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17 July 2025

James Cropper plc
('James Cropper', the 'Company' or the 'Group')

Full Year Results

Robust performance with new strategic direction

James Cropper plc (AIM: CRPR), the Advanced Materials and Paper & Packaging group, today announces its audited results for the year ended 29 March 2025 ("FY25").

HEADLINES

Financial

- Group revenue of £99.3m (FY24: £103.0m):
 - 3% growth in Advanced Materials
 - 7% decline in Paper & Packaging due to a change in product mix.
- Adjusted EBITDA of £6.7m (FY24: £6.6m), driven by robust cost management.
- Adjusted Operating Profit* up 32% to £2.6m (FY24: £2.0m), with the benefit of a lower depreciation charge
- Adjusted profit before tax** up 77% to £1.3m (FY24: £0.8m).
- Exceptional costs of £7.2m (FY24: £5.3m) due to non-cash asset impairment.
- Loss before tax of £6.7m (FY24: £5.3m).
- Net debt reduced 17% to £12.9m (FY24: £15.5m) driven by disciplined capital expenditure and strong working capital management.
- Net cash generated from operating activities up 7% to £7.6m (FY24: £7.2m).
- Basic and diluted loss per share increased 32% to -55.1p (FY24: -41.8p).

Strategic

- David Stirling appointed Chief Executive Officer in February 2025, leading a comprehensive business review and the development of the strategy.
- Revised Group strategy presented at Capital Markets Event on 18 June 2025, focusing on:
 - Driving underlying double-digit revenue growth over the medium term in Advanced Materials by leveraging technology platforms, developing the opportunity in established markets and targeting high-potential markets.
 - Delivering sustainable profitability through operational stability in Paper & Packaging with growth based on a '3 Peaks' model to improve asset utilisation and product mix.
 - Clear capital allocation approach along with strong financial discipline to support long-term shareholder value creation.

CURRENT TRADING AND OUTLOOK

For FY26, the Board expects to see the initial results from the implementation of the new strategy and is confident that the Group will deliver significant growth in Adjusted EBITDA profitability against FY25. Trading in the first quarter was ahead of the Board's expectations and at a similar level to the strong start recorded in FY25. Despite headwinds from the loss of business at a merchant customer, as previously announced, expectations are for Paper & Packaging to deliver a significant improvement in Adjusted EBITDA against FY25, and to achieve run-rate Adjusted EBITDA breakeven in the final quarter. The Advanced Materials business is expected to report high single-digit revenue growth for full year FY26, with planned operational cost investments during the period focused on revenue growth beyond FY26.

Commenting on the full year results, James Cropper CEO David Stirling said:

"This is a period of change for the Group, and after six months as CEO, I am encouraged by the progress we have made in laying the groundwork for future success. We have a clear strategic direction, a focused plan of execution, and a stronger foundation from which to build.

"At our Capital Markets Event in June, we set out a refreshed Group strategy, one that positions Advanced Materials for organic growth by unlocking the potential of our technology platforms and concentration of resources on certain high-value opportunities. In Paper & Packaging, a focus on operational stability and clarity on priorities, along with product mix adjustments is already helping to drive more efficient operations and more resilient outcomes. Backed by a disciplined capital allocation framework, we are committed to creating long-term value for our shareholders."

***Alternative Performance Measure 1 (APM1)** "adjusted operating profit" refers to operating profit before interest and prior to the impact of IAS 19 and exceptional items.

****Alternative Performance Measure 2 (APM2)** "adjusted profit before tax" refers to profit before tax prior to the impact of IAS 19 and exceptional items.

-ENDS-

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About James Cropper plc

James Cropper plc is globally recognised for its specialist capabilities in the design and manufacture of advanced materials and paper products. Operating through two principal businesses - Advanced Materials and Paper & Packaging - and built upon 180 years of innovation, the Group serves a diverse range of customers with high-performance solutions tailored to specialised applications.

The Advanced Materials business develops cutting-edge nonwoven materials and electrochemical coatings for sectors including aerospace, clean energy, and defence. The Paper & Packaging business offers premium creative papers and bespoke moulded fibre packaging together with leading recycled-fibre capabilities and products, supporting the transition to a circular economy.

Headquartered in Burneside (UK), with additional manufacturing sites in Crewe (UK), Launceston (UK), and Schenectady (USA), James Cropper leverages deep expertise in material science and longstanding partnerships with industry-leading businesses and brands to develop bespoke solutions that meet complex technical and aesthetic specifications.

Chair's Letter

Dear Shareholders

The financial year ended 29 March 2025 was a significant year for James Cropper, marked by changes in the Group's executive leadership and an evolution of our strategy, focused on stability and growth.

PERFORMANCE OVERVIEW

Performance in the period was largely consistent with the prior year, with a slight reduction in revenue, balanced by rigorous management of our cost base against a backdrop of economic uncertainty. Adjusted EBITDA remained

level with the prior year with a modest improvement in the Group's adjusted operating profit and adjusted profit before tax, linked to lower levels of depreciation. The Group's net debt saw a significant improvement owing to robust cash management driving a reduction in working capital.

CEO SUCCESSION

In October 2024, following a thorough succession process led by the Nomination Committee, the Board was delighted to announce the appointment of David Stirling as Chief Executive Officer Designate. David joined the business in January 2025 and was appointed Chief Executive Officer in February 2025.

David brings a wealth of experience, having previously served as CEO of Zotefoams plc for 24 years, following his time as a chartered accountant with KPMG in the UK and PricewaterhouseCoopers in the US and Europe. His deep operational, commercial, financial and technical experience, along with a proven track record in delivering growth and developing new products across diverse markets, will be instrumental as the Company embarks on its next phase.

David succeeded Steve Adams, who retired as CEO and stood down from the Board in February 2025 after a short handover period. Steve first joined James Cropper as Managing Director of the Paper & Packaging business in 2017 and was appointed CEO in August 2022. He navigated the Group through a challenging period and led a restructure in FY24, resulting in operational changes and a significant reduction in the Company's cost base. On behalf of the Board, I thank Steve for his contributions and wish him the best in retirement.

STRATEGY DEVELOPMENT

Following his appointment as CEO, David Stirling led a detailed review into the business and the development of a revised strategy for the Group. The revised strategy has full Board endorsement and was presented to analysts and institutional investors at a Capital Markets Event on 18 June 2025. A recording of the event is available to view on the Company's website at <https://jamescropper.com/investors/>.

BOARD SUCCESSION

During the year, we welcomed Jon Yeung as an independent Non-Executive Director and Chair of the Audit Committee (now the Audit & Risk Committee) following our AGM in September 2024. Jon is a chartered accountant with significant experience in finance, leadership and business transformation. Jon succeeded Jim Sharp, who stood down as a Non-Executive Director and Audit Committee Chair following the AGM. On behalf of the Board, I thank Jim for his significant contributions over 15 years and welcome Jon to James Cropper.

