

PEAKSTONE

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Packaging
Industry Insight









August 2019

Packaging M&A Update

Packaging M&A continues to see strong activity

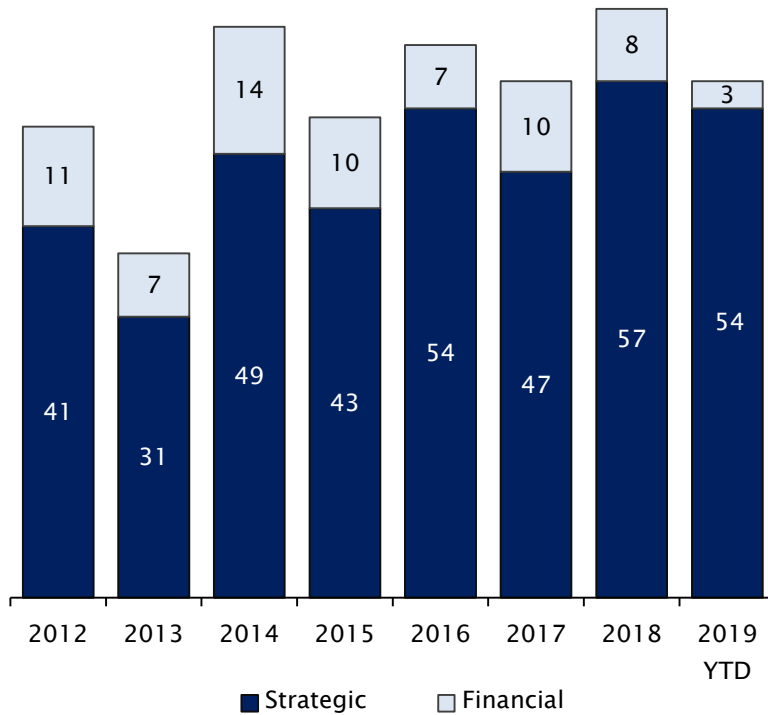
For 2019 YTD, strategic buyers accounted for 95% of the Packaging M&A transactions while financial buyers made up the difference. During 2018, strategic buyers accounted for approximately 84% of the transactions.

Select Recent Notable Publicly Announced M&A Transactions

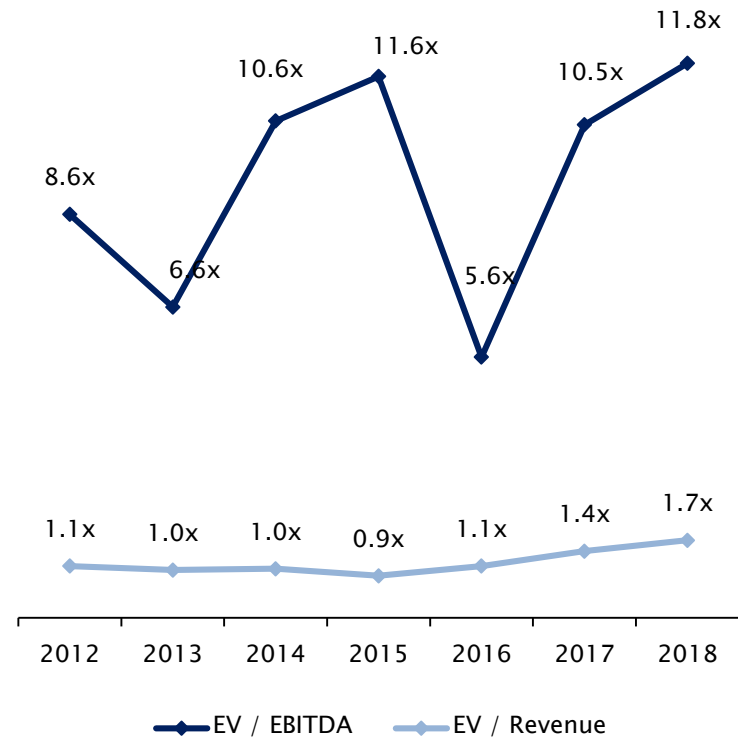
Date	Status	Target	Transaction Size	Buyer
Jul-2019	Closed	 MCC GLOBAL LABEL SOLUTIONS	\$2.3 billion	 WS Packaging Group Giving Brands Life.
Jun-2019	Closed	 Pregis	\$1.3 billion	WARBURG PINCUS
Apr-2019	Closed	 efi	\$1.6 billion	 SIRIS
Dec-2018	Closed	 Caraustar	\$1.8 billion	 GREIF PACKAGING SUCCESS TOGETHER™
Dec-2018	Announced	 Ranpak	\$950 million	ONE MADISON Group

