

Flexible Packaging News

If "A" Buys "B", What Happens to "C&D"?

Amcor's recent announcement of their agreement to purchase Bemis for \$6.8B USD is the biggest news to hit the flexible package industry in years. It marks the combination of two industry giants and is set to shake up the global industry. But what will the new company look like, and how will the combination affect other large players in the industry?

<https://www.packagingnews.co.uk/features/comment/ameer-khan-flexible-packaging-bought-b-happens-cd-24-09-2018>

Expect Packaging to Cater to E-Commerce

Product packages designed to look good and stand out in brick-and-mortar stores are not always easy to ship around the country or the world, but Jonathan Quinn, market development manager for Nova Chemicals Inc., sees a time in the not-too-distant future where that paradigm will shift. That challenge, he said, is "finding that package that's been designed and developed to go through the rigors and challenges of e-commerce, but it's still going to meet that shelf appeal and those aesthetics."

<http://www.plasticsnews.com/article/20180921/NEWS/180929976/expect-packaging-to-cater-to-e-commerce>

Personal Care Packaging Market Size Is Projected To Reach \$37.2 Billion By 2024

The worldwide personal care packaging market is likely to surpass USD \$37.2 billion by 2024. Packaging technology innovations coupled with increasing consumption of beauty & cosmetic products should propel the market during the forecast period (2015 to 2024). Escalating demand for skin & hair products (due to an awareness towards healthy living) will also fuel market growth.

<https://menafn.com/1097476911/Personal-Care-Packaging-Market-Size-Is-Projected-To-Touch-372-Billion-By-2024Hexa-Research?src=Rss>

Flexible Packaging Transactions

July 2018 – Consolidated Container Acquires Deltapac

Montreal-based Deltapac makes high density polyethylene bottles for specialty chemical, cosmetic, food, and pharmaceutical applications. Consolidated Container is a subsidiary of Lowes Corp. and makes rigid plastic packaging for the dairy, chemical, food, nutraceuticals, and beverage markets.

August 2018 – Amcor Announces Acquisition of Bemis

Australian firm Amcor announced a \$6.8 billion buyout of US rival Bemis to become the world's largest packaging group, and will shift its primary listing to the NYSE. Amcor will issue 5.1 shares for each Bemis share under the deal, representing a 25% premium to Bemis' Aug. 2nd closing price of \$46.31.

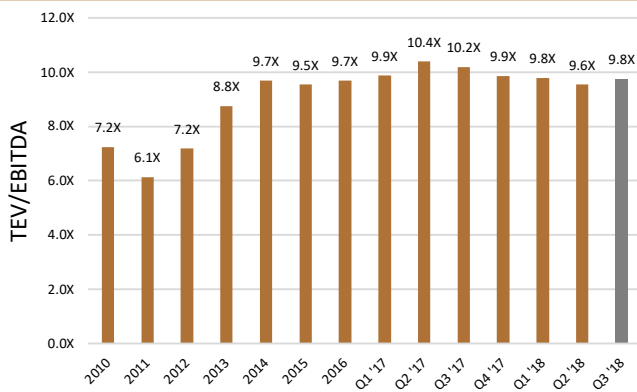
September 2018 – Amcor, Huhtamaki In Talks to Acquire Essel Propack

Promoters of Essel Propack, which is part of the \$4.2 billion Essel Group, are in preliminary talks to sell a controlling stake in the company. Essel Propack is the largest specialty manufacturer of laminated plastic tubes for the consumer goods and pharma industries.

TKO Miller Market Analysis

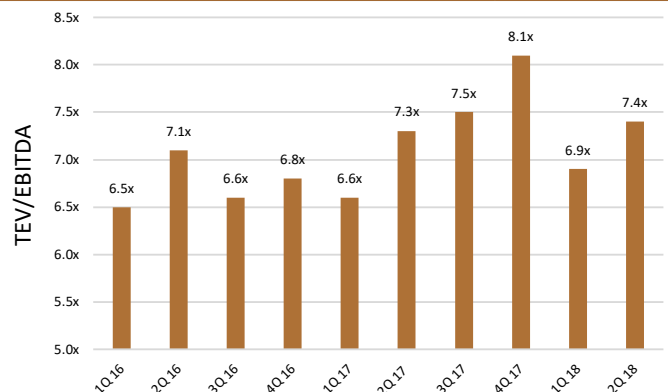
- New technology and consumer trends such as stand-up pouches with fitments, high performance films, and digital printing are expected to contribute to the growth of the flexible packaging markets in the upcoming years.
- Industry participants adopting new technologies have a head start on the competition and can align their business models with the current trends which include shorter runs, more environmentally friendly products, and quicker lead times.
- Consolidation and M&A activity continues among the top converters, but the small and middle markets continue to be very fragmented.
- High valuations within the flexible packaging industry continue to be driven by anticipated market growth and strong interest from strategic and financial buyers.
- TKO Miller expects favorable M&A conditions in the flexible packaging industry to continue for the foreseeable future. Acquirers realize both top line and cost synergies to justify acquisitions, creating very favorable conditions for sellers.

Flexible Packaging Valuation Index



Companies with outlying multiples due to financial inconsistencies have been excluded to avoid skewing the index.
Index includes: SEE, AMC, BMS, WPK, VKSC, BERY, SON, TCL/A, HUH1V

Middle Market Valuation Multiples



Source: GF Data

Joe Froehlich
Managing Director

jfroehlich@tkomiller.com



Erik Eidem
Director

eeidem@tkomiller.com