

PACKAGING M&A UPDATE

APRIL 2022

Packaging Industry M&A Activity Tracking

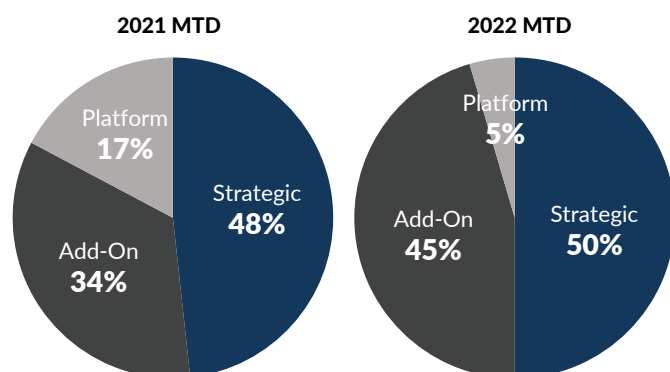
Global Packaging M&A recorded 22 deals in April 2022 down from 29 transactions in March. Average monthly deal volume through the first quarter of the year was 24 transactions which is slightly above April activity levels. The decline can be attributed to less private equity participation in the month; while strategic buyer activity has remained consistent throughout the first four months of 2022, private equity activity has fluctuated. Overall, packaging M&A has cooled down from 2021 levels but is in line with pre-pandemic volumes.

PACKAGING M&A BY SUBSECTOR

Subsector	Month-to-Date			Year-to-Date		
	2021	2022	Change	2021	2022	Change
Rigid Plastic	6	2	-4	21	19	-2
Flexible Plastic	3	4	1	20	22	2
Paper	15	14	-1	47	43	-4
Other	5	2	-3	25	10	-15
Total Packaging	29	22	-7	113	94	-19
Strategic	48%	50%	2%	49%	49%	0%
Financial Buyer - Add-on	34%	45%	11%	31%	44%	13%
Financial Buyer - Platform	17%	5%	-12%	20%	7%	-13%

- Strategic buyers accounted for 50% of the deal volume in April which was up from 41% in March; strategic buyers have averaged 12 deals per month through the first four months of the year
- Private equity activity dipped in the month as less financial buyers executed platform transactions; private equity add-on transaction activity remained strong in the month
- Paper packaging once again led all packaging subsectors, accounting for 14 deals in the month which represented a 3 deal increase month-over-month
- The Flexible Plastic subsector continued its strong start to the year with 4 deals announced in April 2022; Flexible Plastic deal volume has increased by 2 transactions year-over-year
- Food & Beverage and Industrial transactions have led all packaging end-markets accounting for 67% of the deal volume through April

PACKAGING TRANSACTIONS BY BUYER TYPE



TOTAL PACKAGING M&A BY END MARKET

End Market	Month-to-Date		Year-to-Date	
	2022	%	2022	%
Food & Beverage	7	31.8%	33	35.1%
Industrial	9	40.9%	30	31.9%
Consumer	3	13.6%	19	20.2%
Medical	3	13.6%	10	10.6%
Automotive	0	0.0%	2	2.1%
TOTAL	22	100%	94	100%

Global Packaging M&A activity appears to have returned to pre-pandemic levels through the first four months of the year. While activity has decreased from record 2021 levels, buyers and sellers continue to be motivated to close transactions in the packaging industry. 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 — April 2022

Public Entity Performance

Packaging public companies performed better than the S&P 500 in the month of April. The Flexible Plastic Packaging Index rose by 0.7% and was the only packaging index to post positive returns in the month. Investor pessimism over macroeconomic headwinds have caused public markets to drop in April

Index		% Change April MTD		% Change April YTD
S&P 500 Index	↓	-8.8%	↓	-13.3%
PMCF Packaging Index ⁽¹⁾	↓	-2.5%	↓	-7.3%
Rigid Plastic Packaging ⁽²⁾	↓	-5.8%	↓	-9.8%
Flexible Plastic Packaging ⁽³⁾	↑	0.7%	↓	-7.9%
Other Packaging ⁽⁴⁾	↓	-4.4%	↓	-11.0%
Paper Packaging ⁽⁵⁾	↓	-0.8%	↓	-2.4%

(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

- Inflation Pressures Weigh on Plastics Supply Chain (Plastics Today)
- Interest-Rate Surge Ripples Through Economy, From Homes to Car Loans (Wall Street Journal)
- States Awash in Plastic Packaging Want Manufacturers to Pay Up (Bloomberg)
- U.S. Economy Grows Modestly Amid High Inflation, Ukraine Invasion (Wall Street Journal)
- Global Shipping Snarls Likely to Last for Some Time (Plastics News)

Notable M&A Activity

Date	Acquirer	Target	Category
04/28/22	Brook & Whittle Limited	Diamond Flexible Packaging Co.	Flexible Packaging
04/27/22	Schweiter Technologies AG (SWX:SWTQ)	Swedboard International AB	Corrugated
04/27/22	Inline Plastics Corp.	Cam Packaging LLC	Rigid Packaging
04/25/22	Novvia Group	Southern Container, LLC	Distribution
04/14/22	Logson Holdings Limited	Red Rose Packaging Ltd.	Corrugated
04/11/22	Mayr-Melnhof Karton AG (WBAG:MMK)	Eson Pac Group AB	Folding Cartons
04/08/22	Smurfit Kappa Group Plc (ISE:SK3)	Argencraft S.A.	Corrugated
04/06/22	TricorBraun Flex	PBFY Flexible Packaging	Flexible Packaging
04/04/22	H.I.G. Capital, LLC	Pixelle Specialty Solutions LLC	Paper 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
 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

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