

PEAKSTONE

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Packaging Industry Insight











December 2019

Packaging M&A Update

Packaging M&A continues to see strong activity

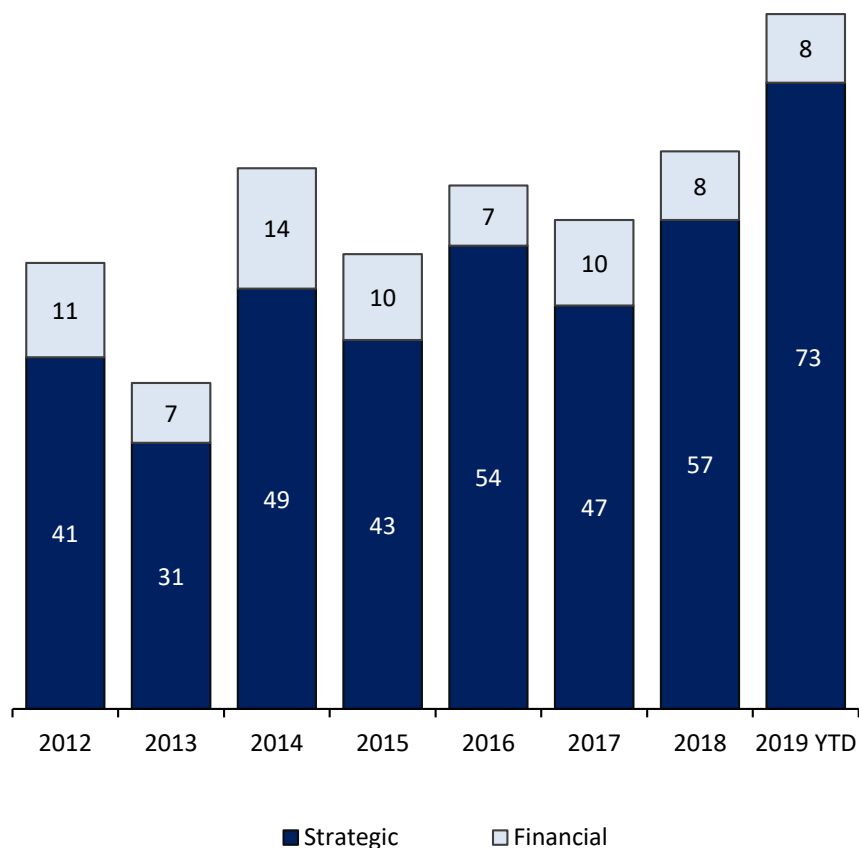
For 2019 YTD, strategic buyers accounted for 90% of the Packaging M&A transactions while financial buyers made up the difference. During 2018, strategic buyers accounted for approximately 84% of the transactions.

