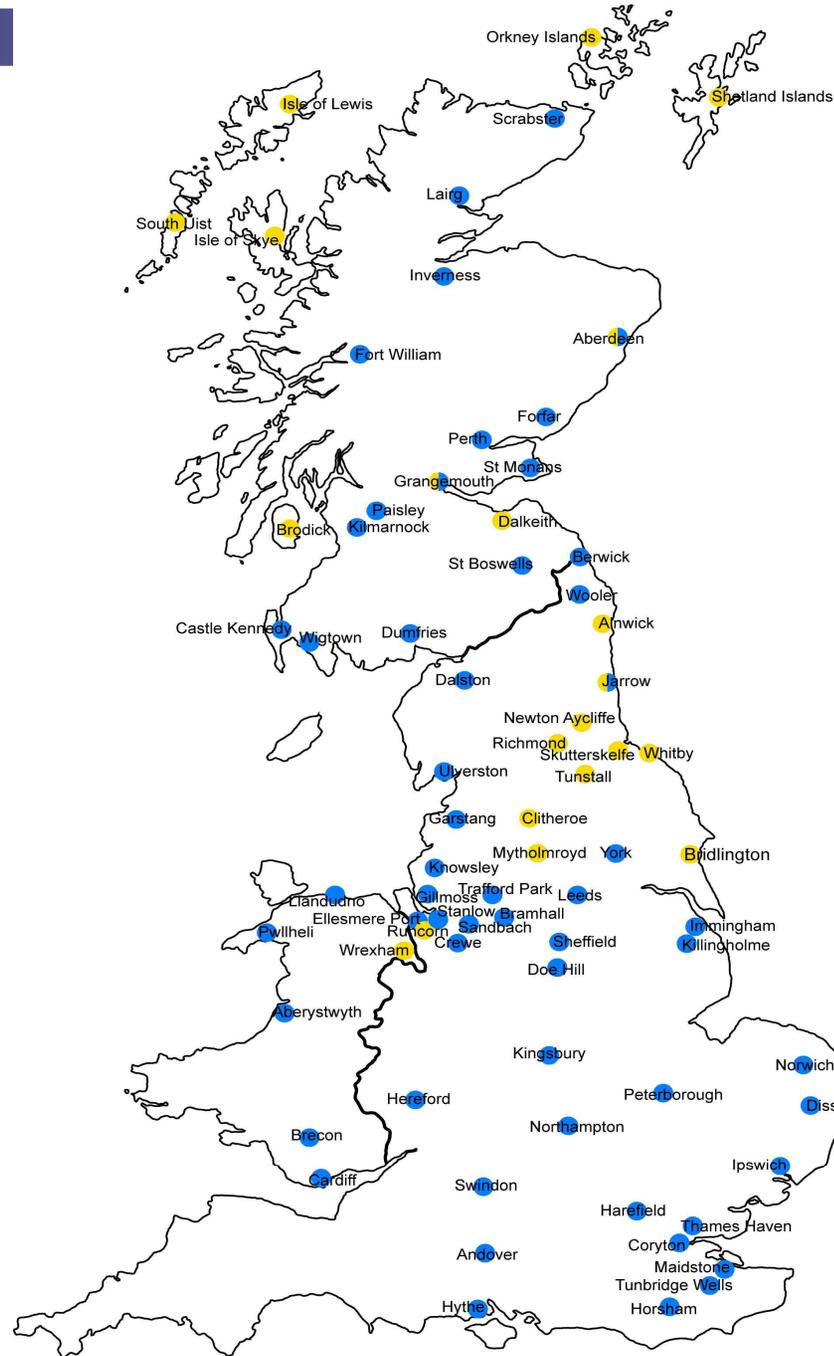
2006

Depots : 6

Staff : 118

Customers : 4200

Volume : 500m Litres



## Local Brands

(NEast Fuels, T&C, Sc Isles, Martindales, Townson, Grampian, Baxter Johnson)

