PAPER & PACKAGING *IQ*

Industry-Specific Overview of Recent M&A and Capital Markets Activity

JULY 2022

AmherstPartners

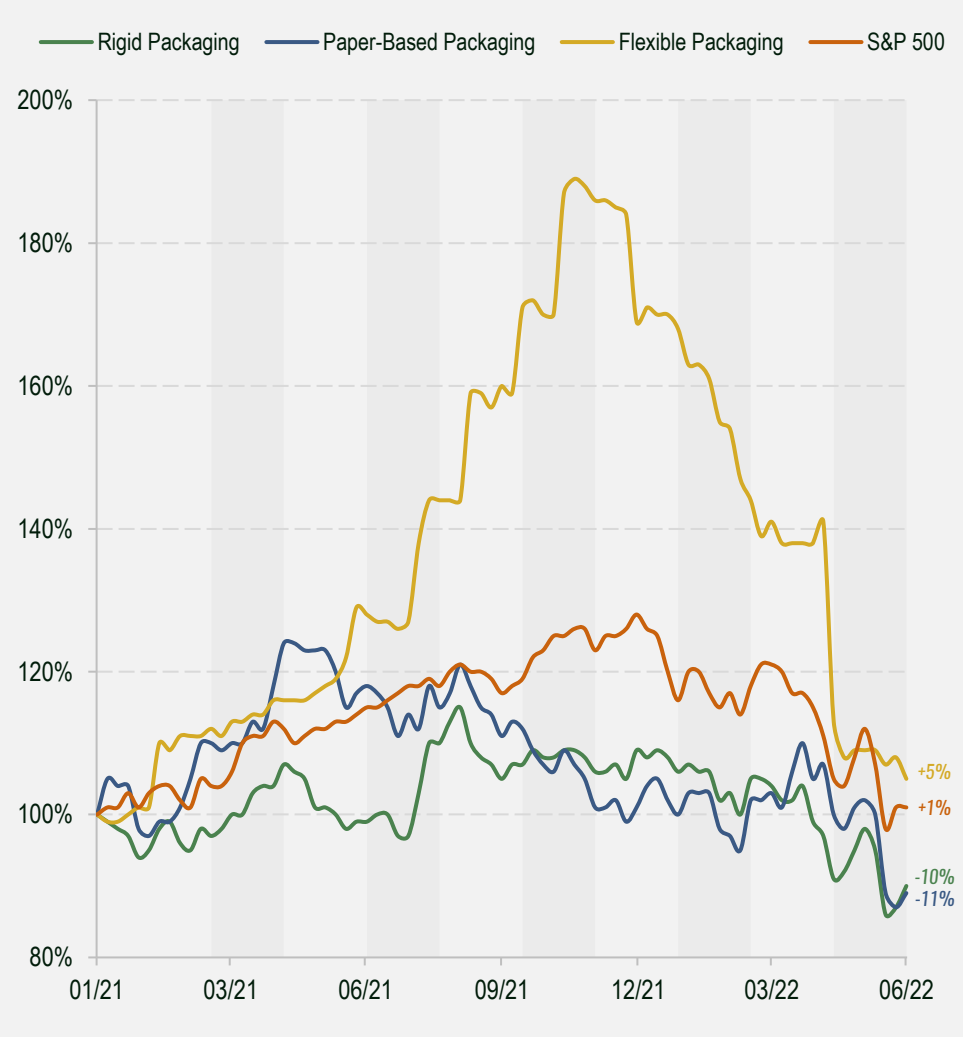
EXPERIENCE | SOLUTIONS | RESULTS

WWW.AMHERSTPARTNERS.COM

Recent Market Observations

- Elevated consumer awareness surrounding sustainability, increasingly stringent environmental regulations, and rising ESG interest have increased demand for eco-friendly packaging solutions. A testament to this is Graphic Packaging's (NYSE:GPK) $600 million recent investment in a paperboard production line to repurpose recycled cardboard into more sustainable forms of packaging. This investment provides access to a market for recycled plastic and paper estimated to be $6 billion. Coated recycled carton grades are expected to experience the greatest increase in demand over the next five years
- With the exception of flexible packaging, publicly traded packaging companies have lagged in performance relative to the S&P 500 index over the last year. Ongoing profitability pressure from dramatic, rapidly rising input costs across materials, transportation, and labor have driven a decline in operating margins and stock performance
- While public markets have experienced some turbulence, private market valuations remain strong. Both strategic and financial buyers are willing to pay premiums for regional packaging businesses that offer a unique value proposition (i.e., sustainability, customized offering, nimbleness, shorter lead times, etc.). An example is SIG Combibloc Group's recent acquisition (February 2022) of Scholle IPN for over 12x LTM Adjusted EBITDA

Recent Stock Price Performance – Paper & Packaging Indices



Source: Capital IQ
*Paper and Packaging Universe – **Rigid Packaging**: AMBP, AMC, ATR, BALL, BERY, CCK, GEF, MYE, OI, PTVE, SLGN, TRS, UFPT*
***Paper-Based Packaging**: CAS, GEF, IP, PACK, PKG, SON, WRK*
***Flexible Packaging**: AMC, BERY, GDNP, IFX, ITP, REYN, SEE, TCLL.A, TG, VKSC, WPK*

