

2 May 2023

Macfarlane Group PLC

Acquisition of protective packaging distributor Gottlieb

Macfarlane Group PLC ("Macfarlane") is pleased to announce the acquisition of A & G Holdings Limited, owner of Gottlieb Packaging Materials Limited ("Gottlieb"). This earnings enhancing acquisition further progresses Macfarlane's strategy of building its protective packaging business through a combination of organic and acquisitive growth.

Strategic highlights

- Gottlieb is a well-established business based in the North-West of England, supplying protective packaging products to customers across a wide range of sectors, from its warehouse facilities in Manchester.
- Gottlieb has an experienced team of 15 employees, including two Directors, all of whom will remain with the business following the acquisition.
- There are opportunities for Gottlieb'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 Gottlieb for a maximum cash consideration of £3.55 million (including an earn-out of up to £0.8 million based on agreed profit growth targets over two years)
- A further adjustment is due for net assets in excess of £0.3 million with the expected net assets on completion being £1.0 million, including £0.8 million of net cash.
- The consideration is being financed entirely from Macfarlane's existing £30.0 million bank facility.
- For the year ended 31 December 2022, Gottlieb generated sales of £4.5 million, with EBITDA and pre-tax profits of £0.7 million.

Peter Atkinson, Chief Executive of Macfarlane, said:

"Gottlieb is a well-run, successful protective packaging distributor with an experienced management team. The acquisition of Gottlieb complements the recent opening of our new distribution facility in Heywood and further strengthens our ability to serve customers in the North-West of England. We look forward to working with the team at Gottlieb to support its continued growth."

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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 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 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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