



Packaging | Q1 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

Packaging Insights

The mergers and acquisitions (M&A) market started 2021 with significant activity, continuing the growing momentum we have seen since a market trough in Q2 2020. According to S&P Global, there were approximately 13,500 transactions announced globally during Q1 2021. While slightly lower than the recent peak in Q4 2020 (approximately 14,000 transactions), that figure is nearly 20% higher than the number of transactions announced in Q1 2020. 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 U.S. and European markets. During Q1 2021, private equity-backed packaging companies were particularly active acquirers. Companies,

including ProAmpac (Pritzker Private Capital and GIC), Oliver Inc. (Pfungsten Partners), Multi-Color Corporation (Platinum Equity), Schur Flexibles (Lindsay Goldberg), Fort Dearborn Company (Advent International), Charter Next Generation (Leonard Green & Partners and Oak Hill Capital Partners) and Premium Label & Packaging Solutions (Dunes Point Capital), 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 Q1 2021, the labels (13.8x EV/EBITDA), paperboard (8.6x) and rigid (10.9x) packaging sectors have all reached or exceeded pre-COVID-19 valuations, while the flexible (9.3x) packaging sector remains slightly below its Q4 2019 high of 11.0x. Overall, we remain optimistic the packaging M&A market will continue to remain strong in 2021 with quality assets trading at premium valuations.

Recent Lincoln International Transactions

 **BOCCHI**
Laboratories

has been sold to



a portfolio company of



Sell-Side



BLACKROCK[®]

has sold



to



Sell-Side



enoflex

a portfolio company of



has acquired



Buy-Side





has sold

accupac

to



Sell-Side





has sold
the PVA packaging division
of



to



a portfolio company of



Sell-Side





has sold



to



Sell-Side



Market Intelligence

Mar-21: **AR Packaging (CVC Capital)**, a manufacturer of films, trays and other packaging products, is said to be collecting indicative offers as part of its renewed sale efforts

Mar-21: **Huhtamaki (HEL:HUH1V)**, a manufacturer of food packaging products, is believed to be exploring potential interest from a larger international packaging company

Mar-21: **DS Smith (LON:SMDS)**, a provider of corrugated packaging solutions, is said to have been approached by several private equity groups and other packaging competitors

Mar-21: **Schur Flexibles (Lindsay Goldberg)**, a manufacturer of flexible packaging products, is believed to be kicking off renewed efforts for a potential sale

Mar-21: **Crown Holdings (NYSE:CCK)** is said to be moving ahead with the sale process to divest its European food cans division with interest from strategics and private equity

Mar-21: **Huhtamaki (HEL:HUH1V)**, a manufacturer of food packaging products, and global private equity investor **Warburg**

Pincus are said to be the final investors pursuing **Parksons Packaging**, a folding cartons manufacturer

Feb-21: After being acquired by **Astara Capital, Garlock Printing & Converting**, a flexographic printer and converter, is seeking flexible packaging acquisitions within the U.S. and Canada

Feb-21: **Coveris (Sun Capital Partners)**, a manufacturer of flexible and sustainable packaging solutions, is said to be kicking off a sale process to divest its Labels & Board business

Feb-21: **Charter Next Generation**, a specialty packaging manufacturer, is exploring a potential sale process

Jan-21: **Knowlton Development (Cornell Capital)**, a manufacturer of packaging products for the beauty industry, is said to be preparing for a potential initial public offering (IPO)

Jan-21: **Fort Dearborn Company (Advent International)**, a manufacturer of high-impact decorative labels, is said to have begun exploring a potential sale process

Selected M&A Transactions

(\$ in millions)

