

# Annual general meeting 2023

22 June 2023

ROBINSON

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# Board team



Alan Raleigh – Non-executive Chairman  
Helene Roberts – Chief Executive

Sara Halton – Senior Independent Director  
Mike Cusick – Finance Director

Guy Robinson – Non-executive Director

# Agenda

- Notice of meeting
- Resolutions – Alan Raleigh
- Independent Auditor’s Report – Alistair Wesson
- Business overview – Alan Raleigh
  - Our year in review
  - AGM trading statement
- Strategy and execution – Helene Roberts
  - Strategic framework
  - Sustainability pledge update
- Financial performance – Mike Cusick
  - Financial performance
  - Pension fund
- Surplus property – Guy Robinson
- Outlook – Helene Roberts
- Q&A – Alan Raleigh
- Resolutions – Alan Raleigh

## Resolutions

1. To receive the report of the Directors and the audited financial statements for the year ended 31 December 2022
2. To declare a final dividend of 3.0p per ordinary share
3. To re-elect Sara Halton as a Director of the company
4. To re-elect Helene Roberts as a Director of the company
5. To re-appoint Mazars LLP as auditors of the company and to authorise the directors to determine their remuneration

# Independent audit report

Alistair Wesson – Mazars Audit Partner



# Independent Auditor's report

## Opinion

“We have audited the financial statements of Robinson PLC (the ‘parent Company’) and its subsidiaries (the ‘Group’) for the year ended 31 December 2022 which comprise group income statement, the group statement of comprehensive income, the group and company statement of financial position, the group and company statement of changes in equity, the group and company cash flow statement and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2022 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards and as regards the parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006; and,
- have been prepared in accordance with the requirements of the Companies Act 2006.”

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

# Business overview

Alan Raleigh – Chairman



# Our year in review

- The challenging market conditions continued throughout 2022
- Gross margin was maintained despite further cost inflation and lower sales volumes in the underlying business
- Consolidated UK Plastics operations onto one site in Kirkby-in-Ashfield and sold one surplus property in Chesterfield
- Won new business projects which require investment in 2023 and will increase revenues from early 2024

Sales increased to  
£50.5m



(2021: £46.0m)

Gross margin stable  
at 17%



(2021: 17%)

Adjusted EBIT\*  
increased to £2.0m

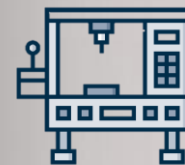


(2021: £1.2m)

Property proceeds of  
£3.5m received



Completed  
defined benefit  
pension scheme  
buy-in



Dividend paid in the  
year 5.5p



(2021: 5.5p)



# AGM trading statement

## **CEO announcement**

Dr Helene Roberts has informed the Board of her intention to step down as CEO to take up a new opportunity. We would like to thank Helene for her enormous contribution during her time with Robinson.

The Board will now initiate a search process to recruit a new CEO. The effective date for Helene's departure will be agreed shortly and at that time, to support the transition, Sara Halton, currently the Senior Independent Director, will assume Interim CEO responsibility.

## **Current trading**

The Group expects to deliver full year adjusted operating profit in line with current expectations, despite the ongoing macroeconomic uncertainty and volatility, which has included reduced volumes.

Sales in the first five months of the year are 2% below the comparative period in 2022. After adjusting for price changes and foreign exchange, sales volumes are 11% lower than the comparative period in 2022, of which 4% is due to a major UK customer experiencing a supply chain issue. Whilst we are unlikely to recover the lost sales in 2023, we expect to return to the normal run-rate on these products. We are also seeing reduced demand due to inflation and the cost-of-living crisis.

Profits are substantially below the first five months in 2022. Despite agreeing substantial sales price increases with our customers, we have been unable to cover the full inflation in costs in the period, due to the reduction in sales volume. As a result, we have implemented a restructuring program which will result in exceptional costs of c.£0.4m and annual savings of c.£0.7m, of which £0.4m will benefit 2023.

# AGM trading statement (continued)

## **Property**

As previously announced, the Group completed on the sale of a surplus property in Chesterfield on 30 May 2023. Consideration of £0.7m was received in cash and these monies were used by the Company to reduce bank debt.

