

# PEAKSTONE

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## Packaging Industry Insight

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November 2018

# Packaging M&A Update

## Packaging M&A continues to see strong activity

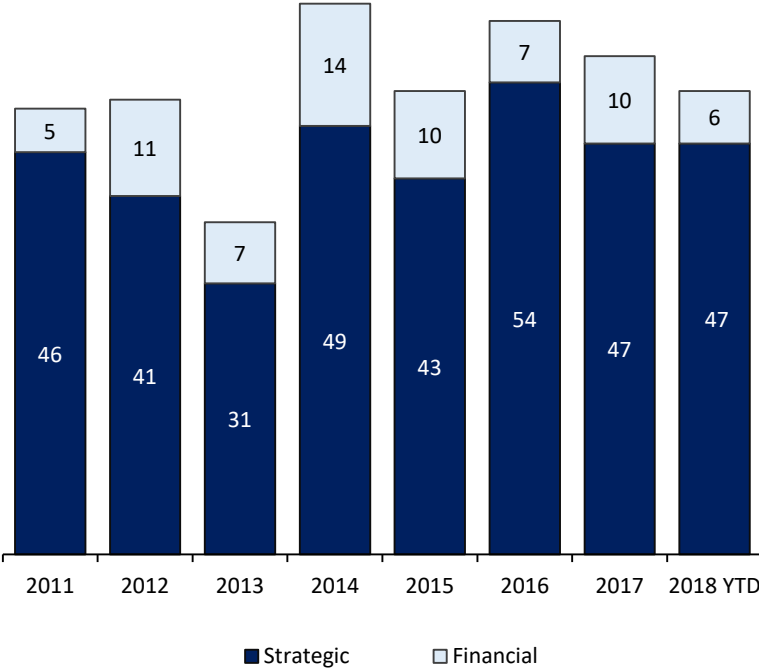
For 2018 YTD, strategic buyers accounted for 84% of the Packaging M&A transactions with financial buyers making up the difference; during 2017, strategic buyers also accounted for approximately 82% of the transactions.

Select Recent Notable Publicly Announced M&A Transactions

Date	Status	Target	Transaction Size	Buyer
Aug-2018	Announced	 Bemis®	\$6.8 billion	 amcor
Jun-2018	Closed PEAKSTONE	 FP INTERNATIONAL® Protecting What Matters	Undisclosed	 Pregis Protective Packaging Solutions
May-2018	Closed	 THE WADDINGTON GROUP™	\$2.3 billion	 NOVOLEX™
Oct-2017	Announced	 INTERNATIONAL PAPER	\$1.8 billion	 Graphic Packaging INTERNATIONAL
Aug-2017	Closed	 INDEVCO	\$265 million	 DS Smith

