**Roebuck Food Group plc**

**Interim results 2022**

# Results

Roebuck Food Group plc (AIM: RFG), is pleased to announce its interim results for the six months ended 30 June 2022.

**Financial Highlights**

* Sales increased by 14%, from £11m to £12.5m.
* Operating profit from continued operations £0.2m (2021 loss of £0.2m).
* Net debt of £1m (Dec 21 Net cash £1.4m). This has mainly arisen after settling £1.5m of liabilities in respect of the sale of the cold stores.
* Milk production increased 8.4%
* Operating margin at the Sourcing Division increased from 1.2% to 1.9%
* Operating profit from dairy division increased from breakeven to £0.2m

**Divisional Highlights**

|  |  |  |
| --- | --- | --- |
| **£’m** | **Sourcing** | **Dairy** |
|  | **Jun-22****£’000** | Jun-21£’000 | % Growth | **Jun-22****£’000** | Jun-21£’000 | % Growth |
| Revenue | **11,772** | 10,479 | 12.3% | **761** | 508 | 49 |
| Operating Profit | **225** | 121 | 85.9% | **213** | 32 | (566%) |
| Operating Margin | **1.9%** | 1.2% |  | **28%** | 6.3% |  |

**Sourcing Division**

Sales at our sourcing division increased by 12%, compared with the same period in 2021, from £10.5m to £11.8m. Operating profit improved from £121,000 to £225,000.

Our product sourcing division has seen strong half year growth with continuous development of the protein export business to South Africa and South America. The sourcing division has also diversified it’s product portfolio to also include Dairy Powders, Ingredients and Plant Based Ingredients.

As part of a strategic alignment with Townview Foods Limited. Foro International Connections Ltd has been rebranded to Townview Sourcing Ltd in May 2022.

**Dairy Division**

Our primary dairy operation, Cantwellscourt Farm Ltd, continues to perform well. Milk production for half year was up 8.4%, whilst pricing was up 32% year on year. This was partially offset by input cost inflation, particularly in feed and fertiliser; our pasture-based system gives us some protection from rising input prices. Whilst weather was favourable in the first half of the year, we experienced some drought conditions toward the end of summer which will have some impact on feed costs and production in the second half. Overall, we expect a strong performance for the full year, mainly driven by higher dairy prices but also consistent performance across our main operating KPIs for production, pasture and animal health.

Our subsidiary, Grass to Milk Company Ltd, had a difficult first half, it exited the Chinese market due to ongoing lockdowns, supply chain disruptions and cost inflation. China has proven a difficult market for a majority of Overseas Dairy Companies over the past 24-months. At this juncture, management is assessing commercialisation options for A2 protein ingredients in other export markets, particularly the US, where a shortage of domestic infant formula has created significant opportunities for overseas brands. Commercialisation of these market opportunities is likely to take 12-24 months.

**Discontinued**

Our subsidiary Grass to Milk Company produced and shipped A2-protein liquid dairy products for the Chinese market which we exited in the first half of 2022 due to ongoing lockdowns, supply chain disruptions and cost inflation. We have impaired the intangible asset along with costs totalling £1m.

On the 28th October 2021, we sold the cold store business, resulting in a profit on disposal of £40m. Following the sale, we made a capital return to shareholders of £1.66 per share totaling £49.9m in November 2021. In the first half of the year we paid £1.5m in discharging liabilities in respect of the sale of the business.

**Strategic Review**

Following the successful sale of its Cold Stores business, Roebuck Food Group PLC (RFG), formerly known as Norish PLC, returned £49.92m to shareholders at the end of 2021. Your board is conducting a strategic review of the group's businesses, with a view to maximising shareholder value and / or liquidity in the company's shares.

