

PACKAGING

# Quarterly Review

Q2 2023



## KEY TOPICS

- Market Intelligence
- Packaging Insights
- Recent Lincoln International Transactions
- Select M&A Transactions
- Public Companies Operating Statistics and Valuation Parameters
- Global Packaging Valuations by Subsector

# Market Intelligence

Q2 2023 showed early signs of sentiment shift across the merger and acquisitions (M&A) market, with key voices across the industry expressing optimism for the second half of this year. While Q1 M&A activity remained stagnant at lower levels given economic uncertainty, political uncertainty and compressed multiples, pressure is now mounting on M&A backlogs alongside an excess of capital intended for acquisitions. Lender appetite, historically a gating item, is also just starting to re-gain momentum as lenders begin to offer more creative structuring solutions to meet the financing needs of “A+” or “need to have” assets in the market. Despite this, interest rates remain in flux – we expect rates to remain at current levels for the foreseeable future, which could keep some transaction activity at bay. That being said, the private credit markets remain open. With these factors in mind, we’re expecting to see a conservative pickup in M&A activity throughout the second half of 2023.

Q2 packaging M&A activity, across both private and public markets, is a testament to these trends. Large sponsor-backed strategic players executed several transactions this quarter, including Resource Label Group (Ares Management), AWT Labels & Packaging (Morgan Stanley Capital Partners), Prime Label Group (Innova Capital Group), PaperWorks (Gamut Capital Management), Voyant Beauty (Wind Point Partners) and Multi-Color Corporation (Clayton, Dubilier and Rice). Public strategics also completed notable transactions this quarter, with Berry Global Group (NYSE:BERY), CCL Industries (TSE:CCL A),

Greif Packaging (NYSE:GEF) and Mondi plc (LSE:MNDI) all making acquisitions. Financial sponsor activity mimicked these trends as Monomoy Capital Partners, Gembra Private Equity, Atena Equity Partners, Alto Partners and many others completed both add-on and platform acquisitions. Despite early signs of recovery in the M&A markets, public markets took a slight dip across the flexible, labels, paper and paperboard and rigid verticals, with the speciality packaging sector remaining consistent quarter over quarter. We remain cautiously optimistic as smaller, privately-owned tuck-in deals continue to be completed while selective platform investments in the packaging space remain attractive.

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## Packaging Insights

**Apr-23: Ardian North America**, is considering the sale of its flexible plastic packaging company, **Soteria Flexibles**

**Apr-23: Cobepa** is considering the sale of its bottle closure company, **Crealis**

**Apr-23: Sihl (Equistone)**, print-media specialist, is said to be coming to market in the near-term

**Apr-23: Orora (ASX:ORA)**, a packaging products and services company, is actively seeking U.S. acquisition opportunities

**Apr-23: Thermal label printing company, OMNI Systems**, is in pursuit of labeling acquisitions this year, with the intention of closing at least one transaction by 2024

**Apr-23: Clarus Films** has been re-financed by its majority owner, **PREMIUM Equity Partners**, with new co-investment from **Kapital 1852 (Bankhaus Lampe)**

**May-23: Transcend Packaging**, a sustainable packaging company, is in funding round talks with financial institutions with the goal of broadening its product portfolio

**May-23: Adhesive tapes manufacturer, Magis (BIT:MGS)**, is evaluating M&A targets to strengthen its core offering

**May-23: Triton** is preparing for the sale of its label maker and digital printing company, **All4Labels**

**May-23: Summit Packaging Platform (LongueVue Capital)** has appointed a new Chief Executive Officer, Joe Piccione

**Jun-23: Greif (NYSE:GEF)**, an industrial packaging products and services provider, has a strong pipeline of potential acquisitions and expects to make near-term acquisitions

**June-23: 3i Group (LIN:III)** is considering the sale of its packaging products portfolio company, **Weener Plastics**, with interest from **AptarGroup (NYSE:ATR)**, **Silgan Holdings (NYSE:SLGN)** and **BerryGlobal (NYSE:BERY)**