# Packaging – M&A Market Overview

U.S. Number of Transactions by Buyer Type



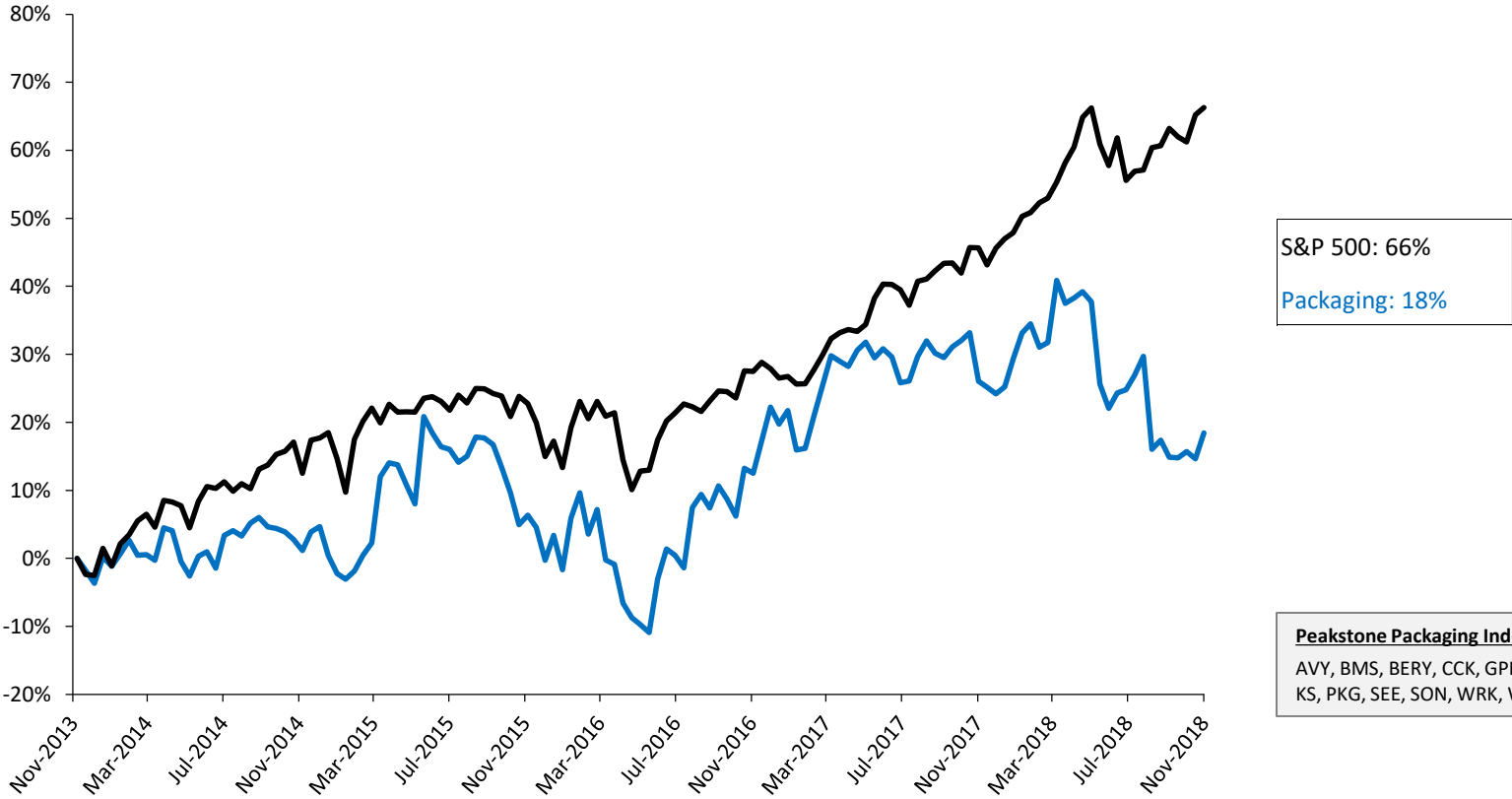
- Packaging M&A continues to see strong activity.
- 2018 YTD transaction volume of 43 is ahead of 2017 activity.
- Strategic buyers continue to be the most active group of buyers.
- Many larger strategic players are seeking consolidation opportunities.
- Strategic buyers are often buying at higher multiples than financial buyers.

Source: Capital IQ, data as of November, 2018.

