

ACCELERATED GROWTH STRATEGY ON TRACK

**Financial and operational performance
drives gross margin expansion and
increased profitability in the Group**

**Interim Results
November 2023**

JAMES CROPPER PLC

ESTABLISHED 1845

FORWARD-LOOKING STATEMENTS

This document may contain certain forward-looking statements with respect to the Group's plans and expectations relating to its future performance, results, strategic initiatives, objectives and financial position, including liquidity and capital resources. These forward-looking statements are not guarantees of future performance. By their very nature, all forward-looking statements involve risks and uncertainties because they relate to events that may or may not occur in the future and are or may be beyond the Group's control. Accordingly, the Group's actual results and financial condition may differ materially from those expressed or implied in any forward-looking statements.

Forward-looking statements in this release are current only as of the date on which such statements are made. The Group undertakes no obligation to update any forward-looking statements, save in respect of any requirement under applicable law or regulation. Nothing in this presentation shall be construed as a profit forecast.

KEY HEADLINES FINANCIAL

Group revenue broadly in line with the Board's FY24 expectations despite ongoing market headwinds in Paper Products

Adjusted operating profit increased to £3.0m (H1 FY23: £0.5m) with gross margin performance and cost management improvement

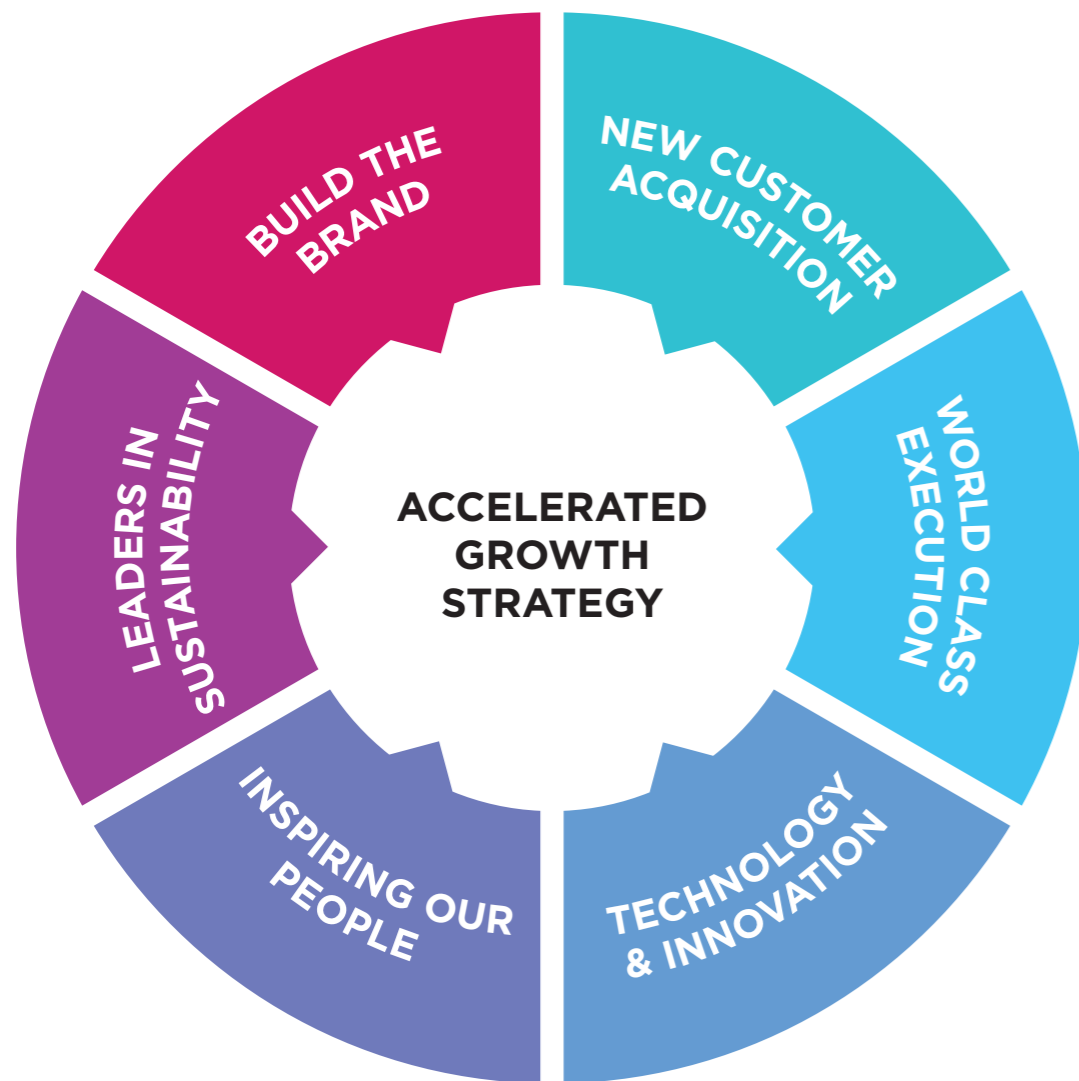
Profit before tax up to £2.4m (H1 FY23: loss £(0.9)m) supported by improved margins, a reduction in IAS 19 pension adjustments and exceptional items

Earnings per share up to 19.4p (H1 FY23: loss per share (9.2)p)

Interim dividend declared at 3.0p per share (H1 FY23: 2.0p), reflecting the Board's confidence in the ongoing implementation of the accelerated growth strategy

Net debt of £13.3m, down £3.3m from £16.6m at FY23 (H1 FY23: £12.2m)

