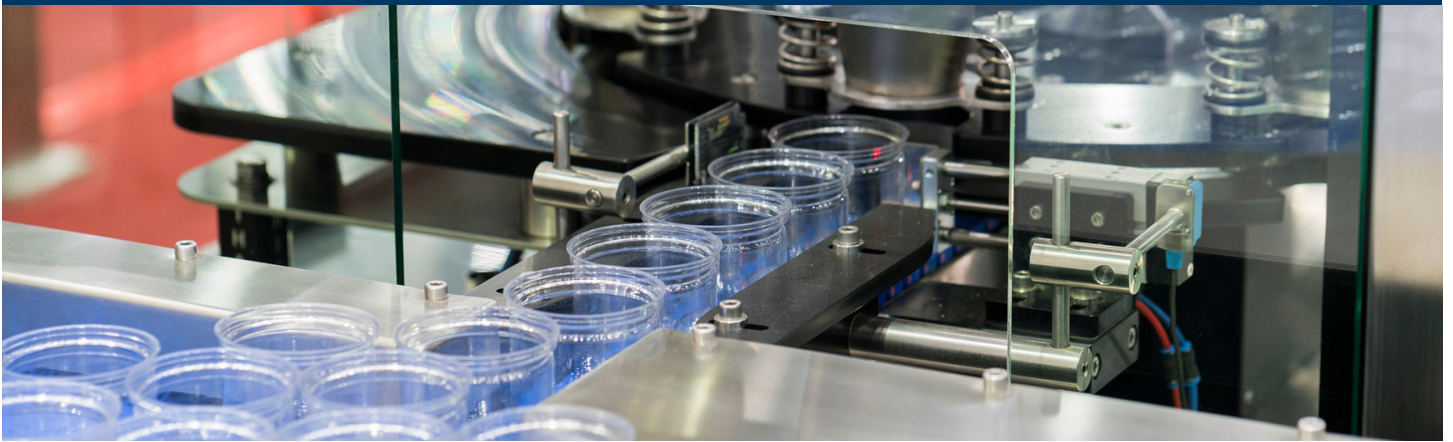


# PACKAGING M&A PULSE

2021 YEAR IN REVIEW



# 2021

## INSIDE THIS ISSUE

Packaging Market M&A Overview & Analysis	PAGE 3
M&A Activity in Rigid & Flexible Plastic, Paper, and Other Packaging Types	PAGE 4-7
Current Public Packaging Valuation Trends	PAGE 8
Private Equity M&A Activity	PAGE 9

# About PMCF's Plastics & Packaging Team

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.

Blow Molding	Flexible Packaging	Engineered Products	Corrugated & Paper Packaging
Rigid Packaging	Injection Molding	Extrusion	Specialty Film
Color & Compounding	Printing & Labeling	Thermoforming	Packaging Machinery

## PMCF'S PLASTICS & PACKAGING TEAM



- Leads PMCF's Plastics & Packaging Group
- 20 years of M&A experience
- Frequent speaker at industry events
- Authored more than 30 Plastics & Packaging reports
- Led successful completion of 30 Plastics & Packaging transactions over the past 10 years

**JOHN HART**  
Managing Director



248.223.3468



John.Hart@pmcf.com



**EDDIE ZUKOWSKI**  
Vice President  
248.603.5234  
Eddie.Zukowski@pmcf.com



**KYLE DIEPHUIS**  
Associate  
248.603.5052  
Kyle.Diephuis@pmcf.com



**SOREN ROSSI**  
Analyst  
312.344.2456  
Soren.Rossi@pmcf.com

## RECENT PMCF PLASTICS & PACKAGING TRANSACTIONS



EXTRUSION & FLEXIBLE  
PACKAGING



PACKAGING DISTRIBUTION  
& BLOW MOLDING



RIGID PACKAGING



RECYCLING & FLEXIBLE  
PACKAGING

# 2021 Market Summary & Outlook

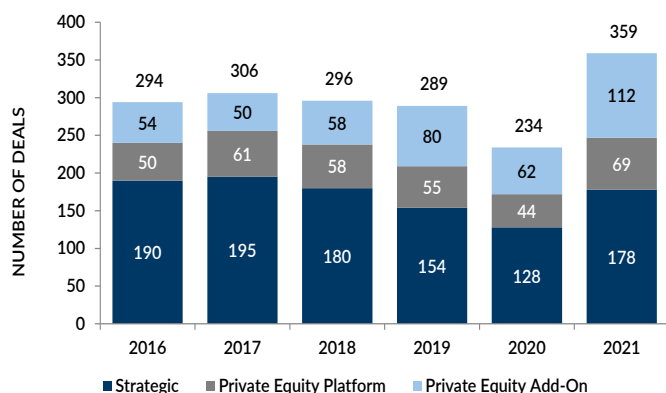
The Global Packaging M&A market rebounded in 2021 as effects of the Coronavirus pandemic wore off and unique market conditions paved the way for significant transaction activity. Transaction levels exceeded 350 deals for the first time since PMCF began tracking the industry. In total, 359 packaging deals were announced or completed in 2021 which was a 53% increase over 2020 levels and higher by 43 transactions than the next highest year since PMCF began covering the sector. The record deal activity could be attributed to several unique factors including (1) carryover transactions from 2020 that were delayed due to COVID, (2) continuation of strong "sellers' market" conditions, (3) favorable market conditions for buyers including low interest rates, high debt availability, and large cash reserves, and (4) acceleration of transactions by sellers due to concerns over increases in capital gains taxes.