# Peakstone Packaging Index – Trading Statistics

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

## Relative Stock Performance

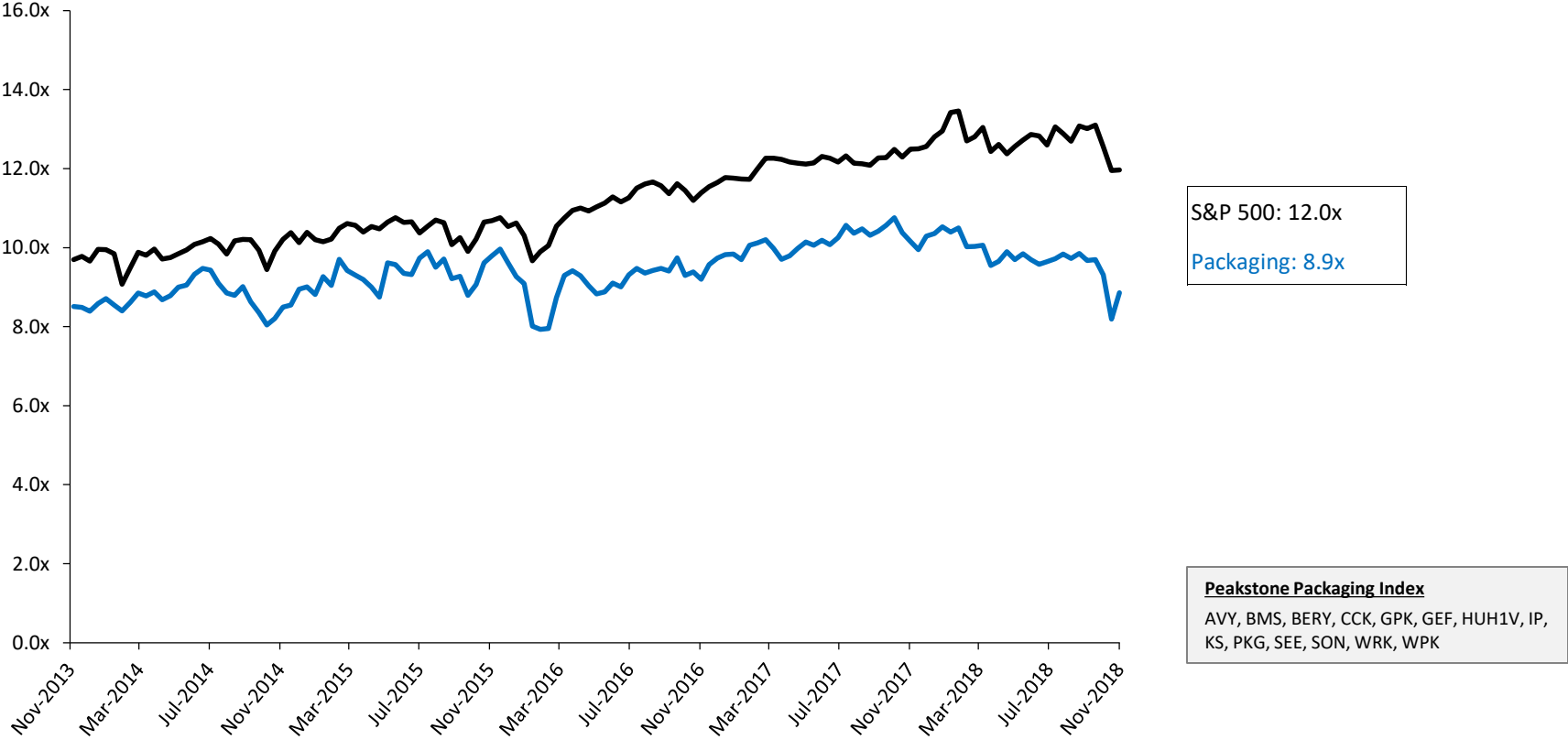


Source: Capital IQ, data as of November, 2018.  
Note: Peakstone indexes are equally weighted.

# 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 November, 2018.  
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			
<b>Packaging</b>								
International Paper Company	\$21,711	\$32,147	1.3x	7.1x	10.8x	8.2x	31%	17%
WestRock Company	\$14,479	\$20,979	1.1x	6.1x	10.8x	10.2x	21%	18%
Crown Holdings, Inc.	\$6,017	\$15,423	1.5x	9.6x	12.5x	8.3x	20%	15%
Packaging Corporation of America	\$10,470	\$12,869	1.7x	7.9x	10.8x	11.1x	23%	21%
Berry Global Group, Inc.	\$6,397	\$12,140	1.5x	8.7x	14.5x	11.8x	19%	17%
Avery Dennison Corporation	\$9,914	\$11,350	1.4x	10.5x	12.5x	14.3x	27%	13%
Sealed Air Corporation	\$7,030	\$10,108	1.9x	11.1x	13.4x	13.1x	32%	17%
Graphic Packaging Holding Company	\$4,413	\$8,081	1.3x	8.3x	15.5x	13.6x	16%	16%
Sonoco Products Company	\$5,609	\$6,885	1.3x	9.2x	13.6x	16.1x	19%	14%
Bemis Company, Inc.	\$4,214	\$5,690	1.4x	10.1x	14.3x	15.8x	19%	14%
KapStone Paper and Packaging Corporation	\$3,408	\$4,909	1.4x	8.9x	13.5x	0.0x	32%	16%
Huhtamäki Oyj	\$3,748	\$4,793	1.2x	9.2x	13.4x	13.5x	16%	13%
Greif, Inc.	\$2,669	\$3,736	0.9x	7.1x	9.5x	12.1x	20%	13%
Cascades Inc.	\$900	\$2,216	0.6x	6.3x	12.2x	7.2x	15%	10%
Winpak Ltd.	\$2,332	\$2,035	2.3x	10.3x	12.9x	19.4x	31%	22%
<b>Packaging Median</b>	<b>\$5,609</b>	<b>\$8,081</b>	<b>1.4x</b>	<b>8.9x</b>	<b>12.9x</b>	<b>12.1x</b>	<b>20%</b>	<b>16%</b>

