

Investor Presentation



Interim results

Date: 30 June 2020

ROBINSON

Introductions



Helene Roberts – CEO

Helene has extensive knowledge of sustainable materials technology, global sales, marketing and innovation and people leadership. She has a degree in Materials Engineering and a PhD in Polymer Engineering.

Helene's career started with M&S, initially as a materials technologist based in Hong Kong before spending seven years as food and drink Head of Packaging. After leaving M&S in 2011 Helene has spent time working for several packaging convertors, both small and large in various marketing and innovation leadership roles. Most recently Helene was Managing Director at Klockner Pentaplast, responsible for the UK, Ireland and Australian business across four sites.

Helene joined the Board in November 2019.

Guy Robinson – CFO

Guy has an honours degree in mechanical engineering and qualified as a Chartered Accountant in 1981 at Coopers & Lybrand, working for them until he joined Robinson as Management Information Systems Manager in 1985. He was appointed Finance Director in 1995. He has been responsible for working with the Board on a number of business acquisitions and disposals and is responsible for the Company's significant property portfolio.



Overview

Who are we?

- Custom manufacturer of rigid plastic and paperboard packaging
- Manufacturing plants in UK and Poland (split ~50:50)
- Serving major, international brands and own label producers
- Core Market focus:
 - Food
 - Household Cleaning and Homecare
 - Personal Care

Vision and strategy

- Aim to generate sales in excess of £50 million by 2024
- Target operating profit 6-8%*
- This will be achieved through a combination of organic growth in existing markets and expansion in mainland Europe
- Strengthen our strategic role as a reliable business partner
- Win and maintain the loyalty of new and existing customers

Our customers are heavily weighted towards leading multinational brand owners, who seek creative on-shelf differentiation to make their products stand out from the crowd



2020 Interim – Financial highlights

Revenue
up 5%
to £17.9m

(2019 H1: £17.1m)

Gross margin
up to 23.6%

(2019 H1: 19.7%)

Operating
profit*
up 100%
to £1.6m

(2019 H1: £0.8m)

Profit before
tax
up to £1.1m

(2019 H1: £0.3m)

Net debt
down to
£5.6m

(31 December 2019: £6.9m)

Interim
dividends
total 5.5p

(2019 H1: 2.5p)

2020 Interim – Operational highlights

Safety

All sites have continued to trade safely throughout the period

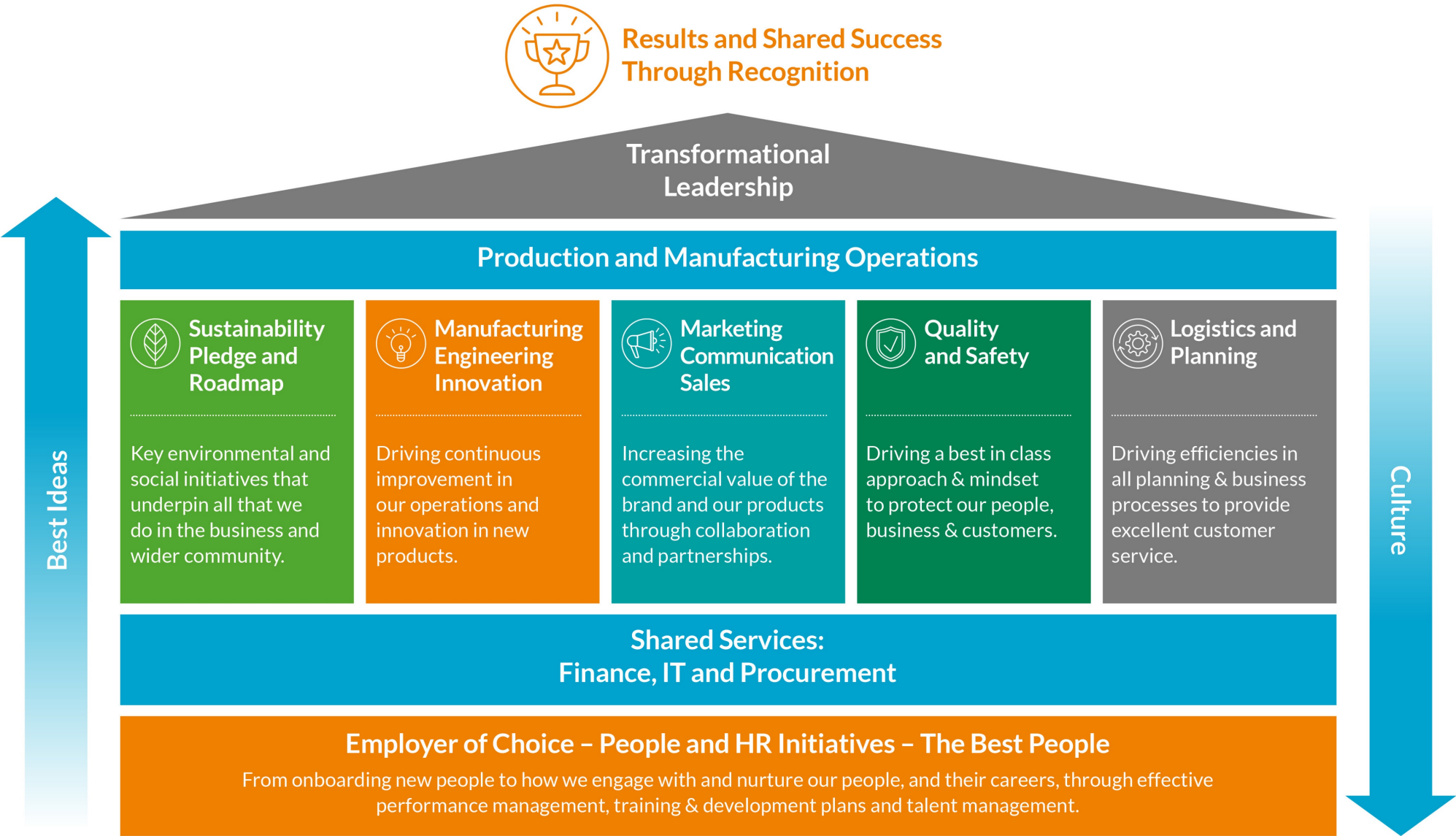
New equipment

Successfully installed 6 new production lines in the UK to increase the efficiency and capacity of the operation

