
PEAKSTONE

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Packaging
Industry Insight

June 2019

Packaging M&A Update

Packaging M&A continues to see strong activity

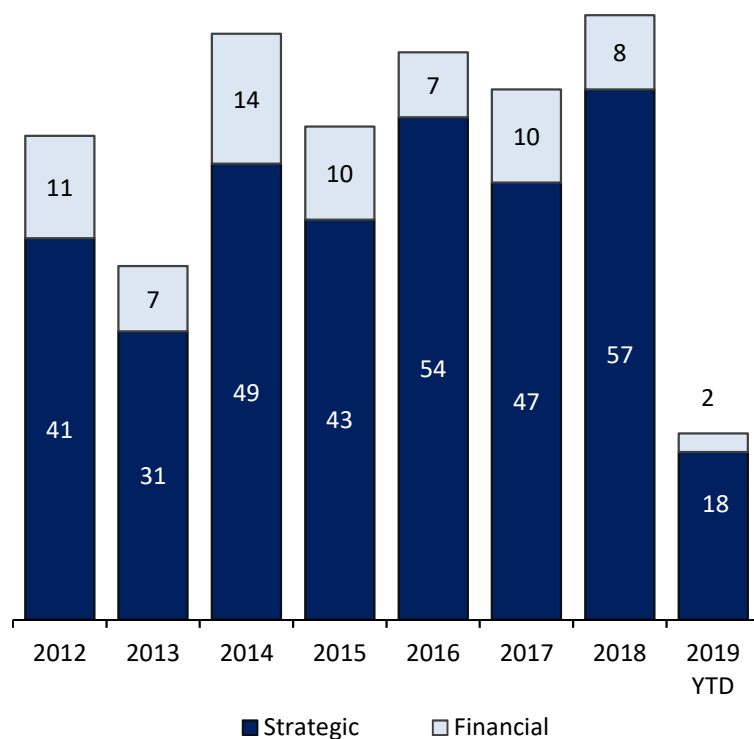
For 2019 YTD, strategic buyers accounted for 90% of the Packaging M&A transactions while financial buyers made up the difference. During 2018, strategic buyers accounted for approximately 84% of the transactions

Select Recent Notable Publicly Announced M&A Transactions				
Date	Status	Target	Transaction Size	Buyer
Jun-2019	Closed		\$950 million	
Apr-2019	Announced		\$215 million	
Dec-2018	Closed		\$1.8 billion	
Dec-2018	Closed		\$37 million	
Oct-2018	Closed		\$15 million	

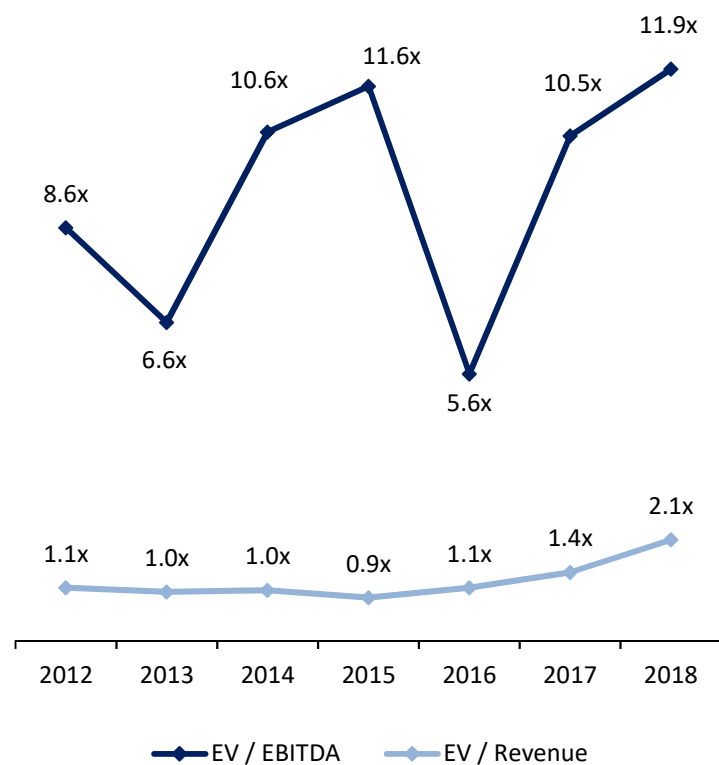
Note: Tekni-Plex plans to acquire Amcor plants in Ashland, VA, Milwaukee, WI and Madison, WI