Key trends in Packaging M&A in 2021 include:

- Packaging deal volume remained relatively constant through the first three quarters of the year, averaging 28 transactions per month. The fourth quarter of 2021 was the highest quarter from a deal volume perspective in the last 10 years with 104 deals announced or completed. Overall, monthly deal volume was relatively consistent leading to a very strong year for the Global Packaging M&A market
- All packaging subsectors including rigid and flexible plastic packaging, paper packaging, and other packaging rose year-over-year with flexible plastic packaging transaction volume increasing 129% which was the most of all the subsectors. Rigid plastic packaging was the only packaging subsector not to record the highest annual total from a transaction volume standpoint in the last 10 years
- Increased transaction activity can be attributed to robust participation from both strategic and financial buyers which accounted for roughly an equal split of transaction volume. Private equity buyers increased their activity after a down year in 2020, accounting for 181 transactions, up from 106 deals last year
- Transaction multiples remain high in the packaging space. The average of PMCF's proprietary research on EV/EBITDA multiples has remained above 9x since 2017. Higher deal multiples point towards the activity within the industry and the premiums buyers are willing to pay to achieve consolidation

Overall, Global Packaging M&A achieved an unprecedented level of transaction activity. The robust activity points to unique circumstances experienced in the post-pandemic market as well as trends in the industry which point to elevated levels of consolidation. Transaction activity will most likely not continue at this pace throughout 2022 as interest rates normalize, the tax environment settles down, and the macroeconomic environment cools. However, packaging businesses remain highly attractive to both strategic and financial buyers and multiples continue to be elevated. It remains to be seen if sellers can match the demand of such an active buyer base in the current environment.

## TRANSACTIONS BY BUYER TYPE



## TOTAL PACKAGING M&A BY QUARTER

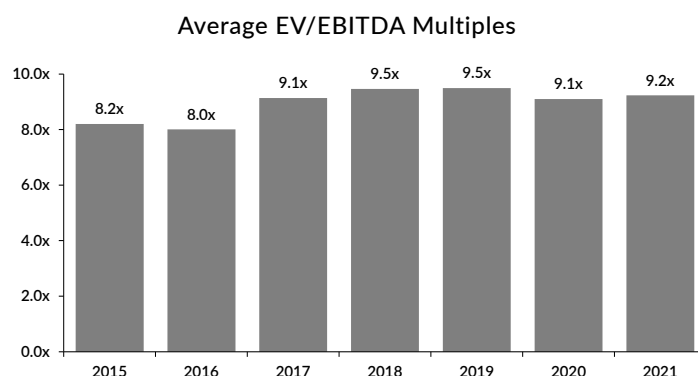
Q1 '21	Q2 '21	Q3 '21	Q4 '21
84	92	79	104
Q1 '20	Q2 '20	Q3 '20	Q4 '20
68	33	59	74
Q1 '19	Q2 '19	Q3 '19	Q4 '19
85	67	73	64

## TRANSACTIONS BY SUBSECTOR

Sector	2016	2017	2018	2019	2020	2021
Rigid Plastic	68	77	72	77	57	71
Flexible Plastic	56	53	55	52	28	64
Paper	116	123	113	114	105	164
Other	54	53	56	46	44	60
<b>Total Packaging</b>	<b>294</b>	<b>306</b>	<b>296</b>	<b>289</b>	<b>234</b>	<b>359</b>

Note: Other packaging includes machinery/equipment, distributors, glass, and metal

## SELECT PACKAGING TRANSACTIONS



Multiple data in chart above is based on a proprietary collection of select transactions. Note that the majority of transactions do not disclose multiples

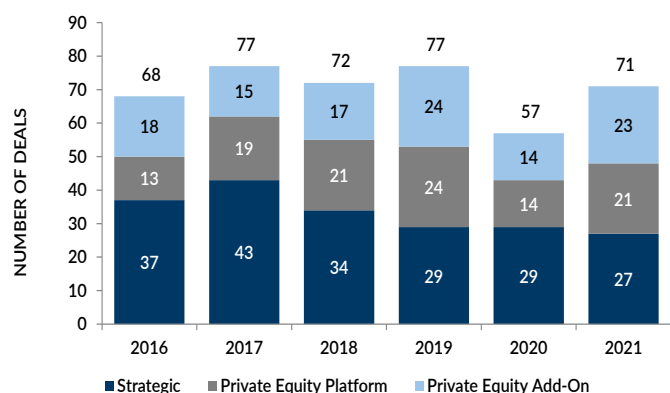
Source: PMCF Estimates, Capital IQ, Thomson Reuters, PitchBook  
Dates throughout this report are presented as announced dates

# Rigid Plastic Packaging Transaction Activity

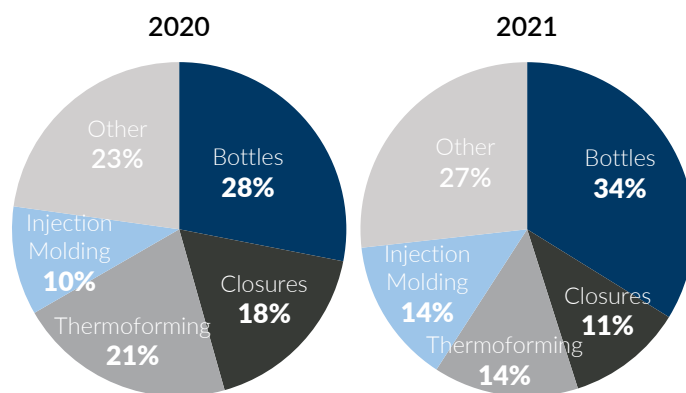
## TRENDS IN RIGID PLASTIC PACKAGING

- Rigid Plastic Packaging M&A activity increased by 25% to 71 deals in 2021 after experiencing lower activity levels in 2020 due to the Coronavirus pandemic
- The rebound was attributed to resurgent private equity buyers who accounted for 62% of the deal volume in 2021 compared to only 49% in 2020
- Transactions involving bottle manufacturers and suppliers increased by 50% in 2021 and totaled 24 deals in the year; 2021 transaction levels are more in line with historical M&A for bottle fabricators
- Transaction volumes involving other rigid packaging companies increased by 46% in 2021 and recorded the highest level of transaction volume in the past four years

