ROBINSON
Packaging Innovation

23 March 2017

Robinson plc

FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2016

Robinson plc ("Robinson" or the "Group" stock code: RBN), the custom manufacturer of plastic and paperboard packaging based in Chesterfield, announces its audited results for the year ended 31 December 2016.

Highlights:

- Revenue decreased by 6% to £27.5m (2015: £29.1m)
  - £0.8m increase due to foreign exchange movements
  - Volumes down by 8%
- As a result, the operating profit before exceptional items was £1.4m (2015: £2.4m)
- Final Madrox earn out paid (£4.3m) resulting in net borrowings of £4.9m at the year end
- Post period end, outline planning permission for two significant development sites
- The Board is recommending a final dividend for the year of 3.0p per share (2015: 3.0p) - the total dividend declared in respect of 2016 is 5.5p (2015: 5.5p)

Commenting on the results, Chairman, Richard Clothier said:

"Although we anticipated a difficult market in 2016, we had expected growth from new business in the pipeline. However, with the full year effect of previously reported lost business and new product introductions delayed by our customers, overall sales volumes declined. At the same time, we had undertaken a strengthening of our management team to deliver future growth and this has inevitably resulted in higher operating costs. We expect the new business will return the Company to growth in 2017."

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.

For further information, please contact:

Robinson plc www.robinsonpackaging.com
Guy Robinson, Finance Director Tel: 01246 389283

finnCap Ltd
Ed Frisby / Giles Rolls, corporate finance Tel: 020 7220 0500
Stephen Norcross / Alice Lane, corporate broking

CHAIRMAN'S STATEMENT

Although we anticipated a difficult market in 2016, we had expected growth from new business in the pipeline. In the event, new product introductions were delayed by our customers and, with the full year effect of previously reported lost business, overall sales volumes declined. At the same time we had undertaken a strengthening of our management team to deliver future growth which has inevitably resulted in higher operating costs. There is, however, continued optimism that the new business won will return the business to growth in 2017.

Revenues
Revenues were £27.5m for the year, which represents a 6% decrease on the previous year after benefitting from a £0.8m effect of favourable exchange rates. Volumes were 8% lower, mainly attributable to the previously reported lost contracts and lower demand for certain categories of branded goods. After its losses of custom in 2015, the Lodz business returned to growth and it was the UK that accounted for the reduction in 2016.

Profits
The gross margin decreased from 24% to 23% as the lost business had been at higher margins and costs had been increased in anticipation of new business being brought on stream. Operating costs increased by £0.3m, driven mainly by investment in sales personnel. The operating profit before amortisation and exceptional items decreased from £3.2m to £2.1m. The charge relating to ongoing amortisation of the value attributed to acquired customer relationships amounted to £0.8m bringing the operating profit before exceptional items to £1.4m (2015: £2.4m). There were exceptional gains mainly from the sale of properties amounting to £0.2m (2015 exceptional cost of £1.7m, relating to acquisition of Madrox). The profit before tax was £1.6m (2015: £0.8m).

Operations
The previous owners of Madrox left the business in March following the earn-out year and we have put in place new personnel to run these operations and in the process established a single management team for the Polish operations comprising the Lodz and Warsaw factories where the group standard operating systems have now been introduced. Significant new business gained during the year is expected to grow this business in 2017. In the UK, a new commercial director joined in December to drive profitable sales growth and we continue to focus on improving operational efficiencies with integration of management and rationalisation of manufacturing between our two main sites.

Cash, finances, dividend and pension
The main impact on cash in the year was the payment of the Madrox earn-out (£4.3m). The net cash generated from operating activities was £2.6m. The earn-out added to investment in plant & machinery of £1.8m meant that net borrowings increased from £1.1m to £4.9m. After payment of the dividend of £0.8m, the translation adjustment to foreign asset values and the elimination of the pension asset (which we have held on the balance sheet for several years), shareholders' funds reduced by £2.0m to £22.6m. Taking these factors into account along with our view of the outlook, the Board proposes a final dividend of 3.0p per share to be paid on 1 June 2017 (2016: 3.0p) to shareholders on the register at the close of business on 19 May 2017. The ordinary shares become ex-dividend on 18 May 2017. This brings the total dividend declared in respect of 2016 to 5.5p per share (2015: 5.5p). Given the low level of gilt yields and the likely impact this will have on the Group pension fund actuarial valuation in April 2017, the pension asset (net of related deferred tax) has been reduced to nil (2015: £3.1m).