Packaging – M&A Market Overview

U.S. Number of Transactions by Buyer Type



U.S. Transaction Multiples

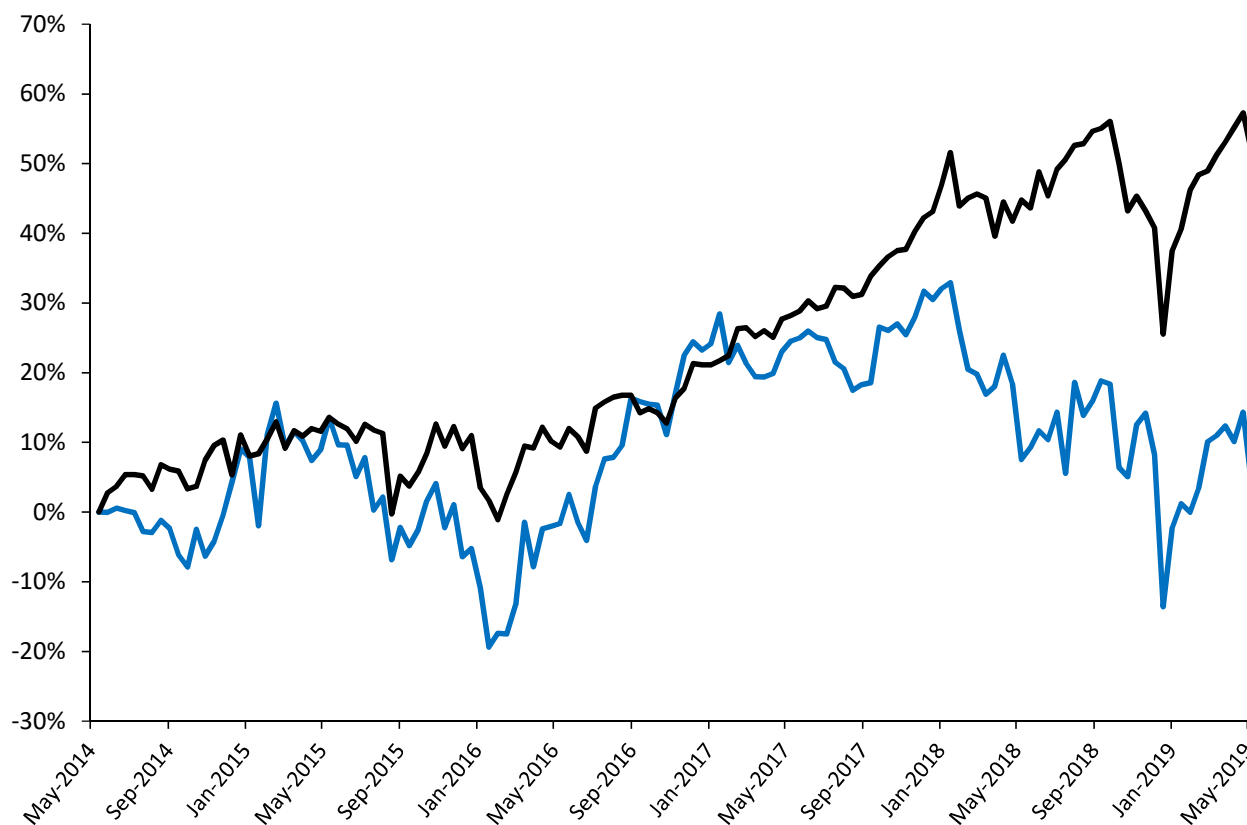


Source: Capital IQ, data as of May 2019

Note: No meaningful multiples available for 2019 YTD

Peakstone Packaging Index – Trading Statistics