Packaging – M&A Market Overview

U.S. Number of Transactions by Buyer Type



U.S. Transaction Multiples

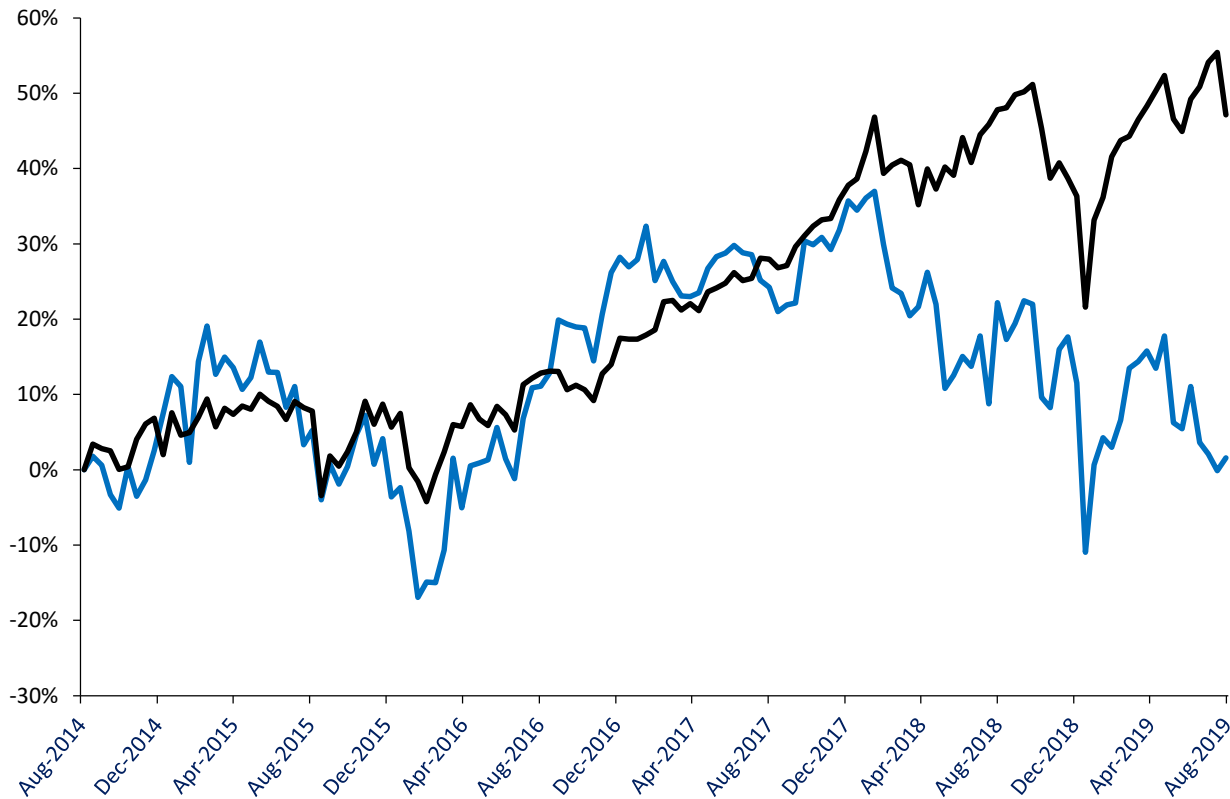


Source: Capital IQ, data as of August 2019

Note: No meaningful multiples available for 2019 YTD

Peakstone Packaging Index – Trading Statistics

Relative Stock Performance



S&P 500: 47%

Packaging: 2%

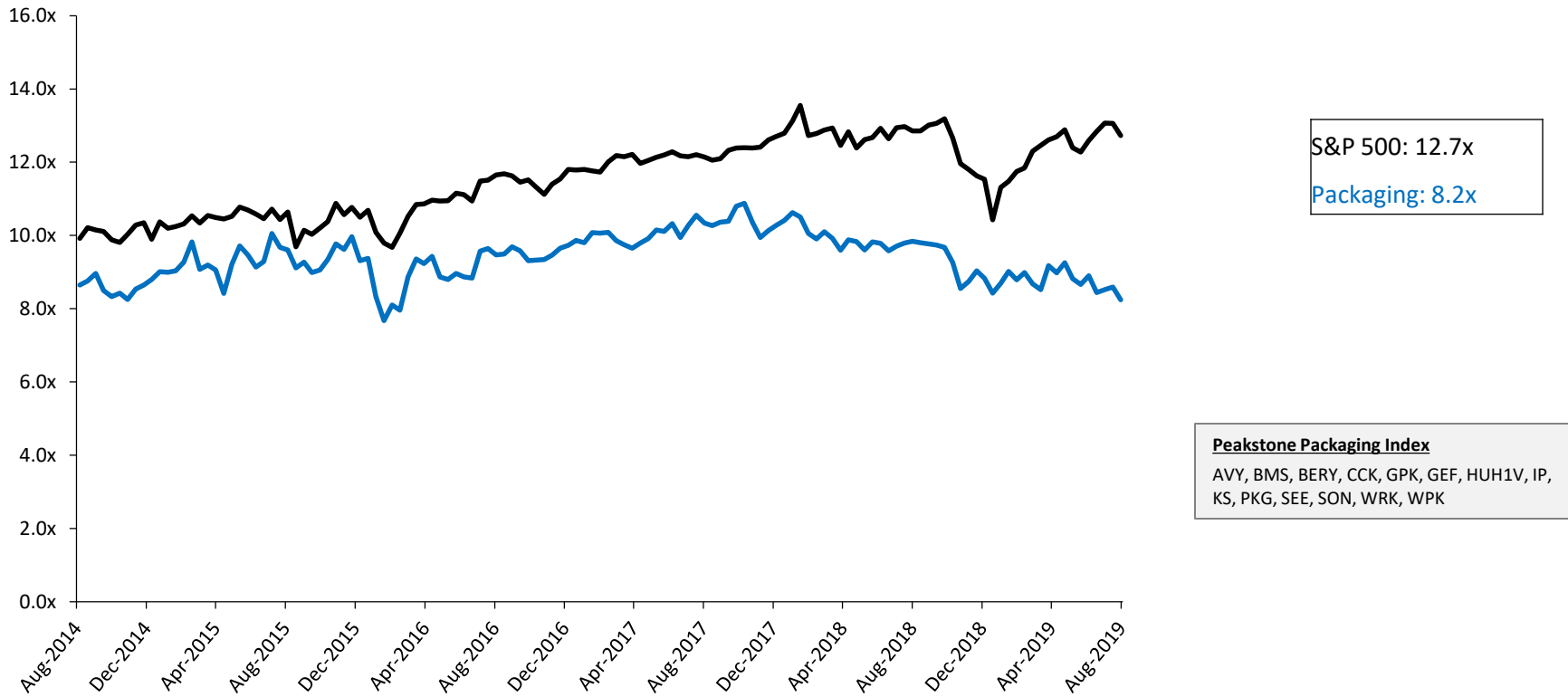
Peakstone Packaging Index

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

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

Peakstone Packaging Index – Trading Statistics

Comparable Valuation Trends – Enterprise Value / EBITDA



Source: Capital IQ, data as of August 2019
Note: Peakstone indexes are 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	EBIT			
Packaging								
International Paper Company	\$15,792	\$26,160	1.1x	6.3x	9.3x	10.0x	33%	16%
WestRock Company	9,051	19,427	1.1x	6.6x	12.4x	9.7x	20%	16%
Crown Holdings, Inc.	8,441	17,504	1.5x	10.7x	15.3x	11.8x	19%	14%
Packaging Corporation of America	9,355	11,533	1.6x	7.5x	9.9x	13.6x	24%	22%
Avery Dennison Corporation	9,125	11,064	1.6x	21.8x	32.0x	15.6x	27%	7%
Berry Global Group, Inc.	5,631	10,926	1.4x	8.2x	13.7x	10.4x	18%	17%
Sealed Air Corporation	6,774	10,141	2.1x	12.1x	14.6x	15.2x	32%	18%
