



Packaging | Q3 2020



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

Packaging Insights

Since Q1 2020, the Coronavirus Disease 2019 (“COVID-19”) has had a widespread impact on the global economy and slowed down mergers and acquisitions (M&A) activity in the middle market. Over the last couple months, businesses have continued to reopen, however, the impact of COVID-19 remains visible. For many businesses, social distancing, masks, health checks and daily/weekly sanitization have become the “new normal.” In addition, many businesses are reporting issues and delays in the supply chain due to suppliers operating at varying or limited capacity levels. In particular, these delays continue to be prevalent in cross-border operations, which has driven many businesses to seek out additional domestic suppliers with shorter lead times.

Across the globe, the packaging M&A market regained traction in Q3 2020. According to MergerMarket, over 45 packaging products and systems acquisitions were announced in Q3 2020, which is approximately twice as many as Q2 2020. However, Q3 2020 was still less than the 60+ announcements during the same period in 2019. Pending any substantial changes or set-backs due to COVID-19, we expect a continued recovery of the packaging M&A market in Q4 2020 as debt markets continue to open and new deals are launched to the market.

Recent Lincoln International Transactions

BLACKROCK®

has sold

WinCup®

to

ATAR CAPITAL

Sell-Side



enoflex

a portfolio company of

COBEPA

has acquired

Sparflex

Buy-Side



J.H. WHITNEY & CO.
J.H. WHITNEY CAPITAL PARTNERS, LLC

has sold

accupac

to

PALLADIUM EQUITY PARTNERS

Sell-Side



CAMERON Holdings

has sold

the PVA packaging division of

MULTI-PACK SOLUTIONS™

to

U.S. NONWOVENS CORP.
ingenious innovations

a portfolio company of

WIND POINT PARTNERS

Sell-Side



WinCup®

has sold

StyroChem

to

PMC | CAPITAL GROUP

Sell-Side



KOHLBERG & COMPANY

Nelipak®
healthcare packaging

have acquired

Bemis®
Healthcare Packaging Europe

from

amcor

Buy-Side



Market Intelligence

Sep-20: **Direct Pack (PMC Global)**, a manufacturer of thermoformed food packaging, is rumored to be in the middle of a potential sale process

Sep-20: **Ball Corporation (NYSE:BLL)**, a provider of packaging for beverage, personal care and household products, is said to be pursuing further acquisitions in Brazil, after buying **Tubex**, a provider of aluminum aerosol packaging

Sep-20: **Chase Packaging** is said to be seeking a potential merger to go public or a private investor to provide additional investment funds to the company

Sep-20: **Kotamills (MB Funds)**, a provider of consumer boards, laminating papers and wood products, is said to have recently begun a sale process

Sep-20: **Lacerta Group**, a provider of thermoformed plastic packaging for food, cosmetics, consumer, medical and electronic markets, is said to be in a sale process

Sep-20: **Foresco Packaging**, a French manufacturer of wooden pallets, containers and crates, is seeking acquisitions in Europe

Aug-20: **TemperPack (Wheatsheaf Group)**, a provider of sustainable thermal packaging solutions, recently raised equity to expand facilities and will likely pursue a sale process in the next couple years, according to its CEO

Aug-20: **Domtar Corporation (NYSE:UFS)**, a paper products company, disclosed in an earnings announcement that it is conducting a strategic review of its personal care division, which generated over \$950 million in revenue last year

Aug-20: **The Carlyle Group** is believed to be preparing its portfolio company, **Logoplaste**, for a potential sale process in late 2020 or early 2021. **Logoplaste** is a manufacturer of plastic packaging products for the food and beverage, personal care and household care markets

Aug-20: **Mill Rock Capital** has created **Mill Rock Packaging Partners** to invest in growth-oriented companies with advanced service and product capabilities in the specialty packaging industry

Jul-20: **Sonoco Products (NYSE:SON)**, a provider of consumer packaging, industrial products and packaging supply chain services, is seeking small- and mid-sized acquisition targets, according to its CEO

Jul-20: **Quadpack Industries (EPA:ALQP)**, a Spanish manufacturer of packaging solutions for the cosmetics industry, is seeking acquisition targets in the beauty industry, according to its CFO

Selected M&A Transactions

(\$ in millions)

