

## COO joins Mpac for the next phase of growth

27 January 2025

Mpac has announced three senior management appointments, including the appointment of a Chief Operating Officer who will join the Group on 27 January 2025. These appointments align the Group structure with the five 'strategic pillars' that Mpac has previously set out: 'Going for growth', 'Outstanding customer service', 'Operational excellence', 'Innovation' and 'People'. Following the acquisitions of CSi Palletising and BCA in 2024, the appointments establish the management structure required for the enlarged group and the basis for further growth. The respective strategic 'pillars' and roles are:

- **'Operational excellence' pillar, a new role: Chief Operating Officer, Steve Blair.** Steve spent 17 years at GKN Aerospace, latterly as COO for the UK and Nordics regions, with over 5,200 employees and turnover of c.£1.3bn. Since 2021, Steve has been part of the executive management team at Malvern Panalytical and received a Spectris leadership award in 2022.
- **'Going for growth' pillar, a new role: Chief Commercial Officer, Mike Brown.** With 30 years' sales experience, and six years with Mpac as Americas Regional MD, Mike will lead global Group sales and marketing, bringing together teams across the enlarged group. Mike is based in N. America.
- **'Outstanding customer service' pillar, a new role: Group Services Director, David Taylor.** Previously MD at Mpac Lambert, David will be responsible for all customer service operations.
- **'Innovation' pillar, Group Innovation Director: Mike Lewis** continues in role, responsible for product development across the range of Mpac automated systems technology.
- **'People' pillar, Group HR Director: Tammy Bristow** continues in role, responsible for developing the Mpac team to support growth.

Willam Wilkins continues as **CFO** and Duncan Tyler as **Corporate Development Director** with responsibility for M&A activities. These seven roles will report to CEO Adam Holland.

In addition, the Group has announced that CSi Palletising CEO, Jan de Bruijn, will retire in March 2025, as planned, and will continue to work with Mpac as an advisor. He will be succeeded by Adam Ward as CSi MD. Adam was previously Regional Managing Director EMEA and APAC, leading the Mpac Lambert business in Tadcaster UK and Mpac Langen in Wijchen Netherlands.

Overall, we expect that the introduction of the new management structure and team will be a process of measured transition across various levels of management within the Group companies and operations.

### Company Data

EPIC	MPAC.L
Price (last close)	576p
52 weeks Hi/Lo	590p/335p
Market cap	£173m
ED Fair Value	865p
Proforma net debt	£4.9m
Avg. daily volume	70k

### Share Price, p



Source: investing.com

### Description

Mpac Group is a specialist provider of high-speed packaging and automation systems employing c.1,000 people. The group comprises: Mpac Langen; Mpac Lambert; Mpac Switchback; Mpac BCA; CSi Palletising, acquired in October 2024. The Group generates over 90% of revenue internationally. Core customer verticals include the healthcare, food & beverage and clean energy sectors. Clients include Advent, AstraZeneca, Bausch & Lomb, Dexcom, Diageo, GSK, J&J, Kellogg's, Nestlé, Philips, P&G, 3M, and Unilever.

### Next event

FY24 Results, w/c 28 April 2025

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### Earnings and outlook

Yr to 31 Dec (£m)	2022	2023	2024E	2025E	2026E
Revenue	97.7	114.2	129.8	218.1	233.1
EBITDA (adj)	6.8	10.7	14.3	23.9	29.7
Pre-Tax Profit (adj)	3.5	7.1	10.2	16.9	21.7
EPS (adj, p)	13.1	26.2	31.8	43.4	54.7
Net debt / (Cash)	4.7	(2.1)	25.9	14.2	0.4
P/E	43.9x	22.0x	18.1x	13.3x	10.5x
EV/EBITDA	25.4x	16.1x	12.1x	7.2x	5.8x
EBITDA (adj.) mrg	7.0%	9.4%	11.0%	11.0%	12.7%

Source: Company data. Equity Development estimates.

