



**CONTAINERS & PACKAGING**  
**SECTOR UPDATE AND M&A TRENDS**  
Q1 2023

**ALMA**.advisors

# Greek packaging sector is leaning on tech and innovation to improve products and manufacturing processes

## Q1 market and sector overview

### Macroeconomic developments

- The European Central Bank has **increased interest rates to 3.5%** after two consecutive 50bp rate hikes in Q1 2023
- **EU inflation for March 2023 witnessed a decrease** of 1.6% compared to February 2023 **reaching 6.9%**
- Core inflation which excludes volatile items such as food and energy **remains stickier than previously expected** picking up to 5.7% in March 2023 supporting Q1 2023 ECB projections that **inflation is expected to remain too high for too long**
- Production across Eurozone grew marginally in Q1 despite the decrease in factory order books as **the shortening of delivery times boosted raw materials supply, supporting greater levels of productivity**

### Greek containers & packaging sector trends

#### Exogenous factors

- External factors such as **price volatility** for primary and secondary materials and **supply chain delays** continue to **hurt profitability of packaging companies**
- **Investments from Greek companies remain muted** due to increased uncertainty in the market

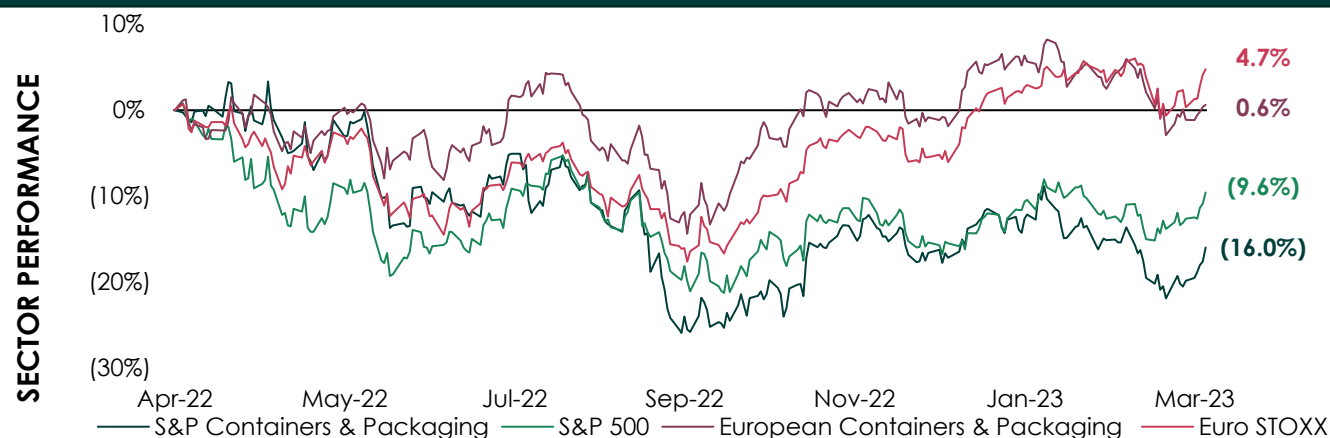
#### Paper packaging

- Demand for eco-friendly paper packaging is **gaining traction at an increasing number of end-markets**
- Notably, food production and distribution sector is **actively shifting from plastic to paper packaging**
- Packaging companies are **strengthening their sustainable product offering**

#### Tech and innovation



- Greek packaging companies are investing in new technologies to **improve products and manufacturing processes** → target operational and cost efficiencies

### European and US Container & Packaging indices vs the broader market



# Greek packaging companies are speeding-up investments to accelerate growth and bring down costs

## Greek packaging companies' key updates

Company	Key updates
	<ul style="list-style-type: none"><li>Matrix Pack announced that its planning to launch a new product, a paper lid which will replace plastic lids currently used in disposable cups</li><li>The paper lids will be produced from wood fiber at its under-construction factory next to its existing plant in Ritsona</li></ul>
	<ul style="list-style-type: none"><li>In a recent interview, the company's CEO outlined the targets of the group's investment strategy which focus on increasing production capacity, improve product mix and reduce costs</li><li>Announced plans to expand its PV systems and investments into new technologies to improve products and enable flexible &amp; faster processes to bring down costs</li></ul>
	<ul style="list-style-type: none"><li>Kapelis Packaging, the exclusive agent-importer of the ecological packaging solution Halopack, invested in a dedicated production facility for the Halopack solution in Greece</li></ul>
	<ul style="list-style-type: none"><li>DS Smith announced a collaboration project with the Union of Corporative Farmers of Kavala to replace the plastic packaging used for their kiwi fruits with a paper packaging with lid</li></ul>

