M&A Facts Quarterly Q4-18
Packaging Sector

ProventisPartners.
FOR WHAT TRULY COUNTS

Packaging Sector M&A-Highlights and Market Insights

Data source: S&P Capital IQ. Analysis by Proventis Partners.

- **M&A during Q4 2018** – The global packaging sector continued to show a high level of M&A during the year 2018, however the deal count is slightly below the year 2017. However, deal values have increased during 2018, in particular due to the mega-acquisition of Bemis by Amcor and other mega mergers.

- Target companies are experiencing significant interest from a diverse range of strategic and financial buyers. Similar to 2017, companies in the packaging materials and packaging sector, as opposed to companies offering packaging equipment, have been the most sought after.

- **Deal pricing and M&A outlook –** Pricing for packaging deals continues to be very favorable for sellers as deal multiples are still high, but we see a trajectory to lower trading multiples. The still high transaction valuations can be attributed to the continued availability and low cost of capital, a still high level of optimism in the economy, and increased competition for a limited number of quality acquisition targets. The current buyer dynamics maintain a strong outlook for packaging M&A for the balance for 2019. However, we believe that trading multiples will further decrease to some extent. We expect market consolidation to continue, with the availability of high-quality targets decreasing.

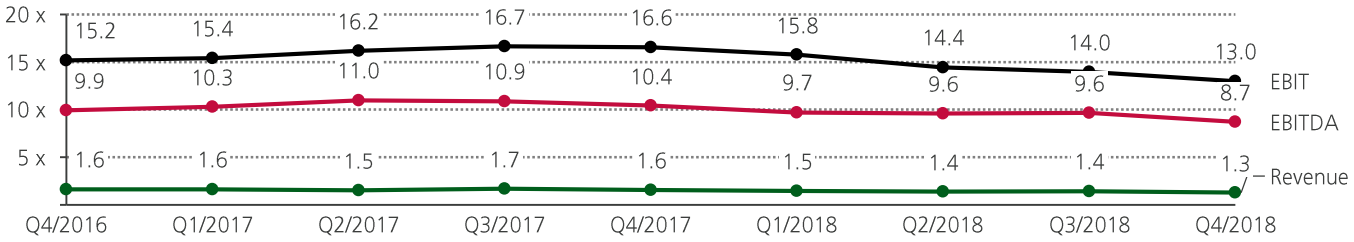
Global Packaging Sector Peer Group

Pure Play Packaging Comps, no conglomerates. Note: TEV = Total Enterprise Value in €m. LTM = Last Twelve Months.
Data source: S&P Capital IQ. The company sample shown in the table below represents only about half of the peer group in use (cf older M&A facts).

Company Name	Country	Market Cap	TEV	Total Revenue LTM	EBITDA LTM	TEV/EBITDA LTM	TEV/EBITDA prev. quarter
International Paper Company	United States	14,277	23,227	19,853	3,284	6.4x	7.8x
Ball Corporation	United States	13,622	19,019	9,966	1,630	11.4x	11.7x
Amcor Limited	Australia	9,419	12,700	7,987	1,146	11.3x	11.5x
Mondi plc	United Kingdom	8,801	11,542	7,241	1,514	7.7x	9.4x
WestRock Company	United States	8,327	13,389	14,017	2,435	5.4x	7.2x
Smurfit Kappa Group plc	Ireland	5,488	8,521	8,757	1,351	6.3x	8.2x
Berry Global Group, Inc.	United States	5,438	10,223	6,773	1,152	8.7x	8.9x
Sealed Air Corporation	United States	4,775	7,714	4,045	685	11.1x	12.0x
DS Smith Plc	United Kingdom	4,561	6,468	6,960	869	7.5x	12.0x
Bemis Company, Inc.	United States	3,649	4,864	3,521	489	9.7x	10.3x
RPC Group Plc	United Kingdom	2,941	4,283	4,345	656	6.6x	7.7x
Huhtamäki Oyj	Finland	2,824	3,725	3,036	386	9.6x	9.6x
Silgan Holdings Inc.	United States	2,282	4,682	3,765	530	8.7x	9.7x
Mayr-Melnhof Karton AG	Austria	2,200	2,175	2,351	323	6.7x	6.8x
Winpak Ltd.	Canada	1,987	1,741	766	170	10.6x	10.5x
Gerresheimer AG	Germany	1,801	2,897	1,351	273	10.6x	10.7x
Median						**8.7x**	**9.6x**

