

# Annual general meeting 2021

24 June 2021

ROBINSON

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# Board team



Alan Raleigh – Non-executive Chairman  
Mike Cusick – Finance Director

Helene Roberts – Chief Executive  
Anthony Glossop – Non-executive Director

Guy Robinson – Property Director  
Sara Halton – Senior Independent Director

# Agenda

- Notice of meeting
- Resolutions – Alan Raleigh
- Audit and risk committee – Sara Halton
  - Auditor's Report
- Business Overview – Alan Raleigh
  - Our year in review
  - AGM trading statement
- Developing our strategy – Helene Roberts
  - Strategic framework
  - Sustainability pledge
  - Non-financial KPIs
  - Principal risks
  - Schela Plast acquisition
- Financial Performance – Mike Cusick
  - Financial performance
  - Pension fund
- Surplus property – Guy Robinson
- Outlook – Helene Roberts

# Resolutions

Alan Raleigh – Chairman

Sara Halton – Senior Independent Director



# Resolutions

1. To receive and adopt the report of the directors and the audited financial statements for the year ended 31 December 2020
2. To declare a final dividend of 3.0p per ordinary share
3. To re-elect Alan Raleigh as a director of the company
4. To re-elect Helene Roberts as a director of the company
5. To re-elect Guy Robinson as a director of the company
6. To re-elect Mike Cusick as a director of the company
7. To re-elect Sara Halton as a director of the company
8. To re-appoint Mazars LLP as auditors of the company and to authorise the directors to determine their remuneration



# Audit and risk committee

Sara Halton – Senior independent director



# Auditor's report

“In our opinion, the financial statements give a true and fair view”



# Business overview

Alan Raleigh – Chairman



# Our year in review

\* Operating profit before exceptional items and amortisation of intangible assets  
\*\* Net debt excluding operating leases capitalised under IFRS 16

Source: Company financial reports

Sales increased to  
£37.2m



(2019: £35.1m)

Gross margin  
increased to 23%



(2019: 21%)

Adjusted EBIT\*  
increased to £2.7m



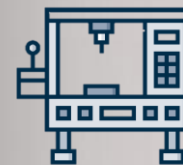
(2019: £2.5m)

Profit before tax  
increased to  
£1.8m



(2019: £1.5m)

Post year end  
acquisition of  
Schela Plast



Net debt\*\* of  
£6.6m



(2019: £6.9m)

£4.6m invested in net  
capital expenditure



(2019: £1.7m)

Dividend paid in the  
year 5.5p



(2019: 5.5p)

Completed  
independent Board  
effectiveness review



# AGM trading statement

## **Current trading**

“As we indicated in the 2020 full year results, published in March, sharp increases in resin prices, together with some lack of availability, have created volatility in 2021. As a result, margins to date are reduced.

Since 1 January the market price of resins used in the Group have increased by on average 60%. There were numerous force majeure declarations by resin producers in the first quarter and no meaningful increase in imports into Europe, initially due to the large-scale, weather-related disruptions in the US and recently because of shipping container shortages from Asia. Whilst some convertors have been forced to shut down production lines, we have been successful in mitigating the substantial challenge of securing resin supply to continue to operate.

Group sales in the first five months of the year are 17% ahead of the same period in 2020, 2% excluding the impact of the recently acquired Schela Plast business. After adjusting for price changes, sales volumes in the underlying business are 1% higher than 2020, which included additional demand due to the Covid-19 pandemic. As a result of the short-term transitional impact of resin price increases on our Group, earnings for the year to date are well behind that achieved in the same period in 2020.

# AGM trading statement (continued)

## **Schela Plast acquisition**

The acquisition of Schela Plast A/S, a specialist in the design and manufacture of blow moulded containers, based in Denmark, was completed on 10 February 2021. The integration with the Robinson Group is progressing well. In common with our existing operations, Schela Plast has faced resin availability and price challenges and it has also experienced a slower reopening of the market sectors that it serves following Covid-19 related lockdowns. Robinson has recently entered a strategic supply partnership with a major FMCG brand owner in the region, which provides confidence for the future.

