

PEAKSTONE

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Packaging Industry Insight











August 2017

Packaging M&A Update

Packaging M&A continues to see strong activity

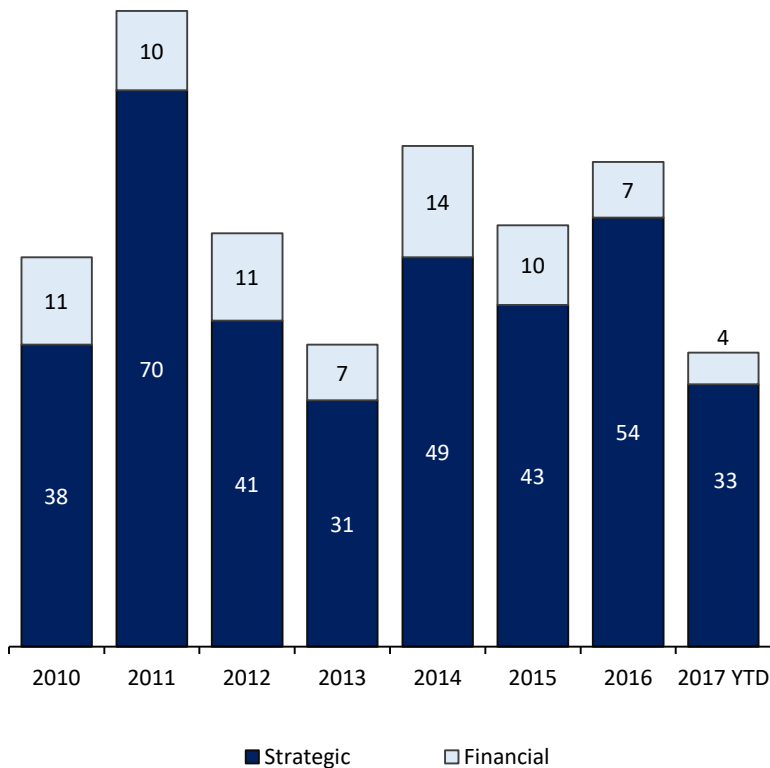
For the 2017 YTD period, strategic buyers accounted for 89% of the Packaging M&A transactions with financial buyers making up the difference; during 2016, strategic buyers also accounted for approximately 89% of the transactions

Select Recent Notable Publicly Announced M&A Transactions

Date	Status	Target	Transaction Size	Buyer
Jun-2017	Announced		\$1.15 billion	
Apr-2017	Closed		\$1.2 billion	
Feb-2017	Closed		\$640 million	
Jan-2017	Closed		\$2.3 billion	
Nov-2016	Closed		\$1.0 billion	

