

22 September 2025

AIM: MPAC



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

Half Year Results for the six months to 30 June 2025

H1 operating performance as expected although Q2 order intake impacted by tariff uncertainty

Full year market guidance remains unchanged

Mpac (AIM: MPAC), the global packaging and automation solutions Group, today announces its unaudited financial results for the six months to 30 June 2025 (the "Period" or "H1").

Financial Highlights

£'m	H1 25	H1 24	Change
Order intake	64.2	59.7	+7.5%
Order intake – 2024 acquisitions	26.5	-	-
Order intake – pre-acquisition BUs	37.7	59.7	(36.9%)
Closing order book	91.7	77.5	+18.3%
Total revenue	84.7	60.0	+41.2%
Total revenue – 2024 acquisitions	36.4	-	-
Total revenue – pre-acquisition BUs	48.3	60.0	(19.5%)
Underlying operating profit	7.5	4.5	+67%
Underlying* profit before tax	5.0	4.0	+25%
Underlying* earnings per share **	12.1p	15.2p	(20.4%)
Statutory (loss)/profit before tax	(9.4)	3.3	(12.7)m
Basic (loss)/earnings per share	(36.0)p	15.0p	(51.0)p
Net cash/(debt)	(43.2)	(4.9)	(38.3)m

* Non-underlying items include pension costs and reorganisation costs (note 5)

** Underlying EPS reflect the dilutive effect of the issue of 9,598,849 shares related to the 2024 acquisitions of CSi and BCA

Operational and Strategic highlights

- The Group delivered revenue growth of 41.2% during the Period as the acquisitions undertaken in H2 2024 made a material contribution, offsetting the lower revenue in the existing business during the Period mainly due to tariff uncertainty.
- 90 OE orders won from 41 different customers, with 42% of all OE orders having been won from new customers to the Group.
- Underlying operating margin up to 8.9% from 7.5% driven by improved gross margins and operating leverage.
- Underlying operating profit up 67% as a result of the increased revenue and gross margin improvement.
- The 2024 acquired businesses of CSi, BCA and Siga Vision are performing well and in line with expectations. Integration is progressing according to plan.
- Rapid reaction to changing marketing dynamics from tariff uncertainty with significant progress made in the consolidation of US operational footprint following the announcement of the closure of the Cleveland facility, reducing cost base and improving operational leverage.

- H1 opening of a new low-cost Malaysian engineering hub, along with initial assembly purchase orders from pre-acquisition businesses directed to the low cost CSi Romanian facility.
- Statutory loss of £9.4m reflects non-underlying operating expenditure of £15.4m which includes the non-cash cost of £11.5m from consolidating the US footprint.
- Growth in recurring Service business revenue and margins as well as good progress made in the integration of Service business model of acquired businesses.
- Red Dot Award received for design and innovation of recently launched top load 'Horizon' cartoner.
- Buy-in of the UK defined benefit pension scheme announced in July 2025, with Aviva to cover all known future liabilities.
- Three Non-Executive appointments to the Board separately announced today which will provide additional experience and skills to support the Group and its growth ambitions.

Current trading and outlook

- Guidance for FY 2025 was revised in early July following lower than expected OE order intake in H1, mainly associated with prospects in the US. Current trading is in line with these revised expectations.
- Order intake since the half year end has been in-line with revised expectations, with continued and anticipated slower OE order intake from customers in the US. The current order book is c.£93m, with the margin on projects in the order book in line with expectations.
- The 2024 acquisitions of CSi and BCA along with the wider recurring Service business continue to perform well. The prospect pipeline continues to increase, aided by cross selling opportunities although the timing for a broader market recovery remains uncertain.
- Net debt at the end of August was higher than December 2024 at £45.0m, reflecting project delivery timing and deposits from Q2 order intake. This is expected to unwind in H2 with full year forecast debt expected to be in line with the Board's expectations. The Group expects to remain comfortably within its covenants with significant headroom.

Adam Holland, Chief Executive Officer, commented:

"As we announced in July, the impact of US trade tariffs, falling consumer confidence, and growing economic uncertainty impacted order intake in the first half of the year resulting in our customers deferring capital investment decisions, particularly in the Americas region. The proactive steps that we announced in July to accelerate the consolidation of our operational footprint in the US and to simplify our business in response to challenging conditions sets a direction of travel that will position the Group for future growth when markets fully recover. Order intake during Q3 has been in line with our revised expectations, and we remain on track to meet guidance for the full year."

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Notes to Editor

Mpac (AIM: MPAC) is a global leader in engineering and technology, designing, precision engineering, manufacturing, and supporting high-speed packaging equipment and solutions.

Mpac serves 80 countries across four key regions around the world including the Americas, EMEA, and APAC. The Company operates in the attractive growth markets of Food & Beverage, and Healthcare. These targeted markets boast significant growth opportunities.

