

ProventisPartners.

M&A FACTS – H1 2024 PACKAGING SECTOR

August 2024

PACKAGING – M&A-HIGHLIGHTS AND MARKET INSIGHTS

Overall, the Packaging M&A market shows resilience, despite supply chain challenges and increased costs.

H1 2024 Deal activity

111
Deals

Small cap transactions and strategics looking to consolidate the market continue to drive deal activity in the Packaging sector with a few notable sponsor-backed transactions.

€16.96bn
Deal value

Deal activity in H1 2024 was on its second lowest level in four years, indicating a restrained overall M&A environment due to consistently high interest rates and ongoing supply-chain challenges.

Valuations

EBITDA trading multiples slightly decreased compared to the previous half-year.

H2 2023	H1 2024
8.9x	8.5x
Trading EBITDA Multiple	

The median of the transaction multiples was 8.6x and therefore in a similar range as the median of the trading multiples.

H2 2023	H1 2024
7.8x	8.6x
Transaction EBITDA Multiple	

Data Source: S&P Capital IQ.

Insights

Overall, the Packaging M&A market shows resilience, despite the eco-consciousness among customers and technological developments.



Strategies

Inorganic growth through investments in automation and advanced manufacturing technologies to enhance operational efficiency.



Trends

Shift towards environmental conscious practices among companies due to societal pressure, leading to transformation in the Packaging industry.

Technological advancements create opportunities to gain a competitive edge.



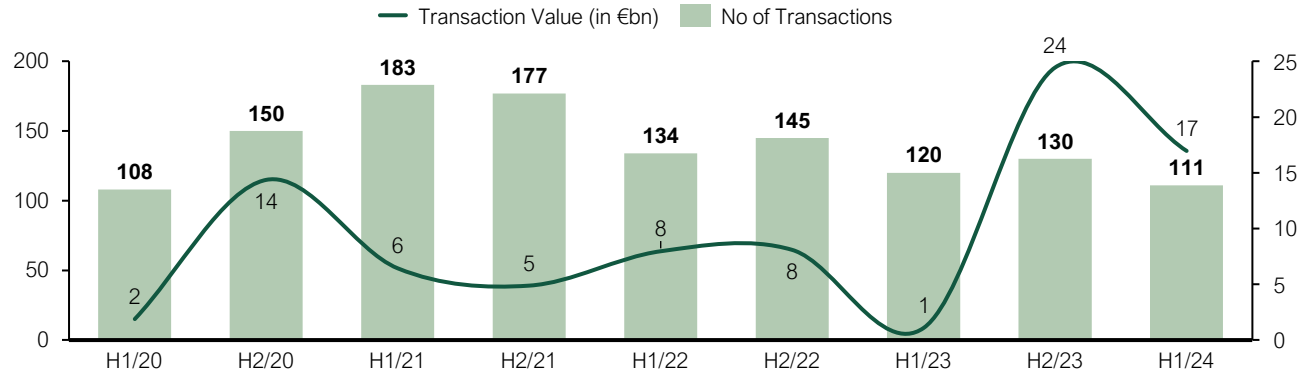
Key growth areas

Majority of growth is expected to come from areas outside of traditional Packaging products, particularly smart Packaging, sustainable Packaging, and e-commerce Packaging.

M&A SUMMARY

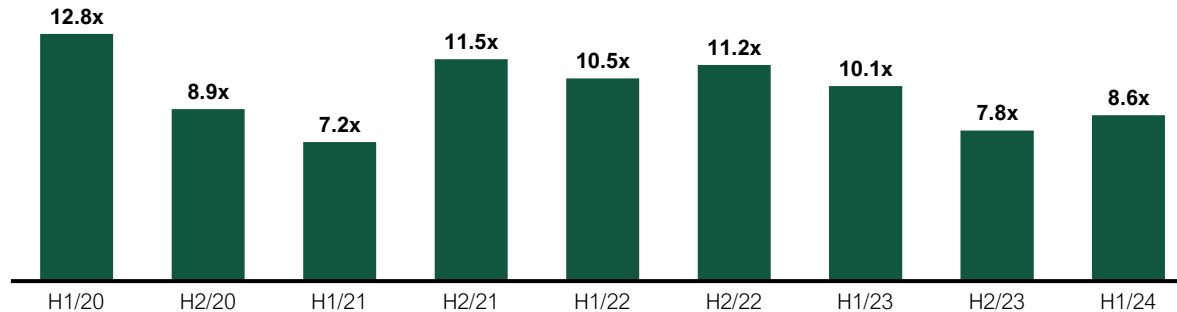
Slightly decreasing M&A activity in the Packaging sector over the recent years.

