

# Final results 2022

30 March 2023

ROBINSON

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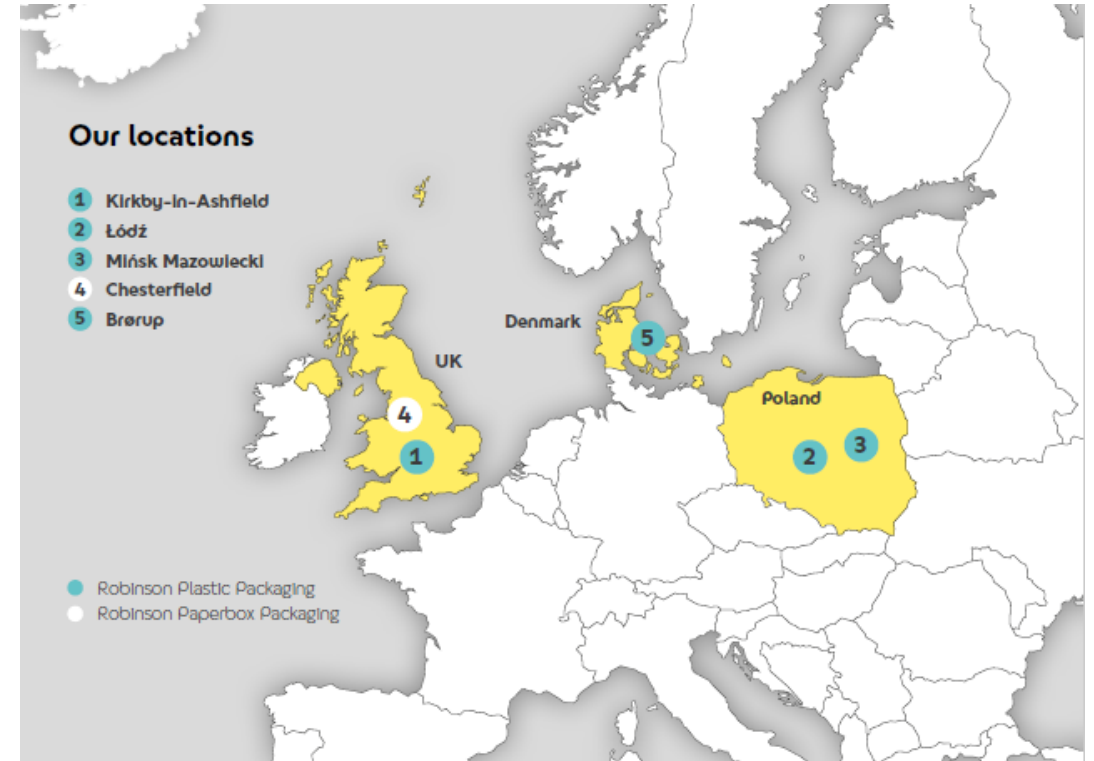
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# About us

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, two 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

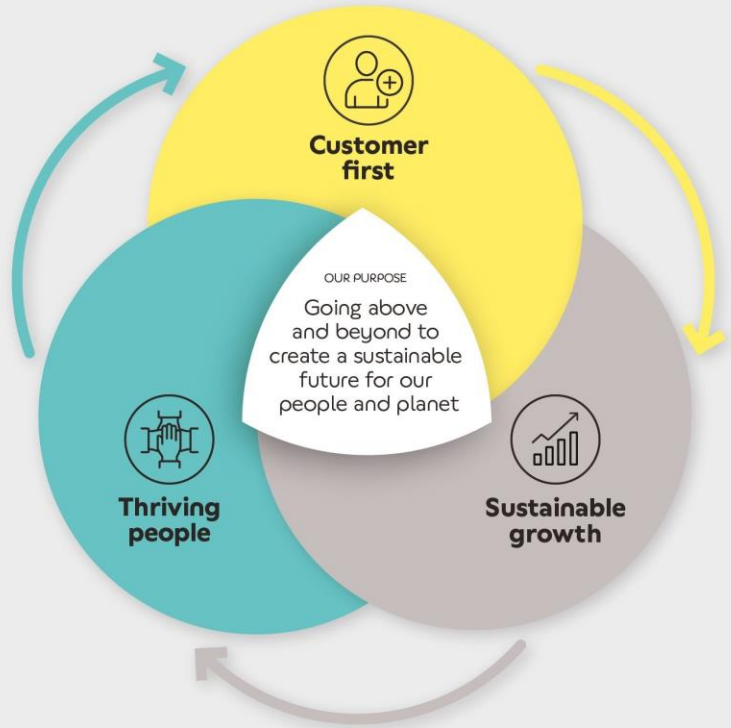
Meeting our goals and those of our customers with focus on:

- 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.



