

PACKAGING M&A UPDATE

MAY 2024

Packaging Industry M&A Activity Tracking

Global Packaging M&A posted 24 deals in May, up one transaction from April levels. Despite similar activity levels compared to the prior month, buyer groups displayed varied results. Financial buyers outpaced April volumes by three deals whereas strategic buyers lagged prior month activity levels by two. While buyer activity has varied, financial buyers have been less prevalent as a portion of the total mix in 2024 compared to 2021 - 2023 when they accounted for over 50% of the deal volume. Overall, despite monthly fluctuations in activity from both buyer types, M&A activity in the packaging space continues to trend ahead of the sluggish first half of 2023.

PACKAGING M&A BY SUBSECTOR

Subsector	Month-to-Date			Year-to-Date		
	2023	2024	Change	2023	2024	Change
Rigid Packaging	5	1	-4	25	18	-7
Flexible Plastic	3	5	2	16	20	4
Paper	3	4	1	32	25	-7
Printing & Labels	5	1	-4	15	18	3
Protective Packaging	0	2	2	4	8	4
Machinery & Distribution	8	11	3	19	33	14
Total	24	24	0	111	122	11

PACKAGING M&A BY BUYER TYPE

Type	MTD	% of Total	YTD	% of Total
Strategic	11	46%	63	52%
Add-On (PE)	9	38%	45	37%
Platform (PE)	4	17%	14	11%

PACKAGING M&A BY GEOGRAPHY

Type	MTD	% of Total	YTD	% of Total
U.S.-to-U.S.	9	38%	44	36%
U.S.-to-Foreign	3	13%	15	12%
Foreign-to-U.S.	2	8%	5	4%
Foreign	10	42%	58	48%

- Strategic buyers accounted for only 11 deals in May making it the second-worst month in 2024 for this buyer group. Furthermore, strategic buyers represented less than half of the deal volume in May, which has not occurred since February
- Financial buyers tallied 13 deals in May, an uptick of three transactions over April levels. The increase in volume was attributable to platform transactions while add-on performance remained stagnant month-over-month
- Activity in the Machinery & Distribution subsector surged in May and reported the largest increase from a deal volume standpoint for any subsector relative to April volumes. The subsector posted 11 deals, accounting for 46% of May's monthly deal volume and outpacing the prior month's volume by nine
- After recording its strongest month since August 2023 in April, domestic activity declined by four deals and accounted for only 38% of all deal volume in May
- The Industrial end market rebounded in May after posting its lowest activity in more than 15 months in April. The end market led all subsectors in May, recording 14 transactions, an increase of nine over April levels

TOTAL PACKAGING M&A BY END MARKET

End Market	MTD	%	YTD	%
Food & Beverage	5	21%	37	30%
Industrial	14	58%	52	43%
Consumer	4	17%	27	22%
Other	1	4%	6	5%



JOHN HART
 Managing Director
 248.223.3468
 john.hart@pmcf.com

If you are a plastics 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 – May 2024

Industry Multiples and Trends

EV/EBITDA multiples trended upwards with three of the four subsectors experiencing a growth in average EV/EBITDA multiples compared to April. Rigid Plastic and Other Packaging public entities continue to drive higher valuation multiples relative to those seen in Flexible Plastic and Paper Packaging companies.

Public Stock Performance

Public entities in the packaging space rebounded in May with all tracked subsectors posting an increase in value on average. The Paper Packaging subsector led with a double-digit increase in average value while all others posted modest growth of less than 4%. Growth in May sent the average YTD return for Paper Packaging public entities well above those of other subsectors.

Company Name	Stock Performance Year-to-Date	Stock Performance Month-to-Date	Enterprise Value / LTM	
			Revenue	EBITDA
<i>Rigid Plastic</i>				
AptarGroup, Inc.	19.5%	2.3%	3.04x	14.03x
Berry Global Group, Inc.	-11.1%	5.7%	1.31x	8.22x
Essentra plc	-2.7%	-6.6%	1.71x	11.20x
Nampak Limited	-2.8%	1.1%	0.46x	9.43x
Silgan Holdings Inc.	4.4%	1.3%	1.46x	9.02x
Sonoco Products Company	9.8%	9.5%	1.39x	8.31x
Mean	2.8%	2.2%	1.56x	10.04x
Median	0.9%	1.8%	1.43x	9.23x
<i>Flexible Plastic</i>				
Amcor plc	5.5%	13.8%	1.60x	10.94x
Huhtamaki Oyj	1.1%	3.3%	1.27x	9.56x
Pactiv Evergreen Inc.	-9.8%	-18.9%	1.13x	5.08x
Sealed Air Corporation	6.4%	23.5%	1.84x	8.92x
Transcontinental Inc.	-0.1%	0.2%	0.73x	4.96x
Wipak Ltd.	6.7%	1.7%	1.41x	6.97x
Mean	1.6%	3.9%	1.33x	7.74x
Median	3.3%	2.5%	1.34x	7.94x
<i>Paper Packaging</i>				
Cascades Inc.	-23.5%	5.4%	0.66x	6.03x
DS Smith Plc	24.0%	8.7%	0.98x	6.63x
Graphic Packaging Holding Co.	14.9%	9.6%	1.54x	7.28x
Greif, Inc.	-1.0%	6.0%	1.10x	6.57x
International Paper Company	24.7%	29.0%	1.11x	8.93x
Karat Packaging Inc.	14.8%	5.3%	1.48x	9.87x
Packaging Corporation of America	12.6%	6.1%	2.34x	10.80x
Smurfit Kappa Group Plc	24.6%	9.7%	1.28x	7.22x
WestRock Company	29.2%	11.8%	1.18x	7.67x
Mean	13.4%	10.2%	1.30x	7.89x
Median	14.9%	8.7%	1.18x	7.28x
<i>Other Packaging</i>				
Avery Dennison Corporation	12.6%	4.7%	2.53x	15.16x
Ball Corporation	20.7%	-0.2%	1.87x	11.86x
CCL Industries Inc.	17.9%	-0.1%	2.11x	10.32x
Crown Holdings	-8.6%	2.6%	1.44x	9.16x
Gerresheimer AG	11.3%	4.0%	2.33x	11.52x
O-I Glass, Inc.	-22.5%	-15.2%	0.97x	5.04x
Toyo Seikan Group Holdings, Ltd.	13.6%	6.4%	0.61x	6.41x
Mean	6.4%	0.3%	1.69x	9.92x
Median	12.6%	2.6%	1.87x	10.32x

