27 August 2026

MACFARLANE GROUP PLC
("MACFARLANE GROUP", "THE COMPANY", "THE GROUP")

INTERIM RESULTS FOR THE SIX MONTHS TO 30 JUNE 2026

Full year outlook remains in line with market expectations

Profit recovery programme progressing

New £6m share buyback programme commencing in October 2026

Financial Highlights	**H1 2026 £000**	**H1 2025 £000**	**Increase/ (decrease) %**
Statutory Measures			
Revenue	148,889	146,591	2%
Gross profit	56,205	55,385	1%
Operating profit	7,058	7,030	-
Profit before tax	4,710	4,961	(5%)
Profit for the period	3,473	3,699	(6%)
Interim dividend (pence)	0.96p	0.96p	-
Diluted earnings per share (pence)	2.22p	2.32p	(4%)
Alternative performance measures			
Adjusted operating profit[1]	9,501	9,787	(3%)
Adjusted profit before tax	7,236	7,932	(9%)
Adjusted diluted earnings per share (pence)	3.45p	3.78p	(9%)

1 See note 2 for reconciliation of Alternative Performance Measures to Statutory Measures.

Key Financial Highlights

- Group revenue increased by 2% to £148.9m (H1 2025: £146.6m) with operating profit of £7.1m (H1 2025: £7.0m).
- Group adjusted operating profit reduced by 3% to £9.5m (H1 2025: £9.8m) impacted by the performance of the Pitreavie business.
- Group adjusted operating profit as a percentage of revenue decreased to 6.4% (H1 2025: 6.7%).
- Basic and diluted earnings per share were 2.22p per share (H1 2025: 2.32p per share).
- Packaging Distribution increased revenues to £111.7m (H1 2025: £110.4m) with adjusted operating profit of £5.1m (H1 2025: £4.8m).
- Manufacturing Operations grew revenues to £40.6m (H1 2025: £39.2m) with adjusted operating profit of £4.4m (H1 2025: £5.0m).
- Decrease in net cash inflow from operating activities to £10.3m (H1 2025: £12.4m) after investment in inventory to provide contingency against the impact of events in the Middle East.
- Net bank debt of £17.9m on 30 June 2026 (31 December 2025: £16.2m).
- The Group is operating well within its bank facility of £40m which runs until November 2028 with an option to extend to November 2029.
- Following completion of the buy-in transaction on 29 June 2026 the surplus on the pension scheme was £5.3m on 30 June 2026 (31 December 2025: £6.0m) with the Group and trustees targeting a buy-out of the scheme within two years.

Capital Allocation
The interim dividend has been maintained at 0.96p per share (H1 2025: 0.96p per share) - to be paid on 8 October 2026 to shareholders on the register as at 11 September 2026 (ex-dividend date 10 September 2026).

At 30 June 2026 the Group had spent £3.1m of the £4m allocated to the share buyback programme launched in June 2025, buying back 3.8m shares, with the remaining £0.9m expected to be deployed by the end of September 2026.

The Group will allocate an additional £6m to share buybacks to commence in October 2026. At current market valuations and given management focus on the profit recovery programme, the Board believes this is an efficient use of capital. The Group intends to return to executing high-quality acquisitions as business performance improves.

2026 Trading Outlook
Trading is in line with market expectations for the full year to 31 December 2026. Performance in H2 2026 will benefit from momentum in new business growth, control of operating expenses and build on the return to profitability at the Pitreavie business, while continuing to effectively manage the impact of events in the Middle East.

Aleen Gulvanessian, Chair of Macfarlane Group PLC, commented:

"As we said at our AGM, following a difficult year in 2025, our main focus for 2026 was to start the process of profit recovery.

I am pleased to report that the Group has made progress in the first-half of 2026, returning the Packaging Distribution business to organic profit growth, continuing to generate attractive returns from Manufacturing Operations and restoring the Pitreavie business to profitability in the second quarter. This performance gives us confidence to maintain the interim dividend and allocate a further £6m to a new share buyback programme.

We have also taken decisive action to mitigate the cost impacts arising from events in the Middle East and successfully completed the pension scheme buy-in, strengthening security for members while further reducing the Group's financial risk.

Management is focused for the remainder of 2026 on continuing the execution of these actions."

Further enquiries:	**Macfarlane Group**		Tel: 0141 333 9666
	Aleen Gulvanessian	Chair	
	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 Main Market of the London Stock Exchange (LSE: MACF) since 1973 with over 75 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 1,200 people at 42 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 over 2,000 suppliers, Macfarlane Group distributes and manufactures products for a wide range of sectors, including: logistics; electronics; defence; medical; automotive; aerospace; retail e-commerce; and food.

Interim Results - Management Report

Macfarlane Group's trading activities comprise **Packaging Distribution** and **Manufacturing Operations**.

Macfarlane's Packaging Distribution business is the UK's leading specialist distributor of protective packaging materials, with a growing presence in Europe. Macfarlane operates in the UK, Ireland, the Netherlands and Germany from 26 Regional Distribution Centres ("RDCs") and three satellite sites, supplying industrial and retail customers with a comprehensive range of protective packaging materials locally, regionally, nationally and internationally.

Competition in the packaging distribution market comes from local and regional protective packaging specialist companies as well as national and international distribution generalists who supply a range of products, including protective packaging materials.

Macfarlane competes effectively on a local basis through its strong focus on customer service, its breadth and depth of product offering and through the recruitment and retention of high-quality staff with good local market knowledge. On a national and international basis, Macfarlane displays market focus, expertise and a breadth of product and service knowledge, all of which enable it to compete effectively against non-specialist packaging distributors.

Packaging Distribution benefits its customers by enabling them to ensure their products are cost-effectively protected in transit and storage through the supply of a comprehensive product range, single-source stock-and-serve supply, just–in-time delivery, tailored stock-management programmes, electronic trading and independent advice on both packaging materials and packing processes. Through the 'Significant Six'[1] sales approach we reduce our customers' 'Total Cost of Packaging', improve their sustainability performance and reduce their carbon footprint. This is achieved through supplying effective packaging solutions, optimising warehousing and transportation, reducing damages and returns and improving packaging efficiency.

[1] "Significant Six" represents the six key costs in a customers' packing process being transport, warehousing, administration, damages and returns, productivity and customer experience.

