

# Final results 2021

24 March 2022

ROBINSON

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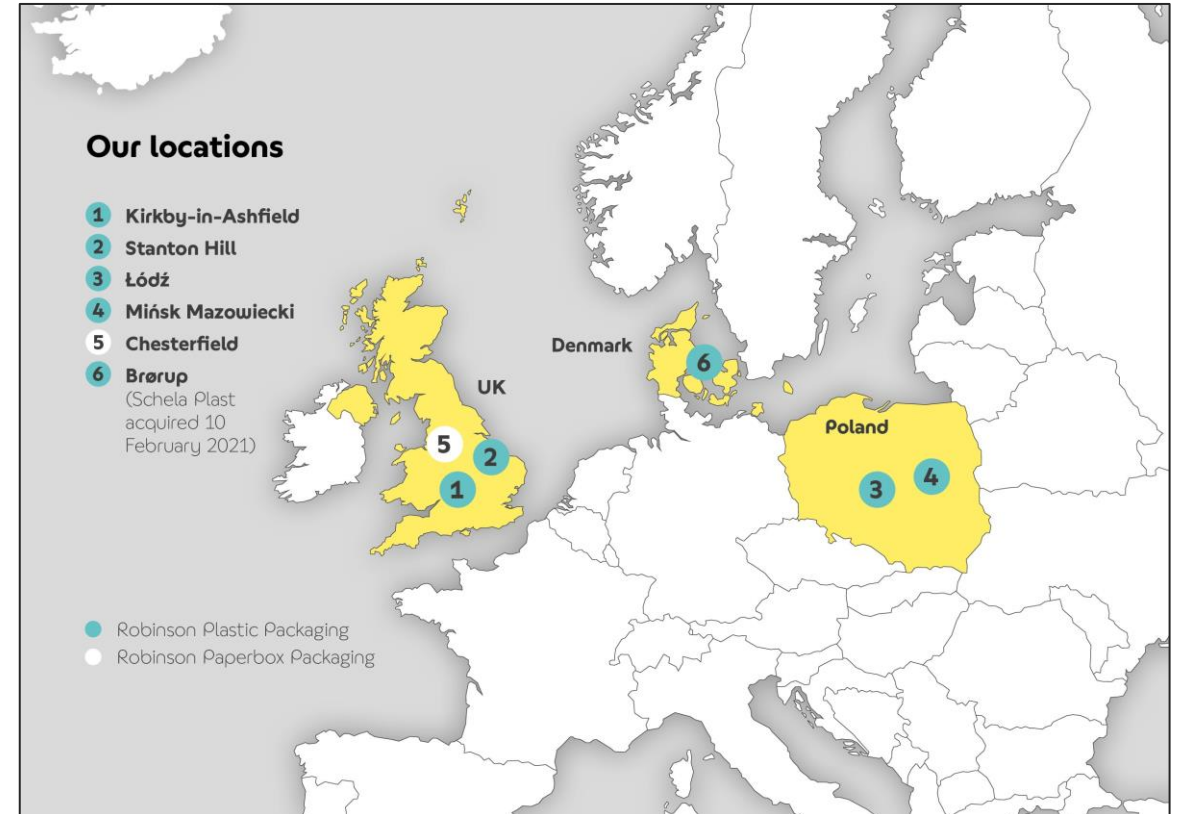
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# About us

Custom packaging with value-added sustainable solutions for hygiene, safety, protection and convenience

- Injection and blow moulded plastic packaging and rigid paperboard luxury packaging
- Products and services within the food and drink, homecare, beauty and personal care and luxury gift sectors
- Geographical presence maximising commercial logistical reach to our customers
- Headquartered in Chesterfield, UK, three plants in the UK, two in Poland, one in Denmark
- Former family business with origins dating back to 1839
- Employing nearly 400 people.



Customers are heavily weighted towards leading multinational brand owners who seek creative on-shelf differentiation for consumer appeal



# Market drivers and opportunities

Our strategy is to grow organically and sustainably with existing multi-national FMCG customers in our core markets, while targeting strategically-aligned new customers in our focus sectors

## Growth markets

For food and consumer product benefits in hygiene, safety, protection, durability and convenience:

- Food & Drink
- Personal Care & Beauty
- Homecare
- Luxury gifts.