Sources: S&P Capital IQ, Company Websites, Pitchbook, Company Reports, PMCF

Notable M&A Activity

Date	Acquirer	Target	Category
05/23/24	Gerresheimer (ETR: GXI)	Bormioli Pharma	Rigid Packaging
05/15/24	ATS Automation Tooling Systems (TSE: ATS)	Paxiom Group	Machinery & Equipment
05/15/24	Imperial Dade	3G Packaging	Distribution
05/14/24	S.A Industrias Celulosa Aragonesa	LIC Packaging S.p.a	Folding Cartons
05/13/24	Flex Pack	The Robinette Company Inc.	Flexible Packaging
05/02/24	Arkema (PAR: AKE)	Dow (Flexible Packaging Laminating Adhesives Business)	Flexible Packaging
05/02/24	Breck Partners LLC	NPX One, LLC	Foam Packaging
05/02/24	Industrial Opportunity Partners	Transcendia	Flexible Plastic

Sources: S&P Capital IQ, Company Websites, Pitchbook, Company Reports, PMCF

Major News & Insights

- PE Prices on the Rise; Buyers 'Very Frustrated' (Plastics News)
- California Legislators Advance Bills to Limit Plastic Bags and PFAS, Update EPR (Packaging Dive)
- US Packaging Manufacturers Announced More Than 600 Layoffs in May (Packaging Dive)
- Hiring and Wages are Up, Reinforcing the Economy's Resilience (The Wall Street Journal)
- Berry May Make Another \$1B in Divestitures to Tighten Focus (Plastics News)

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.

Recent PMCF Plastics & Packaging Transactions

 <p>has been acquired by</p> 	 <p>has been acquired by</p> 	 <p>has been acquired by</p> 	 <p>a portfolio company of</p>  <p>has been acquired by</p>  <p>a portfolio company of</p> 
CORRUGATED PACKAGING	CORRUGATED PACKAGING	PACKAGING DISTRIBUTION & BLOW MOLDED PACKAGING	RECYCLING & FLEXIBLE 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

120 S Riverside Plaza
Suite 2100
Chicago, IL 60606

Experienced Professionals. Trusted Advisors. Proven Results.

This Plastics & Packaging M&A Update is not an offer to sell or a solicitation of an offer to buy any security. It is not intended to be directed to investors as a basis for making an investment decision. This Plastics & Packaging M&A Update does not rate or recommend securities of individual companies, nor does it contain sufficient information upon which to make an investment decision.

PMCF will seek to provide investment banking and/or other services to one or more of the companies mentioned in this Plastics & Packaging M&A Update.

PMCF, and/or the analysts who prepared this Plastics & Packaging M&A Update, may own securities of one or more of the companies mentioned in this Plastics & Packaging M&A Update.

The information provided in this Plastics & Packaging M&A Update was obtained from sources believed to be reliable, but its accuracy cannot be guaranteed. It is not to be construed as legal, accounting, financial, or investment advice. Information, opinions, and estimates reflect PMCF's judgment as of the date of publication and are subject to change without notice. PMCF undertakes no obligation to notify any recipient of this Plastics & Packaging M&A Update of any such change.

The charts and graphs used in this Plastics & Packaging M&A Update have been compiled by PMCF solely for illustrative purposes.

All charts are as of the date of issuance of this Plastics & Packaging M&A Update, unless otherwise noted.

The PMCF Plastics and Packaging Indices may not be inclusive of all companies in the Plastics and Packaging industries and is not a composite index of the Plastic and Packaging industry sector returns. Index and sector returns are past performance which is not an indicator of future results.

This Plastics & Packaging M&A Update is not directed to, or intended for distribution to, any person in any jurisdiction where such distribution would be contrary to law or regulation, or which would subject PMCF to licensing or registration requirements in such jurisdiction.

PMCF is a trade name for PMCF Advisors, LLC and P&M Corporate Finance, LLC, a FINRA-registered broker-dealer and SIPC member firm. The term "PMCF" refers to one or more of these legally separate and independent advisory practices. P&M Corporate Finance, LLC provides capital-raising and private placement services that require registration as a broker-dealer. PMCF Advisors, LLC provides M&A-related services that do not require registration in reliance upon the SEC M&A Brokers No-action Letter (2014) and comparable state-level exemptive relief.

Please see pmcf.com to learn more.

For more information, check out our new website, where you can access the electronic version of this report, sign up for future emails, read our latest industry reports, and more!



Affiliate



Member of CFI