



**TECHNICAL
FIBRE PRODUCTS**

COLOURFORM™
PLASTIC-FREE PACKAGING

**JAMES
CROPPER**
EST. 1845



A photograph of three men in a factory or industrial setting. They are wearing dark blue polo shirts with light green accents on the sleeves. One man in the foreground is looking up and to the right, while another man behind him has his right arm raised, touching a large, curved white sheet of material. A third man is visible in the background, looking towards the camera. The background shows industrial equipment and a whiteboard.

Pioneering Materials to Safeguard our Future

Forward thinking

Responsible

Caring

2020 – 2021 Half Year Headlines



- Substantial operational changes to support employee health
- Global facilities remained open & operational throughout
- Sales impacted from Covid-19 by 36%
 - Mainly within the paper division
 - Some impact in TFP within Aerospace and Industrial markets
- Managing close relationships with customers
- Driving new growth in all divisions.
- Programmes in place to preserve cash
- R&D activities not cut-back
- Restructuring underway and reorganising for growth
- Capital investment programmes due to restart in H2

Financial Headlines



SUMMARY OF RESULTS	Half Year 26-Sep-20 £'000	Half Year 28-Sep-19 £'000	Full Year 28-Mar-20 £'000
Revenue	34,004	52,792	104,667
Adjusted operating (loss) / profit (excluding IAS 19 Impact and exceptional items)	(1,196)	2,826	7,240
Adjusted (loss) / profit before tax (excluding IAS 19 Impact and exceptional items)	(1,445)	2,557	6,674
Impact of IAS 19	(293)	(548)	(1,215)
Exceptional items	1,722	-	-
Profit before tax	(16)	2,009	5,459
Earnings per share – basic and diluted	-0.2p	17.0p	50.6p

Balance Sheet Highlights



	Half Year 26-Sep-20 £'000	Half Year 28-Sep-19 £'000	Full Year 28-Mar-20 £'000
Non-pension assets - excluding cash	69,854	71,320	72,084
Non-pension liabilities - excluding borrowings	(22,517)	(15,704)	(19,032)
	47,337	55,616	53,052
Net IAS 19 pension deficit (after deferred tax)	(14,791)	(18,351)	(7,600)
	32,546	37,265	45,452
Net borrowings	(5,220)	(15,323)	(11,055)
Equity shareholders' funds	27,326	21,942	34,397
Gearing % - before IAS 19 deficit	12%	38%	26%
Gearing % - after IAS 19 deficit	19%	70%	32%
Capital Expenditure	1,367	3,284	9,195

Technical Fibre Products



- Impact from Covid-19 reducing demand by 14% in H1. Improving demand in H2
- Markets remain strong in renewable energy:-
 - Hydrogen Fuel cell
 - Wind
- Growth in Medical Markets
- Aerospace & industrial demand reduced by 50%
- No impacts on supplies and deliveries
- Defence remains stable
- New contracts won in defence and fire retardant
- Investment to support additional capacity will restart early in H2
- Healthy order book going into H2

Paper Products



- Significant impact from Covid-19 reducing demand by 45%
- Improving demand through H2
- Pulp price is stable, and virgin pulp is continuing to be substituted
- Organisation restructure is strengthening the team and reducing costs
- Significant new products launched including PaperGard designed to reduce virus transmission
- New contract for a major global consumer electronics brand
- Significant new wins in the US picture mount-board market, driving penetration with two of the world's largest global players





- Continued Growth, up 17%, despite Covid-19 reduced demand
- New products launched e.g. Ruinart “second skin” by Moët Hennessey, leading to significant PR
- New contracts for prototypes agreed with brands
- Healthy pipeline of new opportunities from spirits beauty and fragrance
- Paper sales team now offering Colourform as a wider packaging solution to customers
- Projects underway to provide additional distinctive features
- Covid-19 has increased the focus on sustainable products

Covid 19



- **Employee Health**
 - Substantial changes to operations maintaining distancing, hygiene and PPE
- **Demand impacted**
 - Mainly within the paper, aerospace and industrial markets
- **Other businesses remain strong**
 - Colourform, renewable energy and medical
- **Preserving cash**
 - Furlough programme in H1. Not planning on similar programmes in H2
 - Investments held in H1 – now restarting in H2
 - CLBIL secured
- **Banks**
 - Support secured from existing banks
- **Community**
 - Support for local schools and hospitals with excess PPE, sanitiser and free paper