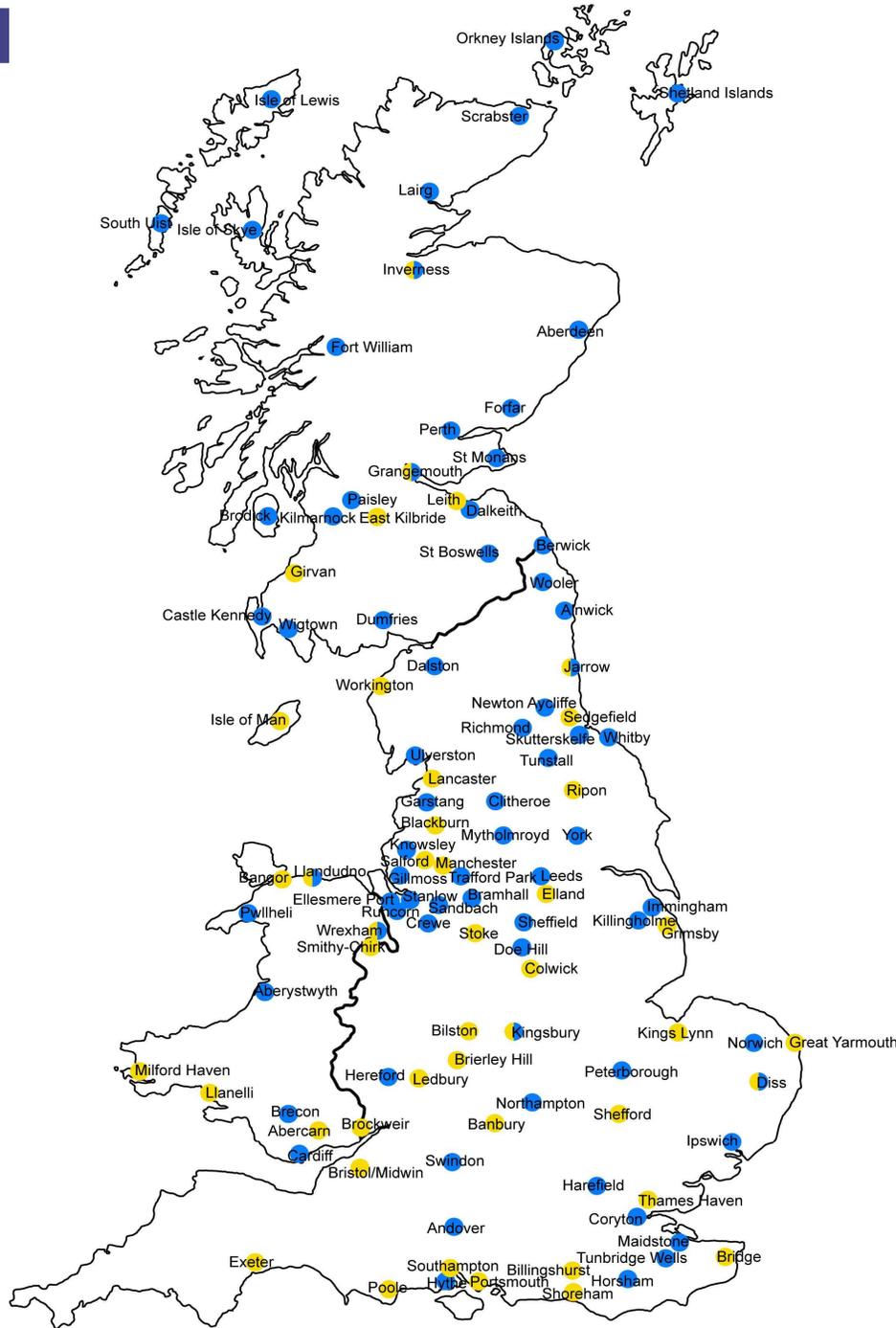
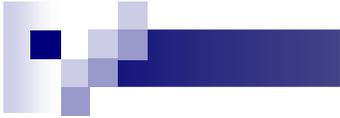
2007 - 2008