	H1 2026	H1 2025
	£000	£000
Revenue	**111,744**	110,415
Cost of sales	**(71,500)**	(71,117)
Gross profit	**40,244**	39,298
Operating expenses	**(35,134)**	(34,497)
Adjusted operating profit [2]	**5,110**	4,801
Amortisation	**(1,276)**	(1,433)
Deferred contingent consideration adjustments	**-**	(128)
Operating profit	**3,834**	3,240

[2] See note 2 for reconciliation of Alternative Performance Measures to Statutory Measures.

The main features of Packaging Distribution performance in H1 2026 were as follows:

- Revenue ahead of H1 2025, in a weak economic environment, driven by
    - improved new business performance of £5.1m (H1 2025: £3.7m);
    - price inflation, to recover higher input costs, from May 2026.
- Stable gross margins which were 36.0% in H1 2026 (H1 2025: 35.6%) despite competitive pressures and the inflationary impact on input prices due to events in the Middle East.
- Operating expenses controlled at 31.4% of revenue (H1 2025: 31.2%) with active efficiency programmes offsetting inflation in labour costs, driven by higher National Insurance costs, redundancy costs as part of an ongoing programme to reduce costs, the annual pay award effective from 1 April 2026 and higher logistics costs.
- Adjusted operating profit as a percentage of revenue increased to 4.6% (H1 2025: 4.3%).

The priorities for Packaging Distribution in H2 2026 are to:

- Manage effectively the incremental input costs arising from events in the Middle East to ensure these are recovered or offset by efficiency programmes in sales, logistics and administration.
- Ensure benefits of cost reduction actions in H1 2026 are fully realised.
- Accelerate and convert new business momentum in industrial sectors where we can most effectively implement the benefits of our leading sales tools, processes, world class sales training and the recent sales recruitment programme.
- Build on the progress we have made in Europe through our “Follow the Customer” programme.
- Strengthen our key supplier relationships, both nationally and locally.
- Continue to develop both sales and cost synergies through the relationship with our Manufacturing Operations.
- Achieve benefits from information technology investments and our relaunched web-based solutions offering to provide customers with more effective online access to our full range of products and services.
- Maintain our focus on working capital management to facilitate future investment and manage effectively the ongoing risk within the current weak economic environment.

In the medium-term, the Group is targeting a recovery in Packaging Distribution’s adjusted operating margin to over 7.5%.

Manufacturing Operations comprises our 11 Macfarlane Packaging Design and Manufacture business units. These are focused on the design, manufacture and assembly of bespoke protective packaging solutions for customers requiring cost-effective methods of protecting high value products in storage and transit. We also manufacture corrugated boxes for customers across a diverse range of industries.

The main materials we use are corrugate, timber and foam and we also design specialist cases. The businesses supply both directly to customers and through the national RDC network of the Packaging Distribution business.

Key market sectors are aerospace, space, defence, medical equipment, electronics, automotive, e-commerce retail, household equipment and food and drink. The markets we serve are highly fragmented, with a range of locally based competitors. We differentiate our market offering through technical expertise, design capability, industry accreditations and national coverage through the Packaging Distribution business.

	Excluding Pitreavie £000	**Pitreavie £000**	**H1 2026 £000**	Excluding Pitreavie £000	Pitreavie £000	H1 2025 £000
Revenue	**28,036**	**12,560**	**40,596**	26,679	12,533	39,212
Inter-segment revenue	**(2,498)**	**(953)**	**(3,451)**	(2,601)	(435)	(3,036)
External revenue	**25,538**	**11,607**	**37,145**	24,078	12,098	36,176
Cost of sales	**(13,438)**	**(7,746)**	**(21,184)**	(12,286)	(7,803)	(20,089)
Gross profit	**12,100**	**3,861**	**15,961**	11,792	4,295	16,087
Operating expenses	**(7,609)**	**(3,961)**	**(11,570)**	(7,263)	(3,838)	(11,101)
Adjusted operating profit [1]	**4,491**	**(100)**	**4,391**	4,529	457	4,986
Amortisation	**(882)**	**(285)**	**(1,167)**	(890)	(306)	(1,196)
Operating profit	**3,609**	**(385)**	**3,224**	3,639	151	3,790

1. See note 2 for reconciliation of Alternative Performance Measures to Statutory Measures.

The main features of Manufacturing Operations performance, excluding Pitreavie in H1 2026, were:

- An increase in revenue of £1.4m to £28.0m driven by stronger demand from existing customers in defence and electronics sectors; offset by
    - A lower gross margin of 43.2% (H1 2025: 44.2%) due to rising input costs;
    - Higher operating expenses, primarily related to increased activity, incremental National Insurance costs and higher logistics costs.
- Adjusted operating profit was broadly unchanged at £4.5m and adjusted operating profit as a percentage of revenue reduced to 16.0% (H1 2025: 17.0%).

Pitreavie delivered an adjusted operating loss of £0.1m (H1 2025: Profit £0.5m; H2 2025: Loss £0.6m). This was due to restrictions in operating capacity and outsourcing of manufacturing to third party suppliers prior to the installation and commissioning of new equipment during Q1 2026. The loss was minimised by good retention of customers, the partnership with Packaging Distribution and the support of supply partners during a challenging period for the business, with revenues remaining robust but adjusted operating profit impacted by lower gross margins. The business returned to profitability in Q2 2026. The medium-term target is to recover the Pitreavie adjusted operating profit to over £2m per annum broadly in line with the performance of the business when it was acquired in January 2025.

The priorities for Manufacturing Operations, including Pitreavie, in H2 2026 are to:

- Build on the return to profitability of Pitreavie following the restoration of the business to full operating capacity in Q2 2026.
- Continue strengthening the relationship with our Packaging Distribution businesses to create both sales and cost synergies.
- Increase momentum of new business growth in target sectors, e.g. medical, defence, aerospace and space.
- Work with our customers to effectively manage raw material price changes.
- Achieve both sales and cost synergies through closer working between the acquired businesses.

Risks and Uncertainties

The Group operates a formal framework for the identification and evaluation of the major business risks faced by each business and determines an appropriate course of action to manage these risks.

