



# Packaging | Q1 2022



## Key Topics

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

## Market Insights

After a record-breaking end to 2021, mergers and acquisitions (M&A) activity cooled slightly at the start of 2022. Through Q1 2022, approximately 9,800 transactions closed globally, according to S&P Global. This represents an approximately 20% decrease from Q4 2021 and is the lowest quarterly total since Q3 2020. This pullback in activity from the record highs in 2021 was due to a combination of factors, including but not limited to, 1) continued supply chain and operational difficulties as a result of surging material and shipping costs as well as labor shortages, 2) increased financing costs due to pending interest rate hikes; and 3) unrest in Ukraine; particularly for European-based and cross-border deals. While it may not be another record year, we still expect a highly active market through 2022 as strategic corporates seek to opportunistically accelerate growth and financial sponsors continue to put record levels of dry powder to work.

Within the packaging sector, M&A activity slowed down compared to the 2021 highs, although the impact differed across geographies. Within North America, Q1 2022 packaging M&A volume stayed essentially flat compared to Q1 2021, while Europe and rest-of-world volume dropped approximately 50% during the same time period, according to S&P Global. When comparing Q1 2022 against the record-breaking Q4 2021 time period, all regions experienced a drop in volume of approximately 40%. Even though volume has come down slightly, investors continue to be quite active in the packaging sector, with private equity-backed packaging businesses such as Berlin Packaging (Oak Hill Capital), C-P Flexible Packaging (First Atlantic Capital), Cold Chain Technologies (Aurora Capital), Intertape Polymer Group (Clearlake Capital), kdc/one (Cornell Capital), Lewisburg Printing (Radial Equity), Oliver (Pfungsten) and Tekni-Plex (Genstar) completing acquisitions during the past quarter. Additionally, while the overall stock market has struggled during the start of 2022, packaging valuations across the flexible (9.2x enterprise value/EBITDA), paperboard (10.3x), labels (11.2x) and rigid (12.2x) sectors remained in line with Q4 2021 valuations. While Q1 2022 represented a slowdown in M&A compared to 2021, we believe the overall market, and the packaging sector in particular, will continue to accelerate throughout the year.

## Packaging Insights

**Mar-22:** A sale process of **Trivium Packaging (Ontario Teachers' Pension Plan & Ardagh)**, a Netherlands-based packaging company, is said to be underway

**Mar-22:** A sale process of **Mauser Packaging Solutions (Stone Canyon Industries)**, a manufacturer of sustainable packaging solutions, is said to be underway

**Mar-22:** **Essentra Packaging (Filtrona)**, a manufacturer of folding cartons, labels, leaflets and foils, is said to have received non-binding bids for its flexible packaging unit

**Mar-22:** A divestiture of **Stora Enso's (STERV: Helinski)** paper product production sites is in-process in efforts to re-focus the company on long-term growth in packaging innovation

**Mar-22:** **PAI Partners** is exploring a sale process for its cosmetics packaging portfolio company, **Albéa**, in the second quarter of this year

**Mar-22:** **TemperPack**, a thermal packaging firm, raised \$140 million in venture capital funding in hopes of growing its geographic footprint

**Feb-22:** **Carlye's (NASDAQ: CG)** majority stake in **Novolex Holdings**, a global manufacturer of diverse packaging for the food and industrial markets, will be acquired by **Apollo (NYSE: APO)** in Q2 2022

**Feb-22:** A sale process of Dutch packaging manufacturer, **Optimum Group (IK Partners)**, is expected to kick off in the second half of 2022

**Jan-22:** **Stevanato Group SpA (NYSE:STVN)**, a manufacturer of pharmaceutical packaging containers, is said to be seeking acquisitions following its recent initial public offering (IPO)

## Recent Lincoln International Transactions

|   |   |   |   |   |  |
|---|---|---|---|---|--|
|  <p>has sold</p>  <p>to</p>  <p>a portfolio company of</p>  <p>Sell-Side</p>  |  <p>has sold its</p> <p><b>Baiersbronn Frischfaser Karton GmbH</b> and <b>Mayr-Melnhof Eerbeek B.V.</b> virgin fiber cartonboard mills to</p>  <p>Sell-Side</p>  | <p>ANDLINGER &amp; COMPANY</p> <p>has sold</p>  <p>to</p>  <p>Sell-Side</p>  |  <p>has sold</p>  <p>to</p>  <p>Sell-Side</p>  |  <p>a portfolio company of</p>  <p>has received an investment from</p>  <p>Sell-Side</p>  |  <p>has been sold to</p>  <p>a portfolio company of</p>  <p>Sell-Side</p>  |
|---|---|---|---|---|--|