Packaging M&A Deal Count, Recorded Transaction Volume 2020-2024



Packaging M&A Transaction Multiples 2020-2024

Implied Transaction Enterprise Value / EBITDA of announced transactions with disclosed multiple.



Data Source: S&P Capital IQ.



“The first half of 2024 was characterized by decline in M&A transactions in the packaging sector, as the overall market sentiment continues to be subdued. Global consumer demand remained weak due to high inflation and overall political and economic uncertainty. Industrial inventory levels are slowly coming down, leading to a slow improvement in demand.

In this environment, few very large M&A transactions, like the proposed merger between International Paper and Mondi, stood out, underscoring the drive towards further consolidation in order to improve efficiency.

Another important driver for M&A activity is the need for packaging producers to adapt to the increasing pressure from consumers and regulatory bodies alike to significantly invest into sustainable packaging solutions. Many companies will either need to invest into new technology or become part of groups that can leverage their technological advantages.

With this backdrop, we expect M&A activity in the packaging sector activity to pick up again in the coming months and years.”

Ulrich Schneider
Partner, Hamburg

SELECTED TRANSACTIONS IN THE PACKAGING SECTOR

Transaction multiples have increased again in the first half of 2024.

Announced Date	Target	Acquirer	Stake %	Total Transaction Value in EUR m	Implied EV/ EBITDA
24.06.2024	Eviosys Packaging Switzerland GmbH	Sonoco Products Company (NYSE:SON)	100	3,635	n/a
13.06.2024	RK Verpackungssysteme GmbH	Duisburger Hafen AG	100	n/a	n/a
12.06.2024	DEC Filling Germany GmbH	Dietrich Engineering Consultants sa	100	n/a	n/a
04.06.2024	Artemis Ltd.	Smurfit Westrock Plc (NYSE:SW)	100	n/a	n/a
23.05.2024	Bormioli Pharma S.p.a.	Gerresheimer Glas GmbH	100	800	n/a
23.04.2024	Astir Vitogiannis Bros S.A.	Guala Closures S.p.A.	100	136	7.2
11.04.2024	Weedon Group Limited	Zeus Packaging Group Limited	100	n/a	n/a
26.03.2024	DS Smith Plc (LSE:SMDS)	International Paper Company (NYSE:IP)	100	10,212	7.2
13.03.2024	Allpack Packaging Supplies Limited	Macfarlane Group UK Ltd	100	4	2.3
08.03.2024	Nordfilm Packaging Kft.	SIT Group SpA	80	n/a	n/a
28.02.2024	Vidrala Italia S.r.l.	Verallia Société Anonyme (ENXTPA:VRLA)	100	230	7.0
1 16.02.2024	Aluflexpack AG (SWX:AFP)	Constantia Flexibles GmbH	100	369	10.0
07.02.2024	Health, Hygiene and Specialties Global Nonwovens and Films Business of Berry Global Group, Inc.	Glatfelter Corporation (NYSE:GLT)	100	n/a	n/a
14.01.2024	ITA Management Services Pty Ltd	TricorBraun, Inc.	100	n/a	n/a
2 09.01.2024	Glassland GmbH	TricorBraun, Inc.	100	n/a	n/a

Data Source: S&P Capital IQ.

Notable Transactions in H1 2024



Deal Specs:

Constantia Flexibles GmbH acquires 100% of Aluflexpack AG for a transaction value of EUR 369m.

Details:

Constantia Flexibles GmbH acquired the majority share of Aluflexpack AG to strengthen its market position, leveraging Aluflexpack's capabilities and expertise.



Deal Specs:

TricorBraun acquired Glassland, a distributor of glass bottles, closures, and decorations.

Details:

TricorBraun acquired Glassland to enhance premium glass Packaging solutions, leveraging Glassland's expertise and TricorBraun's global scale and industry expertise.

Proventis Partners advised TricorBraun.