Through its six core product lines – BCA, Lambert, Langen, Switchback, CSI and SIGA Vision – the Company provides Original Equipment and Services for automated high-speed packaging, from assembly of products through to case packing and palletising. Mpac's Service offering ensures a stable and recurring revenue after the sale of Original Equipment.

Mpac is a people-driven business. It employs more than 1000 colleagues around the world including more than 500 dedicated global engineers & designers. The business is underpinned by Mpac's key strategic pillars, including innovation, which remain fundamental to the Company's long-term sustainable growth.

Mpac is headquartered in Tadcaster, UK and operates sites in the US and Mexico, Canada, the Netherlands, Romania, Malaysia and Singapore.

HALF-YEAR MANAGEMENT REPORT

Introduction

Mpac serves customers' needs for ingenious, innovative automation and packaging machinery. We design, precision engineer, manufacture and support high-speed automation and packaging solutions, with embedded process monitoring systems.

The Group is focused on the large resilient Food and Beverage, and Healthcare markets. The opportunities for the Group are based on the following fundamental strengths:

- Robust long-term growth drivers in our substantial target Healthcare and Food & Beverage markets
- Leadership in innovative, high-speed packaging machinery and automation solutions
- Global reach with embedded local presence providing exceptional service to our customers
- A talented and engaged workforce with deep engineering know how
- Extensive Original Equipment installed base to drive Service revenues

The Board believes that these fundamental long-term strengths place Mpac in a strong position and that the Group continues to make good progress towards achieving its long-term strategic objectives.

A strong opening order book, good performance from the 2024 acquisitions of CSi, BCA and Siga Vision, and healthy short-cycle service business all materially contributed to H1 revenue and operating performance in line with management expectations. However, Original Equipment ("OE") order intake and revenue in the Langen, Lambert and Switchback businesses slowed materially in Q2, with the Americas region particularly impacted, as customers responded to growing uncertainty around tariffs by deferring capital investments. This resulted in the Board lowering its full year expectations as announced by the Company on 1 July 2025.

The Board can confirm that performance for FY 2025 is in line with revised guidance although the timing of a broader market recovery remains uncertain.

Overview

H1 order intake of £64.2m (£37.7m without 2024 acquisitions) was lower than expected, impacted by delayed customer decision making, particularly in the US, but was ahead of prior year (H1 2024: £59.7m). Order intake in our 2024-acquired businesses was in line with expectations. The H1 2025 closing order book of £91.7m (H1 2024: £71.4m) provides extensive coverage over revised forecast revenue for the remainder of 2025.

Revenue generated from OE projects and Service was £84.7m in H1 (£48.3m without 2024 acquisitions), compared to £60.0m in the prior year. Gross and operating margins have increased, underpinned by increasing operational leverage and efficiency. As has been the case in prior years, operating returns are anticipated to be weighted to the second half due to improved project margins.

The timing of individual orders and project billing milestones has an impact on working capital and we closed H1 with elevated levels of unbilled revenue associated with projects expected to complete in H2 2025 and net debt of £43.2m. The build-up of working capital is expected to unwind as the projects complete.

The outlook for the Group remains positive, with broader secular trends of innovation and investment in automation supporting long term demand growth for OE. We carry forward a strong prospect pipeline and order book that supports delivery of FY25, across an increasingly broad range of companies in our core end markets. Our strong balance sheet provides us with the ability to invest for growth over the medium term and beyond.

Strategic update

Further progress has been made on executing our strategic initiatives:

Going for Growth

Whilst the timing of orders in H1 has impacted short-term performance, the fundamental drivers of long-term growth remain a strategic focus for the Group. A key element of our growth strategy is to focus on broadening our customer base with new global blue-chip accounts and to drive commercial synergies following the 2024 acquisitions. Progress in developing cross-selling opportunities into existing global customers is encouraging, improving the baseline for future revenue growth. The significant value of recent quote activity related to cross selling between CSi and the other Mpac product lines resulted in the first fuller-line OE order from a global blue chip FMCG customer. Our strategy remains focused on our core markets and broadening the customer base of strategic global accounts.

Outstanding Customer Service

Our recurring Service business has continued to make good progress following the appointment of a dedicated Group Service Director in January 2025 to support the integration of Service operations from the recently acquired businesses and establishing a roadmap of improved systems to support organic growth. Spare parts handling and fulfilment in the Americas has been moved from Canada to the US, removing the risk of import tariffs and providing our US customers with a local source for all of their Service needs. Development of our digital offering continues to attract customer interest, with innovation underpinning growth in this space.

Innovation

In H1 we were excited to announce the expansion of our mid-range horizontal cartoning portfolio with the launch of Brisa. Brisa forms part of a new frozen pizza-focused range of three cartoning solutions, alongside the Ostro and the Maestro, meaning that we now cover a broad spectrum of speeds, formats, flexibility, and wash-down requirements. This provides customers with tailored options at different investment levels, strengthening our position in a key growth segment. Advances in infeed technology, including AI-driven optimisation, are improving real-world performance and productivity. These developments help customers reduce operating costs and increase efficiency, aligning with their spend and throughput requirements.