Packaging – M&A Market Overview

U.S. Number of Transactions by Buyer Type



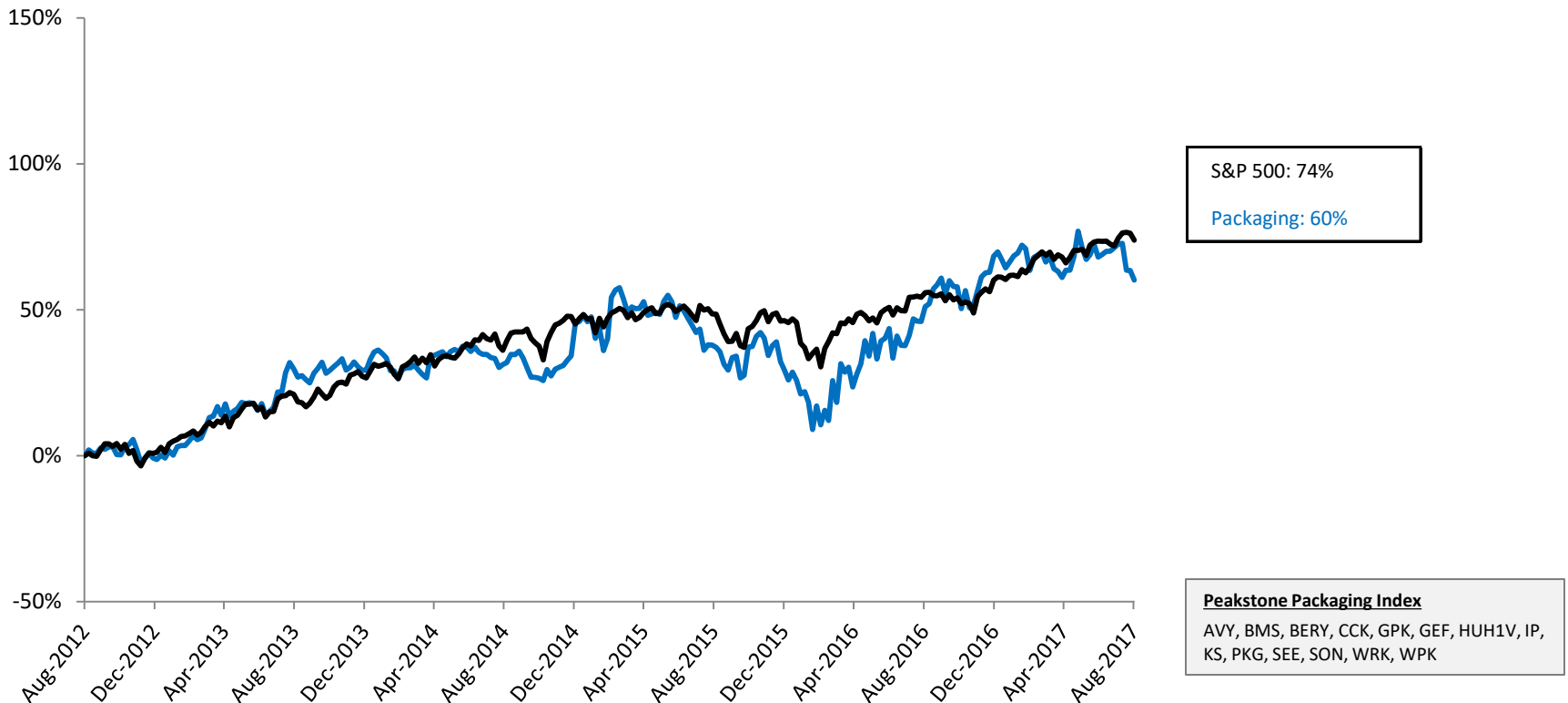
- Packaging M&A continues to see strong activity.
- 2017 YTD transaction volume of 37 deals is in line with 2016 levels of 61 transactions.
- Strategic buyers continue to be the most active group of buyers.
- Many larger strategic players are seeking consolidation opportunities.
- Strategic buyers are often buying at higher multiples than financial buyers.

Source: Capital IQ

Peakstone Packaging Index – Trading Statistics

The packaging stock index and valuation trends continue to increase with the broader market

