

Packaging Quarterly Update

Q2 2022



DCF's Packaging Practice

Deloitte Corporate Finance LLC (DCF) is a leading global middle-market M&A adviser. Our professionals have extensive knowledge in the packaging space and use their experience to help clients enhance value.



Industrials Leadership



Will Frame
Managing Director
Head of Industrials
Chicago, IL
wframe@deloitte.com



Bill Kerkam
Managing Director
Co-lead of paper, plastics and packaging
Charlotte, NC
wkerkam@deloitte.com



Ali Bandeali
Vice President
New York, NY
albandeali@deloitte.com



Firm Overview

#2 2021 Global M&A
Advisor by deals
completed ⁽¹⁾.

662 Completed deals
in the last 12
months.

- Deep relationships in place to gain **critical strategic intelligence** and effectively market businesses.
- Worldwide, DCF has access to **2,400 Corporate Finance professionals** across 60 countries that complement the North American team.
- **One of the top global middle-market financial advisor** in 2021 according to Mergermarket⁽¹⁾.



Sector Focus



Paper and Paperboard



Plastic



Diversified Packaging



Metal and Glass

Table of contents

Case study	4
Deloitte thought leadership	5
Notable recent M&A transactions	6
Plastics, paper and packaging trends	9
Comparable public companies	10
Appendix – sources cited	11



Case study

Catapult Print and Packaging, LLC

Deal Contacts

Will Frame, Bill Kerkam, Ali Bandeali



has sold a majority stake to



The undersigned acted as exclusive financial advisor to
Catapult Print and Packaging, LLC



Client Overview

- Founded in 2018 and headquartered in Orlando, FL, Catapult Print and Packaging, LLC (Catapult or the Company) is a value-added specialty converter of high-quality labels, including linerless and pressure sensitive. The Company serves leading brand names in the food, beverage, industrial and consumer product markets.
- The Company has made continuous investments in cutting-edge equipment, latest print technologies, and a modern high-tech facility. This has resulted in the success of Catapult's service-centric business model, allowing it to maximize quality and service levels for customers while minimizing lead times.

Situation Overview

- The Company engaged Deloitte Corporate Finance LLC (DCF) due to its successful track record in the print and packaging sector to find the right partner for the business for its next phase of growth.
- DCF added significant value by:
 - Crafting a compelling investment thesis backed by credible data and a robust growth plan.
 - Orchestrating a targeted, highly competitive sale process including priority strategic and financial groups with strong appetites and track records in the space.
 - Managing an efficient due diligence process.

Key Takeaways

- Catapult's shareholders achieved their liquidity objectives while retaining a considerable stake in the Company and positioning the business for accelerated growth with the help of Quad-C's extensive industry insight and experience.

Prior engagement performance is no guarantee of future performance and may not be representative of the experience of other clients. This communication is for informational purposes only and is not intended as an offer or solicitation for the purchase or sale of a security.

Deloitte thought leadership

Deloitte thought leadership

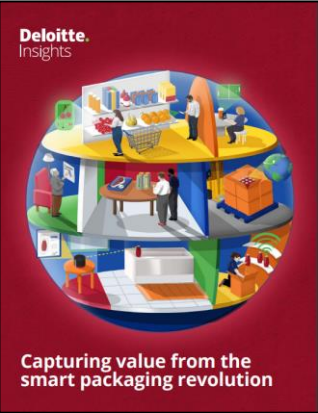
- Deloitte stays abreast of industry trends and makes significant investments in producing cutting-edge thought leadership.
- Deloitte is deeply committed to providing insights that help keep clients on the forefront of critical trends.
- Focused research on industry drivers and trends helps enable Deloitte to demonstrate eminence in the packaging market by redefining the lens through which industry leaders operate.

Extensive knowledge network

DCF can leverage its expansive cross-business knowledge network, extensive consulting reports, and in-depth industry research to drive results and provide differentiated insights for our clients.



Recent insights



Notable recent M&A transactions

Schweitzer-Mauduit International, Inc. (SWM) and Neenah Complete Merger to Become Mativ ⁽¹⁾

- Neenah Paper, Inc. is a US-based company engaged in producing paper and pulp.
- SWM, is a US-based manufacturer of premium specialty papers and supplier of fine papers to the tobacco industry.
- Mativ Holdings, Inc. is a global leader in specialty materials company with two operating segments, Advanced Technical Materials and Fiber-Based Solutions, for diversified and growing end-markets, from filtration to health care to sustainable packaging.