### Key takeaways

**Speed up investment plans to accelerate growth and reduce costs**

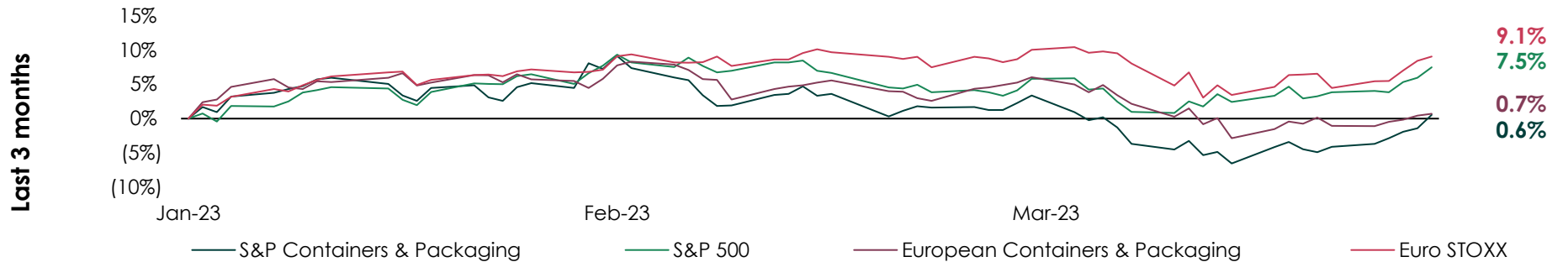
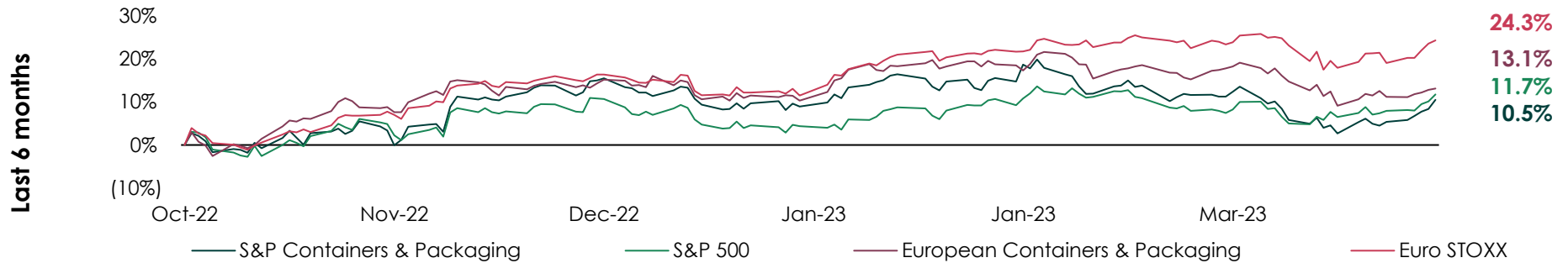
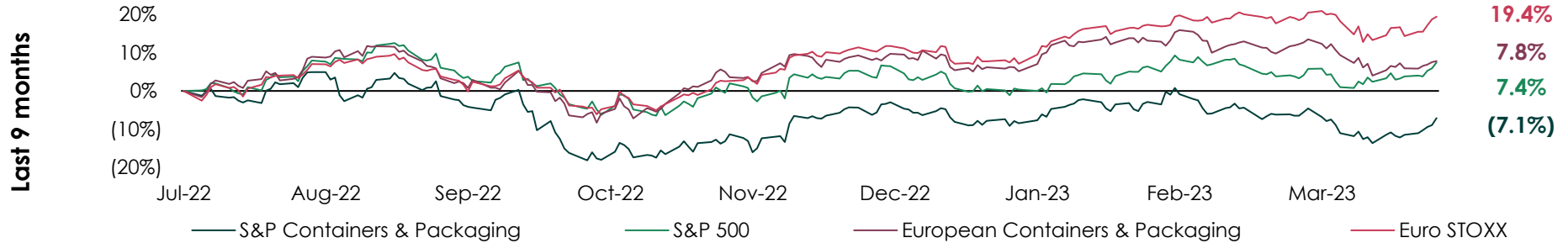
- Greek packaging companies are increasing their investments to **improve product mix and bring down costs**
- Investments in **new technologies** to improve products and processes
- PV systems** as a way of reducing energy costs
- Aim to **enhance profitability** and **remain competitive**

