

1 March 2021

Macfarlane Group announces acquisition of GWP in South West of England

Macfarlane Group PLC (“Macfarlane”) is pleased to announce the acquisition of GWP Holdings Limited the owner of GWP Group Limited (“GWP”), a protective packaging manufacturing and distribution business based in Wiltshire. The acquisition is in line with Macfarlane’s declared strategy of building its protective packaging business through a combination of organic and acquisitive growth.

Macfarlane’s wholly-owned subsidiary, Macfarlane Group UK Limited, has acquired 100% of GWP for a maximum cash consideration of £15.1 million (including an earn-out of £5.1 million based on agreed profit growth targets over two years) and a further adjustment for net assets in excess of £1.6 million with the expected net assets on completion being £4.3 million, including £3.8 million of net cash. The consideration will be financed through the Group’s recently extended £30 million bank facility. For the year ended 30 September 2020, GWP generated sales of £13.2 million, EBITDA of £2.1 million and pre-tax profits of £1.6 million.

GWP supplies customers across the UK but mainly within the South West of England from its manufacturing facilities in Salisbury and Swindon. There are significant opportunities for both GWP and Macfarlane to benefit from access to their respective ranges of protective packaging products and services. The business has an experienced team of 107 employees, including its six Directors. Five of the Directors will remain with the company following its acquisition.

Peter Atkinson, Chief Executive of Macfarlane, said:

“GWP is a profitable, growing, well invested company with an experienced management team that is fully committed to the business going forward. The acquisition will be funded using bank debt and will be earnings enhancing. We look forward to working with the team at GWP to support its continued growth and develop opportunities for us to work together to provide all our customers with a broader portfolio of value-add and sustainable protective packaging solutions.”

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Legal Entity Identifier (LEI): 213800LVRYDERSJAAZ73

Notes to Editors:

- Macfarlane Group PLC has been listed on the Premium segment of the Main Market of the London Stock Exchange (LSE: MACF) since 1973 with over 70 years’ experience in the UK packaging industry.
- Through its two divisions Macfarlane Group services a broad range of business customers supplying them high quality protective packaging and labels which help customers reduce supply chain costs, improve their operational efficiencies and enhance their brand presentation. The divisions are:
 - **Packaging Distribution – Macfarlane Packaging Distribution** is the leading UK distributor of a comprehensive range of protective packaging products; and
 - **Manufacturing Operations - Macfarlane Labels** who design and print high quality self-adhesive and resealable labels, principally for FMCG companies, and **Macfarlane Design and Manufacture** who design and produce protective packaging for high value and fragile products.
- Headquartered in Glasgow, Scotland, Macfarlane Group employs over 850 people at 31 sites, principally in the UK, as well as in Ireland, Sweden and the Netherlands.



- Macfarlane Group supplies more than 20,000 customers in the UK, Europe and the USA.
- In partnership with 1,700 suppliers, Macfarlane Group distributes and manufactures 600,000+ lines across a wide range of sectors, including: retail e-commerce; consumer goods; food; logistics; mail order; electronics; defence, automotive and aerospace.