



PAPER & PACKAGING *IQ*

AmherstPartners

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

JANUARY 2024

Recent Market Observations

Paper & Packaging Industry Update | January 2024

Declining prices for key raw materials helped alleviate some of the impact caused by tepid demand for packaging in 2023. Market pulp prices reached record highs in late 2022 but have since declined \$240/FMT in 2023 as global pulp markets remained oversupplied. Producer prices in the U.S. for wood pulp products decreased 23% in November 2023 from a year earlier. Pulp inventory levels reached record highs in mid-2023 and remained elevated but are expected to experience a slight improvement as inventory levels begin to normalize amid market related downtimes. Low-Density Polyethylene (LDPE) and Polypropylene (PP) have also declined 15% and 19% respectively year-over-year in November 2023, making inputs, especially for flexible packaging, much more affordable.

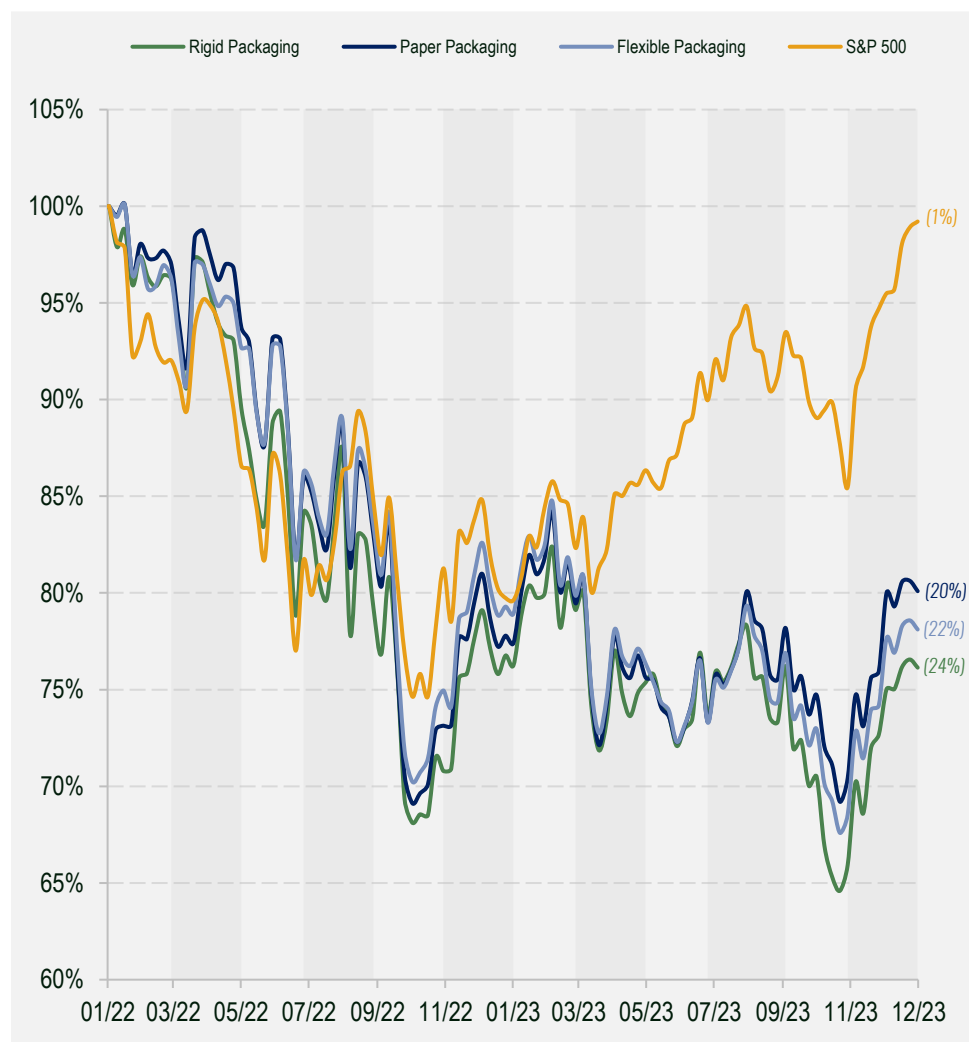
Industry participants undertook a range of cost cutting and structural initiatives to balance supply and demand. Footprint optimization through plant closures along with facility downtimes have been common strategies. A string of permanent plant closures for WestRock was accompanied by a potential consolidation via its announced acquisition by Smurfit Kappa. Memphis, TN based International Paper reported 458,000 tons worth of downtime during Q3 2023 in its containerboard operations which improved operating costs. As supply side efforts aim to bridge the imbalance, prices for old corrugated containers (OCC) present an encouraging sign for demand improvement amid a potential market turn. OCC prices rose nearly 159% year over year in November 2023. An uptick in corrugated demand also spurred Packaging Corp.'s restart of its idle mill in Wallula, WA.

