



**Q1**  
2025

**PACKAGING**

# Quarterly Report

# Unwrapping Tariff Risks and Strategic Implications for Packaging Players

In a major shift toward a more protectionist trade policy, the U.S. administration has announced the implementation of new reciprocal tariffs, including a baseline 10% tariff on all imports (at the time of publication), with elevated tariff rates for specific countries that maintain higher trade barriers against American goods. This policy, framed as a measure to rebalance trade relationships and promote domestic industry, represents one of the most sweeping tariff impositions in recent decades. The administration argues that the new tariff structure is designed to combat unfair trade practices, reduce the U.S. trade deficit and incentivize global partners to lower their own tariff and non-tariff trade barriers.

As the policy unfolds, it introduces significant uncertainty for U.S. industries with global supply chains, raising concerns over a broader economic slowdown. J.P. Morgan estimates the U.S. has a 60% likelihood of entering a recession within the next 12 months. Meanwhile, BlackRock CEO Larry Fink remarked in April, “I think we’re close, if not in, a recession now.” Historically, packaging demand has remained more stable than other industrial sectors during downturns due to its essential role in recession-resistant sectors like food, healthcare and other household essentials. As a result, investors increasingly view packaging as a safe, defensive sector capable of withstanding policy-driven disruptions and broader economic uncertainty. In 2025, as companies navigate this evolving trade environment, understanding tariff risks and strengthening supply chain resilience are becoming key strategic priorities. This analysis explores the specific tariff challenges facing the packaging industry and how firms are adapting in response.

Under the U.S.-Mexico-Canada Agreement (USMCA), many packaging materials imported from Canada and Mexico remain

exempt from U.S. tariffs—provided they meet the agreement’s rules of origin requirements. These rules stipulate that materials must be predominantly produced or substantially transformed within the USMCA region. For instance, plastic films qualify for exemption only if the resins or base materials originate from North America or undergo significant processing during production. Materials that fail to meet these criteria may be subject to newly implemented tariff rates. The continuation of USMCA exemptions supports stability across North American packaging supply chains and strengthens the incentive for regional sourcing moving forward.

Meanwhile, rising tariffs on U.S. imports are further increasing the appeal of U.S. manufacturing, particularly for European packaging companies seeking to avoid trade barriers. By establishing operations within the U.S., these firms can circumvent tariffs, improve access to American customers and align with a broader industry shift toward supply chain resilience and regional sourcing. This trend, combined with the continuation of USMCA exemptions, reinforces North America’s position as a strategic hub for packaging production and investment. In March, Spain’s Saica Group announced a \$110 million investment to build a new packaging plant in Anderson, Indiana, its second major U.S. facility. Similarly, Portugal-based Intraplás is entering the U.S. market with a \$37 million investment in a sustainable packaging factory in Ohio. These investments signal a growing shift toward onshoring and localization as a strategic response to rising trade barriers and shifting customer demands.

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# Unwrapping Tariff Risks and Strategic Implications for Packaging Players (continued)

Looking ahead, strategic partnerships between U.S. and European packaging companies may become increasingly valuable. By combining U.S. market access and distribution networks with European innovation and sustainability, these collaborations can help both sides navigate the evolving trade landscape, share risk and accelerate growth. Joint ventures, technology transfers and co-investments offer a path to mutual advantage in an uncertain environment.

Concurrently, reciprocal tariffs on packaging imports from key Asian markets including China, South Korea and Vietnam may reduce foreign competition and enhance the competitive position of U.S. packaging manufacturers. Higher import costs for films, containers and machinery are expected to shift demand toward domestic alternatives, potentially allowing U.S. producers to strengthen pricing power and expand market share. In response, manufacturers may accelerate investments in domestic production capacity, technological innovation and workforce development, with particular emphasis on high-growth segments such as flexible packaging and industrial films.

Several U.S. packaging firms that rely heavily on imported materials such as plastic resins, aluminum, specialty films and machinery components from Asia are likely to face increased costs and supply chain disruptions under the new tariff regime. Flexible packaging, food-grade film and industrial container manufacturing companies may be particularly exposed. To mitigate these impacts, firms are exploring strategies such as reshoring production, investing in domestic supplier partnerships and diversifying sourcing across non-tariffed countries. Some may also pursue long-term contracts to lock in prices or invest in supply chain

digitization to better manage risk and inventory. These adjustments, while potentially costly upfront, can enhance resilience and reduce future tariff exposure.

