



PACKAGING SECTOR UPDATE

M&A REPORT

Q3 2023

ALMA.advisors

Q3 market and sector overview

Continuous trend towards circular economy is pushing Greek packaging companies to strengthen their portfolio of eco-friendly products

Macroeconomic developments

- European Central Bank continues its rate hike cycle with **two consecutive 25bp rate hikes in Q3**, increasing interest rates to 4.5% in September 2023
- Despite the decline in the September's headline inflation to 4.3%⁽¹⁾, the ECB **raised its 2024 inflation projections** citing that inflation is expected to remain too high for too long
- Eurozone's economic growth projections have been **revised downwards for 2024** as tighter financing conditions across the globe are **dampening domestic demand** and **international trade**
- According to the eurozone PMI report, manufacturers have experienced a **significant downstream destocking cycle in Q3 2023**, which resulted in the biggest fall in stocks of finished goods in the last two years

Greek containers & packaging sector trends

Eco-products on the rise

- Continuous trend towards circular economy** is pushing industry players to produce a wider range eco-friendly products
- Greek companies are **increasing their sustainable packaging offering** to remain competitive

Sustainability initiatives

- Amid persisting regulatory pressures, Greek packaging companies are increasingly **investing on technological advancements** to upgrade production and **reduce environmental footprint**

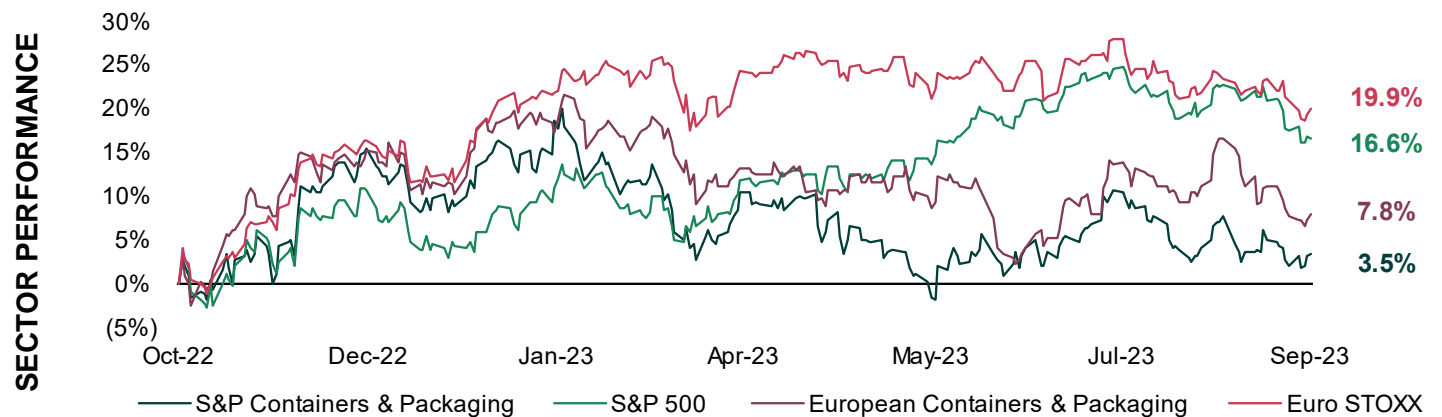
Internationalization moves

- Greek packaging companies are turning focus on **strengthening their activities outside Greece** to increase top line:
 - Investing to **expand production capacity abroad** to meet increasing customer demand

Destocking cycle is easing

- Despite the slow demand in the packaging sector, **Eurozone PMI** reported that destocking cycle shows signs of easing
 - Opportunistic remarks from industry players that the **destocking process is abating**