Property
In January 2017, outline planning permission was granted for the development of two significant sites owned by the Group that are surplus to our requirements. Boythorpe Works is 16 acres of brownfield land targeted for residential development. Walton Works is 8 acres of brownfield land with approval for 3,000m2 of retail stores, 1.5 acres residential and conversion of the grade II* listed Walton Mill for mixed retail and residential use. The Group is currently working with partners to find prospective tenants, develop detailed plans and sell the sites. Proceeds from the eventual sales will be used to finance the expansion of the operations and reduce debt.

Outlook
The general economic conditions suggest another challenging year ahead with continued pressure on consumer product brands and the UK retail sector. Continued investment in both personnel and equipment are leading to significant additional expenditure in 2017, justified by new business, some of which is already coming on stream. We remain on track to deliver revenue growth in 2017.

Richard Clothier
Chairman
23 March 2017

Group income statement

FOR THE YEAR ENDED 31 DECEMBER

	2016 £'000	2015 £'000
Continuing operations		
Revenue	**27,459**	29,138
Cost of sales	**(21,201)**	(22,143)
Gross profit	**6,258**	6,995
Operating costs	**(4,120)**	(3,805)
Amortisation of intangible asset	**(783)**	(783)
Operating profit before exceptional items	**1,355**	2,407
Exceptional items	**190**	(1,694)
Operating profit after exceptional items	**1,545**	713
Finance income - interest receivable	**6**	12
Finance costs - bank interest payable	**(122)**	(104)
Finance income in respect of pension fund	**189**	153
Profit before taxation	**1,618**	774
Taxation	**(390)**	(679)
Profit for year attributable to the owners of the Company	**1,228**	95
Basic earnings per share	**7.5p**	0.6p
Diluted earnings per share	**7.3p**	0.6p

Statement of comprehensive income

FOR THE YEAR ENDED 31 DECEMBER

	2016 £'000	2015 £'000
Profit for the year	**1,228**	95
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement of net defined benefit liability	**(3,774)**	(33)
Deferred tax relating to items not reclassified	**683**	85
	(3,091)	52
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	**766**	(375)
Other comprehensive expense for the year	**(2,325)**	(323)
Total comprehensive income for the year attributable to the owners of the Company	**(1,097)**	(228)

Statement of financial position

AS AT 31 DECEMBER

	Group	
	2016	2015
	£'000	£'000
Non-current assets		
Goodwill	**1,115**	1,264
Other intangible assets	**5,872**	6,655
Property, plant and equipment	**14,834**	14,152
Deferred tax asset	**188**	133
Pension asset	**-**	3,747
	22,009	25,951
Current assets		
Inventories	**2,471**	2,072
Trade and other receivables	**8,722**	8,882
Corporation tax receivable	**-**	3
Cash	**881**	4,688
	12,074	15,645
Total assets	**34,083**	41,596
Current liabilities		
Trade and other payables	**(4,518)**	(9,365)
Corporation tax payable	**(234)**	(153)
Borrowings	**(5,570)**	(4,641)
	(10,322)	(14,159)
Non-current liabilities		
Borrowings	**(201)**	(1,132)
Other payables	**(78)**	(62)
Deferred tax liabilities	**(660)**	(1,503)
Provisions	**(185)**	(183)
	(1,124)	(2,880)
Total liabilities	**(11,446)**	(17,039)
Net assets	**22,637**	24,557
Equity		
Share capital	**82**	82
Share premium	**610**	610
Capital redemption reserve	**216**	216
Translation reserve	**146**	(620)
Revaluation reserve	**4,402**	4,510
Retained earnings	**17,181**	19,759
Equity attributable to shareholders	**22,637**	24,557