ON TRACK WITH GROWTH STRATEGY



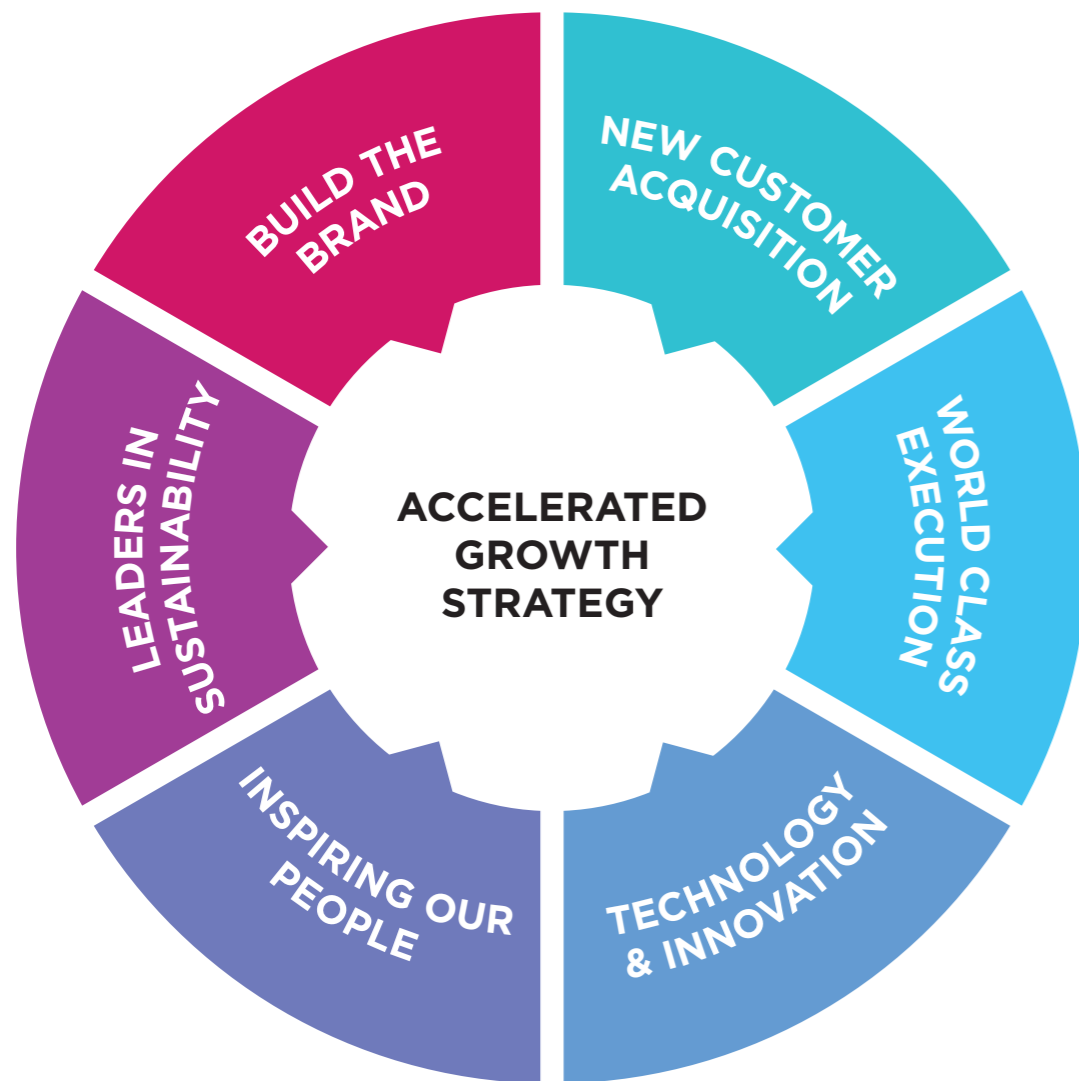
NEW CUSTOMER ACQUISITION

- Future Energy's hydrogen offer continues to exceed management's expectations. In North America, electrolyser manufacturers are now beginning to benefit from the new coating line with its ability to shorten supply chain and optimise logistics
- Technical Fibres remains steady with growth seen in its core customer base
- Luxury Packaging wins internationally acclaimed Formes de Luxe award in the Moulded Pulp Packaging category in collaboration with Maison Perrier-Jouët for Belle Epoque 'Cocoon'
- The long-standing partnership with the Royal British Legion saw James Cropper support the launch of the first-ever 100% plastic-free remembrance poppy, a partnership proudly held since 1978

WORLD CLASS EXECUTION

- Restructuring and consolidation of Paper and Colourform is progressing well with leaner working practices implemented to drive margin improvements and productivity gains
- Capabilities within Paper have widened with the new Embossing Centre of Excellence in operation as well as expanding the reclaimed and recycled fibre offer

ON TRACK WITH GROWTH STRATEGY



TECHNOLOGY AND INNOVATION

- The Centre for Innovation function has further progressed the decarbonisation programme with grant funding awarded. The project has advanced to phase one construction to support the build of the Low Carbon Energy Centre which will enable the electrification of the paper manufacturing facility

INSPIRING OUR PEOPLE

- The Group strengthened its leadership team with Matthew Ratcliffe joining as General Counsel and Richard Bracewell, internally appointed, as Managing Director of the Paper Products division. Andrew Goody will join the Company and the Board of Directors later this month as Chief Financial and Operations Officer

LEADERS IN SUSTAINABILITY

- Commissioning of new Powerhouse boiler and compressor investments are contributing to a reduction in site energy requirement

BUILD THE BRAND

- Strong progress made as the Group unifies its business identity under the James Cropper name, with launch ready for Q4 FY24

FINANCIAL HEADLINES

	Half-year to 30 Sept 23 £'000	Half-year to 24 Sept 22 £'000	Full-year to 1 April 23 £'000
Revenue	56.5	61.6	129.7
Adjusted operating profit (excluding IAS 19 impact and exceptional items)	3.0	0.5	4.8
Operating profit / (loss)	3.6	(0.2)	3.3
Adjusted profit / (loss) before tax (excluding IAS 19 impact and exceptional items)	2.4	(0.0)	3.2
Impact of IAS 19	(0.2)	(0.3)	(0.8)
Exceptional items	0.2	(0.5)	(1.1)
Profit / (loss) before tax	2.4	(0.9)	1.3
Earnings per share - diluted	19.4p	(9.2)p	5.4p
Interim dividend per share	3.0p	2.0p	6.0p

BALANCE SHEET HEADLINES

	Half-year to 30 Sept 23 £'000	Half-year to 24 Sept 22 £'000	Full-year to 1 April 23 £'000
Non-pension assets - excluding cash	80,952	85,113	86,754
Non-pension liabilities - excluding borrowings	(21,636)	(28,986)	(25,990)
Net IAS 19 pension deficit (after deferred tax)	59,316 (12,153)	56,127 (9,677)	60,764 (12,105)
Net borrowings	47,163 (13,312)	46,450 (12,156)	48,659 (16,594)
Equity shareholders' funds	33,851	34,294	32,065
Gearing % - before IAS 19 deficit	29%	28%	38%
Gearing % - after IAS 19 deficit	39%	35%	52%
Capital expenditure	1,399	2,360	5,779

CASHFLOW HEADLINES

	Half-year to 30 Sept 23 £'000	Half-year to 24 Sept 22 £'000	Full-year to 1 April 23 £'000
Net cash inflow from operating activities	5,081	5,307	5,550
Net cash outflow used in investing activities	(1,399)	(2,360)	(6,643)
Net cash inflow from financing activities	650	3,394	622
Net increase in cash and cash equivalents	4,332	6,341	(471)
Effects of exchange rate fluctuations on cash held	337	56	400
Net increase in cash and cash equivalents	4,669	6,397	(71)
Opening cash and cash equivalents	7,679	7,750	7,750
Closing cash and cash equivalents	12,348	14,147	7,679

FUTURE OUTLOOK

CONTINUED GROWTH IN ADVANCED MATERIALS DIVISION:

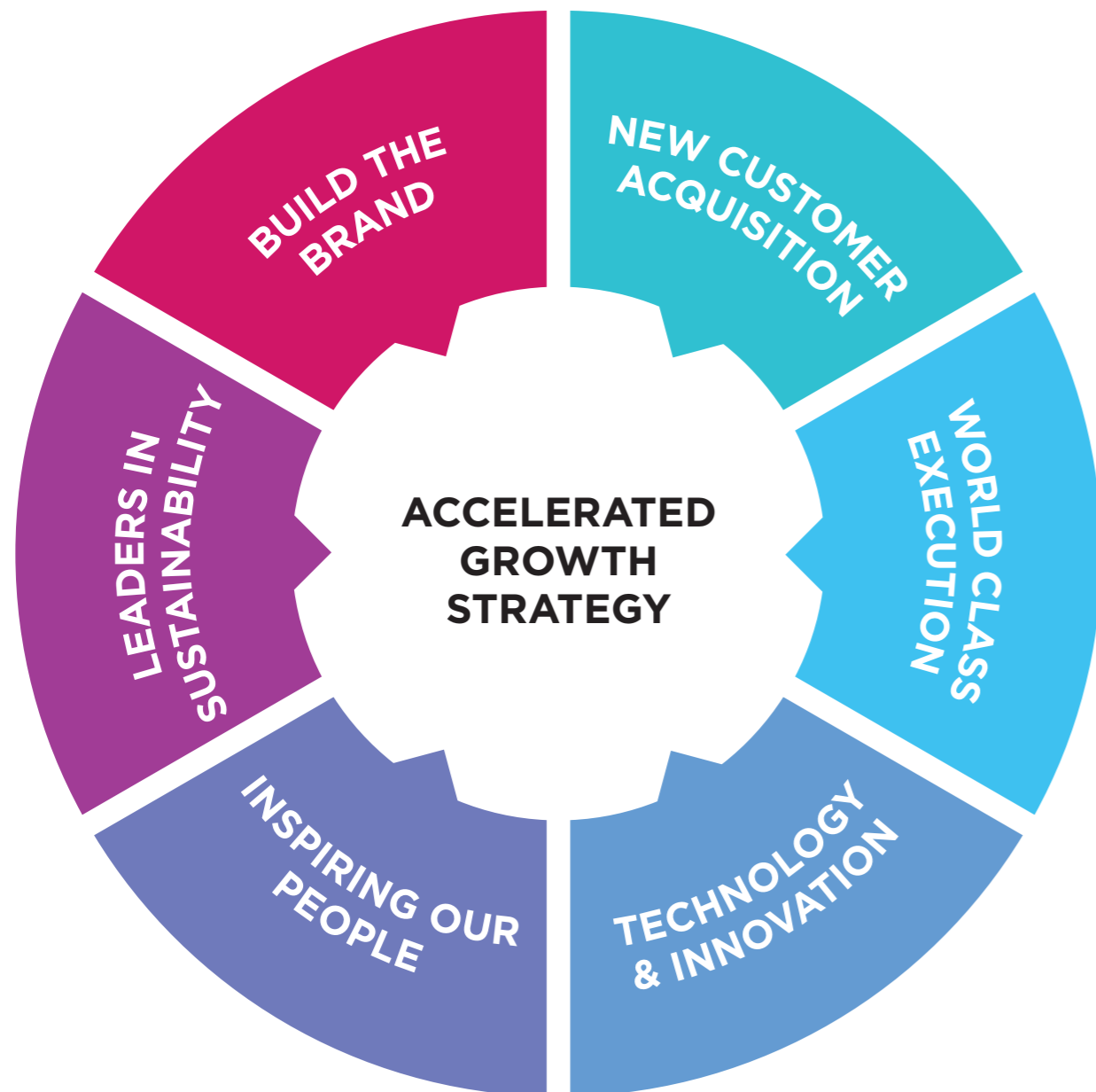
- Capital investment for expansion in the electrolyser manufacturing operations
 - Opportunity pipeline and exploration into new growth markets such as Carbon Capture and Electrolyser OEM
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ONGOING PROGRESS IN PAPER PRODUCTS DIVISION:

- Restructuring due to complete in Q4 FY24, to deliver further margin improvement
 - Share in target markets maintained and well positioned for anticipated recovery in global demand during FY25
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The actions taken to date give the Board confidence that the Group is well positioned to deliver increased profitability in FY24 consistent with its expectations and that, in line with the accelerated growth strategy, revenue growth will be delivered from FY25 onwards

OUR NEW STRATEGY FOR ACCELERATED GROWTH



NEW CUSTOMER ACQUISITION - Targeting secular growth markets such as expanding our Hydrogen offer in North America and retaining contracts in the Luxury Packaging sector

WORLD CLASS EXECUTION - Long term investment programme to simplify processes and systems. Implementing a lean business programme across the Group.

TECHNOLOGY & INNOVATION - Centre for Innovation driving decarbonisation of Group's operations; making ever greater use of recovered fibres; helping to create technology roadmaps in emerging markets such as green hydrogen, fuel cells and carbon capture.

INSPIRING OUR PEOPLE - Building a global and diverse workforce. Investing in workplace facilities, engagement tools and leadership development programmes.

LEADERS IN SUSTAINABILITY - Recognising our responsibility to reduce and ultimately eliminate our emissions. Providing the technological capability for our customers to transition to cleaner energy alternatives.

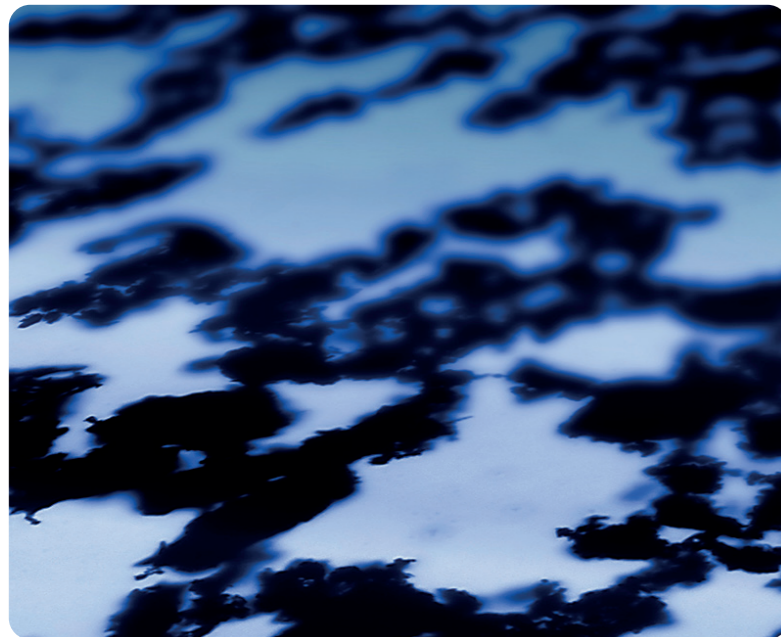
BUILD THE BRAND - Create greater brand equity by investing in the James Cropper brand. Reorganising ourselves from three separate divisions (Technical Fibre Products, Colourform and Paper) into four customer facing segments all under the Group name.

STRENGTHENING OUR PROPOSITION AROUND FOUR CUSTOMER FACING SEGMENTS

ADVANCED MATERIALS

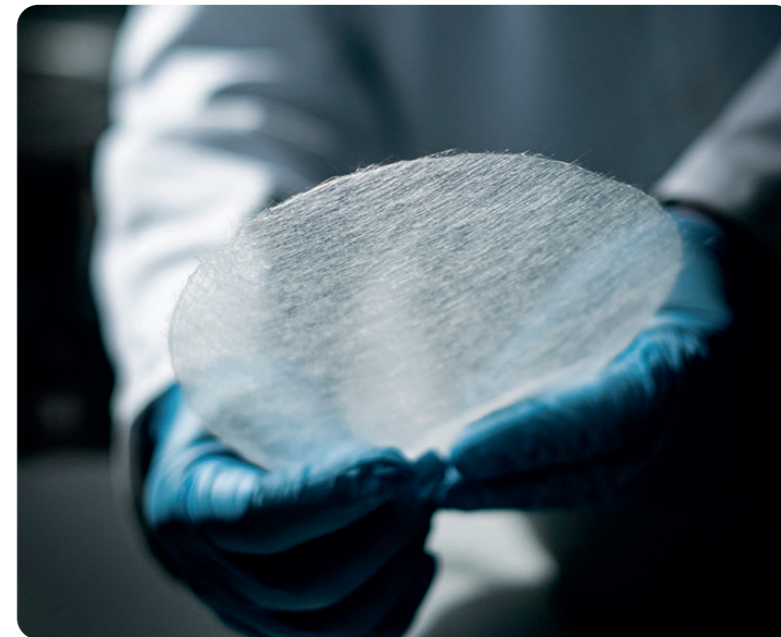
FUTURE ENERGY

Incorporating TFP Hydrogen, and including materials and products for fuel cell gas diffusion layer substrates (GDL), coatings for PEM electrolyzers, water purification, carbon capture, batteries and wind.