Our digital solutions continue to gain traction. *Cube Connect* installations are delivering measurable benefits, with customers valuing accurate, broad data capture that reduces reliance on manual operator input. Combined with *Mpac Replay* - our camera system that links real-time video to machine data - these tools enhance productivity throughout the machine's life and enable more effective service interventions and has been made possible following the 2024 acquisition of SIGA Vision.

In Q2 we were pleased to announce that our newly launched Horizon top load cartoner has won the highly respected 'Red Dot' design award.

Operational Excellence

Consolidation of operations in the US was launched in July following the decision to accelerate plans in response to market conditions, closing the facility in Cleveland Ohio. This was accompanied by capacity management actions across the Group, including reduced capacity in Mississauga Canada, designed to increase utilisation and protect margin without compromising long term strategic growth. During H1 the first steps were taken to take advantage of lower cost build and assembly facilities in Romania, supporting the Lambert and Langen businesses in Europe, and the launch of a low-cost engineering centre in Malaysia. These actions will be a focus in H2 2025 and beyond as the Group works to improve utilisation and reduce costs.

People

Our employees are our most important asset, and we made strong progress on our strategy in the first half of 2025. We finalised our talent management strategy, mapping critical roles, and initiating a comprehensive skills and competencies review across both existing and newly integrated businesses. Following the acquisition of CSi and BCA we have aligned HR policies and delivered onboarding and culture integration programmes to embed our values and ways of working. The workforce skills analysis and updated competency framework now give us a clear, data-driven view of our current capabilities and gaps, enabling targeted development plans for leadership,

technical expertise, and future-focussed skills. These actions are establishing the foundations to build a unified, agile, and skilled workforce, positioning us to meet strategic growth objectives and support ongoing integration.

Financial results

The Group entered 2025 with a diverse and good quality order book which, along with H1 order intake, resulted in sales in the period of £84.7m (H1 2024: £60.m), a 41.2% increase on prior year. On a like for like basis (pre-acquisitions), revenue declined 20% reflecting the slowing of US order intake, whilst other regions were less effected. Gross profit margins increased to 36.0% (H1 2024: 28.2%), driven by a favourable product mix in the period.

Order intake in the period increased to £64.2m, 7.5% above H1 2024. Like for like order intake (pre-acquisitions) was 37% below the prior year. We held a £91.7m order book going into the second half of 2025, providing good coverage of updated revenue expectations for FY 2025. The full year revenue expectation is based upon £19.0m (11%) of revenue coming from orders still to be won in H2 2025, primarily from short-cycle service business.

Underlying profit before tax was £5.0m (H1 2024: £4.0m). After a net tax charge of £1.3m (H1 2024: £0.9m), underlying profit after tax for the Period was £3.7m (H1 2024: £3.1m). Underlying earnings per share was 12.1p (H1 2024: 15.2p), diluted by the share issuance in 2024 to finance acquisitions.

The underlying results are stated before pension-related credits/charges of £0.1m (H1 2024: £0.2m), comprising charges in respect of administering the Group's defined benefit pension schemes of £0.9m (H1 2024: £0.5m) and finance income on pension scheme balances of £1.0m (H1 2024: £0.7m), amortisation of acquired intangible assets of £3.0m (H1 2024: £0.8m) and acquisition costs of £nil (H1 2024: £0.1m). In H1 2025 the Group incurred a non-cash charge of £11.5m related to the consolidation of the Cleveland and Boston sites.

On a statutory basis, the loss after tax for the period was £10.8m (H1 2024: profit £3.1m). The basic loss per share amounted to 36.0p (H1 2024: earnings of 15.0p).

Operating performance

Overall revenue increased by 41.2% to £84.7m (H1 2024: £60.0m) supported by strong order intake and execution of projects.

The Group manages the business in two parts, Original Equipment (OE) and Service, and across three regions (Americas, EMEA and Asia Pacific). Individual contracts received by the OE business can be sizeable. Accordingly, one significant order can have a disproportionate impact on the growth rates seen in individual markets year on year.

Original Equipment ("OE")

OE order intake decreased by 3.2% to £42.7m (H1 2024: £44.1m), the reduction being mainly associated with delayed order intake from customers in the US.

Revenue increased by 47.5% to £65.8m (H1 2024: £44.6m). On a like-for-like basis revenue was £36.1m, 19% below the prior half year.

EMEA OE revenue increased by 93.3% to £34.8m (2024: £18.0m), whilst Americas OE revenue overall increased by 39% to £28.8m (H1 2024: £20.7m), due mainly to trading of opening order book. APAC decreased by 62.3% to £2.2m (H1 2024: £5.9m). Growth in EMEA was primarily due to the inclusion of CSi which has a significant proportion of its revenue from customers in the region.

