

PACKAGING M&A UPDATE

March 2024

Packaging Industry M&A Activity Tracking

March M&A activity in Global Packaging closed out the first quarter of 2024, recording 75 deals in total compared to 85 recorded in the final quarter of 2023. 20 deals were recorded for the month, which represented an increase over last year but a lower monthly volume than experienced in the second half of 2023. Weak M&A activity in March was the result of decreased financial and strategic buyer participation, which lagged the prior month's volume by two and three deals, respectively. Overall, increased M&A activity experienced in the second half of 2023 has reverted, with Global Packaging M&A through Q1 of 2024 being more in line with lower deal volumes experienced in the first half of 2023.

PACKAGING M&A BY SUBSECTOR

Subsector	Month-to-Date			Year-to-Date		
	2023	2024	Change	2023	2024	Change
Rigid Packaging	1	1	0	13	11	-2
Flexible Plastic	3	1	-2	10	13	3
Paper	5	6	1	24	17	-7
Printing & Labels	2	7	5	8	10	2
Protective Packaging	1	1	0	3	4	1
Machinery & Distribution	2	4	2	9	20	11
Total	14	20	6	67	75	8

PACKAGING M&A BY BUYER TYPE

Type	MTD	% of Total	YTD	% of Total
Strategic	10	50%	39	52%
Add-On (PE)	8	40%	27	36%
Platform (PE)	2	10%	9	12%

PACKAGING M&A BY GEOGRAPHY

Type	MTD	% of Total	YTD	% of Total
US-to-US	6	30%	23	31%
US-to-Foreign	4	20%	11	15%
Foreign-to-US	0	0%	1	1%
Foreign	10	50%	40	53%

- Strategic buyers accounted for 39 deals in Q1, which represented a decrease of three deals from the prior quarter. Furthermore, strategic buyers have struggled to maintain historical activity levels since early 2022, recording less than 40 deals in eight out of the last nine quarters
- Financial buyers posted seven fewer deals in Q1 when compared to the prior quarter with both add-on and platform acquisitions falling by at least three deals each. Furthermore, Q1 represented the lowest quarterly deal volume for financial buyers since Q2 2023
- The Machinery & Distribution subsector was one of four subsectors to post an increase in deal volumes relative to Q1 2023. The subsector recorded 20 deals in Q1, which was up from nine in Q1 2023
- Despite declines from the prior quarter, when compared to Q1 of 2023, four of the six subsectors have increased in deal volume. Overall quarterly transaction volume is eight deals above Q1 2023
- Each tracked end market experienced declining or stagnant quarterly volumes when compared to Q4. The Food & Beverage end market was the only end market not to decline in the quarter, matching prior quarter volumes, while the Medical end market posted the largest decline, falling by six deals

PACKAGING M&A BY END MARKET

End Market	March	%	2024	%
Food & Beverage	4	20%	25	33%
Industrial	8	40%	33	44%
Consumer	7	35%	14	19%
Medical	1	5%	3	4%



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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.

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Industry Multiples and Trends

Packaging entities produced varied valuation metrics in March with Paper Packaging and Flexible Plastic companies achieving ~7.5x EV/EBITDA multiples on average while Rigid Plastic and Other Packaging public companies continued to drive premium, double-digit multiples on average.

Public Stock Performance

Public entities in the packaging space displayed bullish trends in March with all four of the tracked subsectors appreciating in value on average. The Paper Packaging subsector leads all subsectors in 2024 performance, producing average gains of 7.2% in March and 11.9% in the year-to-date period.

