

PACKAGING M&A UPDATE

FEBRUARY 2022

Packaging Industry M&A Activity Tracking

Global Packaging M&A slowed in February 2022 when compared to levels seen in January and at the end of 2021. There was a total of 18 deals recorded in the month which was down from January levels and a decrease of 7 transactions year-over-year. Private equity buyers were not as active in February as they were in January, which contributed to lower overall deal volumes. Acceleration of transaction closings at year-end 2021 is the likely culprit for lower activity to start the year.

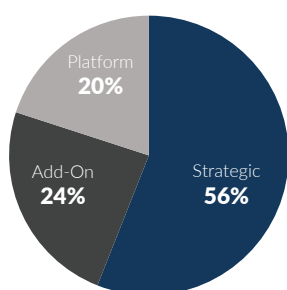
PACKAGING M&A BY SUBSECTOR

Subsector	Month-to-Date			Year-to-Date		
	2021	2022	Change	2021	2022	Change
Rigid Plastic	6	5	-1	10	12	2
Flexible Plastic	4	7	3	12	11	-1
Paper	9	5	-4	17	18	1
Other	6	1	-5	13	2	-11
Total Packaging	25	18	-7	52	43	-9
Strategic	56%	67%	11%	50%	53%	3%
Financial Buyer - Add-on	24%	22%	-2%	21%	40%	18%
Financial Buyer - Platform	20%	11%	-9%	29%	7%	-22%

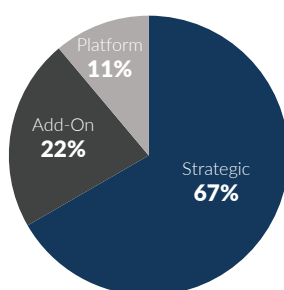
- Private equity buyers accounted for 6 deals in February, or 33% of deal volume, which is much lower than the 14 deals contributed in January
- Strategic buyer transaction volume remained relatively flat in February, increasing by 1 transaction month-over-month and totaling 12 transactions in February
- Flexible Plastic transactions led all Packaging subsectors, accounting for 7 deals on the month which was up from 4 deals in February 2021
- Paper packaging transactions accounted for only 5 deals in February, declining by 8 transactions month-over-month; this is the lowest level of monthly activity in the subsector since 2020
- Food & Beverage and Industrial end markets accounted for 13 deals in February; these two end markets have accounted for 67% of the transaction volume year-to-date

PACKAGING TRANSACTIONS BY BUYER TYPE

2021 MTD



2022 MTD



TOTAL PACKAGING M&A BY END MARKET

End Market	Month-to-Date		Year-to-Date	
	2022	%	2022	%
Food & Beverage	7	38.9%	16	37.2%
Industrial	6	33.3%	13	30.2%
Consumer	3	16.7%	8	18.6%
Medical	1	5.6%	4	9.3%
Automotive	1	5.6%	2	4.7%
Total	18	100%	43	100%

Overall, Global Packaging M&A transaction activity through the first two months of the year has been lower than what was experienced in 2021. Fundamentals for packaging M&A remain strong despite potential headwinds on the horizon. The slower start to the year is likely due to peak activity in Q4 2021. 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 — February 2022

Public Entity Performance

Packaging Public companies continued to post negative returns in February. The Paper Packaging Index has performed better than other packaging indexes and is only down 4.7% on the year. Overall, public markets are grappling with various macroeconomic headwinds that have resulted in the S&P 500 dropping 8.2% through February.

Index		% Change February MTD		% Change February YTD
S&P 500 Index	↓	-3.1%	↓	-8.2%
PMCF Packaging Index ⁽¹⁾	↓	-3.5%	↓	-5.4%
Rigid Plastic Packaging ⁽²⁾	↓	-2.8%	↓	-5.1%
Flexible Plastic Packaging ⁽³⁾	↓	-3.8%	↓	-6.7%
Other Packaging ⁽⁴⁾	↓	-5.8%	↓	-5.6%
Paper Packaging ⁽⁵⁾	↓	-2.0%	↓	-4.7%

(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 Gained Momentum in February Despite Inflation Worries (Wall Street Journal)
- Supplies Recovered For Some Materials to Start 2022 Others Remain Turbulent (Plastics News)
- Fed Seeks Sweet Spot Between Slowing Inflation, Aiding Growth (Plastics News)
- Despite Packed Ports, Cargo Ships Hauled Record Volumes in 2021 (Plastics News)
- U.S. Job Openings, Quits Remained Elevated at End of Last Year (Wall Street Journal)

Notable M&A Activity

Date	Acquirer	Target	Category
02/22/22	ProAmpac Intermediate, Inc.	Belle-Pak Packaging Inc.	Flexible Packaging
02/14/22	Apollo Global Management, Inc. (NYSE:APO)	Novolex Holdings, LLC	Flexible Packaging
02/10/22	Novvia Group	Container Distribution Division of Andicor Specialty Chemicals	Packaging Distribution
02/08/22	Comar, LLC	Automatic Plastics Limited	Rigid Packaging
02/03/22	McKinley Paper Group	Midwest Paper Group	Paper Packaging
02/02/22	HP Inc. (NYSE:HPQ)	Choose Packaging	Paper Packaging
02/02/22	Sealed Air Group (NYSE:SEE)	foxxpak Flexibles Ltd	Flexible Packaging
02/01/22	ALPEK, S.A.B. de C.V. (BMV:ALPEK A)	OCTAL Holding SAOC	Rigid Packaging
02/01/22	SIG (SWX:SIGN)	Scholle IPN Corporation	Flexible 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 	 a portfolio company of  has been acquired by  BELIEVE IN BETTER PLASTICS a portfolio company of 	 has been acquired by  a portfolio company of THE JORDAN COMPANY	 has completed a recapitalization with 
PACKAGING DISTRIBUTION & BLOW MOLDED PACKAGING	RECYCLING & FLEXIBLE PACKAGING	THERMOFORMED PACKAGING	SPECIALTY EXTRUSION & FLEXIBLE PACKAGING
 MANUFACTURER OF PLASTIC JARS & CLOSURES has been acquired by  PACKAGING IDEAS INTO YOUR SOLUTIONS a portfolio company of 	 has been acquired by  a portfolio company of ATLAS HOLDINGS 	 has been acquired by  a portfolio company of 	 has been acquired by 
INJECTION & BLOW MOLDED PACKAGING	SPECIALTY PAPER & LUXURY PACKAGING	THERMOFORMED PACKAGING, FOLDING CARTONS	CORRUGATED 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

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 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!