**An increasing number of end-markets are moving into paper packaging**

- Reducing single-use plastics** is an important goal for many industries
- Notably, food production and distribution sector is **actively shifting from plastic to paper packaging**
- Greek companies are enhancing their sustainable product offering through **increased investments in manufacturing plants and R&D**

# European and US containers & packaging indices have largely underperformed the broader market in Q1 2023

## Sector performance

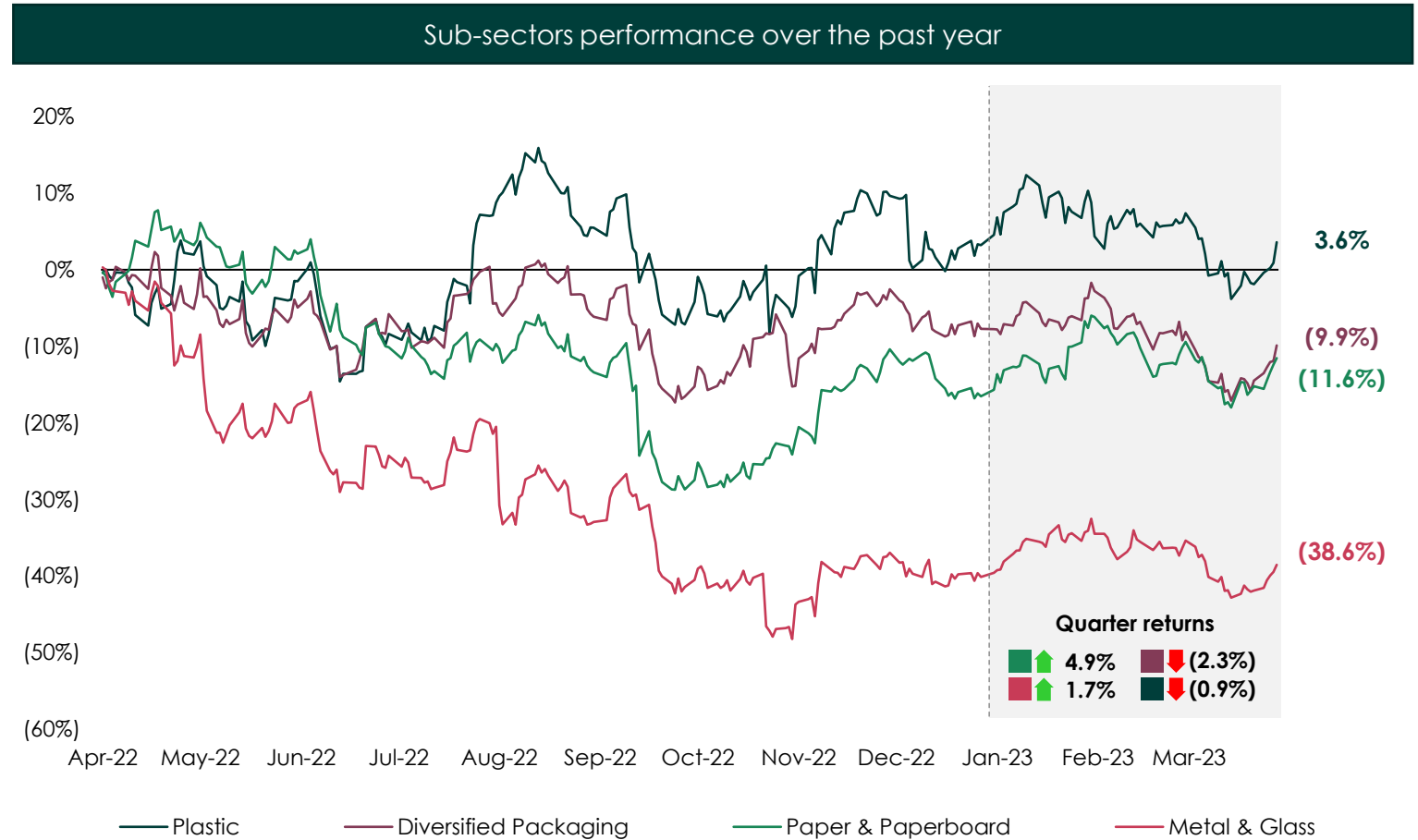


Notes: Data as of 31/3/2023  
