

# PEAKSTONE

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## **Packaging M&A Update**

**April 2016**

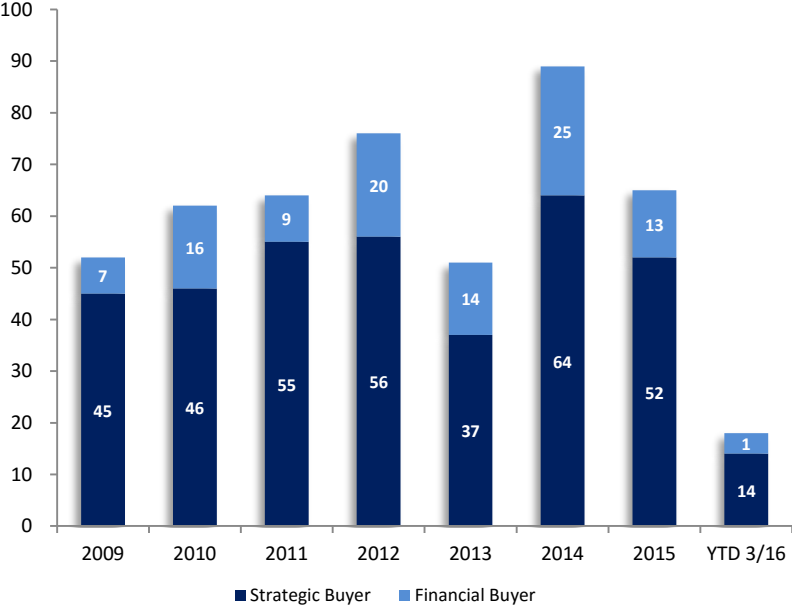
# Packaging M&A Update

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- Packaging M&A continues to see strong activity with 2015 transaction volume of 65 deals
- For the 2015 period, strategic buyers accounted for 80% of the packaging M&A transactions with financial buyers making up the difference. During 2014, strategic buyers accounted for approximately 72% of the transactions.
- Notable publicly announced recent transactions:
  - Novolex just announced the acquisition of Heritage Bag Company and also acquired Wisconsin Film & Bag in 2015
  - WestRock Company just completed the acquisition of Cenvo Packaging in January 2016 for \$105 million
  - WestRock Company also acquired SP Fiber for approximately \$290 million and MeadWestvaco Corporation for approximately \$11.6 billion
  - KapStone acquired Victory Packaging for \$640 million
  - Jarden Corp. acquired WNA for approximately \$1.4 billion

# Packaging – M&A Market Overview

U.S. Packaging Transactions by Buyer Type

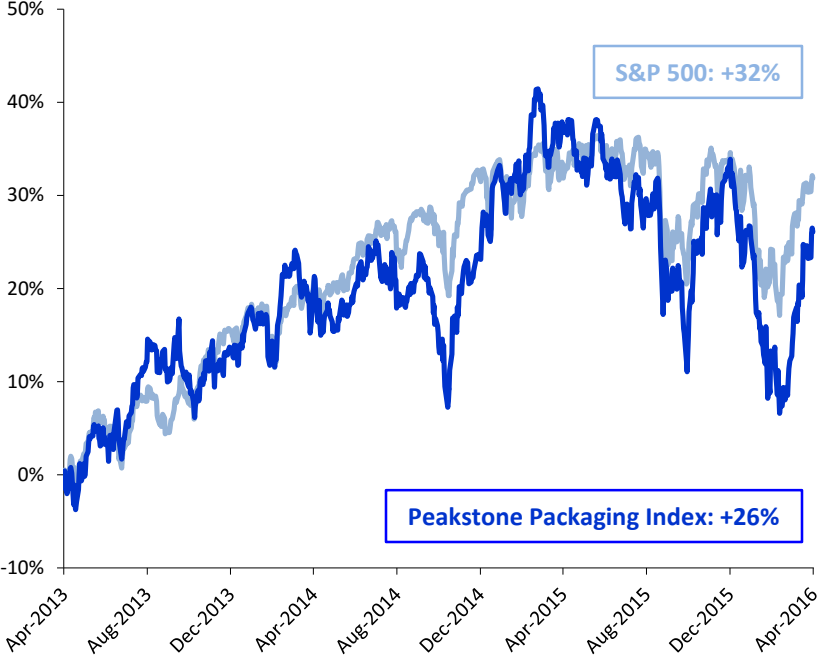


- Packaging M&A continues to see strong activity.
- Year-to-date 2016 transaction volume of 15 deals is just below pace of 2015 levels.
- Strategic buyers continue to be the most active group of buyers.
- Many larger strategic players are seeking consolidation opportunities.
- Strategic buyers are often buying at higher multiples than financial buyers.

