

Flexible Packaging

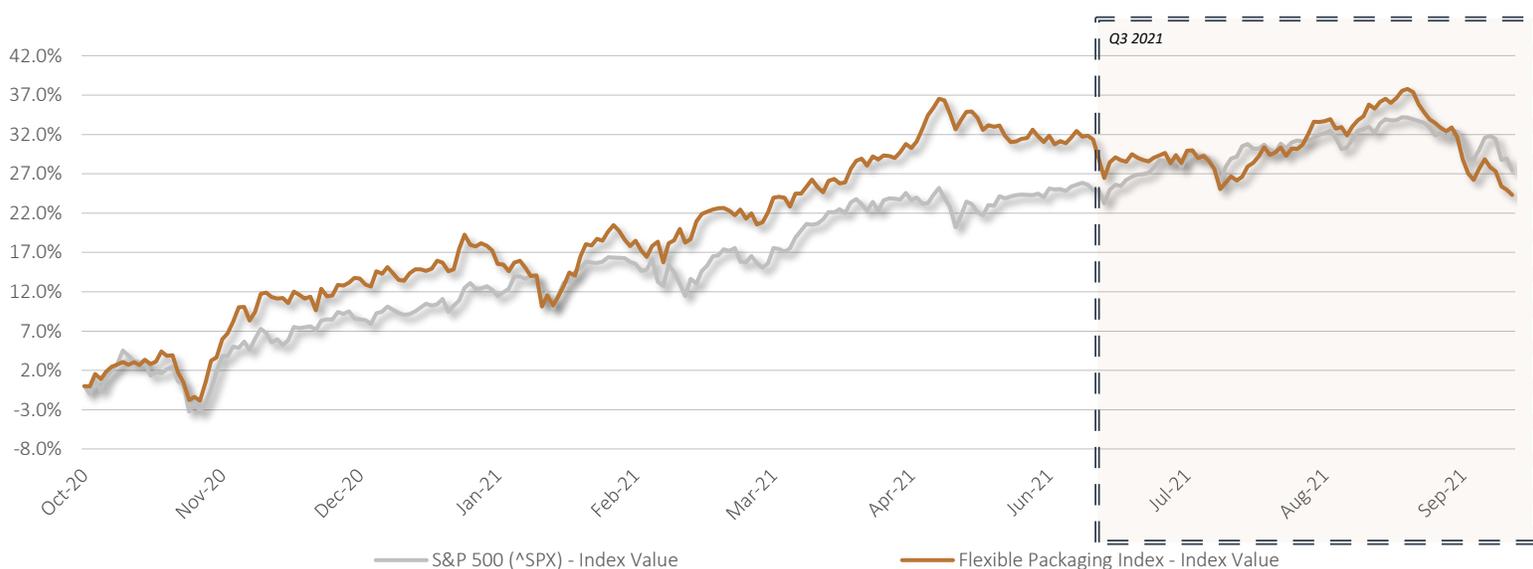


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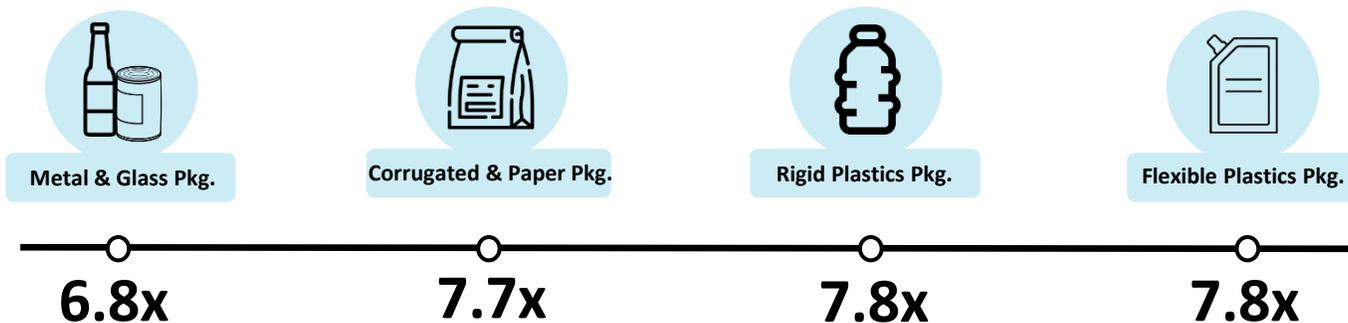
Flexible Packaging Trends

Long-term tailwinds continue to outweigh short-term headwinds in the flexible packaging industry, which has been reflected in high industry valuations and strong M&A volume. The public market pulled back during the 3rd quarter of 2021, but M&A valuations are holding steady. Manufacturers successfully navigating material price volatility, labor shortages, and other supply chain pressures are being viewed either as attractive platform acquisition opportunities or immediate capacity expansion opportunities for existing portfolio companies.

