



## Packaging | Q2 2019



## Packaging Insights

The packaging sector saw significant M&A activity, especially among large global corporates and private equity firms, in Q2 2019. The upcoming Bemis / Amcor combination has resulted in numerous divestitures completed or soon to be completed that has much of the market observing where assets are trading. Specifically, Tekni-Plex (owned by Genstar Capital) acquired three manufacturing plants from Amcor's flexible packaging business unit in the U.S., primarily focused on medical markets. In Europe, it was recently announced that Kohlberg & Company is acquiring several manufacturing plants from Bemis in the United Kingdom and Ireland, also focused on medical markets. Kohlberg & Company has also completed its acquisition of Nelipak Healthcare Packaging. Finally, the widely discussed Berry Global and RPC combination closed just recently. The market expects significant integration efforts to commence as the two global corporates combine their operations.

# 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

4/19: **Bormioli Pharma (Triton Capital)** is seeking acquisition targets with \$25mm – \$100mm+ in revenue to grow its presence in the U.S. plastic packaging market

4/19: **Apollo** is planning to take **Veralli** public in Q3 2019 with an expected valuation of close to \$5 billion

5/19: **Transcend Packaging** stated that it would consider selling a minority stake in the business to help fund acquisitions

5/19: **All4Labels** is said to have recently begun a sale process

6/19: Following its recent acquisition by **Warburg Pincus, Pregis** is seeking to grow its international presence through acquisitions

6/19: **Genstar Capital** is said to be in the early stages of pursuing a sale process for its portfolio company, **Pretium Packaging**

6/19: Following a recent refinancing, **Schur Flexibles (Lindsay Goldberg)** is said to be exploring a potential sale

6/19: **Fedrigoni (Bain Capital)** is searching for acquisitions to grow its labels business

6/19: Following a recent investment by **Great Point Partners, SteriPack** is actively seeking acquisitions

6/19: **Greif (NYSE:GEF)** recently announced plans to divest its consumer packaging business, which it acquired as part of its **Caraustar Industries** acquisition in Q1 2019

6/19: Following its recent debt restructuring, **Famar (KKR)** is said to be preparing for a sale process

6/19: **Fox Packaging** is said to be considering a potential investment from private equity to help fund future acquisitions

6/19: Following a strategic review in Q1 2019, **Reynolds Group** has begun a sale process for its closures business

6/19: **Tailim Packaging (KRX:011280)** is said to have received LOIs from several large paper businesses, including **International Paper (NYSE:IP)**, **Westrock (NYSE:WRK)** and **Shanying International (SHA:600567)**, as well as financial sponsors such as **Bain Capital** and **TPG Capital**

