



CONTAINERS & PACKAGING
SECTOR UPDATE AND M&A TRENDS
Q2 2023

ALMA.advisors

Investments are accelerating in the Greek packaging sector, despite decline in customer demand

Q2 market and sector overview

Macroeconomic developments

- The European Central Bank continues its rate hike cycle with **two consecutive 25bp rate hikes in Q2**, increasing interest rates to 4.0% in June 2023
- **EU inflation for June 2023 has witnessed a decrease** of 0.6% compared to May, settling to 5.5%
- ECB has **raised its inflation projections** for 2023 and 2024 due to previous upward surprises and **the eurozone's robust labour market**
- According to the eurozone PMI report, demand for goods fell sharply at the end of Q2 leading to **improved supply chain conditions and decreased average input costs**
- As a result of decreasing demand for finished goods, manufacturers across eurozone have **decreased their inventories in Q2 2023**

Greek containers & packaging sector trends

Demand is slowing

- Greek packaging companies are witnessing a **slowdown in customer demand**
- Due to declining demand, **transport costs and input prices** of primary and secondary materials are showing **signs of cooling down**

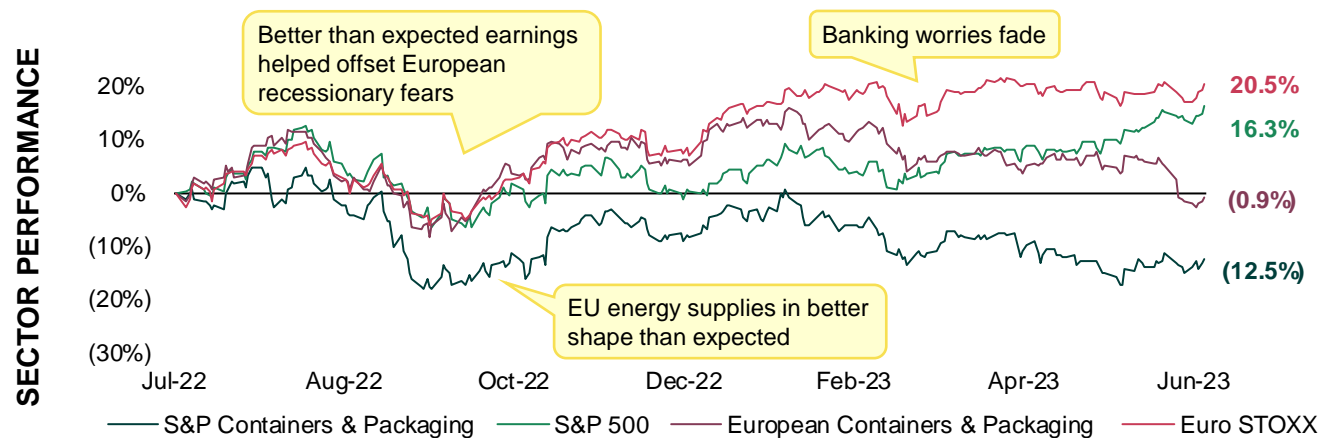
Focus on investment plans

- Greek containers & packaging companies are **speeding up investments in PP&E** to increase productivity
- Continuing investments in **PV systems** as a remedy for high energy prices
- Companies are moving forward with their **digital transformation plans** to streamline business processes

Eco-friendly shift underway







- The **push towards circular economy continues in the sector** amid persisting regulatory pressures
- Packaging companies are **increasing their R&D spendings** to develop eco-friendly products
- Plastics packaging manufacturers are **implementing paper packaging pilot investments**

European and US Container & Packaging indices vs the broader market



Greek packaging companies are speeding up investments to increase productivity and drive exports

