



**TECHNICAL  
FIBRE PRODUCTS**

**COLOURFORM™**  
PLASTIC-FREE PACKAGING

**JAMES  
CROPPER**  
EST. 1845





# Pioneering materials to safeguard our future



Forward Thinking



Responsible



Caring





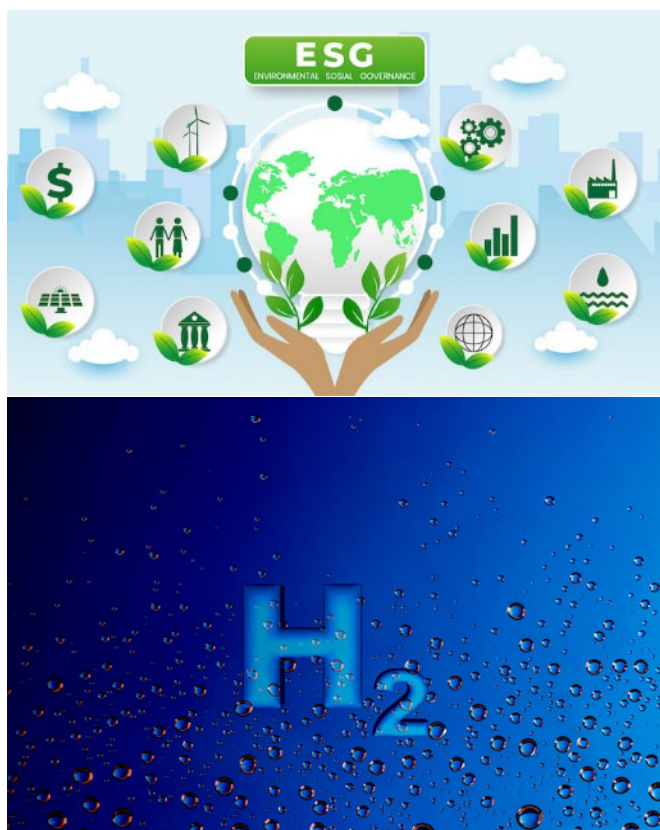
“We make products that are part of a sustainable solution”





# 2021 Half Year Headlines

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47% increase in sales on prior period comparative

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Group returns to pre-pandemic demand levels, with growth above pre-pandemic levels in TFP and Colourform

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Adjusted PBT up 70% on prior period comparative

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Management expectations for the full year results improved

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Dividend reintroduced

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New talent joins the Group Board

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Investments underway to support accelerated growth

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Focus on ESG development and environmental markets

# New Talent joins the Group Board

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Successor for TFP MD joins in November as Executive Group Board Director

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Two additional NEDs to join the Group Board in November

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- Increasing knowledge & network resource to support growth

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- Building independence and greater governance

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One NED to leave the Group Board in November

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# Financial Headlines



Summary of results	Half Year 25-Sep-21 £'000	Half Year 26-Sep-20 £'000	Full Year 27-Mar-21 £'000
Revenue	49,828	34,004	78,768
Adjusted operating loss / (profit)	2,474	1,583	4,510
Operating profit	2,310	352	2,445
Adjusted profit before tax	2,263	1,334	4,023
Impact of IAS19	(350)	(293)	(802)
Exceptional items	-	(1,057)	(1,502)
<b>Profit / (loss) before tax</b>	<b>1,913</b>	<b>(16)</b>	<b>1,719</b>
Earnings per Share - Basic and Diluted	16.2p	(0.2)p	16.4p

# Balance Sheet Highlights



	Half Year 25-Sep-21 £'000	Half Year 26-Sep-20 £'000	Full Year 27-Mar-20 £'000
Non-pension assets – excluding cash	74,213	69,854	70,780
Non-pension liabilities – excluding borrowings	(19,482)	(22,517)	(18,444)
	54,731	47,337	52,336
Net IAS19 pension deficit (after deferred tax)	(12,835)	(14,791)	(14,933)
	41,896	32,546	37,403
Net borrowings	(9,637)	(5,220)	(7,502)
Equity shareholders' funds	32,259	27,326	29,901
Gearing % - before IAS 19 deficit	21%	12%	17%
Gearing % - after IAS 19 deficit	30%	19%	25%
Capital Expenditure	2,877	1,367	3,127