Outlook



- Demand to steadily increase in H2
- TFP's markets are demonstrating more resilience to Covid-19
- Paper demand recovery has now started
- Colourform will continue to grow year on year
- Maintaining a focus on employee wellbeing
- Restructuring fully complete within H2
- Investments to support growth will restart in H2
- Confident we emerge stronger and return to back to growth



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OUR PURPOSE

Pioneering materials to safeguard our future



**Forward
Thinking**



Responsible



Caring

ESG Roadmap - building on strong foundations



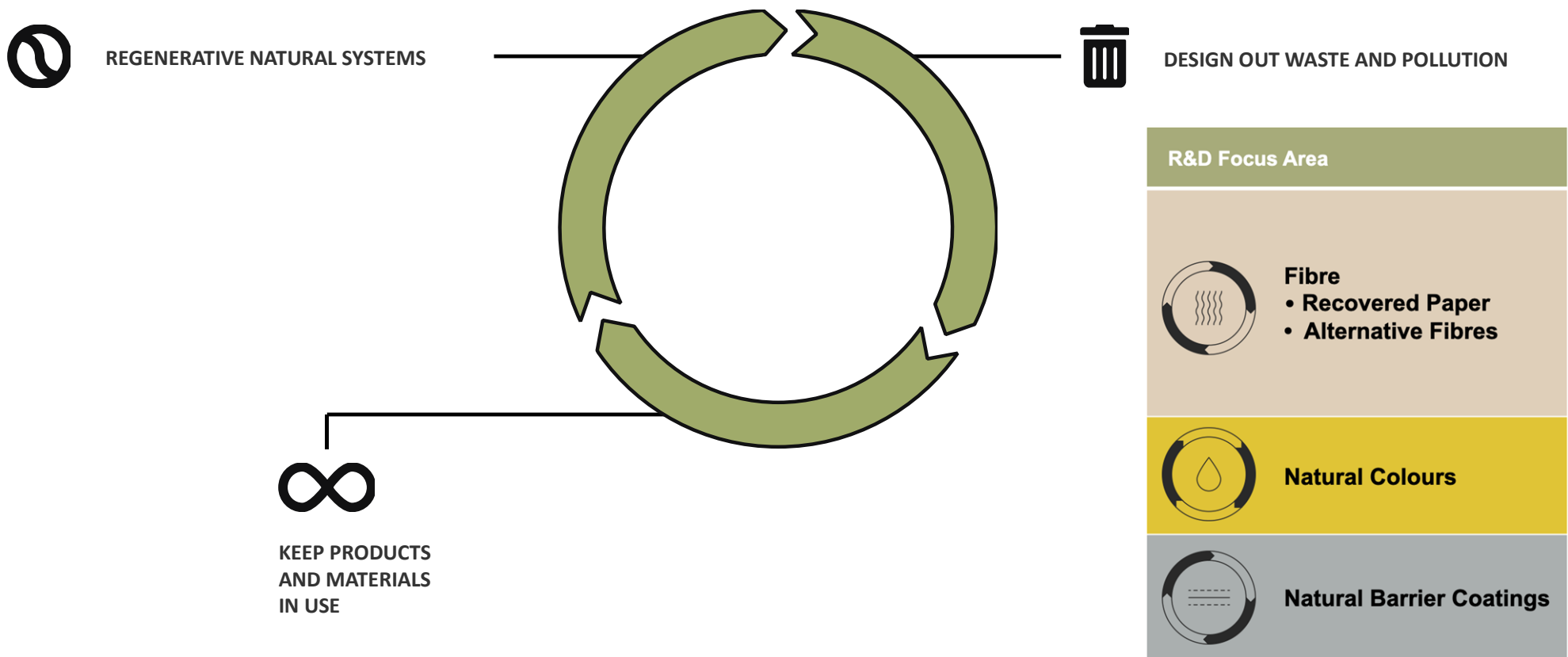
ESG Roadmap - building on strong foundations

PRODUCT INNOVATION FOR A CIRCULAR ECONOMY

It's a new way to design, make and use things within planetary boundaries.

By designing out waste and pollution, keeping products and materials in use, and regenerating natural systems we can reinvent everything.