Source: Wall Street research, Plastics Today, Smithers

Public Market Trading Multiples

	($ in millions, other than stock price) Company		6/30/2022 Stock Price	Quarterly Price Δ	Market Cap.	Total EV(1)	LTM Revenue	LTM EBITDA	Gross Margin	EBITDA Margin	Net Debt / EBITDA	Enterprise Value / LTM Revenue	Enterprise Value / LTM EBITDA
Rigid Packaging	amcor	Amcor plc	$12.45	8%	$18,470	$24,688	$14,089	$2,154	20%	15%	2.9x	1.8x	11.5x
	Aptar	AptarGroup, Inc.	102.76	(13%)	6,734	7,877	3,295	608	35%	18%	1.8x	2.4x	13.0x
	ArdaghGroup	Ardagh Metal Packaging	6.06	(25%)	3,632	6,378	4,253	649	15%	15%	3.9x	1.5x	9.8x
	Ball	Ball Corporation	68.84	(24%)	22,369	30,995	14,402	2,172	19%	15%	3.7x	2.2x	14.3x
	Berry	Berry Global Group, Inc.	55.57	(4%)	7,318	17,185	14,692	2,112	16%	14%	4.7x	1.2x	8.1x
	CROWN	Crown Holdings, Inc.	93.25	(25%)	11,520	18,658	11,992	1,810	20%	15%	3.6	1.6x	10.1x
	GREIF	Greif, Inc.	62.64	(4%)	3,055	5,362	6,301	894	20%	14%	2.3x	0.9x	6.0x
	myers	Myers Industries, Inc.	22.21	3%	806	919	812	82	29%	10%	1.3x	1.1x	11.2x
	O-I Packaging Solutions	O-I Glass, Inc.	14.47	10%	2,293	6,608	6,549	1,058	18%	16%	3.8x	1.0x	6.2x
	pactiv evergreen	Pactiv Evergreen Inc.	9.61	(5%)	1,741	5,989	5,768	721	12%	13%	5.2x	1.0x	8.3x
	SILGAN	Silgan Holdings Inc.	41.83	(10%)	4,648	8,373	5,881	862	16%	15%	3.9x	1.4x	9.7x
	TriMas	TriMas Corporation	26.86	(16%)	1,154	1,544	875	154	25%	18%	2.4x	1.8x	10.1x
	UFP TECHNOLOGIES	UFP Technologies, Inc.	78.47	19%	605	706	229	33	24%	14%	2.9x	3.1x	21.5x
		Median							***20%***	***15%***	***3.7x***	***1.5x***	***9.9x***
Paper Packaging	Cascades	Cascades Inc.	$7.88	(23%)	$783	$2,022	$3,246	$202	11%	6%	5.1x	0.6x	10.0x
