



Sectorwatch: Consumer - Manufacturing & Packaging

January 2019

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Overview

7MA provides Investment Banking & Advisory Services to the Business Services and Technology Industries globally. We advise on M&A and private capital transactions, and provide market assessments and benchmarking. As a close knit team with a long history together and a laser focus on our target markets, we help our clients sell their companies, raise capital, grow through acquisitions, and evaluate new markets. We publish our sectorwatch, a review of M&A and operational trends in the industries we focus.

Dashboard

- Summary metrics on the sector
- Commentary on market momentum by comparing the most recent 12-month performance against the last 3-year averages.



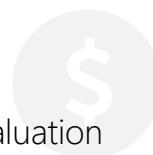
Public Basket Performance

- Summary valuation and operating metrics for a basket of comparable public companies



Valuation Comparison

- Graphical, detailed comparison of valuation multiples for the public basket



Recent Deals

- The most recently announced deals in the sector



Dashboard



Revenue Growth Momentum

↑ **0.08**

1 - year revenue growth compared to revenue growth average for last 3 years

Current revenue growth rate exceeds the average of the last 3 years by this amount, indicating that market momentum is increasing

Pricing / Gross Margin

↓ **-0.5%**

1 - year gross profit % compared to gross profit % average for last 3 years

Current gross profit margin is less than the average of the last 3 years gross profit margins, indicating customer pricing power

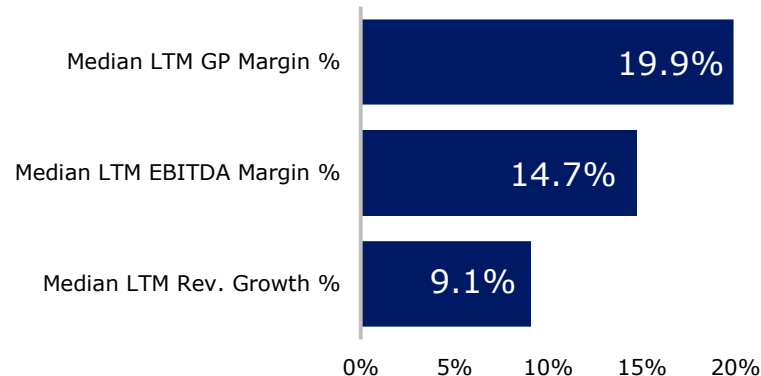
Profitability

↓ **-0.1%**

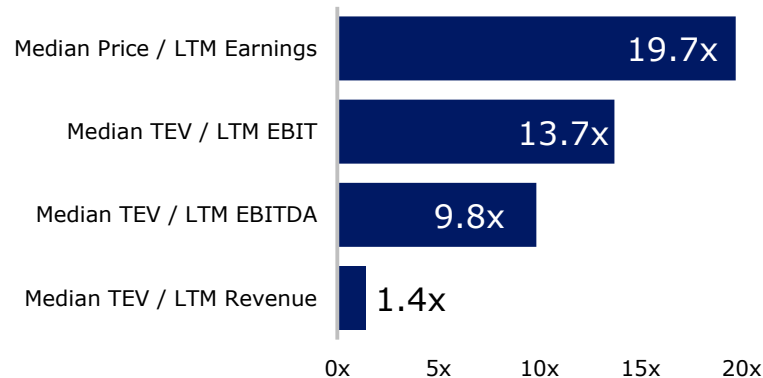
1 - year EBITDA % compared to EBITDA % average for last 3 years

Current EBITDA margin is less than the average of the last 3 years EBITDA margins, which may signal further consolidation

Operating Metrics



Valuation



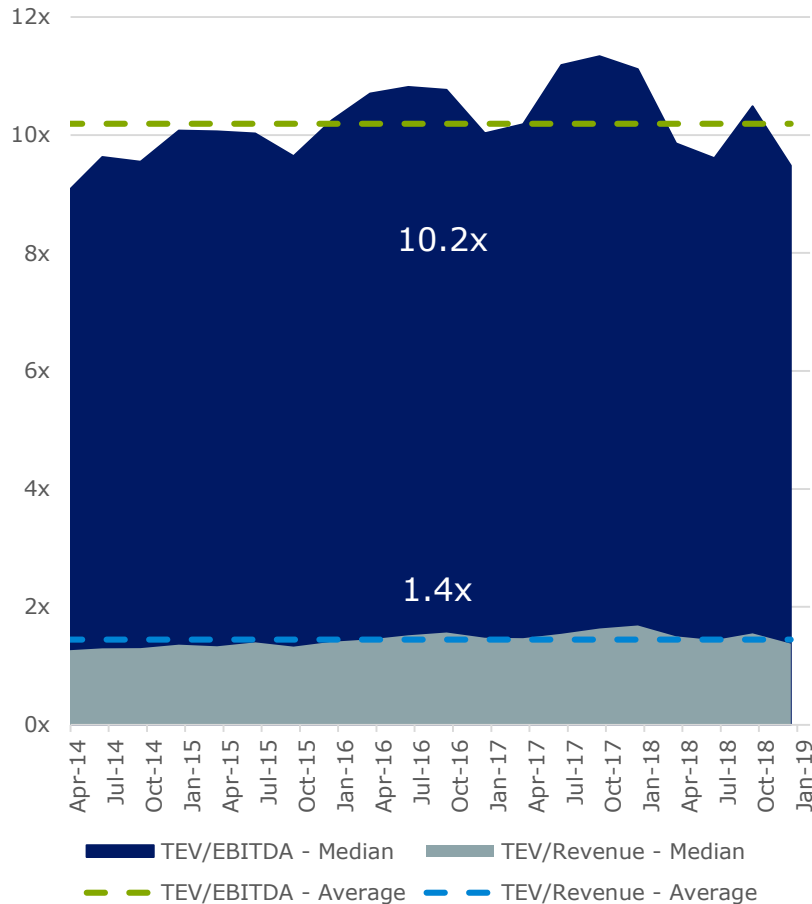
Public Basket



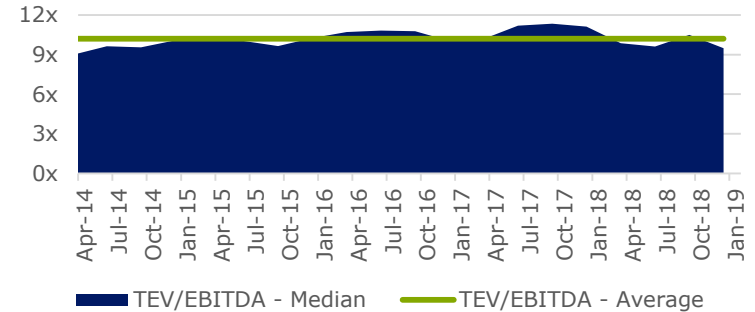
Company	TEV \$m	LTM Rev \$m	Rev Growth YoY	GP %	EBITDA %	TEV / Rev X	TEV / EBITDA X	# FTEs	Rev / FTE \$k
Silgan Holdings Inc.	5,586	4,374	12%	16%	14%	1.3	9.1	12,515	350
Bemis Company, Inc.	5,700	4,091	1%	19%	14%	1.4	10.0	16,582	247
Owens-Illinois, Inc.	8,308	6,954	2%	16%	14%	1.2	7.8	26,500	262
CCL Industries Inc.	8,539	3,917	11%	30%	19%	2.2	11.4	20,000	196
Avery Dennison Corporation	9,752	7,126	11%	27%	13%	1.4	10.5	30,000	238
Smurfit Kappa Group plc	10,043	10,217	5%	32%	15%	1.0	6.5	46,000	222
Berry Global Group, Inc.	12,023	7,869	11%	18%	17%	1.5	9.0	24,000	328
Amcor Limited	14,954	9,319	2%	20%	14%	1.7	11.4	-	NA
Crown Holdings, Inc.	15,571	10,585	25%	20%	15%	1.5	9.7	24,000	441
Ball Corporation	22,902	11,579	8%	20%	16%	2.0	12.0	18,300	633
Average	11,338	7,603	9%	22%	15%	1.5	9.7	21,790	324
Median	9,898	7,497	9%	20%	15%	1.4	9.8	22,000	262

