



**TECHNICAL  
FIBRE PRODUCTS**

**COLOURFORM™**  
PLASTIC-FREE PACKAGING

**JAMES  
CROPPER**  
EST. 1845





Our Purpose  
Pioneering Materials to Safeguard our Future

Our Values



**Forward  
Thinking**



**Responsible**



**Caring**



“We make products that are part of a sustainable solution”





# 2020 – 2021 Full Year Headlines

## EMPLOYEE WELLBEING



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Prime focus on employee health during the pandemic

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Demand reduced by 25% across the group

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Greatest reduction in Paper demand, however Colourform and TFP hydrogen markets continued to grow

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Demand has demonstrated a steady recovery from Q3 onwards

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R&D activities continued throughout

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Organisational restructure reduced costs by £2M

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Exceptional costs of £1.5m

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Brexit managed with no lasting, material impact on the company

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Acquisition of PV3 in Q4 to accelerate market penetration of hydrogen market

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Transitioned from a matrix to vertically integrated organisation to support growth

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# Financial Headlines



	2021 £'000	2020 £'000	2019 £'000	2018 £'000	2017 £'000
<b>Revenue</b>	78,768	104,667	101,095	96,312	92,363
Adjusted operating profit (excluding IAS 19 impact and exceptional items)	4,510	7,240	4,262	6,133	6,849
<b>Adjusted profit before tax (excluding IAS 19 impact and exceptional items)</b>	4,023	6,674	3,962	5,825	6,566
Impact of IAS 19	(802)	(1,215)	(1,386)	(1,248)	(1,025)
<b>Profit before tax</b>	1,719	5,459	2,576	4,541	5,541
Earnings per share - diluted	16.4p	50.6p	24.3p	43.0p	49.0p

# Balance Sheet Highlights



	2021 £'000	2020 £'000	2019 £'000	2018 £'000	2017 £'000
Non-pension assets – excluding cash	70,779	72,084	64,871	59,899	64,304
Non-pension liabilities –excluding borrowings	(18,444)	(19,032)	(16,236)	(15,585)	(19,433)
	52,335	53,052	48,635	44,314	44,871
Net IAS 19 pension deficit (after deferred tax)	(14,933)	(7,600)	(18,798)	(16,162)	(18,241)
	37,402	45,452	29,837	28,152	26,450
Net borrowings	(7,502)	(11,055)	(8,561)	(4,806)	(7,364)
<b>Equity shareholders' funds</b>	<b>29,900</b>	<b>34,397</b>	<b>21,276</b>	<b>23,346</b>	<b>19,086</b>
Gearing % - before IAS 19 deficit	17%	26%	21%	12%	20%
Gearing % - after IAS 19 deficit	25%	32%	40%	21%	39%
Capital expenditure £'000	3,127	9,195	5,229	1,935	5,315

# Technical Fibre Products



TFP	2021 £'000	2020 £'000	Change
Revenue	24,570	26,536	-7%
EBITDA	7,855	8,728	-10%
Profit (before exceptional)	6,892	7,753	-11%



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Full impact on Covid-19 reduced demand by 7%. However, growth in some markets continued

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Sales of Fuel Cell products grew significantly over the prior year and this market remains strong

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Continued growth in Medical markets

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Further growth in Defence markets

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Aerospace demand fell by 65%

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Investment to add 50% more capacity restarted and will be operational in Summer 2021

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Acquisition of PV3 to accelerate market penetration in Hydrogen

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Demand into the new financial year is very positive

# Paper Products



Paper	2021 £'000	2020 £'000	Change
Revenue	51,376	75,545	-32%
EBITDA	2,052	5,057	-59%
Profit (before exceptional)	371	3,406	-88%



Full year impact from Covid-19 reduced demand by 32% across most markets

Strong recovery in all markets from Q3

Continuing the focus in building the portfolio with higher margin products

Organisation restructure, building strength and reducing cost

Increased resources & capability in sales and technical

Strong demand for recycled fibre content and responsible sourcing with key brands

On track to achieve 50% raw materials content from recycling reclaimed waste materials by 2025

Investments to support increased capacity and capability for coating and embossing will start in 2021

