



Packaging | Q3 2021



- ### Key Topics
- Packaging Insights
 - Recent Lincoln International Transactions
 - Selected Mergers and Acquisitions Transaction Highlights
 - Public Companies Operating Statistics and Valuation Parameters
 - Global Packaging Valuations by Subsector

Quarterly Review

Market Insights

Sep-21: Carton Pack (21 Invest), a manufacturer of fruit and vegetable packaging solutions, is exploring a potential sale process

Sep-21: Gelpac (Namakor) is seeking U.S.-based paper packaging acquisitions after receiving a new investment through a General Partner-led secondary transaction

Sep-21: Pacur (Gryphon Investors), a provider of specialty plastic packaging materials for the medical device industry, recently hired John Carlson, former President of Flex's (NASDAQ:FLEX) medical solutions division, as Chief Executive Officer

Sep-21: Clarus Films (Premium Equity Partners), a manufacturer of transparent packaging films, is planning to grow aggressively over the next year through acquisitions across Europe

Sep-21: Following its acquisition of **Crawford Industries** in September 2021, **Spartech (The Jordan Company)**, a converter of rigid plastic packaging, is seeking additional acquisitions to expand its plastics and engineered materials businesses

Sep-21: TC Transcontinental (TSX:TCL.A) announced a \$14 million expansion project at the company's Ontario, California, facility for extrusion-blown shrink wrap, serving the beverage market, and recently opened a new packaging research and development center in Menasha, Wisconsin

Sep-21: Pregis (Warburg Pincus), a provider of specialty packaging solutions, announced a \$32 million expansion of its blown film extrusion operations, including the construction of 55,000 square feet of additional facility space

Aug-21: Berry Global Group (NYSE:BERY) expressed interest in growth through acquisitions with a focus on sustainable and ecologically-friendly companies

Aug-21: TriMas (NasdaqGS:TRS), a manufacturer of caps and closures, announced the introduction of tethered caps in response to new European legislation that requires all caps on non-returnable polyethylene terephthalate bottles to be designed with a "tether"

Jul-21: Smurfit Kappa Group (LSE:SKG), a paper-based, packaging manufacturer, has expressed continued interest in Latin American acquisitions, following its recent acquisitions in Mexico and Peru

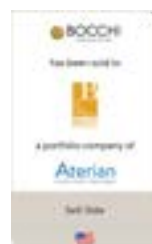
Jul-21: American Packaging, a plastic film extruder and converter, announced plans to build a new \$127 million facility in Cedar City, Utah

Packaging Insights

After a white hot start in 2021, global mergers and acquisitions (M&A) activity seemingly began to plateau in Q3 2021. According to S&P Global, 13,500 global M&A transactions were announced in Q3 2021, representing a ~5% decrease from Q2 2021, making it the least active quarter in 2021, thus far. However, it was still a strong increase of ~20% over Q3 2020's total of ~11,200 global M&A transactions. From a transaction value standpoint, there were \$1.2 trillion of global M&A transactions announced in Q3 2021, ~20% and ~30% over Q2 2021 and Q3 2020, respectively. Heading into the final quarter of 2021, Lincoln International expects M&A activity to experience another uptick in both transaction count and value, as investors seek to put ample dry powder to work, utilize readily available financing and close deals before potential changes to tax laws in the U.S.

The global packaging M&A market continued its momentum through Q3 2021. In particular, private equity continues to be active in the market with representative deals, including GTCR's acquisition of PPC Flexible Packaging from Morgan Stanley Capital Partners; Tekni-Plex's (Genstar Capital) acquisitions of Keyes Packaging and Grupo Phoenix from Arbor Investments and OEP Capital Advisors, respectively; HIG Capital's acquisition of Jackson Paper Manufacturing Company; Ares' acquisition of Resource Label Group and its subsequent purchase of Tek Labels and Printing; and the recent announcement of Clearlake Capital's plan to purchase Mold-Rite Plastics and Alpha Packaging from Irving Place Capital. Several large strategics have also been active, with representative deals, including Toppan's acquisition of InterFlex Group, Silgan's acquisitions of Unicep Packaging and Gateway Plastics, Huhtamaki's acquisition of Elif Holding and Smurfit Kappa Group's acquisition of Cartonbox. Valuations within the packaging industry continue to rise as well, with Q3 2021 public comps in labels (12.6x EV/EBITDA), rigid (11.9x), paperboard (10.5x) and flexibles (9.4x) all reaching their highest levels this year. As we head into the final quarter of 2021, Lincoln expects the packaging M&A market to continue its momentum, with both strategic and private equity investors seeking to close deals prior to year end.

