



Packaging | Q4 2021



Key Topics

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

Quarterly Review

Market Insights

After a slowdown in 2020, the mergers and acquisitions (M&A) market came surging back in 2021. According to S&P Global, there were approximately 56,000 transactions announced globally throughout 2021, up 24% over 2020 (approximately 46,000 transactions). Additionally, total transaction value reached \$5.8 trillion, topping the previous record of \$4.6 trillion in 2007, according to Dealogic. This frenzy of activity was fueled by an abundance of dry powder within the private equity market, availability of cheap financing, a booming stock market and a backlog of deals from the initial shock of COVID-19. While expected interest rate hikes will likely increase borrowing costs over the next year, we expect the global M&A market to remain robust, reaching similar levels in 2022.

Within the packaging industry, there has also been a continued rise in transaction activity in both North America and the rest of the world. According to S&P Global, packaging M&A transaction volume increased 40% in North America and 35% in the rest of the world from 2020 to 2021. Private equity-backed packaging businesses continued to be active, with companies such as All4Labels (Triton), Altor Solutions (Compass Diversified), C-P Flexible Packaging (First Atlantic Capital), Comar (Morgan Stanley Capital Partners), Duraco Specialty Tapes (OpenGate Capital), Fortis Solutions Group (Harvest Partners), Oliver (Pfingsten Partners) and more completing acquisitions in Q4 2021. Packaging valuations also remained high at the end of Q4 2021, with both the rigid (12.0x enterprise value/EBITDA) and flexible (9.8x) packaging sectors reaching 2021 highs, while the labels (13.3x) and paperboard (10.0x) sectors fell slightly below their 2021 highs of 13.7x and 10.5x, respectively. While we do not expect the same level of exceptional growth in transaction volume going forward, we remain optimistic that the M&A market will continue to stay robust in 2022, with packaging companies continuing to trade at premium values.

Packaging Insights

Jan-22: Stone Canyon Industries is said to be exploring a potential sale of its portfolio company, **Mauser Packaging Solutions**, a manufacturer of rigid packaging solutions

Jan-22: Former Multi Packaging Solutions and WestRock executives, with **Jefferson Capital Partners**, have formed a specialty packaging business, **Max Solutions**, focused on consumer with healthcare packaging applications

Jan-22: Carton Pack (21 Investments), a manufacturer of rigid and flexible packaging for the food industry, is in the final stages of a sale process

Dec-21: Fedrigoni (Bain Capital), a manufacturer of self-adhesive labels and papers, announced it is actively seeking international acquisitions in 2022

Dec-21: Trivium Packaging (Ontario Teachers' Pension Plan), a provider of metal containers for the food and aerosols markets, is said to be exploring a potential sale in the coming months

Nov-21: In a recent letter to the Board, activist investor, Ancora Holdings, urged Berry Global (NYSE:BERY) to initiate a comprehensive review of strategic alternatives, including a full sale or go-private transaction, due to underperformance of the company's stock relative to peers

Nov-21: Oak Hill Capital and CPP Investments recently announced the recapitalization of **Berlin Packaging**. Funds from the recapitalization will be used to support both organic growth initiatives and acquisitions

Oct-21: 3i is said to be exploring a potential sale of its portfolio company, **Weener Plastics**, a global manufacturer of plastic caps and closures

Recent Lincoln International Transactions

 <p>has sold its Baierbronn Frischfaser Karton GmbH and Mayr-Melnhof Eerbeek B.V. virgin fiber cartonboard mills to</p>  <p>Sell-Side</p> 	<p>ANDLINGER & COMPANY</p> <p>has sold</p> <p>ESKA</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 sold</p>  <p>INTERFLEX GROUP</p> <p>to</p> <p>TOPPAN</p> <p>Sell-Side</p> 	 <p>has been sold to</p>  <p>a portfolio company of</p>  <p>Sell-Side</p> 	<p>BLACKROCK</p> <p>has sold</p>  <p>to</p>  <p>Sell-Side</p> 
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Selected M&A Transactions

(\$ in millions)