Select Recent Notable Publicly Announced M&A Transactions

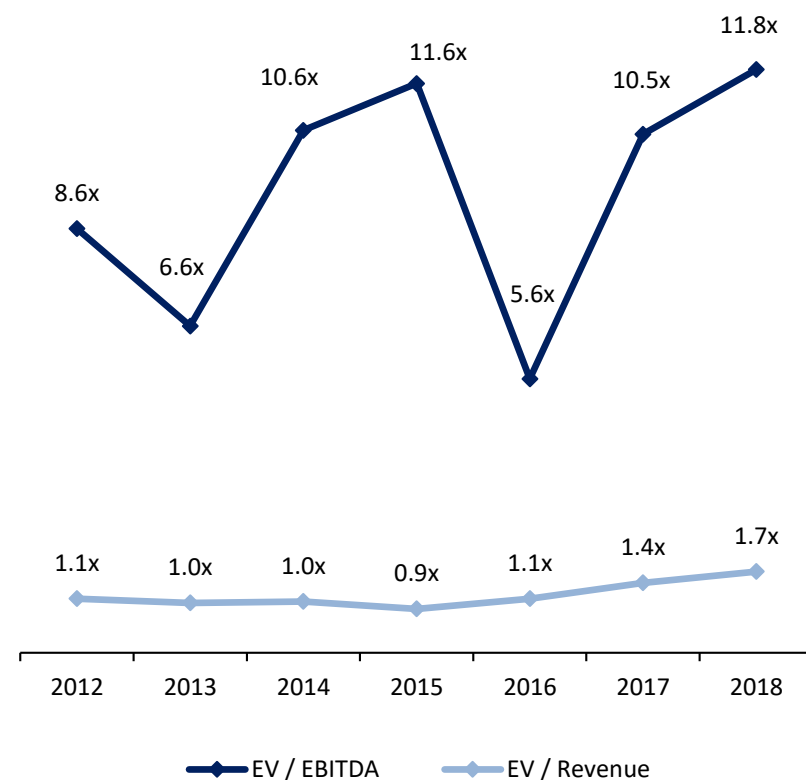
Date	Status	Target	Transaction Size	Buyer
Oct-2019	Announced	 CLOSURE SYSTEMS INTERNATIONAL	\$615 million	 CERBERUS CAPITAL MANAGEMENT, L.P.
Sep-2019	Closed	 german pellets Energy that grows back	\$63 million	 graanul invest
Jun-2019	Closed	 Ranpak®	\$959 million	 ONE MADISON Group
Dec-2018	Closed	 CSP TECHNOLOGIES™ Your product, actively protected	\$548 million	 Aptar CSP Technologies
Aug-2018	Closed	 Bemis®	\$6,829 million	 amcor