Source: Capital IQ, data as of November, 2018.

# Selected Precedent M&A Transactions

## Selected Packaging Transactions

Date	Target / Issuer	Transaction Size (\$mm)	Buyers / Investors	EV / EBITDA	Transaction Comments
08/06/2018	Bemis Company, Inc. (NYSE:BMS)	\$6,875	Amcors Limited (ASX:AMC)	11.9x	Amcors 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.
07/24/2018	iRollie LLC	\$1	MariMed Inc. (OTCPK:MRMD)	-	MariMed Inc. (OTCPK:MRMD) acquired iRollie LLC for \$0.6 million on July 24, 2018. MariMed paid the consideration in stock.
06/19/2018	Free-Flow Packaging International, Inc.	Undisclosed PEAKSTONE	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.
03/19/2018	Bottle It Inc.	\$1	Cannabis Science, Inc. (OTCPK:CBIS)	-	Cannabis Science, Inc. (OTCPK:CBIS) entered into a share purchase agreement to acquire Bottle It Inc. for \$0.74 million on March 14, 2018.
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.

Source: Capital IQ.

## Selected Precedent M&A Transactions (continued)

### Selected Packaging Transactions

Date	Target / Issuer	Transaction Size (\$mm)	Buyers / Investors	EV / EBITDA	Transaction Comments
10/10/2017	The Enviromart Companies, Inc. (OTCPK:EVRT)	\$0	Eastone Equities, LLC	-	Eastone Equities, LLC entered into an agreement to acquire 89.6% of the stake in The Enviromart Companies, Inc. (OTCPK:EVRT) from Plaza Services, LLC, Mark D. Shefts, John G. Nossiff and Joel Marcus for \$0.3 million on October 5, 2017.
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.
06/08/2017	Gehl Foods, LLC, West Bend Bottle Manufacturing Plant in Wisconsin	\$5	ALPLA Inc.	-	ALPLA Inc. acquired West Bend Bottle Manufacturing Plant in Wisconsin from Gehl Foods, LLC for \$5.4 million on May 31, 2017.
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. The purchase price is inclusive of a preliminary yet to be received \$0.4 million working capital settlement.

Source: Capital IQ.



## Selected Precedent M&A Transactions (continued)

### Selected Packaging Transactions

Date	Target / Issuer	Transaction Size (\$mm)	Buyers / Investors	EV / EBITDA	Transaction Comments
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.
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) from Madison Dearborn Partners, LLC and Carlyle European Capital Partners III, L.P., managed by The Carlyle Group LP (NasdaqGS:CG) for \$1.4 billion on January 23, 2017.
12/23/2016	LINDAR Corporation, Bioplastic Division	\$0	Solegear Bioplastic Technologies Inc. (TSXV:SGB)	-	Solegear Bioplastic Technologies Inc. (TSXV:SGB) entered into a definitive agreement to acquire bioplastic division from LINDAR Corporation for \$0.44 million on December 22, 2016.

Source: Capital IQ.