Close Date: July 2022
EV: \$1,193.3 MM
Rev: \$1,028.0 MM
EV/Rev: 1.14x
EV/EBITDA: 9.97x

ProAmpac Intermediate, Inc.'s acquisition of Specialty Packaging, Inc. ⁽²⁾

- ProAmpac Intermediate, Inc. is a leader in flexible packaging and material science companies.
- Specialty Packaging, Inc. is a family-owned manufacturer of specialty paper, film and foil packaging products.
- The acquisition extends ProAmpac's reach to food service customers and expands its footprint to the southwestern United States.

Close Date: May 2022
EV: N/A
Rev: N/A
EV/Rev: N/A
EV/EBITDA: N/A

H.I.G. Capital LLC acquisition of Pixelle Specialty Solutions ⁽³⁾

- H.I.G. is a leading global alternative assets investment firm with over \$49 billion of equity capital under management.
- Pixelle Specialty Solutions owns and operates four industry-leading specialty paper mills in North America and is a leading provider of fiber-based specialty solutions.
- The acquisition is aimed at capitalizing Pixelle's differentiated capabilities in specialty papers to embark on the next phase of growth.

Close Date: May 2022
EV: \$756.0 MM
Rev: N/A
EV/Rev: N/A
EV/EBITDA: N/A

Brook + Whittle (Genstar Capital) acquisition of Diamond Flexible Packaging ⁽⁴⁾

- Brook + Whittle, is a leading provider of pressure sensitive labels, shrink sleeves and flexible packaging.
- Diamond Flexible Packaging is a premier flexible packaging and converting company, providing custom printed bags and pouches for a wide variety of end markets.
- The acquisition aims to strengthen Brook + Whittle's wide web printing capabilities and helps fuel growth in key strategic markets.

Close Date: April 2022
EV: N/A
Rev: N/A
EV/Rev: N/A
EV/EBITDA: N/A

Industrial Opportunity Partners, LLC's acquisition of Raven Engineered Films, Inc. ⁽⁵⁾

- Industrial Opportunity Partners (IOP) is an operations-focused private equity firm based in Evanston, IL.
- Raven Engineered Films, Inc. is a provider of highly engineered polymer films and sheeting.
- This acquisition demonstrates IOP's ability to execute public carve-out transactions working closely with corporate sellers.

Close Date: April 2022
EV: \$350.0 MM
Rev: N/A
EV/Rev: N/A
EV/EBITDA: N/A

Paper, plastics and packaging trends

Sector trends

- Smart packaging is quickly gaining market share, using different technology such as QR codes, smart labels, RFID, and near field communication (NFC) chips. These cutting-edge solutions offer value-added benefits of security, authentication, and connectivity, making the product packaging a data carrier and digital tool. ⁽¹⁾
- Plastic is the most used packaging material since the early 20th century. However, its slow decomposition rate causes widespread environmental problems. As consumers become more aware of its negative consequences, they are demanding more eco-friendly alternatives. Biodegradable packaging and films have since gained traction and are suitable replacements for traditional plastic packaging. ⁽¹⁾
- The demand for corrugated packing boxes that form the backbone of e-commerce packaging is estimated to register a CAGR of 4.3% through 2030. Many famous brands are adopting paper-based packaging. ⁽²⁾
- Additionally, the return of reusable or refillable packaging could reduce the environmental impact of consumerism by nearly 85%. ⁽²⁾