Packaging – M&A Market Overview

U.S. Number of Transactions by Buyer Type



U.S. Transaction Multiples

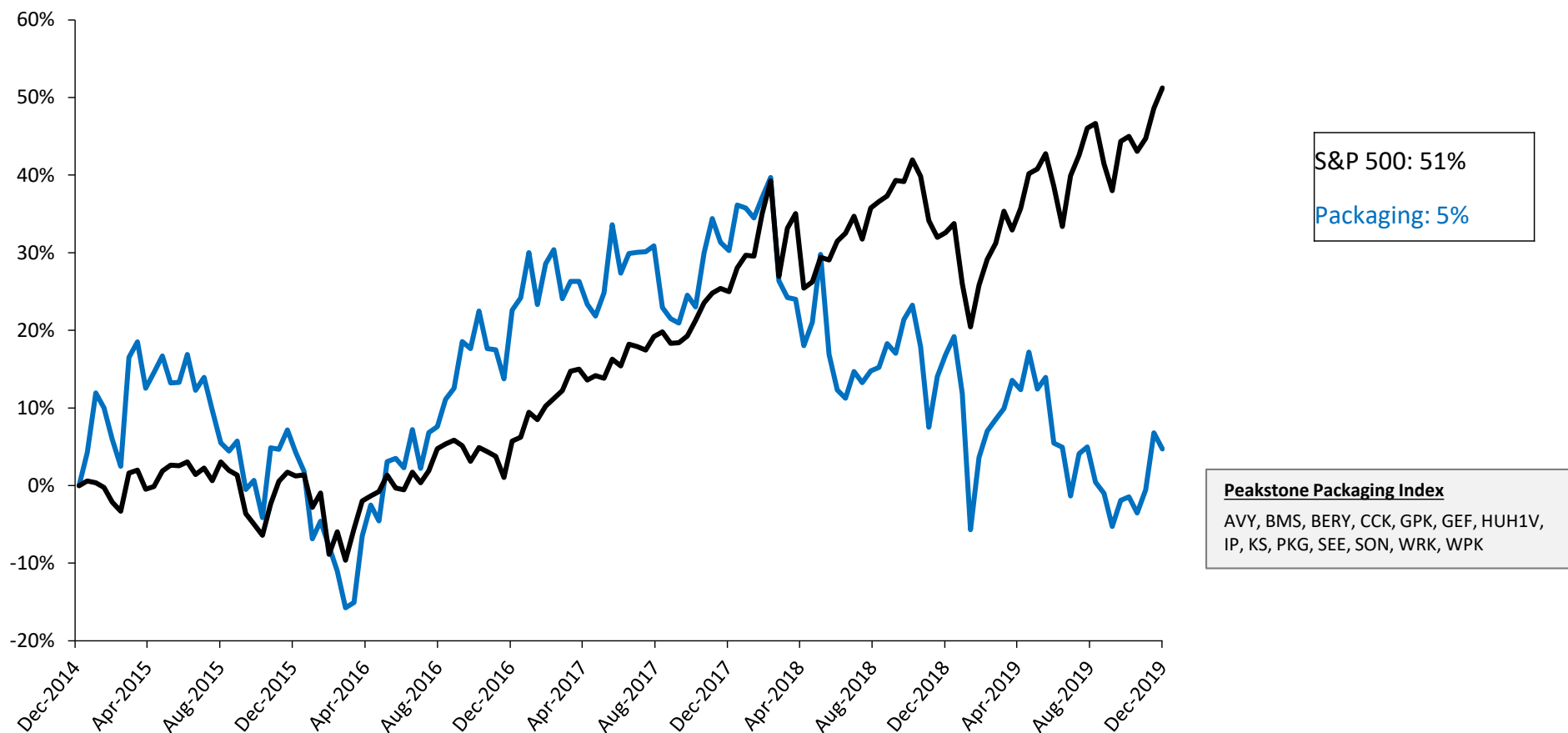


Source: Capital IQ, data as of December 2019

Note: No meaningful multiples available for 2019 YTD

Peakstone Packaging Index – Trading Statistics

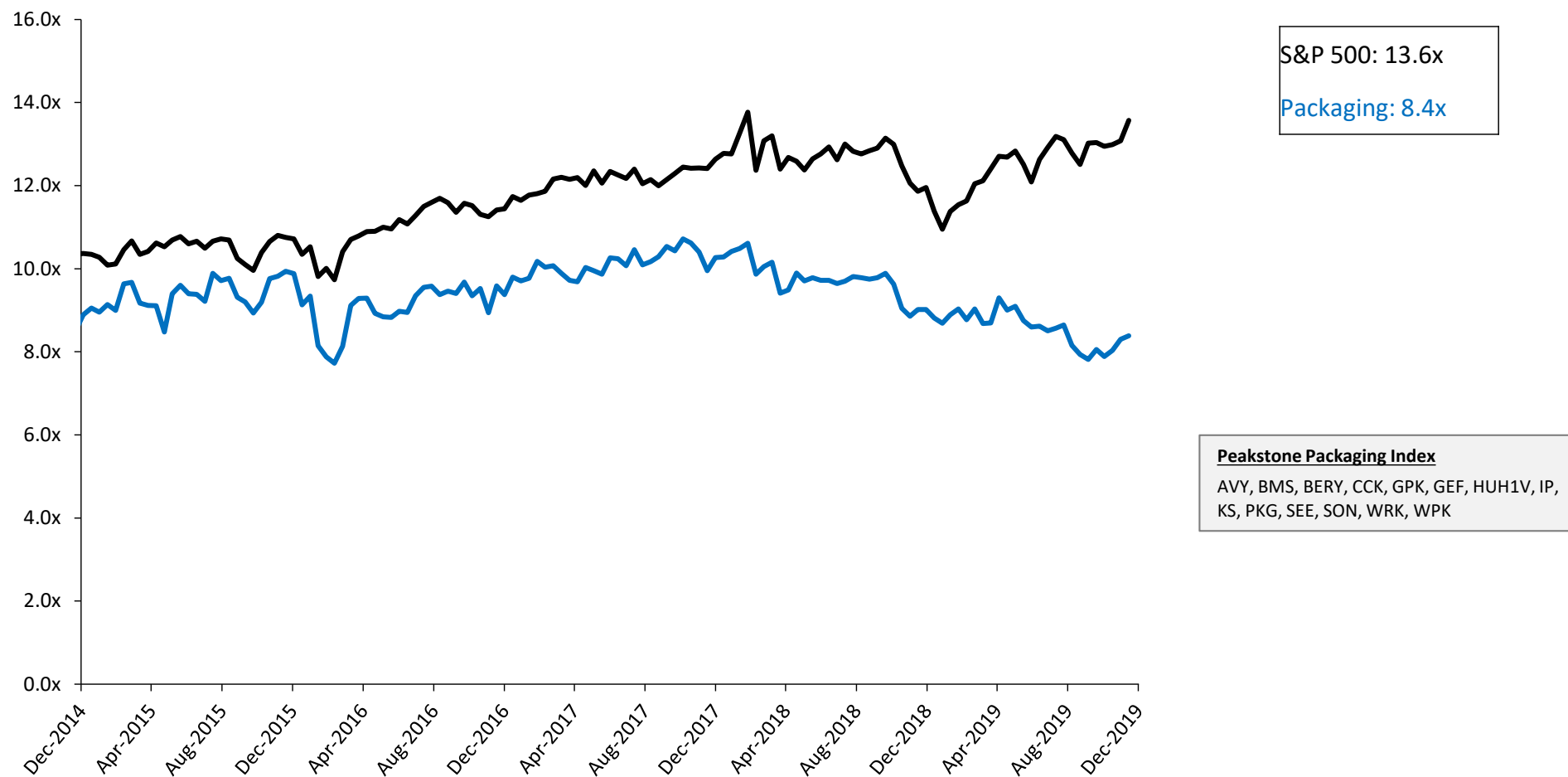
Relative Stock Performance



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

Peakstone Packaging Index – Trading Statistics

Comparable Valuation Trends – Enterprise Value / EBITDA



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

Selected Public Trading Comparables

Peakstone Packaging Index

(\$ in millions)

(\$ in millions)	Market	Enterprise	Enterprise Value /			Forward	Gross	EBITDA
Company Name	Cap	Value	Revenue	EBITDA	EBIT	P/E Ratio	Margin %	Margin %
Packaging								
International Paper Company	\$17,900	\$28,005	1.2x	7.2x	10.8x	12.4x	33%	16%
