

Final results 2023

22 March 2024

ROBINSON

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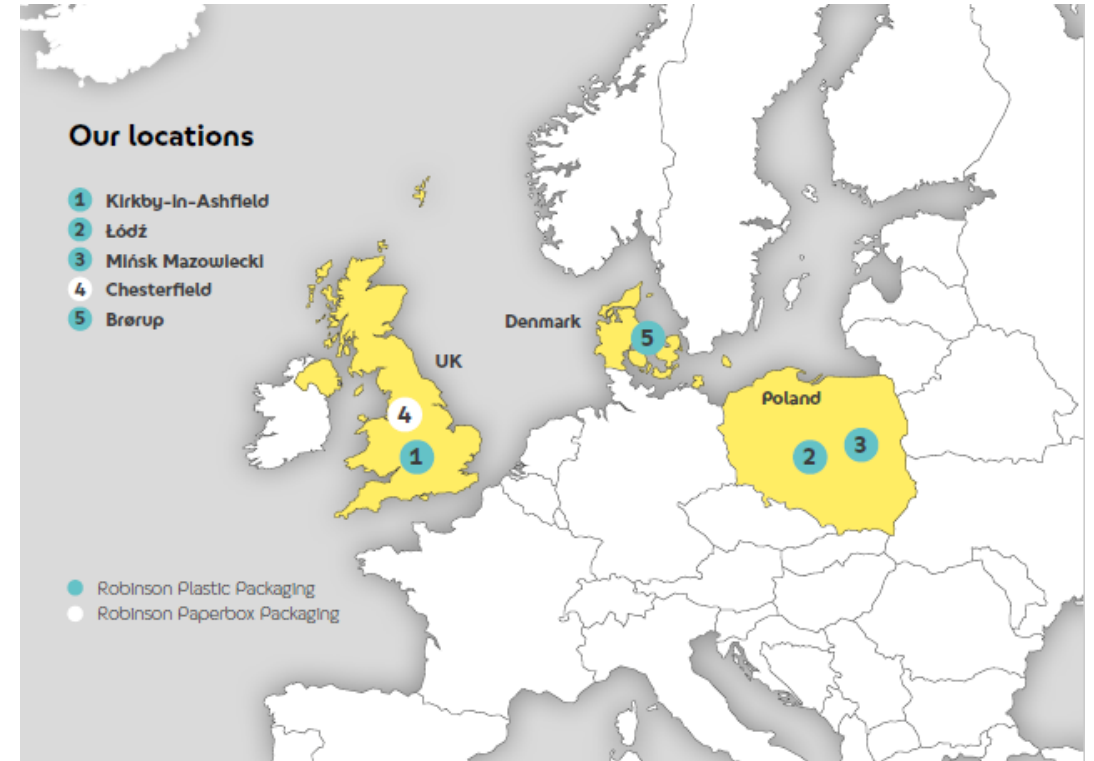
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About us

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.