Date	Status	Target Company	Acquiring Company
Jan-22	Announced	Paradigm Label	Brook & Whittle Limited (TruArc Partners)
Jan-22	Announced	Paccor Packaging (Lindsay Goldberg)	Faerch Group
Nov-21	Announced	Carolex SAS (Epsotech)	Pacur (Gryphon Investors)
Jan-22	Closed	Clear View Packaging	Summit Plastics (Longuevue Capital)
Jan-22	Closed	Limo Labels	All4Labels Global Packaging Group (Triton Partners)
Jan-22	Closed	Professional Image	Oliver Inc. (Pfungsten Partners)
Jan-22	Closed	CHB Industries	NGS Films and Graphics (Turning Basin Capital)
Jan-22	Closed	Rhino Containers	Nowvia Group (Kelso)
Jan-22	Closed	Digital Printing Concepts	I.D. Images (Sole Source Capital)
Dec-21	Closed	Pelican Products (Behrman Capital)	Platinum Equity
Dec-21	Closed	Omega Packaging	Comar (Morgan Stanley Capital Partners)
Dec-21	Closed	Paragon Films (Wellspring Capital)	Rhône Group
Dec-21	Closed	Ball Metalpack	Sonoco Products Company
Dec-21	Closed	Prairie State Group	ProAmpac (Pritzker Group Private Capital)
Dec-21	Closed	Omega Packaging	Comar (Morgan Stanley Capital Partners)
Dec-21	Closed	Brook & Whittle (TruArc Partners)	Genstar Capital
Dec-21	Closed	Grupo Edid	Pretium Packaging (Clearlake Capital Group)
Dec-21	Closed	Box Partners	Charlesbank Capital Partners
Dec-21	Closed	Rayven	Duraco Specialty Tapes (OpenGate Capital)
Dec-21	Closed	Packaging Concepts + Design	The Specialized Packaging Group (Altamont Capital Partners)
Dec-21	Closed	3 Sigma Corporation (Brixey & Meyer Capital)	Duraco Specialty Tapes (OpenGate Capital)
Nov-21	Closed	Print Manufacturing Facility of ASG Worldwide	GPA Global (EQT Partners)
Nov-21	Closed	Labelprint24 / Packaging Warehouse	All4Labels Global Packaging Group (Triton Partners)
Nov-21	Closed	Fabricated Packing Materials	Foam Holdings (Wynnchurch Capital)
Nov-21	Closed	r-pac International	American Securities
Nov-21	Closed	Steven Label	Goldner Hawn
Nov-21	Closed	Custom Printed Products	Frankston Packaging
Nov-21	Closed	Irish Flexible Packaging / Fispak (LFP Investments)	ProAmpac (Pritzker Group Private Capital)
Nov-21	Closed	Fort Dearborn Company (Advent International)	Clayton, Dubilier & Rice
Nov-21	Closed	H.S.Crocker Company	Transcontinental

Selected M&A Transactions

(\$ in millions)

Date	Status	Target Company	Acquiring Company
Nov-21	Closed	Luminer Converting Group	Premium Label & Packaging Solutions (Dunes Point Capital)
Nov-21	Closed	Multi-Color Corporation (Platinum Equity)	Clayton, Dubilier & Rice
Oct-21	Closed	Reflex Packaging	Nefab
Oct-21	Closed	Fabri-Kal	Pactiv Evergreen
Oct-21	Closed	Preferred Packaging	C-P Flexible Packaging (First Atlantic Capital)
Oct-21	Closed	GEM Plastics	SchÜTz Gmbh & Co.
Oct-21	Closed	Pharma Packaging Solutions	Tjoapack (Ampersand Capital Partners)
Oct-21	Closed	Fortis Solutions Group (Main Post Partners)	Harvest Partners
Oct-21	Closed	Quality Tape & Label Co.	Fortis Solutions Group (Main Post Partners)
Oct-21	Closed	Plymouth Foam	Altor Solutions (Compass Diversified)
Oct-21	Closed	JS Ag Packaging	Calpine Containers (Rainier Partners)
Oct-21	Closed	PPC Flexible Packaging (Morgan Stanley Capital Partners)	GTCR