Depots : 18

Staff : 254

Customers : 44,000

Volume : 750m Litres



## CPL Petroleum

2007

Depots : 39

Staff : 481

Customers : 74,000

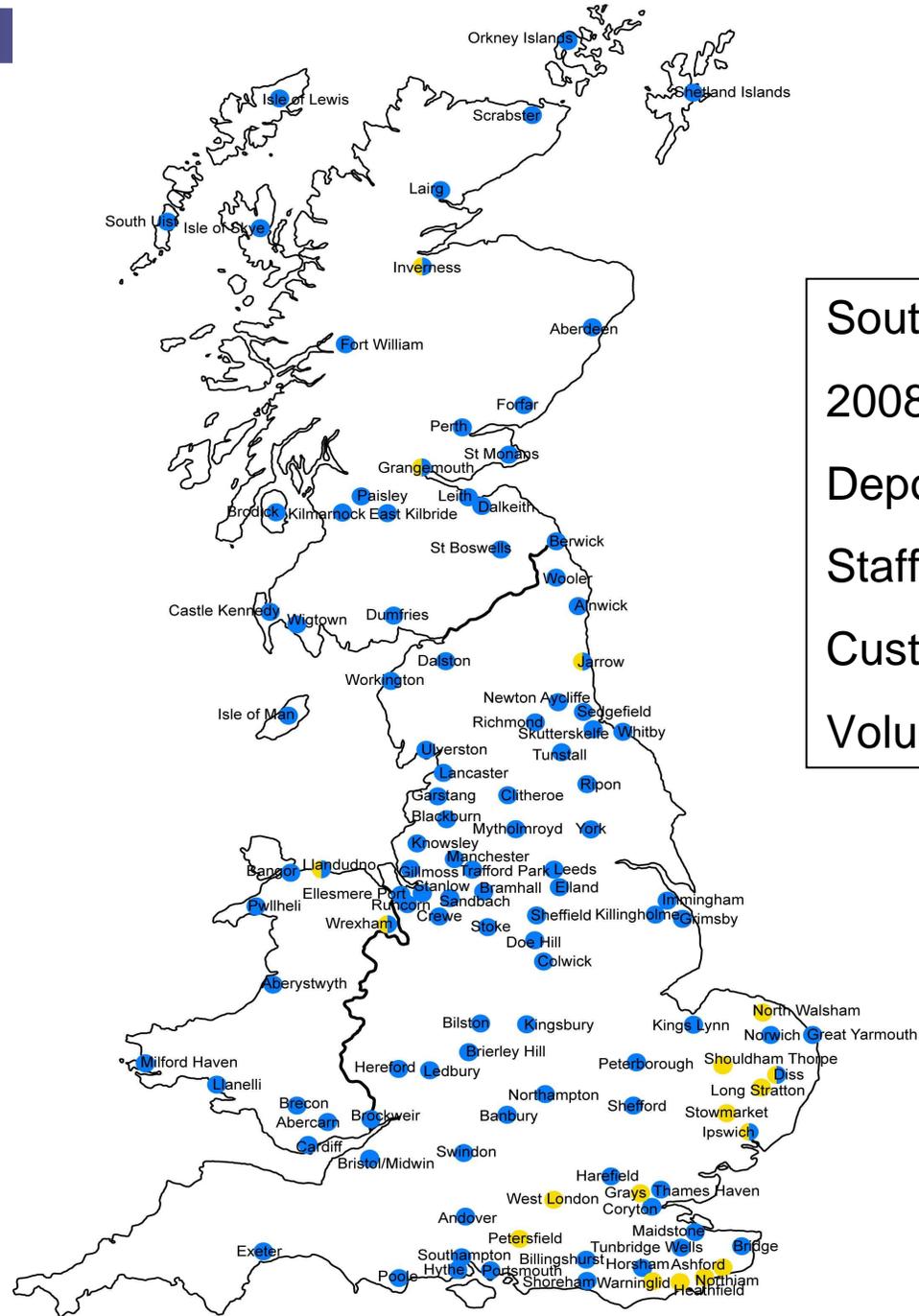
Volume : 831m Litres

### Key

● : New facilities

● : Existing facilities

● : New & existing in one location



## Southern Counties Fuels

2008

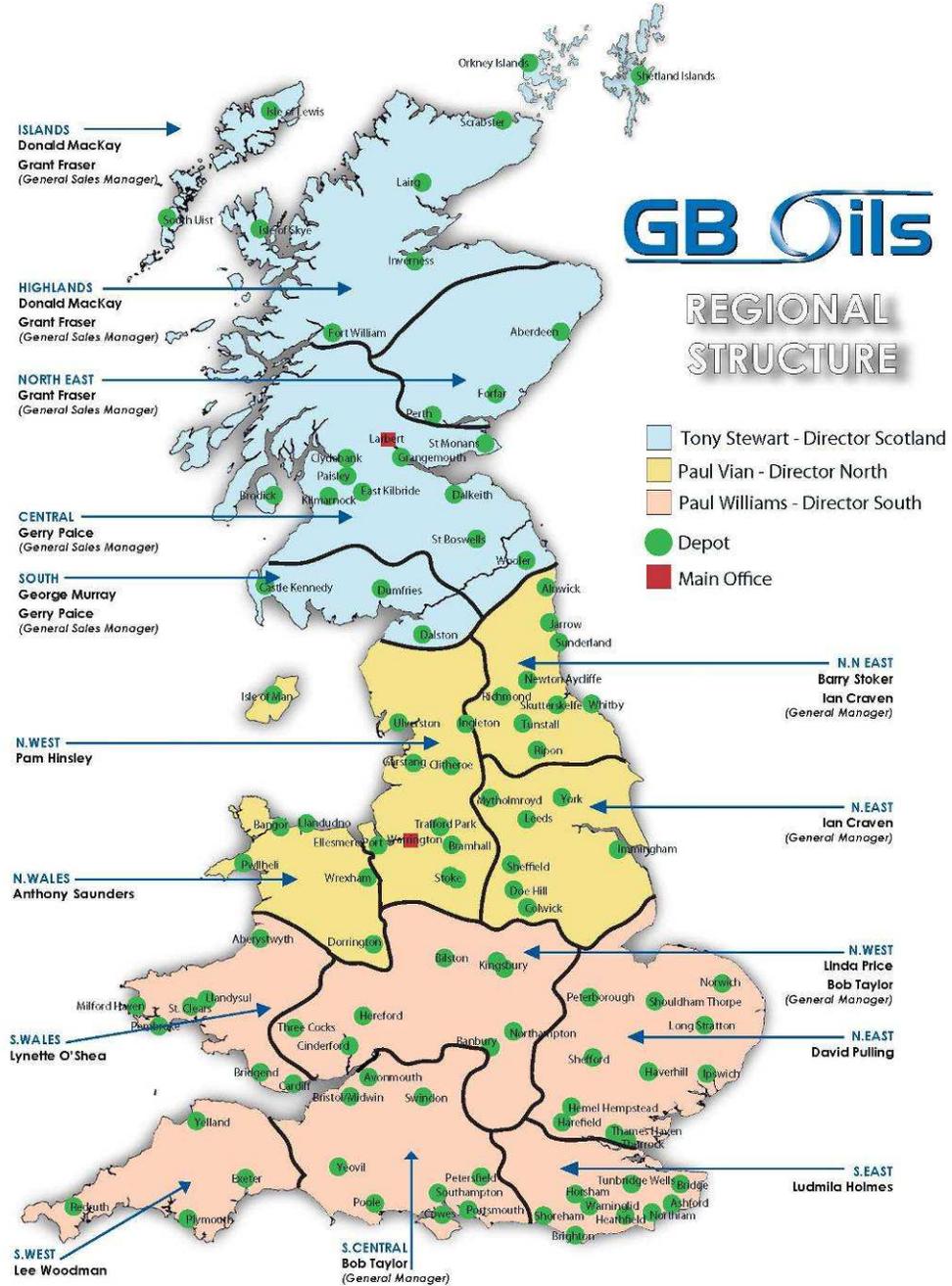
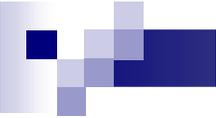
Depots : 8

