Packaging Material Manufacturers

INDUSTRY UPDATE MARCH 2023

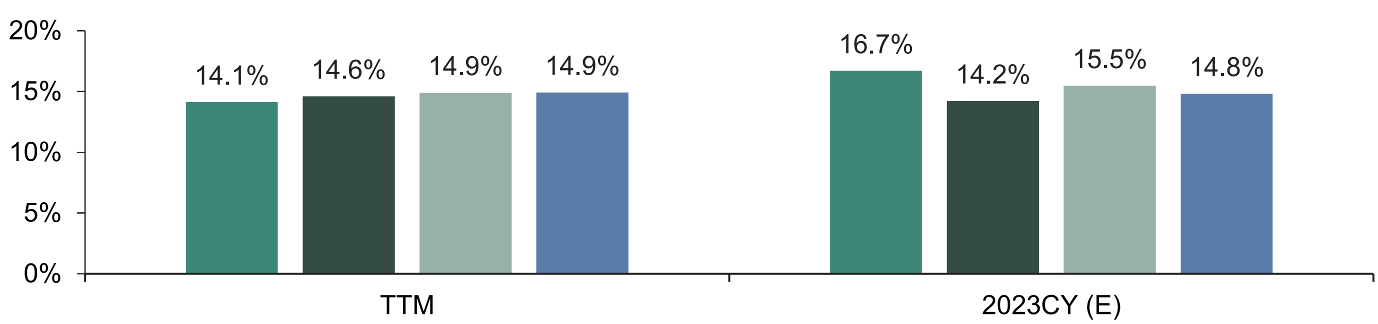
ankura CAPITAL ADVISORS

- The Packaging Material Manufacturing industry is typically driven by overall consumer spending. Pandemic driven monetary support by governments increased consumer spending through early 2023 despite rising interest rates
- If consumer spending declines as expected in 2023 the industry is likely to see overall revenue declines as well. Additional revenue pressures include shifts toward reusable packaging solutions and continued supply chain constraints of both wood and plastic
- EBITDA margins for the industry are expected to stay consistent or slightly decline for 2023 due to rising raw material costs

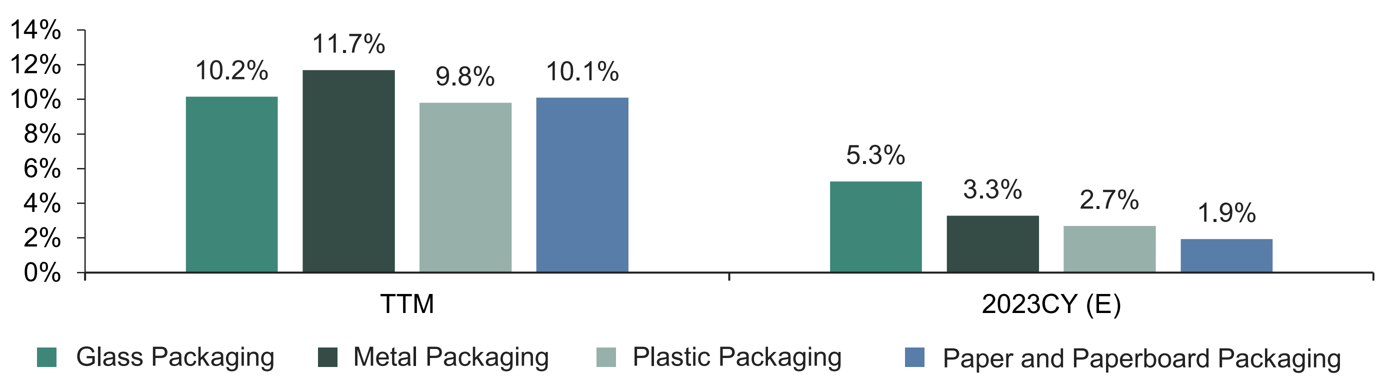
PACKAGING MATERIALS MANUFACTURERS HEADLINE TRANSACTIONS

TARGET	ACQUIRER	ACQUISITION SYNOPSIS
Airnov HEALTHCARE PACKAGING	Colorcon	In March 2023, Colorcon, Inc. acquired Airnov France SAS from Arsenal Capital Partners. Since Airnov is a leading global manufacturer of solutions such as canisters. packets, integrated desiccant systems etc. to protect healthcare products from moisture and oxygen, it will help Colorcon expand its developmental capabilities in specialty ingredients, formulated film coating systems, modified release technologies and functional excipients
AARTS Packaging the creative inventors	TriMas PACKAGING	In Feb 2023, TriMas Corporation (NasdaqGS:TRS) acquired Aarts Packaging B.V. from Berk Partners for approximately $38M. The acquisition will broaden company's presence in beauty packaging design solutions and will enhance Aarts Packaging's food packaging and medical applications market, expanding company's existing presence in those markets
Jacob A. Weaver Company	OLYMPIC	In December 2022, JAWCo, a wooden pallet manufacturer was represented by the principals of ACA in its sale to Olympic Forest Products of Cleveland. Olympic, founded in 1981, is an industry leader in providing pallets and pallet management services. The purchase of Jacob A Weaver Company further expands Olympics manufacturing operations and allows it to service its national client base with even greater efficiency