At the end of the financial year, as part of a structured retirement process, Patrick Willink stood down from the Board and as Chief Innovation Officer on 29 March 2025. Patrick joined James Cropper in 1990 and has served on the Board since 1998. He will continue to support the company as a Strategic Advisor and member of the Executive Committee until April 2026. Patrick's contributions over the past 35 years have been considerable, including the development of key innovations such as CupCycling® and Colourform® in the Paper & Packaging business. On behalf of the Board, I extend our sincere thanks to Patrick for his exceptional leadership and dedication, which have significantly shaped the company's development.

I also confirm that Sarah Miles has informed the Board that she will not stand for re-election at the Company's AGM in September 2025 and will therefore step down as a Non-Executive Director following the AGM. The Board is grateful for Sarah's contribution since being appointed in November 2021 and wishes her every future success.

RISK MANAGEMENT

To enhance its oversight and management of risks, during the year the Board introduced an enhanced strategic risk management framework. This framework is designed to provide robust management of risks and support the delivery of our strategic objectives. Additionally, the Board expanded the remit of the Audit Committee, to become the Audit & Risk Committee. This change strengthens our approach to strategic risk management and enhances Board oversight, enabling us to better navigate the complexities of the current economic environment.

STAKEHOLDER ENGAGEMENT

Stakeholder engagement is a crucial aspect of our business. Section 172 of the Companies Act 2006 requires the Directors to promote the success of the Group for the benefit of its members, having regard to the interests of broader stakeholders. During the year, I and other members of the Board engaged closely with our largest shareholders to discuss the Group's business, current performance challenges, changes on the Board and to our Executive leadership, and strategy. These meetings and discussions provided valuable insights into the views of our investors, and the Board is grateful for the level of engagement and feedback offered. We look forward to welcoming shareholders at our forthcoming AGM in September 2025.

GROUP FACILITIES AND DIVIDENDS

In June 2024, the Board announced temporary adjustments to the covenants under its UK banking facility (the UK Facility) which would apply for the period to 31 December 2024. The Group complied with these adjusted covenants during that period and has complied with the original covenants since. No further covenant relief is expected to be required. Following the year end, on 9 June 2025, the Board announced that revised repayment terms had been agreed under the UK Facility, which would provide greater liquidity headroom to support implementation of the Company's strategic plans.

At the time of the Group's interim results on 19 November 2024, the Board determined that no interim dividend would be paid to shareholders for the first half of FY25 in the light of financial performance during that period. As announced on 9 June 2025, the Board does not intend to pay dividends during the period through to September 2026. No final dividend will therefore be recommended to shareholders at the AGM in September 2025. The Board is confident that retaining earnings will at this stage better support the Board's strategic objectives.

LOOKING AHEAD

The Board is confident that the revised strategy, developed under the leadership of David Stirling, provides a clear and credible roadmap for delivering sustainable performance improvement. With disciplined capital allocation, the Board believes both divisions are well placed to deliver against their strategic objectives and create enduring value for shareholders.

I would like to thank our employees for their unwavering support and dedication over the last 12 months. We look forward to updating you on progress against our strategic objectives in the coming year.

Mark Cropper
Non-Executive Chair

Chief Executive Officer's Review

I am pleased to present my first review as Chief Executive Officer of James Cropper, covering the financial year ended 29 March 2025.

Following my appointment as Chief Executive Officer in February 2025, I have identified the priorities for the Group and for the two Business Units: Advanced Materials and Paper & Packaging. This was based on a comprehensive review of the business which, in the case of Advanced Materials, was well progressed by the business' management and which - following review and endorsement by the Board - was presented at a Capital Markets Event held on 18 June 2025.

The revised strategy, which is described further below, incorporates plans to develop organic growth in the Advanced Materials business together with a structured programme of work to improve the performance and robustness of the Paper & Packaging business, supported by a disciplined approach to cash and capital management.

As we make progress to deliver these priorities, there will undoubtedly be challenges which will test the resilience of our business, our people and the strategy. James Cropper has a team of talented and resilient people ready to face these challenges.

FY25 PERFORMANCE

Group

Group revenue was marginally lower than the prior year, with Advanced Materials growing 3% and Paper & Packaging declining 7%, much of this decline being attributable to product mix with sales tonnage in Paper & Packaging being similar to the prior year.

Despite lower revenue, Adjusted Operating Profit improved by 32%, although this was substantially due to lower depreciation as a result of asset impairment in the prior period. With further asset impairment in relation to Paper & Packaging assets this year, the Board has decided that Adjusted EBITDA (explained more fully in the CFO review) is a metric more reflective of underlying business profitability and performance. Adjusted EBITDA of £6.7m was at a similar level to the prior year (FY24: £6.6m).

The mechanism for recharging Group costs to Business Units was amended in the period, to better reflect the ownership of these costs, leading to a lower recharge to the two Business Units which is more in line with the services used.

Excluding the impairment of assets in Paper and Packaging, the balance sheet strengthened in the period, with a significant reduction in Net Debt resulting from a reduction in capital expenditure coupled with effective management of working capital.

Metric	FY25	FY24	Change
Revenue	£99.3m	£103.0m	-4%
Adjusted EBITDA	£6.7m	£6.6m	+1%
Adjusted Operating Profit	£2.6m	£2.0m	+32%
Adjusted Profit Before Tax	£1.3m	£0.8m	+77%
Net Debt	£12.9m	£15.5m	-17%

After the year end, on 1 May 2025, the Group announced the sale of certain non-core intellectual property assets, in a transaction which generated an initial cash consideration of €1.75 million, and the potential for further deferred and royalty-based income over the next nine years. The intellectual property assets remain available to the Group under licence without fee for internal use.

Subsequently, on 9 June 2025, the Group announced that revised repayment terms had been agreed with its lenders under its principal UK banking facility.

Each of these transactions provides enhanced liquidity headroom to support delivery of the Board's strategy.

Advanced Materials

Metric	FY25	FY24	Change
Revenue	£35.7m	£34.5m	+3%
Adjusted EBITDA	£10.6m	£9.3m	+14%
Adjusted Operating Profit	£9.0m	£7.7m	+17%

Advanced Materials manufacture nonwoven materials and electrochemical coating solutions. Our customers are in two main categories: Composites and Energy, with most products being sold into complex supply chains, often with

3-5 layers before being incorporated into the final product. Nonwoven papers, made using carbon, glass, polymer or other fibres are predominantly used in Composites markets, with some applications in energy transition, while electrochemical coatings are almost exclusively sold into Energy markets.

Many of our customers are in markets which are relatively immature and usually developing rapidly - we term these 'nascent markets' - while the majority of revenue comes from more established markets. Nascent markets offer higher levels of growth and return, with commensurately higher risk levels and are often more volatile and difficult to predict. The Energy markets in which we operate, such as battery technology and hydrogen fuel-cells and electrolysis, are largely nascent markets while Composite markets are typically more established and would be expected to deliver lower, but more predictable, growth.