TECHNICAL FIBRES

Core technical fibre markets including aerospace, defence, medical, construction and industrial.



PAPER PRODUCTS

LUXURY PACKAGING

Incorporating James Cropper's multi-award winning Colourform™ moulded pulp innovation with the speciality packaging papers made for the world's leading luxury brands.



CREATIVE PAPERS

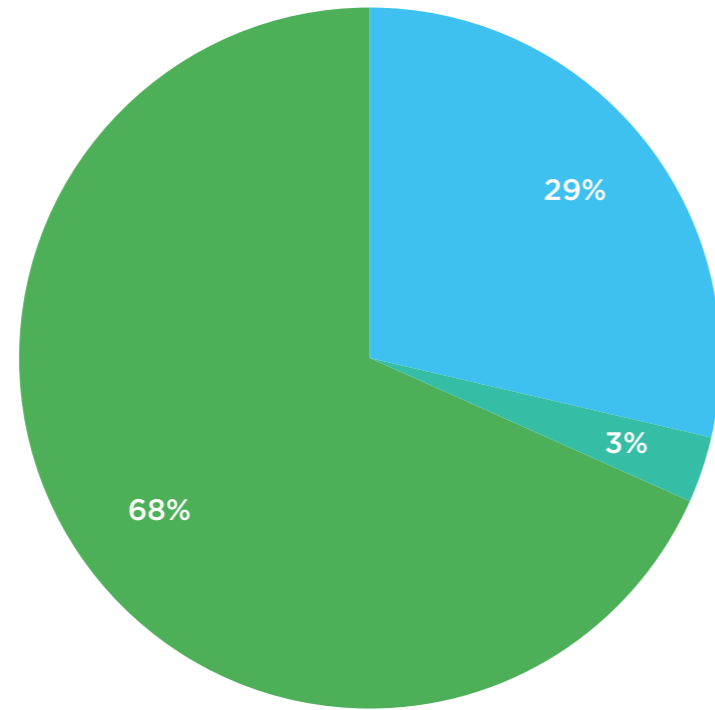
The Group's historic business supplying specialist paper markets. Renowned for its tailor-made expertise in colour, unique sustainable fibre technology and embossing solutions.



JAMES CROPPER PLC

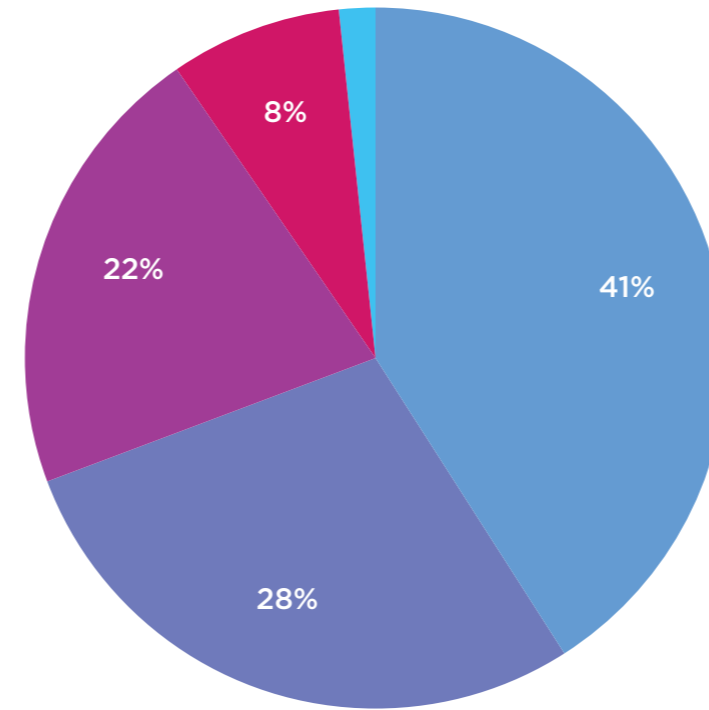
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COMPANY OVERVIEW



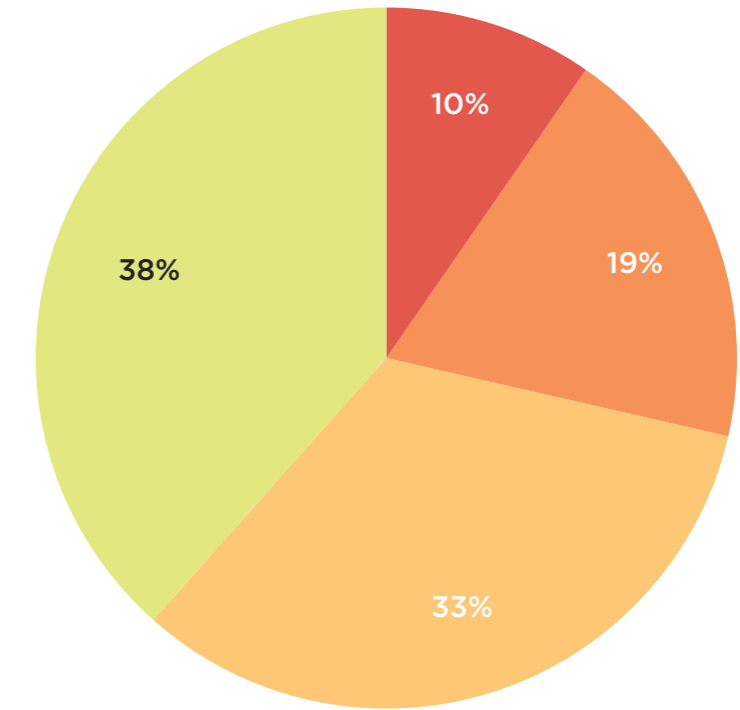
- Technical Fibre Products
- Colourform™
- Paper