Date	Status	Target Company	Acquiring Company	Enterprise Value	EV / LTM Revenue	EV / LTM EBITDA
Apr-21	Announced	US Display and Packaging Division of Sonoco	Hood Container	\$80.0	0.6x	n/a
Mar-21	Announced	R.D.M. La Rochette	Mutares	n/a	n/a	n/a
Mar-21	Announced	PacsOn Sverige	OptiGroup	n/a	n/a	n/a
Mar-21	Announced	Altium Packaging (Loews Corporation)	GIC	\$2,000.0	n/a	n/a
Feb-21	Announced	Logoplaste (Carlyle)	Ontario Teachers' Pension Plan Board	n/a	n/a	n/a
Feb-21	Announced	Omni-Pac	Latour Capital Management	n/a	n/a	n/a
Feb-21	Announced	Poland Paper Products Division of International Paper	Mayr-Melnhof Karton	\$703.0	1.4x	7.6x
Jan-21	Announced	Longhorn Glass Facility of Anheuser-Busch	Ardagh Group	n/a	n/a	n/a
Jan-21	Announced	Georgia-Pacific Mt. Holly	Glatfelter	\$175.0	1.8x	8.8x
Jan-21	Announced	DOMO Film Solutions	JPF Netherlands	n/a	n/a	n/a
Apr-21	Closed	Boutwell Packaging	Oliver Inc. (Pfungsten Partners and Dunsirn Partners)	n/a	n/a	n/a
Apr-21	Closed	Sidac (Orienta Partners)	Schur Flexibles (Lindsay Goldberg)	n/a	n/a	n/a
Apr-21	Closed	Cornelli Brand Packaging	Grifal	\$1.3	n/a	n/a
Mar-21	Closed	Label Graphics Manufacturing	Premium Label & Packaging Solutions (Dunes Point Capital)	n/a	n/a	n/a
Mar-21	Closed	Herrods	Multi-Color Corporation (Platinum Equity)	n/a	n/a	n/a
Mar-21	Closed	IG Industries and Brayford Plastics	ProAmpac (Pritzker Private Capital and GIC)	n/a	n/a	n/a
Mar-21	Closed	Amerplast (Lonsdale Capital Partners)	Hanmere Polythene	n/a	n/a	n/a
Mar-21	Closed	Rohrer (ShoreView Industries)	Wellspring Capital Management	n/a	n/a	n/a
Mar-21	Closed	Roda Packaging	TricorBraun (Ares and Ontario Teachers' Pension Plan)	n/a	n/a	n/a
Mar-21	Closed	SORTERA Skandinavien	Nordic Capital	n/a	n/a	n/a
Mar-21	Closed	TricorBraun (AEA Investors)	Ares and Ontario Teachers' Pension Plan	n/a	n/a	n/a
Mar-21	Closed	Initial Packaging Solutions	Coveris (Sun Capital Partners)	n/a	n/a	n/a
Mar-21	Closed	Roma International	Berlin 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
Mar-21	Closed	Global Release Liners (Magnum Capital)	Neenah	\$205.0	2.1x	n/a
Mar-21	Closed	Filmquest Group	Duraco Specialty Tapes (OpenGate Capital)	n/a	n/a	n/a
Mar-21	Closed	JDC Solutions	Avery Dennison	\$24.0	0.8x	n/a
Mar-21	Closed	Hammer Packaging Corporation	Fort Dearborn Company (Advent International)	n/a	n/a	n/a
Mar-21	Closed	GWP Group	Macfarlane Group	\$15.1	1.1x	7.2x
Mar-21	Closed	Roplast Industries	PreZero US	n/a	n/a	n/a
Feb-21	Closed	SwissPrimePack	Santis Packaging	n/a	n/a	n/a
Feb-21	Closed	Poligal Global Services	Oben Holding Group	n/a	n/a	n/a
Feb-21	Closed	Sparflex	Enoplastic	n/a	n/a	n/a
Feb-21	Closed	Overnight Labels	Premium Label & Packaging Solutions (Dunes Point Capital)	n/a	n/a	n/a
Feb-21	Closed	All Packaging Company	Mill Rock Packaging Partners	n/a	n/a	n/a
Feb-21	Closed	Sodis-Uhart	Berlin Packaging	n/a	n/a	n/a
Feb-21	Closed	CarePack Holland	Bark Packaging Group (Quadrum Capital)	n/a	n/a	n/a
Feb-21	Closed	Schela Plast	Robinson	\$64.8	0.9x	4.8x
Feb-21	Closed	AMB Packaging	Peak Rock Capital	n/a	n/a	n/a
Feb-21	Closed	Heathpak	SOLIDUS SOLUTIONS Holding	n/a	n/a	n/a
Jan-21	Closed	Berkley MF	International Paper Company	n/a	n/a	n/a
Jan-21	Closed	Flight Plastics	Pact Group	n/a	n/a	n/a
Jan-21	Closed	LPF Flexible Packaging (Clondalkin Group)	SÜDPACK Verpackungen	n/a	n/a	n/a
Jan-21	Closed	Flexible Packaging Division of Garlock Printing & Converting	Astara Capital Partners	n/a	n/a	n/a
Jan-21	Closed	Timber Creek Resource	FCA (Delos Capital)	n/a	n/a	n/a
Jan-21	Closed	Summit Plastics	LongueVue Capital	n/a	n/a	n/a
Jan-21	Closed	Verpackungstechnik Frielinghaus	MIB Industriebeteiligungen	n/a	n/a	n/a
Jan-21	Closed	Allard Emballages	Rafael Hinojosa	n/a	n/a	n/a
Jan-21	Closed	Tech li	IPL Plastics	n/a	n/a	n/a
Jan-21	Closed	Firstan Holdings	ÅR Packaging Group	n/a	n/a	n/a
Jan-21	Closed	Ecologic Brands	Jabil Packaging Solutions	n/a	n/a	n/a
Jan-21	Closed	BioBag International	Novamont	n/a	n/a	n/a
Jan-21	Closed	Rapid Action Packaging	ProAmpac (Pritzker Private Capital and GIC)	n/a	n/a	n/a
Jan-21	Closed	SAS SOPANO	NCI SAS	n/a	n/a	n/a
Jan-21	Closed	Envoy Packaging	Morrison Industries	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	Insulation Corporation of America	Wynnchurch Capital	n/a	n/a	n/a
Jan-21	Closed	Signature Flexible Packaging and Action 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
Jan-21	Closed	Lacerta Group	SK Capital Partners	n/a	n/a	n/a
Jan-21	Closed	Frontier Packaging	Gen Cap	n/a	n/a	n/a