Subject to the necessary planning approvals, we would expect further sales of surplus property in Chesterfield to be achieved in the next 12 months. The intention of the Group remains, over time, to realise value from the disposal of surplus properties and to reinvest the proceeds in developing our packaging business.

## **Net debt**

Net debt has increased to £9.8m at 31 May 2023 (31 December 2022: £9.2m), including £1.1m capital expenditure and proceeds of £0.7m from the sale of surplus property.

Following receipt of an indicative actuarial valuation, showing the pension scheme is in surplus, it is likely that the funds in the pension escrow account, being c.£3.2m at 31 December 2022, and of which, £2.7m are loaned to the Group on commercial terms, would be returned to the Group. Group net debt would be reduced by c.£3.2m, including the cancellation of the existing loan.

# AGM trading statement (continued)

## Outlook

We expect the substantial macroeconomic uncertainty and volatility experienced since the beginning of 2021 to continue throughout 2023.

We are seeing more new business activity with our existing and potential customers, which provides opportunities for additional sales in 2023 and beyond. In particular, the previously announced new contract in Denmark requires substantial investment in the current year but will begin to benefit sales and profit from 2024. We have a portfolio of opportunities, close to completion, which if converted would comprise more than 10% of annual sales.

Given the ongoing pressure on volumes, input prices and margins, the Board will continue to prioritise the management of costs and cashflow.

Despite the ongoing uncertainty, with the recent restructuring actions, we expect adjusted operating profit in the 2023 financial year to be ahead of 2022 and in line with current expectations. We remain committed in the medium-term to delivering above-market profitable growth and our target of 6-8% adjusted operating margin\*\*.”