Global Packaging Sector Peer Group Trading Multiples

Data source: S&P Capital IQ



© 2019 Proventis Partners

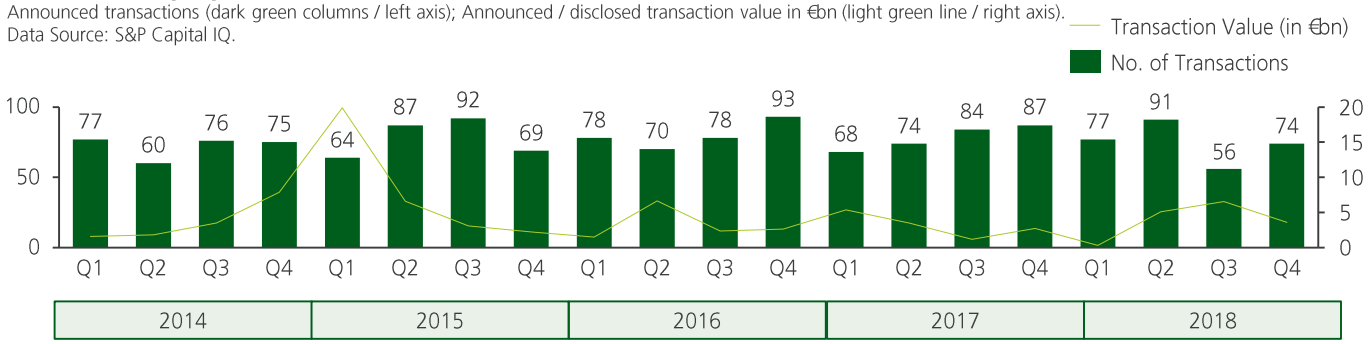
Recent Packaging M&A Transactions

Note: TEV = Total Enterprise Value. TTV =Total Transaction Value in €m.
Data source: S&P Capital IQ. Selection of transactions by Proventis Partners.

Announced Date	Target	Target Country	Acquirer	Acquirer Country	Acquired Stake (in %)	Total Transaction Value	Implied EV/ EBITDA
20.12.2018	Caraustar Industries, Inc.	US	Greif Packaging LLC	US	100	1,577	10.3x
13.12.2018	Ranpak Corp.	US	One Madison Corporation (NYSE:OMAD)	KY	100	837	n/a
13.12.2018	Kian Joo Can Factory Berhad (KLSE:KIANJOO)	MY	Can-One Berhad (KLSE:CANONE)	MY	67	383	13.2x
13.12.2018	Metal Beverage Packaging Facilities of Ball Corporation	n/a	ORG Technology Co., Ltd. (SZSE:002701)	CN	100	198	n/a
12.11.2018	Grupo Vidriero CentroAmericano SA	GT	Owens-Illinois, Inc. (NYSE:OI)	US	50	106	n/a
11.10.2018	LOTTE ALUMINIUM CO., LTD.	KR	Hotel Lotte Co., Ltd.	KR	13	92	50.8x
23.11.2018	Tourism International Holdings Limited (SEHK:1626)	KY	n/a	n/a	65	68	10.7x
13.10.2018	Zhuhai Zhongfu Enterprise Co., Ltd. (SZSE:000659)	CN	Shenzhen Guoqing Technology Co., Ltd.	CN	11	59	22.8x
11.10.2018	Manjushree Technopack Limited	IN	Advent International Corporation	US	-	58	n/a
14.11.2018	Daibochi Berhad (KLSE:DAIBOCI)	MY	Scientex Berhad (KLSE:SCIENTX)	MY	42	46	13.4x
15.10.2018	BioPak Pty Limited	AU	Duni AB (publ) (OM:DUNI)	SE	75	40	n/a
06.12.2018	Urban Forest Products, LLC/Clarion Packaging, Llc/Falcon Packaging, Llc	n/a	Cascades Inc. (TSX:CAS)	CA	-	33	n/a
23.11.2018	Tourism International Holdings Limited (SEHK:1626)	KY	n/a	n/a	25	25	12.4x
27.12.2018	Zhongshan Huali Packaging Co., Ltd	CN	Shenzhen Zhijie Investment Company Limited; Shenzhen Quande Investment Company Limited	CN	100	19	n/a
14.11.2018	Erca S.A.S./Hamba-Gasti GmbH/Hassia Verpackungsmaschinen GmbH/IMA Dairy & Food USA Inc.	n/a	n/a	n/a	60	18	n/a
07.11.2018	Master Plastics Limited (JSE:MAP)	ZA	Metier Investment & Advisory Services (Pty) Limited	ZA	89	18	5.0x
14.11.2018	NK Mulsan Co., Ltd. (KOSE:A009810)	KR	EMP Lab Co.,Ltd.	n/a	18	9	n/a
29.10.2018	Mengke Holdings Limited (SEHK:1629)	KY	n/a	n/a	7	6	53.5x
13.12.2018	Kian Joo Can Factory Berhad (KLSE:KIANJOO)	MY	Can-One Berhad (KLSE:CANONE)	MY	0	1	13.2x