# Select M&A Transactions

| Date   | Status    | Target Company                                      | Acquiring Company                               |
|--------|-----------|---|---|
| Apr-22 | Announced | Custom Labels Group (Cenveo)                        | Brook + Whittle (Genstar Capital)               |
| Apr-22 | Announced | Pixelle Speciality Solutions (Lindsay Goldberg)     | H.I.G. Capital                                  |
| Mar-22 | Announced | GTA Containers                                      | Parkway Capital                                 |
| Mar-22 | Announced | Neenah  | Schweitzer-Mauduit International                |
| Mar-22 | Announced | Five Star Holding Corp.                             | The Jordan Company                              |
| Mar-22 | Announced | Intertape Polymer Group                             | Clearlake Capital Group                         |
| Mar-22 | Announced | Carton Pack (21 Investmenti)                        | A&M Capital Europe                              |
| Feb-22 | Announced | Flexoprint Labels                                   | All4Labels (Triton)                             |
| Feb-22 | Announced | Color-Box (Georgia-Pacific / Koch Industries)       | Menasha Packaging Company                       |
| Feb-22 | Announced | Mondi's Personal Care Components Division           | Nitto Denko Corporation                         |
| Feb-22 | Announced | Novolex (Carlyle Group)                             | Apollo Global Management                        |
| Feb-22 | Announced | Scholle IPN Corporation                             | SIG Combibloc Group AG                          |
| Jan-22 | Announced | Paccor Packaging (Lindsay Goldberg)                 | Faerch Group                                    |
| Apr-22 | Closed    | Profecta Labels                                     | Fortis Solutions (Harvest Partners)             |
| Apr-22 | Closed    | Graphic Label                                       | Peak Technologies                               |
| Mar-22 | Closed    | Minority stake in kdc/one (Cornell Capital)         | KKR   |
| Mar-22 | Closed    | Aerofil Technology (HBM Holdings)                   | kdc/one (Cornell Capital)                       |
| Mar-22 | Closed    | All American Label & Packaging (Heartwood Partners) | Western Shield Acquisitions                     |
| Mar-22 | Closed    | EGGER Druck + Medien GmbH                           | Pinsker Druck (ARCUS Capital)                   |
| Mar-22 | Closed    | Huston-Patterson                                    | Lewisburg Printing                              |
| Mar-22 | Closed    | Packaging Technology Group                          | Cold Chain Technologies                         |
| Mar-22 | Closed    | SFBC  | Vidya Brands Group                              |
| Mar-22 | Closed    | Techflex Packaging                                  | Signature Flexible Packaging (H.I.G Capital)    |
| Mar-22 | Closed    | F.G. Curtis Plc                                     | Medica Packaging                                |
| Mar-22 | Closed    | Bass Flexible Packaging                             | C-P Flexible Packaging (First Atlantic Capital) |
| Mar-22 | Closed    | Olymp'Etiqu SAS                                     | Labelys Group                                   |
| Mar-22 | Closed    | M.V.M Logistique France SAS                         | Tap Holding                                     |
| Feb-22 | Closed    | Belle-Pak Packaging                                 | ProAmpac (Pritzker Private Capital)             |
| Feb-22 | Closed    | Wilkinson Industrial                                | McGill Restoration                              |