## **Net debt**

Including the acquisition, net debt has increased to £13.1m at 31 May 2021 (31 December 2020: £6.6m). This remains well within the Group's total facilities of £21.1m.

## **Outlook**

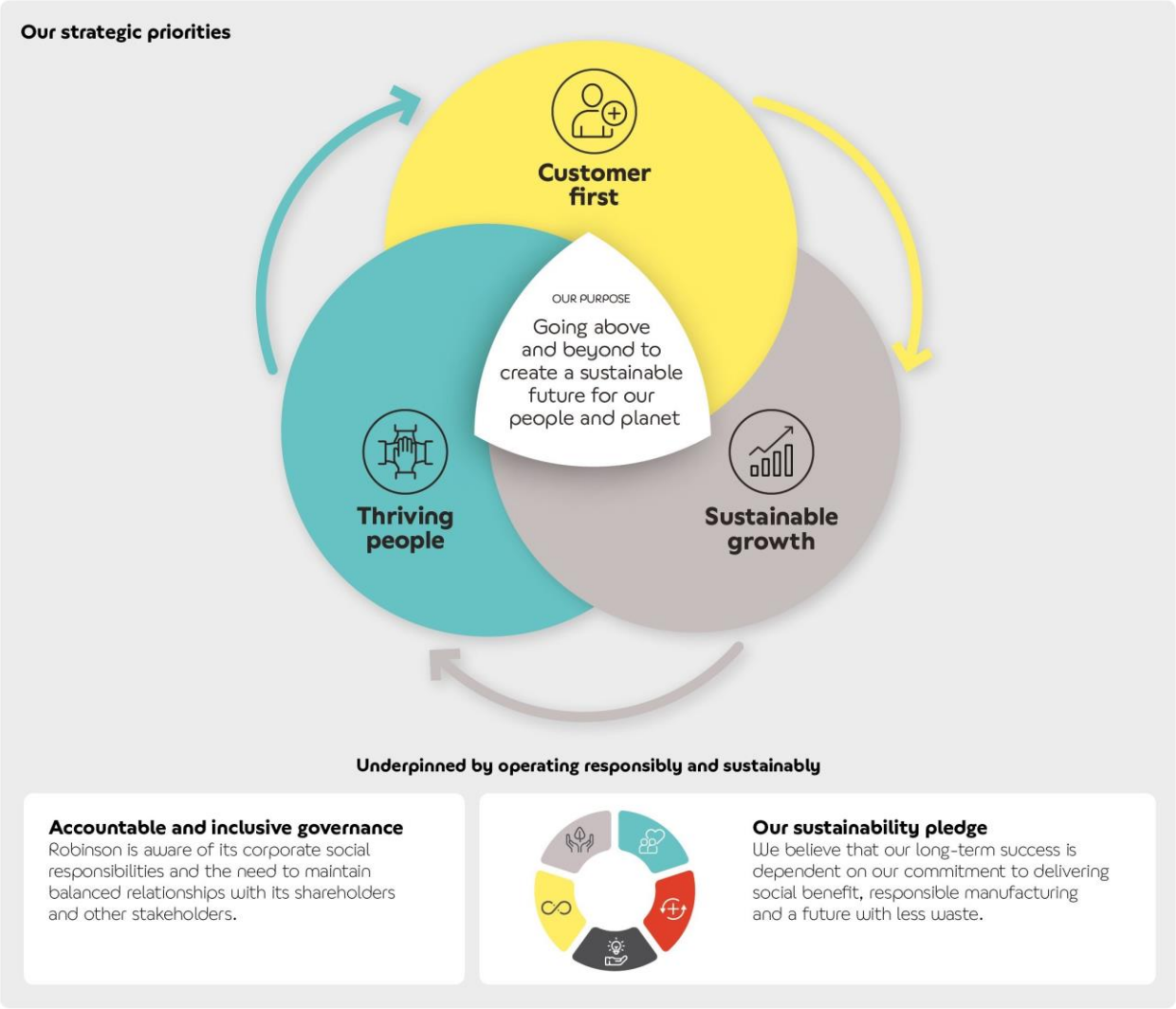
Raw material shortages and price increases will continue to have a short-term impact on earnings in the first half of 2021. Whilst many of our customers have been supportive, accepting price increases outside of contractual resin escalators, the impact is not sufficient to offset the lag effect of additional material costs in the first half. Notwithstanding the short-term challenges and market uncertainty, we remain committed in the medium term to returning above-market profitable growth and our target of 6-8% of adjusted operating margin.”

