



Interim Management Statement

20 November 2018

Macfarlane Group PLC today provides an update on trading for the period from 30 June 2018 to 31 October 2018.

The momentum achieved in the first half of 2018 has been maintained in the second half of the year with consistent levels of organic growth and benefit from acquisitions. The Board is confident, on the assumption that the Group benefits from the normal seasonal uplift in activity in the final quarter of 2018, that its full year expectations will be met.

Sales growth for the year to date is 13% with 5% achieved from organic growth and the remainder from acquisitions. Accordingly, Macfarlane Group's profit before tax in 2018 to date is well above the corresponding period in 2017.

Bank borrowings were £10.9m at 30 June 2018. The Group will pay £4.0m in deferred consideration for prior year acquisitions in the second half of 2018, reflecting full payments in respect of strong trading by these acquisitions in the earn-out periods. The two most recent acquisitions had a net cash cost of £1.6m at the start of the second half of 2018. These outflows will be largely offset by the Group's traditionally strong working capital inflows in the final quarter.

Stuart Paterson, Chairman of Macfarlane Group, said:

"I am pleased to report that Macfarlane Group's performance in the second half of 2018 has continued to reflect the good progress demonstrated in the first half. The Board remains confident in meeting its full year expectations for 2018."

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Notes to Editors:

- Macfarlane Group PLC is headquartered in Glasgow, Scotland, listed on the London Stock Exchange (LSE: MACF) in the Industrials Sector and has more than 60 years' experience in the UK packaging industry
- Macfarlane Group's businesses are:
 - Macfarlane Packaging** is the leading UK distributor of a comprehensive range of protective packaging products
 - Labels** designs and prints high quality self-adhesive and resealable labels, principally for FMCG companies
 - Packaging Design and Manufacture** designs and produces protective packaging for high value, fragile products
- Macfarlane Group employs over 900 people at 31 sites, principally in the UK, but also in Ireland and Sweden
- The company has 20,000+ customers in the UK, Europe and USA providing 600,000+ lines to a wide range of industry sectors including: consumer goods; food manufacturing; logistics; internet retail; mail order; electronics; defence and aerospace

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