The principal risks and uncertainties which could impact on the performance of the Group, together with the mitigating actions, were outlined on pages 26 to 32 in our Annual Report and Accounts for 2025 (available on our website at www.macfarlanegroup.com). These remain the same for the remaining six months of the current financial year with those considered highest priority for the Group summarised below:

- Given the range of prolonged geopolitical and economic uncertainties within the UK and other markets, there is an ongoing risk this will adversely affect our ability to deliver upon agreed strategic initiatives. We may also need to adapt our business quickly to limit the impact upon the Group's results, prospects and reputation.
- The markets we operate in are changing, with customers increasingly aware of the environmental impact of their packaging and environmental regulatory requirements for packaging suppliers.
- Failure to respond to strategic shifts in the market, including the impact of weaknesses in the economy as well as disruptive behaviour from competitors, changing customer needs (e.g. changing customer priorities between online and physical buying) and the increasing regulatory interventions targeted at improving sustainability could limit the Group's ability to continue to grow revenues or potentially contribute to a failure to meet market expectations.
- The Group's businesses are impacted by disruption to our supply chains as well as inflationary pressures. In particular, changes to commodity-based raw material prices, manufacturer energy costs, foreign exchange movements as well as increased bureaucracy, freight and tariff costs related to imports lead to increases to supplier input pricing and the potential for erosion of profitability within the Group's businesses, if we are unable to pass these onto customers.
- The increasing frequency and sophistication of cyber attacks is a risk which potentially threatens the confidentiality, integrity and availability of the Group's data and IT systems. These attacks could cause reputational damage and fines in the event of personal data being compromised.

Cautionary Statement

This announcement has been prepared solely to provide additional information to shareholders to assess the Group's strategy and the potential for the strategy to succeed. It should not be relied on by any other party or for any other purpose.

This report and the condensed financial statements contain certain forward-looking statements relating to operations, performance and financial status. By their nature, such statements involve risk and uncertainty because they relate to events and depend upon circumstances that will occur in the future. There are a number of factors, including both economic and business risk factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements. These statements are made by the Directors in good faith based on the information available to them up to the time of their approval of this report. Nothing in this Interim Results Statement should be construed as a profit forecast or an invitation to deal in the securities of the Group.

Responsibility Statement

The Directors of Macfarlane Group PLC during the first six months of 2026 were

A. Gulvanessian	Chair
P.D. Atkinson	Chief Executive
I. Gray	Finance Director
J.W.F. Baird	Non-Executive Director
D.L. Whyte	Non-Executive Director
D.B. Stirling	Non-Executive Director

The Directors confirm that, to the best of their knowledge:-

(i) the condensed set of financial statements has been prepared in accordance with IAS 34 *Interim Financial Reporting*;

(ii) the interim management report includes a fair review of the information required by DTR 4.2.7R of the *Disclosure and Transparency Rules*, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

(iii) the interim management report includes a fair review of the information required by DTR 4.2.8R of the *Disclosure and Transparency Rules*, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

Approved by the Board of Directors on 27 August 2026 and signed on its behalf by

…………………………..	………………………
Peter D. Atkinson	**Ivor Gray**
Chief Executive	**Finance Director**

MACFARLANE GROUP PLC

CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Note	**Six months to 30 June 2026 £000**	Six months to 30 June 2025 £000	Year to 31 December 2025 £000
Continuing operations				
Revenue	4	**148,889**	146,591	300,810
Cost of sales		**(92,684)**	(91,206)	(188,639)
Gross profit		**56,205**	55,385	112,171
Distribution costs		**(6,716)**	(6,583)	(13,464)
Administrative expenses		**(42,431)**	(41,772)	(86,212)
Operating profit	4	**7,058**	7,030	12,495
Finance costs	5	**(2,348)**	(2,069)	(4,445)
Profit before tax		**4,710**	4,961	8,050
Tax	6	**(1,237)**	(1,262)	(1,734)
Profit for the period		**3,473**	3,699	6,316
Earnings per share	8			
Basic		**2.22p**	2.32p	3.99p
Diluted		**2.22p**	2.32p	3.98p

MACFARLANE GROUP PLC

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Note	**Six months to 30 June 2026 £000**	Six months to 30 June 2025 £000	Year to 31 December 2025 £000
Items that may be reclassified to profit or loss				
Foreign currency translation differences		**(83)**	178	282
Items that will not be reclassified to profit or loss				
Remeasurement of pension scheme liability	10	**(803)**	(568)	(1,943)
Tax recognised in other comprehensive income				
Tax on remeasurement of pension scheme liability	11	**200**	142	486
Other comprehensive income for the period, net of tax		**(686)**	(248)	(1,175)
Profit for the period		**3,473**	3,699	6,316
Total comprehensive income for the period		**2,787**	3,451	5,141

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Note	Share Capital £000	Share Premium £000	Capital Redemption Reserve £000	Revaluation Reserve	Own Shares £000	Translation Reserve £000	Retained Earnings £000	**Total £000**
At 1 January 2026		39,319	14,496	581	70	(360)	303	66,153	**120,562**
Comprehensive income									
Profit for the period		-	-	-	-	-	-	3,473	**3,473**
Foreign currency translation differences		-	-	-	-	-	(83)	-	**(83)**
Remeasurement of pension scheme liability	10	-	-	-	-	-	-	(803)	**(803)**
Tax on remeasurement of pension scheme liability	11	-	-	-	-	-	-	200	**200**
Total comprehensive income		**-**	**-**	**-**	**-**	**-**	**(83)**	**2,870**	**2,787**
Transactions with shareholders									
Dividends	7	-	-	-	-	-	-	(4,212)	**(4,212)**
Purchase of own shares		(363)	-	363	-	-	-	(989)	**(989)**
Share-based payments		-	-	-	-	160	-	(81)	**79**
Total transactions with shareholders		**(363)**	**-**	**363**	**-**	**160**	**-**	**(5,282)**	**(5,122)**
At 30 June 2026		**38,956**	**14,496**	**944**	**70**	**(200)**	**220**	**63,741**	**118,227**