Public Companies Operating Statistics and Valuation Parameters

(\$ in millions)

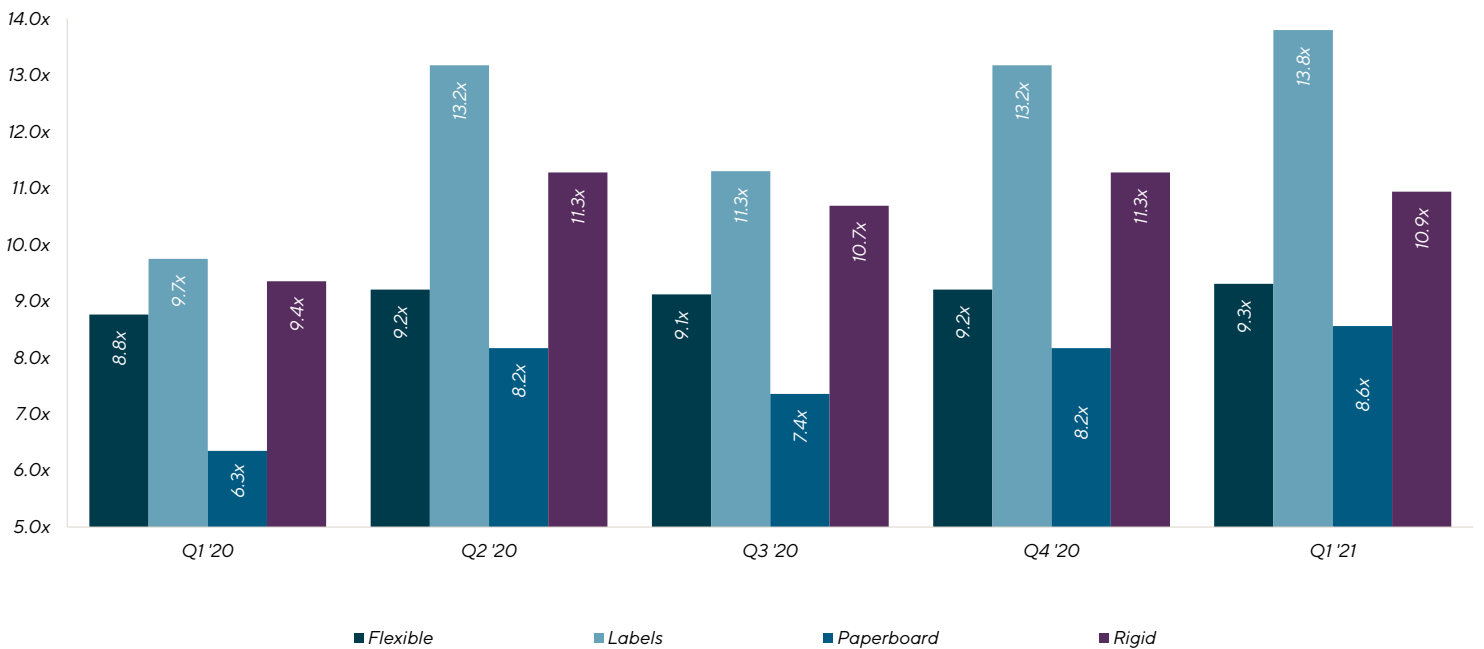
Company Name	Stock Price	% of 52 Week High	Market Cap	Enterprise Value	LTM		YOY Revenue Growth	EBITDA Margin	Enterprise Value / LTM	
					Revenue	EBITDA			Revenue	EBITDA
Flexible										
Amcor plc	\$11.71	93.3%	\$18,074	\$24,221	\$12,484	\$1,944	4.7%	15.6%	2.0x	11.9x
Berry Global Group, Inc.	61.40	97.1%	8,228	18,757	\$12,029	2,204	11.9%	18.3%	1.6x	8.0x
Huhtamäki Oyj	45.26	82.7%	4,723	5,847	3,302	449	(4.1%)	13.6%	1.5x	10.4x
Sealed Air Corporation	45.82	95.7%	7,098	10,388	4,903	975	1.0%	19.9%	2.1x	10.2x
Transcontinental Inc.	17.59	89.5%	1,529	2,239	2,491	464	(16.8%)	18.6%	1.1x	5.8x
Winpak Ltd.	35.83	85.6%	2,329	1,871	852	192	(1.3%)	22.5%	2.1x	9.5x
Mean		90.6%					(0.7%)	18.1%	1.7x	9.3x
Median		91.4%					(0.1%)	18.5%	1.8x	9.9x
Labels										
Avery Dennison Corporation	\$183.65	98.3%	\$15,247	\$17,275	\$6,972	\$1,050	(1.2%)	15.1%	2.5x	15.6x
Brady Corporation	53.45	92.4%	2,781	2,547	1,061	172	(7.7%)	16.3%	2.4x	13.5x
CCL Industries Inc.	55.27	96.7%	9,909	11,014	5,242	1,076	(0.8%)	20.5%	2.6x	12.3x
Mean		95.8%					(3.2%)	17.3%	2.5x	13.8x
Median		96.7%					(1.2%)	16.3%	2.5x	13.5x
Paperboard										
Cascades Inc.	\$12.51	85.1%	\$1,279	\$2,778	\$5,157	\$615	1.5%	11.9%	0.7x	5.2x
DS Smith Plc	5.62	93.5%	7,705	10,629	5,744	769	(6.8%)	13.4%	1.3x	9.1x
Graphic Packaging Holding Company	18.16	97.4%	4,862	8,961	6,560	913	4.9%	13.9%	1.4x	8.9x
