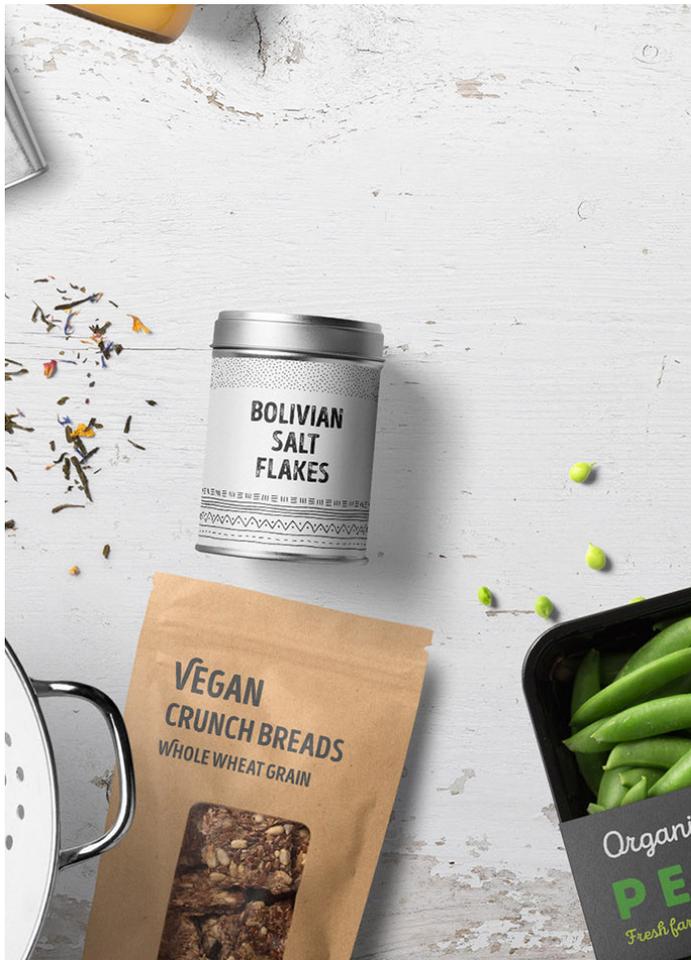


Packaging | Q1 2019



Packaging Insights

The first quarter of 2019 exhibited significant M&A activity across numerous subsectors within packaging. Private equity and public companies continue to invest in the sector as growth remains an extremely important criteria to support valuations. Specifically, significant news in the public markets includes the potential acquisition of RPC Group by Berry Global, Greif Packaging's acquisition of Carastar Industries and the potential sale of DS Smith's plastics division. In addition, there are several divestitures resulting from the potential transaction between Amcor and Bemis which continues to be under review by regulatory bodies in the U.S. and Europe. Private equity buyers, including Insight, Pfingsten, Sterling Group, Wellspring and West Street, have been active in Q1 2019 with investments. Growth remains critically important to shareholders and management teams looking to generate value in their markets.

Quarterly Review

Key Topics

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

Market Intelligence

1/19 – **Huhtamaki** (HUH1V:FH) has appointed Charles Héaulmé as President and CEO, effective April 26, 2019. Héaulmé replaces Jukka Moisio upon his resignation after a decade as CEO

1/19 – **Avery Dennison** (NYSE:AVY) is pursuing acquisitions across all business segments, including its Labels and Graphics segment. Previously, the company stated that it had allocated \$2.1 – 2.5 billion of capital for acquisitions and buybacks from 2017 – 2021

1/19 – Following its acquisition of **Disc Graphics** in December 2018, **Oliver Printing and Packaging** (Pfungsten Partners) is said to be in discussions with potential targets to broaden its geographic reach

1/19 – Due to delays caused by the government shutdown, **Amcor's** (ASX: AMC) \$5.25 billion acquisition of **Bemis** (NYSE: BMS) is now expected to close in Q2 2019

2/19 – **Macfarlane Group** (LSE:MACF) is seeking acquisitions to grow its packaging and labels business in Europe. Management stated that the company has a pipeline of potential targets and is seeking to complete a deal within the next quarter

2/19 – **Reynolds Group** is currently undertaking a strategic review of its closures business and may consider a sale of some or all of that segment

2/19 – Following the acquisition of **Corenso's** (Madison Dearborn Partners) European and Chinese businesses, **VPK Packaging** is considering more acquisitions in the paper and paperboard sectors