Service

Service order intake of £21.5m represents a 27.0% increase on the strong prior half year, which was 5% up on H1 2023. On a like for like basis, Service order intake was 8% lower at £14.4m.

Service revenue was 23% above the prior half year at £18.9m (H1 2024: £15.4m). On a like for like basis, Service revenue was broadly in line. Overall, Service revenue represented approximately 22.3% of Group revenue in the period.

Finances

Gross cash as at 30 June 2025 was £8.6m (30 June 2024: £6.0m; 31 December 2024: £18.2m) after utilisation of borrowing facilities of £50.9m (30 June 2024: £10.0m, 31 December 2024: £54.8m). Cash balances are impacted by the timing of project order intake and associated working capital cycles with an unwind expected in H2 2025.

Net cash outflow from operating activities in the first half of the year was £0.7m, after an increase in working capital levels of £7.0m, due mainly to the timing of deposits from new orders and project execution milestones, with deficit recovery payments to the Group's defined benefit pension schemes of £0.1m and payments to the escrow account of £1.2m. Capital and product development expenditure in the first half of the year was £2.2m (30 June 2024: £1.4m).

The Group maintains bank facilities appropriate to its expected needs including committed borrowing facilities with HSBC UK Bank Plc of £44m. These facilities, which are committed until September 2027, are subject to covenants covering interest cover and adjusted leverage and are both sterling and multi-currency denominated.

Dividend

Having considered the trading results to 30 June 2025, together with the opportunities for investment in the growth of the Group, the Board has decided that it is appropriate not to pay an interim dividend in respect of the Period. No dividends were paid in 2024. Future dividend payments and the development of a new dividend policy will be considered by the Board in the context of trading performance and when the Board believes it is prudent to do so.

Pension schemes

The Group is responsible for defined benefit pension schemes in the UK and the USA in which there are no active members. The Company is responsible for the payment of a statutory levy to the Pension Protection Fund.

Positively, the UK scheme purchased a buy-in policy from Aviva in the period for £249m, securing the benefits of all members of the UK scheme and almost entirely eliminating the risks to the Group from the scheme. After the purchase of the policy, the IAS 19 valuation of the UK scheme at 30 June 2025 showed a surplus of £9.2m (£6.9m net of deferred tax), compared with a surplus of £39.4m (£29.8m net of deferred tax) at 31 December 2024. The scheme is anticipated to hold a small surplus of up to £5m which will be returned.

The net valuation of the USA pension schemes at 30 June 2025, with total assets of £6.7m, showed a deficit of £1.3m, a decrease of £0.2m from 31 December 2024, caused primarily by the fall in the value of the US dollar.

The aggregate expense of administering the pension schemes was £0.9m (H1 2024: £0.5m). The net financing income on pension scheme balances was £1.0m (H1 2024: £0.7m).

Acquisition strategy

The near-term focus for the Group is on integration of acquisitions completed in 2024. The Board continues to evaluate potential acquisition opportunities that strategically fit the Group, and which will enhance our global presence in packaging solutions serving the Healthcare and Food and Beverage markets. The Company will provide updates on acquisitions whenever appropriate to do so.

Outlook

Current trading is in line with the Board's revised expectations, and the Group is well positioned to deliver on these.

The Group has a healthy order book, which has grown to £93.0m since the half year, providing good initial coverage into FY26. Pleasingly the prospect pipeline continues to increase, aided by cross selling opportunities, and order

intake during Q3 has been in-line with revised expectations, arresting the decline in Order Book that was reported in H1.

We continue to focus on executing our long-term strategy of delivering OE and Service growth, broadening our customer base, expanding our service offering, developing our people, and delivering innovative new products into our target markets.

Adam Holland

Chief Executive Officer

22 September 2025

CONDENSED CONSOLIDATED INCOME STATEMENT

		6 months to 30 June 2025 (unaudited)			6 months to 30 June 2024 (unaudited)		
	Note	Underlying £m	Non- underlying (note 5) £m	Total £m	Underlying £m	Non- underlying (note 5) £m	Total £m
Revenue	4	84.7		84.7	60.0	-	60.0
Cost of sales		(54.2)		(54.2)	(43.1)	-	(43.1)
Gross profit		30.5		30.5	16.9	-	16.9
Distribution expenses		(6.8)		(6.8)	(5.1)	-	(5.1)
Administrative expenses		(16.4)	(15.4)	(31.8)	(7.3)	(1.4)	(8.7)
Other operating income		0.2		0.2	-	-	-
Operating (loss)/profit	4, 5	7.5	(15.4)	(7.9)	4.5	(1.4)	3.1
Financial income		-	1.0	1.0	-	0.7	0.7
Financial expenses		(2.5)		(2.5)	(0.5)	-	(0.5)
Net financing (expense)/income		(2.5)	1.0	(1.5)	(0.5)	0.7	0.2
(Loss)/profit before tax	4	5.0	(14.4)	(9.4)	4.0	(0.7)	3.3
Taxation		(1.3)	(0.1)	(1.4)	(0.9)	0.7	(0.2)
(Loss)/profit for the Period		3.7	(14.5)	(10.8)	3.1	-	3.1
(Loss)/earnings per ordinary share							
Basic and diluted	7			(36.0)p			15.0p
Underlying	7			12.1p			15.0p

