

# PACKAGING M&A UPDATE

OCTOBER 2024

## Packaging Industry M&A Activity Tracking

Global Packaging M&A activity notched its strongest month since PMCF began tracking the packaging space with 43 recorded deals in the month. October posted a 22-deal increase compared to September and a 9-deal increase from October 2023. Thus far in 2024, 270 deals have been tallied, expanding the year-over-year deal margin to 60 transactions. Pent up strategic buyer demand in August and September led to historic deal flow for this buyer group with financial buyers also providing above average transaction volume. October marked a strong start to Q4 for Global Packaging M&A, which is poised to round out one of the most active years on record.

### PACKAGING M&A BY SUBSECTOR

Subsector	Month-to-Date			Year-to-Date		
	2023	2024	Change	2023	2024	Change
Rigid Packaging	6	12	6	47	59	12
Flexible Plastic	5	10	5	31	39	8
Paper	12	7	-5	57	61	4
Printing & Labels	5	2	-3	29	28	-1
Protective Packaging	4	7	3	9	24	15
Machinery & Distribution	2	5	3	37	59	22
<b>Total</b>	<b>34</b>	<b>43</b>	<b>9</b>	<b>210</b>	<b>270</b>	<b>60</b>

### PACKAGING M&A BY BUYER TYPE

Type	MTD	% of Total	YTD	% of Total
Strategic	25	58%	145	54%
Add-On (PE)	10	23%	85	31%
Platform (PE)	8	19%	40	15%

### PACKAGING M&A BY GEOGRAPHY

Type	MTD	% of Total	YTD	% of Total
U.S.-to-U.S.	15	35%	94	35%
U.S.-to-Foreign	3	7%	28	10%
Foreign-to-U.S.	0	0%	8	3%
Foreign	25	58%	140	52%

- Rigid Packaging and Flexible packaging led deal volume in October posting 12 and 10 deals, respectively. These were substantial increases from September activity and October 2023 volume. Protective Packaging and Machinery & Distribution both posted modest increases from October 2023 while Paper and Printing & Labels saw minor declines in volume, but remained in line with 2024 monthly averages
- Strategic deal activity was the highest it has been in a month since 2017 and was well above the 2024 average of 13 deals. Demand from financial buyers in October surpassed year-to-date trends as well, with platform acquisitions doubling the 2024 average
- Foreign transactions had a strong October and have accounted for more than half of all activity in the year-to-date. Notably, domestic transactions also posted their highest monthly volume in 2024 with 15 transactions
- The Food & Beverage end market tallied only its second month of the year with double-digit volumes. Meanwhile, the Medical end market has recorded 10 deals in the last three months, consistently ramping its volume

### TOTAL PACKAGING M&A BY END MARKET

End Market	MTD	%	YTD	%
Food & Beverage	12	28%	75	28%
Industrial	17	40%	115	43%
Consumer	9	21%	63	23%
Medical	5	12%	17	6%



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## Packaging M&A Update – October 2024

### Industry Multiples and Trends

Rigid Packaging, Flexible Packaging, and Other Packaging subsectors experienced minimal variation in median EV/EBITDA multiples month-over-month. However, the average and median EV/EBITDA multiples of the Paper Packaging subsector increased over 0.75x during the month

### Public Stock Performance

Rigid Packaging and Flexible Packaging stock performances were consistent during October with neither subsector moving more than 1.0% on average in the month. Paper Packaging and Other Packaging experienced a more volatile October with both subsectors moving more than 5.0%. Overall, packaging stocks are performing well with three of the four packaging subsectors up on the year