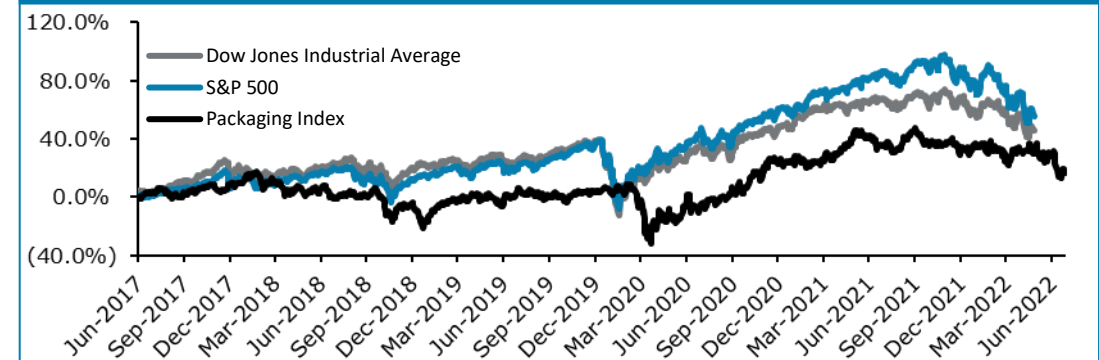
Select recent M&A activity ⁽⁴⁾

Close Date	Target	Acquiror	Implied EV (MM)	EV/EBITDA
June 2022	Interstate Packaging Corp.	Green Bay Packaging	N/A	N/A
June 2022	Andler Packaging Group	Berlin Packaging Group	N/A	N/A

Trading metrics ⁽⁴⁾

Sector	Median Enterprise Value (\$MM)	Last Twelve Months		NTM
		EV/Revenue	EV/EBITDA	EV/EBITDA
Plastic	\$12,929.4	1.8x	10.8x	9.2x
Diversified Packaging	6,494.3	1.4	10.6	8.7
Paper and Paperboard	6,923.8	1.0	7.2	6.0
Metal and Glass	18,351.2	1.5	14.1	9.5
Packaging Index	\$9,926.6	1.6x	10.1x	9.6x

Index performance ⁽⁵⁾



Comparable public companies

Plastic and diversified packaging companies⁽¹⁾

Company (Ticker)	% of 52 Week High	LTM Revenue	Revenue CAGR (3 Yr)	LTM EBITDA	EBITDA Margin	Enterprise Value ("EV")	Last Twelve Months		NTM
							EV/ Revenue	EV/ EBITDA	EV/ EBITDA
<i>(\$ in Millions)</i>									
Plastic									
Amcor plc (ASX:AMC)	95.0%	\$14,089.0	15.0%	\$2,154.0	15.3%	\$25,186.5	1.8x	11.7x	0.0x
Avery Dennison Corporation (NYSE:AVY)	70.6	8,706.3	6.9	1,281.0	14.7	16,321.6	1.9	12.7	12.4
Berry Global Group, Inc. (NYSE:BERY)	73.1	14,692.0	22.2	2,112.0	14.4	16,986.6	1.2	8.0	7.9
Brady Corporation (NYSE:BRC)	83.7	1,284.2	3.4	214.6	16.7	2,379.8	1.9	11.1	10.0
CCL Industries Inc. (TSX:CCL.B)	80.9	4,729.8	3.9	909.5	19.2	9,537.2	2.0	10.5	10.0
Wipak Ltd. (TSX:WPK)	98.0	1,119.5	8.1	210.7	18.8	1,891.8	1.7	9.0	8.5
Median	82.3%				16.0%		1.8x	10.8x	9.2x
Mean	83.6%				16.5%		1.7x	10.5x	8.1x
Diversified Packaging									
DS Smith Plc (LSE:SMDS)	59.5%	\$9,089.4	5.5%	\$989.2	10.9%	\$6,494.3	0.7x	6.6x	5.5x
Greif, Inc. (NYSE:GEF)	86.6	6,300.6	15.3	893.5	14.2	5,338.6	0.8	6.0	6.5
Huhtamäki Oyj (HLSE:HUH1V)	82.3	4,278.6	7.9	531.2	12.4	5,860.1	1.4	11.0	9.4
Orora Limited (ASX:ORA)	90.8	2,699.4	(0.5)	241.0	8.9	2,644.6	1.0	11.0	9.0
Sealed Air Corporation (NYSE:SEE)	81.6	5,684.3	6.4	1,120.5	19.7	11,920.6	2.1	10.6	10.1
Silgan Holdings Inc. (NYSE:SLGN)	88.0	6,076.0	10.5	876.9	14.4	8,306.8	1.4	9.5	8.7
Sonoco Products Company (NYSE:SON)	84.1	6,008.1	3.4	293.3	4.9	8,909.8	1.5	30.4	8.3
Median	84.5%				13.3%		1.2x	10.1x	8.8x
Mean	81.5%				13.4%		1.2x	9.1x	8.2x

Comparable public companies (Cont.)