EBITDA MARGINS



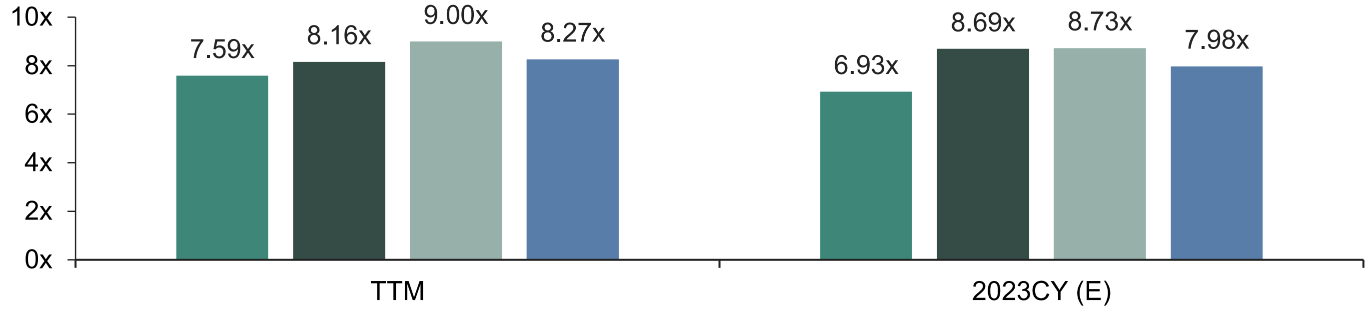
Revenue Growth



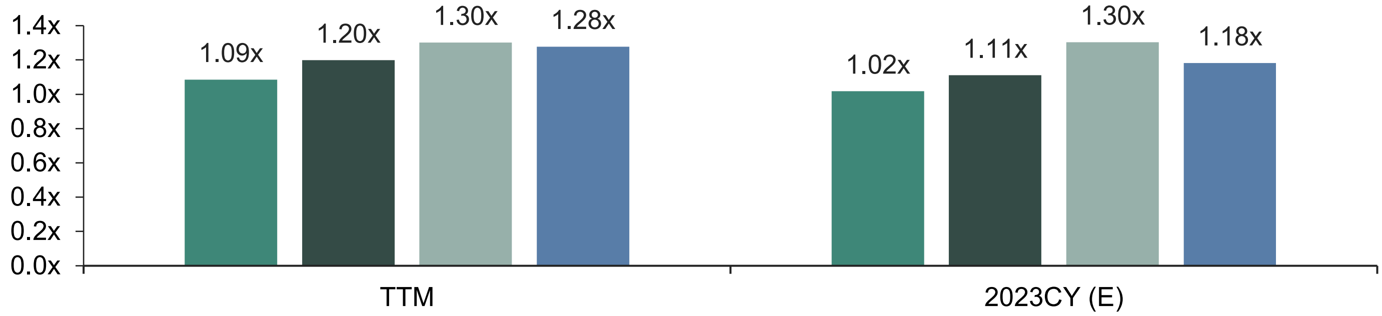
Source: Data from Pitchbook and CapIQ as of 03/21/2023, '8 of the Biggest Packaging Industry Trends for 2023' – Parcel, 'Packaging & Labeling Services in the US' – IBISWorld

- We witnessed expanded revenue, forward EBITDA and earnings multiples from the latter half of 2020 to 2022 as consumer spending and share price targets rose in an environment with strong tailwinds and near - zero interest rates
- Revenue, EBITDA and PE multiples are now all dipping back to early 2020 levels for the packaging industry as a whole
- Rising demand for eco-friendly packaging solutions has caused a shift away from traditional (and cheaper) paper and plastic materials therefore requiring manufacturers to identify alternative low-cost sustainable solutions going forward

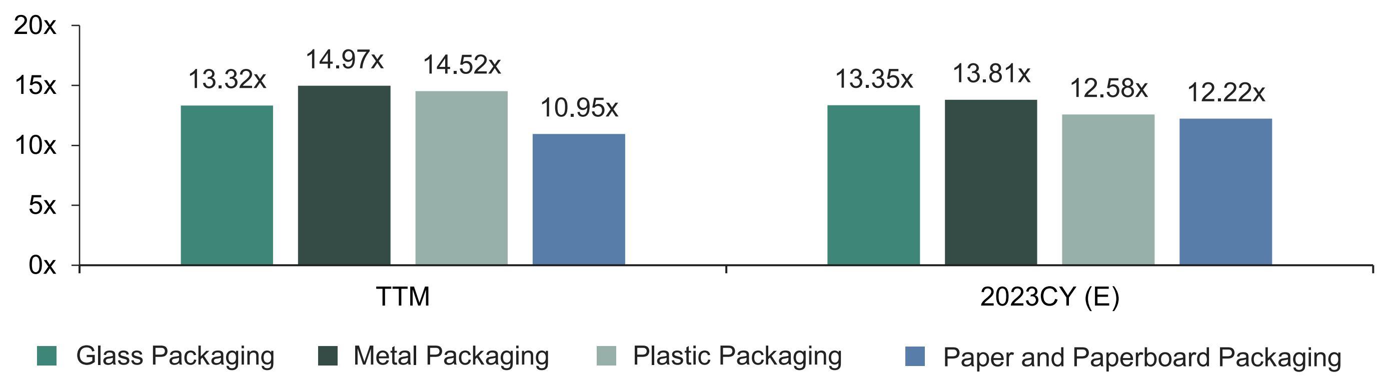
ENTERPRISE VALUE / EBITDA



ENTERPRISE VALUE / REVENUE



PRICE/EARNINGS



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