# Technical Fibre Products

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19% growth across all market sectors. Sales ahead of pre-pandemic levels

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Continued growth in renewable energy sector

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Demand picking up in aerospace as aircraft build rates increase

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Additional 50% capacity coming on stream now

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Record order book going into second half

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Significant contract won in PEM Water Electrolyser sector

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TFP Hydrogen sales are increasing rapidly as the electrolyser market surges

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Construction of new platinum coating line has started in USA

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# Paper Products



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64% growth in all markets, especially luxury packaging, art & photography and publishing

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Significant new contract wins especially in luxury packaging

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Challenging inflationary environment – raw materials, energy and freight partly offset through pricing

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Continued strong demand for recycled fibre content and responsible sourcing with key brands

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On track to achieve 50% raw materials content from new reclaimed streams by 2025

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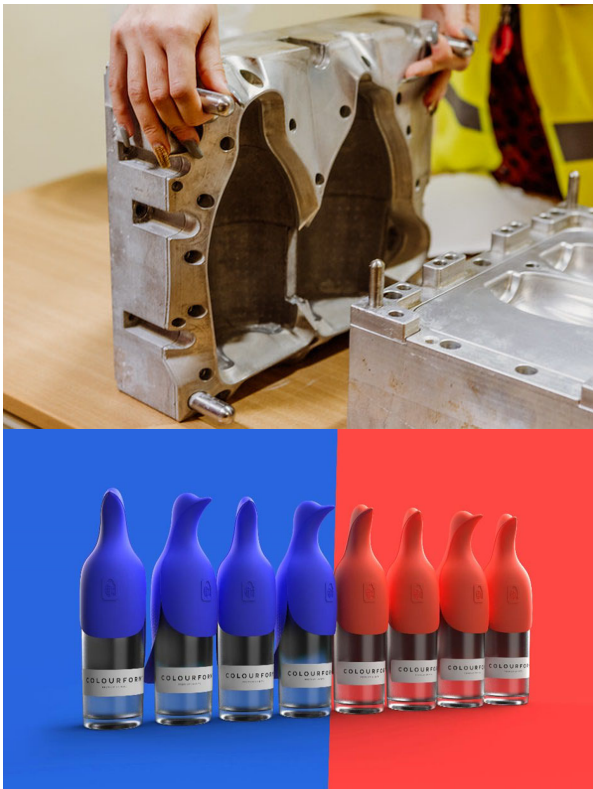
Investment in increased capacity and capability for coating and embossing underway to support margin improvement

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Strengthened commercial talent to support portfolio change

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22% growth in all markets and new contract wins

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Won 10 International packaging awards

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Manufacturing powered by green energy sources

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Revenue growth from multiple sectors, including wines, spirits, fragrances and beauty products

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Additions to the team to support accelerated innovation and commercialisation

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Sales supported by the Paper Luxury team to accelerate growth

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Investments underway to provide increased capability



# Environmental, Social & Governance

Sustainable Manufacturing	People and Society	Responsible Business Practices
<p><b>Decarbonisation and energy</b></p> <p>To have a robust net zero aligned strategy and achieve net zero, on direct emissions by 2030</p> 	<p><b>Employee well-being</b></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><b>Materials with purpose</b></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><b>Water</b></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><b>Enhancing livelihoods</b></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><b>Business ethics and risk</b></p> <p>To operate responsibly, steering governance, best practice and in line with our purpose and core values throughout our operations</p> 
<p><b>Waste and resource management</b></p> <p>To commit to valuing waste across our operations and employ innovative solutions to minimise and repurpose waste</p> 	<p><b>Local community</b></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><b>Supply chain</b></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> 

## Net zero progression

12 month technical feasibility study commenced. Early indications are that we have a technically viable energy solution that will deliver a significant reduction in carbon. Results by March 2022

## Responsible business practices

Ethical markets reviewed, resulting in small planned exits

## Metric development

All measures & KPIs under development this year

# Outlook

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Strong recovery expected to continue in each business beyond pre-pandemic levels.