Recent Lincoln International Transactions



Selected M&A Transactions

(\$ in millions)

Date	Status	Target Company	Acquiring Company	Enterprise Value	EV / LTM Revenue	EV / LTM EBITDA
Sep-21	Announced	Alpha Packaging (Irving Place Capital)	Pretium Packaging (Clearlake Capital)	n/a	n/a	n/a
Sep-21	Announced	Mold-Rite Plastics (Irving Place Capital)	Clearlake Capital	n/a	n/a	n/a
Aug-21	Announced	WOLF PLASTICS	ALPLA	n/a	n/a	n/a
Jul-21	Announced	Fort Dearborn Company and Multi-Color Corporation	Clayton, Dubilier & Rice	\$6,000.0	n/a	n/a
Oct-21	Closed	Schur Flexibles (Lindsay Goldberg)	B&C Group	\$900.0	1.2x	n/a
Oct-21	Closed	JS Ag Packaging	Calpine Containers (Rainier Partners)	n/a	n/a	n/a
Oct-21	Closed	Plymouth Foam	Altor Solutions (Compass Diversified)	\$56.0	n/a	n/a
Oct-21	Closed	Cormack Packaging	TricorBraun (Ares; Ontario Teachers' Pension Plan Board)	n/a	n/a	n/a
Oct-21	Closed	Fabri-Kal	Pactiv Evergreen	\$380.0	1.1x	7.0x
Oct-21	Closed	StickerGiant.com	Resource Label Group (Ares)	n/a	n/a	n/a
Oct-21	Closed	StyroChem (PMC Capital)	Epsilyte (Balmoral Funds)	n/a	n/a	n/a
Oct-21	Closed	PPC Flexible Packaging (Morgan Stanley Capital Partners)	GTCR	n/a	n/a	n/a
Sep-21	Closed	Gelpac	Namakor (Tail End Capital Partners)	n/a	n/a	n/a
Sep-21	Closed	Unicep Packaging	Silgan	\$237.0	n/a	n/a
Sep-21	Closed	Keyes Packaging Group (Arbor Investments)	Tekni-Plex (Genstar)	n/a	n/a	n/a
Sep-21	Closed	Elif Holding	Huhtamäki	\$360.0	2.2x	n/a
Sep-21	Closed	Grupo Phoenix (OEP Capital Advisors)	Tekni-Plex (Genstar Capital)	n/a	n/a	n/a
Sep-21	Closed	Ample Industries	Resource Label Group (Ares)	n/a	n/a	n/a
Sep-21	Closed	Gateway Plastics	Silgan	\$485.0	n/a	n/a
Sep-21	Closed	Crawford Industries	Spartech (The Jordan Company)	n/a	n/a	n/a
Sep-21	Closed	Consumer Packaging Group	PPC Flexible Packaging (Morgan Stanley Capital Partners)	n/a	n/a	n/a
Sep-21	Closed	Jackson Paper Manufacturing Company	H.I.G. Capital	n/a	n/a	n/a
Aug-21	Closed	Five Points Film	Revolution Plastics (Arsenal Capital)	n/a	n/a	n/a
Aug-21	Closed	Tecnoform	Fedrigoni	n/a	n/a	n/a
Aug-21	Closed	Cattaraugus Container	Jamestown Container Corporation	n/a	n/a	n/a
Aug-21	Closed	Fruth Custom Packaging / Cleanroom Film and Bag	C-P Flexible Packaging (First Atlantic Capital)	n/a	n/a	n/a
Aug-21	Closed	Wilheit Packaging	SupplyOne	n/a	n/a	n/a

Selected M&A Transactions (cont'd)

(\$ in millions)