## Recent Lincoln International Transactions

MASON WELLS

has sold

**Nelipak®**  
healthcare packaging

to


**KOHLBERG & COMPANY**

Sell-Side



Aksia group

has sold

  
Lameplast



to

**TEKNIPLEX**  
Global strength. Superior solutions.

a portfolio company of


**GENSTAR**

Sell-Side

Audax Private Equity


has sold



to

**BainCapital**  
PRIVATE EQUITY

Sell-Side



AURORA RESURGENCE



has sold

**ALLTUB GROUP**

to

**One Equity Partners**

Sell-Side

 RICHARDSON CAPITAL

has sold

**Trillium**  
Health Care Products

to

**NEW WATER**  
SOLUTIONS

Sell-Side

**SUN CAPITAL**  
PARTNERS, INC.

has sold

**COVERIS™**  
RIGID

to

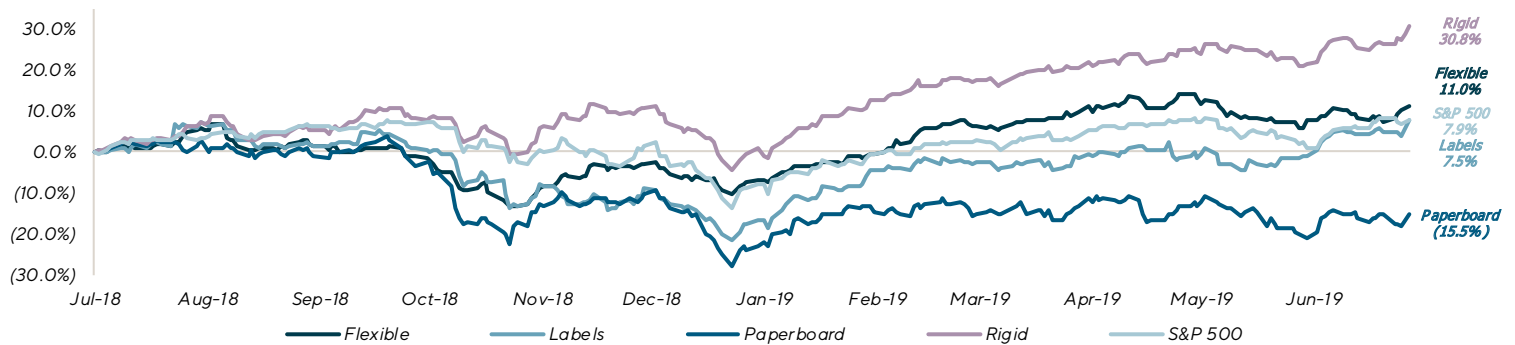
**LINDSAY GOLDBERG**

Sell-Side

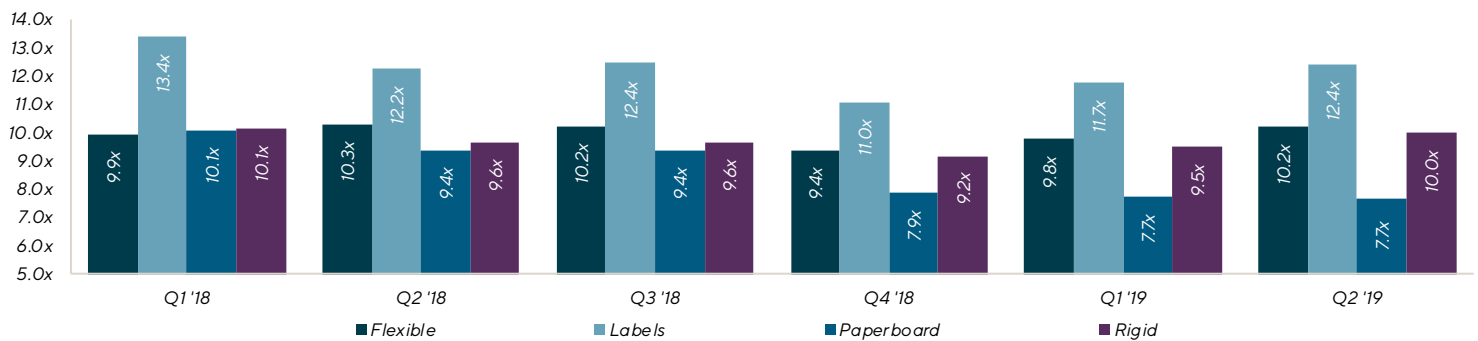
  



## LTM Relative Stock Price Performance



## 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
Jun-19	Announced	Certain assets of Orchids Paper Products	Cascades	\$216	n/a	n/a
Jun-19	Announced	Anchor Packaging	The Jordan Company	n/a	n/a	n/a
Jun-19	Announced	Three Flexible Packaging Plants from Bemis in the UK and Ireland	Kohlberg & Company	\$394	2.3x	n/a
Jun-19	Announced	Pregis Corporation (Olympus Partners)	Warburg Pincus	\$1,300	n/a	n/a
May-19	Announced	Corenso Holdings America (Madison Dearborn Partners)	Sonoco Products Company	\$110	1.5x	n/a
May-19	Announced	Automated Packaging Systems	Sealed Air Corporation	\$510	1.8x	n/a
Apr-19	Announced	Essel Propack	The Blackstone Group	\$679	1.7x	9.2x
Jul-19	Closed	Nelipak Corporation (Mason Wells)	Kohlberg & Company	n/a	n/a	n/a
Jul-19	Closed	Multi-Color Corporation	WS Packaging Group (Platinum Equity)	\$2,523	1.5x	8.3x
Jul-19	Closed	Nueva Fábrica Nacional de Vidrio	Owens-Illinois	\$188	n/a	n/a
Jul-19	Closed	Lameplast (Aksia Group)	Tekni-Plex (Genstar Capital)	\$99	3.4x	n/a
Jul-19	Closed	RPC Group	Berry Global Group	\$5,807	1.2x	7.6x
Jun-19	Closed	Two packaging businesses of DS Smith	International Paper Company	\$71	n/a	n/a
Jun-19	Closed	Megaflex Bladel	Optimum Group (IK Investment Partners)	n/a	n/a	n/a
Jun-19	Closed	Poly-Mart and WRP Containers	Tank Holdings (Olympus Partners)	n/a	n/a	n/a