Staff : 135

Customers : 36,000

Volume : 225m Litres





**The Consolidated Business**

Pre Integration Facilities : 179

Post Integration Facilities : 128

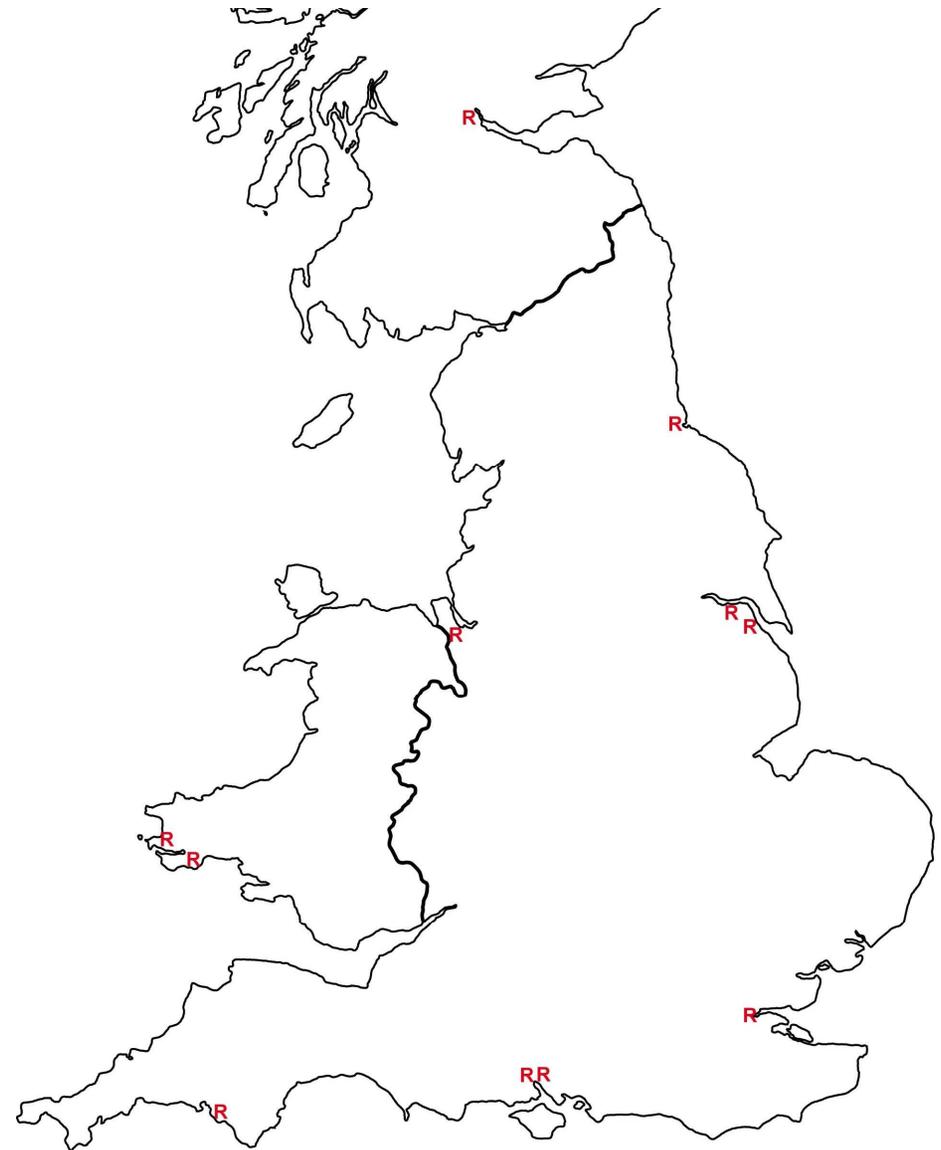
Staff : 1540

Customers : 346,000

Volume : 4.1bn Litres

# Key Suppliers

- Relationships with all key major suppliers
- Volume Split (approximate)
  - BP : 24%
  - Texaco : 24%
  - Conoco : 16%
  - Shell : 11%
  - Esso, Mabanft, Total, Greenergy : 25%