## Customer relationships

Increase share of wallet with existing customers  
Growth with new customers of similar profile and needs

Showcase our differentiation in service:

- Trusted, solid, close relationships
- Agility and speed to market
- Geographic and commercial reach
- Going above and beyond.

## Technical expertise and value-add

Challenger supplier with innovation in:

- Technical know-how to deliver new projects with pace
- One-stop solution for a variety of value-added features and benefits - from concept to manufacturing reality
- Focused on developing custom solutions supplemented by a selection of standard packaging to optimise our capacity.

## Sustainable innovation

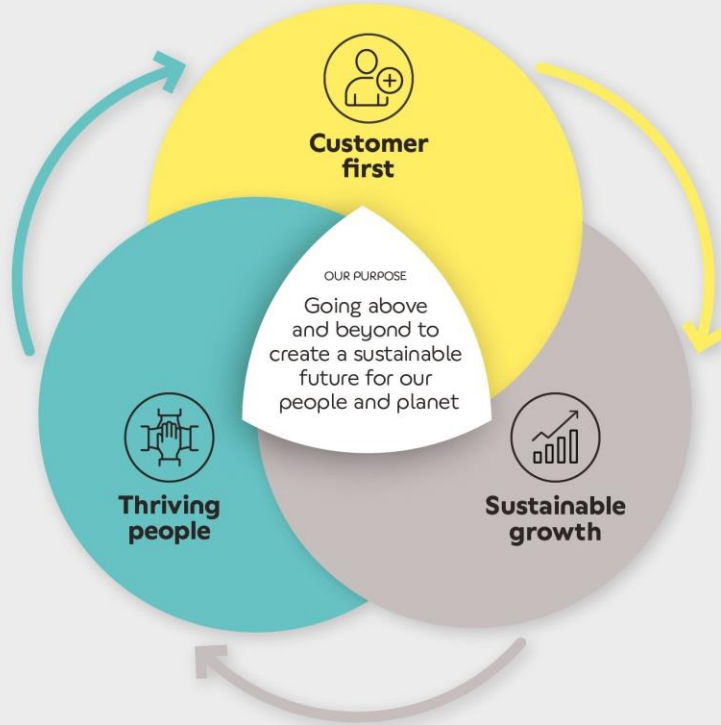
Meeting our goals and those of our customers with focus on:

- Reduction in virgin plastic through lightweighting and increased recycled content
- Recyclability
- Sustainably sourced materials
- Low and alternative sources of carbon
- Hygiene, safety, protection, durability and convenience.

# Developing our strategy

Growing ahead of the market by providing excellent customer service as a long-term strategic partner while creating a people-centric business aligned with our purpose  
Sustainability is at the core as we transition to decarbonisation and a circular economy

## Our strategic priorities



Underpinned by operating responsibly and sustainably

### Accountable and inclusive governance

Robinson is aware of its corporate social responsibilities and the need to maintain balanced relationships with its shareholders and other stakeholders.



### Our sustainability pledge

We believe that our long-term success is dependent on our commitment to delivering social benefit, responsible manufacturing and a future with less waste.



### Honest

We are refreshingly real, straightforward and trusted. We tell it like it is while being respectful and gaining respect. We connect with audiences through being genuine and open.



### Agile

We are nimble and work flexibly and responsively to keep on track, committed to efficient success. We roll up our sleeves and get stuck in.



### Engaged

We want our people to thrive, supporting them to realise their full potential as we build a happy, committed culture.



### Empowered

We are confident, with authority and competence to deliver our collective goals. We are trusted in our knowledge and our delivery.





