

Annual general meeting 2024

9 May 2024

ROBINSON

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Board team



Alan Raleigh – Non-executive Chairman
Sara Halton – Non-executive Director and Interim CEO

Guy Robinson – Non-executive Director
Mike Cusick – Finance Director

Agenda

- Welcome and housekeeping
- Notice of meeting
- Independent Auditor's Report
- Business overview – Alan Raleigh
 - Our year in review
 - AGM trading statement
- Strategy and execution – Sara Halton
 - Business update
 - Sustainability
- Financial performance – Mike Cusick
 - Financial performance
 - Pension fund
- Surplus property – Guy Robinson
- Outlook – Sara Halton
- 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 2023
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 Mike Cusick 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 2023 which comprise group income statement and statement of comprehensive income, the group and company statement of financial position, the group and company statement of changes in equity and notes to the financial statements, including a summary of material 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 2023 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



AGM trading statement

CEO announcement

After a thorough search process with a leading recruitment agency, we are in advanced discussions on the appointment of a new CEO.

Current trading

The momentum that we experienced in the second half of 2023 has continued into 2024. Sales volumes in the first four months of the year are 12% above the same period in 2023. With the effect of sales price and foreign exchange movements, total revenue is 8% ahead of the same period in 2023.

This sales growth gives us confidence that our approach to partnering with major FMCG brand owners, our investment in new technology and our ability to deliver packaging made from post-consumer recycled material is delivering results. In the first quarter of the year we have made substantial progress towards our target of 30% recycled content in our packaging.

As a result of the higher sales volume, combined with improved gross margins and lower operating costs, profits are ahead of the first four months in 2023.

AGM trading statement (continued)

Property

We are continuing to pursue the sale of surplus properties in Chesterfield. Based on professional independent valuations, the Directors estimate that the current market value of those properties is approximately £7.4m and this includes the previously announced c.1.3 acres of Walton Works where exchange of contracts has occurred and completion remains subject to satisfactory planning approval.

Subject to the necessary planning approvals, we would expect further sales of surplus property 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 use the proceeds to reduce indebtedness and develop our packaging business.

Net debt

Net debt has increased to £7.0m at 30 April 2024 (31 December 2023: £6.3m), including £1.1m of capital expenditure.

Outlook

After strong performance in the first four months, the Company expects revenue for the 2024 financial year to be ahead of 2023 and current market expectations. With this additional revenue, full year operating profit (before amortisation of intangible assets and any exceptional items) is expected to be in the region of £3.0m (2023: £2.2m), this being ahead of current market expectations. We remain committed in the medium-term to delivering above-market profitable growth and our target of 6-8% adjusted operating margin*.

Our year in review

* Operating profit before exceptional items and amortisation of intangible assets

Source: Company financial reports

Sales decreased to
£49.7m



(2022: £50.5m)

Gross margin
increased to 19%



(2022: 17%)

Adjusted EBIT*
increased to £2.2m



(2022: £2.0m)

£4.0m invested in net
capital expenditure



(2022: £2.5m)

Dividend paid in
the year 5.5p



(2022: 5.5p)

Property proceeds of
£0.7m received



(2022: £3.5m)

Paperbox operations and Group
head office impacted by flooding
from Storm Babet



Pension escrow account funds
of £3.3m returned to the
Company



Strategy and execution

Sara Halton – Interim CEO



Poland

- Sales volumes increased by 3% in 2023
- New projects with a fast-growing own label producer in home and personal care sectors
- Demand for air freshener devices and other discretionary products was suppressed
- Investment in equipment to process recycled material on new projects in 2023 – more planned in 2024
- Major customer consolidating their packaging into our format will drive incremental volume on existing capacity in 2024
- Q1 2024 very strong due to high demand on new projects and favorable resin market.

