**29 April 2025**

**AIM: MPAC**

**Mpac Group plc**

("Mpac", "the Company" or "the Group")

**Full Year Results for the 12 months to 31 December 2024**

***FY24 in line with market expectations, and positive outlook for FY25***

Mpac Group, the global packaging and automation solutions Group, today announces its results for the 12 months to 31 December 2024 ("FY24").

The Group has made good progress with our long-term strategic initiatives, growing revenue, improving financial performance and increasing our order book. We also increased the bandwidth of our senior management team, ensuring that the Group is well placed to successfully integrate our acquisitions, to deliver the synergies identified, and to position the Group for further long-term growth.

**Financial Highlights**

| £'m | **2024** | **2023** | **Change** |
|---|---|---|---|
| **Order intake** | 119.7 | 118.5 | +1.0% |
| **Closing order book** | 118.5 | 72.5 | +63.4% |
| **Total revenue** | 122.4 | 114.2 | +7.2% |
| - Service revenue | 31.2 | 31.8 | -1.9% |
| - Original Equipment revenue | 91.2 | 82.4 | +10.7% |
| **Profit before tax** | 3.4 | 4.7 | |
| **Basic earnings per share** | 6.0p | 13.1p | |
| **Underlying* profit before tax** | 10.6 | 7.1 | +49.3% |
| **Underlying* earnings per share** | 35.2p | 26.2p | +34.4% |
| **Net (debt)/cash** | (37.5) | 2.1 | |

*Non-underlying items include pension costs, acquisition-related items and reorganisation costs

**Operational and Strategic highlights**

- Completed the acquisitions of CSi Palletising, BCA and SIGA Vision alongside a significantly oversubscribed £30m gross capital raise.
- Entry into £47m of new bank facilities with HSBC, running to September 2027, with the option to extend to 2029.
- Acquired businesses all performing well and in line with expectations. Integration progressing according to plan, with potential of significant synergy opportunities.
- Operating margin up to 9.8% from 6.8% driven by improved gross margins and leverage.
- Successful in securing orders from several of the targeted new strategic key accounts.
- Leadership team strengthened and aligned with the 5 strategic pillars of the Group, with the appointment of a Chief Commercial Officer post the period end, to support the integration of the acquired businesses and to realise the financial benefits from synergies across the enlarged Group.

- Successful launch to the market of our newly developed Ostro mid-range cartoner and the Horizon top load cartoner.
- Pension scheme valuation to June 2024 concluded with scheme valued at a surplus of £21.1m (June 2021 deficit £28.4m) and we are investigating options for the transfer of the scheme to a third party.

**Current trading and outlook**

- We began 2025 with an opening order book of £118.5m, 63% up on prior year, and our strongest ever order book.
- Order intake in Q1 has been broadly in-line with expectations, and the order book now sits at £103.5m, with new booked order margins in line with plan.
- The 2025 book-to-bill at the end of Q1 is 41% and includes good prospects in our short-cycle Service business. The value of newly qualified opportunities is encouraging, and the order pipeline remains good. No orders have been cancelled as a result of the new tariffs.
- The Group is closely monitoring the current global economic uncertainty but, at this time, the Group is on track to achieve full year market expectations.

**Adam Holland, Chief Executive, commented:**

*"I am delighted to announce 2024 full-year performance in line with expectations, delivering record levels of revenue, significantly improved operational performance, and a record opening order book for 2025. We continue to place customers at the centre of everything that we do. Our equipment sits at the heart of our customers' operations, assembling and packaging the products that their businesses produce. Our increasingly broad product offering, specialist engineering expertise, and global operations and service footprint means that we are better placed than ever before to support customers' needs globally. We will continue to monitor the economic position closely, but at this time we are on track to meet full-year expectations."*

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**OPERATING REVIEW**
**Adam Holland**

**Introduction**

2024 was a transformational year for the Group, completing the acquisitions of CSi Palletising, BCA and Siga Vision. The additions to the Group significantly enhance our customer offering and core technical capabilities, in addition to a step change in scale. The Group made good progress with our long-term strategic initiatives, growing revenue, improving financial performance and increasing our order book. We also increased the bandwidth of our senior management team, aligned to our five strategic pillars. ensuring that the Group is well placed to successfully integrate our acquisitions, to deliver the synergies identified, and to position the Group for further long-term growth.

We continue to place customers at the centre of everything that we do. Our equipment sits at the heart of our customers' operations, assembling and packaging the products that their businesses produce. Our increasingly broad product offering, specialist engineering expertise, and global service footprint means that we can offer and support customers' solutions globally. As a result of this focus on customers, I am pleased to report an increase in new equipment opportunities and record levels of order intake and revenue, providing the Group with a solid pipeline and a strong and diverse order book into 2025.

We have also maintained focus on the Group's innovation roadmap, delivering the first new product launches in our five-year product roadmap, and growing the development team. Further major development projects are in progress for future product launches, and along with the opportunities arising from the three acquisitions we believe we are well positioned to continue to drive above-market rates of growth well into the future.

**CSi Palletising (''CSi'')**

We completed the acquisition of CSi in November 2024, bringing exciting new opportunities to the significantly enlarged Mpac Group. CSi is headquartered in the Netherlands and is a global leader in end-of-line packaging automation, with production facilities in Romania, and additional presence in Europe and the Americas. CSi has 450 employees and reported full year 2023 revenue of €71.5m.

The business has a longstanding, blue chip customer base, with excellent customer retention. Its top six strategic accounts each have a relationship of more than 30 years. Key customers include PepsiCo, Nestle, Mars, Lamb Weston, Mondelez, and Unilever, several of which are now new key accounts for the wider Group. CSi has a growing globally installed base of over 2,500 lines, growing by 80 to 90 solutions per year. The acquisition is complementary to Mpac's existing business and significantly improves and increases its capability and offering in end-of-line and palletising solutions.

