

# PACKAGING M&A UPDATE

OCTOBER 2023

## Packaging Industry M&A Activity Tracking

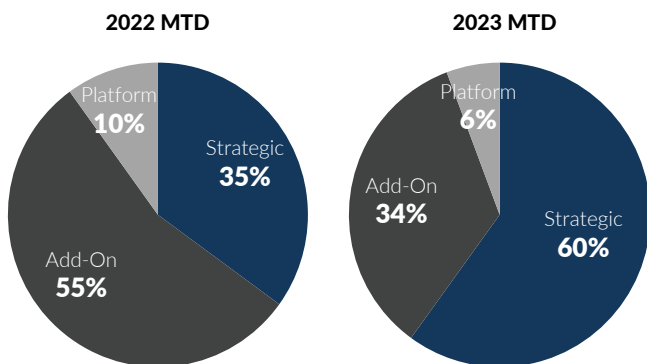
Global Packaging M&A recorded 35 deals in October, up six from September levels. October marked the highest monthly deal volume in the past two years and has propelled year-to-date deal volumes above 2022 levels when compared to the same period. Increased deal volume was driven by robust strategic and private equity add-on activity, however, platform deals fell after several months of strong activity. Overall, Global Packaging M&A remains below pre-pandemic levels, but recent activity is 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	9	7	43	52	9
Flexible Plastic	4	5	1	43	35	-8
Paper	9	19	10	105	101	-4
Other	5	2	-3	30	40	10
<b>Total Packaging</b>	<b>20</b>	<b>35</b>	<b>15</b>	<b>221</b>	<b>228</b>	<b>7</b>
Strategic	35%	60%	25%	48%	48%	0%
Financial Buyer - Add-on	55%	34%	-21%	38%	36%	-2%
Financial Buyer - Platform	10%	6%	-4%	14%	17%	3%

- Strategic buyers recorded 21 deals in October, accounting for 60% of the total transaction volume. October marks the most acquisitive month since 2018 for strategic buyers and doubled the average monthly activity in 2023
- Financial buyers accounted for 14 deals in October, down two from the previous month. Financial buyer activity was driven by add-on acquisitions, which represented 12 of the 14 financial buyer transactions recorded in October
- The Paper Packaging subsector recorded 19 deals in October, up 10 from the previous month, and was responsible for 53% of monthly deal activity. October represented the highest monthly deal volume for this subsector since 2021
- The Food & Beverage end market recorded 10 deals in October, which was four deals higher than the average monthly deal volume in 2023. Additionally, October represented the most active month for the end market since March 2022

### 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	4	10	61	62
Industrial	6	12	72	87
Consumer	9	9	70	61
Other	1	4	18	18
<b>Total</b>	<b>20</b>	<b>35</b>	<b>221</b>	<b>228</b>

Three consecutive months of elevated deal activity provides some optimism for the Global Packaging M&A market, which has faced lower transaction levels for a majority of the year. While October's elevated deal activity was a positive sign, the pullback in platform deals and above-average strategic buyer activity brings the sustainability of current M&A levels into question. 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 – October 2023

## Public Entity Performance

Packaging public entities pulled back in October, with all five tracked indices declining and underperforming the S&P 500. Overall, two of the five indices have appreciated in the year-to-date period, but none of the indices have outperformed the tech-heavy S&P 500

Index		% Change October MTD		% Change October YTD
S&P 500 Index	↓	-2.2%	↑	9.2%
PMCF Packaging Index <sup>(1)</sup>	↓	-5.4%	↓	-4.2%
Rigid Plastic Packaging <sup>(2)</sup>	↓	-8.4%	↓	-18.4%
Flexible Plastic Packaging <sup>(3)</sup>	↓	-2.8%	↓	-21.9%
Other Packaging <sup>(4)</sup>	↓	-6.0%	↑	6.7%
Paper Packaging <sup>(5)</sup>	↓	-4.3%	↑	6.8%

(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

- The Improbably Strong Economy (The Wall Street Journal)
- Despite Economic Risks, Companies Are Hanging On to the Workers They Have (The Wall Street Journal)
- How Packaging Operations Can Profit from Sustainability and AI (Packaging Digest)
- Newsom Blocks Bill Aimed at Preventing 'Regrettable' Plastics Replacements (Plastics News)
- McKinsey Says Changes Needed to Meet 2030 Recycled PET Demand (Plastics News)

## Notable M&A Activity

Date	Acquirer	Target	Category
10/25/23	ValGroup	Garda Plast	Rigid Packaging
10/23/23	Oji Holdings Corporation (TSE:3861)	Walki Group Oy	Protective Packaging
10/13/23	Unicorr Packaging Group	TriState Container Corporation	Corrugated
10/11/23	Getinge AB (OM:GETI B)	Healthmark Industries Company, Inc.	Rigid Packaging
10/10/23	Cold Chain Technologies	Exeltainer	Paper Packaging
10/04/23	ProMach	Lofton Label & Packaging	Labels
10/02/23	Greif, Inc. (NYSE:GEF)	Reliance Products Ltd.	Rigid Packaging
10/01/23	Boyne Capital	Profusion Industries	Flexible 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



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



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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