

Packaging | Q3 2019



Packaging Insights

The packaging sector experienced a very active third quarter of 2019, highlighted by the significant number of closed transactions, as well as the number of packaging assets currently in the market. Specifically, private equity was very acquisitive, investing in both platform opportunities and add-ons for existing portfolio companies. Active private equity funds include Arsenal Capital, Aurora Capital, Genstar Capital, Graham Partners, The Halifax Group, Kohlberg & Company, Pritzker Private Capital and Wind Point Partners. Acquisitions have been in numerous sub-sectors of packaging, including healthcare, contract packaging, protective solutions and consumer goods packaging. Additionally, we expect the market to remain strong for the balance of the year given the numerous assets currently available in the marketplace. The following page highlights market activity.

Quarterly Review

Key Topics

- Market Intelligence
- Recent Lincoln International Transactions
- Global Packaging Valuations by Subsector
- Public Companies Operating Statistics and Valuation Parameters
- Selected M&A Transaction Highlights

Market Intelligence

Aug-19: **CBPE** is said to have recently begun a sale process for its portfolio company, **Allied Glass**

Sep-19: Multiple parties, including **Silgan Holdings (NASDAQ:SLGN)**, are believed to be pursuing a potential acquisition of **Guala Closures (BIT:GCL)**

Sep-19: **Greif (NYSE:GEF)** is said to be in the middle of a sale process for its Consumer Packaging Business. The division was acquired as part of **Greif's** acquisition of **Caraustar Industries** earlier this year

Sep-19: **HCT Group**, a privately held outsourced manufacturer serving the beauty industry, is believed to be in the middle of a sale process

Sep-19: **Jindal Poly Films (NSE:JINDALPOLY)** is said to be considering a sale of its Dutch business, **Apeldoorn Flexible Packaging**, following Jindal's acquisition of the business two years ago

Sep-19: **Lux Global (Resilience Capital Partners)** is actively searching for acquisition targets with up to \$25 million of revenue in the North and South American labels markets

Sep-19: **Midwest Paper (Industrial Assets Corp and Maynards Industries USA)** is believed to be in the middle of a sale process

Sep-19: **Pretium (Genstar Capital)** is said to be in the late stages of a sale process with management presentations held last month

Sep-19: **Reynolds Consumer Products (Reynolds Group)** is in the middle or pursuing various strategic alternatives, including a potential sale process. The division also filed with the SEC for a potential IPO in August 2019

Sep-19: **Spartech (Arsenal Capital Partners)** is believed to be in the late stages of a potential sale process

Sep-19: **Sonoco Products (NYSE:SON)** is said to be exploring a potential sale of its polystyrene foam business, which is part of the company's Protective Solutions segment

Recent Lincoln International Transactions

KOHLBERG & COMPANY
Nelipak® healthcare packaging
have acquired
Bemis® Healthcare Packaging Europe
from
amcor
Buy-Side
USA, Italy, UK, Switzerland

WinCup®
has sold
StyroChem
to
PMC | **CAPITAL GROUP**
Sell-Side
USA, Canada

MASON WELLS
has sold
Nelipak® healthcare packaging
to
KOHLBERG & COMPANY
Sell-Side
USA

Aksia group
has sold
Lameplast
to
TEKNIPLEX
a portfolio company of
GENSTAR
Sell-Side
Italy, USA

Audax Private Equity
has sold
ImperialDade
to
BainCapital PRIVATE EQUITY
Sell-Side
USA

AURORA RESURGENCE
has sold
ALLTUB GROUP
to
One Equity Partners
Sell-Side
Netherlands, USA