Date	Status	Target Company	Acquiring Company	Enterprise Value	EV / LTM Revenue	EV / LTM EBITDA
Aug-21	Closed	Tek Labels and Printing	Resource Label Group (Ares)	n/a	n/a	n/a
Aug-21	Closed	Dependable Packaging Solutions	Mac Papers	n/a	n/a	n/a
Aug-21	Closed	Vegware	Novolex (The Carlyle Group)	n/a	n/a	n/a
Aug-21	Closed	MÖLLE	Aurelius Alpha	n/a	n/a	n/a
Aug-21	Closed	Prestige-Pak	C-P Flexible Packaging (First Atlantic Capital)	n/a	n/a	n/a
Aug-21	Closed	Precision Concepts Group	IntraPac (Oncap)	n/a	n/a	n/a
Jul-21	Closed	Euroflex TEO	ProAmpac (Pritzker Private Capital)	n/a	n/a	n/a
Jul-21	Closed	InterFlex Group	Toppan	n/a	n/a	n/a
Jul-21	Closed	Chromatic Productions	Signature Flexible Packaging (HIG Capital)	n/a	n/a	n/a
Jul-21	Closed	APC Paper Company	ProAmpac (Pritzker Private Capital)	n/a	n/a	n/a
Jul-21	Closed	Intrepid Solutions	Pareto Beauty	n/a	n/a	n/a
Jul-21	Closed	M.C.P. Performance Plastic	Færch (A.P. Moller Holding)	n/a	n/a	n/a
Jul-21	Closed	DS Smith Packaging Netherlands	De Jong Verpakking	\$50.0	n/a	n/a
Jul-21	Closed	Palma	MYC Packaging	n/a	n/a	n/a
Jul-21	Closed	Specialized Packaging Solutions	The Specialized Packaging Group	n/a	n/a	n/a
Jul-21	Closed	220 Laboratories	Plz Aeroscience (Pritzker Private Capital)	n/a	n/a	n/a
Jul-21	Closed	General Packaging	ReLife	n/a	n/a	n/a
Jul-21	Closed	Rapid	Virosac	n/a	n/a	n/a
Jul-21	Closed	Resource Label Group (First Atlantic Capital; TPG Growth)	Ares	n/a	n/a	n/a
Jul-21	Closed	Cartonbox	Smurfit Kappa Group	n/a	n/a	n/a
Jul-21	Closed	Reno De Medici	Apollo	\$544.0	0.8x	9.7x
Jul-21	Closed	Carolina Precision Plastics	Westfall Technik	n/a	n/a	n/a
Jul-21	Closed	Ultimate Packaging	ProAmpac (Pritzker Private Capital)	n/a	n/a	n/a
Jul-21	Closed	Champion Brands	Plz Aeroscience (Pritzker Private Capital)	n/a	n/a	n/a

Public Companies Operating Statistics and Valuation Parameters

(\$ in millions)