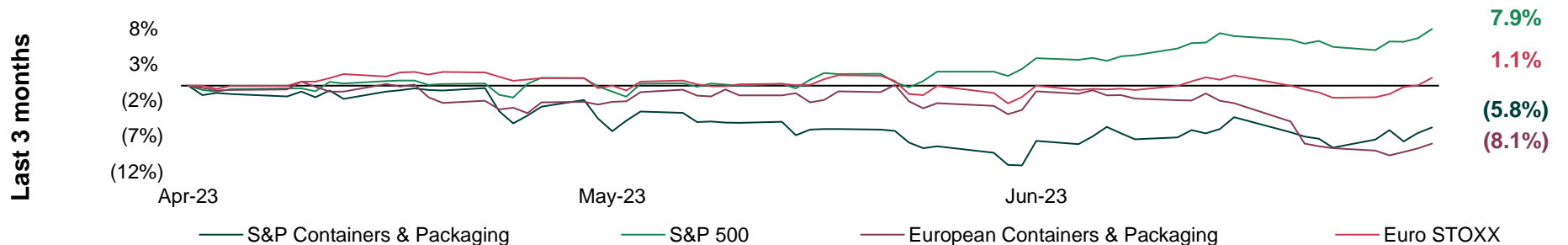
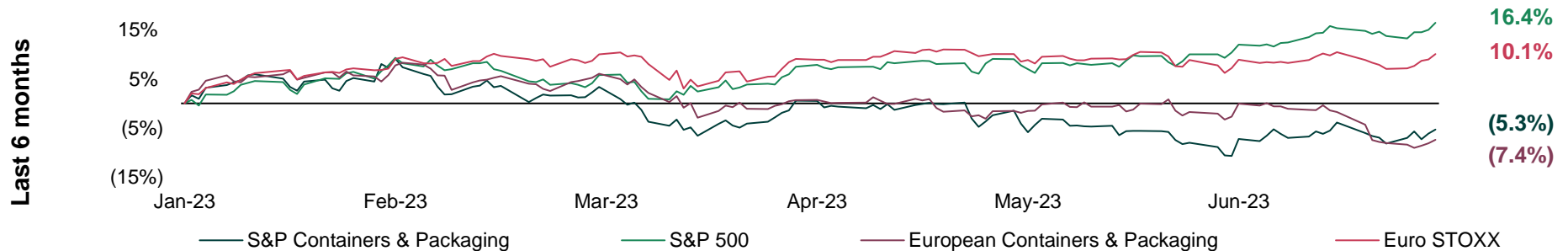
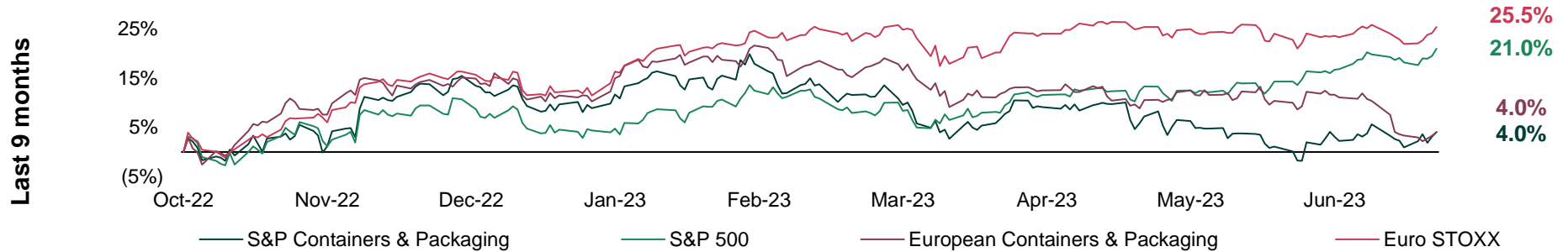
Greek packaging companies' key updates

