

ROBINSON

Packaging Innovation

Robinson plc

FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2019

Robinson plc ("Robinson" or the "Group" stock code: RBN), the custom manufacturer of rigid plastic and paperboard packaging based in Chesterfield, announces its audited results for the year ended 31 December 2019.

Highlights:

- Revenue increased by 7% to £35.1m (2018: £32.8m)
- Gross margin increased from 18% to 21%. Operating costs increased by 14%
- Operating profit before exceptional items and amortisation of intangible assets increased to £2.5m (2018: £1.5m)
- Net debt decreased to £6.9m (2018: £8.8m)
- Capital expenditure was £1.7m (2018: £4.4m)

Commenting on the results, Chairman, Alan Raleigh said:

"We have made important steps forward across all aspects of our business in 2019. Our results confirm that our actions to improve competitiveness are bearing fruit in a challenging and uncertain market.

We are of course assessing the rapidly evolving coronavirus pandemic and the impact this could have on our people, our customers and our business. Our business is predominantly in the food, personal care and household sectors, with more than 70% of our turnover arising from financially strong multi-national or local players, so we believe we are likely to be less affected by the pandemic than others. We have also stress-tested the resilience of our business to potential cash flow interruptions and believe we have sufficient financial headroom. However, in these current extremely uncertain circumstances, we believe it is prudent to maximise the cash retained in the business, so we have decided not to declare a final dividend in respect of 2019. When there is greater clarity on the impact of coronavirus on market conditions and our currently projected financial strength, it is the Board's ambition to resume dividend payments."

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Robinson plc

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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 320 people. It was formerly a family business, with its origins dating back 180 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"

CHAIRMAN'S REPORT

Revenues, Gross Margin, EBITDA and Operating Profit

We are pleased to announce further strong growth and an increased market share, with revenue rising by 7% to £35.1 million in 2019. Volume growth was 8%.

Gross Margin has increased from 18% to 21% of revenue.

Despite an increase of 14% in operating costs, as we make further investments in competitive capabilities, we have also made good progress on EBITDA, which increased to £4.5 million in 2019, an increase of 31%.

Operating Profit has doubled to £1.7 million.

Basic earnings per share have risen from 4.2p to 7.3p.

People

Helene Roberts joined as our new CEO in November 2019. Helene brings a wealth of packaging industry experience and valuable expertise in sustainability, which will be instrumental in shaping the future strategy for Robinson within a plastics circular economy. Helene's profile can be found on page 15 of our annual report.

I would particularly like to thank Martin McGee, our interim Chief Executive, who served for much of the year and who has energetically led the progress we have made in 2019. We wish Martin every success in the future.

We have also made significant progress in developing the skills and capabilities of our employees across the business in 2019. Investments have been made in health and safety, quality, manufacturing management and business processes to improve our competitiveness and to serve our customers better.

Property

Progress has been made towards selling some of the surplus property in Chesterfield and we hope that, subject to receiving the necessary planning approvals, sales will be achieved in 2021.

Outlook

Although we are pleased with progress in 2019, the Board recognises we must now move from having a business that has the capabilities to compete to an organisation that can consistently win in the marketplace.

Many challenges and uncertainties exist in the current packaging landscape and we will no doubt face some unexpected headwinds from time to time in the future. However, with uncertainty comes opportunity and we are determined to take advantage of potential dislocations in the market, including playing a leading role in the sustainable packaging and circular economy agenda and leveraging our reputation as a purpose-led, responsible partner to our customers.

Subject to any negative impact from the Covid-19 coronavirus pandemic, we expect continued above market revenue growth whilst continuing to deliver industry competitive EBITDA and progressing Operating Profit towards a 6-8% range.

Covid-19 coronavirus

The reported spread of the Covid-19 coronavirus in recent weeks has created substantial market uncertainty. At present we have seen an upturn in demand for some of the products we manufacture, including hand wash containers and other personal care, household and food packaging. To the extent this is driven by stocking (as opposed to usage), this may reverse over time.

The largest threats to our business are still to materialise and difficult to predict in this fast-changing environment, but we can envisage that the possibility of staff shortages or lockdowns may restrict our ability to manufacture products in our plants in the UK and Poland.

