

PACKAGING M&A UPDATE

NOVEMBER 2023

Packaging Industry M&A Activity Tracking

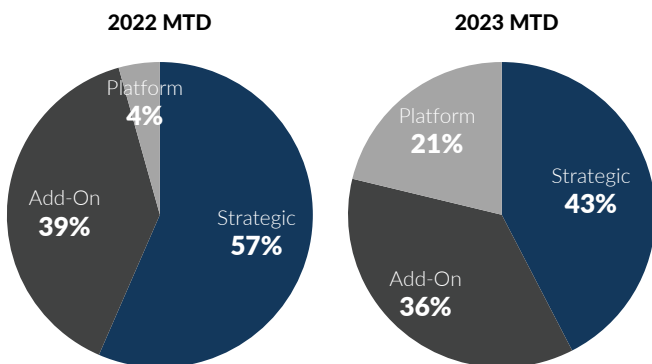
Global Packaging M&A recorded 33 deals in November, down two from October levels. Although month-over-month deal activity is down, November marks the first time the Global Packaging M&A market has recorded over 30 deals in consecutive months since 2021. Robust activity levels were driven by strategic and financial buyers, with each buyer type generating deal volumes greater than their 2023 monthly average. Overall, driven by a recent uptick in deal activity, Global Packaging M&A is on pace to exceed 2022 levels.

PACKAGING M&A BY SUBSECTOR

Subsector	Month-to-Date			Year-to-Date		
	2022	2023	Change	2022	2023	Change
Rigid Plastic	7	8	1	50	60	10
Flexible Plastic	3	4	1	46	39	-7
Paper	10	14	4	115	115	0
Other	3	7	4	33	47	14
Total Packaging	23	33	10	244	261	17
Strategic	57%	43%	-14%	48%	47%	-1%
Financial Buyer - Add-on	39%	36%	-3%	39%	36%	-3%
Financial Buyer - Platform	4%	21%	17%	13%	17%	4%

- Strategic buyers accounted for 43% of total deal volume in November, with 14 deals recorded. Although this was seven less than October levels, strategic buyers exceeded their average monthly deal volume by three deals
- Financial buyers recorded 19 deals in November, making it the most active month for this buyer group since December 2021. This increase in monthly activity is mainly due to platform transactions, which increased by five deals compared to the previous month
- The Paper Packaging subsector recorded 14 deals, which represented 43% of the total deal volume for the month. The majority of these deals were attributed to financial buyers, which accounted for 79% of the subsector's transactions
- The Industrial end market recorded 16 deals in November and accounted for 48% of total deal activity. Furthermore, November represents the end market's most active month of 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	8	67	70
Industrial	12	16	84	103
Consumer	5	5	75	66
Other	0	4	18	22
Total	23	33	244	261

The Global Packaging M&A market has recorded its best two-month stretch since 2021, showing signs of a turnaround in packaging M&A activity. The recent increase in packaging M&A coupled with improving macroeconomic conditions provides some optimism for improved packaging transaction activity in 2024. 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 2023

Public Entity Performance

Packaging public entities rebounded in November, with all five tracked indices increasing in the month and two of the five outperforming the S&P 500. Overall, three of the five indices have appreciated in the year-to-date period, with two of them generating double-digit gains.

Index		% Change November MTD		% Change November YTD
S&P 500 Index	↑	8.9%	↑	19.0%
PMCF Packaging Index ⁽¹⁾	↑	8.3%	↑	3.5%
Rigid Plastic Packaging ⁽²⁾	↑	5.6%	↓	-13.3%
Flexible Plastic Packaging ⁽³⁾	↑	14.4%	↓	-10.7%
Other Packaging ⁽⁴⁾	↑	4.2%	↑	10.4%
Paper Packaging ⁽⁵⁾	↑	9.9%	↑	17.1%

(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

- Economy's Soft Landing Comes Into View as Job Growth Slowly Descends (The Wall Street Journal)
- Recycling Expanded for Multilayer Polyamide Films (Packaging Digest)
- Single-Use Plastic Bans Elsewhere Foreshadow US Future (Packaging Digest)
- Inflation's Cooldown Gives the Fed Leeway (The Wall Street Journal)
- Reusable Packaging Can Compete on Price with Single-Use, MacArthur Foundation Says (Plastics News)

Notable M&A Activity

Date	Acquirer	Target	Category
11/29/23	Inno-Pak, Inc.	Albany Packaging Inc.	Folding Cartons
11/16/23	Alpla	Atlantic Packaging (Morocco)	Rigid Packaging
11/16/23	Resource Label Group	Coast Label	Labels
11/16/23	Parkway Capital	Merrill Industries	Corrugated
11/09/23	Axium Packaging	Silte	Bottles
11/08/23	CORE Industrial Partners	General Converting & Century Box	Folding Cartons
11/07/23	Specialized Packaging Group	Complete Packaging	Protective Packaging
11/06/23	Reynolds Consumer Products (NAS: REYN)	Atacama Manufacturing	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



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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