

# CORAL PRODUCTS PLC

("Coral" or the "Group")

## Interim Results

Coral Products plc, a specialist in the design, manufacture and supply of plastic products, announces its results for the six months to 31 October 2022.

### "Investing in Growth – Organically and via Acquisition"

<b>Financial headlines</b>	Six months to 31 October 2022	Six months to 31 October 2021	% Change
Group sales	£17.6 million	£7.1 million	147.9%
Gross profit	£4.8 million	£2.5 million	92.0%
Underlying operating profit (excluding finance expenses) *	£1,376,000	£759,000	81.3%
Reported profit before taxation	£894,000	£ 510,000	75.3%
Underlying EBITDA *	£1,881,000	£1,014,000	85.5%
Underlying basic earnings per share *	1.17p	0.81p	44.4%
Interim dividend per share	0.50p	0.50p	

\* The financial headlines disclosed as underlying represent the reported metrics excluding separately disclosed items (being share based payment charges, amortisation of intangible assets and other one-off costs in each period), see note 7.

## Operational and Financial Highlights

### Completed Acquisitions

Of the £17.6m in sales, £10.3m came from the acquired businesses:

- May 2022, Film & Foil Solutions Ltd acquired for £3.0m.
- May 2022, Alma Products Ltd acquired for £2.5m (including an earn out of up to £1m).
- September 2022, Manplas Ltd acquired for £300k.
- October 2022, Ecodeck Ltd acquired for £5.5m (including an earn out of up to £1.15m).

### Underlying businesses performing well

- Organic growth in the 2 larger UK-based businesses, Tatra-Rotalac and Customised Packaging, of a combined 11.1% and an improvement in gross margin.
- This was offset by Global One Pak which performed in line with management expectations and with improved margins in spite of supply chain challenges which are expected to improve in the last quarter as production moves from China to the UK.
- Tatra-Rotalac exceeded expectations with both sales and profits significantly ahead of budget.
- Customised Packaging continues to perform well with focus on driving efficiencies.

### Targeted Capex Plan to deliver future growth

- Committed £2.5m to support future demand for new opportunities
  - New injection moulding machines to create new lines
  - Tooling for specific products and anticipated orders
  - Re-configured warehouse space to create 5000 sq. ft of additional manufacturing capacity upgraded to BRC standard

**Interim Unaudited Group Results for the six months ended 31 October 2022**

**Financial Strength**

- Cash and cash equivalents of £3.8m (2021: £5.5m). Cash and cash equivalents are defined as cash of £3.8m (2021: £4.8m) plus treasury shares of £nil (2021: £0.7m).
- Strong net assets position.
- Property has been revalued resulting in an increase of £0.9m to £3.2m
- Interim dividend of 0.5p declared.

**Sustainability Objectives**

- The Group is proud of its focus on sustainability:
  - Adoption of bio-based materials.
  - Increasing move to re-cyclable materials.
  - Supply chain tracking and transparency.

**Positive Outlook**

- Benefit from the acquired businesses to continue to come through in the second half of the year with significant opportunities to drive margins through real efficiencies, optimising people, assets and market opportunities.
- Variable costs well managed across the Group with energy costs fixed.
- Potential for further M&A subject to meeting “value add” criteria.
- Overall, well placed going into the second half of the financial year.

**Joe Grimmond, Executive Chairman, commented:** "These excellent results reflect our ongoing investment in future growth. Our objective is to build a specialist UK plastics business of scale, targeting profitable, high-demand sectors. We aim to drive growth both organically and via acquisitions, whilst maintaining our commitment to sustainable objectives. In the 6-month period to 31 October 2022, we acquired four companies, all of which have performed well and we have committed £2.5m of capex into specific new business projects. At the same time, we remain prudent with a strong balance sheet, backed by freehold assets and cash, and we look to return value to shareholders via dividends and capital growth. And as a result, we are announcing an interim dividend of 0.5p. Like all businesses, we are mindful of the challenging economic environment, nevertheless, we believe Coral is in a good position going forward and we have yet to show the full benefit of our investments to date."

