



# PAPER & PACKAGING *IQ*

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

JULY 2024

# Recent Market Observations

Paper & Packaging Industry Update | July 2024

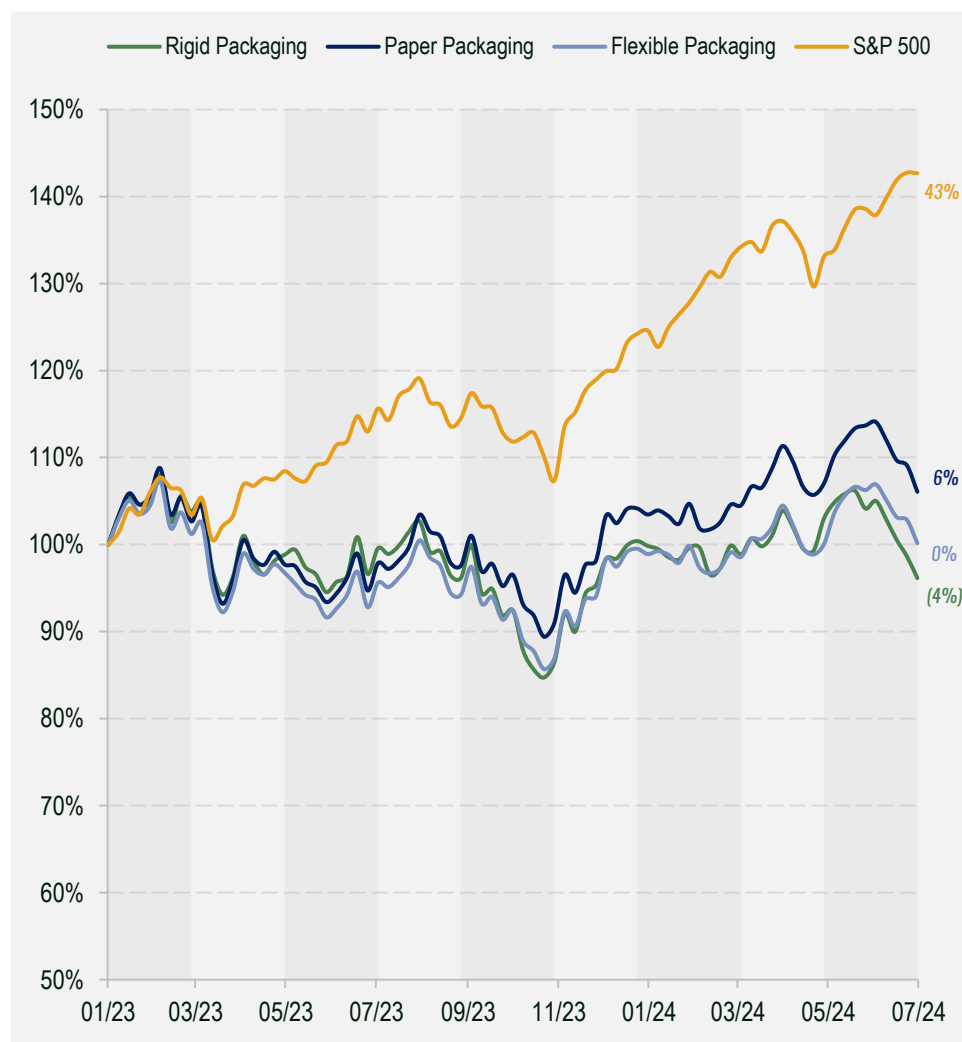
After a challenging 2023, paper & packaging industry dynamics appear to be stabilizing, as reflected in the rebound of pricing trends seen so far in 2024. Strong consumer confidence, particularly for consumer packaged goods (CPG), has helped lead to demand recovery in the sector. Heightened promotional activities undertaken by CPG brands have further stimulated the boost in consumer demand. The inventory destocking trend that began in late 2022 and continued in 2023 has largely subsided in 2024, with industry players noting that the negative effects of the trend have recovered at a rapid rate. This development can be attributed to easing supply chain issues coupled with stabilizing demand.

Packaging companies such as Amcor, Sealed Air Corporation, Ardagh, and Crown Holdings have reported a broad uptick in sales volumes, particularly within the food and beverage (F&B) sector. Industry leaders such as Greif and Packaging Corporation of America (PCA) also reported results that outpaced analysts' expectations in their latest quarterly reports. The latter reported total corrugated product shipments were up 9.2% year over year.