Revenue in the Advanced Materials business increased by £1.2m or 3% in the period. Composites, which represents around 70% of sales, grew by 13% with pricing being the main factor. Sales in Energy declined by 17%, delivering good growth momentum in the second half of 2025 while recognising the strong comparative in the first half of FY24 when fuel cell revenue was at an elevated level. Across the business unit, operational improvements helped improve margins.

Paper & Packaging

Metric	FY25	FY24	Change
Revenue	£63.7m	£68.5m	-7%
Adjusted EBITDA	£(2.1)m	£(2.5)m	+16%
Adjusted Operating Loss	£(4.1)m	£(5.1)m	+19%

Paper & Packaging operates in a number of segments globally, with the UK, Continental Europe and the USA being the main geographic markets where James Cropper supplies merchants and packaging fabricators in the creative, luxury packaging and speciality papers business. These markets are, for the most part, declining and our performance is partly market related. However, the business' share of the addressable paper market is small and delivering sales growth through agility and improved service is possible.

Overall, sales volumes were at similar levels to FY24 but a sharp decline in Colourform moulded fibre products, to 2.1% of Business Unit revenue (FY24: 6.2%), where the business is more linked to luxury packaging markets and is project driven, together with other product mix changes led to the decline in revenue.

Depreciation declined to £2.1m (FY24: £2.7m) due to impairment of assets in the prior accounting period, and the mechanism for allocating Group costs to Business Units was refined in the period to better reflect the services used, both of which contributed to the lower Adjusted Operating Loss in the Business Unit.

BUSINESS REVIEW AND REVISED STRATEGY

Upon joining the business, I was impressed by the depth of technical expertise and commitment across our teams. However, it was also clear that performance had been inconsistent. A more focused, disciplined, and commercially driven approach was required to strengthen the operational and commercial foundations, ensure consistent performance and ultimately drive value for shareholders and broader stakeholders.

To address this, we conducted a comprehensive review of the business. This review assessed the business model, commercial and strategic positioning, operational effectiveness and long-term potential. This led to the development of a revised strategy for the Group, which has the full support of the Board, and was presented at our Capital Markets Event on 18 June 2025.

A recording of the Capital Markets Event together with copies of the materials presented are available to view on the Group's website at <https://jamescropper.com/investors/>.

The revised strategy is designed to reset the business for long-term success and is built around three core pillars:

1. Organic Growth in Advanced Materials

While the Advanced Materials business has historically delivered strong margins, it has lacked consistent top-line growth. Our revised strategy aims to deliver underlying double digit revenue growth over the medium term by focusing on high-potential markets where we either have a competitive edge or potential to develop one. These markets include established sectors, such as aerospace and defence, where we have long-standing customer relationships, qualified product specifications, and proven product performance, as well as nascent sectors like hydrogen and carbon capture, which offer significant long-term growth potential but are inherently more volatile and less predictable.

To support growth, we are aligning more closely with customers in our focus markets, ensuring that our technical capabilities are tightly matched to customer needs and market dynamics. We are implementing a more structured approach to opportunity development, including deeper engagement with existing customers, replication of proven applications across adjacent markets, and proactive identification of new use cases where the attributes of our materials can deliver differentiated value.

This strategy is underpinned by a more agile operating model and investment in technical leadership, enabling us to scale effectively as demand increases. By focusing our efforts on a defined set of markets and opportunities, we are building a more resilient and growth-oriented business positioned to deliver long-term sustainable value.

2. Profitability in Paper & Packaging

The Paper & Packaging business has faced persistent challenges in recent years, including decline in certain segments of our markets, inflationary cost pressures, and operational complexity. While previous restructuring efforts delivered cost savings in some areas, predominantly direct operational labour, they did not address deeper structural issues, such as unclear accountability and the need for improved management systems to drive broader operational and cost efficiencies. Additionally, operating below optimal asset utilisation has increased operational gearing risks.

To address these challenges, we have introduced a new '3 Peaks' model, that rebalances our operations and commercial positioning across three distinct product categories: (i) commodity papers, (ii) core products, and (iii) technical papers.

In the near term, our focus is on stabilising performance through Peaks 1 and 2, commodity and core products. These categories provide the volume and flexibility needed to optimise asset utilisation, improve cost recovery, and support consistent service levels. There is ample opportunity to operate more effectively and efficiently in delivering these products, with reductions in fixed and operating costs, such as labour, energy, material utilisation and procurement, expected to contribute substantially to improvements in the Paper and Packaging business profitability. Over time, we will increasingly invest in Peak 3, technical papers, to develop higher-value, innovation-led products that more closely align to our Advanced Materials business. This will enable us to open new market opportunities and deliver differentiated solutions to customers seeking sustainable, fibre-based alternatives.

The 3 Peaks model also improves our ability to absorb and reuse recycled fibre and internal waste streams, supporting both cost efficiency and our customers' sustainability goals. A balanced, flexible product mix strengthens our ability to respond to market dynamics while driving operational efficiency. Alongside these structural changes, we are embedding stronger commercial discipline, improving margin management, and focusing on customer segments where we can deliver the greatest value. We expect this revised approach to improve performance in FY26, and to play a key role in restoring long-term profitability.

Along with operational efficiency, commercial positioning and discipline, increased asset utilisation the other primary lever to improve profitability. Increasing revenue through growth in sales volume is therefore an important objective. The recent announcement, that a significant merchant customer of the Paper & Packaging business would no longer source certain coloured paper ranges from the Company, decreases expected asset utilisation in the near future. While unexpected and unwelcome, this does not change our strategy or intent and an assessment of optimal operational structures, which also considers our business growth pipeline and expected outcome from this, is currently being undertaken.

The profit performance of the Paper & Packaging business has meant that, in the last two financial years, we have had consecutive asset impairment charges of £4.4m and £7.2m. These non-cash charges reflect the expected returns of the business based on its financial position as at the relevant reporting date, and do not take into account the revised strategy outlined above and presented at our Capital Markets Day on 18 June 2025 or other events since that time.

3. Disciplined Capital Allocation

Financial discipline is a core component of any robust business strategy. In addition to stabilising the balance sheet in FY25 and improving the repayment profile on our UK facility, our immediate priorities are to maintain capital expenditure, working capital and cash management disciplines, and to embed leverage at <2x EBITDA. Subject to this, we will look to support investment in growth, primarily expected to be in the Advanced Materials business, and to reinstate dividends when appropriate. We are working with the Trustee to develop a strategy to eliminate the deficit in the defined benefit pension schemes.

Looking Ahead

I am confident that our new strategy provides a clear and credible roadmap for delivering sustainable performance improvement across the Group. Our focus now is on disciplined execution, embedding accountability at every level, aligning our teams around clear priorities, and delivering measurable value to our customers and stakeholders.

In Advanced Materials, our strategy is to deliver consistent, modest growth in our established markets, such as aerospace, while positioning ourselves to capitalise on the significant upside potential in nascent sectors like hydrogen, battery systems, and carbon capture. These emerging markets are still maturing, but we are well positioned to grow with them, supported by our deep technical expertise, strong customer relationships, and a focused innovation pipeline.