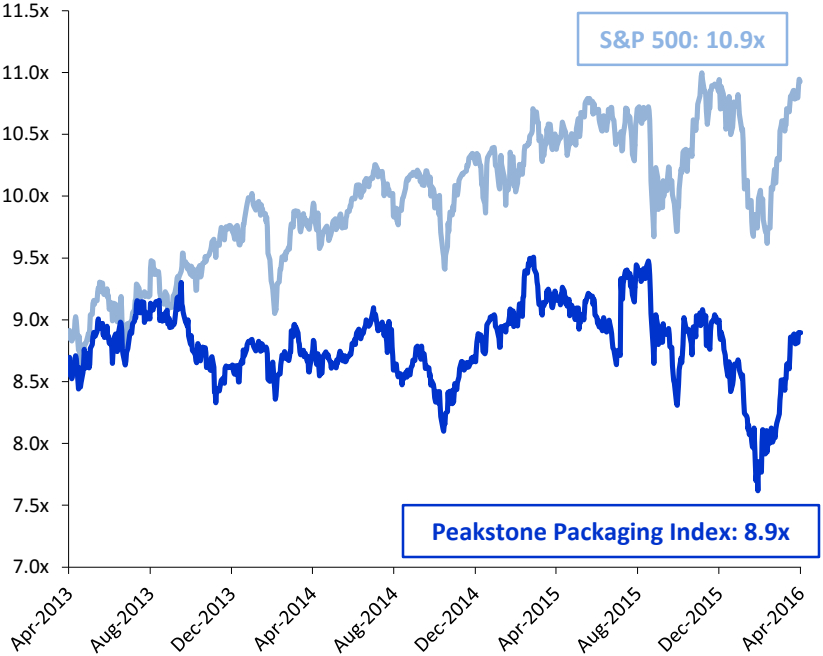
# Peakstone Packaging Index - Trading Statistics

Valuation trends have continued to increase with the broader market

Relative Stock Performance <sup>(1)</sup>



Comparable Valuation Trends – Enterprise Value/EBITDA



**Peakstone Packaging Index:** AEPI, AVY, BMS, BERY, CAS, CCK, GPK, GEF, HUH1V, IP, KS, PKG, SON, WRK, WPK

<sup>(1)</sup> Equally weighted

## Selected Public Trading Comparables

Peakstone Packaging Index								
<i>(\$ in millions)</i>	Market	Enterprise	TEV/			Forward	Gross	EBITDA
Company Name	Cap	Value	Revenue	EBITDA	EBIT	P/E Ratio	Margin %	Margin %
International Paper Company	\$16,845	\$31,423	1.4x	8.3x	12.6x	12.2x	31.0%	16.0%
WestRock Company	\$9,860	\$15,600	1.2x	7.7x	13.4x	14.5x	20.0%	16.0%
Crown Holdings Inc.	\$6,917	\$12,009	1.4x	9.6x	11.8x	13.0x	19.0%	14.0%
Avery Dennison Corp.	\$6,508	\$7,390	1.2x	10.8x	13.8x	19.5x	28.0%	11.0%
Packaging Corporation of America	\$5,663	\$7,810	1.4x	7.0x	10.1x	14.0x	21.0%	19.0%
Bemis Company, Inc.	\$4,939	\$6,269	1.5x	10.8x	14.8x	19.0x	21.0%	14.0%
Sonoco Products Co.	\$4,893	\$5,865	1.2x	9.4x	14.2x	18.0x	19.0%	12.0%
Berry Plastics Group, Inc.	\$4,402	\$10,315	2.0x	12.2x	22.9x	17.4x	19.0%	16.0%
Graphic Packaging Holding Co.	\$4,183	\$6,004	1.4x	8.3x	13.5x	16.2x	19.0%	17.0%
Huhtamaki Oyj	\$3,821	\$4,494	1.5x	11.8x	17.0x	17.8x	17.0%	12.0%
Wipak Ltd.	\$2,460	\$2,306	2.7x	11.9x	14.5x	23.0x	32.0%	23.0%
Greif, Inc.	\$1,879	\$3,086	0.9x	7.4x	10.9x	14.6x	19.0%	12.0%
KapStone Paper & Packaging Corp.	\$1,320	\$2,864	1.0x	7.5x	13.1x	11.3x	29.0%	14.0%
Cascades, Inc.	\$621	\$2,012	0.7x	5.8x	9.7x	6.5x	16.0%	11.0%
AEP Industries Inc.	\$334	\$535	0.5x	5.2x	7.3x	N/A	17.0%	9.0%
<b>Median</b>			<b>1.4x</b>	<b>8.3x</b>	<b>13.4x</b>	<b>15.4x</b>	<b>19.0%</b>	<b>14.0%</b>