# Developing our strategy

Helene Roberts – CEO

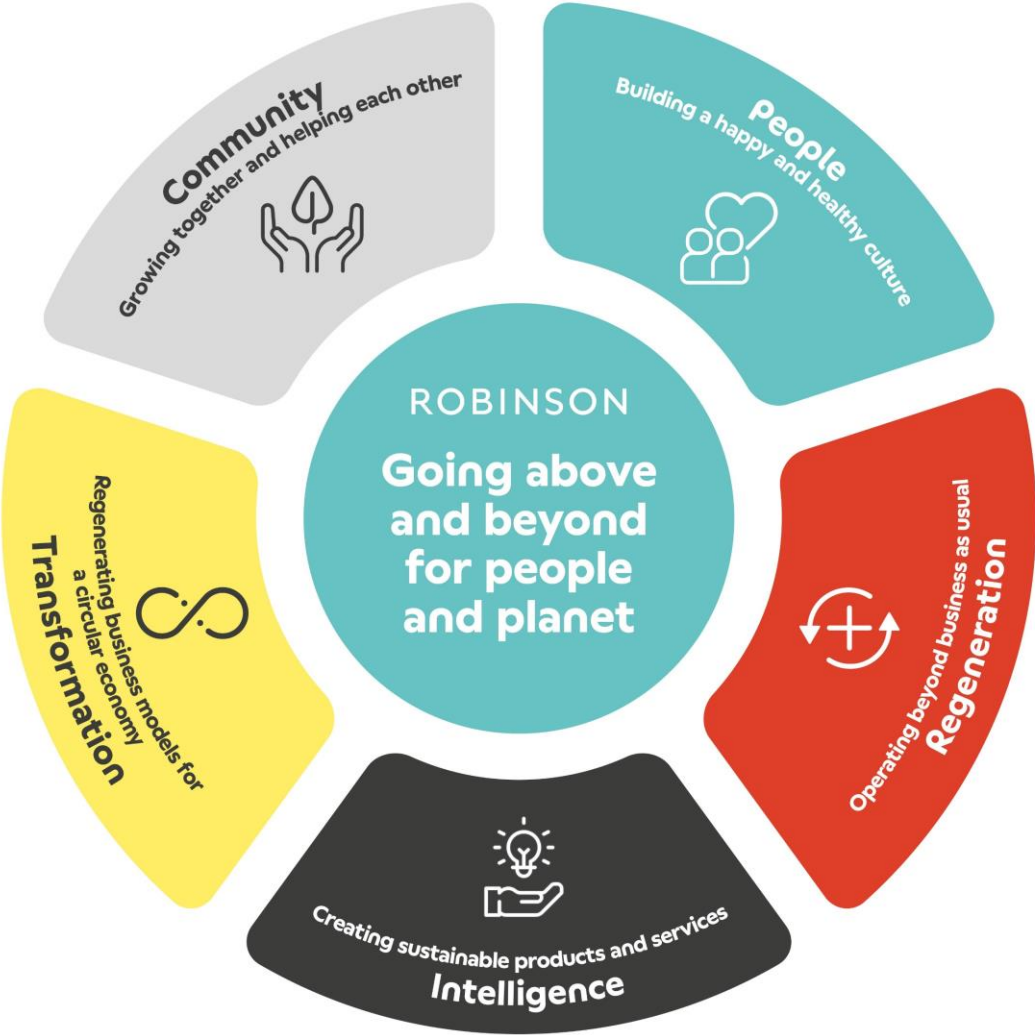




# Strategic framework





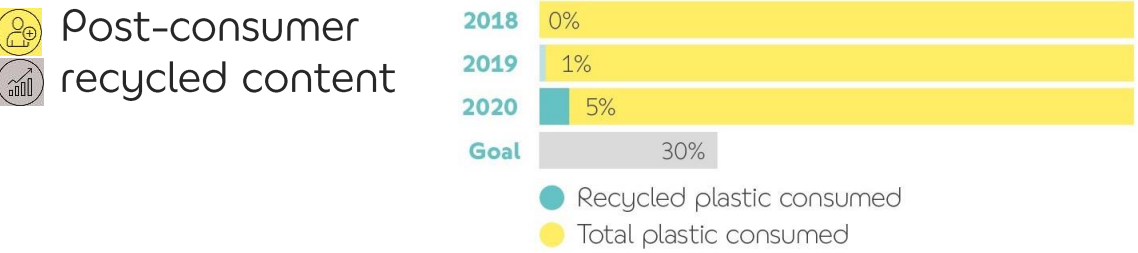
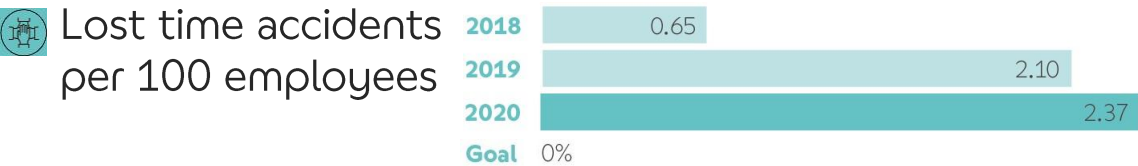
# Guiding our sustainability journey



	<p>We want our people to thrive, enabling our team to reach their potential in a culture that prioritises health and wellbeing.</p>	<p><b>Our goals</b></p> <ul style="list-style-type: none"> <li>• People development plan by 2023</li> <li>• Zero accidents every year</li> <li>• Champion employee health and wellbeing</li> </ul>	<p>The UN SDGs we can have the greatest impact on</p> 
	<p>We will extract maximum value from the resources we use in our operations, recovering and restoring materials at the end of their life.</p>	<p><b>Our goals</b></p> <ul style="list-style-type: none"> <li>• Zero waste to landfill by 2021</li> <li>• Net carbon positive by 2030</li> <li>• Sustainable buildings by 2025</li> </ul>	<p>The UN SDGs we can have the greatest impact on</p> 
	<p>We will enable our customers to contribute to building a circular economy by applying purposeful design, using recycled content and making our products recyclable.</p>	<p><b>Our goals</b></p> <ul style="list-style-type: none"> <li>• 10% virgin plastic reduction by 2025</li> <li>• Maximum recycled content by 2022</li> <li>• All products fully recyclable by 2022</li> </ul>	<p>The UN SDGs we can have the greatest impact on</p> 
	<p>We will drive shared commercial value and income streams beyond current business models, collaborating with our customers and partners to regenerate local economies.</p>	<p><b>Our goals</b></p> <ul style="list-style-type: none"> <li>• Build sustainable business environments</li> <li>• Greener spaces and habitats</li> <li>• Offer reusable products</li> </ul>	<p>The UN SDGs we can have the greatest impact on</p> 
	<p>We will deliver real social and environmental benefits to our communities, educating the next generation of change-makers and bringing more sustainable initiatives to the areas where we operate.</p>	<p><b>Our goals</b></p> <ul style="list-style-type: none"> <li>• Offer career-enhancing work experience and opportunities</li> <li>• Engage schools on benefits of packaging and recycling</li> <li>• Give back to our communities every year</li> </ul>	<p>The UN SDGs we can have the greatest impact on</p> 



