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PACKAGING M&A UPDATE

JULY 2024

Packaging Industry M&A Activity Tracking

Global Packaging M&A posted 32 deals in July, up three transactions from June levels and up 13 from July 2023 levels. Strategic buyers continued to be active, accounting for nearly 66% of all deals in the month. Meanwhile, financial buyers posted activity in line with June levels. To date, 2024 has posted 34 more deals when compared to 2023. All subsectors have seen an increase in M&A activity relative to 2023 except for Rigid Packaging and Printing/Labels, which both only lag their prior year totals by one transaction. Encouragingly, monthly deal volume increased in each of the last four months, driving momentum heading into the second half of 2024

PACKAGING M&A BY SUBSECTOR

	Month-to-Date			Year-to-Date		
Subsector	2023	2024	Change	2023	2024	Change
Rigid Packaging	5	11	6	35	34	-1
Flexible Plastic	3	3	0	22	27	5
Paper	5	7	2	39	43	4
Printing/Labels	2	3	1	23	22	-1
Protective Packaging	0	1	1	6	13	7
Machinery & Distribution	4	7	3	24	44	20
Total	**19**	**32**	**13**	**149**	**183**	**34**

PACKAGING M&A BY BUYER TYPE

Type	MTD	% of Total	YTD	% of Total
Strategic	21	66%	102	56%
Add-On (PE)	8	25%	56	31%
Platform (PE)	3	9%	25	14%

- Strategic buyers continued to drive packaging deal activity, accounting for 21 deals in July, which represented the highest monthly volume for this buyer group since Q4 2018. As a percentage of total deal mix, strategic buyers have accounted for 56% of transactions year-to-date
- Deals involving financial buyers remained steady at 11 in July. However, add-on deals accounted for eight transactions, up five from last month while platform deals dropped from eight to three
- Much of the increase in deal flow from prior months is attributable to activity in the Rigid Packaging subsector, which tallied 11 deals in July compared to five in June. Machinery & Distribution also recorded strong transaction volume in July with seven deals, which was up three from last month
- The Consumer end market observed its strongest month since January 2021 in July, accounting for 11 deals. Meanwhile, the Medical end market recorded its first month with no activity since February 2023
- Foreign M&A activity continued to drive performance in 2024, tallying 22 deals in July. At nearly 69% of all deal volume, Foreign deal activity represented its largest share since May 2020

PACKAGING M&A BY GEOGRAPHY

Type	MTD	% of Total	YTD	% of Total
US-to-US	7	22%	60	33%
US-to-Foreign	2	6%	20	11%
Foreign-to-US	1	3%	6	3%
Foreign	22	69%	97	53%

TOTAL PACKAGING M&A BY END MARKET

End Market	July	%	2024	%
Food & Beverage	10	31%	52	28%
Industrial	11	34%	79	43%
Consumer	11	34%	45	25%
Medical	0	0%	7	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.

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

Packaging M&A Update — July 2024

Industry Multiples and Trends

All four subsectors experienced an increase in average valuation relative to June. The Paper Packaging subsector saw the most significant rise, with average EV/EBITDA multiples increasing by 1.5x, resulting in a 2.5x increase year-to-date. Additionally, July marked the first month in 2024 that all subsectors were above 8.0x EBITDA on average

Public Stock Performance

Public entities in the packaging sector performed well in July, with all tracked subsectors showing an average increase in stock performance of over 6.5%. The Rigid Plastics subsector, building on its momentum from June, led the way with a double-digit increase. Furthermore, all four subsectors have posted mean gains of more than 5% in the year-to-date period