The key attractions of the acquisition and the benefits that CSi brings to Mpac are as follows:

- A high-quality provider of solutions for palletising and material handling;
- An enhanced package of maintenance and aftermarket services across a growing global installed base;
- Long-standing, "blue-chip" customer relationships in attractive sectors, with its top six customers all exceeding 30-year tenures;
- Strong robotics and systems integration and fuller line capabilities;
- Long-established, lower-cost manufacturing and assembly facilities in Romania; and
- An established and self-sufficient leadership teams across all sites.

The CSi team made good progress in delivering their strategic objectives in 2024, including a significant improvement in customer concentration, bringing the order intake from its largest customer to less than 10% of the enlarged Group. The integration of the CSi business into the Group is progressing well and to plan, and the business continues to perform in line with expectations.

**Boston Conveyor & Automation, Inc ("BCA'')**

We were delighted to announce in September 2024 the acquisition of BCA, a provider of robotic automation and conveyer solutions, principally to the food and general industrial sectors. BCA is based in Newburyport, Massachusetts, employs 50 staff and reported unaudited revenue of US$14.0m (£11.2m) for the 12 months to 31 May 2024.

The business offers a wide range of process-orientated food handling, pick and place lines, hygienic conveyor systems, and primary packaging, specialising in customised turnkey systems. Equipment supplied by BCA operates upstream of Langen and Switchback solutions and is a compelling fit, taking another step towards the Group's strategic intent of being a market leader in the provision of full-line packaging solutions for the food and beverage and healthcare sectors.

The range of solutions offered by BCA gives further breadth and depth to Mpac's capabilities, with a particular focus on handling and primary packaging of products. BCA has several clients in common with other Mpac Group businesses, and BCA and Langen have historically featured together on customer projects in the US, underpinning the strategic value of the Acquisition.

Since the acquisition, the integration of the BCA business has progressed well, developing a full-line offering to customers in the "meal line" segment with promising prospects for synergistic orders.

We are excited about the synergies that the acquisition of both CSi and BCA bring to the Group, and we have gained traction in both regards in the months since we completed on the acquisitions with both an increase in cross selling quotations and redirecting manufacturing to our lower cost Romanian manufacturing site.

**Siga Vision ("SIGA")**

Siga Vision provides machine vision solutions to the food, beverage and healthcare markets, using advanced software solutions to provide quality inspection and line control to production. The integration was completed in 2024, and prospects for development in 2025 are encouraging.

Mpac and SIGA have a long history of working together to provide vision solutions on Mpac's packaging machines as well as providing aftermarket support to our customers. The Acquisition provides a platform from which Mpac can provide fully integrated support to its existing and future customers with vision-related solutions, a key component in full line packaging automation.

**Acquisition strategy and update**

Our immediate focus in 2025 is on the integration of the substantial acquisitions made in 2024, delivering the synergies that we have identified, and realising the de-leveraging of our enlarged Group following the debt and equity capital raise in 2024 used to fund the acquisition of CSi and BCA.

We also recognise that the evaluation and development of our acquisition prospect pipeline takes considerable time, and therefore we also continue to seek out and evaluate potential acquisition opportunities that fit with our well-defined strategy. Our focus is to identify businesses that will enhance our customer proposition in automation and packaging solutions, extending our product range and our access to a broader range of customers in our target market sectors. The Company will provide updates on future acquisitions when appropriate to do so.

**Operational update**

The Group delivered a strong performance in 2024. Original Equipment ("OE") and Service order intake and OE revenue above the prior year, and operating returns increased by 3pp from 6.8% to 9.8%, benefitting from the acquisitions completed in H2.

Mpac operates in large, resilient long-term markets and has a significant opportunity to grow through increased market share. By remaining focused on executing the long-term strategy, growing the installed base through OE orders, improving margins through the development of our Service business, and driving increased operational efficiencies, the Group will continue to deliver profitable growth.

**Strategic update**

Under our stable and consistent Group strategy, we have continued to deliver strategic initiatives linked to our five-year financial plan, seeking to deliver double-digit annual growth and achieve a sustainable double-digit return on sales. A key element of our growth strategy is to focus on extending our customer base with new global blue chip key accounts and in 2024 we were again successful in securing orders from several of the newly targeted global customers. The range of new blue-chip accounts accessible to Mpac has increased with the acquisition of CSi and BCA, and preparing the Group to benefit from cross-selling is a key strategic focus for 2025.

Our strategy remains focused on our core markets of food and beverage and healthcare, broadening our customer base within these markets, extending our product portfolio, and continuing to develop our service offering.

Our strategy focuses on the following five pillars:

**Going for Growth**

Our ambition to double revenue over our five-year strategic planning period was accelerated with the acquisitions completed in 2024, bringing that goal within reach over a compressed three-year period. Following the acquisitions, we have raised our horizon, with a new ambition to double the revenue of the enlarged group over the five-year period from January 2025.

Our addressable end market is substantial and has demonstrated resilience to wider macro-economic cycles. During recessionary periods for example, we have seen consumers shift demand from high value luxury products to more affordable products, resulting in an increase in production volume demand on our customers throughout the cycle. These mid and long term trends have proven reliable over many cycles, with transitionary periods resulting in lengthening of customer decision making over the short-term as FMCG businesses innovate to the change in consumer focus. This long-term market stability provides a consistent long-term objective for the Group, seeking to grow market share.

The Group's objective is therefore to deliver sustainable growth in our key end markets, capturing market share by cross selling to customers of the acquired businesses, increasing the number of touch points with our customers and the amount of time that we spend with them. In 2024 we increased the size of our commercial and applications teams, and invested in brand awareness and marketing, including exhibiting at the flagship Pack Expo trade show in the US.

With the acquisitions comes a new opportunity to drive growth, cross-sell across the enlarged customer base, and offer fuller lines that combine offerings from more than one Mpac business. To coordinate our global marketing and sales team, in January 2025 we appointed a Chief Commercial Officer, selecting an experienced sales leader from the existing team. We look forward to providing an update on these activities with the 2025 half-year results.