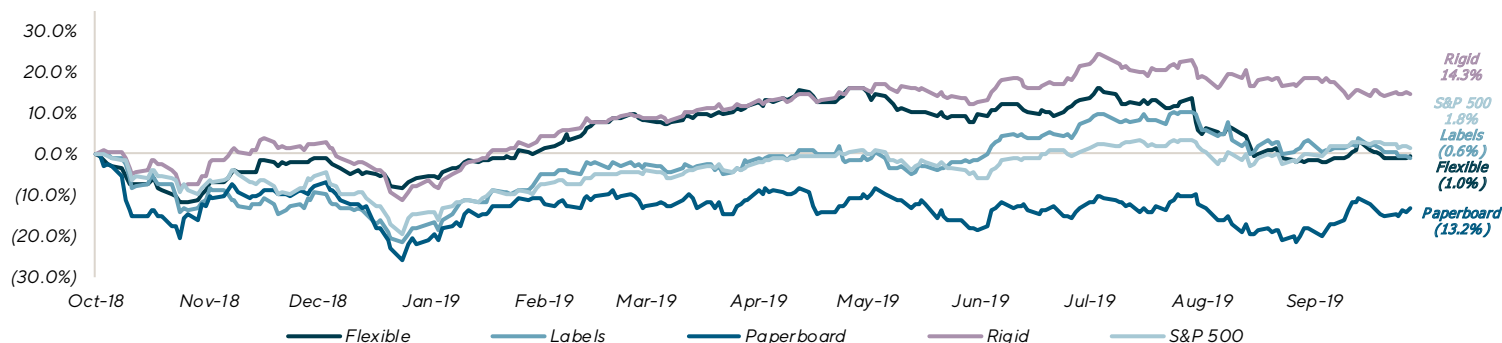
Public Companies Operating Statistics and Valuation Parameters

(\$ in millions)