European and US Container & Packaging indices vs the broader market



Data as of 30/9/2023







Notes: (1) Preliminary data for September 2023

Sources: FactSet, Eurozone PMI, ECB

ALMA.advisors

Greek packaging companies' key updates

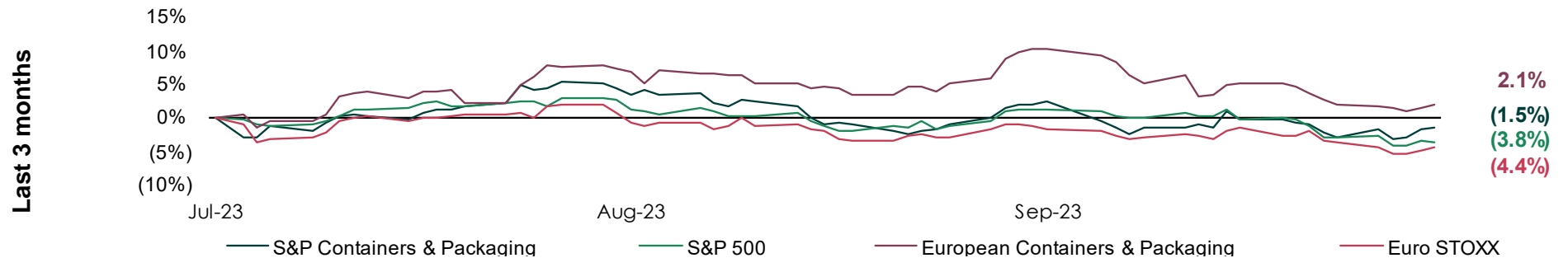
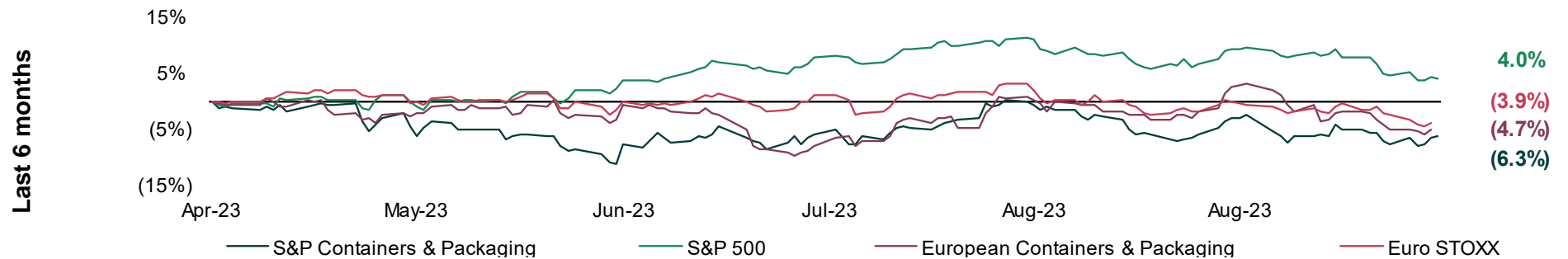
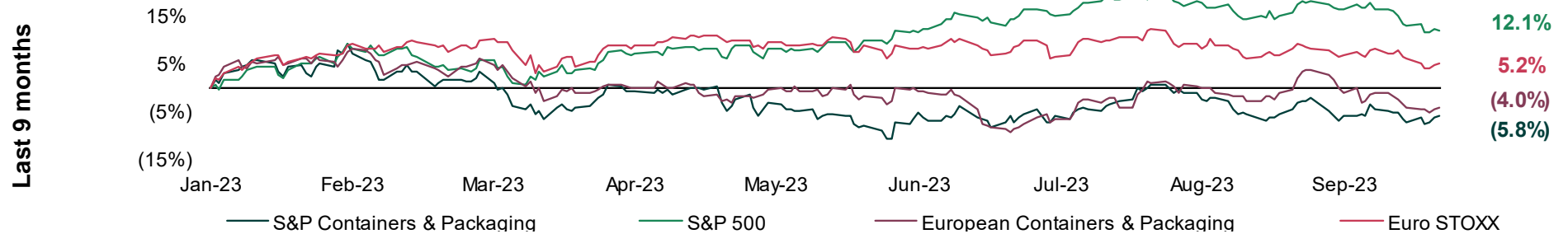
Greek packaging companies are speeding up investments to expand product offering

