

PEAKSTONE

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Packaging M&A Update

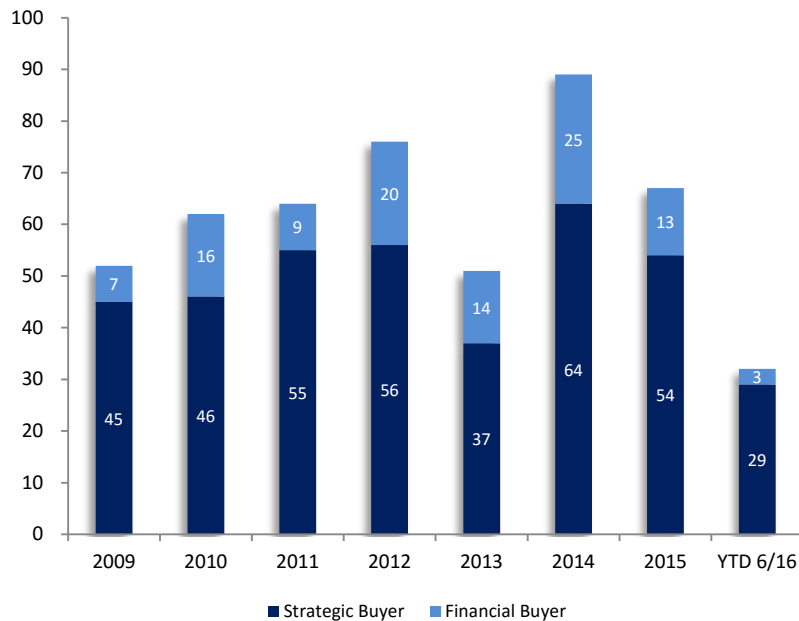
July 2016

Packaging M&A Update

- Packaging M&A continues to see steady activity. Year-to-date 2016 transaction volume of 32 deals is just below pace of 2015 levels.
- For the year-to-date 2016 period, strategic buyers accounted for 91% of the packaging M&A transactions with financial buyers making up the difference. During 2015, strategic buyers accounted for approximately 81% of the transactions.
- Peakstone equally weighted packaging index continues to trend with the S&P 500.
- Notable publicly announced 2015 and 2016 transactions:
 - Stone Canyon Industries announced it will acquire BWAY Parent Company for \$2.4 billion in June 2016.
 - WestRock Company acquired SP Fiber for approximately \$290 million.
 - KapStone acquired Victory Packaging for \$640 million.
 - Jarden Corp. acquired WNA for approximately \$1.4 billion.
 - WestRock Company acquired MeadWestvaco Corporation for approximately \$11.6 billion.

Packaging – M&A Market Overview

U.S. Packaging Transactions by Buyer Type

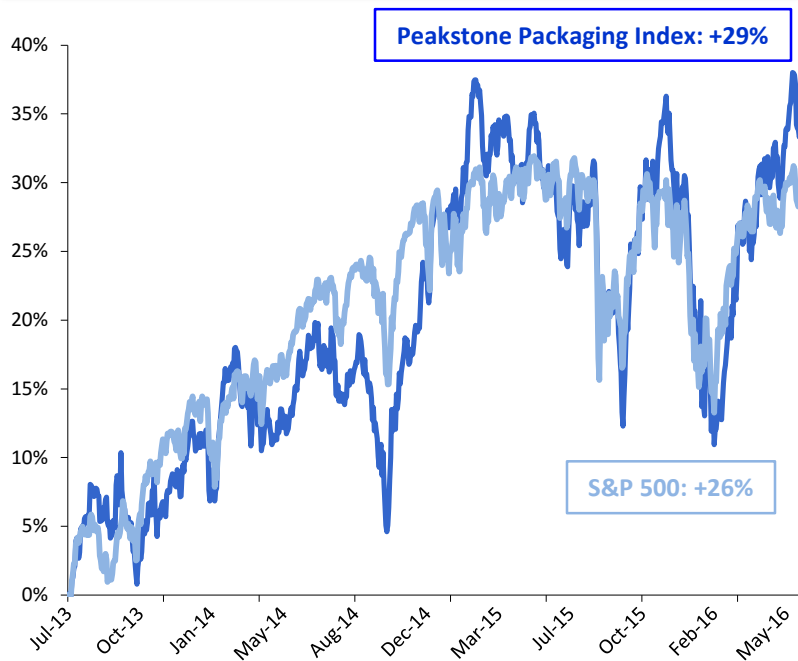


- Packaging M&A continues to see steady activity.
- Year-to-date 2016 transaction volume of 32 deals is just below pace of 2015 levels
- Strategic buyers continue to be the most active group of buyers.
- Many larger strategic players are seeking consolidation opportunities.
- Strategic buyers are often buying at higher multiples than financial buyers.

