Robinson plc

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

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2018

CHAIRMAN'S STATEMENT

Trading Results
I am pleased to report that revenues in the first half year were 15% higher than the same period last year, benefiting from a 9% increase in underlying volumes. This volume increase has come from improved trading with existing customers and some commencement of new business arising from our recent investment in a strengthened commercial team in both Poland and the UK.

Gross profit in the period was 18.6% (2017: 19.4%), due to anticipated increases in fixed production costs, depreciation and variable production costs not yet passed through in sales prices.

Operating profits before amortisation have improved by 28% versus the same period last year, and profit before tax increased to £0.1m (2017: £nil).

Cash
Net borrowings at the end of the period were £6.5m (2017 year end: £6.5m) after spending £2.1m on capital investments in plant and equipment – mainly associated with new business. A final dividend, with respect to 2017, of 3p per share was paid to shareholders on 1 June 2018 (2017: 3p).

Property
The sale of surplus properties in Chesterfield has not progressed materially in the six-month period due to the uncertainties in the retail sector and over-supply of housing land. Current market conditions in this sector of the market are now relatively unattractive which is likely to result in any realisations being beyond the next 12 months.

Outlook and Dividend
The revenue line is now showing signs of some momentum, arising from our previous investments in people. We anticipate this momentum continuing with growth in new business expected in the second half. It is anticipated that this growth will leverage our completed fixed cost investments in the second half but more significantly beneficially impact in 2019. Investments in plant and equipment, partially to facilitate those new projects, will accelerate in the second half with a further c.£3m of spend expected and a consequent impact on net borrowings. The recent growth in operating costs (predominantly investment in people capability) has been concluded, so further revenue growth should improve profitability ratios moving forward. Management remains focused on specific actions to recover gross margins to ensure further profit improvement.

After careful consideration, the Board has decided to hold the interim dividend at 2.5p (2017: 2.5p) to be paid on 1 October 2018 to shareholders on the register at 31 August 2018 (record date). The ordinary shares ex-dividend date is 30 August 2018.

Alan Raleigh
Chairman
21 August 2018

For further information, please contact:

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Note for Editors:

Headquartered in Chesterfield, with manufacturing facilities in Kirkby-in-Ashfield, Stanton Hill (Nottinghamshire), Warsaw and Lodz (Poland), Robinson currently employs around 310 people. It was formerly a family business, with its origins dating back 179 years. Today the Group's main activity is the manufacture and sale of injection and blow moulded plastic packaging. Robinson operates primarily within the food, household, drink, confectionery, cosmetic and toiletry sectors, providing niche or custom manufacture to major players in the fast moving consumer goods market, such as McBride, Proctor & Gamble, Reckitt Benckiser, SC Johnson, and Unilever. 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.

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Group Income Statement

	Six months to 30.06.18	Six months to 30.06.17	Year to 31.12.17
	£'000	£'000	£'000
Revenue	**15,622**	13,586	29,813
Cost of sales	**(12,719)**	(10,950)	(24,035)
Gross profit	**2,903**	2,636	5,778
Operating costs	**(2,371)**	(2,221)	(4,457)
Operating profit before exceptional items and amortisation of intangible asset	**532**	415	1,321
Exceptional items	**0**	0	65
Amortisation of intangible asset	**(392)**	(392)	(783)
Operating profit after exceptional items	**140**	23	603
Finance income - interest receivable	**1**	0	1
Finance costs - bank interest payable	**(55)**	(51)	(104)
Finance income in respect of pension fund	**0**	30	130
Profit before taxation	**86**	2	630
Taxation	**(139)**	(176)	(317)
(Loss)/profit for the period	**(53)**	(174)	313
Earnings per ordinary share (EPS)	p	p	p
Basic earnings per share	**(0.3)**	(1.1)	1.9
Diluted earnings per share	**(0.3)**	(1.1)	1.9

Statement of comprehensive income

	£'000	£'000	£'000
(Loss)/profit for the period	**(53)**	(174)	313
Items that will not be reclassified subsequently to profit or loss:			
Re-measurement of net defined benefit liability	**96**	0	61
Deferred tax relating to items not reclassified	**(6)**	0	(11)
	90	0	50
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	**(517)**	592	818
Other comprehensive expense for the period	**(427)**	592	868
Total comprehensive income for the period	**(480)**	418	1,181

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Group Statement of Financial Position