*Joe Grimmond, Chairman, and Sharon Tinsley, Finance Director, will provide a live investor presentation relating to the financial results via the Investor Meet Company (IMC) platform on **Wednesday, 14 December 2022 at 10:30am GMT.***

Investors can sign up for free via: <https://www.investormeetcompany.com/coral-products-plc/register-investor>

**Interim Unaudited Group Results for the six months ended 31 October 2022**

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**Regulatory Information**

The information contained within this announcement is deemed to constitute inside information for the purposes of Article 7 of EU Regulation 596/2014 (Market Abuse Regulations) which is part of UK law by virtue of the European Union (Withdrawal) Act 2018. Upon publication of this announcement, this inside information is now considered to be in the public domain.

**Caution regarding forward looking statements**

This announcement contains unaudited information and forward-looking statements that are based on current expectations or beliefs, as well as assumptions about future events. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts and undue reliance should not be placed on any such statement because they speak only as at the date of this document and are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results, and Coral's plans and objectives, to differ materially from those expressed or implied in the forward-looking statements. Coral undertakes no obligation to revise or update any forward-looking statement contained within this announcement, regardless of whether those statements are affected because of new information, future events or otherwise, save as required by law and regulations.

## Executive Chairman's Statement

### *Introduction*

I am very pleased to present these results as they reflect our clear progress towards building a specialist UK plastic business of scale. The investments we have made in the period, adding four new plastic businesses, has driven the uplift in sales alongside solid organic growth generated from our existing businesses. Importantly, whilst all four acquisitions have performed to plan, there is significant untapped potential to come. As a management team, we are confident of our ability to add real value to each business, using our extensive knowledge of how to make consistent and attractive returns from the specialist plastics sector. Going into the second half of the financial year, we expect to continue to benefit from the acquisitions and the capital expenditure invested behind new business projects.

### *Results and Financial Position*

Trading in the first half of the current year shows revenue substantially ahead of the same period for last year. Reported revenue was £17,587,000 (2021: £7,103,000), gross margins were 27.1% (2021: 35.7%) resulting in a gross profit of £4,759,000 (2021: £2,534,000). Underlying EBITDA was £1,881,000 (2021: £1,014,000) and underlying operating profits increased to £1,376,000 (2021: £759,000).

The change in gross margin reflects a change in the mix of companies within the Group due to acquisitions whilst gross margins on existing businesses improved. After investing £11,571,000 in new subsidiaries the gearing remains comfortable at 41%. The balance sheet net asset position is strong at £14,881,000 (2021: £12,376,000 net of £693,000 treasury shares). This represents a solid asset platform for developing the business.

### *Operations*

#### Tatra-Rotalac Ltd

This business, a leading provider of plastic extrusion and injection moulded products for commercial use, has exceeded the board's expectations during the first half of the financial year with sales and profits well above budget. The recent capital expenditure is expected to generate additional improvements to performance in the final quarter of the year.

#### Global One-Pak Ltd

This business, a leading supplier of lotion pumps, triggers and mist sprayers, is currently being held back due to logistical cost increases in Chinese trading. Performing against a much-reduced sales budget and cost base, Global One Pak has improved gross margin and operating profit.

Performance in the second half of the financial year is expected to improve during the final quarter when production of some caps and enclosures begins in the UK.

#### Customised Packaging Ltd

This business, a producer of specialised packaging for transportation including crates and cases, continues to perform well. Following the departure of the old management team in the earlier part of the year, focus has been on improving efficiencies within the business. Customised Packaging maintained sales and improved margin and profit.

#### Film & Foil Solutions Ltd

This business joined the group in May 2022. It is a market leading converter and stockist of flexible packaging film, print lamination film and speciality plastics, paper and aluminium foils. This business came with freehold premises valued at £2.2 million. This acquisition reinforces our focus on niche, specialist operators in the plastics sector.

## **Coral Products PLC**

### **Interim Unaudited Group Results for the six months ended 31 October 2022**

#### Alma Products Ltd

This business joined the Group in May 2022. It is a niche specialist and expert in extrusion, thermoforming and container printing serving the food industry, providing formable plastic sheet for Form-Fill-Seal applications, thermoformed and printed plastic food packaging. This business is very well invested in state-of-the-art sheet extrusion, volume vacuum forming and one of the most advanced computer-controlled printing facilities in the industry. This business came with freehold premises valued at £1 million.

