



# Packaging | Q4 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

After an initial slowdown in activity due to the Coronavirus (COVID-19) during early 2020, we witnessed a substantial rebound in mergers and acquisitions (M&A) activity in Q4 2020. According to S&P Global, there were 8,526 global M&A transactions announced in Q2 2020, which was ~30% less than Q2 2019. While we saw a slight recovery in Q3 2020, with 11,185 transactions announced globally, that figure was still below the Q3 2019 total of 11,911. However, as the initial shock of the COVID-19 pandemic wore off and investors sought to put capital to work, Q4 2020 saw a substantial rebound in activity. During Q4 2020, there were 13,818 transactions announced, which was 7% higher than the total from Q4 2019 and the highest single quarter total over the last 3+ years.

Within the packaging market, we have also seen a strong recovery in M&A activity driven by the packaging market's stability through the COVID-19 pandemic. Relative to most

industries, the packaging market performed well through COVID-19 due to the essential nature of many businesses and the resiliency of end markets served. While certain subsectors of packaging (e.g., beauty, retail) experienced initial downturns, many of these companies quickly pivoted into adjacent products (e.g., sanitizers) to help maintain stability in sales and utilize open capacity. This resiliency during uncertain times has driven strong investor interest in the space, which was clearly demonstrated by the highly active packaging M&A market in Q4 2020 and several large deals completed by financial investors, such as Kohlberg's acquisition of PCI Pharma and Madison Dearborn Partners' acquisition of IPL Plastics. As we head into 2021, we expect the packaging M&A market to continue its momentum as strategic players continue to fully recover and private equity investors seek to put record levels of capital to work.

## Recent Lincoln International Transactions

**BOCCHI**  
Laboratories

has merged with

**B**  
BRIGHT

a portfolio company of

**Aterian**  
INVESTMENT PARTNERS

Sell-Side



**BLACKROCK**<sup>®</sup>

has sold

**WinCup**<sup>®</sup>

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

**P**  
PALLADIUM  
EQUITY PARTNERS

Sell-Side



**CAMERON**  
Holdings

has sold  
the PVA packaging division  
of

**MULTI-PACK**  
SOLUTIONS™

to

**U.S. NONWOVENS**  
ingenious innovations CORP.

a portfolio company of

**WIND POINT PARTNERS**

Sell-Side



**WinCup**<sup>®</sup>

has sold

**StyroChem**

to

**PMC** | **CAPITAL GROUP**

Sell-Side



## Market Intelligence

Dec-20: **KIK Custom Products (Centerbridge Partners)** recently held early-stage talks with prospective investors regarding a new financing package that would refinance the company's existing debt and pay a dividend to shareholders

Dec-20: **Logoplaste (Carlyle Group)** is believed to have initiated the early stages of a process to sell a controlling stake in the company

Dec-20: **Spectrum Plastics Group (AEA Investors)**, a medical components and contract manufacturer, has named Thomas J. Sullivan its new Chief Executive Officer, citing his M&A experience and multiple transactions to private equity buyers

Dec-20: **TC Transcontinental (TSX:TCL.A)**, a flexible packaging manufacturer, has named Eric Morisset as Chief Development Officer, noting that he will oversee M&A strategy and all aspects of acquisitions, divestitures and partnerships

Nov-20: **CCL Industries (TSE:CCL)**, a provider of label, security and packaging services, is looking for tuck-in acquisitions across all of its business segments

Nov-20: **Crown Holdings (NYSE:CCK)**, a provider of consumer packaging products, is seeking a buyer for its Spain-based food packing division Crown Food España

Nov-20: **Direct Pack Inc (PMC Global)**, a manufacturer of thermoformed food packaging, is said to have advanced past management presentations in its sale process

Nov-20: **Fort Dearborn Company (Advent International)**, a label supplier, is said to be starting a sale process

Nov-20: **Lacerta Group**, a privately held packaging company, is said to have moved past management presentations in its sale process (as of Jan-21, Lacerta Group was acquired by SK Capital)