In the Paper & Packaging business, our immediate priority is to stabilise and strengthen the business. We are focused on restoring profitability by optimising our product mix, improving asset utilisation, and embedding stronger margin management. Where we are targeting some volume growth in the near term, particularly through Peak 1 (commodity papers), we are doing so in large markets where even a modest share gain can deliver meaningful throughput and cost recovery benefits. This approach supports both financial resilience and broader sustainability goals through increased use of recycled fibre and waste streams.

For FY26, the Board expects to see the initial results from the implementation of the new strategy and is confident that the Group will deliver significant growth in Adjusted EBITDA profitability against FY25. Trading in the first quarter was ahead of the Board's expectations and at a similar level to the strong start recorded in FY25. Despite headwinds from the loss of business at a merchant customer, referenced above, expectations are for Paper & Packaging to deliver a significant improvement in Adjusted EBITDA against FY25, and to achieve run-rate Adjusted EBITDA breakeven in the final quarter. The Advanced Materials business is expected to report high single-digit revenue growth for full year FY26, with planned operational cost investments during the period focused on revenue growth beyond FY26.

In the longer term, innovation remains critical to our future. Our technology continuum, from natural fibres to technical fibres, coated technical fibres, and ultimately advanced coatings, gives us a depth of expertise and unique platform to develop differentiated solutions to drive value. Our asset base, of older machines in Paper and bespoke machinery in Advanced Materials, combined with deep technical expertise gives us an opportunity to develop highly differentiated materials for the future.

The strategic reset has been thorough, data-driven, and grounded in a clear understanding of our capabilities and market opportunities. We believe this plan provides the right balance of ambition and realism, positioning the Group to build long-term shareholder value.

I would like to thank our employees for their resilience, professionalism, and commitment during a period of significant change. Their expertise and dedication are the foundation of our future success.

Whilst external uncertainties will always exist, I am confident we have the right strategy, leadership, and capabilities in place to deliver sustainable growth and create enduring value for all our stakeholders.

Chief Financial Officer's Review

RESULTS FOR THE PERIOD

	2025 £'000	2024 £'000
Group Revenue	99,343	102,968
Adjusted EBITDA	APM4	6,694
Profit summary		
Paper & Packaging	(4,142)	(5,138)
Advanced Materials	8,992	7,715
Other Group expenses	(2,242)	(600)
Adjusted operating profit	APM1	2,608
Net finance costs (excluding IAS 19 impact)	(1,263)	(1,219)
Adjusted profit before tax	APM2	1,345
Exceptional costs	(7,229)	(5,010)
Exceptional finance costs	-	262
Adjusted loss before tax after exceptional items	APM3	(5,884)
Net IAS 19 pension adjustments		
Net current service charge required	25	6
Net interest	(829)	(753)
Net IAS 19 pension impact	(804)	(747)
Loss before tax	(6,688)	(5,261)

ALTERNATIVE PERFORMANCE MEASURES

The Board uses four alternative performance measures (APMs) to evaluate business performance. The purpose of these APMs is to highlight underlying business performance by removing the impact of exceptional gains and losses and removing IAS 19 pension costs that can vary significantly across reporting periods.

- APM 1 'Adjusted operating profit': Adjusted operating profit refers to operating profit before interest and prior to the impact of IAS 19 and exceptional items.
- APM2 'Adjusted profit before tax': Adjusted profit before tax refers to profit before tax prior to the impact of IAS 19 and exceptional items.
- APM3 'Adjusted profit before tax after exceptional items': Adjusted profit before tax after exceptional items refers to profit before tax prior to the impact of IAS 19.
- APM4 'Adjusted EBITDA': EBITDA refers to profit before interest, tax, depreciation and amortisation. Adjusted EBITDA is EBITDA prior to the impact of IAS 19 and exceptional items.

REVENUE

Group revenue for the financial period of £99.3m was 3.5% below the prior period figure of £103.0m. Revenue in the first half of the financial period was 12% below the same period a year earlier when comparatives were stronger in both businesses. Revenue in the second half of the financial period was 6.5% above the same period a year earlier, reflecting a return to growth in our Advanced Materials business and stabilisation of the paper merchant market.

Revenue in the Advanced Materials business increased by £1.2m or 3.4% in the financial period. Growth in revenue from established defence and aerospace markets across the period was partly offset by a drop in revenue from the more nascent hydrogen fuel cell and PEM electrolyser markets in the first half of the period, due to continued challenges around end-market project economics. Fuel cell and electrolyser revenue increased in the second half of the financial period, reflecting the success of our customers in winning new orders.

weakness in luxury packaging markets, partly offset by a recovery in core paper merchant business following the end of destocking activity in the onward supply chain.

COSTS AND EXPENSES

Material costs (including the impact of changes in inventories) for the financial period of £35.4m were £2.0m below the prior period cost of £37.4m. Material costs as a percentage of revenue fell slightly during the financial period to 35.6% (prior period: 36.3%), reflecting operating efficiencies in the Advanced Materials business, partly offset by adverse product mix and the impact of rising pulp prices in the Paper & Packaging business.

Energy costs for the financial period of £6.0m were £1.1m below the prior period cost of £7.1m due to lower unit energy prices in the financial period and a modest drop in Paper & Packaging production volumes.

Employee costs of £32.7m in the financial period were £1.8m below the prior period cost of £34.5m, falling from 33.6% of revenue in the prior period to 32.9%, due to efficiencies in indirect labour costs that outweighed the cost of the Group's annual pay award.

Other expenses fell by £0.7m from £19.5m in the prior period to £18.8m in the financial period, in line with the drop in revenue.

ADJUSTED EBITDA

Adjusted Group EBITDA (APM4) for the financial period of £6.7m was £0.1m above the prior period, giving an Adjusted EBITDA margin for the financial period of 6.7% (prior period: 6.4%).

ADJUSTED OPERATING PROFIT

Adjusted Group operating profit (APM1) for the financial period of £2.6m was £0.6m above the prior period figure of £2.0m, giving an adjusted operating profit margin for the financial period of 2.6% (prior period: 1.9%).

The allocation to the trading businesses of expenses managed by the Group office was revised in the financial period to better reflect underlying cost drivers and service provision. This resulted in a lower cost allocation to the Paper & Packaging business.

Adjusted operating profit in the Advanced Materials business increased by £1.3m in the financial period to £9.0m (prior period: £7.7m) due to revenue growth of £1.2m and an increase in the operating profit margin to 25.2% (prior period: 22.4%) as a result of more robust pricing and cost efficiencies.

The adjusted operating loss in the Paper & Packaging business in the financial period of £4.1m was an improvement of £1.0m from the prior financial period operating loss of £5.1m. The improvement was due to overhead cost savings and lower energy prices, partly offset by the impact of the £4.8m drop in revenue, higher pulp prices and adverse product mix.