Graphic Packaging Holding Company	4,224	8,162	1.3x	8.2x	14.8x	15.6x	17%	16%
Sonoco Products Company	5,796	7,572	1.4x	10.2x	14.8x	16.1x	20%	14%
Huhtamäki Oyj	3,994	5,211	1.4x	11.9x	18.9x	16.2x	16%	12%
Greif, Inc.	1,775	4,754	1.2x	8.4x	11.5x	8.3x	21%	14%
Cascades Inc.	849	2,403	0.7x	6.5x	12.9x	10.8x	14%	10%
Wipac Ltd.	2,289	1,927	2.2x	9.9x	12.5x	19.4x	31%	22%
KapStone Paper and Packaging Corporation	0	0	0.0x	0.0x	0.0x	0.0x	32%	16%
Bemis Company, Inc.	0	0	0.0x	0.0x	0.0x	0.0x	20%	14%
Packaging Median	\$5,631	\$8,162	1.4x	8.2x	12.9x	11.8x	20%	16%
Total Packaging Median	\$5,631	\$8,162	1.4x	8.2x	12.9x	11.8x	20%	16%

Source: Capital IQ, data as of August 2019

Selected Precedent M&A Transactions

Selected Packaging Transactions

Date	Target / Issuer	Transaction Size (\$mm)	Buyers / Investors	EV / EBITDA	Transaction Comments
08/01/2019	3,600 Acres of Timberlands in Georgia	\$6	-	-	An unknown buyer acquired 3,600 Acres of Timberlands in Georgia from CatchMark Timber Trust, Inc. (NYSE:CTT) for approximately \$5.5 million on June 28, 2019.
07/26/2019	Monotype Image Holdings	\$906	HGGC	15.7x	HGGC LLC entered into a definitive agreement to acquire Monotype Imaging Holdings Inc. (NasdaqGS:TYPE) ('Monotype') from Gilead Capital LP.