Nov-20: **TricorBraun (AEA Investors)**, a primary packaging designer and distributor, is said to be in the midst of a sale process (as of Jan-21, it was announced that TricorBraun has reached an agreement to be acquired by Ares Management and the Ontario Teachers' Pension Plan Board)

Oct-20: **Rohrer Industries (ShoreView Industries)**, a supplier of retail consumer packaging, is believed to have started a sale process

Oct-20: **Unilever (LON:ULVR)** recently completed a strategic review and is considering the sale of several small personal care and beauty brands

## Selected M&A Transactions

(\$ in millions)

Date	Status	Target Company	Acquiring Company	Enterprise Value	EV / LTM Revenue	EV / LTM EBITDA
Jan-21	Announced	TricorBraun (AEA Investors)	Ares and Ontario Teachers' Pension Plan	n/a	n/a	n/a
Jan-21	Announced	Georgia-Pacific Mt. Holly, LLC	Glatfelter	\$175.0	1.8x	8.8x
Dec-20	Announced	Coral Products and Interpack	IPL Plastics (Madison Dearborn Partners)	\$10.6	0.4x	n/a
Dec-20	Announced	Sun Paper	Royal Paper (Gridiron Capital)	n/a	n/a	n/a
Jan-21	Closed	The Specialized Packaging Group	Altamont Capital Partners	n/a	n/a	n/a
Jan-21	Closed	Signature Flexible Packaging	H.I.G. Capital	n/a	n/a	n/a
Jan-21	Closed	Performance Systematix	Selig Group	n/a	n/a	n/a
Jan-21	Closed	ACPO	Avery Dennison	\$87.6	1.5x	n/a
Dec-20	Closed	Bocchi Laboratories	Bright (Aterian Investment Partners)	n/a	n/a	n/a
Dec-20	Closed	Færch Plast (Advent International)	A.P. Møller	\$1,900.0	n/a	n/a
Dec-20	Closed	Soretac	Controlpa	n/a	n/a	n/a
Dec-20	Closed	Kotkamills	Mayr-Melnhof	\$511.0	1.1x	7.7x
Dec-20	Closed	ISO Arzneiverpackungen	Remy & Geiser	n/a	n/a	n/a
Dec-20	Closed	Huntington Solutions (Mill Point)	Wynnchurch Capital	n/a	n/a	n/a
Dec-20	Closed	Inmark (Quad-C Management)	Kelso & Company	n/a	n/a	n/a
Dec-20	Closed	Newpack	Berlin Packaging (Oak Hill and Canada Pension Plan)	n/a	n/a	n/a
Dec-20	Closed	Packaging Horizons	Primary Packaging	n/a	n/a	n/a
Dec-20	Closed	Repli	Berlin Packaging (Oak Hill and Canada Pension Plan)	n/a	n/a	n/a
Dec-20	Closed	B&H Bag Company	Novolex	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
Dec-20	Closed	Affaba & Ferrari	TriMas	\$84.0	2.4x	n/a
Dec-20	Closed	Kala Packaging	Fortis Solutions Group (Main Post Partners)	n/a	n/a	n/a
Dec-20	Closed	Labels West	Resource Label Group (First Atlantic Capital and TPG Growth)	n/a	n/a	n/a
Dec-20	Closed	PaperTech	May River Capital	n/a	n/a	n/a
Dec-20	Closed	Glass Container Company SA / Glass Container Prim	Vetropack Austria Holding	n/a	n/a	n/a
Dec-20	Closed	Tufpak	Spartech Polycom (Nautic Partners)	n/a	n/a	n/a