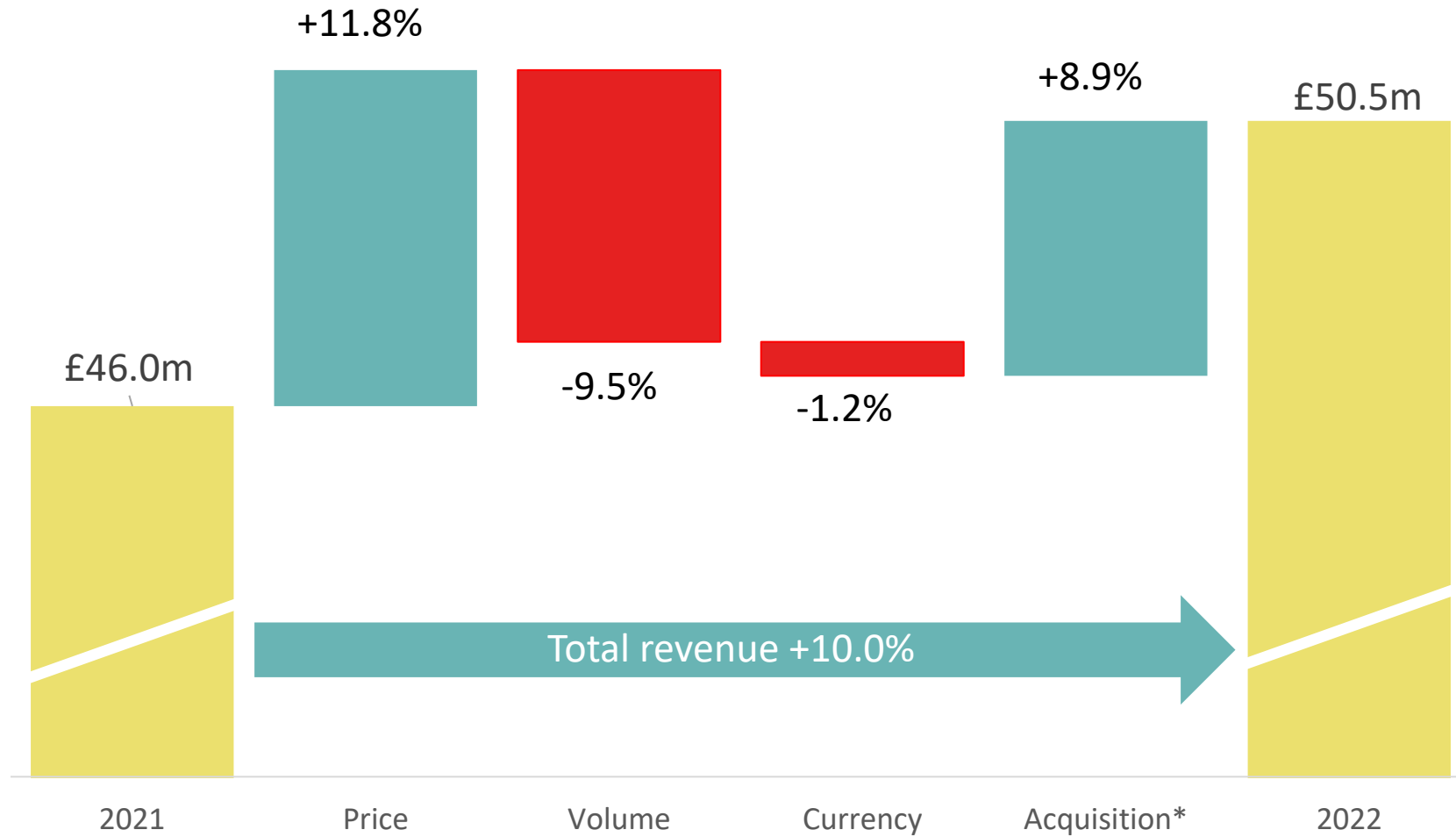
# Strategy and execution

Helene Roberts – CEO



# Sales price and volume

Underlying volume decline compensated by price