**Jun-23: Bxotalk Media**, a green packaging technology developer, is considering a capital raise

**Jun-23: J. Weck**, a glass container manufacturer, is expected to be acquired in the near-term

**Jun-23: The sale of Saverglass (Carlyle)** is advancing to the second round after receiving interest from **ICG (LON:ICP)**, **Apollo (NYSE:APO)**, **Lone Star Funds**, **One Rock Capital Partners** and **Towerbrook**

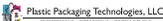
**Jun-23: BC Partners** is considering the sale of its plastics company, **Keter**, this year

**Jun-23: Greenbridge Packaging (Sterling Group)**, a manufacturer of polyester and polypropylene strapping products, is said to be in the midst of a sale process

**Jun-23: Drug Plastics**, a manufacturer of packaging and containers, is exploring a sale with interest from both strategic and financial buyers

**Jun-23: Constantia Flexibles (Wendel Group)** will collect final bids next week, with **Apollo**, **One Rock Capital Partners** and **Onex** expected to submit offers

# Recent Lincoln International Transactions

 has sold  to  a portfolio company of  Sell-Side 	 has sold  to Seedamm Packaging GmbH Sell-Side 	 has sold  to  Sell-Side 	 has sold  to  a portfolio company of  Sell-Side 	 has sold  to  Sell-Side 	 has sold  to  Sell-Side 
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## SELECT M&A TRANSACTIONS

Date	Status	Target Company	Acquiring Company
Jun-23	Announced	EK-Pack Folien	Oliver Healthcare (Berwind Corporation)
May-23	Announced	Spectrum Plastics Group (AEA Investors)	DuPont de Nemours (NYSE:DD)
May-23	Announced	First Impression Labels (Hirt and Carter Group)	All4Labels (Triton)
May-23	Announced	Thunder Bay Pulp and Paper Mill (NYSE:RFP)	Atlas Holdings
Jun-23	Closed	Pouch Partners (Capri-Sun Group)	CCL Industries (TSE:CCLA)
Jun-23	Closed	Pharmaceutic Litho and Label Company	Resource Label Group (Ares Management)
Jun-23	Closed	Springfield Solutions	All4Labels (Triton)
Jun-23	Closed	Drukpol Flexo	Constantia Flexibles (Wendel Group)
Jun-23	Closed	ASL Print FX (ASL)	AWT Labels & Packaging (Morgan Stanley Capital Partners)
Jun-23	Closed	Pro-Western	Berry Global Group (NYSE:BERY)
Jun-23	Closed	Japs-Olson	Monomoy Capital Partners
Jun-23	Closed	PEGWAN	Prime Label Group (Innova Capital Group)
Jun-23	Closed	JPF Netherlands Investment BV	Jindal Poly Films (BOM:500227)
Jun-23	Closed	GD Gotha Druck und Verpackung (Gotha Druck)	Walstead (Rutland Partners)
Jun-23	Closed	Bogart Division of OMNI Systems	Label Source
Jun-23	Closed	James Hamilton Group	Zeus Group
Jun-23	Closed	PolyFlex Products	Nefab
Jun-23	Closed	The Standard Group	PaperWorks (Gamut Capital Management)
Jun-23	Closed	Europak	Emballator
Jun-23	Closed	Mach Label	Tikedo (White Bridge Investments)
Jun-23	Closed	Creapint	CCL Industries (TSE:CCLA)
Jun-23	Closed	TQL Packaging Solutions	Resource Label Group (Ares Management)
Jun-23	Closed	Pulp Mill of West Fraser Timber (TSX:WFG)	Mondi plc (LSE:MNDI)