Dec-20	Closed	PCI Pharma Services (Partners Group; Thomas H. Lee; Frazier Healthcare Partners)	Kohlberg & Company; Mubadala	\$3,000.0	n/a	n/a
Dec-20	Closed	Great Southwest Paper	Imperial Dade (Bain Capital)	n/a	n/a	n/a
Dec-20	Closed	NOVIPAX (Atlas Holdings)	ACON Investments	n/a	n/a	n/a
Dec-20	Closed	Rosenbloom, Hymopak and Dyne-A-Pak	ProAmpac (Pritzker Private Capital)	n/a	n/a	n/a
Dec-20	Closed	AWT Labels & Packaging (Mason Wells)	Morgan Stanley Capital Partners	n/a	n/a	n/a
Dec-20	Closed	Sonoco Poland Packaging Services	Prairie Industries (The Halifax Group)	\$120.0	0.4x	n/a
Dec-20	Closed	PeelMaster Medical Packaging Corporation	Spectrum Plastics Group (AEA Investors)	n/a	n/a	n/a
Nov-20	Closed	Wizard Labels and Innovative Solutions	Brook & Whittle (Snow Phipps)	n/a	n/a	n/a
Nov-20	Closed	Europak	Korpi Capital	n/a	n/a	n/a
Nov-20	Closed	U.S. Flexible Packaging Converter Business of Berry Global	Advanced Barrier Extrusions (Graham Partners)	n/a	n/a	n/a
Nov-20	Closed	Kroha	ÅR Packaging Group	n/a	n/a	n/a
Nov-20	Closed	StePac	Nili Capital Partners	n/a	n/a	n/a
Nov-20	Closed	Assets of Aetna Felt	Creative Foam (Industrial Opportunity Partners)	n/a	n/a	n/a
Nov-20	Closed	Sirap Food Packaging	Færch Plast (Advent International)	n/a	n/a	n/a
Nov-20	Closed	Oven bags and film business of Terinex	Sirane	n/a	n/a	n/a
Nov-20	Closed	Assets of S F B Plastics	Altium Packaging	n/a	n/a	n/a
Nov-20	Closed	Drew Foam Companies (Branford Castle Partners)	Wynnchurch Capital	n/a	n/a	n/a
Nov-20	Closed	Consolidated Bottle	Berlin Packaging (Oak Hill and Canada Pension Plan)	n/a	n/a	n/a
Nov-20	Closed	Personal Care Films Business of Tredegar	Fitesa	\$45.0	0.3x	NM
Nov-20	Closed	Berry Pack / Progressive Packaging Group	Golden West Packaging Group	n/a	n/a	n/a
Oct-20	Closed	Mcdowell Packaging & Advertising	Resource Label Group (First Atlantic Capital and TPG Growth)	n/a	n/a	n/a
Oct-20	Closed	Pinnacle Packaging	The Royal Group	n/a	n/a	n/a
Oct-20	Closed	Riverside Paper	SupplyOne (Wellspring Capital Management)	n/a	n/a	n/a
Oct-20	Closed	Polar Plastics	Revolution	n/a	n/a	n/a
Oct-20	Closed	Tri Print	Brook & Whittle (Snow Phipps)	n/a	n/a	n/a
Oct-20	Closed	Dijkstra-Vereenigde	Industrial Packaging Group	n/a	n/a	n/a
Oct-20	Closed	IPL Plastics	Madison Dearborn Partners	\$944.5	1.2x	7.7x
Oct-20	Closed	Brazilian Corrugated Packaging Business of International Paper	Klabin	\$330.0	n/a	n/a
Oct-20	Closed	THIMM Packaging Systems	TW México Packaging Solutions	n/a	n/a	n/a
Oct-20	Closed	Vinkova	Berlin Packaging (Oak Hill and Canada Pension Plan)	n/a	n/a	n/a

