

PACKAGING M&A UPDATE

JUNE 2022

Packaging Industry M&A Activity Tracking

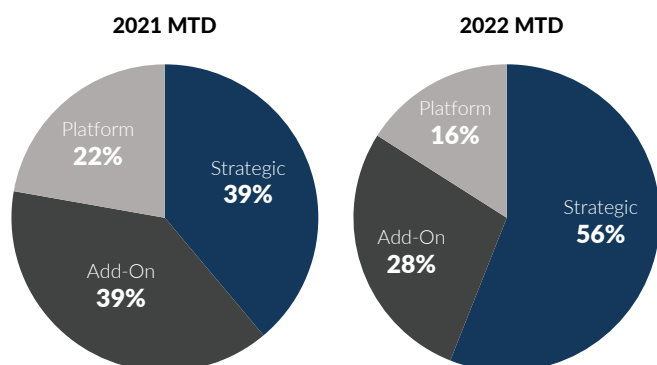
Global Packaging M&A activity rebounded in June, recording 25 deals in the month. Activity level returned to normal after posting the lowest total of the year in May. Packaging transaction volumes through the first half of 2022 have not kept pace with 2021, and activity remains lower than pre-pandemic levels mainly due to weak results in February and May. The transaction activity in June was encouraging and may be a sign that the sector is picking up; PMCF is closely monitoring activity levels as we move into the second half of the year.

PACKAGING M&A BY SUBSECTOR

Subsector	Month-to-Date			Year-to-Date		
	2021	2022	Change	2021	2022	Change
Rigid Plastic	5	3	-2	30	30	0
Flexible Plastic	8	4	-4	32	28	-4
Paper	13	11	-2	75	60	-15
Other	10	7	-3	39	18	-21
Total Packaging	36	25	-11	176	136	-40
Strategic	39%	56%	17%	49%	51%	1%
Financial Buyer - Add-on	39%	28%	-11%	31%	38%	8%
Financial Buyer - Platform	22%	16%	-6%	20%	11%	-9%

- Private equity platform activity remained elevated in June, posting the second consecutive month where platform deals accounted for over 15% of the total deal volume
- Paper packaging transaction levels rebounded in the month and led all subsectors, with transactions increasing by 83%, or 6 deals, when compared to May
- The Rigid Plastic packaging subsector remains on par with 2021 transaction activity recording 30 transactions through the first half of 2022
- The Flexible Plastic packaging subsector increased by 2 deals when compared to May. The subsector remains slightly under the 2021 year-to-date pace of 32 deals, with 28 deals closing in the same period of 2022
- Consumer packaging transaction levels increased substantially year-over-year; consumer deals as a share of total volume increased by 21%

PACKAGING TRANSACTIONS BY BUYER TYPE



TOTAL PACKAGING M&A BY END MARKET

End Market	Month-to-Date		Year-to-Date	
	2022	%	2022	%
Food & Beverage	7	28.0%	45	33.1%
Industrial	6	24.0%	42	30.9%
Consumer	11	44.0%	34	25.0%
Other	1	4.0%	15	11.0%
TOTAL	25	100%	136	100%

Global Packaging M&A had a slow first half of the year in 2022 as deal activity through June remains behind 2019 and 2018 levels. From a quarterly perspective, Q2 posted 8 fewer deals than Q1 and both quarters posted lower levels than the average quarterly volume seen in 2018 and 2019. June monthly packaging M&A totals were encouraging and a positive sign going into the second half of the year. 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 — June 2022

Public Entity Performance

Packaging public companies experienced a pull-back in June 2022. The PMCF Packaging Index performed in line with the S&P 500, experiencing a decline of 8.4% in the month-to-date period. The Flexible Plastic Packaging Index performed the best of all packaging indices, falling by only 1.8%, which outperformed the S&P 500 in the same period

Index		% Change June MTD		% Change June YTD
S&P 500 Index	↓	-8.4%	↓	-20.6%
PMCF Packaging Index ⁽¹⁾	↓	-8.4%	↓	-15.7%
Rigid Plastic Packaging ⁽²⁾	↓	-12.0%	↓	-21.1%
Flexible Plastic Packaging ⁽³⁾	↓	-1.8%	↓	-10.7%
Other Packaging ⁽⁴⁾	↓	-7.6%	↓	-16.0%
Paper Packaging ⁽⁵⁾	↓	-10.4%	↓	-14.5%

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

Major News

- U.S. Economic Activity in Manufacturing Sector Grew in June (RISI Info)
- U.S. Added 372,000 Jobs in June (Wall Street Journal)
- Supply Chain 'Scramble' Likely to Continue into 2023 (Plastics News)
- Fed Raises Rates By 0.75 Percentage Point, Largest Increase Since 1994 (Wall Street Journal)
- California Passes Strictest Plastics Law in US, with ERP & Recycling Targets (Plastics News)

Notable M&A Activity

Date	Acquirer	Target	Category
06/30/22	Fortis Solutions Group, LLC	Anchor Printing Company, LLC	Printing / Labels
06/30/22	Green Bay Packaging, Inc.	Interstate Packaging Corp.	Corrugated
06/28/22	Ara Partners	Petainer Ltd.	Bottles
06/27/22	Akoya Capital LLC	WePackItAll, Inc.	Flexible Packaging
06/24/22	Mayr-Melnhof Group	Essentra Packaging	Folding Cartons
06/23/22	Cornell Capital LLC	Advantek LLC	Flexible Packaging
06/13/22	Pro Mach, Inc.	Reepack S.R.L.	Machinery
06/10/22	Berlin Packaging LLC	Andler Packaging Group	Distribution
06/06/22	Zeus Packaging Group Limited	Swanline Group & BoxMart	Paper Packaging
06/01/22	Precision Concepts International LLC (aka IntraPac International)	C&G Packaging, LLC	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



PACKAGING DISTRIBUTION &
BLOW MOLDED PACKAGING



RECYCLING & FLEXIBLE
PACKAGING



THERMOFORMED
PACKAGING



SPECIALTY EXTRUSION &
FLEXIBLE PACKAGING



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

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