2023 REVENUE BY DIVISION



- UK
- Europe
- Americas
- Asia
- Other 1%

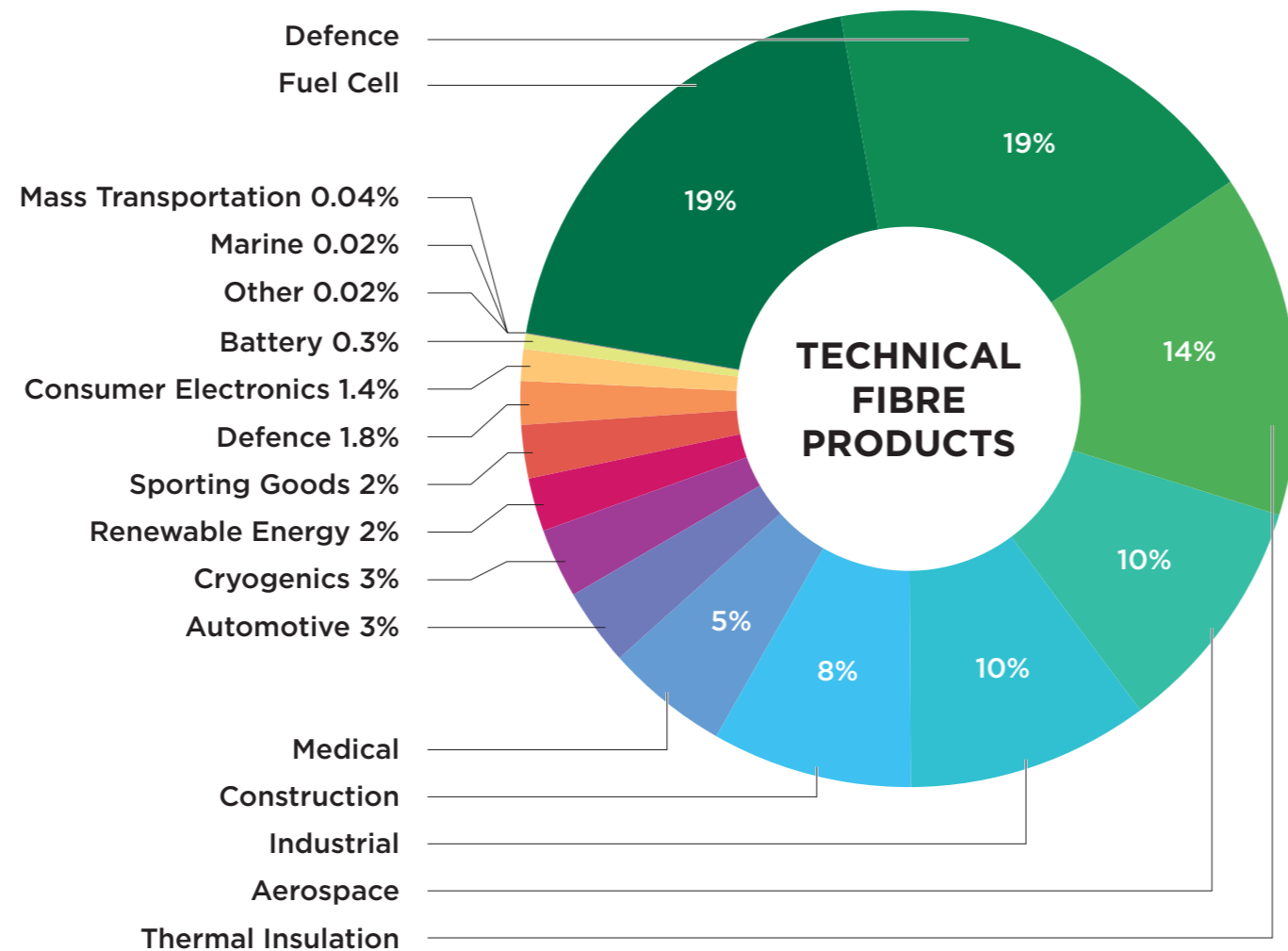
2023 REVENUE BY GEOGRAPHY



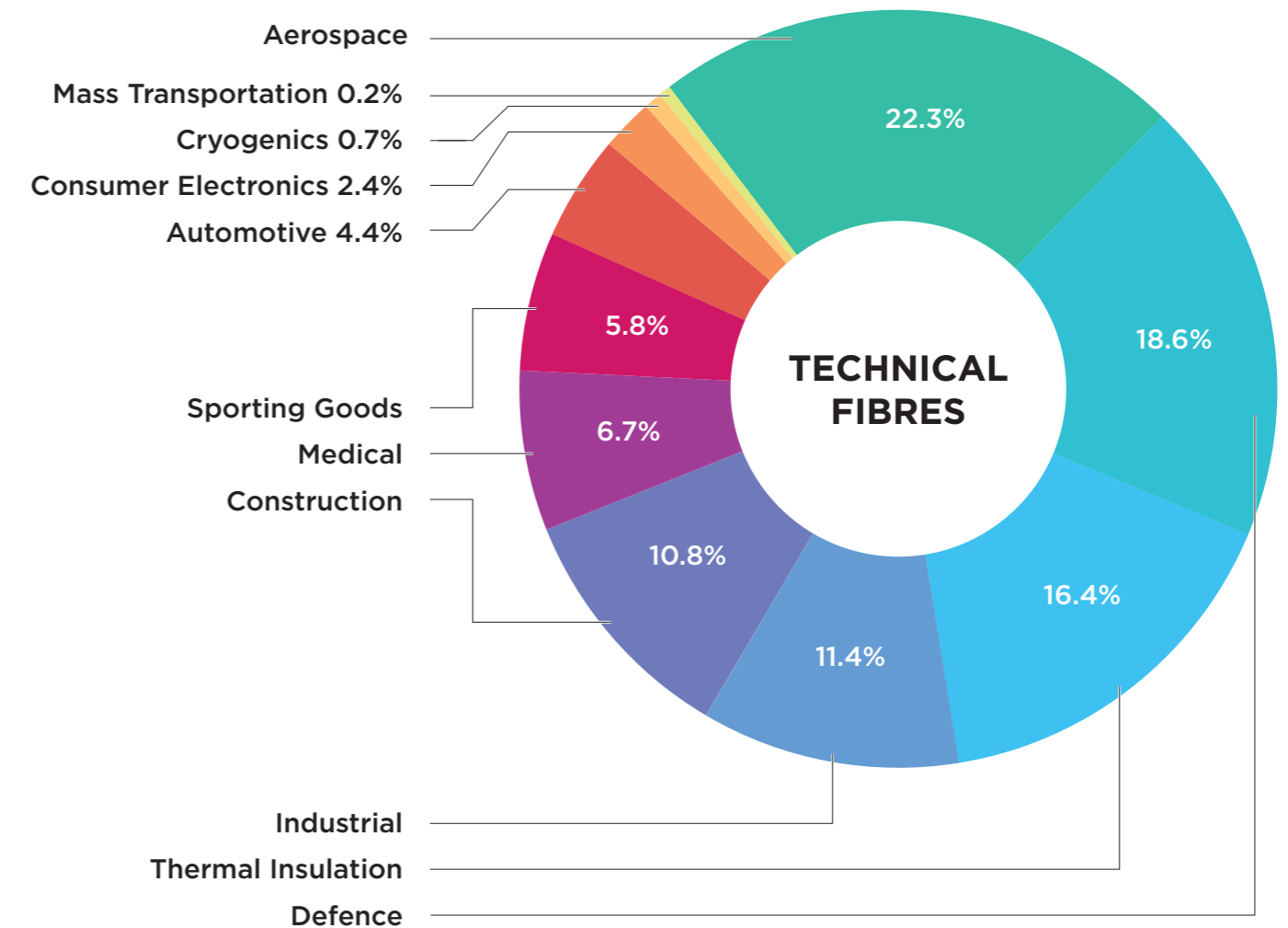
- Future Energy
- Technical Fibres
- Luxury Packaging
- Creative Papers