CONDENSED CONSOLIDATED INCOME STATEMENT (CONTINUED)

12 months to 31 December 2024 (audited)

	Notes	Underlying £m	Non- underlying (note 5) £m	Total £m
Revenue	4	122.4	-	122.4
Cost of sales		(85.6)	-	(85.6)
Gross profit		36.8	-	36.8
Distribution expenses		(10.5)	-	(10.5)
Administrative expenses		(15.1)	(8.6)	(23.7)
Other operating income		0.8	-	0.8
Operating profit	4, 5	12.0	(8.6)	3.4
Financial income		-	1.4	1.4
Financial expenses		(1.4)	-	(1.4)
Net financing expense		(1.4)	1.4	-
Profit before tax	4	10.6	(7.2)	3.4
Taxation		(2.7)	0.7	(2.0)
Profit for the Period		7.9	(6.5)	1.4
Earnings per ordinary share				
Basic	7			6.0p
Diluted	7			6.0p

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	6 months to 30 June 2025 (unaudited) £m	6 months to 30 June 2024 (unaudited) £m	12 months to 31 Dec 2024 (audited) £m
(Loss)/Profit for the Period	(10.8)	3.1	1.4
Other comprehensive (expense)/income			
Items that will not be reclassified to profit or loss			
Actuarial (losses)/gains	(30.4)	(0.2)	5.3
Tax on items that will not be reclassified to profit or loss	7.4	2.3	0.9
	(23.0)	2.1	6.2
Items that may be reclassified subsequently to profit or loss			
Currency translation movements arising on foreign currency net investments	-	(0.5)	(1.6)
Effective portion of changes in fair value of cash flow hedges	0.2	(0.1)	(0.3)
Reclassified to income statement from hedge reserve	0.3	(0.1)	0.1
	0.5	(0.7)	(1.8)
Other comprehensive (expense)/income for the Period	(22.5)	1.4	4.4
Total comprehensive (expense)/income for the Period	(33.3)	4.5	5.8

All income for the Period was derived from continuing operations

CONDENSED 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
6 months to 30 June 2025							
Balance at 1 January 2025	7.5	61.8	(0.1)	3.9	(0.3)	35.2	108.0
Profit for the Period	-	-	-	-	-	(10.8)	(10.8)
Other comprehensive (expense) / income for the Period	-	-	-	-	0.5	(23.0)	(22.5)
Total comprehensive (expense) / income for the Period	-	-	-	-	0.5	(33.8)	(33.3)
Equity-settled share-based transactions	-	-	-	-	-	-	-
Purchase of own shares	-	-	-	-	-	-	-
Total transactions with owners, recorded directly in equity	-	-	-	-	-	-	-
Balance at 30 June 2025	7.5	61.8	(0.1)	3.9	0.2	1.4	74.7
6 months to 30 June 2024							
Balance at 1 January 2024	5.1	26.0	1.5	3.9	(0.1)	27.6	64.0
Profit for the Period	-	-	-	-	-	3.1	3.1
Other comprehensive (expense) / income for the Period	-	-	(0.5)	-	(0.2)	2.1	1.4
Total comprehensive (expense) / income for the Period	-	-	(0.5)	-	(0.2)	5.2	4.5
Total transactions with owners, recorded directly in equity	-	-	-	-	-	-	-
Balance at 30 June 2024	5.1	26.0	1.0	3.9	(0.3)	32.8	68.5
12 months to 31 December 2024							
Balance at 1 January 2024	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	-	-	-	-	-	-	-
Equity issues	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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	30 June 2025 (unaudited) £m	31 Dec 2024 (audited) £m
Non-current assets			
Intangible assets	5	107.7	117.4
Property, plant and equipment		5.4	5.8
Investment property		0.8	0.8
Right of use assets		10.0	9.4
Employee benefits	6	9.2	39.4
Deferred tax assets		2.8	5.3
		135.9	178.1
Current assets			
Inventories		16.6	15.9
Trade and other receivables		57.4	59.4
Current tax assets		1.0	0.8
Cash and cash equivalents		8.6	18.2
		83.6	94.3
Current liabilities			
Lease liabilities		(3.0)	(2.2)
Trade and other payables		(64.4)	(72.1)
Current tax liabilities		(1.7)	(2.2)
Provisions		(2.7)	(2.8)
Interest-bearing loans and borrowings		(40.6)	(41.2)
		(112.4)	(120.5)
Net current liabilities		(28.8)	(26.2)
Total assets less current liabilities		107.1	151.9
Non-current liabilities			
Interest-bearing loans and borrowings		(11.2)	(14.5)
Employee benefits	6	(1.3)	(1.5)
Other payables		(1.4)	(1.3)
Deferred tax liabilities		(9.7)	(19.1)
Lease liabilities		(8.8)	(7.5)
		(32.4)	(43.9)
Net assets		74.7	108.0
Equity			
Issued capital		7.5	7.5
Share premium		61.8	61.8
Reserves		4.0	3.6
Retained earnings		1.4	35.1
Total equity		74.7	108.0