#### Manplas Ltd

This business joined the Group in September 2022. The premises adjoin those of our Tatra Rotalac subsidiary and will enable further development of the Tatra Rotalac business by expanding manufacturing space available without the substantial costs involved in increasing the required power supply. Furthermore, the services provided by Manplas are complementary to those of our Customised Packaging Ltd subsidiary also located nearby.

The combined acknowledged expertise of Customised Packaging and Manplas forms what will be a leading provider of customised product protection solutions solving logistical problems across multiple sectors. This is in line with our objective of building a specialist group of businesses which are product and design led.

#### Ecodeck Ltd

This business joined the Group in October 2022. This business is a natural strategic fit for the group. The plastic grids offer natural synergy with some of Coral's existing products, including manufacturing synergies. There is potential to leverage Ecodeck's ecommerce platform for other group eco-friendly products.

### **Capital Expenditure**

Total capital expenditure committed to in the first six months was £2,500,000 (2021: £375,000) all related to new product opportunities. £854,000 of which has been paid in advance.

### **Dividends**

The board have declared an interim dividend of 0.50 pence per share (2021: 0.50p). The ex-dividend date and the record date for the interim dividend were 10 November 2022 and 11 November 2022 respectively. The interim dividend will be paid on 16 December 2022. This continues to reflect our confidence in the positive performance and profitable results of the Group.

### **Outlook**

I am delighted with the performance of the business in the first half of the financial year. I am pleased to report that the results to date are well ahead of the same period last year, despite the prevailing uncertainties of the Covid-19 pandemic, the war in Ukraine and higher utility costs. With the new acquisitions and the increased capital expenditure in plant and equipment, tooling and premises to meet future forecast demand for new products, we remain confident of the Group's future prospects.

**Joe Grimmond**  
**Executive Chairman**  
12 December 2022

## Interim Unaudited Group Results for the six months ended 31 October 2022

## CONSOLIDATED INCOME STATEMENT

		<i>Six months to 31 October 2022 (unaudited)</i>	<i>Six months to 31 October 2021 (unaudited)</i>	<i>Year to 30 April 2022 (audited)</i>
		£000	£000	£000
Revenue	Note 3	17,587	7,103	14,391
Cost of sales		(12,828)	(4,569)	(9,104)
Gross profit		<u>4,759</u>	<u>2,534</u>	<u>5,287</u>
Operating costs				
Distribution expenses		(443)	(334)	(787)
Administrative expenses before separately disclosed items		(2,940)	(1,441)	(2,926)
Underlying operating profit		<u>1,376</u>	<u>759</u>	<u>1,574</u>
Separately disclosed items:				
Share based payment credit/(charge)		(11)	(25)	(21)
Amortisation of intangible assets		(163)	(163)	(327)
Reorganisation costs		(49)	-	(158)
Gain on sale of land and buildings		-	-	383
One off cost of living payment to all staff		-	-	(39)
		<u>(223)</u>	<u>(188)</u>	<u>(162)</u>
Operating profit/(loss)		<u>1,153</u>	<u>571</u>	<u>1,412</u>
Finance expense		(259)	(61)	(82)
Profit/(loss) before taxation		<u>894</u>	<u>510</u>	<u>1,330</u>
Taxation	Note 4	(89)	-	(363)
Total comprehensive income/(loss)		<u>805</u>	<u>510</u>	<u>967</u>
<i>Earnings per ordinary share</i>	Note 5			
Basic and diluted (pence)		0.92	0.59	1.19
Underlying basic (pence)		<u>1.17</u>	<u>0.81</u>	<u>1.39</u>