### TRANSACTIONS BY BUYER TYPE



### TRANSACTIONS BY PACKAGE TYPE



### 2021 SELECT TRANSACTIONS IN GLOBAL RIGID PLASTIC PACKAGING

Date	Target	Acquirer	Category
01/18/21	Tech II, Inc.	IPL Plastics Inc.	Injection Molding
02/26/21	Logoplaste Consultores Técnicos, S.A.	Ontario Teachers' Pension Plan Board	Bottles / Containers
03/16/21	Rohrer Corp.	Wellspring Capital Management LLC	Thermoforming
06/30/21	Grupo Phoenix	Tekni-Plex, Inc.	Rigid Packaging
09/08/21	Fabri-Kal Corporation	Pactiv Evergreen Group Holdings Inc.	Thermoforming
09/14/21	MOLD-RITE Plastics, LLC	Clearlake Capital Group, LLC	Closures
09/16/21	Alpha Packaging, Inc.	Pretium Packaging LLC	Bottles
09/20/21	Gateway Plastics, Inc.	Silgan Holdings Inc. (NasdaqGS:SLGN)	Injection Molding

### FEATURED SECTOR TRANSACTIONS

**September 2021** – Clearlake Capital Group, L.P. (together with its affiliates, “Clearlake”) in partnership with company management announced that it has signed a definitive agreement to acquire Mold-Rite Plastics, LLC (“Mold-Rite” or “MRP”) from Irving Place Capital. Mold-Rite provides rigid packaging components to a wide variety of end-markets including personal care, health & wellness, and food & beverage. In the same month, Clearlake-backed Pretium Packaging, LLC (“Pretium”) acquired Alpha Consolidated Holdings, Inc. (“Alpha”) from Irving Place Capital. Alpha provides packaging solutions to health & wellness, food & beverage, and other sectors. Arta Tabae, Managing Director, of Clearlake said of the Mold-Rite transaction, “The addition of Mold-Rite to our portfolio highlights our continued thesis in the healthcare and wellness packaging markets. We believe long term consumer trends and preferences favor providers focused on sustainability and innovation.”

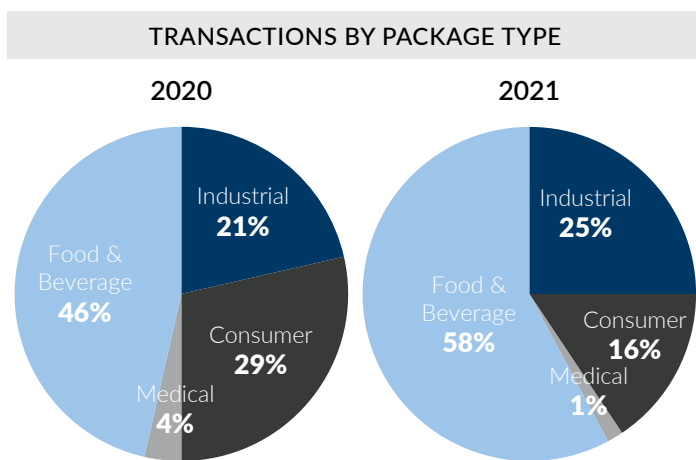
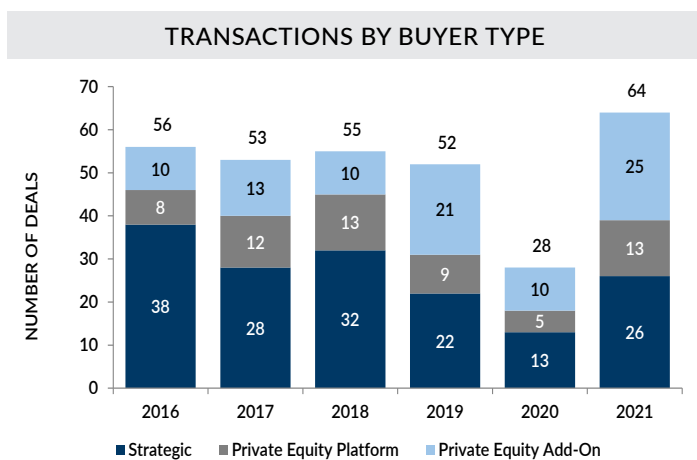
**September 2021** – Pactiv Evergreen Inc. (NASDAQ: PTVE) announced that its wholly-owned subsidiary, Pactiv Evergreen Group Holdings Inc. has completed its acquisition of Fabri-Kal, a leading manufacturer of foodservice and consumer brand packaging solutions. Pactiv Evergreen is an industry-leading manufacturer of food and beverage packaging in North America. The transaction was valued at \$380 million subject to adjustments for cash, working capital and indebtedness. Pactiv Evergreen CEO, Mike King, said, “Fabri-Kal is well known for its high-quality products, longstanding customer relationships and sustainable packaging solutions. We look forward to the Fabri-Kal team joining Pactiv Evergreen and working together to drive increased value for our shareholders, customers and employees.”