# Measuring performance



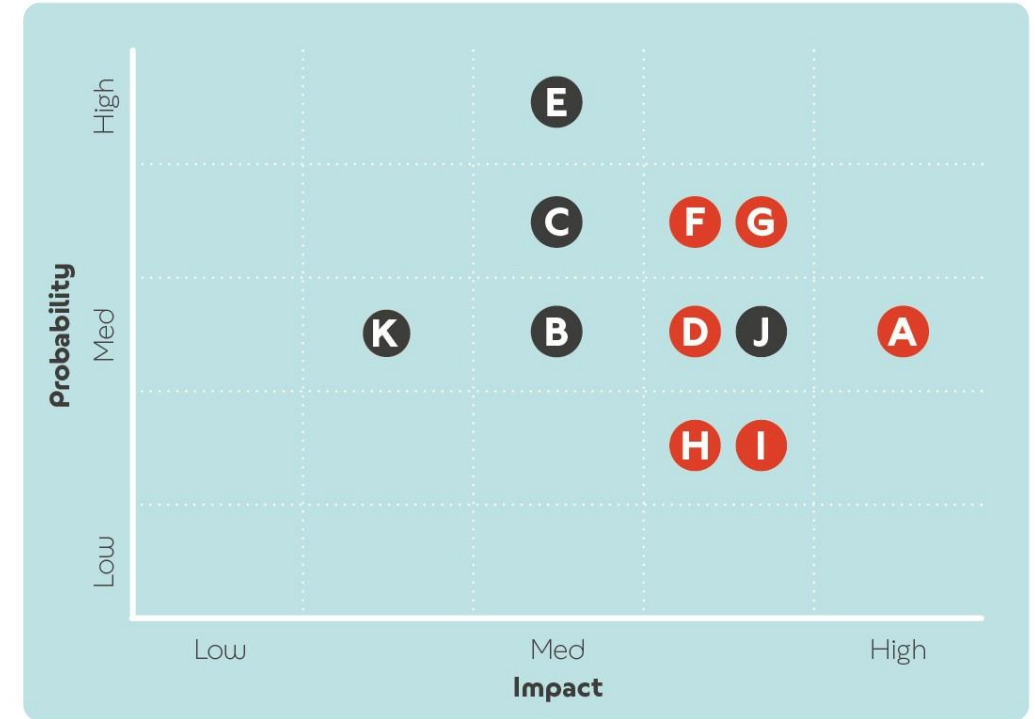
# Principal risks

**Raw material supply** – disruption may cause inability to meet sales demand

**Environment** – business impact resulting from climate change

**Plastics legislation** – may increase costs and fees, could impact demand

● Denotes increased risk



- |                             |                             |                      |
|-----------------------------|-----------------------------|----------------------|
| ● A Acquisition integration | ● E IT and digital security | ● I People           |
| ● B Customer relationships  | ● F Environment             | ● J Debt leverage    |
| ● C Input prices            | ● G Plastics legislation    | ● K Foreign currency |
| ● D Raw material supply     | ● H Market competitiveness  |                      |

# Acquisition - Schela Plast A/S

- Completed February 2021
- Specialist in the design and manufacture of plastic blow moulded containers in Denmark
- Complementary market sectors to those served by Robinson
- Expands geographic reach and creates sales opportunities with new and existing Robinson customers
- Morten Jeppesen, the current MD, will continue to lead the company
- Expected to be immediately earnings enhancing
- Strategic supply partnership with a major FMCG brand owner in the region