| Company | Q2 2023 key updates |
|---|--|
|  | <ul style="list-style-type: none"> Announced investments of €40m to increase productivity and exports, partly financed by a €13m bond Issued a €7m bond to cover its working capital needs CEO commented on the company's efforts to develop new innovative green products |
|  | <ul style="list-style-type: none"> Announced a €30m investment plan for 2023 Investment plan will include a new pilot investment in paper packaging, improving automations and robotics, increase production capacity and expand current PV systems output |
|  | <ul style="list-style-type: none"> Continued its €35m investment plan for 2020 - 2024 to increase production, expand product range and drive exports The company is expanding its range of Eco-friendly products → recently completed the design of its new ecological film |
|  | <ul style="list-style-type: none"> Announced a new investment cycle focusing on expanding production and reducing energy costs New investments of €12m starting in 2023 and €12m starting in 2024 to increase production capacity and modernize factory equipment in China, France, Romania and Poland |
|  | <ul style="list-style-type: none"> El Pack is moving forward with its digital transformation plans Partnered with dd Synergy to streamline business processes, integrate information systems and adopt a friendly user interface |
|  | <ul style="list-style-type: none"> Announced plans to invest €6m for the expansion of its paper factory facilities and the installation of new mechanical equipment in France Recently completed a €0.9m investment for the installation of PV systems in its Greek factories |

| Key takeaways |
|---|
| <p>Speed up investment plans to increase productivity and exports</p> <ul style="list-style-type: none"> Greek packaging companies are increasing production capacity and modernizing their equipment Companies continue to invest in PV systems to bring down costs and remain competitive in domestic and foreign markets |
| <p>Packaging companies are focusing on developing eco-friendly products</p> <ul style="list-style-type: none"> Industry players are increasing their R&D spendings to develop eco-friendly products Plastics manufacturers are implementing paper packaging pilot investments to diversify product mix |
| <p>Greek packaging companies are investing in digital transformation</p> <ul style="list-style-type: none"> Greek packaging companies are investing in digital transformation Companies are aiming to streamline business processes and expand clientele using technology |

European and US containers & packaging indices continue to underperform the broader market in Q2 2023

