

PACKAGING M&A UPDATE

June 2024

Packaging Industry M&A Activity Tracking

Global Packaging M&A finished strong in the first half of 2024, recording its most active month since January in June, and posting 151 deals in total in the half. June activity represented a five deal increase from the prior month and surpassed June 2023 levels by ten deals. The first half of 2024 outpaced the first half of 2023 by 21 deals, driven by increased activity from strategic buyers. Capping off a strong second quarter, June marked the third consecutive month of increasing deal volumes. Overall, activity remained consistent quarter-over-quarter, leading to heightened first half activity when compared to the previous year.

PACKAGING M&A BY SUBSECTOR

Subsector	Month-to-Date			Year-to-Date		
	2023	2024	Change	2023	2024	Change
Rigid Packaging	5	5	0	30	23	-7
Flexible Plastic	3	4	1	19	24	5
Paper	2	11	9	34	36	2
Printing & Labels	6	1	-5	21	19	-2
Protective Packaging	2	4	2	6	12	6
Machinery & Distribution	1	4	3	20	37	17
Total	19	29	10	130	151	21

PACKAGING M&A BY BUYER TYPE

Type	MTD	% of Total	YTD	% of Total
Strategic	18	62%	81	54%
Add-On (PE)	3	10%	48	32%
Platform (PE)	8	28%	22	15%

PACKAGING M&A BY GEOGRAPHY

Type	MTD	% of Total	YTD	% of Total
U.S.-to-U.S.	9	31%	53	35%
U.S.-to-Foreign	3	10%	18	12%
Foreign-to-U.S.	0	0%	5	3%
Foreign	17	59%	75	50%

- Strategic buyers accounted for 81 deals, or 54% of the deal volume in the first half of 2024, which denoted the highest percentage of overall mix attributable to strategic buyers since the first half of 2020
- Financial buyers have posted 70 deals to date, exceeding H1 2023 by one deal. June platform acquisitions exceeded May by four deals, but the increase was smaller than the five deal decline in add-on transactions, resulting in a modest month-to-month contraction
- The Industrial end market was the most active in the first half of 2024, representing 45% of volume and logging a 21-deal increase relative to H1 2023. Food & Beverage volume increased by seven deals compared to the first half of 2023, while the Consumer end market observed a decline in the same period
- The proportion of transactions involving a US-based buyer and seller declined by 9% compared to the first half of 2023, accounting for only 35% of volume. Foreign M&A activity continued to drive deal flow, accounting for half of the deal volume in H1 2024
- The Machinery & Distribution subsector posted 17 more deals in H1 than it did in the prior year. Furthermore, the subsector led all others in deal volume, totaling 37 deals in the first half of 2024

TOTAL PACKAGING M&A BY END MARKET

End Market	MTD	%	YTD	%
Food & Beverage	5	17%	42	28%
Industrial	16	55%	68	45%
Consumer	7	24%	34	23%
Other	1	3%	7	5%



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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.

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Industry Multiples and Trends

The Paper Packaging subsector was the one exception to otherwise declining or stagnant average subsector EV/EBITDA multiples, posting a 1.2x increase compared to the start of the year. The rest of the subsectors contracted or showed nominal growth, with Rigid Plastic posting the most significant drop of nearly three turns since the start of the year.

Public Stock Performance

Results for public entities among tracked subsectors were mixed. Paper Packaging showed the strongest performance in H1 2024 with 7.5% gains year-to-date. Rigid Plastic also saw positive movement with 5.3% gains in the same period. However, Flexible Plastic and Other Packaging have seen minimal movement from their values at the beginning of 2024.