share price as of 16Jan19

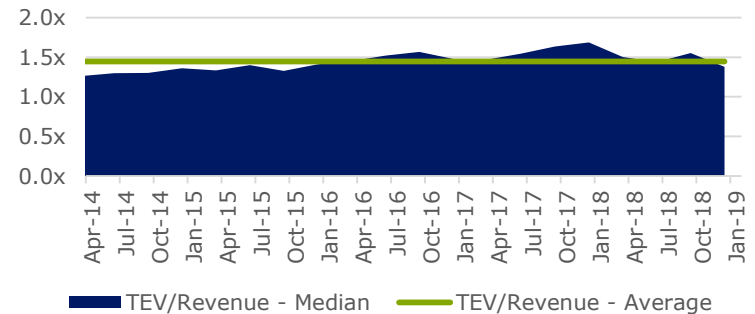
Public Basket Valuation Trends



Public EBITDA Multiples over Time



Public Revenue Multiples over Time



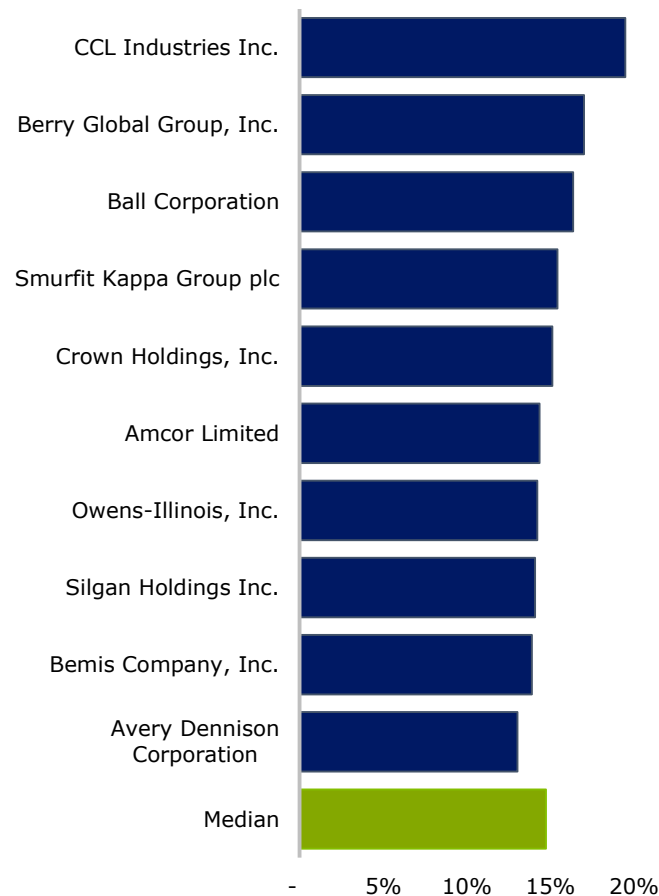
Operational Metrics



LTM Gross Profit Margin %



LTM EBITDA %



Operational Metrics



LTM Revenue Growth %



LTM Revenue per Full Time Employee x 000's



Operational Metrics



Accounts Receivable Turnover



Average Days Sales Outstanding



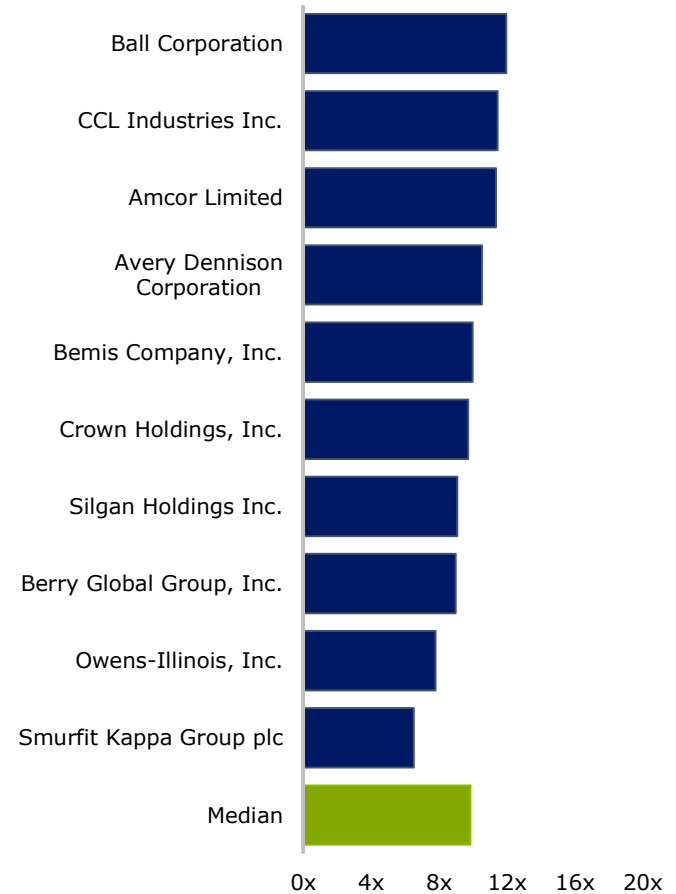
Valuation



TEV / LTM Revenue



TEV / LTM EBITDA



Valuation



TEV / LTM EBIT



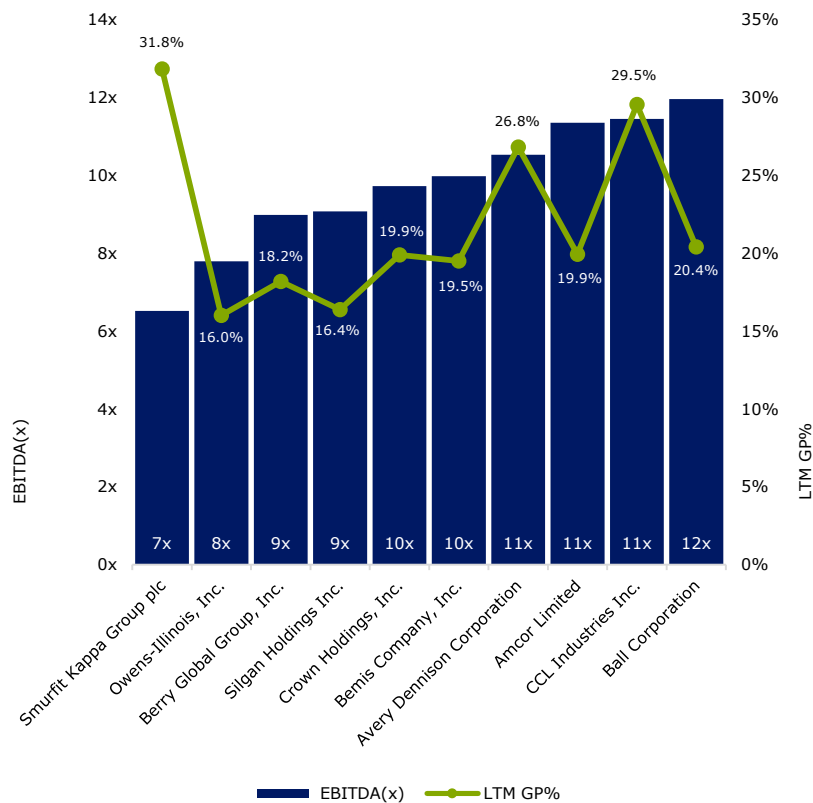
Price / LTM Earnings



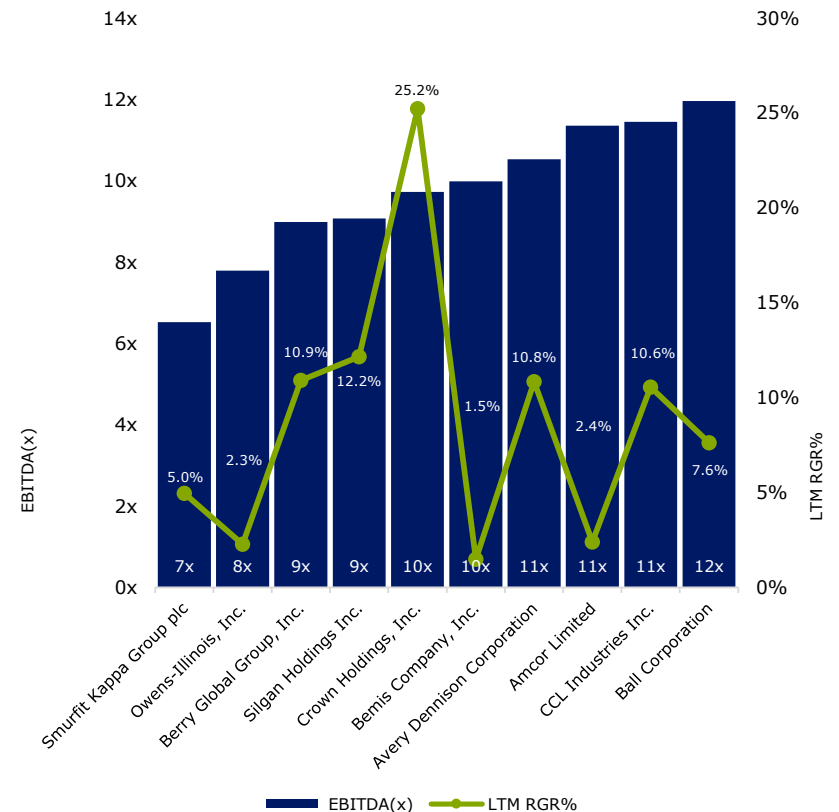
Valuation



Historical Valuation Multiples versus Gross Profit



Historical Valuation Multiples versus Revenue Growth Rate



Recent Transactions



Date	Target	Buyer / Investor	Total Transaction Value	Target Revenue	TEV / Revenue	TEV / EBITDA
11Jan19	Craft Canning + Bottling, LLC	Eastside Distilling, Inc.	4.88	6.00	0.8x	4.1x
8Jan19	Lipari Foods, LLC	H.I.G. Capital, LLC	-	-	-	-
8Jan19	Pacific Bag, Inc.	Taipak Enterprises Ltd.	-	-	-	-
7Jan19	Zero Mountain, Inc.	Cloverleaf Cold Storage Co., Inc.	-	-	-	-
31Dec18	Disc Graphics, Inc.	Oliver Printing & Packaging Co.	-	-	-	-
14Dec18	AS MADARA Cosmetics	Oy Transmeri Group Ab	6.02	9.64	3.2x	13.5x
20Apr18	Original Juan Specialty Foods, Inc.	Mountain Creek Capital Limited	-	-	-	-
4Dec18	ReadyRefresh	Century Springs Bottling Co., Inc.	-	-	-	-
27Nov18	Beverage and Bottling Facility	Greene Concepts, Inc.	-	-	-	-
22Nov18	LPG Bottling Plant of Ashirwad Steels & Industries Limited	SHV Energy Pvt. Ltd.	2.26	0.11	20.5x	-
21Aug18	Trillium Health Care Products Inc.	New Water Capital	-	-	-	-
12Jul18	Lewis Label Products Corporation	Fortis Solutions Group, LLC	-	-	-	-
14Jun18	Louisiana Spirits LLC	SPI Group S.à r.l.	-	-	-	-
7May18	FDC Vitamins, LLC	Arizona Nutritional Supplements, LLC	15.00	-	-	-