Shifting preferences towards sustainable options has heightened the demand for corrugated and containerboard products. This has translated into a greater need (and correspondingly higher prices) for old corrugated containers (OCC) and other wood pulp fiber grades to support paper production demand. Higher input costs related to these raw materials as well as increases in other transportation, energy, and labor costs have prompted price hikes on end-products. Leading players such as International Paper, WestRock, Packaging Corporation of America, Pratt Industries, and Cascades, which collectively represent around 70% of containerboard production capacity in North America, have implemented price increases ranging from 7% to 16% to offset the impact of rising input costs.

With sustainability shaping market trends, businesses are prioritizing investments to expand production capacities to keep pace with growing demand. In January 2024, WestRock announced a \$140M investment to build a new corrugated box plant in Wisconsin. This surge in demand has also attracted international players like Saica Group, which announced in February 2024 its plan to invest \$130M to construct a corrugated cardboard manufacturing plant in Indiana. Additionally, companies are investing heavily in R&D to make their products more sustainable. Greif, for example, has partnered with IonKraft to enhance the recyclability of industrial packaging, whereas Amcor recently introduced a recycled PET bottle for soft drinks to demonstrate its commitment to keeping pace with sustainability trends.

## 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

Paper & Packaging Industry Update | July 2024

| (\$ in millions, other than stock price) |  | 06/30/2024  | Quarterly | Market   | Total             | LTM      |         | Gross      | EBITDA     | Net Debt /  | Enterprise Value / LTM |             |
|--|--|-------------|-----------|----------|-------------------|----------|---------|------------|------------|-------------|------------------------|-------------|
| Company                                  |  | Stock Price | Price Δ   | Cap.     | EV <sup>(1)</sup> | Revenue  | EBITDA  | Margin     | Margin     | EBITDA      | Revenue                | EBITDA      |
| Rigid Packaging                          |  Amcor plc                        | \$9.93      | 3%        | \$14,126 | \$21,487          | \$13,778 | \$1,869 | 19%        | 14%        | 3.6x        | 1.6x                   | 11.5x       |
|  |  Aptargroup, Inc.                 | 140.81      | (1%)      | 9,331    | 10,321            | 3,543    | 725     | 37%        | 20%        | 1.3x        | 2.9x                   | 14.2x       |
|  |  Ardagh Metal Packaging S.A.      | 3.40        | (1%)      | 2,032    | 5,790             | 4,822    | 603     | 12%        | 13%        | 5.5x        | 1.2x                   | 9.6x        |
|  |  Ball Corporation                 | 60.02       | (12%)     | 18,629   | 23,132            | 13,922   | 2,048   | 19%        | 15%        | 2.0x        | 1.7x                   | 11.3x       |
|  |  Berry Global Group, Inc.         | 58.85       | (3%)      | 6,732    | 15,873            | 12,245   | 1,945   | 18%        | 16%        | 4.7x        | 1.3x                   | 8.2x        |
|  |  Crown Holdings, Inc.             | 74.39       | (6%)      | 8,876    | 15,890            | 11,820   | 1,798   | 21%        | 15%        | 3.5x        | 1.3x                   | 8.8x        |
|  |  Greif, Inc.                      | 57.47       | (16%)     | 2,816    | 6,078             | 5,216    | 742     | 21%        | 14%        | 3.9x        | 1.2x                   | 8.2x        |
|  |  Myers Industries, Inc.           | 13.38       | (41%)     | 498      | 908               | 804      | 85      | 32%        | 11%        | 4.3x        | 1.1x                   | 10.6x       |
|  |  O-I Glass, Inc.                  | 11.13       | (34%)     | 1,733    | 6,411             | 6,867    | 1,136   | 19%        | 17%        | 3.8x        | 0.9x                   | 5.6x        |