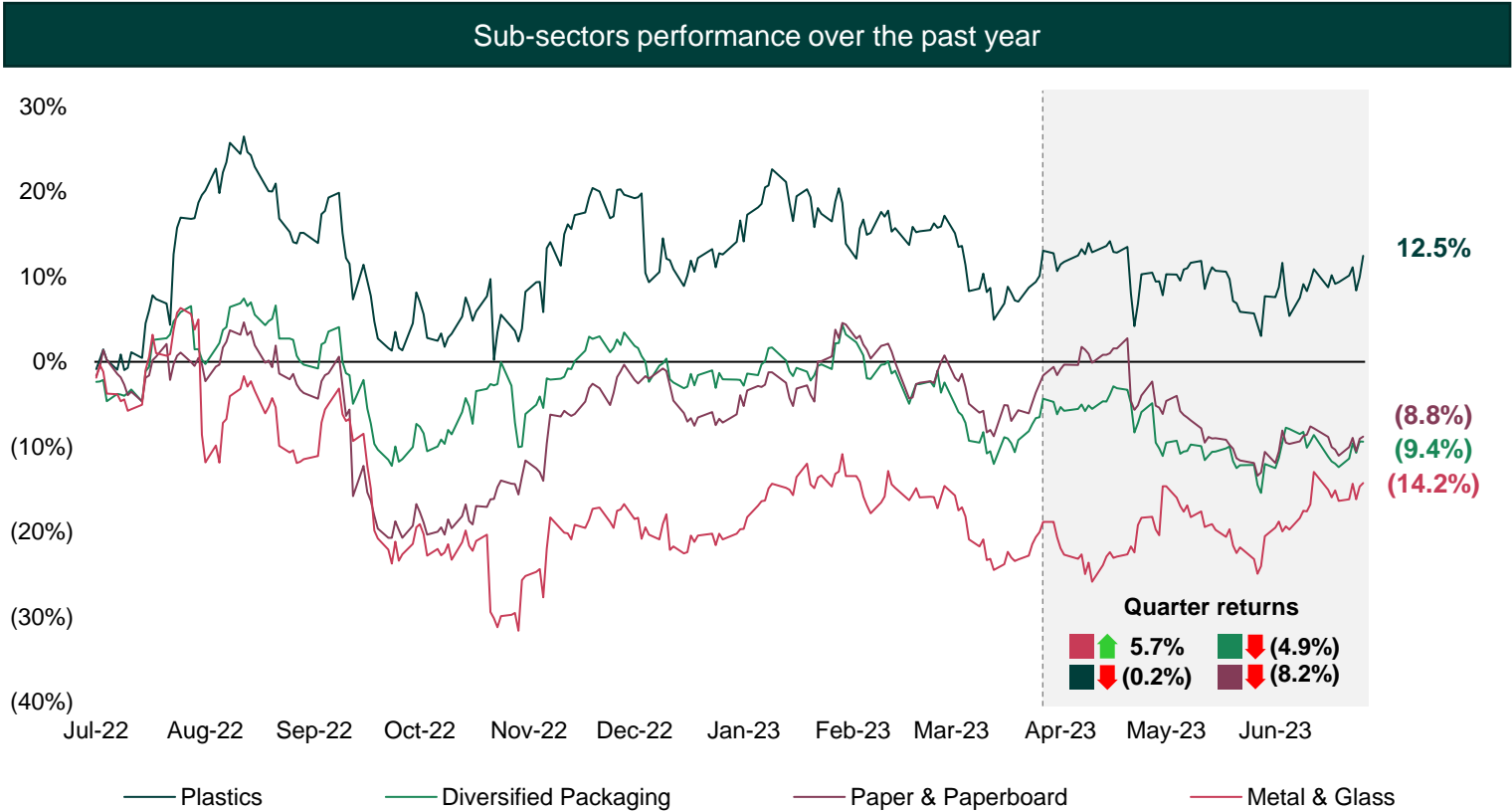
Sector performance



Metal & glass has underperformed the rest of the sector over the LTM but recorded gains in Q2 2023

Publicly traded companies overview per sub-sector

- Plastics sector continues to outperform, recording returns of 12.5% over the LTM
- Most of the industry's sub-sectors have witnessed losses in Q2 2023 with paper & paperboard sub-index contracting by 8.2%
- Metal & glass was the only sector that managed to record positive returns in Q2, recording gains of 5.7%

