

PACKAGING M&A UPDATE

AUGUST 2024

Packaging Industry M&A Activity Tracking

Global Packaging M&A activity slowed after a strong second quarter and beginning of the third quarter, with 23 deals recorded in August—eight fewer than in July and the lowest since April. Despite the slowdown in August, year-to-date deal volume remains strong compared to 2023, with 206 deals so far, up 26 from the same period last year. In August, financial buyers drove the majority of deals, while strategic buyers had their least active month of the year. The overall decline in August contrasts with the strong activity in June and July, a trend PMCF will continue to monitor as we continue through the second half of the year.

PACKAGING M&A BY SUBSECTOR

Subsector	Month-to-Date			Year-to-Date		
	2023	2024	Change	2023	2024	Change
Rigid Packaging	3	6	3	38	40	2
Flexible Plastic	3	1	-2	25	28	3
Paper	11	5	-6	50	48	-2
Printing & Labels	5	3	-2	28	25	-3
Protective Packaging	1	4	3	7	17	10
Machinery & Distribution	8	4	-4	32	48	16
Total	31	23	-8	180	206	26

PACKAGING M&A BY BUYER TYPE

Type	MTD	% of Total	YTD	% of Total
Strategic	9	39%	111	54%
Add-On (PE)	11	48%	67	33%
Platform (PE)	3	13%	28	14%

PACKAGING M&A BY GEOGRAPHY

Type	MTD	% of Total	YTD	% of Total
U.S.-to-U.S.	11	48%	71	34%
U.S.-to-Foreign	3	13%	23	11%
Foreign-to-U.S.	0	0%	6	3%
Foreign	9	39%	106	51%

- Rigid Packaging and Protective Packaging deal activity was strong relative to August 2023, with both subsectors tallying three more deals in the month compared to prior year levels. Machinery & Distribution and Protective Packaging continued driving increased deal activity in the year-to-date period, each posting double-digit increases from 2023 levels in 2024
- Financial buyers accounted for 11 deals, or 61% of deal flow. This represented the largest share of volume for this buyer type in over a year. Furthermore, volume surpassed 2024 averages and outpaced July levels by three transactions
- Strategic buyer activity came in six deals below the running average for 2024. Nine transactions were recorded in the month, falling from prior month levels by more than 10 deals
- Deals involving two U.S. parties led all other geography types for the second month in 2024, accounting for 48% of deal flow. Meanwhile, deals with a foreign buyer and seller represented nine deals, down 13 from July levels
- The Industrial end market was the most active in August, posting 13 deals in the month. The Medical end market recovered in August with two deals after recording no transactions the prior month

TOTAL PACKAGING M&A BY END MARKET

End Market	MTD	%	YTD	%
Food & Beverage	4	17%	56	27%
Industrial	13	57%	92	45%
Consumer	4	17%	49	24%
Medical	2	9%	9	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.

Packaging M&A Update – August 2024

Industry Multiples and Trends

Packaging subsector EV / EBITDA multiples were stagnant in August. Each subsector moved less than 0.25x from a mean multiple perspective relative to the prior month. Notably, since January, the Paper Packaging and Rigid Plastic subsectors have observed deviations of more than 2x EBITDA

Public Stock Performance

Packaging subsector performance varied during August. Rigid Plastic was the only subsector to see growth during the month, while the other subsectors saw minor mean contractions of 2% or less. Despite the varied performance, mean year-to-date stock performance is up, with all four subsectors experiencing growth of more than 5%.

