

# Robinson plc

("Robinson", the "Company" or the "Group")

## INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2017

### CHAIRMAN'S STATEMENT

#### Trading and Cash

Revenue of £13.5m was 6% higher than the same period in the previous year, lifted by favourable exchange rates and higher resin prices passed on to customers. Allowing for these effects, sales volume in the first half was very similar to 2016. Increased costs, including some resin costs not yet passed on to customers, have reduced gross margins and operating expenses have been increased primarily by our action to strengthen the sales team. The resulting profit before tax was £0.3m lower than the same period last year at just above break-even for the first six months (2016: £0.3m). In addition to the largely temporary effect of resin prices, the lower margins are also as a result of sales mix factors such as consumers trading down from premium branded products in some sectors. As we have reported previously, new business gains have been secured but have taken longer to bring to fruition.

With the amortisation of intangible assets and depreciation together amounting to £1.1m, the cash generated from operating activities of £0.9m was sufficient to cover the final dividend for 2016 and the loan repayments but not all the net capital reinvestment. The latter, at £0.8m, is mainly equipment associated with new business yet to come on stream. Net debt therefore increased by £0.3m to end the period at £5.2m. A final dividend, with respect to 2016, of 3p was paid to shareholders on 1 June 2017 (2016: 3p).

#### Property

The sale of surplus properties in Chesterfield is progressing and developments for the Walton Mill and Boythorpe Works sites are being discussed with prospective tenants and buyers. This process is likely to take several more months but we do expect some realisations in 2018.

#### Outlook and Dividend

We do expect to see sufficient new business coming through in the second half to achieve growth in revenue for the year as a whole and we expect to continue to build the pipeline for further growth in 2018. Re-organisation of manufacturing to achieve efficiencies and investments in capital equipment to improve capacity and capability are being carried out to support this growth and help to recover margins.

The Board has approved an interim dividend of 2.5p (2016: 2.5p) to be paid on 2 October 2017 to shareholders on the register at 1 September 2017. The ordinary shares ex-dividend date is 31 August 2017.

#### For more information, please contact:

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#### About Robinson

Headquartered in Chesterfield, with manufacturing facilities in Kirkby-in-Ashfield, Stanton Hill (Nottinghamshire) and Lodz and Warsaw (Poland), Robinson currently employs around 300 people. It was formerly a family business, with its origins dating back some 178 years. Today the Group's main activity is the manufacture and sale of rigid plastic packaging. Robinson operates primarily within the food & drink, toiletries & cosmetics and household sectors, providing niche or custom manufacture to major players in the fast moving consumer goods market. The Group also has a substantial property portfolio with development potential.

Robinson plc, Chesterfield, S40 2AB, UK. Registered number 39811 (England) AIM code "RBN"

The information communicated in this announcement is inside information for the purposes of Article 7 of Regulation 596/2014.

## Group Income Statement

	Six months to 30.06.17	Six months to 30.06.16	Year to 31.12.16
	£'000	£'000	£'000
<b>Revenue</b>	<b>13,586</b>	12,762	27,459
Cost of sales	<b>(10,950)</b>	<b>(9,716)</b>	<b>(21,201)</b>
<b>Gross profit</b>	<b>2,636</b>	2,775	6,258
Operating costs	<b>(2,221)</b>	<b>(2,151)</b>	<b>(4,120)</b>
Amortisation of intangible asset	<b>(392)</b>	<b>(392)</b>	<b>(783)</b>
Exceptional costs	<b>0</b>	0	190
<b>Operating profit</b>	<b>23</b>	232	1,545
Finance costs - bank interest payable	<b>(51)</b>	<b>(44)</b>	<b>(116)</b>
Finance income in respect of pension fund	<b>30</b>	96	189
<b>Profit before taxation</b>	<b>2</b>	284	1,618
Taxation	<b>(176)</b>	<b>(122)</b>	<b>(390)</b>
<b>(Loss)/profit for the period</b>	<b>(174)</b>	162	1,228
<b>Earnings per ordinary share (EPS)</b>	p	p	p
Basic (loss)/earnings per share	<b>(1.1)</b>	1.0	7.5
Diluted (loss)/earnings per share	<b>(1.1)</b>	1.0	7.3
<b>Statement of comprehensive income</b>	<b>£'000</b>	£'000	£'000
<b>(Loss)/profit for the period</b>	<b>(174)</b>	162	1,228
<b>Items that will not be reclassified subsequently to profit or loss:</b>			
Re-measurement of net defined benefit liability	<b>0</b>	0	<b>(3,774)</b>
Deferred tax relating to items not reclassified	<b>0</b>	0	683
	<b>0</b>	0	<b>(3,091)</b>
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Exchange differences on translation of foreign operations	<b>592</b>	340	766
Other comprehensive expense for the period	<b>592</b>	340	<b>(2,325)</b>
<b>Total comprehensive income for the period</b>	<b>418</b>	502	<b>(1,097)</b>