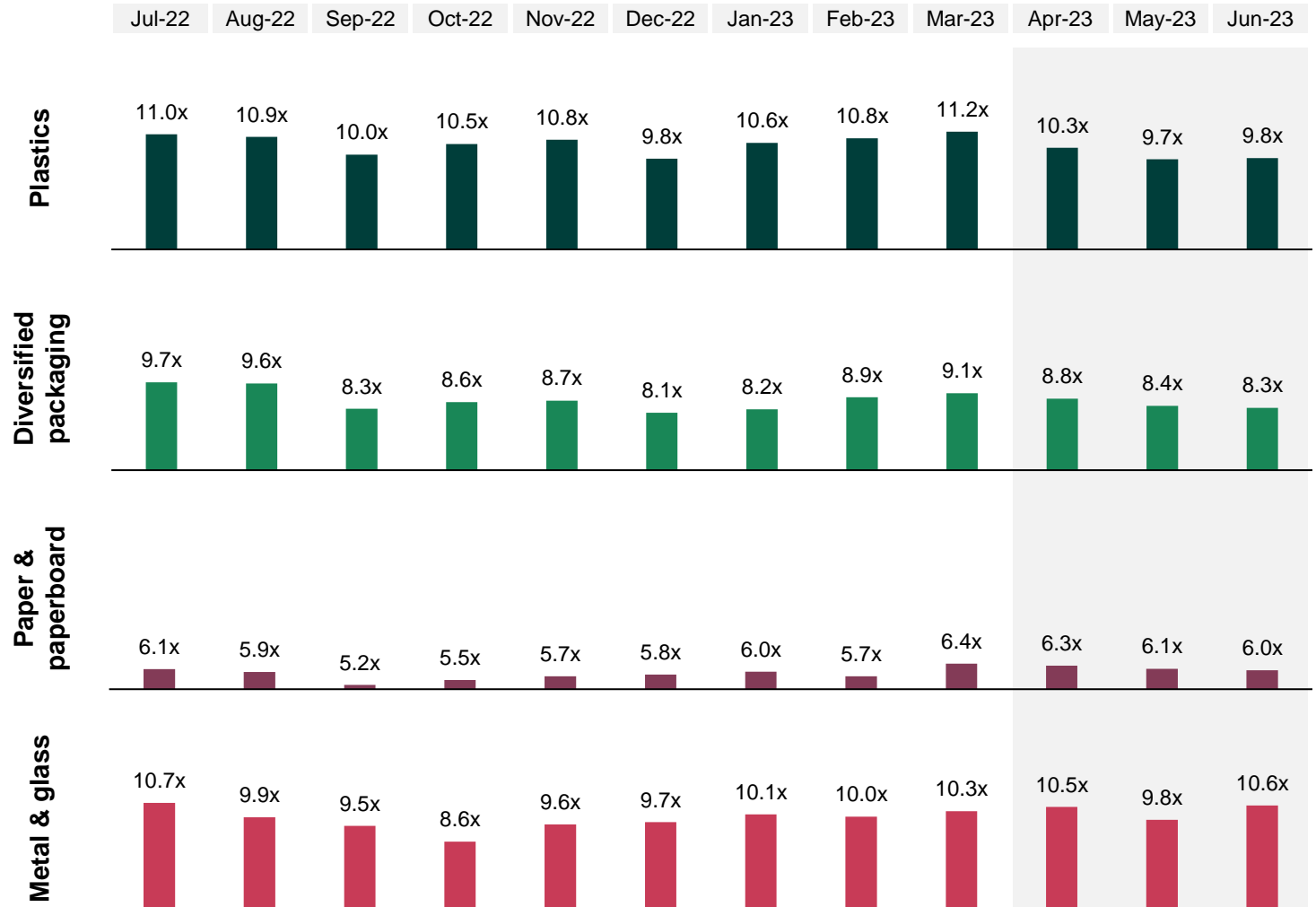


Data as of 30/6/2023
 Notes: Market-weighted sub-sector indices constituents can be found on slides 8-9
 Sources: FactSet

Most of the industry's sub sectors have witnessed a decrease in multiples over Q2 2023

Median LTM EV/EBITDA multiples

- Most of the industry's sub sectors have witnessed a decrease in their valuation multiples except for metal & glass
- Metal & glass multiples are the highest compared to the rest of the sector increasing from 10.3x to 10.6x in Q2 2023
- Paper & paperboard multiples remain the lowest, witnessing a mild decline of 6%