Company	Q3 2023 key updates
	<ul style="list-style-type: none">Announced plans to fund its international subsidiaries to strengthen international presence<ul style="list-style-type: none">Australian-based subsidiary to received funding for the construction of a new industrial building
	<ul style="list-style-type: none">Announced a €34m investment plan to upgrade its 3 packaging facilities in Greece to increase production capacity and further grow the group's presence in Eastern Europe
	<ul style="list-style-type: none">Formed a strategic partnership with the Swedish company PulPac for its Dry molded fiber technology to:<ul style="list-style-type: none">Further enhance its sustainable product offering → lids as the first product to be produced using the Dry molded fiber technologyExpand geographic reach → PulPac has 7 production units in N. America and Europe
	<ul style="list-style-type: none">Berlin Packaging acquired Coropoulos, a transaction aiming to strengthen the company's packaging capabilities in Greece by offering a broader range of closures and capping solutions
	<ul style="list-style-type: none">The company is expanding its product portfolio → launched a new film that is compostable, recyclable and 63% reusable
	<ul style="list-style-type: none">The group continued its investments in new technologies to increase production capacity, improve cost base and reduce environmental footprint

Key takeaways
<p>Greek packaging companies are investing to expand product offer</p> <ul style="list-style-type: none">Industry players are focused on expanding their product portfolio:<ul style="list-style-type: none">Through own R&D and own investmentsBy developing partnerships with international playersIncreasing demand for sustainable products
<p>Industry players are investing to increase production capacity</p> <ul style="list-style-type: none">Greek packaging companies are investing to increase production capacity, in anticipation that the destocking cycle will come to an end soonCompanies are investing in new technologies to bring down costs
<p>Packaging companies are focusing on strengthening their geographic reach</p> <ul style="list-style-type: none">Packaging companies seek to strengthen their global presence by investing in new facilities abroad and modernizing existing facilities

Sector performance

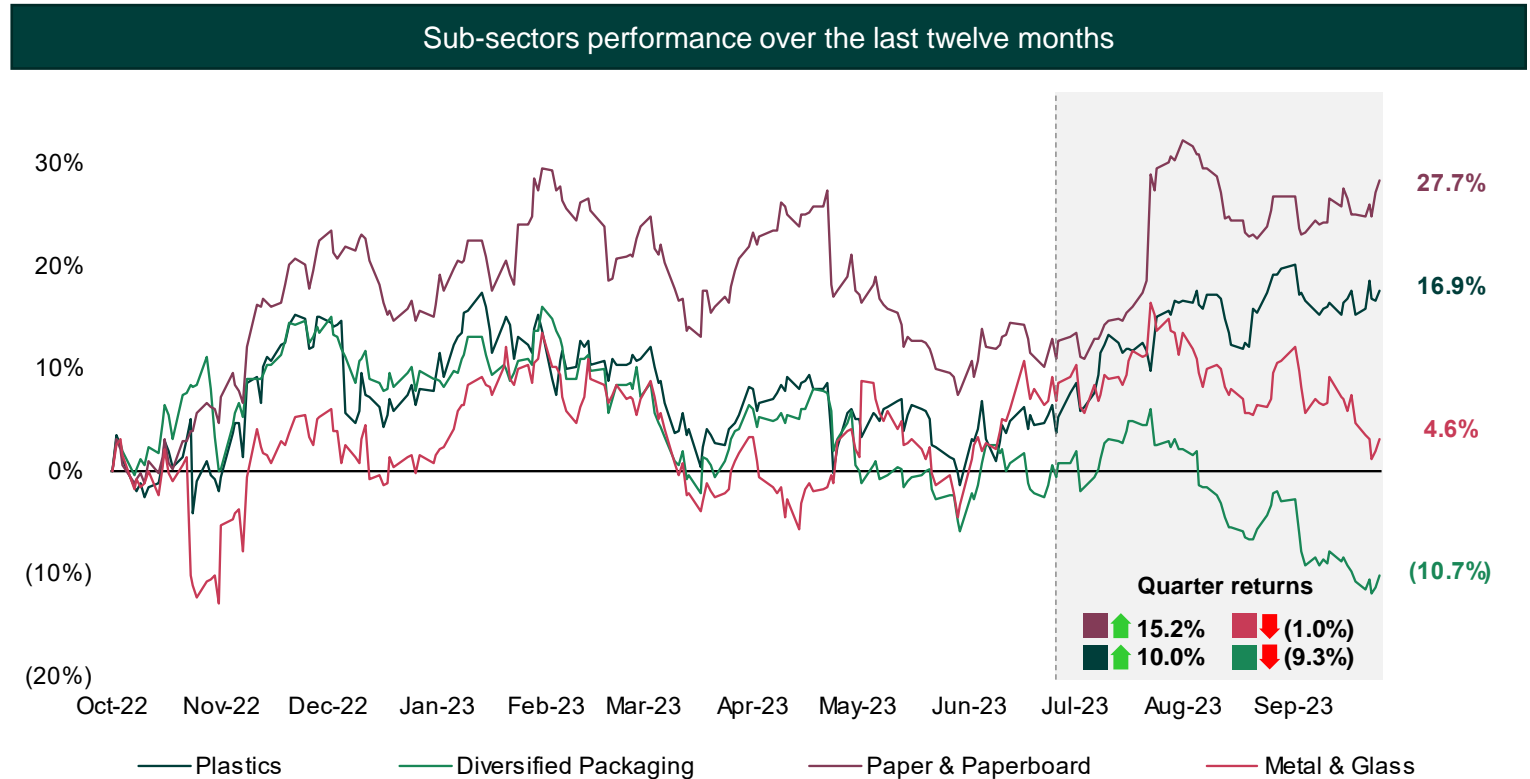
European Containers & Packaging Index has overperformed both the US C&P Index and the broader market in Q3 2023