Company Name	Stock Performance Year-to-Date	Stock Performance Month-to-Date	Enterprise Value / LTM ¹	
			Revenue	EBITDA
<i>Rigid Plastic</i>				
AptarGroup, Inc.	23.9%	4.2%	3.12x	14.19x
Berry Global Group, Inc.	2.2%	4.8%	1.38x	8.52x
Essentra plc	3.9%	3.0%	1.94x	13.12x
Nampak Limited	120.0%	10.3%	0.54x	5.92x
Silgan Holdings Inc.	15.5%	1.6%	1.58x	9.63x
Sonoco Products Company	1.3%	4.9%	1.33x	7.87x
Mean	27.8%	4.8%	1.65x	9.87x
Median	9.7%	4.5%	1.48x	9.08x
<i>Flexible Plastic</i>				
Ancor plc	18.7%	8.6%	1.72x	11.69x
Huhtamaki Oyj	0.9%	-1.1%	1.28x	8.74x
Pactiv Evergreen Inc.	-13.9%	-10.2%	1.12x	5.11x
Sealed Air Corporation	-4.3%	-8.1%	1.73x	8.48x
Transcontinental Inc.	22.6%	3.0%	0.84x	5.55x
Winpak Ltd.	11.5%	-4.1%	1.49x	7.30x
Mean	5.9%	-2.0%	1.36x	7.81x
Median	6.2%	-2.6%	1.39x	7.89x
<i>Paper Packaging</i>				
Cascades Inc.	-27.2%	-4.7%	0.66x	6.48x
DS Smith Plc	52.3%	2.9%	1.28x	8.63x
Graphic Packaging Holding Co.	21.4%	-0.6%	1.55x	7.40x
Greif, Inc.	-4.7%	-6.2%	1.18x	8.10x
International Paper Company	33.9%	4.2%	1.17x	9.30x
Karat Packaging Inc.	2.0%	-15.2%	1.36x	10.00x
Packaging Corporation of America	28.6%	4.8%	2.61x	12.27x
Smurfit Westrock Plc	NM	5.8%	2.11x	12.61x
Mean	15.2%	-1.1%	1.49x	9.35x
Median	21.4%	1.2%	1.32x	8.97x
<i>Other Packaging</i>				
Avery Dennison Corporation	9.7%	2.3%	2.42x	14.19x
Ball Corporation	10.9%	0.0%	1.75x	10.91x
CCL Industries Inc.	29.3%	2.6%	2.24x	10.77x
Crown Holdings	-1.8%	1.9%	1.49x	9.35x
Gerresheimer AG	9.7%	8.1%	2.34x	11.69x
O-I Glass, Inc.	-22.5%	-5.0%	0.96x	5.16x
Toyo Seikan Group Holdings, Ltd.	1.3%	-10.3%	0.58x	5.62x
Mean	5.2%	-0.1%	1.68x	9.67x
Median	9.7%	1.9%	1.75x	10.77x

¹LTM as of latest available financials

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

Notable M&A Activity

Date	Acquirer	Target	Category
08/28/24	Mill Rock Packaging Partners LLC	Woodland Packaging and Laminating Facility of Everett Graphics, Inc.	Folding Cartons
08/27/24	Mill Street Capital LLC	Garyline LLC	Rigid Packaging
08/26/24	M2S Group	Iconex Labels	Labels
08/26/24	Altor Solutions	Lifoam Industries	Protective Packaging
08/26/24	UFP Technologies, Inc. (NasdaqCM:UFPT)	AQF Ltd	Protective Packaging
08/19/24	Calibre Scientific, Inc.	Industrial Glassware	Rigid Packaging
08/05/24	Peterson Farms	King Brands	Flexible Packaging
08/01/24	Mauser Packaging Solutions	Eliptotime PTY (Plastic Drum Manufacturing Business)	Rigid Packaging

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

Major News & Insights

- Stable U.S. Inflation Keeps Door Open for Moderate Fed Cuts (The Wall Street Journal)
- US Plastics Pact Updates 'Problematic' Packaging List, Adds Materials for Evaluation (Plastics News)
- Wood and Aluminum Outpace Plastic and Glass Packaging, Report Finds (Packaging Insights)
- EPA Finalizes Recycled Content Levels for Packaging Bearing Safer Choice Label (Packaging Dive)
- Progress in Packaging Sustainability: Slow but Steady (Plastics News)

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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 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 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



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