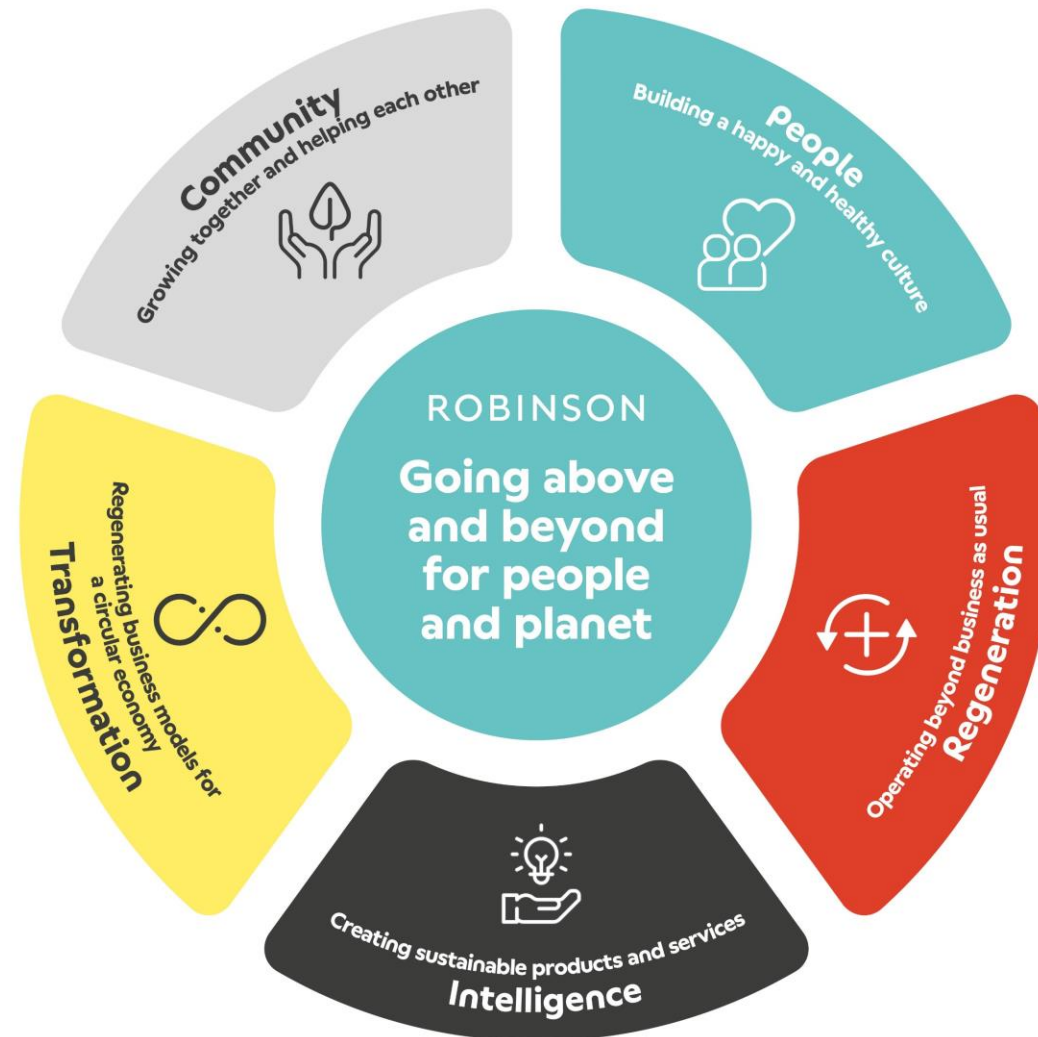
Empowered

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



Summary

Improved adjusted operating profits, achieved surplus property sales, and return of the pension escrow account funds to reduce debt

Financial highlights

- Operating profit before amortisation and exceptional costs increased to £2.2m (2022: £2.0m)
- Revenues down 2% to £49.7m – sales volumes down 6%
 - H1 volume -13%, heavily weighted to premium brands and discretionary products
 - H2 volume +1% due to success in new business projects
- Gross margin improved to 19% (2022: 17%) due to successful sales price increase program and significant reduction in resin prices
- Operating costs excluding exceptional items 10% higher than 2022 – largely due to new roles brought in to support future sales growth, inflation in wages and salaries and property/insurance costs
- Exceptional costs of £1.1m including £0.7m of restructuring and rationalisation costs (2022: £1.7m income)
- Net debt of £6.3m (Dec 2022: £9.2m) after net capex of £4.0m, £0.7m proceeds on sale of surplus property and £3.3m pension escrow account funds returned to the Company
- 2.5p interim + 3.0p final dividend declared = 5.5p (2022: 5.5p).

Summary (continued)

Improved adjusted operating profits, achieved surplus property sales, and return of the pension escrow account funds to reduce debt

Operating highlights

- Implemented restructuring program in June resulting in exceptional costs of c£0.4m and annual savings of c£0.7m, of which £0.4m benefited 2023
- Paperbox operations and Group head office impacted by flooding in October – less than 5% of revenue affected
- Net capex of £4.0m largely spent on new business projects (including £2.3m on Danish project) for future growth and sustainability improvements
- Achieved important new business wins with leading FMCG customers.