## Summary financials

P&L												
£m	H1 22	H2 22	H1 23	H2 23	H1 24	H2 24E	FY21	FY22	FY23	FY24E	FY25E	FY26E
Revenue	50.6	47.1	52.8	61.4	60.0	62.8	94.3	97.7	114.2	129.8	218.1	233.1
Gross	10.7	13.7	12.6	19.0	16.9	19.4	28.9	24.4	31.6	36.3	50.4	55.8
Margin	21.1%	29.1%	23.9%	30.9%	28.2%	30.9%	30.6%	25.0%	27.7%	28.9%	34.0%	32.3%
Sum operating costs	(9.5)	(11.0)	(10.4)	(13.4)	(12.4)	(12.6)	(20.1)	(20.5)	(23.8)	(25.0)	(32.1)	(32.5)
One-off costs	(1.8)	(2.1)	(2.4)	(1.5)	(1.4)	(1.6)	(0.5)	(3.9)	(3.9)	(3.0)	(3.0)	(3.0)
EBIT Reported	(0.6)	0.6	(0.2)	4.1	3.1	5.2	8.3	0.0	3.9	8.3	15.3	20.3
EBIT Adjusted	1.2	2.7	2.2	5.6	4.5	6.8	8.8	3.9	7.8	11.3	18.3	23.3
Margin	2.4%	5.7%	4.2%	9.1%	7.5%	10.8%	9.3%	4.0%	6.8%	8.7%	8.4%	10.0%
Amortisation	(0.3)	(0.6)	(0.3)	(0.5)	(0.4)	(0.0)	(0.6)	(0.9)	(0.8)	(0.4)	(1.8)	(2.2)
Depreciation	(1.0)	(1.0)	(0.9)	(1.2)	(1.0)	(1.6)	(1.8)	(2.0)	(2.1)	(2.6)	(3.8)	(4.2)
EBITDA Reported	0.7	2.2	1.0	5.8	4.5	6.8	10.7	2.9	6.8	11.3	20.9	26.7
EBITDA Adjusted	2.5	4.3	3.4	7.3	5.9	8.4	11.2	6.8	10.7	14.3	23.9	29.7
Margin	4.9%	9.1%	6.4%	11.9%	9.8%	13.3%	11.9%	7.0%	9.4%	11.0%	11.0%	12.7%
Financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial expense	(0.1)	(0.3)	(0.3)	(0.4)	(0.5)	(0.6)	(0.2)	(0.4)	(0.7)	(1.1)	(1.4)	(1.6)
PBT Reported	(0.5)	0.7	(0.1)	4.8	3.3	2.0	8.0	0.2	4.7	5.3	10.4	15.2
PBT Adjusted	1.1	2.4	1.9	5.2	4.0	6.2	8.6	3.5	7.1	10.2	16.9	21.7
Tax	(0.3)	(0.3)	(0.6)	(1.4)	(0.9)	0.0	(0.4)	(0.6)	(2.0)	(0.9)	(4.3)	(5.8)
PAT Reported	(0.8)	0.3	(0.7)	3.5	2.4	2.0	7.6	(0.4)	2.7	4.4	6.1	9.4
PAT Adjusted	0.7	2.0	1.4	3.9	3.1	6.2	7.9	2.7	5.3	9.3	12.6	15.9
Basic wtd. av. shares (m)	20.0	20.3	20.5	20.5	20.5	29.1	19.9	20.3	20.5	29.1	29.1	29.1
Diluted wtd. av. shares (m)	20.3	20.6	20.6	20.5	20.5	29.1	20.1	20.6	20.5	29.1	29.1	29.1
EPS Rptd Basic (p)	(4.0)	1.5	(3.4)	17.1	11.7	6.7	38.2	(2.0)	13.2	15.0	21.1	32.4
EPS Rptd Dil.(p)	(3.9)	1.5	(3.4)	17.1	11.7	6.7	37.9	(1.9)	13.2	15.0	21.1	32.4
EPS Adj. Basic (p)	3.5	9.9	6.8	19.0	15.1	21.1	39.7	13.3	26.2	31.8	43.4	54.7
EPS Adj. Dil. (p)	3.4	9.7	6.8	19.0	15.1	21.1	39.4	13.1	26.2	31.8	43.4	54.7

Source: Company data. Equity Development estimates.