ADJUSTED PROFIT BEFORE TAX

Adjusted Group profit before tax (APM2) for the financial period of £1.3m was £0.6m above the prior period due to the £0.1m increase in Adjusted Group EBITDA and a drop in depreciation during the financial period as a result of the asset impairment charge in the prior financial period.

EXCEPTIONAL COSTS

During the period the Group recognised a £7.2m non-cash impairment of the carrying value of the property, plant and equipment and right-of-use assets in its Paper & Packaging business. The Board believes that the reduced asset carrying value better reflects the position of the Paper & Packaging business at the balance sheet date after four years of operating losses. The Board remains confident in the future of the Paper & Packaging business and the success of the turnaround plan being implemented after the balance sheet date by the new management team.

Exceptional operating costs in the prior period principally comprised restructuring costs of £2.3m, a non-cash tangible fixed asset impairment charge of £4.4m, a credit of £1.4m from settlement of a legal claim in respect of

the Group's pension arrangements, and a credit of £0.4m based on reassessment of the contingent consideration due in respect of the acquisition of TFP Hydrogen Limited.

STATEMENT OF FINANCIAL POSITION

	2024	2023
	£'000	£'000
Non-current assets (excluding deferred tax)	26,921	36,510
Total current assets (excluding cash)	34,586	34,829
Total current liabilities (excluding loans and borrowings)	(16,255)	(15,570)
Deferred tax assets less deferred tax liabilities	3,958	2,628
	49,210	58,397
Net IAS 19 pension deficit	(15,914)	(17,293)
	33,296	41,104
Net borrowings	(12,889)	(15,537)
Equity shareholders' funds	20,407	25,567

Equity shareholders' funds fell by £5.2m during the financial period, primarily due to the non-cash fixed asset impairment charge of £7.2m in the Paper & Packaging business.

The net book value of non-current assets fell by £9.6m across the financial period, primarily due to the £7.2m impairment of the carrying value of the tangible fixed assets in the Paper & Packaging business noted above. In addition, capital expenditure of £1.7m in the period (prior period: £3.8m) was below the underlying depreciation charge for the period, reflecting the Group's focus on cash management.

Total current assets less total current liabilities fell by £0.9m across the financial period due to improved working capital management and the timing of creditor payments around the period-end reporting date.

The £1.3m increase in the deferred tax balance during the financial period was primarily due to the drop in deferred tax liabilities in respect of accelerated capital allowances in respect of the fixed asset impairment charge.

Net debt fell by £2.6m across the financial period, reflecting control of capital expenditure and working capital.

CASH FLOW

	2025	2024
	£'000	£'000
Net cash inflow from operating activities	7,646	7,170
Net cash outflow from investing activities	(3,246)	(4,315)
	4,400	2,855
Net cash outflow from financing activities	(2,798)	(1,483)
Net increase in cash and cash equivalents	1,602	1,372
Effects of exchange rate fluctuations on cash held	(199)	160
Net increase in cash and cash equivalents	1,403	1,532
Opening cash and cash equivalents	9,211	7,679
Closing cash and cash equivalents	10,614	9,211

The net cash inflow from operating activities in the financial period of £7.6m (prior period: £7.2m) includes:

- Adjusted EBITDA (APM 4) of £6.7m (prior period: £6.6m).
- cash inflow from working capital of £2.2m (prior period: £2.9m).
- Pension deficit payments of £1.5m (prior period: £1.4m)

The net cash outflow from investing activities in the financial period of £3.2m (prior period: £4.3m) includes capital ~~amounts of £1.7m significantly below the prior period figure of £2.8m due to careful control of expenditure on~~

expenditure of £1.7m, significantly below the prior period figure of £5.8m due to careful control of expenditure as part of the Group's focus on cash management, and the final £1.2m contingent consideration on the TFP Hydrogen acquisition (prior period: interim contingent consideration payment of £0.25m).

The net cash outflow from financing activities of £2.8m in the financial period includes repayments of £1.8m on the US bank loan, right-of-use assets and finance leases (prior period: repayments of £1.9m) and £1.0m of cash interest payments (prior period: £0.9m). No drawdowns were made during the financial period on the UK bank loan (prior period: £2m drawdown).

The net cash inflow from operating activities for the period is 114% of Adjusted EBITDA (prior period: 109%).

NET DEBT, FUNDING AND FACILITIES

	2025	2023
	£'000	£'000
Net debt at year-end		
UKEF UK bank loan	15,000	15,000
US term loan	3,463	4,059
Less: capitalised transaction fees	(121)	(145)
Lease liabilities	5,161	5,834
Total borrowings	23,503	24,748
Less: Cash and cash equivalents	(10,614)	(9,211)
Net debt	12,889	15,537
Funding availability at year-end		
Cash and cash equivalents	10,614	9,211
Overdraft	3,500	3,500
Funds available at year end	14,114	12,711

The Group funds its operations from operating cash flow, a UK bank loan, a US bank loan, finance and right-of-use leases, and also has a £3.5m overdraft facility to provide additional liquidity.

The UK bank loan is a £15m facility (prior period: £25m facility) with HSBC Bank plc and National Westminster Bank plc under the UKEF's Export Development Guarantee scheme. At 29 March 2025, £15m (30 March 2024: £15m) was drawn under this facility. The facility is repayable in 20 quarterly instalments from June 2025 to March 2030 inclusive, in line with the profile below:

- £400,000 per quarter for the six quarters from June 2025 to September 2026 inclusive.
- £750,000 per quarter for the four quarters from December 2026 to September 2027 inclusive.
- £960,000 per quarter for the remaining ten quarters to March 2030.

The repayment instalments were amended to the profile set out above by a Facility Amendment dated 9 June 2025. Prior to this Amendment, the amount drawn at 29 March 2025 was repayable in 20 equal quarterly instalments of £750,000 each from June 2025 to March 2030.

The interest rate on the facility is SONIA +1.95%. The floating interest rate cost on the £15m drawn under the facility is capped at 1.5% until 31 March 2026. The UK bank loan has two financial covenants that are measured on the company's financial quarter-end dates.

- The ratio of net debt to the last 12 months' EBITDA is required to be no higher than 3.5.
- The ratio of EBITDA to net interest, both calculated by reference to the 12-month period ending on the test date, is required to be no less than 4.0.

For the purpose of these covenants, right-of-use assets are accounted for as operating leases, and EBITDA excludes exceptional items and all IAS 19 pension adjustments.

Both financial covenants were amended for the June, September and December 2024 test dates to provide additional headroom against potential downside scenarios. The financial covenants reverted to the levels set out above for the March 2025 test date.

The Group was in compliance with its banking covenants at 29 March 2025 and throughout the financial period that ended on that date. At 29 March 2025 the net debt to Adjusted EBITDA ratio was 1.9x (30 March 2024: 2.4x).