Demand continues to strengthen across all markets



Colourform	2021 £'000	2020 £'000	Change
Revenue	2,822	2,586	9%
EBITDA	(43)	(473)	91%
Profit (before exceptional)	(1,441)	(1,378)	-5%



Sales grew by 9% over the previous year, despite Covid-19 pressures

Commercialised new projects including Ruinart "Second Skin"

Won multiple Luxury Packaging awards, including Luxepack Green award and Luxepack Peoples' Choice award

Strong opportunity pipeline with concepts moving to prototypes and market testing in the luxury sector










Additional resources in the team to support sales and technical

Sales effort boosted by the paper Luxury Team selling Colourform synergistically with Paper

Investments planned to support increased capacity and capability

Whilst growth rates were impacted over the prior year, commercialisation of new projects is now accelerating

# Environmental, Social & Governance

Sustainable Manufacturing	People and Society	Responsible Business Practices
<p><i>Decarbonisation and energy</i></p> <p>To have a robust net zero aligned strategy and achieve net zero, on direct emissions by 2030</p> 	<p><i>Employee well-being</i></p> <p>We support our people's physical, mental and emotional wellbeing; balancing their work and personal responsibilities to help them to work safely and effectively</p> 	<p><i>Materials with purpose</i></p> <p>To make products that are part of the sustainability solution and create pioneering materials aligned to societal needs; delivered in a fair, healthy and inclusive way</p> 
<p><i>Water</i></p> <p>To reduce our water footprint by developing and embracing innovative solutions to close our water loop; minimising fresh water abstraction, reusing process water and recycling our effluent water back into the process</p> 	<p><i>Enhancing livelihoods</i></p> <p>We are committed to providing meaningful work, generating a positive organisational culture and working environment which promotes diversity, inclusivity, personal development and respect</p> 	<p><i>Business ethics and risk</i></p> <p>To operate responsibly, steering governance, best practice and in line with our purpose and core values throughout our operations</p> 
<p><i>Waste and resource management</i></p> <p>To commit to valuing waste across our operations and employ innovative solutions to minimise and repurpose waste</p> 	<p><i>Local community</i></p> <p>To be a force for good in society, and particularly by making a positive contribution in our local community, supporting social cohesion, economic prosperity and inclusive growth</p> 	<p><i>Supply chain</i></p> <p>To ensure our suppliers operate to the same ethical and sustainable standards that the Company adheres to and encourage the adoption of sustainable practices</p> 



# Outlook

*Our Purpose*

PIONEERING MATERIALS TO SAFEGUARD OUR  
FUTURE

*Our Values*

FORWARD THINKING, RESPONSIBLE,  
CARING



Group operates 3 vertically integrated businesses – previously a matrix

Demand returning to pre-pandemic levels

All investments restarted to support additional capacity and capability

TFP continuing to grow, accelerated with the recent acquisition of PV3

Paper demand recovering well

Paper's costs benefiting from prior year restructure

Colourform will continue to grow year on year. Growth with existing customers and commercialisation of new projects

Very confident on the outlook, as we build on the growth strategy across the Group