Capacity for growth

Refurbishment of a manufacturing building in Kirkby-in-Ashfield to support future growth ambitions

Business strategy



Pension Fund

Defined benefit pension plan

- Closed to new entrants in 1997
- Assets £66m at end of 2019
- IAS 19 surplus of £10.5m (at 31 Dec 2019)
- Escrow account has £3.1m - £2.7m loaned to Company
- Intention to buy-out when market conditions allow
- Triennial actuarial valuation due as at 5 April 2020

Assets lower and liabilities higher following movements in markets since COVID-19

Surplus Property – Increase cash reserves for reinvestment

Surplus properties

Book value £4m (valued end of 2008) – estimated market value £10m+

Current gross rental income £0.4m per annum

Development sites

Walton Works (8 acres)

advanced discussions with interested party
progress expected this year

Boythorpe Works (15 acres)

Wheatbridge (8 acres) – mainly let out

Outline planning application approved for Walton/Boythorpe sites in Jan 2017

425 residential units

3,800 sqm retail space



Outlook

Market headwinds

Expect continued headwinds in the market, relating to COVID-19, Brexit & economic recession

Uncertainty creates opportunity

Uncertainty around our future growth rate until we see how our customers respond – with uncertainty comes opportunity, we are determined to maximise on our advantage

Focused activity

Centred on the resilience of our business and shape of our customer strategy
Clear requirement for engaging our people, driving out unnecessary costs and leading with our sustainability agenda

Appendix – Income Statement

	£'000	Six months to 30.06.20	Six months to 30.06.19	Year to 31.12.19
Revenue		17,860	17,085	35,085
Cost of sales		(13,648)	(13,721)	(27,593)
Gross profit		4,212	3,364	7,492
Operating costs		(2,633)	(2,576)	(4,971)
Operating profit before amortisation of intangible assets		1,579	788	2,521
Amortisation of intangible assets		(400)	(375)	(810)
Operating profit		1,179	413	1,711
Finance costs		(63)	(104)	(205)
Profit before taxation		1,116	309	1,506
Taxation		(263)	(86)	(296)
Profit for the period		853	223	1,210
Earnings per ordinary share (EPS)		p	p	p
Basic earnings per share		5.1	1.3	7.3
Diluted earnings per share		5.1	1.3	7.3

Appendix – Balance sheet

	£'000	30.06.20	30.06.19	31.12.19
Non-current assets				
Goodwill		1,175	1,215	1,144
Other intangible assets		3,301	4,261	3,616
Property, plant and equipment		19,893	19,222	18,338
Deferred tax asset		1,001	895	937
		25,370	25,593	24,035
Current assets				
Inventories		3,287	3,485	2,765
Trade and other receivables		9,454	9,720	9,646
Cash at bank and on hand		2,093	1,490	1,403
		14,834	14,695	13,814
Total assets		40,204	40,288	37,849
Current liabilities				
Trade and other payables		6,794	5,090	5,063
Borrowings		5,539	5,982	3,710
Current tax liabilities		78	122	255
		12,411	11,194	9,028
Non-current liabilities				
Borrowings		2,110	4,617	4,639
Deferred tax liabilities		1,232	1,008	1,090
Provisions		169	174	169
		3,511	5,799	5,898
Total liabilities		15,922	16,993	14,926
Net assets		24,282	23,295	22,923

Appendix – Cash Flow

	£'000	Six months to 30.06.20	Six months to 30.06.19	Year to 31.12.19
Operating cash flow		2,646	1,790	4,644
Corporation tax paid		(285)	(95)	(127)
Interest paid		(63)	(104)	(205)
Working capital movement		1,429	(353)	207
Cash generated by operating activities		3,727	1,238	4,519
Net capital expenditure		(2,067)	(1,020)	(1,664)
Net proceeds from sale and leaseback transactions		245	1,279	1,697
Finance lease payments		(302)	(256)	(506)
Dividend payments		-	(485)	(890)
Net increase/(decrease) in cash and cash equivalents		1,603	756	3,156
Increase in lease liabilities		(242)	(1,023)	(1,243)
Net (increase)/decrease in net debt		1,361	(267)	1,913
Net (increase)/decrease in net debt		1,361	(267)	1,913
Net debt at 1 January		(6,946)	(8,845)	(8,845)
Effect of foreign exchange rate changes		29	3	(14)
Net debt at end of period		(5,556)	(9,109)	(6,946)

Appendix – Significant Shareholders

Shareholder	Total shares	% held
C W G Robinson	1,212,601	7.3%
S J Robinson	708,385	4.3%
R B Hartley	654,191	3.9%
R A Shemwell	598,791	3.6%
S C Shemwell	534,091	3.2%
S E A Hardy	525,191	3.2%
H G Shaw	515,191	3.1%

- ~70% historical family shareholdings (c. 120)
- Dividend lifestyle for many
- CGT & IHT are significant factors
- Attractive profile to specialist institutions

Together since 1839