

CONSUMER END MARKET GROWTH DRIVES HEIGHTENED PACKAGING M&A ACTIVITY

PACKAGING INDUSTRY UPDATE | OCTOBER 2021



**CAPSTONE
PARTNERS**

TABLE OF CONTENTS

Key Industry Takeaways	4
Leading Packaging Companies Capture Revenue Gains	5
Sustainability Top of Mind, M&A Surges in Growing End Markets	6
Consolidation Activity Continues to Proliferate	7
Active Buyer Spotlight: B2B Industrial Packaging	8
Notable Transactions	9
Select Transactions	10
Buyer Universe	12
Public Company Data	13
Report Contributors	14
Firm Track Record	15
Endnotes	16



Contact Our Packaging Industry Experts



David Bench
Managing Director
949-734-7888
dbench@capstonepartners.com



Tracy Patch
Director
949-220-0540
tpatch@capstonepartners.com

Capstone Partners is one of the largest and most active independently-owned investment banking firms in the United States. Over the past 20 years, thousands of business owners, investors, and creditors have trusted us to help guide their strategic decisions and maximize financial outcomes at every stage of the corporate lifecycle.

MIDDLE
MARKET
FOCUS

FULL
SERVICE
CAPABILITIES

SUPERIOR
CLIENT
RESULTS

TOP
RANKED
PERFORMANCE

ESTABLISHED
BRAND
REPUTATION

A DIFFERENT KIND OF FIRM. BUILT FOR THE MIDDLE MARKET.

Mergers & Acquisitions

- Sell-side Advisory
- Buy-side Advisory
- Recapitalizations
- Mergers & Joint Ventures

Capital Advisory

- Equity Advisory
- Debt Advisory
- Infrastructure Finance

Financial Advisory

- Transaction Advisory
- Interim Management
- Performance Improvement
- Valuation Advisory
- Litigation Support

Special Situations & Restructuring

- Special Situations
- Turnaround
- Restructuring
- Bankruptcy
- Insolvency

Sign Up for Industry Insights.

Delivering timely, sector-specific intelligence to your inbox

One of our core capabilities is to deliver sector-specific intelligence designed specifically for industry leaders, private equity firms and their advisors. Our industry reports and featured articles deliver real-time access to key sector data including:

- Emerging industry trends
- Acquirer and investor appetites
- Mergers & acquisitions market analysis
- Notable transactions
- Public company data

Receive email updates with our proprietary data, reports, and insights as they're published for the industries that matter to you most.

Subscribe ▶



capstonepartners.com



Packaging Industry

Consumer End Market Growth Drives M&A

KEY INDUSTRY TAKEAWAYS

Capstone Partners' Industrials Group is pleased to share its Packaging industry report. Merger and acquisition (M&A) activity has continued at a strong pace following record transaction volume in 2020 as strategic and private equity (PE)-backed buyers have consolidated competitors to gain exposure to defensible end markets, increase market share, and expand product portfolios. The Packaging industry is expected to continue to experience elevated demand driven by pandemic tailwinds, including the adoption of e-commerce, rising per capita income, and climbing industrial production.

1. Industry performance was bifurcated at the height of the pandemic with packaging companies serving high-demand industries such as Consumer and E-commerce experiencing a significant increase in demand while packaging providers serving battered end markets suffered.
2. Capstone expects M&A to continue at a strong pace with financial buyers utilizing buy-and-build strategies to establish industry portfolios and strategics diversifying offerings.
3. The Consumer segment is expected to continue to attract elevated acquirer interest through year end and into 2022 as buyers seek exposure to markets with promising growth trends.
4. Elevated consumer awareness surrounding sustainability, increasingly stringent environmental regulations, and rising corporate environmental, social, and governance (ESG) interest have increased demand for eco-friendly packaging solutions.
5. Despite rising raw material prices, large public packaging companies have reported strong Q2 results, indicating that companies are able to pass on elevated costs to the consumer due to the robust demand backdrop.
6. Although large packaging companies have an advantage over smaller competitors due to economies of scale and an excess of capital, niche companies offering differentiated packaging and labeling services are well-positioned to capture high demand.

Capstone Partners has developed a full suite of corporate finance solutions, including M&A advisory, debt advisory, financial advisory, and equity capital financing to help privately owned businesses and private equity firms through each stage of the company's lifecycle, ranging from growth to an ultimate exit transaction.

To learn more about Capstone's wide range of advisory services and Packaging industry expertise, please contact Capstone Managing Director [David Bench](#).

LEADING PACKAGING COMPANIES CAPTURE REVENUE GAINS

Demand for packaging products briefly stalled at the onset of the pandemic as government-imposed lockdowns forced manufacturers to halt production and consumers reduced spending amid economic uncertainty. After the initial shock of the pandemic, consumers increasingly utilized online platforms as a substitute for in-person shopping, evidenced by a 4.3% quarterly increase in Q2 2020 in e-commerce as a percentage of total sales, according to the U.S. Census Bureau.¹ With people spending more time at home, consumer preferences shifted from services to goods, benefiting packaging providers serving Consumer end markets. The Packaging industry is expected to continue to experience elevated demand through year end and into 2022 driven by an uptick in per capita income paired with elevated online shopping activity. Notably, e-commerce accounted for 13.3% of total sales in Q2 2021, denoting that the online shopping trend is sticky. In addition, rising production levels, evidenced by a 5.9% year-over-year (YOY) increase in the Industrial Production Index in August (U.S. Census Bureau)², are expected to augment packaging demand.

