

## UK's Mpac Group Warns on Profit as US Tariffs Hit Orders and Triggers Restructuring

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Mpac Group, a UK-based packaging automation company, has issued a profit warning after being hit by a sharp decline in U.S. orders, which it attributed to recently imposed American tariffs. The company said the disruption has significantly impacted its revenue outlook and will prompt a major restructuring of its North American operations.

In a trading update released on July 1, Mpac stated that incoming orders from U.S. clients have slowed markedly in the first half of 2025, leading to a drop in projected revenue. The company warned that unless there is a strong rebound in the second half of the year, it expects its full-year earnings to fall short of earlier forecasts. The delay in orders, it added, was largely driven by customer hesitation in response to increased trade tariffs, which have added cost pressures and uncertainty to the purchasing process.

The market reacted swiftly, with Mpac shares tumbling over 30% in early trading, reflecting investor concern about the wider implications of the announcement. The company described the impact as “temporary” but acknowledged that the slowdown was significant enough to warrant immediate action. As a result, Mpac has launched a strategic review and confirmed it will restructure its U.S. operations to reduce costs and improve efficiency.

The company’s restructuring will involve consolidating manufacturing operations and cutting operational overheads in North America. Executives said the goal is to adapt quickly to the evolving economic landscape, particularly as geopolitical tensions and protectionist trade policies continue to influence global supply chains.

Chief Executive Adam Holland said Mpac remains committed to its long-term growth strategy and that the business is fundamentally sound, with robust demand for automation and packaging solutions. However, he admitted the near-term outlook had become more uncertain due to factors beyond the company’s control.

The warning from Mpac comes amid broader concerns over the effect of trade barriers on UK manufacturers, many of whom rely heavily on international sales. Industry analysts noted that while Mpac's core markets remain promising, this latest development underscores the fragility of global trade conditions and the exposure of mid-sized British firms to geopolitical shocks.

Despite the current turbulence, Mpac said its order pipeline remains encouraging and that it expects conditions to stabilize in the months ahead. The company's ability to navigate the disruption while maintaining strategic momentum will be closely watched by investors and industry observers.