## SELECT M&A TRANSACTIONS (CONTINUED)

Date	Status	Target Company	Acquiring Company
Jun-23	Closed	Cima Paper	Zeus Group
May-23	Closed	Data Management	Avery Dennison Label (TSE:CCLA)
May-23	Closed	Gines Coll	Gembra Private Equity
May-23	Closed	Graf-Pak	Supremex (TSX:SXP)
May-23	Closed	Fiskeby International	Reno De Medici (NYSE:APO)
May-23	Closed	Assem-Pak Aluseal	DWK Life Sciences (One Equity Partners)
May-23	Closed	Plastrofa	Atena Equity Partners
May-23	Closed	Jade Road Design and Sourcing	Voyant Beauty (Wind Point Partners)
May-23	Closed	Standard Multiwall Bag Manufacturing	Gelpac (Namakor Holdings)
May-23	Closed	Strata-Tac	Duraco (Opengate Capital)
May-23	Closed	Label Supply	Mactac (Lintec)
May-23	Closed	Cartospe Packaging	SGCP / Capelia
May-23	Closed	Northern Container	Novvia (Kelso & Co.)
Apr-23	Closed	Nursery Supplies (Lincolnshire Management)	Mill Point Capital
Apr-23	Closed	Max International Converters	Iconex (Atlas Holdings)
Apr-23	Closed	Maxtick Products	Iconex (Atlas Holdings)
Apr-23	Closed	McAuliffe Paper	Iconex (Atlas Holdings)
Apr-23	Closed	ITW Labels	OMNI Systems
Apr-23	Closed	eAgile	CCL Industries (TSE:CCLA)
Apr-23	Closed	Alert Systems ApS	CCL Industries (TSE:CCLA)
Apr-23	Closed	Innovative Fiber	The Royal Group (Schwarz Partners)
Apr-23	Closed	GMT Graficos	The Autajon Group
Apr-23	Closed	Lászlópack	Constantia Flexibles (Wendel Group)
Apr-23	Closed	Korsini (Esas Holdings / Actera Group)	Multi-Color Corporation (Clayton, Dubilier and Rice)
Apr-23	Closed	Smilesys	Carton Pack (A&M Capital)
Apr-23	Closed	Midwest Container and Industrial Supply Company	Hub Plastics (Little Mountain Equity / Oxer Capital)
Apr-23	Closed	Centurion Containers	Greif Packaging (NYSE:GEF)
Apr-23	Closed	Hylte Paper Site of Stora Enso (HEL:STERV)	Sweden Timber (Amwood AB)
Apr-23	Closed	Transcend Packaging (SFC Capital)	ITOCHU (TYP:8001)
Apr-23	Closed	Lario Plast	Alto Partners
Apr-23	Closed	Remmicom Packaging / Rembrandt Verpakking (Aarschot)	Graphius Group