Large public companies have benefited substantially from elevated demand as exemplified by corrugated packaging company WestRock (NYSE:WRK) reporting record revenue of \$4.8 billion in Q2 2021, a 14% improvement YOY, according to its Q2 2021 earnings call.³ WestRock indicated that higher margin product categories such as Food & Beverage and Paperboard attracted particularly strong demand. International Paper (NYSE:IP) also reported strong results, experiencing a 15% increase in revenue YOY, according to its Q2 2021 earnings call.⁴ The company cited volume growth in its Packaging & Papers business as a key element of its success. Both companies noted that, despite being a headwind, rising input prices are not expected to significantly hinder profit margins. Industry participants are expected to increase product prices, passing rising raw material prices onto the customer. "Although rising input costs will likely linger, I'm certain we can successfully navigate the environment given the strong demand backdrop," said Mark Sutton, Chairman and Chief Executive Officer of International Paper, in the earnings call.

Key Performance Indicators

In order to capitalize on growth dynamics, industry participants have focused on augmenting important areas of their businesses.



End Market Diversity: Companies with exposure to a variety of end markets were better suited to withstand pandemic headwinds. Packaging and label providers serving affected end markets suffered from depressed demand. Manufacturers will expand offerings in growing industries both organically and through M&A.



Sustainability: Elevated consumer awareness and tightening government regulation regarding sustainability has increased demand for packaging products that support the circularity of the economy. This has created an opportunity for manufacturers utilizing recyclable and reusable materials.



Automation Technology: The pandemic demonstrated the value of automation as manufacturers struggled to meet demand due to labor shortages and persistent supply chain delays. Operators are expected to invest in automation technology to increase efficiency, as the labor shortage continues.



Tech-enabled Products: Packaging and label manufacturers have increasingly utilized technology in their products to communicate information about the product or brand, detect freshness and temperature, or preserve package contents by releasing chemicals (for food, beverage, and pharmaceutical products).

Source: Capstone Research

SUSTAINABILITY TOP OF MIND, M&A SURGES IN GROWING END MARKETS

Sustainability Remains in Focus Amid Pandemic

Elevated consumer awareness surrounding sustainability, increasingly stringent environmental regulations, and rising ESG interest have increased demand for eco-friendly packaging solutions. Despite shifting consumer behavior, consumers have not abandoned their commitment to sustainability during COVID-19, according to a survey by sustainable metal packaging brand Trivium Packaging of more than 15,000 consumers across the Americas and Europe.⁵

Consumers Prioritize Sustainability



Source: Trivium Packaging

On July 13th, Maine became the first state to enact an Extended Producer Responsibility (EPR) bill for paper and packaging waste, requiring producers to pay into a state-regulated stewardship organization for packaging materials that they sell, according to Waste Dive.⁶ The bill includes an eco-modulation system that charges producers less for recyclable packaging. Capstone expects states to continue to propose similar legislation.

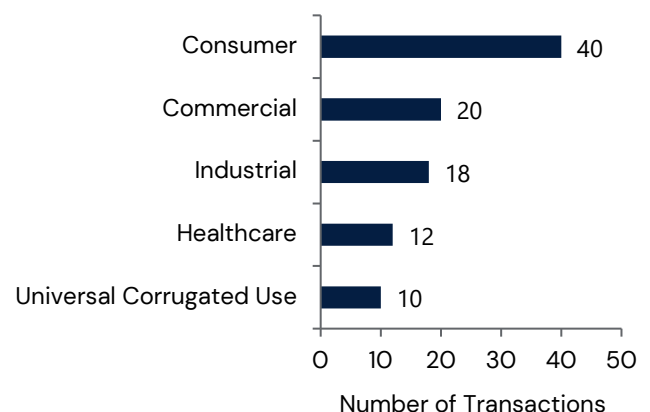
As state and local governments enact more stringent regulations regarding sustainability and consumer preferences shift towards eco-friendly products, packaging companies are expected to pivot their investments towards more sustainable solutions. Similarly, public consumer goods companies are expected to adopt sustainable packaging practices as exemplified by The Coca-Cola Company's (NYSE:KO) goal to collect and recycle the equivalent of every bottle or can it sells globally by 2030.⁷ The push for sustainable packaging products is also expected to create an opportunity for niche businesses with innovative eco-friendly packaging solutions. Technology company Loop Industries (Nasdaq:LOOP), offers a program that collects, cleans, and redistributes reusable packaging. Loop charges a refundable deposit for each package which consumers can collect once they return the package to a Loop collection point. McDonald's (NYSE:MCD), Burger King, and Tim Hortons have committed to testing the program at certain locations, according to *The Wall Street Journal*.⁸

