



Packaging perspectives 1Q2023 market update



John Chrysikopoulos
Managing Director
NEW YORK



David DiMatteo
Managing Director
LONDON



Rick Weil
Managing Director
CHICAGO



Melanie Yermack
Managing Director
CHICAGO



Nitay Laor
Vice President
MIAMI

Quarterly highlights

- Share prices significantly underperformed the overall market
- Earnings declined double digits year over year and sequentially primarily due to higher costs and lower volumes
- EBITDA margins remained relatively unchanged
- Valuations compressed further
- M&A activity declined significantly

TABLE 1: SHARE PRICE PERFORMANCE

	1Q2023	LTM 1Q2023
Paper Packaging Index	2.5%	-15.9%
Plastic Packaging Index	-0.9%	-1.4%
S&P 500	7.5%	-9.3%

Source: S&P Capital IQ. Past performance is not indicative of future results.

TABLE 2: EARNINGS AND MARGIN PERFORMANCE¹

	1Q2023 vs. 1Q2022 ²	1Q2023 vs. 4Q2022
Paper Packaging Index EPS	▼ -16.6%	▼ -11.9%
Plastic Packaging Index EPS	▼ -20.3%	▼ -13.4%
Paper Packaging Index EBITDA Margin	▼ -0.2%	▲ 0.4%
Plastic Packaging Index EBITDA Margin	▲ 0.4%	▼ 1.1%

Source: S&P Capital IQ. Past performance is not indicative of future results.

TABLE 3: PUBLIC MARKET VALUATION METRICS

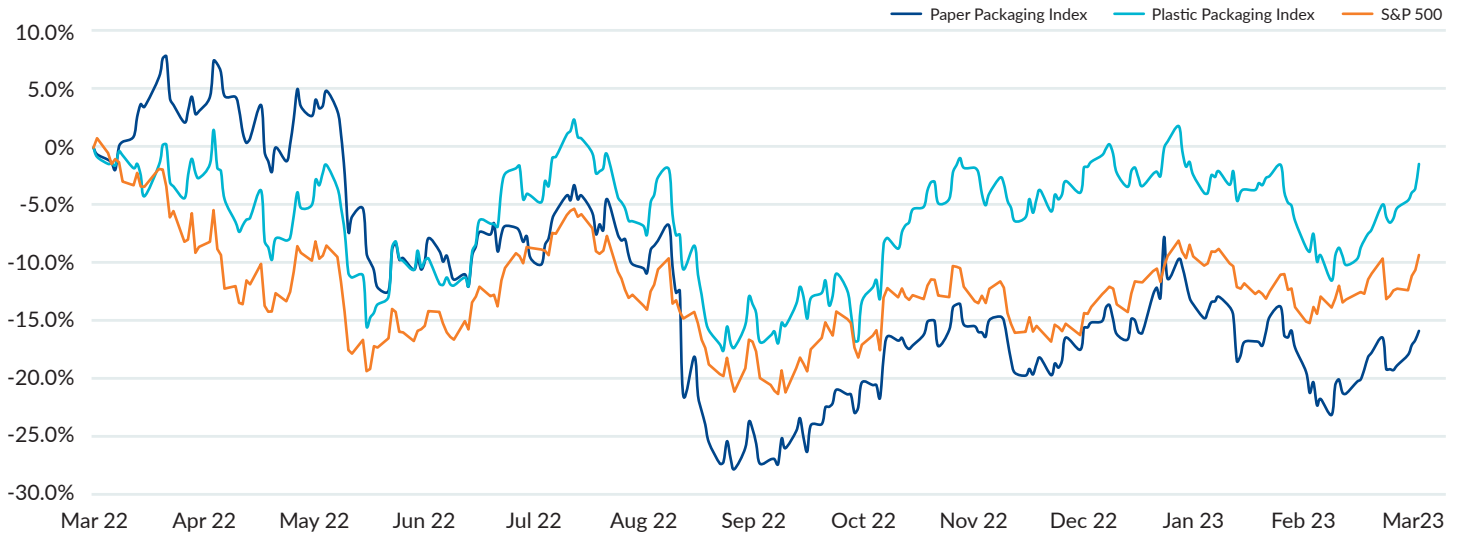
	LTM 1Q2023 ³	2022 ³
Paper Packaging Index Enterprise Value / LTM EBITDA	6.2x	6.3x
Plastic Packaging Index Enterprise Value / LTM EBITDA	9.9x	10.0x