**Being**  
We apply our core values and behaviours in everything we do.



# Guiding our sustainability journey

Our newly launched sustainability pledge underpins our business strategy, delivering packaging with purpose and focusing on where we can deliver the greatest benefit for people and planet



	<b>We want our people to thrive, enabling our team to reach their potential in a culture that prioritises health and wellbeing.</b>	<b>Our goals</b> <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>	<b>The UN SDGs we can have the greatest impact on</b> 
	<b>We will extract maximum value from the resources we use in our operations, recovering and restoring materials at the end of their life.</b>	<b>Our goals</b> <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>	<b>The UN SDGs we can have the greatest impact on</b> 
	<b>We will enable our customers to contribute to building a circular economy by applying purposeful design, using recycled content and making our products recyclable.</b>	<b>Our goals</b> <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>	<b>The UN SDGs we can have the greatest impact on</b> 
	<b>We will drive shared commercial value and income streams beyond current business models, collaborating with our customers and partners to regenerate local economies.</b>	<b>Our goals</b> <ul style="list-style-type: none"><li>• Build sustainable business environments</li><li>• Greener spaces and habitats</li><li>• Offer reusable products</li></ul>	<b>The UN SDGs we can have the greatest impact on</b> 
	<b>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.</b>	<b>Our goals</b> <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>	<b>The UN SDGs we can have the greatest impact on</b> 

# Summary

Challenges from input price inflation, customer demand and ongoing uncertainty from the Covid-19 pandemic

## Financial

- Revenues +24% to £46.0m including Schela Plast, underlying volumes -5% below 2020
- Gross margin decreased to 17.0% (2020: 23.0%) – input cost increases and resin lag
- Operating costs 12% higher than 2020 – Schela Plast impact
- Operating profit before amortisation reduced to £1.2m (2020: £2.7m)
- Net debt of £13.1m (Dec 2020: £6.9m) after net capex of £3.9m and £4.9m consideration and debt acquired on Schela Plast

## Operating

- Acquisition of Schela Plast A/S completed on 10 February 2021
- Sourced scarce material and labour to continue servicing our customers
- Advanced our health and safety programme
- Modest restructuring programme launched in November, £0.2m of exceptional costs will deliver £0.3m of cost savings annually
- Exchanged contracts on a plot surplus property in Chesterfield, gross proceeds of £1m due on completion
- Recently accepted a non-binding offer to sell an operational property in Sutton-in-Ashfield

# Outlook

Committed in the medium term to delivering above-market profitable growth and 6-8% adjusted operating profit margin

- Uncertainty and volatility is likely to continue through 2022 – further inflation in input costs anticipated
- Sales price increases will start to recover margins in 2022
- Following the Russian invasion of Ukraine, higher oil and energy costs will flow through to raw materials and impact our costs – may reduce margin
- Some sales of surplus property expected in 2022, subject to planning approvals we would expect further sales in the next 18 months



# 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
- Operating loss in 2021 due to:
  - Suppressed volumes due to Covid-19 lockdowns
  - Raw material availability and price inflation
- Strategic supply partnership with a major FMCG brand owner in the region



**Schela Plast**  
FORMING YOUR SOLUTIONS

# Pension fund

## Defined benefit pension plan

- Closed to new entrants in 1997
- Assets £69m at end of 2021 (2020: £67m)
- IAS 19 surplus at 31 Dec of £13.2m (2020: £9.3m)
- 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

