

PACKAGING M&A UPDATE

APRIL 2023

Packaging Industry M&A Activity Tracking

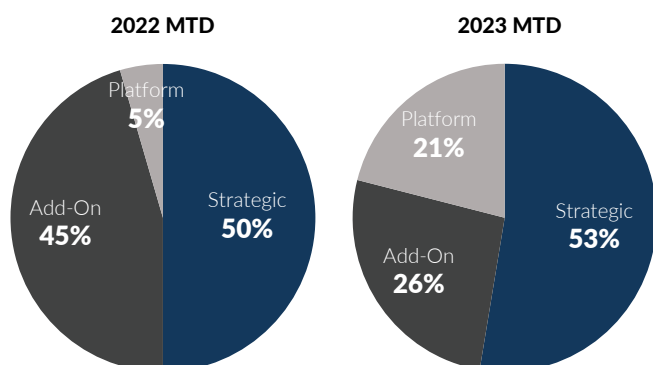
Global Packaging M&A posted 19 transactions in April, which was an increase of eight deals over March levels. Much of the rebound in deal volume was driven by a resurgence in strategic and private equity platform activity. However, private equity add-on buyers only recorded five deals in April, after a strong start to the year. Overall, Global Packaging M&A activity has been lower due in part to varied demand from strategic buyers, but an uptick in activity from this group in April was an encouraging sign for the sector.

PACKAGING M&A BY SUBSECTOR

Subsector	Month-to-Date			Year-to-Date		
	2022	2023	Change	2022	2023	Change
Rigid Plastic	2	7	5	19	20	1
Flexible Plastic	4	3	-1	22	12	-10
Paper	14	7	-7	43	37	-6
Other	2	2	0	10	10	0
Total Packaging	22	19	-3	94	79	-15
Strategic	50%	53%	3%	49%	42%	-7%
Financial Buyer - Add-on	45%	26%	-19%	44%	47%	3%
Financial Buyer - Platform	5%	21%	17%	7%	11%	4%

- Strategic buyers accounted for 10 deals in April, or 53% of the month's activity, and increased five deals month-over-month. Strategic buyers have, however, recorded 13 fewer deals when compared to the same year-to-date period in 2022
- In April, platform private equity buyers posted their highest monthly volume since December 2022, recording four deals in the month
- The Rigid Plastic subsector posted seven deals in April, which represented the subsector's most acquisitive month since November 2022. Subsector activity was driven by transactions involving bottle and specialty rigid packaging manufacturers
- The Food & Beverage end market recorded nine deals in April, up six from March levels. April volumes represented the end market's highest level of activity since March 2022

PACKAGING TRANSACTIONS BY BUYER TYPE



TOTAL PACKAGING M&A BY END MARKET

End Market	Month-to-Date		Year-to-Date	
	2023	%	2023	%
Food & Beverage	9	47.4%	20	25.3%
Industrial	5	26.3%	25	31.6%
Consumer	4	21.1%	29	36.7%
Other	1	5.3%	5	6.3%
TOTAL	19	100%	79	100%

Global Packaging M&A in April reported a welcomed increase over historically low March volume levels. Despite increases in both strategic and private equity platform activity, year-to-date volumes remain below 2022 volumes due in part to continued macroeconomic uncertainty and high acquisition debt financing costs. Nevertheless, buyer interest in well-positioned packaging companies remains high and valuation multiples have largely remained consistent for the past several months.

Packaging M&A Update — April 2023

Public Entity Performance

Packaging public entities provided mixed results in April, as three of the five tracked indices declined in the month-to-date period. The Other Packaging index continues to provide higher returns, increasing by 1.8% in the month-to-date period, and 18.1% in the year-to-date period.

Index		% Change April MTD		% Change April YTD
S&P 500 Index	↑	1.5%	↑	8.6%
PMCF Packaging Index ⁽¹⁾	↓	-0.3%	↑	3.2%
Rigid Plastic Packaging ⁽²⁾	↓	-1.5%	↓	-5.0%
Flexible Plastic Packaging ⁽³⁾	↑	1.8%	↓	-5.3%
Other Packaging ⁽⁴⁾	↑	0.5%	↑	18.1%
Paper Packaging ⁽⁵⁾	↓	-1.4%	↑	1.8%

⁽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

- Manufacturers Remain Optimistic Amid Challenges (Plastics News)
- Plastics Execs Hit DC to Lobby R&D Tax Breaks Amid Growing “Firestorm” (Plastics News)
- GDP Report Shows Economic Growth Slowed in First Quarter (The Wall Street Journal)
- IMF Says Banking Troubles Create Headwinds for Global Economy (The Wall Street Journal)
- Charting Sustainable Packaging’s Global Growth (Packaging Digest)

Notable M&A Activity

Date	Acquirer	Target	Category
04/27/23	Greystone Logistics, Inc. (OTCPK:GLGI)	Paradigm Plastic Pallets, Inc.	Pallets
04/26/23	B2B Industrial Packaging LLC	Millennium Packaging Inc.	Distribution
04/14/23	Carton Pack International srl	Smilesys SPA	Flexible Packaging
04/12/23	Polaris Management A/S	Sealing System A/S	Packaging Machinery
04/06/23	Constantia Flexibles Group GmbH	Lászlópack Kft.	Flexible Packaging
04/04/23	OMNI Systems Inc.	ITW Labels	Printing / Labels
04/04/23	Hub Plastics, Inc.	Midwest Container And Industrial Supply Company	Blow Molding
04/03/23	Mill Point Capital LLC	Nursery Supplies, Inc.	Blow Molding

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



CORRUGATED PACKAGING



PACKAGING DISTRIBUTION &
BLOW MOLDED PACKAGING



RECYCLING & FLEXIBLE
PACKAGING



THERMOFORMED
PACKAGING



SPECIALTY EXTRUSION &
FLEXIBLE PACKAGING



INJECTION & BLOW
MOLDED PACKAGING



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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