# Supplementary Information

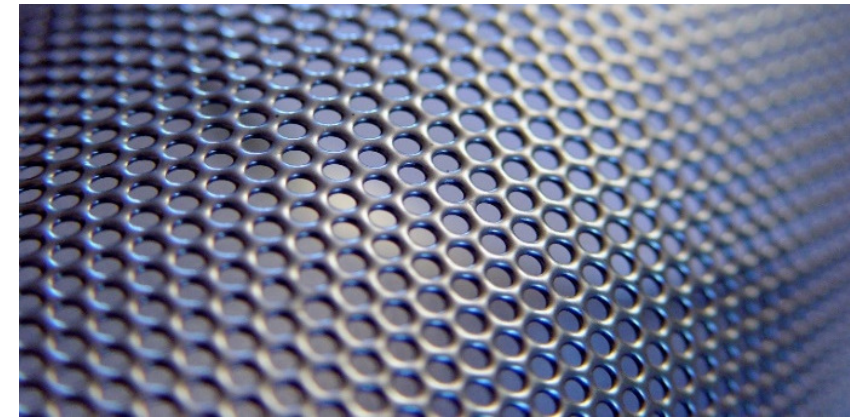
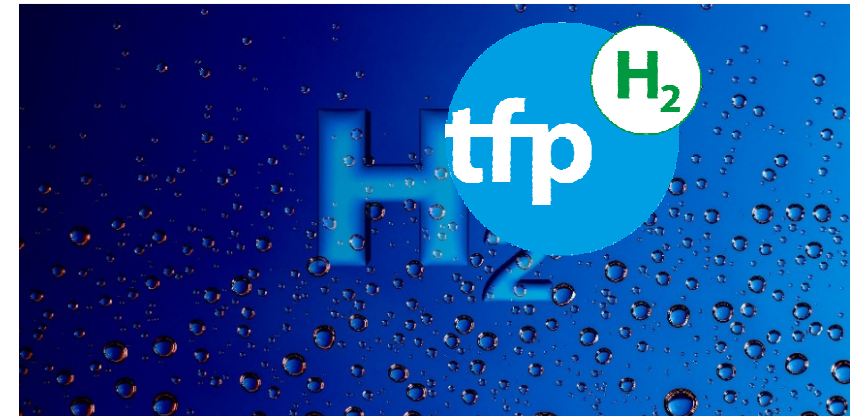
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# INTRODUCING TFP Hydrogen Products

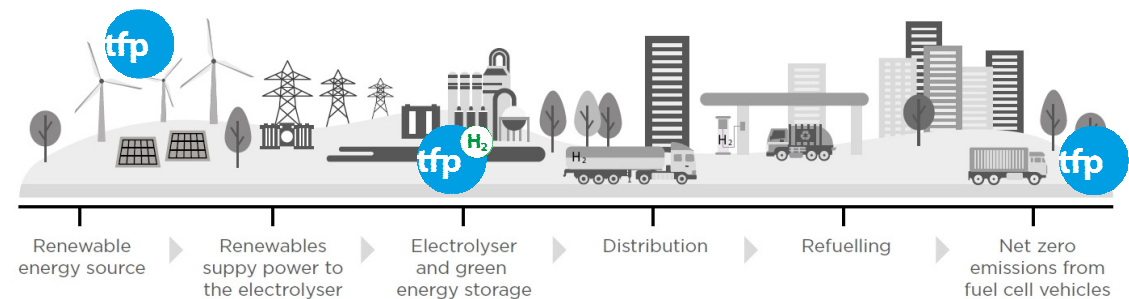
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- Established in 2011 (as PV3 Technologies)
- Based in Launceston, Cornwall
- Develop and manufacture electrochemical materials
  - Electrodes, electrocatalysts and corrosion resistant coatings
- Strong focus on sustainability
  - Specialise in materials for the hydrogen economy
- Applications include:
  - Water electrolyzers, fuel cells, batteries, MedTech & water purification



# Multiple Entry Points to the Hydrogen Economy

- The use of Hydrogen is predicted to grow almost 8 fold by 2050 to fulfil 18% of the world's final energy demand
- TFP Hydrogen enables further entry points into the hydrogen economy
  - TFP is now involved in the generation of renewable energy (wind turbines), its storage as hydrogen (via water electrolyzers) and subsequent use in clean and efficient power generation (fuel cells)