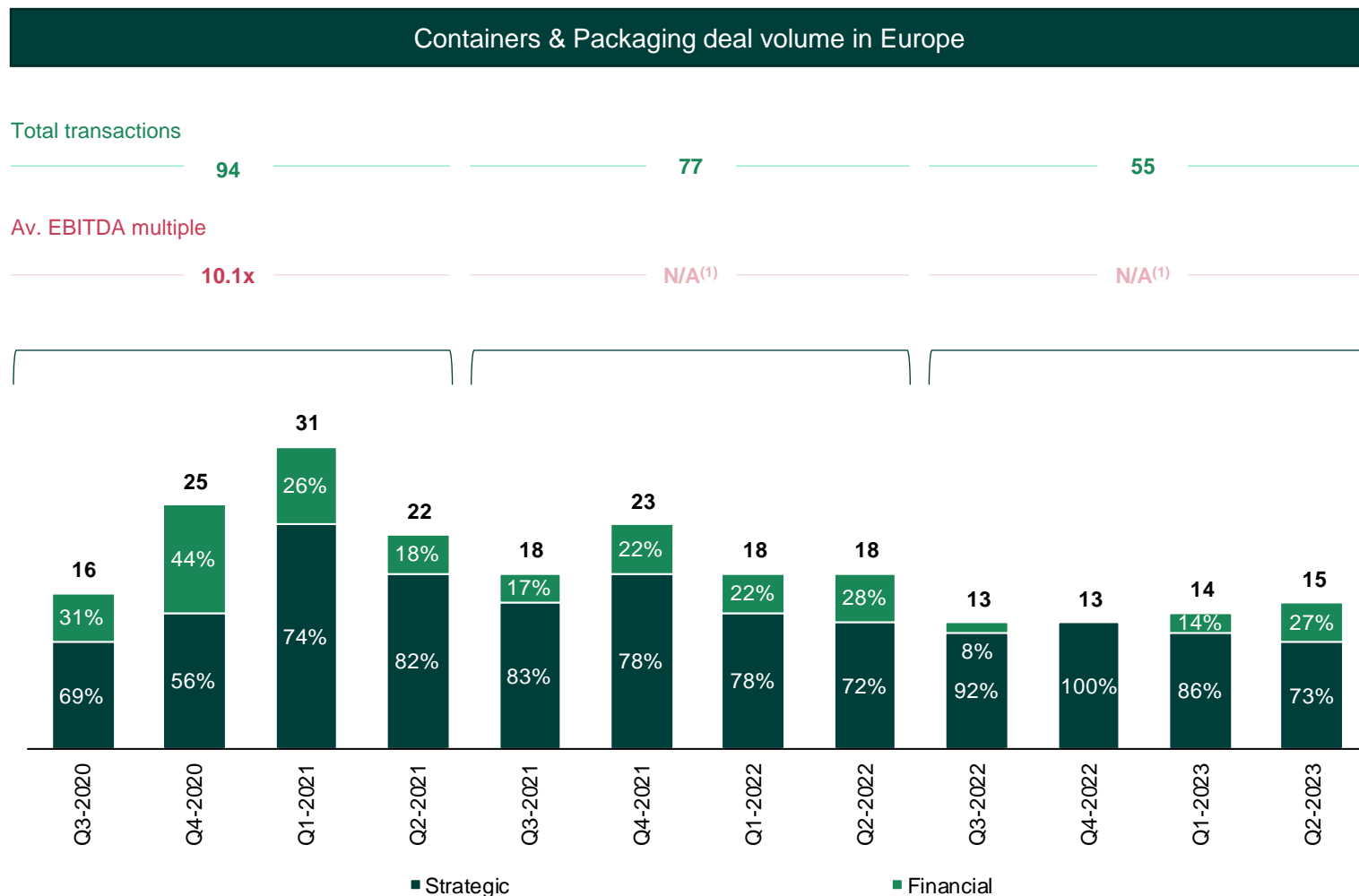
Notes: Sub-sector index constituents can be found on pages 8-9; some historic multiples may have deviations from previous reports due to restatements or differences between preliminary and final results published

Sources: FactSet

M&A activity remained muted during the second quarter of the year

Europe M&A update

- High interest rates and persistent inflation have restrained strategic and financial sponsors from extensive dealmaking
- Deal count has remained muted in Q2 2023, recording 15 transactions compared to 14 during Q1 2023
- Deal count in Q2 2023 was 16.7% lower compared to Q2 2022



Data as of 30/6/2023

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 |
| Amcor | GBR | 13,460 | 19,880 | 13,611 | 20% | 5% | 1,845 | 14% | 1.5x | 1.5x | 1.5x | 10.5x | 10.8x | 10.5x |
| Avery Dennison | USA | 12,712 | 15,632 | 8,238 | 21% | (4%) | 1,256 | 15% | 1.9x | 1.9x | 1.8x | 13.3x | 12.4x | 11.5x |
| CCL Industries | CAN | 8,006 | 9,084 | 4,648 | 21% | (0%) | 924 | 20% | 2.0x | 2.0x | 1.9x | 10.4x | 9.8x | 9.5x |
| Berry Global Group | USA | 7,030 | 15,437 | 12,184 | 16% | (9%) | 1,928 | 16% | 1.2x | 1.3x | 1.2x | 8.0x | 8.0x | 7.7x |
| Brady Corporation | USA | 2,156 | 2,106 | 1,212 | 22% | 3% | 231 | 19% | 1.8x | 1.7x | 1.7x | 9.2x | 9.1x | 8.9x |
| Winpak | CAN | 1,855 | 1,501 | 1,123 | 33% | (0%) | 224 | 20% | 1.3x | 1.3x | 1.3x | 7.1x | 6.7x | 6.5x |
| Average | | | | | 22% | (1%) | | 17% | 1.6x | 1.6x | 1.6x | 9.8x | 9.5x | 9.1x |
| Median | | | | | 21% | (0%) | | 18% | 1.6x | 1.6x | 1.6x | 9.8x | 9.5x | 9.2x |