**Outstanding Customer Service**

We remain focussed on our long-term goal to generate 30% of Group revenue from services and remain on track to meet this target, achieving 25% of revenue from services in FY 2024. In the short-term following the CSi acquisition, we expect this percentage to reduce as we develop the Service potential from the acquired businesses. In 2024 we expanded our field service and technical resources, located in the regions where our customers operate, and continued to drive improvement in key service performance metrics.

The acquisition of Siga Vision brought a new dimension to our service business, expanding our offering to modify and upgrade existing customer facilities. This includes upgrades to existing Mpac production lines, as well as upgrades to production systems originally provided by other manufacturers. Whilst this is expected to remain a small part of overall Group revenue in 2025, there is potential for this to grow over time as customers look for novel ways to improve production efficiency and reduce their labour cost through vision systems.

With the acquisitions of BCA and CSi, the Group's service offering is now significantly larger. Most notably, the global footprint has been expanded through the new teams, bringing us closer than ever to existing and target customers. The appointment of a Group Servies Director in January 2025 was made to maximise this opportunity and appoint from within the existing leadership team.

**Operational Excellence**

Our long-term retention of customers depends on our reputation for delivering original equipment projects and the service support to our installed base. The Group's track record is good, but we still see significant opportunity to improve, focusing on project execution through project management, engineering, operations and supply chain processes. Our objective is to drive shorter project lead times, on-time-in-full delivery performance, and improve working capital.

With the acquisitions completed in 2024, our strategic objective remains consistent: building an increasingly flexible organisation which can respond with agility to our customers' needs, leveraging our global resources. Our global ERP and business systems blueprint, already implemented in our facilities in Wijchen, Tadcaster, Mississauga and Cleveland will now be deployed at the facilities of our newly acquired businesses. We see opportunity to improve Group performance through the operations of the enlarged team, balancing activities across our operations, and driving our supply chain performance. In January 2025 we appointed a Chief Operating Officer to lead these activities, recruiting an experienced leader with a track record at and exceeding the scale of the enlarged Group.

**Innovation**

The Group made good progress in 2024 delivering the first new product launches from our five-year product roadmap, extending our product offering and building on our reputation as a global leader in high-speed packaging and automation solutions. In May 2024 we launched Ostro, a mid-range cartoner aimed at a segment of the market in which we had no previous offering. This was well received by the market, winning orders in the months immediately following launch, including bakery production lines which we continue to see as an attractive growing segment of the food market. At PackExpo in November we showcased our new Horizon top-load cartoner, with an intuitive user interface and the Mpac "replay" vision system.

Our programme for launches in 2025 is exciting and we look forward to providing an update in due course.

**People**

2024 was a transformational year for our people, nearly doubling the employee base through recruitment and acquisition, to almost 1,100 people at year-end. The refresh of our succession planning processes in the first half of the year proved its value with the new leadership appointments made in response to acquisitions.

We made improvements to our recruitment process, reducing the cost of recruitment through the introduction of an internal recruitment function in key regions. We also began the deployment of a Group-wide HR Information System, to prepare the Group to scale efficiently over the coming five-year plan. Our employee engagement programme continues to provide the backbone to our people initiative, with twice-yearly surveys ensuring our improvements were directed towards the topics that matter most to our people.

We also made tremendous progress with our Health and Safety programme, making a substantial step from reactive to proactive management through the SafetyQube toolset first introduced in 2023. This approach aims to prevent complacency from setting into businesses where lost-time-reporting and major accident rates are already very low. In 2024 the team identified more than 1,500 opportunities to improve the safety of our operations, closing these out through preventative actions completed during the year.

**Clean Energy and Freyr Battery**

2024 was a transformational year for Freyr Battery, completing the first successful unit cell production trials at the Customer Qualification Plant ("CQP") in May, demonstrating the full functionality of the Casting and Unit Cell Assembly machine provided by Mpac. In H2, following leadership changes and a re-evaluation of their market, Freyr Battery relaunched as "T1 Energy" and re-directed investment plans from battery to solar. No further development is expected with Freyr Battery.

Mpac continues to work with innovative customers in the Clean Energy sector. The enlarged scale of the Group following acquisitions completed in 2024 means that Clean Energy now represents a much smaller percentage of Group revenues than in prior years, and Clean Energy trading will be reported as part of "Other" in Group segmental analysis.

**Environmental, Social & Governance**

We are committed to continuous improvement in our Environmental, Social & Governance (''ESG'') performance. Sustainability is increasingly important to our customers. Our engineered automation and packaging solutions provide customers with sustainable and environmentally sound equipment that support the global megatrends of reduction in packaging, particularly single-use plastics, reducing waste and energy use, and increasing overall equipment effectiveness. Our end-to-end capabilities help our customers to achieve their sustainability goals.

In early 2024 we published our ESG report, and later in the year we were delighted to see the CSi team achieve the EcoVadis Bronze certification, further enhancing the Group performance in this measure.

**Pension Scheme update**

In February 2025, we announced the conclusion of negotiations with the Trustee of the legacy 'Molins U.K. Pension Fund' (the "Trustee") in relation to the IAS 19 triennial actuarial valuation and associated schedule of contributions, undertaken as at 30 June 2024. The valuation identified an actuarial surplus of £21.1m on a technical provisions basis (June 2021: actuarial deficit of £28.4m) representing a funding level of 107.8%.

Subsequently, the Trustee and the Group are investigating options for the transfer of the scheme to a third party and will provide updates as appropriate.

**Outlook**

We began 2025 with a strong order book, and good prospects in our short-cycle Service business, providing the Group with good order coverage over the forecast revenues in 2025. Performance of the acquired businesses is encouraging and includes a strong pipeline of new opportunities from existing and new blue-chip customers.