Overall, the implementation of reciprocal tariffs is reshaping market dynamics and increasing the likelihood of a broader economic downturn. Amid this uncertainty, packaging continues to be viewed as a defensive, more stable alternative for investors as we've witnessed in past downturns. However, rising tariffs are expected to drive up input costs, prompting companies to reevaluate their operations and supply strategies. While Canada and Mexico remain largely exempt under USMCA, firms importing non-compliant materials face additional cost pressures. To stay competitive, packaging businesses should take proactive steps to build resilience and capture new opportunities in this evolving trade environment. This includes exploring alternative markets and suppliers to reduce overreliance on tariff-affected regions, investing in domestic capabilities to strengthen local production and forming strategic alliances or joint ventures to share risk and accelerate innovation. Staying informed on policy developments will be key to navigating future trade shifts and maintaining competitiveness in a rapidly changing global landscape.

*Looking ahead, strategic partnerships between U.S. and European packaging companies may become increasingly valuable. By combining U.S. market access and distribution networks with European innovation and sustainability, these collaborations can help both sides navigate the evolving trade landscape, share risk and accelerate growth.*

# Market Insights

**Jan-25: Custom Box Pro** announced a strategic partnership with **EcoShell**, a packaging solutions provider specializing in eggshell-derived bio-calcium, enabling the company to adopt EcoShell's patented technology to reduce plastic use and lower carbon emissions.

**Jan-25: Ball Corporation (NYSE:BALL)** has partnered with **Meadow** to produce a refillable and recyclable aluminum can, prefilled with household and personal care products.

**Feb-25: International Paper (NYSE:IP)** and **DS Smith** have completed their merger to form a global leader in sustainable packaging solutions, with a regional focus on North America and EMEA.

**Feb-25: Hoffmann Neopac** has announced the sale of its tin business to France-based materials company **Massilly**, as it refocuses on its core tube packaging operations.

**Feb-25: Ericsson (STO:ERIC-B)** and **iot squared** have partnered to launch the Ericsson Connected Recycling platform in Saudi Arabia, aiming to track waste flow in real time to improve circularity and recyclability

**Mar-25: Amcor (NYSE:AMCR)** and **Berry Global (NYSE:BERY)** have received U.S. antitrust clearance for their proposed merger, which is expected to close by mid-2025.

**Mar-25: Saica Group** has announced the construction of its second corrugated manufacturing facility in the U.S. and expects to start operations during Q4 2026.
















**Mar-25: TOPPAN Holdings Inc. (TSE:7911)** specialty films subsidiary signed a definitive agreement to acquire **Irplast S.p.A.**, an Italian manufacturer of biaxially oriented polypropylene films.

**Mar-25: W-Cycle** announced a new investment from **Melhoramentos (BVMF:MSPA3)**, reinforcing their partnership to advance plastic-free, compostable food containers.

**Mar-25: Elopak (OSL:ELO)** has announced an investment in **Blue Ocean Closures**, securing exclusive rights to market, sell and distribute their fiber-based caps for gable top cartons.

**Mar-25: Nefab** is opening a second packaging manufacturing facility in Mexico, aiming to provide recyclable traps and cushioning solutions for the automotive, datacom and electronics industries.

# Recent Lincoln International Packaging Transactions

 has been sold to <b>TRIMCO GROUP</b> a portfolio company of <b>Brookfield</b> Sell-Side 	 and private shareholder have sold <b>FIXIUS</b> to <b>berlin packaging</b> Sell-Side 	 a portfolio company of <b>ALTOR</b> has acquired <b>Palamy</b> from its founder and <b>Crédit Mutuel Equity</b> Buy-Side 	 has been sold to <b>OLIVER INC.</b> a portfolio company of <b>TENEX CAPITAL MANAGEMENT</b> Sell-Side 	 a portfolio company of <b>Invesco</b> has completed a recapitalization transaction Solvency Opinion 	<b>ONCAP</b> has refinanced <b>PRECISION</b> Refinancing 	<b>WINGATE PARTNERS</b> has sold  to <b>Platinum Equity</b> Sell-Side 	 has been sold to <b>BOX PACKAGING PARTNERS</b> a portfolio company of <b>Charlesbank</b> Sell-Side 
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# Recent M&A Transactions