Company Name	Stock Performance Year-to-Date	Stock Performance Month-to-Date	Enterprise Value / LTM <sup>1</sup>	
			Revenue	EBITDA
<b>Rigid Plastic</b>				
AptarGroup, Inc.	35.8%	4.8%	3.36x	15.00x
Berry Global Group, Inc.	4.5%	3.6%	1.40x	8.62x
Essentra plc	-12.5%	-2.9%	1.68x	11.35x
Nampak Limited	144.6%	2.1%	0.56x	6.16x
Silgan Holdings Inc.	14.3%	-1.4%	1.55x	9.50x
Sonoco Products Company	-6.0%	-3.9%	1.26x	7.66x
<b>Mean</b>	<b>30.1%</b>	<b>0.4%</b>	<b>1.64x</b>	<b>9.71x</b>
<b>Median</b>	<b>9.4%</b>	<b>0.3%</b>	<b>1.47x</b>	<b>9.06x</b>
<b>Flexible Plastic</b>				
Amcor plc	15.5%	-1.8%	1.69x	12.26x
Huhtamaki Oyj	-1.9%	3.3%	1.25x	8.46x
Pactiv Evergreen Inc.	-17.3%	-1.5%	1.11x	5.04x
Sealed Air Corporation	-0.9%	-0.3%	1.77x	8.64x
Transcontinental Inc.	25.5%	-4.3%	0.85x	5.46x
Winpak Ltd.	21.3%	4.4%	1.65x	7.84x
<b>Mean</b>	<b>7.0%</b>	<b>0.0%</b>	<b>1.39x</b>	<b>7.95x</b>
<b>Median</b>	<b>7.3%</b>	<b>-0.9%</b>	<b>1.45x</b>	<b>8.15x</b>
<b>Paper Packaging</b>				
Cascades Inc.	-17.6%	0.6%	0.69x	6.74x
DS Smith Plc	77.5%	18.1%	1.44x	9.69x
Graphic Packaging Holding Co.	14.6%	-4.5%	1.54x	7.33x
Greif, Inc.	-4.8%	-0.4%	1.17x	8.09x
International Paper Company	53.6%	13.7%	1.29x	10.55x
Karat Packaging Inc.	7.4%	3.1%	1.43x	10.49x
Packaging Corporation of America	40.5%	6.3%	2.74x	13.76x
Smurfit Westrock Plc	NM	4.2%	2.41x	15.47x
<b>Mean</b>	<b>24.5%</b>	<b>5.1%</b>	<b>1.59x</b>	<b>10.26x</b>
<b>Median</b>	<b>14.6%</b>	<b>3.7%</b>	<b>1.43x</b>	<b>10.09x</b>
<b>Other Packaging</b>				
Avery Dennison Corporation	2.4%	-6.2%	2.26x	13.14x
Ball Corporation	3.0%	-12.8%	1.63x	9.96x
CCL Industries Inc.	36.3%	-1.5%	2.34x	11.23x
Crown Holdings	1.6%	-2.4%	1.48x	9.37x
Gerresheimer AG	-17.9%	-3.1%	1.91x	9.61x
O-I Glass, Inc.	-32.2%	-15.3%	0.93x	5.62x
Toyo Seikan Group Holdings, Ltd.	0.2%	1.8%	0.57x	5.52x
<b>Mean</b>	<b>-0.9%</b>	<b>-5.7%</b>	<b>1.59x</b>	<b>9.21x</b>
<b>Median</b>	<b>1.6%</b>	<b>-3.1%</b>	<b>1.63x</b>	<b>9.61x</b>

<sup>1</sup>LTM as of latest available financials

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

## Notable M&A Activity

Date	Acquirer	Target	Category
10/31/2024	Ball Corporation (NYSE:BALL)	Alucan Entec, S.A	Metal Packaging
10/29/2024	ORBIS	Creative Techniques	Rigid Packaging
10/28/2024	Hood Packaging Corporation	Industrial packaging operations of TC Transcontinental Packaging	Flexible Packaging
10/12/2024	StoneTree Investment Partners	Viking Engineering & Development	Machinery / Equipment
10/09/2024	Mondi plc (LSE:MNDI)	Western Europe Packaging Assets of Schumacher Packaging	Corrugated
10/09/2024	SupplyOne, Inc.	Gulf Packaging Inc.	Corrugated
10/04/2024	Multi-Color Corporation	Starport Technologies	Printing / Labels
10/02/2024	Nutra-Med Packaging	Legacy Pharma Solutions	Rigid Packaging

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

## Major News & Insights

- Biden-Harris Administration Opens Tariff Exclusion Process for Some Manufacturers (Packaging Dive)
- Is the Fiber Packaging M&A Surge Done? Probably Not. (Packaging Dive)
- Insights From the 2024 Packaging Recycling Summit (Packaging Dive)
- As Plastics Treaty Debates Production Caps, a Look at Potential Impact and Implementation (Plastics News)
- U.S. Added 12,000 Jobs in October as Storms Sidelined Workers (The Wall Street Journal)
- Plastipak Founder and CEO Steps Down After 57 Years (Packaging Digest)

## 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.

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- 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
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