Consumer demand for sustainable options continues to drive the transition towards eco-friendly and renewable packaging options away from single-use and excessive packaging. Significant developments by packaging giants have led to strides in sustainable packaging options in 2023. Nissin partnered with Graphic Packaging to reimagine its Cup Noodles polystyrene foam single-serve container to be made of recyclable and microwaveable fiber allowing Nissin to eliminate the clear plastic film encasing its foam cup. Mondi also unveiled its sustainable alternative to expanded polystyrene packaging.

The escalating awareness of environmental repercussions linked to packaging, particularly its contribution to solid waste and pollution, has also prompted increased government scrutiny and regulatory actions aimed at curbing environmental harm caused by conventional practices. As a result, industry leaders are increasingly advocating for the widespread adoption of circular economy principles to address waste management, climate concerns, and various ESG-related goals, articulating the strategic imperative that sits at the intersection of sustainable profit and a thriving planet.

Source: Packaging Dive, FastMarkets, ResourceWise, Packaging Gateway, Wall Street research

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, REYN, SEE, TCL.A, TG, WPK

Public Market Trading Multiples

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(\$ in millions, other than stock price)		12/31/2023	Quarterly	Market	Total	LTM		Gross	EBITDA	Net Debt /	Enterprise Value / LTM	
Company		Stock Price	Price Δ	Cap.	EV ⁽¹⁾	Revenue	EBITDA	Margin	Margin	EBITDA	Revenue	EBITDA
Rigid Packaging	 Amcor plc	\$9.69	7%	\$13,923	\$21,117	\$14,425	\$1,914	19%	13%	3.5x	1.5x	11.0x
	 Aptargroup, Inc.	123.62	(1%)	8,132	9,217	3,445	666	36%	19%	1.5x	2.7x	13.8x
	 Ardagh Metal Packaging S.A.	3.84	23%	2,295	5,801	4,756	584	12%	12%	5.4x	1.2x	9.9x
	 Ball Corporation	57.52	17%	18,136	26,900	14,174	1,941	18%	14%	4.2x	1.9x	13.9x
	 Berry Global Group, Inc.	67.39	10%	7,784	16,325	12,664	1,999	18%	16%	4.3x	1.3x	8.2x
	 Crown Holdings, Inc.	92.09	5%	11,024	17,991	12,164	1,736	19%	14%	3.6x	1.5x	10.4x
	 Greif, Inc.	65.59	(3%)	3,079	5,602	5,219	834	22%	16%	2.6x	1.1x	6.7x
	 Myers Industries, Inc.	19.55	9%	720	792	835	93	32%	11%	0.7x	0.9x	8.5x
	 O-I Glass, Inc.	16.38	(1%)	2,534	6,782	7,157	1,261	21%	18%	3.3x	0.9x	5.4x
	 Pactiv Evergreen Inc.	13.71	72%	2,447	6,105	5,712	1,120	18%	20%	3.0x	1.1x	5.5x
	 Silgan Holdings Inc.	45.25	6%	4,819	8,722	6,103	892	16%	15%	4.0x	1.4x	9.8x
	 TriMas Corporation	25.33	3%	1,049	1,466	887	133	24%	15%	2.8x	1.7x	11.1x
	 UFP Technologies, Inc.	172.04	8%	1,314	1,365	390	71	28%	18%	0.7x	3.5x	19.3x
Median								19%	15%	3.3x	1.4x	9.9x
Paper Packaging	 Cascades Inc.	\$9.64	8%	\$971	\$2,584	\$3,426	\$352	35%	10%	3.9x	0.8x	7.3x
	 Greif, Inc.	65.59	(3%)	3,079	5,602	5,219	834	22%	16%	2.6x	1.1x	6.7x
	 International Paper Company	36.15	2%	12,509	17,497	19,448	2,343	28%	12%	1.9x	0.9x	7.5x
	 Packaging Corporation of America	162.91	6%	14,491	16,541	7,843	1,644	22%	21%	1.2x	2.1x	10.1x
	 Ranpak Holdings Corp.	5.82	9%	481	843	325	83	34%	26%	4.1x	2.6x	10.1x
	 Sonoco Products Company	55.87	4%	5,473	8,793	6,822	1,028	21%	15%	3.0x	1.3x	8.6x
	 WestRock Company	41.52	17%	10,650	19,560	20,310	2,708	18%	13%	2.9x	1.0x	7.2x
Median								22%	15%	2.9x	1.1x	7.5x
Flexible Packaging	 Amcor plc	\$9.69	7%	\$13,923	\$21,117	\$14,425	\$1,914	19%	13%	3.5x	1.5x	11.0x
	 Berry Global Group, Inc.	67.39	10%	7,784	16,325	12,664	1,999	18%	16%	4.3x	1.3x	8.2x
	 Reynolds Consumer Products	26.84	6%	5,637	7,554	3,838	593	23%	15%	3.1x	2.0x	12.7x
	 Sealed Air Corporation	36.52	11%	5,275	9,958	5,517	1,071	30%	19%	4.2x	1.8x	9.3x
	 Transcontinental Inc.	10.37	25%	902	1,642	2,122	285	16%	13%	2.3x	0.8x	5.8x
	 Winpak Ltd.	30.97	10%	2,013	1,535	1,158	227	29%	20%	NM	1.3x	6.8x
	 Tredegar Corporation	5.41	1%	184	303	725	12	11%	2%	8.3x	0.4x	NM
Median								19%	15%	3.8x	1.3x	8.7x