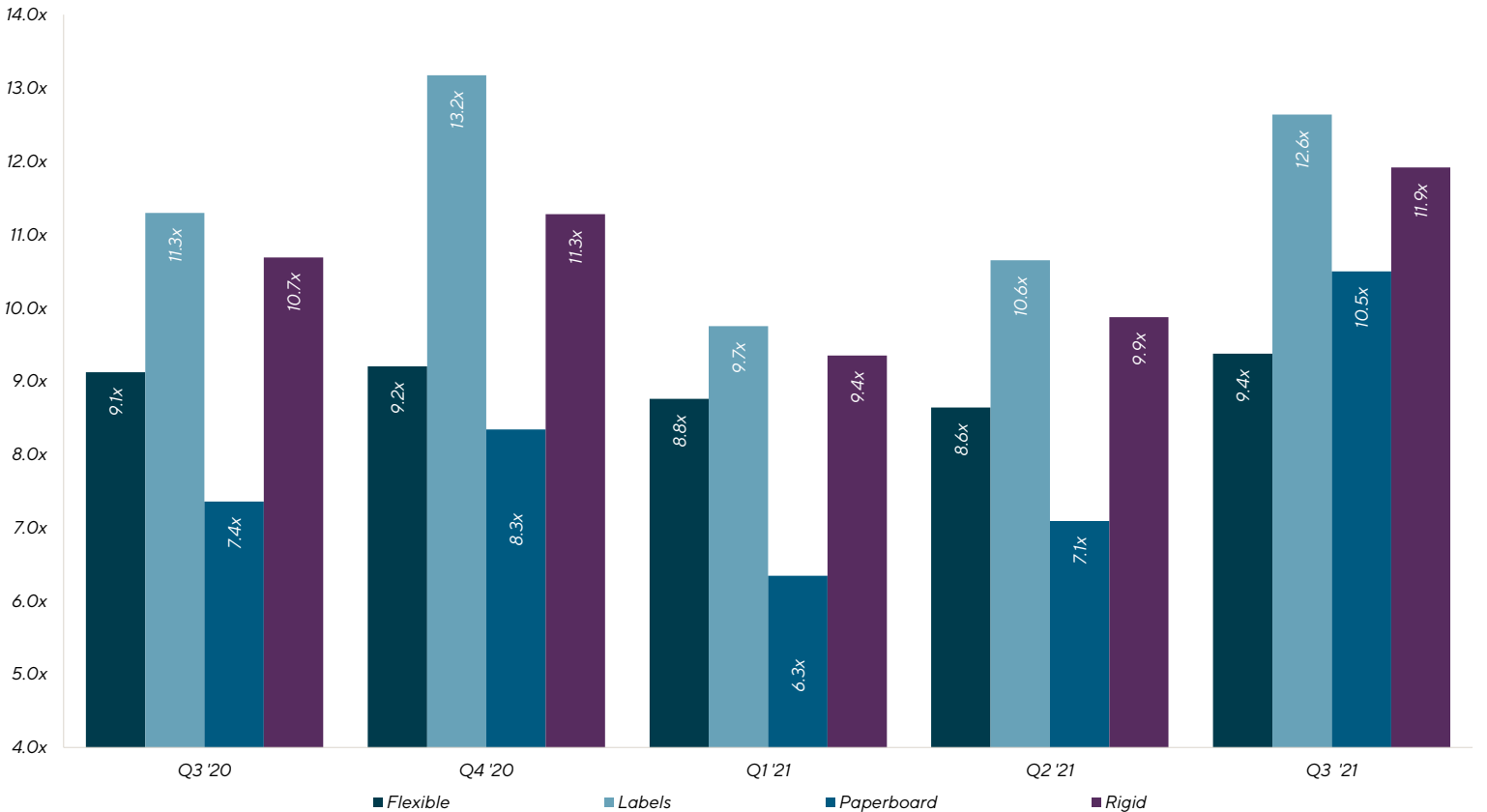
Company Name	Stock Price	% of 52 Week High	Market Cap	Enterprise Value	LTM		YOY Revenue Growth	EBITDA Margin	Enterprise Value / LTM	
					Revenue	EBITDA			Revenue	EBITDA
Flexible										
Amcor plc	\$11.94	92.1%	\$18,324	\$24,158	\$12,861	\$2,002	3.5%	15.6%	1.9x	11.6x
Berry Global Group, Inc.	60.88	85.9%	8,237	18,285	\$13,189	2,255	12.6%	17.1%	1.4x	7.6x
Huhtamäki Oyj	45.20	83.7%	4,717	5,903	3,339	436	(0.7%)	13.1%	1.5x	10.9x
Sealed Air Corporation	54.79	88.3%	8,213	11,747	5,174	999	6.4%	19.3%	2.3x	11.3x
Transcontinental Inc.	15.91	76.1%	1,389	2,126	2,523	437	(6.9%)	17.3%	1.1x	5.9x
Winpak Ltd.	32.39	89.4%	2,105	1,654	891	189	3.9%	21.2%	1.9x	9.0x
Mean		85.9%					3.2%	17.3%	1.7x	9.4x
Median		87.1%					3.7%	17.2%	1.7x	10.0x
Labels										
Avery Dennison Corporation	\$207.21	90.5%	\$17,174	\$18,875	\$7,873	\$1,248	16.6%	15.9%	2.4x	14.4x
Brady Corporation	50.70	82.1%	2,640	2,576	1,145	193	5.9%	16.8%	2.3x	12.6x
CCL Industries Inc.	51.88	87.2%	9,326	10,325	5,480	1,154	6.0%	21.1%	2.4x	10.8x
Mean		86.6%					9.5%	17.9%	2.3x	12.6x
Median		87.2%					6.0%	16.8%	2.4x	12.6x
Paperboard										
Cascades Inc.	\$12.39	84.8%	\$1,270	\$2,772	\$4,994	\$564	9.4%	11.3%	0.7x	5.6x
DS Smith Plc	5.57	88.6%	7,652	10,122	5,976	703	1.4%	11.8%	1.3x	9.6x
Graphic Packaging Holding Company	19.04	91.2%	5,846	9,522	6,736	1,000	4.8%	14.8%	1.4x	8.7x
International Paper Company	55.92	85.7%	21,855	28,744	21,341	3,109	2.4%	14.6%	1.3x	8.1x
Mondi plc	24.70	87.6%	11,978	14,753	6,838	1,295	0.5%	18.9%	1.9x	9.6x
Packaging Corporation of America	137.44	87.8%	12,963	14,575	7,095	1,391	6.5%	19.6%	2.1x	9.7x
Sonoco Products Company	59.58	85.3%	5,858	7,487	5,425	202	4.9%	3.7%	1.4x	25.7x
WestRock Company	49.83	80.3%	13,305	22,204	18,127	2,824	3.1%	15.6%	1.2x	7.0x
Mean		86.4%					4.1%	13.8%	1.4x	10.5x
Median		86.6%					4.0%	14.7%	1.4x	9.1x
Rigid										
Amcor plc	\$11.94	92.1%	\$18,324	\$24,158	\$12,861	\$2,002	3.5%	15.6%	1.9x	11.6x
AptarGroup, Inc.	119.35	75.1%	7,872	8,746	3,096	615	8.6%	19.9%	2.8x	13.5x
Ball Corporation	89.97	87.6%	29,385	37,002	12,779	2,042	12.1%	16.0%	2.9x	17.1x
Berry Global Group, Inc.	60.88	85.9%	8,237	18,285	13,189	2,255	12.6%	17.1%	1.4x	7.6x
Crown Holdings, Inc.	100.78	88.0%	13,055	21,183	12,552	2,034	20.7%	16.2%	1.7x	10.1x
Greif, Inc.	64.60	93.9%	3,141	5,685	5,139	702	12.1%	13.6%	1.1x	7.1x
O-I Glass, Inc.	14.27	73.3%	2,244	6,878	6,273	968	0.8%	15.4%	1.1x	6.3x
Silgan Holdings Inc.	38.36	86.1%	4,235	7,488	5,302	819	11.8%	15.4%	1.4x	8.3x
Sonoco Products Company	59.58	85.3%	5,858	7,487	5,425	202	4.9%	3.7%	1.4x	25.7x
Mean		85.2%					9.7%	14.8%	1.7x	11.9x
Median		86.1%					11.8%	15.6%	1.4x	10.1x