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	6 months to 30 June 2025 (unaudited) £m	6 months to 30 June 2024 (unaudited) £m	12 months to 31 Dec 2024 (audited) £m
Operating activities			
Operating (loss)/profit	(7.9)	3.1	3.4
Non-underlying items included in operating (loss)/profit	15.4	1.4	8.6
Amortisation	0.5	0.4	1.0
Depreciation	1.7	1.0	2.3
Other non-cash items	(1.3)	-	-
Pension payments	(0.1)	(1.2)	(2.3)
Working capital movements:			
- (increase)/ decrease in inventories	(0.7)	(0.7)	1.3
- decrease /(increase) in trade and other receivables	6.8	(0.7)	2.0
- (increase) / decrease increase in contract assets	(3.5)	(6.0)	3.6
- (decrease) / increase in trade and other payables	(4.6)	(0.1)	0.6
- decrease in contract liabilities	(3.9)	(2.2)	(14.7)
- decrease in provisions	(1.1)	(0.1)	(0.2)
Cash flows from continuing operations before reorganisation	1.3	(5.1)	5.6
Acquisition and reorganisation costs paid	(1.4)	(0.1)	(1.4)
Cash flows from operations	(0.1)	(5.2)	4.2
Taxation (paid) / received	(0.6)	0.6	(1.6)
Cash flows (used in) / from operating activities	(0.7)	(4.6)	2.6
Investing activities			
Proceeds from sale of property, plant and equipment	-	0.2	0.4
Acquisition of property, plant and equipment	(0.6)	(1.0)	(1.9)
Capitalised development expenditure	(1.6)	(0.6)	(3.1)
Net cash flow on acquisition of subsidiaries	-	-	(54.9)
Cash flows from investing activities	(2.2)	(1.4)	(59.5)
Financing activities			
Interest paid	(1.4)	(0.3)	(1.2)
Proceeds from equity raise	-	-	28.4
Repayment of term loans	(3.2)	-	-
Proceeds from borrowings	-	2.0	38.5
Principal elements of lease payments	(1.2)	(0.6)	(1.2)
Cash flows from financing activities	(5.8)	1.1	64.5
Net increase/(decrease) in cash and cash equivalents	(8.7)	(4.9)	7.6
Cash and cash equivalents at 1 January	18.2	11.0	11.0
Effect of exchange rate fluctuations on cash held	(0.9)	(0.1)	(0.4)
Cash and cash equivalents at Period end	8.6	6.0	18.2

NOTES TO ANNOUNCEMENT

1. General information

The half-year results for the current and comparative Period are unaudited but have been reviewed by the auditors, PKF Littlejohn LLP, and their report is set out after the notes. The comparative information for the year ended 31 December 2024 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The Group's statutory accounts have been reported on by the Group's auditor and delivered to the Registrar of Companies. The report of the auditor was (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report, and (iii) did not contain a statement under section 498(2) or (3) of the Companies Act 2006. The Group's statutory accounts for the year ended 31 December 2024 are available from the Company's registered office at Station Estate, Station Road, Tadcaster, North Yorkshire, LS24 9SG or from the Group's website at www.mpac-group.com.

The Directors have considered the trading outlook of the Group for an 18-month Period ending 31 December 2026, its financial position, including its cash resources and access to borrowings, and its continuing obligations, including to its defined benefit pension schemes. Having made appropriate enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the condensed set of financial statements.

The condensed set of interim financial statements was approved by the Board of directors on 22 September 2025.

2. Basis of preparation

(a) Statement of compliance

The condensed set of interim financial statements for the 6 months ended 30 June 2025 has been prepared in accordance with UK-adopted international accounting standards, and in particular IAS 34 Interim financial reporting. It does not include all the information required for full annual financial statements and should be read in conjunction with the financial statements of the Group for the year ended 31 December 2024.

(b) Judgements and estimates

The preparation of the condensed set of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the condensed set of financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were of the same type as those that applied to the financial statements for the year ended 31 December 2024.

Mpac is subject to a number of risks which could have a serious impact on the performance of the business. The Board regularly considers the principal risks that the Group faces and how to mitigate their potential impact. The key risks to which the business is exposed are set out on pages 21 to 25 of the Group's 2024 Annual Report and Accounts.

3. Significant accounting policies

The accounting policies, presentation and methods of computation applied by the Group in this condensed set of interim financial statements are the same as those applied in the Group's latest audited financial statements. No new accounting standards have been applied for the first time in these condensed interim financial statements.