Source: Capital IQ

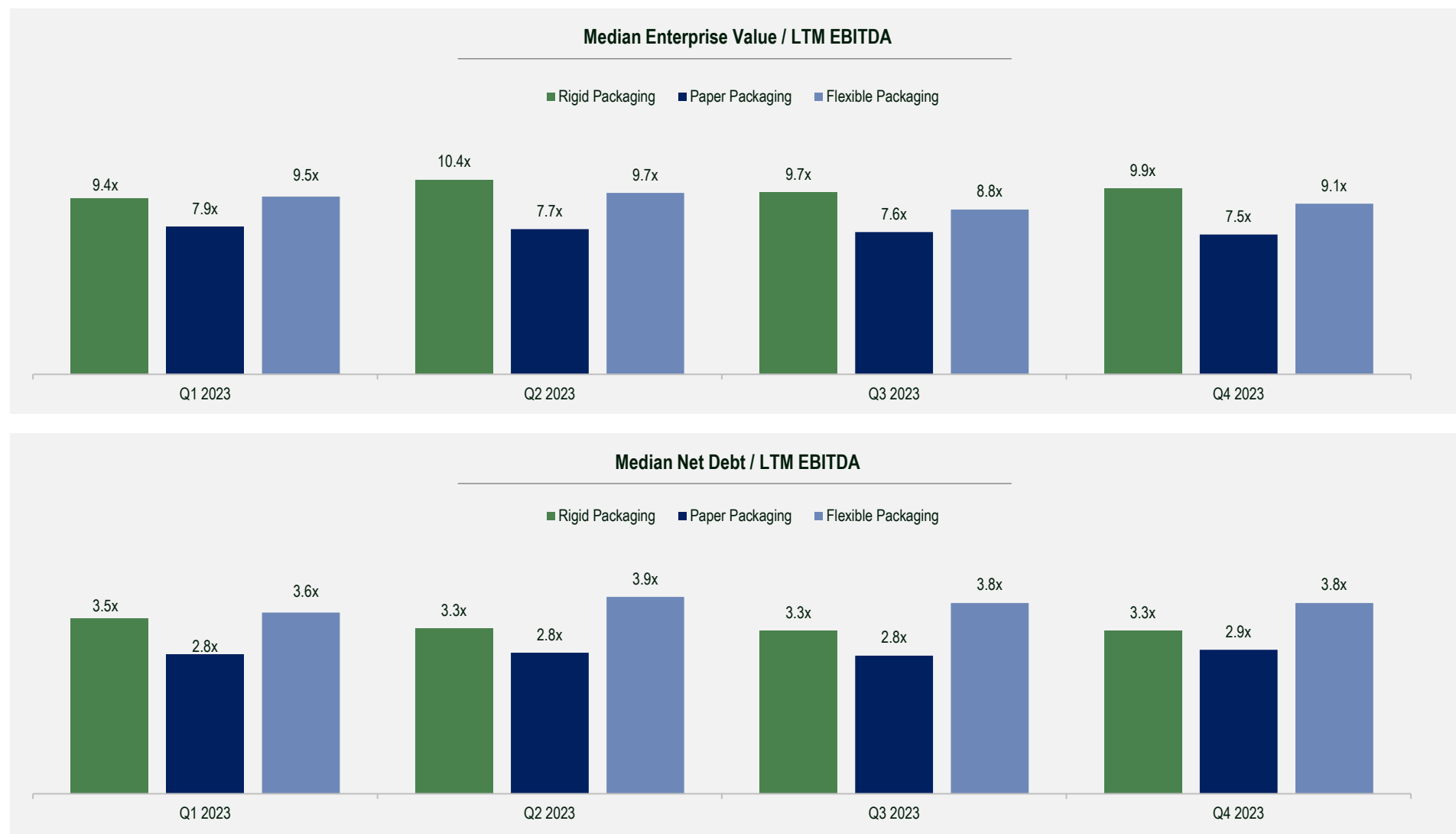
(1) EV ("Enterprise Value") is defined as market capitalization plus net debt, preferred equity, and minority interest.