Cashflow												
£m	H1 22	H2 22	H1 23	H2 23	H1 24	H2 24E	FY21	FY22	FY23	FY24E	FY25E	FY26E
<b>Operating profit</b>	<b>(0.6)</b>	<b>0.6</b>	<b>(0.2)</b>	<b>4.1</b>	<b>3.1</b>	<b>5.2</b>	<b>8.3</b>	<b>0.0</b>	<b>3.9</b>	<b>8.3</b>	<b>15.3</b>	<b>20.3</b>
One-off items	1.8	2.1	2.4	1.5	1.4	1.6	0.5	3.9	3.9	3.0	3.0	3.0
Amortisation	0.3	0.6	0.3	0.5	0.4	0.0	0.6	0.9	0.8	0.4	1.8	2.2
Depreciation	1.0	1.0	0.9	1.2	1.0	1.6	1.8	2.0	2.1	2.6	3.8	4.2
Other non-cash	0.4	(0.1)	0.0	0.0	0.0	0.1	0.4	0.3	0.0	0.1	3.1	3.0
Pension	(1.1)	(1.0)	(0.9)	(1.4)	(1.2)	1.2	(2.6)	(2.1)	(2.3)	0.0	(3.0)	(3.0)
Movement in working capital	(5.1)	(12.7)	7.3	(2.6)	(9.8)	7.8	(8.2)	(17.8)	4.7	(2.0)	1.1	(4.5)
<b>Cash generated by operations</b>	<b>(3.3)</b>	<b>(9.5)</b>	<b>9.8</b>	<b>3.3</b>	<b>(5.1)</b>	<b>17.5</b>	<b>0.8</b>	<b>(12.8)</b>	<b>13.1</b>	<b>12.4</b>	<b>25.1</b>	<b>25.2</b>
Acquisition costs, other	0.0	(0.8)	(0.4)	(0.4)	(0.1)	(17.9)	(0.3)	(0.8)	(0.8)	(18.0)	0.0	0.0
Tax (paid)/received	(0.2)	(0.2)	(0.3)	(0.8)	0.6	(0.2)	(0.1)	(0.4)	(1.1)	0.4	(4.0)	(5.8)
Net cash from operations	(3.5)	(10.5)	9.1	2.1	(4.6)	(0.6)	0.4	(14.0)	11.2	(5.2)	21.1	19.4
Acquisition	0.0	0.0	0.0	0.0	0.0	(60.5)	0.0	0.0	0.0	(60.5)	0.0	0.0
Sale of PPE	0.1	(0.1)	0.0	0.0	0.2	(0.2)	2.0	0.0	0.0	0.0	0.0	0.0
Capitalised R&D	(0.1)	(1.3)	(0.6)	(0.9)	(0.6)	0.1	(0.2)	(1.4)	(1.5)	(0.5)	(1.1)	(0.7)
PPE	(0.6)	(0.4)	(0.5)	(0.6)	(1.0)	0.7	(1.5)	(1.0)	(1.1)	(0.3)	(3.0)	(1.0)
Acquired cashflow/deferred payment	0.0	(0.8)	0.0	0.0	0.0	0.0	(0.6)	(0.8)	0.0	(3.5)	(3.5)	(1.8)
<b>Net cash used in investing</b>	<b>(0.6)</b>	<b>(2.6)</b>	<b>(1.1)</b>	<b>(1.5)</b>	<b>(1.4)</b>	<b>(59.9)</b>	<b>(0.3)</b>	<b>(3.2)</b>	<b>(2.6)</b>	<b>(64.8)</b>	<b>(7.6)</b>	<b>(3.5)</b>
<b>Net OpFCF</b>	<b>(4.1)</b>	<b>(13.1)</b>	<b>8.0</b>	<b>0.6</b>	<b>(6.0)</b>	<b>(60.5)</b>	<b>0.1</b>	<b>(17.2)</b>	<b>8.6</b>	<b>(70.0)</b>	<b>13.5</b>	<b>16.0</b>
Borrowings	0.0	8.0	(3.0)	3.0	2.0	33.1	0.0	8.0	0.0	35.1	(7.5)	(8.0)
Interest paid	(0.1)	(0.2)	(0.3)	(0.4)	(0.3)	(0.9)	(0.3)	(0.3)	(0.7)	(1.2)	(1.4)	(1.6)
Purchase own shares	0.0	0.0	0.0	0.0	0.0	0.0	(0.2)	0.0	0.0	0.0	0.0	0.0
Lease payments	(0.6)	(0.5)	(0.4)	(0.7)	(0.6)	(1.1)	(0.9)	(1.1)	(1.1)	(1.7)	(0.5)	(0.5)
Net cash from financing	(0.7)	7.3	(3.7)	1.9	1.1	68.0	(1.4)	6.6	(1.8)	69.1	(9.4)	(10.1)
<b>Net increase in cash / equivalents</b>	<b>(4.8)</b>	<b>(5.8)</b>	<b>4.3</b>	<b>2.5</b>	<b>(4.9)</b>	<b>7.5</b>	<b>(1.3)</b>	<b>(10.6)</b>	<b>6.8</b>	<b>(0.9)</b>	<b>4.1</b>	<b>5.9</b>
Forex	(0.2)	0.5	(0.4)	0.4	(0.1)	0.1	0.3	0.3	0.0	0.0	0.0	0.0
<b>Cash at year end</b>	<b>9.5</b>	<b>4.2</b>	<b>8.1</b>	<b>11.0</b>	<b>6.0</b>	<b>13.6</b>	<b>14.5</b>	<b>4.2</b>	<b>11.0</b>	<b>10.1</b>	<b>14.3</b>	<b>20.1</b>