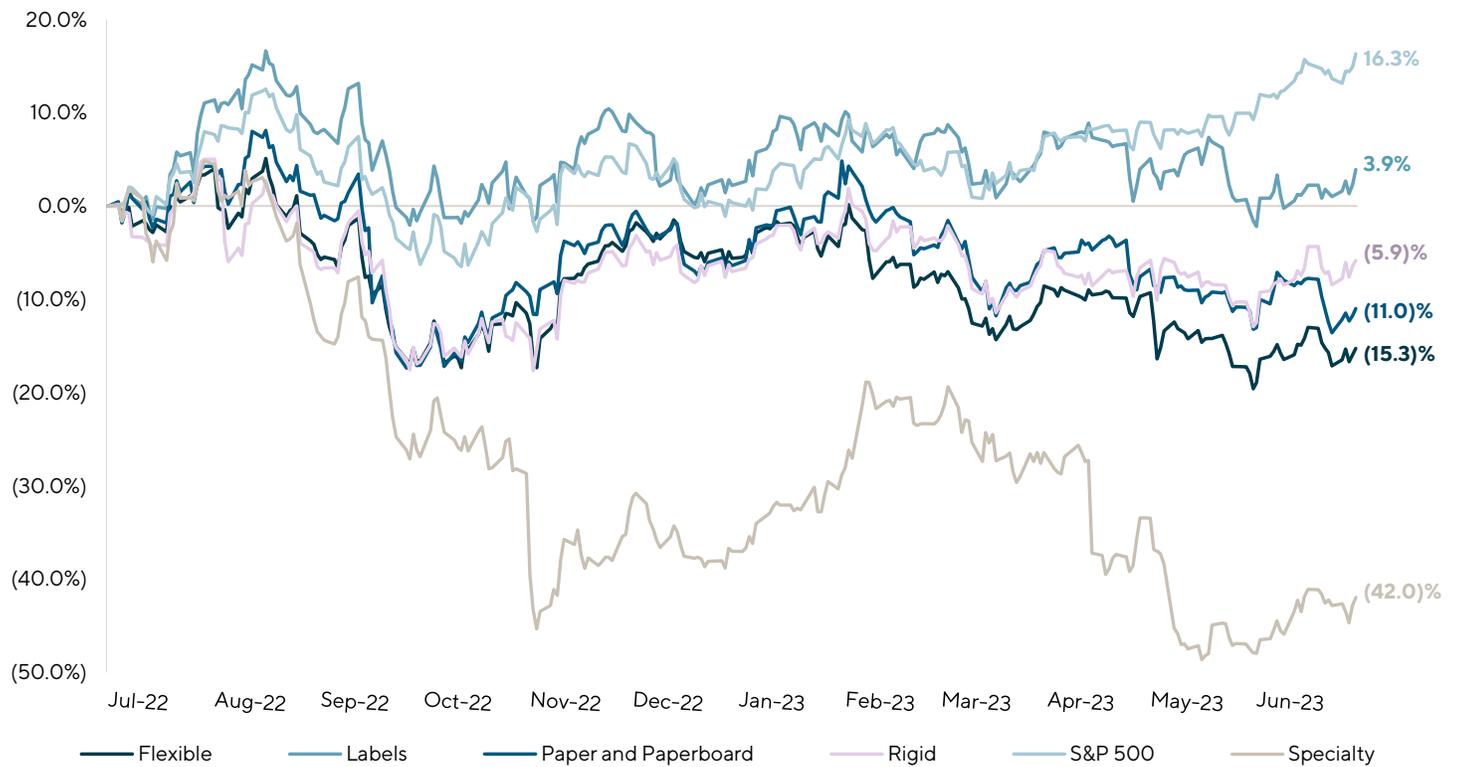
## PUBLIC COMPANIES OPERATING STATISTICS AND VALUATION PARAMETERS

(\$ in millions, except for stock price)