The Group continues to closely monitor the potential impact of changing trade tariffs and the possibility of a wider economic recession in 2025. Sudden changes in economic conditions historically have resulted in lengthening of some customer decision making processes, as customers adjust capital investment plans, which we are also monitoring. We note that our strong order book provides a measure of protection against short-term factors, in addition to the benefits and opportunities of scale deriving from our newly enlarged Group.

The medium and longer-term effect of changing trade tariffs is likely to be an opportunity for the Group with increased demand from customers re-shoring, increasing their domestic production in new and expanded production facilities, and with increasing levels of automation to offset rising production costs. Notably, the expanded operational footprint of the Group now includes two build facilities in the US, along with facilities in Europe, Canada and the UK, positioning Mpac well to respond flexibly to these long-term trends.

The commercial opportunities from the newly enlarged Group are significant and the Group is on track to meet full year market expectations. The Board believes the Group's long-term prospects are strong and that the Group is well positioned to meet its strategic objectives.

**Adam Holland**
Chief Executive

## FINANCIAL REVIEW

**Will Wilkins**

### Overview

Group revenue of £122.4m (2023: £114.2m) represents an increase of 7% compared to the previous year. OE revenue increased by 11% at £91.2m (2023: £82.4m), underpinned largely by growth in the Americas and Asia. Services revenue decreased marginally to £31.2m (2023: £31.8m), largely attributable to the Americas and EMEA whilst Asia continued to grow.

Overall order intake for the Group grew by 1% to £119.7m (2023: 118.5m). We made good progress with the closing 2024 order book which increased to £118.5m (2023: £72.5m). The value of the closing order book continues to provide excellent coverage over the forecast 2025 revenue. We remain vigilant to project execution risk and the operational efficiency of the business.

As anticipated, revenue and profit before tax in H2 2024 were substantially above H1 2024, supported by the timing of project execution through 2024, with full year underlying operating profit of £12.0m (2023: £7.8m), a 54% increase on 2023 and in line with market guidance.

The timing of significant projects led to lower working capital and improved cash generation during the year, though the level remains above historical levels.

Underlying profit before tax for the year of £10.6m (2023: £7.1m), net of third-party interest charges of £1.4m (2023: £0.7m), was 49% up on 2023 and in line with market guidance.

Revenue by region was Americas £60.3m (2023: £56.7m), EMEA £46.9m (2023: £47.8m) and Asia £15.2m (2023: £9.7m).

Revenue by sector was Food & Beverage £52.1m (2023: £45.8m), Healthcare £43.7m (2023: £41.6m) and Other £26.6m (2023: £26.8m).

Individual OE contracts, and, to a lesser extent, contracts within the Service business, can be large. Accordingly, a few significant orders can have a disproportionate impact on the growth rates seen in individual sectors and regions from year to year.

### Original Equipment

OE order intake of £87.0m (2023: £86.3m) was 1% above the prior year due to the stable economic conditions in the markets in which we serve. OE revenues of £91.2m (2023: £82.4m) were 11% ahead of the prior year.

OE revenue generated in the Americas region was 10% ahead of the prior year at £44.9m (2023: £40.8m).

In EMEA, OE revenue in the year was £33.8m (2023: £34.0m), level with the prior year. OE revenue in Asia was £12.5m (2023: £7.6m) representing a 64% increase over the prior year.

### Service

Order intake for the Service division was 2% up on the prior year at £32.7m (2023: £32.2m). Service revenue of £31.2m (2023: £31.8m) was 2% below the prior year after strong growth in 2023.

Service revenue in the Americas was broadly unchanged at £15.4m compared to £15.9m in 2023. EMEA revenue in the year was £13.1m compared to £13.8m in 2023 and Asia revenue in the year was £2.7m compared to £2.1m in 2023.

### Operating results

Gross profit was £36.8m (2023: £31.6m) and underlying selling, distribution, administration costs and other operating income were £24.8m (2023: £23.8m).

Underlying operating profit was £12.0m (2023: £7.8m). Underlying profit after tax was £7.9m (2023: £5.3m) and statutory profit for the year was £1.4m (2023: £2.7m).

Non-underlying items merit separate presentation in the consolidated income statement to allow a better understanding of the Group's financial performance, by facilitating comparisons with prior periods and assessments of trends in financial performance. Pension costs, acquisition-related items, reorganisation costs and property transactions are considered non-underlying items as they are not representative of the core trading activities of the Group and are not included in the underlying profit before tax measure reviewed by key stakeholders.

Net financing expenses were £nil (2023: income of £0.8m). Tax on underlying profit before tax was £2.7m (2023: £1.8m). The tax charge on the Group's profit before tax was £2.0m (2023: £2.0m).

**Reconciliation of underlying profit before tax to profit before tax**

| | **2024** | **2024** | 2023 | 2023 |
|---|---|---|---|---|
| | **£m** | **£m** | £m | £m |
| Underlying profit before tax | | **10.6** | | 7.1 |
| *Non-underlying items* | | | | |
| *Defined benefit pension scheme – other costs and interest* | **-** | | 0.4 | |
| *Acquisition costs* | **(3.5)** | | - | |
| *Reorganisation costs* | **-** | | (1.2) | |
| *Impairment of battery cell intangible asset* | **(1.0)** | | - | |
| *Freyr contract termination costs* | **(0.6)** | | - | |
| *Acquired intangible asset amortisation* | **(2.1)** | | (1.6) | |
| *Non-underlying items total* | | **(7.2)** | | (2.4) |
| **Profit before tax** | | **3.4** | | 4.7 |

**Dividends**

Having considered the opportunities for investment in the growth of the Group, the Board has decided that it is not appropriate to pay a final dividend. No interim dividend was paid in 2024. Future dividend payments will be considered by the Board in the context of future growth opportunities and when the Board believes it is prudent to do so.