## Select M&A Transactions (cont.)

| Date   | Status | Target Company                                      | Acquiring Company                           |
|--------|--------|---|---|
| Feb-22 | Closed | NYCO Flexible Packaging GmbH                        | FairCap GmbH                                |
| Feb-22 | Closed | Automatic Plastics                                  | Comar (Morgan Stanley Capital Partners)     |
| Feb-22 | Closed | Nutra-Med Packaging                                 | GenNx360 Capital                            |
| Feb-22 | Closed | Choose Packaging                                    | HP Inc.                                     |
| Jan-22 | Closed | Clear View Bag Company                              | Summit Plastics (LongueVue Capital)         |
| Jan-22 | Closed | Ball Metalpack (Ball Corporation / Platinum Equity) | Sonoco Products Company                     |
| Jan-22 | Closed | H-B Packaging Group                                 | International Packaging Corporation         |
| Jan-22 | Closed | Canyon Plastics                                     | VPET (Graham Partners)                      |
| Jan-22 | Closed | Two Mayr-Melnhof Karton Mills                       | Oaktree Capital Management                  |
| Jan-22 | Closed | CHB Industries                                      | NGS Films & Graphics                        |
| Jan-22 | Closed | Professional Image                                  | Oliver (Pfungsten Partners)                 |
| Jan-22 | Closed | Assets of Fibro Corporation                         | Tekni-Plex (Genstar Capital)                |
| Jan-22 | Closed | Pioneer Packaging                                   | B2B Industrial Packaging (GenNx360 Capital) |
| Jan-22 | Closed | Syfan Manufacturing                                 | Intertape Polymer Group (Clearlake Capital) |
| Jan-22 | Closed | Flex-Pak Packaging Products                         | Vonco Products (Jacsten Holdings)           |
| Jan-22 | Closed | Premi S.p.A.  | Berlin Packaging                            |
| Jan-22 | Closed | Zuckerman-Honickman / Vessel Packaging              | TricorBraun (Ares / OTPP)                   |
| Jan-22 | Closed | Promosac - Mediprotec                               | Dzeta Conseil                               |
| Jan-22 | Closed | Rhino Containers                                    | Novvia Group                                |



# Public Companies Operating Statistics and Valuation Parameters

(\$ in millions)