Publicly traded companies overview per sub-sector

Paper & Paperboard has outperformed the rest of the sector both over the LTM and in Q3 2023

- Paper & paperboard has outperformed the rest of the sector both over the LTM and in Q3 2023 on the back of increased selling prices, in anticipation of reduced selling volume
- Over the LTM, diversified packaging was the only sector that experienced negative returns, recording losses of 10.7%
- In Q3 2023, Paper & paperboard and Plastics recorded double-digit gains, whereas Metal & Glass and Diversified Packaging recorded losses of 1.0% and 9.3%, respectively



Median LTM EV/EBITDA multiples

Over Q3 2023 Diversified packaging and Paper & Paperboard were the only sectors that witnessed an increase in multiples

- *Diversified packaging and Metal & Glass sectors witnessed a minor decrease in EBITDA multiples; Plastics sector multiples edged higher while Paper & paperboard remained stable*
- *Metal & glass multiples continue to trade well above other verticals within the packaging sector and above their 12M average*

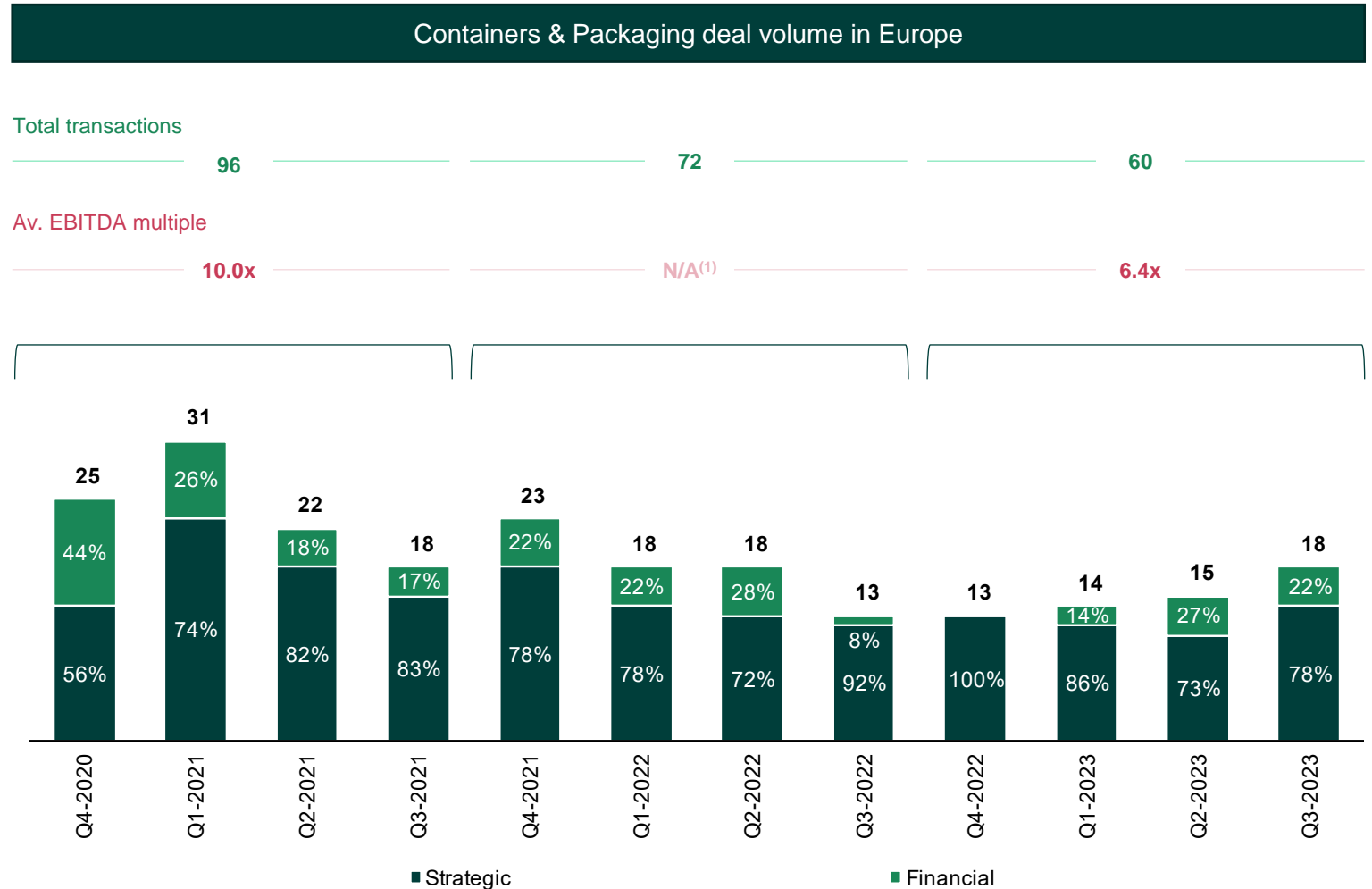


Notes: Sub-sector index constituents can be found on pages 8-9; some historic multiples may have deviations from previous reports due to restatements or differences between preliminary and final results published