£'000	2023	2022
Revenue	18,259	16,619
Adjusted operating profit*	2,147	1,729
Adjusted operating profit margin**	11.8%	10.4%
Capital expenditure	1,338	643



UK Plastics

- Sales volumes reduced by 15% in 2023 - of which 7% was due to demand from one customer including a specific supply chain issue
- Focus on cost control
 - benefits of consolidating sites
 - management restructure in June 2023
- Business development efforts are bringing new projects:
 - filling spare capacity
 - PET bottles – further investment in 2024
- Q1 2024 ahead of 2023 and in line with expectations, new projects will drive growth in the full year.

£'000	2023	2022
Revenue	17,647	20,157
Adjusted operating profit*	810	1,066
Adjusted operating profit margin**	4.6%	5.3%
Capital expenditure	359	693



Denmark

- Sales volumes reduced by 7% including transfer of some production to Poland
- Costs of management transition and new project implementation weighed on 2023 profits
- Major new project for Unilever – substantial sales growth in 2024
- More than 60% of polymer used will be from post-consumer recycled sources in 2024

£'000	2023	2022
Revenue	11,514	11,905
Adjusted operating profit*	(109)	117
Adjusted operating profit margin**	-0.9%	1.0%
Capital expenditure	2,332	795



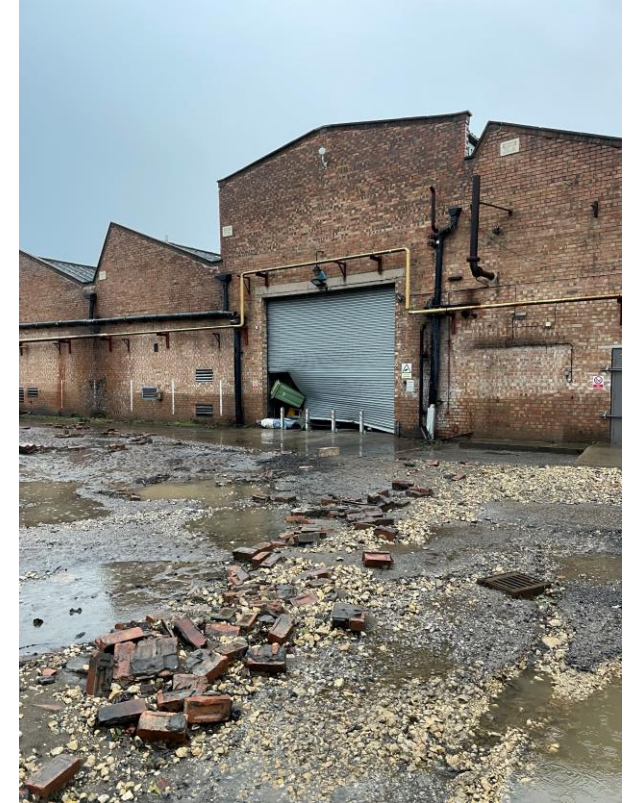
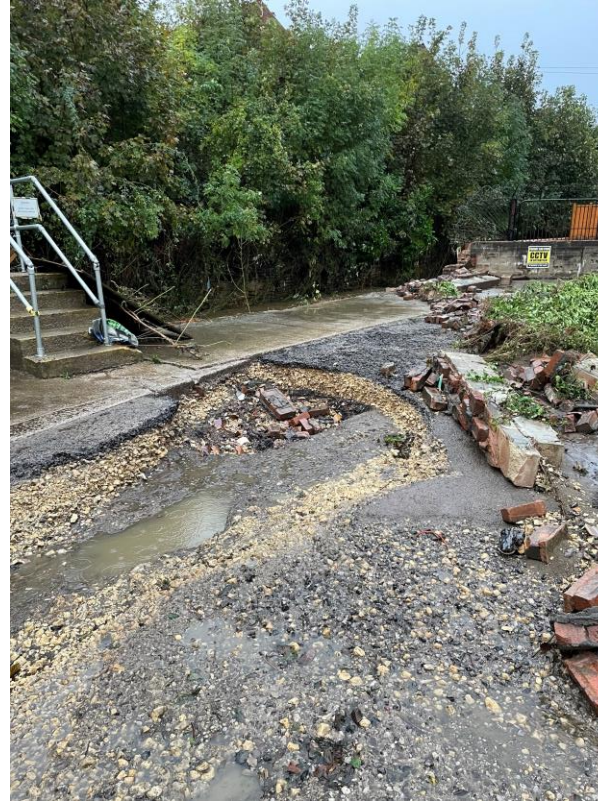
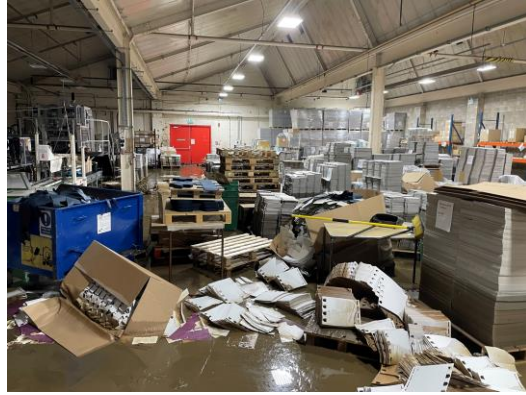
Paperbox