Source: Company data. Equity Development estimates.

## Balance sheet

£m	H1 22	H2 22	H1 23	H2 23	H1 24	H2 24E	FY21	FY22	FY23	FY24E	FY25E	FY26E
Intangible assets	25.4	25.4	24.3	24.0	23.3	85.4	25.3	25.4	24.0	85.4	80.1	76.2
PPE net	4.2	4.0	4.0	4.1	4.4	13.7	4.0	4.0	4.1	13.7	12.9	9.7
Property	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Right of use	5.8	5.0	4.5	5.9	5.7	5.0	5.8	5.0	5.9	5.0	5.0	5.0
Employee benefits	59.7	31.5	35.2	32.2	33.0	32.7	35.7	31.5	32.2	32.7	32.7	32.7
Deferred tax, other	1.5	1.5	1.0	1.0	0.9	3.4	1.4	1.3	0.9	3.4	3.4	3.4
<b>Sum Fixed Assets</b>	<b>97.4</b>	<b>68.2</b>	<b>69.8</b>	<b>68.0</b>	<b>68.1</b>	<b>141.0</b>	<b>73.0</b>	<b>68.0</b>	<b>67.9</b>	<b>141.0</b>	<b>134.9</b>	<b>127.8</b>
Inventories	6.3	9.6	10.2	11.1	11.6	14.0	5.5	9.6	11.1	14.0	18.5	21.7
Trade receivables	33.8	46.7	44.0	46.8	52.6	31.3	34.5	46.7	46.8	31.3	28.1	31.9
Tax assets, Other	0.2	0.6	0.8	1.1	0.0	22.7	0.6	0.6	1.1	22.7	22.7	22.7
Cash, Equivalents	9.5	4.2	8.1	11.0	6.0	10.1	14.5	4.2	11.0	10.1	14.3	20.1
<b>Sum Current Assets</b>	<b>49.8</b>	<b>61.1</b>	<b>63.1</b>	<b>70.0</b>	<b>70.2</b>	<b>78.2</b>	<b>55.1</b>	<b>61.1</b>	<b>70.0</b>	<b>78.2</b>	<b>83.6</b>	<b>96.5</b>
Trade payables	(35.1)	(38.4)	(43.6)	(43.8)	(41.1)	(14.6)	(39.5)	(38.4)	(43.8)	(14.6)	(17.9)	(19.2)
Leases	(1.8)	(1.4)	(1.3)	(1.3)	(1.3)	(1.3)	(1.8)	(1.4)	(1.3)	(1.3)	(1.3)	(1.3)
Provisions	(1.2)	(1.0)	(1.0)	(0.9)	(0.7)	(0.9)	(0.6)	(1.0)	(0.9)	(0.9)	(0.9)	(0.9)
Tax, Other	(0.7)	(0.1)	(0.3)	(0.9)	(1.3)	(18.3)	(0.7)	(0.1)	(0.9)	(18.3)	(6.0)	(6.0)
