

Packaging and Labeling M&A Quarterly Update

SECOND QUARTER 2020

Industry players have implemented creative strategies to keep up with the increase in demand for essentials during COVID-19

M&A activity has slowed slightly for packaging and labeling; however companies that have implemented strategies to successfully adapt to COVID-19 remain of interest to investors

Packaging and Labeling Market Outlook

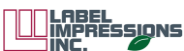
As a result of COVID-19, demand has risen across healthcare, consumer, and food categories; this has led business owners in the industry to reconfigure packaging category priorities

China's packaging sector dominance is likely to take a substantial hit during and after the pandemic; companies are now shifting their packaging needs to other more reliable countries like India

Personalized packaging and labeling is critical to the one-to-one customer experience; there has been an increase in demand for personalized packaging with B2C products

Notable Packaging and Labeling Transactions Q2-20

Labeling Provider



On June 18 2020, Brook & Whittle announced the acquisition of Label Solutions a unique printed label solutions provider.

"Label Impressions' West Coast manufacturing presence will allow us to more effectively serve and manage our growing customer base." – Snow Phipps, Brook & Whittle, Chairman



Consumer Produce Packaging Provider



On June 19 2020, C-P Flexible Packaging announced the acquisition of Genpak Flexible. Genpak Flexible, is a leader in compostable packaging and offers a range of flexible packaging solutions.

"With the unique capabilities and sustainable packaging portfolio of Genpak Flexible, this strategic acquisition provides our customers with a wider array of innovative flexible packaging options than ever before." – Mike Hoffman, C-P Flexible Packaging, CEO



Packaging Provider



On May 1 2020, Great Little Box Company, announced the acquisition of Ideon Packaging, manufactures and sells corrugated paper packaging products

"GLBC has always put their people and customer experience at the forefront of their business, and they continuously demonstrate that a focus on culture and community will lead to success and our exceptional team at Ideon will be in great hands to continue to thrive." – Rick Van Poele, Ideon Packaging, CEO



Packaging and Labeling Middle-Market M&A

M&A Activity

35 Packaging and Labeling transactions closed in 1H 2020, down from 38 transactions in 1H 2019. We expect overall M&A activity in Packaging and Labeling to slow in 2020



Financial Sponsors

Private equity and private equity-backed companies will continue to be opportunistic buyers as they need to continue to put capital to work



Strategic Buyers

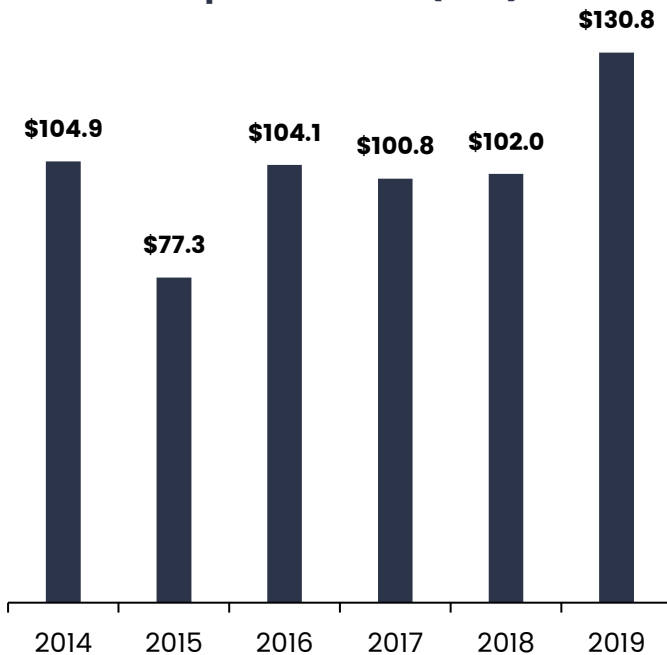
Most public and private non-sponsor backed strategics are focused on internal operations but remain cautiously opportunistic for the right acquisition



“Companies able to address the increased demand in healthcare, consumer, and food categories continue to have strong access to capital.”

Chad Gardiner, Director
Bridgepoint Investment Banking

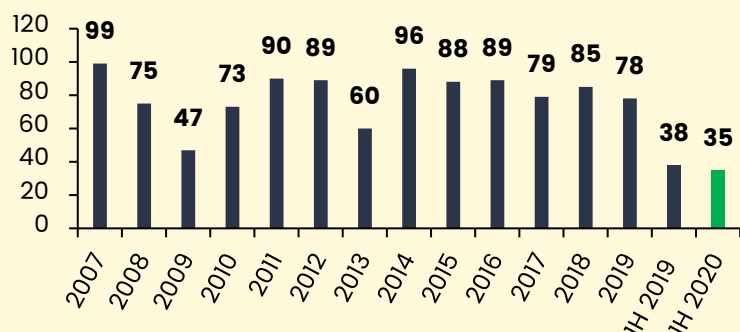
2014-2019 PE Middle Market^(a) Capital Raised (\$bn)