Jun-19	Closed	Three Manufacturing Facilities of Amcor	Tekni-Plex (Genstar Capital)	\$215	n/a	n/a
Jun-19	Closed	Enoplastic	Cobepa	n/a	n/a	n/a
Jun-19	Closed	Bemis Company	Amcor	\$6,778	1.7x	11.8x
Jun-19	Closed	Nanopharm / Gateway Analytical	AptarGroup	\$50	n/a	n/a
Jun-19	Closed	Label Technology	Fortis Solutions Group (Main Post Partners)	n/a	n/a	n/a
May-19	Closed	Union Packaging	LBP Manufacturing (Pritzker Private Capital)	n/a	n/a	n/a
May-19	Closed	Assets of Sonic Plastics	Consolidated Container Company	n/a	n/a	n/a
May-19	Closed	Charter NEX Films (Leonard Green & Partners)	Next Generation Films	n/a	n/a	n/a
May-19	Closed	Assets of Radva Corporation	Huntington Solutions (Mill Point Capital)	n/a	n/a	n/a
May-19	Closed	Three Rivers Packaging	The Cary Company	n/a	n/a	n/a
May-19	Closed	UBS Printing Group	WestRock Company	n/a	n/a	n/a
Apr-19	Closed	Label Solutions and Paper Receipts Businesses of Cenveo	Iconex (Atlas Holdings)	n/a	n/a	n/a
Apr-19	Closed	TAPLAST	TriMas Corporation	\$46	1.4x	n/a
Apr-19	Closed	Olcott Plastics	Pretium Packaging (Genstar Capital)	n/a	n/a	n/a
Apr-19	Closed	Maesa (Andera Partners)	Bain Capital Private Equity	n/a	n/a	n/a
Apr-19	Closed	Flexographic Packaging Division of Eastman Kodak	Montagu Private Equity	\$375	2.5x	11.4x
Apr-19	Closed	James L. Villa	EasyPak (Graham Partners)	n/a	n/a	n/a
Apr-19	Closed	Paragon Films (Wind Point Partners)	Wellspring Capital Management	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 plc	\$11.28	98.8%	\$13,053	\$17,481	\$9,367	\$1,303	1.5%	13.9%	1.9x	13.1x
Berry Global Group, Inc.	58.80	99.5%	7,662	13,122	8,048	1,348	6.9%	16.7%	1.6x	9.6x
Huhtamäki Oyj	38.11	94.4%	3,976	5,153	3,570	438	(2.6%)	12.3%	1.4x	11.7x
Sealed Air Corporation	46.62	98.9%	7,261	10,464	4,714	830	3.4%	17.6%	2.2x	12.2x
Transcontinental Inc.	11.98	49.0%	1,045	2,105	2,308	377	45.4%	16.4%	1.0x	5.2x
Winpak Ltd.	32.84	87.5%	2,135	1,803	892	196	1.4%	22.0%	2.0x	9.3x
Mean		88.0%					9.3%	16.5%	1.7x	10.2x
Median		96.6%					2.4%	16.6%	1.7x	10.7x
Labels										
Avery Dennison Corporation	\$110.65	94.6%	\$9,341	\$11,356	\$7,123	\$956	4.5%	13.4%	1.6x	11.9x