WestRock Company	10,302	20,230	1.1x	6.3x	11.8x	11.8x	20%	17%
Crown Holdings, Inc.	9,813	18,356	1.6x	11.4x	16.3x	13.6x	19%	14%
Avery Dennison Corporation	11,029	12,917	1.8x	13.3x	15.9x	18.9x	27%	14%
Packaging Corporation of America	10,582	12,585	1.8x	8.4x	11.2x	16.3x	24%	21%
Berry Global Group, Inc.	5,466	10,761	1.4x	8.1x	13.5x	11.6x	18%	17%
Sealed Air Corporation	5,873	9,668	2.0x	11.5x	14.0x	13.0x	32%	18%
Graphic Packaging Holding Company	4,806	8,692	1.4x	8.9x	16.1x	17.3x	17%	16%
Sonoco Products Company	5,895	7,652	1.4x	10.1x	14.5x	16.6x	20%	14%
Huhtamäki Oyj	4,740	5,868	1.6x	13.1x	20.7x	19.0x	17%	12%
Greif, Inc.	2,162	5,094	1.2x	8.2x	11.6x	10.7x	21%	14%
Cascades Inc.	902	2,604	0.7x	7.1x	14.4x	12.5x	14%	10%
Winpak Ltd.	2,281	1,899	2.2x	9.6x	12.1x	19.4x	31%	23%
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	\$5,466	\$8,692	1.4x	8.4x	13.5x	13.0x	20%	16%
Total Packaging Median	\$5,466	\$8,692	1.4x	8.4x	13.5x	13.0x	20%	16%