# Guiding our sustainability journey

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



	<p><b>We want our people to thrive, enabling our team to reach their potential in a culture that prioritises health and wellbeing.</b></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><b>The UN SDGs we can have the greatest impact on</b></p>
	<p><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></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><b>The UN SDGs we can have the greatest impact on</b></p>
	<p><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></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><b>The UN SDGs we can have the greatest impact on</b></p>
	<p><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></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><b>The UN SDGs we can have the greatest impact on</b></p>
	<p><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></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><b>The UN SDGs we can have the greatest impact on</b></p>

# Summary

Return to profitability after a difficult 2021, successful pass through of cost inflation to selling prices in 2022

## Financial highlights

- Revenues +10% to £50.5m (9% due to Schela Plast). Excluding Schela Plast, underlying volumes -10% below 2021, offset by selling price increases
- Gross margin stable at 17% (2021: 17%)
- Operating costs excluding exceptional costs 3% higher than 2021 – Schela Plast impact and inflation offset by cost saving initiatives
- Operating profit before amortisation and exceptional costs increased to £2.0m (2021: £1.2m)
- Net debt of £9.2m (Dec 2021: £13.1m) after net capex of £2.5m
- Property proceeds of £3.5m received.

## Operating highlights

- Completed defined benefit pension scheme buy-in
- Consolidated UK Plastics operations onto one site
- Won substantial new business project which will require investment in 2023, and will increase revenues from 2024.

# Outlook

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

- Macroeconomic uncertainty and volatility is likely to continue through 2023
- Seeking further sales price increases from all customers as a result of further cost inflation experienced in 2022
- Awarded a new contract in Denmark which requires significant investment in 2023, and will see benefit in sales and profit from 2024
- Continue to prioritise the management of costs and cashflow in 2023
- Further sales of surplus property expected in 2023, subject to planning approvals.



# Pension fund

## Defined benefit pension plan

- IAS 19 surplus at 31 December 2022 of £7.0m (2021: £13.2m)
- Buy-in contract signed 6 Dec 2022, and full buy-out expected for the end of 2023
- Any surplus remaining after buy-out will be used to augment members pensions
- Pension Escrow Account has £3.2m - £2.7m of which loaned to Company
- Now increased probability the escrow funds will be returned to the Company, improving net debt by £3.2m.