The US bank loan is a term facility with HSBC Bank USA at an interest rate of SOFRA + 2.75%. At 29 March 2025, 4.5m (30 March 2024: 5.1m) was outstanding under the facility. The facility is being repaid at 187,500 per quarter to December 2025 and 225,000 per quarter from March 2026, with the remaining balance of 3.2m repayable in December 2026. This facility does not have any financial covenants.

The Group has a number of right-of-use and finance leases that run for terms between three and five years that are typically secured on the asset they were used to purchase at various rates of interest. The total amount borrowed on these facilities at 29 March 2025 was £5.2m of which £0.9m was repayable within 12 months (30 March 2024: £5.8m borrowed of which £1.1m was repayable within 12 months).

The Group has a £3.5m overdraft facility with HSBC Bank plc with an annual renewal date of May 2026 and an interest rate of Bank of England base rate plus 1.95%. The facility was undrawn throughout the year to 29 March 2025.

Andrew Goody
Chief Financial Officer

James Cropper PLC
Group Statement of Comprehensive Income

		52 week period to 29 March 2025	52 week period to 30 March 2024
	Note	£'000	£'000
Revenue	6	99,343	102,968
Expected credit loss provision		(83)	130
Other income		310	1,970
Changes in inventories of finished goods and work in progress		502	(2,604)
Raw materials and consumables used		(35,912)	(34,785)
Energy costs		(5,982)	(7,130)
Employee benefit costs		(32,709)	(34,547)
Depreciation and amortisation		(4,086)	(4,619)
Impairment of fixed assets		(7,229)	(4,427)
Write-off of assets on restructuring		-	(469)
Other expenses		(18,750)	(19,514)
Operating loss	9	(4,596)	(3,027)
Interest payable and similar charges		(2,093)	(2,234)
Interest receivable and similar income		1	-
Loss before taxation	9	(6,688)	(5,261)
Tax income		1,419	1,264
Loss for the period		(5,269)	(3,997)
Loss per share - basic and diluted		(55.1)p	(41.8)p
Other comprehensive income			
Loss for the period		(5,269)	(3,997)
Items that are or may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		(90)	(196)
Cash flow hedges - effective portion of changes in fair value		(441)	(258)

Cash flow hedges - cost of hedging	127	109
Items that will never be reclassified to profit or loss		
Retirement benefit liabilities - actuarial gains/(losses)	678	(1,787)
Deferred tax (expense) / income on actuarial gains / losses retirement benefit liabilities	(169)	447
Other comprehensive income/(expense) for the period	105	(1,685)
Total comprehensive expense for the period attributable to equity holders of the Company		
	(5,164)	(5,682)

James Cropper PLC
Statement of Financial Position

	Note	Group as at 29 March 2025 £'000	Group as at 30 March 2024 £'000
Assets			
Goodwill		1,264	1,264
Intangible assets		819	1,210
Property, plant and equipment		19,445	27,667
Right-of-use assets		5,393	6,028
Other financial assets		-	341
Deferred tax assets		5,155	5,400
Total non-current assets		32,076	41,910
Inventories		15,284	15,796
Trade and other receivables		17,854	17,723
Provision for impairment		(596)	(513)
Other financial assets		384	478
Cash and cash equivalents		10,614	9,211
Corporation tax		1,466	1,345
Total current assets		45,006	44,040
Total assets		77,082	85,950
Liabilities			
Trade and other payables		16,061	15,570
Loans and borrowings		3,181	1,610
Total current liabilities		19,242	17,180
Long-term borrowings		20,322	23,138
Retirement benefit liabilities	8	15,914	17,293
Deferred tax liabilities		1,197	2,772
Total non-current liabilities		37,433	43,203
Total liabilities		56,675	60,383
Equity			
Share capital		2,389	2,389
Share premium		1,588	1,588
Translation reserve		489	579
Reserve for own shares		(1,407)	(1,407)
Cash flow hedging reserve		341	782
Cost of hedging reserve		(119)	(246)
Retained earnings		17,126	21,882
Total shareholders' equity		20,407	25,567
Total equity and liabilities		77,082	85,950

James Cropper PLC
Statement of Group Cash Flows

	Group 2025 £'000	Group 2024 £'000
Cash flows from operating activities		
Loss for the period	(5,269)	(3,997)
Adjustments for:		
Tax income	(1,419)	(1,264)
Depreciation and amortisation	4,086	4,619
Impairment of property, plant and equipment	6,914	4,427
Impairment of right-of-use assets	315	-
Write-off of assets on restructuring	-	469
Earn out adjustment on contingent consideration on business acquisition	(27)	(422)
Net IAS 19 pension adjustments within profit	(25)	(6)
Past service pension deficit payments	(1,505)	(1,381)
Foreign exchange differences	207	(40)
Loss/(profit) on disposal of fixed assets	4	(40)
Interest payable and similar charges	2,092	2,234
Share based payments	4	(152)
Changes in working capital:		
Decrease in inventories	498	2,352
(Increase) / decrease in trade and other receivables	(573)	6,110
Increase / (decrease) in trade and other payables	2,287	(5,576)
Tax received / (paid)	57	(163)
Net cash generated from operating activities	7,646	7,170
Cash flows from investing activities		
Purchase of intangible assets	(268)	(965)
Purchase of property, plant and equipment	(1,742)	(3,220)
Proceeds on disposal intangible assets	-	120
Contingent consideration on business acquisition paid	(1,236)	(250)
Net cash used in investing activities	(3,246)	(4,315)
Cash flows from financing activities		
Proceeds from issue of new loans	-	2,000
Repayment of borrowings	(499)	(429)
Repayment of lease liabilities	(1,338)	(1,449)
Interest paid	(961)	(941)
Dividends paid to shareholders	-	(664)
Net cash used in financing activities	(2,798)	(1,483)
Net increase in cash and cash equivalents	1,602	1,372
Effects of exchange rate fluctuations on cash held	(199)	160
Net increase in cash and cash equivalents	1,403	1,532
Cash and cash equivalents at the start of the period	9,211	7,679
Cash and cash equivalents at the end of the period	10,614	9,211

Cash and cash equivalents consists of cash at bank and in hand.

James Cropper PLC
Statement of Changes in Equity - Group

All figures in £'000	Share capital	Share premium	Translation reserve	Reserve for Own Shares	Cost of Hedging reserve	Cash flow Hedging reserve	Retained earnings	Total
At 1 April 2023	2,389	1,588	775	(1,407)	(355)	1,040	28,035	32,065
Comprehensive expense for the period	-	-	-	-	-	-	(3,997)	(3,997)
Total other comprehensive (expense)/income	-	-	(196)	-	109	(258)	(1,340)	(1,685)

Dividends paid	-	-	-	-	(664)	(664)
Share based payment charge	-	-	-	-	(152)	(152)
Total contributions by and distributions to owners of the Group	-	-	-	-	(816)	(816)
At 30 March 2024	2,389	1,588	579	(1,407)	(246)	782
Comprehensive expense for the period	-	-	-	-	-	(5,269)
Total other comprehensive (expense)/income	-	-	(90)	-	127	(441)
Share based payment charge	-	-	-	-	-	4
Total contributions by and distributions to owners of the Group	-	-	-	-	-	4
At 29 March 2025	2,389	1,588	489	(1,407)	(119)	341
						17,126
						20,407

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis Of Preparation

James Cropper Plc (the Company) is a public limited company incorporated and domiciled in the United Kingdom and listed on the AIM market. The condensed consolidated financial statements of the Company for the 52 weeks ended 29 March 2025, comprise the Company and its subsidiaries (together referred to as the Group).