|  |  Pactiv Evergreen Inc.            | 11.32       | (20%)     | 2,028    | 5,836             | 5,331    | 1,087   | 19%        | 20%        | 3.2x        | 1.1x                   | 5.4x        |
|  |  Silgan Holdings Inc.             | 42.33       | (13%)     | 4,520    | 8,092             | 5,887    | 857     | 17%        | 15%        | 3.7x        | 1.4x                   | 9.4x        |
|  |  TriMas Corporation               | 25.56       | (4%)      | 1,043    | 1,490             | 905      | 139     | 24%        | 15%        | 2.9x        | 1.6x                   | 10.7x       |
|  |  UFP Technologies, Inc.           | 263.87      | 5%        | 2,024    | 2,060             | 407      | 73      | 28%        | 18%        | 0.5x        | 5.1x                   | NM          |
| <b>Median</b>                            |  |             |           |          |                   |          |         | <b>19%</b> | <b>15%</b> | <b>3.6x</b> | <b>1.3x</b>            | <b>9.5x</b> |
| Paper Packaging                          |  Cascades Inc.                    | \$6.60      | (7%)      | \$666    | \$2,173           | \$3,370  | \$316   | 35%        | 9%         | 4.1x        | 0.6x                   | 6.9x        |
|  |  Greif, Inc.                      | 57.47       | (16%)     | 2,816    | 6,078             | 5,216    | 742     | 21%        | 14%        | 3.9x        | 1.2x                   | 8.2x        |
|  |  International Paper Company      | 43.15       | 11%       | 14,987   | 19,964            | 18,515   | 2,041   | 28%        | 11%        | 2.1x        | 1.1x                   | 9.8x        |
|  |  Packaging Corporation of America | 182.56      | (3%)      | 16,274   | 18,184            | 7,806    | 1,556   | 21%        | 20%        | 1.1x        | 2.3x                   | 11.7x       |
|  |  Ranpak Holdings Corp.          | 6.43        | (19%)     | 534      | 901               | 340      | 63      | 38%        | 19%        | 5.3x        | 2.6x                   | 14.3x       |
|  |  Sonoco Products Company        | 50.72       | (12%)     | 4,984    | 8,241             | 6,689    | 1,008   | 21%        | 15%        | 2.9x        | 1.2x                   | 8.2x        |
|  |  WestRock Company               | 50.26       | 2%        | 12,975   | 22,180            | 19,456   | 2,564   | 18%        | 13%        | 3.1x        | 1.1x                   | 8.7x        |
| <b>Median</b>                            |  |             |           |          |                   |          |         | <b>21%</b> | <b>14%</b> | <b>3.1x</b> | <b>1.2x</b>            | <b>8.7x</b> |
| Flexible Packaging                       |  Amcor plc                      | \$9.93      | 3%        | \$14,126 | \$21,487          | \$13,778 | \$1,869 | 19%        | 14%        | 3.6x        | 1.6x                   | 11.5x       |
|  |  Berry Global Group, Inc.       | 58.85       | (3%)      | 6,732    | 15,873            | 12,245   | 1,945   | 18%        | 16%        | 4.7x        | 1.3x                   | 8.2x        |
|  |  Reynolds Consumer Products     | 27.98       | (3%)      | 5,880    | 7,638             | 3,715    | 676     | 27%        | 18%        | 2.5x        | 2.1x                   | 11.3x       |
|  |  Sealed Air Corporation         | 34.79       | (6%)      | 5,066    | 9,465             | 5,470    | 1,081   | 30%        | 20%        | 3.9x        | 1.7x                   | 8.8x        |
|  |  Transcontinental Inc.          | 11.05       | 4%        | 957      | 1,658             | 2,082    | 298     | 17%        | 14%        | 2.2x        | 0.8x                   | 5.6x        |
|  |  Winpak Ltd.                    | 32.62       | 11%       | 2,057    | 1,554             | 1,114    | 224     | 30%        | 20%        | NM          | 1.4x                   | 6.9x        |
|  |  Tredegar Corporation           | 4.79        | (25%)     | 162      | 325               | 689      | 21      | 12%        | 3%         | 6.8x        | 0.5x                   | 15.4x       |
| <b>Median</b>                            |  |             |           |          |                   |          |         | <b>19%</b> | <b>16%</b> | <b>3.8x</b> | <b>1.4x</b>            | <b>8.8x</b> |