Sources: FactSet

Europe M&A update

M&A activity has recorded a slight increase during the third quarter of 2023

- Continuous interest rate hikes and slow demand in the packaging sector has discouraged extensive dealmaking
- M&A activity witnessed a slight increase in Q3 2023, recording 18 transactions compared to 15 during Q2 2023
- Deal count in Q3 2023 was 27.8% higher compared to Q3 2022



Data as of 30/9/2023

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

Sources: FactSet

Trading comps (1/2)

PLASTICS

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
Avery Dennison	USA	13,903	16,921	8,116	21%	(6%)	1,210	15%	2.1x	2.1x	2.0x	14.9x	14.1x	12.3x
Amcor	GBR	12,514	18,642	13,494	20%	4%	1,853	14%	1.4x	1.4x	1.4x	9.9x	9.9x	10.0x
CCL Industries	CAN	7,099	8,157	4,637	21%	(1%)	918	20%	1.8x	1.7x	1.7x	9.3x	8.8x	8.4x
Berry Global Group	USA	6,906	15,343	12,150	16%	(9%)	1,948	16%	1.3x	1.3x	1.3x	8.0x	8.1x	7.7x
Brady Corporation	USA	2,509	2,444	1,244	22%	6%	239	20%	1.9x	1.9x	1.8x	10.0x	9.9x	9.8x
Winpak	CAN	1,754	1,370	1,107	33%	(1%)	229	21%	1.2x	1.2x	1.2x	6.4x	6.0x	5.9x
Average					22%	(1%)		17%	1.6x	1.6x	1.6x	9.7x	9.5x	9.0x
Median					21%	(1%)		18%	1.6x	1.6x	1.5x	9.6x	9.3x	9.1x