(2) Medians exclude all non-meaningful values.

Valuation and Debt Multiples

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Valuation and debt levels have remained relatively stable over the past four quarters, with Rigid Packaging being the only segment with improved valuation multiples since the start of 2023



Source: Capital IQ

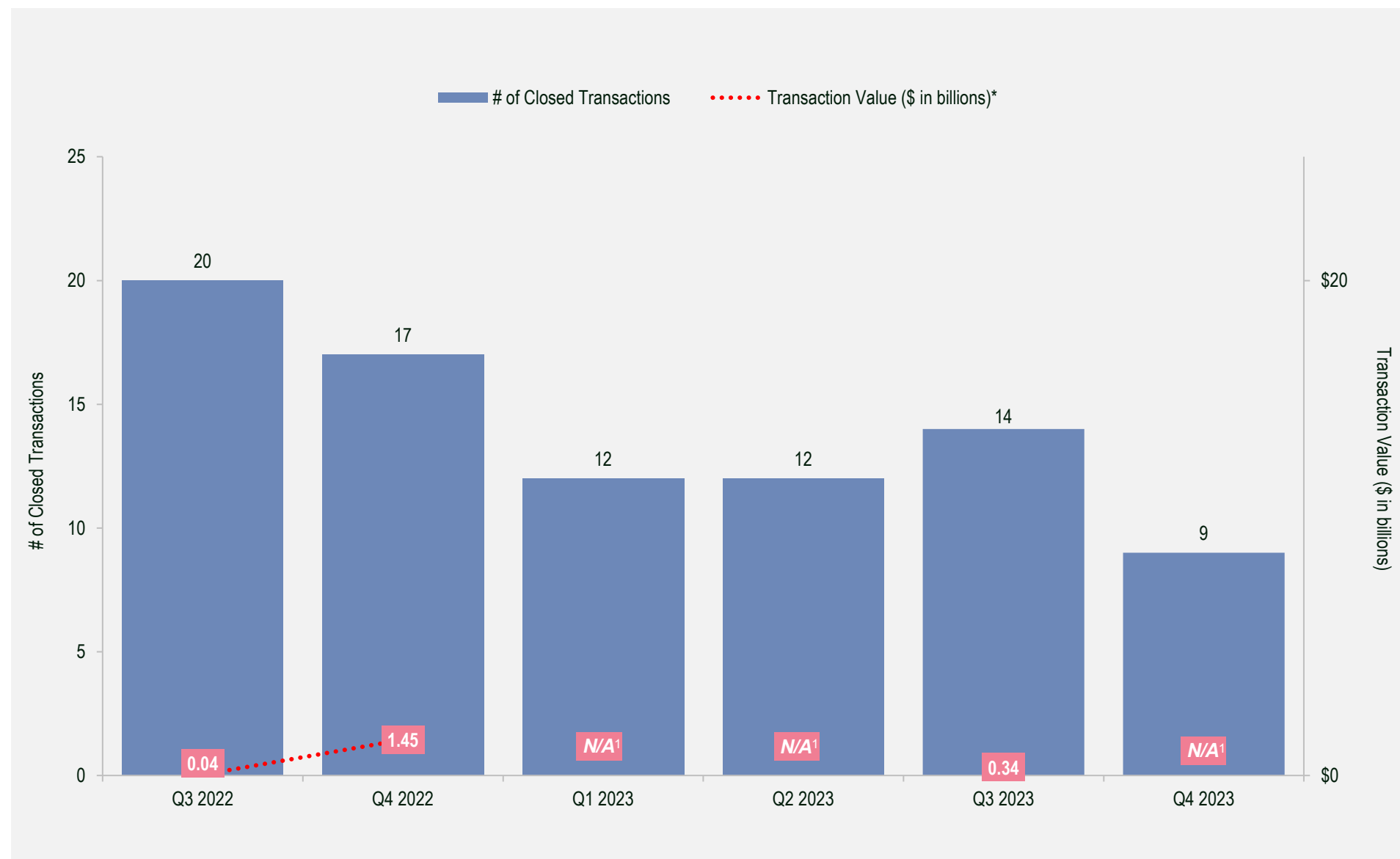
(1) EV ("Enterprise Value") is defined as market capitalization plus net debt, preferred equity and minority interest.