2023 REVENUE BY MARKET-FACING SEGMENTS

REPOSITIONING JAMES CROPPER TECHNICAL FIBRE PRODUCTS

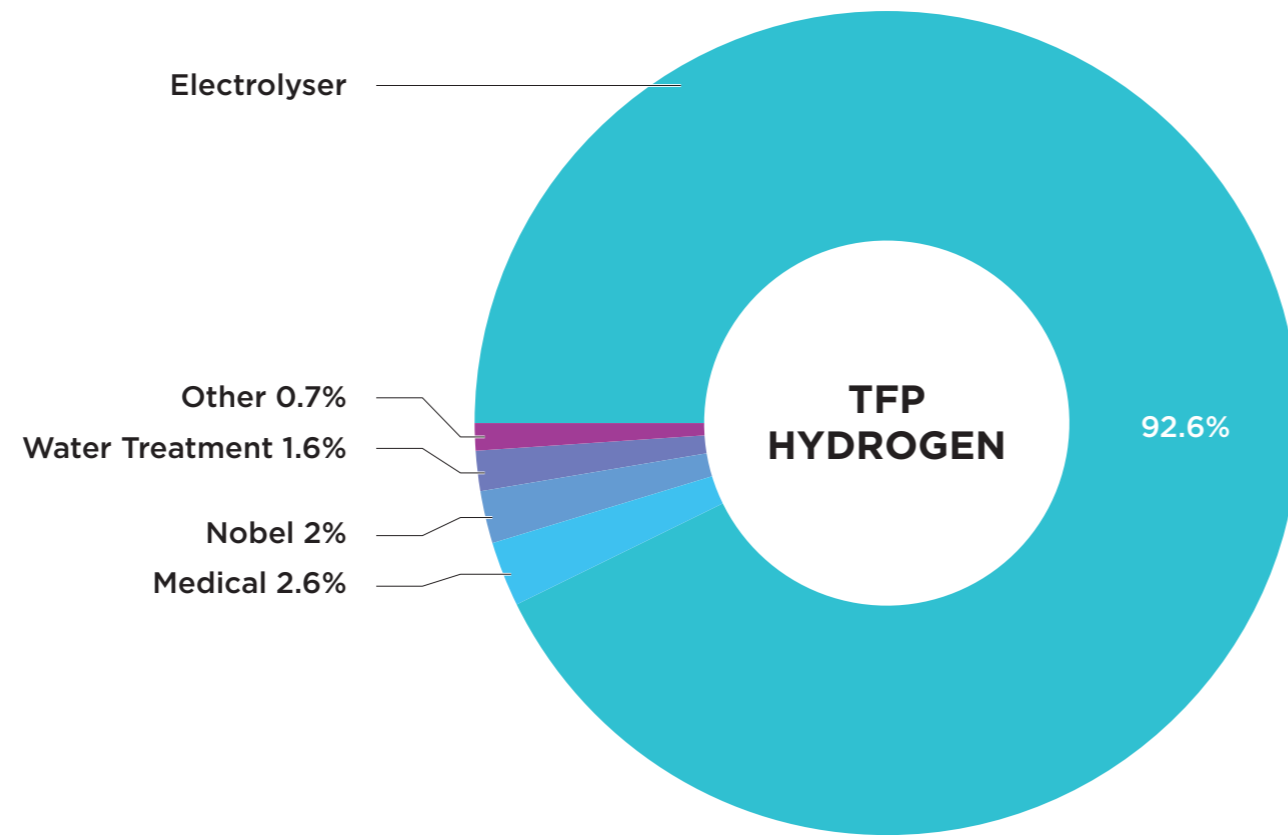


FORMER DIVISION

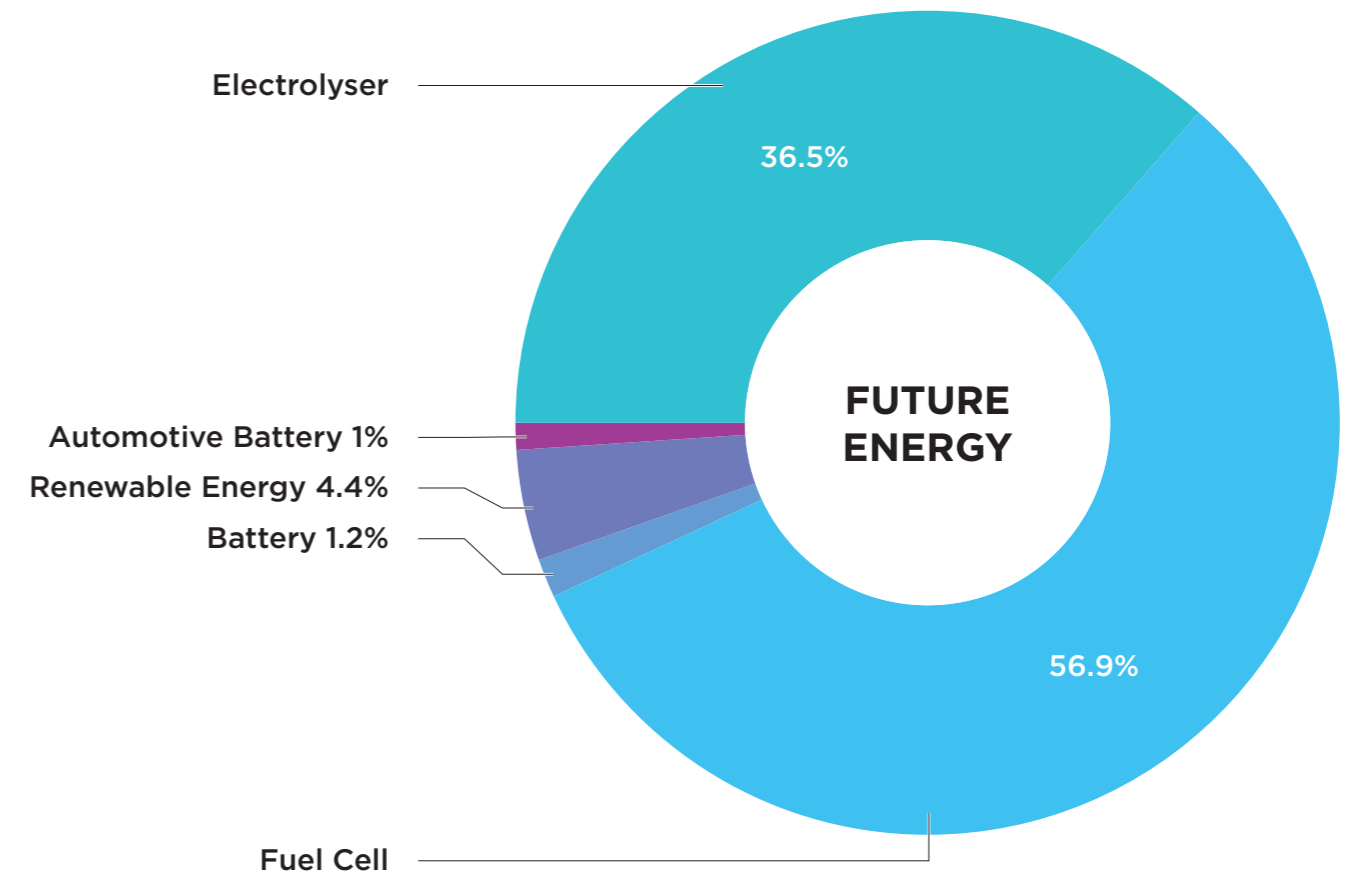


MARKET-FACING SEGMENT