## Select transactions

Date	Status	Target Company	Acquiring Company
Mar-25	Closed	Meredith-Springfield	Precision Concepts (ONCAP)
Mar-25	Closed	MSI Express (HCI Equity Partners)	Nonantum Capital Partners
Mar-25	Closed	Kirkland Sales	Conner Industries (The Argentum Group)
Mar-25	Closed	Irplast S.p.A.	TOPPAN Holdings Inc. (TSE:7911)
Mar-25	Closed	ADCO	Massman Companies (Granite Partners)
Mar-25	Closed	Jet Packaging	Valorflex Packaging
Mar-25	Closed	Multishot shot product line of MGS	Husky Technologies (Platinum Equity)
Mar-25	Closed	Kent Manufacturing Company	Sur-Seal (Heartwood Partners)
Mar-25	Closed	Smyth Companies (Novacap Management)	Crestview Partners
Mar-25	Closed	Crown Valley Manufacturing	Zumbiel
Mar-25	Closed	Global Cold Chain Solutions	Cold Chain Technologies (Aurora Capital)
Mar-25	Closed	Aluflexpack (SWX:AFP)	Constantia Flexibles (One Rock Capital Partners)
Mar-25	Closed	KelCode Solutions	ProMach (Leonard Green & Partners)
Mar-25	Closed	MM Bangor (Mayr-Melnhof Karton (WBAG:MMK))	Cordovan Capital
Feb-25	Closed	Label Value	Online Labels Group (Sentinel Capital Partners)
Feb-25	Closed	HMS Mfg. Co.	CREO Group (Mill Point Capital)
Feb-25	Closed	Select Assets of Pack Labs, Inc.	Rucker Investments

# Recent M&A Transactions (continued)

## Select transactions

Date	Status	Target Company	Acquiring Company
Feb-25	Closed	Inno-pak (Emerald Lake Capital Management)	Handgards (Wynnchurch Capital)
Feb-25	Closed	Imprimerie Ste-Julie	Resource Label Group (Ares Management)
Feb-25	Closed	Softex Paper's US Assets	Cardinal Tissue
Feb-25	Closed	SOKY Pack & Pallet	Welch Packaging
Feb-25	Announced	Sterimed (Sagard)	IK Partners
Feb-25	Closed	MG Tec Industries	Motesar Holdings
Feb-25	Closed	Metamark	UPM Raflatac (UPM-Kymmene Corporation (HEL:UPM))
Feb-25	Closed	Clever Etiketten GmbH	Ettiketto Group (Volati)
Feb-25	Closed	Sun Plastics Inc.	Mercury Plastics (Sigma Plastics Group)
Jan-25	Closed	DS Smith (LSE:SMDS)	International Paper (NYSE:IP)
Jan-25	Closed	Nexgen Packaging	Trimco Group (Brookfield Asset Management)
Jan-25	Closed	Interpack	Favillini (Arcadia)
Jan-25	Closed	Anduro Manufacturing	Five Star Holding (The Jordan Company)
Jan-25	Closed	Prism Color Corporation	RoyerComm
Jan-25	Closed	Axium Packaging (Cerea Partners)	SGT (BNP Paribas Développement)
Jan-25	Closed	Label Business of Screenprint / Dow, Inc.	Resource Label Group (Ares Management)
Jan-25	Closed	Eximpro	Multi-Color Corporation (Clayton, Dubilier & Rice)

# Recent M&A Transactions (continued)

## Select transactions

Date	Status	Target Company	Acquiring Company
Jan-25	Closed	Pitreavie	Macfarlane (LON:MACF)
Jan-25	Closed	Pravesha Industries	PAG
Jan-25	Announced	Saxco International (Atlas Holdings)	Novvia Group (Kelso & Co)
Jan-25	Closed	Stouse	Brook + Whittle (Genstar Capital)
Jan-25	Closed	Amcor Flexibles France (Amcor (ASX:AMC))	EIM Capital
Jan-25	Closed	C&L Wood Products	UFP Packaging (UFP Industries (NASDAQ:UFPI))
Jan-25	Closed	Eurovetrocap	Investindustrial