Source: Capital IQ

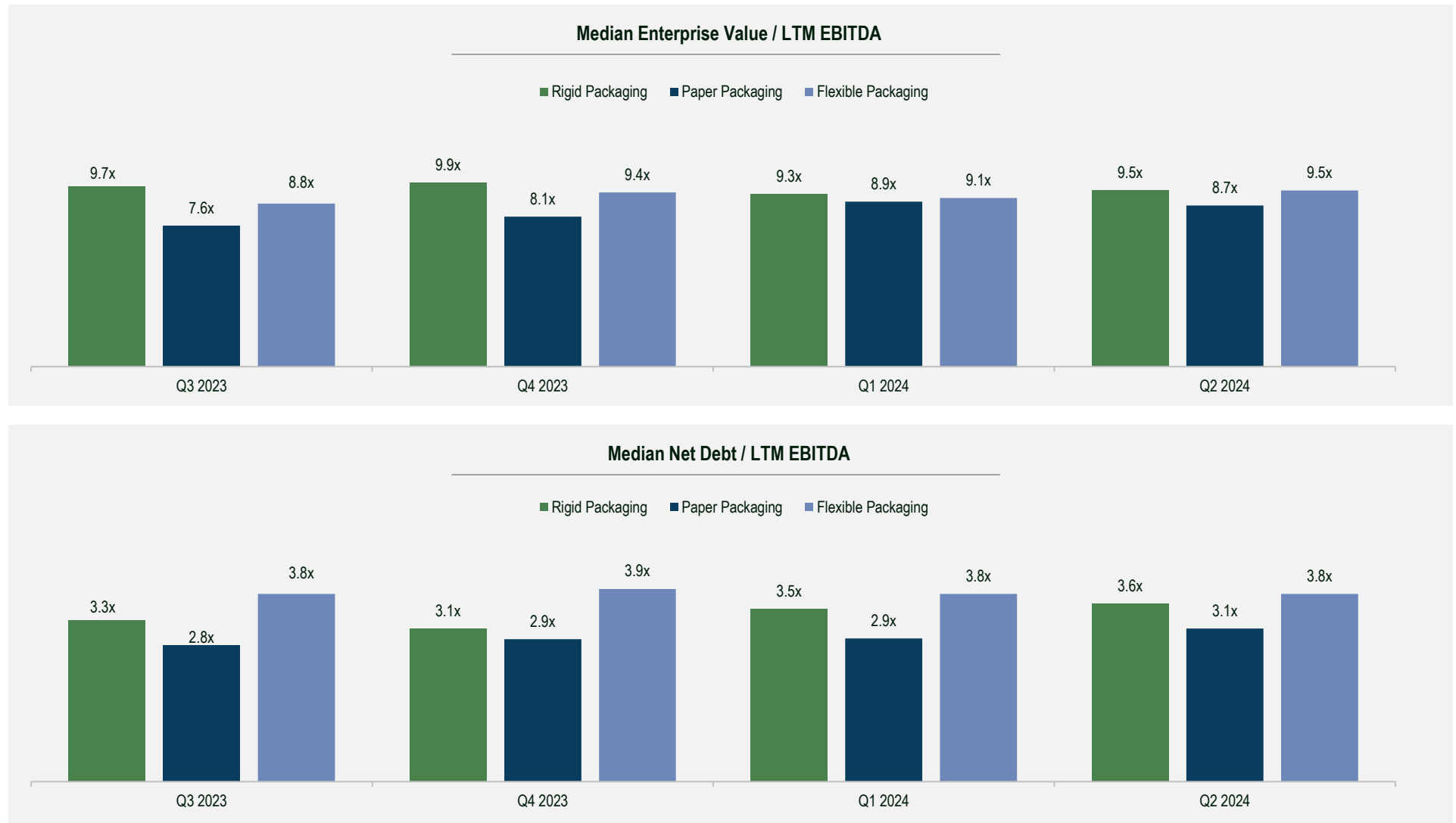
(1) EV ("Enterprise Value") is defined as market capitalization plus net debt, preferred equity, and minority interest.