Source: Capital IQ, data as of December 2019

Selected Precedent M&A Transactions

Selected Packaging Transactions

Date	Target / Issuer	Transaction Size (\$mm)	Buyers / Investors	EV / EBITDA	Transaction Comments
10/14/2019	North American, Costa Rican, and Japanese businesses of Closure Systems International, Inc.	\$615	Cerberus Capital Management, L.P.	-	Cerberus Capital Management, L.P. entered into a definitive agreement to acquire the North American, Costa Rican, and Japanese businesses and related facilities of Closure Systems International, Inc.
10/09/2019	Popular Ink, LLC	-	PPC Flexible Packaging LLC	-	PPC Flexible Packaging LLC acquired Popular Ink, LLC from Highlander Partners, L.P. and others on October 9, 2019. Mesirow Financial Holdings, Inc. acted as financial advisor to Highlander Partners, L.P. and Popular Ink, LLC.
09/17/2019	Revolution	-	The Stephens Group, LLC	-	The Stephens Group, LLC acquired a minority stake in Revolution on September 17, 2019. The acquisition was made in support of Arsenal Capital Partners' acquisition of controlling stake in Revolution. Upon closing, Dhu Thompson, former majority owner
09/09/2019	Prime Wood Craft, Inc.	-	Northwest Pallet Supply Co.	-	Northwest Pallet Supply Co. agreed to acquire Prime Wood Craft, Inc. on September 9, 2019.
09/04/2019	Contractor's Truss Systems	-	American Construction Source LLC	-	American Construction Source LLC acquired Contractor's Truss Systems on September 4, 2019. American Construction Source is backed by Angeles Equity Partners and Clearlake Capital Group.
08/01/2019	Custom Paper Tubes, LLC	-	Ox Industries, Inc.	-	Ox Industries, Inc. acquired Custom Paper Tubes, LLC on August 1, 2019.
07/16/2019	Rosemill Packaging Resources, LLC	-	Conner Industries, Inc.	-	Conner Industries agreed to acquire Rosemill Packaging Resources on July 16, 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
04/16/2019	Olcott Plastics Inc.	-	Pretium Packaging, LLC	-	Pretium Packaging, LLC acquired Olcott Plastics, Inc. from Joseph M. Brodner and John Brodner on April 16, 2019. The purchase of the company is the sixth add-on acquisition by Pretium. Genstar Capital, LLC sponsored Pretium's acquisition of Olcott.
04/05/2019	James L. Villa, Inc.	-	EasyPak, LLC	-	EasyPak, LLC acquired James L Villa Associates Inc on April 5, 2019.
03/26/2019	Tank Holdings Corp.	-	Olympus Partners	-	Olympus Partners acquired Tank Holdings Corp. from Leonard Green & Partners, L.P. on March 26, 2019.
02/18/2019	Operating Assets of Wolverine Wood Products, Inc	-	Universal Forest Products, Inc. (NasdaqGS:UFPI)	-	Universal Forest Products, Inc. (NasdaqGS:UFPI) agreed to acquire the operating assets of Wolverine Wood Products, Inc. on February 18, 2019.
01/10/2019	Berlin Lumber Company, Inc.	-	Your Building Centers, Inc.	-	Your Building Centers, Inc. acquired Berlin Lumber Company from Doug Brant, President of Berlin Lumber Company on January 10, 2019. Your Building Centers intends to continue operation at the Berlin, Pennsylvania, branch under the name Berlin Lumber.
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 million on December 6, 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
10/22/2018	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 \$6.8 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 2, 2018. Sealed Air paid \$71 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.
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	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 February 28, 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 June 8, 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.

Source: Capital IQ

Selected Precedent M&A Transactions (continued)

Selected Packaging Transactions

Date	Target / Issuer	Transaction Size (\$mm)	Buyers / Investors	EV / EBITDA	Transaction Comments
04/26/2017	Star Pizza Box, Inc.	\$35	WestRock Company (NYSE:WRK)	-	WestRock Company (NYSE:WRK) acquired Star Pizza Box, Inc. for \$35.2 million on April 26, 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 5, 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 16, 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

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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.

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