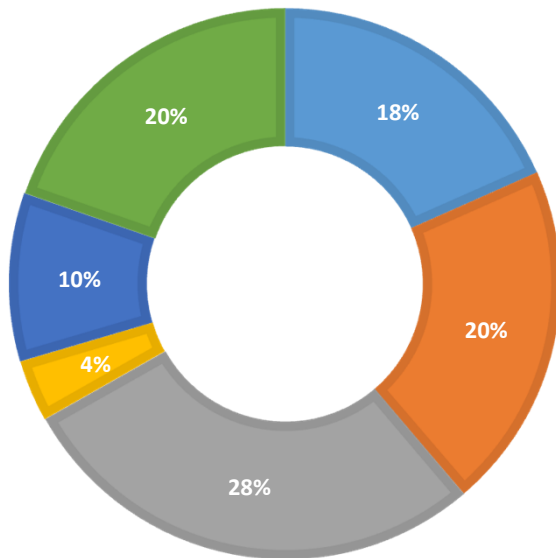
# Technical Fibre Products

JAMES CROPPER <sup>PLC</sup>

ESTABLISHED 1845

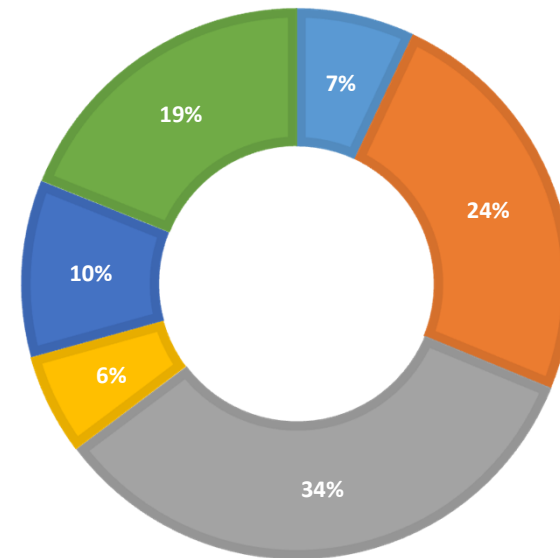
PRIOR YEAR

Aerospace Defence Green Medical Industrial Other



CURRENT YEAR

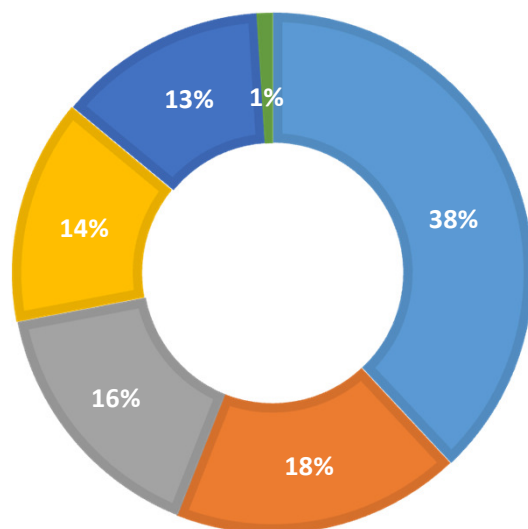
Aerospace Defence Green Medical Industrial Other



# James Cropper Paper

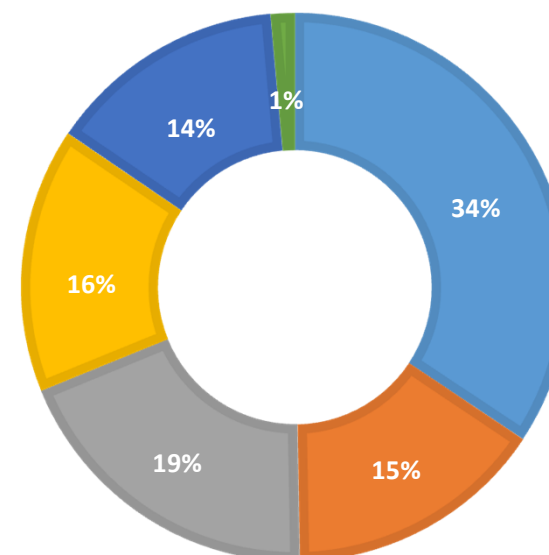
**PRIOR YEAR**

■ Packaging  
■ Marketing, Design & Advertising  
■ Art & Photography  
■ Publishing  
■ Stationery, Office & Education  
■ Technical



**CURRENT YEAR**

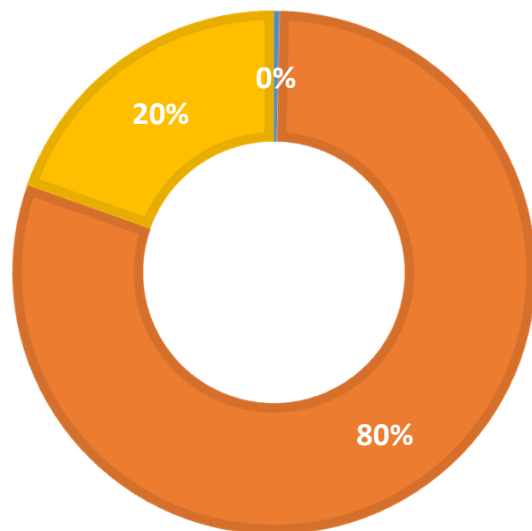
■ Packaging  
■ Marketing, Design & Advertising  
■ Art & Photography  
■ Publishing  
■ Stationery, Office & Education  
■ Technical



