

6 March 2023

## Macfarlane Group PLC

### Acquisition of specialist protective packaging business Suttons

Macfarlane Group PLC ("Macfarlane") is pleased to announce the acquisition of A.E. Sutton Limited, trading as Suttons Performance Packaging ("Suttons"), a specialist protective packaging manufacturing business based in Cambridgeshire. The earnings enhancing acquisition is in line with Macfarlane's declared strategy of building its protective packaging business through a combination of organic and acquisitive growth.

#### Strategic highlights

- Founded in 1962, Suttons supplies specialist protective packaging to customers in the medical, electronics and industrial sectors, throughout England, from its manufacturing facilities in Chatteris, Cambridgeshire.
- There are significant opportunities for both Suttons and Macfarlane to benefit from access to their respective industry expertise, ranges of bespoke protective packaging products and common supplier base.
- Suttons has an experienced team of 55 employees, including its two directors who will both remain with the Group following the acquisition.
- This earnings accretive acquisition demonstrates Macfarlane's comprehensive 'buy and build' strategy in delivering further stakeholder value.

#### Transaction details

- Macfarlane's wholly-owned subsidiary, Macfarlane Group UK Limited, has acquired 100% of Suttons for a maximum cash consideration of £9.0 million (including an earn-out of up to £2.5 million based on agreed profit growth targets over two years).
- A further adjustment is due for net assets in excess of £1.0 million with the expected net assets on completion being £5.7 million, including £5.0 million of net cash.
- The consideration is being financed entirely from the Group's existing £30.0 million bank facility.
- For the year ended 31 March 2022, Suttons generated sales of £7.4 million, EBITDA of £1.1 million and pre-tax profits of £0.9 million.

Peter Atkinson, Chief Executive of Macfarlane, said:

"Suttons is a profitable, well invested company with an experienced management team that is fully committed to the business going forward. The acquisition is being funded using our existing bank facility and will be earnings enhancing. We look forward to working with the team at Suttons to support its continued growth and develop opportunities for us to work together to provide all our customers with a broader portfolio of 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 which help customers reduce supply chain costs, improve their operational efficiencies and enhance their brand presentation. The divisions are:

- emissions and ensure their brand presentation is consistent with
- **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 1,000 people at 37 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 across a wide range of sectors, including: retail e-commerce; consumer goods; food; logistics; mail order; electronics; defence, automotive and aerospace.

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