

PACKAGING M&A UPDATE

JANUARY 2022

Packaging Industry M&A Activity Tracking

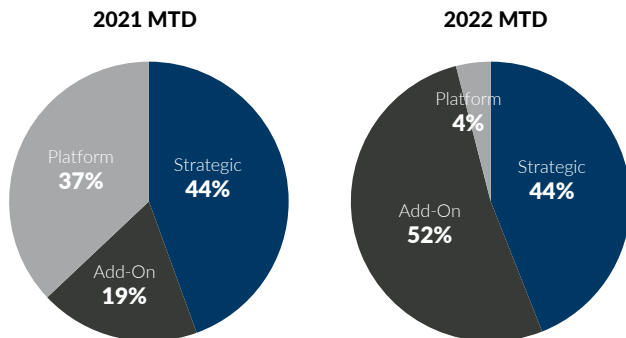
Global Packaging M&A dipped slightly from a transaction volume standpoint in January 2022 relative to months in 2021. Total deals in the month amounted to 25 transactions while average monthly deal volume in 2021 was 30 transactions. Of the 25 transactions, 14 were attributed to private equity firms which is unique as historically strategic buyers have been more active in the space. Overall, Global Packaging M&A activity remains strong after a record year in 2021.

PACKAGING M&A BY SUBSECTOR

Subsector	Year-to-Date		
	2021	2022	Change
Rigid Plastic	4	7	3
Flexible Plastic	8	4	-4
Paper	8	13	5
Other	7	1	-6
Total Packaging	27	25	-2
Strategic	44%	44%	0%
Financial Buyer - Add-on	19%	52%	33%
Financial Buyer - Platform	37%	4%	-33%

- Private equity add-on transactions accounted for 13 deals, or 52% of deal volume, the highest monthly mark for add-on transactions from a volume mix standpoint in the last 3 years
- Strategic volume was down 1 transaction in the month relative to January 2021; it is typical for strategics to be relatively passive to start the year. January 2021 was the second lowest mark for strategics in 2021
- Paper Packaging transactions led all Packaging subsectors, accounting for 13 deals in the month which was up from 8 in January 2021
- Rigid Plastic transactions accounted for 7 deals in the month which was an activity level in line with the subsector's monthly average of 6 in 2021
- Food & Beverage and Consumer end markets accounted for 14 deals in the month and together led all subsectors, however, this is a decrease from the 24 combined deals totaled from the two subsectors in January 2021

PACKAGING TRANSACTIONS BY BUYER TYPE



TOTAL PACKAGING M&A BY END MARKET

End Market	Year-to-Date	
	2022	%
Food & Beverage	9	36.0%
Industrial	7	28.0%
Consumer	5	20.0%
Medical	3	12.0%
Automotive	1	4.0%
Total	25	96%

Overall, Global Packaging M&A transaction activity has been a little slower out of the gate when compared to last year's M&A levels. Importantly, the current level of deal volumes is in line with historic levels excluding 2021 and could grow in future months if strategic buyers become more active as the year progresses. If you are a packaging company considering a merger, acquisition, sale or recapitalization in the short or longer term, please consider leveraging PMCF's transaction planning and execution expertise to best position your company in a transaction.

Packaging M&A Update – January 2022

Public Entity Performance

Packaging public companies fared better in the month than the S&P 500 which was down 5.3% in January. Only the Flexible Plastic Packaging Index dropped by more than 3% as most packaging companies seemed somewhat resilient to turbulence faced by the market.

Index		% Change January YTD
S&P 500 Index	↓	-5.3%
PMCF Packaging Index ⁽¹⁾	↓	-2.1%
Rigid Plastic Packaging ⁽²⁾	↓	-2.4%
Flexible Plastic Packaging ⁽³⁾	↓	-3.2%
Other Packaging ⁽⁴⁾	↓	-0.1%
Paper Packaging ⁽⁵⁾	↓	-2.6%

(1) ATR, BERY, NPK, SLGN, SON, ESNT, AMC, HUH1V, SEE, TCLA, WPK, PTVE, CAS, SMDS, GPK, GEF, IP, PKG, SK3, WRK, KRT, AVY, BLL, CCLB, CCK, GXI, OI, 5901
(2) ATR, BERY, NPK, SLGN, SON, ESNT (3) AMC, HUH1V, SEE, TCLA, WPK, PTVE (4) AVY, BLL, CCLB, CCK, GXI, OI, 5901 (5) CAS, SMDS, GPK, GEF, IP, PKG, SK3, WRK, KRT

Major News

- Big Deals, Big Money in 2021 M&A Final Numbers (Plastics News)
- Inflation, Supply Chain, Omicron Expected to Take a Bigger Toll on Global Growth (Wall Street Journal)
- US Plastics Pact, Backed By Big Firms, Pushes Cuts in 'Problematic' Packaging (Plastics News)
- 6 Sustainability Principles Help Inform Decisions (Packaging Digest)
- New Studies Find Unprecedented Impact From Supply-Chain Turmoil (Wall Street Journal)