	GREIF	Greif, Inc.	62.64	(4%)	3,055	5,362	6,301	894	20%	14%	2.3x	0.9x	6.0x
	INTERNATIONAL PAPER	International Paper Company	42.38	(8%)	15,692	20,413	20,007	2,830	28%	14%	1.5x	1.0x	7.2x
	PCA	Packaging Corporation of America	138.9	(11%)	12,907	14,887	8,060	1,846	25%	23%	1.0x	1.8x	8.1x
	Ranpak	Ranpak Holdings Corp.	7.48	(63%)	614	939	379	67	36%	18%	4.6x	2.5x	14.0x
	SONOCO	Sonoco Products Company	56.65	(9%)	5,543	8,892	6,008	293	20%	5%	9.1x	1.5x	NM
	WestRock	WestRock Company	40.2	(15%)	10,276	19,014	20,241	3,136	19%	15%	2.5x	0.9x	6.1x
		Median							***20%***	***14%***	***2.5x***	***1.0x***	***7.6x***
Flexible Packaging	amcor	Amcor plc	$12.45	8%	$18,470	$24,688	$14,089	$2,154	20%	15%	2.9x	1.8x	11.5x
	Berry	Berry Global Group, Inc.	55.57	(4%)	7,318	17,185	14,692	2,112	16%	14%	4.7x	1.2x	8.1x
	good. natured	good natured Products Inc.	0.3	(36%)	70	98	63	(2)	25%	(3%)	NM	1.6x	NM
	IMAFLEX	Imaflex Inc.	0.93	(3%)	48	49	91	11	15%	12%	0.1x	0.5x	4.6x
	ipg interape polymer group	Intertape Polymer Group Inc.	31.41	(1%)	1,862	2,499	1,592	178	22%	11%	3.4x	1.6x	14.1x
	Reynolds Consumer Products	Reynolds Consumer Products Inc.	26.7	(9%)	5,603	7,653	3,644	558	22%	15%	3.6x	2.1x	13.7x
	Sealed Air Re-imagine	Sealed Air Corporation	58.38	(13%)	8,518	12,007	5,684	1,121	31%	20%	3.0x	2.1x	10.7x
	tc TRANSCONTINENTAL	Transcontinental Inc.	12.09	(14%)	1,057	1,864	2,187	310	16%	14%	2.5x	0.9x	6.0x
	Tredegar CORPORATION	Tredegar Corporation	10.17	(15%)	347	467	878	82	18%	9%	1.4x	0.5x	5.7x
	VISKASE	Viskase Companies, Inc.	0.9	(18%)	93	270	416	50	17%	12%	3.2x	0.7x	5.4x
	WINPAK	Winpak Ltd.	33.9	10%	2,204	1,876	1,053	199	28%	19%	NM	1.8x	9.4x
		Median							***20%***	***14%***	***3.0x***	***1.6x***	***8.8x***