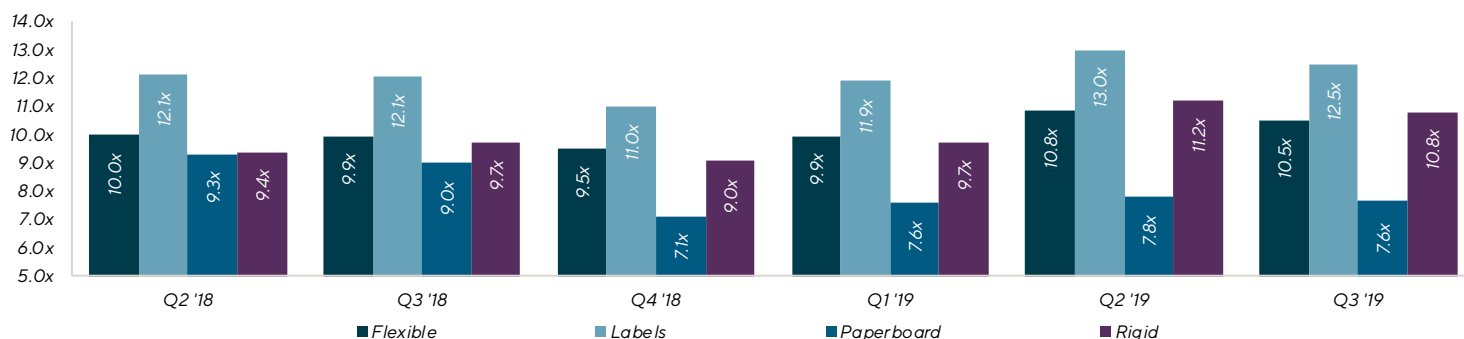
Company Name	Stock Price	% of 52 Week High	Market Cap	Enterprise Value	LTM		YOY Revenue Growth	EBITDA Margin	Enterprise Value / LTM	
					Revenue	EBITDA			Revenue	EBITDA
Flexible										
Amcor plc	\$9.61	85.1%	\$15,521	\$20,876	\$9,458	\$1,316	1.2%	13.9%	2.3x	16.4x
Berry Global Group, Inc.	39.27	66.4%	5,188	10,483	7,913	1,333	0.6%	16.8%	1.3x	7.9x
Huhtamäki Oyj	39.89	96.9%	4,162	5,349	3,712	444	5.2%	12.0%	1.5x	12.5x
Sealed Air Corporation	41.51	88.1%	6,414	9,781	4,720	839	0.4%	17.8%	2.1x	11.7x
Transcontinental Inc.	11.69	66.2%	1,021	2,043	2,332	387	31.2%	16.6%	0.9x	5.3x
Winpak Ltd.	33.15	89.5%	2,155	1,794	886	197	(0.4%)	22.3%	2.0x	9.2x
Mean		82.0%					6.4%	16.6%	1.7x	10.5x
Median		86.6%					0.9%	16.7%	1.8x	10.4x
Labels										
Avery Dennison Corporation	\$113.57	94.1%	\$9,566	\$11,505	\$7,064	\$955	(0.9%)	13.5%	1.6x	12.1x
Brady Corporation	53.05	94.0%	2,812	2,583	1,161	187	(1.1%)	16.1%	2.2x	13.8x
CCL Industries Inc.	40.37	78.0%	7,220	8,819	4,095	766	4.5%	18.7%	2.2x	11.6x
Mean		88.7%					0.9%	16.1%	2.0x	12.5x
Median		94.0%					(0.9%)	16.1%	2.2x	12.1x
Paperboard										
Cascades Inc.	\$8.75	90.0%	\$819	\$2,359	\$3,728	\$375	6.3%	10.1%	0.6x	6.2x
DS Smith Plc	4.43	73.3%	6,078	8,997	8,039	1,055	2.7%	13.1%	1.2x	8.9x
Graphic Packaging Holding Company	14.75	94.7%	4,336	8,274	6,093	989	8.3%	16.2%	1.4x	8.4x
International Paper Company	41.82	82.5%	16,428	26,796	23,162	3,764	0.4%	16.3%	1.2x	6.5x
Mondi plc	19.16	73.0%	9,289	12,254	8,563	1,998	0.1%	23.3%	1.5x	6.3x
Packaging Corporation of America	106.10	95.9%	9,965	12,143	7,050	1,541	1.4%	21.9%	1.7x	7.9x
Sonoco Products Company	58.21	87.4%	5,825	7,601	5,432	736	1.8%	13.6%	1.4x	10.2x
WestRock Company	36.45	67.1%	9,380	19,756	17,874	2,922	9.8%	16.3%	1.1x	6.7x
Mean		83.0%					3.9%	16.3%	1.3x	7.6x
Median		85.0%					2.3%	16.2%	1.3x	7.3x
Rigid										
Amcor plc	\$9.61	85.1%	\$15,521	\$20,876	\$9,458	\$1,316	1.2%	13.9%	2.3x	16.4x
AptarGroup, Inc.	118.45	93.9%	7,586	8,630	2,838	583	4.9%	20.5%	3.0x	14.8x
Ball Corporation	72.81	88.9%	24,173	31,061	11,551	1,785	(0.2%)	15.5%	2.7x	17.5x
Berry Global Group, Inc.	39.27	66.4%	5,188	10,483	7,913	1,333	0.6%	16.8%	1.3x	7.9x
Crown Holdings, Inc.	66.06	96.0%	8,802	17,865	11,698	1,627	10.5%	13.9%	1.5x	10.9x
Greif, Inc.	37.89	69.8%	1,998	4,929	4,351	614	12.9%	14.1%	1.1x	8.0x
Nampak Limited	0.63	56.6%	404	789	1,174	157	(4.2%)	13.4%	0.7x	5.3x
Owens-Illinois, Inc.	10.27	49.4%	1,597	7,868	6,762	1,053	(2.8%)	15.6%	1.2x	7.0x
Silgan Holdings Inc.	30.04	94.8%	3,339	6,119	4,498	620	2.8%	13.8%	1.4x	9.9x
Sonoco Products Company	58.21	87.4%	5,825	7,601	5,432	736	1.8%	13.6%	1.4x	10.2x
Mean		78.8%					2.8%	15.1%	1.7x	10.8x
Median		86.3%					1.5%	14.0%	1.4x	10.0x

Source: Bloomberg, Capital IQ and company filings, as of September 30, 2019

LTM Relative Stock Price Performance



Historical Enterprise Value / EBITDA Valuation Performance



Selected M&A Transactions

(\$ in millions)