Statement of compliance

The condensed consolidated financial statements set out herein do not constitute the Group's statutory accounts for the 52 weeks ended 29 March 2025, or the 52 weeks ended 30 March 2024 within the meaning of sections 434 of the Companies Act 2006, but is derived from those accounts.

The audited accounts for the 52 weeks ended 29 March 2025 will be posted to all shareholders in due course and will be available on the Group's website. The auditors have reported on those accounts and expressed an unmodified audit opinion which did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The financial information for the 52 weeks ended 30 March 2024 is derived from the statutory accounts for that year, which have been delivered to the Registrar of Companies. The auditors have reported on those accounts and expressed an unmodified audit opinion which did not contain a statement under section 498 (2) or (3) of the Companies Act 2006

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group.

The condensed consolidated financial statements have been prepared in accordance with UK adopted international accounting standards and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The condensed consolidated set of financial statements have been prepared applying the accounting policies and presentation that were applied in the preparation of the Group's published consolidated financial statements for the 52 week period ended 29 March 2025. They do not include all the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the 52 week period ended 29 March 2025.

The consolidated financial statements of the Group for the 52 week period ended 29 March 2025 are available upon request from the Company's registered office Burneside Mills, Kendal, Cumbria, LA9 6PZ or at www.jamescropper.com.

The financial information is presented in Sterling and all values are rounded to the nearest thousand pounds (£'000) except where otherwise indicated.

Going concern

The Group sets an annual budget and longer-term plan against which performance is compared. The Board operates a monthly reporting

and quarterly forecasting cycle, which it uses to monitor profitability and liquidity and ensure the Group has sufficient debt facilities to enable its ongoing viability.

The Board believes that a 14-month planning horizon to 26 September 2026, based on the Board approved annual budget and plan, is an appropriate period over which to evaluate the Group's ability to continue as a going concern.

In carrying out its going concern evaluation the Board prepared base case profit and loss account, balance sheet and cash flow forecasts for the period to 26 September 2026 reflecting the Board approved annual budget and plan, updated to include the expected decline in revenue with a significant merchant customer of the Paper & Packaging business that the Group was notified of recently. The base case forecasts reflect initiatives to improve performance of the Paper & Packaging business that have been implemented and are currently progressing as planned. These initiatives include improved raw material management, more efficient energy usage, streamlining of the indirect management structure and improved procurement.

The Board assessed various downside sensitivities, including modelling a severe but plausible downside forecast that reduced revenue and gross margins significantly below the levels assumed in the base case forecast. The Board also carried out a reverse stress test to identify the extent to which revenue, profit and cash generation would have to fall in order to cause challenges to liquidity or bank covenant compliance.

In carrying out these assessments the Board considered recent trading and cash flow performance, market and customer risks and the potential impact of US tariffs on future revenue, as well as opportunities to improve revenue, reduce costs and increase profit and cash performance and the likely level of capital expenditure required across the forecast period. As a result the severe but plausible downside forecast and reverse stress test included a number of direct and indirect cost mitigations, including savings in labour, repair and maintenance and overhead costs, in addition to the underlying performance improvements included in the base case forecasts.

While additional revenue opportunities have been and are being developed in the Paper and Packaging business these may not fully offset the expected decline in revenue with the loss of the significant merchant customer referred to above. In preparing the severe but plausible downside forecast and reverse stress test the Board made the judgment that, in the event additional revenue does not offset the lost business, the operating and overhead cost mitigations available will allow the Group to remain compliant with bank covenants and retain adequate liquidity.

As part of its risk mitigation strategy and to provide additional headroom in potential downside scenarios, the Group has agreed a reduction in quarterly amortisation on its UK bank loan from £750,000 to £400,000 for the six quarterly payments falling due from June 2025 to September 2026 inclusive. This has been included in the base case forecast, the severe but plausible downside forecast and the reverse stress test.

Based on this evaluation the Directors consider that the Group and company will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements. Therefore, the Directors have adopted the going concern basis in preparing the financial statements.

Significant accounting policies

The accounting policies applied by the Group in these condensed consolidated financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the 52 week period ended 29 March 2025.

2. Accounting estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The preparation of financial statements in conformity with IFRS requires the use of estimates and judgements that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period.

Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

The Group's key sources of significant estimates are as detailed below:

(i) Retirement benefits

IAS 19 Employee Benefits requires the Group to make assumptions including, but not limited to, rates of inflation, discount rates and life expectancies.

The use of different assumptions, in any of the above calculations, could have a material effect on the accounting values of the relevant Statement of Financial Position assets and liabilities which could also result in a change to the cost of such liabilities as recognised in profit or loss over time.

These assumptions are subject to periodic review. The Group takes specialist advice and seeks to follow the most appropriate method, applied consistently from year to year.

(ii) Contingencies

The Group has identified that the historical valuation of the defined benefit pension obligation did not capture the potential additional liabilities arising in relation to the normal retirement dates for male and female members of the Staff Scheme.

An estimate of the additional liability has been included in the financial statements since year ended 31 March 2019. An allowance of 0.15% of liabilities has been included in the valuation. If the ultimate impact is greater or lesser, the difference will be taken as an experience adjustment through the Other Comprehensive Income in the relevant year.

(iii) Impairment

IAS 36 requires an entity to assess whether there is any indication that an asset may be impaired. The Group considers that four successive years of operating losses and the underlying market conditions that have contributed to those losses are an indication of potential impairment of the fixed assets in the Paper & Packaging CGUs. Therefore, an impairment review was carried out, which resulted in an impairment of £7.2m being recognised against the carrying value of the property plant and equipment and right-of-use assets in the Paper & Packaging CGUs.

The impairment review required the Group to make assumptions including, but not limited to, future revenue growth rates and the discount rate to apply to future cash flows. The use of different assumptions could have a material effect on the impairment charge included in the Group Statement of Comprehensive income and the fixed asset carrying value included in the Statement of Financial Position.

The Group considered various scenarios and market sensitivities in assessing the future revenue growth rate assumptions to use in the impairment calculation. The Group took specialist advice to determine the discount rate to apply to future cash flows.

In accordance with IAS 36, the likely loss of a proportion of revenue with a significant customer of the Paper & Packaging business, as set out in note 12, was not reflected in the impairment calculation as the company was notified of this after the balance sheet date and is considered to be a non-adjusting post balance sheet event.

Similar judgements were made by the parent company in relation to the investments in subsidiary undertakings and amounts owed by group undertakings, resulting in impairments in accordance with IAS 36 and IFRS 9.