Contract liabilities	0.0	(8.0)	(5.0)	(8.0)	(10.0)	(36.0)	0.0	(8.0)	(8.0)	(36.0)	(36.7)	(37.5)
<b>Sum Current Liabilities</b>	<b>(38.8)</b>	<b>(48.9)</b>	<b>(51.2)</b>	<b>(54.9)</b>	<b>(54.4)</b>	<b>(71.1)</b>	<b>(42.6)</b>	<b>(48.9)</b>	<b>(54.9)</b>	<b>(71.1)</b>	<b>(62.8)</b>	<b>(64.8)</b>
Borrowings	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)	(36.0)	(0.9)	(0.9)	(0.9)	(36.0)	(28.5)	(20.5)
Employee benefits	(2.8)	(2.1)	(1.7)	(1.8)	(1.6)	(3.0)	(2.5)	(2.1)	(1.8)	(3.0)	(3.0)	(3.0)
Tax	(20.6)	(11.1)	(12.4)	(11.4)	(8.3)	(6.8)	(12.5)	(11.1)	(11.4)	(6.8)	(6.8)	(6.8)
Leases	(4.0)	(3.9)	(3.4)	(4.9)	(4.6)	(3.4)	(4.2)	(3.9)	(4.9)	(3.4)	(3.4)	(3.4)
Deferred consideration	0.0	0.0	0.0	0.0	0.0	(3.5)	0.0	0.0	0.0	(3.5)	(3.5)	(1.8)
<b>Net Assets</b>	<b>80.1</b>	<b>62.2</b>	<b>63.3</b>	<b>64.0</b>	<b>68.5</b>	<b>95.4</b>	<b>65.4</b>	<b>62.2</b>	<b>64.0</b>	<b>95.4</b>	<b>110.4</b>	<b>124.0</b>
Share Capital	5.0	5.1	5.1	5.1	5.1	7.3	5.0	5.1	5.1	7.3	7.3	7.3
Share Premium	26.0	26.0	26.0	26.0	26.0	25.6	26.0	26.0	26.0	25.6	34.5	38.6
Capital Reserve	3.8	2.1	2.9	3.8	3.6	3.9	3.7	2.1	3.8	3.9	3.9	3.9
Retained earnings	45.3	29.0	29.3	29.1	33.8	58.6	30.7	29.0	29.1	58.6	64.7	74.2
<b>Equity</b>	<b>80.1</b>	<b>62.2</b>	<b>63.3</b>	<b>64.0</b>	<b>68.5</b>	<b>95.4</b>	<b>65.4</b>	<b>62.2</b>	<b>64.0</b>	<b>95.4</b>	<b>110.4</b>	<b>124.0</b>
Net debt / (Cash)	(8.6)	4.7	(2.2)	(2.1)	4.9	25.9	(13.6)	4.7	(2.1)	25.9	14.2	0.4

Source: Company data. Equity Development estimates.

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