2/19 – After a strong earnings release, **Smurfit Kappa** (ISE:SK3) is planning to spend up to \$750 million on acquisitions over the next year to expand its geographic footprint

3/19 – **Olympus Partners** is said to be in the early stages of pursuing a sale process for its portfolio company, **Pregis**

3/19 – After being pursued by **Apollo** (NYSE:APO) for the last several months, **RPC Group** (LSE:RPC) has agreed to be acquired by **Berry Global** (NYSE:BERY). The transaction is expected to be completed in Q3 2019

3/19 – After completing seven acquisitions in the last four years, **Intertape Polymer Group** (TSX:ITP) seeks to continue making acquisitions to bolster growth and reach \$1.5 billion in sales by 2022

Recent Lincoln International Transactions

AURORA RESURGENCE

has sold

ALLTUB GROUP

to

One Equity Partners

Sell-Side

RICHARDSON CAPITAL

has sold

Trillium Health Care Products

to

NEW WATER CAPITAL

Sell-Side

SUN CAPITAL PARTNERS INC.

has sold

COVERIS RIGID

to

LINDSAY GOLDBERG

Sell-Side

Sentinel CAPITAL PARTNERS

has sold

ROTOMETRICS

Sell-Side

SAW MILL CAPITAL

has sold

GATEWAY PACKAGING COMPANY

to

ProAmpac
a portfolio company of **PPC Partners**

Sell-Side

COMMAND PACKAGING

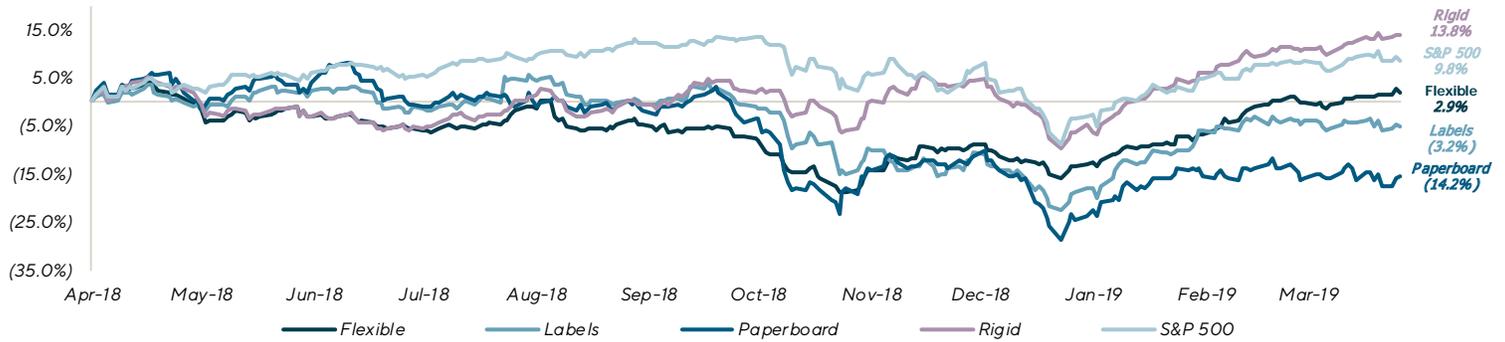
has been sold to

Delta Plastics

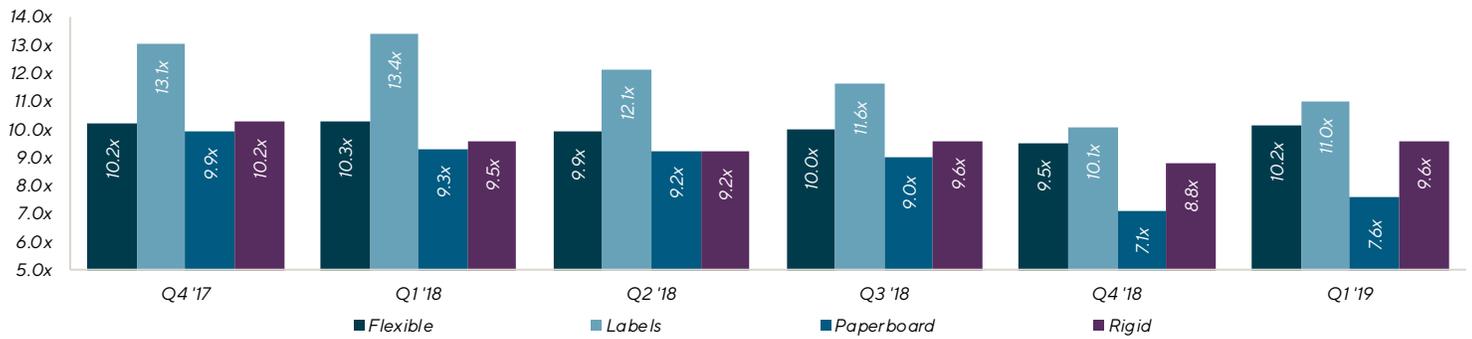
Sell-Side



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
Mar-19	Announced	Maesa	Bain Capital	n/a	n/a	n/a
Mar-19	Announced	RPC Group	Berry Global Group	\$5,807	1.2x	7.6x
