

13 January 2025

Macfarlane Group PLC
(“Macfarlane” or the “Group”)

Earnings-enhancing acquisition of Pitreavie, a leading protective packaging manufacturer and distributor based in Scotland

Macfarlane Group PLC announces the acquisition of The Pitreavie Group Limited (“Pitreavie”) for a maximum cash consideration of £18.0 million, including an earn-out of up to £4.0 million over two years. This earnings-enhancing acquisition demonstrates further progress in our strategy to build the Group’s protective packaging business through a combination of organic and acquisitive growth.

Strategic highlights

- Founded in 2005, Pitreavie designs, manufactures and distributes protective packaging, supplying to customers in the food & drink, energy, electronics and industrial sectors, primarily in Scotland.
- For the year ended 31 December 2024, Pitreavie generated sales of £24.8 million, with adjusted EBITDA of £2.5 million and adjusted pre-tax profits of £1.3 million.
- Pitreavie employs 159 employees across four locations in Scotland. Pitreavie operates a corrugate box manufacturing plant, newly opened in 2020; a specialist protective packaging manufacturing and assembly facility; a protective packaging distribution business; and a temperature-controlled packaging operation, all supported by in-house design capability. The blend of businesses Pitreavie operates complement both the Distribution and Manufacturing operations of Macfarlane.
- Pitreavie has an excellent senior management team, that has been instrumental in driving the growth of the business in recent years. They will remain with the business post-completion to support the continued growth of both Macfarlane and Pitreavie.
- There are significant opportunities for the growth of both Pitreavie and Macfarlane through their respective industry expertise, ranges of bespoke protective packaging products and common supplier base. Pitreavie offers corrugate manufacturing expertise and capacity to support Macfarlane’s Distribution business in Scotland and the North of England.
- This earnings-enhancing acquisition further demonstrates the effectiveness of Macfarlane’s ‘buy and build’ strategy in delivering stakeholder value.

Transaction details

- Macfarlane’s wholly-owned subsidiary, Macfarlane Group UK Limited, has acquired 100% of Pitreavie for a maximum cash consideration of £18.0 million (including an earn-out of up to £4.0 million based on agreed profit growth targets over two years).
- A completion adjustment, payable to Macfarlane, is estimated to be £3.4 million with net debt inherited of £4.0 million.
- The consideration is being financed entirely from Macfarlane’s existing bank facility. The Group continues to operate well within its recently-improved banking facility of £40 million and related covenants, which are committed until November 2027.

Peter Atkinson, Chief Executive of Macfarlane, said:

“Pitreavie is a fast-growing, well-invested company with an experienced management team that is fully committed to the business. The acquisition represents a unique and exciting opportunity to grow our business in Scotland and provide in-house supply to our businesses in the North of England.”

“We look forward to working with the team at Pitreavie to support its continued growth and develop opportunities for us to work together to provide our customers with a broader portfolio of protective packaging solutions.”

Further enquiries:	Macfarlane Group	Tel: 0141 333 9666
	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 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 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.