Consumer Markets Attract M&A Buyer Interest

Sectors including Home Goods, Garden Chemicals, and Sanitizers have experienced unprecedented demand throughout the pandemic with consumers spending more time at home and prioritizing health and hygiene. Buyers have actively pursued the high growth sectors, with companies serving consumer end markets accounting for 60% of acquired packaging product providers through year-to-date (YTD). Notably, Graphic Packaging Holding Company (NYSE:GPK) entered into an agreement to acquire paperboard folding carton manufacturer Americraft Carton for \$280 million, equivalent to 9.3x EBITDA or 1.4x revenue (April 2021). Graphic Packaging Holding Company is a provider of sustainable paper-based packaging solutions for Food & Beverage and other Consumer markets. As part of the agreement, Graphic Packaging will gain seven Americraft Carton converting facilities along with its employees. Upon closing of the deal, Americraft is expected to benefit from integration opportunities across all paperboard substrates and add \$10 million of synergies, largely through board integrations and procurement savings, according to Graphic Packaging's Q1 2021 earnings call.⁹

Capstone expects deal activity in the Consumer segment to remain robust through year end and into 2022 as buyers continue to seek exposure to markets with strong growth dynamics including the increased utilization of e-commerce and rising consumption levels.

Acquired Product Providers by End Market



Note: Year-to-date ended September 14
Source: Capital IQ, Pitchbook, FactSet, and Capstone Research

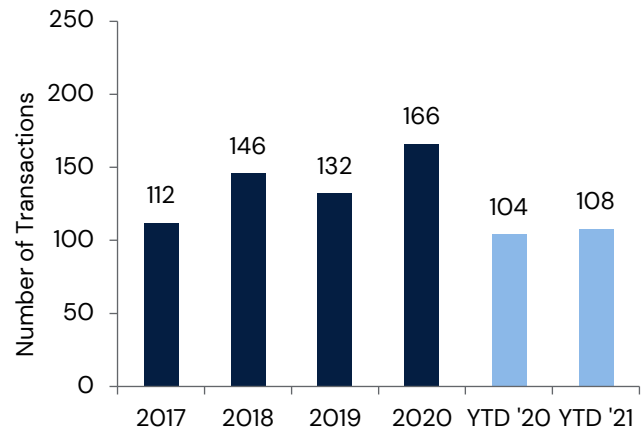
CONSOLIDATION ACTIVITY CONTINUES TO PROLIFERATE

M&A activity in the Packaging industry has continued to surge in 2021, with 108 deals announced or completed to-date, compared to 104 during the same period in 2020. The deal market has been buoyed by public strategic buyers (21.3% of deals to-date) capitalizing on improved balance sheets and financial buyers (58.3%) leveraging cheap access to capital to pursue accretive targets companies. M&A activity is expected to continue at a strong pace with financial buyers employing buy-and-build strategies to establish industry portfolios and strategics aiming to diversify offerings and benefit from economies of scale. Additionally, favorable tailwinds including the rise of e-commerce, improving consumer sentiment, and gains in the Industrial Production index are expected to attract buyer interest.

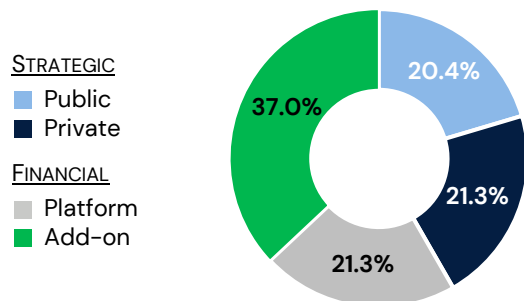
Both strategics (41.7%) and PE-backed companies (37%) have capitalized on the fragmented nature of the industry, consolidating competitors to capture market share, expand into new geographies, form synergies, and expand product offerings. This is evidenced by GenNx360-backed B2B Industrial Packaging's aggressive inorganic growth strategy. In August, B2B acquired Direct In Supply, marking its 20th major acquisition since inception in 2004 and its fifth in 2021 alone (see next page for more details on B2B).

Capstone expects packaging and labeling providers serving attractive end markets, providing technology-enabled products, or developing sustainable solutions to continue to attract buyer interest and fetch premium valuations.

Deal Activity Continues at Accelerated Pace



Financial Buyers Comprise Largest Share of Transaction Volume



Note: Year-to-date ended September 14
Source: Capital IQ, PitchBook, FactSet, and Capstone Research



David Bench, Managing Director

"The demand for strong performing packaging assets in the M&A market has accelerated in 2021. Historical tailwinds in this industry, such as e-commerce, sustainability, and smart packaging technology have been amplified as companies navigate changing consumer shopping habits and supply chain disruptions. This heightened demand is translating into the M&A markets for both strategic and financial acquirers."

