



Packaging | Q2 2021



- ## 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

Quarterly Review

Packaging Insights

The first half of 2021 has shown significant activity in the mergers and acquisitions (M&A) market and has continued to grow with momentum since a market pull back in 2020. According to S&P Global, there were approximately 14,200 transactions announced globally during Q2 2021, up slightly from Q1 2021 (approximately 14,000 transactions). As 2021 continues, we expect the global M&A market to remain strong and continue to grow due to availability of financing, abundant private equity and special purpose acquisition company (SPAC) capital and the continued recovery of sectors affected by COVID-19.

Within the packaging industry, there has also been a continued rise in activity, specifically within the United States and European markets. During Q2 2021, private equity-backed packaging companies were particularly active acquirers. Companies including Tekni-Plex (Genstar Capital), Constantia

Flexibles (Wendel), PLZ Aeroscience (Pritzker Private Capital), ProAmpac (Pritzker Private Capital and GIC), Spectrum Plastics (AEA Investors), Soteria Flexibles (Ardian), Dallas Plastics (Sole Source Capital), Coveris (Sun Capital Partners), Arizona Natural Resources (CORE Industrial Partners), B2B Industrial Packaging (GenNx360) and more completed acquisitions across the labels, flexible and rigid packaging sectors. Valuations within the packaging industry have also experienced a significant rise over the last 12 months. As of the end of Q2 2021, the labels (10.6x EV/EBITDA), rigid (9.9x) and flexible (8.6x) packaging sectors have all reached or exceeded pre-COVID-19 valuations, while the flexible (8.6x) packaging sector remains slightly below its Q4 2019 high (11.0x). Overall, we remain optimistic that the packaging M&A market will continue to remain strong in 2021 with quality assets trading at premium valuations.

Recent Lincoln International Transactions

NICOLET CAPITAL
has sold
INTERFLEX GROUP
to
TOPPAN

Sell-Side

BOCCHI
Laboratories
has been sold to
B
BRIGHT
a portfolio company of
Aterian
INVESTMENT PARTNERS

Sell-Side

BLACKROCK
has sold
WinCup
to
ATAR
CAPITAL

Sell-Side

J.H. WHITNEY & CO.
J.H. WHITNEY CAPITAL PARTNERS, LLC
has sold
accupac
to
P
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

Market Intelligence

Jun-21: Fortis Solutions Group (Main Post Partners), a provider of labeling solutions, is said to be exploring a potential sale process

Jun-21: InFlex, a subsidiary of film and resin manufacturer **Amcor (ASX:AMC)**, is said to have invested almost \$8 million to expand the operations of its Georgia facility

May-21: Mold-Rite Plastics (Irving Place Capital), a manufacturer of plastic packaging, is said to have relaunched its sale process

Apr-21: Aquapak Polymers, a developer of biodegradable polymers, and **DS Smith (LON:SMDS)**, a manufacturer of paper and corrugated packaging products, have partnered to create a “next-gen” range of packaging solutions

Apr-21: Coveris (Sun European Partners) is said to be exploring a potential sale process

Apr-21: DS Smith (LON:SMDS), a manufacturer of paper and corrugated packaging products, is said to be attracting buyer interest

Selected M&A Transactions

(\$ in millions)