MACFARLANE GROUP PLC

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Note	Share Capital £000	Share Premium £000	Capital Redemption Reserve £000	Revaluation Reserve	Own Shares £000	Translation Reserve £000	Retained Earnings £000	**Total £000**
At 1 January 2025		39,900	14,496	-	70	(429)	21	69,215	**123,273**
Comprehensive income									
Profit for the period		-	-	-	-	-	-	3,699	**3,699**
Foreign currency translation differences		-	-	-	-	-	178	-	**178**
Remeasurement of pension scheme liability	10	-	-	-	-	-	-	(568)	**(568)**
Tax on remeasurement of pension scheme liability	11	-	-	-	-	-	-	142	**142**
Total comprehensive income		**-**	**-**	**-**	**-**	**-**	**178**	**3,273**	**3,451**
Transactions with shareholders									
Dividends	7	-	-	-		-	-	(4,302)	**(4,302)**
Purchase of own shares		(62)	-	62	-	(47)	-	(293)	**(340)**
Share-based payments		-	-	-	-	116	-	(16)	**100**
Total transactions with shareholders		**(62)**	**-**	**62**	**-**	**69**	**-**	**(4,611)**	**(4,542)**
At 30 June 2025		**39,838**	**14,496**	**62**	**70**	**(360)**	**199**	**67,877**	**122,182**

MACFARLANE GROUP PLC
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	Share Capital £000	Share Premium £000	Capital Redemption Reserve £000	Revaluation Reserve	Own Shares £000	Translation Reserve £000	Retained Earnings £000	**Total £000**
At 1 January 2025		39,900	14,496	-	70	(429)	21	69,215	**123,273**
Comprehensive income									
Profit for the period		-	-	-	-	-	-	6,316	**6,316**
Foreign currency translation differences		-	-	-	-	-	282	-	**282**
Remeasurement of pension scheme liability	10	-	-	-	-	-	-	(1,943)	**(1,943)**
Tax on remeasurement of pension scheme liability	11	-	-	-	-	-	-	486	**486**
Total comprehensive income		**-**	**-**	**-**	**-**	**-**	**282**	**4,859**	**5,141**
Transactions with shareholders									
Dividends	7	-	-	-		-	-	(5,822)	**(5,822)**
Purchase of own shares		(581)	-	581	-	(47)	-	(2,083)	**(2,130)**
Share-based payments		-	-	-	-	116	-	(16)	**100**
Total transactions with shareholders		**(581)**	**-**	**581**	**-**	**69**	**-**	**(7,921)**	**(7,852)**
At 31 December 2025		**39,319**	**14,496**	**581**	**70**	**(360)**	**303**	**66,153**	**120,562**

MACFARLANE GROUP PLC

CONDENSED CONSOLIDATED BALANCE SHEET (UNAUDITED) AT 30 JUNE 2026

	Note	**30 June 2026 £000**	30 June 2025 £000	31 December 2025 £000
Non-current assets				
Goodwill and other intangible assets		**102,476**	108,623	104,933
Property, plant and equipment		**15,318**	13,321	14,945
Right of use assets		**55,881**	49,511	56,257
Trade and other receivables		**35**	35	35
Deferred tax assets	11	**276**	321	276
Retirement benefit surplus	10	**5,256**	9,217	6,036
Total non-current assets		**179,242**	181,028	182,482
Current assets				
Inventories		**23,628**	22,041	21,234
Trade and other receivables		**62,468**	58,969	58,193
Current tax asset		**1,032**	2,091	1,502
Cash and cash equivalents	9	**10,043**	13,528	14,383
Total current assets		**97,171**	96,629	95,312
Total assets	4	**276,413**	277,657	277,794
Current liabilities				
Trade and other payables		**60,119**	57,648	55,592
Provisions		**3**	1,025	138
Current tax liabilities		**637**	1,291	604
Lease liabilities	9	**10,320**	8,848	9,904
Bank borrowings	9	**27,974**	28,682	30,544
Total current liabilities		**99,053**	97,494	96,782
Net current liabilities		**(1,882)**	(865)	(1,470)
Non-current liabilities				
Deferred tax liabilities	11	**10,294**	12,678	11,092
Deferred contingent consideration		**-**	2,407	-
Provisions		**412**	480	441
Lease liabilities	9	**48,427**	42,416	48,917
Total non-current liabilities		**59,133**	57,981	60,450
Total liabilities		**158,186**	155,475	157,232
Net assets	4	**118,227**	122,182	120,562
Equity				
Share capital		**38,956**	39,838	39,319
Share premium		**14,496**	14,496	14,496
Capital redemption reserve		**944**	62	581
Revaluation reserve		**70**	70	70
Own shares		**(200)**	(360)	(360)
Translation reserve		**220**	199	303
Retained earnings		**63,741**	67,877	66,153
Total equity		**118,227**	122,182	120,562

MACFARLANE GROUP PLC
CONDENSED CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)
FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Note	**Six months to 30 June 2026 £000**	Six months to 30 June 2025 £000	Year to 31 December 2025 £000
Profit before tax		**4,710**	4,961	8,050
Adjustments for:				
Amortisation of intangible assets		**2,476**	2,629	5,238
Depreciation of property, plant and equipment		**1,332**	1,252	2,605
Depreciation of right-of-use assets		**5,402**	4,982	10,226
Deferred contingent consideration		**-**	128	(1,532)
Goodwill impairment		**-**	-	1,625
Loss/(gain) on disposal of property, plant and equipment		**2**	(8)	229
Finance costs		**2,348**	2,069	4,445
Operating cash flows before movements in working capital		**16,270**	16,013	30,886
Increase in inventories		**(2,394)**	(1,736)	(929)
(Increase)/decrease in receivables		**(4,275)**	521	1,297
Increase in payables		**4,641**	2,654	1,345
Decrease in provisions		**(164)**	(54)	(980)
Other non-cash movements		**(94)**	182	325
Pension administration costs		**136**	109	2,180
Cash generated from operations		**14,120**	17,689	34,124
Income taxes paid		**(1,330)**	(3,192)	(4,878)
Interest paid		**(2,503)**	(2,113)	(4,466)
Net cash inflow from operating activities		**10,287**	12,384	24,780
Investing activities				
Acquisitions		**-**	(10,667)	(12,897)
Proceeds on disposal of property, plant and equipment		**6**	123	187
Purchase of software development		**(58)**	-	(81)
Purchases of property, plant and equipment		**(1,714)**	(1,422)	(4,573)
Net cash flows from investing activities		**(1,766)**	(11,966)	(17,364)
Financing activities				
Dividends paid	7	**(4,212)**	(4,302)	(5,822)
Purchase of own shares		**(989)**	(240)	(2,130)
Drawdown of bank borrowings		**29,430**	39,500	68,500
Repayment of bank borrowings		**(32,000)**	(31,859)	(57,243)
Repayment of lease obligations	9	**(5,090)**	(4,671)	(9,266)
Net cash flows from financing activities		**(12,861)**	(1,572)	(5,961)
Net (decrease)/increase in cash and cash equivalents		**(4,340)**	(1,154)	1,455
Cash and cash equivalents at beginning of period		**14,383**	12,928	12,928
Cash and cash equivalents at end of period		**10,043**	11,774	14,383