Date	Status	Target Company	Acquiring Company	Enterprise Value	EV / LTM Revenue	EV / LTM EBITDA
Sep-20	Announced	HLB SFV	Coveris (Sun Capital)	n/a	n/a	n/a
Aug-20	Announced	Personal Care Films Business of Tredegar	Fitesa	\$45.0	0.3x	NM
Aug-20	Announced	PCI Pharma Services (Partners Group; Thomas H. Lee; Frazier Healthcare Partners)	Kohlberg & Company; Mubadala	\$3,000.0	n/a	n/a
Jul-20	Announced	IPL Plastics	Madison Dearborn Partners	\$815.0	n/a	n/a
Oct-20	Closed	Graphic West International	CCL Industries	\$36.0	n/a	6.0x
Sep-20	Closed	Veerkarton	P. Van De Velde	n/a	n/a	n/a
Sep-20	Closed	SM Pack	Capital Dynamics; Entangled Capital	n/a	n/a	n/a
Sep-20	Closed	Markas	Volati	n/a	n/a	n/a
Sep-20	Closed	Precision Products Group (Long Point Capital)	Auxo Investment Partners	n/a	n/a	n/a
Sep-20	Closed	3C! Packaging	Essentra	\$65.0	1.3x	8.9x
Sep-20	Closed	Top-System	Aluflexpack	n/a	n/a	n/a
Sep-20	Closed	WinCup Holdings (BlackRock)	Atar Capital	n/a	n/a	n/a
Sep-20	Closed	Bopla	ALPLA	n/a	n/a	n/a
Sep-20	Closed	Rational Packaging	Foam Fabricators (Compass Diversified)	n/a	n/a	n/a
Sep-20	Closed	Mansfield-King	PLZ Aerospace (Pritzker Private Capital)	n/a	n/a	n/a
Sep-20	Closed	Mana Products	Traub Capital	n/a	n/a	n/a
Aug-20	Closed	Technovaa Italy Macplast	BlueSentinel	n/a	n/a	n/a
Aug-20	Closed	Tubex	Ball Corporation	\$80.0	n/a	n/a
Aug-20	Closed	Telrol (Hansol Paper)	Optimum Group	\$16.1	n/a	n/a
Aug-20	Closed	TrojanLitho (Arbor Investments)	Mill Rock Capital; Churchill Asset Management	n/a	n/a	n/a
Aug-20	Closed	Plastic Energy Global	Sealed Air Corporation	n/a	n/a	n/a
Aug-20	Closed	Hazmatpac	Pipeline Packaging	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-20	Closed	Medical Packaging	Zabel Companies	n/a	n/a	n/a
Aug-20	Closed	GPS-Rotomet	All4Labels (Triton Partners)	n/a	n/a	n/a
Aug-20	Closed	Pibiplast (L Catterton)	Lumson (FSI)	n/a	n/a	n/a
Aug-20	Closed	Can Packaging	Sonoco	\$49.0	1.8x	n/a
Jul-20	Closed	Australian ANZ Business of O-I Glass	Visy Industries Australia	\$513.4	1.0x	5.9x
Jul-20	Closed	Bangma Verpakking	De Jong Verpakking	n/a	n/a	n/a
Jul-20	Closed	Consolidated Label and Online Labels	Tenex Capital Management	n/a	n/a	n/a
Jul-20	Closed	Arizona Natural Resources	CORE Industrial Partners	n/a	n/a	n/a
Jul-20	Closed	FlexoPrint Group (Capidea)	The Optimum Group (IK Investment Partners)	n/a	n/a	n/a
Jul-20	Closed	Tool & Plastic Industries	Technimark (Pritzker Private Capital)	n/a	n/a	n/a
Jul-20	Closed	PTS Verpakkingen	AMB	n/a	n/a	n/a
Jul-20	Closed	Panoramic	Anchor Packaging (The Jordan Company)	n/a	n/a	n/a
Jul-20	Closed	Enoflex (Cobepa)	Luxempart	n/a	n/a	n/a
Jul-20	Closed	Modern Packaging	ProMach (Leonard Green)	n/a	n/a	n/a
Jul-20	Closed	Polyfoam	Foam Fabricators (Compass Diversified)	n/a	n/a	n/a
Jul-20	Closed	InTouch Label and Packaging	CCL Industries	\$10.9	n/a	n/a
Jul-20	Closed	KIK Personal Care (Centerbridge)	Voyant Beauty (Wind Point Partners)	n/a	n/a	n/a