Sources: FactSet

# Plastic outperforms the rest of the sector while Metal & Glass continues to lag

## Publicly traded companies overview per sub-sector

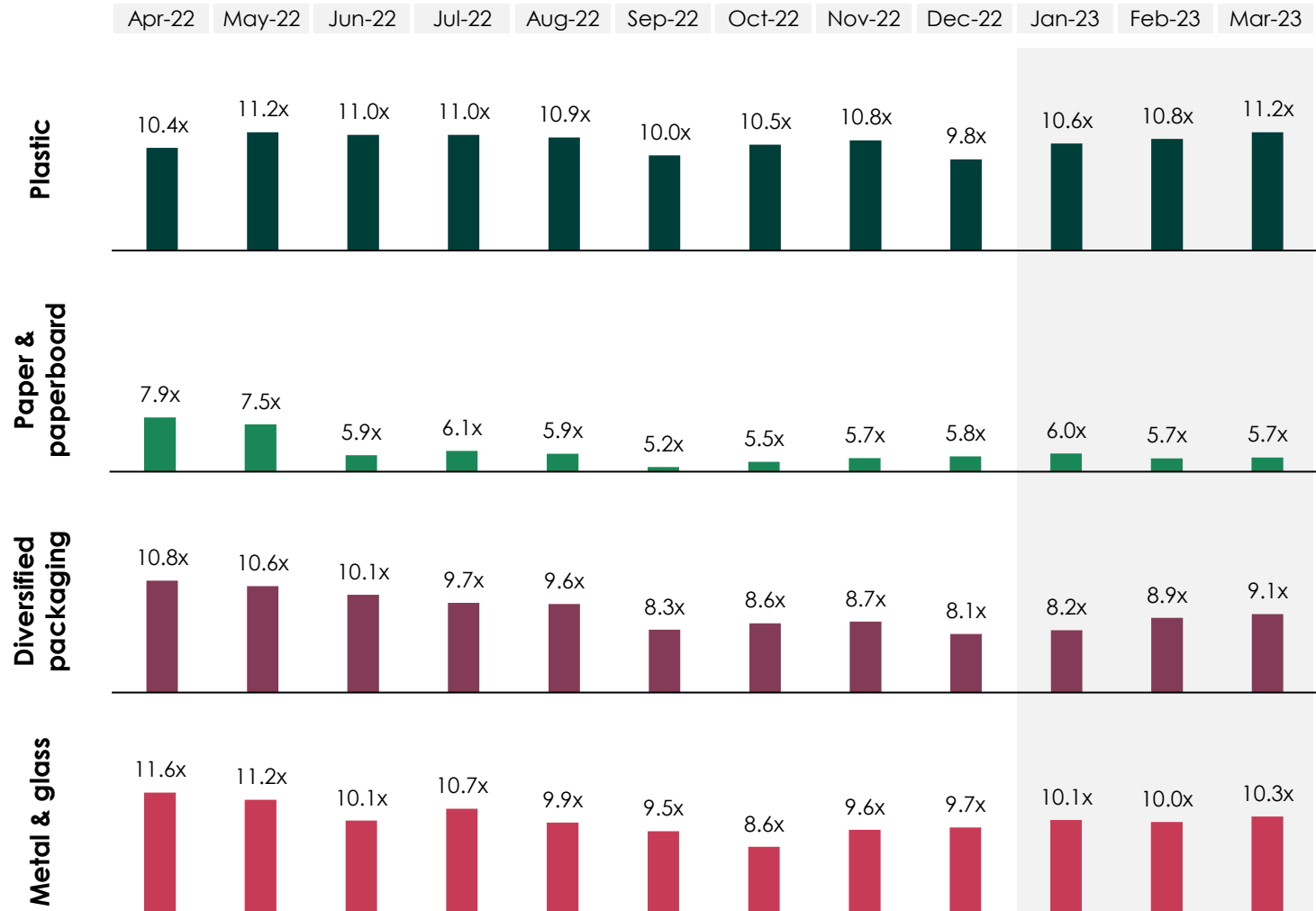
- Tightening financial conditions continue to weigh on public markets
- Plastic sub-sector was the best performer over the LTM, recording returns of 3.6%
- Metal & Glass sub-sector continues to significantly underperform the rest of the industry, with losses of 38.6% over the LTM
- Over Q1 2023 only paper & paperboard and metal & glass sub-sectors have managed to record positive returns