# Colourform

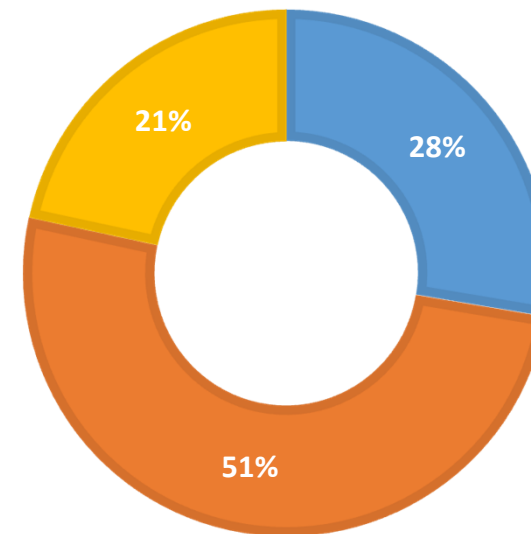
**PRIOR YEAR**

■ Wines & Spirits ■ Beauty ■ Others



**CURRENT YEAR**

■ Wines & Spirits ■ Beauty ■ Others





# Group Revenues

Geographical segments	Period ended 31 March 2021 £'000	Period ended 31 March 2020 £'000	<i>Change</i>
UK	29,955	41,785	<i>(28%)</i>
Europe	22,001	27,357	<i>(20%)</i>
Asia	5,819	9,705	<i>(40%)</i>
The Americas	19,996	24,517	<i>(18%)</i>
Other	997	1,303	<i>(23%)</i>
<b>Continuing operations</b>	<b>78,768</b>	<b>104,667</b>	<i>(25%)</i>

62% of the Group's sales are exports bringing in US Dollars and Euros to the Group (60% prior year)

Currency movements had a minor 0.4% impact on sales with the US Dollar and Euro weakening in the period

## Borrowings and funds

	<u>2021</u>	<u>2020</u>	<u>Change</u>
	£'000	£'000	£'000
Borrowings: repayable within one year	(8,301)	(3,756)	(4,545)
Borrowings: non-current	(5,966)	(16,263)	10,297
Facilities drawn down	14,267	20,019	(5,752)
Undrawn facilities	11,260	5,367	5,893
Facilities	25,527	25,386	141
Cash and cash equivalents	6,765	8,964	(2,199)
Undrawn facilities	11,260	5,367	5,893
Funds available at year end	18,025	14,331	3,694
Borrowings: repayable within one year	(8,301)	(3,756)	(4,545)
Funds available in excess of one year	9,724	10,575	(851)

# Pensions

The IAS 19 pension valuation March 21				
	Staff Scheme	Works Scheme	Combined Schemes	
	Mar-21	Mar-21	Mar-21	Mar-20
Discount rate	1.95%	2.05%	2.00%	2.53%
	£'m	£'m	£'m	£'m
Assets	55.1	62.0	117.1	114.0
Liabilities	(56.5)	(79.1)	(135.6)	(121.5)
Limit recoverable surplus	-	-	-	(1.9)
Deficit	(1.4)	(17.1)	(18.5)	(9.3)
Funding level - %	98%	78%	86%	94%

The 2019 Ongoing Valuation - completed post interim			
	Staff Scheme	Works Scheme	Combined schemes
	Apr-19	Apr-19	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%

## IAS 19 Valuation

The combined funding position on an IAS19 measure has worsened over the period from a deficit of £9.3 million to a deficit of £18.5 million. The combined increase in the schemes' overall deficit is principally caused by a fall in the discount rates due to the downward swing in corporate bond yields, an increase in expected future inflation and a further increase in liabilities to allow for the impact of Guaranteed Minimum Pensions (GMPs) equalisation in respect of historic transfers.