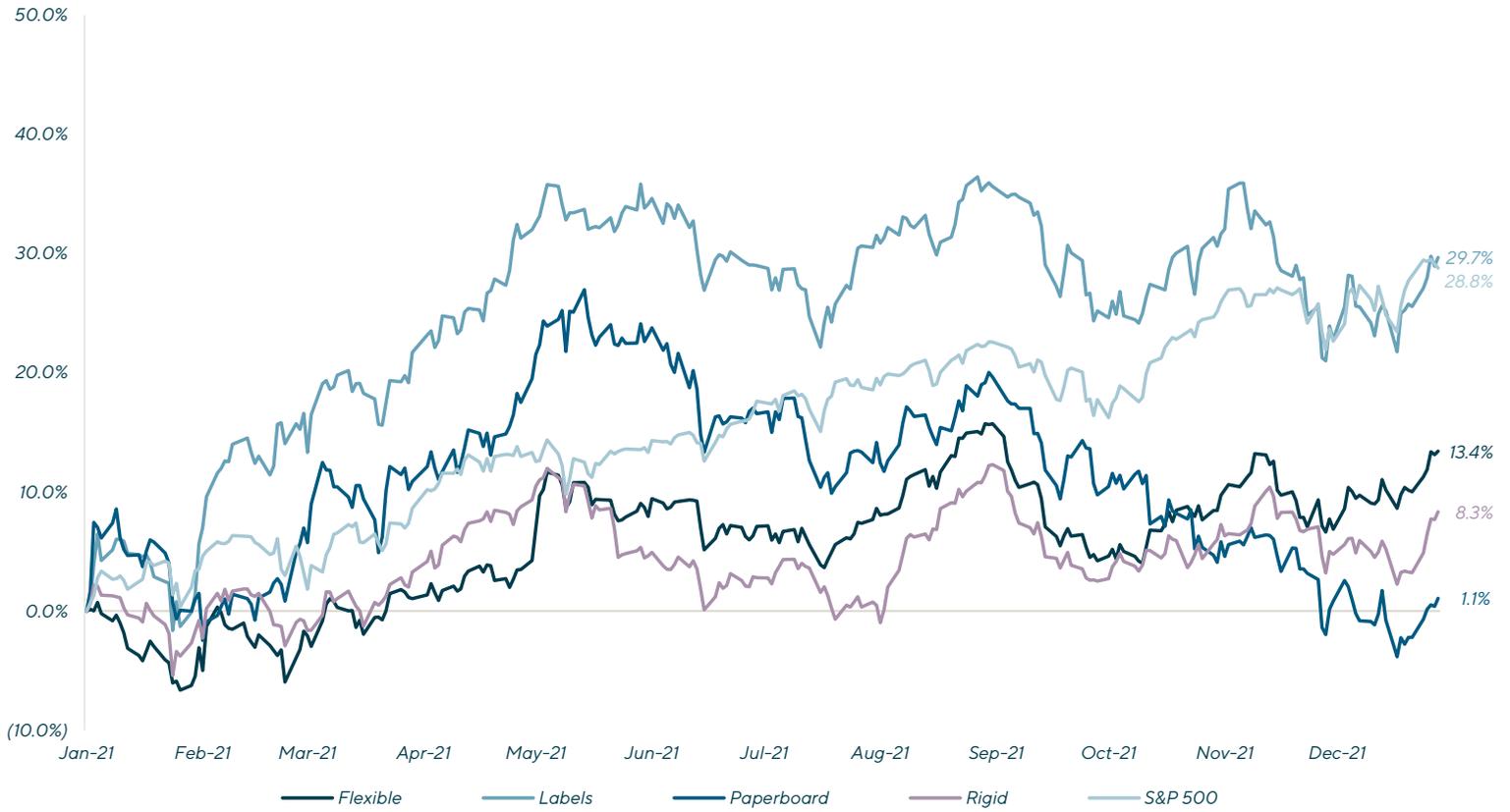
Public Companies Operating Statistics and Valuation Parameters

(\$ in millions)