**Coral Products PLC**

**Interim Unaudited Group Results for the six months ended 31 October 2022**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	31 October 2022 <i>(unaudited)</i>	31 October 2021 <i>(unaudited)</i>	30 April 2022 <i>(audited)</i>
	£000	£000	£000
<b>Non-current assets</b>			
Goodwill	7,506	1,945	1,945
Other intangible assets	752	1,079	916
Property, plant and equipment	7,144	1,133	749
Right of use assets	1,960	1,117	1,393
<b>Total non-current assets</b>	<b>17,362</b>	<b>5,274</b>	<b>5,003</b>
<b>Current assets</b>			
Inventories	5,570	1,752	1,781
Trade and other receivables	8,662	3,371	3,237
Cash and cash equivalents	3,820	4,780	7,589
<b>Total current assets</b>	<b>18,052</b>	<b>9,903</b>	<b>12,607</b>
Assets held for sale	-	2,500	-
<b>Current liabilities</b>			
Bank overdrafts and borrowings	(6,338)	(1,832)	(1,389)
Trade and other payables	(9,875)	(1,906)	(2,800)
Lease liabilities	(709)	(405)	(416)
<b>Total current liabilities</b>	<b>(16,922)</b>	<b>(4,143)</b>	<b>(4,605)</b>
<b>Non-current liabilities</b>			
Borrowings	(1,139)	-	-
Lease liabilities	(1,757)	(866)	(907)
Deferred taxation	(715)	(292)	(391)
<b>Total non-current liabilities</b>	<b>(3,611)</b>	<b>(1,158)</b>	<b>(1,298)</b>
<b>Total liabilities</b>	<b>(20,533)</b>	<b>(5,301)</b>	<b>(5,903)</b>
<b>Total net assets</b>	<b>14,881</b>	<b>12,376</b>	<b>11,707</b>
<b>Shareholders' Equity</b>			
Share capital	903	859	859
Share premium	6,272	5,621	5,621
Investment in Own shares	-	(693)	(1,008)
Other reserves	2,050	1,567	1,061
Retained earnings	5,656	5,022	5,174
<b>Total equity</b>	<b>14,881</b>	<b>12,376</b>	<b>11,707</b>

## Interim Unaudited Group Results for the six months ended 31 October 2022

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	<i>Share capital</i> £000	<i>Share premium</i> £000	<i>Treasury shares</i> £000	<i>Other reserves</i> £000	<i>Retained earnings</i> £000	<i>Total equity</i> £000
At 1 May 2022	859	5,621	(1,008)	1,061	5,174	11,707
Total comprehensive income	-	-	-	-	805	805
Credit for share based payment	-	-	-	-	11	11
Sale of treasury shares	-	-	1,008	136	-	1,144
Issue of new shares	44	651	-	-	-	695
Revaluation reserve	-	-	-	853	-	853
Dividend paid	-	-	-	-	(334)	(334)
At 31 October 2022	<b>903</b>	<b>6,272</b>	<b>-</b>	<b>2,050</b>	<b>5,656</b>	<b>14,881</b>

For the six months to 31 October 2021 (unaudited)

	<i>Share capital</i> £000	<i>Share premium</i> £000	<i>Treasury shares</i> £000	<i>Other reserves</i> £000	<i>Retained earnings</i> £000	<i>Total equity</i> £000
At 1 May 2021	859	5,621	(218)	1,567	4,908	12,737
Total comprehensive income	-	-	-	-	510	510
Charge for share based payment	-	-	-	-	25	25
Purchase of treasury shares	-	-	(475)	-	-	(475)
Dividend paid	-	-	-	-	(421)	(421)
At 31 October 2021	<b>859</b>	<b>5,621</b>	<b>(693)</b>	<b>1,567</b>	<b>5,022</b>	<b>12,376</b>

For the year ended 30 April 2022 (audited)

	<i>Share capital</i> £000	<i>Share premium</i> £000	<i>Treasury shares</i> £000	<i>Other reserves</i> £000	<i>Retained earnings</i> £000	<i>Total equity</i> £000
At 1 May 2021	859	5,621	(218)	1,567	4,908	12,737
Total comprehensive profit	-	-	-	-	967	967
Credit for share based payment	-	-	-	-	21	21
Revaluation reserve	-	-	-	(506)	506	-
Purchase of treasury shares	-	-	(790)	-	-	(790)
Dividend paid	-	-	-	-	(1,228)	(1,228)
At 30 April 2022	<b>859</b>	<b>5,621</b>	<b>(1,008)</b>	<b>1,061</b>	<b>5,174</b>	<b>11,707</b>

**Coral Products PLC**

**Interim Unaudited Group Results for the six months ended 31 October 2022**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