# Surplus property

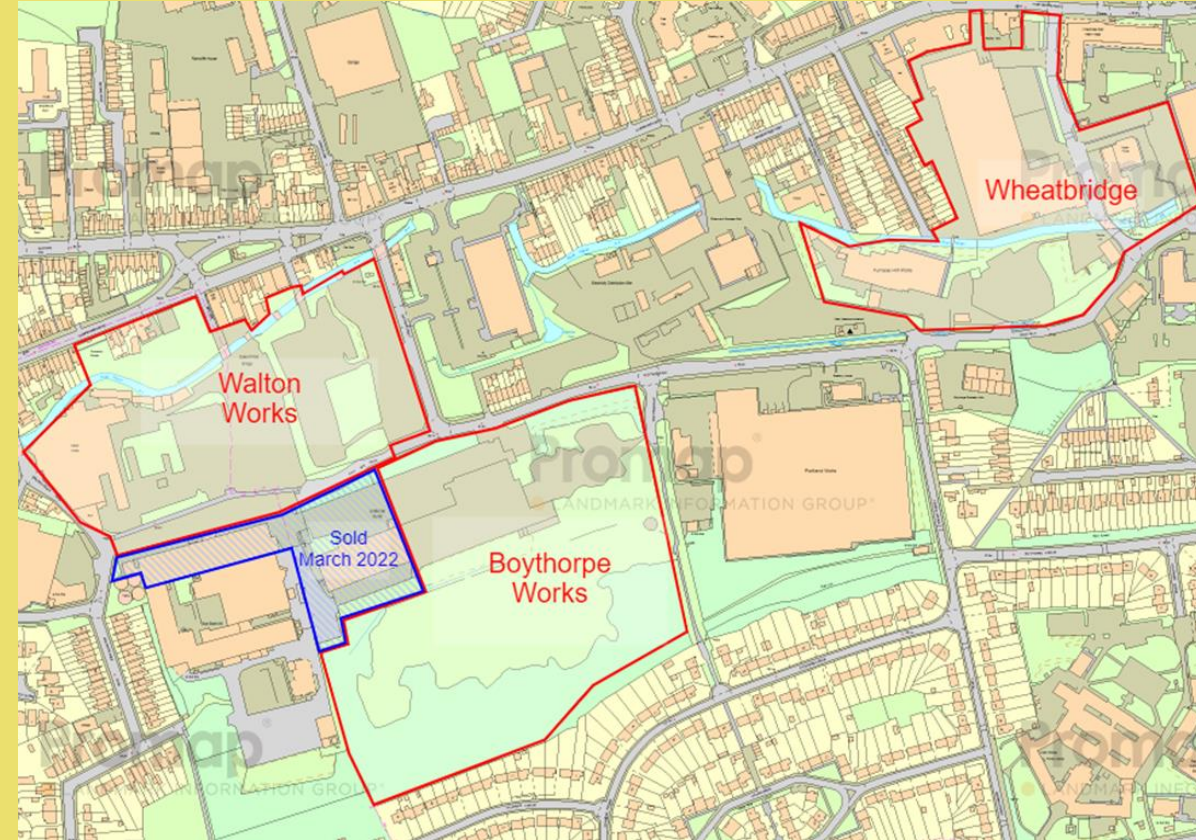
## Increase cash reserves for reinvestment

### Surplus properties

- Book value £2.8m at 31 December 2022
- Market value £8.1m (valued by Innes England as at November 2022)
- Current gross rental income £0.3m per annum
- Expect sales in the next 12 months – subject to planning.

### Development sites

- Walton Works (8 acres)
- Boythorpe Works (13 acres remaining)
- Wheatbridge (8 acres) – mainly let out.



# Financials

# Income statement

£'000	2022	2021	% change
<b>Revenue</b>	<b>50,529</b>	<b>45,954</b>	<b>+10.0%</b>
Gross profit	8,764	7,750	+13.1%
Gross profit %	17.3%	16.9%	+40bps
Operating costs	(6,731)	(6,525)	+3.2%
<b>Adjusted operating profit</b>	<b>2,033</b>	<b>1,225</b>	<b>+66.0%</b>
Adjusted operating profit %	2.7%	2.7%	
Exceptional items	1,714	(43)	
Amortisation of intangible assets	(947)	(957)	
<b>Operating profit</b>	<b>2,800</b>	<b>225</b>	
Net financing costs	(507)	(373)	+36.0%
<b>Profit/(loss) before tax</b>	<b>2,293</b>	<b>(148)</b>	
Taxation	51	176	
Profit after tax	2,344	28	
<b>Basic EPS</b>	<b>14.0p</b>	<b>0.2p</b>	

# Balance sheet

£'000	2022	2021
<b>Non-current assets</b>		
Intangible assets	4,494	5,265
Property, plant and equipment	22,960	24,892
Deferred tax assets	1,294	1,188
	<b>28,748</b>	<b>31,345</b>
<b>Current assets</b>		
Inventories	5,155	5,067
Trade and other receivables	9,522	10,033
Cash at bank and on hand	5,097	2,775
Current tax asset	110	-
Assets classified as held for sale	642	238
	<b>20,526</b>	<b>18,113</b>
<b>Total assets</b>	<b>49,274</b>	<b>49,458</b>
<b>Current liabilities</b>		
Trade and other payables	9,543	10,273
Borrowings	5,535	1,681
Current tax liabilities	-	109
	<b>15,078</b>	<b>12,063</b>
<b>Non-current liabilities</b>		
Borrowings	8,743	14,221
Deferred tax liabilities	1,395	1,376
Provisions	116	128
	<b>10,254</b>	<b>15,725</b>
<b>Total liabilities</b>	<b>25,332</b>	<b>27,788</b>
<b>Net assets</b>	<b>23,942</b>	<b>21,670</b>

£'000	2022	2021
Cash	5,097	2,775
Bank overdrafts	-	-
Bank and other loans	(8,641)	(9,651)
Lease liabilities	(5,637)	(6,251)
<b>Net debt</b>	<b>(9,181)</b>	<b>(13,127)</b>

- Net debt decreased by £3.9m from December including:
  - £(2.5m) net capex
  - £(2.3m) deferred consideration for Schela Plast
  - £3.5m proceeds on sale of property.
- Refinanced a £4.5m mortgage in March 2023
- Total facilities of £19m including leases and pension scheme loan.