07/01/2019	Multi-Color Corporation	\$2,300	WS Packaging	8.3x	WS Packaging Group, Inc. completed the acquisition of Multi-Color Corporation (NasdaqGS:LABL) from Diamond Castle Holdings, LLC and its funds including Diamond Castle Partners 2014, L.P., DCP 2014 Deal Leaders Fund, L.P.
06/28/2019	Certain assets of Orchids Paper Products Company	\$216	Cascades Inc. (TSX:CAS)	-	Cascades Inc. (TSX:CAS) won an auction to acquire Certain assets of Orchids Paper Products Company (OTCPK:TISU.Q) for approximately \$210 million on June 27, 2019.
06/05/2019	Pregis Corporation	\$1,300	Warburg Pincus LLC	-	Warburg Pincus LLC agreed to acquire Pregis Corporation from Olympus Growth Fund V, L.P. of Olympus Partners for more than \$1.3 billion on June 5, 2019.
05/20/2019	Corenso Holdings America, Inc.	\$110	Sonoco Products Company (NYSE:SON)	-	Sonoco Products Company (NYSE:SON) signed a definitive agreement to acquire Corenso Holdings America, Inc. from Nordic Packaging and Container International, Inc. for approximately \$110 million on May 17, 2019.
04/22/2019	Three Manufacturing Facilities of Amcor Limited	\$215	Tekni-Plex, Inc.	-	Tekni-Plex Inc. entered into a definitive agreement to acquire three manufacturing facilities from Amcor Limited (ASX:AMC) for approximately \$220 million on April 22, 2019.