	<i>Six months to 31 October 2022 (unaudited) £000</i>	<i>Six months to 31 October 2021 (unaudited) £000</i>	<i>Year to 30 April 2022 (audited) £000</i>
<b>Cash flow from operating activities</b>			
Profit for the period after tax	805	510	967
<b>Adjustments for:</b>			
Depreciation of property, plant and equipment	268	122	165
Depreciation of right of use assets under IFRS16	236	133	296
Amortisation of intangible assets	163	163	327
Share based payment (credit)/charge	11	25	21
Profit on disposal of building	-	-	(424)
Loss on disposal of fixed asset	37	-	-
Interest payable	259	61	82
Taxation charge/(credit)	89	-	363
(Increase)/decrease in inventories	(182)	76	47
Decrease/(increase) in trade and other receivables	1,025	505	82
(Decrease)/increase in trade and other payables	(5,916)	(133)	761
Net cash generated from operating activities	<b>(3,205)</b>	<b>1,462</b>	<b>2,687</b>
<b>Cash flow from investing activities</b>			
Net cash on disposal of building	-	-	3,500
Acquisition of subsidiaries, net of cash in bank	(3,852)	-	-
Acquisition of property, plant and equipment	(854)	(375)	(206)
Net cash (used in)/generated from investing activities	<b>(4,706)</b>	<b>(375)</b>	<b>3,294</b>
<b>Cash flow from financing activities</b>			
Interest paid on bank borrowings and invoice discounting	(259)	(61)	(22)
Interest paid on lease liabilities	-	-	(60)
Dividends paid	(334)	-	(1,228)
Repayments of obligations under lease liabilities	(136)	(93)	(171)
Purchase of treasury shares	-	(475)	(790)
Issue of new shares	-	-	-
New bank loans raised	-	-	-
Movements on invoice discounting facility	4,871	479	36
Net cash used in financing activities	<b>4,142</b>	<b>(150)</b>	<b>(2,235)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(3,769)</b>	<b>937</b>	<b>3,746</b>
Cash and cash equivalents at the start of the period	7,589	3,843	3,843
Cash and cash equivalents at the end of the period	<b>3,820</b>	<b>4,780</b>	<b>7,589</b>

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**NOTES TO THE FINANCIAL STATEMENTS**


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**1. Basis of preparation**

The financial information set out in this Interim Report does not constitute statutory accounts as defined in Section 435 of the Companies Act 2006.

These interim financial statements are for the six months ended 31 October 2022. They do not include all the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 April 2022.

The Interim Report has not been reviewed by our auditor in accordance with the International Standard on Review Engagement 2410 issued by the Auditing Practices Board.

**2. Significant accounting policies**

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements for the year ended 30 April 2022.

**3. Revenue**

All production is based in the United Kingdom. The geographical analysis of revenue is shown below:

	<i>Six months to 31 October 2022 (unaudited) £000</i>	<i>Six months to 31 October 2021 (unaudited) £000</i>	<i>Year to 30 April 2022 (audited) £000</i>
United Kingdom	17,166	6,827	13,799
Rest of Europe	368	186	134
Rest of the World	53	90	458
	<b>17,587</b>	<b>7,103</b>	<b>14,391</b>
<i>Turnover by business activity</i>			
Sale and manufacture of plastic products	<b>17,587</b>	<b>7,103</b>	<b>14,391</b>

**Interim Unaudited Group Results for the six months ended 31 October 2022**

A breakdown of Group revenues by product group is shown below:

	<i>Six months to 31 October 2022 (unaudited) £000</i>	<i>Six months to 31 October 2021 (unaudited) £000</i>	<i>Year to 30 April 2022 (audited) £000</i>
Extrusion and injection moulding	5,051	4,419	9,468
Trigger sprays and nozzles	708	1,168	2,094
Vacuum forming	1,919	1,516	2,829
Flexible packaging	4,744	-	-
Thermoforming and container printing	4,836	-	-
Eco-friendly grids and shed bases	329	-	-
	<b>17,587</b>	<b>7,103</b>	<b>14,391</b>

**4. Taxation**

The taxation charge for the six months to 31 October 2022 is based on the effective taxation rate, which is estimated will apply to earnings for the year ending 30 April 2023. The rate used is below the applicable UK corporation tax rate of 19% due to the utilisation of tax losses in the period.