ACTIVE BUYER SPOTLIGHT: B2B INDUSTRIAL PACKAGING



Founded: 2004
Chief Executive Officer: Bill Drake
Ownership: Private, PE-backed
Headquartered: Addison, Illinois

Company Description

B2B Industrial Packaging is a platform company of GenNx360 Capital Partners and business-to-business (B2B) provider of industrial packaging supplies and equipment. Based in Addison, Illinois, the company has an extensive portfolio of packaging products and service offerings, serving more than 6,000 active clients throughout the U.S. and Mexico. Over the past 13 years, B2B has completed 20 major acquisitions in the Packaging industry, actively pursuing targets to expand its geographic reach, gain exposure to both large and niche markets, and add innovative products to its portfolio. During the pandemic, B2B has sought to expand the number of coast-to-coast distribution locations to better serve clients with fast delivery. “We recognize, particularly during these challenging COVID-related times, that our clients do not have the bandwidth to wait for critical products or deal with issues such as backorders. We have created and continue to develop, this distribution network in order to ensure they get the exact products they need when they need them,” said Chief Executive Officer Bill Drake in a press release.¹⁰

New York City-based private equity firm GenNx360 acquired a majority stake in B2B Industrial Packaging, along with assets of American Machinery Works in October 2020 for an undisclosed sum. Through the acquisition, GenNx360 has capitalized on increased demand for packaging products amid the pandemic. B2B is expected to continue to utilize its aggressive acquisition strategy to consolidate competitors and capture market share.

B2B Industrial Solution’s Recent Packaging Acquisitions

Announce Date	Target Company	Description & Investment Rationale
08/31/21		Direct In Supply is a distributor of packaging, industrial, and janitorial supplies to businesses in the Midwest. Through the acquisition, B2B has benefited from the company’s services in large industries including Restaurants and niche markets such as Contract Cleaners.
07/26/21		Based in Tustin, California, Allen Packaging has over 40 years of Packaging industry expertise, specializing in corrugated products, poly bags, and stretch film. The company’s portfolio of innovative solutions has further expanded B2B’s service offerings.
06/10/21		Master Packaging Solutions is a manufacturer of plastic strapping and stretch wrapping systems headquartered in Sacramento, California. The company was an attractive target for B2B due to its strong reputation in the industry and product capabilities.
04/16/21		Founded in 1981 in Kalamazoo, Michigan, Fibers of Kalamazoo is a provider of paper packaging, janitorial, and safety products. Through the acquisition, B2B has expanded its footprint in Michigan and added the company’s channel of clients.

Source: B2B Industrial Packaging

NOTABLE TRANSACTIONS



To Acquire



In September, middle market private equity firm Clearlake Capital Group entered a definitive agreement to acquire Mold-Rite Plastics from Irving Place Capital. Terms of the transaction were not disclosed. Mold-Rite Plastics manufactures packaging components for Nutraceutical, Pharmaceutical, Food & Beverage, Personal Care, Household Chemicals, and Automotive markets. With now over 10,000 SKUs (stock-keeping units), Mold-Rite expands its capabilities through innovation and a focus on post-consumer recyclable (PCR) solutions, according to a press release.¹¹

In addition to adding Mold-Rite's substantial Internet Protocol (IP) library, Clearlake will benefit from Mold-Rite's exposure to recession resilient end markets with strong growth dynamics. "The addition of Mold-Rite to our portfolio highlights our continued thesis in the health and wellness packaging markets. We believe long term consumer trends and preferences favor providers focused on sustainability and innovation," said José Feliciano, Co-Founder and Managing Partner, and Arta Tabaei, Managing Director, of Clearlake in the press release.



Acquires



Pactiv Evergreen Group Holdings, a subsidiary of Pactiv Evergreen (Nasdaq:PTVE) and manufacturer of packaging products for the Food & Beverage industry, entered a definitive agreement to acquire custom thermoformed packaging company Fabri-Kal for an enterprise value of \$380 million, equivalent to 7.0x LTM (last-twelve-months) EBITDA (September). Fabri-Kal serves Foodservice and other Consumer industries, providing clamshells, drink cups, portion cups, and yogurt containers. The company has committed to reducing its environmental impact by utilizing renewable, plant-based, and PCR materials. Its Greenware® line is comprised entirely of annually renewable drink cups and containers made entirely from plants.

"Combining these two complementary companies will further expand Pactiv Evergreen's position in the Foodservices segment, broaden our sustainable packaging product offerings and customer base, and increase our manufacturing capacity and distribution capabilities. Fabri-Kal is well known for its high-quality products, longstanding customer relationships and sustainable packaging solutions," said Mike King, Chief Executive Officer of Pactiv Evergreen, in a press release.¹²



Acquires



In July, TCG Legacy, a platform company of CORE Industrial and provider of printing and packaging services acquired MedLit Graphics, a full-service provider of packaging and labeling solutions for the Pharmaceutical industry based in Windsor, New Jersey (July). Terms of the transaction were not disclosed. MedLit leverages advanced technology including electronic vision inspection systems and optical character recognition software to ensure end to end quality. The company's offerings include inserts and outserts, labels, medication guides, and folded cartons.