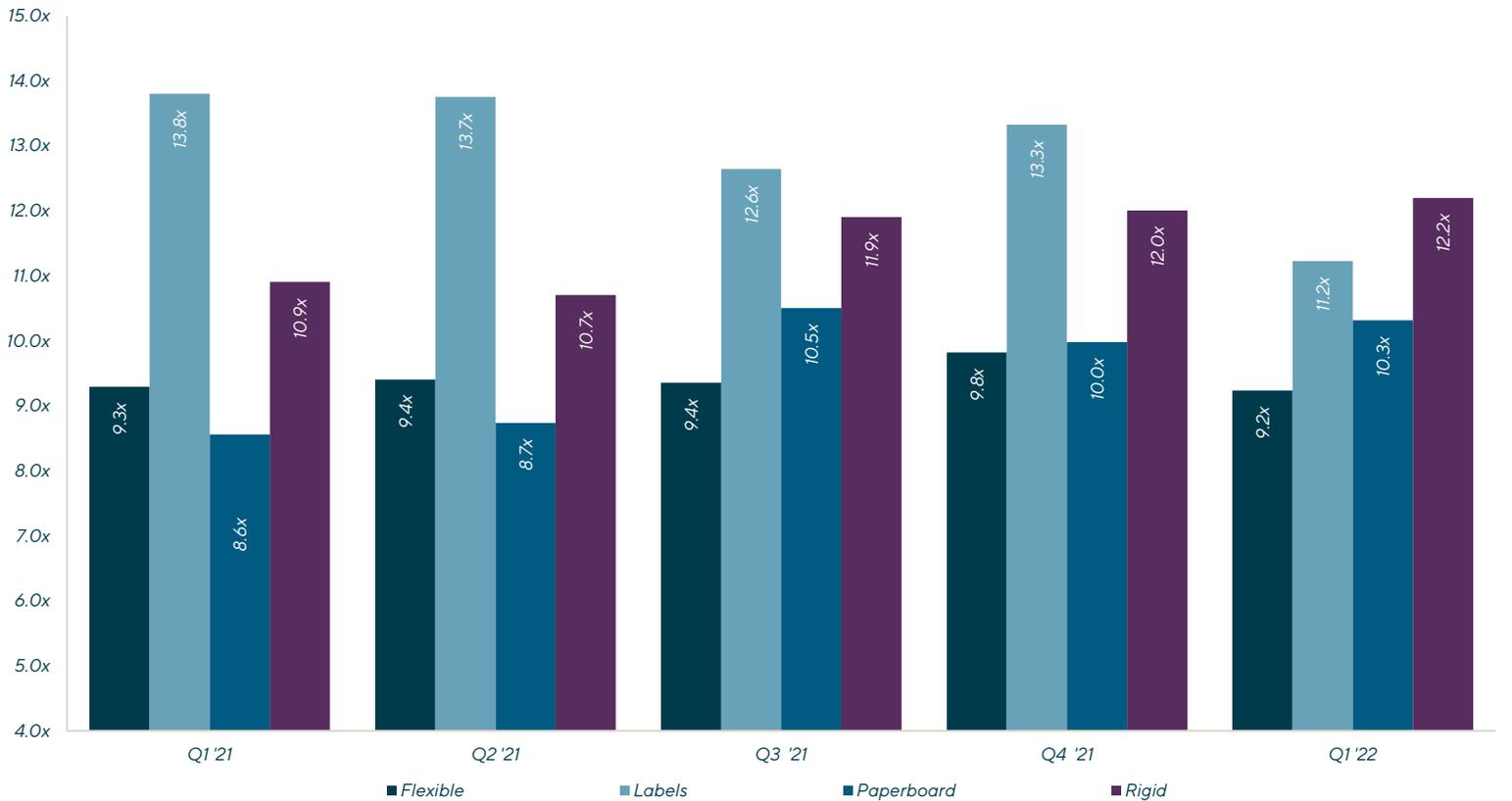
| Company Name                      | Stock Price | % of 52 Week High | Market Cap | Enterprise Value | LTM      |         | YOY Revenue Growth | EBITDA Margin | Enterprise Value / LTM |              |
|-----------------------------------|-------------|-------------------|------------|------------------|----------|---------|--------------------|---------------|------------------------|--------------|
|                                   |             |                   |            |                  | Revenue  | EBITDA  |                    |               | Revenue                | EBITDA       |
| <b>Flexible</b>                   |             |                   |            |                  |          |         |                    |               |                        |              |
| Amcors plc                        | \$11.49     | 85.5%             | \$17,160   | \$23,938         | \$13,588 | \$2,098 | 8.3%               | 15.4%         | 1.7x                   | 10.4x        |
| Berry Global Group, Inc.          | 57.96       | 77.6%             | 7,842      | 17,629           | \$14,287 | 2,140   | 18.8%              | 15.0%         | 1.2x                   | 8.2x         |
| Huhtamäki Oyj                     | 35.08       | 68.8%             | 3,661      | 5,439            | 3,575    | 444     | 9.7%               | 12.4%         | 1.4x                   | 10.4x        |
| Sealed Air Corporation            | 66.96       | 94.7%             | 9,921      | 13,133           | 5,534    | 1,061   | 10.8%              | 19.2%         | 2.4x                   | 11.9x        |
| Transcontinental Inc.             | 13.99       | 66.0%             | 1,221      | 2,062            | 2,711    | 413     | 8.8%               | 15.2%         | 0.9x                   | 5.9x         |
| Winpak Ltd.                       | 30.76       | 84.5%             | 1,999      | 1,663            | 1,002    | 187     | 16.0%              | 18.6%         | 1.6x                   | 8.6x         |
| <b>Mean</b>                       |             | <b>79.5%</b>      |            |                  |          |         | <b>12.1%</b>       | <b>16.0%</b>  | <b>1.5x</b>            | <b>9.2x</b>  |
| <b>Median</b>                     |             | <b>81.0%</b>      |            |                  |          |         | <b>10.2%</b>       | <b>15.3%</b>  | <b>1.5x</b>            | <b>9.5x</b>  |
| <b>Labels</b>                     |             |                   |            |                  |          |         |                    |               |                        |              |
| Avery Dennison Corporation        | \$173.97    | 75.9%             | \$14,327   | \$17,429         | \$8,408  | \$1,262 | 20.6%              | 15.0%         | 2.1x                   | 13.1x        |
| Brady Corporation                 | 46.27       | 74.9%             | 2,388      | 2,360            | 1,241    | 206     | 17.0%              | 16.6%         | 1.9x                   | 10.8x        |
| CCL Industries Inc.               | 45.18       | 75.0%             | 8,163      | 9,164            | 5,733    | 1,128   | 8.3%               | 19.7%         | 2.0x                   | 9.7x         |
| <b>Mean</b>                       |             | <b>75.3%</b>      |            |                  |          |         | <b>15.3%</b>       | <b>17.1%</b>  | <b>2.0x</b>            | <b>11.2x</b> |
| <b>Median</b>                     |             | <b>75.0%</b>      |            |                  |          |         | <b>17.0%</b>       | <b>16.6%</b>  | <b>2.0x</b>            | <b>10.8x</b> |
| <b>Paperboard</b>                 |             |                   |            |                  |          |         |                    |               |                        |              |
| Cascades Inc.                     | \$10.27     | 77.9%             | \$1,035    | \$2,155          | \$3,956  | \$316   | (21.8%)            | 8.0%          | 0.7x                   | 7.0x         |
| DS Smith Plc                      | 4.23        | 69.1%             | 5,813      | 8,029            | 6,449    | 737     | 10.1%              | 11.4%         | 0.9x                   | 7.5x         |
| Graphic Packaging Holding Company | 20.04       | 92.1%             | 6,154      | 12,044           | 7,156    | 1,042   | 8.3%               | 14.6%         | 1.7x                   | 10.5x        |