Source: Bloomberg, Capital IQ and company filings, as of June 30, 2021

Last Twelve Months (LTM) Relative Stock Price Performance



Historical Enterprise Value / EBITDA Valuation Performance



Source: Bloomberg, Capital IQ and company filings, as of June 30, 2021



Contributors

Luke Webb

Managing Director
lwebb@lincolninternational.com
+1 (312) 506-2747

Brian Goodwin

Director
bgoodwin@lincolninternational.com
+1 (312) 506-1953

Advisory Services

Mergers & Acquisitions
Capital Advisory
Joint Ventures & Partnering
Valuations & Opinions

About Lincoln International

We are trusted investment banking advisors to business owners and senior executives of leading private equity firms and public and privately held companies around the world. Our advisory services include mergers and acquisitions and capital markets advisory for the mid-market. We also provide valuations and fairness opinions and joint ventures advisory services. As one tightly integrated team of more than 700 professionals across 16 countries, we offer an unobstructed perspective, backed by superb execution and a deep commitment to client success. With extensive industry knowledge and relationships, timely market intelligence and strategic insights, we forge deep, productive client relationships that endure for decades. Connect with us to learn more at: www.lincolninternational.com.

Connect with a professional in Lincoln International's packaging sector at www.lincolninternational.com/packaging.