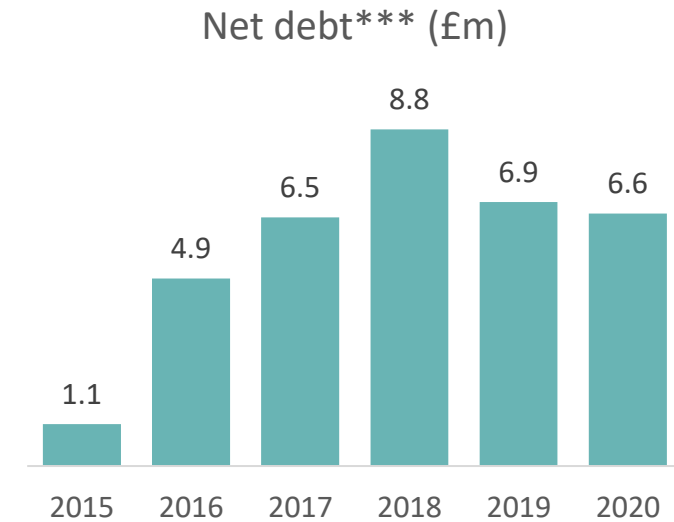
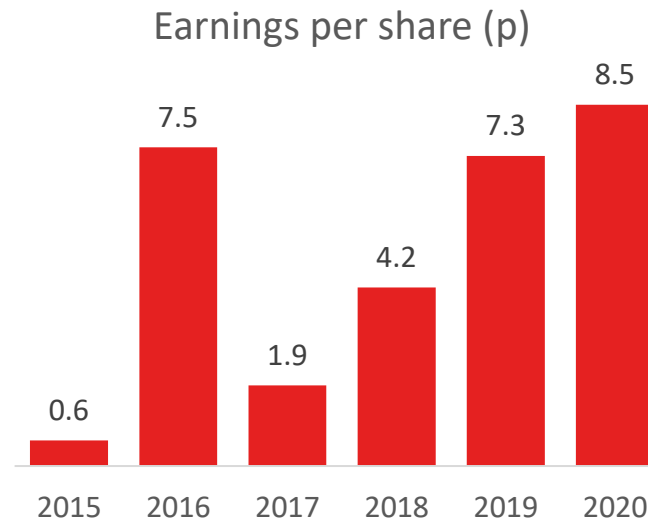
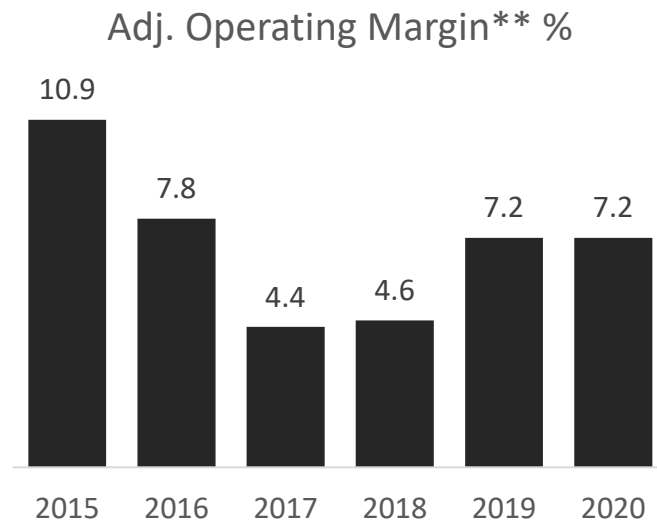
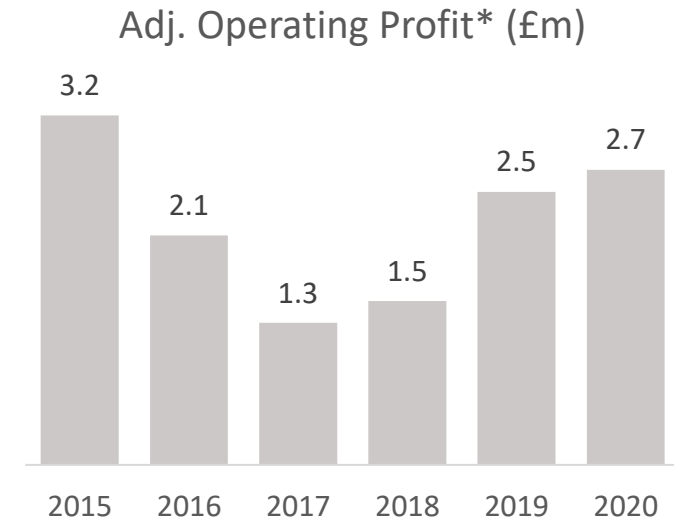