Through the transaction, TCG has increased its footprint in the Pharmaceutical Packaging market. TCG has indicated that it intends to pursue similar accretive acquisitions. "This acquisition significantly expands TCG Legacy's packaging capabilities for pharmaceutical production applications, and we'll continue to actively pursue acquisitions, similar to MedLit, that simultaneously broaden our customer base, enhance our service offering and deepen our presence in the attractive pharmaceutical and healthcare end markets," said Frank Papa, Senior Partner of CORE in a press release.¹³

SELECT TRANSACTIONS

Date	Target	Acquirer	Target Business Description	Buyer Type
09/14/21	Mold-Rite Plastics	Clearlake Capital Group	Manufactures rigid plastic packaging components.	Platform Investment
09/10/21	Consumer Packaging Group	PPC Flexible Packaging	Provides full-service rapid turnaround on prototypes and packaged samples for consumer product clients.	PE Add-On
09/08/21	Fabri-Kal	Pactiv Evergreen Group Holdings	Manufactures and sells plastic foodservice and custom thermoformed packaging solutions.	Private Strategic
08/31/21	Direct In Supply	B2B Industrial Packaging	Distributes packaging, industrial, and janitorial supplies to businesses in the Midwest.	PE Add-On
08/24/21	Fruth / Cleanroom Film and Bag	C-P Flexible Packaging	Fruth manufactures and sells bags and Cleanroom manufacturers flexible rollstock.	PE Add-On
08/24/21	Fyn Air	MEI Rigging & Crating	Manufactures custom crates in Reno, Nevada.	PE Add-On
08/17/21	Sun Automation	Valin Corporation	Manufactures corrugated box equipment.	Private Strategic
08/17/21	Wilheit Packaging	SupplyOne	Provides packaging products for Industrial, Food Processing, Paper, Janitorial, and other sectors.	PE Add-On
08/12/21	Tek Labels and Printing	Resource Label Group	Operates as a label printing company.	PE Add-On
08/03/21	Prestige-Pak	C-P Flexible Packaging	Offers printing and laminating services.	PE Add-On
07/28/21	The InterFlex Group	Toppan (TSE:7862)	Offers packaging options from thin gauge shrink and stretch films to barrier laminate structures.	Public Strategic
07/20/21	Assets of Ditto Sustainable Brand	Nexgen Packaging	Comprises packaging solutions business.	Private Strategic
07/20/21	Intrepqid solutions	Pareto Beauty	Manufactures packaging solutions using recycled plastics and biodegradable plant-based resins.	Private Strategic
07/26/21	Allen Packaging	B2B Industrial Packaging	Distributes commercial, industrial, retail, and food packaging products and equipment.	PE Add-On
07/14/21	MedLit Graphics	TCG Legacy	Provides packaging and labeling solutions to the Healthcare and Pharmaceutical industry.	PE Add-On
07/14/21	Specialized Packaging Solutions	The Specialized Packaging Group	Manufactures and sells protective packaging products.	PE Add-On
07/08/21	Resource Label Group	Ares Management (NYSE:ARES)	Provides customized label design and printing services in the U.S. and Canada.	Platform Investment
07/02/21	Carolina Precision Plastics	Westfall Technik	Manufactures plastic packaging products for various applications and markets in the U.S. and internationally.	Private Strategic
07/02/21	Multi-Color Corporation	Clayton, Dubilier & Rice	Manufactures label solutions in the U.S., Belgium, Germany, and internationally.	Platform Investment
07/02/21	Fort Dearborn Company	Clayton, Dubilier & Rice	Manufactures and supplies high impact decorative labels for packaging applications.	Platform Investment
06/30/21	Donby Packaging	Benchmark Industrial	Distributes packaging supply, packaging machinery, and paper supply.	Private Strategic
06/30/21	Container Supply	Kelso & Company	Manufactures containers for packaging	Platform Investment
06/24/21	Traco Manufacturing	LongueVue Capital	Engages in the manufacture, import, and supply of packaging equipment and supplies in the U.S.	Platform Investment

Source: Capital IQ, PitchBook, FactSet, and Capstone Research

SELECT TRANSACTIONS

Date	Target	Acquirer	Target Business Description	Buyer Type
06/15/21	KCS Plastics	Spectrum Plastics Group	Comprises polyethylene packaging manufacturing and related operations and assets.	PE Add-On
06/10/21	Master Packaging Solutions	B2B Industrial Packaging	Manufactures plastic strapping and stretch wrapping systems.	PE Add-On
06/10/21	Redi-Bag	Soteria Flexibles	Manufactures polyethylene film and protective packaging products.	PE Add-On
06/08/21	Robotic Packaging Machinery	K2 Kinetics	Designs and manufactures automated packaging machinery for product handling and production needs.	Private Strategic
06/07/21	Vin First	Arterra Wines Canada	Provides canning and Tetra packaging services for beverages, including alcohol, wine, ciders, and cocktails.	PE Add-On
06/07/21	BDL Supply	Kamps Pallets	Designs, engineers, manufactures, and distributes packaging solutions for manufacturers in the Midwest.	PE Add-On
06/03/21	Hi-De Liners	Dallas Plastics	Manufactures flexible plastic packaging products.	PE Add-On
05/14/21	Silver Spur	Kelso & Company	Manufactures and supplies glass and plastic bottles and containers.	Platform Investment
05/13/21	Assets of Chicago Packaging Company	Quality Color Graphics	Comprises cartons, printed boxes, and mailer manufacturing operations.	Private Strategic
05/12/21	Hourglass Enterprises	Cann American (OTCPK:CNNA)	Offers packaging and labeling services.	Public Strategic
05/09/21	Spartech	The Jordan Company	Manufactures engineered thermoplastic materials and specialty packaging products in the U.S.	Platform Investment
05/04/21	C.L. Smith	Inmark	Provides packaging solutions.	PE Add-On
05/03/21	Target Labels & Packaging	PPC Flexible Packaging	Manufactures labels, roll stock, and pouches for Nutraceutical and Consumer markets	PE Add-On
04/30/21	Florida A&M Tape & Packaging	SupplyOne	Distributes corrugated, packaging, and shipping products.	PE Add-On
04/27/21	Americraft Carton	Graphic Packaging (NYSE:GPK)	Manufactures and supplies paperboard folding cartons and packaging products.	Public Strategic
04/27/21	Digital Label Solutions	Brook & Whittle	Offers short-run digital printing solutions.	PE Add-On
04/26/21	California Supply North	Kelly Spicers	Provides packaging for the Food & Beverage, Medical Devices, and Electronics industries.	Platform Investment
04/19/21	El Dorado Packaging	ProAmpac Intermediate	Manufactures and sells paper bags for Consumer and Commercial Food industries in the U.S.	PE Add-On
04/16/21	Red Worldwide	B2B Industrial Packaging	Engages in the manufacturing and supply of paper packaging, janitorial, and safety supplies of products.	PE Add-On
04/08/21	Total Label USA	Fortis Solutions Group	Designs, prints, and offers pressure-sensitive labels, extended content, and booklet labels.	PE Add-On
04/05/21	Assets of Sonoco Products	Hood Container	Comprises packaging products manufacturing business.	Private Strategic
04/01/21	Boutwell, Owens & Co.	Oliver	Manufactures printed paperboard packaging products for the Retail market.	PE Add-On
04/01/21	Bell Container	SupplyOne	Designs and manufactures custom corrugated containers for shipping and packaging needs.	PE Add-On