Reconciliation to condensed consolidated cash flow statement

		Six months to 30 June 2026 £000	Six months to 30 June 2025 £000	Year to 31 December 2025 £000
Cash and cash equivalents per the balance sheet	9	**10,043**	13,528	14,383
Bank overdraft		**-**	(1,754)	-
Balances per the cash flow statement		**10,043**	11,774	14,383

1. Basis of preparation

Macfarlane Group PLC is a public company listed on the London Stock Exchange, incorporated and domiciled in the United Kingdom and registered in Scotland.

The Group's annual financial statements for the year ended 31 December 2025 were prepared in accordance with United Kingdom adopted international accounting standards. This condensed set of interim financial statements has been prepared in accordance with United Kingdom adopted International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

This condensed set of interim financial statements has been prepared applying the accounting policies that were applied in the preparation of the company's published consolidated financial statements for the year ended 31 December 2025. There were no major changes from the adoption of new IFRSs in 2026.

Key sources of estimation uncertainty

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. Due to the nature of estimation, the actual outcomes may well differ from these estimates. The Directors have assessed the impact of climate change and consider that this does not have a significant impact on these financial statements. The key sources of estimation uncertainty that have a significant effect on the carrying amounts of assets and liabilities are discussed below:

Retirement benefit obligations

The determination of any defined benefit pension scheme liability is based on assumptions determined with independent actuarial advice. The key assumptions used include discount rate, inflation rate and mortality assumptions, for which a sensitivity analysis is provided in Note 10. The Directors consider that those sensitivities represent reasonable sensitivities which could occur in the next financial period.

Valuation of deferred contingent consideration

The valuation of deferred contingent consideration at both acquisition date and the balance sheet date is measured at fair value. This involves the assessment of forecast future cash flows against earn-out targets agreed with the sellers of acquired businesses over a period of up to two years. This assessment is based on the directors' best estimate using the information available at the relevant dates. However, there remains a risk that the actual payment differs from the amount assumed as consideration within the PPA accounting and from the amount recorded as a liability at the balance sheet date. Deferred contingent considerations are recognised as a liability in trade and other payables and are remeasured to fair value of £2.6m at the balance sheet date, all due within one year, based on a range of outcomes between £Nil and £3.6m. Trading in the post-acquisition period supports the remeasured value of £2.6m.

Goodwill impairment

The determination of the value in use of the Pitreavie CGU is based on assumptions that have inherent uncertainty. The key assumptions used include revenue growth, discount rate and growth in perpetuity, for which a sensitivity analysis is provided in note 9 of the Annual Report and Accounts 2025 for 2025. The directors consider that those sensitivities represent reasonable sensitivities which could occur in the next financial year.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

1. Basis of preparation

Critical accounting judgements

Property provisions

Property provisions of £0.4m have been recognised as at 30 June 2026 (2025: £1.5m), representing the Directors' best estimate of dilapidations on property leases. The Directors have made the judgement that no provision is required for certain property leases where there is no intention to exit, having considered a number of factors including the extent of modifications to the property, the terms of the lease agreement, and the condition of the property.

Contingent liability – Pitreavie incident

As detailed in note 14 based on information available to date and taking into account there is very limited information from which to estimate the possible magnitude or timing of any resultant payments, management currently believes that the investigation is not expected to have a material adverse impact on the Group's Financial Statements. Consequently, no provision has been recognised in these financial statements in respect of this matter.

Cash generating units ('CGUs')

Goodwill and other intangible assets acquired through business combinations have been allocated, for impairment testing purposes, to groups of CGUs. The identification of the groups of CGUs used for impairment testing is considered a critical accounting judgement. The grouped CGUs are Distribution, Manufacturing (excluding Pitreavie), and Pitreavie. This is also the lowest level at which the Group monitors the value of goodwill and other intangible assets for internal management purposes. Changes to the Group's organisational structure, integration of acquisitions, or changes in management reporting may require the reassessment of CGU groups.

No other significant critical judgements have been made in the current or prior year.

Business activities, risks and financing

The Group's business activities, together with the factors likely to affect its future development, performance and financial position, are set out in the Interim Management Report.

The Group's principal financial risks in the medium term relate to liquidity and credit risk. Liquidity risk is managed by ensuring that the Group's day-to-day working capital requirements are met by having access to banking facilities with suitable terms and conditions to accommodate the requirements of the Group's operations. The Group has a committed borrowing facility of £40m with Bank of Scotland PLC and HSBC UK Bank plc in place until November 2028, with an option to extend to November 2029. The facility bears interest at normal commercial rates and carries standard financial covenants in relation to interest cover and leverage. Credit risk is mitigated by applying considerable rigour in managing the Group's trade receivables. The Directors believe that the Group is adequately placed to manage its financial risks effectively, despite any economic uncertainty.

The Directors have reviewed the Group's cash and profit projections, which they believe are based on prudent market data and past experience taking account of reasonably possible changes in trading performance given current market and economic conditions. The Directors are of the opinion that these projections show that the Group should be able to operate within the current facility and comply with its banking covenants.

In assessing the going concern basis, the Directors have considered the Group's business activities, the financial position of the Group and the Group's risks and uncertainties. The Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future, a period of not less than 12 months from the date of this report. For this reason, this condensed set of financial statements has been prepared on the going concern basis.

Approval and review of condensed financial statements

These condensed financial statements were approved by the Board of Directors on 27 August 2026. As in previous years, the set of condensed financial statements for the half-year is unaudited.

2. Alternative performance measures

In measuring the financial performance and position, the financial measures used in certain limited cases are derived from the reported results in order to eliminate factors which due to their unusual nature and size distort year-on-year comparisons to a material extent and/or provide useful information to stakeholders. Where such items arise, the directors will classify such items as separately disclosed and provide details of these items to enable users of the accounts to understand the impact on the financial statements.