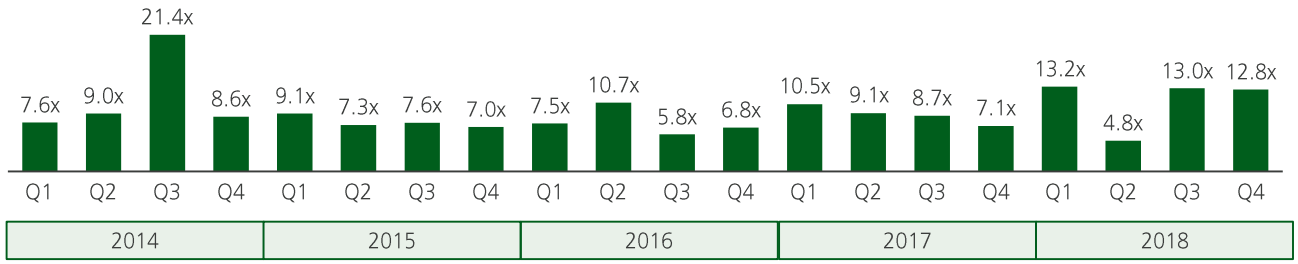
Global Packaging M&A Deal Count, Recorded Transaction Volume 2014-2018

Announced transactions (dark green columns / left axis); Announced / disclosed transaction value in €bn (light green line / right axis).
Data Source: S&P Capital IQ.



Global Packaging M&A Transaction Multiples 2014-2018

Implied Transaction Enterprise Value / EBITDA of announced transactions with disclosed multiple.
Data Source: S&P Capital IQ.



© 2019 Proventis Partners

Global Packaging Sector Operating Financial Metrics

Q3 2018 data only. Q4 2018 data not yet released. Data in €m. Data source: S&P Capital IQ.

Company Size

Small Cap

- Revenue: 1 to 250m
- Average Revenue: €89m
- Number of companies: 573

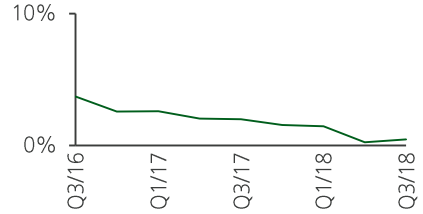
Mid Cap

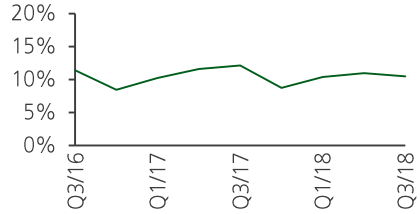
- Revenue: 251 to 2,500m
- Average Revenue: €953m
- Number of companies: 161