25Apr18	Alimentos y Bebidas del Atlántico, S.A	Compañía Inversionista en Bebidas del Norte, S.L.	53.40	-	-	-
17Apr18	Hearthside Food Solutions LLC	Charlesbank Capital Partners, LLC	-	-	-	-
9Apr18	SoftBev Proprietary Limited	Little Green Beverages Pty Ltd.	-	-	-	-
4Apr18	Ausnutria Dairy Corporation Ltd	CITIC Agri Fund Management Co., Ltd.	85.80	690.40	1.6x	11.0x
31Mar18	World Wide Packaging LLC	Bain Capital Private Equity, LP	-	-	-	-
30Jan18	MyDrink Beverage Company	BevSource, Inc.	-	-	-	-
20Sep17	South Pack Laboratories (Aust) Pty Ltd	Probiotec Limited	11.31	-	-	-
18Sep17	Accupac, Inc.	J.H. Whitney Capital Partners, LLC	-	-	-	-

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APPENDIX: Public Basket Constituents

Public Basket



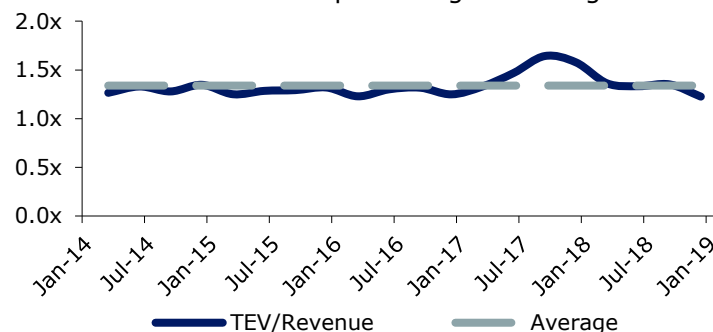
Silgan Holdings Inc.

Silgan Holdings Inc., together with its subsidiaries, manufactures and sells rigid packaging for consumer goods products worldwide. It operates through three segments: Metal Containers, Closures, and Plastic Containers. The Metal Containers segment manufactures and sells steel and aluminum containers for food products, such as soups, vegetables, fruit, meat, tomato based products, seafood, coffee, adult nutritional drinks, pet food, and other miscellaneous food products, as well as general line metal containers primarily for chemicals. The Closures segment offers a range of metal and plastic closures for food and beverage products, such as juice drinks, ready-to-drink teas, sports drinks, dairy products, ketchup, salsa, pickles, tomato sauce, soup, cooking sauces, gravies, fruits, vegetables, preserves, baby food, and infant formula products. The Plastic Containers segment manufactures and sells custom designed and stock plastic containers for personal care, food, health care, pharmaceutical, household and industrial chemical, pet care, agricultural, automotive, and marine chemical products. Silgan Holdings Inc. was founded in 1987 and is headquartered in Stamford, Connecticut.

