

Interim Results for the six months ended 30 June 2024

and

Appointment of CEO

Robinson plc ("Robinson" the "Company" or the "Group" stock code: RBN), the custom manufacturer of plastic and paperboard packaging based in Chesterfield, announces its interim results for the six months ended 30 June 2024.

Financial

- Revenue up 11% to **£27.1m** (2023: £24.3m)
- Gross margin higher than the prior year at **21%** (H1 2023: 18%)
- Operating profit before exceptional items and amortisation of intangible assets increased to **£1.6m** (2023: £0.5m)
- Exceptional costs of **£0.1m** (2023: £0.5m)
- Profit before tax of **£0.7m** (2023: loss of £0.9m)
- Interim dividend of **2.5p** per share announced (2023: 2.5p)
- Net debt of **£7.9m** (31/12/2023: £6.3m), after capital expenditure of **£1.9m**

Operational

- John Melia to be appointed as Group CEO following thorough recruitment and selection process
- Large project in Denmark now supplying substantial volumes
- Doubled PET bottle capacity in UK business and implemented new business projects
- Progress on ratio of recycled material content in our packaging to 24% (2023: full year 18%)

Alan Raleigh, Chairman, commented:

"The results for the first half of 2024 reflect the positive momentum that we have experienced since July 2023. Whilst market conditions remain challenging, I am very pleased that our approach to partnering with major fast moving consumer goods ("FMCG") brand owners, our investment in new technology and our ability to deliver packaging made from post-consumer recycled material is delivering increased sales volume and improved performance.

I am delighted that John Melia has chosen to join Robinson as our new Chief Executive. John is currently Director of Strategy and Innovation at DS Smith Recycling and has held senior positions at Tata Chemicals, where he oversaw major business transformation initiatives. He has an in-depth understanding of what is required to drive shareholder value in a business like Robinson and we look forward to him joining the team in December. I would also like to place on record the Board's appreciation for the excellent contribution that Sara Halton has made as interim Chief Executive.

The Company expects revenue and profit for the 2024 financial year to be in line with 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."*

*Operating profit margin before amortisation of intangible assets and exceptional items

Robinson plc

Sara Halton, Interim CEO

Mike Cusick, Finance Director

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Cavendish Capital Markets Limited

INFORMATION REQUIRED UNDER RULE 17 AND SCHEDULE 2, PARAGRAPH (G) OF THE AIM RULES FOR COMPANIES ("AIM RULES")

Full name:	John Stephen Melia
Age:	53
RBN shares held:	None
Current directorships:	DS Smith Recycling Ireland Limited
Historic directorships in previous 5 years:	DS Smith Recycling UK Limited

There is no further information to be disclosed in relation to the appointment of John Melia pursuant to Rule 17 and Schedule 2, paragraph (g) of the AIM Rules.

About Robinson:

Being a purpose-led business, Robinson specialises in custom packaging with technical and value-added solutions for food and consumer product hygiene, safety, protection, and convenience; going above and beyond to create a sustainable future for our people and our planet. Its main activity is in injection and blow moulded plastic packaging and rigid paperboard luxury packaging, operating within the food and beverage, homecare, personal care and beauty, and luxury gift sectors. Robinson provides products and services to major players in the fast-moving consumer goods market including Procter & Gamble, Reckitt Benckiser, SC Johnson and Unilever.

Headquartered in Chesterfield, UK, Robinson has plants in the UK, Poland and Denmark. Robinson was formerly a family business with its origins dating back to 1839, currently employing nearly 400 people. The Group also has a substantial property portfolio with development potential.

Chairman's Statement

Dear Shareholders

The results for the first half of 2024 reflect the positive momentum that we have experienced since July 2023. Whilst market conditions remain challenging, I am very pleased 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 increased sales volume and improved performance.

Sales in the first half of the year are 11% above the comparative period in 2023. After adjusting for price changes and foreign exchange, sales volumes were 14% higher. Although the comparative reflects the cost-of-living crisis in 2023 and a major customer experiencing a supply chain issue, volumes in 2024 have benefitted from new business projects introduced in the last 12 months, including the previously announced large new project in Denmark. With a strong pipeline of further projects, we are well positioned for future sales growth.