Date	Status	Target Company	Acquiring Company	Enterprise Value	EV / LTM Revenue	EV / LTM EBITDA
Jun-21	Announced	Grupo Phoenix (OEP Capital Advisors)	Tekni-Plex (Genstar Capital)	n/a	n/a	n/a
Jun-21	Announced	H&H Packaging	Probiotec	\$4.0	n/a	n/a
Jun-21	Announced	SGD (China Jianyin Investment)	PAI Partners	n/a	n/a	n/a
Jun-21	Announced	BDL Supply	Kamps Pallets (Freeman Spogli)	n/a	n/a	n/a
May-21	Announced	ÅR Packaging (CVC Capital Partners)	Graphic Packaging	\$1,450.0	1.3x	9.1x
May-21	Announced	Domtar	Paper Excellence Canada (PEC)	\$3,057.2	0.9x	9.5x
May-21	Announced	Charter Next Generation (Oak Hill; Leonard Green & Partners)	KKR	n/a	n/a	n/a
May-21	Announced	Schur Flexibles (Lindsay Goldberg)	B&C Group	\$900.0	1.2x	n/a
May-21	Announced	Caiba (Nazca Capital)	Portobello	\$110.0	n/a	n/a
Apr-21	Announced	ePac Flexible Packaging	Amcor	n/a	n/a	n/a
Apr-21	Announced	Propak	Constantia Flexibles (Wendel)	\$120.0	n/a	n/a
Apr-21	Announced	Volpini Verpackungen	FINEXX	n/a	n/a	n/a
Jul-21	Closed	220 Laboratories	PLZ Aerospace (Pritzker Private Capital)	n/a	n/a	n/a
Jul-21	Closed	Ultimate Packaging	ProAmpac (Pritzker Private Capital; GIC)	n/a	n/a	n/a
Jul-21	Closed	Resource Label (First Atlantic Capital; TPG Growth)	Ares	n/a	n/a	n/a
Jul-21	Closed	CraftPac	Wildpack Beverage	\$2.2	n/a	n/a
Jul-21	Closed	Flexo Converters	Novolex (The Carlyle Group)	n/a	n/a	n/a
Jul-21	Closed	Champion Brands	PLZ Aerospace (Pritzker Private Capital)	n/a	n/a	n/a
Jun-21	Closed	Container Supply	Kelso & Company	n/a	n/a	n/a
Jun-21	Closed	Gault & Frémont	Guillin	n/a	n/a	n/a
Jun-21	Closed	Traco Manufacturing	LongueVue Capital	n/a	n/a	n/a
Jun-21	Closed	KCS Plastics	Spectrum Plastics (AEA Investors)	n/a	n/a	n/a
Jun-21	Closed	Redi-Bag	Soteria Flexibles (Ardian)	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
Jun-21	Closed	Multitubes	Mentha Capital	n/a	n/a	n/a
Jun-21	Closed	Technimark (Pritzker Private Capital)	Oak Hill	n/a	n/a	n/a
Jun-21	Closed	Flexible packaging business of Smurfit Kappa	Emusa	n/a	n/a	n/a
Jun-21	Closed	Hi-De Liners	Dallas Plastics (Sole Source Capital)	n/a	n/a	n/a
Jun-21	Closed	Easysnap Technology	Gualapack	n/a	n/a	n/a
Jun-21	Closed	Miko Pac	Coveris (Sun Capital Partners)	\$110.0	1.0x	6.0x
Jun-21	Closed	PacsOn	OptiGroup (Triton)	n/a	n/a	n/a
May-21	Closed	Delpac	Reach Group (Mediahuis Ireland)	n/a	n/a	n/a
May-21	Closed	Marianna Beauty	ANR (CORE Industrial Partners)	n/a	n/a	n/a
May-21	Closed	Omni-Pac	Latour Capital	n/a	n/a	n/a
May-21	Closed	Silver Spur	Kelso & Company	n/a	n/a	n/a
May-21	Closed	Four04 Packaging	Coveris (Sun Capital Partners)	n/a	n/a	n/a
May-21	Closed	Americraft Carton	Graphic Packaging	\$280.0	n/a	n/a
May-21	Closed	Spartech (Nautic Partners)	The Jordan Company	n/a	n/a	n/a
May-21	Closed	C.L. Smith	Inmark (Kelso & Company)	n/a	n/a	n/a
May-21	Closed	Lux Global Label Asia	CCL Industries	n/a	n/a	n/a
May-21	Closed	Target Labels & Packaging	PPC Flexible Packaging (Morgan Stanley Private Equity)	n/a	n/a	n/a
Apr-21	Closed	Lewisburg Printing Company (LPC)	Radial Equity Partners	n/a	n/a	n/a
Apr-21	Closed	El Dorado Packaging	ProAmpac (Pritzker Private Capital)	n/a	n/a	n/a
Apr-21	Closed	Red Worldwide	B2B Industrial Packaging (GenNx360)	n/a	n/a	n/a
Apr-21	Closed	Consumer Packaging Business of Crown	KPS Capital Partners (Dyal)	\$2,812.5	1.5x	n/a
Apr-21	Closed	Honeycomb Cellpack	BEWi (Froya Invest)	n/a	n/a	n/a
Apr-21	Closed	Perstorp Plastic Systems	Axjo Plastic	n/a	n/a	n/a
Apr-21	Closed	Total Label	Fortis Solutions (Main Post Partners)	n/a	n/a	n/a
Apr-21	Closed	SIDAC (Orienta)	Schur Flexibles (Lindsay Goldberg)	n/a	n/a	n/a
Apr-21	Closed	Ipackchem	SK Capital Partners	n/a	n/a	n/a
Apr-21	Closed	Display and Packaging Business of Sonoco Products	Hood Container	\$80.0	0.6x	n/a
Apr-21	Closed	Altium Packaging (Loews)	GIC	\$2,000.0	n/a	n/a
Apr-21	Closed	Bell Container	SupplyOne (Wellspring)	n/a	n/a	n/a
Apr-21	Closed	Boutwell Owens	Oliver (Pfungsten Partners)	n/a	n/a	n/a