4. Operating segments

It is the Group's strategic intention to develop "One Mpac", accordingly segmental reporting reflects the split of sales by both Original Equipment (OE) and Service together with the regional split, Americas, EMEA and Asia. The Group's operating segments reflect the basis of the Group's management and internal reporting structure.

Unallocated costs include distribution and administrative expenditure. Further details in respect of the Group structure and performance of the segments are set out in the half-year management report.

	6 months to 30 Jun 2025			6 months to 30 Jun 2024			12 months to 31 Dec 2024		
	OE	Service	Total	OE	Service	Total	OE	Service	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Revenue									
Americas	28.8	9.2	38.0	20.7	7.2	27.9	44.9	15.4	60.3
EMEA	34.8	8.8	43.6	18.0	6.7	24.7	33.8	13.1	46.9
Asia Pacific	2.2	0.9	3.1	5.9	1.5	7.4	12.5	2.7	15.2
Total	65.8	18.9	84.7	44.6	15.4	60.0	91.2	31.2	122.4
Gross profit			30.5			16.9			36.8
Selling, distribution & administration			(23.0)			(12.4)			(24.8)
Underlying operating profit			7.5			4.5			12.0
Unallocated non-underlying items included in operating profit			(15.4)			(1.4)			(8.6)
Operating (loss)/profit			(7.9)			3.1			3.4
Net financing (expense)/income			(1.5)			0.2			-
(Loss)/Profit before tax			(9.4)			3.3			3.4

5. Non-underlying items and alternative performance measures

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 administration charges and interest, significant reorganisation costs, acquisition or disposal costs, amortisation of acquired intangible assets, profits or losses arising on discontinued operations, significant impairments of tangible and intangible assets and related taxation 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 measure reviewed by key stakeholders.

In the period, the Group took the opportunity to consolidate its US footprint by closing the Cleveland site and moving its operations to the Boston site acquired in 2024. The net book value of the acquired intangible assets and goodwill were considered to be impaired after an assessment was done in line with IAS36, this resulted in an £8.5m charge to non-underlying administrative expenses.

Management also considered the property value, which was impaired to zero net book value as the Group has neither an ongoing use or a replacement tenant for the building. Leasehold improvements, being integral to the building, were similarly impaired. The result of this was a £1.9m charge to non-underlying administrative expenses.

The Group also created a provision for the remaining costs to run, close and consolidate the Cleveland site into Boston, these costs include, but are not limited to, payroll, bonuses and logistics. These amounted a charge of £1.1m to non-underlying administrative expenses.

The Group elects to include costs relating to the defined benefit pension scheme in non-underlying as the costs would be immaterial to the Group should the scheme not exist.

	6 months to 30 June 2025 £m	6 months to 30 June 2024 £m	12 months to 31 Dec 2024 £m
Acquisition costs	-	(0.1)	(3.5)
Defined benefit pension scheme administration costs (note 6)	(0.9)	(0.5)	(1.4)
Impairment of intangible assets	(8.5)	-	(1.0)
Amortisation of intangibles from business combinations	(3.0)	(0.8)	(2.1)
Freyr contract termination costs	-	-	(0.6)
Impairment of fixed assets	(1.9)	-	-
Site closure costs	(1.1)	-	-
Total non-underlying operating expenditure	(15.4)	(1.4)	(8.6)
Net financing income on pension scheme balances	1.0	0.7	1.4
Total non-underlying expense before tax	(14.4)	(0.7)	(7.2)

The Group uses alternative performance measures (APM's), in addition to those reported under IFRS, as management believe these measures enable the users of financial statements to better assess the underlying trading performance of the business. The APM's used include underlying operating profit, underlying profit before tax and underlying earnings per share. These measures are calculated using the relevant IFRS measure as adjusted for non-underlying income/(expenditure) listed above.

The carrying amounts of goodwill are £5.7m (FY 2024: £5.7m) in respect of Mpac Lambert (acquired in 2019), £nil (FY 2024: £7.5m) in respect of Switchback Group (acquired in 2020), £50.8m in respect of CSI Palletising (FY 2024: £50.8m) and £10.1m in respect of Boston Conveyor & Automation (FY 2024: £10.1m) (both acquired in 2024).

6. Employee benefits

The Group accounts for pensions under IAS 19 Employee benefits. The most recent formal valuation of the UK defined benefit pension scheme (Fund) was completed as at 30 June 2024, which 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).

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 30 June 2025 and modified as appropriate for the purposes of IAS 19, have been applied in this set of financial statements.