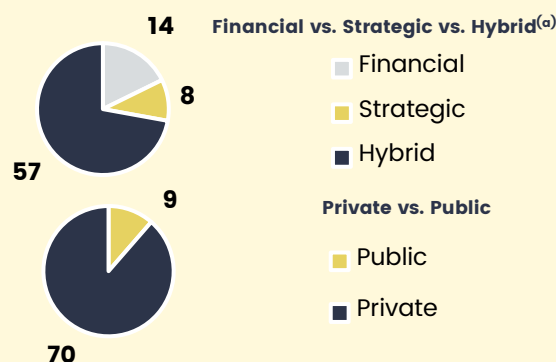
(a) Middle Market = Companies \$50mm-\$1bn TEV.
Sources: S&P Capital IQ, IDC, Businesswire, pitchbook, DesJardin, Yorksaw, Mordor Intelligence, McKinsey, DataBridge

Selected Packaging and Labeling M&A Transaction Statistics

Transaction Volume 2007-1H 2020



Packaging and Labeling Transaction Buyer Statistics LTM



Selected Packaging and Labeling 1H 2020 M&A Transactions

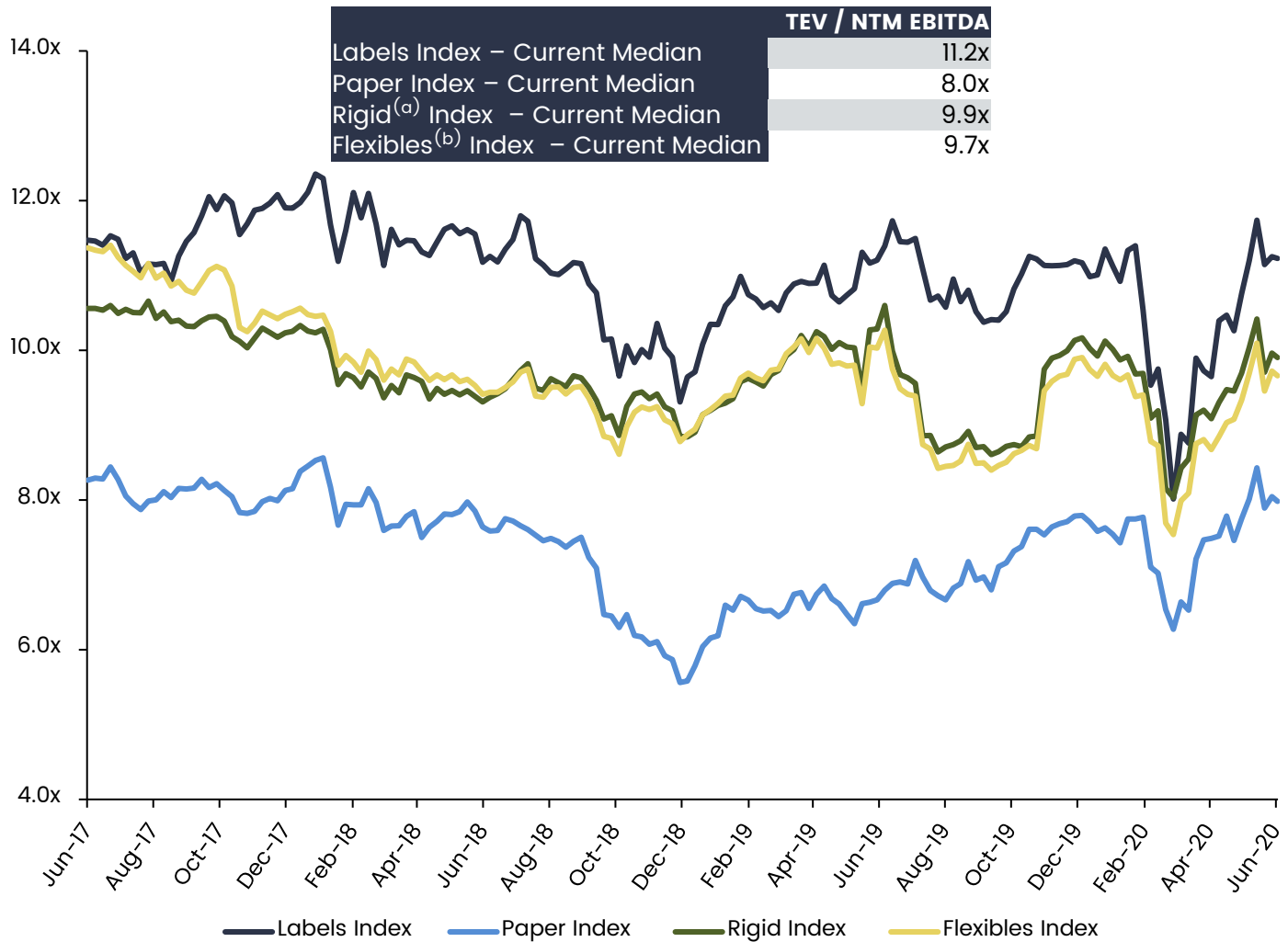
Date	Target	Buyers/Investors	Business Description	Enterprise Value (\$mm)	TEV / EBITDA
06/19/2020	Genpak Flexible	C-P Flexible Packaging	Offers film, foil and paper packing products	-	-
06/18/2020	Label Impressions	Brook & Whittle Limited	Flexible packaging, printing, and labeling	-	-
06/05/2020	Excel Displays & Packaging	Welch Packaging Group	Designs and manufactures graphic packaging	-	-
06/04/2020	Permac Enterprises	Guglielmo Sauce	Manufacturing of metal containers and labeling	-	-
05/26/2020	Coastal Honeycomb	The Coastal Group	Manufactures and packaging material	-	-
05/13/2020	Grigg Box Co.	Spell Capital Partners ^(b)	Manufacturers wood packaging products	-	-
05/08/2020	Green Trip Recycling	Kamps Pallets	Manufacturers pallets and wooden crates	-	-
05/01/2020	Ideon Packaging	Great Little Box Company	Manufactures and sells packaging products	-	-
04/17/2020	Shoreline Container	New-Indy Containerboard	Manufactures and markets packaging solutions	-	-
03/16/2020	CVC Thermoset Specialties	Huntsman	Manufactures and sells specialty epoxy resins	\$300.0	10.0x
02/10/2020	Nortech Packaging	Polymer Group	Makes automated packaging machines	\$36.5	6.7x
02/27/2020	CPG Business of Greif	Graphic Packaging Holding	Provides paper-based packaging products	\$85.0	4.3x
02/18/2020	Clinical Systems	CCL Label	Manufactures clinical label products for pharmaceutical industry	\$19.4	5.6x
01/27/2020	Albea's Dispensing Business	Silgan Holdings	Supplier of pumps, sprayers and form dispensing solutions	\$900.0	11.7x