Date	Status	Target Company	Acquiring Company	Enterprise Value	EV / LTM Revenue	EV / LTM EBITDA
Jul-19	Announced	Healthcare Packaging Business of Clariant	Arsenal Capital Partners	\$314	2.3x	13.2x
Jul-19	Announced	Packaging Technology Business of Bosch	CVC Capital Partners	n/a	n/a	n/a
Sep-19	Closed	Nu-Pak and Prairie Industries	The Halifax Group	n/a	n/a	n/a
Sep-19	Closed	VPET	Graham Partners	n/a	n/a	n/a
Sep-19	Closed	M'Plast	Licaplast Industries-Emballages (Charter Oak Equity)	n/a	n/a	n/a
Sep-19	Closed	Pallet USA	Universal Forest Products	n/a	n/a	n/a
Sep-19	Closed	Certain assets of Orchids Paper Products Company	Cascades	\$216	n/a	n/a
Sep-19	Closed	MMC Packaging Equipment	Tekni-Plex (Genstar Capital)	n/a	n/a	n/a
Sep-19	Closed	Industrial Y Comercial Trilex	Transcontinental	n/a	n/a	n/a
Aug-19	Closed	Manufacturing business and Associated Assets of Swallowfield	Knowlton Development Corporation (Cornell Capital)	\$44	n/a	n/a
Aug-19	Closed	Cartonplast Group (Stirling Square Partners)	Deutsche Beteiligungs	n/a	n/a	n/a
Aug-19	Closed	U.S. Nonwovens	Wind Point Partners	n/a	n/a	n/a
Aug-19	Closed	Precise Packaging	Plz Aeroscience (Pritzker Private Capital)	n/a	n/a	n/a
Aug-19	Closed	All4Labels Group	Triton	n/a	n/a	n/a
Aug-19	Closed	Starplex Scientific	Pretium (Genstar Capital)	n/a	n/a	n/a
Aug-19	Closed	French Paper Company	Finch Paper	n/a	n/a	n/a
Aug-19	Closed	Vanguard Packaging	Dunes Point Capital	n/a	n/a	n/a
Aug-19	Closed	StyroChem Canada (WinCup)	PMC Capital Group	n/a	n/a	n/a
Aug-19	Closed	Corenso Holdings America (Madison Dearborn Partners)	Sonoco Products Company	\$110	1.5x	n/a
Aug-19	Closed	Three Flexible Packaging Plants in the UK and Ireland of Amcor	Nelipak Corporation (Kohlberg & Company)	\$394	2.3x	n/a
Aug-19	Closed	Loparex Holding (Intermediate Capital Group)	Pamplona Capital Management	n/a	n/a	n/a
Aug-19	Closed	Substantially All the Assets of Artistic Carton Company	Graphic Packaging	n/a	n/a	n/a
Aug-19	Closed	Pregis Corporation (Olympus Partners)	Warburg Pincus	\$1,300	n/a	n/a
Aug-19	Closed	Automated Packaging Systems	Sealed Air Corporation	\$510	1.8x	n/a
Jul-19	Closed	Revolution	Arsenal Capital Partners	n/a	n/a	n/a
Jul-19	Closed	Amberley Adhesive Labels	Coveris Management (Sun Capital)	n/a	n/a	n/a
Jul-19	Closed	Cold Chain Technologies	Aurora Capital Partners	n/a	n/a	n/a
Jul-19	Closed	Texas Foam	Huntington Solutions (Mill Point Capital)	n/a	n/a	n/a
Jul-19	Closed	Rosemill Packaging Resources	Conner Industries (Argentum Group)	n/a	n/a	n/a
Jul-19	Closed	Nelipak Corporation (Mason Wells)	Kohlberg & Company	n/a	n/a	n/a
Jul-19	Closed	Bright International Corporation	Aterian Investment Partners	n/a	n/a	n/a
Jul-19	Closed	Lameplast (Aksia Capital)	Tekni-Plex (Genstar Capital)	\$99	3.4x	n/a
Jul-19	Closed	RPC Group	Berry Global Group	\$5,807	1.2x	7.6x



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