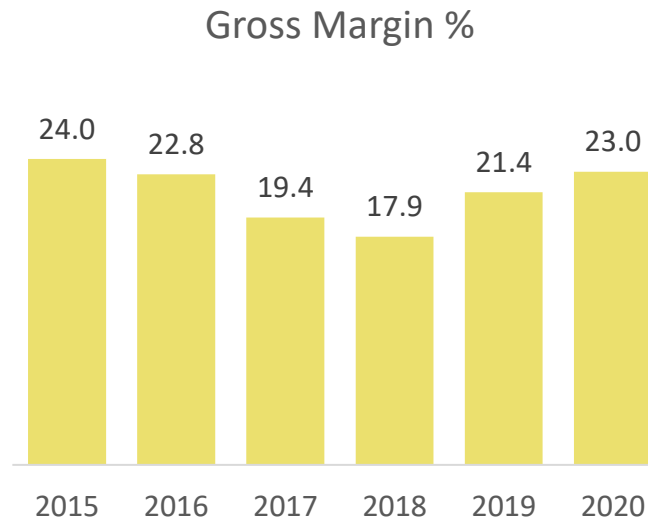
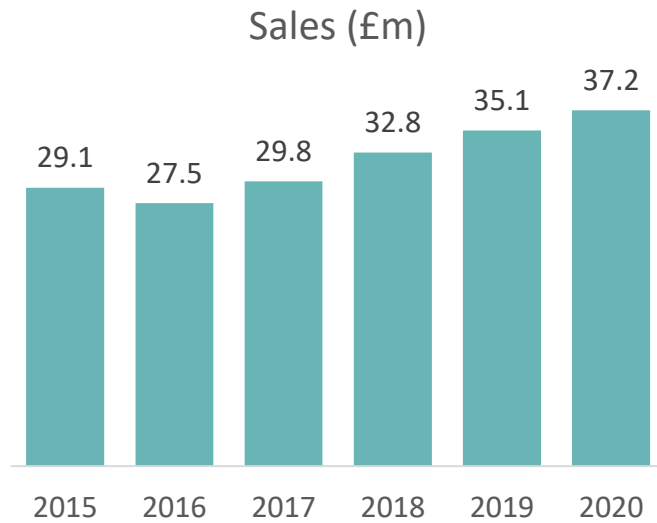
**Schela Plast**  
FORMING YOUR SOLUTIONS