Source: S&P Capital IQ. Past performance is not indicative of future results.

1. Earnings performance excludes Tredgar (NYSE:TG) from the Plastic Packaging Index. | 2. Metrics unweighted for market capitalization. | 3. Taken as period average.

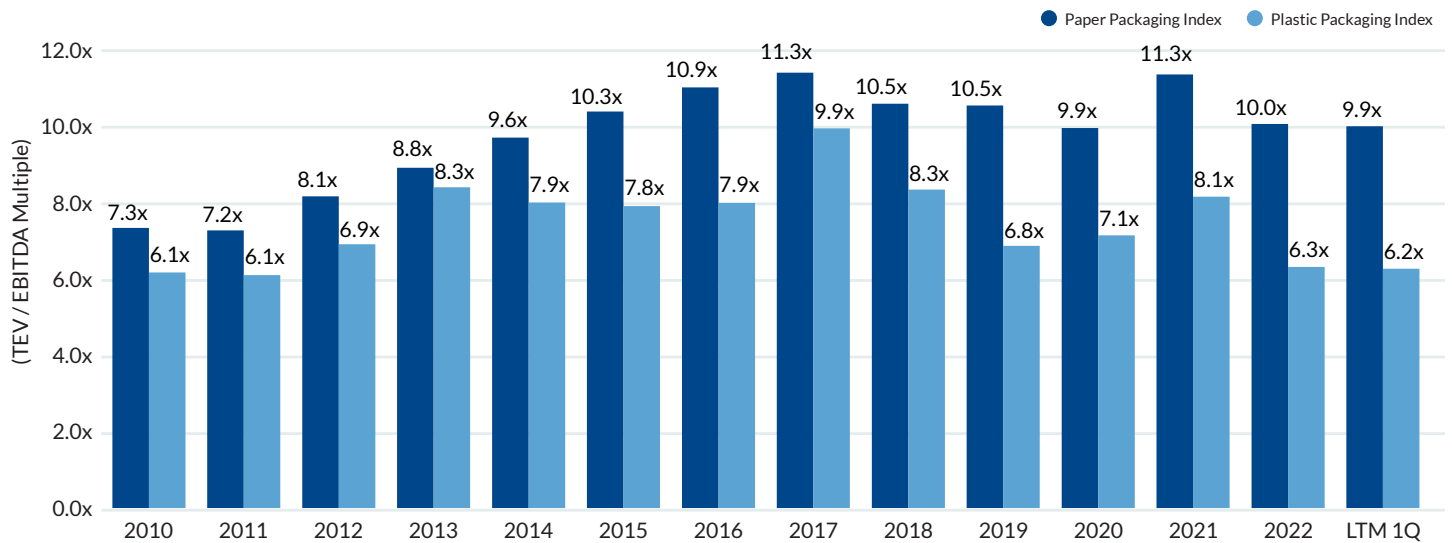


CHART 1: 1-YEAR SHARE PRICE PERFORMANCE – PACKAGING INDICES⁴



Source: S&P Capital IQ. As of March 31, 2023. Past performance is not indicative of future results.

CHART 2: PUBLIC PACKAGING COMPANY PERIOD AVERAGE TEV / EBITDA MULTIPLES⁴



Source: Source: S&P Capital IQ. | Note: Average TEV / EBITDA multiples as of December 31st for 2010-2022. For 2023, data as of LTM March 31.