REPOSITIONING JAMES CROPPER TFP HYDROGEN



FORMER DIVISION

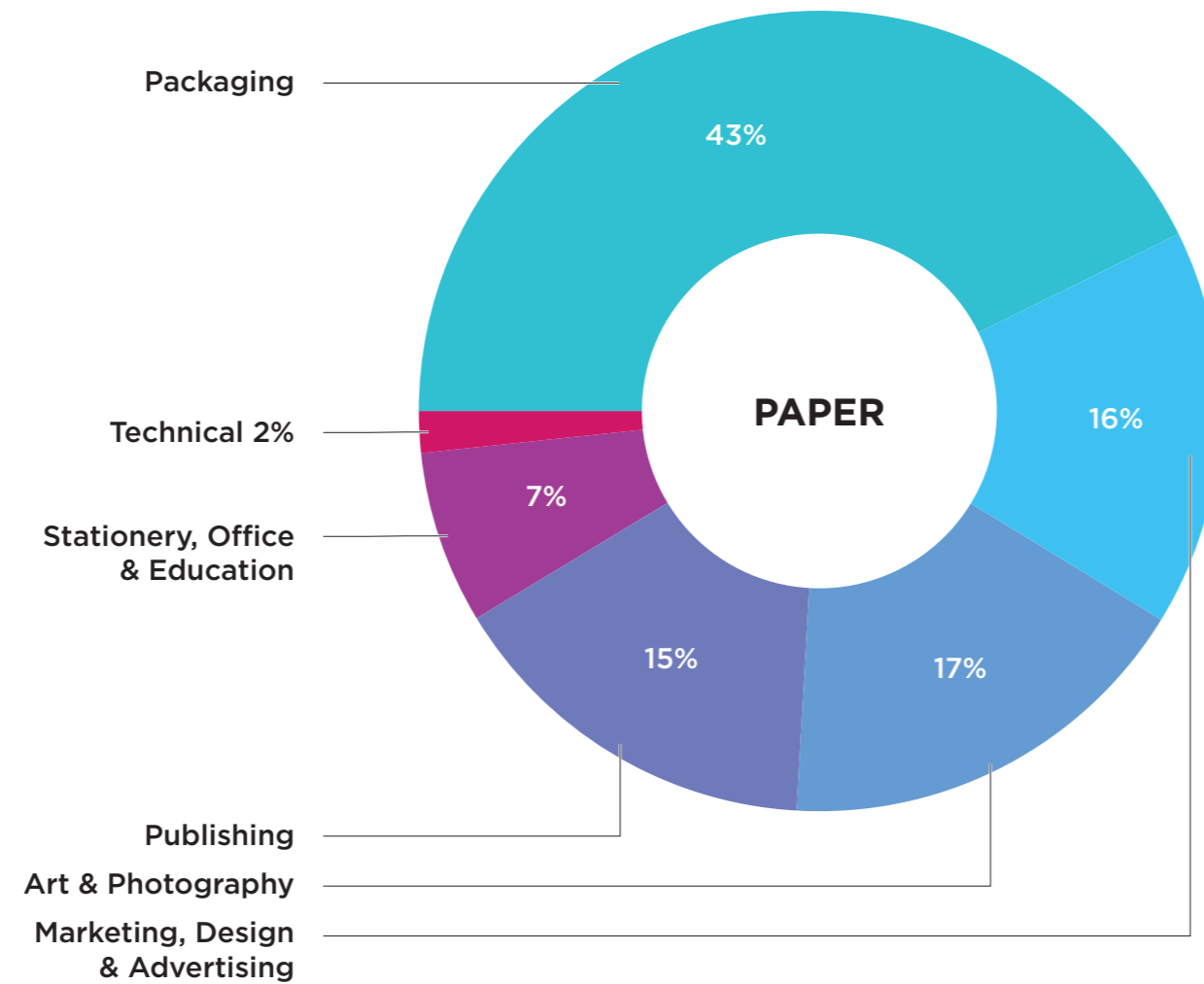


MARKET-FACING SEGMENT

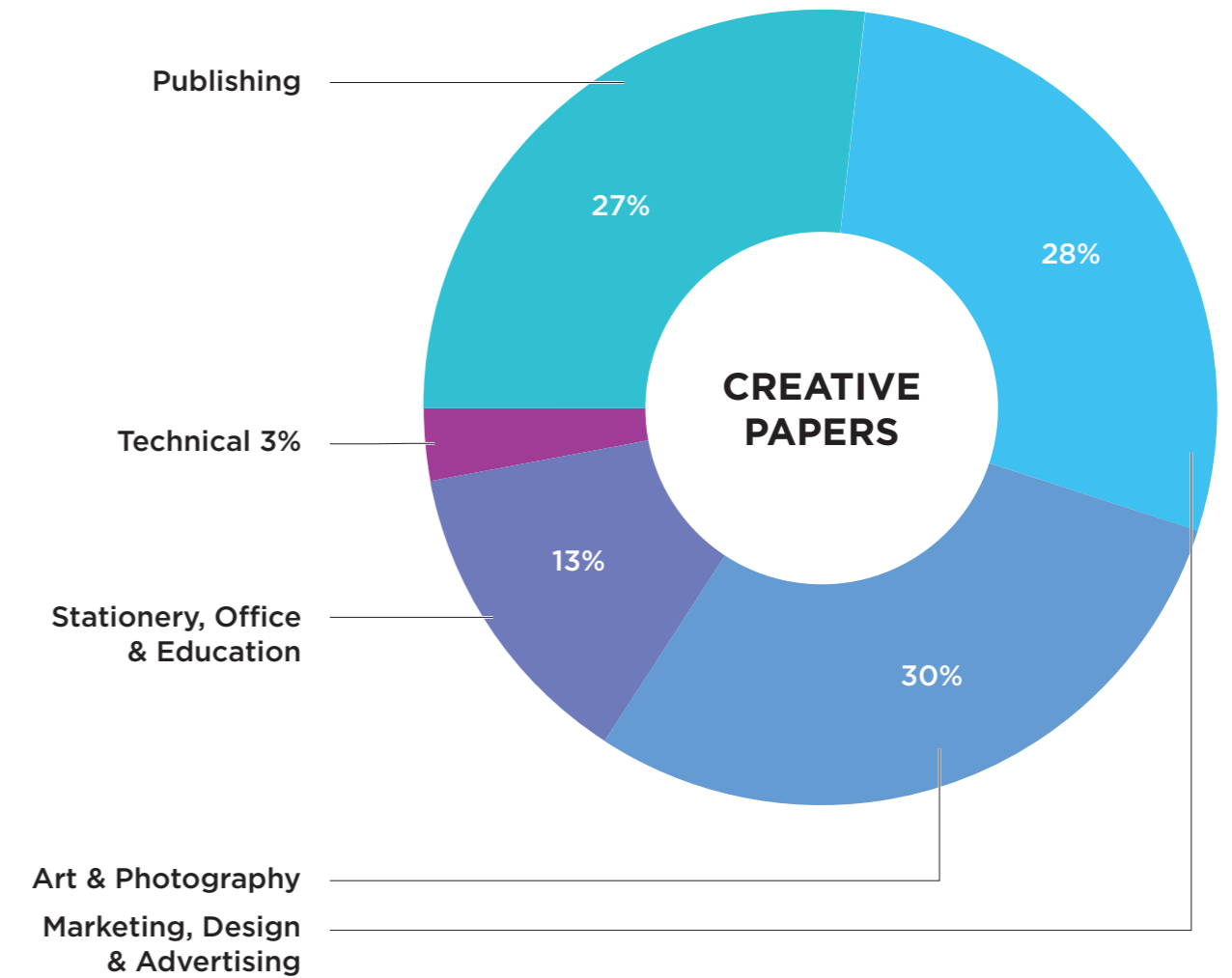
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REPOSITIONING JAMES CROPPER PAPER