Ellen MacArthur Foundation



Group Revenues

Group	Sept 2020		Sept 2019	
£'m	% Sales	% Sales	£'m	% change
UK	11.7	39.6%	20.9	(44%)
Europe	9.5	26.9%	14.2	(33%)
Americas	9.6	23.9%	12.6	(24%)
Asia	2.9	8.1%	4.3	(33%)
Other	0.4	1.5%	0.8	(53%)
Total	34.0	100.0%	52.8	(36%)

All geographies have taken a pandemic hit

Exports continue to be 60% of trade

Colourform recovering design costs for development of tooling in the UK

TFP market holding up well in Asia

Paper	Sept 2020		Sept 2019	
£'m	% Sales	% Sales	£'m	% change
UK	9.9	50.5%	19.2	(48%)
Europe	5.2	23.4%	8.9	(42%)
Americas	3.2	13.7%	5.2	(38%)
Asia	2.3	10.8%	4.1	(45%)
Other	0.3	1.6%	0.6	(54%)
Total	20.9	100.0%	38.0	(45%)

TFP	Sept 2020		Sept 2019	
£'m	% Sales	% Sales	£'m	% change
UK	1.3	13.1%	1.6	(19%)
Europe	3.3	22.3%	4.2	(21%)
Americas	6.4	60.9%	7.4	(14%)
Asia	0.6	3.1%	0.2	200%
Other	0.1	0.6%	0.2	(50%)
Total	11.7	100.0%	13.6	(14%)

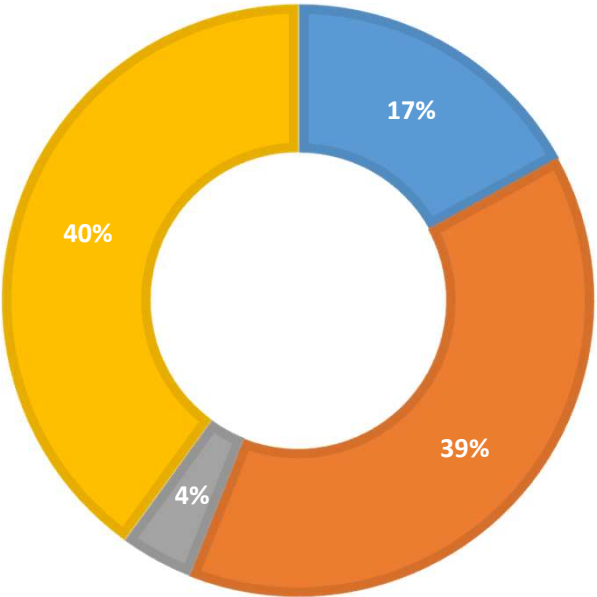
Colourform	Sept 2020		Sept 2019	
£'m	% Sales	% Sales	£'m	% change
UK	0.4	9.1%	0.1	288%
Europe	1.0	87.2%	1.1	(12%)
Total	1.4	96.3%	1.2	17%