(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 Flexible and Paper Packaging experiencing improved valuation multiples since Q3 2023*



Source: Capital IQ

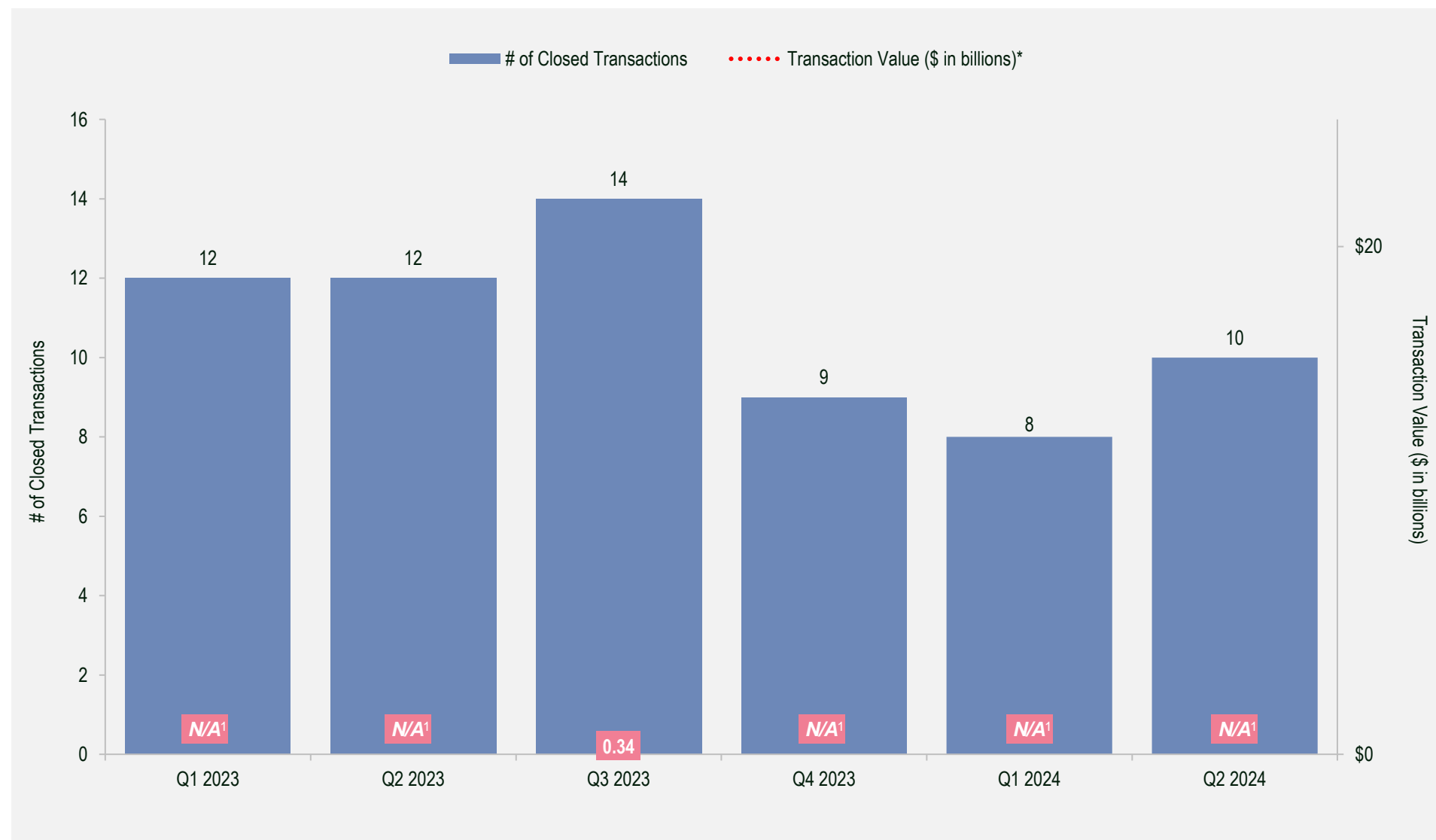
(1) EV ("Enterprise Value") is defined as market capitalization plus net debt, preferred equity and minority interest.