Public Companies Operating Statistics and Valuation Parameters

(\$ in millions)

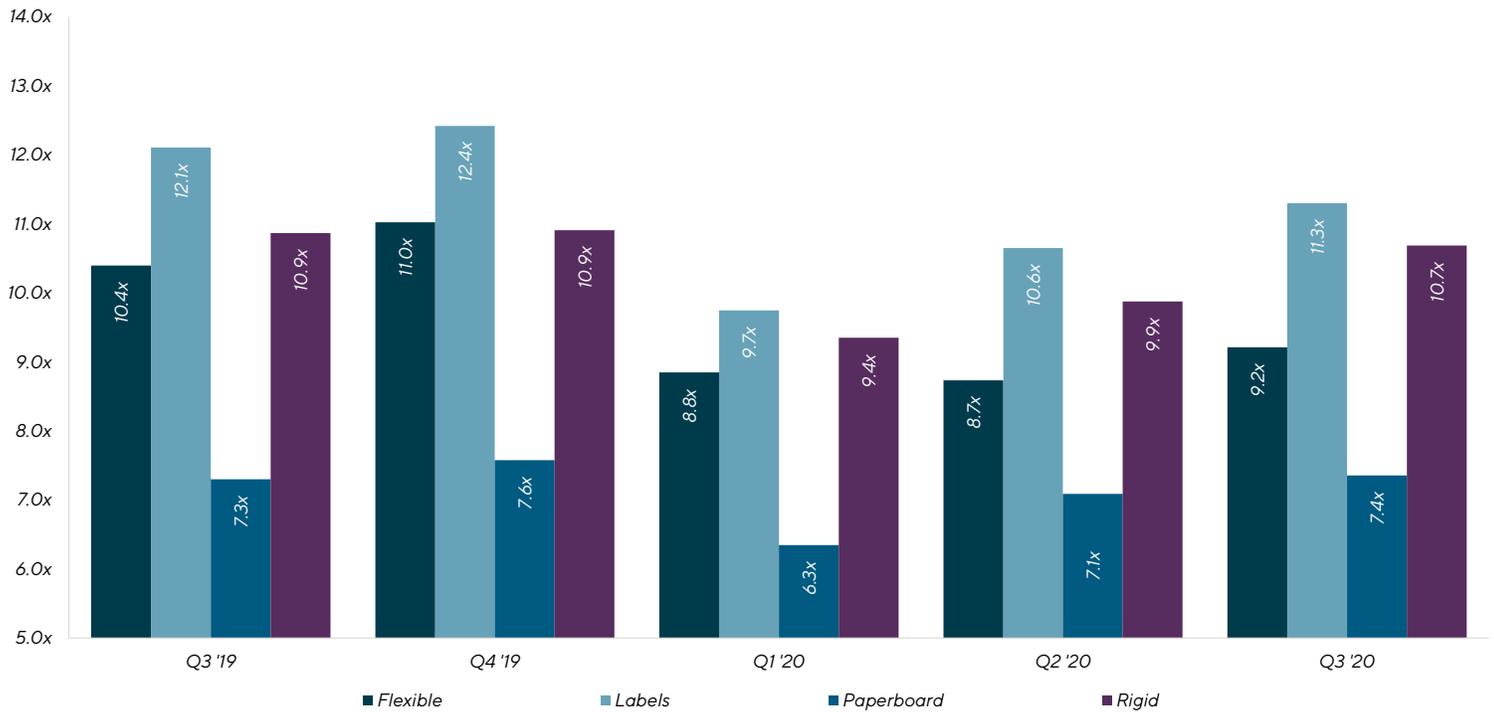
Company Name	Stock Price	% of 52 Week High	Market Cap	Enterprise Value	LTM		YOY Revenue Growth	EBITDA Margin	Enterprise Value / LTM	
					Revenue	EBITDA			Revenue	EBITDA
Flexible										
Amcor plc	\$10.99	92.7%	\$17,099	\$23,436	\$12,468	\$1,821	20.6%	14.6%	1.8x	11.8x
Berry Global Group, Inc.	48.32	87.9%	6,407	17,221	11,720	1,976	32.0%	16.9%	1.5x	8.2x
Huhtamäki Oyj	49.53	94.2%	5,168	6,351	3,371	433	1.0%	12.8%	1.6x	11.7x
Sealed Air Corporation	38.81	90.8%	6,042	9,632	4,843	938	1.9%	19.4%	2.0x	9.8x
Transcontinental Inc.	12.34	93.4%	1,075	1,812	2,709	483	(12.0%)	17.8%	0.9x	4.8x
Wipac Ltd.	34.11	86.3%	2,217	1,796	860	194	(2.1%)	22.6%	2.0x	9.0x
Mean		90.9%					6.9%	17.3%	1.6x	9.2x
Median		91.8%					1.5%	17.3%	1.7x	9.4x
Labels										
Avery Dennison Corporation	\$127.84	90.6%	\$10,670	\$12,645	\$6,786	\$946	(4.0%)	13.9%	1.9x	13.4x
Brady Corporation	40.02	67.7%	2,081	1,911	1,081	175	(6.8%)	16.2%	1.8x	9.9x
CCL Industries Inc.	38.53	85.8%	6,891	8,299	5,153	998	(4.1%)	19.4%	2.1x	10.6x
Mean		81.4%					(5.0%)	16.5%	1.9x	11.3x
Median		85.8%					(4.1%)	16.2%	1.9x	10.6x
Paperboard										
Cascades Inc.	\$12.64	99.2%	\$1,201	\$2,909	\$5,089	\$575	2.5%	11.3%	0.8x	6.2x
DS Smith Plc	3.81	74.1%	5,227	8,006	6,043	881	(3.0%)	14.6%	1.0x	6.4x
Graphic Packaging Holding Company	14.09	83.1%	3,929	7,917	6,312	853	2.7%	13.5%	1.3x	9.3x
International Paper Company	40.54	85.1%	15,936	24,985	21,284	3,372	(6.8%)	15.8%	1.2x	6.7x