**Dividend**

The board does not recommend the payment of an interim dividend, unchanged from last year.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Roebuck Food Group Plc** |  |  |  |  |
| **Consolidated income statement**  |  |  |  |  |
| **For the six months ended 30 June 2022** |  |  |  |  |
|  |  |  |  |  |
|  |  | **Six months** | Six months | Year |
|  |  | **ended** | ended | ended |
|  |  | **30 June**  | 30 June  | 31 December  |
|  |  | **2022** | 2021 | 2021 |
|  |  | **(Unaudited)** | (Restated) | (Restated) |
|  |  |  |  |  |
|  |  | **£’000** | £’000 | £’000 |
|  |  |  |  |  |
| **Continuing operations** |  |  |  |  |
| Revenue |  | **12,533** | 10,987 | 24,452 |
| Cost of sales |  | **(12,228)** | (10,947) | (24,256) |
| **Gross profit** |  | **305** | 40 | 196 |
|  |  |  |  |  |
| Other income |  | **133** | 113 | 161 |
| Administrative expenses |  | **(200)** | (402) | (500) |
| Fixed asset impairment |  | **-** | - | (862) |
| **Operating profit/(loss) from continuing operations**  |  | **238** | (249) | (1,005) |
|  |  |  |  |  |
| Finance income - interest receivable |  | **-** | - | - |
| Finance expenses – lease interest |  | **(13)** | (13) | (26) |
| Finance expenses – interest on bank loans |  | **(29)** | (16) | (36) |
| **Profit/(loss) on continuing activities before taxation** |  | **196** | (278) | (1,067) |
|  |  |  |  |  |
| Income taxes – Corporation tax |  | **-** | - | (20) |
| Income taxes – Deferred tax |  | **-** | - | 33 |
|  |  |  |  |  |
| **Profit/(loss) for the period attributable to owners of the parent from continuing operations** |  | **196** | (278) | (1,054) |
|  |  |  |  |  |
| (Loss)/profit from discontinued activities |  | **(1,096)** | 1,286 | 39,121 |
|  |  |  |  |  |
| **(Loss)/Profit for the period** |  | **(900)** | 1,008 | 38,067 |
|  |  |  |  |  |
| Other comprehensive income |  | **178** | (228) | (355) |
|  |  |  |  |  |
| **Total comprehensive income for the year** |  | **(722)** | 780 | 37,712 |
| **Earnings per share expressed in pence per share:** |  |  |  |  |
| From continuing operations - basic  |  | **0.65p** | **(0.92)p** | (3.5)p |
| - diluted |  | **0.65p** | **(0.92)p** | (3.5)p |
| From discontinued operations - basic  |  | **(3.65)p** | **4.28p** | 130.1p |
| - diluted |  | **(3.65)p** | **4.28p** | 130.1p |
|  |  |  |  |  |
|  |  |  |  |  |
| **Roebuck Food Group plc** |  |  |  |
| **Financial position**  |  |  |  |
| **As at 30 June 2022** |  |  |  |
|  | **As at**  | As at  | As at  |
|  | **30 June**  | 30 June  | 31 December |
|  | **2022** | 2021 | 2021 |
|  | **(Unaudited)** | (Restated) | (Audited) |
|  |  |  |  |
|  | **£’000** | £’000 | £’000 |
| **ASSETS** |  |  |  |
| **Non-current assets** |  |  |  |
| Goodwill | 2,338 | 2,338 | 2,338 |
| Intangible assets | - | 1,906 | 665 |
| Biological assets | 928 | 856 | 762 |
| Property, plant and equipment | 2,188 | 22,960 | 2,014 |
|  | **5,454** | **28,060** | **5,779** |
| **Current assets** |  |  |  |
| Trade and other receivables | 4,231 | 8,494 | 3,988 |
| Inventories | 449 | 157 | 97 |
| Cash and cash equivalents | 2,255 | 843 | 4,543 |
| Assets of disposal group classified as held for sale | - | 270 | - |
|  | **6,935** | **9,764** | **8,628** |
|  |  |  |  |
| **TOTAL ASSETS** | **12,389** | **37,824** | **14,407** |
|  |  |  |  |
| **Equity attributable to equity holders of the parent****And non-controlling interest** |  |  |  |
| Share capital | 564 | 5,640 | 564 |
| Share premium account | - | 7,321 | - |