As of April 1, 2016

Source: Capital IQ

# Selected Precedent M&A Transactions

Date	Target	Buyers/Investors	Size (\$mm)	EV/ EBITDA	Target Business Description
03/25/2016	Scope Packaging Inc.	Smurfit Kappa North America LLC	No Public Information		Scope Packaging Inc. designs and manufactures packaging and packaging solutions. The company makes packaging for Hitachi, Knott's Berry Farm, Canon, Rubbermaid. The company focuses on graphic packaging, displays, fulfillment, and designing solutions. The company was incorporated in 1966 and is based in Orange, California.
03/21/2016	Sancap Liner Technology, Inc.	Tekni-Plex, Inc.	No Public Information		SANCAP Liner Technology, Inc. manufactures heat seal, pressure sensitive, and gasket sealing products. It offers paper, foil, and foam products, such as paper-backed aluminum foils, aluminum foils coated with co-extruded surlyn and polymeric coatings, aluminum foil polyester combinations, heat sealable aluminum foils, and sealable polyesters.
03/04/2016	Inmark, LLC	Quad-C Management, Inc.	No Public Information		Inmark, LLC offers packaging products and services. The company provides temperature controlled packaging solutions, which include parcel shippers, pallet shippers, and accessories; and dangerous goods related packaging solutions, such as 4G combination packaging, 4GV variable packaging, curtec containers, spill and salvage containment, labels and placards, and bags.
03/02/2016	Pure Pack Technologies, LLC	Smyth Companies, LLC	No Public Information		Pure Pack Technologies, LLC designs and manufactures custom and stock bags to the movie theater industry. Its products include stock popcorn bags, custom printed popcorn bags, custom popcorn bags, printed flexible packaging, short run printed packaging, and two and three ply laminations.
03/01/2016	Excel Displays & Packaging	Georgia-Pacific LLC	No Public Information		Excel Displays & Packaging designs and manufactures point-of-purchase display, high-graphic retail packaging, in-store signage, and industrial packaging products. The company was founded in 1989 and is based in Aurora, Illinois.
02/29/2016	Earthwise Bag Company, Inc.	Bunzl plc (LSE:BNZL)	No Public Information		Earthwise Bag Company, Inc. supplies reusable bags in the United States. It offers pre-designed bags, such as fashion bags, kid's lunch totes, and Halloween shopping bags; in stock bags, which include blank standard shopping bags, veggie beds, and bottle reusable wine bags; custom and messenger bags; and multiuse totes, insulated bags, and produce bags. The company offers its bags for stores, and friends and families; as giveaways, and promotional and fundraising items.
02/29/2016	Steel Technology LLC	Helen of Troy Limited (NasdaqGS:HELE)	\$210	11.0x	Steel Technology LLC, doing business as Hydro Flask, manufactures bottles, flasks, and pints for hydration, coffee, beer, and food usage. The company also offers accessories, including hydro flips, color bands, standard mouth flat caps, wide mouth flat caps, wide mouth straw lids, standard mouth insulated sport caps, and standard mouth loop caps.
02/10/2016	Anomatic Corporation	Thyssen'sche Handelsgesellschaft m.b.H.	No Public Information		Anomatic Corporation manufactures and supplies anodized aluminum packaging products. It offers caps, candle lids, collars, tube caps, spray caps, and stock spirit caps.
02/09/2016	Kalman Packaging Inc.	Sabert Corporation	No Public Information		Kalman Packaging Inc. manufactures plastic packaging products. It offers utility, pie, cupcake and muffin, and specialty containers. The company was founded in 1996 and is based in Graham, North Carolina.