- Sales volumes increased by 22%
 - New machine investment in 2022
 - Won several large new customers
- Flood on 27th October had a devastating effect on operations - seasonal business heavily focused on luxury gifting for Christmas
- Some finished goods in outside storage - continued to meet orders by sub-contracting
- Operations finally restarted at close to full output in February 2024
- Operating loss in 2023 - team continues to work on rebuilding the sales pipeline and customer confidence to grow the business and return to profitability in 2024
- Q1 2024 in line with expectations.

£'000	2023	2022
Revenue	2,251	1,848
Adjusted operating profit*	(310)	(295)
Adjusted operating profit margin**	-13.8%	-16.0%
Capital expenditure	4	441



Chesterfield flooding



- Storm Babet – 27 October 2023
- Water depth of 1 metre in parts of the buildings
- Insurance claim likely to total >£2.0m with excess of £0.1m
- Paperbox now close to full operation, building refurbishment will take 6-9 months.

Importance of sustainability

Robinson values and the circular economy

Major customers and their own ESG goals

Environmental legislation and penalties

Investors and banks – access to capital



Progress:

- Zero waste to landfill
- 100% recyclable products
- 18% recycled material content (goal of 30%) – 22% excluding PP for food use

What's next:

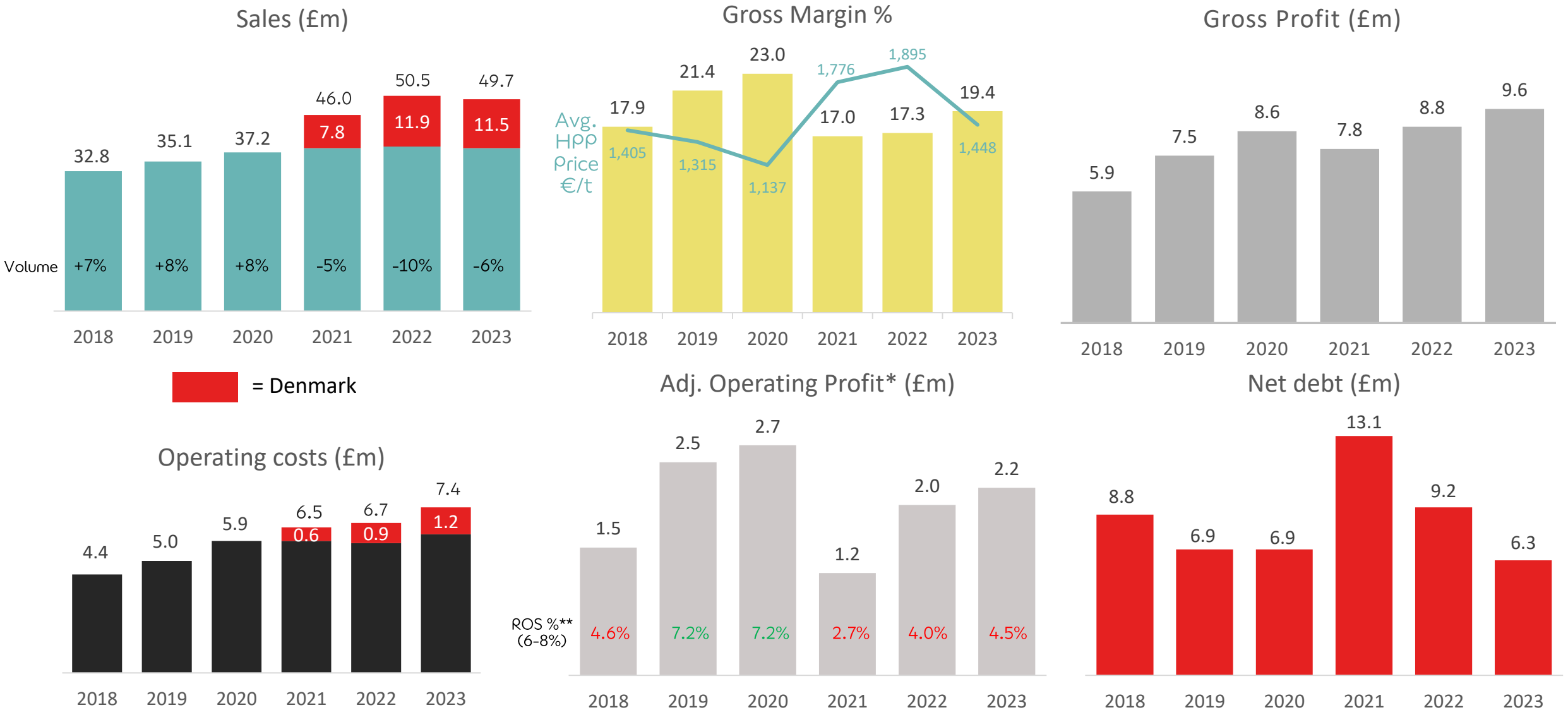
- Drive further recycled material content
 - Q1 2024 total rate = 27%
- Reduce virgin plastic and energy usage – lightweighting and new technology
- Deliver integrated plan for wider sustainability actions