Source: Capital IQ, PitchBook, FactSet, and Capstone Research

BUYER UNIVERSE

Capstone maintains an active presence in the Packaging industry with in-depth knowledge of the buyer universe and business characteristics that drive premium valuations in an M&A process. Our industry expertise and network provide us with unique insights into market trends and buyer preferences.

Leading Strategic Buyers



Leading Financial Buyers



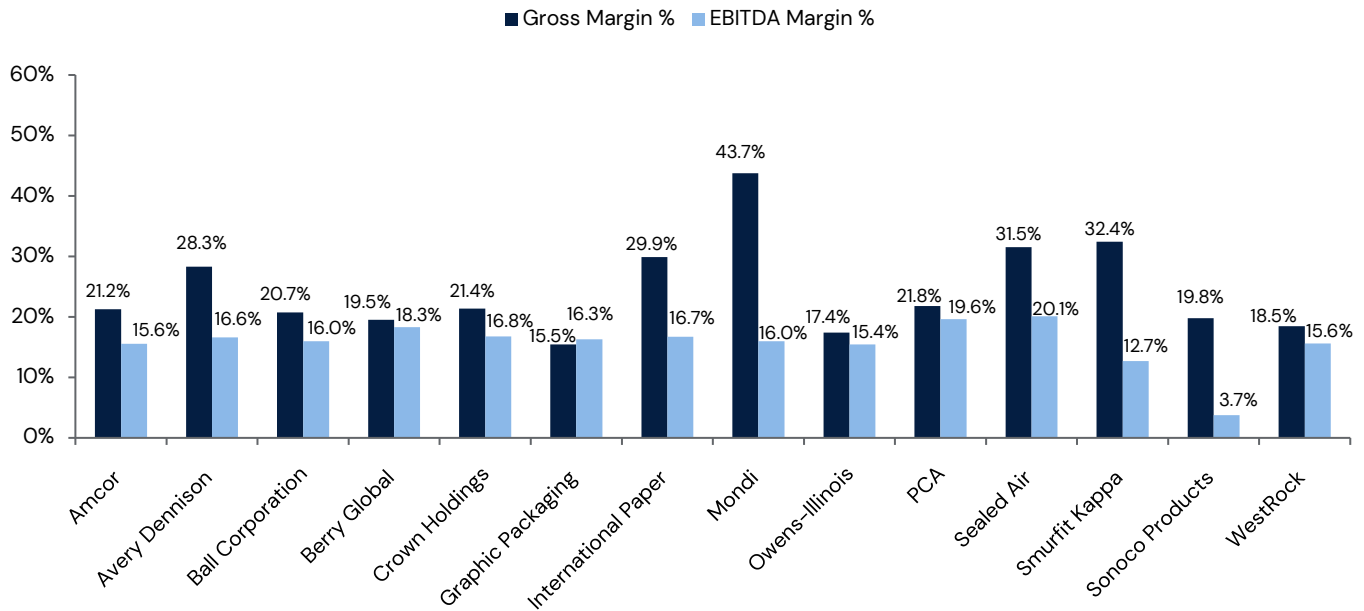
Source: Capital IQ, PitchBook, FactSet, and Capstone Research