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New contract wins in TFP will start in H2

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Significant investments in each business to support growth

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Research and Development activity accelerating above pre-pandemic levels

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Additional members of the Group Board to start in H2

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Expected profit results upgraded by +20%



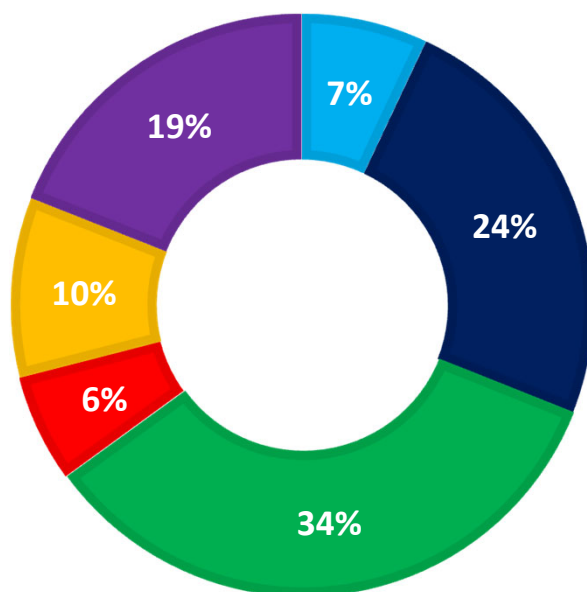
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# Technical Fibre Products Ltd