# Public Companies Operating Statistics and Valuation Parameters

\$ in Millions, Except for Stock Price

Company Name	Stock Price	% of High 52-Week	Market Cap	Enterprise Value	LTM		YoY Revenue Growth	EBITDA Margin	Enterprise Value / LTM	
					Revenue	EBITDA			Revenue	EBITDA
<b>Flexible</b>										
Amcors plc	\$9.57	90.4%	\$14,010	\$21,057	\$13,540	\$1,907	(1.7%)	14.1%	1.6x	10.2x
Berry Global Group, Inc.	69.81	94.0%	8,084	15,704	12,310	1,994	5.0%	16.2%	1.3x	7.3x
Huhtamäki Oyj	35.50	81.8%	3,718	5,158	4,126	539	0.0%	13.1%	1.2x	8.4x
Sealed Air Corporation	28.90	70.2%	4,213	8,349	5,393	1,045	(1.4%)	19.4%	1.5x	7.6x
Transcontinental Inc.	12.98	98.6%	1,086	1,630	2,776	420	(4.8%)	15.1%	0.8x	5.3x
Winpak Ltd.	27.27	76.6%	1,684	1,239	1,131	245	1.5%	21.7%	1.1x	5.0x
<b>Mean</b>		<b>85.3%</b>					<b>(0.2%)</b>	<b>16.6%</b>	<b>1.2x</b>	<b>7.3x</b>
<b>Median</b>		<b>86.1%</b>					<b>(0.7%)</b>	<b>15.7%</b>	<b>1.2x</b>	<b>7.5x</b>
<b>Labels</b>										
Avery Dennison Corporation	\$177.97	76.2%	\$14,054	\$17,064	\$8,756	\$1,421	3.6%	16.2%	1.9x	11.4x
CCL Industries Inc.	48.90	83.0%	8,626	9,752	7,245	1,429	7.6%	19.7%	1.9x	9.3x
<b>Mean</b>		<b>79.6%</b>					<b>5.6%</b>	<b>18.0%</b>	<b>1.9x</b>	<b>10.4x</b>
<b>Median</b>		<b>79.6%</b>					<b>5.6%</b>	<b>18.0%</b>	<b>1.9x</b>	<b>10.4x</b>
<b>Paper &amp; Paperboard</b>										
Cascades Inc.	\$6.75	72.3%	\$682	\$2,172	\$4,701	\$417	1.9%	8.9%	0.7x	6.2x
Graphic Packaging Holding Company	25.96	84.6%	7,794	13,094	8,807	1,683	(4.8%)	19.1%	1.5x	7.2x
International Paper Company	53.35	88.4%	28,069	32,908	18,619	2,040	0.6%	11.0%	1.8x	14.0x
Mondi plc	14.83	70.9%	6,531	8,914	7,416	954	2.2%	12.9%	1.1x	8.5x
Packaging Corporation of America	198.02	78.9%	17,682	19,601	8,383	1,678	7.4%	20.0%	2.3x	10.8x
Smurfit Westrock Plc	45.06	79.1%	23,428	37,214	21,109	2,842	79.1%	13.5%	1.8x	11.5x
<b>Mean</b>		<b>79.0%</b>					<b>14.4%</b>	<b>14.2%</b>	<b>1.5x</b>	<b>9.7x</b>
<b>Median</b>		<b>79.0%</b>					<b>2.0%</b>	<b>13.2%</b>	<b>1.6x</b>	<b>9.6x</b>

Source: Bloomberg, Capital IQ and company filings, as of March 31, 2025



# Public Companies Operating Statistics and Valuation Parameters (continued)

\$ in Millions, Except for Stock Price

Company Name	Stock Price	% of High 52-Week	Market Cap	Enterprise Value	LTM		YoY Revenue Growth	EBITDA Margin	Enterprise Value / LTM	
					Revenue	EBITDA			Revenue	EBITDA
<b>Rigid</b>										
Amcorg plc	\$9.57	90.4%	\$14,010	\$21,057	\$13,540	\$1,907	(1.7%)	14.1%	1.6x	10.2x
AptarGroup, Inc.	148.38	83.3%	9,788	10,669	3,583	775	1.1%	21.6%	3.0x	13.1x
Berry Global Group, Inc.	69.81	94.0%	8,084	15,704	12,310	1,994	5.0%	16.2%	1.3x	7.3x
Crown Holdings, Inc.	89.26	90.7%	10,321	16,297	11,801	1,898	(0.2%)	16.1%	1.4x	8.3x
O-I Glass, Inc.	11.47	65.2%	1,767	6,338	6,531	969	(4.9%)	14.8%	1.0x	5.7x
Silgan Holdings Inc.	51.12	87.9%	5,459	8,994	5,855	879	(0.5%)	15.0%	1.5x	9.2x
Sonoco Products Company	47.24	76.5%	4,659	11,594	5,305	895	(20.7%)	16.9%	2.2x	11.8x
<b>Mean</b>		<b>84.0%</b>					<b>(3.1%)</b>	<b>16.4%</b>	<b>1.7x</b>	<b>9.4x</b>
<b>Median</b>		<b>87.9%</b>					<b>(0.5%)</b>	<b>16.1%</b>	<b>1.5x</b>	<b>9.2x</b>
<b>Specialty</b>										
Ranpak Holdings Corp.	\$5.42	60.0%	\$453	\$808	\$369	\$64	8.4%	17.2%	2.2x	11.3x
Macfarlane Group PLC	1.30	68.5%	208	266	270	31	(1.6%)	11.3%	0.8x	5.2x
Krones AG	135.54	89.6%	4,282	3,951	5,353	472	11.1%	8.8%	0.7x	7.1x
Sealed Air Corporation	28.90	70.2%	4,213	8,349	5,393	1,045	(1.4%)	19.4%	1.5x	7.6x
<b>Mean</b>		<b>72.1%</b>					<b>4.1%</b>	<b>14.2%</b>	<b>1.3x</b>	<b>7.8x</b>
<b>Median</b>		<b>69.4%</b>					<b>3.5%</b>	<b>14.3%</b>	<b>1.2x</b>	<b>7.4x</b>

