

## PACKAGING M&A UPDATE

OCTOBER 2022

### Packaging Industry M&A Activity Tracking

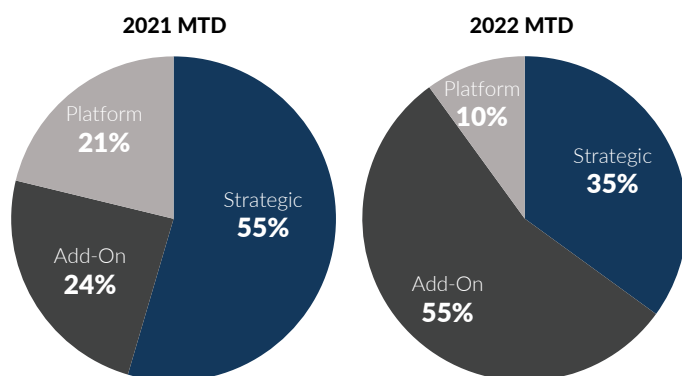
Global Packaging M&A activity recorded 20 deals in October, which matched last month's activity but is slightly below the average monthly transaction volume of 22 for the year. Transaction activity for October was primarily driven by private equity add-on transactions, while both strategic and private equity platform deals regressed from September volumes. Overall, Packaging M&A volume has been consistent for the last several months but has not shown any signs of recovery to last year or even pre-pandemic levels.

#### PACKAGING M&A BY SUBSECTOR

Subsector	Month-to-Date			Year-to-Date		
	2021	2022	Change	2021	2022	Change
Rigid Plastic	11	2	-9	59	43	-16
Flexible Plastic	5	4	-1	56	43	-13
Paper	14	9	-5	125	105	-20
Other	3	5	2	48	30	-18
<b>Total Packaging</b>	<b>33</b>	<b>20</b>	<b>-13</b>	<b>288</b>	<b>221</b>	<b>-67</b>
Strategic	55%	35%	-20%	49%	48%	-2%
Financial Buyer - Add-on	24%	55%	31%	31%	38%	7%
Financial Buyer - Platform	21%	10%	-11%	19%	14%	-5%

- Private equity add-on buyers were highly acquisitive in October, recording 11 deals and leading all transaction types in the month.
- Strategic buyers accounted for seven transactions, or 35% of deal flow for the month. From a volume standpoint, strategic buyers had their worst month of the year.
- The Paper subsector recorded nine deals in October and led all subsectors in transaction volume for a fifth consecutive month. However, the Paper subsector fell below its 2022 average monthly transaction volume of 11 deals.
- The Consumer end market recorded its best month since July, recording nine deals in the month and continuing the recent elevated level of activity seen from this end market.
- Rebounding from September transaction figures, the Flexible Plastic subsector recorded four deals in October, up two from September levels.

#### PACKAGING TRANSACTIONS BY BUYER TYPE



#### TOTAL PACKAGING M&A BY END MARKET

End Market	Month-to-Date		Year-to-Date	
	2022	%	2022	%
Food & Beverage	4	20.0%	61	27.6%
Industrial	6	30.0%	72	32.6%
Consumer	9	45.0%	70	31.7%
Other	1	5.0%	18	8.1%
<b>TOTAL</b>	<b>20</b>	<b>100%</b>	<b>221</b>	<b>100%</b>

Global Packaging M&A continued to show lower levels of activity in October which is likely due to macroeconomic uncertainty and challenging capital markets. Packaging deals are still getting done at attractive multiples but the mix is in favor of private equity add-ons or strategic transactions where capital markets are not as much of a factor. This lower level of activity will likely continue for the balance of the 4th quarter. 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 – October 2022

### Public Entity Performance

Packaging public companies reported strong stock performance in October, following the broader stock market. The Paper Packaging Index performed the best of all packaging indices, increasing by 10.6%, and outperforming the S&P 500 for the month. Only two packaging indices have outperformed the S&P 500 for the year, Flexible Plastic Packaging and Other Packaging.

Index		% Change October MTD		% Change October YTD
S&P 500 Index	↑	8.0%	↓	-18.8%
PMCF Packaging Index <sup>(1)</sup>	↑	7.8%	↓	-19.5%
Rigid Plastic Packaging <sup>(2)</sup>	↑	9.2%	↓	-23.3%
Flexible Plastic Packaging <sup>(3)</sup>	↑	6.9%	↓	-17.0%
Other Packaging <sup>(4)</sup>	↑	3.5%	↓	-18.7%
Paper Packaging <sup>(5)</sup>	↑	10.6%	↓	-19.1%

(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, 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

- Packaging by the Numbers 3Q22 (Packaging Digest)
- Why the October Jobs Report is so Strong Despite Tech Layoffs (Wall Street Journal)
- European Resin Demand Restrained by Worries Over Economy (Plastics News)
- A Sneak Peek into Upcoming Plastic Treaty Talks (Plastics News)
- U.S. Economy Grew 2.6% in Third Quarter, GDP Report Shows (Wall Street Journal)

### Notable M&A Activity

Date	Acquirer	Target	Category
10/31/22	Sealed Air Corporation (NYSE:SEE)	Liqui-Box Corporation	Flexible Packaging
10/21/22	PPC Flexible Packaging LLC	Plastic Packaging Technologies, LLC	Flexible Packaging
10/11/22	Dunes Point Capital, L.P.	K-1 Packaging Group	Rigid Packaging
10/11/22	Atlas Holdings LLC	Crown Paper Group, Inc.	Corrugated
10/05/22	Resource Label Group, LLC	Deco Flexible Packaging LTD.	Labels
10/05/22	lpackchem Group SAS	TPG Plastics LLC	Rigid Packaging
10/04/22	Novvia Group	Rios Containers	Distribution
10/03/22	Nefab AB	Cargopack Group Ag	Distribution
10/03/22	Berlin Packaging L.L.C.	DiscoGlass	Distribution

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 	 has been acquired by 	 has been acquired by 	 a portfolio company of  has been acquired by  a portfolio company of 	CORRUGATED PACKAGING
 has been acquired by  a portfolio company of THE JORDAN COMPANY	 has completed a recapitalization with 	 has been acquired by  a portfolio company of 	 has been acquired by  a portfolio company of 	CORRUGATED PACKAGING  THERMOFORMED PACKAGING  SPECIALTY EXTRUSION & FLEXIBLE PACKAGING  INJECTION & BLOW MOLDED PACKAGING  THERMOFORMED PACKAGING, FOLDING CARTONS



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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