

13 March 2024

Macfarlane Group PLC

(“Macfarlane”, the “Company” or the “Group”)

Earnings accretive acquisition of protective packaging distributor, Allpack

Macfarlane Group PLC is pleased to announce the acquisition of Allpack Packaging Supplies Limited (“Allpack”). This earnings-enhancing acquisition further progresses Macfarlane’s strategy to build its protective packaging business through a combination of organic and acquisitive growth.

Strategic highlights

- A well-established business based in East Anglia, supplying protective packaging products to customers across a wide range of sectors, from its warehouse facilities near Bury St Edmunds.
- Allpack has an experienced team of 10 employees, including three Directors, all of whom will remain with the business following the acquisition.
- There are opportunities for Allpack’s customers to benefit from access to Macfarlane’s extensive range of protective packaging products and services.
- This earnings-accretive acquisition continues to demonstrate Macfarlane’s ‘buy and build’ strategy in delivering further stakeholder value.

Transaction details

- Macfarlane’s wholly-owned subsidiary, Macfarlane Group UK Limited, has acquired 100% of Allpack for a maximum cash consideration of £3.25 million (including an earn-out of up to £0.75 million based on agreed profit growth targets over one year).
- A further adjustment is due for net assets in excess of £0.4 million with the expected net assets on completion being £2.2 million, including £1.9 million of net cash.
- The consideration is being financed entirely from Macfarlane’s existing bank facility.
- For the year ended 31 December 2023, Allpack generated sales of £3.0 million, with EBITDA and pre-tax profits of £0.6 million.

Peter Atkinson, Chief Executive of Macfarlane, said:

“This latest transaction follows three acquisitions undertaken in the prior 12 months, and clearly demonstrates further progress in executing against our buy and build strategy. Allpack is a well-run, successful protective packaging distributor with an experienced management team. The addition of Allpack to the Macfarlane Group further strengthens our ability to serve customers in East Anglia. We look forward to working with the team at Allpack to support its continued growth.”

Further enquiries:	Macfarlane Group	Tel: 0141 333 9666
	Peter Atkinson Chief Executive	
	Ivor Gray Finance Director	
	Spreng Thomson	
	Callum Spreng	Mob: 07803 970103

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 with high quality protective packaging products which help customers reduce supply chain costs, improve operational efficiencies and sustainability 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** is a UK market leader in the design and production of protective packaging for high value and fragile products.
- Headquartered in Glasgow, Scotland, Macfarlane Group employs over 1,000 people at 39 sites, principally in the UK, as well as in Ireland, Germany 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 supplying to a wide range of sectors, including: retail e-commerce; consumer goods; food; logistics; mail order; electronics; defence; medical; automotive; and aerospace.