**Cash, treasury and funding activities**

Cash at the end of the year was £18.2m (2023: £11.0m) with £54.8m of borrowings drawn at the year-end (2023: £8.9m). Net cash inflow before acquisition costs was £5.6m (2023: £13.1m) after an increase in working capital of £7.4m (2023: decrease in working capital of £4.7m) and defined benefit pension payments of £2.3m (2023: £2.3m). Acquisition costs of £1.4m (2023 reorganisation costs: £0.8m) were paid in the year. Net taxation payments were £1.6m (2023: £1.1m). Capital expenditure on property, plant and equipment was £1.9m (2023: £1.1m), and capitalised product development expenditure was £3.2m (2023: £1.5m). Net current liabilities at the end of the year were £26.2m (2023: net current assets £15.1m) and net assets at the year-end were £108.0m (2023: £64.0m).

The Group entered into a three-year funding agreement with HSBC in 2024, which provides the Group with a £35.0m revolving credit facility ("Facility") to support future growth. The Facility also provides several other opportunities to proactively manage the Group's cash and ensure that the Group is well placed to react to opportunities, both organic and acquisition related, as they arise. The Group also entered into a two-year term-loan agreement for the value of £12.0m. The Group utilised £47.0m of these combined facilities in the year.

The Board has been grateful for the strong support of its current and new shareholders in the year. The Group completed both an equity placement and a retail offer as part of the funding for the acquisitions made in 2024, raising net proceeds of £28.4m at a price of £4.00 per share. Both placement and retail offer were substantially over-subscribed, reflecting the strength of the proposition and the enthusiasm for supporting the future growth of the Group.

There were no significant changes during 2024 in the financial risks, principally currency risks and interest rate movements, to which the business is exposed, and the Group treasury policy has remained unchanged. The Group does not trade in financial instruments and enters into derivatives (mainly forward foreign exchange contracts) solely for the purpose of minimising currency exposures on sales or purchases in currencies other than the functional currencies of its various operations.

**Working Capital**

The Group continues to focus on reducing levels of working capital across the Group. The timing of project execution as well as the acquisition and integration of CSi and BCA into the Group and the phasing of project execution has meant that working capital closed at £0.4m, representing a £12.8m reduction from the prior year.

**Pension schemes**

The Group is responsible for defined benefit pension schemes in the UK and the US, in which there are no active members.

The IAS 19 valuation of the UK scheme's assets and liabilities was undertaken as at 31 December 2024 and was based on the information used for the funding valuation work as at 30 June 2024, updated to reflect both conditions at the 2024 year end and the specific requirements of IAS 19. The smaller US defined benefit schemes were valued as at 31 December 2024, using actuarial data as of 1 January 2023, updated for conditions existing at the year end. Under IAS 19 the Group has elected to recognise all actuarial gains and losses outside of the income statement.

The IAS 19 valuation of the UK scheme resulted in a net surplus at the end of the year of £39.4m (2023: £32.2m) which is included within the Group's assets. The value of the scheme's assets at 31 December 2024 was £275.8m (2023: £309.0m) and the value of the scheme's liabilities was £236.4m (2023: £276.8m). Despite the continuing volatility in financial markets around the world in 2024, the scheme's protection strategies, notably its use of Liability Driven Investments, ensured that the surplus was protected.

The IAS 19 valuations of the US pension schemes showed an aggregated net deficit of £1.5m (2023: £1.8m) with total assets of £7.5m (2023: £7.7m).

During the year the Company made payments to the UK defined benefit scheme of £1.9m (2023: £2.0m).

The UK scheme's triennial valuation as at 30 June 2024 reported a surplus of £21.1m. The principal terms of the funding agreement between the Company and the Fund's Trustees, which is effective until 31 December 2035, but is subject to reassessment every three years, are that the Company will continue to pay a sum of £2.0m per annum to the scheme escrow account (increasing at 2.1% per annum).

**Equity**

Group equity at 31 December 2024 was £108.0m (2023: £64.0m). The movement arises mainly from the profit for the year of £1.4m, a net actuarial gain in respect of the Group's defined benefit pension schemes of £6.2m, changes in the translation reserve of £1.6m and the issue of new share capital and share premium of £38.2m; all figures are stated net of tax where applicable.

**Will Wilkins**
Chief Financial Officer

## CONSOLIDATED INCOME STATEMENT

| | Note | **2024** Underlying £m | **2024** Non-underlying (note 3) £m | **2024** Total £m | 2023 Underlying £m | 2023 Non-underlying (note 3) £m | 2023 Total £m |
|---|---|---|---|---|---|---|---|
| **Revenue** | 2 | 122.4 | - | 122.4 | 114.2 | - | 114.2 |
| Cost of sales | | (85.6) | - | (85.6) | (82.6) | - | (82.6) |
| **Gross profit** | | **36.8** | **-** | **36.8** | 31.6 | - | 31.6 |
| Distribution expenses | | (10.5) | - | (10.5) | (8.8) | - | (8.8) |
| Administrative expenses | | (15.1) | (8.6) | (23.7) | (14.6) | (3.9) | (18.5) |
| Other operating income/(expenses) | | 0.8 | - | 0.8 | (0.4) | - | (0.4) |
| **Operating profit** | 2, 3 | **12.0** | **(8.6)** | **3.4** | 7.8 | (3.9) | 3.9 |
| Financial income | | - | 1.4 | 1.4 | - | 1.5 | 1.5 |
| Financial expenses | | (1.4) | - | (1.4) | (0.7) | - | (0.7) |
| **Net financing (expense)/income** | | **(1.4)** | **1.4** | **-** | (0.7) | 1.5 | 0.8 |
| **Profit before tax** | | **10.6** | **(7.2)** | **3.4** | 7.1 | (2.4) | 4.7 |
| Taxation | | (2.7) | 0.7 | (2.0) | (1.8) | (0.2) | (2.0) |
| **Profit for the period** | | **7.9** | **(6.5)** | **1.4** | 5.3 | (2.6) | 2.7 |
| **Earnings per ordinary share** | | | | | | | |
| Basic | 5 | | | **6.0p** | | | 13.1p |
| Diluted | 5 | | | 6.0p | | | 13.1p |