Sources: Capital IQ, PitchBook, Thomson Reuters, Company Reports, PMCF

# Flexible Plastic Packaging Transaction Activity

## TRENDS IN FLEXIBLE PLASTIC PACKAGING

- Flexible Plastics Packaging M&A posted 64 transactions in 2021, the highest level recorded since PMCF began tracking the subsector 15 years ago
- Flexible Plastic M&A was severely impacted by the COVID-19 pandemic despite having a high concentration in the Food & Beverage markets; these markets were instrumental to the rebound in 2021, representing 58% of the transaction volume
- Industrial transactions also increased significantly in the year, growing from 6 total transactions in 2020 to 16 in 2021
- Private equity add-on transactions accounted for 39% of the total deal volume in 2021 up 36% from the previous year; financial buyers had a large effect on the rebound experienced by the subsector



## 2021 SELECT TRANSACTIONS IN GLOBAL FLEXIBLE PLASTIC PACKAGING

Date	Target	Acquirer
01/11/21	Rapid Action Packaging Limited	ProAmpac LLC
01/20/21	Summit Plastics, Inc.	LongueVue Capital, LLC
02/05/21	A.M.B. SpA	Peak Rock Capital LLC
05/17/21	Schur Flexibles Holding GesmbH	B & C Industrieholding GmbH
06/10/21	Redi-Bag, Inc.	Soteria Flexibles Corp
08/03/21	Prestige-Pak, Inc.	C-P Flexible Packaging, Inc.
08/16/21	Elif Holding A.Ş.	Huhtamäki Oyj
10/01/21	PPC Flexible Packaging LLC	GTCR LLC

## FEATURED SECTOR TRANSACTIONS

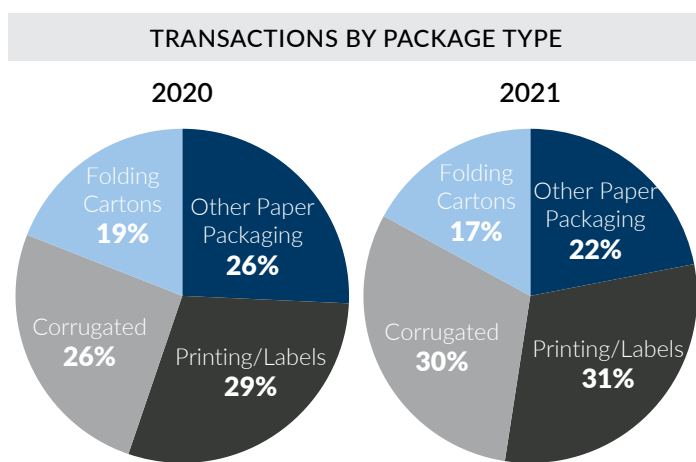
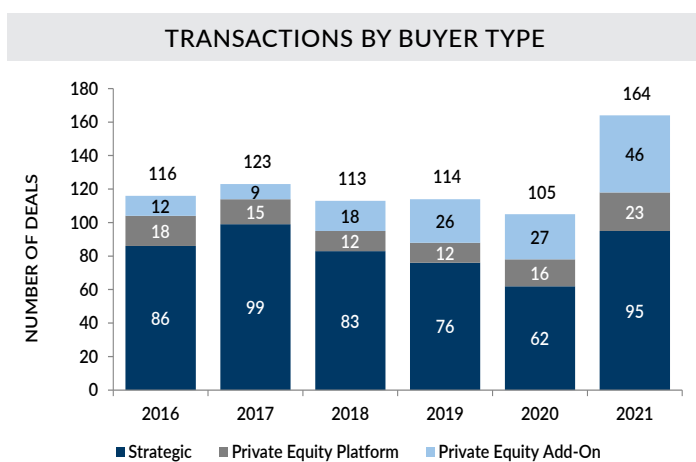
**May 2021** – B&C Group agreed to acquire 80% of Schur Flexibles Group from Lindsay Goldberg. Lindsay Goldberg will remain co-owner with 20% of the shares in Schur Flexibles. Schur Flexibles Group specializes in providing innovative packaging solutions to a wide-variety of end-markets. With multiple production sites across Europe, the Company is one of the leading flexible packaging providers on the continent. Michael Schernthaner, CEO of Schur Flexibles, said, “The choice of our new majority shareholder B&C is perfect for Schur Flexibles: B&C is a long-term, entrepreneurial owner with an outstanding reputation and a firm commitment to supporting the growth of Austrian business and research funding.”

**October 2021** – GTCR, a leading private equity firm, announced today that it has closed the acquisition of PPC Flexible Packaging (“PPC” or the “Company”). PPC Flexible Packaging is a manufacturer and converter of plastics films, pouches, and bags to customers in a wide variety of industries. PPC has pursued growth both internally and through acquisitions, creating one of the most active flexible packaging companies from an M&A standpoint. GTCR Managing Director David Donnini said, “Kevin and the PPC team have built a remarkable business in a short period of time by acquiring differentiated packaging assets focused on attractive end markets. We look forward to being partners with the PPC team and continuing their successful consolidation of high-quality flexible packaging companies.”

# Paper Packaging Transaction Activity

## TRENDS IN PAPER PACKAGING

- Paper Packaging M&A increased by 59 transactions year-over-year and paced all subsectors from a deal volume standpoint
- The 164 recorded transactions on the year was the highest in the last 15 years and represented a 33% increase over the next highest year recorded in 2017
- The increase in paper packaging M&A is attributable to high-levels of corrugated and printing/labels transactions which both increased over 60% in 2021
- While corrugated and printing/labels transactions led the way for the paper packaging subsector, folding cartons and other paper packaging also increased over 2020 levels which helped to boost the subsector to record levels



## 2021 SELECT TRANSACTIONS IN GLOBAL PAPER PACKAGING

Date	Target	Acquirer	Category
04/05/21	Display and Packaging Business of Sonoco	Hood Container Corporation	Corrugated
03/01/21	Hammer Packaging Corporation	Fort Dearborn Company	Printing/Labels
04/26/21	Parksons Packaging Ltd.	Warburg Pincus LLC	Folding Cartons
04/27/21	Americraft Carton, Inc.	Graphic Packaging Holding Company (NYSE:GPK)	Folding Cartons
07/02/21	Multi-Color Corporation	Clayton, Dubilier & Rice, LLC	Printing/Labels
07/05/21	Reno De Medici S.p.A.	Apollo Global Management, Inc.	Folding Cartons
10/06/21	Danco Packaging Supply Company LLC	Pregis Corporation	Other Paper Packaging
10/26/21	Assets of Advance Packaging Corporation	Packaging Corporation of America (NYSE:PKG)	Corrugated

## FEATURED SECTOR TRANSACTIONS

**April 2021** – Graphic Packaging (NYSE:GPK) announced that it has acquired Americraft Carton, Inc. for around \$280 million. Americraft Carton specializes in manufacturing paperboard folding carton for various industries and operates seven converting facilities. Graphic Packaging president and CEO, Michael Doss, said, “Their business philosophy is aligned with how we lead our business. The combination extends our end markets and customer base, further strengthening our position as the leading, integrated paperboard packaging provider in North America.” Graphic Packaging provides paper packaging solutions to food & beverage and other consumer products companies worldwide. It operates through three segments: Paperboard Mills, Americas Paperboard Packaging, and Europe Paperboard Packaging.