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
Sonoco Products	USA	5,028	7,901	6,507	46%	(6%)	1,003	15%	1.2x	1.2x	1.2x	7.6x	8.0x	7.7x
DS Smith	GBR	4,559	6,451	8,712	11%	(8%)	1,181	14%	0.7x	0.7x	0.7x	4.7x	5.4x	5.3x
Sealed Air	USA	4,482	8,864	5,224	15%	(3%)	1,043	20%	1.7x	1.7x	1.7x	8.6x	8.7x	8.1x
Silgan Holdings	USA	4,477	8,075	5,939	22%	1%	880	15%	1.4x	1.4x	1.3x	9.7x	9.3x	8.9x
Huhtamaki	FIN	3,357	4,807	4,265	25%	(5%)	580	13%	1.1x	1.1x	1.1x	8.5x	8.5x	7.7x
Greif	USA	2,949	5,816	4,982	28%	(16%)	766	16%	1.2x	1.2x	1.2x	6.7x	7.7x	7.7x
Orora	AUS	2,252	2,856	2,531	19%	(4%)	262	10%	1.1x	1.1x	1.0x	11.4x	10.6x	7.5x
Average					24%	(6%)		15%	1.2x	1.2x	1.2x	8.2x	8.3x	7.6x
Median					22%	(5%)		15%	1.2x	1.2x	1.2x	8.5x	8.5x	7.7x

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
Packaging Corp	USA	13,040	15,061	7,473	23%	(7%)	1,488	20%	2.0x	2.1x	2.0x	9.0x	10.3x	11.1x
International Paper	USA	11,592	18,594	18,307	23%	(9%)	2,101	11%	1.0x	1.0x	1.0x	7.7x	9.0x	9.2x
Stora Enso	FIN	9,502	12,487	9,851	15%	(16%)	968	10%	1.1x	1.3x	1.3x	7.1x	12.7x	8.8x
WestRock Company	USA	8,670	17,344	19,427	25%	(1%)	2,789	14%	0.9x	0.9x	0.9x	6.1x	6.3x	6.6x
Smurfit Kappa	IRL	8,194	11,289	11,536	27%	(10%)	2,004	17%	0.9x	1.0x	1.0x	5.1x	5.6x	5.9x
Graphic Packaging	USA	6,465	11,401	9,326	48%	4%	1,783	19%	1.3x	1.2x	1.2x	6.6x	6.5x	6.3x
Empresas	CHL	4,324	8,642	7,367	39%	(1%)	1,423	19%	1.1x	1.1x	1.1x	4.8x	6.0x	5.6x
Mayr-Melnhof Karton	AUT	2,556	4,233	4,249	53%	(9%)	472	11%	0.9x	1.0x	1.0x	8.5x	9.0x	6.7x
Sappi	ZAF	1,243	2,309	5,537	53%	(18%)	639	12%	0.4x	0.4x	0.4x	2.7x	3.7x	3.8x
Cascades	CAN	863	2,342	3,205	22%	(2%)	384	12%	0.7x	0.7x	0.7x	6.7x	6.0x	5.7x
Clearwater Paper	USA	572	1,065	2,006	32%	1%	282	14%	0.5x	0.5x	0.5x	4.7x	3.9x	4.3x
Nampak	ZAF	94	475	865	26%	(13%)	133	-	0.5x	N.M.	N.M.	7.8x	N.M.	N.M.
Average					32%	(7%)		15%	1.0x	1.0x	1.0x	6.4x	7.2x	6.7x
Median					26%	(8%)		14%	0.9x	1.0x	1.0x	6.7x	6.3x	6.3x

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	14,813	23,352	13,893	23%	(5%)	2,031	15%	1.7x	1.7x	1.6x	14.0x	11.7x	11.0x
Crown Holdings	USA	10,083	16,773	11,789	27%	(4%)	1,800	15%	1.5x	1.4x	1.4x	10.5x	9.5x	8.8x
O-I Glass	USA	2,450	6,471	6,853	21%	5%	1,415	21%	1.0x	1.0x	0.9x	5.6x	4.7x	4.5x
Average					24%	(1%)		17%	1.4x	1.4x	1.3x	10.0x	8.6x	8.1x
Median					23%	(4%)		15%	1.5x	1.4x	1.4x	10.5x	9.5x	8.8x