# Most of the industry's sub-sectors have witnessed an increase in multiples in Q1 2023 compared to Q4 of 2022

## Median LTM EV/EBITDA multiples

- Compared to Q3 2022, all the industry's sub-sectors except for paper & paperboard have witnessed an increase in Q1 2023 multiples
- Plastics multiples remain the highest compared to the rest of the sector increasing from 9.8x to 11.2x in Q1 2023
- Paper & paperboard multiples are still the lowest compared to the rest of the sector decreasing marginally by 1.7% in Q1 2023 compared to Q4 2022



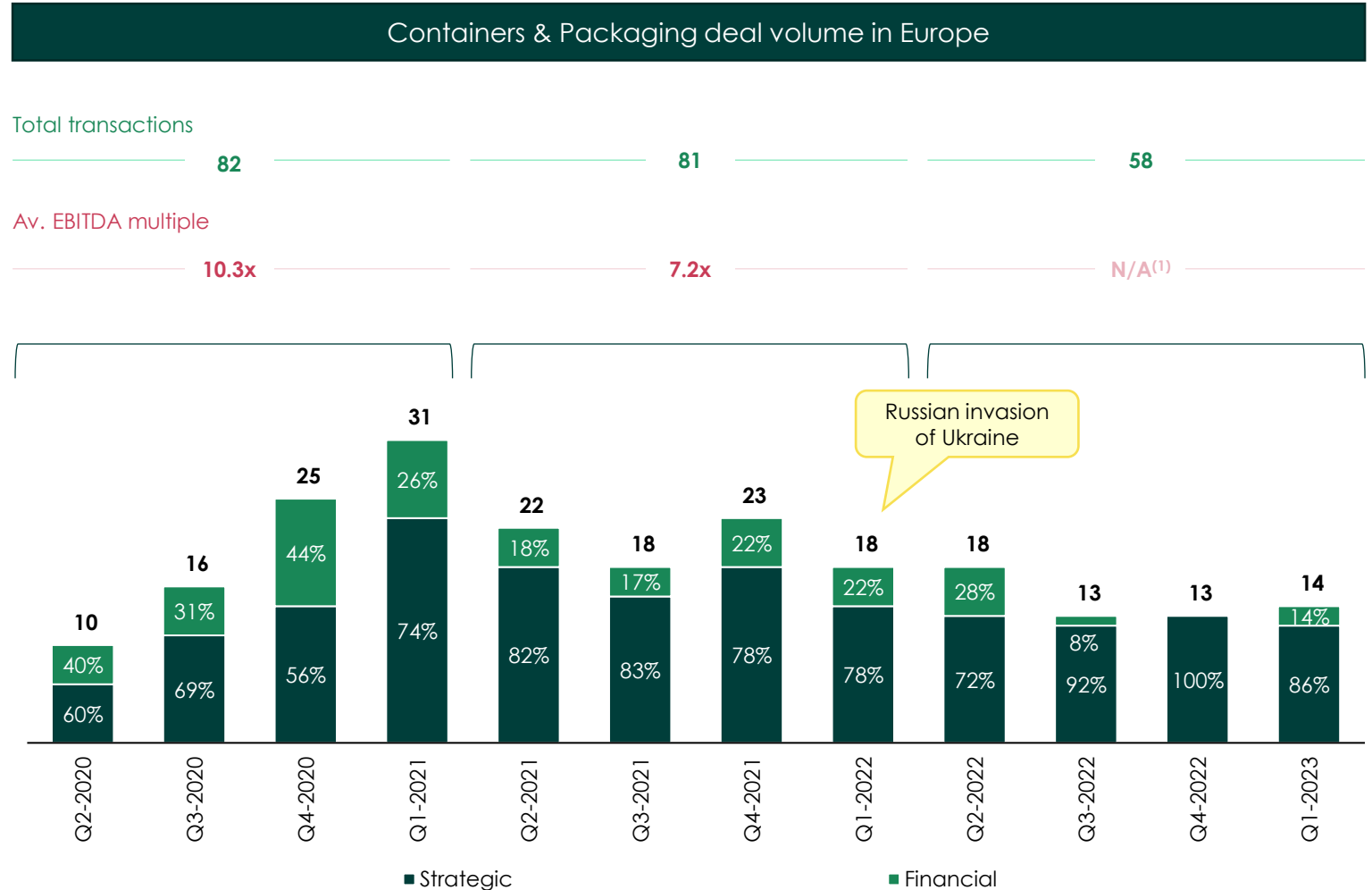
Notes: Sub-sector index constituents can be found on pages 8-9; some historic multiples may have deviations from previous reports due to restatements or differences between preliminary and final results published

