

# ROBINSON

Robinson plc

25 March 2021

## FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020

Robinson plc ("Robinson" or the "Group" stock code: RBN), the custom manufacturer of plastic and paperboard packaging, is pleased to announce its audited results for the year ended 31 December 2020.

### Financial highlights

- Revenue up 6% to **£37.2m** (2019: £35.1m)
- Gross margin increased to **23.0%** from 21.4% in 2019
- Operating profit before amortisation of intangible assets up 8% to **£2.7m** (2019: £2.5m)
- Profit before tax of **£1.8m** (2019: £1.5m)
- Final dividend of **3.0p** per share announced
- Net debt of **£6.6m<sup>1</sup>** (2019: £6.9m), after capital expenditure of £4.6m<sup>2</sup>

### Operational highlights

- Rebranded Robinson and defined new purpose and core values
- Developed sustainability pledge and 15 ambitious goals
- Successfully installed 11 new machines in the UK to replace outdated equipment and increase the efficiency and capacity of the operation
- Refurbishment of a manufacturing building in Kirkby-in-Ashfield to support future growth ambitions
- Post period end, acquisition of Schela Plast in Denmark
- Progress achieved very recently in surplus property disposal programme

### Alan Raleigh, Chairman, commented:

*"I am pleased to report further progress in revenues and profits in 2020, despite the challenging conditions created by the Covid-19 pandemic.*

*I am very proud of how the team responded, continuing to service customers throughout the year, whilst maintaining a safe working environment for all. I would like to thank every Robinson employee for their outstanding commitment and communicate my appreciation of the strong collaboration of our suppliers and customers in 2020.*

*We have recently expanded our footprint, capabilities and geographical reach with the acquisition of Schela Plast, which will better position us to serve customers in Northern Europe, as well as Central Europe and the UK in the coming year.*

*The pace of recovery from the pandemic across geographies and short-term spikes in resin prices are likely to create substantial uncertainty and volatility in the market in 2021. Despite this uncertainty, we remain committed to delivering above-market profitable growth and our target of 6-8% adjusted operating margin<sup>3</sup>."*

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## About Robinson:

Being a purpose-led business, Robinson specialises in custom packaging with technical and value-added solutions for food and consumer product hygiene, safety, protection, and convenience; going above and beyond to create a sustainable future for our people and our planet. Its main activity is in injection and blow moulded plastic packaging and rigid paperboard luxury packaging, operating within the food and beverage, homecare, personal care and beauty, and luxury gift sectors. Robinson provides products and services to major players in the fast-moving consumer goods market including McBride, Procter & Gamble, Reckitt Benckiser, SC Johnson and Unilever.

Headquartered in Chesterfield, UK, Robinson has 3 plants in the UK, 2 in Poland and recently acquired a plant in Denmark, Schela Plast. Schela Plast specialises in the design and manufacture of plastic blow moulded containers, serving a number of the major FMCG brands in Denmark and neighbouring countries.

Robinson was formerly a family business with its origins dating back 180 years, currently employing nearly 400 people. The Group also has a substantial property portfolio with development potential.

<sup>1</sup> cash less borrowings (excludes IFRS 16 operating lease liabilities)

<sup>2</sup> net capital expenditure excluding operating leases capitalised under IFRS 16

<sup>3</sup> operating profit margin before exceptional items and amortisation of intangible assets

## Chairman's Statement

2020 was a year that tested us all – governments, society, businesses, and individuals have all been deeply impacted by the Covid-19 pandemic. Robinson did not escape this test, but I am very proud of how the team has responded, maintaining a safe working environment for all, while minimising disruption to our customers and their consumers. I would like to thank every Robinson employee for their outstanding commitment and communicate my appreciation for the strong collaboration of our suppliers and customers in 2020.

The pandemic has created significant uncertainty and volatility for our business. We saw substantial spikes in demand for some products, offset by weaker demand in others. To ensure the safety of our employees, we created new ways of working in our factories and asked many of our sales and administration office colleagues to work from home.

As a key industry in both the UK and Poland, the vital contribution the Robinson team made to the health and wellbeing of our communities through the supply of essential hygiene and foods packaging in 2020 is worthy of special note.