# Cashflow

£'000	2022	2021	% change
Operating cash flow before working capital	4,920	4,255	+15%
Cash generated from operations	7,578	5,397	
Cash generated from operating activities	6,769	4,949	
Net cash used in investing activities	(1,270)	(5,694)	
Net cash used in financing activities	(3,234)	4,465	
<b>Net change in cash and cash equivalents</b>	<b>2,265</b>	<b>3,720</b>	
Cash and cash equivalents at beginning of year	2,775	(896)	
Effect of foreign exchange changes	57	(49)	
<b>Cash and cash equivalents at end of year</b>	<b>5,097</b>	<b>2,775</b>	
Cash at bank and on hand	5,097	2,775	
Bank overdrafts	-	-	
<b>Cash and cash equivalents at end of year</b>	<b>5,097</b>	<b>2,775</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

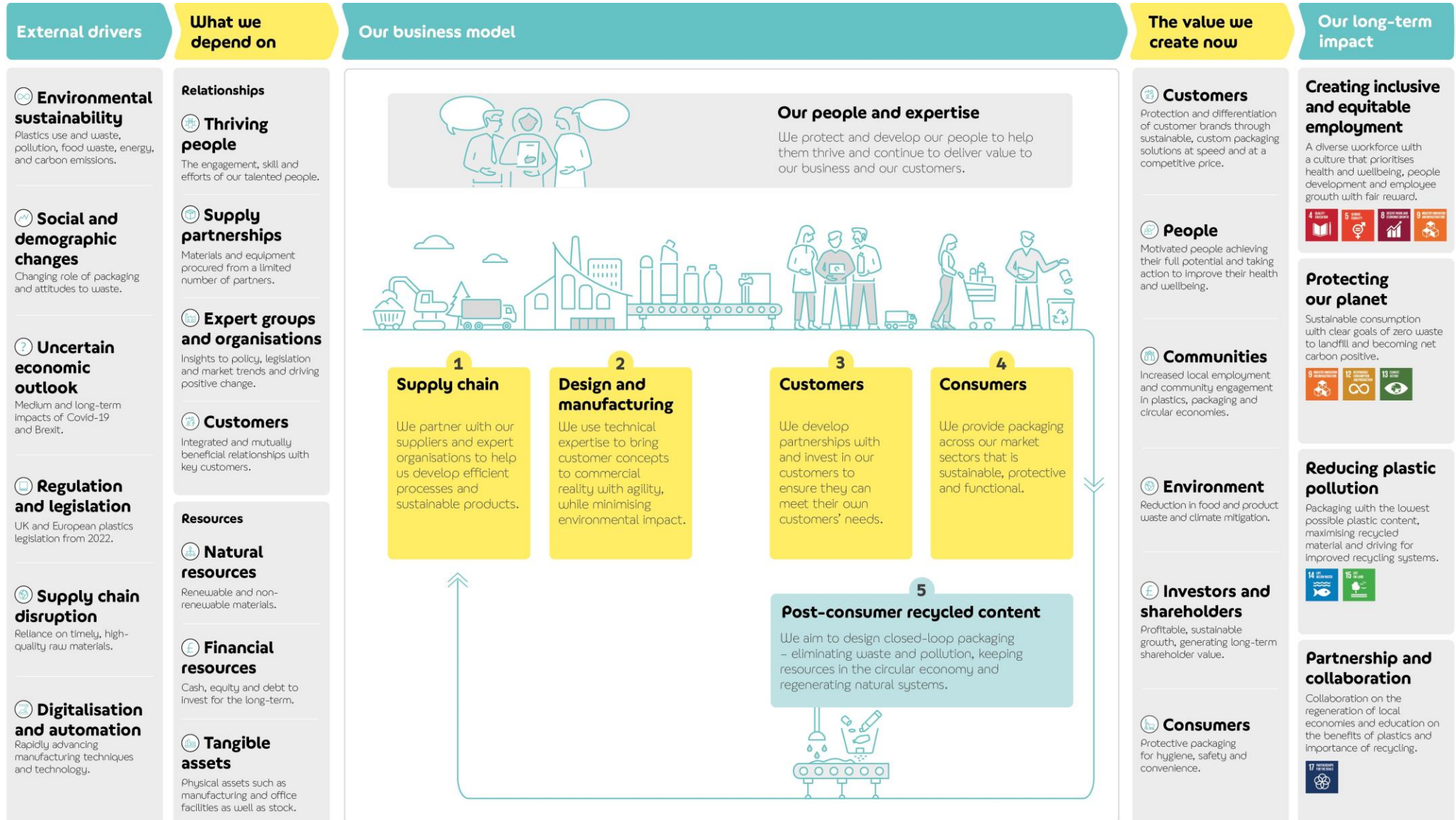
Voluntary sustainability commitments. Cleaning & hygiene products and associated packaging on the rise.