**July 2021** – Clayton Dubilier & Rice (“CD&R”) announced a definitive agreement under which CD&R funds will acquire and combine Fort Dearborn and Multi-Color Corporation (“MCC”), to create the world’s largest label solutions company serving customers worldwide. Fort Dearborn and MCC provide unique label solutions to a diverse mix of customers in the food & beverage, consumer, and personal care end-markets. Nigel Vincombe, CEO of MCC, said, “At MCC, we have continually worked to invest in our people, processes and technology in order to strengthen our organization and become one of the most trusted and innovative label manufacturing leaders across the globe. This combination with Fort Dearborn and the ongoing support of value-added investors provide the opportunity to continue to strengthen the business, invest in the expansion of our global footprint, and provide best-in class service to our customers.”

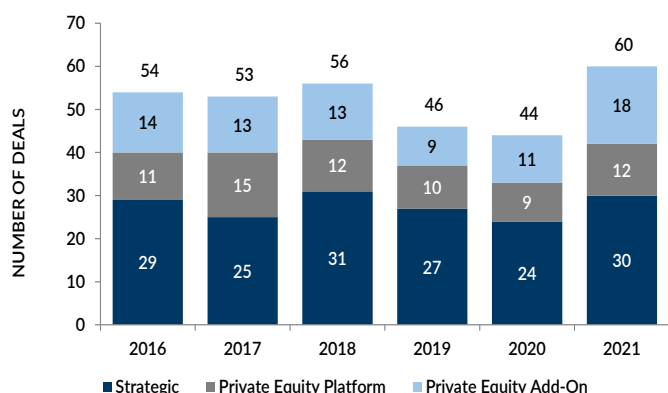
Sources: Capital IQ, PitchBook, Thomson Reuters, Company Reports, PMCF

# Other Packaging Transaction Activity

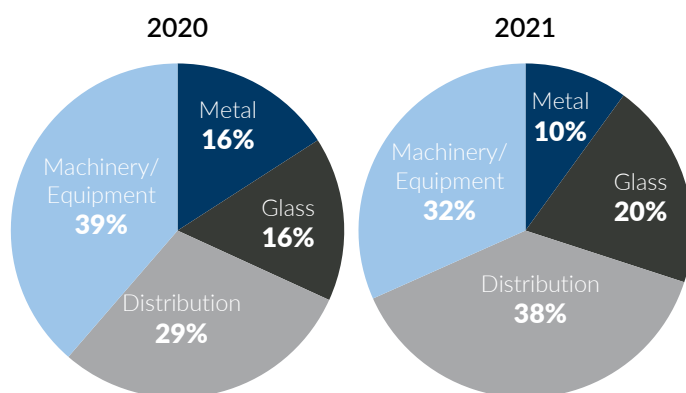
## TRENDS IN OTHER PACKAGING

- Other Packaging M&A activity, which includes Machinery/Equipment, Metal, Distribution, and Glass Packaging, increased to 60 transactions in 2021 after recording 44 in 2020
- Both private equity and strategic transactions increased significantly in 2021 and accounted for an even split of the total deal volume in the year
- Deals involving distribution companies increased by 10 transactions year-over-year and led all other packaging product types
- Transactions involving metal packaging companies decreased 14% year-over-year and was the only packaging segment to decrease from 2020 levels

TRANSACTIONS BY BUYER TYPE



TRANSACTIONS BY PACKAGE TYPE



2021 SELECT TRANSACTIONS IN GLOBAL OTHER PACKAGING

Date	Target	Acquirer	Category
01/06/21	TricorBraun, Inc.	Ares Management Corp. (NYSE:ARES) & Ont. Teachers' Pension Plan	Distribution
02/22/21	Votech	Duravant	Machinery/Equipment
03/21/21	Bossar Packaging SA	Scholle IPN Corporation	Machinery/Equipment
05/04/21	C.L. Smith Company, LLC	Kelso & Company	Distribution
06/22/21	Elias Valavanis SA	Berlin Packaging, L.L.C.	Distribution
10/04/21	Easytech Closures Spa	Silgan Holdings Inc. (NasdaqGS:SLGN)	Metal
12/20/21	Ball Metalpack, LLC	Sonoco Products Company (NYSE:SON)	Metal
12/20/21	Midstates Container Company	Pipeline Packaging Corporation	Distribution

## FEATURED SECTOR TRANSACTIONS

**January 2021** – Global packaging leader TricorBraun (the “Company”) announced that it has entered into a definitive stock purchase agreement with funds managed by Ares Management Corporation’s (NYSE: ARES) Private Equity Group (“Ares”) and Ontario Teachers’ Pension Plan Board (“Ontario Teachers”). TricorBraun is one of the largest packaging distributors in North America, serving customers in end-markets such as food & beverage, consumer, and healthcare. The Company has 50 locations throughout North America, Europe, and Asia. TricorBraun CEO, Court Carruthers, said, “Ares and Ontario Teachers’ are the right partners to help us expand on our steady growth as we continue to build the best place for the best people in packaging. We have had a tremendously successful partnership with AEA, culminating with record sales in 2020, and we look forward to working with Ares and Ontario Teachers’ to deliver even greater value to our customers and suppliers over the coming years.”