| Other reserves | (59) | (87) | (237) |
| Retained earnings | 5,552 | 6,758 | 6,452 |
| **TOTAL EQUITY** | **6,057** | **19,632** | **6,779** |
| **Non-current liabilities** |  |  |  |
| Borrowings | 954 | 5,052 | 794 |
| Deferred tax | 35 | 1,244 | 35 |
|  | **989** | **6,296** | **829** |
|  |  |  |  |
| **Current liabilities** |  |  |  |
| Trade and other payables | 2,667 | 6,119 | 2,579 |
| Current tax liabilities | - | 450 | - |
| Liabilities held for sale | 330 | - | 1,869 |
| Borrowings | 2,346 | 5,327 | 2,351 |
|  | **5,343** | **11,896** | **6,799** |
|  |  |  |  |
| **TOTAL EQUITY AND LIABILITIES** | **12,389** | **37,824** | **14,407** |
|  |  |  |  |
|  |  |  |  |
| **Roebuck Food Group plc** |
| **Consolidated statement of changes in equity****For the six months ended 30 June 2022** |
|  |
|  |  |  |  |  |  |  |  |  |
|  | **Share** | **Share**  | **Other** | **Other****Distributable** | **Retained**  |  |  |  |
|  | **capital** | **premium** | **Reserves** | **Reserves** | **earnings** | **Total** |  |  |
|  | **£'000** | **£'000** | **£'000** | **£’000** | **£'000** | **£'000** |  |  |
|  |  |  |  |  |  |  |  |  |
| **At 1 January 2021** | **5,640** | **7,321** | **141** | **-** | **5,750** | **18,852** |  |  |
|  |  |  |  |  |  |  |  |  |
| Profit for the financial year | - | - | - |  - | 1,008 | 1,008 |  |  |
| Foreign exchange gain | - | - | (228) | - | - | (228) |  |  |
| **Total comprehensive income for the period** | **-** | **-** | **(228)** | **-** | **1,008** | **780** |  |  |
| Issue of share capital | - | - | - | - | - | - |  |  |
| Equity dividends paid (recognised directly in equity) | - | - | - | - | - | - |  |  |
| **Transactions with owners** | **-** | **-** | **(228)** | **-** | **1,008** | **780** |  |  |
| **At 30 June 2021** | **5,640** | **7,321** | **(87)** | **-** | **6,758** | **19,632** |  |  |
|  |  |  |  |  |  |  |  |  |
| Net profit for the financial period | - | - | - | - | 37,059 | 37,059 |  |  |
| Foreign exchange loss | - | - | (127) | - | - | (127) |  |  |
| **Total comprehensive income for the period** | **-** | **-** | **(127)** | **-** | **37,059** | **36,932** |  |  |
| Issue of share capital | - | - | - | - | - | - |  |  |
| Equity dividends paid  | - | - | - | - | (510) | (510) |  |  |
| Capital redemption | - | - | - | (12,420) | (37,497) | (49,917) |  |  |
| Gain on capital redemption | - | - | - | - | - | - |  |  |
| JSOP | - | - | - | - | 642 | 642 |  |  |
| Reduction in capital | (5,076) | (7,321) | (23) | 12,420 | - | - |  |  |
| **Transactions with owners** | **(5,076)** | **(7,321)** | **(23)** | **-** | **(37,365)** | **(49,785)** |  |  |
| **At 31 December 2021** | **564** | **-** | **(237)** | **-** | **6,452** | **6,779** |  |  |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Net profit for the financial period | - | - | - | - | (900) | (900) |  |  |
| Foreign Exchange Gain | - | - | 178 | - | - | 178 |  |  |
| **Total comprehensive income for the period** | **-** | **-** | **178** | **-** | **(900)** | **(722)** |  |  |
| Issue of share capital | - | - | - | - | - | - |  |  |
| Equity dividends paid (recognised directly in equity) | - | - | - | - | - | - |  |  |
| **Transactions with owners** | **-** | **-** | **178** | **-** | **(900)** | **(722)** |  |  |
| **At 30 June 2022** | **564** | **-** | **(59)** | **-** | **5,552** | **6,057** |  |  |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
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| **Roebuck Food Group plc** |  |  |  |