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

U.S. M&A Activity

Paper & Packaging Industry Update | January 2024

Packaging deal volumes declined considerably in 2023, with a total of 47 reported deals in the year






































Source: Capital IQ

*Transaction Value represents publicly announced deal terms

(1) There were no transaction values publicly disclosed during this quarter

Recent Transaction Activity

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Date	Target	Acquiror	Enterprise Value (\$M)	Target Description
12/23			Undisclosed	Provider of cushion, corrugated, and wood packaging solutions
12/23			Undisclosed	Manufactures plastic packaging products to automotive, pharmaceutical, food and beverage, personal care, industrial, and household industries
11/23			Undisclosed	Provides finishing services for folding carton and corrugated industries
11/23			Undisclosed	Manufactures thermoformed packaging for optical components and electronics
11/23			Undisclosed	Manufacturer of corrugated shipping containers and packaging products
11/23			Undisclosed	Manufactures custom folding cartons and specialty displays
10/23			Undisclosed	Manufactures custom folding cartons for the food and consumer products industries
10/23	Excent LLC		Undisclosed	Provides automated robotic production line for packaging services
9/23			Undisclosed	Manufactures and sells ripple bottles, tumblers, and accessories
9/23			Undisclosed	Provides thermoformed plastic packaging with in-house design services, custom forming, just-in-time (JIT) warehousing, decorating services, and secondary labor
9/23	ACCORD  CARTON	MASON  WELLS	Undisclosed	Manufacturer of custom folding cartons for private label and branded consumer goods
9/23			Undisclosed	Designs and manufactures packing boxes, shipping containers, consumer packing products, and retail-ready displays
9/23			Undisclosed	Provider of plastic extruded tube packaging
9/23			Undisclosed	Manufactures customized flexible plastic packaging products
8/23			\$75	Manufactures partitions, pads, and die cuts from chipboard corrugated and plastic materials
8/23			Undisclosed	Operator of a packaging distribution company for food production, meat processors, retail grocers, and other end markets
8/23			Undisclosed	Offers product development, manufacturing, and packaging services
8/23			\$262	Manufacturer of folded packaging cartons catering to the local retail and confectionery markets in the food industry

Source: Capital IQ

 Transaction advised by Amherst Partners

Recent Amherst Partners Transaction – Century Box

Paper & Packaging Industry Update | January 2024

COMPANY

DETAILS

Company: Century Box, Inc. (“CBX”)

Founded: 1978

Plant: Methuen, MA

Employees: ~150

Website: www.centurybox.com

Acquiror: CORE Industrial Partners



Transaction Summary

Situation

- Founded in 1978, Methuen, Massachusetts-based Century Box is a provider of folding cartons for store-brand food and consumer products. With its short-run capabilities and specialized / unique product offering, Century Box serves as a value-added partner for customers with complex packaging and service requirements across a broad array of industry sectors
- The Company offers comprehensive printing, converting, and finishing capabilities across a range of paperboard grades, with a particular focus on the replacement of single-use plastic packaging with high-visibility, recycled paperboard packaging

Solution

- The Company's founding family engaged Amherst Partners to conduct a sale of the business. Amherst's efforts focused on finding a well-positioned partner capable of supporting further expansion of the business, including capitalizing on the market opportunities arising from a consumer shift away from single-use plastic packaging to more sustainable materials

Result

- ✓ Amherst managed a comprehensive search which generated significant interest from both strategic and private equity partners
- ✓ The shareholders elected to pursue a transaction with CORE Industrial Partners, a private equity firm with extensive experience in industrial and packaging sectors and a proven history of helping businesses achieve higher levels of success

The Amherst Partners Team

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With a track record spanning 30 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



Core Execution Team



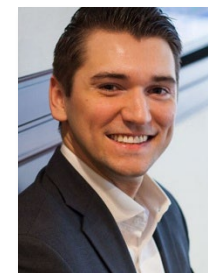
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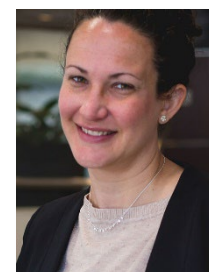
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Operations Advisory



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Ray Dallavecchia, Jr.
Owner, Venetian Associates



Terry Robinson
Former Senior Vice President and Director
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