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
- IAS 19 surplus at 31 December 2023 of £3.6m (2022: £7.0m)
- The surplus remaining (currently £3.6m) will be used to augment members pensions
- Final balancing payment of £0.1m made 19 February 2024, completing the buy-in process.

Surplus property

Increase cash reserves for reinvestment

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 18 months.

Development sites

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



Financials

Income statement

£'000	2023	2022	% change
Revenue	49,670	50,529	-1.7%
Gross profit	9,631	8,764	+9.9%
Gross profit %	19.4%	17.3%	+210bps
Operating costs	(7,420)	(6,731)	+10.2%
Adjusted operating profit	2,211	2,033	+8.7%
Adjusted operating profit %	4.5%	4.0%	
Exceptional items	(1,116)	1,714	
Amortisation of intangible assets	(990)	(947)	
Operating profit	105	2,800	
Net financing costs	(765)	(507)	+50.9%
(Loss)/profit before tax	(660)	2,293	
Taxation	(160)	51	
(Loss)/profit after tax	(820)	2,344	
Basic (loss)/earnings per share	(4.9p)	14.0p	

Balance sheet

£'000	2023	2022
Non-current assets		
Intangible assets	3,548	4,494
Property, plant and equipment	23,920	22,960
Deferred tax assets	508	1,294
	27,976	28,748
Current assets		
Inventories	4,747	5,155
Trade and other receivables	10,635	9,522
Cash at bank and on hand	3,576	5,097
Current tax asset	-	110
Assets classified as held for sale	-	642
	18,958	20,526
Total assets	46,934	49,274
Current liabilities		
Trade and other payables	10,114	9,543
Borrowings	3,527	5,535
Current tax liabilities	172	-
	13,813	15,078
Non-current liabilities		
Borrowings	6,350	8,743
Deferred tax liabilities	1,119	1,395
Provisions	98	116
	7,567	10,254
Total liabilities	21,380	25,332
Net assets	25,554	23,942

£'000	2023	2022
Cash	3,576	5,097
Bank overdrafts	-	-
Bank and other loans	(5,700)	(8,641)
Lease liabilities (Plant & Machinery)	(4,177)	(5,637)
Net debt	(6,301)	(9,181)

- Net debt decreased by £2.9m from December including:
 - £(4.0m) net capex – majority linked to new business projects for growth
 - £3.3m return of pension escrow account funds
 - £0.7m proceeds on sale of property
- Refinanced a £4.5m mortgage in March 2023
- Total facilities of £13.2m including leases.

Cashflow

£'000	2023	2022	% change
Operating cash flow before working capital	4,687	4,932	-5%
Cash generated from operations	5,038	7,578	
Cash generated from operating activities	4,002	6,769	
Net cash used in investing activities	(3,268)	(1,270)	
Net cash used in financing activities	(2,360)	(3,234)	
Net change in cash and cash equivalents	(1,626)	2,265	
Cash and cash equivalents at beginning of year	5,097	2,775	
Effect of foreign exchange changes	105	57	
Cash and cash equivalents at end of year	3,576	5,097	
Cash at bank and on hand	3,576	5,097	
Bank overdrafts	-	-	
Cash and cash equivalents at end of year	3,576	5,097	

Outlook

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

- 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
- Full year impact of cost savings from restructuring program actioned in June 2023
- 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.



Appendices

Introductions



Sara Halton – Interim CEO

Sara has held key senior executive positions at well-known British brands, including CEO of Molton Brown. She brings a wealth of experience in driving strategic growth for global brands. Sara is a Chartered Accountant having gained an MSc in Economics and Econometrics, and a BSc in Economics at the University of Southampton.

Sara joined the Board as an Independent Non-executive Director in January 2019. Since the resignation of Helene Roberts, Sara Halton has been supporting the transition process and search for a new permanent CEO.

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, including Extended Producer Responsibility.

Social and demographic changes

Role of packaging and attitudes to waste. Rise in ecommerce. Increase in food safety and hygiene demands.

Supply chain

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

Economic outlook

Significant price inflation and cost-of-living crisis.