**May 2021** – Kelso & Company (“Kelso”) and affiliated funds have acquired a majority interest in C.L. Smith Company (“C.L. Smith”), a leading distributor of rigid packaging solutions. C.L. Smith serves a rigid packaging distributor and manufacturer, servicing a wide variety of end-markets. “C.L. Smith’s significant growth has been made possible by a team of passionate and highly skilled leaders and employees. We are pleased to welcome an experienced investment partner who shares our vision for the expansion of the company into a national packaging provider. Together we will strengthen our customer-focused value proposition and best-in-class service offering,” commented C.L. Smith CEO, Sarah Macdonald. PMCF served as the financial adviser to C.L. Smith in connection with the transaction.

Sources: Capital IQ, PitchBook, Thomson Reuters, Company Reports, PMCF

# Packaging Stock Market Valuations

## KEY TAKEAWAYS AND ANALYSIS

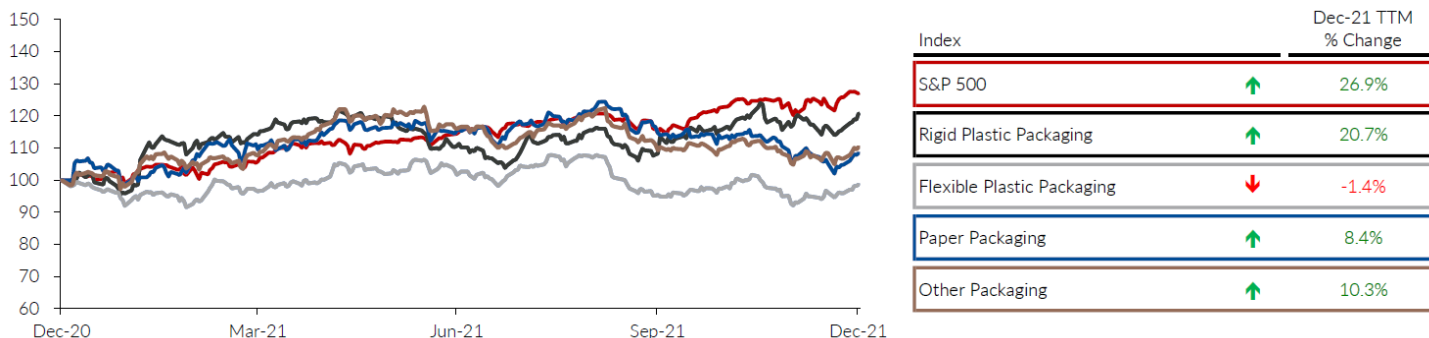
- Coming off all-time highs to end 2020, publicly traded packaging companies experienced moderate growth throughout 2021. All packaging indices outside of flexible plastic packaging grew in 2021. Notably, no packaging index outperformed the S&P 500 which was driven by rapidly expanding technology valuations
- Rigid and Flexible Plastic Packaging companies experienced an expansion in valuation from an EV/EBITDA standpoint when compared to 2020 levels and 3-year averages
- Paper Packaging and Other Packaging companies saw a decrease in multiple levels year-over-year even though 2021 levels remained above the 3-year averages for the subsectors
- The Rigid Plastic Packaging index experienced the highest level of growth of all packaging indices rising more than 20% on the year and seeing multiples expand by approximately 2x

## PACKAGING STOCK MARKET VALUATIONS

Company Name	Headquarters Location	Financials / Metrics (\$USD) (12/31/2021)				EV / EBITDA Multiples		
		LTM Revenue	LTM EBITDA	Market Cap	Price/Earnings	2021	2020	3 Year Average
AptarGroup, Inc.	United States	\$ 3,227	\$ 606	\$ 8,063	34.6x	14.3x	16.5x	14.4x
Berry Global Group, Inc.	United States	13,850	2,215	10,005	13.9x	8.2x	8.0x	8.6x
Nampak Limited	South Africa	930	101	157	12.1x	5.0x	9.2x	6.5x
Silgan Holdings Inc.	United States	5,677	846	4,730	14.2x	9.5x	10.1x	9.2x
Sonoco Products Company	United States	5,590	193	5,692	NM	25.5x	8.8x	11.5x
<b>Rigid Plastic Packaging Average</b>					<b>18.7x</b>	<b>12.5x</b>	<b>10.5x</b>	<b>10.0x</b>
Amcor plc	Switzerland	\$ 13,588	\$ 2,098	\$ 18,211	19.7x	11.2x	11.9x	12.8x
Huhtamäki Oyj	Finland	4,066	504	4,616	23.7x	11.9x	11.5x	11.4x
Sealed Air Corporation	United States	5,534	1,061	9,996	22.6x	12.8x	9.8x	10.7x
Transcontinental Inc.	Canada	2,132	346	1,400	13.5x	5.9x	5.6x	5.4x
Wipac Ltd.	Canada	1,002	187	1,909	18.8x	8.8x	8.5x	9.0x
<b>Flexible Plastic Packaging Average</b>					<b>19.7x</b>	<b>10.1x</b>	<b>9.4x</b>	<b>9.9x</b>
Cascades Inc.	Canada	\$ 3,126	\$ 250	\$ 1,113	9.5x	5.6x	5.6x	5.9x
DS Smith Plc	United Kingdom	8,826	1,009	7,135	21.8x	8.5x	8.6x	8.2x
Graphic Packaging Holding Co.	United States	7,156	1,042	5,988	24.4x	9.0x	10.1x	8.5x
Greif, Inc.	United States	5,556	762	2,919	7.5x	6.5x	7.0x	7.1x
International Paper Company	United States	19,363	2,810	18,194	10.3x	6.6x	7.9x	7.0x
Mondi plc	United Kingdom	8,783	1,708	11,989	17.8x	9.6x	8.0x	7.8x
Packaging Corporation of America	United States	7,730	1,719	12,842	17.3x	8.7x	10.5x	8.6x
Smurfit Kappa Group Plc	Ireland	11,494	1,725	14,174	21.2x	10.5x	9.1x	7.7x
WestRock Company	United States	19,297	2,893	11,671	14.2x	6.3x	7.0x	6.8x
<b>Paper Packaging Average</b>					<b>16.0x</b>	<b>7.9x</b>	<b>8.2x</b>	<b>7.5x</b>
Avery Dennison Corporation	United States	\$ 8,216	\$ 1,290	\$ 17,931	24.3x	15.5x	15.2x	13.1x
Ball Corporation	United States	13,811	2,133	31,181	NM	17.8x	19.1x	16.4x
CCL Industries Inc.	Canada	4,530	891	9,643	20.4x	11.4x	11.1x	11.3x
Crown Holdings, Inc.	United States	11,394	295	13,943	19.1x	9.5x	12.8x	10.6x
Gerresheimer AG	Germany	1,688	316	3,025	NM	13.0x	13.3x	11.9x
O-I Glass, Inc.	United States	6,357	1,023	1,887	28.2x	5.6x	7.4x	6.7x
Toyo Seikan Group Holdings, Ltd.	Japan	6,983	750	2,120	7.9x	2.9x	3.8x	5.0x
<b>Other Packaging Average</b>					<b>20.0x</b>	<b>10.8x</b>	<b>11.8x</b>	<b>10.7x</b>