Brady Corporation	48.79	98.0%	2,569	2,419	1,163	186	(0.2%)	16.0%	2.1x	13.1x
CCL Industries Inc.	42.52	84.5%	7,567	9,013	3,940	748	3.2%	19.0%	2.3x	12.2x
Mean		92.4%					2.5%	16.1%	2.0x	12.4x
Median		94.6%					3.2%	16.0%	2.1x	12.2x
Paperboard										
Cascades Inc.	\$5.97	57.6%	\$560	\$2,012	\$3,577	\$355	4.5%	9.9%	0.6x	5.8x
DS Smith Plc	4.65	61.2%	6,372	8,604	8,039	1,045	5.9%	13.0%	1.1x	8.7x
Graphic Packaging Holding Company	13.88	90.5%	4,098	8,095	6,052	963	25.6%	15.9%	1.3x	8.4x
International Paper Company	46.81	78.6%	18,794	29,231	23,328	3,818	4.9%	16.4%	1.3x	7.0x
Mondi plc	21.89	74.7%	10,604	13,597	8,565	1,961	(3.0%)	22.9%	1.6x	6.8x
Packaging Corporation of America	99.16	79.5%	9,296	11,438	7,058	1,549	7.0%	21.9%	1.6x	7.3x
Sonoco Products Company	63.06	99.4%	6,308	7,857	5,438	737	5.2%	13.5%	1.4x	10.5x
WestRock Company	38.38	61.1%	9,801	20,459	17,322	2,939	10.6%	17.0%	1.2x	6.9x
Mean		75.3%					7.6%	16.3%	1.3x	7.7x
Median		76.6%					5.5%	16.1%	1.3x	7.2x
Rigid										
Amcor plc	\$11.28	98.8%	\$13,053	\$17,481	\$9,367	\$1,303	1.5%	13.9%	1.9x	13.1x
AptarGroup, Inc.	111.24	99.0%	7,010	8,015	2,806	563	9.1%	20.1%	2.9x	14.4x
Ball Corporation	59.94	99.9%	20,030	26,142	11,635	1,797	3.0%	15.4%	2.2x	14.3x
Berry Global Group, Inc.	58.80	99.5%	7,662	13,122	8,048	1,348	6.9%	16.7%	1.6x	9.6x
Crown Holdings, Inc.	58.13	97.6%	7,737	17,040	11,709	1,683	30.2%	14.4%	1.5x	10.1x
Greif, Inc.	39.52	63.0%	2,107	3,236	4,110	561	8.0%	13.7%	0.8x	6.2x
Nampak Limited	0.73	58.7%	472	936	1,174	157	(21.1%)	13.4%	0.8x	5.3x
Owens-Illinois, Inc.	19.76	95.1%	3,067	8,010	6,779	1,063	(3.0%)	15.7%	1.2x	6.9x
Silgan Holdings Inc.	29.94	96.9%	3,328	5,878	4,464	613	3.9%	13.7%	1.3x	9.6x
Sonoco Products Company	63.06	99.4%	6,308	7,857	5,438	737	5.2%	13.5%	1.4x	10.5x
Mean		90.8%					4.4%	15.1%	1.6x	10.0x
Median		98.2%					4.6%	14.1%	1.4x	9.9x

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



## Contributors

### Luke Webb

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

### Brian Goodwin

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



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