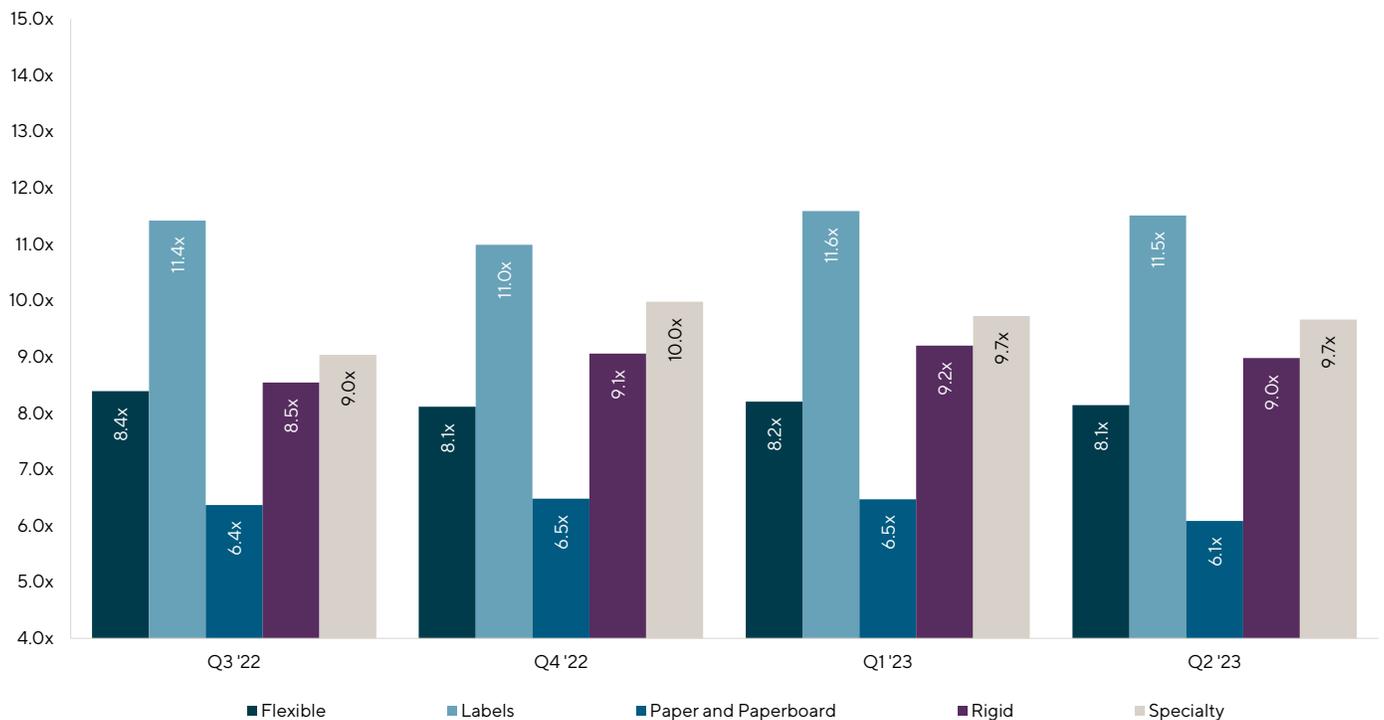
Company Name	Stock Price	% of 52 Week High	Market Cap	Enterprise Value	LTM		YoY Revenue Growth	EBITDA Margin	Enterprise Value / LTM	
					Revenue	EBITDA			Revenue	EBITDA
<b>Flexible</b>										
Amcors plc	\$9.89	78.1%	\$14,324	\$21,375	\$14,930	\$1,960	2.7%	13.1%	1.4x	10.1x
Berry Global Group, Inc.	64.34	97.2%	7,669	17,080	13,495	2,054	(8.1%)	15.2%	1.3x	8.3x
Huhtamäki Oyj	32.82	75.3%	3,431	5,112	4,381	521	7.0%	11.9%	1.0x	8.3x
Sealed Air Corporation	40.00	64.4%	5,775	10,388	5,573	1,065	(3.5%)	19.1%	1.9x	9.4x
Transcontinental Inc.	11.07	81.7%	953	1,855	3,004	404	7.2%	13.4%	0.8x	5.7x
Winpak Ltd.	31.12	85.6%	2,023	1,646	1,210	226	8.1%	18.7%	1.3x	7.1x
<b>Mean</b>		<b>80.4%</b>					<b>2.2%</b>	<b>15.3%</b>	<b>1.3x</b>	<b>8.1x</b>
<b>Median</b>		<b>79.9%</b>					<b>4.8%</b>	<b>14.3%</b>	<b>1.3x</b>	<b>8.3x</b>
<b>Labels</b>										
Avery Dennison Corporation	\$171.80	84.1%	\$13,869	\$17,042	\$8,755	\$1,271	0.6%	14.5%	1.9x	12.7x
CCL Industries Inc.	49.18	91.0%	8,729	9,926	6,513	1,210	6.5%	18.6%	2.0x	10.3x
<b>Mean</b>		<b>87.5%</b>					<b>3.5%</b>	<b>16.6%</b>	<b>2.0x</b>	<b>11.5x</b>
<b>Median</b>		<b>87.5%</b>					<b>3.5%</b>	<b>16.6%</b>	<b>2.0x</b>	<b>11.5x</b>
<b>Paper &amp; Paperboard</b>										
Cascades Inc.	\$8.83	95.1%	\$888	\$2,498	\$4,562	\$377	8.2%	8.3%	0.7x	7.2x
DS Smith Plc	3.45	73.6%	4,754	6,883	8,221	1,081	21.1%	13.1%	0.7x	4.6x
Graphic Packaging Holding Company	24.03	87.2%	7,381	12,790	9,633	1,733	15.0%	18.0%	1.3x	6.9x
International Paper Company	31.81	70.4%	11,040	16,671	20,944	2,864	1.5%	13.7%	0.8x	5.3x
Mondi plc	15.24	69.7%	7,390	9,040	8,902	1,655	(0.5%)	18.6%	0.9x	4.8x
Packaging Corporation of America	132.16	90.4%	11,774	14,038	8,318	1,866	(1.2%)	22.4%	1.7x	7.0x
Sonoco Products Company	59.02	89.5%	5,781	9,040	7,209	1,059	20.0%	14.7%	1.3x	7.8x
WestRock Company	29.07	67.0%	7,446	17,318	21,123	3,152	0.9%	14.9%	0.8x	4.9x
<b>Mean</b>		<b>80.4%</b>					<b>8.1%</b>	<b>15.5%</b>	<b>1.0x</b>	<b>6.1x</b>
<b>Median</b>		<b>80.4%</b>					<b>4.9%</b>	<b>14.8%</b>	<b>0.9x</b>	<b>6.1x</b>
<b>Rigid</b>										
Amcors plc	\$9.89	78.1%	\$14,324	\$21,375	\$14,930	\$1,960	2.7%	13.1%	1.4x	10.1x
Aptar Group, Inc.	115.86	94.6%	7,591	8,721	3,337	610	0.3%	18.3%	2.6x	13.5x