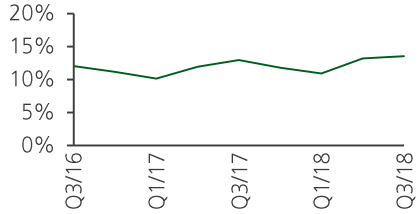
Large Cap

- Revenue: >2,501m
- Average Revenue: €5,815m
- Number of companies: 39

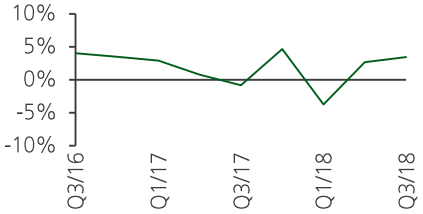
EBIT-Margin

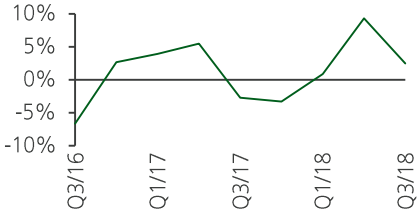


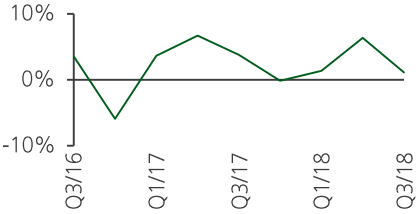




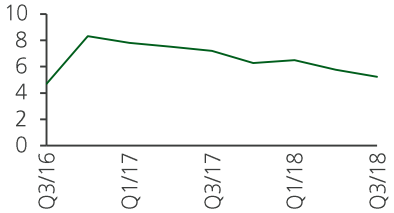
Revenue Growth

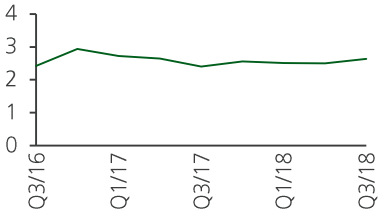


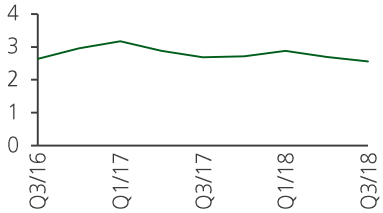




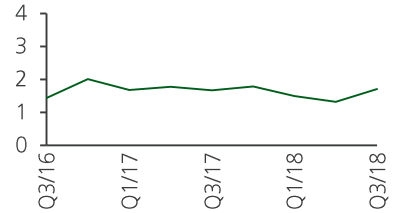
Debt/EBITDA

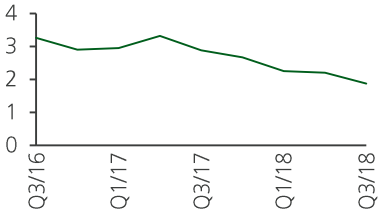


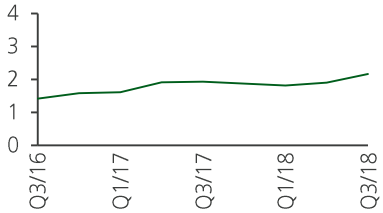




Market Capitalization/Revenue





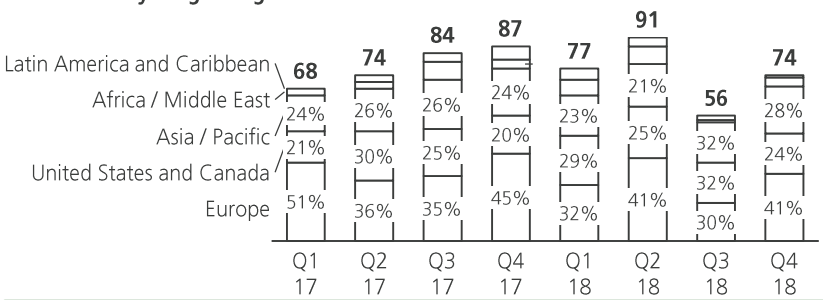


© 2019 Proventis Partners

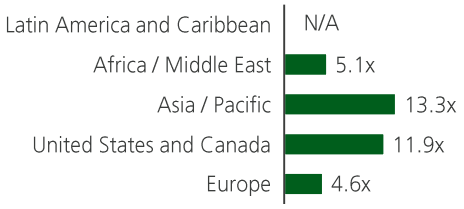
Global Packaging M&A Deal Analysis

Announced transactions. Implied M&A Enterprise Value / LTM EBITDA of announced transactions with disclosed multiple.
Data Source: S&P Capital IQ.