(a) Hybrid – Sponsored-backed strategies.

(b) Private Equity Firm.

Sources: S&P Capital IQ

Rolling TEV / NTM EBITDA by Sector Index June 2017 – June 2020



SELECT BRIDGEPOINT PACKAGING AND LABELING TRANSACTION EXPERIENCE



INTERNATIONAL PAPER

USD1.3 billion
Joint venture with Ilim Pulp

Financial Advisor



TreeHouse

USD1.2 billion
Buy-side advisor on acquisition of food processing company

Sole Financial Advisor



HAS BEEN ACQUIRED BY
DIAMOND CASTLE

USD425 million
Sell-side advisor to York Label and Wind Point Partners

Financial Advisor

LIQUID CONTAINER, L.P.
HAS BEEN ACQUIRED BY



USD568 million
Sell-side advisor to Liquid Container on its sale to Graham Packaging

Sole Financial Advisor

Note: Sector Index Companies – Label Index: AVY, CCL B, 7864; Paper Index: IP, WRK, SK3, PKG, SMDS, GPK, CAS, UFPI; Rigid Index: AMC, BERY, ATR, SON, SLGN, IPLP; Flexibles Index: AMC, BERY, SEE, SON, HUHIV, WPK, ITP.

Note: Selected transactions listed above include those executed by Bridgepoint bankers at firms outside of Bridgepoint Investment Banking.
(a) Rigid – Stiff packaging i.e. aerosol spray cans, soda cans, self-locking cartons. (b) Flexibles – Lightweight bags or pouches i.e. stand up pouches with a zip lock, laminated tubes and vacuum pouches.

Sources: S&P Capital IQ

Market-leading boutique investment bank providing M&A and capital raising advisory solutions focused on the packaging and labeling industry

- 229+ years cumulative investment banking experience spanning 163 transactions
- \$108+ billion of M&A, capital raising, corporate finance and M&A transaction advisory service experience
- 73 completed M&A assignments spanning more than \$34 billion
- 90 completed corporate finance transactions, raising more than \$74 billion in capital

Bridgepoint's experience, process, and deep connectivity to real, national funders and buyers provides packaging and labeling companies tailored, value add capital solutions

Services / Solutions

- ✓ Rescue & Bridge Financing
- ✓ Debt Restructuring
- ✓ Debt & Equity Recapitalization
- ✓ Growth / Acquisition Financing
- ✓ M&A Advisory

Outcomes

- ✓ Increased Cash Flow
- ✓ Debt Service Reduction / Flexibility
- ✓ Shareholder Liquidity
- ✓ Committed Capital Partner
- ✓ Optimal Transaction Result

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SECTORS OF FOCUS

- Packaging
- Industrials & Labeling
- Business Services & IT Services
- Consumer & Retail
- Technology

229
YEARS OF EXPERIENCE

MORE THAN
\$108B
IN TRANSACTIONS

163
TOTAL TRANSACTIONS