Profit before tax includes charges in respect of the defined benefit pension schemes' administration costs of £0.9m (30 June 2024: £0.5m) and a net financing income on pension scheme balances of £1.0m (30 June 2024: £0.7m). In respect of the UK scheme, the Group no longer makes contributions to the scheme, but to an escrow account which can only be accessed by the scheme under certain circumstances and is expected to be returned to the Group when the scheme winds up. The balance of this account was £1.2m at 30 June 2025. (30 June 2024: contributions of £1.1m). Contributions to the US scheme totalled £0.1m (30 June 2024: £0.1m)

Employee benefits include the net pension asset of the UK defined benefit pension scheme of £9.2m (30 June 2024: £33.0m) and the net pension liability of the USA defined benefit pension schemes of £1.3m (30 June 2024: £1.6m), all figures before tax.

Employee benefits as shown in the condensed consolidated statement of financial position were:

	30 June 2025 £m	31 Dec 2024 £m
UK scheme		
Fair value of assets	241.9	275.8
Present value of defined benefit obligations	(232.7)	(236.4)
Defined benefit asset	9.2	39.4
USA schemes		
Fair value of assets	6.7	7.5
Present value of defined benefit obligations	(8.0)	(9.0)
Defined benefit liability	(1.3)	(1.5)
Total net defined benefit asset	7.9	37.9

7. Earnings per share

Basic earnings per ordinary share is calculated by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the period excluding shares held by the employee trust in respect of the Company's long-term incentive arrangements. For diluted earnings per ordinary share, the weighted average number of shares includes the diluting effect, if any, of own shares held by the employee trust and the effect of the Company's long-term incentive arrangements.

	6 months to 30 June 2025	6 months to 30 June 2024	12 months to 31 Dec 2024
Basic – weighted average number of ordinary shares	30,073,273	20,474,424	22,551,963
Diluting effect of shares held by the employee trust	-	-	-
Effect of shares conditionally granted under the LTIP	-	-	60,486
Diluted – weighted average number of ordinary shares	30,073,273	20,474,424	22,612,449

Underlying earnings per share, which is calculated on the earnings before non-underlying items, for the 6 months to 30 June 2025 amounted to 12.1p (6 months to 30 June 2024: 15.2p; 12 months to 31 December 2024: 35.2p).

In the 6 months to 30 June 2025 and 30 June 2024 the effect of dilution was nil pence per share. The effect of the dilution at 31 December 2024 was 0.1 pence per share.

8. Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended 31 December 2024.

The Group enters forward foreign exchange contracts solely for the purpose of minimising currency exposures on sale and purchase transactions. The Group has classified its forward foreign exchange contracts used for hedging as cash flow hedges and states them at fair value.

9. Related parties

The Group has related party relationships with its directors and with the UK and USA defined benefit pension schemes. There has been no material change in the nature of the related party transactions described in note 30 of the 2024 Annual Report and Accounts.

10. Dividends

Having considered the trading results to 30 June 2025, together with the opportunities for investment in the growth of the Company, the Board has decided that it is appropriate not to pay an interim dividend. No dividends were paid in 2024. Future dividend payments and the development of a new dividend policy will be considered by the Board in the context of 2025 trading performance and when the Board believes it is prudent to do so.

11. Half-year report

A copy of this announcement will be made available to shareholders from 23 September 2025 on the Group's website at www.mpac-group.com. This announcement will not be made available in printed form.

12. Future accounting policies

There are no changes anticipated to the Group's accounting policies in the foreseeable future

INDEPENDENT REVIEW REPORT TO MPAC GROUP PLC

Conclusion

We have been engaged by Mpac Group plc ("the group") to review the condensed set of financial statements in the half-year financial report for the six months ended 30 June 2025 which comprise the Condensed Consolidated Income Statement, the Condensed Consolidated Statement of Comprehensive Income, the Condensed Consolidated Statement of Changes in Equity, the Condensed Consolidated Statement of Financial Position, the Condensed Consolidated Statement of Cash Flows and related notes. We have read the other information contained in the half-year financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-year financial report for the six months ended 30 June 2025 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34 "Interim Financial Reporting," and the requirements of the AIM Rules for Companies.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity," issued for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 2(a), the annual financial statements of the group are prepared in accordance with UK adopted IASs. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with UK adopted International Accounting Standard 34, "Interim Financial Reporting."

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that management have inappropriately adopted the going concern basis of accounting or that management have identified material uncertainties relating to going concern that are not appropriately disclosed. This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410, however future events or conditions may cause the group to cease to continue as a going concern.

Responsibilities of directors

The directors are responsible for preparing the half-year financial report in accordance with the AIM Rules for Companies.

In preparing the half-year financial report, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the review of financial information

In reviewing the half-year report, we are responsible for expressing to the group a conclusion on the condensed set of financial statements in the half-year financial report. Our conclusion, including our conclusions relating to going concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report.

Use of our report

This report is made solely to the company's directors, as a body, in accordance with the terms of our engagement letter dated 7 August 2024. Our review has been undertaken so that we might state to the company's directors those matters we have agreed to state to them in a reviewer's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's directors as a body, for our work, for this report, or for the conclusions we have formed.

PKF Littlejohn LLP
Statutory Auditor

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Canary Wharf
London E14 4HD

22 September 2025