The operational gearing effect of 14% higher sales volumes and lower rate of input cost inflation have led to improved gross margins of 21% (H1 2023: 18%) in the period. This is despite experiencing start-up issues with production on the project in Denmark which has led to higher direct costs in the short term.

Operating costs in the first half were £4.0m (2023: £4.0m) which was in line with 2023 and includes:

- £0.2m of inflation in wages and salaries in response to market inflation and substantial mandatory minimum wage increases across our three countries of operation.
- £0.1m of additional costs incurred in Denmark as part of the introduction of the large new business project.
- Offset by the remaining £0.3m annual benefit of the restructuring program actioned in June 2023.

Operating profit before exceptional items and amortisation of intangible assets increased to £1.6m compared to the prior year (2023: £0.5m).

Including the exceptional items of £0.1m related to the ongoing costs of surplus property disposals and the closure of the defined benefit pension scheme, the Group made a profit before tax of £0.7m (2023: loss before tax £0.9m).

We have made important progress on raising our level of recycled material content; in the first half of the year 24% of material processed was from recycled sources (2023: full year 18%). Excluding products for food contact, where there is restrictive legislation, 32% of material processed was recycled material (2023: full year 24%). We expect that our pipeline of new projects will support a further increase in this ratio.

We continue to work with insurers on the reinstatement of the Paperbox business and the property in Chesterfield following the serious flood in October 2023. The offices refurbishment is expected to take a further six months, but the Paperbox business is close to full operation, with a healthy sales pipeline.

CEO position

I am very pleased to announce that John Melia has agreed to join the Company and Board as Chief Executive Officer, effective 1 December 2024.

John is an accomplished business leader who has a track record of delivery at senior level across both SMEs and multinational businesses. He brings extensive experience of business development, operational performance improvement, a deep understanding of the circular economy and significant manufacturing expertise.

John is currently Director of Strategy and Innovation at DS Smith Recycling and has held senior positions at Tata Chemicals, where he oversaw major business transformation initiatives. John has an MEng in Chemical Engineering from the University of Cambridge.

Sara Halton, who has served as Robinson plc Interim Chief Executive Officer since September 2023, will step down from that position and return to her Non-Executive Director role also effective 1 December 2024.

Defined benefit pension scheme

In December 2022, the Robinson & Sons' Limited Pension Fund (the "Scheme") completed a buy-in of all the Group's defined benefit pension scheme liabilities with a plan to complete a full buy-out. A data cleanse exercise was completed, the administration and payroll functions were handed over to Legal and General Assurance Society Limited ("L&G") from 1 August 2023 and a final balancing payment of £0.1m, was made by L&G to the Scheme on 19 February 2024, completing the buy-in process. A full buy-out is expected to be completed before the end of 2024, which will incur additional exceptional costs of up to £0.2m, whilst these costs are incurred and paid by the Scheme they are accounted for in the Company under IAS19. The £3.4m surplus remaining in the Scheme after buy-out costs, will be used to augment member benefits. In 2023, the Company reached agreement with the trustees of the Scheme for the funds held in the pension escrow account, totalling c.£3.3m, to be returned to the Group of which, £2.7m was already loaned to the Company. Those funds were received and used to reduce net indebtedness.

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. The surplus properties and other UK land and buildings are pledged as security for Group credit facilities, of which £3.8m was drawn on 30 June 2024.

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 and capital expenditure

Net debt has increased to £7.9m (31/12/2023: £6.3m) including capital expenditure of £1.9m (2023: £1.1m). With total credit facilities of £14.1m at 30 June 2024, the Group considers it has sufficient headroom for the foreseeable future.

Dividend

The Board has confidence in the medium-term prospects for the business and therefore announces that it intends to pay an interim dividend of 2.5p per share to be paid on 13 October 2024 to shareholders on the register at 20 September 2024 (record date). The ordinary shares ex-dividend date is 19 September 2024.

The current intention of the Board is to pay a total dividend of 5.5p (2023: 5.5p) per share for the year ending 31 December 2024.