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

# U.S. M&A Activity

Paper & Packaging Industry Update | July 2024

*Packaging deal volumes declined by ~25% in H1 2024, with a total of 18 reported deals compared to 24 in H1 2023*



















Source: Capital IQ

\*Transaction Value represents publicly announced deal terms

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

# Recent Transaction Activity

Paper & Packaging Industry Update | July 2024

| Date  | Target   | Acquiror  | Enterprise Value (\$M) | Target Description   |
|-------|--|---|------------------------|--|
| 6/24  |  Sisco Corporation                |  BERKLEY                                 | Undisclosed            | Operates as a packaging and materials company  |
| 6/24  |  Columbia Corrugated Box          |  SUPPLY ONE                              | Undisclosed            | Designs, manufactures, and supplies corrugated, foam insert, and wood packaging products   |
| 6/24  |  SBO                              |  GREEN BAY PACKAGING                     | Undisclosed            | Designs, manufacturers, and distributes corrugated packaging products, point-of-purchase displays, protective shipping cartons, and ancillary packaging supplies         |
| 5/24  |  ANCHOR PACKAGING                 |  cyclix                                  | Undisclosed            | Designs and manufactures plastic packaging for the foodservice retail and food processor industries  |
| 5/24  |  the ROBYNETTE company            |  Flex Pack                               | Undisclosed            | Manufactures flexible film and paper packaging products for food, beverage, nutraceutical, construction, textile, and healthcare markets                                 |
| 5/24  |  PREMIER PACKAGING                |  TIDEROCK                                | Undisclosed            | Operates as a full-service contract packaging company that provides custom packaging solutions   |
| 4/24  |  ZipTop                           |  GelPro                                  | Undisclosed            | Manufactures and sells silicone containers. The company provides cups, snack and sandwich bags, and dishes   |
| 4/24  |  BROWN Building Products          |  INTEPLAST GROUP Building Products       | Undisclosed            | Operates as a packaging and materials (paper and plastic) company  |
| 2/24  |  LAWGIX                           |  Rapid Packaging                         | Undisclosed            | Offers biaxially oriented polypropylene bags, food-grade multi-trip bulk bag programs, burlap bags, stretch wraps, slip-trays, multiwall paper bags, and woven poly bags |
| 2/24  |  ips                              |  Welch Packaging                         | Undisclosed            | Supplier of packaging, fulfillment, and display  |
| 1/24  |  DisSolves                       |  BIG IDEA VENTURES                      | Undisclosed            | Develops and manufactures dissolvable packaging material for food industry   |
| 1/24  |  APEX PLASTICS                  |  CSI Container Services, Inc.          | Undisclosed            | Manufactures blow molded bottles, containers, and other shapes   |
| 1/24  |  FORTEX FORTIFLEX               |  ALPLA                                 | Undisclosed            | Manufactures injection molded plastic containers   |
| 12/23 |  Republic Packaging Corp.       |  NOVVIA GROUP                          | Undisclosed            | Provider of cushion, corrugated, and wood packaging solutions  |
| 12/23 |  NOVVIA GROUP                   |  NOVVIA GROUP THE NEW WAY OF PACKAGING | Undisclosed            | Manufactures plastic packaging products to automotive, pharmaceutical, food and beverage, personal care, industrial, and household industries                            |
| 11/23 |  InnoPak                        |  InnoPak                               | Undisclosed            | Provides finishing services for folding carton and corrugated industries   |
| 11/23 |  CONDUCTIVE CONTAINERS, INC.    |  CONDUCTIVE CONTAINERS, INC.           | Undisclosed            | Manufactures thermoformed packaging for optical components and electronics   |
| 11/23 |  TriState CONTAINER CORPORATION |  unicorr Packaging Group               | Undisclosed            | Manufacturer of corrugated shipping containers and packaging products  |

Source: Capital IQ

# Recent Amherst Partners Transaction – Century Box

Paper & Packaging Industry Update | July 2024

## COMPANY

### DETAILS

**Company:** Century Box, Inc. (“CBX”)

**Founded:** 1978

**Plant:** Methuen, MA

**Employees:** ~150

**Website:** [www.centurybox.com](http://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**



Giuliani Capital Advisors J.P.Morgan



Core Execution Team



**Donald Luciani**  
Partner



**Charles Chandler**  
Partner



**Fahad Siddiqui**  
Director



**John Wendzinski**  
Vice President



**Sam Jabara**  
Associate



**Noah Moderwell**  
Analyst



**Emily Pachla**  
Controller



**Amber Dunn**  
Director of Marketing

Operations Advisory



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



**Ray Dallavecchia, Jr.**  
Owner, Venetian Associates



**Terry Robinson**  
Former Senior Vice President and Director  
of Middle Market Banking – Comerica Bank



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



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