Deal Count by Target Region

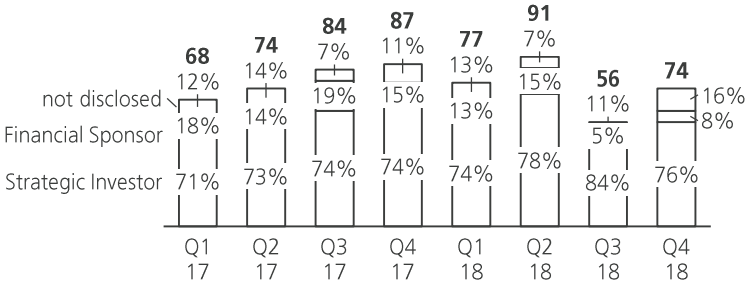


EBITDA Multiple by Target Region

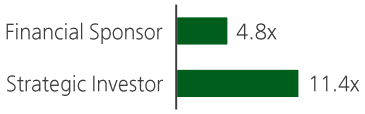


Deal Count by Investor Type

Announced transaction with identified investors.

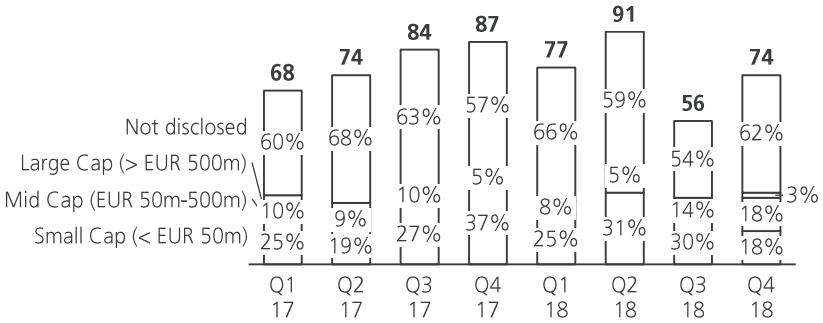


EBITDA Multiple by Investor Type

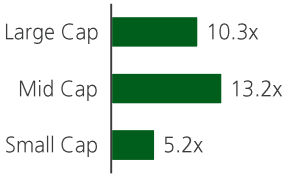


Deal Count by Company Size

Announced transactions with disclosed annual pre-transaction revenues



EBITDA Multiple by Company Size



Notes

The analysis considers announced transactions only. Recent Transactions and Quarterly Multiples only include transactions with available Enterprise Values (EV). As Capital IQ constantly updates its database, the values might differ from previous M&A Facts.

This document is intended to provide our clients selected information on the global Logistics sector. The material presented is based on sources we consider as reliable. Proventis Partners makes no representation as to the completeness or reliability of the information shown herein. Our "M&A Facts" publication is intended for the private use of our clients for information purposes only and the information presented does not represent any offer or commercial recommendation. This document may be copied or redistributed without the knowledge and content of Proventis Partners. Proventis Partners is a trademark of Proventis Partners Holding GmbH, Munich, Germany.

Zurich, Switzerland
Proventis Partners AG
Christoph Studinka, Partner
c.studinka@proventis.com
T: +41 44 536 3630

Munich, Germany
Proventis Partners GmbH
Jan Poerschmann, Partner
j.poerschmann@proventis.com
T: +49 89 388 88 1-0

Hamburg, Germany
Proventis Partners GmbH
Jost Hartmann, Partner
j.hartmann@proventis.com
T: +49 40 360 9759-0

Cologne, Germany
Proventis Partners GmbH
Jan Poerschmann, Partner
j.poerschmann@proventis.com
T: +49 89 388 88 1-0

Budapest, Hungary
Absolvo Proventis Partners CEE
Lénárd Horgos, Partner
l.horgos@absolvo.hu
T: +36 1 279 1979

Mergers Alliance

Proventis Partners is an exclusive representative of Mergers Alliance in German-speaking countries.

© 2019 Proventis Partners