

PACKAGING M&A UPDATE

JULY 2022

Packaging Industry M&A Activity Tracking

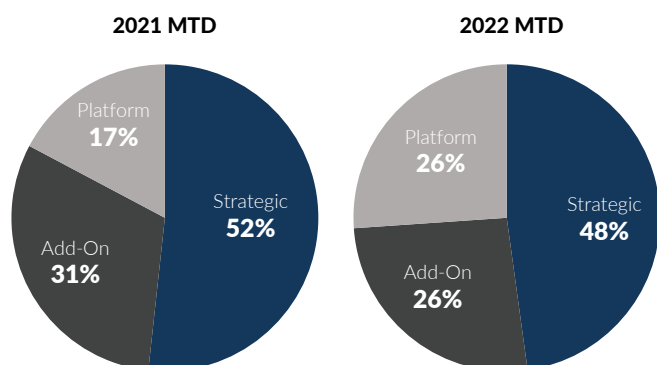
Global Packaging M&A activity totaled 23 deals in the month, slightly below the 25 transactions posted in June and in-line with the 2022 monthly average of 23 deals. Deal activity in the month was driven by private equity platform acquisitions, which hit a high-water mark in July for the year. Overall, deal activity through July has been significantly lower than the elevated levels experienced in 2021 and is slightly below pre-pandemic levels. Packaging deal activity is generally expected to continue at this level through the balance of the year.

PACKAGING M&A BY SUBSECTOR

Subsector	Month-to-Date			Year-to-Date		
	2021	2022	Change	2021	2022	Change
Rigid Plastic	4	4	0	34	34	0
Flexible Plastic	6	1	-5	38	29	-9
Paper	17	16	-1	92	76	-16
Other	2	2	0	41	20	-21
Total Packaging	29	23	-6	205	159	-46
Strategic	52%	48%	-4%	50%	50%	1%
Financial Buyer - Add-on	31%	26%	-5%	31%	36%	6%
Financial Buyer - Platform	17%	26%	9%	20%	13%	-6%

- Platform private equity transactions remained elevated in July, accounting for 26% of the total transaction activity; this share of total transaction activity has not been reached since January of 2021
- Paper packaging led all subsectors for the second straight month, with transactions increasing by 45%, or 5 deals, when compared to June
- Flexible Plastic packaging had a very slow month, accounting for only 1 deal in the month which was 5 deals lower than July 2021
- Despite accounting for 30% of year-to-date activity, Food & Beverage transactions fell in July and only accounted for 2 deals
- Consumer Packaging recorded its highest transaction volume month of 2022; total transactions increased by 27%, or 3 deals, when compared to June 2022

PACKAGING TRANSACTIONS BY BUYER TYPE



TOTAL PACKAGING M&A BY END MARKET

End Market	Month-to-Date		Year-to-Date	
	2022	%	2022	%
Food & Beverage	2	8.7%	47	29.6%
Industrial	6	26.1%	48	30.2%
Consumer	14	60.9%	48	30.2%
Other	1	4.3%	16	10.0%
TOTAL	23	100%	159	100%

Global Packaging M&A activity dropped in July, continuing the year-to-date trend of lower-than-average volume. While transaction activity is slightly below pre-pandemic levels and the macroeconomic environment remains uncertain, overall market fundamentals in packaging remain strong, and both buyers and sellers remain motivated to pursue deals. 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 — July 2022

Public Entity Performance

Packaging public companies experienced a rally in July. The Other Packaging Index performed the best of all of the packaging indices, gaining 6.8% over the month-to-date period. Notably, 4 out of 5 tracked indices have outperformed the S&P 500 in the year-to-date period

Index		% Change July MTD		% Change July YTD
S&P 500 Index	↑	9.1%	↓	-13.3%
PMCF Packaging Index ⁽¹⁾	↑	5.9%	↓	-10.5%
Rigid Plastic Packaging ⁽²⁾	↑	6.5%	↓	-15.8%
Flexible Plastic Packaging ⁽³⁾	↑	3.8%	↓	-7.2%
Other Packaging ⁽⁴⁾	↑	6.8%	↓	-10.2%
Paper Packaging ⁽⁵⁾	↑	6.0%	↓	-9.1%

(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, GXL, OI, 5901
(2) ATR, BERY, NPK, SLGN, SON, ESNT (3) AMC, HUH1V, SEE, TCLA, WPK, PTVE (4) AVY, BLL, CCLB, CCK, GXL, OI, 5901 (5) CAS, SMDS, GPK, GEF, IP, PKG, SK3, WRK, KRT

Major News

- There Are Signs Inflation May Have Peaked, but Can It Come Down Fast Enough? (Wall Street Journal)
- Packaging Suppliers Face Winding Pathway on the Road to Sustainability (Plastics News)
- Packaging Design Innovating to Match New Consumer Trends (Packaging Word)
- July Jobs Report: U.S. Added 528,000 New Jobs as Unemployment Rate Fell to 3.5% (Wall Street Journal)
- With an Uncertain Future, Here is the Economic Data to Watch (Plastics News)

Notable M&A Activity

Date	Acquirer	Target	Category
07/27/22	WestRock Company (NYSE:WRK)	Gondi, S. de R.L de C.V. (Remaining 67.7%)	Corrugated
07/26/22	CKF Inc.	Molded Fiber Business of UFP Technologies	Fiber Packaging
07/26/22	Novvia Group	Duval Container Company	Rigid Packaging
07/26/22	BC Partners	Fedrigoni S.p.A.	Paper Packaging
07/26/22	Berlin Packaging L.L.C.	Jansy Packaging, LLC	Rigid Packaging
07/21/22	Wynnchurch Capital, L.P.	FCA, LLC	Specialty Packaging
07/21/22	ALPLA Werke Alwin Lehner GmbH & Co KG	Apon Andrzej Zawadzki Sp. z o.o.	Rigid Packaging
07/08/22	Mill Rock Packaging Partners LLC	Impressions Incorporated	Paper Packaging
07/08/22	Tenex Capital Management, L.P.	Oliver Inc.	Paper Packaging
07/01/22	Zeus Packaging Group Limited	JJ O'Toole Ltd.	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  HOOD CONTAINER CORPORATION	 has been acquired by  KELSO	 a portfolio company of  has been acquired by  BELIEVE IN BETTER PLASTICS a portfolio company of  ARSENAL CAPITAL PARTNERS	 has been acquired by  ANCHOR PACKAGING a portfolio company of THE JORDAN COMPANY
CORRUGATED PACKAGING	PACKAGING DISTRIBUTION & BLOW MOLDED PACKAGING	RECYCLING & FLEXIBLE PACKAGING	THERMOFORMED PACKAGING
 has completed a recapitalization with  MPE PARTNERS	 has been acquired by  PACKAGING IDEAS INTO YOUR SOLUTIONS a portfolio company of  GENSTAR CAPITAL, LLC	 has been acquired by  a portfolio company of  SHOREVIEW	 has been acquired by  GREEN BAY PACKAGING INC.
SPECIALTY EXTRUSION & FLEXIBLE PACKAGING	INJECTION & BLOW MOLDED 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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