**5. Earnings per share**

Basic and underlying earnings per ordinary share are calculated using the weighted average number of ordinary shares in issue during the financial period of 87,554,854 (31 October 2021: 85,942,534 and 30 April 2022: 81,113,698).

	<i>Six months to 31 October 2022 (unaudited) £000</i>		<i>Six months to 31 October 2021 (unaudited) £000</i>		<i>Year to 30 April 2022 (audited) £000</i>	
	p	p	p	p	p	p
<i>Basic and diluted earnings per ordinary share</i>						
Profit/(loss) for the period after tax	805	0.92	510	0.59	967	1.19
<i>Underlying earnings per ordinary share</i>						
Underlying profit/(loss) for the period after tax	1,028	1.17	698	0.81	1,129	1.39

## Interim Unaudited Group Results for the six months ended 31 October 2022

## 6. Movement in Net Debt

Net debt incorporates the Group's borrowings and bank overdrafts less cash and cash equivalents. A reconciliation of the movement in the net debt is shown below:

	<i>Six months to 31 October 2022 (unaudited)</i>	<i>Six months to 31 October 2021 (unaudited)</i>	<i>Year to 30 April 2022 (audited)</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
Net (decrease)/increase in cash and cash equivalents	(3,769)	937	3,746
Net increase in invoice discounting facilities	(4,835)	(479)	(36)
(Increase)/decrease in bank and other loans	(1,253)	-	-
(Increase)/decrease in lease liabilities	(1,143)	223	171
Movement in net debt in the financial period	(11,000)	681	3,881
Net funds/(debt) at beginning of period	4,877	996	996
Net funds/(debt) at end of period	<b>(6,123)</b>	<b>1,677</b>	<b>4,877</b>

## 7. Underlying profit and separately disclosed items

Underlying profit before tax, underlying earnings per share, underlying operating profit, underlying earnings before interest, tax, depreciation and amortisation are defined as being before share based payment charges, amortisation of intangibles recognised on acquisition, acquisition costs, reorganisation costs, compensation for loss of office, impairment of goodwill and impairment loss on trade receivables. Collectively these are referred to as separately disclosed items. In the opinion of the directors the disclosure of these transactions should be reported separately for a better understanding of the underlying trading performance of the Group.

	<i>Six months to 31 October 2022 (unaudited)</i>	<i>Six months to 31 October 2021 (unaudited)</i>	<i>Year to 30 April 2022 (audited)</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
<b>Operating profit/(loss)</b>	1,153	571	1,412
Separately disclosed items within administration expenses			
Share based payment (credit)/charge	11	25	21
Amortisation of intangible assets	163	163	327
Reorganisation costs	49	-	158
Gain from the sale of land and buildings	-	-	(383)
One off cost of living payment to all staff	-	-	39
Total separately disclosed items	223	188	162
<b>Underlying operating profit</b>	1,376	759	1,574
Depreciation	505	255	205
<b>Underlying EBITDA</b>	1,881	1,014	1,779

## Interim Unaudited Group Results for the six months ended 31 October 2022

## 8. Business Combinations

During the period the Group acquired 100% share capital of the entities below:

- May 2022, Film & Foil Solutions Ltd acquired for £3.0m.
- May 2022, Alma Products Ltd acquired for £2.5m (including an earn out of up to £1m) plus the excess cash of £210,000.
- September 2022, Manplas Ltd acquired for £300k.
- October 2022, Ecodeck Ltd acquired for £5.5m (including an earn out of up to £1.15m) plus the excess cash of £61,000.

Details of the fair value of identifiable assets and liabilities acquired, purchase consideration and goodwill are as follows:

Net assets acquired	Alma Products £'000s	Film & Foil £'000s	Ecodeck £'000s	Manplas £'000s	Total £'000s
Cash and cash equivalents	706	363	1,462	26	2,557
Property, plant and equipment	1,472	2,831	236	115	4,654
Right of use assets	434	229	-	652	1,315
Inventories	881	1,773	112	341	3,107
Trade and other receivables	1,871	3,495	107	585	6,058
Trade and other payables	(3,556)	(5,933)	(576)	(1,616)	(11,681)
Total net assets	1,808	2,758	1,341	103	6,010
<b>Fair value of consideration paid</b>					<b>£'000s</b>
Cash	1,710	2,250	3,411	200	7,571
Shares	-	750	1,000	100	1,850
Deferred consideration	1,000	-	1,150	-	2,150
Total consideration	2,710	3,000	5,561	300	11,571
Goodwill	902	242	4,220	197	5,561

As of the date of this report the purchase price allocation exercise was not complete therefore all the intangibles have been recognised as goodwill for the purposes of this report.