Mar-19	Announced	Paragon Films	Wellspring Capital Management	n/a	n/a	n/a
Mar-19	Announced	Plastics Division of DS Smith	Liqui-Box Corporation (Olympus Partners)	n/a	n/a	9.9x
Feb-19	Announced	Multi-Color Corporation	WS Packaging Group (Platinum Equity)	\$2,523	1.5x	8.3x
Feb-19	Announced	European and Chinese Businesses of Corenso	VPK Packaging Group	n/a	n/a	n/a
Feb-19	Announced	MGM's Flexible Packaging Business	Sealed Air	\$591	n/a	9.9x
Jan-19	Announced	TT-print	Constantia Flexibles (Wendel)	n/a	n/a	n/a
Mar-19	Closed	Polychem Corporation	The Sterling Group	n/a	n/a	n/a
Mar-19	Closed	Flexo Transparent	C-P Flexible Packaging	n/a	n/a	n/a
Mar-19	Closed	Pure-Stat Engineered Technologies	Transcendia	n/a	n/a	n/a
Feb-19	Closed	Kadem Montblanc Sociedad Limitada	International Paper Company	n/a	n/a	n/a
Feb-19	Closed	Cosmetic Design Group	World Wide Packaging	n/a	n/a	n/a
Feb-19	Closed	CPTechnologies Company	Anomatic Corporation	n/a	n/a	n/a
Feb-19	Closed	Caraustar Industries	Greif Packaging	\$1,800	1.3x	10.3x
Feb-19	Closed	Eddy Packing	Insight Equity	n/a	n/a	n/a
Feb-19	Closed	HFM Packaging	PPC Flexible Packaging	n/a	n/a	n/a
Jan-19	Closed	CleanCut Technologies	Oliver Healthcare Packaging	n/a	n/a	n/a
Jan-19	Closed	Neluplast Tiefzieh-Technik	RPC Group	\$10	0.5x	n/a
Jan-19	Closed	Industrial Mecano	Transcendia	n/a	n/a	n/a
Jan-19	Closed	Papeles y Cartones de Europa	DS Smith	\$2,101	2.0x	10.3x
Jan-19	Closed	Saxco International	Atlas Holdings	n/a	n/a	n/a
Jan-19	Closed	Infinite Packaging Group	Fortis Solutions Group	n/a	n/a	n/a