	30.06.18 £'000	30.06.17 £'000	31.12.17 £'000
Non-current assets			
Goodwill	**1,115**	1,041	1,115
Other intangible assets	**4,698**	5,481	5,089
Property, plant and equipment	**17,598**	15,490	17,011
Deferred tax asset	**184**	119	95
	23,595	22,131	23,310
Current assets			
Inventories	**3,019**	2,887	2,838
Trade and other receivables	**9,280**	8,628	9,905
Cash	**676**	649	283
	12,975	12,164	13,026
Total assets	**36,570**	34,295	36,336
Current liabilities			
Trade and other payables	**(6,349)**	(4,551)	(5,568)
Corporation tax payable	**(246)**	(169)	(250)
Bank overdrafts	**(7,059)**	(5,334)	(6,441)
Bank loans	**0**	(475)	(221)
Obligations under finance lease contracts	**(64)**	(42)	(44)
	(13,718)	(10,571)	(12,524)
Non-current liabilities			
Obligations under finance lease contracts	**(74)**	(78)	(87)
Deferred tax liabilities	**(494)**	(680)	(488)
Provisions	**(181)**	(185)	(181)
	(749)	(943)	(756)
Total liabilities	**(14,467)**	(11,514)	(13,280)
Net assets	**22,103**	22,781	23,056
Equity			
Share capital	**83**	83	83
Share premium	**732**	732	732
Capital redemption reserve	**216**	216	216
Translation reserve	**447**	738	964
Revaluation reserve	**4,315**	4,324	4,321
Retained earnings	**16,310**	16,687	16,740
Equity attributable to shareholders	**22,103**	22,781	23,056

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Group Statement of Cash Flows

	Six months to 30.06.18	Six months to 30.06.17	Year to 31.12.17
	£'000	£'000	£'000
Cash flows from operating activities			
(Loss)/profit for the period	**(53)**	(174)	313
Adjustments for:			
Depreciation of property, plant and equipment	**850**	687	1,492
Profit on disposal of other plant and equipment	**0**	(71)	(85)
Impairment/Amortisation of goodwill and customer relationships	**392**	465	783
Decrease in provisions	**0**	0	(4)
Other finance income in respect of pension fund	**0**	(30)	(130)
Finance costs	**55**	51	104
Finance income	**(1)**	0	(1)
Taxation charged	**139**	176	317
Other non-cash items:			
Pension current service cost and expenses	**98**	108	191
Charge for share options	**5**	11	16
Operating cash flows before movements in working capital	**1,485**	1,223	2,996
Increase in inventories	**(238)**	(339)	(263)
Decrease/(increase) in trade and other receivables	**436**	500	(875)
Increase/(decrease) in trade and other payables	**1,158**	(166)	411
Cash generated by operations	**2,841**	1,218	2,269
Corporation tax paid	**(228)**	(241)	(405)
Interest paid	**(55)**	(40)	(104)
Net cash generated by operating activities	**2,558**	937	1,760
Cash flows from investing activities			
Interest received	**1**	0	1
Acquisition of plant and equipment	**(2,055)**	(914)	(2,614)
Proceeds on disposal of property, plant and equipment	**0**	121	151
Net cash used in investing activities	**(2,054)**	(793)	(2,462)
Cash flows from financing activities			
Loans repaid	**(211)**	(259)	(531)
Shares issued	**0**	123	123
Finance lease payments	**(20)**		(28)
Dividends paid	**(485)**	(485)	(901)
Net cash used in financing activities	**(716)**	(621)	(1,337)
Net decrease in cash and cash equivalents	**(212)**	(478)	(2,039)
Cash and cash equivalents at 1 January	**(6,158)**	(4,206)	(4,206)
Effect of foreign exchange rate changes	**(13)**	0	87
Cash and cash equivalents at end of period	**(6,383)**	(4,684)	(6,158)
Cash	**676**	649	283
Bank overdraft	**(7,059)**	(5,333)	(6,441)
Cash and cash equivalents at end of period	**(6,383)**	(4,684)	(6,158)

Notes to the Interim Report

1. Basis of preparation

The interim report for the six month period to 30 June 2018 was approved by the directors on 21 August 2018. 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 2017, which have been prepared in accordance with applicable IFRSs. The information for the year ended 31 December 2017 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 2018 has been calculated based on the estimated effective tax rate on profits before tax for the year to 31 December 2018.

3. Dividends

	Six months to 30.06.18	Six months to 30.06.17	Year to 31.12.17
Ordinary dividend paid:	**£'000**	£'000	£'000
Final	**485**	485	485
Interim	**0**	0	416
	485	485	901

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 £53,000 divided by the weighted average number of shares in issue, net of treasury shares, of 16,613,389. 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. Standards effective from 1 January 2018

Robinson plc has adopted IFRS 15 using the cumulative effect method. Under this method, the comparative information is not restated. The introduction of IFRS 15 has not resulted in a material impact on profit or loss or on retained earnings in the current period. The adoption of IFRS 9 has had no impact on the classification and measurement of the Group's financial assets or financial liabilities.

7. 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.