increases and planned growth in Denmark



# Strategic framework

Customer First

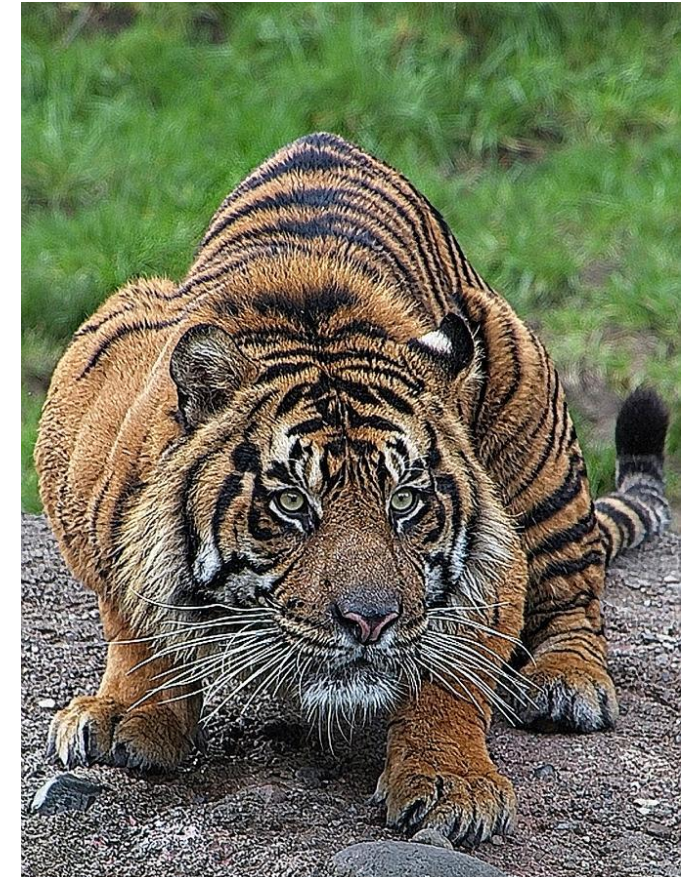
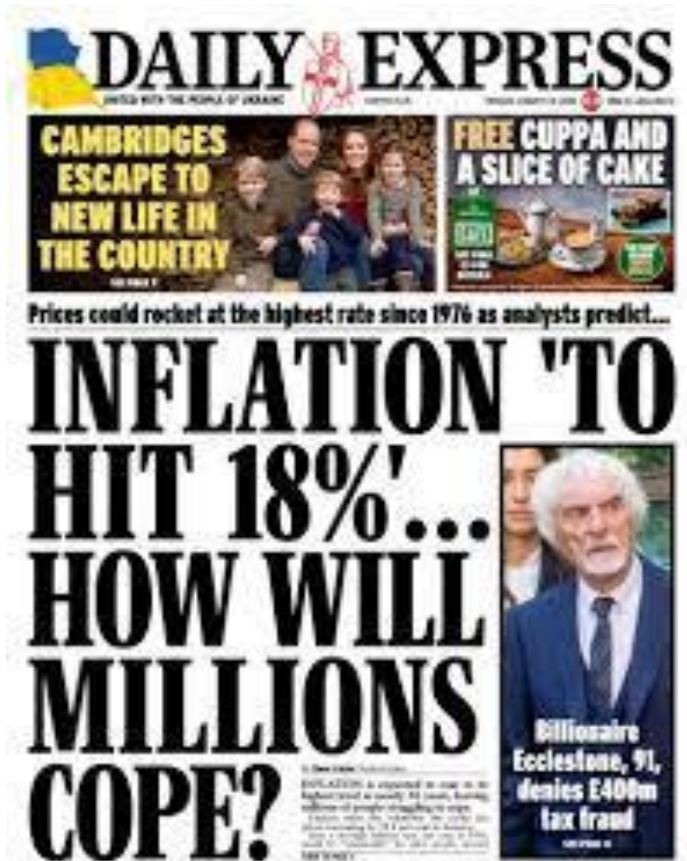