**GB Oils**



# Typical Integration Synergies

- Depot & HQ locations
- Staff, particularly central support
- Tankers
- Change of mindset on margin management
- Improvement in working capital
  - Debtor days
  - Payment terms from suppliers
  - Credit management

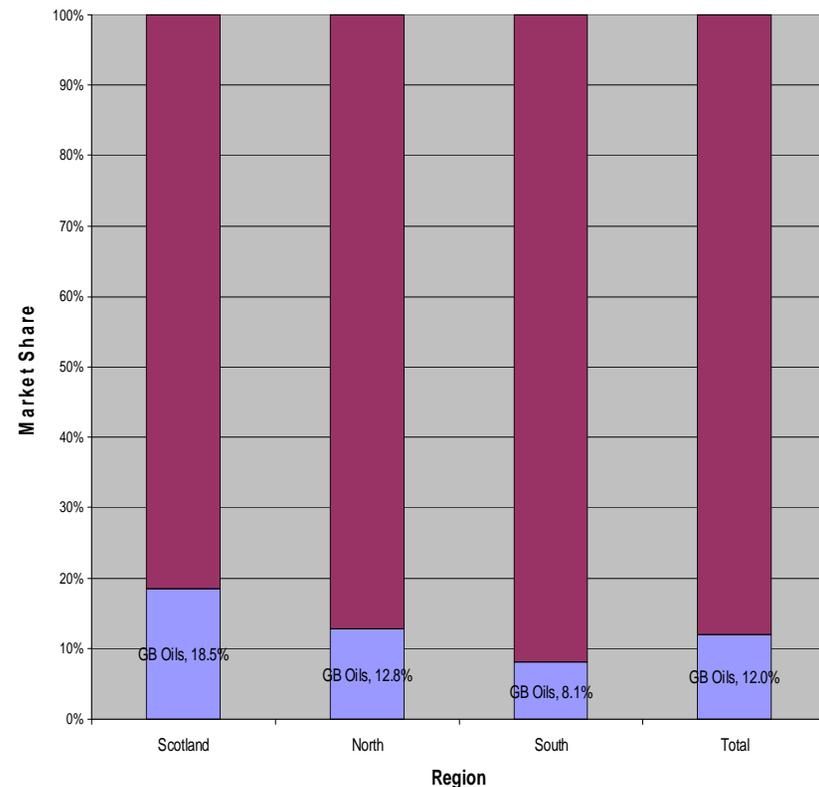
# The Market

**GB Oils**

# The Competitive Environment

- Large, fragmented competitor base
  - Approx 200 competitors nationally\*
- Many small, highly localised operators
- Consolidating market : Only one other player in excess of 1bn litres
- Regional competitor pricing

GB Oils Market Share



\* Source : Yellow Pages Competitor Review





# Key Competitors

- Total Butler, a subsidiary of Total
- Watson Petroleum
- Bayfords Ltd
- WCF Fuels
- NWF Fuels Ltd, a subsidiary of NWF plc
- Pace Petroleum Ltd
- Localised competitors : Goff Petroleum (E Anglia), Brogan Fuels (Scotland), Crown Oils (North), Pearts (North East), Wessex Petroleum (South), Severn Fuels (S Wales)



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# Changes to the Market Place

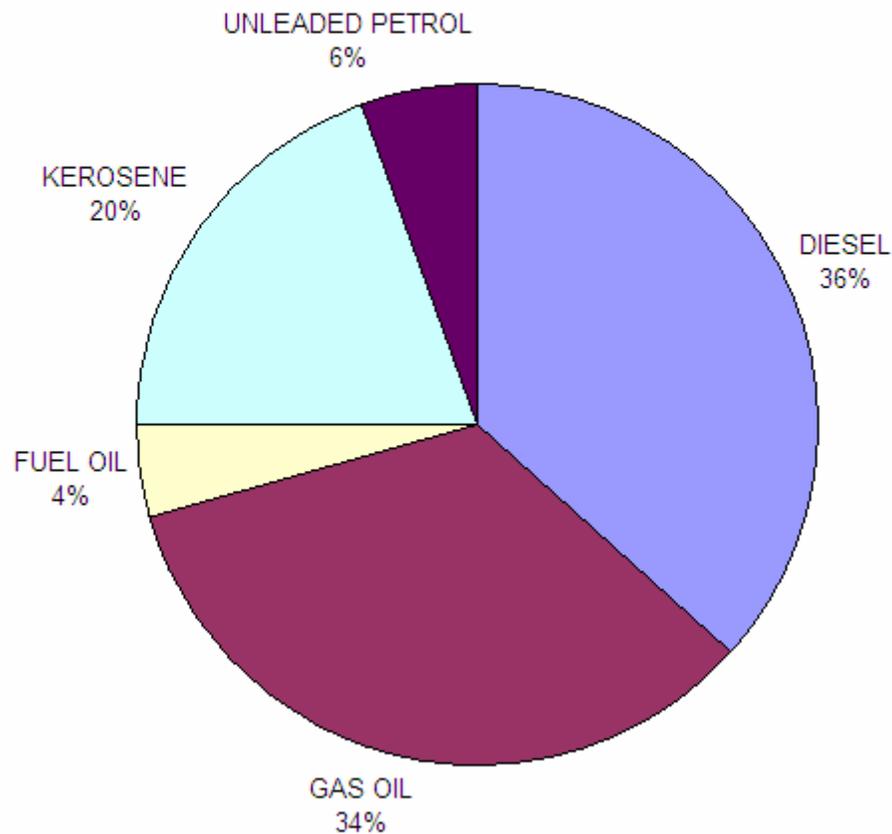
- On-line ordering
- Potential restrictions on heating fuels
- Changes to specification of transport fuels
- Turbulent economic times
- Managing working capital