Technical Fibre Products

The broadest range of non-wovens in the world

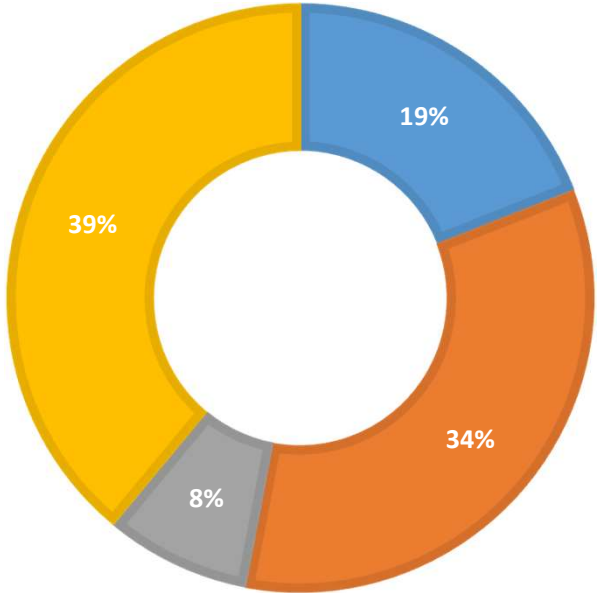
PRIOR YEAR

Fuel Cell Aerospace & defence Medical Industrial Infrastructure & other



CURRENT YEAR

Fuel Cell Aerospace & defence Medical Industrial Infrastructure & other

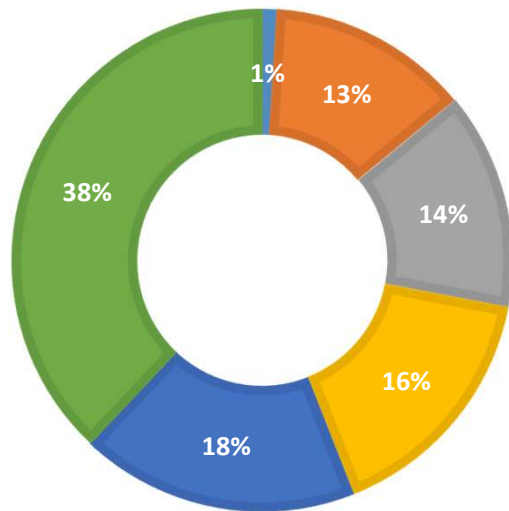


James Cropper Paper

Leading speciality papermaker, producing premium, bespoke, coloured papers for many of the world's leading brands

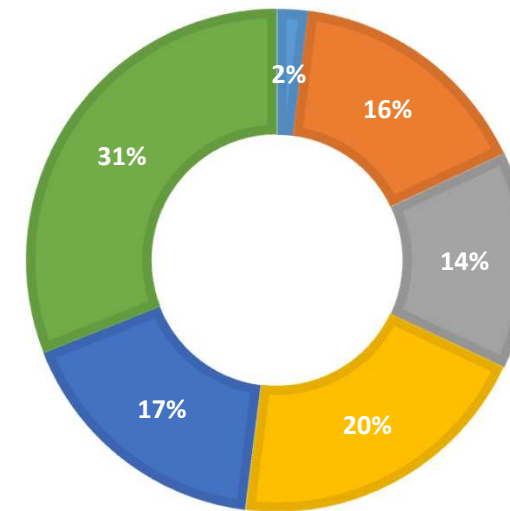
PRIOR YEAR

- Technical
- Stationary, office & education
- Publishing
- Art & Photographohy
- Marketing, design & advertising
- Packaging



CURRENT YEAR

- Technical
- Stationary, office & education
- Publishing
- Art & Photographohy
- Marketing, design & advertising
- Packaging



Cash Flow

	Half Year 26-Sep-20	Half Year 28-Sep-19	Full Year 28-Mar-20
	£'M	£'M	£'M
EBITDA (excluding IAS 19 impact)	2.7	4.7	11.2
Pension deficit payments	(0.2)	(0.7)	(1.4)
Decrease/ (increase) in working capital	4.6	(1.1)	4.3
Other	0.2	(0.1)	(1.0)
Net cash generated from operations	7.3	2.8	13.1
Capital expenditure	(1.4)	(3.3)	(9.2)
Dividends	0.0	(1.0)	(1.3)
Increase/(decrease) in loans	(3.7)	(0.3)	4.3
Other	(0.1)	(0.1)	(0.3)
Increase/(decrease) in cash	2.1	(1.9)	6.6
Opening cash	9.0	2.4	2.4
Closing cash	11.1	0.4	9.0

Facility Profile

Funding

	Sept 2020 £'000	Sept 2019 £'000	March 2020 £'000
Cash and cash equivalents	11,064	435	8,964
Borrowings: repayable within one year	(4,348)	(1,275)	(3,284)
Borrowings: non-current	(7,814)	(9,977)	(12,407)
Net debt	(1,098)	(10,817)	(6,727)
Borrowings: repayable within one year	4,348	1,275	3,284
Borrowings: non-current	7,814	9,977	12,407
Facilities drawn down	12,162	11,252	15,691
Undrawn facilities	6,589	10,141	5,367
Facilities	18,751	21,393	21,058
Cash and cash equivalents	11,064	435	8,964
Undrawn facilities	6,589	10,141	5,367
Funds available at year end	17,653	10,576	14,331
Borrowings: repayable within one year	(4,348)	(1,275)	(3,284)
Funds available in excess of one year	13,305	9,301	11,047

Since the period a
£4m CLBIL has been
secured

Pensions

The IAS 19 pension valuation September 2020

	Staff Scheme Sep-20	Works Scheme Sep-20	Combined Schemes Sep-20	2019 Mar-20
Discount rate	1.60%	1.65%	1.62%	2.53%
	£'m	£'m	£'m	£'m
Assets	58.6	65.7	124.3	114.0
Liabilities	(59.3)	(83.2)	(142.6)	(121.5)
Limit recoverable surplus	-	-	-	(1.9)
Deficit	(0.7)	(17.5)	(18.3)	(9.3)
Funding level - %	98.8%	78.9%	87.2%	94%

The combined funding position on an IAS19 measure has worsened over the 6 month period from a deficit of £9.3 million to a deficit of £18.3 million. This change was driven primarily by a large fall in corporate bond yields and a rise in inflation expectations.