Flexible Packaging Market Performance vs S&P 500



Where Are Flexible Plastics & Packaging Subsectors Valued?



Source: TKO Miller's Proprietary Middle Market Flexible Packaging Index

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Recent Flexible Packaging News

Pandemic's Impact Evident on Packaging

As the pandemic has carried on, plastics and packaging companies have pivoted to alleviate issues such as safety, labor shortages, supply chain constraints, and volatile consumer behavior. Many consumers have shifted from a preference toward brick-and-mortar retail to shopping online, which has heightened the need for innovation from packaging suppliers. Consumer products companies are emphasizing lightweight, yet protective and durable, packaging applications when shipping directly to consumers. [\[LINK\]](#)

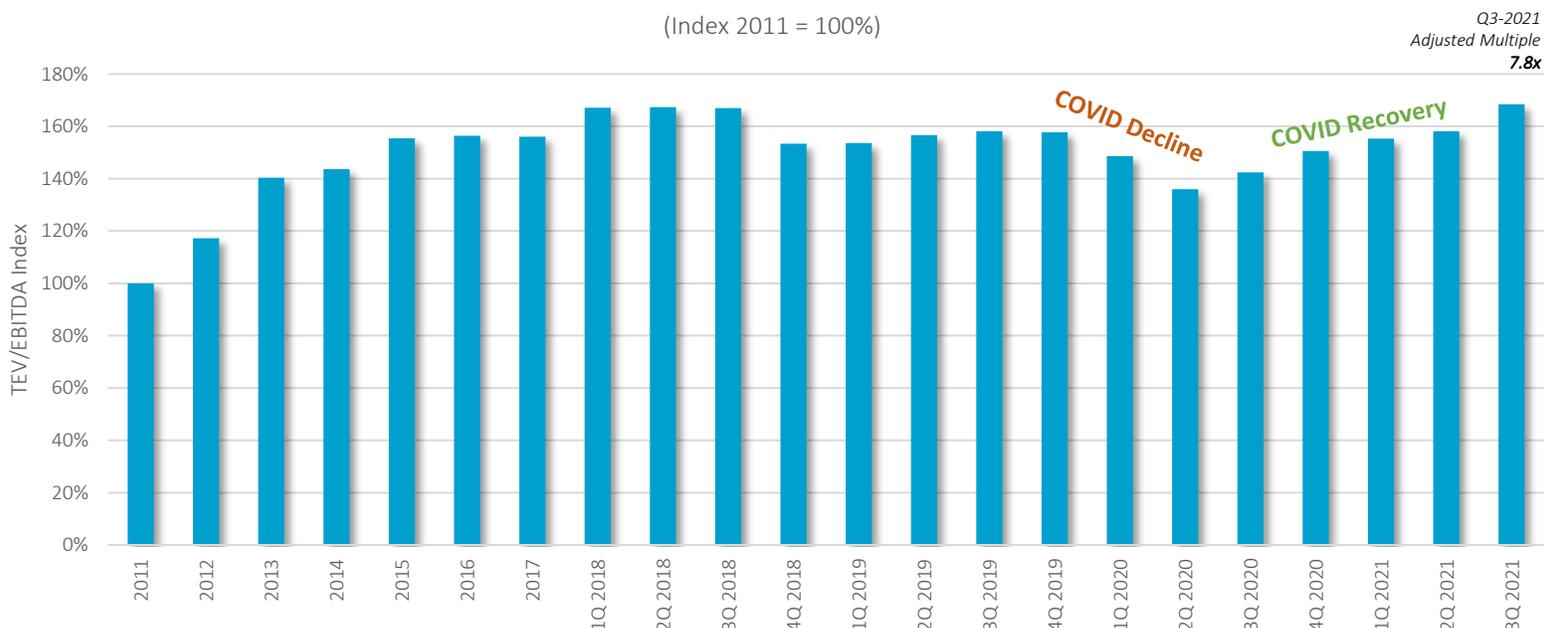
Plastic to Remain the Most-Preferred Material in the Sachet Packaging Market