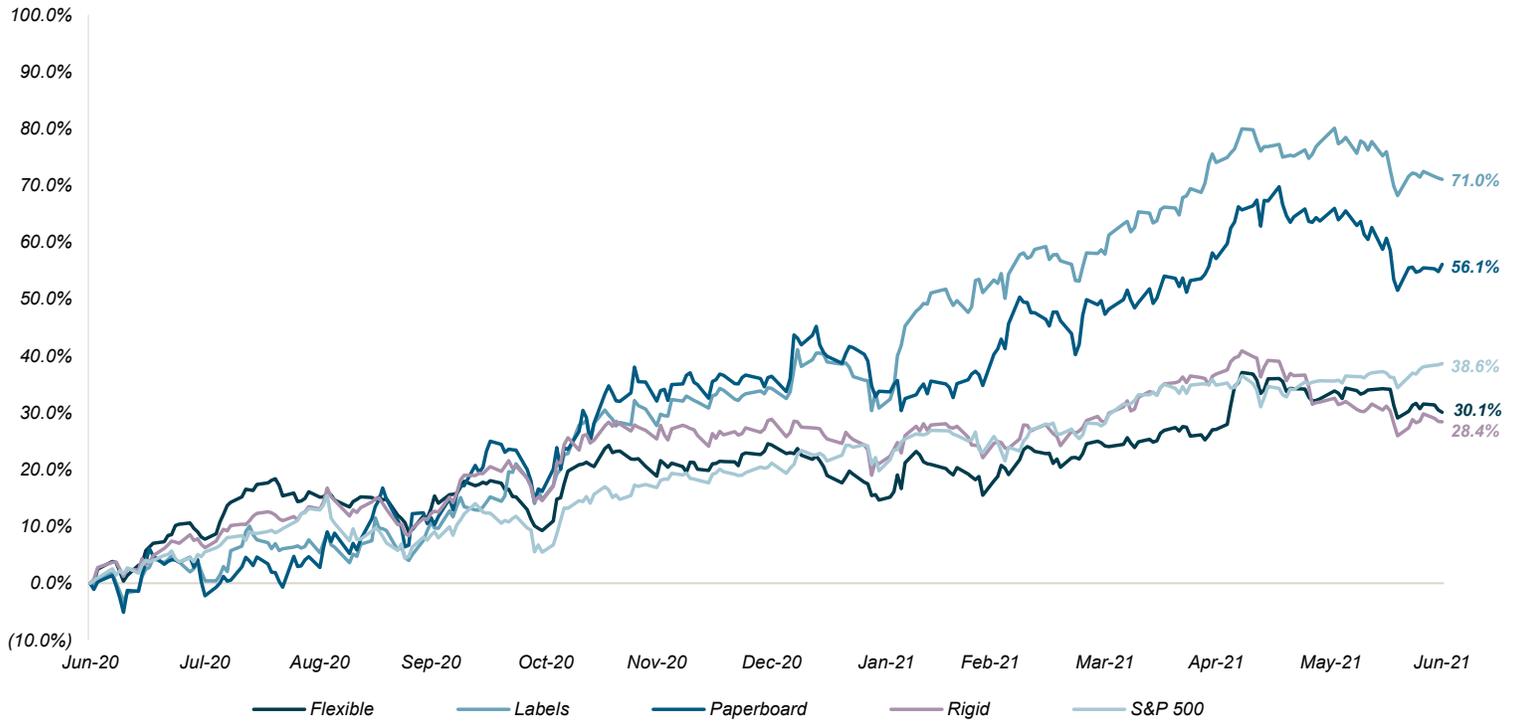
Public Companies Operating Statistics and Valuation Parameters