Sources: FactSet

# M&A activity remained muted during the first quarter of the year

## Europe M&A update

- Deal count has remained muted in Q1 2023 as high input costs, decreasing demand and rising borrowing costs are hurting buyers' appetite
- M&A deal volume has remained largely unchanged in Q1 2023 compared to Q4 2022 recording 14 deals
- Deal count in Q1 2023 was 22.3% lower compared to Q1 2022
- Demand for consumable related segments such as flexible & rigid packaging is expected to remain strong versus the more cyclical segments of the industry



Data as of 31/3/2023

Note: (1) Limited data on multiples to obtain a reasonable figure

Sources: FactSet

# Trading comps (1/2)

## PLASTIC

Company <i>(figures in €m)</i>	HQ	Market cap.	EV	Sales 2023E	Sales Growth		EBITDA 2023E	EBITDA margin 2023E	EV / Sales			EV / EBITDA		
					2022	2023E			LTM	2023E	2024E	LTM	2023E	2024E
Amtcor	GBR	15,563	21,817	13,556	20%	5%	1,837	14%	1.6x	1.6x	1.6x	11.6x	11.3x	10.9x
Avery Dennison	USA	13,311	16,233	8,221	21%	(4%)	1,254	15%	2.0x	1.9x	1.8x	13.7x	12.7x	11.8x
CCL Industries	CAN	8,094	9,723	4,544	21%	(3%)	898	20%	2.2x	2.1x	2.1x	11.3x	10.9x	10.5x
Berry Global Group	USA	6,581	14,869	12,138	16%	(9%)	1,924	15%	1.2x	1.2x	1.2x	7.7x	7.7x	7.4x
Brady Corporation	USA	2,456	2,458	1,218	22%	4%	226	19%	2.0x	2.0x	1.9x	11.0x	10.8x	10.3x
Winpak	CAN	1,898	1,543	1,136	33%	1%	225	20%	1.4x	1.4x	1.3x	7.5x	6.9x	6.8x
<b>Average</b>					<b>22%</b>	<b>(1%)</b>			<b>1.7x</b>	<b>1.7x</b>	<b>1.6x</b>	<b>10.5x</b>	<b>10.1x</b>	<b>9.6x</b>
<b>Median</b>					<b>21%</b>	<b>(1%)</b>			<b>1.8x</b>	<b>1.8x</b>	<b>1.7x</b>	<b>11.2x</b>	<b>10.9x</b>	<b>10.4x</b>

## DIVERSIFIED PACKAGING

Company <i>(figures in €m)</i>	HQ	Market cap.	EV	Sales 2023E	Sales Growth		EBITDA 2023E	EBITDA margin 2023E	EV / Sales			EV / EBITDA		
					2022	2023E			LTM	2023E	2024E	LTM	2023E	2024E
Sealed Air	USA	6,083	10,347	5,442	15%	1%	1,150	21%	2.0x	1.9x	1.8x	10.2x	8.8x	8.2x
Sonoco Products	USA	5,490	8,499	6,758	46%	(2%)	1,049	15%	1.3x	1.2x	1.2x	8.1x	8.1x	7.8x
Silgan Holdings	USA	5,438	8,810	5,960	27%	(2%)	902	15%	1.5x	1.5x	1.4x	10.7x	9.4x	9.1x
DS Smith	GBR	4,930	6,303	9,037	11%	(5%)	1,224	13%	0.7x	0.7x	0.7x	5.2x	5.1x	5.0x
Huhtamaki	FIN	3,685	5,115	4,374	25%	(2%)	593	14%	1.1x	1.1x	1.1x	9.1x	8.4x	8.0x
Greif	USA	3,044	5,612	5,166	28%	(13%)	691	13%	1.0x	1.1x	1.0x	6.4x	8.2x	7.8x
Orora	AUS	1,782	2,343	2,731	19%	4%	266	10%	0.9x	0.8x	0.8x	9.1x	8.7x	8.4x
<b>Average</b>					<b>24%</b>	<b>(3%)</b>			<b>1.2x</b>	<b>1.2x</b>	<b>1.2x</b>	<b>8.4x</b>	<b>8.1x</b>	<b>7.8x</b>
<b>Median</b>					<b>25%</b>	<b>(2%)</b>			<b>1.1x</b>	<b>1.1x</b>	<b>1.1x</b>	<b>9.1x</b>	<b>8.4x</b>	<b>8.0x</b>