With rising demand for more convenient, smaller-sized packaging solutions across the globe, the market for sachet packaging is projected to grow 5.4% year-over-year (YoY) in 2021 and is poised to total \$8.7 billion by the end of 2021. Driven by low cost, recyclable, customizable, and portable options, sachet packaging is gaining significant traction across food & beverage, pharmaceuticals, cosmetics, personal care, and industrial markets. [\[LINK\]](#)

Outlook for Sustainable Flexible Packaging

Since the beginning of the COVID-19 outbreak, sustainability goals have often taken a backseat to pandemic-related concerns — but they never went away. According to a recent survey, 85% of Americans value sustainability either the same, or higher, than they did prior to the pandemic, and flexible packaging manufacturers continue to develop new film structures focused on increasing recyclability and reducing virgin plastic use. As a result, Polaris Market Research predicts the biodegradable packaging market will reach \$21.6 billion by 2026. [\[LINK\]](#)

Flexible Packaging Valuations



Source: TKO Miller's Proprietary Flexible Packaging Index

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Recent Flexible Packaging Transactions

August 2021 – C-P Flexible Packaging Acquires Fruth Custom Packaging and Cleanroom Film and Bag

C-P Flexible Packaging, a leader in the flexible packaging industry, announced the acquisition of privately held Fruth Custom Packaging and affiliated company Cleanroom Film and Bag. Both the acquired companies specialize in manufacturing flexible rollstock and pre-made pouches used in cleanroom environments. The acquisition provides C-P with expanded geographic reach on the West Coast and expertise in medical device, biopharmaceutical, electronics, and semiconductor packaging.

August 2021 – SupplyOne Packaging Acquires Wilheit Packaging

SupplyOne Packaging, a manufacturer and distributor of custom corrugated products, flexible packaging, food packaging, and labels, has acquired Wilheit Packaging, a provider of packaging products for the industrial, food processing, manufacturing, paper, and janitorial sectors. The acquisition is SupplyOne's third this year and further expands its geographic footprint, creating a single point of contact for more of its customers.

September 2021 – PPC Flexible Packaging Acquires Consumer Packaging Group

PPC Flexible Packaging, a manufacturer and converter of flexible plastic films, pouches, and bags sold to customers worldwide, has acquired Consumer Packaging Group, a provider of rapid printed and finished prototypes, packaging samples, and mock-ups. With this latest acquisition, PPC expands its multi-plant manufacturing base to provide rapid response and best-in-class printing quality. TKO Miller advised Consumer Packaging Group on this transaction.

*Learn more about how TKO
Advised Consumer
Packaging Group*



October 2021 – GTCR Acquires PPC Flexible Packaging

US-based private equity firm GTCR has acquired PPC Flexible Packaging from Morgan Stanley Capital Partners. GTCR plans to commit substantial incremental equity, in combination with current PPC management's strategy, to continue PPC's successful consolidation of high-quality flexible packaging companies, as well as fund organic expansion opportunities.

About TKO Miller

TKO Miller, LLC is an independent, advisory-focused, middle-market investment bank. With over 130 years of collective transaction experience, TKO Miller provides merger and acquisition and financial advisory services for privately-held and private equity-owned businesses, with a special focus on family- and founder-held businesses.

Flexible packaging is one of TKO Miller's core industry focuses. After advising numerous flexible packaging and printing companies on M&A and financing transactions, TKO Miller's professionals have developed deep industry knowledge and a broad contact network that accompanies our transaction expertise with privately-held companies.

TKO Miller aims to bring value to clients by combining outstanding people with a results-oriented, flexible approach to transactions. Our services include company sales, recapitalizations, asset divestitures, and management buyouts. TKO Miller has a generalist focus and has served clients in a wide range of industries including manufacturing, business services, consumer products, and industrial products and services. For more information, visit our website www.tkomiller.com.

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