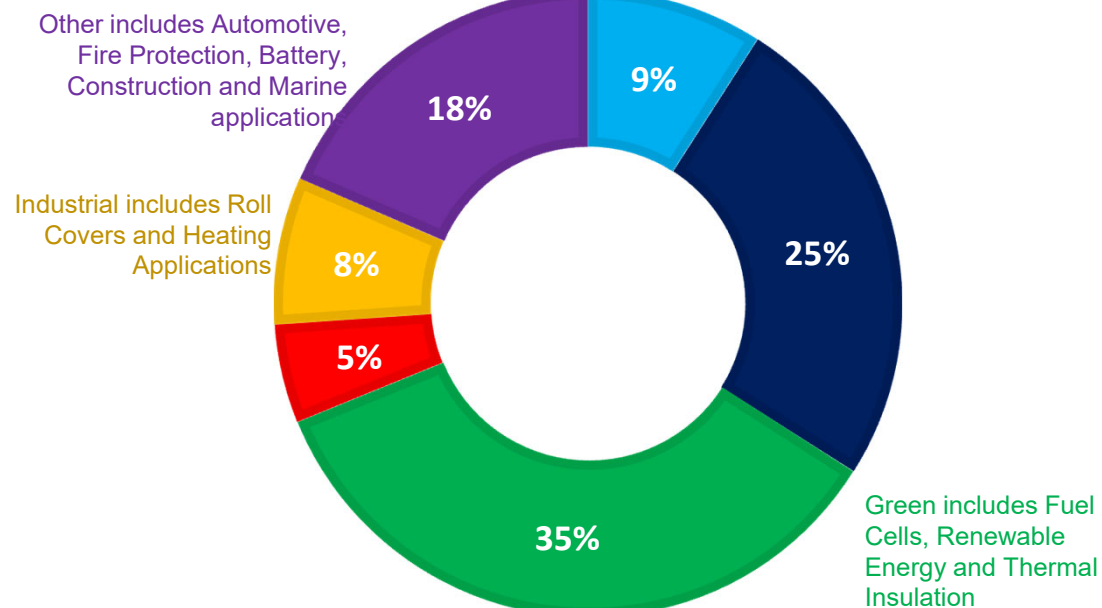
**PRIOR YEAR**

■ Aerospace 
 ■ Defence 
 ■ Green 
 ■ Medical 
 ■ Industrial 
 ■ Other



**CURRENT YEAR**

■ Aerospace 
 ■ Defence 
 ■ Green 
 ■ Medical 
 ■ Industrial 
 ■ Other

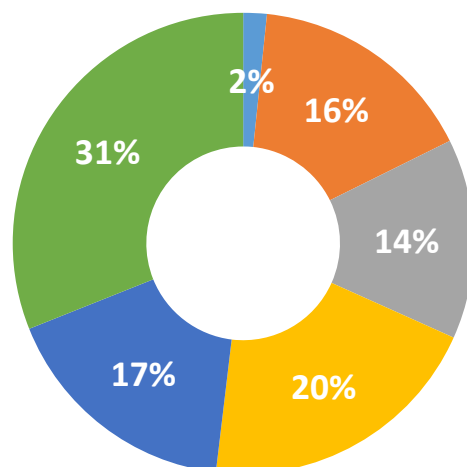




# James Cropper Paper

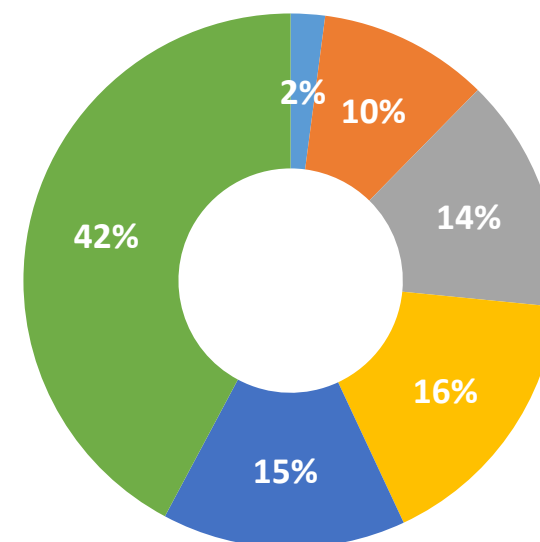
**PRIOR YEAR**

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



**CURRENT YEAR**

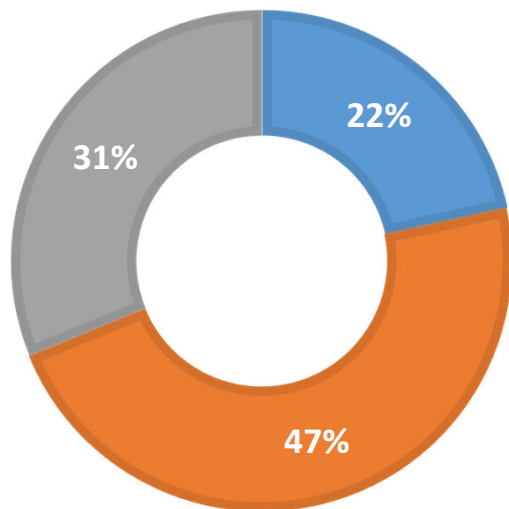
■ Technical  
■ Stationery, Office & Education  
■ Publishing  
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■ Marketing Design & Advertising  
■ Packaging