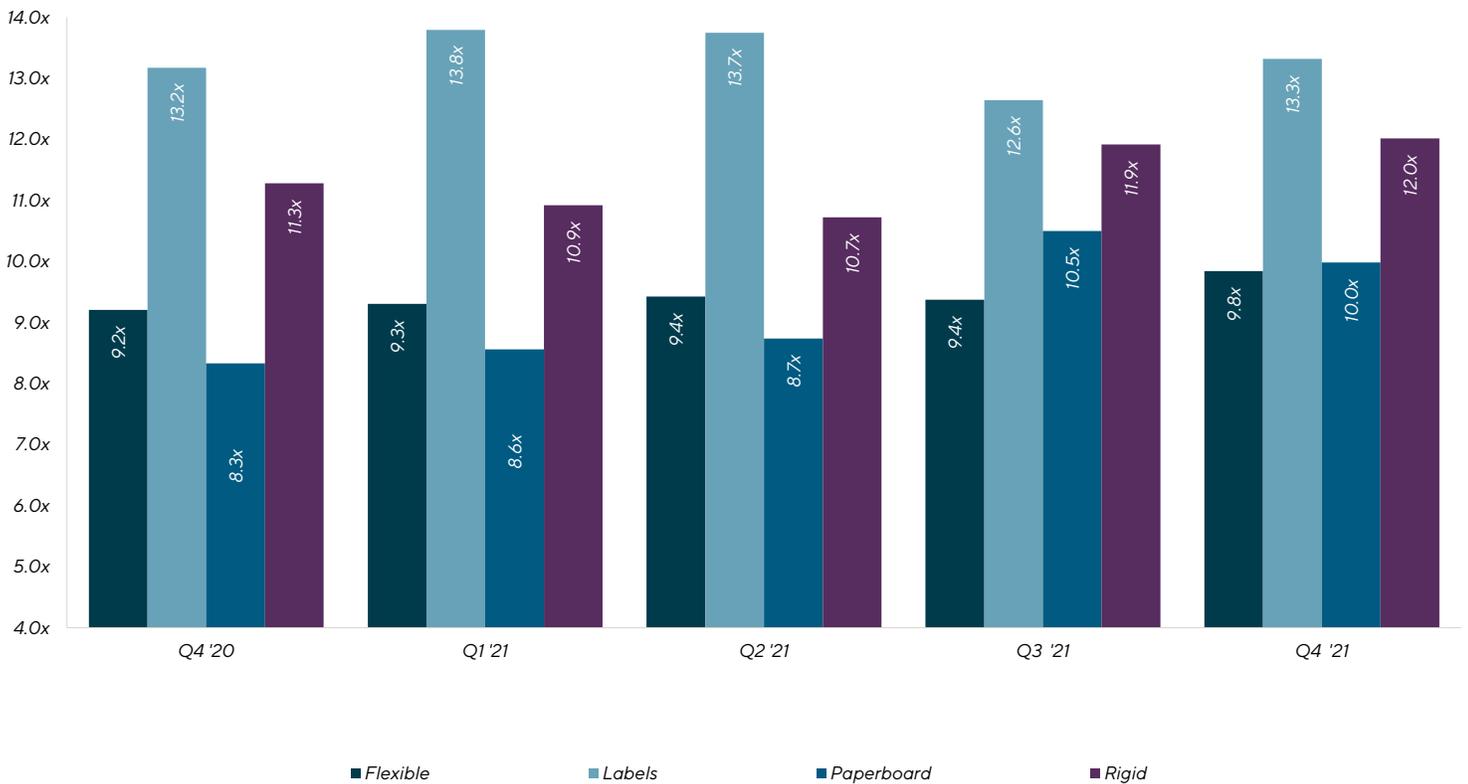
Company Name	Stock Price	% of 52 Week High	Market Cap	Enterprise Value	LTM		YOY Revenue Growth	EBITDA Margin	Enterprise Value / LTM	
					Revenue	EBITDA			Revenue	EBITDA
Flexible										
Amcors plc	\$12.01	92.3%	\$18,211	\$24,700	\$13,184	\$2,057	5.6%	15.6%	1.9x	11.2x
Berry Global Group, Inc.	73.78	99.0%	10,005	19,407	\$13,850	2,215	18.3%	16.0%	1.4x	8.2x
Huhtamäki Oyj	44.03	84.7%	4,616	6,304	3,388	431	2.6%	12.7%	1.6x	12.0x
Sealed Air Corporation	67.47	99.2%	9,996	13,477	5,343	1,009	9.0%	18.9%	2.5x	12.8x
Transcontinental Inc.	16.05	76.8%	1,400	2,122	2,643	429	2.7%	16.2%	1.0x	5.9x
Winpak Ltd.	29.37	81.5%	1,909	1,605	935	180	9.7%	19.3%	1.7x	8.8x
Mean		88.9%					8.0%	16.5%	1.7x	9.8x
Median		88.5%					7.3%	16.1%	1.7x	10.0x
Labels										
Avery Dennison Corporation	\$216.57	94.5%	\$17,931	\$20,908	\$8,216	\$1,290	21.7%	15.7%	2.5x	15.5x
Brady Corporation	53.90	87.3%	2,794	2,744	1,189	198	11.0%	16.6%	2.3x	13.1x
CCL Industries Inc.	53.60	90.2%	9,643	10,629	5,595	1,134	6.7%	20.3%	2.4x	11.4x
Mean		90.7%					13.1%	17.5%	2.4x	13.3x
Median		90.2%					11.0%	16.6%	2.4x	13.1x
Paperboard										
Cascades Inc.	\$11.04	75.6%	\$1,113	\$2,665	\$5,010	\$537	(2.9%)	10.7%	0.7x	5.6x
DS Smith Plc	5.20	82.4%	7,135	9,418	6,449	737	12.3%	11.4%	1.1x	8.5x
Graphic Packaging Holding Company	19.50	90.4%	5,988	10,077	6,820	1,023	4.0%	15.0%	1.5x	9.0x
International Paper Company	46.98	72.0%	18,194	24,956	19,363	2,911	(5.9%)	15.0%	1.1x	6.6x