## Selected Precedent M&A Transactions (continued)

Date	Target	Buyers/Investors	Size (\$mm)	EV/ EBITDA	Target Business Description
02/03/2016	Western Container Company, Packaging Business Assets	Liberty Carton Company	No Public Information		As of February 3, 2016, Packaging business assets of Western Container Company was acquired by Liberty Carton Company. Packaging business assets of Western Container Company comprises corrugated cartons and boxes manufacturing business. The business is located in the United States.
01/04/2016	Deluxe Packages	Amcort Limited (ASX:AMC)	\$45	N/A	Deluxe Packages provides flexible packaging products in California. The company offers packaging for bakery, candy, coffee, dry and liquid condiment, confectionery, dairy and dairy lidding, pharmaceutical, snack, and dried grain industries.
12/03/2015	Coating Excellence International, LLC	ProAmpac LLC	\$245	N/A	Coating Excellence International, LLC produces packaging solutions for food packaging, industrial, medical packaging, and specialty markets. It offers sugar/sugar substitute packets, paper/foil laminations, film/foil laminations, pouches, composite can laminations, coated nonwovens, QSR wraps, release papers, high-definition 10-color printing, pouching, woven poly bags, laser scoring, and other specialty packaging materials.
11/10/2015	Diablo Valley Packaging, Inc.	Berlin Packaging, LLC	No Public Information		Diablo Valley Packaging, Inc. provides food, beverage, beer, liquor, and wine packaging solutions in the United States and internationally. Its products include glass bottles and jars, plastic containers, closures and capsules, and corrugated packaging. The company also provides various services, such as repacking, logistics/shipping, proprietary bottle development, custom-printed cartons, and warehousing.
11/02/2015	KSP Co. Ltd.	Mondi Limited (JSE:MND); Mondi plc (LSE:MNDI)	No Public Information		KSP Co. Ltd. manufactures and distributes flexible packaging solutions for food and beverage industries worldwide. It offers restorable and hot fill spouted pouches.
10/30/2015	Crate Tech, Inc.	FCA, LLC	No Public Information		Crate Tech, Inc. provides custom crating and packaging solutions. The company specializes in custom packaging of various items ranging from household goods to aerospace products.
10/22/2015	Sound Packaging LLC and Corrugated Professionals LLC	Smurfit Kappa North America LLC	No Public Information		Sound Packaging LLC and Corrugated Professionals LLC represents the combined operations of Sound Packaging LLC and Corrugated Professionals LLC in their sale to Smurfit Kappa Orange County LLC. Sound Packaging LLC manufactures and sells corrugated boxes. Corrugated Professionals LLC manufactures corrugated sheets and boxes. The companies are based in the United States.
10/01/2015	Wisconsin Film & Bag, Inc.	Hilex Poly Co. LLC	No Public Information		Wisconsin Film & Bag, Inc. manufactures mono-layer polyethylene bags and films. It offers plain polyethylene films and bags for shrink bundling products; large polyethylene pallet covers; VCI bags for rust protection; poly sheets for dust protection or pallet top sheets and other products
09/15/2015	Alcan Global Pharmaceutical Packaging, Inc.	DURAN Group GmbH	No Public Information		Alcan Global Pharmaceutical Packaging, Inc. manufactures and distributes glass and plastic packaging for biotechnology and cosmetic markets; and markets plastic laboratory consumables for National Health Service and education markets in the United Kingdom.
09/10/2015	Ams Associates, Inc.	Sun Coast Packaging, Inc.	No Public Information		Ams Associates, Inc., doing business as Shapiro Packaging, provides plastic packaging solutions. The company is based in Grand Rapids, Michigan. As of August 25, 2015, Ams Associates, Inc. operates as a subsidiary of Sun Coast Packaging, Inc.
09/04/2015	Cano Container Corporation, Sheet Manufacturing Operation In Aurora	International Paper Company (NYSE:IP)	No Public Information		As of September 4, 2015, Sheet Manufacturing Operation In Aurora of Cano Container Corporation was acquired by International Paper Company. Sheet Manufacturing Operation In Aurora of Cano Container Corporation comprises paper and corrugated packaging sheet manufacturing business. The business is located in the United States.