Outlook

The Company expects revenue and profit for the 2024 financial year to be in line with current market expectations.

Our close partnerships with major customers have led to a significantly improved sales pipeline, which will lead to growth opportunities in future years. We will continue to focus on improving profitability across our operations as the effects of inflation subside and our premium brand owner customers respond to the new market situation.

We are progressing our surplus property disposal agenda, which along with the buy-out of the defined benefit pension scheme will reduce indebtedness and result in a simpler and more streamlined organisation which is able to compete and win in a volatile marketplace.

We remain committed in the medium-term to delivering above-market profitable growth and our target of 6-8% adjusted operating margin*.

Alan Raleigh

Chairman

14 August 2024

*Operating profit margin before amortisation of intangible assets and exceptional items

Condensed consolidated income statement and statement of comprehensive income

Condensed consolidated income statement	£'000	Six months to 30.06.24	Six months to 30.06.23	Year to 31.12.23
Revenue		27,137	24,348	49,670
Cost of sales		(21,512)	(19,911)	(40,039)
Gross profit		5,625	4,437	9,631
Operating costs		(3,987)	(3,968)	(7,420)
Operating profit before amortisation of intangible assets and exceptional items		1,638	469	2,211
Amortisation of intangible assets		(506)	(476)	(990)
Exceptional items		(86)	(492)	(1,116)
Operating profit/(loss)		1,046	(499)	105
Finance income - interest receivable		18	4	40
Finance costs		(405)	(379)	(805)
Profit/(loss) before taxation		659	(874)	(660)
Taxation		(205)	(33)	(160)
Profit/(loss) for the period		454	(907)	(820)
Earnings per ordinary share (EPS)		p	p	p
Basic and diluted earnings per share		2.7	(5.4)	(4.9)

Condensed consolidated statement of comprehensive income	£'000	Six months to 30.06.24	Six months to 30.06.23	Year to 31.12.23
Profit/(loss) after tax for the period		454	(907)	(820)
Items that will not be reclassified subsequently to the Income Statement:				
Re-measurement of net defined benefit liability		62	99	289
Deferred tax relating to items not reclassified		(16)	(19)	(68)
Return of pension escrow		-	-	3,290
Deferred tax on pension escrow		-	-	(774)
		46	80	2,737
Items that may be reclassified subsequently to the Income Statement:				
Exchange differences on retranslation of foreign currency goodwill and intangibles		(65)	(17)	44
Exchange differences on retranslation of foreign currency deferred tax balances		8	7	3
Exchange differences on translation of foreign operations		(226)	198	527
		(283)	188	574
Other comprehensive (expense)/income for the period		(237)	268	3,311
Total comprehensive (expense)/income for the period		217	(639)	2,491

Condensed consolidated statement of financial position

	£'000	30.06.24	30.06.23	31.12.23
Non-current assets				
Goodwill		1,593	1,583	1,621
Other intangible assets		1,384	2,401	1,927
Property, plant and equipment		23,954	22,458	23,920
Deferred tax asset		498	1,272	508
		27,429	27,714	27,976
Current assets				
Inventories		5,470	4,622	4,747
Trade and other receivables		11,407	9,623	10,635
Cash at bank and on hand		2,071	3,975	3,576
		18,948	18,220	18,958
Total assets		46,377	45,934	46,934
Current liabilities				
Trade and other payables		9,959	8,146	10,114
Borrowings		4,328	5,281	3,527
Current tax liabilities		27	69	172
		14,314	13,496	13,813
Non-current liabilities				
Borrowings		5,610	7,701	6,350
Deferred tax liabilities		1,074	1,299	1,119
Provisions		98	116	98
		6,782	9,116	7,567
Total liabilities		21,096	22,612	21,380
Net assets		25,281	23,322	25,554
Equity				
Share capital		84	84	84
Share premium		828	828	828
Capital redemption reserve		216	216	216
Translation reserve		(76)	(179)	207
Revaluation reserve		3,474	3,498	3,487
Retained earnings		20,755	18,875	20,732
Equity attributable to shareholders		25,281	23,322	25,554