Note: Multiples reflect data from last reported financial filings

## PERFORMANCE OF PMCF PACKAGING INDICES VS. S&P 500

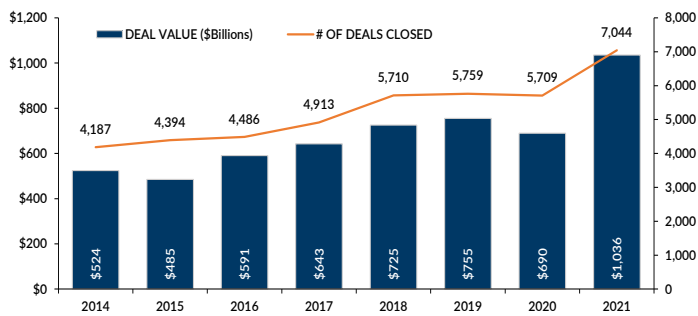


Source: Capital IQ

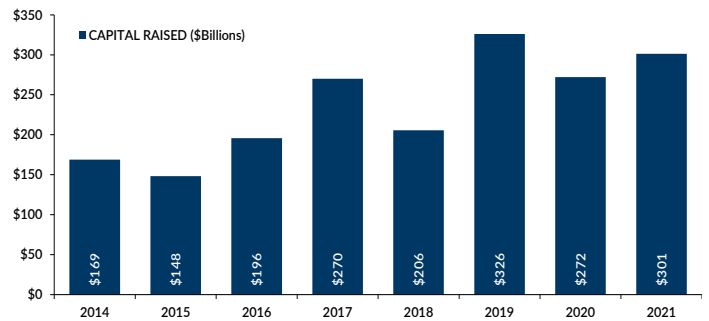


# Private Equity M&A Trends

## U.S. PRIVATE EQUITY ACQUISITIONS: DEAL COUNT AND AMOUNT INVESTED



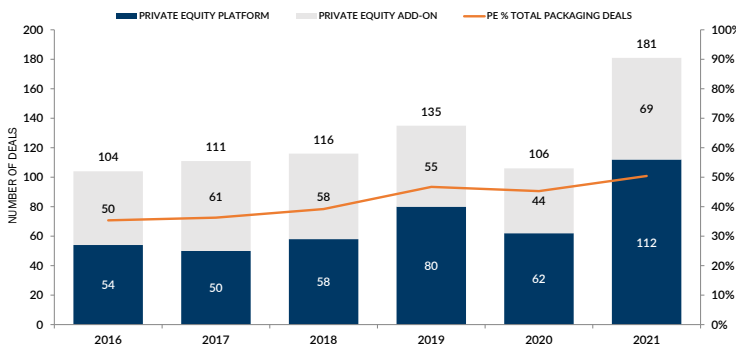
## U.S. PRIVATE EQUITY FUNDRAISING: CAPITAL RAISED



## OVERALL U.S. PRIVATE EQUITY

- M&A activity from U.S. private equity firms experienced a significant increase in both aggregate deal value and deal volume in 2021 compared to prior years. Available credit facilities and built up dry powder from 2020 contributed to the record year for PE activity. Deal volumes increased 23% year-over-year while deal value increased by 50%.
- Deal volumes increased in the latter half of the year as more companies moved to sell and rushed to close by the end of the year. Quarterly deal volumes were still higher than normal, eclipsing 1,600 transactions in each quarter
- Future private equity deal activity could face challenges with the Federal Reserve increasing interest rates in an effort to combat inflation. With that being said, PE funds were able to raise large amounts of capital which they should be set to deploy in 2022
- U.S. private equity funds raised \$301 billion in capital in 2021 which represented an 11% increase over 2020 levels. This amount was the second highest raised by private equity firms in the last 14 years
- Overall, U.S. Private Equity activity increased significantly from both a deal volume and deal value perspective which helped to contribute to a record year in packaging M&A

## GLOBAL PRIVATE EQUITY M&A ACTIVITY IN PACKAGING



Type	2020	2021
Rigid Plastic	28	44
Flexible Plastic	15	38
Paper	43	69
Other	20	30
<b>Total Packaging</b>	<b>106</b>	<b>181</b>