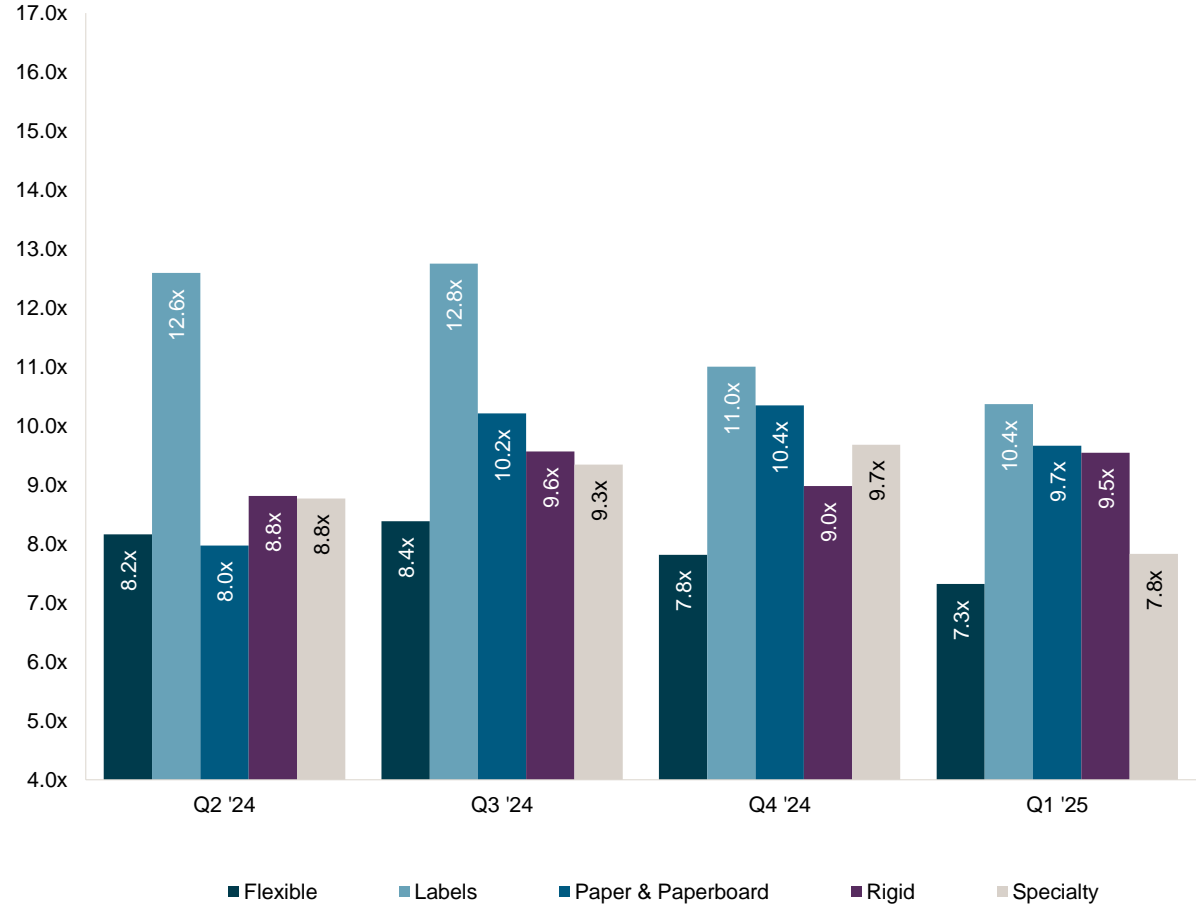
Source: Bloomberg, Capital IQ and company filings, as of March 31, 2025

# Global Packaging Valuations by Subsector

LAST 12 MONTHS (LTM) RELATIVE STOCK PRICE PERFORMANCE



HISTORICAL ENTERPRISE VALUE / EBITDA VALUATION PERFORMANCE



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