# Peakstone Momentum

 <p>HA LOGISTICS</p>  <p>SUNTECKIts. COMVEST</p> <p>M&amp;A Advisor PEAKSTONE</p>	 <p>PROTECT-A-BED Every Mattress Needs Protection™</p> <p>CENTRE LANE PARTNERS</p>  <p>surefit</p> <p>M&amp;A Advisor PEAKSTONE</p>	 <p>F&amp;I RESOURCES</p>  <p>Brown &amp; Brown INSURANCE</p> <p>M&amp;A Advisor PEAKSTONE</p>	 <p>BLOCK AND COMPANY</p>  <p>SPENSLER EQUITY</p> <p>M&amp;A Advisor PEAKSTONE</p>	 <p>80 ACRES FARMS. Truly local. honestly fresh.</p> <p>Strategic Investor</p> <p>M&amp;A Advisor PEAKSTONE</p>	 <p>MixOnSite Cellular Concrete Specialists</p>  <p>CEMATRIX™ Cellular Concrete Solutions</p> <p>M&amp;A Advisor PEAKSTONE</p>	 <p>FP INTERNATIONAL</p>  <p>Pregis OLYMPUS PARTNERS</p> <p>M&amp;A Advisor PEAKSTONE</p>	 <p>Terry's Quality Foods QUALITY FOODS</p>  <p>TH FOODS</p> <p>M&amp;A Advisor PEAKSTONE</p>
 <p>LAMINATION SPECIALTIES</p>  <p>UNION PARTNERS</p> <p>M&amp;A Advisor PEAKSTONE</p>	<p>Gourmet Gift Concepts LLC Gourmet Select Inc</p>  <p>modjule</p>  <p>HICKORY FARMS</p> <p>M&amp;A Advisor PEAKSTONE</p>	 <p>erehwon mountain outfitter</p>  <p>CAMPING WORLD</p> <p>M&amp;A Advisor PEAKSTONE</p>	 <p>MARKET FRESH PRODUCE</p>  <p>Marquette Capital Partners</p> <p>M&amp;A Advisor PEAKSTONE</p>	 <p>LABRIOLA EST. 1939 ARTISAN BREAD</p>  <p>JJ SNACK FOODS CORP</p> <p>M&amp;A Advisor PEAKSTONE</p>	 <p>TECTA AMERICA Building Solutions</p> <p>M&amp;A Advisor PEAKSTONE</p>	 <p>TABS Analytics</p>  <p>pivotstream</p> <p>M&amp;A Advisor PEAKSTONE</p>	 <p>SOUTHERN IMPERIAL</p>  <p>FF</p> <p>M&amp;A Advisor PEAKSTONE</p>
 <p>Fairrington For Full Impact Logistics</p>  <p>LSC COMMUNICATIONS</p> <p>M&amp;A Advisor PEAKSTONE</p>	 <p>LG Medical Technologies, Inc.</p>  <p>INSIGHT IMAGING</p> <p>M&amp;A Advisor PEAKSTONE</p>	 <p>AutoAccessories GARAGE</p> <p>M&amp;A Advisor PEAKSTONE</p>	 <p>Automotive Assurance Group</p>  <p>AmTrust</p> <p>M&amp;A Advisor PEAKSTONE</p>	 <p>TSI</p>  <p>Service Logic Building Efficiency and Sustainability</p> <p>M&amp;A Advisor PEAKSTONE</p>	 <p>Alden &amp; Ott Printing Ink</p>  <p>huber group</p> <p>M&amp;A Advisor PEAKSTONE</p>	 <p>The Service Center</p>  <p>Linde</p> <p>M&amp;A Advisor PEAKSTONE</p>	 <p>NitroFill</p>  <p>Kinderhook INDUSTRIES</p> <p>M&amp;A Advisor PEAKSTONE</p>
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# Peakstone Select Recent Packaging Transactions



**Alden & Ott**  
Printing Inks

**huber**  
group

M&A Advisor  
**PEAKSTONE**



**ACUIRE**  
AUTOMATION

**CES**

**RED OAK**  
GROWTH PARTNERS

M&A Advisor  
**PEAKSTONE**



**DURO**  
BAG MFG. CO.

**HILEX**

**WIND POINT PARTNERS**

M&A Advisor  
**PEAKSTONE**



**GMSP**

**hoffmaster**  
Color Fashion Design

**Metalmark**  
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**KVC** KICKAPOO VALLEY CHEESE

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## About Peakstone

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](http://www.peakstone.com).

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