PUBLIC COMPANY TRADING & OPERATING DATA

Company	Price 10/11/21	% 52 Wk High	Market Cap	Enterprise Value	LTM			EV / LTM	
					Revenue	EBITDA	Margin	Revenue	EBITDA
Amcor plc	\$11.75	89.1%	\$17,911.0	\$23,844.6	\$12,861.0	\$2,002.0	15.6%	1.9x	11.9x
Avery Dennison Corporation	\$206.01	90.0%	\$17,074.7	\$18,775.8	\$7,873.3	\$1,306.9	16.6%	2.4x	14.4x
Ball Corporation	\$90.94	88.5%	\$29,701.9	\$37,318.9	\$12,779.0	\$2,042.0	16.0%	2.9x	18.3x
Berry Global Group, Inc.	\$60.04	84.7%	\$8,123.4	\$18,171.4	\$13,189.0	\$2,415.3	18.3%	1.4x	7.5x
Crown Holdings, Inc.	\$102.67	89.6%	\$13,300.1	\$21,428.1	\$12,552.0	\$2,104.0	16.8%	1.7x	10.2x
Graphic Packaging Holding Company	\$18.81	90.1%	\$5,775.6	\$9,451.6	\$6,735.9	\$1,096.5	16.3%	1.4x	8.6x
International Paper Company	\$55.75	85.4%	\$21,789.0	\$28,678.0	\$21,341.0	\$3,565.0	16.7%	1.3x	8.0x
Mondi plc	\$24.10	84.7%	\$11,685.4	\$14,486.8	\$8,107.7	\$1,295.0	16.0%	1.8x	11.2x
O-I Glass, Inc.	\$14.56	74.8%	\$2,290.1	\$6,924.1	\$6,273.0	\$968.0	15.4%	1.1x	7.2x
Packaging Corporation of America	\$138.09	88.2%	\$13,024.1	\$14,636.4	\$7,094.9	\$1,391.2	19.6%	2.1x	10.5x
Sealed Air Corporation	\$57.15	92.1%	\$8,566.4	\$12,100.9	\$5,173.7	\$1,039.6	20.1%	2.3x	11.6x
Smurfit Kappa Group Plc	\$51.53	88.3%	\$13,259.5	\$16,243.0	\$10,678.2	\$1,353.0	12.7%	1.5x	12.0x
Sonoco Products Company	\$60.73	87.0%	\$5,971.3	\$7,600.3	\$5,424.7	\$202.2	3.7%	1.4x	NM
WestRock Company	\$51.20	82.5%	\$13,670.7	\$22,569.5	\$18,127.1	\$2,824.2	15.6%	1.2x	8.0x
							Mean	15.7%	1.7x
							Median	16.1%	1.6x
							Harmonic Mean	13.2%	1.6x

EV = enterprise value; LTM = last twelve months
\$ in millions, except per share data
NM = Not Meaningful

Last Twelve Month Margin Performance



Source: Capital IQ as of October 11

PACKAGING REPORT CONTRIBUTORS

**David Bench**

Managing Director

dbench@capstonepartners.com | 949-734-7888

David is a Managing Director based out of Orange County, CA. Prior to Capstone Partners, David managed the Western region for Morgan Stanley Smith Barney's Capital Strategies Group and its predecessor, Citi Capital Strategies. David has focused on middle market investment banking for 30+ years and has been the lead banker in over 250 M&A transactions involving both domestic and foreign corporate buyers, as well as leveraged recaps with private equity sponsors. His areas of focus include Manufacturing and Industrials (products and services) and Business Services. His achievements in the investment banking industry have gained him national recognition by the M&A Advisor.

**Tracy Patch**

Director

tpatch@capstonepartners.com | 949-220-0540

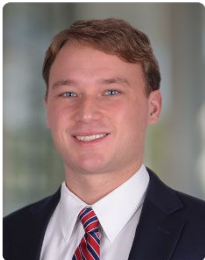
Tracy is a Director in the Orange County office. She possesses 17 years of experience in middle market investment banking, working on both domestic and cross-border transactions, focusing on the Personal Care industry and other Manufacturing and Industrial targets. Prior to Capstone Partners, Tracy worked as a senior banking professional in Morgan Stanley Smith Barney's Capital Strategies Group and its predecessor, Citi Capital Strategies. She also worked in the Hedge Fund industry with Collins/Bay Island Securities LLC and Talisman Capital. Prior to that, Tracy worked with institutional fixed income sales at both Vining Sparks IBG, LP and Robert Thomas Securities, Inc. She also enjoyed tenure in management at The Disney Company.

**Christopher Cardinale**

Vice President

ccardinale@capstonepartners.com | 949-220-0537

Christopher is a Vice President in the Orange County office. He supports management and clients in the Western Region. Christopher is engaged in the execution and advisory of mergers, acquisitions and strategic capital raises. Prior to joining Capstone, he was an associate with a boutique M&A firm focused on valuation, M&A advisory, corporate finance, acquisition target research and exit-planning strategy, and was a research analyst at United Capital Financial Advisors. His industry experience includes Manufacturing, Chemicals, Packaging, Safety, and Industrial Distribution.

**Lucas LaCroce**

Research Analyst

llacroce@capstonepartners.com | 617-619-3331

Luke serves as a Research Analyst at Capstone Partners primarily focusing on the Industrials and Business Services industries. Before joining the firm's corporate Research Team, Luke was an intern at DLG Wealth Management, Valpey Financial Services, and VIGILANT Capital Management where he performed financial analysis on equities, evaluated exchange traded funds and mutual funds, and determined the impact of proposed legislation on financial planning strategies. Luke earned a BA in Economics and English from Union College.