(\$ in millions)

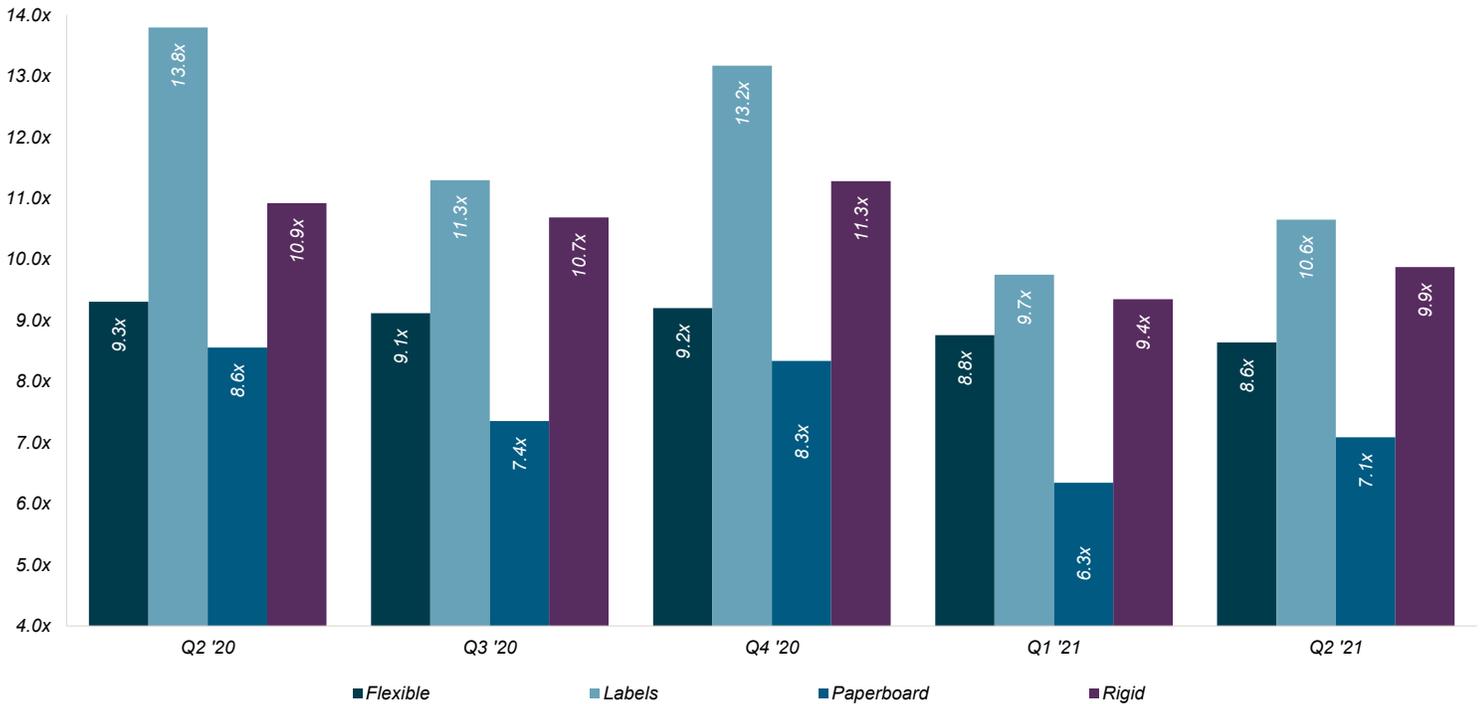
Company Name	Stock Price	% of 52 Week High	Market Cap	Enterprise Value	LTM		YOY Revenue Growth	EBITDA Margin	Enterprise Value / LTM	
					Revenue	EBITDA			Revenue	EBITDA
Flexible										
Amtcor plc	\$11.34	91.7%	\$17,379	\$23,701	\$12,550	\$1,968	0.7%	15.7%	1.9x	11.6x
Berry Global Group, Inc.	65.22	92.0%	8,798	18,981	\$12,424	2,290	6.0%	18.4%	1.5x	7.8x
Huhtamäki Oyj	47.37	85.7%	4,944	6,115	3,259	435	(3.3%)	13.3%	1.6x	11.1x
Sealed Air Corporation	59.25	99.8%	9,005	12,445	4,996	992	3.2%	19.9%	2.5x	12.0x
Transcontinental Inc.	18.79	88.3%	1,638	2,322	2,489	470	(12.7%)	18.9%	1.2x	5.9x
Winpak Ltd.	31.21	80.5%	2,029	1,574	864	192	0.4%	22.2%	1.8x	8.0x
Mean		89.7%					(1.0%)	18.1%	1.7x	9.4x
Median		90.0%					0.5%	18.7%	1.7x	9.6x
Labels										
Avery Dennison Corporation	\$210.24	92.9%	\$17,452	\$19,265	\$7,300	\$1,137	7.6%	15.6%	2.6x	16.1x
Brady Corporation	56.04	90.7%	2,918	2,638	1,090	182	(3.1%)	16.7%	2.4x	13.3x
CCL Industries Inc.	55.10	94.2%	9,890	10,964	5,295	1,095	2.8%	20.7%	2.6x	11.9x
Mean		92.6%					2.4%	17.7%	2.5x	13.7x
Median		92.9%					2.8%	16.7%	2.6x	13.3x
Paperboard										
Cascades Inc.	\$12.32	82.6%	\$1,260	\$2,754	\$5,074	\$600	0.7%	11.8%	0.7x	5.2x
DS Smith Plc	5.77	92.9%	7,921	10,426	5,976	803	(1.1%)	13.4%	1.3x	9.3x