To the extent that a measurement under Generally Accepted Accounting Principles ("GAAP") is adjusted for a separately disclosed item, this is referred to as an Alternative Performance Measure ("APM"). We believe that the APMs defined below, and the comparable GAAP measurement, provides a useful basis for measuring the underlying financial performance and position of the Group and its businesses when compared to similar companies.

Adjusted operating profit is defined as operating profit before customer relationships and brand values amortisation, goodwill impairment, deferred contingent consideration adjustments and IAS19 past service costs.

Adjusted profit before tax is defined as profit before tax, customer relationships and brand values amortisation, goodwill impairment, deferred contingent consideration adjustments and IAS19 past service costs.

Adjusted diluted earnings per share is defined as diluted earnings per share before, customer relationships and brand values amortisation per share, goodwill impairment per share, deferred contingent consideration adjustments per share, IAS19 past service costs per share and related tax per share.

	Alternative Performance Measures £000	Amortisation £000 £000	Goodwill Impairment £000	Deferred Contingent Consideration Adjustments £000	IAS19 Past Service Cost Adjustment £000	Tax £000	Statutory Measures £000	
Six months to 30 June 2026								
Adjusted operating profit	**9,501**	**(2,443)**	**-**	**-**	**-**	**-**	**7,058**	**Operating profit**
Adjusted profit before tax	**7,236**	**(2,443)**	**-**	**(83)**	**-**	**-**	**4,710**	**Profit before tax**
Adjusted diluted earnings per share (pence)	**3.45p**	**(1.56)p**	**-**	**(0.05)p**	**-**	**0.38p**	**2.22p**	**Diluted earnings per share (pence)**
Six months to 30 June 2025								
Adjusted operating profit	9,787	(2,629)	-	(128)	-	-	7,030	Operating profit
Adjusted profit before tax	7,932	(2,629)	-	(342)	-	-	4,961	Profit before tax
Adjusted diluted earnings per share (pence)	3.78p	(1.65)p	-	(0.21)p	-	0.40p	2.32p	Diluted earnings per share (pence)
Year to 31 December 2025								
Adjusted operating profit	19,689	(5,171)	(1,625)	1,532	(1,930)	-	12,495	Operating profit
Adjusted profit before tax	15,573	(5,171)	(1,625)	1,203	(1,930)	-	8,050	Profit before tax
Adjusted diluted earnings per share (pence)	7.62p	(3.26)p	(1.03)p	0.76p	(1.22)p	1.11p	3.98p	Diluted earnings per share (pence)

3. General information

Comparative figures for the year ended 31 December 2025 are extracted from Macfarlane Group's statutory accounts for 2025. The information for the year ended 31 December 2025 does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. A copy of the statutory accounts for that year has been reported on by the Company's auditor and delivered to the Registrar of Companies. The report of the auditor on 26 February 2026 was (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

4. Segmental information

The Group's principal business segment is **Packaging Distribution,** comprising the distribution of packaging materials in the UK, Ireland and Europe. This comprises 75% of Group revenue and 54% of Group operating profit. The Group's **Manufacturing Operations** segment comprises the design, manufacture and assembly of timber, corrugated and foam-based packaging materials in the UK. This comprises 25% of Group revenue and 46% of Group operating profit.

	Six months to 30 June 2026 £000	Six months to 30 June 2025 £000	Year to 31 December 2025 £000
Group segment – total revenue			
Packaging Distribution	**111,744**	110,415	229,150
Manufacturing Operations	**40,596**	39,212	78,472
Inter-segment revenue	**(3,451)**	(3,036)	(6,812)
Revenue	**148,889**	146,591	300,810
Trading results - continuing operations			
<u>**Packaging Distribution**</u>			
Total and external revenue	**111,744**	110,415	229,150
Cost of sales	**(71,500)**	(71,117)	(148,372)
Gross profit	**40,244**	39,298	80,778
Operating expenses	**(35,134)**	(34,497)	(69,405)
Adjusted operating profit	**5,110**	4,801	11,373
Amortisation	**(1,276)**	(1,433)	(2,803)
Deferred contingent consideration adjustments	**-**	(128)	(128)
IAS 19 past service cost	**-**	-	(1,764)
Operating profit	**3,834**	3,240	6,678
<u>**Manufacturing Operations**</u>			
Total revenue	**40,596**	39,212	78,472
Inter-segment revenue	**(3,451)**	(3,036)	(6,812)
External revenue	**37,145**	36,176	71,660
Cost of sales	**(21,184)**	(20,089)	(40,267)
Gross profit	**15,961**	16,087	31,393
Operating expenses	**(11,570)**	(11,101)	(23,077)
Adjusted operating profit	**4,391**	4,986	8,316
Amortisation	**(1,167)**	(1,196)	(2,368)
Deferred contingent consideration adjustments	**-**	-	1,660
Goodwill impairment	**-**	-	(1,625)
IAS 19 past service cost	**-**	-	(166)
Operating profit	**3,224**	3,790	5,817

4. Segmental information (continued)

		Six months to 30 June 2026 £000	Six months to 30 June 2025 £000	Year to 31 December 2025 £000
Operating profit - continuing operations				
Packaging Distribution		**3,834**	3,240	6,678
Manufacturing Operations		**3,224**	3,790	5,817
Operating profit		**7,058**	7,030	12,495
Finance costs	(note 5)	**(2,348)**	(2,069)	(4,445)
Profit before tax		**4,710**	4,961	8,050
Tax	(note 6)	**(1,237)**	(1,262)	(1,734)
Profit for the period		**3,473**	3,699	6,316

	30 June 2026 £000	30 June 2025 £000	31 December 2025 £000
Total assets			
Packaging Distribution	**191,164**	192,958	193,825
Manufacturing Operations	**85,249**	84,699	83,969
Total assets	**276,413**	277,657	277,794
Net assets			
Packaging Distribution	**61,845**	62,364	62,494
Manufacturing Operations	**56,382**	59,818	58,068
Net assets	**118,227**	122,182	120,562

5. Finance costs

	Six months to 30 June 2026 £000	Six months to 30 June 2025 £000	Year to 31 December 2025 £000
Interest on bank borrowings	**811**	878	1,767
Interest on leases	**1,613**	1,235	2,872
Finance income relating to defined benefit pension scheme (note 10)	**(159)**	(258)	(523)
Finance charge relating to deferred contingent consideration	**83**	214	329
Net finance costs	**2,348**	2,069	4,445

6. Tax

		Six months to 30 June 2026 £000	Six months to 30 June 2025 £000	Year to 31 December 2025 £000
Current tax				
UK corporation tax		**1,706**	1,744	3,540
Foreign tax		**129**	145	276
Prior year adjustments		**-**	43	(215)
Total current tax		**1,835**	1,932	3,601
Total deferred tax	(note 11)	**(598)**	(670)	(1,867)
Total tax		**1,237**	1,262	1,734

Tax for the six months ended 30 June 2026 has been charged at 25% (2025 – 25%) representing the best estimate of the effective tax charge for the full year. Deferred tax assets and liabilities at 30 June 2026 have been calculated based on the long-term corporation tax rate of 25%, which had been substantively enacted at that date.

