

PACKAGING M&A UPDATE

NOVEMBER 2022

Packaging Industry M&A Activity Tracking

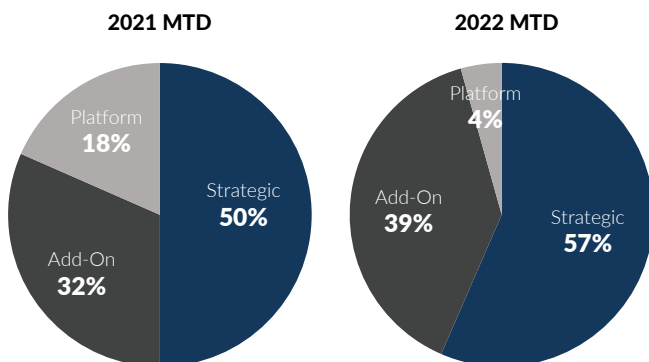
Global Packaging M&A posted 23 deals in November which was an increase of three transactions over October levels. November marked the highest level of deal volumes since July and was slightly above the monthly average for 2022. Transaction activity in the month was driven by an increase in strategic and private equity add-on transactions. Overall, Packaging M&A volume continues to track lower than 2021 elevated levels but has remained relatively consistent from a volume-level standpoint despite macroeconomic concerns and challenging debt markets.

PACKAGING M&A BY SUBSECTOR

Subsector	Month-to-Date			Year-to-Date		
	2021	2022	Change	2021	2022	Change
Rigid Plastic	5	7	2	64	50	-14
Flexible Plastic	7	3	-4	63	46	-17
Paper	19	10	-9	144	115	-29
Other	7	3	-4	55	33	-22
Total Packaging	38	23	-15	326	244	-82
Strategic	50%	57%	7%	49%	48%	-1%
Financial Buyer - Add-on	32%	39%	8%	31%	39%	7%
Financial Buyer - Platform	18%	4%	-14%	19%	13%	-6%

- Strategic buyers led the deal volume increases in November, accounting for 13 deals, or 57% of the monthly transaction volume. These levels marked the second most active month of the year for strategic buyers from a deal volume standpoint
- Private equity add-on transactions posted another strong month, accounting for nine deals, or 39% of transaction activity. Private equity platform activity, however, remained sluggish in November, recording only one transaction
- The Paper subsector led all subsectors in transactions for a sixth consecutive month. The subsector recorded 10 deals in November, which is on par with its average monthly transaction volume for the year
- Rebounding from October transaction levels, the Rigid Plastic subsector recorded seven deals in November, which represents the subsector's second most active month of 2022

PACKAGING TRANSACTIONS BY BUYER TYPE



TOTAL PACKAGING M&A BY END MARKET

End Market	Month-to-Date		Year-to-Date	
	2022	%	2022	%
Food & Beverage	6	26.1%	67	27.5%
Industrial	12	52.2%	84	34.4%
Consumer	5	21.7%	75	30.7%
Other	0	0.0%	18	7.4%
TOTAL	23	100%	244	100%

Global Packaging M&A experienced a welcomed increase in November due to strong strategic buyer activity. Financing challenges continue to suppress private equity platform transactions and, in many cases, have constrained larger transactions. Nevertheless, packaging deals continue to get done at attractive multiples, and activity has remained consistent despite recent challenges in the M&A market. 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 – November 2022

Public Entity Performance

Packaging public entities gained for the second straight month in November. The Rigid Plastic Packaging Index posted a gain of 11% in the month, which led all packaging indices. Additionally, two out of the four subsector packaging indices have outperformed the S&P 500 over the year-to-date period.

Index		% Change November MTD		% Change November YTD
S&P 500 Index	↑	5.4%	↓	-14.4%
PMCF Packaging Index ⁽¹⁾	↑	7.8%	↓	-14.1%
Rigid Plastic Packaging ⁽²⁾	↑	11.0%	↓	-15.8%
Flexible Plastic Packaging ⁽³⁾	↑	6.9%	↓	-11.5%
Other Packaging ⁽⁴⁾	↑	10.7%	↓	-12.0%
Paper Packaging ⁽⁵⁾	↑	3.9%	↓	-15.9%

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

Major News

- Manufacturers Consider Automation to Address Workforce Shortages (Packaging World)
- US Corrugated Board CEOs Optimistic About Long-Term Business Despite Short-Term Challenges (Fastmarkets RISI)
- US Economic Growth Slowed This Fall, Fed's Beige Book Says (Wall Street Journal)
- Third-Quarter US Growth Was Stronger Than Previously Thought (Wall Street Journal)
- Fed Minutes Show Most Officials Favored Slowing Rate Rises Soon (Wall Street Journal)

Notable M&A Activity

Date	Acquirer	Target	Category
11/28/22	Mereo Capital Partners & Hyperion Capital Partners	Algus Packaging, Inc.	Thermoformed Packaging, Machinery
11/28/22	Novvia Group	Innovative Container Corporation	Distribution
11/17/22	Fedrigoni S.p.A.	Papeterie Zuber Rieder	Paper
11/14/22	Smurfit Kappa Bag in Box SAS	Pusa Pack, S.L.	Flexible Packaging
11/11/22	I.D. Images LLC	Hickman Label Company	Labels
11/9/22	Greif, Inc. (NYSE:GEF)	Lee Container Corporation, Inc.	Blow Molding
11/2/22	Verallia Société Anonyme (ENXTPA:VRLA)	Allied Glass Containers Limited	Glass Packaging
11/2/22	Tekni-Plex, Inc.	Empaques Moldeados de America Tecnologias	Rigid Packaging
11/2/22	Wynnchurch Capital, L.P.	Nekoosa Coated Products, LLC	Paper
11/1/22	CKF Inc.	Packright Manufacturing Limited	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



CORRUGATED PACKAGING



has been acquired by



CORRUGATED PACKAGING



has been acquired by



PACKAGING DISTRIBUTION & BLOW MOLDED PACKAGING



a portfolio company of



has been acquired by



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



has been acquired by



a portfolio company of



INJECTION & BLOW MOLDED PACKAGING




has been acquired by



a portfolio company of



THERMOFORMED PACKAGING, FOLDING CARTONS

-  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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