Graphic Packaging Holding Company	18.14	91.8%	5,569	9,501	6,610	1,014	4.7%	15.3%	1.4x	8.6x
International Paper Company	61.31	93.9%	24,018	31,648	20,591	2,995	(3.3%)	14.5%	1.5x	9.3x
Mondi plc	26.26	94.2%	12,731	15,423	6,663	1,320	(4.1%)	19.8%	1.9x	9.3x
Packaging Corporation of America	135.42	86.5%	12,752	14,354	6,757	1,289	0.5%	19.1%	2.1x	10.3x
Sonoco Products Company	66.90	95.8%	6,731	8,144	5,287	744	1.5%	14.1%	1.5x	9.7x
WestRock Company	53.22	85.8%	14,163	23,547	17,547	2,655	(1.2%)	15.1%	1.3x	7.9x
Mean		90.4%					(0.3%)	15.4%	1.5x	8.7x
Median		92.4%					(0.3%)	14.8%	1.5x	9.3x
Rigid										
Amtcor plc	\$11.34	91.7%	\$17,379	\$23,701	\$12,550	\$1,968	0.7%	15.7%	1.9x	11.6x
AptarGroup, Inc.	140.84	88.6%	9,255	10,152	2,985	605	6.8%	20.3%	3.4x	15.9x
Ball Corporation	81.02	78.8%	26,595	34,277	12,121	1,969	7.7%	16.2%	2.8x	16.5x
Berry Global Group, Inc.	65.22	92.0%	8,798	18,981	12,424	2,290	6.0%	18.4%	1.5x	7.8x
Crown Holdings, Inc.	102.21	89.2%	13,601	21,689	11,896	1,904	5.1%	16.0%	1.8x	11.0x
Greif, Inc.	60.55	91.7%	2,906	5,495	4,731	626	(0.5%)	13.2%	1.2x	7.6x
O-I Glass, Inc.	16.33	83.9%	2,579	7,291	6,030	846	(3.9%)	14.0%	1.2x	7.6x
Silgan Holdings Inc.	41.50	93.2%	4,582	7,750	5,130	809	12.1%	15.8%	1.5x	8.7x
Sonoco Products Company	66.90	95.8%	6,731	8,144	5,287	744	1.5%	14.1%	1.5x	9.7x
Mean		89.4%					3.9%	16.0%	1.9x	10.7x
Median		91.7%					5.1%	15.8%	1.5x	9.7x

