

## PACKAGING M&A UPDATE

### DECEMBER 2021

### Packaging Industry M&A Activity Tracking

Global Packaging M&A continued a strong trend of activity in December 2021 with 33 total transactions. On the year, Packaging deal volumes recorded their highest levels since PMCF began tracking the industry with 359 deals. While 2021 deal volume far exceeded 2020 levels, December 2021 marked only the second month in the year with lower transaction levels than the same month in 2020. With that being said, transaction levels were above 30 for the third month in a row and rounded out a very strong final quarter from an M&A volume perspective.

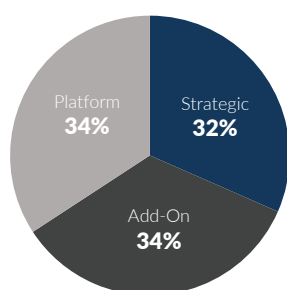
#### PACKAGING M&A BY SUBSECTOR

Subsector	Month-to-Date			Year-to-Date		
	2020	2021	Change	2020	2021	Change
Rigid Plastic	8	7	-1	57	71	14
Flexible Plastic	7	1	-6	28	64	36
Paper	10	20	10	105	164	59
Other	13	5	-8	44	60	16
<b>Total Packaging</b>	<b>38</b>	<b>33</b>	<b>-5</b>	<b>234</b>	<b>359</b>	<b>125</b>
Strategic	32%	52%	20%	55%	50%	-5%
Financial Buyer - Add-on	34%	30%	-4%	26%	31%	5%
Financial Buyer - Platform	34%	18%	-16%	19%	19%	0%

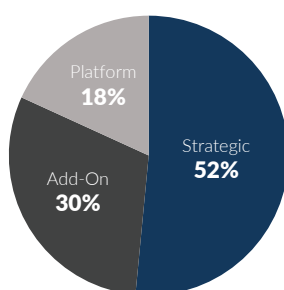
- Strategic buyers accounted for 52% of volume in December 2021 which was a large increase compared to last year. Despite the increase, strategic buyer percentage of total transactions decreased from 55% to 50% for the year
- In 2021, private equity firms accounted for 50% of deal volume up from 45% last year, contributing to the large increase in deal volume year-over-year
- On the year, the Flexible Plastic packaging subsector posted an increase of 36 transactions, or 129%, while Rigid Plastic increased by 14 transactions, or 25%
- Paper Packaging recorded its highest monthly total of 2021 from a transaction volume standpoint in December with 20 deals overall, accounting for 61% of total deal volume
- Food & Beverage and Industrial end markets accounted for 24 deals on the month and 261 transactions on the year; transactions attributed to these end markets accounted for over 70% of the deal volume in 2021

#### PACKAGING TRANSACTIONS BY BUYER TYPE

2020 MTD



2021 MTD



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

End Market	Month-to-Date		Year-to-Date	
	2021	%	2021	%
Food & Beverage	10	30.3%	151	42.1%
Industrial	14	42.4%	110	30.6%
Consumer	6	18.2%	65	18.1%
Medical	1	3.0%	23	6.4%
Automotive	2	6.1%	10	2.8%
<b>Total</b>	<b>33</b>	<b>100%</b>	<b>359</b>	<b>100%</b>

Overall, Global Packaging M&A experienced robust deal volumes for 2021 driven by carryover transactions from 2020, sellers' concerns over the tax environment, favorable market conditions for buyers, and strong transaction valuations for sellers. While PMCF expects strong demand for M&A in 2022, transaction volumes are not expected to maintain the record pace set in 2021. 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 – December 2021

### Public Entity Performance

Packaging public entities experienced strong performance in the month of December, increasing by 4.2%. On the year, Rigid Plastic, Other Packaging, and Paper Packaging all posted strong performances but not to the same level as S&P 500 Index.

Index		% Change December MTD		% Change December YTD
S&P 500 Index	↑	4.4%	↑	26.9%
PMCF Packaging Index <sup>(1)</sup>	↑	4.2%	↑	9.4%
Rigid Plastic Packaging <sup>(2)</sup>	↑	4.2%	↑	20.7%
Flexible Plastic Packaging <sup>(3)</sup>	↑	6.1%	↓	-1.4%
Other Packaging <sup>(4)</sup>	↑	4.8%	↑	10.3%
Paper Packaging <sup>(5)</sup>	↑	2.6%	↑	8.4%

(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 Source: Capital IQ

### Major News

- The Supply-Chain Crunch Is Like a Traffic Jam. Allow Us to Explain. (Wall Street Journal)
- Manufacturers Need Agility to Recover and Grow (Packaging Digest)
- Recyclability Claims Face Increased Examination (Plastics News)
- Omicron Variant Is Expected to Dent Global Economy in Early 2022 (Wall Street Journal)
- Research Examines Big Company Progress on Plastic Packaging Waste (Plastics News)

### Notable M&A Activity

Date	Acquirer	Target	Category
12/28/21	Comar, LLC	Omega Packaging Inc.	Rigid Packaging
12/20/21	Sonoco Products Company (NYSE:SON)	Ball Metalpack, LLC	Metal Packaging
12/20/21	ProAmpac Intermediate, Inc.	Prairie State Group	Flexible Packaging
12/20/21	Pipeline Packaging Corporation	Midstates Container Company	Packaging Distribution
12/17/21	Rohrer Corporation	Jay Packaging Group, Inc.	Rigid Packaging
12/16/21	Pretium Packaging, LLC	Grupo Edid	Rigid Packaging
12/14/21	Charlesbank Capital Partners	BOX Partners	Packaging Distribution
12/10/21	Berlin Packaging LLC	Gerfran SAS	Glass Packaging
12/03/21	Torq Capital Partners	CSI Packaging Industry B.V.	Machinery/Equipment
12/01/21	Selig Group, Inc.	Manufacture Générale de Joints SAS	Closure Liners

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](mailto:john.hart@pmcf.com)

## Recent PMCF Plastics & Packaging Transactions

 has been acquired by 	 a portfolio company of  has been acquired by  BELIEVE IN BETTER PLASTICS a portfolio company of 	 has been acquired by  a portfolio company of THE JORDAN COMPANY	 has completed a recapitalization with 
PACKAGING DISTRIBUTION & BLOW MOLDED PACKAGING	RECYCLING & FLEXIBLE PACKAGING	THERMOFORMED PACKAGING	SPECIALTY EXTRUSION & FLEXIBLE PACKAGING
 MANUFACTURER OF PLASTIC JARS & CLOSURES has been acquired by  PACKAGING IDEAS INTO YOUR SOLUTIONS a portfolio company of 	 has been acquired by  a portfolio company of ATLAS HOLDINGS 	 has been acquired by  a portfolio company of 	 has been acquired by 
INJECTION & BLOW MOLDED PACKAGING	SPECIALTY PAPER & LUXURY PACKAGING	THERMOFORMED PACKAGING, FOLDING CARTONS	CORRUGATED PACKAGING



Two-time winner, Boutique Investment Banking Firm of the Year  
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Awarded, Cross Border Corporate and Strategic Acquisition of the Year  
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by M&A Advisor  
  
Awarded, Deal of the Year  
by ACG Detroit

Awarded, Manufacturing Deal of the Year  
by MiBiz

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