Financial performance

Mike Cusick – Finance Director



Financial performance



Exceptional items

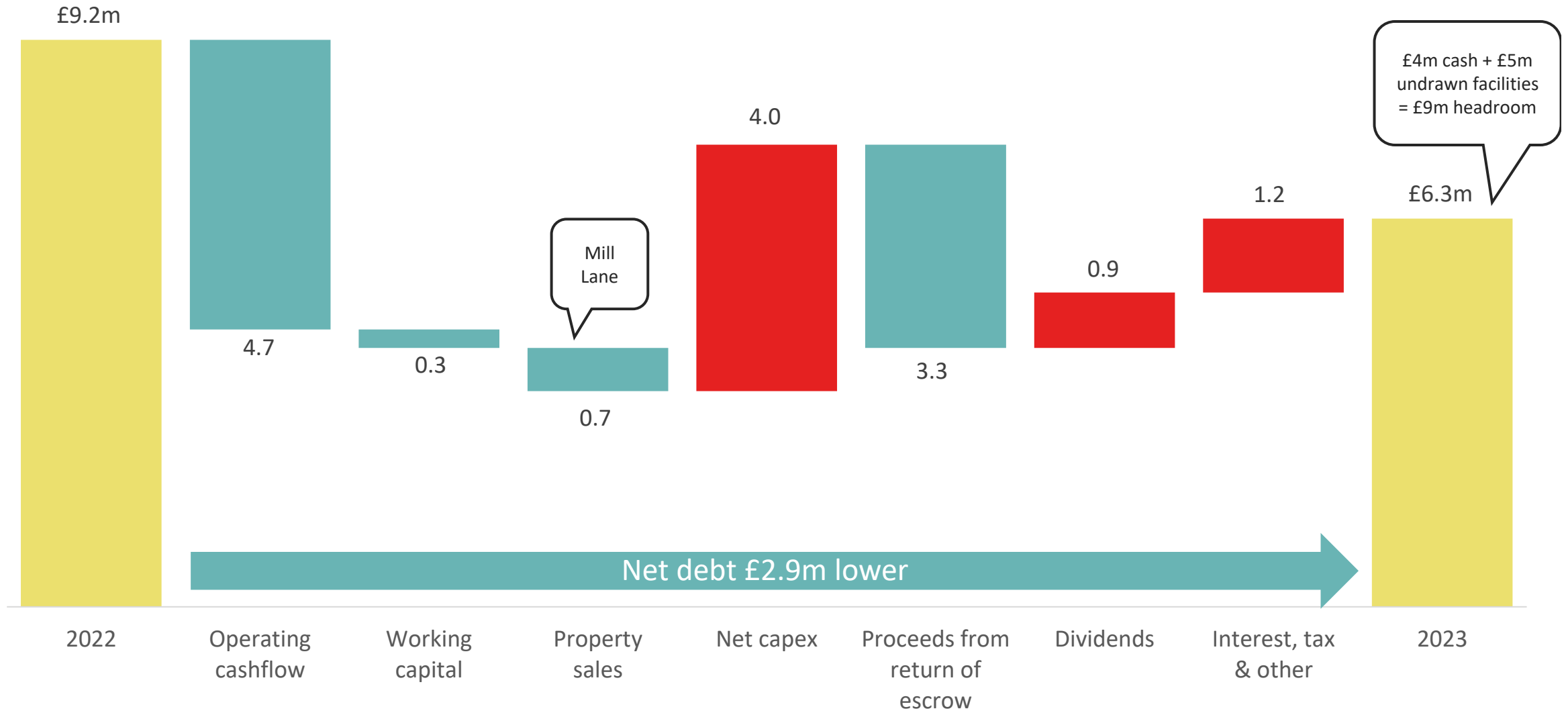
£'000	2023	2022
(Loss)/profit on disposal of land and buildings	(25)	2,168
Pension related costs	(313)	-
Flood related costs	(119)	-
Restructuring & rationalisation costs	(659)	(404)
Retranslation of deferred consideration payable	-	(50)
Total exceptional items	(1,116)	1,714

- We exclude these items from adjusted operating profit to provide a clear view of the underlying trading in the packaging business
- Pension costs are non-cash and met by the pension scheme – accounted for in the company due to accounting standards
- Flood costs relate to the £0.1m excess
- Restructuring includes the closure of the Stanton Hill site and redundancies in 2023.

“Exclude these items to give a view of the underlying performance of the packaging business.”

Net debt movement

Property proceeds and return of escrow funds used to reduce debt



Pension fund

Defined benefit pension plan

- Buy-in contract signed 6 Dec 2022
- Data cleanse exercise completed and administration of payroll functions handed over to L&G from 1 August 2023
- Escrow funds returned to the Company on 14 August 2023, improving net debt by £3.3m
- Final balancing receipt of £0.1m on 19 February 2024
- The surplus remaining (currently £3.6m) will be used to augment member's pensions.