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | **2024** **£m** | 2023 £m |
|---|---|---|
| Profit for the period | **1.4** | 2.7 |
| **Other comprehensive income/(expense)** | | |
| **Items that will not be reclassified to profit or loss** | | |
| Actuarial gains/(losses) | 5.3 | (1.7) |
| Tax on items that will not be reclassified to profit or loss | 0.9 | - |
| | **6.2** | (1.7) |
| **Items that may be reclassified subsequently to profit or loss** | | |
| Currency translation movements arising on foreign currency net investments | (1.6) | (0.9) |
| Effective portion of changes in fair value of cash flow hedges | (0.3) | 0.4 |
| Reclassified to income statement from hedging reserve | 0.1 | 1.3 |
| | **(1.8)** | 0.8 |
| **Other comprehensive income/(expense) for the period** | **4.4** | (0.9) |
| **Total comprehensive income/(expense) for the period** | **5.8** | 1.8 |

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | Share capital £m | Share premium £m | Translation reserve £m | Capital redemption reserve £m | Hedging reserve £m | Retained earnings £m | Total equity £m |
|---|---|---|---|---|---|---|---|
| Balance at 1 January 2023 | 5.1 | 26.0 | 2.4 | 3.9 | (1.8) | 26.6 | 62.2 |
| Profit for the period | - | - | - | - | - | 2.7 | 2.7 |
| Other comprehensive (expense)/income for the period | - | - | (0.9) | - | 1.7 | (1.7) | (0.9) |
| **Total comprehensive (expense)/income for the period** | - | - | (0.9) | - | 1.7 | 1.0 | 1.8 |
| Equity-settled share based transactions | - | - | - | - | - | - | - |
| Purchase of own shares | - | - | - | - | - | - | - |
| **Total transactions with owners, recorded directly in equity** | - | - | - | - | - | - | - |
| **Balance at 31 December 2023** | 5.1 | 26.0 | 1.5 | 3.9 | (0.1) | 27.6 | 64.0 |
| Profit for the period | **-** | **-** | **-** | **-** | **-** | **1.4** | **1.4** |
| Other comprehensive (expense)/income for the period | **-** | **-** | **(1.6)** | **-** | **(0.2)** | **6.2** | **4.4** |
| **Total comprehensive (expense)/income for the period** | - | - | **(1.6)** | - | **(0.2)** | **7.6** | **5.8** |
| Equity-settled share based transactions | - | - | - | - | - | - | - |
| Purchase of own shares | - | - | - | - | - | - | - |
| Equity issue | **2.4** | **35.8** | **-** | **-** | **-** | **-** | **38.2** |
| **Total transactions with owners, recorded directly in equity** | **2.4** | **35.8** | **-** | **-** | **-** | **-** | **38.2** |
| **Balance at 31 December 2024** | **7.5** | **61.8** | **(0.1)** | **3.9** | **(0.3)** | **35.2** | **108.0** |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | Note | 2024 £m | 2023 £m |
|---|---|---|---|
| **Non-current assets** | | | |
| Intangible assets | | **117.4** | 24.0 |
| Property, plant and equipment | | **5.8** | 4.1 |
| Investment property | | **0.8** | 0.8 |
| Right of use assets | | **9.4** | 5.9 |
| Employee benefits | 4 | **39.4** | 32.2 |
| Deferred tax assets | | **5.3** | 0.9 |
| | | **178.1** | 67.9 |
| **Current assets** | | | |
| Inventories | | **15.9** | 11.1 |
| Trade and other receivables | | **59.4** | 46.8 |
| Current tax assets | | **0.8** | 1.1 |
| Cash and cash equivalents | | **18.2** | 11.0 |
| | | **94.3** | 70.0 |
| **Current liabilities** | | | |
| Lease liabilities | | **(2.2)** | (1.3) |
| Trade and other payables | | **(72.1)** | (43.8) |
| Current tax liabilities | | **(2.2)** | (0.9) |
| Provisions | | **(2.8)** | (0.9) |
| Interest-bearing loans and borrowings | | **(41.2)** | (8.0) |
| | | **(120.5)** | (54.9) |
| **Net current (liabilities) / assets** | | **(26.2)** | 15.1 |
| **Total assets less current liabilities** | | **151.9** | 83.0 |
| **Non-current liabilities** | | | |
| Interest-bearing loans and borrowings | | **(14.5)** | (0.9) |
| Employee benefits | 4 | **(1.5)** | (1.8) |
| Other payables | | **(1.3)** | - |
| Deferred tax liabilities | | **(19.1)** | (11.4) |
| Lease liabilities | | **(7.5)** | (4.9) |
| | | **(43.9)** | (19.0) |
| **Net assets** | | **108.0** | 64.0 |
| **Equity** | | | |
| Issued capital | | **7.5** | 5.1 |
| Share premium | | **61.8** | 26.0 |
| Reserves | | **3.6** | 3.8 |
| Retained earnings | | **35.1** | 29.1 |
| **Total equity** | | **108.0** | 64.0 |