Sustainable Growth



**Schela Plast**  
FORMING YOUR SOLUTIONS

# Market context



# Update on our sustainability pledge

Sales Growth



Improved Profitability



Recycled polypropylene  
mainly used for closures



## Goals Achieved:

- 0% waste to landfill leading up to 8% reduction in total waste
- 12% less virgin plastics used ahead of 10% goal by 2025
- 100% all products sold widely recyclable
- 17% recycled content towards our goal of 30%



# Three key initiatives in 2023

## Sales growth

- Major Unilever project in Denmark – new capacity with large investment
- Glass to PET bottle/jar conversion in the UK – existing capacity
- Own label opportunities in Poland for discount channels in Western Europe

## Organisation structure

- Created one European business organisation
- Rationalised UK structure for better cost efficiency

## Procurement focus

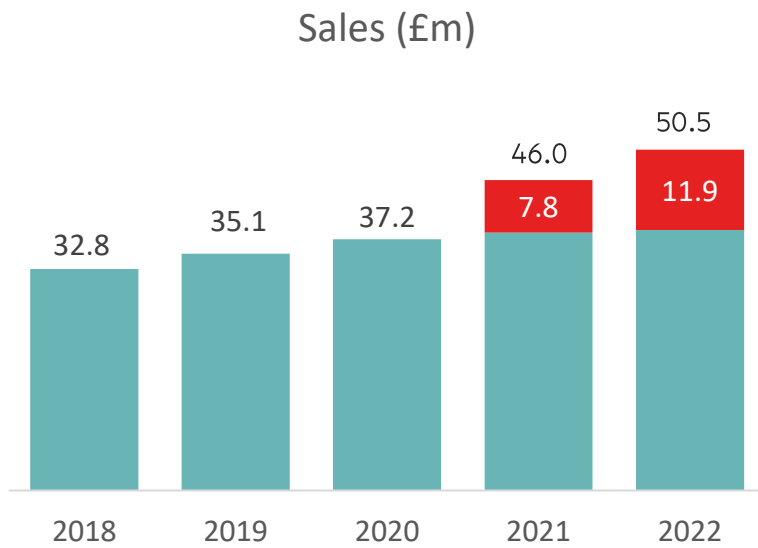
- Recruited specialist procurement leader to leverage scale with material and other suppliers
- Securing scarce supply of recycled plastic material