# Financial performance

Mike Cusick – Finance Director



# Financial performance



# Pension fund

## Defined benefit pension plan

- Closed to new entrants in 1997
- Assets £67m at end of 2020 (2019: £66m)
- IAS 19 surplus at 31 Dec of £9.3m (2019: £10.5m)
- Escrow account has £3.1m - £2.7m loaned to Company
- Intention to buy-out when market conditions allow
- Triennial actuarial valuation completed as at 5 April 2020:
  - After rolling forward to 30 Oct 2020, surplus of 4% (2017: 2%)
  - Trustees and Company agreed the Company continues to benefit from a contribution holiday

# Surplus property

Guy Robinson – Property Director





# Surplus property

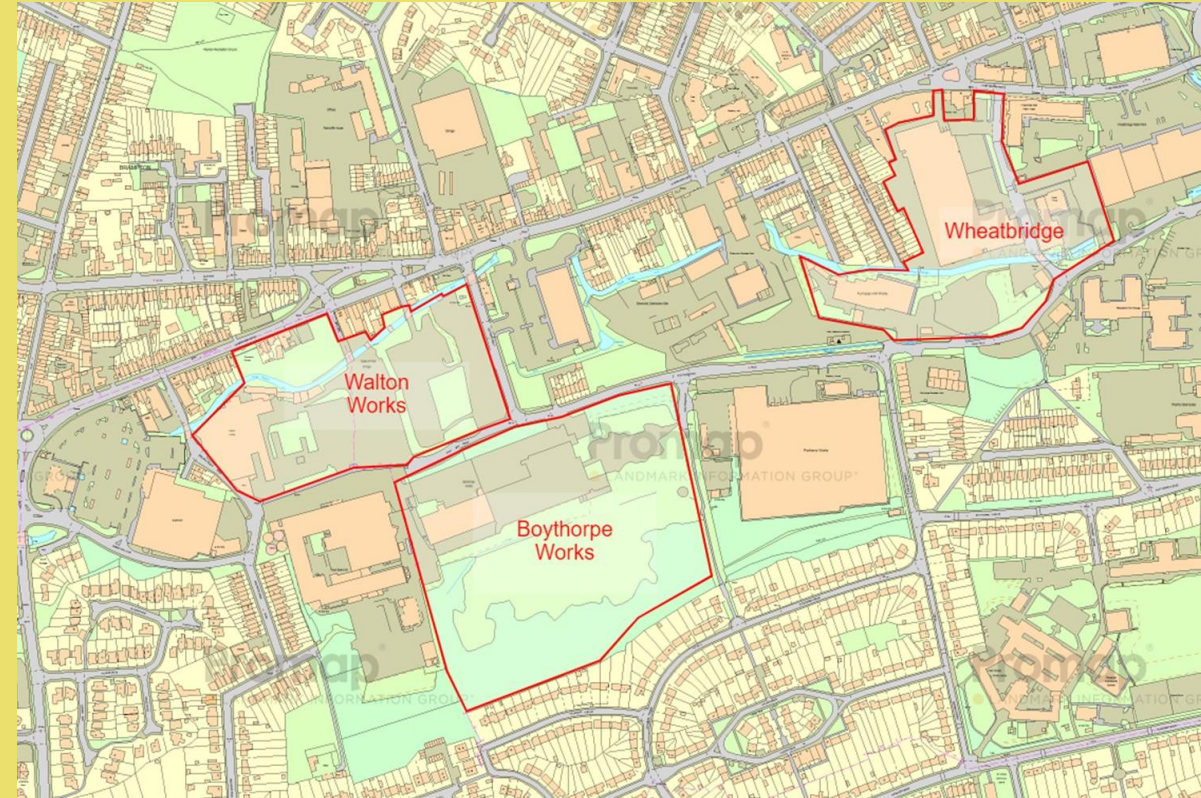
## Increase cash reserves for reinvestment

### Surplus properties

- Book value £4m (valued end of 2008)
- Current gross rental income £0.3m per annum
- Agreed to sell, subject to contract, two thirds of Boythorpe for gross value of £3.4m (book value <£1m)

### Development sites

- Walton Works (8 acres)
- Boythorpe Works (15 acres)
- Wheatbridge (8 acres) – mainly let out



# Summary and outlook

Helene Roberts – CEO



# Summary and outlook

## Full year 2020

- Strong financial results despite significant challenges
- Covid-19 impact marginally beneficial to revenue and profit
- Investment in capabilities in manufacturing, sales, marketing and sustainability
- Rebranded, developed purpose and values, improved governance

## Outlook

- Raw material shortages and price increases will have a short-term impact on earnings in the first half of 2021
- Board is committed to delivering above-market profitable growth and 6-8% adjusted operating profit margin in the medium term
- Continued investment to create a high performing, expert and diverse team
- Selective acquisitions of complementary businesses in Europe when appropriate

# That's all folks

- Thank you for attending this AGM in unusual circumstances
- Plans for investor events when Covid-19 conditions allow
- Any further questions to [agm@robinsonpackaging.com](mailto:agm@robinsonpackaging.com)

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