M&A Facts H1 2024

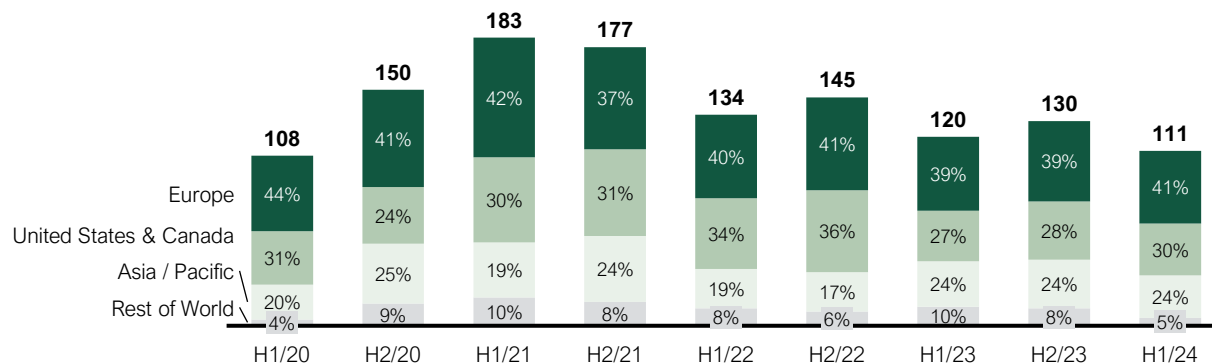
Packaging

PACKAGING M&A DEAL ANALYSIS¹

M&A activity was mainly driven by strategic buyers in H1 2024.

Deal Volume by Region

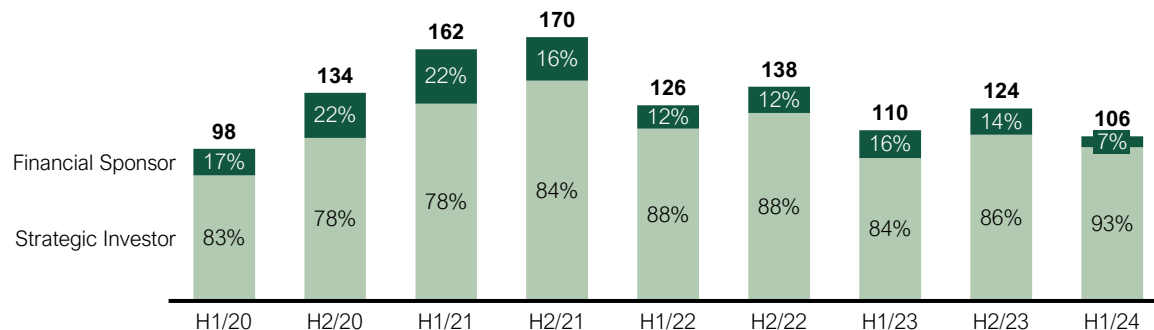
Deal count by Target Region



Deal Volume by Investor Type

Deal count by Investor Type

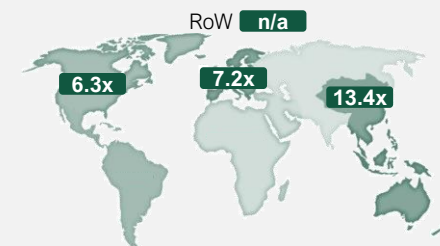
Announced transaction with identified investors.



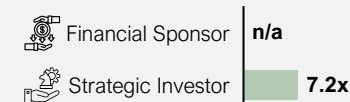
Data Source: S&P Capital IQ.

1) Announced transactions. Implied M&A Enterprise Value / LTM EBITDA of announced transactions with disclosed multiple.