International Paper Company	54.07	94.9%	21,241	29,216	20,580	2,979	(6.8%)	14.5%	1.4x	8.8x
Mondi plc	25.49	96.3%	12,358	15,043	6,663	1,320	(6.3%)	19.8%	1.8x	9.1x
Packaging Corporation of America	134.48	90.8%	12,685	14,300	6,658	1,245	(4.1%)	18.7%	2.1x	10.6x
Sonoco Products Company	63.30	97.7%	6,368	7,828	5,237	748	(1.7%)	14.3%	1.5x	9.2x
WestRock Company	52.05	95.6%	13,716	23,190	17,557	2,732	(3.6%)	15.6%	1.3x	7.6x
Mean		93.9%					(2.8%)	15.3%	1.4x	8.6x
Median		95.3%					(3.8%)	14.4%	1.4x	9.0x
Rigid										
Amcor plc	\$11.71	93.3%	\$18,074	\$24,221	\$12,484	\$1,944	4.7%	15.6%	2.0x	11.9x
AptarGroup, Inc.	141.67	97.1%	9,352	10,296	2,929	590	3.3%	20.2%	3.5x	16.5x
Ball Corporation	84.74	82.5%	27,800	34,591	11,781	1,933	2.7%	16.4%	2.9x	17.2x
Berry Global Group, Inc.	61.40	97.1%	8,228	18,757	12,029	2,204	11.9%	18.3%	1.6x	8.0x
Crown Holdings, Inc.	97.04	95.2%	12,915	20,592	11,575	1,725	(0.8%)	14.9%	1.8x	11.5x
Greif, Inc.	57.00	92.7%	2,772	5,595	4,549	628	(5.4%)	13.8%	1.2x	7.7x
O-I Glass, Inc.	14.74	97.7%	2,327	7,148	6,091	866	(7.9%)	14.2%	1.2x	7.3x
Silgan Holdings Inc.	42.03	96.2%	4,626	7,683	4,922	770	9.5%	15.6%	1.6x	9.0x
Sonoco Products Company	63.30	97.7%	6,368	7,828	5,237	748	(1.7%)	14.3%	1.5x	9.2x
Mean		94.4%					1.8%	15.9%	1.9x	10.9x
Median		96.2%					2.7%	15.6%	1.6x	9.2x

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

LTM Relative Stock Price Performance



Historical Enterprise Value / EBITDA Valuation Performance



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



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