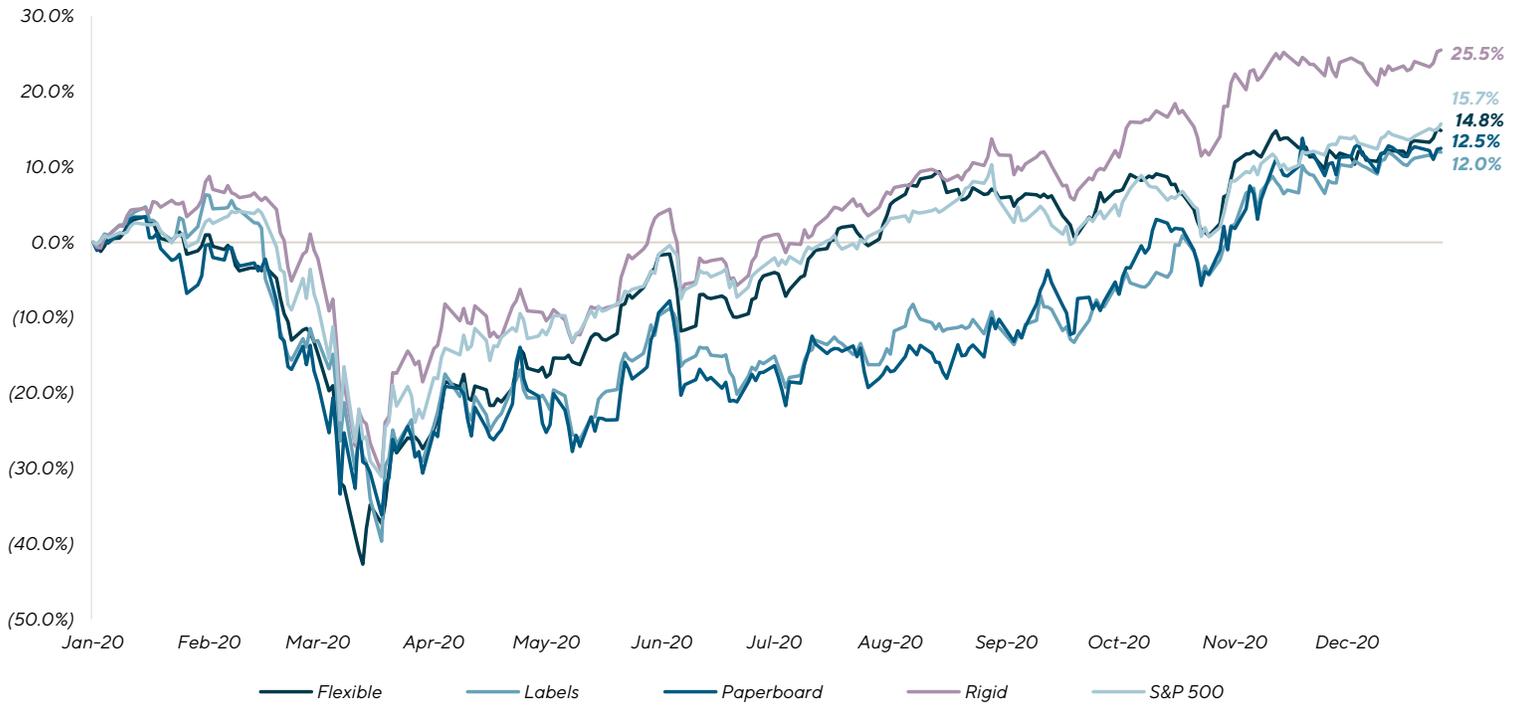
# Public Companies Operating Statistics and Valuation Parameters