# The GB Oils Business

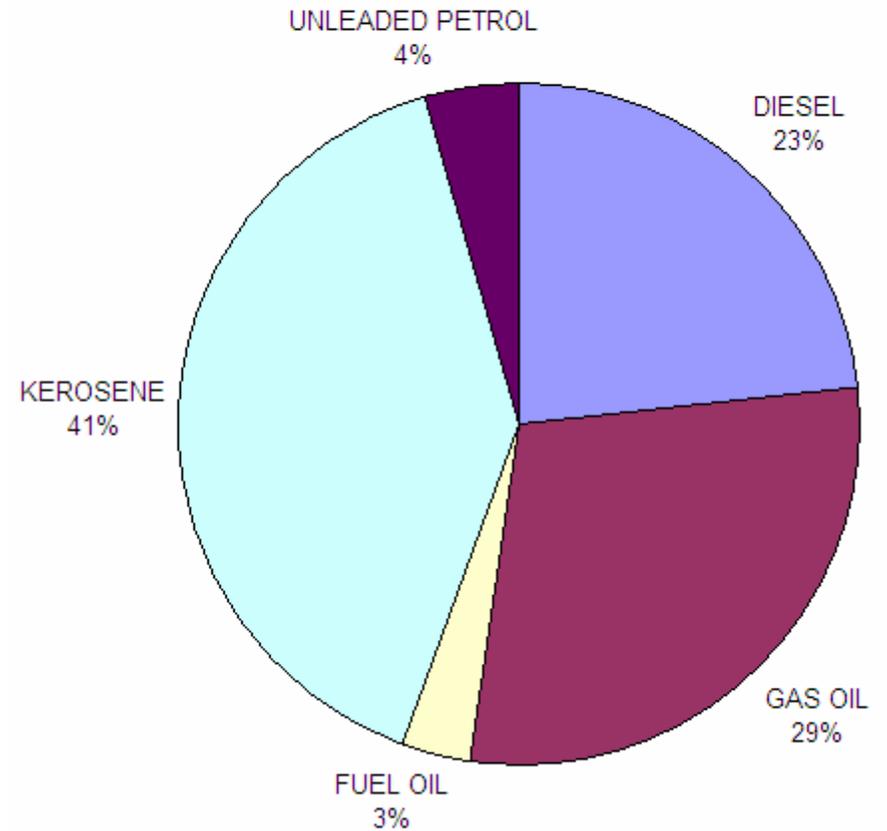
**GB Oils**

# Product Mix

## GB Oils Volume by Product Group

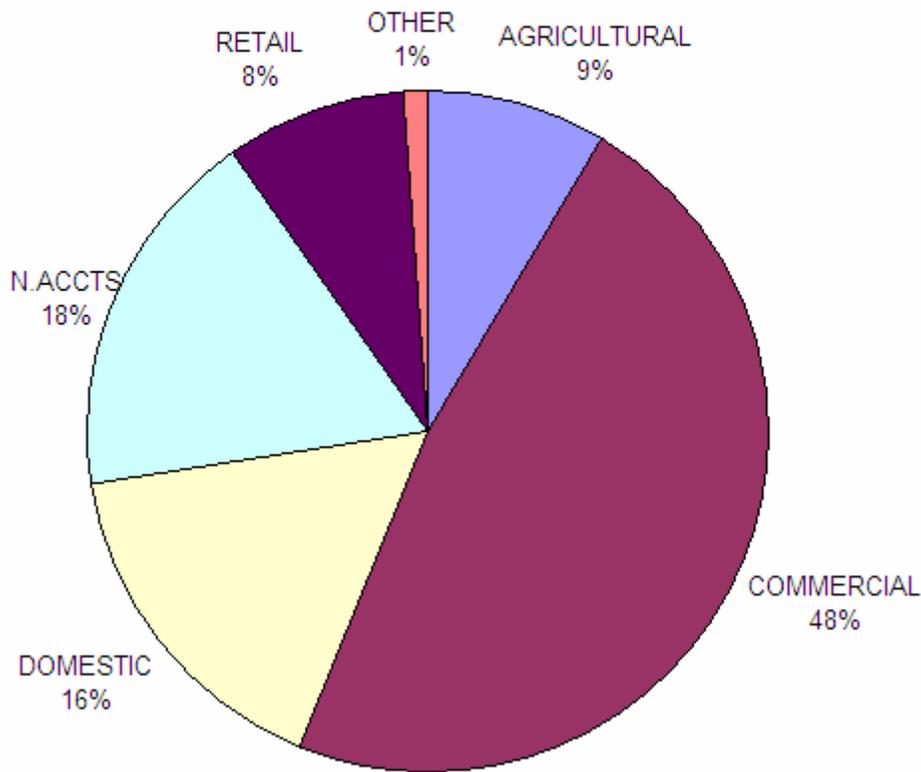


## GB Oils Margin by Product Group

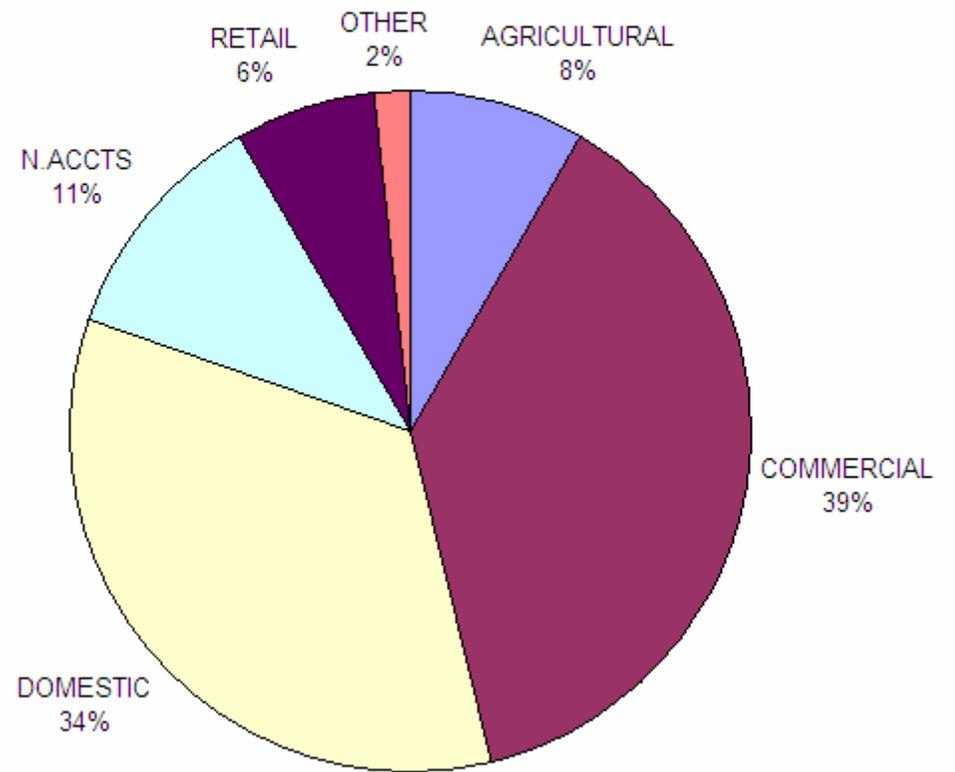


# Customer Mix

**GB Oils Volume by Customer Type**



**GB Oils Margin by Customer Type**





# Added Value & Retention Products

- Premium Fuels : Diesel Extra, Premium Kerosenes, Ultra 35
- Boiler Maintenance
- Lubricants : Shell, Texaco, Castrol, Q8, Own Brand
- Fuel cards
- Planned delivery / Direct debit





# Scale of the Business

- Over 893,000 customer records
- Over 300,000 live customer records
- No of deliveries : 88,512 per month
- Turnover : Over £165m per month
- No of direct debits : 57,000
- Number of employees : 1,540 staff
- Number of tankers: Approx 800



# Company Vision

- To be a multi-brand provider of fuels and lubricants, distributing 8 billion litres of fuel that continues to achieve a Return on Capital Employed (ROCE) that enhances shareholder value





# Key Strategies

- Continue profitable business acquisitions that offer strategic benefits
  - Aim at 20% return
- Improve margins through up-selling differentiated products : Ultra 35, STP, Diesel Extra
- Key focus on reducing debtor days
- Increased focus on customer acquisition : increased sales targets, proactive campaigns





# Key Strategies

- Introduce new on-line channels
- Ensure that the business infrastructure is fit for purpose for the long term
- Manage the business in a manner which achieves the highest practicable health and safety standards
- Introduce integrated HR Plan : Appraisals, Management Development, Succession Planning