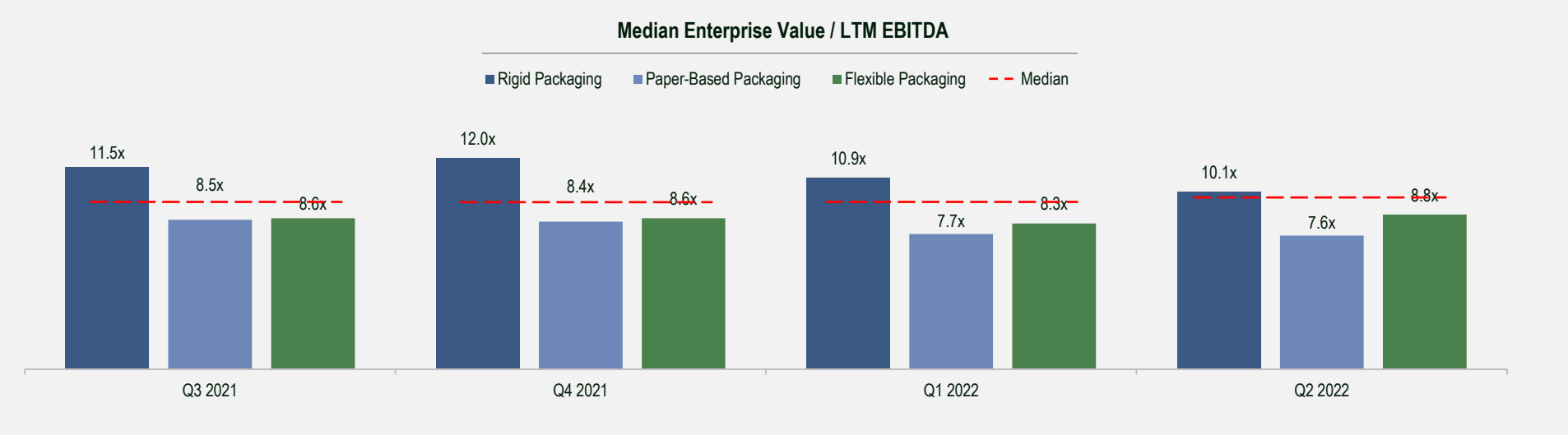
Source: Capital IQ

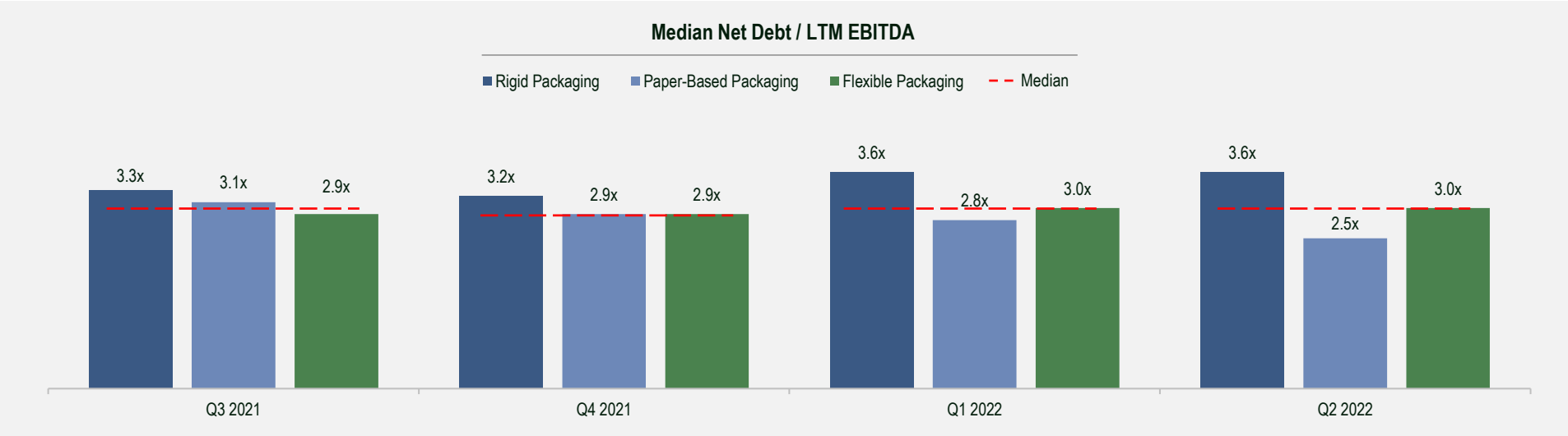
(1) EV ("Enterprise Value") is defined as market capitalization plus net debt, preferred equity and minority interest.

(2) Median and mean values exclude all non-meaningful values.