## Financial and operating performance

We delivered strong sales growth in 2020, with revenue rising by 6%. Underlying volume increased by 8%. Gross margins, at 23% (2019: 21%), have continued the positive trend started in 2019, helped by softness in resin prices, income from value-added services and increased operational efficiency. The impact of Covid-19 was marginally beneficial to revenue and profit in 2020. The additional demand for some products offset the additional costs of operating our factories safely.

Operating costs were 18% higher than 2019 as we continued to invest in the business. Operating profit before amortisation of intangible assets has increased to £2.7m (2019: £2.5m) and profit before tax increased to £1.8m (2019: £1.5m).

Cash generated by operations was £6.6m (2019: £4.9m), benefitting from improved profitability and cash collection, longer supplier payment terms, lower resin prices and the impact of UK VAT deferred from March 2020 to March 2021.

Aligned with our customers' priorities, we purchased new presses to improve service and responsiveness, enhanced our capabilities to deliver market-place innovation and improved our processes to achieve best-in-class product quality. We also added resources to partner with key customers and to accelerate our sustainability agenda. Our new sustainability pledge will be at the heart of everything we do as a business and details of the pledge, which is focused on five pillars and 15 commitments, is provided on pages 12 and 13 of the Annual report.

In addition, we refreshed the Robinson purpose, values and our brand identity – confirming our intent to go above and beyond to create a sustainable future for our people and our planet.

## Strategy and acquisition of Schela Plast

In September 2020, we conducted our annual strategy and business review, reaffirming our objective to deliver sustainable shareholder value through above-market profitable growth, achieving an adjusted operating margin<sup>3</sup> of 6-8%. Our three strategic priorities are described in more detail on pages 10 and 11 of the Annual report.

On 10 February 2021, we completed the acquisition of Schela Plast, a specialist in the design and manufacture of blow moulded containers, based in Denmark. Schela Plast is a strong complementary fit to our existing products and services, customers and manufacturing locations. Their location and capabilities, together with our planned investment in additional equipment, generates areas for growth with key customers in the market sectors we and Schela Plast serve.

## Capital investment, financing and pension

We are committed to maintaining a competitive manufacturing infrastructure. During the year, we invested net £4.6m in production equipment to replace outdated presses, add additional capacity and refurbish a manufacturing building in our UK business. This investment was funded by strong cash generation from operations resulting in net debt (including IFRS 16 leases) at 31 December 2020 of £6.9m (2019: £6.9m).

To fund the post-year-end Schela Plast acquisition, new facilities totalling £12m were agreed with HSBC Bank UK. With total credit facilities of £18m (2019: £13m), the necessary headroom is available for the Group to operate effectively.

The results of the triennial actuarial valuation of the defined benefit pension fund, rolled forward to 30 October 2020, showed the fund had a surplus of approximately 4% (2017: 2%). The Trustees and the Company have therefore agreed that the Company continues to benefit from a contribution holiday. Further details are provided in note 30 to the Financial statements in the Annual report.

The IAS 19 valuation of our pension plan at 31 December 2020 reported a surplus of £9.3m (2019: £10.5m). This surplus is deemed to be irrecoverable and so is not included in the Group's assets.

## Governance and Board composition

As a Board, we are committed to the highest standards of corporate governance. We continue to comply with the Quoted Companies Alliance Corporate Governance Code. During the year, we undertook an independent evaluation of Board effectiveness, with encouraging results. A summary of this exercise is included in the Corporate governance report on pages 28 and 29 of the Annual report.

Guy Robinson retired as Finance Director on 1 January 2021. I am pleased to confirm that, in accordance with the Board's succession plan, Guy was succeeded by existing Executive Board Director Mike Cusick. The Board will continue to benefit from Guy's experience as an Executive Director until the 2021 Annual General Meeting (AGM) and as a Non-Executive Director thereafter. Additionally, existing Non-Executive Board Director Sara Halton was appointed as the Senior Independent Director and Chair of the Audit and Risk Committee.

As previously communicated, Anthony Glossop will retire from the Board at the AGM. On behalf of the Board, I would like to place on record our deep appreciation of his wise counsel, outstanding contribution and dedication to our success throughout his many years of service.

I look forward to working with Guy, Mike and Sara in their new roles at Robinson.

