

PACKAGING M&A UPDATE

April 2024

Packaging Industry M&A Activity Tracking

Global Packaging M&A recorded 23 deals in April, up three transactions from March levels and April of last year. Increased deal activity in the month was driven by a rebound in strategic buyer deal volume. Although there was an uptick in month-over-month deal activity, April's figures were below the 2023 monthly average of 25 deals. Overall, Global Packaging M&A activity is outpacing 2023 to date in 2024 but lags demand levels seen in the second half of last year due in part to weaker activity from financial buyers.

PACKAGING M&A BY SUBSECTOR

Subsector	Month-to-Date			Year-to-Date		
	2023	2024	Change	2023	2024	Change
Rigid Packaging	7	6	-1	20	17	-3
Flexible Plastic	3	2	-1	13	15	2
Paper	5	4	-1	29	21	-8
Printing & Labels	2	7	5	10	17	7
Protective Packaging	1	2	1	4	6	2
Machinery & Distribution	2	2	0	11	22	11
Total	20	23	3	87	98	11

PACKAGING M&A BY BUYER TYPE

Type	MTD	% of Total	YTD	% of Total
Strategic	13	57%	52	53%
Add-On (PE)	9	39%	36	37%
Platform (PE)	1	4%	10	10%

PACKAGING M&A BY GEOGRAPHY

Type	MTD	% of Total	YTD	% of Total
U.S.-to-U.S.	12	52%	35	36%
U.S.-to-Foreign	1	4%	12	12%
Foreign-to-U.S.	2	9%	3	3%
Foreign	8	35%	48	49%

TOTAL PACKAGING M&A BY END MARKET

End Market	MTD	%	YTD	%
Food & Beverage	7	30%	32	33%
Industrial	5	22%	38	39%
Consumer	9	39%	23	23%
Other	2	9%	5	5%

- Strategic buyers accounted for 13 deals in April, representing an increase of three deals from the prior month. Furthermore, strategic buyers posted activity levels above the monthly 2023 average of 12 deals
- Financial buyers recorded 10 deals in April, which is consistent with March. However, this falls below the average monthly deal volume observed in Q1 2024. The lower level of activity for financial buyers can be attributed to platform acquisitions, which recorded only one deal in April
- The Printing & Labels subsector was the most active subsector from a deal volume standpoint for the second consecutive month. The subsector recorded seven deals, accounting for 30% of April's monthly deal volume
- Deal activity in the month was driven by domestic transactions which accounted for over 50% of the deal volume in April, which was a significant increase over year-to-date levels
- The Consumer end market has recorded an increase in activity in each month of 2024. The end market led all subsectors from a deal volume standpoint in April, recording nine transactions, or 39% of the overall monthly deal volume



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Industry Multiples and Trends

Packaging subsectors continue to exhibit differing valuation multiples with Rigid Plastic and Other Packaging public entities being valued above Flexible Plastic and Paper Packaging companies. Each subsector remained consistent with last month with the exception Rigid Plastic, which experienced a slight decline in average EBITDA multiples.

Public Stock Performance

Packaging public entities dipped in April as all tracked subsectors declined on average. Rigid Plastic and Other Packaging public entities displayed the most resilient performance of the four subsectors. Despite the decline in April, the mean performance of three of the four subsectors have appreciated in the year-to-date.

