

PACKAGING M&A UPDATE

MAY 2022

Packaging Industry M&A Activity Tracking

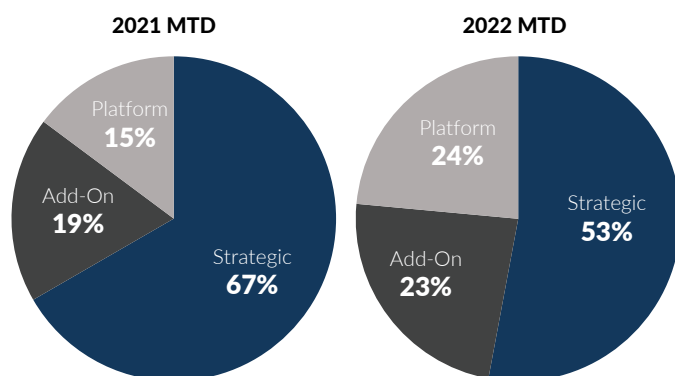
Global Packaging M&A had a slow month in May, recording 17 deals compared to 27 transactions in May 2021. For the year, Packaging M&A has been lower than the 2021 elevated levels and has dipped slightly below pre-pandemic volumes. Despite potential macroeconomic headwinds on the horizon, PMCF has not seen any pullback from packaging buyers in terms of interest level or valuations. Despite lower M&A activity, packaging company fundamentals appear to remain strong.

PACKAGING M&A BY SUBSECTOR

Subsector	Month-to-Date			Year-to-Date		
	2021	2022	Change	2021	2022	Change
Rigid Plastic	4	8	4	25	27	2
Flexible Plastic	4	2	-2	24	24	0
Paper	15	6	-9	62	49	-13
Other	4	1	-3	29	11	-18
Total Packaging	27	17	-10	140	111	-29
Strategic	67%	53%	-14%	52%	49%	-3%
Financial Buyer - Add-on	19%	23%	5%	29%	41%	12%
Financial Buyer - Platform	15%	24%	9%	19%	10%	-9%

- Private equity buyers accounted for 47% of the deal volume in the month; through the first five months of the year financial buyers have accounted for 51% of the deal volume
- For the first month of the year, platform and add-on transactions had an equal share of the total transaction activity; platform activity had not exceeded 20% of deal volume in the first four months of the year
- Paper packaging only posted 6 transactions in the month down from the YTD monthly average of 11 deals
- The Rigid Plastic packaging subsector increased month-over-month, posting 8 transactions in May 2022; this was the largest total of the year for the subsector and the first time Rigid Plastic transactions led all subsectors
- The Industrial end-market led all end-markets with 6 transactions in the month; the Industrial end-market and Other end-market have both increased year-over-year

PACKAGING TRANSACTIONS BY BUYER TYPE



TOTAL PACKAGING M&A BY END MARKET

End Market	Month-to-Date		Year-to-Date	
	2022	%	2022	%
Food & Beverage	5	29.4%	38	34.2%
Industrial	6	35.3%	36	32.4%
Consumer	4	23.5%	23	20.7%
Other	2	11.8%	14	12.6%
TOTAL	17	100%	111	100%

Global Packaging M&A activity levels through the year-to-date have dipped below pre-pandemic levels experienced in 2019 and 2018. The lower deal volumes experienced for the first 5 months of 2022 could be the result of fewer sellers or the activity levels experienced in 2021. With that being said, there has not been any conclusive evidence of a slowdown in the sector and there continues to be marquee transaction closings. As the year continues, we will be monitoring macroeconomic factors and the effects, if any, these may have on H2 2022 Packaging M&A volume.

Packaging M&A Update – May 2022

Public Entity Performance

Packaging public companies posted mixed results in May 2022 with the Flexible Plastics and Other Packaging Indices posting positive gains. The Paper Packaging Index performed the worst of all packaging indices, falling by 2.9% which was a steeper decline than the S&P 500 experienced.