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 Limited	\$10.93	99.1%	\$12,642	\$16,759	\$9,369	\$1,253	2.5%	13.4%	1.8x	13.1x
Bemis Company, Inc.	55.48	100.0%	5,060	6,348	4,090	571	1.1%	14.0%	1.6x	11.1x
Berry Global Group, Inc.	53.87	94.5%	7,019	12,479	8,065	1,361	9.4%	16.9%	1.5x	9.2x
Huhtamäki Oyj	37.23	90.5%	3,884	4,865	3,553	435	(1.0%)	12.2%	1.4x	11.4x
Sealed Air Corporation	46.06	98.5%	7,168	10,371	4,733	860	6.1%	18.2%	2.2x	12.1x
Transcontinental Inc.	12.52	50.9%	1,091	2,157	2,167	409	33.2%	18.9%	1.0x	5.3x
Winpak Ltd.	32.27	85.5%	2,098	1,775	890	193	0.3%	21.7%	2.0x	9.0x
Mean		88.4%					7.4%	16.5%	1.6x	10.2x
Median		94.5%					2.5%	16.9%	1.6x	11.1x
Labels										
Avery Dennison Corporation	\$113.00	97.1%	\$9,489	\$11,197	\$7,159	\$965	8.2%	13.5%	1.6x	11.6x
Brady Corporation	46.41	95.5%	2,444	2,294	1,172	184	2.5%	15.7%	2.0x	12.5x
CCL Industries Inc.	40.48	80.0%	7,122	8,576	3,783	723	(0.3%)	19.1%	2.2x	11.5x
Multi-Color Corporation	49.89	69.3%	1,024	2,518	1,738	304	58.7%	17.5%	1.4x	8.3x
Mean		85.5%					17.3%	16.5%	1.8x	11.0x
Median		87.7%					5.4%	16.6%	1.8x	11.6x
Paperboard										
Cascades Inc.	\$6.24	59.4%	\$585	\$2,045	\$3,407	\$333	(1.1%)	9.8%	0.6x	5.9x
DS Smith Plc	4.37	57.6%	5,989	8,220	7,878	984	3.5%	12.5%	1.0x	8.1x
Graphic Packaging Holding Company	12.63	76.0%	3,733	7,397	6,023	920	36.8%	15.3%	1.2x	8.0x
International Paper Company	46.27	77.7%	18,519	28,605	23,306	3,796	7.2%	16.3%	1.2x	6.9x
Mondi plc	22.11	75.5%	10,711	13,704	8,565	1,961	0.5%	22.9%	1.6x	6.8x
Packaging Corporation of America	99.38	79.7%	9,317	11,458	7,015	1,502	8.8%	21.4%	1.6x	7.6x
Sonoco Products Company	61.53	99.6%	6,155	7,433	5,391	728	7.0%	13.5%	1.4x	10.1x
WestRock Company	38.35	57.2%	9,683	20,258	16,719	2,863	9.2%	17.1%	1.2x	7.0x
Mean		72.8%					9.0%	16.1%	1.2x	7.6x
Median		75.8%					7.1%	15.8%	1.2x	7.3x
Rigid										
Amcor Limited	\$10.93	99.1%	\$12,642	\$16,759	\$9,369	\$1,253	2.5%	13.4%	1.8x	13.1x
AptarGroup, Inc.	106.39	94.7%	6,704	7,732	2,765	543	12.0%	19.7%	2.8x	14.2x
Ball Corporation	57.86	98.2%	19,335	25,447	11,635	1,828	5.9%	15.7%	2.2x	13.9x
Berry Global Group, Inc.	53.87	94.5%	7,019	12,479	8,065	1,361	9.4%	16.9%	1.5x	9.2x
Crown Holdings, Inc.	54.57	97.6%	7,385	15,819	11,151	1,592	28.2%	14.3%	1.4x	9.9x
Greif, Inc.	41.25	65.7%	2,158	3,287	3,865	520	3.8%	13.4%	0.9x	6.3x
Nampak Limited	0.78	62.8%	502	962	1,225	180	(19.8%)	14.7%	0.8x	5.4x
Owens-Illinois, Inc.	18.98	85.6%	2,916	7,859	6,877	1,090	0.1%	15.8%	1.1x	6.7x
RPC Group Plc	10.29	91.6%	4,174	5,743	5,048	762	7.7%	15.1%	1.1x	7.5x
Silgan Holdings Inc.	29.63	99.7%	3,272	5,504	4,449	610	8.8%	13.7%	1.2x	9.0x
Sonoco Products Company	61.53	99.6%	6,155	7,433	5,391	728	7.0%	13.5%	1.4x	10.1x
Mean		89.9%					6.0%	15.1%	1.5x	9.6x
Median		94.7%					7.0%	14.7%	1.4x	9.2x

Source: Bloomberg, Capital IQ and company filings, as of March 31, 2019



Contributors

Luke Webb
Managing Director
lwebb@lincolninternational.com
+1 (312) 506-2747

Brian Goodwin
Vice President
bgoodwin@lincolninternational.com
+1 (312) 506-1953



Advisory Services

Mergers & Acquisitions
Capital Advisory
Joint Ventures & Partnering
Valuations & Opinions

About Lincoln International

We are trusted investment banking advisors to business owners and senior executives of leading private equity firms and public and privately held companies around the world. Our advisory services include mergers and acquisitions and capital markets advisory for the mid-market. We also provide valuations and fairness opinions and joint ventures advisory services. As one tightly integrated team of more than 500 professionals across 15 countries, we offer an unobstructed perspective, backed by superb execution and a deep commitment to client success. With extensive industry knowledge and relationships, timely market intelligence and strategic insights, we forge deep, productive client relationships that endure for decades. Connect with us to learn more at:

www.lincolninternational.com.

Connect with a professional in Lincoln International's Packaging Group at www.lincolninternational.com/packaging