| International Paper Company       | 46.15       | 70.7%             | 17,301     | 21,708           | 19,363   | 2,810   | (6.0%)             | 14.5%         | 1.1x                   | 6.5x         |
| Mondi plc                         | 19.61       | 71.4%             | 9,509      | 11,873           | 7,723    | 1,502   | 14.4%              | 19.4%         | 1.4x                   | 7.1x         |
| Packaging Corporation of America  | 156.11      | 98.5%             | 14,526     | 16,494           | 7,730    | 1,719   | 14.4%              | 22.2%         | 2.1x                   | 9.0x         |
| Sonoco Products Company           | 62.56       | 89.6%             | 6,099      | 7,831            | 5,590    | 193     | 6.7%               | 3.5%          | 1.4x                   | 28.1x        |
| WestRock Company                  | 47.03       | 75.8%             | 13,575     | 22,246           | 19,297   | 2,893   | 10.0%              | 15.0%         | 1.2x                   | 6.9x         |
| <b>Mean</b>                       |             | <b>80.7%</b>      |            |                  |          |         | <b>4.5%</b>        | <b>13.6%</b>  | <b>1.3x</b>            | <b>10.3x</b> |
| <b>Median</b>                     |             | <b>76.9%</b>      |            |                  |          |         | <b>9.1%</b>        | <b>14.5%</b>  | <b>1.3x</b>            | <b>7.3x</b>  |
| <b>Rigid</b>                      |             |                   |            |                  |          |         |                    |               |                        |              |
| Amcors plc                        | \$11.49     | 85.5%             | \$17,160   | \$23,938         | \$13,588 | \$2,098 | 8.3%               | 15.4%         | 1.7x                   | 10.4x        |
| AptarGroup, Inc.                  | 117.50      | 73.9%             | 7,703      | 8,854            | 3,227    | 606     | 8.1%               | 18.8%         | 2.7x                   | 13.8x        |
| Ball Corporation                  | 90.00       | 91.8%             | 28,909     | 36,561           | 13,811   | 2,133   | 13.9%              | 15.4%         | 2.6x                   | 16.1x        |
| Berry Global Group, Inc.          | 57.96       | 77.6%             | 7,842      | 17,629           | 14,287   | 2,140   | 18.8%              | 15.0%         | 1.2x                   | 8.2x         |
| Crown Holdings, Inc.              | 125.09      | 95.9%             | 15,300     | 21,651           | 11,394   | 295     | (3.7%)             | 2.6%          | 1.9x                   | n/a          |
| Greif, Inc.                       | 65.06       | 90.4%             | 3,134      | 5,685            | 5,974    | 824     | 31.3%              | 13.8%         | 1.0x                   | 6.3x         |
| O-I Glass, Inc.                   | 13.18       | 67.7%             | 2,058      | 6,381            | 6,357    | 1,023   | 5.4%               | 16.1%         | 1.0x                   | 5.5x         |
| Silgan Holdings Inc.              | 46.23       | 98.4%             | 5,104      | 8,508            | 5,677    | 846     | 10.7%              | 14.9%         | 1.5x                   | 9.1x         |
| Sonoco Products Company           | 62.56       | 89.6%             | 6,099      | 7,831            | 5,590    | 193     | 6.7%               | 3.5%          | 1.4x                   | 28.1x        |
| <b>Mean</b>                       |             | <b>85.6%</b>      |            |                  |          |         | <b>11.1%</b>       | <b>12.8%</b>  | <b>1.7x</b>            | <b>12.2x</b> |
| <b>Median</b>                     |             | <b>89.6%</b>      |            |                  |          |         | <b>8.3%</b>        | <b>15.0%</b>  | <b>1.5x</b>            | <b>9.7x</b>  |

Source: Bloomberg, Capital IQ and company filings, as of March 31, 2022

## Last Twelve Months (LTM) Relative Stock Price Performance



## Historical Enterprise Value / EBITDA Valuation Performance



Source: Bloomberg, Capital IQ and company filings, as of March 31, 2022



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## Advisory Services

Mergers & Acquisitions  
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Valuations & Opinions

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Connect with a professional in Lincoln International's packaging sector at [www.lincolninternational.com/packaging](http://www.lincolninternational.com/packaging).