# Colourform

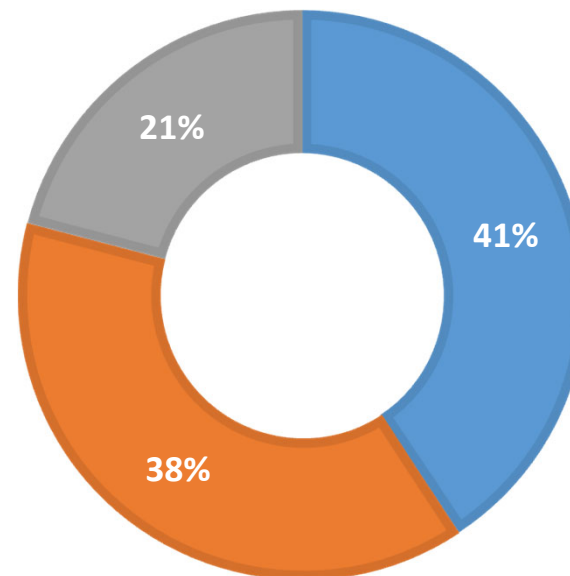
**PRIOR YEAR**

■ Wines & Spirits ■ Beauty ■ Others



**CURRENT YEAR**

■ Wines & Spirits ■ Beauty ■ Others





# Group Revenues

Group				
	Sept		Sept	%
£'m	2021	% Sales	2020	change
UK	18.6	39.6%	11.7	59%
Europe	14.1	26.9%	9.5	49%
Americas	11.5	23.9%	9.6	20%
Asia	5.5	8.1%	2.9	92%
Other	0.1	1.5%	0.4	(74%)
<b>Total</b>	<b>49.8</b>	<b>100.0%</b>	<b>34.0</b>	<b>47%</b>

Group revenues up 47% on prior period comparative, across all major geographical areas.

Paper			
	Sept		Sept
£'m	2021	% Sales	2020
UK	16.0	50.5%	9.9
Europe	8.8	23.4%	5.2
Americas	4.4	13.7%	3.2
Asia	4.9	10.8%	2.3
Other	0.1	1.6%	0.3
<b>Total</b>	<b>34.2</b>	<b>100.0%</b>	<b>20.9</b>

TFP			
	Sept		Sept
£'m	2021	% Sales	2020
UK	2.3	13.1%	1.3
Europe	3.9	22.3%	3.3
Americas	7.1	60.9%	6.4
Asia	0.6	3.1%	0.6
Other	0.0	0.6%	0.1
<b>Total</b>	<b>13.9</b>	<b>100.0%</b>	<b>11.7</b>

Colourform			
	Sept		Sept
£'m	2021	% Sales	2019
UK	0.3	9.1%	0.4
Europe	1.4	87.2%	1.0
<b>Total</b>	<b>1.7</b>	<b>96.3%</b>	<b>1.4</b>

# Borrowings and funds

## FACILITY PROFILE (excludes ROU assets)

	Sept 2021 £'m	Sept 2020 £'m	March 2021 £'m
Net debt	5.6	1.1	3.7
Borrowings: repayable within one year	8.1	4.3	7.9
Borrowings: non-current	4.9	7.8	2.6
Facilities drawn down	13.0	12.2	10.5
Undrawn facilities	4.7	6.6	11.3
Facilities	17.7	18.8	21.8
Cash and cash equivalents	7.4	11.1	6.8
Undrawn facilities	4.7	6.6	11.3
Funds available at period end	12.1	17.7	18.0
Borrowings: repayable within one year	(8.1)	(4.3)	(7.9)
Funds available in excess of one year	4.0	13.3	10.1

As at 25 Sept 21 the Group held £8.1m of borrowings repayable within one year.

Since this date £4m of our facilities has been renewed.

Current availability of finance is good and the Group expects to be able to renew as required on favourable terms.