Mondi plc	21.20	91.4%	10,275	13,123	6,949	1,424	(6.1%)	20.5%	1.6x	7.7x
Packaging Corporation of America	109.05	95.0%	10,268	12,025	6,721	1,326	(3.9%)	19.7%	1.8x	8.4x
Sonoco Products Company	51.07	81.4%	5,126	6,847	5,212	755	(3.9%)	14.5%	1.3x	7.8x
WestRock Company	34.74	78.3%	9,020	19,505	17,759	2,808	(2.9%)	15.8%	1.1x	6.3x
Mean		85.9%					(2.6%)	15.7%	1.3x	7.4x
Median		84.1%					(3.4%)	15.2%	1.2x	7.2x
Rigid										
Amcor plc	\$10.99	92.7%	\$17,099	\$23,436	\$12,468	\$1,821	20.6%	14.6%	1.8x	11.8x
AptarGroup, Inc.	113.20	92.5%	7,298	8,403	2,793	555	(2.8%)	19.9%	3.0x	14.3x
Ball Corporation	83.12	97.0%	27,144	34,491	11,258	1,870	(2.6%)	16.6%	3.1x	17.9x
Berry Global Group, Inc.	48.32	87.9%	6,407	17,221	11,720	1,976	32.0%	16.9%	1.5x	8.2x
Crown Holdings, Inc.	76.86	95.4%	10,192	18,646	11,321	1,558	(2.5%)	13.8%	1.6x	11.5x
Greif, Inc.	36.21	71.9%	1,826	4,811	4,586	676	5.4%	14.7%	1.0x	6.2x
O-I Glass, Inc.	10.59	67.7%	1,662	7,193	6,277	877	(6.3%)	14.0%	1.1x	7.6x
Silgan Holdings Inc.	36.77	92.6%	4,077	7,384	4,576	682	1.4%	14.9%	1.6x	10.8x
Sonoco Products Company	51.07	81.4%	5,126	6,847	5,212	755	(3.9%)	14.5%	1.3x	7.8x
Mean		86.6%					4.6%	15.5%	1.8x	10.7x
Median		92.5%					(2.5%)	14.7%	1.6x	10.8x

Source: Bloomberg, Capital IQ and company filings, as of September 30, 2020

LTM Relative Stock Price Performance



Historical Enterprise Value / EBITDA Valuation Performance





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 600 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 Group at www.lincolninternational.com/packaging