

PACKAGING M&A UPDATE

AUGUST 2022

Packaging Industry M&A Activity Tracking

Global Packaging M&A activity recorded 22 deals in August which was one transaction lower than July levels. Deal activity in August was driven by private equity add-on acquisitions, which accounted for 12 transactions in the period. Overall, Packaging M&A activity has been down in 2022 from a volume standpoint falling below pre-pandemic levels on a year-to-date basis. Despite lower volumes, buyers and sellers remain active and deals continue to close at attractive transaction multiples.

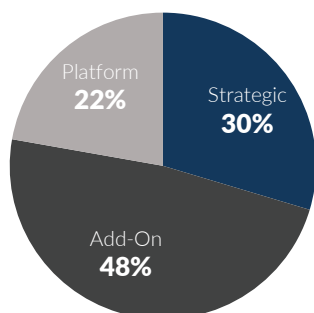
PACKAGING M&A BY SUBSECTOR

| Subsector | Month-to-Date | | | Year-to-Date | | |
|----------------------------|---------------|-----------|-----------|--------------|------------|------------|
| | 2021 | 2022 | Change | 2021 | 2022 | Change |
| Rigid Plastic | 7 | 5 | -2 | 41 | 39 | -2 |
| Flexible Plastic | 6 | 8 | 2 | 44 | 37 | -7 |
| Paper | 11 | 9 | -2 | 103 | 85 | -18 |
| Other | 3 | 0 | -3 | 44 | 20 | -24 |
| Total Packaging | 27 | 22 | -5 | 232 | 181 | -51 |
| Strategic | 30% | 32% | 2% | 47% | 48% | 0% |
| Financial Buyer - Add-on | 48% | 54% | 6% | 33% | 39% | 6% |
| Financial Buyer - Platform | 22% | 14% | -9% | 20% | 13% | -7% |

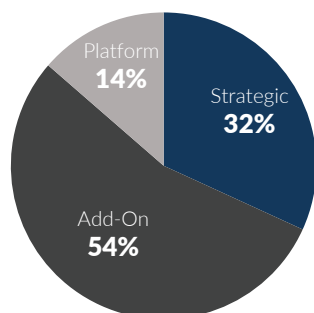
- The Industrial end market recorded its best month of the year in August, accounting for 10 deals, which is up four deals from July levels. Throughout the year-to-date, the Industrial end market has accounted for 32% of all transaction activity
- Paper packaging led all subsectors for the third consecutive month, recording nine transactions in August. Over the 2022 year-to-date period, Paper packaging deals have accounted for 47% of all deal activity
- Flexible Plastic packaging rebounded in August, accounting for eight deals in the month which marked the highest level of monthly activity in the year-to-date
- Private equity add-on acquisitions accounted for 54% of transaction activity in the month as financial buyers proved to be highly acquisitive in August
- Rigid Plastic packaging increased by one deal month-over-month and continued the year-to-date trend of elevated M&A activity

PACKAGING TRANSACTIONS BY BUYER TYPE

2021 MTD



2022 MTD



TOTAL PACKAGING M&A BY END MARKET

| End Market | Month-to-Date | | Year-to-Date | |
|-----------------|---------------|-------------|--------------|-------------|
| | 2022 | % | 2022 | % |
| Food & Beverage | 6 | 27.3% | 53 | 29.3% |
| Industrial | 10 | 45.5% | 58 | 32.0% |
| Consumer | 5 | 22.7% | 53 | 29.3% |
| Other | 1 | 4.5% | 17 | 9.4% |
| TOTAL | 22 | 100% | 181 | 100% |

Global Packaging M&A recorded its third straight month with over 20 deals, however, overall activity remains down in the year. Despite lower activity, strategic and financial buyers continue to be acquisitive and deal valuations remain strong. 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 – August 2022

Public Entity Performance

Packaging public companies experienced a pull back in August. The Flexible Plastic Packaging Index performed the best of all packaging indices, falling by 4.2% over the month-to-date-period. In the year-to-date, three out of five packaging indices have outperformed the S&P 500

| Index | | % Change August MTD | | % Change August YTD |
|---|---|------------------------|---|------------------------|
| S&P 500 Index | ↓ | -4.2% | ↓ | -17.0% |
| PMCF Packaging Index ⁽¹⁾ | ↓ | -6.2% | ↓ | -15.7% |
| Rigid Plastic Packaging ⁽²⁾ | ↓ | -6.3% | ↓ | -20.1% |
| Flexible Plastic Packaging ⁽³⁾ | ↓ | -4.2% | ↓ | -11.7% |
| Other Packaging ⁽⁴⁾ | ↓ | -12.2% | ↓ | -25.6% |
| Paper Packaging ⁽⁵⁾ | ↓ | -5.5% | ↓ | -13.6% |

(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

Major News

- California Lawmakers Kill Plan to Cut Plastic Packaging in Online Shopping (Plastics News)
- Job Market Stronger Than Previously Reported, Data Show (Wall Street Journal)
- A Different Take on the US Economy: Maybe It Isn't Really Shrinking (Wall Street Journal)
- More Volatility for North American PS, ABS resin prices (Plastics News)
- FPA Publishes 2022 State of the Flexible Packaging Industry Report (Packaging World)

Notable M&A Activity

| Date | Acquirer | Target | Category |
|----------|---------------------------------|--|--------------------|
| 08/30/22 | Fortis Solutions Group, LLC | Identi-Graphics, Inc. | Printing / Labels |
| 08/15/22 | Dallas Plastics Corporation | Emballage MPP Inc. | Flexible Packaging |
| 08/13/22 | Altium Packaging, LLC | Plastic Industries, Inc. and Andersen Plastics | Rigid Packaging |
| 08/12/22 | Tri-Wall Europe Limited | The Corrugated Case Company Limited | Corrugated |
| 08/11/22 | Constantia Flexibles Group GmbH | FFP Packaging Ltd | Flexible Packaging |
| 08/09/22 | The Edgewater Funds | Flexible Packaging Specialties, Inc. | Flexible Packaging |
| 08/08/22 | Charter Next Generation, Inc. | Polymer Film & Bag | Flexible Packaging |
| 08/05/22 | Van De Velde Packaging NV | UNIPAP a.s. | Paper Packaging |
| 08/04/22 | Hood Container Corporation | Kentwood Packaging Corporation | Corrugated |
| 08/03/22 | SyBridge Technologies | Calframax Technologies Inc. | 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



CORRUGATED PACKAGING



PACKAGING DISTRIBUTION &
BLOW MOLDED PACKAGING



RECYCLING & FLEXIBLE
PACKAGING



THERMOFORMED
PACKAGING



SPECIALTY EXTRUSION &
FLEXIBLE PACKAGING



INJECTION & BLOW
MOLDED 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.

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