Source: Capital IQ

Selected Precedent M&A Transactions (continued)

Selected Packaging Transactions					
Date	Target / Issuer	Transaction Size (\$mm)	Buyers / Investors	EV / EBITDA	Transaction Comments
04/15/2019	Electronics for Imaging	\$1,699	Siris Capital Group	26.6x	Siris Capital Group, LLC entered into a definitive agreement to acquire Electronics for Imaging, Inc. (NasdaqGS:EFII) from a group of shareholders for \$1.7 billion in cash on April 14, 2019.
04/12/2019	Western Millwork in Phoenix	\$4	AIC Ventures L.P.	-	AIC Ventures L.P. acquired Western Millwork in Phoenix for \$4.4 million on April 12, 2019.
03/27/2019	Two Additional Mills in U.S.	\$2	Conifex Timber Inc. (TSX:CFF)	-	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.
02/25/2019	CIPA Lumber Co. Ltd./ Pacific Woodtech Corporation	\$117	Daiken Corporation (TSE:7905)	-	Daiken Corporation (TSE:7905) agreed to acquire 51% stake in CIPA Lumber Co. Ltd. and Pacific Woodtech Corporation from ITOCHU Corporation (TSE:8001) and ITOCHU International Inc. for ¥13 billion on February 25, 2019.
01/16/2019	Pollen Gear LLC	\$7	Greenlane Holdings, Inc. (NasdaqGM:GNLN)	-	Greenlane Holdings, Inc. acquired Pollen Gear on January 14, 2019. Ed Kilduff, Founder of Pollen Gear, will continue as President of Pollen Gear. Armen S. Martin of Foundation Law Group LLP acted as legal advisor to Pollen and Edward Kilduff.
6/19/2018	Free-Flow Packaging International, Inc.	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.
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.

Source: Capital IQ

Selected Precedent M&A Transactions (continued)

Selected Packaging Transactions

Date	Target / Issuer	Transaction Size (\$mm)	Buyers / Investors	EV / EBITDA	Transaction Comments
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.
10/24/2018	Substantially All of the Operating Assets of Pak-Rite, Ltd.	\$15	Universal Forest Products, Inc. (NasdaqGS:UFPI)	-	Universal Forest Products, Inc. (NasdaqGS:UFPI) acquired substantially all of the operating assets of Pak-Rite, Ltd. on October 22, 2018. Universal has hired Pak-Rite's nearly 60 employees, who work in its Milwaukee, Wisconsin, facility.
08/31/2018	Bronco Packaging Corporation	\$24	Orora Limited (ASX:ORA)	-	Orora Limited (ASX:ORA) agreed to acquire Bronco Packaging Corporation for \$24 million on August 31, 2018. The consideration is subject to customary completion processes.
08/27/2018	Laddawn, Inc.	\$242	Berry Global Group, Inc. (NYSE:BERY)	-	Berry Global Group, Inc. (NYSE:BERY) acquired Laddawn, Inc. for approximately \$240 million on August 27, 2018. Consideration is preliminary and subject to adjustment. Berry Global used existing liquidity to finance the purchase price.
08/06/2018	Bemis Company, Inc. (NYSE:BMS)	\$6,829	Amcor Limited (ASX:AMC)	11.8x	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.
08/02/2018	Austin Foam Plastics, Inc.	\$71	Sealed Air Corporation (NYSE:SEE)	-	Sealed Air Corporation (NYSE:SEE) acquired Austin Foam Plastics, Inc. for \$71.2 million on August 1, 2018. Sealed Air paid \$74.1 million excluding \$2.9 million net of cash acquired. AFP generated \$125 million in net sales in 2017.
07/26/2018	CSP Technologies, Inc.	\$553	AptarGroup, Inc. (NYSE:ATR)	13.0x	AptarGroup, Inc. (NYSE:ATR) made an offer to acquire CSP Technologies, Inc. from Wendel (ENXTPA:MF) and other shareholders for an enterprise value of approximately \$560 million on July 26, 2018.