4. Paper Packaging Index: International Paper Company (IP-US), WestRock Company (WRK-US), Greif (NYSE:GEF), Packaging Group of America (NYSE:PKG), Graphic Packaging (NYSE:GPK); Plastic Packaging Index: Aptargroup, Inc. (ATR-US), Avery Dennison Corporation (AVY-US), Berry Global Group Inc (BERY-US), Sealed Air Corporation (SEE-US), Silgan Holdings Inc. (SLGN-US), Tredegar (NYSE:TG), Sonoco Products (NYSE:SON)

Sale of MAPfresh Holdings, Inc. (“StePac,” or the “Company”), to PPC Flexible Packaging, a portfolio company of GTCR

- Headquartered in Tefen, Israel, StePac is a global market leader in designing and developing modified atmosphere packaging / modified humidity flexible packaging solutions for the fresh produce value chain, across both retail and bulk applications
- Mesirow was retained by the Company as its exclusive financial advisor, organized a competitive auction process for the business and developed an investment thesis highlighting StePac’s technological capabilities, consultative customer approach and compelling financial position
- In February 2023, StePac was ultimately acquired to PPC Flexible Packaging, a manufacturer and supplier of films and flexible packaging products backed by GTCR

SELL-SIDE ADVISOR

StePac
a portfolio company of

NC Nili Capital

HAS BEEN ACQUIRED BY

PPC FLEXIBLE PACKAGING
a portfolio company of

GTCR

2022 Completed Packaging Transactions

SELL-SIDE ADVISOR

SCENTISPHERE

HAS BEEN ACQUIRED BY

RESOURCE LABEL GROUP
a portfolio company of

ARES

SELL-SIDE ADVISOR

Albaad
US Wipes Operations

HAVE BEEN ACQUIRED BY

G & O GUY & O'NEILL
a portfolio company of

CENTREPARTNERS

SELL-SIDE ADVISOR

MedLit SOLUTIONS
a portfolio company of

CORE INDUSTRIAL

HAS BEEN ACQUIRED BY

RESOURCE LABEL GROUP
a portfolio company of

ARES

SELL-SIDE ADVISOR

WESTERN SHIELD LABEL AND PACKAGING

HAS BEEN ACQUIRED BY

ALL AMERICAN LABEL & PACKAGING
a portfolio company of

HEARTWOOD PARTNERS

SELL-SIDE ADVISOR

BELLE-PAK PACKAGING INC.

HAS BEEN ACQUIRED BY

ProAmpac
a portfolio company of

PPC Partners

SELL-SIDE ADVISOR

ROMANOW

CONTAINER

HAS BEEN ACQUIRED BY

SUPPLY ONE
a portfolio company of

WELLSPRING CAPITAL MANAGEMENT LLC

SELL-SIDE ADVISOR

MacArthur

HAS BEEN ACQUIRED BY

awt
LABELS & PACKAGING
a portfolio company of

Morgan Stanley Capital Partners

The transactions included above represent transactions where Mesirow served as advisor.

Leading middle-market M&A advisor to the paper, plastics and packaging sectors

Mesirow Investment Banking continues to successfully assist paper, plastics, packaging and specialty printing companies with their financial advisory needs. With extensive sector-specific expertise and deep long-standing relationships, our dedicated Paper, Plastics and Packaging team has completed over 175 packaging transactions in recent years. Our highest priority is helping individuals and organizations reach their financial and strategic goals, and we are consistently focused on elevating the experience for our clients.

Contact us

NEW YORK

John Chrysikopoulos

212.351.8172

jsc@mesirow.com

LONDON

David DiMatteo

+44 (0) 20.7851.1723

david.dimatteo@mesirow.com

CHICAGO

Rick Weil

312.595.6131

rick.weil@mesirow.com

Melanie Yermack

312.595.7903

melanie.yermack@mesirow.com

MIAMI

Nitay Laor

312.595.3291

nitay.laor@mesirow.com