## CONSOLIDATED STATEMENT OF CASH FLOW

| | Note | **2024** | 2023 |
|---|---|---|---|
| | | **£m** | £m |
| **Operating activities** | | | |
| Operating profit | | **3.4** | 3.9 |
| Non-underlying items included in operating profit | | **8.6** | 3.9 |
| Amortisation | | **1.0** | 0.8 |
| Depreciation | | **2.3** | 2.1 |
| Profit on the sale of property, plant and equipment | | **-** | - |
| Other non-cash items | | **-** | - |
| Pension payments | | **(2.3)** | (2.3) |
| Working capital movements: | | | |
| - decrease/(increase) in inventories | | **1.3** | (1.7) |
| - decrease in contract assets | | **3.6** | 1.7 |
| - decrease/(increase) in trade and other receivables | | **2.0** | (0.3) |
| - increase in trade and other payables | | **0.6** | 1.8 |
| - decrease in provisions | | **(0.2)** | (0.1) |
| - (decrease)/increase in contract liabilities | | **(14.7)** | 3.3 |
| **Cash flows from continuing operations before reorganisation** | | **5.6** | 13.1 |
| Acquisition and reorganisation costs paid | | **(1.4)** | (0.8) |
| **Cash flows from operations** | | **4.2** | 12.3 |
| Taxation paid | | **(1.6)** | (1.1) |
| **Cash flows from operating activities** | | **2.6** | 11.2 |
| **Investing activities** | | | |
| Proceeds from sale of property, plant and equipment | | **0.4** | - |
| Capitalised development expenditure | | **(3.1)** | (1.5) |
| Acquisition of property, plant and equipment | | **(1.9)** | (1.1) |
| Net cash flow on acquisition of subsidiaries | | **(54.9)** | - |
| **Cash flows used in investing activities** | | **(59.5)** | (2.6) |
| **Financing activities** | | | |
| Interest paid | | **(1.2)** | (0.7) |
| Proceeds from borrowings | | **38.5** | - |
| Proceeds from equity raise | | **28.4** | - |
| Principal elements of lease payments | | **(1.2)** | (1.1) |
| **Cash flows from financing activities** | | **64.5** | (1.8) |
| **Net increase / (decrease) in cash and cash equivalents** | 6 | **7.6** | 6.8 |
| Cash and cash equivalents at 1 January | | **11.0** | 4.2 |
| Effect of exchange rate fluctuations on cash held | | **(0.4)** | - |
| **Cash and cash equivalents at 31 December 2024** | | **18.2** | 11.0 |

## NOTES TO ANNOUNCEMENT

**1. General information**

The Group's financial statements have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006. that were effective at 31 December 2024.

The financial information set out above does not constitute the Company's statutory accounts for the years ended 31 December 2024 or 2023. Statutory accounts for 2023 have been delivered to the Registrar of Companies. The auditors have reported on the 2024 and 2023 statutory accounts; their reports were (i) unqualified, (ii) did not include references to any matters to which the auditors drew attention by way of emphasis without qualifying their reports and (iii) did not contain statements under section 498 (2) or (3) of the Companies Act 2006.

**2. Operating segments**

Segment information

| | **12 months to 31 Dec 2024** | | | 12 months to 31 Dec 2023 | | |
|---|---|---|---|---|---|---|
| | **OE** | **Service** | **Total** | OE | Service | Total |
| | **£m** | **£m** | **£m** | £m | £m | £m |
| **Revenue** | | | | | | |
| Americas | 44.9 | 15.4 | 60.3 | 40.8 | 15.9 | 56.7 |
| EMEA | 33.8 | 13.1 | 46.9 | 34.0 | 13.8 | 47.8 |
| Asia Pacific | 12.5 | 2.7 | 15.2 | 7.6 | 2.1 | 9.7 |
| **Total** | **91.2** | **31.2** | **122.4** | 82.4 | 31.8 | 114.2 |
| **Gross profit** | | | 36.8 | | | 31.6 |
| Selling, distribution & administration | | | **(24.8)** | | | (23.8) |
| **Underlying operating profit** | | | **12.0** | | | 7.8 |
| Unallocated non-underlying items included in operating profit | | | **(8.6)** | | | (3.9) |
| **Operating profit** | | | **3.4** | | | 3.9 |
| Net financing income | | | - | | | 0.8 |
| **Profit before tax** | | | **3.4** | | | 4.7 |

Sector information

| | **Revenue (by customer sector)** | | | |
|---|---|---|---|---|
| | **2024** | **2024** | 2023 | 2023 |
| | **£m** | **%** | £m | % |
| Food & Beverage | **52.1** | **43** | 45.8 | 40 |
| Healthcare | **43.7** | **36** | 41.6 | 36 |
| Other | **26.6** | **21** | 26.8 | 24 |
| | **122.4** | **100** | 114.2 | 100 |

Geographical information

| | Revenue (by location of customer) | | | |
|---|---|---|---|---|
| | **2024** | **2024** | 2023 | 2023 |
| | **£m** | **%** | £m | % |
| UK | **15.1** | **12** | 18.4 | 16 |
| Europe (excl. UK) | **29.1** | **24** | 28.4 | 25 |
| Africa & Middle East | **2.7** | **2** | 1.1 | 1 |
| USA | **52.7** | **43** | 49.8 | 44 |
| Americas (excl. USA) | **7.6** | **6** | 6.8 | 6 |
| Asia Pacific | **15.2** | **13** | 9.7 | 8 |
| | **122.4** | **100** | 114.2 | 100 |

## 3. Non-underlying items

| | **2024** | **2023** |
|---|---|---|
| | **£m** | **£m** |
| Acquisition costs | **(3.5)** | - |
| Reorganisation costs | **-** | (1.2) |
| Amortisation of acquired intangible assets | **(2.1)** | (1.6) |
| Impairment of battery cell intangible asset | **(1.0)** | - |
| Freyr contract termination costs | **(0.6)** | - |
| Defined benefit pension scheme administration costs and interest | **-** | 0.4 |
| **Total non-underlying expense before tax** | **(7.2)** | (2.4) |

## 4. Employee benefits

The Group accounts for pensions under IAS 19 Employee benefits.

The most recent formal actuarial valuation of the scheme was carried out as at 30 June 2024 using the projected unit credit method. The market value of the scheme assets at that date was £290.2m and the funding level was 107.8% of liabilities, which represented a surplus of £21.1m. The principal terms of the deficit funding agreement between the Company and the Fund's Trustees, which is effective until 31 December 2035, but is subject to reassessment every three years are that the Company will continue to pay a sum of £2.0m per annum to the scheme (increasing at 2.1 per cent. per annum) in deficit recovery payments.