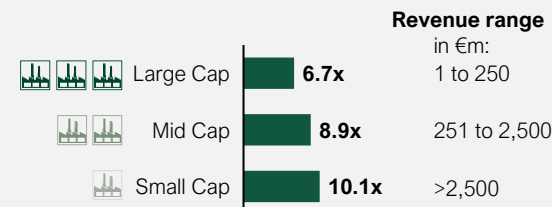
EBITDA Multiple (LTM) by Target Region



EBITDA Multiple (LTM) by Investor Type



EBITDA Multiple (LTM) by Company Size
















M&A Facts H1 2024

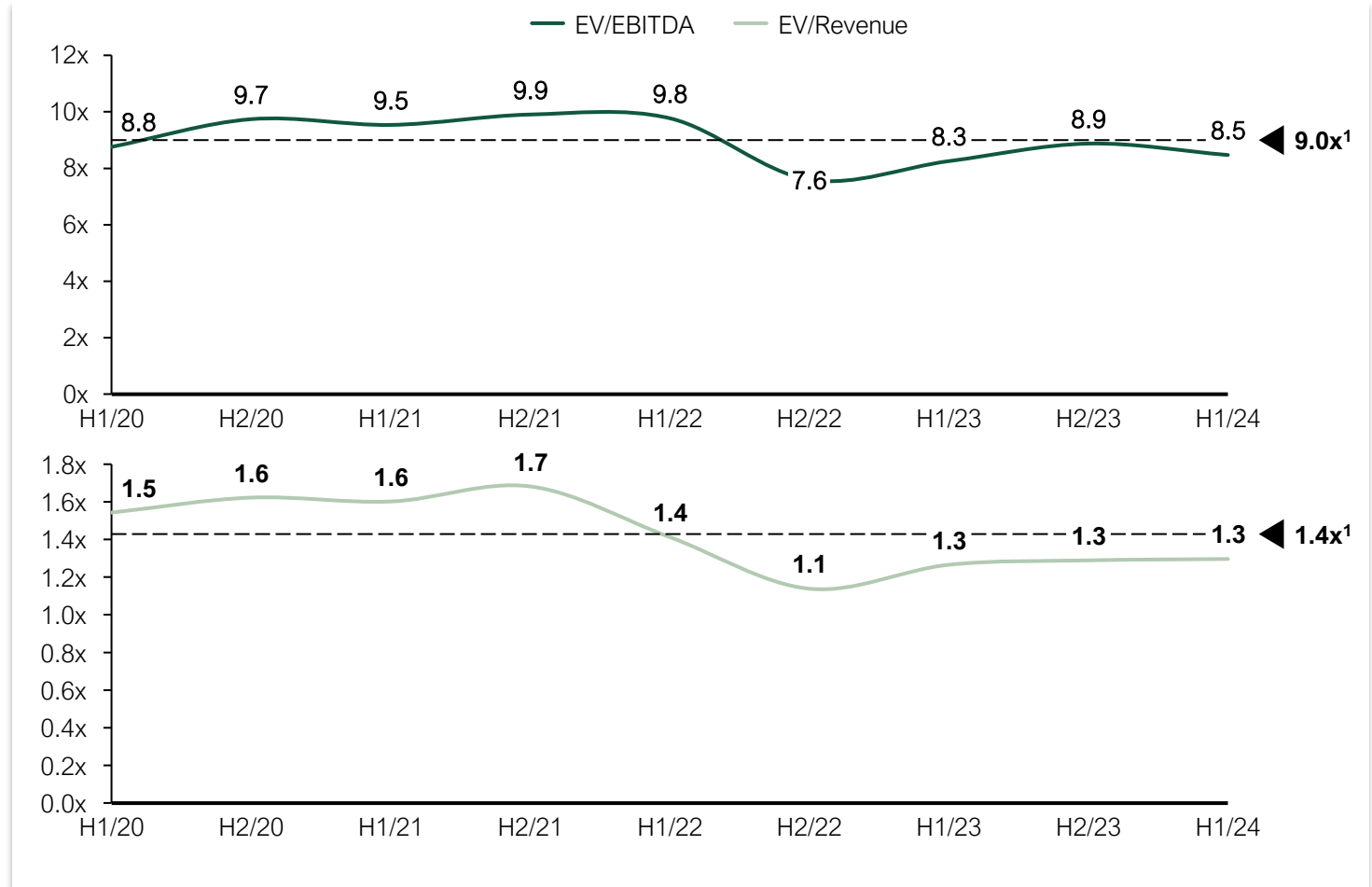
Packaging

TRADING MULTIPLES

Trading multiples remained stable in a range between 7.6x and 8.9x throughout the past four years, reflecting consistent market valuations in the Packaging sector.

Average enterprise value multiples of comparable listed companies since 2020.


Company	EV/Revenue	EV/EBITDA
 Ball	1.7x	10.5x
 amcor	1.6x	10.7x
 International Paper	1.1x	8.6x
 Smurfit Kappa	1.3x	7.4x
 mondi	1.2x	8.4x
 Berry	1.3x	8.2x
 DS Smith	1.2x	7.9x
 SEE	1.7x	8.4x
 SILGAN HOLDINGS INC.	1.4x	8.5x
 Huhtamaki	1.3x	9.6x
 gerresheimer	2.3x	11.1x
 MM TARTAN AD	0.9x	9.9x
 WINPAK	1.4x	7.0x



Data Source: S&P Capital IQ. 1) Average Multiples


PROVENTIS PARTNERS HAS ADVISED TRICORBRAUN ON THE ACQUISITION OF GLASSLAND GMBH

The transaction has enabled us to find an ideal addition to Vetroelite, a portfolio company of TricorBraun.

