

10 July 2025

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

Trading update

Reduction in full year expectations

Macfarlane Group PLC is updating the market today in advance of its 2025 interim results due to be released on 28 August 2025.

- In a year of challenge and economic uncertainty, we currently expect full year 2025 Adjusted Operating Profit¹ to be approximately 10% below 2024.
- Distribution is experiencing weaker than expected demand, delays in new business decision making, pressure on gross margin due to the competitive environment, rising input prices and slower than anticipated recovery of labour and property-related cost increases.
- Manufacturing Operations is performing robustly with good momentum with our aerospace and defence related customers and the benefit of the Polyformes acquisition, marginally offset by the slowdown in those sectors where customers are being impacted by uncertainty over US tariffs.
- We expect the Pitreavie business, acquired in January, to benefit from the normal seasonal uplift in demand in H2 2025, together with additional sales from in-house supply to Macfarlane Distribution.
- The focus for the remainder of 2025 is the recovery of cost increases, the implementation of additional cost saving actions and ensuring we convert the strong new business pipeline.
- Net bank debt remains well within the Group's £40m facility.
- The recently launched share buyback programme will continue as planned.

Commenting on today's announcement Aleen Gulvanessian, Chair of the Group, said:

"We highlighted in our AGM statement that market conditions in 2025 were challenging. It is disappointing that the momentum increase we experienced early in Q2 2025 has not been maintained and as a result will impact our full year performance.

Management is focused on implementing an action plan to recover cost increases and execute against our strong pipeline of new business.

The Board remains confident that our strengthened sales team, differentiated customer proposition and proven executional skills mean that the prospects for the Group remain positive.

We will provide a further update along with the announcement of our interim results on 28 August 2025."

¹Operating profit before amortisation and deferred contingent consideration adjustments

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Notes to Editors:

- Macfarlane Group PLC has been listed on the Main Market of the London Stock Exchange plc (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 43 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.

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