

PACKAGING M&A UPDATE

AUGUST 2023

Packaging Industry M&A Activity Tracking

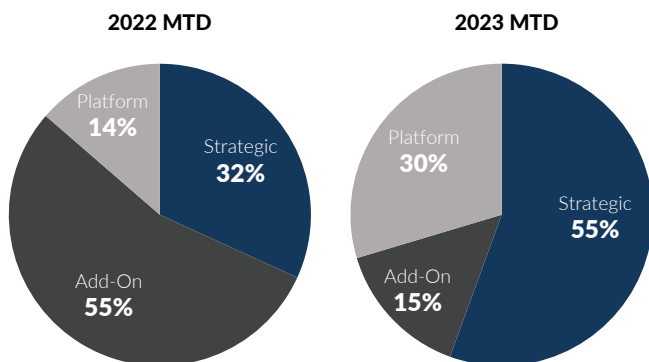
Global Packaging M&A posted 27 transactions in August, up eight from July levels. Transaction activity in the month was at its highest level since March 2022, driven by a rebound in strategic buyer transactions. Financial buyer activity was mixed in the month as platform private equity deal levels remained elevated in August, while add-on acquisitions recorded their weakest month of 2023. Overall, August transaction levels were significantly above average monthly deal volumes due to a balanced level of activity from both strategic and financial buyers.

PACKAGING M&A BY SUBSECTOR

Subsector	Month-to-Date			Year-to-Date		
	2022	2023	Change	2022	2023	Change
Rigid Plastic	5	3	-2	39	35	-4
Flexible Plastic	8	3	-5	37	24	-13
Paper	9	15	6	85	73	-12
Other	0	6	6	20	32	12
Total Packaging	22	27	5	181	164	-17
Strategic	32%	55%	24%	48%	45%	-3%
Financial Buyer - Add-on	55%	15%	-40%	39%	37%	-2%
Financial Buyer - Platform	14%	30%	16%	13%	18%	5%

- In August, strategic buyers accounted for 15 deals, or 55% of deal volume, which was an increase of eight deals over July levels. Transaction volumes attributable to Strategic buyers were at their highest levels since December 2021.
- Financial buyers recorded 12 deals for the second consecutive month. Platform acquisitions recorded eight transactions, up one from July, and registered their highest month from a deal volume standpoint since June 2021 despite higher interest rates and challenging credit markets.
- The Paper Packaging subsector recorded 15 deals in August, up nine from July levels. The subsector's strong month was driven by a resurgence in Corrugated and Folding Carton deals.
- The Industrial end market posted 13 transactions in August, which represents the end market's best month since 2021. When compared to year-to-date 2022 levels, the end market has recorded two additional deals in 2023.

PACKAGING TRANSACTIONS BY BUYER TYPE



TOTAL PACKAGING M&A BY END MARKET

End Market	Month-to-Date		Year-to-Date	
	2022	2023	2022	2023
Food & Beverage	6	7	53	44
Industrial	10	13	58	60
Consumer	5	6	53	47
Other	1	1	17	13
Total	22	27	181	164

Although Global Packaging M&A has experienced lower deal volumes in 2023, strong activity from both strategic and financial buyers in August was an encouraging sign for the Packaging M&A market. Notably, the uptick in deal activity in August was primarily due to increased private equity platform activity which has led to a more positive outlook for the remainder of 2023. 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 2023

Public Entity Performance

Packaging public entities posted mixed results in August, with three of the five tracked indices appreciating and outperforming the S&P 500. Overall, the Paper Packaging and Other Packaging indices have produced robust gains and have outperformed the S&P 500 in the year-to-date period.

Index		% Change August MTD		% Change August YTD
S&P 500 Index	↓	-1.8%	↑	17.4%
PMCF Packaging Index ⁽¹⁾	↑	0.6%	↑	9.2%
Rigid Plastic Packaging ⁽²⁾	↑	6.8%	↓	-4.8%
Flexible Plastic Packaging ⁽³⁾	↓	-6.6%	↓	-14.3%
Other Packaging ⁽⁴⁾	↓	-0.7%	↑	26.9%
Paper Packaging ⁽⁵⁾	↑	1.5%	↑	17.6%

(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

- Packaging by the Numbers 2Q2023 (Packaging Digest)
- US Seeks Middle Ground in Deeply Divided Plastics Treaty Talks (Plastics News)
- Reusable and Refillable Packaging Sales to Reach \$53.4 Billion by 2027, says Smithers (Plastics News)
- Recession Fears Have Been 'Blown Out of the Water,' Long-Serving Fed President Says (The Wall Street Journal)
- Job Market Cools but Is Far From Freezing (The Wall Street Journal)

Notable M&A Activity

Date	Acquirer	Target	Category
08/30/23	Greif	ColePak Inc.	Partitions
08/15/23	Bunzl plc (LSE:BNZL)	Packpro Systems Inc	Machinery / Equipment
08/14/23	Granite Creek Capital Partners	Salem One	Labels
08/11/23	Amcor	Phoenix Flexibles Pvt. Ltd.	Flexible Packaging
08/07/23	Clayton, Dubilier & Rice	Veritiv	Distribution
08/02/23	Hood Container	Sustainable Packaging	Corrugated
08/01/23	DS Smith	Bosis	Folding Cartons
08/01/23	Graphic Packaging	Bell Incorporated	Folding Cartons

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



HOOD CONTAINER CORPORATION

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

THE JORDAN COMPANY

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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