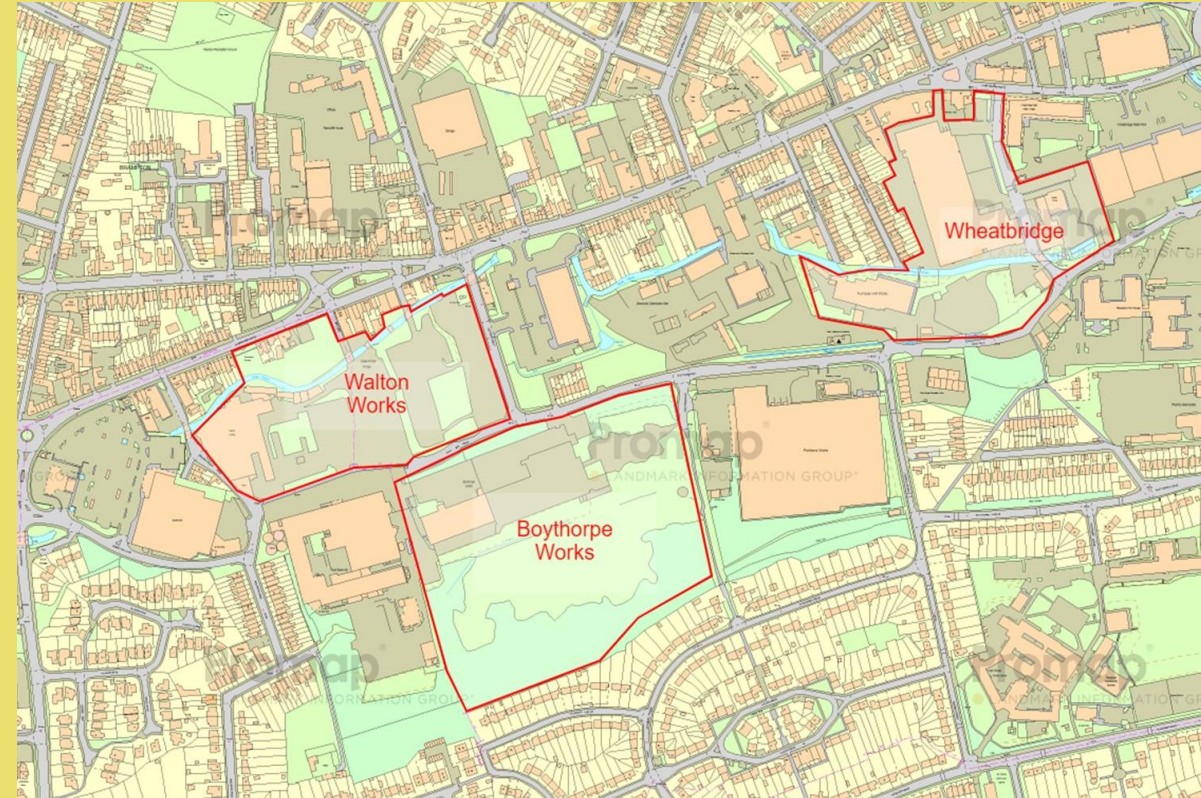
## Increase cash reserves for reinvestment

### Surplus properties

- Book value £3.4m (valued end of 2008)
- Current gross rental income £0.4m per annum
- Exchanged contracts to sell 2 acres of Boythorpe, gross proceeds of £1m (book value £0.2m)
- Agreed to sell, subject to contract, 8 acres of Boythorpe for gross value marginally in excess of £2.4m (book value <£0.8m)

### Development sites

- Walton Works (8 acres)
- Boythorpe Works (13 acres + 2 sold in March 2022)
- Wheatbridge (8 acres) – mainly let out



# Financials



# Income statement

£'000	2021	2020	% change
<b>Revenue</b>	<b>45,954</b>	<b>37,203</b>	<b>23.5%</b>
Gross profit	7,750	8,566	-9.5%
Gross profit %	16.9%	23.0%	-610bps
Operating costs	(6,525)	(5,878)	-11.0%
<b>Adjusted operating profit</b>	<b>1,225</b>	<b>2,688</b>	<b>-45.6%</b>
Adjusted operating profit %	2.7%	7.2%	
Exceptional costs	(43)	-	
Amortisation of intangible assets	(957)	(809)	
<b>Operating (loss)/profit</b>	<b>225</b>	<b>1,879</b>	
Net financing costs	(373)	(127)	-193.7%
<b>(Loss)/profit before tax</b>	<b>(148)</b>	<b>1,752</b>	
Taxation	176	(343)	
Profit after tax	28	1,409	
<b>Basic EPS</b>	<b>0.2p</b>	<b>8.5p</b>	