| 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 | 5,294 | 9,539 | 5,425 | 15% | 1% | 1,141 | 21% | 1.9x | 1.8x | 1.7x | 9.4x | 8.4x | 7.8x |
| Sonoco Products | USA | 5,299 | 8,298 | 6,785 | 46% | (2%) | 1,053 | 15% | 1.3x | 1.2x | 1.2x | 7.9x | 7.9x | 7.6x |
| Silgan Holdings | USA | 4,739 | 8,102 | 5,985 | 27% | (2%) | 905 | 15% | 1.4x | 1.4x | 1.3x | 9.9x | 9.1x | 8.6x |
| DS Smith | GBR | 4,363 | 6,265 | 8,959 | 12% | (6%) | 1,219 | 14% | 0.7x | 0.7x | 0.7x | 4.6x | 5.2x | 5.1x |
| Huhtamaki | FIN | 3,239 | 4,682 | 4,370 | 25% | (2%) | 593 | 14% | 1.0x | 1.1x | 1.0x | 8.3x | 7.9x | 7.4x |
| Greif | USA | 3,119 | 5,918 | 4,952 | 28% | (17%) | 737 | 15% | 1.1x | 1.2x | 1.2x | 6.8x | 8.1x | 8.1x |
| Orora | AUS | 1,697 | 2,257 | 2,730 | 19% | 4% | 265 | 10% | 0.8x | 0.8x | 0.8x | 8.9x | 8.5x | 8.2x |
| Average | | | | | 25% | (3%) | | 15% | 1.2x | 1.2x | 1.1x | 8.0x | 7.9x | 7.5x |
| Median | | | | | 25% | (2%) | | 15% | 1.1x | 1.2x | 1.2x | 8.3x | 8.1x | 7.8x |

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 | 10,119 | 17,176 | 18,221 | 23% | (10%) | 2,103 | 12% | 0.9x | 0.9x | 0.9x | 6.6x | 8.2x | 8.2x |
| Packaging Corp | USA | 10,894 | 13,030 | 7,281 | 23% | (10%) | 1,420 | 20% | 1.7x | 1.8x | 1.8x | 7.5x | 9.3x | 9.6x |
| Stora Enso | FIN | 8,542 | 11,413 | 10,659 | 15% | (9%) | 1,420 | 13% | 1.0x | 1.1x | 1.0x | 5.5x | 8.2x | 6.7x |
| Smurfit Kappa | IRL | 7,967 | 10,922 | 11,649 | 27% | (9%) | 2,018 | 17% | 0.9x | 0.9x | 0.9x | 4.7x | 5.4x | 5.5x |
| Graphic Packaging | USA | 6,765 | 11,744 | 9,196 | 48% | 2% | 1,762 | 19% | 1.3x | 1.3x | 1.3x | 7.4x | 6.7x | 6.4x |
| WestRock Company | USA | 6,825 | 15,911 | 19,007 | 25% | (3%) | 2,644 | 14% | 0.8x | 0.8x | 0.8x | 5.4x | 6.0x | 6.0x |
| Empresas | CHL | 4,382 | 8,146 | 6,988 | 39% | (6%) | 1,414 | 20% | 1.0x | 1.2x | 1.2x | 3.7x | 5.9x | 5.9x |
| Mayr-Melnhof Karton | AUT | 2,684 | 4,226 | 4,237 | 53% | (10%) | 487 | 11% | 0.9x | 1.0x | 1.0x | 6.9x | 8.7x | 6.2x |
| Sappi | ZAF | 1,065 | 2,183 | 5,416 | 53% | (20%) | 624 | 12% | 0.4x | 0.4x | 0.4x | 2.1x | 3.0x | 3.4x |
| Cascades | CAN | 815 | 2,265 | 3,248 | 22% | (1%) | 362 | 11% | 0.7x | 0.7x | 0.7x | 7.3x | 6.5x | 5.7x |
| Clearwater Paper | USA | 486 | 1,005 | 1,960 | 32% | (1%) | 268 | 14% | 0.5x | 0.5x | 0.5x | 4.7x | 3.8x | 4.2x |
| Nampak | ZAF | 25 | 410 | 872 | 26% | (12%) | 134 | 15% | 0.5x | 0.4x | 0.4x | 6.7x | 2.9x | 2.3x |
| Average | | | | | 32% | (7%) | | | 0.9x | 0.9x | 0.9x | 5.7x | 6.2x | 5.8x |
| Median | | | | | 26% | (9%) | | | 0.9x | 0.9x | 0.9x | 6.0x | 6.2x | 5.9x |