Company Name	Stock Performance Year-to-Date	Stock Performance Month-to-Date	Enterprise Value / LTM ¹	
			Revenue	EBITDA
<i>Rigid Plastic</i>				
AptarGroup, Inc.	16.4%	2.4%	3.01x	14.15x
Berry Global Group, Inc.	-10.3%	3.9%	1.29x	8.22x
Essentra plc	3.7%	5.5%	1.81x	13.66x
Nampak Limited	-13.3%	-2.3%	0.45x	9.23x
Silgan Holdings Inc.	7.3%	10.6%	1.37x	8.48x
Sonoco Products Company	3.5%	2.0%	1.32x	7.81x
Mean	1.2%	3.7%	1.54x	10.26x
Median	3.6%	3.2%	1.34x	8.86x
<i>Flexible Plastic</i>				
Amcor plc	-1.3%	5.0%	1.50x	10.75x
Huhtamaki Oyj	5.7%	6.9%	1.31x	9.92x
Pactiv Evergreen Inc.	4.4%	-2.9%	1.14x	5.23x
Sealed Air Corporation	1.9%	6.7%	1.79x	8.89x
Transcontinental Inc.	7.4%	2.6%	0.77x	5.19x
Winpak Ltd.	-0.9%	0.6%	1.31x	6.57x
Mean	2.9%	3.1%	1.30x	7.76x
Median	3.2%	3.8%	1.31x	7.73x
<i>Paper Packaging</i>				
Cascades Inc.	-22.3%	-6.0%	0.63x	5.36x
DS Smith Plc	29.1%	23.2%	1.01x	6.82x
Graphic Packaging Holding Co.	18.4%	12.4%	1.53x	7.20x
Greif, Inc.	5.3%	7.1%	1.14x	6.80x
International Paper Company	7.9%	10.4%	0.98x	7.64x
Karat Packaging Inc.	15.1%	-3.3%	1.48x	9.55x
Packaging Corporation of America	16.5%	4.7%	2.42x	10.74x
Smurfit Kappa Group Plc	17.8%	7.2%	1.23x	6.90x
WestRock Company	19.1%	9.2%	1.08x	6.87x
Mean	11.9%	7.2%	1.28x	7.54x
Median	16.5%	7.2%	1.14x	6.90x
<i>Other Packaging</i>				
Avery Dennison Corporation	10.4%	3.1%	2.53x	15.74x
Ball Corporation	19.7%	5.9%	2.11x	13.08x
CCL Industries Inc.	16.2%	0.1%	2.08x	10.34x
Crown Holdings	-13.9%	3.4%	1.36x	8.63x
Gerresheimer AG	10.7%	-3.7%	2.29x	11.35x
O-I Glass, Inc.	1.3%	-2.0%	0.98x	4.78x
Toyo Seikan Group Holdings, Ltd.	4.0%	-5.5%	0.60x	6.94x
Mean	6.9%	0.2%	1.71x	10.12x
Median	10.4%	0.1%	2.08x	10.34x

¹LTM as of latest available financials

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

Notable M&A Activity

Date	Acquirer	Target	Category
3/21/24	Resource Label Group	Labelcraft	Printing & Labels
3/21/24	Label Source	Allied Label Printing Systems	Printing & Labels
3/20/24	Hinojosa Packaging Group SL	Ms Packaging Srl	Corrugated
3/19/24	ProAmpac	UP Paper	Specialty Paper Packaging
3/13/24	Macfarlane Group UK Ltd	Allpack Packaging Supplies Limited	Distribution
3/13/24	ProAmpac	Gelpac Inc	Flexible Plastic
3/7/24	Fortifi Food Processing Solutions	MHM Automation Limited	Machinery/Equipment
3/6/24	Fremman Capital	Fasten B.V.	Rigid Packaging

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


Major News & Insights

- Majority of PFAS Used in F&B Packaging Unregulated and Untested for Health Hazards, Reveals Study (Packaging Insights)
- Provisional EU Law to Cut Most Single-Use Packaging (Packaging World)
- Inhance Wins EPA Fluorination Case (Plastics News)
- Powell: Fed Is 'Not Far' From Gaining Confidence Needed to Cut Rates (The Wall Street Journal)
- U.S. Consumers Still Aren't Feeling Sunnier (The Wall Street Journal)


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