Relative Stock Performance



S&P 500: 51%

Packaging: 3%

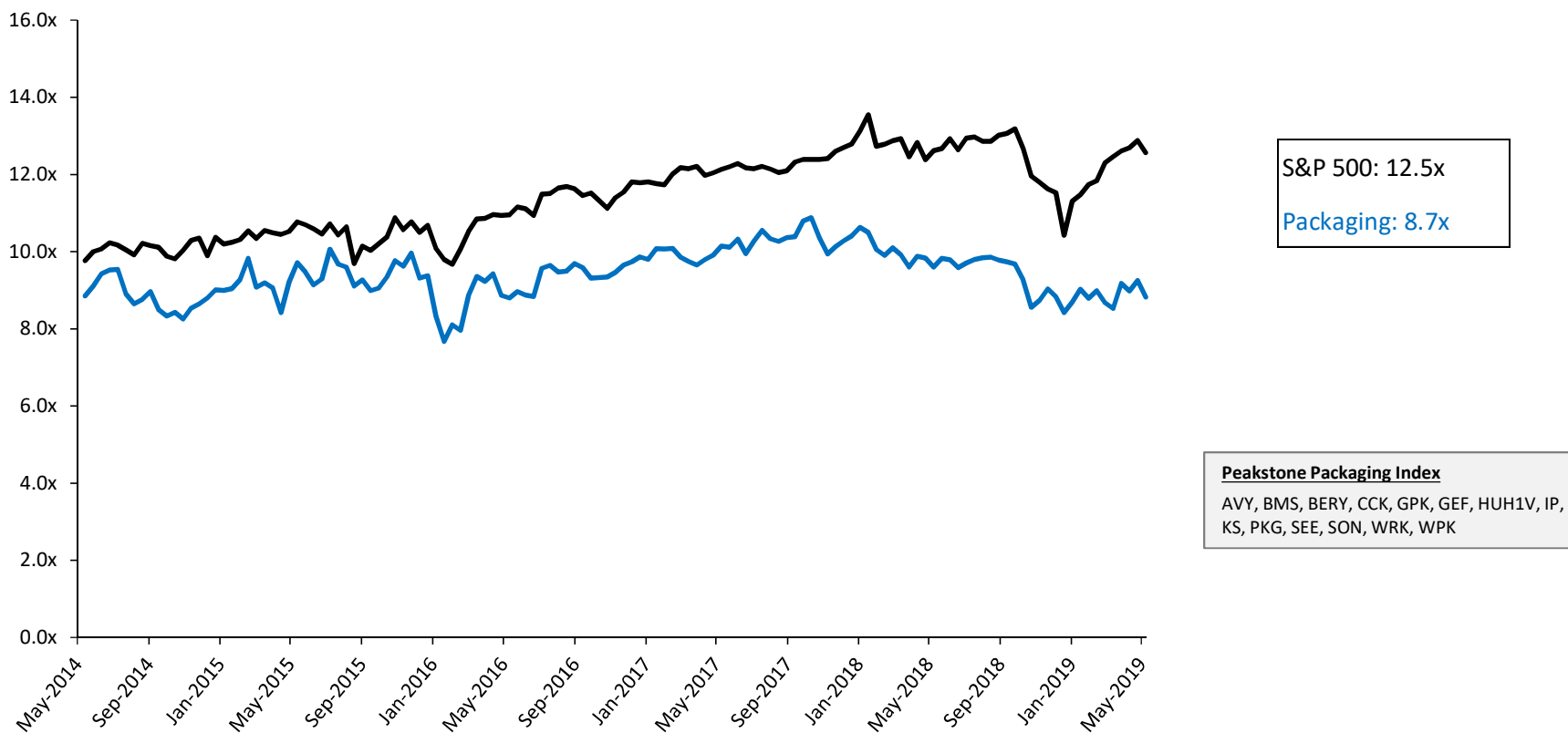
Peakstone Packaging Index

AVY, BMS, BERY, CCK, GPK, GEF, HUH1V,
IP, KS, PKG, SEE, SON, WRK, WPK

Source: Capital IQ, data as of May 2019
Note: Peakstone indexes are equally weighted