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 | 16,783 | 25,597 | 13,963 | 23% | (4%) | 1,987 | 14% | 1.9x | 1.8x | 1.8x | 16.3x | 12.9x | 12.1x |
| Crown Holdings | USA | 9,563 | 16,479 | 12,058 | 27% | (2%) | 1,742 | 15% | 1.4x | 1.4x | 1.3x | 10.6x | 9.5x | 8.9x |
| O-I Glass | USA | 3,036 | 7,090 | 6,640 | 21% | 2% | 1,333 | 20% | 1.1x | 1.1x | 1.0x | 6.6x | 5.2x | 5.1x |
| Average | | | | | 24% | (1%) | | | 1.5x | 1.4x | 1.4x | 11.2x | 9.2x | 8.7x |
| Median | | | | | 23% | (2%) | | | 1.4x | 1.4x | 1.3x | 10.6x | 9.5x | 8.9x |

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

Q2 2023 and Q1 2023



| <i>(Figures in €m)</i> | | | | | |
|------------------------|---|--------------------------------------|------|------------|-----------|
| Date | Target | Buyer | EV | EV/Revenue | EV/EBITDA |
| Jun-2023 | EK Pack Folien | Oliver Healthcare Packaging | - | - | - |
| Jun-2023 | Polipak | Sarantis Polska | 24.5 | - | - |
| Jun-2023 | JPF Netherlands Investment | Jindal Poly Films | - | - | - |
| May-2023 | AviusULD | Hivest Capital Partners | - | - | - |
| May-2023 | ITEC Packaging (Mansfield) | Alpla Werke Alwin Lehner | - | - | - |
| May-2023 | Cartospé Packaging | Société Générale; Cartospe Packaging | - | - | - |
| May-2023 | DC-Supply | MS2 Invest | - | - | - |
| May-2023 | iTEC Packaging (Chester-le-Street) | Shalam Packaging | - | - | - |
| May-2023 | Ginés Coll | Navis Capital Desarrollo | - | - | - |
| Apr-2023 | Zeisberger Süd Folie | Saropack | - | - | - |
| Apr-2023 | Lario Plast | Alto Partners | - | - | - |
| Apr-2023 | Transcend Packaging | ITOCHU Corp. | - | - | - |
| Apr-2023 | LÁSZLÓPACK Ipari, Kereskedelmi és Szolgáltató | Constantia Flexibles Group | - | - | - |
| Apr-2023 | GMT Graficos | Autajon CS | - | - | - |
| Apr-2023 | S.H. Fiske | R.H. Fibreboard Containers | - | - | - |
| Mar-2023 | townboxx | Fast Finance24 Holding | - | - | - |
| Mar-2023 | Kap / Flexible Films Segment Subsection | Kingspan Holding | - | - | - |
| Mar-2023 | A.E. Sutton | Macfarlane Group | 8.0 | 1.0 | 6.4 |
| Mar-2023 | Drukpol.Flexo | Wendel; Constantia Flexibles | - | - | - |
| Mar-2023 | Kartonfabrik Buchmann | Moritz J Weig | - | - | - |
| Feb-2023 | Incodia International | Woodberry Ireland Capital | - | - | - |
| Feb-2023 | E.W. Cartons | Cepac | - | - | - |
| 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 | - | - | - |

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

Notable containers and packaging M&A transactions in Greece

2019 to Q2 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 | - | - | - |

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