Company Name	Stock Performance Year-to-Date	Stock Performance Month-to-Date	Enterprise Value / LTM ¹	
			Revenue	EBITDA
<i>Rigid Plastic</i>				
AptarGroup, Inc.	13.9%	-4.7%	2.91x	13.44x
Berry Global Group, Inc.	-12.7%	-1.7%	1.30x	8.16x
Essentra plc	-6.4%	-3.8%	1.66x	10.83x
Nampak Limited	52.7%	57.1%	0.48x	5.25x
Silgan Holdings Inc.	-6.5%	-10.4%	1.37x	8.47x
Sonoco Products Company	-9.2%	-17.4%	1.23x	7.38x
Mean	5.3%	3.2%	1.49x	8.92x
Median	-6.4%	-4.2%	1.34x	8.32x
<i>Flexible Plastic</i>				
Ancor plc	1.5%	-3.8%	1.56x	10.66x
Huhtamaki Oyj	2.0%	0.9%	1.28x	9.62x
Pactiv Evergreen Inc.	-17.4%	-8.4%	1.09x	4.92x
Sealed Air Corporation	-4.7%	-10.5%	1.73x	8.39x
Transcontinental Inc.	10.4%	10.4%	0.80x	5.27x
Winpak Ltd.	9.2%	2.4%	1.41x	6.98x
Mean	0.1%	-1.5%	1.31x	7.64x
Median	1.7%	-1.5%	1.35x	7.69x
<i>Paper Packaging</i>				
Cascades Inc.	-29.1%	-7.3%	0.64x	5.89x
DS Smith Plc	37.0%	10.5%	1.18x	7.87x
Graphic Packaging Holding Co.	6.3%	-7.5%	1.47x	6.95x
Greif, Inc.	-12.4%	-11.5%	1.17x	7.62x
International Paper Company	19.4%	-4.3%	1.08x	8.64x
Karat Packaging Inc.	19.0%	3.6%	1.53x	10.21x
Packaging Corporation of America	12.1%	-0.5%	2.33x	10.75x
Smurfit Westrock Plc	NM	-7.9%	1.21x	6.83x
Mean	7.5%	-3.1%	1.33x	8.10x
Median	12.1%	-5.8%	1.20x	7.75x
<i>Other Packaging</i>				
Avery Dennison Corporation	8.2%	-3.9%	2.44x	14.65x
Ball Corporation	4.3%	-13.6%	1.66x	10.53x
CCL Industries Inc.	20.7%	2.4%	2.16x	10.55x
Crown Holdings	-19.2%	-11.6%	1.34x	8.53x
Gerresheimer AG	6.3%	-4.5%	2.25x	11.12x
O-I Glass, Inc.	-32.1%	-12.3%	0.93x	4.85x
Toyo Seikan Group Holdings, Ltd.	10.4%	-2.8%	0.60x	6.27x
Mean	-0.2%	-6.6%	1.63x	9.50x
Median	6.3%	-4.5%	1.66x	10.53x

¹LTM as of latest available financials

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

Notable M&A Activity

Date	Acquirer	Target	Category
06/28/24	Peninsula Capital	Bartoli Packaging	Folding Cartons
06/25/24	Trioworld	Palamy	Flexible Plastic
06/24/24	Sonoco Products Company (NYSE:SON)	Eviosys Packaging Switzerland GmbH	Rigid Packaging
06/18/24	Spell Capital Partners	All Star Corrugated	Corrugated
06/17/24	Alpla	HEINLEIN Plastik-Technik	Rigid Packaging
06/10/24	SupplyOne	Columbia Corrugated Box	Corrugated
06/06/24	Green Bay Packaging	SMC Packaging	Corrugated
06/03/24	Hood Container	Independent II	Corrugated

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

Major News & Insights

- Wage Gains, Low Unemployment Keep Pressure on Fed; Hiring Cooled in June (The Wall Street Journal)
- Second Round of Fiber Product Price Increases Appears to be Taking Hold (Packaging Dive)
- Food-Grade Recycled Polypropylene is Poised for US Intro (Packaging Digest)
- Packaging Treaty Could Boost Packaging Firms Offering Alternative Materials (Plastics News)
- PET Bottle Resin Prices Take an Unexpected Early Summer Dip (Plastics News)

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- 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

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