Index		% Change May MTD		% Change May YTD
S&P 500 Index	↓	-0.6%	↓	-13.3%
PMCF Packaging Index ⁽¹⁾	↑	0.2%	↓	-7.3%
Rigid Plastic Packaging ⁽²⁾	↓	-0.2%	↓	-11.1%
Flexible Plastic Packaging ⁽³⁾	↑	2.5%	↓	-6.3%
Other Packaging ⁽⁴⁾	↑	2.7%	↓	-8.6%
Paper Packaging ⁽⁵⁾	↓	-2.9%	↓	-4.5%

(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

- Colorado Legislature Passes EPR Bill (Plastics News)
- How Will Inflation Affect Packaging Material Costs in 2022? (Packaging World)
- Global Supply Chain Pressure Index: May 2022 Update (Liberty Street Economics)
- Folding Carton Demand Set to Outstrip Supply in 2022 (The Packaging Portal)
- Rapid Pace of U.S. Job Growth Stretched Into April (Wall Street Journal)

Notable M&A Activity

Date	Acquirer	Target	Category
5/31/2022	Peninsula Capital Advisors LLP and Azimut Holding S.p.A. (BIT:A2M)	Isem S.r.l.	Folding Cartons
5/26/2022	Gimv NV (XB: GIMB)	Variotech Klein-Neerken KG	Rigid Packaging
5/26/2022	The Carlyle Group Inc. (NasdaqGS:CG)	HCP Packaging (Shanghai) Co. Ltd.	Rigid Packaging
5/24/2022	ProAmpac Intermediate, Inc.	Specialty Packaging, Inc.	Paper Packaging
5/24/2022	Rengo Europe GmbH	THIMM Packaging Systems GmbH + Co. KG	Rigid Packaging
5/23/2022	Kelso & Company, L.P.	Inovar Packaging Group, LLC	Printing / Labels
5/13/2022	St. Johns Packaging Ltd.	Plasticos Uribe	Flexible Packaging
5/9/2022	Iconex LLC	Liberty Paper Products Acquisition LLC	Printing / Labels
5/9/2022	Mitsui & Co., Ltd. (TSE:8031) and FP Corporation (TSE:7947)	Lee Soon Seng Plastic Industries SDN. BHD.	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 	 a portfolio company of  has been acquired by  a portfolio company of 	 has been acquired by  a portfolio company of 	 has completed a recapitalization with 
PACKAGING DISTRIBUTION & BLOW MOLDED PACKAGING	RECYCLING & FLEXIBLE PACKAGING	THERMOFORMED PACKAGING	SPECIALTY EXTRUSION & FLEXIBLE PACKAGING
 has been acquired by  a portfolio company of 	 has been acquired by  a portfolio company of  	 has been acquired by  a portfolio company of 	 has been acquired by 
INJECTION & BLOW MOLDED PACKAGING	SPECIALTY PAPER & LUXURY PACKAGING	THERMOFORMED PACKAGING, FOLDING CARTONS	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

Experienced Professionals. Trusted Advisors. Proven Results.

This Plastics & Packaging M&A Update is not an offer to sell or a solicitation of an offer to buy any security. It is not intended to be directed to investors as a basis for making an investment decision. This Plastics & Packaging M&A Update does not rate or recommend securities of individual companies, nor does it contain sufficient information upon which to make an investment decision.

P&M Corporate Finance, LLC will seek to provide investment banking and/or other services to one or more of the companies mentioned in this Plastics & Packaging M&A Update.

P&M Corporate Finance, LLC, and/or the analysts who prepared this Plastics & Packaging M&A Update, may own securities of one or more of the companies mentioned in this Plastics & Packaging M&A Update.

The information provided in this Plastics & Packaging M&A Update was obtained from sources believed to be reliable, but its accuracy cannot be guaranteed. It is not to be construed as legal, accounting, financial, or investment advice. Information, opinions, and estimates reflect P&M

Corporate Finance, LLC's judgment as of the date of publication and are subject to change without notice. P&M Corporate Finance, LLC undertakes no obligation to notify any recipient of this Plastics & Packaging M&A Update of any such change.

The charts and graphs used in this Plastics & Packaging M&A Update have been compiled by P&M Corporate Finance, LLC solely for illustrative purposes. All charts are as of the date of issuance of this Plastics & Packaging M&A Update, unless otherwise noted.

The PMCF Plastics and Packaging Indices may not be inclusive of all companies in the Plastics and Packaging industries and is not a composite index of the Plastic and Packaging industry sector returns. Index and sector returns are past performance which is not an indicator of future results.

This Plastics & Packaging M&A Update is not directed to, or intended for distribution to, any person in any jurisdiction where such distribution would be contrary to law or regulation, or which would subject P&M Corporate Finance, LLC to licensing or registration requirements in such jurisdiction.

For more information, check out our new website, where you can access the electronic version of this report, sign up for future emails, read our latest industry reports, and more!