# Financial performance

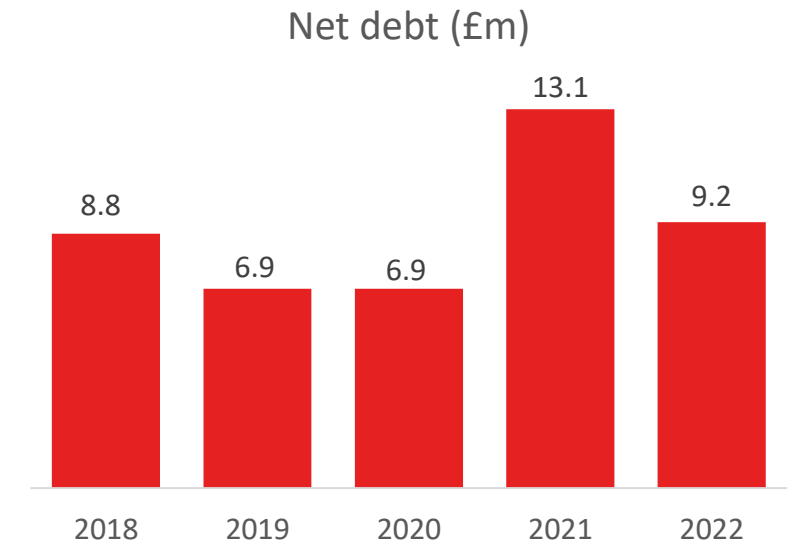
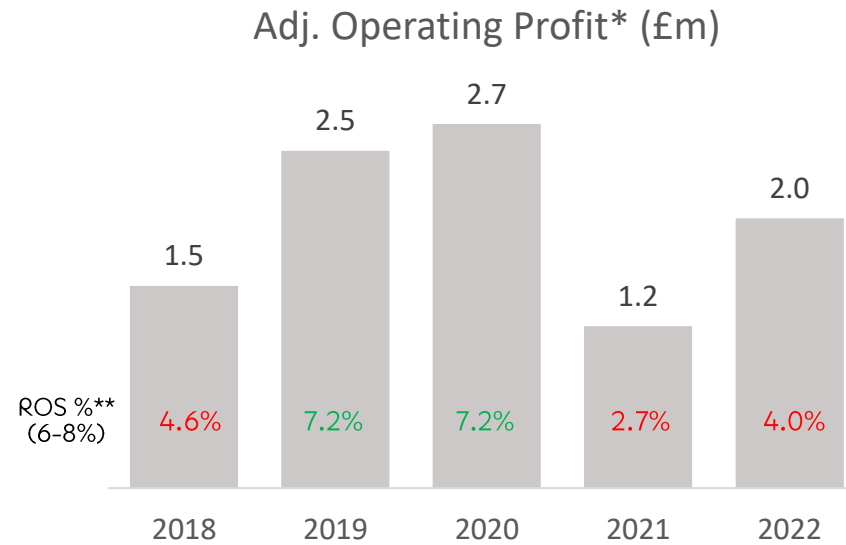
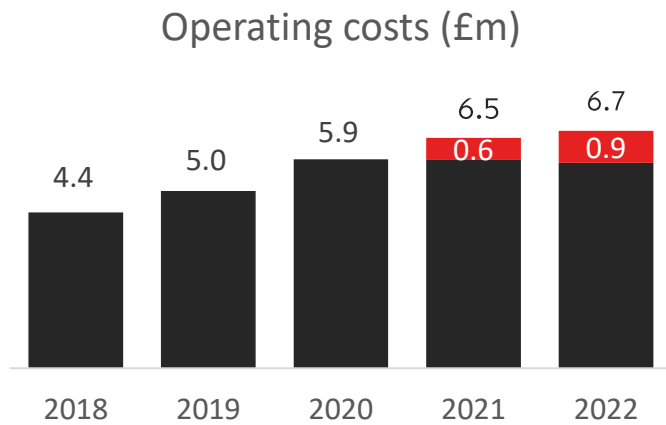
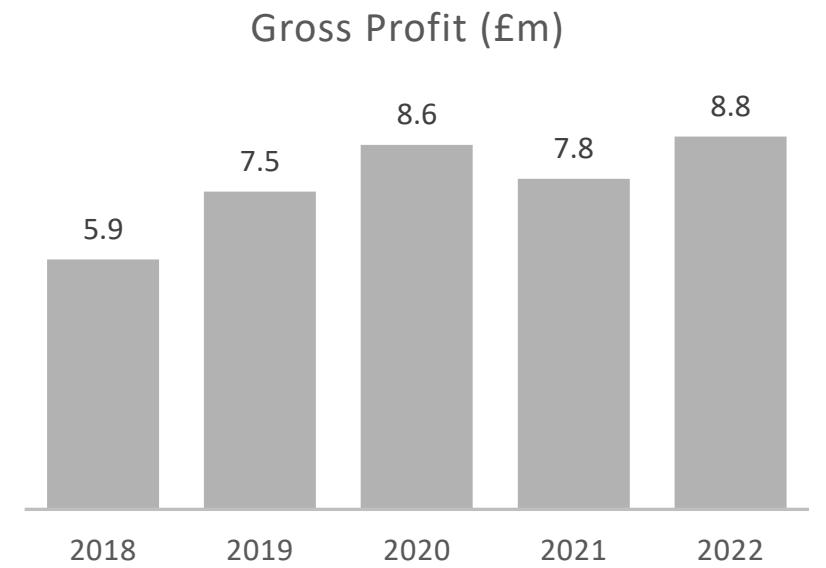
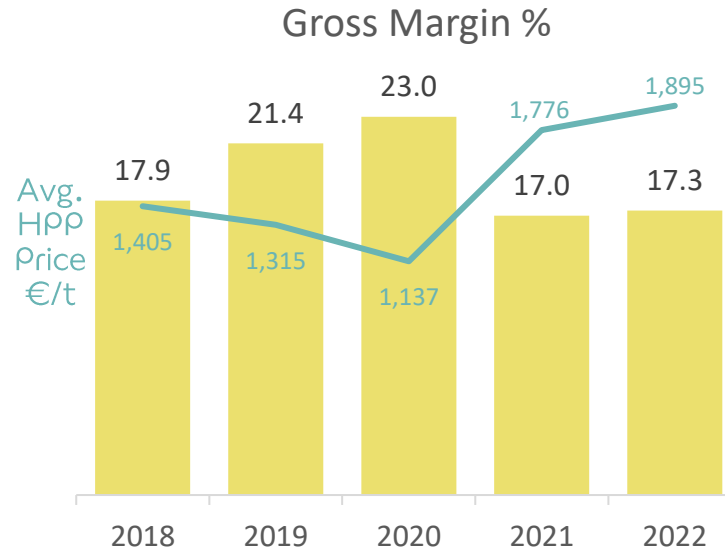
Mike Cusick – Finance Director