## Property

Progress has been made towards selling some of the surplus property in Chesterfield. Very recently heads of agreement, subject to contract, with a gross value of £3.4m have been signed for two plots of land. The total book value of the plots is less than £1m at 31 December 2020. We hope that, subject to receiving the necessary planning approvals, further sales will be achieved in the next two years.

## Dividend

The Board proposes a final dividend of 3.0p per share to be paid on 16 July 2021 to shareholders on the register at the close of business on 2 July 2021. The ordinary shares become ex-dividend on 1 July 2021. This brings the total dividend declared for 2020 to 8.5p (2019: 2.5p) including the final dividend for 2019 which was deferred.

## Outlook

The pace of recovery from the pandemic across geographies and short-term spikes in resin prices are likely to create substantial uncertainty and volatility in the market in 2021. Despite this uncertainty, we

remain committed to delivering above-market profitable growth and our target of 6-8% adjusted operating margin<sup>3</sup>.

We will continue to invest in creating a high performance, expert and diverse team that can thrive in a safe environment while delivering sustainable value to our customers and other stakeholders.

Our flexibility, responsiveness, technical capabilities and, most importantly, our people provide the basis for Robinson to go “above and beyond” in 2021.

**Alan Raleigh**

Chairman

24 March 2021

## Group income statement and statement of comprehensive income

Group income statement	£'000	2020	2019
Revenue		37,203	35,085
Cost of sales		(28,637)	(27,593)
<b>Gross profit</b>		<b>8,566</b>	7,492
Operating costs		(5,878)	(4,971)
<b>Operating profit before amortisation of intangible assets</b>		<b>2,688</b>	2,521
Amortisation of intangible assets		(809)	(810)
<b>Operating profit</b>		<b>1,879</b>	1,711
Finance income – interest receivable		1	-
Finance costs		(128)	(205)
<b>Profit before taxation</b>		<b>1,752</b>	1,506
Taxation		(343)	(296)
<b>Profit for the period</b>		<b>1,409</b>	1,210
<b>Earnings per ordinary share (EPS)</b>		p	p
Basic earnings per share		8.5	7.3
Diluted earnings per share		8.4	7.3

Group statement of comprehensive income	£'000	2020	2019
<b>Profit for the period</b>		<b>1,409</b>	1,210
<b>Items that will not be reclassified subsequently to the income statement:</b>			
Re-measurement of net defined benefit liability		180	145
Deferred tax relating to items not reclassified		(34)	(28)
		<b>146</b>	117
<b>Items that may be reclassified subsequently to the income statement:</b>			
Exchange differences on translation of foreign currency goodwill and intangibles		(55)	148
Exchange differences on translation of foreign currency deferred tax balances		7	(22)
Exchange differences on translation of foreign operations		(163)	(580)
		<b>(211)</b>	(454)
Other comprehensive (expense)/income for the period		(65)	(337)
<b>Total comprehensive income for the period</b>		<b>1,344</b>	873

## Group statement of financial position

	£'000	2020	2019
<b>Non-current assets</b>			
Goodwill		1,127	1,144
Other intangible assets		2,769	3,616
Property, plant and equipment		20,873	18,338
Deferred tax asset		978	937
		<b>25,747</b>	<b>24,035</b>
<b>Current assets</b>			
Inventories		3,110	2,765
Trade and other receivables		9,185	9,646
Cash at bank and on hand		1,386	1,403
		<b>13,681</b>	<b>13,814</b>
<b>Total assets</b>		<b>39,428</b>	<b>37,849</b>
<b>Current liabilities</b>			
Trade and other payables		6,489	5,063
Borrowings		3,260	3,710
Current tax liabilities		69	255
		<b>9,818</b>	<b>9,028</b>
<b>Non-current liabilities</b>			
Borrowings		4,991	4,639
Deferred tax liabilities		1,042	1,090
Provisions		173	169
		<b>6,206</b>	<b>5,898</b>
<b>Total liabilities</b>		<b>16,024</b>	<b>14,926</b>
<b>Net assets</b>		<b>23,404</b>	<b>22,923</b>
<b>Equity</b>			
Share capital		83	83
Share premium		732	732
Capital redemption reserve		216	216
Translation reserve		161	372
Revaluation reserve		4,133	4,134
Retained earnings		18,079	17,386
<b>Equity attributable to shareholders</b>		<b>23,404</b>	<b>22,923</b>