(iv) Recognition of deferred tax asset

IAS12 permits a deferred tax asset to be recognised to the extent that it is reasonable to assume the asset will be recovered in the foreseeable future. At 29 March 2025, the Group recognised a deferred tax asset of £5.2m (30 March 2024: £5.4m). A deferred tax asset of £4.0m (30 March 2024: £4.3m) has been recognised in respect of the deficit on the Group's defined benefit pension schemes as the Board considers this asset will be realised in full as the Group has an obligation to eliminate the underlying pension scheme deficit. A deferred tax asset of £1.2m (30 March 2024: £1.1m) has been recognised in respect of brought forward tax losses, based on forecast taxable profits over the next three years.

3. Risks and uncertainties

The Board considers that the principal risks and uncertainties include Health and Safety, People, Finance and Treasury, Market, Customer, Security of Supply, IT Systems and Network Security, Input Costs and Legal and Regulatory. For more information see pages 40-45 of the 2025 Annual Report and Accounts.

4. Alternative performance measures

The Company uses alternative performance measures to allow users of the financial statements to gain a clearer understanding of the

underlying performance of the business.

Profit before tax represents the Group's overall performance and financial position, however it contains significant non-operational items relating to IAS 19 that the Directors believe make year-on-year comparison of performance challenging.

Measures used to evaluate business performance are 'Adjusted operating profit' (operating profit excluding the impact of IAS 19 and exceptional costs), and 'Adjusted profit before tax' (profit before tax excluding the impact of IAS 19 and exceptional costs). The alternative performance measures are reconciled in note 9.

5. Earnings per share

The calculation of basic earnings per share is based on earnings attributable to ordinary shareholders divided by the weighted average number of shares in issue during the year. The calculation of diluted earnings per share is based on the basic earnings per share adjusted to assume conversion of all dilutive options.

6. Segmental information

IFRS 8 Operating Segments requires that entities adopt the 'management approach' to reporting the financial performance of its operating segments. Management has determined the segments that are reported in a manner consistent with the internal reporting provided to the chief operating decision maker, identified as the Executive Committee that makes strategic decisions. The committee considers the business principally via the three main operating segments, principally based in the UK:

- a) James Cropper Paper & Packaging (Paper & Packaging):** comprising James Cropper Speciality Papers Limited, a manufacturer of specialist paper and boards, James Cropper Converting Limited, a converter of paper, and James Cropper 3D Products Limited (Colourform™), a manufacturer of moulded fibre products.
- b) James Cropper Advanced Materials (Advanced Materials):** comprising Technical Fibre Products Limited and its subsidiaries - manufacturers of advanced materials.
- c) Group Services** - comprises central functions providing services to the subsidiary companies.

	Revenue		Adjusted operating profit / (loss)	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Paper & Packaging	63,657	68,465	(4,142)	(5,138)
Advanced Materials	35,686	34,503	8,992	7,715
Group services	-	-	(2,242)	(600)
	99,343	102,968	2,608	1,977

7. Dividend

The Directors are not proposing a final dividend in respect of the period ended 29 March 2025 (2024: nil per share). The total dividend declared for the period is nil pence per share (2024: 3.0 pence per share).

8. Retirement benefit obligations

Movements during the period in the Group's defined benefit pension schemes are set out below:

	2025	2024
	£'000	£'000
Net obligation brought forward	(17,293)	(16,140)
Expense recognised in the income statement	(1,126)	(1,181)
Contributions paid to the schemes	1,827	1,815
Actuarial gains / (losses)	678	(1,787)
Net obligation carried forward	(15,914)	(17,293)

9. Alternative performance measures

	2025	2024
	£'000	£'000
Adjusted operating profit	2,608	1,977
Net IAS 19 pension adjustments	25	6
Exceptional Items:	(7,229)	(5,010)
Operating loss	(4,596)	(3,027)

	2025	2024
	£'000	£'000
Adjusted profit before tax	1,345	758
Net IAS 19 pension adjustments:		
current service costs	25	6
finance costs	(829)	(753)
Exceptional items:	(7,229)	(5,272)
Loss before tax	(6,688)	(5,261)

10. Exceptional items

	2025	2024
	£'000	£'000
Restructuring costs	-	2,309
Impairment of property, plant and equipment	6,914	4,427
Impairment of right-of-use assets	315	-
Earn-out adjustment on contingent consideration on business acquisition		(422)
Flood settlement costs		100
Pension settlement (income)		(1,404)
Exceptional items in operating costs	7,229	5,010
Fair value adjustment on contingent consideration	-	262
Exceptional items in interest payable and similar charges	-	262

During the year the Group recognised impairment losses in the Paper & Packaging business CGUs of £6,914k (2024: £4,427k) and £315k (2024: £0k) on property, plant and equipment and right-of-use assets respectively.

The adjustments above are treated as exceptional items as they distort the underlying operating profitability of the Group and make year on year comparison of performance challenging.

11. Related parties

There have been no significant changes in the nature of related party transactions in the period ended 29 March 2025 from that disclosed in the 2024 Annual report.

12. Events post the reporting period

Subsequent to the period end, the Company received notice that a significant merchant customer of the Paper & Packaging business would no longer source certain coloured paper ranges from James Cropper, effective from that date.

As part of the announced Paper & Packaging improvement plan the Group is expected to incur restructuring costs of £450k in FY26. This figure could increase and is subject to future developments as set out in the going concern disclosure.

In June 2025, the Company received £1.5m in proceeds from the sale of certain non-core intellectual property assets associated with a manufacturing process developed by the Company's Centre for Innovation.

Statement of Directors' responsibilities

The Directors confirm that these condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and that the preliminary report includes:

- An indication of important events that have occurred during the period and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the financial period; and
- Material related party transactions in the period and any material changes in the related party transactions described in the last Annual Report.

The Directors of James Cropper Plc are detailed on our Group website www.jamescropper.com

Forward-looking statements

Sections of this financial report may contain 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 financial report 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 announcement shall be construed as a profit forecast.

Annual General Meeting

The Annual General Meeting is expected to be held on or around 3 September 2025. The notice of Annual General Meeting will be sent to shareholders before 5 August 2025 together with a copy of the 2025 Annual Report.

Content of this report

The financial information set out above does not constitute the Group's statutory accounts for the 52 week period ended 29 March 2025 or the 52 week period ended 30 March 2024 but is derived from those accounts.

Statutory accounts for the 52 week period ended 30 March 2024 have been delivered to the Registrar of Companies. The auditor, Grant Thornton LLP, has reported on the 2024 accounts; the report (i) was unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The statutory accounts for the 52 week period ended 29 March 2025 will be delivered to the Registrar of Companies following the Annual General Meeting. The auditor, Grant Thornton UK LLP, has reported on these accounts; their report (i) is unqualified, (ii) does not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report, and (iii) does not include a statement under either section 498 (2) or (3) of the Companies Act 2006.

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