FIRM TRACK RECORD

Capstone Partners professionals have represented clients across various packaging and end-market specialties. This focus allows Capstone Partners to provide packaging clients with real-time transaction feedback and immediate access to key decision makers among the industry's most active acquirers and investors. A sampling of Capstone Partners' closed transactions is shown below.



ENDNOTES

1. U.S. Census Bureau, "Quarterly Retail E-Commerce Sales 2nd Quarter 2021," https://www.census.gov/retail/mrts/www/data/pdf/ec_current.pdf, accessed September 23, 2021.
2. Board of Governors of the Federal Reserve System, "Industry Production and Capacity Utilization," <https://www.federalreserve.gov/releases/g17/Current/default.htm>, accessed September 23, 2021.
3. The Motley Fool, "WestRock (WRK) Q3 3021 Earnings Call Transcript," <https://www.fool.com/earnings/call-transcripts/2021/08/05/westrock-wrk-q3-2021-earnings-call-transcript/>, accessed September 23, 2021.
4. The Motley Fool, "International Paper co (IP) Q2 2021 Earnings Call Transcript," <https://www.fool.com/earnings/call-transcripts/2021/07/29/international-paper-co-ip-q2-2021-earnings-call-tr/>, accessed September 23, 2021.
5. Trivium Packaging, "Global Buying Green Report," <https://triviumpackaging.com/sustainability/2021BuyingGreenReport.pdf>, accessed September 24, 2021.
6. Waste Dive, "Maine governor signs nation's first EPR law for consumer packaging," <https://www.wastedive.com/news/extended-producer-responsibility-packaging-maine-oregon/602479/>, accessed September 24, 2021.
7. Coca-Cola Australia, "A World Without Waste Coca-Cola Announces Ambitious Sustainable Packaging Goal," <https://www.coca-colacompany.com/au/news/a-world-without-waste-coca-cola-announces-ambitious-sustainable->, accessed October 4, 2021.
8. The Wall Street Journal, "Fast-Food chains Test Reusable Cups, Sandwich Boxes," <https://www.wsj.com/articles/fast-food-chains-test-reusable-cups-sandwich-boxes-11632327914>, accessed September 24, 2021.
9. The Motley Fool, "Graphic Packaging Holding Co (GPK) Q1 2021 Earnings Call Transcript," <https://www.fool.com/earnings/call-transcripts/2021/04/27/graphic-packaging-holding-co-gpk-q1-2021-earnings/>, accessed September 25, 2021.
10. B2B Industrial Packaging, "Fast Delivery of Industrial Packaging Tools and Supplies Available Across the U.S.," http://www.b2bind.com/press/index.php/view/b2b_industrial_distribution_centers_december_2020, accessed September 27, 2021.
11. Clearlake, "Clearlake Capital to Acquire Specialty Packaging Solutions Provider Mold-Rite," <https://clearlake.com/clearlake-capital-to-acquire-specialty-packaging-solutions-provider-mold-rite/>, accessed September 27, 2021.
12. Global Newswire, "Pactiv Evergreen to Acquire Fabri-Kal, a Leading Manufacturer of Foodservice and Consumer Brand Packaging Solutions," <https://www.globenewswire.com/news-release/2021/09/08/2293244/0/en/Pactiv-Evergreen-to-Acquire-Fabri-Kal-a-Leading-Manufacturer-of-Foodservice-and-Consumer-Brand-Packaging-Solutions.html>, accessed September 27, 2021.
13. Business Wire, "CORE Industrial Partners Portfolio Company TCG Legacy Acquires MedLit Graphics," <https://www.businesswire.com/news/home/20210714005308/en/CORE-Industrial-Partners-Portfolio-Company-TCG-Legacy-Acquires-MedLit-Graphics>, accessed September 27, 2021.



**CAPSTONE
PARTNERS**

Common Goals. Uncommon Results.

Disclosure

This report is a periodic compilation of certain economic and corporate information, as well as completed and announced merger and acquisition activity. Information contained in this report should not be construed as a recommendation to sell or buy any security. Any reference to or omission of any reference to any company in this report should not be construed as a recommendation to buy, sell or take any other action with respect to any security of any such company. We are not soliciting any action with respect to any security or company based on this report. The report is published solely for the general information of clients and friends of Capstone Partners. It does not take into account the particular investment objectives, financial situation or needs of individual recipients. Certain transactions, including those involving early-stage companies, give rise to substantial risk and are not suitable for all investors. This report is based upon information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied upon as such. Prediction of future events is inherently subject to both known and unknown risks and other factors that may cause actual results to vary materially. We are under no obligation to update the information contained in this report. Opinions expressed are our present opinions only and are subject to change without notice. Additional information is available upon request. The companies mentioned in this report may be clients of Capstone Partners. The decisions to include any company in this report is unrelated in all respects to any service that Capstone Partners may provide to such company. This report may not be copied or reproduced in any form or redistributed without the prior written consent of Capstone Partners. The information contained herein should not be construed as legal advice.



Market Presence

With a long-established U.S. footprint, together with an international partner platform, we provide clients with broad expertise and access to key market relationships on a global basis. Our presence is backed by ~200 professionals in the U.S. with 450+ professionals across 43 countries.