Source: Capital IQ

Selected Precedent M&A Transactions (continued)

Selected Packaging Transactions

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

Source: Capital IQ

Selected Precedent M&A Transactions (continued)

Selected Packaging Transactions

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

Source: Capital IQ

Peakstone Momentum

 <p>M&A Advisor PEAKSTONE</p>	 <p>Hastings</p> <p>M&A Advisor PEAKSTONE</p>	 <p>McKee A FAMILY BAKERY</p> <p>M&A Advisor PEAKSTONE</p>	 <p>SUNTECKts COMVEST</p> <p>M&A Advisor PEAKSTONE</p>	 <p>Every Mattress Needs Protection™</p> <p>CENTRE LANE PARTNERS</p> <p>sure fit</p> <p>M&A Advisor PEAKSTONE</p>	 <p>Brown & Brown INSURANCE</p> <p>M&A Advisor PEAKSTONE</p>	 <p>SPRISCO EQUITY</p> <p>M&A Advisor PEAKSTONE</p>	 <p>Only local, honestly fresh.</p> <p>Strategic Investor & Financial Investor</p> <p>M&A Advisor PEAKSTONE</p>
 <p>CEMATRIX™ Cellular Concrete Solutions</p> <p>M&A Advisor PEAKSTONE</p>	 <p>Pregis OLYMPUS PARTNERS</p> <p>M&A Advisor PEAKSTONE</p>	 <p>UNION PARTNERS</p> <p>M&A Advisor PEAKSTONE</p>	 <p>modjule</p> <p>HICKORY FARMS</p> <p>M&A Advisor PEAKSTONE</p>	  <p>M&A Advisor PEAKSTONE</p>	 <p>Marquette Capital Partners</p> <p>M&A Advisor PEAKSTONE</p>	  <p>M&A Advisor PEAKSTONE</p>	 <p>M&A Advisor PEAKSTONE</p>
 <p>TH FOODS</p> <p>M&A Advisor PEAKSTONE</p>	  <p>M&A Advisor PEAKSTONE</p>	 <p>For Full Impact Logistics</p> <p>LSC COMMUNICATIONS</p> <p>M&A Advisor PEAKSTONE</p>	  <p>M&A Advisor PEAKSTONE</p>	 <p>M&A Advisor PEAKSTONE</p>	  <p>M&A Advisor PEAKSTONE</p>	 <p>ServiceLogic Building Efficiency and Sustainability</p> <p>M&A Advisor PEAKSTONE</p>	  <p>M&A Advisor PEAKSTONE</p>
  <p>M&A Advisor PEAKSTONE</p>	  <p>M&A Advisor PEAKSTONE</p>	  <p>M&A Advisor PEAKSTONE</p>	 <p>Every brand. Everywhere.</p> <p>M&A Advisor PEAKSTONE</p>	 <p>SOGID Capital</p> <p>M&A Advisor PEAKSTONE</p>	  <p>M&A Advisor PEAKSTONE</p>	  <p>M&A Advisor PEAKSTONE</p>	  <p>M&A Advisor PEAKSTONE</p>

Peakstone Select Recent Packaging Transactions



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Alden & Ott
Printing Inks



huber
group

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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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