Relative Stock Performance

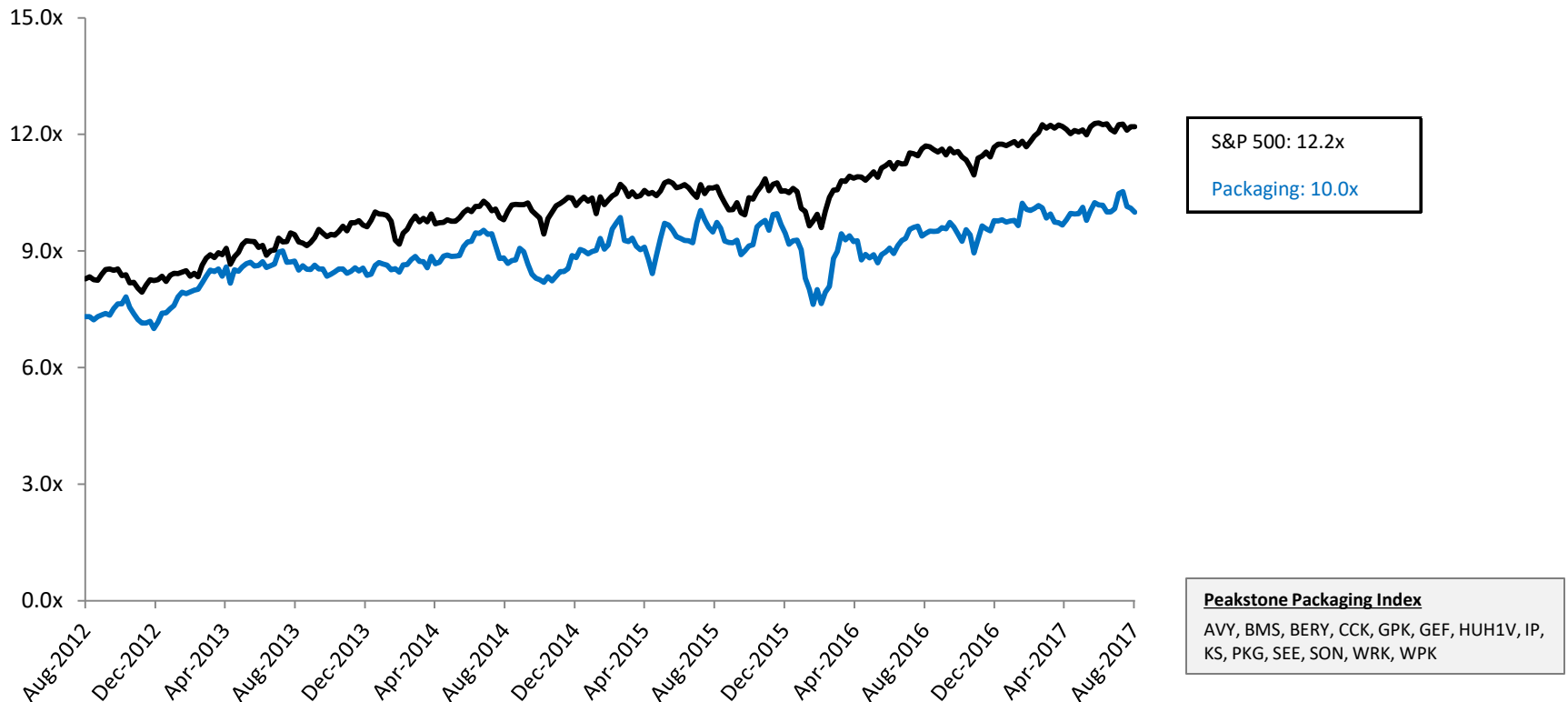


Source: Capital IQ, data as of 8/10/2017.
Note: Peakstone indexes are equally weighted.

Peakstone Packaging Index – Trading Statistics

The packaging stock index and valuation trends continue to increase with the broader market

Comparable Valuation Trends – Enterprise Value / EBITDA



Source: Capital IQ, data as of 8/10/2017.
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	\$21,558	\$31,753	1.4x	9.4x	15.6x	12.8x	30%	15%
WestRock Company	\$13,855	\$20,213	1.4x	9.4x	17.9x	16.0x	19%	15%
Crown Holdings, Inc.	\$7,849	\$13,220	1.6x	10.0x	12.2x	13.6x	20%	16%
Berry Global Group, Inc.	\$7,475	\$13,129	1.9x	10.7x	18.6x	17.2x	20%	18%
Sealed Air Corporation	\$8,367	\$12,570	1.8x	12.3x	15.4x	20.3x	37%	15%
Packaging Corporation of America	\$10,052	\$12,365	2.0x	10.2x	14.3x	16.9x	22%	20%
Avery Dennison Corporation	\$8,126	\$9,615	1.5x	12.1x	14.8x	17.8x	28%	13%
Graphic Packaging Holding Company	\$4,078	\$6,279	1.5x	9.1x	16.2x	17.1x	17%	16%
Sonoco Products Company	\$4,768	\$5,892	1.2x	9.8x	14.8x	16.9x	19%	12%
Bemis Company, Inc.	\$3,776	\$5,256	1.3x	9.3x	13.1x	16.3x	20%	14%
Huhtamäki Oyj	\$4,025	\$4,974	1.4x	10.9x	15.7x	16.1x	18%	13%
Greif, Inc.	\$2,733	\$3,813	1.1x	8.5x	11.8x	17.8x	21%	13%
KapStone Paper and Packaging Corporation	\$2,107	\$3,690	1.2x	10.6x	22.3x	14.6x	28%	11%
Cascades Inc.	\$1,092	\$2,608	0.8x	8.3x	16.0x	10.3x	15%	8%
Winpak Ltd.	\$2,704	\$2,471	2.8x	12.3x	15.1x	23.1x	32%	23%
Packaging Median	\$4,768	\$6,279	1.4x	10.0x	15.4x	16.9x	20%	15%

Source: Capital IQ, data as of 8/10/2017.

Selected Precedent M&A Transactions

Selected Packaging Transactions

Date	Target / Issuer	Transaction Size (\$mm)	Buyers / Investors	EV / EBITDA	Transaction Comments
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.
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.
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.
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.
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.

Source: Capital IQ.