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

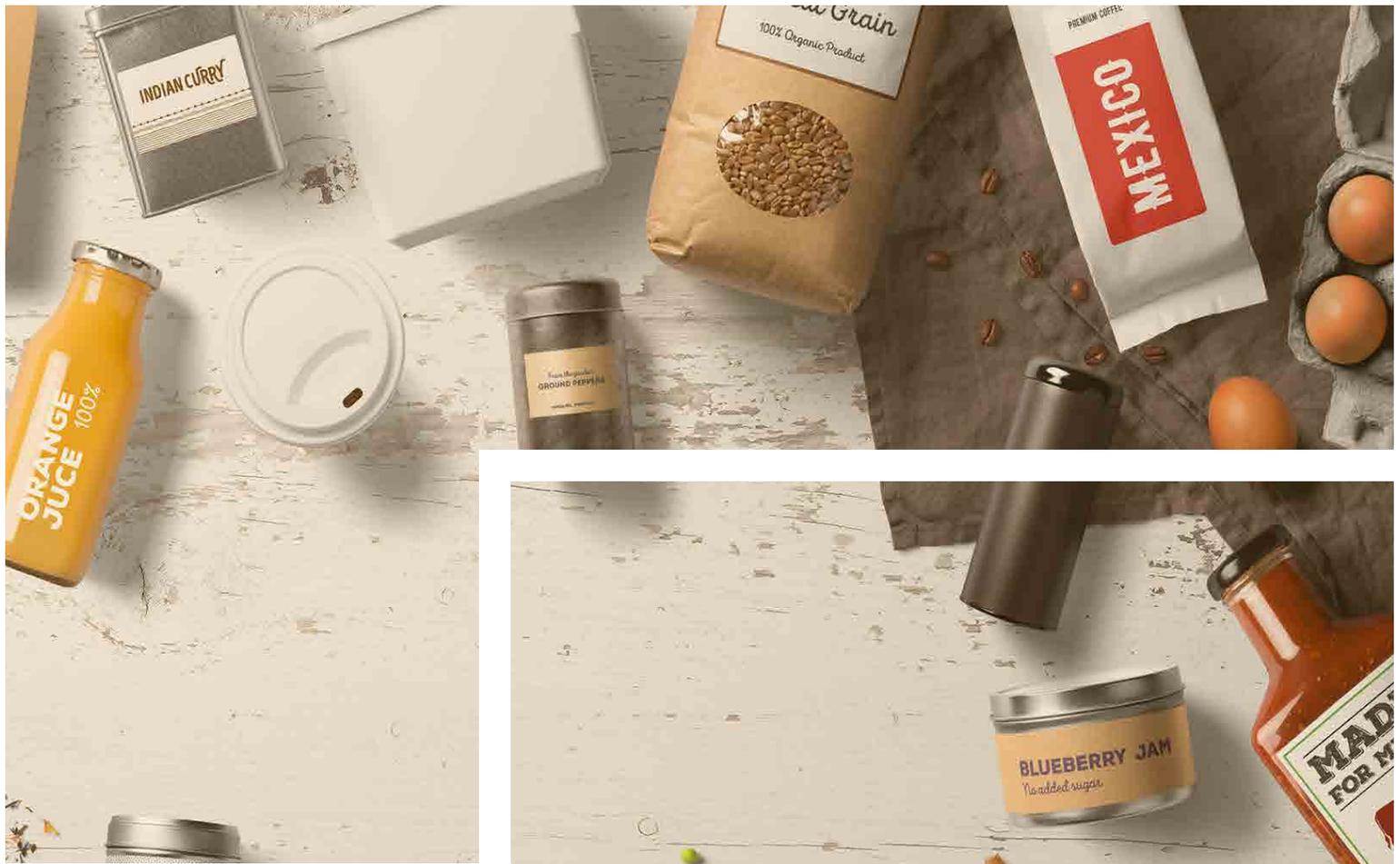
LTM Relative Stock Price Performance



Historical Enterprise Value / EBITDA Valuation Performance



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



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Advisory Services

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