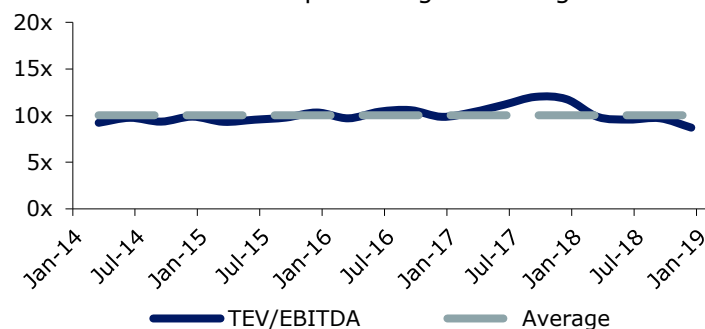
Date Key Development Headline

7/25/18 Silgan Seeks Acquisitions

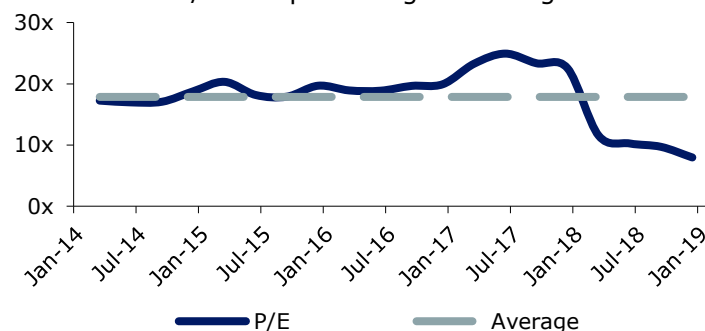
Revenue Multiples - Silgan Holdings Inc.



EBITDA Multiples - Silgan Holdings Inc.



P/E Multiples - Silgan Holdings Inc.



Public Basket

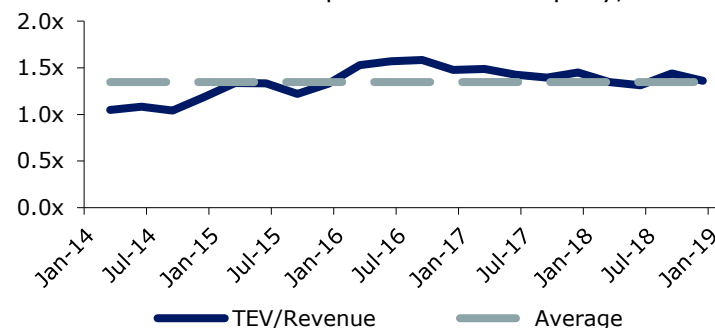


Bemis Company, Inc.

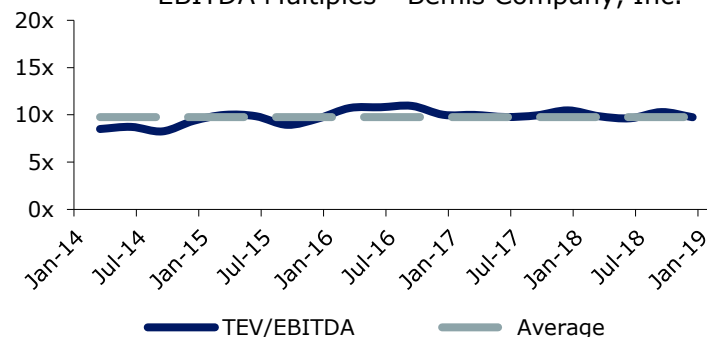
Bemis Company, Inc. manufactures and sells packaging products in the United States, Brazil, other Americas, Europe, and the Asia-Pacific. It operates through three segments: U.S. Packaging, Latin America Packaging, and Rest of World Packaging. The company offers multilayer polymer, blown, and cast film structures; and injection molded plastic, thermoformed plastic, and folding carton packaging products. Its products are used to produce packaging for food, medical, pharmaceutical, personal care, electronics, and industrial applications. The company was formerly known as Bemis Bro. Bag Company and changed its name to Bemis Company, Inc. in 1965. Bemis Company, Inc. was founded in 1858 and is based in Neenah, Wisconsin.

Date	Key Development Headline
8/6/18	Amcor Limited, Bemis Company, Inc. - M&A Call
8/6/18	Amcor Limited, Bemis Company, Inc. - M&A Call
8/5/18	Amcor Limited (ASX:AMC) entered into a definitive agreement to acquire Bemis Company, Inc. (NYSE:BMS) for \$5.3 billion.

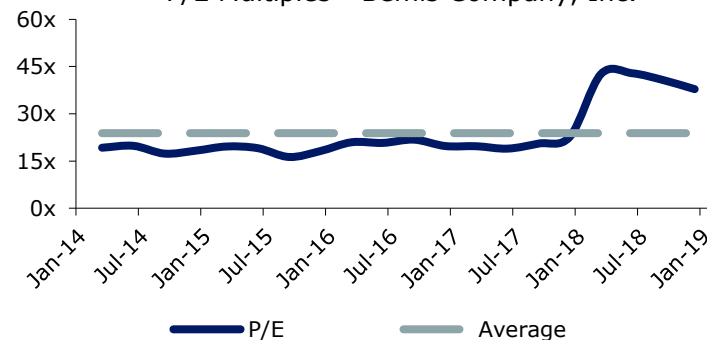
Revenue Multiples - Bemis Company, Inc.



EBITDA Multiples - Bemis Company, Inc.



P/E Multiples - Bemis Company, Inc.



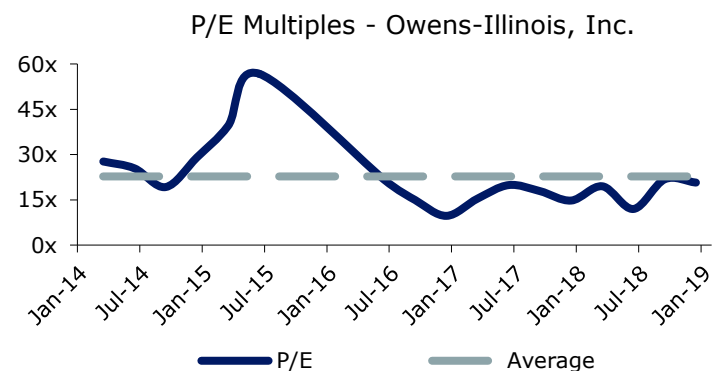
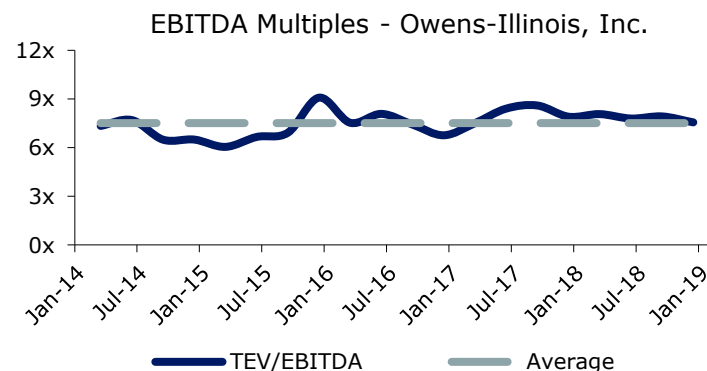
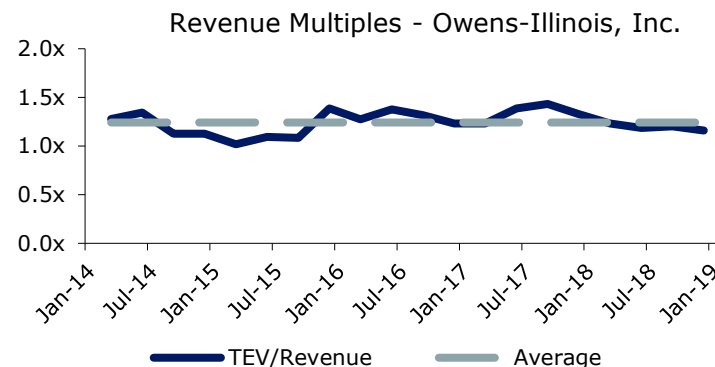
Public Basket