# Trading comps (2/2)

## PAPER & PAPERBOARD

Company <i>(figures in €m)</i>	HQ	Market cap.	EV	Sales 2023E	Sales Growth		EBITDA 2023E	EBITDA margin 2023E	EV / Sales			EV / EBITDA			
					2022	2023E			LTM	2023E	2024E	LTM	2023E	2024E	
International Paper	USA	11,620	18,574	18,232	23%	(9%)	2,149	13%	1.0x	1.0x	1.0x	7.1x	7.8x	7.8x	
Packaging Corp	USA	11,461	13,624	7,323	23%	(9%)	1,429	20%	1.8x	1.8x	1.8x	7.8x	8.9x	9.0x	
Stora Enso	FIN	9,707	12,482	10,764	15%	(8%)	1,527	17%	1.1x	1.1x	1.1x	6.0x	6.5x	6.5x	
Smurfit Kappa	IRL	8,663	11,613	11,839	27%	(8%)	2,039	17%	0.9x	1.0x	1.0x	5.0x	5.8x	5.7x	
Graphic Packaging	USA	7,206	12,186	9,185	48%	2%	1,751	18%	1.4x	1.3x	1.3x	7.6x	7.3x	7.0x	
WestRock Company	USA	7,142	16,269	18,960	25%	(4%)	2,631	14%	0.8x	0.8x	0.8x	5.5x	6.0x	5.8x	
Empresas	CHL	3,866	7,630	6,977	39%	(6%)	1,433	22%	0.9x	1.1x	1.1x	3.4x	4.8x	5.1x	
Mayr-Melnhof Karton	AUT	3,060	4,602	4,362	53%	(7%)	590	14%	1.0x	1.1x	1.0x	7.5x	7.8x	7.1x	
Sappi	ZAF	1,359	2,478	5,653	53%	(16%)	669	13%	0.4x	0.4x	0.5x	2.3x	3.2x	3.8x	
Cascades	CAN	750	2,200	3,185	22%	(2%)	355	10%	0.7x	0.7x	0.6x	7.2x	6.7x	6.1x	
Clearwater Paper	USA	516	1,041	1,952	32%	(1%)	266	12%	0.5x	0.5x	0.5x	4.8x	4.1x	4.3x	
Nampak	ZAF	68	423	839	26%	(15%)	115	13%	0.4x	0.4x	0.3x	4.6x	2.9x	2.6x	
<b>Average</b>					<b>32%</b>	<b>(7%)</b>			<b>15%</b>	<b>0.9x</b>	<b>0.9x</b>	<b>0.9x</b>	<b>5.7x</b>	<b>6.0x</b>	<b>5.9x</b>
<b>Median</b>					<b>26%</b>	<b>(7%)</b>			<b>14%</b>	<b>0.9x</b>	<b>1.0x</b>	<b>1.0x</b>	<b>5.7x</b>	<b>6.3x</b>	<b>5.9x</b>