Condensed consolidated statement of changes in equity

	£'000	Share capital	Share premium	Capital redemption reserve	Translation reserve	Revaluation reserve	Retained earnings	Total
At 31 December 2022		84	828	216	(367)	3,856	19,325	23,942
Profit for the period							(907)	(907)
Other comprehensive income					188		80	268
Total comprehensive income for the period		-	-	-	188	-	(827)	(639)
Credit in respect of share based payments							19	19
Transactions with owners		-	-	-	-	-	19	19
Transfer from revaluation reserve as a result of property transactions						(358)	358	-
At 30 June 2023		84	828	216	(179)	3,498	18,875	23,322
Profit for the period							87	87
Other comprehensive income/(expense)					386		2,657	3,043
Total comprehensive income for the period		-	-	-	386	-	2,744	3,130
Dividends paid							(898)	(898)
Transactions with owners		-	-	-	-	-	(898)	(898)
Transfer from revaluation reserve as a result of property transactions						(11)	11	-
At 31 December 2023		84	828	216	207	3,487	20,732	25,554
Loss for the period							454	454
Other comprehensive income					(283)		46	(237)
Total comprehensive income for the period		-	-	-	(283)	-	500	217
Dividends paid							(490)	(490)
Transactions with owners		-	-	-	-	-	(490)	(490)
Transfer from revaluation reserve as a result of property transactions						(13)	13	-
At 30 June 2024		84	828	216	(76)	3,474	20,755	25,281

Condensed consolidated cash flow statement

	£'000	Six months to 30.06.24	Six months to 30.06.23	Year to 31.12.23
Cash flows from operating activities				
Profit/(loss) for the period		455	(907)	(820)
Adjustments for:				
Depreciation of property, plant and equipment		1,571	1,617	3,280
Impairment of property, plant and equipment		-	-	51
(Profit)/loss on disposal of property, plant and equipment		(1)	(3)	11
Profit on disposal of assets held for sale		-	(58)	(58)
Amortisation of intangible assets		506	492	990
Finance income		(18)	(4)	(40)
Finance costs		405	379	805
Taxation charged		205	33	160
Other non-cash items:				
Pension current service cost and expenses		62	99	289
Charge for share options		-	19	19
Operating cash flows before movements in working capital		3,185	1,667	4,687
(Increase)/decrease in inventories		(781)	533	472
Increase in trade and other receivables		(874)	(43)	(938)
Increase/(decrease) in trade and other payables		72	(1,022)	835
Decrease in provisions		-	-	(18)
Cash generated by operations		1,602	1,135	5,038
Corporation tax (paid)/received		(371)	53	(210)
Interest paid		(401)	(379)	(826)
Net cash generated by operating activities		830	809	4,002
Cash flows from investing activities				
Interest received		18	4	40
Acquisition of property, plant and equipment		(1,911)	(1,112)	(4,034)
Proceeds on disposal of property, plant and equipment		36	23	26
Proceeds on disposal of assets held for sale		-	700	700
Net cash used in investing activities		(1,857)	(385)	(3,268)
Cash flows from financing activities				
Loans repaid		(216)	(805)	(1,578)
Loans drawn down		41	236	1,359
Proceeds from return of pension escrow		-	-	585
Capital element of lease payments		(749)	(1,005)	(1,828)
Dividends paid		(490)	-	(898)
Net cash used in financing activities		(1,414)	(1,574)	(2,360)
Net decrease in cash and cash equivalents		(2,441)	(1,150)	(1,626)
Cash and cash equivalents at 1 January		3,576	5,096	5,097
Effect of foreign exchange rate changes		26	29	105
Cash and cash equivalents at end of period		1,161	3,975	3,576
Cash at bank and on hand		2,071	3,975	3,576
Bank overdrafts		(952)	-	-
Cash and cash equivalents at end of period		1,119	3,975	3,576

Notes to the condensed consolidated financial statements

1. Basis of preparation

Robinson plc (the Company) is a public limited company incorporated and domiciled in the United Kingdom and its ordinary shares are admitted to trading on the AIM market of the London Stock Exchange. For the year ended 31 December 2023, the Group prepared consolidated financial statements in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006. These condensed consolidated interim financial statements (the interim financial statements) have been prepared under the historical cost convention adjusted for the revaluation of certain properties. They are based on the recognition and measurement principles of IFRS in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