Owens-Illinois, Inc.

Owens-Illinois, Inc., through its subsidiaries, manufactures and sells glass containers to food and beverage manufacturers primarily in Europe, North America, Latin America, and the Asia Pacific. It produces glass containers for alcoholic beverages, including beer, flavored malt beverages, spirits, and wine. The company is also involved in the production of glass packaging for various food items, soft drinks, teas, juices, and pharmaceuticals. It offers glass containers in a range of sizes, shapes, and colors. The company sells its products directly to customers under annual or multi-year supply agreements, as well as through distributors. Owens-Illinois, Inc. was founded in 1903 and is headquartered in Perrysburg, Ohio.

Date	Key Development Headline
11/11/18	Owens-Illinois, Inc. (NYSE:OI) acquired 49.7% of Empresas Comegua, S.A. from Fabricacion de Maquinas, S.A. de C.V. for approximately \$120 million.
10/31/18	Owens-Illinois Mulls Acquisitions



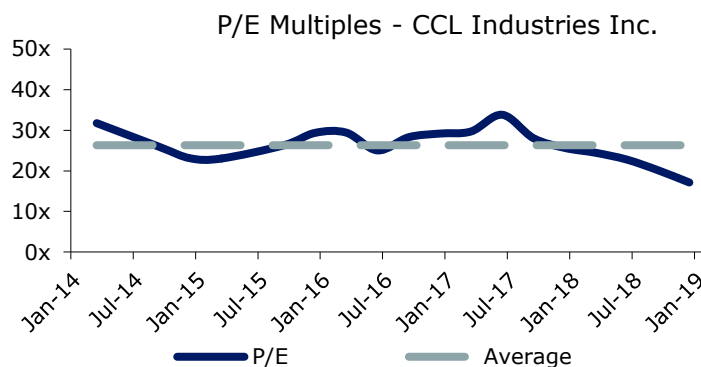
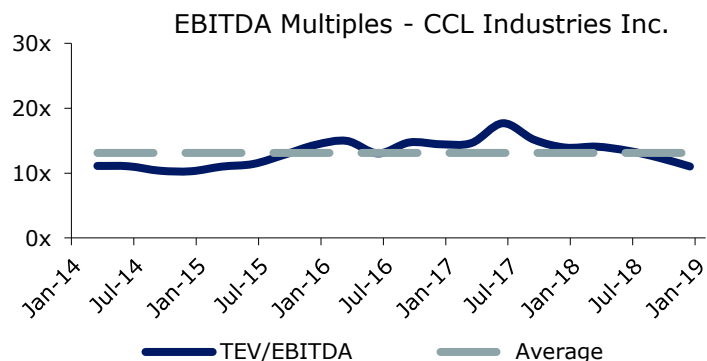
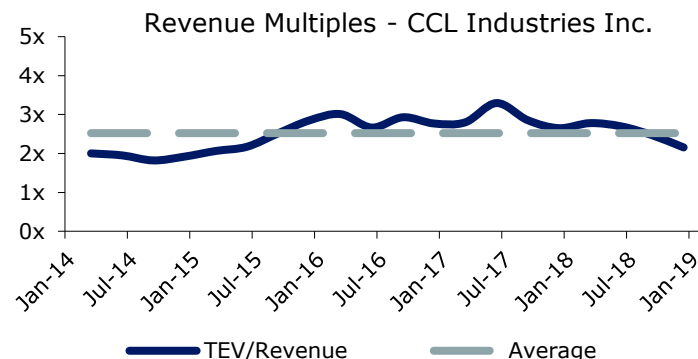
Public Basket



CCL Industries Inc.

CCL Industries Inc., a specialty packaging company, manufactures and sells labels, containers, consumer printable media products, technology driven label solutions, polymer bank note substrates, and specialty films. The company operates in five segments: CCL, Avery, Checkpoint, Innovia, and Container. The company CCL segment offers pressure sensitive and extruded film materials for a range of decorative, instructional, and functional applications in the consumer packaging, healthcare, automotive, and consumer durables markets. This segment also provides extruded and laminated plastic tubes, folded instructional leaflets, precision printed and die cut metal components with LED displays, and other complementary products and services. CCL Industries Inc. was founded in 1951 and is headquartered in Toronto, Canada.

Date	Key Development Headline
1/3/19	CCL Industries Inc. (TSX:CCL.B) acquired Easy2Name Limited for \$2.5 million.
11/14/18	CCL Industries Inc. (TSX:CCL.B) reached an agreement to acquire assets from Unilogo for CAD 10.7 million.
11/14/18	CCL Industries Inc. (TSX:CCL.B) entered into an agreement to acquire Hinsitsu Screen Vietnam Co., Ltd for CAD 12.4 million.
11/14/18	CCL Industries Inc. (TSX:CCL.B) reached an agreement to acquire Olympic Holding B.V. for CAD 13.5 million.
5/30/18	CCL Industries Inc. (TSX:CCL.B) acquired remaining 50% stake in CCL-Korsini LLC from Korsini-Saf Ambalaj Sanayi Ve Ticaret A S for CAD 10 million.