Berry Global Group, Inc.	64.34	97.2%	7,669	17,080	13,495	2,054	(8.1%)	15.2%	1.3x	8.3x
Crown Holdings, Inc.	86.87	84.6%	10,351	17,964	12,755	1,670	0.9%	13.1%	1.4x	10.2x
O-I Glass, Inc.	21.33	90.7%	3,312	7,599	6,995	1,159	5.0%	16.6%	1.1x	5.7x
Silgan Holdings Inc.	46.89	84.6%	5,170	8,824	6,388	952	5.1%	14.9%	1.4x	8.5x
Sonoco Products Company	59.02	89.5%	5,781	9,040	7,209	1,059	20.0%	14.7%	1.3x	7.8x
<b>Mean</b>		<b>88.5%</b>					<b>3.7%</b>	<b>15.1%</b>	<b>1.5x</b>	<b>9.2x</b>
<b>Median</b>		<b>89.5%</b>					<b>2.7%</b>	<b>14.9%</b>	<b>1.4x</b>	<b>8.5x</b>
<b>Specialty</b>										
Ranpak Holdings Corp.	\$4.52	54.9%	\$372	\$726	\$325	\$59	(13.4%)	18.0%	2.2x	11.6x
Macfarlane Group PLC	1.37	89.3%	216	264	290	27	3.2%	9.2%	0.7x	6.1x
Catalent, Inc.	43.36	37.6%	7,817	12,425	4,495	850	(6.4%)	18.9%	2.8x	13.9x
Krones AG	121.29	92.4%	3,832	3,246	4,465	405	13.1%	9.1%	0.7x	7.3x
Sealed Air Corporation	40.00	64.4%	5,775	10,388	5,573	1,065	(3.5%)	19.1%	1.9x	9.4x
<b>Mean</b>		<b>67.7%</b>					<b>(1.4%)</b>	<b>14.9%</b>	<b>1.6x</b>	<b>9.7x</b>
<b>Median</b>		<b>64.4%</b>					<b>(3.5%)</b>	<b>18.0%</b>	<b>1.9x</b>	<b>9.4x</b>

Source: Bloomberg, Capital IQ and company filings, as of June 30, 2023

## LAST TWELVE MONTHS (LTM) RELATIVE STOCK PRICE PERFORMANCE



## HISTORICAL ENTERPRISE VALUE / EBITDA VALUATION PERFORMANCE



Source: Bloomberg, Capital IQ and company filings, as of June 30, 2023

## About Lincoln International

We are trusted investment banking advisors to business owners and senior executives of leading private equity firms and their portfolio companies and to public and privately held companies around the world. Our services include mergers and acquisitions advisory, private funds and capital markets advisory, and valuations and fairness opinions. As one tightly integrated team of more than 850 employees in more than 20 offices in 15 countries, we offer an unobstructed perspective on the global private capital markets, 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](http://www.lincolninternational.com).

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Mergers & Acquisitions  
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Private Funds Advisory  
Valuations & Opinions



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