Paper and paperboard, and metal and glass companies⁽¹⁾

Company (Ticker)	% of 52 Week High	LTM Revenue	Revenue CAGR (3 Yr)	LTM EBITDA	EBITDA Margin	Enterprise Value ("EV")	Last Twelve Months		NTM
							EV/ Revenue	EV/ EBITDA	EV/ EBITDA
<i>(\$ in Millions)</i>									
Paper and Paperboard									
Cascades Inc. (TSX:CAS)	61.6%	\$3,245.6	(5.4)%	\$201.8	6.2%	\$2,032.8	0.6x	10.1x	5.8x
Clearwater Paper Corporation (NYSE:CLW)	75.2	1,834.9	2.3	172.4	9.4	1,166.8	0.6	6.8	5.6
Empresas CMPC S.A. (SNSE:CMPC)	84.8	6,624.0	2.1	1,432.4	21.6	6,923.8	1.0	4.8	4.7
Graphic Packaging Holding Company (NYSE:GPK)	89.2	8,373.0	11.1	1,293.0	15.4	12,142.3	1.5	9.4	7.7
International Paper Company (NYSE:IP)	66.7	20,626.0	(3.8)	2,963.0	14.4	20,224.4	1.0	6.8	6.0
Mayr-Melnhof Karton AG (WBAG:MMK)	83.9	3,875.6	13.5	470.2	12.1	4,554.7	1.2	9.7	7.1
Nampak Limited (JSE:NPK)	49.0	1,059.4	1.1	115.7	10.9	488.2	0.5	4.2	6.8
Mativ Holdings, Inc. (NYSE:MATV)	61.3	1,558.6	14.5	182.7	11.7	2,005.8	1.3	11.0	0.0
Packaging Corporation of America (NYSE:PKG)	81.6	8,417.0	6.1	1,970.0	23.4	14,751.9	1.8	7.5	7.6
Glatfelter Corporation (NYSE:GLT)	36.7	1,240.7	12.0	71.7	5.8	1,074.8	0.9	15.0	7.8
Sappi Limited (JSE:SAP)	84.8	6,373.0	2.6	864.0	13.6	3,476.0	0.5	4.0	3.1
Smurfit Kappa Group Plc (ISE:SK3)	63.6	12,348.9	8.9	1,949.1	15.8	11,704.1	0.9	6.0	5.9
Stora Enso Oyj (HLSE:STERV)	74.8	11,653.8	2.1	2,132.6	18.3	15,279.0	1.3	7.2	6.6
Svenska Cellulosa Aktiebolaget SCA (publ) (OM:SCA B)	75.0	2,222.0	1.6	882.3	39.7	11,371.6	5.1	12.9	12.2
WestRock Company (NYSE:WRK)	72.7	20,241.1	5.3	3,135.6	15.5	18,891.4	0.9	6.0	5.2
Median	74.8%				14.4%		1.0x	7.2x	6.0x
Mean	70.7%				15.6%		1.3x	8.1x	6.1x
Metal and Glass									
Ball Corporation (NYSE:BLL)	70.1%	\$14,402.0	7.4%	\$2,172.0	15.1%	\$30,617.9	2.1x	14.1x	13.5x
Crown Holdings, Inc. (NYSE:CCK)	70.7	12,646.0	2.6	347.0	2.7	18,351.2	1.5	52.9	9.5
O-I Glass, Inc. (NYSE:OI)	78.0	6,549.0	(1.1)	1,058.0	16.2	6,502.0	1.0	6.1	5.7
Median	70.7%				15.1%		1.5x	14.1x	9.5x
Mean	72.9%				11.3%		1.5x	24.4x	9.6x

Appendix

Sources Cited

Page 2:

1. Mergermarket. August, 2022. Data as of December 31, 2021.

Page 6:

1. "SWM and Neenah Complete Merger to Become Mativ", Business Wire, July 2022. <https://www.businesswire.com/news/home/20220706005225/en/SWM-and-Neenah-Complete-Merger-to-Become-Mativ-a-3-Billion-Global-Leader-in-Specialty-Materials>
2. "ProAmpac Acquires Specialty Packaging, Inc.", Business Wire, May 2022. <https://www.businesswire.com/news/hk-zh/20220524005463/en/ProAmpac-Acquires-Specialty-Packaging-Inc>.
3. "H.I.G. Capital Completes Acquisition of Pixelle Specialty Solutions", HIG Capital, May 2022. <https://higcapital.com/news/release/h.i.g.-capital-completes-acquisition-of-pixelle-specialty-solutions#:~:text=NEW%20YORK%20%E2%80%93%20May%2019%2C%202022,or%20the%20%E2%80%9CCompany%E2%80%9D>.
4. "Diamond Flexible Packaging Bought by Brook + Whittle (Genstar Capital)", Mergermarket, August 2022. <https://www.mergermarket.com/intelligence/view/intelcms-wwwvh>
5. "Industrial Opportunity Partners Acquires Raven Engineered Films Division from CNH Industrial", Industrial Opportunity Partners, April 2022 <https://www.iopfund.com/industrial-opportunity-partners-acquires-raven-engineered-films-division-from-cnh-industrial/#:~:text=Evanston%2C%20Ill.%2C%20April%2029,NYSE%3A%20CNHI%20%2F%20MI%3A%20CNHI>