Public Basket

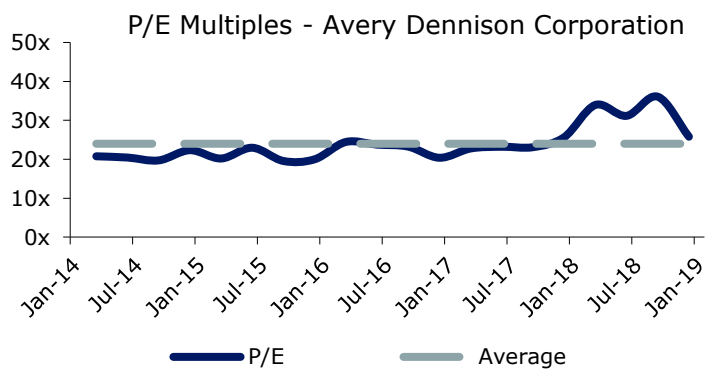
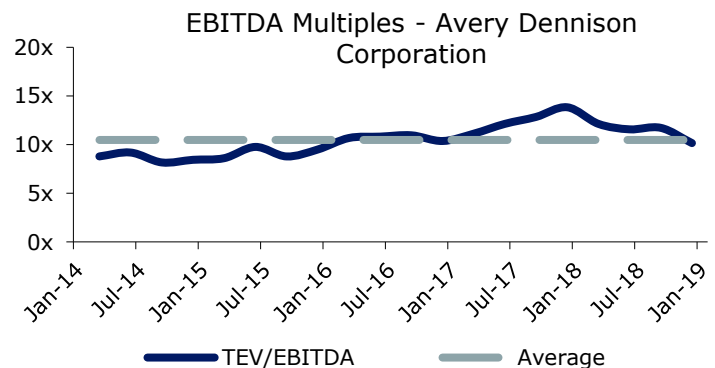
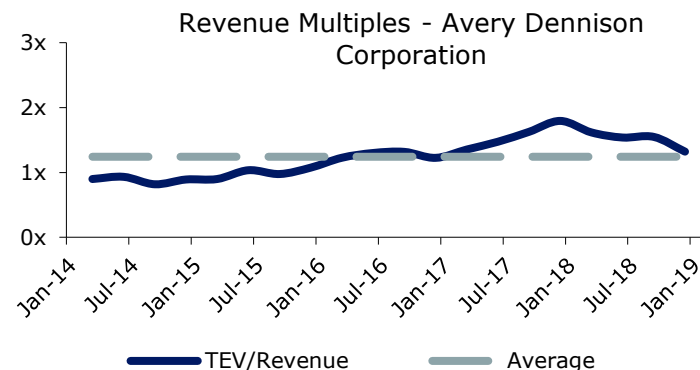


Avery Dennison Corporation

Avery Dennison Corporation produces and sells pressure-sensitive materials worldwide. The company's Label and Graphic Materials segment offers pressure-sensitive label and packaging materials; and graphics and reflective products under the Fasson, JAC, Avery Dennison, and Mactac brands. It also offers durable cast and reflective films. This segment offers its products to the home and personal care, beer and beverage, durables, pharmaceutical, wine and spirits, and food market segments; architectural, commercial sign, digital printing, and other related market segments; construction, automotive, and fleet transportation market segments, as well as traffic and safety applications; and sign shops, commercial printers, and designers. Its Retail Branding and Information Solutions segment designs, manufactures, and sells various branding and information solutions, including creative services, brand embellishments, graphic tickets, tags and labels, and sustainable packaging solutions; item-level radio-frequency identification solutions; visibility and loss prevention solutions; price ticketing and marking solutions; care, content, and country of origin compliance solutions; and brand protection and security solutions. The company was founded in 1935 and is headquartered in Glendale, California.

Date Key Development Headline

11/8/18 Avery Dennison Mulls Acquisitions



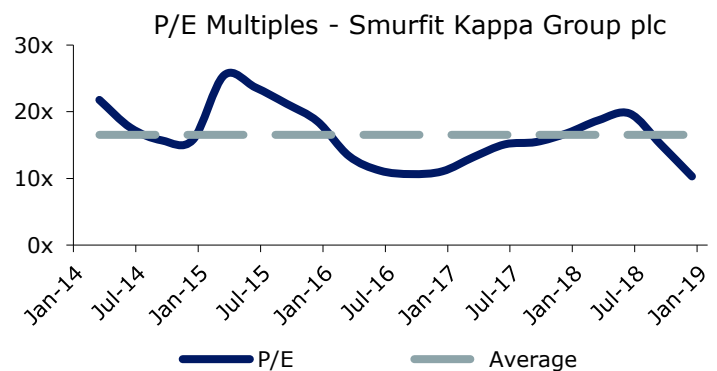
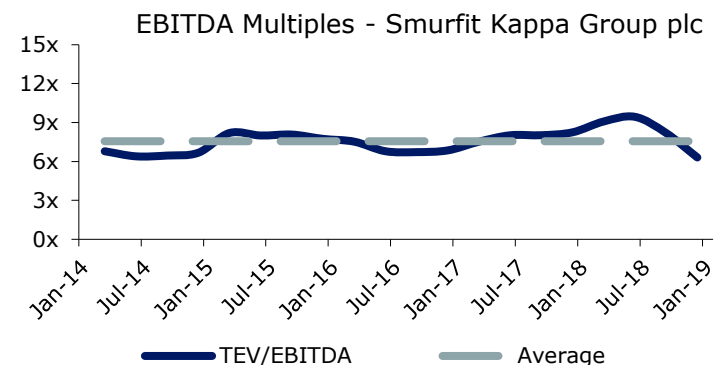
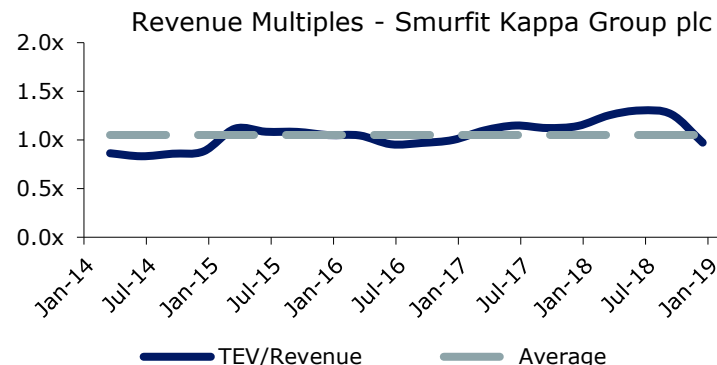
Public Basket



Smurfit Kappa Group plc

Smurfit Kappa Group plc, together with its subsidiaries, manufactures, distributes, and sells paper-based packaging products. The company operates through Europe and the Americas segments. It offers containerboards, corrugated containers, and other paper-based packaging products, such as solid boards, graphic boards, and bag-in-box. Smurfit Kappa Group plc was founded in 1934 and is headquartered in Dublin, Ireland.

Date	Key Development Headline
12/4/18	Smurfit Kappa Group plc (ISE:SK3) acquired Cartonnerie de Caradec and Papcart from a family and Papeles y Cartones de Europa, S.A. (BME:PAC).
10/31/18	Smurfit Kappa Group plc (ISE:SK3) completed the acquisition of Fabrika Hartije a.d. and Avala Ada a.d., Beograd from Kappa Star Limited.
10/30/18	Smurfit Kappa Group plc (ISE:SK3) agreed to acquire Fabrika Hartije a.d. and Avala Ada a.d., Beograd from Kappa Star Limited for approximately €130 million.
8/1/18	Smurfit Kappa Seeks Acquisitions
7/1/18	Smurfit Kappa Group plc (ISE:SK3) completed the acquisition of Reparenc Holding B.V. from H2 Equity Partners B.V.