Valuation and Debt Multiples

Valuation multiples and debt levels in Paper and Packaging have been relatively stable over the past four quarters, with Rigid Packaging experiencing the largest decline in Median Enterprise Value / LTM EBITDA multiples

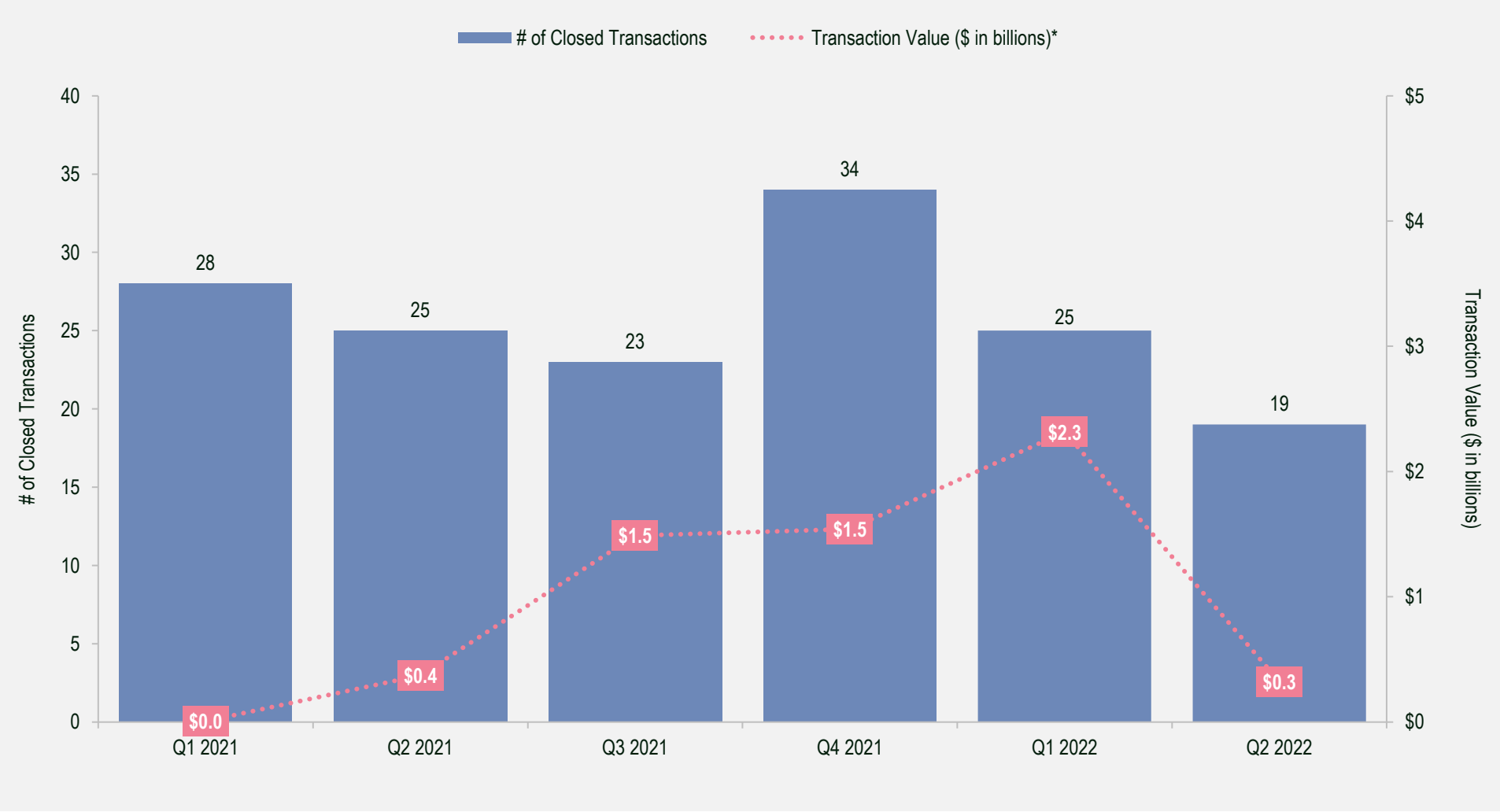




Source: Capital IQ
(1) EV ("Enterprise Value") is defined as market capitalization plus net debt, preferred equity and minority interest.
(2) Median and mean values exclude all non-meaningful values.