We have undertaken a stress test of our business and concluded that although there are some risks to our business from smaller customers, who fail to survive the pandemic (both in terms of future revenues and potential asset/debt write-offs), our financial position remains strong. Of course, it is difficult to predict the impact of these or the longer-term impact on supply chains or property values due to the significant uncertainties that remain.

We currently have no known positive cases within our workforce at any of our plants and are taking the appropriate measures to protect the business and its stakeholders.

In the circumstances as a precautionary measure, we have decided to move the proposed AGM date back to 30 June 2020 and not declare a final dividend in respect of 2019.

Alan Raleigh
Chairman
31 March 2020

Group income statement

FOR THE YEAR ENDED 31 DECEMBER

	£'000	2019	2018
Revenue		35,085	32,802
Cost of sales		(27,593)	(26,918)
Gross profit		7,492	5,884
Operating costs		(4,971)	(4,370)
Operating profit before exceptional items and amortisation of intangible asset		2,521	1,514
Exceptional items		-	110
Amortisation of intangible assets		(810)	(783)
Operating profit after exceptional items and amortisation of intangible asset		1,711	841
Finance costs		(205)	(156)
Profit before taxation		1,506	685
Taxation		(296)	10
Profit for the period		1,210	695
Earnings per ordinary share (EPS)		p	p
Basic earnings per share		7.3	4.2
Diluted earnings per share		7.3	4.1

All results are from continuing operations.

Group statement of comprehensive income

FOR THE YEAR ENDED 31 DECEMBER

Group statement of comprehensive income	£'000	2019	2018
Profit for the period		1,210	695
Items that will not be reclassified subsequently to the Income Statement:			
Re-measurement of net defined benefit liability		145	193
Deferred tax relating to items not reclassified		(28)	-
		117	193
Items that may be reclassified subsequently to the Income Statement:			
Exchange differences on retranslation of foreign currency goodwill and intangibles		148	-
Exchange differences on retranslation of foreign currency deferred tax balances		(23)	-
Exchange differences on translation of foreign operations		(579)	(138)
		(454)	(138)
Other comprehensive (expense)/income for the period		(337)	55
Total comprehensive income for the period		873	750

Group statement of financial position

AS AT 31 DECEMBER

	Group	Group
£'000	2019	2018
Non-current assets		
Goodwill	1,144	1,115
Other intangible assets	3,616	4,306
Property, plant and equipment	18,338	19,039
Deferred tax assets	937	868
	24,035	25,328
Current assets		
Inventories	2,765	2,972
Trade and other receivables	9,646	10,699
Cash at bank and on hand	1,403	1,358
	13,814	15,029
Total assets	37,849	40,357
Current liabilities		
Trade and other payables	5,063	5,897
Borrowings	3,710	6,454
Current tax liabilities	255	99
	9,028	12,450
Non-current liabilities		
Borrowings	4,639	3,749
Deferred tax liabilities	1,090	1,056
Provisions	169	174
	5,898	4,979
Total liabilities	14,926	17,429
Net assets	22,923	22,928
Equity		
Share capital	83	83
Share premium	732	732
Capital redemption reserve	216	216
Translation reserve	372	826
Revaluation reserve	4,134	4,126
Retained earnings	17,386	16,945
Equity attributable to shareholders	22,923	22,928

Group statement of changes in equity

FOR THE YEAR ENDED 31 DECEMBER

Group	£'000	Share capital	Share premium	Capital redemption reserve	Translation reserve	Revaluation reserve	Retained earnings	Total
At 1 January 2018		83	732	216	964	4,321	16,740	23,056
Profit for the year							695	695
Other comprehensive income/(expense)					(138)		193	55
Transfer from revaluation reserve as a result of property transactions						(195)	195	-
Credit in respect of share based payments							12	12
Total comprehensive income for the year		-	-	-	(138)	(195)	1,095	762
Dividends paid							(890)	(890)
Transactions with owners		-	-	-	-	-	(890)	(890)
At 31 December 2018		83	732	216	826	4,126	16,945	22,928
Profit for the year							1,210	1,210
Other comprehensive income/(expense)					(454)		117	(337)
Transfer from revaluation reserve as a result of property transactions						8	(8)	-
Credit in respect of share based payments							12	12
Total comprehensive income for the year		-	-	-	(454)	8	1,331	885
Dividends paid							(890)	(890)
Transactions with owners		-	-	-	-	-	(890)	(890)
At 31 December 2019		83	732	216	372	4,134	17,386	22,923