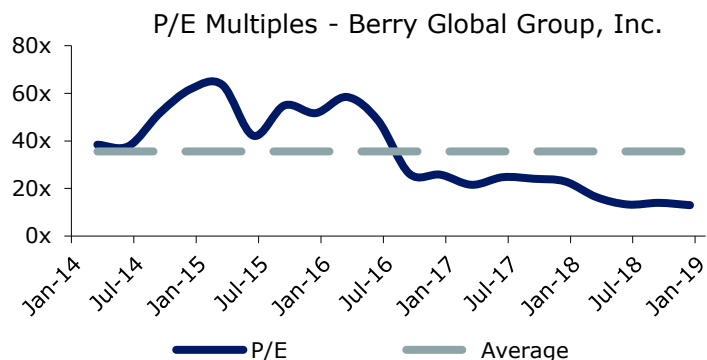
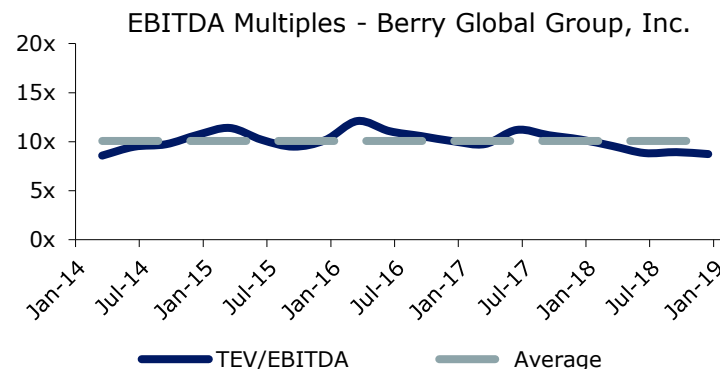
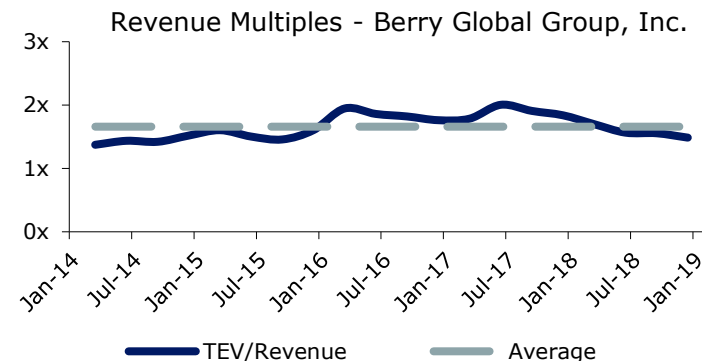
Public Basket



Berry Global Group, Inc.

Berry Global Group, Inc. manufactures and supplies non-woven, flexible, and rigid products. The company operates through three segments: Engineered Materials; Health, Hygiene & Specialties; and Consumer Packaging. The Engineered Materials segment offers engineered materials, including stretch and shrink films, and converter films; trash-can liners and food bags; cloth and foil, splicing and laminating, flame-retardant, flashing and seaming tapes, double-faced cloth, masking, mounting, OEM, and medical and specialty tapes; and food and consumer films, retail bags, and polyvinyl chloride films. The Health, Hygiene & Specialties segment provides medical garment materials, surgical drapes, household cleaning wipes, and face masks for infection prevention; components for baby diapers and other absorbent hygiene products, elastic films and laminates, and substrates for dryer sheets; and products and components of products for corrosion protection, cable wrap, geosynthetics, and specialty filtration products. Berry Global Group, Inc. was founded in 1967 and is headquartered in Evansville, Indiana.

Date	Key Development Headline
11/15/18	Berry Global To Seek Acquisitions
8/26/18	Berry Global Group, Inc. (NYSE:BERY) acquired Laddawn, Inc.
5/3/18	Berry Global Group Seeks Acquisitions
2/5/18	Berry Global Group, Inc. (NYSE:BERY) completed the acquisition of Clopay Plastic Products Company, Inc. from Clopay Ames True Temper Holding Co.



Public Basket

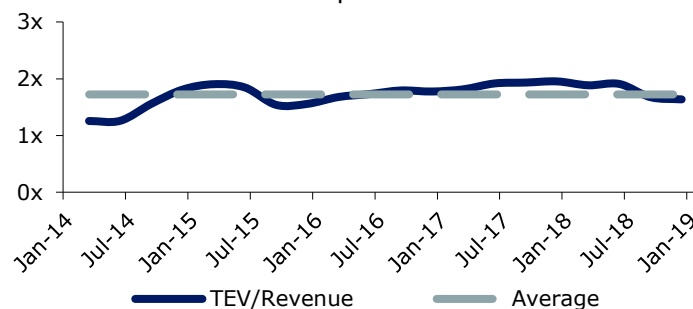


Amcor Limited

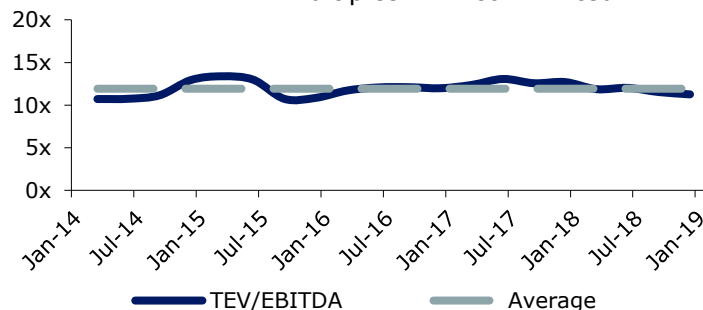
Amcor Limited provides packaging solutions in Western Europe, North America, Australia, New Zealand, and internationally. It operates through Amcor Rigid Plastics, Amcor Flexibles, and Other/Investments segments. The company manufactures rigid plastic containers for a range of beverage and food products, including carbonated soft drinks, water, juices, sports drinks, milk-based beverages, spirits and beer, sauces, dressings, spreads, and personal care items; and plastic caps for various applications. It also manufactures flexible and film packaging for the food and beverage industry, including confectionery, coffee, fresh food and dairy, and pet food packaging; and medical and pharmaceutical, fresh produce, and snack food segments. In addition, the company offers flexible packaging for specialty folding cartons for tobacco packaging and other industries; and packaging solutions for home and personal care products. Amcor Limited was incorporated in 1926 and is headquartered in Southbank, Australia.

Date	Key Development Headline
8/6/18	Amcor Limited, Bemis Company, Inc. - M&A Call
8/6/18	Amcor Limited, Bemis Company, Inc. - M&A Call
8/5/18	Amcor Limited (ASX:AMC) entered into a definitive agreement to acquire Bemis Company, Inc. (NYSE:BMS) for \$5.3 billion.
2/13/18	Amcor Seeks Acquisition

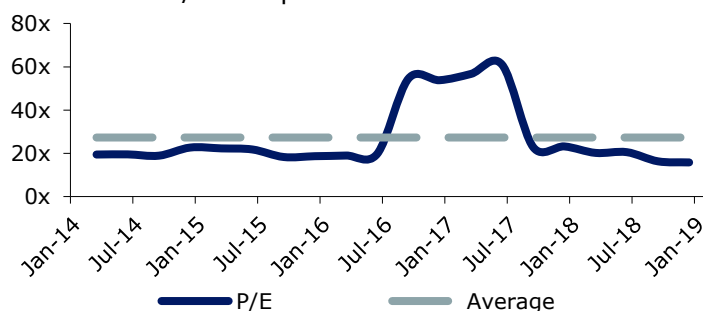
Revenue Multiples - Amcor Limited



EBITDA Multiples - Amcor Limited



P/E Multiples - Amcor Limited



Public Basket

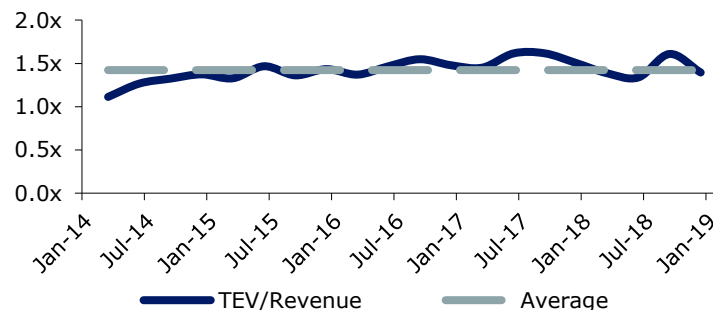


Crown Holdings, Inc.