## GLOBAL PACKAGING PRIVATE EQUITY

- Private equity participation in Packaging M&A experienced a significant increase in 2021. Total packaging private equity activity grew by 75 deals, or 71%, over 2020 levels
- The increase was primarily driven by add-on acquisitions as private equity firms utilized their dry powder to bolster existing platforms amongst labor shortages, material pricing fluctuations, and supply chain crunches
- Transaction mix in 2021 shifted as private equity buyers accounted for a larger portion of the total deal volume; private equity add-on transactions accounted for 31% of the total deal volume while platform deals accounted for 19%
- Private equity participation remained robust throughout the course of the year; PE buyers averaged 15 transactions per month on the year and announced or completed close to 90 transactions in both halves of the year
- Plastic packaging transactions experienced the largest increase in private equity activity in 2021; flexible plastic private equity transactions more than doubled in the year
- Paper and Other Packaging also experienced an increase private equity participation as both subsectors saw over 50% increases in deal volumes attributable to private equity firms

Sources: Capital IQ, PitchBook, Thomson Reuters, Company Reports, PMCF

# PMCF's Unique Approach to M&A Advisory

PMCF's M&A advisory and investment banking services are designed to provide company shareholders with a trusted advisor to oversee all transaction related aspects of a company sale or strategic acquisition. Our service levels, industry expertise in packaging, and approach to managing transactions goes well beyond a typical investment banker. See below for some examples of our differentiation:

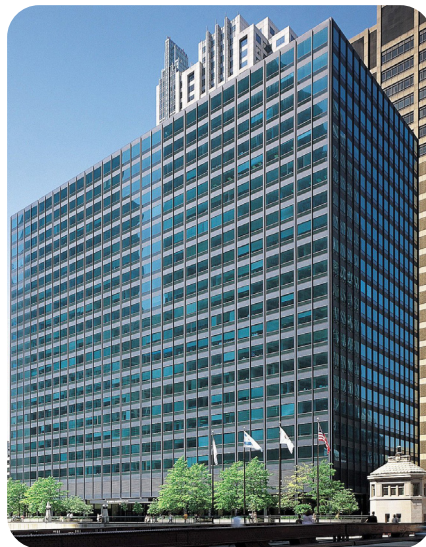
- Proven track record with 100% closing rate on all packaging sale transactions since 2010
- Differentiated approach via senior banker leadership and direct involvement through every step of the transaction providing a consistent and highly experienced point of contact
- One of the largest, most active investment banking boutiques with a focus on specialty niche businesses
- Proven positioning and marketing processes to obtain premium valuations in company sales
- Tailored sale process provides for extensive upfront preparation, detailed company review and identification of any potential issues in advance, and buyer evaluation/diligence ensuring the right fit
- Direct access and credibility with most of the packaging strategic consolidators and private equity groups
- Unique sale planning approach that helps shareholders best prepare for a future sale whether its six months or several years
- Long-term and client first approach allows PMCF to provide unbiased feedback

## OUR U.S. LOCATIONS



### **DETROIT**

Two Towne Square  
Suite 425  
Southfield, MI 48076  
Phone: 248.223.3300



### **CHICAGO**

120 S Riverside  
Suite 2100  
Chicago, IL 60606  
Phone: 312.602.3600



### **DENVER**

8181 E Tuffs Avenue  
Suite 600  
Denver, CO 80237  
Phone: 720.370.8181

# Recent PMCF Awards & Accolades

## PMCF ACCOLADES



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, Plastics & Packaging Deal of the Year in 2020 and 2021 by the Global M&A Network

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, Industrials M&A Investment Bank of the Year in 2021 by the Global M&A Network

## SELECT PMCF PACKAGING TRANSACTIONS

## SELECT CLIENT FEEDBACK

“John Hart and the PMCF team were instrumental in making this a highly successful transaction. Their packaging industry knowledge, hands-on approach, and assistance with transaction planning over a multi-year time period were particularly valuable in helping us achieve our goals with this transaction. We would highly recommend PMCF to other packaging companies considering a transaction.”

**JOSEPH AND JOHN BRODNER**  
Co-Owners  
Olcott Plastics

“John and his team played a critical role in helping us evaluate strategic options and guide the Company through a transaction process with Rohrer. We consider ourselves fortunate to have PMCF on our advisory team and do not believe we would have achieved as successful of an outcome without their involvement. We would highly recommend PMCF to other packaging companies considering a transaction.”

**SCOTT GREIWE**  
Shareholder  
Transparent Container

“We couldn’t be happier with our decision to select PMCF as our M&A advisor. John and his team were instrumental in the successful outcome of this transaction and their packaging expertise proved to be very valuable. We would undoubtedly recommend PMCF to any other packaging businesses considering a transaction.”

**MIKE CHERESKIN**  
Vice President  
Grand Traverse Container, Inc.

“We were fortunate to have John Hart and the PMCF team represent us in this major event in our company’s history. John spent countless hours with us over the last three years, helping us with a multi-year planning process and guidance throughout transaction process. PMCF’s experience in packaging was also very helpful; they know all the key players, understand our industry dynamics, and knew how to best position our unique and special company. We are very pleased with the transaction outcome and PMCF’s guidance throughout the process.”

**RICK HOLZNECHT**  
President  
Panoramic

2 Towne Square  
Suite 425  
Southfield, MI 48076

## 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.

P&M Corporate Finance, LLC 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.

P&M Corporate Finance, LLC, 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 P&M Corporate Finance, LLC's judgment as of the date of publication and are

subject to change without notice. P&M Corporate Finance, LLC undertakes no obligation to notify any recipient of this Plastics & Packaging M&A Update of any such change. The testimonials in this Plastics & Packaging M&A Update may not be representative of the experience of other clients and are no guarantee of future performance or success.

The charts and graphs used in this Plastics & Packaging M&A Update have been compiled by P&M Corporate Finance, LLC 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 P&M Corporate Finance, LLC to licensing or registration requirements in such jurisdiction.

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!



member of CFI