The IAS 19 pension deficit is likely to be different in the future from this position due to volatility driven by assumptions the standard adopts.

## Ongoing Valuation

The triennial "on-going" valuation as at April 2019 shows a combined deficit of £19.9m. This determines the latest position and allows re-alignment to the longer term target.

From April 2021 contributions are maintained at £1.3m to reduce the past service deficits and a further £0.16m per annum to meet pension protection levy payments, a total of £1.46m each year.

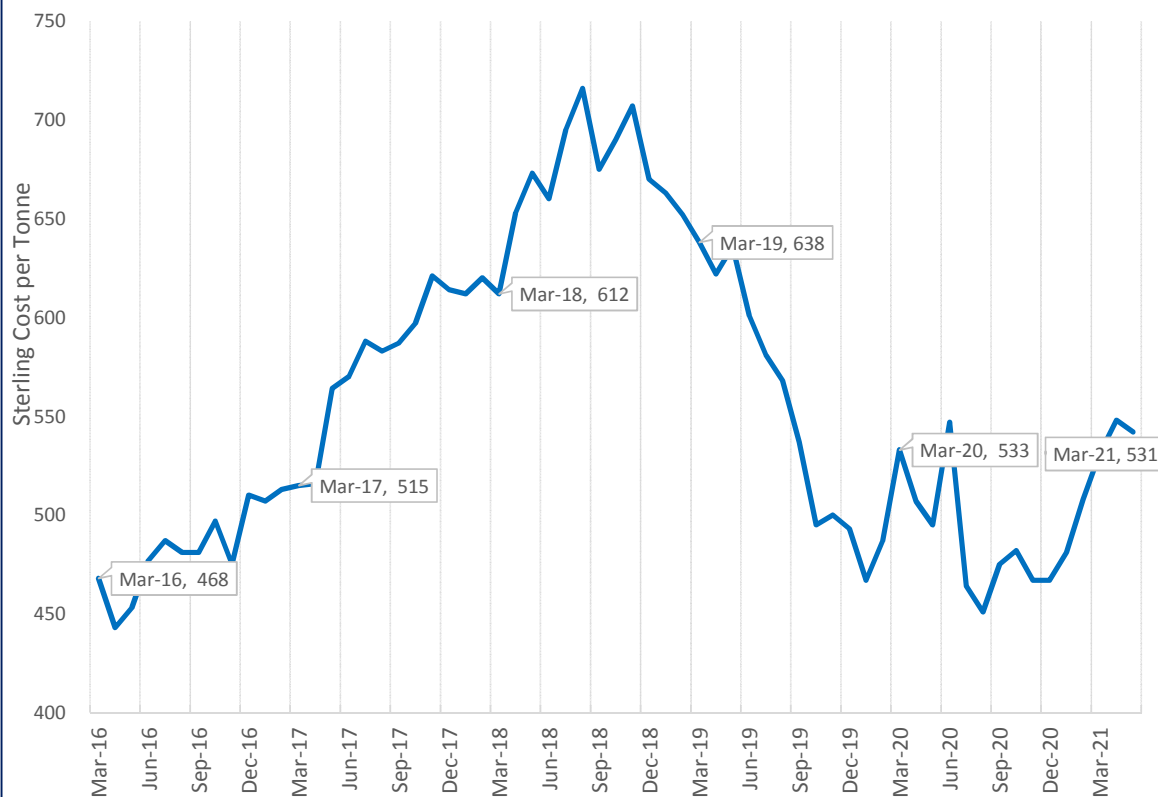


# Pulp

JAMES CROPPER PLC

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£ Price / te



The latest forecasts show pulp prices are rising

The Company took out a pulp hedge to protect against price rises for the April 21 to Dec 21 period, covering a third of it's predicted requirement

Demand for product with Reclaimed or recycled waste is on the increase and the Company has installed additional storage capacity to process more recovered fibre in our Reclaimed Fibre plant.

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

# Exceptional Costs

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	Group £'000			£'000
Adjusted profit before tax	4,023	}	Restructuring costs	1,118
Exceptional items	1,502		Transaction costs	384
	2,521		Exceptional items	1,502
IAS 19	802			
Profit before tax	1,719			