Company Name	Stock Performance Year-to-Date	Stock Performance Month-to-Date	Enterprise Value / LTM	
			Revenue	EBITDA
<i>Rigid Plastic</i>				
AptarGroup, Inc.	16.8%	0.3%	2.98x	13.75x
Berry Global Group, Inc.	-16.0%	-6.3%	1.26x	7.99x
Essentra plc	4.1%	0.5%	1.82x	11.89x
Nampak Limited	-3.8%	10.9%	0.46x	9.41x
Silgan Holdings Inc.	3.1%	-3.9%	1.34x	8.29x
Sonoco Products Company	0.3%	-3.1%	1.30x	7.82x
Mean	0.8%	-0.3%	1.53x	9.86x
Median	1.7%	-1.4%	1.32x	8.85x
<i>Flexible Plastic</i>				
Amcor plc	-7.3%	-6.0%	1.43x	10.55x
Huhtamaki Oyj	-2.1%	-7.4%	1.24x	9.34x
Pactiv Evergreen Inc.	11.2%	6.4%	1.17x	5.37x
Sealed Air Corporation	-13.8%	-15.4%	1.64x	8.18x
Transcontinental Inc.	-0.3%	-7.1%	0.74x	4.99x
Wipak Ltd.	4.8%	5.7%	1.39x	6.86x
Mean	-1.2%	-4.0%	1.27x	7.55x
Median	-1.2%	-6.6%	1.31x	7.52x
<i>Paper Packaging</i>				
Cascades Inc.	-27.4%	-6.6%	0.62x	5.24x
DS Smith Plc	14.0%	-11.7%	0.92x	6.25x
Graphic Packaging Holding Co.	4.9%	-11.4%	1.46x	6.90x
Greif, Inc.	-6.6%	-11.3%	1.07x	6.40x
International Paper Company	-3.3%	-10.5%	0.92x	7.41x
Karat Packaging Inc.	9.1%	-5.3%	1.41x	9.07x
Packaging Corporation of America	6.2%	-8.9%	2.23x	11.19x
Smurfit Kappa Group Plc	13.6%	-3.6%	1.19x	6.71x
WestRock Company	15.5%	-3.0%	1.06x	6.77x
Mean	2.9%	-8.0%	1.21x	7.32x
Median	6.2%	-8.9%	1.07x	6.77x
<i>Other Packaging</i>				
Avery Dennison Corporation	7.5%	-2.7%	2.43x	14.57x
Ball Corporation	25.5%	4.9%	1.87x	12.58x
CCL Industries Inc.	18.0%	1.5%	2.12x	10.56x
Crown Holdings	-10.9%	3.5%	1.40x	9.16x
Gerresheimer AG	7.0%	-3.3%	2.26x	11.18x
O-I Glass, Inc.	-8.7%	-9.8%	1.00x	5.21x
Toyo Seikan Group Holdings, Ltd.	6.8%	2.7%	0.62x	7.07x
Mean	6.5%	-0.4%	1.67x	10.05x
Median	7.0%	1.5%	1.87x	10.56x

Sources: S&P Capital IQ, Company Websites, Pitchbook, Company Reports, PMCF

Notable M&A Activity

Date	Acquirer	Target	Category
4/24/2024	FCA Packaging Products	Greentree Packaging and Lumber	Protective Packaging
4/22/2024	ProMach Inc.	Etiflex, S.A. De C.V.	Labels
4/16/2024	International Paper	DS Smith	Corrugated
4/12/2024	Coveris	Hadepol Flexo	Flexible Packaging
4/8/2024	Veritiv	AmeriPac	Distribution
4/3/2024	Inteplast Group, Ltd.	Brown Paper Products	Paper Packaging
4/2/2024	Fortis Solutions Group, LLC	Print Division of The Masa Corporation	Printing
4/2/2024	Nefab Group AB	Plastiform Inc.	Thermoforming

Sources: S&P Capital IQ, Company Websites, Pitchbook, Company Reports, PMCF

Major News & Insights

- We're Still Waiting for the US Manufacturing Sector to Recover (Plastics News)
- Slower Hiring Boosts Hopes of a Late-Summer Rate Cut (The Wall Street Journal)
- International Paper to Buy DS Smith for \$72 Billion in All-Share Deal (The Wall Street Journal)
- Berry Buys F&S as it Expands its Global Tooling Capabilities (Plastics News)
- How Flexible Packaging is Revolutionizing Retail (Packaging Gateway)

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- 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

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- If engaged, the majority of PMCF's costs are contingent on a successful transaction



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