# Balance sheet

£'000	2021	2020
<b>Non-current assets</b>		
Intangible assets	5,265	3,896
Property, plant and equipment	24,892	20,873
Deferred tax assets	1,188	978
	<b>31,345</b>	<b>25,747</b>
<b>Current assets</b>		
Inventories	5,067	3,110
Trade and other receivables	10,033	9,185
Cash at bank and on hand	2,775	1,386
Assets classified as held for sale	238	-
	<b>18,113</b>	<b>13,681</b>
<b>Total assets</b>	<b>49,458</b>	<b>39,428</b>
<b>Current liabilities</b>		
Trade and other payables	10,273	6,489
Borrowings	1,681	3,260
Current tax liabilities	109	69
	<b>12,063</b>	<b>9,818</b>
<b>Non-current liabilities</b>		
Borrowings	14,221	4,991
Deferred tax liabilities	1,376	1,042
Provisions	128	173
	<b>15,725</b>	<b>6,206</b>
<b>Total liabilities</b>	<b>27,788</b>	<b>16,024</b>
<b>Net assets</b>	<b>21,670</b>	<b>23,404</b>

£'000	2021	2020
Cash	2,775	1,386
Bank overdrafts	-	(2,282)
Bank and other loans	(9,651)	(2,700)
Lease liabilities	(6,251)	(3,269)
<b>Net debt</b>	<b>(13,127)</b>	<b>(6,865)</b>
Add back: IFRS 16 leases	<b>241</b>	<b>265</b>
<b>Adjusted net debt</b>	<b>(12,886)</b>	<b>(6,600)</b>

- Net debt increased by £6.3m from December including:
  - £3.9m net capex
  - £1.4m consideration for Schela Plast
  - £3.5m net debt acquired with Schela Plast
- Total facilities of £22m including leases and pension scheme loan
- £2.3m deferred consideration for Schela Plast included in Trade and other payables

# Cashflow

£'000	2021	2020	% change
Operating cash flow before working capital	4,255	5,141	-17%
Cash generated from operations	5,397	6,586	
Cash generated from operating activities	4,949	5,929	
Net cash used in investing activities	(5,694)	(4,591)	
Net cash used in financing activities	4,465	(539)	
<b>Net change in cash and cash equivalents</b>	<b>3,720</b>	<b>799</b>	
Cash and cash equivalents at beginning of year	(896)	(1,678)	
Effect of foreign exchange changes	(49)	(17)	
<b>Cash and cash equivalents at end of year</b>	<b>(2,775)</b>	<b>(896)</b>	
Cash at bank and on hand	2,775	1,386	
Bank overdrafts	-	(2,282)	
<b>Cash and cash equivalents at end of year</b>	<b>2,775</b>	<b>(896)</b>	

# Appendices

# 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 before spending seven years as food and drink Head of Packaging. Since 2011, Helene has worked for several packaging converters. Most recently Helene was Managing Director at Klockner Pentaplast, responsible for the UK, Ireland and Australian business.

Helene joined the Board in November 2019.

## **Mike Cusick– CFO**

A qualified management accountant, Mike joined Robinson in 2015. Previously he was Group Commercial Finance Director, responsible for the post-acquisition integration of the Madrox business in Poland, and new commercial systems across the Group. Prior to joining Robinson, Mike gained international financial experience during 8 years in various finance roles at SIG plc, latterly as Financial Controller, Mainland Europe. Mike was appointed Finance Director on 1 January 2021.

Mike joined the Board in January 2019.



# External landscape

## Environmental sustainability

Plastics use and waste, pollution, food waste, energy, carbon emissions.

## Regulation and legislation

UK and European Plastics legislation from 2022.

## Social and demographic changes

Role of packaging and attitudes to waste. Rise in e-commerce. Increase in food safety and hygiene demands.

## Supply chain

Reliance on timely, high quality raw materials. Fluctuating polymer costs and availability.

## Economic outlook

Medium and long-term impacts of Covid-19 and Brexit. Significant oil and energy price inflation.

## Digitalisation and automation

Rapidly advancing manufacturing techniques and technology.

## Customer and Retail

Voluntary sustainability commitments. Cleaning & hygiene products and associated packaging on the rise.