Surplus property

Guy Robinson – Non-executive Director



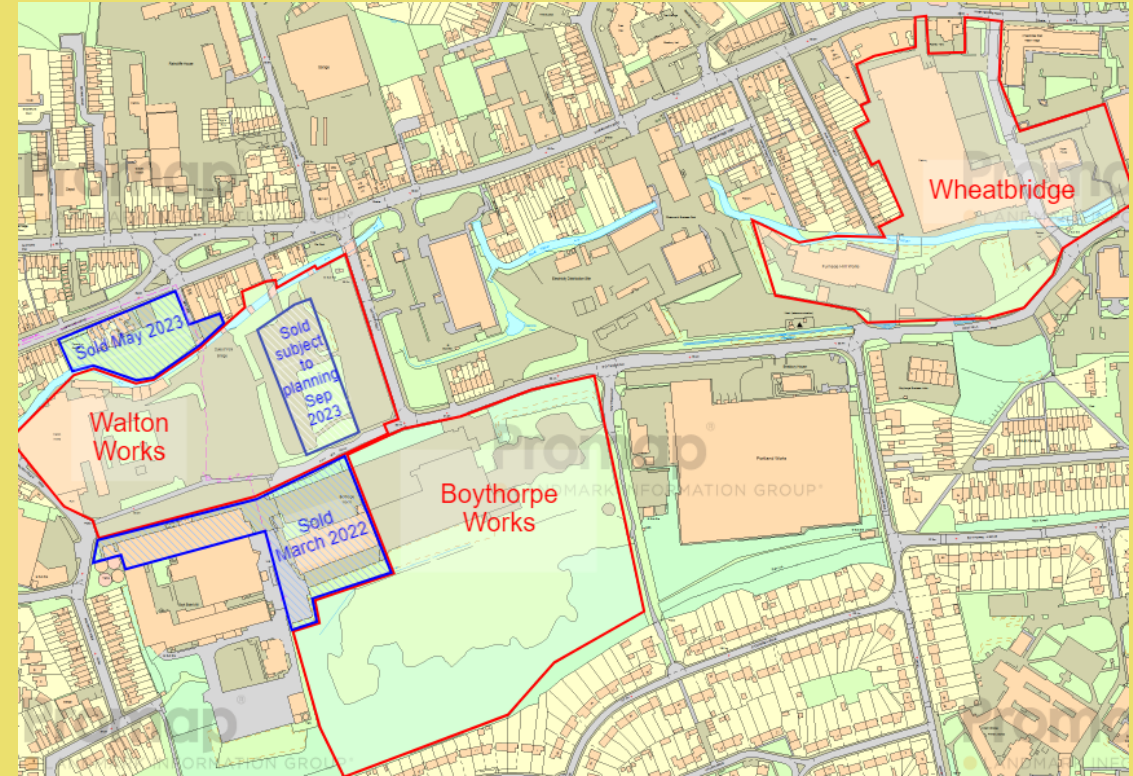
Surplus property

Surplus properties

- Book value £2.8m at 31 December 2023
- Market value £7.4m (valued by Innes England as at November 2022)
- Current gross rental income £0.3m per annum
- Exchanged contracts to sell c1.3 acres of Walton Works for £1.5m in August 2023. Completion subject to planning, expected to take up to 16 months.

Development sites

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



Summary and outlook

Sara Halton – Interim CEO



2024 outlook

- Expect adjusted operating profit to be in the region of £3.0m (2022: £2.2m) in 2024
- Close partnerships with customers have led to significantly improved sales pipeline
- Continue to build on improved momentum seen in second half of 2023 and effect of new customer projects, including substantial Danish project in full production
- Continue to prioritise the management of costs and cashflow in 2024 – including further sales price increases
- Further sales of surplus property expected in 2024, subject to planning approvals.



Questions

Alan Raleigh – Chairman



Any Questions?

Resolutions



Alan Raleigh – Chairman

Resolutions

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5. To re-appoint Mazars LLP as auditors of the company and to authorise the directors to determine their remuneration

Thank you for attending

- Any further questions to agm@robinsonpackaging.com

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