Peakstone Packaging Index – Trading Statistics

Comparable Valuation Trends – Enterprise Value / EBITDA



Source: Capital IQ, data as of May 2019
Note: Peakstone indexes are equally weighted

Selected Public Trading Comparables

Peakstone Packaging Index								
(\$ in millions)								
Company Name	Market Cap	Enterprise Value	Enterprise Value /			Forward P/E Ratio	Gross Margin %	EBITDA Margin %
			Revenue	EBITDA	EBIT			
Packaging								
International Paper Company	\$17,685	\$28,259	1.2x	6.8x	9.9x	8.5x	33%	16%
WestRock Company	9,238	19,895	1.1x	6.7x	12.0x	8.6x	20%	17%
Crown Holdings, Inc.	8,127	17,430	1.5x	10.3x	14.4x	10.4x	19%	14%
Packaging Corporation of America	8,867	11,151	1.6x	7.2x	9.6x	11.6x	24%	22%
Berry Global Group, Inc.	6,376	11,774	1.5x	8.7x	14.7x	12.8x	18%	17%
Avery Dennison Corporation	8,567	10,583	1.5x	11.1x	13.3x	14.8x	27%	13%
Sealed Air Corporation	6,499	9,831	2.1x	11.8x	14.1x	14.5x	32%	18%
Graphic Packaging Holding Company	3,853	7,850	1.3x	8.1x	14.9x	14.4x	16%	16%
Sonoco Products Company	6,333	7,950	1.5x	10.6x	15.6x	17.1x	20%	14%
Bemis Company, Inc.	5,301	6,704	1.6x	11.6x	16.2x	18.8x	20%	14%
KapStone Paper and Packaging Corporation	3,424	4,810	1.4x	8.9x	13.6x	10.1x	32%	16%
Huhtamäki Oyj	4,020	5,193	1.5x	11.8x	18.7x	16.7x	16%	12%
Greif, Inc.	1,968	3,097	0.8x	5.9x	7.8x	9.3x	20%	13%
Cascades Inc.	668	2,200	0.6x	6.1x	12.0x	10.0x	14%	10%
Winn-Dixie Stores, Inc.	2,082	1,749	2.0x	9.0x	11.4x	18.2x	31%	22%
Packaging Median	\$6,333	\$7,950	1.5x	8.7x	13.6x	12.8x	20%	16%
Total Packaging Median	\$6,333	\$7,950	1.5x	8.7x	13.6x	12.8x	20%	16%