Standards effective from 1 January 2024

None of the standards, interpretations, and amendments effective for the first time from 1 January 2024 have had a material effect on the financial statements. There are no standards that are not yet effective and that would be expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

Accounting policies

The interim report is unaudited and has been prepared on the basis of IFRS accounting policies. The accounting policies adopted in the preparation of this unaudited interim financial report are consistent with the most recent annual financial statements, being those for the year ended 31 December 2023. The financial information for the six months ended 30 June 2024 and 30 June 2023 has not been audited and does not constitute full financial statements within the meaning of Section 434 of the Companies Act 2006.

The financial information relating to the year ended 31 December 2023 does not constitute full financial statements within the meaning of Section 434 of the Companies Act 2006. This information is based on the Group's statutory accounts for that period. The statutory accounts were prepared in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006 and received an unqualified audit report and did not contain statements under Section 498(2) or (3) of the Companies Act 2006. These financial statements have been filed with the Registrar of Companies, a copy is available upon request from the Company's registered office: Field House, Wheatbridge, Chesterfield, S40 2AB, UK or from its website at robinsonpackaging.com.

Going concern

The Directors have performed a robust assessment, including a review of the forecast for the 12-month period ending 31 December 2024 and longer-term strategic forecasts and plans, including consideration of the principal risks faced by the Group including stress testing of the business, as detailed in the 2023 Annual Report (page 73). Following this review, the Directors have a reasonable expectation that the Group has adequate resources to continue in business for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the condensed consolidated financial statements.

2. Accounting estimates and judgements

The preparation of half year financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended 31 December 2023.

3. Risks and uncertainties

The principal risks and uncertainties which may have the largest impact on performance in the second half of the year are the same as disclosed in the 2023 Annual Report on pages 18-19. The principal risks set out in the 2023 Annual Report were: Investment; Customers; Raw material supply and input prices; IT and digital security; Environment; People; and Supply Continuity.

The Board considers that the principal risks and uncertainties set out in the 2023 Annual Report have not changed and remain relevant for the second half of the financial year.

4. Earnings per share

The calculation of basic and diluted earnings per ordinary share for continuing operations shown on the income statement is based on the profit for the period divided by the weighted average number of shares in issue, net of treasury shares. The potentially dilutive effect of further shares issued through share options is also applied to the number of shares to calculate the diluted earnings per share.

	Six months to 30.06.24	Six months to 30.06.23	Year to 31.12.23
Profit/(loss) for the period (£'000)	454,000	(907,000)	(820,000)
Weighted average number of ordinary shares in issue	16,753,445	16,753,445	16,753,445
Effect of dilutive share option awards*	-	-	-
Weighted average number of ordinary shares for calculating diluted earnings per share	16,753,445	16,753,445	16,753,445
Basic earnings/(loss) per share (pence)	2.7	(5.4)	(4.9)
Diluted earnings/(loss) per share (pence)	2.7	(5.4)	(4.9)

*In the six months to 30.06.24 and six months to 30.06.23 there was no difference in the weighted average number of shares used for the calculation of basic and diluted earnings per share as all the share options outstanding were out-of-the-money and not dilutive.

5. Dividends

	£'000	Six months to 30.06.24	Six months to 30.06.23	Year to 31.12.23
Ordinary				
dividend paid:				
2022 final of 3.0p per share		-	-	490
2023 interim of 2.5p per share		-	-	408
2023 final of 3.0p per share		490	-	-
		490	-	898

The 2023 final dividend of 3.0p (2023: 3.0p) per share was paid to shareholders on 21 June 2024. An interim dividend of 2.5p (2023: 2.5p) is proposed to be paid on 11 October 2024. Neither the final nor interim dividend have been included as a liability in the financial statements.

6. Interim report

Electronic copies of this interim report will be sent on 15 August 2024 to those shareholders who have requested such copies and this interim report is also available from Robinson plc's website at robinsonpackaging.com.