

ANNUAL GENERAL MEETING

TRADING UPDATE

Managing inflationary pressures; expectations for the full year unchanged

Macfarlane Group PLC (“Macfarlane”) will today hold its Annual General Meeting (“AGM”) at which the company will provide a Trading Update covering 2022 to date. Stuart Paterson, Chairman, will tell shareholders:

- Macfarlane has made a solid start to 2022, with first quarter sales and profits from continuing operations ahead of the same period in 2021.
- Packaging Distribution sales grew by 16%, with recovery of supplier driven price increases and the benefit of the acquisition of Carters Packaging (Cornwall) Limited in March 2021.
- Sales to industrial and hospitality sectors in 2022 have continued to recover offset by weaker sales to e-commerce retail customers compared to the strong demand seen in the same period in 2021.
- Manufacturing Operations grew sales by 93%, reflecting the benefit from the acquisition of GWP Holdings Limited in February 2021 and a strong performance from Design and Manufacture, which mainly serves industrial markets.
- Net bank funds at the end Q1 2022 are broadly in line with the position at 31 December 2021 (£2.5m). This remains well within the Group’s bank facilities of £30m, committed until December 2025.
- We expect weaker sales in the e-commerce retail sector to continue for the remainder of the year, offset by recovery in the industrial and hospitality sectors and the benefit of new business wins. Macfarlane will continue to manage inflationary pressures in input prices and operating costs, mainly labour, energy and transport.
- Our expectations for the full year are unchanged.

Stuart Paterson will say:

“We have consistently demonstrated our ability to address the challenges in the market and we are confident that the effectiveness of our strategy, the quality of our people and the resilience of our business model will ensure 2022 will be another year of growth for Macfarlane.”

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| | Stuart Paterson Chairman | |
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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 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 Design and Manufacture** who design and produce protective packaging for high value and fragile products.
- Headquartered in Glasgow, Scotland, Macfarlane Group employs over 900 people at 36 sites, principally in the UK, as well as in Ireland and the Netherlands.
- Macfarlane Group supplies more than 20,000 customers principally in the UK and Europe.

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.