Page 7:

1. StartUs Insights. August 2022. [Trend Intelligence - Stay Ahead Of The Technology Curve \(startus-insights.com\)](#)
2. "Top 6 Packaging Trends for 2022", Exploding Topics, July 2022. <https://explodingtopics.com/blog/packaging-trends>
3. S&P Capital IQ. August 2022. <https://www.capitaliq.com/CIQDotNet/Charting4/ModernBuilder.aspx?savedChartId=318462&fromC3=1>
4. S&P Capital IQ. August 2022. <https://www.capitaliq.com/CIQDotNet/Charting4/ModernBuilder.aspx?savedChartId=318462&fromC3=1>

Page 8:

1. S&P Capital IQ. August 2022. <https://www.capitaliq.com/ciqdotnet/screening/screenbuilderviper.aspx?uniquescreenid=547128457>

Page 9:

1. S&P Capital IQ. August 2022. <https://www.capitaliq.com/ciqdotnet/screening/screenbuilderviper.aspx?uniquescreenid=547128457>



This newsletter is a periodic compilation of certain completed and announced merger and acquisition activity. Information contained in this newsletter should not be construed as a recommendation to sell or a recommendation to buy any security. Any reference to or omission of any reference to any company in this newsletter shall not be construed as a recommendation to sell, buy or take any other action with respect to any security of any such company. We are not soliciting any action with respect to any security or company based on this newsletter. This newsletter is published solely for the general information of clients and friends of Deloitte Corporate Finance LLC. It does not take into account the particular investment objectives, financial situation, or needs of individual recipients. Certain transactions, including those involving early-stage companies, give rise to substantial risk and are not suitable for all investors. This newsletter is based on information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied upon as such. Prediction of future events is inherently subject to both known risks, uncertainties and other factors that may cause actual results to vary materially. We are under no obligation to update the information contained in this newsletter. We and our affiliates and related entities, partners, principals, directors, and employees, including persons involved in the preparation or issuance of this newsletter, may from time to time have “long” and “short” positions in, and buy or sell, the securities, or derivatives (including options) thereof, of companies mentioned herein. The companies mentioned in this newsletter may be: (i) investment banking clients of Deloitte Corporate Finance LLC; or (ii) clients of Deloitte Financial Advisory Services LLP and its related entities. The decision to include any company for mention or discussion in this newsletter is wholly unrelated to any audit or other services that Deloitte Corporate Finance LLC may provide or to any audit services or any services that any of its affiliates or related entities may provide to such company. No part of this newsletter may be copied or duplicated in any form by any means or redistributed without the prior written consent of Deloitte Corporate Finance LLC.

About Deloitte Corporate Finance

Deloitte Corporate Finance LLC (DCF), a broker-dealer registered with the U.S. Securities and Exchange Commission (SEC) and member of the [Financial Industry Regulatory Authority \(FINRA\)](#) and the [Securities Investor Protection Corporation \(SIPC\)](#), is an indirect wholly-owned subsidiary of Deloitte Financial Advisory Services LLP and affiliate of Deloitte Transactions and Business Analytics LLP. Investment banking or other services that would require registration as a broker-dealer with the SEC and membership in FINRA would be provided exclusively by DCF. For more information, visit www.investmentbanking.deloitte.com. Please see www.deloitte.com/us/about for a detailed description of the legal structure of Deloitte LLP and its subsidiaries.

About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee (DTTL), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as Deloitte Global) does not provide services to clients. In the United States, Deloitte refers to one or more of the US member firms of DTTL, their related entities that operate using the “Deloitte” name in the United States and their respective affiliates. Certain services may not be available to attest clients under the rules and regulations of public accounting. Please see www.deloitte.com/about to learn more about our global network of member firms.