The funding agreement focuses the scheme and the company on achieving a funding level which should permit the scheme to achieve risk transfer to an alternative arrangement which the company would not be liable for the performance of. Based on annual tests, as the funding level on a technical provisions basis has reached 103%, contributions have been redirected to an escrow account from 1 January 2025 which can only be used by the scheme to either enable risk transfer or remedy a future deficit arising and would be returned to the company should risk transfer be achieved without the funds being required. Should the funding level reach 110% of technical provisions (including the value of the escrow account), contributions cease.

Formal valuations of the USA defined benefit schemes were carried out as at 1 January 2024, and their assumptions, updated to reflect actual experience and conditions at 31 December 2024 and modified as appropriate for the purposes of IAS 19, have been applied.

Profit before tax includes charges in respect of the defined benefit pension schemes' administration costs of £1.4m (2023: £1.1m) and a net financing income on pension scheme balances of £1.4m (2023: £1.5m). In respect of the UK scheme, the Group paid deficit recovery contributions of £1.9m (2023: £2.0m). Contributions to the US scheme totalled £0.2m (2023: £0.2m)

Employee benefits include the net pension asset of the UK defined benefit pension scheme of £39.4m (2023: £32.2m) and the net pension liability of the USA defined benefit pension schemes of £1.5m (2023: £1.8m), all figures before tax.

## 5. Earnings per share

Basic earnings per ordinary share is based upon the profit for the period of £1.4m (2023: £2.7m) and on a weighted average of 22,551,963 shares in issue during the year (2023: 20,474,424). The weighted average number of shares excludes shares held by the employee trust in respect of the Company's long-term incentive arrangements.

Underlying earnings per ordinary share amounted to 35.2p for the year (2023: 26.2p) and is based on underlying profit for the period of £7.9m (2023: £5.3m), which is calculated on profit before non-underlying items.

## 6. Reconciliation of net cash flow to movement in net funds

| | **2024** **£m** | 2023 £m |
|---|---|---|
| **Net increase / (decrease) in cash and cash equivalents** | **7.6** | 6.8 |
| **Change in net funds resulting from cash flows** | **7.6** | 6.8 |
| Translation movements | **(0.4)** | - |
| **Movement in net funds in the period** | **7.2** | 6.8 |
| Opening net funds | **(4.1)** | (10.0) |
| Movement in interest bearing loans, borrowings and deferred consideration | **(46.8)** | - |
| Movement in lease liabilities | **(3.5)** | (0.9) |
| **Closing net funds** | **(47.2)** | (4.1) |

## 7. Analysis of net funds

| | **2024** **£m** | 2023 £m |
|---|---|---|
| Cash and cash equivalents – current assets | **18.2** | 11.0 |
| Interest-bearing loans and borrowings – current liabilities | **(41.2)** | (8.0) |
| Interest-bearing loans and borrowings – non-current liabilities | **(14.5)** | (0.9) |
| Lease liabilities | **(9.7)** | (6.2) |
| **Closing net funds** | **(47.2)** | (4.1) |

## 8. Acquisitions

The Group acquired 100% of the share capital of Boston Conveyor & Automation Inc (BCA) on 18 September 2024 and 100% of the share capital of Elstar Group, the parent company of CSi Palletising (CSi) on 29 November 2024.

The amounts recognised in respect of identifiable assets acquired and liabilities assumed are as set out in the table below:

| | CSi<br>£m | BCA<br>£m | **Total**<br>**£m** |
|---|---|---|---|
| Intangible assets relating to customer relationships, orderbook & technology | 29.3 | 4.5 | **33.8** |
| Property, plant and equipment | 4.7 | 1.1 | **5.8** |
| Inventories | 8.7 | - | **8.7** |
| Cash | 5.5 | 2.9 | **8.4** |
| Trade receivables | 14.3 | 0.5 | **14.8** |
| Prepayments and accrued income | 5.0 | 0.1 | **5.1** |
| Deferred tax | 2.5 | - | **2.5** |
| Trade payables | (5.1) | (0.2) | **(5.3)** |
| Accruals and other payables | (12.4) | (3.6) | **(16.0)** |
| Corporation tax | (0.5) | - | **(0.5)** |
| Contract liabilities | (26.9) | - | **(26.9)** |
| Deferred tax | (7.3) | - | **(7.3)** |
| Provisions | (2.9) | - | **(2.9)** |
| **Total identifiable net assets at fair value** | 14.9 | 5.3 | **20.2** |
| Goodwill arising on acquisition | 50.8 | 10.1 | **60.9** |
| **Total Consideration** | 65.7 | 15.4 | **81.1** |
| **Satisfied by:** | | | |
| Cash consideration | 52.7 | 8.8 | **61.5** |
| Issue of new ordinary shares in Mpac Group plc | 5.2 | 4.8 | **10.0** |
| Vendor loans | 5.2 | - | **5.2** |
| Deferred consideration | 2.6 | - | **2.6** |
| Cash and working capital adjustments | - | 1.8 | **1.8** |
| **Total consideration** | 65.7 | 15.4 | **81.1** |
| **Net cash outflow arising on acquisition** | | | |
| Cash paid | (52.7) | (10.6) | **(63.3)** |
| Net cash acquired | 5.5 | 2.9 | **8.4** |
| **Net cash outflow arising on acquisition** | (47.2) | (7.7) | **(54.9)** |

## 9. Annual Report and Accounts

Shareholders will be notified, on or around 5 May 2025 of the availability of the Annual Report and Accounts, together with the Company's Notice of Annual General Meeting ("AGM"), via a Regulatory Information Service announcement. Copies of the documents will be available on the Group's website at www.mpac-group.com. Shareholders that have elected to receive a hard copy of the Annual Report and Accounts, together with the Notice of AGM will receive them shortly after. Details of arrangements for voting at the AGM will also be notified to shareholders at the same time. The AGM will be held at 12 noon on 12 June 2025 at Mpac Group plc, 2 Argosy Court, Coventry, CV3 4GA.