# Financial performance

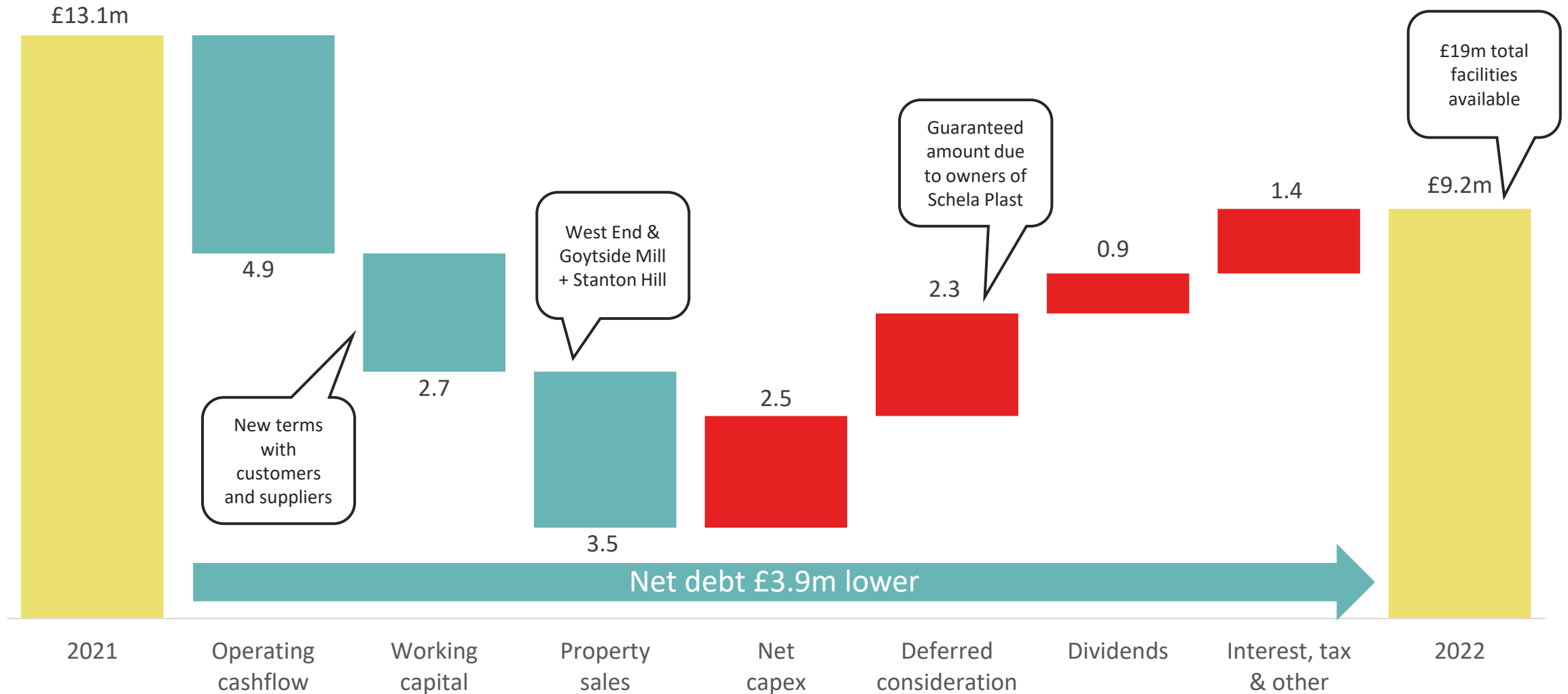


■ = Schela Plast



# Net debt movement

Property proceeds used to reduce debt



# Pension fund

## Defined benefit pension plan

- Buy-in contract signed 6 Dec 2022, and full buy-out expected by 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

Guy Robinson – Non-executive Director



# Surplus property

## Increase cash reserves for reinvestment

### Surplus properties

- Remaining book value £2.8m at 31 December 2022
- Market value £7.4m (valued by Innes England as at November 2022)
- Current gross rental income £0.3m per annum
- Expect further sales in the next 12 months – subject to planning.

### Development sites

- Walton Works (7 acres + 1 sold in May 2023)
- Boythorpe Works (13 acres + 2 sold in March 2022)
- Wheatbridge (8 acres) – mainly let out



# Summary and outlook

Helene Roberts – CEO





# Summary and outlook

## Full year 2022

- Continued challenging conditions – price inflation, volatile demand
- Improved profits over 2021
- Consolidated UK plastics operations and achieved a surplus property sale
- Agreed buy-in and future buy-out of pension scheme liabilities in November

## 2023 Outlook

- Sales revenue YTD 2% lower (volume -11%) than the comparative period in 2022 – supply chain issues at major UK customer, consumers trading down from premium brands, exit of non-recyclable business
- Substantial price increases passed through to customers to recover 2022 inflation
- Significant uncertainty and volatility likely to continue with suppressed demand for some of our products. Restructuring actions implemented as a result, exceptional costs of £0.4m and annual savings of £0.7m
- New business activity increasing. We have a portfolio of opportunities, close to completion, which if all converted would comprise in excess of 10% of Group sales
- Profit in 2023 is expected to be ahead of 2022, Board is committed to delivering above-market profitable growth and 6-8% adjusted operating profit margin in the medium term.

# Questions

Alan Raleigh – Chairman



Any Questions?

# Resolutions



Alan Raleigh – Chairman

# Resolutions

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# Thank you for attending

- Any further questions to [agm@robinsonpackaging.com](mailto:agm@robinsonpackaging.com)

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