| **Consolidated cash flow statement** |  |  |  |
| **For the six months ended 30 June 2022** |  |  |  |
|  | **Six months** | Six months | Year |
|  | **Ended** | ended | Ended |
|  | **30 June**  | 30 June  | 31 December  |
|  | **2022** | 2021 | 2021 |
|  | **(Unaudited)** | (Restated) | (Restated) |
|  | **£’000** | £’000 | £’000 |
| Profit/(loss) on continuing activities before taxation | **196** | **(278)** | (1,067) |
| Gain on biological assets | **(133)** | **(113)** | (161) |
| Foreign exchange loss/(gain) | **54** | **453** | (50) |
| (Loss)/profit on discontinued activities | **(1,096)** | **1,286** | (269) |
| Finance expenses | **42** | **29** | 62 |
| Bad debt expenses | **-** | **-** | 13 |
| Taxation charge | **-** | **-** | (5) |
| Impairment – Intangible Asset | **665** | **-** | 860 |
| Impairment – property, plant and equipment | **-** | **-** | 1,519 |
| Depreciation – property, plant and equipment | **84** | **987** | 1,699 |
|  | **(188)** | **2,364** | 2,601 |
| **Changes in working capital:** |  |  |  |
| Increase in inventories | **(352)** | **(99)** | (39) |
| (Increase)/decrease in trade and other receivables | **(243)** | **(968)** | 10 |
| Increase in trade and other receivables for disposal | **-** | **111** | 381 |
| Decrease/(increase) in current liabilities held for sale | **(1,539)** | **-** | 1,869 |
| Increase/(decrease) in payables | **88** | **(169)** | (554) |
| **Cash generated from operations** | **(2,234)** | **1,239** | 4,268 |
| Taxation refund/(paid) | **-** | **22** | (205) |
| **Net cash generated from operating activities** | **(2,234)** | **1,261** | 4,063 |
| **Investing activities** |  |  |  |
| Investment in intangible assets | **-** | **(685)** | (986) |
| Purchase of biological assets | **(12)** | **(10)** | (9) |
| Sale of biological assets | **13** | **8** | 127 |
| Proceeds on disposal of subsidiary | **-** | **-** | 55,160 |
| Costs incurred on disposal of subsidiary | **-** | **-** | (3,533) |
| Cash included in subsidiary disposed | **-** | **-** | (72) |
| Purchase of property, plant and equipment | **(211)** | **(1,177)** | (1,840) |
| **Net cash used in investing activities** | **(210)** | **(1,864)** | 48,847 |
| **Financing activities** |  |  |  |
| Dividends paid to shareholders | **-** | **-** | (510) |
| Invoice finance receipts | **3** | **475** | 1,016 |
| Finance lease capital repayments | **(10)** | **(623)** | (1,390) |
| Finance lease advance | **172** | **258** | 616 |
| Capital redemption JSOP | **-** | **-** | 642 |
| Share capital redemption | **-** | **-** | (49,917) |
| Term loan repayments | **(9)** | **(214)** | (374) |
| **Net cash used in financing activities** | **156** | **(104)** | (49,917) |
|  |  |  |  |
| **Net (decrease)/increase in cash and cash equivalents** | **(2,288)** | **(707)** | 2,993 |
| Cash and cash equivalents, at beginning of period | **4,543** | **1,550** | 1,550 |
|  |  |  |  |
| **Cash and cash equivalents end of period**  | **2,255** | **843** | 4,543 |

**Note**: The accounting policies applied throughout the period are consistent with those applied for the year ended 31 December 2021, as set out in the 2021 Annual Report. Enquiries:

|  |  |
| --- | --- |
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| Anthony Farrell  | Telephone: + 353 1 679 6363 |

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|  |  |  |  |
|  |  |  |  |
|  |  | Six months | Year |
|  |  | ended | Ended |
|  |  | 30 June  | 31 December  |