Company Name	Stock Performance Year-to-Date	Stock Performance Month-to-Date	Enterprise Value / LTM[1] Revenue	Enterprise Value / LTM[1] EBITDA
Rigid Plastic				
AptarGroup, Inc.	18.9%	4.4%	3.01x	13.67x
Berry Global Group, Inc.	-2.5%	11.7%	1.35x	8.48x
Essentra plc	0.8%	7.7%	1.89x	12.79x
Nampak Limited	99.5%	30.6%	0.52x	5.72x
Silgan Holdings Inc.	13.7%	21.5%	1.56x	9.54x
Sonoco Products Company	-3.5%	6.3%	1.28x	7.75x
Mean	**21.1%**	**13.7%**	**1.60x**	**9.66x**
Median	**7.2%**	**9.7%**	**1.45x**	**9.01x**
Flexible Plastic				
Amcor plc	9.2%	7.7%	1.64x	11.20x
Huhtamaki Oyj	2.0%	0.0%	1.29x	8.81x
Pactiv Evergreen Inc.	-4.2%	16.1%	1.17x	6.31x
Sealed Air Corporation	4.2%	9.4%	1.82x	8.81x
Transcontinental Inc.	19.0%	7.8%	0.83x	5.49x
Winpak Ltd.	16.3%	6.5%	1.57x	7.69x
Mean	**7.8%**	**7.9%**	**1.39x**	**8.05x**
Median	**6.7%**	**7.7%**	**1.43x**	**8.25x**
Paper Packaging				
Cascades Inc.	-23.6%	7.8%	0.66x	6.03x
DS Smith Plc	48.0%	8.0%	1.25x	8.45x
Graphic Packaging Holding Co.	22.1%	14.8%	1.56x	7.43x
Greif, Inc.	1.7%	16.0%	1.24x	8.14x
International Paper Company	28.6%	7.7%	1.14x	9.02x
Karat Packaging Inc.	20.2%	1.0%	1.55x	10.31x
Packaging Corporation of America	22.7%	9.5%	2.49x	12.71x
Smurfit Westrock Plc	NM	-2.7%	2.26x	13.52x
Mean	**17.1%**	**7.8%**	**1.52x**	**9.45x**
Median	**22.1%**	**7.9%**	**1.40x**	**8.73x**
Other Packaging				
Avery Dennison Corporation	7.3%	-0.8%	2.38x	13.92x
Ball Corporation	11.0%	6.3%	1.75x	11.06x
CCL Industries Inc.	26.0%	4.4%	2.23x	10.93x
Crown Holdings	-3.7%	19.2%	1.47x	9.24x
Gerresheimer AG	1.5%	-4.5%	2.21x	11.02x
O-I Glass, Inc.	-18.4%	20.0%	0.98x	5.25x
Toyo Seikan Group Holdings, Ltd.	13.0%	2.3%	0.61x	6.38x
Mean	**5.2%**	**6.7%**	**1.66x**	**9.69x**
Median	**7.3%**	**4.4%**	**1.75x**	**10.93x**

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

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Notable M&A Activity

Date	Acquirer	Target	Category
7/24/24	Silgan Holdings (NYS: SLGN)	Weener Plastics Group	Rigid Packaging
7/16/24	BradyPLUS	TED Supply	Distribution
7/15/24	PSB Industries (LTS: 0IIA)	Quadpack Industries (PAR: ALQP)	Rigid Packaging
7/11/24	Bunzl (LON: BNZL)	Holland Special Packaging	Distribution
7/10/24	AWT Labels & Packaging Inc.	American Label Technologies	Printing/Labels
7/10/24	Rengo Co., Ltd. (TSE:3941)	Shibata Cardboard Co., Ltd.	Corrugated
7/9/24	Revolution	Norflex	Rigid Packaging
7/8/24	Macfarlane Group (LON: MACF)	Polyformes	Protective Packaging

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

Major News & Insights

- From Pizza Box Recycling to AI: WestRock and the Future of Packaging (The Wall Street Journal)
- Silgan Holdings to Buy 3i-Backed Weener Plastics in $908 Million Deal (The Wall Street Journal)
- Layoffs and Closures at Placon, Supremex, WestRock Announced in July (Packaging Dive)
- Costco Switches Rotisserie Chicken Container to Flexible Packaging (Plastics News)
- Congress may Consider Recyclability Labeling Law (Plastics News)
- Cost Remains Key Barrier to Sustainable Packaging, Survey Finds (Packaging Gateway)

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.

Recent PMCF Plastics & Packaging Transactions

Progress Container & Display
has been acquired by
TRG THE ROYAL GROUP

CORRUGATED PACKAGING

kpc
has been acquired by
HOOD CONTAINER CORPORATION

CORRUGATED PACKAGING

C.L. Smith
has been acquired by
KELSO

PACKAGING DISTRIBUTION & BLOW MOLDED PACKAGING

JADCORE
a portfolio company of
STONEHENGE PARTNERS
has been acquired by
Revolution BELIEVE IN BETTER PLASTICS
a portfolio company of
ARSENAL CAPITAL PARTNERS

RECYCLING & FLEXIBLE PACKAGING

Two-time winner, Boutique Investment Banking Firm of the Year by M&A Advisor

Awarded, Cross Border Corporate and Strategic Acquisition of the Year by M&A Advisor

Awarded, Cross Border M&A Deal of the Year by M&A Advisor

Awarded, Deal of the Year by ACG Detroit

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