

M&A Sektor News Packaging

Packaging Machinery Industry in Europe: From Machine Supplier to Integrated Value Creation Platform

**Technological Change, Automation and New M&A Perspectives
2025–2026**

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Executive Summary

The European packaging machinery industry in 2025–2026 is not experiencing a cycle, but a structural shift in how value is created.

Growth is no longer driven by increasing packaging volumes, but by the rising complexity of industrial requirements along the production and packaging line. Regulatory requirements, increasing product variety, labor shortages and digitalization are driving a fundamental shift in the value creation logic.

At the center of this transformation is the transition from standalone machines to integrated, data-enabled and flexibly scalable production systems. This development is also fundamentally changing M&A logic:

- Valuation premiums are concentrated on system integration, software capabilities, and the installed base
- Recurring revenues from service and aftermarket are becoming the key value drivers
- Traditional machine manufacturers without differentiation are structurally becoming low-margin capex suppliers

In many segments, differentiation will shift away from the machine level to the level of integrated data and service architecture.

Market Environment: From Volume to Capability Model

The European packaging machinery industry continues to grow moderately at around 4–5% p.a., but on a fundamentally different basis: growth is primarily driven by replacement, retrofit and optimization investments, not by capacity expansion.

The industrial reality has shifted significantly:

A typical consumer goods manufacturer today often processes >100–200+ SKUs, with daily format changes and short production cycles. Conventional lines lose up to 20–30% OEE due to changeovers, manual interventions and inefficient processes.

As a result, the investment logic is shifting fundamentally: the decisive factor is no longer maximum line speed, but the ability to efficiently manage complexity.

Key investment drivers

- Sustainability and regulatory pressure: New material structures (mono-materials, recyclability, reduced material thickness) require substantial adjustments to existing lines, often up to full retrofits.
- SKU proliferation & flexibility: Shorter product life cycles and increasing product variety are driving demand for modular machine concepts, fast format changes and economically viable small-batch production.
- Automation and labor shortages: In many industries, automation is already replacing 2–3 operators per line through: Robotics (pick & place, palletizing), vision systems (inline quality control), autonomous control systems.

- Integration and data capability: Machines are no longer standalone assets, but part of integrated systems: MES/ERP connectivity, Real-time OEE monitoring, predictive maintenance, data-driven line optimization.

From Machine Manufacturer to Platform Logic

Competition is shifting structurally:

| Classic model | Future model / Winner |
|--|--|
| Standalone machine | System integrators |
| Capex-driven businesses | Lifecycle-driven |
| Project business | Platform and service providers |
| One-time sales | Recurring revenues |
| Regionally focused providers without scale | Globally positioned providers with large in-stalled base |

What Drives Above-Average Valuations in M&A Transactions Today

- Mastery of end-to-end system integration
- A relevant installed base
- Significant service and spare parts revenues
- Integrated software and data capabilities
- International scalability

The installed machine base is becoming the central strategic asset, as the foundation for high-margin, recurring revenues.

Example:

A European food manufacturer was able to reduce changeover times by more than 40% and simultaneously significantly increase line availability by switching to an integrated, automated packaging line with robotic handling and data-driven line control.

Packaging Machinery & Automation as a Strategic Enabler

Alongside the transformation in packaging materials and converting, machinery is evolving into an operational enabler of regulatory compliance and a strategic prerequisite for competitiveness in the materials segment.

Particularly in industries such as food, pharmaceuticals and e-commerce, packaging line performance directly determines time-to-market, cost structure, sustainability performance, and scalability.

Selected M&A Transactions 2025

The following transactions exemplify current market dynamics. They show that buyer interest and valuation premiums primarily arise where technology, system integration and service are combined in a scalable way.

Packaging Machinery & Automation Selected M&A Transactions 2025 – Proventis Partners Perspective

| Date | Target | Buyer | Buyer Group | Strategic Classification (Proventis Partners) |
|--------------------|---|--|----------------|--|
| Q1/2025 | Pattyn Group (BE) | Duravant | Strategic | Development of an automation platform in packaging lines; strengthening end-to-end system capabilities and global service footprint |
| Q2/2025 | Sparck Technologies (NL) | Packsize | Strategic | Combination of right-sized packaging systems and automation capabilities; positioning as an efficiency and sustainability driver in e-commerce |
| Q3/2025 | Provident Engineering / Machine Systems | 3Button Group (SE) | Strategic | Deepening of packaging machinery engineering and specialization; strengthening project-based automation implementation |
| 2025 (Ankündigung) | TG Group (Packaging Machinery) | Waterland (strategische Partnerschaft) | PE-backed | Platform strategy to scale a high-tech machinery company through internationalization, add-ons and product/technology expansion |
| Q4/2025 | Fosber (IT) | Brookfield | Private Equity | Focus on installed base and aftermarket in the corrugated segment |

Selection not intended to be exhaustive.

Interpretation of Deal Patterns

The transactions show a clear pattern:

- Valuation premiums are driven by integration, not capacity
- Platform models dominate over standalone acquisitions
- Aftermarket and service are valued as cash flow stabilizers.

M&A Logic in Packaging Machinery

Investment decisions increasingly follow four strategic axes:

- Platform build-up: integration of multiple technologies along the line
- Technological depth: robotics, vision, software, data integration
- Monetization of installed base: service, spare parts, digital services
- International scaling: global customer access and service networks

Implications for Investors and Strategic Buyers

Successful investment strategies focus on:

- Targets with a significant installed base
- Business models with >30% recurring revenues
- Platforms with retrofit and upgrade potential
- Add-ons in software, automation and inspection
- Fragmented niches with consolidation potential

Pure machine capacity without differentiation is becoming structurally less attractive.

Role of Private Equity and Strategic Buyers

Private equity is increasingly pursuing:

- Build-up of buy-and-build platforms
- Scaling of service and aftermarket businesses
- Internationalization

Strategic buyers focus on:

- Expanding technology portfolios
- Strengthening integration capabilities
- Accessing new end markets

Outlook 2026

2026 will not be a cyclical boom year, but a structurally driven year of transformation. Demand will presumably remain stable, but clearly driven by qualitative factors. Successful market participants will differentiate through:

- Integration of complex lines
- Scalable service platforms
- Combination of hardware, software and data
- Global presence

The boundaries between machinery, software and industrial platforms are increasingly blurring.

M&A will remain a key instrument for implementing these strategies. However, transactions will become more selective, more technologically demanding and more strongly focused on sustainable value creation.

Proventis Partners in Packaging Machinery

Proventis Partners is a partner-led M&A advisory firm with a clear focus on mid-cap transactions in the European packaging sector. The team combines deep industry expertise with many years of transaction experience across the entire value chain—from packaging materials & converting to packaging machinery and automation.

- Clear strategic classification of complex market developments
- High seniority and direct partner involvement
- International reach through a global network of experienced M&A advisors.

Proventis Partners is a member of Mergers Alliance, a global network of independent M&A advisory firms with a presence in more than 30 countries. Since 2015, partner firms have supported more than 1,200 M&A transactions with an aggregated volume of over USD 60 billion; in the packaging sector, more than 70 specialized deals with a total transaction volume exceeding USD 5 billion have been completed since 2010.

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