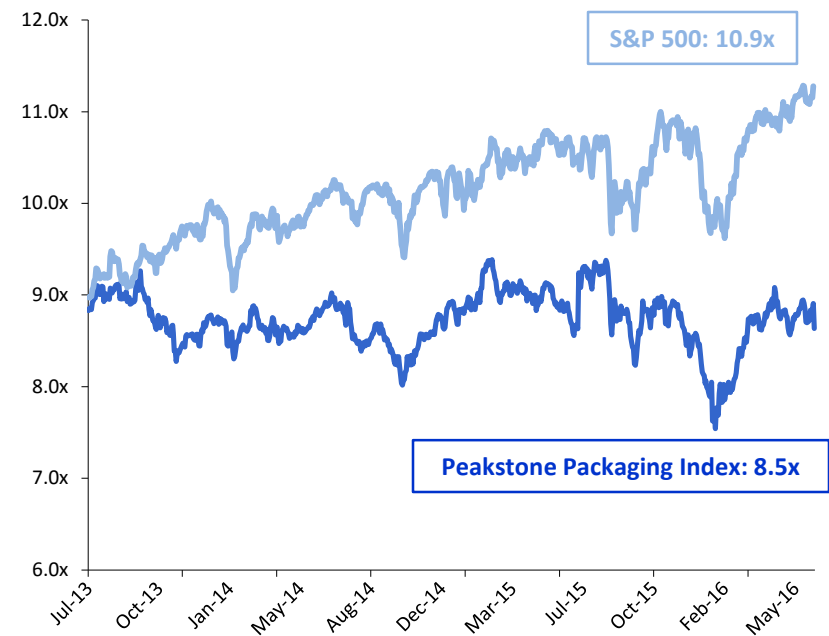
Peakstone Packaging Index - Trading Statistics

The packaging stock index has outperformed the S&P 500 over the last 3 years, while valuation trends have continued to increase with the broader market

Relative Stock Performance ⁽¹⁾



Comparable Valuation Trends – Enterprise Value/EBITDA



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

⁽¹⁾ Equally weighted

Selected Public Trading Comparables

Peakstone Packaging Index

| Company Name | Market Cap | Enterprise Value | Enterprise Value/ | | | | Forward P/E Ratio | Gross Margin % | EBITDA Margin % |
|------------------------------------|------------|------------------|-------------------|-------------|----------------|--------------|-------------------|----------------|-----------------|
| | | | Revenue | EBITDA | EBITDA - CapEx | EBIT | | | |
| International Paper Company | \$16,928 | \$31,453 | 1.4x | 8.5x | 15.1x | 12.8x | 12.0x | 30.6% | 16.2% |
| WestRock Company | \$9,506 | \$15,669 | 1.1x | 6.9x | 10.5x | 12.6x | 14.9x | 20.2% | 16.4% |
| Crown Holdings Inc. | \$6,910 | \$12,556 | 1.5x | 9.7x | 13.4x | 12.0x | 12.5x | 19.4% | 14.9% |
| Berry Plastics Group, Inc. | \$4,562 | \$10,403 | 1.8x | 10.9x | 15.4x | 20.5x | 16.6x | 19.4% | 16.8% |
| Packaging Corporation of America | \$6,137 | \$8,293 | 1.5x | 7.3x | 10.1x | 10.5x | 14.5x | 21.5% | 19.8% |
| Avery Dennison Corporation | \$6,494 | \$7,531 | 1.3x | 10.6x | 13.1x | 13.3x | 18.8x | 27.7% | 12.0% |
| Graphic Packaging Holding Company | \$3,977 | \$6,202 | 1.5x | 8.4x | 13.8x | 13.6x | 15.1x | 19.3% | 17.6% |
| Bemis Company, Inc. | \$4,748 | \$6,154 | 1.5x | 10.6x | 16.7x | 14.6x | 18.0x | 21.6% | 14.5% |
| Sonoco Products Co. | \$4,811 | \$5,813 | 1.2x | 9.0x | 13.5x | 13.4x | 17.1x | 19.1% | 12.8% |
| Huhtamaki Oyj | \$3,883 | \$4,539 | 1.5x | 11.7x | 20.4x | 16.6x | 19.0x | 17.6% | 12.5% |
| Greif, Inc. | \$2,073 | \$3,244 | 1.0x | 7.7x | 11.3x | 11.2x | 14.3x | 19.6% | 12.3% |
| KapStone Paper and Packaging Corp. | \$1,245 | \$2,772 | 0.9x | 7.1x | 10.9x | 12.4x | 11.5x | 29.2% | 13.1% |
| Wipak Ltd. | \$2,318 | \$2,165 | 2.7x | 11.2x | 16.1x | 13.5x | 21.8x | 33.0% | 23.9% |
| Cascades, Inc. | \$669 | \$2,039 | 0.7x | 5.4x | 10.1x | 8.7x | 7.8x | 16.0% | 11.3% |
| AEP Industries Inc. | \$418 | \$595 | 0.5x | 5.4x | 6.3x | 7.5x | N/A | 18.0% | 9.9% |
| Median | | | 1.4x | 8.5x | 13.4x | 12.8x | 15.0x | 19.6% | 14.5% |