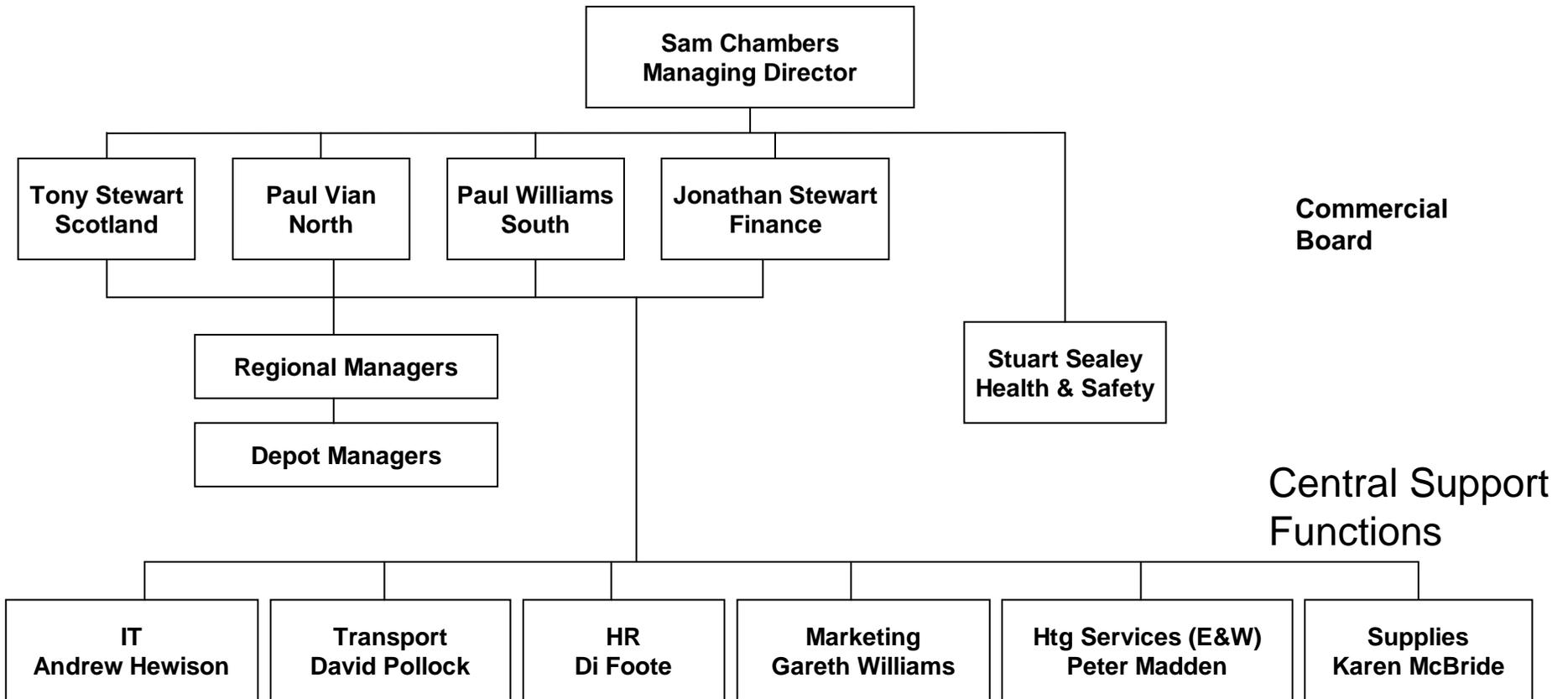


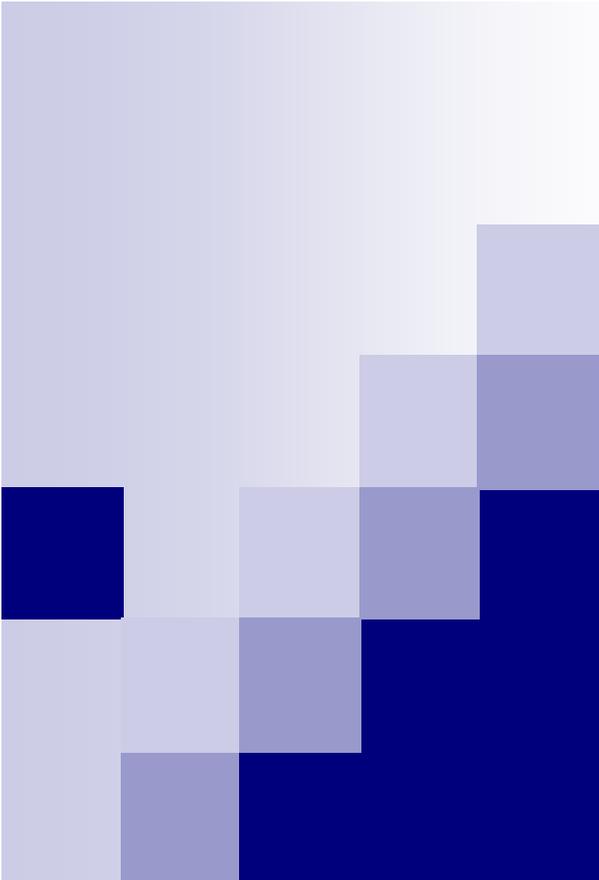
# Health & Safety

- HSE system based on OSHAS 18001, ISO 14000 (but not accredited)
- All locations audited annually
- Senior managers/directors carry out tours and demonstrate safety leadership
- GB Oils Board has HSE Director looking at Process safety - as recommended by Process Safety leadership Group following Buncefield explosion
- All depot managers and regional managers attend in house HSE course
- Developing improving safety culture across the business



# The Organisational Structure





# Questions