 **M&A Buy-Side**

TRICORBRAUN

TricorBraun acquired Glasland, a distributor of glass bottles, closures, and decorations.

 **GLASSLAND**
EUROPEAN GLASS BOTTLE MANUFACTURERS

**Proventis Partners advised
TricorBraun**

Initial situation



Glasland serves producers of spirits and other beverages in Germany and Switzerland with an expansive catalogue of high-end glass bottle and closure designs. The company believes in the beauty of glass, a strong network of experts, and agile and interdisciplinary collaboration. Glasland employs a powerful team of skilled specialists and concentrates on the perfect conception and the high-quality implementation of its projects.



Founded in 1902, TricorBraun is a global Packaging leader. The company leverages its global scale, comprehensive scope, and unparalleled expertise to solve customers' complex Packaging problems and help them win in the marketplace. TricorBraun is comprised of more than 2,100 Packaging professionals operating from more than 100 locations across the Americas, Europe, Asia, and Australia. Since its founding, TricorBraun has partnered with management teams to successfully acquire and further accelerate growth for 41 Packaging companies globally.



Proventis Partners, as part of an integrated team of Mergers Alliance members, is mandated to support TricorBraun as buy-side M&A advisor in the German-speaking region.

Results & Acquisition rationale

- 1 Ideal addition to Vetroelite, an existing portfolio company of TricorBraun in Italy, to better serve the German and Swiss beer and spirits glass market.
- 2 Glasland will fully integrate with Vetroelite.
- 3 Expansion of an established market position through strong innovation and high-quality standards.
- 4 Preservation of the location in Bonn and all jobs.

About Proventis Partners

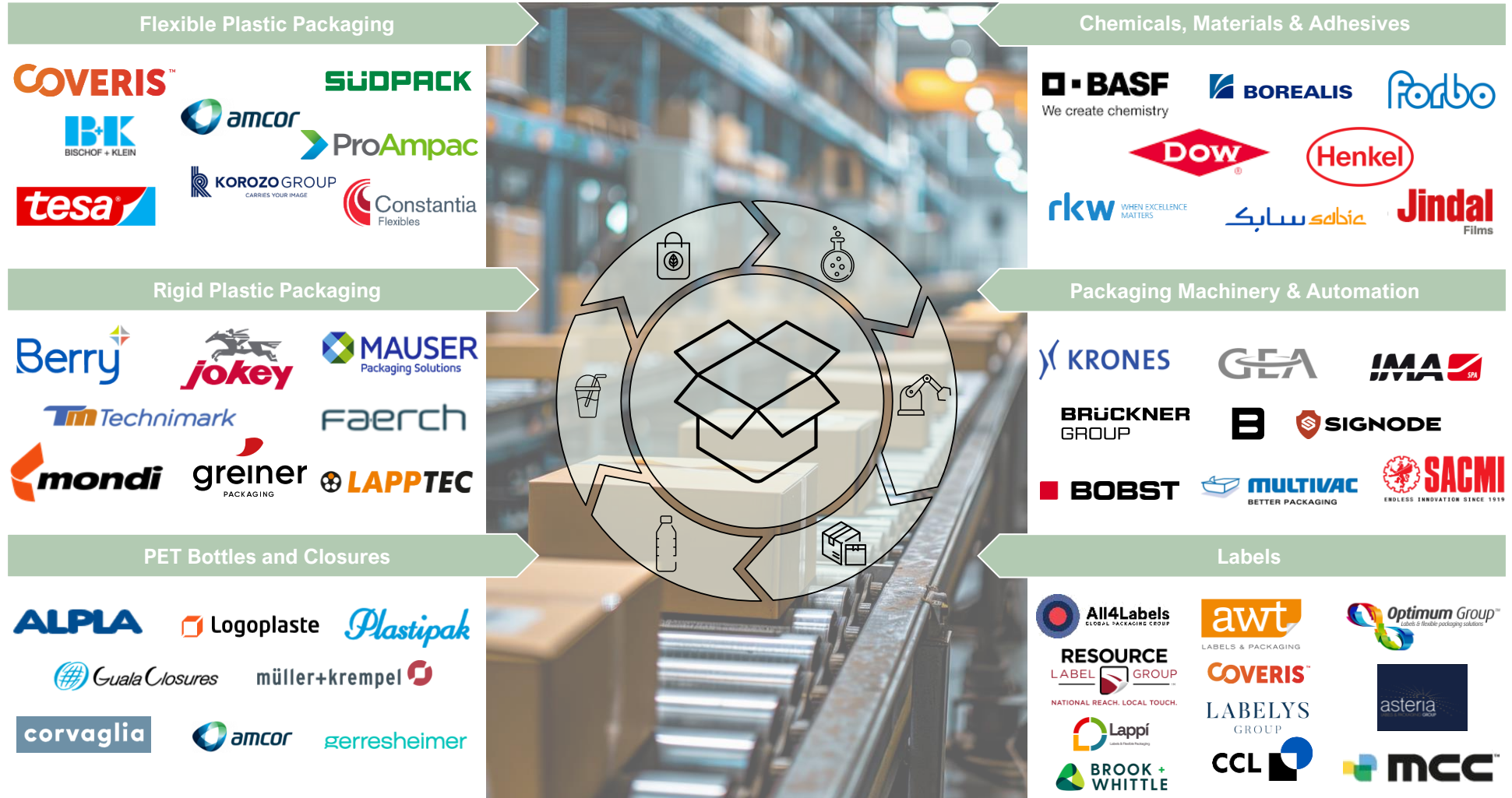
- Proventis Partners, with 30+ M&A professionals, is one of the largest independent M&A advisors in the German-speaking region and globally active in the Packaging sector with deep industry know how and a proven track record.
- Proventis Partners Packaging team was mandated as M&A buy-side advisor and supported TricorBraun on transaction and M&A matters through the whole process.

