

Insights

# 2020 M&A market outlook

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Industry Drivers	Indicators to Watch
<b>STRATEGIC BUYERS</b> Strategic buyers looking for acquisitions to generate stable growth, diversification and synergies.	<b>DIGITAL PRINTING</b> Digital printing provides more customization than long-run processes without sacrificing quality. Digital printing tends to grow at a double digit rate due to companies' desire for increased customization.
<b>PRIVATE EQUITY SPONSORS</b> Private equity firms have been a primary driver of M&A activity in many packaging sub-sectors, and established a number of platform companies which subsequently acquired other businesses.	<b>GROWTH IN END-MARKETS</b> Consumer, home goods, health care and pharmaceuticals are particularly packaging-intensive sectors. As they grow, so do the companies that produce packaging for their products.
<b>EXIT CAPITAL</b> The exiting community has been aggressive in financing acquisitions. Supported by a generally favorable economic cycle the last decade, packaging companies have grown organically, increased in investment and gained debt-finance availability.	<b>INCREASED PRODUCTION</b> With the decline of manufacturing, buyers who bought paper mills are converting them, responding to higher growth markets such as consumer goods, and thus creating a selling of assets.
<b>STOCK MARKET &amp; GLOBAL ECONOMY</b> A continued stock price decline and concerns about recession will have a negative impact on M&A activity.	<b>PACKAGING FOR E-COMMERCE</b> E-commerce continues to gain acceptance among consumers and continues to drive sales volume. As the expense of retail packaging, e-commerce firms seek offerings to be a sustainable experience for their customers and are willing to spend on higher quality packaging.

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