(\$ in millions)

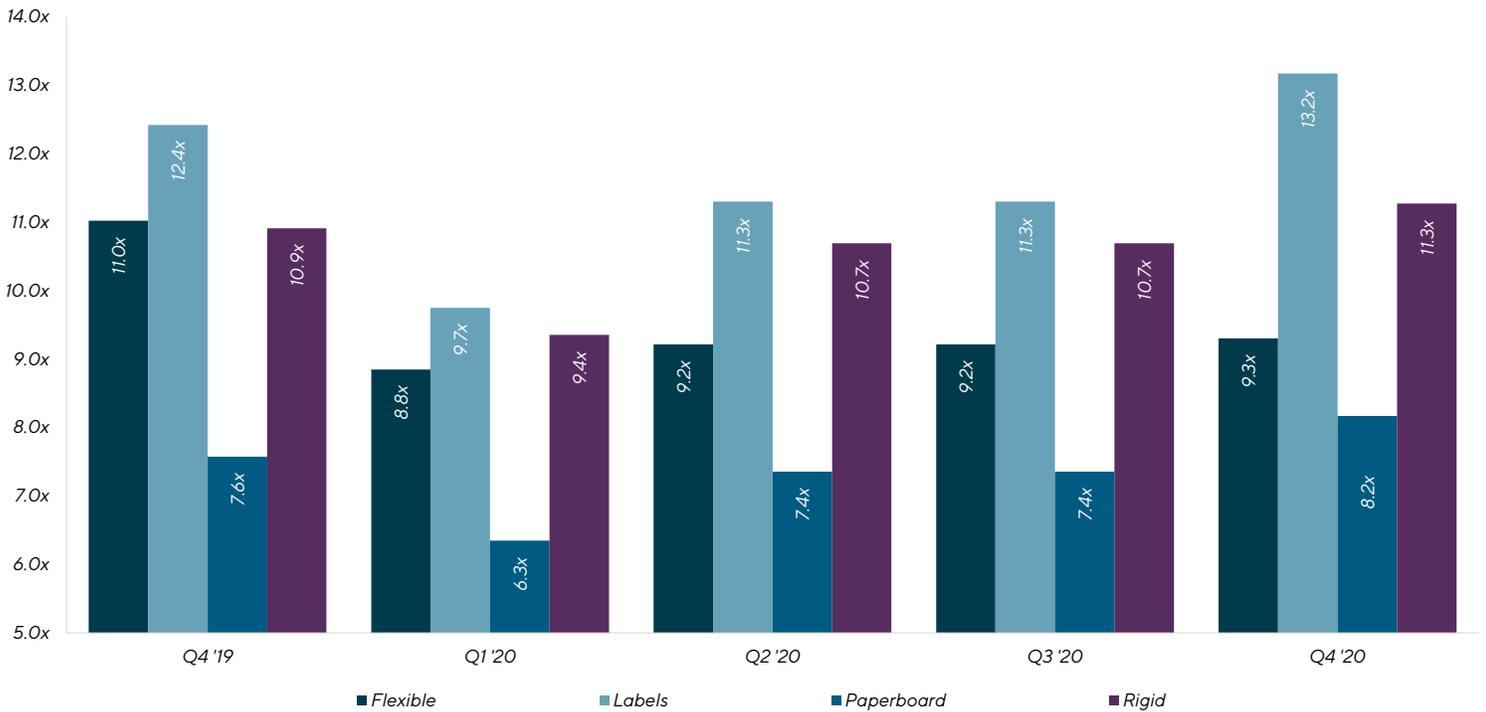
Company Name	Stock Price	% of 52 Week High	Market Cap	Enterprise Value	LTM		YOY Revenue Growth	EBITDA Margin	Enterprise Value / LTM	
					Revenue	EBITDA			Revenue	EBITDA
<b>Flexible</b>										
Amcors plc	\$11.83	92.8%	\$18,420	\$25,253	\$12,424	\$1,863	12.0%	15.0%	1.9x	11.9x
Berry Global Group, Inc.	56.19	97.0%	7,501	18,063	11,709	2,118	20.4%	18.1%	1.5x	8.0x
Huhtamäki Oyj	51.93	90.6%	5,419	6,653	3,364	444	(1.0%)	13.2%	1.6x	11.5x
Sealed Air Corporation	45.79	98.7%	7,104	10,606	4,861	977	1.5%	20.1%	2.2x	10.4x
Transcontinental Inc.	16.10	89.4%	1,402	2,159	2,574	469	(15.3%)	18.2%	1.1x	5.6x
Winpak Ltd.	33.61	81.3%	2,184	1,722	858	193	(1.8%)	22.4%	1.9x	8.5x
<b>Mean</b>		<b>91.6%</b>					<b>2.6%</b>	<b>17.8%</b>	<b>1.7x</b>	<b>9.3x</b>
<b>Median</b>		<b>91.7%</b>					<b>0.2%</b>	<b>18.2%</b>	<b>1.7x</b>	<b>9.4x</b>
<b>Labels</b>										
Avery Dennison Corporation	\$155.11	98.9%	\$12,939	\$14,781	\$6,754	\$973	(4.5%)	14.4%	2.2x	15.2x
Brady Corporation	52.82	90.7%	2,747	2,537	1,072	177	(7.2%)	16.5%	2.4x	13.1x
CCL Industries Inc.	45.35	93.9%	8,129	9,470	5,170	1,035	(2.9%)	20.0%	2.3x	11.1x
<b>Mean</b>		<b>94.5%</b>					<b>(4.8%)</b>	<b>17.0%</b>	<b>2.3x</b>	<b>13.2x</b>
<b>Median</b>		<b>93.9%</b>					<b>(4.5%)</b>	<b>16.5%</b>	<b>2.3x</b>	<b>13.1x</b>
<b>Paperboard</b>										
Cascades Inc.	\$11.42	82.6%	\$1,170	\$2,888	\$5,100	\$600	2.1%	11.8%	0.7x	5.6x
DS Smith Plc	5.11	95.8%	7,016	9,914	5,744	769	(8.6%)	13.4%	1.3x	8.6x
Graphic Packaging Holding Company	16.94	99.2%	4,587	8,631	6,428	857	4.3%	13.3%	1.3x	10.1x
International Paper Company	49.72	95.6%	19,545	23,151	20,839	3,225	(6.9%)	15.5%	1.1x	6.6x
Mondi plc	23.48	94.0%	11,378	14,385	6,949	1,424	(4.4%)	20.5%	1.7x	8.0x
Packaging Corporation of America	137.91	99.3%	12,986	14,625	6,664	1,276	(4.3%)	19.2%	2.2x	10.6x