## Selected Precedent M&A Transactions (continued)

Date	Target	Buyers/Investors	Size (\$mm)	EV/ EBITDA	Target Business Description
9/1/15	Ultra Flex Packaging Corp.	Transcontinental Inc. (TSX:TCLA)	\$80	6.7x	Ultra Flex Packaging Corp. provides flexible packaging solutions. The company offers custom ploy bags, pouches, packets, and multi layer rollstock. It serves customers in coffee, bakery, snack foods, confectionary, dry mixes and powders, industrial, tobacco products, liquids and condiments, consumer goods, and textile markets worldwide.
8/11/15	SP Fiber Holdings, Inc.	WestRock Company (NYSE:WRK)	\$289	N/A	SP Fiber Holdings, Inc. produces recycled containerboard, kraft, and bag paper for end use in consumer and corrugated packaging.
7/23/15	Ampac Holdings, LLC	Prolamina Corporation	Non Public Information		Ampac Holdings, LLC manufactures and supplies flexible packaging solutions, retail shopping bags, and security bags. Its flexible packaging solutions include coextruded films, laminated films, shaped pouches, stand-up pouches, paper shopping bags, plastic shopping bags, merchandise bags, lawn and leaf bags, deposit bags, vault bundle bags, coin bags, evidence bags, and pharmaceutical distribution bags. The company was founded in 1966 and is headquartered in Cincinnati, Ohio with manufacturing centers in North America, Europe, and Asia.
7/13/15	WNA, Inc.	Jarden Corp. (NYSE:JAH)	\$1,350	N/A	WNA, Inc. designs, manufactures, and markets plastic single-use tableware and packaging products. It offers single-use drinkware, dinnerware, servingware, cutlery, and custom packaging products. The company also provides products in various categories, such as cocktail plates, cutlery, deli containers, dessertware, lids, souvenir cups and serving bowls. WNA, Inc. was founded in 2000 and is based in Covington, Kentucky. It has manufacturing sites in North America.
5/5/15	Victory Packaging, LP	KapStone Kraft Paper Corporation; KapStone Charleston Kraft, LLC	\$640	11.6x	Victory Packaging, LP designs, manufactures, and delivers packaging solutions. The company offers packaging solutions for appliance dollies, cargo control products, furniture pads and padded covers, hand trucks, hardwood dollies, mattress moving equipment, office and installation carts, office and installation necessities, panel carts, plastic commercial crates, and ramps and dock plates. It also provides logistics solutions. The company is based in Houston, Texas with warehouses and distribution facilities in the United States, Canada, and Mexico.
1/26/15	MeadWestvaco Corporation	WestRock Company (NYSE:WRK)	\$11,638	11.5x	MeadWestvaco Corporation provides packaging solutions to the healthcare, beauty and personal care, food, beverage, home and garden, tobacco, and agricultural industries worldwide. MeadWestvaco Corporation sells its products through sales force, and paperboard merchants and distributors. The company was founded in 1888 and is headquartered in Richmond, Virginia.
11/10/14	Packaging Dynamics Corp.	Hillex Poly Co. LLC (nka: NOVOLEX)	Non Public Information		Packaging Dynamics Corporation manufactures flexible packaging solutions. The company converts paper, film, and foil into various specialty food packaging products, including specialty bags, sheets, and wraps; interfolded tissues; and pan liners; It also provides printing, waxing, lamination, wax sheeting solutions; and paper bags
11/4/14	PPC Industries, Inc.	Kohlberg & Company	Non Public Information		PPC Industries, Inc. designs and manufactures flexible packaging products. It extrudes and converts plastic films, bags, and tubing products. The company also provides medical tubing, medical packaging and components, bags/bags on a roll, barrier packaging, and controlled-atmosphere bags, as well as produce packaging, including films and bags.