## Group Statement of Financial Position

	30.06.17 £'000	30.06.16 £'000	31.12.16 £'000
<b>Non-current assets</b>			
Goodwill	1,041	1,190	1,115
Other Intangible Assets	5,481	6,263	5,872
Property, plant and equipment	15,490	14,437	14,834
Deferred tax assets	119	133	188
Pension asset	0	3,747	0
	<u>22,131</u>	<u>25,770</u>	<u>22,009</u>
<b>Current assets</b>			
Inventories	2,887	2,363	2,471
Trade and other receivables	8,628	7,249	8,722
Cash	649	1,069	881
	<u>12,164</u>	<u>10,681</u>	<u>12,074</u>
<b>Total assets</b>	<u>34,295</u>	<u>36,451</u>	<u>34,083</u>
<b>Current liabilities</b>			
Trade and other payables	(4,593)	(4,239)	(4,518)
Corporation tax payable	(169)	(275)	(234)
Borrowings	(5,809)	(4,899)	(5,570)
	<u>(10,571)</u>	<u>(9,413)</u>	<u>(10,322)</u>
<b>Non-current liabilities</b>			
Borrowings	0	(772)	(201)
Other Payables	(78)	(62)	(78)
Deferred tax liabilities	(680)	(1,429)	(660)
Provisions	(185)	(183)	(185)
	<u>(943)</u>	<u>(2,446)</u>	<u>(1,124)</u>
<b>Total liabilities</b>	<u>(11,514)</u>	<u>(11,859)</u>	<u>(11,446)</u>
<b>Net assets</b>	<u>22,781</u>	<u>24,592</u>	<u>22,637</u>
<b>Equity</b>			
Share capital	83	82	82
Share premium	732	610	610
Capital redemption reserve	216	216	216
Translation reserve	738	(263)	146
Revaluation reserve	4,324	4,484	4,402
Retained earnings	16,687	19,463	17,181
<b>Equity attributable to shareholders</b>	<u>22,781</u>	<u>24,592</u>	<u>22,637</u>

## Group Statement of Cash Flows

	Six months to 30.06.17 £'000	Six months to 30.06.16 £'000	Year to 31.12.16 £'000
<b>Cash flows from operating activities</b>			
(Loss)/profit for the period	(174)	161	1,228
<b>Adjustments for:</b>			
Depreciation of property, plant and equipment	687	747	1,385
Profit on disposal of other plant and equipment	(71)	(55)	(189)
Amortisation of goodwill and customer relationships	465	466	932
Increase in provisions	0	0	2
Other finance income in respect of pension fund	(30)	(96)	(189)
Finance costs	51	38	122
Finance income	0	(6)	(6)
Taxation charged	176	122	390
Non-cash items:			
Pension current service cost	108	96	162
Cost of share options	11	19	39
Operating cash flows before movements in working capital	<u>1,223</u>	<u>1,493</u>	<u>3,876</u>
(Increase) in inventories	(339)	(291)	(399)
Decrease in trade and other receivables	500	1,633	222
(Decrease) in trade and other payables	(166)	(747)	(499)
Cash generated by operations	<u>1,218</u>	<u>2,088</u>	<u>3,200</u>
Corporation tax paid	(241)	(71)	(446)
Interest paid	(40)	(44)	(122)
<b>Net cash generated from operating activities</b>	<u>937</u>	<u>1,973</u>	<u>2,632</u>
<b>Cash flows from investing activities</b>			
Interest received	0	5	6
Deferred consideration paid on acquisition	0	(4,265)	(4,265)
Acquisition of plant and equipment	(914)	(783)	(1,782)
Disposal of other plant and equipment	121	105	481
<b>Net cash used in investing activities</b>	<u>(793)</u>	<u>(4,938)</u>	<u>(5,560)</u>
<b>Cash flows from financing activities</b>			
Loans paid	(259)	(401)	(1,226)
Proceeds from exercise of share options	123	0	0
Dividends paid	(485)	(477)	(877)
<b>Net cash used in financing activities</b>	<u>(621)</u>	<u>(878)</u>	<u>(2,103)</u>
<b>Net decrease in cash and cash equivalents</b>	<u>(478)</u>	<u>(3,843)</u>	<u>(5,031)</u>
Cash and cash equivalents at 1 January	<u>(4,206)</u>	825	825
<b>Cash and cash equivalents at end of period</b>	<u>(4,684)</u>	<u>(3,018)</u>	<u>(4,206)</u>
Cash	649	1,069	881
Overdraft	(5,333)	(4,087)	(5,087)
<b>Cash and cash equivalents at end of period</b>	<u>(4,684)</u>	<u>(3,018)</u>	<u>(4,206)</u>

## Notes to the Interim Report

### 1. Basis of preparation

The interim report for the six month period to 30 June 2017 was approved by the directors on 22 August 2017. The interim financial information is not audited.

The interim financial statements have been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRSs). These should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2016, which have been prepared in accordance with applicable IFRSs. The information for the year ended 31 December 2016 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors reported on those accounts: their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under sections 498 (2) or (3) respectively of the Companies Act 2006.

### 2. Taxation

The taxation charge for the six months to 30 June 2017 has been calculated based on the estimated effective tax rate on profits before tax for the year to 31 December 2017.

### 3. Dividends

	<b>Six months to 30.06.17</b>	Six months to 30.06.16	Year to 31.12.16
	<b>£'000</b>	£'000	£'000
Ordinary:			
Final	<u>485</u>	<u>477</u>	<u>479</u>
Interim	<u>-</u>	<u>-</u>	<u>398</u>
	<u><b>485</b></u>	<u><b>477</b></u>	<u><b>877</b></u>

### 4. Earnings per share

The calculation of basic and diluted earnings per ordinary share for continuing operations shown on the income statement is based on the loss after taxation of £174,000 divided by the weighted average number of shares in issue, net of treasury shares, of 16,508,083. There was no difference in the weighted average number of shares used for the calculation of basic and diluted loss per share as the effect of potentially dilutive shares outstanding was anti-dilutive.

### 5. Going concern

The directors have considered the cash flow forecasts for the Group and the availability of facilities. As at the date of this report, the directors have a reasonable expectation that the Group has adequate resources to continue in business for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting.

### 6. Interim report

Copies of the interim report are available from Robinson plc's registered office: Field House, Wheatbridge, Chesterfield, S40 2AB, UK or from its website at [www.robinsonpackaging.com](http://www.robinsonpackaging.com).