Notable M&A Activity

Date	Acquirer	Target	Category
01/27/22	Summit Plastics, Inc.	Clear View Bag Company, Inc.	Flexible Packaging
01/25/22	Vpet USA, Inc.	Canyon Plastics, Inc.	Rigid Packaging
01/13/22	Vonco Products, Inc.	Flex-Pak Packaging Products Inc.	Flexible Packaging
01/12/22	Berlin Packaging L.L.C.	Premi S.p.A	Rigid Packaging
01/11/22	Advanced Web Technologies, Inc.	MacArthur Corporation	Printing / Labels
01/06/22	TricorBraun, Inc.	Zuckerman-Honickman, Inc.& Vessel Packaging, Inc.	Distribution
01/06/22	Brook & Whittle Limited	Paradigm Label Inc.	Printing / Labels
01/05/22	SIG (SWX:SIGN)	Asian Fresh Carton Business of Pactiv Evergreen	Folding Cartons
01/05/22	Resource Label Group	QSX Labels	Printing / Labels
01/03/22	Færch Plast A/S	PACCOR Packaging GmbH	Rigid Packaging

Sources: Capital IQ, PitchBook, Thomson Reuters, Company Reports, PMCF

Use Our Expertise to Maximize Shareholder Value

Since our inception over 25 years ago, PMCF has offered robust transaction planning and preparation services to help business owners achieve the best possible outcome in a transaction whether it be in the short or long term. Our long track record of successful transactions is directly attributable to our focus on preparation and being proactive throughout the transaction process.

STRATEGIC ASSESSMENT

- PMCF is frequently requested to complete an analysis of a company's strategic positioning within the plastics and packaging marketplace
- Our review may consider your operations, products, end markets, financial trends, growth opportunities, and management team
- We are available to brief your management team, ownership, or board with our thoughts on your current value in today's market
- PMCF can provide a benchmark comparison of your organization's strengths, weaknesses, and anticipated buyer viewpoints

WORKING WITH PMCF

- PMCF is a licensed and FINRA-registered investment banking organization
- Confidentiality is of the highest importance and we welcome the execution of appropriate agreements prior to the exchange of data
- PMCF's senior bankers will respond to any inquiries and will be directly involved in all discussions
- If engaged, the majority of PMCF's costs are contingent on a successful transaction
- We insist on potential clients contacting our long list of references

PMCF's Plastics & Packaging Group

PMCF's Plastics and Packaging investment bankers are dedicated solely to serving the needs of middle-market transactions within the plastics and packaging industries. Our exclusive focus on plastics and packaging sale, merger, and acquisition advisory provides significant advantages to our clients and the opportunity to maximize value in a transaction. PMCF's extensive coverage of these industries has provided us with specialized, in-depth knowledge of the sector dynamics and relationships with key strategic and financial industry players. Our firm has been serving the plastics and packaging industries for over 20 years and has a long track record of successful transactions involving specialty, niche players in these industries.

Rigid Packaging	Flexible Packaging	Engineered Products	Corrugated & Paper Packaging
Blow Molding	Injection Molding	Extrusion	Specialty Film
Color & Compounding	Printing & Labeling	Thermoforming	Packaging Machinery

Please let us know if you would like to set up a confidential call or meeting to discuss transaction planning and execution. You can reach John Hart, who leads PMCF's Plastics & Packaging Group at: (248) 223-3468 or john.hart@pmcf.com

Recent PMCF Plastics & Packaging Transactions



has been acquired by



PACKAGING DISTRIBUTION & BLOW MOLDED PACKAGING



a portfolio company of



has been acquired by



BELIEVE IN BETTER PLASTICS

a portfolio company of



RECYCLING & FLEXIBLE PACKAGING



has been acquired by



a portfolio company of



THERMOFORMED PACKAGING



has completed a recapitalization with



SPECIALTY EXTRUSION & FLEXIBLE PACKAGING



MANUFACTURER OF PLASTIC JARS & CLOSURES

has been acquired by



PACKAGING IDEAS INTO YOUR SOLUTIONS

a portfolio company of



INJECTION & BLOW MOLDED PACKAGING



has been acquired by



a portfolio company of




SPECIALTY PAPER & LUXURY PACKAGING




has been acquired by




a portfolio company of



THERMOFORMED PACKAGING, FOLDING CARTONS



has been acquired by



CORRUGATED PACKAGING



Two-time winner, Boutique Investment Banking Firm of the Year by M&A Advisor

Awarded, Cross Border Corporate and Strategic Acquisition of the Year by M&A Advisor

Awarded, Cross Border M&A Deal of the Year by M&A Advisor

Awarded, Deal of the Year by ACG Detroit

Awarded, Manufacturing Deal of the Year by MiBiz

Awarded, Plastic and Packaging Deal of the Year in 2020 and 2021 by the Global M&A Network

Awarded, Industrials M&A Investment Bank of the Year by the Global M&A Network

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