M&A Facts H1 2024

Packaging

SUB-SEGMENTS OF PACKAGING

Diverse field of sub-segments, each contributing uniquely to the innovation and efficiency of modern Packaging practices.



PRESENTATION OF THE PROVENTIS PARTNERS SENIOR PROFESSIONALS FROM THE PACKAGING SECTOR

An M&A team of 35 professionals is at your disposal at Proventis Partners.

Our Packaging Team



Ulrich Schneider, Partner

- 19+ years of experience in M&A and strategy advisory

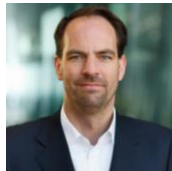


Dr. Christoph Studinka, Partner

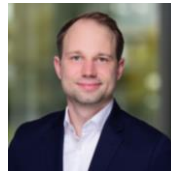
- 20+ years of M&A experience
- Many years of management and supervisory board experience in industrial companies i.a. Packaging equipment



Erich Steiner
Senior Advisor



John Jürgens
Director



Dr. Leonhard Austmann
Associate



Andre Tasch
Associate

Selected Packaging Deals

M&A Buy-Side



Folienverpackungsspezialist Nr. 1

Saropack AG acquired Zeisberger Süd-Folie GmbH, a film slitting and perforation company that specializes primarily in BOPP.



M&A Buy-Side

TRICORBRAUN

TricorBraun acquired Glassland, a distributor of glass bottles, closures and decorations.



M&A Buy-Side

TRICORBRAUN

TricorBraun acquired Gläser & Flaschen, a leading retailer of mason jars, bottles as well as glass Packaging for food and cosmetics.



M&A Sell-Side

ELAG

Sale of 100% of the shares of ELAG Flexible Packaging to US based Ampac Holdings.



M&A Buy-Side



KoroZo Group, backed by Actera Private Equity, has acquired a majority stake in the Belgian flexible Packaging company Vitra.



PROVENTIS PARTNERS TRACK RECORD

Our experience of results from more than 430 completed M&A transactions with a total value of more than EUR 22 billion.

Experience from 20 years of Proventis Partners

Comprehensive network of executives, M&A decision-makers in corporations and private equity investors	So far, we closed M&A deals in 30 countries	~30 M&A professionals
	>50% Cross-border Deals	Strong track-record on sell- and buy-side mandates
> 430 successful deals	Transaction volume of > EUR 22bn	
> 85% closing success	We are one of the top fully independent M&A advisors in the DACH region	Extensive expertise in our six main sectors



PROVENTIS IS PART OF MERGERS ALLIANCE

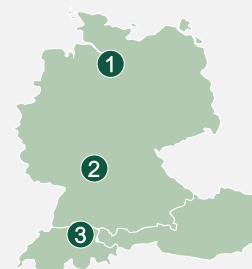
Excellent contacts with national and international strategic buyers and Private Equity firms through our worldwide network.