U.S. M&A Activity

Aggregate Packaging deal value in Q2 2022 amounted to $323 million, down by 13% when compared to Q2 2021 ($372 million). Year over year deal volume was also lower for the second consecutive quarter, with 19 reported Packaging deals in Q2 2022 as compared to 25 in Q2 2021



Source: Capital IQ
**Transaction Value represents publicly announced deal terms*

Recent Transaction Activity

Date	Target	Acquiror	Enterprise Value ($M)	Target Description
06/22	ESSENTRA	MM KARTON	~$374.0	Manufactures and distributes plastic injection molded vinyl dip-molded, and metal items for equipment manufacturing, automotive, fabrication, electronics, and construction industries
06/22	Andlinger Packaging Group	Oberlin	Undisclosed	Designs, develops, manufactures, and distributes products for packaging and printing needs including jars, plastic pails, custom molds, folding cartons and retail packaging products
06/22	BreatheWay	**Undisclosed**	N/M	Operates as a fruit and vegetable packaging business which extends the shelf life of fresh produce
06/22	C&G PACKAGING	IntraPac	Undisclosed	Engages in the manufacturing and blow molding of PET bottles and jars for the food and nutraceutical industries
05/22	ISEM / Bramucci	PENINSULA CAPITAL	~$100.0	Provides packaging solutions for perfumery, cosmetics, textile, eyewear, fashion, shoe, and food industries in Italy and internationally
05/22	SPECIALTY PACKAGING INC.	ProAmpac	Undisclosed	Manufactures packaging products such as bleached and natural kraft, laminated metallized film, and laminated foil, as well as other paper bags, wraps, and liners
05/22	LIBERTY GREENLEAF	ICONEX	Undisclosed	Manufactures paper-based point-of-sale (POS) and industrial packaging solutions
04/22	diamond FLEXIBLE PACKAGING	BROOK + WHITTLE	Undisclosed	Manufactures flexible packaging products such as pre-made pouches including stand up, slider, zip top, custom bags such as polyethylene, polypropylene, cellophane, and cast propylene, and more
04/22	Ason Pac	MM KARTON	Undisclosed	Develops, produces, and supplies packaging solutions which serve the healthcare, food & beverage, automotive, personal care, and other industries
04/22	SC	NOVVIA GROUP THE NEW WAY OF PACKAGING	Undisclosed	Offers industrial containers including plastic and glass bottles, tinplate cans, polyethylene and steel drums and pails, fiber drums, as well as various types of closures
04/22	Cam Packaging	InlinePlastics	Undisclosed	Provides plastic thermoforming services, specializing in food containers as well as plastic containers for automotive and retail packaging
04/22	P:BFY FLEXIBLE PACKAGING	TRICORBRAUN	Undisclosed	Engages in manufacturing and selling plastic packaging pouches, films, and digital labels
03/22	Seaboard FOLDING BOX	**Vidya Brands Group**	Undisclosed	Designs and manufactures printed folding cartons and cards
02/22	Scholle IPN	SIG	$1,643.0	Designs and manufactures packaging products for food, beverage, and non-food markets. It serves specialty chemicals, beauty, personal care, pharmaceutical, and other industries
01/22	specialtybox.com	OLIVER	Undisclosed	Manufactures and supplies custom folding carton packaging solutions for food and beverage, beauty products, confection, health and wellness, and consumer goods markets
01/22	**Pactiv Evergreen's Asia Fresh Carton Business**	SIG	$335.0	Supplies filling machines, cartons, closures and after-sales service to its customers in the fresh segment
12/21	JAY PACKAGING GROUP, INC.®	Rohrer	Undisclosed	Provides packaging solutions including folding cartons, blister cards, thermoformed blisters, clamshells, trays, fulfillment, and specialty packaging solutions

Source: Capital IQ

Recent Amherst Partners' Transaction

COMPANY DETAILS

Company: Pressed Paperboard Technologies, LLC ("PaperTech")