Mondi plc	24.73	87.5%	11,989	14,772	6,838	1,295	2.6%	18.9%	1.9x	9.6x
Packaging Corporation of America	136.15	87.0%	12,842	14,415	7,730	1,671	16.1%	21.6%	1.9x	8.7x
Sonoco Products Company	57.89	82.9%	5,692	7,293	5,528	203	5.5%	3.7%	1.3x	25.5x
WestRock Company	44.36	71.5%	11,671	20,311	18,746	2,898	6.8%	15.5%	1.1x	6.3x
Mean		81.2%					4.8%	14.0%	1.3x	10.0x
Median		82.6%					4.8%	15.0%	1.2x	8.6x
Rigid										
Amcors plc	\$12.01	92.3%	\$18,211	\$24,700	\$13,184	\$2,057	5.6%	15.6%	1.9x	11.2x
AptarGroup, Inc.	122.48	77.0%	8,063	9,145	3,163	605	8.0%	19.1%	2.9x	14.3x
Ball Corporation	96.27	98.1%	31,181	38,721	13,811	2,133	17.2%	15.4%	2.9x	17.8x
Berry Global Group, Inc.	73.78	99.0%	10,005	19,407	13,850	2,215	18.3%	16.0%	1.4x	8.2x
Crown Holdings, Inc.	110.62	96.6%	13,943	20,297	12,983	2,071	12.2%	16.0%	1.6x	9.5x
Greif, Inc.	60.37	83.8%	2,919	5,398	5,556	762	23.1%	13.7%	1.0x	6.5x
O-I Glass, Inc.	12.03	61.8%	1,887	6,299	6,266	981	2.9%	15.7%	1.0x	5.7x
Silgan Holdings Inc.	42.84	96.2%	4,730	8,585	5,677	847	15.3%	14.9%	1.6x	9.5x
Sonoco Products Company	57.89	82.9%	5,692	7,293	5,528	203	5.5%	3.7%	1.3x	25.5x
Mean		87.5%					12.0%	14.5%	1.7x	12.0x
Median		92.3%					12.2%	15.6%	1.6x	9.5x

Source: Bloomberg, Capital IQ and company filings, as of December 31, 2021

Last Twelve Months (LTM) Relative Stock Price Performance



Historical Enterprise Value / EBITDA Valuation Performance



Source: Bloomberg, Capital IQ and company filings, as of December 31, 2021



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