

PACKAGING M&A UPDATE

DECEMBER 2023

Packaging Industry M&A Activity Tracking

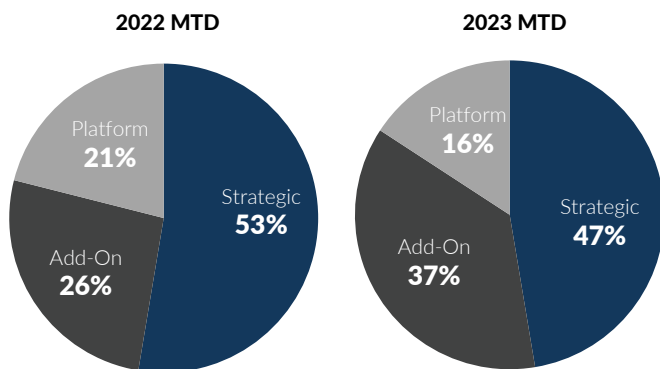
Global Packaging M&A recorded 19 deals in December, which was lower than the heightened activity experienced in October and November, but representative of varied monthly activity experienced across the last 18 months. Overall, the second half of the year was noticeably higher than the first half which resulted in the year being up more than 7% when compared to 2022. Despite the increase, Packaging M&A in 2023 was still lower than pre-COVID levels and is viewed by many industry professionals as having lower than normal levels of activity.

PACKAGING M&A BY SUBSECTOR

Subsector	Month-to-Date			Year-to-Date		
	2022	2023	Change	2022	2023	Change
Rigid Plastic	3	4	1	53	65	12
Flexible Plastic	3	3	0	49	42	-7
Paper	10	6	-4	125	121	-4
Other	3	6	3	36	53	17
Total Packaging	19	19	0	263	281	18
Strategic	53%	47%	-6%	48%	47%	-1%
Financial Buyer - Add-on	26%	37%	11%	38%	36%	-2%
Financial Buyer - Platform	21%	16%	-5%	14%	17%	3%

- Strategic buyers accounted for 47% of total deal volume in December, recording five fewer deals than November. December marked one of only three months in the year with single-digit activity for this buyer group
- Financial buyers recorded 10 deals in December, declining nine deals from November levels and deviating from elevated activity observed in the first two months of the fourth quarter
- The Other subsector, which includes metal and glass packaging along with distribution and machinery, recorded six deals, which represented 32% of the total deal volume for the month. Four of the six deals in this subsector were attributable to packaging distribution
- The Food & Beverage end market recorded eight deals in December and accounted for 42% of total deal activity. This end market led all other end markets and matched prior month transaction volume levels

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	3	8	70	79
Industrial	9	7	93	110
Consumer	7	3	82	69
Other	0	1	18	23
Total	19	19	263	281

The Global Packaging M&A market ended 2023 above prior year levels and closer to pre-pandemic levels driven by a strong second half of the year. Despite a drop in activity in December and what many view as a sluggish year for Packaging M&A, overall strong fourth quarter volumes provide reason for optimism for Packaging M&A heading into 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.

Public Entity Performance

The positive momentum in packaging public entities continued in December, with all five tracked indices increasing and four of the five outperforming their benchmark. All but one of the tracked indices increased in 2023 and three of the indices produced double-digit growth despite not keeping up with the tech-heavy S&P 500.

Index		% Change December MTD		% Change December YTD
S&P 500 Index	↑	4.4%	↑	24.2%
PMCF Packaging Index ⁽¹⁾	↑	7.0%	↑	10.1%
Rigid Plastic Packaging ⁽²⁾	↑	6.6%	↓	-9.0%
Flexible Plastic Packaging ⁽³⁾	↑	13.6%	↑	0.8%
Other Packaging ⁽⁴⁾	↑	7.2%	↑	18.3%
Paper Packaging ⁽⁵⁾	↑	3.4%	↑	21.6%

(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

- Prepare for EPR Regulations and Trends Affecting the Industry (Packaging World)
- Plastic-Free Paper Packaging for the Win (Packaging Digest)
- PET bottle Recycling Holds Steady (Plastics News)
- World Central Banks Signal Victory Over Inflation Is in Sight (The Wall Street Journal)
- U.S. Jobs Market Cools Again, Conference Board Employment Trends Index Shows (The Wall Street Journal)

Notable M&A Activity

Date	Acquirer	Target	Category
12/31/23	Trioworld Group AB	Wentus GmbH	Flexible Plastic
12/26/23	Dislog Group	CMB Plastique Maroc S.A.	Rigid Plastic
12/20/23	NNZ	Jubilo	Distribution
12/15/23	Atlas Packaging, Inc.	Republic Packaging of Florida, Inc.	Corrugated
12/14/23	SIAT Group	50% of Combi Packaging Systems LLC	Machinery/Equipment
12/08/23	Van Genechten Group	CartonCare	Folding Cartons
12/04/23	Novvia Group	BSB Holdings, LLC	Distribution
12/01/23	All4Labels Group GmbH	Uniflexo Industria Grafica Ltda.	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



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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