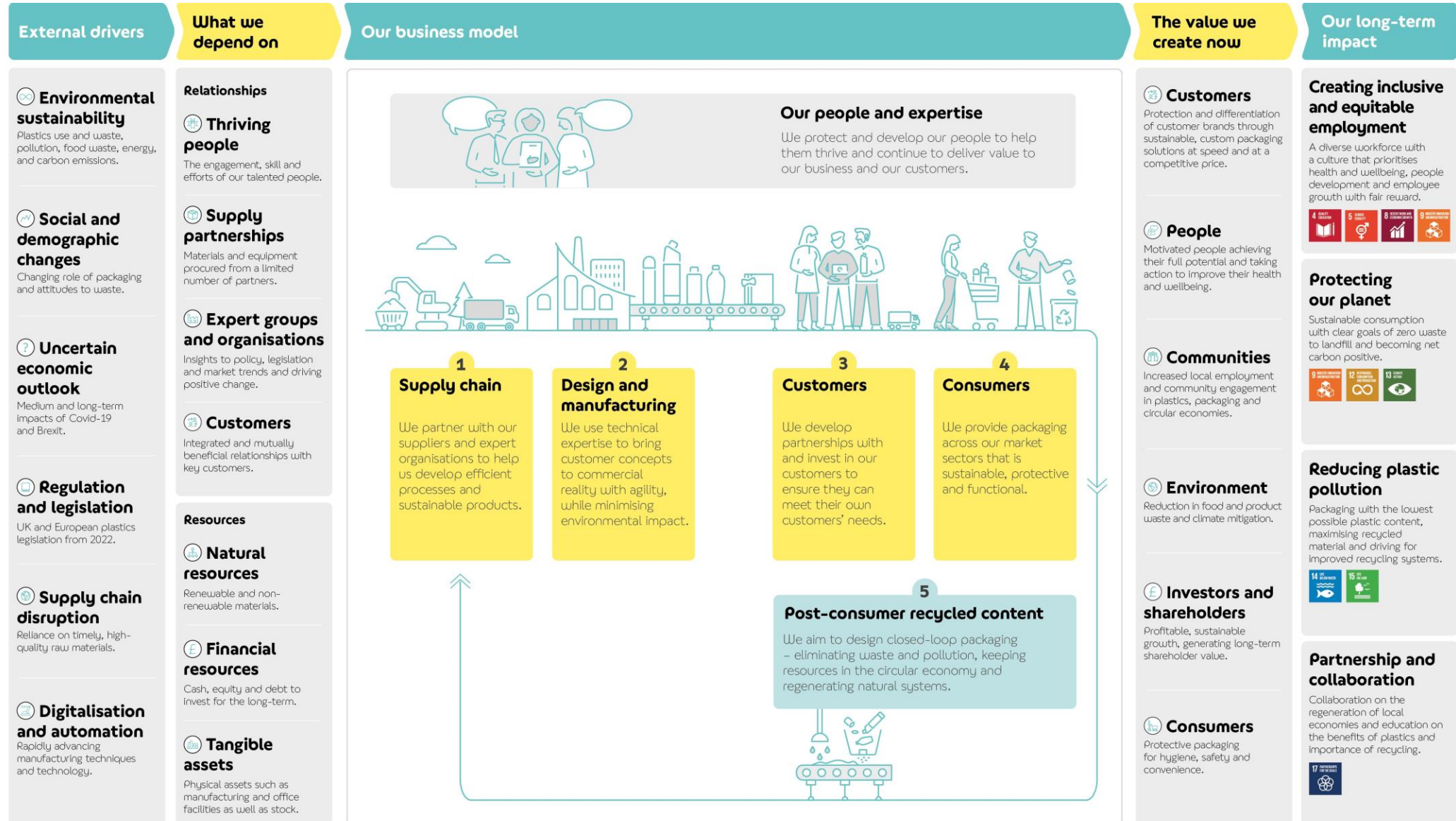
## Market competitiveness

Investment to maintain cost leadership, capacity and agility in product and service offering.



# Creating value

Our purpose driven business is focused on creating sustained mutual shared value for all stakeholders



*Together since 1839*