Statement of changes in equity

FOR THE YEAR ENDED 31 DECEMBER

Group	Share capital	Share premium account	Capital redemption reserve	Translation reserve	Revaluation reserve	Retained earnings	**Total**
	£'000	£'000	£'000	£'000	£'000	£'000	**£'000**
At 1 January 2015	**82**	**610**	**216**	**(245)**	**4,463**	**20,454**	**25,580**
Profit for the year						85	**85**
Other comprehensive expense				(375)		52	**(323)**
Transfer to revaluation reserves as a result of property transactions					43	(43)	**-**
Tax on revaluation					4		**4**
Total comprehensive income for the year				(375)	47	104	**(224)**
Credit in respect of share based payments						38	**38**
Dividends paid						(837)	**(837)**
Transactions with owners						(799)	**(799)**
At 31 December 2015	**82**	**610**	**216**	**(620)**	**4,510**	**19,579**	**24,557**
Profit for the year						1,228	**1,228**
Other comprehensive income/(expense)				766		(3,091)	**(2,325)**
Transfer to revaluation reserves as a result of property transactions					(123)	123	**-**
Tax on revaluation					15		**15**
Total comprehensive income for the year				766	(108)	(1,740)	**(1,082)**
Credit in respect of share based payments						39	**39**
Dividends paid						(877)	**(877)**
Transactions with owners						(838)	**(838)**
At 31 December 2016	**82**	**610**	**216**	**146**	**4,402**	**17,181**	**22,637**

Statement of cash flows

FOR THE YEAR ENDED 31 DECEMBER

	Group	
	2016	2015
	£'000	£'000
Cash flows from operating activities		
Profit for the year	**1,228**	95
Adjustments for:		
Depreciation of property, plant and equipment	**1,385**	1,423
Profit on disposal of other plant and equipment	**(189)**	(16)
Amortisation of goodwill and customer relationships	**932**	932
Increase/(decrease) in provisions	**2**	(1)
Other finance income in respect of Pension Fund	**(189)**	(153)
Finance costs	**122**	104
Finance income	**(6)**	(12)
Taxation charged	**390**	679
Other non-cash items:		
Pension current service cost and expenses	**162**	200
Charge for share options	**39**	38
Operating cash flows before movements in working capital	**3,876**	3,289
(Increase)/decrease in inventories	**(399)**	563
Decrease in trade and other receivables	**222**	37
(Decrease)/increase in trade and other payables	**(499)**	1,873
Cash generated by operations	**3,200**	5,762
Corporation tax paid	**(446)**	(714)
Interest paid	**(122)**	(104)
Net cash generated from operating activities	**2,632**	4,944
Cash flows from investing activities		
Interest received	**6**	12
Deferred consideration paid on acquisition	**(4,265)**	-
Acquisition of plant & equipment	**(1,782)**	(1,072)
Proceeds on disposal of plant & equipment	**481**	16
Net cash used in investing activities	**(5,560)**	(1,044)
Cash flows from financing activities		
Loans repaid	**(1,226)**	(908)
Dividends paid	**(877)**	(837)
Net cash used in financing activities	**(2,103)**	(1,745)
Net (decrease)/increase in cash and cash equivalents	**(5,031)**	2,155
Cash and cash equivalents at 1 January	**825**	(1,330)
Cash and cash equivalents at 31 December	**(4,206)**	825
Cash	**881**	4,688
Overdraft	**(5,087)**	(3,863)
Cash and cash equivalents at 31 December	**(4,206)**	825

Notes to the financial statements

1. Basis of preparation

Whilst this financial information has been prepared in accordance with the recognition and measurement criteria of IFRS, this announcement does not itself contain sufficient information to comply with IFRS. The consolidated and Company financial statements have been prepared under International Financial Reporting Standards (IFRS) as adopted by the European Union. All standards and interpretations that have been issued and are effective at 31 December 2016 have been applied in the financial statements. The financial statements have been prepared under the historical cost convention. No accounting standards coming into effect in 2016 have had any effect on the financial statements.

In determining whether the Group’s 2016 financial statements can be prepared on a going concern basis, the Directors considered all factors likely to affect its future development, performance and its financial position, including cash flows, liquidity position and borrowing facilities and the risks and uncertainties relating to its business activities. As at the date of this report, the Directors have a reasonable expectation that the Company and Group have adequate resources to continue in business for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

2. Publication of statutory financial statements

The financial information set out above does not constitute the Company's statutory financial statements for the years ended 31 December 2015 or 2016, but is derived from those financial statements. The statutory financial statements for the year ended 31 December 2015 have been delivered to the Registrar of Companies and those for 2016 are expected to be posted to shareholders on 13 April 2017 and will be delivered to the Registrar of Companies after they have been laid before the Company at the Annual General Meeting to be held at 11.30am at Chesterfield Football Club on 11 May 2017. Copies will also be available from Robinson plc’s registered office: Field House, Wheatbridge, Chesterfield, S40 2AB and on the Group’s website at www.robinsonpackaging.com from 13 April 2017. The auditor has reported on those financial statements; their reports were unqualified and did not contain statements under the Companies Act 2006, section 498 (2) or (3).

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

ends.