Source: Capital IQ, data as of May 2019

Selected Precedent M&A Transactions

Selected Packaging Transactions

Date Announced	Target / Issuer	Transaction Size (\$mm)	Buyers / Investors	EV / EBITDA	Transaction Comments
04/22/2019	Plant in Milwaukee, Plant in Ashland and Plant in Madison of Amcor Limited	\$215	Tekni-Plex, Inc.	-	Tekni-Plex, Inc. entered into a binding agreement to acquire Plant in Milwaukee, Plant in Ashland and Part of a Plant in Madison from Amcor Limited (ASX:AMC) for approximately \$220 million on April 22, 2019.
12/20/2018	Caraustar Industries, Inc.	\$1,800	Greif Packaging LLC	10.3x	Greif Packaging LLC entered into a definitive agreement and plan of merger to acquire Caraustar Industries, Inc. from Paperboard Parent, Inc. for \$1.8 billion on December 20, 2018. The total consideration is consists of cash.
12/13/2018	Ranpak Corp.	\$950	One Madison Corporation (NYSE:OMAD)	-	One Madison Corporation (NYSE:OMAD) entered into a definitive agreement to acquire Ranpak Corp. from Rhone Partners IV L.P. managed by Rhone Capital, L.L.C. for \$950 million on December 12, 2018.
12/06/2018	Urban Forest Products, LLC/Clarion Packaging, Llc/Falcon Packaging, Llc	\$37	Cascades Inc. (TSX:CAS)	-	Cascades Inc. (TSX:CAS) acquired Urban Forest Products, LLC, Clarion Packaging, Llc and majority interest in Falcon Packaging, Llc for \$37.4 million on December 6, 2018. Combined, these three companies have consolidated sales that exceed \$110 million.
08/06/2018	Bemis Company, Inc. (NYSE:BMS)	\$6,875	Amcor Limited (ASX:AMC)	11.9x	Amcor Limited (ASX:AMC) ('Amcor') entered into a definitive agreement to acquire Bemis Company, Inc. (NYSE:BMS) ('Bemis') for \$5.3 billion on August 6, 2018.
06/19/2018	Free-Flow Packaging International, Inc.	\$2	Pregis Corporation	-	Pregis Corporation entered into a definitive agreement to acquire Free-Flow Packaging International, Inc. on June 19, 2018. Free-Flow Packaging International, Inc. professionals will join the Pregis team.
05/04/2018	The Waddington Group Inc.	\$2,300	Novolex Holdings, Inc.	-	Novolex Holdings, Inc. signed a definitive agreement to acquire The Waddington Group Inc. from Newell Brands Inc. (NYSE:NWL) for \$2.3 billion on May 4, 2018. The purchase price is subject to customary working capital and transaction adjustments.

Source: Capital IQ

Selected Precedent M&A Transactions (continued)

Selected Packaging Transactions					
Date Announced	Target / Issuer	Transaction Size (\$mm)	Buyers / Investors	EV / EBITDA	Transaction Comments
02/28/2018	Assets of Go Boy Pallets, LLC	\$5	Universal Forest Products, Inc. (NasdaqGS:UFPI)	-	Universal Forest Products, Inc. (NasdaqGS:UFPI) acquired the assets of Go Boy Pallets, LLC for \$5 million on May 26, 2017.
10/24/2017	North America Consumer Packaging Business of International Paper Company	\$1,801	Graphic Packaging International, Inc.	-	Graphic Packaging International, Inc. entered into a transaction agreement to acquire North America Consumer Packaging business from International Paper Company (NYSE:IP) and International Paper Group (UK) Limited for \$1.8 billion.
08/21/2017	Sacramento Container Corporation and Northern Sheets, LLC and Central California Sheets, LLC	\$265	Packaging Corporation of America (NYSE:PKG)	5.0x	Packaging Corporation of America (NYSE:PKG) entered into a definitive agreement to acquire substantially all of the assets of Sacramento Container Corporation, and 100% of the membership interests of Northern Sheets, LLC and Central California Sheets, LLC from Joseph LeRoy for approximately \$270 million on August 21, 2017.
06/29/2017	Indevco Management Resources, Inc.	\$1,146	DS Smith Plc (LSE:SMDS)	-	DS Smith plc (LSE:SMDS) entered into a conditional agreement to acquire an 80% stake in Indevco Management Resources, Inc. ('Indevco') from Merpas Co. S.à r.l. for \$1.1 billion on June 28, 2017.
06/26/2017	Clear Lam Packaging, Inc.	\$170	Sonoco Products Company (NYSE:SON)	-	Sonoco Products Company (NYSE:SON) signed a definitive agreement to acquire Clear Lam Packaging Inc. from a family for \$170 million on June 26, 2017. The consideration is paid in cash. The transaction is subject to normal regulatory review.
6/19/2018	Free-Flow Packaging International, Inc. PEAKSTONE	Undisclosed	Pregis Corporation	-	Pregis Corporation entered into a definitive agreement to acquire Free-Flow Packaging International, Inc. on June 19, 2018. Free-Flow Packaging International, Inc. professionals will join the Pregis team.
05/23/2017	US Corrugated, Inc., Certain Operations	\$192	WestRock Company (NYSE:WRK)	-	WestRock Company (NYSE:WRK) entered into a definitive agreement to acquire certain operations from U.S. Corrugated, Inc. for approximately \$190 million on May 23, 2017. The consideration includes a combination of cash and WestRock common stock.