Source: Capital IQ



## Selected Precedent M&A Transactions (continued)

Date	Target	Buyers/Investors	Size (\$mm)	EV/ EBITDA	Target Business Description
9/29/14	Bates Container LLC	Smurfit Kappa Group plc	\$158	N/A	Bates Container LLC manufactures and supplies corrugated boxes and die-cuts in the United States. It also offers shipping and packaging supplies, such as poly bags and sheets, stretch wraps, tape and corner protectors, tape and stretch wrap equipment, chipboard pads, cold chain packaging products, and other non-corrugated items.
8/21/14	Coroplast, Inc.	Interplast Group, Ltd.	Non Public Information		Coroplast, Inc. manufactures corrugated plastic sheets for signs and re-usable packaging applications in North America. It serves graphic arts, packaging, agriculture, automotive, and industrial markets.
8/13/14	Ranpak Corporation	Rhone Capital	Non Public Information		Ranpak Corporation produces and supplies paper packaging materials and systems. It offers a range of packaging materials for void fill, cushioning, blocking and bracing, and wrapping applications.
7/8/14	Positive Packaging Industries	Huhtamaki	\$336	N/A	Positive Packaging Industries Limited provides printed and laminated barrier-grade flexible packaging materials in India, Nigeria, and the United Arab Emirates. It manufactures multilayer barrier grade unprinted/printed films, laminates, and pouches for flexible packaging, and PVC and PVDC coated films for pharmaceutical packaging applications.
6/19/14	SPG Holdings LLC	Georgia-Pacific Consumer Products LP	Non Public Information		SPG Holdings LLC manufactures and markets specialty paper products for the restaurant and foodservice distribution industries. The company offers napkins, sandwich wraps, carryout bags, and deli paper.
6/17/14	Duro Bag Manufacturing Co. Inc.	Hilex Poly Co. LLC (nka: NOVOLEX)	Non Public Information		Duro Bag Manufacturing Co. Inc. manufactures, prints, and distributes paper bags in North America. It offers grocery bags, grocery sacks, handle bags, merchandise bags, and paper lawn and leaf bags; various specialty bags, including lunch bags, pharmacy bags, liquor bags, bread bags, food service bags, and more; advertising and heavy duty grocery bags; and machine-made paper shopping bags for retail, resale, restaurant/food service, and medical/pharmaceutical applications.
5/1/14	Pretium Packaging, LLC	Genstar Capital, LLC	\$498	15.2x	Pretium Packaging, LLC designs, manufactures, and sells rigid plastic bottles and containers for food, personal care, household products, healthcare, and pharmaceutical end markets in the United States and Canada.
4/22/14	Pregis Corporation	Olympus Partners	Non Public Information		Pregis Corporation engages in the manufacture, marketing, and supply of protective and specialty packaging solutions. The company operates in two segments, Protective Packaging and Specialty Packaging. The Protective Packaging segment manufactures, markets, sells, and distributes protective packaging products.
4/14/14	PAC Paper, Inc.	Packaging Dynamics Corporation	Non Public Information		PAC Paper, Inc. manufactures paper products for food service, food processing and agricultural packaging, industrial packaging, and contract converting and printing grade markets. It serves national grocery chains, coffee vendors, food processors, agricultural packaging companies, and industrial manufacturers.
3/3/14	Simpson Tacoma Kraft Company, LLC	Rock-Tenn Company (NYSE:RKT)	\$343	6.0x	Simpson Tacoma Kraft Company, LLC manufactures bleached and unbleached kraft pulp and linerboard. It recycles waste paper and boxes to produce packaging paper.
2/13/14	Bemis Company, Inc., Paper Packaging Division	Hood Packaging Corporation	Non Public Information		Bemis Company, Inc. manufactures and sells packaging products and pressure sensitive materials in North America, Latin America, Europe, and the Asia-Pacific. The company operates in three segments: U.S. Packaging, Global Packaging, and Pressure Sensitive Materials.
11/19/13	Multi Packaging Solutions, Inc.	Chesapeake Limited	Non Public Information		Multi Packaging Solutions, Inc. provides print, packaging, and label solutions for healthcare, entertainment, consumer, beverage, cosmetics, and media end markets worldwide.