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

Q3 2023 and Q2 2023



(Figures in €m)

Date	Target	Buyer	Transaction value	Implied EV	EV/Revenue	EV/EBITDA
Sep-2023	Kefla-Glas	Lifco	-	-	-	-
Sep-2023	Eco Pack Technologies	Eco Pack Technologies	-	-	-	-
Sep-2023	Envases Tendero	Autajon Services	-	-	-	-
Sep-2023	Toneleria Vasyma	The Macallan Distillers	-	-	-	-
Aug-2023	Saverglass	Orora	1290.0	1290.0	-	-
Aug-2023	Vemo Trade	Accession Capital Partners	-	-	-	-
Aug-2023	Packaging R Us	Regal Food Products Group	-	-	-	-
Aug-2023	Helvetia Packaging	Crown Holdings	-	-	-	-
Aug-2023	Bosis	DS Smith	-	-	-	-
Jul-2023	Constantia Flexibles Group	One Rock Capital Partners	1097.0	1097.0	-	-
Jul-2023	Europoligrafico	Waterland Private Equity Investments	-	-	-	-
Jul-2023	Ahlstrom Munksjo	Accursia Capital	-	-	-	-
Jul-2023	Ultrabatch	Koinos Capital	-	-	-	-
Jul-2023	Asv Packaging	Hinojosa Packaging Cardedeu	-	-	-	-
Jul-2023	Creaprint	CCL Industries	29.6	29.6	1.9x	6.3x
Jul-2023	Durham Box	Logson Group	-	-	-	-
Jul-2023	Mach Label	White Bridge Investments	-	-	-	-
Jul-2023	Swedbag	Ejendals	-	-	-	-
Jun-2023	LIVAL	HCapital Partners	-	-	-	-
Jun-2023	EK Pack Folien	Oliver Healthcare Packaging	-	-	-	-
Jun-2023	Polipak	Sarantis Polska	4.9	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	-	-	-	-

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

ALMA.advisors

Notable containers and packaging M&A transactions in Greece

2019 to Q3 2023



(Figures in €m)

Date	Target	Buyer	Transaction value	Implied EV	EV/Revenue	EV/EBITDA
Jul-2023	Coropoulos Packaging	Berlin Packaging	-	-	-	-
Sep-2022	StyleGlass	Berlin Packaging	-	-	-	-
Jul-2022	MatrixPack	SouthBridge	-	-	-	-
Jun-2021	Elias Valavanis	Berlin Packaging	-	-	-	-
Dec-2020	Haitoglou Hartel	Industrial Development Company	24.8	-	-	-
Dec-2020	Paperpack	Orlando-Equity Holding	23.7	34.4	2.0x	8.3x
Jan-2020	Karatzis S.A. Industrial	Antkar	70.1	-	-	-
Jan-2019	Adam Pack	DECA Investments	-	-	-	-

Our firm

Tailored corporate finance services for the European mid-market

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



Nikolas Evangelou, CFA
Partner

Nikolas@almaadvisors.com
+357 99 135 137
+30 69 8687 7720



Panagiotis Georgiou, ACA
Partner

Panagiotis@almaadvisors.com
+357 99 310 705
+30 69 8418 4466

Greece

15 Platia Filikis Eterias,
106 74, Athens Greece
Email: office@almaadvisors.com
Phone: +30 210 672 8868

Cyprus

17 Grigoriou Xenopoulou St.,
3106, Limassol Cyprus
Email: office@almaadvisors.com
Phone: +357 25 86 80 80

Pure Corporate Finance

- Sell-side M&A
- Buy-side M&A
- Capital raising
- Debt advisory

Mid-market focus

- Mid-market technology and traditional sectors
- Greece, Cyprus and rest of Europe

Well connected

- Private equity funds
- Venture capital funds
- Family offices
- Investment holdings
- Corporates

Global capabilities

- Part of a global professional services group:



ALMA.advisors

ALMA.advisors

ALMA.advisors

ALMA.advisors

ALMA.advisors

ALMA.advisors

ALMA.advisors

ALMA.advisors

ALMA.advisors

ALMA.advisors

Disclaimer

The following disclaimer applies to all marketing materials (including but not limited to brochures, websites, newsletters, emails, and social media content) issued by Alma Advisors Ltd (“**Alma**”). By accessing or using any of the information provided in our marketing materials, you acknowledge and agree to the terms and conditions outlined in this disclaimer:

1. **General Information:** The marketing materials provided by Alma are intended for informational purposes only and should not be considered as personalized financial advice or an offer to buy, sell or hold any securities or financial products, or to proceed to any form of investment whatsoever. The content is based on our analysis and interpretation of available data and information at the time of publication, and it may be subject to change without notice. You agree that the use of any information included herein is at your own risk and acknowledge that this marketing material is provided “*as is*” and “*as available*” and that Alma makes no warranty of any kind, express or implied, as to the information included herein, including but not limited to fitness for a particular purpose or use.
2. **No Guarantee:** Alma makes no warranties or representations, express or implied, regarding the accuracy, completeness, reliability, or suitability of the information contained in our marketing materials. We do not guarantee the performance, returns, or future results of any strategy, product, or service mentioned in our materials. Where the performance of a financial asset is mentioned or indicated, it shall be noted that past performance is not indicative of future results.
3. **Financial Advice:** Our marketing materials are not a substitute for professional financial advice. It is important to consult with a qualified financial advisor or professional before making any investment decisions. Alma does not assume any liability for your financial decisions based on the information provided in our marketing materials. None of the information provided qualifies as, or can be construed as, a MiFID II regulated service. None of the information contained herein constitutes solicitation, offer, opinion, endorsement, or recommendation by Alma to buy or sell any security, or to provide legal, tax, accounting, or investment advice or services regarding the profitability or suitability of any security or investment.
4. **Third-Party Content:** Our marketing materials may include links or references to third-party websites, articles, or resources. The inclusion of such links or references does not imply an endorsement or recommendation of the content or views expressed therein. Alma is not responsible for the accuracy, legality, or content of any third-party materials.
5. **Regulatory Compliance:** Although Alma is not a regulated entity, we operate in accordance with applicable laws, regulations, and industry standards. Our marketing materials comply with the rules and guidelines set forth by regulatory authorities, to the extent applicable to Alma or the materials. However, different jurisdictions may have specific requirements, and it is your responsibility to ensure compliance with local laws.
6. **Risk Disclosure:** To the extent the material covers or mentions securities or related financial products, it shall be noted that investing in such securities and financial products involves inherent risks. The value of investments can fluctuate, and you may incur losses. The risk factors associated with specific investments are disclosed in the relevant offering documents, prospectuses, or other legal disclosures. You should carefully read and understand these documents before making any investment decisions. In that respect, Alma does not assume any responsibility, whether direct or indirect.
7. **Confidentiality:** Alma respects the privacy and confidentiality of its clients. Any personal or sensitive information shared with us will be handled in accordance with our privacy policy. However, please be aware that the security of information transmitted through electronic means cannot be guaranteed.
8. **Distribution:** The information provided herein is not intended for use by, or distribution to, any person or entity in any jurisdiction or country where such use or distribution would be contrary to law or regulation. Accordingly, Alma, its agents, directors, employees, and representatives shall not, directly or indirectly, be liable, in any way, should this material be distributed by any unauthorized party.
9. **Limitation of liability:** Under no circumstances, including but not limited to negligence, shall Alma, its affiliates, subsidiaries, agents, directors, officers, employees, or representatives be liable to you or any third party for damages of any kind (including, but not limited to, tort and contract), arising in any way from or in connection with this material. This limitation applies to any potential damages, including, without limitation, any direct, indirect, incidental, consequential, special, punitive, or exemplary damages.
10. **Changes to Disclaimer:** Alma reserves the right to modify or update this disclaimer at any time without prior notice. It is your responsibility to review the most current version of the disclaimer when accessing or using our marketing materials.