Founded: 1999

Plant: Findlay, OH

Employees: ~200

Website: www.papertrays.com

Acquiror: May River Capital

PaperTech

Transaction Summary

Situation

- Founded in 1999, Bingham Farms, Michigan-based PaperTech is a privately-held business that has evolved into a leading provider of sustainable paperboard packaging solutions to blue-chip customers, including international food brands, contract food packagers, food service operations, as well as commercial bakeries, quick-serve restaurants, and "take-and-bake" pizza companies
- Over its history, PaperTech has maintained a rigorous focus on innovation, value, service, and quality, producing over 500 million eco-friendly trays annually. The Company's products are made from renewable materials and provide customers with economical and sustainable packaging solutions

Solution

- PaperTech's founders engaged Amherst Partners to conduct a sale of the business. Amherst's efforts were focused on finding a well-positioned partner capable of supporting further expansion of the business and able to capitalize on the market opportunities arising from a consumer shift away from single-use plastic packaging to more renewable, sustainable materials

Result

- ✓ Amherst managed a comprehensive search which generated significant interest from both strategic and private equity partners. The Company ultimately elected to pursue a transaction with May River Capital, a firm with deep industrial sector experience and a track record of helping high-growth businesses reach new levels of success
- ✓ With the completion of the transaction, the majority owner will fully retire but will remain as a shareholder in the Company. The minority owner will also remain as a shareholder in the business and will continue to serve a critical leadership role as Chief Development Officer, leveraging his extensive product knowledge and deep customer and supplier relationships to accelerate new business opportunities

The Amherst Partners Team

With a track record spanning over 25 years, Amherst Partners is a boutique investment banking firm focused on providing M&A advisory and capital raising services primarily for closely-held businesses

Boutique investment bank with significant Wall Street experience

Adams Street
BAIRD
bakertilly
EY Capital Advisors, LLC
Dresdner Kleinwort
Giuliani Capital Advisors
HOULIHAN LOKEY
J.P.Morgan
KPMG Corporate Finance LLC
MACQUARIE
Prudential Securities
plante moran
WASSERSTEIN PERELLA & CO
The Hackett Group

Core Execution Team

Charles Chandler
Partner

Donald Luciani
Partner

Marc Gondek
Director

Fahad Siddiqui
Director

John Wendzinski
Associate

Sam Jabara
Associate

John Hayek
Analyst

Emily Pachla
Controller

Operations Advisory

Jon B. Cotton
CEO, Apex Health, Former President, Meridian Health Plan of Michigan

Ray Dallavecchia, Jr.
Owner, Venetian Associates

S. Evan Weiner
President/CEO, Edw. C. Levy Co.

AmherstPartners

EXPERIENCE | SOLUTIONS | RESULTS

KEY CONTACT INFORMATION

Chas Chandler, *Partner and Head of Consumer Investment Banking*
(248) 633-2140
chandler@amherstpartners.com

Don Luciani, *Partner*
(248) 633-2139
dluciani@amherstpartners.com

Marc Gondek, *Director*
(248) 633-2058
mgondek@amherstpartners.com

Fahad Siddiqui, *Director*
(248) 633-2053
fsiddiqui@amherstpartners.com

John Wendzinski, *Associate*
(248) 633-2057
jwendzinski@amherstpartners.com

Sam Jabara, *Associate*
(248) 633-2063
sjabara@amherstpartners.com

John Hayek, *Analyst*
(248) 633-2149
jhayek@amherstpartners.com

AMHERST PARTNERS, LLC
255 East Brown Street, Suite 120
Birmingham, MI 48009, U.S.A.
Telephone: (248) 642-5660
Facsimile: (248) 642-9247

Securities related transactions are offered through Amherst's wholly owned subsidiary, One Amherst LLC, a registered broker-dealer and member of FINRA and SIPC.

This report is published solely for informational purposes and is not to be construed as rendering legal, accounting or investment advice or as a solicitation or an offer to buy or sell securities. Although information contained in this report has been obtained from and is based on sources that Amherst Partners LLC believes to be reliable; it is not guaranteed as being accurate. Past performance is not an indication of future results.