7. Dividends

		Six months to 30 June 2026 £000	Six months to 30 June 2025 £000	Year to 31 December 2025 £000
Amounts recognised as distributions to equity holders in the period				
Final dividend	2.70p per share (2025: 2.70p per share)	**4,212**	4,302	4,302
Interim dividend	(2025: 0.96p per share)	**-**	-	1,520
Distributions in the period		**4,212**	4,302	5,822

An interim dividend of 0.96p per share, payable on 8 October 2026, was declared on 27 August 2026 and has therefore not been included as a liability in these condensed financial statements.

8. Earnings per share

	Six months to 30 June 2026 £000	Six months to 30 June 2025 £000	Year to 31 December 2025 £000
Earnings			
Profit for the period	**3,473**	3,699	6,316
Number of shares '000	**30 June 2026**	30 June 2025	31 December 2025
Weighted average number of shares in issue	**156,480**	159,559	158,774
Less shares held by the EBT	**(196)**	(296)	(287)
Weighted average number of shares- basic	**156,284**	159,263	158,487
Effect of Long-Term Incentive Plan awards in issue	**-**	116	116
Weighted average number of shares - diluted	**156,284**	159,379	158,603
Basic earnings per share	**2.22p**	2.32p	3.99p
Diluted earnings per share	**2.22p**	2.32p	3.98p

9. Analysis of changes in net debt

	Cash and cash equivalents £000	Bank borrowing £000	Lease liabilities £000	**Total debt £000**
At 1 January 2025	12,928	(14,846)	(42,876)	**(44,794)**
Non-cash movements				
Acquisitions	1,093	(4,441)	(4,477)	**(7,825)**
Disposals	-	-	4	**4**
New Leases	-	-	(8,534)	**(8,534)**
Exchange movements	-	-	(34)	**(34)**
Lease modifications	-	-	(18)	**(18)**
Cash movements	(493)	(9,395)	4,671	**(5,217)**
At 30 June 2025	**13,528**	**(28,682)**	**(51,264)**	**(66,418)**
Non-cash movements				
Disposals	-	-	986	**986**
New leases	-	-	(863)	**(863)**
Exchange movements	-	-	(22)	**(22)**
Lease modifications	-	-	(12,253)	**(12,253)**
Cash movements	855	(1,862)	4,595	**3,588**
At 31 December 2025	**14,383**	**(30,544)**	**(58,821)**	**(74,982)**
Non-cash movements				
Disposals	-	-	238	**238**
New leases	-	-	(4,560)	**(4,560)**
Exchange movements	-	-	9	**9**
Lease modifications	-	-	(703)	**(703)**
Cash movements	(4,340)	2,570	5,090	**3,320**
At 30 June 2026	**10,043**	**(27,974)**	**(58,747)**	**(76,678)**
Total cash movements for 2025	362	(11,257)	9,266	(1,629)

Net bank debt			**Net bank debt £000**
At 30 June 2026	**10,043**	**(27,974)**	**(17,931)**
At 31 December 2025	14,383	(30,544)	(16,161)

Cash and cash equivalents (which are presented as a single class of asset on the balance sheet) comprise cash at bank and other short-term highly liquid investments with maturity of three months or less.

10. Retirement benefit obligations

The figures below have been prepared by Aon based on the results of the triennial actuarial valuation of the Macfarlane Group PLC Pension & Life Assurance Scheme (1974) (the 'Scheme') as at 1 May 2023 updated to 30 June 2025, 31 December 2025 and 30 June 2026. The Scheme completed the purchase of a bulk annuity (buy-in) policy from Royal London on 29 June 2026 which fully insured the Scheme's liabilities, with the exception of post buy-in data reconciliations and adjustments. The Scheme investments and the Scheme's net surplus position post this buy-in transaction, as calculated under IAS 19, are as follows:

Investment class	**30 June 2026 £000**	30 June 2025 £000	31 December 2025 £000
Equities			
Multi-asset diversified growth funds	**-**	2,404	-
Bonds			
Liability-driven Investment funds	**-**	32,608	37,216
Other investments			
Multi asset credit fund	**-**	10,316	3,048
Securitised credit funds	**-**	16,558	16,157
Insured assets	**52,026**	-	-
Cash	**5,510**	1,029	5,779
Fair value of Scheme investments	**57,536**	62,915	62,200
Present value of Scheme liabilities	**(52,280)**	(53,698)	(56,164)
Pension Scheme surplus	**5,256**	9,217	6,036

These amounts were calculated using the following principal assumptions as required under IAS 19:

Assumptions		**30 June 2026**	30 June 2025	31 December 2025
Discount rate		**5.95%**	5.50%	5.45%
Rate of increase in pensionable salaries		**0.00%**	0.00%	0.00%
Rate of increase in pensions in payment		**3% or 5% for fixed increases or 2.90% for LPI**	3% or 5% for fixed increases or 2.88% for LPI	3% or 5% for fixed increases or 2.80% for LPI
PIE take up rate		**0%**	60%	30%
Inflation assumption (RPI)		**3.05%**	3.00%	2.90%
Inflation assumption (CPI)		**2.75%**	2.60%	2.60%
Life expectancy beyond normal retirement age of 65				
Scheme member aged 55	Male	**22.7 years**	22.5 years	22.7 years
	Female	**24.2 years**	24.2 years	24.2 years
Scheme member aged 65	Male	**22.2 years**	21.9 years	22.2 years
	Female	**23.5 years**	23.5 years	23.5 years
Average uplift for GMP service		**0.40%**	0.40%	0.40%