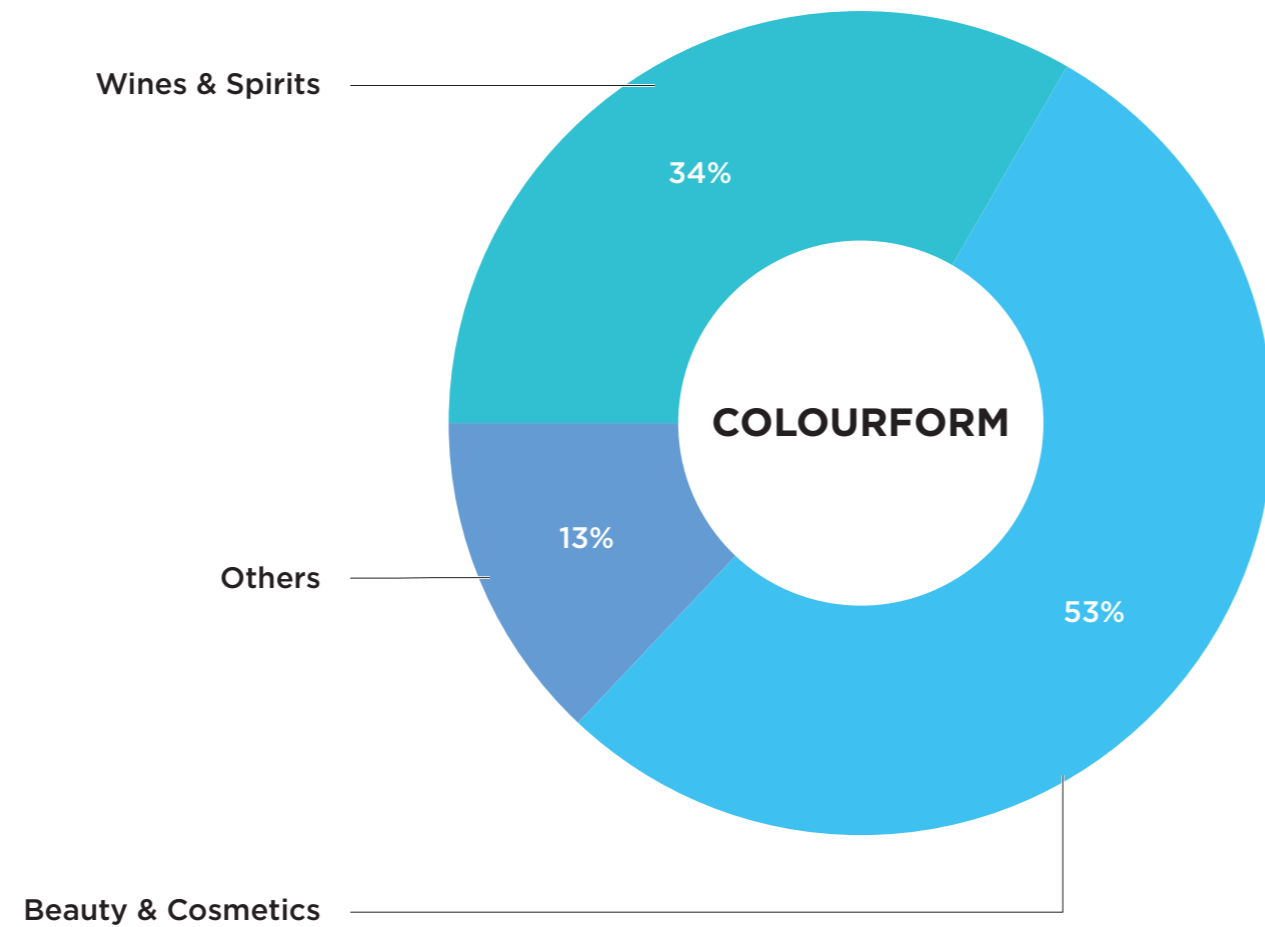


FORMER DIVISION

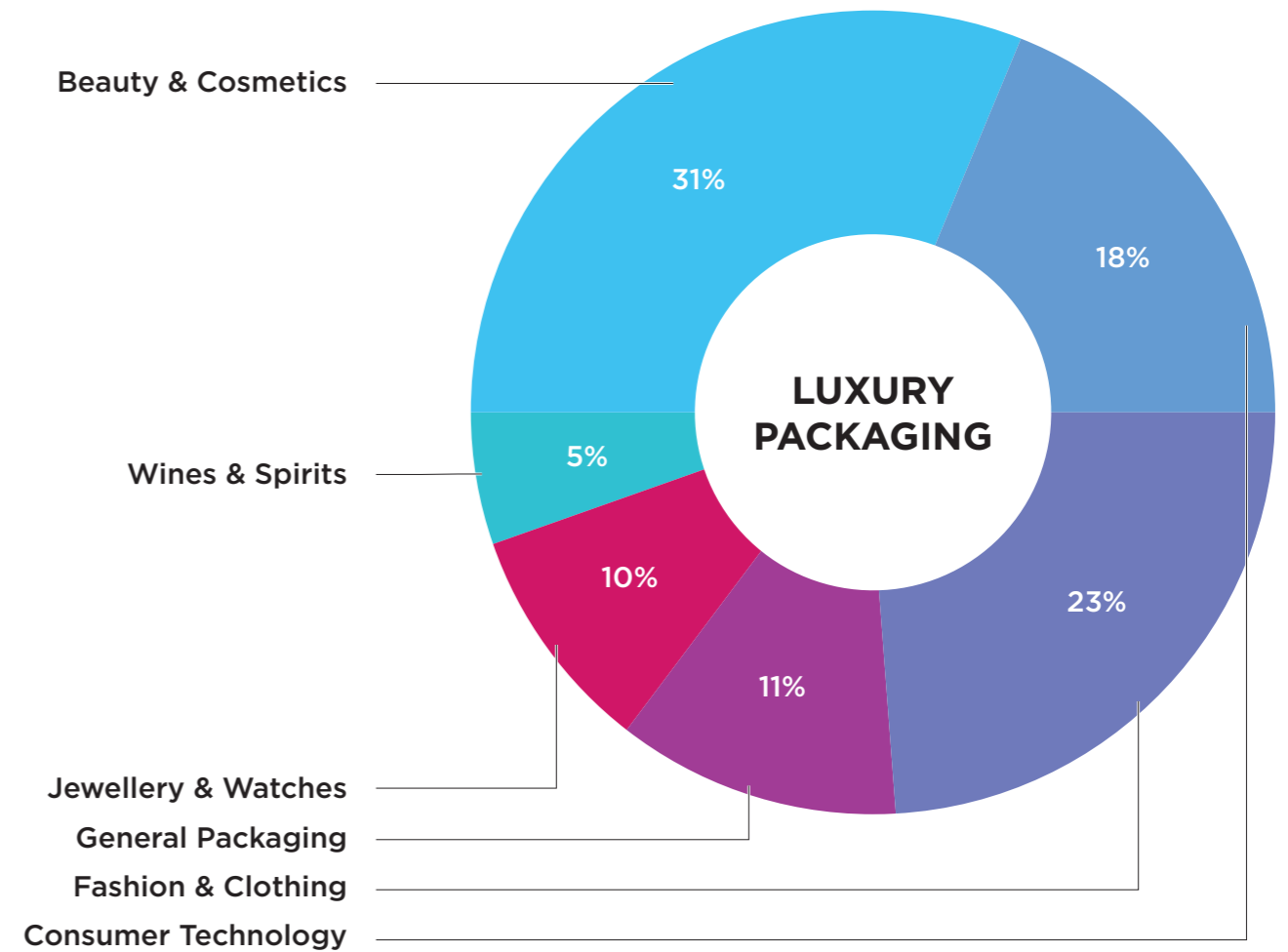


MARKET-FACING SEGMENT

REPOSITIONING JAMES CROPPER COLOURFORM



FORMER DIVISION



MARKET-FACING SEGMENT

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**LEADERS IN
ADVANCED
MATERIALS AND
PAPER PRODUCTS**

**PIONEERING
MATERIALS TO
SAFEGUARD OUR
FUTURE**

Our Purpose

**FORWARD
THINKING,
RESPONSIBLE,
CARING**

Our Values

JAMES CROPPER ^{PLC}

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