Selected Precedent M&A Transactions (continued)

Selected Packaging Transactions

Date	Target / Issuer	Transaction Size (\$mm)	Buyers / Investors	EV / EBITDA	Transaction Comments
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.
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) for \$1.4 billion on January 23, 2017.
11/02/2016	Plastic Packaging Inc.	\$65	Sonoco Products Company (NYSE:SON)	-	Sonoco Products Co. (NYSE:SON) acquired Plastic Packaging, Inc. for \$64.5 million in cash on October 28, 2016.
11/02/2016	Anchor Glass Container Corporation	\$1,000	CVC Capital Partners Limited; BA Glass BV	-	CVC European Equity Partners VI LP a fund of CVC Capital Partners and BA Glass B.V. signed a definitive agreement to acquire Anchor Glass Container Corporation from KPS Capital Partners, LP for \$1 billion on November 2, 2016.
10/21/2016	Vector Europe N.V. and Vector Packaging Inc.	\$14	Viscofan, S.A. (BME:VIS)	-	Viscofan SA (BME:VIS) signed a sale and purchase agreement to acquire Vector Packaging and Vector Europe Nv from a group of private investors for \$3.4 million in cash on October 21, 2016.
10/11/2016	Columbus Container Inc.	\$100	Packaging Corporation of America (NYSE:PKG)	3.3x	Packaging Corporation of America (NYSE:PKG) entered into a definitive agreement to acquire substantially all of the assets of Columbus Container, Inc. for \$100 million on October 11, 2016.

Source: Capital IQ.

Selected Precedent M&A Transactions (continued)

Selected Packaging Transactions

Date	Target / Issuer	Transaction Size (\$mm)	Buyers / Investors	EV / EBITDA	Transaction Comments
09/26/2016	Steeltin Can Corporation	\$25	Independent Can Company	-	Independent Can Company agreed to acquire Steeltin Can Company from Ball Corporation (NYSE:BLL) for approximately \$25 million on September 26, 2016.
09/01/2016	Rigid Plastics Blow Molding Operations	\$280	Amcor Rigid Plastics USA, LLC; Amcor Packaging Canada Inc.	8.0x	Amcor Rigid Plastics USA, Inc. and Amcor Packaging Canada, Inc. entered into definitive agreement to acquire rigid plastics blow molding operations from Sonoco Plastics, Inc. for \$280 million on September 1, 2016.
08/25/2016	AEP Industries Inc.	\$794	Berry Global Group, Inc. (NYSE:BERY)	6.8x	Berry Plastics Group, Inc. (NYSE:BERY) entered into a definitive merger agreement to acquire AEP Industries Inc. (NasdaqGS:AEPI) for approximately \$560 million on August 24, 2016.
07/06/2016	Tim-Bar Corporation	\$386	Packaging Corporation of America (NYSE:PKG)	4.3x	Packaging Corporation of America (NYSE:PKG) entered into a definitive agreement to acquire substantially all of the assets of Tim-Bar Corporation for approximately \$390 million on July 1, 2016. The transaction is cash-free and debt-free transaction.
06/30/2016	Robbie Manufacturing, Inc.	\$34	Transcontinental Inc. (TSX:TCL.A)	-	Transcontinental Inc. (TSX:TCL.A) acquired Robbie Manufacturing, Inc. for \$34.1 million on June 30, 2016.

Source: Capital IQ.

Peakstone Momentum

   M&A Advisor PEAKSTONE	 <i>For Full Impact Logistics</i>  M&A Advisor PEAKSTONE	  M&A Advisor PEAKSTONE	  M&A Advisor PEAKSTONE	  M&A Advisor PEAKSTONE	  <i>Building Efficiency and Sustainability</i> M&A Advisor PEAKSTONE	  M&A Advisor PEAKSTONE
   M&A Advisor PEAKSTONE	  M&A Advisor PEAKSTONE	 <i>Integrated Lending, Servicing & Default Solutions</i>  Financing Advisor PEAKSTONE	  <i>The Best Way Every Day</i> M&A Advisor PEAKSTONE	 <i>FRIGIDERS, PHILLERS & MORE</i>  M&A Advisor PEAKSTONE	  M&A Advisor PEAKSTONE	   M&A Advisor PEAKSTONE
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Peakstone Select Recent Packaging Transactions



Alden & Ott
Printing Inks

huber
group

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ACUIRE
AUTOMATION

CES

RED OAK
GROWTH PARTNERS

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BAG MFG. CO.

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