Source: Capital IQ

Selected Precedent M&A Transactions (continued)

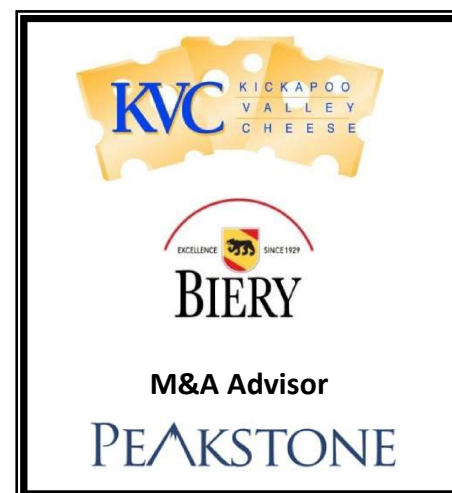
Selected Packaging Transactions					
Date Announced	Target / Issuer	Transaction Size (\$mm)	Buyers / Investors	EV / EBITDA	Transaction Comments
04/26/2017	Star Pizza Box, Inc.	\$35	WestRock Company (NYSE:WRK)	-	WestRock Company (NYSE:WRK) acquired Star Pizza Box, Inc. for \$35.2 million on March 13, 2017. The purchase price is inclusive of a preliminary yet to be received \$0.4 million working capital settlement.
04/11/2017	Consolidated Container Company LLC	\$1,200	Loews Corporation (NYSE:L)	-	Loews Corporation (NYSE:L) entered into an agreement to acquire Consolidated Container Company LLC from Bain Capital Private Equity, LP for \$1.2 billion on April 11, 2017. The purchase consideration is subject to customary purchase price adjustments.
04/05/2017	J.G Finneran Associates, Inc.	\$14	Porvair plc (LSE:PRV)	-	Porvair plc (LSE:PRV) acquired J. G. Finneran Associates, Inc. from Finneran family for \$14 million on April 4, 2017.
04/03/2017	Daiichi Sankyo, Inc., Pharmaceutical Packaging Facility in Bethlehem, Pennsylvania	\$14	Sharp Corporation	-	Sharp Packaging Solutions acquired a pharmaceutical packaging facility in Bethlehem, Pennsylvania from Daiichi Sankyo, Inc. for \$14 million on April 3, 2017. The acquisition includes all equipment and employees of the facility.
02/16/2017	Packaging Holdings, Inc.	\$230	Sonoco Plastics, Inc.	-	Sonoco Plastics, Inc. signed a definitive agreement to acquire Packaging Holdings, Inc. from Odyssey Investment Partners, LLC for approximately \$230 million on February 15, 2017. The transaction includes acquisition of Peninsula Packaging, LLC.
02/09/2017	Letica Corporation	\$640	RPC Group Plc (LSE:RPC)	11.2x	RPC Group Plc (LSE:RPC) entered into an agreement to acquire Letica Corporation for \$640 million on February 9, 2017.
01/24/2017	Multi Packaging Solutions International Limited	\$2,301	WestRock Company (NYSE:WRK)	10.5x	WestRock Company (NYSE:WRK) signed a definitive agreement to acquire Multi Packaging Solutions International Limited (NYSE:MPSX) from Madison Dearborn Partners, LLC and Carlyle European Capital Partners III, L.P.

Source: Capital IQ

Peakstone Momentum

  M&A Advisor PEAKSTONE	  M&A Advisor PEAKSTONE	   M&A Advisor PEAKSTONE	  M&A Advisor PEAKSTONE	  M&A Advisor PEAKSTONE	 Strategic Investor M&A Advisor PEAKSTONE	  M&A Advisor PEAKSTONE	  M&A Advisor PEAKSTONE
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Peakstone Select Recent Packaging Transactions



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Peakstone is an investment bank that specializes in mergers and acquisitions advisory and capital raising for middle market clients. Our team is comprised of senior investment banking professionals who have decades of experience and have executed hundreds of transactions totaling billions of dollars. For additional information, visit www.peakstone.com.

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