## Group statement of changes in equity

	£'000	Share capital	Share premium	Capital redemption reserve	Translation reserve	Revaluation reserve	Retained earnings	Total
<b>At 1 January 2019</b>		<b>83</b>	<b>732</b>	<b>216</b>	<b>826</b>	<b>4,126</b>	<b>16,945</b>	<b>22,928</b>
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)
<b>At 31 December 2019</b>		<b>83</b>	<b>732</b>	<b>216</b>	<b>372</b>	<b>4,134</b>	<b>17,386</b>	<b>22,923</b>
Profit for the year		-	-	-	-	-	1,409	1,409
Other comprehensive income/(expense)		-	-	-	(211)	-	146	(65)
Transfer from revaluation reserve as a result of property transactions		-	-	-	-	(1)	(3)	(4)
Credit in respect of share-based payments		-	-	-	-	-	31	31
Total comprehensive income for the year		-	-	-	(211)	(1)	1,583	1,371
Dividends paid		-	-	-	-	-	(890)	(890)
Transactions with owners		-	-	-	-	-	(890)	(890)
<b>At 31 December 2020</b>		<b>83</b>	<b>732</b>	<b>216</b>	<b>161</b>	<b>4,133</b>	<b>18,079</b>	<b>23,404</b>

## Group cash flow statement

	£'000	2020	2019
<b>Cash flows from operating activities</b>			
Profit for the period		1,409	1,210
<b>Adjustments for:</b>			
Depreciation of property, plant and equipment		2,164	1,959
Impairment of property, plant and equipment		98	43
Profit on disposal of other plant and equipment		(24)	(31)
Amortisation of intangible assets		809	810
Increase/(decrease) in provisions		4	(5)
Finance income		(1)	-
Finance costs		128	205
Taxation charged/(credited)		343	296
Other non-cash items:			
- Pension current service cost and expenses		180	145
- Charge for share options		31	12
Operating cash flows before movements in working capital		5,141	4,645
(Increase)/decrease in inventories		(363)	144
Decrease/(increase) in trade and other receivables		296	807
Increase/(decrease) in trade and other payables		1,512	(745)
Cash generated by operations		6,586	4,851
Corporation tax (paid)/received		(529)	(127)
Interest paid		(128)	(205)
<b>Net cash generated by operating activities</b>		<b>5,929</b>	<b>4,519</b>
<b>Cash flows from investing activities</b>			
Interest received		1	-
Acquisition of plant and equipment		(4,673)	(1,726)
Proceeds on disposal of property, plant and equipment		81	62
<b>Net cash used in investing activities</b>		<b>(4,591)</b>	<b>(1,664)</b>
<b>Cash flows from financing activities</b>			
Net proceeds from sale and leaseback transactions		1,061	1,697
Capital element of lease payments		(710)	(506)
Dividends paid		(890)	(890)
<b>Net cash used in financing activities</b>		<b>(539)</b>	<b>301</b>
<b>Net increase in cash and cash equivalents</b>		<b>799</b>	<b>3,156</b>
Cash and cash equivalents at 1 January		(1,678)	(4,820)
Effect of foreign exchange rate changes		(17)	(14)
<b>Cash and cash equivalents at end of period</b>		<b>(896)</b>	<b>(1,678)</b>
Cash at bank and on hand		1,386	1,403
Bank overdrafts		(2,282)	(3,081)
<b>Cash and cash equivalents at end of period</b>		<b>(896)</b>	<b>(1,678)</b>

## 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 2020 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”) in conformity with the requirements of the Companies Act 2006, and interpretations issued by the IFRS Interpretations Committee. The Group’s financial statements are also consistent with IFRS as issued by the IASB as they apply to accounting periods ended 31 December 2020.

### 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 the Audit and Risk 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, including the Notice of Annual General Meeting, are due to be made available on the Company’s website ([www.robinsontpackaging.com](http://www.robinsontpackaging.com)) on 25 March 2021 and posted to shareholders by 21 May 2021. 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 24 June 2021 at Casa Hotel, Lockoford Lane, Chesterfield S41 7JB.

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