## METAL & GLASS

Company <i>(figures in €m)</i>	HQ	Market cap.	EV	Sales 2023E	Sales Growth		EBITDA 2023E	EBITDA margin 2023E	EV / Sales			EV / EBITDA			
					2022	2023E			LTM	2023E	2024E	LTM	2023E	2024E	
Ball Corporation	USA	15,949	24,766	13,981	23%	(4%)	1,980	14%	1.8x	1.7x	1.6x	15.7x	12.5x	11.7x	
Crown Holdings	USA	9,142	16,059	12,024	27%	(2%)	1,737	14%	1.4x	1.3x	1.3x	10.3x	9.2x	8.6x	
O-I Glass	USA	3,227	7,300	6,616	21%	1%	1,327	19%	1.1x	1.1x	1.1x	6.8x	5.8x	5.6x	
<b>Average</b>					<b>24%</b>	<b>(2%)</b>			<b>16%</b>	<b>1.4x</b>	<b>1.4x</b>	<b>1.3x</b>	<b>10.9x</b>	<b>9.2x</b>	<b>8.7x</b>
<b>Median</b>					<b>23%</b>	<b>(2%)</b>			<b>14%</b>	<b>1.4x</b>	<b>1.3x</b>	<b>1.3x</b>	<b>10.3x</b>	<b>9.2x</b>	<b>8.6x</b>

# Selected European containers and packaging M&A transactions (1)

Q1 2023 and Q4 2022



<i>(Figures in €m)</i>						
Date	Target	Buyer	EV	EV/Revenue	EV/EBITDA	
Mar-2023	townboxx	Fast Finance24	-	-	-	
Mar-2023	Kap / Flexible Films Segment	Kingspan Holding	-	-	-	
Mar-2023	A.E. Sutton	Macfarlane Group	8.0	1.0x	6.4x	
Mar-2023	Drukpol.Flexo	Wendel (Private Equity); Constantia Flexibles	-	-	-	
Mar-2023	Kartonfabrik Buchmann	Moritz J Weig	-	-	-	
Feb-2023	Incodia International	Woodberry Ireland Capital	-	-	-	
Feb-2023	E.W. Cartons	Cepac	-	-	-	
Feb-2023	Kama (Russia)	Pharmstandard	195.0	2.1x	2.6x	
Feb-2023	Aarts Packaging	TriMas Corp.	-	-	-	
Feb-2023	Innavisions	H.L. Hutchinson	-	-	-	
Jan-2023	K2 PAK	VR Equitypartner; KTP Kunststoff	-	-	-	
Jan-2023	schäfer-etiketten	Reynesco	-	-	-	
Jan-2023	Carelide	Laboratoire Agueffant; Delpharm; Carelide	20.0	0.5x	-	
Jan-2023	Cosfibel	GPA Global	-	-	-	
Dec-2022	Heidrun Tapperi	Bevcraft	1.0	-	-	
Dec-2022	Agopag	Pagliari	-	-	-	
Dec-2022	Amcor / 3 factories	Hs Investments	419.9	-	-	
Dec-2022	Pyl Associates	Duraweld	-	-	-	
Nov-2022	Papierindustrie Adriaan Dekker	Oerlemans Packaging	-	-	-	
Nov-2022	Ondapack Sud	Carton Pack	-	-	-	
Nov-2022	Pusa Pack	Smurfit Kappa Group	-	-	-	
Nov-2022	Accolade Wines / The Park Facility	Encirc	34.2	-	-	
Nov-2022	Refour	Zotefoams	-	-	-	
Nov-2022	Allied Glass Containers	Verallia	365.7	2.3x	-	
Nov-2022	folian	Walki Group; OEP Capital Advisors	-	-	-	
Nov-2022	Cml Associates Bristol	WP Industrial	-	-	-	

Notes: (1) Transactions also include non-EU European countries  
Sources: FactSet

# Notable containers and packaging M&A transactions in Greece

2019 to Q1 2023



(Figures in €m)

Date	Target	Buyer	EV	EV/Revenue	EV/EBITDA
Sep-2022	StyleGlass	Berlin Packaging	-	-	-
Jul-2022	MatrixPack	SouthBridge	-	-	-
Jun-2021	Elias Valavanis	Berlin Packaging	-	-	-
Dec-2020	Haitoglou Hartel	Industrial Development Company	-	-	-
Dec-2020	Paperpack	Orlando-Equity Holding	34.4	2.0x	8.3x
Jan-2020	Karatzis S.A. Industrial	Antkar	-	-	-
Jan-2019	Adam Pack	DECA Investments	-	-	-

# Tailored corporate finance services for the European mid-market

## Our firm

Alma Advisors is an independent financial services firm serving the European mid-market. We offer corporate finance solutions to corporates, family businesses and entrepreneurs.



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