As part of the acquisition agreement with Ecodeck, if the profit during the year to 31 January 2023 exceeds £1,000,000 then an earn out will be paid equal to £3 for every £1 of profit before tax that exceeds £1,000,000. The maximum earn out will not exceed £1,150,000.

As part of the acquisition agreement with Alma Products, if the EBITDA during the year to 30 April 2023 is equal to £500,000 then an earn out will be paid equal to £1,000,000. If EBITDA is below £500,000 then an earn out will be paid will be equal to £1,000,000 less an amount equal to £5 for each £1 EBITDA is below £500,000. If EBITDA is more than £500,000, an additional earn out will be paid of £2.50 for every £1 by which EBITDA exceeds £500,000. The maximum earn out will not exceed £1,500,000.

Since the acquisition dates, the companies have contributed the below revenues and profit before tax:

	Revenue £'000s	Profit £'000s
Film & Foil Solutions Ltd	4,744	15
Alma Products Ltd	4,836	255
Manplas Ltd	375	(29)
Ecodeck Ltd	329	26
	<u>10,284</u>	<u>267</u>

## 9. Company Information

### Company contacts

<b>Directors</b>	Joe Grimmond Executive Chairman Sharon Tinsley Group Finance Director Phil Allen Group Operations Director Paul Freud Corporate Development Director Steve Barber Non-Executive Director David Low Non-Executive Director
<b>Secretary</b>	Sharon Tinsley
<b>Registered Office</b>	Southmoor Road, Wythenshawe, Manchester, M23 9DS, UK
<b>Registered Number</b>	02429784
<b>Website</b>	<a href="http://www.coralproducts.com">www.coralproducts.com</a>

<b>Nominated Advisor &amp; Broker</b>	Cenkos Securities plc 6.7.8 Tokenhouse Yard London EC2R 7AS		
<b>Auditors</b>	Crowe UK LLP 3 <sup>rd</sup> Floor The Lexicon Mount Street Manchester M2 5NT	<b>Bankers</b>	Barclays Bank PLC 1 <sup>st</sup> Floor 3 Hardman Street Spinningfields Manchester M3 3HF
<b>Registrars</b>	Share Registrars Limited 3 The Millennium Centre Crosby Way Farnham, Surrey GU9 7XX	<b>Solicitors</b>	Legal Clarity Lawyers LLP 55 Newhall Street Birmingham B3 3RB

### Trading subsidiaries

Company	Business activity	Registered office
Tatra Rotalac Limited	Manufacture of plastic mouldings and extrusions	Southmoor Road, Wythenshawe, Manchester, M23 9DS
Global One-Pak Limited	Design, packaging and distribution of lotion pumps, trigger sprays and aerosol caps	Hyde Park House, Cartwright Street, Newton, Hyde, Cheshire, SK14 4EH
Customised Packaging Limited	Manufacture of thermoformed mouldings and extrusions	Unit 2-4 Denton Business Park, Windmill Lane, Manchester, M34 3SP
Film & Foil Solutions Limited	Converter of flexible packaging, print lamination film and speciality plastic, paper and aluminium foils	North Florida Road, Haydock Industrial Estate, St Helens, WA11 9UB
Alma Products Limited	Extrusion, thermoforming and container printing	Unit 18B, Daresbury Court, Evenwood Close, Runcorn, Cheshire, WA7 1LZ
Manplas Limited	Vacuum-formed components and sheet plastic parts	Coldfield Drive, Wythenshawe, Manchester, M23 9GG
Ecodeck Limited	Eco-friendly driveway grids, plastic shed bases and grass grid reinforcement	123 Saltergate, Chesterfield, Derbyshire, S40 1NH