

PACKAGING M&A UPDATE

FEBRUARY 2023

Packaging Industry M&A Activity Tracking

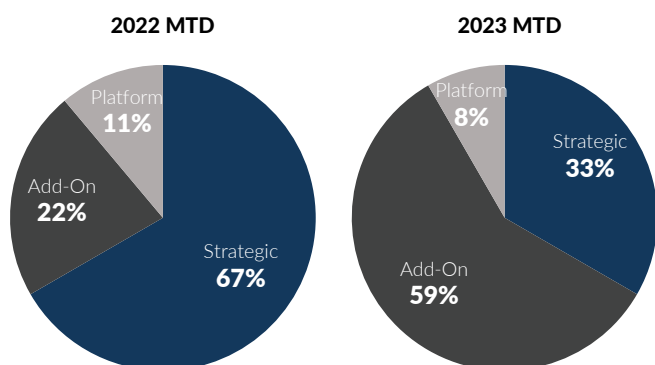
Global Packaging M&A reported another robust month in February 2023 and has started the year strong, rebounding from the sluggish end to 2022. 24 deals were recorded in February, which was 6 deals higher than last year and within 1 deal of last month. Deals in the month were driven primarily by private equity add-on activity which increased slightly from last month and continued a shift seen over the last several months. New private equity platform transaction activity, however, continued to report lower volumes, a trend we saw most of 2022.

PACKAGING M&A BY SUBSECTOR

Subsector	Month-to-Date			Year-to-Date		
	2022	2023	Change	2022	2023	Change
Rigid Plastic	5	6	1	12	12	0
Flexible Plastic	7	2	-5	11	6	-5
Paper	5	12	7	18	24	6
Other	1	4	3	2	7	5
Total Packaging	18	24	6	43	49	6
Strategic	67%	33%	-33%	53%	37%	-17%
Financial Buyer - Add-on	22%	59%	37%	40%	55%	16%
Financial Buyer - Platform	11%	8%	-3%	7%	8%	1%

- Private equity buyers accounted for 16 deals overall in February, or 67% of deal volume, which is on par with the 15 deals contributed in January. Private equity transaction volume continues to be driven by add-on acquisitions, which recorded 13 and 14 transactions over the past two months, respectively
- Strategic buyer transaction volumes have declined considerably compared to last year, accounting for only 33% of monthly transaction volume and 37% on a year-to-date basis
- Paper transactions led all Packaging subsectors, accounting for 12 deals in the month, up seven deals when compared to February 2022. Paper transactions remained above the average deal volume from the trailing 12 months of 11 deals
- Rigid Plastic transactions accounted for six deals in February, consistent with January levels and in line with pre-pandemic levels

PACKAGING TRANSACTIONS BY BUYER TYPE



TOTAL PACKAGING M&A BY END MARKET

End Market	Month-to-Date		Year-to-Date	
	2023	%	2023	%
Food & Beverage	7	29.2%	8	16.3%
Industrial	9	37.5%	16	32.7%
Consumer	8	33.3%	22	44.9%
Other	0	0.0%	3	6.1%
TOTAL	24	100%	49	100%

Through the first two months of the year, Global Packaging M&A transaction activity reported a welcome uptick in volume compared to the second half of 2022. Acquisition financing continues to create some challenges but appears to be improving for Packaging M&A transactions compared to the latter half of 2022. If you are a packaging company considering a merger, acquisition, sale, or recapitalization in the short or long term, please consider leveraging PMCF's transaction planning and execution expertise to best position your company in a transaction.

Public Entity Performance

Public packaging companies experienced a downturn in February and performance has been a mixed bag, with three of the five tracked indices outperforming the S&P 500. The Other Packaging index leads all tracked indices with a gain of 14.3% on the year, significantly outperforming the S&P 500

Index		% Change February MTD		% Change February YTD
S&P 500 Index	↓	-2.6%	↑	3.4%
PMCF Packaging Index ⁽¹⁾	↓	-1.7%	↑	5.0%
Rigid Plastic Packaging ⁽²⁾	↓	-2.3%	↓	-2.6%
Flexible Plastic Packaging ⁽³⁾	↓	-4.7%	↓	-1.2%
Other Packaging ⁽⁴⁾	↓	4.3%	↑	14.3%
Paper Packaging ⁽⁵⁾	↓	-4.2%	↑	6.2%

(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

- Economic Data is Full of Drama. What Does That Mean for Plastics? (Plastics News)
- Some Large Companies Urge Biden to End China Mold Tariffs (Plastics News)
- Packaging Thermoformers Lead the Way for Growth (Plastics News)
- Economy Showing Strength in Early 2023 After Last Quarter's GDP Gain Revised Modestly Lower (The Wall Street Journal)
- Fed's Barkin Supports Measured Pace of Interest-Rate Increases (The Wall Street Journal)

Notable M&A Activity

Date	Acquirer	Target	Category
02/28/23	Resource Label Group	Majestic Labels	Labels
02/27/23	Hoffmaster Group, Inc.	Paterson Pacific Parchment Company, LLC	Paper Packaging
02/15/23	All American Label & Packaging	Lotus Labels	Labels
02/14/23	SyBridge Technologies	Cavaform, Inc.	Rigid Packaging
02/13/23	Shore Capital Partners, LLC	Container Services, Inc.	Bottles
02/13/23	Mill Rock Packaging Partners LLC	Keystone Paper & Box Company, Inc.	Folding Cartons
02/06/23	Flexpak	Preferred Packaging Products, Inc.	Distribution
02/01/23	TriMas Corporation (NasdaqGS:TRS)	Aarts Packaging B.V.	Rigid Packaging
02/01/23	PPC Flexible Packaging LLC	StePac L.A. Ltd.	Flexible Packaging
02/01/23	Inovar Packaging Group	Cimarron Label	Labels

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

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.

PMCF 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.

PMCF, 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 PMCF's judgment as of the date of publication and are subject to change without notice. PMCF 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 PMCF 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 PMCF to licensing or registration requirements in such jurisdiction.

PMCF is a trade name for PMCF Advisors, LLC and P&M Corporate Finance, LLC, a FINRA-registered broker-dealer and SIPC member firm. The term "PMCF" refers to one or more of these legally separate and independent advisory practices. P&M Corporate Finance, LLC provides capital-raising and private placement services that require registration as a broker-dealer. PMCF Advisors, LLC provides M&A-related services that do not require registration in reliance upon the SEC M&A Brokers No-action Letter (2014) and comparable state-level exemptive relief. Please see pmcf.com to learn more.

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!