As of June 29, 2016

Source: Capital IQ

Selected Precedent M&A Transactions

| Date | Target | Buyers/Investors | Size (\$mm) | EV/ EBITDA | Target Business Description |
|----------|-------------------------------|----------------------------------|------------------------|------------|---|
| 6/13/16 | BWAY Parent Company, Inc. | Stone Canyon Industries, LLC | \$2,400 | N/A | BWAY Parent Company, Inc., through its subsidiaries, engages in the manufacture and distribution of metal and rigid plastic containers that are used primarily by the manufacturers of industrial and consumer products for packaging. The company operates in two segments, Metal Packaging and Plastic Packaging. |
| 4/4/16 | Heritage Bag Company Inc. | Novolex | Non Public Information | | Heritage Bag Company Inc. manufactures and supplies commercial plastic bags and liners. The company offers linear low and high density trash, food/utility, healthcare, and compostable trash bags; reprocessed liners; and custom products. |
| 3/22/16 | Scope Packaging Inc. | Smurfit Kappa North America LLC | Non 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. |
| 3/1/16 | Excel Displays & Packaging | Georgia-Pacific LLC | Non Public Information | | Excel Displays & Packaging designs and manufactures point-of-purchase display, high-graphic retail packaging, in-store signage, and industrial packaging products. |
| 2/29/16 | Earthwise Bag Company, Inc. | Bunzl plc (LSE:BNZL) | Non 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. |
| 11/10/15 | Diablo Valley Packaging, Inc. | Berlin Packaging, LLC | Non 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. |
| 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. |

Selected Precedent M&A Transactions (continued)

| Date | Target | Buyers/Investors | Size (\$mm) | EV/ EBITDA | Target Business Description |
|----------|---------------------------------|--|------------------------|------------|--|
| 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. |
| 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. |
| 11/10/14 | Packaging Dynamics Corp. | HiLex 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. |
| 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; and machine-made paper shopping bags for retail, resale, restaurant/food service, and medical/pharmaceutical applications. |

Selected Precedent M&A Transactions (continued)

| Date | Target | Buyers/Investors | Size (\$mm) | EV/ EBITDA | Target Business Description |
|----------|--|--|------------------------|------------|---|
| 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. |
| 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. |
| 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. |

Selected Precedent M&A Transactions (continued)

| Date | Target | Buyers/Investors | Size (\$mm) | EV/EBITDA | Target Business Description |
|----------|------------------------------------|--|------------------------|-----------|--|
| 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. |
| 10/2/12 | BWAY Parent Company, Inc. | Platinum Equity, LLC | \$2,051 | 13.1x | BWAY Parent Company, Inc., through its subsidiaries, engages in the manufacture and distribution of metal and rigid plastic containers that are used primarily by the manufacturers of industrial and consumer products for packaging. The company operates in two segments, Metal Packaging and Plastic Packaging. |
| 9/24/12 | Orange County Container Group LLC | Smurfit Kappa Group plc (ISE:SK3) | \$340 | N/A | Orange County Container Group LLC manufactures industrial point-of-purchase paperboard and paper-based packaging solutions. It offers recycled containerboard and graphics corrugated containers, folding carton containers, and point-of-purchase displays. |
| 6/25/12 | Mid South Packaging, LLC | Rock-Tenn Company (NYSE:RKT) | \$33 | N/A | As of June 25, 2012, Mid South Packaging, LLC was acquired by Rock-Tenn Co. Mid South Packaging, LLC engages in designs and manufactures packaging solutions. |
| 5/30/12 | Consolidated Container Company LLC | Bain Capital Private Equity | \$800 | N/A | Consolidated Container Company LLC develops and manufactures rigid plastic packaging solutions. It offers packaging solutions of various plastic materials, and serves dairy, water, beverage, food, household chemical, chemical, automotive, and distributor industries. |
| 4/4/12 | The Mason Box Company, Inc. | International Packaging Corporation | Non Public Information | | The Mason Box Company, Inc. manufactures rigid mailing boxes. The company also provides boxes with PVC covers, cardboard boxes, paper boxes, and velvet boxes. |
| 1/10/12 | Colorado Container Corporation | Packaging Corporation of America (NYSE:PKG) | \$22 | N/A | Colorado Container Corporation designs and manufactures standard and customized corrugated packaging and display products. |
| 10/27/11 | GMI Group | Rock-Tenn Company (NYSE:RKT) | \$86 | N/A | GMI Group, through its subsidiaries Corpak, Inc., Foil Laminating, Inc. and Varipak, Inc., manufactures corrugated pizza boxes including micro flute clamshells, lids, film, and foil laminates. |
| 10/10/11 | Tegant Corporation | Sonoco Products Co. (NYSE:SON) | \$550 | N/A | Tegant Corporation manufactures and markets protective, thermal, and consumer packaging products and materials. The company's business units include Protexic Brands, a manufacturer of engineered foam molded components, custom packaging, and building products; ThermoSafe Brands, that offers insulated shipping and thermal packaging solutions; and Alloyd Brands, a manufacturer of printed cards, thermoformed packaging, and sealing machines. |

Peakstone Select Recent Packaging Transactions



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CES

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RED OAK
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DURO
BAG MFG. CO.



H2
HILEX

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