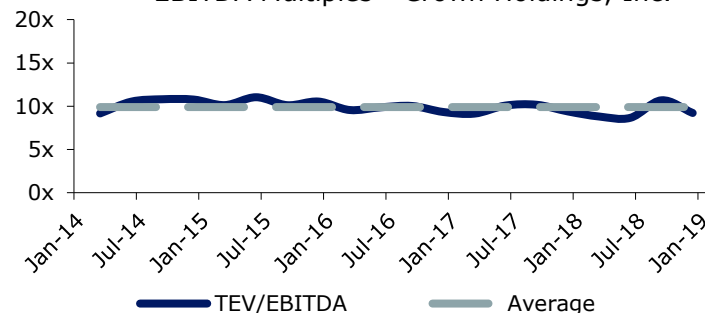
Crown Holdings, Inc. designs, manufactures, and sells packaging products for consumer goods in the Americas, Europe, and the Asia Pacific. Its primary products include steel and aluminum cans for food, beverage, household, and other consumer products; glass bottles for beverage products; and metal vacuum closures, steel crowns and caps. The company sells these products to the soft drink, food, citrus, brewing, household products, personal care, and various other industries. It also offers aerosol cans and ends; and promotional and specialty packaging containers with various lid and closure variations. The company was founded in 1927 and is headquartered in Yardley, Pennsylvania.

Date	Key Development Headline
12/11/18	Crown Holdings Intends To Seek Acquisitions
4/2/18	Crown Holdings, Inc. (NYSE:CCK) completed the acquisition of Signode Industrial Group LLC from The Carlyle Group L.P. (NasdaqGS:CG).

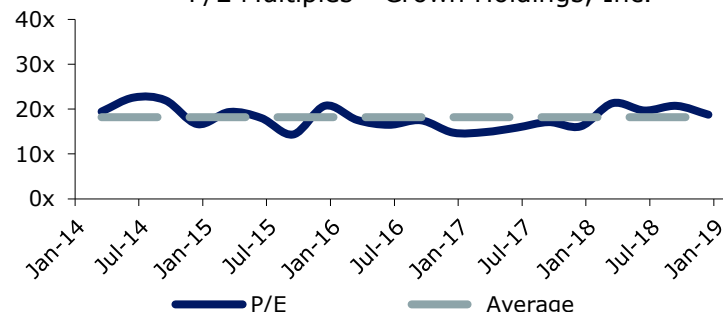
Revenue Multiples - Crown Holdings, Inc.



EBITDA Multiples - Crown Holdings, Inc.



P/E Multiples - Crown Holdings, Inc.



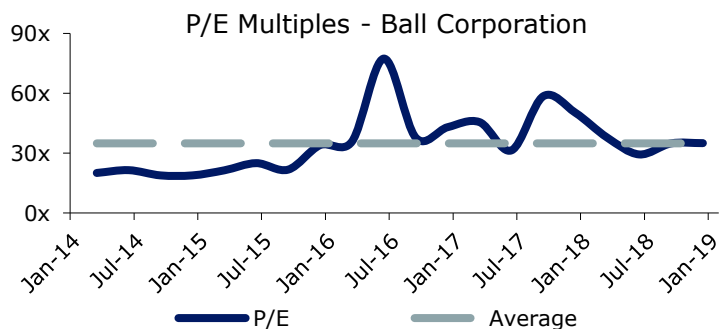
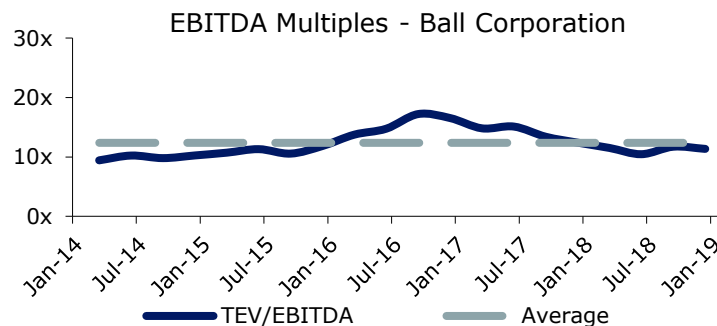
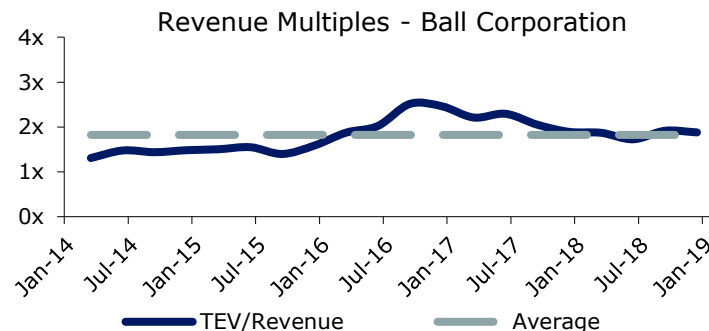
Public Basket



Ball Corporation

Ball Corporation supplies metal packaging products to the beverage, food, personal care, and household products industries. It operates in five segments: Beverage Packaging, North and Central America; Beverage Packaging, South America; Beverage Packaging, Europe; Food and Aerosol Packaging; and Aerospace. The Beverage Packaging, North and Central America segment manufactures and sells metal beverage containers to fillers of carbonated soft drinks, beer, energy drinks, and other beverages. The Beverage Packaging, South America segment offers metal beverage containers. The Beverage Packaging, Europe segment manufactures and supplies aluminum beverage containers. The company was founded in 1880 and is headquartered in Broomfield, Colorado.

Date	Key Development Headline
12/12/18	ORG Technology Co., Ltd. (SZSE:002701) agreed to acquire metal beverage packaging facilities of Ball Corporation (NYSE:BLL) for approximately \$230 million.
7/30/18	Platinum Equity, LLC completed the acquisition of 51% stake in U.S. Steel Food and Aerosol Packaging Manufacturing Assets from Ball Corporation (NYSE:BLL).
6/21/18	Ball Corporation Forms Joint Venture with Platinum Equity
6/20/18	Platinum Equity, LLC entered into a definitive agreement to acquire 51% stake in U.S. steel food and aerosol packaging manufacturing assets from Ball Corporation (NYSE:BLL) for an enterprise value of approximately \$680 million.



CONTACT INFO

7MA provides Investment Banking & Advisory Services to the Business Services and Technology Industries globally. We advise on M&A and private capital transactions and provide market assessments and benchmarking. As a close-knit team with a long history together and a laser focus on our target markets, we help our clients sell their companies, raise capital, grow through acquisitions, and evaluate new markets. Securities offered through 7M Securities LLC.

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