Overview global network Mergers Alliance



Switzerland Proventis Partners	Benelux OXEYE HJW Capital Advisors	USA Dresner Partners	Peru EFIC Partners	Brazil/Caribbean BroadSpan Capital
Germany Proventis Partners	Italy Ethica Corporate Finance	USA Montminy & Co	Chile Servicios Financieros Altis	Thailand Khronos Advisory
Austria Proventis Partners	Spain Norgeston	Mexico Broadspan	Japan Tokyo Kyodo Accounting Office	Singapore Singhi Advisors
United Kingdom Opus Corporate Finance	Poland IPOPEMA	India Singhi Advisors	Australia Greenstone Partners	
France Aurignac Finance	Croatia InterCapital Investment Banking			

Our locations in German speaking Europe



- 1 Hamburg
- 2 Frankfurt
- 3 Zurich

Total **33** locations globally
A third in Europe



1,654
Deals since
2010

128
Deals
in 2023

250
Professionals

Proventis Partners is an integral part of Mergers Alliance – a partnership of award-winning M&A specialists who provide high-quality advisory services to companies that need an international network for their M&A deals.

OUR CONTACT INFORMATION

We would be happy to meet you personally and support you in an advisory capacity.



Proventis Partners

Proventis Partners Hamburg

Proventis Partners GmbH
Grosse Johannisstrasse 19
20457 Hamburg – Germany
T: +49 40 3609759-0

Proventis Partners Frankfurt a. M.

Proventis Partners GmbH
Bockenheimer Anlage 46
60322 Frankfurt – Germany
T: +49 69 870 0939 71

Proventis Partners Zurich

Proventis Partners AG
Feldeggstrasse 58
8008 Zurich – Switzerland
T: +41 44 536 3630

Your sector expert contacts



Ulrich Schneider
Partner

P: +49 40 360 9759 33
u.schneider@proventis.com



Dr. Christoph Studinka
Partner

P: +41 44 536 3630
c.studinka@proventis.com

Proventis Partners web & social media

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M&A Facts H1 2024

Packaging

APPENDIX

Packaging Peer Group.

Company Name	Country	Market Cap	TEV	Total Revenue LTM	EBITDA LTM	TEV/EBITDA LTM H1 2024	TEV/EBITDA LTM H2 2023	H1-24 vs. H2-23 Trend
Ball Corporation	United States	 17,386	21,589	12,904	1,898	12.8x	10.5x	▼
Amcor plc	Switzerland	 13,183	20,054	12,771	1,732	10.2x	10.7x	▲
International Paper Company	United States	 13,987	18,632	17,329	1,932	6.7x	8.6x	▲
Smurfit Westrock Plc	Ireland	 11,152	14,077	10,962	1,789	6.1x	7.4x	▲
Mondi plc	United Kingdom	 7,896	8,787	7,330	1,007	7.5x	8.4x	▲
Berry Global Group, Inc.	United States	 6,283	14,815	11,350	1,803	8.2x	8.2x	▼
DS Smith Plc	United Kingdom	 6,846	9,518	7,991	1,092	5.7x	7.9x	▲
Sealed Air Corporation	United States	 4,728	8,833	5,070	1,002	8.9x	8.4x	▼
Silgan Holdings Inc.	United States	 4,218	7,552	5,457	794	8.9x	8.5x	▼
Huhtamäki Oyj	Finland	 3,924	5,283	4,112	573	11.0x	9.6x	▼
Gerresheimer AG	Germany	 3,464	4,499	2,002	385	10.6x	11.1x	▲
Mayr-Melnhof Karton AG	Austria	 2,248	3,589	4,067	363	8.9x	9.9x	▲
Winpak Ltd.	Canada	 1,920	1,450	1,036	211	6.6x	7.0x	▲
Median						8.9x	8.5x	▼

1) EBITDA LTM does not include income (loss) from affiliates.

2) Multiples are calculated based on last reported LTM EBITDA including income (loss) from affiliates.

Source: S&P Capital IQ (07/2024).