## 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



## External drivers

**Environmental sustainability**  
Plastics use and waste, pollution, food waste, energy, and carbon emissions.

**Social and demographic changes**  
Changing role of packaging and attitudes to waste.

**Uncertain economic outlook**  
Medium and long-term impacts of Covid-19 and Brexit.

**Regulation and legislation**  
UK and European plastics legislation from 2022.

**Supply chain disruption**  
Reliance on timely, high-quality raw materials.

**Digitalisation and automation**  
Rapidly advancing manufacturing techniques and technology.

## What we depend on

**Relationships**  
**Thriving people**  
The engagement, skill and efforts of our talented people.

**Supply partnerships**  
Materials and equipment procured from a limited number of partners.

**Expert groups and organisations**  
Insights to policy, legislation and market trends and driving positive change.

**Customers**  
Integrated and mutually beneficial relationships with key customers.

**Resources**  
**Natural resources**  
Renewable and non-renewable materials.

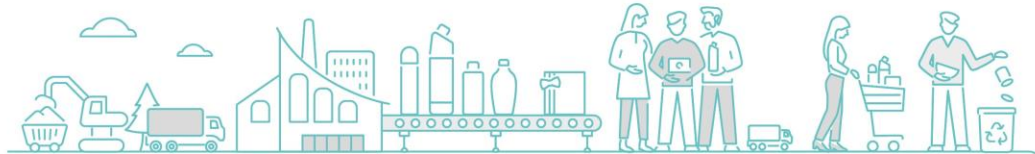
**Financial resources**  
Cash, equity and debt to invest for the long-term.

**Tangible assets**  
Physical assets such as manufacturing and office facilities as well as stock.

## Our business model



**Our people and expertise**  
We protect and develop our people to help them thrive and continue to deliver value to our business and our customers.



**1 Supply chain**  
We partner with our suppliers and expert organisations to help us develop efficient processes and sustainable products.

**2 Design and manufacturing**  
We use technical expertise to bring customer concepts to commercial reality with agility, while minimising environmental impact.

**3 Customers**  
We develop partnerships with and invest in our customers to ensure they can meet their own customers' needs.

**4 Consumers**  
We provide packaging across our market sectors that is sustainable, protective and functional.

**5 Post-consumer recycled content**  
We aim to design closed-loop packaging – eliminating waste and pollution, keeping resources in the circular economy and regenerating natural systems.

## The value we create now

**Customers**  
Protection and differentiation of customer brands through sustainable, custom packaging solutions at speed and at a competitive price.

**People**  
Motivated people achieving their full potential and taking action to improve their health and wellbeing.

**Communities**  
Increased local employment and community engagement in plastics, packaging and circular economies.

**Environment**  
Reduction in food and product waste and climate mitigation.

**Investors and shareholders**  
Profitable, sustainable growth, generating long-term shareholder value.

**Consumers**  
Protective packaging for hygiene, safety and convenience.

## Our long-term impact

**Creating inclusive and equitable employment**  
A diverse workforce with a culture that prioritises health and wellbeing, people development and employee growth with fair reward.

**Protecting our planet**  
Sustainable consumption with clear goals of zero waste to landfill and becoming net carbon positive.

**Reducing plastic pollution**  
Packaging with the lowest possible plastic content, maximising recycled material and driving for improved recycling systems.

**Partnership and collaboration**  
Collaboration on the regeneration of local economies and education on the benefits of plastics and importance of recycling.



*Together since 1839*