Source: Capital IQ

## Selected Precedent M&A Transactions (continued)

Date	Target	Buyers/Investors	Size (\$mm)	EV/ EBITDA	Target Business Description
9/16/13	Boise Inc. (NYSE:BZ)	Packaging Corporation of America (NYSE:PKG)	\$2,066	6.8x	Boise Inc., together with its subsidiaries, engages in the manufacture and sale of packaging and paper products in the United States, Europe, Mexico, and Canada.
9/10/13	Graphic Management Specialty Products, Inc.	Hoffmaster Group, Inc.	Non Public Information		GMSP provides a full range of commercial print and contract manufacturing services, including pizza labels, placemats, napkins, tray covers, placemats
7/8/13	Multi Packaging Solutions, Inc.	Madison Dearborn Partners, LLC	Non Public Information		Multi Packaging Solutions, Inc. provides print, packaging, and label solutions for healthcare, entertainment, consumer, beverage, cosmetics, and media end markets worldwide.
6/10/13	Longview Fibre Paper and Packaging, Inc.	KapStone Kraft Paper Corporation	\$1,508	10.5x	Longview Fibre Paper and Packaging, Inc. manufactures and supplies kraft papers, containerboards, and corrugated boxes to customers in the United States and internationally.
5/2/13	Exopack Holdings	Britton Group and PACCOR International GmbH and Kobusch UK Ltd and Paragon Print and Packaging Ltd	Non Public Information		Britton Group Limited manufactures plain, printed, and converted polyethylene films. PACCOR International GmbH manufactures and markets rigid packaging solutions for food and non-food applications including plastic and paper cups, containers, lids, trays, and mono and coextruded sheets. Kobusch UK Ltd. manufactures and supplies thermoformed plastic packaging products for the food industry in Europe. Paragon Print and Packaging Limited manufactures food packaging and non-food packaging products.
4/15/13	Caraustar Industries, Inc.	H.I.G. Capital, LLC	\$519	5.8x	Caraustar Industries, Inc. manufactures and markets recycled paperboard and converted paperboard products to customers in various industries in North America.
3/21/13	Wausau Paper Corp., Specialty Paper Business (nka:Expera Specialty Solutions, LLC)	KPS Capital Partners	Non Public Information		Expera Specialty Solutions, LLC manufactures specialty paper products for the food packaging, industrial, and pressure-sensitive release liner segments. The company was founded in 2013 and is based in Wisconsin. Expera Specialty Solutions, LLC is a former subsidiary of Wausau Paper Corp.
1/14/13	Saint-Gobain Containers, Inc.	Ardagh Group S.A.	\$1,694	6.5x	Saint-Gobain Containers, Inc. designs and manufactures glass bottles and jars for wine, beer, beverage, spirit, and food container markets in the United States. It provides food jars and bottles, glass spirits bottles, glass wine bottles, and glass beer bottles.
12/3/12	Ropak Corporation	BWAY Corporation	\$265	N/A	Ropak Corporation engages in the design, manufacture, and marketing of rigid plastic shipping containers and packaging solutions for consumer food, consumer non-food, food service, construction, dairy, fishing, hazardous materials, and petroleum markets in the United States, Canada, Mexico, and Europe.
11/30/12	De Luxe Group Inc.	Packaging Dynamics Corporation	\$107	N/A	De Luxe Group Inc. engages in manufacturing and converting paper, foil, and plastic packaging products in Canada and the United States.
11/26/12	Eco-Products, Inc.	WNA, Inc.	Non Public Information		Eco-Products, Inc., a food service supplier, manufactures foodservice packaging and paper products made from renewable resources and recycled content. It offers hot and cold cups, paper food containers, plates and bowls, utensils, lids, and other stuff; and custom printed products.
11/16/12	Contego Packaging Holdings Limited	Graphic Packaging Holding Company (NYSE:GPK)	\$128	6.6x	Contego Packaging Holdings Limited manufactures and markets paperboard and plastics packaging products for the healthcare, and food and consumer markets.
10/3/12	WNA, Inc.	Olympus Partners	Non Public Information		WNA, Inc. designs and manufactures plastic disposable tableware and packaging products. It offers dinnerware, servingware, drinkware, stemware, cutlery, miniware, plates, wine glasses, and other products for the food service industry, as well as retail packaging solutions, such as private label and custom design packaging solutions.

Source: Capital IQ

# Peakstone Select Recent Packaging Transactions



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GROWTH PARTNERS



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BAG MFG. CO.



**H2**  
HILEX

Packaging  
M&A Advisor



**WIND POINT PARTNERS**



**GMSP**




**hoffmaster**  
*Cuba. Fashion. Design.*

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**KVC** KICKAPOO  
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