# Strategic Investments



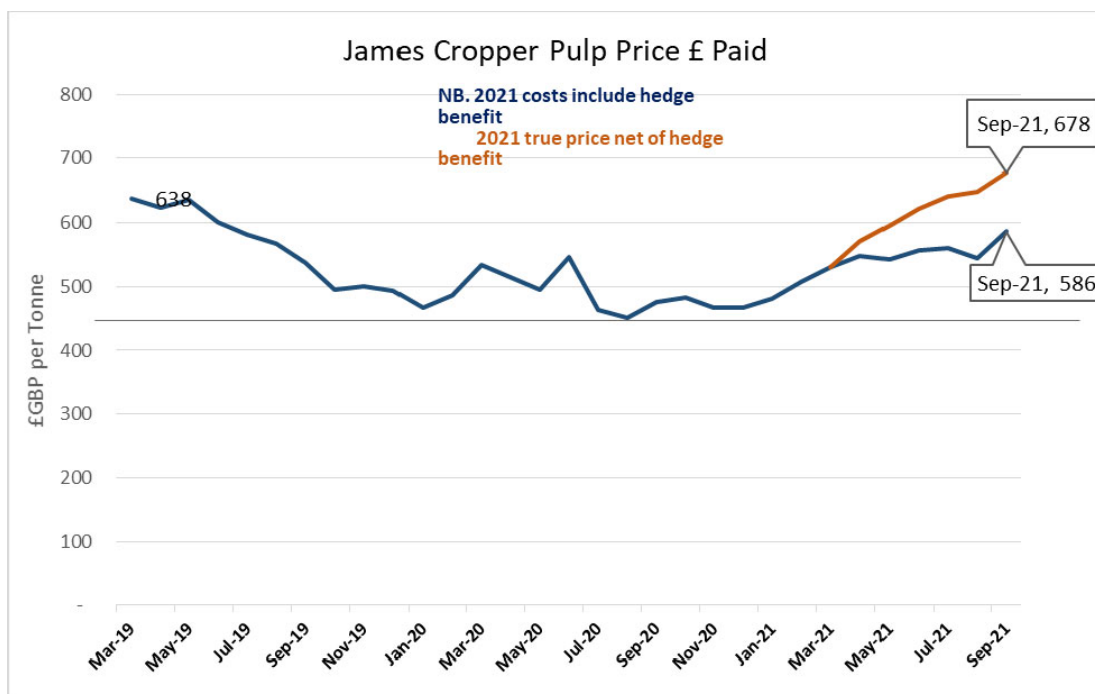
	FOCUS	INVESTMENT UPDATE
<b>TFP</b>	To increase capacity to meet future demand in TFPH	Increased electrolyser capacity in UK is underway  Establish electrolyser capacity in the USA
<b>Paper</b>	To enable a higher value product mix	New embossing and varnishing line at UK site
	To become operationally carbon neutral by 2030	BEIS feasibility underway – a 3 year capex programme is planned for 2022.
<b>Colourform</b>	Increase capability to meet customer demand	Upgrade tooling and sampling capability



# Pulp

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Pulp prices have been rising since the start of the year

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

In the first 6 months of this year the hedge safeguarded £1m of cash

The next hedge is under consideration

# Pensions

## The IAS 19 pension valuation Sept 2021

	Staff Scheme £'m	Works Scheme £'m	Both Schemes £'m
<i>Discount rate</i>	2.00%	2.05%	2.03%
Assets	55.5	63.3	118.8
Liabilities	(55.8)	(80.1)	(135.9)
Deficit	(0.3)	(16.8)	(17.1)
<i>Funding level - %</i>	99%	79%	87%

### IAS 19 Valuation

The combined funding position on an IAS19 measure for schemes has improved over the 6 month period from a deficit of £18.4 million ( March 2021) to a deficit of £17.1 million. This improvement largely came about as a result of stronger asset performance relative to the discount rate at the end of the year, which was partially offset by an actuarial loss on liabilities driven primarily by a rise in inflation expectations.

## Triennial "on-going" valuation - 2019

	Staff Scheme £'m	Works Scheme £'m	Both Schemes £'m
<i>Discount rate</i>	2.45%	2.55%	2.50%
Assets	51.1	56.8	108.0
Liabilities	(53.9)	(74.0)	(127.9)
Deficit	(2.8)	(17.2)	(19.9)
<i>Funding level - %</i>	95%	77%	84%

### 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. Contributions £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.