Digitalisation and automation

Rapidly advancing manufacturing techniques and technology.

Customer and Retail

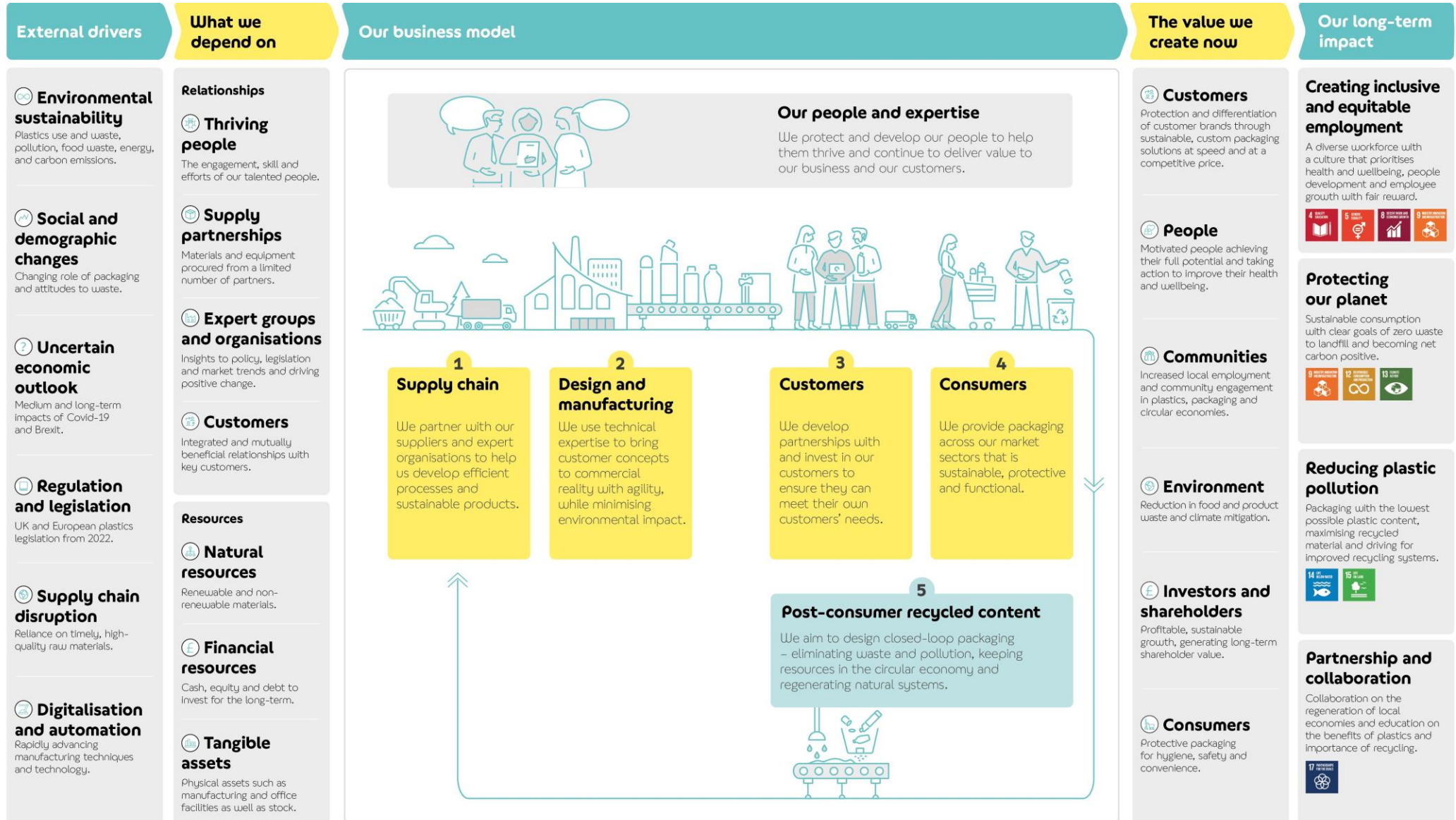
Voluntary sustainability commitments. Cleaning & hygiene products and associated packaging on the rise.

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