Group cash flow statement

FOR THE YEAR ENDED 31 DECEMBER

	Group 2019	Group 2018
	£'000	
Cash flows from operating activities		
Profit/(loss) for the period	1,210	695
Adjustments for:		
Depreciation of property, plant and equipment	1,959	1,795
Impairment of property, plant and equipment	43	189
(Profit)/loss on disposal of other plant and equipment	(31)	209
Impairment/amortisation of goodwill and customer relationships	810	783
Decrease in provisions	(5)	(7)
Finance income	-	-
Finance costs	205	156
Taxation charged/(credited)	296	(10)
Other non-cash items:		
Pension current service cost and expenses	145	193
Charge for share options	12	12
Operating cash flows before movements in working capital	4,645	4,015
Decrease/(increase) in inventories	144	(151)
Increase/(decrease) in trade and other receivables	807	(853)
(Decrease)/Increase in trade and other payables	(745)	329
Cash generated by operations	4,851	3,340
Corporation tax paid	(127)	(294)
Interest paid	(205)	(150)
Net cash generated by operating activities	4,519	2,896
Cash flows from investing activities		
Interest received	-	-
Acquisition of plant and equipment	(1,726)	(4,355)
Proceeds on disposal of property, plant and equipment	62	15
Net cash used in investing activities	(1,664)	(4,340)
Cash flows from financing activities		
Loans repaid	-	(221)
Loans drawdown	-	2,700
Loans granted to subsidiaries	-	-
Loans repaid by subsidiaries	-	-
Net proceeds from sale and leaseback transactions	1,697	1,300
Capital element of lease payments	(506)	(106)
Dividends paid	(890)	(890)
Net cash used in financing activities	301	2,783
Net increase in cash and cash equivalents	3,156	1,339
Cash and cash equivalents at 1 January	(4,820)	(6,158)
Effect of foreign exchange rate changes	(14)	(1)
Cash and cash equivalents at end of period	(1,678)	(4,820)
Cash at bank and on hand	1,403	1,358
Bank overdrafts	(3,081)	(6,178)
Cash and cash equivalents at end of period	(1,678)	(4,820)

Notes to the financial statements

1. Basis of preparation

Robinson prepares its financial statements on a historical cost basis, unless accounting standards require an alternate measurement basis. Where there are assets and liabilities calculated on a different basis, this fact is disclosed either in the relevant accounting policy or in the notes to the financial statements. The financial statements comply with the Companies Act 2006 as applicable to companies using International Financial Reporting Standards ("IFRS"). The Group's financial statements are prepared on a going concern basis. The financial information contained in this announcement does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. However, the financial statements contained in this announcement are extracted from audited statutory accounts for the financial year ended 31 December 2019 which will be delivered to the Registrar of Companies. Those accounts have an unqualified audit opinion.

2. Accounting Standards

Robinson prepares its financial statements in accordance with applicable IFRS, issued by the International Accounting Standards Board ("IASB") as adopted by the EU, and interpretations issued by the IFRS Interpretations Committee, and Companies Act 2006 applicable to companies reporting under IFRS. The Group's financial statements are also consistent with IFRS as issued by the IASB as they apply to accounting periods ended 31 December 2019.

3. Going Concern

The Directors have considered the factors relevant to support a statement of going concern. In assessing whether the going concern assumption is appropriate, the Board and audit committee considered the Group cash flow forecasts under various scenarios, identifying risks and mitigants and ensuring the Group has sufficient funding to meet its current commitments as and when they fall due for a period of at least 12 months from the date of signing these financial statements. The Directors have a reasonable expectation that the Group will continue in operational existence for this 12 month period and have therefore used the going concern basis in preparing the financial statements.

4. Publication of statutory financial statements

The Company's financial statements are due to be made available on the Company's website (www.robinsonpackaging.com) on 1 April 2020 and posted to shareholders by 8 June 2020. Copies will also be available at the Company's registered office, Field House, Wheatbridge, Chesterfield, S40 2AB. The Annual General Meeting is due to be held at 11.30am on 30 June 2020 and a further announcement will be made in due course when the Notice of Annual General Meeting is posted to shareholders.

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