Sonoco Products Company	59.25	94.8%	5,950	7,632	5,170	745	(3.8%)	14.4%	1.5x	8.8x
WestRock Company	43.53	95.5%	11,452	21,368	17,579	2,718	(4.4%)	15.5%	1.2x	7.0x
<b>Mean</b>		<b>94.6%</b>					<b>(3.2%)</b>	<b>15.4%</b>	<b>1.4x</b>	<b>8.2x</b>
<b>Median</b>		<b>95.6%</b>					<b>(4.3%)</b>	<b>14.9%</b>	<b>1.3x</b>	<b>8.3x</b>
<b>Rigid</b>										
Amcors plc	\$11.83	92.8%	\$18,420	\$25,253	\$12,424	\$1,863	12.0%	15.0%	1.9x	11.9x
AptarGroup, Inc.	136.89	99.7%	8,860	9,893	2,851	569	(0.3%)	19.9%	3.5x	16.5x
Ball Corporation	93.18	90.7%	30,480	37,769	11,398	1,912	(0.7%)	16.8%	3.3x	19.1x
Berry Global Group, Inc.	56.19	97.0%	7,501	18,063	11,709	2,118	20.4%	18.1%	1.5x	8.0x
Crown Holdings, Inc.	100.20	99.6%	13,289	21,544	11,404	1,621	(2.2%)	14.2%	1.9x	12.8x
Greif, Inc.	46.88	89.6%	2,304	5,120	4,515	640	(1.7%)	14.2%	1.1x	7.0x
O-I Glass, Inc.	11.90	76.1%	1,870	6,737	6,223	844	(7.0%)	13.6%	1.1x	7.4x
Silgan Holdings Inc.	37.08	91.7%	4,101	7,355	4,744	730	5.7%	15.4%	1.6x	10.1x
Sonoco Products Company	59.25	94.8%	5,950	7,632	5,170	745	(3.8%)	14.4%	1.5x	8.8x
<b>Mean</b>		<b>92.4%</b>					<b>2.5%</b>	<b>15.7%</b>	<b>1.9x</b>	<b>11.3x</b>
<b>Median</b>		<b>92.8%</b>					<b>(0.7%)</b>	<b>15.0%</b>	<b>1.6x</b>	<b>10.1x</b>

Source: Bloomberg, Capital IQ and company filings, as of December 31, 2020

## LTM Relative Stock Price Performance



## Historical Enterprise Value / EBITDA Valuation Performance



Source: Bloomberg, Capital IQ and company filings, as of December 31, 2020



## Contributors

### Luke Webb

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

### Brian Goodwin

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

## Advisory Services

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Valuations & Opinions

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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:

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