	Six months to 30 June 2026 £000	Six months to 30 June 2025 £000	Year to 31 December 2025 £000
Movement in scheme surplus in the period			
At start of period	**6,036**	9,636	9,636
Administration costs incurred	**(136)**	(109)	(250)
Net finance income	**159**	258	523
Past service cost	**-**	-	(1,930)
Re-measurement of pension scheme liability in the period	**(803)**	(568)	(1,943)
At end of period	**5,256**	9,217	6,036

10. Retirement benefit obligations (continued)

Sensitivity to key assumptions

Key assumptions used for IAS 19 are discount rate, inflation and mortality. If different assumptions were used, then this could have a material effect on the surplus. Assuming all other assumptions are held static then a movement in the following key assumptions would affect the level of the surplus as shown below:-

Assumptions	**30 June 2026 £000**	30 June 2025 £000	31 December 2025 £000
Discount rate movement of +1.0%	**4,943**	5,077	5,152
Inflation rate movement of +0.25%	**(170)**	(186)	(181)
Mortality movement of +1 year in age rating	**(2,173)**	(2,232)	(2,311)

Positive figures reflect a reduction in Scheme liabilities and therefore an increase in the Scheme surplus. Following completion of the buy-in transaction on 29 June 2026 most of the Scheme liabilities are now fully insured. As a result of the transaction, the sensitivities above will be smaller as the value of the buy-in asset will change in line with the Scheme liabilities.

	Six months to 30 June 2026 £000	Six months to 30 June 2025 £000	Year to 31 December 2025 £000
Movement in fair value of Scheme investments			
Scheme investments at start of period	**62,200**	64,108	64,108
Interest income	**1,620**	1,698	3,410
Return on scheme assets (exc. amount shown in interest income)	**(3,369)**	(888)	(1,066)
Administration costs incurred	**(136)**	(109)	(250)
Benefits paid	**(2,779)**	(1,894)	(4,002)
Scheme investments at end of period	**57,536**	62,915	62,200
Movement in present value of Scheme liabilities			
Scheme liabilities at start of period	**(56,164)**	(54,472)	(54,472)
Interest cost	**(1,461)**	(1,440)	(2,887)
Past service cost	**-**	-	(1,930)
Actuarial gain due to the changes in financial and experience	**2,566**	320	(877)
Benefits paid	**2,779**	1,894	4,002
Scheme liabilities at end of period	**(52,280)**	(53,698)	(56,164)

Basis of recognition of surplus

Macfarlane Group PLC, based on legal opinion provided, has an unconditional right to a refund of surplus assets assuming the full settlement of plan liabilities in the event of a wind up of the Macfarlane Group PLC Pension & Life Assurance Scheme (1974) (the 'Scheme'). Furthermore, in the ordinary course of business the trustees have no rights to unilaterally wind up the Scheme, or otherwise augment the benefits due to members of the Scheme. Based on these rights, any net surplus in the Scheme is recognised in full.

Investments

The Trustees review the Scheme investments regularly and consult with the Company regarding any changes.

Funding

Following the completion of the triennial actuarial valuation at 1 May 2023, Macfarlane Group PLC is not required to pay further deficit reduction contributions.

11. Deferred tax

	Tax losses less accelerated capital allowances £000	Other intangible assets £000	Retirement Benefit Obligations £000	**Total £000**
At 1 January 2025	**(1,261)**	**(7,122)**	**(2,409)**	**(10,792)**
Acquisitions	(686)	(1,691)	-	**(2,377)**
Credited/(charged) in income statement	62	646	(38)	**670**
Charged in other comprehensive income	-	-	142	**142**
At 30 June 2025	**(1,885)**	**(8,167)**	**(2,305)**	**(12,357)**
Credited in income statement	117	628	452	**1,197**
Credited in other comprehensive income	-	-	344	**344**
At 1 January 2026	**(1,768)**	**(7,539)**	**(1,509)**	**(10,816)**
Credited in income statement				
Current period	-	604	(6)	**598**
Charged in other comprehensive income	-	-	200	**200**
At 30 June 2026	**(1,768)**	**(6,935)**	**(1,315)**	**(10,018)**
Deferred tax assets	276	-	-	**276**
Deferred tax liabilities	(2,044)	(6,935)	(1,315)	**(10,294)**
At 30 June 2026	**(1,768)**	**(6,935)**	**(1,315)**	**(10,018)**

12. Related party transactions

Related party transactions for 2025 are disclosed in note 26 of the 2025 Annual Report. The Directors are satisfied that, other than the changes in the Retirement Benefit Obligations disclosed in note 10 above, there have been no changes which could have a material effect on the financial position of the Group in the first six months of the financial year.

Transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed.

Details of individual and collective remuneration of the Company's Directors and dividends received by the Directors for calendar year 2026 will be disclosed in the Group's 2026 Annual Report. Peter Atkinson and Ivor Gray hold option awards over 2,177,073 and 1,170,826 ordinary shares respectively under the Macfarlane Group PLC Long Term Incentive Plan awarded in 2024, 2025 and 2026.

There are no other related party transactions during the six-month period which require disclosure.

13. Post balance sheet events

There are no post balance sheet events requiring disclosure.

14. Contingent liability

One of the Group's subsidiaries, Pitreavie Packaging Limited ("Pitreavie"), is subject to an ongoing investigation by the authorities in relation to an incident on 7 October 2025 at its Cumbernauld manufacturing facility, which tragically resulted in the death of an employee. The investigation is ongoing with no updates to report and Pitreavie management has not received any notification or indication of the likely outcome. The authorities have the power to issue enforcement notices or to initiate legal prosecution for breach of health and safety law which, if found to apply in this case, could result in significant fines.

Based on information available to date and taking into account there is very limited information from which to estimate the possible magnitude or timing of any resultant payments, management currently believes that the foregoing is not expected to have a material adverse impact on the Group's Financial Statements.

The Group will continue to monitor the progress of the investigation and will recognise a provision if and when it becomes probable that a material outflow of economic benefits will be required to settle an obligation, and a reliable estimate can be made.

15. Interim Report

The interim report will be posted to shareholders on 14 September 2026. Copies will be available from the registered office, 3 Park Gardens, Glasgow G3 7YE and available on the Company's website, www.macfarlanegroup.com, from that date.