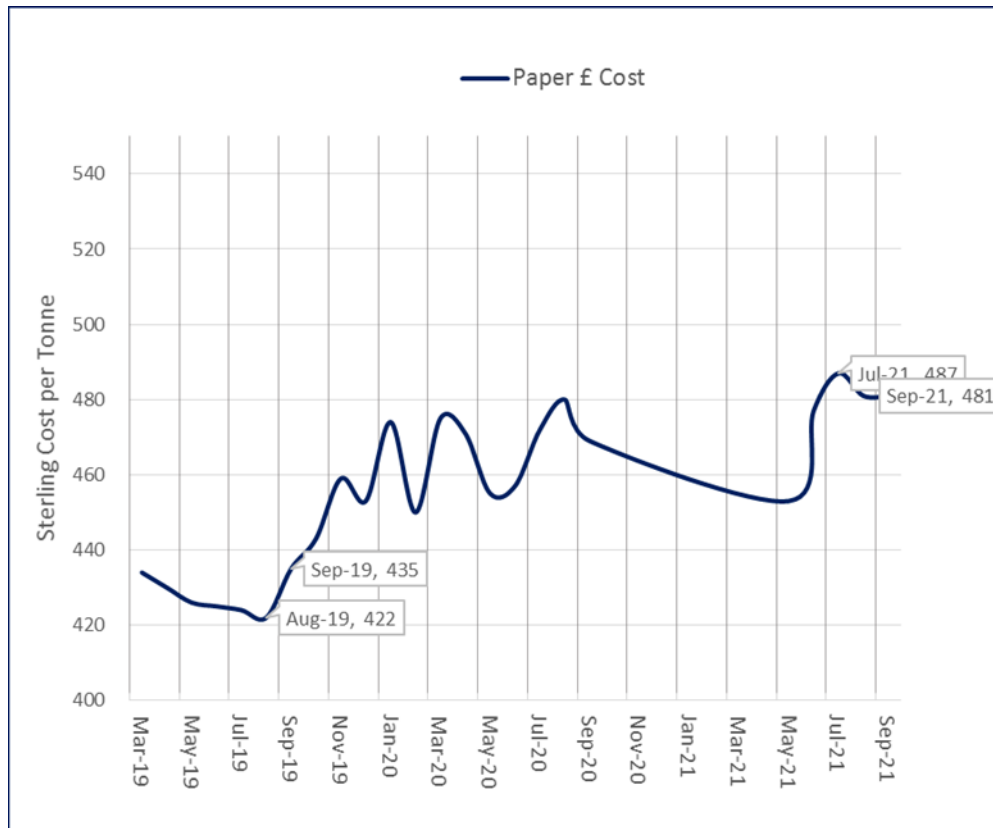
The 2019 Ongoing Valuation - completed post interim

	Staff Scheme Apr-19	Works Scheme Apr-19	Combined schemes Apr-19
Discount rate	2.45%	2.55%	2.50%
	£'m	£'m	£'m
Assets	51.1	56.8	108.0
Liabilities	(53.9)	(74.0)	(127.9)
Deficit	(2.8)	(17.2)	(19.9)
Funding level - %	95%	77%	84%

The April 2019 triennial “on-going” shows a combined deficit of £19.9m. The Group is maintaining contributions of £1.3m per annum to reduce the past service deficits +PPF levy allowances.

A DRC holiday of £930K has been agreed for this year to March 21 due to the impact of Covid 19 and the requirement to preserve cash. The £1.3m per annum will recommence in the year to March 2022.

Pulp



The latest forecasts show prices are at the bottom of the curve

We have additional storage capacity to process more recovered fibre in our Reclaimed Fibre plant

We are conducting extensive development work to qualify alternative recovered fibre streams

50% of our fibre to come from recovered streams by 2025