

**Macfarlane Group PLC
("Macfarlane" or the "Group")**

AGM trading update

Full year expectations unchanged

Macfarlane Group PLC will today hold its Annual General Meeting at which Aleen Gulvanessian, Chair, will provide a Trading Update covering 2024 to date.

- As anticipated, the start of 2024 has been challenging with first quarter sales and profits below the same period in 2023.
- Despite the slow start to the year, our expectations for the full year are unchanged.
- Sales in the first quarter were 9.5% lower than the same period in 2023 with continued weak customer demand and price deflation with the profit impact being partially offset by strong gross margins and the benefit of acquisitions.
- Macfarlane completed the acquisition in March 2024 of Allpack Packaging Supplies Limited, a protective packaging distributor based in Bury St Edmunds.
- The Group expects an improved trading performance in the second half of 2024 through the conversion of a strong new business pipeline combined with some sales recovery from existing customers, good management of gross margins, control of costs and further benefits from M&A activity.
- Net bank funds at 31 March 2024 were £4.7m, an improvement on the position at 31 December 2023 (£0.5m). The Group continues to operate well within its bank facilities of £35m and related covenants, which are committed until December 2025.

Aleen Gulvanessian will further comment:

“On presenting our 2023 results we indicated that the challenging market conditions experienced in the latter part of 2023 would continue into 2024 and this has been the case. We expect some improvement in trading conditions in the second half of 2024 and we have a clear plan of management actions to enable the Group to continue its progress.”

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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 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 40 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.